NOV 14 1949

UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 81st CONGRESS
FIRST SESSION

VOLUME 95—PART 3

MARCH 21, 1949, TO APRIL 9, 1949
(PAGES 2805 TO 4224)

UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON, 1949

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

LAW LIBRARY
FEDERAL WORKS AGENCY

NOV 14 1949

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 81st CONGRESS, FIRST SESSION

SENATE

MONDAY, MARCH 21, 1949

(Legislative day of Friday, March 18, 1949)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O God our Father, before turning to face the pressing duties of another week, humbly we bow at this our shrine of the Spirit. Help us to be still and know that Thou art God. Forgive us that we talk so much and are silent so seldom, that we are in such constant motion and are so rarely still, that we depend so implicitly on the effectiveness of our manipulations and so little on the power of Thy Spirit.

Take, we pray Thee, all pride, greed, and injustice from this dear land of liberty whose representatives we are set aside to be. Grant to us the spirit of unselfish service which alone can make individuals and nations great. Teach us so to wait upon Thee for power and guidance that we may renew our strength, mount up with wings as eagles, run and not be weary, walk and not faint. We ask it in the ever Blessed Name. Amen.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he also announced that the President had approved and signed the following acts:

March 17, 1949:

S. 170. An act to authorize the transfer of certain property to the Secretary of the Interior, and for other purposes; and

S. 673. An act relating to the pay and allowances of officers of the Naval Reserve performing active duty in the grade of rear admiral, and for other purposes.

March 19, 1949:

S. 315. An act for the relief of Dr. Chung Kwai Lui.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

S. 90. An act to provide for permanent-residence status of Richard Kim;

H. R. 1870. An act for the relief of Doris Marie Richard;

H. R. 2216. An act to amend the National Security Act of 1947 to provide for an Under Secretary of Defense;

H. R. 2485. An act to authorize the attendance of the United States Marine Band at the Eighty-third and Final National Encampment of the Grand Army of the Republic to be held in Indianapolis, Ind., August 28 to September 1, 1949;

H. R. 2546. An act to authorize the Secretary of the Air Force to establish land-based air warning and control installations for the national security, and for other purposes;

S. J. Res. 36. Joint resolution for the authorization of a special contribution by the United States for the relief of Palestine refugees;

S. J. Res. 56. Joint resolution extending an invitation to the International Olympic Committee to hold the 1956 Olympic games at Detroit, Mich.; and

H. J. Res. 89. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress.

THE JOURNAL—WITHHOLDING SPEECHES FROM THE RECORD

Mr. LUCAS. Mr. President, I ask unanimous consent that the reading of the Journal be dispensed with.

Mr. WHERRY. Mr. President, reserving the right to object, may I inquire most respectfully of the distinguished majority leader if he has consulted with the Senator from West Virginia [Mr. NEELY] relative to the unanimous-consent request I made last Friday?

The VICE PRESIDENT. The Chair will state that there is nothing in the Journal about that. The Journal does not contain any notation in regard to it.

Mr. WHERRY. May I continue my inquiry?

The VICE PRESIDENT. Certainly.

Mr. WHERRY. While I know it is not in the Journal, yet I do feel that the RECORD should be complete, and I am asking once again whether, if the request is renewed, the majority leader will consent to my unanimous-consent request that the speech of the Senator from West Virginia be placed in the body of the RECORD without my having to read it. I want the Senate to get along with its work. I wish to help in getting consideration of the rent-control measure. The request is a very simple one, and one which I think should be granted. I do not intend to object to dispensing with the reading of the Journal, but I am submitting my inquiry now to the able Senator.

Mr. LUCAS. Mr. President, we debated this issue at some length last Friday, before the Senate took a recess until today. The Senator from West Virginia [Mr. NEELY] was absent at the time.

Mr. NEELY. Mr. President, will the Senator please speak loud enough for us to hear him?

Mr. LUCAS. I stated that the Senator from West Virginia was absent at the time. After some debate I finally objected to the request made by the minority leader, the Senator from Nebraska.

I may say to the Senator from West Virginia that in the beginning I had no objection, but as the debate made some progress and I discovered the facts of the situation from the Parliamentarian, and other Senators took part in the debate, I finally did object, because I thought the Senator from West Virginia should be present when the matter was considered. I certainly have no objection to the request, if the Senator from West Virginia has none. He is now present and can speak for himself with respect to this important matter.

Mr. NEELY. Mr. President——

Mr. LUCAS. I yield to the Senator from West Virginia.

Mr. NEELY. I do not know what is the matter with the Senator from Nebraska or what he wishes to accomplish, but if there is to be more discussion similar to that disclosed by last Friday's RECORD, I certainly desire to participate in it. The Senate's time should not be wasted and its patience should not be abused by another controversy like that which encumbered the pages of Friday's RECORD. We should proceed to consider some of the important matters, such as rent control, housing, antilynching and anti-poll-tax legislation, and many other subjects of Nation-wide concern in which the Senator from Nebraska should be deeply interested.

I was amazed to learn that the question of the time at which the address I delivered on this floor last Thursday should be printed in the RECORD was considered of such tremendous importance that half a session of the Senate had been devoted to its discussion, and that the proceedings had cost the Government several hundred dollars.

Let me briefly indicate the origin of the case before us. Last Thursday evening I spoke extemporaneously in the Senate for more than an hour. I did not have a single sentence of a prepared speech or a single written reminder of what the speech should contain. A little while before I obtained recognition, I observed that the Senator from Nebraska was apparently preparing to leave the floor. I went to him and courteously informed him that I expected to address the Senate, and intended to refer to him, but not unkindly, in the course of my remarks. I assured the Senator of my unwillingness to speak about him in his

absence, without having given him due notice of my intention. The Senator courteously thanked me. He later honored me with his presence. With his usual vigor, he joined me in debate. Ten times he asked me to yield. Ten times I complied with his request. The Senator from Nebraska consumed at least a fourth of the time I held the floor. Later he addressed the Senate. After he had referred to me in his remarks, I asked him to yield to me. He did not meticulously observe the Golden Rule. He refused.

In view of my precaution against speaking of the Senator except in his presence, I was amazed to know that in my absence last Friday he had made what amounted to an attack on me relative to a matter that was properly characterized by the great Senator from Illinois [Mr. LUCAS] as an attempt to make a mountain out of a mole hill.

The custom of revising remarks in the Senate is one which I do not believe anyone, unless it be the Senator from Nebraska, would desire to discontinue.

In my opinion, Senators owe the people the duty of revising senatorial extemporaneous remarks, which, as a rule, contain much repetition, and frequently many infelicities. Occasionally they contain split infinitives, pronouns without antecedents, nouns in the nominative case which should be in the objective, and so on—ad infinitum. Until the rules of the Senate forbid, I shall exercise the immemorial senatorial privilege of revising my extemporaneous remarks. This service I owe the Senate; I owe it to the country; I owe it to the school children who have a right to expect members of the greatest legislative body in the world to express themselves in conformity with the rules of grammar, logic, and rhetoric.

My purposes in temporarily, and only temporarily, withholding my remarks from the RECORD were these:

First, when I concluded my address between 6 and 7 o'clock in the evening, I knew that the official reporters of debates were already overworked and weary, and that they would probably be obliged to continue to carry on until midnight or later. Therefore, perceiving no reason for haste in the matter of publishing my remarks, I asked a page to inform Mr. Murphy, in effect, that he and his assistants need not burden themselves by preparing a copy of my address for Friday's RECORD.

Second, I fully realized that the numerous interruptions by distinguished Senators from Maine on the east to California on the west—in addition to the ten by the Senator from Nebraska for which I had yielded—would necessarily make the task of revising and proofreading in this case unusually burdensome.

In the circumstances, I did not see this 105-page typewritten transcript of my speech and its interruptions until 10 minutes before 12 o'clock noon on the following day.

Half an hour later I started to West Virginia to keep an appointment there on Friday night. On Saturday, to my astonishment and regret, I learned from a representative of the Associated Press that the temporary omission of my address from the RECORD had precipitated a debate, which consumed a large part of Friday's session of the Senate and had caused an unusual tempest in the senatorial teapot.

Let me assure the Senator from Nebraska that he need not fear that I will ever be a party to withholding from the American people anything he may add to my remarks. He is an honorable man. I would no more think of robbing the public of the educational values contributed or the statesmanlike philosophies expounded by the Senator from Nebraska than I would think of withholding the Ten Commandments from a new edition of the Holy Bible. I would be as loath to revise my composition to the prejudice of the Senator as I would be to the dropping of a bomb on the Capitol of the Nation.

The Senator's remarks, which are freely interspersed with mine, will all appear in the RECORD in due time. But they will not appear, except upon the order of the Senate, until after I have had a reasonable opportunity to revise my extemporaneous address.

Let me make this observation not as a threat but as a solemn warning. If the Senate should decide that Senators' extemporaneous remarks cannot be revised, the enforcement of that decision, without exception, will be vigorously demanded as long as I am a Member of this body.

Mr. WHERRY. Mr. President——

The VICE PRESIDENT. The Senator from Illinois [Mr. LUCAS] has the floor. Does the Senator from Illinois yield to the Senator from Nebraska to propound a question?

Mr. LUCAS. I yield.

Mr. WHERRY. May I inquire if we can have the assurance that after the Senator from West Virginia has revised his own remarks he will return the manuscript so that it can be introduced in the body of the RECORD? Is the Senator going to object to that?

Mr. NEELY. I assure the Senator that I shall be delighted to have the entire speech printed in the body of the RECORD just as soon as it has been revised.

Mr. WHERRY. Mr. President, will the Senator from Illinois yield to me further?

Mr. LUCAS. I yield.

Mr. WHERRY. The answer of the distinguished Senator from West Virginia is that after he has had an opportunity to revise his own remarks there will be no objection by him to the request I made to place not only his speech but the colloquy engaged in between him and other Senators in the body of the RECORD.

Mr. NEELY. There will not only be no objection, but I shall, if permitted, join in the request.

The VICE PRESIDENT. The Joint Committee on Printing would have jurisdiction to say where it is to be printed.

Mr. WHERRY. I wanted to be sure that my unanimous-consent request would not be objected to. I asked the Senator from West Virginia if he would object, and he has given me assurance that he will not object.

The VICE PRESIDENT. Without consent given by the Joint Committee on Printing the matter cannot be printed in the body of the RECORD, even by unanimous consent of the Senate. But the Chair is not now passing on that.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LUCAS. Do I correctly understand that unanimous-consent request is now being made to place into the body of the RECORD the transcript as it now appears?

Mr. NEELY. Oh, no.

Mr. LUCAS. Without editing? Or after the Senator from West Virginia has edited his remarks, and they have been submitted to other Senators—that then it be placed in the RECORD.

Mr. WHERRY. That is all I ask.

Mr. LUCAS. In connection with the other remarks that were made by other Senators.

The VICE PRESIDENT. That is the way the Chair understood the request.

Mr. NEELY. If it is to print the manuscript in the RECORD without revision I shall object, but if the request is to print after revision I shall enthusiastically concur.

Mr. WHERRY. I thank the Senator from West Virginia. If he will allow me 2 minutes, I shall conclude this discussion.

I did not charge the Senator from West Virginia with bad faith. I made a simple request, and I thought there would be no objection to it.

This is the first time in my experience, in 6 years, that this question has been raised. I suppose it has been raised before. I did not know anything about the practice of withholding speeches from the RECORD and having them published in the Appendix. I think they ought to be in the body of the RECORD. The more I study the question, the more satisfied I am that when colloquy has been engaged in a Senator does not have the right to withhold the remarks indefinitely and finally have them printed in the Appendix. The rule provides that if he does not want to have them printed in the Appendix he does not have to.

As I stated on Friday, with all the humility I could, it is very important that all the statements made by Senators on the floor should be a part of the RECORD as it appears next day for consideration in the Senate. I want to preserve that precedent and that tradition. Now that my request has been granted, I will say nothing more about it. However, I wish to look into the rules. I agree with the Senator from West Virginia that he should have the privilege of revising his remarks, so long as he does not make any substantive changes. As I understand, under the rules a speech may be withheld. If it is not returned within 30 days, it is not printed at all. If some Senator were not interested in having his remarks appear in the RECORD, and did not take the position which the Senator from West Virginia has taken, he might withhold his speech entirely, together with the colloquies with other Senators on both sides of the aisle. That is a precedent which we do not want to establish.

The VICE PRESIDENT. Does the Senator from West Virginia object to

the request of the Senator from Nebraska?

Mr. NEELY. As I understand, it includes the revision for which I asked.

The VICE PRESIDENT. The request made by the Senator from Nebraska was that the manuscript as it now stands be printed in the body of the RECORD without revision.

Mr. WHERRY. Mr. President, the request which I made last Friday was as stated by the Vice President. I would certainly extend to the Senator from West Virginia every right to revise any of the diction or grammar, so long as the substantive matter is not changed or deleted from the speech.

Mr. NEELY. Mr. President, if the Senator from Nebraska will revise his unanimous-consent request in accordance with the observations he has just made, I repeat that I shall not object.

Mr. WHERRY. Mr. President, I am glad to revise the unanimous-consent request to provide that the Senator from West Virginia may have the same right he has always had, to revise his diction or grammar, but not to change the subject matter, because in that subject matter the Senator from West Virginia certainly said things which I feel should be in the body of the RECORD, and not in the Appendix, and not discarded after 30 days.

The VICE PRESIDENT. The Chair may state that this question arose about 10 years ago between the present occupant of the chair and the Senator from Massachusetts [Mr. LODGE]. The present occupant of the chair made a speech on the floor, and did not place it in the RECORD that day. The following day, or a day or two later, the Senator from Massachusetts asked unanimous consent that it be printed. The Senator from Kentucky objected, and the Chair then held that, in view of the rule, if a speech were not printed in the RECORD of the day it was made, it could not go in the RECORD except in the Appendix; and that under the rule if it were not printed within 30 days, it could not be printed at all, even by unanimous consent. The Chair would like to look into that ruling a little further. As the Chair recalls, Senator La Follette, of Wisconsin, was in the chair.

Mr. WHERRY. Mr. President, whatever the rule is, I shall abide by the rule. I do not wish it to appear that I am eager to get into the RECORD words which I felt were rather derogatory of the Senator from Nebraska. The thing I want to get into the RECORD is the fact that the Senator from West Virginia made me a general and ranked me along with General Lee and Gen. Stonewall Jackson. I do not want that part deleted by reason of a possible withholding of the speech from the RECORD for longer than 30 days.

Mr. LUCAS. Mr. President, now that we have found out what the Senator from Nebraska has been talking about, we are very happy. That part will not be deleted at all. I am sure that the Senator from West Virginia will want to classify the Senator from Nebraska with Gen. Robert E. Lee and other great generals.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. NEELY. Mr. President, this will be my last observation on the pending subject.

Let me make it as clear as crystal that I did not elevate the able Senator from Nebraska to the rank of Gen. Robert E. Lee, Jubal Early, or Stonewall Jackson. I asked, "What would those great old generals say if they could look down from the heights of heaven and see this new general from Yankeeland ordering a charge by sons of Confederate veterans who had covered themselves with glory? What would they say if they beheld this Yankee general mounted on a cornstalk horse, brandishing a wooden sword, leading southern democratic soldiers in an attack on the Lucas and Truman men?" In my opinion they would say:

Ancient of days! * * * where,
Where are thy men of might? thy grand in soul?
Gone—glimmering through the dream of things that were:
First in the race that led to Glory's goal,
They won, and pass'd away—is this the whole?
A schoolboy's tale, the wonder of an hour!
The Warrior's weapons and the sophist's stole
Are sought in vain, and o'er each mouldering tower
Dim with the mist of years, grey flits the shade of power.

The VICE PRESIDENT. The Chair might make some contribution toward settling this question by offering to procure a commission as a Kentucky colonel for any Senator. [Laughter.]

Mr. WHERRY. Mr. President, in return I shall be glad to have the Chair made an admiral in the Nebraska Navy, if he will accept. [Laughter.]

LEGISLATIVE PROGRAM

Mr. LUCAS. Mr. President, the great issue which has taken so much of our time has been settled to the satisfaction of both the Senator from Nebraska and the Senator from West Virginia. I should like to make one or two observations before we start debating the pending issue before the Senate, which is the rent-control measure.

As Senators well know, for the past 3 weeks we have been in constant session debating the amendment to the cloture rule, which was the business before the Senate. That issue has been settled, and we are now confronted with a backlog of legislation upon the Senate Calendar.

It is my sincere hope that we may dispose of the rent-control issue with all convenient speed, at the same time permitting every Senator full opportunity to debate the amendments and the substance of the bill itself. However, in view of the fact that the present rent-control law expires on March 31, I am constrained to make this observation for the benefit of my colleagues on both sides of the aisle: In the event we are not making progress upon this bill as rapidly as I believe we should by Wednesday of this week, there will be night sessions starting Wednesday, in the hope that we can complete consideration of the measure as rapidly as possible thereafter.

My hope is that we can finish consideration of the rent-control bill in 2 or 3 days. I honestly believe that we can do so if we stick to the text and debate the issue which is really before the Senate. Obviously, I would not oppose or could not oppose or object to the presentation by any Senator of any extraneous matter he might desire to present to the Senate; but in view of the extraneous matters which have been debated in the Senate and presented to the Senate in the last 3 weeks, it seems to me that the Senate in all good grace and good conscience should more or less stick to the text and follow the rule of germaneness, even though I know such a rule is not a part of the Senate rules and never will be. But I make a solemn plea to Senators on both sides of the aisle to do everything in their power to refrain from debating extraneous matters, in view of the deadline which applies not only to rent control but also to the Economic Cooperation Administration, for the ECA bill will follow immediately upon the conclusion of our consideration of the rent-control bill. I make this request in the utmost good faith, in the hope that all of us will cooperate and will do everything possible to expedite the business now pending.

PERSONAL STATEMENT

Mr. HOEY. Mr. President, I wish to call attention to an article appearing in today's Washington Post, under the heading "The Washington Merry-Go-Round," by Mr. Drew Pearson. About half way down the article the following appears:

NORTH CAROLINA BLOOD IS THICK

Senator CLYDE HOEY, of North Carolina, is on the Senate Expenditures Committee, now engaged in probing alleged political favoritism inside the RFC whereby former Congressman Frank Hancock, of North Carolina, used his brother-in-law, Ernest Howard, inside the RFC, to arrange Government loans for clients. This has netted various fees for Hancock. Although Senator HOEY is taking no part in the Senate investigation, his committee is. And during the investigation Senator HOEY showed up as guest of honor at a luncheon given by Mrs. Ernest Howard, who is the wife of one man under investigation and the sister of the other—Frank Hancock.

Mr. President, I wish to say that there are just two or three slight errors in that article.

To begin with, I was not a guest of Mrs. Ernest Howard at any dinner. I was a guest at a dinner given by the Citizens' Association of Washington; and Mrs. Ernest Howard was chairman of the women's general division committee, and she invited me on behalf of the association. I attended a similar dinner under similar circumstances last year.

In the second place, the Mrs. Ernest Howard who invited me to attend that dinner on behalf of the association is not related by either blood or marriage to the Ernest Howard of the Reconstruction Finance Corporation or to former Representative Hancock, of North Carolina. The two families are entirely different. The Mrs. Howard whose invitation I accepted is the wife of a gentleman who has been in the office of the Fire Marshal of this city for some 30

years. She is not related to former Representative Frank Hancock in any form or fashion.

Furthermore, the investigation of the matter referred to in the article is an investigation of the activities of the Strickland Furniture Co., of North Carolina, in connection with its obtaining of a loan from the Reconstruction Finance Corporation. As soon as the question of making the investigation came up in the committee, I appointed the Senator from Maryland [Mr. O'CONOR], the Senator from Louisiana [Mr. ELLENDER], and the Senator from Wisconsin [Mr. MCCARTHY] a subcommittee to make the investigation. I asked them to make a full report of all matters in connection with the investigation, and none of it at all came to me. I did that purely because the subject of the investigation originated in North Carolina and concerned North Carolina people, and, therefore, I wanted to be above any suggestion that I was trying to color or influence the report on the investigation in any respect.

All I wish to say about Mr. Pearson in this matter is that he is just a little bit careless in getting his facts.

APPOINTMENT OF POSTMASTERS UNDER CIVIL SERVICE

Mr. JOHNSTON of South Carolina. Mr. President, on Friday last, the Senate passed Senate bill 1174, relating to the appointment of postmasters. There is an identical House bill in the Committee on Post Office and Civil Service.

Therefore, in order to expedite the parliamentary situation, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from the further consideration of the said bill (H. R. 253); that it may be considered as passed in lieu of the Senate bill; that the vote on the passage of the Senate bill be reconsidered; and that the latter bill be postponed indefinitely.

The VICE PRESIDENT. Without objection, it is so ordered.

LEAVE OF ABSENCE

Mr. CONNALLY asked and obtained consent that Mr. JOHNSON of Texas be excused because of illness from the sessions of the Senate during the present week.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred, as indicated:

AMENDMENT OF CIVIL SERVICE ACT

A letter from the President of the United States Civil Service Commission, recommending legislation to amend the act of January 16, 1883, an act to regulate and improve the civil service of the United States; to the Committee on Post Office and Civil Service.

REPORTS OF COMMISSION ON ORGANIZATION OF EXECUTIVE BRANCH OF GOVERNMENT

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on social security—education—Indian affairs (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting pursuant to law, a report on public welfare (appendix P) (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on Indian affairs (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report, part 7, on functions and activities of the National Government in the field of welfare (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on medical activities (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on Federal medical services (appendix O) (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on Federal medical services (supplement to appendix O) (with an additional report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on Federal health activities and programs (appendix B) (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on area surveys (Appendix C) (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on Federal medical services (Appendix D) (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on Federal medical services (appendix E) (Psychiatry and Neurology) (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on Federal medical services (Appendix F—Armed Forces Hospitalization) (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on Federal medical services (Appendix G—Medical Manpower) (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on Federal medical services (Appendix H—Medical Education and Training Programs in Federal Agencies) (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on Federal medical services (Appendix I—Preventive Medicine and Public Health) (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on Federal medical services (Appendix J—Medical Research) (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on Federal medical services (Appendix K—Medical Supply) (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on Federal medical services (Appendix L—Actuarial Projections) (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution of the Senate of the State of Texas; to the Committee on Foreign Relations:

"Senate Resolution 75

"Whereas it appears from present reports that a serious effort is now being made to induce the Congress of the United States to take the necessary steps toward completion of the Great Lakes-St. Lawrence seaway and power treaty; and

"Whereas the Senate of the State of Texas, although actuated by every desire to cooperate with the Government in its plans for our national defense, firmly believes that such a development would not be in the public interest in any manner, but would be hostile to the best interests of the State of Texas and of the United States, as it would disrupt and demoralize the transportation systems of the United States, land and water, and would disastrously affect the economic welfare of the country; and would particularly work a hardship on the Texas ports, and would cause irreparable injury to a large percentage of the public interests and labor of this State and Nation: Now, therefore, be it

"Resolved by the Senate of the State of Texas, That it go on record as being strongly opposed to this project; and be it further

"Resolved, That the Congress of the United States, and particularly the Senators and Representatives elected from the State of Texas, be memorialized and requested to use their utmost influence in opposition to said project; and be it further

"Resolved, That a copy of this resolution be immediately transmitted to the Secretary of the United States Senate, Col. Edwin A. Halsey; to the Speaker of the House of Representatives, Hon. SAM RAYBURN; and to each Senator and Representative elected from the State of Texas."

Resolutions of the General Court of the Commonwealth of Massachusetts, relating to slum clearance and low-cost housing projects; to the Committee on Banking and Currency.

(See text of resolutions printed in full when presented by Mr. LODGE (for himself and Mr. SALTONSTALL) on March 18, 1949, p. 2747, CONGRESSIONAL RECORD.)

A letter in the nature of a petition from The Methodist Federation for Social Action, of New York, N. Y., signed by Jack R. McMichael, executive secretary, relating to compulsory military training; to the Committee on Armed Services.

A telegram in the nature of a petition, signed by James H. Sheldon, administrative chairman, Non-Sectarian Anti-Nazi League, of New York, N. Y., relating to the German industrial exposition sponsored by AMG at New York on April 9; to the Committee on Armed Services.

Resolutions adopted by the Common Council of the City of Norwalk, Conn.; the Common Council of the City of Tonawanda, New York; and the City Council of the City of Worcester, Mass., favoring the enactment of legislation proclaiming October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

A letter in the nature of a petition from the Victoria United Benevolent Society, Inc., of New York, N. Y., signed by Arthur Daley, president, relating to the admission into the United States of persons from the West Indies; to the Committee on the Judiciary.

The petition of W. C. Graves, Jr., of Mountain View, Calif., relating to rent control; ordered to lie on the table.

A resolution adopted by the City Council of the City of Chicago, Ill., favoring inclusion of permanent residents of hotels in any rent-control law; ordered to lie on the table.

By Mr. NEELY (for himself and Mr. KILGORE):

A concurrent resolution of the Legislature of the State of West Virginia; ordered to lie on the table:

"House Concurrent Resolution 22

"Concurrent resolution memorializing the Congress in opposition to the appropriation of Federal funds to plan and initiate construction of a coal-burning steam power plant for the Tennessee Valley Authority

"Whereas the Congress has had under consideration the appropriation of $2,500,000 to provide plans and initiate construction of a coal-burning steam unit for the TVA which would eventually cost at least $85,000,000; and

"Whereas bituminous coal production is West Virginia's greatest basic industry, providing a livelihood for 125,000 West Virginia coal miners who are dependent on continued high production of bituminous coal; and

"Whereas the proposed coal-burning steam power plant for TVA would directly or indirectly displace a large tonnage of West Virginia coal; and

"Whereas many industries now domiciled in the northeastern portion of the United States have been seeking locations for new plants in areas where coal and other sources of power are more abundant, are locating in the TVA area rather than in West Virginia because of the advantages provided at TVA at the expense of taxpayers in West Virginia and other States outside that area; and

"Whereas many West Virginia communities, now wholly dependent for support upon the bituminous coal, are seeking new industries to provide for greater employment now as well as to utilize either for fuel or processing a greater volume of West Virginia's coal within the borders of the State; and

"Whereas the members of the West Virginia Legislature, particularly those from coal-producing and new-industry-seeking areas of West Virginia concerned about the displacement of West Virginia's coal miners, through competition from the TVA: Now, therefore, be it

"Resolved by the house of delegates (the senate concurring therein), That we urge the Congress of the United States to refuse to approve the $2,500,000 appropriation for a coal-burning steam power plant for the TVA and that we earnestly request West Virginia's Members of the Senate and the House of Representatives to use all honorable means to oppose the pending appropriation, and that a copy of this resolution be forwarded to all Members of the West Virginia Delegation in the Congress and the chairmen of the appropriate committees thereof."

By Mr. SALTONSTALL (for himself and Mr. LODGE):

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on the Judiciary:

"Resolutions memorializing Congress to make certain changes in the Displaced Persons Act of 1948, so-called

"Whereas the present Federal law, known as the Displaced Persons Act of 1948, allowing the admission into the United States of certain displaced persons, is manifestly discriminatory against members of the Catholic and the Jewish faiths; and

"Whereas said law discriminates against persons because of their land of origin, religion, and occupations: Therefore be it

"Resolved, That the General Court of Massachusetts strongly urges the Congress of the United States and the leaders therein of the Democratic and Republican Parties to lend their strongest efforts for the enactment of legislation to end such discrimination, and to liberalize said law by removing therefrom in the definition of "eligible displaced person" the restrictive admittance date of December 22, 1945, and by removing the preference granted to those eligible displaced persons who have previously been engaged in agricultural pursuants; and be it further

"Resolved, That copies of these resolutions be sent forthwith by the State secretary to the President of the United States, to the Presiding Officer of each branch of Congress, and to the Members thereof from this Commonwealth.

"In house of representatives, adopted, March 10, 1949.

"LAWRENCE R. GROVE,
"Clerk.

"In senate, adopted, in concurrence, March 16, 1949.

"IRVING N. HAYDEN,
"Clerk."

Resolutions adopted at a meeting of citizens of the towns of Ashby, Grafton, and Westwood, all in the State of Massachusetts, favoring action to promote the strengthening of the United Nations into a limited government for world affairs; to the Committee on Foreign Relations.

By Mr. BUTLER:

A resolution of the Legislature of the State of Nebraska; to the Committee on Agriculture and Forestry:

"Legislative Resolution 19

"Resolution memorializing the Congress of the United States to continue the light-horse-breeding program at Fort Robinson Military Reservation

"Whereas the United States Army in July 1947 discontinued the Army remount and use of Fort Robinson Military Reservation and turned Fort Robinson along with the light-horse-breeding program over to the Department of Agriculture of the United States Government; and

"Whereas since the Bureau of Animal Industry of the Department of Agriculture of the United States Government has been operating the Fort Robinson Military Reservation for the purpose of continuation of the light-horse-breeding program, it has cooperated with the College of Agriculture of the University of Nebraska for continued experimental work with both light horse and cattle breeding: Now, therefore, be it

"Resolved by the members of the Nebraska Legislature in sixty-first session assembled:

"1. That the Congress of the United States continue to make provision for the continuation of the Department of Agriculture light-horse-breeding program at Fort Robinson Military Reservation in order that the splendid equipment and facilities which include extensive pastures, adequate barns, and a modern animal laboratory may be utilized for research for the benefit of the livestock industry.

"2. That copies of this resolution, suitably engrossed, be transmitted by the clerk of the legislature to the Vice President of the United States as Presiding Officer of the Senate of the United States, to the Speaker of the House of Representatives of the United States, to each Member from Nebraska in the Senate of the United States and in the House of Representatives of the United States, and to the Secretary of the Department of Agriculture of the United States."

PROTEST AGAINST MISSOURI VALLEY AUTHORITY LEGISLATION

Mr. BUTLER. Mr. President, I have received a letter from F. H. Young, secretary of the Lions Club of Lyman, Nebr., embodying a resolution adopted by that club protesting against the proposed Missouri Valley Authority legislation, and I ask unanimous consent that it may be appropriately referred and printed in the RECORD.

There being no objection, the letter was referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

INTERNATIONAL LIONS CLUB,
Lyman, Nebr., March 9, 1949.

Senator HUGH BUTLER,
Senate Building, Washington, D. C.

DEAR SIR: The North Platte Valley is vitally interested in irrigation and flood control. The following resolution unanimously adopted by this club represents the feeling of this community. We hope you will be able to give it favorable consideration:

"Whereas there has recently been introduced in the Senate by Senator MURRAY and others, a bill which would create and establish a Missouri Valley Authority; and

"Whereas this club and the Lyman community feel that any such legislation is unnecessary and would work a severe hardship on the farmers of the North Platte Valley and for the further reason that we are satisfied with the present form of control of the river waters in this section of the State; and

"Whereas this body is opposed to any Federal legislation which might conflict with the present status of the farmers and business of this section; and

"Whereas we feel that we have a much better set-up under the present administration of the Bureau of Reclamation, which has 45 years of experience in this area: Therefore be it

"Resolved, That this club is definitely opposed to the proposed Missouri Valley Authority bill or any similar bill; be it further

"Resolved, That a copy of this resolution be sent to Senators and Congressmen and other interested parties."

Yours very truly,

F. H. YOUNG,
Secretary.

RESTORATION OF INDEPENDENCE OF LITHUANIA

Mr. MARTIN. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD, a resolution adopted by the

Pittston chapter of the American-Lithuanian council, chapter 44 of the United Lithuanian Relief of America, Inc., jointly with other church organizations affiliated with St. Casimir's Lithuanian Roman Catholic Church of Pittston, Pa., during the course of a program to commemorate the thirty-first anniversary of the independence of Lithuania, held in Pittston High School auditorium, Sunday evening, February 20, 1949.

There being no objection, the resolution was referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

The Pittston Chapter of the American-Lithuanian Council, Chapter 44 of United Lithuanian Relief of America, Inc., jointly with other church organizations affiliated with St. Casimir's Lithuanian Roman Catholic Church of Pittston, Pa., during the course of a program to commemorate the thirty-first anniversary of the independence of Lithuania, held in Pittston High School auditorium, Sunday evening February 20, 1949, adopted the following resolution:

"Whereas for over 20 years prior to the commencement of World War II, the Republic of Lithuania was a free and independent nation, its people were happy, carefree, and peace-loving, making great progress in economic, cultural, and governmental endeavors; and

"Whereas the Republic of Lithuania became a battleground of warring neighbors; its neutrality was violated time after time by both the Russians and the Germans, and the Lithuanian people were made victims of ruthless warfare in the cross-fire between these two warring powers; as the fortunes of war turned Lithuania was "liberated" by each in its turn, the final "liberation" was by Russia; and

"Whereas the principles of political independence enunciated in the declaration by the United Nations and the Atlanic Charter is a hollow mockery in the light of the present suppression of the Lithuanian people, who are undergoing a shameless conquest, the victim of as bold and cynical a diplomatic campaign as any large nation has ever waged against a gallant, honorable but weaker neighbor; and

"Whereas Communist excesses in other countries have reminded the world of the ordeal that Lithuania has been enduring for almost a decade; oppression and tyranny have been at their worst in Lithuania, the Communists have been liquidating and exiling countless thousands of its people, with the result that the plight of Lithuania today is more desperate than ever, and its chief hope of survival now rests with those patriots who fight on in Lithuania and those who fled the "liberations" and have become known as displaced persons who do not choose to return to their native land, Lithuania, until it has been truly liberated and returned to the status of a free and independent nation: Therefore be it

"*Resolved*, That an appeal be directed to the Government of the United States of America, and through it to the Council of the United Nations, that domination of Soviet Russia over Lithuania be withdrawn, and that Lithuania's sovereign rights as a free and independent nation be restored; and further that a copy of this resolution be sent to the President of the United States of America, the Secretary of State, the Committee on Foreign Affairs, the United States Senators from Pennsylvania, and to the local Congressman from Luzerne County."

PICKETING OF CERTAIN COURTS—RESOLUTION OF EXECUTIVE COUNCIL OF NEBRASKA STATE BAR ASSOCIATION

Mr. WHERRY. Mr. President, on behalf of my colleague, the senior Senator from Nebraska [Mr. BUTLER] and myself, I present for appropriate reference and ask unanimous consent to have printed in the RECORD a resolution adopted by the Executive Council of the Nebraska State Bar Association relating to picketing of certain courts, which was sent to me by George H. Turner, secretary of that association, on the 19th instant.

There being no objection, the resolution was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

RESOLUTION ADOPTED BY THE EXECUTIVE COUNCIL OF THE NEBRASKA STATE BAR ASSOCIATION

That the executive council of the Nebraska State Bar Association condemns the picketing of courts, Federal and State, as an interference with and obstruction of the administration of justice, the purpose of which can only be to influence, intimidate, and coerce the courts in connection with matters, prospective or pending, before them;

That ours is a government of laws and not of men, and that in the orderly administration of justice it is necessary that our courts be impartial and independent in the application and construction of the laws and thus free from any intereference or acts which will result in a disrespect for law and constitutional government under law; that such picketing constitutes a clear and present danger and may constitute a threat to the integrity and independence of the judiciary and our form of government;

That a copy of this resolution be forwarded to Mr. Henry P. Chandler, Director of the Administrative Office of the United States Courts, with the request that this matter be brought to the attention of the judicial conference of the United States; and that copies of this resolution be sent to the President of the United States and to the Representatives of this State in Congress so that should additional legislation become necessary in order to protect the integrity of our Federal courts, such Representatives will know the attitude of the bar of Nebraska with respect thereto.

ADMINISTRATIVE EXPENSES OF EMPLOYMENT SECURITY BOARD—RESOLUTION OF MARYLAND HOUSE OF DELEGATES

Mr. O'CONOR. Mr. President, I present to the Senate a formal resolution adopted by the House of Delegates of the Maryland Legislature proposing the reduction of taxes by the Federal Government to pay administrative costs of employment security boards.

This resolution was introduced by John C. Luber, chairman of the Banking Insurance and Security Committee of the Maryland legislative body and one of its most experienced members.

I request that this resolution be appropriately referred and printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Finance, and, under the rule, ordered to be printed in the RECORD, as follows:

Resolution relating to the administrative expenses of the Employment Security Board

Whereas as part of the enactment of employment security and unemployment-compensation insurance, the Federal Government has provided that every employer having eight or more employees must pay to the Federal Government a tax of three-tenths percent of his pay rolls to pay administrative costs of the several employment security boards; and

Whereas these tax payments are wholly separate and distinct from other payments made to the State of Maryland from which the actual unemployment-compensation benefits are paid; and

Whereas it has been the history of these payments to the Federal Government for administrative expenses that the Federal Government has collected much more money than it has ever returned to the States for such administrative expenses; and

Whereas this collection of excess moneys is well illustrated by the current fiscal year during which it is estimated the Federal Government will collect approximately $224,000,000 from taxpayers throughout the country, while it has appropriated only about $130,000,000 for the payment of administrative expenses to the several employment security boards: Now, therefore, be it

Resolved by the House of Delegates of Maryland, That this body hereby memorializes the Congress of the United States either to reduce the amount of tax collected to defray the administrative costs of unemployment compensation or to return the excess amounts to the several States; and be it further

Resolved, That this resolution be spread upon the journal of the house and that the chief clerk of the house be, and he is hereby, instructed to send copies thereof to the President of the United States, to the Social Security Board, to the chairman of the Employment Security Board of Maryland, to each Member of the Maryland delegation in the Congress of the United States, to the council of State governments, and to the employment security board or unemployment compensation board of every State in the United States.

By the house of delegates, February 8, 1949.

C. FERDINAND SYBERT,
Speaker of the House of Delegates.

PERSECUTIONS OF RELIGIONS IN COMMUNIST-DOMINATED COUNTRIES—RESOLUTIONS OF MARYLAND DEPARTMENT OF CATHOLIC WAR VETERANS

Mr. O'CONOR. Mr. President, at their recent Department Convention in Baltimore, on February 19, 1949, the Catholic War Veterans of the United States of America, Department of Maryland, adopted a resolution on the persecutions of religions in Communist-dominated countries that merits the attention of all well-intentioned persons in the United States.

Another resolution adopted at the same convention commends the efforts of the United States Attorney, John F. X. McGohey, New York southern district and his assistants, for their fidelity to duty in connection with the protection of our country and its institutions against Communist activities.

I ask unanimous consent that both of the resolutions be appropriately referred and printed in the RECORD.

The VICE PRESIDENT. Without objection, the resolutions will be received and appropriately referred.

To the Committee on Foreign Relations:

"Resolution on persecutions of religions in Communist-dominated countries

"Whereas the persecution of 15 Protestant ministers in Bulgaria now being undertaken by the Communist regime which has usurped control of that unfortunate country shows conclusively that communism is hostile to all revealed religions of all types; and

"Whereas this new persecution follows closely upon the unjust trial and life imprisonment of Josef Cardinal Mindszenty of Hungary for among other things having shown his friendship for the United States of America and having innocently had some

friendly relations with certain officials and citizens of the United States: Now, therefore, be it

"Resolved, That the Maryland department of the Catholic War Veterans of the United States of America deplores the persecution of religions now being conducted in countries dominated by Communist regimes and further deplores the hatred and hostility toward the United States so frequently voiced by spokesmen for such regimes, which hatred is often more bitter and implacable than any expressed by any Japanese spokesmen during the time when the Pearl Harbor attack was being planned; and be it further

"Resolved, That the Maryland department of the Catholic War Veterans of the United States of America urges the national department to suggest to President Truman, and to the State Department of the United States, the taking of every possible proper means to prevent further persecution of religions in Bulgaria, Hungary, or any other countries with which the United States maintains diplomatic relations (whether by invoking relevant terms of treaties with such countries, or by proceeding through the United Nations Organization, or otherwise) to the end that the fundamental right of every human being to practice the religion of his or her free choice may be preserved and safeguarded; and be it further

"Resolved, That the Maryland department of the Catholic War Veterans of the United States of America urges the national department to suggest to President Truman and to the State Department of the United States that every possible proper step be taken as aforesaid to undo the injustice to the 15 Protestant ministers in Bulgaria as well as that recently done to Cardinal Mindszenty and his codefendants in Hungary; and be it further

"Resolved, That copies of these resolutions be sent to the Governor of the State of Maryland and to the presiding officers of the houses of the Maryland Legislature now in session."

To the Committee on the Judiciary:

"Resolution on letter of commendation to United States Attorney John F. X. McGohey

"Whereas adequate and effective defense against all incitements or attempts to overthrow the Government of the United States of America by force or violence should at all times be the chief duty of all officials and employees of that Government and the chief concern of all United States citizens, particularly those who are veterans of wars and campaigns fought by our armed forces for the preservation of that Government; and

"Whereas United States Attorney John F. X. McGohey and his assistants are conscientiously and steadfastly endeavoring, notwithstanding unprecedented abuse, villification, and obstructive tactics, to discharge faithfully the duty devolving upon them as a consequence of the indictment, by a grand jury, of 11 members of the national board of the Communist Party: Now, therefore, be it

"Resolved, That we citizens of the United States and veterans of wars and campaigns fought in defense of its constituted Government, and members of the Maryland department of the Catholic War Veterans of the United States of Ameria, do hereby extend to Mr. McGohey and all his assistants this expression of our sincere appreciation and commendation for their edifying fidelity to an arduous duty, and an expression of our sympathy on account of the campaign of character assassination to which they have been subjected, and we earnestly urge them to preserve in the performance of this difficult duty until the aforementioned members of the national board of the Communist Party shall be either acquitted or convicted of the charges that they have been teaching or advocating the forcible overthrow of the United States Government."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCARRAN, from the Committee on the Judiciary:

S. 566. A bill to fix the salaries of certain justices and judges of the Territory of Hawaii; without amendment (Rept. No. 132);

S. 1030. A bill to amend the Federal Tort Claims Act to increase the time within which claims under such act may be presented to Federal agencies or prosecuted in the United States district courts; with an amendment (Rept. No. 135); and

S. 1043. A bill to amend section 1705 of title 18 of the United States Code; without amendment (Rept. No. 133).

By Mr. McGRATH, from the Committee on the Judiciary:

S. 326. A bill to amend the War Claims Act of 1948; without amendment (Rept. No. 131).

COMPENSATION OF CERTAIN GOVERNMENT EMPLOYEES—MINORITY VIEWS (PT. 2 OF REPT. NO. 130)

Mr. LANGER (for himself, Mr. HENDRICKSON, and Mr. ECTON), submitted minority views on the bill (S. 498) to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies, which were ordered to be printed.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Mr. McCARRAN. Mr. President, from the Committee on the Judiciary, I ask unanimous consent to report an original concurrent resolution, relating to the suspension of deportation of certain aliens, and I submit a report (No. 134) thereon.

The VICE PRESIDENT. Without objection, the report will be received, and the concurrent resolution will be placed on the calendar.

The concurrent resolution (S. Con. Res. 23) was ordered to be placed on the calendar, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each person hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months.

A-9561344, Abrahamsen, Arne.

A-6233871, Acriche, Leo Abravanel or Leon Acriche.

A-5984018, Aguallo, Ofelia, or Ofelia Aguayo.

A-9748978, Ahmed, Mustafa Ali (alias Mustafa Ali Achmed).

A-5672802, Alter, Mollie (nee Malke Rubinstein).

A-2457068, Aman, Eigene Vites.

A-6195641, Amanatides, Erasmia, or Erasmia Sonikides.

A-6655514, Anderson, Albert Lorenzo.

A-6536080, Anjewierden, Dirk.

A-6724309, Aranda, Miguel Angel, or Miguel Aranda or Miguel Aranda-Tarango.

A-3882033, Arnoso, Louis Varela.

A-6526204, Asher, Vivian Catherine (nee Jones).

A-1862941, Atkinson, Stanley Reid.

A-9559565, Augustinius, Jose Herman.

A-5919879, Back, Erik Nestor Ernfried.

A-4024370, Bain, Zacharies, or Zechariah Bain (alias Zachirihi Bain alias Zacirihi Bain).

A-2495593, Bank, John.

A-7592940, Baptiste, Emma Josefina (nee Lujan Molina).

A-4354716, Baur, Ludwig, or Ludwig Bauer.

A-4188915, Bechara, Joseph Charles, or Joseph Bechara or Joseph Charles.

A-2069293, Beckford, Percival.

A-5342459, Bernier, Ann Claudine (nee De Freitas).

A-3121501, Betz Fred August, or Friederich August Betz or Frederick August Betz or Fred Betz.

A-4826785, Bin, Anita (nee Toppazinni).

A-9666533, Blom, Jan Leendert.

A-3081497, Boffa, Luciano.

A-5309178, Bould, James.

A-5971012, Bousses, Nicolaos Stamatiou.

A-9769305, Bradley, John Hubert.

A-5991350, Brandon, Bertha Emily (nee Field).

A-1278361, Burrows, John James (alias Jack Burrows).

A-6489021, Campbell, Alexander.

A-2817248, Candelora, Francesca (nee Zaffino).

A-4743272, Castro, Mercedes, formerly Mercedes Alvarez (nee Mercedes Figueroa).

A-2022520, Chang, Mo Poon.

A-7552570, Chang, Teresa Alay.

A-5141080, Chaves, Faustino, or Faustino Chavis or Faustino Chavez or Faustino Chavis Murillo.

A-2229390, Chinn, Yue Gim, or Gee Yen Gim or Yem Gim Gee or Yue Gim Gee or Yu Gim Chin.

A-2592334, Cohen, Moe Martin.

A-1715256, Cohen, Sarah Iroff (alias Sarah Iroff alias Sally Epstein).

A-6246598, Coltras, Marica.

A-6303160, Contreras, Jose, or Jose Almanza Contreras.

A-5117652, Corrao, Carlo.

A-6069924, Cox, Silveria Pana.

A-6663382, Cragg, George Robert.

A-4377394, Cremades, Miguel (alias Miguel Cremades Villarroya alias Mike Valencia).

A-4335395, Ducksey, Anna Krebs, or Nita Krebs.

A-1164881, Daniels, Jean Rene (alias Jean Rene Francois Daniels or Gaston Carle).

A-5668032, Darkovich, Peter Stoiche.

A-5971753, Davis, Gladys Ovilda Gladys, or Gladys Ovilda Georges.

A-3860479, Dedis, Pantelis John.

A-5740896, De Flores, Reyes Valenzuela, or Reyes Valenzuela or Reyes Valenzuela Flores.

A-4150561, De Hernandez, Josefa Torres, or Josefa Torres.

A-2817560, Delgado, Jesus Maria.

A-4691015, De Llaverias, Maria Catalina (nee Evertsz).

A-2767060, De Lucero, Manuela Avina, or Manuela Avina.

A-6063059, De Luzuriaga, Enrique Ruiz.

A-6405944, Luzuriaga, Evelyne Patricia.

A-6405945, Luzuriaga, Eugenio.

A-1722409, Deneau, Harold Edward.

A-5863272, De Saine, Adeline (nee Simpson).

A-5302400, Di Gregorio, Paola or Pauline (nee Onorato).

A-4840700, Domenighini, Albert, or Aurelio Domenighini.

A-6261640, Domosiaris, Kalliopi.

A-6212801, Domosiaris, Konstantinos or Constantinos.

A-5909782, Dos Santos, Joaquim Antonio.

A-5982057, Doush, Joseph Harry.

A-5296040, Doyle, Paulette Marie (nee Briand).

A-6755401, Dumitrescu, Radu.

A-5455559, Duncan, Yeta Rosemburz or Jetta Rosemburz De Mojica or Yeta Rosemburz De Mojica or Yeta Rosemburz.

A-6037097, Duncanson, Wentworth Eustace.

A-4647266, Erdos, Vincent or Vince.

A-9651529, Eriksen, Magne, or Magne Taranger or Magne Taranger Eriksen.

A-5053925, Ertman, Einar Leopold Konstantin.

A-5053923, Ertman, Ellen Alice (nee Seppanen or Elli Alisa).

A-3974381, Escudero-Pascual, Nicholas, or Nicholas Escudero.
A-5209421, Fagervik, Carl Ingvald.
A-3720405, Fantasia, Salvatore.
A-2370108, Fantin, Teresa (nee Teresa Pagura).
A-3329048, Fazio, Pietro (alias Peter Fazio).
A-3788785, Fein, Anna (nee Anna Fishman).
A-5678327, Fisch, Meschulim, or Manny Fisher.
A-5415760 Flores, Angelina Nieto, or Angelina Nieto.
A-5415761, Flores, Eliseo, or Raphael Trejo.
A-1473200, Ford, Thomas Francis.
A-1615234, Fotenos, Stamatios (alias Steve Fotenos).
A-5180485, Fragakis, Stavros Georgiou.
A-5541925, Fuentes, Domingo.
A-6366532, Galindo, Maria Teresa.
A-5238894, Gansz, Elisabeth Anna Helene or Elisabeth or Elizabeth Gansz (nee Scholz).
A-1216334, Gargiulo, Philippo or Philip.
A-5220833, Geffke, Fritz Herbert.
A-9769263, Gialourakos, Nicholas John (alias Nicolaus Yialourakos or Nick Gialourakos).
A-6211352, Gittins, Alvin Lcraine (alias Charles Gittens).
A-6211350, Gittins, Gwendolen Mary Ellis.
A-1500640, Gloor, Theresa, or Theresa Koller (nee Schneider).
A-9544853, Gomes, Raul Fonseca.
A-3767333, Gonzalez, Pedro Arambula (alias Pedro Arambula alias Pedro Gonzalez alias Pedro Arambula Gonzalez alias Pedro A. Gonzales).
A-6199843, Goodstein, Stella, or Stella Zweig (nee Esther Akselrad).
A-6757483, Goudsmit, Jeannette, or Jeannette Smith.
A-3007301, Graeber, Adolf Paul, or Adolf Graeber.
A-1363182, Grant, Frank.
A-6458400, Greaves, Gayle Louise, or Gayle Louise Schluter.
A-4196849, Gripaios, Mabel (nee Birch).
A-6277086. Hanvey, Evelyn Maria.
A-2693302, Haroutunian, Constance, or Knarig Gazarosian or Knarig Keyaian or Connie Haroutunian.
A-2464397, Harrigan, Alice Mabel (nee Dickson).
A-6239763, Hermann, Liba Pourova.
A-4947943, Hernandez, Mario Perez (alias Mario Hernandez alias John Luis Perez Hernandez).
A-6267143, Holness Gloriana.
A-4887327, Holscher Anton Karl.
A-4963344, Hoogestraat, Herman Johann.
A-2766922, Hopfeld, Heyneman Herman.
A-2271554, Horn, Elmer Harry, or Elmar A. Horn.
A-7529293, Hsiang, Tso Ming, or Hisang Tso Ming.
A-2486359, Hsiang, Lan Ying Hsu (nee Lan Ying or Lan Ying Hsu).
A-4686786, Huang, I-Chen, or Huang I-Chen or Chen Huang or Huang Chen.
A-6210416, Iriarte, Blancamadruga.
A-6042302, Janiszewski, Zofia, or Zofia Mizera.
A-1636675, Jimenez (de), Esperanza Margarita Moreno, or Esperanza Margarita Jimenez Moreno.
A-3107724, John, Renee (nee Wan Lai Wong or Lai Wan Wong).
A-2559002, Johnsen, Arnst Henry, or Arnest Johnsen.
A-6167344, Jones, Sheldon William.
A-7674176, Kaniel, Alte Feiga Rivka (nee Kaplan).
A-1326265, Karaffa, Joseph.
A-3443887, Karsch, Gustav Adolf.
A-4602439, Karusis, Constantinos, or Gust A. Karousis or Constantinos Caroussis.
A-6248971, Katsohi, Vasilike (nee Hassope or Hassopis).
A-7606490, Ke, I-Djen Ho.
A-7606670, Ke, Ting Su.
A-6406522, Keating, John Stanley.
A-6193198, Kelly, Randi Erna Eleanor (nee Nagell).
A-9573408, Kingshott, John Horace Frederick Walter, or John Kingshott.
A-5560625, Kiss, Louis.
A-5686338, Kiss, Mary Josephine (nee Kun).
A-5952073, Klampfer, Alois, or Louis or Alois Ibitz.
A-6576269, Kornoff, Mary Dobrinin, or Mary Dobrinin.
A-5969606, Kraij, Gjuro Nikola (alias George Kralj).
A-2462421, Krivec, Mike or Michael.
A-4755227, Laakso, Jalmar Kustaa, or Gust or Gus Laakso.
A-3136596, Leandro, Constantino.
A-6186635, Lee Ellen Sun (nee Ai-Ling Sun).
A-4097955, Lehman, Ludwig.
A-5341744, Lema, Mary Juliana, or Meeri Juliana Lema (nee Lundull).
A-7634421, Lu, Rosabel (nee Hsu).
A-3415507, Lynch, James Patrick.
A-2867817, Manguso, Guido (alias Guido Mancuso).
A-9540001, Manolakakis, Theodoros Emanuel, or Theodore Emanuel Manolakakis or Theodore Antone Emanuel.
A-5104652, Mantione, Rosario (alias Loverdi, Antonio, alias Colodio Senna alias Antonio Laverde).
A-9517528, Marmarinos, Grigorios, John, or Grigorios (Gregory) John Marmarinos.
A-5955493, Marmoratos, Gregorio Domenico, or Gregorio Marmorato.
A-3100503, Martinez, Ceferino, or Ceferino Martinez Garcia.
A-3591468, Mayr, Henry, or Ferdinand Mayr.
A-3589127, Mazelow, Lillian (alias Lily Mazelow, nee Kaplan).
A-4076891, Mazelow, William.
A-6405631, McCallum, Elsa.
A-5882989, Melis, Isidoros (alias Sederis Melis or Mellis).
A-5990876, Meraz, Jose, or Jose Meraz Andrade or Manuel Garcia or Jose Mirass or Jose Miras.
A-6365722, Meza, Esiquio (alias Exequiel Meza).
A-4779627, Mihalka, Artur, or Arthur M. Maroth.
A-4561348, Milici, Joseph Catanese, or Charles Martin.
A-5690483, Moeller, Rudolph Christian.
A-5780774, Friederichs, Agnes, formerly Agnes Friederichs Kniffke.
A-6098940, Molina, Margarita.
A-6098941, Molina, Delia.
A-6098942, Molina, Graciela.
A-6098943, Molina, Heriberto.
A-4818636, Moller, Paul Theodor, or Paul Moller or Paul Miller.
A-5568513, Montion, Juanita (alias Juanita Lozano or Gomez).
A-4881272, Moore, Mary Margaret (nee Wilton, formerly Stevens).
A-7724011, Mora (y), Manuel Ramon Garcia.
A-3554834, Moser, Peter.
A-3489800, Naftis, Matheos George (alias Mathaios Georgios Naftis).
A-1686562, Nagel, Erwin.
A-9769308, Nicola, Primo.
A-6199844, Nieves, Delia (nee Delia Francisca Gonzalez Trigola or Delia Gonzalez y Pugula).
A-9524302, Nielsen, Svend Aage.
A-6444886, Niemeyer, Elzo, or Dick Niemeyer, or Dick Van Hall.
A-2824650, Onga, John Rodica, or Severino Rodica.
A-4656663, Orshingher, Umberto Vittorio (alias Umberto Victorio Orsingher).
A-6171441, Pamphilis, Isabella (nee Mougannis).
A-5414747, Panariello, Pietro.
A-2036945, Pantring, Otto Wilhelm.
A-4908373, Pappou, Asthanasios (alias Athas Pappou or Athos Papou).
A-2230076, Pavlis, Apostolos Paraskevas, or Charles P. Pavlis.
A-6261580, Paykou, Alexandra nee Galiuri; Kallis.
A-6313070, Perez, Eduardo.
A-5294203, Petroutsa, Eleftherios Panayiotou, or Edward Panayioutou Petroutsa.
A-4866498, Philippen, Peter Joseph.
A-5132908, Pinto, Jacinto, or Jacinto Pinto Riquerme or Victorino or Francinto Pinto.
A-3584354, Polatos, Vasilios, or William Polatos or Polatos.
A-6610940, Press, Doris, or Dora nee Herscovitch or Doris or Dora Hearst.
A-6288530, Quintana-Lopez, Angel, or Antonio Lopez.
A-6288530, Quintana-Lopez, Angel, or Antonio Lopez Chintana.
A-1993852, Rade, John Paul.
A-6314073, Raptou, Eleftheria Apostolou (nee Economidis).
A-5263521, Rasch, Heinz.
A-9651792, Redo, Waclaw.
A-2933966, Reichelt, Martha Luise.
A-5182094, Reiswig, Elsie Ruth, or Elsie Ruth Kukert.
A-3273271, Reiter, John, or Johann Reiter.
A-6199573, Resch, Walter.
A-6698292, Rieger, Ingrid.
A-6041092, Rios-Cardoza, Carmen (alias Carmen Cardoza Rios).
A-6051086, Rios-Cuellar, Herminio (alias Herminio or Herman Guellar Rios).
A-6041091, Rios-Cuellar, Juana (alias Juana or Jenny Cuellar Rios).
A-6075212, Robb, Elvira (nee Camara).
A-6624990, Rodriguez, Jesus, or Jesus Rodriguez-Hernandez.
A-5445641, Roeben, Richard Arthur Frederick, or Richard Fred Roeben or Rosen.
A-3711643, Rolla, Felice Francesco.
A-4175237, Rollins, John.
A-1490125, Rotondo, Giovanni or John.
A-6088182, Rueda, William Henry, or Guillermo Enrique Rueda.
A-6083480, Rueda, Ana Maria.
A-5399553, Rueger, Oscar, or Oskar Ruger.
A-6220625, Sacorafas, Athanasia Constantinau (nee Kapnia).
55860/943, Salmivaara, Laina Martha Maria, or Martha Lake.
A-5991510, Samuels, Armon, or Herman Murdock.
A-3167740, Schilling, Franz Xaver.
A-6234223, Schou, Svend Aage.
A-1768899, Scombulis Panagiotis Georgian, or Peter Scombul or Panagiotis G. Scombulis.
A-4405150, Sejfer, David, or David Seefer or David Seifer Y Kiply or Kipin (alias David Sobol).
A-6093512, Shaik, Mohammed Ismail, or Batir Uddin (Udding).
A-4255673, Shannon, William Antonio or Conton.
A-6436388, Shemroy, Margaret.
A-7648407, Sjoberg, Arne Leonard Ivar, or Arne Sjoberg or Arne Leonard Sjoberg.
A-9769913, Small, Richard John.
A-6078132, Snodgrass, Aurelia (nee Aquino).
A-5947407, Sodergard, Lars Verner Aaron.
A-9552911, Sonneville, Wilhelmus Johannes.
A-6195001, Sotter, Despina, or Despina Soteriou.
A-5863250, Stathopoulos, George Constantine (alias George C. Stathis).
A-4567264, Stamatopoulos, Panagiotes George, or Peter G. Stamos.
A-6171438, Stefanopoulos, Alexandra (nee Zervos).
A-9502898, Svenson, Sven Bertil or Sven Bertil or Bertil Svenson.
A-4887710, Tachman, Louis, or Louis Leib.
A-1916810, Tarwater, Ruth Lucille (nee Ruth Lucille Burns).
A-4814027, Thompson, Jane Kennedy Orr or Jean.
A-9656937, Tonseth, Einar Gerhard.

A-3465184, Traikoff, George Atanas, or George A. Traikoff.
A-5997606, Tromblay, Brigida Colango.
A-1020274, Valensuela-Rivera, Nicolas.
A-5953947, Vanterpool, Othelia Zephera, or Othelia Zephera Maddox.
A-6682322, Vidana, Jose.
A-6268881, Villeneuve, Eleanor Rose (nee Perrin).
A-5367655, Vlattas, Philip Leonidas, or Philipas Vlattas.
A-3317688, Vrahatis, John Leonidas.
A-5124778, Vukmanovich, Dusan (alias Ban Bukas).
A-3782648, Warmbold, Helen Martha, or Helen Martha Winkler, Helen Altman, Helen Martha Heckendorf.
A-4491798, Wasmer, Joseph.
A-6669931, Watson, Raymond.
A-1386494, Wilkins, Ivan King.
A-9783055, Wojcicki, Stanislaw.
A-6178542, Yarbrough, Vera Petrovna (nee Vera Petrovna Shebleva).
A-4410248, Zaffino, Joseph or Giuseppe.
A-2817247, Zaffino, Raffaela Maria (nee Mannella).
A-5870857, Zane, Irene Hsu (nee Irene Kingman Hsu).
A-6397729, Zanotelli, Giuditta Mengoni.
A-2554473, Zavala, Pedro Reyes, or Pedro Zavala-Reyes.
A-4494003, Ziccardi, Kay (nee Neamonitis or Katina Neamonitis or Papalambro or Pappalombris or Pappalombro).
A-4782964, Zuluaga, Angel (alias Angel Zuluaga Bidasolo).

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

John R. Nichols, of New Mexico, to be Commissioner of Indian Affairs, vice William A. Brophy, resigned.

By Mr. McCARRAN, from the Committee on the Judiciary:

Bernard Fitch, of Connecticut, to be United States marshal for the district of Connecticut; and

Dimitre A. Batchoff, of Montana, to be United States marshal for the district of Montana, vice George A. Wright.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CHAVEZ:

S. 1319. A bill to establish the United States Air Force Academy at Clovis, N. Mex.; to the Committee on Armed Services;

S. 1320. A bill for the relief of Mrs. Barbarita Romero;

S. 1321. A bill for the relief of Joseph Chiana; and

S. 1322. A bill for the relief of Yuk Onn Won; to the Committee on the Judiciary.

By Mr. ANDERSON:

S. 1323. A bill to declare that the United States holds certain lands in trust for the Pueblo Indians and the Cañoncito Navajo group in New Mexico, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. YOUNG:

S. 1324. A bill to provide for the modification of the Corps of Engineers flood-control project on the Heart River at Mandan, N. Dak.; to the Committee on Public Works.

By Mr. McMAHON:

S. 1325. A bill for the relief of William Oliver Barber; to the Committee on the Judiciary.

By Mr. ECTON:

S. 1326. A bill authorizing the Secretary of the Interior to convey certain lands in Valley County, Mont., to Alfred Robert Appelgren; to the Committee on Interior and Insular Affairs.

By Mr. McKELLAR:

S. 1327. A bill requiring a loyalty oath to be taken by officers and employees of the United States Government; to the Committee on the Judiciary.

By Mr. TYDINGS:

S. 1328. A bill conferring jurisdiction on the Court of Claims to hear, determine, and render judgment on the claims of W. C. Jackson; to the Committee on the Judiciary.

By Mr. HOLLAND:

S. 1329. A bill for the relief of Raleigh B. Diamond; to the Committee on the Judiciary.

By Mr. BUTLER:

S. 1330. A bill to authorize the sale of certain allotted inherited land on the Winnebago Reservation, Nebr.; to the Committee on Interior and Insular Affairs.

EXTENSION OF RENT CONTROL—AMENDMENTS

Mr. CAIN (for himself and Mr. BRICKER) submitted amendments intended to be proposed by them, jointly, to the bill (H. R. 1731) to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes, which were severally ordered to lie on the table and to be printed.

Mr. McCARRAN submitted two amendments intended to be proposed by him to the bill (H. R. 1731) to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes, which were ordered to lie on the table and be printed.

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT TO DEFICIENCY APPROPRIATION BILL

Mr. MAYBANK submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 2632) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes, the following amendment, namely: After the paragraph on "Federal Housing Administration" under the caption "Housing and Home Finance Agency" in the bill, insert the following:

"PUBLIC HOUSING ADMINISTRATION

"The second proviso in the paragraph under the heading 'Federal Public Housing Authority' in title I of the Government Appropriation Act, 1948, is hereby repealed as of July 1, 1947.

"The second proviso in the paragraph under the hearing 'Public Housing Administration' in title I of the Government Corporations Appropriation Act, 1949, is hereby repealed as of July 1, 1948."

Mr. MAYBANK also submitted an amendment intended to be proposed by him to House bill 2632, making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

PRINTING OF REVIEW OF REPORT ON YADKIN-PEE DEE RIVER AND TRIBUTARIES, NORTH AND SOUTH CAROLINA (S. DOC. NO. 31)

Mr. CHAVEZ. Mr. President, I present a letter from the Secretary of the Army, transmitting a report dated June 19, 1946, from the Chief of Engineers, United States Army, together with accompanying papers and an illustration, on a review of reports on Yadkin-Pee Dee River and tributaries, North Carolina and South Carolina, requested by a resolution of the Senate Committee on Public Works, and I ask unanimous consent that it may be printed as a Senate document, with an illustration.

The VICE PRESIDENT. Without objection, it is so ordered.

PRINTING OF REVIEW OF REPORT ON DETROIT RIVER, MICH. (S. DOC. NO. 30)

Mr. CHAVEZ. Mr. President, I present a letter from the Secretary of the Army, transmitting a report dated June 17, 1948, from the Chief of Engineers, United States Army, together with accompanying papers and illustrations, on a review of report on the Detroit River, Mich., with a view to improvement of Trenton Channel and Turning Basin (west of Grosse Ile), requested by resolution of the Senate Committee on Public Works, and I ask unanimous consent that it may be printed as a Senate document, with illustrations.

The VICE PRESIDENT. Without objection, it is so ordered.

CHANGE OF REFERENCE

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent that the Committee on Interstate and Foreign Commerce be discharged from further consideration of the bill (S. 6) to aid in preventing shortages of petroleum and petroleum products in the United States by promoting the production of synthetic liquid fuels, and that it be referred to the Committee on Interior and Insular Affairs.

The VICE PRESIDENT. Without objection, it is so ordered.

EXCERPTS FROM ADDRESSES AT 1944 MEMORIAL DAY SERVICES AT GETTYSBURG

[Mr. MARTIN asked and obtained leave to have printed in the RECORD addresses delivered at the Memorial Day services at Gettysburg, Pa., on May 30, 1944, by the late Senator Broughton, of North Carolina; Senator SALTONSTALL, of Massachusetts; and himself, which appear in the Appendix.]

ADDRESSES BY SENATOR McMAHON AND DAVID E. LILIENTHAL ON THE OCCASION OF THE OPENING OF OAK RIDGE, TENN.

[Mr. McMAHON asked and obtained leave to have printed in the RECORD an address delivered by him during the ceremonies attendant upon the opening of the city of Oak Ridge, Tenn., Saturday, March 19, 1949, and also the address delivered upon the same occasion by Mr. David E. Lilienthal, Chairman of the Atomic Energy Commission, which appear in the Appendix.]

THE FILIBUSTER—ADDRESS BY SENATOR THOMAS OF UTAH

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD a radio address entitled "The Filibuster," delivered by him on March 16, 1949, which appears in the Appendix.]

CIVIL RIGHTS—ARTICLE BY HOWARD W. ODUM

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an article entitled "This Is Worth Our Best," by Howard W. Odum, printed in the January 1949 issue of the Southern Packet, which appears in the Appendix.]

MR. CROSSMAN'S POLITICAL FERVOR—EDITORIAL FROM THE ATLANTA CONSTITUTION

[Mr. GEORGE asked and obtained leave to have printed in the RECORD an editorial entitled "Mr. Crossman's Political Fervor," from the Atlanta (Ga.) Constitution, March 18, 1949, which appears in the Appendix.]

ABSENCE OF SPAIN FROM NORTH ATLANTIC PACT—ARTICLE BY WILLIAM P. SIMMS

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD an article entitled "The Spanish Gnat," by William Philip Simms, published in the Washington Daily News, which appears in the Appendix.]

THE ATLANTIC PACT—EDITORIAL FROM THE WASHINGTON POST

[Mr. DONNELL asked and obtained leave to have printed in the RECORD an editorial entitled "Atlantic Pact," published in the Washington Post of March 19, 1949, which appears in the Appendix.]

NO MANDATE FOR SOCIALISM—ARTICLE BY JAMES H. McGRAW, JR.

[Mr. JENNER asked and obtained leave to have printed in the RECORD an article entitled "The Election of November 2, 1948, Gave No Mandate for Socialism," by James H. McGraw, Jr., published in the Washington Post for March 21, 1949, which appears in the Appendix.]

ECONOMIC CONDITIONS IN CONNECTICUT

[Mr. BALDWIN asked and obtained leave to have printed in the RECORD an article entitled "State in Grip of Recession, Declares Egan," from the New Haven (Conn.) Register, March 6, 1949, which appears in the Appendix.]

COLORED OLEOMARGARINE

Mr. WILEY. Mr. President, I send to the desk a very eloquent article which was published in the January 10, 1949, issue of the famous dairy magazine, Hoard's Dairyman. This article was written by a distinguished farm leader, the executive secretary of the Wisconsin Council of Agricultural Cooperatives, Mr. Milo K. Swanton. I ask that Mr. Swanton's splendid statement be reprinted at this point in the CONGRESSIONAL RECORD and that it be followed by an editorial on this same theme which was published in the Daily Jefferson County Union, of Fort Atkinson, Wis. This editorial has been reprinted in many Wisconsin papers like the Stanley Republican. Lastly, I ask that following this editorial there be printed several resolutions which I have received from Wisconsin dairy organizations which have very rightly requested that oleomargarine be denied use of the yellow color of the natural product, butter.

There being no objection, the matters were ordered to be printed in the body of the RECORD, as follows:

[From Hoard's Dairyman of January 10, 1949]

YELLOW OLEO—PROHIBIT ITS SALE AND MANUFACTURE

(By Milo K. Swanton, executive secretary of the Wisconsin Council of Agriculture Cooperative)

COLOR IS THE ISSUE IN NATIONAL CONFLICT—UNAFRAID OF HONEST COMPETITION, DAIRYMEN ACT TO FORCE OLEO TO SELL IN ITS OWN CLOTHES AND ON OWN MERITS

Dairymen, they say, are now talking a new language when they discuss the oleo question. Some oleo propagandists are claiming dairymen are in retreat.

On November 11 in Portland, Oreg., no armistice was declared by the dairy farmers from 47 States attending the annual convention of the National Cooperative Milk Producers Federation. There they reiterated their position that so long as the "butterleggers," as they called the yellow oleo makers, insist on the unfair trade practice of parading their product in imitation of butter's long-accepted yellow color, there will be no armistice. The dairy farmers of this day are therefore sticking to their guns on the same basic issue of color on which they today, and their fathers before them, have fought.

November 11 dairymen attending the Milk Producers Federation annual meeting said in resolution:

"The crux of the situation, today as always, is the use of the color yellow by imitators of butter to produce, as nearly as possible, a butter substitute resembling genuine butter. Federal and State Governments should prohibit the manufacture and sale of oleomargarine colored yellow in imitation and semblance of butter. If this is done, the butter-oleo trade war will be ended. It will then be practical to abolish the taxes, licenses, and fees affecting oleomargarine."

NEW STAND NOT A RETREAT

Clearly then this is no retreat. It simply means that from here on we should not recognize nor legalize yellow oleomargarine as we have done since 1886 by the old system of taxation. This so-called retreat is anything but a retreat. It is a forthright and sensible demand that henceforth prohibition rather than legalization must be the answer.

Lest there be any further misunderstanding of today's position taken by the dairy industry, the new policy of prohibition applies not to oleo as such. It applies only to yellow oleo designed to confuse, to confound, and to deceive consumers. If people want oleomargarine they are entitled to have it, knowing what they are getting. If they ask for and pay for butter, they are entitled to get real butter, not an imitation.

Consumers, I am sure, will agree with these dairymen that deception is a factor to be discouraged in the world of food. The theory of nutritive equivalency as a criterion for legalizing consumer deception by complete imitation in foods of vastly different origin should never be recognized. As in the use of beef or horse meat, which might be equally nutritious, the consumer at all times has a right to know which he is getting.

PRESERVE "CERTAIN INALIENABLE RIGHTS"

In the Declaration of Independence, reference was rightly made to "certain inalienable rights." Dairymen believe that among these rights are certain God given senses with which all natural persons are endowed. In the market place and at the table, whether at home or in public eating places, we have a right to rely upon our personal senses of sight, taste, hearing, smell, and feeling to help us in our selections of food and fiber. To deliberately confuse and deceive, to deprive and take away the use of any or all of these God given senses is a crime against the natural and inalienable rights of consumers.

Prohibiting rather than legalizing through taxation, the production and sale of yellow oleo is in reality a Magna Carta for consumers. This approach makes oleomargarine just as available in an equally nutritive form. At the same time it would preserve the consumer's right to distinguish the product by sight of color at all times and in all places.

Prohibiting rather than legalizing by taxation is not only safer for consumers, but it is also fairer in the long run for the manufacturers, wholesalers, and retailers of food products.

The dairy industry today has no quarrel with the old timers who, seeing the need for control, thought of taxation as the only means then known to regulate the unfair trade practice of deception by color imitation. The most effective approach then known was the imposition of license fees and taxes.

MORE EFFECTIVE THAN TAXATION

In the new proposal dairymen show clearly that they are not interested in taxing food if there is a more effective way to protect the consuming public against deception and the dairy farmer against insidious, unfair competition. It is their desire that merchants be freed from the bothersome detail of tax accounting.

Naturally the question is asked, how can we, without using the power of taxation and relying upon tax records, feel any assurance of adequate control? With yellow oleo prohibited, enforcement officials as well as consumers would have a clearly and easily recognized product. If found yellow in public eating places or in commerce it would be clearly in violation of the law.

By what means would violations be apprehended? Why does the dairy industry believe the new approach can be made effective? First of all, receding from the imposition of license fees and taxes is predicated on the stand that the first step must be prohibition of the manufacture and sale of yellow oleomargarine. The new proposal also demands prohibition of deceptive advertising. It would ban pictures showing the product as yellow and would ban the use of dairy farm and other dairy scenes which would tend to confuse consumer understanding.

Enforcement of the proposed oleo control and prohibition laws would be vested in the Federal Food and Drug Administration. This agency is best equipped to detect and to prosecute violators.

How will the new proposal meet enforcement within the several States? Remember a basic request of the new proposal is that State legislation also enforce prohibition against yellow oleo. Recent decisions of the United States Supreme Court have materially broadened the interpretation of the interstate commerce clause. Those decisions have been important factors in leading to the policy of yellow oleo prohibition and elimination of taxation, because the effect of these court decisions has been to broaden the power of Federal control within the boundaries of individual States to a degree not previously considered possible.

CONGRESS HAS THE POWER

The power of Congress to regulate interstate commerce involving commodities which are conducive to confusion, deception, and substitution was reviewed by the United States Supreme Court in the filled milk cases. In *Carolene Products Company* v. *U. S.* (323 U. S. 15, 65 S. Ct. 1 (1944)), the Court referred to the fact that "when compounded and canned, whether enriched or not, they are indistinguishable by the ordinary consumer from processed natural milk, the consumers of these compounds do not get evaporated milk * * *. The prevention of such practices or dangers through control

of shipments in interstate commerce is within the power of Congress * * *. Congress evidently determined that exclusion from commerce of filled milk compounds in the semblance of milk was an appropriate method to strike at evils which it desired to suppress."

The power of Congress to regulate interstate commerce has been further defined by the United States Supreme Court in the Agricultural Marketing Agreement Act in the case of *United States* v. *Rock Royal Cooperative* (307 U. S. 533, 59 S. Ct. 993).

In the Wrightwood Dairy Case (*United States* v. *Wrightwood Dairy Co.* (315 U. S. 110, 61 S. Ct. 525)), the Federal Court construed the act to apply to intrastate commerce because of competition with sales in interstate commerce.

In another Federal suit where the sale of drugs had passed through one intrastate exchange, the Court held that the Federal act was designed to control the product all the way through its delivery to the ultimate consumer. These are but a few examples indicating such interpretations of Federal statutes as will permit Federal regulation of intrastate activities which affect the flow of goods in interstate commerce.

In their new approach the dairy industry is showing sound judgment and fairness. It is proof sufficient that the dairymen of this country are not basically desirous of taxing competitive foods. Their insistence on color differentiation shows that their basic interest is in consumer protection and honest competition.

The test of these new proposals will come when the Eighty-first Congress convenes. What the attitude of the oleomargarine industry may be, whether or not it will insist on taking away from American consumers their inalienable rights at the market place remains to be seen. Color is the issue. Dairymen have indicated their willingness to meet the issue fairly and squarely in a way that will protect the rights of consumers.

And remember this stand of the dairy industry is a firmer stand—not a retreat. Their stand is for outright prohibition of color deception rather than legalization and recognition by taxation.

[From the Stanley (Wis.) Republican]

STEALING THE COLOR FROM BUTTER

We think that it is about time that more farmers and more city folks take a greater interest in the gallant fight that butter is now staging to protect its own natural, true yellow color that cheap substitutes are trying to steal.

All consumers should be vitally concerned in this battle, for there are 2,000,000 fewer dairy cows today than in 1942, and the continued sale of yellow imitations will cause further declines, resulting in higher prices for milk and meats. And farmers should be up on their high horse about it because surveys show that one of every three restaurants serves a yellow imitation when a customer asks for butter.

Unless the sale of yellow imitations is prohibited, fraud and deception will continue. We maintain that when a consumer asks for butter, and pays for butter, he is entitled to get nothing but butter—not an imitation.

If the "butterleggers" think their imitation product is so good, why don't they sell it under its own color instead of trying to make it appear like butter? The truth is that they will not sell their product on its own merit, unless forced to do so by legislation. If those "butterleggers" are successful in Congress this year, 2,500,000 dairy farmers of America will be the losers.

Yellow imitations now sell for as much as 27 cents a pound more than the uncolored substitute. It is plain to see that, if "butterleggers" have their own way, a cheap substitute for butter will not exist. Then consumers will be the losers.

The battle is reaching its climax. We must act now. Talk it up. Write to your Congressman. It's a fight worth winning. (Daily Jefferson County Union, Fort Atkinson, Wis.)

Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: We enclose a resolution passed by our membership of 1,164 Guernsey breeders in our recent annual meeting.

I hardly think it necessary to write our leaders and lawmakers from Wisconsin on this issue, when we all realize it is so vital to Wisconsin farmers and to agriculture and industry in all parts of the United States.

Prices paid for cottonseed oil and soybean oil used in the manufacture of oleomargarine is such a small part of the income even of our southern farmers, that it cannot compare with the great dairy industry.

We are thinking not only of the dairy industry but of the fraud to consumers if colored oleomargarine is allowed to be sold masquerading as butter.

Thanking you for help you have already given, I am

Yours most truly,
WISCONSIN GUERNSEY BREEDERS' ASSOCIATION,
GEORGE D. BRITTS, *Secretary.*

Whereas the dairy industry has made a definite guarantee to support the repeal of oleomargarine license fees and taxes, the moment the oleo monopoly ceases its unfair trade practice of consumer deception by coloring their product in imitation of butter.

The members of Wisconsin Guernsey Breeders' Association are in accord with this guarantee of the dairy industry and will support the repeal of license and tax fees, but only if the oleo industry ceases its deceptive coloring of their product in imitation of butter.

This resolution passed at our annual meeting in Madison, February 2, 1949.

CHARLES L. HILL, *Rosendale,*
MORRIS BRADLEY, *Franksville,*
HENRY LENZ, *Manitowoc,*
Committee.

MISHICOT FARM BUREAU,
Mishicot, Wis.

Senator ALEXANDER WILEY,
United States Senate, Washington, D. C.

HONORABLE SENATOR WILEY: We, the Mishicot Township Farm Bureau Organization, wish to inform you as to how we feel and how we want to be represented on the question of the coming bill to Congress, butter versus imitations. This letter is the result of the discussion of the anticipated fight by farm bureau members who represent about 70 families in the town of Mishicot, in Manitowoc County.

Our organization's final decisions are much the same as those of other leading dairy and farm groups. We feel that butter imitations should definitely not be allowed to be colored yellow to resemble butter. This coloring of oleomargarine and other imitations of butter, in semblance of butter, only opens the door for fraud and gives way to those culprits who are constantly worming their way around the laws and breaking them and finding ways of making huge profits at the expense, in the form of money and health, of those people they deceive in what we call butterlegging—the selling of imitations in place of butter at the price of butter. We feel they have been given enough rights by being able to sell a synthetic product that imitates a natural product to which has been added the following ingredients to bring its characteristics up to those of the natural product, namely, diacetyl to imitate butter taste, units of vitamin A to bring it up to the natural products amount of nutritional value, skim milk to imitate the texture of butter, and the preservative benzoate of soda to keep it from spoiling. The only thing still needed then to fool the people, who wish to buy butter on its merits of being a pure, wholesome, natural, highly nutritional product and not a concoction of who-knows-what to which chemicals, etc., must be added to make it taste and keep, is its color. If oleomargarine and its colleagues are as good as they are claimed to be by their producers there should be no reason why they should be sold in semblance of butter. They should be sold on their own merits as products of a different industry in competition with butter of the dairy industry and having their own individual color so that people definitely will know what they are getting, what they are paying for, and what they are eating from our stores, and as patrons of hotels and restaurants.

If there should be a cause for embarrassment when one serves oleomargarine in place of butter one is merely admitting to his conscience that the imitations are inferior. If it is a matter of cost of living, let them buy the imitations at the cheaper price but let's protect those who place their health at an invaluable price and care to "skimp" on other luxuries of life to be able to buy good, wholesome, natural food for their families.

We are in favor to allow those imitation manufacturers the right to sell their product tax-free, but we do not stand for it that they copy the only means whereby one can easily tell the difference of the natural product from the imitation—the color. We also wish to deny them the right to advertise their product with pictures of nice dairy barns and cows roaming in beautiful green pastures.

We are glad to learn of the Supreme Court's decisions to strengthen the Federal Government's power to control fraud through the interstate commerce clause of the Constitution.

Oleomargarine, if it's sold tax-free and through unlicensed dealers, would then no longer be under the watchful eye of the Internal Revenue Department but the housewife would still be protected by the strict Pure Food and Drug Administration.

We of the dairy industry want butter to be in fair competition because if butter goes out, the Nation's milk and meat production will surely decrease greatly. Our soil's fertility depends enoromously on the dairy industry and when soil fertility is lost the country depreciates very rapidly. Our organization, in thinking not only of our dairy industry and its employees but of the welfare of the entire country, hopes that all our men in Washington realize the importance of their voting on the butter versus imitation bill when it comes before them.

May butter remain as one of the country's leading items of produce, produced and marketed on its own merits in fair competition.

Yours very truly,
MISHICOT FARM BUREAU,
WILLIAM MICHEL, *President.*
OSCAR BARTHELS, *Secretary.*

COLUMBUS, WIS.

Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR MR. WILEY: The dairy farmers of Columbia County, Wis., of which there are 3,000 of us, are opposed to passing any legislation which would permit the yellow coloring of oleo by the manufacturer.

We also are opposed to taking off all taxes on oleo.

The dairy industry will have a difficult road to travel if all restrictions are removed from oleo.

If oleo was equal to butter in food value to humans we would not be so against these

bills. Oleo should not be allowed to be colored yellow, the natural color of butter.

Yours very sincerely,

ARTHUR H. WEINER,
Secretary, Columbia County Holstein Breeders.

EXTENSION OF RENT CONTROL

The Senate resumed the consideration of the bill (H. R. 1731) to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes.

Mr. MAYBANK obtained the floor.

The VICE PRESIDENT. The Chair would like to state the pending question. The question before the Senate is the committee amendment to the House bill on rent control, which is in the nature of a substitute. Therefore, the substitute for purposes of amendment will be regarded as the text of the bill, and not as an amendment in the first instance. Therefore, amendments to the substitute become amendments in the first degree; and an amendment to an amendment to the substitute can be offered as an amendment in the second degree.

If an amendment should be offered to the House text, such amendment would have to be voted upon prior to the vote upon the substitute itself, because the House text would be perfected before the substitute would be voted upon.

So, in either case, an amendment offered to either text is an amendment in the first degree, and an amendment to such an amendment would be in order as an amendment in the second degree.

Mr. MAYBANK. Mr. President, 5 or 6 weeks ago I introduced by request Senate bill 600, in order that the Committee on Banking and Currency might hold hearings on the rent-control bill as recommended by the administration. The committee has held, as Senators know, extensive hearings. We have before us today, as stated by the Vice President, an amendment in the nature of a substitute for the House bill, which was reported from the committee last Friday.

Mr. President, I know of no more important piece of legislation in terms of the pocketbook, the health, and the welfare of millions of American citizens than is the legislation on the extension of rent control, which I, as chairman of the Banking and Currency Committee, reported to this honorable body last Friday.

Rent is one of the most important items in the average working man's and woman's household budget. It is a definite expenditure which must be paid every month, come what may; and if his rent goes up, the housing situation being what it is, there is nothing a man can do but pay it, regardless of what the consequence may be.

None of us, Mr. President, like controls. But no one who is interested in maintaining the standard of living of the average American citizen or who is interested in maintaining the economic strength and social well-being of our Nation could study the evidence presented to the committee without feeling that it would be most hazardous and unwise to release rents from control in every section of our country at this time. From our long study of the housing situation it appeared that by next year the supply of housing would sufficiently increase so that Federal rent control could safely be taken off our statute books, in most sections of the country.

Mr. President, it is not my intention to discuss the details of the bill which I had the honor to report. I shall leave that to the very able and distinguished chairman of the Subcommittee on Housing and Rents, the junior Senator from Alabama [Mr. SPARKMAN]. It was under his exceedingly efficient management and leadership that the Committee on Banking and Currency was able to report, as promptly as it did, the excellent rent control bill which is now before the Senate. In cooperation with the House committee we worked out a time schedule on rent control, and we have kept strictly to that schedule.

In order to hear and to give all sides an opportunity to be heard, the junior Senator from Alabama saw to it that every section of the country, landlords, tenants, labor, the real-estate industry, hotel associations, veterans groups, and other public interest and business groups were given equal treatment. In order to do so it was necessary for him and the members of his subcommittee to sit continually, some days without lunch, in order to hear the maximum number of witnesses within the limited time available. While I know of few subjects where the feeling is so strong on both sides, yet I heard nothing but compliments about the fairness and consideration the chairman of the subcommittee [Mr. SPARKMAN] showed throughout the hearings to both sides. As chairman of the full committee I appreciate his work and the work of every other member of the subcommittee, including the Senator from Illinois [Mr. DOUGLAS], the Senator from Vermont [Mr. FLANDERS], the Senator from Washington [Mr. CAIN], and the Senator from Ohio [Mr. BRICKER]. Every member of the committee, whether in favor of rent control or not, cooperated to the end of bringing this bill promptly to the Senate floor so that action might be taken before the present act expires on March 31.

Mr. President, while the committee recommended the extension of rent control for another 12 months with the additional eviction protection for 3 months beyond that date, we at the same time provided that any governor of a State, if he testifies that his State has an adequate rent-control law, can remove his State from the jurisdiction of Federal rent control. We even went further, Mr. President, by permitting a State, by action of its legislature and governor, to say, in effect, "Rent control in our State, or any section of the State, is no longer necessary," and Federal rent control would no longer apply in that State. It is my personal view and the view of the majority of the committee that the States are in the best position to judge whether they require rent control.

Mr. President, with reference to the District of Columbia, there is rent control here, which I understand is much more satisfactory than is rent control administered from Washington in California, or Wyoming, or Maine, for illustration. So we cannot but believe that the State has the right to control or to decontrol, and is in a position to handle the subject far better on the local level where the people know better their own situation.

During the hostilities rent control was clearly a national problem. As housing shortages are cut down, the States should review the situation within their own borders. But the States have 12 months within which to consider the problem thoroughly and make their decision under this bill. They are not forced to act with undue haste, as they would be if Federal rent controls were to end within a short time; unless the State through its legislature, wishes so to do.

It was for this reason, Mr. President, that the majority of the committee rejected certain proposals extending rent control for a shorter period, or providing for gradual decontrol, by releasing from control rental accommodations on the basis of a descending scale of rent levels.

It was the committee's view, Mr. President, that these plans would throw the rent-control problem back to the States before they were ready for it. While a few States do have rent control laws on their books, some take effect only when all Federal rent controls end. It was the feeling, also, of many members of the committee that, while rent control is mainly intended to protect those families whose income is below, say $5,000 or $6,000 a year, we are very conscious of the fact that many families making what we might consider a good income are already paying the maximum rents they can afford, and would be forced to give up their homes if their rents suddenly were sharply increased. Furthermore, we had in mind the small landlord and realized that a decontrol plan favoring higher rental property would be of no benefit to him. In fact, it would hurt him because he would suffer as a result of the inflationary effects of such a plan. The committee, from all the evidence presented to it, could not honestly say that housing was or would be sufficiently available for any class outside the luxury group before next year. To do so we felt would only result in a repetition of forced leases at much higher rents, much the same, only at greater increases, as occurred under the voluntary-lease agreements allowed in the 1947 and 1948 acts. It seemed to many of us that it would help a few landlords who are gougers at the expense of the vast number of landlords who want to treat their tenants fairly.

Mr. President, I must admit I am somewhat disturbed over the difficulties in which a number of small landlords find themselves under rent control. There is no question in my mind that the present law is sufficiently broad enough to afford many of them relief, but witnesses indicated that comparatively few of the small landlords had made use of the rent-adjustment provisions in the law. Despite the fact that small landlords constitute approximately 80 percent of all rental-property owners, only 16,620 short-form petitions for hardship adjustments had been filed by them throughout the Nation from July 1948 through January 1949, a period of approximately 7 months. The

Housing Expediter explained that, in part, by stating that, in his opinion, many small landlords were discouraged from seeking adjustments because of the form they are required to fill out. Yet that form itself is about as simple as it is possible to make it.

This bill attempts to avoid the necessity for landlords to fill out forms, and to cut the red tape which flourishes readily in Washington soil. As a fair compromise it allows all landlords to increase maximum rent ceilings on October 1, 1949, and again on April 1, 1950, by 5 percent above the June 30, 1947, rent ceiling. But in no event can these increases be 15 percent above the rent being charged on June 30, 1947, taking into consideration rent rises already or hereafter obtained through hardship petitions.

To me, Mr. President, this seems to be a practical way of getting relief to the small landlords who need it. While they may still apply for rent adjustments under the act, these two moderate boosts in the rent ceilings should make it unnecessary for great numbers of them to apply for relief.

For those landlords who find they must still petition for rent adjustments, we have adopted a suggestion made by the House. The bill provides for an officer to be designated in each area to sit down with a petitioning small landlord and help him fill out the forms required for the adjustment proceedings. This officer will supply the same service to tenants. He will operate in the same way as do the Internal Revenue employees who are stationed in public places to help taxpayers fill out the Federal income tax forms.

However, even this moderate increase in rent ceilings makes it all the more necessary for the act to contain criminal penalties. Under this bill there is no justifiable reason to overcharge a tenant or otherwise violate the act willfully. Those few chiselers who deliberately and maliciously break the law deserve to be punished. A law worth passing is worth enforcing.

The Housing Expediter lacks tools to insure proper enforcement under the law as it now stands. His only remedy today is to petition the courts for an injunction. Without the power to ask the Attorney General of the United States to prosecute willful violators of the law, there is little or no deterrent to violations of rent ceilings. Since this power was taken from the Housing Expediter on July 1, 1947, a survey by the Bureau of Labor Statistics shows that rent violations have greatly increased. Two points should be kept in mind, Mr. President: First, the criminal sanctions in the bill apply only to willful violators. Second, the Housing Expediter's office will not conduct these prosecutions. He can only report suspected violations to the Attorney General of the United States, who then has the sole discretion to prosecute the action. In view of these facts, no sympathy should be aroused for willful violators who are justly punished after a full and fair trial in the Federal courts.

As is true in nearly every case of major legislation, the bill which comes from the committee represents a compromise between two extremes. With the single exception of duration of Federal rent controls, as to which opinions expressed to the committee recommended from zero to 27 months, the committee went along with every major request made by the Housing Expediter, whose experience in actual operations in this field gave considerable weight to his testimony.

In my opinion, Mr. President, the result represents a practical solution of the problem of controlling residential rents while the shortage of rental housing continues, and the right of the States and the State legislatures to take over for any of their political subdivisions, or the States themselves, control or decontrol of rents. I urge prompt passage of the bill.

Mr. HOLLAND. Mr. President——

The PRESIDING OFFICER (Mr. McGRATH in the chair). Does the Senator from South Carolina yield to the Senator from Florida?

Mr. MAYBANK. I yield.

Mr. HOLLAND. I congratulate the distinguished Senator from South Carolina on the fine presentation he has made of the subject matter of the bill under consideration. I note that in the bill as it came from the House, House bill 1731, there is a provision to the effect that no recontrol will be allowed to be taken by the Housing Expediter of any housing accommodations in any area which has been decontrolled by action of the emergency court of appeals. I do not find any similar provision in the substitute measure which has been recommended by the committee. Does the committee have any objection to the inclusion in the committee substitute of a similar proposal, which will effectively prevent the Housing Expediter from again controlling accommodations in areas which have been decontrolled by the decree and action of the emergency court of appeals?

Mr. MAYBANK. Mr. President, I may say to the distinguished junior Senator from Florida that that matter was not extensively discussed in the committee. As I understand, the distinguished Senator has spoken to the Housing Expediter. Am I correct in that?

Mr. HOLLAND. That is correct.

Mr. MAYBANK. I am advised also by the Housing Expediter's representative that there would be no objection, and I feel certain, having discussed the matter with the distinguished chairman of the subcommittee, that there would not be any objection on the part of the committee to having such an amendment presented by the Senator and agreed to.

Mr. HOLLAND. If the Senator will yield for another interruption, I may say that the Senator is correct in his understanding that I have conferred with the Housing Expediter, and that he has stated to me that he would not under any consideration care to attempt to recontrol an area which had been decontrolled by the emergency court of appeals. He has specifically stated that, so far as he is concerned, he would approve such an amendment, and I therefore shall offer such an amendment.

Mr. MAYBANK. As chairman of the committee, I shall be more than pleased to support the amendment. All the amendment contemplates is to prevent the Housing Expediter undoing what the court does, as I understand.

Mr. HOLLAND. That is all. I thank the Senator.

Mr. SPARKMAN. Mr. President, I think there is hardly a subject that comes before Congress about which more people are concerned, or about which more people know, and on which they have more definite views, than rent control. The rent one pays or receives is something not easily forgotten. It readily lends itself to comparison. For the tenant it usually is one of the most important items in his budget, and for many landlords it is the sole source of income, or at least an important supplement to their income. Rent-control legislation affects in a very direct and easily measurable way the pocketbooks of a large majority of our citizens.

It is a subject, however, Mr. President, that is extremely difficult to understand fully, both from the point of view of comprehending the economics of it, and understanding the legislation relating to it. It is a subject respecting which there is much confusion.

With this in mind, one can well imagine with what a difficult task the subcommittee of which I had the honor of being chairman was confronted. More than 300 requests for permission to testify were received from individuals and organizations. Mind you, they were not pro forma requests—they were from people who wanted very much to be heard, and who used every argument one could imagine as a reason why they should be heard. I think almost every Senator's office requested time for witnesses to be heard.

Obviously we could not hear all these witnesses unless we sat through March 31, by which time rent control would have expired. At the beginning of the session, in recognition of what was to come to pass, the able chairman of the Banking and Currency Committee, the Senator from South Carolina [Mr. MAYBANK], arranged with the chairman of the Banking and Currency Committee of the House for the House Committee to start hearings on rent control, while my subcommittee started hearings on the housing legislation. Strictly in accordance with our planned schedule, when we finished our hearings and executive session on the housing bill, we began hearings on the rent bill. In order to conserve time, so that we might bring the rent-control legislation to the Senate floor at just as early a date as possible, we incorporated into our record the hearing held before the House committee. This enabled us to eliminate a large number of witnesses and organizations whose testimony would have been duplicated. We then strictly rationed the time of all our witnesses so that a maximum number could be heard in the limited time we were permitted to sit. The junior Senator from Washington [Mr. CAIN] was consulted in connection with all our arrangements, and he cooperated most fully and generously.

I might also say, Mr. President, although the junior Senator from Washington [Mr. CAIN] and the junior Senator from Ohio [Mr. BRICKER] were in strong disagreement with the whole idea of enacting rent-control legislation at this time, their participation in the hearing was entirely constructive and helpful. The chairman of the committee, the Senator from South Carolina [Mr. MAYBANK], although he was very busy attending meetings of the Appropriations Committee, considering the first deficiency bill, attended every session. Very faithful in attending and helpful were the junior Senator from Illinois [Mr. DOUGLAS] and the junior Senator from Vermont [Mr. FLANDERS]. From time to time throughout the hearing almost every other member of the full committee sat in with us.

As scheduled, the hearings ended on Friday, March 11, and on the following Tuesday the subcommittee met in executive session, and in two days was able to recommend to the full committee a bill.

As an added indication, Mr. President, of the committee's effort not to let anything delay us in our careful consideration of this important legislation, and, incidentally, by way of compliment to the staff and the Government Printing Office, I may say an 803-page hearing was printed and ready for distribution on the Tuesday we began our executive sessions.

By careful preparation for our executive sessions, we managed in the full committee, under the able chairmanship of the senior Senator from South Carolint, to discuss fully this very controversial and difficult legislation, and received leave to report to the Senate that same day the bill now before you.

From all this it is obvious how important we think the subject of Federal rent control is, and how concerned we were that Congress should get the fullest opportunity to consider the subject carefully but in plenty of time before the present Rent Control Act expires on March 31.

This legislation will affect in a most direct manner a very large proportion of our citizens. In my judgment, Mr. President, no other single piece of legislation which will come before this Congress will more profoundly affect the economic well-being, health, and welfare of our Nation.

ECONOMIC SETTING

Mr. President, before I discuss the legislation and the action our committee took with respect to it, I would like to review briefly the economic background against which the legislation must be considered.

In 1947, according to the Bureau of the Census, 33 percent of the nonfarm families received a total money income of less than $2,500 a year. In other words, approximately one-third of the families in and around our urban areas should not have paid more than approximately $40 a month for their rental. But, Mr. President, all the evidence presented to our subcommittee on this subject shows that rental accommodations are not available at rentals anywhere near that level. For example, the State Real Estate Commission for California as long as August 1947 said:

> New two-bedroom homes, under which OPA rent control would have had a ceiling of $50 and $60 per month, are now renting for from $100 to $125 per month.

Since that date construction costs have risen even higher. If this be taken as indicative of what would happen to rents in the absence of rent control, it becomes apparent how seriously a large segment of our population would be affected.

There is no doubt, Mr. President, that rents would rise substantially if controls were removed at this time because of the continuing shortage of rental housing. The Housing Expediter stated in his testimony before our subcommittee that all vacancy surveys which have come to his attention point to the fact that the demand for rental housing has not been reasonably met.

A survey in Denver, Colo., sponsored by the Denver Board of Realtors, showed that in September 1948 the vacancy rate for all types of housing, both for rent and for sale, was only one-half of 1 percent. In Des Moines, Iowa, the Bureau of Labor Statistics' survey made in December 1948 resulted in a finding of a vacancy rate for habitable dwellings offered for rent of only four-tenths of 1 percent and for habitable units offered for sale of only one-half of 1 percent. A survey by the same agency in Dallas, Tex., in the same month showed a vacancy rate of only eight-tenths of 1 percent for habitable units offered for rent and only one-half of one percent for habitable units offered for sale.

These low vacancy rates in different areas of the country indicate the unusual shortage of rental dwellings. The hearings on this matter before our committee are replete with testimony of the continuing listing with local agencies and businessmen of great numbers of applications for rental housing.

According to the testimony of a representative of the National Apartment Owners Association, there has been no net loss of rental units in such representative cities as Philadelphia, Pittsburgh, and Chicago during the last 12 months, although there was a decrease from 1940 to 1948. The continuing low vacancy rate could not therefore be explained by a withdrawal of rental units from the rental market during the past year.

In 1947, it was estimated a family of 4 needed an annual income of from $3,000 to $3,450 to maintain a fairly decent standard of living. In the same year, 56 percent of families with incomes under $1,000 and 41 percent of families with incomes between $1,000 and $2,000 either spent more than they earned or broke even. By early 1948, about 27 percent had no liquid assets and about 55 percent of all family units had less than $500. Consider in this connection the recent noticeable increases in unemployment, especially in the urban areas, and it does not take much imagination to realize what a blow to the economy would be caused by a sudden substantial increase in rents. A man must have shelter. Any increase in the amount he must pay for shelter necessarily decreases the amount he can spend for other needs.

The above statistics clearly show that he cannot draw upon savings to any appreciable extent to pay an increase in rents. The cost-of-living index in January of this year was still 170.9 as compared with the 1935–39 average, despite the drop in prices paid to food producers. Yet since 1946, of families having incomes under $2,000, about 70 percent received no increase or suffered a decrease in dollar income. Remembering that it is families of lower income, and the industrial workers and low-paid white-collar workers, for the most part, who occupy rental housing, it is clear that if another round of wage increases should be demanded, strikes might well result, all sorts of economic maladjustments would occur, and, as the committee report suggested, we might find that instead of one less control we might shortly find need for some over-all system of price control.

Looking at the over-all economic picture at this time—the income distribution, the shortage of housing, the vacancy rate, the prices asked for new rental accommodations, the increase in rents of dwellings which have been decontrolled, the number of families doubled up, the increasing marriageable population, the high cost of construction—there can be no doubt as to the disastrous economic effect of doing away with rent control at this time.

Mr. President, in this connection I should like to call attention to some telegrams which were placed at my disposal this morning. The office of Drew Pearson, a well-known news commentator, sent out a great many telegrams to governors and mayors throughout the United States asking certain questions, and it was from his office that the telegrams came to me this morning. Because of the interest the membership might have in the response of various governors and mayors to the questions, I shall read the telegrams. The questions submitted were:

1. Is rent control necessary in your State or city?
2. How much will rents increase if controls are lifted?
3. If passage of Federal rent control is defeated in Congress do you plan action to prevent evictions and rent increases?

I do not have a great number of replies, but there are two or three I desire to read into the RECORD at this point:

The first is from Gov. Earl Warren, of California. Governor Warren telegraphed to this effect:

> SACRAMENTO, CALIF., *March 12, 1949.*
> JACK ANDERSON,
> *Staff Reporter,*
> *Washington Merry-Go-Round:*
>
> We still have a housing shortage in our State. The termination of rent control would create chaos in California. I believe that the Federal Government should maintain it until houses equal the demand for them. I do not believe that the Federal Government should abandon it and turn such regulation over to the States at this late date, although the States should have stand-by acts which I have repeatedly advocated in California but which we do not have. I have

no idea how much rents will increase if controls are lifted, but undoubtedly it would vary in the different communities, depending upon the extent of the housing shortage.

EARL WARREN,
Governor.

Another telegram comes from Gov. Luther W. Youngdahl, of the State of Minnesota:

ST. PAUL, MINN., *March 12, 1949.*
JACK ANDERSON,
Staff Reporter,
Washington Merry-Go-Round:

Re urtel March 11, rent control still necessary in urban areas in Minnesota. We cannot predict percentage increase in rent if controls are lifted but in view of national housing shortage we believe continued reasonable rent controls are required to protect both tenants and landlords against exploitation. Since 1947 this State administration has been committed to a policy of State protective legislation in the event Federal pledges on rent control were not honored. Two State administration bills are pending in State legislature which will renew 1947 State legislative action. One bill will authorize courts to delay eviction 60 days where there is undue hardship to tenant. The other is a standby State rent control act if Congress does not enact rent controls. We believe the responsibility to deal adequately with the postwar rent-control problem continues to be a Federal problem.

LUTHER W. YOUNGDAHL,
Governor, State of Minnesota.

The next is a telegram from Gov. Alfred E. Driscoll, of New Jersey:

RED BANK, N. J., *March 12, 1949.*
JACK ANDERSON:

Your wire just forwarded to me. Replying to your three queries. One. Some rent contral is still necessary in New Jersey until there is a reasonable balance between supply and demand for housing space. Two. We believe rent increases without some control would exceed limit of 10 percent allowable for hardship cases in proposed New Jersey law. Three. Existing New Jersey law with respect to regulation of evictions would be continued beyond July 1, 1949, under measure currently before New Jersey Legislature.

ALFRED E. DRISCOLL, *Governor.*

The next telegram is from Governor Lausche, of Ohio:

COLUMBUS, OHIO, *March 12, 1949.*
JACK ANDERSON,
Staff Reporter,
Washington Merry-Go-Round:

If the Congress of the United States fails to continue rent control I shall recommend to the Legislature of Ohio that State control be provided to become effective immediately upon the expiration of the Federal law. The need for rent control is almost as acute today as it ever has been. It must be our purpose to prevent runaway increases in rent. Wholesale ruthless evictions would jeopardize our economy. In many economic areas supply has caught up with demand, the normal laws of economics justly apply, but in housing acute shortage still prevails and the protection of law is required for the householders who rent their homes.

FRANK J. LAUSCHE,
Governor of Ohio.

Mr. President, I have a great many other telegrams of similar nature. I shall not impose on the Senate by reading them all this time. I should like to read one which I think is fairly representative of the mayors who replied. This telegram is from Thomas D'Alesandro, Jr., mayor of Baltimore:

BALTIMORE, MD., *March 16, 1949.*
JACK ANDERSON,
Staff Reporter,
Washington Merry-Go-Round:

Re your telegram: Rent control in Baltimore imperative to avoid chaotic conditions. Without controls rents undoubtedly will increase beyond means of many thousands of families and cause wholesale evictions. Already have 20,000 applicants for public housing and no vacancies for them. Controls must be kept on rents until enough public housing can be built after passage of S. 1070 to alleviate need of low-income families and enough private dwellings are built to ease up pressure of middle-income families. If passage of Federal law defeated city would have to take action, but local enforcement would be more difficult than Federal.

THOMAS D'ALESANDRO, Jr.,
Mayor of Baltimore.

Mr. President, I have many other telegrams, but as I have said I shall not take the time of the Senate to read them.

The bill as reported by the Banking and Currency Committee represents a compromise of conflicting views, as is true of most legislation of a controversial nature enacted by Congress. I do not suppose that there is a single member of the committee who was entirely pleased with the bill. I know that I can make that statement with reference to myself, and I believe it would apply with equal force to every other member of the subcommittee or of the full committee. But taken as a whole, the bill which we have reported, and which is before the Senate today, will provide effective rent control.

By and large, Mr. President, this bill is what the administration asked for. I should like to discuss that point briefly, in order to show what is in the bill as compared with what was in the administration bill, which was introduced by the distinguished Senator from South Carolina [Mr. MAYBANK], the able chairman of our committee.

The administration requested that rent control be extended for at least 2 years; that the Housing Expediter be given authority to control evictions by regulation; that the 15-percent lease device be dropped; that housing accommodations occupied by permanent residents in hotels and accommodations not rented for a successive 24-month period between February 1, 1945, and March 31, 1948, be recontrolled; that enforcement teeth be placed in the law by the addition of criminal sanctions for willful violation, and authority in the Housing Expediter to bring triple-damage actions in cases where tenants fail to do so; that the Housing Expediter be given authority to place under control new areas where a need for Federal control is demonstrated; that the local advisory board machinery be continued with minor procedural modifications.

Mr. President, the bill reported by the committee extends Federal rent control for 1 year followed by a 3-month transition period during which tenants cannot be evicted for failure to pay more than the maximum rent in effect on March 31, 1950; it authorizes the Housing Expediter to regulate evictions; discontinues the 15-percent lease device which has not been available to landlords since December 31, 1948; provides for the recontrol of the rents in effect on October 31, 1948, of hotel accommodations used for permanent occupancy on June 30, 1947——

Mr. HOLLAND. Mr. President, will the Senator yield for a question on the point to which he has just alluded, the question of recontrol of certain hotel accommodations? Would the Senator mind discussing the need, as the committee saw it, for any such provision in the new bill?

Mr. SPARKMAN. I suggest that we wait until I have completed my statement. I do not mind discussing the question either now or later, but I ask that that question be discussed particularly by the able Senator from Illinois [Mr. DOUGLAS] who is greatly interested in that subject. I may say that it is an interest which developed naturally, because I think in all fairness we can say that the testimony before our committee shows that the most acute problem with reference to this question exists in the city of Chicago. The provision which is written into the bill was written in language suggested by the Senator from Illinois, and I believe that he can state more clearly and satisfactorily than I can the view which was presented to the committee.

Mr. HOLLAND. Mr. President, if the Senator will yield for a brief statement, I should like to say that, while my file shows a great deal of discussion of other aspects of this question on the part of both tenants and landlords in the State of Florida, personally I have not received any complaint whatsoever from any tenant having or claiming to have permanent residence in a hotel, with reference to the effective decontrol action which was taken a long time ago with reference to all hotel accommodations. I now have a great many requests from hotel owners and others in my State, stating that they have had no objections whatever and that they feel that an effort to recontrol a part of their facilities is going in the wrong direction.

With that in view, I have had prepared by the legislative counsel of the Senate amendments which would effectively eliminate from the proposed committee substitute bill the provisions which would permit the recontrol of hotel facilities which may be termed permanent.

I have discussed this subject with the distinguished chairman of the committee and with the distinguished chairman of the subcommittee, the gentleman from Alabama [Mr. SPARKMAN], who has just presented the matter so ably, and I think I have discovered that the situation is just as stated by the Senator from Alabama, namely, that this provision was incorporated into the bill solely to take care of a situation in Chicago, that being, apparently, the only large city where local measures, either State or city, have not been adopted to take care of this particular problem.

With that in view, let me ask the distinguished Senator from Alabama whether there would be objection to removing from the bill any reference

whatever to this subject, provided some arrangement were made to take care of the problem in the city of Chicago, but without agitating this question in the many other cities and in most of the other States where no such problem seems to exist? Would the Senator object to such an arrangement?

Mr. SPARKMAN. First, Mr. President, let me say that I did not intend to leave the impression that this problem is purely local to Chicago. I said perhaps it is more acute there than anywhere else, for the reason that, as the Senator from Florida correctly stated, no action has been taken to control the situation in the city of Chicago. New York City, Los Angeles, San Francisco, and perhaps some others of the largest cities have had a provision relative to this matter. This problem exists to some extent in various sections of the country, although it is not by any means one of the greatest problems in connection with rent control, because, for one reason, only a small number of the habitable rental units, when one considers the over-all picture, are involved. However, it becomes a very important item in the large cities, such as New York, Chicago, Philadelphia, San Francisco, Los Angeles, Pittsburgh, and a few other cities as to which the matter has been called to our attention.

Mr. MAYBANK. Mr. President, I wish to state that I talked to my friend, the Senator from Florida, this morning; and I think that both he and the distinguished Senator from Illinois [Mr. DOUGLAS] will remember that at the time the matter was brought up, I stated that I would not oppose such a provision in regard to Chicago, but, in fact, would support it. I also stated, however, that I did not want to support any amendment which might confuse the situation so far as the hotels throughout the country are concerned; and I further stated that I could not favor anything which would tie up many of the small hotels in the smaller communities and in the backwoods. I think the Senator will bear me out as to that.

Mr. DOUGLAS. That is correct.

Mr. MAYBANK. Let me also say that I understand that as the bill is drawn, there is a $290 ceiling on apartments, but there is no ceiling at all on hotels. As I view the matter, as the bill is written, any hotel having permanent living quarters, whether renting for $50 a month or $25 a month, can be controlled. If I am incorrect as to that I wish to be corrected, however, I am certain I am correct.

Perhaps the failure of the bill to cover this point is as much my fault as anyone else's, because we were rushed in concluding our consideration of the bill and in preparing our report on it. However, I think we must include language to protect the smaller hotels throughout the country. There is a bad situation in Chicago, and perhaps in New York and other large cities. I was wondering whether an amendment could not be agreed to which would apply solely to cities having a population of more than 1,000,000 persons. I throw that out as a suggestion.

Mr. HOLLAND. Mr. President, if the Senator will yield there, I wish to say that I have prepared a series of amendments on behalf of the junior Senator from Arkansas [Mr. FULBRIGHT] and myself, in the sponsorship of which other Senators have indicated that they would like to join us. Those amendments, if adopted, will remove from the bill all proposed recontrol as to hotels.

However, I should like to say to the distinguished Senator from Illinois [Mr. DOUGLAS] that there is no disposition—certainly none on the part of the junior Senator from Florida or the junior Senator from Arkansas or, I am sure, on the part of other Senators who are interested in this subject, including the distinguished Senator from South Carolina [Mr. MAYBANK], the chairman of the committee, and also including the chairman of the subcommittee [Mr. SPARKMAN], to do anything which would result in hardship as regards the Chicago situation.

At the same time, it seems to us that it would be very much of a mistake on the part of the Congress to bring under control a considerable portion of the hotel facilities in all parts of the United States, or to make control of them again possible, simply in order to take care of what is more or less a local situation.

If I correctly understand that situation, it is that in Chicago an attempt has been made, by means of an ordinance of the city governing board, to bring about control in this field, but that effort has been knocked out by the courts.

Mr. DOUGLAS. That is correct.

Mr. HOLLAND. I also understand that it has not as yet been possible to obtain effective action by the State legislature.

Mr. DOUGLAS. That is correct.

Mr. HOLLAND. Whereas in the case of New York, Los Angeles, San Francisco, and other cities, effective machinery has been set up.

Mr. DOUGLAS. That is true in the case of New York. I am not certain that it is true in the case of San Francisco.

If I may develop this point a little further—although I shall be glad to take it up in more detail when we begin to discuss amendments—let me say that the situation in Chicago, so far as hotels are concerned, is substantially as follows: When Federal control was removed, the city council passed a city ordinance imposing city controls upon apartment hotels. But in Illinois the cities lack any effective home-rule provision; and the Supreme Court of Illinois ruled that the city council had no power to legislate in this matter. The city controls were therefore ineffective.

The Chicago hotels have a large group of permanent residents; perhaps 30,000 or 40,000 persons come in that category. In some cases the hotels raised their rents in a very large degree. The average in the better hotels is probably somewhere between 30 percent and 40 percent, and in other hotels it is very much more than 40 percent. The people who live in hotels in Chicago are not, as is customarily believed, only the wealthy. In that group are also large numbers of retired school teachers, persons living on annuities, and persons living on fixed incomes in the latter periods of their lives; and those persons have been pinched very badly indeed by the increase in rents.

I proposed this recontrol primarily to protect them against future increases in rents. The proposal to put rents back to the level of October 31, 1948, would not appreciably reduce rents, because rents have not been increased since then. I would be perfectly willing to consider a provision to the effect that only the permanent accommodations in hotels which were so used on October 30, 1948, should be recontrolled, and not merely those which were permanently occupied on June 30, 1947.

If it is constitutional to do so, I should also be perfectly willing to consider limiting the application of recontrol to cities having a population of over 1,000,000 where this problem primarily exists, although perhaps it is not exclusively confined to them.

Mr. MAYBANK. Mr. President, I am grateful to the Senator for his remarks on this matter. He will remember that in the committee at the time this matter was under discussion, I was perfectly agreeable to doing something to take care of the situation in the larger cities; and I believe that New York, Philadelphia, Pittsburgh, Los Angeles, and other large cities were mentioned.

Let me ask whether the Senator believes such a proposal would be constitutional.

Mr. DOUGLAS. I am certainly not a constitutional lawyer, of course.

Mr. MAYBANK. If it were found not to be constitutional, would the Senator then agree to an amendment relative to apartments renting for a certain amount of money?

Mr. DOUGLAS. I see no reason why luxury accommodations in hotels should be controlled at a time when luxury accommodations in apartments are not controlled.

Mr. HOLLAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Florida?

Mr. SPARKMAN. I yield.

Mr. HOLLAND. I am grateful to the Senator from Illinois for his considerate attitude. I appreciate also the suggestion of the distinguished chairman of the committee, which was to the effect that a population bracket be inserted. I think if that be the method approached, it would prevent the stirring up of this question in most communities and in most of the States of the Nation.

Mr. MAYBANK. And at every crossroads.

Mr. HOLLAND. And it would probably meet the problem about as well as it could be met.

Mr. DOUGLAS. I should like to make it clear that my consent is conditioned on the opinion, if we can get it, of the legislative counsel, as to whether such a differentiation on the basis of population would be constitutional. If it seems there is a very strong constitutional case for the Federal Government to deal with the problem, where it is most acute, namely, in cities over a million popula-

tion, and that such classification would be regarded as constitutional, I should certainly have no objection to excluding other cities.

Mr. MAYBANK. And, if it were unconstitutional, the Senator would have no objection, would he, to reverting to the level of prices that may be paid, as now written into the section of the bill which pertains to apartment houses?

Mr. DOUGLAS. Does the Senator mean to exempt luxury apartments?

Mr. MAYBANK. That is correct.

Mr. DOUGLAS. No; not at all.

Mr. HOLLAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. HOLLAND. If I have understood the Senator from Illinois correctly, he also proposes to change the provision now in the bill which would make recontrol applicable to permanent housing accommodations in hotels, which accommodations were so used on June 30, 1947, to the date October 31, 1948.

Mr. DOUGLAS. That is correct. As a matter of fact, I think it was merely a technical consideration which caused the date June 30, 1947, to be used, rather than October 30, 1948. We have no intention of recontrolling apartments which were used for permanent accommodations on June 30, 1947, but which were subsequently transferred to transients.

Mr. MAYBANK. I may say the Senator is eminently correct, because on several occasions both the chairman of the subcommittee and myself argued the question regarding the date, and he always said he was not in favor at this time of rolling back any prices.

Mr. DOUGLAS. That is correct.

Mr. MAYBANK. That is, so far as hotels were concerned; but that the date of October 31, 1948, was perfectly satisfactory to him.

Mr. DOUGLAS. That is correct. There is one technical difficulty that should be considered, namely, that in some cases apartments which were in fact permanently rented on June 30, 1947, tended to be put on a transient basis, even though the same occupants were in them. I should hope the ruling would be made that the people who had been residents in these apartments on June 30, 1947, if they were in residence October 31, 1948, could be included, even though the apartments had been technically reclassified.

Mr. SPARKMAN. I appreciate the contribution the various Senators have made with reference to the subject, and I shall now continue my statement regarding certain of the provisions we wrote into the bill. We include recontrols on the recommendation of local boards of accommodations in motor courts, motels, and trailer camps occupied by permanent occupants on March 1, 1949; also accommodations not rented for any successive 24-month period during the period February 1, 1945, to March 31, 1948. The bill provides the enforcement sanctions requested including criminal prosecution for willful violations, and authorizes the recontrol of new rental areas on recommendation of local boards and the continuation of local advisory board machinery with added functions, but modified by the addition of important procedural safeguards to both landlords and tenants.

In addition, the committee bill provides for a general rent increase for landlords who have not obtained rent increases by means of the 15-percent lease agreements and general area-wide rent increases. The bill also will permit States to take over the functions of rent control, or to declare by law that Federal rent control no longer is needed. All in all, the administration got what it requested.

DURATION

Mr. President, regardless of what the demonstrated need for this legislation is, the committee did not want to extend rent control beyond another session without another look. However, on the basis of the evidence presented at the hearing, the committee determined that rent controls are very necessary generally at present and will probably be needed in most rental areas for at least another year. It is our hope that, if the Congress enacts adequate legislation on housing such as embodied in Senate bill 1070, the continuation of rent control may in a year's time no longer be a general need. Only time can tell if this hope may be realized. Congress next year can reexamine it and then determine whether or not there should be a further extension.

A change in the bill which caused much comment provides for the withdrawal of rent control where the State is ready to assume this function, or when it declares Federal rent control is no longer needed in the particular State. The bill more specifically provides that Federal rent control shall cease in any State where the governor advises the Housing Expediter that an adequate State rent-control law has been enacted for the specific purpose of replacing Federal control, and of the date on which such State law will become effective, or where the State by law declares that Federal rent control is no longer necessary in that State.

The committee felt that within the next year, those States in which it appeared that rent control will still be needed for more than another year should give serious consideration to their assuming the rent-control function. It is our hope that the States in which rent control is still needed beyond a year from now will have had the foresight to take over the function by then, and that the Federal Government will no longer be required to carry on this function.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. FULBRIGHT. With regard to the problem of State action, as the Senator well knows, several States are now winding up their legislative sessions. My State, for example, completed its session the 10th of this month. So there is not going to be an opportunity for some of them to make a declaration. I wonder if the Senator would accept an amendment along this line, that upon the petition of the majority of the legislature and the approval of the governor, they could take this action in place of the actual enactment of a law? I think the Senator knows it is very expensive to call a special session, and in those States that will not have a legislature in session, the provision in the bill will mean nothing.

Mr. SPARKMAN. I am sure the Senator knows I did not support this particular provision of the bill. I offered the provision that would have encouraged States to set up rent-control machinery of their own and to take it over from the Federal Government. The provision giving the State the right to decontrol within its own areas was offered, as the Senator recalls, in the full committee. I personally did not support it, because I felt it was not necessary; in my own mind, there was doubt as to the constitutionality; and I felt that the other was sufficient and perhaps the better way of going about it. Personally, if the Senator asks me for my own opinion, I certainly would not want to weaken it beyond what it is now. I am stating my personal views, not the views of the committee.

Mr. FULBRIGHT. As I understand the Senator, he is against this provision in the bill; is that correct?

Mr. SPARKMAN. No; I shall support the committee on this provision. I have simply said, as the able Senator may remember, that in the full committee I did not support the provision. I am here advocating the bill as it was reported from the subcommittee. My own thought would be—and it does not necessarily represent the thought of the committee—that we should not weaken it much more than it is.

I may say, and then I shall yield to the Senator from South Carolina, that of course it is true that the Arkansas Legislature has adjourned. I believe the Legislature of North Carolina is expecting to adjourn within the next couple of weeks.

Mr. FULBRIGHT. And the Legislature of Tennessee will adjourn almost immediately.

Mr. SPARKMAN. There are, I believe, 39 legislatures currently in session, or which will be in session during the calendar year. Of the States whose legislatures are not meeting this year, one State has already adopted a rent-control law, and approximately five or six other States have adopted stand-by rent-control laws. I certainly should not want to do anything which might work a hardship on Arkansas. I am rather of the opinion, from the testimony presented, that Arkansas may be one of the fortunate States that may be pretty well decontrolled within the next year's time, particularly if it takes hold of the housing situation as I hope it will.

Mr. FULBRIGHT. I hope the Senator does not think that I am interested only in Arkansas.

Mr. SPARKMAN. No; but the Senator directed his question particularly to Arkansas.

Mr. FULBRIGHT. I do not wish to be selfish about it. I was thinking of the principle as it might be applicable in

other States. I understand the session of the Legislature of Tennessee will be over in the next 2 or 3 days, and there are other legislatures whose sessions are ending soon, including the Legislature of North Carolina. The provision, in effect, means the right to decontrol. The only point is to make it possible that the States can accomplish the purpose of the committee. If it is retained in the way suggested, it means nothing at all to a great many States. I was seeking only some amendment that would give the States an opportunity to operate under it. That is all I had in mind. It seems to me that if the Senator is for the principle, he will support the principle of the provision, in order that it might not remain a nullity, and that he will be willing to accept a slight amendment which will get around the technical necessity for a legislature to be in session.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from South Carolina.

Mr. MAYBANK. I should like to say to the distinguished Senator from Arkansas that I was one of those who suggested the amendment. I want to make it perfectly clear that the reason why I suggested it was not only that I believed in the legislatures' taking over, but the Senator will recall that the House bill contains a provision permitting every State in the United States to decontrol. In cities such as Chicago, where there are so many districts, and in border-line States and border-line cities it might not be possible to make it work. It goes to every political subdivision, and if a petition is started every time a crossroads town wants to decontrol—and I do not think such towns should have decontrol power——

Mr. FULBRIGHT. No. Crossroad towns should not be decontrolled, anyway.

Mr. MAYBANK. I said that. It would be a very difficult thing for a legislature to decontrol every place within the State, I should imagine.

Mr. FULBRIGHT. Mr. President, will the Senator yield further in order that I may pursue the subject further?

Mr. O'CONOR. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from Maryland.

Mr. O'CONOR. May I ask the Senator to offer his individual opinion as to whether such a situation as I am about to cite might be included? The General Assembly of Maryland has passed a law vesting authority in the city of Baltimore to act with regard to its situation as it sees fit. Does the Senator feel that certification from the governor of the State as to the action taken by a municipality would come within the purview of the bill?

Mr. SPARKMAN. As it is proposed here, it would not.

Mr. O'CONOR. I thank the Senator.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. FULBRIGHT. Mr. President, I do not think I am quite clear as to the statement of the Senator from South Carolina. A petition signed by a majority of the members of the legislature is offered purely as a substitute for the actual convening of the legislature. I do not think they can afford to meet; it is very expensive.

Mr. MAYBANK. I was fearful that I might not have made myself exactly plain to the Senator. What I intended to say was that a petition might not be for the State of Arkansas, but could be for any political subdivision of the State of Arkansas, and that it would be rather difficult, when there are so many political subdivisions, to petition through the legislature and through the governor. I was not thinking of the State itself. I was thinking of the authority contained in the section to act through a current resolution or a joint resolution, plus the signature of the governor, to give the right to decontrol any area of the State. Within some areas it would be difficult.

Mr. O'CONOR. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. O'CONOR. I hope the able Senator from Alabama will give further consideration to the question which I propounded, bearing in mind that the enactment to which I referred is a State law which vests in the municipality the right to pass on rent control. Does not the Senator feel that that is covered by the bill as reported?

Mr. SPARKMAN. I am not certain that it would be. I should like to defer my answer until I have had an opportunity to examine the exact wording of our proposal in the light of the statement which the Senator has just made.

Mr. O'CONOR. I thank the Senator.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the distinguished Senator from Michigan.

Mr. VANDENBERG. I am seeking only information, because I am not adequately advised on the subject. I confess I find myself intrigued by the House proposal permitting municipalities to decontrol. It seems to me that when we once admit there are differences in the problem by States, we also admit there are differences in the problem within States. What is the objection to permitting municipalities to decontrol at their own option? This brings the home-rule theory down to its grass-roots unit. It presents the responsibility as closely as possible to the people who are intimately related to the legislation. What is wrong about that?

Mr. SPARKMAN. The first objection I have to it is one of operation, the practical application of it. Consider, for instance, the city of New York. Bear in mind that the language of the House provision relates to States, counties, and municipalities. The city of New York extends over five counties. Suppose one of those counties decides it wants to decontrol its area——

Mr. VANDENBERG. Let us eliminate counties.

Mr. SPARKMAN. Does the Senator mean, eliminate them from consideration?

Mr. VANDENBERG. Yes; let us talk only about States and municipalities.

Mr. SPARKMAN. The bill provides that a State may decontrol its whole area or any part of it. It does not have to decontrol the entire State; it can decontrol one city, if it desires to do so. Many cities do not have much self-rule or self-determination. I think there is a constitutional question presented, and I want to say, frankly, that I am not prepared to argue it, because I have not looked up a single decision. In my own mind, it seems to me we might be delegating legislative authority down even to the city level.

Moreover, we recognize the States, if not as coordinate sovereignties, at least as elements within our Government possessed of certain sovereign rights. By the bill we give the States the right to act. We believe that the pressure which might be exerted certainly would not be as great on a State-wide basis as it would be if we came down to the individual city units.

Furthermore, as we did 2 years ago, continued last year, and are continuing this year, we have set up local rent advisory boards. They function down on the city level. We are trying to strengthen those boards this year, and I believe the proposed legislation will do it. We are insisting that where citizens want to be heard they be heard, and that the boards make a report, and if they do not, that the Expediter himself must do it. We give the tenants, or the landlords, either side, the right to appeal from the decision of the local advisory board. The local advisory board can recommend decontrol if it cares to do so. If the tenants are aggrieved by such a ruling, they have a right to appeal right on up to the Emergency Court of Appeals. If, on the other hand, they refuse to decontrol, or refuse to grant an increase, or to do something which needs to be done, and landlords are aggrieved, they may appeal right on up. In other words, I believe we provide in the bill for just about as much local determination as we think appropriate.

Mr. VANDENBERG. Am I to understand that under the bill the municipal decontrol would depend upon State legislative action?

Mr. SPARKMAN. Either State legislative action or the recommendation of the local advisory board getting approval on up the line. That is correct.

Mr. VANDENBERG. I still should like to explore the Senator's opinion, because I have such great respect for it. The question of whether or not control is necessary is largely a question of supply and demand in housing facilities, and obviously that problem differs from city to city. Where is there a more competent and more intimate authority to make an authentic decision in respect to a given municipal area than the responsible municipal government itself, and what risk is run by putting decontrol within the power of the local municipal government which has to be responsible, intimately responsible, to the people of the city?

Mr. SPARKMAN. I certainly am very much impressed by the able Senator's argument.

Mr. VANDENBERG. I am not arguing for it; I do not know anything about

it. I am trying to find out if there is any argument against it.

Mr. SPARKMAN. I will say I am impressed by the Senator's approach to the subject, then. It appeals to me, because I think the best government possible is the government which is closest to the people, right down among them.

Mr. VANDENBERG. Certainly.

Mr. SPARKMAN. I believe the problem should be handled on the State level, on the city level, and on the county level; but let us look at it from the practical standpoint. The Senator says the city is a responsible unit of government. That is only through such grants of power as the State has made to it. The city has no governmental powers of its own, but only those granted by the State constitutions. I repeat, I am not prepared to argue the constitutionality of this question, but I doubt very seriously if there is vested in the cities under the constitutions of the various States throughout the Union sufficient power so that they may be held constitutionally able to act on this subject.

Mr. VANDENBERG. Then, do I understand the Senator's answer to my question is, "Yes, that is O. K., provided it is constitutional"?

Mr. SPARKMAN. No. As the Senator will remember, I stated that my first objection was on a practical basis, the basis of operation, first, in overlapping jurisdictions; second, with the idea of local pressures being applied, certainly more easily than they could be applied on the State level; third, on the ground that the provision we write in takes care of the cities satisfactorily, by empowering the local advisory boards to make such recommendations.

Mr. VANDENBERG. How are there overlapping jurisdictions if we are dealing with a municipal unit?

Mr. SPARKMAN. If the Senator would eliminate the counties——

Mr. VANDENBERG. I eliminated them 10 minutes ago.

Mr. SPARKMAN. That is correct. Of course, the Senator forgot my first objection, and I forgot his elimination of the counties; but my objection remains, nevertheless.

Mr. HOEY. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from North Carolina.

Mr. HOEY. I understood the Senator to say that he did not think the provisions of the bill as it passed the House to be practical. Has not the Housing Expediter, Mr. Wood, said that he thought it would be practical to operate under the bill as it passed the House?

Mr. SPARKMAN. I cannot tell the Senator what Mr. Wood stated. I certainly cannot take responsibility for what he has said. In my own opinion it is not practical.

Mr. HOEY. I noticed an interview in which he stated he thought it would be practical to administer the bill as it passed the House.

Mr. SPARKMAN. I believe he reversed himself a few minutes later, did he not?

Mr. HOEY. I do not know; I cannot keep up with all the statements. At any rate, is it not true that the cities would have more facilities in this field than the State as a whole? All cities have municipal governments, and they are thoroughly familiar with the conditions within their areas. Would it not be more practical to let each city determine whether or not it needed, or that it was essential to have rent control, or whether or not it should be decontrolled?

Mr. SPARKMAN. I personally do not think so. I tried to state the reasons to the Senator from Michigan.

Mr. HOEY. As to the constitutional question, is there anything in the Constitution which would prevent cities, if the bill should give them the power, from saying they would decontrol?

Mr. SPARKMAN. I cannot be positive as to this, but I do not think the Constitution says anything about cities. I do not think it recognizes the existence of cities. It recognizes the existence of States, the very units of which the Federal Government was made, and from which it gets the only power it has.

Mr. HOEY. Congress recognizes cities when bills are passed. It allows cities to make all sorts of applications, and they act in administering the laws.

Mr. SPARKMAN. That is correct.

Mr. HOEY. There is nothing in the Constitution, to the contrary, giving the cities the power to determine whether or not they want to be decontrolled, is there?

Mr. SPARKMAN. I cannot recall any instance in which the Federal Government has delegated to any city the right to exercise any legislative authority.

Mr. DOUGLAS. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield to the Senator from Illinois.

Mr. DOUGLAS. Is it not true that if there is granted to towns and municipalities the right to decide for themselves whether or not they will decontrol, there will be great variation, and a marked lack of uniformity as between towns and cities which are close together? For instance, take the case of a large metropolis which is ringed by a series of suburban towns and cities. There could be decontrol by vote of some of the outlying towns and cities, with the result that rents were raised there, and even though the inner city had decided it did not want to decontrol, the pressure of decontrol being exercised in the outer towns and cities would be so great that it would be very difficult to maintain control inside the city which had so decided originally. In other words, is not the State a handy unit in the endeavor to get uniformity among substantially similar areas, and is it not true that if we split up an area into a multitude of local governing bodies, in many cases chaos will result?

Mr. SPARKMAN. I think the Senator has correctly stated the situation. If I recall correctly, the city of Pittsburgh has around it, immediately contiguous to it, several incorporated cities. What kind of situation would we face there? I am sure the same situation is duplicated many times throughout the country.

Mr. BRICKER. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield to the Senator from Ohio.

Mr. BRICKER. Frankly, I cannot see any distinction between one municipality being freed from rent control and another having rent control, and what we find over the country now, where one territory is not subject to decontrol. Today, even though the city involved may be in a controlled county, where an adjacent county is not under the present law administered from Washington, I suggest oftentimes without regard to the local needs and conditions.

If the Senator will yield for another moment I should like to state that there are States wherein there is local government authority in the cities, given under the Constitution, and in those cities they would not only have the right to fix the time of decontrol, but they would have full authority themselves to control rents if there were a police power authority back of their action. In other words, if it is reasonably necessary for the protection of the public peace, health, and safety those cities can take action on their own initiative.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. LONG in the chair). Does the Senator from Alabama yield to the Senator from Illinois?

Mr. SPARKMAN. I yield.

Mr. DOUGLAS. I think the Senator from Ohio comes from a State which is blessed with perhaps the largest amount of municipal home rule in the country. By the Ohio constitutional convention in 1912, as I remember, the cities of Ohio were given almost complete home rule, and therefore they have legislative powers to almost the fullest degree. But that is not the case in most of the States. In most of the States the cities are denied the right of home rule. Certainly that is true in my own State of Illinois, where the powers of municipalities are very limited, and where the supreme court, as I have stated, has declared that the city has no power, even where there is an absence of Federal rent control, to impose rent control if it so desires.

Mr. BRICKER. Could not the legislature in such States give authority to the cities if there were a demand for it or a real reason for it?

Mr. DOUGLAS. They could, but there is very little likelihood that they would in any short period of time, because there is involved the whole question of the rights and powers of the cities as compared with the States. The States in many cases are jealous of the cities and do not wish to give them municipal home rule. And there is the fact, which I pointed out in committee several times, and which was reemphasized early today by the mayor of the city of Grand Rapids, Mayor Welsh, in his address to the American Council of Municipalities, in which he pointed out that cities in industries States, with 60 percent of the population had only 25 percent of the members of the State legislatures, and that just as the industrial States are underrepresented here in the United States Senate, so are the cities underrepresented in the various State legislatures. It is

very unlikely therefore that any such wide grant of power would be given by the States to the cities and certainly not in sufficient time to be effective since in most cases, constitutional amendments would be necessary to do this. These would take much time.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. BRICKER. I wish to make an observation following what the distinguished Senator from Illinois has said. I think we in Ohio are blessed. We do believe in local home rule there. There are other States which do also. But I think there is a distinction, in that we are willing to vote our beliefs in Ohio. Simply because, as has been stated, in some States, such as Illinois, the people who live in industrial cities are underrepresented in the State legislature as compared with those who live in rural communities, and therefore there exists an inequity with respect to the matter of per capita representation, I do not think it is a matter for the United States Senate to correct that situation in Illinois, where they do not give home rule to the cities, by a rent-control act.

Mr. SPARKMAN. I may say, Mr. President, that by the same token, would not our trying to confer upon municipalities the right to decontrol likewise be doing the same thing the Senator has objected to with reference to the States?

Mr. BRICKER. Will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. BRICKER. Not at all. My idea is that this matter has come down to a local problem. It was emphasized in the hearings time and time again that it is purely a local problem. There exists a problem in Detroit which is not common to the State of Michigan. There exists a problem in Cleveland which is not common to the State of Ohio. There exists a problem in Chicago which is not common to the rest of Illinois. That very fact must bring us to the conclusion that rent control has become a local problem, with different emphasis in different communities, and that the Congress cannot now properly legislate, 4 years after the war, to meet the needs of every community. The problems are so complex, and the difficulties so intricate, that we cannot encompass them. The local communities know what is in their best interests. The State government, on the next level, knows better than we can possibly know here in Washington what is in its best interests. I believe the time has come to give back to the local communities this responsible control and take it from under the hands of what I think has been proved to be the most blundering of all the bureaucracies in Washington.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. TAFT. Does the Senator from Alabama want to answer the last question of the junior Senator from Ohio?

Mr. SPARKMAN. I did not gather that it was a question. I thought it was a comment.

Mr. TAFT. Of course, we recognize that in some counties there are a number of contiguous municipalities. But what difference does it make if one removes rent control and the other keeps it? What is the objection? The people of the city that keeps rent control can say to the tenants who come there, "We want people to come here; rents here are cheap." They can represent the advantages of their system. Other towns can say to the builders, "Come here and build where you can be free from rent control." That is to their advantage. I cannot see what difference it makes if we have rent control in one city and no rent control in the city next to it. In fact, that condition does exist to some extent today under Mr. Woods' administration. I cannot see the reason why there is any disadvantage in having rent control in one city and no rent control in another city. Certainly, as a matter of fact, that condition exists on the edge of every controlled rental district.

Mr. SPARKMAN. Of course, the Senator will recall that when I used as an illustration the city of Pittsburgh I was talking about communities that were certainly geographically all one. There is no line of demarcation, I am sure, in many cases.

Mr. TAFT. There are two cities inside the boundaries of the city of Cincinnati. There is the city of Norwood, with 25,000 population, entirely surrounded by the city of Cincinnati. I cannot see why there should not be rent control in the one city, if the people there want it, and no rent control in the other city if the people there do not want it. But how does it affect the picture? Why is it any worse than the situation which exists today in the United States, with rent control in some places and no rent control in other places?

Mr. SPARKMAN. The Senator mentioned new construction. He knows that rent control has been removed from new construction for 2 years.

Mr. TAFT. But effort has been made this year to restore rent control on new construction.

Mr. SPARKMAN. There was no request.

Mr. TAFT. It was so recommended by the President, as I understand.

Mr. SPARKMAN. There is no such request in our proposed legislation, and certainly there is no provision to that effect in the bill as the Senate committee has reported it or as it came to us from the House.

Mr. TAFT. It was widely reported in the press, and the fear that Congress may recontrol has very materially deterred people from building new houses. The bill would recontrol in the case of quite a number of houses which have been decontrolled, and, naturally, the fear at once arises that Congress is going to recontrol on new construction. That, in my opinion, has certainly discouraged the construction of homes.

Mr. SPARKMAN. There is no such provision in any administration bill. When I refer to the administration bill I refer to the bill introduced by the able chairman of our committee, the Senator from South Carolina [Mr. MAYBANK]; there was no recontrol of new construction whatsoever in the bill.

Mr. MAYBANK. None whatsoever. I may say that aside from the bill introduced by the Senator from Pennsylvania [Mr. MYERS], no recontrol on new construction was ever thought of or written in any kind of language so that it could possibly have been understood, or misunderstood, that it was proposed to recontrol on new construction.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. TOBEY. I should like to address my remarks to the senior Senator from Ohio. He recently made the observation that the President had made a recommendation which had not been carried into effect. That is not the sole instance I point out to the Senator from Ohio. There have been others, and there are more to come.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. CAIN. I should like to ask one question, in an endeavor to secure an answer to the question asked by the senior Senator from Ohio [Mr. TAFT]. It was the opinion of some of us during the consideration of all the bills, that the bill introduced by the Senator from Pennsylvania [Mr. MYERS] was in fact an administration bill, and it was true, was it not, that in his bill was contained a recommendation that new construction be recontrolled?

Mr. MAYBANK. That is correct. I want to say to my good friend, the distinguished Senator from Washington, that the administration bill was the one I introduced in the Senate by request. It was Senate bill 600. Hearings were held on it. The bill of the Senator from Pennsylvania was introduced by him. He would have to speak for his own bill. However, we gave him a hearing on the bill and studied it carefully. I did not understand it to be the administration bill. I understood that the Senator from Pennsylvania had introduced the bill on his own responsibility.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. CAIN. If my memory is correct, the bill of the Senator from Pennsylvania was introduced prior to the time the administration bill was introduced, and for that reason a number of Senators thought the President, through the bill of the Senator from Pennsylvania, was asking for recontrol of new construction.

Mr. MAYBANK. I think it was given publicity in the newspapers; but I had nothing to do with that bill, except that the distinguished chairman of the subcommittee gave the Senator from Pennsylvania the right to testify and to call witnesses. That bill did have in it the recontrol of new construction. However, the administration bill, which was introduced by request, did not have such a provision, and, of course, as the Senator well knows, the substitute for the House bill now before the Senate does not mention the subject.

Mr. SPARKMAN. The chairman may remember that when we started the hearings I stated specifically that Senate bill 600 was the bill which we were con-

sidering, as the administration bill, even though we had other bills pending before us.

Mr. MAYBANK. It was referred to in some of the testimony as the Tighe Woods bill.

Mr. SPARKMAN. Yes.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. DOUGLAS. I should like to deal with the question raised by the able and distinguished Senator from Ohio [Mr. TAFT] as to why we should not allow municipalities and towns to decontrol. I should like to start by repeating a remark which I made when the Senator from Ohio was not in the Chamber, namely, that if there are a large number of closely adjoining towns and cities, and one or two decontrol, there is started a psychological pressure which affects the other communities and makes it more difficult to hold on to control in those original areas. The problem involved is similar to that encountered in determining whether the northern counties of Ireland should be a part of Ireland or not, or the problem in the Balkans, of determining which particular area shall be independent. It seems to me that the State is the logical agency by which we can get uniformity within its confines. The State, in turn, can say that in a given county there shall be control, and in another county there shall not be control. But it seems to me that if we give such authority to the towns, we create such a chaotic situation that there will be danger of contagion as between the various towns, which will make it difficult to hold on in other areas. It may be said, "That is precisely what we want." I do not know that it is.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. TAFT. I do not know whether we want it or not; but, as I understand, the Senator from Illinois is taking the position that, if the people in the controlled areas are gradually persuaded that they want decontrol, he does not want their opinion to prevail. As I understand, he is arguing that, if two towns decontrol, and the people in a third town are persuaded that decontrol is the proper thing, there is something wicked about a public opinion created in that manner, as against a public opinion created in some other manner.

It seems to me that the Senator is denying the very principle of the ability of a community to decide, after considering all the reasons, propaganda or otherwise, whether it wants control or no control. I cannot understand the basis for saying that the people of a certain community shall not be subjected to persuasion from surrounding communities, because they might possibly then decide in favor of decontrol when otherwise they would be in favor of control.

Mr. SPARKMAN. Personally that is the reason why I object to it. It is not a question of one community influencing another. It is a question of the confusion which might well result from contiguous areas trying to function with one area under control and the other decontrolled.

Mr. BALDWIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. KERR in the chair). Does the Senator from Alabama yield to the Senator from Connecticut?

Mr. SPARKMAN. I yield to the Senator from Connecticut.

Mr. BALDWIN. As I understand, under the terms of the bill as reported by the committee, the Federal authorities in Washington, upon the recommendation of the local advisory board, could decontrol a certain city. Is that correct?

Mr. SPARKMAN. The Federal authorities in Washington?

Mr. BALDWIN. Upon the recommendation of the local advisory board, the Federal authorities in Washington could decontrol a certain city.

Mr. SPARKMAN. That is correct.

Mr. BALDWIN. If that be so, would not the same confusion result from the operation of the law? Or does the Senator contemplate, since he does not want to have the so-called chain reaction to which the Senator from Michigan [Mr. VANDENBERG] has referred, that there will be no effective decontrol whatsoever?

Mr. SPARKMAN. No. I do not think there would be the same confusion for this reason: The local board represents the area, and not necessarily one municipality. Therefore, if there are half a dozen incorporated areas all in one metropolitan area, if a recommendation were made, it would come from those who represented the entire area, and not merely one of the elements of it.

Mr. BALDWIN. Would it not be impossible, on that basis, to get any decontrol at all?

Mr. SPARKMAN. Not at all.

Mr. BALDWIN. Take the city of Bridgeport, Conn., which is surrounded by Stratford, Trumbull, Monroe, Fairfield, and Westport, all more or less in a single metropolitan area. If the people in Stratford wanted to get decontrol, they would have to convince not only the Bridgeport authorities, but every other authority in the entire area, would they not?

Mr. SPARKMAN. Oh, no.

Mr. BALDWIN. If the citizens of Stratford asked for decontrol, and the Westport people were against it, that would result in a stalemate, and there would be no decontrol whatsoever.

Mr. SPARKMAN. I am not familiar with the geography of that particular area.

Mr. BALDWIN. Take the case of any community—and there are thousands of them in the country—which is constituted in exactly the same way.

Mr. SPARKMAN. It would be the duty of the local advisory board to take into consideration all the evidence presented to it, as to whether or not there should be a decontrol of the general area. It is not a question of one municipality influencing the board in one way, and another municipality influencing it in the other way. It is the duty of the board to determine first, whether or not the area should be decontrolled; secondly, if not, whether or not there ought to be a general rent increase, or what recommendation, if any should be made to the Housing Expediter.

Mr. BALDWIN. Is it not true, then, that the effect of this provision is to require the approval of every separate community in the entire area before decontrol can be obtained in a particular area? Does not that defeat the entire purpose of the provision with reference to decontrol on the local level?

Mr. SPARKMAN. I think the Senator states it a little erroneously when he says that it is necessary to have the approval of every community in order to get decontrol. That is not necessary. What is necessary is the opinion of the local advisory board that there ought to be rent decontrol in that particular area.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from Michigan.

Mr. VANDENBERG. I should like to get back to my original question, because I am keenly interested in the answer. If there is a sound reason against municipal control, I do not want to have anything to do with it. But if the Senator and I can agree upon that fundamental home rule philosophy—in which I would expect him to be congenitally as well as politically interested—I want to see if we cannot get together. When the colloquy started, I was under the impression that the Senator from Alabama suddenly found himself almost in agreement with me. As I understand, the Senator urges upon me two basic reasons why municipal decontrol is inadvisable. As I understand, the first reason is constitutional. I am not a lawyer, and I do not propose to invade that field; but as a layman, I can understand why, if we were undertaking to delegate authority to a municipality to invoke control, there might be some question about it. But when all we are doing is authorizing a community to petition a Federal authority to decontrol, I am unable to discover any difficulty.

Mr. SPARKMAN. May I interject there to point out to the Senator that that is not what this proposal is. It is not a matter of petitioning.

Mr. VANDENBERG. I am talking about my proposal.

Mr. SPARKMAN. That is the one I am talking about. I am discussing the proposal to let a city decontrol, at the local level. The power which the Senator from Michigan seeks to confer would not merely allow a city to petition the Federal Government to decontrol, it would give to the municipality the power to decontrol, without establishing any standards whatever.

Mr. VANDENBERG. Except that of home rule.

Mr. SPARKMAN. No standards would be established upon the basis of which to judge whether or not there should be decontrol.

Mr. VANDENBERG. Nothing but its own sovereign municipal judgment as to how it wanted its people to live.

Mr. SPARKMAN. The proposal seeks to give the municipality the right to act for the Federal Government. It seeks to give to the municipality a power which the Federal Government has no right to give, and cannot give. That power can come only from the States, operating under State constitutions.

The Senator is trying to clothe municipalities with powers which they do not have, and which they cannot get from the Federal Government; for if they are to get them anywhere, they must get them from the State government, under the State constitution.

Mr. VANDENBERG. We shall say that the Senator has now arrived at a constitutional reason for objecting to home rule.

The other objection the Senator urged upon me was based on the problem of confusion if there were a variety of different degrees of control in a given area. I cannot quite follow that idea of confusion. For instance, does the Senator mean that if my city of Grand Rapids in exercising its own home rule authority were to decontrol, that would become so popular that perhaps many other communities surrounding it would immediately wish to decontrol, and the first thing we know, there would not be any control?

Mr. SPARKMAN. No; not at all. I am hoping that our position relative to the various States would cause decontrol to become popular, or State action on the subject to become popular. But I refer to the confusion which would result in the case of cities in the same area. I do not know what cities may be contiguous to Grand Rapids or may be a part of the same area; but I know there are many sections of the country where there are cities within cities and cities contiguous to one another and so closely identified with each other that it is impossible to tell where one ends and the other begins.

Furthermore, it seems to me that if we give to the city councils the right to decontrol, we must do away with our local advisory boards; otherwise there will be confusion between the two and there will be buck passing. Personally I believe in the local advisory boards.

I wish to say to the distinguished Senator from Michigan, the distinguished Senator from Washington [Mr. CAIN], the distinguished junior Senator from Ohio [Mr. BRICKER], the distinguished senior Senator from Ohio [Mr. TAFT] the distinguished Senator from Connecticut [Mr. BALDWIN], and all our other Republican brethren that this statement comes from the Republican platform, adopted last year at Philadelphia:

Housing can best be supplied——

Mr. BRICKER. That was not adopted by the people of the country, I understand.

Mr. SPARKMAN. It was adopted by the Republicans in solemn convention, but was turned down by the people, I will say. [Laughter.]

Mr. BRICKER. The Senator from Alabama wishes to revive it; does he?

Mr. SPARKMAN. No; but I wish to remind my Republican friends what they tried to tell us then:

Housing can best be supplied and financed by private enterprise, but Government can and should encourage the building of better homes at less cost. We recommend Federal aid to the States for local slum clearance and low-rental housing programs only where there is a need that cannot be met either by private enterprise or by the States and localities.

In that case, Mr. President, the bill sponsored by the able senior Senator from Ohio [Mr. TAFT] was pending before the Congress; and as a matter of fact, if I remember correctly, about 4 o'clock in the morning on that January day a message came from Philadelphia that, "You have to pass a housing bill and you have to pass a farm bill"; and the Senator from Ohio insisted that that housing bill be passed.

Mr. VANDENBERG. That was not January; it was June. It just seemed like January. [Laughter.]

Mr. SPARKMAN. That bill contains a provision whereby the help should go to the cities, and the cooperation would be from the Federal Government to the city authorities; but the Republican National Convention said that was not the right way to do it.

Let me say that the housing bill—which I was in favor of then, and I am in favor of now—did provide that the cities should do certain things, but the bill made such provisions in the right way; it provided for such things to be done under contract, and it provided standards as to how everything should be done.

But in the present case the same persons who wrote that plank into the Republican Party platform—thus denying to the cities the right to participate even in contractual relationships—now are asking that we should disregard the States, the fountainhead of all the powers cities and municipalities have, and should go down to the city levels and should let them tell the Federal Government what to do.

Mr. DOUGLAS. Mr. President, will the Senator yield to me?

Mr. SPARKMAN. I yield.

Mr. DOUGLAS. I should like to ask the distinguished Senator from Alabama if it is a fact that when the airport construction bills were before the Seventy-ninth Congress, the Republican Party was most insistent that the Federal aid for airport construction should be given, not to the cities, but to the States.

Mr. SPARKMAN. That is correct.

Mr. DOUGLAS. In view of that, I wonder whether the Senator from Alabama would say that he agreed with Mr. Justice Holmes, who said, in one of his celebrated opinions, that abstract considerations do not determine concrete policies.

Mr. SPARKMAN. In answer to that, perhaps I should look up the way I voted, first. [Laughter.]

Mr. DOUGLAS. The Senator voted for aid to the cities.

Mr. SPARKMAN. I am sure I did.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. BREWSTER. The Senator from Illinois has cited a very interesting precedent which I had intended to present as quickly as possible. I was, I think, the chief advocate of the theory of State controls so far as airport construction was concerned. Now I find myself completely overwhelmed by the gentleman on the other side of the Chamber who insisted that the cities were not only competent but were constitutionally authorized to pass on the matter. So it seems to me that the argument the Senator now advances is diametrically opposed to the argument which was presented in the past by Senators on his side of the Chamber.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. DOUGLAS. I think it is true that the attitude of political parties on this question somewhat depends on whose ox is gored.

However, since the issue has been raised as to the consistency of the policy of Senators on this side of the aisle, I wish to point out that certainly it is very interesting to find that at one time the master logicians on the other side of the aisle were in favor of aid to the States, and were opposed to aid to the cities; but now they have switched over, and are in favor of permitting the cities rather than the States to take this action. That is certainly interesting; but it raises the question as to whether, if our logic is not impeccable, theirs is any better.

Mr. CAIN and other Senators addressed the Chair.

Mr. SPARKMAN. Mr. President, I should like to make a comment, and then I shall yield, right down the line.

Of course, one thing to remember about the matter of airport construction and our willingness to have that matter handled through the municipalities—and I think we need to keep this point in mind when we consider the so-called local option provision—is that in that legislation, as well as in the housing legislation and other legislation in which the Federal Government has cooperated with the municipalities, definite standards were set up.

But in the matter now before us, no standard whatsoever is proposed; the municipality would be given the right to decontrol in any way that it decided to do, without any uniformity at all throughout the country.

Now I yield to the Senator from Washington.

Mr. CAIN. Mr. President, in view of the fact that the very able Senator from Alabama has most clearly, from his point of view, given to those of us who are interested his reasons for not concurring in the wish of some persons to permit the municipalities to decontrol their areas, I wonder whether the Senator would accept to the bill as it now is an amendment permitting the local advisory rent-control boards to have authority, not to recommend decontrol, but to decontrol in their municipalities.

Mr. SPARKMAN. The Senator from Washington knows that we threshed that out rather thoroughly 2 years ago. I believe that he and the Senator from Arkansas [Mr. FULBRIGHT] and I and other Senators who were on the subcommittee—I cannot recall all the names of the members of the subcommittee—began with the idea of giving that right to them; but if I remember correctly, we came to the conclusion that it would be unconstitutional.

Mr. CAIN. At that time——

Mr. SPARKMAN. At any time, because we would be delegating authority; that is my recollection.

Mr. CAIN. I most certainly agree. Let me respond to the Senator by saying that we thought there was a reasonable constitutional doubt.

Mr. SPARKMAN. Let me say that the Senator knows that we provided for the advisory boards to make recommendations, and we provided a procedure whereby appeals should be made to the emergency court of appeals, because we felt that we could not constitutionally lodge final authority in the local advisory boards.

Let me further say that I am still strongly in favor of the local advisory boards; and in my opinion this local-option provision would eliminate them completely.

Mr. CAIN. But because of the somewhat sad experience we have had with reference to the Federal Housing Expediter turning down some of the sound recommendations of local boards, is there not some way, I may ask the Senator, by which we can vest additional authority for decontrol in the hands of local advisory control boards?

Mr. SPARKMAN. I hope, by the way, to return to my statement a little later. I have only read nine pages. But the Senator from Washington will recall—and I intend to discuss it a little later——

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. SPARKMAN. Just one moment. We provide in this case greater authority, I may say, for the local boards, or at least permit action requiring them to grant hearings where hearings are called for, and if that fails, then we direct the Expediter to hold hearings. We give both parties the right of appeal. In other words, we have done something here that has not been done in any previous act.

Mr. CAIN. But I ask this last question: The advisory board does not have anything that constitutes authority to decontrol on a local level as of today, under this proposal, does it?

Mr. SPARKMAN. That is correct. They can recommend. Now, let me yield to the Senator from Connecticut.

Mr. BALDWIN. Mr. President, have we not gotten a long way from the real question here? As I recall, this phase of the discussion began when the Senator from Alabama pointed out the fact that under this bill, which gives States authority to decontrol, or puts considerable authority in the State legislatures to decontrol, we are doing something which is really ineffective because many of the State legislatures which have been in session either have adjourned or are about to adjourn. So that it seems to me the question is this: If we are going to give any effective authority for local decontrol, we must fasten it upon some legislative body that is in continuous session, as are the common councils of the cities and the boards of selectmen of the towns. Is not that the fact? If we merely give the authority to the States to act through their legislatures, then that authority will be ineffectual, excepting when the legislature is in session, or excepting there be the possibility, which is always remote in the State, of calling a special session for the particular purpose. Would not giving authority to municipalities guarantee that there will be continuously in session a legislative assembly or a body of the government at least that can operate 12 months of the year? Is not that where we started with this argument?

Mr. SPARKMAN. Let me say to the able Senator, that is where we started with the argument. We discussed the matter of legislatures being in session. There are, as a matter of fact, 39 of them, I think, in session now, or will be by the middle of the year. Two of them will be out of session shortly. Five States already have rent-control laws. It is true that perhaps those two or three different legislatures might not be able to act this year; but there will be only two or three. The others certainly can act. I am glad the Senator changed his statement from a "legislative body" to a "governing body," for the very reason that cities ordinarily have not legislative bodies. They have only power——

Mr. BALDWIN. Mr. President, if the Senator will yield at that point, is not the common council of a city a legislative body?

Mr. SPARKMAN. A city has only the power the State gives it. Often the granting of the power is severely limited by the constitution itself. The Senator from Connecticut, having served as Governor of that great State, knows, as does the able Senator from Ohio—I do not know what degree of local control there may be in all the States—that in many States throughout the country the cities have a minimum of local control.

By the way, I may interject this thought. The mayors conference is in session in Washington, starting today. I have no idea what action they are going to take on rent control, but it will be interesting to see what they do. I venture the prediction that the mayors of the country are going to say they do not want this power vested in local municipalities.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from Ohio.

Mr. BRICKER. If the Senator will permit, I should like to pursue a little further what we are really engaged in discussing at this time, particularly in view of the comments of the Senator from Illinois [Mr. DOUGLAS], and the original question by the Senator from Michigan [Mr. VANDENBERG]. We are not, in this bill, or in any amendment to the bill, or in any suggested insertions to the House text, attempting from Washington to give authority to local governments, or to disturb the power local governments already have, or do not have, from the State authorities, or by State constitution, or by legislative action. What we are here attempting to do—and I am brought to this question by the chairman's suggestion a moment ago—is to fix a time for decontrol. We are not giving the cities authority to control, we are not giving them any authority they do not have, either by this bill or by asking the States to give them authority. We are simply saying that this law shall not be effective—when? After the date determined by the local governing authorities that they do not want Federal rent control. It has often been said that that is a delegation of legislative authority. That is certainly a misinterpretation of the bill. There is no delegation of legislative authority of any kind. There is no giving of power to local government through this bill. We are simply saying to the local governments, "You can fix a time—a standard, so to speak—at which this law will not be effective in your community." If that is unconstitutional, it is unconstitutional to say that we shall have control in Detroit and will not have it in Hartford, Conn., or not have it in Ohio, and will have it in some other State of the Union.

So we are here not dealing with the delegation of legislative authority, such as the Supreme Court of the United States passed upon in the Shechter case, for instance. I think that is about the only pronouncement of the Supreme Court in recent years at least on the delegation of legislative authority. In that instance there was an attempt on the part of the Congress to delegate to a local board of industry power to fix violation terms and power to impose penalties which would have to be enforced by the Federal court. Of course that is a legislative authority. There is no parallel between that and this present bill at all. The Supreme Court of the United States time and time again has said that local government can fix a standard, that we can depend upon the occurrence of future events upon which to end the legislative authority which has been called into force by the Congress of the United States.

I should like to make one further suggestion, if the Senator will indulge me a moment longer. I shall come back to his suggestion that there might be—was the term "contamination" or "a spread of the infection" of decontrol in one community to an adjacent or other community? Of course, I do not look upon it as an infection. I think it was Bob Ingersoll who was asked how he would improve upon the works of the Creator, and he said he would make health catching instead of disease. I think it would be a very hopeful thing if we should say to local governments, "You have the power to influence your community to take back the responsibility." I think it would be a very wholesome spread of the philosophy of local self-government, because I do not know, as I have listened to the discussions before the committee, of any community which does not want the time to come soon when we can get rid of Federal rent control and turn back these powers to the police power of the States. That is the only place where police power really resides. The only authority for rent control is in the war powers. The war has been over for 4 years, and we are now approaching the time, I hope, when we need not impose controls. Yet, in this bill there is an attempt to reimpose upon segments of our society rent control administered from Washington which had been removed from the bill of 2 or 3 years ago. Here is an attempt to reimpose those controls, even though in the bill and in the testimony of the Housing Expediter there was a suggestion that there was no desire

to control new construction. Nevertheless, in one of the bills before the Senate it is provided that new construction be controlled. That will act as a brake on construction as soon as the Federal Government assumes the power. Construction has been decreasing ever since Federal control has been put into effect, and that will be the result so long as it is hanging over us.

We are not attempting to give local authority where it does not now exist. We are simply fixing a standard which I believe the Supreme Court of the United States has long ago recognized as a proper enactment by the Congress of the United States. The termination of rent control is a fixed event, that being when the local community says it does not want it any longer.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from Illinois.

Mr. DOUGLAS. Mr. President, since the Senator from Ohio has made some reference to the remarks which I made, perhaps I should reply. The Senator has said that the war is over and, therefore, rent control should be dropped. I am sure he will remember the story of the soldier who asked his commanding officer, "Captain, is it not true that we enlisted for the duration of the war?" The captain replied, "Yes; that is true." The spokesman for the rank and file said, "Isn't the war over?" The captain replied, "That is true." The soldier said, "Well, captain, why don't we go home, then?" The captain thought for a moment and then said, "Well, the war is over, but the duration has just begun."

I think we can say with reference to the Second World War, that it is over, but the housing shortage is still here.

Mr. BRICKER. Mr. President, will the Senator from Alabama yield to me?

Mr. SPARKMAN. I yield to the Senator from Ohio.

Mr. BRICKER. The Supreme Court has recognized that in a recent decision. Of course, we know that the effects of the war will never be over. It is a question of whether the war powers should longer be exercised.

Mr. DOUGLAS. I am very glad the Senator has come to that point, because what we have is a housing shortage which, in spite of the increase in building during the past few years, still exists.

The volume of construction during 1920 was at the rate of 750,000 housing units a year. During 1930 it was reduced to approximately 330,000 housing units a year, barely sufficient to provide for the housing which was being worn out and depreciated but not sufficient to provide for the growth in population and the increase in the number of families. Building construction was progressing in 1940 and 1941, and then the Second World War came, with a reduction in construction, I believe, of approximately 300,000 for the years 1942, 1943, 1944, and 1945, so that when the war was over we had a tremendous arrearage which has not yet been made good. That is the only reason why those of us who favor a strong Rent Control Act are urging it.

The wartime shortage has not been made good. We believe it would be dangerous to return controls purely to municipalities, because we think it is not merely a local question, but is also a national one. It is a national question so far as the effects of removing rent control are concerned. It is not merely the individual whose rent is increased who is affected, but it is a question of what happens to the individual tenant and to his course of action after his rent has been increased. Suppose there is an increase of 25 or 50 percent in rents in a given city. Since housing takes approximately 20 percent of the average income, and possibly 25 percent of the average income of low-income groups, that would be a very appreciable increase in the cost of living. It will lead to a drive for increased wages. It may possibly lead to strikes and industrial strife. That is one reason, amongst others, why we believe we should not turn rent control over to every town and city.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from Michigan.

Mr. VANDENBERG. Mr. President, I seem to have started this riot with a very humble question seeking information as to why municipal decontrol is inadvisable. Since I propounded the question, the air has been full of the Constitution, the Republican national platform, the Democratic national platform, State sovereignty, and divers and sundry things with which I did not have the remotest purpose to collide. I simply want to make it quite clear that I was not advocating municipal decontrol. I was, and still am, simply trying to discover whether municipal decontrol is defensible or perhaps acceptable, and if it should prove to be acceptable, I could figure for myself that the imposition of home rule in connection with a problem which is peculiarly home rule in its character would be a highly desirable thing.

Mr. SPARKMAN. Mr. President, I appreciate the remarks of the able Senator from Michigan. I believe we have provided home rule in this bill. We have certainly provided it on the State level. We have provided local advisory boards. They have been established for 2 years. We give them more authority and put more work upon them. We have tried to write into the bill what we consider to be the maximum of sound local rule.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from Ohio.

Mr. BRICKER. I have only one more suggestion. The Senator referred a little while ago to the Republican platform, which is still good, I think, so far as its philosophy is concerned.

Mr. SPARKMAN. It has not been used; it should be still good.

Mr. BRICKER. I thought the Senator was going to refer to rent control, but he referred to the section in regard to housing, which brings to mind that last year there were more than 900,000 housing units constructed. There have been more than two and one-half million housing units constructed since the end of the war. They have been constructed by private industry. In many communities they are adequate or almost adequate to the housing needs. In spite of that fact, many of them—and I will get the statistics later on in the debate—are still under rent control, even though the local boards have requested that they be decontrolled.

Mr. SPARKMAN. Mr. President, I will say to the able Senator from Ohio that I think he has certainly touched the key to the situation when he discusses the building of new homes. Last year was the best housing year we have had since 1925, I believe, or perhaps 1926——

Mr. TAFT. The best we have ever had.

Mr. SPARKMAN. That is still better. We hope that this year may be even better. We believe the solution to the rent control problem is the construction of new dwelling units; and before long, just as soon as we can get this legislation out of the way and receive a green light, the same committee and the same subcommittee which worked out this bill will present to the Senate for early action Senate bill 1070, which we hope will produce in this country more than a million homes in conjunction with other legislation which is already on the statute books, and other legislation which we hope to bring in in still another bill, along the line of Senate bill 712 and Senate bill 724. We hope to attack the housing shortage as strongly as we can, and we hope that before too long we may be able to eliminate rent control.

I agree with the senior Senator from Ohio in the statement he made about this becoming a localized problem. I am not saying that it has become that, but it is certainly working in that direction. That is the very reason why we have provided in the bill for States taking over, in the hope that States will assume control so that when we reach the point when it affects, not the Nation as a whole, or to such an extent that we should have a national law, but affects only certain local industrial, congested areas, we can do away with Federal control.

Mr. TOBEY. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield to the Senator from New Hampshire.

Mr. TOBEY. The Senator just spoke about his hope for getting a housing bill, which I share, and he said he hopes to bring it in and have it pass the Senate. May I add a clause to his hope and aspiration, that this time we hope that the management and leadership of the House of Representatives will not bar the people's representatives from the right to vote on the bill. Does the Senator share that hope?

Mr. SPARKMAN. I certainly share that hope, and I remind the Senator that the House is under new management.

Mr. TAFT and Mr. DOUGLAS addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Alabama yield; and if so, to whom?

Mr. SPARKMAN. I yield to the Senator from Ohio.

Mr. TAFT. I wish to start another subject, and the Senator might yield first to the Senator from Illinois.

Mr. SPARKMAN. Then I shall yield to the Senator from Illinois.

Mr. DOUGLAS. In view of the fact that the junior Senator from Ohio has spoken about the high rate of construction in the last 3 years—and I am very glad to say that we are all delighted that two and a half million homes have been constructed—I should like to point out that the population is increasing constantly, and new marriages being formed. I telephoned to the national Office of Vital Statistics—FSA—this morning to get the figures on the number of new marriages, and was informed that there are each year now an estimated number of more than 1,750,000 new marriages. The postwar rate of marriages therefore is still high. Those marriages represent in the main people who want to get homes. In view of the fact, that the population is increasing, and that the marriage rate is still high inside the population, we have a strain upon housing facilities. Is not that true? It reminds one of Alice in Wonderland, who found she always had to run faster to stay in the same place.

Mr. TAFT. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. TAFT. I do not wish to question the figures given by the Senator from Illinois, but I cannot believe there are 1,750,000 new marriages a year in the United States. I think that figure must be a mistake. According to the figures I have always seen stated, we count on about 500,000 new families a year in the United States. Of course, people die, even as people are born and get married.

The result is that the net increase in families is generally given as 500,000 a year.

Mr. DOUGLAS. I may say if my figures are wrong, I shall be very glad to correct them. We telephoned to the Office of Vital Statistics and my research assistant informs me that the figure I gave was the one furnished about new marriages. We will investigate again, and if there has been any error, I shall be very glad to revise the figures in the RECORD.

Mr. TAFT. There are born in the United States to couples in the various age groups, roughly speaking 2,500,000 children, which would mean perhaps 1,250,000 marriages a year. So if there are 1,750,000 marriages there must be a very extraordinary condition.

Mr. DOUGLAS. I wish to be absolutely accurate, and I should like to point out the deferred marriage rate in the war years was not completely made good in 1946 and 1947, but was continued on into 1948.

Mr. TAFT. Let me suggest that the Senator has to take into consideration also divorces. In some extraordinary cases at times divorces have exceeded the number of marriages, and they still include a very considerable percentage of the new marriages, which would have to be deducted.

Mr. DOUGLAS. That is correct.

Mr. LUCAS. Mr. President——

Mr. SPARKMAN. I ask the Senator from Ohio if I may yield first to the majority leader, before the Senator from Ohio moves on to another subject.

Mr. TAFT. Certainly.

Mr. LUCAS. Mr. President, I should like to refresh my own mind with respect to the figures which were cited a moment ago. Did I correctly understand the able Senator from Alabama to say that more housing units were constructed last year than at any time in the history of America?

Mr. SPARKMAN. I made the statement that more were constructed than at any time since 1925, which was the previous banner year. The Senator from Ohio added that there were more than in any year in our history. I knew they were on about the same level with the highest.

Mr. LUCAS. Was all that construction carried forward by private enterprise, or was there a combination of public and private enterprise?

Mr. SPARKMAN. Those constructed last year were by private enterprise, I believe. I do not think that figure includes any public construction at all.

Mr. LUCAS. Let me make one observation in the Senator's time, especially in view of the statement made by the Senator from Ohio that this would be the banner year of all time for private industry in the building of houses. To my way of thinking, the figures cited for 1948, which was a political year, afford the best indication I know of that private initiative and private enterprise were going over the top under a Democratic administration, during an election year, and those figures are the best answer to the charges that private capital in this country is afraid that what the administration at the present time is doing is along the socialistic line. In my humble opinion, if the private enterprise and the industry of America, which control all the capital back of the houses being constructed, thought for one moment during 1947 or 1948 that this country was going to the dogs, from the standpoint of going socialistic, we would not have had a banner year in the building of houses in 1948.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. SPARKMAN. Let me say just one thing, and then I shall yield.

Of course, I think the Senator from Illinois is correct, and I should like to cite one instance, if I may, to the Senator from Illinois, the able majority leader. We have recently held hearings on a proposed housing bill, a proposal to enact the unenacted portions of the old Taft-Ellender-Wagner bill. That provides for 135,000 units of so-called public housing; that is, housing to be built by local city authorities, with a certain amount of subsidy from the Federal Government to help pay the rent of the people who are not able to pay the full rent.

Practically every private builder who came before the committee objected to that, and one of the grounds of objection was that 135,000 units would consume so much material and entail so much labor that they would not be able to build all the houses they otherwise would build. In other words, according to their expressed intent, private enterprise is still going forward in the building of houses in the United States. I think the Senator is correct in saying that not only have we not gone to the dogs, but private builders do not deem that we are ever going to the dogs.

Mr. MAYBANK. Mr. President——

Mr. SPARKMAN. Will the Senator permit me to yield to the chairman of the committee?

Mr. TAFT. Certainly.

Mr. MAYBANK. As the Senator from Alabama well knows, in the deficiency appropriation measure which will shortly be reported to the Senate, there is carried an increase of $800,000 to be used for facilities to expedite the title 6 loans to private business. The testimony shows that because of the lack of funds to expedite these loans, in January alone we were behind 12,500 cases in processing loan applications, and in January and February we were some 25,000 cases behind. So when the money is appropriated we can open the doors for private industry under title 6 to proceed with all the building contemplated.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. TAFT. Does not the Senator feel that the extraordinary construction in 1948 was due primarily to removing rent control from new housing? Was not that the main element that brought about this tremendous increase in the building of houses?

Mr. SPARKMAN. No; I do not think so at all. I want to be perfectly fair. I think it was an incentive for new construction. But we had an unusually low amount of construction last year for rental dwelling units. As a matter of fact, the great increase in construction was in houses for sale, and the Senator knows that in the bill he helped to get through in the wee hours of that Sunday morning in June last year, we tried to give every incentive we possibly could to private builders to build low-priced houses for sale. We tried to get that type built. The builders of the country responded very well and did a very good job. But the great majority of the houses built during 1948 were for sale and not for rent.

Mr. TAFT. So the Senator would say that this construction means that people are willing to buy houses under a Democratic administration, but they are wholly unwilling to build houses as an investment for rent? Is that the conclusion of the Senator?

Mr. SPARKMAN. Not at all. I was trying to give the Senator from Ohio a little credit for passing a small housing bill, when I wish he might have passed his great big bill, which would have done a tremendous job. I hope he will very soon be lined up with us and will help pass that bill.

Mr. TAFT. The Senator will find my name on it when we pass our bill.

Mr. SPARKMAN. Yes. I was glad to see it on there.

Mr. TAFT. It is also true that this large increase in construction took place under a Republican rent-control bill passed in 1947 removing rent control from new houses?

Mr. SPARKMAN. I said that I thought that removing rent control on new construction, while it created some inequities, had served as an incentive for

some construction of rental property, although I mention again the fact that the rental property constructed last year was very small.

Mr. LUCAS. Mr. President, will the Senator yield for one further question, following up what has been said in this short colloquy on this very important question?

Mr. SPARKMAN. I yield.

Mr. LUCAS. Does the evidence adduced before the Committee on Banking and Currency disclose any change with respect to the builders of America continuing the program for this year so far as the investment of private enterprise is concerned?

Mr. SPARKMAN. Oh, no; they are going full tilt. In fact, as I said a moment ago, they objected to the pitiful 10 percent we offered to give to the low-income group of the country in order that they might share in what is called an over-all housing program. They objected to that on the ground it would be taking materials and labor away from them in the tremendous housing program they are trying to put into effect. There is no let-up. They are driving full speed ahead.

Mr. LUCAS. That is correct. I want to press that point a little further.

Mr. SPARKMAN. Before the Senator from Illinois goes further, may I call attention to the statement made by the Senator from South Carolina [Mr. MAYBANK] a few minutes ago that builders are going ahead to such an extent that the Appropriations Committee found it necessary to appropriate an additional $800,000 in the deficiency appropriation bill. I will take that back. It is not an appropriation, it is an authority for FHA to use funds they have collected through fees and commissions. But it was necessary to provide authorization to use the $800,000 additional.

Mr. LUCAS. Would the Senator speculate and say that in his opinion 1949 will probably equal or even surpass 1948 so far as building homes is concerned?

Mr. SPARKMAN. I should be willing to predict, particularly if we are able to complete action on Senate bill 1070 in the reasonably near future, and if we are able to complete action on the additional legislation we propose, somewhat along the line of that contained in Senate bill 712 and Senate bill 724, that 1949 will exceed any previous year in the building of housing units.

Mr. LUCAS. I want to thank the Senator from Alabama for that observation, because it seems to me that is a very important psychological factor to be brought out in this debate to demonstrate to the country that, after all, private enterprise still is tremendously interested in building new homes for America and is willing to take the chance. The Senator's opinion that 1949 will exceed 1948 in the building of new homes is to me worth a great deal from the standpoint of psychology throughout the country so far as what this administration is attempting to do to private enterprise is concerned. In other words, private enterprise, as the result of the statement made, will have no fear of what this administration is going to do to it. Private enterprise undoubtedly believes the administration will not in any wise affect private enterprise, at least from the standpoint of building new homes, or otherwise private individuals would not be investing their money as they are, and would not be willing to take the chances they are taking. So private builders do not seem constrained to follow some of the reasoning adduced and some of the arguments and some of the speeches now being made throughout the country about everything going socialistic under this administration.

Mr. SPARKMAN. Of course, the Senator is correct in the statements he has made. Again I should like to remind the Senator of the help the Government gives in the over-all housing program and the incentives it lends in order to get sufficient housing so that rent control may be discontinued. That is brought out in the report of the committee.

The Government is providing 90 percent for private industry and 10 percent for the low-income group for which private industry says it cannot build. That is the over-all program. Yet because we propose in our housing bill to give a 10-percent lift to that small group some people say we are going socialistic. The Senator from Illinois has correctly stated the situation.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. BRICKER. Did not the testimony in the hearing indicate that at the present time private builders are giving the emphasis to low-cost housing?

Mr. SPARKMAN. That is true.

Mr. BRICKER. And that there is a trend toward lower cost rental units all over the country?

Mr. SPARKMAN. That is true. I made that statement to the Senator's colleague the senior Senator from Ohio [Mr. TAFT] a little while ago. I will say in all fairness that the legislation last year gave an incentive in that direction, and that it has taken hold.

Mr. BRICKER. Not only in rental units but in low-cost housing?

Mr. SPARKMAN. Particularly in the lower-cost houses for sale, because I do not recall that a great deal was being done in rental units at that time. Most of the rental units were being built under section 608.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. TAFT. Is not the Senator from Alabama a little optimistic about 1949? Is it not true that new building started declining very materially in the latter part of 1948?

Mr. SPARKMAN. That is correct.

Mr. TAFT. Whereas 1,000,000 units had been predicted, as a matter of fact only a little more than 900,000 were built. Is that not true?

Mr. SPARKMAN. Of course, as the Senator knows, we see different figures on that subject. I believe the last estimates I saw were that 956,000 had been built. But there is a let down, if I remember correctly, every year along in the winter. Building stops almost completely in the northern sections of the country. I think the let down was more or less seasonal. Of course, the Senator will remember that I conditioned my statement upon the enactment of the two housing bills or programs which we hope to bring forward very soon.

Mr. TAFT. Up to this time we have moved in the direction of decontrol. Now does not the Senator feel that the fact that in this bill certain things are recontrolled which had been decontrolled and the Administrator is given power to recontrol areas which had been decontrolled will be a discouragement to private individuals to build rental housing as opposed to individual housing?

Mr. SPARKMAN. No; I do not agree with the Senator.

Mr. TAFT. Is not this reversal of trend, toward more control, discouraging to private-rental builders?

Mr. SPARKMAN. Let me elaborate on my answer to the Senator's question, because I think it is a very pertinent question in this discussion. I do not feel that it need have that effect, or that it will have that effect. In the first place, let us see how we are recontrolling and what we are recontrolling.

We are not giving the Housing Expediter the right to recontrol anything, except upon recommendation of the local advisory boards. We have even written into the bill a provision which I shall not now read, but which was written into the bill at the suggestion of the able Senator from Vermont [Mr. FLANDERS], not only without objection in the committee, but with the entire agreement of the committee, that in making recommendation for recontrol the local advisory board should act only if there were a housing shortage created as a result of the national defense effort, or something like that. In other words, we have tried to place certain limitations upon the advisory board itself. The Expediter cannot automatically recontrol. He can recontrol only in the event the local advisory board recommends it.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. TAFT. I suggest to the Senator that matters of recontrol are not really very important. But I do not believe that the advantage of recontrolling anything, so far as I can see, can outweigh the psychological fear we are placing in people's minds that now we have reached the bottom, and that from now on we are going on to more and more control, instead of less and less control. It is not particularly the things that are controlled that are important. It is the tendency which Congress now seems to be following, that hereafter we are going to have more control instead of less control.

Mr. SPARKMAN. I think we can give assurance that there is no change in the trend. I believe that throughout the report, throughout the bill, and throughout the debates on this floor will be shown the feeling of the committee that the time is fast coming when it will not be a problem for the Federal Government to handle, but will be one in certain areas to be handled by the respective States.

Mr. MAYBANK. Mr. President——

Mr. SPARKMAN. Let me add one thing further, if I may.

Under the decontrol trend which the able Senator from Ohio [Mr. TAFT] mentions, there were only a few areas—I do not remember the exact number—perhaps 31, which were decontrolled. But the Expediter, in his testimony, stated in effect that it is sometimes difficult to decide whether he ought to decontrol an area or not. It may be a borderline case. He may decide against decontrolling, because he knows that if it is once decontrolled, and he finds out that he has made a mistake, he is powerless to recontrol. He told us in his original statement that if he had the power to recontrol areas under certain conditions—it is true that he did not mention the use of advisory boards; that provision was written in by the committee at its own insistence, so that a mistake could be corrected—he would be able to decontrol probably 100 different areas or partial areas.

Mr. TAFT. Who chooses the local boards?

Mr. SPARKMAN. The advisory boards?

Mr. TAFT. Yes.

Mr. SPARKMAN. The local rent advisory board in each area is appointed by the Expediter upon the recommendation of the Governor.

Mr. TAFT. I have heard complaint that in some places they seemed to be very much for decontrol, and in other places they seemed to be very much for recontrol.

Mr. SPARKMAN. That is true; and we have tried to remedy that situation this time by providing for the right of appeal by either side, all the way up to the Expediter, and if necessary to the Emergency Court of Appeals.

Mr. TAFT. Is it not true that this bill does recontrol a very wide area of rental housing in hotels and apartment hotels, which Congress itself decontrolled 2 years ago?

Mr. SPARKMAN. We had a discussion of that question a little earlier.

Mr. TAFT. I bring it up only to answer the Senator's assertion that we are not turning toward more control. I am suggesting that we are turning toward more control. The psychological effect is certainly going to be to discourage the construction of apartment hotels and all other rental housing during the coming year and the year following. Does not the Senator feel that to some extent it must have that effect?

Mr. SPARKMAN. No; I dc not. There is not a sufficient amount of recontrol to have that effect; and it is so hedged about by proper safeguards that I do not believe that any such psychological effect will follow.

Furthermore, 2 years ago we decontrolled new construction, and there has been no effort to recontrol new construction. No one connected with rent-control administration has suggested it to us.

Mr. TAFT. Except the Democratic whip of the Senate [Mr. MYERS]. The Senator will admit that.

Mr. SPARKMAN. But I invite the attention of the able Senator from Ohio to the fact that at the same time we had before us the bill introduced by the chairman of our committee, and it was that bill which we used as a basis for our proposed legislation. So far as I know the able Senator from Pennsylvania was the only one who made any suggestion that there be recontrol of new construction. The subcommittee did not accept his suggestion. Not a single member of the subcommittee suggested it. No member of the full committee suggested it; and the bill which is before us for consideration does not have such a provision in it. It is not contemplated.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. MAYBANK. I merely wished to add a word to what the Senator from Alabama has said. I trust that the distinguished Senator from Ohio will read carefuly the record made a little earlier in the day, in connection with hotels. It is not now and never was the intention of the committee to recontrol all hotels. It was only in isolated instances which were called to our attention.

I may also say that the best evidence on the question of recontrol is the fact that even though I introduced the original bill by request, the committee recommended only 1 year's extension, with a 3-month eviction period, believing that this is the last of the controls. At least, that is the hope.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. TAFT. I was not raising the question as to whether hotels should be recontrolled or not. I was only suggesting that the tendency of the bill, to increase controls instead of decreasing controls, is something which I am afraid may interfere with and discourage the further construction of rental housing.

Mr. MAYBANK. Mr. President, will the Senator from Alabama yield to me so that I may ask the Senator from Ohio a question?

Mr. SPARKMAN. I yield.

Mr. MAYBANK. Does not the Senator from Ohio believe that reducing to 1 year the limit which was recommended by the administration, plus a 3 months' eviction period, is valid evidence of our desire to help business construct buildings, in the belief that we are on the way to decontrol?

Mr. TAFT. I think the Senate is much more liberal than the administration in the matter of rent control.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. DOUGLAS. Since some figures which I gave earlier in the debate, as to the estimated number of marriages in 1948, have been questioned, I have twice been in communication with the National Office of Vital Statistics—FSA. I should like to give, for the benefit of the RECORD, the number of marriages in 1946 and 1947, and the estimated number of marriages for 1948.

The number of marriages for 1946 is given as 2,291,000; and for 1947, at 1,992,000. The estimate for 1948 is 1,815,000. I think part of this is due, as the Senator from Ohio pointed out, to the remarriage of divorced persons; but I think we should also recognize that in some of these cases there are still families which must be taken care of.

Secondly, I should like to point out that another reason for this high rate is that many of the men who went off to war as single men did not marry immediately in 1946 and 1947. There were many deferred marriages in 1948. In any event, I think these figures indicate that though we have made very promising strides in the building of new housing, namely about 2,500,000 units in the last 3 years, the increase in population and the accelerated marriage rate have put a very severe strain upon housing. There is still a continuing need for housing. If we were to take the lids off, with virtually no vacancies, and with 2,500,000 families already doubled up in 1948, according to the best estimates, rents would skyrocket in most of the cities of the country and we would have a demand for increased wages, which might lead to strikes. Therefore, in the interest of preserving domestic peace and preventing inflation, there is a very strong ground for maintaining as effective control of rents as is possible, rather than weakening rent control by permitting every town or locality to get out from under it.

Mr. TAFT. I stand corrected on the figures. I can only say that if we go on having that many marriages, every one in the United States will soon be married at least twice; that is the only conclusion I can draw from the figures. [Laughter.]

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the majority leader.

Mr. LUCAS. I should like to inquire a little further into the question, which is being discussed—of the authority to recontrol—as provided by this bill. Did I correctly understand the Senator to say a moment ago that decontrol has occurred in only approximately 35 different localities?

Mr. SPARKMAN. I do not remember the exact figure. My recollection is that decontrol occurred in 31 cases, but I shall check on that definitely.

Mr. LUCAS. In other words, I understand that it is correct to say that in 31 places decontrol has been put into effect. Let me ask the Senator over what period of time that occurred.

Mr. SPARKMAN. We provided for decontrol, I believe, in the Housing and Rent Act of 1947—2 years ago.

Mr. LUCAS. In other words, in all the time since 1947, in only 31 places in the country has decontrol been put into effect; is that correct? Does the Senator agree with me that if in the bill we had provision for recontrol, the Expediter would perhaps be more lenient in decontrolling certain areas, because he would know that he would have the right to recontrol if any serious harm occurred as a result of decontrolling?

Mr. SPARKMAN. Yes; and he told us so frankly. He said that there were probably certain areas which might be termed marginal, and that if he had the right to recontrol, then if he made a mistake by decontrolling, he could correct it.

Mr. LUCAS. On the other hand, if he did not have the power to recontrol, once he did decontrol, that would end it.

In other words, the power to recontrol would encourage decontrolling?

Mr. SPARKMAN. Yes.

Mr. LUCAS. Does the Senator agree with my analysis?

Mr. SPARKMAN. Yes.

Mr. President, let me read from the testimony to show what Mr. Woods said in regard to the number of cases—and, incidentally, there were 31; that is the correct figure:

On the basis of all our surveys, I have been able to take only 31 decontrol actions.

Also, since April 1, 1948, rent-advisory boards have on their own initiative recommended decontrol of only 17 areas or portions of areas, and only 5 of these recommendations contained sufficient evidence to permit decontrol. I should like to point out that there are 768 of these local rent-advisory boards throughout the country. The total of 36 decontrol actions—

Thirty-one by his own action, and five upon the recommendation of local rent-advisory boards—

which affected about 38,000 rental units in 34 areas or portions of areas, have generally been possible only in fringe communities outside the main population centers. In all other areas surveyed, there was evidence of a continuing rental housing shortage which made recontrol impossible.

Mr. TAFT. Mr. President, will the Senator yield to me?

Mr. SPARKMAN. I yield.

Mr. TAFT. So the fact is that of 17 recommendations for decontrol, Tighe Woods turned down 12, and granted only 5? Is not that the net result which he reports?

Mr. SPARKMAN. No; that is not entirely correct, because some of them are still pending.

But assuming that the Senator's statement were correct, let us remember that if Mr. Woods did turn them down, the cases automatically went to the Court of Emergency Appeals, which would pass on the question of whether a sufficienct case had been made.

Mr. TAFT. Mr. President, will the Senator yield once more?

Mr. SPARKMAN. Yes; but before we get away from the rental construction problem, there is a little comment I wish to make, if the Senator from Ohio intends to ask a question about some other matter.

Mr. TAFT. Yes; I have another matter in mind.

Mr. SPARKMAN. I should like to read into the RECORD at this point a statement from the Journal of Property Management, which is published quarterly by the Institution of Real Estate Management. Let us remember that this publication is not issued in the interests of the tenants of the country, or to represent them; but it represents the real-estate interests, the property-management people. I ask Senators to listen to the statement which I shall read, as made in this publication, which is the December 1948 issue of the Journal of Property Management; and I ask them to listen to it particularly with reference to the effect of rent control on rental property:

One important feature of the rent-control situation is the apparent willingness of the Government to protect the owners of apartment and income rental property against actual declines in net revenue. The provision allowing petitions for hardship relief indicates that there is something of a floor under rental-property investments which should guarantee the owner against actual declines in dollar return.

The real threat to owners of this type of property is represented by the possibility of a decline in the purchasing power of the net dollars which he receives. In the event the dollar stabilizes during the year 1949, the position of the owner of the rent-controlled apartment will be highly desirable. His apartment will be offered at rentals well below those prevailing in decontrolled units and he will thus be guaranteed the maintenance of high occupancy, since vacancies will tend to concentrate in the newer, higher-rent property. If local tax rates increase—and we expect they will—the property owner will be able to apply for relief under the hardship amendment and will still be able to offer his apartments (even at a somewhat higher rental) at prices well below those of his new competitors.

It seems obvious that there never has been a stabilized market in the apartment-building field in the past, but there is a good chance the next few years will see a stabilization of earnings in presently controlled apartment buildings unless we have a depression of substantial severity.

The only threat then which is present in the ownership of controlled-apartment buildings on the present market is that which involves further substantial inflation—enough to materially reduce the present purchasing power of the dollar and the consequent shrinkage in the net worth of apartment yields.

Mr. TAFT. As I understand the matter, the argument seems to be that an apartment owner is much better off because he is forced to hold down the rent he charges, because thereby he will be able to fill his apartments, although at lower rents. I suggest to the Senator that even if there were no rent control, an apartment owner could do the same thing; he could charge lower prices. So I cannot see the point of the argument.

Mr. SPARKMAN. Of course, it is not my argument; that statement comes from the Journal of Property Management.

Mr. TAFT. It seems to me to be an extraordinary argument.

Mr. SPARKMAN. Mr. President, so many tears have been shed over the terrible plight in which the apartment owners find themselves, that I wish to say, in commenting on the situation, that rent control, instead of having the devastating effect which many persons have claimed it has had on rental properties, has actually given them a floor and has stabilized the apartment rental business.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. TAFT. I wish to turn now to another subject. I notice on page 8 of the bill as passed by the House a provision which has been stricken out by the Senate committee. It reads as follows:

In making and recommending individual and general adjustments to remove hardships or to correct other inequities, the Housing Expediter and the local boards shall observe the principle of maintaining maximum rents for controlled housing accommodations, so far as is practicable, at levels which will yield to landlords a reasonable return (but not in excess of a reasonable return) on the reasonable value of such housing accommodations.

The Senate committee has stricken out that provision, which seems to me to be a very reasonable one; and on page 31 the Senate committee has inserted, in lieu of that provision, another one. The one inserted by the Senate committee seems to me much worse than nothing, if I am correct in my understanding of its meaning. The Senate committee provision is:

In the making of adjustments to remove hardships, due weight shall be given to the question as to whether or not the landlord is suffering a loss in the operation of the housing accommodations.

It is not even clear that that includes depreciation on the property. It seems to me that the Senate version suggests that we treat a landlord fairly by providing that he will not sustain an actual loss in the operation of his property.

I should like to see what possible constitutional or fair basis we can have for saying that we wish to have rents fixed at a figure which will not permit the owner any return on the property, but, on the other hand, will say in effect, "All you are entitled to is to get back your expenses." How can we justify such a provision? Under the interstate-commerce law, we say to railroads that are wronged by the Interstate Commerce Commission, "You are entitled to a fair return"—4½ percent, I think—on the value of the property. Every public utility in the United Sttaes that is regulated is entitled to a fair return on the value of its property, running anywhere from 4 to 7 or 8 percent on the capital invested. On what possible basis can we fairly enact a law which says that landlords alone, of all the persons regulated in the United States, are not entitled to a rate of rental which will give them a fair and equitable return on the value of the property they own? How can we justify the provision of the Senate bill?

Mr. SPARKMAN. I may say, in order to answer the Senator, I should probably have to go back to the Republican Eightieth Congress. We simply are repeating, on the other hand, what was written into the law in the Eightieth Congress. The provision read is an exact reproduction of the language of the law that was enacted.

Mr. TAFT. I opposed it at the time. I should also like to say——

Mr. SPARKMAN. I may add that we are going further. I do not want to stop with that. I yield so the Senator may proceed, but I do not want him to think my statement is complete.

Mr. TAFT. It is quite true that by the Price Control Act, as to prices, and the rent-control provisions of the Price Control Act, the question of a reasonable return to owners on their property was disregarded. But, after all, that was an act in time of war, when men were losing their lives, when the fact that a man with property could not get a return and might suffer some loss represented an insignificant sacrifice compared to what others were suffering. But now, 4 years after the war, I can see no reasonable basis on which to pass a control law which does not give a man a reasonable return on the value of his property. The mere fact that we continued it for a little while after the war does not seem to me

to justify its continuation today. If we are going now to have 15 months more of regulation, and with the possibility of still more regulation beyond that point, I do not see how we can claim to be doing our own duty in view of the provisions of the Constitution. I do not see how we can justify saying, "We are going to fix rents, and they are perfectly all right so long as you do not actually lose on the operation of your property." How can we justify such a position?

Mr. BALDWIN. Mr. President, will the Senator yield at that point? I have a specific case I should like to present supplementing what the Senator from Ohio said.

Mr. SPARKMAN. I yield.

Mr. BALDWIN. I have a constituent who lives in East Hampton, Conn., whose name is Achille Cozzi. He is a man who has worked hard all his life. He accumulated his savings, and bought a small apartment house in New York, in which he invested $50,000. He has a substantial mortgage on it, as I understand. His operations last year of that apartment house in New York cost him $188.99. At the end of the year, he was $188.99 worse off than he was when he started. At this point, if I may read it, I wish to quote a paragraph of his letter, in which he says:

> In a recent telephone conversation with the chief attorney in the Bronx area rent office I asked an explanation of why I was granted such a small increase, considering the fact that fuel oil alone was $322.22 higher than for the previous year. The answer given was that since last winter had been a severe one and this one may be a mild one, they saw no reason for burdening the tenants with the extra expense of a severe winter. Also they overlooked the fact that from June 1946 to July 1947 fuel oil cost me 9.2 cents per gallon and in December 1947, 13.5 cents per gallon. Since then it has been no less than 12.5 cents per gallon. The consumption of oil being 15,000 gallons per year.

When he became disgusted with the area rent office, the only explanation he got—and I quote from his letter—was:

> All the information I got in explanation was that "I fought hard for you, Mr. Cozzi, and you're lucky you got that much."

I join with the Senator from Ohio in asking if it is fair to include a provision in the bill to the effect that it is all right if the landlord loses just a little, rather than to include in it a provision under which he can get some sort of fair return.

Supplementing that, I should like to read also from a letter which came from a clergyman who owns a little two-family house. He bought it because he could not get any other place in which to live. He rents half of it. It has cost him an average of $20 a month over and above the amount of rent he gets, to own that particular house and rent a portion of it. He might better let it remain vacant. He says:

> I applied for relief locally, and as a result was ordered to appear to show cause as to why the rent should not be further reduced. I found, incidentally, that those in our area who handle landlords and those who handle tenants are scarcely on speaking terms with each other and do not avail themselves of information possessed by each other. I wrote Mr. Sullivan, area director. He invited me to his office, and when I arrived he went into what would be called a tantrum in a child. He shouted at me, accused me of lying, and when I finally got him calmed down he explained that if I paid $15,000 for a house worth only $10,000 a few years ago I was as foolish as though I paid $150 for stock worth only $100. He further explained that it takes no more of a plumber's time and of materials than before the war for repairs and is therefore worth no more to the tenant. He also assured me that his explanation was basic rent-control philosophy.
>
> Thousands of houses are deteriorating because men like me cannot keep them up when they already operate on a deficit. If unemployment increases, this phase of the situation is bound to show up in unnecessary unemployment of carpenters, decorators, and others in the building business.

That is rather a long preface to my question, but my question is this: In all fairness to everybody in the country, does the Senator not think there ought to be some provision in the bill, and an insistence, as a matter of policy on the part of the housing authority, that some fair, reasonable return be given to those who own houses for rent? Is not that the policy the Congress ought to adopt? I believe in rent control; I think we must have it. I think there are landlords who would boost rents to the sky if they had the opportunity. Unfortunately, the good ones have to be penalized for the failures of the bad ones. But should we not now as a matter of policy in this bill see to it that some fair consideration is given to people who own houses, and is not this the place in the bill to put it?

Mr. TAFT. Yes. Does not the Senator think the House provision is reasonable; and if not, why not?

Mr. SPARKMAN. The remarks of the Senators include two or three or several very good questions. It is something that is important in considering the pending legislation. First, let me say yes, I believe in a fair return. I think I can say that every member of the committee believes in a fair return. It was one of the points which engaged our attention most earnestly from the very first. We tried to write the legislation in such a way as to insure, so far as we could, a fair return, reasonable treatment for both the tenant and the landlord.

When Mr. Woods was testifying before our committee, he said the question of fair return had been brought up in the House hearings and that he was in favor of a fair return, but, he said, "I want to say to you very frankly that the difficulty with which I am confronted is finding a formula by which that fair return can be assured."

The able Senator from Vermont [Mr. FLANDERS] and the able Senator from Illinois [Mr. DOUGLAS] immediately concerned themselves with the problem, and every time there appeared before us a witness who it was felt was qualified to discuss the matter the question of fair return was brought up. The Senator from Illinois made an earnest effort to arrive at a conclusion, asking many different witnesses for their comments. He was working on a formula that could be worked out on the basis of net operating income. The Senator from Vermont was working somewhat along the same line, with the idea of developing a formula that would allow a certain increase for one group at a certain level and tying it in with the income of the tenant.

In the meantime, the House completed its work on the bill and there was written into the House bill the provision which the able Senator from Ohio has read, simply saying that there should be a fair return so far as practicable. We discussed that feature in the committee. The question arose as to how it could be applied. We have discussed the question rather fully in the report. I commend to every Senator a reading of that particular provision.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. SPARKMAN. If the Senator will wait for just a little while, I should like to answer the question more fully, and it will take me a little while longer to do so.

I want all Senators to know that we gave the question most careful consideration.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. SPARKMAN. Let me finish answering this question. I want to take a little time to answer it. The Senator from Ohio knows the circumstances surrounding our discussion in the committee of the fair-return problem.

The statement was made that we might use assessed valuation in order to arrive at the value of property, but immediately we became aware of the fact that there was such a wide variation in the application of that rule that it would be unworkable. Of course, we might establish a system of appraisals, but that would call for, I think, a great deal of additional money and many more Federal employees. Looking toward a 1-year's existence, if we were to work out a rent-control law, we felt that if we adopted the principle of fair return it would amount to practically nothing being done; that it would be worthless unless we should give the Expediter something with which to work.

Mr. TAFT. Mr. President, will the Senator guarantee that it will not be continued beyond 15 months?

Mr. SPARKMAN. No.

Mr. TAFT. If he will, I shall be glad to drop all criticism of the bill.

Mr. SPARKMAN. The entire Senate cannot guarantee that it will not be continued.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. SPARKMAN. In a moment.

I stated that we did not know whether it could be dropped a year from today. Only time will tell. We wanted Congress to examine the question as to how long it should continue. The able Senator from Pennsylvania recommended 2 years' time, and after that Congress could decontrol any time it wanted to by passing a concurrent resolution. He stated that he thought it required looking into by Congress at least once a year. But when we studied all the angles and complications of the fair-return principle we felt it was not workable unless we established a great system of machinery, with additional money and additional employees, to enable the Expediter to go through a certain procedure. I do not know what was in the mind of the Member of the

House who offered the amendment, but I do know that an amendment was offered by a Member of the House to strike out the words, "so far as practicable" and to guarantee, in effect, that there would be a fair return. But the majority side of the committee insisted that those words be retained. My own construction of it is that they had to be retained unless we were going to establish certain standards and give the Expediter a great deal more machinery than he has and more money and employees than we shall give him. So, Mr. President, if we left the provision in as it is worded in the House bill, we would be holding out to the landlords of the country the hope of getting something on which I am not at all sure they could realize.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from Ohio.

Mr. TAFT. Does not the Senator think that, wholly apart from the question of enforcement of the particular regulation, the principle of fair return on property is necessarily going to affect the decision in every hardship case?

Mr. SPARKMAN. From my point of view——

Mr. TAFT. It is always difficult to get an appraisal of property. This might be definite enough to cover the whole waterfront; but if we lay that principle down, if we say "so far as practicable," it seems to me we establish a principle which the Administrator must follow so far as he can follow it, instead of the other principle in the Senate bill that a landlord is entitled to his expenses without depreciation, as I read the provision. Does the Senator think that would be an improvement, regardless of the question of whether there is a practicable way to administer it?

Mr. SPARKMAN. Let me answer the Senator a little further. I certainly have no objection to the principle of a fair return. I stated that in the beginning. I think the same is true of all the members of the committee. But when we tried to work out one that would really function, that would really give a fair return, instead of holding out a pious hope for it, we simply could not satisfy ourselves that such a formula could be derived, and, instead, we wrote in the provision allowing over the next 12 months a 5-percent increase.

Let me call the Senator's attention to the fact that there is provided in the regulations now a system whereby the landlord can be protected against any loss. He can be protected in his earnings by showing what the two best years were between 1939 and the present time. He can choose any 2 years, and he will be protected.

Mr. TAFT. How does the Senator mean he would be protected? There are countless cases in which the landlord has not been protected in any way.

Mr. SPARKMAN. I call the Senator's attention to an existing regulation. This is a matter which many people do not know about. I want to mention another feature which we wrote in, in a moment. But here is one of the regulations:

> Base period means any period of two consecutive years prior to the current year and not beginning before January 1, 1939, but which the Expediter finds to be representative of the property's normal operation.

In other words, the landlord is entitled to choose the two best years, and if his net operating income has fallen below those years, he is entitled to an increase that will bring his return up to that amount.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. TAFT. May I show the utter unfairness of that regulation? The Senator started with 1939, when there was a depressed condition in rentals all over the Nation. We immediately imposed rent controls. How can the landlord be protected in what he may be entitled to receive in the way of a return on his property?

Mr. SPARKMAN. It is not necessarily the return which governs; it is the net operating income.

Mr. TAFT. Exactly; and there may have been an utterly depressed year.

Mr. SPARKMAN. Before I get away from it, Mr. President, the other feature I wanted to mention is this: We provide that in certain areas one person shall function as an adviser and helper to the small landlord. As a rule it is not the person who owns a great deal of property who has suffered under rent control. He is not the one who has had no adjustment; in nearly every case he has gotten what is coming to him in the way of alleviation of hardships, increase of a net operating income, and so forth. It is the small landlord who has suffered, the one who owns one house or two houses, or three units or four units. By the way, I may say that 83 percent of the landlords in this country own four units or less. When we study the adjustments which have taken place, one of the most remarkable things to be noted is the almost insignificant number of small landlords who have obtained any adjustment, or even who have petitioned for any adjustment. The large landlords have been pretty well taken care of.

The bill provides that there shall be a person in every defense rental area whose duty it shall be to advise the small landlords of their rights, and help them in filling out their forms and presenting their claims, to see that they obtain the adjustments to which they are entitled. I realize that any rent-control law we write is going to contain inequities, and particularly if it is an effective rent-control law.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. TAFT. No matter if their rights are protected—and I do not agree that that system operates in the United States to any considerable extent—even if a landlord is protected, he is protected only, under the terms of the bill, to the extent that he will not lose money in his actual operations during the year, as opposed to the principle which I say applies to every utility, that it is entitled to a reasonable return on the capital and money invested in the business. So it is protected by a definite provision. I am suggesting to the Senator that we should in this bill at least lay down the correct principle, whether we finally get the machinery to enforce it or not.

Mr. SPARKMAN. The Senator used an illustration a few minutes ago about interstate commerce carriers being assured of 4½ percent.

Mr. TAFT. Mr. President——

The PRESIDING OFFICER (Mr. MILLER in the chair). Does the Senator from Alabama yield to the Senator from Ohio?

Mr. SPARKMAN. I yield.

Mr. TAFT. As I recollect, it is provided that the rate shall be fixed by the Interstate Commerce Commission at such a level that they will get 4½ percent on the value of their property, as I recall the provision. I may not be exactly accurate in the percentage.

Mr. SPARKMAN. The Government does not guarantee to the carrier that it will get 4½ percent.

Mr. TAFT. Of course not.

Mr. SPARKMAN. Furthermore, the rates are not set to fit one particular carrier.

Mr. TAFT. I think a carrier can make an individual case.

Mr. SPARKMAN. There is no assurance from the Government to a carrier that it will make money. Yet the Senator would have us insure to the landlord that he will make money.

Mr. TAFT. Not at all. I am merely saying that the rent should be fixed at a maximum rate. Perhaps he cannot get those rents. The Senator indicated that there would be vacancies if he charged too much, in the quotation which he read a while ago from the magazine.

Mr. SPARKMAN. Of course, that was not mine; that was the Real Estate Property Management magazine.

Mr. TAFT. It is certainly contrary to every teaching I have had of the fourteenth amendment and the fifth amendment to the Constitution of the United States, that we should authorize any Federal bureaucrat to fix rents on a basis which will give a man zero or less than zero on the value of his property. I cannot understand any constitutional basis for such a provision, except as a war power, under the strong moral feeling in time of war that people should be made to sacrifice anything in order to insure the operation of the Government. Otherwise, I see no basis whatever for the provision of the Senate committee bill, or any argument against the provision of the bill as it passed the House.

Mr. SPARKMAN. Of course, that is the Senator's opinion. We have written into the bill a provision that if a landlord shows that he is operating at a loss he shall be taken care of as a hardship case. I do not see that the Government has any right to say that he shall be guaranteed a certain return above that level.

Mr. SALTONSTALL. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I should like to ask one question along the lines of the questions propounded by the Senator from Ohio. Assuming that the Senator from Alabama does not think it is practical to use the language the Senator from Ohio suggested, why can we not so frame the hardship-case provision that it will apply before a man suffers a loss, rather than have him wait and prove he has suffered a loss?

Mr. SPARKMAN. The provision is not written in to provide that a man has to suffer a loss before he can establish a hardship case. He can establish a hardship case and still be making some return on his property. We have written in the provision as an absolute safeguard against a man being required to operate at a loss.

Mr. SALTONSTALL. As I read the language, as a layman, seeing it for the first time, my first impression——

Mr. SPARKMAN. If the Senator will pardon me for interrupting him, let me correct him. He surely has seen this before, because we are merely carrying forward the law which the Senator's own party wrote 2 years ago.

Mr. SALTONSTALL. As opposed to the House provision, I mean.

Mr. SPARKMAN. I am talking about the no-loss operation. That is not new in the pending bill; that has been in the law for 2 years. It was written by the Eightieth Congress, when the Senator's own party wrote the bill.

Mr. SALTONSTALL. That is the provision that is most objected to, is it not?

Mr. SPARKMAN. No; I do not remember hearing a single objection to it in the testimony. I am rather surprised to hear the question raised in this debate, because it is a safeguard for the benefit of the landlords.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from South Carolina.

Mr. MAYBANK. When the Senator was discussing the point raised by the senior Senator from Ohio, I was unfortunately called to the telephone. Did the Senator mention the provision to help help out the landlords this year?

Mr. SPARKMAN. Yes; I pointed that out.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the able Senator from Kansas.

Mr. SCHOEPPEL. When the Senator from Connecticut was speaking a moment ago, pointing out the hardship factor which some of the small landlords were experiencing, it occurred to me that my files contain evidence of scores of cases arising in Kansas which I am sure reflect somewhat the same situation which the Senator from Connecticut was mentioning, and that surely there should be some way through administrative powers we are going to leave with the Administrator, to take those factors into consideration. If we are to bridge this gap in the housing picture, I think that would alleviate many of the objections which are coming from that class of landlords owning one or two or three or four pieces of property.

Mr. SPARKMAN. Let me say to the able Senator that I am sympathetic with the statement he has made, and I submit that we have done everything we could to get the bill to do the very thing he has suggested.

I should be willing to wager that 9 out of 10 of the small landlords who have had no relief, and who claim hardship, could get relief if they would take advantage of the regulations. We know they are not doing it, they are not applying, and that is why we are writing into this bill a provision that there shall be an assistant in every defense rental area to help those people make their cases. We knew some of them would not be taken care of under a hardship provision, and therefore we tried to do a little something else. It is not much, yet a great many tenants are going to feel it. It is hard to find a middle ground. We have given a 5-percent increase to all landlords, effective October 1, who have not already had as much as 15-percent increase, and another next April 1, across the board. I have never liked across-the-board increases. I voted against that principle when an effort was made to write it into the law a couple of years ago, and again last year.

Many of us voted against the 15 percent voluntary increase. But it was written into the law. We realized that in the vast majority of cases advantage was not taken of the 15-percent provision. In this bill we discontinue it, and instead we provide two 5-percent step-ups in an effort somewhat to level off the situation. We know that it is not going to do justice in many cases. We know that it will work inequities in many cases. But we cannot write an effective rent-control law which takes care of every individual case. We have done the best we could and I believe we will have a fair and workable law.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. FERGUSON. As I understand, the able Senator now states that every member of the committee is in favor of a fair return, but the difficulty is that the majority at least were of the opinion that it was impossible to administer a provision to such effect. Is that a correct statement?

Mr. SPARKMAN. I am not sure that the Senator ought to say a majority. I do not recall that there was any other provision offered. As a matter of fact, let me say that I did not work out this formula myself. It was done primarily by the Senator from Illinois [Mr. DOUGLAS] and the Senator from Vermont [Mr. FLANDERS]. Both Senators are well known economists, and they worked diligently trying to write a formula.

Mr. FERGUSON. I understand it is proposed to place an agency in each city or each district.

Mr. SPARKMAN. In each defense rental area.

Mr. FERGUSON. Yes, each defense rental area; and the agency in each area I assume is going to take care of the hardship cases of the small owners. As I understand, the reason the small owner has not received relief, or has not come before the rental agency to be taken care of under the hardship provision, is that it does not pay him to do so; that there is so much red tape incident to the proceeding that if he owns one piece of rental property he cannot afford to take the necessary action.

Mr. SPARKMAN. No; the Senator is certainly mistaken in that.

Mr. FERGUSON. I wish the Senator would find something in the record on that point.

Mr. MAYBANK. That can be found on page 47.

Mr. SPARKMAN. There is at that point in the record a very simple form which the owner can fill out. It is called the short form. It is not complicated. But the owners simply do not fill it out.

Mr. FERGUSON. How does the Senator account for the fact that the property owners are losing money? At least letters which have come to me indicate that they are losing money.

Mr. SPARKMAN. I cannot account for it. We have tried to help them by providing the short form, and we have asked the Expediter to make certain that the owners all know about it.

By the way, I saw in a home-town newspaper today a statement to the effect that the local director of the defense rental area had placed a notice in the newspapers that landlords were entitled to this relief, and invited them to come in and fill out the form. The Expediter said he had gone into many areas and actually had held clinics and had invited the landlords to attend so he could explain the working of the short form. It is necessary to write on it the amount of taxes and three or four other items. I hope the Senator will examine the form and see how simple it is. But the landlords simply have not responded. We are doing our best to stimulate a response on their part in order to meet the very question concerning a fair return.

Mr. FERGUSON. Do I understand correctly that the Expediter will sit in the various areas and use the formula, which is contained in both bills, as stated by the able Senator from Ohio, under which the landlord is entitled only to so much as will not cause him to suffer a loss?

Mr. SPARKMAN. No. We place an absolute guaranty against a loss. We are not doing it anew. That has been the law for 2 years.

Mr. FERGUSON. I understand, but why is that provision being placed in the law now?

Mr. SPARKMAN. We are not doing anything new. We are rewriting the law the Senator's party enacted 2 years ago.

Mr. FERGUSON. Why do such a thing when the Senator thinks it is wrong?

Mr. SPARKMAN. We do not admit it is wrong.

Mr. FERGUSON. I should say that any such provision in any law would bring about confiscation of property.

Mr. SPARKMAN. Oh, no. It would not take away from him anything. It guarantees him that he will not operate at a loss.

Mr. FERGUSON. Is it not taking something away from him? If there is taken away from a man the right to some interest on his investment, is it not taking something away from him under our system just as much as if a part of his principal were taken away?

Mr. SPARKMAN. We are not taking it away from him.

Mr. FERGUSON. But he is being prohibited from getting it.

Mr. SPARKMAN. No; we are saying here that he shall not under any circumstances be required to operate at a loss. We are insuring him against a loss in his operation. That is exactly, according to the statement made by the Senator from Ohio, what the Federal Government says in the regulation of interstate commerce.

Mr. FERGUSON. No; it does not say anything about a loss.

Mr. SPARKMAN. It says that the rates shall be fixed so that the operation may bring a return of 4½ percent but it does not guarantee that the railroads will receive 4½ percent.

Mr. FERGUSON. But why does not the bill provide for an interest rate which will entitle a man to a fair and reasonable profit on his investment?

Mr. SPARKMAN. If the Senator could work out such a formula, I would welcome it.

Mr. FERGUSON. Very well. I understand the reason is the difficulty of administering such a provision. Could we not arrive at a formula?

Mr. SPARKMAN. I do not know. The economists on our committee, the Senator from Illinois [Mr. DOUGLAS] and the Senator from Vermont [Mr. FLANDERS] sat in committee for 2 weeks or more and made a conscientious effort, and even in the subcommittee each came up with some kind of formula, but admitted that it was going to be very hard to apply and might not do the job after all. So, instead, we made provision, first, for the consideration of hardship cases; second, for giving help to the small landlord; and third, for giving the automatic 5 and 5-percent increases; so that at least a little something would be available to everyone.

Mr. FERGUSON. Is it not possible to ascertain from the Bureau of Labor Statistics how much the dollar has been inflated since March of 1941? As I understand, in the Detroit area the date of fixing the rent was April 1, 1941. Is it not well known in America what the dollar is worth today compared to what it was worth as of that date?

Mr. SPARKMAN. Yes; it is.

Mr. FERGUSON. And, therefore, is it not possible to give a landlord a fair return on the present dollar value?

Mr. SPARKMAN. Dollar value of what?

Mr. FERGUSON. Dollar value of his rental. The dollar has been deflated.

Mr. SPARKMAN. Of his property?

Mr. FERGUSON. Yes.

Mr. SPARKMAN. How are we going to arrive at the value of the property? Are we going to set up a board to appraise it? Would the Senator, as a member of the Appropriations Committee, vote for sufficient funds to make such provision?

Mr. FERGUSON. I would certainly vote for sufficient funds so as to carry out the provision of the Constitution of the United States prohibiting the confiscation of property without due process of law. If the measure containing the proposed formula is passed, it will not, in my opinion, provide due process of law. It will mean the taking of property without due process of law.

Mr. SPARKMAN. I assume, then, that the Senator would really be in favor of decontrol in the matter of rent?

Mr. FERGUSON. Unless we can arrive at a fair rental so that the property owner will obtain a fair return on his property. I certainly would not confiscate his property.

Mr. SPARKMAN. I can only say again that every member of the committee—Mr. Woods, who testified before us, and, as I recall, the Senator from Pennsylvania [Mr. MYERS], who also testified before us—said they were concerned in the question of fair return. But, of course, there is another angle which we might look into, and that is what the property owners have actually been earning during these years? Landlords as a whole have not been too badly hurt. I know there have been individual cases of landlords who have been hurt, and we are trying to write a law that is sufficiently flexible to take care of cases where landlords have been hurt.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. MYERS. I wonder how many Senators are really influenced by the letters they are receiving? How many of them have really investigated the letters? I have heard it said on the Senate floor time and time again that Members of the Senate and of the House have received correspondence from landlords vigorously objecting to their loss of income. I may say I have received many such letters, and I write back to everyone who sends them telling the writers what their rights are under the law, to whom they can apply for an increase in rental, and they have all finally come back and said they were interested in the repeal of rent control. They were not interested in hearing from me, nor were they interested in hearing from the Expediter as to how they might secure an increase. They wanted the sky to be the limit. They wanted a repeal of the law.

Mr. President, I have not been in the Chamber very long this afternoon. I have been busy with other engagements. However, I should like to hear something said here today on behalf of the poor, unfortunate tenant who has been tossed out of his home because the landlord either wanted to use the property for other purposes or to reconvert it so that no rent-control law would apply, and the landlord could receive any rental he desired.

I should like to hear something said about the poor tenants in various parts of the country who were evicted for no other reason than that the landlord wanted to take the property off the rental market.

I should like to hear something about the poor tenant who was obliged to seek a property in some of the new construction projects, where he was obliged to pay 50, 75, or 100 percent more than he would pay for a rental property across the street.

Everyone seems upset about the landlord. No one seems too much upset about the tenant. From all the letters I have received, I have found that a few landlords would be satisfied with a small increase in rent. But most of them—and I have taken the trouble to write back to them, to explain their rights under the law—eventually write back and say, "We do not want to know anything about that. We want repeal of rent control."

I think it would be much better for us to face the issue and say that we stand for a continuation of rent control or for the repeal of rent control. We all know that the provision for a fair rental, or a fair return, is impossible of administration. Why put it in at the beginning of the bill and say, "This is what the Congress believes should be done," and hold that out to the landlords of the country, and then have them come to us and say, "You promised us so-and-so, but you did nothing at all about it"? I may add that such a provision would be of no benefit whatsoever to the smaller landlord, but Senators can rest assured that the large landlord would take advantage of such a provision.

Mr. CAIN rose.

Mr. SPARKMAN. Mr. President, I appreciate the remarks of the able Senator from Pennsylvania. I was about to say, before I yielded to him, that we are spending a great deal of time talking about landlords, and saying very little about the tenants. After all, we must consider both groups. It is a difficult thing to do. The Senator from Washington [Mr. CAIN] and the Senator from South Carolina [Mr. MAYBANK] know how difficult it is to write a bill which will be fair to both groups.

Let me make a further statement before I yield. The Senator from Pennsylvania mentioned letters which various Members of Congress had received. We have all received many letters. So far as letters from my own State are concerned, I do not believe that I have received a single one which was phony. I say that in all seriousness.

However, other Senators have told me of the phony letters which they have received. One member of our committee—I daresay he does not mind my referring to him—the able Senator from Vermont [Mr. FLANDERS], stated that he had investigated, not a great number, but 17 letters as a sample, and that he found most of them to be absolutely phony, or not to state real cases.

I invite the attention of Senators to something on page 59 of our hearings. I wish to read three very brief letters, and I want Senators to listen to them.

The first one is dated Asbury Park, N. J., February 17, 1949, and is addressed

to the New York Herald Tribune. It reads as follows:

ASBURY PARK, N. J.,
February 17, 1949.

To the NEW YORK HERALD TRIBUNE:

What chance has a small-property owner to survive in America?

I am more than 83 years of age. I own a nice six-room house with bath, which represents my lifetime savings. The Office of Price Administration froze my rent on this house at $22 a month in 1942 and will not allow me to increase it. My tenant has a yearly income of $10,000, a $3,000 automobile, and a $500 television set.

Please let me know what Mr. Truman means by a Fair Deal?

SARAH H. TERRIEL.

That is a good sounding letter. It is one which stirs our interest and makes us feel that something ought to be done.

Listen to the next letter. It is also from Asbury Park, N. J. It reads as follows:

ASBURY PARK, N. J.

I am over 83 years of age and own a nice six-room house which represents my lifetime savings. OPA froze my rent on this house at $22 a month in 1942 and will not allow me to increase it. My tenant has a yearly income of $10,000, a $3,000 automobile, and a $500 television set. What chance has a small-property owner to survive in America? Is this what Truman means by a Fair Deal?

SARAH H. LEVINE.

Let me read one more letter. This letter is addressed to the editor of the Newark Evening News. It is dated February 21, 1949. I do not know where it came from. It probably came from Asbury Park, N. J.

Mr. TOBEY. Mr. President, will the Senator yield for a correction?

Mr. SPARKMAN. I yield.

Mr. TOBEY. It ought to be "Raspberry" Park. [Laughter.]

Mr. SPARKMAN. The third letter reads as follows:

SIR: What chance has a small-property owner to survive in America? I am over 83 years of age. I own a nice six-room house with bath, which represents my lifetime savings. OPA froze my rent on the house at $22 per month in 1942 and will not allow me to increase it. My tenant has a yearly income of $10,000, a $3,000 automobile, and a $500 television set.

Please let me know what Truman means by a Fair Deal?

This letter was signed by still another name. The signature given in the hearings is Sarah H. Terriel, but that is not correct, because that is the name signed to the first letter. I remember the letters being presented to us. They were signed by three different persons who gave exactly the same state of facts, and the letters came from the same place.

I do not know to what extent an exploration of the letters which are being sent to us would show that that kind of thing is going on.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. SALTONSTALL. Before the Senator takes his seat, I should like to ask a question on another part of the bill, if he will permit me to do so.

Mr. SPARKMAN. I shall be glad to have the Senator do so; but first let me ask if the Senator from Washington [Mr. CAIN] wishes me to yield? If so, I yield to him.

Mr. CAIN. Mr. President, I think my question has a direct connection with a portion of the discussion which has taken place. I should like to ask a question, if I may, relating to the last sentence of the second paragraph on page 11 of the committee report, under the title "Assistance to Tenants and Small Landlords." I think we are all in agreement that the intention of the Senate is to secure justice for both, in equal portions. The sentence to which I refer reads as follows:

The Expediter is encouraged to use every practical means to acquaint small landlords and tenants with the forms to be used in obtaining the adjustments the act makes possible.

It is my recollection that the committee, by unanimous agreement, thought it proper to instruct the Office of the Housing Expediter to make certain to send to all small landlords and their tenants the short forms which we previously discussed. I take it the committee report is unintentionally lacking in that respect. I wanted to inquire of the Senator from Alabama what his views on the subject are.

Mr. SPARKMAN. I do not remember that we were specific as to mailing the forms. However, I do remember that we were in agreement, as I stated a few minutes ago, that the Housing Expediter should see to it that the attention of small landlords was called to the existence of these opportunities for adjustment.

Mr. CAIN. Mr. President, I should like to ask one further question in that connection. Would the Senator from Alabama be willing to look back into the minutes of our committee discussions covering this point to determine, first, if by a unanimous agreement we agreed to instruct the Housing Expediter to take such action by way of sending out these short forms; and if that was our action, is it the intention of the Senator from Alabama in some way to correct the inference in the report?

Mr. SPARKMAN. I shall be very glad to look back at the minutes of the committee; and regardless of whether that point is covered in the minutes or not, I will say to the Senator from Washington that I think I state the views of every member of the committee when I say that we do want the attention of small landlords called to the adjustments to which they may be entitled.

Mr. CAIN. The Senator certainly speaks my views on that subject, and I believe the views of every other member of the committee; but in my opinion the sentence as written in the report would permit the Housing Expediter, if he cared to do so, to disregard what obviously is the intention of the Committee on Banking and Currency.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. MAYBANK. I will say for the benefit of Senators who have asked me about small landlords and tenants, and about the section in the report under the heading, "Assistance to tenants and small landlords," found on page 11, that on page 45 of the hearings is a copy of the form, with a discussion following on pages 47, 48, and 49.

I am in agreement with what the Senator from Washington has said, that we ought to try to contact those people whenever and wherever possible, because the hearings indicated to me that there was a lack of application on the part of those people for assistance. It is the wish of the committee that they all be notified—I do not say necessarily by individual letter, but through publications, the press, and in other ways—as to how they can obtain the forms and where the area offices are located, where both tenants and landlords can receive assistance in filling out the forms.

I may say that the testimony of the Expediter showed that in 74 percent, or approximately 10,000, of the 16,000 short-form petitions which had been filed, relief was granted; in other words, rent increases were granted in 74 percent of those cases, where the small landlord had applied for an adjustment under hardship circumstances and had requested an increase in rent on the basis of increased costs or higher taxes. So rent increases were approved in 74 percent of those cases; but the trouble is that only some 16,000 of the small landlords applied for rent increases. Perhaps the others wrote letters about it or, as the distinguished Senator from Pennsylvania has said, simply did not want to have anything to do with it; they wanted rent control done away with.

I agree with the Senator's statement as to the number of cases presented; and I point out that, as shown by the figures which were supplied by Mr. Woods in connection with his testimony, through January 1949, a total of 16,620 short-form petitions were filed, and rent increases were granted in 10,326 of those cases, or in 74 percent of them, whereas during the same period approximately 14,000 long-form petitions were filed, and 7,035, or 57 percent, were granted.

Mr. SPARKMAN. Of course the Senator is correct, Mr. President. The Senator also knows it to be true, as brought out by the able Senator from Pennsylvania, that the owner of a large apartment house has his bookkeepers and accountants and auditors, and records have been kept over the years, and so it is very easy for him to establish hardship or to show that he is entitled to a rent adjustment. However, the short form was established for the benefit of the small owner, who has trouble in presenting his records.

Mr. MAYBANK. Yes; and as I pointed out, the record shows that in the case of the long-form petitions, out of approximately 14,000 petitions filed, approximately 7,000, or 57 percent, were granted; whereas in the case of the short-form petitions, approximately 16,500 were filed, and rent increases were granted in the case of approximately 10,000 of them, or 74 percent. So the present arrangement is very much in favor of the large landlords, as opposed to the small landlords, as there are so many more small landlords.

Mr. SPARKMAN. And that is true not only on the basis of the number of those who applied, but also on the basis of the number who obtained relief.

Mr. MAYBANK. Yes. Certainly the need is to provide justice for all those who need it—both the tenant and the small landlords, as well as for the large landlords.

Mr. SPARKMAN. Yes.

Now I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, perhaps this point was covered while I was out of the Chamber, attending the Committee on Appropriations; but I do not think the language of the bill is clear, and I should like to have an explanation.

Turning to page 24 of the bill as reported by the Senate committee, I wish to refer to the provision beginning in line 8 and to that beginning in line 15. It seems to me that the language here is new verbiage inserted and approved by the Senate committee, but not to be found in the bill as passed by the House:

(3) no housing accommodations designed for single-family residence, the construction or conversion of which is completed after June 30, 1947, shall be offered for sale or resale, or sold or resold, to any person at a price less than the price for which it had been last offered for sale to veterans of World War II or their families.

Then, beginning in line 15:

(4) no housing accommodations designed for occupancy by other than transients, the construction or conversion of which is completed after June 30, 1947, shall be offered for rent or rerent, or rented or rerented, to any person at a price less than the price for which it had been last offered for rent to veterans of World War II or their families.

Obviously the purpose there is to keep the property from being offered at a high price to veterans of World War II and then, if there are no takers, offering it at a lower price to nonveterans.

My question is this: Under the language as now presented by the committee—and I think the same is true of the language of the bill as passed by the House of Representatives—must the property first be offered again to World War II veterans, after the asking price has been lowered? In other words, assuming that a house was first offered at a price of $5,000, but there were no World War II veterans who wished to purchase it, and there also were no nonveterans who wished to purchase it at that price, suppose the owner then decides to offer it at a price of $4,500. Will the owner then first have to offer it to World War II veterans; and, if so, for how long a period?

Mr. SPARKMAN. That is correct. The bill as recommended by the committee would carry forward the existing law, with a few changes, of course. We are trying to guarantee that the World War II veteran shall actually have a preference, not only in the case of the original sale, but also in the case of the resale.

Of course, the Senator from Massachusetts understands that the veterans' preference could be defeated by setting a high price and subsequently setting a lower price and offering the house for sale at the lower price to a nonveteran. In other words, by this bill we seek to regard an offering at a lower price as an entirely new sale or another sale. I think that is proper and fair.

Mr. SALTONSTALL. I agree as to that. But is there a time limitation on the provisions in subsection (3) and (4)?

Mr. SPARKMAN. Yes; I think they go back and relate to the time limitations in subsections (1) and (2).

Mr. SALTONSTALL. It seems to me that each one of the subsections (1), (2), (3), and (4), is independent; and therefore I believe that a time limitation should be inserted in subsections (3) and (4), as well as in subsections (1) and (2), or else some reference should be made to the time limitations in the first two subsections.

Mr. SPARKMAN. Mr. President, I appreciate the Senator's calling that matter to my attention. Personally, I believe the language is sufficient as it stands. However, I shall be glad to check into the matter the Senator has suggested. I think the bill as now drafted merely provides that the property shall not be sold to a nonveteran at a lower price until the veteran has had a chance to purchase it at the lower price. Of course, if the owner wishes to sell at a lower price, he simply starts all over again in the process, as specified.

Mr. SALTONSTALL. Very well. Assuming he does that, as I view the bill, no time limit is provided so as to enable the owner to determine when he can offer it to a nonveteran.

Mr. SPARKMAN. Subsection (4) does not provide for a reoffering; it simply says that he shall not offer it to a nonveteran at a lower price. If he wishes to sell it at the same price, there is no time limit. If we wishes to sell it at a lower price, then he goes back to the provisions of subsection (1), and sells it under that subsection, just as if it were a brand new offering, which is what it would be.

Mr. SALTONSTALL. In other words, subsections (3) and (4) should not be read by themselves?

Mr. SPARKMAN. No, not at all.

Mr. SALTONSTALL. I do not think that is clear.

Mr. SPARKMAN. What it amounts to is that if the owner wishes to offer the property at a lower price, it becomes a new transaction, and he starts all over again under subsections (1) and (2).

Mr. SALTONSTALL. Would not it be well to insert language so as to make that clear?

Mr. SPARKMAN. I shall be glad to take that up with the legislative counsel and I appreciate the Senator's calling it to my attention.

Mr. SALTONSTALL. I do not think the present language is clear, and I have read it over several times.

Mr. SPARKMAN. I realize that it could be confusing, particularly if one thinks of it as standing alone.

Mr. President, most of the things I have set out in my prepared statement have been fairly well covered in the discussion here, and I do not propose to take a great deal more of the time of the Senate.

I wish to repeat what has been said time after time; it is said in the committee's report, and it will be said frequently in the presentation of the bill on the floor, namely, in many sections of the country there exists a great housing shortage, so great that we believe it is essential that rent control shall continue. In this bill we provide for its continuation for 1 year, with a 3-month carryover. We hope—and we express the hope in the report—that we may obtain a housing program which will go forward with such momentum that at the end of the year it may have been possible to decontrol many areas throughout the country and to have made this problem more and more a localized one, so that the States can take it over. I would not have anyone understand that we are trying to assure that that will occur, but that is the objective we seek, and toward which we are striving.

I believe we should have some kind of rent control. I believe the bill we here present is about as good a bill for the purposes of obtaining effective rent control as any which could be worked out, while at the same time trying to do justice and equity as between the two great groups that are concerned, namely, the landlords, on the one hand, and the tenants, on the other, and at the same time having due regard for something with which all of us are concerned—the maintenance of a fairly well-stabilized economy in this country.

Mr. TOBEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield?

Mr. SPARKMAN. I yield to my distinguished friend from New Hampshire.

Mr. TOBEY. The Senator has not given the Senate the benefit of his entire paper, has he?

Mr. SPARKMAN. No; I have not. As I said, most of it has been covered here in the discussion.

Mr. TOBEY. Will the Senator put the whole paper in the RECORD?

Mr. SPARKMAN. Yes; I plan to do that.

Mr. TOBEY. I thank the Senator.

Mr. SPARKMAN. In the prepared statement, I took up all the questions which we have been talking about here today, and some others. By the way, I should like to call attention to one thing. I was hoping the distinguished Senator from Pennsylvania might be here. But I will call his attention to it privately. There are at least two provisions written into the bill that are taken out of his bill. Reference has been made today to his bill, and reference will be made to it from time to time. I think we all acknowledge the fact that his was a stricter rent-control proposal than any other introduced in the Senate. One thing we took out of the Senator's bill was the definition of rent, so that it does not merely represent the money paid by way of check from month to month, which can be accounted for, but it also includes any bonus or under-the-table transaction, and such things as that. In other words, we were trying to cut down insofar as possible some of the black-market operations.

Another thing—I have referred to it previously, but I think it is well for us to keep it in mind—is this: We have

done something here that I think is good, and that I think is in keeping with the American system. We have provided that landlords and tenants alike can request hearings, and they are as a matter of law entitled to them. Furthermore, they are entitled as a matter of law to appeal from the decision reached as a result of those hearings; which is something we have never had in the law heretofore. We are giving both landlord and tenant the right to carry the matter up as far as the Emergency Court of Appeals. I do not mean in the individual case, but where representative groups in any community ask for decontrol or for a general increase or for relief of that kind. That provision came, generally speaking, from the bill proposed by the distinguished Senator from Pennsylvania. One or two other items written into our bill were taken almost verbatim from the Senator's bill. I mention those things in order that I may call attention to the fact that we were not necessarily wedded to any particular bill. What we were trying to do was to work out a program, get good ideas wherever we could obtain them, and I believe the bill we are presenting, Mr. President, represents about the best we could do.

Mr. TOBEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield?

Mr. SPARKMAN. I yield to the distinguished Senator from New Hampshire.

Mr. TOBEY. Mr. President, what I am going to do now may be a little bit irregular. It has not often happened in the course of debates on involved and intricate pieces of legislation that Senators pause in the heat of debate to pay tribute to their colleagues. But I, a Republican, and a member of the committee with the Senator from Alabama [Mr. SPARKMAN], want to take this opportunity to say something about the man. As a result of sitting on that committee, and visiting with the subcommittee also, I want to pay tribute to the manifest fairness and sincerity of the man, plus his great ability, as he carried on the hearings with infinite patience. Those attributes are so characteristic of the Senator from Alabama that we all realize it, but in the passing of this legislation from his voice to others on the floor, I want to record my sincere appreciation of the fine job he has done. He and I have not always agreed. On some of the points in the bill, our views do not agree. But the Senator commands my deep respect, and I commend him for the fine presentation he has made, and for the great fairness and sincerity that have marked the deliberations of the subcommittee under his chairmanship.

Mr. SPARKMAN. Of course, I am grateful for those remarks by my good friend, the former chairman of the committee, who is always fair and a colleague with whom it is always a pleasure to work.

Mr. President, the committee had one proposal offered to end Federal rent control at the end of 6 months, but rejected it because we do not believe that the shortage will sufficiently be eliminated in so short a time as 6 months. And, then too, most States will not have had sufficient time to take over the rent-control program in their State.

The committee also considered a proposal to decontrol rent gradually on the basis of the rent level, decontrolling first the more expensive rental units and at stated periods decontrolling accommodations at stated levels. The committee rejected this proposal also because it was felt that, except among those people who can afford to pay very high rents, the need for shelter would probably still be present on the date provided for decontrol of any given level of accommodations, and that, therefore, many tenants would suffer great hardship as a result and the general economy would be placed under a severe strain.

EVICTION CONTROL

On the advisability of giving the Housing Expediter adequate authority to regulate evictions, the committee agreed with the request of the administration and with the provision passed by the House of Representatives. The Housing Expediter will be given general authority to regulate evictions.

It does not take much contact with the problem of controlling rents to realize that a most essential element in obtaining effective rent control is the authority to regulate evictions. When tenants are secure in their tenure they will resist pressure to pay over-ceiling rents either directly or by means of devices to evade and circumvent the law. Take away a tenant's security of tenure and the rent ceilings have little meaning.

The evidence submitted by the Housing Expediter and the many witnesses who appeared on behalf of tenants showed a most convincing picture of the inadequacies of the present law with regard to evictions.

It is contemplated under the bill passed by the House of Representatives and the one reported by your committee that the Housing Expediter shall issue regulations under which landlords will be required to give adequate notice to both the tenant and the Office of Housing Expediter in all eviction cases, so that the various area rent offices will be in position to sift the bona fide cases from the cases in which the landlord's claim is phony and thereby be in position to advise the local and State courts, having jurisdiction, of the provisions of the Federal rent regulations on evictions and of facts in the cases which might otherwise not come to the attention of the local courts. It is not contemplated that the Housing Expediter's attorneys will act as counsel for tenants, but rather as friends of the local courts and as complaint officers who are obligated to see that the Federal law is effectively carried out.

The Housing Expediter under the committee's bill will have authority to provide adequate waiting periods in cases where the tenant is evicted on grounds beyond his own control, such as, for occupancy by the landlord or a purchaser, or for alterations, or for withdrawal from the rental market during which periods the tenant would have opportunity to look for other shelter.

GENERAL RENT INCREASE

The House of Representatives enacted a bill along the lines outlined by the Administration but added a provision which would require the Housing Expediter to adjust rents in individual cases to a level that would guarantee landlords a reasonable return on reasonable value of the property. This reasonable return formula, as it has become known, was the subject of much controversy in the House of Representatives and before the Senate committee. The Housing Expediter, when members of our subcommittee questioned him on a fair-value formula, testified that if we could devise a good formula to insure a fair return he would be glad to accept it. The committee decided the best and most easily administered return formula was the 5-percent rent increase we provided for and which I shall discuss later.

No one is opposed to the idea of providing landlords with a fair return both generally and in individual cases, in fact in each individual case. The difficulty arises when we attempt to determine first what the fair value is of each specific rental property and thereafter what rate of return is to be considered fair or reasonable. Are we to take as a basis original cost, reproduction cost, present market value, or value of the property in normal rental market or some other criterion? An examination of this problem quickly shows one that any of these standards when applied generally involves great difficulty. To attempt to fix rents on this basis would involve the agency in complicated proceedings for millions of rental units and also would inevitably involve the courts in endless litigation.

I should like to read the Expediter's testimony on the fair rent formula at this point:

> After making a further check and reconsidering all the facts, I am completely convinced that no method of arriving at rental property values is workable or would produce fair results for landlords or tenants. Experience with the concept shows that it is impossible to take any single standard of value for a piece of property. Capitalization of earnings is useless because the rate used for capitalization would be whatever was assumed to be a proper rate of return and there could never be a rent adjustment.
>
> Use of construction costs is impractical because records are not available for the vast majority of rental properties. It would, moreover, result in inequitable variations in rents for comparable buildings because of differences in construction costs depending on the efficiency of builders and the cost levels prevailing when different structures were built.
>
> The use of reproduction costs or current-sales prices would completely undermine rent control since it would base rents on the high prices caused by present scarcities—the very thing rent control is supposed to prevent. In addition, the use of reproduction costs would necessitate a detailed estimate for each individual property by an engineer or architect to take into account differences in structure, design, materials, local wage rates, and other factors which affect costs. Moreover, this method ignores location, transportation facilities, and similar factors which have a bearing on rental value.
>
> If current sales prices were used, rents could be doubled by merely selling a property

and then repurchasing it at a price twice as high as its original sales price. The use of acquisition cost less depreciation would penalize landlords who purchased property at low prices and would give an unwarranted bonus to speculators and those who bought at high prices.

Assessed valuation for tax purposes is unrealistic in most communities and is subject to so many variations and distortions that it provides no uniform or equitable measure of value. Assessment practices vary from locality to locality and between different taxing jurisdictions within the locality. Differences exist in the dates on which different properties in the same or different localities were last appraised and the frequency with which assessed values are revised. Moreover, assessed valuations frequently reflect the application of inarticulate policies and assumptions which may be valid for tax purposes but which do not furnish a uniform basis for determining value.

Finally, although tax statutes usually require that assessed values be determined in some relation to market value or fair value the courts actually require only that the assessed value on a given property be in line with the assessed values of comparable properties, so as to result in an even distribution of the tax burden.

Under these circumstances an assessed valuation, even though judicially approved, bears no necessary relation to fair value or market value.

For example, we recently checked the relationship between sales prices and assessed valuations of 118 properties in Galesburg, Ill. It was found that the percentage which sales price was of assessed valuation ranged all the way from 65 to 4,135 percent. Thus, there is no basis in fact for the prevailing notion that there is a uniform relationship between tax assessments and values within a community. If any attempt were made to apply a uniform ratio to tax assessments in order to obtain values, fantastic rent increases would occur in many cases and the comparability of rent within areas would be completely destroyed. We recently made a spot check of 140 properties in 13 large cities to determine what would happen if such a formula were used. The rate of return used in this check was 6 percent plus 2 percent for depreciation.

In 77 of the 140 cases, the application of this formula would result in no adjustment in rents. In the remaining 63 cases, the formula would result in rent increases ranging from 0.7 to 131.6 percent. I might point out that out of the 77 cases which would have no adjustment under the formula, 61 had received a hardship adjustment under our present rent regulations.

It is generally recognized that no single formula can be used to determine values. The only possible approach would be through individual appraisals based upon a combination of many factors. It would be extremely difficult to specify the particular combination of factors to be taken into account by the appraiser and the relative weight to be given to each factor.

Also, the different judgments of different appraisers would lead to a great amount of controversy and in most instances would involve hearings and litigation. This burdensome, time-consuming, and extremely costly procedure could bog down the entire operation of rent control.

Also involved in the problem is the confused situation concerning the income of landlords. The Housing Expediter made no attempt to provide the Congress with this all-essential information. It appears that he felt he had no authority to gather the information necessary to make proper studies of landlords' income. The Office of Price Administration, in contrast, made extensive studies on this subject, and the latest reliable information available to the country on this vital question appears to be for the period ended June 30, 1946. For this period the net operating income for large apartment structures had risen over that for 1939 by 28 percent and the net operating income for small structures—four units or less—had risen 43 percent above that for 1939. The Office of Price Administration estimated that for the period ended June 30, 1946, landlords' net income had increased by at least three times the increase in net operating income. These figures are important. The committee heard a barrage of testimony from landlords concerning the unfairness of holding rents down while not controlling other segments of the economy. The committee viewed with great sympathy cases where landlords have received reduced incomes on their property, particularly among small landlords.

The economics of rent control have been badly confused. For this reason the committee took the pains to discuss in its report on the rent-control bill the essential facts concerning landlords' income. This, in brief, involves three items, but first I wish to emphasize that, as far as landlords are concerned, the important item is his net income and not necessarily the rent the tenant pays.

In order to understand this problem of rent control, Mr. President, we must keep clearly in mind three terms: "Gross income," which is the amount of rent paid by the tenant; "net operating income," which is gross income minus operating expenses; and "net income," which is net operating income minus interest and depreciation. Net operating income and net income are residuals, and, therefore, slight increases in gross income or slight decreases in expenses can result in great increases in the net income which goes to the landlord. Taking the illustration the junior Senator from Illinois [Mr. DOUGLAS] used, and which we refer to in the report:

> Assume a house is worth $6,000 and has a monthly rent of $54.50, but is only rented 11 months of the year, with 1 month's vacancy. The gross rent would be 11 times $54.50, or approximately $600. Assume heat costs $175, taxes $100, insurance $25, and repairs or decorating $50. Total expenses equal $350 and net operating income would be $250. Depreciation on the house over a 40-year period at 2½ percent per year would amount to $150 per year. Assume a $1,000 mortgage at 5 percent interest, the interest charge would be $50 per year. A $250 net operating income less $200 would leave $50 net income.
>
> Assume that the house is rented 12 months instead of 11 and that the operating costs and fixed charges are the same. The net income rises to $104 or 108 percent. In other words, a slight increase in gross income, if unaccompanied by changes in expenses, results in a great increase in net income. Now assume that the landlord ceases to decorate the interior of the home, the $50 item would be deleted and the net income would rise to $154 or threefold the original $50.
>
> This example illustrates graphically how a slight increase in rent can result in a very large increase in the net return to a landlord.

In a period of normal rental operations landlords generally have had some vacancies. In 1939 the average vacancy loss for the country was estimated by the Bureau of Census to be between 8 and 9 percent. In 1946 the vacancy loss had dropped to less than one-half of 1 percent. Vacancies have now practically disappeared. This fact of necessity has had a decided effect on the net operating position and the net income of landlords.

Likewise while the price of interior decorating and maintenance and the price of such items as fuel have risen since the inception of rent control, to a large extent landlords have been able to discontinue or pare to the minimum such items as interior decorating. As a result while the charges for interior decorating and such services have increased greatly the actual expenses of many landlords may not have risen nearly as much as the increases in wage rates and prices would appear to indicate.

I am of the opinion that the Housing Expediter should have secured the information necessary to provide intelligent information for the Congress. The fact that the law for the last 2 years has not provided him with specific authority to make surveys and obtain information from landlords and tenants under a subpena power does not mean that the information could not have been obtained. The bill reported by the committee again specifically gives the Housing Expediter the authority to make studies of landlords' financial position and it is the intention of the committee that the Housing Expediter obtain accurate information on this subject as quickly as possible. This information will be desired by all interested parties, by the Congress, and by State and municipal governments in those instances where State and local governing bodies take up the problem of rent control.

In passing, I wish to note that the Housing Expediter appears to have been lax in checking the figures submitted by landlords in regard to recommendations by local advisory boards for general rent increases. I have in mind the type of situation which occurred in El Paso, Tex., where the figures submitted by landlords indicated that the net operating income for the landlords who submitted information had decreased about $48,000. On auditing these figures the Housing Expediter's accountants found that landlords' net operating income rather than decreasing $48,000 had increased more than $70,000. As a result the local advisory board did not recommend a general rent increase for El Paso. The Housing Expediter admitted that this was the only case in which a careful check of the figures submitted by landlords was made by his staff. The committee felt that a careful auditing of these figures is essential where a general rent increase for a community is involved. On the basis of local board recommendations, rent increases have been granted for as much as 20 percent. Certainly where a general rent increase may result I think the Housing Expediter has a clear obligation to be certain of the facts on which he acts.

The rent increases are based on very small samples. It is, therefore, extremely important that these samples be really representative of the general picture. The Housing Expediter should see

to it that the local advisory boards have based their recommendations on proper samples. His review of their recommendations should be more than a pro forma act.

In discussing this problem I do not mean to suggest that landlords are not as honest as other people or to cast any criticism on any members of the local advisory boards. The fact is that the problem is somewhat complicated and landlords in filling out the forms in many cases may be confused and uninformed as to what the correct information is. So far as the local advisory boards are concerned they obviously do not have the time to audit these figures themselves. This is a service which the Housing Expediter should provide as a matter of course.

Because of the lack of accurate information on the subject of landlords' income, the committee was faced with a dilemma in attempting to provide landlords with a fair return in the present economy, to prevent exorbitant rent increases involving great hardships for tenants and at the same time to enact a law which could be properly administered. With this in mind the committee rejected the fair return formula passed by the House and in its place provided that maximum rents which have not already been increased by as much as 15 percent of the rent in effect on June 30, 1947, shall on October 1, 1949, be increased 5 percent of the June 30, 1947, rent and by another 5 percent on April 1, 1950, of the rent in effect on June 30, 1947. The administration bill would leave the rents increased by the 15 percent lease device at the amount provided by the lease and at the same time leave other rents at levels now prevailing subject to possible adjustment by the Housing Expediter. Under the circumstances the committee decided that these two 5-percent rent increases were advisable. I wish to point out, however, that since the first 5-percent increase will not occur until October 1, 1949, and the second rent increase will not occur until April 1, 1950, the actual rent increase for the entire year's period will amount only to 2½ percent.

Rent areas which have received less than 15-percent rent increases may participate in the two 5-percent general increases under this provision, except that the rents in such areas may not be increased by virtue of this provision to more than 15 percent above the rents in effect in such area on June 30, 1947, plus or minus individual adjustments made since that date. Likewise for accomodations rented for the first time since June 30, 1947. Rents under this provision of the bill may not be increased more than 15 percent above such first rent, with allowance for individual rent adjustments up or down made since first renting.

In commenting on this provision in general rent increase, I wish to point out that those rental areas which have received general rent increase of 15 percent or more already will not be eligible to participate in the rent increases provided under this part of the bill.

The Housing Expediter has followed the practice of granting general rent increases not only on the basis of landlords' net operating return but also solely on the basis of increases in taxes. The practice of basing general rent increases solely on rises in taxes without regard to the landlord's net operating position does not appear to be justified. I think the Housing Expediter should discontinue this practice.

The other provisions of the present law prescribing general and individual rent increases in order to relieve landlords of hardship and to correct inequities are continued in the bill reported. In view, however, of the general rent increases provided by the bill the committee hopes that during the next year the need for hardship adjustments will gradually disappear.

I also think the Housing Expediter should discontinue the practice of granting rent adjustment solely on the basis of comparability. Such adjustments should in the future be limited to situations where the maximum rent is abnormally low owing to peculiar circumstances.

The committee also concluded that in the future the Housing Expediter should not grant rent increases on company-owned housing on the basis of comparability. Several witnesses before the committee referred to instances in which exorbitant rent increases had been granted by the Housing Expediter on company-owned housing. Your committee feels strongly that precipitous rent increases such as are involved in these cases result not only in great hardship on the tenants but also disrupt the economic fabric of the community and threaten existing employer-employee collective bargaining relations which in many instances are at present delicately balanced. The historic differential in existence for many years between the rent level for such housing and comparable housing available in the general rental market should be preserved.

The bill also provides that any landlord in seeking an individual adjustment in maximum rent must certify that he is providing, and will continue to provide, all the services he was required to provide in connection with the housing accommodations as of the date the maximum rent was most recently fixed and that he shall maintain these required services so long as any adjustment granted by virtue of his petition remains in effect. This means that landlords who will benefit from individual rent increases will be required to certify that they are giving the tenant the services he is entitled to and that they will continue to provide such services. Where the Housing Expediter finds that a landlord has certified improperly or after certification ceases to provide the required services he will have authority to reduce the rent accordingly. The committee felt that inasmuch as landlords shall receive more income from rental property by virtue of the provisions of this bill it was fair to require the landlord to keep up the services for which the tenant is paying.

CONTINUED DECONTROL OF NEW CONSTRUCTION AND CONVERSION

Under the committee's bill, housing accommodations created by new construction since February 1, 1947, and additional housing accommodations created by conversion of existing units are decontrolled, as under the present law. Converted units, however, are decontrolled under the bill only on the basis of a specific order issued by the Housing Expediter. The proviso will enable the Housing Expediter to check evasions.

Accommodations used for permanent occupancy in hotels are recontrolled at the rent prevailing on October 31, 1948.

Accommodations not rented for a consecutive 24-month period between February 1945 and March 31, 1948, will be subject to recontrol under the bill, provided the recommendations for such recontrol made by local advisory boards are sustained by the Housing Expediter and by the Emergency Court of Appeals on review.

The House of Representatives in its bill recontrolled those accommodations which were not rented for the 24-month period but continued the decontrol of permanent hotel accommodations.

The committee was convinced by the evidence presented at the hearings that the decontrol of accommodations not rented for the 24-month period did not bring on the regular market a sufficient number of accommodations to warrant continued decontrol of this group. The evidence showed, on the contrary, that the exemption of these units acted as an incentive to many landlords to find ways in which to circumvent the law. This exemption also created irritation among landlords who were subject to rent controls out of all proportion to the benefits which the general economy obtained as a result of the decontrol of such units. The committee felt on the other hand that it would be wise to leave this problem in the hands of the local advisory boards. Where the evidence indicates the need for the recontrol of these units area by area the reestablishment of controls can be secured.

The committee was also faced with the problem as to whether accommodations occupied by permanent residents in motor courts, motels, and trailer camps should be recontrolled. Permanent accommodations in trailer camps were recontrolled under the bill passed by the House of Representatives. The committee concluded that accommodations of this type as well as those in hotels should be controlled on the basis of recommendations of the local advisory boards.

DECONTROL OF LUXURY ACCOMMODATIONS

The bill provides for the decontrol of luxury accommodations defined in the bill as unfurnished apartments occupied by a single family and rented at $290 a month or more on the date the bill becomes law.

In addition the Housing Expediter is given authority to decontrol accommodations of this type renting for a lesser amount where he determines such accommodations to be a representative of rentals for luxury accommodations in any defense rental areas. The committee did not contemplate that the Housing Expediter would as a matter of policy decontrol apartments in every rental area. The committee was aware of the fact that luxury accommodations will primarily be found in the large metropolitan centers.

LOCAL ADVISORY BOARDS' RECOMMENDATIONS

Under the committee bill local advisory boards are given more authority over additional matters than in the past. The administration bill has provided for the continuation of the boards and the procedures applicable to them except that the Emergency Court of Appeals would enter the picture only on complaint of a local board rather than automatically as under the present law and the Emergency Court would be given 60 days in which to consider a case with an additional 30 days in exceptional cases. The provision for additional time for the emergency court is provided in the committee bill and also in the bill passed by the House of Representatives.

In one very important respect the committee's bill differs from that of the House of Representatives and the request of the Housing Expediter. Our bill, along the lines suggested by the senior Senator from Pennsylvania [Mr. MYERS], provides that any representative group of landlords or tenants may by filing a complaint with the Emergency Court of Appeals obtain a review by that court of any action by the Housing Expediter either on recommendation of a local advisory board or on his own initiative, and regardless of whether a public hearing is held, concerning the decontrol of a rent area or a part thereof or a general rent increase. Likewise any representative tenant group may on complaint in the Emergency Court of Appeals obtain review of the Housing Expediter's action in decontrolling an area or granting a general rent increase whether based on recommendation of the local board or his own initiative and regardless of whether a formal hearing is held.

In another manner the committee bill insures to all parties a complete examination of such important questions as decontrol of areas and general rent increases. The bill provides that the Housing Expediter shall hold a hearing on the request of any representative group of landlords or tenants where the local board has failed to do so after a reasonable time.

The reasons which moved the committee to provide these additional safeguards were: The Housing Expediter in the past has taken most of his actions concerning decontrol of rental areas and general rent increases without public hearing by the local boards and on the basis of his own initiative. As a result most of these actions have not been reviewed by the Emergency Court of Appeals. Under the present law local boards have been the only parties who have had recourse to the Emergency Court of Appeals. Neither tenants nor landlords have been permitted under the present law to have their grievance concerning area-wide actions of the Housing Expediter aired in the Emergency Court of Appeal. The committee is of the opinion that both landlord and tenant should be permitted to present their cases concerning these general questions to the Emergency Court of Appeals.

ENFORCEMENT SANCTIONS

The bill reported by the committee meets fully the request of the administration for adequate and effective enforcement sanctions. Under the present law the Housing Expediter not only has almost no control over evictions but he is required to seek compliance with the law by means of suits for injunction in relief and by reliance on the initiative of tenants in bringing actions for triple damages. These provisions in the present law have proved woefully inadequate to maintain real rent control. Under the Office of Price Administration the program was adequately provided with enforcement machinery. In the Eightieth Congress the Office of Housing Expediter was deprived of the authority to bring triple damage actions where tenants failed to do so and to request criminal prosecution of willful violators from the Department of Justice. The removal of these sanctions has led to a shocking black market in overceiling rents.

At the request of the Housing Expediter, the Bureau of Labor Statistics recently compared actual rents with the legal rents in 3 large cities. In Philadelphia overcharges were found to be prevalent in 25 percent of the units under study. In Atlanta in 28 percent of the units and in St. Louis in 19 percent of the units.

The average overcharge above the legal rent in Philadelphia was 34 percent; in Atlanta 27 percent; and in St. Louis 23 percent. Similar surveys made in March 1946 during the time the OPA had adequate enforcement sanctions showed overcharges for only 8 percent of the units in Philadelphia and Atlanta and only 9 percent in St. Louis.

The bill passed by the House of Representatives did not provide criminal sanctions for the enforcement of the law. Historically the violation of any Federal statute has been considered a crime punishable by either fine or imprisonment. While it is not contemplated that criminal prosecution will be used in more than a few cases it is important that the Government be armed with this means of combating the black market in rents.

The House of Representatives provided the Expediter with the authority to bring triple-damage actions where the tenant who is overcharged failed to do so after a 30-day period. This provision is also of vital importance to the proper administration and enforcement of the law.

VETERANS' PREFERENCE

It is essential that veterans of World War II and their families continue to have the right to obtain shelter in new housing built for rent or for sale. It is safe to assume that this group represents a large portion of the families who are living doubled up. Among this group are also found the highest percentage of persons being married and forming new families.

Title I of this bill grants them no preference as to the price paid for purchase or rental of a new home, except to insure that they will not have to pay more than those not entitled to the preference. It does not insure them the first opportunity to bargain with the owner or builder for occupancy at the market price. This opportunity I am certain no Member of this body would wish to deny them. Under the bill their preference would last during the construction period and for 30 days following, as to new construction and conversions, and for 7 days before any resale or offer for resale to a nonveteran. The sale or resale preference would be applicable to housing accommodations designed for single family residence constructed or converted since June 30, 1947. The rent or rerent preference would apply to housing accommodations designed for nontransient occupancy and constructed or converted since June 30, 1947. The preference extends to prefabricated housing and cooperative housing. It does not apply to a dwelling erected for owner-occupancy, as long as the owner continues to reside in it.

The committee's bill applies the preference to converted units and makes certain that those entitled to the preference are given a chance to bargain for appropriate units placed on the market for sale or for rent which were or will be built or converted since June 30, 1947, even though they have been sold or rented one or more times after being constructed or converted.

Mr. President, there are a number of subsidiary provisions of the committee bill concerning which I do not wish to take the time of the Senate to discuss. The committee report, I think, covers these provisions adequately. I shall, of course, be very glad to answer any questions which any Senator may have concerning any of the provisions in the bill.

In conclusion, Mr. President, I wish to say this committee had a difficult assignment and I think has reported a bill that will prove to be fair to landlord and tenant alike and one that is workable. The legislation will protect not only the small people of our country, but our whole economy by assisting us to stabilize our economy at a high level of income and prosperity.

Mr. President, that concludes my presentation of the bill.

THE NORTH ATLANTIC PACT

Mr. WATKINS. Mr. President, I intend to take a few minutes today to comment on developments in connection with the North Atlantic Pact. I realize there are other matters of importance demanding the attention of the Senate. I am convinced, however, that the proposal for the United States to become a party to the North Atlantic alliance or pact is one of the most momentous issues ever to be presented to the American people in all their history. The press of the country, radio commentators and publicists everywhere have so described it. So, Mr. President, I make no apology today for taking a few minutes of the Senate's time.

On March 4, I delivered a speech in the Senate in which I directed the Senate's attention to important questions which I felt should be answered before such a treaty became a reality. I called the attention of the Senate to the fact that the Senate was without official information as to what was taking place in the course of the negotiations. I also pointed out that it was very important to the country and to the Senate that the text of the treaty and supporting information be given to the Senate well in advance of the day set for signature.

On the following Tuesday, I again took up the question of the North Atlantic

treaty. On that day I referred to a telegram which I dispatched to President Truman urging that the pact and supporting information be made public well in advance of the day set for the signing of the treaty.

For the convenience of the Members of this body, and also, of course, to refresh the recollection of Senators with respect to the problem I presented, I read into the RECORD the text of that telegram, dated March 7, 1949:

MY DEAR MR. PRESIDENT: In your inaugural address you declared that a joint defense agreement between the United States and certain European democracies was being negotiated. From the press I learn that the negotiations have gone forward to the point where the proposed treaty will soon be ready for the signatures of the nations participating.

You will realize, and I believe it is generally conceded, that this proposed pact, as far as the United States entry into it is concerned, will be precedent-making and one of the most momentous steps this country has ever taken.

From time to time newspaper accounts purporting to give the language of the important articles in the pact have been released to the press. Members of the Foreign Relations Committee of the Senate have been permitted to read preliminary drafts. Other Senators, however, have been kept in the dark as to what the provisions of the pact will be. Meanwhile, a general debate has been carried on in the press and over the air by editors, columnists, and commentators on the necessity for, and the wording of, the pact.

The proposal that the United States enter into a pact which, in effect, is a treaty of alliance with European countries is unprecedented. For that reason, I am taking the unprecedented step of respectfully urging you now to give to the entire Senate of the United States and to the people of this country at least 60 days before the date set for the signing of the pact, the text of the proposed agreement, and the names of the nations which will participate, and the reasons why the United States should become a party to the pact.

I am convinced the American people should be given time to study and think about this proposed departure from our historic policy of "no entangling alliances," and that the Members of the Senate should have additional time in which to study this important matter.

You will realize, Mr. President, that if the text of the proposed treaty and the reasons for entering it and the names of the nations invited to join are not given to the Senate in advance of the signing of the treaty, that it will be very embarrassing, and possibly harmful, to the United States to have the treaty discussed at length at the hearings before a committee of the Senate, and possibly in the end to have it rejected or have it approved with substanial reservations.

I submit, Mr. President, that the submission of the treaty to the Senate as a fait accompli will be decidedly unfair to the Senate and to the participating nations.

I am urging this suggestion in all seriousness, because I sincerely believe that in times of peace we should adopt and follow the principles of President Wilson, who advocated open covenants, openly arrived at.

Mr. President, I submit that the submission of the treaty to the Senate as a fait accompli will be decidedly unfair to the Senate and to the participating nations. I am urging this suggestion in all seriousness, because I sincerely believe that we should adopt the principle of Woodrow Wilson, who advocated open covenants openly arrived at.

Mr. President, on the 18th day of March the State Department released to the Senate and to the public the text of the proposed North Atlantic Treaty. I take it for granted that all Members of the Senate have read the proposed treaty.

In a letter dated March 17, at the United States naval base at Key West, Fla., President Truman replied to my telegram of March 7, and I now read into the RECORD his letter. I may add, parenthetically, that I called the office of the Secretary to the President and was advised that the President had stated that he had no objection to my putting it into the RECORD.

UNITED STATES NAVAL BASE,
Key West, Fla., March 17, 1949.

Hon. ARTHUR V. WATKINS,
United States Senate,
Washington, D. C.

DEAR SENATOR WATKINS: I have received your telegram of March 7 asking that the text of the proposed North Atlantic Treaty be communicated to the Senate and made public before it is signed.

The Secretary of State and I have long intended that this be done, and you will by now have seen press reports that it is intended to make the text public on March 18 and to have signature take place early in April.

I should like to call your attention to the extent of the cooperation between the Senate and the executive branch of the Government in the formulation of this treaty. Ordinarily treaties are negotiated by the State Department and discussed with the Foreign Relations Committee only after they have been signed and submitted to the Senate for its advice and consent to ratification. In view of the importance of the present treaty there has been close collaboration between the State Department and the committee since its inception.

Last spring the committee, after protracted consultation with the State Department, unanimously reported Senate Resolution 239, which was adopted by the Senate on June 11. The treaty has subsequently been negotiated in accordance with the "advice" contained in that resolution and with full and detailed consultation with the committee. The further unusual step will be taken, as I have said, of communicating the proposed text to every Member of the Senate and making it public in advance of signature.

I do not agree that there should be a 60-day interval between publication and signature. While I trust Senate action on the treaty, when presented to it, will be as expeditious as is consistent with full consideration—and the fact that the Foreign Relations Committee has already carefully considered its provisions should expedite the matter—there will undoubtedly be ample opportunity for full public and senatorial consideration of the treaty between the time it is made public and the time final Senate action is taken.

I stated in my inaugural address that the primary purpose of the Rio treaty and the proposed North Atlantic Treaty "is to provide unmistakable proof of the joint determination of the free countries to resist armed attack from any quarter." It is my belief that if we can make it sufficiently clear, in advance, that any armed attack affecting our national security would be met with overwhelming force, the armed attack might never occur.

Very sincerely yours,

HARRY S. TRUMAN.

In the reply it will be noted that the President calls attention to the fact that ordinarily treaties are not communicated to all Members of the Senate and given to the public in advance of signature. As far as I remember, Mr. President, there was nothing in the press to indicate that this unusual procedure of making the text of the treaty public in advance of signature was to be followed. In fact, the news stories that I saw were all to the contrary.

Had I known the President and the Secretary of State intended to release the text of the treaty in advance of the date set for signature, I, of course, would not have sent that kind of telegram to the President, and the resolution I introduced would have been substantially different.

I appreciate the departure the executive branch of the Government has made from the custom of negotiating the treaty, having it signed, and then presenting it to the Senate for ratification before any of its terms are made public. However, even had I known that the treaty was to be made public prior to the date set for signature, I should have urged the President to make it public at least 60 days before it was to be signed.

I think the reasons for such a request are stated in the telegram. I shall discuss them later.

Mr. President, the letter of President Truman is an important contribution to the history of the negotiations and developments in connection with the North Atlantic treaty. I shall comment briefly on the President's letter.

It is interesting to note the extent of the cooperation the President said existed between the Senate and the executive branch of the Government in the formulation of this treaty.

He says:

Ordinarily treaties are negotiated by the State Department and discussed with the Foreign Relations Committee only after they have been signed and submitted to the Senate for its advice and consent to ratification. In view of the importance of the present treaty, there has been close collaboration between the State Department and the committee since its inception.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. WATKINS. I should rather wait until I have finished my statement.

Mr. CONNALLY. If the Senator does not want to yield, all right.

Mr. WATKINS. Mr. President, I do not want to be discourteous, but I have given my word to some of my colleagues that I would not take too much time. When I have completed my statement I shall be glad to yield for questions.

Mr. CONNALLY. I do not know that I shall be here at that time.

Mr. WATKINS. This indicates, Mr. President, a development and a cooperation which I believe is commendable. I have always felt that the Senate should be consulted in advance by the executive department before it entered into negotiations for important treaties. That was the practice in the days of George Washington and as I recall of succeeding Presidents up until the Civil War.

I read again from the President's letter:

Last spring the committee, after protracted consultation with the State Department, unanimously reported Senate Resolution 239,

which was adopted by the Senate on June 11. The treaty has subsequently been negotiated in accordance with the "advice" contained in that resolution and with full and detailed consultation with the committee.

I repeat that the cooperation with the committee, I believe, is in the public interest.

From the two paragraphs I have quoted, we learn that the treaty, if the President is correct in his information, is substantially the work, not only of the State Department and the representatives of the powers negotiating with our representatives, but also of the Senate Committee on Foreign Relations. In fact, the President gives the committee credit for being in on the conception of the idea for such a treaty.

First, the State Department and the committee gave birth to Resolution 239, which was adopted by the Senate on June 11 following a 1-day debate with 21 absentees from the Senate.

I submit, by way of parentheses, that that was a very short time to devote to such an important and far-reaching resolution; and I may also add that I voted against that resolution.

The President's view is that the treaty has been negotiated in accordance with the advice contained in Resolution 239, which is otherwise known as the Vandenberg resolution. He said the advice was followed in accordance with "full and detailed consultation with the committee."

It seems to be a fair deduction from the President's statement that he believes the Senate has been fully and completely informed of the various steps to be taken in the negotiations and of the numerous drafts of the text of the treaty.

I accept the President's statement in good faith. I am sure he believes that it is correct, but if his statement is correct, then I am wondering why it was that Members of the Senate could not get from the Foreign Relations Committee information about the negotiations and the proposed text of the treaty as developments went forward.

I tried several times to get information, but each time was met with the statement that the committee was uninformed, that no treaty had yet been prepared, until the very last day, when, as I recall, it was stated that they had seen the text of the treaty, but it had been taken by the State Department. The committee, it was said, was not in a position to furnish any information. Yet I read in the newspapers from day to day statements in which various drafts of important articles of the treaty were set forth in full detail.

If the Senate Foreign Relations Committee knew the full details of the negotiations and the proposed text, then it should have been in a position where it could inform the other Members of the Senate. No pledge of secrecy should be permitted. In the very nature of things, the Senate must rely to a large extent on its committees for information on important matters.

In this case we have a very unusual development. The proposal now is to have the United States depart from its historical policy of over 150 years' standing. This is of tremendous importance.

This is no ordinary treaty. I think the President has recognized that fact by taking the unusual step of consulting with the Foreign Relations Committee and by giving out the text of the treaty before signature.

Mr. President, so far as I could learn, there was no indication that the Foreign Relations Committee was collaborating with the State Department to the extent and degree which the President's letter implies. As I have stated, I think the evidence, as far as I could ascertain it here in the Senate, was all to the contrary. I am quite sure that many other Senators also found the situation as I have here described it.

Mr. President, I have already said that I appreciate the cooperation which the President has said existed between the State Department and the Foreign Relations Committee. I even appreciate getting the time from the 18th of March to the 14th of April in which to consider it. I am not making a complaint about that, but I am disturbed by the official secrecy that apparently surrounded the whole matter when newspapers were telling us that we at last got a covenant openly arrived at.

In case any Senator desires documentary evidence on that point, I refer him to the New York Times editorial of January 16, this year, in which at great length the editor pointed out that this time all the cards were being laid on the table. That was on January 16, about 60 days ago. Mr. President, may I observe that members of the committee, according to the President, have had full details of developments as they have gone forward. They have had much of this information for nearly a year; that is, if they were in on the conception of this matter, and apparently, according to the President, the conception of the treaty began in a protracted period prior to June 11 last year. The committee have had much of this information for nearly a year. Consequently, they are not facing the dilemma that other Members of the Senate not on the committee will face, namely, be raising questions and objections to the pact now, without sufficient time to study the text or the factual information necessary to approve it or disapprove it, or—and this is the other horn of the dilemma—wait until the pact has been signed, then raise their questions and objections, possibly propose reservations, and by doing so, embarrass the President and the Government and the country, and subject themselves to the charge that they are aiding the Communists, and working against our last best chance for peace. That phrase was taken from one of the powerful editorials contained in a newspaper published in this city.

Members of the committee undoubtedly have had the opportunity to make their objections and their suggestions, and apparently the treaty is now satisfactory to them. I am now proceeding on the theory that we are getting the correct information from the President. But under the circumstances, it should be definitely clear that no sufficient opportunity will be given to other Members of the Senate to give their views before the treaty is signed unless the date set for the signing of the treaty is moved forward to a reasonable time.

Members of the Senate not on the committee would have approximately 13 days of working time in which to consider the treaty. They will not have available—at least it is not available at this moment—valuable information which no doubt was furnished to the members of the committee during the long process of developing the treaty from over a year ago to the present time.

Is there any reason of public security why all Members of the Senate should not be given a reasonable time—and I maintain the period of time from March 18 to April 4 is not a reasonable period—in which to consider this very important matter?

Mr. President, there may be some who will say that objection to the treaty after it is signed will not be embarrassing and that Senators will have full opportunity to state their views, make their arguments and propose reservations if they desire to. It is as certain as anything in this life can be that tremendous pressure and severe criticism will then be heaped upon any Senator who dares, after the treaty has been signed, to take a stand against it or even be critical of it.

Already the propaganda barrage is being laid down. I quote from an editorial in a leading western daily newspaper to illustrate my point:

> Rejection of the Atlantic Pact by the United States would be a great victory for communism.

We find this even before the facts surrounding the treaty have been announced.

This, in my opinion, is a mild statement to what we will hear if opposition and questioning develop after the United States has made a formal commitment by placing its signature to the treaty.

After the treaty has been signed I personally do not want to embarrass the United States, and I do not desire to give any aid and encouragement to Communists. Yet I have a solemn duty to perform under my oath of office. I should like to be in the same position in which the Members of the Committee on Foreign Relations are now, and make my suggestions and my criticisms, and offer my reservations, before our Government goes to the point of formally signing the treaty. I desire to make that abundantly clear.

Mr. President, there will be some who will say that all questions have now been explained since Mr. Acheson made his radio speech, since the State Department White Book has been issued, and since Mr. Acheson, in a press conference, has answered numerous questions.

Mr. President, while I admit Mr. Acheson may have helped in many important particulars, yet I am convinced there are many questions which he did not answer because they were not raised. Here are a few that have occurred to me after a rather hasty and superficial examination of the treaty:

First and foremost, what does article 5 actually mean? I think the language of this article should be given lengthy and careful study. I mean before the

pact is signed, so that if other Senators have some suggestions to make they can make them in time to be of some help, before we get into such a position that it would be embarrassing to suggest them.

The meaning of article 5 is already a matter of dispute among some of our ablest lawyers; indeed some of the language of the article sounds like double talk to me. Would it bind the pact nations, individually or collectively to come to the aid of a nation attacked by an aggressor?

Would we not be bound under article 11 to take armed action by constitutional process—that is, to declare war? In other words, it seems to me from a reading of the treaty that we agree to do something, and whatever we do we agree to do by constitutional process, and that process is to declare war by Congress.

What if an American Congress did not want to commit the Nation to war at a specified time and over a specified incident? Or does article 5 morally or legally commit this Nation to the extent that a refusal by Congress would be tatamount to a broken pledge to these nations?

There are many other questions with respect to article 5 which I could ask here, which would take a great deal of time to do, and I am not going to do it tonight, but the questions have been suggested. I am only giving a few examples after the hasty examination I made. I make the point that in any preliminary discussion we have on this subject in the Senate we are handicapped all the time by lack of information, and by time. I want also to call the Senate's attention to the fact that the newspapers have not been handicapped. I am sure most Senators have seen the barrage of propaganda and the stories which have come out in connection with this pact immediately upon its being released to the public. The questions I propounded here on the 4th of March never received a line, so far as I can find, from any newspaper in the United States. I was asking something that I thought was for the good of the entire people, and I felt it would be the duty of any Senator to see that those questions were discussed. I conceive it to be my duty to ask the questions now before we go so far as to commit ourselves by signature.

Another question I have concerns article 2 of the pact. What does the wording mean "They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them." Does this language mean that America's economic system and free enterprise in the United States will be threatened by European economic activities and competition? Or do we do away with competition between nations? Will we have to give in and make concessions to national socialism in France, Great Britain, or any other country? Or will we have to make certain concessions because in many cases, they are under the gun of industrial control by government? Or will we do away with competition between nations? I do not know. I am asking these questions. I think they are proper. That statement is there. It must have been put there for some purpose. What does it mean? I think that every laboring man in the United States and every industrialist and every citizen ought to be interested in finding out what is back of that proposal.

What device will be proposed to implement this section of the treaty?

I can find nothing in the pact with respect to the position of a signatory member should a Communist regime come into power in such signatory nation through the process of infiltration or by a legal election. Would a Communist government be welcomed as a member of the pact? Mind you, Mr. President, a number of nations are already in by signature. We are assuming the pact has been signed and ratified, but if they should change their political complexion and become Communist nations, satellites of Russia, would they still be in the pact, and should we have a means of expelling them?

Suppose a nation now governed by democratic processes becomes a communistic government. The North Atlantic pact establishes a governing council. What is the voting policy in that council? Are decisions made by a majority vote? Two-thirds? Is there a veto allowed in the proposed new council? These are all important questions, in my opinion.

Mr. President, the reason for forming the North Atlantic pact was to get away from the veto provisions and the stalemate which resulted in the Security Council of the United Nations. In other words, we have stepped down and are going to create an organization which we believe will escape the veto difficulties of the parent organization. I think we ought to know in advance what we are getting into in the operation of the pro-proposed alliance. What is the voting policy? What are our rights? Are they to be determined by unanimous vote, or as I indicated, by a majority, or by two-thirds, or by what figure?

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. DONNELL. Has the Senator read the editorial published in this morning's Washington Post which refers to this vagueness with respect to the veto power in the council provided for in the pact?

Mr. WATKINS. I read it just before I came to the Senate Chamber, I may say to the Senator from Missouri, and I intend to put it in the record.

Mr. DONNELL. I may tell the Senator that I anticipated him, and placed it in the record earlier today.

Mr. WATKINS. I appreciate that. I think all comments made on this subject should be placed in the RECORD so we can get as much information about it as possible.

Mr. DONNELL. I suggest that I think the Senator could improve on what I did today in regard to the Washington Post editorial. I put it in the Appendix of the RECORD. I think it would serve a useful purpose if the Senator would offer it, if he cares to, for the body of the RECORD, so it may appear at the conclusion of his remarks.

Mr. WATKINS. Mr. President, I shall do so.

Apparently this pact sets forth only principles. We should know what commitments—money, military equipment, and arms as well as industrial equipment—the United States will be called upon to supply. What will the cost be? I have asked that question before.

Further, how far is this alliance to be extended, to the Mediterranean area, including Italy, Greece, Turkey? What new pacts in Asia are contemplated? What is the over-all plan for our defense? What about Germany? What is our policy with respect to Germany? I have asked that question before, but I have received no light from any source up to this moment.

What relationship will the alliance have with other democratic nations in Europe not now behind the iron curtain? Sweden, Finland, and possibly Turkey, Greece, the Arab states, Palestine, and a number of others will be on the arms of the Atlantic, but will not be included in this alliance. Or will they be? I do not know. We are not told.

There are military questions which I should like to have answered. Can our generals tell us what such a defensive organization as the North Atlantic Pact suggests will cost the American people? Are we committing ourselves to a ground war in Europe? Could the defensive union planned—the newspapers have mentioned a possible 40 divisions to defend the Rhine line—stop a concerted drive by 220 Russian divisions? If such a drive could not be stopped—and many people believe it could not be stopped by anything we could send over there, but could only be delayed—what would happen to our European friends, their homes, factories, farms, and institutions if the Atlantic powers and Russia waged a third world war on the continent, on the ground?

I should like to repeat several questions which I asked on this floor on March 4. What is the relationship, for example, between Great Britain and Russia at the present time, by reason of the treaty of alliance entered into in World War II between those two countries? I think that should be explained fully. Is Great Britain in a position now to enter into a pact with this country—honorably, I mean—and the other nations contemplating becoming members of the North Atlantic security group?

I ask that advisedly, because I have read the terms of the alliance between Great Britain and Russia. As I recall, there is a provision that neither of the parties signatory to that agreement shall join any other group, coalition, or alliance which may be aimed at either one of the members to it.

Are the terms of the understanding between Russia and England all expressed in what was given to the world as the treaty of alliance? We have had some unhappy experiences in the past in dealing with foreign countries. We have learned, after we had thought we understood what they were bound to do, that they had some secret alliance about which we did not know anything. President Wilson was confronted with that situation immediately after World War I, when he was attempting to negotiate a peace treaty.

What other agreements—principally trade agreements exist between Russia and Great Britain? Is Great Britain at the present time furnishing to Russia commodities which will build up the war potential of Russia and her satellites? What will happen to those trade pacts? I have seen copies of some of them, and they raise some important questions in my mind. I understand that they are negotiating some more.

What about France's agreement of alliance with Russia? I assure the Senate that there is one, because I have seen a copy of it. What are its terms? What does the strong Communist minority of France think about its obligations under the pact, and what would it do under the pact if the strong Communist minority should become a majority in France? There is a possibility of that happening. Also, if Italy becomes a member, what will happen? It has a strong Communist minority. Are there any secret agreements between France and Russia and her satellites? What, if any, trade agreements exist between France and Russia and her satellites? What guaranty is there that France will be able to perform her part in a security pact with us and the other North Atlantic nations?

What agreements, if any, exist between the other nominees to the Atlantic security pact and Russia and her satellites? There is quite a wide difference of opinion on the question of whether or not the proposed pact is in accordance with the "advice" which the President says was given to him in the Vandenberg resolution. Is the proposed pact in accordance with that resolution? I shall ask that the Vandenberg resolution be printed in the RECORD at the conclusion of my remarks.

That question is important, because it seems that the President, at least by implication, feels that the Senate is committed to follow the "advice" which was given him, as set forth in the Vandenberg resolution. Is the proposed alliance the only way left to preserve our security and the security of our friends overseas? Have all other methods been fully explored? Is it not necessary for the Senate to explore all other possible methods before abandoning the historic policy of the United States in relation to alliances with foreign nations?

Finally, this question should never be lost sight of: Is the proposed pact absolutely necessary to preserve the security of the United States?

Mr. President, in placing in the RECORD the letter of the President, and in making comments on it and propounding the questions which I have asked today, I have had in mind the hope that when these matters are brought to the attention of the President he will see the fairness of giving all Senators, who must finally pass upon this great question, the same opportunities for study before the United States is committed by the signing of this treaty as have been given to members of the Committee on Foreign Relations. We cannot have the same amount of time. I do not expect that. We should have a reasonable time.

Is there any good security reason which would make it dangerous if the day for signing the treaty were set ahead far enough to give the Senate and the people of the country a reasonable time in which to study the treaty and its implications?

I invite attention to a statement which is credited to the majority leader, the Senator from Illinois [Mr. LUCAS]. The statement was published in the New York Times of recent date. It was to the effect that it will be some time before the treaty can be considered by this body—sometime in May, as I recall the story—because other matters would have precedence. I can see no good reason now why we should not have additional time.

I appeal to the President here and now, publicly, to grant the full 60 days as a period of study and analysis of the pact before we make a formal commitment by signing the treaty. The President has allowed 17 days between the release of the text and the date set for signing. What possible harm can come from allowing the full period of 60 days?

I point out to the President that during that period many of the difficulties which now seem insurmountable may be explained so that there would be a more or less united Senate when the matter was finally brought to a vote. There is that possibility. I think that in the interest of unity it should not be overlooked.

It may well be that, notwithstanding that there may be many objections and disadvantages to entering into the pact, it would be to our best interest to do so. Whether that is true or not, we shall be much better prepared to give the answer after a fair study of the proposal.

One further observation, and I shall have concluded.

If it finally should appear that the Foreign Relations Committee is, in effect, the coauthor of the treaty, as the President's letter seems to indicate, what should be the procedure in the matter of hearings on this pact before that committee? If the committee members are already committed to the pact—and if committed naturally they would want to see it sustained—should other Senators who are not in the fortunate position of those who have full information be permitted to help direct the investigation and permitted to ask questions of witnesses appearing at the hearings?

Mr. President, I am a comparatively new Member of the Senate. I admit that I am not fully acquainted with the procedure and policy of this body; but inasmuch as this is an unusual situation, I feel that it is fair to ask these questions. I see no good reason why they should not be asked. I am sure that distinguished Members of the Committee on Foreign Relations will be able to point to the proper procedure under all circumstances, and probably will adopt it.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the resolution adopted by the Eightieth Congress, and referred to as Senate Resolution 239, otherwise known as the Vandenberg resolution.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas peace with justice and the defense of human rights and fundamental freedoms require international cooperation through more effective use of the United Nations: Therefore be it

Resolved, That the Senate reaffirm the policy of the United States to achieve international peace and security through the United Nations so that armed force shall not be used except in the common interest, and that the President be advised of the sense of the Senate that this Government, by constitutional process, should particularly pursue the following objectives within the United Nations Charter:

1. Voluntary agreement to remove the veto from all questions involving pacific settlements of international disputes and situations, and from the admission of new members.

2. Progressive development of regional and other collective arrangements for individual and collective self-defense in accordance with the purposes, principles, and provisions of the Charter.

3. Association of the United States, by constitutional process, with such regional and other collective arrangements as are based on contintinuous and effective self-help and mutual aid, and as affect its national security.

4. Contributing to the maintenance of peace by making clear its determination to exercise the right of individual or collective self-defense under article 51 should any armed attack occur affecting its national security.

5. Maximum efforts to obtain agreements to provide the United Nations with armed forces as provided by the Charter, and to obtain agreement among member nations upon universal regulation and reduction of armaments under adequate and dependable guaranty against violation.

6. If necessary, after adequate effort toward strengthening the United Nations, review of the Charter at an appropriate time by a general conference called under article 109 or by the General Assembly.

Mr. WATKINS. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the resolution submitted by me on March 8, 1949, known as Senate Resolution 81, which was referred to the Committee on Foreign Relations. It appears at page 1977 of the CONGRESSIONAL RECORD of March 8, 1949.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the President of the United States in his inaugural address announced that he hoped soon to send to the Senate a treaty respecting the North Atlantic security plan resulting from negotiations between this country and other countries;

Whereas according to press reports the negotiations have proceeded to a stage where the text of said agreement or treaty is nearly completed and ready for submission to the governments of countries contemplating entering into said pact or treaty;

Whereas the proposal for the United States to become a party to said pact or treaty involves a departure from the historical policy of the United States with respect to alliances with other nations; and

Whereas the Senate is charged under the Constitution with the duty of advising the President in the matter of making treaties with foreign nations: Therefore be it

Resolved, That it is the sense of the Senate that it is in the interest of the security and unity of the United States and of friendly

relations with other nations of the world that the text of said pact or treaty and all pertinent facts relating to it be submitted by the President to the Senate for consideration and study at a reasonable time before the date appointed for the signing of said pact or treaty by participating nations.

Mr. WATKINS. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a letter from Brent D. Allinson, professor of political science at the University of Florida, published in the Washington Post of March 11, 1949.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DANGERS IN THE ATLANTIC PACT

The authors of your February 25 communication on the Atlantic Pact seem to proceed from the assumption that there are ample precedents for the projected Atlantic alliance in our history. The only examples which they cite refer to the puppet American Republic of Panama, Theodore Roosevelt's geopolitical evocation, and the collective security pact of the American Republics, concluded recently at Rio de Janeiro and accepted in principle in the Treaty of Chapultepec in 1945. Both of these are confined to the Western Hemisphere.

The proposed Atlantic Security Pact, has, I think, no precedent whatsoever in American history but many tragic precedents in Europe. These have been precedents leading to general war. The closest analogy of recent times was the guaranty of the territorial integrity and political independence of members of the League of Nations comprised in article X of the Covenant.

The more thoughtful members of the United States Senate finally refused to swallow article X, acting under the leadership of Senators Borah, Norris, Lodge, La Follette, and a few independent Democrats. The Senate unquestionably saved the American people from underwriting and perpetuating many grievous political errors and economic unworkabilities contained in the vindictive Treaties of Versailles, St. Germain, and Sevres (which our diplomatic representatives had signed), as well as other more secret commitments guaranteeing the eastern frontiers of France, which were never even submitted to the Senate.

Unchanged by the League of Nations and politically unchangeable after they had been "written into the public law of Europe," these injustices produced the poisonous fanaticism of Italian fascism and German nazism. They culminated in a second general war, despite the platitudes and ineffective devices of the Covenant and the Kellogg-Briand Pact for the renunciation of war.

Once this Atlantic treaty is signed and ratified, the decision upon which military action will turn will be wholly within the discretion of the Executive, in violation of the spirit of the American Constitution and dependent upon the uncontrolled actions of other States. International pacts and power alliances designed to freeze the existing status quo seldom have served to preserve peace or to suppress great revolutions in the Old World.

Let us not forget that the democratic bastion of Czechoslovakia did not fall to a Communist dictatorship without reason. The conspiracies which captured it did not take the form of an overt military attack from the east.

Czechoslovakia fell, in large part, because of its propinquity to the collectivist Soviet world, its racial affinities with the Slavs, and because of the failure of France and Great Britain to fulfill the terms of their guaranties to defend the integrity of the republic from attack from Nazi Germany. The elaborate series of regional security pacts and little ententes engineered by President Benes and the French Foreign Office, in the 1920's, despite their alleged compatibility with the Covenant of the League, actually undermined its integrity as a power for good.

Let us first of all decide clearly what frontiers in Europe and Asia we are willing and able to defend as vital to the security of this continent. Let the President, only after full discussion and open vote in both Houses of Congress, without secret commitment or formal treaty of alliance, proclaim what the United States Government will do.

Let the new Truman doctrine be expressed in diplomatic language binding ourselves to defend no other nation's policies, colonial possessions, or commitments, and to resist aggression only after it has been factually determined by third-party judgment—the principle of all civilized jurisprudence—in this case, by uncoerced vote of the members of the United Nations.

BRENT D. ALLINSON,
Professor of Political Science,
University of Florida.

Mr. WATKINS. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an editorial from the Washington Post of March 21, 1949. The editorial is entitled "North Atlantic Council."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NORTH ATLANTIC COUNCIL

The test of any defensive alliance is necessarily how it operates or may be expected to operate in practice. In the text of the North Atlantic Treaty we get little information as to how it will operate, and Secretary Acheson's otherwise persuasive address was not explicit on this point. Probably the reason is that no one can say at this time just how the North Atlantic organization will evolve. The pact is essentially an experiment in collective defense.

Secretary Acheson did emphasize, as does the pact itself, the intent of the signatories to adhere to the framework and the spirit of the United Nations. But whether it will be possible for the North Atlantic alliance to operate within the UN framework is another question. Difficulties have been created because the treaty sets up a new organization instead of merely implementing an antiaggression pledge within the UN. Conflict could scarcely be avoided if the council created by the treaty and the UN Security Council should seek to deal with the same dispute at the same time.

In theory the North Atlantic Council would give way to the Security Council whenever the latter should take the measures necessary to restore and maintain international peace and security. But who is to decide when the Security Council has so acted? Obviously the decision would have to be made, in the case of a dispute involving the treaty area, by the new council to be set up under the pact. The result would be a regional body sitting in judgment upon a council entrusted with the primary responsibility for the maintenance of world peace.

This anomaly has come about, of course, because of the impotence of the Security Council. If that peace-enforcing agency were operating as was contemplated at San Francisco, there would be no occasion for the adoption of a North Atlantic Pact. The fact that Russia has forced the hand of the Atlantic powers in shaping an antiaggression system that cannot be immobilized by the Moscow veto should not blind us, however, to the very real problem of integrating the machinery set up under the pact with the machinery of the UN. If friction and frequent clashes are permitted to occur, the inevitable tendency will be to supplant the UN—the only real bridge between the antagonistic east and west—by the North Atlantic alliance. We should then have two organized worlds with scarcely a mitigating influence upon their hostility.

One other interesting factor about the council to be set up under the pact is that it preserves the veto. Article 9 simply gives each of the signatories a representative on the council that is to implement the treaty. Unlike the Rio pact, it provides no voting requirements and thus leaves the presumption that decisions are to be made by unanimous agreement. Fortunately, however, action against an aggressor in the treaty area would not necessarily await unanimous action by the council. Each of the signatories would be bound to assist any other signatory under attack "by such action as it deems necessary." Presumably the council would then concern itself with concerted action.

Article 9 calls for immediate creation of a defense committee which shall recommend to the signatories of the pact that each should play in resisting any armed attack. The most logical outcome of this effort would be the creation of a single defense system for the members of the alliance. If that step is taken, a more effective instrument than a council of unspecified powers and procedures will have to be created to control the new defense mechanism and to make action certain. In this respect, as in various others, the treaty must be regarded as a momentous experiment. Having launched a bold venture, statesmen on both sides of the Atlantic ought to work toward building on this military foundation a real and constructive partnership.

Mr. WATKINS. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a letter to me from Prof. Curtis P. Nettels, professor of American history at Cornell University. The letter is dated March 12, 1949.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CORNELL UNIVERSITY,
Ithaca, N. Y., March 12, 1949.

Senator ARTHUR V. WATKINS,
United States Senate,
Washington, D. C.

DEAR SENATOR WATKINS: Having heard on the radio a comment which you made on the Atlantic Pact, I wish to ask the privilege of submitting for your consideration my views on that subject.

Recent statements of the administration, made since January 13 of this year, affirm that the Atlantic Alliance is to be directed against Russia.

Existing treaties between Britain and France with Russia pledge those two countries not to enter into any alliance against Russia.

It therefore follows that, before the United States can adhere to the Atlantic Pact, an ironclad agreement must be reached that the British-Russian alliance and the French-Russian alliance will be cancelled—either in advance of ratification of the Atlantic Pact, or as a part of the act of ratification.

If the Atlantic Pact is concluded without provision for the cancellation of the British-French alliances with Russia, then either (a) Britain and France would act with bad faith and duplicity toward the administration, or (b) the administration would act with bad faith and duplicity toward the American Nation. The administration, after having presented the Atlantic Alliance to the Nation as directed against Russia, would become guilty of entering into an alliance that could

not, in honesty, be construed as directed against Russia.

Adherence by the administration to the Atlantic Pact would undoubtedly have the effect of committing the United States to an indefinite continuation of the program of granting military and financial support to Britain and western Europe. The cost of such a program would be incalculable.

Moreover, our adherence to the Atlantic Pact would require that we abandon the foreign policy which the Nation has pursued, without a break, during the past 149 years—the policy of abstaining from peacetime military alliances.

The United States ought not to abandon that policy in order to enter into an alliance with the allies of Russia.

If the administration should undertake to arm and to subsidize the allies of Russia, in the name of resisting Russia, such an undertaking could rest only on the assumption that the United States is not an independent nation, but merely a dependency and satellite of Britain and western Europe. We would be committed, indefinitely, to a policy of subsidizing and arming the allies of Russia, after the administration had stigmatized Russia as a potential aggressor, as a menace to our security, and as a virtual enemy of the United States.

It is not the policy of an independent nation to arm and to subsidize the allies of its only potential enemy.

The main issue in the Atlantic Pact is the survival of the United States as an independent nation.

The widespread propaganda in favor of union now, an Atlantic community, an enlarged federal union, a world government—all this propaganda presupposes the end of the United States as an independent Nation.

Given the continuance of the British-French treaties with Russia, our adherence to the Atlantic Pact would give effect to this program for annihilating the United States as an independent Nation.

Our adherence to the Atlantic Pact, without an annulment of the British-French treaties with Russia, would mean that Britain and France would act with bad faith and duplicity toward the administration and that the administration would knowingly and deliberately acquiesce in and approve of such an act of treachery and betrayal at the expense of the United States.

Undoubtedly, the Russians and the Communists will carry on a fierce campaign of opposition to the Atlantic Pact. One supposes that their objective will be to make it difficult for an American to oppose the pact without being called a Communist. The Atlantic Pact would then be ratified, and without a prior cancellation of the British-Russian and the French-Russian alliances. The United States would thereby commit an act of self-debasement. It would sacrifice its character of an independent Nation. And having thus denationalized itself, it would enter upon a course of disintegration that would soon make it an easy prey of its enemies.

If the Atlantic Pact is to be adhered to, the British-Russian alliance and the French-Russian alliance must first be voided, cancelled, and annulled. If we are to go into the Atlantic Pact, it should be a clean bed, without any snakes in it.

Thanking you for your consideration of my views on this subject, I am,

Respectfully yours,

CURTIS P. NETTELS,
Professor of American History, Cornell University.

P. S.—I appreciate that ratification of the Atlantic Pact by the Senate would not necessarily commit the United States to the administration's indictment of Russia. It is probable that some Senators friendly toward Russia may vote for the pact, since it will have the effect of strengthening Russia's allies and therefore of strengthening Russia itself. By pledging themselves not to act with other states against Russia, Britain, and France—through their treaties with Russia—proclaim that Russia is a trustworthy and virtuous state. The Atlantic Pact will sanctify the British-French treaties with Russia, and it will therefore sanctify Russia. In this sense, the policy of the Atlantic Pact is a pro-Russian policy. Yet the administration has presented Russia to the American public as a potential aggressor, as a menace to our security, as a virtual enemy of the United States.

Mr. WATKINS. Mr. President, I offer these documents, not because they sustain any particular point of view, but because I think we should have information on both sides of this question; and I think we should show that there are many different points of view which might be reconciled by having a full study of them made now, so as to avoid putting ourselves in the embarrassing position of debating the various points of view after we have signed the pact.

I wish to state that I voted for the Marshall plan and for the Greek-Turkish loan and for the appropriations for those two measures. At the time we were told that we must take those steps, despite the heavy privations they would cause the people of our country, because we had no other choice.

I have made up my mind that at this time we had better consider first whether there is any other possibility, rather than to vote for the present proposal because we think there is no other choice. It seems to me that this matter is so important that at this time we should consider all the possibilities, because in my humble opinion once we enter this pact we shall have entered into a never-never land, and there will be no returning from it, because we shall have become so involved in the affairs and troubles of Europe and of the rest of the world that we shall not be able to withdraw, but we shall be involved in them for good, forever. Perhaps that is what we should do; but if it is, we should have full information and all the arguments which would justify such a move on our part.

During the delivery of Mr. WATKINS' address,

Mr. LUCAS. Mr. President, will the Senator from Utah yield that I may make an announcement?

Mr. WATKINS. I ask unanimous consent that I may do so without affecting my right to the floor.

The PRESIDING OFFICER. The Senator is protected in his right to the floor.

Mr. LUCAS. Mr. President, for the benefit of the Senators present, I should like to make the announcement that it is my understanding that the Senator from Missouri [Mr. DONNELL] will follow the Senator from Utah with a few remarks upon some subject, rent control, or something else.

Mr. DONNELL. I shall speak on the Atlantic Pact, I may say.

Mr. LUCAS. After that the Senator from Washington [Mr. CAIN] desires to speak on rent control. I wish to assure Senators that there will be no vote tonight, and I do not think there will be a quorum call, unless the Senator from Washington desires it.

Mr. CAIN. I do not desire one.

Mr. LUCAS. There will be no quorum call and no vote. I am willing to remain here until the Senator from Utah shall conclude his speech, and until the Senator from Missouri and the Senator from Washington conclude. I trust, however, that those who are discussing the Atlantic Pact will make their speeches as short as possible, because some of these days we will have a long time to discuss it, and though I am anxious to get all the information possible in advance, I respectfully suggest that Senators hold some of their fire until the pact comes before the Senate, because they will have a good opportunity then.

Mr. WATKINS. If the Senator will give me the information I am seeking, I shall not make any more speeches.

EXTENSION OF RENT CONTROL—AMENDMENTS

During Mr. WATKINS' speech,

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. WATKINS. I yield, if by doing so I do not lose the floor.

Mr. LUCAS. Mr. President, I am sure the Senator will not lose the floor by yielding. We are not in that stage any more. We are back in the condition we were before discussion of the change of the rule began.

Mr. WATKINS. That is news to me. I thank the Senator. And I yield to the Senator from South Carolina.

Mr. MAYBANK. Mr. President, I send to the desk some technical amendments to the bill (H. R. 1731) to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes, which I ask to have printed and lie on the table.

The PRESIDING OFFICER (Mr. MILLER in the chair). Without objection, it is so ordered.

Mr. HOLLAND. Mr. President, will the Senator yield to me for the same purpose?

Mr. WATKINS. Yes; I yield under the conditions I previously stated.

Mr. HOLLAND. Mr. President, I send to the desk and ask to have printed and lie on the table, and also to have printed in the RECORD at this point, the amendment to House bill 1731, the rent-control bill, which was referred to in the colloquy between the Senator from South Carolina [Mr. MAYBANK] and myself earlier in the day, relating to accommodations which have been removed as the result of action by the Emergency Court of Appeals.

Mr. MAYBANK. I might say that it is acceptable to the committee, and I hope we will be able to accept it in the Senate tomorrow.

There being no objection, the amendment intended to be proposed by Mr. HOLLAND was ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

On page 41, before the period in line 25, insert a colon and the following: *"Provided, however,* That he may not establish maximum rents for any housing accommodations

in the case of which maximum rents have been heretofore or are hereafter removed as the result of approval by the Emergency Court of Appeals of a recommendation of a local advisory board or as the result of approval by such court of a decision of the Housing Expediter."

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the joint resolution (S. J. Res. 52) to authorize vessels of Canadian registry to transport iron ore between United States ports on the Great Lakes during the period from March 15 to December 15, 1949, inclusive.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 128) to provide that acreage planted to cotton in 1949 shall not be used in computing cotton-acreage allotments for any subsequent year.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 2313) to suspend certain import taxes on copper; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DOUGHTON, Mr. COOPER, Mr. MILLS, Mr. REED of New York, and Mr. WOODRUFF were appointed managers on the part of the House at the conference.

SUSPENSION OF CERTAIN IMPORT TAX ON COPPER

The PRESIDING OFFICER (Mr. MILLER in the chair) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 2313) to suspend certain import taxes on copper, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. GEORGE. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. GEORGE, Mr. CONNALLY, and Mr. MILLIKIN conferees on the part of the Senate.

LEAVES OF ABSENCE

Mr. CAIN asked and obtained permission to be absent from the Senate for the remainder of the week, beginning tomorrow.

Mr. BALDWIN. Mr. President, I ask unanimous consent to be excused from attendance upon the sessions of the Senate tomorrow that I may go to Connecticut to attend the funeral of my long-time friend and political adviser, the Honorable Charles E. Wheeler.

The PRESIDING OFFICER. Without objection, consent is granted.

THE NORTH ATLANTIC PACT

Mr. DONNELL. Mr. President, I desire to thank the Senator from Illinois for his generous willingness to have the Senate remain in session this evening till the speeches Senators desire to make have been made. I appreciate it very much.

Mr. WATKINS. Mr. President, I join with the Senator from Missouri in my expression of appreciation to the Senator from Illinois.

Mr. LUCAS. That sounds as though we were getting along all right.

Mr. WATKINS. At least it is a step in the direction of becoming united.

Mr. DONNELL. Mr. President, the Senator from Utah has been addressing himself to a subject which, in my opinion, is more important than any other subject which has been before the Senate during the approximately 4 years I have had the honor to be a Member of this great body. He has referred to the importance of one portion of the so-called North Atlantic treaty or pact, namely, that which obligates the signatories to seek to eliminate conflicts in their international economic policies and to encourage economic collaboration between any or all of them. He has appropriately pointed out this afternoon that every businessman and every farmer is interested in that particular portion of the proposed North Atlantic treaty.

I agree with him most heartily. Furthermore, I point out the fact—and I judge that he would agree with this—that there are other provisions of the pact with which not only is our Nation gravely concerned from the economic standpoint but with which every mother, every father, every son, every daughter—yes; not only those who are living today but those who are to live in the future—are directly concerned.

Mr. President, the North Atlantic Pact presents a subject of grave and tremendous importance—so much so, that when speaking on the floor of the Senate, it is impossible to exaggerate the grave necessity of giving adequate consideration to the pact before we determine whether we shall enter it.

In a few moments I shall make a suggestion which I trust the Foreign Relations Committee will not deem to be impertinent, a suggestion which I trust will come before that committee at its weekly meeting tomorrow, and which I trust will be adopted by the committee. The suggestion to which I refer is in part brought about by a certain line of articles which have appeared in the press, and I refer particularly to one in this morning's Washington Post. I hold in my hand this morning's final edition of the Washington Post. Although I judge that I am now 20 or 25 feet away from the Presiding Officer, I should not be surprised if he could read this headline, which goes entirely across the eight columns of that paper:

Fast Atlantic pact action forecast.

The subheading, appearing in the right-hand column, is:

Senator CONNALLY sees quick approval by committee.

And then the further subheading:

Doubts expressed on United States arms aid preclude guess at ratification time.

Mr. President, the opening paragraph of this very interesting and important article in the Washington Post is as follows:

Quick approval of the North Atlantic security treaty by the Senate Foreign Relations Committee was forecast yesterday by Chairman TOM CONNALLY (Democrat, Texas), although he was unwilling to guess how long it might take the Senate itself to act on ratification.

Mr. President, it is to the point that "fast Atlantic Pact action is forecast" that my remarks are primarily directed.

I believe there are some old-fashioned maxims which even yet should have some application by and some adherence from those of us who live in the present generation. One of those maxims is the very humble one that—

Haste makes waste.

Further, I might go back for many hundreds of years and quote the observation which appears in the history of Herodotus, that—

Haste is ever the parent of failure.

And, further, I might refer to the intermediate period, when Macaulay said:

Men are never so likely to settle a question rightly as when they discuss it freely.

Mr. President, this afternoon I wish to emphasize the point that it is vitally important that the Foreign Relations Committee of the United States Senate shall not act too quickly on this proposition. In my judgment the suggestion made by the Senator from Utah [Mr. WATKINS] to have a delay of 60 days occur before the United States signs the pact, has much of merit to commend it and along with him, I take the liberty of commending it, this afternoon.

I also wish to point out what I consider to be the tremendously important reasons why the Foreign Relations Committee should not give the Atlantic Pact the fast action which is forecast in the eight-column spread across the front page of today's Washington Post.

Mr. President, why do I say that such fast action should not be taken? The reason is that if the pact is approved by the Foreign Relations Committee without first having had the facts fully developed and without having secured the opinions of the people of the Nation, from the Atlantic to the Pacific, and from the northern extremity to the southern, and without having those opinions placed before the committee for its consideration; if the Foreign Relations Committee acts before the people of our country, assembled in meetings here and there throughout the country, have an opportunity to express their views regarding the proposal; and if the committee acts before the radio commentators have had an opportunity to discuss the proposal, and before full debate is had—not merely debate in a committee consisting of 13 men, but ample debate from one end to the other of this great Nation—then I submit that the committee will be performing an act of the gravest and most unfortunate nature, and one designed not to do justice to the mothers and the fathers and the boys and the girls, as well as to the interests of a material nature to which

the Senator from Utah so eloquently and properly alluded this afternoon.

Mr. President, if the pact is approved by the Foreign Relations Committee in the fast fashion that is forecast in this spread across the front page of today's edition of the Washington Post, and without having the facts fully developed—and they cannot be fully developed before the Foreign Relations Committee or before any other committee unless there is reasonable deliberation on them—then I submit that the Senate itself will doubtless have much difficulty in obtaining adequate facts upon which to base the decision which it ultimately must make.

Mr. President, I have in my hand a volume of hearings on the rent-control legislation. That is a highly important subject, and there are some 805 pages of testimony and communications and tables and data which have been assembled in hearings running March 3, 4, 7, 8, 9, 10, and 11, 1949. To my mind, notwithstanding the importance of rent control, the question of whether or not we shall enter into the North Atlantic Pact places into a condition of dimness and of relative unimportance the rent-control proposition; for the Atlantic Pact, which runs for a period of 20 long years, involves not merely the material interests but perhaps the lives of millions upon millions of our people; yes, Mr. President, it may involve the very existence of our Republic itself. To talk about having fast committee action upon the Atlantic Pact, without adequate opportunity for the facts to be made known and the views of the people of the Nation to be expressed, is undoubtedly bad judgment and unwise legislative action.

Why do I say that if the pact should be approved by the committee without the facts having been fully developed in the committee, the Senate would doubtless have much difficulty in obtaining them? I say it for the reason primarily that the facts, or many of them—many of them, Mr. President—are locked in the State Department of the United States. In order that the Senate may have those facts, it will be necessary to take the testimony not only of the Secretary of State, but doubtless of others within that great Department. Yes, it may even be necessary in order to obtain all the facts to take the testimony of great publicists, of great lawyers, of great businessmen, of mothers, and of fathers, interested from one end of our country to the other. The facts which are in the bosom of the State Department obviously cannot be secured, as a matter of practicality, if the committee itself does not secure them. This follows because there is no procedure in the Senate by which testimony can be taken from witnesses on the floor of the Senate. So as we go into this discussion on the floor of the Senate, into this debate upon the most important and vital question that can be conceived of, without having obtained before the committee which can summon witnesses and can take testimony and can reduce it stenographically to a permanent record, I undertake to say the Senate as a practical matter will be debarred and precluded from having the facts upon which to base an adequate conclusion.

Mr. President, according to the letter which the distinguished Senator from Utah has read to us this afternoon on the floor, it would appear that the treaty has been negotiated in accordance with full—note the word "full"—and detailed consultation with the Foreign Relations Committee. I may read just one sentence from the letter of March 17 from the President to the Senator from Utah [Mr. WATKINS]. He says:

> The treaty has subsequently been negotiated in accordance with the "advice"—

That word is quoted—

> contained in that resolution—

That is to say, Senate Resolution 239; and then I resume with the quotation from the letter—

> and with full and detailed consultation with the committee.

Under those circumstances, the forecast was made by the chairman of the committee, the Senator from Texas [Mr. CONNALLY]. "Quick approval of the North Atlantic security treaty by the Senate Foreign Relations Committee was forecast," the newspaper states, "yesterday by Chairman TOM CONNALLY." That forecast indicates, I should say most clearly that the committee has already largely made up its mind. So, Mr. President, evidently while there are to be hearings before the committee, it would appear that, in order for the committee to decide what it should do, very little, if any testimony need be taken, for up to this point it is clear that after this "full and detailed consultation" which has been had with the committee, according to the letter of the President of the United States, the committee evidently has determined what it is going to do, in all probability.

I submit that the committee is composed of eminent Senators, 13 of them. I pay tribute to the distinguished chairman of the Foreign Relations Committee, the Senator from Texas [Mr. CONNALLY] who, through his fine devotion to the public service has indicated beyond all peradventure of a doubt his patriotism, as has also the distinguished ranking minority member of the committee, the Senator from Michigan [Mr. VANDENBERG], who has cooperated so excellently in these years with the other members of the committee. Indeed, the entire membership of the committee are honorable and patriotic men. But to my mind there are at this time 82, and there should be 83, other Members of the Senate. These men and the one woman included among them should have the right to know just as much about the facts and views of the people as do the members of the committee—the facts from the State Department, what the other nations think about it, what they have said to the State Department, and what the State Department has said to them. I say the other 82 or 83 Members of the Senate are entitled to have the same knowledge as that possessed by the State Department after this full and detailed consultation with the Foreign Relations Committee—as we are informed by the President of the United States.

Mr. President, this leads me to a suggestion, which I shall put as a request. In the first place, I am positive that the Foreign Relations Committee will of course permit other Senators to be present; and I assume, not only at the public hearings but doubtless in the executive sessions, if such executive sessions be held; but my suggestion and my request go further than that. To my mind it is important that there be allowed to the other Members of the Senate—any of them, any of the entire 82 or 83 other Members of the Senate—who may want to attend or participate in the hearings, or executive sessions, the right to do so, on the same basis as the 13 members of the Foreign Relations Committee. And so my suggestion is, and also my request, that the Foreign Relations Committee shall grant to every Member of the Senate not only the right to attend, not only the right to hear, not only the right to be a spectator at the various proceedings, but shall grant every one of us the right, if we desire to take advantage of it, to interrogate witnesses, to make suggestions as to who should be examined—yes, not only to make suggestions but to have the right to insist that particular persons be placed upon the witness stand by the Foreign Relations Committee and thoroughly examined.

So this afternoon, spurred on by this thought of the fast Atlantic Pact action forecast, I want to suggest most earnestly that we shall go back to the view that haste makes waste, and also to the view of Mr. Macaulay, that men are never so likely to settle a question rightly as when they discuss it freely.

I have referred to the grave importance of the treaty. It is not my intention this afternoon to discuss its provisions in any detail. I judge that the occasion of the debate on the treaty will be one of the great historic occasions of the United States Senate, which will rival if not exceed in its importance any event that has been taken within the lifetime of any of us who are now Members of this great body. I do, however, want to say just a very few words this late in the afternoon with respect to the importance of the treaty.

I should like to mention briefly the contents of article 5 of the treaty.

> The parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all; and consequently they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defense recognized by article 51 of the Charter of the United Nations, will assist the party or parties so attacked by taking forthwith, individually and in concert with the other parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.
>
> Any such armed attack and all measures taken as a result thereof shall immediately be reported to the Security Council. Such measures shall be determined when the Security Council has taken the measures necessary to restore and maintain international peace and security.

Mr. President, it will be observed from what I have read that there is an obligation that in the event an armed attack occurs against any one or more of the signatories to the treaty, such attack shall be considered an attack against them all, and in such event the parties agree that each of them will assist the party or parties so attacked by taking, forthwith, individually and in concert with the other parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.

Mr. President, it may be recalled that in the Senate, on February 14, 1949, attention was given to an Associated Press dispatch published in the Kansas City Times on February 12, 1949, referring to the visit of the Norwegian Foreign Minister, Mr. Lange, to the Secretary of State, Mr. Dean Acheson, of our own country. It will be recalled, Mr. President, as appears at page 1169 of the CONGRESSIONAL RECORD of February 14, 1949, that—

Lange first saw Acheson Monday and raised a half dozen major questions regarding the Atlantic treaty proposal and the role Norway might play in it. He presented today—

So this article, dated February 12, says—

a memorandum of the questions he raised in the first meeting and received answers from Acheson.

Then there is this headline:

Outline of discussions.

Then the following:

While the meeting was secret, it was understood that in general Acheson covered these points:

I omit point 1 as being immaterial at this moment, and pass to point No. 2:

2. The United States, subject to Senate approval of the treaty, will make the strongest possible commitment to give prompt and effective aid if any one of the countries in the alliance is attacked, but only Congress can declare war.

I call attention to the very close approximation which this quotation from the Kansas City Times is to the actual North Atlantic Pact as it has subsequently been handed out publicly.

Then, Mr. President, resuming the Associated Press dispatch in the Kansas City Times, there appears the following:

3. Military action, therefore, cannot be committed in advance.

I call attention to the next profoundly significant sentence:

But in joining the alliance, the American Government would subscribe to the principle that an attack on one member nation was an attack on all, and this—

Says the article—

this would be interpreted as a moral commitment to fight.

Mr. President, it requires no elaboration on my part to call attention to the close approximation, again, of that language, from what I have just read from the Kansas City Times, namely, the principle that an attack on one member nation was an attack on all—the close approximation to the language, I say, that appears in the pact itself, as follows:

The parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all.

Mr. President, reverting again to the Kansas City Times article, it will be recalled, as I read a moment ago, that it was stated, immediately following the corresponding language:

And this would be interpreted as a moral commitment to fight.

Mr. President, the debate which occurred on February 14 in this body, following the presentation of the Kansas City Times article from the Associated Press, went all over the world, and within a few hours there were comments from one end of the world to the other upon the remarks of the distinguished chairman of the Foreign Relations Committee [Mr. CONNALLY] and the remarks of the distinguished Senator from Michigan [Mr. VANDENBERG] which were made in the debate which ensued on February 14. From that day until now, so far as I have seen anywhere in the press or elsewhere, Mr. Acheson, the Secretary of State, has not denied the correctness of the statement which appeared and which I have just quoted, namely, the language to which I have referred, that an attack on one shall be considered an attack on all, and the fact that it would be interpreted as a moral commitment to fight. Mr. Acheson has not denied that that is the substance of what occurred between him and Mr. Lange, the Norwegian Foreign Minister.

Mr. President, if the Senate had time to listen this afternoon, as it will listen some time in the future, to a series of developments, one right after the other, going right back to the one on January 20, when President Truman made his inaugural address, the conclusion would become, I believe, irresistible, that there is in this treaty, not only a moral commitment to fight, but that there is an actual, definite commitment to fight in the event of an armed attack occurring as I have indicated.

Mr. President, I shall not take the time of the Chair or of the other Senators this afternoon to develop the various points to which I have referred in the chronological situation as we shall find and as I have found it. I should like to quote, however, just this one observation which occurred in the inaugural address of the President of the United States on the 20th day of January 1949. He said:

If we can make it sufficiently clear in advance that any armed attack affecting our national security would be met with overwhelming force, the armed attack might never occur. I hope soon to send to the Senate a treaty respecting the North Atlantic security plan.

Mr. President, can there be the slightest doubt that there is contemplated in the language of article V a definite, clear, moral commitment to fight in the event of an armed attack? As I shall demonstrate, very briefly, in a moment, an actual, definite, legal commitment, insofar as it is possible to make it, in defiance of the provisions of the Constitution of the United States in regard to congressional action in connection with a declaration of war, is involved. Why do I say, Mr. President, that it amounts to an outright declaration, an outright commitment to fight? Why, Mr. President, let me call attention to this:

The parties agree—

And I am quoting from the pact—

that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all.

Someone may say, "Well, substantially the same language can be found in other documents which have been entered into in recent years." But I call attention to the fact that the Rio pact, upon which much emphasis has been laid by others, very carefully contains an exception with regard to the use of force. I quote from the Rio pact, which, after telling about the measures on which the so-called Organ of Consultation may agree, proceeds, in article 20, to say this:

Decisions which require the application of the measures specified in article 8—

Which was the article from which I just read—

shall be binding upon all the signatory States which have ratified this treaty, with the sole exception that no State shall be required to use armed force without its consent.

Mr. President, there is nothing like that in this pact we are going to be called upon to consider in the Senate.

There is this language to which I call attention, namely, that each of the signatories agrees that each "will assist the party or parties so attacked by taking forthwith"——

I pause at the word "forthwith." "Forthwith" means immediately, without and congressional action being required; forthwith; at once; as quick as the cablegram or the radio or the telegraphic communication comes.

"Forthwith" we shall take certain action, "individually and in concert with the other parties."

I was about to say that it is true that immediately following that is this language, "such action as it deems necessary, including the use of armed force."

Someone may say, "Well, we have very carefully safeguarded ourselves there by the expression 'such action as it,'" that is to say, the party, in our case the United States, "'deems necessary, including the use of armed force.'" It may be argued that thus it is within our power to say just how much armed force we are going to contribute in the event of an attack upon some other signatory.

Mr. President, I submit, first, that this language in article 5 does not say "such action, if any, as it deems necessary." It says "such action as it deems necessary." There is no reservation; there is to be action taken, and we expressly agree to take such action as we deem necessary.

What does that mean? Let me illustrate what it means. Suppose Russia, 10 days after this treaty was ratified by

the Senate of the United States—if it shall ever be ratified—should enter Norway with 100,000 soldiers, and then all the other signatories to the agreement—and there may be a great multitude of them, as appears from the press, involving hundreds of millions of people of the world—all call upon the United States, and all say to the United States, "Come forthwith individually, and in concert with us, and take such action as you deem necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area."

Suppose we say, "Now, gentlemen, we took care of that away back in 1949, away back in March or April or May 1949, by inserting in this document the words 'such action as it'—the United States—'deems necessary, including the use of armed force.'"

Says the United States on that occasion, namely, the occasion when this attack occurs: "We have thought it over, and we realize we are obligated to send over some armed force, and we have come to the conclusion that we deem it necessary to send over one soldier and one gun. That is what we have decided."

Mr. President, is there a man, woman, or child who is capable of reasoning intelligently who would do other than say that such a decision by our country would be a gross perversion and a violent renunciation of our obligation under this treaty?

The Secretary of State himself realizes the fact that this language, "Such action as it deems necessary," does not entitle the United States to use just an arbitrary determination as to what the United States deems necessary. I quote merely two or three sentences from the radio address made by the Secretary of State, which was so strongly approved by the President of the United States from Key West, Fla., a few days ago. Said the Secretary of State:

That decision—

That is to say, to take promptly the action which we deem necessary; that is what he is talking about—

That decision would be taken in accordance with our constitutional procedures. The factors which would have to be considered would be, on the one side, the gravity of the armed attack; on the other, the action which we believe necessary to restore and maintain the security of the North Atlantic area.

Then he continued with this significant language:

That is the end to be achieved.

That is to say, the restoration and maintenance of the security of all this great North Atlantic area from the Tropic of Cancer on to the north. He says, "That is the end to be achieved." Then this is the sentence to which I call special attention. I quote the Secretary of State:

We are bound to do what in our honest judgment is necessary to reach that result.

That result is the restoration of the security of the North Atlantic area.

If Russia sends a hundred thousand men, we are going to have to provide a very large, powerful portion of the force to overcome 100,000 men. Notwithstanding this alleged condition, such action as it deems necessary, it means that, as the Secretary of State says:

We are bound to do what in our "honest" judgment—

And I underscore the word "honest"—

is necessary to reach that result.

Mr. President, the result is not merely the restoration of the security of the North Atlantic area. Oh, no. The result is the restoration and the maintenance of the security of the North Atlantic area.

Who is there who can question in the slightest that by the signature and ratification of this treaty our country is entering into a solemn obligation, as Mr. Acheson says—

in the event of an attack upon any one of these signatories, we are bound to do what in our honest judgment is necessary to reach that result.

Our honest judgment must be, Mr. President, a reasonable judgment, not a dishonest or an unreasonable one.

Mr. President, I call attention to one or two very significant and interesting facts before I conclude. One of them is that this provision would give to a prospective enemy—and I speak plainly, Russia—would give Russia the power to determine the time when the United States would have to declare war upon Russia. Why do I say that?

If Russia should find us some day involved, let us say, in a political campaign, involved in all the mass of work that is encountered in a political campaign, or when the Congress was not in session, or when a grave national emergency had presented itself locally in our Nation, and Russia should think that then was the time when our country was the weakest, that then was the time when our country should be forced to go to war with Russia, or that then was the time when Russia was the strongest and we were the weakest; what would Russia have to do? All Russia would have to do would be to send troops into any one of the signatory countries.

I observed in the New York Times of a week ago last Sunday, March 13, that these are the nations eligible to membership in the North Atlantic Pact: Belgium, Canada, Denmark, France, Great Britain, Iceland, Italy, Luxemburg, the Netherlands, Norway, Portugal, and the United States of America. If I am not mistaken, I have been reading lately about Italy being added to the list, at least being considered, and about riots taking place in Italy over the question whether they should or should not go into the North Atlantic Pact.

Mr. President, if Russia considered that that was the opportune time to force us into war, Russia would have to do nothing else than attack Denmark or Luxemburg, or any one of all these nations, or Italy—and Russia probably would not attack Italy because of the close agreement between those two countries in certain respects, at least between portions of the populations of the two countries. This pact would give the power to Russia or any other prospective enemy of our Nation, for 20 long years, the power to determine when we should have to go to war.

Mr. President, I should like to call attention to this further very significant and important fact. The Constitution of the United States still exists, and I for one believe—and I know the distinguished Senator from Louisiana [Mr. LONG] who sits in the chair, concurs in this view—that the Constitution of the United States must be preserved. I am not undertaking to bring the distinguished Senator into the argument. He may not agree with anything I say. I do not know about that. But I know that every loyal Member of the Senate believes that the Constitution must be preserved, and has taken an oath to see that the Constitution, within the limits of his official duty, is preserved.

What does the Constitution say? Section 8 of article I says that Congress shall have power to declare war. The Congress. What is the Congress? The Congress is defined by the Constitution. It is not the Senate. It is not the President. It is not the Speaker. The very first section of article I of the Constitution says:

All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

When the Constitution says that Congress shall have power to declare war, it does not mean that the Senate shall have power; it means that the two Houses of Congress shall have power to declare war. If we sign this treaty, if we automatically commit ourselves, as I have indicated, I trust, clearly, that when an attack on any one of the signatory nations occurs we will furnish armed forces to such an extent as shall be reasonable and as our honest judgment determines to be necessary, what happens? It means this, that by our going into this treaty, the Senate, through a two-thirds majority of those present, of a quorum of the Senate, plus the President of the United States, will have assumed unto themselves the power which the Constitution gives not only to the Senate, but to the 435 Members of the House of Representatives.

If the treaty be adopted and it be valid it will completely bypass the House of Representatives of the United States, and that body then had just as well fold up and quit business so far as having any part in the actual determination of when war shall be declared is concerned. In the event of an attack having occurred, and the President having gone ahead and sent forth, perhaps, millions of men, or perhaps hundreds of thousands of men, as the case may be, doubtless the House of Representatives would join in a declaration of war which patriotism might demand. But, so far as this pact is concerned, it undertakes to give to the President who promulgates this treaty, and to a two-thirds majority of a quorum, that is to say of the aggregate of all the Members of the Senate present, the power to commit this Nation for a period of 20 years, over a series of contingencies involving all these countries, with diverse interests, in various parts of the

world—it commits the Nation to go along without action on the part of the House of Representatives at all.

Mr. President, I take it that it is a very wise provision in the Constitution which provides that not merely the Senate shall have power to declare war, because it does not say that, but gives that power to Congress. Because, after all, the House of Representatives, whose Members are chosen every 2 years, is much closer in its entire membership to the opinion of the people of the United States at any given moment than is a very considerable part of the Senate, the Members of which are elected for a period of 6 years each.

So, Mr. President, the treaty, for a period of 20 years, through this contract with signatory nation after signatory nation in various parts of the world, made on the part of the Senate, that is, a majority of the quorum of the Senate, plus the President, would bypass the House of Representatives in the commitments of this country to go to war.

Mr. President, that is the situation. I shall not elaborate further this afternoon, and I have taken more time than under ordinary circumstances would be permissible, but like the Senator from Utah [Mr. WATKINS], I have no apologies for any minute of time or any hour of time I have taken or shall take upon this question, for it is profoundly important. It affects the Senator who sits in the chair now, the distinguished Senator from New Jersey [Mr. HENDRICKSON]. It affects the Senators on either side of me who are present this afternoon. It affects every person within the sound of my voice. It affects every father and mother, and every boy and girl, for the next 20 years to come.

So, Mr. President, I take it that it is entirely permissible to suggest the observations I have made this afternoon.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. DONNELL. I shall yield in a moment.

Mr. President, I close these remarks with a few words, after which I shall be pleased to endeavor to answer the questions of the Senator from Louisiana. I close by saying that I renew my suggestion and request that the Foreign Relations Committee of this great body shall permit every Member of the Senate who so desires, to engage in the hearings which shall be held, and in the executive sessions which shall be held. That such engagement shall consist not merely of visual participation as a spectator, but shall consist of the privilege to examine witnesses, to suggest witnesses, to bring in documents, to request the documents to be brought in. In other words, to participate as fully as if each Member of the Senate were a member of its Foreign Relations Committee.

Mr. President, just one concluding sentence. While I shall, of course, reserve as nearly as I can an open mind upon this matter, shall listen to evidence, shall listen to arguments, and shall finally determine when I cast my vote what I think is my duty, and what is the right thing to do for the Nation, I want to say here and now with utmost forthrightness and frankness that if I were to vote at this moment on the Atlantic Pact, as it has been presented, and as I hold it in my hand, my vote on the subject of whether there shall be a ratification of the treaty would be "nay."

I now yield to the Senator from Louisiana for a question.

Mr. LONG. Mr. President, I am sure the Senator is familiar with the power of the Executive to commit our armed forces to action, even without authorization from Congress, either the Senate or the House. For example, judging by the Monroe Doctrine, which is not a treaty at all, but merely an executive declaration, and judging by the President's action in the last war when he gave his famous "Sink On Sight" order, and by some other occasions when the United States, acting through the Executive, has gone ahead and committed itself to use armed force, even without action by Congress, is the Senator of the opinion that that can be done even without a treaty?

Mr. DONNELL. I think it can. If this Nation were to be attacked tomorrow, or if Canada were to be attacked by 100,000 men being landed there, I think it is inconceivable that the President of the United States, as Commander in Chief, would be totally powerless to do anything about it. I think the Senator from Louisiana has placed his finger upon a most important point, namely, that the President, by virtue of being Commander in Chief of the armed forces of our Nation, has adequate power to take such action as immediate circumstances may demand, without the creation of any pact, agreement, or treaty whatsoever.

I am glad the Senator from Louisiana mentioned the Monroe Doctrine, because we have been told here and there through the press and in observations, that the Monroe Doctrine is a precedent for this treaty; that the treaty is simply an extension of the Monroe Doctrine. The Monroe Doctrine, as the Senator said a moment ago, was simply a declaration by our country. The Monroe Doctrine contains no agreement with another nation whatsoever. The Monroe Doctrine was a unilateral statement by the United States. Mr. Justice Hughes, in his celebrated address at Minneapolis in 1920—and I heard him on that notable occasion—before the American Bar Association said in substance that, being unilateral, it is simply a statement of policy made by us which we ourselves preserve the right to interpret and to state what it means. I think I have the statement before me. It is as follows:

> As the policy embodied in the Monroe Doctrine is distinctively the policy of the United States, the Government of the United States reserves to itself its definition, interpretation, and application.

I submit that mention of the Monroe Doctrine by the distinguished Senator from Louisiana—and I thank him very much for mentioning it—calls to mind most appropriately the fact that it was no pact, no agreement, nothing in which we were obligating ourselves to other countries by virtue of contractual relations with them. It was simply a unilateral statement by our country, as indicated.

Does the Senator from Louisiana have any further question?

Mr. LONG. No.

Mr. DONNELL. Mr. President, I yield the floor.

EXTENSION OF RENT CONTROL

The Senate resumed the consideration of the bill (H. R. 1731) to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes.

Mr. CAIN. Mr. President, the junior Senator from Washington rises to speak in opposition to the proposed 1949 rent-control bill as reported to the Senate by the Banking and Currency Committee.

There is little reason to speak at length about a subject which has been so long before the Congress and about which individual Senators have strong feelings, but there are opposition observations which ought to be made. It seems reasonably obvious to me that almost every Senator knows at this very minute whether he is going to vote for the continuance of rent controls in 1949 or whether he is going to vote against any law which would continue rent controls in any form on a Federal level after the 1948 rent termination date of March 31.

I shall probably vote against the proposed 1949 Federal law because I am convinced that a continuing law will render a concrete disservice to the tenants, the property owners, and the economy of our Nation. I think I can prove beyond any question that continuing rent controls in themselves will absolutely prohibit a solution for the rental housing shortage which presently prevails in many areas of the United States.

My opposition to any further Federal rent-control law is based on both social and economic considerations. I believe that an analysis of our rent-control problem ought to be divorced completely from any political considerations. Those who consider the problem of rent control to be partly political in character, as so many Members of the Congress clearly do, must necessarily vote for a rent-control extension in one form or another.

Mr. MAYBANK. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HENDRICKSON in the chair). Does the Senator from Washington yield to the Senator from South Carolina?

Mr. CAIN. I yield.

Mr. MAYBANK. The distinguished Senator from Washington suggests political implications in connection with rent control. I should like to make one observation, with his permission.

Mr. CAIN. I shall be happy to yield for that purpose.

Mr. MAYBANK. I happened to be a member of the subcommittee with the Senator from Washington, the Senator from Vermont [Mr. FLANDERS], and the Senator from Ohio [Mr. BRICKER], together with Democratic members. I do not know that I have ever seen a more faithful group of men working together on any committee on which I have

served. They differed in opinion and in principle with respect to this legislation, but they worked together harmoniously. I should like to make this statement to my friend from Washington——

The PRESIDING OFFICER. The Chair inquires whether the Senator from Washington yielded for a question, or yielded the floor.

Mr. MAYBANK. Mr. President, I asked the Senator to yield for a brief statement.

Mr. CAIN. Mr. President, I appreciate any observation which the chairman of the Committee on Banking and Currency may care to make.

Mr. MAYBANK. I merely wish to pay my respects to the Senator from Washington. He was absolutely fair and square in all his actions in the subcommittee. He and I do not agree on many of the amendments which perhaps may be offered. However, he was present at every meeting of the committee, and during the full time of its meetings, showing his interest in the country and in rent control. While he and I may differ, we differ honorably and honestly.

In view of the political implications which the Senator from Washington suggested may or may not be involved in this bill, let me say to him that to me there is no politics in this problem. It is an American problem. I am sure that is the attitude of the Senator from Washington. It is not a political problem. There is a difference of minds among the various members of the committee, but the problem has been treated as an American problem.

Let me conclude by making the statement that the subcommittee worked faithfully and hard for the benefit of the American people. Notwithstanding our differences, we brought this bill to the Senate to be debated so that we may decide, in the interest of the people of the United States, what will happen before the deadline.

I thank the Senator from Washington.

The PRESIDING OFFICER. The Chair is sure that the Senator from Washington is grateful for that tribute, because it is a tribute to the members of the subcommittee and to the members of the full committee as well.

Mr. CAIN. Mr. President, let me respond to my very good friend the Senator from South Carolina, chairman of the Committee on Banking and Currency, by saying that, as a member of the Subcommittee on Rents and Housing of the Committee on Banking and Currency, I know of no single member of that subcommittee who consciously rendered his judgment on the proposed law on the basis of political considerations. The point which I wish to bring to the attention of Senators is that too many Senators do not restrict their considerations to social and economic factors. For that reason it is safe to say that there are political considerations in the minds of a number of Senators.

Mr. MAYBANK. Mr. President, will the Senator further yield?

Mr. CAIN. I yield.

Mr. MAYBANK. I thoroughly agree with what the Senator from Washington has said. There are too many considerations restricted to certain small localities, and unfortunately too many considerations based upon sectionalism. However, in the committee we tried to do the best we could for all the people. As the Senator knows, we tried to consider the problems of the large cities, several of which have a population of more than 1,000,000, and many of which have a population of half a million or more. In connection with the problems of the large cities, including the problem of hotel accommodations, we tried to work together to do something for the American people, not alone for the State of Washington, not alone for South Carolina, not alone for the District of Columbia, Ohio, Maine, or California, but for the American people.

I pay my respects to the Senator from Washington for being present during all the time of the hearings. While we differ honorably and honestly, we have worked together in harmony. I thoroughly agree with some of the points which were first brought out by the Senator from Washington.

Mr. CAIN. Mr. President, the Senator from Washington is very grateful for the friendship of the Senator from South Carolina. I feel very strongly and sincerely that his views will be of benefit to other Senators, and I am glad to have his comments form a part of my remarks at this time.

To go back one brief sentence, those who consider the problem of rent control to be partially political in character, as so many Members of the Congress clearly do, must necessarily vote for a rent-control extension in one form or another. It is not for me to quarrel with their position, or to charge them with lack of sincerity, but I should like to establish the fact that the rent-control question has nothing in itself to do with politics.

I have been a member of the Housing and Rent Subcommittee of the Banking and Currency Committee since 1947. As chairman of the subcommittee in the Eightieth Congress it was my responsibility to assist in writing and securing approval for the rent-control law of 1948. This law was passed in substantially the form which was recommended by the subcommittee. The law of 1948 was designed to move in the direction of decontrol. It was the view of the Eightieth Congress, including a majority of both Democrats and Republicans, that decontrol of rents was a sound and necessary objective. In the face of a serious doubt I voted for the law of 1948. I can find no sound justification for the continuance of a rent-control law in 1949.

Probably the best and certainly the briefest testimony which was offered before the subcommittee in the hearings of 1948 and 1949 came from a citizen of San Antonio, Tex., who stated his conviction in the form of a jingle. With reference to continuing the law which expires 10 days from now, Dr. Neal said this:

> Don't amend it,
> Or extend it
> You can't defend it
> End it.

I think Dr. Neal is conclusively right in his conviction, because I do not believe a continuing law can be justified for either social or economic reasons.

I shall use more words than did Dr. Neal in establishing my own conviction that a continuance of rent control in 1949 will be bad for the needs of America and for the rights of every citizen. There are 10 fundamental reasons of principle which support my opposition to the passage of any Federal law on this subject. They are:

First. A complete denial of the President's last message to the Nation, in which he said "Every segment of our population and every individual has the right to expect from his Government a fair deal."

Second. The denial of the right of free and collective bargaining between citizens in a large segment of our population.

Third. An undue invasion of property rights in a well-intentioned but unjustifiable effort to apply humanitarian rights.

Fourth. Involuntary servitude for millions of small, thrifty, God-fearing, American property owners—little people.

Fifth. An ever-widening, unhealthy breach and antagonism between American property owners and historically fair-minded American property users—in other words, class hatred.

Sixth. A constant and continuing shrinkage of America's supply of rental housing.

Seventh. An acceleration of the physical deterioration of our presently inadequate amount of rental housing.

Eighth. A continuing practice of insisting that one class of American citizens be forced to subsidize another class of citizens.

Ninth. Taking from the poor, in a disgraceful number of cases, in order to placate and assist those who are more well-to-do.

Tenth. To pursue an unreasonable practice which violates and makes impossible one of the major objectives of rent control, namely, that of making more rental units available to the general public.

Mr. President, the Banking and Currency Committee has submitted two items to the Senate: One is the proposed rent-control law of 1949 and the other is the report which accompanies the bill. Copies of the report and of the bill itself are on the desks of all Senators. I urge every Senator to restrict his consideration to the individual provisions of the proposed bill and not to the committee report. I feel strongly about this because, in my judgment, the introduction to the committee report does not represent the thinking of most of the Senators on the committee, and, so far as I know, the report was neither seen nor approved by the Senators on the committee before it was printed.

Mr. President, in the middle of the front page of the Washington Evening Star of last Saturday, March 19, there appeared an Associated Press story covering the committee report. The heading

was "Senators predict 100-percent rent rises if curbs lapse."

Mr. President, I think that heading is an accurate interpretation of the introduction to the committee report; but I wish to state again that in my opinion no such position ever was taken by a majority of the Senators on the Banking and Currency Committee which reported the rent bill to the Senate. In my view, the introduction to the report was designed to frighten and mislead the American people.

Mr. MAYBANK. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. LONG in the chair). Does the Senator from Washington yield to the Senator from South Carolina for a question?

Mr. CAIN. I am most pleased to yield for a question.

Mr. MAYBANK. Mr. President, I should like to preface my question with a brief statement, if I may have the Senator's permission to do so.

Mr. CAIN. Yes; provided that in the opinion of the Chair it will not jeopardize my right to the floor. If that is the opinion of the Chair, I shall be most pleased of course to yield for any request.

The PRESIDING OFFICER. It is the impression of the present occupant of the chair that the rule concerning interruptions is not being strictly enforced at the moment.

Mr. MAYBANK. Mr. President, I may say that the reason why the report was not generally distributed or generally known is that when we finished the bill on Thursday evening, as I remember——

Mr. CAIN. Yes; and it was very late.

Mr. MAYBANK. Yes, it was very late; and it was after the Senate had been engaged in a filibuster for approximately 16 days, as I recall. When we finished the bill at that time, I was advised that the Printing Office would not operate on Saturday, and that therefore if it was desired to have the report printed before Monday, it would have to be finished before Saturday. Therefore I obtained unanimous consent, on Thursday night, as I recall, to report the bill and file a report on it; and the committee staff worked very hard to get the report ready in time so that it could be printed and available for the use of Senators today.

I regret the delay in the report. Of course, as I said when I addressed myself to the bill earlier today, I think perhaps a few words in the report could be improved upon. But as chairman of the committee, I wish to say that the substance of the report was discussed with me; and I think the Senator from Washington will agree with me that the committee authorized me to report the bill and file the report. I may say that it was done almost under duress, because we were working against time, because of the filibuster.

Mr. CAIN. Mr. President, I most certainly agree with the statement just made by the Senator from South Carolina.

The point I have endeavored to establish is a very simple one, namely, that the introduction to the report—perhaps because of a lack of time, but nevertheless—does not, to my mind, represent the consensus of opinion of a majority of the full membership of the Banking and Currency Committee, regardless of whether they are either Democrats, on the one hand, or Republicans, on the other.

Mr. MAYBANK. Mr. President, if the Senator will yield further, let me say I shall not debate the report with him, because I myself take the view that perhaps it contains some words or sentences which, if I had had much more time to study them, might have been changed. But I call the Senator's attention to the fact that we were constantly working against time, because of the fight occurring on the floor of the Senate in regard to a proposed change of the cloture rule; in fact, that fight took approximately 16 days. As a matter of fact, as I am sure the Senator will agree, there was even one mistake in the printed bill itself, when it referred to April 1, 1949, instead of April 1, 1950.

So, Mr. President, in view of the strain and stress under which the committee worked last week, with the Senate in session day and night—and, of course, the committee could hold hearings while the Senate was in session only by obtaining the unanimous consent of the Senate; and, incidentally, we held them in the District of Columbia Committee room, which is adjacent to the Senate Chamber—I think we did the best that could be done.

I mention that to the Senator only because I know that he worked even harder than I did on the committee, and he knows the situation we confronted.

Mr. CAIN. I do, indeed.

Mr. President, my primary reason in calling attention to what appears to me to be a contradiction between the bill and the report is that I would not wish the other Members of the Senate to think that the "scare" portions of the introduction of the report are agreed to by a good many of the Senators on the committee.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. MAYBANK. Of course, the situation is somewhat similar to that in regard to the headlines often appearing in the newspapers. Sometimes some persons read a headline which scares them; but when they read the body of the following article, they find that their fears are unjustified. Of course, it all depends on who writes the headlines and on how they are written.

But, Mr. President, by and large I do not think the Senator from Washington will disagree with most statements appearing in the body of the report. Since the Senator from Washington did not agree with all that the committee agreed to I expect he would not agree with all the report contained.

Mr. CAIN. Mr. President, I am endeavoring to direct the attention of all Senators to the bill itself, without much reference to the report, portions of which I am endeavoring to say I think would not have been accepted by the committee if there had been a vote on those portions of the report.

Mr. MAYBANK. Mr. President, I would not admit that, if the Senator will permit me to say a further word——

Mr. CAIN. Certainly.

Mr. MAYBANK. Because he and I have our own differences of opinion in the committee.

Although I appreciate to the fullest his views on the report, I would say that I believe that, as the Senator has suggested, aside from what he may infer are scare headlines, the report on the whole states what, in my opinion, the majority of the committee would have been in favor of.

Mr. CAIN. Mr. President, I should like to say—and I know that the Senator from South Carolina will not misunderstand me when I say it—that if we take the committeee report in its introduction seriously, we must of necessity agree that the 13 Senators on the Banking and Currency Committee have written a bad bill. As one member of that committee, I shall not assume any such position at all.

Mr. MAYBANK. Mr. President, if the Senator will yield further, I wish to say that I think we wrote a very, very good bill. While there may be some persons who differ with this angle or with that angle, on the provisions with respect to the decontrol by the States, or on the 5 percent increase, and so forth, and so on, I think by and large, and I hope the Senator will agree, that on the whole it is a good bill that is presented. It is a bill for 1 year and 3 months, much less than was asked for by the administration. It is a bill that gives much power to the local boards. It is a bill which I think the Senator from Washington has correctly characterized as a very good bill, although he differs with a great deal of it, as I very well know.

Mr. CAIN. I am satisfied the Senator from South Carolina and the Senator from Washington are substantially in agreement that certainly the bill which was reported by the Committee on Banking and Currency is a step in the direction of decontrol for the rental accommodations of the country, and if it has merit, as I think portions of it really have, that brings me back to my first premise, that the bill does not justify the introductory statements of the report, regardless of who might try to make the justification.

Mr. MAYBANK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield?

Mr. CAIN. I yield.

Mr. MAYBANK. There is only one thing in which the Senator from South Carolina is interested, and that is to pass the bill. I appreciate what the Senator thinks about the bill, but the feature of the bill which the Senator from Washington so ably defended, and which I join him in defending, is that it does not control new buildings nor does it impose recontrol on anything, except in a few minor instances where local boards first initiate the move. Am I not correct?

Mr. CAIN. The Senator is constructively right. With his permission I

LAW LIBRARY
FEDERAL WORKS AGENCY

should like to reread that short paragraph.

In my view, the introduction to the report was designed to frighten and mislead the American people. It is not proper for me to assume this was done intentionally, but it was done, and Senators not on the committee ought to be aware of the fact.

I ask unanimous consent to have the Evening Star article of March 19 printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SENATORS PREDICT 100 PERCENT RENT RISES IF CURBS LAPSE—THREAT OF INFLATION ALSO MENTIONED IN COMMITTEE REPORT

Junking rent controls at this time would result in rent increases of from 25 to 100 percent the width and breadth of our land, the Senate Banking Committee said today.

The group added that removal of controls also could touch off a new inflation spiral, cause strikes, and perhaps result in restoration of price controls.

The committee made this prediction in a report to the Senate in support of a banking unit's bill providing for a 12- to 15-month extension of rent controls beyond March 31. The present law expires then.

Senate debate on the bill will start Monday. The measure allows some rent increases up to 10 percent, but none could be put in effect until October 1 and the maximum then would be a 5-percent boost. An additional increase of up to 5 percent would be permitted in some cases April 1, 1950.

The committee report said:

"There is no doubt that the present housing situation is such that a removal of rent controls now would result in an increase of from 25 to 100 percent over the width and breadth of our land.

"It could create such inflationary pressures that from it would ensue a widespread demand for much higher wages and salaries, resulting in strikes, and increased prices that might well require some system of price control to be put into effect.

"There can be little doubt that our economy would suffer a serious economic shock, and the results on our domestic economy, as well as international, are not hard to imagine."

The report said further that "any increase in rents today would be at the expense of diets, medical care, clothing, and other necessities of life of millions of American citizens."

Backers of the rent-control bill predicted quick Senate passage.

Mr. CAIN. All of us know, or ought to know, that we have fewer units of rental accommodations in this country than we had in 1942, when rent controls were first imposed throughout the States. From figures I consider to be reliable, I have stated to the Banking and Currency Committee, and the figures have not been denied either by the committee or by the Federal Rent Expediter, that we have more than 2,000,000 fewer rental accommodations today than in 1942. Some Senators will be amazed by this declaration of what I think is a fact. All of us are conscious that there has been an accelerated building program in this country during the past several years. Out of this construction some new facilities have been made available for rentals. Yet despite our progress in the field of housing construction, the net position in the field of accommodations for rent is getting worse and worse. Those who defend the continuance of rent controls admit the loss of rental accommodations, but attribute it to the desire of citizens to purchase their own homes and to the desire of the owners of rental accommodations to make their facilities available for purchase. There is obviously a half truth in this statement. The whole truth, from my point of view, is that citizens are being required to purchase homes they often cannot afford because they can find no accommodations for rent, and scores of thousands of owners of rental accommodations have disposed of their facilities by sale because the Government through rent controls has prevented them from making a reasonable return on rental property investments.

Rent controls were designed to make accommodations available to tenants at a reasonable figure. What rent control has actually done is artificially and unjustifiably to depress rental incomes while driving rental accommodations from the market.

Every proponent and advocate of a continuation of rent control asserts—and I gladly agree that a large majority of them are most sincere in the assertion—because of the housing shortage, because of the shortage of rental units, controls must be continued until the supply of housing balances the demand, and so forth. Let us concede the point. The problem then becomes: "How best can we accelerate the present production of rental facilities?"

In 1947, 13 percent of housing construction was for rental purposes. In 1948, that percentage had gone from 13 to 17 percent for rental facilities. That, Mr. President, you and I and every other Senator will agree, is progress in the right direction. But let us turn back 25 years. Let us look at 1924, 1925, 1926. There we find the crystal-clear answer to rental facility production.

I should say at this point, Mr. President, that I am talking about pure economic practice; I am not talking about political expediency, I am not talking about anything other than what has historically been a fact, economicwise, in this country.

In 1925 the American construction industry produced 940,000 new homes. Forty percent of that record volume—40 percent, not 13 percent or 17 percent—40 percent were rental facilities. Why? The answer is just 6 words: Highest average rentals in American history.

Remember, we are talking about economics. Let us see whether we can come to a conclusion upon which we agree. The production of shelter is just plain elementary economics. It is the same simple economics that brings record acreage for wheat planted, when wheat sells at $3.00 a bushel, record cotton production in the Presiding Officer's State of Louisiana, record gallonage in oil, record steel tonnage, records in every other line of human endeavor.

Take the shackles of rent control off America and rental facilities will again be produced and made available in a volume comparable—yes, obviously—even exceeding 1925, and every other high-watermark year to which reference may be made by way of example.

The only proofs of what I have just stated come from history and fundamental economics. If rent controls are removed, rents will go up. There is no doubt about this, and there should be none. An economic truth to bear in mind is that rents can rise appreciably in America without bringing undue suffering to citizens generally. Before the establishment of rent controls in 1942, it had been considered proper and reasonable that an American family could safely pay from 20 to 25 percent of its income for shelter. The average percentage of the family income spent for shelter today is about 13 percent. If we wish to conclude as a Congress that there was something wrong with the historical and accepted percentage of income to be paid for rent, and that such payments ought to be restricted to a figure approximating 13 percent, then we have a right, I suppose, artificially to depress and freeze rental incomes. I do not happen to be among those who hold valid any such contention. I belong to those who think and believe the elimination of rent controls will add materially to the availability of rental accommodations, and that such accommodations in the future will be available to tenants at a reasonable figure.

I have been literally amazed for a long time that more owners of rental accommodations have not left the rental field. There has been very little encouragement or reason for the average owner of rental property to remain in the market. He has been in a position to sell his facilities at a watered price and to relieve himself from the supervision and management imposed upon him by the Office of the Housing Expediter. Since 1942 rents in this country have increased less than 10 percent on the average. Mr. President, can you think of any other product which has not risen five times 10 percent? One likewise should not forget that the cost of doing business for the owner of rental property has risen tremendously.

The administration wanted a 1949 rent-control law which would have been, if agreed to, much more restrictive and injurious than the laws of 1947 and 1948 and the proposed law of 1949. The administration demand has not been agreed to by either the House or the Senate. The Senate bill includes some of the items requested by the administration, but it also includes other items which, if there is to be a law, can be supported and defended on the grounds of logic and common sense.

My only purpose in having spoken on the rent-control subject this afternoon is to point out to the Senate some of the results which will accrue from the passage of any law for 1949. Two things are extremely clear. One is that rents will continue to be depressed throughout the land and the other is that there will be fewer accommodations for rent a year from now than are available today. I must vote against the bill primarily because I am satisfied that what the Nation must have is more rental facilities and that we can wind up with fewer rental facilities only if we have a Federal rent-control law of any kind.

I think in opposing the bill we are actually speaking for the over-all and best good of America.

On the assumption, however, that it will be the wish of the Senate to continue rent controls during 1949 and part of 1950, I wish to offer and explain six amendments. These amendments are being offered in my name and that of the junior Senator from Ohio [Mr. BRICKER]. It is our joint hope that the amendments will be seriously considered and approved by the Senate. We think the amendments are reasonable, logical, and that they would add to the effectiveness of the proposed law. Though the Senator from Ohio and I shall both probably vote against the bill, we want to help in writing any bill which may be passed.

In this connection I should like to pay my respects to the junior Senator from Alabama [Mr. SPARKMAN], who is the chairman of the Subcommittee on Rents and Housing. Though we have disagreed concerning some of the economics involved in the rent-control problem, I know that he and his associates have done a workmanlike and very conscientious job. The Senator from Alabama believes as strongly in the law which he proposes as I strongly oppose some of the provisions which he offers. All of us on the committee, despite our contrary views, have attempted to protect and advance the public good.

Mr. President, before speaking to the amendments, on which I shall not take very much time, I should like to make reference to a portion of the news-ticker item which I read this morning with great interest. The President of the United States made an address, apparently this morning, to the United States Conference of Mayors, in which he is quoted as having made a blistering new attack on the real-estate lobby. He said it is opposing his housing-and-rent-control program and is the real enemy of the American home. The President declared that the lobby would not succeed, and he predicted opposition to his slum-clearance program.

Mr. President, it is not my purpose to quarrel with the President of the United States this afternoon, and I certainly have no intention of so doing, but I am concerned with knowing what he meant, and what Members of this body mean, when they refer to the real-estate lobby. I am not concerned with whether they say it is a good lobby or a bad lobby, a patriotic or an unpatriotic lobby. What I am concerned with is, What is the real-estate lobby?

During the course of our recent extended and very painstaking hearings on the subject of rents before the housing and rent subcommittee, of which the Senator from Alabama [Mr. SPARKMAN] is chairman, we had an opportunity to interrogate, among others, one of our colleagues, the Senator from Pennsylvania [Mr. MYERS], who, in his official capacity, is the whip of the Democratic Party on the floor. He introduced, as all Senators know, a rent-control bill for 1949. In speaking to that bill he used the same sort of reference which the President used this morning, namely, he said that the real-estate lobby was a bad organization. I, sitting across the table, merely raised an important question—and it is an important one, Mr. President. I said:

> Senator MYERS, will you give us a definition of the real-estate lobby?

I want to read his answer, because if his concept of the real-estate lobby is shared by many other Senators and many other Americans, they simply do not know to what they refer when they conclude that the real-estate lobby is, per se, in their minds, anyway, a vicious and an unpatriotic organization.

I said, on page 427 of the Senate rent-control hearings, this, in the form of a question to the Senator from Pennsylvania:

> What does the real-estate lobby consist of by way of membership? We always talk about the real-estate lobby or the organized-labor lobby or some other lobby; and I think we are often—certainly I am—guilty of being careless of our use of the word.

The Senator from Pennsylvania responded to me in this fashion:

> You have been around long enough, Senator, to know without a definition as to just what the real-estate lobby is. They have been all over in Washington for the last 3 or 4 months, demanding an end to rent control. They have been buttonholing Members of Congress; they have been putting pressure on Members of Congress.

Said the Senator from Pennsylvania, in answer to my very reasonable question:

> I do not think we need to have a definition. It is here. We all know it is here. We know their purposes; we know the mechanics which they have used; we know how the National Association of Real Estate Boards have acted. There is no need for a definition.

Did the Senator from Pennsylvania, in his answer to me, say that it was his considered opinion that the real-estate lobby consisted of the National Association of Real Estate Boards? Is that the definition of the real-estate lobby which is in the mind of the President of the United States? I hope not.

As I said, Mr. President, I am not interested in quarreling with the President or with the Senator from Pennsylvania, but when we use adversely a phrase referring to any person or any group which we do not like, we ought to define what we are talking about. Apparently the President of the United States said this morning with reference to the real-estate lobby that it is the real enemy of the American home. That is pretty strong language, is it not? If it is right to use that sort of language, we ought to make certain that the real-estate lobby is stopped in whatever nefarious operations in which it happens to be engaged.

At the time I had my colloquy with the Senator from Pennsylvania I was curious as to what this lobby consisted of, and I responded by giving him the information which he could not give to me, namely, the membership of the so-called real-estate lobby. It consists of 18 different national organizations. I wonder, when I merely list those 18 organizations, whether or not it will be considered that any among them are enemies of the American home. The membership of the 18 organizations I wish to list comprises scores of thousands of the finest citizens America possesses. To me it is not very important whether anyone other than myself is concerned with the proper definition of a real-estate lobby, but I am glad I know what it is, what it attempts to do, and to whom it refers .

The 18 organizations are as follows:

First. The National Association of Real Estate Boards.

Second. The National Association of Apartment House Owners.

Third. The National Association of Hotel Operators.

Fourth. The National Association of Lumber Manufacturers.

Fifth. The National Association of Retail Lumber Dealers.

Sixth. The United States Savings and Loan League.

Seventh. The National Savings and Loan League.

Eighth. The Building Products Institute.

Ninth. The Home Builders Association of the United States.

Tenth. The United States Chamber of Commerce.

Mr. President, to what extent can it be said that any one of the organizations I have mentioned is an "enemy of the American home"?

Now, let us proceed.

Eleventh. The Mortgage Bankers' Association. There has been talk about the private banking interests in the United States which gave persons who wished to venture an opportunity to build in this country from East to West.

Twelfth. The American Bankers' Association, the President of the United States, in his comment before the United States Conference of Mayors, to which I used to belong, referred to the American Bankers' Association as an enemy of the American home, and necessarily I disagreed with what I think was an unintentional and loose construction used by him in referring to a real-estate lobby, when the chances are he did not know that it included among other groups, the American Bankers' Association.

Thirteenth. Association of General Contractors of America.

Fourteenth. The American Institute of Architects. As I understand, the Institute of Architects is motivated by a desire to improve the homes of America.

Fifteenth. The National Electrical Contractors Association.

Sixteenth. The Structural Clay Products Institute.

Seventeenth. The Portland Cement Association.

Eighteenth. The Producers' Council of America.

In addition to these 18, which are listed officially as members of what is commonly referred to as the real estate lobby, there are scores of independent property owners associations not affiliated with any national association, and they can all be grouped together, and ought to be, when one thinks in terms of saying anything either for or against what is commonly referred to as the real estate lobby.

Mr. President, in moving as rapidly as I can to my amendments, I offer, first, an amendment which favors continuing the present system of eviction controls.

The first amendment which is now lying on the table would strike out that section of H. R. 1731, as reported by the Banking Committee, which gives the power to the Housing Expediter to issue regulations of a sweeping nature concerning evictions. This section would override the eviction-controls section of the present law, section 209, which is carefully devised in a fair manner to maintain the basic rights of tenants under rent control and yet correspond to the historical conditions and quoted interpretations in each State and district in our country.

Let me read the proposed new section in the committee bill, which in my opinion is a "sleeper" in the present bill, and should be vigorously fought by the Members of the Senate because it grants dictatorial administrative powers to a housing expediter whose administrative ineptness has been repeatedly demonstrated. The section reads as follows:

SEC. 209. Whenever in the judgment of the Housing Expediter such action is necessary or proper in order to effectuate the purposes of this act, he may, by regulation or order, regulate or prohibit speculative or manipulative practices or renting or leasing practices, including practices relating to recovery of the possession, in connection with any controlled housing accommodations, which in his judgment are equivalent to or likely to result in rent increases inconsistent with the purposes of this act.

Mr. President, it is beyond my comprehension why this broad grant of authority managed to prevail in our committee. As a matter of fact, I do not believe that in the many problems which were discussed and voted on in the committee session, this section received adequate consideration.

When Mr. Woods appeared before the Senate Banking and Currency Committee and offered testimony in support of the section contained in the committee bill he made the general statement which is often made, but almost wholly unsupported, that many tenants have acceded to landlord demands because of fear of eviction. Of course, there have been cases where this has been true, but these few cases most certainly arise because of an abysmal lack of knowledge about the present law. I can think of no logical reason to make an already severe control law that much more severe just because some people are not familiar with the rights and privileges they have at present. But that is exactly what Mr. Woods asked us to do, and the committee, without too much discussion, decided to go along with his views.

However, the chief reason why Mr. Woods offered to substantiate his belief that he be allowed to issue regulations to govern evictions was that there is a serious lack of uniformity in present interpretations of our local and district courts regarding the ultimate causes for eviction in each locality. If I were to be facetious about a matter which I regard as a very serious one, I would say "So what," to this contention of Mr. Woods.

Under the present section in the law dealing with eviction of tenants, certain very fair and reasonable criteria are laid down under which a landlord can regain possession of his rental premises by evicting his tenants. For the information of the Senate, I should like to read this section of the law, in order that Senators may fully judge whether they also consider these eviction provisions to be fair and reasonable.

Mr. President, for the information of the Senate, I should like to have unanimous consent to have printed in my remarks at this point that section of the bill which was written during the course of the debate on the 1948 rent law.

The PRESIDING OFFICER. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

EVICTION OF TENANTS

SEC. 209. (a) No action or proceeding to recover possession of any controlled housing accommodations with respect to which a maximum rent is in effect under this title shall be maintainable by any landlord against any tenant in any court, notwithstanding the fact that the tenant has no lease or that his lease has expired, so long as the tenant continues to pay the rent to which the landlord is entitled unless—

(1) under the law of the State in which the action or proceeding is brought the tenant is (A) violating the obligation of his tenancy (other than an obligation to pay rent higher than rent permitted under this act or an obligation to surrender possession of such housing accommodations) or (B) is committing a nuisance in such housing accommodations or using such housing accommodations for an immoral or illegal purpose or for other than living or dwelling purposes;

(2) the landlord seeks in good faith to recover possession of such housing accommodations for his immediate and personal use and occupancy as housing accommodations, or for the immediate and personal use and occupancy as housing accommodations by a member or members of his immediate family, or, in the case of a landlord which is an organization exempt from taxation under section 101 (6) of the Internal Revenue Code, or the immediate and personal use and occupancy as housing accommodations of members of its staff: *Provided*, That in the case of housing accommodations in a structure or premises owned or leased by a cooperative corporation or association no action or proceeding under this paragraph or paragraph (3) to recover possession of any such housing accommodations shall be maintained unless stock in the cooperative corporation or association has been purchased by persons who are then stockholder tenants in occupancy of at least 65 percent of the dwelling units in the structure or premises and are entitled by reason of stock ownership to proprietary leases of dwelling units in the structure or premises; but this proviso shall not apply where such corporation or association acquires or leases such structure or premises after the effective date of the Housing and Rent Act of 1948 pursuant to a contract entered into prior to such date.

(3) the landlord has in good faith contracted in writing to sell the housing accommodations to a purchaser for the immediate and personal use and occupancy as housing accommodations by such purchaser;

(4) the landlord seeks in good faith to recover possession of such housing accommodations (A) for the immediate purpose of substantially altering or remodeling the same for continued use as housing accommodations, or for the immediate purpose of conversion into additional housing accommodations, and the altering, remodeling, or conversion cannot practically be done with the tenant in occupancy, and the landlord has obtained such approval as may be required by Federal, State, or local law for the alterations, remodeling, or any conversion planned, or (B) for the immediate purpose of demolishing such housing accommodations;

(5) the landlord seeks in good faith to recover possession of such housing accommodations for the immediate purpose of withdrawing such housing accommodations from the rental market, and such housing accommodations shall not thereafter be offered for rent as such; or

(6) the housing accommodations have been acquired by a State or any political subdivision thereof for the purpose of making a public improvement and are rented temporarily pending the construction of such improvement.

(b) Notwithstanding any other provision of this act, the United States or any State or local public agency may maintain an action or proceeding to recover possession of any housing accommodations operated by it where such action or proceeding is authorized by the statute or regulations under which such accommodations are administered: *Provided*, That nothing in this subsection shall be deemed to authorize the maintenance of any such action or proceeding upon the ground that the income of the occupants of the housing accommodations exceeds the allowable maximum unless such income, less any amounts paid to such occupants by the Veterans' Administration on account of service-connected disability or disabilities, exceeds the allowable maximum.

(c) No tenant shall be obliged to surrender possession of any housing accommodations pursuant to the provisions of paragraph (2), (3), (4), (5), or (6) of subsection (a) until the expiration of at least 60 days after written notice from the landlord that he desires to recover possession of such housing accommodations for one of the purposes specified in such paragraphs.

Mr. CAIN. Mr. President, I should like in all fairness to ask why it makes such a great difference to a person, say, in the State of California, whether or not the ultimate judicial interpretation of these provisions conforms exactly to that, for example, in the State of New York. The point that is important, in my judgment, is that there are always well-founded precedents and historical reasons for slightly varying legal interpretations on any subject, which I am sure my lawyer friends can demonstrate repeatedly.

To summarize my arguments for this amendment, I should like to reiterate that the present section 209 of the Housing and Rent Act of 1947, as amended, is eminently fair and reasonable, and sets up very definite standards and causes for eviction, I can see no reason at all, and I am sure that fair-minded Senators will agree with me, to grant sweeping administrative powers to regulate precisely on a national scale the terms of eviction whether it be in New Mexico or Maine. In my opinion the Housing Expediter has far too much else to do to occupy his time, and he certainly should not be given the bureaucratic power to override by fiat well considered judicial interpretations.

The PRESIDING OFFICER. The first amendment will be received, printed, and lie on the table, and will also be printed in the RECORD at this point.

The amendment was, on page 39, line 10, beginning with "(1)", to strike out through line 15; and on page 39, line 16, to strike out "(2)"; and on page 49, beginning with line 23, to strike out through line 8 on page 50.

Mr. CAIN. Mr. President, the second amendment to which I wish to speak at this time would terminate Federal rent controls on September 30, 1949. I wish to make it clear that such a termination date, which is a 6 months' extension of the present law, is merely substituted for that of March 31, 1950, which is contained in the committee bill. The Senator from Ohio [Mr. BRICKER] and I are perfectly willing to accept the prospective changes in the present law which Congress will decide upon during this debate and the conference which will follow.

This approach should be distinguished from the temporary extension of the present law as is, which some have advocated, although I certainly hope those Senators who have hinted at such a proposal will join with us on this amendment.

Those Senators who read this amendment will also notice that it contains a provision for a further 6 months' extension of present eviction controls, in other words, until March 31, 1950. I have previously stated my arguments for continuing the eviction-control procedures outlined in the present law rather than granting new and sweeping powers to the Housing Expediter to regulate evictions on a national scale. If our amendment to strike out the section of the pending bill which grants such dictatorial powers should fail—and I sincerely hope it will not fail—we will still incorporate into the amendment as it now stands such eviction controls as Congress sees fit to impose.

I have earlier developed my own philosophy concerning rent control in its broader scope, and I do not wish to belabor those points any further at this time. However, each and every argument I have offered applies directly to my conviction that the shortest possible extension of Federal rent control should be enacted which would, in good faith, allow those States, that wish to do so, to provide appropriate means for controlling rents in their own jurisdictions.

Mr. President, I earnestly and sincerely feel that a 6 months extension of Federal rent control, as amended during the current legislative process, is the maximum amount of time which Congress in good faith can impose upon the fair-minded small landlords of this country under the guise of a national emergency law. No amount of argument can convince me that we are still faced with a national emergency in rental property. As a reasonable man, I can be shown that a given municipal emergency exists, a certain defense area emergency exists, or perhaps even a State emergency exists, but it is a fantastic assumption, in my opinion, to argue that a national emergency still exists in the far reaches of our country, in light of the known and uncontradicted facts which those of us who have worked on the housing problem for years have before us.

The Senator from Ohio [Mr. BRICKER] and I are willing to sponsor a continuation of Federal rent control for 6 months, with a continuing control of evictions for an additional 6 months, on the premise that all States should be given fair and adequate warning that the responsibility for possible rent controls in their areas will then be solely their concern. I have done some research on the subject of State rent control laws, and the existing constitutional requirements of each State in regard to legislative sessions. The State law section of the Library of Congress has informed me that during 1949 the legislatures of only four States, Virginia, Kentucky, Mississippi, and Louisiana, are not in session. Of these four, one, Virginia, has a stand-by rent control law.

Of the other States, the legislatures of all 44 either have been in session earlier in 1949 or are presently sitting. Although my list is subject to change almost daily as certain legislatures adjourn, my last count was that some 39 still remain in session.

Further research has uncovered the fact, Mr. President, that no State in the whole Union is prohibited from convening a special session either by call of the Governor or by initiation of some stated proportion of the members of the legislature, or both. In other words, if a true emergency does exist, or will exist after September 30, 1949, the responsible executive and legislative leaders in each State will be able to give adequate attention to this problem.

I might also add that Connecticut, Illinois, Maryland, and New York, as well as Virginia, already have some form of stand-by rent control on their statute books. In addition, I am informed that New Jersey and Michigan have bills in the hopper which are reasonably certain of passage. There may be other States in this category of which I have no knoweldge, and if so, I should very much like to have the list brought up to date.

My contention, then, is, Mr. President, that now, not later at some vague and undetermined date, the Congress of the United States, in keeping with the policy declaration laid down by the Housing and Rent Act of 1947, should serve notice to the States to shoulder their own responsibilities wherever a rent housing emergency might exist. In my opinion, we will find that only a few of the most densely populated areas would see fit to enact rent-control laws. In that case the shackles of a vicious economic control would be dropped from those rural areas where it is now an artificial monster.

The PRESIDING OFFICER. The second amendment will be received, printed, and lie on the table, and will also be printed in the RECORD at this point.

The amendment was, on page 26, line 11, strike out "June 30, 1950" and insert in lieu thereof "March 31, 1950."

Page 30, lines 11 and 12, strike out "June 30, 1950" and insert in lieu thereof "March 31, 1950."

Page 33, line 15, beginning with the second comma, strike out through the parenthesis in line 20.

Page 39, line 23, strike out "June 30, 1950" and insert in lieu thereof "March 31, 1950."

Page 39, line 25, and page 40, line 1, strike out "March 31, 1950", in each case where it appears and insert in lieu thereof "September 30, 1949."

Page 40, line 2, strike out "June 30, 1950" and insert in lieu thereof "March 31, 1950."

Page 40, lines 2 and 3, strike out "March 31, 1950" and insert in lieu thereof "September 30, 1949."

Page 40, line 8, strike out "June 30, 1950" and insert in lieu thereof "March 31, 1950."

Mr. CAIN. Mr. President, the junior Senator from Ohio [Mr. BRICKER] and I are offering as our third amendment an amendment which would restore and make possible the writing of voluntary leases between tenants and landlords. I ask unanimous consent that the amendment itself, and an explanation of the amendment, may be printed at this point in the RECORD.

The PRESIDING OFFICER. Without objection, the amendment will be received, printed, and lie on the table, and the explanation will also be printed in the RECORD at this point together with the statement submitted by the Senator from Washington.

The amendment was on page 30, line 16, strike out "and (6)" and insert in lieu thereof "(6), and (7)".

On page 34, after line 2, insert the following:

(7) In any case in which a landlord and tenant (including any new tenant) on or before December 31, 1949, voluntarily enter into a valid written lease in good faith (at any rental agreed upon in the lease) with respect to any housing accommodations for which a maximum rent is in effect under this section, and such lease takes effect on or after the effective date of the Housing and Rent Act of 1949 and expires on or after September 30, 1950, and if a true and duly executed copy of such lease is filed, within 15 days after the date of execution of such lease, with the Housing Expediter, such housing accommodations shall not thereafter be subject to any maximum rent established or maintained under the provisions of this title unless such lease is terminated before March 31, 1950. If any such lease is so terminated the maximum rent (unless a subsequent lease entered into under the provisions of this paragraph is in force) shall be the rental which had been agreed upon in such lease.

EXPLANATION OF AMENDMENT III

Still a third amendment which Senator BRICKER and I feel is entirely in keeping with our American tradition is a proper subject for attention at this time. This amendment would continue the system of voluntary leases which has worked moderately well in the present law, with the exception that the present amendment would have no maximum limit on the terms of the lease.

It is our contention that with stringent and workable eviction controls in effect that a sound system of freedom of contract should be continued in the present law whenever the tenant and landlord see fit to voluntarily enter into any such agreement. There is absolutely no compulson in this proposal of voluntary lease agreements, the objections of the pressure groups to the contrary. The system of voluntary leases which our amendment would seek to enact into law would work roughly along the following lines. During the remainder of the calendar year, through December 31, 1949, leases could be negotiated between tenant and landlord at any mutually agreeable figure which would

expire on or after September 30, 1950. If such leases should expire before March 31, 1950, for example, when a tenant invokes his escape clause and moves away, the maximum rental for a new tenant would continue to be that arranged at under the terms of the previous lease. However, a new lease could be voluntarily agreed upon under such conditions if both parties should desire.

It came as somewhat of a shock to me that the administration's proposal for a rent-control law did not contain any such provision for some sort of voluntary leases. There can be practically no more sacred a tradition in our American history than the right of two friendly parties to enter into a contract, whether it be on rents or any other of a number of subjects. While stringent controls were deemed necessary during the course of the war perhaps it was morally in order to violate this right without any possible voluntary arrangement at all. But it was a long step forward, in my judgment, when the 15 percent voluntary increase was added to the law in 1947. Well over a million such leases were negotiated and I personally know of hundreds of such cases which have worked out in an eminently satisfactory manner to both parties.

Senator BRICKER and I are proposing an open-ended voluntary lease whereby the tenant and the landlord on a mutually agreeable basis decide to negotiate for a figure above the maximum ceiling rent, the figure to be of their choosing. The tenant definitely is not required to make such an arrangement in any way, shape or manner. It is merely his free prerogative to do so if he decides that is the course he wishes to take. He is protected by strong eviction controls and certainly those eviction controls do not contain as a cause for eviction any failure to negotiate a free and voluntary lease. The argument that is offered by some that such a voluntary arrangement is in effect compulsory is a terrible misinterpretation of the purpose of a voluntary lease arrangement under rent control.

I feel very strongly on this subject of two free parties being able to bargain and arrive at a mutually satisfactory rent in return for the shelter and services offered. It seems to me that this is in keeping with our American heritage and I cannot allow any rent control bill to pass this Congress without trying my best to insert such a provision.

Mr. CAIN. Mr. President, the fourth amendment which the Senator from Ohio [Mr. BRICKER] and I desire to offer concerns itself with the recontrol of apartment hotels and apartment accommodations in transient hotels, and I ask unanimous consent that the amendment, and the explanation thereof, be printed at this point in my remarks.

The PRESIDING OFFICER. Without objection, the amendment will be received, printed, and lie on the table, and will also be printed in the RECORD, together with the explanation submitted by the Senator from Washington.

The amendment was, on page 27, line 3, after the word "occupancy" insert a comma and the following: "or such accommodations used for permanent occupancy on said date, except as hereinafter provided in section 204 (e) (1) (F)".

Page 35, after line 6, insert the following new paragraph:

(F) Establishment of maximum rents in the area or any portion thereof over which the local board has jurisdiction, with respect to housing accommodations in hotels, which accommodations were, on June 30, 1947, used for permanent occupancy, if in the judgment of the local board the demand for such rental housing accommodations has not been reasonably met; and.

Page 35, line 8, strike out "(F)" and insert "(G)."

Page 35, line 24, strike out "or (E)" and insert "(E), or (F)."

Page 36, line 17, strike out "(E)" and insert in lieu thereof "(F)."

ARGUMENTS FAVORING RECONTROL AUTHORITY BY LOCAL BOARDS IN RECONTROLLING PERMANENT HOTEL UNITS

Senator BRICKER and I are sponsoring this fourth amendment which would grant authority to recontrol those permanent units which were previously decontrolled under the Housing and Rent Act of 1947. However, we differ appreciably from the committee amendment on this subject because we would specify that such recontrol could only be effected upon the recommendation of the local advisory board in the area concerned.

A good deal of testimony was presented to the committee on the subject of hotels and the inequities which allegedly have arisen due to the decontrol of those hotel units which provide customary hotel services. It was contended that there are many cases in which the tenants in regular-type apartments in hotels which happened to provide these services had suffered exorbitant increases which in comparable rental units were not allowed. Particularly insistent were the cases cited in the Chicago area and it may well be there is a good basis for some sort of recontrol in any area such as this. However, I cannot see how it can be seriously contended that with the other recontrol provisions of the present bill providing for original determination by the local board concerned that the case of hotels should be sweepingly decided by Federal edict.

I ask those Senators who are curious about our amendment to weigh the following factors seriously. On page 7 of the committee report the general subject of recontrols is treated. It will be noted that in each case but those of recontrolled hotel units the local board has original jurisdiction to recommend such recontrol. For example, various types of trailer accommodations and trailer space are recontrolled, "but only upon recommendation by the local board if in its judgment the demand for such rental housing accommodations has not been reasonably met in the area concerned." Similarly treated are specific provisions for recontrol of units not rented for a 24-month period after February 1, 1945, and, in a broader vein, the actual recontrol of defense rental areas themselves.

I can assure the Senate that there was no logical reason offered in the committee for the determination to recontrol permanent hotel units by Federal edict rather than by determination by the local board concerned, as in the other cases mentioned. One argument offered was a fear that local boards would not act to protect the interests of the allegedly overcharged tenants. It is inconceivable to me that such should be the case and I can only point with much emphasis to the fair methods of local board recommendatory devices which is contained in all the other recontrol provisions in the committee bill.

To me it is the height of inconsistency to let the committee bill stand as it now is reported. I invite other Senators to consider this matter logically and although I have considerable doubts about recontrolling hotel units at all, I am willing to do so for as long as the Federal rent-control law extends, providing that the recommendation comes from the local board in the area concerned.

Mr. CAIN. Mr. President, the fifth amendment to be offered by the junior Senators from the State of Washington and the State of Ohio [Mr. BRICKER] concerns itself with respecting the lease privileges which were granted through leases under the 1947 and 1948 rent-control laws, and which units have been decontrolled by lease termination. I ask unanimous consent that the amendment and the explanation thereof be printed in the RECORD at this point as a part of my remarks.

The PRESIDING OFFICER. Without objection, the amendment will be received, printed, and lie on the table, and will also be printed in the RECORD, together with the explanation submitted by the Senator from Washington.

The amendment was, on page 32, lines 3 and 4, strike out "heretofore terminated or expired" and insert in lieu thereof "terminated or expired since April 1, 1948."

EXPLANATION OF AMENDMENT

As written, the Housing and Rent Act of 1949 provides that all voluntary leases written under the 1947 and 1948 Rent Acts would be under control and that the maximum rent would be the rent set forth in the lease upon the termination or expiration of any such leases, plus or minus applicable individual adjustments or the maximum rent in the absence of a lease, whichever is higher.

The new law has the effect of recontrolling accommodations formerly decontrolled because they were subject to 1947 voluntary leases which had terminated prior to April 1, 1948.

The proposed amendment would continue decontrolled those leases written under the 1947 act and which may have been terminated prior to April 1, 1948, the date of the 1948 act. Congress must keep its word and not go back on its pledge to owners of those accommodations which, having been decontrolled—have spent, in many instances, thousands of dollars on the accommodations in muchly needed improvements, reconditioning, and new equipment, and have them negotiate new leases. Under the act as written the recontrol of such owners would be a severe penalty. Rents on such units, freely agreed to by owner and tenant, would be rolled back to the rental named in the first lease written—under the 1947 act.

Let us always be consistent with the declaration of policy in this and the previous Rent Acts and not turn back and head in the direction of recontrol, for the intent and spirit of Congress as so stated in the declaration of policy is one of decontrol at the earliest possible date.

Mr. CAIN. Mr. President, our sixth amendment rather speaks for itself. Neither the Senator from Ohio [Mr. BRICKER] nor I, have prepared any explanation of it. The amendment is substantially in the form of the House version, which attempts to accept a formula which would provide to any property owner a fair return as against the fair value of his premises. We are hopeful that the offering of the amendment will help to stimulate Senators to think of a formula which might be acceptable to a majority of the Senators, which would insure a fair return on a man's investment.

I conclusively agree with the Senator from South Carolina [Mr. MAYBANK] that the Committee on Banking and Currency and its Subcommittee on Rents

and Housing endeavored to do just that. The committee in its entirety wanted to make certain that every American who had an investment in rental property would be given a return of a fair value. We did not find such a formula. The offering of the amendment to which I have referred might expose on the problem certain brains that are more agile and more productive than even those which have worked quite hard in trying to answer this problem which is before the American people.

The Senator from Ohio [Mr. BRICKER] and I are only two among a number of Senators who feel quite strongly that if we cannot provide a way in the forthcoming rent-control legislation to provide justice and fairness to the property owners of the United States we probably should not have a law. I sincerely hope that Senators more able than myself will be able to provide an answer as to how we are going to continue rent controls while at the same time making certain that every individual property owner is not only entitled to, but secures, a fair—and that is all—return on his investment.

Mr. President, I ask unanimous consent that the amendment may be printed in the RECORD at this point as a part of my remarks.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table, and will also be printed in the RECORD at this point:

The amendment was on page 31, beginning after the period in line 12, strike out through the period in line 15 and insert in lieu thereof the following:

In making and recommending individual and general adjustments to remove hardships or to correct other inequities, the Housing Expediter and the local boards shall observe the principle of maintaining maximum rents for controlled housing accommodations, at levels which will yield to landlords a reasonable return (but not in excess of a reasonable return) on the reasonable value of such housing accommodations. In determining whether the maximum rent for controlled housing accommodations yields a reasonable return on the reasonable value of such housing accommodations, due consideration shall be given to the following, among other relevant factors: (A) Increases in property taxes; (B) unavoidable increases in operating and maintenance expenses; (C) major capital improvement of the housing accommodations as distinguished from ordinary repair, replacement, and maintenance; (D) increases or decreases in living space, services, furniture, furnishings, or equipment; and (E) substantial deterioration of the housing accommodations, other than ordinary wear and tear, or failure to perform ordinary repair, replacement, or maintenance.

Mr. CAIN. Mr. President, I should like to say in conclusion that I appreciate deeply the indulgence of the Senate in permitting me to speak tonight because of the fact that I must be away from the city tomorrow.

My own considered judgment about the entire problem is that the time has come for the 48 States to reassert their sovereignty in the field of rent control, and that the Federal Government would be doing a real service not only by challenging the States to accept their responsibility in this field, as they ought to do, but by stressing to the citizens throughout the land the fact that rent control as a problem is a concern of the States and municipalities of the country, and no longer the problem of the Federal Government.

RECESS

Mr. MAYBANK. I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 16 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, March 22, 1949, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 21 (legislative day of March 18), 1949:

DIPLOMATIC AND FOREIGN SERVICE

John J. Muccio, of Rhode Island, a Foreign Service officer of the class of career minister, now special representative of the President of the United State to Korea, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Korea.

Karl L. Rankin, of Maine, now a Foreign Service officer of the class of career minister and a secretary in the diplomatic service, to be also a consul general of the United States of America.

The following-named persons, now Foreign Service officers of class 2 and secretaries in the diplomatic service, to be also consuls general of the United States of America:

Laurence W. Taylor, of California.
Edward T. Wailes, of New York.

The following-named persons, now Foreign Service officers of class 3 and secretaries in the diplomatic service, to be also consuls general of the United States of America:

Thomas A. Hickok, of New York.
Horace H. Smith, of Ohio.
Sheldon B. Vance, of Minnesota, now a Foreign Service officer of class 5 and a secretary in the diplomatic service, to be also a consul of the United States of America.

Gilbert E. Clark, of New York, a Foreign Service Reserve officer, to be a consul of the United States of America.

The following-named Foreign Service Reserve officers to be secretaries in the diplomatic service of the United States of America:

James L. Stewart, of California.
Robert P. Terrill, of Virginia.

UNITED STATES ATTORNEY

George F. Troy, of Rhode Island, to be United States attorney for the district of Rhode Island. Mr. Troy is now serving in this office under an appointment which expires April 7, 1949.

UNITED STATES MARSHALS

William D. Kizziah, of North Carolina, to be United States marshal for the middle district of North Carolina, vice Edney Ridge, deceased.

Jacob C. Bowman, of North Carolina, to be United States marshal for the western district of North Carolina, vice Charles R. Price, term expired.

UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidates for appointment and promotion in the Regular Corps of the Public Health Service:

To be senior scientist (equivalent to the Army rank of lieutenant colonel), effective date of acceptance:

Mayhew Derryberry

Pharmacists to be senior pharmacists (equivalent to the Army rank of lieutenant colonel):

Raymond D. Kinsey George F. Archambault
Thomas C. Armstrong
Thomas A. Foster George B. Hutchison

COAST AND GEODETIC SURVEY

The following-named employees of the Coast and Geodetic Survey to the positions indicated:

To be captains

Albert J. Hoskinson, effective May 4, 1949.
Elliott B. Roberts, effective May 4, 1949.
Ralph W. Woodworth, effective May 4, 1949.
Leo C. Wilder, effective May 4, 1949.

To be commanders

John Bowie, Jr., effective March 1, 1949.
William F. Malnate, effective March 1, 1949.
Ira T. Sanders, effective March 1, 1949.
Edward R. McCarthy, effective March 1, 1949.
Leonard C. Johnson, effective March 1, 1949.
Francis B. Quinn, effective March 1, 1949.
John H. Brittain, effective March 1, 1949.
Emil H. Kirsch, effective March 1, 1949.
Henry J. Healy, effective March 1, 1949.
Clarence A. Burmister, effective March 1, 1949.
George R. Shelton, effective March 1, 1949.
Roger C. Rowse, effective March 1, 1949.
George A. Nelson, effective March 1, 1949.
Wilbur R. Porter, effective September 1, 1949.
Percy L. Bernstein, effective September 1, 1949.
Charles A. Schanck, effective October 1, 1949.
Joseph P. Lushene, effective November 1, 1949.
James D. Thurmond, effective November 1, 1949.
Walter J. Chovan, effective November 1, 1949.
Curtis LeFever, effective December 23, 1949.
Henry O. Fortin, effective December 23, 1949.
Gilbert R. Fish, effective December 23, 1949.
Edwin C. Baum, effective December 23, 1949.
Lawrence W. Swanson, effective December 23, 1949.

To be lieutenants

Marvin T. Paulson, effective August 9, 1949.
V. Ralph Sobieralski, effective August 9, 1949.
Lorne G. Taylor, effective October 24, 1949.
John O. Boyer, effective December 24, 1949.
Wilbert M. Hellman, effective December 24, 1949.
Emerson E. Jones, effective December 24, 1949.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 21, 1949

The House met at 12 o'clock noon.

The Reverend M. Nicholas Menicon, St. Matthew's Episcopal Church, Sparrows Point, Md., offered the following prayer:

O most gracious and merciful Lord God, the fountain of all wisdom, whose laws are just and righteous, we humbly beseech Thee to bless these Thy servants, our Representatives in Congress assembled, that Thou wouldst be pleased to direct and prosper, with Thy holy wisdom, all their consultations; that all things may be so ordered and settled by

their endeavors upon the best and surest foundations, that peace and happiness, truth and justice, religion and piety may be established among us for all generations. And grant, O Father, that they and we may ever remain loyal and faithful to Thee and to our beloved country. We ask this in the name of Him who laid down His life for us, and rose again, Thy Son, our Saviour Jesus Christ. Amen.

The Journal of the proceedings of Thursday, March 17, 1949, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H. R. 1870. An act for the relief of Doris Marie Richard;

H. R. 2216. An act to amend the National Security Act of 1947 to provide for an Under Secretary of Defense;

H. R. 2485. An act to authorize the attendance of the United States Marine Band at the Eighty-third and Final National Encampment of the Grand Army of the Republic to be held in Indianapolis, Ind., August 28 to September 1, 1949;

H. R. 2546. An act to authorize the Secretary of the Air Force to establish land-based air warning and control installations for the national security, and for other purposes; and

H. J. Res. 89. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonion Institution, of the class other than Members of Congress.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 2313. An act to suspend certain import taxes on copper.

The message also announced that the Senate had passed bills, joint resolutions, and concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. 30. An act to provide for the settlement of claims of persons employed in Federal penal and correctional institutions for damage to or loss or destruction of personal property occurring incident to their service;

S. 40. An act for the relief of William D. Norris;

S. 41. An act for the relief of the city of Reno, Nev.;

S. 165. An act for the relief of William F. Thomas;

S. 191. An act for the relief of Louis J. Waline;

S. 247. An act to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes;

S. 255. An act to amend section 205 of the Interstate Commerce Act, relating to joint boards;

S. 256. An act to amend the Interstate Commerce Act, as amended;

S. 714. An act to provide for comprehensive planning, for site acquisition in and outside of the District of Columbia, and for the design of Federal Building projects outside of the District of Columbia; to authorize the transfer of jurisdiction over certain lands between certain departments and agencies of the United States; and to provide certain additional authority needed in connection with the construction, management, and operation of Federal public buildings; and for other purposes;

S. 749. An act for the relief of Ferd H. Gibler;

S. 779. An act relating to the pay and allowances of officers of the Naval Establishment appointed to permanent grades;

S. 782. An act for the relief of William S. Meany;

S. 790. An act to grant the consent of the United States to the Upper Colorado River Basin Compact;

S. 850. An act conferring United States citizenship posthumously upon Vaso B. Benderach;

S. 928. An act to provide for designation of the United States Veterans' Administration hospital now being constructed at Wilmington, Del., as the William L. Nelson Veterans' Memorial Hospital;

S. 937. An act to authorize the Secretary of the Treasury to effect the payment of certain claims against the United States;

S. 979. An act to amend section 9 of the act of May 22, 1928, as amended, authorizing and directing a national survey of forest resources;

S. 981. An act for the relief of John Clark Sharman;

S. 1219. An act removing certain restrictions and conditions imposed by section 2 of the act of May 27, 1936, on certain of the lands conveyed by such act to the city of Charleston, S. C.; and for other purposes;

S. J. Res. 12. Joint resolution authorizing the President to proclaim the week in which June 6, 1949, occurs as Patrick Henry Week in commemoration of the sesquicentennial anniversary of the death of Patrick Henry;

S. J. Res. 52. Joint resolution to authorize vessels of Canadian registry to transport iron ore between United States ports on the Great Lakes during the period from March 15 to December 15, 1949, inclusive;

S. Con. Res. 21. Concurrent resolution favoring the suspension of deportation of certain aliens; and

S. Con. Res. 22. Concurrent resolution favoring the suspension of deportation of certain aliens.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 90. An act to provide for the naturalization of Richard Kim.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 2101. An act to authorize the Regional Agricultural Credit Corporation of Washington, D. C., to make certain disaster or emergency loans, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. THOMAS of Oklahoma, Mr. ELLENDER, Mr. ANDERSON, Mr. AIKEN, and Mr. YOUNG to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 128) entitled "An act to provide that acreage planted to cotton in 1949 shall not be used in computing cotton acreage allotments for any subsequent year."

ACREAGE PLANTING OF COTTON FOR 1949

Mr. PACE submitted the following conference report and statement on the bill (H. R. 128) to provide that acreage planted to cotton in 1949 shall not be used in computing cotton acreage allotments for any subsequent year:

CONFERENCE REPORT

[To accompany H. R. 128]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 128) to provide that acreage planted to cotton in 1949 shall not be used in computing cotton acreage allotments for any subsequent year, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That, notwithstanding the provisions of title III of the Agricultural Adjustment Act of 1938, as amended, or of any other law, State, county, and farm acreage allotments and yields for cotton for any year after 1949 shall be computed without regard to yields or to the acreage planted to cotton in 1949."

And the Senate agree to the same.

That the Senate recede from its amendment to the title.

HAROLD D. COOLEY,
STEPHEN PACE,
W. R. POAGE,
CLIFFORD R. HOPE,
AUGUST H. ANDRESEN,
Managers on the Part of the House.

ELMER THOMAS,
ALLEN J. ELLENDER,
MILTON R. YOUNG,
SCOTT W. LUCAS,
GEORGE D. AIKEN,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 128) to provide that acreage planted to cotton in 1949 shall not be used in computing cotton acreage allotments for any subsequent year, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments.

The Senate amendment struck out all after the enacting clause in the House bill and substituted language which would eliminate acreages planted in 1949 to cotton, corn, wheat, and rice from consideration in establishing acreage allotments in subsequent years. The committee of conference recommends that the House recede from its disagreement to the amendment of the Senate with an amendment which is a substitute for both the House bill and the Senate amendment, and that the Senate agree to the same. Except for the differences explained below, the conference substitute is the same as the House bill.

The House bill directed that the yields of, and acreages planted to, cotton in 1949 should not be considered in computing future cotton acreage allotments with a proviso that any

farm on which cotton was not planted in 1947 or 1948 (or regarded as planted in 1947 under Public Law 12, 79th Cong., because of the production of war crops or of serving in the armed forces of the United States) shall be regarded as having a 1948-planted acreage equal to the 1942 farm-acreage allotment.

The substitute amendment as agreed to in conference, in effect, accepts all the House bill except the proviso which is eliminated.

Under the substitute bill agreed to in conference, the year 1949 would be eliminated in the calculation of allotments, therefore, the 5- to 3-year periods now required to be used in the establishment of State, county, and farm allotments would, where 1949 is within any such period, be selected by substituting for 1949 the year next preceding the period which would otherwise be used; for example, if acreage allotments are put into effect in 1951 and a 5-year period is used as a basis for making State and county allotments, then instead of the years 1945 to 1949, inclusive, being used, the years 1944 to 1948, inclusive, would be used; and, if a 3-year period is used as a basis for making allotments to farms, then, instead of the years 1948, 1949, and 1950 being used, the years 1947, 1948, and 1950 would be used.

Insofar as Public Law 12, Seventy-ninth Congress, is concerned, the action of the House conferees in agreeing to the substitute is not to be construed as a recession on the part of the House conferees from the position taken by the House in connection with H. R. 128, when the bill originally passed the House. The Senate conferees in agreeing to the substitute neither disapproved nor approved the interpretation of Public Law 12, adopted by the House. The Senate conferees took the position that since the Senate committee had held no hearings and since, under the rules of the Senate, no explanatory statement on the part of the Senate conferees is required or permitted in the conference report, they did not deem it appropriate to assert themselves with respect to the matter.

Because of representations made to the House conferees by administrative officials of the Department of Agriculture, which would indicate an intention to apply Public Law 12 in a manner which, in the opinion of the House conferees, is wholly illegal and contrary to the intent and purposes of Public Law 12, your conferees have made a full and complete examination of the matter, including an analysis of the legislative history of Public Law 12, in order to determine the effect of that law upon the operation of the provisions of the Agricultural Adjustment Act of 1938, as amended, with respect to the establishment of cotton acreage allotments and marketing quotas thereunder.

The House conferees, and the House Committee on Agriculture as indicated in its report on H. R. 128, consider Public Law 12 and the regulations issued thereunder, together with the information given farmers through a press release issued by the Department of Agriculture on March 9, 1945, as establishing certain rights with respect to those cotton farms on which the production of war crops was increased during the war emergency years and on those cotton farms whose cotton-production history was below normal because the owners or operators were serving in the armed forces. All that remains to be done under Public Law 12 is for the Secretary of Agriculture (1) to restore the normal cotton acreage history (*a*) to the cotton farms on which there was grown during any of the war emergency years (1945, 1946, or 1947) a total acreage of war crops in excess of the total acreage of war crops grown on such farms in 1941, and (*b*) to the cotton farms whose owners or operators were serving in the armed forces, and (2) to add such restored normal acreage histories of such farms to the production history of the county and State for each of such years.

Because of the war emergency, Public Law 12[1] was enacted to encourage the growing of crops more essential to the war effort on those farms which had 1942 cotton allotments under the Agricultural Adjustment Act of 1938. This objective was to be attained by assuring the producers of cotton on such farms that their cotton allotments would be protected if they would increase their production of war crops. Public Law 12 gave the Secretary of Agriculture the authority to carry out the intent and purposes of the law. Since Public Law 12 relates to the establishment of acreage allotments under the Agricultural Adjustment Act of 1938, as amended, a brief explanation of the cotton acreage allotment and marketing quota provisions of that act is necessary.

The Agricultural Adjustment Act of 1938 provides for the establishment of a national cotton baleage allotment, which is required to be apportioned among the States on the basis of the average of the normal production of cotton in each State during a prior period of 5 years. The State allotment is then converted from bales into a State acreage allotment on the basis of the average yield per acre for the State. Such State acreage allotment (less not more than 2 percent thereof reserved for new farms) is required to be apportioned among the counties in the State on the basis of the acreage planted to cotton during a prior period of 5 years, with certain adjustments not material here. The county acreage allotment in turn, with exceptions not material to this discussion, is then required to be apportioned among the farms in the county on which cotton has been planted during one of the preceding 3 years and no such farm may receive an acreage allotment in excess of the highest plantings of cotton thereon in any one of the 3 years.

---

[1] (Public Law 12—79th Congress)
(S. 338)

An act to amend the Agricultural Adjustment Act of 1938, as amended, and sections 7 to 17 of the Soil Conservation and Domestic Allotment Act, as amended, to encourage the growing of war crops by protecting the allotments of producers of cotton, wheat, and peanuts

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in establishing acreage allotments under subtitle B of title III of the Agricultural Adjustment Act of 1938, as amended, or under the Soil Conservation and Domestic Allotment Act, as amended, the Secretary of Agriculture, under regulations prescribed by him, may provide that for any crop year (beginning with the crop year 1945) during the present emergency any farm, with respect to which a cotton, wheat, or peanut allotment was established for the 1942 crop, shall be regarded as a farm on which cotton, wheat, or peanuts, as the case may be, were planted and grown, if the Secretary determines that, with respect to cotton, or wheat, because of the production of war crops designated by him on such farm, or, with respect to cotton, wheat, or peanuts, because the owner or operator was serving in the armed forces of the United States, the cotton, wheat, or peanut production history of the farm for such year is not representative of the normal history of the farm.

The Secretary may also provide with respect to any such farm that the past acreage of peanuts shall be adjusted upward to the extent that the acreage used for growing peanuts on such farm in such year is below the normal history of the farm.

Approved February 28, 1945.

It should be observed from the foregoing that the planted acreage at the farm level is the very heart of the scheme for distributing the national baleage allotment because the production history of all farms determines the size of the county and State acreage allotments. With certain exceptions not pertinent to this discussion, the sum of the farm acreage allotments within a county cannot exceed the county acreage allotment and in turn the sum of the county acreage allotments cannot exceed the State acreage allotment. The interlocking of the State, county, and farm acreage allotments is readily apparent and it can clearly be seen that acreage allotments are dependent upon production history and anything which affects production history directly affects acreage allotments at all levels. Therefore, the production history of a farm is of vital importance not only as it is pertinent to the establishment of farm acreage allotments but also in determining the size of the county and State acreage allotments from whence farm acreage allotments stem.

At the time Public Law 12 was under consideration in the Congress, the Nation was at war. It was urged that increased production of war crops was necessary to the war effort. Many producers, in response to requests from the Department of Agriculture, had reduced cotton acreages and increased the production of war crops. Grave concern was expressed lest the production of needed war crops be reduced, or at least not increased (in accordance with requests made for increases in such crops), because cotton farmers were faced with the alternative of planting war crops and thereby losing their cotton allotments or of planting cotton and preserving their allotments. It was feared that cotton farmers would return to cotton and that needed war-crop production would suffer. In order to remove the need for farmers to plant cotton and to encourage war-crop production, Public Law 12 was enacted. Its stated purpose was to encourage the production of war crops on all farms which had a cotton history as evidenced by a 1942 cotton allotment, by protecting the acreage allotments of such farms. The legislative history of the law clearly shows this to be the purpose of the legislation.

In recommending enactment of Public Law 12 (then S. 338) the War Food Administrator stated:

"In the past 2 years many producers of these commodities have planted other crops more critical to the war effort instead of cotton or wheat. Such producers are now faced with the alternatives of planting cotton or wheat in 1945 or, in the event acreage allotments are established in 1946, being classified as 'new growers' for allotment purposes. S. 338 would remedy this situation by authorizing the Secretary of Agriculture to provide that, on any farm for which a cotton or wheat allotment was established for the 1942 crop year, acreage used for the production of a war crop in 1945 or a subsequent year during the present emergency may be considered as having been planted to cotton or wheat, as the case may be.

"It is believed that the effect of such a provision would be to encourage the production of war crops on farms on which, in order to protect cotton or wheat acreage allotments, cotton or wheat otherwise would be planted in 1945. Moreover, producers who might, because of the great need for certain war crops, forego the planting of cotton or wheat, should not be placed in the position of sacrificing possible benefits under future programs." [Italics added.]

In reporting the bill which became Public Law 12, the Agriculture Committees of both Houses stated:

"During the past 2 years many producers of cotton and wheat, in response to an appeal

by the War Food Administration, have used their entire acreages previously planted to cotton or wheat for the production of other war crops, the need for which was more critical. Most of these producers desire to continue this cooperation in the war-food program during the current and subsequent years. However, unless they return to the production of cotton or wheat prior to the reestablishment of acreage allotments in the future, it is obvious that under existing laws they could only obtain a farm acreage allotment for cotton or wheat out of the comparatively small reserve set up for farms which have not produced wheat or cotton for 3 years. Moreover, even though they should return to the production of cotton or wheat prior to the reestablishment of acreage allotments, after being out of production for 3 years, their position would be prejudiced because the prior cotton or wheat production history of the farm would be lost for allotment purposes.

"Under the terms of the bill, in establishing farm acreage allotments, the Secretary would have the authority to provide, through the medium of regulations, that with respect to any farm which had a cotton- or wheat-farm acreage allotment in 1942 in any crop year during the present emergency, beginning with the crop year 1945, such farm would be regarded as a farm on which cotton or wheat, as the case may be, was planted even though no cotton or wheat was in fact planted thereon, if the Secretary determined that because of the production of war crops on such farm the cotton- or wheat-production history of the farm for such year was not representative of the normal history of the farm. *Thus, the bill will preserve the prior cotton or wheat history of such farms and their status as old farms in the agricultural-adjustment and soil-conservation and domestic-allotment programs.*" [Italics added.] (S. Rept. No. 12, 79th Cong. 1st sess. (1945); H. Rept. No. 55, 79th Cong. 1st sess. (1945).)

In explaining the bill on the floor of the Senate, Senator Bankhead who sponsored the bill, stated:

"Mr. President, *the purpose of the bill is to preserve the allotments for wheat and cotton.* Under the present law, if allotments are not used for three years they are lost. There have been a great many diversions to war crops and many allotments will be threatened after this year. Many farmers are in the Service, and cannot plant their crops." [Italics added.] (CONGRESSIONAL RECORD, January 29, 1945, p. 552.)

A similar explanation was given on the floor of the House by Congressman Flannagan, then chairman of the House Committee on Agriculture. He stated:

"During the past 2 years many growers of wheat and cotton, at the request of the War Food Administrator, have used their entire acreages previously planted to wheat and cotton for the production of vital war crops. While most of these farmers desire to continue to cooperate in the war-food program, they hesitate to go along further, knowing that if they do they will lose their old farm-acreage allotments and after the emergency, in order to reestablish their farm-acreage allotments they will have to come back under the farm program as new growers. This means that their patriotic response to the War Food Administrator would be penalized by a reduction in their farm-acreage allotments. It is simply asking too much of the cotton and wheat growers to go along with the War Food Administrator unless their farm acreages are protected" (CONGRESSIONAL RECORD, February 7, 1945, p. 909).

In the light of this legislative history there can be no doubt but that the intent and purpose of the Congress in enacting Public Law 12 was to encourage the growing of war crops by protecting cotton acreage allotments.

The statute, as it relates to protection of cotton allotments because of increased production of war crops, is neither mandatory nor self-executing. Under the terms of the act the Secretary of Agriculture was given authority to provide, through the medium of regulations, that with respect to any farm which had a cotton acreage allotment in 1942, in any crop year during the emergency (1945, 1946, and 1947), to regard such farm as a farm on which cotton was planted even though no cotton was in fact planted thereon, if the Secretary determined that because of the production of war crops on such farm the cotton history of the farm for such year was not representative of the normal history of the farm.[2] The authority given to the Secretary extended also to farms upon which there was a reduction in cotton acreage below the normal cotton history of the farm as well as to farms on which there was a complete absence of cotton production.

Public Law 12 was approved on February 28, 1945. On March 8, 1945, the War Food Administrator (having the powers of the Secretary of Agriculture),[3] acting through the Assistant War Food Administrator, exercised the discretion vested in him and applied the provisions of Public Law 12, by issuing regulations to carry out the provisions of that act. The regulations are as follows:

"WAR CROP DETERMINATION FOR THE PROTECTION OF COTTON ALLOTMENTS.—That in establishing cotton acreage allotments under title III of the Agricultural Adjustment Act of 1938, as amended, or under the Soil Conservation and Domestic Allotment Act, as amended, for any farm for which a cotton acreage allotment was established for the 1942 crop, if the total acreage of war crops grown on the farm during 1945 or any subsequent year during the present emergency is in excess of the total acreage of war crops grown on the farm in 1941, the cotton-production history for the farm for any such year will not be considered as representative of the normal history of the farm and the farm will be considered as one on which cotton was planted in such year. For the purpose of this determination, the following are designated as war crops: Soybeans for beans, peanuts picked and threshed, flax for seed, Irish potatoes, sweetpotatoes, dry edible beans, grain sorghums, sugar beets, sugarcane, rice, tomatoes for processing, peas for processing, snap beans for processing, sweet corn for processing, oats, barley, sweet sorghums, Sudan grass, biennial and perennial legumes."

The day following the issuance of the regulations, the Department of Agriculture, by a press release dated March 9, 1945, informed the farmers of the Nation of the effect of Public Law 12, as interpreted by the Department under its regulations. Cotton farmers were advised that they could grow war crops without fear of losing their acreage allotments. All that was required of them to receive such protection was that the total acreage of war crops grown on the farm must exceed the total acreage of war crops grown on the farm in 1941. The press release states in part, as follows:

Press release No. 432-45 MARCH 9, 1945.

"Farmers may now shift entirely from the production of cotton and wheat to the production of designated war crops without fear of losing their acreage allotments for cotton and wheat. The War Food Administration points out that recent legislation protects the allotments of cotton and wheat producers in cases where war-crop production has upset the farm's normal production of either crop.

"* * * * * *

"During the emergency many farmers have shifted entirely from the production of wheat and cotton to the production of other more essential crops for which the War Food Administration has asked substantial increases. Action to protect acreage allotments on such farms therefore becomes necessary if producers were not to be penalized later for contributing to increased war crop production.

"As now determined, the production history for any farm for which a cotton or wheat acreage allotment was established in 1942 will not be considered as representative of the normal history of the farm if the total acreage of war crops grown on the farm in 1945 or any subsequent year during the present emergency is greater than the farm's total war crop acreage in 1941. The farm will be considered as one on which cotton or wheat was planted in any such year.

"Crops named as war crops by WFA coincide with the shift in the production pattern requested in areas where cotton and wheat are grown. Under the determinations for both wheat and cotton acreage allotments, war crops include: soybeans for beans, peanuts picked and threshed, flax for seed, Irish potatoes, sweetpotatoes, dry edible beans, grain sorghums, sugar beets, sugarcane, rice, and tomatoes, peas, snap beans, and sweet corn for processing.

"* * * * * *."

It should be pointed out that any interpretation today of the effect of Public Law 12 upon the operation of cotton acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, must be made in the light of the construction placed upon that act by the War Food Administrator on March 8, 1945, when he put the statute into operation by the promulgation of regulations.

In issuing such regulations the War Food Administrator took three important steps: First, he specified the crops which would be considered war crops. Second, he specified the terms and conditions under which farms having a 1942 cotton acreage allotment could protect their normal cotton history. Third, he made the operation of the statute mandatory. Prior to the issuance of such regulations it was only permissive. By complying with the conditions imposed by the regulations, cotton farmers obtained certain substantive rights.

To further the statutory scheme of encouraging war crop production, the War Food Administrator was given discretionary authority under Public Law 12 to offer, and he did offer, through the medium of regulations, to each cotton farmer a quid pro quo, namely, the protection of his cotton acreage allotment by the maintenance of the farm's normal production history if such farmer, in turn, would grow a total acreage of war crops in excess of the total acreage of war crops grown on the farm in 1941. In the absence of prescribing a specific allotment, the only method by which acreage allotments may be protected is by protecting the normal history of the farm. Consequently, farmers were advised that their allotments would be protected by regarding the actual plantings of cotton during the emergency years as being not representative of normal, otherwise the Agricultural Adjustment Act of 1938 would have required that actual plantings during the emergency period be used in calculating acreage allotments.

Farmers acting in reliance on the regulations and increasing their war-crop production above 1941 production levels, and farmers on whose farms cotton plantings were below normal and who served in the armed forces, have obtained certain rights which cannot lawfully be taken away, nor can new conditions now be imposed. The rights of the parties are fixed. The Nation has had the benefit of the war-crop production. All that now remains to be done is for the Secretary of Agriculture, first, to restore for any year during the emergency (1945, 1946, and 1947) the normal history to those cotton farms which had a 1942 cotton allotment and on which there was grown in such year

[2] See S. Rept. No. 12 and H. Rept. No. 55.

[3] See Executive Orders 9322, 9334, and 9392.

a total acreage of war crops in excess of the total acreage of war crops grown on the farm in 1941, and, secondly, to make appropriate adjustments by adding to the county and State planted acreage history for such years the acreage history restored at the farm level. This is necessary in order that the acreage allotments of such farms will be protected the same as they would have been had the farmer actually planted an amount of cotton equal to his normal history.

The Department did not issue a formal regulation with respect to owners or operators of cotton farms who served in the armed forces. Apparently the statute, insofar as veterans were concerned, was considered as being self-operative and without the need of implementation through regulations. This is indicated by the fact that, although nothing was said in the regulations concerning persons who served in the armed forces, the press release referred to above did carry the following statement:

"Similar protection (protection of acreage allotments similar to that accorded war crop producers) is afforded producers of cotton * * * in cases where a farm's normal history has been upset because the owner or operator was serving in the armed forces."

Since farm owners or operators who served in the armed forces are to be accorded the same benefits and protection as farm operators who did not serve in the armed forces but who increased their war-crop productions above 1941 levels, it is obvious that like treatment requires that the normal cotton-production history for such farms be restored for each of the years during the emergency when the owner or operator was serving in the armed forces. It, likewise, requires that an acreage equivalent to such normal history be added at the county and State levels the same as it would have been had the owner or operator remained at home and planted his normal cotton acreage. Unless the acreage allotment measured by the normal cotton-production history, which is required to be restored at the farm level for both the war-crop producer and the veteran, is included and added in the production history of the county and State, the statute, instead of being a protective device, would be but a trap to ensnare the unsuspecting by the promise of illusory benefits.

The only way that cotton-acreage allotments may be fully protected is by protecting normal cotton-production history, since, as heretofore shown, acreage allotments are directly dependent upon production history under the statutory formula.

In restoring normal production history of the farms, the acreages that may have been planted to nonwar crops other than cotton, is immaterial and can have no bearing upon the question of the restoration of normal cotton history. To receive protection under Public Law 12, it is necessary only for a veteran owner or operator to show that the actual plantings of cotton on his farm during any year of the emergency was below normal and that during such time he was serving in the armed forces. Upon such a showing the veteran is entitled for such year to have the farm's history restored to normal. The statute, as it has been interpreted and applied under the regulations of the Department, accords like protection to a farm on which the total acreage of war crops during any of the emergency years exceeded the total acreage of such crops in 1941. That was the only condition imposed by the Secretary under the regulations in order for the actual plantings of cotton during the emergency years to be regarded as not representative of normal.

Although the Secretary originally had authority to impose other conditions before he would disregard actual plantings of cotton and substitute therefor the normal history in order to protect acreage allotments, he did not impose any additional conditions. Therefore, any attempt now to take into consideration nonwar crops other than cotton or to use any other device, the effect of which would be to impose new or additional conditions or otherwise reduce the benefits of the statute, would be illegal.

In determining what is the normal history to be restored under Public Law 12, the Secretary has no discretion except in the selection of the period of years to be used for reflecting the normal production history of the farm. The term "normal" itself requires that a period of years be selected and used which would fairly reflect the usual, ordinary, or typical planted cotton acreage of the farm. No one year's planting would reflect this.

In conclusion, it should be noted that the application of Public Law 12 may have an important bearing upon the administration and enforcement of future cotton acreage allotment and marketing quota programs under the Agricultural Adjustment Act of 1938. These programs are regulatory in nature. Any farmer who is dissatisfied with his quota, is given the privilege of having administrative action judicially reviewed. The success of future programs, therefore, requires full and faithful compliance with the provisions of Public Law 12.

HAROLD D. COOLEY,
STEPHEN PACE,
W. R. POAGE,
CLIFFORD R. HOPE,
AUG. H. ANDRESEN,
Managers on the Part of the House.

Mr. PACE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H. R. 128) to provide that acreage planted to cotton in 1949 shall not be used in computing cotton acreage allotments for any subsequent year.

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. PACE]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the conference report?

Mr. PACE. Mr. Speaker, the conference report is a unanimous report of the House and Senate conferees. The effect of the language agreed upon is to provide that the acreage planted in 1949 to cotton shall not be taken into account in future calculations for the determination of cotton acreage allotments. The remainder of the bill as it passed the House authorized the presumption in some cases of the planting of cotton in 1948, and under Public Law 12, the War Crops Act of 1945, which is explained in the statement of the managers as to the effect of the action of the conferees.

Mr. MARTIN of Massachusetts. In what way does the bill differ from the bill previously passed by the House?

Mr. PACE. It differs in that we have stricken the presumption features of the bill, which is agreeable to all the House conferees, with the understanding that we would set forth in the statement of the House managers a full statement and explanation of the intended effect of striking the proviso from the bill as it passed the House and of the purpose and intent of the Congress in the enactment of Public Law 12, of the Seventy-ninth Congress.

The conferees on the part of the Senate did not desire to cover these questions in their report, first because they had not had any public hearings on the question of the administration of Public Law 12 of the Seventy-ninth Congress, and secondly, because it is not customary in the Senate to file explanatory statements by the conferees.

The SPEAKER. Is there objection to the present consideration of the conference report?

There was no objection.

The Clerk read the conference report as above set out.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to. A motion to reconsider was laid on the table.

IMPORT TAXES ON COPPER

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2313), to suspend certain import taxes on copper, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. DOUGHTON]? [After a pause.] The Chair hears none and appoints the following conferees: Mr. DOUGHTON, Mr. COOPER, Mr. MILLS, Mr. REED of New York, and Mr. WOODRUFF.

PERMISSION TO ADDRESS THE HOUSE

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Montana [Mr. MANSFIELD]?

There was no objection.

[Mr. MANSFIELD addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. LANE asked and was granted permission to extend his remarks in the RECORD in three instances and include three newspaper articles.

Mr. FEIGHAN asked and was granted permission to extend his remarks in the RECORD in two instances, and in one to include an editorial.

Mr. BOGGS of Louisiana asked and was granted permission to extend his remarks in the RECORD and include an editorial.

Mr. O'SULLIVAN asked and was granted to extend his remarks in the RECORD and include a paper he had prepared, together with a newspaper editorial.

Mr. LESINSKI asked and was granted permission to extend his remarks in the RECORD and include a letter received from the largest local of the Ford Motor Co. on the Taft-Hartley Act.

WHITE HOUSE NEWS PHOTOGRAPHERS' ASSOCIATION EXHIBIT

Mr. PRIEST. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. PRIEST]?

There was no objection.

Mr. PRIEST. Mr. Speaker, I take this time to call to the attention of the House a most interesting collection of photographs now on exhibit at the Statler Hotel. This is the sixth annual exhibit of the White House News Photographers' Association, and the exhibit will remain on display through Friday of this week.

DEMAND FOR COPIES OF COMMITTEE REPORT ON LABOR BILL

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. LESINSKI]?

There was no objection.

Mr. LESINSKI. Mr. Speaker, I am today introducing a House resolution which will be referred to the Committee on House Administration for an additional printing of 5,000 copies of House Report 267, Eighty-first Congress, the committee report on the bill H. R. 3190, entitled "Fair Labor Standards Amendment of 1949," of which 1,000 copies shall be for the use of the House Committee on Education and Labor, 1,000 for the Senate document room, and 3,000 for the House document room.

The reason I am asking for this additional printing is that all of the first printing has been exhausted, and every Member of the House will want several copies of this report to distribute to his constituents. I am asking that this resolution be passed by the committee.

PERMISSION TO ADDRESS THE HOUSE

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include two resolutions passed by the City Council of Chicago.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

[Mr. O'HARA of Illinois addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. CHESNEY asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article from the Evening Star of March 17 last.

Mr. BUCHANAN asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances, in each to include extraneous matter.

Mr. KEE asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article by the late Honorable Sol Bloom.

THE LATE HONORABLE SOL BLOOM

Mr. KEE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. KEE. Mr. Speaker, I have asked for this privilege today for the purpose of reading to the House a letter I have received from Sir Howard d'Egville, a member of the British Parliament. The letter follows:

BRITISH-AMERICAN
PARLIAMENTARY GROUP,
HOUSES OF PARLIAMENT,
London, March 14, 1949.

Hon. JOHN KEE,
Chairman of the Foreign Affairs Committee,
House of Representatives,
Washington, D. C.

DEAR MR. KEE: At the annual meeting of the British-American Parliamentary Group held on March 10 in Westminster Hall, Houses of Parliament, the following resolution was proposed by Capt. A. Marsden, member of Parliament (Conservative), second by Mr. Percy L. Wells, member of Parliament (Labor), and unanimously carried:

"That the members of the British-American Parliamentary Group in the Parliament of the United Kingdom have heard with deep regret of the death of Congressman Sol Bloom whom many of those present had met personally and had learned to appreciate and affectionately remember as an outstanding Member of the United States Congress and an ardent supporter of international cooperation and understanding;

"That the Secretary be instructed to convey the condolences and deep sympathy of members of the Group to the late Mr. Bloom's colleagues in the United States Congress and to the members of his family."

I should be grateful if you would kindly convey the terms of this resolution to your colleagues in Congress and to the members of the late Mr. Bloom's family and to add to them my own personal expression of deep sympathy and sense of the loss of a good and esteemed friend.

With kind regards, believe me,
Yours sincerely,
HOWARD D'EGVILLE.
(Sir Howard d'Egville).

COMMITTEE ON PUBLIC LANDS

Mr. PETERSON. Mr. Speaker, I ask unanimous consent that the Public Lands Committee may be permitted to sit during general debate of the House tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

EXTENSION OF REMARKS

Mr. MONRONEY asked and was given permission to extend his remarks in the RECORD and include two editorials on the late Senator Gore, of Oklahoma.

Mr. PATMAN asked and was given permission to extend his remarks in the RECORD and include certain statements and excerpts.

Mr. COLE of New York asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article by General Bradley.

Mr. LECOMPTE asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter and a set of resolutions of the Knights of Columbus of Ottumwa, Iowa.

Mr. WELCH of California asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. ANGELL asked and was given permission to extend his remarks in the Appendix of the RECORD and include a resolution of the Oregon Legislature.

Mr. CURTIS asked and was given permission to extend his remarks in the Appendix of the RECORD and include a resolution.

Mr. WILLIAM L. PFEIFFER asked and was given permission to extend his remarks in the Appendix of the RECORD and include a brief article entitled "The Postal Record."

PERMISSION TO ADDRESS THE HOUSE

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

[Mr. BYRNES of Wisconsin addressed the House. His remarks appear in the Appendix.]

SPECIAL ORDER GRANTED

Mr. HORAN. Mr. Speaker, I ask unanimous consent that after disposition of the legislative matters in order for today and at the conclusion of any special orders heretofore entered I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

COMMITTEE ON EXPENDITURES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Expenditures may be permitted to sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

WHO IS GOING TO ASSUME THE BURDENS OF THE DISTRICT OF COLUMBIA?

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, the chairman of the Democratic National Committee, J. HOWARD MCGRATH, asks a boost of $18,600,000 in the Federal Government's payment to the District of Columbia, according to the Washington Post of last Friday.

I wonder if the chairman of the Democratic National Committee knows that the Government is in debt to the extent of $252,000,000,000 and that we have gone into the red for this year up to the present time $2,335,000,000, according to the Treasury statement?

If you go back to your districts to raise this $18,600,000 which they want for the District then you have to tax your people back home in order to do it. That is wrong. We should tax the people here in the District and those who come to the District through a sales tax or some other tax to pay the deficit that now exists in the finances of the District of Columbia. That is the way we ought to

raise this money. Better yet seems to me economize in operation of the District.

I am surprised at the chairman of the National Democratic Committee speaking about assessing the people back home in order to get this money. It just does not make sense to me. We ought to look after our people back home first. We also have a duty to perform in keeping our Capital City up to the best tradition of a capital. Good government is essential. A fine Capital is ours to be desired and I want it and desire it. But the people in the Fifteenth District of Pennsylvania are tired of taxes, tired of congressional spending, and I will not break faith with them in looking after their best interests. You can count on me for good sound, sensible, sane government in the District. Do not follow the suggestion of the Democratic national chairman who would tax the people in your State congressional district for the District of Columbia.

VETERANS' LEGISLATION

Mr. DAVIS of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. DAVIS of Wisconsin. Mr. Speaker, I join with my colleague the gentleman from Wisconsin [Mr. BYRNES] in presenting a duplicate resolution which would direct that the Committee on Veterans' Affairs or a subcommittee thereof make an investigation of the existing inequities and inadequacies in our present veterans' legislation. I do that because I believe that there are a great many such inconsistencies and inequities now existing.

Next year our Government will spend about $7,000,000,000 for the benefit of veterans of this country. Tomorrow we will be confronted with further legislation that may seriously jeopardize any program that we already have, and I think it is high time that we make a thorough study of the existing legislation so that we may know where we are going in the future. It is unfortunate that such an investigation was not completed before the Members are required to vote on the ill-considered Rankin pension bill.

PERMISSION TO ADDRESS THE HOUSE

Mr. FARRINGTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the Delegate from Hawaii?

There was no objection.

[Mr. FARRINGTON addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. HESELTON asked and was given permission to extend his remarks in the RECORD in three instances, in two to include resolutions adopted by the General Court of Massachusetts, and in the third a resolution adopted by the City Council of Worcester.

Mrs. ST. GEORGE asked and was given permission to extend her remarks in the RECORD and include an article by Frank Chodorov.

Mr. GOODWIN asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. SANBORN asked and was given permission to extend his remarks in the RECORD and include a resolution.

Mr. EDWIN ARTHUR HALL, Mr. VAN ZANDT, Mr. MERROW, and Mr. GOLDEN asked and were given permission to extend their remarks in the RECORD.

Mr. BLACKNEY asked and was given permission to extend his remarks in the RECORD and include an extract from the Michigan Veterans' Review.

Mr. SADLAK. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I will make in connection with a bill I am introducing today and also to extend my remarks in the RECORD and include a most interesting article entitled "Are We Headed for Military Dictatorship?" by Maj. Alexander P. DeSeversky.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

NATIONAL TRIMMED DRESS WEEK

Mr. KLEIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KLEIN. Mr. Speaker, for more centuries than the New World likes to acknowledge the city of Paris has been the fashion center of the universe, but time and American ingenuity have wrought strange changes.

Where once the American woman breathlessly awaited the decree of fashion dictators in France, she now watches for the latest creations of New York and Hollywood. This change has greatly enhanced the prestige of the vast industry—fifth in size of all our industrial giants—which caters to the smart American look.

In no small measure this new importance of American styling is due to the brilliance of the trimming industry concentrated in the hands of 12,000 skilled workmen in an area of only six city blocks in New York. Embroideries, pleating, tucking, shirring, stitching, beading, applique, passamenterie—altogether 27 different processes of ornamentation are done here.

It is fitting, Mr. Speaker, on the first day of spring of 1949 that the Congress should recognize the transformation in fashions and should pay tribute to the embroidery trades. Therefore I have sent to the desk a resolution which would authorize and direct the Secretary of Commerce to proclaim the week from April 11 through April 17 as National Trimmed Dress Week to call the attention of the American people to the new dominance of our designers.

COMMITTEE ON EDUCATION AND LABOR

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor be permitted to sit this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXTENSION OF REMARKS

Mr. BRYSON asked and was given permission to extend his remarks in the RECORD and include two short addresses delivered by others at the District Citizens' Committee.

Mr. HUBER asked and was given permission to extend his remarks in the RECORD and include certain material.

Mr. McCORMACK asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. BOYKIN asked and was given permission to extend his remarks in the RECORD and include a speech by Secretary of the Treasury Snyder.

Mr. WILLIAMS asked and was given permission to extend his remarks in the RECORD and include an editorial.

VETERANS' PENSIONS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, on tomorrow we are going to take up the veterans' pension bill. We are going to try to arrange for a reasonable amount of debate, and then the bill will be considered under the 5-minute rule.

I want those gentlemen who have been sticking their noses in to have a chance to stick their necks out.

If they have any amendments, the Members will want to see them.

This is our last hope, in my opinion, to give to the old veterans of World War I the treatment we have accorded the old veterans of every war from the Revolution down to the present time.

Oh, I saw that attack in the Washington Post this morning—the local edition of Pravda—whose editor got rich when he was head of the Federal Reserve Board and helping to put on the Hoover depression.

Through a stooge on the exchange, he made millions of dollars, and bought the Washington Post to attack Congress with. I dare Congress to investigate him.

Mr. RIVERS. Who is he?

Mr. RANKIN. I am talking about Eugene Meyer, who bought the Washington Post, and who virtually wrecked the Hoover administration.

The SPEAKER. The time of the gentleman from Mississippi has expired.

Mr. HUBER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HUBER. Mr. Speaker, on tomorrow I will have a substitute bill to offer for the ill-conceived so-called Rankin pension bill which will be brought before this House. The bill you will consider tomorrow is the measure which was railroaded through the Committee on Veterans' Affairs in about 10 minutes. I question whether there is any member of the Committee on Veterans' Affairs who will rise on this floor and say he will support the bill as drafted or that he voted to report it out.

Mr. NICHOLSON. Mr. Speaker, will the gentleman yield?

Mr. HUBER. I yield.

Mr. NICHOLSON. What does the gentleman mean, "railroaded"?

Mr. HUBER. What I said, railroaded. Has not the gentleman from Massachusetts heard this charge made repeatedly? I want the Members of this Congress to realize that the 27 members of the Committee on Veterans' Affairs were not given an opportunity to amend or properly consider this bill and it will be most difficult for 435 Members to amend it on the floor. However, the substitute I will offer tomorrow will at least be a step in that direction.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. MURRAY of Tennessee. Mr. Speaker, as chairman of the House Post Office and Civil Service Committee, I ask unanimous consent to have rereferred to the Committee on Merchant Marine and Fisheries, H. R. 2986, a bill to increase the retired pay of certain employees of the former Lighthouse Service, H. R. 3294, a bill to regulate the hours of duty and the pay of civilian keepers of lighthouses and civilians employed on lightships and other civilians of the Coast Guard, and Executive Communication, No. 289, dated February 1949, from the Treasury Department relating to proposed legislation, H. R. 3294, a bill introduced by me.

I may say, Mr. Speaker, that this request is made at the suggestion of the chairman of the House Committee on Merchant Marine and Fisheries.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

MISSISSIPPI RIVER PARKWAY

The Clerk called the bill (H. R. 1997) to authorize the survey of a proposed Mississippi River Parkway for the purpose of determining the feasibility of such a national parkway, and for other purposes.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin [Mr. BYRNES]?

There was no objection.

AMENDING THE ACT TO ESTABLISH A UNIFORM SYSTEM OF BANKRUPTCY

The Clerk called the bill (H. R. 2513) to amend the subdivisions d and e of section 58 of an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subdivisions d and e of section 58 of an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, as amended, is amended to read as follows:

"d. Notices to creditors may be published as the court shall direct.

"e. The clerk shall mail to the Commissioner of Internal Revenue and to the Comptroller General of the United States a certified copy of every order of adjudication forthwith upon the entry thereof. The court shall, in every case instituted under any provisions of this act, mail, or cause to be mailed, a copy of the notice of the first meeting of creditors to the Commissioner of Internal Revenue, to the collector of internal revenue for the district in which the court is located, and to the Comptroller General of the United States. Whenever the schedules of the bankrupt, or the list of creditors of the bankrupt, or any other papers filed in the case disclose a debt to the United States acting through any department, agency, or instrumentality thereof, a notice of the first meeting shall be mailed as well to the head of such department, agency, or instrumentality."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VETERANS' PENSIONS

The Clerk called the bill (H. R. 2681) to provide pensions for veterans of World War I and World War II based on nonservice-connected disability and attained age, and for other purposes.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

WOMEN'S BRANCH OF COAST GUARD RESERVE

The Clerk called the bill (H. R. 1823) to amend the act of February 19, 1941, as amended, so as to establish a Women's Reserve as a branch of the Coast Guard Reserve.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, reserving the right to object, this seems to be an important measure which will make a permanent change in the Reserve of the Coast Guard. I believe the author of the bill, or some member of the committee, should make an explanation.

Mr. Speaker, if no one is present to make such an explanation, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa [Mr. CUNNINGHAM]?

There was no objection.

AMENDING ACT OF JULY 23, 1947 (61 STAT. 409)

The Clerk called the bill (H. R. 1824) to amend the act of July 23, 1947 (61 Stat. 409).

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 11 of the act of July 23, 1947 (61 Stat. 409) is amended to read as follows:

"SEC. 11. In computing length of service of a person described in category (6) of section 3, category (7) of section 5, or category (5) of section 6, who is commissioned, appointed, or enlisted pursuant to the provisions of this act, there shall be included, in addition to all service now or hereafter creditable by law, (a) for all purposes of retirement, all service as a civilian employee of the United States within the purview of the act of May 22, 1920, as amended (5 U. S. C. 691 and the following), and (b) for all purposes of pay, so much of the service described under (a) as was rendered as a civilian employee in the former Bureau of Marine Inspection and Navigation (including its predecessors, the Bureau of Navigation and the Steamboat Inspection Service), in the Bureau of Customs and in the Coast Guard. Such service under both (a) and (b) shall be classified as commissioned, warrant, or enlisted, depending upon which status the person assumes upon his entry into the Regular Coast Guard, but service covering the same period shall not be counted more than once."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BIG BEND NATIONAL PARK

The Clerk called the bill (H. R. 2877) to authorize the addition of certain lands to the Big Bend National Park, in the State of Texas, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized to acquire, in such manner as he shall consider to be in the public interest, any land or interests in land situated within sections 15, 22, 27, 34, block 234, Brewster County, Tex., which he shall consider to be suitable for addition to the Big Bend National Park. Properties acquired pursuant to this act shall become a part of the park upon acquisition of title thereto by the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STAMP COMMEMORATING THREE HUNDRETH ANNIVERSARY OF ANNAPOLIS, MD.

The Clerk called the bill (H. R. 969) to authorize the issuance of a special series of stamps commemorative of the three hundredth anniversary of Annapolis, Md.

The SPEAKER. The Chair suggests that this bill be laid on the table, inas-

much as a similar Senate bill has been passed.

If there is no objection, it is so ordered.

There was no objection.

AUTHORIZING CANADIAN VESSELS TO TRANSPORT IRON ORE BETWEEN UNITED STATES PORTS

The Clerk called the joint resolution (H. J. Res. 143) to authorize vessels of Canadian registry to transport iron ore between United States ports on the Great Lakes during the period from March 15 to December 15, 1949, inclusive.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. DEANE. Mr. Speaker, reserving the right to object, may I ask the gentleman from Ohio [Mr. WEICHEL] if he will explain the significance of this legislation and whether or not the American ore carriers were heard, and if this is agreeable to them?

Mr. WEICHEL. Mr. Speaker, this legislation extends authority bestowed for some years past with reference to the carriage of ore which is necessary for the production of steel. The American ore carriers appeared before the Committee on Merchant Marine and Fisheries of the House and urged it themselves as a temporary measure to November 15 of this year. All those who are in the business of carrying ore on the Great Lakes desire to have the assistance of the Canadian carriers for this extended period to November 15.

I might say that the total amount carried in 1 year has been something like 92,000,000 tons. The assistance of these Canadian carriers might aid in bringing down some 3,000,000 tons temporarily.

Mr. DEANE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

Mr. BLAND. Mr. Speaker, I ask unanimous consent to substitute Senate Joint Resolution 52, which is identical to the pending resolution and has already passed the Senate.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the present consideration of the Senate joint resolution?

There being no objection, the Clerk read the Senate joint resolution, as follows:

Resolved, etc., That, notwithstanding the provisions of section 27 of the act of Congress approved June 5, 1920 (41 Stat. 999), as amended by act of Congress approved April 11, 1935 (49 Stat. 154), and by act of Congress approved July 2, 1935 (49 Stat. 442), or the provisions of any other act of Congress or regulation, vessels of Canadian registry shall be permitted to transport iron ore between United States ports on the Great Lakes during the period from March 15 to December 15, 1949, inclusive.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

House Joint Resolution 143 was laid on the table.

SETTLEMENT OF CLAIMS OF MILITARY PERSONNEL AND CIVILIAN EMPLOYEES OF THE WAR DEPARTMENT

The Clerk called the bill (H. R. 2672) to provide for the settlement of claims of military personnel and civilian employees of the War Department or of the Army for damage to or loss, destruction, capture, or abandonment of personal property occurring incident to their service.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. NICHOLSON. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Pennsylvania [Mr. WALTER] what this matter is all about.

Mr. WALTER. Mr. Speaker, under existing law a member of the armed forces has 1 year within which to file a claim for the loss or destruction of his property. However, when war intervenes, that period is extended for 2 years.

Mr. NICHOLSON. Mr. Speaker, I do not have any objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War, and such other officer or officers as he may designate for such purposes and under such regulations as he may prescribe, are hereby authorized to consider, ascertain, adjust, determine, settle, and pay any claim against the United States, including claims not heretofore satisfied arising on or after December 7, 1939, of military personnel and civilian employees of the War Department or of the Army, when such claim is substantiated, and the property determined to be reasonable, useful, necessary, or proper under the attendant circumstances, in such manner as the Secretary of War may by regulation prescribe, for damage to or loss, destruction, capture, or abandonment of personal property occurring incident to their service, or to replace such personal property in kind: *Provided*, That the damage to or loss, destruction, capture, or abandonment of property shall not have been caused in whole or in part by any negligence or wrongful act on the part of the claimant, his agent, or employee, and shall not have occurred at quarters occupied by the claimant within continental United States (excluding Alaska) which are not assigned to him or otherwise provided in kind by the Government. No claim shall be settled under this act unless presented in writing within 5 years after the accident or incident out of which such claim arises shall have occurred: *Provided further*, That if such accident or incident occurs in time of war, or if war intervenes within 2 years after its occurrence, any claim may, on good cause shown, be presented within 1 year after peace is established. Any such settlement made by the Secretary of War, or his designee, under the authority of this act and such regulations as he may prescribe hereunder, shall be final and conclusive for all purposes, notwithstanding any other provision of law to the contrary.

SEC. 2. Such appropriations as may be required for the settlement of claims under the provisions of this act are hereby authorized. Appropriations available to the War Department for the settlement of claims under the provisions of the act of March 3, 1885 (23 Stat. 350), as amended, shall be available for the settlement of claims under the provisions of this act.

SEC. 3. Sections 3483–3488 of the Revised Statutes (31 U. S. C. 209–214) and the act of March 3, 1885 (23 Stat. 350), as amended by the act of July 9, 1918 (40 Stat. 880), and by the act of March 4, 1921 (41 Stat. 1436; 31 U. S. C. 218–222), and by section 6 of the act of July 3, 1943 (57 Stat. 374; 31 U. S. C. 222a, 222b), are hereby repealed.

SEC. 4. That portion of section 1 of the act of July 3, 1943 (57 Stat. 372; 31 U. S. C. 223b), reading as follows: "The provisions of this act shall not be applicable to claims arising in foreign countries or possessions thereof which are cognizable under the provisions of the act of January 2, 1942 (55 Stat. 880; 31 U. S. C. 224d), as amended, or to claims for damage to or loss or destruction of property of military personnel or civilian employees of the War Department or of the Army, or for personal injury or death of such persons, if such damage, loss, destruction, injury, or death occurs incident to their service." is hereby amended, effective as of the date of approval of said act, to read as follows: "The provisions of this act shall not be applicable to claims arising in foreign countries or possessions thereof which are cognizable under the provisions of the act of January 2, 1942 (55 Stat. 880; 31 U. S. C. 224d), as amended, or to claims for personal injury or death of military personnel or civilian employees of the War Department or of the Army if such injury or death occurs incident to their service."

SEC. 5. This act may be cited as the "Military Personnel Claims Act of 1948."

With the following committee amendment:

On page 4, line 10, strike out "1948" and insert "1949."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING TITLE 17 OF UNITED STATES CODE WITH RESPECT TO COPYRIGHTS

The Clerk called the bill (H. R. 2285) to amend title 17 of the United States Code entitled "Copyrights," with respect to relaxation of provisions governing copyright of foreign works.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. DEANE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

HOT SPRINGS NATIONAL PARK

The Clerk called the bill (H. R. 2373) to amend the act establishing the Hot Springs National Park.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That (1) any United States commissioner duly appointed by the United States District Court for the Western District of Arkansas, and residing in said district, shall have power and jurisdiction to hear and act upon all complaints made of any and all violations of the United States Code of the United States of America, including the making a false oath to obtain free baths in the free bathhouse in the Hot Springs National Park Reservation at Hot Springs, Ark., as defined in section 371, title

16 of the United States Code, and amendments thereto, and including the violations of any rules and regulations of the National Park Service now prescribed or hereafter to be prescribed by the Secretary of the Interior, when based upon law, or any misdemeanor statute of the State of Arkansas or criminal ordinance of the city of Hot Springs, Ark., when such violation or violations occur upon, over, and within the boundaries of the Hot Springs National Park Reservation as now defined or hereafter to be defined. Any of said commissioners shall have power, upon sworn complaint, to issue process in the name of the United States for the arrest of any person or persons charged with such violation or violations of such criminal codes and/or regulations, when based upon law and when the penalty does not exceed a fine of more than $500 and costs of the proceedings and/or imprisonment for not more than 6 months, or both, to try such person or persons thus charged and, if found guilty, to impose the penalty that within the judgment of the trying commissioner is just, providing such penalty does not exceed the maximum prescribed by law or regulations.

(2) In all cases of conviction an appeal shall lie from the judgment of any of said commissioners to the United States District Court for the Western District of Arkansas, in which court such case or cases shall be tried de novo. Notice of appeal must be given by the defendant or defendants, or their attorney, to such commissioner on the date of such trial in said commissioner's court, who shall note the notice of appeal and the amount of the appeal bond set by him on his docket. An affidavit to the effect that the appeal is not being taken for the purpose of delay but in order that justice may be done shall be executed by the defendant or defendants, or their attorney, on the date of the trial of such case or cases in the said commissioner's court. The trying commissioner shall set a reasonable appeal bond and upon such being properly executed by the defendant or defendants before and approved by the commissioner, such defendant or defendants shall be released from custody until date of his, her, or their trial in the United States district court. Within 30 days after such trial or trials in the commissioner's court, such trying commissioner shall, without cost to the defendant or defendants, lodge with the clerk of the United States District Court for the Western District of Arkansas a complete transcript of the proceedings before him, which shall include notice of appeal, affidavit for appeal, and bond or bonds executed, if such has been done.

With the following committee amendments:

Page 1, line 10, strike out the word "Reservation."

Page 2, line 8, strike out the word "Reservation."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to redefine the authority of United States Commissioners to consider violations of law and regulations relating to Hot Springs National Park."

A motion to reconsider was laid on the table.

ST. CROIX ISLAND NATIONAL MONUMENT

The Clerk called the bill (H. R. 1357) to authorize the establishment of the St. Croix Island National Monument, in the State of Maine.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purpose of establishing a Federal area of national historical importance for the benefit of the people of the United States, the Secretary of the Interior is hereby authorized to accept, for national monument purposes, on behalf of the United States, the donation of all non-Federal lands and interests in land situated on St. Croix River, in the State of Maine. The Secretary is authorized to acquire, in such manner as he may consider to be in the public interest, not to exceed 50 acres of land or interests therein situated on the mainland, such property to be used for general administrative purposes and for a landing dock in order to provide a suitable approach and ready access to the island.

SEC. 2. Upon a determination by the Secretary of the Interior that sufficient land and interests in land situated on the island have been acquired by the United States for the establishment of a suitable national monument, such acquired property, and any Federal properties on the island that are not required for other public purposes, shall be established as the "St. Croix Island National Monument." An order of the Secretary of the Interior, constituting notice of such determination, shall be published in the Federal Register. Following establishment of the national monument, other properties situated upon the island may become a part of the monument upon acquisition of title to such properties by the United States, and Federal properties situated upon the island, upon a determination by the agency administering such Federal properties that they are no longer required by that agency, may be transferred to the Secretary of the Interior by such agency to become a part of the national monument. Notice of the addition of any such properties to the monument shall be published in the Federal Register by the Secretary of the Interior. There shall be excluded from the national monument, for such time as the United States Coast Guard shall consider it to be necessary, any portion of the island which is being used and which is required for the purposes of a Coast Guard light station.

SEC. 3. The national monument shall be administered by the Secretary of the Interior, through the National Park Service, subject to the provisions of the act of August 25, 1916 (39 Stat. 535; 16 U. S. C. 1–4), as amended and supplemented, and the act of August 21, 1935 (49 Stat. 666; 16 U. S. C. 461–467).

SEC. 4. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

With the following committee amendment:

Page 1, line 8, after the word "on", insert "Saint Croix (Dochet) Island, located in the."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REPEALING CERTAIN ACTS RELATING TO RULES OF SURVEY

The Clerk called the bill (H. R. 3150) to revise and repeal certain acts relating to rules of survey to permit departures from the system of rectangular survey when necessary on all public lands, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. DEANE. Mr. Speaker, the objectors on this side have reports only through Calendar No. 44. I ask unanimous consent that further proceedings under the call be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

ADDITIONAL JUDGE FOR THE MIDDLE DISTRICT OF GEORGIA

Mr. FRAZIER. Mr. Speaker, I ask unanimous consent for the consideration of the bill, Calendar No. 48 (S. 271), to provide for the appointment of an additional district judge for the middle district of Georgia.

The Clerk read the title of the bill.

Mr. YOUNG. Mr. Speaker, reserving the right to object, I should like to have an explanation of the need for this additional judge.

Mr. FRAZIER. Mr. Speaker, this is a bill providing for the appointment of an additional judge for the middle district of Georgia. The appointment will be a temporary one, and the need for the appointment is brought about by the fact that the present judge has lost his eyesight and is unable to carry on the duties of his office. As I say, this is to be a temporary appointment, that is, upon the death or resignation or retirement of the present district judge, no other appointment will be made.

Mr. MILLER of Nebraska. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. MILLER of Nebraska. The official objectors objected to the last four bills on the Consent Calendar, and Calendar No. 48, this present bill, was included in that number.

The SPEAKER. The gentleman from Alabama [Mr. HOBBS] stated to the Chair that he had cleared this bill with the objectors and with the majority and minority leaders.

Mr. MILLER of Nebraska. Has the bill been on the calendar for 3 days?

The SPEAKER. It has not.

Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the President is authorized to appoint, by and with the advice and consent of the Senate, one additional district judge for the United States District Court for the Middle District of Georgia. When a vacancy shall occur in the office of the existing district judge for said district such vacancy shall not be filled.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF DISTRICT OF COLUMBIA EMERGENCY RENT ACT

Mr. HARRIS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 1757) to amend and extend the provisions of the District of Columbia Emergency Rent Act, approved December 2, 1941, as amended.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 1757, with Mr. DEANE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the previous order of the House, the gentleman from South Carolina [Mr. MCMILLAN] is entitled to 30 minutes, and the gentleman from Minnesota [Mr. O'HARA] to 30 minutes.

The gentleman from South Carolina [Mr. MCMILLAN] is recognized.

Mr. MCMILLAN of South Carolina. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. HARRIS].

Mr. HARRIS. Mr. Chairman, the bill under consideration, H. R. 1757, introduced by me, would extend the provisions of the District of Columbia Emergency Rent Control Act, which was originally approved December 2, 1941. Mr. Chairman, there is not a great deal of debate necessary, as I see it, on this legislation. I may say for the benefit of the members of the committee that rent control for the District of Columbia was first established on January 1, 1942. You may recall at that time there was no national rent-control law. In December 1941, recognizing that the population of the District of Columbia was increasing so rapidly and the situation with reference to tenants was so critical, the Congress provided a Rent Control Act for the District of Columbia, which act became effective on January 1, 1942.

A great many Members of this House have asked me why it happens that rent control for the District of Columbia has not been included in the national Rent Control Act. The reason is that the Congress apparently recognized this situation in the District as being serious before it was determined that some action should be taken on a national scale. You will recall that later in the year 1942 the Price Control Act was put into effect. That act first became effective by Executive order under the War Powers Act. It was out of the OPA or the Price Control Act that the national rent-control law became effective. We first considered the rent-control program for the District of Columbia previous to the national law.

The District of Columbia has always proceeded under a provision enacted by Congress affecting rents for the District of Columbia. It was not until a good many months after rent control had been in effect for the District that the Congress provided a national Rent Control Act.

Since we have come along during the war and after the war with a separate procedure and with separate administration it seemed to those who are most familiar with the situation that it would not be advisable at this time to start all over in the District of Columbia by bringing the District within the national law. That is the reason you have separate administration and a separate law under which this act is administered.

A year ago the District of Columbia Rent Control Act was to have expired. This Congress recognized there was still an emergency and with some adjustments to the act at that time it extended the provisions of the act to March 30 of this year. It will only be a few days now until this act will again expire, then we will have no rent-control law for the District of Columbia. The committee has purposely postponed the consideration of the District law until the House had a chance to consider the national law. We felt there were certain similarities involved and that if the national rent-control law were to be terminated consideration certainly for the same reasons should be given to the District of Columbia.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. MCMILLAN of South Carolina. Mr. Chairman, I yield the gentleman eight additional minutes.

Mr. HARRIS. Mr. Chairman, I thank the chairman of the District Committee for the additional time. I do not want to impose myself on the committee, but I believe there are some explanations that should be made.

Last week a national rent-control law was passed by this House. It has gone now for consideration to the other body. Both of these acts expire on March 30 if something is not done; therefore, it behooves the House to do something about the matter at this time. For that reason unanimous consent was given last week for the consideration of the District of Columbia rent control today.

Mr. O'HARA of Minnesota. Mr. Chairman, will the gentlemen yield?

Mr. HARRIS. I am very glad to yield to my distinguished friend the gentleman from Minnesota [Mr. O'HARA], a member of the committee.

Mr. O'HARA of Minnesota. Will the gentleman agree with me that the testimony before the committee with reference to the bill now pending, and as to the need for continuation, was rather strongly in favor of the necessity for the continuation of rent control within the District, as a local matter?

Mr. HARRIS. The gentleman is correct. There were many witnesses that appeared before our committee who expressed some concern, and I do think the prevailing opinion was that the witnesses who appeared there were in favor of extending rent control for the District of Columbia. There were, of course, those who appeared in opposition, and in violent opposition, to the extension of any rent-control law, but the committee felt that in view of the situation that we had a national rent-control law that certainly it behooved this Congress to assume its responsibility in providing the same procedure and actions here in the District of Columbia.

I might say further that the District rent-control law has generally been administered exceptionally well. That position was expressed by a great number of witnesses who appeared before the committee. Of course, we have these difficulties and we have these controversies that arise. All people cannot be satisfied, but generally speaking, by and large, the witnesses before the committee did testify that the present Administrator of Rent Control was doing a fairly good job and the best job that he could under the circumstances.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I am glad to yield to my distinguished friend from Nebraska.

Mr. MILLER of Nebraska. I agree with the gentleman that the Rent Control Director of the District has been doing a good job. I think we have had fewer complaints from the District than from other parts of the country at large. But I am wondering, since this was put on as an emergency war measure, if we will ever get rid of it. Will the gentleman hazard a guess as to whether in the next 2 or 3 or 5 or 10 years from now we might be able to get rid of rent control? I personally do not like these controls of any kind. You know, people say there is nothing so permanent as a temporary job in a Government agency in Washington. I wonder if the gentleman would hazard a guess as to whether some time in the foreseeable future we might be able to say that we do not need rent control any longer in the District or elsewhere throughout the country.

Mr. HARRIS. May I say that I am not too happy about rent controls or any controls, and I strongly believe in the old philosophy that the least controlled government is the best government. I recognize the fact that this House has its responsibility, in view of the action taken by the House last week on the national rent-control law. I should say that there is every indication that the termination of such controls is not too far away.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I am glad to yield to the gentleman from Massachusetts.

Mr. NICHOLSON. Has the Expediter any right to act on whatever the Board does here in Washington?

Mr. HARRIS. I was going to come to that right now, if the gentleman will permit. Last week this House, in passing the National Rent Control Act, adopted an amendment that would give to the local governing legislative bodies authority to decontrol. In other words, we said that in the gentleman's home city, for instance, if his city council determined that rent controls should be terminated, then by resolution in 15 days it would be terminated.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. MCMILLAN of South Carolina. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. HARRIS. That was the action, and that was the position, and that was the attitude of this House by passing the Williams amendment by an overwhelming majority. The Congress of the United States is the legislative body for the District of Columbia. We are the local legislative body here. It is the expression of this House, then, in carrying out the Williams amendment that would be effective insofar as the District of Columbia is concerned, and that is the reason I say that this House last week in its actions further emphasized the

responsibility insofar as the District of Columbia Rent Control Act is concerned.

Mr. NICHOLSON. Under this bill, you give the District of Columbia the right to establish their own rates that they will pay for rent. You do that under this bill, do you not?

Mr. HARRIS. I should say the gentleman is not altogether correct in that statement. The District of Columbia as such has no authority whatsoever to establish any rates. The Administrator of the Rent Control Act for the District of Columbia does have that authority.

Mr. Chairman, this bill reenacts the District of Columbia rent-control law for a year and 3 months, to June 30, 1950. It merely adjusts some amendments that we provided last year with reference to conversions and reconstructions. It adds to the problem that has been here for some time with reference to cooperatives. Outside of those few minor provisions in this law, we will have the same Rent Control Act for the District of Columbia we have had since its inception on January 1, 1942.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Pennsylvania.

Mr. BUCHANAN. Are there criminal sanctions in this legislation?

Mr. HARRIS. In the original act there are, yes.

Mr. BUCHANAN. They are continued in this bill?

Mr. HARRIS. The provisions of that act are continued, with the exception of these three amendments here. The original District Rent Control Act is extended for a period of 15 months.

Mr. NICHOLSON. If the gentleman will yield further, does this extension give the Administrator of Rent Control for the District of Columbia the same rights he had before? The Expediter does not have anything to do with this?

Mr. HARRIS. This is a separate law, and it has a separate administrator. The Honorable Robert Cogswell is the Administrator for the District of Columbia Act.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. SMITH of Virginia. Section 4 relates to cooperative apartment houses. I have a letter from one of my constituents, a veteran, who tells me that he purchased an apartment last year and under this provision we propose to enact now, although he has bought and paid for it, he will not be permitted to occupy it. I wish the gentleman would explain section 4.

Mr. HARRIS. That would not be my understanding of the effect of section 4.

May I say that about a year ago the committee had information as to developments with reference to cooperative activities. There were charges and countercharges. There are those who contend that the cooperative movement was intended for the sole purpose of evading and getting out from under the Rent Control Act altogether. We did not have any information on that a year ago because there was no specific information that we were running into that trouble and that such actions were being taken, but now we find that since then there are a great many of these cooperative movements. There are a lot of equities involved on both sides, I appreciate that. The committee decided it would be best to conform to the national act insofar as the cooperative program is concerned. Consequently, the committee included the provision that was provided in the national act a year ago when it was extended, that is, that 65 percent of the tenants in any apartment might join together and thereby form a cooperative on any apartment building.

We recognized the problem the gentleman has just presented to us so we proposed to amend the bill, and we did. If the gentleman will turn to page 4 he will see that it is provided that any cooperative project if started before March 1, 1949, would not come under the provisions of this bill. In other words, any cooperative that is already organized, such as the one the gentleman referred to, does not come under the provisions of this bill. It applies only to those projects that will be formulated on March 1, 1949, or after. The gentleman's problem, as I understand, is another one altogether and that is that when they first organized the veterans' cooperative program, the Defense Homes Corporation did issue an order, and under that order there was an agreement that as long as there was rent control in the District the tenants living in those apartments at that time might not be evicted.

Mr. O'HARA of Minnesota. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, my colleague, the gentleman from Arkansas, has well explained the provisions of this bill extending the District of Columbia rent-control law. It so happens that a year ago I was charged with the responsibility, as chairman of the Judiciary Subcommittee, of presenting legislation for the extension of that law. I appreciate, as the gentleman from Arkansas has said, the difficulties that exist in the matter of rent control. In response to my colleague, the gentleman from Nebraska [Mr. MILLER], who asked when rent control would cease, I hope that this may be the last extension of such a law. Of course, it is impossible to prophesy at this time whether that will be the case or not.

With reference to the administration of rent control in the District of Columbia, that is in the hands of Mr. Cogswell. I am sure that Members on both sides of the aisle in the committee have found that Mr. Cogswell has tried to do a very difficult job in as able and fair a manner as it was possible to do that job. Of course there are inequities which will arise in the administration of the rent-control law, sometimes unfair to the property owners and sometimes unfair to the tenants. On the whole, we on the committee on both sides feel that Mr. Cogswell has done an eminently fair and able job.

Mr. Chairman, this is completely a local problem within the District of Columbia. As reluctant as I am to vote for any rent control, I do feel it is necessary in the District of Columbia to extend the rent-control law for at least another year. I notice the bill provides 15 months. I would rather have had it coextensive with the national rent-control extension, but I am not making any point about it.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. HARRIS. I believe that that would make it coextensive with the national law as it passed the House.

Mr. O'HARA of Minnesota. The gentleman is correct. I was thinking that the extension was for a year, but it was for 15 months, also.

Mr. Chairman, so far as I know, the Committee on the District of Columbia was unanimous on this legislation. At least there were no objections or "No" votes when the bill was reported out by the Committee on the District of Columbia.

Mr. McMILLAN of South Carolina. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I take this opportunity, as a member of the committee who originally had a hand in the writing of the original Rent Control Act for the District of Columbia, to congratulate the Administrator, Mr. Cogswell. I have heard less complaints about Mr. Cogswell than any other rent director in the United States. He has done a good job with a hard problem. Like my other colleagues, I dislike to have any kind of controls, but if we are going to have national rent control, then we should have it here in the District of Columbia. Especially until the housing problem in the Nation's Capital is solved.

The CHAIRMAN. The time of the gentleman has expired.

Mr. McMILLAN of South Carolina. Mr. Chairman, I have no further requests for time on this side.

Mr. O'HARA of Minnesota. Mr. Chairman, I yield 5 minutes to my distinguished colleague from Massachusetts [Mr. BATES].

Mr. BATES of Massachusetts. Mr. Chairman, in view of the fact that this rent-control law is expiring, and in view of the over-all situation facing the District today, the committee is unanimously of the view that this rent-control law ought to be extended for a while longer.

There are but few places in the country that the population has grown any faster than the District of Columbia during the past few years. In fact, it is because of the tremendous increase in the population that the District is today facing the very stringent and difficult financial problems that the House is wrestling with at present.

I also wish to emphasize what my colleague from Minnesota [Mr. O'HARA] has said in regard to the administration of the law. I participated in the drafting of the original bill setting up the District as a separate rent-control area.

I well recall down through the years that an effort has been made to make it a part of the national, over-all rent-control program, but because of the confidence we had in the administration of this law, the fairness with which all the problems were approached, the consideration that was given to the property owners when they found themselves upset by the heavy costs, not only of maintenance but also as a result of the increase in the tax load through the bill we passed

2 years ago, we have approved this measure.

Under the provisions of the rent-control law in the District of Columbia, the Rent Control Board has the right to consider those elements of additional cost in the determination of what a fair rental shall be. That is the thought I want to leave in the minds of the Members today. In the light of further consideration that we must give the revenue bill which will be again before the House in a few days, and the experience we have already had in the flood of applications for increases that have been filed with the Rent Control Board, on account of the substantial increases already made in the taxes, and again in the light of further possible increases in the tax burden, these factors will have to be considered by the Rent Control Board if we increase property taxes again in order to meet the estimated deficiency of possibly $18,000,000 in the budget.

In the light of the excellent administration of the rent-control law in the District of Columbia and the common sense that has been applied to all the problems that have been brought to the attention of the Rent Control Board, the committee recommends, and I concur, in the further extension of this law.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. BATES] has expired.

Mr. O'HARA of Minnesota. Mr. Chairman, I have no further requests for time on this side.

Mr. HARRIS. Mr. Chairman, I yield 3 minutes to the gentleman from Oklahoma [Mr. WICKERSHAM].

Mr. WICKERSHAM. Mr. Chairman, I would like to call attention to an amendment that was offered in the committee by the Veterans' Cooperative Housing Association, composed solely of veterans. Ninety-five percent of the membership are veterans. They purchased units in the Veterans' Cooperative Housing Association in the belief that rent control would end a year ago, but not later than March 31 of this year. There are 235 nonveteran tenants still occupying those apartments and the veterans are unable to get possession of their own property. They would like to be exempted in this particular bill.

I understand they are exempted in this bill, and that it is the intention of the committee to so exempt them from the provision of this bill but to make sure it might be wise to add an amendment at the end of the bill to provide as follows:

Provided, That the provisions of this act shall not be applicable to nonprofit Veterans' Cooperative Housing Association, organized under the laws of the District of Columbia, when at least 95 percent of the membership of such association is composed of veterans or service men on active duty—

Should be adopted.

I hope that the committee can consider this and that the conferees will place this amendment in the bill when it is in conference.

Mr. HARRIS. Mr. Chairman, there are no further requests for time in general debate.

The Clerk read as follows:

Be it enacted, etc., That section 1 (b) of the act entitled "An act to regulate rents in the District of Columbia, and for other purposes," approved December 2, 1941 (D. C. Code, 1940 ed., sec. 45–1601), as amended, is hereby amended by striking out "March 31, 1949" and inserting in lieu thereof "June 30, 1951."

SEC. 2. Section 2 of such act (D. C. Code, 1940 ed., sec. 45–1602), as amended by the act approved April 29, 1948 (Public Law 507, 80th Cong.), is amended by striking out from paragraph (3) (b) thereof the comma following the phrase "completed after March 31, 1948" and also the language in such paragraph following the comma down to the semicolon, so that such paragraph will read as follows:

"(b) Any housing accommodations the construction of which was completed after March 31, 1948;".

SEC. 3. Section 2 of such act, as amended by the act approved April 29, 1948 (Public Law 507, 80th Cong.), is amended further by adding at the end thereof a new paragraph to read as follows:

"(4) The Administrator is authorized and directed to determine maximum rent ceilings and minimum service standards for all housing accommodations which are additional housing accommodations created by conversion after March 31, 1948: *Provided,* That the Administrator shall consider increased cost of construction in making any determinations of maximum rent ceilings and minimum service standards for such housing accommodations."

SEC. 4. Paragraph (2) of section 5 (b) of such act, as amended (D. C. Code, 1940 ed., sec. 45–1605), is amended by adding after the word "dwelling" a colon and the following: "*Provided,* That in the case of housing accommodations in a structure or premises owned or leased by a cooperative corporation or association no such action or proceeding under this paragraph or paragraph (3) of this section shall be maintained unless stock or membership in the cooperative corporation or association has been acquired by persons who are or were tenants in occupancy of at least 65 percent of the dwelling units in the structure or premises at the time said cooperative corporation or association either (1) acquired or leased said structure or premises, or (2) entered into a contract or option to acquire or lease said structure or premises, whichever date is earliest, and who as such stockholders or members are entitled to possession of their respective dwelling units in the structure or premises by virtue of proprietary leases or otherwise, and this provision shall apply whether such corporation or association acquired or leased such structure or premises or entered into a contract or option to do so prior to or after the effective date of this amendatory act.

Mr. HARRIS (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill may be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendment: Page 1, line 8, strike out "1951," and insert in lieu thereof "1950."

The amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 2, strike out lines 7 and 8 and insert in lieu thereof the following:

"(b) Any housing accommodations the construction of which was completed after March 31, 1948, or which are additional housing accommodations created by conversion after March 31, 1948, except as hereinafter provided."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 2, line 21, strike out "March 31, 1948" and insert in lieu thereof "the effective date of this amendatory act at a cost of less than $1,500: *Provided.*"

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 4, line 1, after the word "act", insert the following: "or unless as the holder of stock or membership acquired in the cooperative corporation or association prior to March 1, 1949, a stockholder or member was entitled to possession of a dwelling unit in the structure or premises by virtue of a proprietary lease or otherwise."

The committee amendment was agreed to.

Mr. MCMILLAN of South Carolina. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to, and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose: and Mr. PRIEST having assumed the chair as Speaker pro tempore, Mr. DEANE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 1757, to amend and extend the provisions of the District of Columbia Emergency Rent Act, approved December 2, 1941, as amended, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. MCMILLAN of South Carolina. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. HARRIS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count. [After counting.] Forty-six Members are present, not a quorum.

Mr. COOPER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 36]

Andersen, H. Carl	Coudert	Hays, Ark.
Andresen, August H.	Davis, Tenn.	Heller
Biemiller	Dingell	Herlong
Brown, Ohio	Fogarty	Hinshaw
Bulwinkle	Furcolo	Hope
Burke	Gamble	Jackson, Calif.
Canfield	Gilmer	Jenison
Case, S. Dak.	Green	Jennings
Chudoff	Gwinn	Jonas
Coffey	Hall, Leonard W.	Jones, Mo.
Cole, Kans.	Hand	Keogh
Corbett	Harden	Latham
	Hart	McCulloch
		McGrath

McSweeney	Plumley	Taylor
Macy	Powell	Thomas, N. J.
Morrison	Rabaut	Towe
Murphy	Ribicoff	Wadsworth
Nixon	Rodino	Whitaker
Noland	Scott, Hardie	White, Idaho
Norton	Shafer	Wilson, Ind.
O'Neill	Sheppard	Wood
Pfeifer, Joseph L.	Smith, Ohio	Woodhouse
Philbin	Somers	Worley
	Stanley	Zablocki

The SPEAKER pro tempore. Three hundred and sixty-one Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

EXTENSION OF DISTRICT OF COLUMBIA RENT-CONTROL ACT

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. WAGNER. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 247, nays 117, not voting 69, as follows:

[Roll No. 37]

YEAS—247

Abbitt	Eaton	Kruse
Addonizio	Eberharter	Kunkel
Albert	Elliott	Lane
Allen, La.	Engel, Mich.	Larcade
Andrews	Engle, Calif.	LeFevre
Aspinall	Evins	Lesinski
Auchincloss	Fallon	Lichtenwalter
Bailey	Feighan	Lind
Baring	Fenton	Linehan
Barrett, Pa.	Flood	Lodge
Bates, Ky.	Fogarty	Lynch
Bates, Mass.	Forand	McCarthy
Battle	Frazier	McConnell
Beall	Fugate	McCormack
Beckworth	Fulton	McDonough
Bennett, Fla.	Garmatz	McGuire
Bennett, Mich.	Gary	McKinnon
Bentsen	Gordon	McMillan, S. C.
Biemiller	Gore	Mack, Wash.
Bland	Gorski, Ill.	Madden
Blatnik	Gorski, N. Y.	Magee
Boggs, La.	Granahan	Mansfield
Bolling	Granger	Marcantonio
Bonner	Grant	Marsalis
Bosone	Gregory	Martin, Mass.
Breen	Gross	Miles
Brooks	Hagen	Miller, Calif.
Brown, Ga.	Hale	Mills
Bryson	Hall, Edwin Arthur	Mitchell
Buchanan	Hardy	Monroney
Buckley, Ill.	Harris	Morgan
Buckley, N. Y.	Havenner	Morris
Burdick	Hays, Ohio	Morton
Burnside	Hébert	Multer
Burton	Hedrick	Murdock
Byrne, N. Y.	Heffernan	Nelson
Byrnes, Wis.	Herter	Norblad
Camp	Heselton	Norrell
Cannon	Hobbs	O'Brien, Ill.
Carlyle	Holifield	O'Brien, Mich.
Carnahan	Holmes	O'Hara, Ill.
Carroll	Horan	O'Hara, Minn.
Case, N. J.	Howell	O'Neill
Cavalcante	Huber	O'Sullivan
Celler	Hull	O'Toole
Chatham	Irving	Pace
Chelf	Jackson, Wash.	Patman
Chesney	Jacobs	Patten
Christopher	James	Patterson
Clemente	Javits	Perkins
Cole, N. Y.	Johnson	Pfeiffer, William L.
Combs	Jones, Ala.	Phillips, Tenn.
Cooley	Jones, N. C.	Plumley
Cooper	Judd	Polk
Crook	Karst	Poulson
Crosser	Karsten	Powell
Davenport	Kean	Preston
Davies, N. Y.	Kearney	Price
Davis, Wis.	Kearns	Priest
Dawson	Kee	Quinn
Deane	Keefe	Rains
DeGraffenried	Kelley	Ramsay
Delaney	Kennedy	Rhodes
Denton	Kerr	Ribicoff
Dollinger	Kilburn	Richards
Donohue	King	Riehlman
Douglas	Kirwan	Rivers
Doyle	Klein	Rogers, Mass.
Durham	Kluczynski	Rooney
Eberharter	Lane	Sabath
Elliott	LeCompte	Sadlak
Engel, Mich.	Lemke	Sadowski
Engle, Calif.	Lesinski	St. George
Evins	Lichtenwalter	Sasscer
Fallon	Lind	Scott, Hardie
Feighan	Linehan	Scott, Hugh D., Jr.
Fenton	Lodge	Secrest
Flood	Lynch	Sikes
Fogarty	McCarthy	Sims
Forand	McConnell	Smathers
Frazier	McCormack	Smith, Va.
Fugate	McDonough	Spence
Fulton	McGuire	Staggers
Garmatz	McKinnon	Steed
Gary	McMillan, S. C.	Stefan
Gordon	Mack, Wash.	Stigler
Gore	Madden	Sullivan
Gorski, Ill.	Magee	Sutton
Gorski, N. Y.	Mansfield	Talle
Granahan	Marcantonio	Tauriello
Granger	Marsalis	Thomas, Tex.
Grant	Martin, Mass.	Thornberry
Gregory	Miles	Tollefson
Gross	Miller, Calif.	Trimble
Hagen	Mills	Underwood
Hale	Mitchell	Van Zandt
Hall, Edwin Arthur	Monroney	Vinson
Hardy	Morgan	Wagner
Harris	Morris	Walsh
Havenner	Morton	Walter
Hays, Ohio	Multer	Welch, Calif.
Hébert	Murdock	Welch, Mo.
Hedrick	Nelson	White, Calif.
Heffernan	Norblad	Wier
Herter	Norrell	Wigglesworth
Heselton	O'Brien, Ill.	Williams
Hobbs	O'Brien, Mich.	Willis
Holifield	O'Hara, Ill.	Wilson, Okla.
Holmes	O'Hara, Minn.	Withrow
Horan	O'Neill	Yates
Howell	O'Sullivan	Young
Huber	O'Toole	
Hull	Pace	
Irving	Patman	
Jackson, Wash.	Patten	
Jacobs	Patterson	
James	Perkins	
Javits	Pfeiffer, William L.	
Johnson	Phillips, Tenn.	
Jones, Ala.	Plumley	
Jones, N. C.	Polk	
Judd	Poulson	
Karst	Powell	
Karsten	Preston	
Kean	Price	
Kearney	Priest	
Kearns	Quinn	
Kee	Rains	
Keefe	Ramsay	
Kelley	Rhodes	
Kennedy	Ribicoff	
Kerr	Richards	
Kilburn	Riehlman	
King	Rivers	
Kirwan	Rogers, Mass.	
Klein	Rooney	
Kluczynski	Sabath	
Lane	Sadlak	
LeCompte	Sadowski	
Lemke	St. George	
Lesinski	Sasscer	
Lichtenwalter	Scott, Hardie	
Lind	Scott, Hugh D., Jr.	
Linehan	Secrest	
Lodge	Sikes	
Lynch	Sims	
McCarthy	Smathers	
McConnell	Smith, Va.	
McCormack	Spence	
McDonough	Staggers	
McGuire	Steed	
McKinnon	Stefan	
McMillan, S. C.	Stigler	
Mack, Wash.	Sullivan	
Madden	Sutton	
Magee	Talle	
Mansfield	Tauriello	
Marcantonio	Thomas, Tex.	
Marsalis	Thornberry	
Martin, Mass.	Tollefson	
Miles	Trimble	
Miller, Calif.	Underwood	
Mills	Van Zandt	
Mitchell	Vinson	
Monroney	Wagner	
Morgan	Walsh	
Morris	Walter	
Morton	Welch, Calif.	
Multer	Welch, Mo.	
Murdock	White, Calif.	
Nelson	Wier	
Norblad	Wigglesworth	
Norrell	Williams	
O'Brien, Ill.	Willis	
O'Brien, Mich.	Wilson, Okla.	
O'Hara, Ill.	Withrow	
O'Hara, Minn.	Yates	
O'Neill	Young	
O'Sullivan		
O'Toole		
Pace		
Patman		
Patten		
Patterson		
Perkins		
Pfeiffer, William L.		
Phillips, Tenn.		
Plumley		
Polk		
Poulson		
Powell		
Preston		
Price		
Priest		
Quinn		
Rains		
Ramsay		
Rhodes		
Ribicoff		
Richards		
Riehlman		
Rivers		
Rogers, Mass.		

NAYS—117

Abernethy	Gavin	Pickett
Allen, Calif.	Gillette	Poage
Allen, Ill.	Golden	Potter
Anderson, Calif.	Goodwin	Rankin
Angell	Gossett	Redden
Arends	Graham	Reed, Ill.
Barden	Halleck	Reed, N. Y.
Barrett, Wyo.	Hare	Rees
Bishop	Harrison	Regan
Blackney	Hill	Rich
Boggs, Del.	Hoeven	Rogers, Fla.
Bolton, Md.	Hoffman, Ill.	Sanborn
Bolton, Ohio	Hoffman, Mich.	Scrivner
Boykin	Jenkins	Scudder
Bramblett	Jensen	Short
Brehm	Kilday	Simpson, Ill.
Burleson	Lanham	Simpson, Pa.
Chiperfield	LeCompte	Smith, Kans.
Church	Lemke	Smith, Wis.
Clevenger	Lovre	Stockman
Colmer	Lucas	Taber
Cotton	Lyle	Tackett
Cox	McGregor	Teague
Crawford	McMillen, Ill.	Thompson
Cunningham	Mahon	Velde
Curtis	Marshall	Vorys
Dague	Martin, Iowa	Vursell
Davis, Ga.	Mason	Weichel
D'Ewart	Merrow	Werdel
Dolliver	Meyer	Wheeler
Dondero	Michener	Whitten
Doughton	Miller, Md.	Whittington
Ellsworth	Miller, Nebr.	Wickersham
Elston	Murray, Tenn.	Wilson, Tex.
Fellows	Murray, Wis.	Winstead
Fernandez	Nicholson	Wolcott
Fisher	O'Konski	Wood
Ford	Passman	Woodruff
Gathings	Phillips, Calif.	Worley

NOT VOTING—69

Andersen, H. Carl	Hart	Norton
Andresen, August H.	Harvey	Peterson
Brown, Ohio	Hays, Ark.	Pfeifer, Joseph L.
Bulwinkle	Heller	Philbin
Burke	Herlong	Rabaut
Canfield	Hinshaw	Rodino
Case, S. Dak.	Hope	Scott, Hardie
Chudoff	Jackson, Calif.	Shafer
Coffey	Jenison	Sheppard
Cole, Kans.	Jennings	Smith, Ohio
Corbett	Jones, Mo.	Somers
Coudert	Keating	Stanley
Davis, Tenn.	Keogh	Taylor
Dingell	Latham	Thomas, N. J.
Furcolo	McCulloch	Towe
Gamble	McGrath	Wadsworth
Gilmer	McSweeney	Whitaker
Green	Mack, Ill.	White, Idaho
Gwinn	Macy	Wilson, Ind.
Hall, Leonard W.	Morrison	Wolverton
Hand	Moulder	Woodhouse
Harden	Murphy	Zablocki
	Nixon	
	Noland	

So the bill was passed.

The Clerk announced the following pairs:

General pairs until further notice:

Mr. Stanley with Mr. Wolverton.
Mr. Morrison with Mr. Coudert.
Mr. Furcolo with Mr. Towe.
Mr. Chudoff with Mr. Brown of Ohio.
Mrs. Woodhouse with Mr. Macy.
Mr. Green with Mr. Hand.
Mrs. Norton with Mr. Canfield.
Mr. Noland with Mr. Hardie Scott.
Mr. Murphy with Mr. Hope.
Mr. Dingell with Mr. Latham.
Mr. McSweeney with Mr. Shafer.
Mr. Sheppard with Mr. Leonard W. Hall.
Mr. McGrath with Mr. Gamble.
Mr. Rodino with Mr. Nixon.
Mr. Gilmer with Mr. McCulloch.
Mr. Hart with Mr. H. Carl Andersen.
Mr. Hays of Arkansas with Mr. August H. Andresen.
Mr. Moulder with Mr. Cole of Kansas.
Mr. Keogh with Mr. Corbett.
Mr. Joseph L. Pfeifer with Mr. Harvey.
Mr. Rabaut with Mr. Jennings.
Mr. Philbin with Mr. Jonas.
Mr. Whitaker with Mr. Jackson of California.
Mr. Somers with Mr. Gwinn.
Mr. White of Idaho with Mr. Taylor.
Mr. Coffey with Mr. Smith of Ohio.

Mr. BLACKNEY changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. SMITH of Wisconsin asked and was granted permission to extend his remarks in the RECORD and include a magazine article.

Mr. MULTER asked and was granted permission to extend his remarks in the RECORD in three instances and include extraneous matter.

Mr. BATES of Kentucky asked and was granted permission to extend his remarks in the RECORD and include an address by J. Howard Marshall made to the Mississippi Valley Association.

Mr. DOYLE asked and was granted permission to extend his remarks in the RECORD and include an address by the Judge of the Supreme Court of Hawaii.

Mr. MURDOCK asked and was granted permission to extend his remarks in the RECORD and include an editorial.

Mr. WHITE of California asked and was granted permission to extend his remarks in the RECORD.

SPECIAL ORDER GRANTED

Mr. MULTER. Mr. Speaker, I ask unanimous consent that on Wednesday next, following the legislative business of the day and any other special orders heretofore entered, I may address the House for 1 hour.

The SPEAKER pro tempore (Mr. PRIEST). Is there objection to the request of the gentleman from New York [Mr. MULTER]?

There was no objection.

EXTENSION OF REMARKS

Mr. CARNAHAN asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article by Adella Breckenridge Moore, entitled "Moses Austin and the Lure of Lead," notwithstanding the fact that it exceeds the limit established by the Joint Committee on Printing and will cost $177.50.

Mr. MITCHELL asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances.

Mr. BROOKS asked and was given permission to extend his remarks in the Appendix of the RECORD and include certain articles and excerpts.

Mr. PATTERSON asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter.

Mr. KEEFE asked and was given permission to extend his remarks in the Ap-

pendix of the RECORD and include an editorial; also to revise and extend the remarks he made in the Committee of the Whole on the District of Columbia rent bill.

Mr. JUDD asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and in each to include an article.

PERMISSION TO EXTEND REMARKS AT THIS POINT

Mr. NORBLAD. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a letter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. NORBLAD. Mr. Speaker, under leave to extend my remarks I include herein a well written and carefully prepared letter by Mr. W. Verne McKinney, editor of the Hillsboro (Oreg.) Argus. This newspaper has one of the largest weekly circulations in the United States and has been named as the Nation's general-excellence winner. Those of you who are interested in the proposed legislation to hike postal rates should consider all the facts which Mr. McKinney sets forth herein before voting on that legislation.

HILLSBORO ARGUS,
Hillsboro, Oreg., March 5, 1949.

WALTER NORBLAD,
House of Representatives,
Washington, D. C.

DEAR WALTER: House bill 2945 provides for a drastic increase in second-class mail rates, which would have a most crippling effect upon newspapers, especially smaller dailies and weeklies.

I hope that we can count on your opposition to this proposal that constitutes such a serious threat to the free press of the United States. In view of present high costs and conditions, this drastic increase would in all probability force the suspension of a great number of small papers throughout the country.

The weekly and small daily press of the country has often been termed the very bulwark of our American way of life. Anything that would cripple the press certainly would not be in the best interests of the Nation.

One circulation manager figured his newspaper's postage at the proposed rate; where it now costs the newspaper $136 for postage it would cost $2,393 if the new rate bill passes.

Our circulation manager checked our figures and estimates that our yearly postage bill on the paper would jump from approximately $811 to $5,332.

The Post Office Department, I understand, holds that cost figures indicate necessity for rate increase. The handling of second-class mail would in very few instances, I believe, increase the number of employees that would otherwise be required. A few years ago, the Hoosier State Press Association obtained information from local postmasters, which revealed that 42 replied "No" to the question: If second-class mailing service were discontinued would it result in reducing the number of employees? These postmasters were also asked if discontinuance of second-class mail service would reduce operating costs of their offices. Thirty-three answered "No." Eleven replied "Yes;" five stated slightly, and five declined to answer.

The Postmaster General on July 7, 1942, wrote to the House Ways and Means Committee as follows: "There long has been a historical policy of encouraging by low postal rates the dissemination of news and information; and the extent to which this policy has proved successful cannot be minimized. Most careful consideration should be given to any change in rates which would seriously hamper the circulation of useful information or which would tend to dislocate business and industry. The public has been afforded low postal service rates for the general benefit of the Nation, and the extent to which these rates for the classes of mail and the special postal services and special facilities such as registry, money order, and the like, have contributed to the growth and comfort, the culture and influence of the Nation and its democratic processes, must not be overlooked."

Postmaster General Walker in his letter of July 7, 1942, also said in part: "It does not necessarily follow that by increasing second-class rates four and a half times that the total expenditure figure will be met, because it would be pure conjecture to assume that the volume of second-class matter that was in the mails in 1941 would find its way into the mail in 1943 at these increased rates. The probable effect would be to drive second-class matter out of the mails. It by no means follows that the elimination of second-class mail would work a saving of $108,000,000 in expenditures."

"If no second-class matter were in the mails, it would not thereby eliminate a proportionate share of the departmental personnel, the inspection force, the clerks, the carriers, the laborers, the railway-mail clerks, the rural carriers, rent, light, and fuel, because it is not possible to eliminate that portion of the personnel, the equipment, the buildings, the mail cars, and trucks of the postal establishment that are handling the work load of second-class matter. We have no post offices or parts of post offices, designed, equipped, and maintained to handle second-class mail exclusively."

Corroboration of these views was given by Joseph C. O'Mahoney, Acting Postmaster General, in a letter to the Director, Bureau of the Budget, December 8, 1933: " * * * It has been the practice of the Government since its inception to fix cheap postage rates on newspapers and magazines with a view to the widest possible dissemination of news and information among the people. The abandonment of this policy and the establishment of a second-class schedule high enough to insure the recovery by the Government of the whole cost of handling each newspaper and periodical publication deposited in the mails would deprive a considerable proportion of our population of what is perhaps the most important and substantial benefit which they derive from the postal system. Those who reside in metropolitan areas would be little affected * * *. But the smaller communities and the rural districts depend almost wholly upon the post office for this service, and if newspapers and periodicals should be excluded from the mails by high rates of postage, the greatest inconvenience would result to these sections * * *. Considering the question from the standpoint of the publishers, the smaller publications would be the most injured."

The United States Court of Appeals on June 4, 1945, said: "Congress established the second-class mailing privileges because it believed that periodicals which disseminated public information, literature, art, or science deserved to be encouraged on account of their contribution as a class to the public good."

Anything that you can do to help block this threatening and drastic increase will be greatly appreciated by your many Oregon newspaper friends. Hearings start March 14.

All good wishes to you and yours.

Sincerely,

W. VERNE MCKINNEY.

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Washington [Mr. HORAN] is recognized for 15 minutes.

THE COLUMBIA INTERSTATE COMMISSION BILL

Mr. HORAN. Mr. Speaker, today I have introduced a revised version of my bill to establish a Columbia Interstate Commission, to provide for the orderly and integrated development of the water resources of the region drained by the Columbia River in the Pacific Northwest. I wish to make a brief statement summarizing this bill and pointing out the essential differences between it and the so-called Columbia Valley Authority bills which have been introduced in previous Congresses.

The purpose of creating a Columbia Interstate Commission is to provide a vehicle for the orderly development of the tremendous resources with which this region has been blessed, to give voice to the residents of the Pacific Northwest in determining the policies directing the course of this development, to extend the benefits of that development to the growth of the true native private enterprise in the area and to guarantee to the Federal Government a sound administration of the projects in the Columbia region in which the taxpayers have a multi-billion-dollar investment.

If any statement were needed to demonstrate the absolute necessity of revising our present system of resource development, the report issued last week by the Hoover Commission dealing with Natural Resources and the Department of the Interior offers plenty of reason for seeking a new approach to the problem.

In making my own study, over a period of many years, I have been sympathetic to the sincere objectives of the standard proponents of the valley authority principle. My own bill is an attempt to remedy the obvious defects in the authority bills and still attain the objective of comprehensive regional development.

My basic objections to the "valley authority" bills have been mainly:

First. No adequate provision has been made for giving the people resident in the area, through their State governments, an effective voice in policy matters.

Second. Such provision as has been made in these bills for local advisory councils have been proposed on a "pressure group" basis. To me, this smacks too much of the corporative state and is repugnant to American traditions.

Third. No effective guarantee has been made as to rights of employees of the authority, either through civil service or collective bargaining.

Fourth. In attempting to avoid colonialism by Wall Street, the authority proponents have advocated colonialism by Washington, D. C. To me, either condition for the Pacific Northwest is intolerable.

It so happens that many of the criticisms leveled against the practical operation of our present Federal resource agencies by the Hoover Commission last week were right in line with my own thinking. And it also happens that

many of the Hoover Commisssion recommendations fall right in line with my own proposal for a new agency to coordinate Federal and State activities in the Columbia River region—to put them on a more orderly basis and to give a measure of local control to the people living in the area.

There have been so many things said both for and against proposals for a Columbia Valley authority which have been based on special interest or prejudice that it is hard to discuss the subject in terms of the basic principles involved. Yet, the Commission report does treat these basic principles in a most candid and impartial manner. To those who have smugly insisted that the existing Federal agencies were doing a good enough job and that no need existed for a program of comprehensive river development, the findings of the Commission's task force are more devastating than any statements I might make. Therefore, I want to list some of the things said in the Hoover Commission report regarding the present hodgepodge of Federal activities on the Columbia River.

The Commission lists seven major defects in the organization of governmental services now engaged in water development programs. They are:

(1) There is no effective agency for screening and review of proposed projects to determine their economic and social worth—no effective review of the timing of the undertaking of these projects in relation to one another or in relation to the Nation's ability to build them or the region's ability to absorb them.

This defect would be eliminated by my bill for a Columbia Interstate Commission—charged with the duty of performing just that function.

(2) There is duplication and overlap of effort—and policy conflicts between the Army engineers and the Bureau of Reclamation jurisdiction over projects.

The Hoover Commission recommends combining the civil functions of the Army engineers with the Reclamation Bureau. I would go one step further and give to the Columbia Interstate Commission the authority to select which Federal or State agency is best fitted to carry out any specific function. Thus, the full responsibility for ending this duplication and conflict would rest with the CIC—the people's own agency in the Northwest.

(3) There is an inherent conflict between the most efficient operation of storage dams for flood control and other dams primarily used for generation of hydroelectric power. This can be solved only by a consolidated administration.

My CIC bill places this consolidated administration in the hands of the people whose lives and fortunes are directly affected by the flood control, power production, and reclamation facilities in the Columbia River region.

(4) There is considerable doubt as to the assignment of capital costs on the one hand and the recovery of costs on reimbursable features of multiple-purpose projects.

Since my bill for a Columbia Interstate Commission makes specific provision for allocation of costs, determination of reimbursability, and a proper relationship between various features of these projects, it offers a reasonable solution to this problem.

(5) The Federal laws in respect to the Bureau of Reclamation—embracing some 803 pages—are too indefinite, complex, and contradictory.

Much of this contradiction stems from the attempt of the Congress over many years to set up a single set of Reclamation laws which will apply to every river basin in the country. This—from a practical and geophysical standpoint—is impossible, since no two river basins have the same characteristics and no two present the same problems. My CIC bill is tailored specifically to meet the conditions and the needs to be found in the Columbia River region.

(6) There is no uniformity of principles guiding congressional authorization of these projects. Some are authorized under reclamation law, some under flood-control law, some under their own special legislation.

My CIC bill would place all Federal river development activities under one comprehensive body of law, eliminating much of this confusion.

(7) The hydroelectric power and irrigation aspects of Federal river development are essentially business enterprises. Yet they are subject to many deficiencies and they lack the flexibility of management, accounting, audit, and budgeting which a successful business enterprise requires.

My CIC bill would place these business activities in the hands of a Federal corporation, which would have authority to do its business in a business-like manner, under close supervision of the people of the Northwest who are its stockholders.

But the Hoover commission places its greatest emphasis on what it calls the disastrously wasteful conflict between competing governmental agencies in the river-development field. The elimination of this conflict and the blending of the work of all Federal agencies, State governments and local interests into a single program—with the basic control over policy kept in the hands of the States of Washington, Oregon, Idaho, Montana, and Wyoming—is the essential feature of my CIC bill.

Here is the Hoover Commission's comment on the attempts made to date to compose these differences. I want to call particular attention to the comments on the Columbia Basin Inter-Agency Committee—which, I think, was a good and sincere attempt in the right direction—but which, without some statutory authority to reach decisions and enforce them—was doomed to failure.

The function of river development—

The Hoover Commission said—

is a multiple-purpose one, cutting across many of the unifunctional agencies. Experience has shown that parceling out river development responsibilities among these functional agencies produces endless confusion and conflict. A plan for the development of a river basin cannot be devised by adding together the special studies and the separate recommendations of different agencies concerned with navigation, flood control, irrigation, land drainage, pollution, power development, domestic and industrial water supplies, fishing, and recreation.

These varied and sometimes conflicting purposes must be put together and integrated in a single plan of development.

Here is another statement from the Commission's report which is worthy of consideration: "Under conflicting laws, rival Federal agencies compete for taxpayer money in what often appear to be premature and unsound river developments, duplicating each other's surveys and bidding against each other for local support at national expense." Anyone who has studied the conflicting proposals of the Army Engineers, Bureau of Reclamation, fisheries industry, and other groups for development in the Columbia basin knows too well how true that statement is.

But even going beyond that, the Commission report states that—

No effective method has been found for reconciling conflicting opinions and programs * * * the inter-agency committees have failed to solve any important aspects of the problem * * * because the dominant members have been unwilling to permit inter-agency committees to settle their differences.

Clearly, this points out the need for an agency—representative of the people themselves—capable of composing those differences and reaching decisions today which will not be reversed tomorrow.

In discussing the widely heralded Pick-Sloan plan for development of the Missouri River—which many have insisted was an acceptable alternate to the Missouri Valley Authority proposal—the Commission had this to say:

After sharp clashes over plans for development of the Missouri Basin, the Corps and the Bureau announced complete agreement on the Pick-Sloan plan. Analysis of that plan reveals that it contains many projects which previously had been subjected to devastating criticism by one or the other agency. The compromise consisted for the most part in a division of projects, each agency agreeing to forego the privilege of criticizing projects assigned by agreement to the other. The result—

The Commission goes on to say—

is in no sense an integrated development plan for the basin and there is serious question in this case whether agreement between the two agencies is not more costly to the public than disagreement.

Now, I simply cannot imagine anyone believing that the Hoover Commission was weighted in favor of concentrated Federal development, nor that the majority of its members were pro public power. Indeed, all the advance reports released by the so-called experts as to what they thought the Commission was going to recommend, were slanted to indicate the Commission would discourage the idea of coordinated basin-wide development of the Nation's rivers. Exactly the opposite happened. First, the Commission recommended continuance of the Tennessee Valley Authority, as an experiment which should be brought to its completion. Second, the Commission recognized the essential need of development on a watershed-area basis. In other words it recognized what some people in even my own State do not realize—that a river like the Columbia cannot belong to one State alone and cannot properly be de-

veloped by one State alone. Third, the Commission recommended establishing some type of interstate commission to coordinate Federal river-development activities in any given area and to give the States representation on such a commission.

But that is where the Hoover Commission stopped. In so doing, it left us right where the advocates of conventional valley-authority proposals stop; with complete domination by the Federal Government over river development and no truly representative voice—no local control—reserved to the people of the States concerned.

That is the point at which my bill for a Columbia Interstate Commission takes up the rights of the people in the Pacific Northwest. For my Columbia Interstate Commission bill is the only proposal for coordinated river-valley development which does make adequate provision for truly local control and participation in shaping the policies to be followed. The following is a brief description of the Columbia Interstate Commission bill, its background and its differences from other proposals for the development of the Columbia River region.

THE HORAN BILL FOR A COLUMBIA INTERSTATE COMMISSION

The Columbia Interstate Commission bill is based on 5 years' study of all valley authority proposals and alternative schemes. It is the product of constructive criticism by proponents and opponents of all previous proposals. It gives statutory authority to the principle of the Columbia Basin Interagency Committee and allows immediate progress on the programs of the Army engineers and Bureau of Reclamation but transfers the balance of control to the people living in the Pacific Northwest States.

The Columbia River is both an interstate and international stream. Since it drains large areas of western Montana, a small part of Wyoming, nearly all of Idaho, and more than half of Oregon and Washington, and draws one-third of its flow from British Columbia in Canada, the interests of both the Pacific Northwest and the Nation require that its resources be harnessed in an orderly manner.

The Columbia River is North America's most potent stream: Developed to the fullest, it can bring 3,840,000 acres of new land under cultivation, insure an adequate water supply to 1,500,000 partially thirsty acres, develop some 45,000,000 horsepower in electricity, nourish a $100,000,000 fisheries industry, supply water for atomic energy and supersonic aeronautical research—and still have water left over for navigation and other purposes.

The Columbia River will be developed—inevitably—in the public interest. National defense, the need for the resources of the Northwest and growing population in the area require it. The only question is whether the basic control of its development will rest in Washington, D. C., Wall Street, or within the area through which its mighty waters flow.

The Columbia Interstate Commission bill answers the demand of the people of the Pacific Northwest for an agency capable of carrying out an orderly, comprehensive program of development of the Columbia region's resources, through the use of Federal investment and the abilities of specialized Federal agencies, which at the same time guarantees to residents of the region a full measure of local control in determining the policies to be followed in attaining this development. Dozens of organizations and thousands of people in the Northwest are on record as favoring the creation of a Federal corporation to supervise resource-development activities in the Columbia River region provided it gave them a real voice in controlling the corporation's activities. The Columbia Interstate Commission bill is the only proposal which meets that requirement.

The Columbia Interstate Commission consists of two main elements: A board of commissioners, consisting of one man each nominated by the Governors of Idaho, Montana, Oregon, and Washington, and one named at large and directly appointed by the President, all serving staggered 7-year terms, would provide continuity in the supervision and construction of projects for development. The board members would receive salaries of $15,000 per year and must be free of any connection with businesses which would be affected by the corporation's activities.

The advisory council set up under CIC would consist of the governors and 3 other representatives of those 4 States and 1 representative of the State of Wyoming, 17 in all. The advisory council, whose composition would constantly reflect changing political sentiment with each general election, would keep the Commission's activities in line with the will of the people. By holding public hearings on all project proposals and issuing reports on them before they could be sent to Congress, the advisory council would provide a constant check on the Commission's activities. The CIC is the only proposal for comprehensive river development in which the residents of the area have a truly representative voice in its control.

The Columbia Interstate Commission bill is the only proposal for a Federal corporation which guarantees the full benefits of collective bargaining to its laborers and mechanics, and the security of civil-service status to its administrative personnel.

The Columbia Interstate Commission, under authorization from Congress, would assume responsibility for all activities of reclamation, navigation, flood control, pollution control, power generation, fisheries conservation, watershed protection and such other activities as may be desirable in making the resources of the area available to farmers and industries of the area. At the same time, it provides for continued operation of existing agencies, such as the Soil Conservation Service, in those fields where such operation is preferable.

The Columbia Interstate Commission does not invade the field of private enterprise. While preserving the traditional public preference provisions of Federal power development, it allows the people of any given area to have the form of local power distribution they prefer. It is the only Federal power development proposal which gives first consideration in power distribution to farmers and home consumers. The CIC provides for opening up resources of the Northwest to new industries, agriculture, and to veterans seeking a source of expanding economy.

The Columbia Interstate Commission preserves the general principles of reclamation, flood control, and river-development policies built up over a long period of Federal history, but adapts those principles to the regional concept of interstate cooperation in the Pacific Northwest. It is the only proposal making specific provision for cooperation with Canada for international water development planning.

The Columbia Interstate Commission bill provides for full repayment to the United States Treasury of all Federal money borrowed or appropriated for power and irrigation projects. It also provides for payments in lieu of taxes to State, county, and municipal governments whenever such taxes would be applicable.

The Columbia Interstate Commission is the only proposal for Columbia River development providing for an advisory council not composed merely of pressure groups. It is the only proposal making specific provision for conservation of fisheries. It is the only proposal providing for full public hearings on all activities of the corporation.

The Columbia Interstate Commission allows residents of the Pacific Northwest to determine for themselves the priority of project planning—to protect the forests, fisheries, navigation, grazing lands, mining areas, Indian rights, and the like. It is the only proposal requiring specific representation of each of the States affected.

The Columbia Interstate Commission is tailored to the needs of the Pacific Northwest.

(Mr. HORAN asked and was given permission to revise and extend his remarks and include extraneous matter.)

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. JONES of Missouri, for this week, on account of the death of his father;

To Mr. H. CARL ANDERSEN (at the request of Mr. HAND) from March 21 to 26, inclusive, on account of official business; and

To Mrs. NORTON (at the request of Mr. COOPER) for the week of March 21, 1949, on account of illness.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1870. An act for the relief of Doris Marie Richard;

H. R. 2216. An act to amend the National Security Act of 1947 to provide for an Under Secretary of Defense;

H. R. 2485. An act to authorize the attendance of the United States Marine Band at the Eighty-third and Final National Encampment of the Grand Army of the Republic to be held in Indianapolis, Ind., August 28 to September 1, 1949;

H. R. 2546. An act to authorize the Secretary of the Air Force to establish land-based air warning and control installations for the national security, and for other purposes; and

H. J. Res. 89. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress.

The SPEAKER announced his signature to an enrolled bill and joint resolutions of the Senate of the following titles:

S. 90. An act to provide for permanent residence status of Richard Kim;

S. J. Res. 36. Joint resolution for the authorization of a special contribution by the United States for the relief of Palestine refugees; and

S. J. Res. 56. Joint resolution extending an invitation to the International Olympic Committee to hold the 1956 Olympic Games at Detroit, Mich.

ADJOURNMENT

Mr. PRICE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 14 minutes p. m.) the House, pursuant to its previous order, adjourned until tomorrow, Tuesday, March 22, 1949, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

404. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1949 in the amount of $150,000 for the Federal Works Agency (H. Doc. No. 126); to the Committee on Appropriations and ordered to be printed.

405. A communication from the President of the United States, transmitting a revised estimate of appropriation involving an increase of $478,520, and supplemental estimate in the amount of $650,000, for the Department of the Army, both amendments to the budget for the fiscal year 1950 (H. Doc. No. 127); to the Committee on Appropriations and ordered to be printed.

406. A letter from the assistant to the President, American Academy of Arts and Letters, transmitting the official report of the American Academy of Arts and Letters for the year ending December 31, 1948; to the Committee on House Administration.

407. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting its report on medical activities, and separately, as appendix O, the task-force report on organization of Federal medical services and a supplemental task-force report on an independent medical agency (H. Doc. No. 128); to the Committee on Expenditures in the Executive Departments and ordered to be printed with illustrations.

408. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting to the Congress a study prepared for the Commission's consideration of the medical services of the Federal Government; to the Committee on Expenditures in the Executive Departments.

409. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting a supplemental report on the medical services of the Federal Government; to the Committee on Expenditures in the Executive Departments.

410. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting its report on social security and education, and separately, as appendix P, the task-force report on welfare activities. Part 3, Federal Policy and Organization for Education; Part 4, Federal Activities and Organization in the Field of Employment; and Part 5, Relief and Social Security, of the task-force document refer to the subjects under discussion in this report (H. Doc. No. 129); to the Committee on Expenditures in the Executive Departments and ordered to be printed, with illustrations.

411. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting to the Congress a study prepared for the Commission's consideration of the field of public welfare; to the Committee on Expenditures in the Executive Departments.

412. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting to the Congress, in typescript, part 7 of the detailed findings presented to the Commission by the task force which studied the functions and activities of the National Government in the field of welfare. This material is a further addition to the supporting data which accompanies the Commission's report on social security, education, and Indian affairs; to the Committee on Expenditures in the Executive Departments.

413. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting to the Congress, in typescript, appendix B to the study on Federal medical services offered for the Commission's consideration by the task force as a supplement to their summary report on this subject; to the Committee on Expenditures in the Executive Departments.

414. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting to the Congress, in typescript, appendix C to the study on Federal medical services offered for the Commission's consideration by the task force as a supplement to their summary report on this subject; to the Committee on Expenditures in the Executive Departments.

415. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting to the Congress, in typescript, appendix D to the study on Federal medical services offered for the Commission's consideration by the task force as a supplement to their summary report on this subject; to the Committee on Expenditures in the Executive Departments.

416. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting to the Congress, in typescript, appendix E to the study on Federal medical services offered for the Commission's consideration by the task force as a supplement to their summary report on this subject; to the Committee on Expenditures in the Executive Departments.

417. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting to the Congress, in typescript, appendix F to the study on Federal medical services offered for the Commission's consideration by the task force as a supplement to their summary report on this subject; to the Committee on Expenditures in the Executive Departments.

418. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting to the Congress, in typescript, appendix G to the study on Federal medical services offered for the Commission's consideration by the task force as a supplement to their summary report on this subject; to the Committee on Expenditures in the Executive Departments.

419. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting to the Congress, in typescript, appendix H to the study on Federal medical services offered for the Commission's consideration by the task force as a supplement to their summary report on this subject; to the Committee on Expenditures in the Executive Departments.

420. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting to the Congress, in typescript, appendix I to the study on Federal medical services offered for the Commission's consideration by the task force as a supplement to their summary report on this subject; to the Committee on Expenditures in the Executive Departments.

421. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting to the Congress, in typescript, appendix J to the study on Federal medical services offered for the Commission's consideration by the task force as a supplement to their summary report on this subject; to the Committee on Expenditures in the Executive Departments.

422. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting to the Congress, in typescript, appendix K to the study on Federal medical services offered for the Commission's consideration by the task force as a supplement to their summary report on this subject; to the Committee on Expenditures in the Executive Departments.

423. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting to the Congress, in typescript, appendix L to the study on Federal medical services offered for the Commission's consideration by the task force as a supplement to their summary report on this subject; to the Committee on Expenditures in the Executive Departments.

424. A letter from the Chairman, Securities and Exchange Commission, transmitting the Fourteenth Annual Report of the Securities and Exchange Commission, for the fiscal year ended June 30, 1948; to the Committee on Interstate and Foreign Commerce.

425. A letter from the Administrator, Federal Works Agency, transmitting a draft of a proposed bill to authorize the construction of an extension to and the remodeling of the building located at Twenty-first Street and Virginia Avenue NW. in the District of Columbia; to the Committee on Public Works.

426. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated October 20, 1948, submitting a report, together with accompanying papers, on a review of reports on Gladstone Harbor, Mich., with a view to determining if further improvement for the benefit of light-draft vessels is advisable at this time. Requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on March 26, 1946; to the Committee on Public Works.

427. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated August 20, 1948, submitting a report, together with accompanying papers, on a review of reports on Potomac River at and below Washington, D. C., and Washington Harbor, requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted September 18, 1945; to the Committee on Public Works.

428. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated October 11, 1948, submitting a report, together with accompanying papers, on a preliminary examination of Insley Cove, Fort Creek, Dorchester County, Md., authorized by the River and Harbor Act approved on July 24, 1946; to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committee were delivered to the Clerk for printing and reference to the proper calendar, as follows:

By Mr. MURDOCK: Committee on Public Lands. H. R. 2325. A bill to grant the consent of the United States to the Upper Colorado River Basin Compact; without amendment (Rept. No. 270). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. H. R. 2821. A bill to amend the act approved June 14, 1926 (44 Stat. 741; 43 U. S. C., sec. 869), entitled "An act to authorize acquisition or use of public lands by States, counties, or municipalities for recreational purposes," to include other public purposes and to permit nonprofit organizations to lease public lands for certain purposes; with amendments (Rept. No. 271). Referred to the Committee of the Whole House on the State of the Union.

Mr. CARLYLE: Committee on Post Office and Civil Service. H. R. 997. A bill to extend the benefits of section 1 (c) of the Civil Service Retirement Act of May 29, 1930, as amended, to employees who were involuntarily separated during the period from July 1, 1945, to July 1, 1947, after having rendered 25 years of service but prior to attainment of age 55; without amendment (Rept. No. 272). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORRIS: Committee on Public Lands. H. R. 1408. A bill to declare that the United States holds certain lands in

trust for the Lac Courte Areilles Band of Lake Superior Chippewa Indians of the State of Wisconsin; without amendment (Rept. No. 273). Referred to the Committee of the Whole House on the State of the Union.

Mr. McCARTHY: Committee on Post Office and Civil Service. H. R. 2944. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide survivorship benefits for widows or widowers of persons retiring under such act; with amendments (Rept. No. 274). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. H. R. 3274. A bill to provide for the conveyance of certain historic properties to the State of Georgia, and for other purposes; with amendments (Rept. No. 275). Referred to the Committee of the Whole House on the State of the Union.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 779. A bill to amend the Federal Tort Claims Act to increase the time within which claims under such act may be presented to Federal agencies or prosecuted in the United States district courts; without amendment (Rept. No. 276). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 2023. A bill to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes; with amendments (Rept. No. 277). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DENTON: Committee on the Judiciary. H. R. 52. A bill for the relief of Nevada County, Calif.; without amendment (Rept. No. 278). Referred to the Committee of the Whole House.

Mr. FRAZIER: Committee on the Judiciary. H. R. 589. A bill for the relief of C. M. Smart; with an amendment (Rept. No. 279). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 656. A bill for the relief of the Peerless Oil Co., of Brooklyn, N. Y.; without amendment (Rept. No. 280). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 688. A bill for the relief of John P. Reilly; with an amendment (Rept. No. 281). Referred to the Committee of the Whole House.

Mr. FRAZIER: Committee on the Judiciary. H. R. 692. A bill for the relief of Joseph Thompson; with an amendment (Rept. No. 282). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 737. A bill for the relief of Sam Patterson; without amendment (Rept. No. 283). Referred to the Committee of the Whole House.

Mr. FRAZIER: Committee on the Judiciary. H. R. 807. A bill for the relief of Chattooga County, Ga.; with an amendment (Rept. No. 284). Referred to the Committee of the Whole House.

Mr. FRAZIER: Committee on the Judiciary. H. R. 1037. A bill for the relief of Samuel Ensler and Louis Puccinelli; without amendment (Rept. No. 285). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 1056. A bill to confer jurisdiction on the Court of Claims to hear and determine the claim of Preston L. Watson as administrator of the goods and chattels, rights, and credits which were of Robert A. Watson, deceased; without amendment (Rept. No. 286). Referred to the Committee of the Whole House.

Mr. FRAZIER: Committee on the Judiciary. H. R. 1113. A bill for the relief of James A. Stapleton, Ruth Burk, and Mildred Ovren, copartners doing business under the name and style of Stapleton Lumber & Piling Co.; without amendment (Rept. No. 287). Referred to the Committee of the Whole House.

Mr. FRAZIER: Committee on the Judiciary. H. R. 1288. A bill for the relief of certain officers and members of the crew of the steamship *Taiyuan;* with an amendment (Rept. No. 288). Referred to the Committee of the Whole House.

Mr. FRAZIER: Committee on the Judiciary. H. R. 1467. A bill for the relief of Thomas O. Troth; with an amendment (Rept. No. 289). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 1468. A bill for the relief of Mrs. Anna Smolowitz; with an amendment (Rept. No. 290). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 1874. A bill for the relief of John W. Mahoney, Charles Sorenson, Charles A. Stewart, and Stanley Thiffault; without amendment (Rept. No. 291). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 1875. A bill for the relief of Peter E. Kolesnikoff; without amendment (Rept. No. 292). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 3311. A bill for the relief of Carmen Morales; without amendment (Rept. No. 293). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 3313. A bill for the relief of the estate of the late Manuel Graulau Vélez; without amendment (Rept. No. 294). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 3323. A bill for the relief of the estate of Rafael Rebollo; with an amendment (Rept. No. 295). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 3324. A bill for the relief of the estate of the late Anastacio Acosta; with an amendment (Rept. No. 296). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 3532. A bill for the relief of Mrs. Sirvart Arsenian; without amendment (Rept. No. 297). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 3534. A bill for the relief of Eleanor P. Simmonds; with an amendment (Rept. No. 298). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 761. A bill for the relief of Catherine S. Tremayne; with an amendment (Rept. No. 299). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. ALBERT:

H. R. 3623. A bill to amend the Agricultural Adjustment Act of 1938 with respect to the apportionment of the acreage allotment for peanuts; to the Committee on Agriculture.

H. R. 3624. A bill to amend the Agricultural Adjustment Act of 1938 with respect to the apportionment of the acreage allotment for peanuts; to the Committee on Agriculture.

By Mr. CELLER:

H. R. 3625. A bill granting to physically handicapped individuals a special deduction, for income-tax purposes, of $600; to the Committee on Ways and Means.

By Mr. COUDERT:

H. R. 3626. A bill to amend the Selective Service Act of 1948 to permit persons to choose the date of their induction; to the Committee on Armed Services.

By Mr. CRAWFORD:

H. R. 3627. A bill to amend section 22 (a) (General Definition) of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. DAVIS of Wisconsin:

H. R. 3628. A bill to amend the Immigration Act of 1924 to authorize the admission to the United States as nonquota immigrants of stepchildren and adopted children of citizens of the United States; to the Committee on the Judiciary.

By Mr. KARST:

H. R. 3629. A bill to amend the Veterans' Preference Act of 1944, as amended, to provide retention points for veterans in any reduction-in-personnel program; to the Committee on Post Office and Civil Service.

By Mr. LESINSKI (by request):

H. R. 3630. A bill to authorize the appropriation of funds to assist the States and Territories in financing more equitable schedules of salaries for teachers in the public elementary and secondary schools, in reducing the inequalities of educational opportunities and services available for children and youth in the several States, and to promote the general welfare, and for other purposes; to the Committee on Education and Labor.

By Mr. MARSALIS:

H. R. 3631. A bill to grant the consent of the United States to the Arkansas River compact; to the Committee on Public Lands.

By Mr. MERROW:

H. R. 3632. A bill to provide for the issuance of a special postage stamp in commemoration of the fiftieth anniversary of Old Home Week; to the Committee on Post Office and Civil Service.

By Mr. MITCHELL:

H. R. 3633. A bill to authorize the issuance of a commemorative stamp in honor of the one hundredth anniversary of the landing of the first white settlers in the city of Seattle, Wash.; to the Committee on Post Office and Civil Service.

H. R. 3634. A bill to amend title 28 of the United States Code to provide additional time for bringing suit against the United States in the case of certain tort claims, and for other purposes; to the Committee on the Judiciary.

By Mr. PATTEN:

H. R. 3635. A bill recommending that the following new provisions be added to the Johnson-O'Malley Act (title 25, U. S. C., sec. 452); to the Committee on Public Lands.

By Mr. HORAN:

H. R. 3636. A bill to establish a Columbia Interstate Commission, and for other purposes; to the Committee on Public Works.

By Mr. PHILLIPS of Tennessee:

H. R. 3637. A bill to permit the sending of Braille writers to or from the blind at the same rates as provided for their transportation for repair purposes; to the Committee on Post Office and Civil Service.

By Mr. PHILLIPS of Tennessee (by request):

H. R. 3638. A bill to amend section 304 of the World War Veterans' Act, 1924, so as to cancel certain indebtedness against Government life-insurance policies held by disabled veterans; to the Committee on Veterans' Affairs.

By Mr. REED of New York:

H. R. 3639. A bill to increase to $600 the amount a dependent may earn without loss of exemption to the taxpayer; to the Committee on Ways and Means.

By Mrs. ROGERS of Massachusetts:
H. R. 3640. A bill to promote maximum employment, business opportunities, and careers in a free competitive economy; to the Committee on Banking and Currency.

By Mr. SADLAK:
H. R. 3641. A bill to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. TACKETT:
H. R. 3642. A bill to provide for the designation of Camp Chaffee, Ark., as Fort Chaffee, Ark., and to establish it as a permanent military installation; to the Committee on Armed Services.

By Mr. YOUNG:
H. R. 3643. A bill to limit the removal of civil actions from State to Federal courts; to the Committee on the Judiciary.

By Mr. CLEMENTE:
H. R. 3644. A bill to amend section 605 of the Communications Act of 1934 to prohibit the interception of communications, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BATTLE:
H. R. 3645. A bill to amend the Public Health Service Act to provide for research and investigation with respect to the cause, prevention, and treatment of cerebral palsy, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BARING:
H. R. 3646. A bill for the relief of the city of Reno, Nev.; to the Committee on the Judiciary.

By Mr. CASE of South Dakota:
H. R. 3647. A bill to facilitate the free flow of commerce by amending and combining certain features of the National Labor Relations Act of 1935 and the Labor Management Relations Act of 1947 and by providing a method for dealing with disputes affecting the national welfare, and for other purposes; to the Committee on Education and Labor.

By Mr. COTTON:
H. R. 3648. A bill to designate the dam now under construction near Peterborough, N. H., as Edward MacDowell Dam; to the Committee on Public Works.

By Mr. FORD:
H. R. 3649. A bill to amend title III of the National Housing Act, as amended, in relation to the purchase of certain mortgages by the Federal National Mortgage Association; to the Committee on Banking and Currency.

By Mr. McDONOUGH:
H. R. 3650. A bill to conserve national resources by authorizing the construction and operation of demonstration plants to produce potable water from sea water, or other liquids, elements, or substances, in order to promote the general welfare of the Nation and to conserve and increase the national water resources, and for other purposes; to the Committee on Armed Services.

By Mrs. NORTON:
H. R. 3651. A bill to regulate private employment agencies engaged in interstate commerce; to the Committee on Education and Labor.

By Mr. O'NEILL:
H. R. 3652. A bill to amend the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the postal service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945, as amended; to the Committee on Post Office and Civil Service.

By Mr. POULSON:
H. R. 3653. A bill to repeal the taxes on telegraph, telephone, radio, and cable services; to the Committee on Ways and Means.
H. R. 3654. A bill to forbid the imposition of certain conditions on the interstate or foreign transportation of psittacine birds; to the Committee on Interstate and Foreign Commerce.
H. R. 3655. A bill to confirm and establish the titles of the States to lands beneath navigable waters within State boundaries and natural resources within such lands and waters and to provide for the use and control of said lands and resources; to the Committee on the Judiciary.
H. R. 3656. A bill to repeal the tax on transportation of persons and the tax on transportation of property; to the Committee on Ways and Means.
H. R. 3657. A bill to terminate the war tax rates on telephone, telegraph, and other communications; to the Committee on Ways and Means.
H. R. 3658. A bill to eliminate or reduce certain excise taxes; to the Committee on Ways and Means.

By Mr. SCRIVNER:
H. R. 3659. A bill to authorize the President to proclaim the Wyandott Indian Cemetery at Kansas City, Kans., the Wyandott National Monument, and for other purposes; to the Committee on Public Lands.

By Mr. SPENCE:
H. R. 3660. A bill providing for the conveyance to Campbell County, Ky., of the Fort Thomas post cemetery and for its perpetual care and maintenance; to the Committee on Armed Services.

By Mr. WHITE of California:
H. R. 3661. A bill to authorize the appointment of such additional district judges for the southern district of California so as to bring the total number of judges to 10 in the southern district of California; to the Committee on the Judiciary.

By Mr. WHITTINGTON:
H. R. 3662. A bill to provide for comprehensive planning, for site acquisition in and outside of the District of Columbia, and for the design of Federal building projects outside of the District of Columbia; to authorize the transfer of jurisdiction over certain lands between certain departments and agencies of the United States; and to provide certain additional authority needed in connection with the construction, management, and operation of Federal public buildings; and for other purposes; to the Committee on Public Works.

By Mr. KLEIN:
H. J. Res. 193. Joint resolution to authorize and direct the Secretary of Commerce to proclaim the week from April 11 through April 17 National Trimmed Dress Week; to the Committee on the Judiciary.

By Mr. MARCANTONIO:
H. J. Res. 194. Joint resolution requesting the President to release all documents dealing with the origins, workings, and war record of the Franco regime of Spain; to the Committee on Foreign Affairs.

By Mr. POULSON:
H. J. Res. 195. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. BYRNES of Wisconsin:
H. Res. 158. Resolution to authorize and direct the Committee on Veterans' Affairs to investigate and study the Federal compensation and pension system for the veterans of World Wars I and II; to the Committee on Rules.

By Mr. DAVIS of Wisconsin:
H. Res. 159. Resolution to authorize and direct the Committee on Veterans' Affairs to investigate and study the Federal compensation and pension system for the veterans of World Wars I and II; to the Committee on Rules.

By Mr. LESINSKI:
H. Res. 160. Resolution authorizing the printing of additional copies of House Report No. 267, current Congress, being the committee report of the bill (H. R. 3190) entitled "Fair Labor Standards Amendments of 1949"; to the Committee on House Administration.

By Mr. BATTLE:
H. Res. 161. Resolution favoring the use of certain merchant vessels for temporary transoceanic passenger service; to the Committee on Merchant Marine and Fisheries.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to provide for greater allocation of funds for slum clearance and low-cost housing projects; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of Vermont, requesting support of the agricultural conservation program; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Idaho, urging that steps be taken immediately to the end that a unified, integrated, and well-coordinated plan for the development of the natural resources of the Columbia Basin be presented to the Congress for consideration of authorization for construction thereof; to the Committee on Public Works.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ABERNETHY:
H. R. 3663. A bill for the relief of Lawrence Reves; to the Committee on the Judiciary.

By Mr. ANDERSON of California:
H. R. 3664. A bill for the relief of Bruce M. Stern; to the Committee on the Judiciary.

By Mr. BENTSEN:
H. R. 3665. A bill for the relief of Mrs. Josephine Wagnon Walker; to the Committee on the Judiciary.

By Mr. DEANE:
H. R. 3666. A bill for the relief of the Lillington Roller Mills, Inc.; to the Committee on the Judiciary.

By Mr. D'EWART:
H. R. 3667. A bill authorizing the Secretary of the Interior to issue a patent in fee to Lenora Farwell Fritzler; to the Committee on Public Lands.

By Mr. FORD:
H. R. 3668. A bill for the relief of Vincent E. Nugent; to the Committee on the Judiciary.

By Mr. LEONARD W. HALL:
H. R. 3669. A bill for the relief of Emilio Tagle; to the Committee on the Judiciary.

By Mr. HAVENNER:
H. R. 3670. A bill for the relief of Charles P. Eliot; to the Committee on the Judiciary.

By Mr. HERTER (by request):
H. R. 3671. A bill for the relief of Carlton Hotel, Inc.; to the Committee on the Judiciary.

By Mr. HERTER:
H. R. 3672. A bill for the relief of Mrs. Vera C. A. Freund; to the Committee on the Judiciary.

By Mr. KEATING:
H. R. 3673. A bill for the relief of Elias (Louis) Ferris; to the Committee on the Judiciary.

By Mr. MITCHELL:
H. R. 3674. A bill for the relief of Mrs. Marjorie Tracy White; to the Committee on the Judiciary.
H. R. 3675. A bill for the relief of Erik H. Lindman; to the Committee on the Judiciary.

By Mr. MULTER:
H. R. 3676. A bill for the relief of Cosmo Casati; to the Committee on the Judiciary.

H. R. 3677. A bill for the relief of Ciro Gamboni; to the Committee on the Judiciary.

By Mr. PERKINS:

H. R. 3678. A bill for the relief of Dan Frazier; to the Committee on the Judiciary.

By Mr. POULSON:

H. R. 3679. A bill to provide for the relief of Ella Henderson Strobel Burton and Annie Strobel, sisters; to the Committee on the Judiciary.

By Mr. WHITTINGTON:

H. R. 3680. A bill to authorize the Secretary of Agriculture to quitclaim 5.1 acres of land in Washington County, Miss., to the Mississippi State College; to the Committee on Agriculture.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

253. By Mr. GOODWIN: Memorial of the Massachusetts Legislature, to provide for slum clearance and low-cost housing projects; to the Committee on Banking and Currency.

254. By Mr. GRAHAM: Petition of 38 residents of New Castle, Lawrence County, Pa., urging the repeal of the 20 percent excise tax on toilet goods; to the Committee on Ways and Means.

255. By Mr. KEARNEY: Resolution adopted by the Council of the City of Schenectady, N. Y., on March 7, 1949, memorializing and petitioning the Congress of the United States to pass legislation designating October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

256. By Mr. MARTIN of Massachusetts: Memorial of the Commonwealth of Massachusetts, to provide for slum clearance and low-cost housing projects; to the Committee on Banking and Currency.

257. Also, memorial of the city of Worcester, Mass., memorializing Congress to pass General Pulaski's Memorial Day resolution; to the Committee on the Judiciary.

258. By Mr. O'BRIEN of Illinois: Petition protesting against proposal for local option in rent control; to the Committee on Banking and Currency.

259. By Mr. WHITE of California: Memorial of the State Assembly and State Senate of the State of California, seeking the appointment of a committee from among the members of the Committees on Agriculture and Appropriations to investigate the mango fruitfly in the Hawaiian Islands, its hosts and parasites, the methods of eradicating and controlling it, the need for legislation or regulations to prevent its becoming established in the United States, and to appropriate that sum of money needed to investigate, control, and eradicate it; to the Committee on Agriculture.

260. By Mr. WILSON of Oklahoma: Memorial of the Oklahoma Legislature, memorializing the President and the Congress of the United States to authorize and establish the United States Air Academy at the Enid Air Force Base at Enid, Okla., to the Committee on Armed Services.

261. By the SPEAKER: Petition of Francis Savage, president, Gulf Coast Soil Conservation and Drainage Association, Bay City, Tex., relating to national legislation on soil and water conservation; to the Committee on Agriculture.

262. Also, petition of Ludwig D. Schreiber, city clerk, Chicago, Ill., urging that permanent residents in hotels be included in the rent-control bill; to the Committee on Banking and Currency.

263. Also, petition of Edward E. Rorem and others, Miami, Fla., asking for the passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

264. Also, petition of H. C. Curtis and others, West Palm Beach, Fla., asking for the passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

265. Also, petition of E. M. Coe and others, Miami, Fla., asking for the passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

266. Also, petition of E. M. Coe and others, Miami, Fla., asking for the passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

267. Also petition of E. J. Minges and others, Miami, Fla., asking for the passage of H. R. 2135 and 2136, known as the Townscnd plan; to the Committee on Ways and Means.

268. Also, petition of Mrs. Minnie Barker and others, St. Petersburg, Fla., asking for the passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

269. Also, petition of J. P. Jackson and others, South Miami, Fla., asking for the passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

270. Also, petition of L. R. Pfeiffer and others, Miami, Fla., asking for the passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

271. Also, petition of Mrs. Ruth Love and others, West Palm Beach, Fla., asking for the passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

272. Also, petition of Miss Mary M. Wootton and others, West Palm Beach, Fla., making for the passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

273. Also, petition of Job Cook and others, Miami, Fla., asking for the passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

274. Also, petition of G. L. Fuller and others, Miami, Fla., asking for the passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

275. Also, petition of E. M. Coe, and others, Miami, Fla., asking for the passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

276. Also petition of O. L. Barnard and others, Miami, Fla., asking for the passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

277. Also, petition of Mrs. Geneva Hatch and others, Miami, Fla., asking for the passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

278. Also, petition of Mrs. L. D. Glenn and others, St. Petersburg, Fla., asking for the passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

279. Also, petition of E. M. Coe and others, Miami, Fla., asking for the passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

280. Also, petition of Miss Bessie M. Justice and others, Miami, Fla., asking for the passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committe on Ways and Means.

281. Also, petition of Mrs. Geneva Hatch and others, Miami, Fla., requesting the passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

282. Also, petition of G. L. Fuller and others, Miami, Fla., requesting the passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

283. Also, petition of M. J. F. Oliver and others, St. Petersburg, Fla., requesting the passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

284. Also, petition of J. A. Justice and others, Miami, Fla., asking for passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

285. Also, petition of Mrs. Hattie Rittenhouse and others, Miami, Fla., asking for passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

286. Also, petition of E. J. Kisme and others, Miami, Fla., asking for passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

287. Also, petition of Fanny A. Johnson and others, Miami, Fla., asking for passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

288. Also, petition of Effie B. Rice and others, Miami, Fla., asking for passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

289. Also, petition of E. M. Coe and others, Miami, Fla., requesting the passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

290. Also, petition of C. D. Miller and others, West Palm Beach, Fla., requesting the passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

291. Also, petition of J. W. Coe and others, Miami, Fla., requesting the passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

292. Also, petition of Mrs. L. Z. Carroll and others, Miami, Fla., requesting the passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

293. Also, petition of Miss Nettie R. Austin and others, Miami, Fla., asking for passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

SENATE

TUESDAY, MARCH 22, 1949

(Legislative day of Friday, March 18, 1949)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Almighty God, Thou art the center and soul of every sphere, yet near to those of humble and contrite heart. Without Thee our lives are purposeless and meaningless. Without Thee all our paths lead but to the barren sands of futility, vanity, and vexation of spirit.

God of our fathers, we pause this dedicated moment to acknowledge that deeper than all else we are Thy children and supreme over every allegiance is our rightful loyalty to Thee. Behold us here, in this historic Chamber, seeking in a common prayer light upon our ways and strength within our hearts.

In these days of great peril, critical decisions, and inspiring challenge, as true servants of Thy will in this troubled time, we would dedicate ourselves anew to the building of a decent, humane, law-abiding world, to which Thy reign shall come and Thy will be done: For thine is the kingdom, and the power, and the glory. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Monday, March 21, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by one of his secretaries, and he announced that on March 21, 1949, the President had approved and signed the act (S. 335) for the relief of Claris U. Yeadon.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 271) to provide for the appointment of an additional district judge for the middle district of Georgia.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 1357. An act to authorize the establishment of the St. Croix Island National Monument in the State of Maine;

H. R. 1437. An act to authorize the composition of the Army of the United States and the Air Force of the United States, and for other purposes;

H. R. 1757. An act to amend and extend the provisions of the District of Columbia Emergency Rent Act, approved December 2, 1941, as amended;

H. R. 1824. An act to amend the act of July 23, 1947 (61 Stat. 409);

H. R. 2373. An act to redefine the authority of United States commissioners to consider violations of law and regulations relating to Hot Springs National Park;

H. R. 2513. An act to amend subdivisions d and e of section 58 of an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

H. R. 2672. An act to provide for the settlement of claims of military personnel and civilian employees of the War Department or of the Army for damage to or loss, destruction, capture, or abandonment of personal property occurring incident to their service; and

H. R. 2877. An act to authorize the addition of certain lands to the Big Bend National Park, in the State of Texas, and for other purposes.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 128. An act to provide that acreage planted to cotton in 1949 shall not be used in computing cotton-acreage allotments for any subsequent year; and

H. R. 253. An act to amend the act of June 25, 1938, relating to the appointment of postmasters under civil service.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Bricker	Byrd
Anderson	Bridges	Capehart
Brewster	Butler	Chapman
Chavez	Johnson, Colo.	Neely
Connally	Johnston, S. C.	O'Conor
Cordon	Kem	O'Mahoney
Donnell	Kerr	Pepper
Douglas	Kilgore	Reed
Downey	Knowland	Robertson
Ecton	Langer	Russell
Ellender	Lodge	Saltonstall
Ferguson	Long	Schoeppel
Flanders	Lucas	Smith, Maine
Frear	McCarran	Sparkman
Fulbright	McCarthy	Taft
George	McClellan	Taylor
Gillette	McFarland	Thomas, Utah
Green	McGrath	Thye
Gurney	McKellar	Tobey
Hayden	McMahon	Tydings
Hendrickson	Magnuson	Vandenberg
Hickenlooper	Malone	Watkins
Hill	Martin	Wherry
Hoey	Maybank	Wiley
Holland	Miller	Williams
Humphrey	Millikin	Withers
Hunt	Morse	Young
Ives	Murray	
Jenner	Myers	

Mr. MYERS. I announce that the Senators from Mississippi [Mr. EASTLAND and Mr. STENNIS] and the Senator from Tennessee [Mr. KEFAUVER] are absent on public business.

The Senator from Texas [Mr. JOHNSON] and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from New York [Mr. WAGNER] is necessarily absent.

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN], the Senator from Washington [Mr. CAIN], and the Senator from South Dakota [Mr. MUNDT] are absent by leave of the Senate.

The Senator from New Jersey [Mr. SMITH] is absent because of illness.

The VICE PRESIDENT. Eighty-five Senators having answered to their names, a quorum is present.

LEAVE OF ABSENCE

Mr. THYE asked and obtained permission to be absent from the sessions of the Senate from 5 o'clock this afternoon until the end of this week.

COMMITTEE HEARING DURING SENATE SESSION

Mr. JOHNSTON of South Carolina asked and obtained leave for the Committee on Post Office and Civil Service to meet during the afternoon while the Senate is in session.

TRANSACTION OF ROUTINE BUSINESS

The VICE PRESIDENT. The Chair suggests that Senators who have routine matters to present for the RECORD, may do so now, before any Senator is recognized for a speech on the unfinished business. Is there objection to that course being pursued?

Mr. WHERRY. I have no objection, Mr. President. I think that is a proper procedure.

The VICE PRESIDENT. The Chair hears no objection, and it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred, as indicated:

REPORT ON OPERATIONS UNDER FORT PECK PROJECT ACT

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, the fifth annual report of operations under the Fort Peck Project Act of May 18, 1938, for the fiscal year ended June 30, 1948 (with an accompanying report); to the Committee on Interior and Insular Affairs.

REPORT OF BOY SCOUTS OF AMERICA

A letter from the Chief Scout Executive, Boy Scouts of America, of New York, N. Y., transmitting, pursuant to law, the thirty-ninth annual report of the Boy Scouts of America, for the year 1948 (with accompanying papers); to the Committee on Labor and Public Welfare.

COMMITTEE SERVICE

Mr. LUCAS. Mr. President, there is a vacancy upon the Committee on the Judiciary caused by the death of Senator Broughton, of North Carolina. I send to the desk an order, which I ask that the clerk may read.

The VICE PRESIDENT. The clerk will read.

The Chief Clerk read as follows:

Ordered, That the Senator from Maryland [Mr. O'CONOR] be excused from further service as a member of the Committee on Post Office and Civil Service and that he be assigned to service on the Committee on the Judiciary.

The VICE PRESIDENT. Without objection, it is so ordered.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

Resolutions of the General Court of the Commonwealth of Massachusetts, relating to certain changes in the Displaced Persons Act of 1948; to the Committee on the Judiciary.

(See text of resolutions printed in full when presented by Mr. SALTONSTALL (for himself and Mr. LODGE) on March 21, 1949, p. 2809, CONGRESSIONAL RECORD.)

A joint resolution of the Legislature of the State of Idaho, relating to the development of the natural resources of the Columbia Basin; to the Committee on Public Works.

(See text of joint resolution printed in full when presented by Mr. MILLER on March 18, 1949, p. 2745, CONGRESSIONAL RECORD.)

A joint resolution of the Legislature of the State of Idaho; to the Committee on Appropriations:

"House Joint Memorial 3

"To the honorable Senate and House of Representatives of the United States, in Congress assembled:

"We, your memorialists, the Legislature of the State of Idaho, as assembled in its thirtieth session, do respectfully represent that—

"Whereas a highway known as United States Highway No. 93, extending from Ketchum in the State of Idaho, to the Montana line and thence through Montana to the Canadian line, has long been projected and parts of which have been constructed for and used for local travel; and

"Whereas the route of such highway extends through United States public domain and serves a vast area devoted to and used for agricultural, mining and stock raising, which industries greatly need to be developed for the benefit, welfare, and economy of the people of the State of Idaho and the United States; and

"Whereas a large part of the area through which said highway will extend is remote from railway transportation and highway facilities and badly needs such facilities, for the lack of which development has been greatly retarded; and

"Whereas such highway would, if constructed, shorten the distance by many miles between eastern Idaho and western Idaho and the States of Nevada, Oregon, and Washington; and

"Whereas there is great need for such a highway for military purposes; and

"Whereas such highway would be tributary to the primitive area of the State of Idaho, held by the United States Government; and

"Whereas said United States Highway No. 93 if completed would form an integrated highway system for the southern part of the State of Idaho: Now, therefore, be it

"*Resolved by the House of Representatives of the Thirtieth Session of the Legislature of the State of Idaho (the senate concurring)*, That we most respectfully urge upon the Congress of the United States of America immediately to make available the sum necessary to complete this unfinished part of United States Highway No. 93 in the State of Idaho; and be it further

"*Resolved*, That the secretary of state of the State of Idaho, be, and he is hereby authorized and directed to send copies of this joint memorial to the President of the United States; to the Senate and House of Representatives of the United States, and to the Senators and Representatives of the State of Idaho in the United States Congress.

"This joint memorial passed the house on the 17th day of February 1949.

"JOHN HOHNHORST,
"Speaker of the House of Representatives.

"This joint memorial passed the senate on the 23d day of February 1949.

"DONALD S. WHITEHEAD,
"President of the Senate."

A joint resolution of the Legislature of the State of Montana; to the Committee on Banking and Currency:

"Senate Joint Memorial 1

"Joint Memorial of the Senate and House of Representatives of the State of Montana to the Congress of the United States of America and to the Hon. JAMES E. MURRAY and ZALES N. ECTON, United States Senators from Montana, and to the Hon. MIKE MANSFIELD and WESLEY A. D'EWART, Representatives in Congress from Montana, requesting consideration of the gold mining industry and the enactment of suitable legislation by the Congress to insure a substantial increase in the price of gold

"Whereas the gold mining industry formerly occupied an important place in the economy of Montana as well as that of many other Western States; and

"Whereas at the start of World War II, the War Production Board ordered the gold mines closed to assist in the war effort and, after the war, many of these mines, which had been closed during the period of the war, made an effort to resume operations, although fully cognizant of the fact that the general costs of gold mining have increased in excess of 100 percent since the order to close was issued, and as a result the industry found that gold could not be produced at the fixed price of $35 an ounce, and as a result many of these gold mines are now closed and cannot reopen unless there is a substantial increase in the price of gold; Now, therefore, be it

"Resolved by the Thirty-first Legislative Assembly of Montana now in session (the senate and house of representatives concurring), That we do most earnestly pray that careful consideration be given by the Congress of the United States to the present condition of the gold-mining industry with a view to securing a substantial increase in the price of gold. To that end, we respectfully suggest that a free market for gold be allowed or that an increased price be paid for newly mined gold to bring it up to a level comparable with the 1942 prices; be it further

"Resolved, That copies of this memorial be transmitted by the secretary of state of Montana to the Senate and House of Representatives of the Congress of the United States and to the Senators and Representatives in Congress from the State of Montana.

"PAUL CANNON,
"President of the Senate.
"LEO C. GRAYBILL,
"Speaker of the House.

"Approved February 25, 1949.

"JOHN W. BONNER,
"Governor."

A joint resolution of the Legislature of the State of Oregon; to the Committee on Finance:

"Senate Joint Memorial 12

"To the honorable Senate and House of Representatives of the United States of America, in Congress assembled:

"We your memorialists, the Senate and House of Representatives of the State of Oregon, in legislative session assembled, most respectfully represent and petition as follows:

"Whereas the Congress of the United States, during the recent wartime emergency, imposed an excise tax on transportation in the amounts of 15 percent of carrier charges for transporting persons and 3 percent of carrier charges for transporting property; and

"Whereas such taxes were added to the regular tariff charges of the carriers and collected from passengers and shippers, thereby increasing their transportation costs by the amounts of such taxes; and

"Whereas such excise taxes, based as they are upon flat percentages of transportation charges, impose an unfair burden on long-distance shippers and long-distance travelers; and

"Whereas this unequal burden places Oregon producers at a disadvantage in competing with others located closer to consuming centers of the East; and

"Whereas the emergency which caused the imposition of such excise taxes has passed and there is now no good reason for continuing this unequal and discriminatory burden upon the people of the West: Now, therefore, be it

"Resolved by the Senate of the State of Oregon (the house of representatives jointly concurring therein), That the Congress of the United States be and it hereby is memorialized to repeal the acts imposing such excise taxes; be it further

"Resolved, That the Secretary of State of the State of Oregon be and he hereby is directed to send copies of this memorial to the President of the United States, to the President and the chief clerk of the United States Senate, to the Speaker and the Chief Clerk of the House of Representatives of the United States and to each of the Senators and Representatives in the Congress from the State of Oregon.

"Adopted by senate, March 5, 1949.

"WILLIAM E. WALSH,
"President of Senate.

"Concurred in by house, March 11, 1949.

"FRANK J. VAN DYKE,
"Speaker of House."

Two joint resolutions of the Legislature of the State of Washington; to the Committee on Post Office and Civil Service:

"House Joint Memorial 15

"To the Honorable Harry S. Truman, President of the United States, and to the Senate and House of Representatives of the United States of America in Congress assembled:

"We, your memorialists, the Senate and the House of Representatives of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

"Whereas the Olympic National Park is a large and well-known park owned and operated by the United States of America and situated within the State of Washington; and

"Whereas other parks and monuments of the United States have been recognized by having commemorative postage stamps issued; and

"Whereas the Olympic National Park has not been so recognized: Now, therefore, be it

"Resolved by the Senate and the House of Representatives of the State of Washington, in legislative session assembled, That we respectfully petition the President and the Congress of the United States that the Postmaster General issue suitable commemorative postage stamps recognizing and honoring the Olympic National Park; and be it further

"Resolved, That copies of this memorial be immediately transmitted to the Honorable Harry S. Truman, President of the United States, the President of the United States Senate, Speaker of the House of Representatives, and to each Senator and Representative from the State of Washington.

"Passed the house February 14, 1949.

"CHARLES W. HODDE,
"Speaker of the House.

"Passed the senate March 5, 1949.

"VICTOR A. MEYERS,
"President of the Senate."

"House Joint Memorial 22

"To the Honorable Harry S. Truman, President of the United States, and the Senate and House of Representatives of the United States of America in Congress assembled:

"We, your memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, most respectfully represent and petition your Excellency and honorable bodies, as follows:

"Whereas the Ballard locks, officially known as the Lake Washington ship-canal locks, having the largest lock in the world and having the greatest length, designed to handle log rafts as well as ocean-going ships, is situated in the city of Seattle, Wash., and operated by the United States Army engineers; and

"Whereas other monuments of the United States have been recognized by having commemorative postage stamps issued; and

"Whereas the Ballard locks, officially known as the Lake Washington ship-canal locks, have not been so recognized: Now, therefore, be it

"Resolved by the Senate and the House of Representatives of the State of Washington, in legislative session assembled, That we respectfully petition the President and the Congress of the United States that the Postmaster General issue suitable commemorative postage stamps recognizing and honoring the Ballard locks; and be it further

"Resolved, That copies of this memorial be immediately transmitted to the Honorable Harry S. Truman, President of the United States, the President of the United States Senate, Speaker of the House of Representatives, and to each Senator and Representative from the State of Washington.

"Passed the house March 3, 1949.

"CHARLES W. HODDE,
"Speaker of the House.

"Passed the senate March 7, 1949.

"VICTOR A. MEYERS,
"President of the Senate."

A resolution of the House of Representatives of the State of Washington; ordered to lie on the table:

"Whereas since the beginning of World War II there has been a great shortage of critical building material and a great need for adequate housing; and

"Whereas the continued lack of adequate housing units has intensified the already critical shortage, particularly in the urban areas of necessary rental units; and

"Whereas the Federal Government in recognition of this grave problem has passed and continued in effect certain acts controlling rents; and

"Whereas the failure of the Federal Government to continue such controls will have the effect of causing rents to be raised, in some areas by 50 to 100 percent: Now, therefore, be it

"Resolved by the House of Representatives of the State of Washington, in legislative session assembled, That we respectfully petition the President of the United States and the Congress of the United States that all necessary rent-control acts be continued in force and effect until such time as the housing requirements of the people of the United States have been adequately provided; and be it further

"Resolved, That copies of this resolution be transmitted immediately by the chief clerk of the House of Representatives of the State of Washington to the Honorable Harry S. Truman, President of the United States, to the President of the United States Senate, to the Speaker of the House of Representatives, and to each Senator and Representative from the State of Washington."

A resolution of the House of Representatives of the Territory of Alaska; to the Committee on Appropriations:

"House Memorial 11

"To the President and Congress of the United States, the Department of Agriculture, the Public Roads Administration, and the Delegate from Alaska:

"Your memorialist, the House of Representatives of the Territory of Alaska, in nineteenth session assembled, respectfully represents that:

"Whereas the Public Roads Administration has two sections of road known as the Tongass Highway leading to Ketchikan; the southerly section is 8 miles long and the northerly section is 16 miles long; both terminate at the city limits of Ketchikan and are linked only by a single, inadequate and unsafe thoroughfare through Ketchikan, which thoroughfare consists of 15,000 linear feet of wooden trestle or narrow paved fills; and

"Whereas this single thoroughfare is of temporary construction, requiring maintenance costs of $50,000 per annum, has numerous bottlenecks of less than 20-foot widths and in a short time all temporary sections must be replaced in their entirety; and

"Whereas existing governmental agencies, including the United States Coast Guard, the Alaska Communications System, and the United States Forest Service, have facilities located along the North and South Tongass Highways and are accessible to their own and city facilities and their city offices only by vehicular traffic over the inadequate city thoroughfare described above; and

"Whereas presently some 2,000 persons reside in some 550 homes along the North and South Tongass Highways, requiring a reliable and efficient transportation means to the city center; and

"Whereas present industrial demands already tax to the utmost this inadequate link of the highway system and the advent to Ketchikan's suburban area of the largest new industry in southeastern Alaska, namely, $30,000,000 Ketchikan Pulp & Paper Co. to be located 6 miles north of Ketchikan on North Tongass Highway, will double the use of Ketchikan streets by cars, busses, and trucks to transport employees between home and work and for supplying the needs of the pulp plant, and will make totally inadequate the above-described thoroughfare through the city limits of Ketchikan; and

"Whereas the advent of the pulp industry will necessitate the construction of Government and private housing located largely within the city of Ketchikan, all of which requires an adequate fire protection and which can be furnished by Ketchikan's efficient fire-fighting facilities and personnel if a suitable and permanent thoroughfare for rapid transit of facilities and personnel were available; and

"Whereas a minimum of 400 additional housing units will be constructed to shelter the families of the pulp-mill employees, said families using the city medical, health, recreational, fuel, religious, and educational facilities, as well as the shopping areas, all of which will entail further traffic on the already congested thoroughfare described; and

"Whereas the only feasible routing, because of topographical features of the city of Ketchikan is over difficult terrain along a rocky and precipitous shoreline, requiring considerable portions of timber trestlework (the life of which does not exceed 10 years with present traffic demands) and requiring for permanent construction considerable portions of concrete trestlework, fills, and retaining walls, with construction costs tentatively estimated at $2,000,000, which is beyond the financial ability of a city of 10,000 population, let alone the present population of 6,000; and

"Whereas the organic act limits taxation and bonded indebtedness to a point so low as to place this project entirely beyond the means of this city:

"Now, therefore, your memorialist, the house of representatives of the nineteenth session of the Alaska Legislative, urges that Congress appropriate $2,000,000, or authorize allocation of such amount out of funds already appropriated, to enable survey and plans for concrete trestle construction and widening and hard surfacing of Water Street and Tongass Avenue along the waterfront of the city of Ketchikan, Alaska, and submits that such project would be an important adjunct to the development of Ketchikan and vicinity.

"And your memorialist will ever pray.

"Passed by the house February 28, 1949.

"STANLEY MCCUTCHEON,
"Speaker of the House.

"Approved by the Governor March 4, 1949.

"ERNEST GRUENING,
"Governor of Alaska."

A resolution of the House of Representatives of the Territory of Alaska; to the Committee on the Judiciary:

"House Memorial 8

"To the Honorable E. L. Bartlett, Delegate from Alaska, and the Congress of the United States:

"Your memorialist, the Legislature of the Territory of Alaska, in nineteenth regular session assembled, respectfully submits:

"Whereas the Federal Rules of Civil Procedure have been applicable to all Federal courts of the continental United States, the Territories, and possessions for the past 10 years, except Alaska, and such rules have been adopted to State courts by many States; and

"Whereas such rules are the latest development for dispensing speedy and equal justice in our courts, and it would be advantageous for Alaska to be part of a uniform system of court procedure; and

"Whereas Delegate BARTLETT has recently introduced into Congress a bill to empower the Supreme Court to make such rules applicable to Alaska.

"Now, therefore, your memorialist, the Legislature of the Territory of Alaska, respectfully and most strongly urges the enactment by Congress of the bill to empower the United States Supreme Court to make the Federal Rules of Civil Procedure applicable to Alaska, as soon as possible.

"And your memorialist will ever pray.

"Passed by the house, February 16, 1949.

"STANLEY MCCUTCHEON,
"Speaker of the House.

"Approved by the Governor February 19, 1949.

"ERNEST GRUENING,
"Governor of Alaska."

A joint resolution of the Legislature of the Territory of Alaska; to the Committee on Interior and Insular Affairs:

"Senate Joint Memorial 8

"To the Secretary of the Interior, the Attorney General of the United States, the Delegate in Congress from Alaska, the Congress of the United States, and the Territorial Department of Health:

"Your memorialist, the Legislature of the Territory of Alaska, in nineteenth regular session assembled, respectfully submits:

"Whereas under existing law the Secretary of the Interior is vested with authority to provide domiciliary care for Alaska's insane in an appropriate institution on the west coast, pursuant to which such patients have been committed to Morningside Sanatorium near Portland, Oreg.; and

"Whereas such persons from Alaska have numbered between 320 and 350 each year since 1940; and

"Whereas such number of inmates would fill a substantial sanatorium in Alaska if one were available at some suitable location in the Territory; and

"Whereas benefits to be derived from such an institution in Alaska would include retention of such patients in familiar environment with comparative nearness to friends and relatives, as well as economy to the Government in handling such cases so far as transportation is concerned:

"Now, therefore, your memorialist, the Legislature of the Territory of Alaska, respectfully urges that a study be made of the situation with the view of establishing a suitable institution in Alaska for Alaska's insane, as soon as possible.

"And your memorialist will ever pray.

"Passed by the senate February 10, 1949.

"GUNNARD M. ENGEBRETH,
"President of the Senate.

"Passed by the house February 24, 1949.

"STANLEY MCCUTCHEON,
"Speaker of the House.

"Approved by the Governor March 2, 1949.

"ERNEST GRUENING,
"Governor of Alaska."

A resolution of the House of Representatives of the Territory of Alaska; to the Committee on Post Office and Civil Service:

"House Memorial 12

"To the Congress of the United States, the Department of the United States Army, the Alaska Road Commission, and the Delegate from Alaska:

"Your memorialist, the Legislature of the Territory of Alaska, in nineteenth regular session assembled, respectfully submits that—

"Whereas due to the activities of the United States Government in relation to national defense there has been increased traffic over the major portions of the Alaska Highway system; and

"Whereas such increased traffic has caused a definite wear and tear on said highways and city streets over which said highways pass; and

"Whereas the Federal Government has therefore undertaken the surfacing and hard-topping of various highways, but has always discontinued said surfacing at the boundary line of any city entered by said highway; and

"Whereas said towns have been under great financial stress and strain due to the multiple demands made upon the school, water, light, phone, and other facilities of said town by the influx of workers on Government projects: Now therefore

"Your memorialist, the Legislature of the Territory of Alaska, respectfully urges that Congress authorize and direct the Alaska Road Commission, when engaged in surfacing or hard-topping any highway that enters a town, to continue said surfacing and hard-

topping of said highway within the corporate limits of said town.

"And your memorialist will ever pray.

"Passed by the house, February 24, 1949.

"STANLEY MCCUTCHEON,
"Speaker of the House.

"Approved by the Governor, March 2, 1949.

"ERNEST GRUENING,
"Governor of Alaska."

A concurrent resolution of the Legislature of the Territory of Hawaii; to the Committee on Public Works:

"Senate Concurrent Resolution 24

"Whereas the present post office accommodations in Wailuku, Maui, are extremely crowded and unsatisfactory in the temporary location rented by the Federal Government; and

"Whereas unemployment is steadily increasing in the county of Maui; and

"Whereas the community must look largely to new construction to ease that unemployment: Now, therefore, be it

"Resolved by the Senate of the Twenty-fifth Legislature of the Territory of Hawaii (the house of representatives concurring), That the Congress be, and it is hereby, respectfully urged to proceed with the utmost expedition in the construction of a Federal building in Wailuku, Maui; and be it further

"Resolved, That certified copies of this concurrent resolution be forwarded to the President of the Senate and the Speaker of the House of Representatives of the Congress, to the Secretary of the Interior, and to the Delegate to the Congress from Hawaii."

Resolutions adopted by the Gulf Coast Soil Conservation and Drainage Association, at Houston, Tex., relating to draining activities in the Texas Gulf coast; to the Committee on Agriculture and Forestry.

Resolutions adopted by the City Council of the City of Highland Park, Mich.; the Common Council of the City of Schenectady, N. Y.; the City Commission of the City of St. Augustine, Fla.; and the City Council of the City of Lorain, Ohio, favoring the enactment of legislation proclaiming October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

A resolution adopted by the District of Columbia Society, Sons of the American Revolution, of Washington, D. C., relating to changes in immigration laws; to the Committee on the Judiciary.

A letter in the nature of a petition from the United Electrical, Radio & Machine Workers of America, of New York, N. Y., signed by Albert J. Fitzgerald, general president, relating to unemployment (with an accompanying paper); to the Committee on Post Office and Civil Service.

A resolution adopted by the Office Employees International Union, Local 153, A. F. of L., of New York, N. Y., favoring the repeal of the Taft-Hartley labor law; ordered to lie on the table.

The petition of Mary A. Ullmen, of Oak Park, Ill., praying for the enactment of legislation to extend rent controls; ordered to lie on the table.

A telegram in the nature of a petition signed by George Nelson, of Chicago, Ill., praying for the repeal of the Taft-Hartley labor law; ordered to lie on the table.

By Mr. MAGNUSON:

A joint resolution of the Legislature of the State of Washington; to the Committee on Appropriations:

"House Joint Memorial 11

"To the Honorable Harry S. Truman, President of the United States, and the Senate and House of Representatives of the United States of America in Congress assembled:

"We, your memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, most respectfully represent and petition as follows:

"Whereas the coastal highway along the Pacific Ocean in the State of Washington is one of the most important links in our national defense and is yet to be completed; and

"Whereas a portion of this highway extends across, through, and along the Quinault Indian Reservation; and

"Whereas the inclusion of this uncompleted strip is essential not alone for the purposes of national defense, but also for access to a vast undeveloped area and will greatly assist the tourist and vacation travel on the entire Olympic National Park Loop Highway: Now, therefore, be it

"Resolved by the Senate and the House of Representatives of the State of Washington, in legislative session assembled, That we respectfully petition the President and the Congress of the United States and the Bureau of Indian Affairs to make the necessary funds available and to expressly authorize and direct the completion of this highway across the Indian lands aforesaid from sources other than tribal funds; and be it further

"Resolved, That copies of this memorial be immediately transmitted to the Honorable Harry S. Truman, President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, to each Senator and Representative from the State of Washington, and to the Bureau of Indian Affairs.

"Passed the house March 1, 1949.

"CHAS. W. HODDE,
"Speaker of the House.

"Passed the senate March 7, 1949.

"VICTOR A. MEYERS,
"President of the Senate."

(The VICE PRESIDENT laid before the Senate a joint resolution of the Legislature of the State of Washington, identical with the foregoing, which was referred to the Committee on Appropriations.)

A resolution of the House of Representatives of the State of Washington; to the Committee on Interior and Insular Affairs:

"To the Honorable Harry S. Truman, President of the United States of America, and to the Honorable Senate and House of Representatives of the United States in Congress assembled:

"We, your memorialists, the House of Representatives of the State of Washington, in legislative session assembled, most respectfully represent and petition the Honorable Harry S. Truman, President of the United States, and your honorable bodies, as follows:

"Whereas the Federal laws against the sale of intoxicating liquor to Indians were placed on the Federal statute books at a time when the Indians were in great need of protection against the evils of strong drink; and

"Whereas, Indians have been granted the right to vote for something over twenty (20) years; and

"Whereas, the need for such Federal legislation has long since passed, since most of the Indian tribes now live under conditions approximating the conditions of the other races of people living in their respective territories; and

"Whereas the State of Washington, after many years' experience with a law comparable to the present Federal statute prohibiting the sale of liquor to Indians in 1935 repealed such law; and

"Whereas the present Federal laws are unduly restrictive of the rights of Indians in that the right to purchase liquor is prohibited as to practically all persons having Indian blood in their veins: Now, therefore, be it

"Resolved by the House of Representatives of the State of Washington in legislative session assembled, That we respectfully petition the President and the Congress of the United States to repeal all existing laws placing the sale of liquor to Indians on any different ground than the sale of liquor to persons generally; and be it further

"Resolved, That copies of this memorial be immediately transmitted to the Honorable Harry S. Truman, President of the United States, the President of the United States Senate, Speaker of the House of Representatives, and to each Senator and Representative from the State of Washington."

(The VICE PRESIDENT laid before the Senate a resolution of the House of Representatives of the State of Washington, identical with the foregoing, which was referred to the Committee on Interior and Insular Affairs.)

A resolution of the House of Representatives of the State of Washington; to the Committee on Labor and Public Welfare:

"Whereas the health of millions of Americans is inadequately safeguarded at the present time; and

"Whereas the American Medical Association has failed to present to the American people an adequate health program; and

"Whereas President Truman, during the Presidential campaign, promised an adequate health program for all the people and has now presented to Congress legislation implementing his program: Now, therefore, be it

"Resolved by the House of Representatives of the State of Washington, That the Honorable Harry S. Truman, President of the United States, be commended for his courageous fight in behalf of the health of the people of our country; and be it further

"Resolved, That the chief clerk of the House of Representatives of the State of Washington transmit this resolution to the Honorable Harry S. Truman, and that a copy thereof be sent to each member of the congressional delegation from the State of Washington."

(The VICE PRESIDENT laid before the Senate a resolution of the House of Representatives of the State of Washington, identical with the foregoing, which was referred to the Committee on Labor and Public Welfare.)

A joint resolution of the Legislature of the State of Washington; to the Committee on Post Office and Civil Service:

"House Joint Memorial 24

"To the Honorable Harry S. Truman, President of the United States, and the Senate and House of Representatives of the United States of America in Congress assembled:

"We, your memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, most respectfully represent and petition Your Excellency and honorable bodies as follows:

"Whereas in the year 1851 the schooner *Exact* brought the first white settlers of the State of Washington to Alki Point, in what is now the city of Seattle; and

"Whereas the centennial occurs in 1951; and

"Whereas other historic events of the United States have been recognized by having commemorative postage stamps issued; and

"Whereas the landing of the schooner *Exact* at Alki Point has not heretofore been so recognized: Now, therefore, be it

"Resolved by the Senate and House of Representatives of the State of Washington, in legislative session assembled, That we respectfully petition the President and the Congress of the United States that the Postmaster General issue suitable commemorative postage stamps recognizing and depicting the landing of our pioneers from the schooner *Exact* at Alki Point; and be it further

"Resolved, That copies of this memorial be immediately transmitted to the Honorable Harry S. Truman, President of the United States, the President of the United States

Senate, the Speaker of the House of Representatives, and to each Senator and Representative from the State of Washington.

"Passed the House February 25, 1949.

"CHAS. W. HODDE,
"Speaker of the House.

"Passed the senate March 7, 1949.

"VICTOR A. MEYERS,
"President of the Senate."

(The VICE PRESIDENT laid before the Senate a joint resolution of the Legislature of the State of Washington, identical with the foregoing, which was referred to the Committee on Post Office and Civil Service.)

A resolution of the House of Representatives of the Territory of Alaska; to the Committee on Interstate and Foreign Commerce:

"House Resolution 3

"To the President of the United States, the Senate Foreign Affairs Committee, the House Merchant Marine and Fisheries Committee, Senator Magnuson, Congressman Bland, and Delegate Bartlett:

"Whereas Alaska is vitally interested in the merchant marine of the United States as the connecting link between itself and the rest of the world; and

"Whereas water transportation is as yet the basis upon which the economic growth and defense of the Territory rests; and

"Whereas Alaska is looking forward, toward the assumption of the duties which fall upon a State, among which is concern and interest in the social and economic welfare of the several States; and

"Whereas the strengthening and maintenance of the merchant marine is an integral part of our economic and defense structure; and

"Whereas its strength or weakness has a direct bearing on the social and economic welfare of the several States, by fostering gainful employment of a trained-labor force, maintaining ship construction, repair and outfitting facilities; all of which have proven their worth during the past emergency: Therefore be it

"Resolved, That the House of Representatives of the Territory of Alaska, respectfully urge the passage of the Bland-Magnuson bill (H. R. 1340 in the House and S. R. 591 in the Senate).

"Passed by the house March 1, 1949.

"STANLEY MCCUTCHEON,
"Speaker of the House.

"Approved by the Governor March 5, 1949.

"ERNEST GRUENING,
"Governor of Alaska."

REPAIR OF THE HISTORIC MONUMENT AT YORKTOWN, VA.—LETTER FROM THOMAS MONROE HUNDLEY

Mr. ROBERTSON. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD a letter from a constituent, Thomas Monroe Hundley, of Richmond, Va., concerning the desirability of repairing the historic monument at Yorktown, Va.

There being no objection, the letter was referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

RICHMOND, VA., *March 14, 1949.*

The Honorable A. WILLIS ROBERTSON,
United States Senate,
Washington, D. C.

MY DEAR SENATOR ROBERTSON: Down here in Virginia, at Yorktown, where Cornwallis capitulated to General Washington, the United States of America erected a monument of liberty upon a column of white marble which symbolizes the result of the British surrender, a decisive victory for American independence. The shaft is quite tall, capped by a goddess, the emblem of purity. More than 5 years ago lightning struck the near top, smashing to splinters that section of the marble. Now pause and think of our indifference for the emblem of peace. At this late date the structure has not been repaired, giving evidence to the nations of the earth our lack of gratitude to God and man, although I am advised through the press that around $50,000 would restore the damage. May I not implore you on behalf of all true Americans that th' need be given immediate consideration by the Congress or those responsible for such an unreasonable stay. This image was erected to warn the aggressor and at the same time give expression of grateful peoples. I beg most earnestly, as an humble, patriotic, and appreciative citizen, and in the name of our beloved and native land, that you intercede with your associates in Congress to the end that the long-delayed injustice be corrected forthwith. Surely there is not a red-blooded soul who would fail to stand up and be favorably counted for the restitution of this statue that perpetuates the memory of such an event. We have a wonderful country; in fact, the whole Western Hemisphere. Let each one of us pray our Heavenly Father to continue to give us the will and strength to do our part in guaranteeing freedom of speech, freedom of press, freedom of religion, and freedom of assembly. President James Monroe gave the Monroe Doctrine which is today playing an increasingly important role in our foreign policy. The soul of Woodrow Wilson burned with a passionate desire to extend the fruits of our successful democracy to larger fields. The home of these and other great Virginians are today historic shrines, carefully preserved, and to them thousands come annually to pay homage to these sons of the past and get new inspiration for the American way of life.

I trust you may find a place in the CONGRESSIONAL RECORD for this letter, since it depicts the past and should instill in our hearts the richer meaning of the future and the blessings that we fell heir to through our forefathers, who suffered, bled, and died on the field of battle that we might share the richer life of mankind.

Believe me,

Most gratefully,

THOMAS MONROE HUNDLEY.

RENT-CONTROL LEGISLATION—RESOLUTIONS OF CITY COUNCIL OF CHICAGO, ILL.

Mr. DOUGLAS. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the body of the RECORD two resolutions adopted March 16, 1949, by the City Council of the City of Chicago, the first urging the Congress not to include a local option provision in the pending rent-control legislation, and the second recommending that the accommodations of permanent residents in hotels be given the same rent-control protection as that afforded to tenants in other types of residences.

There being no objection, the resolutions were ordered to lie on the table and to be printed in the RECORD, as follows:

RESOLUTION PROTESTING AGAINST PROPOSAL FOR "LOCAL OPTION" IN RENT CONTROL ADOPTED BY THE CITY COUNCIL OF THE CITY OF CHICAGO MARCH 16, 1949

Whereas rent control continues to be one of the major problems confronting every community in America, Chicago being no exception; and

Whereas recent reports emanating from Washington indicate the possibility that although rent control may be continued, provision is to be included granting so-called local option on Federal rent control; and

Whereas experience in the city of Chicago has indicated that local control is costly and involves extensive administrative detail and supervision; and

Whereas it would be unwise to place the expense and administration of rent control in the municipalities, creating dual supervision and control and added expense; and

Whereas the financial condition of Chicago and other municipalities is such as to deny it the opportunity to properly provide for the expense of a rent-control commission and the administrative detail to make such controls effective; Now, therefore, be it

Resolved, That it is the sense of the City Council of the city of Chicago, and we do hereby recommend that if the Congress of the United States continues rent control, such control be retained exclusively in the jurisdiction of the Federal Government, thereby insuring a continuity of operation and permitting a full use of the experience gained by the Federal Government during the time rent control has been supervised and regulated by it; and be it further

Resolved, That copies of this resolution be immediately forwarded by air mail to the President of the United States, the Members of Congress, the two United States Senators from Illinois, and the Federal Rent Control Administrator.

STATE OF ILLINOIS,
County of Cook, ss:

I, Ludwig D. Schreiber, city clerk of the city of Chicago, do hereby certify that the above and foregoing is a true and correct copy of the certain resolution adopted by the City Council of the city of Chicago at a regular meeting held Wednesday, the 16th day of March A. D. 1949.

Witness my hand and the corporate seal of the said city of Chicago this 16th day of March A. D. 1949.

LUDWIG D. SCHREIBER,
City Clerk.

RESOLUTION FOR INCLUSION OF PERMANENT RESIDENTS IN HOTELS IN RENT-CONTROL BILL ADOPTED BY THE CITY COUNCIL OF THE CITY OF CHICAGO, MARCH 16, 1949

Whereas existing Federal and State Legislation imposing rent controls upon residential renting accommodations affords inadequate protection to the many thousands of Chicago citizens who are permanent hotel residents; and

Whereas the City Council of the City of Chicago has heretofore recognized the extreme hardships suffered by this group of tenants and attempted in the year 1947 to alleviate these conditions by enacting a rent-control ordinance under apparent authority conferred by an Act of the General Assembly of Illinois; this ordinance afforded but temporary relief, the Supreme Court of the State of Illinois having declared said ordinance invalid for the reason that the enabling act excluded from the definition of "housing accommodations" hotels for the accommodation of permanent residents as well as for transient guests; and

Whereas permanent hotel residents are still in dire need of the same protection conferred by law upon tenants of other housing accommodations and the same considerations of public health, safety and welfare are involved; Now, therefore, be it

Resolved by the City Council of the City of Chicago, That this Council respectfully urges the Congress in any new rent-control legislation it enacts, to make clear that permanent residents of hotels are afforded the same protection from unwarranted and abnormal increases in rent as that given to tenants in other types of residential occupancy.

The city clerk is hereby directed to transmit a copy of this resolution to the President of the Senate and to the Speaker of the House of Representatives.

STATE OF ILLINOIS,
County of Cook, ss.:

I, Ludwig D. Schreiber, city clerk of the city of Chicago, do hereby certify that the above and foregoing is a true and correct copy of a resolution adopted by the City Council of the City of Chicago at a regular meeting held Wednesday, the 16th day of March A. D. 1949.

Witness my hand and the corporate seal of the said city of Chicago this 16th day of March A. D. 1949.

LUDWIG D. SCHREIBER,
City Clerk.

ST. LAWRENCE HYDROELECTRIC PROJECT

Mr. AIKEN. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the body of the RECORD a letter which I have received from Mr. Richard A. Messer, secretary of the New England Association of Electric Cooperatives, together with a copy of a resolution adopted by that association at its regular meeting held in Portland, Maine, on March 9, 10, and 11, 1949, favoring the immediate development of the St. Lawrence hydroelectric project.

There being no objection, the letter and resolution were referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.,
Plymouth, N. H., March 18, 1949.

Senator GEORGE D. AIKEN,
Senate Office Building,
Washington, D. C.

DEAR SIR: Enclosed herewith is a copy of a resolution adopted by the New England Association of Electric Cooperatives at their regular meeting held in Portland, Maine, on March 9, 10, 11, 1949.

This association represents seven cooperatives serving 12,000 rural families in Maine, New Hampshire, and Vermont.

Very truly yours,

RICHARD A. MESSER,
Secretary, New England Association of Electric Cooperatives.

—

On motion made by Mr. Frank Sahlman and seconded by Mrs. Ruby Snow, the New England Association of Electric Cooperatives unanimously adopted the following resolution:

"*Resolved*, That the New England Association of Electric Cooperatives reaffirm its stand and again go on record as favoring the immediate development of the St. Lawrence hydroelectric project because of the abundant and low-cost power that it will bring to the territory and the tremendous improvement in economic, social, and agricultural welfare that it will bring to New England and to our national security."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DOWNEY, from the Committee on Interior and Insular Affairs:

H. R. 1755. A bill to authorize a $100 per capita payment to members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation; without amendment (Rept. No. 136).

By Mr. McCARRAN, from the Committee on the Judiciary:

S. J. Res. 25. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; without amendment (Rept. No. 137).

By Mr. FREAR, from the Committee on the District of Columbia:

H. R. 1757. A bill to amend and extend the provisions of the District of Columbia Emergency Rent Act, approved December 2, 1941, as amended; with amendments (Rept. No. 139).

DEFICIENCY APPROPRIATIONS—REPORT OF A COMMITTEE

Mr. McKELLAR. Mr. President, from the Committee on Appropriations, I report favorably, with amendments, the bill (H. R. 2632) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes, and I submit a report (No. 138) thereon, which includes the views of a minority and additional views of the Senator from Nevada [Mr. McCARRAN], the Senator from Nebraska [Mr. WHERRY], and the Senator from Oregon [Mr. CORDON], respectively.

The VICE PRESIDENT. The report will be received and printed, and the bill will be placed on the calendar.

REPRINT OF REPORT ENTITLED "THE STRATEGY AND TACTICS OF WORLD COMMUNISM"

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration, I report favorably, without amendment, House Concurrent Resolution 18, and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The clerk will read the concurrent resolution.

The Chief Clerk read the concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed as a House document and that there be printed in addition 15,000 copies of Supplement III (Country Studies A, B, and C) of the report of the Subcommittee on National and International Movements of the Committee on Foreign Affairs entitled "The Strategy and Tactics of World Communism" for the use of the Committee on Foreign Affairs.

The VICE PRESIDENT. Is there objection to the present consideration of the concurrent resolution?

Mr. WHERRY. Mr. President, will the Senator state the nature of the concurrent resolution?

Mr. HAYDEN. It is one of two House concurrent resolutions ordered reported favorably from the Committee on Rules and Administration. The concurrent resolution in question deals with the reprint of Supplement III, Country Studies A, B, and C, entitled "The Strategy and Tactics of World Communism," which has been adopted by the House of Representatives.

Mr. WHERRY. I have no objection.

The VICE PRESIDENT. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution was considered and agreed to.

PRINTING OF ADDITIONAL COPIES OF HOUSE DOCUMENT NO. 401, EIGHTIETH CONGRESS, ENTITLED "FASCISM IN ACTION"

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration, I report favorably House Concurrent Resolution 44, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. The resolution will be read.

The Chief Clerk read the concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That there shall be printed 100,000 additional copies of House Document No. 401, Eightieth Congress, entitled "Fascism in Action," of which 84,000 copies shall be for the use of the House of Representatives and 16,000 copies shall be for the use of the Senate.

The VICE PRESIDENT. Is there objection to the present consideration of the concurrent resolution?

Mr. WHERRY. Mr. President, reserving the right to object, I think the statement should be made by the chairman of the Committee on Rules and Administration that the resolution in question is a House concurrent resolution, and that the purpose now is simply to agree to the House concurrent resolution so the House will have available the number of copies it is asking for. Is that not a correct statement?

Mr. HAYDEN. Mr. President, it has been common courtesy on the part of the Senate ever since I have been a Member of this body to agree to such a resolution, if the House wants anything printed for its use, to be paid for out of its contingent fund.

Mr. WHERRY. I have no objection.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the concurrent resolution (H. Con. Res. 44) was considered and agreed to.

PRINTING OF REPORT OF NATIONAL SOCIETY OF DAUGHTERS OF AMERICAN REVOLUTION

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration, I report favorably Senate Resolution 79, and ask for its immediate consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 79), providing for the printing of the fifty-first annual report of the National Society of the Daughters of the American Revolution as a Senate document, submitted by Mr. HAYDEN on March 2, 1949, was considered and agreed to, as follows:

Resolved, That the fifty-first annual report of the National Society of the Daughters of the American Revolution for the year ending April 1, 1948, be printed as a Senate document.

FUNERAL EXPENSES OF THE LATE SENATOR BROUGHTON

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration I report favorably, without amendment, Senate Resolution 84, and ask unanimous consent for its present consideration.

There being no objection, the resolution (S. Res. 84), submitted by Mr. HOEY on March 9, 1949, was read, considered, and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred by the committee appointed to arrange for and attend the funeral of Hon. J. Melville Broughton, late a Senator from the State of North Carolina, on vouchers to be approved by the Committee on Rules and Administration.

EVELYN MARSHALL GUSTIN

Mr. HAYDEN. Mr. President, I submit an original resolution, and request its immediate consideration.

There being no objection, the resolution (S. Res. 90) was considered by unanimous consent, and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Evelyn Marshall Gustin, widow of Don A. Gustin, late an employee of the Senate, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

ECA AND STRATEGIC MATERIALS—REPORT OF JOINT COMMITTEE ON FOREIGN ECONOMIC COOPERATION (S. REPT. NO. 140)

Mr. McCARRAN. Mr. President, from the Joint Committee on Foreign Economic Cooperation, I submit a report, pursuant to section 124 of Public Law 472, Eightieth Congress, relating to ECA and strategic materials.

The VICE PRESIDENT. The report will be received and printed.

ENROLLED BILL AND JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that on today, March 22, 1949, he presented to the President of the United States the following enrolled bill and joint resolutions:

S. 90. An act to provide for permanent residence status of Richard Kim;

S. J. Res. 36. Joint resolution for the authorization of a special contribution by the United States for the relief of Palestine refugees; and

S. J. Res. 56. Joint resolution extending an invitation to the International Olympic Committee to hold the 1956 Olympic games at Detroit, Mich.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LANGER:

S. 1331. A bill for the relief of Boshir Uddin; to the Committee on the Judiciary.

S. 1332. A bill to grant free postage to members of the armed forces while confined for treatment in a military or naval hospital, and to veterans while being furnished hospital treatment or institutional care in institutions operated by or under contract with the Veterans' Administration;

S. 1333. A bill to authorize the issuance of a special series of stamps commemorative of the one hundredth anniversay of the arrival of Carl Schurz in the United States; and

S. 1334. A bill to increase the limit on postal savings from $2,500 to $5,000; to the Committee on Post Office and Civil Service.

By Mr. KNOWLAND:

S. 1335. A bill to provide for the per capita distribution of certain funds in the Treasury of the United States to the credit of the Indians of California, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MAGNUSON:

S. 1336. A bill to approve a repayment contract negotiated with the Okanogan irrigation district, Washington, and to authorize its execution, and for other purposes; and

S. 1337. A bill to approve a repayment contract negotiated with the Kittitas Reclamation District and to authorize its execution, to approve the reclassification of lands within the Kittitas division of the Yakima project, Washington, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MARTIN:

S. 1338. A bill to advance officers and enlisted men on the retired lists of the armed forces to the highest grade for which they satisfactorily performed the duties in time of war; to the Committee on Armed Services.

By Mrs. SMITH of Maine:

S. 1339. A bill for the relief of Mrs. T. P. Mason; to the Committee on the Judiciary.

By Mr. IVES:

S. 1340. A bill for the relief of Umberto Randaccio; and

S. 1341. A bill for the relief of Panagiotis Carvelas; to the Committee on the Judiciary.

By Mr. CONNALLY:

S. 1342. A bill to strengthen national security and the common defense by providing for the maintenance of an adequate domestic tin-smelting industry, and for other purposes; to the Committee on Finance.

By Mr. ECTON:

S. 1343. A bill to convey to the city of Miles City, State of Montana, certain lands in Custer County, Mont., for use as an industrial site; to the Committee on Interior and Insular Affairs.

By Mr. DOWNEY:

S. 1344. A bill for the relief of Gerda Moller Uldall and her son, Mikkel Moller; to the Committee on the Judiciary.

S. 1345. A bill to provide for a per capita payment from funds in the Treasury of the United States to the credit of the Indians of California; to the Committee on Interior and Insular Affairs.

By Mr. MURRAY:

S. 1346. A bill for the relief of Franz Eugene Laub; to the Committee on the Judiciary.

By Mr. LODGE:

S. 1347. A bill for the relief of Jose Da Silva; to the Committee on the Judiciary.

By Mr. ECTON:

S. 1348. A bill to approve a repayment contract negotiated with the Bitter Root irrigation district, Montana, and to authorize its execution, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. McGRATH:

S. 1349. A bill to increase the salaries of the judges of the Municipal Court of Appeals for the District of Columbia and the Municipal Court for the District of Columbia; to the Committee on the District of Columbia.

S. 1350 (by request). A bill to provide for an additional judge for the Juvenile Court of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. SPARKMAN (for himself and Mr. HILL):

S. 1351. A bill to provide for a preliminary examination and survey of Heron Bay, Ala., for the purpose of determining navigation improvements; to the Committee on Public Works.

By Mr. CHAPMAN:

S. 1352. A bill to permit in certain cases the sale of utilities and related services to municipalities by the Secretary of the Navy and the Secretary of the Army, or their designees; to the Committee on Armed Services.

S. 1353. A bill for the relief of G. H. Lazarus, Jr., and Jesse F. Bewley; and

S. 1354. A bill for the relief of Nicole Sabbag; to the Committee on the Judiciary.

S. 1355. A bill to authorize the Commonwealth of Kentucky to use for certain educational purposes lands granted by the United States to such Commonwealth for State park purposes exclusively; to the Committee on Interior and Insular Affairs.

By Mr. CHAPMAN (for himself and Mr. WITHERS):

S. 1356. A bill providing for the conveyance to Campbell County, Ky., of the Fort Thomas Post Cemetery and for its perpetual care and maintenance; to the Committee on Armed Services.

(Mr. YOUNG (for himself, Mr. LANGER, and Mr. HUMPHREY) introduced Senate Joint Resolution 67, authorizing the President to issue a proclamation designating the second Saturday in June of each year as Children's Day, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

By Mr. McGRATH:

S. J. Res. 68. Joint resolution to authorize the National Capital Sesquicentennial Commission to proceed with plans for the celebration and commemoration of the one hundred and fiftieth anniversary of the establishment of the seat of the Federal Government in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

CHILDREN S DAY

Mr. YOUNG. Mr. President, on behalf of my colleague, the senior Senator from North Dakota [Mr. LANGER], the Senator from Minnesota [Mr. HUMPHREY], and myself, I introduce for appropriate reference a joint resolution authorizing the President to issue a proclamation designating the second Saturday in June of each year as Children's Day, and I ask unanimous consent that an explanatory statement by me, and an editorial from The Register's Washington Bureau, be printed in the RECORD. The whole thought was prompted by a young man formerly from North Dakota, but now from Minneapolis, Minn., who is of the opinion that children are the most important people in the world.

The VICE PRESIDENT. The joint resolution will be received and appropriately referred, and, without objection, the statement and editorial will be printed in the RECORD.

The joint resolution (S. J. Res. 67) authorizing the President to issue a proclamation designating the second Saturday in June of each year as Children's Day, introduced by Mr. YOUNG (for himself, Mr. LANGER, and Mr. HUMPHREY) was received, read twice by its title, and referred to the Committee on the Judiciary.

The statement and editorial presented by Mr. YOUNG were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR YOUNG ON JOINT RESOLUTION TO DESIGNATE THE SECOND SATURDAY IN JUNE AS CHILDREN'S DAY

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement supporting the joint resolution designating the second Saturday in June as National Children's Day.

We Members of Congress, faced with the herculean task of solving the many complex problems confronting the Nation on the social and economic fronts, are too often prone to overlook some of the simpler things we might do to benefit neglected segments of society.

In this particular instance, I refer to America's children, especially those handicapped by illness or rendered homeless as a result of the recent war.

Perhaps never before in the Nation's history have our institutions been so crowded with dependent children—children whose fathers died on far-flung battle fronts or who are otherwise dependent on the Government for aid.

I fully realize that we have instituted several worthy Government programs and many private benevolent institutions which are directing their energies to child aid. However, I am convinced that if Congress designates a particular day which would direct public attention to the Nation's children that much more sympathy could be engendered for existing child-aid programs and would undoubtedly result in many more private benevolent institutions taking an active interest in child welfare.

I would also like to point out that we have seen fit to designate special days to promote interest in mothers and fathers. And some have even gone so far as to institute such worthy programs as "Be Kind to Animals Week." These have all served a good purpose.

I wish to call your attention to the fact that the good to be derived from focusing attention on child welfare would not accrue to dependent children alone. Observing National Children's Day with appropriate ceremonies would also serve to build up the morale of our youth by impressing upon them the fact that they are a vital part of our Democracy—serve as an inspiration to fit themselves for the role they must play in later life.

Mother's Day, with its attendant ceremonies and tokens of mother appreciation, has given a small measure of reward for American motherhood. Fathers too receive annual national recognition on a day set aside in their honor.

It seems to me that this is an opportunity to do something of a similar nature for our children—those who will within a few years be charged with the responsibility of guiding our Nation's destiny.

The idea of inaugurating National Children's Day stemmed from a factual story stranger than fiction * * * a story which appeared in the Minneapolis Tribune and which aptly expresses the sentiment for such an observance.

The story, entitled "Mystery Man's $400 Bet on Child-Lover Paying Off," follows:

"WASHINGTON, D. C.—This is to notify a mystery man somewhere in the Midwest that he was right when he bet $400 on another man's love of children.

"There is no other way to notify the mystery man. The persons carrying out his instructions to do something to make things brighter for unfortunate children don't know his name or anything that would help them to locate him.

"PUT UP $400

"He simply put up $400 in cash and stepped out of sight.

"As a result of what he did, though, the United States soon may celebrate Children's Day every year, just as it now observes Mother's Day and Father's Day.

"A resolution setting aside the first Sunday in September for that purpose will be introduced in Congress next January.

"The story began in the lobby of a Minneapolis, Minn., hotel one bitter March afternoon last spring.

"Endie P. Groth, of Minneapolis, was sitting in the lobby waiting for his wife that afternoon, when a woman with three youngsters came in to wait for her husband.

"MOTHER COLD

"'She was cold and the older children were cold and her baby was pretty rambunctious,' Groth said later. 'She was just about fagged out.'

"So Groth, who is, in his own words, 'crazy about kids,' helped her entertain the young ones for half an hour until her husband came.

"He bought the older children, about 3 and 5 years old, some candy and told them stories. He held the baby for awhile. When the husband came he thanked Groth for helping look after the brood, and the family left.

"Then the mystery man appeared. Groth said the man appeared to be about 60 to 65 years old, was well dressed and, apparently, well to do. 'He had a little white mustache and looked kind of distinguished,' Groth said.

"The mystery man sat down beside Groth and started talking about the children who had just gone out. He said he figured Groth must like children pretty well.

"MOST IMPORTANT

"'I told him kids were the most important people in the world,' Groth said. 'I think they are.' I told him about a scheme I had had for a long time to set aside a children's day every year.

"'It would be a fine thing for the people who have children of their own, but it would be even better if everybody would do something special for the unfortunate kids, the ones in orphanages and hospitals and institutions, on one certain day.

"'He seemed to be quite interested in it, and asked a lot of questions, and then all of a sudden he pulled out his wallet and tried to give me a bunch of money.

"'He said he wanted me to take it and do what I had in mind. Of course, I refused to take the money, and soon my wife came in and we left.'

"A couple of weeks later Groth ran into the mystery man in the hotel again, and this time he thinks the man saw him get into his automobile and got the license number.

"LETTER RECEIVED

"A short time later a letter signed 'A Friend' was received by the Minneapolis Star and Tribune. Enclosed were four $100 bills.

"The letter asked the newspaper to locate the car bearing Groth's license plates, and give the owner of it the $400.

"It told of his friendliness to the three children in the hotel, and declared that 'in all the places I been in the world this is the kindest man I ever found. I will like you to find this man and give him these four bills for what I said, please.'

"The letter was printed crudely on lined paper, many of the words were misspelled, but the intention of the writer was unmistakable. He wanted Groth to use the money to come to Washington and get Congress to set aside an annual Children's Day.

"Groth, who had recently moved from Mott, N. Dak., eventually was traced to Minneapolis and the letter was delivered to him.

"ON THE SPOT

"'It put me on the spot,' he said. 'For years I had hoped that somebody would take hold of this thing and push it, and then later I was afraid somebody would grab it up and spoil it before I got around to doing it right.

"'When this man put up the $400 it kind of pushed up my schedule, and I had to go ahead before I had intended to.'

"Anyway, Groth and his wife came to Washington last week and started giving the mystery man full value for his money. They started by conferring with Senator WILLIAM LANGER, Republican, North Dakota, whom Groth knew from his residence in that State.

"LANGER got them a 20-minute audience with Attorney General Tom Clark, and the 20 minutes stretched to 50 when Clark got interested in the proposal and kept his other appointments waiting while he explored the children's day suggestion at length.

"From there the Groths went to see Senator MILTON R. YOUNG, Republican, North Dakota, also a personal acquaintance from their North Dakota days. They met other Senators, and several Representatives, and got encouragement from all of them.

"YOUNG AGREES

"Young agreed to introduce a Children's Day resolution when the regular session of Congress convenes in January. LANGER, a member of the Senate Judiciary Committee, which would receive such a measure, promised to plug for it there and on the floor. Others in both branches promised to help push it through Congress.

"'I guess I'm a lobbyist now,' Groth said. 'I'll be back here in January to lobby for this resolution.'

"Groth, who has two children of his own—Nancy 11, and Jane, 8—said he never could remember the time when he didn't get a thrill out of anything that brought a smile to a child's face.

"'I must have drunk barrels of that pink lemonade that kids are always selling from apple-crate stands in front of their houses,' he said.

"'I just can't seem to pass a stand where some kid is selling bunches of dandelions without buying some. I get a kick out of seeing their faces light up when they get a customer.'

"The mysterious man who gambled the $400 is hereby advised that the work is going forward as he wished."

REHEARING IN MATTER OF BELLOWS FALLS HYDROELECTRIC CORP.—ADDITIONAL SPONSOR OF JOINT RESOLUTION

Mr. AIKEN. Mr. President, I ask unanimous consent that the name of my colleague the junior Senator from Vermont [Mr. FLANDERS] may be added to the sponsors of Senate Joint Resolution 58, providing for a rehearing in the matter of the Bellows Falls Hydroelectric Corp. (project No. 1892), known as the Wilder Dam project, and a review of any order of the Federal Power Commission therein, which I introduced on March 2, 1949, on behalf of the Senators from New Hampshire [Mr. BRIDGES and Mr. TOBEY] and myself.

The VICE PRESIDENT. Without objection, it is so ordered.

EXTENSION OF RENT CONTROL—AMENDMENTS

Mr. CORDON submitted amendments intended to be proposed by him to the bill (H. R. 1731) to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. MAYBANK submitted amendments intended to be proposed by him

to the bill (H. R. 1731) to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes, which was ordered to lie on the table and to be printed.

INTERNAL SECURITY OF THE UNITED STATES—AMENDMENT

Mr. McCARRAN submitted an amendment in the nature of a substitute, intended to be proposed by him to the bill (S. 595) relating to the internal security of the United States, which was referred to the Committee on the Judiciary, and ordered to be printed.

AMENDMENT OF COMMODITY CREDIT CORPORATION CHARTER AND STRATEGIC AND CRITICAL MATERIALS STOCK PILING ACTS—AMENDMENT

Mr. WILLIAMS (for himself, Mr. BYRD, and Mr. WATKINS) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes, which was ordered to lie on the table and to be printed.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles, and referred, as indicated:

H. R. 1357. An act to authorize the establishment of the St. Croix Island National Monument, in the State of Maine;

H. R. 2373. An act to redefine the authority of United States Commissioners to consider violations of law and regulations relating to Hot Springs National Park; and

H. R. 2877. An act to authorize the addition of certain lands to the Big Bend National Park, in the State of Texas, and for other purposes; to the Committee on Interior and Insular Affairs.

H. R. 1437. An act to authorize the composition of the Army of the United States and the Air Force of the United States, and for other purposes; to the Committee on Armed Services.

H. R. 1757. An act to amend and extend the provisions of the District of Columbia Emergency Rent Act, approved December 2, 1941, as amended; to the Committee on the District of Columbia.

H. R. 1824. An act to amend the act of July 23, 1947 (61 Stat. 409); to the Committee on Interstate and Foreign Commerce.

H. R. 2513. An act to amend subdivisions d and e of section 58 of an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; and

H. R. 2672. An act to provide for the settlement of claims of military personnel and civilian employees of the War Department or of the Army for damage to or loss, destruction, capture, or abandonment of personal property occurring incident to their service; to the Committee on the Judiciary.

NOTICE OF HEARING ON SENATE JOINT RESOLUTION 2, PROPOSING AN AMENDMENT TO CONSTITUTION PROVIDING FOR ELECTION OF PRESIDENT AND VICE PRESIDENT

Mr. MILLER. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a hearing has been scheduled before the subcommittee of said Judiciary Committee for April 14, 1949, at 10 o'clock, in room 424, Senate Office Building, upon Senate Joint Resolution 2 by Senator Lodge and others, proposing an amendment to the Constitution of the United States providing for the election of President and Vice President. At the indicated time and place all persons interested in said proposed amendment may appear and make such representations as may be pertinent. The subcommittee consists of the Senator from Idaho [Mr. MILLER], chairman, and the Senator from Missouri [Mr. DONNELL].

WHAT YOU DON'T KNOW ABOUT THE SOUTH—ARTICLE BY SENATOR STENNIS

[Mr. MILLER asked and obtained leave to have printed in the RECORD an article entitled "What You Don't Know About the South," written by Senator STENNIS and published in Collier's magazine for March 26, 1949, which appears in the Appendix.]

ST. LAWRENCE PROSPECT—EDITORIAL FROM ALEXANDRIA (VA.) GAZETTE

[Mr. AIKEN asked and obtained leave to have printed in the RECORD an editorial entitled "St. Lawrence Prospect," published in the Alexandria (Va.) Gazette of March 18, 1949, which appears in the Appendix.]

WISCONSIN FIRSTS—ARTICLE FROM THE MILWAUKEE JOURNAL

[Mr. WILEY asked and obtained leave to have printed in the RECORD an article entitled "Wisconsin Firsts," from the Milwaukee Journal of March 19, 1949, which appears in the Appendix.]

RENT CONTROL—EDITORIAL COMMENT

[Mr. SPARKMAN asked and obtained leave to have printed in the RECORD three editorials relating to rent-control legislation, one entitled "Reasonable Return," from the Washington Post of March 19, 1949, another entitled "Getting Ready to Hand Rent Control to States," from the Philadelphia Inquirer of March 19, 1949, and another entitled "A Better Rent Bill," from the New York Herald Tribune of March 18, 1949, which appear in the Appendix.]

CONDITION OF NEW YORK STATE VOLUNTARY HOSPITALS—ARTICLE BY LUCY FREEMAN

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an article entitled "Hospitals in State Warned of Future," by Lucy Freeman, published in the New York Times of March 20, 1949, which appears in the Appendix.]

OVERNIGHT FLIGHTS DO NOT BRING EUROPE NEARER—ARTICLE BY ANNE O'HARE McCORMICK

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an article entitled "Overnight Flights Do Not Bring Europe Nearer," written by Anne O'Hare McCormick, and published in the New York Times of March 21, 1949, which appears in the Appendix.]

ADOPTION BY TOWN OF RONCEVERTE, W. VA., OF A DISPLACED LATVIAN FAMILY

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an article from the Charleston (W. Va.) Gazette, of March 20, 1949, concerning the adoption by the town of Ronceverte, in West Virginia, of a displaced Latvian family, which appears in the Appendix.]

UNEMPLOYMENT IN MASSACHUSETTS—LETTER FROM ARTHUR W. BROWN

Mr. LODGE. Mr. President, I have received a letter which is so well expressed and which concerns a subject of such great interest to Members of the Senate that I should like to have it printed in the body of the RECORD. It comes from Mr. Arthur W. Brown, director, Greater Lawrence Joint Board, Textile Workers' Union of America, and concerns the unemployment situation and the importance of an adequate appropriation for the Division of Employment Security. I ask unanimous consent that the letter may be printed in the body of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GREATER LAWRENCE JOINT BOARD,
TEXTILE WORKERS' UNION OF AMERICA,
Lawrence, Mass., March 17, 1949.

United States Senator HENRY CABOT LODGE, Jr.,
Senate Office Building,
Washington, D. C.

DEAR SENATOR LODGE: I am calling your attention to a situation of critical importance now facing thousands of unemployed in the Greater Lawrence area and throughout the entire Commonwealth of Massachusetts, a situation so extreme in its urgency that unless immediate steps are taken untold hardship will be visited upon these unemployed and on the community and State at large.

I am informed on unimpeachable authority that unless Federal funds are made available at once to meet pay rolls that the offices of the Division of Employment Security in Lawrence and throughout the State must suspend operations entirely by mid-April or continue with such a reduced staff that any degree of efficiency will be impossible. It is unthinkable that such a condition should be permitted to arise at this crucial time, when the textile industry in Lawrence is experiencing a slack period unknown for many years.

The cold, shocking truth of this is found in the figures of the Lawrence office for the week ending March 16, 1949—15,652 persons drawing unemployment compensation checks. Of these, 3,030 were new claims filed during the past week. An official estimate in the Boston headquarters of the system expects 53,000 new claims to be filed during the first week in April from every corner of the Commonwealth and a total of 133,000 claimants drawing checks by the week of April 20.

Without the immediate issuance of Federal funds already due the Division of Employment Security plus additional moneys to meet the increased burden of claimants, the Division has only two alternatives. One is to close down all of its offices, suspend the payment of claims, and let these innocent unemployed suffer until June 30. The other is to furlough hundreds of personnel in the system and operate with a skeleton crew which will be completely inadequate to cope with the rising tide of claims.

Either prospect is a grim one. I have continually urged that the staff of the Lawrence office be enlarged to provide the type of service that these unemployed have every justification to expect. There should be no long lines of applicants, no interminable waiting to have their claims processed. In the last couple of weeks there has been some slight improvement in this direction since additional clerical help has been given here.

Just ahead, however, is the very distinct possibility that this office and its counterparts which dot the State must either close their doors in the beseeching faces of thousands of unemployed or allow them to remain open and try ineffectually to meet ever-increasing numbers of applicants with a staff so reduced as to make efficiency an impossibility.

Neither must be allowed to happen. I need not point out to you, I think, the tragedy with which this situation is fraught. The hardship which would be worked on the unemployed if their claims cannot be processed is incalculable. Their savings have been depleted almost to the vanishing point by high living costs, and this heartless removal of almost their last recourse would be inhumane. Nor would they be the only ones to suffer. With textile pay rolls drastically reduced, these unemployment checks are essential to the economic position of Lawrence. Merchants, business and professional men, and others are certain to feel the impact. It is equally certain that heavy burdens will fall upon the relief agencies of the various municipalities.

Even if the offices remain open with reduced manpower, it would take months to recover the lost ground. At present 72 percent of all unemployment claims are being processed and paid on time. A reduced working force could only stack reams of claims in piles to await the day when more personnel could handle them. Claims filed in May might not receive attention until late summer.

I have been recorded before in opposition to many aspects of the unemployment-compensation picture. Long ago I called attention to the abuses contained in form 131 and to the unfairness of the merit-rating system for payment by employers. These, I realize, are State matters, and it is very likely that these matters will be corrected in the near future. I cite them only to point out that I have had, as a labor official in this area, to watch closely the system by which our unemployed receive compensation.

The most important, the most critical thing facing us today is the need for Federal funds now so that pay rolls can be met after mid-April and all offices can be kept in operation. The last session of the Congress appropriated money for half a year with the promise that more would be forthcoming. That promise has not been kept. Because of that default upon an obligation thousands of blameless unemployed, merchants, business people, and others may have to suffer.

I cannot urge upon you too strongly the need for your immediate attention to this matter and some corrective action on it. Copies of this appeal are to be sent to the other Members of the Congress representing the Greater Lawrence area, the Division of Employment Security, and the press. I hope that I may have your promise of quick action upon this matter which is so vital to all of us.

Yours truly,

ARTHUR W. BROWN,
Director, Greater Lawrence Area.

PROPOSED ABOLITION OF ELECTORAL COLLEGE—QUESTIONS BY SENATOR FERGUSON AND ANSWERS BY SENATOR LODGE.

Mr. LODGE. Mr. President, I received a series of 13 questions from the distinguished junior Senator from Michigan [Mr. FERGUSON], regarding Senate Joint Resolution 2, which proposes a constitutional amendment to abolish the electoral college and to count electoral votes for President and Vice President in direct proportion to the popular vote in each State. The Senator's questions are so interesting and will be, I am sure, so informative to Members of the Senate, that I ask unanimous consent to have his questions and my answers printed in the body of the RECORD, where all Senators may read them.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

ANSWERS OF SENATOR HENRY CABOT LODGE, JR., OF MASSACHUSETTS TO CERTAIN QUESTIONS RAISED BY SENATOR HOMER FERGUSON, OF MICHIGAN, CONCERNING SENATE JOINT RESOLUTION 2 (PROPOSING A CONSTITUTIONAL AMENDMENT TO ABOLISH THE ELECTORAL COLLEGE AND TO COUNT ELECTORAL VOTES FOR PRESIDENT AND VICE PRESIDENT IN DIRECT PROPORTION TO THE POPULAR VOTE IN EACH STATE)

Hon. BERT H. MILLER,
Chairman, Subcommittee on Constitutional Amendments,
Committee on the Judiciary,
United States Senate,
Washington, D. C.

DEAR MR. CHAIRMAN: At the hearings before your subcommittee on March 9, 1949, Senator FERGUSON propounded 13 questions regarding the constitutional amendment proposed in Senate Joint Resolution 2, of which I am a cosponsor.

In view of Senator FERGUSON's expressed desire that answers to his questions be forthcoming from the sponsors of this resolution, I submit for the record some observations which I believe are responsive to his questions.

1. Senator FERGUSON asked: "If a constitutional amendment were adopted, guaranteeing electoral votes to every candidate according to popular votes, would candidates be likely to argue that States must put them on the ballot since Presidential elections are now Federal and not State contests? In other words, would Federal regulation of Presidential elections be likely to follow, to protect the right of the candidate to his share of the popular vote? Why grant him an electoral share if States can keep him off the ballot?"

This question rests, in my opinion, upon a misunderstanding of what the proposed constitutional amendment provides. Section 1 states that:

"Each person for whom votes were cast for President in each State shall be credited with such proportion of the electoral votes thereof as he received of the total vote of the electors therein for President."

This simply provides how the electoral votes will be counted. It does not, as the question implies, "guarantee" electoral votes to any candidate. It merely provides that if he receives popular votes in a State, he shall be credited with a corresponding proportional share of the electoral vote of that State. There is no more reason to believe that candidates will demand inclusion of their names on State ballots under the procedure here recommended than under the present system. The phrase in the question which reads: "Since Presidential elections are now Federal and not State contests" is somewhat misleading. Elections under the proposed reform are Federal only in the strictly limited sense that the electoral votes which a candidate receives in a State where he failed to command a plurality of the popular vote are added to the electoral votes received in other States. But State control of election laws is completely untouched.

My conclusion is: Merely because a Presidential candidate is entitled to an accurate reflection in electoral votes of his popular vote does not imply a corresponding Federal right to have his name placed on the State ballot.

2. Senator FERGUSON asked: "Are Presidential campaigns likely to be more costly under the proposed change? Or would less money be spent in the big States and more in other areas, without increasing the total cost? Would we have different campaign techniques and what would their change mean to different areas and to different voters?"

This question is in two parts and I will answer it accordingly.

(a) It is my opinion, all other factors being equal, that a relatively smaller amount of money would be spent in the large centers of population—where the existence of large blocks of electoral votes, under the unit, or "all-or-nothing," rule makes expenditure of money often most rewarding—and that the total amount of funds available would be spread more evenly throughout the whole country.

The question of whether the over-all total amount of money would be larger or smaller involves guesswork. There are, for example, years in which money is much harder to raise than is the case in other years. I believe that the knowledge that minority votes would actually count for something in the national total would be a powerful factor toward eliminating indifference and stirring up interest. We are told that 40,000,000 people who were eligible to vote did not vote at the last election. The proposed change would surely, so it seems to me, have the effect of reducing this figure, and the increase in interest should measurably reduce the need for advertising; and this would reduce the need for money. I therefore conclude that the net effect of the proposed change would be toward a lower net expenditure for Presidential campaigns.

(b) I most emphatically believe that we would have different campaign techniques and that we would see a change in different areas of significant importance to the individual voter.

As a first step in a Presidential contest, the national campaign committees and the political strategists of both major parties sit down with a map of the Nation and decide where to do their work and spend their money. Their problem is, in most instances, relatively simple. The six largest States in the Union with their electoral votes are as follows: New York, 47; Pennsylvania, 35; Illinois, 28; Ohio, 25; California, 25; and Texas, 23. But Texas, being in the so-called solid South, commands little attention. By and large it is safe to say that the lion's share of all the political effort by both parties is concentrated in five big pivotal States: New York, Pennsylvania, Ohio, Illinois, and California. Any party carrying all of these States has little to fear about the future occupancy of the White House. Only twice in the past 70 years has anyone been elected President without carrying, under the all-or-nothing rule, the State of New York. In the last 50 years, we have had three Presidents from Ohio and three from New York. This is no coincidence.

The result is that in a vast majority of the States it has become customary to do little or no intensive campaigning. The people in these States, generally, knowing that they count for little, simply watch the Presidential campaign in the large pivotal States, often with disdain and disgust, as the figure of 40,000,000 nonvoting citizens so clearly indicates—this is a most unhealthy situation.

But abolish the all-or-nothing rule, whereby all the electoral votes of a State go to the candidate receiving a plurality—no matter how negligible—of the popular vote, and it seems to me inevitable that campaign techniques—and voting habits, too—will change. Vigorous campaigns will continue to be waged, I believe, in the more populous States because the electoral reward is still remunerative; candidates will want to get as many of New York's 47 votes, for example, as possible. But the principal difference will be that vigorous campaigning will not be concentrated in these larger States. Because every vote for President would count under the reform proposed in Senate Joint Resolution 2, campaigning would be spread all across the land into all 48 of the States. No longer would Republicans ignore the

South (and Democrats, too); no longer would Democrats ignore certain Northeastern and North Central States (as do the Republicans, too). Because the individual voter in one State would be potentially as important as the individual voter in another State, interest in national elections would certainly be tremendously invigorated. Citizens all over the country would feel that they were part of the great democratic expression of popular will. Issues would in all probability tend to become more national in scope because the value of a sectional appeal, encouraged as it is by the all-or-nothing rule, would be very greatly reduced, if not altogether eliminated. A new breath of life and a far healthier climate would characterize Presidential politics.

My conclusion is: Were the proposed amendment adopted, campaigns would not be more expensive, but Presidential campaigns and any subsequent Presidential political activity would spread into all the 48 States.

3. Senator FERGUSON asked: "By offering an incentive to see power grow in the electoral vote, would multiple parties be encouraged? Formerly, splinter parties were stopped at the State and regional level; would they now retain their identity, resist being swallowed up in the major parties and bid for power on their own? Is the incentive of the electoral vote too weak to encourage splinter parties or will it have a tendency to encourage them?"

It is the firm belief of the sponsors of this proposed constitutional amendment that the reform proposed would not encourage a proliferation of splinter parties; indeed, it is submitted that the very reverse would be the case.

I am as strong a believer in the two-party system as it is possible for anyone to be and I am vigorously opposed to anything which would threaten this country with a multiplicity of parties.

It is an undeniable fact that our present all-or-nothing system of electing Presidents can and does result in exaggerating the importance of minority pressure groups and splinter parties who, because of strict discipline or fanatical interest, may hold a balance of power far out of proportion to their numbers or to the justice of their interests. In the 1948 elections, the Wallace party was so influential that it in effect threw two States to Governor Dewey. But under this proposed reform, splinter parties would have much less bargaining power than at present because their influence on the electoral vote of any given State (and in particular so-called pivotal States) would be only in direct proportion to their popular vote. Their influence could no longer be pivotal and this is as it should be.

Adoption of this proposed constitutional amendment would tend to bring these minority parties out into the open and oblige them to seek popular support on the basis of their true appeal rather than on the basis of their bargaining power. They would obtain no more and no less than that to which they are entitled.

In this connection let us apply the provisions of Senate Joint Resolution 2 to the figures of the 1948 elections. Obviously, the popular votes would not have been cast as they actually were cast in 1948 if Senate Joint Resolution 2 had been in effect, but it is useful mechanically and for purposes of illustration only in this particular instance to apply the new rules to the old figures. When we do so, we find that Mr. Wallace would have received 9.4 electoral votes instead of receiving none as was actually the case, and we find that Governor Thurmond would have received 38.6 instead of the 39 which he actually did receive. In other words, Mr. Wallace would have made a slight and—from a practical standpoint—insignificant gain, while Governor Thurmond, the other splinter party candidate, would have had a slight and equally insignificant loss.

This leads to the further thought that the future success of the Wallace party or the Thurmond party cannot conceivably depend on whether or not they get an unimportant number of electoral votes. Senators on the committee can determine as well as I can the American political conditions which will give strength and vitality to the Wallace party or the Thurmond party. Certain it is that these strength-giving factors far transcend any factitious advantage which might come from the very slight advertising value which might accrue from a splinter party being credited with a small number of electoral votes.

In the last analysis the vigor of our two-party system rests on the fact that the men leading them conduct them in such a way that they respond to and fulfill a popular need. The minute our major parties are stupidly led they are going to shrivel up, no matter what legal advantage the election machinery may confer. Certainly the vigor of our two-party system ought not to rest on some legalistic advantage. We cannot expect to maintain a two-party system by legislative fiat or by constitutional amendment. If the people do not want a two-party system, you cannot make them have it. Senate Joint Resolution 2 confers no legal advantage to the two-party system; it simply removes an obstacle in the way of its future development. It certainly does not—and should not—attempt rigidly to legislate a two-party system into perpetuity.

Consideration must also be given to the fact that within the several States the two-party system continues to flourish vigorously (except, of course, in the so-called solid areas)—and it continues to function effectively under election procedures directly representative of the will of the people. If there has been no proliferation of splinter parties within the States for local, State, and Federal offices under a direct popular vote system, there seems little likelihood that they would flourish under the national reform contemplated in Senate Joint Resolution 2, which is, after all, less directly representative of the will of the people than the direct popular vote. As the question puts it, splinter parties have been stopped at the State level—and they have been stopped under election machinery which reflects with absolute accuracy the popular will. The proposed amendment seeks a procedure short of a direct popular vote which reflects as accurately as possible the popular will. Experience in the several States teaches us that the more truly democratic the election machinery, the more parties and candidates must survive on their own merits.

The clear inference of this question of Senator FERGUSON'S is that splinter parties will achieve a sort of prestige by dint of receiving electoral votes, even though very small in relation to the national total. I doubt this very much. I do not think it is logical to assume that a splinter party gains any increased stature or power merely because it shows a few votes in the electoral column. Third best, fourth best, or fifth best, whether measured in popular votes or in electoral vote, is still not winning. If you do not win, you just do not win. It is no particular encouragement to a party if it keeps on losing no matter under what system.

My conclusion is the reform proposed in Senate Joint Resolution 2 would discourage rather than encourage splinter parties.

4. Senator FERGUSON asks: "What has been the experience in other countries with regard to multiple parties?"

Compared to our two-party system here in the United States, the usual cluster of ideological parties in many of the parliamentary democracies of Europe is certainly far from satisfactory. Where you have a radical and a Socialist and a Communist and a royalist and an anarchist and a whole rainbow of parties, the inevitable result is that all party responsibility evaporates and the citizen, consequently, can never hold anybody responsible for anything. There is the further tendency constantly to divide people instead of seeking to pull them together. Eventually this degenerates into bloodshed along Communist-Fascist lines. The premium under this system is on violence instead of being on moderation.

The successful American party unites and goes ahead. It is in this respect the very reverse of European parties, whose purpose is constantly to separate the sheep from the goats and to sharpen class warfare.

Because we have a strong two-party system in America, which I firmly believe will be enhanced and invigorated by the constitutional reform recommended in Senate Joint Resolution 2, the people are able to fix the responsibility for the way their Government is conducted. It enables the voter, whether he be a Democrat, Republican, or Independent, to exercise maximum influence on the conduct of his Government. It enables the minority party to serve as an effective check on the party in control. It makes it possible to hold together the wide variety of climates, occupations, races, and creeds which make up America—and make up the so-called blocs which cut across both parties' lines.

I have heard some critics of the proposed reform compare it with proportional representation as practiced in France and which has so weakened the French Government. Actually there is no resemblance. In France proportional representation is applied to the election of a legislature—a group consisting of hundreds of men. In the case of Senate Joint Resolution 2, however, we are applying the principle to the election of a single man—the President (or the Vice President).

When a legislature is elected under proportional representation, places are given to all possible (and usually widely divergent) views on national policy. There thus results a legislature which is so perfectly representative of each shade of opinion that it becomes impossible to find a common meeting ground on any course of action. Such a multiplicity of representative opinion results that there is no opinion which can be made effective. Proportional representation in the election of a legislature does promote splinter parties because these parties realize that almost any policy which has appeal for any appreciable number of people will secure them some representation, some voice in the government—and therefore some power in it.

But in the case of a single officeholder, the reasoning no longer applies. Even the cleverest surgeon cannot divide one man up—proportionally or otherwise—and expect him to live. This is the crucial difference between electing a legislature (or similar group) by proportional representation and the counting procedure prescribed in the constitutional amendment in question. If we were electing three Presidents to sit as a board, valid objection might be made to this procedure. If we were electing a legislature on a Nation-wide basis, the objection would become even more valid. It is certain then that our system of government, founded as it is on the two-party theory, would be greatly weakened—as have been those countries in Europe which have adopted the multiple-party system.

My conclusion is: The experience in other countries with regard to multiple parties has, by our standards, been most unsatisfactory. The proposed amendment, however, would not tend to a duplication of that ex-

perience in this country because it simply cannot be applied either to our President or to our Congress.

5. Senator FERGUSON asked: "We have had a number of minority Presidents. Will this tendency increase under the new proposal?"

The conclusion of the Brookings Institution, expressed to me in a letter dated May 27, 1948, is that the proposed constitutional amendment "will practically eliminate the chance that a President will receive a majority of electoral votes despite the fact that his opponent polled a majority of the popular vote."

I concur in this conclusion. History shows that, in terms of the popular vote, elected Presidents were plurality—and not majority—choices in almost half (14) of the 32 elections for President held between 1824 and 1948. In fact, the 1948 elections are a case in point. The official returns show that President Truman polled slightly less than half (49.5 percent) of the popular vote even though the "all-or-nothing" rule awarded him 57 percent of the electoral vote.

Indeed, the 1948 elections illustrated how very close we came to electing a President even though he had fewer popular votes than his opponent. Changing about 29,000 popular votes, distributed as follows would have given Governor Dewey 267 electoral votes, one more than necessary to win:

	Total votes cast	Votes needed to shift State	State electoral votes
Illinois	3,984,064	16,807	28
Ohio	2,936,071	3,554	25
California	4,021,538	8,933	25
Total	10,941,655	29,294	78

The significance of this wholly probable, and certainly negligible, shift in votes would have meant that Governor Dewey would have been elected President with a popular total of 21,998,464 votes, while President Truman would have lost the election even though he would still have polled 24,075,542 votes.

These anomalous results are directly attributable to three characteristics of our election procedure: (a) the "all-or-nothing" rule which gives all the electoral votes of a State to the candidate "carrying" it by plurality, be it just a "photo finish"; (b) that provision of the Constitution which provides that each State shall have a number of electoral votes "equal to the whole number of the Senators and Representatives to which each State may be entitled in the Congress"; and (c) the fact that, as long as electoral votes are counted by States, the State in which a large population of voters goes to the polls gets no relative credit for so doing.

(a) The proposed constitutional amendment does away with one of these characteristics, i. e., the "all-or-nothing" rule. It does not eliminate the other principal contributing factor to the election of so-called "minority" Presidents, namely, the retention of the two-electoral-vote "bonus" per State, which is representative of the State's two places in the Senate. So long as this characteristic is retained in our election procedure, the possibility, as opposed to the probability, of electing "minority" Presidents exists. But by eliminating one of the principal causes of this anomaly, the proposed reform greatly reduces the danger.

One of the most critical charges leveled against the "all-or-nothing" system by almost every thoughtful student of political science is the extent to which the Electoral College fails adequately to reflect the judgment of the voters. A few illustrations will suffice:

The election of 1860

	Lincoln	Douglas	Breckenridge	Bell
Popular vote	1,866,000	1,377,000	850,000	589,000
Electoral vote	180	12	72	39
Percentage of popular vote	39.8	29.4	18.1	12.7
Percentage of electoral vote	59.1	3.9	24.0	13.0

From this it appears that although Douglas was second in popular strength, he was last in the electoral college. While his popular vote was 74 percent of Lincoln's, his electoral vote was only 6⅔ percent of that of his successful rival. His popular vote was 162 percent of Breckenridge's, but his electoral vote was only 16⅔ percent of the latter's. His popular vote was more than double Bell's, but Bell had more than three times his vote in the electoral college.

The election of 1912

	Wilson	Roosevelt	Taft	Socialist
Popular vote	6,290,000	4,123,000	3,484,000	989,000
Electoral vote	435	88	8	0
Percentage of popular vote	42.5	27.9	23.6	6
Percentage of electoral vote	82.0	16.5	1.5	0

Taft had 66 percent of Wilson's popular vote and only 1½ percent of his electoral vote. He had 85 percent as many votes as Roosevelt, but they were so widely distributed that he carried only two small States with a total of eight electoral votes, or exactly one-eleventh of the Roosevelt electoral vote.

The election of 1936

	Roosevelt	Landon	Total
Popular vote	27,752,000	16,680,000	45,647,000
Electoral vote	523	8	531
Percentage of popular vote	60.8	38.6	
Percentage of electoral vote	98.5	1.5	

From this appears that although Landon had 38.6 percent of the total vote, he received only 1½ percent of the electoral vote.

Because the constitutional amendment proposed in Senate Joint Resolution 2 abolishes the unit rule and substitutes a method of counting electoral votes calculated more nearly to reflect the popular vote, one very troublesome—if not the most troublesome—cause of inaccurate results in the electoral college is eliminated. The amendment recognizes that the electoral-college system has never functioned as originally conceived by the framers of the Constitution. This so-called college has become a rubber stamp—and an inaccurate rubber stamp at that. It is difficult to imagine a more useless item of equipment than an inaccurate rubber stamp.

As stated before, however, the proposed reform does not touch the allocation of electoral votes per State guaranteed by the Constitution. Evidence that the so-called two-vote bonus per State contributes to inaccurate results in the electoral college may be adduced from a study of the following significant figures:

The total population of the United States under the 1940 census was 131,699,275. Ten of the large States had a combined population of 69,014,043, which means that the remaining 38 States had a population of 62,655,232, or about 6,500,000 less than the total population of the 10 large States.

These 10 States have 20 electoral votes allotted them by the Constitution regardless of population. The other 38 States have 76 electoral votes allotted them regardless of population.

This gives 56 electoral votes more to the 38 States having less than one-half of our population than is allotted to the 10 big States.

Obviously, such assignment of "bonus" electoral votes has an important bearing upon our electoral problems insofar as electing the President is concerned.

Considering only this class of electoral votes—the two votes per State regardless of population—it is interesting to note what happened in the 1944 Presidential elections and what would have happened under the proposed formula (assuming again that people would have voted in equal numbers and for the same candidates). Roosevelt carried 36 States, which gave him 72 of the 96 electoral votes assigned to the States regardless of population, exactly 75 percent of this class of electoral votes. Yet he received only 53 percent of the popular vote. Had the Senate Joint Resolution 2 formula been applied, crediting these votes to the candidates in proportion to their popular votes, Roosevelt (assuming the same popular vote) would have received 54.167 of this class of electoral votes and Dewey 40.801.

Compare the figure of 54.167 electoral votes for Roosevelt under the new proposal and his total popular percentage of 53 percent and it becomes immediately apparent that the proposed method of counting electoral votes in proportion to the popular vote tends to correct the inaccuracy of allotting the "bonus" two electoral votes to the plurality candidate.

It does not entirely cure the problem, granted. So long as each State is entitled to a number of electoral votes equal to its Senators and Representatives there is always the possibility—albeit greatly minimized—of the situation to which Senator FERGUSON alludes.

Balanced against this consideration, however, is the fundamental fact that taking away the two electoral votes from the smaller States would deprive each of them of a large percentage of their present influence in electing the President and would do violence to the principle of the great compromise in the Constitutional Convention upon the basis of which the smaller States consented to join the Union. If this were done, a State with four electoral votes would lose one-half of its votes; a State with six electoral votes would lose one-third of them; a State with eight electoral votes would lose 25 percent of its present voting strength.

There is not only the matter of the two-vote bonus for the States with small populations. There is the further fact that in every Presidential election each State is credited with electoral votes equal to the number of its Congressmen and Senators regardless of how many people go to the polls. In South Carolina, for example, the number of persons who voted in the 1948 election was the equivalent of 17,000 per electoral vote, whereas in Massachusetts the number of persons who voted were the equivalent of 132,000 per electoral vote. Putting this in another way, some observers have stated that this means that a voter in South Carolina was almost eight times a powerful as a voter in Massachusetts.

Clearly this possibility will always exist so long as you retain State control of elections and the counting of electoral votes by States. The only way of eliminating this possibility is by a straight popular election on a Nation-wide basis, which, for reasons which I have previously expressed, is not proposed here. Short of a popular election, the States which turn over a large percentage of the popular vote will not receive credit for it in comparison with States where the people do not bother to go to the polls. But Senate Joint Resolution 2, by increasing a popular participation in all the States, will measurably decrease apathy and absenteeism.

This introduces a further factor—in addition to the two-vote bonus—which makes it theoretically still possible that the decision of the popular vote and that of the electoral vote will be different. Under Senate Joint Resolution 2, however, the possibility is reduced as much as is possible while still leaving control of election laws in the hands of the States.

My conclusion is: because the proposed amendment removes one of the three chief contributing factors and equalizes the other two to a considerable degree, it will decrease substantially the probability of electing minority Presidents.

6. Senator FERGUSON asked: "By translating popular votes into electoral votes, the tendency was to cancel out smaller candidates having less than a plurality and to give the winning candidate a national character by a larger electoral vote. Would the new proposal change this by accentuating the minority status of a winner?"

This question has been partially answered under No. 3, above. Whether minority parties show results either in terms of electoral votes or popular votes seems to me immaterial. I do not see that it would not affect their national character one way or the other. Did the State's Rights candidate achieve any more national character by gaining 39 electoral votes and 1,169,312 popular votes in the 1948 elections than did the Progressive Party candidate by polling 0 electoral votes and 1,157,100 popular votes? I think not. Actually, under our present system, the Party which in 1948 polled no electoral votes exercised a far greater influence on the election than did the party which polled 39 electoral votes. President Truman did not need the 39 electoral votes which the States' Rights Party garnered in Alabama, Mississippi, Louisiana, South Carolina and Tennessee, while the Progressive Party definitely held a balance-of-power in States like New York, Michigan, Maryland, New Jersey and others.

Referring to the second part of Senator FERGUSON'S question, respecting the national character given the winning candidate under the inaccurate electoral college all-or-nothing system, I believe the following editorial which appeared in the Washington Post shortly after the 1948 elections is responsive and pertinent:

"If Americans frequently fail to maintain a sense of proportion about election returns, the fault is not wholly their own. Our electoral machinery grossly magnifies the victory of the winner and exaggerates the defeat of the loser. In the recent upset, President Truman won 303 electoral votes against 189 for Governor Dewey, a result which gives the impression of a sweeping triumph. Actually the popular vote for Mr. Truman was 23,641,072 and for Mr. Dewey 21,584,868.

"The exaggeration of the electoral vote comes from the bad practice of giving all the votes of each State to the candidate with the highest popular vote in that State. In Illinois, for example, the count stood at 1,990,635 for Mr. Truman to 1,959,439 for Mr. Dewey, giving all of Illinois' 28 electoral votes to Mr. Truman. Connecticut's 8 electoral votes went to Mr. Dewey on a margin of less than 16,000 popular votes. In both instances, of course, the fair and sensible arrangement would have been to distribute the electoral vote in the same proportion that the popular vote was divided. If this had been done on a national scale, the result would have been not 303 to 189, but 261.2 for Mr. Truman to 222.5 for Mr. Dewey.

"Senator LODGE'S proposed amendment to the Constitution for the effectuation of this reform has many points in its favor. It would close up the loopholes in our electoral system. It would extend the Presidential contest over the entire country and minimize the influence of minority groups in a few pivotal States. Beyond this, it would relieve the country of the illusion that a relatively close election has been a landslide. We doubt that landslide psychology is good for a democracy, which needs stability as well as ferment. Much energy may be lost in violent swings of the pendulum.

"If the public is led to believe that the swing to the left in the recent election was sharper than it really was, business may be discouraged and curtail its activities. Some labor leaders are already presenting unreasonable demands on the strength of what they believe to have been a landslide in their favor. Legislators and organs of public opinion may be deceived largely because of the exaggeration that creeps into the distribution of electoral votes. We cannot help thinking that a more equitable distribution of electoral votes would give both the victors and the vanquished a better understanding of what their responsibilities and opportunities are."

My conclusion is: The proposed amendment would not confer increased national character on losing parties; and it would serve to dispel the illusion that a relatively close election was in fact a landslide.

7. Senator FERGUSON asks: "Which is the greater threat to the American system: Nuisance minorities under a two-party umbrella or multiple parties on their own?"

I think nuisance minorities under a two-party umbrella is far preferable. This question covers, in essence, the same ground as that covered in Senator FERGUSON'S question No. 3, and I will simply restate my conclusion here, using the words of the Brookings Institution in their letter previously cited:

"The proposed constitutional amendment will practically remove the chance that small minority groups can attain and exercise great power over Presidents, Presidential candidates, and political parties because they hold the balance of power in pivotal States. The minority groups will have no power beyond that justified by their number of voters in a Presidential election."

8. Senator FERGUSON asked: "If multiple parties could develop under the new system, could they bid for a share in national government even though they do not succeed in electing a President? Today, we have many bipartisan boards and commissions in the Federal Government; might the new proposal send this into the direction of multipartisan boards with block pressure for concessions? Would not multiple parties, even if they failed to elect their Presidential candidate, be expected to elect Members to Congress, and what would that effect have on congressional organization?"

I believe this question goes very far afield. In the first place, I do not assume, as the question does, that multiple parties would develop under the proposed amendment. As pointed out previously, I believe that their power would be greatly curtailed. If they were to develop, it would not be because the electoral vote is counted so as more accurately to reflect the popular vote. It would be rather because the major parties had become so weak, or indifferent, or stupid that they could no longer command the respect or confidence of the American people. The constitutional amendment which we propose offers no protection at all against sustained stupidity; nor, it is relevant to mention, does our present electoral machinery.

Incorporating by reference my previous remarks concurring the basic distinction between electing a legislature by proportional representation (like the board of aldermen in New York City) and electing a single officeholder by plurality of the electoral vote (like the President of the United States), it seems no basis for concluding that the losing party would, under the proposed reform, have a greater right to representation in the Government than presently enjoyed. In the 1948 elections, the States' Rights Party obtained 39 electoral votes in the electoral college, yet to the best of my knowledge no official representation has been officially given this party in the Federal Government, nor am I aware of any demand being made by this party for representation of this sort. The Progressive Party polled over a million popular votes in 1948 in 44 of the 48 States, but no instance has come to my attention to date that this party is insisting that these votes entitle it to an active, working voice in the National Government, and it seems to me inconsequential—in the latter case—whether the strength of this party is measured in popular votes or in terms of the 9.4 electoral votes to which it would have been entitled under the Senate Joint Resolution 2 formula.

The Republican Party received 45 percent of the total popular vote in 1948, and 35.6 percent of the total electoral vote, but I have not had my attention invited to any sentiment that this showing is justifiable grounds for appointment of Republicans to high office in the executive branch of the Government, or to a realinement of seats in the Senate to correspond with these percentages.

Regarding Senator Ferguson's query about congressional elections, I believe that the clear answer is that these elections will continue to function as always: The candidate whom a plurality of the voters in the congressional district desire to represent them will win the election, whether or not the electoral votes for President are counted under the all-or-nothing rule or under a procedure more exactly reflecting the popular will.

My conclusion is: The proposed constitutional amendment would in no way change the present method whereby the Chief Executive fills up appointments in the executive branch, subject to confirmation by the Senate. It would provide no more justification for coalition cabinets or multi-partisan boards than does the present winner. The partisan affiliation of the present cabinet is as well known to the members of the Committee as it is to me. There would still be only one winner of an election.

9. Senator FERGUSON asked: "Would the new proposal push the representative system in the direction of national-popularity contests and thus into bread-and-circus politics?"

If Senator FERGUSON is using the word "popularity" in a derogatory sense, I think the answer to his question is an emphatic "No." Let me refer again to the analysis made last year by the Brookings Institution and to this comment touching on this aspect of the proposed amendment: "In the selection of candidates for the Presidency and Vice Presidency the parties will be concerned with the capacity of the persons chosen to command the support of voters throughout the Nation and not upon their capacity to carry certain pivotal States or even big cities. Able men from small States will not be handicapped as they are at present."

The members of the committee can decide as well as I can whether the voters throughout the Nation are more susceptible to bread-and-circus politics than those in a few big pivotal cities.

10. Senator FERGUSON asked: "Would the new proposal lead to the setting up of puppet parties in States 'solid' to one party or another for the purpose of drawing off electoral votes from the major parties? Minor parties do this now. Would the tendency be encouraged?"

This question has been adequately covered in my replies to questions Nos. 3 and 7 above. The short answer is, for the reasons given in some detail earlier, that the influence of minority parties would be greatly reduced under the proposed amendment.

One additional observation: I do not believe, as the question seems to infer, that merely because a puppet party enters the

field—under the present or the proposed system for counting electoral votes—it necessarily follows that it can automatically command support. For a minority party to have a balance of power it must have something to offer which commands a certain degree of popular support. A puppet party in and of itself has no magic, intrinsic nuisance value. Only when a real following is attained does it begin to exert a clearly discernible influence at the State level. The present system is guilty of aiding and abetting a following, while the proposed constitutional reform relegates the pressure party to the status where it must survive or perish purely on its own merits. I think that, under these circumstances, almost all nuisance, puppet, pressure, or splinter parties would either perish completely or become absorbed in one of the two major political parties.

11. Senator FERGUSON asked: "There is general agreement that the new proposal would break up the South. Do reason and history support the view that the Republican Party, as the existing alternate party, would move in and get a strong share of southern votes to revivify the two-party system, or would the break-up lead to third parties in the South?"

I enthusiastically associate myself with this question's basic assumption that the proposed reform would change the voting habits in the South and offer as my considered opinion, confirmed by others more expert than I, that it would resurrect a real two-party system not only in the South but also in the other so-called solid areas of the country.

Moreover, I believe that because every vote would count in a Presidential election, the reason for the present apathy of voters in "solid" areas on election day—as contrasted to the interest in the primaries—would be removed.

Under our present "all-or-nothing" system of counting electoral votes, a whole section of a dozen or more States are almost always completely neglected in Presidential campaigns. The Democrats ignore the South because they know that these States are already safely in the hunter's bag. The Republicans waste no ammunition in the South because they appreciate the utter futility of campaigning there under the "all-or-nothing" rule. The inevitable result has been that voters in these States take very little interest in Presidential elections. Usually all State and local issues are resolved in the primary elections, so the voters go fishing on election day in November. In the State of Texas, for example, the average over the past few electons discloses that only about 30 to 50 percent of those who go to the polls in primary elections bother to return in November. Why should they, after all? The Democratic voters know that the nominated candidate is going to win. The opposition know that the Democratic nominee is going to win. Because of this wholly understandable apathy, you find that one electoral vote in the South today represents far fewer popular votes than in States where a real contest occurs. This statistic persists even though, according to the latest census figures, one electoral vote in the Southern States represents 250,000 persons—4,000 more than the national average (246,000 persons per electoral vote).

But remove the obstacle to a real contest in the South—the "all-or-nothing" which keeps it "solid"—and you remove the cause of the apathy. If you say to the voters in these States: "Your vote for President will count. Perhaps your choice may not carry your particular State, but remember that your vote will not be discarded and wasted, as it used to be, but will be added on to the votes which your candidate receives in other States and may, therefore, help to elect him"—if you say this, I confidently assert that you will have provided a real incentive for a large vote on election day. Place an empty saucer in front of a hungry kitten and probably not much interest will be aroused. But fill that saucer with cream and I am sure that the kitten will react.

I believe the Republican Party could "move in," to use the language of Senator FERGUSON's question. Whether it "would move in" depends on the Republican leaders—their vision, their energy, their idealism, and their ability to inspire confidence. I hope—and beleve—the Republicans would show these qualities. In such a case the certain result would be that the two-party system would flourish just as well, if not better, than it does in other parts of the country. The change may not occur overnight, but there is no doubt in my mind—and in the minds of many others—that there will be an immediate change which will grow more substantial as the years go by.

Turning from the question of reason supporting such a view to that of whether history supports it, the following should be set down: For a number of reasons history sheds no light on the question. Under the existing all-or-nothing system the prospect for a minority party in the South was so utterly discouraging that with the ending of the so-called reconstruction era after the Civil War no serious attempt was made to build such a party. An attempt to protect minority voting rights in the South by Federal legislation never was enacted into law. Therefore the record of history is blank, and we can only use our reason in speculating about the future.

My conclusion is: Adoption of the proposed amendment would, in the words again of the Brookings Institution, have this effect: "Sure States will no longer be neglected as they are at the present both in nominations and in campaigns because a substantial minority vote in those States will result in electoral votes for the candidate of their party. Voters opposed to the dominant party in their respective States will be encouraged to work and vote for their candidates, because their work and votes may actually affect the results. Their votes will be cast and counted for the candidates of their choice and not thrown away as under the present system."

12. Senator FERGUSON asks: "Would electoral votes under the new system be free of voting inequalities such as now prevail?"

Senator FERGUSON is here addressing himself, as I understand it, to the inequality of representation, computed on the basis of electoral vote per so many voters, referred to in my answer to the previous question. Because, as indicated above, the voting habits of the people in solid States would change, it is my conclusion that the present divergence between electoral votes and the number of voters would be substantially narrowed. So long as States retain the two-vote bonus regardless of population and so long as outside influences (weather, interest in local issues, personalities of candidates, etc.) affect the size of the vote, there will always be some inequality between the weight of an electoral vote in one State as contrasted with its weight in another State. This is one of the prices we pay for our Federal system and our indirect way of electing the Chief Executive.

13. Senator FERGUSON asked: "The amendment proposes to compute fractional electoral votes only to one one-thousandth unless a more detailed computation would change the result of the election. Is this intended to apply in case of a tie? Is it possible that a peculiar breakage of fractions might, by a further projection, change the results? If so, can these breakages be anticipated, and how should projections be treated?"

This question deals with the arithmetic of counting the electoral vote. Realizing that it is theoretically possible that a situation right arise where, in an election in which the results were within a thousandth of 1 percent of each other—almost, but not quite a tie—it might conceivably not be possible to determine the actual winner, the sponsors of the proposed amendment, both in the House and in the Senate, have addressed written recommendations to the chairmen of the respective judiciary committees that the requirement for a more detailed calculation beyond three decimal points, if that "would change the result of the election," be dropped from the resolution.

Such a mathematically close vote is almost so remote a possibility as to be virtually inconceivable. But because it is a remote practical possibility, from a purely mathematical and theoretical point of view, the sponsors have thought it prudent to recommend this minor change.

Certainly a tabulation of the electoral vote to three decimal places is sufficiently detailed to insure an accurate reflection of the popular will. If, after carrying out the electoral vote in each State for each candidate to three decimal points and then totaling the results it appears that the two leading candidates are tied, the proposed amendment provides that the election is decided on the basis of the popular vote.

I have tried to submit as complete answers as possible to Senator FERGUSON's questions so that your committee might have before it the benefit of a free exchange of opinion. I am in thorough agreement with those who advocate as searching an investigation as possible when we are concerned with an amendment to the Constitution.

If there are any points in these replies which require clarification or if any additional questions arise, I am at the complete disposal of your committee.

With kind personal regards,

Very sincerely yours,

HENRY CABOT LODGE, Jr.,
United States Senator.

REFORESTATION AND REVEGETATION OF NATIONAL FOREST LANDS

Mr. ANDERSON. Mr. President, Senate Joint Resolution 53 was on the calendar for March 18. Objection was made to its consideration at that time, but I am hopeful that it may have more careful consideration when it comes up again.

As a part of my remarks I should like to include in the RECORD an editorial entitled "15-Year Program To Restore Trees and Grass to Forest Lands Deserves Western Support," which appeared in the Salt Lake Tribune on Monday, March 14, 1949.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A joint resolution is before the United States Senate Committee on Agriculture and Forestry calling for declared policy of Congress to accelerate and provide a continuing basis for needed reforestation and revegetation of national forests and lands under Forest Service control. It provides for a 15-year program of reseeding trees and grass where they are needed. The cost would be a total of $82,000,000, or an average of $5,480,000. In view of the possible benefits the total outlay would not be exorbitant.

About 80,000,000 acres of the country's commercial timberlands and about 83,000,000 acres of its important grazing country lie within the boundaries of national forests. These lands comprise the principal source of water for domestic, irrigation, and industrial uses for a good many thousand communities, farms, and factories. Good vegetative cover is essential for watershed protection and balance.

Forest lands are the sole or main source of summer range for 10,000,000 cattle and sheep grazed by 30,000 livestock permittees.

About 4,000,000,000 board feet of timber are taken annually from our national forests. The demand is increasing and the supply isn't being replenished sufficiently fast.

The Agricultural Department reports that in the vast stretches of national forest there are 4,000,000 acres of barren or poorly stocked timberlands and an additional 4,000,000 acres of seriously depleted range. All these lands, the Department says, are potentially capable of producing an important part of the timber and forage needs of local communities, helping protect watersheds and thus alleviating flood damage and insuring a continuing water supply, increasing local job opportunity, contributing to community stability and increasing returns to counties in the national forests from forest receipts.

Nature ordinarily is slow to heal its wounds, hence artificial reforestation and range replanting is a practical way to hasten rehabilitation.

After nearly half a century of operations the Forest Service has acquired the know-how for such replanting. More than 1,220,000 acres have been replanted to trees, much of it during the Civilian Conservation Corps days. Range revegetation also is beyond the experimental stage and forage can be made to grow again even on badly damaged ranges and watersheds, as demonstrated dramatically in Davis County. The Department of Agriculture claims that much land can be restored to productivity within 2 or 3 years and made to support from 5 to 10 times the number of livestock now carried. Think of what that means to the western livestock industry. Of the 4,000,000 acres of denuded land needing the work, only about 200,000 acres on national forests have been successfully reseeded so far. Much of the work had to be abandoned during the war and inadequate funds have been available for this kind of work since.

Decades may be required to restore vegetation on some barren and poorly stocked areas if nature is left to its own devices, thus prolonging a situation extremely unfavorable to the livestock industry. The agricultural report does not mention it, but certainly the carrying capacity of the region and welfare of wild game is similarly at stake. The Forest Service has indicated that with the planned program of revegetation, reduction of livestock numbers could be made less drastic. Certainly all practicable should be done to speed up the rehabilitation of forests and lands while the need is so great for timber and forage.

Senate Joint Resolution 53 is a new bill, so it is likely that wording may be changed as it is studied and all interests are heard from. The over-all provisions are laudable and should receive unstinted support from all interested in enriching our natural resources. Western individuals and organizations, especially, should be interested in pushing the program, since it means, directly and indirectly, many dollars to western communities. Such a program should contribute to national security and welfare and economic balance as well as to the world food supply.

EXTENSION OF RENT CONTROL

The Senate resumed the consideration of the bill (H. R. 1731) to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes.

Mr. BRICKER. Mr. President, I wish to speak briefly on the rent-control bill. Certain amendments have been submitted which we desire to call up. All the amendments have not as yet come back from the printer, and we may be delayed for that reason. We want to place a copy of each amendment on the desk of every Senator, so that Senators may fully understand the amendments. Some of them are more or less technical interpretations.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. MAYBANK. Did I correctly understand the Senator to say that the amendments are not back from the printer?

Mr. BRICKER. All the amendments are not back from the printer. Two or three of them are on the desks of Senators, and I understand that the remainder will be here shortly.

Mr. MAYBANK. Does the Senator intend to present the amendments we now have before us, as well as those which have not yet been returned from the printer?

Mr. BRICKER. That is correct.

Mr. MAYBANK. Does the Senator have any idea when the other amendments will be here?

Mr. BRICKER. No; we have not been able to get that information yet. I hope they will be here soon.

Mr. MAYBANK. How many amendments has the printer not yet returned?

Mr. BRICKER. I believe that Senators have on their desks three of the amendments. A total of nine have been prepared.

Mr. MAYBANK. In other words, there are six amendments which have not yet been returned from the printer, and are not available generally for Senators to examine.

Mr. BRICKER. That is correct. I think the Senator from Indiana [Mr. CAPEHART] has an amendment to offer. There may be other amendments. I should be very happy to have the other amendments presented, so that we may lose no time after I finish speaking on the bill.

Mr. MAYBANK. Last night an amendment was submitted by the Senator from Florida [Mr. HOLLAND]; and there are a few technical amendments to correct the language.

The reason I ask the Senator these questions is that I should like to have some idea as to when the Senator believes we might start voting on the amendments. Of course, that would depend upon the printer returning the amendments which are in his hands.

Mr. BRICKER. That is correct. I do not wish to start on the amendments until we can have them all before us, so that they may be presented in order.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. WHERRY. In the light of the colloquy between the junior Senator from Ohio and the senior Senator from South Carolina, may I inquire of the distinguished Senator from Ohio as to the amendment which proposes to return rent control to the local communities? I believe that such an amendment was offered in the House committee. I am not sure whether or not it was accepted. Can the Senator tell me whether or not there is now an amendment on the desk proposing such action, or whether such an amendment is to be offered?

Mr. BRICKER. I have been given to understand that such an amendment will be offered by another Member of the Senate later in the debate.

Mr. WHERRY. Several Senators have asked me whether or not such an amendment will be offered. Does the Senator feel that it will be offered?

Mr. BRICKER. I have been given to understand that it will be. That is the amendment in regard to placing the responsibility of terminating rent control not alone on the States, but on counties and municipalities. Such an amendment was adopted in the House, and was in the House text.

Mr. WHERRY. It has been eliminated in the bill as reported by the Senate committee; and the control is Statewide, rather than local.

Mr. BRICKER. The Senate committee inserted a provision to the effect that decontrol of a State or a part of a State should be accomplished by a resolution of the legislature of the State.

Mr. WHERRY. So the amendment to be offered in the Senate is different from the House provision. The House language provided for going back to a county, a town, or a city, to determine whether or not rent control should be applied.

Mr. BRICKER. That is correct. The Senate committee provision differs, in that it deals with the administration on a State-wide basis. It authorizes a portion of a State to be decontrolled, upon resolution of the State legislature.

Mr. WHERRY. On page 27, beginning with subparagraph (1), the Senate committee bill would apparently recontrol all hotels in the United States.

Mr. BRICKER. That is, so far as concerns permanent housing in transient hotels.

Mr. WHERRY. That would apply to practically all the hotels of the country.

Mr. BRICKER. That is correct.

Mr. WHERRY. Does the Senator know whether or not any amendment is to be offered eliminating that provision, and leaving the hotels in the same situation in which they are now?

Mr. BRICKER. Last night the Senator from Washington [Mr. CAIN] submitted an amendment which would permit recontrol only upon recommendation of the local boards. Personally I am opposed to recontrolling anything which has heretofore been decontrolled. In my judgment it is a step in the wrong direction.

Mr. WHERRY. That was the point I wished to raise, because several Senators have asked me whether an amendment would be offered to carry out the last idea mentioned by the Senator from Ohio. If that be true, does the Senator now feel that the amendment which is to be offered will be the amendment about which I formerly spoke? Would it be necessary to have that amendment printed, or could it simply be offered from the floor?

Mr. BRICKER. It could be offered from the floor, because it would involve only striking out a section of the Senate committee bill.

Mr. WHERRY. Does the Senator feel that it is unnecessary to print it and have it lie over until tomorrow?

Mr. BRICKER. I do not think that is necessary, because the issue is very simple. The bill provides for the recon-

trol of the accommodations of permanent residents in transient hotels. It provides for the recontrol of trailer camps and a roll-back all the way, in the trailer-camp provision, to 2 years ago. It also provides for the recontrol of the group which a year ago were taken out of control, namely, those units which had not been occupied for a period of 1 year.

As the bill has come from the committee, it has placed those three categories back under control.

Mr. WHERRY. I should like to ask one more question, if the Senator will yield further.

Mr. BRICKER. I yield.

Mr. WHERRY. Was there any evidence before the Senate committee to justify the committee's reporting the bill with the amendment on page 27 with respect to hotels, trailer camps, and so forth?

Mr. BRICKER. There was very little evidence on that subject before the committee. One of the members of the committee, I think, suggested this amendment, upon communication from his home State. So far as I know, there was no testimony except from the city of Chicago, and that was very brief—which again emphasizes what I suggested yesterday, namely, that this is now a local problem.

Mr. WHERRY. Certainly. Mr. President, if I may ask one more question——

Mr. BRICKER. I yield.

Mr. WHERRY. I should like to get this matter straight. Am I correct in interpreting the Senator's answer as meaning that this provision has been written into the bill, after very little testimony, at the suggestion of one of the Senators who is a member of the committee, and is applicable particularly to the city of Chicago? Is that correct?

Mr. BRICKER. That is correct.

Mr. DOUGLAS, Mr. MAYBANK, and other Senators addressed the Chair.

The VICE PRESIDENT. Does the Senator from Ohio yield; and if so, to whom?

Mr. BRICKER. I shall be glad to yield to the Senator from Chicago.

Mr. DOUGLAS. Mr. President, I represent the State of Illinois, as well as the city of Chicago.

Mr. BRICKER. In this instance I think it is the city of Chicago.

However, I yield first to the Senator from South Carolina [Mr. MAYBANK], who has been on his feet for some time.

Mr. MAYBANK. Mr. President, in addition to the amendment the Senator from Ohio [Mr. BRICKER] has suggested, and the one suggested last night by the Senator from Washington [Mr. CAIN], which has the purpose of decontrolling hotel accommodations, yesterday in the debate it was stated that the reference to 1947—which was a missprint in the bill—would be stricken out and a limitation as to the hotels which would be under control would be incorporated in the bill. It is my understanding that, in addition to the amendment of the Senator from Washington [Mr. CAIN], the Senator from Florida [Mr. HOLLAND] has, together with the Senator from Arkansas [Mr. FULBRIGHT], drawn an amendment—it was drawn yesterday morning, I believe—which they join in presenting, and their amendment has for its purpose the decontrol of certain hotels; in fact, all such accommodations, except in a few instances.

Mr. THYE. Mr. President, will the Senator yield?

Mr. BRICKER. I have yielded to the Senator from South Carolina, and I am not certain that he has concluded what he wishes to say.

Mr. MAYBANK. I was explaining that there is another amendment to decontrol hotels, which was suggested yesterday morning by the Senator from Florida [Mr. HOLLAND] and the Senator from Arkansas [Mr. FULBRIGHT].

Mr. THYE, Mr. HOLLAND, and other Senators addressed the Chair.

The VICE PRESIDENT. Does the Senator from Ohio yield; and if so, to whom?

Mr. BRICKER. I yield first to the Senator from Minnesota.

Mr. THYE. Mr. President, I wish to ask the Senator from South Carolina a question. When he referred to certain hotels, I should like to ask the type of hotels to which he has reference.

The VICE PRESIDENT. The Chair suggests that the Senator from Ohio has the floor.

Mr. BRICKER. Mr. President, I ask unanimous consent that the Senator from Minnesota may be permitted to ask a question of the Senator from South Carolina, and that he may be permitted to answer it.

Mr. MAYBANK. Mr. President, I desire to ask unanimous consent, with the permission of the Senator from Ohio, that the Senator from Illinois [Mr. DOUGLAS], who has had this local problem under consideration, may be permitted to answer the distinguished Senator from Minnesota.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. DOUGLAS. Mr. President——

Mr. THYE. Mr. President, I believe I have the floor.

Mr. MAYBANK. Mr. President, I have made a unanimous-consent request in that connection.

The VICE PRESIDENT. Let the Chair state the situation: The Senator from Ohio [Mr. BRICKER] still has the floor; but by unanimous consent he has been permitted to yield to the Senator from Minnesota [Mr. THYE], in order to permit him to ask the Senator from South Carolina [Mr. MAYBANK] and the Senator from Illinois [Mr. DOUGLAS] a question.

Mr. THYE. I thank the Chair.

Mr. President, I should like to address this question to the Senator from South Carolina, because of the statement he made that certain hotels would be resubjected to rent controls. That is what prompted the question. I should like to have the Senator clearly state the type of hotels and the number of hotels in the United States which might find themselves again involved in rent control. That is my question.

Mr. MAYBANK. This provision would apply to accommodations for permanent residents in hotels, not transients.

Mr. THYE. What percentage of the hotels in the United States would be affected?

Mr. MAYBANK. It would apply to hotels in cities of over 500,000 population. It would not apply to cities of less than 500,000 population.

Mr. THYE. It would apply only to cities with a population of over 500,000 persons; is that correct?

Mr. MAYBANK. That is correct.

Mr. THYE. And as to such hotels rent control would be reestablished, provided they have apartments for permanent residents?

Mr. MAYBANK. Yes; accommodations for persons who live permanently in the hotel. It would not apply to transients. It would be applied as of October 31, 1948. There would be no roll-back in price in any way whatsoever. In other words, the price that was paid for the apartment or home in which they lived in the hotel—as permanent residents, not as transients—on October 31, 1948, would be frozen at that level, unless, of course, the board could be shown some reason for granting an increase.

Mr. THYE. Does the Senator have any information as to how many hotels might be involved in such a change or recontrol?

Mr. MAYBANK. No; I do not. I can only say that it would apply to hotels in cities having more than 500,000 population.

Mr. THYE. I thank the Senator.

Mr. ELLENDER. Mr. President, will the Senator from Ohio permit me to ask a question of the Senator from South Carolina?

Mr. BRICKER. Mr. President, I ask unanimous consent that the Senator from Louisiana [Mr. ELLENDER] may be permitted to ask a question of the Senator from South Carolina [Mr. MAYBANK] and that the Senator from South Carolina be permitted to answer it.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. ELLENDER. Mr. President, I should like to know why this inhibition is proposed to be limited to cities of over 500,000 population. What is the basis of that figure in population?

Mr. MAYBANK. It was worked out by the distinguished Senator from Illinois [Mr. DOUGLAS] and the distinguished Senator from Florida [Mr. HOLLAND], who offered an amendment to decontrol hotels. They can answer the question.

Mr. ELLENDER. I should like to have either of the distinguished Senators answer it.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. HOLLAND. I shall be glad to attempt to answer the question propounded by the senior Senator from Louisiana. When the committee bill was reported, some of us checked it, and found that it contained a provision which, if enacted into law, would allow the recontrol of permanent housing accommodations in hotels, under a determination as to whether they were so used as of the date in June 1947, which has been the determining date in the various extensions of the Rent Control Act.

Upon inquiry, we found that that provision had come into the committee bill on the suggestion of the Senator from Illinois [Mr. DOUGLAS]. Upon further inquiry, we found that the reason for it was that a need for recontrol had been found in connection with some of the permanent accommodations in hotels in the city of Chicago, and that up to this time it had been impossible to obtain any action from the State legislature. We found that action had been taken by the governing board of the city of Chicago to accomplish such recontrol, but that the action of the board had been invalidated by the courts.

Furthermore, the Senator from Illinois stated to several Senators who were investigating this subject that Chicago appeared to be in a peculiarly unfortunate position, inasmuch as in the case of the city of New York and the city of Los Angeles and the city of San Francisco and other of the larger cities, which I do not now recall, the State legislatures had taken action allowing the setting up of local rent-control measures as a supplement to Federal rent control; so there had been accomplished recontrol of this particular type of permanent facilities in hotels in certain other very large cities where the same problem existed; whereas recontrol had not been accomplished in Chicago.

Mr. ELLENDER. Since——

Mr. HOLLAND. If the Senator will allow me to answer in full for the RECORD, please.

Mr. KNOWLAND. Mr. President, will the Senator yield at that point merely for a correction of his statement? I think he will want his statement correct. So far as I know——

Mr. BRICKER. Mr. President, the Senator from Ohio has the floor.

Mr. KNOWLAND. Mr. President, will the Senator ask unanimous consent for the Senator from Florida to yield to me, and also ask unanimous consent for the Senator from Florida to reply, in order that the statement of the Senator from Florida may be clarified?

Mr. BRICKER. I ask unanimous consent that the Senator from California be permitted to ask a question of the Senator from Florida, and that the Senator from Florida be permitted to reply to the question.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. HOLLAND. I may also say that I shall be glad to be corrected. I have simply set forth the statement made to us by the Senator from Illinois [Mr. DOUGLAS], as I understood it.

Mr. KNOWLAND. I merely wanted to say that insofar as the junior Senator from California knows, up to this time there has not been any State legislation in the State of California; nor do I believe there are any recent local rent control ordinances that have been adopted this year in the cities of Los Angeles and San Francisco. When the Senator from Illinois desires to take care of a problem in Chicago, and mentions that all cities over 500,000 population will be covered, without getting into the argument of whether they should or should not be covered, at this moment, he is shooting with an elephant gun and is hitting numerous cities other than Chicago.

Mr. ELLENDER. That is the point I desired to make, Mr. President, and that is why I was making the inquiry. I understood the principal reason for the proposed amendment was to take care of the situation in Chicago. Such a course represents a poor method of legislation. Adoption of the amendment would penalize quite a large number of cities that are not affected as is Chicago.

Mr. HOLLAND. Mr. President, if the Senator will allow me to complete my answer, I should like to do so at this time. The Senator from Arkansas [Mr. FULBRIGHT] and I have had prepared by the legislative counsel of the Senate an amendment which, if adopted, would have effectively cut out this provision for recontrol of permanent housing accommodations in hotels anywhere; but, upon being approached by the Senator from Illinois [Mr. DOUGLAS] along the line which I have just stated, we advised him that we did not wish to have any hardship visited upon Chicago and were perfectly willing to have our amendment redrafted down to a level of 1,000,000 inhabitants; that is, to exclude all cities below 1,000,000.

Shortly thereafter, we were approached by two other Senators, the Senator from Maryland [Mr. O'CONOR] and the Senator from New Jersey [Mr. HENDRICKSON], who felt that there were cities in their States to which this additional recontrol measure might possibly be applicable, and they wanted the figure cut down to 500,000. So, in the effort to be considerate and friendly and helpful, the Senator from Arkansas and I agreed to that figure.

Mr. President and Senators, speaking only for myself, I am beginning to be a little doubtful as to whether the Senator from Arkansas and I were wise in making any concessions in this matter; but, I think, we would want to be understood again as not wanting to visit any unusual hardships upon any city, but as being unyielding in our desire to prevent the bringing up of a question which does not exist so far as we know in either of our States, because neither of us has had any complaint whatever from any permanent tenant in any hotel as to any adverse effect upon him because of the general decontrol of hotels which was accomplished a good while ago. That, I think, brings out the situation as it now exists, and if I have not stated it correctly I hope the Senator from Illinois will correct me.

In the meantime I should say that the chairman of the Committee on Banking and Currency associated himself fully, as I understood, with the position of the Senator from Arkansas and myself, in his desire to not have this form of recontrol effective unless to the largest cities. So that is the situation as it now exists.

Mr. ELLENDER and Mr. JOHNSTON of South Carolina addressed the Chair.

The VICE PRESIDENT. Does the Senator from Ohio yield? If so, to whom?

Mr. BRICKER. I yield to the Senator from Louisiana. I ask unanimous consent that he be permitted to ask a question of the Senator from Illinois, and that the Senator from Illinois be permitted to answer the question.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. ELLENDER. Since it is apparent that the proposed amendment is to protect an existing situation in Chicago, I wonder if the Senator from Illinois and the other proponents of this amendment would be willing to let it apply to cities having the population of Chicago—say 3,250,000 which I understand is the population of Chicago.

Mr. DOUGLAS. So far as I personally am concerned, that would be all right. But the Senator from Maryland, who is not now present, wanted to have Baltimore protected. I am not certain, but I believe the junior Senator from New Jersey wants the provision in such form that New Jersey cities will be protected. But we do have a real problem in Chicago, because living in hotels there are approximately 40,000 people, many of them with relatively small, fixed incomes, who have already had a rent increase of from 30 to 40 percent. We are not proposing to decrease these rents, but merely to protect the tenants against the possibility of future increases. But, so far as I am concerned, I am not going to insist on the 500,000 minimum. I think, however, I should say in behalf of the Senator from Maryland, who is not present, that he wanted to have Baltimore included. The Senator from New Jersey can speak for himself.

Mr. ELLENDER. Mr. President, will the Senator yield, that I may ask the Senator from Illinois a further question?

The VICE PRESIDENT. Does the Senator from Ohio yield?

Mr. BRICKER. I yield further, on the same basis, to the Senator from Louisiana.

Mr. ELLENDER. Why is it the State of Illinois has not taken care of the situation?

Mr. DOUGLAS. I may say to the Senator from Louisiana that this is an illustration of the difficulty which large cities have in most of the great industrial States. In our State legislatures, the large cities are very much underrepresented. If I may choose an illustration from Connecticut, and then pass to my own State of Illinois, in Connecticut the five major industrial cities with approximately half the total population of the State have 10 members in 1 house of the legislature which has a total of 270 members, and therefore it is very hard to get the State legislature to act in the interest of the municipalities. In my own State of Illinois, Cook County, with a population of something over 4,000,000, and with 52 percent of the population of the State, has only 35 percent of the State legislators. The old difficulty of country districts versus city districts operates in these localities. The State Legislature of Illinois did not act to protect permanent hotel residents. As the Senator from South Carolina has said, the city council did act, and passed an ordinance to protect them; but, since we lack home rule in Illinois, the State courts threw out the city ordinance deal-

ing with this matter. A few moments ago I sent to the desk a petition from the City Council of Chicago asking that rent control be applied to permanent hotel accommodations in that city.

Mr. CAPEHART, Mr. ELLENDER, and Mr. JOHNSTON of South Carolina addressed the Chair.

The VICE PRESIDENT. Does the Senator from Ohio yield, and if so, to whom?

Mr. BRICKER. I yield first to the Senator from Indiana. I ask unanimous consent that he be permitted to propound a question to the Senator from Illinois, and that the Senator from Illinois be permitted to answer the question.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. CAPEHART. Mr. President, the Senator from Illinois complains that for some reason having to do with the Illinois Legislature, it is impossible for Chicago to receive a fair deal with reference to the rent-control situation. My question is this: Has there been a bill introduced in the Illinois Legislature to control rents in the State of Illinois? Has such a bill ever been introduced or thought about?

Mr. DOUGLAS. I can say to the Senator from Indiana that it has most certainly been thought about this session. The present governor of the State has, within the past few days, considered having such a bill drafted.

Mr. CAPEHART. Would we not be in a better position to legislate for the city of Chicago if the Illinois State Legislature made a real effort to pass such a bill, even if it failed, before we try to legislate for some specific city in the United States? I thought we were representing all the people of the 48 States, and not merely the people of the city of Chicago.

Mr. DOUGLAS. May I remind the very able Senator from Indiana that rent control expires on the 31st day of March, which is within a few days from this time? It is highly improbable that we could get a bill to protect permanent hotel residents through the State legislature in that period of time. We in Chicago would not want to take our chances on that. We think that although we may be a minor part of the United States, our needs should be considered along with those of other areas.

Mr. CAPEHART. The Illinois Legislature might well pass a bill as quickly as we can pass one here. May I say, also, that the Illinois Legislature knew that the Rent Control Act would expire on March 31, and it made no effort to protect the people of Chicago.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BRICKER. Mr. President, I ask unanimous consent that the Senator from Nebraska may propound another question to the Senator from Illinois, and that the Senator from Illinois may answer it.

The VICE PRESIDENT. The Chair hears no objection.

Mr. WHERRY. Mr. President, may I inquire of the Senator from Illinois if he agrees with me that all we are attempting to do by the amendment, as offered, which has been explained by the Senator from Florida [Mr. HOLLAND], is to ask that the Federal Government legislate for the city of Chicago, even though the State of Illinois has not legislated in that connection during the operation of the present rent-control law. Is that correct?

Mr. DOUGLAS. I will say to the Senator from Nebraska that while I have couched my request in terms of meeting a local situation, the situation is not unique to Illinois. As I have said, the Senator from Maryland [Mr. O'CONOR] also feels that there is need for protecting the city of Baltimore. I had hoped that the junior Senator from New Jersey [Mr. HENDRICKSON] would make some comment on the situation in his State.

Mr. WHERRY. Mr. President, that does not answer my question, even though it might apply to some other locality. The provisions of the amendment which we are discussing can be interpreted to mean that the Senator from Illinois—I am taking the Illinois situation as an example, because that is one which has been mentioned—is asking the Federal Government to invade the rights of the State to pass special legislation for the city of Chicago, even though, during the past 2 years, and even up until this day, the State Legislature of Illinois has refused to do so. Is that correct?

Mr. DOUGLAS. I would say that that is an oversimplified statement of the situation; it is very much oversimplified.

Mr. WHERRY. Will the Senator answer my question, please?

Mr. DOUGLAS. I would say it is difficult in all States, my own State included, for cities to get legislation from State legislatures because of their underrepresentation and the overrepresentation of other areas.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. BRICKER. I yield.

Mr. WHERRY. The Senator knows what I am asking. I am very much interested in the question of whether a county or city might continue the operation of rent control as is. The provision which has been outlined by the Senator from Florida, exempting Chicago, in view of the fact that for the past 2 years, and even now, Illinois has not and will not take action on rent control, amounts, does it not, to the Federal Government's invading the rights of the State and telling the Illinois Legislature what it can do? Is not that correct?

Mr. DOUGLAS. Again I would say that the Senator presents a very partial picture of the situation. What we are asking is that the Federa. Government help to protect the permanent hotel residents of larger cities who find it difficult or impossible to receive protection through their State legislature.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. BRICKER. Mr. President, I ask unanimous consent that the Senator from Nebraska may ask a question of the Senator from Illinois and that the Senator from Illinois may be permitted to answer.

The VICE PRESIDENT. The Chair hears no objection.

Mr. WHERRY. I hope the Senator will answer my question "Yes" or "No." It is very simple. Does the Senator from Illinois ask us to invade the rights of the State of Illinois to impose a condition upon the city of Chicago? Is not that, in principle, the same thing we have been talking about when we say to the Members of the House, "You have adopted an amendment in which you go beyond the authority of the Constitution?" Would the Senator not say that I am correct?

Mr. DOUGLAS. Mr. President, I would say that I think there is a case for the Federal Government to give protection to persons in large cities who cannot immediately get protection through their State legislatures.

Mr. WHERRY. Mr. President, that is a typical example of the lateral pass, when the Senator refuses to answer my question.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. BRICKER. I yield to the Senator from Virginia.

Mr. ROBERTSON. Mr. President, the Senator from Ohio will, of course, recall when the full committee received the report of the subcommittee. He will also recall the discussion which occurred relative to the means of decontrol. The House provision left it to the localities involved. The Senate provision left it to the States. The Senator will recall that a suggestion was made, and was to be incorporated in the bill, that, in addition to certifying that a State had, in the opinion of the governor, an adequate rent-control law, as the result of which the Administrator would release his control, the legislature could provide for decontrol of the entire State or any particular area thereof.

I wish to ask the Senator this question: Does the Senator recall any mention whatever, in the discussion regarding decontrol, of the particular language we find in the bill as finally reported to the Senate? It is on page 42, subsection (j) (1), which reads:

> Whenever the governor of any State advises the Housing Expediter that the legislature of such State has adequately provided for the establishment and maintenance of maximum rents—

Here is the language to which I wish to call the Senator's attention:

> and has specifically expressed its intent that State rent control shall be in lieu of Federal rent control.

Was there any mention made in the committee of the fact that such language would be placed in this bill?

Mr. BRICKER. I have no recollection of that, I will say to the Senator from Virginia; but my thought, all along, both in the subcommittee and the committee hearings, was that the State legislatures would be able to decontrol the States or any portions thereof by so notifying the Expediter.

Mr. ROBERTSON. But it was brought to our attention that there were seven States which already had State rent-control laws. I doubt that a single one of those States had written into their laws the language of this bill:

> We declare it to be the legislative intent of this General Assembly that our law shall be in lieu of the Federal law.

That would nullify every law we have in that respect.

Mr. BRICKER. That is a constitutional grant of power. It is left to the State legislature and to the certification of the governor. My thought all along was that the debate would involve the issue of whether a State, acting through its legislature, by certification of the governor, could decontrol the State or a portion thereof, or whether we should accept the House provision permitting the county commissioners, or the parish government, or the council to decontrol upon notification to the Expediter.

Mr. ROBERTSON. There is another question which I wish to ask my distinguished friend. He will recall that I joined with him and other members of the committee in writing into the law last year a provision that where there was a voluntary agreement between landlord and tenant to advance the rent, it might be advanced as much as 15 percent. Does the Senator recall any reference, when we met in the full committee to consider the subcommittee report, to the fact that the Senate bill had prohibited any voluntary increase, and that landlords could not have any increase at all unless they could prove a hardship case, or could have an increase for the first 6 months of only 5 percent? Was that discussed?

Mr. BRICKER. I remember the discussion in the committee. I was not there at the final conclusion, however. That discussion was to the effect that those who had by voluntary agreement, under the 15-percent clause, gotten their 15-percent increase, could not benefit by the 5-percent increase provided in the amendment submitted.

Mr. ROBERTSON. I remember that quite distinctly. It was explained that if they got the 15 percent, they could not get the first 5 percent and subsequently another 5 percent.

Mr. BRICKER. That is correct.

Mr. ROBERTSON. But I did not hear anyone say that if there never had been any voluntary increase, and a tenant wanted to pay a voluntary increase of 10 percent or 15 percent, he was prohibited from paying it, and the landlord would be a criminal if he accepted it.

Mr. BRICKER. That was eliminated from this bill, as I remember. There is no provision in the bill for a voluntary increase of 5, 10, or 15 percent.

Mr. ROBERTSON. I understand the bill prohibits it. I will ask the Senator from Alabama if that is not true.

Mr. BRICKER. I ask unanimous consent that the Senator from Virginia may ask the question of the Senator from Alabama, and that the Senator from Alabama may be permitted to answer.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. SPARKMAN. Mr. President, first I should like to make a suggestion with reference to the first question of the Senator from Virginia about the enactment of rent-control laws by the respective States.

Subsection (j) (1) on page 42 is in the exact language of the provision which was written into the bill 2 years ago as it passed the Senate. If I remember correctly, the particular language, embracing the few words to which the Senator from Virginia referred, was adopted as an amendment to the bill offered on the floor of the Senate by the Senator from New York [Mr. IVES]. That was adopted by the Senate, went to conference, and was knocked out in conference, but it is exactly the same wording, and when it was offered in the committee it was stated that it was the same provision which was in the bill 2 years ago.

With reference to the second question, I do not recall that there was any discussion about the insertion of a 15 percent voluntary increase provision in the pending bill. I call the Senator's attention to the fact that there is none in the law at the present time. It expired December 31. The bill we had before us, the bill we were considering, contained no provision to continue the 15 percent increase. I certainly thought that everyone understood that the two 5 percent increases set up were not to be necessarily in lieu of the 15 percent, but certainly that if we wrote this provision into the bill, the 15 percent increase would not be renewed this year.

Mr. ROBERTSON. Was the clerk of the Senator's committee correct in informing me this morning that the pending bill not only does not authorize a voluntary 10- or 15-percent increase but absolutely prohibits it? Why should we prohibit that if we wished to be fair to the landlords? Why should we let one landlord get 15 percent under existing law, and to another who has not had such an increase say, practically, "You can have only 5 percent"?

Mr. SPARKMAN. I may say that so far as the practical effect is concerned it does not matter whether the provision is written into the bill or not. There is nothing in the law authorizing it, and if it is not authorized, the landlord would not be permitted to enter into any such lease agreement.

Let me call the Senator's attention to the fact that the 15-percent voluntary increase was not altogether a consideration moving to the landlord. The tenant got something in return. We gave him at least a 6 months' security provision beyond the end of rent control. Now we are not giving any such security provision. We are saying in the bill before us that, so far as we know, control is going to end next year, and we are not offering anything beyond the expiration date.

Mr. ROBERTSON. Does not the Senator know it to be a fact that many houses and many apartments have fallen into very serious disrepair; that the tenants want them repaired, and the landlords are willing to repair them provided they can get a sufficient increase in rent to justify them doing it? A tenant might say, "If you repair my apartment, or my house, as I want it done, I will gladly pay you 10 or 15 percent more." The clerk of the committee tells me that there has been written into this bill provision making such an agreement unlawful.

Mr. SPARKMAN. It would be unlawful if it were not written into the bill. Writing that language into the bill does not affect it one particle.

Let me say to the Senator that we first provided for a 15 percent voluntary increase 2 years ago. If I recall correctly, it was Senator Hawkes, of New Jersey, who offered the amendment on the floor of the Senate, and it was then agreed to. About a million people took advantage of it; as I recall, the provision was taken advantage of in connection with about a million leases. When the time came, a year later, to extend rent control again, we wrote in the provision without any great objection to it, and continued it. But I think the Senator will find, if he will take the figures for the second year it was in existence, that only a relatively small number took advantage of it. It had just about exhausted its usefulness. Not one word was said in the subcommittee or the committee at any time, if I recall correctly, in favor of extending or renewing the 15-percent voluntary increase privilege.

Mr. ROBERTSON. The reason for that was, I may say, that we wrote into the law a provision that if a landlord and a tenant wanted to make an improvement in the property in which they were interested, they could not do it. Does the Senator think we have to take charge of the personal, intimate relations between landlords and tenants and say, "We will let your property go down until it cannot be lived in any more?" If a tenant and a landlord want to make a business deal to finance the improvements, are we to say it is illegal, and put the landlord in jail?

Mr. BRICKER. Mr. President, I agree completely with the Senator from Virginia in his reference to the hearings before the committee and the subcommittee. The Senator from Washington did present an amendment to the bill to permit an agreement between a landlord and tenant for any amount of increase, and that amendment was voted down. I have a similar amendment to present during the afternoon, or before the bill shall be finally acted on, to provide for a voluntary contract between a tenant and a landlord upon any condition; in other words, providing that people who rent property and live in property, and those who own it and rent to the tenants, may enter into a voluntary contract.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. BRICKER. I yield to the Senator from Virginia.

Mr. ROBERTSON. The Senator will undoubtedly recall that on the day when we considered the bill I had to attend a very important meeting of the Committee on Appropriations considering the deficiency bill, and I had to leave before that amendment was brought up.

Mr. BRICKER. I remember that, and the Senator from Virginia left his proxy with the junior Senator from Ohio in regard to recontrol, and the three classifications we are discussing this afternoon.

Mr. SPARKMAN. Mr. President, will the Senator from Ohio yield?

Mr. BRICKER. I yield to the Senator from Alabama.

Mr. SPARKMAN. With respect to the suggestion made by the able Senator from Virginia with reference to language being in the bill explicitly forbidding the 15 percent increase, I should like to correct him and correct the record in that

regard. There is no provision in the Senate bill forbidding it. But in all fairness let me say that the full implication of the bill is that it shall not be, and, as a matter of fact, it could not be, unless we explicitly provided it in the affirmative, and, of course, the bill does not do that.

Mr. WILEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. ELLENDER in the chair). Does the Senator from Ohio [Mr. BRICKER] yield to the Senator from Wisconsin?

Mr. BRICKER. I yield.

Mr. WILEY. I should like to preface my question by saying that I am sorry I have been so busy in committees of which I am a member that I am not fully acquainted with the pending bill and all proposed amendments to it. I should like to ask several questions of the Senator from Ohio, if I may. Is it the theory of the bill that because of the fact that the final peace treaty has not been signed, the power is inherent in the Federal Government to pass such a bill as is now before us?

Mr. BRICKER. The theory is that the Nation is still in a period in which the after-affects of war are being felt. The Supreme Court has said that the war powers do not end with the cessation of fighting, and that it is legal for the Federal Government to enter into fields which heretofore and under the Constitution have been reserved to the police powers of the States. It is under that continuing authority, which will end with the signing of the peace treaty, that the bill being considered falls.

Mr. WILEY. Does the bill delegate to the States power to undertake rent control?

Mr. BRICKER. No; the bill does not attempt in any way to delegate any power to the States, except to fix the time when rent control at the Federal level will cease. The House bill gives that authority to local governments as well as to the State governments.

Mr. WILEY. Does the Senator believe that there is inherent power, whether we call it police power or what not, in the States to regulate rents without a Federal law?

Mr. BRICKER. There is no question about the power of the States. The police power to protect the public peace, health, and safety is, under the Constitution of the United States, reserved to the States, and if the public peace, health, and safety are in any way endangered by conditions in areas which they desire to to control, so far as rent is concerned, I think the States have that power. New York had rent control for 10 years, if the Senator remembers, after the first war. Many other States, including my State, also had local rent-control laws, which did not last, of course, nearly so long as that of New York.

Mr. WILEY. Then assuming it to be the case—with which I agree—that the States have the police power, how does that conflict with the Federal Government's power in relation to rent control, if it does?

Mr. BRICKER. I do not know that it could be said that there is a conflict. Rent control rests upon an entirely different basis of authority, constitutionally speaking. The Federal rent-control law is based entirely upon the war powers, and no other powers. There is no direct grant of power to the Federal Government to control rents, or to enter into any community with police regulations. But, so long as it is an incident of a law which is, of course, itself a valid enactment of the Congress, and in view of the decision of the Supreme Court recently which enlarged the war powers almost, it seems, beyond comprehension, so that they may apply and be utilized by the Congress so long as the effects—I do not give the exact words—of war remain, the Congress, of course, can exercise war powers to the time when the last bill for the war is paid.

I do not think the Supreme Court ever meant anything of that kind, and I think we are now reaching the point when we ought to consider whether or not the war powers still include the authority to control rents in local communities. We are certainly reaching the time, with housing catching up as it is, when we should consider whether we are acting within our constitutional authority in passing this bill, and the question is certainly raised whether we should recontrol those segments of the rental society which have heretofore been decontrolled.

The bill as submitted by the committee recontrols three segments of our rental society. First, permanent residents in hotels in cities. I understand an amendment will be offered to limit that to cities of 500,000.

Second, to trailer camps. There is not only a provision for recontrol of trailer camps, but there is a roll back for 2 years to the last control period.

Then, third, there is recontrol of that segment of our rental communities which had been decontrolled heretofore, namely, those which had not been rented for 1 year, and then were rented. They were not under the control established by the last Congress. The committee bill which we are considering today proposes to recontrol that group.

The argument in the committee—there was contrary testimony upon it, I grant—was that there are very few of them, and that in this instance it will not do any harm to recontrol. That is the best argument I have heard that it is within the province of the Congress of the United States to deal with small segments of the communities which have been decontrolled heretofore under act of the Congress.

Mr. WILEY. Mr. President, will the Senator yield for a further question?

Mr. BRICKER. I yield.

Mr. WILEY. The Senator has very ably shown the powers in relation to the States and the Federal Government. I want to ask him another question. One of the amendments I heard discussed yesterday provided that certain power should be in the municipalities to regulate rents.

Is that provision contained in the pending bill, or is it proposed to be placed in it by amendment to the bill?

Mr. BRICKER. That is the provision of the House bill. It is not contained in the Senate bill as reported by the committee. There is no amendment which I have at present to submit to give that authority to local governments, but it is my understanding that an amendment will be submitted on the floor of the Senate which would give decontrol authority to municipalities and counties.

Mr. WILEY. What authority can the Federal Government delegate to the cities in the States in relation to rent control?

Mr. BRICKER. It is not a delegation of authority. It is only fixing a standard or a time when the Federal legislation shall cease to be operative in the communities. Of course, the great portion of the United States is not under rent control, and has not been under rent control at any time, so there is no classification that is unconstitutional so far as such delegation of time fixing is concerned. We do not in this bill, and neither do I think we could, give to the city council, or to the county commissioners, or to the State legislature any power to control rents which they otherwise do not inherently, under their constitutional authority possess. Certainly it would be a delegation of legislative authority if the Congress were to try to say to the city of Milwaukee, "You must control rents." We cannot do that. But we can say to Milwaukee, "If in the judgment of your city council rent control is no longer necessary in the public interest in your community, by resolution of your council you can fix the time when Federal rent control there will cease."

The Supreme Court of the United States has time and time again said that while the Congress cannot delegate the fixing of standards it can delegate the fixing of time upon which a Federal law will either take effect or will become ineffective. I think that provision is clearly supported by the decisions. As the Senator will remember, there is a decision of the Supreme Court in what we knew as the Sick Chicken case, the Schechter case, under the NRA, in which the Supreme Court definitely said, and correctly, of course—it is the law of the land anyway, and it is a correct interpretation—that the Congress of the United States cannot delegate to industrial boards the power to fix conditions of production and to fix standards of production, wages, and employment, and the like, nor to fix penalties to enforce the rules and regulations and standards fixed by local area NRA boards.

Mr. WILEY. Mr. President, will the Senator yield for a further question?

Mr. BRICKER. I yield.

Mr. WILEY. Is it true that since the war ceased a great many houses have been constructed, have not been sold, and are vacant?

Mr. BRICKER. According to the record, there are many vacancies. I think every Member of the Senate has personal knowledge of that fact. There will be more and more vacancies in various communities of the country. I think the largest vacancy group is in the higher-priced houses, from $10,000 to $15,000 and up. The builders had built more in that field because there was a better chance of selling, and perhaps more profit in the sale. In many instances

those houses are now a drug on the market. There are many vacancies.

The vacancies have also extended down to single rooms. If Senators will read the newspapers from their home communities, they will find entire pages devoted to the listing of rooms for rent. There are not available many units of rental property for family occupancy, but they can be found. In the hearings we had the testimony of 1 man from Detroit, who said that an advertisement appeared in the newspaper from a man and his family desiring to rent an apartment, and that he received 11 inquiries in response to the advertisement. He selected the best one, and I think he was accommodated within 2 or 3 days. There was a great deal of testimony along that line. I do not know that we can say that that condition prevails in the great industrial centers of the country, or that there are available a sufficient number of apartments for rent, but we are reaching that point.

Mr. WILEY. Is it the consensus of the committee that there is a great demand for rental property, as distinguished from houses, which are overpriced?

Mr. BRICKER. I think that is true, for two reasons. We are in a rather fluctuating period of our history, when people are moving about, when there are a great many new marriages, and there is a great demand for rental property. That condition is aggravated by the fact that from the time rent control was placed in effect in this country there has been a constantly decreasing number of rental units throughout the country. I believe that is true in practically every city of the United States. The number of rental units, especially apartment units, has constantly decreased since rent control was placed in effect. There have been many conversions. There have been many sales of units. There have been cooperative movements in various communities. We have experienced such a movement in Washington. Also, there has been a reluctance on the part of the builder to erect units for rental which will not bring a large return. That situation has prevailed so long as there has been control, or the threat of control, limiting the income.

Mr. WILEY. Can the Senator tell me approximately how much money Uncle Sam has in the construction of new houses or as security therefor?

Mr. BRICKER. I do not know the exact figure. I think the record will show it in the testimony taken on the housing bill. The amount which has been spent runs into several billion dollars. Estimates have been made in connection with the new housing bill, which, of course, is linked up rather inseparably with rent control. The amount involved in the new housing bill is estimated at $13,000,000,000 or more, over the duration of the housing bill. Of course, that is another bill, which we shall debate when the time comes.

Mr. WILEY. For illustration, take the case of a house which is in the market for $15,000. How much is the Government back of. How many such houses have been built with Government backing?

Mr. BRICKER. The Government guaranties under the FHA, and also under the GI loans, run from 90 to 100 percent. One is about 90 percent, and the other is a total guaranty. We may say that the Government has invested the amount of the guaranty. If the House sells for less than the guaranty, no one can estimate what the loss will be. The market will determine the loss to the Government under the FHA and under the Public Housing Authority, as well as under the GI Act.

Mr. WILEY. Mr. President, will the Senator yield for a further question?

Mr. BRICKER. I yield.

Mr. WILEY. In considering the question of meeting the great demand for rental property, I have heard discussed as the real solution for the lack of accommodations for the millions who need to rent property, the idea which I shall describe. I should like to have the Senator's comment.

I happen to be living in an apartment house in this city which is typical of apartment houses in other cities. Let us say, for illustration, that when the apartment house was built it cost $5,000,000. It houses approximately 2,000 persons. It is now estimated that to replace that apartment house would cost $10,000,000. The insurance companies, the banks, and the building and loan institutions recognize that at the present time there is an inflated cost of reproduction of between 50 and 100 percent.

Mr. BRICKER. I think that is a fair estimate. It may be higher than that.

Mr. WILEY. If a similar building were constructed costing $10,000,000, and those who put up the money knew that they would be permitted to take depreciation of 10 percent over a 5-year period, so that the value could be brought down to the fair cost, the community would have a new building to tax, and we would obtain housing facilities.

Such a building would accommodate 2,000 people. The insurance company or the building and loan company which had put its money into the project would not have to risk its policyholders' money because of inflated costs, and we would have the answer to the housing shortage. Has such a plan ever been considered?

Mr. BRICKER. It would give impetus, of course, to the production of housing units. I have heard discussions of such an idea. It was not considered in connection with this bill, so far as I know. I did not attend all the meetings of the committee.

Mr. WILEY. I should like to have the Senator's reaction as to the feasibility of such a plan.

Mr. BRICKER. It certainly would be fairer to the property owners to allow adequate depreciation. Whether or not it should be enough to bring the value down to the original cost of similar construction, I do not know. There are many complicated questions involved.

Mr. WILEY. There are three interests involved, namely, the landlord, the tenant, and the public. Primarily, we want housing. We want accommodations for those who need quarters. Apparently we have not been getting such housing as rapidly as we should. We have been getting shacks, and paying two or three times the real value of them. They do not sell because of inflated cost. People will not buy them. They are not going to pay $15,000 for a house which probably has an actual value of not more than $7,500, or perhaps not more than $6,000.

If the other course were followed, what would we have? Here is a vacant lot. The city of Washington is taxing the land. We would get a $10,000,000 piece of property. Of course, no one would put $10,000,000 into it if he realized that $5,000,000 of the value was water. Suppose we said to the builder, "You can depreciate the value in 5 years down to $5,000,000." That is what a similar property would have cost 10 years ago. The city of Washington would then have a building to tax. There would be available facilities for housing. It seems to me that that would be the answer. Moreover, the Government would not be in the picture. It would not have to finance the operation.

Mr. BRICKER. I would be in favor of keeping the Government out of the picture, but I do not know where the money to cover the depreciation would come from. It could not come from the renters if the amount of rent that they could be charged were limited. Depreciation at 10 percent for 5 years might result in increasing the rent to a greater extent than it would be increased even without rent control. The money must come from somewhere to take care of depreciation. It cannot be obtained under present rentals, or from the amount of rent which might be charged even under competitive conditions at the present time.

When we speak of depreciation, at the present time the owner of housing facilities, as well as the owner of an industrial plant, is allowed depreciation on a valuable dollar, and is given his depreciation on a cheap dollar today. So under the rules of good bookkeeping the property owner must utilize his capital assets, unless he is allowed a greater return than is permitted in this case, or a greater return than industry has received for its production.

Mr. WILEY. I am sure that the Senator is mistaken. If the insurance company or the bank loaned the money, even if the building did not provide a sufficient return to take care of depreciation, it could be deducted from the over-all income, so that depreciation of 10 percent a year could be allowed if provided by law. That would provide an added incentive for people to invest their money in buildings to provide rental quarters. At the same time it would add to the taxable value of property in the community.

Mr. BRICKER. I grant all that.

Mr. WILEY. It seems to me that it has every virtue, and I do not know why we have not tried it.

Mr. BRICKER. I grant all that; but I am afraid I do not understand the Senator, because I do not know where the depreciation would come from. It could only come from rents; and under those circumstances it would be necessary to increase rents, in order to be able to charge off the depreciation. It is obvious that higher rents cannot be charged now. Yet under the Senator's sugges-

tion it would be necessary to charge higher rents in order to be able to charge off the depreciation. The only possibility of figuring such a proposition would be in the case of the holder of a large amount of rental property, who would have a great deal of resultant bookkeeping.

Mr. WILEY. Oh, yes; that would be correct if a man having only one rental unit were involved. But when there are banks and insurance companies and building-and-loan companies which have many sources of income, rather than a single item of income as in the case of an individual who owned only one rental unit, what I have suggested would very easily follow. In such cases, even if the tenants did not pay sufficient rent to permit the deduction of depreciation, the owner could charge off the depreciation, if permitted by law to do so, against his other income items, in order to cut down his total income a reasonable amount under the circumstances.

Mr. BRICKER. Does the Senator have in mind tax returns?

Mr. WILEY. Yes; as shown on the books of such a company.

Mr. BRICKER. Of course that could be done, and it would bring about some saving.

However, I am not particularly interested in the great landowners at this time. They have been able to take care of themselves fairly well. But 83 percent of the rental units in the United States are in singles, doubles, triples, or quadruples. Four-apartment units and less comprise 83 percent of the rental units in the United States, and many of the owners of such rental units do not understand the matter of depreciation. Such a provision would not bring them any additional rent, even if it were written into the law; and in many cases they not only do not have any depreciation to charge against the income from the property, but they are not able to maintain the property, as the Senator from Virginia pointed out so clearly awhile ago.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BRICKER. I yield to the Senator from Vermont.

Mr. AIKEN. Apropos of the suggestion which has been made by the Senator from Wisconsin, would not it be necessary for anyone who constructed an apartment house at double the normal cost to charge an excessive rental to the tenants, in order to have income from which to deduct the depreciation?

Mr. BRICKER. That was what I was trying to point out. I do not understand that there would be any possibility of proceeding according to the suggestion of the Senator from Wisconsin, with rents held down. It might afford some benefit in respect to income taxes, but that would be about all.

Mr. WILEY. Mr. President, will the Senator yield further?

Mr. BRICKER. I yield.

Mr. WILEY. I am trying to say that this suggestion has come to me from persons who feel that what should be done is, not to simply build large apartment houses—but to build a series—perhaps 100—of houses costing $15,000 each; and against the income from those houses, depreciation of 10 percent, possibly, could be charged; or if the income from those houses was not sufficient to make it possible to deduct depreciation, the depreciation could be charged against other income of the owner, so that the deduction could be made from his tax returns, and the property in 5 years brought down to its real value.

The result would be that the needed housing would be obtained, and taxable property which would benefit the community would be constructed, and the Government would not be in the picture, because such properties would be financed by the local banks, local building and loan companies, and insurance companies. That would give us the results we desire to have, for, first, we wish to have residential facilities which can be rented or sold. Let me say parenthetically that if the same $15,000 building, which I have used as an analogy, were to come down one-third in price, to $10,000, and if it were later sold at $15,000, the Government would capture the tax on the $5,000 gain in the sale. In the second place, we wish to make sure that more and more property subject to taxation is being constructed in the various communities, so that they can obtain the taxes they need. In the third place, we wish to make sure that the tenants will be reasonably satisfied with what they are able to obtain in the way of rental properties. At present they cannot buy what they wish, because the cost is entirely out of sight, and thus the Government has to subsidize in order to bring down the cost.

To my view, the idea I have been presenting is serviceable and practical, and should be given serious consideration.

Mr. BRICKER. I should be very happy to have the Senator put his suggestions in writing. I do not think they apply particularly to the rent-control bill now before us, for, after all, we are now dealing with income, and not with bookkeeping figures. The suggestion the Senator from Wisconsin has made might be of benefit to the large owner, because of a possible credit on his income tax.

Mr. WILEY. I am also particularly interested in seeing equity done as between the tenant and the landlord. But I understood that the real basis for any such legislation is that we have not met the challenge of providing the needed housing for the people of the United States; and the suggestion I have made is one way of providing it.

Of course, the next need is to do equity as between the landlord and the tenant; and I understand that the Senator from Ohio this afternoon will discuss how that will be done under this bill.

Mr. BRICKER. We shall try to do so.

Mr. FERGUSON. Mr. President, will the Senator yield to me?

Mr. BRICKER. I yield.

Mr. FERGUSON. Does the Senator have the figures as to the number of rental units in the United States? He has already indicated that 83 percent of them are properties with four units or less.

Mr. BRICKER. I am told by the clerk that there are 14,000,000 rental units under control.

Mr. FERGUSON. Mr. President, will the Senator yield for an observation?

Mr. BRICKER. Yes; I ask unanimous consent, Mr. President, that I may yield to the Senator from Michigan, to permit him to make an observation, and that I may do so without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FERGUSON. I wish to make an observation, and then get the Senator's opinion regarding it. Do not the figures as to the total number of rental units under control and the total number of rental properties which comprise four units or less indicate that in the past, in accordance with the American way of life, the small, inexperienced investor who saved a little money from his earnings to place it in small rental units, sometimes renting a part of the house he occupied, sometimes buying what have been known as two-family flats or three-family flats or four-family flats, and thus building up his income and his estate, so that in case of death or misfortune he would have something for his widow and his family to live upon? But now we find that the man in that particular category finds himself the one person in America whose income from his investment has been frozen. In fact, it is now stated in the bill—and I wish to say that the mere fact that a similar provision was placed in the bill last year, when we had a majority in the Senate, certainly does not make it right—that the only guaranty to that man is that he will not lose. Nothing is said about protecting any of the income for his widow or his family or for himself. We simply say to him, "We shall not let you rent at an actual loss, but we do not guarantee that you will have any income from your property."

Mr. BRICKER. In fact, the result is that he actually operates at a loss, even without regard to maintenance or depreciation.

Mr. FERGUSON. As I understand the situation, that is correct.

Mr. BRICKER. I wish to call attention to pages 45 and 46 of the hearings before the subcommittee, which bring that matter very forcefully to our attention. The whole short form, so-called—and the Expediter made a great deal of to-do about the short form which he had provided for the small operator—takes into consideration nothing but taxes, fuel, utilities, and insurance.

Mr. FERGUSON. Yes. It does not allow for any depreciation.

Mr. BRICKER. That is correct; it allows for no depreciation, no maintenance, no obsolescence, or anything of that kind. Of course, maintenance would be an expense in bringing the property up to date. But in practically all the hardship cases there is a deferred maintenance with which the owner never will be able to catch up.

Mr. FERGUSON. Then after a few years he will find himself with an obsolete residential building which he will not be able to rent under any circumstances.

Mr. BRICKER. That is absolutely correct; and not only within a few years, but it is happening today, and it happened last year. Such owners could not

get tenants for the property, or the property has been condemned because the owner could not keep up the maintenance.

Mr. FERGUSON. Is it not also a fact that the tenant of today may be the landlord of tomorrow; and if we are not careful in regard to this bill, we may find that we shall have destroyed that opportunity or made it impossible in the United States?

Mr. BRICKER. That has been the whole saga of America. I hope we do not have any part in destroying it, although it has been largely destroyed in recent years.

Mr. President, I desire to make a few other observations. I think we have pretty well covered the field, in the question and answer period, but, as I see it, in the pending rent control bill we are seeking two very definite things. The first one is—and this was mentioned in the committee, and it has been mentioned on the floor time and time again—to get rid of rent control at the earliest possible date—I think only a very small minority of the Senate, if there is anyone, wants to do other than that. One Senator, a distinguished member of the committee, said in the committee:

> This is in its inception un-American, and we can only tolerate it because it is necessary because of war and of the extreme shortage, up to the present time in property for rent, there being a larger number of renters than there is property available for them.

So, we are dealing with a measure which, as the Senator from Michigan emphasized a moment ago, is the very antithesis of everything we have believed in in America, namely, the right to own property, the right of protection in its ownership and utilization, the right to rent it according to any terms the owner can get from a renter. Those are the traditional principles upon which the country has been built, and because of them many people have put their earning in real estate, in rental property, so as to be able to live upon the income in their old age. We hope soon—I think every Senator here hopes soon—to get back to those conditions where thrift and reward for labor and the return on savings may again be available as one of the foundation stones of our national development.

Getting rid of rent control, then, is a primary objective, and certainly we should not, as is done in the bill reported by the Senate committee, attempt to go back into any field and recontrol that which has been heretofore decontrolled. It seems to me that 4 years after war we should be giving emphasis to the effort to get further away from these rather odious regulations promulgated from Washington and imposed on the various communities of the country, rather than to step backward and enlarge the fields of control.

A second objective in the mind of every Senator is, I believe, that more housing be provided. The Senator from Wisconsin emphasized this point a moment ago. The fact is that from the time rent control was imposed in the beginning of the war there has been a constant decrease in rental units available for the people. Of course during the days of the war there was not the material available for the building of many such units, but material is now available, it is coming on to the market and will come more rapidly, I think, next year. If we do not hold the threat of recontrol over the builder, there will be a larger proportion of rental units to the total construction program than we have had in the past year.

So, the greatest impetus that could be given to the building of new homes, of rental units, would be to get rid of control. Under the bill of last year and of 2 years ago, we did take from under control newly constructed rental units; and yet this year there has been a threat over the industry in America that such units might be brought back under the control of the Federal Government through the Housing Expediter. It was suggested in the campaign, it was suggested in the annual report of the President on economic conditions, that there should be a strengthening of the rent control law. So that that hangs over the whole building industry as a threat and as a deterrent against further building.

We have heard time and time again that we want to deal fairly with all classes and segments of our society. In fact, there has been an effort to attach the name "Fair Deal" to a general economic and political program which has been presented in part and no doubt will be presented in full to the Congress of the United States. Every other segment of our society, including industry and labor, has been freed from Government controls, except the owners of rental property; and they have had but very little increase, I think about 9 per cent, over-all since their properties were put under control in 1941.

This segment of society, that might be called the thrifty part of our population, that had saved their money and put it into real estate, which heretofore was considered as good as Government bonds, have been required to carry, throughout the war period and throughout the period of reconstruction, too much of the reconstruction burden in the various communities which have been under rent control. We should be approaching the time when it would be well to deal fairly with those who have been thrifty, who have saved their money, and who have invested it against the day of need. Let us endeavor to strengthen our society, and not, by recontrolling any segment, put a further penalty upon thrift.

I think we will all admit there is no clear line between those who rent and those who own property. There have been accusations made against landlords, and a very common term of reproach was used hundreds of times in the presentation of his testimony by the Expediter. I could almost at times feel that there was a reflection upon the very word "landlord." There has been built up a philosophy, by accusation, by reflection upon his integrity, his intent, and his character, to show that the landlord is a rather greedy determined fellow who is preying upon the tenants who rent from him. There may be some who fall in that category; but I think, by and large, that great class of property owners, the 83 percent certainly, who own four apartments or less, are pretty intimate with their tenants. They appreciate their situations, and there is no evident desire, by and large, on the part of landlords, to engage in gouging by way of increasing rents. The fact is we did decontrol certain segments 2 years ago, and at the present time there has only been an increase of 25 percent in the rents. I mention that in connection with permanent accommodations in transient hotels which the committee recommends be recontrolled, because there might be a further increase. Yet there has been only a 25-percent increase during the past 2 years, when there has been no Government control of any kind or character, either local, State, or Federal.

Too long, then, have we dealt unfairly, in my judgment, with the small-property owner. We had an incident in Cleveland, reference to which I think will be found in the record of the hearings at page 127. The Expediter or his representative in Cleveland had gone forth and stirred up the tenants in that community. He induced them to go to Federal court. He was attempting to use the court on behalf of the tenants as against the landlords. The judge of the court, who is a very close friend of mine, looking out over the crowd which had gathered together in his courtroom, saw hundreds of owners of property that, as he said from the bench, in his opinion did not have enough money to hire counsel, and did not have enough to pay court costs, dragged in before his court by the Rent Expediter, in order to use the Federal court as a club over them, to force them to comply with the orders, however trivial or important they might have been, of the representative of the Expediter in that city. The Federal judge, let it be said to his credit, seriatim, one after the other, dismissed the cases and said if the tenants had any claim against the landlords, to let them go into court and file suits against them. Said the judge:

> We do not want the Expediter bringing the landlords into this court under any provisions of the act, in order to club them into compliance with his orders.

Only last Saturday night, in conference with a Federal judge in the same city, he told me of a more recent incident, that clearly calls attention to the kind of administration we have. I think the rent-control law might have been properly administered. I know it has not been properly administered. This case brings it very forcibly to my attention. A landlord and his tenant had agreed under the statute enacted 2 years ago, to a 15-percent increase in rent. It was a voluntary agreement. There was no complaint on the part of anybody until the Expediter sent his agent to confer with the tenants in the community, stirring up trouble. That is what he was doing. He said to the tenant, "Have you entered into a lease?" The tenant said, "Yes, I voluntarily entered into a lease for a 15-percent rental increase." "Well, you did not file it." He said, "It was not filed with me." The landlord had not filed it within the 15 days prescribed in the law, and the Expediter brought him in. He asked the court to annul by de-

cree the contract which had been voluntarily entered into. He asked for a penalty against the landlord, and that the landlord be forced to pay back to the tenant the 15 percent he had collected under the voluntary lease. The judge told me this himself. He said, "I said, 'What do you expect me to do?' The representative of the Expediter said, 'There is only one thing you can do. You have got to issue an order, a mandatory injunction against the collection of the rent, and a mandatory order to pay back that which has been collected under the 15-percent provision.'" The judge said, "That may be what you think I could do, and the only thing I could do"; and then he said, "I summarily dismiss the case."

A judge with less courage than that, a judge with less understanding of the application of fair principles of justice and jurisprudence would not have had the courage to do it. But all over America the Expediter has, in the administration of the law, been carrying on a campaign against the landlords of the Nation. I think I can say justifiably, that it has been done with the idea of perpetuating himself in power and keeping jobs for those persons in local communities who are carrying on their activities under the rent-control law.

Mr. President, I mentioned a moment ago that there are fields which are being recontrolled which have heretofore been decontrolled. An amendment will be offered during the course of the afternoon in that connection. There will be an amendment offered to decontrol recontrolled property. There will also be one to continue the eviction standard. The Congress of the United States wrote into the law very definite eviction provisions, and the Senate committee, this year, at the insistence of the Expediter himself, and, I think, upon his testimony alone, wrote back into the bill, and recommended to the Senate, a provision that the Expediter can, again, as he formerely did, and did so poorly, establish standards for eviction throughout the country. I do not want such power left to the Expediter. It should be determined by the Congress of the United States and provided for in laws duly enacted. The less discretion we give to the Expediter, in the light of the way in which he has administered his office, the better off the Nation will be. So there will be an amendment offered to continue the eviction provisions of the statute.

There will also be offered an amendment to limit the duration of Federal rent control to a period of 6 months. All but six or seven of the legislatures of the States are in session. The others could very easily be called back by the Governors, if there is a public need for them to enact State laws on the subject. That is where the power should reside, and where it does reside when war powers have ended, so that within a period of 6 months every State in the Union would have an opportunity to consider its local needs and have action taken by the legislature, if necessary, to continue under the old law.

There will be another amendment offered providing for a voluntary lease arrangement between the tenant and the landlord for any amount of rent under any condition. I may say that the argument against that, in the committee, was that it would be a contract by shotgun, which would be forced upon the tenant by the landlord. The tenant will still be protected by the eviction standards prescribed in the law so long as he pays his rent, which will not be increasing while the law is in effect.

There likewise will be offered to the Senate this afternoon as an amendment to the bill a fair-return provision, to permit a fair return upon the value of property. It was stated by the Expediter that he could not fix fair value. He said the situation is so complex and intricate that he could not determine fair value. He has rejected all the standards, such as tax valuation, reconstruction less depreciation, and market value; yet, in every community of the Nation there is a board established for the purpose of appraising property. It is done by every probate court in the country. It is a simple matter. Every lawyer who has ever written a lease has written into it a provision to take care of the valuation of the property by an arbitration board, so that there is a very definite thing known as fair value. Why, 4 years after the war, the Congress should be depriving owners of property of a fair return upon a fair value, I cannot conceive. So there will be an amendment offered along that line.

Mr. President, as a part of my remarks in connection with the rent-control bill, I submit, and ask unanimous consent that they may be printed in the RECORD, two editorials, one from the Ohio State Journal, and the other from the Cleveland Plain Dealer.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Ohio State Journal of March 10, 1949]

RENT CONTROL

Sentiment has grown to such an extent in Congress in favor of bringing rent control to an end at some definite time in the near future that the House Banking Committee by the overwhelming vote of 23 to 2 has voted in favor of a 15-month extension instead of the 2-year extension supported by the administration. On the other side of the Capitol, Senator TOBEY, Republican, New Hampshire, heretofore a strong supporter of rent controls, has stated in his customarily pungent manner that Congress must squarely face the question of when we are going to get rid of the damn thing.

Certainly any clear-thinking American knows we must get rid of rent controls some time and the sooner the better, except that because controls have now hung on so long, an adequate amount of notice should be given tenants that the real intention is to end controls as of a date certain. Rigorous as it may be on a large segment of the population to have to face the changes which would be brought about by the ending of rent controls, the present program cannot be continued indefinitely.

Since rent controls were established, the cost of property upkeep, such as painting, papering, roofing, and plumbing, have more than tripled. But rents remain, with the exception of 15 percent increases in some instances, where they were under the low costs of a period of retarded business activity.

Because renting of property has proved unprofitable in so many instances under rent control, owners have sought to escape from the unjustness of the program by selling out and removing their savings from rental property, probably never to return. The continuation of rent control on its present basis likewise has intensified the housing shortage by draining off construction materials and labor into the luxury construction trade, rather than directing them into production of multiple housing units and homes for the average family. Rental property just isn't an attractive field for investment under the present set-up and cannot possibly be under a system of government price-fixing.

Senator TOBEY sees continued rent control as un-American, and declares he will vote against continuance unless landlords are assured a fair return on their investment. There Senator TOBEY puts his finger on the crux of the matter—how is a fair return to be determined? Who will say what a fair return shall be and if a formula is set up by law, isn't that price-fixing in another form? Yet it may be that Congress will attempt to provide a fair return system for a transition period as a means of tapering off rent control.

It is only by holding out definite assurance that price controls are to be brought to an end in the near future that most property owners will be able to keep the property in repair. The alternatives are the deterioration of private rental property to the point of ruin and a complete system of government-owned and operated dwellings. This would be one of the farthest steps that could be taken toward socialization and complete regimentation of the Nation.

Justifiable in the first place only as a wartime emergency, rent control, like the man who came to dinner, has stayed far too long. The time to serve notice on the system is now. The longer it is continued the less will be the available rental property, which must lead inevitably to a monopoly of government housing.

[From the Cleveland Plain Dealer of February 9, 1949]

PRICES AND RENTS

It should be welcome news throughout the land that prices of commodities are sharply declining. In the case of some foods, prices are near the phony OPA ceilings, which never reflected the actual costs to the public because of scarcities which made the goods unavailable, and black market dealings which made them more expensive.

What has happened to the prices and production of commodities since the end of the war constitutes a demonstration of the law of supply and demand, which is still functioning, in spite of all the efforts of the government planners and theorists and the CIO economists to abolish it.

When the administration insisted on retaining price ceilings during peacetime, production declined. Since profits were either limited or abolished entirely, there was a corresponding lack of incentive to produce and expand. The results were shortages and black markets.

The shortages finally became so aggravating that President Truman was forced to abolish OPA. Since demand exceeded supply, prices immediately began to rise. But the higher prices encouraged more production. Then, when supply caught up with demand, prices began to level off. And when supply began to exceed demand, prices started to go down. It's as simple as that.

This is the economic phase of the current price decline. But there is a political phase, too. In the recent campaign, President Truman carried water on both shoulders and got away with it, too. He blamed the Republicans for high prices, while at the same time claiming all the credit for high agricultural income.

We shall see soon whether the administration again tries the water-carrying act, by taking credit for lower prices and attempting

to blame the opposition for declining farm incomes. There are indications already that the Washington planners are not very happy about the turn the situation has taken and are now worrying about how to check the price decline.

The Nation is still confronted by one apparent shortage today, however, and that is in housing. We say that this shortage is apparent because we are convinced that it would be speedily overcome if rent controls were abolished.

The only argument in favor of retaining rent controls after the war was that there was an actual shortage of building material. Stepping up the incentive to build by abolishing controls could not have resulted in the production of more housing as long as materials were not available.

But the building-material shortage has been overcome. Rent controls now constitute the only bottleneck in the housing shortage. And rent controls today are prolonging the housing shortage.

It is true that rents would go up if controls were abolished. Housing Expediter Tighe E. Woods says the average increase has been 55 percent in areas where controls have been abolished. So what? This is an admission that the Government is forcing landlords to subsidize part of the living expenses of their tenants, most of whose incomes have greatly increased, while they continued to get cheap rent. There is no justification for this situation whatsoever.

But Woods failed to tell the whole story. How many families and individuals were occupying more space than they really needed and began to seek smaller quarters as soon as their rents were increased? It is this shaking-down process of bringing about the most economical use of the available space which will overcome the housing shortage.

According to a survey made by Howard Whipple Green, space hogging alone is responsible for the current housing shortage in Cleveland.

In a study of the occupancy of 506 suites, Green found that they housed 1,092 persons in 1940 and only 972 today, a decrease in occupancy of 11 percent. On this basis, he estimated that if all apartment houses in Cuyahoga County housed the same number of people today that they accommodated in 1940, there would be 4,936 suites vacant and for rent in the county.

We do not recall that there was any vast amount of overcrowding in 1940. But there is a vast amount of undercrowding today. More suits than ever before are occupied by single persons.

Maybe it is part of the New Deal's more abundant life that every individual should have his own private apartment. But the law of supply and demand is just as applicable to housing as it is to commodities. If the Administration and Congress really wanted to end the housing shortage instead of prolonging it, they would allow rent controls to expire and let the law of supply do the job.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. AIKEN in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Douglas	Hendrickson
Anderson	Downey	Hickenlooper
Brewster	Ecton	Hill
Bricker	Ellender	Hoey
Bridges	Ferguson	Holland
Butler	Flanders	Humphrey
Byrd	Frear	Hunt
Capehart	Fulbright	Ives
Chapman	George	Jenner
Chavez	Gillette	Johnson, Colo.
Connally	Green	Johnston, S. C.
Cordon	Gurney	Kem
Donnell	Hayden	Kerr
Kilgore	Martin	Smith, Maine
Knowland	Maybank	Sparkman
Langer	Miller	Taft
Lodge	Millikin	Taylor
Long	Murray	Thomas, Utah
Lucas	Myers	Thye
McCarran	Neely	Tobey
McCarthy	O'Conor	Tydings
McClellan	O'Mahoney	Vandenberg
McFarland	Pepper	Watkins
McGrath	Reed	Wherry
McKellar	Robertson	Wiley
McMahon	Russell	Williams
Magnuson	Saltonstall	Withers
Malone	Schoeppel	Young

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Eighty-four Senators having answered to their names, a quorum is present.

CENTRAL ARIZONA PROJECT—STATEMENT BY SENATOR McCARRAN BEFORE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. McCARRAN. Mr. President, yesterday morning the Committee on Interior and Insular Affairs had under consideration Senate bill 75, a bill to authorize the construction of the central Arizona project. I filed with the committee and made a statement which I ask unanimous consent to have inserted as part of my remarks at this place in the body of the CONGRESSIONAL RECORD.

The PRESIDING OFFICER (Mr. ANDERSON in the chair). Without objection, it is so ordered.

The statement is as follows:

STATEMENT OF SENATOR PAT McCARRAN, OF NEVADA, BEFORE INTERIOR AND INSULAR AFFAIRS COMMITTEE, MARCH 21, 1949, RE S. 75, EIGHTY-FIRST CONGRESS

The Senate Committee on Interior and Insular Affairs has under consideration S. 75, a bill to authorize the construction of the central Arizona project.

THE PROJECT

The project would consist primarily of the Bridge Canyon Dam on the Colorado River above Boulder Dam, and an aqueduct to carry Colorado River water to central Arizona, through tunnels over 80 miles long, bypassing Boulder Dam. Initially, however, instead of building these tunnels, a branch or alternate aqueduct would be built from Parker Dam, lifting the water by pumping nearly a thousand feet, to join the ultimate Bridge Canyon aqueduct route at junction point part way to the Phoenix area, and using about a third of the Bridge Canyon power for pumping. The remaining two-thirds would be sold. The potential customers are supposed to be in California, Nevada, and Arizona.

COST

The ultimate project will cost over $1,000,000,000, about as much as has been spent in 47 years of reclamation in 17 Western States. The initial part of it, involving the Parker pumping route, will cost over $750,000,000. This latter figure is about the same as the cost of the TVA, about the same as the estimated cost of the St. Lawrence seaway, and is five times the cost of the Boulder Canyon project.

FINANCING PLAN

Under the plan set up by the bill, no part of the capital cost will be repaid by the Arizona irrigators. Either the Federal Treasury, or the power users, are expected to pay for all of it. The water will be sold to the irrigators at $4.50 per acre-foot, which, according to the Reclamation Bureau, is less than the cost of operation and maintenance alone.

IMPORTANCE OF POWER TO NEVADA

Abundant cheap power is essential to Nevada. Bridge Canyon power site, properly developed, can be an asset to Nevada and the other intermountain areas within transmission distance. But as proposed in this bill, a million and a quarter acre-feet would ultimately bypass Boulder and Davis Dams, reducing the power Nevada is entitled to at such projects. More important, Bridge Canyon power itself would be loaded over with $300,000,000 of subsidy to an Arizona irrigation project. When the Boulder Canyon Project Act was debated, Nevada insisted that power at Boulder Dam should not have to pay for any part of the All-American Canal. The power users of Nevada are entitled to have the same principle apply to Bridge Canyon.

SUBSIDIES REQUIRED: RELATION TO NATIONAL DEBT

The power users or the Federal taxpayers will have to provide not only the seven hundred and fifty million to one billion of capital costs, but also several million dollars per year in operating expense.

The scheme set up in S. 75 does not contemplate that the Treasury will get out of this project any money which can be used to pay interest on the billion dollars of new national debt which it will represent. The interest collected from the power customers is all used to retire capital invested in the aqueduct, as a subsidy to Arizona's irrigators. The lost interest alone, for 80 years at 2 percent, is over a billion dollars, even if the capital is recovered; and during the same period the Federal taxpayers or the power users would also have to carry the burden of over a quarter million dollars of operating expense that the water users cannot pay.

Coming on the heels of a proposal to increase Federal income taxes four billions, or to reduce the current budget by a comparable figure, any project that adds over a billion to the national debt and fails to provide revenues to pay interest to the bondholders, deserves mature consideration.

THE ESSENCE OF THE PLAN

Essentially, what Arizona proposes is that the Government build her an aqueduct and get the cost back, not from the Arizona irrigators (who are not going to pay even for the power required for pumping water through this aqueduct), but by building a power dam at Bridge Canyon, over 300 miles upstream, and selling this power to California, Nevada, and Arizona users for a price high enough to pay for both the aqueduct and the power dam. California is the biggest power market. In short, Arizona proposes that California shall pay for the Arizona aqueduct to take away the water that California's own projects have been built to use. Arizona invites the Government to risk the taxpayers' money on the assumption that California will cooperate in depriving her own projects of water.

RELATION OF COSTS AND VALUES

The whole area to be served is less than 600,000 acres. The best land in central Arizona is worth $300 per acre. If it were all worth that much the whole service area would be worth $180,000,000. The project will cost over $750,000,000, or more than four times the maximum value of all the land to be benefited. But water for most of this 600,000 acres has been provided by projects already constructed. If the project is not built, perhaps 150,000 acres of war-boom land will go back to the desert state it was in before 1940; $750,000,000 divided by 150,000 is $5,000 per acre, or, if only half the project cost is allocated to irrigation, $2,500 per acre, to rescue land worth a tenth as much. There are no poor homesteaders living on that 150,000 acres. They are large operators who put down pumps, to mine an underground water supply which they knew to be limited, to cash in on high prices. Neither the Federal Treasury nor the power users of California and Nevada should be called on to rescue them.

EFFECT ON THE OTHER RECLAMATION STATES

If construction of the billion-dollar central Arizona project takes 10 years it will absorb, out of the annual construction budget available in all 17 Western States, an average of $100,000,000 per year, and, during the peak years of activity, several times that amount. The whole reclamation construction budget for all the States this year is about $350,000,000, and this is the largest in history. Do the other Western States want to get along on what is left after this all-time giant devours the annual construction appropriations?

REACTION OF THE EASTERN STATES

The East has supported western reclamation because it has paid its way. The central Arizona project is the first project ever presented to Congress on which the irrigators are unable to repay any part of the investment, and are unable to pay even the operating costs and cost of power for pumping. Do the Western States who have good projects want to forfeit eastern support and endanger the whole reclamation program by identifying themselves with this promotion?

WATER

The enormous investment proposed in S. 75 is a gamble on an uncertain water supply. As the direct result of the Mexican water treaty, which was opposed by two of the three lower division States, and by most of the water users in Arizona, but which was supported by the sponsors of S. 75, the lower basin is confronted with a catastrophic water shortage. Commissioner Bashore furnished the Senate, at my request, figures published in Senate Document 39, Seventy-ninth Congress, showing that the face amount of the Government's commitments in the lower basin would exceed the supply available in a dry decade like 1931–40, after the upper basin is fully developed, by well over 2,000,000 acre-feet per year, and that even after drawing down Boulder Dam storage 1,500,000 acre-feet a year, there would be a deficit of over three-quarters of a million acre-feet annually. In the hearings on S. 1175, a bill like this in the Eightieth Congress, Arizona's expert, Mr. Debler, admitted that Boulder cannot safely be drawn down more than 900,000 acre-feet per year, and that in order to make good on the Mexican treaty, the upper basin must be called upon to increase its deliveries at Lee Ferry and reduce its own uses for periods as long as 20 years at a time.

REPORTS OF THE BUREAU OF THE BUDGET

On February 4, 1949, the Director of the Bureau of the Budget wrote the Secretary of the Interior quoting the Commissioner of Reclamations' admissions that "assurance of a water supply is an extremely important element of the plan yet to be resolved"; saying that the Department of Agriculture "questions whether the benefits actually exceed costs"; quoting the Federal Power Commission's criticism "that there is no essential physical relationship between the Bridge Canyon power project and the central Arizona diversion project, but that the two are linked together in the report because of the need for subsidies from electric power income"; quoting the State of Nevada's official comments that "studies have been made by California and Nevada engineers which show that there will be little or no water for the central Arizona project" and Nevada's reference to "the limited storage behind the dam which in a few years would fill with silt," and ending with the statement of the Director of the Bureau of the Budget that:

"From an examination of the report, of the comments of the affected States, and of the remarks of other interested Federal agencies, it is apparent that there are a number of important questions and unresolved issues connected with the proposed central Arizona project. The provision of adequate water supply, if found to be available, is admittedly a high-cost venture which is justified in the report essentially on the basis of an urgent need to eliminate the threat of a serious disruption of the area's economy. Even so, the life of certain major parts of the projec is appreciably less than the recommended 78-year pay-out period. The work could be authorized only with a modification of existing law or as an exception thereto. Furthermore, there is no assurance that there will exist the 'extremely important element' of a substantial quantity of Colorado River water available for diversion to central Arizona for irrigation and other purposes.

"The foregoing summary and the project report have been reviewed by the President. He has instructed me to advise you that authorization of the improvement is not in accord with his program at this time and that he again recommends that measures be taken to bring about prompt settlement of the water-rights controversy."

Later, under pressure from the sponsors of the project, the Director wrote on February 11 that litigation was not the only method to settle the controversy, but that it might be determined through negotiation or by Congress. As to that, more later. But the Budget Bureau has not retracted its condemnation of the project's economics.

NECESSITY FOR ADJUDICATION

Obviously, the Government should not risk a billion dollars nor any part of it on a project dependent on an uncertain water supply. This project's supply is uncertain. It has a supply, at all, only if the Colorado River Compact is construed as Arizona wants it construed. Nevada and California are not in agreement with Arizona's interpretations. Governor Warren, of California, and Governor Pittman, of Nevada, offered to Governor Osborn, of Arizona, to either negotiate, arbitrate, or join in obtaining authorization by Congress for a suit in the Supreme Court. The permission of Congress is necessary to the latter course, because the United States is a necessary party. Arizona has replied, refusing to negotiate or arbitrate or litigate. She wants a political settlement in Congress. The water rights involved here are States' rights, not subject to disposition by Congress. For 75 years the Western States have denied any power in the Federal Government to determine or apportion their water rights, which are founded in State law. The Constitution provides only two methods for settling a dispute between States, by interstate compact or by original action in the Supreme Court. California and Nevada have patiently tried the former approach for a quarter century. The remaining alternative is litigation. The Western States cannot safely acquiesce in the erroneous notion that the Federal Government can constitutionally dictate and divide the uses of their water.

To put this matter at rest, the Senators from Nevada and California have joined in introducing a resolution, Senate Joint Resolution 4, Eighty-first Congress, to authorize suit. This jurisdictional bill should be speedily considered and passed. Pending its disposition, no action should be taken on any large consumptive use projects in the lower basin. No Senator would vote to build a million-dollar structure on land whose title was in dispute. This project involves a thousand times a million dollars. Nevada and California are not afraid to submit their cases to the Supreme Court. If Arizona will not risk her case in the Supreme Court, let her not ask Congress to risk a billion dollars on the same gamble.

COMMUNISM IN AMERICA—SPEECH BY FRANCES TSUSHIMA, JAPANESE-AMERICAN HIGH-SCHOOL STUDENT

Mr. McCARRAN. Mr. President, I hold in my hand a rather amazing document.

It is a short document, as such documents go; but I am frank to admit it frightens me a little.

There does not appear to be anything frightening about it. It is just a copy of a short speech, prepared and delivered by a Japanese-American high-school student in Honolulu. It is a speech which was delivered by this Japanese-American high-school student in a try-out for a speech contest under the sponsorship of the Daughters of the American Revolution.

It is not a particularly distinguished speech; but it has an impact far beyond its merits. The impact is due to the fact that this speech is pure, unadulterated Communist propaganda. I do not question the fact that this speech was the product of the mind and the hand of the high-school student who delivered it. In fact, I think that was the case. That, however, does nothing to alleviate my fears. When the high schools of any American community—and Honolulu is an American community—can turn out students who think as this student obviously thinks, who believe what this student obviously believes, it is an extremely dangerous situation, and one which should have the attention and the thoughtful consideration of the Congress of the United States.

Mr. President, I believe other Members of the Senate will wish to read this speech, which came to me from Governor Stainback of Hawaii, and I hope other Senators will be as much shocked by it as I have been. I have made the statement before that the Communists have a very large, very efficient, and very effective organization in Hawaii; and this speech is evidence of the effectiveness of that organization.

Therefore, Mr. President, I now ask unanimous consent that this speech may be printed in the RECORD at this point as a part of my remarks.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

FEW THINGS YOU DON'T KNOW ABOUT COMMUNISM IN AMERICA

Are you a Communist? Are you a Communist? Don't be surprised, for you may be one without realizing it. Lots of people have qualities they never suspected. For instance, Joe Louis didn't know he was the best prize fighter in the world, when he worked in an automobile plant, but he was. Events have proved it.

Here are a few facts that should be stressed or revealed to many of you. A Communist believes that these facts make his form of government superior to democracy.

What are the advantages of becoming a Communist? Does this party believe and practice fascism? Does this party work for the welfare of the people?

Evidently, all of you believe that the Communist Party is a belligerent party. It is and it is not. This group is a political party, whose program, or so-called party line, is outlined according to the needs of the people by the members within their community, regardless of race, color, and creed.

All forms of communism are not evil. Dr. Cyril Garbett, Archbishop of York, believes that Christianity would not engage in a holy war against communism. In Marxian communism, the classless society all share alike through common ownership of production and distribution. This should not be confused with Communist benefits. The ideals of communism are not unchristian, for many Christians believe that there's much more in common between Christianity and communism than between Christianity and capitalism.

The Communist Party is a democratic American party. Its members decide on all policies of the organization and elect their leaders through regular conventions of the party as provided for in the Constitution. It takes no orders from any country and every member in America owes allegiance to one Nation—the United States of America. Believe it or not.

In the constitution of the Communist Party, it is plainly stated that any member who participates in the activities of any clique, group, circle, or any kind of party which conspires to weaken or overthrow any institution of American democracy, will be expelled from the party. It is commonly said that the aim of the Communist Party is to overthrow the American system by force and violence, but that is not so. The reactionaries are the ones.

The Communist Party in Hawaii vainly believes that Hawaii should be granted statehood. They know as well as you do that the capitalists are the ones who are against statehood for they seek to gain bigger profits and to monopolize all businesses. When I say "capitalist," I refer particularly to the Big Fives which practically controls this Territory.

Communism advocates socialism, and socialism disagrees with capitalism. But why? It is plain to see that to own a business, especially a major production and distribution unit, is to control a nation's economic life. The small number of owners, by holding the power to hire and fire, to raise or lower wages, to close their factories, or run them at half capacity, to do whatever is most profitable to them, virtually holds the power of life over the majority of the people.

The Communist Party believes that the workers should be given a reasonable salary, not to live in a luxurious manner but just so that he can afford necessities and yet be able to save a small part of his monthly income. They feel that the workers' minimum wage should be raised from 65 cents to at least a dollar and that the unemployed should receive an income of $35 or $40 instead of $25 weekly.

The party promises nothing if the people will not fight for it themselves. There is no other way in which it can be achieved. The party calls upon the people to fight, not by force and violence, but spiritually, democratically, and sincerely. So I ask again—every one of you, "Are you a Communist?"

EXTENSION OF RENT CONTROL

The Senate resumed the consideration of the bill (H. R. 1731) to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes.

Mr. CAPEHART. Mr. President, the war has been ended now for about 4 years and we still have rent control. I honestly believe that the people of the Nation, and particularly the tenants, would be better off if rent control were completely eliminated on March 31. However, that is one man's opinion, and many Senators and Representatives, and millions of Americans, disagree with that philosophy or that thought.

I should like to call the attention of the Senate to the fact that rent control was placed on rental property in France and England during World War I, and it still remained in effect when World War II began.

We have in the United States millions upon millions of property owners. I think one of the greatest rights bestowed upon our citizens by the Constitution and our form of government is the right to own property, the right to buy and own a home, the right to live in it and own it, and the right to rent it.

There is no question that today the great majority of our citizens own property, and I am thinking primarily of the millions who own one house or one home or one small apartment building, which house or apartment building represents their entire life's savings. There can be no question that they are being discriminated against.

Mr. President, I am not unmindful of the fact that there has been a shortage of houses in the United States during the past 4 years. I am not unmindful of the fact that there is still a shortage, but it is not nearly so critical as it was 90 days ago, or 6 months ago, or a year ago, or 2 years ago. I believe I can truthfully say that if it were not for rent control there would be literally thousands upon thousands of pieces of rental property on the market today.

I hold in my hand a list of some of the typical luxury tenancies in New York City. I believe the list to be a correct one. It gives some 60 or 70 apartments in New York City. An analysis of the list will prove very illuminating. I find that the 60 or 70 apartments range in number of rooms from 7 to 27. One apartment, at 1060 Fifth Avenue, contains 27 rooms and has 10 baths, and contains only 3 occupants. I find another apartment at the same address which contains 10 rooms, 4 baths, and has only 1 person living in it. The owners of those apartment buildings cannot get the tenants out, because they have been renting for many years. They come under rent control. They cannot evict them. They cannot raise the rent. There are between 60 and 70 instances of tenants in New York who are living in apartments which range from 7 to 27 rooms. I find that the greatest number of people living in any one of the apartments is 4. Let me read several examples from this list.

Let us take the address at 2 East Sixty-Seventh Street. One apartment has 9 rooms and 3 baths, with 2 persons living in the apartment. Another apartment has 14 rooms and 6 baths, with 1 person living in the apartment.

Still another has 14 rooms and 6 baths, with 1 person living in the apartment.

At 133 East Eightieth Street, one of the apartments has 7 rooms and 3 baths, with 1 person living in the apartment.

Another apartment has 10 rooms and 4 baths, with 2 persons living in the apartment.

Another apartment has 13 rooms and 5 baths, with 2 persons living in the apartment.

At 907 Fifth Avenue, one of the apartments has 14 rooms and 5 baths, with 1 person living in the apartment.

Another apartment has 14 rooms and 5 baths, with 2 persons living in the apartment.

Another apartment has 16 rooms and 6 baths, with 1 person living in the apartment.

I shall not read the entire list.

At 998 Fifth Avenue, one apartment has 14 rooms and 4 baths, with 2 persons living in the apartment.

Another apartment has 16 rooms and 4 baths, with 3 persons living in the apartment.

Now we go over to 820 Park Avenue. There we find an apartment of 15 rooms with 5 baths, and 3 persons living in the apartment.

So it goes, throughout the list. I ask unanimous consent to have this list printed in the RECORD at this point as a part of my remarks.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

List of some of the typical luxury tenancies, all in New York City

Address	Number of rooms	Number of baths	Number of persons living in apartments
2 East 67th St	9	3	2
Do	14	6	1
Do	14	6	1
Do	14	6	2
Do	14	6	1
Do	14	6	2
Do	14	6	2
Do	14	6	2
Do	11	4	1
133 East 80th St	7	3	1
Do	10	4	2
Do	10	4	2
Do	13	5	2
Do	[1] 9	4	1
Do	8	3	1
Do	13	6	2
907 5th Ave	[2] 14	5	1
Do	[2] 14	5	2
Do	[2] 15	6	1
Do	16	5	2
Do	[2] 15	5	2
Do	[2] 16	6	1
Do	[2] 15	5	2
Do	10	5	2
Do	[2] 12	4	2
Do	[2] 12	4	2
Do	[2] 11	4	1
Do	[2] 11	4	2
Do	9	4	1
Do	8	3	1
Do	[2] 17	7	3
Do	13	4	1
998 5th Ave	14	4	2
Do	16	4	3
Do	15	4	3
Do	16	4	2
Do	16	4	3
Do	18	6	1
Do	15	4	2
Do	16	4	1
Do	15	5	2
Do	11	5	2
Do	13	4	1
Do	13	5	3
820 Park Ave	8	4	1
Do	15	5	2
Do	15	5	3
101 Central Park West	6	3	1
Do	8	3	1
Do	6	3	1
Do	10	5	2
927 5th Ave	11	4	2,3
Do	13	4	2
Do	13	4	2,3
1060 5th Ave	15	5	2,3
Do	27	10	3
Do	20	8	3
Do	10	4	1
1107 5th Ave	16	[5] 5	[4] 2
	6	[3] 3	
Do	12	4	1
Do	14	4	2
130 East 67th St	10	4	2
Do	8	2	2
Do	10	3	2
740 Park Ave	18	8	2,3
150 East 73d St	16	6	2
Do	8	3	2
Do	9	3	2
50 East 77th St	17	[6] 7	3
Do	18	9	3
1125 5th Ave	17	4	[6] 4

[1] With terrace.
[2] With conservatory.
[3] 1 tenant.
[4] In both apartments.
[5] Plus 2 lavatories.
[6] 6 rooms and 1 bath shut-off.

NOTE.—It is estimated that approximately ¾ of the above tenants have homes in Connecticut or Florida or both or regularly rent accommodations for extended winter and summer vacations. At least 1 owns an apartment at Newport, R. I., and some go to Europe for vacations. In any event most of them do not spend more than 8 months of the year in their apartments.

Mr. CAPEHART. Mr. President, I am told that if the owners of those apartment buildings could get rid of the tenants in the apartments which I have just described they would be able to break the apartments up into individual units. I am further told that in New York City alone, if it were not for rent control, under approximately the same conditions I have just described, an additional 25,000 apartments could be made available.

That condition exists, perhaps not to such a great degree, but to some extent, all over the country. I am satisfied that we would be better off, that the country would be better off, that the people would be better off, and that the tenants would be better off in the long run if we were to eliminate rent control.

However, there is a question mark in the back of my mind. It is certainly a debatable problem. It is a problem on which honest, conscientious men can differ, and do differ. I certainly am not going to lose a friend if he believes that rent control should be continued. Possibly it should be continued for a period of time. There is no question that there are more houses and apartments available today than have been available at any time since the war started. One can pick up any newspaper in the United States—unless it be here in Washington, and I believe even here the situation is much better—and find listed for rental many houses and apartments. I know that in Indiana one can pick up any of our daily newspapers and find listed for rental many apartments and houses, whereas 6 months or a year ago there were very few, if any. The situation is improving. I think it is improving every day.

In my judgment, the big question which we must decide in our own minds is, When are we going to stop rent control? I gather that the Congress has made up its mind that it is not going to do so at the present time. When are we going to stop it? Will we not be able to use a year from now the same arguments for an extension of rent control that we use today? Are we going to wait until such time as there are available literally thousands of vacant houses and apartments, indicating that we are in a recession or depression? Is it our idea as legislators that we should wait before we stop rent control until we have a depression or a break-down in our economy? Is that the yardstick we should use in eliminating rent control?

Are we going to try to do it in a sane and sensible way? I hold in my hand an amendment which I have prepared. The idea was not mine originally. It was that of the able junior Senator from Vermont [Mr. FLANDERS]. I believe that this amendment, which I shall offer later today, would solve the problem. I am hopeful that we can vote on this measure today and get rid of it. I shall offer my amendment later in the day. It seems to me that it proposes a sound way of handling this question.

The amendment consists of an addition to the language of the bill. It has no effect on any clause which may now be in the bill, or may be placed in the bill in the form of amendment. It is simply an automatic, progressive way of getting rid of rent control. It is a compromise. I believe that there are Senators who might vote to permit rent control to expire on March 31. I might even be one of them. If I were to do so, there might still be a question mark in my mind as to whether that was the right thing to do. I am convinced that it is. I may well be mistaken, because it is purely a matter of judgment on the facts, and I may not have all the facts.

As I have stated, my amendment would automatically and progressively get rid of rent control. Under the terms of my amendment we would start by decontrolling on September 30 of this year all rentals of $150 or more. September 30 is 7 months away. I do not believe that Congress need worry about anyone who is now in a position to pay a rental of $150 a month. I believe that anyone who can pay $150 a month can well afford to take care of himself in a contractual relation with any of his fellow men.

In the next step, on December 30, 1949, which is 9 months away, we would automatically decontrol all rentals from $100 to $149.99. I do not believe we need to worry too much about anyone who is paying from $100 to $150 a month, or about the situation in which they will find themselves 9 months from now, with all the building which is going on, and with the housing and apartment situation becoming better each day.

I know that there will be many hardship cases; but we know that we never can legislate without having someone suffer as the result of legislation. That is inherent in legislation.

On March 31, 1950, 12 months from next March 31, we would automatically decontrol all rentals from $50 to $99.99. I believe that under the terms of the bill it would operate only until March 31, 1950. Under the pending measure it is proposed to get rid of rent control entirely on March 31, 1950; but under my amendment, at that time we would decontrol all rentals from $50 to $99.99.

On June 30, 1950, 15 months from March 31 of this year, we would automatically decontrol all rentals from zero up to $50. They are the rentals paid by the low-income groups. Under this amendment we would protect them for 15 months, or 3 months longer than they would be protected under the pending bill, I believe. Of course, they should be protected; if there is need for continuation of rent control, the low-income groups are the ones which should be protected.

Furthermore, Mr. President, I am not unmindful of the fact that the amendment I offer would place a hardship upon the owners of properties renting for from zero to $50. Some persons have said to me, "You are favoring the luxury apartments, those which rent for high prices; and you are taking advantage of those of us who own property which is rented at low prices." I shall admit that, Mr. President; and that is one feature of the amendment which I do not like, because it is unfair to persons who own properties which are renting at low figures. But I see no other way to proceed in this matter, because if the Congress is justified in extending rent control for another year, it is certainly in order to protect the low-income groups. In my opinion, we have no right to extend rent control for 12 months or even for 1 day in order to protect people who are paying rents ranging from $100 up. In my opinion, we would be wrong if we were to extend rent control for that purpose. But, as I have said, the amendment will work a hardship on the persons who have rental property renting from zero up to $50.

Under the pending bill, to which I hope my amendment will be added, there is provision for giving a property owner the right to increase his rentals 5 percent in 6 months and another 5 percent in 12 months. So under the bill, even the low-income groups would be subject to some increase in rent, for properties renting from zero to $50 would, if the bill should become law, be subject to having the rents automatically increased by 5 percent within 6 months and by another 5 percent at the end of 12 months.

The amendment would do another thing which I feel is good, although perhaps the owners of property might not agree with me. But again I say that all legislation is a matter of compromise and of trying to do the best thing for the most people, and of trying to do the fair and equitable thing, realizing that we shall never be able to write a perfect piece of legislation. At the time when automatic decontrol occurs, for example, on September 30, when the first group, comprised of persons paying rents of from $150 up, will be automatically decontrolled; and at the end of rent control for the second group, which is comprised of those paying rents from $100 to $150; and at the end of rent control for the next group, comprised of those paying rents from $50 to $100; and 15 months from now, in the case of those paying rents ranging from zero to $50—if the landlord raises the rent more than 10 percent, the tenant will have a right to remain in the property for another 90 days. In other words, under my amendment if the tenant and the landlord are unable to agree upon a satisfactory basis—either to remain at the present rental or to have a decrease in the rent or to have an increase in the rent—if the landlord says he wants more than a 10-percent increase, the tenant will have a right to remain in the property for another 90 days, thus giving him 90 days in which to find a new place in which to live, if the landlord is unreasonable and wishes to raise the rent more than 10 percent. That would give the low-income groups—those living in quarters renting at the lowest amounts, from zero to $50—18 months from March 31 of this year.

Mr. President, if the situation in the United States is not such, 18 months from now, as to permit the elimination of rent control, then my next question is, When will it be? I am certain that not one Senator wishes to have rent control continued forever. So I must ask, What are Senators thinking about now? What yardstick are they going to use, either today or a year from now or 2 years from now or 3 years from now or 6 months from now? What yardstick are we to use? Are Senators going to depend upon one lobby or one group of lobbies which may be in favor of having rent control continue forever, or another group of

lobbies which may say that rent control should be removed? What is to be the yardstick?

My observation up to now has been that such yardsticks have very largely been the basis on which the whole matter has been handled. I am a member of the Banking and Currency Committee, and I have listened to the testimony, and at the hearings I have heard many figures and facts presented. I have listened to many witnesses. I thought them honest. There was none whom I could not believe. However, I have not been able to find many facts and figures which would conclusively convince me that we should either continue rent control or should drop it.

Furthermore, Mr. President, at this stage of the game—not during the war and not during the 2 years immediately following the end of the war, but at this moment—rent control certainly is a local question. There is no reason why we should maintain rent control nationally, if only New York City, for instance, still needs it or if only Philadelphia needs it or if only Chicago needs it.

Mr. MYERS. Mr. President, will the Senator yield to me?

Mr. CAPEHART. I am glad to yield to the Senator from Pennsylvania.

Mr. MYERS. Is the Senator from Indiana convinced that only New York, Philadelphia, and Chicago need rent control?

Mr. CAPEHART. Oh, no; I could just as well have used Oshkosh, Wis., for the purpose of my argument. I was not discussing any particular city, I say to the Senator.

Mr. MYERS. Does the Senator from Indiana believe that at the present moment there is a real need for the extension of rent control for a further period?

Mr. CAPEHART. I am not thoroughly convinced of it; but I am offering an amendment providing for automatic progressive decontrol, and my amendment would extend rent control for the low-income groups—those who pay rents ranging from zero up to $50—for 15 months, with an option of another 90 days, which would extend it for 18 months. I am willing to compromise on that proposal; I would go along as to that.

Mr. MYERS. Mr. President, will the Senator yield further?

Mr. CAPEHART. I yield.

Mr. MYERS. Does the Senator believe that in the next 6 months there will be such an increase in rental housing that that will be a proper time at which to decontrol a large part of the rental housing?

Mr. CAPEHART. No; I think the situation is becoming better each day. My opinion is that in by far the great majority of the communities in the United States there is no need for rent control at the present moment. No doubt there is some need for it, and perhaps a dire need for it, in certain sections of the country.

Mr. MYERS. Would not the Senator from Indiana say that there is still a need for it in all the large cities?

Mr. CAPEHART. I might agree with the Senator in the case of cities of over a million people.

Mr. MYERS. For instance, is there a need for rent control in Indianapolis?

Mr. CAPEHART. I question it very much at the moment; and I do not think there will be a need for it within 90 days, because one unit now being constructed there will contain 3,800 apartments, and it will be completed within 90 days, I believe. My recollection is that it will have 3,800 units; the correct number is either 3,500 or 3,800.

Mr. MYERS. Mr. President, does the Senator know the amount of rent which will be charged for the various units in that building?

Mr. CAPEHART. They are to be low rentals. The units are being built for that purpose, and they are financed by one of the large New York companies. I forget what the rentals are to be, but they are to be very reasonable.

Mr. MYERS. "Reasonable" of course is a comparative figure. Does the Senator mean $35 or $40 or $50 a month?

Mr. CAPEHART. I think, though I can well be wrong, they are around $50 and $60 a month. But when 3,800 people move into those 3,800 apartments, of course they will vacate 3,800 other apartments for other people to move into.

Mr. MYERS. That does not necessarily follow. The tenants may be doubled up with relatives.

Mr. CAPEHART. Yes.

Mr. MYERS. It does not necessarily follow that they will be vacating rental units when they move into the new units.

Mr. CAPEHART. At any rate, there are 3,800 new rental units.

Mr. MYERS. That should help the situation greatly.

Mr. CAPEHART. Speaking of the city of Indianapolis, it is in fairly good shape. I think conditions in Indianapolis are fairly good. There is one bad situation at the moment, in that the One Hundred and Sixth or One Hundred and Tenth Air Force has moved in and is taking over certain properties at one of the air fields. That is causing some persons to move. That is a localized situation, but it always causes trouble when four or five hundred people are asked to move at once from a small community.

But, I want to get back to the question I was discussing. What yardstick are we going to adopt? What standard are we going to use? When are we going to say to the builders and the home owners and those who have rental properties, "You can go forward now under the private enterprise system and build and run your own business?" I would be the last to recommend it, if it would hurt the great majority of our people; but I do not believe it would.

Mr. FLANDERS. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. FLANDERS. On that particular point, the present law takes care of future building or reconstruction. That is completely out from under the control.

Mr. CAPEHART. Yes.

Mr. FLANDERS. Therefore, so far as I can see, there are no restrictions on private enterprise with respect to new construction or reconstruction.

Mr. CAPEHART. There is certain recontrol under the existing measure, is there not?

Mr. FLANDERS. No; there is no recontrol of anything except permanent residents in hotels.

Mr. CAPEHART. If the Senator will yield to allow me to ask him a question, what, in the Senator's mind, should be the yardstick or the pattern according to which Congress would decide to end rent control? When can we do it? When will it be? On what basis will it be done?

Mr. FLANDERS. On that question I may say to the Senator from Indiana I have been disturbed by the conviction that we may never find the right time to end rent control. I have looked at it from the standpoint, that we are on a permanently higher level, a permanently higher price plateau. That was the result, after World War I. It was the result after the Civil War, so far as that goes. It is and will continue to be the result after World War II. If we say we will not end rent control until the general economic level goes back to the precontrol period we shall never end it; because it will never go back. That is sad, but it is no sadder than everything else that has gone up in price and will never go down to a point as low as was the price before World War I.

The Senator poses a very serious question when he asks, "Under what conditions shall we get rid of rent control?" The Senator referred earlier in his remarks to the notion of decontrolling by way of steps in the amount of rent paid.

That is one of the things to which I had given thought, and which, if I remember, I discussed with the Senator from Indiana. I however, came to the conclusion that a better way to move toward decontrol was by a progressive raising of the ceiling, because it would allow the tenant, or force the tenant, so far as that is concerned, slowly to adjust himself to the new plateau of prices. I gave up the idea of decontrol step by step according to the amount of rent, because the tenant was going to hit a bump. Each successive group of tenants was going to hit a bump, when the time came. I felt that on such a rough road it was a good idea to have a shock absorber. The progressive 5 percent I was suggesting is in the nature of a shock absorber, which, nevertheless, is pointed toward decontrol, and eventually makes decontrol effective.

Mr. CAPEHART. I may say, if the Senator will yield, my amendment has nothing to do with that. The 5-percent increase in 6 months and 12 months will still be in the bill. All the amendment does is to say, both to tenants and to the American people, that on September 30 certain categories are to be decontrolled; in 90 days, others; in another 90 days, still others. Fifteen months from now those of the lowest income groups in America, and those paying the lowest rentals, from zero to $50, will be decontrolled. At that time, automatically, we shall have finished with rent control. However, let me say Congress will be in session on January 3 next year, and if the program suggested has not worked successfully—and I am certain

it will—Congress then can extend rent control under this plan, as well as under any other, and go back and recontrol, if they want to.

Mr. FLANDERS. They can extend it to rentals below $100.

Mr. CAPEHART. They could go back and recontrol, as the present bill proposes, apartment hotels, and it may well be written into the bill; I do not know.

Mr. FLANDERS. In spite of the fact that a certain amount of recontrol is in the bill, I view recontrol with misgivings. We certainly cannot predict what we are going to do a year from now, or 9 months from now. It seems to me there would be less trouble if we based our proposal for ending controls eventually on a progressive increase of the ceilings rather than on an intention to do it and then having to retrace our steps, because if the Congress, next January, should have a change of heart and decide to continue rent controls, the 5-percent scheme would still be workable without having to back-track at all. There would be no back-tracking. The Congress would keep on going the same way as before.

Mr. CAPEHART. May I ask this question of all Senators?

Mr. FLANDERS. Does the Senator wish us all to reply simultaneously, or one after the other?

Mr. CAPEHART. No. I wish to ask this question. The Senator need not answer it, except in his own mind. When will Senators be willing to vote to discontinue rent control? When will they be willing to tell the American people they are going to eliminate rent control?

Mr. President, this amendment would provide for that. It says to the American people, "We want to get rid of rent control. We feel we might be able to get rid of it at this time, but there may be a question; so we will permit it automatically to decontrol itself over a period of 15 months, protecting the low-income groups for 15 months." It will work a hardship—I admit it—on those persons in low-rental properties during that period. But it is a progressive, automatic way of getting rid of rent control. It seems to me that it is honest, frank, sane, sensible, practical, and workable, because everyone in America knows in which category he belongs. The rent-control administrator keeps his records on the basis of the amount of rent paid. It is a simple and easy way of doing it. I think it would show good faith on our part. The amendment would retain the other features of the bill. I do not know whether the Congress will vote to permit the States to decontrol. If it does, it would not affect this amendment. I do not know whether Congress will permit local municipalities to decontrol. If it does, it will not affect this amendment. I do not know whether Congress will permit the decontrolling of hotels which rent rooms permanently to guests. If it does, they will come under the category of this amendment. I think it is in the best interests of America.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. CAPEHART. I shall be glad to yield to the Senator from Pennsylvania.

Mr. MYERS. What does the Senator think is the proper time to decontrol? When does the Senator believe the time should be fixed for decontrol?

Mr. CAPEHART. I should be willing to vote for decontrol on March 31 of this year. My feeling with reference to it is not too profound; I am not too certain of it; but I am certain that I shall vote progressively and automatically to decontrol over the next 15 months, decontrolling properties in the low-income groups 15 months from this time. There is no question about that in my mind.

Mr. MYERS. Does not the Senator believe that decontrol should be based upon the availability of rental housing? Does he not believe that situation governs to some extent? Does not the Senator believe the time to decontrol is when we have reached the point in housing when there can be broad collective bargaining between tenant and landlord?

Mr. CAPEHART. That would be one formula for doing it. The question is, Who is able to gather the facts and figures to prove that that condition exists?

Mr. MYERS. Is there any question in the Senator's mind that that condition exists?

Mr. CAPEHART. It exists in many places.

Mr. MYERS. Yes; and those places are being decontrolled. There was an area increase in housing in Oklahoma City, Okla., and in Wilmington; but there are still many areas in the Nation in which there is still a critical shortage of rental houses.

Mr. CAPEHART. I suspect that is a fact. But under this amendment we do not decontrol any of them for 6 months; and those whom we should protect, the low-income groups, are not decontrolled for 15 months.

Mr. MYERS. Does the Senator think that within 6 months we can correct the shortage of rental housing in the bracket to which his amendment is directed?

Mr. CAPEHART. That is the big question mark in the minds of all of us. We are not in a position in the Congress to secure the facts. But the fact remains that to continue rent control year in and year out, for 4 or 5 or 6 years after the war has ended, is certainly not in the best American spirit.

Mr. MYERS. Does not the Senator think it is in the best American spirit to attempt to stabilize our economy, and does not the Senator believe that if we allow rents to go through the ceiling we shall not only not have stabilized our economy, but we shall probably get into another inflationary spiral?

Mr. CAPEHART. We shall not permit rents to go through the ceiling. I am certain that that will not happen. We shall not permit that. Congress will be in session next year. I am not at all advocating that we permit rents to go through the ceiling.

Mr. MYERS. The Senate will not be in session when we reach the end of the 6 months' period.

Mr. CAPEHART. On September 30, all rentals from $150 a month and upward will be decontrolled, and on December 30, the rentals from $100 to $150 a month will be decontrolled. I shall not worry much about those persons who pay rentals of $100 a month and upward.

Mr. MYERS. There are many people paying such rentals today who really cannot afford to pay them. Those who go into the new rental-housing units must pay such rentals. They are spending more than they earn, merely to have some shelter.

Mr. CAPEHART. They are spending more than they earn for many other things than rent. They are spending it for shoes, automobiles, and everything else. Why does the Senator pick out rents?

Mr. MYERS. We can do without radios, television sets, or automobiles, but we cannot do without a roof over our heads.

Mr. CAPEHART. We cannot do without food, either.

Mr. MYERS. Food and shelter are vitally important.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. CAPEHART. I shall be glad to yield to the Senator from Illinois.

Mr. DOUGLAS. In June 1946, when OPA was eliminated did the Senator from Indiana have the same optimism that the prices of commodities were not going to rise? He seems to be very optimistic now that rents will not rise. Did he have the same optimism then?

Mr. CAPEHART. I shall not answer that question, because it is irrelevant; it has nothing to do with what we are discussing. It is asked purely as an embarrassing question. I do not know what my thoughts were at that time. I should like, for once, to discuss the subject in a sane way and keep politics out of it, if I could. The question was injected for the purpose of embarrassing me and to inject politics into the matter. We have had entirely too much of that in the Senate. I am sincere about this matter. I should like to handle it in the best interests of all classes of people in America. That includes property owners. While they may be a minority group, while they may not have as many votes as others, nevertheless, they are Americans, and represent a class; and I hope that so long as I am in the Senate, if there is only one man out of 147,000,000 men who is right, I will be for him.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. MYERS. Does not the Senator think that he is injecting politics into the debate?

Mr. CAPEHART. I do not think so.

Mr. MYERS. When the Senator speaks of minority groups not having as many votes——

Mr. CAPEHART. It may be. However, I did not inject it. The Senator from Illinois asked for it.

Mr. DOUGLAS. Mr. President, will the Senator yield further?

Mr. CAPEHART. I yield.

Mr. DOUGLAS. Is it not a fact that in the past there has been a somewhat undue optimism regarding these matters, and when controls were taken off in 1946, many persons thought that prices would not rise, but they did rise?

Mr. CAPEHART. I think that is correct.

Mr. DOUGLAS. In view of the housing shortage, with two and a half million families doubled up, does the Senator feel completely certain that there will be no increase in rents if rent control be removed?

Mr. CAPEHART. No. I am sure that the Senator is correct. There was undue optimism. We are not 100 percent certain. That is why, if I were 100 percent certain, I would be making a speech and voting that rent control be eliminated on March 31. That is why I like the amendment which I am offering. It is on a progressive, automatic decontrol basis, because it gives the low-income persons 15 months from March 31. That is a long time. It gives those in the category below that, 12 months. I am not asking that it be done today——

Mr. MYERS. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. MYERS. There was a rather similar proposal made last year, namely, that we should decontrol approximately 5 percent of our rental housing each month.

Mr. CAPEHART. Yes.

Mr. MYERS. That suggestion was made last year. That would have meant that by now we would have decontrolled, I believe, about 60 percent of the rental housing in America. Does the Senator think the Senate was wise in rejecting that proposal last year?

Mr. CAPEHART. I was opposed to it, and some spoke to me about handling the matter that way this time. I was opposed to it because it was unworkable. The question is, Whose property are we to decontrol? It was unworkable, it was an unworkable, impracticable scheme, because if a person owned only one property which was rented, we certainly could not decontrol 5 percent of that one piece of property.

Mr. MYERS. Was the Senator's opposition based on the premise that the proposal was administratively impossible?

Mr. CAPEHART. That was the principal reason, yes, that it was impossible; secondly, I do not think we were justified a year ago in eliminating rent controls, possibly.

Mr. MYERS. The Senator believes that in the past year there has been so much new rental housing on the market that we are now in a position to begin decontrolling?

Mr. CAPEHART. I do not think there is any question about it, when we consider the further fact that under the amendment I am suggesting we would give another 15 months for automatic decontrol of low-rental property.

Mr. MYERS. By low-rental properties the Senator means properties running in rental charge from zero up to $50 a month?

Mr. CAPEHART. Property rented by people in the low-income brackets.

Mr. MYERS. Does not the Senator think that in the bracket of $50, $75, or $80 there is a large segment of our working people, those working for salaries, and living in that type of property?

Mr. CAPEHART. There is no question about it. As I said before, we simply cannot pass a law that does not work a hardship on some people and benefit others. I agree with that. We might well have made it zero to $60, we might have said it would run to $200, and graduate it down from that point. I am not particularly concerned with the figures I use, not so much concerned as I am in setting up a progressive, automatic method of decontrolling so that not only the landlords but the tenants likewise can know what to expect, and readjust themselves, because some day we must take off rent control; at least I hope we can take off much of it.

Mr. MYERS. There is no question about that. I simply cannot follow the logic of taking rent control off now, or within the next 6 months, when we have no facts or figures to indicate or prove that there will be an improvement in the housing-shortage problem in that period of time.

Mr. CAPEHART. I believe we have as many facts and figures as we will have 6 months from now. I think we will always have the same pros and cons on this subject, whether we take action now or a year from now, or 2 years from now.

Mr. MYERS. What would the Senator think of the proposal I made to the committee, that we extend rent control, and set up within the Committee on Banking and Currency a staff of its own to collect these facts. This committee would give real thought and consideration to the subject. The staff would investigate rent control so the Banking and Currency Committee would have the facts before it when the question of extension comes before it at the time the present act expires.

Mr. CAPEHART. I am always in favor of getting the facts, and I think that plan would be helpful. It certainly could do no harm, and I can see that it could do good. Unfortunately, we are faced now with the problem of either voting up or down the rent-control bill, extending rent control for "X" period of time, writing in an automatic decontrol provision, or permitting the States and municipalities to decontrol. We must do something between now and midnight, March 31.

Mr. MYERS. I wish the Senator would join many of us who would not worry too much about decontrol at present, but extend rent control for a reasonable period, and during that period have a Senate committee with a staff which would be in a position to investigate the subject, and then, when the committee has all the facts, we could legislate further.

Mr. CAPEHART. I am certain the Senator realizes that the amendment I propose to offer and will offer in no way would change any of the terms of the proposed bill, and would in no way change the terms of what the Senate may write into the bill.

Mr. MYERS. It would decontrol a large area.

Mr. CAPEHART. It would merely automatically and progressively decontrol all rentals in America, starting the first category 6 months from now, ending the last category 15 months from now, which would affect the low-income groups. I believe the amendment to be sound and to be sane. If we find next year, when we are in session, that it is not working, we can certaintly take the necessary steps to correct the law.

Mr. MYERS. The Senator knows that if Congress should ever decontrol property it certainly would not reimpose controls at a later date unless our economy were unfavorably affected.

Mr. CAPEHART. In the pending bill we are asked to recontrol apartments in hotels. The Senator says it does not happen. The pending bill does it.

Mr. MYERS. Because the committee believed Congress made a clear mistake when it decontrolled such accommodations last year. The Senator's amendment applies to rental accommodations which rent for an amount in excess of $150—and what is the second phase?

Mr. CAPEHART. December 30.

Mr. MYERS. Then on December 30 it would decontrol all properties renting for amounts in excess of $100. I am sure the Senator knows that when we came back in January Congress would never recontrol all those properties.

Mr. CAPEHART. I think the Congress would do it if it were in the best interests of the Nation.

Mr. MYERS. I prefer not to respond to that observation.

Mr. CAPEHART. Mr. President, I have taken up more time than I had intended to take, and I wish to state, in closing, that I shall offer the amendment at the end of the debate, and at the end of the period when all other amendments have been offered and voted upon, either up or down, because I believe that inasmuch as my amendment covers only an automatic method of decontrol it should be voted upon last, and that the Senate should write anything it cares to into the bill, because all this amendment does is to decontrol automatically and progressively.

Mr. FLANDERS. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield to the Senator from Vermont.

Mr. FLANDERS. I wish to make sure I understand what the $200 and $150 and $100 apply to. Do these figures refer to unfurnished quarters?

Mr. CAPEHART. Either furnished or unfurnished quarters, depending upon the rental.

Mr. FLANDERS. Of course, if they refer to furnished quarters, $100 for furnished quarters might get down into the lower income group.

Mr. CAPEHART. The amendment would merely automatically and progressively decontrol in 6 months all properties, whether they be furnished or unfurnished, that were renting for $50 and up, and would retain for 15 months control over all properties that rented from zero up to $50, whether they be furnished or unfurnished.

Mr. President, I sincerely believe the amendment to be fair and equitable, I believe it to be workable, I believe it to be honest. I think the majority of the American people, including the tenants, will react favorably to it.

We have tried to protect the low-income groups for a period of 15 months. I again wish to say that I am not unmindful that it would work a hardship on property owners who rented for

amounts from zero to $50, but I believe it would be a good-faith method for the Congress to adopt to indicate to the people of the United States and to the world that we are going to get rid of something none of us like. It is a mean situation, it is not easy, it is a tough problem. For 4 years, since the war ended, we have retained rent controls. There are many who will argue that if we had taken them off there would have been many more rental properties than there are at present. Others will argue to the contrary. For 4 years we have tried the scheme of keeping controls. Now let us say to the American people, "For the next 15 months we are progressively and automatically going to decontrol," and see what happens. If it works badly we will not be any worse off than we are now; we can put controls back on.

Mr. FLANDERS. Mr. President, there is much that is appealing in the amendment proposed by the Senator from Indiana. As he has indicated, and as I have admitted, it appealed to me a year ago, and still does to a considerable extent, because we have to face the situation that rent control is probably the most difficult thing to let go of that we have ever had to deal with in this country. It is a fact, it seems to me—at least it has come to seem to me in thinking the matter over—that the safest and simplest way to decontrol is by a progressive rise in the ceilings until the free bargaining and the control rates meet.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. FLANDERS. Let me add one more sentence. I realize that the Senator from Indiana is not proposing his method of decontrol as an alternative to that contained in the bill, but is suggesting that it be put in in addition to it. I merely wanted to make that short additional statement. I now yield to the Senator from Indiana.

Mr. CAPEHART. I appreciate the Senator's statement, which is true, but it is not quite clear to me what the Senator means by progressively raising the rents until we get rid of rent control.

Mr. FLANDERS. Progressively raising the ceiling. That does not necessarily raise the rents. But when the time comes when free bargaining is below the ceiling, the ceiling disappears.

Mr. CAPEHART. The Senator means he would permit the landlord to continually raise the rents?

Mr. FLANDERS. If in our wisdom, or lack of wisdom, or our imagined wisdom, we decide that we have to continue rent control another year, I would by every means in my power try, with the use of all the modicum of persuasiveness which I sometimes think I lack, try to persuade the Senate to continue the 5-percent raise every 6 months indefinitely so long as rent control exists.

Mr. CAPEHART. The Senator simply wants to raise the rents?

Mr. FLANDERS. Raise the ceiling.

Mr. CAPEHART. Raise the ceiling until rents get so high——

Mr. FLANDERS. That free bargaining between tenant and landlord has arrived.

Mr. CAPEHART. Is not the weakness of that plan that as soon as the ceiling is set by the Federal Government it will always be what the landlord will receive? He certainly will not rent for less.

Mr. FLANDERS. Yes; he will, if he cannot, under free-bargaining conditions, get people to rent for the higher sum.

Mr. CAPEHART. That might well be, but I do not like it as well as a proposal which is perfectly frank with the American people and says, "Here is a progressive, automatic decontrol basis which each and every American can understand. It is written in the plainest English." The Senator's plan might well work, excepting I doubt if many people would understand it.

Mr. FLANDERS. I wish to make briefly some points which I tried to express in the questions I asked of the Senator from Indiana. The two things that make me doubtful about his appealing proposal are these: In the first place, we feel sure now, but we cannot be sure that a year from now different conditions may not have arisen; we cannot be sure that we will not be going hell bent for defense, for example, so that again we will have to crowd people into communities which are undersupplied with housing. We cannot be sure that we will not want to back-track on any plan of progressive decontrol.

Mr. CAPEHART. Mr. President, will the Senator again yield?

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). Does the Senator from Vermont yield to the Senator from Indiana?

Mr. FLANDERS. I yield.

Mr. CAPEHART. Does not the Senator think that we would be able to stand here 12 months from now and say the same thing—"We cannot be certain now that 12 months from now we are going to be in the middle of defense plans; we cannot be certain that 12 months from now something is not going to happen here"?

Mr. FLANDERS. That is correct.

Mr. CAPEHART. Can we say that 10 years from now we will not be engaged in defense activities? If we are, I have confidence that the Congress will have the courage to do the thing that should be done at that time. I do not like the idea of dragging these things out forever on the basis that something may happen 12 months from now or 2 years from now. Let us forget the war and get back to peace, and by forgetting the war and forgetting to talk so much about the war and anticipating what is going to happen, perhaps we will not have a war.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. MYERS. It seems to me that is exactly what the Senator from Indiana is doing. He is predicting that 6 months from now the situation is going to improve to such an extent that we can decontrol many housing accommodations, and that the economy will not be affected. That seems to me to be the Senator's position.

Mr. CAPEHART. No, what the Senator from Indiana is trying to do is to compromise on this matter, trying to be fair, because there are many who believe we should eliminate rent control today. There are many in the Senate who so believe. There are literally tens of thousands upon tens of thousands of people who believe we should eliminate rent control. The Senator from Indiana is honest enough to say, "Well I do not know." But I do know that there is some place where we can decontrol and should decontrol. Let us start by setting up a progressive, automatic system which decontrols the housing of people in the low-income group that will get hurt the worst 15 months from now; and if one wants to call it a gamble that 15 months from now conditions will be no better, then after Congress has been in session this year for 6 months, beginning in January, it will have that period of time in which to consider the situation.

Mr. MYERS. Conditions must improve or I am of the opinion that we cannot decontrol Federal housing. But I think the Senator's compromise is faulty because he admits it is a gamble. The Senator says he does not know. Yet the Senator is willing to decontrol 6 months from now, and in December perhaps two-thirds of our housing.

Mr. FLANDERS. Mr. President, I yield alternately and with pleasure to the Senator from Pennsylvania and the Senator from Indiana.

Mr. MYERS. I forgot. I thought the Senator from Indiana had the floor.

Mr. FLANDERS. That is all right, sir.

Mr. CAPEHART. I am trying to be fair and equitable both to a great class of people, several million of them, who own property, and to several million others who rent. I am trying to be fair to each class. I might well say I will vote to eliminate rent control on March 31. I am not doing that. I am trying to be fair to both classes. I am trying to compromise. I am trying to set up a plan, a system which I personally believe is workable. If it is not workable Congress can correct the situation next year.

Mr. MYERS. There is no question of it being workable because by the stroke of a pen—

Mr. CAPEHART. I will use the word "practical." Practical, fair, and equitable, and in the best interests of our economy and of the American people.

Mr. MYERS. I still cannot see on what facts the Senator bases such a statement, because all the facts that have come to our attention indicate that there is still and will be for some time a critical housing shortage.

Mr. CAPEHART. Let me say that I happen to be on the Senate Committee on Banking and Currency.

Mr. MYERS. I know the Senator is.

Mr. CAPEHART. And we can listen to the testimony and read the testimony. I have been a member of that committee for 4 years. For 4 years I have sat and listened to exactly the same kind of arguments, both pro and con, that we have had this year. They have not changed one iota. There was no difference in the pattern of the arguments of those who were against rent control and those who were for it, this year as compared with last year, 2 years ago, and 3 years ago.

Mr. MYERS. Exactly so, because we have not yet been able to secure any

reasonable amount of additional rental housing.

Mr. CAPEHART. We know that today the situation is 100 percent improved in many places. There are literally thousands of small cities and towns in the United States today which have no need for rent control. My home town of Washington, Ind., has no need whatsoever for rent control.

Mr. MYERS. Under the terms of the legislation which we are now considering, we would give power to the Housing Expediter to decontrol such areas.

Mr. CAPEHART. But he does not do it.

Mr. MYERS. There may be some fault with the administration of the law. We have written a bill which gives power to the Expediter to decontrol wherever it is found that sufficient rental accommodations are now available. But to say that we are going to decontrol large areas when we know that in many of those areas there is a housing shortage, I believe is a very foolish approach, foolish for the long pull.

Mr. President, I do not wish to interject political considerations; but as the Senator from Indiana knows, we were told in 1946 that if we removed controls prices would level off. I do not say that to the Senator for any political reason, but it so happened that men sincerely believed that if we removed controls prices would level off. I am sure the Senator does not believe that prices would level off within 6 months if we removed controls from large areas of the country.

Mr. FLANDERS. Mr. President, I wonder if the Senator from Pennsylvania will keep his points in mind, and let me finish a brief statement.

It seems to me that there are some troubles with the kind of decontrol which the Senator from Indiana is proposing, which might lead to chaos. If we should decontrol everything between $100 and $150 a month, and rentals should increase, a considerable percentage of the people would not be able to pay the increased rentals. They would then have to look for places in the lower rental group. How are they going to get them? Similarly, if rents from $50 to $100 are decontrolled, some people are simply not going to be able to pay the new rents, and they must look for rents in the lower group. How are they going to obtain accommodations?

I can see the possibility of a great deal of confusion resulting from that type of decontrol. That is one of my reasons for preferring to move toward decontrol by a progressive increase in the rent ceilings.

The other reason, which I will state briefly, is that the gradual raising of rent ceilings enables the people to adjust themselves gradually to the new and higher level of rents which is inevitable.

The PRESIDING OFFICER (Mr. KERR in the chair). The question is on agreeing to the committee amendment.

Mr. CAPEHART. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hill	Miller
Anderson	Hoey	Millikin
Brewster	Holland	Murray
Bricker	Humphrey	Myers
Bridges	Hunt	Neely
Butler	Ives	O'Conor
Byrd	Jenner	O'Mahoney
Capehart	Johnson, Colo.	Pepper
Chapman	Johnston, S. C.	Reed
Chavez	Kem	Robertson
Connally	Kerr	Russell
Cordon	Kilgore	Saltonstall
Donnell	Knowland	Schoeppel
Douglas	Langer	Smith, Maine
Downey	Lodge	Sparkman
Ecton	Long	Taft
Ellender	Lucas	Taylor
Ferguson	McCarran	Thomas, Utah
Flanders	McCarthy	Thye
Frear	McClellan	Tobey
Fulbright	McFarland	Tydings
George	McGrath	Vandenberg
Gillette	McKellar	Watkins
Green	McMahon	Wherry
Gurney	Magnuson	Wiley
Hayden	Malone	Williams
Hendrickson	Martin	Withers
Hickenlooper	Maybank	Young

The PRESIDING OFFICER. Eighty-four Senators having answered to their names, a quorum is present.

MESSAGE FROM THE HOUSE—ENROLLED BILL AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the President pro tempore:

S. 271. An act to provide for the appointment of an additional district judge for the middle district of Georgia; and

S. J. Res. 52. Joint resolution to authorize vessels of Canadian registry to transport iron ore between United States ports on the Great Lakes during the period from March 15 to December 15, 1949, inclusive.

SUCCESS OF POST OFFICE DEPARTMENT IN PREVENTING CIRCULATION OF OBJECTIONABLE PUBLICATIONS

Mr. O'CONOR. Mr. President, I had hoped today to find an opportunity to make a brief statement in regard to an activity of the Post Office Department which merits commendation. It appears that opportunity will not be afforded and therefore I ask unanimous consent that a statement prepared by me be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. President, when a Government department, in the regular exercise of its duties, evidences the utmost good judgment in handling a difficult situation efficiently and quietly, I think that the head of that agency and his co-workers merit public recognition for the accomplishment.

It happens that there was brought to my attention recently a complaint from outstanding citizens of the State of Maryland to the effect that solicitation was being made through the mails in this country on behalf of very questionable publications from a foreign country. Our investigations disclose that other parts of this country were being flooded with this lewd and obscene material. So exercised were decent-thinking people over the fact that the United States mails were being used for this depraved purpose that I immediately lodged a protest with the Post Office Department, asking that the matter be probed exhaustively.

This objectionable situation was taken up promptly by the Postmaster General, Mr. Jesse Donaldson, and his associates and the matter was thoroughly investigated with the result that upon the evidence presented, the solicitor of the Department recommended the issuance of a fraud order under the Postal Fraud Statute; thereupon, Postmaster General Donaldson summarily prevented the delivery of money receipts to the offenders.

Under the terms of the order postmasters were instructed not to dispatch mail addressed to the offenders in the foreign country and to refuse to certify postal money orders drawn in their favor. The result has been that, to all intents and purposes, the efforts of the foreign offenders have been effectively suppressed and this filthy matter will not be admitted to our country. Likewise the public has been warned of the scheme through press notices issued by the Inspection Service of the Post Office Department.

I repeat, the whole matter was handled expeditiously and judicially, and reflects the utmost credit upon the functioning of this important department of our Government.

EXTENSION OF RENT CONTROL

The Senate resumed the consideration of the bill (H. R. 1731) to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes.

Mr. ROBERTSON obtained the floor.

Mr. MAYBANK. Mr. President, will the Senator yield to me, in order that we may obtain a vote on the perfecting amendments which were presented last evening? I should like to offer them and have them acted on at this time.

The PRESIDING OFFICER. Does the Senator from Virginia yield for that purpose?

Mr. ROBERTSON. I am about to offer a perfecting amendment myself. It is very short.

Mr. President, to the committee amendment, I offer the amendment which I send to the desk, and I ask that it be stated, and that it be considered immediately.

The PRESIDING OFFICER. The amendment to the committee amendment will be stated.

The CHIEF CLERK. In the committee amendment, on page 42, in line 20, after the words "maximum rents," it is proposed to strike out "and" and insert "or."

Mr. MAYBANK. Mr. President, will the Senator yield for a question?

Mr. ROBERTSON. I yield.

Mr. MAYBANK. If the amendment should be adopted, would it make rent control possible in States which already have rent control laws?

Mr. ROBERTSON. That is the purpose. There are seven States which have rent control laws. I do not know whether New York already has this provision in its own law and intends to have it remain in its law, as a substitute for the Federal law. But Virginia does not have such a law.

Without this amendment, rent control would be nullified in at least six States, and perhaps in seven, where the State rent-control law does not specifically set forth that it was the intention of the State legislature to pass the State law in

lieu of a Federal law. Those States have not done that; to the contrary, they passed a law as a stand-by, in case the Federal Congress decided to drop rent control before those particular States wished to end it.

So, Mr. President, by striking out the word "and" and inserting the word "or," we shall have two alternatives: One will be that if the governor certifies that the State law is adequate, it will control. The other is that if the State has passed a rent-control law, and in passing it has said, "We intend this to be in lieu of the Federal law," that will control.

Futhermore, there is a provision that if the State wishes to decontrol, either in whole or in part, that must be set out.

So I am merely providing for a change from the word "and" to the word "or"; and the distinguished Senator from South Carolina, the chairman of the Banking and Currency Committee, has told me that he is willing to accept the amendment.

Mr. MAYBANK. Yes; there is no opposition from the committee.

Mr. IVES. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. IVES. I merely wish to express to the very able junior Senator from Virginia the appreciation of the junior Senator from New York for his consideration of New York in this matter. It seems to me that the change of the word "and" to the word "or" takes care of the New York situation, and we are very grateful.

Mr. ROBERTSON. I am glad to know that, and I thank the Senator for his statement.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Virginia [Mr. ROBERTSON] to the committee amendment.

The amendment to the amendment was agreed to.

Mr. MAYBANK. Mr. President, to the committee amendment I offer the perfecting amendments submitted by me last evening, and I ask that they be read at this time and considered.

The PRESIDING OFFICER. The amendments to the committee amendment will be stated.

The CHIEF CLERK. In the committee amendment, on page 26, in line 17, after the word "issued," it is proposed to insert the word "thereunder."

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The Clerk will state the next perfecting amendment offered by the Senator from South Carolina to the committee amendment.

The CHIEF CLERK. In the committee amendment, on page 34, in line 21, it is proposed to strike out the period and insert in lieu thereof a semicolon and the word "and."

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The next amendment proposed by the Senator from South Carolina to the committee amendment will be stated.

The CHIEF CLERK. In the committee amendment on page 39, in line 6, after the word "board", it is proposed to insert "representative groups of interested parties."

Mr. WHERRY. Mr. President, reserving the right to object, will the distinguished Senator from South Carolina explain the amendment?

Mr. MAYBANK. It would only make a change in accordance with the words just read by the clerk.

Mr. WHERRY. Will the Senator point out the page and paragraph, please?

Mr. MAYBANK. Mr. President, I ask that the amendment to the committee amendment be read again.

The PRESIDING OFFICER. The amendment to the committee amendment will be restated.

The CHIEF CLERK. In the committee amendment, on page 39, in line 6, after the word "board", it is proposed to insert "representative groups of interested parties."

Mr. MAYBANK. In other words, it would provide that they can be heard in the Emergency Court of Appeals.

Mr. WHERRY. Very well, I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina to the committee amendment.

The amendment to the amendment was agreed to.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. SALTONSTALL. To the committee amendment, I offer an amendment on page 24. I have discussed it with the Senator from Alabama [Mr. SPARKMAN]; and he, in behalf of the committee, as I understand, has agreed to accept it. It is a technical amendment, and I ask that it be stated and acted upon.

The PRESIDING OFFICER. The amendment to the committee amendment will be stated.

The CHIEF CLERK. In the committee amendment, on page 24, after the word "families", in line 14, it is proposed to add the following: "for at least 7 days: *Provided, however,* That in no event shall the public offering period to veterans of World War II or their families total less than 30 days in any first or original sale as required by paragraph (1) of this subsection and."

Mr. MAYBANK. Mr. President, I understand that the committee agrees to the amendment, and has no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts to the committee amendment.

The amendment to the amendment was agreed to.

Mr. SALTONSTALL. Mr. President, I offer another amendment to the committee amendment, and I ask to have it stated.

The PRESIDING OFFICER. The amendment to the committee amendment will be stated.

The CHIEF CLERK. In the committee amendment, on page 24, after the word "families", in line 21, it is proposed to add the following: "for at least 7 days: *Provided, however,* That in no event shall the public offering period to veterans of World War II or their families total less than 30 days in any first or original renting as required by paragraph (2) of this subsection."

The amendment to the amendment was agreed to.

Mr. MAYBANK. Mr. President, I yield to the Senator from Florida [Mr. HOLLAND].

Mr. HOLLAND. Mr. President, I should like at this time to call up the amendment which I submitted yesterday, and which was printed as amendment G.

The PRESIDING OFFICER. The clerk will state the amendment to the committee amendment offered by the Senator from Florida.

The CHIEF CLERK. It is proposed to amend the committee amendment, as follows:

On page 41, before the period in line 25, insert a colon and the following: *"Provided, however,* That he may not establish maximum rents for any housing accommodations in the case of which maximum rents have been heretofore or are hereafter removed as the result of approval by the Emergency Court of Appeals of a recommendation of a local advisory board or as the result of approval by such court of a decision of the Housing Expediter."

Mr. MAYBANK. Mr. President, I may say the committee has no objection to the amendment proposed by the distinguished Senator from Florida. The committee approves it.

Mr. HOLLAND. I thank the Senator.

Mr. WHERRY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from South Carolina yield?

Mr. MAYBANK. I yield to the Senator from Nebraska.

Mr. WHERRY. I merely intended to ask that an explanation be given.

Mr. HOLLAND. Briefly, Mr. President, the amendment would provide that, as to any area or accommodations which have been decontrolled by decision of the Emergency Court of Appeals, the Expediter shall not have the power to recontrol that area or accommodations. I understand there has been only one area so excluded up to this time, but that there are other cases pending. I am told by the Expediter that he, of course, expects to abide by the decision of the court, and I am told by the distinguished chairman of the committee that the committee feels that the decision of the court should likewise be controlling.

Mr. WHERRY. Where does the Senator propose the amendment to the bill?

Mr. MAYBANK. On page 41.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. TAFT. I do not quite understand why this rule should apply simply to the one case, where the reduction or removal has the approval of a local board or the Expediter, and then is carried by appeal to the Emergency Court of Appeals, by

tenants presumably, and then is approved by the Emergency Court of Appeals, and the Emergency Court of Appeals overrules the decision of the Housing Expediter. Why would the effect not be the same if it were not taken to the Court of Appeals at all, and the Housing Expediter removed a district, and nobody appealed?

Mr. HOLLAND. I may say to the distinguished Senator that the purpose was to make sure that the Housing Expediter would be deprived of the authority to again recontrol areas which had been decontrolled effectively by the court erected by the Congress to pass upon cases of this kind. My understanding from both the Housing Expediter and the committee, and from its staff, is that this amendment, as drawn, effectively covers the cases which might come out of the Emergency Court of Appeals under their present practice.

Mr. TAFT. Can the Senator tell me whether under the existing law the Emergency Court of Appeals has the right to reverse a decision of the Housing Expediter and decontrol an area, even though the Housing Expediter has refused to do so?

Mr. HOLLAND. I understand they do have that right, and I understand that both horns of the dilemma are covered. The matter gets before the Emergency Court of Appeals, either because of a local advisory board ruling, with which the Housing Expediter has not been in accord, or because of a decision of the Housing Expediter, with which the local advisory board has not been in accord. In either case, if the action of the Emergency Court of Appeals has been to decontrol an area, the purpose of the amendment and its effect will be to prevent the Housing Expediter from again by his own decision recontrolling that area.

Mr. TAFT. It seems to me there are various cases. If, for instance, the Housing Expediter disapproved a reduction or refused to approve it, and he were reversed by the Court of Appeals, then it would not be applied, would it?

Mr. HOLLAND. It would, under the first of the two alternatives. The first of the two alternatives is, where the Emergency Court of Appeals has approved of a recommendation of a local advisory board. That is exactly what happened in the only case which heretofore has come out of the Emergency Court of Appeals. The local advisory board of Miami Beach, as I understand, made certain recommendations. The Expediter refused to follow them. The local advisory board appealed the case to the Emergency Court of Appeals. The Emergency Court of Appeals upheld the attitude of the local advisory board and refused to uphold the attitude of the Housing Expediter.

Mr. TAFT. If the local board recommends the removal, and the Housing Expediter approves the removal, then this section does not apply. Then, the Housing Expediter can restore control later on, because no one has appealed the matter to the Court of Appeals. Is that correct?

Mr. HOLLAND. That is my understanding. However, the particular amendment is to deal solely with matters which have cleared through the Emergency Court of Appeals. It flows out of an attempt to uphold the jurisdiction and the decisions of the Emergency Court of Appeals, regardless of whether its decisions have been in favor of the Housing Expediter's position or against the Housing Expediter's position. I may say to the Senator, again, counsel for the committee and counsel for the Housing Expediter are agreed that this amendment as drawn will effectively cover both of the situations which would come out of such decision. I hope the amendment will be adopted.

Mr. TAFT. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Ohio?

Mr. HOLLAND. I yield.

Mr. TAFT. The Senator says there is but one case. Where is that case—where an area decontrolled was never to be recontrolled?

Mr. HOLLAND. Miami Beach and the adjoining vacation communities up and down the coast.

Mr. TAFT. It seems to me the Senator has drawn his amendment so that that particular area cannot be recontrolled, but every other area in the United States which should be recontrolled can be recontrolled. That is the only objection I have to it. I have no objection to the Senator's amendment, except that I do not think it is sufficiently broad.

Mr. HOLLAND. Mr. President, if that is the only objection the distinguished Senator has, we can easily remove that, because, if the Senator will read the amendment, he will see that it covers not only appeals already had and appeals now pending but appeals which may be decided in the future at any time. It covers all kinds of decisions by the Emergency Court of Appeals, and is designed to prevent effectively a continual wrangle after the court has acted.

Mr. LUCAS. Mr. President, will the Senator yield for one question?

The PRESIDING OFFICER. Does the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. LUCAS. Am I correct in my understanding that all the amendment does is to require the Housing Expediter to abide by the decision of the emergency court of appeals, whether it be a decision for decontrol or for recontrol; it does not make any difference what the decision is, it is final, and the Expediter will have finished with the case; he must abide by that decision?

Mr. HOLLAND. If the decision has been against decontrol, or to hold the area in control, I am sure the Senator would not preclude that area from again bringing up the question later. The amendment would not so provide. The amendment simply provides—let me restate it:

That whenever the emergency court of appeals has acted to decontrol an area, whether in so ruling it has been for the Housing Expediter or against him, the Housing Expediter cannot question that later and move to recontrol the area.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the committee amendment, proposed by the Senator from Florida.

The amendment to the amendment was agreed to.

Mr. MAYBANK. Mr. President, I send to the desk several amendments of a technical nature, and ask that they be considered.

The PRESIDING OFFICER. The clerk will state the amendments.

The CHIEF CLERK. It is proposed, on page 35, line 18, after the word "Expediter", to insert "approves or."

The PRESIDING OFFICER. Does the Senator want the amendments considered en bloc, or one at a time?

Mr. MAYBANK. If the Senate will consider them en bloc, it would be better, because the amendments are merely technical in character, and it would save time.

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc. The clerk will state the amendments.

The CHIEF CLERK. In the committee amendment, on page 35, line 18, after the word "Expediter" it is proposed to insert "approves or."

On page 35, line 20, to strike out the word "disapproval" and insert in lieu thereof the word "action."

On page 36, line 24, after the word "recommendation", to insert "by the board or decision by the Housing Expediter, as the case may be."

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. BRICKER. Are the amendments all corrective in nature, and merely technical amendments?

Mr. MAYBANK. They were requested by the chief justice of the Emergency Court of Appeals, in order to clear up certain technicalities, and in order to clarify the technical language of the bill.

Mr. BRICKER. They make no change in any substantive language of the bill; is that correct?

Mr. MAYBANK. No; none whatever.

The PRESIDING OFFICER. The remaining amendments offered by the Senator from South Carolina will be stated.

The CHIEF CLERK. In the committee amendment, on page 37, line 13, it is proposed to strike out "recommendation" and insert in lieu thereof "decision";

On page 38, line 1, after the word "recommendation", to insert "or decision";

On page 38, line 3, after the word "Board", to insert "or of the Housing Expediter";

On page 38, line 10, after "tion", to insert "or decision";

On page 38, line 13, after the word "Board", to insert "or decision of the Housing Expediter";

On page 38, line 15, after "board", to insert "or decision of the Housing Expediter";

On page 38, line 18, after "recommendation", to insert "or decision";

On page 38, line 21, after "recommendation", to insert "or decision";

On page 38, line 22, after "recommendation", to insert "or decision"; and

On page 38, line 24, after "recommendation", to insert "or decision".

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. I should like to ask once again as to who proposed the amendments?

Mr. MAYBANK. Mr. President, they were recommended by the chief justice of the Emergency Court of Appeals.

Mr. WHERRY. And they do not change the substance of the bill; is that correct?

Mr. MAYBANK. That is correct.

The PRESIDING OFFICER. Consent has been given to consider en bloc the amendments offered by the Senator from South Carolina [Mr. MAYBANK] to the committee amendment. The question is on agreeing to the amendments.

The amendments to the committee amendment were agreed to.

Mr. MAYBANK. Mr. President, I should like to say that prior to the quorum call I discussed the matter of the amendments to be presented. As I understood from our friends on the other side of the aisle, the distinguished Senator from Ohio [Mr. BRICKER] would present amendments, followed by the distinguished Senator from Indiana [Mr. CAPEHART.]

So I yield the floor to the distinguished Senator from Ohio.

Mr. BRICKER. Mr. President, the amendments offered by the Senator from Washington and myself are printed and are on the desks of Senators, but there are two or three other amendments which I want to offer.

Mr. MAYBANK. Mr. President, will the Senator yield for a question?

Mr. BRICKER. I yield.

Mr. MAYBANK. Will the Senator be kind enough to make his explanation so that all of us on this side of the aisle may understand them?

Mr. BRICKER. Mr. President, the first amendment is an amendment to strike out recontrols in the Senate bill.

The PRESIDING OFFICER. Are the amendments lettered?

Mr. BRICKER. This amendment is not lettered, I am offering it from the floor.

The amendment I propose is to strike out all of subsections (a), (b), and (c) of section 201, from line 22, on page 26, through line 22, on page 28.

Mr. LUCAS. Mr. President, will the Senator please restate his amendment?

Mr. BRICKER. Certainly. The page is 26 of the bill, line 22, and the amendment is to strike line 22 on page 26 through line 22 on page 28.

In substance Mr. President, what this amendment does is to strike out the recontrols of the three areas of rent control which were discussed earlier this afternoon, those areas which have heretofore been decontrolled. The first one has to do with permanent residents in transient hotels. The second is the provision for recontrolling trailer camps.

In the first group, permanent residents of transient hotels, there is no roll-back, but in the second group, the trailer camps, there is a roll-back to the time when controls were removed.

The third group is made up of those units which were unoccupied for a period of 1 year and were decontrolled.

The committee bill recontrols the group of residences or rental units which had been decontrolled by virtue of the fact that they had not been occupied for a year.

The second part of the amendment is to strike out all after line 3 on page 34, through line 8 on page 35.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. BRICKER. I yield to the Senator from Illinois.

Mr. DOUGLAS. Mr. President, the Senator from Florida [Mr. HOLLAND] wishes to offer an amendment, and I wonder if he might be given permission to present it at this time, so that we may have the two alternatives before us?

Mr. HOLLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HOLLAND. Mr. President, in the event of the rejection of the amendments offered by the distinguished Senator from Ohio, would the amendment of which the Senator from Illinois has spoken, which is addressed only to lines 1 to 3, inclusive, on page 27, be in order?

The PRESIDING OFFICER. It would be in order.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BRICKER. I yield to the distinguished Senator from Michigan.

Mr. VANDENBERG. Will the Senator divide the amendment? Are there any different degrees?

Mr. BRICKER. It is all one amendment and is necessary in order to decontrol the recontrolled areas. The second section of the amendment simply grants the authority to recontrol. The second section is line 3, page 34, through line 8, page 35. The third is to strike out line 15 on page 40, through line 16 on page 42.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. Mr. President, do I correctly understand that these portions of the bill are to be stricken out by one amendment?

Mr. BRICKER. I have considered it all as one amendment, because one section of it would not be effective. There are several provisions in regard to the one item of decontrolling recontrolled segments.

Mr. LUCAS. Does the Senator offer it as a single amendment?

Mr. BRICKER. Yes.

Mr. HOLLAND. Mr. President, will the Senator yield for a question?

Mr. BRICKER. I yield.

Mr. HOLLAND. Mr. President, I should like to invite the attention of the Senator to the matter incorporated on page 28 of the printed bill, lines 4 to 9, inclusive, which reads as follows:

And provided further, That contracts for the rental of housing accommodations to veterans of World War II and their immediate families, the construction of which was assisted by allocations or priorities under Public Law 388, Seventy-ninth Congress, approved May 22, 1946, shall remain in full force and effect.

My question is this: If the amendment offered by the distinguished Senator should be adopted, would not the result be to do away with and extinguish the effect of the contracts for the rental of housing accommodations to World War II veterans referred to in the provision of the bill which I have quoted?

Mr. BRICKER. It is my opinion that that section would be in effect anyway, because it is simply a continuance of the provision in the present law, which I think, without regard to its approval, would be in full force and effect if the language covered by amendment should be stricken out.

Mr. LUCAS. Mr. President, will the Senator from Ohio yield?

Mr. BRICKER. I yield.

Mr. LUCAS. On the question raised by the distinguished Senator from Florida, can the Senator from Ohio point out to me any other language in this bill, or any law——

Mr. BRICKER. Not in the bill, but in the original law which is in effect.

Mr. WHERRY. Mr. President, will the Senator from Ohio yield?

Mr. BRICKER. I yield.

Mr. WHERRY. The first part of the amendment being offered applies to page 27, does it not?

Mr. BRICKER. It starts on page 26, line 22.

Mr. WHERRY. And goes down to line 22 at the bottom of page 28?

Mr. BRICKER. It does.

Mr. WHERRY. That part of the amendment has to do with recontrolling hotels, motels, and trailer camps?

Mr. BRICKER. And units not occupied for 1 year.

Mr. WHERRY. Which have been decontrolled, but now would come back under control?

Mr. BRICKER. That is correct. These are three segments which we have decontrolled heretofore, and which the Senate bill brings back into control, first, the permanent residents in transient hotels; second, trailer camps; third, those units which have been unoccupied for 1 year.

Mr. WHERRY. If this amendment should be agreed to, it would continue all the units the Senator has mentioned, the hotels, the trailer camps, and so forth, as they are now, would it not?

Mr. BRICKER. It would continue them as they are, free of control. In the committee hearing the only testimony respecting the need in regard to hotel rooms came from Chicago, from one of the members of the committee, and the testimony regarding recontrol of trailer camps involves Connecticut and Florida. As to decontrol of the units unoccupied for a year, I do not

remember any testimony at all in regard to them. There may have been some testimony, but the argument in the committee was that there are not many of them, so why retain controls? My opinion is that we are asked to go backward in the amendment submitted by the Senate committee, when we should be moving toward recontrol instead of decontrol.

Mr. WHERRY. I wish to ask another question in reply to the last statement the Senator made, to the effect that if this amendment should fail, then we would go back to recontrol so far as concerns permanent residents in hotels, trailer camps, and motels, which have been decontrolled during the past 2 years.

Mr. BRICKER. That is correct. Not only is it a step backward in the control program—and I think every Senator wants to move out of that if we can—but it likewise offers a threat to the building industry, which, as the testimony demonstrates, has now begun to build the lower-cost units, and more rental units, in proportion to the complete building program. There is a threat the Congress might at any time decontrol new building.

Mr. MAYBANK obtained the floor.

Mr. FLANDERS. Mr. President, I should like to ask the Senator from Ohio a question.

Mr. BRICKER. I yield, if I may.

The PRESIDING OFFICER. Will the Senator from South Carolina permit the Senator from Vermont to ask the Senator from Ohio a question?

Mr. MAYBANK. I yield.

Mr. FLANDERS. Did the last sentence in the remarks of the Senator from Ohio indicate that this is a move in a direction of recontrolling new construction?

Mr. BRICKER. I did not say that. I said that the very fact that the Congress is going to recontrol units which have been decontrolled and the suggestion of the President that the rent control law should be made stronger constitute a constant threat to those in the building industry that new units might be put under control at any time.

Mr. FLANDERS. I should like to say to the Senator that if he heard any suggestion in the committee moving in that direction he was there at a time when I was not present.

Mr. BRICKER. There is a bill before the Senate now, which was considered by the committee and discussed before the committee, a bill introduced by the distinguished Senator from Pennsylvania [Mr. MYERS], which would do exactly that thing.

Mr. FLANDERS. But we did not accept that bill.

Mr. BRICKER. That subject is not covered in the pending bill.

Mr. MAYBANK. Mr. President, I yielded so that the Senator from Vermont might ask a question of the Senator from Ohio. The Senate is about to vote on three amendments combined into one. First of all, there is an amendment relating to hotels. In the committee and out of the committee I have been opposed to rent controls being put back on living quarters in hotels, occupied by permanent residents in cases where the States or cities had laws on the subject, or control was not necessary.

I might say that the distinguished Senator from Florida and the Senator from Illinois worked out an amendment to limit control to hotels in cities having a population of more than 2,500,000 as of the 1940 census, which would take care of the situation in Illinois. New York has its own law.

I mentioned that matter because on the other side of the aisle the distinguished Senator from New Jersey was interested in a lower population limitation. The distinguished Senator from Maryland was also interested in a lower limitation. But since the debate on the floor this morning they have receded from their requests, and now an amendment is to be submitted by the Senator from Florida, which the committee will accept unanimously, insofar as those present on this side are concerned. I know there are honest differences of opinion between some of us and the distinguished Senator from Ohio and the distinguished Senator from Washington, but I am speaking for the majority of the committee, and we are willing to accept an amendment to exempt all hotels except in cities of populations of 2,500,000 or more, according to the census of 1940.

So I shall oppose the amendment of the Senator from Ohio, because the amendment, which embraces three provisions of the bill, would not permit recontrol of trailer camps, motels, etc. The testimony on page 247 in the House hearings, shows that many trailer camps, etc. have become permanent living quarters for GI students attending college, for war workers in Connecticut and elsewhere, and they are just as much homes as any home that can be rented on Main street or any other street. In nearly all the university towns, not all, but in many of them, the GI's and their wives are struggling with the rental problem, and trailer camps are permanent living quarters.

Mr. ELLENDER and Mr. TOBEY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from South Carolina yield; and, if so, to whom?

Mr. MAYBANK. I yield first to the Senator from Louisiana, then I shall yield to the Senator from New Hampshire.

Mr. ELLENDER. Can the Senator tell us how long the trailer camps have been decontrolled?

Mr. MAYBANK. Since last year.

Mr. ELLENDER. Does the Senator have any evidence to indicate the extent to which the rents were increased during that period?

Mr. MAYBANK. The increase varies considerably. The testimony is long, and I am sure the Senator does not desire to have me read it all. It appears on page 247. It showed there had been two increases, the first amounting to more than a hundred percent.

Mr. ELLENDER. Does the Senator take the position that this situation applies not only to Florida and Connecticut, as indicated by the Senator from Ohio, but at all colleges throughout the country?

Mr. MAYBANK. Of course, we did not have testimony from all of them.

Mr. ELLENDER. Can the Senator tell us whether or not the increase of rent was made only at a certain place?

Mr. MAYBANK. There has been a general increase in rentals, except where the quarters were used for tourist purposes, and the tourist accommodations might have been bad from one cause or another.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. TOBEY. The question I wish to propound to the Senator from South Carolina is this: Do I correctly understand him to say that in the event the amendments offered by the distinguished Senator from Ohio [Mr. BRICKER] are rejected, that then, as chairman of the committee, he will accept the amendment offered by the Senator from Florida [Mr. HOLLAND], under the terms of which control over hotel property would cease, except in large centers—what was the unit of population used?

Mr. MAYBANK. Two and one-half million, as of the 1940 census.

Mr. TOBEY. Then control over hotels in cities of less than two and a half million population will end?

Mr. MAYBANK. In cities of less than two and a half million, according to the 1940 census.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. HICKENLOOPER. As I understand from the Senator from Ohio [Mr. BRICKER], the only testimony received by the committee as to a need for the recontrol of trailer camps comes from Connecticut and Florida. Am I correct in that understanding?

Mr. MAYBANK. That is correct according to the particular evidence, as stated by the Senator from Ohio. The evidence came from Connecticut, and Florida. But the general testimony applies throughout the country.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for another question?

Mr. MAYBANK. Yes.

Mr. HICKENLOOPER. Does the Senator contend that, in order to reach the situation which may obtain in Connecticut and Florida, and the speculative need for it in other places, the Congress should recontrol in 46 other States where there is no evidence of any need for recontrol, and place Government regulations on the 46 other States which are not asking for recontrol, or can these two States reach that end through their own State legislatures, by applying their own State control?

Mr. MAYBANK. It was not a question of two States. The evidence was taken from two States—perhaps three States, evidence also was received about the situation in California. I believe more States probably could have been contacted. But we did not, unfortunately, do so. I might

say to the distinguished Senator from Iowa that decontrol can be accomplished by the local boards in the other States.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. SPARKMAN. The able chairman of the committee said that decontrol could be effected by the action of the local advisory board. Is it not also true that recontrol cannot be adopted unless the local advisory board recommends it.

Mr. MAYBANK. Yes, recontrol cannot be adopted unless the local board recommends it.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for another question?

Mr. MAYBANK. Yes.

Mr. HICKENLOOPER. Is not the great objection to rent control in a large portion of the United States now due to the fact that the local boards refuse to decontrol when the evidence is clear and undisputed that there is no more need for control in certain areas?

Mr. MAYBANK. The Senator is correct, that many of the boards have not recommended decontrol, or have refused to recommend it. But the bill provides that the governor and legislature of the individual State can take the necessary action.

Mr. SPARKMAN. Mr. President, will the Senator yield for a question?

Mr. MAYBANK. Yes.

Mr. SPARKMAN. I may say to the able Senator from Iowa that the bill goes even further than that. It provides that if the local board refuses to act, the representatives of the landlords may appeal to the Expediter, and even on to the Court of Emergency Appeals. If the board does act and the tenants are aggrieved, they can appeal. We give the absolute right of appeal in every case equally to the landlord and to the tenants.

Mr. MAYBANK. And it is mandatory that the Housing Expediter shall hold a hearing within 30 days.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for another question?

Mr. MAYBANK. Yes.

Mr. HICKENLOOPER. In view of the fact, as it seems to me, that the procrastination and the red tape and the delay and the complete failure to reach any conclusions or any favorable or satisfactory results by the Expediter or any of his local representatives is one of the causes for the present unrest about rent control, would it not be much simpler, instead of recontrolling these segments in 46 States—and the evidence, as I understand it, is directed only to a need for such recontrol in 2 States—would it not be far simpler to say to those States: "Go to your own devices, to your own legislature, to your own State control if you need recontrol, set up your State control and operate your control"? Why inflict it on 46 other States merely because there is some evidence that it might be needed in 2 States?

Mr. MAYBANK. That is exactly what the bill does. It turns the matter over to the State and its legislators. Recontrol can only be effected under this section of the act by a recommendation of the local board, and in the end it is turned over to the governor and the legislature.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for another question?

Mr. MAYBANK. Let me say to the Senator first that I cannot disagree with his remarks about red tape and delay during the past year or past 2 years. But the bill does not allow such delay. The bill provides that within a reasonable period the Housing Expediter must call a meeting, if there be no board action, and recontrol or decontrol can only be had upon the recommendation of the local board. Further on in the bill provision is made for complete decontrol or recontrol by the governor of the State and the legislature. That applies not only to the State, but to any section of the State. So it is all different from what we have been thinking about in the past.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for another question?

Mr. MAYBANK. Certainly.

Mr. HICKENLOOPER. Can the Senator explain why it is necessary to set up all this cumbersome machinery, all this Government activity, when a simple, workable solution could be had by adopting the amendment of the Senator from Ohio cutting out all this dead wood and entanglement of regulation and hearings and all the things that are involved therein, and leaving the matter up to what the Senator from South Carolina himself, I know, is fundamentally in favor of, and that is the right of the States to exercise their own discretion and judgment within their own sovereignty and their own territory?

Mr. MAYBANK. The Senator is correct; and further along in the bill there is provision that the legislature and the governor of the State may take the necessary action. So when we pass the bill it will be up to the State of Iowa, of which my distinguished colleague was a former governor, to determine what it shall do about the matter.

Mr. HICKENLOOPER. Mr. President, will the Senator yield once more?

Mr. MAYBANK. I yield.

Mr. HICKENLOOPER. I suggest to the Senator that it is in the light of the very provision in the bill to which he has referred, that I say that all this material in the bill which the Senator from Ohio wants to delete is surplusage, it is cumbersome machinery which is not needed. If the provision contained further on in the bill providing for State regulation is adopted there is no need in the bill for this provision the Senator from Ohio is trying to strike out, and the States will have utter authority to run their own affairs. If there are two States or four States or six States in the Union which need this recontrol it is up to them to establish it. The adoption of the amendment proposed by the Senator from Ohio will eliminate much cumbersome machinery.

Mr. MAYBANK. The Senator is correct, but it cannot be done in 24 hours, as the distinguished former Governor of Iowa knows. It cannot be possible for the legislature and the governor to act on any such proposal within 48 hours, and the action sought can only be in effect if the State acts. If it were possible for the State of Illinois or for the State of California to act within 24 hours, then control would be out. It is merely retained as a safeguard until the State can act.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. KNOWLAND. In the volume entitled "Statistical Abstract of the United States for 1948," House Document 484, Eightieth Congress, second session, I find, in going over the list of cities, and the census figures, that Chicago for 1940 is listed as having a population of 3,396,808, and the only other city which has a population above the figure which I believe the Senator from Florida has proposed, which is——

Mr. MAYBANK. Two and a half million.

Mr. KNOWLAND. Two and a half million; yes. The only other city which would come within that category would be the city of New York with 7,454,995.

Do I correctly understand that this amendment is meant to apply only to the cities of New York and Chicago?

Mr. MAYBANK. The Senator is correct, though the city of New York has its own law.

Mr. KNOWLAND. Since the city of New York has its own law, in fact, we are legislating on a national scale to take care of the city of Chicago; is that correct?

Mr. MAYBANK. Yes. Let me supplement my answer. The Senator asked me the specific question as to whether we are legislating to take care of only one city in view of the fact that New York City has its own rent-control law. There is no other city of more than two and a half million population. The reason for this legislation is that, as I understand from the distinguished Senator from Illinois [Mr. DOUGLAS], the city of Chicago adopted rent-control ordinances, as did the city of New York, applying to hotel and other accommodations. The Supreme Court of Illinois declared such ordinances to be unconstitutional. The distinguished Senator from Florida [Mr. HOLLAND] submitted an amendment on that subject. I do not wish to speak for him. I should like to have him supplement my remarks as he desires.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield to the Senator from Florida.

Mr. HOLLAND. I thank the Senator.

Mr. President, with reference to the amendment which will be proposed in the event that the amendment offered by the junior Senator from Ohio is defeated, it will be offered on behalf of the junior Senator from Arkansas [Mr. FULBRIGHT] and myself. It was originally drawn so as effectually to cut off the entire portion

of the bill which was designed to recontrol permanent housing accommodations in hotels everywhere.

When our amendment was prepared and submitted yesterday, it developed that there was a peculiar situation applicable to Chicago, which has been mentioned several times already on the floor of the Senate. There may be some Senators now present who were not in the Chamber during the earlier discussions on this subject.

As we understand the situation in Chicago, the Legislature of Illinois has not been willing as yet to enact legislation setting up special rent-control machinery for the city of Chicago. The city of Chicago, through its governing body, attempted by ordinance to set up special rent-control machinery for the sole purpose, as I understand, of recontrolling permanent hotel accommodations in the city of Chicago. That ordinance has been knocked out by the courts, which leaves Chicago helpless.

In the case of New York, the only city larger than Chicago, there is effective local legislation now functioning, supplemental to the Federal rent-control legislation, under which permanent housing in hotels has been recontrolled. As to other cities in peculiar circumstances, such as the cities of Los Angeles and San Francisco, according to my understanding there have been local measures in the nature of ordinances which have accomplished the same results. In the case of Chicago the people are left helpless unless the amendment suggested by the Senator from Arkansas and myself is so reworded as to be applicable to cities with a population of 2,500,000 or more. In the effort to be helpful and fair we have so rewritten our amendment.

I wish to make one further point, and then I shall be through. Yesterday there were requests from the distinguished Senator from Maryland [Mr. O'CONOR], the distinguished Senator from New Jersey [Mr. HENDRICKSON], and perhaps other Senators to make the population figure lower, so as to include other cities. Those requests have now been withdrawn for one reason or another. For example, in the case of Baltimore the distinguished Senator from Maryland [Mr. O'CONOR] advises me that effective local rent-control machinery was established by a recent session of the legislature in the State of Maryland.

As to Los Angeles and San Francisco, I am informed by the distinguished Senator from California [Mr. KNOWLAND] that the ordinances which are in effect as to those two cities will expire shortly, and they present a problem as to whether an effort will be made to accomplish the same result through local or State legislation.

However, in the case of Chicago there seems to be an absence of home-rule power to accomplish the result effectively by ordinance. The courts have so held. I am sure that neither the Senator from Arkansas nor I have any disposition to withhold from the city of Chicago the same type of relief which has already been given in cities of comparable size throughout the United States. For that reason we have rewritten our amendment, and it will be offered after the vote upon the amendment offered by the distinguished Senator from Ohio [Mr. BRICKER], provided that amendment is defeated.

Mr. O'CONOR. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. O'CONOR. I should like to ask a question of the Senator from Florida.

Mr. MAYBANK. I yield for that purpose.

Mr. O'CONOR. Although the Senator from Florida has made the situation quite clear, I desire to make it abundantly clear.

There was the suggestion that possibly Baltimore might be affected, but after consultation with the local authorities it was found that the problem does not exist to an extent comparable with the situation in the city of Chicago, and therefore it was deemed unnecessary to include Baltimore.

Mr. HOLLAND. I thank the Senator. That is the way I have understood the situation.

Mr. GEORGE. Mr. President, will the Senator yield so that I may ask the Senator from Florida a question?

Mr. MAYBANK. I yield.

Mr. GEORGE. I think I now understand the provision with reference to housing accommodations in hotels and tourist camps, as well as trailer camps. However, I do not understand the third classification which I understand would be put back under control.

Let me ask the Senator if I am correct in my understanding. Referring to page 27, subparagraph (3), the language of the bill is:

> Any housing accommodations (A) the construction of which was completed on or after February 1, 1947, or which are housing accommodations created by a change from a nonhousing to a housing use on or after February 1, 1947.

Am I to understand that these particular categories are to be placed back under control?

Mr. MAYBANK. The Senator is correct. They will be put back under control provided they were not used for 2 years. If they were in use, the language does not apply.

Mr. GEORGE. If they were in use for 2 years? I do not find that provision anywhere. I ask the Senator if in prior legislation we did not exempt from control new housing which was constructed after February 1, 1947. Am I correct in that understanding?

Mr. MAYBANK. The Senator is correct on that point.

Mr. GEORGE. That is what I want to have made clear. Does it seem fair to the committee by solemn law to say that new houses constructed after a certain date shall not be subject to rent control, now to say that they shall be controlled?

Mr. MAYBANK. They are not controlled.

Mr. GEORGE. I am trying to understand what the bill means. That seems to be what it means.

Mr. MAYBANK. No; it does not mean that. New construction is not subject to control.

Mr. GEORGE. The language is:

> Any housing accommodations (A) the construction of which was completed on or after February 1, 1947.

Mr. SPARKMAN. Mr. President, will the Senator yield to me? I think I can explain the situation to the able Senator from Georgia.

Mr. MAYBANK. I yield.

Mr. SPARKMAN. Two years ago a law was enacted by Congress under which new construction was taken out from under control, and under which various other classes of property were taken out.

Mr. GEORGE. That is correct.

Mr. SPARKMAN. In the language of the bill what we are doing is still excepting certain classes of property from control, but making it possible for the Expediter, upon recommendation of a local advisory board, to recontrol three types of property which had formerly been decontrolled.

Mr. GEORGE. Which we ourselves authorized to be decontrolled.

Mr. SPARKMAN. That is correct; but none of that is new construction. New construction is still decontrolled. Three classes of property would be authorized to be recontrolled upon the recommendation of the local advisory board, the citizens of the town. I ask the Senator to keep that in mind. Upon the recommendation of the local advisory board the Expediter may recontrol the very limited type of permanent accommodations in hotels in only two or three cities in the United States.

Mr. GEORGE. I am not speaking of the hotels.

Mr. SPARKMAN. I understand; but I am naming the three classes. Another is the trailer camps.

Mr. GEORGE. I am not worried about them.

Mr. SPARKMAN. And another is an area which has generally been decontrolled, but which the local advisory board now requests the Expediter to recontrol.

Mr. GEORGE. Mr. President, I wish to ask this specific question: If a house was constructed after the Congress passed the law——

Mr. SPARKMAN. Then it has been decontrolled for the past 2 years, it still is decontrolled, and it will remain decontrolled.

Mr. GEORGE. It could not be put back under control?

Mr. SPARKMAN. No.

Mr. GEORGE. Not even by the recommendation of the local board?

Mr. SPARKMAN. No; it could not. No one could recontrol it.

Mr. GEORGE. The language of the committee amendment is confusing. I still prefer to rely on the Senator's statement, rather than the language of the committee amendment.

Mr. MAYBANK. Mr. President, there is no way to recontrol new construction.

Mr. SPARKMAN. Let me say that it is confusing, but the purpose here is to

state the exceptions, rather than to state the matter in the opposite way.

Mr. GEORGE. I am willing to vote for the committee amendment if I understand that what we have heretofore decontrolled——

Mr. MAYBANK. We except new construction.

Mr. GEORGE. Yes; I am confining myself to newly constructed houses, which in fact were constructed after February 1, 1947, the date we placed in the law.

Mr. MAYBANK. That is correct.

Mr. GEORGE. I understand that they cannot now be placed under control, even though the local board may ask that they be placed under control.

Mr. MAYBANK. I desire to assure the Senator that that is our intention, and I assure him that there is nothing in the bill as passed by the House and nothing in the Senate version of the bill which would provide for the recontrol of new buildings. Therefore, I state in no uncertain terms that no new housing constructed since 1947 will be recontrolled.

Mr. GEORGE. I was anxious that Congress not be thought capable of violating a solemn obligation which had been made in order to induce the construction of homes.

Mr. MAYBANK. And that is what we believe to be a good feature of the bill, because of the amount of construction now going on under title VI, as well as the amount of private construction going on. In other words, nothing constructed since 1947 will be recontrolled, except in the case of hotels, in a city with a population of more than two and one-half million.

Mr. GEORGE. I thank the Senator.

Mr. BRICKER. Mr. President, will the Senator yield to me?

Mr. MAYBANK. I yield.

Mr. BRICKER. As I understand the situation, the Senator has said that permanent residence accommodations in hotels and the trailer-camp units and the 1-year-vacant units will be recontrolled only upon the recommendation of the local boards. Is it not a fact that the Expediter is to be bound by the recommendation of the local board only in the case of trailer camps, and not in the case of all three of the classes mentioned?

Mr. SPARKMAN. Mr. President, will the Senator yield to me?

Mr. MAYBANK. I yield.

Mr. BRICKER. I wish to clear up this matter, because I remember the discussion in the committee.

Mr. SPARKMAN. Mr. President, the recontrol is subject to the recommendation of the advisory board in every instance except that of hotel accommodations.

Mr. BRICKER. Except in the case of hotel accommodations?

Mr. SPARKMAN. Yes; that is correct.

Mr. BRICKER. Is not the same thing true in the case of the 1-year-vacant units?

Mr. SPARKMAN. No. That provision was inserted in the committee, if the Senator will remember; and, by the way, it is for 24 months, instead of 1 year.

Mr. BRICKER. The Expediter can recontrol the hotel units without any recommendation or action whatever by the local boards; is that correct?

Mr. MAYBANK. Yes. But let me remind the Senator that we expect to adopt an amendment, which is recommended by a majority of the committee, limiting that provision to hotels in cities having a population of more than two and one-half million persons as of 1940.

Mr. BRICKER. That means that if we write this provision into the law, the Congress of the United States will be legislating for the city of Chicago in one particular instance, namely, permanent residents in transient hotels is that correct?

Mr. MAYBANK. I would not be as capable of explaining all of that as my friend, the Senator from Illinois [Mr. DOUGLAS]. He knows the Illinois situation; and my distinguished friend, the Senator from Ohio [Mr. BRICKER], knows the situation in cases in which the cities have power to act on rent control. I have listened for many weeks, I must say, to the distinguished former Governor of Ohio; and from what I have heard, the Ohio cities are much better off than many of the cities in Illinois.

Mr. BRICKER. Then this provision simply amounts to this: The States that have taken care of their local problems will not be affected and the Congress will have nothing to do with them; but in the case of a State which has refused, perhaps for good reasons, to take care of the situation in one of its cities, the Congress will step in and take action in that case.

Mr. MAYBANK. I know that the bill will make it possible and practical within 1 year for the States to take care of their own problems and their own business; and in my judgment they had better take care of their own business in the future.

Mr. BRICKER. I agree with the Senator that they had better take care of their own business.

Mr. DOUGLAS. Mr. President, will the Senator yield to me?

Mr. MAYBANK. I yield.

Mr. DOUGLAS. Of course, the Senator from South Carolina is quite competent to explain any feature of the bill; but he has just delegated this aspect of it to me, in order to have me reply to the Senator from Ohio.

I may say that I think the objection of the Senator from Ohio is somewhat strange, in view of his defense yesterday of the rights of municipalities to decide what is best for them.

We propose to exempt the cities having a population of less than 2,500,000 persons, because throughout the day, as we have been telephoning around the country, it has become evident that those cities think they are either able to take care of themselves in the matter of permanent accommodations in hotels, or else they have no problem in that respect.

But my city of Chicago, by resolution of the city council, which we presented here today, has asked the Federal Government to take action.

So, in effect, the Senator from Ohio [Mr. BRICKER] is saying that those who do not want Federal control shall not have Federal control, but those who do want Federal control shall not have it, either.

Mr. SPARKMAN. Mr. President, will the Senator yield to me?

Mr. MAYBANK. I yield for a question.

Mr. SPARKMAN. I should like to call the attention of the Senator from Illinois to the statement just made by the distinguished Senator from Ohio in regard to having the Federal Government legislate for one State or one city. As I recall, in the housing bill which now is on the Senate Calendar, we have written an amendment particularly to take care of the Ohio situation.

Mr. CAPEHART. Mr. President, will the Senator yield to me?

Mr. MAYBANK. I yield.

Mr. CAPEHART. Mr. President, today we have heard a great deal about Chicago and Illinois, and the situation seems to be rather confused.

Let me state the facts: The Illinois State Legislature passed an enabling rent-control act effective from June 30, 1947, to June 30, 1949. One of the exemptions contained therein—and bear in mind that it is an act of the State legislature—was as to hotels. But disregarding the exemption, the Chicago city council passed a rent-control ordinance giving its rent-control commission power to fix the rents of nontransient hotel guests, although the State law exempted hotels from rent control. The Chicago corporation counsel at that time told the aldermen that the ordinance would not stand up. So the city council passed a second rent-control ordinance, after the doubts as to the constitutionality of the first one were confirmed.

The case went to the Illinois Supreme Court, which on January 22, 1948, ruled that in effect "hotel" was all-inclusive and included residential apartment hotels, and this was what the legislature intended when it mentioned hotels. The supreme court did not hold that Chicago could not control rents if it wanted to.

Those seem to be the facts.

Mr. DOUGLAS. Mr. President, I was not able to hear everything the Senator from Indiana said, but I concluded that his general summary was the same as what I had stated, namely, that the city of Chicago did not have the power to control rents in permanent locations within hotels. Is not that true?

Mr. CAPEHART. In order that it may be clear, let me restate it. The Illinois State Legislature passed a rent-control bill which expires on June 30, 1949. They exempted from the act transient hotel rooms. The City Council of the City of Chicago passed a rent-control bill including transient hotel rooms, and the supreme court declared it void. But the corporation counsel in Chicago said the city had a right, if it wished, to pass a general rent-control ordinance, controlling all rents in Chicago, any time it wished to do so.

Mr. DOUGLAS. Certainly I am not a lawyer, but it has never been our understanding that the city of Chicago had municipal home rule in such matters. It has been our understanding throughout that those powers rested in the State legislature and the very fact that our provisions concerning hotels were nullified is a pretty clear proof of that fact.

Mr. CAPEHART. Mr. President, I understood the able junior Senator from Illinois to say today, and I think on other occasions, that it was impossible for the State of Illinois to enact a rent-control law because of a certain situation existing in the State as between the country districts and Chicago. I understood the Senator to say that. He also talked about the same situation existing in Connecticut. Now I find that the Illinois State Legislature, in spite of the situation to which the able Senator from Illinois objected, enacted a rent-control law on June 30, 1947, which does not expire until June 30, 1949.

Mr. BRICKER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator yield?

Mr. MAYBANK. I yield to the Senator from Ohio.

Mr. BRICKER. In regard to the suggestion of the Senator from Illinois, that we are inconsistent in insisting upon local governments having certain authority and not giving that right to Chicago, or legislating here for the single city of Chicago, in respect to one small item, let me say we do not suggest in any way, by amendment or otherwise, that the local governments be given any authority except to fix the time when the Federal Expediter shall not have control over rents within their jurisdiction. Furthermore, under this section, which I seek to strike by the amendment proposed, the city of Chicago would have no power whatever either to impose rent control on or to remove it from permanent residents in transient hotels. That was taken away from the local advisory board and is wholly in the hands of the Expediter, superimposed upon the city of Chicago, regardless of local desires.

Mr. WHERRY and Mr. MAYBANK addressed the Chair.

Mr. MAYBANK. Does the Senator from Nebraska wish me to yield?

Mr. WHERRY. I want the floor in my own right.

The PRESIDING OFFICER. The Senator from Nebraska wants the floor in his own right when the Senator from South Carolina has finished.

Mr. MAYBANK. Mr. President, I send to the desk a further amendment to be added as a part of title III of the rent-control bill, and ask that the clerk state the amendment. I may say that amendment is offered by the chairman of the subcommittee, the Senator from Alabama [Mr. SPARKMAN], and myself.

Mr. BRICKER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the inquiry.

Mr. BRICKER. What is before the Senate at this time?

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio [Mr. BRICKER].

Mr. BRICKER. Was the amendment suggested by the distinguished Senator from South Carolina an amendment to my amendment?

Mr. MAYBANK. It was not. I asked unanimous consent that I might have the amendment read. I may say to the distinguished Senator from Ohio it was the amendment I discussed with him this morning—to extend title VI, which expires next week, which is so necessary to the people of the United States, for 60 days additional. The Senator from Tennessee reported the appropriation bill containing an item of $800,000 so as to catch up on the backlog of title VI applications. The amendment submitted by the Senator from Alabama and myself is the amendment as to which I asked the distinguished Senator from Ohio this morning whether he thought there would be any objection. He, as I understood, is in thorough accord with it.

Mr. BRICKER. I thank the Senator. It is entirely satisfactory.

Mr. WHERRY. Mr. President, this requires unanimous consent, does it not?

The PRESIDING OFFICER. It does.

Mr. WHERRY. I ask the Senator from South Carolina to withhold his request until I have concluded my remarks, which I should like to have gotten into the RECORD about an hour ago.

Mr. MAYBANK. Mr. President, will the Senator from Nebraska be kind enough, when he has concluded, to yield to me, for the purpose of presenting again the unanimous-consent request?

Mr. WHERRY. I certainly shall. The question about hotels was raised early in the session. At that time we were given to understand that if the amendment to strike out the hotel provision on page 27 did not prevail, an amendment would be offered exempting all hotels in cities of 500,000 or less, and it would only apply to those hotels in cities of 500,000 or more. I want to thank the committee for finally narrowing this down to two cities in the United States; Chicago and New York, because I think we have gained that much. But I still submit that to legislate on the floor of the Senate for a community within a State, the State legislature of which has taken no action and has refused to do so, is beyond our constitutional authority.

What I am surprised about is that, when the bill is analyzed, so far as control is concerned it will be seen the only difference between a House bill and the Senate bill is that the House places control in the local subdivisions within the States, and the Senate places it in the State, or whatever area of the State may be placed under controls by the State legislature. That, to me, is the only difference.

Yet those who brought forward the Senate bill, opposing local control within the States, made the argument that because we invaded the right of the State in the matter of local control, we should again institute control of these things, and then permit the State to decontrol them. The Senator from Illinois said it was strange that the Senator from Ohio took the position he had taken relative to hotels. The only strange thing about it is that the Senator from Illinois contradicts himself in his position on the fundamental principles of the bill, when he asks that the Senate legislate for the city of Chicago, when the State legislature of Illinois refuses to do the very thing the Senate is asking us to do. I say that is a violation of State rights. It is the thing that goes to the root of the matter which is the subject of this whole bill.

The Senator from Indiana [Mr. CAPEHART] was very helpful. He placed in the RECORD a portion of the statement I wanted to place in the RECORD. I appreciate the fact that he has taken such great interest in this matter. The Senator knows about it, because he is on the committee. But if he would read the second paragraph of this particular memorandum, he would find that in the House hearings, in 1948, at page 206, there is a statement by one of the witnesses, reading as follows:

> One year ago, in the spring of 1947, in which all the interested parties participated, the Senate committee of the State of Illinois found that the legislation should not be enacted to cover hotels and residential hotels.

So the Illinois Legislature not only passed an act that excepted them, but even during this particular period, the Senate committee went to Chicago to investigate and came back with the report that hotels would be exempted from the State bill. State legislature did not include them, and they have not included them up to this very moment. I should like to accommodate the distinguished junior Senator from Illinois, because I suppose that some persons in his State are very much interested in this particular exemption. But I ask him and the other Members of the Senate if it is not true that if the Senate of the United States gives the city of Chicago the exemption it desires, we are writing into the law a provision that the Federal Government has the right to impose rent control upon the hotels of Chicago, when the State's own legislature has refused to do it and has not done it up to this moment. In offering his amendment the Senator from Illinois is advocating the very thing provided in the House bill, which he says is unconstitutional, namely, placing the control in local subdivisions rather than in the States themselves.

So, on that wide principle, Mr. President, even though only Chicago and New York may be involved, I think it becomes mandatory that the Senate take the correct position. That position, I think, should be that even though we should like to do this for Chicago, the exemption should not extend to the city of Chicago or to the city of New York. It is up to those cities to provide for it through their own State legislatures, and do what the State of Illinois has neglected to do up to this moment.

Mr. President, there is another thing to which I would like to call attention. This is what we call legislating on the floor of the Senate. I was told this morning by the Senator from Ohio, and he was not contradicted, that there was, I think he said, no demand for this particular exemption until, at the last moment, the Senator from Illinois rushed

in and wrote it into the bill. The Senator has a perfect right on the floor of the Senate to ask that Chicago be exempted, but I do not think he has the right to call on the Senate of the United States, without any evidence at all from persons in Illinois who do not want this provision, to support his position, when possibly, if evidence had been adduced, the result would have been entirely different. I do not say it would, but I say it might be entirely different from the case presented.

Of course, Mr. President, this does not affect any city in Nebraska, and for that reason it does not affect me one way or the other. It amounts to granting a favor. But we are being asked for more than that; we are being asked to invade the rights of a State to impose Federal rent control in Chicago, when the State of Illinois has absolutely refused to pass legislation along that line.

Mr. President, I think the provision in the Senate bill should be voted down. I think it would be what we might call bad legislation, if it were adopted.

I think the Bricker amendment should be agreed to and that the provision which the Senator from Florida [Mr. HOLLAND] and the Senator from Illinois [Mr. DOUGLAS] intend to incorporate in the bill should be voted down.

Mr. DOUGLAS. Mr. President, I am exposed to the slings and arrows of outrageous fortune in debating with the Senator from Nebraska on this point and saying to him that for the past 3 or 4 days I have been fighting a rear-guard action on the question of control. Now the Senator has got me with my back against the wall. I joined with the Senator from Alabama in saying that we should grant State option only in those cases in which the governor certified that there was a satisfactory State law on the subject, but that we should not give to the States the right to decontrol. By the vote in committee we were overruled, and we went along with the report of the committee, rather than present a minority report. We wanted to protect permanent residents in hotels all over the Nation—not merely in Chicago, but in all parts of the country—and we won tentative agreement to that. Then, yesterday, a group of Senators asked that we yield on the permanent accommodations in the smaller cities, and we yielded to exempt cities with populations of under 500,000 persons. I thought there was a large group of cities of between 500,000 and 2,500,000 population which wanted to protect the permanent residents of hotels. We find out today that for one reason or another they do not so request; and now my city is the only remaining city out in the cold.

If the Senate wants to vote the amendment down, it can do so. I can only say that my action has been consistent, and that now the Senate has me right against the wall—and not me only, but 40,000 residents of hotels. They are the ones who are really involved. The Senate can do as it sees fit.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. BRICKER. Is there any testimony by any of those 40,000 people in the record anywhere?

Mr. DOUGLAS. We have a resolution from the city council, which I put into the RECORD today; and in the House hearings there is testimony. There is a statement in the record, on page 115 of the Senate hearings, a statement submitted by the CIO.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield to the Senator from Nebraska.

Mr. WHERRY. Is there a statement by any of the residents of Chicago?

Mr. DOUGLAS. The statement came from members of the CIO, who live in Chicago.

Mr. WHERRY. Did any witness appear asking relief, from among the 40,000 persons to whom the Senator has referred?

Mr. DOUGLAS. I have many letters from them.

Mr. WHERRY. Did they testify before the Senate committee?

Mr. DOUGLAS. I am not aware that they testified, but statements were submitted. It is not always easy to make trips to Washington, if the persons involved are not financed by others. They have no large lobby.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. DOUGLAS. There are cases in New York City——

Mr. WHERRY. New York is not asking for an exemption.

Mr. LUCAS. Mr. President, I demand the regular order in debate, at least.

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. DOUGLAS. I shall be glad to yield to my good friend from Nebraska.

Mr. WHERRY. New York is not asking for exemption, is it?

Mr. DOUGLAS. The question was whether any demand came from Chicago.

Mr. WHERRY. From the 40,000 persons mentioned by the Senator.

Mr. DOUGLAS. There is a demand from Chicago, and I have had a great deal of correspondence on the question. There are statements in the House hearings made by Representatives to the same effect.

Mr. WHERRY. Can the Senator point to any statement in the record to the effect that any tenant in Chicago has asked for this relief? I looked through the record and could not find any statement to that effect.

Mr. DOUGLAS. Did the Senator look at page 155?

Mr. WHERRY. I am looking. There is a good deal of testimony about a great many other things, but I do not find anything about hotels.

Mr. President, would the Senator deny the fact that the State Legislature of Illinois has not acted on the rent-control matter?

Mr. DOUGLAS. That is correct so far as hotels are concerned.

Mr. WHERRY. And the Senator will also admit, will he not, that the legislature could have acted during the past 2 years?

Mr. DOUGLAS. Does the Senator from Nebraska remember the fact that time and time again I have pointed out that it is very difficult for Chicago to get relief from a legislature which is dominated by rural districts? I have said that at least a dozen times, and it should be thoroughly familiar to the Senator by this time.

Mr. WHERRY. Mr. President, do I have the floor now?

Mr. DOUGLAS. I yield for a question. I did not surrender the floor to the Senator.

Mr. WHERRY. I thought the Senator sat down.

Mr. DOUGLAS. I am somewhat tired.

Mr. WHERRY. Will the Senator yield further?

Mr. DOUGLAS. I yield.

Mr. WHERRY. One more question, and I am through. Regardless of whether Illinois has as have other States, a large agricultural population, and has many cities within its borders, the fact remains that the State Legislature of Illinois has not passed a rent-control law which includes within its provisions control of apartment hotels. Is that correct?

Mr. DOUGLAS. That is correct.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. LUCAS. Mr. President, the Senator from Nebraska is certainly sure about that, by this time, is he not?

Mr. DOUGLAS. I should think he would be.

Mr. LUCAS. I think the Senator from Nebraska has asked that question seven times, and the Senator from Illinois has answered it seven times. Now, is the Senator sure?

Mr. WHERRY. Will the majority leader yield?

The PRESIDING OFFICER. The majority leader does not have the floor.

Mr. WHERRY. Will the Senator from Illinois yield that I may ask the majority leader a question?

Mr. DOUGLAS. I am very glad to contribute to this byplay.

Mr. WHERRY. Is the senior Senator from Illinois sure that the Legislature of Illinois has not passed any rent-control law?

Mr. LUCAS. I am sure it has not so far as permanent residents in hotels are concerned.

Mr. SPARKMAN. Mr. President, will the junior Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. SPARKMAN. The distinguished minority leader has been asking for some time proof that someone from Chicago presented this problem to the committee. I wonder if the distinguished Senator from Illinois will refer to page 393 of the hearings, where it is shown that one of the Representatives in Congress from Illinois testified before the committee, and presented, if I remember correctly, a petition from the mayor of Chicago asking for this relief, signed by the corporation counsel.

Mr. DOUGLAS. This is a further reference, pages 393 to 395 of the Senate committee hearings.

Mr. WHERRY. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. WHERRY. Has the Senator read this before?

Mr. DOUGLAS. Yes; I have.

Mr. WHERRY. The Senator means he is reading it now. This was a Representative who brought the information over. When did he bring it over?

Mr. DOUGLAS. On the 10th of March.

Mr. WHERRY. So there actually has not been any testimony from people in Chicago asking for any relief from these controls at all. Is not that true? The Senator cannot find it, can he? He is looking fast.

Mr. SPARKMAN. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. I am very glad to yield.

Mr. SPARKMAN. If we followed the logic enunciated by the distinguished minority leader, should we not impose controls on hotels in Nebraska, because there was not one person appearing from Nebraska protesting against it, was there?

Mr. WHERRY. Mr. President, will the Senator yield for another question?

Mr. DOUGLAS. Yes; and this time I shall not sit down.

Mr. WHERRY. If the Senate will listen to the Senator from Nebraska, it will not impose any controls on hotels in Nebraska. That is my philosophy.

Mr. DOUGLAS. Now things are getting hot. May I fire a volley or two across the aisle?

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. DOUGLAS. The Senator from Nebraska is taking the position that unless people come here in person and testify we should pay no attention to their claims. That means, in effect, that we should pay attention only to those who have the money to pay the railway fare or the airplane fare and who can pick up the checks for the bills in the Washington hotels. I say it is presumed that Senators know something about situations in their States.

Mr. WHERRY. Will the Senator yield?

Mr. DOUGLAS. I yield for a question this time, and I still will not sit down.

Mr. WHERRY. Was not this first witness a CIO representative? The Senator will not deny they have plenty of money to come to Washington, will he?

Mr. DOUGLAS. The testimony was submitted by the CIO; yes.

Mr. WHERRY. And they have money.

SEVERAL SENATORS. "Vote!" "Vote!"

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from Ohio [Mr. BRICKER], which are to be voted on en bloc.

Mr. LUCAS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Butler	Connally
Anderson	Byrd	Cordon
Brewster	Capehart	Donnell
Bricker	Chapman	Douglas
Bridges	Chavez	Downey
Ecton	Kerr	O'Mahoney
Ellender	Kilgore	Pepper
Ferguson	Knowland	Robertson
Flanders	Langer	Russell
Frear	Lodge	Saltonstall
Fulbright	Long	Schoeppel
George	Lucas	Smith, Maine
Gillette	McCarran	Sparkman
Green	McCarthy	Taft
Gurney	McClellan	Taylor
Hayden	McFarland	Thomas, Utah
Hendrickson	McGrath	Thye
Hickenlooper	McKellar	Tobey
Hill	McMahon	Tydings
Hoey	Magnuson	Vandenberg
Holland	Martin	Watkins
Humphrey	Maybank	Wherry
Hunt	Miller	Wiley
Ives	Millikin	Williams
Jenner	Murray	Withers
Johnson, Colo.	Myers	Young
Johnston, S. C.	Neely	
Kem	O'Conor	

The PRESIDING OFFICER. Eighty-two Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendments offered by the Senator from Ohio [Mr. BRICKER], which are to be voted on en bloc. The amendments will be stated.

The amendments were to strike out from line 22, page 26, to line 22, page 28, as follows:

SEC. 201. (a) Section 202 (c) of the Housing and Rent Act of 1947, as amended, is amended by striking out paragraph (1) thereof and inserting in lieu thereof the following:

"(1) any housing accommodations in hotels, which accommodations were, on June 30, 1947, used for transient occupancy; or."

(b) Section 202 (c) of the Housing and Rent Act of 1947, as amended, is amended by striking out paragraph (2) thereof and inserting in lieu thereof the following:

"(2) any tourist home serving transient guests exclusively, or any part thereof; or any motor court, motel, trailer, or trailer space, or any part thereof, except as hereinafter provided in section 204 (e) (1) (C)."

(c) Section 202 (c) of the Housing and Rent Act of 1947, as amended, is amended by striking out paragraph (3) thereof and inserting in lieu thereof the following:

"(3) any housing accommodations (A) the construction of which was completed on or after February 1, 1947, or which are housing accommodations created by a change from a nonhousing to a housing use on or after February 1, 1947, or which are additional housing accommodations created by conversion on or after February 1, 1947: *Provided, however,* That any housing accommodations resulting from any conversion created on or after the effective date of the Housing and Rent Act of 1949 shall continue to be controlled housing accommodations unless the Housing Expediter issues an order decontrolling them, which he shall issue if he finds that the conversion resulted in additional self-contained family units as defined by regulations issued by him: *And provided further,* That contracts for the rental of housing accommodations to veterans of World War II and their immediate families, the construction of which was assisted by allocations or priorities under Public Law 388, Seventy-ninth Congress, approved May 22, 1946, shall remain in full force and effect; or (B) which for any successive 24-month period during the period February 1, 1945, to the date of enactment of the Housing and Rent Act of 1948, both dates inclusive, were not rented (other than to members of the immediate family of the landlord) as housing accommodations, except as hereinafter provided in section 204 (e) (1) (E); or (C) the construction of which was completed on or after February 1, 1945, and prior to February 1, 1947, and which between the date of completion and June 30, 1947, both dates inclusive, at no time were rented (other than to members of the immediate family of the landlord), as housing accommodations; or."

To strike out from line 3, page 34, to line 8, page 35, as follows:

(c) Section 204 (e) (1) of the Housing and Rent Act of 1947, as amended, is amended—

(1) By adding after paragraph (B) the following new paragraphs:

"(C) Establishment of maximum rents in the area or any portion thereof, over which the local board has jurisdiction, with respect to housing accommodations in any motor court, motel, trailer, or trailer space, or any part thereof, which on March 1, 1949, were rented for permanent occupancy, if in the judgment of the local board the demand for such rental housing accommodations has not been reasonably met; and

"(D) Establishment of maximum rents in the area or any portion thereof over which the local board has jurisdiction, with respect to areas which the Housing Expediter is authorized to control or recontrol under the provisions of section 204 (i) of this title if in the judgment of the local board such rents should be established under the standards prescribed in said section.

"(E) Establishment of maximum rents in the area or any portion thereof over which the local board has jurisdiction, with respect to housing accommodations which for any successive 24-month period during the period February 1, 1945, to the date of enactment of the Housing and Rent Act of 1948, both dates inclusive, were not rented (other than to members of the immediate family of the landlord) as housing accommodations, if in the judgment of the local board the demand for such housing accommodations has not been reasonably met;" and

(2) By changing the designation of paragraph "(C)" to "(F)."

To strike out from line 15, page 40, to line 16, page 42, as amended, as follows:

(h) Section 204 of such act, as amended, is amended by adding at the end thereof the following new subsections:

"(h) For controlled housing accommodations which were not included within the definition of 'controlled housing accommodations' as such definition read prior to the effective date of the Housing and Rent Act of 1949, the maximum rent shall be the maximum rent last in effect for such housing accommodations under Federal rent control, plus or minus applicable adjustments; or, if no maximum rent was ever in effect for such housing accommodations, the maximum rent shall be the rent generally prevailing in the defense-rental area for comparable controlled housing accommodations within such area, plus or minus applicable adjustments: *Provided,* That in the case of those controlled housing accommodations in hotels which were not included within the definition of 'controlled housing accommodations' as such definition read prior to the effective date of the Housing and Rent Act of 1949, the maximum rent shall be the rent in effect for such accommodations on October 31, 1948.

"(i) Whenever the appropriate local board, after having determined either that (A) a scarcity of rental housing has developed as a result of national defense activity, or (B) employment or other conditions have changed in the area to such an extent as to make the supply of rental housing inadequate to meet the demand, or (C) rents have increased or are about to increase unreasonably, recommends that such action is necessary or proper in order to effectuate the purposes of this title, the Housing Expediter, if such recommendation is approved in accordance with section 204 (e) shall, by regulation or order, establish such maximum rent or maximum rents for any housing accommodations in a designated defense-

rental area, except those not included within the definition of controlled housing accommodations, or establish or reestablish the regulation of such rents in any defense-rental area or portion thereof, as in his judgment will be generally fair and equitable: *Provided, however,* That he may not establish maximum rents for any housing accommodations in the case of which maximum rents have been heretofore or are hereafter removed as the result of approval by the Emergency Court of Appeals of a recommendation of a local advisory board or as the result of approval by such court of a decision of the Housing Expediter. So fas as practicable, in establishing or reestablishing any maximum rent for any defense-area housing accommodations, the Housing Expediter shall ascertain and give due consideration to the rents prevailing for such accommodations, or comparable accommodations, on or about such date as World War II defense activities shall have resulted or threatened to result in increases in rents for housing accommodations in such area inconsistent with the purposes of the Housing and Rent Act of 1947, as amended, and he shall make adjustments for such relevant factors as he may determine and deem to be of general applicability in respect of such accommodations, including increases or decreases in property taxes and other costs within such defense-rental area. For the purposes of this subsection, the term 'defense-rental area,' means any area so designated under the Emergency Price Control Act of 1942, as amended."

Mr. BRICKER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BRICKER. A vote "yea" on these amendments will be a vote to continue the situation in regard to rent controls on permanent residents in hotels, trailer camps, and units unoccupied for a year, to continue the situation as it is today, and to prevent recontrol where there has been decontrol?

The PRESIDING OFFICER. The amendment strikes out certain language of the committee amendment which the Chair is not required to interpret, and which Senators do not expect the Chair to interpret.

Mr. MAYBANK. Mr. President, I may say that a vote "nay" will mean a vote to sustain the committee, because the committee has already agreed to accept the amendment pertaining to hotels in cities with a population of over two and a half million, according to the census of 1940.

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from Ohio [Mr. BRICKER].

Mr. LANGER and other Senators asked for the yeas and nays, and the yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. MYERS. I announce that the Senators from Mississippi [Mr. EASTLAND and Mr. STENNIS] and the Senator from Tennessee [Mr. KEFAUVER] are absent on public business.

The Senator from Texas [Mr. JOHNSON] and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from New York [Mr. WAGNER] is necessarily absent.

I announce that the Senator from Oklahoma [Mr. THOMAS] is paired on this vote with the Senator from New Jersey [Mr. SMITH]. If present and voting, the Senator from Oklahoma would vote "nay" and the Senator from New Jersey would vote "yea."

The Senator from New York [Mr. WAGNER] is paired on this vote with the Senator from South Dakota [Mr. MUNDT]. If present and voting, the Senator from New York would vote "nay" and the Senator from South Dakota would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN] is absent by leave of the Senate.

The Senator from Washington [Mr. CAIN] is absent by leave of the Senate and is paired with the Senator from Oregon [Mr. MORSE], who is necessarily absent. If present and voting, the Senator from Washington [Mr. CAIN] would vote "yea" and the Senator from Oregon [Mr. MORSE] would vote "nay."

The Senator from South Dakota [Mr. MUNDT] is absent by leave of the Senate and is paired with the Senator from New York [Mr. WAGNER]. If present and voting, the Senator from South Dakota [Mr. MUNDT] would vote "yea" and the Senator from New York [Mr. WAGNER] would vote "nay."

The Senator from New Jersey [Mr. SMITH] is absent because of illness and is paired with the Senator from Oklahoma [Mr. THOMAS]. If present and voting, the Senator from New Jersey [Mr. SMITH] would vote "yea" and the Senator from Oklahoma [Mr. THOMAS] would vote "nay."

The Senator from Nevada [Mr. MALONE] and the Senator from Kansas [Mr. REED] are necessarily absent.

The vote was announced—yeas 29, nays 53, as follows:

YEAS—29

Brewster	Gurney	Schoeppel
Bricker	Hendrickson	Taft
Bridges	Hickenlooper	Tobey
Butler	Jenner	Vandenberg
Byrd	Kem	Watkins
Capehart	Knowland	Wherry
Cordon	McCarthy	Wiley
Donnell	Martin	Williams
Ecton	Millikin	Young
Ferguson	Saltonstall	

NAYS—53

Aiken	Humphrey	Maybank
Anderson	Hunt	Miller
Chapman	Ives	Murray
Chavez	Johnson, Colo.	Myers
Connally	Johnston, S. C.	Neely
Douglas	Kerr	O'Conor
Downey	Kilgore	O'Mahoney
Ellender	Langer	Pepper
Flanders	Lodge	Robertson
Frear	Long	Russell
Fulbright	Lucas	Smith, Maine
George	McCarran	Sparkman
Gillette	McClellan	Taylor
Green	McFarland	Thomas, Utah
Hayden	McGrath	Thye
Hill	McKellar	Tydings
Hoey	McMahon	Withers
Holland	Magnuson	

NOT VOTING—13

Baldwin	Malone	Stennis
Cain	Morse	Thomas, Okla.
Eastland	Mundt	Wagner
Johnson, Tex.	Reed	
Kefauver	Smith, N. J.	

So Mr. BRICKER's amendments were rejected.

Mr. HOLLAND. Mr. President, I send to the desk an amendment which I offer in behalf of the junior Senator from Arkansas [Mr. FULBRIGHT] and myself, which has already been mentioned in the debate heretofore.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 27, it is proposed to strike out lines 1 to 3, inclusive, and to insert in lieu thereof the following:

(1) (A) Any housing accommodations in hotels in cities of less than 2,500,000 population according to the 1940 decennial census; or (B) any housing accommodations in hotels in cities of 2,500,000 population or more, which accommodations were, on October 31, 1948, used for transient occupancy, or.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Florida [Mr. HOLLAND] on behalf of himself and the Senator from Arkansas [Mr. FULBRIGHT].

The amendment was agreed to.

Mr. FULBRIGHT. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Arkansas will be stated.

The CHIEF CLERK. On page 43, line 16, it is proposed to insert a new subsection (3) as follows:

Upon petition of the governing body of any municipality, approved by the Governor of the State, the Housing Expediter shall within 30 days after approval of the Governor, decontrol said municipality.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. FULBRIGHT].

Mr. FULBRIGHT. Mr. President, the amendment is in the nature of a compromise between what the House bill contained and the language reported by the Senate committee. The provision in the bill on page 43 is perfectly all right for those States whose legislatures may still be in session, or which are to meet in the near future. The legislature of my State has already completed its biennial session. It ended on the 10th day of this month. The legislature will not be in session again for another 2 years. This amendment requires not only a petition by the governing body of the municipality, but also the concurrence of the Governor.

Much has been said about Illinois, for example. I think there is ample protection against any precipitate action in that State, or in Connecticut, with respect to which the point has been made that there is a difference in the politics of the executive and of the legislative body. There is a Democratic Governor in Illinois. Certainly Senators on this side of the aisle would be perfectly willing to trust to his judgment as to the final decision. He would have the final decision, because the amendment requires concurrence or approval by the Governor along with the action and recommendation of the municipality.

I do not think there is any danger of a great amount of decontrol. However, in extreme cases, it would be clear that there would be a way of accomplishing it, whereas under the terms of the bill

as it now stands there is no way, in any State such as Arkansas, where the legislature will not be in session for 2 years.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. FLANDERS. Mr. President, I should like to inquire of the Senator from Arkansas whether he thinks it would be better to compromise this question in conference rather than on the floor of the Senate.

Mr. FULBRIGHT. That suggestion has been made; but it seems to me that in view of the fact that we already have the language of the House before us some expression from the Senate would not be amiss. If the Senate is willing to accept this amendment I do not see why it would not be of assistance to the conferees on the part of the Senate. Necessarily, this kind of a provision will be worked out in conference. I have no doubt about it.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. BRICKER. As I understand the amendment, it provides for approval by the governor.

Mr. FULBRIGHT. That is correct.

Mr. BRICKER. Would it be left in his discretion either to approve or disapprove what the local community wanted?

Mr. FULBRIGHT. Yes. As I stated, the municipality must take the initial action, and it must be approved by the governor. So I think there would be no precipitate or arbitrary action.

Mr. BRICKER. Mr. President, I think the amendment offered by the Senator from Arkansas is an improvement in the bill, and I am happy to go along with it.

Mr. FULBRIGHT. It provides a possible way for a State to act during the time when there will be no session of the legislature. Otherwise, there is no way for local action to be taken.

Mr. McCLELLAN. Mr. President, I wish to commend my colleague for offering this amendment. I offered a somewhat similar amendment when the last rent-control bill was before the Senate body, in the hope that we could get final control back in the hands of the local authorities.

I should like to suggest that we already have such a provision in the House language, and it can be settled in conference. But if we place this amendment in the Senate bill, the conferees cannot leave it out. They will have to take one provision or the other. Both provisions deal with the same problem, that of placing finality of control back in the hands of the local authorities, where it belongs. Mr. President, I feel that the time has come to place the authority under local control, where the decision can be made in the community affected, rather than in a bureau in Washington. We must either do that or else establish a dead line when controls will expire. We should do one or the other.

Mr. MAYBANK. Mr. President, as chairman of the committee, I wish to state that we went very fully into this question. We considered the Williams amendment, which was adopted by the House, and will be in conference.

I should like to have the chairman of the subcommittee explain why the committee rejected a more or less similar amendment. So far as I am concerned, I feel that it would be sufficient for the conferees to have before them the Williams amendment, which includes counties and other political subdivisions, as against State control. The decontrol provision in the committee amendment was agreed upon by the committee.

Mr. SPARKMAN. Mr. President, we had considerable discussion of this question yesterday, or at least a similar question. There has been some modification in the amendment which has been offered. I should like to invite the attention of Senators to just what we have in the bill relating to decontrol, because, after all, that is all this amendment applies to.

First of all, we wrote into the bill a provision to which the Senate agreed 2 years ago, giving any State which wanted to do so the right to adopt rent-control machinery of its own. Upon doing so it could detach itself from the Federal rent-control law.

The committee wrote another provision into the bill, to the effect that any State, by official action, that is, by the action of its legislature, could go even further and decontrol the State, or any part of it.

I want Senators to follow me on the next step. At the city or town level, or whatever the area may be where rent control is imposed, there exists today, under present law, a local rent advisory board which can make recommendations to the Expediter. I know that we have had complaints that such local boards have not functioned in every case, and we have tried to correct that condition in this bill.

We provide in the bill that a local board may recommend decontrol of its area, or any part of the area, on its own initiative; or, if it fails to do so, and a representative group of landlords in the area think that there ought to be decontrol, they have the right to ask the local board for a hearing. If the local board fails or refuses to grant such a hearing, then there is the right of appeal to the Expediter. It is not a matter of discretion with the Expediter. We direct him to call a public hearing and to hear both sides.

Whatever action is taken by the Expediter or by the local advisory board, if the board holds a hearing, the landlords or the tenants, whichever side may be aggrieved, have the right of appeal to the Emergency Court of Appeals. If they offer substantiating evidence to show that there ought to be decontrol—and that applies to other actions too, but we are talking now only about decontrol—the three-judge court will decontrol the area. At least one area, Miami Beach, has been decontrolled in this manner. Consideration of other areas is pending, or will be pending.

I believe that we have given every right that anyone could ask for in this bill for an orderly procedure to determine whether or not an area ought to be decontrolled. If we leave the authority with the city council, it may act without a hearing. No hearing is called for. It may meet some night and be confronted by a group of people who fill the council chamber, and who bring pressure for decontrol. That same night the council could decontrol without any hearings, without any publicity and without reference to the public at all. Under the terms of the amendment, the question would be referred to the governor, and if the governor should approve, the particular area would be decontrolled. I think we should choose whether we are to use the city council method or whether we are to adhere to the local advisory board method, under the procedure we have provided in this measure.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. MAYBANK. I wish to say to the distinguished Senator from Alabama that in the committee he differed with me on the matter of State control; but finally, after we had heard all the evidence, all of us on the committee agreed that State control was the best control. In fact, as a former governor, I know—as does every other former governor who is now a Member of the Senate, and there are many of them—that the governor of a State can call a session of the State legislature, if that is necessary, within 10 days; and in most States such a session can be limited to the particular question the governor has in mind when he calls the special session. The distinguished Senator who now is presiding over the Senate, the Senator from Oklahoma [Mr. KERR], is a former governor, also; and he knows what that situation is.

I believe that by means of the committee amendment as it now stands we can get as close to the local level as is possible. We yielded a great deal in order to provide for that. Such a provision is already contained in the House version of the bill, and the matter can be ironed out in conference. As a matter of fact, the provision adopted by the House of Representatives pertains to any local political subdivision of government, whether it be a school district, a council, or otherwise. I call that matter to the able Senator's attention.

Mr. SPARKMAN. I appreciate that, Mr. President. The Senator from South Carolina is correct when he says that in the committee I opposed the provision which would give to the States the right to decontrol. But when the committee voted for it, I accepted it. I do not think the provision does great violence to the bill, and I believe it is workable.

Mr. MAYBANK. Mr. President, will the Senator yield at this point?

Mr. SPARKMAN. I yield.

Mr. MAYBANK. I wish to point out that I doubt whether we could have reported the bill from the committee if we had not included the provision for State control.

Mr. SPARKMAN. Certainly I have no quarrel with that provision.

Mr. MAYBANK. But now, on the floor of the Senate, an attempt is being made to change the provision all over again.

Mr. SPARKMAN. Mr. President, I wish to state that the States are not helpless. The committee amendment makes ample provision for decontrol action to

be taken by any city or area which wishes to decontrol itself and which can offer substantial evidence to support its wish to decontrol.

So I hope the amendment of the Senator from Arkansas will be rejected.

Mr. HICKENLOOPER. Mr. President, will the Senator yield to me?

Mr. SPARKMAN. I yield.

Mr. HICKENLOOPER. Does not the Senator from Alabama believe that he is doing a substantial injustice to one of the finest branches of government when he suggests that city councils would perhaps be persuaded by some high-pressure group to provide for decontrol? Does not the Senator also believe that the governor of a State, regardless of his good intentions, might well on occasion be susceptible to being given misinformation by pressure groups which might descend upon him and might prevent him, by their arguments, from acceding to the wishes of the local community, which certainly knows its affairs even better than the governor of the State knows them?

Mr. SPARKMAN. Of course, I agree with that statement, and I call attention to the fact that such a provision is a part of the amendment. It provides that the governor shall approve.

Mr. HICKENLOOPER. Mr. President, I think the Senator from Alabama has misunderstood me.

Mr. SPARKMAN. Let me finish my statement, please. I accept the argument the Senator has made, namely, that the governor may be susceptible to such pressure, and that the city council might also be. I do not propose to do any violence or injustice to the city councils. I simply recognize human nature as it is, as I am sure all of us do. I call attention to the fact that the mayors, which now are meeting in conference here in the city of Washington, recognize that fact; and they have said to the Congress that they do not want Congress to pass a law carrying any such provision as the one now before us.

Mr. MAYBANK. Mr. President, if the Senator will yield to me, I only wish to say that when I served as governor of my State, I never questioned the accuracy of the knowledge of a city council or of a mayor of any city as to conditions in the particular community.

But now we are faced with a double-barreled proposition of having to get the approval of both the city council and the governor.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. HICKENLOOPER. Does not the Senator believe that a city council, which is familiar with the operation of its municipality and is elected by the people of the municipality, its residents, is a better judge of the immediate needs of the municipality than is a governor who may come from some remote section of the State?

Mr. SPARKMAN. I am afraid the Senator from Iowa does not know what the amendment provides. This amendment makes provision for action by the governor of the State, and I am arguing against the amendment.

Mr. HICKENLOOPER. Mr. President, apparently the Senator from Alabama misunderstands what I am attempting to say.

Mr. SPARKMAN. I simply do not follow the Senator's argument, because this amendment provides that the governor must approve the recommendation.

Mr. HICKENLOOPER. That is exactly what I am opposed to.

Mr. SPARKMAN. Then the Senator from Iowa and I are on the same side of the matter. [Laughter.] I point out that I am opposed to it, too.

Mr. HICKENLOOPER. Mr. President, will the Senator further yield?

Mr. SPARKMAN. I yield.

Mr. HICKENLOOPER. Apparently there is some inability on my part to get the point over.

Mr. SPARKMAN. I think the Senator means, "to get the point."

Mr. HICKENLOOPER. I favor permitting the local municipalities and local governmental bodies to make up their own minds as to when decontrol should go into effect in their own communities. I do not believe it is essential to require them to go as a supplicant to the governor of their State, to have him determine what is in the best interests of their own community. I prefer that the governor not be tied into the picture. So I prefer the provision which has been made in this case by the House of Representatives.

Mr. SPARKMAN. Now I understand the Senator from Iowa; and of course he will join me in voting against the amendment, which ties the governor into the situation.

Let me say that my purpose is not to attack the city councils, but I think we are hiding our heads in the sand if we do not recognize human nature as it is and if we do not realize the pressure which may be exerted in such cases, particularly if there has not been adequate opportunity for public hearings.

But the point I am trying to make is that in this measure we have provided for local protection by giving to the local advisory board—made up of local citizens who know the conditions in their own city, and who are recommended by the governor and are appointed by the Expediter—the right to decontrol, under standards which we have set forth in the proposed law. Certainly they know the conditions in their own community. Under this measure, without the amendment, they can of their own accord recommend dencontrol at any time they wish to do so.

Furthermore, if the landlords in the particular area feel that decontrol should go into effect, they can require the local board to give them a public hearing and to hand down a decision, from which they can appeal.

So what more can be given to the local municipalities, to permit them to protect themselves?

Mr. HICKENLOOPER. Mr. President, will the Senator yield for a question?

Mr. SPARKMAN. I yield.

Mr. HICKENLOOPER. Let me say that I shall vote for the Fulbright amendment because it is at least a step toward local self-control, which I was under the impression the Senator from Alabama had firmly rooted in his own philosophy.

Mr. SPARKMAN. I assure the Senator that it is rooted there.

Mr. HICKENLOOPER. I further say to the Senator that the argument that this measure sets up machinery for appeals and presentations, and even to permit going to the Expediter, leaves me cold, because I still remember the days of OPA, when the Emergency Court and the Director of OPA committed some of the most colossal injustices upon the American economy that ever have been committed, because of their refusal to go along with the plain and positive proof in the cases presented to them. So I do not have much faith in the method of appeal which is here set forth, by which an appeal would go through the Expediter and to the court.

Accordingly, Mr. President, I shall support the amendment of the Senator from Arkansas, because I believe it contributes further to local responsibility and to the administration of rent control in the communities where the problems are known. I prefer that the governor not have to approve such action. I prefer to take the good judgment of the local, elected officials with respect to their community.

Mr. President, I want no one to misunderstand my position. I am not opposing the amendment of the Senator from Arkansas.

Mr. SPARKMAN. Mr. President, I am very glad to have the Senator's position clearly stated now, and to have him on the other side of the question, after further consideration.

Let me say to him that apparently he is thinking in the past and in regard to appeals which have been made in the past, because under OPA there never was such a procedure as the one we provide in this measure. At no time were both sides—in the present case, both the landlords and the tenants—given the right to appeal.

Again, Mr. President, I wish to say that we have given ample protection to the local communities; we have set up ample machinery whereby local communities can decontrol themselves, if they wish to do so.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. FULBRIGHT. The Senator has been very persuasive in accusing city councils of being afflicted with human nature. Does he seek to leave the impression that the members of the board or the Housing Expediter are not also subject to the same infirmities of human nature because of which city councils may be influenced?

Mr. SPARKMAN. Not at all, but I call the able Senator's attention to the fact that under the procedure prescribed by the bill there is an open public hearing at which both sides may present their case, and it is not a matter of pressure; it is a matter of coming forward and presenting evidence.

Mr. FULBRIGHT. The Senator knows, does he not, that it is customary in all city councils to have hearings and that they do not ordinarily act with their eyes closed, any more than does a committee, or the Senate?

Mr. SPARKMAN. I should like to say to the able Senator from Arkansas that the advisory board is very largely the handiwork of the able Senator. He was its strenuous advocate. I dislike to see the Senator now bury the child he begat here 2 years ago. If we adopt the procedure he proposes, then the local advisory board is practically out of the picture.

Mr. HOEY. Mr. President, I desire to urge adoption of the amendment of the Senator from Arkansas. The reference which was made a few moments ago by the distinguished Senator from Alabama to the fact that the advisory board is being repudiated has no point, for the reason that the Expediter has already repudiated practically everything that any of the local advisory boards have done. I do not believe that we should bring about such a situation that in the future we may have to depend upon agencies outside the States, agencies in Washington, to determine matters that ought to be considered and largely determined at home.

The amendment offered by the Senator from Arkansas meets the situation. It enables the local governing body of a city to determine the fact as to whether it is necessary any longer to have rent control in the city. Then, as a further safeguard, the governor of the State approves the action of the city council, and in the event he approves it, then the obligation rests upon the Expediter to put into effect the city ordinance. I do not think there should be hearings, involving a great waste of time. Suppose, under the present committee plan, a city wants to decontrol. The city must first ask for it. Then the Expediter, or other authority, may set a hearing. The hearing is held. The Expediter decides the question, and then an appeal may be taken to the Emergency Court of Appeals, and all that. Why should it be necessary to go through that entire process in order to achieve what the local governing body of a city wants to do? I think we can readily assume that the governing body of a city is not going to decontrol unless there is very strong sentiment in the city for the measure to be adopted.

In supporting this amendment, I may say that while I should be perfectly willing to vote to let the city council execute the order and put it into effect, I think there should be an additional safeguard against hasty or ill-considered action on the part of the city council. Of course, there would still be a right of appeal after the council acted.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from North Carolina yield?

Mr. HOEY. I yield.

Mr. FULBRIGHT. With regard to the possibility of hearings, after notice. I may say I did not think it at all likely they would proceed hastily, but I should be perfectly willing to amend the amendment with language something like this—that after 10 days' notice, and opportunity for public hearing, they shall make this decision. I have no desire to cut off debate, although I think it is not a serious objection. But if the Senator from Alabama is at all concerned about it——

The PRESIDING OFFICER. Does the Senator wish to modify his amendment?

Mr. FULBRIGHT. I am perfectly willing to modify the amendment.

The PRESIDING OFFICER. Does the Senator do so?

Mr. FULBRIGHT. Yes. I send to the desk a modification of my amendment.

The PRESIDING OFFICER. The Clerk will state the modification.

The CHIEF CLERK. After the word "municipality", insert "adopted after a public hearing of which 10 days' notice has been given to the public, and."

Mr. FULBRIGHT. I offer that modification to meet the objection by the Senator from Alabama.

Mr. HOEY. I shall certainly have no objection to the amendment as modified. The Senate bill does not meet the situation altogether in my State. For instance, we have no State rent-control law. Our legislature may adjourn within a few days. Under this bill, there will be no relief for the people of North Carolina. In my State the rent-control authority put rent control into effect in a number of cities and towns throughout the State, 2 years after the war closed. There was absolutely no reason for it, yet it was put into effect. The people have no way of getting rid of it. In one city of my State 90 apartment houses and homes were advertised for rent in yesterday's newspaper; yet they have rent control in that city. I believe there should be some authority in the bill itself, so that the people of a community can have something to say about the manner and the method of administration of rent control in their locality. I am heartily in favor of the amendment.

Mr. MAYBANK. Mr. President, as I understand, the amendment which refers to the city council has nothing to do with a county government or other political subdivision.

Mr. HOEY. Not at all.

Mr. PEPPER. Mr. President, if I may say a word, I am very much opposed to the amendment of the Senator from Arkansas and hope it will not be adopted. It seems to me there is very questionable authority for the Government of the United States to delegate to a subordinate political subdivision what amounts for all practical purposes to the exercise of legislative authority. We have gone far enough it seems to me in authorizing any State to enact a law setting up its own rent-control system covering the whole State, and, upon that fact being certified by the governor, eliminating that State from the area of Federal control.

But, Mr. President, the Congress of the United States cannot properly delegate legislative authority. I think Congress should meet the issue squarely. We should either legislate upon rent control or get out of the field and leave it to the local authority to legislate. If the municipalities want rent control, we should leave it up to them and to the States to provide it, if the Federal Government abandons the field. But this is a curious kind of arrangement, when we legislate, and we do not legislate, on rent control. Who takes the responsibility? So it seems to me it would further weaken the Federal structure of rent control to leave it up to a municipal government to determine whether the Federal law operates in the particular municipality.

Let me add a further thought. The rent-control program is predicated upon high-level public policy. It is an effort to restrain a dangerous tendency toward further inflation, until the housing programs reach the point where the necessity for rent control no longer imperatively exists. But, Mr. President, a municipality council cannot be expected to see the national picture. Leaving the administration of rent control to the local government might worsen the national situation. A State at least has the perspective of a State. It can consider the effect of decontrol upon the economy of its own area. But to leave it up to a bird's-eye view to see the national picture, Mr. President, is to expect too much of the ability of such a diminutive group to see the national scene.

So it seems to me the amendment simply further delegates our legislative duty. If we are going to do this, let us abandon the field and leave it up to the local governments in the appropriate sphere to take over complete jurisdiction. But so long as we propose to exercise a Federal power, Mr. President, let us do it with true regard to the whole national situation, and certainly do not go below the State level, to the level of the municipality.

Mr. MAGNUSON. Mr. President, I want to voice my opposition to the amendment on practical grounds. Under the theory of the bill, the States could handle the problem for all sections, but should the Fulbright amendment be adopted, certain areas in my State, for instance, which need rent control for a much longer period than is provided by the bill, would be thrown into utter chaos. In the city of Seattle there are 350,000 persons dwelling within the city limits, governed by the city council. There are 350,000 persons living in the county, who have no governing body which can decontrol or do anything with them. So, if the city council of Seattle should decontrol, there would be another 350,000 persons all around the city under rent control and there would be nothing but chaos.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, it was to meet that very objection that I included the approval of the governor. It is assumed that the Governor of the State of Washington is a very intelligent, capable man, elected by the people of the State. That is the reason I offered my amendment, as opposed to the suggestion of the Senator from Iowa, because the governor is well aware of the situation which the Senator describes, and his approval is required to make the

decontrol effective. He would naturally say, "No; under these peculiar circumstances I do not approve"; and there would be no decontrol.

Mr. MAGNUSON. It would leave the crowded areas without any means to approach the problem.

Mr. FULBRIGHT. Oh, no. My amendment is not a substitute for the provision in the bill covering the question. It is in addition. In my State the legislature will not be in session for 2 years——

Mr. MAGNUSON. That is true in my State, also.

Mr. FULBRIGHT. The amendment gives an opportunity to have decontrol in those cases. It is not mandatory; it is purely permissive. No one can take advantage of the provision. If the governor does not agree, nothing can be done under it.

Mr. MAGNUSON. The Senator from Arkansas knows full well that this bill will not be in effect 24 hours until we shall see all the real-estate lobbies marching down to every city hall in the United States and attempting to get the city council to decontrol. If the city council feels it should, that leaves the people on the fringes, outside of the big urban centers, without any means of decontrol at all.

Mr. FULBRIGHT. The governor can do it. It requires his action to make it effective.

Mr. MAGNUSON. I understand that. It takes it in reverse. But the people outside the city limits, and those generally in the rural centers, have no opportunity to act. Only the legislature can act for them. The State legislatures will act with reference to the counties and the cities and will establish their own means of approach.

I think the amendment would clutter up the situation a great deal.

SEVERAL SENATORS. Vote! Vote!

Mr. LUCAS. Mr. President, I should like to ask the Senator from Alabama whether the amendment has been considered by the committee at any time?

Mr. SPARKMAN. Mr. President, I will say this particular amendment was not considered by the committee. There was some suggestion, after the House bill came over, with the so-called Williams amendment in it, as to how we might provide for proper local control. There was at one time a suggestion that when the governor requested a certain area to be decontrolled, it should be done. Then we said, "No; that is not sufficient. The legislature ought to join with him."

Then it was decided that it should be the official act of the State; and that is what we finally accepted.

Mr. LUCAS. Mr. President, just another word with reference to the amendment. The Senator from Arkansas who introduced the amendment is a member of the Committee on Banking and Currency. Apparently this question has not been thoroughly considered or discussed in that committee. Now, on the floor of the Senate, when we are about to vote on important amendments, we are confronted with an amendment which, in my opinion, has not been given the careful consideration which the committee should have had the opportunity to give it. Mr. President, there cannot be any question that the committee has conscientiously considered every phase of the bill, as has been indicated to us repeatedly this afternoon by the able Senator from Alabama and the distinguished Senator from South Carolina. Any Senator on the floor who has listened to the expert explanation of what the bill provides could not help being impressed with the thoroughness with which the committee has considered the problem. Control by a local community is a fine thing. I favor giving the people in local communities the right to do what is necessary in connection with decontrol. Local advisory boards, in general, are composed of the finest and best men in each community. I do not believe that any housing expediter or any other group will control the independent individuals who have been selected to do the job in a particular community, of determining whether that community shall have controls continued or whether there should be decontrol.

This is an important amendment which goes to the heart of the question. I ask the Senate to reject this amendment, because of the thoroughness of the committee's consideration.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from Alabama.

Mr. SPARKMAN. Mr. President, this amendment provides that action may be taken by the governing body of any municipality. What is the governing body? Is it the mayor, the council, the executive committee? Does municipality mean a city, a town, a township, or a county? What does it mean?

Mr. LUCAS. I do not know what it means. That is the point I made a moment ago. Those are the things which should be studied and considered with respect to an amendment as important as this one. To say, Mr. President, that the Senate should give the governor of a State the veto power over every municipality in the State is something that I could not vote for under any circumstances. That such a provision is unconstitutional there can be no doubt. We have been talking about home rule, that we should give local communities the right to govern themselves; but if we go along with this proposed amendment we will give governors the power to veto every action taken with respect to decontrol of every community in their States. The method which is provided seems to me to be so removed from getting honest, equitable, and fair action in a community that there can be no comparison between what the Senator from Alabama has proposed in the bill and what the Senator from Arkansas proposes in his amendment.

Mr. SPARKMAN. Mr. President, I should like to ask the distinguished majority leader if it is not true that if the Senate approves the language as the committee has reported it in the bill, and we have a conference with the House with respect to the language in the bill as it passed the Senate, there is ample room in the conference, if it is found to be justified, to work out carefully a provision which would take care of home rule and local control?

Mr. LUCAS. The Senator is absolutely correct. That is the only way we shall get anything like what the Senator from Arkansas has been talking about, because if we vote as the Senator from Arkansas requests us to do now, if I understand the parliamentary situation, we either take one or the other. We should not be placed in that position. There should be ample room for debate in the conference as to whether the amendment is a good and proper one. We are confronted at this late hour with an amendment containing all kinds of implications, and its ramifications are so great that no one can tell what it means with respect to the effect it may have upon any community regarding control or decontrol.

Mr. President, I yield to the Senator from South Carolina.

Mr. MAYBANK. I might say to the Senator from Illinois that I was responsible, along with the Senator from Washington. I say that because the Senator from Washington offered an amendment, along with the Senator from Arkansas, in 1947, regarding the governors of the States, which was approved by the Senate, but went out in conference. I offered an amendment to the amendment to leave the decontrol to the legislatures of the States.

The amendment offered by the distinguished Senators from North Carolina and Arkansas merely leaves the matter to the municipalities, subject to veto by the governor. The House provision leaves it to every locality. I must say that if we adopt the pending amendment, as I see it we will have nothing at all to argue with the House in conference, and I say that having been in conferences on housing bills before.

Mr. TAFT. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield to the Senator from Ohio.

Mr. TAFT. Of course, the House went much further than the amendment goes. I suppose the Senator is opposing the amendment because it establishes the principle that the Senate is in favor of local home rule. It will have to be worked out finally in conference. I assume the Senator from South Carolina is opposing the amendment for that reason.

If Senators believe in home rule, they should vote to adopt the Fulbright amendment.

Mr. MAYBANK. Of course I believe in home rule, but the Senator suggests that I vote for the Fulbright amendment. I might have voted for the Fulbright amendment if it had been before the committee. But it was never discussed before the committee, and, while I have the greatest admiration for the Senator from Arkansas and the Senator from North Carolina, there is one thing that is true—and if I am incorrect, I trust I shall be corrected—namely, the North Carolina Legislature and the Arkansas Legislature will not meet in the next few months.

Mr. KNOWLAND. Mr. President, I shall support the Fulbright amendment. I can understand how the able majority

leader may desire to establish some precedent in this body to the effect that we should take the bill substantially as reported by the committee, but it seems to me that as Senators of the United States we have a responsibility in matters of this kind to put the bill into the best possible shape before passing it. Certainly we should not establish a precedent that on legislation being reported from a committee, whether it be this bill, or the Thomas bill, the so-called repeal of the Taft-Hartley legislation, or anything else, we are merely going to rubber stamp committee action. It seems to me our obligation is to put the bill in the best shape possible, in equity and in fairness to all the parties concerned, and certainly we should not surrender into the hands of any single committee or any small group of conferees the policy-determining power of the Senate of the United States.

Mr. HUMPHREY. Mr. President, I wish to register my opposition to the Fulbright amendment, and I do so in full recognition of the purpose of the amendment, which I think should be clearly outlined.

A moment ago we decided to take out of the Senate committee bill controls over apartments and residential hotels in cities under 2,500,000 people. I can assure my colleagues that such action affects a good number of people in the city of Minneapolis, the city of St. Paul, the city of Duluth, and other cities in the State of Minnesota. I voted against the amendment on a voice vote, and I want it to be so known.

Likewise, in this particular instance let no one think the purpose of the pending amendment is to strengthen rent control. The purpose of the amendment is to weaken rent control. I believe I am as close to municipal problems as almost any Member of this body. I should like to remind Senators that neither the American Municipal Association, which represents the municipalities of this Nation, nor the United States Conference of Mayors, nor any other municipal association, is asking to have done what the amendment of the distinguished Senator from Arkansas calls for. These organizations and their membership who represent the municipalities know full well what the result of the amendment would be. They know, for example, what could happen where there is a city on one side of a State line and another city right across the State line, or a city right on a State line and another city on the other side of the line. There are two governors and two cities, and there could be a very unfortunate situation, if one city were decontrolled, with the approval of the governor. The other day council might perhaps vote for decontrol, so as to be in a good competitive situation, but the other governor might not approve. That situation might exist; that condition could come about.

I call to the attention of my distinguished colleague from Illinois that in Illinois there is the city of Moline, and I believe right across the line is the city of Davenport, Iowa. Let us assume that the city of Davenport decontrols, and that the Governor of Iowa approves. Let us assume that the City Council of Moline decontrols, but that the very distinguished Governor of Illinois—and I think he would exercise good judgment—would not approve. What would be the result?

This amendment is what I would call a definite attempt to thwart the intent of Congress in the field of rent control. I concur with the view expressed by the distinguished Senator from Florida [Mr. PEPPER] that if Congress does not have the courage to legislate rent control, let it retire from the field. If we do have the courage, let us legislate such control.

I should like to call to the attention of the Members of this honorable body what has happened in the House of Representatives. After they weakened the rent control program for the rest of the Nation, after they saw to it that the landlords of the rest of the Nation were going to have a little bit better opportunity, what did the House of Representatives do for the District of Columbia, where we live, where we rent, and where our families rent? The House of Representatives passed on to this body a strict District of Columbia rent-control bill. It applies to where we live, where we have to pay our rent. But when it comes to legislating for the rest of the country, the policy seems to be to let the tenant pay the bill and to weaken effective rent control.

I do not know how many Senators have had the real-estate lobby or the Property Owners Association after them. These groups were tough in 1945, they were a little tougher in 1946, but I speak of more recent experiences. In the years 1947 and 1948 the Property Owners Associations and the real-estate lobbies really began to feel their strength. I say in all reverence, may God pity the city councils and may God pity the mayors of all cities if the Fulbright amendment shall be agreed to. Rent control will become the plaything of local politics. Effective rent control can be destroyed by this amendment.

I appeal to Senators who are sincerely interested in fair rent control and who are not interested in being able to go home and just say, "We left it up to the localities." If Senators wish to leave it to the localities, then let us do that with all the rest of the Federal program. Let us have no more Federal grants-in-aid to the States. Let us deal directly with every municipality as to airports. I recall there was an amendment in the Federal Airports Act offered by the distinguished senior Senator from Maine [Mr. BREWSTER]. This amendment provided for Federal grants through States. Let us deal with every municipality in the case of hospitals. Let us not go to the State hospital board.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. HUMPHREY. Not at the moment. In other words, if we are to have in the Congress a policy of permitting local governments to deal directly with the Congress, let us establish a uniform policy and not a policy which permits us to crawl out of a political hotbox by saying to some folks at home, "If you don't want rent control, you can get rid of it." We should have the courage to stand up and say what we know to be the truth—we need rent control. I urge support for what has been proposed by the committee—this is a fair and moderate proposal. It is a compromise that cannot endure any more weakening proposals or amendments. It provides hearings. It provides opportunity for every aggrieved person to have his case stated at the hearing. It provides for action by the legislature of the State—which is the governing body. A municipality is nothing more or less than a creation—a child of the legislature, and in this instance I do not think it is right to leave it to the children to make the decision. It is about time to recognize that if we are to take rent control away from Congress the next step down is to the State legislature, and not down to the city level.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. FULBRIGHT], as modified, on page 43, line 16.

Mr. FULBRIGHT and other Senators called for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senators from Mississippi [Mr. EASTLAND and Mr. STENNIS] are absent on public business.

The Senator from Texas [Mr. JOHNSON], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Wyoming [Mr. HUNT] and the Senator from New York [Mr. WAGNER] are necessarily absent.

I announce further that if present the Senator from Wyoming [Mr. HUNT], the Senator from Oklahoma [Mr. THOMAS], and the Senator from New York [Mr. WAGNER] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN] is absent by leave of the Senate.

The Senator from Washington [Mr. CAIN] is absent by leave of the Senate and is paired with the Senator from Oregon [Mr. MORSE] who is necessarily absent. If present and voting, the Senator from Washington [Mr. CAIN] would vote "yea" and the Senator from Oregon [Mr. MORSE] would vote "nay."

The Senator from South Dakota [Mr. MUNDT] is absent by leave of the Senate and is paired with the Senator from Minnesota [Mr. THYE] who is absent by leave of the Senate. If present and voting, the Senator from South Dakota [Mr. MUNDT] would vote "yea" and the Senator from Minnesota [Mr. THYE] would vote "nay."

The Senator from New York [Mr. IVES] is absent on official business. If present and voting, the Senator from New York [Mr. IVES] would vote "nay."

The Senator from New Jersey [Mr. SMITH] is absent because of illness. If present and voting, the Senator from New Jersey [Mr. SMITH] would vote "nay."

The Senator from Nevada [Mr. MALONE] and the Senator from Kansas [Mr. REED] are necessarily absent.

The result was announced—yeas 45, nays 35, as follows:

YEAS—45

Brewster	Gurney	McFarland
Bricker	Hendrickson	McKellar
Bridges	Hickenlooper	Martin
Butler	Hoey	Millikin
Byrd	Holland	Robertson
Capehart	Jenner	Russell
Chapman	Johnson, Colo.	Schoeppel
Connally	Johnston, S. C.	Taft
Cordon	Kem	Tydings
Donnell	Kerr	Vandenberg
Ecton	Knowland	Watkins
Ferguson	Long	Wherry
Fulbright	McCarran	Wiley
George	McCarthy	Williams
Gillette	McClellan	Young

NAYS—35

Aiken	Kefauver	Neely
Anderson	Kilgore	O'Conor
Chavez	Langer	O'Mahoney
Douglas	Lodge	Pepper
Downey	Lucas	Saltonstall
Ellender	McGrath	Smith, Maine
Flanders	McMahon	Sparkman
Frear	Magnuson	Taylor
Green	Maybank	Thomas, Utah
Hayden	Miller	Tobey
Hill	Murray	Withers
Humphrey	Myers	

NOT VOTING—15

Baldwin	Johnson, Tex.	Smith, N. J.
Cain	Malone	Stennis
Eastland	Morse	Thomas, Okla.
Hunt	Mundt	Thye
Ives	Reed	Wagner

So Mr. FULBRIGHT'S amendment, as modified, was agreed to.

ANNOUNCEMENT AS TO PROGRAM

Mr. LUCAS. Mr. President, there are a number of amendments which will be submitted on tomorrow. I want to make the statement now, that when the Senate begins its session tomorrow we will stay in session until action on the bill is completed. We ought to be able to take care of all the amendments and pass the bill some time tomorrow.

I further wish to say that in a moment I shall move that the Senate proceed to consideration of executive business, and there may be a yea and nay vote on the nomination of James Boyd, of Colorado, to be Director of the Bureau of Mines.

Mr. MILLIKIN. Mr. President, I should like to ask the distinguished majority leader if, when the Senate proceeds to consideration of executive business, the nomination of James Boyd to be director of the Bureau of Mines, will be taken up?

Mr. LUCAS. That is my intention, I will say to the Senator from Colorado.

Mr. MILLIKIN. If that is the intention, I should like the Senator to know that I shall ask for a yea and nay vote on the nomination.

EXECUTIVE SESSION

Mr. LUCAS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. NEELY, from the Committee on the District of Columbia:

Milton S. Kronheim, Jr., of the District of Columbia, to be an associate judge of the municipal court for the District of Columbia, vice John P. McMahon, deceased.

The PRESIDING OFFICER (Mr. KERR in the chair). If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

INTERIOR DEPARTMENT—NOMINATION OF DR. JAMES BOYD

The Chief Clerk read the nomination of James Boyd to be Director of the Bureau of Mines.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to this nomination?

Mr. MILLIKIN. Mr. President, I am opposed to the confirmation of the nomination of Dr. Boyd. But I wish to say at once that he is not personally obnoxious to me. That is not my claim. The character and general professional qualifications of Dr. Boyd have been highly recommended, and I do not attack them.

Studious efforts have been made to misrepresent the reason for my opposition. The latest charge is that the Governor who appointed me to the Senate is an attorney for the United Mine Workers of America; that he has requested my opposition and that I am complying. I do not know whether my friend is an attorney for that organization, but I do know that he has never said a word to me about the matter one way or the other.

When Gov. Ralph Carr appointed me to the Senate, he placed but one injunction upon me. It was: "Call them as you see them." I have been doing that, and am doing it now.

Secretary of the Interior Krug made a public statement last fall that my opposition results from a political deal with John Lewis. If Secretary Krug said that on his own responsibility, he lied. If he said it on information, his informants lied. On the contrary, the head of the regional division of the United Mine Workers organization which includes Colorado asked me to oppose Dr. Boyd. But at the same time he stated frankly that in doing so he could not promise me political favors. Any Republican understanding the voting habits of the coal miners of Colorado would know that without being told. And I have been observing those habits for about 40 years.

Frankly I would not ask any Senator to vote against Dr. Boyd on the ground of passing political advantage. The tides of antipathy to Mr. Lewis are running high and emotion shouts that anythings he wants is bad and, therefore, anything that he does not want is good. It shouts that if you hate Lewis, you must love Boyd; if you oppose Boyd, surely you must love Lewis. It is an easy and for the time being a popular disposition of a question that goes much deeper.

In the spring of 1946 our country was tied up with a railroad strike. The people were incensed. The Congress was incensed. The leaders of the unions of the railroad workers were hated as much then as the leader of the United Mine Workers organization is hated at this time.

In that tense and clamorous atmosphere a joint session of the Congress was called by the President to deal with the situation. The President recommended that he be authorized to draft the striking railroad men into the armed forces of the United States.

A bill had been readied to serve that shameful purpose. Immediately after the President left the joint session, that bill was presented to the House and in a matter of minutes, under the grip of emotions that unbalanced many wise and stable men, it passed in that body by a vote of 306 to 13.

The same afternoon the bill was rushed to the Senate. The administration planned to pass it in this body before nightfall of that day. But there were men here who kept their balance, who did not bow to those exigent emotions of the moment, and that effort to degrade both the workingmen and the armed forces was defeated. Perhaps I have suggested a useful reminder.

I would no more oppose Dr. Boyd because Mr. Lewis opposes him than I would approve Dr. Boyd because of hatred for Mr. Lewis.

What is my objection to Dr. Boyd? It is uncomplicated and to me it is controlling.

I object to the confirmation of Dr. Boyd because the coal miners of Colorado, and I understand of other States, do not have confidence in him.

I have been told that they should have confidence in him and reasons have been advanced. But exercises in logic do not reduce mine hazards and they have no necessary relation to the miners' confidence or the lack of it.

For example, you might be presented with the finest of bank statements and you might be urged to put your money in a certain bank. But if you do not have confidence in the managers, you would not put your money there; and all the logic of the balance sheets falls before that simple fact.

It should be remembered that the central purpose for the establishment of the Bureau of Mines was to encourage better safety rules and practices in the mines of this country. True, that purpose has been somewhat obscured by the addition of many other activities.

But to the coal miner the central purpose remains; and he is not consoled by the Director's expertness in other fields which have come within the jurisdiction of the Bureau. He quite reasonably is thinking of his own safety and of the Director's expertness, or lack of it, in coal mining and in coal-mining safety problems. Dr. Boyd has admitted his lack of experience in coal-mining operations.

It is said that the Department is so large that the head of it cannot be expert

in everything; and that is true. It is said that if he delegates his many responsibilities to others who are qualified, that is the best that can be expected of him.

But the miner cannot delegate his hazards to others. The coal miner knows that Dr. Boyd is inexperienced in the coal mining end of his profession. Responsibility, credit, and blame attach to the man at the top. We look to the top commander, not to the lieutenants for top leadership.

The inspiration, the conception, and the content of safety rules and practices promulgated by the Bureau of Mines are the responsibility of the Director; and the impact of this plain fact cannot be avoided by any type of sophistry.

This is the importance of the matter of confidence or lack of it. If the coal miner does not have confidence in the man who has top responsibility, he will not pay any attention to his recommendations.

There are statistics for every purpose. There are statistics that injuries and deaths have decreased during the time that Dr. Boyd has been holding office without the warrant of the Senate. Other statistics indicate that they have increased. Of course, the hazards of the coal mine are affected and the symmetry of the graphs and statistics are at times badly distorted by the unforseeable and the unaccountable.

But this, it seems to me, is axiomatic: The miner will give more cooperation to the safety rules and practices proposed by a man in whom he has confidence than he will to the rules and practices proposed by a man in whom he has no confidence. The greater the confidence, the greater the safety-producing cooperation. As confidence is impaired, or if it does not exist, safety-producing cooperation will diminish or will not exist, and increases in injuries, deaths, and disasters are inevitable.

We are dealing with human values. We hear a lot about human values during campaigns. Men running for office will cave in their lungs beating their breasts emphasizing their proclaimed love of human values. Human values are to be put above dollar values, and the humble and the poor will receive the candidate's solicitous attention and helpful action.

Well, Mr. President, here we are dealing with human values in their most elemental and clearest form. I shall not add rhetorical blood to the blood that is on the coal. The grim facts speak for themselves and do not require such embellishments.

Go into any coal camp and you will find men who are old before their time. You will find men stooped and gnarled and twisted with the rheumatic diseases which are a part of that occupation. You will find men hacking away their lives trying to get air into lungs which have been eaten up with silicosis consumption. You will find legless men, armless men, burned and scarred men—all of these tragedies due to the high hazard of this unpleasant and unenvied occupation.

These men go down into the ground; and their health, their lives, and welfare, and that of their families, are tied up in the successful working of safety regulations and safety practices. They do not have confidence in Dr. Boyd, and that is why I am opposed to him.

The question, as I see it, is this: Is our hatred for John Lewis greater than our regard for the welfare of the coal miners?

Mr. BRICKER. Mr. President, I come from a State in which there are some 20 mining communities. I have experienced the hazards of coal mining. Many men are killed each year because of the failure of safety inspection in the mines of our country. I remember full well when some 60 men were killed in one mine explosion in Ohio a few years ago; and I know, too, of their fellow workmen who rushed into the mine at the time of the explosion, to try to help save their fellow workers, but a few hours later they themselves were carried from the mine, dead because of the lethal fumes which were in the mine. I attended the funeral of those men; it was a joint funeral.

Mr. President, I, for one, will go out of my way to see that every precaution is taken to make sure that those who go into the bowels of the earth, sometimes miles back from the entrance to the mine, are protected in every possible way.

Likewise from personal experience, Mr. President, I know that those who go into the mines are not difficult to satisfy in regard to the appointment of those who are connected with safety inspection. I had no trouble, while I was in executive office in my State, in satisfying them as to the appointment of inspectors who carried out the vital and important work of protecting the lives of the men who mine coal under the earth.

So in this vote I shall lean backwards to protect those who are engaged in a very hazardous occupation and an essential and necessary occupation for the welfare of our country. I shall vote with the distinguished Senator from Colorado [Mr. MILLIKIN] against the confirmation of this nomination.

Mr. O'MAHONEY. Mr. President, as Chairman of the Committee on Interior and Insular Affairs, which voted 10 to 1 to recommend the confirmation of the appointment of Dr. Boyd, I wish to say a few words about this matter.

I think there is no criticism at all of the character and ability of the nominee. Dr. Boyd was the dean of the faculty of the Colorado School of Mines. Before that, during the war he served as an officer in the Engineers; and in the office of the Under Secretary of War he held a very responsible position, reporting directly to the Secretary of War with respect to mineral supplies of all kinds. He is a competent mineralogist. He is not a coal miner; he has not had experience in operating coal mines. The record shows that none of his predecessors had such a record or experience; none of his predecessors was a coal miner.

I think it would be a great mistake if it were to be assumed, from anything which has been said here, that the responsibility for maintaining safety in the coal mines depends in any large degree upon the Director of the Bureau of Mines. It would be a terrible mistake if anyone were to draw the conclusion, from anything which is said here, that the Director of the Bureau of Mines has the instruments of law which would enable him to provide clearly and definitely for the safety of the coal miners of the United States.

During the last Congress, when I was then, as now, a member of the Committee on Interior and Insular Affairs, a great coal-mine disaster occurred at Centralia, Ill. It was one of the most terrible disasters in mining history, although not the most terrible. It took place on March 25, 1947, 18 days after Dr. Boyd had first been nominated for the position for which he is now before the Senate for consideration. Obviously, nothing that he could have done in those 18 days could have had anything to do with that disaster. It shocked the conscience of America. It shocked the conscience of the Senate of the United States; and a resolution was adopted upon this floor authorizing an immediate investigation.

That resolution resulted in the appointment of a subcommittee from the committee of which I am now chairman. The subcommittee consisted of the very distinguished and able Senator from Oregon [Mr. CORDON], as chairman of the subcommittee, and the other members of the subcommittee were Senator Dworshak, of Idaho, and myself. We went to Centralia; and, sitting day and night in the sessions which we held there, we investigated that disaster. We returned to the Senate and filed a report; it is Report No. 238, of the first session of the Eightieth Congress. I desire to read one sentence from page 13 of the report, which follows a discussion of what is necessary to provide and maintain safety in the mines and to encourage the production of coal. This is the sentence to which I direct the attention of the Members of the Senate:

> The first and most essential step is the enactment by Congress of legislation that will not only raise the standard of safety but give the Federal Government the power it now lacks to enforce that standard.

If disasters occur in the coal mines, the responsibility does not lie upon any Government official in the executive branch of the Government. It does not lie upon the Director of the Bureau of Mines. It lies directly upon the Congress of the United States, which to this hour, has not passed the sort of legislation which was recommended in this report. We have not made the safety standards effective. We have not given the Federal Government the sanctions to enforce safety standards.

Members of the Senate were very much disturbed by the report as well as by the facts of the Centralia coal mine disaster, and shortly thereafter a joint resolution was introduced in the Senate by my distinguished colleague, the former chairman of the Committee on Interior and Insular Affairs, the distinguished and able Senator from Nebraska [Mr. BUTLER]. It was Senate Joint Resolution 130 establishing a code for health and safety in bituminous-coal and lignite mines of the United States, the products of which regularly enter commerce or the operation of which substantially affect commerce. The joint resolution contained among other provisions section 2. I should like to read that section to Members of the Senate. Upon the basis of the

unanimous recommendation contained in the report submitted by the Senator from Oregon, this is what the Senator who introduced the joint resolution felt should be done by legislative action in order to provide a safety code that would be enforceable:

SEC. 2 (a). Whenever the Director or his duly authorized representative shall find that any person is violating the requirements of the Federal Mine Safety Code, as hereby adopted, in a manner creating a substantial hazard to life or safety, he may serve upon such person an order requiring compliance, either immediately or by a stated time, with the code in the respects and upon the conditions specified in the order.

Here was a proposal to give the Director of the Bureau of Mines the power to require compliance with the safety order.

SEC. 2 (b). Whenever the Director or his duly authorized representative shall find that there is a violation of the requirements of the Federal Mine Safety Code, as hereby adopted—

And the joint resolution undertook to adopt a Federal mine safety code—

which creates an imminent and serious danger to life or safety, he may serve upon the operator an order requiring the withdrawal of all miners from the unsafe area.

Here was a proposal by law to clothe the Director of the Bureau of Mines with the power and authority to order all miners out of an unsafe area or an unsafe mine.

Mr. TYDINGS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Wyoming yield?

Mr. O'MAHONEY. I yield to the Senator from Maryland.

Mr. TYDINGS. Without taking the slightest issue with the very worthy objectives of the joint resolution, I should like to ask the Senator, whether, as a result of his investigation, he feels the Federal Government has the power to engage in the undertaking of inspection to the extent he mentioned, or whether that is exclusively a State power? In asking the question I am seeking information and not taking any exceptions to the worthy objectives of the joint resolution. I should like to have the Senator's thought on it.

Mr. O'MAHONEY. I am very glad the Senator has raised that question, because I was about to come to it in a few moments. We are discussing whether we should vote to confirm the nomination of a competent and able man to be Director of the Bureau of Mines, upon the ground that there is a lack of confidence in his ability to enforce safety requirements. The constitutional question is not at issue. The issue is, does the Director of Mines, under the present law, have the necessary authority? So, section 2——

Mr. TYDINGS and Mr. MILLIKIN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Wyoming yield and if so, to whom?

Mr. O'MAHONEY. I yield first to the Senator from Maryland.

Mr. TYDINGS. I am not taking the slightest issue with what is before the Senate, but it is quite obvious that if the Chief of Inspectors, or Director, or whatever his title may be, does not have the authority to close unsafe mines, he should not be held responsible for such unsafe mines. In other words, he can only exercise the legal authority which the law confers on him. I did not want to distract the Senator from a discussion on the joint resolution, but inasmuch as he had raised the question, I was wondering in my own mind whether Congress had the power to enact such a law.

Mr. O'MAHONEY. I understood what the Senator had in mind, and I am not now discussing the joint resolution; I am undertaking to show the Senate what happened to it. I now yield to the Senator from Colorado.

Mr. MILLIKIN. I may ask the distinguished Senator whether at the present time the Bureau of Mines does not conduct extensive research in such matters as mine gas, water problems, timber problems, mechanical problems, and all other problems affecting safety in the mines?

Mr. O'MAHONEY. Oh, yes; the Bureau of Mines does.

Mr. MILLIKIN. It has the responsibility for it. Is it not a fact that at the present time the Bureau of Mines promulgates safety rules, recommends safety practices, takes them up with the State agencies having primary State authority, and attempts to secure cooperation?

Mr. O'MAHONEY. There is no doubt of it.

Mr. MILLIKIN. Is it not a fact the Bureau of Mines puts its own inspectors in the mines to discover unsafe conditions, and, when it finds them, reports such conditions to the States?

Mr. O'MAHONEY. I was about to come to that. That is quite true.

Mr. AIKEN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Wyoming yield?

Mr. O'MAHONEY. I yield to the Senator from Vermont.

Mr. AIKEN. The Senator from Wyoming is well aware of course that one of the principal functions of the Department of the Interior is to survey, develop, protect, and conserve the natural resources, with particular emphasis on mineral resources. In view of that fact, will the Senator agree that the regulation of working conditions, particularly the promulgation of rules for safety, so far as authorized by the Congress, does not properly belong in the Department of the Interior at all, but ought to be transferred to the Labor Department, where the matter could be handled more appropriately?

Mr. O'MAHONEY. I am not willing to accede to that suggestion.

Mr. AIKEN. Then, if I may ask one more question, will the Senator from Wyoming consider my first question as translated into a statement rather than a question, though it still has a question mark at the end of it?

Mr. O'MAHONEY. Very good.

Mr. President, I have recited two of the provisions of the joint resolution which was introduced by the Senator from Nebraska. A hearing was held on the bill, and representatives of the coal mining industry came from all parts of the United States to protest against the enactment of such a code.

The protest was based largely upon the contention that the enforcement of safety codes should be left to the States. This was the point which the Senator from Maryland raised. However, a bill was passed but not the joint resolution to which I have referred. The provisions which I have quoted were all stricken out and, instead, there was enacted the act of August 4, 1947, Public Law 328, of the Eightieth Congress, first session. This act, printed on one page, reduces the authority of the Director of the Bureau of Mines to conduct research, to make reports to Congress, and to make recommendations to the State authorities. It is not necessary that I should read it at this time, Mr. President. I think the point is already clear that the responsibility for safety in the coal mines of the United States rests not upon the Director of Mines, but upon the State authorities.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. MILLIKIN. I wonder if the Senator will permit me to emphasize again that the bill which the Senator has mentioned, which was passed last year, did not diminish any of the authority of the Bureau of Mines. The Bureau of Mines, I suggest, retains all the authority it previously had to go into the mines, to inspect them, and to promulgate safety rules and to endeavor to obtain the cooperation of the States in the matter; that it does so, that it conducts safety research, that it has a large organization devoted to that purpose, and it does have responsibility. Every one of the things I have suggested goes to safety in the mines.

Mr. O'MAHONEY. Yes, of course, there is no doubt about that.

Mr. MILLIKIN. May I suggest further, that the coal miners' viewpoint as to how those activities are being carried on goes to the confidence or lack of confidence in the head of that Bureau?

Mr. O'MAHONEY. I contend quite to the contrary, that the confidence of the miner, or his lack of confidence, goes to the conditions which exist in the State Bureau of Mines inspection, because the coal miner is not a "dumbell." I have been in many coal mines in my State and in other States, and I challenge Members of the Senate to find a more intelligent group of men anywhere than are those who constitute the coal miners of America. The coal miners know what is going on in the legislature. They know what safety provisions have been made for them. The United Mine Workers are now demanding additional legislation. The distinguished and able Senator from West Virginia [Mr. NEELY] has himself introduced a bill to this effect. The measure which we passed in the Congress, a watered-down version of the joint resolution introduced by the Senator from Nebraska, provided:

That whenever the Secretary of the Interior, acting through the Director of the Bureau of Mines or his duly authorized representative, shall, upon investigation or inspection of any coal mine, pursuant to the Act of May 7, 1941 (55 Stat. 177), find that

the safety standards, set forth in the Federal Mine Safety Code for Bituminous Coal and Lignite Mines of the United States, adopted pursuant to an agreement dated May 29, 1946, between the Secretary of the Interior, acting as Coal Mines Administrator, and the United Mine Workers of America, as published in 11 Federal Register 9017 (title 32, CFR, pt. 304, secs. 304.1–304.15), with respect to ventilation, rock-dusting, storage and use of explosives, roof and rib support, the use of water or water with a wetting agent or other means of dust control where mining operations raise an excessive amount of dust, and prevention of fires in the underground workings of the mines, are not being observed, he shall forthwith notify the owner and the operator of such mine and the State agency charged with the enforcement of safety measures in such mine of his findings and recommendations thereon, and request such owner, operator, and State agency severally to report to the Director of the Bureau of Mines the action taken with respect to said recommendations.

So, Mr. President, the responsibility rests not upon the Director, not upon the miners. The confidence of the miners has nothing to do with it. The responsibility rests upon the operators and the State enforcement agency. That is where the confidence is reposed.

We gave the Director of the Bureau of Mines authority to report his findings to the operators and to the State authorities. In section 2 (a) we provided:

SEC. 2. (a) The Secretary of the Interior, acting through the Director of the Bureau of Mines, shall, each 3 months, commencing September 1, 1947, report to the Congress of the United States with respect to the conditions of all bituminous-coal and lignite mines investigated or inspected during the period, all recommendations and notices to the State agencies, and action taken by such mine owners, operators, and State agencies with respect to his findings and recommendations.

So, therefore, we gave the power to recommend to the operators, to the State agencies, and to report to the Congress.

Finally, Mr. President, section 4 of the act of August 4, 1947, provides:

This act shall remain in effect for a period of 1 year from the date this act is approved.

So, Mr. President, Congress passed a law for a single year. The only legislation that came from the investigation of the Centralia disaster is no longer on the statute books.

Mr. President, I feel the record demonstrates that it is not a matter of confidence in Mr. Boyd on the part of the miners. Mr. Boyd is a distinguished, able, and capable official who will gain the confidence of the country. I submit that the recommendation of the Committee on Interior and Insular Affairs for the confirmation of the nomination of Mr. Boyd, which was made this year and in the last Congress by the same committee, should be adopted.

Mr. NEELY. Mr. President, West Virginia is the banner bituminous coal-producing State of the Union. It is deeply interested in preserving the life and limbs of those who work in the mines. Coal mining is the most hazardous of occupations. Casualties in coal mines are greater than those on fields of battle.

The tribute which the eminent Senator from Wyoming [Mr. O'MAHONEY] just paid the miners has my enthusiastic concurrence. As he correctly stated, they are highly intelligent. Consequently, they believe for example, that when they are sick they should be treated by one who has studied and practiced medicine; that when they have a case in court, their attorney should be one who has studied and practiced law. Similarly they believe that the head of the Federal Bureau of Mines who is charged with the duty of guarding their safety and promoting their welfare should be one who knows the theory of mining and has had practical experience in the hazardous business of digging coal. Such experience, Doctor Boyd, whose nomination is before us, has not had.

The duly chosen spokesmen for more than a hundred thousand West Virginia coal miners have urged me to vote against Doctor Boyd's confirmation on the grounds that the petitioners believe him to be unqualified for the office for which he has been nominated, and that his administration of the affairs of that office would increase the miners' peril and decrease their protection.

Since the miners lack confidence in the nominee they would be reluctant to obey his orders, accept his suggestions, or heed his advice. It would be as difficult for Dr. Boyd to obtain the wholehearted cooperation of the West Virginia miners as it would be for a leopard to change his spots.

Mr. President, my constituents, by a majority of more than a hundred thousand, having requested me to oppose the pending confirmation, I shall on the approaching roll call vote "no."

Mr. KILGORE. Mr. President, will my colleague yield?

Mr. NEELY. I yield to my distinguished colleague from West Virginia.

Mr. KILGORE. The Senator is no doubt aware that in the law specifying the qualifications for State inspectors under the Federal Bureau of Mines, there is a specified requirement of 5 years' practical experience.

Mr. NEELY. That is quite true, and consequently Dr. Boyd could not even qualify for appointment as a mine inspector.

Mr. MARTIN. Mr. President, I regret exceedingly taking any of the time of the Senate at this late hour, but I feel it to be my duty to speak in behalf of Dr. Boyd.

All the hard coal produced in this Nation is mined in Pennsylvania which is also the second State in the Union in the production of soft or bituminous coal. Since I was a very young man I have been interested in the safety of the mines of my own State and neighboring States. I have seen the casualty lists in Pennsylvania decrease from an extremely large number, until now we mine a million tons of coal without a fatality. Even during the stringency of the war the number gradually decreased.

If Dr. Boyd were required to go into the mines as inspector, I would not be willing to vote for his confirmation, but only about 15 percent of his work relates to the coal mines of the United States. The coal-mining business is so extensive in our country that we would not expect the Director to go down into the mines. That is done by experts. In Pennsylvania most of our inspectors are men of from 20 to 35 years' experience. I am for every possible means of safety not only in the mines of the Nation, but in all lines of endeavor. It is not only humane, but it is economically sound.

Mr. President, I feel that under the present laws, from a Federal standpoint, the Director of Mines could not do anything, even if he knew the work of the mines, when he went down into them. He can only suggest, and that work is carried out by the various States. From the standpoint of Pennsylvania I shall oppose a law which turns this work over to the Federal Government. I feel that it is a State responsibility.

Considering the fact that 85 percent of the work of Dr. Boyd will be largely research in oil and in other minerals, I feel he is the most proper man for the position of Director of the Bureau of Mines.

Mr. President, as a comparison, I may say that we do not select a surgeon or a doctor to head a hospital. We select an administrator to undertake that important task. From an investigtion of Dr. Boyd, I feel that he is most capable of filling the important position to which he has been appointed.

Mr. WATKINS. Mr. President, I am a member of the committee which heard the testimony about Dr. Boyd's qualifications. I represent a State in which many coal mines are located. There are also in Utah a large number of metal mines. I do not know the exact number, but I think there are as many metal miners as coal miners in Utah.

I am interested in the safety of both the metal miners and the coal miners. Some of my kinsmen have worked in coal mines for many years, some of them are working in them now in the State of Utah. I yield to no man in my sympathy for those who go down into the bowels of the earth and dig the coal and the minerals so much needed in our economy.

Mr. President, I listened to the testimony given by the representative of the United Mine Workers, Mr. Owen, the secretary-treasurer, and after he had given his testimony I asked him several questions. I asked him who in the Department took care of the mine-inspection work of the Bureau of Mines. It was finally called to his attention—he would not admit that he knew—that one Jack Forbes is the head of that division under Dr. Boyd, and that Jack Forbes is a man of 25 years' experience in coal mines. I think it was admitted also that he had been recommended for that position by the United Mine Workers' Union, and that he probably is a member of that union today, and has been for many years. I asked this man representing the union to point out one single thing that Dr. Boyd had failed to do as a part of his duty since he had been the head of the Bureau of Mines for about a year and a half. He could not name one thing, except to say that he had permitted some statistics to go out from the Department which were false and misleading. On the side of omission, I asked him to name one thing that Dr. Boyd had omitted to do. What had he omitted to do so as the Director of that

Bureau with respect to the conduct of the Department and the safety of mines and mine inspection. He could not name one thing.

Mr. President, I think in all fairness to the man whose nomination is before the Senate for confirmation, we should look into the record he has already made, rather than to depend upon someone who says he is not able to do this work simply because he has not worked in a coal mine.

It has already been pointed out that coal-mine inspection, the enforcement of the safety laws, is now in the control of the States, and not in the hands of the United States. Jack Forbes has had experience along those lines. The witness admitted that he had not been interfered with so far as he knew, that he had been permitted to do his job, that he had training, that he had experience.

Mr. President, I do not care who is finally named for this important position so long as he is generally competent and a loyal American. No matter who he is, he will have to have someone take charge of the Division of Coal Mine Inspection. He cannot do that job himself.

We have heard it said here that in the top level we should, of course, have someone who has had the necessary experience. Very well. Do we object to Mr. Krug, who is the head of the Department of the Interior, because he has not worked in coal mines? And if one wanted to go to the very top level, what about the President? Has he had any experience in coal mines? Somewhere down the line we have to place the responsibility on those who are to do the actual work. It seems to me it is only fair to say that Dr. Boyd, according to the record, has done a good job up to date.

When it comes to confidence or lack of confidence in Dr. Boyd, I do not know how we are going to find out just what the miners themselves think. I have received telegrams from the miners' union in my State objecting to Dr. Boyd, but I have received very few messages containing objections from the miners themselves. On the other hand, I have received many telegrams and letters urging confirmation of Dr. Boyd, from those in the metal mines, the owners of the mines, and others, who are responsible also for the safety of the mines.

I do not know of any who are more desirous, even from their own selfish standpoint, than are the owners of the mines themselves in seeing that safety regulations are enforced, and that gradually better practices shall be adopted. Be it remembered that if anything happens to the men working in the mines, by reason of the negligence of the owners, they—the owners—are responsible in heavy damages for what may occur. From their own selfish standpoint they are deeply interested in the enforcement of safety provisions, even if we do not give them any credit for having humanitarian sympathies.

I have a strong feeling that most of the coal miners in my State know very little about Dr. Boyd. So far as I know, they have had no objection to him until they were told by someone from the top that he was not satisfactory. I doubt very seriously that the coal miners and other miners in my State know anything about his record. If the appointment of Dr. Boyd should have been called to a vote of those men, most of them would have had to ask a large number of questions before they could have voted intelligently on the question. I am not impugning the intelligence of these men. They are intelligent men, but they are busy men. I think they would not have registered any objection from their own point of view unless somebody had told them that Dr. Boyd was not satisfactory.

I intend to vote for Dr. Boyd. I voted for him in committee. I think we should support him now. He has been in his present position for some time, and has made a good record while there.

Mr. CAPEHART. Mr. President, in Indiana there are 40,000 or more miners. I was born and grew up in the section of Indiana where the coal mines are located, and I still make my home there. I have not discussed this matter with John Lewis, and neither has he discussed it with me, because Mr. Lewis does not take up any matters with the senior Senator from Indiana.

I have discussed the matter, however, with many miners in Indiana, and they have discussed it with me. I believe I can safely say that the feeling is unanimous among the coal miners of the State of Indiana that Dr. Boyd should not be confirmed. I am not an expert on coal mines. I know nothing about them. But I believe that if all the coal miners in Indiana, of whom there are some 40,000, many of whom I know personally, since I grew up in that section of Indiana, should vote on the subject they would vote not to confirm him. I believe it is only fair that I should oppose in their behalf the nomination of Dr. Boyd.

Mr. MILLIKIN. Mr. President, on this question I ask for the yeas and nays.

Mr. WHERRY. Does the Senator feel that we should have a quorum call?

Mr. MILLIKIN. Yes; I am agreeable to that.

Mr. LUCAS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hoey	Miller
Anderson	Holland	Millikin
Brewster	Humphrey	Neely
Bricker	Jenner	O'Conor
Byrd	Johnson, Colo.	O'Mahoney
Capehart	Johnston, S. C.	Pepper
Chapman	Kefauver	Robertson
Chavez	Kem	Saltonstall
Connally	Kerr	Schoeppel
Cordon	Kilgore	Smith, Maine
Donnell	Knowland	Sparkman
Douglas	Langer	Taft
Ellender	Long	Taylor
Ferguson	Lucas	Thomas, Utah
Frear	McCarran	Vandenberg
Green	McFarland	Watkins
Gurney	McGrath	Wherry
Hayden	McKellar	Williams
Hendrickson	Magnuson	Withers
Hickenlooper	Martin	
Hill	Maybank	

Mr. CONNALLY. I announce that my colleague the junior Senator from Texas [Mr. JOHNSON] is absent by leave of the Senate because of illness.

The PRESIDING OFFICER. Sixty-one Senators have answered to their names. A quorum is present.

The question is, Will the Senate advise and consent to the nomination of James Boyd to be Director of the Bureau of Mines?

Mr. MILLIKIN, Mr. WHERRY, and other Senators requested the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. LUCAS. I announce that the Senator from California [Mr. DOWNEY], the Senators from Arkansas [Mr. FULBRIGHT and Mr. MCCLELLAN], the Senator from Georgia [Mr. GEORGE], the Senator from Iowa [Mr. GILLETTE], the Senator from Wyoming [Mr. HUNT], the Senator from Connecticut [Mr. MCMAHON], the Senator from Montana [Mr. MURRAY], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senators from Mississippi [Mr. EASTLAND and Mr. STENNIS] and the Senator from Pennsylvania [Mr. MYERS] are absent on public business.

The Senator from Texas [Mr. JOHNSON] is absent by leave of the Senate because of illness.

The Senator from Oklahoma [Mr. THOMAS] is absent by leave of the Senate.

I announce further that, if present and voting, the Senators from Arkansas [Mr. FULBRIGHT and Mr. MCCLELLAN], the Senator from Georgia [Mr. GEORGE], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN], the Senator from New York [Mr. IVES], the Senator from South Dakota [Mr. MUNDT], and the Senator from Minnesota [Mr. THYE] are absent by leave of the Senate. If present and voting, the Senator from South Dakota [Mr. MUNDT] would vote "yea."

The Senator from Nevada [Mr. MALONE] and the Senator from Kansas [Mr. REED] are necessarily absent.

The Senator from New Jersey [Mr. SMITH] is absent because of illness. If present and voting, the Senator from New Jersey [Mr. SMITH] would vote "yea."

The Senator from Washington [Mr. CAIN] is absent by leave of the Senate and is paired with the Senator from Oregon [Mr. MORSE]. If present and voting, the Senator from Washington [Mr. CAIN] would vote "nay" and the Senator from Oregon [Mr. MORSE] would vote "yea."

The senior Senator from New Hampshire [Mr. BRIDGES], the Senator from Nebraska [Mr. BUTLER], the Senator from Montana [Mr. ECTON], the Senator from Vermont [Mr. FLANDERS], the Senator from Massachusetts [Mr. LODGE], the junior Senator from Wisconsin [Mr. MCCARTHY], the junior Senator from New Hampshire [Mr. TOBEY], the senior Senator from Wisconsin [Mr. WILEY], and the Senator from North Dakota [Mr. YOUNG] are detained on official business.

The result was announced—yeas 50, nays 11, as follows:

YEAS—50

Aiken	Chapman	Cordon
Anderson	Chavez	Donnell
Byrd	Connally	Douglas

Ellender	Kem	O'Mahoney
Ferguson	Kerr	Pepper
Frear	Knowland	Robertson
Green	Long	Saltonstall
Gurney	Lucas	Smith, Maine
Hayden	McCarran	Sparkman
Hendrickson	McFarland	Taft
Hickenlooper	McGrath	Taylor
Hill	McKellar	Thomas, Utah
Hoey	Magnuson	Vandenberg
Holland	Martin	Watkins
Humphrey	Maybank	Williams
Johnston, S. C.	Miller	Withers
Kefauver	O'Conor	

NAYS—11

Brewster	Johnson, Colo.	Neely
Bricker	Kilgore	Schoeppel
Capehart	Langer	Wherry
Jenner	Millikin	

NOT VOTING—34

Baldwin	Ives	Russell
Bridges	Johnson, Tex.	Smith, N. J.
Butler	Lodge	Stennis
Cain	McCarthy	Thomas, Okla.
Downey	McClellan	Thye
Eastland	McMahon	Tobey
Ecton	Malone	Tydings
Flanders	Morse	Wagner
Fulbright	Mundt	Wiley
George	Murray	Young
Gillette	Myers	
Hunt	Reed	

So the nomination of James Boyd to be Director of the Bureau of Mines was confirmed.

Mr. RUSSELL subsequently said: Mr. President, I was unavoidably detained and unable to be present during the vote on the confirmation of the nomination of Mr. Boyd. I desire to have the RECORD show that had I been present and voting I would have voted in the affirmative.

Mr. LUCAS. Mr. President, I ask that the President be immediately notified of the confirmation of the nomination of James Boyd to be Director of the Bureau of Mines.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

The Clerk will proceed to state the remaining nominations on the calendar.

COMMISSIONER OF INDIAN AFFAIRS—NOMINATION PASSED OVER

The Chief Clerk read the nomination of John R. Nichols to be Commissioner of Indian Affairs.

Mr. LANGER. Mr. President, I ask that this nomination be passed over.

The PRESIDING OFFICER. Without objection, the nomination will be passed over.

UNITED STATES MARSHALS

The Chief Clerk read the nomination of Bernard Fitch to be United States marshal for the district of Connecticut.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Dimitre A. Batchoff to be United States marshal for the district of Montana.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

That completes the Executive Calendar.

Mr. LUCAS. Mr. President, I ask that the President be immediately notified of all nominations confirmed this day.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE PROGRAM—RECESS

Mr. LUCAS. Mr. President, I should like to repeat the announcement which I made earlier in the day, that we shall continue consideration of the rent-control bill, and hope to finish it tomorrow night. We shall have an evening session if necessary. Following that, we shall take up the ECA program.

As in legislative session, I now move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 27 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, March 23, 1949, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 22 (legislative day of March 18), 1949:

IN THE NAVY

The following-named officer for temporary appointment to the grade of rear admiral in the Civil Engineer Corps of the Navy:

Lewis N. Moeller

The following-named officer for temporary appointment to the grade of rear admiral in the Dental Corps of the Navy:

Robert S. Davis

The following-named officers for temporary appointment to the grade of captain in the line of the Navy:

George B. Chafee	Samuel D. Simpson
Frederick S. Hall	Bruce E. S. Trippensee
James A. Morrison	Wilfred A. Walter
William J. O'Brien	David L. Whelchel
Mell A. Peterson	

CONFIRMATIONS

Executive nominations confirmed by the Senate March 22 (legislative day of March 18), 1949:

DEPARTMENT OF THE INTERIOR

James Boyd to be Director of the Bureau of Mines, terminating recess appointment.

UNITED STATES MARSHALS

Bernard Fitch to be United States marshal for the district of Connecticut.

Dimitre A. Batchoff to be United States marshal for the district of Montana.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 22, 1949

The House met at 11 o'clock a. m.

The Very Reverend Vincent J. Flynn, Ph. D., president, the College of St. Thomas and St. Thomas Military Academy, St. Paul, Minn., offered the following prayer:

O God and Father, source of all power, all authority, all law, look down in Thy mercy, we beseech Thee, upon the deliberations of this House. Grant to its Members, we humbly pray Thee, the light to see clearly the issues before them, and the courage to solve them, in the best interest of Thy people and to the glory of Thy name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a bill and concurrent resolutions of the House of the following titles:

H. R. 253. An act to amend the act of June 25, 1938, relating to the appointment of postmasters under civil service.

H. Con. Res. 18. Concurrent resolution authorizing a reprint of Supplement III (Country Studies A, B, and C) of the report of the Subcommittee on National and International Movements of the Committee on Foreign Affairs, entitled "The Strategy and Tactics of World Communism" for the use of the Committee on Foreign Affairs.

H. Con. Res. 44. Concurrent resolution authorizing the printing of additional copies of House Document No. 401, Eightieth Congress, entitled "Fascism in Action."

The message also announced that the Senate insists upon its amendments to the bill (H. R. 2313) entitled "An act to suspend certain import taxes on copper," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GEORGE, Mr. CONNALLY, and Mr. MILLIKIN to be the conferees on the part of the Senate.

ARMY AND AIR FORCE ACT OF 1949

The SPEAKER. The unfinished business is the reading of the engrossed copy of the bill, H. R. 1437, to authorize the composition of the Army of the United States and the Air Force of the United States, and for other purposes, which was requested by the gentleman from New York [Mr. MARCANTONIO].

CALL OF THE HOUSE

Mr. VINSON. Mr. Speaker, I make the point of order a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 38]

Andersen, H. Carl	Gilmer	Noland
Battle	Gossett	Norton
Bland	Gwinn	O'Hara, Ill.
Blatnik	Herter	Plumley
Brown, Ohio	Jennings	Rodino
Bulwinkle	Jonas	Smith, Ohio
Burke	Jones, Mo.	Somers
Burton	Jones, N. C.	Stanley
Cole, Kans.	Kearns	Taylor
Davies, N. Y.	Lucas	Thomas, N. J.
Dawson	Lynch	Walsh
Deane	McSweeney	Whitaker
Dingell	Macy	White, Idaho
	Mansfield	Woodhouse

The SPEAKER. On this roll call 392 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

ARMY AND AIR FORCE ACT OF 1949

The SPEAKER. The Clerk will read the engrossed copy of the bill H. R. 1437.

Mr. VINSON. Mr. Speaker, I ask unanimous consent to dispense with the reading of the bill H. R. 1437.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. MARCANTONIO. Mr. Speaker, reserving the right to object, to propound a parliamentary inquiry.

The SPEAKER. The gentleman will state the parliamentary inquiry.

Mr. MARCANTONIO. Mr. Speaker, if the pending unanimous-consent request is granted and a motion to recommit is offered with an amendment, does the amendment have to follow the lines of the engrossed copy?

The SPEAKER. It should. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The SPEAKER. The question is on the passage of the bill.

Mr. MARCANTONIO. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MARCANTONIO. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MARCANTONIO moves to recommit H. R. 1437 to the Committee on Armed Services with instructions to report it back forthwith the following amendment: Page 9, line 5, after the word "authorized", strike out the period and insert the following: *"Provided,* That the Secretary of the Air Force shall not procure any material or articles authorized to be procured pursuant to this section 204 from any person, firm, partnership, or corporation which denies equality in employment because of race, color or creed."

Mr. VINSON. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. POWELL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 34, noes 253.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. VINSON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 395, nays 4, not voting 34, as follows:

[Roll No. 39]

YEAS—395

Abbitt	Blackney	Carlyle
Abernethy	Bland	Carnahan
Addonizio	Blatnik	Carroll
Albert	Boggs, Del.	Case, N. J.
Allen, Calif.	Boggs, La.	Case, S. Dak.
Allen, Ill.	Bolling	Chatham
Allen, La.	Bolton, Md.	Chelf
Anderson, Calif.	Bolton, Ohio	Chesney
Andresen, August H.	Bonner	Chiperfield
	Bosone	Christopher
Andrews	Boykin	Chudoff
Angell	Bramblett	Church
Arends	Breen	Clemente
Aspinall	Brehm	Clevenger
Auchincloss	Brooks	Coffey
Barden	Brown, Ga.	Cole, N. Y.
Baring	Bryson	Colmer
Barrett, Pa.	Buchanan	Combs
Barrett, Wyo.	Buckley, Ill.	Cooley
Bates, Ky.	Buckley, N. Y.	Cooper
Bates, Mass.	Burdick	Corbett
Beall	Burleson	Cotton
Beckworth	Burnside	Coudert
Bennett, Fla.	Byrne, N. Y.	Cox
Bennett, Mich.	Byrnes, Wis.	Crawford
Bentsen	Camp	Crook
Biemiller	Canfield	Crosser
Bishop	Cannon	Cunningham
Curtis	Jenison	Phillips, Tenn.
Dague	Jenkins	Pickett
Davenport	Jensen	Poage
Davis, Ga.	Johnson	Polk
Davis, Tenn.	Jones, Ala.	Potter
Davis, Wis.	Jones, N. C.	Poulson
Dawson	Judd	Preston
Deane	Karst	Price
DeGraffenried	Karsten	Priest
Delaney	Kean	Quinn
Denton	Kearney	Rabaut
D'Ewart	Kearns	Rains
Dingell	Keating	Ramsey
Dollinger	Kee	Rankin
Dolliver	Keefe	Redden
Dondero	Kelley	Reed, Ill.
Donohue	Kennedy	Reed, N. Y.
Doughton	Keogh	Rees
Douglas	Kerr	Regan
Doyle	Kilburn	Rhodes
Durham	Kilday	Ribicoff
Eaton	King	Rich
Eberharter	Kirwan	Richards
Elliott	Klein	Riehlman
Ellsworth	Kruse	Rivers
Elston	Kunkel	Rodino
Engel, Mich.	Lane	Rogers, Fla.
Engle, Calif.	Lanham	Rogers, Mass.
Evins	Larcade	Rooney
Fallon	Latham	Sadlak
Feighan	LeCompte	Sadowski
Fellows	LeFevre	St. George
Fenton	Lemke	Sanborn
Fernandez	Lesinski	Sasscer
Fisher	Lichtenwalter	Scott, Hardie
Flood	Lind	Scott, Hugh D., Jr.
Fogarty	Linehan	
Forand	Lodge	Scrivner
Ford	Lovre	Scudder
Frazier	Lyle	Secrest
Fugate	Lynch	Shafer
Fulton	McCarthy	Sheppard
Furcolo	McConnell	Short
Gamble	McCormack	Sikes
Garmatz	McCulloch	Simpson, Ill.
Gary	McDonough	Simpson, Pa.
Gathings	McGrath	Sims
Gavin	McGregor	Smathers
Gillette	McGuire	Smith, Kans.
Golden	McKinnon	Smith, Va.
Goodwin	McMillan, S. C.	Smith, Wis.
Gordon	McMillen, Ill.	Spence
Gore	Mack, Ill.	Staggers
Gorski, Ill.	Mack, Wash.	Steed
Gorski, N. Y.	Madden	Stefan
Gossett	Magee	Stigler
Graham	Mahon	Stockman
Granahan	Marsalis	Sullivan
Granger	Martin, Iowa	Sutton
Grant	Martin, Mass.	Taber
Green	Mason	Tackett
Gregory	Merrow	Talle
Gross	Meyer	Tauriello
Hagen	Michener	Teague
Hale	Miles	Thomas, Tex.
Hall, Edwin Arthur	Miller, Calif.	Thompson
	Miller, Md.	Thornberry
Hall, Leonard W.	Miller, Nebr.	Tollefson
	Mills	Trimble
Halleck	Mitchell	Underwood
Hand	Monroney	Van Zandt
Harden	Morgan	Velde
Hardy	Morris	Vinson
Hare	Morrison	Vorys
Harris	Morton	Vursell
Harrison	Moulder	Wadsworth
Hart	Multer	Wagner
Harvey	Murdock	Walsh
Havenner	Murphy	Walter
Hays, Ark.	Murray, Tenn.	Weichel
Hays, Ohio	Murray, Wis.	Welch, Calif.
Hébert	Nelson	Welch, Mo.
Hedrick	Nicholson	Werdel
Heffernan	Nixon	Wheeler
Heller	Norblad	White, Calif.
Herlong	Norrell	Whitten
Herter	O'Brien, Ill.	Whittington
Heselton	O'Brien, Mich.	Wickersham
Hill	O'Hara, Minn.	Wigglesworth
Hinshaw	O'Konski	Williams
Hobbs	O'Neill	Willis
Hoeven	O'Sullivan	Wilson, Ind.
Hoffman, Ill.	O'Toole	Wilson, Okla.
Holifield	Pace	Wilson, Tex.
Holmes	Passman	Winstead
Hope	Patman	Withrow
Horan	Patten	Wolcott
Howell	Patterson	Wolverton
Huber	Perkins	Wood
Hull	Peterson	Woodhouse
Irving	Pfeifer, Joseph L.	Woodruff
Jackson, Calif.		Worley
Jackson, Wash.	Pfeiffer, William L.	Yates
Jacobs		Young
James	Philbin	Zablocki
Javits	Phillips, Calif.	

NAYS—4

Celler	Marshall	Powell
Marcantonio		

NOT VOTING—34

Andersen, H. Carl	Gwinn	Plumley
	Hoffman, Mich.	Sabath
Bailey	Jennings	Smith, Ohio
Battle	Jonas	Somers
Brown, Ohio	Jones, Mo.	Stanley
Bulwinkle	Lucas	Taylor
Burke	McSweeney	Thomas, N. J.
Burton	Macy	Towe
Cavalcante	Mansfield	Whitaker
Cole, Kans.	Noland	White, Idaho
Davies, N. Y.	Norton	Wier
Gilmer	O'Hara, Ill.	

So the bill was passed.

The Clerk announced the following pairs:

General pairs until further notice:

Mr. Stanley with Mr. Brown of Ohio.
Mr. McSweeney with Mr. Macy.
Mr. Jones of Missouri with Mr. Towe.
Mr. Davies of New York with Mr. Gwinn.
Mr. Battle with Mr. Cole of Kansas.
Mrs. Norton with Mr. Jennings.
Mr. Somers with Mr. Jonas.
Mr. Whitaker with Mr. Taylor.
Mr. Mansfield with Mr. Plumley.
Mr. Noland with Mr. Smith of Ohio.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PENSIONS FOR VETERANS OF WORLD WAR I AND WORLD WAR II

Mr. RANKIN. Mr. Speaker, I call up the bill H. R. 2681, to provide pensions for veterans of World War I and World War II based on non-service-connected disability and attained age, and for other purposes, and move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate continue for 3 hours, the time to be equally divided and controlled by the gentlewoman from Massachusetts [Mrs. ROGERS], and myself.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. HUBER. Mr. Speaker, reserving the right to object, will there be a reasonable length of time given those who are opposed to this bill?

Mr. RANKIN. I may say to the gentleman from Ohio that it is my intention to yield half of my time to members on my committee who are opposed to the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Mississippi.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 2681, with Mr. GORE in the Chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

Mr. RANKIN. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, it is not my intention to regale the Committee with a long-drawn-out speech. Every Member knows what is before this body today.

This is a bill for the pensioning of those old veterans who have passed the age of their earning capacity. We are simply following in the footsteps of our predecessors. This was done after the Revolutionary War, after the Indian wars, after the War of 1812, after the War with Mexico, after the War Between the States and the Spanish-American War. The old veterans were given a reasonable pension after they had passed the age of their earning capacity.

The people of the Southern States did the same thing for the Confederate veterans, as best they could.

We have now reached the point when many of the old veterans of World War I have long since passed the age of their earning capacities, and therefore we have reported out this bill which would provide for them and also for the veterans of World War II who have reached the age of 65, a pension of $90 a month, the exact amount that is being paid to the Spanish-American veterans today.

From my viewpoint, I can see no reason why this measure should not pass. I know there are some people who want to throw these old men off on social security, which is just a sleight-of-hand way of passing them on to the poorhouse.

There are some people who want to put them under the State old-age assistance, which would leave a vast majority of them improperly cared for.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from New York.

Mr. COUDERT. I would like to ask the gentleman from Mississippi whether or not when the World War I bonus bill in the twenties was passed it was not then understood and represented that such a bill would be in lieu of any subsequent request for pensions; and, second——

Mr. RANKIN. Wait a minute, now. You have to take them one at a time. The answer to that question is emphatically "No."

Mr. COUDERT. And when the GI bill of rights was presented to Congress and acted upon recently, was it not then represented and understood that that would be in lieu of any subsequent request for pensions?

Mr. RANKIN. The answer to that is most emphatically "No." I will say to the gentleman from New York that two-thirds of the World War II veterans receive very little if anything under the GI bill of rights. A great many Members object to putting World War II veterans under this bill, but most the World War II veterans who would come in it were also in World War I.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Pennsylvania.

Mr. WALTER. How many World War II veterans would be eligible under this bill?

Mr. RANKIN. At the present time?

Mr. WALTER. Yes.

Mr. RANKIN. 5,300 in 1950.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Indiana.

Mr. HALLECK. The gentleman referred to similar treatment for veterans of wars before World War I. The gentleman did not refer to the Spanish-American War veterans.

Mr. RANKIN. Yes; I did.

Mr. HALLECK. I do not think the gentleman did.

Mr. RANKIN. Oh, yes. They are now drawing $90 a month pension, just what this bill provides for these old veterans.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I am a little confused when you start talking about the difference between World War I men and World War II men at 65. Is not a veteran at 65 as old at 65 whether he served in World War I or World War II?

Mr. RANKIN. Yes, and he is provided for in this bill. But, I will say to the gentleman from South Dakota that practically every man who is 65 years old who was in World War II, was also in World War I.

Mr. CASE of South Dakota. If there are World War II men who will be 65 in the next few years, is it not evident that they saw service at a later age in life than the 65-year-old men of World War I?

Mr. RANKIN. That is exactly the argument that has been advanced in support of this bill.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. RANKIN. Mr. Chairman, I yield myself five additional minutes.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield briefly further?

Mr. RANKIN. I yield.

Mr. CASE of South Dakota. My only thought in that connection was this: Members may be for this bill or may be against it, but if there is any justice in extending benefits to World War I men at 65, it seems to me that the World War II men are just as old at 65 and just as deserving if not more so. The average service in World War II was longer than in World War I.

Mr. RANKIN. They are taken care of in this measure.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Michigan.

Mr. DONDERO. I notice that the bill exempts only those who were discharged dishonorably. Would it include veterans who were discharged without honor?

Mr. RANKIN. Yes; let me say to the gentleman from Michigan that I think a great many Army officers went off at a tangent in issuing blue discharges. When you begin to punish those men who got blue discharges, who were not dishonorably discharged, you may get to the point where they will issue blue discharges to a majority of the veterans in the years to come.

Mr. HALLECK. If the gentleman will yield further, the gentleman has referred to previous action of the Government in voting pension bills for the veterans of preceding wars. Can the gentleman tell us what lapse of time there has been between the end of the war and the voting of the pension in respect to these other wars?

Mr. RANKIN. The gentleman from Louisiana has that information, but I will say it has not been as much as the time that has passed since the First World War. For instance, in 1921 Congress passed the Spanish-American War pension bill, 23 years after the war closed. The Civil War pension bill was passed I think 24 years after the war closed.

Mr. VAN ZANDT. Twenty years.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. May I ask if this includes the dollar-a-year men who were made lieutenant generals? I think the name of one of them was Knudsen, or something. He was made a lieutenant general, and he did not know how to do a squads right. Does he come under this bill?

Mr. RANKIN. I am not acquainted with the gentleman referred to. I cannot answer that question.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Kansas.

Mr. SCRIVNER. The gentleman from Missisippi will recall that there was quite a bit of discussion on the Readjustment Act about this discharge other than honorable. For one, I was opposed to it. I thought that in the Readjustment Act they should require an honorable discharge, but we were shown that there were many cases of miscarriage of justice and we provided that those could be cleared up by appeals and review boards. Now they have had ample time to take care of those appeals, therefore, under this law it would be my opinion, as one, that there is no longer any reason for this phrase "other than dishonorable," and that in this bill an honorable discharge should be required.

Mr. RANKIN. This is just exactly the same position Congress has taken with reference to veterans of other wars.

Mr. SCRIVNER. It is not. In all the rest of them except the Readjustment Act it required an honorable discharge.

Mr. RANKIN. The gentleman can go back and read the GI bill.

Mr. SCRIVNER. That is exactly what I was talking about.

Mr. RANKIN. The trouble is, in my opinion you are inviting in the years to come the discharge of a great many men with blue discharges who ought not to have that smear placed on them for life.

Mr. SCRIVNER. That is one reason we provided they could have these other than honorable discharges reviewed, but in a situation like this, with that remedy given to them, if they have not taken advantage of it they should not be included unless they have been honorably discharged.

Mr. RANKIN. I understand amendments will be offered covering this very point as soon as we finish general debate.

Mr. TEAGUE. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Texas.

Mr. TEAGUE. Is it not true there is a law on the books today under which some 130,000 World War I veterans receive a pension?

Mr. RANKIN. Compensation.

Mr. TEAGUE. Will the gentleman explain that?

Mr. RANKIN. They are non-service-connected.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, the general pension bill, H. R. 2681, as reported by the Committee on Veterans' Affairs on February 16, 1949, authorizes a pension of $90 per month for all veterans of World War I and World War II upon reaching the age of 65 years.

This is the sole requirement of the bill, other than that service must have been for a period of 90 days or more, and discharge must have been under conditions other than dishonorable.

In the case of a veteran who served less than 90 days he would be eligible if he was discharged for disability incurred in service in line of duty, or is receiving, or entitled to receive, compensation for service-connected disability.

Section 2 of the bill provides a pension of $120 per month for any veteran of these wars who because of age or physical disability is so helpless as to require the regular aid and attendance of another person. Incidentally, this is the same rate now paid to veterans of the Spanish-American War who are in need of aid and attendance.

There is a section in the bill, section 3, that raises the income limitations for widows and children of both wars. At the present time the limitations are $1,000 for a widow without a child, or a child only, or $2,500 in the case of a widow with a child or children. In the bill these income limitations are increased to $2,000 and $3,000, respectively.

For those veterans now on the Veterans' Administration rolls the pension, or increase in pension, would commence automatically, without the necessity of filing a new application, the first day of the second month following enactment of the law. Original awards would take effect from the date of application or the first day of the second month following approval, whichever is later.

Section 6 of the bill places widows of World War II upon the same basis as widows of World War I. At the present time, World War I widows receive non-service-connected pensions of $42 per month, based simply on service of their husbands. In the case of widows of World War II veterans, they must show at the time of death their husbands were rated as service-connected, but this does not mean that they must have died of a service-connected disability. This bill wipes out that requirement.

The bill would prevent the pyramiding of compensation, retirement, and pension, and permits the payment of but one of these awards at a time.

Mr. Chairman, this bill is not a perfect bill. I think very likely amendments will be offered that will vastly improve the bill. We certainly want to secure the passage of some legislation that will take care of at least those who need it—those who are 65 years old. This is following the custom of the past.

Mr. Chairman, I think we all recognize the need for helpful amendments to this bill. We are unanimous in our thought that the old and needy veteran must not be allowed to suffer the ignominy of charity. True, we have charitable institutions and organized relief for the indigent and helpless old people, but that is not the American way to treat our veterans. I am convinced in my mind that this House will accept this bill after certain changes have been made.

Mr. Chairman, I reserve the balance of my time, and now yield 10 minutes to the gentleman from New York [Mr. KEARNEY].

Mr. KEARNEY. Mr. Chairman, we have under discussion today a bill that means a tremendous amount of good or bad to our country and to our veterans. I do not, in the short time I have at my disposal, desire to criticize any member of the committee or any of the witnesses who came before our committee. But, speaking for myself, I say, and I say it in all sincerity, that the time spent in discussing this bill and the time that it took to report it out of committee in view of its importance and tremendous cost to the people of our country is a sad commentary on our action in the Committee on Veterans' Affairs.

Mr. TEAGUE. Mr. Chairman, will the gentleman yield?

Mr. KEARNEY. I yield.

Mr. TEAGUE. Is it not true that the members of the committee never saw this bill until the morning that it was reported?

Mr. KEARNEY. The gentleman is absolutely correct.

Mr. Chairman, the way the bill stands now I cannot, in all conscience, vote for it. I do not think there is any Member of the House who questions my attitude toward veterans' legislation. If this bill is amended—and I intend to offer several amendments to make it a good bill—then I will vote for it. If it is not properly amended I shall vote against the bill.

There has been some talk on the floor of the House already about that particular section of the bill on page 1 with reference to the eligibility clause. I intend to offer an amendment to make it mandatory that only those veterans holding an honorable discharge shall be eligible for pension under the terms of the bill. I want to call the attention of the House to these figures:

During World War I there were 10,250 dishonorable discharges from the Army and from the Air Forces. There were 24,260 other discharges, the so-called blue discharges, or those discharges for the good of the service.

From the Navy and Marines there were 3,552 dishonorable discharges and 8,889 bad-conduct discharges.

From 1941 through 1945, both years inclusive, the Army issued 22,211 dishonorable discharges and 55,728 blue discharges.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. KEARNEY. I yield.

Mr. WALTER. Has it not been the experience of the distinguished gentleman who has spent a great deal of his time in the service, that wherever the facts justified it, a discharge other than honorable was issued, rather than a dishonorable discharge.

Mr. KEARNEY. The gentleman is correct. I will say also to the gentleman that since the close of World War II under the review boards set up under Public Law 346 many thousands of these discharges have been corrected and the individuals have been given an honorable discharge. If I am correct in my understanding of the law, those review boards will run for a period of 15 years after the war.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. KEARNEY. I yield.

Mr. DONDERO. Is there any difference in percentage between the discharges in World War I, that is, the dishonorable discharges or discharges without honor, and the figures for World War II which you have just given us?

Mr. KEARNEY. I have not completed my figures on that.

Mr. DONDERO. I mean percentage-wise.

Mr. KEARNEY. I do not think I can answer that question without checking again the figures I have before me.

Mr. DONDERO. May I say to the gentleman that I followed his figures there and they are very nearly the same.

Mr. KEARNEY. The figure for dishonorable discharges that I have obtained from the Army only run to 1945. I call the attention of the House to the fact that in World War II the dishonorable, or bad-conduct discharges, or blue discharges, totaled in round numbers 119,000, and under the terms of this bill now under discussion those individuals are entitled to a pension from our Government.

May I call your attention to this, that under this bill you are going to give them a pension when, as a requisite for joining a veterans' organization, they must hold an honorable discharge. It does not seem fair to the people of this country that we are going to vote a pension to those who were dishonorably discharged, or discharged under conditions other than honorable.

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. KEARNEY. I yield.

Mr. CUNNINGHAM. Will the gentleman explain how the Army or the Navy arrive at the blue discharge? What is the procedure that is taken when a veteran gets a blue discharge?

Mr. KEARNEY. There are many ways that a soldier can get a blue discharge. He may get it after he has been inducted into the service for failure to meet certain physical qualifications. He may get a blue discharge, which follows the old discharge for the good of the service—I think it was under section

157½ of the Army regulations—he may obtain that discharge by being a consistent a. w. o. l. He may obtain a blue discharge for being one of the characters in the homosexual group. The bad-conduct discharge from the Navy, as I understand it, and also the discharge for the good of the service in the Army, in many cases were discharged under those particular discharges rather than to have the individual stand a general court martial and getting a dishonorable discharge after conviction.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. KEARNEY. I yield.

Mr. KEATING. Does the gentleman have any figures on the number of discharges which have been changed since the war, from a blue discharge or from a for-the-good-of-the-service discharge to an honorable discharge?

Mr. KEARNEY. Yes. Since the discharge review boards were set up in the Army and Navy Departments under the provisions of section 301, Public Law 346 of the Seventy-Eighth Congress, approximately 45,000 discharges were reviewed by those 301 boards. The Army reviewed 24,000. Of this number 5,000 were issued honorable discharges. And you must bear in mind that these figures that I obtained from the Army only go up to 1945. Since 1945 those review boards are still in being, and thousands of honorable discharges have been issued in lieu of the blue discharges, but we do not have the figures.

Mr. KEATING. Under your amendment anyone who held a blue discharge——

Mr. KEARNEY. Under my amendment any member of the service who is discharged under a blue discharge, a bad-conduct discharge, or a dishonorable discharge, who has had their case reviewed by the review board and received an honorable discharge, would then qualify under the provisions of my amendment.

Mr. KEATING. And he would qualify if he had his discharge later reviewed and it became honorable?

Mr. KEARNEY. That is true.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. KEARNEY. I yield.

Mr. VAN ZANDT. Is it not true that the veterans of World War I are still today having dishonorable discharges reviewed and in lieu thereof are being issued honorable discharges?

Mr. KEARNEY. The gentleman is correct.

Mr. DONDERO. Will the gentleman yield again?

Mr. KEARNEY. I yield.

Mr. DONDERO. Does your amendment provide for men who now hold blue discharges but who may receive an honorable discharge subsequent to the passage of this bill.

Mr. KEARNEY. Those people will be taken care of under the provisions of my amendment.

Mr. O'HARA of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. KEARNEY. I yield.

Mr. O'HARA of Minnesota. I agree with the gentleman's viewpoint, substantially, but particularly with reference to World War II, from some personal experience I have had with men who have received blue discharges, they were given very recklessly, in my opinion, from my experience with World War I. Of course, if the World War II veteran is eliminated from this bill by amendment, that problem is not so pressing upon us, but I do say that it bothers me considerably with reference to World War II blue discharges that were handed out very recklessly to say the least.

Mr. KEARNEY. I thank the gentleman from Minnesota.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield seven additional minutes to the gentleman from New York.

Mr. KEARNEY. Let me say also, that I also intend to offer a second amendment which will strike from the provisions of this bill veterans of World War II. I do this simply and solely for the reason that the average age of the veterans of World War II is 30, if I am not mistaken; and they will not be eligible to a pension under the terms of this bill as presently drawn until sometime in the year 1989 or 1990, and I cannot see for the life of me why this House at this time should legislate pensions for something that is going to take effect 35 or 40 years from now.

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. KEARNEY. I yield.

Mr. CUNNINGHAM. Is it not true that these so-called blue discharges were sometimes awarded on the decision of one officer alone?

Mr. KEARNEY. That is true.

Mr. CUNNINGHAM. That officer may be the company commander, and he may have taken that action simply because he did not like the attitude of the boy.

Mr. KEARNEY. That is correct. I may say to the gentleman from Iowa, these cases are being reviewed and the figures received from the War Department and the Navy Department show that upon review the many thousands of these men receive the honorable discharge.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. KEARNEY. I yield.

Mr. RANKIN. The gentleman from New York says he intends to offer two amendments. If these amendments are adopted will he be for the bill?

Mr. KEARNEY. I do not think you could say exactly that. I may say to my distinguished chairman, the gentleman from Mississippi, that if several other amendments to this bill are adopted, yes; I will vote for it; one will be the "needs" clause.

Mr. RANKIN. So if the two amendments the gentleman has mentioned and the "needs" clause are put in the bill, he will support it?

Mr. KEARNEY. I will not go even as far as to say that to my distinguished chairman. I think there are other amendments needed in the bill and that will be offered to the bill, one to reduce the amount.

Mr. RANKIN. Suppose we put that in also; would the gentleman then support the bill?

Mr. KEARNEY. That is one more argument in favor of the gentleman's bill; it is getting better all the time, I may say to the gentleman from Mississippi.

Mr. RANKIN. But the gentleman would not support the bill even then?

Mr. KEARNEY. No; I shall have to think it over some more.

Mr. RANKIN. I was afraid of that.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. KEARNEY. I yield.

Mr. VAN ZANDT. I think it is unfair to permit the statement of the gentleman from Iowa to remain in the RECORD without correction, where he said a blue discharge or a bad-conduct discharge could be issued by a single officer. That is not correct.

Mr. KEARNEY. I think it is.

Mr. VAN ZANDT. No; in the Navy it is not.

Mr. KEARNEY. I did not serve in the Navy.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. KEARNEY. I yield.

Mr. CHELF. I can say from my personal experience in World War II and my experience as a Member of Congress during which time many of these cases have been appealed to me, that the review board has handled them conscientiously and has taken a very, very fine attitude and a very helpful one. It has been my experience that wherever there was an iota of proof on the side of the boy he has been given every consideration and every break. That has been my experience, and I think that statement ought to go in the RECORD.

Mr. KEARNEY. I thank the gentleman for his contribution.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. KEARNEY. I yield.

Mr. JUDD. I wish the able and experienced gentleman from New York would state what is the basic philosophy underlying this bill; is it a philosophy of need or a philosophy of reward?

Mr. KEARNEY. Speaking for myself only, I do not believe that any man who serves his country in time of need deserves a reward; that is the obligation that all of us have as citizens, and that is why I shall support the amendment to base the pension on need.

Mr. JUDD. If the gentleman puts it on the basis of need, then should it not be opened to the blue-discharge veterans? They are chiefly those who even before they were drafted had difficulty in adjusting themselves to society, perhaps because of bad heredity or because of being unstable emotionally or because they were brought up on the wrong side of the tracks. Most of them never were and never will be able to handle themselves satisfactorily. If the gentleman bases his argument for pension on need, then those individuals ought to be included.

Mr. KEARNEY. I will not support a bill that puts on a parity those who received an honorable discharge for honorable service in the armed forces and those who were discharged under conditions other than honorable.

Mr. JUDD. Then the gentleman is putting it on a basis of reward or merit

rather than need. Both factors, of course, are in the picture all the way through, but I wanted to know which the gentleman considers to be the more important—the dominant consideration.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. KEARNEY. I yield.

Mr. JENSEN. If World War II veterans are taken out of this bill, leaving only World War I veterans to receive its benefits, most of these dishonorable discharges, or blue discharges, whatever they may be called, arising from World War I, have been reviewed. Most of them have received full consideration and justice by the review board. So there will be very few cases which would deserve a pension comparable to what this pension bill would allow to World War I veterans because of the fact that all of the cases have been reviewed—have been passed on—hence justice has been done in most every instance.

Mr. KEARNEY. I thank the gentleman from Iowa.

Mr. BATES of Masachusetts. Mr. Chairman, will the gentleman yield?

Mr. KEARNEY. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. If the philosophy behind the bill is that of need, is it not true that today a veteran 65 years of age and 10-percent disabled—unfit to follow his regular line of work—is entitled to $72 a month?

Mr. KEARNEY. About 10 percent; yes.

Mr. BATES of Massachusetts. It is quite obvious that any man arriving at the age of 65 who is at least 10-percent disabled is entitled to this. I do not know how it may be interpreted by the Veterans' Administration but if it is found, even though it is a non-service-connected disability, that he is 10-percent disabled and is unable to follow substantial gainful employment he is entitled to $72 a month?

Mr. KEARNEY. That is substantially correct.

Mr. BATES of Massachusetts. The disabled man in that regard then, the man in need, is taken care of by the veterans law?

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. KEARNEY. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I would like to bring out the fact that because of giving these men $60 a month if they are 65 and 10-percent disabled, not employable, it will, as a matter of fact, bring down the cost of this bill very materially.

Mr. KEARNEY. I may say also in closing that if my amendment on the eligibility clause is carried by the committee it will save approximately $120,000,000 a year and may I say further to my good friend the chairman of the Committee on Veterans' Affairs, the gentleman from Mississippi, in the spirit that I offer it, that if we have enough amendments on the floor to make the bill that the chairman of the Veterans' Committee has introduced a good one, I shall vote for it.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. KEARNEY. I yield to the gentleman from New York.

Mr. JAVITS. We take it then that the gentleman's point of view is that now is the time to pass a pension bill for World War I veterans if it can be made a fair bill?

Mr. KEARNEY. Yes.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. RANKIN. Mr. Chairman, I yield 13 minutes to the gentleman from Louisiana [Mr. ALLEN].

Mr. ALLEN of Louisiana. Mr. Chairman, in the brief time at my disposal I want to endeavor to cover two phases of the problem presented to us today and I hope that I may not be asked to yield until I have finished the statement which I want to make.

Someone asked a few minutes ago about the period of time intervening between the various wars and the inauguration of a pension system for the veterans of that particular war. I think that is a good question and it should be answered. I shall give the facts in that regard:

HISTORICAL DEVELOPMENT OF PENSIONS FOR VETERANS

THE REVOLUTIONARY WAR (APRIL 19, 1715, TO APRIL 11, 1783)

The first act to provide non-service-connected pension for veterans was enacted March 18, 1818, for veterans of the Revolutionary War. This was 35 years after the end of the war. In order for a veteran to be eligible, he must have served a minimum of 9 months. The pension was payable to those "who is, or hereafter, by reason of reduced circumstances in life, shall be in need of assistance from his country for support." The rate provided was $20 per month for commissioned officers and $8 per month for others.

The act of May 15, 1828, provided pensions for officers and soldiers without qualification as to property, but under certain other conditions, who served in the continental line of the Army to the end of the war. The pension amounted to their full pay in the line according to rank, not to exceed in any case the full pay of a captain.

The act of June 7, 1832, provided pension for services of 2 years or more during the War of the Revolution. This pension was also based on pay received in service, not exceeding the pay of captain. Those having less than 2 years, but not less than 6 months' service, were paid an amount bearing such proportion to the annuity granted to the same rank of the soldier's grade. Under this act, rates ranged from $20 per annum to $600 per annum, according to rank and length of service. The age factor was implied, but not specifically mentioned. The rates provided for in this act of June 7, 1832, were not increased by subsequent legislation.

WAR OF 1812 (JUNE 18, 1812, TO FEBRUARY 17, 1815)

The first service-pension law for veterans of the War of 1812 was enacted February 14, 1871, or 56 years after the end of the war. Generally, a pensioner must have had 60 days honorable service. The amount of pension was $8 per month.

The 60-day-service provision was reduced by an act of Congress on March 9, 1878, to 14 days' service or in any engagement and honorably discharged. The rate still remained at $8. The service pension rate of $8 per month for veterans of the War of 1812, under the act of February 14, 1871, was never increased. The period of service, however, was reduced from 60 days to 14 days. Although the age factor was not specifically mentioned, it was most surely implied.

MEXICAN WAR (APRIL 24, 1846, TO MAY 30, 1848)

The first service-pension law for Mexican War veterans was enacted January 29, 1887, or 39 years after the end of the war. This act provided pensions for 60 days' service, or in battle, or personally named in resolutions of Congress. This pension was payable when the veteran reached 62 years of age or for disability. This was the first pension law enacted in which age was specifically mentioned. The rate was $8 per month. This act was amended January 5, 1893, to provide $12 per month to certain survivors wholly disabled for manual labor and in such destitute circumstances that $8 per month "are insufficient to provide him with the necessities of life." The act was again amended on April 23, 1900, to provide $12 per month, "to all survivors wholly disabled for manual labor and destitute," and again March 3, 1903, to provide for $12 per month for all survivors. A further amendment, February 6, 1907, provided a pension of $12 per month at 62 years of age; $15 per month at 70 years of age; $20 per month when 75 years of age. The law was finally amended on July 3, 1926, to provide for $65 per month for survivors, regardless of age or disability, and $90 per month for survivors, if totally disabled or blind.

INDIAN WARS (JANUARY 1, 1817, TO DECEMBER 31, 1898)

While the Indian wars cover a period totaling 81 years from January 1, 1817, to December 31, 1898, the first Indian War Pension Act was passed July 27, 1892, to cover those participating in the wars from 1832 to 1842. This was 50 years after the end of the war. This act provided for pension of $8 per month for 30 days' service, or less, if named in resolutions by Congress. Subsequent acts provided for pensions for those who served from 1817 to 1858, 1855 to 1860, 1817 to 1860, 1859 to 1891, and 1817 to 1898. The length of time following each period of hostilities before pension legislation was enacted was as follows: 50, 44, 48, 53, 26, and 29 years, respectively.

The act of March 4, 1917, was the first act applicable to Indian war veterans that provided a pension based specifically on the age factor. This act provided for a pension of $20 per month at age 62. An act of March 3, 1927, which was applicable to all those serving between 1817 and 1898, or 29 years after the end of the war, provided for a pension of $20 to $50 per month, based upon disability, $20 per month age 62, $30 per month age 68, $40 per month age 72, $50 per month age 75. These rates including the age provision were again increased on August 25, 1937, March 3, 1944, and finally on January 19, 1948, the latter act providing a pension of $24 to $72

per month, based upon disability, $36 per month age 62, $72 per month age 65 or over, $120 per month for those helpless or blind requiring regular aid and attendant.

LAND GRANTS TO VETERANS OF REVOLUTION, MEXICAN WAR, WAR OF 1812, AND INDIAN WARS

In addition to pensions, land grants were also given to veterans who served in the Revolutionary War, War of 1812, the Mexican and Indian wars. In this connection, in the report of the Commissioner of Pensions for the year 1861, it was stated that at that time:

The whole number of acres of land granted for military service since the formation of our Government is 65,444,002. Estimated at the price of $1.25 an acre, the total value of this bounty is $81,930,002.50, a sum which wants but $7,956,357.15 to equal the whole amount of money paid in direct pensions from the commencement of the Revolution until now."

CIVIL WAR (MARCH 4, 1861, TO AUGUST 20, 1866)

The act of June 27, 1890, was the first act providing non-service-connected pensions for Civil War veterans. This was 24 years after the war ended and provided for pensions of $6 to $12 per month for veterans with 90 days' service who were honorably discharged, suffering from disability of a permanent character, not the result of vicious habits which so incapacitated him from performance of manual labor as to render him unable to earn a support. The act of February 6, 1907, 40 years after the war ended, provided for a pension of $12 at age 62, $15 at age 70, $20 at age 75.

Five years later, or 46 years after the end of the war, an act was passed providing for monthly pension based upon age and length of service. The minimum monthly pension was $13 per month age 62 for 90 days' service and the maximum was $16 for 3 years' service or more. The pension was increased from $13 and $16 to $15 and $19 at age 65; from $15 and $19 to $18 and $25 at age 70; from $18 and $25 to $21 and $30 at age 75.

There were other acts increasing rates until May 1, 1920, 54 years after the war, at which time a minimum monthly pension of $50 was granted, regardless of age or disability, and $72 per month if the veteran required regular aid and attendant.

July 3, 1926, the $50 award was increased to $65 and the $72 award to $90 per month. On June 9, 1930, the rate was again increased from $65 to $75 and from $90 to $100 for aid and attendant. Finally, on July 80, 1947, the rate was increased to $90 per month, regardless of age of disability and $120 per month for those requiring regular aid and attendant.

WAR WITH SPAIN (APRIL 21, 1898, TO APRIL 11, 1899); FILIPINO INSURRECTION (APRIL 12, 1899, TO JULY 4, 1902); CHINA RELIEF EXPEDITION (JUNE 16, 1900, TO OCTOBER 1, 1900)

The first provision for payment of pensions to veterans of the Spanish-American War group was the act of June 5, 1920, 18 years after the end of the war. This act provided for a pension of from $12 to $30 per month, based upon disability. Provision was also made for pensions based upon attained age, the rate being: $12 per month, age 62; $18 per month, age 68; $24 per month, age 72; $30 per month, age 75. To be eligible, the veteran must have had 90 days or more service, honorable discharge and suffering from disability of permanent character, not due to vicious habits which so incapacitate him from performance of manual labor as to render him unable to earn a support. The law was amended on June 2, 1930, or 28 years after the end of the war to provide pension for veterans with 70 days or more service, but at a lesser rate than that paid to veterans with 90 days' service.

The amount of monthly pension was increased on two occasions prior to March 20, 1933, at which time the payments were materially reduced, but restored by the act of August 13, 1935, to the full rate under laws in effect prior to the Economy Act on March 20, 1933.

The rate of pension for this group was increased from time to time until finally the act of July 30, 1947, established the following rates for those with 90 days' service or more: one-tenth disability—$28.80; one-fourth disability—$36; one-half disability—$50.40; three-fourths disability—$72; total disability—$90. Age 62—$43; age 65 and over—$90; aid and attendant—$120.

In summing up, we find that general pensions were provided 35 years after the end of the Revolutionary War; 56 years after the War of 1812; 39 years after the Mexican War; 26, 29, 44, 48, 50, and 53 years following the various periods of hostilities during the 81 years of Indian wars; 24 years after the Civil War; and 18 years after the Spanish-American War. We also find that pension payments to veterans have been based on the age factor—age 62 and over— throughout most of our pension history. While a needs clause was placed in acts in two instances, namely, the Revolutionary War and the Mexican War, it would appear that in both instances the needs clause was later eliminated.

In comparison with previous pension laws, it is now 31 years since the end of World War I and no provision has been made for the payment of pension based solely on age. Nor are payments made to veterans of World Wars I and II who are permanently and totally disabled wherein the income exceeds $1,000 per year for a single veteran and $2,500 per year for a veteran with a wife or child.

I submit that it is timely that we should have a pension for these men if we are going to have it at all.

But let us get some further facts. The average age of World War I men is now 56 years. By 1950 we will have 63,421 of them over 65 years of age; by 1951 we will have 75,623 over 65 years of age; by 1958 we will have 883,128 over 65 years of age; by 1964 we will have reached the peak year when we will have 1,999,927 over 65 years of age.

Therefore I say to you that we have all the precedent in the world for inaugurating pensions for World War I veterans at this time. As to World War II veterans, I will say that we now have some 5,300 who are 65 or over. A question was asked a while ago by somebody about World War II veterans. The committee figured that since the bill seeks to put pensions on an age basis, we might as well include the World War II men when they reach 65 years of age. However, that is a question for the House to pass on.

Now, then, Members of the House, this question resolves itself into the question as to whether we are going to turn our backs upon a precedent that is 131 years old; whether or not we are going to say to World War veterans, "Yes; our Nation voted pensions for the Revolutionary War, the War of 1812, for the Mexican War, the Civil War, and the Spanish-American War, right on down to this good hour, but you fellows who served in the World Wars cannot get it." Now, that is what you are being asked to decide today whether or not we will continue this precedent that is 131 years old.

If a man just wants to be against pensions, that is up to him, but I submit we have all the precedents in the world and if we now turn World War men down, if we turn them down today, be assured that that probably means the end of pensions for members of both World Wars; it probably means we will have no pensions for those who served their country in either World Wars.

I want to direct my remarks now to the type of opposition we are having to this bill, and I respectfully call the attention of the Members of this House who live in rural sections, who have farming communities and who represent nonindustrial communities. The opposition to this bill, if I have been reading the papers and noting correctly, is founded upon the proposition that we should now do away with pensions and that we should say to veterans, the men who have fought this last war, as well as World War I, that "we propose not to treat you as veterans have been treated in the past, but we propose to relegate you to a system of social security; we propose to give you no special benefit, no special consideration whatsoever." That is the theory of the opposition to this type of legislation. In other words, I think it is well known by everybody—make no mistake about it—I do not think there is a doubt in the world about it that the opposition to this bill is predicated upon the fact that they want to force everybody into social security and use the veterans as an entering wedge to increase the system.

Let me see where you men would be who are from rural sections, who represent rural sections, who represent farmer communities, who represent nonindustrial communities, as I do. Where would you be?

When the social-security laws went into effect in 1937, there were slightly over 4,000,000 living World War I veterans, and of this number about 40 percent were not covered by the law. The average age of World War I veterans in 1937 was 44 years. If a World War I veteran worked for 21 years or until he reached age 65 and earned $3,000 per year over the entire 21-year period, his annuity would amount to $48.40 per month at age 65. If his earnings average $2,000 per year over a 21-year period, the monthly annuity would be $38.32 at

age 65. If the social-security laws are amended this year to extend coverage to World War I veterans not now protected, their average age would be 56 years. This group, by working until they reach the age of 65 years at $3,000 per year, under the present pay-roll-deduction plan could build an annuity of only $43.60 per month. If the average earnings over the entire period of 9 years amounted to $2,000 per year, the monthly annuity would amount to only $34.52 per month. These figures were given by the Social Security Administration.

Now, let us assume that the proposed amendments to the social-security laws are passed and become law. Even in that case, the coverage will, at best, leave a great percent of World War I veterans with low benefits because they are reaching age 65 now and the number reaching age 65 will increase until 1964 when the peak is reached. According to tables submitted by the Bureau of the Budget, if a veteran with no dependents retired before 1963, with 12 years' coverage and his average monthly income was $100 for his best 5 years, he would receive only $46.20 per month. With dependent, he would receive only $69.30 per month. Under the veterans' pension bill, he would receive $90 per month in either case. Of course, if he had a higher income, under the proposed social-security plan, the benefits would be more, but our farm veterans and many other self-employed veterans would fall even short of the minimum coverage shown in this table.

My contention is that the social-security benefits are not now adequate and have never been adequate in the past. Also, I contend that even if the amendments proposed become law, they will not then be adequate to care for our veterans, and particularly of World War I. And in the South the average World War I veteran farmer will do well under the proposed changes to qualify for the lowest coverage available and which would net him only $25 to $37.50 per month. Under the present social-security laws the lowest coverage would net him only $10 to $15 per month.

To illustrate, in my home State of Louisiana, which is primarily an agricultural State, according to statistics from the Bureau of Agricultural Economics, the average farm income per farm from 1941 through 1945 (the highest consecutive 5 years available) was $1,157 per year. This is per-farm income, which means that when the income is reduced to the per-person income or per-veteran income, the figure would be much lower because on a great number of farms there is more than one breadwinner. You can readily see from the table submitted by the Bureau of the Budget that the farm veteran's income would be so small that his eventual retirement income would necessarily be small under the best social-security plan which has yet been advanced.

Some of your States are not unlike the State of Louisiana. In the State of Louisiana the average farm family—not the average farmer but the average farm family—received in 1929 a total of $737; in 1939 the average was $615; in 1940 the average was $546; in 1941 it was $631; in 1942 it was $982; in 1943 it was $1,436; in 1944 it was $1,350; and in 1945 it was $1,389.

Now this means per farm family. When you divide that up with several breadwinners in the farm family, what in the world will the average farm veteran get? He will get the minimum amount, or probably not over $25 per month under the social-security system even if he is brought under it. I give these figures, my good friends, to show you that those who are opposing this legislation are opposing something which would equalize pensions for veterans and equalize benefits for veterans. Social security would not equalize pensions. Under social security you would have one veteran in an industrial section getting a very nice annuity and another veteran in a nonindustrial section getting $25 or $26 per month. I do not think you want to do that. The only way you are going to be able to equalize this thing at all is to provide in this bill, or some modification of this bill, something to give all veterans the same thing. This is the one chance that this House and this Congress has to equalize pensions for men who fought for our country.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of Louisiana. I yield to the chairman of our committee.

Mr. RANKIN. I see in the papers, and I presume it is correct, that John L. Lewis' coal miners get $100 per month for life. Are they entitled to any more than these men who fought the war?

Mr. ALLEN of Louisiana. Certainly not.

Mr. Chairman, in conclusion, let me say that the issue is now squarely before you of whether you will keep pensions or whether you will do away with them. Make no mistake about it. That is the issue. It is not the amount involved so much; the big issue is whether we will keep pensions or whether we will forever do away with them.

The CHAIRMAN. The time of the gentleman from Louisiana [Mr. ALLEN] has expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield 8 minutes to the gentleman from Kansas [Mr. MEYER].

Mr. MEYER. Mr. Chairman and members of the Committee, since my election to Congress I have had, as a member of the Committee on Veterans' Affairs, a keen interest in the welfare of the service men and women of our country, and I have consistently voted for legislation affecting not only the servicemen themselves, but also their widows, orphans, and dependents. I want to state briefly but definitely that I favor the enactment of legislation at this time for the payment of service pensions to all honorably discharged veterans of World War I and World War II, in accordance with the rates set forth in H. R. 2681, commonly known as the Rankin bill, which is now before us.

There is nothing new in the suggested policy of providing pensions for veterans of the two great world wars. This policy of a grateful Government remembering the services rendered by its war veterans and helping them in their old age is as American as Bunker Hill, Gettysburg, or San Juan and has been adhered to through the years from the Revolutionary War down through the Civil War and the Spanish-American War.

Pursuant to this policy, existing law provides for the payment by the Federal Government of pensions, based upon attained age or nonservice disability, to certain veterans and their widows and children, for military service performed during wars in which the United States engaged prior to World War I. The Rankin bill simply would follow through on that traditional national policy for the services performed during the last two world wars.

Let me say here in answer to the charge that will be made that the expenditure involved is too great at this time, that it should be borne in mind that a great majority of World War II veterans will not have reached the eligible age of 65 years for possibly 30 to 40 years.

This measure before us, as was well stated by Mr. John Taylor, legislative director of the American Legion, when he appeared before the Committee on Veterans' Affairs, is "a milestone in the history of veterans' legislation and the most important thing on the legislative program in the agenda of the American Legion." The same feeling was voiced by the representatives of other veterans' organizations in their appearance before the committee. It is of special importance to the veterans of World War I, who have gone longer since the war was over without pensions than the veterans of any other war.

Let me say, Mr. Chairman, that I am not a subscriber to the feeling being voiced in some quarters that the veteran should be considered in the same category with all other citizens when in need of relief and assistance. Rather do I subscribe to the feeling voiced by Mr. Lyall T. Beggs, commander in chief of the Veterans of Foreign Wars, in his appearance before the Committee on Veterans' Affairs during the course of its hearings on this pension bill. Mr. Beggs had this to say, and I quote it here for the benefit of those who have not read the hearings:

> We have recently been disturbed over the growing tendency to minimize the importance of veterans as a distinguished segment of our population and the trend toward lessening the benefits applicable to veterans. The Executive order reducing a previously approved hospital-bed construction program came as a distinct shock and surprise to our members. We firmly believe that some bad advice has been furnished administration leaders, and we are hopeful that Congress will not agree that our veteran-benefit program, and particularly hospital and medical treatment, should be tapered off or lessened at this time. We cannot agree with the philosophy that war veterans who do not have a proven service-connected disability should be considered in the same category with all other citizens, and, when in need of relief and assistance, subject only to those general provisions which apply to all citizens who are in distress and in need of assistance. It has been the traditional policy of this Nation since our beginning to grant special consideration to our Nation's defenders as they become aged and ailing and in need of a helping hand. In keeping with the purpose and ideals of our organization, we shall continue

to insist that those who donned the uniform in defense of our country should continue to merit special consideration in their declining years or when misfortune strikes.

Mr. Chairman, that statement just quoted is, I think, sufficient answer to those who are trying to get legislation passed that will force the whole country under a program of social security which would mean that the old World War I veteran, when he passes the age of his earning capacity and has little or nothing on which to live, would have to seek refuge on the public assistance rolls.

The distinguished and patriotic chairman of the Committee on Veterans' Affairs, the gentleman from Mississippi, recently underscored the fact that the Director of the Budget stated that the costs of the expanded social-insurance system are expected to reach a peak of fifteen to sixteen billion dollars annually by 1990. And then, in proof of the inequities involved in the proposed extension of the program for broadened social security to veterans, Chairman RANKIN stated, and I quote:

That is many, many, many times as much as this pension bill could possibly cost, even at its peak. Remember that a large portion of that money is to come out of Federal revenues, and, as I said, the old soldiers, and especially the World War I veterans, would be practically left cut.

The CHAIRMAN. The time of the gentleman from Kansas [Mr. MEYER] has expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield the gentleman one additional minute, and I would like to make a statement.

Is it not true, insofar as social security is concerned, the veterans themselves pay for it; they pay as they work, so it is like an insurance that they pay for; it is a different proposition?

Mr. MEYER. I agree with the gentlewoman from Massachusetts.

Mr. Chairman, a large number of veterans, particularly of World War I, have reached the age of 65. For nearly all of them it is impossible to secure employment and earn a decent living. They have not been able to accumulate sufficient worldly goods to provide for their care during their old age. These are, as Mr. TAYLOR reminds us, the same men and women who were sent off to war to the accompaniment of martial music, the cheers of the populace ringing in their ears, and the promise and assurances that they would never be forgotten.

No, Mr. Chairman, I hold that the security of veterans in their old age is primarily the responsibility of the Federal Government. Certainly it is a much greater and far more deserving responsibility than the care and assistance granted to the people of a large number of foreign countries on which the United States has spent, is now spending, and will continue to spend, for an indefinite period, many, many billions of dollars.

In this connection let me quote here a signed letter to the editor that recently ran in the Washington Star. The writer, with tongue in cheek, states, and again I quote:

Representative RANKIN has introduced a bill to pay veterans of the First World War pensions. I wish to register in the Star my objections. Here they are:

1. Veterans all are American citizens.

2. About 150,000 were National Guard troops in 1916 on the Mexican border, supporting General Pershing's invasion. Privates were paid $15 a month. They should have saved their money.

3. We have to keep the Socialist government going in England.

4. More than two billions will be required to keep up the price of farm products so that the high cost of food may be maintained.

5. The Army engineers and the Reclamation Service need a few billions to bring more land under production so that there will be more money required to keep up prices on the food the people in the United States buy.

6. Money is required for projects in Africa for the British—for irrigation, roads, hospitals, dams, etc.

7. The 400,000,000 people of China are calling for aid from the United States taxpayers.

8. All South America is clamoring for United States dollars. They have been our friends and must have some of Santa Claus' bag.

9. Germany and Japan, our enemies a few years ago, must have help.

10. The last reason why the Rankin bill should not be allowed to pass is that it is against the policy of the United States Government. That policy is: Everything for everybody who is not a citizen of the United States.

FRANK J. MULKERN.

Mr. Chairman, I am convinced the overwhelming majority of our citizens believe the Government should fulfill its just obligations to our veterans. I believe they are convinced of the great need for this pension legislation to enable the country to fairly and adequately give our veterans the consideration and care which they have so nobly and courageously earned. I believe they feel that the country owes a debt to our war dead and to our disabled and aged veterans that can never be paid in full. I especially feel that they believe that the responsibility of our Government to the veteran holds first priority among all Government obligations and duties and that the enactment of this pension bill would be an expression of the Nation's appreciation of services rendered.

I hope, Mr. Chairman, this measure will pass.

Mr. RANKIN. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. HUBER].

Mr. HUBER. Mr. Chairman, in my opinion it is disgraceful that this so-called branch of the greatest legislative body in the world should be considering today this ill-conceived pension bill that was only considered by the great House Committee on Veterans' Affairs for less than 10 minutes. I challenge any member of the Veterans' Affairs Committee to rise and tell this body that he is for the bill as drafted, and voted to report it favorably in the committee. We must not allow superpatriotism to grant greater benefits to veterans than most of them have asked to receive.

It will be suggested that for those who are dissatisfied with this proposal that it may be amended. I submit to you that this is neither the time nor place to offer piecemeal amendments to a measure that will ultimately cost over $110,000,000,000. If 27 members of the Committee on Veterans' Affairs were not given the opportunity to perfect this bill, how in the name of common sense can 435 Members of the Committee of the Whole be expected to do so?

Historically there is justification for the payment of benefits to World War I veterans and I have on several occasions introduced legislation for this purpose. There is, however, no valid or compelling reason to include World War II veterans at this time. In fact, both of the major World War II veterans organizations have bitterly opposed pensions for their members.

On March 12, 1949, the AMVETS, World War II veterans' organization, declared its unequivocal opposition to the Rankin pension bill.

On March 12, 1949, the New York State commander of the AMVETS denounced as "grab legislation" a pending congressional bill to pay pensions to veterans of both World Wars.

On February 2, 1949, Harold A. Keats, national commander, AMVETS, testifying before the committee stated:

The AMVETS at their national convention did not go all out for pensions. The position that we have on that subject arose out of a prevalent feeling among the members that the theory of general-service pensions is just about washed up in America.

The Veterans of Foreign Wars have denounced the bill as "an abortion, pure and simple."

At the proper time I intend to offer amendments in the form of a substitute bill which will eliminate World War II veterans from the general-pension consideration, but will revise upward the present income limitations which apply to World War II veterans under the existing Part 3—Non-Service-Connected Disability Benefits, available to World War II veterans.

While these proposed amendments will increase the cost of the bill in the first few years of its operation over the pending Rankin bill, in the long run the cost will be considerably less because of the income limitations and the elimination of World War II veterans. The present bill, as drafted, permits veterans who have not received an honorable discharge to receive the benefits. My substitute will also require that only those honorably discharged shall be permitted to receive the benefits under this law. I sincerely hope that when offered these amendments will prevail, and that this body will not succumb to hysteria in the consideration of this vital matter.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. PHILLIPS].

Mr. PHILLIPS of Tennessee. Mr. Chairman, at the beginning of my remarks as a member of the Committee on Veterans' Affairs, I want to make a few brief observations. There have been times when I could not agree with some of the expressions on matters of public policy voiced by our distinguished chairman of the Committee on Veterans' Affairs, the gentleman from Mississippi. In looking over his record I find that he was the author of the bill to increase the pay of American soldiers in World War II,

and I also recognize the fact that he helped pass legislation for the readjustment of the veterans of World War II.

There have been considerable arguments and statements in the press of this country about the hasty manner in which the pending legislation was discussed and passed out of the Committee on Veterans' Affairs. I have here 184 pages of printed material, including statements from the American Legion through their authorized representatives, as well as the representatives of the Veterans of Foreign Wars and the Disabled Veterans. These great organizations representing more than 5,000,000 veterans have endorsed the main principles of a general service pension bill for World War I and World War II veterans. These fine and patriotic organizations are composed of veterans who are dedicated to preserving our Republic, and whose devotion to this country and its ideals and institutions cannot be questioned. Among these great bodies of patriots many have followed the Stars and Stripes all over the world. They have made whatever sacrifices their country and duty called for.

There is not anything complicated about H. R. 2681. It followed the usual and ordinary procedure that other bills have gone through before this Congress.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of Tennessee. I yield to the gentleman from Mississippi.

Mr. RANKIN. The 184 pages the gentleman is talking about consist of the testimony taken by the committee on this very issue?

Mr. PHILLIPS of Tennessee. On this issue, yes. It is true that some amendments were offered when the bill was finally considered, but I was present and know what happened and I should therefore like to clarify to the committee and to the people of America the fact that this bill has been thoroughly considered. It is simple. It has followed the usual and traditional American policy that has been pursued in the past in enacting legislation to do honor to the men and women who have given their lives and their fortunes in defense of this, the greatest Republic on earth.

War has cast a shadow over the lives and happiness of mankind from the beginning of civilization. Suffering, cold, heat, starvation, misery, and the destruction of billions of dollars' worth of property, together with the loss of millions of lives, and, in some places, the loss of human freedom has been the cost of armed conflict. In view of world-wide conditions, there is no proof at this time that humanity has learned to live in the same world without war. All through the history of our glorious Republic men and women have responded to their country's call. When our country has faced great national danger, the flower of the youth of this land have responded from village, farm, town, and city to build up the ranks of the armed services. Our armies, navies, air forces, marine corps, and nurses have never failed us in time of war. Let us not fail them now.

Under our Constitution the Congress has the power to declare war. There is no responsibility, and no power that is so far-reaching as the power of a legislative body to visit every home and set the machinery into operation to place free men and women into uniform. It is an honor and distinction to serve one's country. With that privilege, however, there goes the responsibility of a grateful Congress, and a great American public, the solemn duty to properly recognize and care for the aged and disabled veterans. There is also the number one responsibility to see that the disabled veterans, as well as the orphans, widows, and dependents of men and women who have worn the uniform with honor be given proper recognition and be properly taken care of consistent with their needs.

I am supporting this legislation because I think it is sound and constructive. The proposed service pension which we have under discussion to provide a service pension for veterans of World War I and World War II is not a new departure in Federal legislation. The legislation which has been reported out by your Committee on Veterans' Affairs is not a perfect piece of legislation, and I am sure that no member of the committee would make the claim that it could not be improved. I have been informed that a number of amendments will be offered here today for the improvement of this legislation. That method affords an opportunity for every Member of Congress to offer amendments, and to discuss the bill thoroughly before the final vote is taken. The essential feature of this bill provides for a pension of $90 per month when a veteran of World War I or World War II has reached the age of 65. This bill simply follows the ordinary plan that other pension bills have been based upon. All over this land teachers have a pension plan; railroad employees have a retirement plan; coal miners have a retirement system; civil service employees have their retirement system; industrial workers, who have met certain requirements, have the insurance and annuity plans of meeting the problems of old age and unemployment. One of the most unfortunate individuals in this day and time is the man or woman who has reached the age of 55 or 60 years and is in search of a job in modern industry. Under our present highly mechanized system of industry, it is becoming more difficult all the time for men and women above fifty to receive consideration for employment.

Mr. GOLDEN. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of Tennessee. I yield to the gentleman from Kentucky.

Mr. GOLDEN. Is it not a fact that many pension and retirement systems provide a pension at the age of 62, while this bill waits until the veterans are 65 years of age?

Mr. PHILLIPS of Tennessee. That is correct. I congratulate the gentleman from Kentucky for his fine contribution. I would like to say in this connection that Australia permits a pension to its veterans at the age of 60 upon a showing of unemployment or when the veteran can establish that he is in destitute circumstances. Our neighbor, Canada, pays a pension to its veterans when they have reached the age of 60 if the veterans can show that they are unemployable. I give these examples to show that there is justification for the lowering of the age limit. Personally, I would like to see the age limit lowered. It may be possible to amend this law from time to time so as to comply with the needs as based upon actual experience.

Mr. GOLDEN. Mr. Chairman, will the gentleman yield further?

Mr. PHILLIPS of Tennessee. I yield.

Mr. GOLDEN. Is it not a fact that several thousand World War I veterans are now dying every year and that we have to enact this legislation to give them an opportunity as soon as possible to participate in a pension?

Mr. PHILLIPS of Tennessee. I think that is exactly correct. I wish to thank the gentleman from Kentucky. It is true that thousands of World War I veterans are now dying every year. It has long been recognized as a part of the institutions of this great country never to allow any veteran who has worn the uniform in defense of this country to become a beggar, or a public charge, or to stand on the streets of this country destitute, and in his last days go on the relief rolls of a land which he helped to defend, and for which he was willing to die if necessary. I have visited the veterans' hospitals of this country, and viewed veterans of World War I and World War II with empty sleeves. I have seen the remains of a young American that before the great conflict was a young man filled with dreams of home and country, and now I do not propose when the shooting is over to leave them stranded on an island of despair. We are not doing anything here today except following a course of action where the trail was blazed as far back as 1789, when an act of Congress assumed the payments of pensions which had been granted by States, which was followed by pension bills for the veterans of the War of 1812, and the Indian Wars of 1892. The Mexican War, the Civil War, and the war with Spain brought about the passage of pension legislation.

It is true that pension legislation is expensive, and a great financial burden upon the economy of this country, but it is extremely difficult to turn aside from legislation which would benefit the defenders of this Republic and at the same time spend billions of dollars in an effort to rehabilitate people all over the world, millions of whom we fought in a struggle for the survival of liberty throughout the earth. I have often been asked how can this great country of ours place a higher priority on our enemies and upon other sections of the world than we do upon our own American boys. We are talking about the men and women that went out when our backs were against the wall and caused that torch of liberty to continue to shine when the lighthouses of liberty and hope have been snuffed out and denied to millions of people all over the world.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of Tennessee. I yield to the gentleman from Ohio.

Mr. BREHM. We have heard much talk in recent years regarding the forgotten man in America. It seems to me the forgotten man is the veteran of

World War I who has no service-connected disability, who is not totally and permanently disabled, and who has not yet reached an age at which he might participate in an aid-for-the-aged program, and yet is so physically disabled that he cannot secure employment because of either his age or his disability. What are we going to do with that man? I know dozens and dozens of such men in my congressional district who come within this category and surely they deserve some consideration. I trust that these men who gave so much for so little in order that America might remain free are taken care of by lowering the age under this bill to 55 or 60 at the most.

Mr. PHILLIPS of Tennessee. I agree with the gentleman, who has made a very fine statement.

In conclusion, Mr. Chairman, I would like to state that it may be well for this great body to go to the library and in the quietness read that great and inspiring poem, The Unknown Soldier, by Billy Rose, which to me is a true inspiration when considering the pending legislation.

THE UNKNOWN SOLDIER

There's a graveyard near the White House
Where the Unknown Soldier lies,
And the flowers there are sprinkled
With the tears from mother's eyes.

I stood there not so long ago
With roses for the brave,
And suddenly I heard a voice
Speak from out the grave:

"I am the Unknown Soldier,"
The spirit voice began,
"And I think I have the right
To ask some questions man to man.

"Are my buddies taken care of?
Was their victory so sweet?
Is that big reward you offered
Selling pencils on the street?

"Did they really win the freedom
They battled to achieve?
Do you still respect that Croix de Guerre
Above that empty sleeve?

"Does a gold star in the window
Now mean anything at all?
I wonder how my old girl feels
When she hears a bugle call.

"And that baby who sang
'Hello, Central, give me no-man's-land'—
Can they replace her daddy
With a military band?

"I wonder if the profiteers
Have satisfied their greed?
I wonder if a soldier's mother
Ever is in need?

"I wonder if the kings who planned it all
Are really satisfied?
They played their game of checkers
And eleven million died.

"I am the Unknown Soldier
And maybe I died in vain,
But if I were alive and my country called,
I'd do it all over again."

Mr. RANKIN. Mr. Chairman, I yield 27 minutes to the distinguished gentleman from Missouri [Mr. MAGEE].

Mr. MAGEE. Mr. Chairman, the question before us today is whether we shall depart from an historic and time-honored policy in this country—the policy of providing pensions to veterans who reached old age.

Let me say at the outset that I deplore the rather reckless statements that have been made that this bill was conceived in hate, vengeance and spite. As a new Member of Congress, it would hardly be my province to defend the gentleman from Mississippi who heads our committee; but several Members of this body who have been here for many years inform me that our chairman has always battled for the rights of veterans; that he has always lent an attentive ear to the plight of those who served our country and its institutions in time of national emergency. There may be those who question his judgment but certainly none can question his patriotism. It should also be remembered that the American Legion and VFW each had bills for consideration before our committee which went farther and which would have been more costly than this proposed legislation. Who, among you today, will say that the program of these two great service organizations was conceived in hate, vengeance, and spite?

I deplore again the wild and unsupported statements which have been made in the press and by individuals about the huge cost of this bill. If you will remember, it was at first stated that this legislation would cost from six to seven billions of dollars each year; but when the Veterans' Administration figured its probable cost, the estimate was that in the peak year of 1990 the cost would be less than $4,500,000,000, and that over the first 50 years the average cost would be about $2,000,000,000 per year.

When that estimate was made, no consideration was given to the present cost of old-age assistance. Today approximately 23 percent of all people in the United States of the age of 65 or over are now drawing this gratuity. The average payments are about $45 per month or one-half the amount specified in this bill. So from each billion of estimated cost of the present bill should be deducted approximately $115,000,000. But this is not all. In addition to that, there would be saved the administration costs. The veteran will automatically draw his payment. It will not be necessary for a staff of trained investigators to swoop down upon him each month for a detailed financial statement and a pauper's oath. I might also add here that the administration has urged that the old-age assistance payments be materially boosted. I think that this will be done, and I do know that out in the States many legislatures are now boosting these payments. All this will make a decided difference in the alleged added cost of this proposed legislation.

It should also be remembered that, under extension 5 of the rating schedule of the Veterans' Administration, any veteran who reaches the age of 65 with a 10-percent disability can now draw $72 per month, providing his income does not exceed $1,000 per year if single, or $2,500 per year in case he has dependents. I do not know just what criteria may have been used by the VA in figuring the cost of this pension; but I do believe its figures are too high. Certainly we must admit that any man or woman who reaches the age of 65 will have a 10-percent disability. The income limitation, therefore, is all that could keep the veteran from drawing $72 per month. My opinion is that the great majority of veterans will qualify; so, as to those veterans, this bill merely means the payment of $90 per month instead of $72 per month, or a difference of $18.

When this bill was considered in committee, the gentleman from New York [Mr. KEARNEY] proposed an amendment, the effect of which would exclude from the benefits of this bill those veterans holding a discharge without honor; that is, the so-called blue discharge. I opposed that amendment, which was defeated by only two votes. I opposed it because I know that many of those discharges were given without just cause. However, I want to say that I have since learned that a review board is considering those cases, and it is correcting those inequities. On a recent day, it reviewed 15 cases and three of that number were changed to honorable discharges. I am now ready to and will support the amendment if it is offered by the gentleman from New York. This one item can effect another substantial saving.

Another objection has been made to the bill in that it does not differentiate between the veteran who served 90 days and the veteran who served several years and that it does not differentiate between the veterans who remained in the United States and those who served in actual combat. May I say to you that men and women in the armed forces were not arbiters of their own destiny. They served where they were commanded to serve. In the First World War, I saw marines who had been in the service from 8 to 12 years who never got across. They were too valuable in the training program in this country. No two men saw identical service or suffered identical hardships. If we were to adopt the policy of differentiation, we would have to pass approximately 18,000,000 different laws to care for the veterans. In bonus legislation, the period of service can be taken into account; but in pension legislation, it must of necessity be a law which applies equally to all. There must be a dividing line somewhere and we have merely adopted the policy laid down years ago that those veterans who had at least 90 days of service would be eligible.

It has been said that we should only give to those in need. I strongly disagree with that thought. When you do this, you place our veterans in the position of receiving a dole. In fact, such an enactment would be a waste of the paper upon which it was written. He can already receive a dole at age 65 in the form of old-age assistance. What we seek to do is to allow these veterans to spend their old age in honor, dignity, and decency. You can never do that by sending him to a poorhouse, or an old folks' home, or by the payment of a dole.

Opponents of this legislation say that it would set the veteran apart from his fellow citizens. I lately read an article which had been inserted in the Appendix of the CONGRESSIONAL RECORD which was entitled "There Can Be Only One Kind of Americans." This article was an editorial which appeared in the San Francisco Chronicle last month. I quote a portion thereof:

The Legion has resolutely opposed statism in the many forms—Nazi, Communist, or whatever. Notwithstanding, this pension proposal is exactly up the alley of statism. It sets apart one group of Americans as deserving of arbitrarily assigned special privilege; it would make this group politically beholden to the Government for the maintenance of its special financial status, etc.

Of all the silly, inane, fallacious, and bleeding statements that have been made to discredit this bill, the above ought to win the prize. I hope we may later award to the editorial writer of the San Francisco Chronicle a pair of celluloid fire tongs. They ought to be as effective as his arguments. These men in wartime could be trusted with hand grenades and 155-millimeter howitzers. They could be trusted at the controls of a B–29 or a submarine, but at age 65 they cannot be trusted with $90 in their hands. No, if they had this much money to spend for food, clothing, medical care, and housing, they might set up some Fascist, Communist, or superstate.

Certainly this legislation will set the veteran apart from other citizens in this country, and why should it not? These opponents say that it is class legislation; that it is wrong to give added benefits to any one class of our citizens. Mr. Chairman, and members of the Committee, when the war clouds hung low, these young men were a special class, were they not? They were the cream of our young manhood. They were the salt of the earth. They were the defenders of democracy. Shall we say that the respect we gave them then and the glory that was theirs must diminish as old age creeps upon them?

Yes, they were a special class. They were a class of people who went forth to battle for the rights of humanity. They were the class who went forth to battle for democracy. They were a special class who were called upon to spend long, grueling hours in the training camps in this country and later, perhaps, to be used as cannon fodder, while those who remained at home could reap the harvest of quick and easy profits.

Mr. Chairman, if we are to have wars involving this country, I think we ought to draft wealth and industry just as we draft men to be soldiers. We ought to draft every able-bodied man in America and place him where his talents would serve best. We ought to draft every farmer and every farm, every munitions worker and every munitions plant, every factory worker and every factory plant. We ought to draft every person or thing that has productive capacity.

I say that we ought to, as nearly as possible, finance these wars as we go. The lawyer, the doctor, the grocer, the baker, and candlestick maker should all get the same pay in wartime. In my judgment, the private and officer should receive the same pay. Yes, even Members of Congress. If this happened, it might destroy some of the incentive that certain people have for war. It might even allow us to escape some wars; but assume that it did not. We would at least all be contributing more equally to the war effort, and there would not be the argument which now exists for bonuses and pensions to those who actually bore arms.

Mr. Chairman and members of the Committee, it is my sincere judgment that so long as we pursue our present policy of taking our choice manhood and drafting them into the armed services at a mere pittance, while those who remain at home are free to make all the money the traffic will bear, then just so long will it be our duty to vote bonuses and pensions for our veterans.

It has been further said: "We must not forget the men who were on the home front. They are just as much entitled to consideration as are the veterans. Many of them made great contributions to the war effort." Well, let us see about the home-front boys. I know of one person in a small town who had a 10-by-12 hamburger joint when the war started. At the end of the war that individual was worth more than $50,000. What about the home-front boys in the munitions plants? They made from $20 to $30 per day. That was a great sacrifice, was it not? Yes, I have heard farmers talk about their great contribution to the war effort. I do not speak disparagingly of the farmers. I own the farm upon which I was born, and following the First World War I homesteaded in Wyoming. But I have heard them brag about the long hours they put in to raise hogs, and cattle, and chickens, and grain so that the boys at the front could be well fed. If you can recall the prices they received for those products, you will agree that they were pretty well paid for the sacrifice which they made. Certainly their profits ran considerably higher than the $50 per month which our soldiers received.

There are those who say that the veterans themselves will pay this bill. If this be true, then why all the hysteria? My investigation reveals that in my section of Missouri some 95 percent of the veterans favor this bill. In fact, the three letters of criticism which I have received complain that this bill does not go as far as the Legion and VFW bills. If the veterans are paying for their own pensions, no one else should object. However, sensible people realize that veterans will not foot this bill. They will only pay a proportionate part thereof. The major part of this expense will be borne by some multimillionaires and some of the prosperous gentlemen who were made rich by this war. It will be paid in great part by those who waxed fat while the doughboy was made lean in tramping the rough terrain in training maneuvers and on a hundred battlefields in actual combat. I do not believe that a large percent of our veterans are heavy income taxpayers. These boys had no chance for the big money.

There are those who say that the passage of this bill will strain our national economy. There are those who say it will entail a severe and back-breaking tax burden. Mr. Chairman, in the peak year of 1990 this bill will not cost the American taxpayers as much as we are spending this year to rehabilitate Europe and build up those countries who were our enemies in the late war. I say to you that any nation which can spend billions of dollars to raise the standard of living in Europe can spend an equal amount to insure that our veterans may spend their declining days in dignity and decency. I say to you that if we can spend billions to build up those nations who were our enemies in the late war and to make strong again those inhabitants who tried to strike down democracy in the world, we can spend an equal amount to insure security for those men and women who served our country in its hour of need. I would rather be taxed 50 cents out of every dollar which I am now making or which I will make in the future than to see one veteran in this country be in want. I would rather be taxed until it hurts than to see one defender of his country be buried in a pauper's grave.

I say to you, Mr. Chairman and members of this Committee, that the failure to pass this legislation will be the greatest blow to patriotism this country has ever known. If we break faith with these men, we shall have forsaken the long and time-honored policy of this country. We shall be saying to the young prospective soldier of tomorrow: "We will use you when you are young and fit, when you are strong and bold. We will place you in our armies to fight our battles while the rest of us remain at home and receive lush profits from the war and then upon your return we shall expect you to get along as best you can."

Some days ago I read about a group of nonveteran civil-service employees who had formed an organization to protect their alleged rights as against the encroachment of the veterans. Here is a group of men and women who lolled in the safety and security of a civil-service position while these boys were fighting to keep free government a going concern. Yet these home-front folks now band together to make certain that no veteran shall stake a claim on their holy reservation. I only say to them: "Shame upon shame."

Mr. Chairman, there have been many instances when the rights of veterans have been trampled upon. If we are to be fair with them, if we are to give them security in their old age, let us pass no flimsy legislation. Let us pass no halfway measures. Let us have no needs clause that can be argued and bandied about; or no payments dependent on physical condition that give doctors something to quibble about. Let us pass a measure that means something more than double-talk. It has been said that the consideration of this proposed legislation is premature; that we are trying to broaden the social-security program and that in time we can envelop all the veterans in that. My answer to that is that fully a third of the veterans are from the farms. This class has never been covered and probably never will be. Even if they could be covered immediately, most of the World War I veterans would have no time to qualify for more than a mere pittance; and many could not qualify at all.

Today, many of the older veterans are in a sorrowful situation. Many of them have reached the age where their services are no longer desired. It is too late

in life for them to get started in any business of their own. They have passed the age when they might hope to get credit and start any business of their own. Social security can never be the answer to these men who have reached or are fast approaching old age. For them it is either a pension or old-age assistance. May I say again that I do not want any veteran in this country to be forced on direct relief or public assistance in that manner. They deserve better.

I know that some of the young veterans in this Congress have said and perhaps will say on the floor today: "Patriotism is not a thing that can be bought or can be paid for. My country owes me nothing because I happened to be in the service. So long as I received no injuries, I do not consider that I am any better than the man who did not go in." Of course when one is basking in the sunshine of success and holding a position of honor at $15,000 per year, it is just a little difficult to understand the plight of the aged veteran. Flushed with victory, we cannot always sympathize with defeat.

In the First World War I volunteered in the Navy as an apprentice seaman. I was too young for the draft. Some 25 years later I volunteered as a private in the Army when too old to have been drafted. My patriotism was not for sale in either instance—when I quit the university for $28 per month or quit a law practice for $50 per month. I hope that it may never be necessary for me to apply for any pension, if a pension law be passed. But I can frankly say to you that should adversity hit me and I did need help, I would feel that my Government was not playing the game quite fairly with me or my comrades if we were forced to take public assistance. The German population that were our enemies in two World Wars are now receiving a dole. God forbid that the veterans of this country, in their old age, shall be placed in the same class.

Mr. HUBER. Mr. Chairman, will the gentleman yield?

Mr. MAGEE. I yield to the gentleman.

Mr. HUBER. Does the gentleman approve of the bill in its present form?

Mr. MAGEE. I do, with the exception of the amendment which the gentleman from New York [Mr. KEARNEY] I hope will submit.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. MAGEE. I yield to the gentleman from Mississippi.

Mr. RANKIN. The Japanese, who were our enemies in this war, are now being fed by the United States Government.

Mr. MAGEE. The gentleman is very correct, and it is costing us more than this bill will cost.

Mr. RANKIN. It is costing us $400,000,000 a year.

Mr. MAGEE. I remember during the dim, dark days of the First World War when General Haig, with the bluntness of a soldier, said: "We are fighting with our backs to the wall." France clung, like a drowning man, to the Rock of Verdun; and Lloyd George, in the agony of despair, cried out: "It's a race between Wilson and Hindenburg." America answered that call and 4,000,000 of her choicest manhood left home and friends for the cruel reality of war.

I can see them now—Catholic boy and Protestant boy marched side by side; Democratic boy and Republican boy shouldered their guns together; rich boy and poor boy drank from the same canteen; white boy and black boy, Jew and Gentile, suffered the same hardships. I see them on lonely vigil at the edge of no man's land. I see them in the dugout or standing knee deep in the mire. I see them charge across the top into the valley of the shadow of death, under a sky emblazoned by a thousand bursting bombs.

We won the war but somehow we lost the peace. The events that followed are too clear in the minds of all of us to reiterate here. Suffice it to say that the time came when autocracy again bared its snarling fangs. A crisis was upon us. Before us stood the most powerful military autocracy the world had ever seen, sword drawn and torch lit, threatening the conquest of the world.

Our Army was merely a corporal's guard but it began expanding. Instead of hundreds it became thousands. Instead of thousands, it became millions, 3, 6, 9, 12, and finally 14.

They were boys, but they are men now—men seasoned by long grueling training in the army camps of our country; men seasoned by long miles of ocean passage; men seasoned in the narrow confines of a B–17 miles above the earth's surface; men seasoned in the narrow confines of a submarine miles below the sea's surface; men seasoned by the dash across the English Channel as they gained a foothold on the beach at Normandy; men seasoned by a hundred atolls of the South Pacific, on the frozen wastes of Attu or the hot sands of Africa; men seasoned on the coral reefs of Kwajalein and Iwo Jima; men seasoned and then broken on the death march at Bataan. Let no man tell me they are not a special class. Let no man tell me that age can dim their luster and the magnanimity of their heroic deeds. Let no man tell me that the world is not better for their life and service. Even though war come in another generation—yes; even though it come in a decade; yet have they given us liberty that long. So long as men enjoy freedom, so long as men remember valor, so long as men know that the torch of liberty has been carried by the soldiers of a thousand wars, so long shall we remember them.

Mr. KEARNEY. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. DAVIS].

Mr. DAVIS of Wisconsin. Mr. Chairman, the problem of veterans pensions cannot be solved by floods of emotionalism, and I hope that the Members of the House will give the bill very serious consideration. They have every right to expect a committee which has charge of a bill of this kind to give the same serious consideration as they would to any measure which is not subject to such a flood. The issue before this Congress is not are we for or against the veterans, and your vote on this measure cannot fairly be interpreted as a vote for or against the veterans. We must deal with this measure in accordance with its words and not in accordance with the emotionalism that might be inspired.

Anyone who thinks seriously must realize that there are several very real and very grave reservations that must be made by anyone in the consideration of this proposal. I have grave reservations about this bill, first of all, because I believe that it can seriously jeopardize the present program for the veterans of this country. Many of you who are sitting in these seats are responsible for the program to aid and rehabilitate the veterans of World War II. Next year there will be appropriations in the neighborhood of $7,000,000,000 for that program. I cannot help but wonder, if we are to pile on top of an already expensive program appropriations that will amount to several billion dollars a year before this bill has run its course, if we will not be placing too heavy a burden upon the taxpayers of this country and thereby be encouraging the kind of thing that happened in the Economy Act of 1933. I cannot help but wonder if people will not interpret that in a sense that will cause a reaction to set in and to hurt the veterans rather than to help them.

The argument has been made that last year a great many of us voted for the European recovery program. We are willing to spend billions abroad but we are not willing to spend billions at home. Let me remind you that we are doing something with this bill that we did not do with the European recovery program. We set up special committees within the executive branch of the Government to study ERP. This Congress established a committee under the able leadership of the gentleman from Massachusetts [Mr. HERTER] to inform the Congress, to let us know the implications of what we were doing. Nothing has been done to inform the Congress or to inform the committee of implications of the act you are asked to perform here today.

Secondly, I have grave reservations regarding this bill because I believe it speaks of a false philosophy in dealing with our veterans. No one will deny that our first responsibility is to those who have suffered directly from the consequences of the war, the disabled, the orphans, and the widows. I cannot help the feeling, and I challenge anyone to read the hearings on this bill without having that feeling, that the philosophy of this bill is to give them some money and then forget about them. If you will read the hearings, you will find that the questions that were asked by the chief apologists—and they can be nothing more than apologists for this bill, in my opinion—were such that you cannot help but gain that impression.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield to the gentleman from Mississippi.

Mr. RANKIN. The gentleman seems to be disturbed because we do not administer this law in the same way we are administering ERP, those billions he is talking about spending in Europe under the so-called Marshall plan. Does the

gentleman think we ought to put American soldiers on the same plane, and treat them as we are treating the Japs we are now feeding out of the taxpayers' money, with the gentleman's vote?

Mr. DAVIS of Wisconsin. I do not feel that that kind of a question even has the dignity to require an answer, because I am being serious about this matter.

Mr. RANKIN. I do not think the gentleman is able to answer it in the light of what he just said.

Mr. DAVIS of Wisconsin. I said nothing of that kind, if the chairman of my committee will recall. I said that at least the European recovery program had thorough studies made of it as to the implications, and we have not had such studies made on this bill. I said no more than that.

Thirdly, I believe that this bill has been presented to you without an opportunity for your committee or for you to have the information to which you are entitled. Many of the Members of the House and many of the members of our committee are veterans of World War II. We were not here when you were evolving the theory of the GI bill of rights. We were too young to understand the program that was worked out for veterans of World War I. We are entitled, and you are entitled to honest information on this bill. We have not had it yet. There are those who say that there is a precedent, and because of the precedent—and that opinion has been voiced on the floor—we ought to pass it without considering it too much. There is a very serious question about that, too.

President Roosevelt, in his approval of the pensions for Spanish-American War veterans, gravely questioned whether there is any precedent here. The present all-out national involvement of entire populations in war makes us think seriously as to whether that precedent does apply. If we pass this bill today without serious consideration, we will be accused, and it will be so held and interpreted, of having this time set a precedent which can never be retracted. This, as I said, was a new bill, as has been said before, which was presented to us on short notice and which was passed on short consideration.

As was mentioned here there are 186 pages of hearings. Actually many of those pages are filled with insertions as to the over-all program of all of the veterans' principal organizations. Actually the members of those organizations came before the committee, not to give their specific testimony on this bill in the first few days, but to give us an over-all picture of what those veteran organizations had in mind as to a legislative program.

As to the cost, very little has been mentioned about that today, but it has been mentioned, and the fact still remains that any estimate of the cost submitted by the Veterans' Administration was submitted after this bill was reported to the floor of the House. There are those who say that the figures of the Veterans' Administration are no good. If they are no good, it is the responsibility of the Committee on Veterans' Affairs to cross-examine the propounders of those figures and find out why they are no good and give the Members of the House the benefit of the committee's information on them.

Mr. HUBER. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield.

Mr. HUBER. Is it not true that although the membership of the House was invited to testify before the committee only two Members of the House availed themselves of that opportunity?

Mr. DAVIS of Wisconsin. That is my recollection.

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield to the gentleman from New York.

Mr. KEARNEY. So far as the figures of the Veterans' Administration are concerned, I will say to the gentleman that those figures are just as accurate as the figures we have received from the veterans organizations.

Mr. DAVIS of Wisconsin. I have never seen any extended figures reecived from the veterans organizations to attempt to give us an over-all picture of the cost of this proposal.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield.

Mr. VAN ZANDT. Is it not true that the figures submitted by the Veterans' Administration are always the maximum figures?

Mr. DAVIS of Wisconsin. I am not sure that that is true. They did take into consideration in their figures the fact that 10 percent would not apply, and also took into consideration those who would be entitled to disability compensation.

I think it is well that we do keep in mind the attitude of the veterans organizations on this proposal. The American Legion has sent out to our home posts asking them to let us know that they do not want any changes in this bill and they want it just as it is, with no amendments. The Veterans of Foreign Wars have said, "We do not like this bill, but we will not oppose it. We think it may be possible to fix it up." The two organizations of the veterans of World War II have unequivocally stated their opposition to it. The AMVETS took a tentative stand in favor of it and just last week, as a result of a revolution from their home folks, they said, "We do not want this bill." So it is because of the lack of information that the gentleman from Wisconsin [Mr. BYRNES] and I introduced a resolution yesterday to direct the Committee on Veterans' Affairs to make a thorough study of existing veterans' legislation so that we may be informed and have a complete picture of the legislation which is now in effect so that we may more intelligently plan the legislation that we should enact in the future.

I will support the amendments of the gentleman from New York requiring an honorable discharge, and confining it to veterans of World War I.

I will support the amendment of the gentleman from Pennsylvania to establish a needs clause in this bill, but I will not support a provision which will deal with disability compensation in this bill because I do not believe it belongs here and because we have not had any hearings on that proposal.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. DAVIS] has expired.

Mr. KEARNEY. Mr. Chairman, I yield the gentleman one additional minute.

Mr. DAVIS of Wisconsin. Further, let me say that too much has been indicated here—"Let the House work its will on this bill." Too many of the apologists for the bill have said that. In other words, they do not have any faith in the responsibility of the committee to guide the Members of the House in their thinking. They are willing to dump it out and see what happens when the noses are counted.

If we pass this bill today we will be, in truth, a deliberative body without deliberation. For that reason I shall vote to recommit the bill to direct the Veterans' Affairs Committee to perform its functions as a committee of this House.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. KEARNEY. Mr. Chairman, I yield 6 minutes to the gentleman from California [Mr. SCUDDER].

Mr. SCUDDER. Mr. Chairman, I very definitely feel that in the consideration of the pending bill we are called upon to settle a question of policy as to whether we are to follow the time-honored custom of continuing to pay to our elder veterans a pension in their old age, as a token of appreciation for the rendering of a service to their country in which the safety of their lives was in jeopardy, or whether we are to give no recognition for this service and classify them only as ordinary citizens, and when they reach an age where they are unable to care for themselves that we give them no credit for their patriotism and put them on the same basis as those who did not serve.

It is difficult for me to countenance this treatment. I remember the hurrah and fanfare that was given the boys back in 1917 and 1918 when we went away and the appreciation of a grateful people when we returned.

During the recently concluded World War II period, we certainly cannot be so remiss nor can our memory be so short as not to recall how we felt at that time, as the boys embarked for all quarters of the globe to oppose the forces that would destroy our civilization and all it represents. I call upon you today to determine whether we are letting these men down and if so, why?

It has been brought to my attention that last year by a unanimous vote of both Houses of Congress you increased the pensions of the Spanish-American War veterans by 20 percent. Why the change of heart in one short year? The Congress provided a pension for Spanish-American War veterans 18 years after the close of that war. It has now been 31 years since the close of World War I.

As a member of the Veterans' Affairs Committee of the House, I must admit that we gave little consideration to this

bill. As a new Member, I was disappointed that we did not, with a full committee, consider this bill at length. The committee hurriedly adopted one amendment, turned down another, and while trying to get another amendment before the committee, several members walked out, leaving a little more than a quorum to vote on a pending motion to send the bill out with a favorable recommendation.

I, and I believe others, felt that if this was to be the attitude of the committee on a bill sponsored by the American Legion and the Veterans of Foreign Wars, we would vote the bill out so that all members could voice themselves and rende their judgment on its merit.

Mr. HUBER. Mr. Chairman, will the gentleman yield?

Mr. SCUDDER. I yield.

Mr. HUBER. The bill at that time, as I understand it, was not sponsored by the American Legion and Veterans of Foreign Wars; it was a new bill was it not?

Mr. SCUDDER. It was a new bill. I contend the substance was sponsored; we tried to get consideration of amendments; we did not vote the bill out until after several Members had left the committee.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. SCUDDER. I yield.

Mr. RANKIN. When the bill was voted out of the committee there were 19 Members present. Only 3 of them, as I remember, voted against it, and the other 16 voted for it.

Mr. SCUDDER. I did not count the membership. At that time I did not think there were that many present.

Mr. RANKIN. We had just had the illustrious walk-out of some gentlemen who did not want to vote on it.

Mr. SCUDDER. I stand corrected.

Mr. Chairman, I am thoroughly mindful of the tremendous cost that this bill in its present form would impose on the taxpayers of our country and with the current necessary expenditures might threaten the stability of our economy. There are several approaches that may be made without injustice to anyone. I understand several amendments have been prepared and are ready for introduction among which are, first, to eliminate World War II veterans. This would not preclude a provision for their benefit at a future time.

Mr. KENNEDY. Mr. Chairman, will the gentleman yield?

Mr. SCUDDER. I yield.

Mr. KENNEDY. I am a member of the American Legion. I was never consulted about this plan. Who in the American Legion was consulted?

Mr. SCUDDER. The American Legion National Convention went on record supporting a bill of this type.

Mr. KENNEDY. There was a handful of World War II veterans at the American Legion convention. The leadership of the American Legion has not had a constructive thought for the benefit of this country since 1918.

Mr. SCUDDER. I will not argue with the gentleman about constructive thoughts.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. SCUDDER. I yield.

Mr. VAN ZANDT. As a member of the American Legion, I disagree with the gentleman from Massachusetts. The American Legion has stood, as have the Veterans of Foreign Wars, over a period of years for an adequate national defense. Had the American people taken their advice during the twenties and thirties we would not have had World War II.

Mr. SCUDDER. The gentleman is right.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. SCUDDER. I yield.

Mr. KEATING. I wish to disagree strongly with the remarks of the gentleman from Massachusetts. I, too, am a member of the American Legion. I am not necessarily for this bill; I do not know how I am going to vote on it, but I think that such remarks as the gentleman from Massachusetts made are most unfortunate.

Mr. SCUDDER. I agree with the gentleman's statement.

Mr. KENNEDY. Mr. Chairman, will the gentleman yield?

Mr. SCUDDER. No.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. RANKIN. Mr. Chairman, I yield the gentleman from California one additional minute if he will yield for a question and a suggestion.

Mr. Chairman, will the gentleman yield?

Mr. SCUDDER. I yield to the chairman of the committee.

Mr. RANKIN. I just want to say that one of the greatest American organizations that this country ever had is the American Legion.

Mr. SCUDDER. I thank the gentleman.

Mr. RANKIN. And I resent any such slur.

Mr. KENNEDY. Mr. Chairman, will the gentleman yield?

Mr. SCUDDER. No; I have not time to yield.

Mr. BATES of Massachusetts. Mr. Chairman, if the gentleman will yield, I think it only fair that the gentleman yield to the gentleman from Massachusetts after the statements that have been made about him; the gentleman from Massachusetts simply wants to correct the statement. That is only fair.

Mr. SCUDDER. If I can get more time I will yield.

Mr. KEARNEY. Mr. Chairman, I yield the gentleman from California 2 minutes.

Mr. KENNEDY. Mr. Chairman, will the gentleman yield?

Mr. SCUDDER. I yield.

Mr. KENNEDY. The one great benefit that could have been given to the veterans of World War II and the veterans of World War I was the support of a comprehensive housing bill at the end of the war. To the present date the leadership of the American Legion has opposed all our efforts to get a good housing bill from this House.

Mr. SCUDDER. That is a difference of opinion, necessarily.

Mr. KENNEDY. It is a matter of fact.

Mr. SCUDDER. Mr. Chairman, World War I veterans have now waited 31 years before presenting their claims for pension benefits. Provide that only veterans with an honorable discharge be entitled to pension. Provide a needs clause. I feel that those of us who are able to care for ourselves should not burden the taxpayer in order to supplement our income. Reduce the amount of monthly payment. Other pensions started with a lower figure. This action would not preclude an increase in time if ability to pay permitted.

The veteran, I contend, is entitled by the Congress to a fair consideration of a fair bill and I trust that this body will use every effort to explore the possibilities of these suggestions before turning a deaf ear to their proposal. Amend the bill to conform with your ideas as to what is fair and equitable, then postpone action long enough to have an actuary prepare an estimate of the cost of the pension over a period of years and you will then be in a position to cast an intelligent vote.

In arriving at the actual cost of the pension, you would be able to deduct an appreciable amount that would be paid by the Federal and State Governments in old-age aid, as many of the veterans should the needs clause be passed, would be drawing old-age assistance.

Mr. Chairman and fellow Members, this is your bill—it is our responsibility jointly—let us consider the bill on its merit, taking into consideration a precedent established in this country and maintained since its very inception, and based upon the ability of a grateful people to meet an obligation.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. SCUDDER. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. While I do not agree with the views of the gentleman from Massachusetts [Mr. KENNEDY], regarding the American Legion, I have the highest regard for the American Legion and their great patriotic service during the war. I would like to direct attention to the extremely gallant service that he rendered and also the great sacrifice that members of his family made in the recent war.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. RANKIN. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. NOLAND].

Mr. NOLAND. Mr. Chairman, I should like to preface the few remarks I shall make today with the observation that I am a member of the American Legion and the Veterans of Foreign Wars. Many of the men who spoke to you from the Committee on Veterans Affairs are also veterans of World War II.

Mr. Chairman, I opposed this pension bill before the Rules Committee because of the lack of consideration given it by the Committee on Veterans Affairs. I believe the committee of which I am a member, abrogated its responsibility to the House. In appearing before the Rules

Committee I gave a number of reasons for stating that I did not believe that committee should grant a rule, which it has not done. I would like to state the most important of these reasons at this time.

I opposed the granting of a rule for consideration of this pension bill first, because the bill was rushed through the committee with an extreme lack of consideration. Approximately 15 minutes were given in the consideration of a bill which has an estimated over-all cost of $109,000,000,000 plus and, in my opinion, the taxpayers of America would want more than 15 minutes' consideration given a bill of this magnitude by our committee.

Another reason was that the members of the Committee on Veterans Affairs never saw this particular pension bill that we are considering on the floor today until they took their seats in the committee room that morning when we were holding our first executive session. The Chairman ordered a reading of the bill by section and requested approval or disapproval, or the submission of amendments. At the conclusion of the reading of the bill the chairman called for a vote with reference to approval of the bill. This reading took only about 15 minutes.

During that time the difficulty rose which brought about a walkout of seven of the committee members. This bill was approved by a majority of those committee members remaining in executive session. Only the first year's cost of that bill was known, namely, it would cost about $62,000,000 the first year. As stated, the final cost of this bill will exceed $109,000,000,000.

Lastly, at no time was this bill ever discussed in connection with the over-all veterans' benefits program. The committee never discussed the possibility of legislation providing for increased benefits for disabled veterans or in relation to our over-all problem. Some of our committee members requested further consideration of this measure as it affects social security and the old-age-assistance program. However, no representative from the Federal Security Agency or any other agency dealing with this matter was ever called before the committee.

At this time I stand before the Members of this House to oppose this pension bill, as it is now constituted, on principle, not only because of lack of consideration, but because I believe that this bill is wrong.

In recent days I have talked with a large number of veterans from World War II and I find among them that about nine to one oppose this legislation. I do not know, but perhaps some of you have seen the publication of the Vet Times of February 26. It has a picture of one of the Members of the House of Representatives opposing this measure. He calls it an unsound measure, designed to perpetuate Congressmen in office. This publication solicited comment from Members all over the country and nearly to a man the veterans that answered did oppose this legislation for a variety of reasons.

The theory after World War II was that all veterans' legislation should deal with the rehabilitation of the veteran; that we should take care of the disabled veteran who had contributed so much; for the families of those who had lost their lives and for those who were seriously injured. The theory was that if we took care of these men who served their country in these matters—and that is why we are spending approximately $7,000,000,000 a year—that we would not come to an over-all pension measure. The idea was to avoid it, if at all possible.

I want to say that Congress has not shirked its duty to the veteran. I would like to read briefly some of the benefits which this Congress has provided for the veterans. Due to the lack of time I will condense some of these remarks to the effect that the basic compensation rate for disabled veterans now goes up to $138 a month. The law provides for extra compensation for wives and dependent children. For veterans with specific service disability, such as blindness or loss of limbs, or other total disability, it provides up to $360 a month. The widow of a disabled veteran now gets $75 a month with $25 per month extra for the first child and $15 for each additional child.

I would like to point out to you that for veterans without service-connected disability the present law already provides benefits. Veterans of World War I and World War II who have permanent and total disability not incurred in the service receive $60 per month, with an increase to $72 per month at the age of 65 or after receiving compensation for a continuous period of 10 years. In this connection permanent and total disability includes any veteran who is 10 percent disabled at 65 years of age. He will receive $72 a month under present law. To be eligible veterans must be unemployable and cannot have other income in excess of $1,000 for a single man and $2,500 for a man with dependents. Thus, most veterans aged 65 or over who are in need can now qualify for a pension of $72 a month under existing law and regulations. In this Congress, when we vote on this bill that is pending, we will determine for the first time whether pensions in America will be made a tradition.

World War I was the first global conflict. It is the first war in which the draft was used to a great extent. The Spanish-American War, the Indian wars, and the others were just mere dribbles compared to World War I and World War II.

When President Roosevelt signed the Spanish-American War pension bill he made this statement, which I think is very apropos at this time:

> The Congress on many occasions has recognized that because of the complete absence of any system or policy initiated during or immediately following the Civil War, the Indian wars, and the Spanish-American War, and because of lack of adequate medical care from the point of view of modern standards, the veterans of these earlier wars could be compensated and taken care of only through some form of pension system.
>
> In the case of the World War, however, the Congress at the very beginning of the war adopted an entirely new system of care and benefits. This new system applied to all who fought in the World War, extended to them additional compensation if they had dependents, as well as insurance, hospitalization, vocational rehabilitation, and the adjusted-service certificate (the bonus).

I think you all remember that in 1930 we had the bonus.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. NOLAND. I yield to the gentleman from New York

Mr. COUDERT. Do I understand correctly from the gentleman's statement that as of today under the law an indigent incapacitated veteran is entitled to a pension?

Mr. NOLAND. If he is 65 years of age and has 10-percent disability, and practically any man who is 65 years old and indigent normally has 10-percent disability, he is qualified for $72 a month.

Mr. COUDERT. This means, then, that the pending bill is not necessary to provide a substantial pension for indigent, incapacitated veterans?

Mr. NOLAND. There is a lot of truth in that statement.

We have to think of the coming years when the veterans of World War II and World War I and their families are soon to make up 40 percent of the population of the United States. I say as a veteran that the problem of our old veterans is the problem of our elder citizens in general. Is suffering not just as tragic at the age of 65 by any man, whether he be a veteran or a nonveteran? Is suffering not just as tragic to the widow of a nonveteran as it is to the widow of a veteran?

Let me read briefly President Truman's remarks in the 1950 budget:

> The problem of the non-service-disabled veteran in obtaining economic security is the common problem of all our people. Nine-tenths of our veterans do not have service disabilities. The security of this vast group of veterans can best be increased by broadening and strengthening the social-security system and by a vigorous program to assure a continuing high level of employment and production.

I think that when we vote on this bill we may very well be making our choice as to whether we are going to provide for all of the people of America or whether all of the people of America are going to contribute to the welfare and security of only 40 percent of our people. I think that as Members of Congress it is our duty to think of the entire Nation and to consider all of them.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Chairman, the bill we have before us today is certainly no credit to the great Committee on Veterans' Affairs. You have seen today, as I have seen, members of that committee come into the well of this House to discuss this measure. I think we would all agree that they are sincere and conscientious men.

I think it is unfortunate that with the caliber of the personnel of that committee that legislation should come from it in a form which must be entirely rewritten by the House of Representatives itself. The members of the Committee on Veterans' Affairs themselves have expressed time after time during the course of this debate the hope that the House

will rewrite this legislation. There have been all kinds of suggestions for amendments, all, I suppose, with the object of trying to water the bill down in some fashion so that a vote can be cast for it without a troubled conscience.

Mr. Chairman, I feel most sincerely that there are many things which are inequitable and improper about the present state of our veterans' laws and I think anybody familiar with them will admit that fact. But I do not believe you can write legislation which involves technical matters involving pension and compensation laws on the floor of the House. In my judgment, such laws must be written in the committee, which has the time and the possibility of working out all of the minute details with an understanding of these technicalities.

Mr. Chairman, we must appreciate the relationship of this bill and the pensions therein provided with the pensions now provided for World War I and World War II veterans. We must appreciate the relationship between this bill and the provisions for compensation now provided in our veterans' legislation to take care of service-connected disabled veterans and the dependents of deceased veterans. Let me just show you a few examples of the inequities that are going to be created in our veterans' laws if this bill should be enacted into law. I do not believe we can avoid creating even more inequities if we try to revise this bill by amendments on the floor of the House.

For instance, let us take the hypothetical case of Mr. Tom Thomas. He is unemployed. He was discharged after 4 months of service in World War I with a blue discharge under honorable conditions. His age is 55. He is single. He is totally and permanently disabled because of drug addiction. He requires aid and he requires an attendant. His income is $2,000 a year from a trust fund set up by his father. What will he get under this legislation? He is eligible for $120 a month. Yet, Bill Robinson, another imaginary individual, is an elevator operator. He was honorably discharged after 1½ years of service in World War I. He is a holder of the Distinguished Service Cross. His age is 55. He has a wife and three children. He is 50-percent disabled from arthritis, not attributable, however, to service. He has an income of $1,800 a year. What is he eligible for? Nothing.

Then there is the hypothetical case of Art Arthur, who is retired from business. He was honorably discharged after 93 days of service in World War I at the New York port of embarkation. His age is 65. He has a wife. He is in perfect health. His income is $10,000 a year from investments. He is eligible for $90 a month on the passage of this bill.

Yet, on the other hand, James Smith, who is unemployed and a veteran of World War I, who served 16 months with the Infantry in World War II, and 26 months with the Engineers, and was honorably discharged from both wars, is permanently and totally disabled because of a cardiac condition, nonservice connected. He is unable to work. He gets nothing.

Here, through the use of hypothetical comparisons, are some more examples of the inequities which will be created by superimposing the Rankin pension bill on our present structure of veterans' compensation and pension laws:

COMPARISON NO. 1

Sam J., president of the Central State Bank; honorably discharged after 1 year's service in World War I; age 65; wife and one son; perfect health. Income, $15,000 a year. Eligible for $90 a month (H. R. 2681).

Pete S., day laborer; honorably discharged after 1 year's service in World War I; age 60; wife and one son; totally and permanently disabled from a fall on job. Unable to work, but can get around. No income. Eligible for $60 a month (existing law and regulations).

COMPARISON NO. 2

Mrs. Elizabeth H., veteran of World War II (lieutenant colonel in WAC's); 1 year's service; honorably discharged; age 65; no disabilities; and her husband, John H., honorably discharged from World War I; age 66; no disabilities. Combined income, $100,000 a year. Eligible for $90 a month each, or $180 (H. R. 2681).

Betty T., widow of sailor killed in service in line of duty in peacetime; age 38; one child. Income, none. Eligible for $80 a month compensation (existing law).

COMPARISON NO. 3

Carl L., unemployed, veteran of 90 days' service in World War I; blue discharge under honorable conditions; age 65; no disabilities. Wife's income, $12,000 a year. Eligible for $90 a month (H. R. 2681).

Thomas C., grocery clerk; honorably discharged after 2 years' service in World War II with marines in South Pacific; seriously wounded in battle; age 36; wife and one child; rated 50 percent disabled by VA. Income, $2,080. Eligible for $69 compensation a month (existing law).

Mr. Chairman this bill should be sent back to the committee for study and revision. It is my hope that this will be done.

The committee should conduct a full and complete investigation and study of all existing programs providing monetary benefits in the form of compensation or pension to the veterans of World Wars I and II. It should fully examine the relationship between existing or proposed compensation and pension programs for veterans and other Federal programs providing monetary or other benefits for veterans or for veterans and other citizens alike, the present and projected cost of present and proposed compensation and pension programs, and the effect of such cost upon the present and future economy of the Nation should be of particular concern to the committee.

It is my hope that the committee would solicit the testimony of outstanding citizens from public and private life, from Government agencies concerned with veterans' affairs, fiscal policies, economic conditions, and welfare programs.

What is of more concern to the veterans than pensions is the welfare and economic stability of his country.

Mr. Chairman, I shall vote to recommit this bill to the Committee on Veterans' Affairs. I am confident that the committee can revise this legislation and report a bill to the House that will represent a coordinated, sound, and sensible program of assistance to our veterans. To try to do that on the floor of the House would be a hopeless task.

The CHAIRMAN. The time of the gentleman has expired.

Mr. RANKIN. Mr. Chairman, I yield myself 1 minute to say that these new Members, who have been complaining about the procedure in committee, just do not know what they are talking about. We followed the procedure which the committee has followed ever since I have been on it. So far as the gentleman from Wisconsin [Mr. BYRNES] is concerned, we issued an invitation to every Member of Congress to appear before the committee. We never heard a word from him.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman for a question.

Mr. GREEN. The chairman of the committee is right. He is following the same procedure that he has always followed. I was on the Veterans' Affairs Committee in the Seventy-ninth Congress and it was always in confusion.

Mr. RANKIN. Yes; and we never heard from the gentleman, either.

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. RANKIN] has expired.

Mr. RANKIN. Mr. Chairman, I yield 7 minutes to the gentleman from Alabama [Mr. ELLIOTT], a member of the committee.

Mr. ELLIOTT. Mr. Chairman, I am happy to have this opportunity to support this measure designed to do justice to the veterans of World War I and World War II. It would immediately affect veterans of World War I, the average age of whom is 56 years. In 1950 there will be approximately 63,000 veterans of World War I who are 65 years of age or older.

This bill in its present form would authorize a pension of $90 per month for veterans of World Wars I and II, who meet certain service requirements, upon reaching the age of 65. In addition the bill will extend to such veterans who, because of age, or mental or physical infirmities, become so helpless as to need or require the regular aid and attendance of another person, an increased rate or benefit of $120 per month.

There are other provisions in the bill for the benefit of the dependents of deceased veterans of World War I and World War II. Section 3 of the bill would increase the existing annual income limitation applicable to pension benefits payable to widows and children of deceased veterans of World War I and World War II from $1,000 for a widow without child, or a child, to $2,000, and for a widow with a child or children from $2,500 to $3,000.

Section 6 of the bill would place World War II widows on the same basis for determining their eligibility for pensions as World War I widows.

Other sections of the bill deal with the effective date and applicable definitive and regulatory provisions.

Mr. Chairman, I deplore the fact that there are some, both individuals, organizations, and newspapers that would try to cast an unfavorable light about those who advocate this legislation. Just about every ruse has been used to try

to sabotage this legislation. There are some who try to make it appear that our party is against this legislation. I fail to see how either party can oppose this law.

Why, Mr. Chairman, there are those who would have one believe that this bill proposes a new and novel program of veterans' benefits, when the truth is that pensions for war veterans is almost as old an institution as this Government itself. The first national pension law was passed by the Continental Congress on August 26, 1776—just 54 days after the signing of the Declaration of Independence. The pension system thus begun has been followed to this day. No, my friends, this bill does not present a novelty of thought.

I like to think of our system of pensions as being an expression of the gratitude of our Nation—an expression of our gratitude to those sons of the farm and forest, those workers at the arts and industries, those good American citizens from every walk of life, who in time of peril answered the call of their country and made the sacrifices that the circumstances warranted. And I honestly and sincerely believe, ladies and gentlemen of the House, that were it possible for the American people to register their choice here today that they would tell us to pass this legislation. The hearts of the American people are big—big enough to encompass suffering around the entire world—certainly big enough to take care of our old soldiers.

Mr. Chairman, my State of Alabama is a poor State, according to the yardstick of this world's goods. But, in the hour of her sorrow and suffering, when she lay prostrate at the feet of a victorious conqueror, when her political institutions were confused, and her citizenry disfranchised, and she knew not when there would come from the Federal Government a new and crushing refinement of the conquered province theory to be enforced at the point of the bayonet, her heart opened in humble gratitude for those who had worn the gray, and she made plans to pay, and later did pay out of her own being a pension to her old soldiers. Mr. Chairman, she would do it again.

Today this government is paying pensions of $90 per month to veterans of the Civil War with 90 days or more of honorable service, regardless of their age or physical condition. In addition, veterans of the Indian Wars, the Spanish-American War, the Philippine Insurrection and the China Relief Expedition are all entitled to and are receiving pension benefits comparable to or even greater than the benefits proposed by this bill for veterans of World War I and World War II. All of these benefits are payable without regard to the cause of the veterans' disability or the amount of the veterans' annual income.

Mr. Chairman, this bill does not ensnarl the veteran in the red tape so often found in similar laws. When a veteran becomes 65 he is entitled to the benefits provided by this law and he does not have to go out and sell his little home and chattels to qualify. No Federal or State agents will ever haunt his declining years, with their brief cases and affidavits. This bill does not provide for examinations, interrogations, hospitalization, hearings, or appeals. It provides out of a generous heart a gratuity, a pension for their well-being.

I do not claim that this bill will not cost money. It will cost this Government $62,000,000 next year. And if you project its cost, as written, over a period of 50 years, you get a large figure, its size too often depending upon those who do the projecting. Yes, it will cost lots of money, just as it cost a lot of money to win those two World Wars. And, bear in mind, my friends, that the Allies in 1917 estimated the probable duration of World War I as four more years. The war ended 18 months later. They said of World War II that we could not hope to win it in less than 5 years. In 3½ years the fighting was over.

Now, there are those who say, "Let's let everybody depend upon social security." The only trouble with this premise is that under our present social-security laws there will never be any security for veterans of World War I. They are too far advanced in life to be given any security under that system. What is the alternative? You know it is the old-age-assistance program—yes, the program that would provide assistance of $20 per month in some States, more in others, and place our old soldiers in the attitude of being reduced to beggary.

"Oh," they cry out, "We cannot afford to do anything special for our veterans." But, Mr. Chairman, I believe our veterans are for these purposes a special class. They were very special when Uncle Sam called them, they were special in the Argonne, at Verdun, and Belleau Wood; they were special on the Normandy Beaches, and at the Rhine. They were special in the Solomons, in New Guinea, the Marshalls and the Phillipines. They are special in the hearts of the American people.

We should pass this pension law.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield 6 minutes to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Chairman, much has been said about the so-called veterans' pension bill. As many of you know I have been identified with organized veterandom for many years, but I must say that I am amazed by reason of the many misstatements and erroneous information that has been submitted to the committee.

In the first place, let me talk about the position of the various veteran groups. The American Legion, with some 14,000 posts scattered throughout the United States and our Territorial possessions, and even abroad, and the Veterans of Foreign Wars with 10,000 posts likewise distributed throughout the country and our Territorial possessions, speak for approximately 5,000,000 veterans of World War I and World War II. These two organizations favor the general proposition of a pension for the veteran of World War I and World War II.

The groups who oppose this so-called pension legislation represent but a mere handful and I doubt whether they speak for their entire membership. The American Veterans Committee has a grand total of 40,000 members. The AMVETS, or the American Veterans of World War II, have a membership of approximately 150,000. Both of these organizations oppose this pension bill. The Department of Illinois of the American Legion has more members alone than the AVC and the AMVETS put together. The same can be said about the Department of Pennsylvania, Veterans of Foreign Wars. Several posts of the American Legion and the Veterans of Foreign Wars have half as many members as the AVC has in its entire membership.

Mr. O'KONSKI. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from Wisconsin.

Mr. O'KONSKI. Will the gentleman not contend that in the hearings that were held these two minority groups instead of advocating a $90-a-month pension advocated $100-a-month social security for everybody?

Mr. VAN ZANDT. That is correct.

How did the Veterans of Foreign Wars and the American Legion arrive at the position they take in support of this question? Do you suppose it was the executive committee of these two organizations? Do you suppose it was a handfull of their membership? Certainly not. The American Legion assembled in Miami had many resolutions on the subject. After the resolutions had been assigned to committees and given due consideration by the committees, a report was submitted to the convention assembled and the convention by an overwhelming vote went on record in support of a pension for the veterans of World War I and World War II.

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from New York.

Mr. KEARNEY. May I ask the gentleman if that was not a unanimous vote?

Mr. VAN ZANDT. The gentleman is correct when he states that the vote at Miami was unanimous.

Let us review the similar situation that existed when the Veterans of Foreign Wars assembled at its convention in St. Louis last year. The same procedure was followed in regard to resolutions. When the matter was put to a final vote on the floor of the convention not one dissenting vote was cast.

So we have today these two great veteran organizations, from the standpoint of the representation they had at their national conventions, voting unanimously in favor of service pensions for veterans of World War I and World War II. The pension question definitely is identified with the traditional policy of our country. Certainly, Congress in the name of a grateful people, awarded a pension to the Revolutionary soldier after George Washington had parceled to him land. A grateful Congress granted a pension to the Civil War veteran and a grateful Congress granted a pension to the Spanish-American War veteran. Not one dissenting vote was cast on the floor of the Congress of the United States against these pension bills.

Today we hear a lot about this traditional policy. Some have asked, "Why should the veteran be set up in a special class?" I ask those who challenge the right of the veteran to be set up in a special class to tell me whether or not they served in the armed services of our country and bared their breasts to the machine-gun bullets, shrapnel and the poisonous gases, of the enemy.

Let me say something about the veteran and why he should be recognized as a special class. I will tell you why. Because he is taken from the peaceful pursuits of civilian life. He submits to a physical examination and then is given a series of inoculations. Let me ask you this question. Is it necessary for the citizen of this country who did not go into the armed services to submit to a series of inoculations like the men in the service were compelled to do? Absolutely not.

Then he is given a uniform and he is told to wear that uniform. He cannot buy a green shirt or a white shirt, he cannot buy this type or that type of necktie. He wears what they have given him. Then he is handed a pair of shoes, not a pair of Florsheims but a pair of hobnails. He is told when he eats, and when and where he sleeps. He is told when he can leave the camp, and how long he can remain away. If he overstays his leave he is subject to a court martial for absence without leave.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. RANKIN. Mr. Chairman, I yield the gentleman one additional minute.

Mr. VAN ZANDT. Then he is told where he must fight, and moves to the front lines. He is told how long he must stay there and when he must come back, if God wills it. After this period of regimentation he is discharged and returned to civilian life. Certainly he is not the same boy who was taken from his home and loved ones. In many, many cases this same veteran finds it impossible to rehabilitate himself. Yes; George Washington and all the great military leaders since then have recognized the great contribution the veteran makes to his country. For that reason he has been recognized by Congress as a special class.

Mr. BOLLING. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield.

Mr. BOLLING. Do I gather from the gentleman's remarks that he is opposed to social security generally; that he is for social security only for veterans?

Mr. VAN ZANDT. I am positively opposed to the idea of social security taking over the veterans. We will have something to say about that later on.

Now, we intend to amend this bill. Much has been said about the cost of it, $125,000,000,000. Certain members of the committee say that they did not have time to consider this bill. I beg to differ with them. I appeared before the committee in behalf of H. R. 2379 which I introduced. The chairman of the committee introduced H. R. 2512 which is comparable to H. R. 2379. The bill that we hope to perfect and have approved by the House will no doubt be identical to H. R. 2379 and H. R. 2512. Of course, amendments will be necessary. We hope to remove the veterans of World War II, and I will tell you later on why we would like to do that. We hope to clarify the eligibility requirements. We hope to insert income limitations. We hope to insert a disability schedule in the bill and we hope to increase the income limitations. We hope to remove the widows of World War II veterans, and then we hope to change the title.

What will the cost be then? The cost will be $171,000,000, and in 1963 the cost of this bill will approximately be $1,500,000,000, and over the life of the entire bill it will not cost as much as we are sending to Europe under the Marshall plan.

So, I say to you, it is far from that amount which was carried in a newspaper article of some $129,000,000,000. It is going to cost $171,000,000 the first year and reach its peak in 1963 to a billion and a half, and then decline in cost because of the veteran death-rate. The veterans of World War I are dying at the rate of 60,000 a year, and their average age is 57 today. Thus each year the cost of this bill will decline rapidly.

Mr. RANKIN. Mr. Chairman, I yield 8 minutes to the gentleman from West Virginia [Mr. STAGGERS].

Mr. STAGGERS. Mr. Chairman and members of the Committee, as a member of this much-discussed Veterans' Committee I rise to say a few words about some of the things that have been stated here today and to give my stand on the bill. I am for the bill. As the discussion has shown, this whole matter has nothing whatsoever to do with political party lines. I think it is about equally divided on both sides of the House as to who is for and against, and that is rightly so and as it should be, because the veterans who served in the war have no respect for party lines on this issue. I agree with some members of the committee that perhaps we did not quite have time enough to discuss the bill. It was brought in on that morning and passed in a short time. But, we had discussed these issues in other bills to some extent, and I believe the bill is simple enough, and we could have amended it there in whichever way we wanted to amend it at the time it was brought out.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Mississippi.

Mr. RANKIN. It was open for amendment. Every member of the committee who wanted to offer an amendment had the right to do so.

Mr. STAGGERS. I agree with the gentleman.

Mr. HUBER. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Ohio.

Mr. HUBER. Is it not a fact that every member that tried to do anything to be heard was rapped down by the chairman? We voted on one amendment with five votes, and he wanted a recount.

Mr. MAGEE. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Missouri.

Mr. MAGEE. Is it not true that seven members walked out, and while they were absent of course we could not hear from them?

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from New York.

Mr. KEARNEY. I had an amendment that I offered in that committee, and I think I got plenty of courteous treatment and a hearing on it. I lost the amendment by two votes, but I got the amendment in.

Mr. STAGGERS. I agree with the gentleman from New York.

Mr. RANKIN. The gentleman from Tennessee [Mr. EVINS], a member of the committee, offered a very important amendment. It was voted on by the committee, that is, those members who stayed there; 19 stayed, and the amendment carried. Every other member had every opportunity he needed or wanted to offer whatever amendments he cared to offer, as the gentleman from New York has suggested.

Mr. HUBER. Does the gentleman believe the committee intended to report that bill at all 10 minutes before the bill was reported? Does the gentleman tell this committee it was the intention to vote that bill out? Was that the impression?

Mr. STAGGERS. I would say "no," that I do not think that was the intention, but the bill was reported out and it is before the House now, and it is an issue that must be met.

Mr. RANKIN. I think the House ought to know that the gentleman from Ohio [Mr. HUBER] was one of the men who walked out, and he made a point of no quorum as he went out. It looked to me as if they were trying to filibuster the committe, and we proceeded with the consideration of the bill. It is now before the Congress, and they have a right to amend it.

Mr. HOLIFIELD. If the gentleman will yield, I should like to know if the gentleman from Mississippi wants this House to think he is against filibustering.

Mr. RANKIN. One of the most glorious victories ever won for Americans was won at the other end of the Capitol last week.

Mr. STAGGERS. Mr. Chairman, I heard the remark that the veteran should not be given any special consideration. How do you think that would coincide with the years of 1941 and 1942, when we wanted to get these men to go to the front and fight for this country and for you and me?

It is just like a religion, yours and mine. In good times we are apt to forget. We do not go to church then. But let us have a little hard times and a little illness in our homes, and so forth, and you go back to the church, and you look to your God for help and consolation. It is the same right here. We are too soon too prone to forget. As to the gentleman from Massachusetts and his statement about the American Legion, I think he just has not considered the

matter. As I understand from the gentlewoman from Massachusetts [Mrs. ROGERS], his family has sacrificed and he also has sacrificed in this war.

I hold the American Legion to be one of the most patriotic organizations of this Nation. Their precepts are service to their God, their country, and their fellow men. They have always advocated America first, and never have been for any ism except Americanism. I do not see how any good American can question their ideals and aims.

We have heard this called a grab deal. We have heard it called a lot of other things. I do not say I am for the bill exactly as it is now, but it is before the House and it probably will be amended. Certainly, I expect there will be a few amendments, but that is the right of the Representatives of the people here assembled. I represent the people in my district and it is my duty and my responsibility to them to represent them to the best of my ability. Of all the letters and correspondence that has come to my desk as a member of this committee, it has been 10 to 1 for the bill.

Veterans have been called a special class, and so forth. During the last war when I was in Paris I went to visit a departed friend in an American cemetery just outside of Paris. After paying my respects at his grave, I came outside and took one last look back. I happened to look up and above the gates and saw this inscription written there:

Here lie some of the best men who ever trod the earth.

And God only knows that is true—the flower of American manhood.

Yet, we here are so prone to forget those boys who went out and performed that great sacrifice.

I am not saying this bill is perfect—no. But I say the veterans deserve consideration and it is time to enact a law and do something for those who need and deserve attention. I tell you that if we are going to look forward as a Congress, then let us take the profit out of wars and we will have peace. Let all industry be drafted. Let every man, woman, and child in this Nation be drafted, and then we will not have wars any more in the United States or throughout the earth.

The CHAIRMAN. The time of the gentleman has expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Chairman and Members of the House, I arise in support of H. R. 2681, the Rankin bill, to provide pensions for veterans of World War I and World War II.

It has been a high privilege for me, during my service as a Member of the House, to support all legislation designed to help our ex-servicemen, their widows, orphans, and dependents. It is a duty that a grateful nation owes to them. We would be derelict as a nation if we failed to do so. No nation can long endure that fails to remember the sacrifices of its defenders, or refuses or neglects to care for them in their old age or other time of necessity. It is a duty of primary importance that we owe to them. Failure to fulfill it would be a disgrace to our Nation and its flag.

Existing law provides for the payment by the Federal Government of pensions, based upon attained age or non-service-connected disability, to certain veterans and their widows and children for military service performed during wars in which the United States engaged prior to World War I. The rates of such pensions vary, but in the case of some veterans $90 per month is provided upon attainment of age 65 and $120 per month for so-called aid-and-attendance cases of total disability.

The bill now before the House, H. R. 2681, would provide similar pensions for service performed during World War I and World War II.

This bill, as introduced, would grant a pension to every person who, during either World War I or World War II, served (a) for 90 days or more in the active military or naval service and was discharged under conditions other than dishonorable, or (b) less than 90 days and was discharged for service-connected disability or is receiving, or entitled to receive, compensation for service-connected disability.

To qualify for the pension the veteran would be required to show that such service was before the cessation of hostilities, and either that he is suffering from permanent disability or that he has attained the age of 65 years.

The pension would be $90 per month, beginning at age 65, in the case of veterans who qualified by attainment of age. In the case of any otherwise qualified veteran who is, or hereafter becomes, helpless or blind, or so nearly helpless or blind as to require the regular aid or attendance of another person, the pension would be $120 per month, beginning at the time when such helplessness or blindness occurred, regardless of the age of the veteran at that time.

The bill would also grant pensions to the surviving widows and children of veterans of World War II on the same basis as they are granted to widows and children of veterans of World War I, and would increase the amount of annual income that widows of deceased veterans of both World War I and World War II may receive without being disqualified from receiving pensions.

There are features of the bill to which amendments may be offered, amendments to clarify and otherwise that do not change materially the fundamental principles of the bill. However, it has been suggested that a motion will be made to strike out the enacting clause. Such a motion would be offered to defeat the legislation. It would have the effect of scuttling the legislation. It is needless to say that I am opposed to any such motion. Furthermore, it is quite likely that a motion to recommit the bill to the committee will be made. Such a motion presupposes opposition to the bill. I will vote against any such motion, or any other that seeks to destroy the bill or its effectiveness.

This legislation is based upon the principle that men and women who have served their country honorably, in the time of its emergency, are entitled to recognition and helpful assistance from their Government in their old age or when incapacitated. To this principle I give my wholehearted support. Let it never be said that we have billions of dollars to rehabilitate other countries and peoples, but not sufficient to help the deserving defenders of our own country and their dependents. While we are anxious and willing to help others, let us not forget our own to whom we owe so much.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. O'KONSKI].

Mr. O'KONSKI. Mr. Chairman, I am going to base my remarks for my support of this bill on the statements that were made at the hearings. So far as I know in the hearings there were just two organizations that appeared and who were opposed to the bill. One did not know whether they were opposed to it or not. I am talking first of the American Veterans Committee of World War II, commonly known as the AMVETS. They claimed before the committee that the bill was inadvisable, but they said that until we could bring about a system of social security that would provide everybody in America who is 65 years of age or over $100 a month, then this bill ought to be passed—until that time came about.

In other words, they objected to the cost of the bill, but they turned right around and proposed a bill which would give everybody $100 a month at the age of 65—and not only to the veterans. Then, in addition to that, they proposed a program of their own. It seems to me that the only reason they objected to this bill in the final analysis was because the American Legion and the American Veterans of Foreign Wars were for it. I would like to refer you to pages 115, 116, 117 and 18, 19, 20, 21, 22, 23, 24, 25, and so on, all the way up to and including page 128. There, the AMVETS, who opposed the $90 a month pension for the veterans of World War I and II proposed 99 resolutions—everything from soup to nuts, including the repeal of the oleomargarine tax for the health of the American veterans. They wanted to build them houses; they wanted to give them fixtures. They wanted to do this, that, and the other thing. If you want to read something funny from a veterans' organization that opposed $90 a month to the veterans of World War I and II, who have reached the age of 65, then you read the 99 resolutions that they want to bring about on page 115 up to and including 128.

There is another organization that opposed the bill. That was the American Veterans Committee. The only reason why they opposed it was because, if you read their testimony, they contend that no partiality or any favoritism should be shown whatever to American veterans and their dependents, and that they should all be treated alike. They, too, endorsed a program that, instead of giving the veterans of World War I and II at the age of 65 a pension of $90 a month, would bring about a policy of social security giving everybody at the age of 65 $100 a month. In other words, if you will read the testimony, they put the veteran

and his dependents in the same category as the drunkard and the shiftless.

So if you will take a look at the testimony given by the two organizations that opposed the bill, the testimony against the bill amounts to absolutely nothing. It seems like there is some personal grievance between them and the two high-standing veterans' organizations that have the largest number of veterans of World Wars I and II.

So, from the basis of opposition in the hearings held on this bill, which contains some 184 pages of testimony, and I have read every word of it, believe me there is no legitimate reasonable high-standing argument that will hold water why this bill should not be passed and enacted into law.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. O'KONSKI] has expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. SCRIVNER].

Mr. SCRIVNER. Mr. Chairman, after I make a few brief comments, I am going to try to get some information about the bill. However, I do not think it was quite fair for the gentleman from Ohio [Mr. HUBER] to make somewhat of a half-insinuating remark at some of those who would support this bill as being superpatriots. That was not fair.

It was not fair of the gentleman from Tennessee [Mr. PHILLIPS] when he endeavored to infer that any amendment which might be offered would be a crippling amendment.

It is a little hard to understand the opposition of some of the Members to a bill like this, when I know they have supported and will support many bills costing much more than this. Included in them were European relief, the funds of which will go to build plants and factories to put out of work their own fellow American laborers. They supported aid to Japan and Germany, former enemies, which costs nearly a billion dollars a year. Two weeks ago they voted for $1,058,000,000 for old-age assistance and aid to children—a program growing by leaps and bounds, soaring to unpredictable billions.

I am not happy about the type of hearings that were held. There should have been much more definite information. As far as the seven Members are concerned probably by now they realize that what they should have done when they did not agree with the gentleman from Mississippi, chairman of the committee, was to do as I did many times, as a member of the Veterans' Legislative Committee, when I did not agree—call for a vote, a show of hands, and a roll call, and stay there and fight for what they thought was right, instead of walking out. You cannot win by quitting a fight—you cannot win a fight without staying in the ring until the last bell.

I am glad to know that there is to be an amendment offered that will strike out this phrase "other than dishonorable." I did not like it in the Readjustment Act, and I do not like it here. If veterans are going to have these benefits for services which they rendered, they should by all means be honorable services.

Now I would like to ask a question of the chairman of the committee about this language on page 2, line 3, if that language is correct:

Suffering from permanent non-service-connected disability.

Should that language be "permanent and total"? Permanent disability might be of any degree.

Mr. ALLEN of Louisiana. I understand the Veterans' Administration says the word "permanent" is all right.

Mr. SCRIVNER. Well, they say a lot of things with which I do not agree.

I was disappointed in the gentleman from Massachusetts [Mr. KENNEDY] in his comment that the American Legion had not had a constructive idea since 1918. I am sure if he would study the American Legion program and their platform and their works and their service to God and country, the community, State, and the Nation when he gets home and really finds out what the American Legion stands for and what it has done over the past 30 years, he will change his views. Then I hope he will make a public retraction of the statement on the floor of this House.

I would like to ask the chairman or some member of the committee what will be the effect of the language in section 5, relating to the provisions of paragraph 13, Veterans Regulation 10, as amended?

Mr. RANKIN. That prohibits pyramiding.

Mr. SCRIVNER. What about the words "as amended"? Does that mean amended up to date or as it may be amended in the future?

Mr. RANKIN. No. As it has been amended up to date.

Mr. SCRIVNER. Suppose the Veterans' Administration changes that regulation; then, what?

Mr. RANKIN. If it is enacted as part of the law, of course, Congress could pass on that later.

Mr. SCRIVNER. Why not offer an amendment from the committee rewriting section 5 and set out the language of that regulation? Then the Veterans' Administration cannot come in and upset the applecart by regulations the way they have done in times past; then Congress will be writing the laws and not the Veterans' Administration.

Mr. RANKIN. It was not brought up in committee; no one raised that question.

Mr. SCRIVNER. I have raised it in the past few days; I have been trying to get information on it. I know what was the intent. I have seen, and a lot of other Members have seen, the Veterans' Administration write regulations which were not in harmony with the spirit, intent, and letter of the law we passed.

Mr. RANKIN. I understand; and we have invariably had to correct it by law.

Mr. SCRIVNER. But having had that experience, why should we now put ourselves in that position again? I want to see the committee offer an amendment to set out the language which would prevent multiple payment of pensions from the Federal Government. If the committee does not, I will offer such an amendment.

Mr. RANKIN. The regulation is established by law as section 15 of Public Law 144 of the Seventy-eighth Congress.

Mr. SCRIVNER. Why not so refer to it specifically in this bill? Then we will not have any question about it; why not offer an amendment referring to the law and not to the Veterans' Administration regulation? Then the Veterans' Administration cannot change it on us.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. O'HARA].

Mr. O'HARA of Minnesota. Mr. Chairman, it is perhaps unfortunate that a bill as important as this should have been born under such strife and travail and under the conditions which you have witnessed on the floor today. I want the RECORD to show that I am supporting this legislation. I want it amended and improved in some respects. I want to urge you, too, those of you who sincerely believe in the pension law, to vote against the motion which will be made, I understand, as soon as general debate is closed, to recommit this bill before there are any amendments. I think that we honestly should attempt to improve this bill and to pass it. If you want a roll call and all that goes with it I am perfectly willing to stand up and be counted in support of this legislation. I should like to see it amended; I am in favor of supporting it as is, though, if necessary to have a bill, but I do hope it will be amended and become a good piece of legislation.

I have noted that ever since this legislation was reported there has been a wave of propaganda, particularly in the newspapers of this country who have vigorously supported all programs to spend the dollars of the American taxpayers all over the world, in violent opposition to this bill. They have said that Congress did not have the courage to stand up and be counted on this bill. I am perfectly willing, and I believe the average Member of Congress whichever way he feels is perfectly willing to stand up and be counted. But let us in the name of common sense, and good legislation, and good statesmanship, write a bill that is the best bill we can produce and pass it in the name of those who have given service, not that they are entitled to special consideration but that they are entitled to grateful consideration from those whom they have served in time of war.

I realize there are those who do not believe in pension bills or who do not believe in bonus bills; personally, as a veteran of World War I, I have always felt that a sound pension bill for the aged soldier or the disabled soldier was a far better piece of legislation than any bonus bill.

I have heard from some veterans of World War II in my district, and they say they do not want to be included in this bill. An amendment should properly be offered to strike out the World War II veterans if they do not want to be included. Let it apply to those to

whom it should apply, the World War I veterans.

I recognize that there is a particular group that served in World War II who are approaching 65 and may not be World War I veterans, but they would be few in number. If the motion to recommit is offered, let us have a roll call. Personally, I shall vote against it, and I hope the House will vote against it, because I think we can write into this legislation the necessary safeguards and amendments that have been suggested to make this a good bill.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield the balance of the time on this side to the gentleman from New York [Mr. KEATING].

Mr. KEATING. Mr. Chairman, in the first instance, may I endorse fully the remarks of the gentlewoman from Massachusetts regarding the gentleman from Massachusetts [Mr. KENNEDY]. I should not like to have misunderstood the fact that I took issue a few moments ago with his characterization of one of our great veterans' organizations. The gentleman, I am sure, knows that for him personally I have both respect and affection, undiluted by my disagreement with his views.

As one who is not a member of the Committee on Veterans' Affairs, I feel compelled to voice my regret at the method by which the pending bill comes before us for consideration. It seems to me it savors of legislative irresponsibility to bring before the House a bill in which the representatives of the majority party on this committee are unable to agree among themselves, not only on reporting out a bill but even as to what happened in committee.

In the much maligned Eightieth Congress that we have heard a great deal about from our friends across the aisle, we were never confronted at any time, even in the last few days of the session, necessarily hurried and somewhat hectic, with any such situation as this, where a bill comes before us without at least a fair and full statement of what has taken place in committee, and a complete opportunity to both proponents and opponents of the measure to state their position.

I do not want to open up my few minutes to a debate between the various members of this committee over what did in fact take place. We have heard enough about that already. But certainly we are all confused, even indeed, apparently those who were on the spot. I hope in connection with future legislation which those who control this Congress present to us, this exhibition will not be repeated. It does not enhance the public respect for the legislative process.

Many of us approach this problem with an open mind. That is the reason we ought to have the guidance of a committee that can tell us what happened in its deliberations. We should have the recommendations of a committee which has threshed out in detail the many controversial points.

I hold in my hands the hearings. They are stated by the Chairman to be on two bills, H. R. 1793 and H. R. 897. This paper handed to us now to act upon is H. R. 2681. As I understand it, this precise legislation never had a hearing before the committee and was never considered by the committee. The result is that we must do what we all dislike to do. We must attempt to write a bill here on the floor of the House. It would be difficult for me and I know from speaking with a number of Members on both sides of the aisle, it would be difficult for many, to support this bill as it stands. Unquestionably, a much sounder measure would have been the product of a committee operated, as our legislative committees were in the last Congress, on the principle that their function was to hear the witnesses, write a bill and air in the House their differences in principle, not personalities.

My impression is that when we come to vote we will not vote on the bill as it stands. The gentleman from New York will offer an amendment, as I understand it, to limit the bill to those receiving an honorable discharge. He or others will have another to limit the application of the measure to World War I veterans on the theory that we should not now legislate for years ahead at a time when no one now can foresee the economic, social, political, or international conditions. Then an effort will be made to write into this legislation language which will limit its applicability to those who have served their country and really need to have their income enhanced by pension funds without opening the door of the Federal Treasury to the well-to-do and the comfortably situated who in most cases have no desire to see the pay rolls of the working men and women tapped through increased taxes to subsidize their living expenses. Other amendments, no doubt many of them constructive, will be offered for our consideration. Our task will be to weigh each of them on its merits and, at the conclusion of all debate, decide whether to support or reject, not the Rankin bill, but the pension measure then offered to us. That, it will be our duty to weigh, in the light both of what is best for the country and what is fair to our veterans who, when their country called, responded promptly and courageously. Let us not forget that the greatest disservice we could render our veterans and their loved ones would be to legislate recklessly without due regard for the maintenance of a sound economy. On the other hand, let us remember that cost figures given to date are meaningless, when applied to the legislation likely to emerge after the amendment procedure is complete. In other words, let us not kill this bill at this stage but proceed to consider its provisions with open mind.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. RANKIN. Mr. Chairman, I yield to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Chairman, I am opposed to this legislation in its present form.

The debate on the bill has revealed an extraordinary lack of consideration of the subject.

Almost without fail, every committee that has brought a bill before us has agreed that its function was to hear all sides of the question, not only on the bill but on all proposed amendments.

Time and again we have been told that committees welcome submission to them of proposed amendments. Just as frequently they have told us that a bill cannot be perfected on the floor and result in a good bill.

No one can find fault with proposing an amendment on the floor that has been defeated in committee. The objection is to the attempt to consider originally on the floor amendments not considered by the committee, and on which the public has not been heard by the committee. Committee hearings are the democratic way of giving the voters the opportunity to be heard.

It is the duty of every committee to accord that privilege at all times.

Today we were treated to the spectacle of having the committee and its members, as well as others telling us that this bill must be amended. Obviously the committee has not considered these proposed amendments.

The transcript of the hearings of the committee disclose that those who desired to discuss amendments were precluded from doing so.

The debate here today discloses much lack of information and, even worse, much misinformation.

To take but one instance, it was stated on the floor today that two-thirds of World War II veterans have not participated in the benefits accorded by the GI bill of rights. The fact is that 9,000,000 of the 13,000,000 World War II veterans did.

The entire subject requires full and complete study and consideration. That can be done at this session of Congress, and a good pension bill reported—a bill which an overwhelming majority of this House can wholeheartedly support.

I take my hat off to no man, in or out of this House, in my desire to do the right thing by the veterans who served their country. Passage of this bill in its present form is not the way to show our gratitude.

In my opinion, this bill was not prompted by a desire to help the veterans. It was born of spite and nurtured by venom in the hope that it will embarrass the administration. At the same time I realize full well that most of the Members of this House will nevertheless overlook that and vote in accordance with the dictates of their conscience.

Mr. RANKIN. Mr. Chairman, I yield to the gentleman from South Carolina [Mr. MCMILLAN].

Mr. MCMILLAN of South Carolina. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McMILLAN of South Carolina. Mr. Chairman and Members of the House, I find it extremely difficult to give any sound reason why I should not vote for the pending pension bill.

This Congress, 20 years after the Civil War, voted a pension for all Union Civil War veterans and the Southern States, to the best of their ability, made an effort to give their veterans a small pension. Twenty years after the Spanish-American War this Congress voted a pension for every veteran of that war, and now, 31 years after World War I, we are debating whether we should vote the veterans of that war a straight pension. We have made enormous loans to a number of other countries, including Australia, Canada, and Great Britain, where they have already granted straight pensions to their veterans of World War I. We have voted, since World War II, approximately $20,000,000,000 each year for assistance to European countries and it seems to me that if we are able to vote enormous sums to assist foreign governments who are already far in debt to us, we certainly should be able to take care of every person in this country who wore the uniform in defense of his country.

I know that it has always been the policy of the Congress to see that no veteran of any war is required to stand on the street corners and beg.

I am certainly not in favor of paying a pension to able-bodied veterans or anyone else; however, when a veteran reaches the age of 65 it is almost impossible for him to secure a position of any nature.

I know that exaggerated statements have been made as to the cost of the pending bill before us today; however, these commentators and newspapers fail to state the amount of money that will be saved by taking so many veterans from the compensation rolls and placing them on a straight pension without costing the Government several hundred dollars each year for a physical examination which is required by the Veterans' Administration in order for a veteran to continuously draw compensation under the present act.

I honestly believe that a straight pension to veterans above the age of 65 will save the Government millions of dollars over a period of years, in comparison to the present compensation system.

Mr. RANKIN. Mr. Chairman, I yield to the gentleman from Tennessee [Mr. EVINS], a member of the committee.

Mr. EVINS. Mr. Chairman and members of the Committee, the House is being asked today to consider at this time a bill to provide pensions for World War I and World War II veterans based upon non-service-connected disability and attained age. I realize that the members of the Committee are familiar with the provisions of this bill from what has already been said here on the floor today, but for the purpose of emphasis I think that the provisions of the bill should be briefly reviewed.

Briefly, the measure provides for (a) the establisment of a uniform system of pension payments to veterans of World War I and World War II based upon disability, which is not service connected, and upon reaching an attained age—a pension of $90 per month for veterans who have served their country honorably in time of war upon reaching the age of 65; (b) the bill provides further for the payment of $120 per month for totally disabled veterans requiring the full-time help of an aide or attendant; and (c) the bill contains a provision for the grant of a pension to the surviving widow or dependent of a deceased veteran of World War II on the same basis as World War I.

Mr. Chairman, the Committee on Veterans' Affairs, of which I have the privilege to be a member, began its deliberations on the proposed pension bills on the 27th of January, and hearings were concluded and the present measure reported on February 9. We have heard the charges that sufficient hearings were not held on this measure. I might state that I think that further hearings could have been held, but then hearings could have been continued on indefinitely. However, during the times the committee held hearings a large number of expert and qualified witnesses from veterans' organizations and the Veterans' Administration, as well as Members of the House of Representatives and others, availed themselves of the opportunity to be heard on this important subject. Some of the veterans heard on this matter included spokesmen for the American Legion, Veterans of Foreign Wars, the Disabled American Veterans, the AMVETS, and the American Veterans Committee. Each representative was given a full and complete hearing and the views of all were courteously received by the members of the committee. Every qualified witness who wished to speak out on this subject was given an opportunity to do so.

The bill that received the greatest endorsement of the greatest number of witnesses was a measure very much like the bill on which the committee has decided to act, namely, the uniform pension bill applicable to World War I and World War II veterans—a uniform pension system modeled after the plan of the Spanish-American War pension pattern. The latter pension system set up for those who served in the Spanish-American War, as we all know, is considered generally to be the most satisfactory and easily administered pension system ever devised by this country. The American Legion sponsored a measure, as recommended by its most recent national convention at Miami, providing for a system of pensions on a graduated scale beginning at age 60. The Veterans of Foreign Wars favored a bill providing for pensions at age 62 and graduated upward. Near the close of the hearings our colleague, a gentleman from Pennsylvania [Mr. VAN ZANDT] placed another bill before the committee in the nature of a compromise proposal, providing for pensions for veterans of both World Wars beginning at the age of 63. The measure which finally evolved in the committee represents a composite piece of legislation and study of all of the proposals with provisions for pensions to become effective at the age of 65.

I feel sure from what has been said on the floor here today that all Members of the House do not know or are not aware that, under previous pension law enacted by Congress, provision was made for pensions for veterans of every war from the Revolutionary War up to, but not including, World War I. In other words, a pension has been provided historically after each war for veterans of our country who have engaged honorably in these wars and in the defense of our country. The rate of compensation under such existing statutes is similar, if not identical, with the provisions provided under the pending bill. In other words, pensions have been provided for the veterans of the Revolutionary War, the Mexican War, the Civil War, the Spanish-American War, the Philippine Insurrection, and the Boxer Rebellion, and under present law a veteran of World War I or World War II upon reaching the age of 65, if he is 10 percent disabled and unemployable, may draw a pension of $72 per month. The pending bill, therefore, represents an extension of existing legislation and the continuance of historic pension policy of the Government and an effort to place the same on a uniform basis.

I am giving this background for the purpose of refuting some of the ill-considered allegations that have been directed at the Committee from many quarters. This bill is not a perfect bill, but the measure represents a sincere effort to discharge the responsibility and the duties of the committee and the obligation of the Government to the veterans of this Nation. I feel sure that many of the extravagant charges which have been hurled at members of the committee are based upon incomplete factual data and information. I should like to emphasize that with but one exception all veterans' organizations appearing before the committee went on record as favoring a pension system. That one exception was the American Veterans Committee — the AVC—which organization proposed, in lieu of a pension system, the adoption of a broadened and expanded social security program. In this connection, I should like to state that I have no doubt that our social security program should be broadened and am sure that in time this will be accomplished. I do not, however, believe that this possible future course should be offered as a substitute for an orderly program of veterans' pensions. The historic policy should not be disrupted. I have studied reports of the estimated cost of the pension bill as compared with the cost of expanding our social security program. The figures advanced, and in which I have confidence, by the Social Security Board are not only larger but are actually alarming when set beside the projected cost of the pension bill. I do not wish to appear in a position of opposing broadening of the social security program but I do feel that such should not be offered as a substitute and in lieu of a uniform pension policy for the veterans of this Nation.

It has been said that this bill represents the greatest veterans grab in history. That charge is entirely uncalled for and will not find reception in the minds of persons acquainted with the

facts of the case. Speaking both as a veteran who is proud of the privilege to serve his country during time of war and also as a taxpayer and a Member of Congress who has the duty of being aware of and responsible for the welfare of all the citizens of our country—whether veteran or nonveteran—I must repeat that I consider these allegations most unfair. It has been the proud privilege of this country following every war, Mr. Chairman, to take steps to provide means by which every man who served his country in uniform could be assured of some measure of material security in his old age. These provisions up to World War I, as I have indicated, were made within a matter of 15 or 20 years after conclusion of hostilities. More than 30 years have passed since World War I ended and yet our country has failed to make old-age provisions for the veterans of that war.

Our World War I veterans are now approaching the age when such considerations are not only deserving but have become pressing. One of the principal reasons why the World War II veterans were included in the provisions of this bill at this time is to make the legislation fair and equitable and uniform. There has been entirely too much criticism of favoritism for World War I or World War II veterans. This bill makes the same provisions applicable to both.

We have heard much here today concerning the writing in of an amendment to provide for pension payments based upon need of the veteran—a so-called needs clause. The committee heard a number of suggestions that pensions be made contingent upon need. This question was discussed at length and considered from every angle by the committee. Certainly there are arguments in favor of adoption of such a needs clause and many arguments as to why such needs clause should not be adopted.

Of course, the primary obligation and responsibility of our Government toward our veterans is to the disabled veteran, their widows, and orphans. Following this, there is an obligation with respect to all veterans of this Nation who served our country honorably in time of war. From the facts brought out before the committee, it was decided to eliminate the needs clause for the reason that the majority of the members of the committee felt that such a provision in the statute would place a penalty on industry and a premium on indolence. It was pointed out that perhaps some veterans might take the position of stating, "Well, why should I work and earn a competence for if I do so I would be denied a pension?" On the other hand, a thrifty and industrious veteran should not be denied the remuneration which his country owes him because of the fact that he has been frugal, thrifty, and industrious. The adoption of a needs clause would doubtless deny compensation to many honorably discharged veterans, many of whom may well have served with great distinction and great hazard. It is my position that a fair and uniform pension system should provide payment to all veterans with honorable service upon the prescribed attained age of 65 and without the necessity for administrative cost and determination as to who was justified in entitlement to such pension. Improvidence and indolence should not be made the rainbow leading to a pot of gold.

Concerning the cost of this proposed legislation, we have all read and heard the widest and wildest speculation of the extravagant cost of this proposed legislation. I should like to point out that the estimates in this connection have varied in almost every statement made in the press concerning the projected cost of this legislation. Many of the reports are based upon estimated cost of the original bill sponsored by the American Legion in which pension payments were to begin at the age of 60. These figures have in turn been multiplied and compounded and in many instances the figures have been multiplied upon the basis of 50 or 100 years to enlarge the cost figure. We have the estimates of the Veterans' Administration, the agency of the Government most qualified to speak on this subject and which estimate, I believe, more nearly represents the true picture of the cost of this legislation, although it has been pointed out that the estimates of the Veterans' Administration represent the maximum possible cost in every instance. The figures of the Veterans' Administration are considerably under the estimates of the uninformed and prejudiced sources used to frighten the public against this bill. The estimated cost of this legislation for that first year, 1950, is only $62,000,000. The estimated cost for 1990, the peak year with the heaviest load, is shown to be slightly in excess of $4,000,000,000 but less than $4,500,000,000. This amount is less than one-half the amount that we are spending on the Marshall plan and aid to Europe and the various European recovery programs. The annual budget for the Veterans' Administration at the present time is in round figures $11,000,000,000. By the time this bill reaches its maximum proportions the educational and other provisions of the so-called GI bill of rights will have expired and be exhausted. The greatest cost of the present expenditures is for operation of this bill and the administrative cost. It was pointed out before the committee that the administrative cost in the running of the Veterans' Administration represents one of the greatest items of cost in the VA's budget. My point is this—that the total cost of the pension bill in its peak year is less than one-fourth of the present Veterans' Administration budget and with the expiration of the educational provisions and other provisions of the GI bill of rights the amount of the Veterans' Administration budget will be considerably reduced.

Mr. Chairman, what so horrifies the country about this bill? When have we suddenly become so improvident that we cannot foresee the day when our veterans may need the blessing of some small assistance from the country they served in time of war?

In the past 2 years, Mr. Chairman, this Congress has been asked to appropriate—and has gotten—by various agencies untold millions for benefits, directly and indirectly, to people outside this country.

Let us look at the list of some of these appropriations. We have been asked just this year to give four and one-half billions for the European recovery program; the Greek-Turkish program wants $136,000,000; the Army relief program in occupied areas asked for additional billions; assistance to China, $49,000,000; displaced persons will require $7,000,000 in good United States dollars, we are told. International refugees will need $70,000,000. Millions and millions of dollars for foreign purposes—and please understand, Mr. Chairman, I want to state that I am not objecting to all of these authorizations where needed because I feel that we should back to the hilt the concerted drive for world peace. Yet we suddenly become frightened at the thought of putting out some money for our veterans on the home front.

The fact that we have had large numbers of veterans does not lessen one iota the obligation we have toward those who fought the wars. Can we say to these men, "Sorry, old boy, but just forget any pension you may need. There are too many of you. Costs too much money. We can't afford it."

Let us discount the misleading and misinformed statements that have been made about this proposed pension legislation.

During the last 2 years this Congress has been asked to appropriate billions of dollars for foreign relief programs and otherwise and yet when an extension of the pension law is proposed on a uniform basis some of the press and others cry to the high heavens that the country is going bankrupt. No, making our old veterans more secure in the evening of their lives is not going to bankrupt our country. Aiding the heroes of this country—the men who fought and helped preserve our Nation—will not bankrupt a $100,000,000,000 Nation. The peak load of cost of $4,000,000,000 will not ruin our country but will help to preserve it, statements of the views of the editorial writers in some of our large metropolitan dailies notwithstanding and to the contrary.

The only message that the soldier gets is to go to war and to fight for his country. Seemingly, the only message that the veteran gets is a blunt rejection of legislation designed for his benefit. This pension bill, which can and should be proposed, amended, and written, should be passed. We cannot do less for the men of the last two wars than we have done for the men of our other wars.

Mr. RANKIN. Mr. Chairman, I yield to the gentleman from Missouri [Mr. CARNAHAN].

Mr. CARNAHAN. Mr. Chairman, it is my desire to direct attention to the long-range effect that our actions here today will have upon the morale of our fighting forces in the years that lie ahead of us.

In prefacing my remarks, let me state that this is not the first time that a victorious nation has been confronted with the problem of conferring rights and benefits upon her victorious veterans, many of them who have become disabled in the service of their country.

England was confronted with this issue at a time when our great forefathers were

writing the pages of immortal history, as they struggled to secure the foundation of our country, the greatest and most powerful nation in the world today.

In his book entitled "For the Defense," published in 1947, Lloyd Paul Stryker has set out very clearly the plight of the English veterans during that period of events transpiring about the year 1778. In chapter VI of this book entitled, "The Frauds in the Veterans' Administration," you will find an account of the situation that existed when Captain Baille, an old English seaman, was retired from the Royal Navy in 1761, and sent to Greenwich Hospital, established for the support and care of aged and disabled sailors of the Royal Navy. As an able sea captain, Baille was the type of man who had placed the interest of his men above his own, and he tried unsuccessfully to enlist the support of the English Government in his fight to aid the aged and disabled veterans. Finally in desperation he published a pamphlet of 116 pages entitled, "The Case of the Royal Hospital for Seamen at Greenwich, Containing a Comprehensive View of the Internal Government." Captain Baille was subsequently indicted and compelled to appear and show cause why a criminal information should not be lodged against him. He was acquitted on November 23, 1778, and in the course of argument for the defense of his client, Mr. Thomas Erskine, a barrister who later became the Lord Chancellor of England, spoke the words, that I contend has a direct relation to the issue confronting us today, and I quote:

> My Lords, the matter is of the last importance. I speak not as an advocate alone; I speak to you as a man, as a member of a state whose very existence depends upon her naval strength. If misgovernment were to fall upon Chelsea Hospital to the ruin and discouragement of our army it would no doubt be lamented, yet I should not think it fatal. But if our fleets are to be crippled by the baneful influence of elections, we are lost indeed. If the seaman, who while he exposes his body to fatigues and dangers, looking forward to Greenwich as an asylum for infirmity and old age, sees the gates of it blocked up by corruption and hears the riot and mirth of luxuriant landsmen drowning the groans and complaints of the wounded, helpless companions of his glory, he will tempt the sea no more.

I do not subscribe to the use of the words "fraud" and "corruption" in this illustration, for those words apply to the situation in England at the time the events noted above transpired. In making this illustration for comparison, it is my purpose in furtherance of my views, to contend that our attitude toward this pension plan for veterans, as we express that attitude today, will be reflected in the morale and strength of our fighting forces in the years to come.

We have not forgotten just a few short years ago when the Axis armies were rolling relentlessly onward, and fear was everywhere. Our great leader, President Franklin Delano Roosevelt, told us then to have faith that we would win, through blood, and sweat, and tears * * *. Today we have won, and we know the real meaning of those words, both on the home front and on the battle front. Today, also, the veterans of all of our wars have returned home to take their places in the American way of living and, under our great system of free enterprise, are entering into competition, as they exercise their ability to work and earn a living.

Our Government owes a debt of gratitude to these veterans that we cannot ever fully repay, and it is fundamental that those who are old and those who have become disabled, should receive assistance from that Government which they have so ably defended. The opponents of this legislation are objecting to the proposed cost that will be brought about by enactment of this legislation. In the first place, I feel that the estimate of money that will be needed to finance this program has been set far too high, even though we all realize that the cost of any legislation in any manner related to war must always be high, and must be borne in part by our successive generations through the burden of taxation.

I do not favor taxation unless there is imperative need; however, in view of all existing circumstances, and the world situation today, we must be reminded that eternal vigilance is the price of freedom, and if we would remain free, we must remain strong and prepared to defend ourselves.

Since we must spend to remain free, then I am glad that we are to be given the choice of paying in money to insure the continued existence of a strong armed force, imbued with the high morale necessary to defeat any and all foreign powers who may seek to attack us.

It is true that enactment of this legislation will cause us to spend money in order to benefit our veterans, but I hold it self-evident that we, as a nation, will benefit by the enactment of this legislation through the strengthened morale of our fighting forces, and of our Nation.

I pray that we may never again be called upon to send our forces into conflict to repel those who would seek to destroy us, but what the future holds we do not know, and we can only take such steps as are necessary and proper to keep our Nation strong, and the morale of our citizen-soldiers unaffected, as we strive toward world peace and security.

This legislation should be enacted, for if our citizen-soldier should ever again be called upon to expose his body to the fatigues and dangers of conflict, while looking forward to peace and security from infirmity and old age, and sees the gates to that peace and security closed to him as he hears the mirth of the luxuriant wealthy drowning the cries of his wounded comrades, he, and the morale of our great and undefeated forces, would be adversely affected. It follows, in the light of all of the existing circumstances that when, and only when, we exhibit some such sign of weakness will there be rejoicings in the Kremlin, and, a resultant danger that our succeeding generations will be called upon to run the risk of paying a heavier and more terrible price in terms of slavery, disease, famine, and destruction.

Mr. RANKIN. Mr. Chairman, I yield to the gentleman from Mississippi [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, I rise in support of service pensions for our aged veterans. As a veteran of World War II, I readily admit that our group has prospered at the hands of our Government by comparison with our less fortunate older brethren who saved this country in World War I. I have long contended that the veteran of World War I is the forgotten man in our great fraternity of veterans.

The bill which is before us now, perhaps, is not the complete answer to equalizing benefits for all men who served their country in time of war; but it is a significant step in the right direction. At a time when we find ourselves pouring billions upon billions of dollars into the coffers of former enemy nations, I think it only fitting and proper that we reaffirm our obligation to those who—in 1917 as well as in 1898 and 1941—fought for our country in time of war, and support its institutions in time of peace.

Mr. RANKIN. Mr. Chairman, I yield to the gentleman from Texas [Mr. TEAGUE].

Mr. TEAGUE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TEAGUE. Mr. Chairman, sooner or later this Congress must decide between our old system of direct pensions to veterans and some kind of a system for all our old people, veterans and nonveterans alike. Certainly in a country such as these United States our old people and our crippled people whether or not they are veterans and who cannot care for themselves must be cared for in some way. At one time the veteran interest and the public interest were not too closely tied together but today our veteran population is so large that you cannot separate the veteran interest and the public interest. If there is a group in America today who should have the public interest at heart, it is the veteran group. If there is a group in America today who should know and appreciate this great country of ours, it is the veteran group, and Mr. Chairman, it is my belief that our veterans do know and appreciate this great country of ours.

I learned from the war to have much confidence in the American man. When they had all the facts you could depend upon them to do what was right regardless of how it affected them personally.

Mr. Chairman, as far as I am concerned, there are many undesirable things about this bill. This bill will pay a pension of $120 per month to a man with a bad-conduct discharge, who is suffering from a total and permanent nonservice-connected disability resulting from willful misconduct or vicious habits provided he requires aid and attendance. This bill will pay $15 more to a veteran who shows no need and who was in no danger than it does to the widow of a man killed in the fighting. A veteran with one leg amputated receives $97 per month, yet this bill gives any veteran with 90 days service and 65 years of age, $90 regardless of whether or not he needs it. A man 60 percent disabled in the

fighting receives $88.80. Again under this bill a man 65, who may be in good health or bad health, receives $90.

Mr. Chairman, there is a considerable amount of needed legislation which concerns service-connected disabled men, widows, and orphans of men who were killed in the fighting which should have been considered before legislation for able-bodied or non-service-connected cases.

I do not subscribe to the theory that this legislation is dishonest and neither do I subscribe to the theory that it will completely wreck the economic structure of our country. I am sure there is a limit to the amount of money which we can spend and our Government today is spending about $6,000,000,000 each year for our veterans, and I am sure there is no one who regrets $1 of this amount which is going to a man or woman who came out of the service so handicapped that they cannot help themselves, but for those who came out of the war with no troubles, and many came out in better shape than they went in, I doubt whether they shall be wards of the Government unless there is a financial need.

I have heard much of the Economy Act of 1933. I am very much afraid that if this bill passes that it will enhance the chances of another economy act and will also block consideration of needed legislation for service-connected disabled and their dependents and for the widows and orphans of the boys who were killed.

Mr. Chairman, veterans of World Wars I and II who have permanent and total disabilities not incurred in service can receive $60 per month with an increase to $72 per month at the age of 65 or after receiving the pension for a continuous period of 10 years. In this connection permanent and total disability includes any veteran who is 10 percent disabled at the age of 65. To be eligible, veterans must be unemployable and cannot have other income in excess of $1,000 for a single man or $2,500 for a man with dependents; thus, many veterans age 65 or over who are in need can now qualify for a pension of $72 a month under existing laws and regulations.

Mr. Chairman, last year there were 133,483 World War I veterans who received pensions for permanent total non-service connected disabilities at a cost of $101,357,956.59. This was an increase of 22 percent over 1947, and it is expected that there will be approximately a 30 percent increase in the next year; therefore our needy veterans of World War I are today receiving a pension. This bill will in the great part aid veterans who are able bodied and are not in need of financial assistance.

Mr. Chairman, the Veterans' Administration tells me that the determination of permanent total disability for World War I veterans is made on a very liberal basis. In reviewing the history of pension legislation generally, it is noted that one of the primary factors leading to the Economy Act of March 1933 which cut off many needy veterans and reduced the disability allowance for service-connected cases was preceded by a bill such as this one in 1930. I do not believe, Mr. Chairman, that a vote against this bill is a vote against veterans but it is a vote to protect our veterans with a disability and to protect the dependents of veterans who died in the service.

Mr. Chairman, there are two very desirable parts of this bill. One is the part which increases the income limitations for our widows which will help to take care of the sharp increase in the cost of living and the other is the part which places the World War I widows and World War II widows on the same status.

Mr. RANKIN. Mr. Chairman, I yield to the gentleman from Minnesota [Mr. BLATNIK].

Mr. BLATNIK. Mr. Chairman, as a veteran and as one of a group in this House who have been working for a broad, comprehensive and all-inclusive program of pensions for our senior citizens, I must oppose H. R. 2681, known as the Rankin bill, in its present form.

The veteran, who served his country in time of war, has traditionally been rewarded by pensions in his old age and pensions for his widow and other dependents, and I would be the last to deny such a deserved reward to the veterans of the last two world-wide wars.

However, the problems of illness and old age are not peculiar to the veteran—they present today a serious and widespread human need involving over 10,000,000 men and women 65 years of age and over—these problems are a challenge to our democratic system.

The veterans' pension system, the first Government-sponsored pension program, showed the way to what must inevitably become universal. To continue a piecemeal attack where a comprehensive old-age pension program is needed will be a grave error.

In this day when veterans constitute such a large proportion of our population, we have an unequalled opportunity to enact into law a real pension program for all of our senior citizens, and I therefore call upon the Members of this House to recommit this legislation to the Committee on Ways and Means where it should rightfully originate.

For the past 2 weeks the Ways and Means Committee has been holding hearings on the problem of old-age pensions, and it is a sad commentary on our legislative process that we should at this time be considering on the floor of the House one phase of old-age pensions while the Ways and Means Committee is still deliberating on other phases of the program for subsequent presentation to the House.

Since I am convinced that our present piecemeal approach to social security for the aged and disabled will result in a hodge-podge program—an inadequate and inconsistent program fraught with inequities, waste, and confusion, I have introduced H. R. 2135, and an identical measure is being sponsored by my Republican colleague the gentleman from Oregon [Mr. ANGELL], H. R. 2136.

May I therefore bring to the attention of my colleagues—since all are interested in the welfare of the veteran and his parents, relatives, and fellow citizens reaching retirement age—this measure, H. R. 2135, known as the Townsend plan for national old-age insurance.

The Townsend plan is the only proposal now before Congress that provides for an adequate, comprehensive old-age pension for all of our senior citizens, veterans and nonveterans alike. I believe that it deserves our support, and I shall press for early consideration in this House.

Mr. RANKIN. Mr. Chairman, I yield the balance of the time to the gentleman from Colorado [Mr. CARROLL].

Mr. CARROLL. Mr. Chairman, I think we ought to meet the issue head-on. It is a very simple one. Member after Member has appeared in the well of the House apologizing for the lack of consideration of this tremendously important bill, a bill that the Director of the Budget says will cost the people of the United States upwards of $125,000,000,000. Make no mistake about that. This is an extremely serious issue. This is not the issue of whether we are in favor of the American Legion or the Veterans of Foreign Wars. I belong to both of them and I have great respect for them. I do not criticize the chairman of the committee or any member of the committee who brought this bill forward, but I am going to give you an opportunity, if I am recognized by the Chair, to meet this issue head-on. I am going to offer a motion to strike out the enacting clause and then if we are successful on that I am going to offer a motion to recommit because the gentlemen from Wisconsin, both Mr. DAVIS and Mr. BYRNES, have put their fingers upon the real issue of this whole case. I will have a chance to speak to you later.

The CHAIRMAN. All time for general debate having expired, the Clerk will read the bill for amendment.

The Clerk read, as follows:

Be it enacted, etc., That any person who served in the active military or naval service, for a period of 90 days or more, during either World War I or World War II, as now or hereafter defined, who was discharged under conditions other than dishonorable from such service, or who, having served less than 90 days, was discharged for disability incurred in the service in line of duty or is receiving or entitled to receive compensation or retirement pay for service-connected disability, who is shown to have been in active service therein before the cessation of hostilities and who is or may hereafter be suffering from a permanent non-service-connected disability, or has attained the age of 62 years or over, shall be entitled to receive pension at the rate specified in section 2 of this act.

With the following committee amendments:

Page 1, line 10, strike out "or retirement pay."

Page 2, line 4, strike out "sixty-two" and insert "sixty-five."

The committee amendments were agreed to.

Mr. KEARNEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KEARNEY: On page 1, line 6, after "under", insert "honorable" and following "conditions" strike out "other than dishonorable."

Mr. KEARNEY. Mr. Chairman, my sole purpose in offering this amendment is that I do not believe a man who served his country and was discharged under

other than honorable conditions is entitled to a pension from his Government.

I call the attention of the committee to the fact that from 1941 through 1948, both years inclusive, the Army issued 38,475 dishonorable discharges and 61,969 blue discharges. Of these, 1,752 dishonorable discharges and 5,465 blue discharges were issued in 1941 prior to the attack on Pearl Harbor. These figures do not give the complete and clear picture. During World War I there were 10,250 dishonorable discharges and 24,260 discharges under conditions other than honorable. In World War I from the Navy and Marines there were 3,552 dishonorable discharges and 8,889 discharges under conditions other than honorable.

More complete reports from the Navy showed that from 1941 to 1948, both years inclusive, that service issued 5,699 dishonorable discharges and 63,524 bad conduct, undesirable, and other types of discharges comparable to the blue discharges issued by the Army.

Since the discharge of the individual from the service, review boards were set up in the Army and Navy Departments under the provisions of Public Law 346 of the Seventy-eighth Congress, and approximately 45,000 blue discharges have been reviewed by the 301 boards. The Army reviewed 24,000 cases, and of this number issued 5,200 honorable discharges. The Navy reviewed 20,637 cases, and changed a total of 6,021 to honorable discharges.

There has been a lot of talk on the floor of the House about this bill. I believe the Members of this House want to start this bill in a proper manner. I think the majority of the Members will agree with me that this country owes no man a pension who was discharged from the service under conditions other than honorable.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. KEARNEY. I yield to the gentleman from New York.

Mr. KEATING. I have had it said to me that the question of honorable and dishonorable does not apply to discharges after World War I, that after World War II, as we all know, there were four types of discharges, but there were only two types of discharges after World War I. Can the gentleman clarify that point?

Mr. KEARNEY. Unless I am mistaken, during World War I there was a dishonorable discharge, a blue discharge, and the discharge under section 157½ of the Army regulations, for the good of the service. These were Army discharges only.

Mr. KEATING. So the gentleman's opinion is that there were four then, as there are now?

Mr. KEARNEY. That is correct.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. KEARNEY. I yield.

Mr. EVINS. Under the provisions of your amendment a veteran with a blue discharge still has a right to have that reviewed so that it can be made an honorable discharge?

Mr. KEARNEY. The Review Boards will continue, as I understand it, for 15 years and they are considering those types of discharges today.

Mr. EVINS. So that any injustice can be corrected?

Mr. KEARNEY. That is correct.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. KEARNEY. I yield.

Mr. RANKIN. That is the same amendment that the gentleman offered in committee, is it not?

Mr. KEARNEY. This is exactly the same amendment that I offered in committee.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. KEARNEY. I yield.

Mr. WILLIAMS. Is the gentleman in a position to state whether or not veterans who hold blue discharges, or discharges other than honorable, are entitled to disability compensation if they have established service-connection?

Mr. KEARNEY. The Veterans' Administration has a regulation which states in effect that if the blue discharge was for something other than bad conduct, such as a mental case, for example, that they would give consideration to that. By the acceptance of this amendment approximately $128,000,000 will be saved yearly.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CARROLL. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. CARROLL moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. CARROLL. Mr. Chairman, this is the matter about which I spoke in the last minute of debate. I have waited 3 hours to speak on this measure, and I received 1 minute. Well, maybe that will be sufficient.

The purpose of this motion is a very simple one. I am hopeful that we will rise out of this Committee, after which there will be a motion to recommit, to send the bill back to the Committee on Veterans' Affairs. There is a reason for that. Almost every person I have heard discuss this issue apologizes about writing this legislation on the floor of the House. I am wondering how you are going to be able to explain to your people back home your vote on this bill. This was not an issue in the last campaign. Will you be able to go back home to your constituents and justify the writing of a pension bill involving billions and billions of dollars on the floor of the House, without profound and mature deliberation?

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield.

Mr. KEATING. The only way we can justify it is that the party in control of this measure could not bring before us a bill which we could vote on, and we were left with this as our only alternative.

Mr. CARROLL. I yield no further; but I should like to suggest to the gentleman from New York [Mr. KEATING] that we not put this issue on a partisan plane at this time. Republican Members have discussed in debate a resolution that has been introduced before this body. I refer to the gentleman from Wisconsin [Mr. BYRNES] and the gentleman from Wisconsin [Mr. DAVIS]. They want to explore this legislation. They want to explore the field of benefits to veterans. Their position is very sound. Others who have a vital interest in veterans' legislation want to join with them. They, too, have ideas.

But before the Committee on Ways and Means today is legislation which will give veterans far greater benefits than they receive under the so-called Rankin bill, if we have the intelligence, and if we have the vision to pass that type of legislation. Gentlemen, you have to consider, not the traditional pension policy—you are not dealing with the Civil War or the Spanish-American War where only a few hundred thousand men were eligible for pensions. In World War I we had 4,000,000 men. In World War II there were 14,000,000 men. Since those wars you have enacted into legislative machinery of the Government, for the first time in the history of the Nation, a social-security program.

The gentleman from Louisiana has made a very good point. He says that the social-security system may not cover farmers. I say to you that if you will it, if the Republicans will follow their own platform, and if the Democrats will follow their platform, all of us are obliged to extend coverage and to increase the benefits and create a comprehensive social-security program that will not destroy the fiscal structure of this Nation.

Mr. Chairman, who knows what the future holds for us? It is sincerely hoped that we have a lasting and enduring peace. The lessons of history, however, indicate the possibility of world war III. Every sensible person knows that the responsibilities after each succeeding war have grown enormously. We now fight wars on a total basis. That is to say, all of the people participate in war. Should we not consider the aftermath of a possible world war III in the light of the experience gained in World War II? Unquestionably twenty or twenty-five millions of Americans may be called into military service in such a war. The time has come for us to reexamine the whole subject of veterans' pension programs.

Some 30 days ago when I learned that this bill had been reported out of committee I began to examine the testimony given in the hearings. Many problems came to mind and to get the answer I called upon the Veterans' Administration, the Treasury Department, and the Social Security Administration. It then occurred to me that perhaps the Director of the Budget was the proper official to draw together information from these various agencies. He has done so and his report concerning this very piece of legislation is in the RECORD for every Member of this body to read.

All we are asking is that this bill go back into the Veterans Committee and that there it receive mature and calm deliberation. I am not one of those who impugn the motives of the American Legion or the Veterans of Foreign Wars

or any other veterans' group. Of course, they are trying to do what is good for the veterans; but I say they do not understand, because they have had no opportunity to study the results of a possible expansion of the social security program as it is related to the veterans' problem. As a matter of fact, the other day I asked an actuary to give us some idea of how we can give veterans special consideration within the framework of social security. I am in favor of giving the veterans special benefits, and there exists such a plan which I shall offer to the Ways and Means Committee within the next 2 weeks, where under which a veteran will receive a substantial wage benefit under the social-security program. He will get almost as much as under this Rankin pension bill, but his family will receive a great deal more in benefits. Instead of establishing a pension system you will establish a participating, contributing insurance system which will be good for the veteran, his dependents, and good for the welfare of the Nation.

Mr. Chairman, this is a very important issue. Unwittingly the proponents of this bill have raised the issue whether you are going to gut social security or whether you are going to follow a sane, sound, and sensible program. I hope you will sustain this motion.

The CHAIRMAN. The time of the gentleman from Colorado [Mr. CARROLL] has expired.

Mr. RANKIN. Mr. Chairman, I rise in opposition to the motion.

Mr. Chairman, if there ever was any doubt in the minds of the people of America as to what the opposition to this measure was up to, it was clarified by the gentleman from Colorado [Mr. CARROLL] who just spoke, who told you he wanted to take it back to the Ways and Means Committee and tie these old veterans into some kind of social security which he is now trumping up.

Mr. Chairman, I want to call the attention of the House to a statement I have received from the Director of the Budget. I want to read one paragraph of it to you:

> Apart from these expenditures for veterans' programs, the costs of the expanded social-insurance system are expected to reach a peak of $15,000,000,000 or $18,000,000,000 annually by 1990.

Now, that is what they are asking the veterans of America to capitulate to, at the behest of the gentleman from Colorado.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. Not just now.

This is a bill for the benefit of the veterans of America. The gentleman from New York [Mr. KEARNEY] was a member of the committee. He offered this amendment which is now pending. We voted on it, and it was defeated. The other amendment that was adopted was offered in the committee, and any amendment that any member wanted to offer they had the opportunity to offer. We held these hearings on these two bills and other legislation, but both of those bills contained exactly what is in this measure.

The question is, Do you want to shut the door of hope in the face of the American veteran, the veterans of World War I especially, who are now getting beyond the days of their earning capacity, in order to turn them over to the gentleman from Colorado, that he might take them down to the Ways and Means Committee and lead them into some kind of social security?

In the words of Shakespeare, they had better "bear those ills they have than fly to others that they know not of."

The CHAIRMAN. The question is on the preferential motion of the gentleman from Colorado.

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 154, noes 139.

Mr. RANKIN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. CARROLL and Mr. RANKIN.

The Committee again divided; and the tellers reported that there were—ayes 163, noes 154.

So the motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GORE, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 2681) to provide pensions for veterans of World War I and World War II based on non-service-connected disability and attained age, and for other purposes, had directed him to report the bill back to the House with the recommendation that the enacting clause be stricken out.

The SPEAKER. The question is on the recommendation of the Committee of the Whole House on the state of the Union that the enacting clause be stricken out.

Mr. CARROLL. Mr. Speaker, I offer a motion to recommit.

The Clerk read as follows:

> Mr. CARROLL moves that the bill H. R. 2681 be recommitted to the Committee on Veterans' Affairs.

Mr. RANKIN. Mr. Speaker, I demand a vote on the motion to strike out the enacting clause.

The SPEAKER. The Chair holds that this motion offered by the gentleman from Colorado at this time is in order.

Mr. CARROLL. Mr. Speaker, I move the previous question.

The previous question was ordered.

The question was taken on the motion to recommit; and the Speaker announced that the ayes seemed to have it.

Mr. RANKIN. Mr. Speaker, on that I demand the yeas and nays.

Mr. HARRIS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HARRIS. Was the motion to recommit read?

The SPEAKER. The motion to recommit was read from the Clerk's desk.

Mr. HARRIS. I thank the Speaker.

Mr. RANKIN. Mr. Speaker, the vote now is on the motion to strike out the enacting clause.

The SPEAKER. The vote now is on the motion to recommit the bill to the Committee on Veterans' Affairs.

The question was taken; and there were—yeas 187, nays 223, not voting 23, as follows:

[Roll No. 40]

YEAS—187

Abbitt	Gary	Mitchell
Addonizio	Goodwin	Monroney
Anderson, Calif.	Gossett	Morgan
Aspinall	Granger	Morton
Auchincloss	Gregory	Moulder
Bailey	Hale	Multer
Barden	Hand	Murdock
Baring	Hardy	Murphy
Bates, Mass.	Harrison	Nelson
Bentsen	Havenner	Nixon
Biemiller	Hays, Ark.	Noland
Bland	Hedrick	O'Sullivan
Blatnik	Heffernan	Patten
Boggs, Del.	Heller	Pfeiffer,
Boggs, La.	Herter	William L.
Bolling	Heselton	Pickett
Bosone	Hobbs	Poage
Breen	Hoffman, Mich.	Polk
Buchanan	Holifield	Potter
Buckley, N. Y.	Holmes	Poulson
Burke	Hope	Powell
Burleson	Howell	Preston
Burnside	Huber	Priest
Burton	Irving	Rabaut
Byrne, N. Y.	Jackson, Calif.	Ramsay
Byrnes, Wis.	Jackson, Wash.	Regan
Carroll	Jacobs	Rodino
Case, N. J.	Javits	Sabath
Celler	Johnson	Sasscer
Chatham	Jones, N. C.	Scott,
Chelf	Judd	Hugh D., Jr.
Christopher	Karst	Sheppard
Chudoff	Karsten	Simpson, Pa.
Church	Kean	Sims
Coffey	Kee	Smathers
Cole, N. Y.	Kelley	Smith, Va.
Combs	Kennedy	Spence
Cooley	Keogh	Steed
Cotton	Kerr	Stockman
Coudert	Kilburn	Sullivan
Crawford	Kilday	Taber
Crook	Kirwan	Teague
Davis, Wis.	Klein	Thomas, Tex.
Dawson	Kruse	Thompson
Dingell	LeCompte	Thornberry
Dollinger	LeFevre	Tollefson
Doughton	Lesinksi	Trimble
Douglas	Lind	Vinson
Doyle	Lodge	Wadsworth
Durham	Lynch	Walter
Eaton	McCarthy	Welch, Calif.
Eberharter	McConnell	Welch, Mo.
Ellsworth	McCormack	Whittington
Elston	McGuire	Wickersham
Engel, Mich.	McKinnon	Wier
Fellows	McMillen, Ill.	Wilson, Okla.
Fernandez	Mack, Ill.	Wilson, Tex.
Fisher	Madden	Woodhouse
Forand	Mahon	Woodruff
Ford	Marsalis	Worley
Fugate	Marshall	Yates
Gamble	Mason	Young
Garmatz	Miller, Calif.	Zablocki

NAYS—223

Abernethy	Camp	Elliott
Albert	Canfield	Engle, Calif.
Allen, Calif.	Cannon	Evins
Allen, Ill.	Carlyle	Fallon
Allen, La.	Carnahan	Feighan
Andresen,	Case, S. Dak.	Fenton
August H.	Cavalcante	Flood
Andrews	Chesney	Fogarty
Angell	Chiperfield	Frazier
Arends	Clemente	Fulton
Barrett, Pa.	Clevenger	Furcolo
Barrett, Wyo.	Cole, Kans.	Gathings
Bates, Ky.	Colmer	Gavin
Beall	Cooper	Gillette
Beckworth	Corbett	Golden
Bennett, Fla.	Cox	Gordon
Bennett, Mich.	Crosser	Gore
Bishop	Cunningham	Gorski, Ill.
Blackney	Curtis	Gorski, N. Y.
Bolton, Md.	Dague	Graham
Bolton, Ohio	Davenport	Granahan
Bonner	Davis, Ga.	Grant
Boykin	Davis, Tenn.	Green
Bramblett	DeGraffenried	Gross
Brehm	Delaney	Hagen
Brooks	Denton	Hall,
Brown, Ga.	D'Ewart	Edwin Arthur
Bryson	Dolliver	Hall,
Buckley, Ill.	Dondero	Leonard W.
Burdick	Donohue	Halleck

Harden	Merrow	Rogers, Mass.
Hare	Meyer	Rooney
Harris	Michener	Sadlak
Hart	Miles	Sadowski
Harvey	Miller, Md.	St. George
Hays, Ohio	Miller, Nebr.	Sanborn
Hébert	Mills	Scott, Hardie
Herlong	Morris	Scrivner
Hill	Morrison	Scudder
Hinshaw	Murray, Tenn.	Secrest
Hoeven	Murray, Wis.	Shafer
Hoffman, Ill.	Nicholson	Short
Horan	Norblad	Sikes
Hull	Norrell	Simpson, Ill.
James	O'Brien, Ill.	Smith, Kans.
Jenison	O'Brien, Mich.	Smith, Wis.
Jenkins	O'Hara, Ill.	Staggers
Jennings	O'Hara, Minn.	Stefan
Jensen	O'Konski	Stigler
Jones, Ala.	O'Neill	Sutton
Kearney	O'Toole	Tackett
Kearns	Pace	Talle
Keating	Passman	Tauriello
Keefe	Patman	Underwood
King	Patterson	Van Zandt
Kunkel	Perkins	Velde
Lane	Peterson	Vorys
Lanham	Pfeifer,	Vursell
Larcade	Joseph L.	Wagner
Latham	Philbin	Walsh
Lemke	Phillips, Calif.	Weichel
Lichtenwalter	Phillips, Tenn.	Werdel
Linehan	Price	Wheeler
Lovre	Quinn	Whitaker
Lyle	Rains	White, Calif.
McCulloch	Rankin	Whitten
McDonough	Redden	Wigglesworth
McGrath	Reed, Ill.	Williams
McGregor	Reed, N. Y.	Willis
McMillan, S. C.	Rees	Wilson, Ind.
Mack, Wash.	Rhodes	Winstead
Magee	Ribicoff	Withrow
Mansfield	Richards	Wolcott
Marcantonio	Riehlman	Wolverton
Martin, Iowa	Rivers	Wood
Martin, Mass.	Rogers, Fla.	

NOT VOTING—23

Andersen, H. Carl	Gwinn	Rich
Battle	Jonas	Smith, Ohio
Brown, Ohio	Jones, Mo.	Somers
Bulwinkle	Lucas	Stanley
Davies, N. Y.	McSweeney	Taylor
Deane	Macy	Thomas, N. J.
Gilmer	Norton	Towe
	Plumley	White, Idaho

So the motion to recommit was rejected.

The Clerk announced the following pairs:

Mr. Stanley for, with Mr. White of Idaho against.

Additional general pairs:

Mr. McSweeney with Mr. Brown of Ohio.
Mr. Battle with Mr. Gwinn.
Mrs. Norton with Mr. Jonas.
Mr. Davies of New York with Mr. Macy.
Mr. Somers with Mr. Plumley.
Mr. Jones of Missouri with Mr. Rich.
Mr. Deane with Mr. Smith of Ohio.
Mr. Lucas with Mr. Taylor.
Mr. Gilmer with Mr. Towe.

Mr. CROSSER, Mr. MICHENER, Mr. HAYS of Ohio, and Mrs. BOLTON of Ohio changed their vote from "yea" to "nay."

Mr. COTTON changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the recommendation of the Committee of the Whole House on the State of the Union that the enacting clause be stricken out.

Mr. RANKIN. On that, Mr. Speaker, I demand the yeas and nays.

Mr. NICHOLSON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. NICHOLSON. Mr. Speaker, what are we voting on?

The SPEAKER. The question is on the recommendation of the Committee of the Whole House on the State of the Union that the enacting clause be stricken out. Those in favor of voting to strike out the enacting clause of the bill will, when their names are called, vote "aye"; those opposed vote "nay."

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RANKIN. That means killing veterans' pension legislation.

The SPEAKER. That is not a parliamentary inquiry.

The yeas and nays were ordered.

The question was taken; and there were—yeas 120, nays 291, not voting 22, as follows:

[Roll No. 41]

YEAS—120

Abbitt	Ford	Mason
Addonizio	Fugate	Mitchell
Anderson, Calif.	Gary	Monroney
Barden	Gossett	Morgan
Bates, Mass.	Granger	Morton
Bentsen	Gregory	Multer
Bland	Hale	Nixon
Blatnik	Hardy	Noland
Bolling	Harrison	Pickett
Bosone	Hays, Ark.	Poage
Breen	Hedrick	Polk
Buchanan	Herter	Potter
Burke	Hobbs	Poulson
Burleson	Hoffman, Mich.	Powell
Burton	Holifield	Rabaut
Byrnes, Wis.	Hope	Ramsay
Carroll	Howell	Regan
Celler	Huber	Rodino
Chatham	Irving	Sheppard
Christopher	Jackson, Calif.	Simpson, Pa.
Church	Jacobs	Sims
Coffey	Johnson	Smathers
Cole, N. Y.	Jones, N. C.	Smith, Va.
Combs	Judd	Steed
Cooley	Kean	Taber
Cotton	Kee	Teague
Coudert	Kelley	Thomas, Tex.
Crawford	Kennedy	Thompson
Dawson	Kilburn	Thornberry
Deane	Kilday	Trimble
Dingell	Kirwan	Vinson
Dollinger	Klein	Wadsworth
Doughton	Lesinski	Welch, Mo.
Douglas	Lodge	Wier
Durham	McCarthy	Wilson, Tex.
Eaton	McConnell	Woodhouse
Eberharter	McCormack	Woodruff
Elston	McGuire	Worley
Fisher	McKinnon	Yates
Forand	McMillen, Ill.	Young

NAYS—291

Abernethy	Brown, Ga.	Davis, Ga.
Albert	Bryson	Davis, Tenn.
Allen, Calif.	Buckley, Ill.	Davis, Wis.
Allen, Ill.	Buckley, N. Y.	DeGraffenried
Allen, La.	Burdick	Delaney
Andresen, August H.	Burnside	Denton
	Byrne, N. Y.	D'Ewart
Andrews	Camp	Dolliver
Angell	Canfield	Dondero
Arends	Cannon	Donohue
Aspinall	Carlyle	Doyle
Auchincloss	Carnahan	Elliott
Baring	Case, N. J.	Ellsworth
Barrett, Pa.	Case, S. Dak.	Engel, Mich.
Barrett, Wyo.	Cavalcante	Engle, Calif.
Bates, Ky.	Chelf	Evins
Beall	Chesney	Fallon
Beckworth	Chiperfield	Feighan
Bennett, Fla.	Chudoff	Fellows
Bennett, Mich.	Clemente	Fenton
Biemiller	Clevenger	Fernandez
Bishop	Cole, Kans.	Flood
Blackney	Colmer	Fogarty
Boggs, Del.	Cooper	Frazier
Boggs, La.	Corbett	Fulton
Bolton, Md.	Cox	Furcolo
Bolton, Ohio	Crook	Gamble
Bonner	Crosser	Garmatz
Boykin	Cunningham	Gathings
Bramblett	Curtis	Gavin
Brehm	Dague	Gillette
Brooks	Davenport	Golden
Goodwin	Lynch	Rees
Gordon	McCulloch	Rhodes
Gore	McDonough	Ribicoff
Gorski, Ill.	McGrath	Rich
Gorski, N. Y.	McGregor	Richards
Graham	McMillan, S. C.	Riehlman
Granahan	Mack, Ill.	Rivers
Grant	Mack, Wash.	Rogers, Fla.
Green	Madden	Rogers, Mass.
Gross	Magee	Rooney
Hagen	Mahon	Sabath
Hall,	Mansfield	Sadlak
Edwin Arthur	Marcantonio	Sadowski
Hall,	Marsalis	St George
Leonard W.	Marshall	Sanborn
Halleck	Martin, Iowa	Sasscer
Hand	Martin, Mass.	Scott, Hardie
Harden	Merrow	Scott,
Hare	Meyer	Hugh D., Jr.
Harris	Michener	Scrivner
Hart	Miles	Scudder
Harvey	Miller, Calif.	Secrest
Havenner	Miller, Md.	Shafer
Hays, Ohio	Miller, Nebr.	Short
Hébert	Mills	Sikes
Heffernan	Morris	Simpson, Ill.
Heller	Morrison	Smith, Kans.
Herlong	Moulder	Smith, Wis.
Heselton	Murdock	Spence
Hill	Murphy	Staggers
Hinshaw	Murray, Tenn.	Stefan
Hoeven	Murray, Wis.	Stigler
Hoffman, Ill.	Nelson	Stockman
Holmes	Nicholson	Sullivan
Horan	Norblad	Sutton
Hull	Norrell	Tackett
Jackson, Wash.	O'Brien, Ill.	Talle
James	O'Brien, Mich.	Tauriello
Javits	O'Hara, Ill.	Tollefson
Jenison	O'Hara, Minn.	Underwood
Jenkins	O'Konski	Van Zandt
Jennings	O'Neill	Velde
Jensen	O'Sullivan	Vorys
Jones, Ala.	O'Toole	Vursell
Karst	Pace	Wagner
Karsten	Passman	Walsh
Kearney	Patman	Walter
Kearns	Patten	Weichel
Keating	Patterson	Welch, Calif.
Keefe	Perkins	Werdel
Keogh	Peterson	Wheeler
Kerr	Pfeifer,	Whitaker
King	Joseph L.	White, Calif.
Kruse	Pfeiffer,	Whitten
Kunkel	William L.	Whittington
Lane	Philbin	Wickersham
Lanham	Phillips, Calif.	Wigglesworth
Larcade	Phillips, Tenn.	Williams
Latham	Preston	Willis
LeCompte	Price	Wilson, Ind.
LeFevre	Priest	Wilson, Okla.
Lemke	Quinn	Winstead
Lichtenwalter	Rains	Withrow
Lind	Rankin	Wolcott
Linehan	Redden	Wolverton
Lovre	Reed, Ill.	Wood
Lyle	Reed, N. Y.	Zablocki

NOT VOTING—22

Andersen, H. Carl	Gwinn	Smith, Ohio
Bailey	Jonas	Somers
Battle	Jones, Mo.	Stanley
Brown, Ohio	Lucas	Taylor
Bulwinkle	McSweeney	Thomas, N. J.
Davies, N. Y.	Macy	Towe
Gilmer	Norton	White, Idaho
	Plumley	

So the recommendation of the Committee of the Whole was rejected.

The Clerk announced the following pairs:

Mr. Stanley for, with Mr. White of Idaho against.

Additional general pairs:

Mr. McSweeney with Mr. Brown of Ohio.
Mr. Battle with Mr. Gwinn.
Mrs. Norton with Mr. Jonas.
Mr. Davies of New York with Mr. Macy.
Mr. Somers with Mr. Plumley.
Mr. Jones of Missouri with Mr. Towe.
Mr. Lucas with Mr. Smith of Ohio.
Mr. Gilmer with Mr. Taylor.

Mr. D'EWART changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The House automatically resolves itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 2681.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 2681, with Mr. GORE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose, there was an amendment pending offered by the gentleman from New York [Mr. KEARNEY].

Mr. MARTIN of Massachusetts. Mr. Chairman, I ask unanimous consent that the amendment be reread for the information of the Committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. KEARNEY: On page 1, line 6, after the word "under", insert the word "honorable" and following the word "conditions" strike out the words "other than dishonorable."

Mr. HINSHAW. Mr. Chairman, I offer a substitute for the Kearney amendment.

The Clerk read as follows:

Substitute offered by Mr. HINSHAW for the Kearney amendment: Page 1, line 6, strike out line 6 and insert "who has received an honorable discharge."

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to my good friend, the gentleman from New York.

Mr. KEARNEY. As a matter of information, may I ask the gentleman what distinction there is between the amendment offered by him and my amendment?

Mr. HINSHAW. That is what I have been granted 5 minutes to explain.

Mr. KEARNEY. I shall listen with interest.

Mr. HINSHAW. If the gentleman will read the language on line 6 of page 1 as he proposes to amend it, it will read: "who was discharged under honorable conditions." Now, if that is interpreted literally, it refers to and means the discharge that he received at the time of his discharge and does not include these rectified discharges issued by the 301 boards or the Presidential pardons that have been issued.

Mr. KEARNEY. I see what the gentleman is getting at. I am willing to accept the gentleman's amendment as a substitute for the amendment that I offered.

Mr. HINSHAW. That, I appreciate. Further, I would like to ask the gentleman a question and for his interpretation of the meaning of this substitute. Will my substitute language include, in his opinion, those who have received Presidential pardons for offenses that resulted in dishonorable discharge?

Mr. KEARNEY. In my own opinion, I believe it will.

Mr. HINSHAW. That is part of my intention in offering the amendment, because I know that there have been certain people who have received dishonorable discharges under conditions which after full examination of the cases the President has granted pardons. I believe that those veterans should be included along with those who have received honorable discharges.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. SCRIVNER. Mr. Chairman, I rise in support of the substitute amendment.

Mr. Chairman, we have just seen the mysterious ways in which the House of Representatives moves its wonders to perform. I think many of you know what I am talking about and the public should know. But, I am glad to see this substitute amendment offered. Most of you, as I have, have in your offices here or at home various pieces of paper or parchment, some of which may say that you were admitted to practice before the Supreme Court of the United States, some saying that you were admitted to practice in your State courts, some saying that you have been recognized in various ways by various organizations, such as the VFW or the American Legion, either as a post commander or State commander. But the most prized possession that I have today is a certificate signed that says that my service in the Army was honorable. I felt, when the Readjustment Act was before our committee, that it was wrong, morally and in every other way, to recognize in any way, shape, or form the service of any man who did not perform that service honorably. The committee and the House saw differently. The result was that legislation was enacted so that those who had received other than honorable discharges could have them corrected. They were given a period of 15 years from the date of discharge to appear before an appeal board or review board to show whether there had been an injustice done, and if so have that injustice corrected. Many have taken advantage of that. There still remains nearly 10 years for others to take advantage of it if they feel they have been wronged in any way, so this substitute amendment, which I hope will be adopted, is a step in the right direction. It will make that honorable discharge that all of us have received more and more worthy of the place of honor it occupies.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I hope that my motives will not be impugned any more than I have refused to impugn anybody else's motives on the floor of this House this afternoon, when I say that I am going to vote for this bill. It is a bill which I believe should be presented to the country and approved by this House. I am going to vote for this bill whether it is amended or not. I am going to vote for the bill if it is amended, and I am going to vote for it anyway.

The national commander of the American Legion came into the Triple Cities area last summer and called for pensions for both veterans of World War I and World War II. I do not know whether he was making a stump speech or not. I do know that his statement appeared in big headlines in both the morning and evening papers in my home city, and apparently he had a lot of support. A word as to the patriotism of the American Legion.

I believe this veterans' organization is one of the most patriotic groups which has ever supported veterans' legislation. I will say the same thing for the Veterans of Foreign Wars. I will also say the same thing for the Disabled American Veterans.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield to the gentleman from Mississippi.

Mr. RANKIN. Do not leave out the Confederates.

Mr. EDWIN ARTHUR HALL. I will leave them to the gentleman from Mississippi, because he is better able to defend them.

Mr. Chairman, I hope this legislation will be approved. I am going to support it. I hope this House will go on record as being in favor of the veteran of World War I and the veteran of World War II.

Mr. MORTON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. MORTON. Mr. Chairman, what is the moral justification for the measure now before us? It must be need for the aged and not reward for past services. All the flag waving and all the Fourth of July oratory to the contrary there can be no reward for those who avail themselves of the high privilege of bearing arms in the service of our country.

Resting on the conscience of America there is an obligation to the veteran but that conscience is clear and definitive and does not encompass the purposes of this bill. There is an obligation to the widow and orphan of the veteran who lost his life. If present laws are not adequate they should be amended. There is an obligation to the disabled veteran. If present laws are not adequate they should be amended. There is an obligation to help the veteran to make up for the time he lost in the service in his education, in his acquisition of the material necessities of life, in job security and in economic progress. If present laws are not adequate they should be amended. There is no obligation to render extra old-age assistance to the veteran who was fortunate enough to wear a uniform in time of war and return uninjured to civilian life.

There are thousands of needy men and women over sixty-five in this country. Their need does rest on the conscience of America and this Congress. Let the Congress act in behalf of all the needy aged. Let us enact a broad and realistic social-security program. I am in sympathy with the need of the old veteran no longer able to work. I am also in sympathy with his neighbor who could not even pass a physical examination 30 years ago. What shape is he in today?

I see no moral justification for this bill but if any exists most of the amendments suggested should be defeated. A

65-year old veteran of World War II is no different than a 65-year-old veteran of World War I. Their needs are the same. A veteran with a bad conduct or dishonorable discharge has faced and will face a difficult and unhappy life. In spite of moral reform his efforts to provide for his own security are often handicapped. His may become a very deserving, needy case.

Mr. Chairman, all the amendments that may be adopted, all the precedents in history, and all the oratory in Congress cannot prevail upon me to support this bill. I cannot square the basic concept of this measure with my own conscience or the conscience of my country. I hope the bill is defeated.

Mr. RANKIN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. JACKSON].

Mr. JACKSON of California. Mr. Chairman, like the speaker who preceded me, I impugn the motives of no one. I also have the deepest regard for the American Legion, the Veterans of Foreign Wars, and the AMVETS, to all of which organizations I belong. But I also feel that I can speak with some degree of authority in that I have probably served longer on active duty than the great majority of the Members of the House.

I have had considerable concern over some of the provisions of this measure, which led me to vote to strike out the enacting clause and to vote to recommit the measure.

With respect to the pending amendment, it is one of the provisions of the bill as reported out which caused me the greatest concern. I, too, have a slip of paper which is very dear to me, and that is an honorable discharge from the United States Marine Corps. I certainly would feel that failure on the part of this body to write into the law a provision which would deny the benefits of the law to those who do not hold an honorable discharge would be an affront to the men and women of the armed services in both World War I and World War II, who have rendered distinguished, courageous, and valiant service to their country.

Mr. Chairman, I urge that the amendment be passed overwhelmingly so as to allay the fears that some of us have had which have led us to oppose this measure up to this time.

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

The question is on the substitute amendment offered by the gentleman from California [Mr. HINSHAW] for the amendment offered by the gentleman from New York [Mr. KEARNEY].

The substitute amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York as amended by the substitute amendment offered by the gentleman from California [Mr. HINSHAW].

Mr. FORAND. Mr. Chairman, may we have the amendment read for the information of the Members?

The CHAIRMAN. Without objection, the Clerk will report the amendment as amended by the substitute amendment.

There was no objection.

The Clerk again read the amendment as amended by the substitute amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. KEARNEY], as amended by the substitute amendment offered by the gentleman from California [Mr. HINSHAW].

The amendment was agreed to.

Mr. RANKIN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GORE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 2861, had come to no resolution thereon.

SPAIN

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, what is happening in Spain? Only the other day—February 2—Great Britain gave notice that she intends to resume full diplomatic relations with Franco Spain. Our papers openly talk of Franco Spain as an impending recipient of Marshall plan aid.

I think the time has come to face the bare facts—and to face them bluntly, squarely, and honestly.

I am not here to go into a long exposition of the case of Fascist Spain, even though I hold in my hands a body of documentary evidence on the subject. But these documents prove only what the whole world already knows, namely:

First. That the Franco regime was put into power by the military forces of Axis Germany and Italy—and remains a Fascist state to this day.

Second. That the same Franco regime whose leaders aided the Axis armed forces during the war at the cost of American, British, Russian, and other United Nations lives is today receiving military aid from the United States.

Third. That only the economic and military support of the United States is what keeps the Franco regime in power in Spain today.

Only fools and knaves would dare contest any of these simple facts. The facts themselves are not debatable. What is debatable, and what must be questioned by this House is, Why? Why must these basic facts about Spain continue to be ignored?

It might be considered old fashioned and naive to still quote the words of Mr. Franklin D. Roosevelt in these halls.

On March 15, 1945, less than a month before his untimely death, Mr. Roosevelt addressed a letter to Mr. Norman Armour, our then Ambassador to Spain. In this letter, Mr. Roosevelt said:

> The present regime in Spain is naturally the subject of distrust by a great many American citizens, who find it difficult to see the justification of this country to continue to maintain relations wtih such a regime.

These were Mr. Roosevelt's very last words on Spain, his final judgment.

Three months later, at the San Francisco Conference which founded the United Nations, the United States joined with all the other nations in unanimously voting to bar the Franco Government of Spain from membership in the United Nations on the ground that it was a Fascist government created by the military forces of Axis Germany and Italy.

One year later, when an attempt was made in the United Nations to implement this decision by a move for the complete severance of diplomatic and commercial relations between Franco Spain and all the member states of the United Nations, the delegates of the United States and Great Britain took the lead in forcing through to acceptance a much watered-down resolution. This resolution, as finally accepted by the United Nations, declared:

> The General Assembly recommends that if, within a reasonable time, there is not established a government which derives its authority from the consent of the governed, committed to respect freedom of speech, religion, and assembly and to the prompt holding of an election in which the Spanish people, free from force and intimidation and regardless of party, may express their will, the Security Council consider the adequate measures to be taken in order to remedy the situation.

How have we followed the policies of F. D. R. on Spain since 1945? How have we met our solemn obligations to the United Nations?

The whole world knows that our policy on Spain is a betrayal of the testament of Franklin D. Roosevelt. The whole world knows that our policy on Spain violates both the spirit and the letter of the two United Nations resolutions to which, however grudgingly, we voted our adherence.

Who is this man, Francisco Franco, in whose name we betray our international honor?

In August 1937, Franco dispatched a telegram to Benito Mussolino after the Fascists captured Santander during the war in Spain. He declared:

> I feel particularly happy that the Italian troops, after 10 days of hard fighting, contributed strongly to the victory of Santander.

In September 1941, after the war had spread from Spain to France and England and Poland and Russia, Adolf Hitler decorated Francisco Franco. In presenting Hitler's medal to Franco, the German Ambassador to Spain declared:

> The Fuehrer, supreme chief of the victorious German armies, in bestowing this cross upon the generalissimo (Franco), the invincible Spanish Caudillo (fuehrer) wishes to testify how intimately are bound together, not only our two peoples, but especially our two armies, whose commanders, officers, and soldiers fought side by side during the first

3 years of this heroic crusade. Germany's war, which is not ended yet, is a war against our same common enemy, who continues to delude the world with the theories of liberalism and democracy.

And after accepting this Hitler medal, Generalissimo Franco sent the following telegram to Hitler himself:

With all my heart I share your aspiration that the great German Empire may reach its immortal destiny, under the glorious sign of the swastika, and under your inspired leadership. Heil Hitler.

Thus spoke Franco while Hitler fought our allies and ourselves, while Franco's blue legions formed a portion of that army of beasts Hitler had unleashed against our allies on the Continent of Europe, while Franco's merchant marine acted as the lookouts and the floating fueling bases for the Nazi submarines which sunk American shipping in the South Atlantic.

Yes; and this is the same Franco for whom, in Spain, the United States has built some 70 new airfields since 1945. Yes; we have built over 70 airports for Franco inside of Spain, paid for out of American tax dollars. Seventy airfields for a Spain whose entire commercial air fleet comprises exactly 27 planes.

Yes; this is the same Francisco Franco whose navy was completely overhauled following the mysterious visit Vice Admiral Forrest P. Sherman, Chief of the United States Mediterranean Fleet, made to Madrid in February 1948.

Yes; this is the same Franco whose Fascist armies and expanded Fascist police forces ride on American trucks powered by American gasoline, kill Spanish anti-Fascists with American bullets fired from American guns, enjoy the bounties of other surplus American military goods.

Yes; this is the same Franco who is today doing business with great American corporations, who is turning over to international cartels and corporations the assets of his unhappy country in return for the American dollars that keep his regime in power.

I shall not take up your time with the full text of a report I have in hand on the American and British economic penetration of Spain since that day we refused to admit Franco to the United Nations in 1945. With the permission of the Speaker, I shall, later, make the text of this report available to you as an amendment to my remarks in the RECORD. But I should like to have your indulgence for only one little quotation from this report.

On May 25, 1948, La Vanguardia, a Fascist newspaper published in Barcelona, ran an interview with Mr. Andrew Wells Robertson, president of the Westinghouse Electric Corp. Westinghouse, I believe, is a wholly owned subsidiary of the American Telephone & Telegraph Corp. It certainly is an American corporation. Westinghouse President Robertson spent a month in Spain, negotiating with Franco himself and other top officials of Fascist Spain. Toward the end of his stay this American corporation president told the Fascist press:

I came to Spain to study the financial conditions of the country—conditions which stem from lack of dollars. The company (Westinghouse) which I head has an extraordinary interest in the plans for the electrification of the Spanish railroads. I have already initiated negotiations for the export (to Spain) of materials in the value of approximately $30,000,000.

I think it is for us to take an extraordinary interest in the activities of Mr. Robertson and other American financiers and corporation heads in Spain today. By whose authority, in Washington, can Westinghouse export $30,000,000 worth of equipment to Fascist Spain? By what possible moral standard can our Government authorize the flow of American goods and dollars to the Franco regime of Spain—the same Franco regime to which we twice voted our opposition and our pious hopes that it should quietly drop dead?

I am not being deliberately naive. I know the explanation that the State Department makes in unctuous whispers when pressed for an explanation. They tell you that the Franco regime is naughty, but needed as a bulwark against Russia.

I will generously pass over the history of previous Fascist bulwarks blessed by the western democracies who were so worried about Russia before 1941—the 7th of December 1941. We all know how the bulwarks against Russia which the western world spawned in Germany, Italy, and Japan cost us dear.

I will rather examine the value of the bulwark of Spain itself, or, perhaps, it might be better to let Mr. C. P. Mayhew, Britain's Under Secretary for Foreign Affairs, pass judgment for us.

Mr. Mayhew is no enemy of Francisco Franco. In fact, he comes into the picture because, on the front page of the New York Times of February 3, 1949, he is quoted as saying that Britain is now preparing to violate its promise to the UN by reestablishing full economic and diplomatic relations with Spain. I suppose the British feel that, as long as the United States is making hay in Spain, they too might just as well get into the act. Which might explain why Sir Anthony Eden now sits on the Board of Directors of the Rio Tinto Copper Mines of Spain.

But let us get back to Under Secretary Mayhew. He told the Times that, while Britain was preparing to do business with Franco, she was still hesitant about bringing Franco into the UN. I quote the Times:

He (Mr. Mayhew) said that Spain was the only country that had consistently supported Britain's enemies during the last war and, he added, "the feeling throughout the world against the Franco regime is deep, natural, and intelligible."

As for inviting Spain into the Western European defense union and the projected North Atlantic military alliance, Mr. Mayhew said: "It seems to me that, as an ally against communism, Spain is an extremely doubtful asset. It would be fatal to regard the defense of western democracy too much in military and strategic terms, and too little in terms of politics and moral principles. Defense of Western democracy implies maintenance of the integrity of Western democracy and not merely military considerations about the Pyrenees, and so on."

Mr. Speaker, I want to emphasize at this point that the policy of a bulwark against the Soviet Union is not in the interest of peace and the American people. It is a policy in the interest of Wall Street big trusts, of imperialism and war. This same policy of bulwark against the Soviet Union promoted Mussolini, Hitler, and Franco. That policy was the cause of Munich and World War II. What is needed for a lasting and democratic peace is the same collaboration today between the United States and the Soviet Union that existed during the last war.

However, accepting Mr. Mayhew's thesis for the sake of argument only, let us see how reliable a bulwark is Spain. There are, today, over 114,000 political prisoners in Spain, whose sole crime is that they stand for free and constitutional government in their own country.

How reliable a bulwark can Spain be when, between 1936, under the Republic, and in 1948, under fascism, the military and police share of the budget rose from 1,179,200,000 pesetas to 9,473,300,000? Where the costs of the Ministry of Public Works dropped from 17.1 percent of the budget of 1936 to 8.62 percent in 1948?

What kind of a bulwark is Fascist Spain, where the purchasing power of the Spanish laborer is only 14.5 percent of what it was in 1936?

Examine the Spanish "bulwark's" capacity to produce. Taking 1936 production as the index figure of 100, here, according to official Spanish sources, is where Spanish production stands as of 1948:

Metal industries	50
Building industry	57
Agricultural production	70
Railway traffic in kilometers	71
Railway traffic in tons	74
Road transport	79

And, in examining these figures, you must bear in mind that the population has increased by 10 percent since 1936. In short, production has dropped while the population increased.

Tuberculosis is so widespread in Fascist Spain that, according to Dr. Benitez Franco of Barcelona, one person dies every 15 minutes of tuberculosis in Spain today.

Ignorance does not make for strength. Whereas in Republican Spain in 1936 there were a total of 3,968,916 pupils attending public schools, by 1948, in Fascist Spain, this number had dropped to a mere 1,805,720.

Spain has become one vast, tubercular, terror-ridden poorhouse, the most tragic of the stricken nations of Europe. And yet, in the midst of this misery, great fortunes have been hoarded by favored Fascist cliques, personal fortunes derived from black-market operations and graft. Only one other regime of the postwar world matched the Franco regime for graft on top and misery below. That was the regime of Chiang Kai-shek in China.

In 1945, when we and our Soviet allies finally crashed into Berlin, we captured over 8,000 documents dealing with Spain. These documents proved that the Franco regime was created by the Axis, and that Franco's so-called nonbelligerency during the shooting war was actually a cover for Franco's military services to Germany, Italy, and Japan.

These documents are under lock and key in Washington at this moment.

Why are they not released?

Why were they not turned over to the United Nations Commission of Inquiry on Spain?

There is only one answer to these questions. Revelation of the contents of these documents would lead to a universal demand that we stop keeping the Franco regime alive.

But why do we persist in protecting the Franco regime? I am not alone in asking this question.

There is not a soul inside of Spain, inside of the countries that are Spain's neighbors—France, Portugal, Italy, north Africa—who is not aware of the naked truth that the United States, and only the United States, keeps Franco and his regime from joining his creators, Hitler and Mussolini, on the dungheap of history.

Is this the way to make friends and influence nations? Is this the way to honor the fourteen millions of American fighting men, living and dead, who did battle in the name of the "four freedoms" in the shooting war but recently ended?

Where are the "four freedoms" in this Fascist Spain that exists solely by our protection?

Freedom of speech? What freedom of speech is there under fascism?

Freedom of worship? Ask the Protestant ministers and congregations of Spain, whose churches have been padlocked and destroyed by the Fascists and whose right to worship God in their own way has been abrogated by the Franco regime, about this freedom.

Freedom from want? There is more hunger in Spain today, less housing, less medical care than ever before in Spain's history.

Freedom from fear? Who can be free from fear in a police state?

Let us face the question of Spain in the spirit of a most important fifth freedom—freedom from hypocrisy.

As democrats, as freemen in a Congress of these United States, let us once and for all make known our true sentiments as Representatives of the people of the United States. Yesterday I introduced a resolution, House Joint Resolution 194, calling for democratic action on Spain by this House. When you consider it, do not imagine for a moment that the eyes of the entire world will not be upon you as you act on this resolution.

The text of my resolution follows:

Whereas the Franco regime was created by the military powers of the Axis; and

Whereas the United States Government has twice voted to bar the Franco regime from the United Nations for the above and other reasons; and

Whereas the United States of America has assumed the moral, political, and international obligation to extirpate all the bastions of Axis fascism; and

Whereas the United States, as the leader of the majority bloc of the United Nations, can by example set a world policy that can lead to the end of the Franco regime in Spain, without resort to war or revolution: Now, therefore, be it

Resolved, That this body of Congress requests the President to order the immediate and total rupture of all political, diplomatic, economic, and military relations with the Franco regime of Spain; and be it further

Resolved, That this body of Congress requests the President to order the immediate release to the United Nations and the press of all captured documents, now in Government possession, which deal with the origins, workings, and war record of the Franco regime of Spain.

EXTENSION OF REMARKS

Mr. CLEMENTE asked and was granted permission to extend his remarks in the RECORD and include an address by Congressman QUINN.

Mr. MULTER asked and was granted permission to extend his remarks in the RECORD in two instances and include extraneous matter.

Mr. LANE asked and was granted permission to extend his remarks in the RECORD in three instances and include extraneous matter.

Mr. SADOWSKI asked and was granted permission to extend his remarks in the RECORD in three instances and include extraneous matter.

Mr. KING asked and was granted permission to extend his remarks in the RECORD.

Mr. HOFFMAN of Illinois asked and was granted permission to extend his remarks in the RECORD regarding a bill he had introduced today.

Mr. DAGUE asked and was granted permission to extend his remarks in the RECORD and include an article from the Pittsburgh Post-Gazette.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that all Members may have permission to revise and extend their remarks on the pending bill.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mr. POULSON asked and was granted permission to extend his remarks in the RECORD and include an address by Mr. J. F. T. O'Connor; and also to include an article which the Public Printer estimates will cost $189.34.

Mr. MURRAY of Wisconsin asked and was granted permission to extend his remarks in the RECORD and include a table from the Department of Agriculture.

Mr. REED of New York (at the request of Mr. KEATING) was granted permission to extend his remarks in the RECORD in two instances and include extraneous matter.

Mr. KEATING asked and was granted permission to extend his remarks in the Appendix of the RECORD on a bill introduced by him today.

Mr. COLE of New York (at the request of Mr. PHILLIPS of Tennessee) was granted permission to extend his remarks in the RECORD and include a newspaper article by David Lawrence.

Mr. WILLIAM L. PFEIFFER asked and was granted permission to extend his remarks in the RECORD and include a resolution on the Italian-American societies.

Mr. WEICHEL asked and was granted permission to extend his remarks in the RECORD in two instances and include extraneous matter.

Mr. PATTERSON asked and was granted permission to extend his remarks in the RECORD and include a table from the labor-market letter of Waterbury, Conn.

Mr. BYRNES of Wisconsin asked and was granted permission to revise and extend the remarks he made in Committee of the Whole and to include extraneous material.

Mr. HELLER asked and was granted permission to extend his remarks in the RECORD and include extraneous matter.

Mr. KEOGH asked and was granted permission to extend his remarks in the RECORD.

Mr. ROONEY asked and was granted permission to extend his remarks in the Appendix of the RECORD and include an editorial on the late Representative Sol Bloom which appears in the Gaelic American.

ANNOUNCEMENT

The SPEAKER. It is necessary that the Speaker be absent from the city for a few days on important business.

ELECTION OF SPEAKER PRO TEMPORE

Mr. PRIEST. Mr. Speaker, I offer a resolution and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 162

Resolved, That Hon. JOHN W. MCCORMACK, a Representative from the State of Massachusetts, be, and he is hereby, elected Speaker pro tempore during the absence of the Speaker.

Resolved, That the President and the Senate be notified by the Clerk of the election of Hon. JOHN W. MCCORMACK as Speaker pro tempore during the absence of the Speaker.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SWEARING IN OF SPEAKER PRO TEMPORE

Mr. MCCORMACK appeared at the bar of the House and took the oath of office as Speaker pro tempore.

PARTICIPATION IN GOVERNMENT-FINANCED CARGOES BY UNITED STATES FLAG SHIPPING

Mr. SABATH, from the Committee on Rules, on behalf of the gentleman from Virginia [Mr. SMITH], reported the following privileged resolution, House Resolution 163, to provide for United States flag shipping participation in Government-financed cargoes, which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 1340) to provide for United States flag shipping participation in Government-financed cargoes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. THORNBERRY for 1 week, on account of official business.

SENATE BILLS REFERRED

Bills, a joint and concurrent resolutions of the Senate of the following titles were taken from the Speaker's table, and, under the rule, referred as follows:

S. 30. An act to provide for the settlement of claims of persons employed in Federal penal and correctional institutions for damage to or loss or destruction of personal property occurring incident to their service; to the Committee on the Judiciary.

S. 40. An act for the relief of William D. Norris; to the Committee on the Judiciary.

S. 41. An act for the relief of the city of Reno, Nev.; to the Committee on the Judiciary.

S. 165. An act for the relief of William F. Thomas; to the Committee on the Judiciary.

S. 191. An act for the relief of Louis J. Waline; to the Committee on the Judiciary.

S. 247. An act to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 255. An act to amend section 205 of the Interstate Commerce Act relating to joint boards; to the Committee on Interstate and Foreign Commerce.

S. 256. An act to amend the Interstate Commerce Act, as amended; to the Committee on Interstate and Foreign Commerce.

S. 714. An act to provide for comprehensive planning, for site acquisition in and outside of the District of Columbia, and for the design of Federal building projects outside of the District of Columbia; to authorize the transfer of jurisdiction over certain lands between certain departments and agencies of the United States; and to provide certain additional authority needed in connection with the construction, management, and operation of Federal public buildings; and for other purposes; to the Committee on Public Works.

S. 749. An act for the relief of Ferd H. Gibler; to the Committee on the Judiciary.

S. 779. An act relating to the pay and allowances of officers of the Naval Establishment appointed to permanent grades; to the Committee on Armed Services.

S. 782. An act for the relief of William S. Meany; to the Committee on the Judiciary.

S. 790. An act to grant the consent of the United States to the Upper Colorado River Basin Compact; to the Committee on Public Lands.

S. 850. An act conferring United States citizenship posthumously upon Vaso B. Benderach; to the Committee on the Judiciary.

S. 928. An act to provide for designation of the United States Veterans' Administration hospital now being constructed at Wilmington, Del., as the William L. Nelson Veterans Memorial Hospital; to the Committee on Veterans' Affairs.

S. 937. An act to authorize the Secretary of the Treasury to effect the payment of certain claims against the United States; to the Committee on Foreign Affairs.

S. 979. An act to amend section 9 of the act of May 22, 1929, as amended, authorizing and directing a national survey of forest resources; to the Committee on Agriculture.

S. 981. An act for the relief of John Clark Sharman; to the Committee on the Judiciary.

S. 1219. An act removing certain restrictions and conditions imposed by section 2 of the act of May 27, 1936, on certain of the lands conveyed by such act to the city of Charleston, S. C.; and for other purposes; to the Committee on Armed Services.

S. J. Res. 12. Joint resolution authorizing the President to proclaim the week in which June 6, 1949, occurs as Patrick Henry Week in commemoration of the sesquicentennial anniversary of the death of Patrick Henry; to the Committee on the Judiciary.

S. Con. Res. 21. Concurrent resolution favoring the suspension of deportation of certain aliens; to the Committee on the Judiciary.

S. Con. Res. 22. Concurrent resolution favoring the suspension of deportation of certain aliens; to the Committee on the Judiciary.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 128. An act to provide that acreage planted to cotton in 1949 shall not be used in computing cotton acreage allotments for any subsequent year; and

H. R. 253. An act to amend the act of June 25, 1938, relating to the appointment of postmasters under civil service.

The SPEAKER announced his signature to an enrolled bill and joint resolution of the Senate of the following titles:

S. 271. An act to provide for the appointment of an additional district judge for the middle district of Georgia; and

S. J. Res. 52. Joint resolution to authorize vessels of Canadian registry to transport iron ore between United States ports on the Great Lakes during the period from March 15 to December 15, 1949, inclusive.

BILLS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 128. An act to provide that acreage planted to cotton in 1949 shall not be used in computing cotton acreage allotments for any subsequent year;

H. R. 253. An act to amend the act of June 25, 1938, relating to the appointment of postmasters under civil service;

H. R. 1870. An act for the relief of Doris Marie Richard;

H. R. 2216. An act to amend the National Security Act of 1947 to provide for an Under Secretary of Defense;

H. R. 2485. An act to authorize the attendance of the United States Marine Band at the Eighty-third and Final National Encampment of the Grand Army of the Republic to be held in Indianapolis, Ind., August 28 to September 1, 1949;

H. R. 2546. An act to authorize the Secretary of the Air Force to establish land-based air warning and control installations for the national security, and for other purposes; and

H. J. Res. 89. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 56 minutes p. m.) the House adjourned until tomorrow, March 23, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

429. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1949 in the amount of $2,390 for the legislative branch, Architect of the Capitol (H. Doc. No. 131); to the Committee on Appropriations and ordered to be printed.

430. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated June 29, 1948, submitting a report, together with accompanying papers and an illustration, on a review of reports on the St. Francis River and tributaries, Missouri and Arkansas, requested by resolutions of the Committee on Flood Control, House of Representatives, adopted on February 23, 1944, and the committee on Commerce, United States Senate, adopted on July 16, 1945 (H. Doc. No. 132); to the Committee on Public Works and ordered to be printed, with one illustration.

431. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated June 1, 1948, submitting a report, together with accompanying papers and illustrations, on a review of reports on St. Augustine Harbor and vicinity, Florida, requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on June 10, 1941, and authorized by the River and Harbor Act approved on March 2, 1945 (H. Doc. No. 133); to the Committee on Public Works and ordered to be printed, with two illustrations.

432. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated November 2, 1948, submitting a report, together with accompanying papers and an illustration, on a review of reports on Westport Slough, Oreg., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on October 2, 1946 (H. Doc. No. 134); to the Committee on Public Works and ordered to be printed, with an illustration.

433. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated September 27, 1948, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of Santa Ana River and tributaries, California; Lytle Creek, Waterman Canyon, in the county of San Bernardino, Calif.; San Jacinto River and Bautista Creek in the county of Riverside, Calif.; Cucamonga Creek, Deer Creek, San Antonio Creek, and Chino Creek, Calif.; and Santa Ana River and Banning Canyon in the counties of San Bernardino and Riverside, Calif., authorized by the Flood Control Act approved on August 28, 1937 (H. Doc. No. 135); to the Committee on Public Works and ordered to be printed, with one illustration.

434. A letter from the Secretary of the Interior, transmitting a report and findings on the central Arizona project (H. Doc. No. 136); to the Committee on Public Lands and ordered to be printed, with illustrations.

435. A letter from the chief Scout executive, Boy Scouts of America, transmitting the thirty-ninth annual report of the Boy Scouts of America, for the year 1948 (H. Doc. No. 137); to the Committee on Education and Labor and ordered to be printed with illustrations.

436. A letter from the President, United States Civil Service Commission, transmitting a draft of proposed legislation to amend the act of January 16, 1883, an act to regulate and improve the civil service of the

United States; to the Committee on Post Office and Civil Service.

437. A letter from the assistant to the Attorney General, transmitting a proposed draft of a bill to amend title 18, United States Code, section 2311, to include the word "tractor" in the definition of motor vehicles and sections 2312 and 2313 to include thereunder motor vehicles and aircraft which have been embezzled, converted, or taken by fraud; to the Committee on the Judiciary.

438. A letter from the Acting Secretary of the Interior, transmitting the Fifth Annual Report of Operations under the Fort Peck Project Act of May 18, 1938; to the Committee on Public Works.

439. A letter from the Acting Secretary of the Interior, transmitting one copy each of legislation passed by the Municipal Council of St. Thomas and St. John and the Municipal Council of St. Croix, V. I.; to the Committee on Public Lands.

440. A letter from the national commandant, Navy Club of the United States of America, transmitting to the Congress of the United States of America (1) reports of proceedings and activities; (2) statement of receipts and expenditures for the period January 1 through December 31, 1948; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DAWSON: Committee on Expenditures in the Executive Departments. H. R. 3549. A bill to permit the Comptroller General to pay claims chargeable against lapsed appropriations and to provide for the return of unexpended balances of such appropriations to the surplus fund; with amendments (Rept. No. 300). Referred to the Committee of the Whole House on the State of the Union.

Mr. REDDEN: Committee on Public Lands. H. R. 2989. A bill to incorporate the Virgin Islands Corporation, and for other purposes; with amendments (Rept. No. 304). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. H. R. 55. A bill to include lands in the Carson National Forest, N. Mex., and for other purposes; without amendment (Rept. No. 305). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMITH of Virginia: Committee on Rules. House Resolution 163. Resolution for consideration of H. R. 1340, a bill to provide for United States flag shipping participation in Government-financed cargoes; without amendment (Rept. No. 306). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DENTON: Committee on the Judiciary. H. R. 603. A bill for the relief of Jeptha R. Macfarlane; with an amendment (Rept. No. 301). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 3603. A bill for the relief of Michael Palazotta; with an amendment (Rept. No. 302). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 3620. A bill for the relief of Leslie A. Harber; without amendment (Rept. No. 303). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GRANGER:

H. R. 3681. A bill to amend Public Law 195, Eightieth Congress (ch. 258, 1st sess.), entitled "An act to provide revenue for the District of Columbia, and for other purposes"; to the Committee on the District of Columbia.

By Mr. KENNEDY:

H. R. 3682. A bill to amend Public Law 195, Eightieth Congress (ch. 258, 1st sess.), entitled "An act to provide revenue for the District of Columbia, and for other purposes"; to the Committee on the District of Columbia.

By Mr. BUCHANAN:

H. R. 3683. A bill to amend Public Law 195, Eightieth Congress (ch. 258, 1st sess.), entitled "An act to provide revenue for the District of Columbia, and for other purposes"; to the Committee on the District of Columbia.

By Mr. MORRISON:

H. R. 3684. A bill to amend Public Law 195, Eightieth Congress (ch. 258, 1st sess.), entitled "An act to provide revenue for the District of Columbia, and for other purposes"; to the Committee on the District of Columbia.

By Mr. MILLER of California:

H. R. 3685. A bill to amend Public Law 195, Eightieth Congress (ch. 258, 1st sess.), entitled "An act to provide revenue for the District of Columbia, and for other purposes"; to the Committee on the District of Columbia.

By Mr. KLEIN:

H. R. 3686. A bill to amend Public Law 195, Eightieth Congress (ch. 258, 1st sess.), entitled "An act to provide revenue for the District of Columbia, and for other purposes"; to the Committee on the District of Columbia.

By Mr. CAMP:

H. R. 3687. A bill to amend section 304 of the World War Veterans Act, 1924 (ch. 320, Public, 242, 68th Cong.), as amended, by providing for simple interest at rate of 4 percent per annum on loans for reinstatement of lapsed or canceled yearly renewable term insurance, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. CROOK:

H. R. 3688. A bill to incorporate the Enlisted Veterans' Association of America, Inc.; to the Committee on the Judiciary.

By Mr. FOGARTY:

H. R. 3689. A bill to authorize the Federal Works Administrator to design and construct a new Federal office building at Cranston, R. I., on land now owned or hereafter acquired by the United States, and for other purposes; to the Committee on Public Works.

By Mr. FORAND:

H. R. 3690. A bill to cancel interest on certain indebtedness against United States Government life insurance; to the Committee on Veterans' Affairs.

By Mr. GARMATZ:

H. R. 3691. A bill to incorporate the Mothers of America; to the Committee on the Judiciary.

By Mr. GORE:

H. R. 3692. A bill to amend section 313 (a) of the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. HOFFMAN of Illinois:

H. R. 3693. A bill to grant free postage to members of the armed forces while confined for treatment in a military or naval hospital, and to veterans while being furnished hospital treatment or institutional care in institutions operated by or under contract with the Veterans' Administration; to the Committee on Post Office and Civil Service.

By Mr. KLEIN:

H. R. 3694. A bill to authorize the appropriation of such sum as may be necessary to prevent a deficit in the District of Columbia in the fiscal year ending June 30, 1950; to the Committee on the District of Columbia.

By Mr. LYNCH:

H. R. 3695. A bill to limit the amount of exemptions allowed for personal purchases of earthenware and chinaware abroad; to the Committee on Ways and Means.

By Mr. McCORMACK:

H. R. 3696. A bill to extend coverage of the Federal old-age and survivors insurance system to employees of certain transportation systems and other public utilities operated by political subdivisions and instrumentalities; to the Committee on Ways and Means.

By Mr. O'NEILL:

H. R. 3697. A bill to increase the rates of service-connected death compensation payable to, or on account of, the children of persons who served in the active military and naval service; to the Committee on Veterans' Affairs.

By Mr. PATTEN:

H. R. 3698. A bill to authorize the furnishing of water to the Yuma auxiliary project, Arizona, through the works of the Gila project, Arizona, and for other purposes; to the Committee on Public Lands.

By Mr. POAGE:

H. R. 3699. A bill to amend the Federal Farm Loan Act, as amended, to authorize loans through national farm loan associations in Puerto Rico; to modify the limitations on Federal land-bank loans to any one borrower; to repeal provisions for subscriptions to paid-in surplus of Federal land banks and cover the entire amount appropriated therefor into the surplus fund of the Treasury; to effect certain economies in reporting and recording payments on mortgages deposited with the registrars as bond collateral, and canceling the mortgage and satisfying and discharging the lien of record; and for other purposes; to the Committee on Agriculture.

By Mr. PRESTON:

H. R. 3700. A bill to provide for the return to the former owners of the real property at Camp Stewart, Ga.; to the Committee on Expenditures in the Executive Departments.

H. R. 3701. A bill to amend the Social Security Act so as to provide benefits for the survivors of individuals who died in military or naval services during World War II; to the Committee on Ways and Means.

By Mr. RHODES:

H. R. 3702. A bill to amend section 6 of the act of August 24, 1912, as amended, with respect to the recognition of organizations of postal and Federal employees; to the Committee on Post Office and Civil Service.

By Mr. SIMPSON of Pennsylvania:

H. R. 3703. A bill to amend the Social Security Act with respect to State plans for aid to the blind; to the Committee on Ways and Means.

By Mr. SMITH of Virginia:

H. R. 3704. A bill to provide additional revenue for the District of Columbia; to the Committee on the District of Columbia.

By Mr. SUTTON:

H. R. 3705. A bill for the purpose of erecting in Erin, Tenn., a post-office building; to the Committee on Public Works.

By Mr. AUCHINCLOSS:

H. R. 3706. A bill to provide for the issuance of a special postage stamp in honor of the centennial of Ocean County, N. J.; to the Committee on Post Office and Civil Service.

By Mr. LEMKE:

H. R. 3707. A bill to limit the pool elevation and the size of dikes for the Garrison (N. Dak.) Reservoir; to the Committee on Public Works.

By Mr. O'HARA of Illinois:
H. R. 3708. A bill to amend the War Claims Act of 1948 so as to provide for the payment of certain tort claims to employees of contractors with the United States; to the Committee on Interstate and Foreign Commerce.
By Mr. PATTEN:
H. R. 3709. A bill to authorize credits to certain public agencies of the United States for costs of construction and operation and maintenance of flood protective levee systems along or adjacent to the lower Colorado River in Arizona, California, and Lower California, Mexico; to the Committee on Public Lands.
By Mr. SUTTON:
H. R. 3710. A bill for the purpose of erecting in Linden, Tenn., a post-office building; to the Committee on Public Works.
By Mr. THOMPSON:
H. R. 3711. A bill to amend the Migratory Bird-Hunting Stamp Act of March 16, 1934 (48 Stat. 451; 16 U. S. C. 718b), as amended; to the Committee on Merchant Marine and Fisheries.
By Mr. VINSON:
H. R. 3712. A bill to repeal that part of section 3 of the act of June 24, 1926 (44 Stat. 767), as amended, and that part of section 13a of the act of June 3, 1916 (39 Stat. 166), as amended, relating to the percentage, in time of peace, of enlisted personnel employed in aviation tactical units of the Navy, Marine Corps, and Air Corps, and for other purposes; to the Committee on Armed Services.
By Mr. KEOGH:
H. R. 3713. A bill to provide annuities to the widows of justices, judges, or former justices or judges of the courts of the United States; to the Committee on the Judiciary.
By Mr. McKINNON:
H. R. 3714. A bill to provide for payment of extra compensation for work performed by customs employees on Sundays and holidays after September 29, 1931; to the Committee on the Judiciary.
By Mr. GRANGER:
H. R. 3715. A bill to authorize the transfer of certain agricultural dry land and irrigation field stations to the States in which such stations are located, and for other purposes; to the Committee on Agriculture.
By Mr. MITCHELL:
H. R. 3716. A bill to provide military status for women who served overseas with the Army of the United States during World War I; to the Committee on Armed Services.
By Mr. WORLEY:
H. R. 3717. A bill to repeal the act of July 24, 1946, relating to the Swan Island Animal Quarantine Station; to the Committee on Agriculture.
By Mr. BUCHANAN:
H. J. Res. 196. Joint resolution creating a Joint Committee on Lobbying Activities; to the Committee on Rules.
By Mr. JACOBS:
H. J. Res. 197. Joint resolution to authorize the issuance of a special series of stamps commemorative of the one hundredth anniversary of the birth of William Merritt Chase; to the Committee on Post Office and Civil Service.
By Mr. KEATING:
H. J. Res. 198. Joint resolution to authorize the issuance of a special series of stamps commemorating Frederick Douglass, one of the great Negro Americans; to the Committee on Post Office and Civil Service.
By Mr. LEMKE:
H. J. Res. 199. Joint resolution designating the second Saturday in June of each year as National Children's Day; to the Committee on the Judiciary.
By Mrs. NORTON:
H. J. Res. 200. Joint resolution to authorize the National Capital Sesquicentennial Commission to proceed with plans for the celebration and commemoration of the one hundred and fiftieth anniversary of the establishment of the seat of the Federal Government in the District of Columbia, and for other purposes; to the Committee on House Administration.
By Mr. LEMKE:
H. J. Res. 201. Joint resolution to provide for the designation of the Heart Butte Dam and reservoir project in Morton County, N. Dak., as the Tschida Reservoir and Dam; to the Committee on Public Works.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of North Carolina, memorializing the President and the Congress of the United States to appropriate funds to construct an inlet leading from the Atlantic Ocean to the Intracoastal Waterway and Myrtle Grove Sound, north of the town of Carolina Beach; to the Committee on Appropriations.
Also, memorial of the Legislature of the State of Oregon, memorializing the President and the Congress of the United States to repeal the acts imposing excise taxes on transportation; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BYRNE of New York:
H. R. 3718. A bill for the relief of George Seeman Jensen; to the Committee on the Judiciary.
By Mr. CANNON:
H. R. 3719. A bill for the relief of Roy Hesselmeyer; to the Committee on the Judiciary.
By Mr. FARRINGTON:
H. R. 3720. A bill for the relief of Erwin F. Earl; to the Committee on the Judiciary.
By Mr. HOLMES:
H. R. 3721. A bill to confer jurisdiction upon the United States District Court for the Eastern District of Washington to hear, determine, and render judgment upon the claim of Cox Bros.; to the Committee on the Judiciary.
By Mr. HULL:
H. R. 3722. A bill for the relief of Mr. and Mrs. Ray S. Berrum; to the Committee on the Judiciary.
By Mr. JACOBS:
H. R. 3723. A bill for the relief of Henderson Stewart; to the Committee on the Judiciary.
By Mr. KEEFE:
H. R. 3724. A bill for the relief of Mrs. Katherine Friday; to the Committee on the Judiciary.
By Mr. LEFEVRE:
H. R. 3725. A bill for the relief of Mrs. Elizabeth Gardner; to the Committee on the Judiciary.
By Mr. LYNCH:
H. R. 3726. A bill for the relief of Knickerbocker Insurance Co. of New York and Atlas Assurance Co., Ltd.; to the Committee on the Judiciary.
By Mr. McCORMACK:
H. R. 3727. A bill for the relief of the Marden Construction Co., Inc.; to the Committee on the Judiciary.
By Mr. McMILLAN of South Carolina:
H. R. 3728. A bill conferring jurisdiction upon the United States District Court for the Eastern District of South Carolina to hear, determine, and render judgment upon the claim of S. V. Causey, as the legal guardian of Grace Causey, widow; Betty, Tommie, and Mellie Causey, minor children of Lonnie Causey, deceased; to the Committee on the Judiciary.
By Mr. MARTIN of Massachusetts:
H. R. 3729. A bill to provide for the conveyance of land to the Norfolk County Trust Co. in Stoughton, Mass.; to the Committee on Public Works.
By Mr. MULTER:
H. R. 3730. A bill for the relief of Leon Narol or Leo F. Narroll; to the Committee on the Judiciary.
By Mr. POAGE:
H. R. 3731. A bill for the relief of Capt. William Greenwood; to the Committee on the Judiciary.
By Mr. SMITH of Virginia:
H. R. 3732. A bill for the relief of Robert I. Crytser; to the Committee on Armed Services.
By Mr. WELCH of California:
H. R. 3733. A bill for the relief of Maria Salome Holland; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

294. By Mr. BARING: Assembly Concurrent Resolution 4 of the Legislature of the State of Nevada; to the Committee on Foreign Affairs.
295. Also, Assembly Joint Resolution 26 of the Legislature of the State of Nevada, memorializing Congress to pass legislation permitting the Territory of Alaska to become a State; to the Committee on Public Lands.
296. Also, Assembly Joint Resolution 27 of the Legislature of the State of Nevada, memorializing Congress to extend full statehood to the Territory of Hawaii; to the Committee on Public Lands.
297. By Mr. DURHAM: Resolutions by the National Society, Daughters of the American Revolution, relative to the restoration, creation, and development of certain national military parks; to the Committee on Public Lands.
298. By Mr. FORAND: Resolution requesting the Senators and Representatives from Rhode Island to give immediate consideration to repealing the Labor-Management Relations Act, 1947; to the Committee on Education and Labor.
299. By Mr. GRANAHAN: Three petitions, containing signatures of 527 citizens, bona fide voters of the State of Pennsylvania, soliciting support of their Representatives and action by the Congress to enact into law veterans' pension bill H. R. 2681; to the Committee on Veterans' Affairs.
300. By Mr. HART: Petition of the Independent Municipal League of Hoboken, Inc., of Hoboken, N. J., condemning the persecution of His Eminence Joseph Cardinal Mindszenty and other religious spokesmen by totalitarian tyranny in Europe; to the Committee on Foreign Affairs.
301. Also, petition of the governing body of the borough of Sayreville, Middlesex County, N. J., protesting against acts of religious intolerance and calling upon the President, the Secretary of State, and the Congress of the United States to impose upon governments guilty of such conduct full economic, political, and moral sanctions, referring in particular to the persecution of Cardinal Mindszenty in Hungary and 15 prominent Protestant clergymen in Bulgaria; to the Committee on Foreign Affairs.
302. Also, memorial of the Board of Commissioners of the city of Newark, N. J., urging that the Congress of the United States pass, and the President of the United States approve, if passed, the General Pulaski's Memorial Day resolution now pending in Congress; to the Committee on the Judiciary.
303. Also, petition of the membership of Lt. Robert P. Grover Post, No. 377, Jewish War Veterans of the United States, Jersey City, N. J., endorsing the elimination of the

discriminatory provisions of the present immigration laws, and the bills introduced by Senators McGrath and Neely and Representative Celler in connection therewith; to the Committee on the Judiciary.

304. By Mr. JACOBS: Memorial of the Senate of the General Assembly of the State of Indiana, the House of Representatives concurring, memorializing the Congress of the United States to oppose the federalization of the National Guard of the United States and the National Guard of the several States, Territories, and the District of Columbia in whole or in part; to the Committee on Armed Services.

305. Also, memorial of the Senate of the General Assembly of the State of Indiana, the House of Representatives concurring, memorializing and requesting the Congress of the United States to enact a bill to aid the State in the enforcement of the cigarette tax now evaded by use of the United States mails; to the Committee on Ways and Means.

306. By Mr. LECOMPTE: Petition of sundry citizens of Ottumwa, Iowa, expressing interest in S. 249, a bill to repeal the Fair Labor Standards Act and supporting 100-percent parity for the farmers; to the Committee on Education and Labor.

307. By Mr. MACK of Washington: Memorial of the Washington Legislature, petitioning Congress to authorize and construct a highway across the Quinault Indian Reservation; to the Committee on Appropriations.

308. Also, memorial of the Washington House of Representatives, petitioning Congress to repeal all existing laws placing the sale of liquor to Indians on any different ground than the sale of liquor to persons generally; to the Committee on Public Lands.

309. By Mr. MERROW: Petition of BPR Society, Pulaski Club and Auxiliary, Manchester, N. H., petitioning the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in Congress; to the Committee on the Judiciary.

310. By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts, favoring certain changes in the Displaced Persons Act of 1948; to the Committee on the Judiciary.

311. By Mr. NORBLAD: Memorial of the Forty-fifth Legislative Assembly of the State of Oregon, memorializing the Congress to repeal the acts imposing excise taxes on transportation; to the Committee on Ways and Means.

312. By the SPEAKER: Petition of Curtis C. Clouse and others, West Palm Beach, Fla., asking for passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

313. Also, petition of Byron Melvin Rich and others, St. Petersburg, Fla., asking for passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

314. Also, petition of J. W. Hewlett and others, Tampa, Fla., asking for passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

315. Also, petition of Miss Dora Slocum and others, Tampa, Fla., asking for passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

316. Also, petition of J. B. Gardhouse and others, Miami, Fla., asking for passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

317. Also, petition of Mrs. Effa K. Collings and others, Miami, Fla., asking for passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

318. Also, petition of S. Berg and others, Tampa, Fla., asking for passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

SENATE

WEDNESDAY, MARCH 23, 1949

(Legislative day of Friday, March 18, 1949)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, lifting up our souls to Thee we seek the inward tranquillity that is both a sanctuary and a fortress. As we look into our own wayward hearts, save us from asking forgiveness without shame and accepting it without wonder. Increase in us the moral passion which shares Thy righteous indignation with all that makes or loves a lie. Be to us the companioning presence of our daily lives, the kindly light of our pilgrim way—speaking through us in our words and attitudes, sustaining, guiding, correcting, empowering, until our day's work is done and sunset comes to find us undishonored, undefeated, and unashamed. Amen.

THE JOURNAL

On request of Mr. MYERS, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, March 22, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following act and joint resolution:

S. 633. An act for the relief of Rachel D. Gattegno.

On March 23, 1949:

S. J. Res. 56. Joint resolution extending an invitation to the International Olympic Committee to hold the 1956 Olympic games at Detroit, Mich.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, informed the Senate that Hon. JOHN W. MCCORMACK, a Representative from the State of Massachusetts, had been elected Speaker pro tempore during the absence of the Speaker.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

CONVENTION WITH MEXICO RELATING TO INTERNATIONAL COMMISSION FOR SCIENTIFIC INVESTIGATION OF TUNA—REMOVAL OF INJUNCTION OF SECRECY

The VICE PRESIDENT. As in executive session, the Chair lays before the Senate a message from the President of the United States, transmitting Executive K, a convention between the United States of America and Mexico for the establishment of an International Commission for the Scientific Investigation of Tuna, signed at Mexico City January 25, 1949.

Mr. CONNALLY. Mr. President, as in executive session, I move that the injunction of secrecy be removed from the convention, that the message from the President and the convention be referred to the Committee on Foreign Relations, and that the message from the President be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The message from the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a convention between the United States of America and Mexico for the establishment of an International Commission for the Scientific Investigation of Tuna, signed at Mexico City, January 25, 1949.

I transmit also, for the information of the Senate, the report which the Secretary of State has addressed to me in regard to this convention.

The purpose of this convention has my complete and wholehearted approval and I recommend the convention to the favorable consideration of the Senate.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 23, 1949.*

(Enclosures: 1. Report by the Secretary of State. 2. Convention for the establishment of an International Commission for the Scientific Investigation of Tuna, Mexico City, January 25, 1949.)

SUPPLEMENTAL ESTIMATES, DISTRICT OF COLUMBIA (S. DOC. NO. 33)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting supplemental estimates of appropriation for the District of Columbia, amounting to $557,300, fiscal year 1950, in the form of amendments to the budget, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

CALL OF THE ROLL

Mr. MYERS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Fulbright	Knowland
Anderson	George	Langer
Baldwin	Gillette	Lodge
Brewster	Green	Long
Bricker	Gurney	Lucas
Bridges	Hayden	McCarran
Butler	Hendrickson	McCarthy
Byrd	Hickenlooper	McClellan
Capehart	Hill	McFarland
Chapman	Hoey	McGrath
Chavez	Holland	McKellar
Connally	Humphrey	McMahon
Cordon	Hunt	Magnuson
Donnell	Ives	Malone
Douglas	Jenner	Martin
Downey	Johnson, Colo.	Maybank
Ecton	Johnston, S. C.	Miller
Ellender	Kefauver	Millikin
Ferguson	Kem	Morse
Flanders	Kerr	Mundt
Frear	Kilgore	Murray

Myers	Schoeppel	Vandenberg
Neely	Smith, Maine	Watkins
O'Conor	Sparkman	Wherry
O'Mahoney	Stennis	Wiley
Pepper	Taft	Williams
Reed	Taylor	Withers
Robertson	Thomas, Utah	Young
Russell	Tobey	
Saltonstall	Tydings	

Mr. MYERS. I announce that the Senator from Mississippi [Mr. EASTLAND] is absent on public business.

The Senator from Texas [Mr. JOHNSON] is absent by leave of the Senate because of illness.

The Senator from Oklahoma [Mr. THOMAS] is absent by leave of the Senate.

The Senator from New York [Mr. WAGNER] is necessarily absent.

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Minnesota [Mr. THYE] are absent by leave of the Senate.

The Senator from New Jersey [Mr. SMITH] is absent because of illness.

The VICE PRESIDENT. Eighty-eight Senators having answered to their names, a quorum is present.

EXTENSION OF RENT CONTROL

The Senate resumed the consideration of the bill (H. R. 1731) to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes.

The VICE PRESIDENT. The question before the Senate is the committee amendment, as amended, and it is open to further amendment.

Mr. MAYBANK. Mr. President, I inquire of the distinguished Senator from Ohio [Mr. BRICKER] if he is going to present at this time the other amendments he desires to offer?

Mr. BRICKER. Yes; I am going to present our other amendments to the rent-control bill.

Several Senators addressed the Chair.

TRANSACTION OF ROUTINE BUSINESS

The VICE PRESIDENT. The Chair suggests that, in order to simplify matters, Senators who desire to introduce bills or joint resolutions and present petitions and memorials or present for the RECORD other routine matters usually considered at this time be permitted to do so now.

Mr. MAYBANK. Mr. President, may I ask the acting majority leader one question before action is taken on the suggestion of the Chair? I should like to ask the distinguished acting majority leader if it is his intention that the Senate remain in session today until we finish the bill now under consideration?

Mr. MYERS. As was announced last evening, it is our intention to have the Senate remain in session until we conclude action on the bill.

The VICE PRESIDENT. Is there objection to the proceeding suggested by the Chair respecting the transaction of routine business? The Chair hears none, and it is so ordered.

NOMINATION OF LOUIS A. JOHNSON TO BE SECRETARY OF DEFENSE

Mr. TYDINGS. Mr. President, Mr. James Forrestal, as I understand, has tendered his resignation as Secretary of Defense. Col. Louis A. Johnson has been appointed to take his place. There are also rumors that many of the other men who head the national defense branches may resign and be replaced. We are spending a great deal of money on national defense. Therefore, from the Committee on Armed Services, I report favorably the nomination of Louis A. Johnson, of West Virginia, to be Secretary of Defense. The nomination comes from the Committee on Armed Services with a unanimous report after rather extensive hearings. I ask unanimous consent that, as in executive session, the nomination be considered and confirmed, and that the President be notified. It is in our own interest to have this done as rapidly as possible.

Mr. GURNEY. Mr. President, reserving the right to object, I should like to join with the Senator from Maryland in making the request.

The VICE PRESIDENT. Is there objection to the present consideration, as in executive session, of the nomination of Mr. Louis A. Johnson to be Secretary of Defense?

Mr. WHERRY. Mr. President, reserving the right to object, may I ask the distinguished Senator from Maryland whether the report of the committee was unanimous by members of both parties?

Mr. TYDINGS. The nomination was favorably reported unanimously by the committee. The committee conducted a rather searching investigation into all phases of the matter which would show whether Mr. Johnson was detached or not from any associations he might have previously had.

Mr. WHERRY. The distinguished Senator from Maryland knows that, of course, unless unanimous consent is obtained for the present consideration of the nomination, it would have to be placed on the calendar and lie over for 1 day. Were all the Republican members of the committee present when the vote was taken?

Mr. TYDINGS. My recollection is that they were all present, with the exception of one member.

Mr. WHERRY. Does the Senator know how the member who was absent feels about the nomination?

Mr. TYDINGS. So far as I know he is not opposed to it in any way, shape, or form.

Mr. WHERRY. So the Senator feels that because of the emergency, because of the need for immediate confirmation he is justified in bringing up the nomination and asking for immediate consideration and action on it?

Mr. TYDINGS. In my opinion, the matter is urgent.

Mr. WHERRY. Mr. President, personally I have no objection, especially in view of the fact that I have made the record clear that I favor the confirmation of this nomination.

The VICE PRESIDENT. Is there objection to the present consideration of the nomination? The Chair hears none, and without objection, the nomination of Louis A. Johnson, of West Virginia, to be Secretary of Defense, is confirmed, and the President will be notified immediately.

THE CONFIRMATION OF LOUIS JOHNSON AS THE SECRETARY OF NATIONAL DEFENSE

Mr. MALONE. Mr. President, this body has just confirmed the appointment of Louis Johnson as Secretary of National Defense. I have known Louis Johnson for 30 years, through the American Legion work. In his behalf I want to assure the Members of the United States Senate that he has the full confidence of that organization of the veterans generally throughout this Nation, and that I believe he is equipped to do a splendid job. It is my personal opinion that he has the ability and the guts to do a job of reorganization or of consolidation of the armed services, which this body thought was being provided for last year—regardless of inside opposition.

Mr. President, Louis Johnson favors the universal military training bill in which I joined with the distinguished Senator from Maryland in introducing earlier in this session.

Mr. President, early in the organization of the armed services there was created a Secretary of War. The creation of a Secretary of the Navy was the Navy's idea at a later date—there never was a Secretary of the Army—however, following the creation of the Secretary of the Navy the Secretary of War gradually became known as attached only to the Army.

Mr. President, Louis Johnson served in the late thirties as Assistant Secretary of War, and while serving in that position did what was generally accepted as a very efficient job of creating a feasible industrial mobilization plan working directly with industrialists, which unfortunately, was discarded when the Japs struck at Pearl Harbor.

Bernard Baruch, recognized as an eminent authority in the industrial mobilization field, said that if the plan had been continued and made effective in the beginning of World War II that thousands of lives and hundreds of millions of dollars would have been saved.

Mr. President, there never had been a Secretary of the Army until the consolidation bill passed and the Office of Secretary of National Defense was created. Mr. Forrestal has been unable to do the job, handicapped as he has been by an incomplete act. But I believe that if the President of the United States will back up Mr. Johnson in his work, he will do the job, even with the present legislation. I favor, however, giving him the necessary authority to do the job right. Congress created the job of Secretary of National Defense and apparently tied his hands. Thus far the results have been a very grave disappointment.

Mr. President, I ask unanimous consent to insert in the RECORD at this point an editorial entitled "The Pentagon Will Still Be News for a While," published in the Washington Times Herald; an article entitled "Louis Johnson Finally Got the One Job He Wanted," by Jim G. Lucas, published in the Washington Daily News of March 4, 1949; an article entitled "About Mr. Johnson," by Peter Edson, published in the Washington

Daily News, March 5, 1949; and an article appearing in the column People in the News, entitled "When Johnson Succeeds Forrestal, Boxer Will Yield Ring to Wrestler," published in the Washington Post, March 4, 1949.

There being no objection, the editorial and articles were ordered to be printed in the RECORD, as follows:

[From the Washington Times-Herald]

THE PENTAGON WILL STILL BE NEWS FOR A WHILE

The champ has undoubtedly picked the right man for the right job in naming Col. Louis A. Johnson as successor to James V. Forrestal in the vitally important Cabinet job of Secretary of Defense.

It is no easy trick for anybody to follow up a citizen of Forrestal's stature. This wiry, quick little banker is certainly, on the record of his achievements, one of the great public servants of our time.

We have no idea where he wants to go from here, but wherever and whatever, good luck to him and may the country remember that he has done a brilliant best, in war and in peace.

But we have to say in candor that brilliant as his work has been, he has left one thing incomplete that only such a bruising, shrewd, hard-hitting type as Johnson could finish.

That, of course, is the true unification of our fighting forces of land, sea, and air, under one command.

We don't think it would be fair to criticize Forrestal for not having completed the unification project in the time he has been at it, but we do think the completion is now overdue and must come in a hurry.

The history of this undertaking, in brief, is that at the end of the war the Army very smartly beat everybody else, civil and military, to the draw in proposing a complete merger of the fighting power under a single Cabinet officer and a single Chief of Staff.

The experiences of World War II proved such a merger to be our absolute need for both economy and success in the prosecution of war.

RIGHT IDEA, BUT WRONG MOMENT

But also equally true was the fact that at the moment proposed we had here a country swarming with men and women who had just fought all over the world from 1941 to 1945, in the air, on the land, and on and under the sea. They were steeped and trained in individual traditions of the Navy, Marines, artillery, aviation or what have you, and in which they had a natural, if overdeveloped competitive pride, fed by the professionals who had trained them.

It was asking just too much of human nature to collapse all these old outfits into one uniform and one tradition and under one command overnight, without national uproars and objections.

Hence, the consequence that by the time the regulars in each fighting branch had got through lobbying and fighting for their particular side—with Forrestal leading the fight for the Navy—true unification was lost and instead a fatal compromise bill was put through Congress that has, as the saying goes, merged two services, the Army and Navy, into three, Army, Navy, and Air.

Well, time has passed. Experience has shown everybody and most especially Forrestal, the first Secretary of Defense, to try to run such a three-headed what is it, that no can do.

Now, he is a leading member of the choir that calls night and day for a new tune.

HE IS A HARD MAN TO FOOL

We put our money on Johnson, who is, incidentally, Forrestal's own personal recommendation for his successor in office. Johnson made a real record as assistant Secretary of War just before World War II and knows his stuff at predicting and blocking the tactics of the services in their interminable secret wars for place and power. He will be a hard man to fool.

He is, by the way, a specialist on a very little known, but extremely important subject, industrial mobilization.

That is the lining up of industry and business well in advance of war so that when the hour strikes there will be the least possible delay in switching over from baby carriages to bombs.

Anybody who has ever seen the behemoths of the steel, auto, and other industries at bay and having to face the prospect of expensive, difficult ordnance work when they had rather be making widgets, knows that it takes a rugged individualist to soothe them.

Such is Johnson.

IT WILL BE INTERESTING

We await with interest his operations at the Pentagon and we expect to see plenty of news come out of there in the next few months.

Also, we doubt not, some high dignitaries undignifiedly departing for distant posts and stations where to ponder the oldest and best advice ever given to any man in uniform:

Stay out of fights that are none of your business, and stick to the job they hired ycu for.

[From the Washington Daily News of March 4, 1949]

LOUIS JOHNSON FINALLY GOT THE ONE JOB HE WANTED

(By Jim G. Lucas)

Because he took on a job no one else wanted, Louis A. Johnson, the new Defense Secretary, finally got one he has wanted for years.

Mr. Johnson, a former Assistant Secretary of War and American Legion commander, will succeed James V. Forrestal March 31. President Truman said Army Secretary Kenneth Royall, Air Secretary W. Stuart Symington and Navy Secretary John L. Sullivan would stay.

Mr. Johnson has been chairman of the Democratic national finance committee, a job Mr. Forrestal and others turned down. And Mr. Johnson raised $1,500,000 for the Presidential campaign.

The new Secretary is tall (over 6 feet), heavy (about 200 pounds) and partly bald. His voice is a moderate tenor, and he uses it to call people by their first names soon after they meet.

CIGARS, NO LIQUOR

He doesn't drink. On his 58th birthday recently, the girls of the Democratic national finance committee threw a surprise party in his office. They brought in cake, a pot of coffee and, as a gift, a liquor cabinet. It has never held any spirits, although Mr. Johnson continues to remind himself he ought to buy some for guests. He enjoyed the party immensely; ate three pieces of cake and playfully demanded the girls sign his birthday card "with love."

He smokes heavily—a special Habana favored by Winston Churchill. He's proud of his law firm, Steptoe and Johnson, which still lists his name second although the senior partner has been dead for years. He likes to recall the friends he's made; a letter from Indian Premier Pandit Nehru is framed on his office wall.

He probably could have had his choice of jobs. But he wanted only one—the one he finally got. He has been interested in the military since shortly after the World War I armistice when he wrote General Pershing about what was wrong with the Army.

Undoubtedly, he will be more President Truman's man than Mr. Forrestal was. Both Mr. Johnson and Mr. Truman were World War I doughboys—both came out majors—and they see things alike.

MORE POWER

Several moves are afoot to give the Defense Secretary more power just as Mr. Johnson takes office. Some would make him virtual dictator over the Army, Navy and Air Force. The Hoover Commission wants him to have absolute authority over the Joint Chiefs of Staff, over the $15,000,000,000 military budget and the three service secretaries.

Mr. Johnson probably will bring in his own staff. He rates three administrative assistants. One of his first appointees probably will be Paul Griffith, Scranton, Pa., Republican, and, like Mr. Johnson, a former Legion commander. Mr. Griffith served with Mr. Johnson in the Legion, the War Department, and in India.

Mr. Johnson was an Assistant Secretary from 1937 until 1940. He said he was promised the Secretary's job if President Roosevelt could ease out Harry Woodring, former Kansas Governor. Mr. Roosevelt never could and the switch was never made.

DIFFERED WITH WOODRING

Relations between Mr. Johnson and Mr. Woodring were cool for more than 2 years. Mr. Woodring, Mr. Johnson later told a congressional committee, was a "sincere pacifist." Mr. Johnson was for preparedness.

Mr. Johnson drew up an industrial-mobilization plan; Mr. Woodring read about it in the papers. The World War II draft law was prepared by Mr. Johnson and Charles Edison, then Assistant Navy Secretary.

In 1947 Mr. Johnson told the Senate War Investigating Committee that Mr. Woodring, Secretary of Labor Frances Perkins, and Lt. Gen. Brehon Somervell, former head of Army Services Forces, blocked his mobilization plans.

BRIDGES TO OPPOSE?

In 1939 Senator H. STYLES BRIDGES (Republican, New Hampshire), now ranking Republican on the Armed Services Committee, criticized Mr. Johnson for undermining Mr. Woodring. Senator BRIDGES may oppose confirmation of Mr. Johnson.

In 1940 Mr. Woodring was replaced by Henry L. Stimson, a Republican. Six weeks later Mr. Johnson resigned. He subsequently served as chairman of the United States advisory mission to India and was active behind the scenes in Sir Stafford Cripps' British-Indian independence negotiations. In 1942 the Alien Property Custodian made him president of General Dyestuff Corp. He still serves as board chairman. Since then he has practiced law here in Washington and in West Virginia.

NATIVE OF VIRGINIA

Mr. Johnson was born in Roanoke, Va. He attended the State university where he was a champion wrestler, orator, and president of his law class. At 26 he was elected to the West Virginia Legislature. When World War I came he entered the Army and served as a combat captain for a year. In 1932 he was elected national American Legion commander. He is now a Reserve lieutenant colonel.

He is married and has two daughters. He spends his week ends in West Virginia, but during the week is in his Washington office, only a few blocks from the White House. When President Truman announced his appointment Mr. Johnson was in New York on business. He has been president of Rotary International and head of the Clarksburg, W. Va., Elks. He is a Mason and Episcopalian.

[From the Washington Daily News of March 5, 1949]

ABOUT MR. JOHNSON

(By Peter Edson)

In 58-year-old Louis A. Johnson, of West Virginia, President Truman has picked a very tough citizen for National Defense Secretary. He is one of America's leading exponents of all-out preparedness, of universal military training, of taking profits out of war.

Mr. Johnson was Assistant Secretary of War from July 1937 to July 1940. Secretary of War Harry Woodring was ill much of that time. Mr. Johnson was in full charge of prewar industrial mobilization planning.

In October 1947 Mr. Johnson himself reviewed all this early planning and fumbling before the Senate War Investigating Committee. The record indicates clearer than anything possibly could what kind of a Secretary of National Defense Louis Johnson may make.

The real industrial mobilization plan of 1939 was a full revision of the original mobilization plan. Louis Johnson worked two full years on that 1939 plan. It involved interviewing and cataloging the resources of some 20,000 United States factories, to find out what they could do if war came. Some of them were given educational orders, to give them experience.

Mr. Johnson's 1939 mobilization plan met opposition from many sources. Army and Navy weren't pulling together, then as now.

Secretary of War Woodring was against heavy aviation, which Mr. Johnson favored. Labor Secretary Frances Perkins opposed him on making the Civilian Conservation Corps into military training camps. Congress and the Budget Bureau cut his $100,000,000 stockpiling plan to $40,000,000 and then $10,000,000. Congress also licked him on raising the arms embargo.

But even after he had been eased out of the War Department, Mr. Johnson kept reporting to the President. "There were times when things were so bad," Mr. Johnson told the Senate committee, "that as an outsider I went to the President and complained. Once, after the President listened to a story from me, he said, 'Go down to the War Department with those facts and give them to Mr. X, and unless he can disprove them, we want him transferred tout de suite.' He was transferred the next day."

"I do not want to say—I hope you will not insist—that I accuse any man of sacrificing lives," Mr. Johnson said later in his testimony. "May I put it this way: I would to God this thing (the 1939 mobilization plan) had been put into effect before it was. I think we had the 1939 mobilization program pretty much at the end of the war."

[From the Washington Post of March 4, 1949]

PEOPLE IN THE NEWS—WHEN JOHNSON SUCCEEDS FORRESTAL, BOXER WILL YIELD RING TO WRESTLER

A wrestler now takes over from a boxer as head man in the Pentagon.

Louis Arthur Johnson, prospective new Secretary of Defense, was wrestling champion when he attended the University of Virginia more than 30 years ago.

Standing 6 foot 2 and built in proportion, Johnson towers over James Forrestal, the outgoing Secretary of Defense, whose broken nose is a souvenir of boxing days.

When President Truman announced yesterday that Johnson was to head up the National Military Establishment, it must have wiped out whatever disappointment the big fellow carried over from something that happened to him in 1940.

VICTIM OF ROOSEVELT BLITZ

He was then Assistant Secretary of War in charge of industrial mobilization. His superior in the War Department, Secretary Harry Woodring, was opposed to the Roosevelt rearmament program, feeling that it invited war.

About the time France was falling, Woodring opposed aid to the Allies and was dumped from the Cabinet. Johnson, who was all out for such aid, was widely regarded as the next Secretary of War.

President Roosevelt, at this point, executed his famous "blitz" of the Republican Party Just as the GOP was gathering in Philadelphia for its 1940 national convention, he asked two of the party's elder statesmen—Henry L. Stimson and Frank Knox—to join his Cabinet. Stimson was made Secretary of War and Knox Secretary of the Navy.

Stimson asked Johnson for his resignation and named Judge Robert P. Patterson, a fellow Republican, of New York, as Assistant Secretary of War.

Friends of Johnson were shocked. Johnson must have been, too. It was the second disappointment he experienced during the period, the other having to do with the Vice Presidency. He had been boomed for the No. 2 place on the 1940 Democratic ticket, but Mr. Roosevelt chose Henry Wallace as his running mate.

At any rate, Johnson now finds himself about to move into a post far more important than Secretary of War. He will head a department that embraces all the armed services, Army, Navy, and Air.

The prospective new member of the Truman Cabinet was born at Roanoke, Va., January 10, 1891, the son of Marcellus A. and Katherine Leftwich (Arthur) Johnson. After winning his law degree at the University of Virginia, he went to Clarksburg, W. Va., to hang out his shingle. He had heard that it was a "young man's town."

At the age of 26 he was elected to the West Virginia Legislature. He was thinking of running for governor of the State when World War I turned his thoughts to fighting. He attended an officers' training camp, went to France as a captain, and saw action in the Meuse-Argonne offensive. Later he accompanied the Ninetieth Division into Germany and served with the army of occupation.

He was a pioneer member of the American Legion, and it was as a result of his work as national commander in 1932–33 that he got into big-time politics.

President Roosevelt had been elected on a platform that promised a 25-percent cut in Government expenses. When benefits for disabled veterans were cut, Johnson pleaded their cause, and made an impression of Mr. Roosevelt.

LAUDED BY PATTERSON

In the 1936 campaign Johnson headed the war veterans division of the Democratic Party and worked hard for a second term for Mr. Roosevelt. He was made an Assistant Secretary of War the following year.

There was a sharp division of opinion about Johnson while he was feuding with Secretary of War Woodring. Some accused him of disloyalty and charged that he had undermined Woodring. Others defended him on the ground that whatever he did was in the national interest.

Testifying before a Senate committee in 1947, Johnson described Woodring as "a sincere pacifist." He charged that Woodring and the then Secretary of Labor Frances Perkins, aided by Gen. Brehon B. Somervell, had blocked his 1939 plan for industrial mobilization.

Much of what Johnson did to prepare the United States for war bore fruit.

Robert P. Patterson, when Secretary of War in 1946, told an American Legion convention that Johnson had shortened World War II by 18 months.

TRUMAN FUND RAISER

President Truman asked Johnson to help raise funds for the 1948 campaign at a time when Democratic prospects seemed hopeless to most people. He did a bang-up job as chairman of the party's finance committee, helping to raise $1,500,000.

Mr. Truman showed his appreciation by attending a luncheon of the finance committee at the Mayflower the day before his inauguration.

Thanking the money raisers, the Chief Executive recalled that there was a time in the 1948 campaign when the party couldn't buy radio time or even pay for the transportation of the President from one end of the country to the other.

Mr. MALONE. Mr. President, these editorials and dispatches ably outline the career and activities of Louis Johnson over the years—and denote his general acceptance and approval of the press of his appointment to this office of such tremendous responsibility, by the President of the United States.

Mr. President, I ask unanimous consent that my remarks may appear immediately following the confirmation of Louis Johnson.

The PRESIDING OFFICER. Without objection, the request of the Senator from Nevada will be granted.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of Nevada; to the Committee on Interior and Insular Affairs:

"Assembly Joint Resolution 26

"Joint resolution memorializing Congress to pass legislation permitting the Territory of Alaska to become a State

"Whereas Alaska, by the census of 1940, had a population of 72,524 which figure by now may have been doubled; and

"Whereas even by the census of 1940, Alaska has more population now than several of our States had at the time they were admitted into the Union, namely: Arkansas, Florida, Missouri, Nevada, Oregon, and Wyoming; and

"Whereas Alaska has a representative in Congress, but he has no vote, and his position is little better than that of a lobbyist; and

"Whereas it is inconceivable that a region as large as Alaska and possessing its great multiplicity and richness of mining and general resources and its strategic military position should remain indefinitely under the American flag in a condition of political servitude; and

"Whereas the Territory of Alaska has been a part of our great Nation for many years and has been a vital part of the economic structure of our great United States of America; and

"Whereas during all times and during all crises in which we, as a nation, have passed, the Territory of Alaska has played her part; and

"Whereas the Territory of Alaska has heretofore operated as a territory; and

"Whereas she could better operate as a State of the Union; and

"Whereas she has proven herself well capable of being a sister State: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of Nevada (jointly), That the Legislature of the State of Nevada memorialize

the Congress of the United States to pass legislation permitting the Territory of Alaska to become a State of our great Union of States; and be it further

"Resolved, That a copy of this joint resolution be transmitted to the President of the United States, to the Vice President of the United States, and to each Member of the Senate and the House of Representatives of the United States from Nevada, and that the Senators and Representative representing the State of Nevada in Congress be urged actively to support such legislation.

"PETER A. BURKE,
"Speaker of the Assembly.
"CLIFF JONES,
"President of the Senate.

"Approved March 15, 1949.

"VAIL PITTMAN,
"Governor."

A joint resolution of the Legislature of the State of Montana; to the Committee on Agriculture and Forestry:

"House Joint Resolution 4

"Joint resolution memorializing the Congress of the United States for the passage of legislation providing for the liquidation of the trusts under the transfer agreements with State rural rehabilitation corporations, similar to House Resolution No. 5905, introduced by Representative COOLEY in the second session of the Eightieth Congress of the United States, so as to enable the State of Montana to have returned to it moneys and properties transferred in trust on or about April 30, 1937

"*To the honorable Senate and House of Representatives of the United States in Congress assembled:*

"Your memorialists, the members of the Thirty-first Legislative Assembly of the State of Montana, the house and senate concurring, respectfully represent that

"Whereas on or about April 30, 1937, the Montana Rural Rehabilitation Corporation entered into an agreement with the United States Department of Agriculture whereby all the assets of the said Montana Rural Rehabilitation Corporation were transferred in trust to said United States Department of Agriculture; and

"Whereas according to the last trial balance which was prepared by the Farmers Home Administration area finance officer in Denver, Colo., dated December 31, 1948, the assets of said Montana Rural Rehabilitation Corporation amounted to $692,359.34; and

"Whereas the State of Montana is now particularly anxious to have the trust liquidated and the money and property returned to it: Now, therefore, be it

"Resolved by the House of Representatives of the State of Montana (the senate concurring), That we do hereby petition the Congress of the United States of America for the passage of an act similar to House Resolution No. 5905, introduced by Representative COOLEY in the second session of the Eightieth Congress of the United States; be it further

"Resolved, That a copy of this memorial be transmitted by the secretary of the state of Montana to the Senate and House of Representatives of the Congress of the United States, and to the Senators and Representatives in Congress from the State of Montana, and that they, and each of them, be requested to use all honorable means within their power to bring about the enactment of legislation similar to the aforesaid mentioned House Resolution No. 5905.

"LEO C. GRAYBILL,
"Speaker of the House.
"PAUL CANNON,
"President of the Senate.

"Approved February 25, 1949.

"JOHN W. BONNER,
"Governor."

A joint resolution of the Legislature of the State of Montana; to the Committee on Interior and Insular Affairs:

"Senate Joint Memorial 6

"Joint memorial of the Senate and House of Representatives of the State of Montana, to the Congress of the United States, United States Senators JAMES E. MURRAY and ZALES N. ECTON, and Representatives MIKE MANSFIELD and WESLEY A. D'EWART, all of Washington, D. C., requesting the enactment of legislation allowing for and directing the the annual payment of grants by the United States Government to the State of Montana for the use and benefit of the several counties of Montana in lieu of taxes on lands owned by the United States Government in the State of Montana

"Whereas in Montana there is in excess of 39 percent of our landed area which is owned by the Government of the United States, so held by it in proprietory or trustee capacity for Indian reservations, forest reserves, wildlife refuge, grazing lands, military reservations, and numerous other governmental purposes and objects, none of which lands pay taxes to the State of Montana or the counties therein, nor contribute equitable amounts in lieu of taxes to the school districts, counties, and State government, all of which furnish services to such lands and their occupants; and

"Whereas such areas are increasing, and the taxation burdens upon sparsely settled communities of our State are becoming more serious; and

"Whereas these areas should bear some part of the tax burden comparable to that imposed on lands of our own taxpayers; and

"Whereas there has been and will be introduced in the Congress of the United States acts under which the Government of the United States will pay to the several States of the United States for the benefit of counties wherein Government-held lands are located, grants in lieu of taxes upon these lands: Now, therefore, be it

"Resolved by the Thirty-first Legislative Assembly of the State of Montana (senate and house of representatives concurring), That we respectfully urge the enactment of legislation by the Congress of the United States providing for the evaluation of property owned or held by the United States Government and providing for payments or grants to the State of Montana for the use and benefit of the counties wherein Government-held lands are located, in lieu of taxes upon these lands; and be it further

"Resolved, That copies of this memorial be submitted by the secretary of state of Montana to the Senate and House of Representatives of the United States Congress, and to Senators JAMES E. MURRAY and ZALES N. ECTON and Representatives MIKE MANSFIELD and WESLEY A. D'EWART.

"PAUL CANNON,
"President of the Senate.
"LEO C. GRAYBILL,
"Speaker of the House.

"Approved February 25, 1949.

"JOHN W. BONNER,
"Governor."

A letter in the nature of a petition from the Nonsectarian Anti-Nazi League, of New York, N. Y., signed by James H. Sheldon, administrative chairman, relating to certain exhibitors in the German Industrial Exposition opening at New York on April 9, 1949, under sponsorship of AMG (with an accompanying paper); to the Committee on Armed Services.

The memorial of Fred P. Marshall, of Jackson, Mich., remonstrating against the enactment of legislation providing socialized medicine; to the Committee on Labor and Public Welfare.

A telegram in the nature of a memorial from district No. 31, United Mine Workers of America, of Fairmont, W. Va., signed by C. J. Urbaniak, president, remonstrating against filibustering; ordered to lie on the table.

By Mr. THOMAS of Utah:

A concurrent resolution of the Legislature of the State of Utah; to the Committee on Armed Servcies:

"Senate Concurrent Resolution 1

"Concurrent resolution memorializing the Congress of the United States to oppose the federalization of the National Guard of the United States and the National Guard of the several States, Territories, and the District of Columbia in whole or in part

"Be it resolved by the Legislature of the State of Utah:

"Whereas the Secretary of Defense brought into being in 1947 the Committee on Civilian Components, commonly known as the Gray Board, and which committee was directed by said Secretary of Defense to make a comprehensive, objective, and impartial study of the armed forces; and

"Whereas said Committee on Civilian Components on June 30, 1948, in its report to the Secretary of Defense, recommended, among other things, that national security required that all services have one Federal reserve force which should be accomplished—

"(a) by establishing the reserve forces of the Army under the Army clause of the Constitution;

"(b) by similarly establishing the reserve forces of the Air Force under appropriate legal authority;

"(c) by incorporating the National Guard and the Organized Reserve Corps into the Army Reserve force under the name of the National Guard of the United States;

"(d) by incorporating the Air National Guard and Air Reserve into the Air Force Reserve force under the name of the United States Air Force Reserve; and

"Whereas, on December 15, 1948, the Secretary of Defense recommended to the President of the United States, among other things, the federalization of the Air National Guard; greater Federal control over the personnel, equipment, facilities, allocation of money to the States; and

"Whereas federalization of the National Guard, in whole or in part, by the organization of a single Federal reserve force under the Army clause of the Constitution instead of under the militia clauses of the Constitution, as the National Guard is now organized, and under which the sovereign States retain the authority for the appointment of the officers of the National Guard and the authority for the training of the National Guard in time of peace in accordance with the discipline prescribed by the Congress; and

"Whereas such federalization would violate the principle of States' rights in that the framers of the Constitution contemplated a standing army as the only Federal force is clear from the arguments advanced by Hamilton, whereby he persuaded the States to accept the principle of a standing army, large enough to accomplish the immediate purpose of the Congress only; its size to be controlled by limiting appropriations to a period of 2 years only with the further agreement that the States would maintain no troops in time of peace, other than with the consent of Congress, in exchange for the provision that the Congress would have power to provide for the organizing, arming, and disciplining (training) the militia and reserving to the States only the power to appoint officers and the authority to train the militia according to the discipline prescribed by Congress; and

"Whereas complete federalization would violate the principle upon which the States bargained, as above explained, by giving to the Federal Government, in addition to its own standing army, a part of the militia

over which the States would have no control or power whatsoever, instead of the control provided in clause 16, section 8, article I of the Constitution; and

"Whereas nowhere in the Constitution is there any power given to the Federal Government to do other than raise and support armies, and standing armies only were contemplated with no power ever given to the Federal Government to organize and support a Federal militia and none exists; and

"Whereas federalization of the National Guard as now constituted under the militia clauses of the Constitution, in whole or in part, would not only violate the principle of States' rights but would violate existing agreements between the Federal Government and the sovereign States whereby the States accepted in good faith the allotments made by the War Department in 1945, and have completed the organization of such allotments, insofar as authorized by the Congress and for which funds have been provided; and

"Whereas federalization of the National Guard, air or ground, as recommended by the Secretary of Defense and the Committee on Civilian Components, would destroy at one blow the National Guard as it now exists and which has rendered exceptional and valiant service to the Nation in two world wars, and in time of peace would impose fantastic costs beyond the ability of the Nation to meet, and would seriously jeopardize our national security and would result in the centralization of all military power in the Federal Government and ultimately in the hands of a few, and thus pave the way for the establishment of a dictatorship, military or otherwise, in this country; and

"Whereas the States would be left without an internal security force and would be compelled to organize and maintain State troops at great cost to the States with the result that there would thus be maintained a Federal reserve and State military force, creating a great duplication of effort and expense, while the National Guard, as it is now constituted and controlled, not only furnishes the necessary internal security for the States but, in addition, serves as a component of the Army of the United States and a first line of defense thereof as provided by the National Defense Act: Now, therefore, be it

"Resolved by the Senate of the State of Utah (the house of representatives concurring), That the Congress and the President of the United States are hereby memorialized to retain intact the National Guard of the United States, ground and air, as it is now organized under the militia clauses of the Federal Constitution and thus reserve to the States the controls provided by the Constitution in time of peace and ensure that it will be at the disposal of the State in time of peace, and that there will be unity in the armed forces of the Nation at a time when unity is so essential; and be it further

"Resolved, That copies of the concurrent resolution be transmitted to the President of the United States, the Speaker of the House of Representatives, the President pro tempore of the Senate, the chairman of the Armed Services Committees of the Congress and members of the Utah delegation in Congress."

The VICE PRESIDENT laid before the Senate a concurrent resolution of the Legislature of the State of Utah, identical with the foregoing, which was referred to the Committee on Armed Services.

HORSE-BREEDING PROGRAM AT FORT ROBINSON MILITARY RESERVATION, NEBR.—RESOLUTION OF NEBRASKA LEGISLATURE

Mr. WHERRY. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD for the information of Members of the Senate Resolution 19, adopted by the Nebraska State Legislature on March 17, 1949, endorsing and supporting the Federal light-horse-breeding program at Fort Robinson Military Reservation, near Crawford, Nebr.

The resolution was referred to the Committee on Agriculture and Forestry, and, under the rule, ordered to be printed in the RECORD, as follows:

Legislative Resolution 19

Resolution memorializing the Congress of the United States to continue the light-horse-breeding program at Fort Robinson Military Reservation

Whereas the United States Army in July 1949 discontinued the Army remount and use of Fort Robinson Military Reservation and turned Fort Robinson along with the light-horse-breeding program over to the Department of Agriculture of the United States Government; and

Whereas since the Bureau of Animal Industry of the Department of Agriculture of the United States Government has been operating the Fort Robinson Military Reservation for the purpose of continuation of the light-horse-breeding program, it has cooperated with the College of Agriculture of the University of Nebraska for continued experimental work with both light-horse and cattle breeding: Now, therefore, be it

Resolved by the members of the Nebraska Legislature in sixty-first session assembled:

1. That the Congress of the United States continue to make provision for the continuation of the Department of Agriculture light-horse-breeding program at Fort Robinson Military Reservation in order that the splendid equipment and facilities which include extensive pastures, adequate barns, and a modern animal laboratory may be utilized for research for the benefit of the livestock industry.

2. That copies of this resolution, suitably engrossed, be transmitted by the clerk of the legislature to the Vice President of the United States as Presiding Officer of the Senate of the United States, to the Speaker of the House of Representatives of the United States, to each Member from Nebraska in the Senate of the United States and in the House of Representatives of the United States, and to the Secretary of the Department of Agriculture of the United States.

CHARLES J. WARNER,
President of the Legislature.

The VICE PRESIDENT laid before the Senate a resolution of the Legislature of the State of Nebraska, identical with the foregoing, which was referred to the Committee on Agriculture and Forestry.

PROBLEMS OF THE DAIRY FARMERS—LETTER AND RESOLUTIONS FROM WISCONSIN

Mr. WILEY. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD a letter and two resolutions from three dairy organizations in my State of Wisconsin. The letter and resolutions from three diverse organizations emphasize the continuing crtical problem of the dairy farmers of the State of Wisconsin and the Nation. The limited action taken thus far by the Department of Agriculture to bolster butter prices has hardly served to meet the grave need which is being increasingly felt. Unless our farmers can get separate parity support on manufactured dairy products, we will find that lasting damage will have been done to the dairy segment of our agricultural economy. I for one will continue to do all that I can on behalf of justice and equity for our dairy farmers, recognizing that in serving their legitimate welfare, we will be serving the American Nation as a whole.

There being no objection, the letter and resolutions were referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

ST. CROIX VALLEY COOPERATIVE DAIRIES,
Glenwood City, Wis., February 28, 1949.

Hon. ALEXANDER WILEY,
United States Senate,
Washington, D. C.

DEAR MR. WILEY: The 600 dairy farmers who are members of this organization have been waiting expectantly for action to be taken by Congress regarding the milk-parity situation.

The "going" price for 3.5 percent manufacturing milk in this area is $2.10 per hundredweight. The fact that some eastern and southern dairy farmers receive double that amount to raise the national average does not in any way relieve the financial "squeeze" on Midwest producers of manufacturing milk. Hay in this area continues to cost the dairy farmers $35 to $40 a ton and most other costs, such as labor and machinery, are at the same level as a year ago when manufacturing milk prices were over $4 per hundredweight.

Apparently, the Secretary of Agriculture may establish separate parities for market and manufacturing milk under existing legislation. His unwillingness to separate them makes it necessary for us to request that the discretion be removed and that the separation be mandatory.

A support price of 59 cents on butter or even the present market price of 63 cents added to the ridiculously low prices at which milk powder is being purchased by Government agencies does not permit a payment to the producer manufacturing milk which even approximates 90 percent of parity. The action of the Government purchasing agency last week in accepting only the offers of milk powder at current demoralized domestic prices did nothing to help the situation. These offers were made in desperation by plants which are seriously short of cash with which to meet their payments to farmers.

We see no remedy for the condition in this area other than a separate parity program for manufacturing milk made mandatory by Congress. It is our belief that the necessity of supports will be short-lived and that the Government will not suffer losses on the products purchased this year.

Our producer-members know that you are doing all in your power to assist in bringing about the desired program. It is hoped that this information will assist you in your efforts on our behalf.

Very truly yours,

J. H. ARGUE,
General Manager.

RESOLUTION OF NORTHWESTERN COOPERATIVE, WAUPACA, WIS.

Whereas dairy products are in danger of falling below cost of production, and whereas unorganized farmers are competing in a well-organized economy of industry and labor and prices of dairy products are in danger of falling even lower: Therefore be it

Resolved, That we, the undersigned, all residents and farmers of Waupaca County, Wis., and directors of Northwestern Cooperative, representing 1,200 patrons, respectfully ask our representatives in the House of Representatives and United States Senate to use their considerable influence to establish a price support on dairy products in line with other supported commodity basic items; be it further

Resolved, That a copy of this resolution be sent to REID F. MURRAY, JOSEPH MCCARTHY, and ALEXANDER WILEY, at their Washington, D. C., address.

PAUL S. JENSEN.
ROY BARTTESON.
ARTHUR D. LARSON.
HARRY M. RASMUSSEN.
CLARK REDFIELD.
HAROLD AXTELL.
RAY E. HEMINGSON.

RESOLUTION FOR A FEDERAL GOVERNMENTAL SUPPORT PRICE ON BUTTERFAT

Whereas the only present governmental support price on dairy products is on butter; and

Whereas fluid milk is sold on the basis of butterfat content and butterfat is used or contained in many other products besides butter, such as cheese, powdered milk, condensed milk, ice-cream mix, etc., and the support price on butter alone does not react to the benefit of many dairy farmers and communities in which butterfat is used for such other products, and the support price should, therefore, be upon butterfat instead of butter for the support of dairy industry in general; and

Whereas the dairy farmer is facing increasing costs of production including taxes, insurance, cost of machinery, repairs on machinery and buildings, tractor and automotive fuels, building material, fertilizers, hired labor and feeds, such costs having increased from one-third to one-half during the past 3 years; and

Whereas in addition to the previously enumerated conditions that have affected all dairy farmers, many have faced great losses due to dairy-plant financial difficulties and closings caused by decreasing market trends or shifts in comparative prices as between various dairy products competing for the butterfat market; and

Whereas many dairy farmers have had a great loss in dairy herds due to various diseases, such as Bang's, mastitis, shipping fever, etc.; and

Whereas for the past 2 years there have been serious drought conditions in northern Wisconsin which have caused great losses of new seeding, crops and feeds, necessitating many dairy farmers to cut down on herds by reason of exorbitant costs of shipping in out-of-State hay and feeds; and

Whereas by reason of all the foregoing conditions, the Wisconsin dairy farmer is in desperate need of an adequate support price for his products; and

Whereas by reason of the foregoing conditions, the present support price on butter is too low and does not solve the problem of the general dairy farmer as well as would a reasonable support price on butterfat; and

Whereas to meet the increasing cost of production, the support price on butterfat should be at least $1.30 per pound: Now, therefore, be it

Resolved, That the Federal Government fix a support price on butterfat of not less than $1.30 per pound for a term comparable to that fixed on other commodities.

Dated this 8th day of February 1949.

FLORENCE-COMMONWEALTH FARMERS UNION, LOCAL OF FLORENCE COUNTY, WIS.
MARTIN BERGMAN, *President*.
Mrs. FLORENCE SHAW, *Secretary*.

MVA PROGRAM AND PARITY FOR FARM PRODUCTS

Mr. LANGER. Mr. President, I submit for appropriate reference and ask unanimous consent to have printed in the RECORD, resolutions adopted at a regular meeting of the Tell Wood Farmers Union Local, of Kintyre, N. Dak., with 265 members present, and signed by Mrs. Carlo Laine, secretary, favoring the MVA program and 100-percent parity for farm products.

The VICE PRESIDENT. Without objection, the resolutions will be appropriately referred and printed in the RECORD. The Chair hears no objection.

To the Committee on Public Works:

KINTYRE, N. DAK., *March 18, 1949*.

Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: At the regular meeting of the Tell Wood local in Emmons County, N. Dak., March 17, 1949, with 265 members.

Whereas the MVA program as written will fulfill the needs of family type farmers, and whereas it will be of special benefit to all working classes and common people: Therefore be it

Resolved, That the MVA be put into law and supported to fullest extent by our legislators.

TELL WOOD FARMERS UNION LOCAL,
Mrs. CARLO LAINE, *Secretary*.

To the Committee on Agriculture and Forestry:

"Whereas 100-percent parity is the only fair means for family-type farmers to maintain a decent living standard, and whereas agriculture is the basic and one of the most important industries in our Nation: Therefore be it

"*Resolved*, That 100-percent parity for farmers' products be put into law and full effect at this session of Congress.

"Drawn at the regular meeting of Tell Wood Farmers Union Local March 17, 1949, 265 members.

"Mrs. CARLO LAINE, *Secretary*.
"KINTYRE, N. DAK."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MCCARTHY, from the Committee on the District of Columbia:

S. 1123. A bill to amend section 1537 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, as amended, so as to provide for service of process on agents or employees of a nonresident individual, partnership, association, group, organization, or foreign corporation, conducting a business in the District of Columbia; with amendments (Rept. No. 148);

S. 1124. A bill to provide for the appointment and compensation of counsel to impoverished defendants in criminal cases in the United States District Court for the District of Columbia; without amendment (Rept. No. 141);

S. 1125. A bill to amend section 16–415 of the Code of Laws of the District of Columbia, to provide for the enforcement of court orders for the payment of temporary and permanent maintenance in the same manner as directed to enforce orders for permanent alimony; without amendment (Rept. No. 142);

S. 1127. A bill to amend sections 130 and 131 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, relating to the notice to be given upon a petition for probate of a will, and to the probate of such will; without amendment (Rept. No. 143);

S. 1129. A bill to amend section 16–416 of the Code of Laws of the District of Columbia, to conform to the nomenclature and practice prescribed by the Federal Rules of Civil Procedure; without amendment (Rept. No. 144);

S. 1130. A bill to amend sections 356 and 365 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, to increase the maximum sum allowable by the court out of the assets of a decedent's estate as a preferred charge for his or her funeral expenses from $600 to $1,000; with amendments (Rept. No. 149);

S. 1131. A bill to amend sections 260, 267, 309, 315, 348, 350, and 361 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, to provide that estates of decedents being administered within the probate court may be settled at the election of the personal representative of the decedent in that court 6 months after his qualification as such personal representative; with amendments (Rept. No. 150);

S. 1132. A bill to amend section 137 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, relating to the time within which a caveat may be filed to a will after the will has been probated; without amendment (Rept. No. 145);

S. 1133. A bill to amend section 16–418 of the Code of Laws of the District of Columbia, to provide that an attorney be appointed by the court to defend all uncontested annulment cases; without amendment (Rept. No. 146);

S. 1134. A bill to amend section 13–108 of the Code of Laws of the District of Columbia to provide for constructive service by publication in annulment actions; with amendments (Rept. No. 151); and

S. 1135. A bill to amend the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, to provide a family allowance and a simplified procedure in the settlement of small estates; with an amendment (Rept. No. 147).

By Mr. HAYDEN, from the Committee on Rules and Administration:

S. Res. 36. Resolution to investigate certain matters relating to crop production; without amendment (Rept. No. 152);

S. Res. 50. Resolution to investigate the financial condition of the air-line industry; with amendments (Rept. No. 154); and

S. Res. 78. Resolution authorizing the Committee on Post Office and Civil Service to employ additional temporary assistants and increasing the limit of its expenditures; without amendment (Rept. No. 153).

ENROLLED BILL AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, March 23, 1949, he presented to the President of the United States the following enrolled bill and joint resolution:

S. 271. An act to provide for the appointment of an additional district judge for the middle district of Georgia; and

S. J. Res. 52. Joint resolution to authorize vessels of Canadian registry to transport iron ore between United States ports on the Great Lakes during the period from March 15 to December 15, 1949, inclusive.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. JOHNSON of Colorado, from the Committee on Interstate and Foreign Commerce:

Albert J. Hoskinson, and sundry other employees of the Coast and Geodetic Survey, to be captains, commanders, and lieutenants.

Mr. JOHNSTON of South Carolina. Mr. President, from the Committee on Post Office and Civil Service, I report favorably the nominations of 242 postmasters.

The VICE PRESIDENT. The nominations will be received and placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LANGER:

S. 1357. A bill for the relief of Gregory Pirro and Nellie Pirro; to the Committee on the Judiciary.

By Mr. MARTIN:

S. 1358. A bill to continue until the close of June 30, 1950, the present suspension of import duties on scrap iron, scrap steel, and nonferrous metal scrap; to the Committee on Finance.

By Mr. JOHNSTON of South Carolina:

S. 1359. A bill to repeal the provisions of the Alaska Railroad Retirement Act of June 29, 1936, as amended, and sections 91 to 107 of the Canal Zone Code and to extend the benefits of the Civil Service Retirement Act of May 29, 1930, as amended, to officers and employees to whom such provisions are applicable; to the Committee on Post Office and Civil Service.

By Mr. BALDWIN:

S. 1360. A bill for the relief of Phocion Petrides and Eftihia Petrides; to the Committee on the Judiciary.

By Mr. MUNDT:

S. 1361. A bill to authorize and direct the Secretary of the Interior to issue to John Grayeagle a patent in fee to certain land; to the Committee on Interior and Insular Affairs.

By Mr. WATKINS:

S. 1362. A bill for the relief of Albert L. Klein, Irene Klein, Howard Leslie Klein, and Anthea Gaye Klein; to the Committee on the Judiciary.

S. 1363. A bill to provide for the transfer of certain temporary war-housing projects to designated counties in the State of Utah; to the Committee on Banking and Currency.

(Mr. KEFAUVER introduced Senate bill 1364, to extend the educational benefits of the Servicemen's Readjustment Act of 1944 to the widows and children of certain deceased veterans of World War II and to the spouses and children of certain totally disabled veterans of World War II, which was referred to the Committee on Labor and Public Welfare, and appears under a separate heading.)

By Mr. KEFAUVER (for himself, Mr. HENDRICKSON, Mr. HUNT, Mr. MCCARTHY, Mr. MCGRATH, Mr. MILLER, Mr. NEELY, and Mr. SCHOEPPEL):

S. 1365. A bill to provide for home rule and reorganization in the District of Columbia; to the Committee on the District of Columbia.

By Mr. MCCLELLAN:

S. 1366. A bill to permit the Comptroller General to pay claims chargeable against lapsed appropriations and to provide for the return of unexpended balances of such appropriations to the surplus fund; to the Committee on Expenditures in the Executive Departments.

By Mr. JOHNSON of Colorado:

S. 1367. A bill to amend the act of August 1, 1947, so as to include grandparents within the class of persons entitled to receive a gold star lapel button;

S. 1368. A bill to authorize the appointment and retirement of Raymond E. Corson as a lieutenant commander, Construction Corps, United States Navy; and

S. 1369. A bill to enable the mothers and widows of deceased members of the armed forces now interred in cemeteries outside the continental limits of the United States or in Alaska to make a pilgrimage to such cemeteries; to the Committee on Armed Services.

S. 1370. A bill to provide for the transfer of the temporary-housing project located on the former Pueblo Army Air Base to the city of Pueblo, Colo.; to the Committee on Banking and Currency.

S. 1371. A bill relating to the disability ratings of certain veterans of World War I who have service-connected disabilities from tuberculosis; to the Committee on Finance.

S. 1372. A bill for the relief of William Adam Davis;

S. 1373. A bill for the relief of Solyman G. Hamlin;

S. 1374. A bill for the relief of Eugenia Imbro;

S. 1375. A bill for the relief of Michael Ustyanowski;

S. 1376. A bill for the relief of Mrs. Aurora M. Hartman and her two daughters;

S. 1377. A bill for the relief of Jeno Orgel; and

S. 1378. A bill for the relief of Irene Orgel; to the Committee on the Judiciary.

S. 1379. A bill to amend the Railroad Retirement Act of 1937 to permit retirement with full annuity at age 60 after 30 years' service, and for other purposes; to the Committee on Labor and Public Welfare.

S. 1380. A bill to amend section 8 of the Civil Service Retirement Act, as amended, so as to exempt increases in annuities granted under such section from computation of income for purposes of determining eligibility for certain benefits under the veterans' laws; to the Committee on Post Office and Civil Service.

By Mr. HILL (for himself and Mr. SPARKMAN):

S. 1381. A bill for the relief of the families of certain merchant seamen who lost their lives in an airplane crash; to the Committee on the Judiciary.

By Mr. ANDERSON (for himself and Mr. CHAVEZ):

S. 1382. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Vermejo reclamation project, New Mexico; to the Committee on Interior and Insular Affairs.

By Mr. MUNDT:

S. 1383. A bill to promote the rehabilitation of the Sisseton-Wahpeton Sioux Tribe of Indians and better utilization of the resources of the Sisseton Reservation, and for other purposes; to the Committee on Interior and Insular Affairs.

EXTENSION OF EDUCATIONAL BENEFITS OF SERVICEMEN'S READJUSTMENT ACT OF 1944

Mr. KEFAUVER. Mr. President, I introduce for appropriate reference a bill to extend the educational benefits of the Servicemen's Readjustment Act of 1944 to the widows and children of certain deceased veterans of World War II and to the spouses and children of certain totally disabled veterans of World War II, and I ask unanimous consent that an explanatory statement of the bill be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the explanatory statement will be printed in the RECORD.

The bill (S. 1364) to extend the educational benefits of the Servicemen's Readjustment Act of 1944 to the widows and children of certain deceased veterans of World War II and to the spouses and children of certain totally disabled veterans of World War II, introduced by Mr. KEFAUVER, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The explanatory statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KEFAUVER ON BILL TO EXTEND EDUCATIONAL BENEFITS TO WORLD WAR II WIDOWS, THEIR CHILDREN, AND OTHERS

Today I introduced a measure which would substantially aid certain classes who have been heretofore excluded from receiving benefits under the GI bill of rights. The proposal would extend the educational benefits of the Servicemen's Readjustment Act of 1944 to both the widows and the children of certain deceased veterans of World War II and to the spouse or the children of totally disabled veterans of World War II.

UNREMARRIED WIDOWS

Under the bill, widows of World War II casualties would be entitled to 24 months of education or training and would be entitled to the subsistence allowances presently provided for veterans enrolled in training under the GI bill. This allowance would be in addition to any other compensation a widow would be entitled to receive under the veterans laws, and such other compensation would not be considered as income for purposes of income limitations specifically set forth in paragraph 6 of part 8 of the GI bill. Provision is made for the termination of the education or training upon the remarriage of any such widow.

CHILDREN OF DECEASED SERVICEMEN

In addition to the benefits set out for widows, provision has been made in the proposed bill for the education and training of the children of deceased veterans. A formula of apportionment is specifically set forth, with the entire 24 months of education or training available to the eldest child if he or she so elects.

PROVISIONS FOR THE SPOUSE OR CHILDREN OF TOTALLY DISABLED VETERANS

Also included in the proposal are provisions for the spouse or the children of totally disabled veterans, provided that the veteran does not elect to receive such benefits for himself. An apportionment feature identical with that described for children of deceased veterans has been included.

GENERAL PROVISIONS

A child who is entitled to the benefits provided by this bill would not be disqualified if he married prior to or during his course of education. However, he would not be entitled to any larger subsistence allowance because of his marital status or because of his having any dependents.

It is specified that children who would benefit by the bill would include stepchildren and children by adoption.

The bill provides that a course of education or training to which a person is entitled by reason by its provisions may be commenced at any time prior to January 1, 1970. Any course initiated prior to that date may be continued until its completion.

AMENDMENT OF INLAND WATERWAYS CORPORATION ACT—AMENDMENTS

Mr. WHERRY (for himself, Mr. GURNEY, Mr. BUTLER, Mr. KEFAUVER, Mr. LONG, Mr. HUMPHREY, Mr. ELLENDER, Mr. SPARKMAN, Mr. FULBRIGHT, Mr. HILL, and Mr. HICKENLOOPER) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 211) to amend the act entitled "An act to create the Inland Waterways Corporation for the purpose of carrying out the mandate and purpose of Congress as expressed in sections 201 and 500 of the Transportation Act, and for other purposes," approved June 3, 1924, as amended, which was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed.

Mr. HILL (for himself, Mr. KEFAUVER, and Mr. SPARKMAN) submitted an amendment intended to be proposed by them, jointly, to Senate bill 211, supra, which was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed.

REPORT FROM A FRESHMAN SENATOR—ARTICLE BY SENATOR DOUGLAS

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an article entitled "Report From a Freshman Senator," written by Senator DOUGLAS, and published in the New York Times magazine of March 20, 1949, which appears in the Appendix.]

ADDRESS BY MAYOR D'ALESANDRO, OF BALTIMORE, BEFORE UNITED STATES CONFERENCE OF MAYORS

[Mr. O'CONOR asked and obtained leave to have printed in the RECORD an address delivered by Hon. Thomas D'Alesandro, Jr., mayor of Baltimore, before the United States Conference of Mayors, at Washington, D. C., on March 21, 1949, which appears in the Appendix.]

DEVELOPMENT OF THE MISSOURI RIVER BASIN

[Mr. MURRAY asked and obtained leave to have printed in the RECORD two editorials from the St. Louis Post-Dispatch, dated, respectively, March 3 and March 7, 1949, and entitled, respectively, "Ripe Time for MVA," and "Pick-Sloan's Huge One-sidedness," which appear in the Appendix.]

LABOR-RELATIONS LEGISLATION—ADDRESS BY SENATOR IVES

[Mr. MORSE asked and obtained leave to have printed in the RECORD an address on labor-relations legislation, delivered by Senator IVES before the Third Annual Bulletin Forum at the Bellevue-Stratford Hotel, Philadelphia, Pa., March 22, 1949, which appears in the Appendix.]

"TRUMAN'S RIDE," COMING UP—EDITORIAL FROM THE INDIANAPOLIS TIMES

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an editorial entitled " 'Truman's Ride,' Coming Up," from the Indianapolis Times of March 18, 1949, which appears in the Appendix.]

CONSTITUTIONAL AMENDMENT TO ABOLISH THE ELECTORAL COLLEGE

Mr. LODGE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial entitled "Democratic Reform," published in the Boston Herald of March 22, 1949. The editorial relates to Senate Joint Resolution 2, a proposal to amend the Constitution so as to abolish the electoral college and count electoral votes for President and Vice President in direct proportion to the popular vote in each State.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DEMOCRATIC REFORM

In answer to a series of questions by Senator FERGUSON, the junior Senator from Massachusetts, Mr. LODGE, has gotten up what is, in our opinion, an unanswerable case for the constitutional amendment to abolish the electoral college.

The details of Senator LODGE's proposal have been discussed here several times. In essence the reform would eliminate present distortion of the popular vote for President and Vice President by splitting the electoral vote of each State in exact proportion to the popular vote cast there. It would end the all-or-nothing rule by which the entire electoral vote of key States goes to the candidate having a bare plurality of the popular votes.

Senator FERGUSON addressed his questions to a number of popular fears and misconceptions concerning the proposals. The most important concerned the effect of the reform on splinter parties and on the possibility of minority Presidents. Senator LODGE showed that no fears need be entertained on either score.

The change would, of course, increase the chance that a minority candidate, like Henry Wallace, would get some electoral votes. (In 1948 he would have gotten exactly 9.4 votes if the Lodge system had been in force.) But the actual effect of splinter parties on elections would be reduced, because they could not throw the balance in key States as Wallace did, for example, in New York last year.

As for the second possibility, the election of a minority President, LODGE showed that the reform would reduce it to negligible proportions. Last year a shift of 29,000 votes in Illinois, Ohio, and California would have given the election to Governor Dewey and made him a most unhappy minority President. With divided electoral votes he could still have been elected without a popular majority, but the mathematical chances would have been extremely remote.

The great advantages of the reform have already been stressed again and again. The Lodge plan is not only fairer and simpler, it would also make certain that candidates would campaign in all States, rather than in just the key ones, and that all States, south and north, would enjoy multiparty contests.

We hope that Mr. LODGE keeps plugging until he achieves his goal. The country will go for it, we're certain, as soon as its purposes are thoroughly understood.

MISSOURI VALLEY AUTHORITY—EDITORIAL COMMENT

Mr. BUTLER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a very enlightening series of brief statements by Max Coffey, editor of the Omaha World-Herald, on the proposed Missouri Valley Authority.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

[From the Omaha (Nebr.) World-Herald of March 13, 1949]

NO. 1: ANALYZING THE MVA BILL—BUREAUCRATS WOULD SWARM OVER BASIN IF MVA ENACTED

(By Max Coffey)

A supergovernment completely removed from control by the electorate will be fastened upon the people of the Missouri Basin if the Missouri Valley Authority bill now in the United States Congress becames law.

This supergovernment could dig its claws into every farm and business in the Missouri Basin.

It could—and doubtless would—create a new bureaucracy with officious powers transcending anything this region has yet seen.

Federal bureaucrats would swarm over the Missouri Basin in numbers reminiscent of the bison herds of a hundred years ago.

There would be nothing the people could do about it, short of armed resistance, once this parade of superimposed power got under way.

The Missouri Valley Authority will be presented, in the arguments of its sponsors, as a centralized agency to carry out flood-control measures and develop water resources through irrigation, generation of power, and improvement of recreational facilities.

But a reading of the bill introduced by Senator MURRAY, of Montana, reveals other purposes. The requests for authority go much further than water development—even into "such economic, social and cultural values as may be affected or furthered by the projects and activities."

What the MVA sponsors apparently have in mind is the imposition of the most paternalistic government without consent of the governed since the Boston Tea Party.

That is a reasonable assumption, for it is reasonable to assume that the MVA sponsors are not asking for powers they do not intend to use.

The MVA bill provides for establishment of a Government corporation "to establish a Missouri Valley Authority to provide for unified water control and resource development on the Missouri River, its tributaries and watershed, to prevent floods, reclaim and irrigate lands, encourage agriculture, stimulate industrial expansion, develop low-cost hydroelectric power, protect wildlife, strengthen the national defense, and for other purposes."

There is nothing in that statement of aims that is not contained in the motives and principles of the Pick-Sloan plan, with the exception of the last four words, "and for other purposes."

These four words can contain the mailed fist in the soft glove as a further reading of the bill indicates.

[From the Omaha (Nebr.) World-Herald of March 14, 1949]

NO. 2: ANALYZING THE MVA BILL—MVA BOARD ALL-POWERFUL — ADVISERS WOULD HAVE LITTLE TO DO

(By Max Coffey)

The Murray bill for a Missouri Valley Authority provides that the Federal Government "shall establish and maintain a broad program of unified water control and resource development" for the Missouri River watershed.

It declares that administration shall be "entrusted" to a Federal regional agency. This agency would be a Government corporation.

The corporation would be "directed and controlled" by a board of five directors appointed by the President of the United States, "by and with the advice and consent of the Senate."

Three members of the board would be required to have been residents of the Missouri Basin for 5 years prior to their appointment. Two of the directors could be appointed from anywhere else in the United States.

ADVISORY GROUP, TOO

The bill provides that "any member of the board may be removed by the President." There is no provision for any other method of removing a director from office, short of criminal action.

This board of five men would have complete control of water-resources development in the Missouri Basin.

The board would "be assisted" by an advisory committee. But the advisory committee would have virtually no specific powers and its advice would not have to be accepted.

The law would require the advisory committee to meet at least twice a year. At one of these meetings it would receive a copy of the annual report of the corporation.

LIMIT ON AUTHORITY

In a sweeping concession to the right of free speech, Mr. Murray's bill contains this provision: "The committee may make such comments to the corporation and to the President on the annual report as it sees fit to make."

But it places a definite limitation on the advisory committee's authority. The committee, it says, "shall act in an advisory capacity upon such matters of broad policy and on specific matters as hereafter designated, as may be referred to it by the board."

In other words, if the board should want advice, it might ask for it, but without any obligation to follow it.

A searching of the bill for "specific matters" reveals one instance in which an action of the advisory committee would be required.

MOST UNDER PRESIDENT

That would come about if a dispute should arise over power contracts, in which case the contract could not become effective "until the opinion of the advisory committee has been obtained." Even in this case, there is no requirement that the advisory committee's opinion be heeded.

This figurehead advisory committee would comprise the governors of the 10 Missouri Basin States; the principal officer or his designee of the Federal Departments of Interior, Agriculture, Commerce, Justice, War, Labor, the Federal Power Commission, the Board of Governors of the Federal Reserve System and 12 residents of the Authority area appointed by the President.

Three each of these latter appointees would represent the interests of agriculture, of commerce and industry, of labor and of wildlife, aquatic life, conservation, and recreation.

The committee thus would have 30 members, of whom only 10 would be or represent the elected officials of the States. All the others, as well as all five of the corporation's board of governors, would be Presidential appointees.

[From the Omaha (Nebr.) World-Herald of March 15, 1949]

No. 3: ANALYZING THE MVA BILL—MURRAY BILL SCORNS STATES—FREE REIN IS GIVEN TO FEDERAL AGENCIES

(By Max Coffey)

The preceding article indicated that the wishes of the States in development of the Missouri Basin aren't highly regarded by sponsors of the Murray MVA bill.

The only voice the bill would accord to States in the administration of the MVA corporation would be through the membership of the 10 governors on an advisory committee of 30 that would be a mere figurehead committee. It would be a voice that could speak only softly.

The bill further emphasizes its contempt for rights of the States.

It declares that the interests and rights of the States in determining the development of the watersheds within their borders and likewise their interests and rights in water utilization and control, as well as the preservation and protection of established and potential uses for all purposes, of the waters of the region's rivers, shall be recognized by such a regional agency to the fullest possible extent.

WOULD DO INTERPRETING

The fullest possible extent is a phrase subject to a variety of interpretations. But it is clear that the board of the corporation would do the interpreting. Conceivably, it could at any time decide that the fullest possible extent meant precisely nothing.

There is nothing in this bill which compels a Missouri Valley Authority to accept any specific State limitation on its powers or compels it to bow to the will of the people of a State in the construction of any of its projects.

There is no such provision as that in the Pick-Sloan plan which compels Federal agencies to clear all their projects with the governor of the State concerned before they start construction.

CLEAR AND SPECIFIC

The Pick-Sloan plan's mandate is clear and specific. It doesn't concede to Federal agencies the privilege of deciding whether they have cooperated with a State to the fullest possible extent.

A current case in point is that of the Glendo Dam in Wyoming. When the Bureau of Reclamation threw a curve and tried to get appropriations for a dam larger than the original intention, the Governor of Nebraska succeeded in getting Congress to hold up appropriations.

NO CURB AVAILABLE

There would be no such curb at the disposal of the Governor of Nebraska or any other State under the rule of a Missouri Valley Authority.

The MVA board would build Glendo Dam where, when, and as big as it pleased, and it would use its power of eminent domain, amply conferred in Senator MURRAY's bill, to carry out its will.

In any such instance, a State might have recourse in the courts if the Authority's action infringed the State's vested rights or prior water contracts, but this might lead to long and costly litigation which the Western States have learned to try to avoid.

[From the Omaha (Nebr.) World-Herald of March 16, 1949]

No. 4: ANALYZING THE MVA BILL—MVA HAS NO ENGINEERING—BILL WOULD EMPOWER IT TO DRAW PLANS

(By Max Coffey)

The Missouri Valley Authority has no engineering plan.

The bill which would set up an MVA empowers the MVA corporation to prepare a plan and present it to the President and to the Congress.

Would an MVA use the engineering plans already made by the Army engineers and the Bureau of Reclamation and would it go ahead and complete the engineering structures already started?

The MVA bill orders the MVA board to go ahead with these things "insofar as may be practicable" or "subject to such modifications as the board determines to be necessary to best serve the purposes of this act."

SEEMS CONFUSED

It is conceivable that the MVA board might decide that none of the work done on river development thus far is practicable. Indeed, the bitter criticism that MVA sponsors have leveled at the Pick-Sloan plan would indicate that they would find little of it practicable.

But there is no way of telling what kind of development the MVA sponsors have in mind, if any. Their own complete confusion in this matter was indicated in this recent coincidence.

Benton J. Stong, of Denver, a National Farmers Union official and a strong MVA proponent, told an Omaha audience that there isn't enough water in the Missouri River to satisfy the Pick-Sloan's demands for irrigation and for navigation from Sioux City to St. Louis.

DIFFERENCES CITED

At about the same time the National Farmers Union publication was carrying a story claiming that under a Missouri Valley Authority the amount of irrigation developed could be double that of the Pick-Sloan plan and navigation of the Missouri could be developed to Williston, N. Dak.

With this background of extreme disagreement among the MVA'ers on the engineering phases, their scheme for getting an engineering plan approved is especially interesting.

The bill now in the Senate provides that the plan must be submitted to both Houses of Congress on the same day. Congress then has 90 days in which to disapprove it, if, after the plan has been before Congress for 90 consecutive days, it is not disapproved by both Houses by concurrent resolution, it becomes effective.

This constitutes a new wrinkle in the democratic process. It amounts in effect to an ultimatum from a bureaucratic corporation to Congress which says, in effect:

Here's our list of dams and projects. We're not asking you to approve them. But if you don't say no within 90 days we'll go ahead and build them.

CHECKING NOT LIKELY

And the corporation, once embarked, would be pretty sure of going unchecked. For written into the bill establishing an MVA is this language:

"* * * subject only to the provisions of the Missouri Valley Authority Act, the corporation is authorized to make such expenditures and enter into such contracts, agreements, and arrangements, upon such terms and conditions, and in such manner as it may deem necessary, including the final settlement of all claims and litigation by or against the corporation; and, notwithstanding the provisions of any other law governing the expenditure of public funds, the General Accounting Office, in the settlement of the accounts of the treasurer or other accountable officer of or employee of the corporation, shall not disallow credit for, nor withhold funds because of, any expenditure, not tainted with fraud, which the board shall determine to have been necessary to carry out the provisions of said act."

[From the Omaha World-Herald of March 17, 1949]

No. 5: ANALYZING MVA BILL—POWER ALL-EMBRACING—WOULD CURTAIL RIGHTS OF THOUSANDS

(By Max Coffey)

The extent to which a Missouri Valley Authority Board of five Presidentially appointed directors (removable only by the President) might reach into the daily lives of thousands of citizens is revealed by this paragraph of the bill which would establish an MVA:

"To insure the integrated and coordinated promotion of navigation, control and prevention of floods, safeguarding of navigable waters, reclamation of the public lands and protection of property of the United States, no dam, appurtenant works, sewer, dock, pier, wharf, bridge, trestle, landing, pipe, building, float, or other or different obstruction or polluter affecting navigation, the use of navigable waters, flood control and prevention, the public lands or property of the United States shall be constructed and thereafter operated or maintained over, across, along, in, or into the Missouri River or any tributary stream of said river or any tributary of such stream, except in accordance with plans for such construction, operation, and maintenance approved by the local office of the corporation.

"The corporation shall draw up and make public rules and regulations under which incidental, temporary, or minor construction, in the categories referred to in the foregoing paragraph, may be made by private citizens, corporate or public bodies without approval of the corporation. Such structures of a semipermanent or permanent character shall be listed with the corporation."

A similar provision, in previous MVA bills, has been interpreted as meaning that a farmer building a pasture bridge would have to follow the dictates of the Authority or a hunter building a duck blind would have to follow the letter of the MVA regulations.

A continuing paragraph declares that "the corporation may bring appropriate proceedings in a district court of the United States to enjoin any violation of this section * * *"—which apparently means that the common citizen would be under the constant surveillance of bureaucrats hired by the untouchable board of directors of the corporation.

The board could hire as many employees as it wanted. The bill states: "The board shall, without regard to the provisions of civil-service laws applicable to officers and

employees of the United States, employ a general manager and such other managers, assistant managers, officers, employees, attorneys, agents, and consultants as are necessary for the transaction of its business."

COULD DRAFT UNITED STATES EMPLOYEES

Further, the proposed law authorizes the corporation "to request the assistance and advice of any officer, agent, or employee of any executive department or any independent office or agency of the United States, to enable the corporation the better to carry out its powers successfully, and as far as practicable shall utilize the services of such officers, agents, and employees and the President shall, if in his opinion the public interest, service, or economy so require, direct that such assistance, advice, and service be rendered to the corporation, and any individual that may be by the President directed to render such assistance and service shall be thereafter subject to the orders, rules, and regulations of the board."

Which means, in the final analysis, that any employee of a Federal agency in the Missouri Basin might find himself working for the MVA.

[From the Omaha World-Herald of March 18, 1949]

No. 6: ANALYZING THE MVA BILL—WIDE POWERS IN MVA BILL—CORPORATION WOULD GET FORT PECK DAM

(By Max Coffey)

The MVA corporation, under terms of the bill now in Congress, is granted powers, including, but not by way of limitation:

Powers to acquire, construct, operate, maintain, and improve dams, locks, reservoirs, levees, spillways, floodways, fishways, conduits, powerhouses, steam generating plants, transmission lines, rural electric lines and substations, canals, roads, roadways, docks, wharves, terminals, and recreation facilities, and facilities incidental thereto.

And powers to develop and provide such methods and conditions of water and land utilization as the corporation deems necessary or appropriate to prevent and abate floods and drought.

CAN ACQUIRE PROPERTY

The bill further authorizes the President, "whenever in his judgment the purposes of this act and the interests of economy and efficiency will be served thereby, to transfer to the corporation the use, possession, control, and operation of any dam or water-control project, together with appurtenant works and transmission facilities, constructed, under construction, or hereafter constructed by or in behalf of the United States or its instrumentalities in the Missouri Valley region, and of such other real or personal property, or any agency thereof, as he may from time to time deem necessary or proper to carry out the purposes and policy of this act."

OVERLOAD OF IRRIGATION

Do not forget that among the purposes of this act is a specific directive to give due regard to such economic, social, and cultural values as may be affected or furthered by the projects and activities.

The exclusive use, possession, control, and operation of the Fort Peck Dam are transferred and entrusted to the MVA corporation.

The Murray bill makes the MVA the overlord of irrigation. It provides for development of federally owned, irrigable lands into farm units, not exceeding 160 acres (or under certain conditions up to 240 acres), and resale to private ownership.

CAN CONDEMN PROPERTY

Federally owned land could cover a considerable quantity, for under the eminent domain section of the act the MVA corporation is empowered to condemn "such real and personal property and any interest therein * * * as in its judgment may be necessary in carrying out the purposes of this act."

The corporation is empowered to sell irrigation water to private land owners. But it is forbidden to deliver water to any single land owner holding more than 160 acres of irrigable land until a public hearing has been held and the land owner given an opportunity to tell why he needs more than 160 acres of irrigable land.

LAND AREA LIMITED

The corporation may find in favor of the land owner and permit him to own and operate irrigable lands in excess of 160 acres, "but in no case shall this exceed a minor fraction of a second 160 acres."

Any irrigable land above 160 acres of the adjusted acreage above 160 acres, as described in the preceding paragraph, is stated to be "excess land."

Now any farmer who owns such excess land cannot obtain delivery of water from the MVA for any amount of his land unless he first agrees to dispose of his excess land within a reasonable time, which is defined as not more than 5 years. And he must sell at an appraised value to be determined by the corporation, or, in case of disagreement, by an impartial arbitrator.

Thus it is plain that a farmer who owns 320 acres of irrigable land could not irrigate even 1 acre of it with MVA water unless he proceeded to sell his excess land at a price set by the corporation or someone else.

If an owner of irrigated land comes into possession of excess land through foreclosure or bequest he would be given 3 years to dispose of his excess land. Alternative: No irrigation water from MVA.

CAN ENTER PRIVATE LAND

But the MVA would not content itself with mere delivery of water. The Murray bill gives it authority also to contract with owners of land irrigated with MVA water "to enter upon privately owned lands * * * for the purpose of improving and developing said lands by land leveling and other soil improvement and conservancy devices, for the construction of farmstead buildings and improvements, and for the development of ground waters for domestic purposes."

Thus it is apparent that the MVA would have power to muscle in on the Soil Conservation Service, public and private credit agencies. It would even dig your well.

The cost: Reimbursable in full with or without interest, within such period of years and upon such schedule of repayments as the corporation may deem reasonable and proper.

[From the Omaha World-Herald of March 19, 1949]

No. 7: ANALYZING THE MVA BILL—MVA COULD RULE POWER—MEASURE DESIGNED TO REGULATE ELECTRICITY

(By Max Coffey)

Broad power would be given the MVA corporation in the sale of electric power, in the Murray bill before Congress.

The MVA board is authorized to sell power it generates to States, counties, municipalities, corporations, partnerships, and individuals.

It is empowered to acquire, construct, operate, maintain, and improve such electric transmission lines, rural electric lines, substations, and other structures and facilities as it deems necessary or appropriate to bring electric energy available for sale from its projects to existing and potential markets, and to interconnect such projects with other public or private projects for the disposition or interchange of electric energy.

It is directed to insure the disposition of the electric energy developed at a project for the benefit of the general public, and particularly of domestic and rural consumers, to give preference to States, districts, counties, and municipalities * * * and to cooperative and other organizations not organized or administered for profit but primarily for the purpose of supplying electric energy to their members as nearly as possible at cost.

The corporation is authorized to sell energy directly to farms and in rural communities which the corporation finds are not adequately serviced with electric energy at reasonable rates.

The board, in its discretion, is given power to acquire existing electric facilities in such farms and small villages.

The Murray bill provides that any contract for the sale of power may include such terms and conditions, including reasonable, nondiscriminatory resale rates, and provide for such rules and regulations as in the judgment of the board may be necessary or desirable for carrying out the purpose of this act.

[From the Omaha World-Herald of March 20, 1949]

No. 8: ANALYZING THE MVA BILL—AUTHORITY FIRST, JOB SECONDARY—MVA HAS NO SPECIFIC ENGINEERING PLAN FOR MISSOURI BASIN

(By Max Coffey)

If the Missouri Valley Authority bill becomes law, an MVA will replace the Pick-Sloan plan.

The difference between the two is the difference between fascism and democracy.

The MVA would set up an authoritarian rule, exercised by a board of five men, appointed for 9-year terms, responsible only to the President of the United States. An advisory committee, which alone would contain representation from the Missouri Basin States, would have no more power than a Hitler-controlled Reichstag.

The difference between the MVA and the Pick-Sloan plan is well illustrated by the difference in their origins.

DESIGN DIFFERS

The MVA begins as a design for an authoritative administration to control people.

The Pick-Sloan plan began as an engineering design for the control of the natural forces which harass people.

The MVA has no engineering plan. It hasn't even an engineering survey. It is originated on the premise that authority and control must be established first. Then the Missouri Basin can be remade to whatever design the authority desires.

The Pick-Sloan plan is slow on the administrative side. It is based on the premise that the business of first importance is to build the structures that can control floods, provide irrigation for arid areas, and make the fullest multiple use of the resources inherent in Missouri River water.

It is based on the assumption that the people of the Missouri Basin will have the intelligence and the fortitude to develop a plan of administration that will interfere the least with individualism.

PROGRESS MADE

Sponsors of the MVA deny in effect that the people of the Missouri Basin have either. They see what they think are impossible barriers to the interstate cooperation that will be needed to make the Pick-Sloan plan work without a controlling superstate.

Yet there can be no denial that considerable progress has been made in the past

3 years in reconciling the viewpoints of States and creating within the Missouri Basin a self-governing method of operating the Pick-Sloan plan.

Most of this progress has been due to the efforts of the Missouri Basin Inter-Agency Committee, comprising representatives of five Federal agencies—the Army engineers, the Bureau of Reclamation, the Federal Power Commission, the Department of Agriculture, and the Department of Commerce—and five governors of States in the basin.

The governors have helped correlate activities of the Federal agencies, while safeguarding the prerogatives of the States. The Missouri Basin Inter-Agency Committee may be setting the pattern for the representative agency that will be required to correlate all activities when the Pick-Sloan plan reaches the operational stage.

PUBLIC APPROVED

In contrast to the blank-check Government-corporation method of developing the Missouri Basin, the Pick-Sloan planners must go to Congress for separate appropriations on every project. They must clear with the governor of the State before they build a project.

The Pick-Sloan plan is based on the proposition that public approval must be obtained first.

The MVA works from the other end. It proceeds from the theory that if it can be pushed through Congress, in which the Missouri Basin has a minority representation, then public approval so far as the Missouri Basin is concerned can be ignored.

If this were not the case, the Missouri Valley Authority bill is wasting a lot of legal verbiage making sure that it could be.

REPLIES TO LABOR QUESTIONNAIRE BROADCAST BY FULTON LEWIS, JR.

Mr. JENNER. Mr. President, several days ago I introduced into the RECORD, with the consent of the Senate, a tabulation of replies received from the labor questionnaire broadcast by Fulton Lewis, Jr.

I have received widespread comment following that tabulation.

I have prepared a further analysis which shows the result of an additional 856 replies received.

I ask unanimous consent that this further tabulation be inserted in the RECORD as a part of my remarks.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Final tabulation on a total of 1,606 replies to Fulton Lewis, Jr., questionnaire

FIRST TABULATION (750)

	Yes		No	
	Percent	Number	Percent	Number
1	80.8	660	19.2	90
2	95.0	713	5.0	37
3	94.0	705	6.0	45
4	98.0	735	2.0	15
5	77.0	577	23.0	173
6	99.0	742	1.0	8
7	99.0	742	1.0	8
8	99.0	742	1.0	8
9	99.0	742	1.0	8
10	100.0	748		
11	100.0	749		
12	98.4	738	1.6	12
13	56.7	425	53.3	325
14	74.3	557	25.7	193
15	38.8	291	61.2	459
16	97.0	727	3.0	23
17	89.0	667	11.0	83
18	24.0	180	76.0	570
19	94.0	705	6.0	45

Final tabulation on a total of 1,606 replies to Fulton Lewis, Jr., questionnaire—Con.

NEW TABULATION (856)

	Yes		No	
	Percent	Number	Percent	Number
1	85.0	738	15.0	118
2	96.0	822	4.0	34
3	100.0	856		
4	100.0	856		
5	61.0	522	39.0	334
6	99.0	847	1.0	9
7	99.0	847	1.0	9
8	99.0	847	1.0	9
9	98.0	839	2.0	17
10	99.0	847	1.0	9
11	99.0	847	1.0	9
12	98.0	839	2.0	17
13	29.7	154	70.3	702
14	87.0	744	13.0	112
15	35.0	299	65.0	557
16	96.0	822	4.0	34
17	93.0	796	7.0	60
18	20.0	171	80.0	685
19	97.0	831	3.0	25

GEORGE BLOOM, ADMINISTRATIVE ASSISTANT

Mr. MARTIN. Mr. President, all of us are proud of the accomplishments of members of our staff. George I. Bloom, my administrative assistant, has been most helpful to me and to the country. Last Thursday evening when we had a most important session of the Senate I was scheduled to speak in Chester, Pa. I could not go, and sent Mr. Bloom in my place. He so impressed the audience that Mr. Alfred Hill, formerly of Kansas, publisher of the Chester Times, was moved to write an editorial entitled "We Need More George Blooms." It is so timely that I feel that all Americans should read it. I therefore ask unanimous consent to have the editorial printed in the body of the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WE NEED MORE GEORGE BLOOMS

When United States Senator ED. MARTIN couldn't get to the Thursday evening dinner of the Delaware County Manufacturers' Association, because of legislative duty, he sent his administrative assistant, George I. Bloom, to deliver his message.

The more than 200 banquet guests gave respectful attention to the Senator's message, but high light of the affair was George Bloom's concluding remarks, after he had folded away the Martin manuscript.

Speaking from the heart, George Bloom, worthy son of worthy parents who had been immigrants to the United States, told what America means to him. He told how his folks had settled in western Pennsylvania, where, by hard work and thrift, they had made progress; only to be wiped out financially in the Cleveland depression.

So they started all over again, this time with two sons to care for and educate. With no hand-outs from the Government, they made their way on their own, in the traditional American way, once more attaining by their own hands and heads and hearts a firm place in their little community.

"Only in the United States of America could this personal history be enacted," said George Bloom, with deep feeling. And he urged his hearers to go out once more and fight for the American principles that make this possible—and against those who would, as he put it, "foist alien and socialistic schemes upon the Nation."

"Whether we are Republicans or Democrats, we are Americans first," said George Bloom.

Incidentally, here is a public servant who is a refutation of an idea held by Mark K. Dresden, president of the manufacturers' association. Mark contends that higher salaries would attract higher caliber public officials. This is the argument usually advanced to justify wage costs for public officials. This argument has yet to be proved on a local or State level.

As for George Bloom, he is a lawyer who could make many times the annual income he has been making the past several years he has been in public life. But he sincerely feels a debt of gratitude to his State and Nation—and he is the high type of public servant to whom money is secondary. It would be fine for the Nation if there were more George Blooms.

EXTENSION OF RENT CONTROL

The Senate resumed the consideration of the bill (H. R. 1731) to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the committee amendment, as amended.

Mr. BRICKER. Mr. President, I offer the amendment lettered "A," which has heretofore been submitted by the Senator from Washington [Mr. CAIN] and myself.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 39, line 10, beginning with "(1)," it is proposed to strike out through line 15; and on page 39, line 16, it is proposed to strike out "(2)."

On page 49, beginning with line 23, it is proposed to strike out through line 8 on page 50.

Mr. BRICKER. Mr. President, this amendment restores the old eviction standards which were in the law enacted by the Eightieth Congress, and lays down in definite terms the conditions under which tenants may be evicted by the owners of the property. Those standards were prescribed by the Congress because of the confusion which existed under earlier rules made by the Expediter in regard to eviction. The field was wide open. He could do as he pleased. He could make any rule for eviction; he could state the conditions and establish standards; and the courts were bound by them in cases of controlled rental property.

As a result of that confusion the Congress enacted section 209, which definitely lays down the conditions under which eviction may be had in the courts. That section, for the information of the Senate, provides as follows:

SEC. 209. (a) No action or proceeding to recover possession of any controlled housing accommodations with respect to which a maximum rent is in effect under this title shall be maintainable by any landlord against any tenant in any court, notwithstanding the fact that the tenant has no lease or that his lease has expired, so long as the tenant continues to pay the rent to which the landlord is entitled unless—

Then are set out the qualifications for eviction. I think those are pretty well understood. Section 209 of the law now in effect contains those provisions. But

the Senate committee has recommended that those standards be abolished, that the entire field be again thrown into confusion, and that the Expediter be given authority, as administrator, to fix the standards again. He might adopt the same ones if he so desired. He could change them, or he could do away with them. He could fix any standards he wished.

Mr. President, that is too much authority for the Congress to give to the Expediter. We had trouble with his operations in this field prior to the enactment of section 209, and I am confident that we do not want to go back to the confusion which existed before the action of the Congress as to eviction control. First, it is too much authority to give to a bureaucrat or Expediter. Congress has the responsibility to the people of the country definitely to prescribe the standards. Therefore I believe that this amendment, which would restore the standards fixed by the Congress and deprive the administrator of authority to fix such standards regardless of what the Congress might desire, and regardless of any standards heretofore fixed, should be adopted.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. WILEY. I think it would be quite illuminating if the Senator would enumerate the provisions which he would like to have reenacted, and which would state the terms on which a court could decide whether or not there were justifiable grounds for eviction.

Mr. BRICKER. The standards are contained in section 209 of the act now in force. The following are the conditions under which eviction may be had. There can be no eviction unless the case comes within one of these provisions:

(1) under the law of the State in which the action or proceeding is brought the tenant is (A) violating the obligation of his tenancy (other than an obligation to pay rent higher than rent permitted under this act or an obligation to surrender possession of such housing accommodations) or (B) is committing a nuisance in such housing accommodations or using such housing accommodations for an immoral or illegal purpose or for other than living or dwelling purposes;

(2) the landlord seeks in good faith to recover possession of such housing accommodations for his immediate and personal use and occupancy as housing accommodations, or for the immediate and personal use and occupancy as housing accommodations by a member or members of his immediate family, or, in the case of a landlord which is an organization exempt from taxation under section 101 (6) of the Internal Revenue Code, or the immediate and personal use and occupancy as housing accommodations of members of its staff: *Provided*, That in the case of housing accommodations in a structure or premises owned or leased by a cooperative corporation or association no action or proceeding under this paragraph or paragraph (3) to recover possession of any such housing accommodations shall be maintained unless stock in the cooperative corporation or association has been purchased by persons who are then stockholder tenants in occupancy of at least 65 percent of the dwelling units in the structure or premises and are entitled by reason of stock ownership to proprietary leases of dwelling units in the structure or premises; but this proviso shall not apply where such corporation or association acquires or leases such structure or premises after the effective date of the Housing and Rent Act of 1948 pursuant to a contract entered into prior to such date.

(3)—

A condition under which a tenant can be evicted at the present time by such purchasers—

the landlord has in good faith contracted in writing to sell the housing accommodations to a purchaser for the immediate and personal use and occupancy as housing accommodations by such purchaser;

(4) the landlord seeks in good faith to recover possession of such housing accommodations (A) for the immediate purpose of substantially altering or remodeling the same for continued use as housing accommodations, or for the immediate purpose of conversion into additional housing accommodations, and the altering, remodeling, or conversion cannot practically be done with the tenant in occupancy, and the landlord has obtained such approval as may be required by Federal, State, or local law for the alterations, remodeling, or any conversion planned, or (B) for the immediate purpose of demolishing such housing accommodations;

(5)—

A further condition, Mr. President, under which eviction can be had according to the law as it now stands—

the landlord seeks in good faith to recover possession of such housing accommodations for the immediate purpose of withdrawing such housing accommodations from the rental market, and such housing accommodations shall not thereafter be offered for rent as such; or

(6) the housing accommodations have been acquired by a State or any political subdivision thereof for the purpose of making a public improvement and are rented temporarily pending the construction of such improvement.

(b) Notwithstanding any other provision of this act, the United States or any State or local public agency may maintain an action or proceeding to recover possession of any housing accommodations operated by it where such action or proceeding is authorized by the statute or regulations under which such accommodations are administered: *Provided*, That nothing in this subsection shall be deemed to authorize the maintenance of any such action or proceeding upon the ground that the income of the occupants of the housing accommodations exceeds the allowable maximum unless such income, less any amounts paid to such occupants by the Veterans' Administration on account of service-connected disability or disabilities, exceeds the allowable maximum.

(c) No tenant shall be obligated to surrender possession of any housing accommodations pursuant to the provisions of paragraph (2), (3), (4), (5), or (6) of subsection (a) until the expiration of at least 60 days after written notice from the landlord that he desires to recover possession of such housing accommodations for one of the purposes specified in such paragraphs.

Mr. President, that encompasses the field. If we were to amend the law as now suggested by the committee, according to the committee amendment which is contained in the bill, the Housing Expediter could nullify all those conditions; he could take away from the owner the right to sell his property; under the authority thus sought to be granted to the Expediter, he could take away from the owner of the property the right to repossess it for his own personal use or the right to repossess it for the use of his son or the right to repossess it for the purpose of demolishing it or the right to repossess it for purposes of taking it off the rental market. Likewise, the Expediter could deprive cooperatives of the authority now granted to repossess their property under a 65-percent membership tenancy occupancy.

So under the proposal now before the Senate we would be entirely removing all standards, and we would be lodging in the Expediter the power to make whatever rules he cared to make. He could punish the tenants; he could punish the landlords; he could throw into utter confusion again the field of evictions, returning it to the confused state in which it was when the Congress enacted section 209.

Mr. President, such a proposal would lodge altogether too much authority in any one person, especially one who has done the kind of job in administering the law as has the Housing Expediter under the authority we have heretofore granted him.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. WILEY. I assume this matter was taken up in committee. If it was, will the Senator state what were the reasons assigned for again limiting the rights of property owners as would be done under the proposal now before the Senate?

Mr. BRICKER. I should prefer to have that question answered by one of the Senators who supported this proposed change in the law; but as I remember the reason, it was a desire for uniformity. In other words, under the committee's proposal the control of eviction conditions would be taken away from the local communities or from the application of the State statutes, and the States would be deprived of any authority in that field. All authority would be given to the Expediter, who would have full power to fix the standards, regardless of what the State or local laws might provide.

There may be other conditions which entered into the minds of those who supported this proposal. I opposed the provision in committee, as I oppose it here. I am opposed to giving unlimited authority to any bureaucrat, and especially to one who has not done a better job than has the Expediter in this case.

Mr. WILEY. I thank the Senator.

Mr. BRICKER. Mr. President, I suggest the absence of a quorum.

Mr. MAYBANK. Mr. President, will the Senator withhold his suggestion of the absence of a quorum?

Mr. MYERS. Mr. President, will the Senator withhold his suggestion?

Mr. BRICKER. I shall withhold the suggestion, if other Senators desire to discuss this amendment. However, I wish to have more Senators on the floor when the vote is taken on it.

Mr. MAYBANK. Of course.

Mr. SPARKMAN. Mr. President, I appreciate the action of the Senator from Ohio in withholding his suggestion of the absence of a quorum. I shall make some brief remarks in regard to this amendment and in explanation of the committee's action in writing this provision into the committee amendment.

As the Senator from Ohio has correctly stated, one of the main reasons was to

obtain uniformity. I would not say that was the only reason, because another great impelling reason was in order to give the tenant a degree of security which he has not had under the law as it has existed during the last year or during the time when the present provision has been in the law.

Mr. President, many instances were called to our attention of the courts themselves not being able to agree as to the enforcement of these various provisions. At times, two courts in the same city or in the same area would rule differently on one of these provisions, and the result would be that the tenant never would know exactly what his degree of security might be in remaining in the premises he had rented. Consequently, from time to time he was subject to browbeating by unscrupulous landlords. I am not referring to the great mass of landlords, but I am speaking of many individual cases in which the tenants found themselves browbeaten because they did not know whether the landlords would be able to evict them. We do know that there have been many "phony" evictions.

Our purpose in writing this provision into the committee amendment, as we have done, has been in order that there might be a degree of uniformity and in order that at least information might be given to the local rent director's office, so that he might have a chance to sift through the cases in order to determine those which were good, those which were sincere, those which were legitimate, and those which were phony. We believe the tenant is entitled to this protection and therefore we have written it into the law. I trust the amendment offered by the Senator from Ohio will be defeated.

Mr. MYERS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. ANDERSON in the chair). Does the Senator from Alabama yield to the Senator from Pennsylvania?

Mr. SPARKMAN. I yield.

Mr. MYERS. It is my understanding, then, that this provision was written into the bill by the committee in order to protect the tenant against a certain class or group of landlords, not the 95 percent or the 98 percent of the landlords who are honest and law abiding, but to give the tenant further protection against landlords who do not have any concern at all for their tenants. If the provision is omitted from the bill, it may be possible for the landlords to continue to treat tenants as they have treated them in the past.

Mr. SPARKMAN. The Senator has correctly stated it. I may offer this further suggestion to the able Senator from Pennsylvania. We hear it said from time to time that the House passed a weak, watered-down rent-control bill. Regardless of whether the charge is true, I call attention to the fact that the House adopted the provision apparently without any objection. I certainly believe the Senate should adopt the language as the committee reported it in the bill, and that the amendment should be defeated.

Mr. BRICKER. Mr. President, I appreciate the reasons suggested by the chairman of the subcommittee in regard to amending section 209. I also realize there might have been some violation of fundamental rights or fair play or due justice by landlords. Let me call the attention of the Senate to the fact that if we pass the bill as recommended by the committee, if we repeal section 209, the Expediter can then carry us back to the time when a landlord was completely at the mercy of a tenant, who could deprive him of the right of recovery of his property, regardless of local law.

To me, it is an amazing situation, that those who claim to be devoted to the principle of local home rule should be suggesting that we give to a bureaucrat in Washington, sitting behind his mahogany desk, power to say to the local courts, in Columbus, Ohio; in Denver, Colo.; in Alabama; or in any other State, "You cannot enforce the law of your State," and that a bureaucrat in Washington, the Expediter of the rent-control law, should have the power to avoid the local law and tell the local courts when, as, and if they can regain for the owner of the property his right of possession, and the terms under which he can repossess his property and evict the tenant. The actions of the Expediter, if Senators will remember, caused section 209 to be enacted. The Expediter had practically disregarded the rights of the property owner. His decisions were always in favor of the tenants. The confusion which resulted was almost a scandal in many sections of the country.

We do not want, here and now, to turn back to those times of confusion. That was why section 209 was enacted. Let us remember that every provision of section 209 relating to eviction requires that it be done in good faith. That is the enactment of the Congress. We do not leave it to the Expediter to determine what good faith is. I think the Senate ought to hesitate a long time before it gives power to an individual in Washington, the Expediter in this case, to say to the local courts when they can and when they cannot enforce the local law.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. BRICKER] for himself and the Senator from Washington [Mr. CAIN] to the committee amendment.

Mr. BRICKER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Ecton	Humphrey
Anderson	Ellender	Hunt
Baldwin	Ferguson	Ives
Brewster	Flanders	Jenner
Bricker	Frear	Johnson, Colo.
Bridges	Fulbright	Johnston, S. C.
Butler	George	Kefauver
Byrd	Gillette	Kem
Capehart	Green	Kerr
Chapman	Gurney	Kilgore
Chavez	Hayden	Knowland
Connally	Hendrickson	Langer
Cordon	Hickenlooper	Lodge
Donnell	Hill	Long
Douglas	Hoey	Lucas
Downey	Holland	McCarran
McCarthy	Murray	Taft
McClellan	Myers	Taylor
McFarland	Neely	Thomas, Utah
McGrath	O'Conor	Tobey
McKellar	O'Mahoney	Tydings
McMahon	Pepper	Vandenberg
Magnuson	Reed	Watkins
Malone	Robertson	Wherry
Martin	Russell	Wiley
Maybank	Saltonstall	Williams
Miller	Schoeppel	Withers
Millikin	Smith, Maine	Young
Morse	Sparkman	
Mundt	Stennis	

The PRESIDING OFFICER. Eighty-eight Senators having answered to their names, a quorum is present.

Mr. FLANDERS. Mr. President, I should like the attention of the Senator from Alabama [Mr. SPARKMAN]. I supposed he was on the floor.

Mr. MAYBANK. Mr. President, the Senator from Alabama was called from the floor for a moment.

Mr. FLANDERS. I wished to interrogate him on the question which is under discussion at this time. I shall withhold my questions until he returns, if a vote is not called for prior to that time.

Mr. MAYBANK. Mr. President, I may say to the distinguished Senator from Vermont that I will endeavor to answer him until the return of the Senator from Alabama.

Mr. FLANDERS. Mr. President, may I ask the Senator from South Carolina if he is a lawyer?

Mr. MAYBANK. No; I am not.

Mr. FLANDERS. That does not do me any good, then.

Mr. MAYBANK. I was only trying to say a few words until the Senator from Alabama could return to the floor.

Mr. SPARKMAN entered the Chamber.

Mr. FLANDERS. Mr. President, I should now like to ask the distinguished Senator from Alabama if he is a lawyer.

Mr. SPARKMAN. I am a lawyer.

Mr. FLANDERS. I have often on this floor evinced a very slight trace of regret that I was not a lawyer. This is one of the cases in which I feel I need legal guidance in connection with the question on which we are about to vote. Section 209 eliminated the power of the administrator to determine the conditions under which tenants should be evicted. That section is no longer in the bill as reported from the committee. Does that mean that in some automatic way the original authority of the administrator now again becomes confirmed without being specifically so confirmed by this bill?

Mr. SPARKMAN. Mr. President, I am not sure that I follow just what it is the able Senator from Vermont is driving at. I think I can explain, very briefly, and perhaps I may be able to answer the Senator's question, knowingly or unknowingly.

Under the act as it is today, section 209 provides:

> No action or proceeding to recover possession of any controlled housing accommodations—
>
> And so forth—
>
> shall be brought unless certain things are true, one or more of them.

In that act we laid down six different contingencies upon the happening of either one of which a tenant might be evicted. That does not necessarily mean that those six conditions or contingencies which we laid down in the law as it stands today coincide in every instance with the law of any particular State or of any particular locality, but we recognized that those six different grounds were good grounds for eviction. In other words, we tried to spell it out in the end so that evictions could be granted upon any one of those grounds.

I am sure the distinguished Senator remembers that in the testimony there was considerable confusion as to the interpretation of those six grounds which Congress had laid down. Therefore the committee decided that it would be the wise and proper thing to eliminate the specific spelling-out of those grounds and, instead, to return to the system which prevailed before we made that change, and let the Expediter issue regulations so there would be uniform application. That does not mean that the Expediter can do away with local law, or that he does do away with local law, but he does lay down certain regulations, keeping in mind the local law and what the procedure shall be. For instance, he may require that when an eviction case is filed, notice shall be given to the local rent director, that the local rent director may have an opportunity to check into the facts to make certain that it is not a phony eviction, and that the local rent director may present the facts to the court having jurisdiction over the eviction. He does not appear as attorney for the tenant, but he does appear, we might say, as a friend of the court, in order to present the facts. If the facts show it is a phony eviction, then, naturally, we assume that the court would refuse to grant the eviction.

Mr. FLANDERS. Is it or is it not true that the applicable local law binds the court in any way?

Mr. SPARKMAN. There is no abdication of the local law.

Mr. FLANDERS. Is it the fact that the local laws are not effective and the administrator's ruling is effective?

Mr. SPARKMAN. No. The local rent director, who is the administrative officer, ordinarily, does not rule absolutely whether there should be an eviction, but the Expediter does have the right to establish regulations to determine the procedure and certain things which will have to be done before there can be a final adjudication of the eviction case.

Mr. FLANDERS. Does the court pay the same regard to those regulations that he would have to pay to the local law in the absence of those regulations?

Mr. SPARKMAN. Perhaps I can illustrate the situation better in this way: Most of the Expediter's power is preliminary to the eviction case. I neglected to state this a moment ago, but if a landlord wants to start an eviction case, I said he filed his suit and then the local rent director could make an investigation. I omitted one step. First, he applies to the local rent director for a certification. Then, upon that application, the local rent director will make an investigation, and if he finds that the condition exists he issues a certificate. Then the landlord files his eviction case, and the local rent director may present to the court the facts as he determines them. In that way we hoped that the relatively small number, and yet a very important number, of phony and unfair evictions might be sifted out.

Mr. FLANDERS. Mr. President, I should like to ask the Senator from Alabama, if he were sitting as the judge before whom the request for eviction were brought, what regard he would pay to the existing local laws applicable to the situation, and what regard he would pay to the regulations established by the local rent administrator. What would be the judge's attitude in connection with those two sets of laws, rules, or regulations.

Mr. SPARKMAN. If the certificate is issued, then the eviction suit is filed. If the local director has found certain facts in the case which should be laid before the court, he can come in and present those facts. The judge would listen to them as he would listen to the facts in any other case.

Mr. FLANDERS. Does the judge decide the case on local law, or on the administrator's regulations?

Mr. SPARKMAN. The case is decided on local law. The Expediter would issue regulations. Then the local rent director would determine whether the request for eviction was legitimate or whether it was phony. If he should find it was legitimate, then the matter would revert to the local law, and the judge would decide it in the light of the local law. If he decides it is phony, then a suit is not filed.

Mr. FLANDERS. When the Senator says "legitimate," does he mean in accordance with the law, or is he using the word "legitimate" in a general sense?

Mr. SPARKMAN. By "legitimate" I mean a case in which the facts actually exist to justify starting an eviction suit.

Mr. FLANDERS. Section 209 originally contained something about giving a landlord the right to evict a tenant in order to take care of his great-grandmother. Suppose that were not in the local law. Suppose he had a great-grandmother, and suppose he needed quarters to take care of her. Does the court have to determine in favor of the landlord who has the great-grandmother if the local law does not provide for the great-grandmother?

Mr. SPARKMAN. Not at all. The decision would be in accordance with the local law. As it is written in the act now, if the great-grandmother needed space, the court would be required to grant the eviction regardless of the local law, because in the act we passed a year or 2 years ago, we tried to spell out the conditions and the law by which the Expediter would be governed. According to the evidence before our committee, it simply did not work.

Mr. FLANDERS. Is the committee then saying that if we put this into the law, as we did last year, then the Federal law, spelled out, takes precedence over the local law, but if we do not spell it out, is it then true that the local law is the basis on which the judge makes his decision?

Mr. SPARKMAN. I think the Senator from Vermont has well stated the situation, that this qualification within the law as it exists now may or may not coincide with the State law, or it may or may not conflict with the State law. If it does conflict, then the law which is written in the act takes precedence. We are trying to correct that, and to make the only function of the Expediter one of preliminary investigation, and then the eviction, if it is started, is controlled by local law.

Mr. BALDWIN. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield to the Senator from Connecticut.

Mr. BALDWIN. Am I correct in my understanding that the effect of the provision on page 39, beginning at line 10, is to abrogate the provisions of section 209, and to substitute therefor the authority and discretion of the Housing Expediter? Is that correct?

Mr. SPARKMAN. The Senator is correct.

Mr. BALDWIN. In other words, as I recall, section 209 sets forth six conditions under which a landlord could get possession of his premises. Now, as I understand, the proposed law would repeal those provisions, leaving it to the discretion of the Housing Expediter to prescribe by regulations under what terms and conditions a landlord could recover possession of his premises. Is not that correct?

Mr. SPARKMAN. In accordance with local law.

Mr. BALDWIN. Of course, if the Expediter determines under what terms and conditions the landlord may recover possession of his premises, that is the local law, the local courts are bound by it, and they can do no different than follow the regulations set up by the Expediter. Is not that correct?

Mr. SPARKMAN. The principal work of the Expediter, as I understand, and as I was trying to explain, is one of preliminary investigation to determine the facts as to whether or not the move to evict is taken in good conscience or is a phony eviction procedure.

Mr. BALDWIN. Does not that present the situation where the landlord cannot get into court at all? In order to file eviction proceedings, or summary process, as we call it in Connecticut, he would then have to go to the Housing Expediter, or the local representative, and state his case to him, and if the local representative determined without a hearing, merely on the landlord's own statement, that the application did not comply with what he thought ought to be done in the particular case, the landlord would have no standing in court whatsoever. Is not that correct?

Mr. SPARKMAN. It is essentially correct. I would not agree that it would depend on what an official thought was right. Regulations will be prescribed covering the proper procedure to be taken.

Mr. BALDWIN. In other words, instead of making provision in the Federal law as to the terms and conditions under

which a landlord may recover possession of his premises, the proposal is to delegate that to the Housing Expediter, and he is going to issue regulations. He may issue a set of regulations which are not workable, let us assume. Then he will issue another set, which perhaps are not workable, and then he will go on in an effort to ascertain what is workable. I understood the distinguished Senator from Alabama a moment ago to say that the purpose is to avoid confusion. It seems to me the result will be to add to the confusion, because we will never have a stable set of principles upon which a landlord can acquire possession of his premises.

Let me ask a further question. Rather than have the local Expediter or the representative of the Expediter in the State or city determine whether the proceeding is a phony proceeding, is it not better to establish in the law under what terms and conditions a landlord may get possession of his premises, and then leave it to the local courts to determine whether his petition is filed in good faith, or whether it is a phony? Is it not better to leave it that way?

Mr. SPARKMAN. As I stated earlier, the committee considered that. Section 209 has been operating for 2 years, and in the committee we came to the conclusion that we should go back to the old method of operating, because we considered it to be better, that it gave protection, and served to prevent phony evictions. It does not hurt the landlord who is scrupulous and wants to do the right and honest thing, but it does offer somewhat of a deterrent to the unscrupulous landlord who would seek any excuse, justified or not, in order to evict a tenant. That was the considered opinion of the committee after hearing all the evidence.

Mr. BALDWIN. Is not the committee by this proposal substituting the caprice of an individual for a law to meet the situation? In other words, let us consider this case. I am a landlord. I come and ask whether or not I can file an eviction petition against John Doe, who occupies my house, stating that my son is going to be married and that I want him to move in, so he may have a place in which to live. If the Housing Expediter or the local representative determines that is phony, that is my loss, I have had no day in court, I have had no chance to present my witnesses. I am denied my right to possession on the discretionary opinion of an administrative official.

It seems to me that if we establish in the law, as was established before, the terms and conditions under which a landlord may recover possession of his premises, and then leave the local courts to decide whether the proceeding is genuine or false, whether it comes within the law enacted by the Congress, we will really give the landlord, and the tenant as well, a better chance to state their cases and a better opportunity for a judicial determination than by the provisions in the particular measure before the Senate.

Mr. SPARKMAN. The Senator is assuming that the Expediter is not going to issue adequate regulations. He cited an instance in which a man wanted to get the property in order that his son might have a place in which to live. That is written in section 209 as the law exists today, and it has been written into the regulations ever since rent control has been in existence. I think we are safe in assuming that it would continue to be written into the regulations. But section 209 goes much further than that, and leaves no discretion to anyone. If a grandmother, a great grandmother, a mother-in-law, a son-in-law, a step son-in-law—there may be many different relatives—want to move in, nobody can decide, the way section 209 is written, that they should or should not move in. The section simply provides that they are entitled to move in. I do not believe the Senator from Connecticut or anyone else would argue that in every single one of those instances a landlord would be entitled to evict his tenant. Somebody somewhere along the line should be authorized to use a little discretion. But in section 209 as it exists in the law today we try to spell it out without leaving discretion to anyone, and as a result the courts of the land in trying to interpret the section have rendered one decision in one place and another decision in another place, and even two courts in the same area have rendered different decisions, simply because we have tried to be too precise.

Mr. BRICKER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. GILLETTE in the chair). Does the Senator from Alabama yield to the Senator from Ohio?

Mr. SPARKMAN. I yield.

Mr. BRICKER. Section 209, which carries the provision giving the landlord a right to demand possession of his premises for the use of his immediate family, in subsection 2, says he is entitled to evict if—

> The landlord seeks in good faith to recover possession of such housing accommodations for his immediate and personal use and occupancy as housing accommodations, or for the immediate and personal use and occupancy as housing accommodation by a member or members of his immediate family, or in the case of a landlord which is an organization—
>
> And so forth—
>
> regarded as a cooperative.

The only thing the amendment suggested by the committee would do would be to put into the hands of the Expediter power to make either that or any other rule or regulation he cares to make, and the local courts would be bound by his rules or regulations, and if a landlord wanted to obtain a premise for his immediate family, if the Expediter's agent in my community were to say "No, you cannot have it." The landlord could not even get into court, under the committee's proposal. Is not that the situation?

Mr. SPARKMAN. He must show that he has real cause for eviction.

Mr. BRICKER. And the Expediter determines what that cause is going to be if we do not amend the law as I have suggested.

Mr. SPARKMAN. The Expediter lays down the regulations by which the determination can be made.

Mr. BRICKER. In other words, the Congress has simply abrogated its rights to fix the terms of eviction, and turned them over to the Expediter of the rent law, who can change them overnight. He can wipe out family rights, he can take away the rights of a landlord to demolish his property, because if the law stands as recommended by the committee, he has the power through his local agent, to say to a landlord that he cannot even go into the municipal court of his community, that he has no standing in the courts, and the courts are bound by that. In one community there might be a court which has proper jurisdiction over this problem, which is recognized now by section 209, and yet the Expediter himself, through the action of his local agent, could deprive that court of jurisdiction to pass upon the rights of landlord and tenant. He might do that on a very flimsy ground, as we know was done in the old days before section 209 was enacted.

The Senator talks about phony cases. The law requires all actions to be brought in good faith, and I will trust a municipal judge or a justice of the peace in my community for determination of the good faith among the citizens of my community, before I will trust the Expediter.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. SPARKMAN. I should like to reply to the statement just made by the Senator from Ohio, and then I shall be glad to yield to the Senator from Pennsylvania. Of course, no one can challenge the fact that the municipal court judge or the judge of any other court will endeavor to make an honest determination of a case. But the distinguished Senator knows that the average judge of whatever court may have jurisdiction over eviction cases, has no opportunity to investigate and to make a study in order to determine the facts. So far as I am concerned, I am willing to leave discretion to somebody.

I call attention to the fact, that the regulations issued by the Expediter have always been more reasonable than the conditions laid down in section 209. So far as I know, there has never been any great objection to the Expediter's rules and regulations with reference to evictions. Under such rules and regulations at least some things which are important would be made uniform, such as notice, and the right to check into and consult facts, which are often in the files of the local rent director, and to which the municipal judge would never have access. Then some kind of an orderly procedure will be laid down so that the tenant will know that if the landlord's case is a good one he will be given a definite length of time in which to move from the premises. If it is a phony case he knows that he must have the protection of the facts which have been gathered by the local rent director.

I now yield to the Senator from Pennsylvania.

Mr. MYERS. Mr. President, it seems to me that we are considering rent control today because I think it is universally admitted that there is a critical housing shortage in many areas of the country. I think it is admitted that there cannot be arm's length bargaining between landlord and tenant because of the critical housing shortage. I think it is likewise admitted that the law of supply and demand does not apply in the case of rental housing where such housing is in very short supply. Therefore we are writing a national rent-control act.

Mr. President, I have a high regard for the magistrates and the judges of the municipal courts and the common pleas courts in my State, as does the Senator from Ohio have a high regard for such officers in his State. But the eviction laws were not written to take care of a critical housing shortage such as we have now.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. MYERS. Let me complete my statement. The Senator from Connecticut has asked quite a number of questions. Let me complete my statement, and then I shall be happy to yield to him.

The eviction laws were written in nearly all the States merely to permit landlords to evict tenants for various reasons, but they were never written in contemplation of a housing shortage. So the eviction laws in the States are not sufficient to give protection to a tenant under the present critical housing conditions.

Mr. President, I think we should be somewhat more concerned about the tenants. I have heard much concern expressed about the poor landlord. The landlord who owns two apartments, can decontrol one by merely moving from the one he is occupying into the other one, and decontrol the one he had formerly occupied. In this event there is no rent ceiling, and up goes the rent. There is nothing in the State laws to prevent the landlord from acting in that manner.

I think there must be prescribed a series of reasonable, sensible uniform rules, if we are to have effective rent control. If we are going to allow tenants to be put out on the street under 48 separate sets of eviction laws, then we are not writing a rent-control law, we are writing a rent-decontrol law, and I think that is what has been happening in the case of the amendments which have been offered. So it occurs to me——

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. MYERS. I will yield in a moment. So it occurs to me that we should give serious consideration as to the way the pending amendment may affect the tenant, and whether it will make it easier to evict the tenant. Are we going to give consideration only to the landlord, and give him greater power to evict tenants merely on his own caprice, or for any reason that may come into his mind.

It would seem to me that it would be much better, and I think all Senators would be on much firmer ground, if they would turn the whole subject back to the States, or back to the municipalities, rather than writing a national act, and letting the tenants think they have some protection when there is a constant whittling away and whittling away, by the adoption of amendments which strip away the protection which the tenants have had in the past. Under this provision tenants have been evicted by the score, by the hundreds, and by the thousands. I think it is about time that we toss that provision out the window and accept the committee amendment so that the tenant can have some protection.

Today it is easy to evict a tenant. Today a tenant fears to go to the local enforcement agent, to his Representative, or to his Senator, and say, "I am paying so much under the table. I do not like it, but if I stop paying it my landlord will find some way to evict me." I have received scores of letters from tenants who tell me frankly that they are paying black-market money, but the only reason they are paying is that if they ever divulged the fact or refused to pay it, under the loose system established in the law of last year the tenant would be out on the street in 24 or 48 hours, or perhaps a slightly longer period of time. So I think we should give more consideration to write a real rent-control bill if we believe in rent control. If we do not, let us be frank about it and turn it back to local agencies of government.

Mr. BALDWIN. Mr. President, will the Senator from Alabama yield to me?

Mr. SPARKMAN. I yield to the Senator from Connecticut.

Mr. BALDWIN. Mr. President, let me say to my distinguished friend from Pennsylvania that big tears can be shed on both sides of this question. Many emotional arguments are made in behalf of the tenants, because it seems to be the prevailing opinion that there are more tenants who vote than there are landlords. I sometimes wonder if those big tears are not inspired somewhat because of that particular fact.

What I rise to discuss is the question, How can we write a law which will be understood, which will be stable, which will give to the landlords and to the tenants an opportunity to present their cases in court; a law which will be fair and just to everyone? I do not care what law we write; there will be those who will avoid it. There will be those who violate it. It seems to me that in writing a law of this kind, in order to have less confusion and more complete understanding, it is much better that we in the Congress write into the law the terms and conditions under which a landlord can acquire possession of his premises.

Perhaps the terms in the old law were not adequate. Perhaps they could be easily circumvented. I do not know about that. But what I am contending is that when the Congress is writing a rent control law which will give to the tenant or to the landlord any rights, privileges, powers, or immunities, it would be better to state them in the law itself than to leave it to the discretion of the Expediter.

My friend from Pennsylvania has pointed out that the purpose of the committee amendment is to obtain uniformity. In my humble judgment the effect of the committee amendment would be to get anything but uniformity. It would beget the utmost confusion which could be produced by writing any kind of law. The Senator from Pennsylvania says that we leave it to the 48 States. We do not do so under the terms of the pending amendment. In section 209 of the existing law there are set forth six provisions under which a landlord can get possession of his premises. We provide that he may go into court with his petition. Under section 209 he must prove to a court that he comes within one or more of those particular provisions. Otherwise his eviction petition is dismissed.

What does the committee amendment propose to do? It proposes to eliminate those six conditions and leave it up to the Expediter to determine what the terms and conditions shall be under which a landlord can get possession of his premises. My friend from Alabama [Mr. SPARKMAN] says—and I accept his statement—that we can be reasonably assured that the Expediter will write reasonable provisions. But we can be more firmly assured if we ourselves write the provisions into the law. Then we shall know what they are.

The effect of the committee amendment is to give to the Expediter the broadest kind of discretion. It would give to the Expediter the authority to set forth the terms and conditions under which, and only under which, a landlord could ever get possession of his premises. The proposal in the committee amendment is urged because there has been some violation of the law as it now stands. I am willing to concede that the ingenuity of the American people for circumventing laws and regulations is probably not exceeded by that of any other people on the face of the earth. That is perhaps not a tribute to the ingenuity of Americans, but it does indicate that they have ingenuity in things bad as well as in things good. If we adopt regulations they, too, will be circumvented; and the result will be a new set of regulations, which will apply to all the terms and conditions. Then there will be another set of regulations.

Each time a landlord, who might have the most justifiable case in the world, goes to the Expediter or local representative to obtain approval of his eviction petition, he is faced with an administrative official. That administrative official can deny him all his rights. True, the administrative official may pull out of a drawer a copy of the regulations and say, "You do not come within the terms of these regulations." That is the opinion of the administrative official, and that is the end of it. The landlord has no further recourse.

The administrator might say, "Yes; you do come within the terms of the regulations." Then the tenant might say, "He does not come within the terms of the regulations." The Expediter might say to the tenant, "He does come within the terms of the regulations, and he can file a petition."

Then the landlord goes to court and files his petition. He announces the fact that he has the approval of the local director, and the poor tenant is lost. There

is no way by which he can defend his case. He has no court in which he can be heard.

So if we wish to shed tears for the tenant, we can do so. I can see how, in a particular situation, with a Housing Expediter at the local level, there might be great injustice to the tenant. If there is a passing of money under the table to obtain special privileges so far as the landlord and the tenant are concerned, that situation may be transferred to the landlord and the local expediter. Who knows, and who could ever find it out? I have found most of these people to be honest and sincere. I do not mean to impute any dishonor to them; but when we talk about passing money under the table, or any other method of circumventing the law or the regulations, I care not whether we write the provisions into the statute or whether they are written into regulations, efforts will be made to circumvent them. So it seems to me that the argument in favor of the provision in the committee amendment falls completely to the ground.

It seems to me also that the argument so far as avoiding confusion is concerned falls completely to the ground because most certainly, if the Congress determines the ways and means by which a landlord can get possession of his premises, and the ways and means by which a tenant can resist eviction in a recognized court of law in his own community, then we are avoiding confusion and we are placing the whole subject on a firm and stable legal basis, one which is best calculated to do justice to the landlord as well as to the tenant.

Mr. MYERS. Mr. President, will the Senator from Alabama yield to me?

Mr. SPARKMAN. Mr. President, after that lengthy question, I yield to the Senator from Pennsylvania.

Mr. MYERS. Does not the Senator from Alabama believe that the Senator from Connecticut misses the entire point?

Mr. BALDWIN. Mr. President, will the Senator speak a little louder?

Mr. MYERS. My weeping for the tenants has probably affected my voice a little. I thought we might have a little silent weeping for the tenants, because so many crocodile tears have been shed for the landlords in the past few days.

Mr. BALDWIN. I remind the Senator that I am a tenant and not a landlord.

Mr. MYERS. Mr. President, it seems to me that the Senator from Connecticut has missed the entire point. It is my belief that the entire black market in rents is based primarily on the ease with which tenants can be evicted under the present law. That makes black markets rather prevalent. Under the amendment now offered it would be quite easy, as it is under the present law, to evict tenants; and when it is easy to evict them, the black market flourishes, because the tenant dares not speak out, for he realizes that the landlord has so many ways of evicting him that he might find himself on the street in a short period of time.

So I repeat that the black market is primarily based on the ease of eviction which is occasioned by these provisions in the present law. I believe we should tighten up the eviction provisions and should make it more difficult for the landlord capriciously to evict tenants, which is what landlords have been doing in many instances. If the amendment of the Senator from Ohio is adopted I think we shall continue to see black market operations in rental property, because again we would be making it easy for tenants to be evicted.

Mr. BALDWIN. Mr. President, will the Senator yield for a question?

Mr. MYERS. The Senator from Alabama has the floor.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from Alabama yield to the Senator from Connecticut?

Mr. SPARKMAN. I ask the Senator from Connecticut to permit me to enter this discussion for a moment or two. I have yielded rather liberally.

Mr. President, I think the Senator from Pennsylvania has made a correct statement; and I should like to inject this thought, and I should like to have the Senator from Connecticut [Mr. BALDWIN] listen to it: When the Senator from Pennsylvania refers to the ease with which tenants are evicted, I wish to call the attention of the Senator from Connecticut to the fact that last year in his State of Connecticut there were 30,000 evictions, whereas in an ordinary year there have been only 2,500 evictions.

Mr. BALDWIN. Mr. President, will the Senator yield at that point?

Mr. SPARKMAN. I ask the Senator to permit me to finish, please.

Mr. President, no wonder the Republican Legislature in the Senator's own State of Connecticut enacted the tightest eviction law in the entire United States. I do not know whether the Senator from Connecticut is aware of that fact. Of course he can stand up here and talk; he can afford to, so far as his people in Connecticut are concerned, because his State has given them protection far beyond anything we have ever sought to do by means of a Federal law.

Does the Senator know that in Connecticut, tenants can be protected against eviction for 12 months? The impetus to pass that law was given to the Republican Legislature of Connecticut because of the enormous number of evictions—30,000 last year, as against 2,500 in an ordinary year.

Mr. BALDWIN. Mr. President, will the Senator yield here?

Mr. SPARKMAN. I ask the Senator to permit me to finish, please. I have not made so long a speech in my own time as the Senator from Connecticut made in my time a little while ago; so now I wish to refer to a few facts.

Certainly the Senator from Connecticut can argue that he is protected back home because his own State law protects tenants, by giving them 12 months before they can be evicted.

Mr. President, I have great admiration and respect for the Senator from Connecticut, but I have wondered how in the world he has ever been able to arrive at his position that no discretion should be lodged in the Administrator. I do not know of any law which sets an agency to work or causes the commencement of an activity which does not lodge discretion in someone. I do not know of any law by which we spell out to the very letter everything that is to be done. I hope that the time will never come when we in this country are forced to conclude, that we cannot lodge discretion in the proper persons, for the purpose of having them execute the laws the Congress enacts.

So the committee's proposal does give discretion to the Expediter, but it is no more discretion than should be given to the man who is selected to do the job. Of course if he does not do the job properly, then let him be removed.

But I submit that an examination of the regulations which have been issued by the Expediter will disclose that they have been fair and reasonable insofar as they have dealt with evictions.

Mr. President, I now wish to read from an editorial appearing in the Philadelphia Inquirer on November 11, 1948. The editorial refers to the very subject we have just been discussing. I do not know anything about the Philadelphia Inquirer; I do not know whether it is a Fair Deal newspaper, an Old Deal newspaper, an independent, or what it may be; but I submit to the Senate it has stated the case properly and has analyzed it very well indeed in the editorial from which I now read:

PROTECT TENANTS FROM EVICTION CLUB

One of the most distressing features of the Nation-wide housing problem is the continuing acute shortage of dwellings for rent.

Steps to relieve that shortage are among the foremost subjects demanding consideration by the new Congress.

Until it is relieved, however, it is imperative that present occupants of rented homes be protected from eviction and exorbitant charges.

If tenants may be evicted at the landlords' will, it is obvious that the rental market will be narrowed further, at a time when its expansion is urgently desired.

This is pointed up in a most critical fashion by the decision of the Third United States Circuit Court of Appeals holding that a landlord may evict a tenant under existing Federal housing laws simply by withdrawing the property from the rental field.

Rubbed out by this ruling is the principle, formerly followed, whereby rent-paying tenants could not be evicted unless the owner wanted to occupy the property himself.

The effect of the circuit court's interpretation could be far reaching. If the law means what this court says it does, landlords would be given a huge club to wield over tenants' heads.

There would seem to be nothing to prevent an unscrupulous landlord from delivering an ultimatum to his tenants: "Either buy the house at my figure, give me an under-table increase in rent, or get out."

The housing situation is tough enough as it is without tossing rent payers wholly to the wolves.

The circuit court decision will probably be appealed to the United States Supreme Court. In any event, it shows the need of legislation by the incoming Congress to clarify muddled provisions of existing law and to take from landlords the bludgeon of peremptory eviction threats.

Mr. President, that is exactly what we have tried to do. We have tried to present to the Senate a provision whereby

this bemuddled condition will be clarified. We have tried to present something which can be administered in a way that is fair to the tenant and fair to the landlord. Of course, the provision does lodge discretion, but not an undue amount of discretion. Of course, all of us know that if an executive officer abuses the discretion with which he is entrusted, there is still access to the courts. A man cannot act merely on caprice and get away with it in this country, where we still have our system of courts.

Mr. President, there is another thing to which I wish to call attention, with all due deference to the able Senator from Connecticut. Undoubtedly he has studied this proposition. I do not know whether he has studied it only since the amendment has come before the Senate, or whether this matter has been going through his mind for a long time. I do not understand that he should have been called upon to devote a great deal of time to it, because his great State of Connecticut has protected its people in a way far beyond anything the Federal law seeks to do. But I wish to call the Senator's attention to the fact that a subcommittee of the Banking and Currency Committee was created to study this matter, and the subcommittee held hearings for 2 weeks, and then spent another week trying to write a bill. The membership of that committee was very largely the same as the membership of the subcommittee which wrote section 209 into the present act. When we wrote that section, we believed we were doing a helpful thing; but when the new subcommittee, made up very largely of the members of the former subcommittee, sat down and reviewed the facts and the results of their handiwork of 2 years ago, it decided, after long and careful study, that it had made a mistake, and that it should correct the mistake it had made.

Mr. President, we studied this proposition. Of course, the Senate can do whatever it wishes to do, and every Senator has the right to offer an amendment and to argue his side of the matter. But I wanted the Senate to realize the time and attention and study and careful consideration we have given to this particular provision; and we have presented it to the Senate, believing that it is fair and reasonable and workable and will erase the mistake we made 2 years ago.

Mr. BALDWIN. Mr. President, will the Senator yield at that point?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Connecticut?

Mr. SPARKMAN. I yield to the Senator or I will yield the floor, either one.

The PRESIDING OFFICER. The Senator from Alabama yields to the Senator from Connecticut.

Mr. BALDWIN. I thank the Senator. I may say, Mr. President, I am not questioning the sincerity or the ability or the integrity of my distinguished friend from Alabama, who is very well informed on this whole subject. I give him great credit for that. I know of no man who has devoted more time to the particular subject of rent control, and done it more ably, than has the Senator from Alabama. But I want to say, when the State of Connecticut last year found it was faced with a difficulty, so far as evictions were concerned, it did exactly as I am urging that we do here. Instead of giving broad discretion to some administrative official, a law was passed. There it was, on the statute books, so all could read it. There it was, a firm, stable thing. As my friend said, it probably went a good deal further than the committee amendment does, but the point I am trying to make is that we must at some time get away from the practice of finding a way out of our difficulties by handing broad administrative power to some official in Washington, so that he can issue regulations and deal them out through the 48 States. It seems to me the time has come when we should take the provisions of the present law and, if they are unworkable, revise them. That is what the Expediter will have to do. He will have to set up a series of regulations dealing with the situation of the landlord who is trying rightfully to get possession of his premises. That is what old section 209 purported to do. It seems to me that if section 209 did not work, we ought not to find the answer to the problem by saying, "Well, the terms and provisions we prescribed were circumvented, so now we will hand the whole thing over to an administrative official, delegate our legislative authority to him, and let him make the laws." He is going to make them, day after day, as any administrative official has to make regulations to fit any particular new occasion which may arise.

I go back to my original point. I do not know how authentic the figures as to the 30,000 evictions in Connecticut were. I understand they were figures offered by a committee of the CIO. Where the committee got those figures, I do not know. I doubt if there was a check of the courts to determine the accuracy of the figures.

Mr. SPARKMAN. Mr. President, will the Senator yield, so that I may correct him at that point?

The PRESIDING OFFICER. Does the Senator from Connecticut yield?

Mr. BALDWIN. I yield.

Mr. SPARKMAN. The figures were offered by the Governor of Connecticut, Mr. Chester D. Bowles.

Mr. BALDWIN. I do not know where he got them. If the Governor of Connecticut offered them, I assume he had some sound basis upon which to rest them.

Mr. BRICKER. Mr. President, will the Senator yield for a moment?

The PRESIDING OFFICER. The Senator from Connecticut yielded to the Senator from Alabama for a correction.

Mr. BRICKER. I think the Governor's testimony was based upon the survey made by the CIO, was it not?

Mr. SPARKMAN. I do not recall that there was any connection between them.

Mr. BRICKER. Those were the figures obtained in the survey.

Mr. SPARKMAN. In my own thinking, it does not matter who made the survey, if it was an honest survey, honestly made. That is all I care for. I do not care who made it.

Mr. BRICKER. That is the only reason I asked the question, because I have checked the survey in my own home town, and there is no authenticity whatever in the figures submitted by the CIO.

Mr. SPARKMAN. We did not try to check the statement of the governor. By the way, the figures, if anyone wants to look them up, are to be found on page 432 of the Senate committee's hearings. I shall try to ascertain whether the governor makes any reference to where the figures came from.

Mr. BALDWIN. I merely want to conclude with one statement. The point I am contending for is this: We might better put in the Federal statute itself the terms and provisions, and set forth the conditions under which a landlord can recover possession of his premises, then let the local courts decide whether or not he comes within those terms and provisions, than to hand the authority over to the Expediter. My point is that the landlord will then have his day in court, and the tenant, too, will then have his day in court. He will be in a position where, in open court, not in the office of some administrative official but in open court, with a stenographer present, with witnesses present, he will have the opportunity to cross-examine the landlord and all his witnesses on the question of whether he is sincerely and earnestly within the terms and provisions of the conditions set forth in the statute.

It seems to me that whenever we leave important determinations of this kind, involving rights of property and health, to an administrative official, and take them out of the hands of the courts, then we are doing an injustice to both sides of the case; we are doing an injustice to the landlords, and to the tenants as well.

Mr. TAFT. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield?

Mr. SPARKMAN. I yield to the Senator from Ohio.

Mr. TAFT. I may say in general that I want to ask a question along the same line as the one raised by the Senator from Connecticut. It seems to me the question of whether section 209 is just or is not just to tenants is more or less immaterial. The question to my mind is whether Congress should revise section 209 as it thinks it should be revised, and remove those matters which have been abused, or whether it should turn arbitrary power over to the Expediter to make the law of the United States.

I want to ask the Senator this question: Referring to page 45, taken in connection with this provision, is it not true that if the Expediter makes the regulation and any man violates it, the violator is then subject to a jail penalty and a fine, under the provisions of section 206 (c) of the bill as reported, and is not that a new provision, which for the first time at least since 1947 makes a man subject to a criminal penalty for violating a regulation issued by an administrative official?

Mr. SPARKMAN. I may say that, so far as rent control is concerned, it is a new section as compared to the law for the past 2 years. It was carried in the law, if I remember correctly, prior to 2 years ago. Furthermore, I do not know that it is any different from other statutes we have enacted wherein we say that under the statute the doing of certain things is unlawful. To my way of thinking there is no need of defining an unlawful act, unless we provide some way of punishing it. We have merely followed the ordinary run of law in providing criminal penalties.

Mr. TAFT. Let me suggest to the Senator that this goes further toward the granting of discretion to an administrative official to make a law, certainly, than anything we have passed in the Senate during the past 3 or 4 years. I do not say what was done always during the war. But let me read what it says:

> Whenever in the judgment of the Expediter such action is necessary or proper in order to effectuate the purposes of this act—

It is just as broad as the sea; at least, it might be the customary provision—

> he may, by regulation or order, regulate or prohibit speculative or manipulative practices * * * or renting or leasing practices (including practices relating to recovery of the possession) in connection with any defense-area housing accommodations, which in his judgment are equivalent to or are likely to result in rent increases, * * * inconsistent with the purposes of this act.

The discretion is so broad that it seems to me the Housing Expediter could write a whole law about how real estate shall be sold, what provisions shall be contained in leases, and what provisions shall not be contained in leases. He could write a book of regulations under that provision. What I object to is the tendency to have Congress relinquish its legislative authority to correct abuses that arise and delegate the authority to an administrative official who is given unlimited power to write the law and subject citizens, many of whom probably never could read the law and probably could not find it, if they employed a lawyer to aid them, to jail penalties and heavy fines because they violate some order that an administrative official in Washington may have issued.

Mr. SPARKMAN. May I call the attention of the able Senator to the fact that the failure of anyone to do something he knows nothing about is not covered by that section. There must be a willful violation.

Mr. TAFT. Is the Senator aware of the general principle of law that every citizen is presumed to know the law?

Mr. SPARKMAN. Yes.

Mr. TAFT. And the regulations, even though he cannot find them?

Mr. SPARKMAN. Yes. I also know the meaning of the word "willful" in criminal law. Of course, the point which the Senator brings up——

Mr. TAFT. In one case, he did it on purpose; but this in no way limits his liability because he does not happen to know that there is such a regulation.

Mr. SPARKMAN. I do not agree with the Senator fully in that statement. At any rate, there must be a willful violation. There cannot be a willful violation unless a man acts knowing that he is doing wrong. That may not be correctly stated, technically and legally, but essentially it is correct. A man must know he is doing wrong in order to be guilty of a willful violation. That is the thing for which a penalty is provided. Of course, the Senator's discussion of the point is of interest, but it does not apply to the pending amendment, except incidentally.

Mr. TAFT. The pending amendment strikes out the provision of which I complain. I do not know what more I could ask an amendment to do.

Mr. SPARKMAN. Agreeing to the amendment would not take away from the Expediter the right to issue regulations. He issues regulations under section 209.

Mr. TAFT. Is it not true, however—I want the Senator's opinion, because I have not studied the law and this provision—that, in the first place, section 206 (a) has simply made it "unlawful for any person to offer, solicit, demand, accept, or receive any rent for the use or occupancy of any controlled housing accommodations in excess of the maximum rent prescribed under section 204 or otherwise to do or omit to do any act in violation of any provision of this title."

Not only in violation of the title, but also in violation of any regulation or order. It has to be taken in connection with the proposed amendment of section 209. We eliminated personal liability for violation of regulations in 1947. Is it not true that we are now restoring personal liability for violation of any regulation made by the Administrator?

Mr. SPARKMAN. We are seeking in the bill to rewrite the language exactly as it existed 2 years ago. Let me say to the Senator from Ohio that the pending amendment has to do with section 209.

Mr. TAFT. Yes. It strikes out the new provision which the committee has inserted and which gives complete discretion to the Administrator to make any law he chooses with reference to evictions, and all kinds of other things, speculative, manipulative practices, leasing, and other things as well—a power which he has not had during the past 2 years. It may be that some of the provisions ought to be amended; but is it not true that the committee has simply turned it over to the Administrator to make the law which we ourselves should make?

Mr. SPARKMAN. Of course, there may be something in the Senator's argument, that we should have taken it up and rewritten it. But we did not do so. We gave long and careful study to the question. We studied the various possibilities, and we took what we thought was the proper and best way, in order to give fair treatment to tenants and landlords alike and in order to prevent the small number of unscrupulous landlords from evicting tenants under all kinds of excuses, without an opportunity for anyone to examine as to whether they were good excuses or were simply phony cases. We thought the best thing to do was to give the power to the Expediter, not to make law—that is what section 209 does; it substitutes Federal law for local law—but to draw up regulations determining procedure, and to give him the right of preliminary investigation to determine whether a tenant should be evicted.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. BRICKER. I think the Senator from Alabama remembers that under the old rule submitted by the Expediter after he determined there was a right to an eviction, a landlord could not file suit for 6 months.

Mr. SPARKMAN. That was at one time true.

Mr. BRICKER. Let me ask the Senator what the provisions of section 209 are which the Senator thinks should be changed.

Mr. SPARKMAN. I apologize to the Senator. I did not catch his question.

Mr. BRICKER. I asked the Senator what provisions of section 209 he thinks are too loose or too strict and which should be amended or changed?

Mr. SPARKMAN. I was not the one who suggested we should change that section, taking it up item by item. I have supported and am supporting the language in the bill that would give the Expediter the right to issue regulations so as to bring about uniformity to meet the problem which was so well pointed out in the editorial from the Philadelphia Inquirer. It was a case which had caused so much confusion and concern that it must go to the Supreme Court of the United States in order to get a final decision. In the meantime, unscrupulous landlords are evicting tenants by the thousands; I do not know how many. I would say that 95 percent of the landlords comply with the law.

Mr. BRICKER. It is easy to say that unscrupulous landlords are running loose and wild in the Nation.

Mr. SPARKMAN. A relatively small number of them.

Mr. BRICKER. It might be as easy to say, but I shall not say it, that many tenants are taking unfair advantage of landlords.

Mr. SPARKMAN. I am sure that is being done, but there is no law which takes away from the landlord his right of action.

Mr. BRICKER. Not if we continue section 209.

Mr. SPARKMAN. Even under the regulations as they exist, if a tenant became a nuisance the landlord could evict him.

Mr. BRICKER. We do not know what the regulations would be if this section were repealed. It might be that a landlord could not get a certificate so he could sue. It is the unlimited authority to which I object, the optional authority given to the administrator.

If we were not to wipe out section 209, would the provisions that should be changed, either weaken or strengthen the right of a landlord to evict a tenant?

Mr. SPARKMAN. I will say to my able friend from Ohio that I am not proposing that we rewrite section 209. We studied it in the committee and decided the other way. We decided to substitute this language; and I, for one, do not believe in coming on the Senate floor and,

in a moment of snap judgment, deciding that something should be done to substitute for that which the committee has done after a long and careful study, particularly in connection with a technical subject.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. SPARKMAN. I pay tribute to my friend from Ohio for his absolute sincerity. He advocated the same view in committee. I am not saying he is offering snap judgment. He is not. He took the same view in the committee.

But there is a basic difference between the Senator from Ohio and me, and I think we both recognize it. He is not willing to trust anyone with any discretion in connection with legislation. I am. He wants everything written out in the law. I do not think that is necessary in order to have a workable law and a workable government. Essentially, that is our difference as to this particular matter at this time. The Senator wants to spell it out, word by word, and I say that we need not do that in order to have a provision that is workable.

Mr. BRICKER. Mr. President, will the Senator yield further?

Mr. SPARKMAN. Yes, I yield.

Mr. BRICKER. The Senator will admit that it is a very fundamental principle of Anglo-Saxon law that a man is entitled to know the law by which he is governed and to interpret it when he reads it. My objection is to giving the right and authority to expedite the matter to a man who does not know local conditions and situations, and could not possibly have the experience of Members of Congress, because they represent the local people. I object to giving him the power to make rules and regulations without provision for a veto, without any authority over him, rules and regulations which have the force and impact of laws of which the citizen never knows. He could not find those laws if he came to Washington and stayed for a whole year, he could not find many of the regulations, and most citizens never know what their rights are until they walk into the office of the Expediter in the local community and say, "Our tenant has been doing so and so, and we want to evict him." Then, under the amendment suggested by the committee, a man would have the right to say, "Oh, no; the Expediter does not think you have a right to evict him, and we will not give you a certificate." He can search the statutes and the decisions of the courts and he cannot find laid down the rules and regulations which bind him. That is my fundamental difference with the Senator. I think that if the Senate and the House of Representatives are going to enact a rent law they should be specific, and let both landlords and tenants know what their rights are.

NOMINATION OF JOHN R. NICHOLS TO BE COMMISSIONER OF INDIAN AFFAIRS

Mr. LANGER. Mr. President, there is pending on the executive calendar the nomination of Mr. John R. Nichols, of New Mexico, to be Commissioner of Indian Affairs. It is my understanding that the committee reported the nomination unanimously, that every one of the 13 Democrats and Republicans were for it. I wish to register my emphatic protest against this nomination, and I want to get my protest in before the nomination comes before the Senate for consideration, so all the other Members of the Senate may become familiar with the situation.

Roughly 3 years ago I was a member of the Committee on Indian Affairs, when the nomination of a man by the name of William A. Brophy to be Commissioner of Indian Affairs came before the committee. I protested that appointment. Nevertheless, we were told at that time that that would be the last time when a man would be nominated for the office of Commissioner of Indian Affairs who did not have some Indian blood in him.

We have heard the pronouncements of the Democratic Party, Mr. President, to the effect they are for the minority. We have heard much from President Truman to the effect that he is a friend of the minority. I have here the planks of the Republican platform and the Democratic platform dealing with Indians. Oh, what great friends both the Democrats and the Republicans are when they meet in their conventions and want the votes of the Indians who are scattered all over the United States. They are going to do so very much for them.

Mr. President, the record shows, and I shall prove it as I go along out of the mouths of the men who have had charge of Indian Affairs for 16 years, that both parties have done absolutely nothing for the Indians. I see sitting beside me the distinguished junior Senator from New York [Mr. IVES], and I know that he will be surprised to learn that in the city of New York there are many Indians.

Mr. IVES. Mr. President——

The PRESIDING OFFICER (Mr. MCMAHON in the chair). Does the Senator from North Dakota yield to the Senator from New York?

Mr. LANGER. I yield.

Mr. IVES. Does the distinguished Senator from North Dakota not know that there are more than 7,000 Indians in New York State?

Mr. LANGER. Yes; but there are some in New York City.

Mr. IVES. That is correct.

Mr. LANGER. There are some in New York City who are graduates of Harvard, graduates of Columbia, graduates of Yale, graduates of practically all the large universities of America, yet the President cannot find a man of Indian blood to appoint to the position of Commissioner of Indian Affairs.

There was a time when there were only 233,000 Indians on the roll, but John Collier was appointed Commissioner of Indian Affairs, and Mr. Collier went all over the United States finding Indians wherever he could, and put them on the list, so that it would be possible to increase the number of employees to take care of them, until he finally had on the roll about 390,000.

Mr. President, we find nominated by President Truman to be Commissioner of Indian Affairs, and the nomination reported by the committee unanimously, a man who has not a single drop of Indian blood in him.

Last year, when I was a member of the Committee on Indian Affairs, I introduced a bill, Senate bill 1092, to prohibit the appointment of persons of less than one-half Indian blood to the Office of Commissioner of Indian Affairs. Certainly after the United States Government has been educating the Indians for 150 years, with 400,000 of them in the country, one would figure that the President of the United States could find 1, just 1 out of 400,000, fit to be United States Commissioner of Indian Affairs. From among all the graduates of Harvard, Yale, Columbia, and Princeton, from among the graduates of all the State universities, our President could not find one single Indian, he could not find one person who was half Indian, he could not find one who was one-tenth Indian, he could not find one who was one-thirty-second Indian, to appoint to this position. My distinguished friend, the junior Senator from Vermont [Mr. FLANDERS] once said that he thought he was one one-hundred-and-twenty-eighth Indian. But President Truman could not find one who had even one drop of Indian blood in him. So we get another professor.

Mr. Brophy, after he was named Commissioner of Indian Affairs, frankly stated to our committee that he had never studied any Indians outside of those living in Arizona and New Mexico. The first thing Mr. Brophy did was to take a long, extended trip to study the Indians. Instead of naming a person who knew something about Indians, the President named a man who knew nothing about them aside from the Indians of New Mexico and Arizona. So Mr. Brophy spent one whole month in Alaska, in the summer time, studying the Indians of Alaska.

Mr. President, we are asked to confirm this professor, and strangely enough I find that he is going to get leave of absence for only 1 year from the University of New Mexico, as I understand, so that for 12 months he may devote his time to Indians, and then after that I assume we are going to have a new appointee, and the new appointee, if he is also a professor coming from New Mexico, will have to start all over again to familiarize himself with the conditions relating to the Indians.

I have here, Mr. President, the record given us by Mr. Chapman, in a speech delivered by him over the radio, from Santa Fe, New Mexico. Mr. Oscar Chapman, Under Secretary of the Interior, delivered a speech on the subject of the Indians. Under the so-called New Deal, when the Democrats, by an overwhelming majority, had full and complete charge for year after year of the House and of the Senate, what did the Democrats do for the Indians? Let a Democrat, Mr. Oscar Chapman, answer. Mr. Oscar Chapman on August 28, 1947, had this to say:

> We see the Indian Bureau pictured as a huge bureaucracy. We find that the tuberculosis rate is five times that of the whites in the United States.

Five times as many Indians have tuberculosis as any other race in this country. Then Mr. Chapman said that the Indian mothers are not getting a square deal. He said:

Infant mortality among the Indian babies is five times greater than the rest of the country.

Five times as many Indian babies die, according to Mr. Chapman, as babies of the other races of the country. He continued:

Are the people who have been dispossessed of nearly 90,000,000 acres of land in the last 50 years getting a square deal? Do you also know that it is now expressly prohibited by an act of Congress for Indian tribes in many States, including New Mexico, to buy additional land?

They cannot buy additional land with their own money. Mr. Chapman continued:

And do you know that in some States Indians are denied the fundamental American rights to vote and to participate in the social security benefits?

While I was Governor of the State of North Dakota, Mr. President, when the Indians were suffering from want, hunger, and starvation in Sioux County—I am sorry the Senator from South Dakota is not present to verify what I am about to say—we were told by the Federal Security Agency that Indians were not included in its benefits.

Mr. WATKINS. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Utah?

Mr. LANGER. I yield.

Mr. WATKINS. Was the Senator from North Dakota on the floor one day when we passed an authorization providing for $16,000,000 for the Arabs, refugees from the Holy Land, with which to get them out of the State of Israel?

Mr. LANGER. Yes; I was.

Mr. WATKINS. I wondered if the Senator knew that we had been very liberal in that direction?

Mr. LANGER. Yes; and I voted against it.

Mr. WATKINS. I think the Senator will find that we made that authorization by unanimous consent.

Mr. LANGER. I may further say to the distinguished Senator from Utah that I believe he was present in the Senate, sitting in the seat he occupied here last year, when I tried to have an appropriation made for the Navajo Indians. The Senator will remember the opposition which arose in this body at that time, after the then Senator from New Mexico, Mr. Hatch, had proposed the appropriation, and it was cut down and cut down until finally, as I remember, the sum of two and one-half million dollars was left, of which only a certain small percentage was available to the Indians.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. WATKINS. I merely want to make the observation that it seems to be an easy matter to secure authorizations and appropriations for people in Europe, but many times it is very difficult to secure appropriations to take care of the Indians with whom we have entered into treaties. I wonder if the Senator had that in mind in making his speech.

Mr. LANGER. I had that in mind. I thank the Senator for bringing it to my attention again.

Mr. President, I desire to call attention to a speech I delivered on this matter on the 28th day of November 1947. My speech dealt with the Indian GI's. At that time I said, as appears in the CONGRESSIONAL RECORD, volume 93, part 9, page 10932:

Mr. President, the Indian veteran has equal rights under the GI bill as administered by the Veterans' Administration, but let us consider just a moment the plight of the Navajo veterans—although the Hopi, Pueblo, Sioux, and other Indian veterans, including some in my own State, find themselves in the same situation. The Indian veteran returns home to find deplorable conditions among his people. Because of a lack of resources, there is no opportunity to establish his home. He cannot get a GI loan for a home, because the United States holds title to his land, and therefore the bank will not give him a loan. He cannot go into the sheep or cattle business, because he cannot get a permit from the Government to run more livestock on an already depleted range. There is no farm land or capital available to him. Industries are reluctant to make loans to him for small-business enterprises. If anyone doubts that statement, let him consult the distinguished chairman of the Small Business Committee of this body.

On the other hand, the Indian finds no solution to his problem by leaving the reservation.

He is no better off if he leaves the reservation.

In the first place, he was ill prepared to enter military service. The selective-service records of 4,000 Arizona Najavos, for the period between 1943 and 1945, show that only 12 percent of them could speak English.

Where has the Democratic Party been? What did the Republican Party do during the 2 years it was in control of the Congress? According to Oscar Chapman, only 12 percent of the Navajo Indians can speak English.

They were born in this country, and yet only 12 percent of them could speak the English language. Seventy-five percent of the entire group accepted for military service within that period could neither read nor write.

That is, according to Oscar Chapman.

The Indian therefore is not prepared to compete with others off the reservation for jobs which require any degree of education or technical skill. Because of his illiteracy, he is under a distinct disadvantage in utilizing the educational benefits provided by the GI bill. For example, it is almost impossible for him to meet the entrance requirements of secondary or technical schools.

I call attention particularly to the following paragraph as it appears on page 10933:

As to education, I may call attention again to the fact that among the Navajos only 6,000 of a total of 20,000 children of school age are in school. Sixty-six percent of the Navajos have had no schooling whatever, a figure which compares most unfavorably with the figure of less than 4 percent for the country as a whole.

Not one single dollar is available for housing among the most miserably housed segment of our national population.

It has been changed a little since that time, Mr. President, but at that time, when Oscar Chapman and I were in New Mexico and Arizona investigating the situation we found not one single dollar available for housing among the most miserably housed segment of our national population.

Not one dollar is available, and yet today we find that the Government has already given away $66,000,000,000.

I might say that at that time, through the effort of Mr. Chapman, we finally succeeded in getting some of the houses which were at Gallup, N. Mex., set aside for use by the Indians. That housing was enough to shelter 250 families.

Mr. President, I have here a report which the committee of which I was chairman, the Senate Civil Service Committee, made under Senate Resolution 41. I submitted the resolution, and finally obtained consent to call witnesses. I have the report in my hand. It is an astounding report. The Senate Civil Service Committee was authorized to hold hearings as to the possibility of reducing the personnel in the various governmental agencies and bureaus. There was no other way I could reach the situation except by investigating the personnel. I read from the report:

To arrive at any definite conclusion it becomes necessary to cover quite conclusively the activities of these departments. Quite extensive hearings have been held on the Indian Bureau of the Department of the Interior. This Bureau employs in excess of 11,000 persons.

At one time, with only 233,000 enrolled Indians—roughly, 80,000 families—we had an Indian Bureau with 11,000 employees. Its last appropriation exceeded $40,000,000—$40,000,000 for roughly 80,000 Indian families. These funds were spent in supervising roughly 390,000 Indians, including the 7,000 in New York, of which the Senator from New York [Mr. IVES] is so proud. They include graduates of Harvard, Yale, Columbia, and other universities. How many times have I heard about Charlie Curtis, former Vice President of the United States, having Indian blood in his veins?

The committee was unable to secure definite data as to the exact number, due to the fact that hundreds of Indians are still carried on the Indian rolls who are no longer either supervised by the Bureau or recipients of any service from the Bureau. It is the opinion of the committee that this appropriation of $40,000,000 is spent on an actual Indian population of much less than 390,000. It has also been brought out in the hearings that the Indian Bureau had access to other funds.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. MAYBANK. Did I correctly understand the Senator to say that money could not be loaned for the construction of housing on Indian reservations?

Mr. LANGER. At that time.

Mr. MAYBANK. Why?

Mr. LANGER. Because the Indian had title to no lands.

Mr. MAYBANK. What is the situation now?

Mr. LANGER. Legislation has been enacted, as a result of the hearings, under which such loans can be made; and they are being made.

Mr. MAYBANK. The reason I ask the question is that there is on the Calendar a bill, with which the Senator is no doubt familiar, for housing in Alaska on various Government-owned lands. I hope the bill will be passed, to help the Indians, after we are through with the present bill.

Mr. LANGER. I may say to the distinguished Senator that the Department of Agriculture provided that Indians could borrow money on cattle. In my State there were six Indians on the Sioux reservation and six on the Elbow Woods reservation who made such loans. It was found that they repaid the loans better than did the white people. There is no reason why they should be excluded, or why any distinction should be made as between Indians and white people so far as loans are concerned.

Mr. ANDERSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MILLER in the chair). Does the Senator from North Dakota yield to the Senator from New Mexico?

Mr. LANGER. I yield.

Mr. ANDERSON. The Senator mentioned the number of supervisory employees—approximately 10,000.

Mr. LANGER. Eleven thousand.

Mr. ANDERSON. I am sure the Senator recognizes that a great many of those employees are now engaged in a survey of Indian irrigation projects in the hope of using the waters of the Colorado River area in the Shiprock area of the Navajo reservation, and putting more than 100,000 acres of land under cultivation. Some of those employees are being used in Arizona in an attempt to make it possible for the Hopi, Navajo, and other Indians to become self-sufficient. Knowing the Senator from North Dakota as I do, I do not believe he would want to have a single one of those employees stricken from the Federal rolls.

Mr. LANGER. Certainly none of those engaged in that kind of work. However, I invite the attention of my distinguished friend to the fact that with very rare exceptions the Indian agents are not Indians. That is point No. 1. Point No. 2 is that out of 11,000 employees, only roughly 2,300 were Indians. They did the most menial kind of work. It was only after we held these hearings that for the first time we found Indian graduates of fine colleges appointed superintendents of various Indian reservations.

Mr. ANDERSON. Mr. President, will the Senator further yield?

Mr. LANGER. I yield.

Mr. ANDERSON. I have only commendation for what the Senator has done to make it possible for Indians to step into opportunities of that kind. But let me remind the Senator of the very statements which he has made, as reasons why such a thing has not been possible to a greater extent. The Senator knows the circumstances. Only a small percentage of Navajo Indian children go to school. A child starts in school in the first grade, where he remains for a few months, and then returns home. The next year some other child starts in the first grade. That child, in turn, goes home, and another child starts in the first gade. Years later a child may resume his education in the first grade. We need to develop educational opportunities which will permit all the Navajo children to be in school at one time, and not once in 6 or 7 years.

Mr. LANGER. Let me say to my distinguished friend that we formerly had the Carlisle University, which had hundreds of distinguished alumni. I could give the names of 15 to 20 men, scattered over the United States, who would make good Indian Commissioners.

I want my friend, the distinguished Senator from New Mexico, to know exactly what I am doing today. I am protesting against the appointment of a white man to the position of Commissioner of Indian Affairs, when we have 400,000 Indians in this country, among whom are hundreds of graduates of leading universities. They are ignored, and not even allowed to testify before the committee. Although some of them came here, they were not allowed to testify. Robert Yellow Tail, of Montana, hung around here for weeks waiting for an opportunity to testify. He tells me that when he went into the committee room he was told that the appointment had already been approved.

Mr. ANDERSON. Mr. President, will the Senator further yield?

Mr. LANGER. I yield.

Mr. ANDERSON. I realize that the Senator has the full right and privilege of protesting against the appointment of Dr. John Nichols. I have seen Dr. Nichols only twice in my life, so far as I know, once in his office at the New Mexico College of Agriculture, when I went there to commend him for the very fine work he had done in helping the sheep raisers of that State to raise their standards. The experience I had with him then prompted me to suggest his name as a possibility.

The second time I saw him was when he appeared before the Committee on Interior and Insular Affairs. He is no protege of mine; but I say to the Senator that I would be disloyal to every instinct of decency I possess if I did not point ou that he is one of the finest men ever proposed for this office. He believes in trying his very best to help the Indians. I believe that his every effort will be expended in trying to make the Indians self-sufficient and full citizens in every respect, so far as it can be done.

I do not object to the Senator's idea that the Commissioner of Indian Affairs should be an Indian. However, I suggest to him that when we come to consider the question of finding the best man to do the work we should make use of the best available talent. In my judgment, the best available man is the man who has been recommended by the Committee on Interior and Insular Affairs by unanimous vote.

There were Indians present on the day when the question of his nomination was under consideration. I told Dr. Nichols that certain Indians were present. He rose immediately and asked, "May I go and talk to them?" I think that is the quality which the Senator will find in him if he becomes Commissioner of Indian Affairs.

Mr. LANGER. May I ask how many Indians came before the committee? How many tribes were consulted before the nomination was approved?

Mr. ANDERSON. I do not know.

Mr. LANGER. I will answer for the Senator: Not a single one.

Mr. ANDERSON. There may not have been a tribe consulted, but there are in this country many organizations of liberal, broad-minded, fine people who have tried through the years to be defenders of the Indians. Those groups were called into consultation before the name of Dr. Nichols was presented. Unanimously they agreed that his nomination was one of the finest suggestions they had ever heard, and they unanimously recommended to the Secretary of the Interior that he be appointed.

I have had experience with such groups. Sometimes they have criticized me unjustly; but I know that the only reason they criticized me was an excess of zeal in behalf of the Indians. I am very happy to have them say at this time, "Here is a fine, outstanding citizen." It is not Dr. Nichols' fault that he was born an Irishman instead of an Indian. I believe that whoever could best do the job should have it, regardless of his racial inheritance. It is not my fault that I am the son of a Swedish immigrant, but I believe I am just as able to sit on this floor as I would be if my ancestors for thousands of years had been raised in this area.

Mr. LANGER. Does not the Senator believe that the 400,000 Indians are entitled to have an Indian at the head of the Bureau of Indian Affairs?

Mr. ANDERSON. Perhaps; but I never heard it said in this country that people should apportion jobs on the basis of how many Irish there were or how many Dutch there were or how many English there were or even—with all due deference to my friend the Senator from Washington [Mr. MAGNUSON], who also is of Swedish blood—how many Swedes there were.

Mr. LANGER. Mr. President, the Senator knows that is no parallel. He knows that when the former appointee, who finally resigned, was under consideration, we said that the next appointee should be an Indian.

For example, consider Mr. Bennett. I do not know him, except I met him once when I was with Mr. Oscar Chapman. Mr. Bennett is a graduate of Harvard University. He has been engaged in Indian work for years and years and years. He is an Indian, and he is doing fine work. Engaged in the same work is Henry Roe Cloud, also an Indian. He is a graduate of Yale University. Today he is superintendent of the Indians in the State of Oregon. I shall wage that neither one of those men was consulted when this professor was taken out of the University of New Mexico to become Commissioner of Indian Affairs.

But that is not all. The newspaper accounts say that this professor has a leave of absence for only 1 year. Let me ask this question: If he is to leave after only 1 year of service in the position of Commissioner of Indian Affairs, is a new man to be appointed at that time, within 1 year from now?

Mr. ANDERSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BALDWIN in the chair). Does the Senator from North Dakota yield to the Senator from New Mexico?

Mr. LANGER. I am glad to yield.

Mr. ANDERSON. Let me say that I am not able to answer that question. When the matter of Dr. Nichols' assuming this position first was presented, he was reluctant even to come to Washington to discuss it. The only basis on which he came was a suggestion to him, as I understand, by responsible officials in the Department of the Interior that they would be glad to have him come in and take a look at the situation.

He had been a responsible member, and perhaps the chairman, of the task force of the Hoover Commission studying the Indian situation. He had expressed some very strong convictions on that question. He had enunciated principles which appealed to the people who, as private citizens, were trying to protect the Indians all over this land; and it seemed logical that he be given an opportunity to determine whether he could come into that position and make his ideas work.

I believe that if he finds this a task with which he feels he can make progress, then he will ask the State of New Mexico to relieve him from his educational responsibilities there; but if he finds that his work is hemmed in to such an extent that he cannot make a real contribution for the Indians, knowing him as I do, I believe he will ask to be relieved, so that he can return to New Mexico, to the job he has performed so very well.

Mr. LANGER. Let me say that when Mr. Brophy, the predecessor in the position we now are considering, was appointed, he admitted he never had visited the Indians in New Mexico. I doubt whether Dr. Nichols has visited the Indians in Alaska.

Mr. ANDERSON. I do not know, but my guess is that he has not.

Mr. LANGER. Does the Senator know whether he has ever been in North Dakota, visiting the Sioux Indians or the Mandans or the other Indians in that State?

Mr. ANDERSON. I do not know. I know he has lived in the State of Idaho, and I know that in connection with his task work for the Hoover Commission, he spent approximately half his time working on the Indian problems, without pay, and the other half of his time administering the New Mexico College of Agriculture. That shows what his interest in these matters is.

I say he is a fine man who has very well fulfilled his responsibilities. It seems to me the fact that he does not have Indian blood in his veins should not be held against him in this connection.

I know that proposals have been made that Indians should have these positions. I recall that when I was a Member of the House of Representatives, it was proposed that Indians should fill such positions of responsibility, and at that time I went to a Member of the House of Representatives whom I knew had Indian blood in his veins, and I asked him, "Why do not you apply for that position?" His answer was, "I am not completely a fool." In other words, he was not willing to hold that position.

Dr. Nichols is a man with a long and distinguished record, and he has been nominated to a position which has been uniformly unpopular. He is willing to serve a minority group whom he loves and is willing to assist. I do not think the fact that he does not have Indian blood in his veins should be held against him.

Mr. LANGER. Mr. President, let me say to the Senator from New Mexico that for 150 years such persons have served as Indian commissioners or in charge of Indians in this country. I have no doubt that every one of them wanted to do a good job. But what kind of a job have they done, Mr. President? What kind of job was done by those men who, like Dr. Nichols, knew nothing about the problem, although they had the best of intentions? What kind of a job was done by those men, many of whom had come out of the classrooms, after they had studied Indian affairs? They wanted to go a good job; but what was the result? Mr. President, let me tell you what the distinguished senior Senator from Oklahoma [Mr. THOMAS] said one day when I, as a member of the Committee on Indian Affairs, asked him, "Can you name one treaty between the Indians and the white man that has been kept?"

He said, "I cannot name one."

Mr. President, that is not all. On the Republican side of the Chamber a few years ago there was a great man by the name of Robert M. La Follette, Sr. When he was a member of the Committee on Indian Affairs, day after day and week after week he protected the Indians in every way he possibly could.

But here we find Oscar Chapman saying that 50,000,000 acres of the Indians' land is gone. When Mr. Chapman and I were in New Mexico, the very State from which my friend the distinguished Senator from New Mexico comes, what did we find? We found that out of the millions of acres of land owned by the Navajos, wherever there was a good patch of green pasture, it was rented to a white man. The Indians had been robbed. Let me say to my distinguished friend, the Senator from New Mexico, that I talked with scores of Indians while I was there, and I talked with the white men who were in charge of the Indian Bureau there. They said it was impossible for the Indians to rent a piece of land there, because the white men had rented it in large areas long before.

I am not blaming my distinguished friend the Senator from New Mexico for that condition, for at that time the leases were made for a period of 5 years. Perhaps that was done before the Senator from New Mexico became Secretary of Agriculture. However, that is the situation we found in New Mexico, when Mr. Chapman and I were there in August of 1947.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. ANDERSON. I wish to say that the areas in New Mexico which have been made available to the Indians in recent years have caused tremendous criticism of officials of the Federal Government. Suits have been brought by whites against the Department of Agriculture and the Forest Service. Suits have been brought against the Department of the Interior, under the Taylor Grazing Act, because fine strips of agricultural land in New Mexico have been given to the Indians.

Within the last 48 hours I introduced, in this body, a bill which is designed only to make sure that the Indians residing in western New Mexico shall have a better administration of their lands. That bill may not be popular with many livestock growers in that State, but it provides that simple justice be done to the Indians of my State.

I may say that I have personally visited the Ship Rock irrigation project, which would attempt to put under irrigation more than 100,000 acres of land, which would be watered from the waters of the San Juan River. I have seen the progress made on that project. I hope the Congress of the United States will help make it possible of completion, and I know the Senator from North Dakota will help all he can when the time comes. But that one act alone will help make available to the Navajo Indians more good land than they have ever known in the entire history of this country since the coming of the white man into the Southwest.

Mr. LANGER. Mr. President, I am delighted that the distinguished Senator from New Mexico, apparently on his own volition, as well as on the advice of Oscar Chapman, the Under Secretary of the Interior, whom I believe to be one of the best friends the Indians have ever had, has introduced that bill. I hope it will be passed, and I shall do all I can to help pass it. I am very glad to know that some of the land there in recent years has been leased to the Navajo Indians.

I want to call to the attention of the distinguished Senator from New Mexico and of other Senators the fact that, for example, the modernist Torres-Martinez Tribe in California lives within a few miles of Palm Springs. It has only 300 members. Those Indians are hungry and in want. I, with Mrs. Langer, spent a week among them last year. The condition that exists is a disgrace not only to the State of California but to every Federal agency that has anything at all to do with the situation.

I may further say, Mr. President, that in the State of North Dakota, near the town of Belcourt, a group of 5,000 Indians are located within two townships. At one time 99 percent of them were on relief. One may go into a home there, as I did, and find 9 of those Indians living in one little room. I may say for Mr. John Collier that when the situation was

called to his attention in 1938, he sent money for the relief of those Indians.

Mr. ANDERSON. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from North Dakota yield?

Mr. LANGER. I yield.

Mr. ANDERSON. I merely want to say to my distinguished friend that I would love to spend the whole afternoon with him discussing the Indian problem. But we have before us a housing bill. I am disposed to try to let the housing bill pass, and therefore I shall not further interrupt the Senator. But I want to express the hope that in considering persons who have been named to prominent positions he will have the kindness and charity and the desire, that I know he has frequently displayed, to look carefully into their qualifications. Here is a man who does not desire the position, who will not be financially advantaged by accepting it, who is accepting what he thinks is a public responsibility because of his love for a group of citizens in this land who have not been well educated and who have not been well treated. I believe the best interests of the country would be served if the distinguished Senator from North Dakota, who steadily espouses the causes of minorities, would join with me in trying to give that man a chance really to do a job in behalf of the Indians of our States. I recognize what the Senator has said about past Indian Commissioners, but the fault is not solely with the Indian Commissioners. Note what has been suggested to the Congress. See what we have done with the bill for the rehabilitation of the Navajos and the Hopis. See whether it failed because the Indian Commissioner failed to recommend it, or because the Congress failed to pass it. It may be that, like the old spiritual, we need to say:

> It's me, it's me, it's me, O Lord,
> Standing in the need of prayer.

Mr. LANGER. I may only say, Mr. President, I have accomplished the purpose for which I rose. That was, to call the attention of Senators to the appointment, to the fact that the appointee is not an Indian, to call attention to the fact that the 400,000 Indians were not consulted. I have also accomplished this. I have enlisted the interest of the distinguished Senator from New Mexico in seeing that something is done. I hope that Republicans on this side of the aisle will join a group of Democrats on the other side, to see that justice is done to the Indian.

In conclusion, I may say that 2½ years ago we finally got through the Indian Claims Commission. I call this to the attention of the Senator from New Mexico, if I may have it. The Senator will remember we finally got through the Indian Claims Commission bill. At last, the Indians were going to get a break. At last, claims more than 100 years old were, as the distinguished Senator knows, presented to the Commission. What happened? Immediately a colleague on this side of the aisle, who no longer is with us, introduced a bill to abolish the Indian Claims Commission. Luckily we were able to defeat it on the floor of the Senate.

As I say, I have accomplished the purpose for which I rose. I am glad the distinguished Senator from New Mexico is taking the deep interest in the subject that he is. I am glad he introduced the bill, and I am confident that on this side of the aisle we can pledge very substantial assistance.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 790) to grant the consent of the United States to the Upper Colorado River Basin Compact.

EXTENSION OF RENT CONTROL

The Senate resumed the consideration of the bill (H. R. 1731) to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. BRICKER] for himself and the Senator from Washington [Mr. CAIN].

Mr. MAYBANK. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Holland	Morse
Anderson	Humphrey	Mundt
Baldwin	Hunt	Murray
Brewster	Ives	Myers
Bricker	Jenner	Neely
Butler	Johnson, Colo.	O'Conor
Byrd	Johnston, S. C.	O'Mahoney
Capehart	Kefauver	Pepper
Chapman	Kem	Reed
Chavez	Kerr	Robertson
Connally	Kilgore	Russell
Donnell	Knowland	Saltonstall
Douglas	Langer	Schoeppel
Downey	Lodge	Smith, Maine
Ecton	Long	Sparkman
Ellender	Lucas	Stennis
Ferguson	McCarran	Taft
Flanders	McCarthy	Taylor
Frear	McClellan	Thomas, Utah
Fulbright	McFarland	Tobey
George	McGrath	Tydings
Gillette	McKellar	Vandenberg
Green	McMahon	Watkins
Gurney	Magnuson	Wherry
Hayden	Malone	Wiley
Hendrickson	Martin	Williams
Hickenlooper	Maybank	Withers
Hill	Miller	Young
Hoey	Millikin	

The VICE PRESIDENT. Eighty-six Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment lettered A, offered by the Senator from Ohio [Mr. BRICKER] for himself and the Senator from Washington [Mr. CAIN].

The clerk will state the amendment.

The LEGISLATIVE CLERK. In the committee amendment on page 39, line 10, it is proposed to strike out:

(1) The proviso contained in section 204 (e) (5) (A) of such act, as amended, is amended by striking out "provisions of section 209" and inserting in lieu thereof "regulations and orders with respect to practices relating to the recovery of possession of housing accommodations issued under section 209."

On page 39, line 16, strike out "(2)."

On page 49, beginning with line 23, strike out:

SEC. 206. Section 209 of the Housing and Rent Act of 1947, as amended, is amended to read as follows:

"SEC. 209. Whenever in the judgment of the Housing Expediter such action is necessary or proper in order to effectuate the purposes of this act, he may, by regulation or order, regulate or prohibit speculative or manipulative practices or renting or leasing practices (including practices relating to recovery of the possession) in connection with any controlled housing accommodations, which in his judgment are equivalent to or are likely to result in rent increases inconsistent with the purposes of this act."

Mr. BRICKER and other Senators requested the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

The vote was recapitulated.

Mr. WHERRY. A parliamentary inquiry. Is it proper to ask for a second recapitulation before the result is announced?

The VICE PRESIDENT. Not until the result is announced.

Mr. WHERRY. After the result had been announced, would Senators who were not in the Chamber when the vote was taken be permitted to vote?

Mr. LUCAS. Mr. President——

Mr. WHERRY. That is a parliamentary inquiry.

The VICE PRESIDENT. No Senator who had not voted at the time the result was announced would be permitted to vote after the announcement.

Mr. WHERRY. A recapitulation is a recapitulation only of the votes which are already recorded?

The VICE PRESIDENT. That is correct.

Mr. WHERRY. I thank the Chair.

Mr. MYERS. I announce that the Senator from Mississippi [Mr. EASTLAND] is absent on public business.

The Senator from Texas [Mr. JOHNSON] is absent by leave of the Senate because of illness.

The Senator from Oklahoma [Mr. THOMAS] is absent by leave of the Senate.

The Senator from New York [Mr. WAGNER] is necessarily absent.

On this vote the Senator from Oklahoma [Mr. THOMAS] is paired with the Senator from New Hampshire [Mr. BRIDGES]. If present, the Senator from Oklahoma would vote "nay," and the Senator from New Hampshire would vote "yea."

I announce further that on this vote the Senator from New York [Mr. WAGNER] is paired with the Senator from New Jersey [Mr. SMITH]. If present, the Senator from New York would vote "nay," and the Senator from New Jersey would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] is absent by leave of the Senate and is paired with the Senator from Minnesota [Mr. THYE], who is absent by leave of the Senate. If present and vot-

ing, the Senator from Washington [Mr. CAIN] would vote "yea," and the Senator from Minnesota [Mr. THYE] would vote "nay."

The Senator from New Jersey [Mr. SMITH] is absent because of illness and is paired with the Senator from New York [Mr. WAGNER]. If present and voting, the Senator from New Jersey [Mr. SMITH] would vote "yea," and the Senator from New York [Mr. WAGNER] would vote "nay."

The Senator from New Hampshire [Mr. BRIDGES] is detained on official business and is paired with the Senator from Oklahoma [Mr. THOMAS]. If present and voting, the Senator from New Hampshire [Mr. BRIDGES] would vote "yea," and the Senator from Oklahoma [Mr. THOMAS] would vote "nay."

The Senator from Oregon [Mr. CORDON] is unavoidably detained.

The result was announced—yeas 42, nays 44, as follows:

YEAS—42

Baldwin	Holland	Reed
Brewster	Jenner	Russell
Bricker	Johnson, Colo.	Saltonstall
Butler	Kem	Schoeppel
Capehart	Knowland	Smith, Maine
Donnell	McCarthy	Taft
Ecton	McClellan	Tobey
Ferguson	McFarland	Tydings
Flanders	Malone	Vandenberg
George	Martin	Watkins
Gurney	Millikin	Wherry
Hendrickson	Morse	Wiley
Hickenlooper	Mundt	Williams
Hoey	O'Conor	Young

NAYS—44

Aiken	Humphrey	Magnuson
Anderson	Hunt	Maybank
Byrd	Ives	Miller
Chapman	Johnston, S. C.	Murray
Chavez	Kefauver	Myers
Connally	Kerr	Neely
Douglas	Kilgore	O'Mahoney
Downey	Langer	Pepper
Ellender	Lodge	Robertson
Frear	Long	Sparkman
Fulbright	Lucas	Stennis
Gillette	McCarran	Taylor
Green	McGrath	Thomas, Utah
Hayden	McKellar	Withers
Hill	McMahon	

NOT VOTING—9

Bridges	Eastland	Thomas, Okla.
Cain	Johnson, Tex.	Thye
Cordon	Smith, N. J.	Wagner

So Mr. BRICKER'S amendment, for himself and Mr. CAIN, was rejected.

Mr. SPARKMAN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. WHERRY. Mr. President——

Mr. LUCAS. I move to lay that motion on the table.

Mr. TAFT. Mr. President——

Mr. LUCAS. Mr. President, I move to lay the motion on the table.

The VICE PRESIDENT. The Senator from Alabama moves that the vote by which the amendment was rejected be reconsidered, and the Senator from Illinois moves to lay that motion on the table.

Mr. KNOWLAND. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from Mississippi [Mr. EASTLAND] is absent on public business.

The Senator from Texas [Mr. JOHNSON] is absent by leave of the Senate because of illness.

The Senator from Oklahoma [Mr. THOMAS] is absent by leave of the Senate.

The Senator from New York [Mr. WAGNER] is necessarily absent.

On this vote the Senator from Oklahoma [Mr. THOMAS] is paired with the Senator from New Jersey [Mr. SMITH]. If present, the Senator from Oklahoma would vote "yea," and the Senator from New Jersey would vote "nay."

I announce further that if present the Senator from New York [Mr. WAGNER] would vote "yea" on this motion.

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] is absent by leave of the Senate and is paired with the Senator from Minnesota [Mr. THYE] who is absent by leave of the Senate. If present and voting, the Senator from Washington [Mr. CAIN] would vote "nay," and the Senator from Minnesota [Mr. THYE] would vote "yea."

The Senator from New Jersey [Mr. SMITH] is absent because of illness and is paired with the Senator from Oklahoma [Mr. THOMAS]. If present and voting, the Senator from New Jersey [Mr. SMITH] would vote "nay," and the Senator from Oklahoma [Mr. THOMAS] would vote "yea."

The Senator from Oregon [Mr. CORDON] is unavoidably detained.

The result was announced—yeas 44, nays 43, as follows:

YEAS—44

Aiken	Humphrey	Miller
Anderson	Hunt	Murray
Byrd	Johnston, S. C.	Myers
Chapman	Kefauver	Neely
Chavez	Kerr	O'Conor
Connally	Kilgore	O'Mahoney
Douglas	Langer	Pepper
Downey	Long	Robertson
Ellender	Lucas	Sparkman
Frear	McCarran	Stennis
Fulbright	McGrath	Taylor
Gillette	McKellar	Thomas, Utah
Green	McMahon	Tydings
Hayden	Magnuson	Withers
Hill	Maybank	

NAYS—43

Baldwin	Holland	Reed
Brewster	Ives	Russell
Bricker	Jenner	Saltonstall
Bridges	Johnson, Colo.	Schoeppel
Butler	Kem	Smith, Maine
Capehart	Knowland	Taft
Donnell	Lodge	Tobey
Ecton	McCarthy	Vandenberg
Ferguson	McClellan	Watkins
Flanders	McFarland	Wherry
George	Malone	Wiley
Gurney	Martin	Williams
Hendrickson	Millikin	Young
Hickenlooper	Morse	
Hoey	Mundt	

NOT VOTING—8

Cain	Johnson, Tex.	Thye
Cordon	Smith, N. J.	Wagner
Eastland	Thomas, Okla.	

So the motion to lay on the table was agreed to.

SENATOR-DESIGNATE FROM NORTH CAROLINA, DR. FRANK P. GRAHAM

Mr. BRICKER. Mr. President, I note from the morning press that we are about to have a newly appointed Member of the United States Senate. Dr. Frank P. Graham, president of the University of North Carolina, has been appointed to be a Member of this body. I do not intend to object, and do not anticipate any objection to his being seated as a Member of the United States Senate. In my judgment it is the proper function of the Governor of that great State to choose the one who shall represent it in this body. However, I wish to invite the attention of Members of the Senate to some very pertinent facts which I believe need the attention of the appropriate committee of this body.

Sometime during 1948 Dr. Graham was appointed by the Atomic Energy Commission as the head of the Oak Ridge Institute of Nuclear Physics. As I understand, that institute is a research body which has information in regard to all matters of atomic energy, both as to the production of fissionable material and its utilization. In that position Dr. Graham, the distinguished president of the University of North Carolina, would have had access to all information, both classified and otherwise.

I recall the experience which we have had in the Senate in the past 2 years, particularly when the question of confirmation of the nominations of members of the Atomic Energy Commission was before us. The Senate was deprived of much information because of the fact that it was so ordered by the executive department of the Government.

As a Member of the Senate, therefore, as I understand, Dr. Graham will not be entitled to any classified information. However, there are appropriate committees of the Congress which have full authority, as I understand the law, to receive such information, and full access to any information, classified or otherwise, from the Atomic Energy Commission.

After the appointment of Dr. Graham as head of the Oak Ridge Institute of Nuclear Physics his name was submitted by the Chairman of the Atomic Energy Commission, Dr. Lilienthal, to the security officer, so-called, Admiral Gingrich, a naval officer of great attainments, a brave man with a magnificent record in the war.

As I understand—although I have not the information from the Atomic Energy Commission, and so far as I know, no Member of the Senate has been able to secure such information—Admiral Gingrich made a finding that Dr. Graham should not be given what is called Q clearance, as I remember the term from my service on the committee. In other words, the recommendation was that he should not be given all available information, classified and otherwise.

In passing, let me say that it is very difficult for a Member of the Senate or a member of the Joint Committee on Atomic Energy to know what is and what is not classified. I have seen information from the Commission come to that committee, and to me personally as a member, marked "top secret," and then I would read it in the newspaper a couple of days later. Sometimes I would

read it even before we received the so-called classified information from the Commission.

Admiral Gingrich made the finding to which I have referred. There had been appointed by the Commission itself a so-called personnel security board. That board consisted of citizens from all over the country. I doubt if one could have searched the country and found men better qualified to pass upon the questions to be submitted to that board than the members of the committee who were appointed. I have only to mention the name of the chairman, former Justice of the Supreme Court Owen Roberts. Other members of the committee were Mr. George Humphrey, a businessman from Ohio; Dr. Karl T. Compton, former president of the Massachusetts Institute of Technology, and now holding a highly responsible Government position; Joseph C. Grew, former Ambassador to Japan; and Mr. Prentiss, president of the Armstrong Cork Co. There may have been another member or two in addition to those I have named, but I cannot recall their names at this time.

I definitely remember being present at the joint committee hearing when those men appeared to talk over their duties and responsibilities. I know the seriousness with which they assumed those responsibilities. I know the patriotic attitude of every member of that board. No one of them could in any way be charged with bias, prejudice, or lack of proper patriotic motives, or with an inability to understand the facts when they were presented.

After Admiral Gingrich had refused clearance to Dr. Frank P. Graham, the record then went to the so-called personnel security board of the Atomic Energy Commission. That board was called upon to pass upon the question of whether or not Dr. Graham should be cleared for all information, classified and otherwise, by what is called Q clearance, I believe. The board listened to the testimony. It gathered together all the information it could get, and held a hearing on whether or not it would give approval to Dr. Graham, as requested by Chairman Lilienthal of the Atomic Energy Commission. As I understand, three members were present at the first meeting. They voted against giving clearance. In the afternoon there were present all members of the so-called personnel security board, and they voted unanimously to turn down Dr. Graham for classified information or top-secret information with respect to the atomic energy production program.

At that time, as I understand, Chairman Lilienthal asked that the request be withdrawn, and that the record not be made final. He took back from the so-called loyalty review board the request for clearance. The Board could do nothing about that, and, as I understand, did nothing about it. However, at a subsequent date, whether because the work of the board was completed, or whether it was the desire of the Chairman of the Atomic Energy Commission, the board was abolished, discharged, or resigned. Those are facts which ought to be within the knowledge of the Joint Committee on Atomic Energy. Whether they are or not, I do not know; but the board no longer existed.

Subsequent to that time, I noted an announcement in the press to the effect that Mr. Lilienthal himself, possibly with the approval of the Atomic Energy Commission, had given full Q clearance to Dr. Graham. Whether that was justified or not I do not know. I do not have the record. The joint committee ought to have the record. It is a matter which ought to have the attention of the joint committee of the Congress, so that Members of the Senate, in passing upon these very vital and important questions in connection with our national welfare and national defense, and perhaps the welfare of the world, may be adequately informed.

To pursue the subject a little further, within the past 2 weeks I noted that the Atomic Energy Commission had established another personnel security review board, after the one which had refused to give clearance to Dr. Graham had been abolished or had resigned or passed out of existence in some way. Months passed by; and in the interim Dr. Graham was given clearance by the Chairman for all classified information. Now another personnel security review board has been appointed. On this board three citizens of our country have been appointed. I do not know their qualifications; I do not know whether they have the requisite ability, experience, and qualifications to pass upon questions of loyalty. There is only one of them whom I do know. I have no hesitancy in approving him. He is of the same character and quality and caliber as the men whom I named on the first board. He would rank with Mr. Justice Roberts, Mr. Humphrey, Dr. Compton, Ambassador Grew, and Mr. Prentiss. I refer to a former member of the Civil Service Commission, Dr. Flemming, who now is president of one of the great colleges of my State, Ohio Wesleyan University. I know nothing about the other members of the board. If they should fail to go along with the requests of the Chairman of the Commission, I do not know whether they would be discharged and the board abolished and abandoned.

But I feel that these matters should be called to the attention of the Senate, so that the people of our country may know how this important business of their Government, costing hundreds of millions of dollars a year, is being carried on, and so that they may know the character of the people who are employed in that work, and whether they meet the standards of loyalty that are necessary for those who deal with this innermost secret matter which involves the very life of the people of our country and perhaps the welfare of the entire world.

So, Mr. President, I call upon the joint congressional committee to produce the evidence, to get the facts, to make the record, and to let the Members of the Senate know what are the facts in regard to the administration of the Atomic Energy Commission under the chairmanship of Mr. Lilienthal, and particularly in regard to the operation of the loyalty board which now has been discharged, and in place of which a new one is to be appointed.

Mr. President, there has been called to my attention by a colleague in the Senate an article which appeared in Plain Talk under date of March 1949, in regard to the question of the infusion of communism into this and other important matters of our Government's operations. I now submit it for the RECORD, and ask unanimous consent that it may be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOUTHERN CONFERENCE FOR HUMAN WELFARE—THE ANATOMY OF A FRONT

(By Paul Crouch)

(The highly controversial appointment of Dr. Frank P. Graham to the Atomic Energy Commission lends special emphasis to the dissection in these pages of the Southern Conference for Human Welfare with which Dr. Graham has been so long identified. No better authority on the subject could be found than Paul Crouch, for 18 years a member of the Communist Party, who was on the inside of the maneuvers which led to the formation of this pivotal front organization.)

The anatomy of the Southern Conference for Human Welfare offers a classic example of Communist tactics in action. I am in a position to describe the methods employed by the Communist Party in directing this organization from its inception and to reveal the means used by the party leaders to obtain and maintain their control of it.

The southern conference was just as subversive when it was organized more than 10 years ago. Yet it was launched at Birmingham, Ala., November 20–23, 1938, with the blessings of the Government in the form of a letter from the President of the United States, and with the President's wife and a Justice of the Supreme Court as the major speakers. A number of clergymen, including Catholic priests and Protestant ministers, many progressive educators and social workers took an active part in the organizational conference, but failed to recognize the presence and the leading role of members and representatives of the Communist Party.

At the time I was editor of the New South, a "journal of progressive opinion" published at Birmingham as a liberal New Deal monthly, but actually financed and controlled by the Communist Party. I was a member of the district buro of the Communist Party and was on all the party's steering committees and conferences before and during the southern conference. When the second conference was held at Chattanooga, Tenn., more than a year later, I was the Tennessee State secretary of the Communist Party and again a member of the CP's "leading faction" or steering committee.

There are periods, such as the time of the Stalin-Hitler pact, when it is relatively easy to "spot" Communists in existing organizations and to recognize new fronts they may form. On the other hand, when the interest of Soviet foreign policy requires Communists to put a muffler on revolutionary language and to cooperate with the governments in their own countries, only experts can detect the hand of international communism at work. During the "democratic front" period between 1936 and 1939 and from June 22, 1941, until the defeat of Germany, the Communists in the United States became 100-percent-plus Americans. Voices trained to sing the International now led in singing the Star-Spangled Banner.

The Southern Conference for Human Welfare (SCHW) was formed during the time of the "democratic front." The Communist role in the conference is not only an example of their role in "mass work," but gives an insight into Soviet objectives on a world scale. The Soviet Union's fear of Hitler's growing power plus a desire to divide the capitalist world and promote clashes between Fascist and democratic powers led to the new line of "collective security." Reflecting the world-wide change in general strategy was the overnight change of the attitude of the United States Communist Party toward Roosevelt and the New Deal.

In 1933 the writer was sharply called to account by national leaders of the CP for his "failure to expose the demagogic role of Roosevelt" while editing the Carbon County Miner and organizing miners in Utah. The change from violent hostility to enthusiastic support of the President required more than a year of "reorientation," an unusually long period for a change in party line. By the end of 1937, the new line was the guide for all party-sponsored activities. Early in 1938, Earl Browder attended a conference of southern Communist organizers at Chattanooga. He emphasized the new methods of supporting Roosevelt, and working in the Democratic Party; the need to avoid "sectarian" language, and he outlined new tactical methods. On May 28, 1938, Browder gave his report to the tenth national convention of the CP, which was published in pamphlet form under the title "The Democratic Front."

The Communist Party did not create the idea of a southern conference; they capitalized on an idea advanced during the early summer of 1938, when President Roosevelt called a White House conference on southern problems. Lowell Mellett, director of the National Emergency Council, presented a detailed statistical study of southern economic and educational problems, which received considerable attention from southern educators and progressives. Several simultaneous suggestions were made for holding a large conference representing the entire South, to consider practical solutions for economic, educational, health and social problems. It is probable that southern progressive leaders would have held such a conference anyway. Communist Party leaders, however, were quick to see and take advantage of the opportunity, and through initiating the conference, to get control of the administrative apparatus.

The magazine I edited played an important role before and during the Birmingham meeting. The first two issues of New South were "published by the Communist Party" (March and April 1938). Subsequent issues, however, were "published monthly by the New South Publishing Co." It was mailed to practically every public library and university in the South and to most southern liberal leaders. Those who failed to take advantage of "special rate" subscription offers of only 50 cents per year received the publication without charge. Although the names of Ben Davis, Jr., James W. Ford, Henry Winston, R. F. Hall, and most southern CP State secretaries appeared on the masthead as contributing editors, few readers knew that the New South was subsidized by the national office of the Communist Party.

In the August 1938 issue, the New South devoted one page to the full text of Roosevelt's letter to the White House conference and two pages to an editorial, Our Southern Problems. The next issues were devoted largely to the need for a southern conference, indicating the line it should take.

The first call to the conference was drafted by the CP leaders at Birmingham, Rob F. Hall, Joseph S. Gelders, and the writer doing most of the work on it. To issue this call, the party had a sufficient number of intellectuals, professional people, trade-union leaders, even two or three clergymen. From September through the first part of November, CP leaders and organizers throughout the South devoted their main activities to preparing for the conference.

Gelders had wide contacts among progressive groups and the leading members of the Democratic Party. Another influential CP member was Howard Lee, a leader of youth and student movements. Both Gelders and Lee became well acquainted with the President and Mrs. Roosevelt, won their confidence and friendship, and had free access to the White House. Gelders was invited by the Roosevelts to be their week-end guest at Hyde Park.

It was Gelders who persuaded Mrs. Roosevelt to attend the southern conference as the main speaker, and also as an active participant, and who obtained from the President the promise of a letter greeting the conference.

One of Gelders' friends was Virginia Foster (Mrs. Clifford) Durr, sister-in-law of Justice Hugo Black of the United States Supreme Court. Through Mrs. Durr, a paid subscriber to the New South, Gelders was able to persuade Justice Black to speak at the conference and to accept a "Jefferson Award." (The award actually was given in advance of the conference by a self-appointed committee organized through the initiative of Gelders.) Backed by the names of his two distinguished main speakers, Gelders was able to obtain the participation of Senator Bankhead, Representative Luther Patrick, and Governor Graves, of Alabama, Mark Ethridge, W. T. Couch, of the University of North Carolina Press, and other prominent citizens.

When work on the list of sponsors and speakers had met with success far beyond original expectations, the CP gave considerable attention to mass participation, with the objective of making it the largest interracial gathering ever held in the South. In spite of the prominent names on the list of sponsors, the trade unions, especially the AFL and railroad brotherhoods, were suspicious and their representation was surprisingly small. The CP leaders were more successful with Negro organization. John P. Davis, head of the National Negro Congress, and Edward Strong of the Southern Negro Youth Congress were able to obtain large delegations from many States in the South. Strong played the same role among Negro students and in campus groups that Howard Lee and Rev. Malcolm Cotton Dobbs played in white youth and student organizations.

Myles Horton and James Dombrowski, left Socialists and directors of the Highlander Folk School at Monteagle, Tenn., participated actively in the Southern Conference, where they cooperated closely with the Communist Party leadership—and with less illusions than anyone else of its role. (Dombrowski is now the executive administrative official of the Southern Conference.)

The conference itself, held at the Birmingham Municipal Auditorium, moved like clockwork. Seven or eight southern district organizers of the Communist Party were present, registered as official CP delegates. Although these organizers, together with a few party leaders, constituted the CP steering committee, their part in the conference proceedings was quiet and inconspicuous. The public leadership was left to Gelders, John P. Davis, Edward Strong, and other party members not publicly known as Communists. Party members wrote and introduced most of the important resolutions, not necessarily submitted in their own names. I personally drafted many of them. The language used and the program adopted at Birmingham offered little evidence of Communist inspiration. Resolutions for Federal aid to education, adequate medical care, abolition of the poll tax, raising southern standards of living—these are objectives sought by intelligent and progressive southerners. The language and content of these resolutions were satisfactory to avowed anti-Communists, including the Catholic priests who were present.

A disagreement during the conference between the writer and Rob F. Hall (then Alabama district organizer and now Washington correspondent of the Daily Worker) illustrates the emphasis the party sometimes places on efforts to involve Catholic Church groups in united-front activities.

As an individual delegate, I was supporting a resolution which called for other Southern States to copy North Carolina's State-financed "mothers' welfare clinics" where birth-control information was given by physicians. Hall asked me to withdraw support and even oppose the resolution on the grounds that it would antagonize the Catholics present. He was supported by Ted Wellman, Tennessee State secretary, on the issue. There was no official party decision, so I disregarded them and continued my active support of the resolution. When it came before the resolutions committee, the priests on it merely abstained from voting, so it was unanimously recommended to and passed by the conference. This was the most important difference of opinion in the Communist ranks. Otherwise the party machine operated with precision.

During the course of the conference, Chief of Police Connor, of Birmingham, played into the hands of the Communists. (He again furnished them with excellent propaganda material when he arrested Senator GLEN TAYLOR last year.) When one of the panel meetings of the conference was held in a church, the police chief gave orders for strict enforcement of segregation and stationed policemen in front of the church to see that all whites entered at one door and Negroes at another. Mrs. Roosevelt entered through the door assigned to Negroes—in spite of police protests. However, they did not dare arrest the wife of the President of the United States on such an issue.

At the end of the conference, a permanent organization was set up with Joseph Gelders as the full-time administrative officer. Dr. Frank P. Graham, president of the University of North Carolina, had made the opening address and now was elected president of the permanent organization. Dr. Graham is one of the most prominent liberals of the country and in my opinion is a man of the highest character and personal integrity. His active participation in the conference and acceptance of the presidency when he knew Communists had taken a leading part in initiating it requires careful consideration.

I was acquainted with Dr. Graham when I was the Communist Party district organizer of North and South Carolina from 1934 to 1937 and I believe I understand his point of view. In conversations with me and other Communists he made no secret of his opposition to the principles of communism, especially to revolution and dictatorship. Yet he believed in working with Communists or anyone else as long as they appeared to be working—even temporarily—for the same objectives as progressive American citizens in general. Apparently he did not and does not take into consideration the fact that for every Communist who is openly and publicly a member of the party, there are dozens who keep their membership and even their Communist sympathies a secret. These members try to get into strategic positions in all kinds of organizations—even churches—so that they can try to swing them as the party line shifts, in obedience to Moscow's foreign policy.

Dr. Graham had defended not only students but also members of his faculty who

joined the CP when political and civic leaders in North Carolina urged action to stop Communist propaganda on the campus. As chairman at a campus meeting he had introduced Clarence Hathaway, then editor of the Daily Worker. There are few liberals of his type, and the Communists usually take full advantage of them. The majority of my associates in the party leadership regarded such people with secret contempt to be used until the revolution and then cast aside or liquidated.

Although I have the highest respect for Dr. Graham, his record of collaboration with the Communists should not be overlooked. The Daily Worker of March 18, 1939, lists Dr. Graham as one of the founders of the American Committee for Democracy and Intellectual Freedom, a notorious Communist front which purported to organize American scientists and educators to campaign for the preservation and extension of democracy. In 1941 he was a sponsor of the American Committee for Protection of Foreign Born, one of the favorite smoke screens of Representative VITO MARCANTONIO.

Dr. Graham signed a 1938 statement of the American League for Peace and Democracy, and was a sponsor of its subsidiary front, the China Aid Council. The Citizens Committee to Free Earl Browder found Dr. Graham a willing signer of its propaganda releases in 1942. He was among those who sent greetings to the subversive International Labor Defense on the occasion of its 1939 conference.

When the magazine Soviet Russia Today gave a dinner celebrating the twenty-fifth anniversay of the Red Army on February 22, 1943, Dr. Graham was one of the sponsors. For some years the Communists have set aside Washington's birthday as a special day for extolling the glories of the Soviet Army. One of Stalin's first postwar international fronts, the World Youth Conference, secured Dr. Graham as a sponsor of its United States Arrangements Committee in the summer of 1945.

These are only a few of more than a score of Communist-front organizations, all cited as subversive by Government agencies, to which Dr. Graham has given his support as a sponsor, member or signer of statements. The southern conference was the only front which secured his active participation as an officer.

During the first year of the southern conference, the Communists were able to keep organizational control of the apparatus, holding key positions, largely because: (1) Most prominent members did not know that Gelders, Lee, Dobbs, and others were Communist Party members; (2) there was little in the party's slogans and immediate aims at that time to distinguish its members as different from progressive southerners in general.

The picture was a different one at the second conference, held in Chattanooga more than a year later. It was after the Stalin-Hitler pact, when Roosevelt had become an "imperialist" and a "warmonger" in Communist eyes. The sudden switch in the party line had cost the Communist Party most of its mass following and from a third to one-half of its own membership in the Southern States.

All party literature praising Roosevelt had been removed from circulation. New literature was rushed from the party's printing presses. One of the new pamphlets was William Z. Foster's World Capitalism and World Socialism (March 1941). Foster went back to the style of Browder's What Is the New Deal? In vitriolic denunciation of the "imperialistic Roosevelt administration. He said that Roosevelt (is) systematically pushing the country into the war against the will of the people, striding toward establishment of a military dictatorship.

The majority of liberals who had participated in the Birmingham conference were absent from Chattanooga. Others came determined to oppose the CP line and to urge support of the countries fighting Hitler. Dr. Frank Graham and W. T. Couch were leaders in the fight against the Communist line on the war and the international situation. The debates were sharp and bitter. The Communists would have been decisively defeated and kicked out of the conference had it not been for support from a large delegation of United Mine Worker delegates under the leadership of Katherine Lewis (John L.'s daughter). She and the UMW delegates supported the new isolationist line of the party. John P. Davis, a friend of Katherine's, served as liaison man between her and the leading CP fraction or steering committee. The outcome was a compromise, adoption of a few resolutions on domestic issues such as the poll tax, and neutrality on the war and world problems.

Dr. Graham resigned as president and was succeeded by Clark Foreman. In spite of his anger at the Communists, Dr. Graham was finally persuaded to permit the SCHW to continue use of his name as honorary president. The CP retained a dominant position in the organizational apparatus, but the party's role had become obvious to most former members and leaders.

The SCHW was little more than a handful of officers without an army until the advent of a new party line on June 22, 1941. Memories are so short that many people forgot about even recent events. Once more the Communists were able to praise the Roosevelt administration to the skies and pose as New Dealers. CP leaders had some success in rebuilding the southern conference during the war. After the defeat of Hitler the line went through another of its almost innumerable changes—so the SCHW had to revise its position again.

In the 1948 Presidential election the southern conference, under its Communist leadership, became virtually a part of the Progressive Party, and in most southern cities devoted its remaining resources to the Wallace campaign. In Miami, where the SCHW still had a paper membership of 300, the office of the organization was used as State headquarters of the Progressive Party.

Today the national office letterhead of the southern conference shows Judge Louise Charlton, of Birmingham, and Dr. Frank Graham as honorary presidents. The president, Clark Forman, and the executive secretary, James Dombrowski, have both followed the Communist line on every important issue. Office and administrative staffs have, to my personal knowledge, been composed largely of CP members.

Vice presidents and executive board members listed on the letterhead include Paul R. Christopher and Roy R. Lawrence, both leading officers of the CIO in the South—in spite of a national CIO decision withdrawing all support from the SCHW. William Mitch, Alabama head of the United Mine Workers, and George Googe, southern director of the AFL, remain as vice presidents. Another vice president is Virginia Foster Durr. John P. Davis is on the executive board.

In most southern cities today the conference is just a small front for the CP. What is left of its central apparatus is unquestionably under complete Communist control. But the organization is so isolated and discredited that it is no longer worth much to the Communists. About the only thing that remains of the Southern Conference for Human Welfare is its history, full of valuable lessons for objective study of Communist methods.

An organization that might have achieved real progress for the South's welfare in the last 10 years has gone the way of all worthy ideas when their purpose is perverted to serve the ends of the Communist Party. Many of us were slow in learning that Moscow, the source of all decisions, has no real interest in public welfare in the South or in anything which does not contribute to Stalin's relentless drive for world power.

Mr. BRICKER. Mr. President, at this time I wish to call up the amendment marked "B."

Mr. HOEY. Mr. President, I wonder whether the Senator from Ohio will yield to me for a moment, in connection with the matter he has been discussing.

Mr. BRICKER. I shall be happy to do so, if I may yield to the Senator from North Carolina without losing my right to the floor.

The VICE PRESIDENT. The Senator can yield the floor, and later can call up the amendment at the proper time.

Mr. BRICKER. Very well. Then I now yield the floor, and shall call up the amendment later.

Mr. HOEY. Mr. President, I do not know why the Senator from Ohio has selected this time to bring up the matter of the selection of Dr. Frank P. Graham as the head of the Institute at Oak Ridge. That matter has been pending for some time in different forms, as the Senator from Ohio has indicated. It has been investigated; various investigations have taken place.

It so happens that last night the Governor of North Carolina designated Dr. Frank P. Graham to fill the vacancy caused in this body by the death of our late distinguished colleague, Hon. J. Melville Broughton. I cannot remain silent when these suggestions or insinuations are made against the loyalty of Dr. Frank Graham. He will soon be a Member of this body, clothed with the dignity of the position of Senator of the United States, and charged with all the responsibilities of that office, as well as with the responsibility of representing the State of North Carolina in this body.

Mr. President, I have known Dr. Frank Graham all his life. He comes from my State. He comes from great American stock. He is as loyal as any American who walks this earth. I do not agree with Dr. Graham in many of his philosophies, in many of his principles, in many of his ideas; but there has never been in North Carolina any question about his loyalty to this country and its great traditions and its high ideals. Dr. Graham was a soldier in the First World War, serving in the Marines. He was as gallant and brave a soldier as any who faced the enemy in that great struggle. Ever since then he has responded to the call of our Government in its times of need; and there has never been anyone who knew him well who would say that he would ever hesitate to respond to the need of America or to serve his Nation with the utmost devotion to its great interests.

I know that Dr. Graham has served in many capacities, and at times he has been careless in permitting his name to be associated with certain organizations before he has learned exactly what they were. When an organization which has seemed to be a good one and has seemed to be serving the interests of the country

has asked permission to use his name, he has sometimes been too lax in permitting his name to be used in connection with it. That very criticism has been made in North Carolina; but there has never been any suggestion that he is not loyal or has not tried his best to serve his country; and no one who knows him would hesitate to trust him with any secret this Nation might have or with any plan this Nation might have for defending itself at any time or under any circumstances.

Mr. President, he is a great American. He is one of the great educational statesmen in America. He has rendered great service both in this country and abroad. Our Government has trusted him in many important positions and in service in many important capacities. In all of them he has demonstrated not only his great loyalty but his fine responsibility and capacity in the tasks entrusted to him.

I wish to pay this tribute to him, because when he comes here I shall take pleasure in presenting him to this body. As I have said, I do not agree with his philosophy in all respects; but I do not for a moment question his loyalty, his devotion to his country, and his full and complete dedication to the public good. In my own behalf and in behalf of all the other people of North Carolina who know and love and trust him, I wish to make these remarks at this time.

Mr. MORSE. Mr. President, I think it is correct to state that perhaps I know Dr. Frank P. Graham more intimately than does any other Member of this body on the Republican side of the aisle. I wish to say to my good friend the Senator from Ohio [Mr. BRICKER] that I have no objection whatever to having any Senate investigation made of any of the loyalty procedures of our Government or to having an investigation made of how loyalty boards are appointed or are dismissed.

But, Mr. President, I would be untrue to one of the most beautiful friendships I possess if I did not rise on the floor of the United States Senate this afternoon and pay tribute to what I think is one of the finest appointments to the United States Senate that could be made from any State in the Union, namely, the appointment of Dr. Frank P. Graham to the United States Senate from the State of North Carolina.

Mr. President, for 2 years he and I served as public members of the War Labor Board, during the war. We shared a joint reception office. We worked day in and night out, many times the clock around; in fact, I think we averaged for 2 years, about 1 out of 11 nights working a 24-hour stretch in an endeavor to keep labor disputes settled, so that some war plant would not be shut down, and thus result in a work stoppage which would interfere with the successful prosecution of the war. I came to know very intimately this great educator and liberal leader from North Carolina. I meant it sometime ago when on the floor of the Senate I said, when once before he was attacked, that if I had to name the 25 greatest living Americans, I would include within the 25 the distinguished president of the University of North Carolina, Dr. Graham, and I would place him exceedingly high on the list.

The tribute that I now pay him, no man has the right to pay to any human being, unless he knows the man so intimately that he can be sure that the characterization of Dr. Graham I now state is a justified tribute. I say that Dr. Graham in my opinion is one of the most Christ-like men I have ever met. To associate with him, to observe his courage, to watch his great intellect in operation, to experience the inspiration of his moral leadership makes one feel truly humble. It strengthens one's faith in men to know that there can live a man in these days as devoted to Christian principles as the president of the University of North Carolina, Dr. Graham, the new appointee to the United States Senate.

The Senator from North Carolina [Mr. HOEY] has referred to Dr. Graham's record in the First World War. He was a marine and a fighting marine. I want to say that the patriotism and the loyalty to our form of government which characterizes the marine is typical of the life-long record of Dr. Graham. He and I did not always agree on every issue before the War Labor Board. I remember today as though it happened as recently as last night, the great deliberations and arguments we had in 1943 over the coal case. It was that case in which I refused to follow or go along with my public colleagues on War Labor Board. It was that case which ultimately ended in a vote of 11 to 1, with the junior Senator from Oregon dissenting. I dissented because I was satisfied that on the record before us the contract proposed by administration officials for the settlement of the coal strike in 1943 should not have been approved with the mines shut down. It was my view that the approval of the contract was given by our Government with a strike gun at its head. In fact I thought the strike greatly influenced the terms of the contract and violated War Labor Board policies. But I remember Graham, after we had been in session for 2 days and for most of 2 nights disagreed with my position on the case. I remember what he said on that occasion as he summarized his position in explanation as to why he was going to vote to approve the coal contract. When the record comes out of archives, some years hence, I think it will show about these verbatim words from the lips of Frank Graham. My recollection is that the following is a fairly accurate paraphrasing of what he said: "Gentlemen, our Commander in Chief is in great difficulty in regard to this case. It is a difficulty for which he is not the least responsible. It is a difficulty which calls upon the Commander in Chief to take whatever steps are necessary to assure immediately the maximum production of coal. I agree with Wayne, it is very difficult to approve of this contract under the circumstances that we are called upon to approve it. But as an ex-marine, when I find my Commander in Chief in difficulty, I am going to go to the rescue of my Commander in Chief."

That is typical of the courage and the loyalty of Frank Graham. I had disagreed with him on the merits of the case, but I respected his forthrightness. I replied that although I respected his point of view I felt that also my country was in danger, and on that particular case I was going to cast my vote against approving of the contract, because I believed my country would be in greater danger and difficulty if we approved the contract than would be the Commander in Chief if we insisted upon applying the same policy of the War Labor Board to the coal case that we applied to all other cases.

But I want to say, Mr. President, that as a result of those 2 years of association with Frank Graham on the War Labor Board, I know of his great qualities and of his devoted loyalty to our Government. It is by such intimate associations as I have had with Dr. Graham that one can really judge the qualities that go to make up a man. I want to say that I care not what board raises questions as to the loyalty of Frank Graham. Small in stature though he may be, he is a giant among Americans when it comes to loyalty to our form of government and everything for which the flag behind the Vice President stands. I could not sit here in silence and fail to pay this respect to a man who I think walks across our land today as a great patriot, a great citizen, and a man who in the Senate will prove himself to be a great statesman.

Mr. MCMAHON. Mr. President, I tried to obtain recognition after the Senator from Ohio had concluded. I am indeed glad now I was not successful, because I think it is good for the RECORD that we should have had the remarks that we have had from the Senator from North Carolina and the Senator from Oregon. Both have had the privilege of knowing Dr. Graham very intimately. I have only known him rather slightly. The slight acquaintance I have with Dr. Graham would seem, however, to convince me that further acquaintance and friendship with him could only bring me to the same conclusion that has been arrived at by the Senator from North Carolina and the Senator from Oregon.

I feel, Mr. President, as though, in connection with this matter, I should say a word about the activities of the Joint Committee on Atomic Energy, of which I have the honor to be chairman. After it was announced that Dr. Graham had been cleared—had been given, as the Senator from Ohio phrased it, a Q clearance—the matter was brought to the attention of the joint committee in executive session. At that time one of the members of the committee suggested it might be well if a public hearing were to be held on the matter. I, as chairman of the committee, supported the request, because it seemed highly suitable to me, when grave charges were made concerning a very important action of the Atomic Energy Commission, that we as the watch-dog committee over that Commission should use our power to give the people of the United States the full information on which the Commission acted.

The file on Dr. Graham was available to every member of the committee. I personally examined it. I knew after examining it that a public hearing would be a very short one, but it would furnish Dr. Graham with a very fine opportunity to answer the accusations made against him. The file was transmitted to other members of the committee at their request. One of the Senators who was very much interested in the matter has been very busy with other affairs, and I know it has been impossible for him to come to a definite conclusion as to what he wants to do further in the premises.

I regret that the Senator from Ohio did not withhold his remarks until the new Senator could be present to answer him. I assume that if the occasion arises, Dr. Graham will do so.

I merely want to say, as a word of reassurance to the Senate and to the Congress, that the joint committee is indeed aware of the seriousness of the duties which are imposed upon us by law. We are doing our best to discharge those duties. We have a great deal of difficulty in operating our committee which has to do with an activity which has many secret phases in the midst of a free democratic society.

For a long time I have been troubled about working out a way whereby greater information could be given to the Congress and to the American people, without, at the same time, giving information which would be of value to a possible enemy. It is a question of finding a nice balance. We need all the wisdom, all the discretion of which we are capable, and then some. But I feel, Mr. President, that in this instance, at least, the committee has not been unaware of its duty; it has not been unaware of the situation, and I think we have conducted ourselves in a manner which is beyond criticism.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. McMAHON. I yield to the Senator from Indiana.

Mr. JENNER. Mr. President, I wonder if the Senator may have some explanation of why the board of distinguished men who passed upon the loyalty of persons who had to do with the highly secret atomic bomb resigned their positions. Does the Senator know why Mr. Roberts, Mr. Humphrey, and the others resigned? They are public-spirited men. I am sure they would not run off and desert their patriotic duty.

Mr. McMAHON. Mr. President, I think the Senator from Indiana is incorrect in his deduction that the board, headed by former Justice Roberts, resigned because of the Graham case. That is not my information.

Mr. JENNER. What happened?

Mr. McMAHON. As I understand the situation, the board agreed to serve for a certain length of time, and did so serve, and reviewed thousands of cases. It happened that the members of the board decided they had served long enough and had taken enough time from their other duties. I have never heard it averred, until today, that the resignation of the so-called Roberts board was in any way connected with the Graham case, and I can say to the Senator from Indiana that, personally, I believe that averment is without foundation in fact.

Mr. JENNER. The Senator was a member of the joint committee when the matter of clearance came before the Atomic Energy Commission, was he not?

Mr. McMAHON. I was chairman of the joint committee. I was and I am chairman of that committee.

Mr. JENNER. Did Mr. Lilienthal take up with the committee the matter of the loyalty of anyone? Did he bring that matter up before the Commission?

Mr. McMAHON. No; and I would not expect him to do so.

Mr. JENNER. Did he bring it before the joint committee?

Mr. McMAHON. I would not expect him to.

Mr. JENNER. Did the committee, when permission was given to persons to go into the atomic-energy facilities and have full run of the place and of all the necessary information, have an interest in who had that authority?

Mr. McMAHON. I will say to the Senator that, under the law, it is the responsibility of the members of the Atomic Energy Commission to administer atomic-energy projects. Under the law, it is the function of the joint committee of Congress to keep currently and actively informed as to the progress and affairs of the Atomic Energy Commission. Obviously the joint committee is not an administrative body which makes day-to-day decisions on the operation of the project. It is, in a sense, a review committee. The subject was brought before the committee, and I told the Senate what happened. The Senator may recollect that I said it was brought before the committee, that we discussed it; that the chairman, the Senator from Connecticut, was in favor of an open hearing on the question, which has not been held, because the member of the joint committee who brought it to our attention has not completed his review of the files, and, in my opinion, when his review has been completed, he will not press for further investigation of the matter.

Mr JENNER. Mr. President, will the Senator yield further?

Mr. McMAHON. I yield.

Mr. JENNER. I take the same position as does my colleague the Senator from Ohio [Mr. BRICKER], but I do not think anyone is questioning the fact that Dr. Graham is a good man, a patriotic man, and all that. However, it is common knowledge, through publications and newspaper accounts, the FBI, and the Un-American Activities Committee, and so forth, that he is a little bit soft on Communist-front organizations. So far as I am personally concerned, I would rather see a man with his weaknesses in the United States Senate, than to see him have a clearance with the Atomic Energy Commission. He can only talk here, but with a clearance from the Atomic Energy Commission he can do a heck of a lot of damage.

[Manifestations of applause in the galleries.]

The VICE PRESIDENT. This is a debate on an extraneous matter, and the Chair will enforce the rule that a Senator who has the floor can yield only for a question.

Mr. HICKENLOOPER and Mr. McCARTHY addressed the Chair.

The VICE PRESIDENT. Does the Senator from Connecticut yield; and, if so, to whom?

Mr. McMAHON. I yield first to the Senator from Iowa.

Mr. HICKENLOOPER. Mr. President, I will say to the Senator that I think I will have a contribution to the discussion at the close of the Senator's remarks.

Mr. MORSE. Mr. President, a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. MORSE. The point of order is that the occupants of the galleries are not in order. I should like to have the Chair advise the occupants of the galleries that any demonstrations on their part are against the rules of the Senate.

The VICE PRESIDENT. The occupants of the galleries will understand that it is against the rules of the Senate to make any demonstration in favor of or against anything done or said in the Senate.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. McMAHON. I yield to the Senator from Wisconsin for a question.

Mr. McCARTHY. Mr. President, I should like to ask the Senator a question which does not have to do with Dr. Graham, but is on a subject equally important, and I believe the Senator, as chairman of the Joint Committee on Atomic Energy, can answer it. For some time I have been going over a book which is for sale at 35 cents, issued by the Atomic Energy Commission. As a former intelligence officer in the Marine Air Corps I have had occasion to take aerial photographs and to draw bombing maps. In the book to which I refer I found the most vital and most perfect aerial photographs and bombing pictures of our most secret installations. Did the Joint Committee on Atomic Energy have knowledge of this booklet before it was printed? If not, has the joint committee gone over it, or is it the committee's intention to go into that subject? I, personally, do not know who is responsible for issuing it for any and all persons to use, if they will pay 35 cents. It contains the most vital, the most complete, and the most accurate bombing pictures conceivable of our most secret installations.

Mr. McMAHON. Mr. President, I am very happy indeed that the Senator has asked that question. The facts of the matter are these. The fifth semiannual report of the Atomic Energy Commission was filed with the Congress of the United States, under the law, on the 18th day of January or thereabouts. Just previously to that a report appeared in Fortune magazine, which has also been criticized for giving out information of value to a possible enemy. That matter has been very thoroughly discussed and investigated in two sessions of the joint committee, and these are the facts: There was brought to us almost a wagon load of pictures, maps, and newspaper articles, and, of course, a copy of the Smyth report. I will say to the Senator that there is not a single picture or

a single map of any importance or conceivable value that had not been in the public domain for 3 years. I will say to the Senator, further, that the United States Coast and Geodetic Survey has complete maps of this country which the Senator could buy by the dozen, at plenty of places, before he saw the aerial map in the fifth semiannual report to which I have referred.

Let me say this to the Senator: Imitation is the sincerest form of flattery. We can keep information regarding this project secret from the American people and we can keep it secret from others. There is no one that I know of, either on the Commission or on the joint committee, who is more anxious to keep the vital secrets of the atomic bomb than I am.

I also say to the Senator that if we desire to imitate totalitarian governments, we can act in the way Russia acts.

Mr. McCARTHY. Mr. President, will the Senator further yield?

Mr. McMAHON. Just a moment. Nothing could be more ridiculous than the criticism that has been leveled at the fifth semiannual report and the Fortune magazine article because there is not a single thing of consequence in them that has not been public property for the past 3 years.

Mr. McCARTHY. Will the Senator yield for a further question?

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from Wisconsin?

Mr. McMAHON. I yield.

Mr. McCARTHY. In view of the fact that the publications to which the Senator and I are referring do contain excellent, clear aerial photographs of the Hanford plant and, as I recall, every other one of our secret installations, may I ask what, if any, steps have been taken to prevent the aerial photographing of those installations; and when the Senator sees an aerial photograph which would make a perfect bombing picture, what, if any, steps are taken to discover who took that picture?

Mr. McMAHON. The matters the Senator has mentioned were released by the United States Army in 1945. The aerial maps are a part of the maps, I understand, which are made for commercial flying in this country. The Senator knows that airplane maps are available at very small cost to civilian flyers, of whom there are thousands in the country, not to mention commercial flyers.

Mr. McCARTHY. Mr. President, if the Senator will yield further, a short time ago a Naval Reserve flyer contacted my office. He had attempted to fly over the corner of the Hanford project, not over the plant but over a corner of the land. He was called up, and, I think, permanently grounded, and I think rightly so, on the theory that no commercial or any other kind of a pilot should fly over the most secret installation this Nation has. Within 2 days after I had told that young man that he had been rightfully grounded, that he never should fly again, I picked up this book and I found, not a navigation map, to which the Senator refers, but a perfect aerial photo taken from directly above the Hanford plant.

I am sure the Senator knows that expert photo interpreters can take those photos and can tell within one one-hundredth of a degree of accuracy exactly what is being manufactured in those plants. In addition to that, the important plants were pin-pointed as being such and such a distance from the mouths of certain rivers.

I looked that over, and I could not help feeling that if we ever were in war, and if we could get such detailed aerial maps of enemy installations, it could shorten the war by years in our favor, and conversely if the enemy had them.

I should like to ask the Senator another question, and I am not speaking of navigation maps. Does the committee intend to do anything in the future to avoid the publication of aerial maps, bombing maps, if you please, aerial pictures of those secret installations, or does the Senator think we should hand them out as freely as we have them?

Mr. McMAHON. Mr. President, the answer to the question is just this, that the Joint Committee on Atomic Energy is certainly as anxious as is the Senator from Wisconsin—and I think I can speak for the committee—in seeing to it that no information of value to a possible enemy shall be allowed to be given out.

I may say to the Senator that in the act there is a provision for a military liaison committee. The members of that committee are military men. They represent the Secretary of National Defense—the Air Force, the Navy, the Army, the Ground Forces. They went over the fifth semiannual report word by word, and they notified the Commission that there was nothing objectionable in the releases.

I may say further to the Senator that perhaps if back in 1945 I could have called in all the aerial maps of the United States, if I could have called in the maps which showed the vital installations, I might have been disposed to do so. I do not believe I would have. A very strong case can be made for their release by the United States Army which released them. Gen. Leslie Groves made such a defense in the Saturday Evening Post last summer.

But I again emphasize to the Senator that the matters which were contained in that report, and in the Fortune article, were in the public domain for 3 years, and we would not be deceiving anyone but ourselves by withholding them. Let us not forget that thousands of copies of the so-called Smythe report were printed and distributed around the world.

Mr. McCARTHY. Will the Senator yield for a further question?

Mr. McMAHON. I yield for a question.

Mr. McCARTHY. Will the Senator take the fifth semiannual report and refer to page 17, and look at what is a perfect bombing map, a perfect aerial photo, and tell me whether or not the Senator thinks it is proper for us to keep making such pictures, and I ask the Senator to keep in mind, when he does that, that I am not referring to navigation maps, but referring only to aerial photos of these most secret installations.

I should like also to have the Senator answer another question, if not today, at some future time, namely, whether or not his committee will take steps to see that no further pictures of these most secret installations are taken and published; whether it is in a report by the Commission, or Fortune magazine, or any other magazine. If the Senator's committee does not intend to do that, then I think our Committee on Expenditures in the Executive Departments would like to have the information, and we could take such steps as we think proper.

Mr. McMAHON. If the Senator should attempt to do that, I think he would meet some opposition. We know our business.

I do not seem to be able to make the Senator understand that the release of these maps and this information was made in 1945, when the matter was under the jurisdiction of the United States Army. There is no use going back to 1945, or trying to, and attempting to put the chicken back into the egg. It simply will not go. That matter has been released. There can be differences of opinion as to whether the scientific progress of America was better served by the release of the information than by its concealment.

I wish to point out to the Senator and to the Senate that there are two kinds of security. There is the kind he knows about, which is locking the door, keeping the combination of the safe, pulling down the shades, but, as Charles Kettering, vice president of General Motors, said, "When you turn the key in the laboratory door you lock out more than you lock in."

I wish to point out to the Senator that there is what we call security by achievement, keeping ahead in all lines of advancement, always having in mind the necessity for striking a balance between the necessity for concealment and the necessity for security by achievement.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. McMAHON. I yield to the Senator from Vermont for a question.

Mr. AIKEN. I should like to say that I have received some complaints about the publication of photographs taken in areas where flying is prohibited. I made inquiry, and was advised that flying in the area of Oak Ridge and other installations was prohibited, not for the purpose of keeping those locations secret, because as the Senator says, they have been well known since 1945, but for the purpose of eliminating possible forced landings or crashes which might do considerable damage to the installations. Does the Senator know whether that information is correct?

Mr. McMAHON. Yes; the Senator is correct. That is the obvious and true explanation.

Mr. LUCAS and Mr. McCARTHY addressed the Chair.

The VICE PRESIDENT. Does the Senator from Connecticut yield, and, if so, to whom?

Mr. McMAHON. I yield to the Senator from Illinois.

Mr. LUCAS. Will the Senator agree with me that we ought to continue the discussion of the rent control bill pretty soon, and try to conclude its consideration tonight?

Mr. McMAHON. I am not so sure. We are touching on a question that is vital to the best interests of this country. The Senator from Illinois knows that the senior Senator from Connecticut has not been one of those Members of the Senate who has unduly occupied the Senate floor during his term as a Senator.

I am as anxious as he is to have action completed on the rent-control legislation, but now that the discussion has come up I am not sure but that it is a pretty healthy thing that at least we should start a discussion on it. I should like to continue the debate at some other time, but I certainly do not wish to conclude it while there are any—shall I say—pertinent questions to be asked on the matter.

Mr. LUCAS. Mr. President, will the Senator yield further?

Mr. McMAHON. I yield.

Mr. LUCAS. I do not want to take the Senator off his feet, or anything of that kind, if he thinks the matter should be discussed at this time. I simply wish to make the observation, Mr. President, that we are going to try to conclude action on the rent control bill tonight, and it may be that we shall be working in the wee hours of the morning before we finish.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. McMAHON. I yield to the Senator from Wisconsin for a question.

Mr. McCARTHY. In view of the fact that the Senator from Connecticut has told the Senate that these pictures were all published in 1945, I ask him if he will refer to pages 68 and 69 of the report which I will now hand to him, and I call his attention to the fact that we have there perfect aerial photos of atomic plant constructions started in 1948.

Mr. McMAHON. I understand the Senator from Wisconsin refers to the Argonne laboratory. Is that what the Senator refers to?

Mr. McCARTHY. I refer to both scenes. I ask the Senator also to refer to page 17, an aerial photograph of a construction which was not in existence in 1945, as far as I know, at least not in the shape that it is found in that photo.

Mr. McMAHON. The fact that the Senator has called my attention to these pictures does not change the basic situation. The K–25 picture on page 17 is substantially in accord with the picture that I have seen other than in this book. There are 40,000 people working in this plant. The existence of slave labor camps in Russia can be kept secret, but we cannot keep secret the fact that there are 40,000 Americans in a big city in the heart of Tennessee. That fact cannot be kept secret from anyone.

Mr. McCARTHY. Let me ask the Senator further. Is there any reason why we should publish aerial photos of current construction of our most secret war plants? I am not speaking of navigation maps. I am not speaking of keeping the location secret. I know that when there are 40,000 people working in a plant that fact cannot be kept secret. But is there any reason why we should publish aerial photos, in other words, bombing maps, of our most secret plants? Does the Senator know of any reason for that being done?

Mr. McMAHON. All I can say in answer to the Senator's question is that if it has been in the public domain since 1945, if there was any damage done by reason of it, it was done in connection with the action of the Manhattan district in 1945.

Mr. McCARTHY. I wish to ask the Senator one further question before he yields the floor. Does the Senator think it is proper then to continue printing pictures of the construction of secret installations, as has been done here in connection with construction started in 1948?

Mr. McMAHON. I will say in answer to the Senator's question that I think we had better leave this thing to the men we have charged to do it. I think we had better leave it to the men who have the technical advice to make technical decisions. I say to the Senator that he is incompetent on this floor or in any forum to start censoring the kind of information which should be given out by the Atomic Energy Commission. I say to the Senator that when we get to the point where we are going to start writing on the floor of the House and the Senate the kind of information of a technical character that can be safely given out to the American people concerning this project, then God help the project. And maybe, God help the United States. Because I will say to the Senator——

Mr. McCARTHY. Does the Senator yield?

Mr. McMAHON. I refuse to yield.

The VICE PRESIDENT. The Senator refuses to yield.

Mr. McMAHON. I say to the Senator that only by staying ahead in this field are we going to get any real security. Is the Senator one of those who believe—I am sure he is not—that other countries will not at some future time come into possession of this force? I personally am sure that they will. It is only by staying ahead that we can have any kind of worth-while security.

Mr. President, I plead with the Senate, I plead with the country, really to reflect on this matter and to realize that we are dealing with a science that is most intricate, a science that is most complex. I plead with the Senator to realize that we cannot in this body, no matter how well intentioned we are, come to adjudications and judgments as to each fact that is made known by the Atomic Energy Commission. The Commission is composed, I may say to the Senator, of patriotic men. I believe they have done a magnificent job, in line with what we charged them to do some 2 years ago.

Mr. McCARTHY. Mr. President, will the Senator yield for one further question?

The VICE PRESIDENT. Does the Senator from Connecticut yield for a question?

Mr. McMAHON. I am about done.

Mr. McCARTHY. I wish the Senator would retain the floor until I can ask a brief question.

Mr. McMAHON. Very well.

Mr. McCARTHY. The Senator from Connecticut has said that he does not believe we are competent to pass upon these matters, and that we should leave them in the hands of those we have given the job. I remind him that this body, and this body alone, has the power to declare war, if the time should ever again come when it is necessary to do so. I remind him that this body is charged with maintaining the security of the Nation. Now, among other duties, I worked on aerial photographs for 2 or 3 years during the war, and having that knowledge, I pick up a photo and find that our own Government has put out and made public perfect bombing maps, maps that clearly show the locations of plants which are devoted to the manufacture of materials necessary to the security of our country—now, may I ask, does the Senator say that I, as a Senator, should say, "Let us forget about this, and leave it to the Commission, because we have given them this job," or is it our duty as Senators to delve into this matter and find out whether the men responsible are doing their jobs properly or whether they are endangering the security of the Nation?

Mr. McMAHON. Mr. President, I call attention to the fact that the Fifth Annual Report, of which the Senator complains, was submitted to the military liaison committee, and they found nothing objectionable in it. That is their testimony to the committee. They also testified that it was given out under Gen. Leslie Groves in 1945. Now does the Senator wish me to take his interpretation or the interpretation that I heard before the joint committee?

Mr. President, I have some respect, more than a good deal, I might say—for the request of the majority leader. This debate is a very vital one. It could continue for hours and hours, and undoubtedly, before the end of this session, will in one form or another. But I would at this time request that I be allowed to take my seat, and that we proceed to consideration of the pending business, the rent control bill. We can debate the other matter at a later time.

The VICE PRESIDENT. There is no rule against the Senator from Connecticut taking his seat whenever he is ready.

Mr. PEPPER. Mr. President——

The VICE PRESIDENT. The Chair recognizes the Senator from Florida.

Mr. PEPPER. Mr. President, the Scriptures give us a good admonition not to judge lest we be judged.

Rule XIX of the Senate, section 2, provides that—

No Senator in debate shall, directly or indirectly, by any form of words impute to an-

other Senator or to other Senators any conduct or motive unworthy or unbecoming a Senator.

Subsection 3 provides:

No Senator in debate shall refer offensively to any State of the Union.

Mr. President, I do not impute to the Senator from Ohio [Mr. BRICKER], for initiating this discussion, in the manner and under the circumstances surrounding his remarks, any improper motive or conduct unbecoming a Senator. But it is a strange and uncharacteristic lack of cordiality and reciprocity for the Senator from Ohio, if I may say so without violating the rule, to attack by imputation and insinuation, at least, the patriotism of a man named to the United States Senate by the governor of a State, who has not had the privilege of presenting his credentials to this body, and does not have the opportunity to castigate as false what may be said by those who would impute his loyalty.

Mr. BRICKER. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Ohio for a question?

Mr. PEPPER. I decline to yield.

The VICE PRESIDENT. The Senator from Florida declines to yield.

Mr. PEPPER. Mr. President, I have been in the Senate only a little more than 12 years. But I have never yet seen a similar spectacle. Surely every Senator knows that under the rules of the Senate, when a Senator presents his credentials to this body, for approval or rejection, then is the appropriate time for a question to be raised, if it is to be raised, of the admissibility of him who comes knocking at this honorable door.

Every Senator knows, Mr. President, that the Committee on Rules and Administration has jurisdiction over the matter of credentials and qualifications of Senators presenting themselves for admission to this membership.

Yet today when the morning news tells us that a governor of a State has named a distinguished citizen of the State to the United States Senate, by clear innuendo if not statement, and effect if not design, the patriotism and loyalty of that gentleman is brought into question.

Mr. President, the idea of calling for a joint committee to investigate atomic energy disclosures was obviously not the design of these remarks. It seemed to me, at least, as one auditor, to cast some disparagement upon the character of this man before he has even an opportunity to present himself to be heard and to be judged. His credentials cannot be approved in this Chamber unless a majority of the duly elected Senators shall approve them when they are presented. But certainly he is prima facie entitled to the protection accorded all de jure Senators under rule XIX, at least until he has an opportunity to defend himself before this bar.

If the charges had been made before the Committee on Rules and Administration of the Senate, then would have been the appropriate time for testimony to the contrary, or an explanation thereof to have been presented. But today he is struck without an opportunity to reply in his own right, without any opportunity for a witness to appear, except such Senators as feel it was an injustice to this good and great man for the Senator from Ohio to say what he did, and have ventured to say a word in defense of his integrity, his patriotism, and his loyalty.

The morning press tells who this man, Frank Graham, is. I am reading from the New York Herald Tribune of this morning.

Dr. Graham, the son of a North Carolina educator and civil leader, Alexander Graham, was born at Fayetteville, N. C., on October 14, 1886. He was graduated from the University of North Carolina in 1919. He studied law here and received a master's degree from Columbia University.

He served in the Marine Corps—

Which is not exactly a recruiting ground for the disloyal, Mr. President—

in World War I, and was discharged as a first lieutenant in 1919, returning to the university—

I assume to the university where he went to college, his own State university—

as assistant professor of history. He became president of the university in June 1930. He has received 13 honorary degrees, on two occasions getting four of them in a single year.

I have not such a lack of confidence, which some would entertain, as to believe that the colleges and universities of America are disposed to award honorary degrees to the subversive or to the dangerous.

The article then tells of the lady of North Carolina whom this man chose to be his bride.

The newspaper article further states:

Dr. Graham has been president of the university since June 1930. He served as Vice Chairman of the Consumers Board of the National Recovery Administration, and as chairman of the national advisory council to the Cabinet Committee on Economic Security. He was a member of the War Labor Board from 1942 to 1945 and was American representative on the Good Offices Committee of the United Nations which arranged a truce in Indonesia.

The excellence of his conduct as member of the War Labor Board was attested to ably and eloquently this afternoon by the Senator from Oregon [Mr. MORSE]. Yet, Mr. President, before he can present his credentials he is attacked on the floor of the United States Senate, with insinuations of disloyalty and unworthiness. The remarks could have had no other significance, if not design, than to impeach the worthiness of this American citizen.

Mr. President, as I have served on committees of this body I have heard Dr. Frank Graham plead for Federal aid for the South he loves. I have heard him plead for medical care for the citizenship which he esteems and reveres. I have heard him espouse one worthy cause after another before committees of the Congress. I am willing to say, with measured design and intent, that I know of no citizen who loves the South more, or has done more to make it better and great, than Dr. Frank P. Graham, president of the University of North Carolina. The Governor of his State, exercising his sovereign right, appointed him to be a United States Senator from that State. Yet even before his credentials can be presented his loyalty to the country for which he bared his body to the enemy as a Marine in World War I is brought into discredit.

Mr. President, I place the patriotism of no Senator—and that includes my devoted friend from Ohio—above that of the Senator-designate from North Carolina. I base that statement on great respect and admiration for them both. I think it surely must not have been the design or intent of the Senator from Ohio to raise a question of his loyalty before this man can be sworn in. If it were, I think the Senate would repudiate such a suggestion, as I am confident his State will when he comes up for reelection, and as his country has already done through the admiration and esteem which it has long extended to him.

Mr. HICKENLOOPER. Mr. President, I am utterly unprepared this afternoon to discuss the general subject which has arisen, or its connotations, because I did not anticipate that the subject would be discussed on the floor of the Senate. But because I happened to be chairman of the Joint Committee on Atomic Energy for 2 years before January, and especially because in a collateral way the matter of loyalty clearances and the policies of loyalty clearances of the Atomic Energy Commission had been a matter of considerable interest to the Joint Committee for 2 years, I can perhaps throw a little light on the situation which may at least orient the record and, I hope, give some perspective in the present situation.

In the first place, with respect to Dr. Graham, I can say that I respect thoroughly and utterly the constitutional provisions for the selection of Members of the United States Senate, whether it be by reason of appointment by the Governor or election by the people. I realize that we have responsibilities in the field in which we are charged with action on certain occasions. We are the sole judges of the election and qualifications of Members of this body.

I shall not at this time state an affirmative or negative opinion with respect to Dr. Graham. I am not prepared to do so. I have never met Dr. Graham. However, Dr. Graham, as an incident, did come to my attention sometime ago, while I was still chairman of the Joint Committee. The subject came to my attention as an incident in connection with the procedures of the Atomic Energy Commission in passing upon the employment of persons under the Commission and in passing upon their eligibility under the law to have access to classified information.

I invite attention to the provisions of the Atomic Energy Act touching upon the qualification requirements. In general, the act provides that before a person can be employed on projects where classified information is handled, he

shall be investigated as to three things: First, his character; second, his loyalty; and third, his associations.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I will yield for a question. I prefer to round out my statement, if I can, but I am glad to yield for a question.

Mr. JENNER. I shall let the Senator proceed.

Mr. HICKENLOOPER. I do not like to interrupt the continuity of the position I am attempting to state. I shall be glad to yield to the Senator later.

The order set out in the statute is: Character, loyalty, and associations. Late last year the matter of the clearance or nonclearance of Dr. Graham came to my attention, as chairman of the joint committee. The Congress was not in session. It was not a subject with respect to which I cared to send a round-robin letter to members of the committee. In January, when the Congress reconvened, a new chairman was elected. The Senator from Connecticut [Mr. MCMAHON] was chosen chairman; and this particular subject, which had in one way or another come to my attention and had received at least some investigation as to procedures of the Commission, was turned over to the new chairman.

I can corroborate the situation of the Senator from Connecticut that the present joint committee sometime ago decided in executive session that this particular matter would be examined into from an atomic energy standpoint. That examination has not yet come to an accomplishment; and I think the reasons therefor are perhaps collateral to anything to be said here. But I do say it is an unavoidable fact, Mr. President—whether this is collateral to other issues or not, it is an unavoidable fact—that there did come before the Joint Committee on Atomic Energy the full information that the Personnel Security Board of the joint committee had refused to grant what they call a "Q" clearance to Dr. Graham, and that the Loyalty Advisory Board, headed by former Justice Roberts, had refused to grant him a clearance for information. The decision whether to grant or not to grant clearance could have been based on the question of loyalty or on the question of character or on the question of associations.

Mr. JENNER. Mr. President, will the Senator yield on that point?

Mr. HICKENLOOPER. Yes.

Mr. JENNER. In regard to that point, let me ask this question: Is there a security officer who screens the employees with regard to their character, their loyalty, and their associations? Is there such a security officer with the Atomic Energy Commission today?

Mr. HICKENLOOPER. Yes; there is.

Mr. JENNER. Does the Senator know his name?

Mr. HICKENLOOPER. Yes.

Mr. JENNER. What is his name?

Mr. HICKENLOOPER. Admiral Gingrich is the head of that department.

Mr. JENNER. Is Admiral Gingrich the same man who was serving in that capacity when Dr. Graham's name came before the board, composed of Justice Roberts, Ambassador Grew, Dr. Compton, and the others who have been named? Was Admiral Gingrich in that position at that time?

Mr. HICKENLOOPER. I think he was. He has been security officer for about 2 years.

Mr. JENNER. My point is this: No one questions the appointment of Dr. Graham to this body. He is coming to this body by one of the regular constitutional methods. I think the Senator from North Carolina [Mr. HOEY] made the appropriate point when he said that Dr. Graham is a fine, patriotic, intelligent, loyal American who is a little prone to let his name be associated with bad organizations.

I wish to ask this question: If the man who was then security officer, and is now security officer, had learned these facts, does the Senator think that probably he would have said that Dr. Graham was not a man fit for clearance? I wish to read now, in connection with that question, from page 6 of the Report on the Southern Conference on Human Welfare, which is Report No. 592 of the Eightieth Congress, first session. I submit that the Senator from Iowa can answer the question either "Yes" or "No," after I read this quotation, for then he will be able to determine whether the security officer, Admiral Gingrich, could have made up his mind on the basis of this material. It is as follows:

Frank P. Graham, head of the University of North Carolina, was the first chairman of the Southern Conference on Human Welfare, and today remains as its honorary president. He is not a Communist, and no doubt on occasion has had some differences with the Communist Party. He is, however, one of those liberals who show a predilection for affiliation to various Communist-inspired front organizations.

Graham urged freedom for Earl Browder and served as sponsor for a dinner which the publication, Soviet Russia Today, held to celebrate the twenty-fifth anniversary of the Red Army. He also was associated with the International Labor Defense, legal arm of the Communist Party; American League for Peace and Democracy; American Committee for Protection of Foreign Born; American Committee for Democracy and Intellectual Freedom; American Friends of Spanish Democracy; China Aid Council; China Aid Council of the American League for Peace and Democracy; Committee for Boycott Against Japanese Aggression; Conference To Lift the Embargo; Coordinating Committee To Lift the Embargo——

Mr. LUCAS. Mr. President, a parliamentary inquiry.

Mr. JENNER. Mr. President, I have just two more names of organizations to read, and all of them are included in a question which can be answered either "Yes" or "No."

Mr. LUCAS. Well, Mr. President, it is about the longest question I have ever heard propounded in this body.

Mr. JENNER. I conclude by pointing out that this publication also states that Dr. Graham was likewise associated with the Medical Bureau and with the North American Committee To Aid Spanish Democracy.

So I ask the Senator, does he assume that Admiral Gingrich probably was influenced in saying that Dr. Graham was not entitled to a "Q" clearance when he ascertained, if he did, that Dr. Graham was a member of 18 Communist-front organizations?

Mr. HICKENLOOPER. Mr. President, in answer to the question, let me say that I think it would be unfair to Dr. Graham or to Admiral Gingrich, or to any other person who has a responsibility in this field, if I were to conjecture as to the reasons why Admiral Gingrich reached the conclusions he did reach.

Again I call the attention of the Senator to the fact that the statute provides that the test shall be based on character, loyalty, and associations.

Mr. JENNER. Yes; associations.

Mr. HICKENLOOPER. Those are the three branches. I was about to go a little further, and try to conclude my remarks. I wish to go further, because I do not think it would be fair to anyone if I did not say that I have seen, I believe, although I cannot be sure of this, all the information files surrounding this case; and I must say, in utter frankness and fairness to everyone involved, that I have no reason whatever to believe that Dr. Graham is in any way other than a loyal American citizen.

Mr. JENNER. I agree.

Mr. HICKENLOOPER. That is point No. 1.

Mr. JENNER. I agree.

Mr. HICKENLOOPER. I have this to say as a result, I believe, of a somewhat intimate knowledge of the situation: I have no reason to believe that Dr. Graham is possessed of anything except an exemplary character.

Mr. JENNER. That is right.

Mr. HICKENLOOPER. I must also say, if I am to be as frank in discussing the third category as I have been in discussing the other two—and now I refer to the category of associations—that I believe Dr. Graham has permitted himself to become associated actively with a great many organizations which I do not believe have for their purpose the best interests of the United States of America.

Mr. JENNER. Mr. President, will the Senator yield at that point?

The PRESIDING OFFICER (Mr. TYDINGS in the chair). Does the Senator from Iowa yield to the Senator from Indiana?

Mr. HICKENLOOPER. I yield for a question.

Mr. JENNER. I agree with the Senator, and I am not concerned with Dr. Graham. This matter is not a political one, because the Atomic Energy Commission is a bipartisan body, and the Senator from Iowa is a member of it. I say this in all sincerity: I think it is the duty of this Commission, if it has a security officer, either to follow his findings or else abolish the position of security officer and let David Lilienthal be the sole judge of who is a loyal American

for the purposes of the Atomic Energy Commission.

Mr. LUCAS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield for a question?

Mr. LUCAS. I do not desire to ask a question, Mr. President.

Mr. HICKENLOOPER. Mr. President, if the Senator from Illinois does not desire to ask a question, I am prohibited from yielding to him without losing the floor.

Mr. President, on the question of the advisability of making an investigation of the administration of the Atomic Energy Commission and its various activities, I personally feel that there will be a different and more appropriate occasion on which to discuss that matter. Frankly, I am not prepared to go into it in detail at this time.

However, I wish to say that, so far as I am concerned, I give assurance that I have no idea that Dr. Graham is anything but a man of high character and good intentions and a man of personal integrity. I frankly say, as I would frankly say to him in person, and in all good faith, that he does belong to some organizations to which I would not belong, and to which I think a great many other people would not belong. But I merely make that statement for the purpose of the RECORD at this time. The administration and other public bureaus I shall be happy to discuss at a later date.

ANGLO-AMERICAN FILM ISSUES

Mr. KNOWLAND. Mr. President, I shall take but a few moments of the time of the Senate at this time, because I feel we should get on with rent legislation. But it is due to the fact that a story came over the ticker today from London, and the next bill which the Senate is to discuss is to be the ECA legislation. Following closely upon the heels of that undoubtedly will be the reciprocal trade legislation. I think the Senate and the country should be informed of some Anglo-American trade facts. This story came on the United Press ticker a short time ago. It is dated London, March 23, and reads as follows:

Foreign Secretary Ernest Bevin will be fully briefed to discuss Anglo-American film issues when he leaves for the United States this week.

That disclosure coincided with a move by the British Board of Trade to get more American motion pictures into UK theaters.

The Board made public an order reducing from 45 percent to 40 percent the quota of first-feature British films that British exhibitors must show. The order requires parliamentary approval.

Authorities indicated that while Bevin had not planned specific conferences on motion-picture problems, he would be prepared to discuss them if the occasion arose.

He will be in Washington to sign the North Atlantic Pact April 4 and then will go to New York for the UN General Assembly meeting.

In 1945 the Congress of the United States passed a so-called British loan of $3,750,000,000. In the intervening period of time we passed first the ECA bill, and we are soon to act on the second ECA bill. I am going to ask that Public Law 509 of the Seventy-ninth Congress be printed in the RECORD at this point, as it is very short.

There being no objection, the law was ordered to be printed in the RECORD, as follows:

[Public Law 509—79th Cong.]

[Ch. 577—2d sess.]

Senate Joint Resolution 138

Joint resolution to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes

Whereas in the Bretton Woods Agreements Act the Congress has declared it to be the policy of the United States "to seek to bring about further agreement and cooperation among nations and international bodies, as soon as possible, on ways and means which will best reduce obstacles to and restrictions upon international trade, eliminate unfair trade practices, promote mutually advantageous commercial relations, and otherwise facilitate the expansion and balanced growth of international trade and promote the stability of international economic relations"; and

Whereas in further implementation of the purposes of the Bretton Woods agreements, the Governments of the United States and the United Kingdom have negotiated an agreement dated December 6, 1945, designed to expedite the achievement of stable and orderly exchange arrangements, the prompt elimination of exchange restrictions and discriminations, and other objectives of the above-mentioned policy declared by the Congress: Therefore be it

Resolved, etc., That the Secretary of the Treasury, in consultation with the National Advisory Council on International Monetary and Financial Problems, is hereby authorized to carry out the agreement dated December 6, 1945, between the United States and the United Kingdom which was transmitted by the President to the Congress on January 30, 1946.

SEC. 2. For the purpose of carrying out the agreement dated December 6, 1945, between the United States and the United Kingdom, the Secretary of the Treasury is authorized to use as a public-debt transaction not to exceed $3,750,000,000 of the proceeds of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that act are extended to include such purpose. Payments to the United Kingdom under this joint resolution and pursuant to the agreement and repayments thereof shall be treated as public-debt transactions of the United States. Payments of interest to the United States under the agreement shall be covered into the Treasury as miscellaneous receipts.

Approved July 15, 1946.

Mr. KNOWLAND. In that law, in the whereases, it goes on to say that the two Governments—that is, the British Government and the United Kingdom—will "as soon as possible" consult "on ways and means which will best reduce obstacles to and restrictions upon international trade, eliminate unfair trade practices, promote mutually advantageous commercial relations, and otherwise facilitate the expansion and balanced growth of international trade." Further, in the same act, it is provided that "the agreement dated December 6, 1945, between the United States and the United Kingdom, which was transmitted by the President to the Congress on January 30, 1946," should carry out these general purposes, and this Government would advance some $3,750,000,000.

Mr. President, the whole theory of the Reciprocal Trade Agreements Act, upon which the Congress is going to be called to act, and which I supported at the last session of the Congress, and which I hope to be able to support at this session, was for the purpose of breaking down trade barriers so we could have a flow of trade in the rehabilitation of Europe and in normal commercial relations. The whole theory of the Economic Recovery Act was not only to help rehabilitate war-torn Europe, but also to establish a normal trade relationship. What has the British Government done? The cold, hard facts of the situation are that prior to World War I the British had a restriction which required British theaters to show approximately 17 percent of British films in British theaters. That went on until the wartime period, when they raised it to approximately 22 percent. Then, in October 1948, last year, the British Government changed the provision so that 45 percent of the films shown in British theaters would have to be British. This is rank discrimination against the American film industry. I believe it is contrary to the spirit of the ECA, and it is contrary to the spirit of reciprocity. The alleged reduction of 5 percent mentioned in the news article means absolutely nothing at all. The facts of the matter are that the British film industry never has in the last two decades produced more films than could take care of approximately 20 percent of the needs of the British theaters. So when they announce a slight reduction of the percentage from 45 to 40, they are making no real concessions whatever. In other words, at a time when this Government has been called upon and has given very generous consideration in the field of reciprocity legislation, in the field of ECA legislation, when the British loan agreement itself looked toward a breaking down of barriers, the British Government, while giving lip service to the general theory of breaking down the restrictions, has in fact established a very high quota of British films, which in fact discriminates against American industry. This is not the only economic iron curtain created against the United States by the British Government.

I want to serve notice, Mr. President, both on the State Department and on the committees involved—the Committee on Finance and the Committee on Foreign Relations, which will soon have the two bills before the Senate—that we expect them to go very thoroughly into the picture, to see what representations can be made to the British Government or what amendments may be required when the bills are before us for consideration.

EXTENSION OF RENT CONTROLS

The Senate resumed the consideration of the bill (H. R. 1731) to extend certain

provisions of the Housing and Rent Act of 1947, as amended, and for other purposes.

The PRESIDING OFFICER. The Senator from South Carolina has the floor.

Mr. MAYBANK. Mr. President, before yielding to the Senator from Ohio [Mr. BRICKER], I should like to ask him if he would have any objection at this time to having two amendments accepted, because I know he agrees with them. They have to do with title VI, about which I talked with the Senator yesterday.

Mr. BRICKER. Mr. President, that will be very satisfactory.

Mr. MAYBANK. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 50, after line 19, it is proposed to insert the following:

SEC. 304. Section 603 (a) of the National Housing Act, as amended, is hereby amended by striking out "March 31, 1949", in each place it appears therein, and inserting in lieu thereof "May 30, 1949."

On page 50, line 20, strike out "304" and insert "305."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina to the committee amendment.

The amendment to the amendment was agreed to.

Mr. MAYBANK. Mr. President, I offer another amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 40, line 8, after the numerals "1950", it is proposed to insert the following: "nor shall such tenant be liable for such portion of rent if he refuses to make payment therefor."

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield to the Senator from Alabama.

Mr. SPARKMAN. Mr. President, the section and subsection as to which this amendment is offered provide for the 3-month carry-over protection against eviction at the end of 12 months. It provides that during that time no person shall be evicted for failure to pay more than the increased rent authorized in the bill, but in the committee amendment we neglected to provide that the tenants are not liable civilly after the payment of such rent. That is all that is provided by the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina to the committee amendment.

The amendment to the amendment was agreed to.

Mr. MAYBANK. I yield the floor to the Senator from Ohio so that he may proceed with the offering of further amendments.

The PRESIDING OFFICER. The Senator from Ohio is recognized in his own right.

Mr. BRICKER. Mr. President, I offer the amendments lettered "B," which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendments.

The LEGISLATIVE CLERK. On page 26, line 11, it is proposed to strike out "June 30, 1950" and insert in lieu thereof "March 31, 1950."

On page 30, lines 11 and 12, strike out "June 30, 1950" and insert in lieu thereof "March 31, 1950."

On page 33, line 15, beginning with the second comma, strike out through the parenthesis in line 20.

On page 39, line 23, strike out "June 30, 1950" and insert in lieu thereof "March 31, 1950."

On page 39, line 25, and page 40, line 1, strike out "March 31, 1950", in each case where it appears, and insert in lieu thereof "September 30, 1949."

On page 40, line 2, strike out "June 30, 1950" and insert in lieu thereof "March 31, 1950."

On page 40, lines 2 and 3, strike out "March 31, 1950" and insert in lieu thereof "September 30, 1949."

On page 40, line 8, strike out "June 30, 1950" and insert in lieu thereof "March 31, 1950."

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc.

Mr. WHERRY. Mr President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. WHERRY. This series of amendments changes the date for the end of rent control, does it not?

Mr. BRICKER. That is correct. It changes the duration of rent control to a 6 months' period from the enactment of the law, or from the ending of the old law on March 31, 1949. It makes a 6-month continuation of the rent-control provisions, with a further 6 months' continuation of the eviction control. In other words, that is in addition to the rent controls themselves.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. BRICKER. I yield.

Mr. WHERRY. Mr. President, I suggest to the majority leader that this is a very important amendment. I think, if it were discussed briefly, we might get a vote on it.

I suggest the absence of a quorum.

Mr. MAYBANK. Mr. President, will the Senator from Ohio yield?

Mr. BRICKER. I yield.

Mr. MAYBANK. As I understand, the Senator's 6-month amendment is the one which was discussed in the committee.

Mr. BRICKER. Yes. It contains the "six-and-six" provision which was discussed in the committee.

Mr. MAYBANK. It is the amendment which the Senator from Washington [Mr. CAIN] presented to the committee, and it was rejected by the committee; is that correct?

Mr. BRICKER. That is correct.

Mr. MAYBANK. Mr. President, I think we should try to save time. I was hopeful that we might get through early. I know that some Senators want to get through early. I think the committee is fully aware of this amendment, and I shall have no more to say about it.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. MAGNUSON. I understand that the "six-and-six" amendment was offered by the junior Senator from Washington in the committee. I should like to ask the Senator's parliamentary advice with regard to it. It so happens that the senior Senator from Washington has a similar amendment, extending the life of rent control for 2 years. We might well dispose of the whole matter by my offering my amendment as a substitute for the one which the Senator has offered, and if it is voted down we can go back to the Senator's amendment, or I can withhold it, if the Senator so desires.

Mr. BRICKER. I think that we shall perhaps get a clearer-cut decision of the question by voting first on my amendment.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. MAYBANK. I wish to say to the Senator from Ohio that I wish he would permit a vote on the 2-year amendment, because the committee is opposed to it as compared with the 6-month amendment.

Mr. BRICKER. I have no objection, but I think we will get a clearer-cut decision if we vote first on my amendment and then on the other.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BRICKER. I yield to the Senator from Nebraska.

Mr. WHERRY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hill	Maybank
Anderson	Hoey	Millikin
Baldwin	Holland	Morse
Brewster	Humphrey	Mundt
Bricker	Hunt	Murray
Bridges	Ives	Myers
Butler	Jenner	Neely
Byrd	Johnson, Colo.	O'Conor
Capehart	Johnson, Tex.	O'Mahoney
Chapman	Johnston, S. C.	Pepper
Chavez	Kefauver	Robertson
Connally	Kem	Russell
Cordon	Kerr	Saltonstall
Donnell	Kilgore	Smith, Maine
Douglas	Knowland	Sparkman
Downey	Langer	Stennis
Ecton	Lodge	Taft
Ellender	Long	Taylor
Ferguson	Lucas	Thomas, Utah
Flanders	McCarran	Tobey
Frear	McCarthy	Tydings
Fulbright	McClellan	Vandenberg
George	McFarland	Watkins
Gillette	McGrath	Wherry
Green	McKellar	Wiley
Gurney	McMahon	Williams
Hayden	Magnuson	Withers
Hendrickson	Malone	Young
Hickenlooper	Martin	

The PRESIDING OFFICER. Eighty-six Senators having answered to their names, a quorum is present.

The question recurs on the amendment offered by the Senator from Ohio [Mr. BRICKER].

Mr. BRICKER. Mr. President, this amendment is a very short one, and not so technical as the other two have been.

I think the most ardent advocates of rent control, as well as those who have been in principal opposition to the continuance of rent control, especially in the strict way in which it has been administered, want rent control at the Federal Government level to end at the earliest possible date. I have heard no expression to the contrary. There may be a few in the Senate who desire to attach permanently to our economy Federal Government control of rents and landlord-tenant relationships. But in response to the desire on the part of what I believe to be practically all the Senate to end rent control at the earliest possible date, this amendment has been prepared and submitted.

Mr. President, the amendment would end rent control in a period of 6 months after the expiration of the present rent-control legislation, and then continue for 6 months more the eviction protections which the tenant now has against arbitrary eviction from his right of occupancy.

Mr. President, we have provided for a 6 months' period because today the legislatures of practically all the States of the Union are in session, and can meet this problem on the local level, and it has become a local issue. It has become a local issue. We could not have that emphasized better, nor more dramatically brought to our attention, than by the fact that we have adopted amendments within the last few days, or refused to adopt amendments within the last few days, which meant that we were legislating in one instance for the city of Chicago, and in another instance for the State of Connecticut and for the State of Florida, and in other instances for local individual communities. So that this has passed from the phase of being a national problem and has become a particularly local problem.

At the present time many States in the Union want to be out from under Federal rent control. Many communities want to be out from under Federal rent control. The amendment offered by the Senator from Arkansas [Mr. FULBRIGHT], which was adopted yesterday, is a step in that direction. The House bill is another step in that direction. So we have come to the time, I think, when this responsibility should be taken over by the States of the Union. I believe five States have already passed rent-control measures adequate to their local needs. Not all of them are alike, of course, but that further emphasizes the fact that there is a divergence of responsibility, there is a difference of conditions among the States of the Union and even among the various communities within a single State.

New York, where I suppose this problem is more acute than in any other State of the Union, already has enacted a rent-control law, and New York will be ready to take over immediately after the Federal Government steps out. I believe Connecticut has a rent-control law in preparation, according to the testimony of Governor Bowles. New Jersey has a rent-control law. Virginia has one in a stand-by position, so that when the Federal Government moves out the government of the State of Virginia can step in. So the amendment would not only afford an opportunity to those States which have laws on the subject, as well as those States which do not have such laws to resume their responsibility in the administration of their laws, but would take the Federal Government and its vast-spread bureaucratic control off the necks of the various communities of the country. It would permit those States which do not want rent control to be without it, and it would give notice to those States which do not have adequate rent-control legislation, if they need it, to enact legislation within the 6 months' period.

As I said, most of the State legislatures are in session today, or can be called back within a 6 months' period by the governors of the States if they adjourn before enactment of such legislation.

Then, to be assured that there is no hardship to tenants, we ask for continuance of the eviction rules for another period of 6 months, so if a tenant pays his rent, the minimum rent, whatever it might be, there cannot be evictions under the local or the Federal law for that continuing period.

There is nothing complex about this proposal. It is simply a recognition of that to which we all profess devotion, and yet for which we do not so often vote our convictions, namely, local control of matters which are purely local in character.

There is no justification for the continuance of Federal control except under war powers. The war has now been over for 4 years. We are catching up on building. Two and one-half million units have been built since the end of the war. Almost one million were built last year. That is almost twice the number of new families that are needing residences. Next year the building of the family units will be larger in proportion to the need than this year. I am confident that that will be true if we remove the threat of Federal invasion into the field of rent control of new construction. As the higher-priced houses become a drug on the market, as they are at the present time in many localities, builders will engage in the building of lower-priced units, and as that market fills, because of the fact that the builders must have some place to invest their money in order to carry on their business, they will go into the field of building rental units. As the higher-cost units become occupied, and that market is filled and the needs supplied the builders will pass gradually, and perhaps swiftly, if conditions continue, and if the trend continues as it is at the present time, into the field of cheaper rental units.

So I think a real public service would be performed if we were to meet the needs and demands in so many sections of the country for local control. The Senate should be given an opportunity to pass upon this problem, which is a very vital one in our whole Federal Government relationship.

Mr. President, it has been said on the Senate floor that the States do not want to take over rent control; that the mayors of the various cities of the country are in session in Washington and they want Federal control continued. I say to the Senate that my experience with them has been that until they have to face a problem they are not going to face it, but if we are going to preserve local government, if we are going to respect the position of the States in our Federal system of government, we will have to give them the responsibility which is chiefly theirs, and I have no doubt at all that when we step out of the field, the legislature, the city councils, the county commissioners, and the governors of the respective States will fully assume the responsibility of administration of rent control, of enacting the proper legislation to meet the local needs, and I am confident that when they do that they will do a far better job than has been done by the Expediter in Washington.

The VICE PRESIDENT. The question is on agreeing en bloc to the amendments lettered "B" offered by the Senator from Ohio [Mr. BRICKER].

Mr. BRICKER. On those amendments I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from Mississippi [Mr. EASTLAND] is absent on public business.

The Senator from Oklahoma [Mr. THOMAS] is absent by leave of the Senate.

The Senator from Idaho [Mr. MILLER] and the Senator from New York [Mr. WAGNER] are necessarily absent.

I announce further that, if present, the Senator from Oklahoma [Mr. THOMAS] and the Senator from New York [Mr. WAGNER] would vote "nay" on these amendments.

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] is absent by leave of the Senate and is paired with the Senator from Minnesota [Mr. THYE], who is absent by leave of the Senate. If present and voting, the Senator from Washington [Mr. CAIN] would vote "yea," and the Senator from Minnesota [Mr. THYE] would vote "nay."

The Senator from New Jersey [Mr. SMITH] is absent because of illness. If present and voting, the Senator from New Jersey [Mr. SMITH] would vote "nay."

The senior Senator from Kansas [Mr. REED] and the junior Senator from Kansas [Mr. SCHOEPPEL] are unavoidably detained.

The result was announced—yeas 22, nays 64, as follows:

YEAS—22

Bricker	Ferguson	Mundt
Bridges	Gurney	Taft
Butler	Hickenlooper	Watkins
Byrd	Jenner	Wherry
Capehart	Kem	Wiley
Cordon	McClellan	Williams
Donnell	Malone	
Ecton	Martin	

NAYS—64

Aiken	Chapman	Downey
Anderson	Chavez	Ellender
Baldwin	Connally	Flanders
Brewster	Douglas	Frear

Fulbright	Knowland	O'Conor
George	Langer	O'Mahoney
Gillette	Lodge	Pepper
Green	Long	Robertson
Hayden	Lucas	Russell
Hendrickson	McCarran	Saltonstall
Hill	McCarthy	Smith, Maine
Hoey	McFarland	Sparkman
Holland	McGrath	Stennis
Humphrey	McKellar	Taylor
Hunt	McMahon	Thomas, Utah
Ives	Magnuson	Tobey
Johnson, Colo.	Maybank	Tydings
Johnson, Tex.	Millikin	Vandenberg
Johnston, S. C.	Morse	Withers
Kefauver	Murray	Young
Kerr	Myers	
Kilgore	Neely	

NOT VOTING—9

Cain	Reed	Thomas, Okla.
Eastland	Schoeppel	Thye
Miller	Smith, N. J.	Wagner

So Mr. BRICKER'S amendment to the committee amendment was rejected.

Mr. MAYBANK. Mr. President, it is my understanding that it is agreeable to the Senator from Ohio [Mr. BRICKER] for the Senator from Washington [Mr. MAGNUSON] to offer an amendment at this time.

Mr. BRICKER. The Senator is correct.

Mr. MAGNUSON. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 26, line 11, it is proposed to strike out the numerals "1950" and substitute therefor the numerals "1951";

On page 30, line 12, it is proposed to strike out the numerals "1950" and insert the numerals "1951"; and

In subsection (f), which begins on page 39, line 22, and ends on page 40, line 14, it is proposed to strike out the numerals "1950" wherever they appear and substitute therefor the numerals "1951."

Mr. MAGNUSON. Mr. President, this amendment is very simple. It is similar to the amendment of the Senator from Ohio [Mr. BRICKER], which has just been voted upon. My amendment would extend the act for a 2-year period. I offer the amendment for two reasons.

First, I do not believe that 12 months or 18 months would come anywhere near meeting the needs of the people who rent, particularly in the urban centers, with building of rental units as it is. For example, in my city of Seattle today it is just as difficult to find a low-cost rental unit as it was during the war. I know of no permanent construction project of any size being built for low-cost rentals. I know a great many people who cannot afford any rent increase. It seems to me that with the bill as it is now, and with several sections of the country which obviously should be decontrolled and will be decontrolled, a 12 months' period or an 18 months' period will not allow sufficient time to serve the needs of many people in the low-income group who must rent and who live from week to week on their pay checks. The result will be, in some urban centers, that when the period specified in the bill expires those people will be without protection. Without protection, there will be many evictions; and in my opinion, in the crowded urban centers there will be a great deal of trouble, labor and otherwise, if rents are increased.

The Senator from Ohio says that we all want to put an end to rent control, that we want no permanent attachment of rent control from the Federal level. I agree with him. We want to get rid of it as soon as we can; but I do not think we can get rid of it as quickly as we anticipate in some sections of the country, particularly the urban centers.

The second reason for offering the amendment is that as the bill now stands, any part of the country which needs decontrol can remove itself from rent control; but if that is done generally the sections of the country which still will need rent-control protection, even after 12 or 18 months, will then be completely without protection; and there will be much trouble, and many little people will be hurt. Perhaps even 2 years is not sufficiently long to provide rent-control protection in some isolated instances.

I offer the amendment for the further practical reason that within 2 years every State legislature in the United States will have an opportunity to pass on the question of rent control, the question of whether its State needs rent control or whether one of its counties needs rent control or whether some area outside of the limits of one of the cities in that State needs rent control. For example, in two instances in my State if the city council decontrols, at the end of 18 months or 1 year those who live in the crowded urban sections outside the city limits will have no protection at all, because the State legislature will have met and adjourned; and the question whether the Governor will call a special session of the legislature to consider that subject will be entirely one for him to determine, based upon his own whims and motives; and in the meantime those persons will be without protection.

Allowing 2 years will give everyone a chance; it will give the States a chance to act at the State level, or the municipalities will have a chance to act; and thus decontrol can be brought about in an orderly fashion, which is what all of us wish to have done.

Mr. BREWSTER. Mr. President, will the Senator yield to me?

Mr. MAGNUSON. I shall yield in a moment.

Mr. President, there are some States whose legislatures are still in session; but I say to the Senator from Ohio that there are many States whose legislatures have adjourned, and whose constitutions provide that the legislatures shall meet again in 2 years. One of those States is my own.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield first to the Senator from Maine, who first asked that I yield.

Mr. BREWSTER. I should like to inquire whether, if we were to extend rent control for a longer period, the Senator thinks such action would encourage young men to enter into matrimony?

Mr. MAGNUSON. I do not know what this matter has to do with matrimony.

Mr. BREWSTER. I thought the Senator indicated that provision cannot now be made for the needed family units.

Mr. MAGNUSON. That is a rather collateral matter, it seems to me. Probably some persons would be encouraged to have a little better living for 2 years, regardless of whether they are considering matrimony.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. BRICKER. Could the Governor of the Senator's State call a special session of the legislature, if there were a serious need?

Mr. MAGNUSON. Oh, yes; he could.

Mr. BRICKER. Does the Senator know of any State whose governor cannot call its legislature into special session?

Mr. MAGNUSON. I do not know of such a State. There may or may not be such. But I say that in view of the present provisions of the bill, my amendment would give every State an opportunity to handle this matter. There might be many cases where the governors of States which cannot decontrol and whose legislatures cannot meet, in the regular course, before the end of the period now provided in the bill, might for some reason decide not to call the legislature into special session. There might be many reasons why a governor would make such a decision. This may be one of several problems involved in a governor's decision not to call a special session of the legislature.

But, Mr. President, in effect we are relinquishing Federal control; and when we do it under the 2-year limitation, we are giving every State the right to handle its own problem on the State level, and under the terms of the bill we shall be giving every municipality and every incorporated community an opportunity to handle the problem at its level.

Mr. President, I ask unanimous consent to have included at this point in the RECORD, as a part of my remarks, a resolution adopted by the Legislature of the State of Washington, relating to the purpose of the amendment recommending the extension of rent control for 2 years.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas since the beginning of World War II there has been a great shortage of critical building material and a great need for adequate housing; and

Whereas the continued lack of adequate housing units has intensified the already critical shortage, particularly in the urban areas, of necessary rental units; and

Whereas the Federal Government in recognition of this grave problem has passed and continued in effect certain acts controlling rents; and

Whereas the failure of the Federal Government to continue such controls will have the effect of causing rents to be raised, in some areas by 50 to 100 percent: Now, therefore, be it

Resolved by the House of Representatives of the State of Washington, in legislative session assembled, That we respectfully petition the President of the United States and the Congress of the United States that all necessary rent-control acts be continued in force and effect until such time as the housing requirements of the people of the United States have been adequately provided; and be it further

Resolved, That copies of this resolution be transmitted immediately by the chief

clerk of the House of Representatives of the State of Washington to the Honorable Harry S. Truman, President of the United States, to the President of the United States Senate, to the Speaker of the House of Representatives, and to each Senator and Representative from the State of Washington.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Washington [Mr. MAGNUSON] to the committee amendment.

Mr. MAGNUSON. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MAYBANK. Mr. President, I wish to state that the committee has considered the proposed further extension, and the committee is opposed to it.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Washington to the committee amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MYERS. I announce that the Senator from Mississippi [Mr. EASTLAND] is absent on public business.

The Senator from Oklahoma [Mr. THOMAS] is absent by leave of the Senate.

The Senator from Idaho [Mr. MILLER] and the Senator from New York [Mr. WAGNER] are necessarily absent.

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] is absent by leave of the Senate. If present and voting, the Senator from Washington would vote "nay."

The Senator from Minnesota [Mr. THYE] is absent by leave of the Senate. If present and voting, the Senator from Minnesota would vote "nay."

The Senator from New Jersey [Mr. SMITH] is absent because of illness. If present and voting, the Senator from New Jersey would vote "nay."

The Senator from Missouri [Mr. KEM], the senior Senator from Kansas [Mr. REED], and the junior Senator from Kansas [Mr. SCHOEPPEL] are unavoidably detained. If present and voting, the Senator from Missouri [Mr. KEM] would vote "nay."

The result was announced—yeas 10, nays 75, as follows:

YEAS—10

Chavez	Magnuson	Neely
Humphrey	Murray	Pepper
Hunt	Myers	Taylor
Kilgore		

NAYS—75

Aiken	Hayden	Malone
Anderson	Hendrickson	Martin
Baldwin	Hickenlooper	Maybank
Brewster	Hill	Millikin
Bricker	Hoey	Morse
Bridges	Holland	Mundt
Butler	Ives	O'Conor
Byrd	Jenner	O'Mahoney
Capehart	Johnson, Colo.	Robertson
Chapman	Johnson, Tex.	Russell
Connally	Johnston, S. C.	Saltonstall
Cordon	Kefauver	Smith, Maine
Donnell	Kerr	Sparkman
Douglas	Knowland	Stennis
Downey	Langer	Taft
Ecton	Lodge	Thomas, Utah
Ellender	Long	Tobey
Ferguson	Lucas	Tydings
Flanders	McCarran	Vandenberg
Frear	McCarthy	Watkins
Fulbright	McClellan	Wherry
George	McFarland	Wiley
Gillette	McGrath	Williams
Green	McKellar	Withers
Gurney	McMahon	Young

NOT VOTING—10

Cain	Reed	Thomas, Okla.
Eastland	Schoeppel	Thye
Kem	Smith, N. J.	Wagner
Miller		

So Mr. MAGNUSON's amendment to the committee amendment was rejected.

Mr. MAYBANK and Mr. McCLELLAN addressed the Chair.

The VICE PRESIDENT. The Senator from South Carolina.

Mr. MAYBANK. I am extremely hopeful that the distinguished Senator from Indiana will agree to submit his amendment. It has to do with decontrol, and is along the line of the two amendments which have just been acted upon. The Senator from Ohio has some very important amendments remaining in connection with court procedure, particularly criminal procedure. The Senator from Oregon, as I understand, has a so-called fair-value-return amendment. Having disposed of the two amendments, I am hopeful we may follow with action on the amendment offered by the Senator from Indiana, with the understanding that when that has been voted on, we shall next take up consideration of the amendment offered by the Senator from Ohio.

Mr. BRICKER. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Ohio?

Mr. MAYBANK. I yield to the Senator from Ohio.

Mr. BRICKER. I just talked to the Senator from Arkansas. He has an amendment to the criminal sanctions section which I think is preferable to the one we had prepared. It has not been offered, and I would ask that he not offer it at this time. It makes no difference to me, however, as to when I shall proceed.

Mr. MAYBANK. I hope the Senator from Arkansas will agree.

The VICE PRESIDENT. The Chair will recognize the first Senator who rises to his feet and asks for recognition in connection with some amendment.

Mr. CAPEHART. Mr. President——

The VICE PRESIDENT. The Senator from Indiana.

Mr. McCLELLAN. Mr. President, I think I was on my feet first.

The VICE PRESIDENT. The Chair has recognized the Senator from Indiana.

Mr. McCLELLAN. I am willing to conform to the wishes of the Chair, but I should like to present this amendment as early as I can. It will be very brief.

The VICE PRESIDENT. The Chair will see to that; the Senator from Indiana has been recognized.

Mr. CAPEHART. Mr. President, I care not when I present this amendment. I can do it either now or later. But since the Chair has recognized me, and the chairman of the Committee on Banking and Currency has asked me to present the amendment at this time, I shall do so. Let me first say, there comes a time in every man's life when he must either go home or leave home. There comes a time in the United States Senate when every Senator must vote either yea or nay. I am hopeful there will come a time in the Congress of the United States when we shall put a stop to rent control.

The war has been ended now 4 years, yet we still have rent control. I suspect it has been necessary up to this time; but there are a number of Senators and millions and millions of people who feel that rent control might well be ended on March 31. I have given a great deal of thought to the subject. I might vote for ending rent control on March 31. In doing so I should not be 100 percent certain I was right.

I do not like rent control. It certainly is unfair to several million of our people who own property. I think one of the greatest privileges we have in this Nation, one of the greatest human rights we have, is that of owning property—owning a home, living in it, renting it, selling it, or doing whatever we care to do with it. Under rent control millions of people are denied the right to do with their property as they see fit. Some day we are going to have to end it. France and England enacted rent-control laws during World War I. Rent control was still in effect in those countries at the beginning of World War II. It is still in effect. I am about to offer an amendment which will progressively and automatically handle the situation by a method and in a manner, in my personal opinion, which will be fair and equitable, and will be refreshing to the American people.

The amendment I am about to offer will not in any way harm either the property owner or the tenant. My amendment proposes what I believe each and every Senator would like to do, namely, get rid of rent control. There is some doubt in the minds of many people as to whether this is the time to do it.

The amendment I wish to offer would simply do this: On September 30, 6 months from March 31, it would automatically decontrol all rentals from $150 up. Three months later, or 9 months from March 31, it would automatically decontrol all rentals from $100 to $150 a month. That is 9 months from now, December 30. Twelve months from March 31—12 months, mind you, Mr. President, a year, which is the period provided in the measure which we are considering to decontrol everything—12 months from now it would automatically decontrol rentals of from $50 a month to $100 a month. Fifteen months from now, 3 months longer than is provided in the bill which we are now considering, it would automatically decontrol all rentals from zero up to $50 a month.

Please remember that more than 80 percent of all rentals in the United States fall into the category of zero to $50 a month, which means that my amendment would protect the low-income groups who live in low-rental properties for 15 months from March 31.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. LODGE. Am I correct in understanding that the Senator's amendment would extend rent control for the low-income class 3 months longer than would the provisions of the bill which we are considering?

Mr. CAPEHART. It would extend rent control of rentals from zero up to $50 for 15 months, or until June 30, 1950.

The amendment, likewise, provides that at the end of 15 months, if a landlord increases the rent more than 10 percent, the tenant has the right to remain for another 90 days, or 3 months, which means that we are protecting tenants in the low-income group who pay rents from zero to $50 a month, and we are giving them another 90 days if the landlord increases the rent by 10 percent.

Keep in mind, please, that more than 80 percent of rentals in the United States are from zero to $50 a month.

We all profess to be in favor of discontinuing rent-control some day. Under my amendment, we shall protect the low-income groups for 15 months; and if there is a 10-percent rent increase we protect them for 18 months. The only unfair feature of my amendment is that it would penalize those persons owning property which rents from zero to $50 a month. However, please keep in mind that my amendment does not change any of the terms of the pending measure as it now exists or as it may be amended. Each State, if Congress votes that States can decontrol or can take over control, can still do so under my amendment. If Congress votes that municipalities can decontrol or take over control, they can still do so under my amendment. It does not change the existing measure one iota. What it does is to establish an automatic, progressive form of decontrol. I believe it is a practical, sensible, sane way to do it. It has this advantage, that we shall be decontrolling by categories. Some day Congress will remove rent controls. If they are removed for each of the categories at one time, there might be some confusion, but if they are removed by categories, as proposed in the amendment which I am about to offer, in my opinion, there will be less confusion.

While I appreciate the fact that there will be some hardships, I am wondering if we need to give much consideration, 4 years after the war has ended, to those persons paying rents from $150 a month upward, or even those who pay rents of from $100 to $150 a month. Persons paying as much as $100 or less will not be decontrolled for 12 months, which is the life of the measure which the Senate is about to pass.

My amendment is more liberal and more generous than is the measure which the Senate, in my opinion, will pass some time within the next 2 or 3 hours. It is a practical and easy way of handling the problem. Every person in America knows within which category he belongs, because he knows how much rent he is paying. The administrator or the Expediter knows exactly how to handle such a situation, because he keeps the records according to the amount of rent that is paid. It seems to me, Mr. President, my amendment offers a fair, just, and equitable method of protecting both the landlord and the tenant. Above everything else, it seems to me, it will show good faith on the part of Congress toward millions of property owners in the United States, because it will show that we intend to get rid of rent control.

Mr. President, I am a member of the Senate Banking and Currency Committee now, and have been for 4 years. I have listened day in and day out to testimony on this subject, not only this year, but in previous years. I know a portion of our people say we must keep rent control in effect indefinitely. There is another portion of our population that believes rent controls should be removed. I know the responsibility lies with Congress. When will we remove rent control? What yardstick shall we use to get rid of rent control, either tonight or a year from tonight? Shall we wait until there are literally tens of thousands of vacant apartments and houses in the Nation, when we have had a depression or a recession, and then say we will get rid of rent control? That is what has happened in England and in France. Yet they have not removed rent controls. I presume a case for maintaining in America rent controls from this time on could always be made.

I ask each Senator—I do not want them to answer the question except to themselves—when will he vote to remove rent controls? What yardstick will he use in his own mind in determining when rent control should be removed? Why is it not more sane, sound, and sensible to decontrol in an automatic, progressive way, by categories? Why is not the amendment I am offering a more liberal rent-control measure than is the one which the Senate is considering at the moment? There is not a Senator on the floor who would not say, if someone asked him the point-blank question, that he would like to get rid of rent control. It is a bad situation.

I do not know whether I would vote to eliminate it today or not, but I recommend that we eliminate it by a progressive automatic amendment to the bill, and I shall so vote.

In answer to those who might say, "Well, next year the situation may be tough," I may say Congress will be in session for 6 months next year, before, under my amendment, 90 percent of the houses and apartments in the United States have been decontrolled. The only ones which will be decontrolled prior to January 1 next year are those which rent for over $100. Eighty-five to ninety percent of the rental property in America at that time will still be under rent control. If by chance I may be wrong—and I have been wrong before—if perchance the situation next year is such that we should continue rent control—and I pray to God we will not have to continue it—Congress will be in session to continue it, just as we will be should the pending bill be passed.

Mr. President, I am confident that it will be refreshing to the American people if the Congress will say to them that we are going to get rid of what I believe to be one of the last controls imposed as a result of the war, if it is not the last control, and while at the moment there is a question whether we should do it now, we are confident that 15 to 18 months from now we can get rid of it. I believe it will be a refreshing thing and a fine thing, and I think the people of the United States will react favorably to it. I am confident they will. I cannot help believing it is the proper way to handle the matter.

Mr. President, I should like to call to the attention of the Senate the fact that under the pending bill, if it shall pass, we will vote for an automatic increase of 5 percent in 6 months and another automatic increase of 5 percent in 12 months. That provision will still remain in the bill, even though my amendment may be agreed to. The landlords, the owners, will get a 5-percent increase in 6 months and a 5-percent increase in 12 months, and with that 10-percent increase I feel that those who own property which rents for from zero to $50, which includes more than 80 percent of the rental property in the United States, will be satisfied if they feel that the Congress has a real intention of discontinuing rent control.

Mr. President, I recommend the amendment. I believe it to be fair and equitable. I believe that any Senator who would like to get rid of this last control, which brings about a mean situation, cannot help voting for the amendment.

I call attention to the fact that we can pick up any newspaper in the United States today and find apartment after apartment and home after home advertised for rent. In Indianapolis, the largest city in Indiana, there are several columns of such advertisements. In that city there is one project which will be completed in about 3 months, containing, as I recall, 3,800 apartments, which will be for rent.

I say that within 15 months, or less than 15 months, and I am not certain the time has not arrived even now, there will be no need for rent control.

Let us encourage the builders of America; let us encourage those who must supply rental houses to build homes for rent, let us encourage them to remodel their own homes, knowing that when they do so they will be out from under rent control.

Mr. President, I ask for the yeas and nays on the amendment.

The VICE PRESIDENT. In view of the Senator's explanation of his amendment, is it agreeable that it be printed in the RECORD without being read by the clerk?

Mr. CAPEHART. That is agreeable.

The VICE PRESIDENT. It is so ordered.

The amendment offered by the Senator from Indiana was, on page 39, line 23, commencing immediately after the colon, strike out balance of line 23 and all of lines 24 and 25 on page 39 and lines 1 to the semicolon on line 8 of page 40 and insert in lieu thereof the following: *"Provided, however,* That, notwithstanding any other provisions of this act, the provisions of this title shall cease to be in effect at the close of September 30, 1949, as to all rental housing accommodations having a monthly rental of $150 or more and shall cease to be in effect at the close of December 31, 1949, as to all housing accommodations having a monthly rental of $100 to $149 and shall cease to be in effect at the close of March 31, 1950, as to all housing accommodations having a monthly rental of $50 to $99.99 and shall cease to be in ef-

fect as to all other housing accommodations at the close of June 30, 1950: *Provided further,* That for a period of 90 days immediately after each such termination the maximum rent shall not be increased to an amount in excess of 110 percent of the maximum rent in effect for such housing accommodations on the date of termination of control under this title and no tenant shall be subject to eviction during such 90-day period for failure to pay any increase in the maximum rent in excess of 110 percent of the maximum rent in effect for such housing accommodation at the time of such termination of control."

Mr. SPARKMAN obtained the floor.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. SPARKMAN. I yield.

Mr. WHERRY. Does the Senator know whether it is the intention of the majority leader to have the session continue into the night? Several Senators have asked me about that, and I was attempting to make plans. I wonder whether the Senator from Alabama has been told what the program was.

Mr. MYERS. Mr. President, will the Senator from Alabama yield to me?

Mr. SPARKMAN. I yield to the Senator from Pennsylvania.

Mr. MYERS. The majority leader is not on the floor at the present moment, but I understand he has made several announcements that he intended to go on with the session and conclude the consideration of the bill this evening. I have just conferred with the chairman of the Committee on Banking and Currency and the chairman of the subcommittee having charge of the bill, and both of them tell me they would like to have the session continue and finish with the bill. They think we can finish it within an hour and a half if we can hold down the debate.

Mr. WHERRY. I thank the assistant majority leader. Several Senators on this side of the aisle have come to me within the last 15 minutes, and I had the impression that perhaps some other plans were being made. If the situation is as the Senator states it, Senators should know we are to have a night session, and continue the consideration of the bill, if that is the plan.

Mr. MYERS. Several Senators have come to me also, and I have just come from a conference with the two Senators who are in charge of the bill, to ask them if they would care to have an adjournment to tomorrow, and they think we can finish with the bill within an hour and a half.

Mr. WHERRY. Some on this side asked if I had any objection to the Senate taking a recess until tomorrow. I wish to make it plain that I have no objection, if Senators wish to work out some arrangement of that kind, but it is perfectly agreeable to me to continue.

Mr. SPARKMAN. Mr. President, the majority leader is now on the floor, and I am sure he will be glad to answer the question, but it is my understanding that the plan is to proceed. I will say that we on this side will certainly cooperate in bringing the amendments to an early vote, and I believe we can finish their consideration easily within an hour or an hour and a half.

Mr. WHERRY. I want the distinguished Senator to know that it is agreeable to me, but I wish also to say that I should be glad to cooperate with those who would like to have a recess. The majority leader is present now, and I wonder if he has anything to say about the matter.

Mr. SPARKMAN. I yield to the able majority leader.

Mr. LUCAS. Mr. President, I think we are all pretty anxious to get through with the amendments to the pending bill, the rent-control bill. I had hoped we could remain in session and finish the consideration of the bill tonight. I think we can complete its consideration in the next couple of hours, or 3 hours. But, if it is acceptable to the chairman of the Committee on Banking and Currency, who is in charge of the bill, I should be willing to ask unanimous consent that the Senate continue in session, say, until 7 o'clock, and then take a recess until 11:30 o'clock tomorrow, and vote on all amendments by 2 o'clock tomorrow afternoon.

Mr. TAFT. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. TAFT. I wish to make one suggestion. I suggest that the Senator ask unanimous consent to start voting on amendments at a certain time, and give, let us say, 20 minutes to each amendment, so that the proponent of the amendment would have 10 minutes and the chairman of the committee 10 minutes, and handle all amendments in that way.

Mr. MAYBANK. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. MAYBANK. The committee has been considering this bill for weeks and weeks, and I am going to object to any unanimous-consent agreement to recess at this time. It now is only 10 minutes before 6 o'clock. We have remained in session on questions far less important to the people of the United States until 3 o'clock in the morning. So I object.

The VICE PRESIDENT. No unanimous-consent request to take a recess has been submitted.

Mr. TOBEY. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. TOBEY. Far be it from me to do anything to interfere with the majority leader's program, but it seems to me we have given rather intermittent consideration to the pending business. We have to listen to extraneous debate under the Senate rules. The Senate has been unwilling to permit interference with debate, even when the debate was on a subject entirely foreign to the business pending before the Senate. Some day we may be wise enough to make a change. But where is the guaranty, Mr. President, that 20 minutes from now some Senator may not rise and deliver an address on Mexico, or on some other subject? We do not know what the situation will be at 7 o'clock tonight. Why not recess now? What pressing matter must be taken up tomorrow which makes it necessary that we conclude action on the rent-control bill tonight? We will all be in better shape tomorrow to resume consideration of the bill.

Mr. LUCAS. I ask the Senator from New Hampshire, what guarantee is there that when we reconvene tomorrow some Senator will not rise to talk about the Atlantic pact?

Mr. TOBEY. There is no guaranty that between now and 7 o'clock tonight some Senator may not rise to talk on some subject other than the pending bill, but by recessing over until tomorrow we will then have more time to absorb such incongruities as nongermane talk.

Mr. LUCAS. If it had not been for the extraneous matters which were discussed today we would have had the rent-control bill out of the way, and every Senator could have kept his dinner engagement. Last Monday I served notice that if we did not complete action on the rent-control bill by Wednesday, we would have a night session. I gave that notice so every Senator could make his dinner engagements accordingly. I should like to accommodate all Senators, but I shall not go against the wishes of the chairman of the Committee on Banking and Currency, who has worked so diligently on this measure. If he objects, I shall not go against his wishes.

The VICE PRESIDENT. The Senator from Alabama [Mr. SPARKMAN] has the floor.

Mr. LUCAS. I thought the Senator from Alabama had yielded to me to make a statement.

Mr. SPARKMAN. Yes, I had

Mr. LUCAS. I am trying to finish my statement as quickly as possible. I should be willing to make the unanimous-consent request I suggested a moment ago, but if the Senator from South Carolina should object, there would be no point in my making it. I am not going to interfere with his plans in connection with this bill.

Mr. MAYBANK. Mr. President, I must object.

The VICE PRESIDENT. The Chair will state that no unanimous-consent request has been submitted.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. HICKENLOOPER. I should like to say that under no circumstances do I suggest that my personal opinions or desires should have any effect, but I will say that during the afternoon in the course of the discussion of matters not particularly germane to the pending bill, the majority leader rose and said that he wanted to notify the Senate that we would stay in session until the rent-control bill was finished tonight. I had a reservation on an airplane for 6 o'clock tonight to return to my home State to keep an engagement of more than 3 months' standing. I was supposed to be there tomorrow. It is almost mandatory, under my agreement, that I be there then. Believing, however, that we would probably finish the rent-control bill tonight I canceled the airplane reservation immediately upon the statement made by the majority leader as to

the Senate continuing in session until action had been completed on the bill. Had I known that there was any contemplation that the Senate would recess, so further consideration of the bill should be continued tomorrow, I probably would have taken the plane tonight, because it is essential that I be in my home State tomorrow.

Mr. SPARKMAN. Mr. President, I appreciate what has been said by various Senators with respect to continuing consideration of the measure tonight until action upon it is completed. I do not know what the thoughts of other Senators may have been, but, for my own part, I acted upon the announcement made by the majority leader on Monday that the Senate would remain in session tonight until action on the bill was completed. I have been acting on that assumption. I stated a few minutes ago that we on this side of the aisle will certainly cooperate to the end that the argument or the debate on the various amendments shall not be prolonged. I do not wish to prolong the discussion; but I do want to say that the amendment offered by the distinguished Senator from Indiana was offered in the full committee, and the committee, after considering it, rejected it.

There is one thing we might keep in mind in connection with this matter. The Senator from Indiana has said that nearly 90 percent of the rentals in this country are in the low bracket, from $50 down. As a matter of fact, of the urban rental dwelling units in the United States, a total of 12,288,000 are in the bracket that rent from $50 down, with the exception of 1,731,000. After all, why should we fool the people by saying that we are decontrolling progressively when, as a matter of fact, nearly 90 percent of the rental units would be controlled a full 15 months? I think it is much better to decontrol in the way the committee decided, in 12 months, with the various relief measures we have given in the bill, with due warning to the States, with certainly an implied request, that they get ready to take it over within that time, and then with a 3 months' extension, within which tenants will be protected against eviction.

Mr. President, I ask unanimous consent to have a table printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Contract monthly rent

[Census, April 1947]

Tenant-occupied ordinary dwelling units—	Urban		Rural—Nonfarm	
	Number	Percent	Number	Percent
Under $10	481,000	3.9	621,000	20.4
$10 to $19	2,052,000	16.7	986,000	32.4
$20 to $29	2,966,000	24.1	619,000	20.4
$30 to $39	3,015,000	24.5	427,000	14.0
$40 to $49	2,043,000	16.6	217,000	7.1
$50 or more	1,731,000	14.1	171,000	5.6
United States total	12,288,000	100.0	3,041,000	100.0
Median monthly rental	31.64		18.62	

Mr. SPARKMAN. Mr. President, I hope the Senate will reject the amendment offered by the Senator from Indiana [Mr. CAPEHART].

The VICE PRESIDENT. The question is on the amendment lettered "D" offered by the Senator from Indiana [Mr. CAPEHART].

Mr. CAPEHART and other Senators asked for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. MYERS. I announce that the Senator from Mississippi [Mr. EASTLAND] is absent on public business.

The Senator from Tennessee [Mr. KEFAUVER], the Senator from Virginia [Mr. ROBERTSON], the Senator from Georgia [Mr. RUSSELL], and the Senator from Mississippi [Mr. STENNIS] are unavoidably detained.

The Senator from Oklahoma [Mr. THOMAS] is absent by leave of the Senate.

The Senator from Idaho [Mr. MILLER] and the Senator from New York [Mr. WAGNER] are necessarily absent.

I announce further that, if present, the Senator from Oklahoma [Mr. THOMAS] and the Senator from New York [Mr. WAGNER] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] is absent by leave of the Senate. If present and voting, the Senator from Washington would vote "nay."

The Senator from Minnesota [Mr. THYE] is absent by leave of the Senate. If present and voting, the Senator from Minnesota would vote "nay."

The Senator from New Jersey [Mr. SMITH] is absent because of illness. If present and voting, the Senator from New Jersey would vote "nay."

The Senator from Maine [Mr. BREWSTER], the senior Senator from Kansas [Mr. REED], the junior Senator from Kansas [Mr. SCHOEPPEL], and the Senator from Wisconsin [Mr. WILEY] are unavoidably detained.

The result was announced—yeas 18, nays 62, as follows:

YEAS—18

Bridges	Hickenlooper	Mundt
Butler	Jenner	Saltonstall
Capehart	Kem	Taft
Cordon	Lodge	Tobey
Ecton	Malone	Wherry
Ferguson	Millikin	Williams

NAYS—62

Aiken	Hill	McMahon
Anderson	Hoey	Magnuson
Baldwin	Holland	Martin
Bricker	Humphrey	Maybank
Byrd	Hunt	Morse
Chapman	Ives	Murray
Chavez	Johnson, Colo.	Myers
Connally	Johnson, Tex.	Neely
Donnell	Johnston, S. C.	O'Conor
Douglas	Kerr	O'Mahoney
Downey	Kilgore	Pepper
Ellender	Knowland	Smith, Maine
Flanders	Langer	Sparkman
Frear	Long	Taylor
Fulbright	Lucas	Thomas, Utah
George	McCarran	Tydings
Gillette	McCarthy	Vandenberg
Green	McClellan	Watkins
Gurney	McFarland	Withers
Hayden	McGrath	Young
Hendrickson	McKellar	

NOT VOTING—15

Brewster	Reed	Stennis
Cain	Robertson	Thomas, Okla.
Eastland	Russell	Thye
Kefauver	Schoeppel	Wagner
Miller	Smith, N. J.	Wiley

So Mr. CAPEHART's amendment to the committee amendment was rejected.

The VICE PRESIDENT. The committee amendment is open to further amendment.

Mr. MCCLELLAN. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment offered by the Senator from Arkansas will be stated.

The CHIEF CLERK. In the committee amendment, on page 45, beginning in line 7, it is proposed to strike out all down to and including line 18.

On page 45, beginning with line 19, it is proposed to strike out all down to and including line 11 on page 46, and insert in lieu thereof the following:

(c) The district courts shall have jurisdiction, concurrently with State and Territorial courts, of all proceedings under section 205 and subsection (b) of this section. Such proceedings may be brought in any district in which any part of any act or transaction constituting the violation occurred or may be brought in the district in which the defendant resides or transacts business, and process in such case may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found. Any such court shall advance on the docket and expedite the disposition of any proceedings brought before it under this section. No costs shall be assessed against the Housing Expediter or the United States Government in any proceeding under this act.

On page 46, line 12, it is proposed to strike out "(e)" and insert in lieu thereof "(d)."

On page 46, line 25, it is proposed to strike out "(f)" and insert in lieu thereof "(e)."

On page 47, line 7, it is proposed to strike out "(g)" and insert in lieu thereof "(f)."

On page 49, line 10, it is proposed to strike out "(h)" and insert in lieu thereof "(g)."

On page 49, line 16, it is proposed to strike out "(i)" and insert in lieu thereof "(h)."

On page 26, between lines 9 and 10, it is proposed to insert the following:

(d) Any person who willfully violates any provision of this section shall, upon conviction thereof, be subject to a fine of not more than $5,000 or to imprisonment for not more than 1 year, or to both such fine and imprisonment.

On page 26, line 10, it is proposed to strike out "(d)" and insert in lieu thereof "(e)."

On page 40, line 8, beginning with the word "except", it is proposed to strike out all down to and including line 14 and insert in lieu thereof the following: "except that as to rights or liabilities incurred prior to the termination date, the provisions of this title and regulations, orders, and requirements thereunder shall be treated as still remaining in force for the purpose of sustaining any proper suit or action with respect to any such right or liability."

The VICE PRESIDENT. Does the Senator from Arkansas wish to have these amendments considered en bloc?

Mr. MCCLELLAN. Yes; Mr. President.

The VICE PRESIDENT. Without objection, the amendments will be considered en bloc.

Mr. McCLELLAN. Mr. President, this amendment is much simpler than its length would indicate. The effect of it is simply to strike out the provision of the bill which makes it a felony for anyone to violate the regulations or orders issued by the Rent Control Expediter.

My recollection is that in connection with the last Rent Control Act the Senate committee which reported the bill recommended a similar provision, making it a felony or a criminal offense for any citizen to violate a rule, regulation, or order of the Expediter; and the Senate struck that provision from the bill. It is not now the law.

This provision is not in the House bill. Subsection (c) on page 45, which is sought to be stricken from the bill, is sufficiently broad in its terms to include the provision which is the present law, with respect to the violation of those provisions dealing with veterans' preference. My amendment would reenact the provision with respect to veterans' preference, but it would eliminate the criminal provision and reenact, in subsection (d), the provisions of subsection (d) with respect to civil processes provided for the enforcement of the law, just as they are in the bill as now written.

In short, what I am trying to do is to keep from making a felon out of a citizen who may violate, not the law, but some rule, regulation, or order issued in Washington by the Expediter. I do not wish to have the Congress go that far. We have not gone that far in the past, and there is no necessity for doing it now. We provide adequate civil process to enforce the statute, and I am unwilling now to go to the extent of making felons out of those who may violate some rule, order, or regulations of the Expediter, however arbitrary it may be, however unfair it may be. I am unwilling to say that under this provision, if a citizen violates such an order or regulation, he will become a felon. So I think it should be stricken from the bill.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield.

Mr. WHERRY. Will the committee accept this amendment?

Mr. McCLELLAN. I am not advised whether the committee will accept it. I wish it would.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. MAYBANK. Let me say that certainly the committee will not accept the amendment. We cannot accept it. This matter was argued in the committee, and we considered it, and then reported the bill with the criminal sanction provision in it.

Mr. McCLELLAN. Mr. President, regardless of whether the committee will accept it or will not accept it, I call upon my colleagues to strike this provision from the bill. I am unwilling to vote to any person the authority to issue an order, rule, or regulation which the Congress itself will not write into the bill, and then provide that any citizen may be put in the penitentiary for a violation of such an order, rule, or regulation.

Mr. SPARKMAN. Mr. President, I wish to make a brief statement about this matter. I should like to call attention to the fact that the bill as we present it carries with it a provision for criminal penalties for violation of any part of the bill, either title I or title II. Title I relates to veterans' preferences. Title II relates to rent.

The amendment offered by the distinguished Senator from Arkansas would retain the penalties applying to violations of the provisions relating to veterans' preferences.

Mr. McCLELLAN. Mr. President, will the Senator yield to me?

Mr. SPARKMAN. I yield.

Mr. McCLELLAN. Will the Senator agree with me that where we prescribe in this bill the penalties for violation of the veterans' preferences, the Congress itself is prescribing what the law is and what the regulations are to be, whereas, on the other hand, we would be permitting a director or an expediter to make the law which would send a citizen to the penitentiary? Certainly that is the difference.

Mr. SPARKMAN. Mr. President, I wish to call the attention of the Senate to the fact that under the amendment of the Senator from Arkansas we would be retaining the criminal penalties in the event of violation of the provisions relating to veterans' preferences, but we would be denying criminal penalties for violation of the rent-control law. To my mind, such a position does not seem to be consistent. It appears to me to be a good American principle that if we enact a law and say that it shall not be violated, then in order to make it effective we should provide penalties. That is what we propose to do. We have written into this bill a provision for the same kind of penalties which were provided in a previous law. As I recall, it was stricken out of the law last year, but we previously had it.

I wish to remind my colleagues that the penalty would not apply to a casual failure to comply, but would apply only to a willful violation, a violation by a person who knew that he was doing wrong, and still did it purposely.

Mr LUCAS. Mr President, will the Senator yield?

Mr SPARKMAN. I yield.

Mr LUCAS. As I understand the committee amendment, the Housing Expediter would have no power to prosecute anyone.

Mr. SPARKMAN. None whatever.

Mr. LUCAS. All he could do would be to report the facts to the Attorney General or the district attorney, who would proceed from there on. Is that correct?

Mr. McClellan. That is exactly correct. The procedure is lodged in the hands of the Department of Justice.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. SALTONSTALL. I wish to ask the Senator from Alabama how the committee has changed the provision, as compared with the provision which was in the bill as it came to us from the House of Representatives?

Mr. SPARKMAN. This suggested provision is not in the bill as it was passed by the House of Representatives.

Mr. SALTONSTALL. What does the bill as passed by the House of Representatives provide in this respect

Mr. SPARKMAN. It contains a provision for triple damages, but there is no provision for criminal penalties. Insofar as enforcement is concerned, the House merely provided for triple damages.

Mr. McClellan. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. McCLELLAN. I think the distinguished Senator from Alabama is mistaken. In the bill as passed by the House, Senators will find on page 4 a provision for penalties for violation of the law with respect to veterans' preferences. My amendment would restore that or continue it. That is to be found on page 4 of the bill as passed by the House. My amendment would leave that provision as it was when the House placed it in the bill. But the bill as passed by the House does not provide penalties for violation of the rules and regulations of the Expediter.

Mr. SPARKMAN. Mr. President, let me say that the Senator from Arkansas is correct in his statement. What I really meant was that the bill as passed by the House did not carry a provision for criminal penalties so far as violation of the rent-control provisions is concerned.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. SALTONSTALL. I should like to ask the Senator from Arkansas, through the Senator from Alabama, if I may do so, whether his amendment is similar to the law now on the statute books; in other words, the law passed last year.

Mr. McCLELLAN. If I am permitted to answer, let me say that my amendment will leave the provision as it now is in the present law. Last year an attempt was made to write this provision into the bill, but the Senate rejected it. The provision is now contained in the bill presently before us, as reported by the committee; and I am asking the Senate to reject it again.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. BALDWIN. Do I correctly understand that if the Expediter were, for example, to make a regulation with reference to the conditions under which a landlord could recover possession of his premises, and if there were a violation of the regulation, either by a tenant or by a landlord, then the criminal penalties now provided in the bill would apply?

Mr. SPARKMAN. If there were a willful violation, and if the Attorney General decided that the case should be prosecuted, there could be a prosecution.

Mr. BALDWIN. Does the Senator mean that if the Expediter were to make a regulation today and if there were a violation of it tomorrow, the violator would be subjected to the criminal penalties provided in the general clause of the bill with reference to criminal penalties, provided the district attorney pressed the action?

Mr. SPARKMAN. I do not know about the Senator's reference to "today" and "tomorrow." Of course, it must run

the regular course of required notice, whatever that may be. But we are simply seeking to say that if there is a willful violation under this measure, the violator may be prosecuted by the Department of Justice—not by the Expediter.

Mr. BALDWIN. But in the pending bill, do not we give the Expediter authority to prescribe the regulations setting forth the rules of conduct, for violation of which a person could be prosecuted under this Act?

Mr. SPARKMAN. He could be prosecuted for a willful violation of such a regulation; the Senator is correct.

Mr. President, I do not care to go into a further discussion of this matter. I wished to call attention to the fact that this provision applies only to a case of willful and knowing violation of the law. In such cases the violator can be prosecuted.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. MYERS. Am I correct in my interpretation of the amendment of the Senator from Arkansas, namely, that under his amendment criminal penalties would apply if there were a violation of the veteran's right to purchase a home or rent a home; but that once the veteran rented a home, even though he were capriciously or arbitrarily forced out of the home, no penalty would apply?

Mr. SPARKMAN. That is correct.

Mr. MYERS. In other words, under the amendment the veteran would be given protection in securing accommodations, but would have no protection in respect to holding the accommodations; is that correct?

Mr. SPARKMAN. Mr. President, the Senator from Pennsylvania has correctly stated the case. I think there is an inconsistency there which we should have in mind.

Mr. President, there is just one other case to which I wish to call attention.

Mr. McCLELLAN. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Arkansas?

Mr. SPARKMAN. I yield.

Mr. McCLELLAN. Does not the Senator's bill provide, after the veteran gets the home, how he can hold it and protect it, but that there shall be no liability for a violation?

Mr. SPARKMAN. Under the Senator's amendment, just as in title I, if the violation relates to the preference, the violator could be prosecuted; but if it relates to rent control, he could not be prosecuted, it matters not how great or how willful the violation. There is just one other inconsistency——

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. SPARKMAN. Let me finish, please. There is but one other inconsistency, if the amendment should be adopted, to which I want to call attention. Year after year the Senate and House have passed a rent-control law for the District of Columbia, providing exactly the same penalties. Within the next few days the bill will again be before us with those provisions in it. The House passed the bill with those criminal sanctions in it this year, and we are going to be called upon within the next few days to act on that same bill.

I think we should be consistent. When we say that if a person willfully violates the law he may be prosecuted if the Department of Justice sees fit, we are not doing anything more than we have done time and time again in the laws we have passed. I now yield to the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, let me say frankly that I was impressed by the argument which has been made by the Senator from Arkansas. My recollection is that Congress has always hesitated to pass a provision making it a criminal offense to violate a mere regulation. When Congress has imposed a penalty by way of a large fine or imprisonment, in the past it has been the better point of view that those penalties should be invoked solely for violations of the law.

Mr. SPARKMAN. But I may say——

Mr. O'MAHONEY. If the Senator will permit me to continue for a moment——

Mr. SPARKMAN. Yes.

Mr. O'MAHONEY. This matter has just been called to my attention for the first time, as I listened to what the Senator from Arkansas had to say. If the Senator will refer to page 4 of the pending bill, on line 19, which I understand has to do with the veterans preference, there is a provision in the House bill as follows:

> Any person who willfully violates any provision of this section—

May I have the attention of the Senator from Alabama?

Mr. SPARKMAN. Yes. I am listening.

Mr. O'MAHONEY. On page 4, lines 19 and 20, the penalty there is directed against the willful violation of any provision of the section. That means a violation of the law written by Congress. There is on page 45, beginning with line 7, a provision which I understand the Senator from Arkansas seeks to eliminate. The first clause in subsection (c) is the same as that which I just read from page 4, namely:

> Any person who willfully violates any provision of this act—

But then there is another clause—

> or any regulation or order issued thereunder.

If I understand the Senator from Arkansas, his statement is that in the present rent-control act which we are now proposing to extend, there is no section or line of that law which makes a criminal offense of a violation of a regulation. That being the case, I ask, is there any objection to accepting that part of the Senator's amendment which eliminates the crime-making provision with reference to regulations or orders? Do I understand the Senator from Arkansas is asking only to do that?

Mr. McCLELLAN. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Arkansas?

Mr. SPARKMAN. I yield.

Mr. McCLELLAN. I may say to the Senator that the effect of my amendment is to remove the penalty for any violation with respect to a regulation or order.

Mr. O'MAHONEY. Mr. President, may I ask the Senator a question?

Mr. McCLELLAN. If the Senator will let me clarify the situation, then I will yield. My amendment with respect to this, removes the penalty for violation of any regulation or order. Next it reenacts in the law the provision which is now in the House bill and which the Senator just read. The further effect of it would be that there would be no penalty for violating the rent-control law, except the one provided in connection with veterans' preference. I think that is a correct statement.

Mr. O'MAHONEY. If the Senator from Alabama will indulge me, I should like to ask the Senator from Arkansas another question.

Mr. SPARKMAN. Mr. President, before the Senator asks the question, I want to be certain the Senator from Wyoming understands the amendment. The effect of the amendment offered by the Senator from Arkansas is to remove all penalties for violations under the general rent-control provisions of the bill.

Mr. O'MAHONEY. I am trying to find that out.

Mr. SPARKMAN. That is exactly right, but to retain the penalties for violation of the veterans' preference provisions. I should like to say——

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. SPARKMAN. Let me continue for a moment, if I may, before I forget this. The distinguished Senator from Wyoming has said it is unusual, that Congress has been slow to provide penalties for the violation of regulations. I think if we were to go back and examine the things we have done in the past, it would be found that just the contrary is true. Almost every act of this nature provides that criminal penalties shall attach. I want to read the Senator the language contained in the District of Columbia Rent Control Act, for which the Senator from Wyoming and the Senator from Arkansas have voted year after year, and which they will be called upon within a few days to vote for again. I read:

> Any person who willfully violates any provision of this act or any regulation, order, or requirement thereunder, and any person who willfully makes any statement or entry false in any material respect in any document or report required to be kept or filed thereunder, and any person who willfully participates—

And on and on—shall be liable to a penalty of exactly the same amount as the one we provide here.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Wyoming?

Mr. SPARKMAN. May I go a little further? Not very long ago, the Senator from Wyoming was one of the leaders in helping us push through an extension of the Export Control Law. Contained in that law is exactly the same provision. Time after time, if we but had the time to go back and bring them up, we could find that that has been done. What is

so sacred or what is so different in a rent control law that should cause us now to change our course of action, while at the same time we include the penalty provision with reference to the veterans' preference?

Mr. President, that is all I care to say about it.

The VICE PRESIDENT. The Senator from Alabama yields the floor.

Mr. O'MAHONEY. I may say to the Senator from Alabama in response to his quotation of the contents of the District of Columbia rent-control law—and I say this, I may say, as a member of the subcommittee of the Appropriations Committee which recommends appropriations for the District of Columbia, and without any intention whatever of casting any reflections upon any member of the legislative committee—that I think it is generally acknowledged that the District of Columbia is very poorly governed, so far as legislation goes.

Mr. SPARKMAN. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Wyoming yield to the Senator from Alabama?

Mr. O'MAHONEY. Just a moment. With respect to the Export Control Law, I may say to the Senator that that act was passed when the exportation of goods and commodities during the war constituted a very important part of the war program. If I may indulge myself by asking the Senator from Arkansas——

Mr. SPARKMAN. Mr. President, will the Senator first yield to me? I want to make a comment at that point. I was very liberal in yielding to the Senator from Wyoming.

Mr. O'MAHONEY. The Senator declined to yield several times.

Mr. SPARKMAN. Oh, after I had yielded a dozen times.

Mr. O'MAHONEY. No, the Senator did not. The RECORD will show that is not the fact.

Mr. President, I am simply trying to clarify the issue, and I think the Senator from Alabama will see what I am trying to do. May I ask the Senator from Arkansas whether the amendment he proposes would retain those provisions of subsection (c) on page 45, which make criminal the willful violation of any provision of the act, or "any statement or entry false in any material respect in any document or report required to be kept or filed under this act"?

Mr. McCLELLAN. The amendment would not retain that provision. It is not in the present law.

Mr. O'MAHONEY. Does the Senator not feel that those two provisions should be retained, and that if his amendment were confined merely to the elimination of the words "or any regulation or order issued thereunder" it would be a more effective amendment?

Mr. McCLELLAN. I appreciate the Senator's viewpoint, and I see exactly what he is driving at. When I prepared the amendment I simply wanted to try to leave it as it is in the present law, instead of going further than we had gone heretofore with respect to criminal penalties. But the important part of what I am endeavoring to do is to keep a person from being guilty of a felony by simply violating a regulation that might be issued. That is the principal thing I am trying to do.

Mr. O'MAHONEY. May I suggest to the Senator that if he would modify his amendment so as to take out only that part with regard to the violation of regulations, there might be a better chance that his amendment would be adopted.

Mr. FERGUSON. Mr. President, I should like to make a few remarks regarding the amendment which is now before the Senate. I think it should receive the very careful attention of each and every Member of the Senate. The old maxim that ignorance of the law is no excuse is still applicable in America, but, as we have understood that maxim, it applied to statutory law made either by the Congress of the United States or by State legislatures. It was never intended that a rule or regulation of an administrator would be in the same category as statutory law. It was never intended that it would be a criminal offense to violate, willfully or knowingly, such a regulation.

The law is well established that the question of whether any act is wilfully or knowingly done is a question of fact for a jury, or a court in case there is no jury hearing the case, to decide. We allow the Attorney General of the United States, through his local district attorney, to prosecute the case. No one has the idea that a case arising in Arkansas or Michigan will be referred to the Attorney General's office in Washington for prosecution. The local district attorney will determine whether the violator should be charged criminally, yes, even with a felony, for a violation of a rule or regulation.

The able Senator from Arkansas has provided in his amendment that any violation of the act itself remains a criminal act, and that we should never go so far as to say that the violation of a regulation of an administrator——

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. LUCAS. What about regulations made by the Interior Department affecting game and fish? I know what they do at the present time. They prescribe regulations providing that there shall be only a 30-day duck season, for instance, and that one can shoot only four ducks. If the regulation is violated, it is a criminal violation. I do not see anything sacred about this particular matter, when it has been done times without number. The best example I can give the Senator is the one I have given, because one who violates a regulation made by the Bureau of the Interior Department which has jurisdiction over game and fish, if convicted, goes to jail. That has happened in my section of the country, and also in that of the Senator from Michigan.

Mr. FERGUSON. There is no question that Congress delegates to the Interior Department the right to prescribe publicly a season for game and the number of birds or animals that may be taken. But this is a different matter. Here we are allowing the administrator to cover thousands, even millions, of persons in America, 80 percent of whom, we are told, own 3 or 4 rental units each, and we are saying to each one of them that there may be held over their heads by the local district attorney a criminal action, and he alone will decide the question as to whether they shall or shall not be prosecuted.

I hope that the Senate will vote for the amendment offered by the able Senator from Arkansas.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. MYERS. Mr. President, I testified with reference to this bill, and one portion of my statement had to do with enforcement. I ask unanimous consent that that part of my statement be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Enforcement: The present rent control act is about the only Federal statute I can think of which provides absolutely no penalties for violation of its important provisions. It is the only Federal law I know which encourages the people affected by it to violate it, because it provides that in case of violation, and in case the violator is caught in his violation, the worst thing that can happen to him, in the case of an overcharge in rents, whether inadvertent or deliberate, whether casual or continuous, is to be forced to make restitution of the amount which he may have stolen.

My bill provides for criminal sanctions and for civil actions by the Rent Administrator—and we know that his is the only effective agency for enforcement in view of tenant reluctance to sue the landlord. This provision is similar to the provision which we had in effect under OPA.

Now anyone who says that this provision would be used to throw into jail for a year and to fine $5,000 any landlord guilty of some minor violation of the act is uttering pure nonsense. I do not know exactly how many people went to jail for violation of OPA during the war—at the height of the intense patriotic drive to have black marketing regarded almost as a traitorous thing—but I am sure the number was very small. I think it is generally conceded that fines, in those days, for violation of OPA statutes were, on the whole, modest—perhaps too modest.

Federal judges do not sentence reputable citizens to jail for minor infractions of the law. At the same time, however, our Federal courts should be fortified and our Federal agencies should be fortified with the right to proceed vigorously against any citizen who defiantly and continually violates the law and thumbs his nose at the sanctity of the law. I warrant that there are very few landlords so lacking in ordinary decency as to commit such continual violations of the law as to become threatened with jail terms under my bill. But, unfortunately, there are some such landlords, and the last 2 years have been for them a veritable holiday in extortion.

Let us, therefore, have the machinery and the power to deal with them as they must be dealt with if we are to have any moral ground for requiring a decent and law-abiding landlord to bear the restraints of rent control.

Mr. GEORGE. Mr. President, I wish to make one statement. I shall support the amendment offered by the Senator from Arkansas, but I wish to make clear what every Member of this body already knows, that when we speak of a willful violation we do not mean that the person charged has willfully and knowingly committed an offense against the law.

We mean only that he intended to do the thing which the law itself has forbidden. Therefore, the thing which the Expediter prescribes by an order is the thing which, if deliberately or intentionally violated, constitutes a violation of law. So there is not very much consolation to be taken with regard to the willful violation to which reference has been repeatedly made.

The VICE PRESIDENT. The question is on the amendment of the Senator from Arkansas [Mr. MCCLELLAN] to the committee amendment.

Mr. MCCLELLAN and other Senators asked for the yeas and nays; and they were ordered.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll.

Mr. MYERS. The Senator from New Mexico [Mr. CHAVEZ], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Georgia [Mr. RUSSELL] are unavoidably detained.

I announce that the Senator from Mississippi [Mr. EASTLAND] is absent on public business.

The Senator from Oklahoma [Mr. THOMAS] is absent by leave of the Senate.

The Senator from Idaho [Mr. MILLER] and the Senator from New York [Mr. WAGNER] are necessarily absent.

I announce further that if present the Senator from New York [Mr. WAGNER] would vote "nay" on this amendment.

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] is absent by leave of the Senate and is paired with the Senator from Minnesota [Mr. THYE] who is absent by leave of the Senate. If present and voting, the Senator from Washington [Mr. CAIN] would vote "yea," and the Senator from Minnesota [Mr. THYE] would vote "nay."

The Senator from New Jersey [Mr. SMITH] is absent because of illness. If present and voting, the Senator from New Jersey [Mr. SMITH] would vote "yea."

The Senator from New Hampshire [Mr. BRIDGES] is unavoidably detained. If present and voting, the Senator from New Hampshire would vote "yea."

The senior Senator from Kansas [Mr. REED] and the junior Senator from Kansas [Mr. SCHOEPPEL] are unavoidably detained.

The result was announced—yeas 52, nays 30, as follows:

YEAS—52

Baldwin	Hendrickson	Mundt
Brewster	Hickenlooper	O'Conor
Bricker	Hoey	O'Mahoney
Butler	Holland	Robertson
Byrd	Jenner	Saltonstall
Capehart	Johnson, Colo.	Smith, Maine
Chapman	Johnston, S. C.	Stennis
Connally	Kem	Taft
Cordon	Knowland	Tydings
Donnell	Long	Vandenberg
Downey	McCarran	Watkins
Ecton	McCarthy	Wherry
Ellender	McClellan	Wiley
Ferguson	McFarland	Williams
Fulbright	McKellar	Withers
George	Malone	Young
Gillette	Martin	
Gurney	Millikin	

NAYS—30

Aiken	Hayden	Kerr
Anderson	Hill	Kilgore
Douglas	Humphrey	Langer
Flanders	Hunt	Lodge
Frear	Ives	Lucas
Green	Johnson, Tex.	McGrath
McMahon	Murray	Sparkman
Magnuson	Myers	Taylor
Maybank	Neely	Thomas, Utah
Morse	Pepper	Tobey

NOT VOTING—13

Bridges	Miller	Thomas, Okla.
Cain	Reed	Thye
Chavez	Russell	Wagner
Eastland	Schoeppel	
Kefauver	Smith, N. J.	

So Mr. MCCLELLAN's amendment to the amendment was agreed to.

Mr. NEELY. Mr. President, I ask unanimous consent that during the further consideration of the bill no Senator shall speak more than once or more than 5 minutes on any amendment which may be proposed.

The VICE PRESIDENT. Is there objection?

Mr. DONNELL. I object.

Mr. SPARKMAN. I object to that, Mr. President.

The VICE PRESIDENT. Objection is heard.

Mr. BRICKER. Mr. President, I now wish to call up amendment "F."

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 31 in the committee amendment beginning after the period in line 12, it is proposed to strike out through the period in line 15, as follows:

In the making of adjustments to remove hardships, due weight shall be given to the question as to whether or not the landlord is suffering a loss in the operation of the housing accommodations.

And to insert in lieu thereof:

In making and recommending individual and general adjustments to remove hardships or to correct other inequities, the Housing Expediter and the local boards shall observe the principle of maintaining maximum rents for controlled housing accommodations, at levels which will yield to landlords a reasonable return (but not in excess of a reasonable return) on the reasonable value of such housing accommodations. In determining whether the maximum rent for controlled housing accommodations yields a reasonable return on the reasonable value of such housing accommodations, due consideration shall be given to the following, among other relevant factors: (A) Increases in property taxes; (B) unavoidable increases in operating and maintenance expenses; (C) major capital improvement of the housing accommodations as distinguished from ordinary repair, replacement, and maintenance; (D) increases or decreases in living space, services, furniture, furnishings, or equipment; and (E) substantial deterioration of the housing accommodations, other than ordinary wear and tear, or failure to perform ordinary repair, replacement, or maintenance."

Mr. BRICKER. Mr. President, this is a very plain amendment. It provides a reasonable return to the landlord upon the reasonable value of his property. I shall not debate it. My colleague, the senior Senator from Ohio [Mr. TAFT], is prepared to present the argument on it.

Mr. DONNELL. Mr. President, will the Senator yield for an inquiry before his colleague starts?

Mr. BRICKER. I yield.

Mr. DONNELL. In line 4, on page 2 of the proposed amendment, after the language in line 3, namely, "due consideration shall be given to the following", this provision occurs, "among other relevant factors: (A) Increases in property taxes."

I notice in line 8, in subdivision (D) reference is made to "increases or decreases in living space, services, furniture, furnishings, or equipment."

Does the Senator mean to restrict the Housing Expediter to the consideration of increases in property taxes, or would he deem it advisable to add the words "or decreases," so as to cover a situation in which perhaps by reason of changing conditions there was a decrease in taxes?

Mr. BRICKER. I am willing to accept the amendment, to make it read "increases or decreases."

Mr. DONNELL. I suggest that amendment, and I understand the Senator accepts it.

The VICE PRESIDENT. The junior Senator from Ohio modifies his amendment.

Mr. TAFT. Mr. President, this is an amendment which was offered in the House of Representatives by Representative BROWN of Georgia, and adopted by the House in all respects, except that the House provision as finally adopted contained the words "as far as practicable", which are eliminated in the particular amendment now pending. The reason why that phrase has been eliminated is that Mr. Tighe Woods says that in his opinion it is not practicable, and therefore I do not suppose he would enforce the amendment if those words were included. In my opinion it is practicable, and there is no reason, therefore, why the words should be omitted from the amendment. In other respects it is the same. The effect would be to strike out that provision in the bill as it passed the House, and insert these words which appear on page 31:

In the making of adjustments to remove hardships, due weight shall be given to the question as to whether or not the landlord is suffering a loss in the operation of the housing accommodations.

In other words, there is established a principle apparently which the Administrator is to consider, and that is whether the landlord is suffering a loss. Apparently it means a cash loss. It does not even allow the landlord a return on his property and depreciation on his property.

Mr. President, it seems to me that assuming there is a housing shortage and a necessity for control, what troubles us is whether we are being fair to individual landlords. The landlords as a class may be completely satisfied with what they get. They may get more than an adequate return. But there is no assurance in this measure that any individual owner can secure a fair return on his property. We hear over and over again of instances where the return is so low that he can hardly pay expenses, and we hear of many cases in which, apparently, he receives no return.

The fact that a great majority of the landlords may receive more than a fair return does not in any way make it any better for those who do not receive a fair return. I think it is our sense of justice that has led so many of us to hesitate to approve the extension of this kind of control, because in every kind of

control I know of the rates must be fixed so as to provide a reasonable return. That is no guarantee that the owner is going to get it. He may not be able to rent the property for that. There is no Government guarantee. There is no Government guarantee even in the case of utilities and railways. Yet we long ago adopted the theory that when rates are fixed they must be sufficient to allow a reasonable return on the value of the property. The Interstate Commerce Act declares expressly that the Interstate Commerce Commission—

Shall from time to time determine and make public what percentage of such aggregate property value constitutes a fair return thereon, and such percentage shall be uniform for all rate groups and territories—

And so forth.

In making such determination it shall give due consideration, among other things, to the transportation needs of the country and the necessity of enlarging such facilities in order to provide the people of the United States with adequate transportation.

If we do not allow an adequate return we are not going to get the housing necessary. I do not believe there is any question that every public utility in the United States is entitled to a reasonable return on its property. I cannot understand why every individual is not entitled to it.

There is only one argument made. It is said it is impracticable to give every landlord a return on his property. Apparently it is not impracticable to ask him to submit all his figures. That is not impracticable because under the Senate provisions he is supposed to do so. The administrator has to analyze the figures, determine whether they are fair, whether the individual is making or losing money.

The only thing that is added here is that he must have some appraisal made of the fair value of the property and make a return on it.

I do not believe the law of the State of New York is impractical. Let me read the provision in the rent act of the State of New York. The original act of the State of New York contained a similar provision. The State of New York had rent control for something like 10 years after the First World War. There is a decision holding that at that time a reasonable return was about 7 percent, in addition to depreciation. The decision was by the United States Circuit Court of Appeals, in giving a fair return under the New York act. This is what the New York act provides regarding hardship cases in the case of the commercial rent law. I shall not read all the New York law:

The net annual return of 6 percent on the fair value of the entire property including the land, plus 2 percent of principal for amortization of any mortgages thereon, or 2 percent per annum for depreciation on the fair value of the improvement exclusive of the land of any building not encumbered by mortgage, shall be presumed to be a reasonable return. The assessed valuation of the entire property, including land and building, as shown by the latest completed assessment-roll of the city, shall be presumed to be the fair value of the premises, but other lawful evidence of the fair value may be offered and received.

In other words, they have written into the act a reasonable return. We have not done that.

Mr. IVES. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. IVES. I should like to point out to the able Senator from Ohio that the New York statute is far more detailed, far more specific, than is the pending bill.

Mr. TAFT. Yes, I understand that. I only wanted to point out the principle that is involved and the fact that apparently the impracticability of doing this thing does not deter the State of New York from trying to give a fair deal, and provide real justice to each individual, based on the circumstances of his individual case, and not on some average or on some rent that prevailed many, many years ago.

Every time we have tried to write into the Price Control Act or the Rent Control Act provisions insuring justice we have always been met by the statement that it is not practical, that the law cannot be administered if such a provision is placed in it. If we are considering hardship cases, and those are the cases to which this provision has to be applied, I do not understand why it is not perfectly practical to work out a method. The Administrator would have power to adopt the method in the New York act. He could take the tax value of the property as a prima facie value, unless someone proceeded to dispute it, unless someone came in and showed a different value, which might be rather difficult to do. He can adopt any reasonable rate for depreciation. He does not have to make it 6 percent, but some reasonable rate to allow a return on the property.

So, Mr. President, it seems to me that what has been approved by a great majority of the House of Representatives, by a Democratic House of Representatives, an overwhelmingly Democratic House of Representatives, is a fair rule which ought to appeal to the Senate of the United States. Unless we adopt it I do not believe we are going to perform our constitutional duty to see that men are protected in their life, liberty, and property. I do not think we are really performing our constitutional duty to see to it that justice is accorded to those individuals in the United States whose property we are in effect taking, for they have the right to rent their properties at the usual rate but are prevented by the provisions of this Rent Control Act.

Mr. MALONE. Mr. President, I agree entirely with the stand taken by the junior Senator from Ohio [Mr. BRICKER]. The system must be fair to both the property owner and the tenant. The Senator from Ohio simply shows the ridiculous trend that such regulation can take. In other words here we are, 5 years after the war, with wartime control, which means practically confiscation of the savings of people who have invested these savings in income property, expecting to be independent and not to be supported by some form of Government security in their old age.

The large majority of the people affected are small investors. As the senior Senator from Ohio [Mr. TAFT] has so forcefully pointed out, public utilities, including power companies, transportation companies, and telephone companies, are under the control of the public service and railroad commissions of the several States and of the Interstate Commerce Commission. They are given a reasonable return on the invested funds in the property, through a proper valuation of the property and a reasonable percentage of return.

Mr. President, we have effectively stopped any further private investments in public housing—we can stop an income on existing property but we cannot force further investments in rental property. The situation will get progressively worse until the Government undertakes to construct housing for all of the people.

The next step could be putting gas stations, farms, and garages under commission control. There is no end to it.

Mr. President, I served 8½ years on the public-service commission of my State and it seems to me that Congress has no moral right, and I doubt whether it has any legal right, to confiscate property, and that is what a no-profit rental means, confiscation. The local-option provision, of course, is the only saving grace in this entire piece of legislation, simply because a municipality, like Reno, Las Vegas, or any other municipality 3,000 miles from here, about which Congress knows nothing whatever, can get out from under the regulation if the citizens of the community so desire.

But on the other hand, if they are to retain such control, then they should have some definite ways and means of providing for a reasonable return, just as in the case of any public utility.

To show again the ridiculous position in which it places Congress, with respect to all the housing in the United States, it would be necessary to create commissions and boards to hold hearings to determine the value of the property and in each case the percentage of income that should be allowed. I have been a Member of this body for 2½ years. To me it is ridiculous on its face to try to operate and supervise all the property in the United States, which is the inevitable goal of all such regulation. The amendments each year go into more and more detail, with the problem increasingly troublesome. All such legislation can do is to put more and more people on an already swollen pay roll. Finally we would reach the point where the cost of the service will outweigh the returns.

Mr. President, many people have saved their money and have lived in a frugal manner, and have provided for their old age through investments in rental property. They have built houses, sometimes small at first, then adding a story or a room as they were financially able to make the investment. They look forward to living on the income in their old age. Every day we receive letters to the effect that such landlords are going broke, and that many of them are simply working for the tenants.

I submit that if this act is to be extended there should not only be local-option control, but some provision made to provide a reasonable return.

Wartime controls of any nature should not be continued into peacetime unless considered on their merits and not in the light of the emergency under which they were created.

This policy should apply to wartime luxury and excise taxes, including entertainment, transportation, and the tax on telegrams amounting to from 15 to 25 percent.

It is a bad policy which has been established—that all wartime and emergency taxes must be retained in peacetime to be expended in the regular expenses of the Government. The wartime taxes should be repealed.

Mr. FLANDERS. Mr. President, I should like to say a word or two on this question. I think I can be very brief.

I have been in business for a great many years. I do not at all share the optimism of the senior Senator from Ohio [Mr. TAFT] that the necessary determinations could be made without a new army of auditors and accountants. Under OPA there were perhaps a hundred and fifty manufacturers of shirts on a large scale. Under this provision there will be millions of houses, and each one will represent an individual case.

I share the feeling which has just been expressed by the junior Senator from Nevada [Mr. MALONE], that the pending bill is full of injustices. That is true. That is one of the reasons why we must get rid of rent control. But I submit that writing into the law a provision for a 5-percent increase on the 1st of October and a second increase in April would do far more toward ameliorating those injustices than would the necessary army of auditors and accountants.

Mr. FERGUSON. Mr. President, I should like to say a few words on this subject. I cannot conceive that the United States Constitution is not applicable merely because many people are concerned. As I understand the able Senator from Vermont, such a provision was all right under the OPA regulations, because we were dealing only with a few hundred shirt makers; but it is not all right in this case because we shall be dealing with many thousands of citizens. Mr. President, as I understand the Constitution of the United States, it says that no one—not only a shirt maker, not only an owner of real estate, but no one—shall be deprived of his property without just compensation. Under the law of the land even the Congress cannot say what just compensation is. Only the courts are entitled to say what is just compensation.

Mr. FLANDERS. Mr. President, will the Senator yield for a question?

Mr. FERGUSON. I yield for a question.

Mr. FLANDERS. I should like to inquire whether the Senator is not making an argument against rent control itself. If so, he is making a pretty good argument. However, if he is not arguing against rent control itself, it seems to me that his argument on this particular feature of it—rent control admitted—has no particular force.

Mr. FERGUSON. Mr. President, I am arguing about just compensation. I say that if the time ever comes in America when we cannot enforce laws, then the laws should not be passed. Let us look at the facts as to who the landlords of America are——

Mr. HICKENLOOPER. Mr. President, will the Senator yield for a question?

Mr. FERGUSON. I yield for a question.

Mr. HICKENLOOPER. I should like to ask the Senator if it is not true that in the emergency of war itself, when the Nation is fighting for its very life, and the existence of our whole system may be at stake, nevertheless, even under that emergency, the Government does not take private property for war purposes without establishing means and measures for adequate and reasonable compensation for the property preempted?

Mr. FERGUSON. That is correct. That rule applies to real estate. Even though the American Government needed land airports, even though it said, "For the time being we will take this land," it provided that the owner could go into the courts and receive just compensation.

Mr. President, the fact that in this case many thousands of small property owners are involved does not affect the principle for which I am contending. God grant that they may continue to own property. We in America have prided ourselves upon having more home owners than any other country on the face of the globe. Many small property owners have surplus rooms in their houses. When they are financially hard pressed they either close off certain sections of their houses or rent one or two or three rooms for what is called light housekeeping. Nevertheless, under the law they are landlords. We are saying to them, "Because there are a great number of you, we will arbitrarily fix the prices and confiscate your property."

Mr. President, the law should be reasonable. If it requires an army to enforce this law, well and good, but there ought to be a sufficient force, at any rate, to see that fair rentals are established, and, then, if any man feels himself aggrieved, he should be allowed to go before the administrator, and we should see to it that he receives a fair rental on his property.

Mr. FLANDERS. Mr. President, will the Senator yield for a question?

Mr. FERGUSON. I yield for a question.

Mr. FLANDERS. The Senator realizes, does he not, that the hardship provision still remains in the law?

Mr. FERGUSON. I am familiar with the hardship provision. The hardship provision says, "We will see to it that you do not have a loss." I stated on this floor once before, and I repeat, that I think it is just as wrong to confiscate the return on a man's property as it is to confiscate the principal. I know how it is in New England. Up there they frown upon a man who lives upon his principal. I say that it is just as evil to take his reward and the increment on his real estate as it is to take the principal itself.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. MALONE. I understood the Senator to say that it might be illegal to provide for a reasonable return. We are merely providing that a proper return must be assured on any rental property. We do not set up the detail machinery to accomplish the desired result, but the machinery can be provided. It, of course, will cost a great deal of money. That is exactly my point. It is ridiculous for us to continually pass confiscatory acts and make no provision for protecting the citizens of this Nation. However, machinery can be set up to give a fair return, and provide an appeal to the court, in the regular manner, so that the result is fair to the owner and to the tenant.

Mr. FERGUSON. Yes. I merely wish to see just compensation provided.

The PRESIDING OFFICER (Mr. DONNELL in the chair). The question is on agreeing to the amendment lettered "F," offered by the Senator from Ohio [Mr. BRICKER].

Mr. BRICKER. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. DOUGLAS. Mr. President, I believe that the purpose of the senior Senator from Ohio [Mr. TAFT] is one which appeals to the good faith of all of us. None of us wishes to penalize any class. None of us, I hope, wants to be unfair to individuals. So the purpose of the Senator from Ohio is a very worthy one.

Before I begin my main argument, I should like to touch for a moment on the contention advanced by the distinguished Senator from Michigan [Mr. FERGUSON] concerning the alleged unconstitutionality of the proposed law. Of course I am not a constitutional lawyer, and I do not propose to set myself up against the Senator from Michigan on this point; but I should like to remind him that the passage from the Constitution to which he referred reads as follows:

> Nor shall private property be taken for public use, without just compensation.

That provision would seem not to apply to this case, inasmuch as the public, as such, is not purchasing property from a private individual. I should also like to point out that the OPA law was enforced, and the constitutionality of the OPA law was upheld in the case of Bowles against Willingham; and that the constitutionality of the present rent-control law has also been upheld in Miller against Woods.

I mention this matter merely in passing.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield for a question.

Mr. FERGUSON. Does the Senator from Illinois contend that the Congress has the right to take property from one citizen and pass it over to another citizen without just compensation?

Mr. DOUGLAS. I simply say that it would seem to me that the passage which the Senator read is not controlling in the present matter because it deals with the taking of private property for a direct public use. But I am content to leave the matter with that statement, and I pass on to what I regard to be the real issues at stake.

Mr. FERGUSON. Mr. President, will the Senator further yield?

Mr. DOUGLAS. Certainly.

Mr. FERGUSON. If the Congress attempts to take the property of one man and transfer it to another, it is certainly taking it without due process of law. The just compensation is a question for the court, of course.

Mr. DOUGLAS. Of course the Senator from Michigan is well aware that the rent-control law provides adjustments in the case of individuals, not only in so-called hardship cases, and not only to protect against loss, but also to guarantee earnings up to those in a base period; and it also provides the machinery whereby local increases can be granted. I mention all those factors to indicate that this is not a capricious law; that already efforts are being made to provide justice.

Mr. President, I am afraid that what I have to say may be complicated, and so I would ask those Senators who are interested to turn to pages 4 and 5 of the committee report, because I shall touch upon some of the matters which are there set forth.

I should like very strongly to reenforce the very excellent discussion by the junior Senator from Vermont, in which he pointed out some of the administrative difficulties which are involved in the proposal of the Senator from Ohio.

We have here the problem of 13,000,000 rental units which are under control. So, Mr. President, this is not a case of dealing with a few generating stations or a connecting right-of-way or locomotives or a given number of freight cars. Those problems are complicated enough in connection with the regulation of public utilities and railways; but here we have 13,000,000 isolated rental units, and it is proposed that we shall determine the "reasonable value" of each of those 13,000,000 units, and then grant a rent which will yield a "reasonable" return. Mr. President, a very large proportion of the members of this body are lawyers and are experienced in the difficulties which arise in the regulation of public utilities, and all of them are aware of the great differences of opinion as to what standards of value should be used in ascertaining the fair value of public utilities—for instance, shall we use original cost or original cost less depreciation or prudent investment or reproduction cost or reproduction cost less depreciation; or shall we take the sales value; or shall we take the capitalization of earnings? We immediately get into seven or eight different standards which could be applied; and that problem in itself would take a great deal of time, and would multiply the arguments.

But in the present case, the selection of the standard is only the beginning of our difficulties because once we choose the standard to be followed, then we must ascertain the value of each individual house of the 13,000,000.

Mr. President, I am just a plain, ordinary man of the street; but I must confess that I, along with the Senator from Vermont, am appalled at the amount of paper work and the amount of leg work and the number of administrative agencies which would have to be used in order to administer this law. And that would be only the beginning; because after that, we would have to find what was the return received by the landlord and in ascertaining that return we would have to make allowance for the operating expenses, fuel, insurance, taxes, utilities, janitor service, and for fixed expenses such as depreciation, et cetera.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. DOUGLAS. Certainly.

Mr. TAFT. Do not all those items have to be considered under the provision in the current bill?

Mr. DOUGLAS. Only in individual cases of hardship are they considered.

Mr. TAFT. And only in individual cases of hardship are they to be considered, according to the present proposal.

Mr. DOUGLAS. But under the present proposal the property would have to be appraised.

Mr. TAFT. The only additional feature is the appraisal, which presumably will be the appraised value, which in many States can be taken from the tax returns.

Mr. DOUGLAS. Of course we are all somewhat acquainted with local governments, and we know that there is great lack of uniformity as to the ratio between assessed value and actual value—and that this is a variation not merely as between communities, but within communities. In local government we have not yet established a uniform ratio between assessed value and actual value.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. DOUGLAS. Certainly.

Mr. MYERS. It occurs to me that if we were to take the assessed value as the standard, in many communities in my State that would require a reduction from the present rental, rather than an increase in the present rental.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. DOUGLAS. Of course.

Mr. TAFT. Of course, Mr. President, if the owner paid taxes on an appraised value of $10,000, it would be a little difficult for him to come in and ask for a return on $20,000.

I do not object to that hardship on the landlord; I simply say that as a matter of presumptive value, that is what the Administrator will take. He may have to listen to evidence as to something else, of course; but it seems to me that basically a man who pays taxes on an appraised value of $10,000 is in a rather difficult position if he attempts to come in and say, "I want a return on $20,000."

Mr. DOUGLAS. Mr. President, let me say to the very able Senator from Ohio that I may not have read this amendment with the care with which I should have read it; but I do not find in it a definition stating that "reasonable value" is to be the assessed value. I merely find a statement that the value is to be the "reasonable value", but there is no definition of what is "reasonable."

Mr. MYERS. Mr. President, will the Senator yield?

Mr. DOUGLAS. Certainly.

The PRESIDING OFFICER. The Chair would remind Senators that the rule requires that all Senators address the Chair if they wish to be recognized or if they wish to have Senators yield to them.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. MYERS. Does the Senator from Illinois understand from the observation just made by the Senator from Ohio that his interpretation of "reasonable value" is the assessed value?

Mr. DOUGLAS. I was not certain that such was his interpretation; but I should like to ask the Senator from Ohio whether that is his standard.

Mr. TAFT. The suggestion was that the Administrator might well follow the New York statute, which I read to the Senate. It provides that the assessed value is the reasonable value prima facie, but that evidence may be received for other purposes. If the Administrator chose to adopt the rule that in his opinion the reasonable value was the tax value, subject to evidence which might dispute that, it seems to me that would be a very proper compliance with the words of the amendment which has been offered.

Mr. MYERS and Mr. IVES addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Illinois yield; and if so, to whom?

Mr. DOUGLAS. I yield first to the Senator from Pennsylvania.

Mr. MYERS. Mr. President, I merely suggest to the Senator from Illinois that he might remind all Senators that before they vote on this amendment they had better determine what the assessed value might be in their respective States, and what might be the relation in their States between assessed value and reasonable value or fair value or reproduction value or original cost value; because unless they do so, I feel that the legislative history which is now being made might then determine the assessed value to be the proper interpretation of "reasonable value"; and in many communities the landlords then might find themselves in a very poor and a very unfavorable position.

Mr. IVES. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Let the Chair state that in line with the ruling made by the Vice President, a Senator may yield solely for a question, unless by unanimous consent he obtains permission to yield for some other purpose.

Mr. DOUGLAS. I yield to the Senator from New York for a question.

Mr. IVES. Mr. President, what I have in mind is not strictly a question, for I would first make a statement and then ask a question.

The PRESIDING OFFICER. The rule is that a Senator who has the floor can yield only for a question. Accordingly, the Chair will recognize the right of the Senator who has the floor to yield for a question, but for no other purpose, except by unanimous consent.

Mr. IVES. Mr. President, let me ask unanimous consent, if I may do so with

the permission of the Senator from Illinois, to make a very brief statement before asking a question.

The PRESIDING OFFICER. Is there objection to the consent requested by the junior Senator from New York?

Mr. DOUGLAS. Mr. President, of course, I trust the Senator from New York and know that he will not take me off my feet, so I shall be very glad indeed to yield to him.

Mr. IVES. I could not take the Senator off his feet.

The PRESIDING OFFICER. Just a moment. Is there objection to the request of the Senator from New York? Hearing none, the request is granted. The Senator from New York may make the statement.

Mr. IVES. Mr. President, the junior Senator from New York desires first to express his appreciation to the Senate for this privilege.

The PRESIDING OFFICER. The Chair may say to the Senator from New York that no expression of appreciation is necessary to the Chair. The Chair understood it was to the Senate that the Senator offered it. The Chair is simply enforcing the rule which the Vice President has laid down as being correct.

Mr. IVES. The Senator from New York is expressing gratitude. The Senator from New York fully agrees with the Chair, realizing as does the Senator from New York somewhat the problems of the Chair.

Mr. President, to be brief, I should like to point out what I pointed out to the very able Senator from Ohio when he was making his very able statement about the matter. That is, that the statute in New York to which he referred is very detailed and specific. If that kind of bill were before us in the present instance we should be faced with an entirely different proposition. The question of intangibles which is obviously in the present proposal does not occur to any such extent in the New York statute. It is because this is so intangible, it is because no one knows for certain what "reasonable" is, or what "reasonable return" is, it is because of all these uncertainties, much as I realize perhaps the necessity for some kind of provision of this kind, that I shall not favor the proposed amendment.

Mr. DOUGLAS. I should like to thank the junior Senator from New York for saying what I was trying to say, and saying it probably better even than I could have said it myself. Not only do we have great trouble in finding out what "reasonable value" is, but we shall also have trouble in finding a "reasonable return," because that involves the question of the interest rate, and it also involves a question of a very detailed schedule of expenses. As a matter of fact, I think about the only people who can take advantage of this clause successfully in any period of time would be the large landlords who have accounting staffs, who have very accurate books, who might be able to present a case, and who would be able to hire an attorney. But in my judgment it would be ineffective for the small landlord who does not keep books and who does not have the money to pay for the attorneys and accountants, and that therefore it would not help the class of people who, I am sure the Senator from Ohio wants to help, and whom he thinks he is helping, but who in reality would be left out in the cold under his provisions.

Mr. MYERS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Pennsylvania for a question?

Mr. DOUGLAS. I am very glad to yield to the Senator from Pennsylvania.

Mr. MYERS. Am I correct in understanding from the remarks just made by the Senator from Illinois that because of the terms of the amendment, it would be an amendment favorable to the large apartment house operator, but that it would not be to the best interests of the small landlord or the small rental operator or to the widow who owns a small house in any community in America?

Mr. DOUGLAS. Precisely so.

SEVERAL SENATORS. Vote! Vote! Vote!

The PRESIDING OFFICER. The Senator from Illinois has the floor and may proceed.

Mr. DOUGLAS. We of the committee wanted to protect the landlord. We considered very carefully the suggestion made by one of the most respected and beloved Members of this Chamber, the senior Senator from New Hampshire, that we work out a formula, and I may say that I worked a number of days trying to get a formula.

Mr. MAYBANK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from South Carolina?

Mr. DOUGLAS. I shall be glad to yield.

Mr. MAYBANK. Is it not true that this matter was discussed thoroughly with the junior Senator from Vermont?

Mr. DOUGLAS. That is correct.

Mr. MAYBANK. Even with respect to the Federal Reserve restriction?

Mr. DOUGLAS. I think so.

Mr. MAYBANK. And even as to the Federal Reserve recommendations as to the cost of living?

Mr. DOUGLAS. I think so.

Mr. MAYBANK. The matter was discussed by the Senator from Illinois and the Senator from Vermont, was it not?

Mr. DOUGLAS. That is correct.

Mr. MAYBANK. Although I was originally opposed to the 5 percent and 5 percent, as the Senator knows, I was in favor of a fair-valuation provision, but I was convinced that the 5 percent and the 5 percent could be made workable, and the other could not be. I told the distinguished Senator from Illinois that if I were on a free conference—and I have great respect for the House and great respect for Representative BROWN of Georgia who offered the amendment in the House—if I could be convinced it was workable, I would vote for it. But I was convinced from the testimony of the Senator from Illinois and the Senator from Vermont that the fair-valuation provision was unworkable.

Mr. DOUGLAS. I thank the Senator.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The Senator from Illinois has the floor, and he may proceed.

Mr. DOUGLAS. Mr. President, we had hoped very frankly that we could get a simple form which would show gross receipts for the landlord and deduct from those the operating expenses, to get what we call on page 4 "net operating income." But the difficulty in that was not merely the total number of persons who were involved, some thirteen million, but also the fact that in many cases the records for the earlier years were not available.

The PRESIDING OFFICER. The Senator from Illinois will suspend for a moment. The Chair does not want to be unduly strict, but it is very difficult for even the Chair to follow the statement of the Senator, without the Senate being in order. The Chair must insist, and does insist, that the Senate remain in order.

Mr. DOUGLAS. Mr. President, in view of that fact, perhaps I should go back a bit and say that we had hoped we could work out a formula that would show the net operating income of the landlord in a base period such as 1941, find the net operating income for the year, and then provide an increase in gross rents of a sufficient amount to yield a given increase in the net operating income, and I would have been perfectly willing to have supported an increase in net operating income of 30 or 40 percent. The Senator from New Hampshire made a very moving and appealing plea on this point, and I can assure him we tried very honestly to see if that could not be made workable. The difficulties as I said were not merely that we have 13,000,000 rental units to deal with, but also that the records in many cases for the base year such as 1941 were either lost or not present, and that a very large percentage of the properties had been sold in the meantime, so that a comparison could not be made. We were therefore forced rather reluctantly, and I can say it was reluctantly, to come to these two flat increases across the board of 5 percent on the 1st of October and 5 percent on the 1st of next April. And that suggestion, it is an open secret, was first made by the Senator from Vermont, and I joined with him.

Now, what does this do? I think it will be found to give very appreciable relief to the small landlords who would suffer, or perhaps I should say would not receive adequate relief in the proposal advanced by the senior Senator from Ohio.

As a matter of fact, I think it will be found that the position of landlords as a whole—and I now say simply as a whole—has not been worsened to the degree to which one might believe from much of the propaganda that is flying around. We have obtained today figures on the number of mortgage foreclosures on buildings used for housing outside the farm areas, and I may start off by saying that by 1933 there were 252,000 foreclosures on these home units. In 1942, there were 41,997, or roughly 42,000.

The figures which I shall later give I shall round off to the nearest thousands. Nineteen forty-two was the first effective year of OPA. In 1943 the number of foreclosures fell to, roughly, 25,000, or a fall of approximately 40 percent.

In 1944 foreclosures were 17,000, a decrease of nearly 60 percent from the base period of 1942.

In 1945 foreclosures amounted to 12,700; in 1946 they amounted to 10,453; in 1947 they were 10,500. In other words, the number of foreclosures at this time on buildings used for housing, namely, nonfarm units, if these figures are correct—and I believe them to be—are approximately only one-fourth of what they were in 1942.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. DOUGLAS. Certainly.

Mr. HICKENLOOPER. Mr. President, I should like to ask the Senator if it is not true that during the years just named, from 1942 to 1947, in which there was a constantly decreasing number of foreclosures, the income of the American people was constantly rising to the highest point it has ever reached in the history of the Nation?

Mr. DOUGLAS. Let me answer that. I will say that the income of the Nation has increased, and that would indicate, certainly, that the landlords have not been suffering to the degree to which it has been commonly alleged. As a matter of fact, the income of the landlords increased, as I shall show, and I shall later give the reasons for the increase.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for another question?

Mr. DOUGLAS. Certainly.

Mr. HICKENLOOPER. Did I correctly understand the Senator to have said that this is a record of general foreclosures, and not landlord foreclosures?

Mr. DOUGLAS. I am informed that it is a record of foreclosures on buildings used for homes and houses. I believe that commercial foreclosures are not included. I may say that these figures came from the Housing and Home Finance Agency.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for a further question.

Mr. DOUGLAS. Certainly.

Mr. HICKENLOOPER. Is it not a perfectly sound assumption that as incomes increase, the ability of the property owner to hold on to his property and to keep his mortgage current, and, in fact, paid off, is much greater than when incomes are being reduced?

Mr. DOUGLAS. Let me say to the Senator from Iowa that the picture which has been painted for us during these last weeks is that the landlords, as a group, are being crushed between fixed rents and rising costs, so it is said that they are being completely squeezed out and forced to dispose of their properties. What I am trying to establish from the figures is that, taken as a group, that does not seem to be true. On the contrary, landlords, as a group, seem to be in less financial difficulty than they were in 1942. That is all I am trying to show.

Mr. President, what is the explanation of these figures? I think it is due to two factors in the past. The first is that rental vacancies have virtually disappeared, and the second is that a large part of the cost of painting, decorating, and repairing has been shifted from the landlords to the tenants. If the Senators will look at the figures given on pages 4 and 5 of the report, the arithmetic which is involved can be seen. Let me give a very simple illustration. Suppose that the rent is $54.50 a month in a base period, but the landlord rents his house or apartment for only 11 months, and that it is vacant the remaining month. The gross income for the year is, therefore, $600. Let us say that the operating expenses are $350. Therefore the net operating income is $250. Vacancies have now virtually disappeared. They used to be approximately 9 percent; the figure has now fallen to less than 1 percent. Let us therefore say that the house or apartment is now rented for 12 months. The gross income for the year is now $654 instead of $600, making an increase of 9 percent. But the net operating income is now $654 minus $350, or $304 instead of $250, representing an increase of slightly more than 20 percent, or, in other words, the increase of 9 percent in gross rental income has caused an increase of more than twice that amount, or more than 20 percent in net operating income, since that is a residual.

If we further deduct depreciation and interest on mortgages, it will be found that the net income, after fixed charges, has increased very much more than 20 percent. Let us say that the depreciation on a $6,000 house is 2½ percent a year. That is $150 a year.

The reduction in vacancies has caused a great increase in net operating income over what it otherwise would have been, and a still greater increase in net income. The shifting of painting, decorating and minor repairs from the landlord to the tenant has resulted in a reduction in operating costs, and a still further increase in net operating income and net income. This may be the reason why the Office of Price Administration found that for the period which ended on June 30, 1946, the net operating income for large apartment structures had risen over 1939 by 28 percent, and that the operating income for small structures, of four units or less, had risen by 43 percent, and that the increase in net income was still greater after paying fixed costs than the increase in the net operating income.

In other words, landlords as a group have been able in a large degree to protect themselves—I do not say wholly—against the increase in costs, by the shifting of painting, decorating, and repairs and by the virtual disappearance of vacancies.

We now grant them under this bill a still further increase across the board, which, by the 1st of April of next year, will amount to 10 percent. That would mean, in the illustration which I have given, that the gross income from the apartment would be $60 per month for 12 months, or $720 a year, and if in the illustration which I have given the operating costs remained at $300, the net operating income would be $420 instead of the $250 with which I began, or an increase of nearly 80 percent. Since the increase in the cost of living has been approximately 70 percent since 1939, I think it can be seen that to the degree to which these figures are correct—and they are not far off, if we take the average—we are giving a good deal of protection to landlords. If we reckon in terms of net income or after fixed costs have been deducted from net operating income, the landlord under my example would have made a still greater relative gain.

In addition to all this we provide for hardship cases, and we provide for local increases, if in the opinion of the local advisory board that is desirable. We make every effort to make fair adjustments both in individual cases and for areas.

I submit that this proposal which we make is much more practicable than the proposal advanced by the Senator from Ohio to have each and every house in the country which is put up for rent made subject to valuation, with the result, inevitably, that it would only be the large landlords who would gain, and the small landlords would not be able to take advantage of this public utility standard.

As I have said, everyone believes in a reasonable return on reasonable value. Those words have a great appeal to our sense of fairness. We all think of ourselves as reasonable men, and being reasonable men, we naturally want the value to be reasonable, and we want a reasonable rate of return. But the problem is, what is the precise meaning of those words? Or, as a character in one of Dickens' novels remarks, "It is all a question of what is inside the pork pie." Just what is the meaning of these terms "reasonable value" and "reasonable return"? The Senator from Ohio says he is willing to take assessed tax valuation, despite the fact that there are great inequalities in the ratio of appraised tax valuation to valuation on any basis, not only between communities, but within communities. Our taxing machinery, as we all know, is very, very imperfect on that point, and if the desire is to give justice in each individual case, I personally do not see how we can accept the standard laid down by the senior Senator from Ohio.

The other standards we might take—original cost, original cost less depreciation, reproduction cost, reproduction cost less depreciation, prudent investment, capitalization of earnings—would provide enough work for all the high-powered utility lawyers, assessors, and evaluators. If what we want to do is to abolish bureaucracy and red tape, certainly we should vote down this Taft-Bricker amendment and turn to the Flanders-Douglas proposal—or rather the proposal of the committee, for simple flat increases, which will not, perhaps, give justice in each and every individual case, but which will give a rough approximation of justice for the group as a whole.

Mr. President, I hope all the Senators will consider this issue very carefully. There is a new science which has come into being. I do not know whether it can be called a precise science, but it is something about which people talk a great deal, the so-called study of semantics, or the meaning of words. I would say that these are very seductive words which the Senator from Ohio has incorporated in his amendment, namely "reasonably value" and "reasonable return." What could make a greater appeal to reasonable men, provided they did not look behind the words to the substance? What I hope the Members of the Senate will do, however, will be to look at the substance and to look at the administrative difficulties. We desire to reduce red tape, we wish to give substantial justice, and we want to go ahead.

Mr. President, I should appreciate the Senators' reading the testimony on this point of Mr. Tighe Woods, the Expediter, in the report of the testimony in the Senate committee hearings, pages 39 and following. I do not know whether all Senators agree with Mr. Woods or not but I should like to have them appraise the argument he advances. He says:

> Since April 1, 1948, I have given serious thought to the possibility of an adjustment based upon return on value, and decided that it was not possible. Recently, various members of the House Banking and Currency Committee requested me to reexamine this question.
>
> After making a further check and reconsidering all the facts, I am completely convinced that no method of arriving at rental property values is workable or would produce fair results for landlords or tenants. Experience with the concept shows that it is impossible to take any single standard of value for a piece of property. Capitalization of earnings is useless because the rate used for capitalization would be whatever was assumed to be a proper rate of return and there could never be a rent adjustment.
>
> Use of construction costs is impractical because records are not available for the vast majority of rental properties. It would, moreover, result in inequitable variations in rents for comparable buildings because of differences in construction costs depending on the efficiency of builders and the cost levels prevailing when different structures were built.

He proceeds to say that the use of reproduction costs, of current sales prices, would undermine rent control, and, in short, points out what I have been trying to say, that these standards are highly theoretical, that they require minute investigation, with records which are largely not present and, which therefore present a more difficult case from that of the public utilities, in connection with which records are full and complete; and he says it is administratively unworkable.

In contrast with all this, our proposal is simple and gives substantial justice to those small landlords who perhaps in the past did not have vacancies even in the beginning of the period, and who perhaps have taken it on the chin. We are proposing a fair and workable approximation to justice instead of the almost completely unworkable proposal advanced by the Senator from Ohio.

Mr. TOBEY. Mr. President, since the distinguished Senator from Illinois [Mr. DOUGLAS] referred to my remarks in the Committee on Banking and Currency some weeks ago when this subject first came up for discussion, I wish to explain my position.

I did speak in the committee, and was burning under a passion for justice, which I hope will always be inherent in me, together with a feeling of great sympathy for the landlords, who have been carrying heavy burdens, as I recognize very fully and frankly, calling for the outlining and formation of a short form, and I said with a good deal of boldness, perhaps with less judgment, that I could sit down with any Senator and draw up such a form in an hour's time, with perhaps not more than 12 questions, then strike a balance and make an adjudication of this thing very quickly.

I know my intentions were good. My judgment was not so good. I began to look into the matter. I talked with authorities, many authorities, about it in the endeavor to draw up such a form and to reach a modus operandi.

I failed. I acknowledge my failure. In spite of that, I am now going along with the well-thought-out objective of the Senator from Illinois and the Senator from Vermont which lies in the pending bill, which is now adopted, giving a 5-percent increase 6 months from now and a 5-percent increase further on.

We have also put in the bill, as Senators well know, not only the State level but the municipal level, so that, under a provision contained in the bill, any community may take itself out from under Federal rent control whenever the community desires to do so, with the approval of the governor.

Mr. President, I agree with the statement made by the Senator from Illinois [Mr. DOUGLAS]. It is a well-thought-out statement. Much as I dislike to say so, I take the position that we must go along with the pending bill as reported by the committee. I shall, therefore, vote against the pending amendment.

Mr. President, there are 13,000,000 housing units in this country now under control. Taking care of the problem involved by adjudication by a group of men represents a herculean task. Not only is the task involved a herculean one, but the expense connected with it will be tremendous. Before we get into gear and make that modus operandi effective, the whole thing will be out the window within a year's time. I hope and pray that is true.

Rent control is a mess in this country, and most people are sick of it. On behalf of the people of America, landlords and tenants alike, I ask for relief, and say, "Let us get back to normal action again." But we cannot do it entirely as yet. So for the greatest good for the greatest number and the larger values involved, I shall vote against this amendment and support the bill in its entirety as amended.

Mr. GEORGE. Mr. President, I wish to say just a word. Distinguished Senators have repeatedly said that there are 13,000,000 rental houses in this country. The pending amendment is primarily intended to take care of hardship and inequity cases, and the burden will necessarily be on the landlord, if he claims that he is not receiving a fair return on his fair investment. It is not necessary for Mr. Woods to value all the houses in the country in order to administer this law. Mathematical certainty is not required here any more than it is required anywhere.

Mr. President, even criminal statutes provide for a different standard of judgment between a man who commits murder in the heat of great passion, and the man who commits murder after a reasonable cooling time has elapsed, a sufficient time for him to come to his better senses. Yet it is said such a provision as the one now proposed cannot be enforced. If we cannot enforce such a simple rule of justice, then in the name of justice we should abandon the whole effort further to persecute and destroy the landlords of this country. They are little people as a rule.

What is being done by this sort of legislation, and every other piece of legislation of this type, is to destroy the middle class in America. The effort is made to destroy the middle class, not consciously, not intentionally, but inevitably and unavoidably, in order to take care of somebody who is below the middle class. That is the vice of this thing. Senators need not worry about the few who are above the middle class.

If this simple rule cannot be administered, then we ought to abandon control. The burden here is upon the landlord, or the house owner, who claims a hardship or an inequity, and who would have to convince the administrator that he is not receiving a fair return on his reasonable and honest investment. Not only that, but the Housing Expediter and the local boards are to see to it. If the local boards in my section of the country have ever overworked themselves I have never learned of it. So let the local boards do a little work, and let the Expediter do a little work. He has 600 deputy expediters scattered over the country in all the rental areas. He is not required to fix a just return to an absolute mathematical certainty. Indeed, no such certainty as that is required anywhere in the law. He has to fix a level at which the yield will be a reasonable return on the fair value.

There is nothing insuperable here, Mr. President, except the insuperable disposition of bureaucrats not to do justice to simple Americans who have their investments in their homes.

The VICE PRESIDENT. The question is on agreeing to the amendment lettered "F," offered by the Senator from Ohio [Mr. BRICKER.]

Mr. MYERS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Donnell	Green
Anderson	Douglas	Gurney
Baldwin	Downey	Hayden
Brewster	Ecton	Hendrickson
Bricker	Ellender	Hickenlooper
Butler	Ferguson	Hill
Byrd	Flanders	Hoey
Capehart	Frear	Holland
Chapman	Fulbright	Humphrey
Connally	George	Hunt
Cordon	Gillette	Ives

Jenner	McGrath	Robertson
Johnson, Colo.	McKellar	Russell
Johnson, Tex.	McMahon	Saltonstall
Johnston, S. C.	Magnuson	Schoeppel
Kefauver	Malone	Smith, Maine
Kem	Martin	Sparkman
Kerr	Maybank	Stennis
Kilgore	Millikin	Taylor
Knowland	Morse	Thomas, Utah
Langer	Mundt	Tobey
Lodge	Murray	Vandenberg
Long	Myers	Watkins
Lucas	Neely	Wherry
McCarran	O'Conor	Wiley
McCarthy	O'Mahoney	Williams
McClellan	Pepper	Withers
McFarland	Reed	Young

The VICE PRESIDENT. Eighty-four Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment lettered "F" offered by the Senator from Ohio [Mr. BRICKER]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CORDON (when his name was called). On this question I have a pair with the senior Senator from New Mexico [Mr. CHAVEZ]. If he were present and voting he would vote "nay." If I were at liberty to vote I would vote "yea." I therefore withhold my vote.

Mr. MORSE (when his name was called). On this question I have a pair with the senior Senator from Ohio [Mr. TAFT]. If he were present and voting he would vote "yea." If I were at liberty to vote I would vote "nay." I therefore withhold my vote.

Mr. MURRAY (when his name was called). On this question I have a pair with the Senator from Maryland [Mr. TYDINGS]. If he were present and voting he would vote "yea." If I were at liberty to vote I would vote "nay." I therefore withhold my vote.

The roll call was concluded.

Mr. MYERS. I announce that the Senator from Mississippi [Mr. EASTLAND] is absent on public business.

The Senator from Idaho [Mr. MILLER] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from New Mexico [Mr. CHAVEZ] and the Senator from Maryland [Mr. TYDINGS] are unavoidably detained.

The Senator from Oklahoma [Mr. THOMAS] is absent by leave of the Senate.

I announce further that, if present, the Senator from Oklahoma [Mr. THOMAS] and the Senator from New York [Mr. WAGNER] would vote "nay" on this amendment.

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] is absent by leave of the Senate and is paired with the Senator from New Jersey [Mr. SMITH], who is absent because of illness. If present and voting, the Senator from Washington [Mr. CAIN] would vote "yea," and the Senator from New Jersey [Mr. SMITH] would vote "nay."

The Senator from Minnesota [Mr. THYE] is absent by leave of the Senate. If present and voting, the Senator from Minnesota would vote "yea."

The Senator from New Hampshire [Mr. BRIDGES] is unavoidably detained. If present and voting, the Senator from New Hampshire would vote "yea."

The result was announced—yeas 34, nays 47, as follows:

YEAS—34

Baldwin	Hickenlooper	Reed
Brewster	Jenner	Russell
Bricker	Kem	Saltonstall
Butler	Knowland	Schoeppel
Byrd	McCarran	Vandenberg
Capehart	McCarthy	Watkins
Connally	McClellan	Wherry
Donnell	Malone	Wiley
Ecton	Martin	Williams
Ferguson	Millikin	Young
George	Mundt	
Gurney	O'Conor	

NAYS—47

Aiken	Humphrey	McMahon
Anderson	Hunt	Magnuson
Chapman	Ives	Maybank
Douglas	Johnson, Colo.	Myers
Downey	Johnson, Tex.	Neely
Ellender	Johnston, S. C.	O'Mahoney
Flanders	Kefauver	Pepper
Frear	Kerr	Robertson
Fulbright	Kilgore	Smith, Maine
Gillette	Langer	Sparkman
Green	Lodge	Stennis
Hayden	Long	Taylor
Hendrickson	Lucas	Thomas, Utah
Hill	McFarland	Tobey
Hoey	McGrath	Withers
Holland	McKellar	

NOT VOTING—14

Bridges	Miller	Thomas, Okla.
Cain	Morse	Thye
Chavez	Murray	Tydings
Cordon	Smith, N. J.	Wagner
Eastland	Taft	

So Mr. BRICKER's amendment to the committee amendment was rejected.

Mr. MAYBANK. Mr. President, I understand that certain amendments have been suggested on this side of the aisle which will not be offered. I spoke with the Senator from Nevada [Mr. MCCARRAN], and he said he would not offer them.

Mr. CORDON. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. Does the Senator wish to have the amendment read? It has been printed.

Mr. CORDON. I should like to have the amendment read, Mr. President.

The VICE PRESIDENT. The amendment will be read.

The CHIEF CLERK. In the committee amendment, on page 39, line 22, after the word "title", it is proposed to insert a comma and the following: "except the provisions of section 206 (j)."

On page 46, line 11, before the period, it is proposed to insert a comma and the following: "other than a proceeding under section 206 (j)."

On page 49, between lines 22 and 23, it is proposed to insert the following:

(j) (1) The United States shall be liable to the owner of any controlled housing accommodations which are rented during any period of time this title is in effect after March 31, 1949, for the difference between the reasonable rental value of such controlled housing accommodations and the aggregate maximum rent applicable to such controlled housing accommodations for such period.

(2) Any owner of any controlled housing accommodations for which a maximum rent is determined by the provisions of this act and such maximum rent cannot be adjusted by the Housing Expediter, or any owner of any controlled housing accommodations the maximum rent for which is subject to adjustment by the Housing Expediter to whom the Housing Expediter has denied (in whole or in part) any requested individual adjustment in the maximum rent applicable to his controlled housing accommodations, may, at any time prior to June 30, 1951, institute an action against the United States in the district court of the United States for the district in which such controlled housing accommodations are located for the difference between (1) the reasonable rental value of such controlled housing accommodations for any period during which they are rented subsequent to March 31, 1949, and while this title is in effect and (2) the maximum rent applicable to such controlled housing accommodations during such period. In the event the court determines that the reasonable rental value of such controlled housing accommodations exceeds the maximum rent applicable thereto, the judgment of the court shall provide for payment to the plaintiff—

(1) in the case of any controlled housing accommodations for which a maximum rent is determined by the provisions of this act and cannot be adjusted by the Housing Expediter, of a sum equal to the difference between (A) the reasonable rental value of such controlled housing accommodations for the period between the date of institution of such action and June 30, 1950, or the date of rendition of such judgment, whichever may be the earlier, and (B) the aggregate maximum rent applicable to such controlled housing accommodations for such period; and

(2) in the case of controlled housing accommodations the maximum rent for which is subject to adjustment by the Housing Expediter and with respect to which the Housing Expediter has denied (in whole or in part) a request for individual adjustment, of a sum equal to the difference between (A) the reasonable rental value of such controlled housing accommodations for the period between the date of application for such individual adjustment and June 30, 1950, or the date of rendition of such judgment, whichever may be the earlier, and (B) the aggregate maximum rent applicable to such controlled housing accommodations for such period.

Any such judgment rendered prior to June 30, 1950, shall also provide for the payment by the United States to the plaintiff, for each month subsequent to the rendition of the judgment and prior to June 30, 1950, during which such controlled housing accommodations are rented, of the difference between (1) the reasonable monthly rental value of such controlled housing accommodations and (2) the maximum rent applicable to such controlled housing accommodations.

Mr. CORDON. Mr. President, the substance of this amendment can be stated in a very few words. It provides that the Federal Government shall be liable to every owner of controlled rental property for the difference between the amount the Federal Government tells him he must rent the property for and the amount that a court tells him he is entitled to have. That is it.

Mr. LUCAS. Vote!

Mr. CORDON. Mr. President, I appreciate the courtesy. I shall endeavor to close at the earliest possible moment.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. CORDON. I yield for a question.

Mr. LUCAS. I thought the Senator from Oregon had finished, when he made his last statement. I apologize to him. When he said "That is it," I thought he had finished.

Mr. CORDON. Certainly.

Mr. President, that is it; that is the meat in this coconut.

I have heard one Senator after another, in speaking on this bill, admit

the injustices created by the bill, and say that Senators regretted those injustices, but there was nothing they could do about them. Mr. President, this amendment provides a way to do something about the injustices. It provides nothing more or less than simple justice.

I call attention now to a few bits of data which are pertinent: Between August 1939 and December 1941 rents rose 3.7 percent. All other living costs rose 11.3 percent. During the same period, wages in all manufacturing industries rose 35.4 percent. Between 1941 and 1945 there was an increase of 3.8 percent in rents; 34.5 percent in the other items making up the cost of living; and an accumulative 75.5 percent over 1939 in wages—or, translated into the same type of percentage, an increase of 29.6 percent in wages.

By June 1946 there had been an additional 4 percent rise in rents, 39.3 percent in the other costs of living, and 3.8 percent in wages.

By January, 1949, the total increase in rents over 1939 was 14.8 percent. The total increase in all other costs of living was 83 percent. The total icnrease since 1939 in the wages I have just mentioned was 128.9 percent.

Mr. President, I mention those figures to indicate that the dollar which the owner of rental property obtains today is not the dollar he obtained in 1939. His costs have gone up, too.

The increase in rents, as indicated by those figures—in other words, an increase of 14.8 percent—can mean only one thing, namely, that the Federal Government is using its sovereign power to require those of its citizens who happen to have made investments in rental property to take the jolt for all other of our citizens who rent property. It is requiring a small segment of the people of the United States to subsidize another segment of our people. I believe there is no Member of the Senate who would not prefer to place that subsidy where it belongs, namely, on the shoulders of all 140,000,000 of the people of the United States. To my mind, that is what we should do to provide equity and justice, as I understand those terms.

My amendment will permit that to be done. Mr. President, I would normally anticipate one or two questions. However, I know they will not be asked under the circumstances, because all of us wish to finish our work on this measure and go home.

I have no hope that the amendment will be adopted. Let me say here and now, and make it perfectly clear, that I have no such hope. But, Mr. President, I wish to say that Senators who vote for this control bill had better take a look at the figures I have presented before they think in terms of continuing the present law by means of the bill now pending. One of the questions which would come from interested listeners would be, "How much will this cost the Federal Government?" The answer is, Mr. President, that it will cost the Federal Government just the amount it is taking out of the pockets of the owners of rental property, and no more. It would cost the Government what the Government itself should be obligated to pay; because it, and it alone, is taking that money out of those pockets.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. CORDON. I yield for a question.

Mr. KILGORE. In line with the theory presented by the distinguished Senator from Oregon, would he also agree that we should apply commercial rates to the consumers of power produced on the Columbia River, so as to equal the rates charged in the State of West Virginia, as compared with the rates charged in Oregon and Washington?

Mr. CORDON. Mr. President, I shall be glad to discuss the power question with my friend the Senator from West Virginia at some appropriate time. I prefer now to stay on the subject of rent control.

Mr. KILGORE. Mr. President——

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from West Virginia?

Mr. CORDON. I am sorry that I must decline to yield. I shall be happy to yield to the Senator at the close of my remarks for any germane question; but I regret that I must go forward now. I have sympathy for my colleagues on this floor.

Mr. President, another question which probably would be asked is, "How are you going to enforce such an amendment? Why is it not subject to all the objections that have been offered to other amendments which seek to do simple justice?"

Mr. President, the answer is that under this bill, every owner of rental property must first make his application to the Expediter for an adjustment. If the Expediter refuses to make an adjustment and denies the application in whole or in part, then that houseowner can file his complaint in the district court of the district where the property is located. He may not have it heard that year, or the next year, or the next year, or the next year. In any event, all the matters that are subsequent to his filing of the complaint are without the jurisdiction or administration of rent control. They are in the bosom of the court. The court can take what time it pleases, and it might well be, Mr. President, that a filing of such a complaint within this year might not get to judgment for 10 years. But I prefer justice, long delayed, to injustice perpetrated forever.

Mr. President, I am not going to pursue the argument further. I merely want to say that from the standpoint of a fair deal, from the standpoint of giving to those from whom we are taking a part of their property, however sound may be our reason for doing it, from the standpoint of doing simple equity and justice to those people, the amendment is the answer, at least in part, and far more than anything else that I have heard discussed on this floor.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Oregon [Mr. CORDON] to the committee amendment.

Mr. CORDON. Mr. President, I should like to ask the yeas and nays. I hope that those who are present will do me the courtesy and themselves have the courage to stand up and be counted now, because if they do that I know that hereafter they are going to study this problem and realize the injustice that is being done.

The VICE PRESIDENT. The yeas and nays are demanded. Is there a sufficient second?

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. STENNIS (when his name was called). On this amendment I have a pair with the junior Senator from Indiana [Mr. JENNER]. If he were present, he would vote "yea." If I were permitted to vote, I would vote "nay." I withhold my vote.

The roll call was concluded.

Mr. MYERS. I announce that the Senator from Mississippi [Mr. EASTLAND] is absent on public business.

The Senator from Idaho [Mr. MILLER] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], and the Senator from Maryland [Mr. TYDINGS] are unavoidably detained.

The Senator from Oklahoma [Mr. THOMAS] is absent by leave of the Senate.

I announce further that, if present, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Oklahoma [Mr. THOMAS], and the Senator from New York [Mr. WAGNER] would vote "nay" on this amendment.

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] is absent by leave of the Senate and is paired with the Senator from Minnesota [Mr. THYE] who is absent by leave of the Senate. If present and voting, the Senator from Washington [Mr. CAIN] would vote "yea," and the Senator from Minnesota [Mr. THYE] would vote "nay."

The Senator from New Jersey [Mr. SMITH] is absent because of illness, and is paired with the Senator from Ohio [Mr. TAFT] who is unavoidably detained. If present and voting, the Senator from New Jersey [Mr. SMITH] would vote "nay," and the Senator from Ohio [Mr. TAFT] would vote "yea."

The Senator from Maine [Mr. BREWSTER], the Senator from New Hampshire [Mr. BRIDGES], and the Senator from California [Mr. KNOWLAND], are unavoidably detained. If present and voting, the Senator from New Hampshire [Mr. BRIDGES] would vote "yea."

The result was announced—yeas 20, nays 59, as follows:

YEAS—20

Bricker	Gurney	Reed
Butler	Hickenlooper	Schoeppel
Capehart	Kem	Watkins
Cordon	McCarthy	Wherry
Ecton	Malone	Wiley
Ferguson	Martin	Young
Fulbright	Millikin	

NAYS—59

Aiken	Flanders	Holland
Anderson	Frear	Humphrey
Baldwin	George	Hunt
Chapman	Gillette	Ives
Connally	Green	Johnson, Colo.
Donnell	Hayden	Johnson, Tex.
Douglas	Hendrickson	Johnston, S. C.
Downey	Hill	Kefauver
Ellender	Hoey	Kerr

Kilgore	Magnuson	Russell
Langer	Maybank	Saltonstall
Lodge	Morse	Smith, Maine
Long	Mundt	Sparkman
Lucas	Murray	Taylor
McCarran	Myers	Thomas, Utah
McClellan	Neely	Tobey
McFarland	O'Conor	Vandenberg
McGrath	O'Mahoney	Williams
McKellar	Pepper	Withers
McMahon	Robertson	

NOT VOTING—16

Brewster	Jenner	Thomas, Okla.
Bridges	Knowland	Thye
Byrd	Miller	Tydings
Cain	Smith, N. J.	Wagner
Chavez	Stennis	
Eastland	Taft	

So Mr. CORDON's amendment to the committee amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the committee amendment as amended.

Mr. BRICKER. Mr. President, I have three or four amendments, all of which were submitted to the committee and were voted down by the committee. It is my judgment, from the votes which we have already had tonight, that these amendments would likely be voted down on the floor of the Senate. One of them provides a technical advantage to those whose leases were increased by 15 percent, voluntarily, and then, for some reason, expired before the date upon which the properties would have been permanently re-leased. Another amendment provides for striking the section permitting the Expediter to sue for triple damages. The other amendment provides for voluntary leases.

I shall submit the amendments, on behalf of myself and the Senator from Washington [Mr. CAIN], and ask that they be printed in the RECORD at this point in my remarks, but I shall not call them up at this time.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

On pages 43 and 44 strike all of section 204.

On page 44, line 11, strike the words "SEC. 205", and substitute "SEC. 204."

On page 49, line 23, strike the words "SEC. 206" and substitute therefor "SEC. 205."

On page 30, line 16, strike out "and (6)" and insert in lieu thereof "(6), and (7)."

On page 34, after line 2, insert the following:

"(7) In any case in which a landlord and tenant (including any new tenant) on or before December 31, 1949, voluntarily enter into a valid written lease in good faith (at any rental agreed upon in the lease) with respect to any housing accommodations for which a maximum rent is in effect under this section, and such lease takes effect on or after the effective date of the Housing and Rent Act of 1949 and expires on or after September 30, 1950, and if a true and duly executed copy of such lease is filed, within 15 days after the date of execution of such lease, with the Housing Expediter, such housing accommodations shall not thereafter be subject to any maximum rent established or maintained under the provisions of this title unless such lease is terminated before March 31, 1950. If any such lease is so terminated the maximum rent (unless a subsequent lease entered into under the provisions of this paragraph is in force) shall be the rental which had been agreed upon in such lease."

On page 32, lines 3 and 4, strike out "heretofore terminated or expired" and insert in lieu thereof "terminated or expired since April 1, 1948."

The VICE PRESIDENT. The question is on agreeing to the committee amendment as amended.

Mr. SPARKMAN. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table showing the number of landlord petitions for increases in rent granted, by grounds, cumulative through February 1949; a table showing the number of general rent increases since July 1, 1947; a letter regarding a case on which we specifically asked for a report. The matter was referred to in the House hearings on page 204, concerning a complaint arising in Akron, Ohio.

I also ask to have printed a letter in answer to a complaint, which is discussed on page 265 of the hearings, addressed to all apartment owners in Duluth, Minn., under date of December 31, 1948, and signed by the Duluth Apartment Owners Association, together with some correspondence which Representative HUBER had with a constituent regarding a supposed complaint, and an affidavit and a reply relating to the case.

I submit also, Mr. President, and ask to have printed a short statement dealing with the Associated Press release and the United Press release of today telling of the resolution adopted by the United States Conference of Mayors in favor of an adequate rent-control program, minus the home-rule clause which was earlier agreed to.

There being no objection, the papers were ordered to be printed in the RECORD, as follows:

Landlords' petitions for increases in rent granted by grounds—cumulative through February 1949

Major capital improvement	510,444
Increased services and equipment	769,968
Special relationship	128,315
Increased occupancy	166,729
Peculiar circumstances	222,297
Substantial hardship	78,933
Operating at a loss	141
Other	74,409
Total	1,951,236

General rent increases, July 1, 1947–Mar. 21, 1949

Percent of increase:	*Number of units affected*
4	101,000
5	74,000
7	40,000
8	18,000
9	3,000
10	53,000
12	8,500
14	35,000
15	36,000
18	5,500
20	66,000
Total	440,000

OFFICE OF THE HOUSING EXPEDITER,
Akron, Ohio, March 9, 1949.

Memorandum to: Mr. B. W. Diggle, Deputy Housing Expediter, Washington, D. C.

From: Virgil E. Rogers, Area Rent Director.

Subject: Complaint of Gladys Packer, 158 South Arlington Street, Akron, Ohio.

Pursuant to your telephone conversation with Mr. Aaron Brill, area rent attorney, today, the writer desires to submit the following report concerning subject complaint:

Gladys Packer owns and operates a 4-family apartment building at 158 South Arlington Street, Akron, Ohio. There is a storeroom on the first floor and the apartments are over the storeroom.

On November 22, 1948, subject landlord filed a hardship petition (D–58) and the petition was docketed and identified in this office as docket No. H–1014.

On November 24 the petition was sent to Cleveland to the chief regional accountant, Douglas L. Rinal. On December 14, 1948, 3 weeks later, the landlord, Gladys Packer, filed a petition (D–1) for an adjustment of rent by reason of a chang from unfurnished to furnished for apartment No. 1 in said building, Docket No. H–10,009. This docket was processed in the regular manner and an order was issued by the rent director on February 24, 1949, increasing the rent for apartment No. 1 from $30 per month unfurnished to $50 per month furnished.

On December 24, 1948, said landlord filed a lease on apartment No. 3 in said building, indicating that the said apartment was a 3-room unit plus private bath and established the amount of $52.90 as the monthly rental which included the 15-percent adjustment. On checking the registration for this unit it was discovered that said amount of $52.90 was in excess of the allowable 15 percent and the legal department refused to approve the lease.

On January 14, 1949, the area rent attorney received a letter from Mrs. Packer concerning apartment No. 3 in which she claimed that apartment No. 3 was the same unit as a four-room unit plus bath which had been registered by a former landlord and that this registration should apply to the lease instead of the three-room registration although in her lease the landlord specifically claimed that apartment No. 3 was the three-room unit plus bath. Mrs. Packer then called at the area office and interviewed Mr. Brill, area rent attorney; Mr. Alfred LaMonica, compliance officer; and Mr. H. R. Heminger, senior examiner. They all told her if she would furnish an affidavit to substantiate her claim, to wit: That the unit had been changed from three to four rooms and that she was in error in her description in the lease, that her lease would be approved at the rental of $52.90 per month. It might be stated here that the room in question has dimensions of 6 by 7 feet and is alleged to have been a structural addition made by a previous landlord. As of the date of this report, the area rent attorney has not received the requested affidavits with respect to the number of rooms in the unit.

On January 17, 1949, the landlord, Gladys Packer, filed a D–1 petition for apartment No. 2 at said address requesting an adjustment in rent by reason of a change from unfurnished to furnished. The petition is identified as Docket No. H–10,105. An order was issued in this case on January 27, 1949, increasing the rent from $30 per month to $45 per month.

Prior to January 17, 1949, the landlord had lived in apartment No. 2 and was living in this apartment when she filed her hardship petition, Form D–58, on November 22, 1948. On or about January 17, 1949, she moved from apartment No. 2 into apartment No. 4 where she is now living and the tenant in apartment No. 4 moved into apartment No. 2.

On or about December 12, the auditors in the regional office at Cleveland wrote to the landlord and notified her that a representative from their office would call on her for more information regarding the figures in her hardship petition in Docket No. H–1014. In the meantime, the landlord had left town and the additional information was not available until after December 25, 1948.

A check in our compliance department discloses we have had four separate compliance cases against this landlord and they are as follows:

Docket No. 55,048: Tenant, Nellie Campbell, claimed an overcharge. This case was closed

on a basis of self-help by the landlord filing petition Form D–1.

Docket No. 55,049: Complaint by Mr. Fred Landmesser. Landlord was requested to refund to tenant $30.52 on straight overcharge. Landlord made the refund.

Docket No. 55,215: Refund to tenant Nellie Campbell in the amount of $10.50.

Docket No. 55,594: Complaint filed by H. D. Abbott, tenant, closed by reason of private law suit filed by attorney Gabalac on behalf of tenant against Mrs. Packer for an overcharge.

Mr Douglas L. Rinal, chief regional accountant, informed Mr. Brill, area rent attorney, on long distance telephone that an auditor's report would be issued from his office to the area office today. As soon as this report is received by this office an order either adjusting the rent upwards or denying an adjustment will be issued. If there has been a delay in processing the hardship petition, it has been due solely to the numerous changes by the landlord as indicated above.

SUPPLEMENTAL REPORT ON COMPLAINT BY GLADYS PACKER

The following information just received by long-distance telephone by Douglas Rinal, accountant, regional office:

Concerning Gladys Packer's hardship petition, Docket No. H–1014, Mr. Rinal indicated that the increased expenses for the current year were $263.52 and would be offset by increase in income during the current year of $489.34.

Upon a further adjustment of Mrs. Packer's figures on the basis of overcharges in rents made by her to tenants during the base period, the total increase in income for the current year will be $738.

V. E. R.

OFFICE OF THE HOUSING EXPEDITER
Akron, Ohio, March 9, 1949.

To: Mr. B. W. Diggle,
Deputy Housing Expediter,
Washington, D. C.

From: Mr. V. E. Rogers,
Area Rent Director,
Akron, Ohio.

Subject: Complaint by Mr. C. B. Cleverdon concerning 26 North Bates Street, Akron, Ohio.

Pursuant to the instructions given to Mr. A. Brill, area rent attorney, by long-distance telephone today the writer desires to submit the following report:

On June 9, 1948, Mr. C. B. Cleverdon, landlord, filed a petition for adjustment of rent on apartment No. 1 at 26 North Bates Street, Akron, Ohio. In his petition the landlord claims better furniture and furnishings, some new and some used—storm windows—renovating the entire apartment by papering, painting walls and refinishing woodwork. He requested to be relieved of furnishing gas for cooking and requested the rent to be set at $35 per month. A petition was processed in the usual manner and identified in the Akron area rent office as Docket No. H–9 354.

On June 10, 1948, an inspection of the apartment was made by Mr. H. R. Heminger. This apartment consisted of two rooms, plus bath and was furnished. The landlord called at the area rent office and took the inspector in his automobile to the apartment, which is only a few blocks from the area rent office. The inspection of the apartment was made in the presence of the landlord and the apartment was vacant. There was no tenant in occupancy. As a result of said inspection an order was issued on June 11, 1948, 2 days after the petition was filed increasing the rent from $7.75 per week to $35 per month—the exact amount which the landlord requested.

Also the area rent office records show that on August 18, 1948, the landlord, Mr. C. B. Cleverdon filed a petition Form D–1 requesting an adjustment of rent on apartment No. 6 at 26 North Bates Street, Akron, Ohio. Apartment No. 6 is located on the second floor front and consisted of two rooms furnished. Landlord in his petition stated that the apartment was vacant and that he desired an adjustment in rent because storm-sash had been installed and he intended to furnish the service of taking down and putting up storm windows by reason of seasonal changes. Landlord also requested that he be relieved of the obligation of furnishing gas for cooking.

Mr. Don White, inspector, made an inspection of the premises on August 19, 1948, the day after the petition was filed. The landlord, Mr. C. B. Cleverdon, made arrangements with the senior examiner, H. R. Heminger, to have the inspection made while he was present because the unit was vacant. He also informed Mr. Heminger that he would be present in the apartment building on Thursday morning, August 19. The inspection was made in the presence of the landlord at the appointed time by Mr. White and his inspection report shows that "there were separate meters for all apartments for gas and electric; landlord required to furnish heat, gas for heating water on the landlord's meter; that the landlord has installed seven storm windows and that the gas for cooking fuel was on the tenant's meter."

Thereafter, on August 23, 1948, an order was issued effective August 18, 1948, date of filing the petition; said order reducing the rent by $1.50 by reason of discontinuing the service of cooking fuel by landlord. An increase in rent was also granted in the amount of $1.50 because of the increased services by installing storm windows and the landlord assuming the obligation of servicing storm windows for seasonal changes. The decrease offset the increase and the rent was allowed to remain the same. The landlord in his petition requested the rent remain the same and the order issued by the rent director on August 23, 1948, complied with his request.

The records in the area rent office show no other inspections or adjustments for 26 North Bates Street. You will notice that both apartments Nos. 1 and 6 were vacant at the time the inspections were made and that both inspections were made in the presence of the landlord, Mr. C. B. Cleverdon.

DECEMBER 31, 1948.

To All Apartment Owners, Duluth, Minn.:

The National Apartment Owners Association has opened an office in Washington, D. C., to fight rent-control legislation in the coming session of Congress. The objects and aims of the Washington office will briefly be as follows:

A. We must refute every piece of "cock-eyed" and unfair propaganda put forward by the rent-control boys.

B. We must prevent the proposed establishment of a permanent rent-control division—either under the Housing Division or the Department of Commerce.

C. We must succeed in selling the Congress on a better rent bill with a definite time limit on it—(if—if) we can't get rid of it entirely.

D. We must prevent strengthening of rent controls by the OHE whose announced intentions and program are as follows:

They intend to—

1. Recontrol all apartments now decontrolled.

2. Reintroduce their former rights to bring criminal action for violations.

3. Do away with all leases and roll back rents to 1942 levels.

4. Reintroduce triple-damage plan and sue property owners even if tenant will not.

5. Scrap hardship provisions and just work on a rigid freeze schedule.

6. Force complete repairs and renovations without delay.

7. Enforce court injunctions with an iron hand.

8. Remove the right to furnish apartments (with the exception of apartment hotels).

9. Recontrol apartment hotels now decontrolled.

In order to carry on the fight against this high-handed program, the National Apartment Owners Association has issued a call for funds. The purposes for which this fund is to be used cannot be set forth in every detail, but, in general, are as follows:

1. Establish a Washington headquarters and staff it completely.

2. Employ professional legal counsel.

3. Employ research organizations in order to collect and collate all needed facts and information.

4. Buy radio time to influence public and legislators.

5. Buy paid advertisements at certain critical periods.

6. Buy pamphlets and other literature prepared under our direction telling our story—and getting them in the hands of our legislators.

7. Hire experts to tell our side of the picture—before Government hearings and the public assemblies.

8. Hire speakers of prominence and ability who can put our story across to the right people.

9. Establish press headquarters so that facts on our side get into the papers nationally.

You are asked to contribute to this fund with at least 50 cents per rental unit in your building, with a minimum contribution of $5. If you believe in your investment and the free American way, get behind this campaign and back up the National Apartment Owners Association with a contribution. They are fighting your battle and need your help now.

It may interest you to know that in New York City alone, tenant associations are assessing their members several dollars each to raise an amount of $450,000 to carry on the right for rent control.

It's high time apartment owners get busy and give some help to the fight-rent-control campaign now being carried on by able officers of the National Apartment Owners Association. A letter has just came from Mr. John E. Owen, president of the National Apartment Owners Association, in which he states as follows:

"I have it today—on good authority—that the 1942 Rent Control Act will be introduced in Congress immediately after it convenes. If this occurs, it means the return of all of the criminal features of the act, with local officials given power to sue and to file criminal complaints against landlords for almost any charge that can be trumped up against them. It also means much more vicious regulations than we have now. It may even mean an attempt to roll back rents and to cancel all leases. This will certainly be done if the CIO has anything to do with it because they made that recommendation to the Senate Banking and Currency Committee when I was personally present last year.

"This should make you fighting mad. As a matter of fact, you ought to begin to see red—not the kind of red that makes communism but the kind that makes Americans fight. We have under way a campaign to promote the discontinuance of rent control. It is, of course, hardly possible for us to expect now that rent control will go out on the 31st of March 1949. But we must drive forward; produce facts and figures; educate the public, the tenants, the veterans' organizations, the union men, and everyone else that we come in contact with, and especially our own people who will be so directly affected by the un-American legislation that will undoubtedly come out of this Congress—that rent control is of no benefit to anyone."

Make out checks to the Building Owners and Managers Association of Duluth, or to

Harry L. George, treasurer, and mail to No. 22 Phoenix Building, Duluth 2, Minn., without delay.

DULUTH APARTMENT
OWNERS ASSOCIATION.

DULUTH, MINN.

AKRON, OHIO, *January 29, 1949.*

DEAR MR. HUBER: I am writing to you as one who should be interested in the "Fair Deal for all," as promised by President Truman.

For the last 7 years I have rented a house here in Akron for $18 a month, it should rent for $35. The Federal rent office here has given me no relief in spite of higher costs for improvements. I am a widow and need a few dollars profit from this house. Can you help me?

Gratefully,

ANNA WARD.

FEBRUARY 3, 1949.

Hon. WALTER B. HUBER,
Member of Congress, Fourteenth Congressional District of Ohio, House Office Building, Washington, D. C.

DEAR CONGRESSMAN: This will acknowledge receipt of your memorandum together with the attached letter from Mrs. Anna Ward, 135 Mayfield Avenue, Akron, Ohio.

The writer assigned Mr. E. V. Glass, examiner in this office, the work of making an investigation and submitting a report. Mr. Glass immediately checked our registration records concerning 135 Mayfield Avenue, Akron, Ohio, and found nothing. He then checked the Akron City Directory and found a Mrs. Anna Ward listed in the directory as the widow of Joseph Ward, working at 135 Mayfield, residence of Dr. C. F. Wharton, president of the Apartment House Owners Association.

Mr. Glass then telephoned the Wharton residence, UNiversity 3661, and Mrs. Wharton answered the telephone. Mr. Glass requested permission from Mrs. Wharton to talk to Mrs. Ward but was informed that Mrs. Ward was a resident domestic employed by the Whartons—that she was deaf and a telephone conversation would not be possible. Mrs. Wharton was very evasive and uncooperative and wanted to know what information our office desired from Mrs. Ward. Mr. Glass was then advised by Mrs. Wharton that Wednesday afternoon was her afternoon off and Mr. Glass made a tentative appointment for her to come to the office for the purpose of giving us the address of the property for which she claimed she was only receiving $18 a month rent.

In the meantime we made a thorough search of all our records in the Area Rent Office and the same failed to disclose any evidence that Anna Ward had ever attempted to secure a rent adjustment. Mr. Glass then checked the tax records at the courthouse and the same failed to show any property listed for taxation under the name of either Anna Ward or Joseph Ward (deceased husband).

Mrs. Ward failed to appear at the area office at any time Wednesday afternon, February 2. This morning, February 3, Mr. Glass again called the Wharton residence at 9 a. m. and again talked with Mrs. Wharton. Mrs. Wharton, in her telephone conversation advised Mr. Glass that after discussing the matter concerning the rental property with Mrs. Ward yesterday, it was discovered that the subject property apparently is located somewhere in the State of New Jersey. Mrs. Wharton is rather vague but presumes it might be the city of Newark, inasmuch as she believes that is Mrs. Ward's native city.

Therefore as far as the records of this office are concerned and also the records at the Summit County courthouse, the same fail to disclose any property owned or rented by Anna Ward and also the area office records do not show that Mrs. Ward ever made any attempt of any kind whatsover to secure an adjustment of rentals.

Therefore, as far as the writer is concerned, the statement which Mrs. Ward made in her letter that the "Federal Rent Office here has given me no relief in spite of higher costs for improvements" is false and there is not one word of truth in it.

Apparently this phony letter was written for the purpose of attempting to influence your vote on the new rent-control law and the real author is C. F. Wharton. Apparently he is using his domestic servant as a stooge. He didn't anticipate that you might check up on his fake propaganda. I seriously doubt that Mrs. Ward is the author of the letter.

As the time approaches for the passage of a new rent-control law, you will probably receive many similar letters. About a month ago Drew Pearson, in his column, predicted this very thing. Perhaps other Members of Congress will be bombarded with the same type of propaganda and perhaps a congressional investigation might cure this method of propagandizing Members of Congress.

Have just received word from one of the members of the editorial staff of the Akron Beacon Journal that the Property Owners and Renters League of Summit County has called a special meeting for next Monday evening at which time they intend to familiarize themselves with the Tulsa mass-eviction movement. Mr. C. B. Cleverdon of Cuyahoga Falls is the president and Mr. A. E. Sauder is secretary.

Sincerely yours,

VIRGIL E. ROGERS,
Area Rent Director.

HEARINGS BEFORE THE COMMITTEE ON BANKING AND CURRENCY, HOUSE OF REPRESENTATIVES, FEBRUARY 18, 1949

Mr. COLE of Kansas. On page 546 of the transcript of the hearings of February 16 there was included in the record a letter to Congressman HUBER from Mr. Rogers, area rent director, in which he commented [reading]:

"Apparently this phony letter was written for the purpose of attempting to influence your vote on the new rent-control law, and the real author is C. F. Wharton."

I have here for introduction in the record a wire from Dr. Wharton which was handed to me, and he requested it be included in the record.

The CHAIRMAN. Without objection, it may be done.

Mr. COLE of Kansas. However, it is important to read this wire [reading]:

MIAMI, FLA., *February 17, 1949.*

BURTON EDWARDS,
Secretary, National Apartment Owners Association, Washington, D. C.:

Your inquiry about Anna Ward, of Akron, Ohio. Wish to state that she is a widow and deaf mute who works for me at my home. She was upset about the rent she received on a small house in New Jersey which is serviced by her sister. She wrote Congressman WALTER HUBER her story. He referred her letter to rent director of Akron area, who called our home on phone, and Mrs. Wharton explained that Mrs. Ward was deaf and told Mr. Glass from rent office the location of Mrs. Ward's house, which was not in Akron area. The Akron office likely reported back to HUBER that she owned no property in Akron but did not give him all the facts. Neither Mrs. Wharton nor myself own any rental houses. Our interests are in apartments only.

Dr. C. F. WHARTON.

STATE OF OHIO,
Summit County, ss:

I, Gladys Reed, wife of Charles Reed, residing at 39 Verdun Drive, being duly sworn, make the following statement voluntarily to Charles G. Mitchell, representative of the Office of the Housing Expediter:

I am a sister of Anna Ward who has been in the employ of Dr. C. F. Wharton for the past 30 years. Anna lives and works at the Wharton home at 135 Mayfield Avenue, Akron, Ohio. I am not quite sure whether my sister is 63 or 64 years old. She has been virtually totally deaf since she was 12 years old. Because of this affliction, Anna did not have the opportunity of very much schooling and education. Since last Friday, February 18, 1949, when I conversed with Mr. Mitchell, I have attempted, with the aid of other sisters and members of my family, to have Anna consent to an interview with Mr. Mitchell regarding some letters which she is supposed to have written to Senator ROBERT A. TAFT, of Ohio, and Congressman WALTER B. HUBER, of the 14th Congressional District of Ohio, but she declines to meet with Mr. Mitchell. However, Anna denies that she ever wrote any letters to these gentlemen or that she knows who may have written them. Mr. Mitchell has shown me a photostatic copy of a letter addressed to Senator TAFT dated January 29, 1949, and I know that it is not my sister Anna's handwriting nor her signature and I further know that she is not capable of composing or writing such a letter to Senator TAFT and would not be capable of composing or writing a similar letter to Congressman HUBER, a typewritten copy of which was also shown me bearing date of January 29, 1949. To the best of my knowledge, my sister Anna Ward does not own any property or rent any property to tenants in Akron, Ohio, or Newark, N. J., or any place else.

GLADYS REED
Mrs. Charles Reed.

Sworn to and subscribed before me this 21st day of February 1949.

CHARLES G. MITCHELL.

An Associated Press newswire reported at 1:05 p. m. today that the United States Conference of Mayors today threw its weight behind the administration's drive for strengthened rent controls minus the home-rule clause approved in Congress.

The United States Conference of Mayors meeting in Washington, D. C., adopted a resolution petitioning Congress to extend, strengthen, and improve existing rent control legislation until the present housing shortage is alleviated.

A United Press dispatch on the same matter says: "In apparent reference to congressional amendments delegating to State or local authorities power to abolish rent controls, the resolution added:

" 'The attention of Congress is particularly invited to the fact that States and municipal governments are ill-equipped to administer rent controls in a form which would give adequate protection to the people of our cities and any such provisions should be eliminated from the bill.' "

Mr. SPARKMAN. Mr. President, I yield to the distinguished Senator from Pennsylvania.

Mr. MYERS. Mr. President, I should like to address a question to the Senator from Alabama, and call his attention to page 32, line 24, of subsection 5, extending to page 33, line 9, Do I correctly understand that the provisions set forth in this subsection will give the tenant the right to ask for relief and assistance from the information officer provided for in that subsection, in connection with adjustments in rent, presumably downward, if necessary?

Mr. SPARKMAN. The Senator's understanding is correct. The assistant who is directed to function in each local office is to give such aid as he can and as

should be given to the small owner and to the tenant alike.

Mr. MYERS. Mr. President, will the Senator yield further?

Mr. SPARKMAN. I yield.

Mr. MYERS. I should like to ask the Senator from Alabama this question: Do I correctly understand that under so much of the bill as has been agreed to, and as it is about to be presented for passage, a landlord can appeal, under present regulations, from the area rental office, then to the regional office, and then to the Expediter, for an increase in rental?

Mr. SPARKMAN. That is correct.

Mr. MYERS. Do I correctly understand that it is the intention of the committee that, under the bill, the tenant shall also have the same right of appeal through those various agencies?

Mr. SPARKMAN. That is correct. I may say to the distinguished Senator from Pennsylvania—and I think this would be of interest to all Senators—that we have tried all through the bill to make available to the tenants exactly the same procedures as are made available to the landlords, and to the landlords as to the tenants. In other words, we have provided for appeals exactly the same for one as for the other. That is the purpose of the bill.

Mr. MYERS. Mr. President, I ask unanimous consent to have printed in the RECORD at this point two editorials from the Philadelphia Inquirer, one being entitled "Some Dubious Provisions in House Rent Control Bill" and the other editorial entitled "For Real Rent Control."

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

SOME DUBIOUS PROVISIONS IN HOUSE RENT CONTROL BILL

The rent control bill as approved by the House after considerable wrangling must still be passed upon by the Senate, and it may be materially altered in the process.

Truman Administration recommendations were turned down by the House. The President had asked for an extension of controls for 2 years beyond the March 31 expiration of the present law. The bill as passed allows 15 months.

This seems a reasonable extension period, giving Congress the opportunity to re-examine housing conditions next year and make any modifications in the control bill that might seem desirable at that time.

Several other provisions inserted, however, are of questionable value and will undoubtedly run into trouble in the Senate.

One would permit legislative bodies in any State or political subdivision to end rent regulations at will. This clause has been hailed by its supporters as a home-rule victory, and in giving localities the option to retain or abandon rent controls it would seem to uphold the right of home rule.

But in practice it might do just the reverse. If the Pennsylvania Legislature, for instance, would vote decontrol throughout the State despite the objections of members from Philadelphia, where would there be any home rule in the matter for Philadelphia? Additionally, if the State took no action but bordering towns and counties took opposite courses on rent controls great confusion would result.

Another controversial provision calls for a reasonable return for landlords on a reasonable value of their properties. Now no one should object to a property owner's receiving a fair return on his investment, but just how would this provision be enforced? Who is to determine what is a fair return and how is the fair value to be assessed? This looks like something inserted to make the landlords feel better, but actually giving them nothing.

It is useless to burden laws with meaningless, confusing, and unenforceable clauses. It is to be hoped the Senate eliminates the impracticalities from the House bill.

FOR REAL RENT CONTROL

Debates, amendments, new schemes and proposals have kept congressional consideration of rent control extension in a constant state of confusion, with the March 31 deadline of the present act drawing rapidly nearer.

The vital questions involved in this legislation are too important to be left unsettled after that date. Neither should the issues be subjected to the pressures imposed by a narrowing time limit.

But since that factor is now very much in evidence it is incumbent upon Senators and Representatives to recall the basic principles which should direct their final action on rent control.

Ample time has been afforded to study and prepare a proper rent control measure fair to all concerned.

The Inquirer has urged, and still does, that sound provisions are desirable to insure reasonable, equitable treatment of property owners—the landlords. It has not, however, seen in the vague proposals for a fair return to them any practical, workable solution of this problem.

There is also a decided necessity for Congress to remind itself that another large group of Americans, the tenants, are entitled to a system of rent control that will protect them against exploitation and wholesale evictions and prevent unwarranted and burdensome increases in the cost of living.

However cleverly drawn, any bill labeled "Rent control" which fails in these particulars would be a fraud upon the Nation—and a dangerous one.

The VICE PRESIDENT. The question is on agreeing to the committee amendment as amended.

The committee amendment as amended was agreed to.

The VICE PRESIDENT. The question now is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The VICE PRESIDENT. The question now is, Shall the bill pass?

Mr. MAYBANK and other Senators asked for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. CAPEHART (when his name was called). On this vote I have a pair with the senior Senator from Maine [Mr. BREWSTER], who, if present, would vote "yea." If I were permitted to vote, I would vote "nay." I withhold my vote.

Mr. STENNIS (when his name was called). On this vote I have a pair with the junior Senator from Indiana [Mr. JENNER], who, if present, would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote.

The roll call was concluded.

Mr. MYERS. I announce that the Senator from Mississippi [Mr. EASTLAND] is absent on public business.

The Senator from Idaho [Mr. MILLER] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], and the Senator from Maryland [Mr. TYDINGS] are unavoidably detained.

The Senator from Oklahoma [Mr. THOMAS] is absent by leave of the Senate.

On this vote, the Senator from Maryland [Mr. TYDINGS] is paired with the Senator from Washington [Mr. CAIN]. If present, the Senator from Maryland would vote "yea," and the Senator from Washington would vote "nay."

I announce further that if present the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. MILLER], the Senator from Oklahoma [Mr. THOMAS], and the Senator from New York [Mr. WAGNER] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] is absent by leave of the Senate and is paired with the Senator from Maryland [Mr. TYDINGS]. If present and voting, the Senator from Washington [Mr. CAIN] would vote "nay," and the Senator from Maryland [Mr. TYDINGS] would vote "yea."

The Senator from New Jersey [Mr. SMITH] is absent because of illness. If present and voting, the Senator from New Jersey [Mr. SMITH] would vote "yea."

The Senator from New Hampshire [Mr. BRIDGES] is unavoidably detained. If present and voting, the Senator from New Hampshire would vote "yea."

The Senator from Minnesota [Mr. THYE] is absent by leave of the Senate. If present and voting, the Senator from Minnesota would vote "yea."

The Senator from Ohio [Mr. TAFT] is unavoidably detained. If present and voting, the Senator from Ohio would vote "yea."

The Senator from California [Mr. KNOWLAND] is unavoidably detained. If present and voting, the Senator from California would vote "yea."

The result was announced—yeas 68, nays 10, as follows:

YEAS—68

Aiken	Hunt	Millikin
Anderson	Ives	Morse
Baldwin	Johnson, Colo.	Murray
Chapman	Johnson, Tex.	Myers
Connally	Johnston, S. C.	Neely
Donnell	Kefauver	O'Conor
Douglas	Kerr	O'Mahoney
Downey	Kilgore	Pepper
Ellender	Langer	Reed
Ferguson	Lodge	Robertson
Flanders	Long	Russell
Frear	Lucas	Saltonstall
Fulbright	McCarran	Schoeppel
George	McCarthy	Smith, Maine
Gillette	McClellan	Sparkman
Green	McFarland	Taylor
Hayden	McGrath	Thomas, Utah
Hendrickson	McKellar	Tobey
Hickenlooper	McMahon	Vandenberg
Hill	Magnuson	Watkins
Hoey	Malone	Wiley
Holland	Martin	Withers
Humphrey	Maybank	

NAYS—10

Bricker	Gurney	Williams
Butler	Kem	Young
Cordon	Mundt	
Ecton	Wherry	

NOT VOTING—17

Brewster	Eastland	Taft
Bridges	Jenner	Thomas, Okla.
Byrd	Knowland	Thye
Cain	Miller	Tydings
Capehart	Smith, N. J.	Wagner
Chavez	Stennis	

So the bill, H. R. 1731, was passed.

The bill as passed is as follows:

Resolved, That the bill from the House of Representatives (H. R. 1731) entitled "An act to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes," do pass with the following amendment:

Strike out all after the enacting clause and insert: "That this act may be cited as the 'Housing and Rent Act of 1949.'

"TITLE I—AMENDMENT TO TITLE I OF HOUSING AND RENT ACT OF 1947, AS AMENDED

"SEC. 2. Section 4 of the Housing and Rent Act of 1947, as amended, is amended to read as follows:

"'SEC. 4. (a) In order to assure preference or priority to veterans of World War II or their families—

"'(1) no housing accommodations designed for single-family residence, the construction or conversion of which is completed after June 30, 1947, shall be offered for sale or resale, or sold or resold, to persons other than veterans of World War II or their families, unless such housing accommodations have been publicly offered for sale exclusively to veterans of World War II or their families (a) during the period of construction or conversion and for 30 days thereafter, prior to a sale or offering for sale to such nonveterans, and (b) for a period of 7 days prior to a resale, or an offering for resale, to such nonveterans; and

"'(2) no housing accommodations designed for occupancy by other than transients, the construction or conversion of which is completed after June 30, 1947, shall be offered for rent or rerent, rented or rerented to persons other than veterans of World War II or their families, unless such housing accommodations have been publicly offered for rent exclusively to veterans of World War II or their families (a) during the period of construction or conversion and for 30 days thereafter, prior to a first renting or offering for rent to such nonveterans, and (b) for a period of 7 days prior to a subsequent renting, or offering for rent, to such nonveterans; and

"'(3) no housing accommodations designed for single-family residence, the construction or conversion of which is completed after June 30, 1947, shall be offered for sale or resale, or sold or resold, to any person at a price less than the price for which it had been last offered for sale to veterans of World War II or their families for at least 7 days: *Provided, however,* That in no event shall the public offering period to veterans of World War II or their families total less than 30 days in any first or original sale as required by paragraph (1) of this subsection; and

"'(4) no housing accommodations designed for occupancy by other than transients, the construction or conversion of which is completed after June 30, 1947, shall be offered for rent or rerent, or rented or rerented, to any person at a price less than the price for which it had been last offered for rent to veterans of World War II or their families for at least 7 days: *Provided, however,* That in no event shall the public offering period to veterans of World War II or their families total less than 30 days in any first or original renting as required by paragraph (2) of this subsection.

"'(b) As used in this section—

"'(1) the term "person" shall include an individual, corporation, partnership, association, or any other organized group of persons, or a representative of any of the foregoing.

"'(2) the term "housing accommodations" shall include, without limitation, any building, structure, or part thereof, or land appurtenant thereto, or any real or personal property, designed, constructed, or converted for dwelling or residential purposes, together with all privileges, services, or facilities in connection therewith; industrially made or prefabricated houses, sections, panels, or their aggregate as a "package", designed or constructed for dwelling or residential purposes; and a certificate, deposit, membership, stock interest, or undivided interest in real estate, under a cooperative mutual ownership or similar plan, which carries with it the right of occupancy of individual dwelling units: *Provided, however,* That nothing contained in this section shall be construed to prohibit a person, either directly or through a contractor, from building or erecting a dwelling or dwellings (either individually or together with other persons) for his or their own occupancy to which veterans' preference shall not apply for such period during which said dwelling or dwellings are occupied by such person or persons.

"'(c) The Housing Expediter is authorized to issue regulations and orders prescribing the manner in which such housing accommodations shall be publicly offered in good faith for sale or rent to veterans of World War II or their families and such other regulations or orders as he may deem necessary in the public interest to effectuate the provisions of this section. The Housing Expediter is further authorized to grant such exceptions to the provisions of this section for hardship cases as he may deem appropriate.

"'(d) Any person who willfully violates any provision of this section shall, upon conviction thereof, be subject to a fine of not more than $5,000 or to imprisonment for not more than 1 year, or to both such fine and imprisonment.

"'(e) This section shall cease to be in effect at the close of June 30, 1950, or upon the date that the President proclaims that the protection to veterans of World War II or their families provided by this section is no longer needed, whichever date is the earlier, except that as to offenses committed, or rights or liabilities incurred, prior to such termination date, the provisions of this title and regulations and orders issued thereunder shall be treated as still remaining in force for the purpose of sustaining any proper suit, action, or prosecution with respect to any such right, liability, or offense.'

"TITLE II—MAXIMUM RENTS

"SEC. 201. (a) Section 202 (c) of the Housing and Rent Act of 1947, as amended, is amended by striking out paragraph (1) thereof and inserting in lieu thereof the following:

"'(1) (A) Any housing accommodations in hotels in cities of less than 2,500,000 population according to the 1940 decennial census; or (B) any housing accommodations in hotels in cities of 2,500,000 population or more, which accommodations were, on October 31, 1948, used for transient occupancy; or.'

"(b) Section 202 (c) of the Housing and Rent Act of 1947, as amended, is amended by striking out paragraph (2) thereof and inserting in lieu thereof the following:

"'(2) any tourist home serving transient guests exclusively, or any part thereof; or any motor court, motel, trailer, or trailer space, or any part thereof, except as hereinafter provided in section 204 (e) (1) (C).'

"(c) Section 202 (c) of the Housing and Rent Act of 1947, as amended, is amended by striking out paragraph (3) thereof and inserting in lieu thereof the following:

"'(3) any housing accommodations (A) the construction of which was completed on or after February 1, 1947, or which are housing accommodations created by a change from a nonhousing to a housing use on or after February 1, 1947, or which are additional housing accommodations created by conversion on or after February 1, 1947: *Provided, however,* That any housing accommodations resulting from any conversion created on or after the effective date of the Housing and Rent Act of 1949 shall continue to be controlled housing accommodations unless the Housing Expediter issues an order decontrolling them, which he shall issue if he finds that the conversion resulted in additional, self-contained family units as defined by regulations issued by him: *And provided further,* That contracts for the rental of housing accommodations to veterans of World War II and their immediate families, the construction of which was assisted by allocations or priorities under Public Law 388, Seventy-ninth Congress, approved May 22, 1946, shall remain in full force and effect; or (B) which for any successive 24-month period during the period February 1, 1945, to the date of enactment of the Housing and Rent Act of 1948, both dates inclusive, were not rented (other than to members of the immediate family of the landlord) as housing accommodations, except as hereinafter provided in section 204 (e) (1) (E); or (C) the construction of which was completed on or after February 1, 1945, and prior to February 1, 1947, and which between the date of completion and June 30, 1947, both dates inclusive, at no time were rented (other than to members of the immediate family of the landlord), as housing accommodations; or.'

"(d) Section 202 (c) of the Housing and Rent Act of 1947, as amended, is amended by striking out the period at the end of paragraph (4) thereof and inserting a semicolon and the word 'or', and by adding at the end thereof the following:

"'(5) luxury housing accommodations, defined as any unfurnished apartment occupied by a single family rented for $290 per month or more as of the date of the enactment of the Housing and Rent Act of 1949, or any lesser figure which the Housing Expediter may determine is representative of rentals for luxury accommodations in any defense rental area or portion thereof.'

"(e) Section 202 (e) of the Housing and Rent Act of 1947, as amended, is amended to read as follows:

"'(e) The term "rent" means the consideration, including any bonus, benefit, or gratuity demanded or received for or in connection with the use or occupancy of housing accommodations, or the transfer of a lease for such housing accommodations.'

"SEC. 202. Section 203 (b) of the Housing and Rent Act of 1947, as amended, is amended to read as follows:

"'(b) On the termination of rent control in any area or portion thereof under this title all records and other data (and the cabinets or containers holding such records and data) used or held in connection with the establishment and maintenance of maximum rents by the Housing Expediter, and all predecessor agencies, shall, on request, be transferred without reimbursement to the proper officials of any State or local subdivision of government that may be charged with the duty of administering a rent-control program in any State or local subdivision of government to which such records and data may be applicable: *Provided, however,* That any such records or data (and the cabinets or containers holding such records or data) shall be so made available subject to recall for use in carrying out the purposes of this title.'

"SEC. 203. (a) Section 204 (a) of the Housing and Rent Act of 1947, as amended, is amended by striking out 'March 31, 1949' and inserting in lieu thereof 'June 30, 1950.'

"(b) Section 204 (b) of such act, as amended, is amended to read as follows:

"'(b) (1) Subject to the provisions of paragraphs (2), (3), and (6) of this subsection, and subsections (h) and (i), during the period beginning on the effective date of this title and ending on the date this title ceases to be in effect, no person shall demand, accept, or receive any rent for the use or occupancy of any controlled housing accommodations greater than the maximum rent established under the authority of the Emergency Price Control Act of 1942, as amended, and in effect with respect thereto on June 30, 1947: *Provided, however,* That the Housing Expediter shall, by regulation or order, make such individual and general adjustments in such maximum rents in any defense-rental area or any portion thereof, or with respect to any housing accommodations or any class of housing accommodations within any such area or any portion thereof, as may be necessary to remove hardships or to correct other inequities, or further to carry out the purposes and provisions of this title: *Provided, however,* That the landlord certifies that he is maintaining all services furnished as of the date determining the maximum rent and that he will continue to maintain such services so long as the adjustment in such maximum rent which may be granted continues in effect. In the making of adjustments to remove hardships, due weight shall be given to the question as to whether or not the landlord is suffering a loss in the operation of the housing accommodations.

"'(2) In any case in which a valid written lease with respect to any housing accommodations was entered into and filed in accordance with the provisions of this subsection (b) as then in effect, and such lease was in effect on the effective date of the Housing and Rent Act of 1949, such housing accommodations shall be subject to the provisions of this title and, until such lease is terminated or expires, the maximum rent for said accommodations shall be the rent set forth in said lease.

"'(3) In any case in which a valid written lease with respect to any housing accommodations was entered into and filed in accordance with the provisions of this subsection (b) as then in effect, and such lease has heretofore terminated or expired or hereafter terminates or expires, such housing accommodations shall be subject to the provisions of this title and the maximum rent for said accommodations shall be the rent set forth in said lease, plus or minus applicable individual adjustments: *Provided, however,* That, if such housing accommodations are in a defense-rental area in which a general increase in maximum rents has been or is hereafter granted, the maximum rent shall be said lease rent plus or minus applicable individual adjustments, or the maximum rent in the absence of a lease, whichever is higher.

"'(4) If a lease entered into under this subsection has heretofore terminated or hereafter terminates, prior to the expiration date of such lease, the landlord shall file with the Housing Expediter a report of the termination of such lease, unless a report of such termination was filed with the Housing Expediter prior to the effective date of the Housing and Rent Act of 1949. Such report shall be filed within 15 days after the date of such termination or 15 days after the effective date of the Housing and Rent Act of 1949, whichever is the later date.

"'(5) In order to help assure fair adjustments for tenants and small landlords, the Housing Expediter is authorized and directed to designate for every defense-rental area an officer whose function shall be to assist tenants and small landlords by—

"'(A) informing them concerning the conditions under which rent adjustments may be obtained;

"'(B) helping in the preparation of applications for rent adjustments; and

"'(C) providing them with such other information and services as may be necessary and appropriate.

"'(6) Effective October 1, 1949, the maximum rent then in effect for any controlled housing accommodations is increased by 5 percent of the maximum rent for such accommodations in effect on June 30, 1947 (or if no rent was in effect on June 30, 1947, the rent first established after June 30, 1947), and effective April 1, 1950, the maximum rent then in effect for any controlled housing accommodations is increased by an additional 5 percent of the maximum rent for such accommodations in effect on June 30, 1947 (or if no rent was in effect on June 30, 1947, the rent first established after June 30, 1947): *Provided, however,* That in no event shall any such maximum rent be increased to an amount in excess of 115 percent of the maximum rent in effect for such housing accommodations on June 30, 1947 (or if no rent was in effect on June 30, 1947, the rent first established after June 30, 1947), plus or minus applicable individual adjustments.'

"(c) Section 204 (e) (1) of the Housing and Rent Act of 1947, as amended, is amended—

"(1) By adding after paragraph (B) the following new paragraphs:

"'(C) Establishment of maximum rents in the area or any portion thereof, over which the local board has jurisdiction, with respect to housing accommodations in any motor court, motel, trailer, or trailer space, or any part thereof, which on March 1, 1949, were rented for permanent occupancy, if in the judgment of the local board the demand for such rental housing accommodations has not been reasonably met; and

"'(D) Establishment of maximum rents in the area or any portion thereof over which the local board has jurisdiction, with respect to areas which the Housing Expediter is authorized to control or recontrol under the provisions of section 204 (l) of this title, if in the judgment of the local board such rents should be established under the standards prescribed in said section; and

"'(E) Establishment of maximum rents in the area or any portion thereof over which the local board has jurisdiction, with respect to housing accommodations which for any successive 24-month period during the period February 1, 1945, to the date of enactment of the Housing and Rent Act of 1948, both dates inclusive, were not rented (other than to members of the immediate family of the landlord) as housing accommodations, if in the judgment of the local board the demand for such housing accommodations has not been reasonably met;' and

"(2) By changing the designation of paragraph '(C)' to '(F).'

"(d) (1) Section 204 (e) (2) of such act, as amended, is amended by striking out the word 'and' immediately preceding the words 'stenographic assistance' and inserting a comma in lieu thereof and by inserting, immediately following the words 'stenographic assistance', the following: 'and reporting services for public hearings (including attendance fees).'

"(2) Section 204 (e) (3) of such act, as amended, is amended by adding at the end thereof the following new sentence: 'If the Housing Expediter approves or disapproves any recommendation of a local board he shall promptly notify the local board in writing of such action.'

"(3) The first sentence of section 204 (e) (4) is amended by striking out 'in paragraph (1) (A) or (B)' and inserting in lieu thereof 'in paragraph (1) (A), (B), (C), (D), or (E).'

"(4) Section 204 (e) (4) (A) of such act, as amended, is amended by striking out 'interpleader' and inserting in lieu thereof 'pleadings.'

"(5) So much of section 204 (e) (1) of the Housing and Rent Act of 1947, as amended, as reads 'The Housing Expediter is authorized and directed to create in each defense rental area' is amended to read as follows: 'The Housing Expediter is authorized and directed to create and, if necessary, continue in existence until the termination of this act in each defense rental area (whether or not under Federal rent control).'

"(6) Section 204 (e) (1) is amended by adding after the third sentence thereof the following: 'Upon petition by a representative group of tenants or landlords, the board shall give notice to the interested parties and hold a public hearing in accordance with the requirements set forth in paragraph (4) of this subsection on any of the matters set forth in subparagraphs (A) to (E), inclusive, of this paragraph. Should the board for any reason fail to do so within a reasonable time after the filing of such petition, the Housing Expediter, upon notice of that fact given by said group, shall give notice to the parties and hold a public hearing in like manner on such matters within a reasonable time after the giving of such notice. If a hearing is held by either the board or the Housing Expediter, a recommendation by the board or decision by the Housing Expediter, as the case may be, on the merits of the matter shall be rendered within 30 days from the date of completion of such hearing and the local board forthwith shall forward its recommendation to the Housing Expediter.'

"(e) The paragraph immediately following section 204 (e) (4) (E) of the Housing and Rent Act of 1947, as amended, is amended to read as follows:

"'The Housing Expediter, within 30 days after the date of his receipt of such recommendation, shall approve or disapprove such recommendation. Any representative group of interested parties or the local board may file a complaint concerning such recommendation with the Emergency Court of Appeals within 30 days after the date on which the Housing Expediter notifies the local board of his decision, or the date of the expiration of such 30-day period, as the case may be. If the Housing Expediter holds the hearing, such group may file a complaint with the Emergency Court of Appeals within 30 days after the rendering of his decision, or within 30 days after the expiration of the time within which his decision should be made. A similar right of appeal shall be afforded in the event a local board or the Housing Expediter makes a recommendation or decision on its or his own initiative. The Clerk of the Emergency Court of Appeals shall notify the Housing Expediter in writing of the filing of any such complaint promptly after it has been so filed. Within 15 days after the receipt of such notice by the Housing Expediter, the Housing Expediter shall file such recommendation or decision in the Emergency Court of Appeals, together with the record and statement of findings of the local board or of the Housing Expediter and such statement as the Housing Expediter may desire to make as to his views on the matter. The statement of the Housing Expediter may be accompanied by such supporting information as the Housing Expediter deems appropriate. Thereupon, the Emergency Court of Appeals shall have jurisdiction to enter, within 60 days after the date of its receipt of such recommendation or decision from the Housing Expediter (or within such additional period of not more than 30 days as the court may find necessary in exceptional cases), an order approving or disapproving the recommendation of the local board or decision of the Housing Expediter. The recommendation, record, and statement of findings of the local board or decision of the Housing Expediter, together with the statement and supporting information filed by the Housing Expediter, shall constitute the record before the court. If the court determines that the recommendation or decision is not in accordance with law, or that the evidence in

the record before the court, including such additional evidence as may be adduced before the court, is not of sufficient weight to justify such recommendation or decision, the court shall enter an order disapproving such recommendation or decision; otherwise it shall enter an order approving such recommendation or decision. The judgment and decree of the court shall be final. The powers heretofore granted by law to the Emergency Court of Appeals are hereby continued for purposes of exercise of the jurisdiction granted by this subsection. The court shall prescribe rules governing its procedure in such manner as to expedite the determination of cases of which it has jurisdiction, under this paragraph. The Housing Expediter, the local board, representative groups of interested parties, and representatives of the State or States involved, shall be granted, to the extent determined by the court, an opportunity to be heard, by pleadings or otherwise, with right to be represented by counsel.'

"(f) (1) The proviso contained in section 204 (e) (5) (A) of such act, as amended, is amended by striking out 'provisions of section 209' and inserting in lieu thereof 'regulations and orders with respect to practices relating to the recovery of possession of housing accommodations issued under section 209.'

"(2) The first sentence of section 204 (e) (6) of such act, as amended, is amended by inserting a period immediately after the word 'subsection' and by striking out the remainder of the sentence.

"(g) Section 204 (f) of such act, as amended, is amended to read as follows:

"'(f) The provisions of this title shall cease to be in effect at the close of June 30, 1950: *Provided, however,* That the provisions of section 204 (except subsection (a) and this subsection) hereof shall cease to be in effect on March 31, 1950, but during the period from March 31, 1950, to June 30, 1950, inclusive, no tenant in possession on March 31, 1950, shall be deprived of possession of the housing accommodations he occupies merely because of nonpayment of such portion of the rent therefor as exceeds the maximum rent which would be in effect for such housing accommodations if the provisions of section 204 were to remain in effect until the close of June 30, 1950; nor shall such tenant be liable for such portion of rent if he refuses to make payment therefor; except that as to rights or liabilities incurred prior to the termination date, the provisions of this title and regulations, orders, and requirements thereunder shall be treated as still remaining in force for the purpose of sustaining any proper suit or action with respect to any such right or liability.'

"(h) Section 204 of such act, as amended, is amended by adding at the end thereof the following new subsections:

"'(h) For controlled housing accommodations which were not included within the definition of "controlled housing accommodations" as such definition read prior to the effective date of the Housing and Rent Act of 1949, the maximum rent shall be the maximum rent last in effect for such housing accommodations under Federal rent control, plus or minus applicable adjustments; or, if no maximum rent was ever in effect for such housing accommodations, the maximum rent shall be the rent generally prevailing in the defense-rental area for comparable controlled housing accommodations within such area, plus or minus applicable adjustments: *Provided,* That in the case of those controlled housing accommodations in hotels which were not included within the definition of "controlled housing accommodations" as such definition read prior to the effective date of the Housing and Rent Act of 1949, the maximum rent shall be the rent in effect for such accommodations on October 31, 1948.

"'(i) Whenever the appropriate local board, after having determined either that (A) a scarcity of rental housing has developed as a result of national defense activity, or (B) employment or other conditions have changed in the area to such an extent as to make the supply of rental housing inadequate to meet the demand, or (C) rents have increased or are about to increase unreasonably, recommends that such action is necessary or proper in order to effectuate the purposes of this title, the Housing Expediter, if such recommendation is approved in accordance with section 204 (e) shall, by regulation or order, establish such maximum rent or maximum rents for any housing accommodations in a designated defense-rental area, except those not included within the definition of controlled housing accommodations, or establish or reestablish the regulation of such rents in any defense-rental area or portion thereof, as in his judgment will be generally fair and equitable: *Provided however,* That he may not establish maximum rents for any housing accommodations in the case of which maximum rents have been heretofore or are hereafter removed as the result of approval by the Emergency Court of Appeals of a recommendation of a local advisory board or as the result of approval by such court of a decision of the Housing Expediter. So far as practicable, in establishing or reestablishing any maximum rent for any defense-area housing accommodations, the Housing Expediter shall ascertain and give due consideration to the rents prevailing for such accommodations, or comparable accommodations, on or about such date as World War II defense activities shall have resulted or threatened to result in increases in rents for housing accommodations in such area inconsistent with the purposes of the Housing and Rent Act of 1947, as amended, and he shall make adjustments for such relevant factors as he may determine and deem to be of general applicability in respect of such accommodations, including increases or decreases in property taxes and other costs within such defense-rental area. For the purposes of this subsection, the term "defense-rental area" means any area so designated under the Emergency Price Control Act of 1942, as amended.

"'(j) (1) Whenever the governor of any State advises the Housing Expediter that the legislature of such State has adequately provided for the establishment and maintenance of maximum rents, or has specifically expressed its intent that State rent control shall be in lieu of Federal rent control, with respect to housing accommodations within defense-rental areas in such State and of the date on which such State rent control will become effective, the Housing Expediter shall immediately make public announcement to the effect that he has been so advised. At the same time all rent controls under this act, as amended, with respect to housing accommodations within such State shall be terminated as of the date on which State rent control is to become effective. As used in this subsection, the term "State" means any State, Territory, or possession of the United States.

"'(2) If any State by law declares that Federal rent control is no longer necessary in such State or any part thereof and notifies the Housing Expediter of that fact, the Housing Expediter shall immediately make public announcement to the effect that he has been so advised. At the same time all rent controls under this act, as amended, with respect to housing accommodations within such State or part thereof shall be terminated on the fifteenth day after receipt of such advice. As used in this subsection, the term "State" means any State, Territory, or possession of the United States.

"'(3) Upon petition of the governing body of any municipality, adopted after a public hearing of which 10 days' notice has been given to the public, and approved by the governor of the State, the Housing Expediter shall within 30 days after approval by the Governor, decontrol said municipality.'

"SEC. 204. (a) Section 205 of the Housing and Rent Act of 1947, as amended, is amended by striking out from the heading of such section the words 'by tenants'; by inserting after the words 'receives such payment,' in the first sentence, the following: '(or shall be liable to the United States as hereinafter provided)'; and by changing the period at the end of the second sentence to a colon and inserting: '*Provided,* That if the person from whom such payment is demanded, accepted, or received either fails to institute an action under this section within 30 days from the date of the occurrence of the violation or is not entitled for any reason to bring the action, the United States may institute such action within such 1-year period. If such action is instituted, the person from whom such payment is demanded, accepted, or received shall thereafter be barred from bringing an action for the same violation or violations.'

"(b) The last sentence of section 205 of such act, as amended, is amended by striking out 'plaintiff' and inserting in lieu thereof 'person.'

"SEC. 205. Section 206 of the Housing and Rent Act of 1947, as amended, is amended to read as follows:

"'SEC. 206. (a) It shall be unlawful for any person to demand, accept, or receive any rent for the use or occupancy of any controlled housing accommodations in excess of the maximum rent prescribed under section 204, or otherwise to do or omit to do any act, in violation of this act, or of any regulation or order or requirement under this act, or to offer, solicit, attempt, or agree to do any of the foregoing.

"'(b) Whenever in the judgment of the Housing Expediter any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of this act, or any regulation or order issued thereunder, the United States may make application to the appropriate court for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, and upon a showing that such person has engaged or is about to engage in any such acts or practices a permanent or temporary injunction, restraining order, or other order shall be granted without bond.

"'(c) The district courts shall have jurisdiction, concurrently with State and Territorial courts, of all proceedings under section 205 and subsection (b) of this section. Such proceedings may be brought in any district in which any part of any act or transaction constituting the violation occurred or may be brought in the district in which the defendant resides or transacts business, and process in such case may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found. Any such court shall advance on the docket and expedite the disposition of any proceedings brought before it under this section. No costs shall be assessed against the Housing Expediter or the United States Government in any proceeding under this act.

"'(d) No person shall be liable for damages or penalties in any Federal, State, or Territorial court, on any grounds for or in respect of anything done or omitted to be done in good faith pursuant to any provision of this act or any regulation, order, or requirement thereunder, notwithstanding that subsequently such provision, regulation, order, or requirement may be modified, rescinded, or determined to be invalid. In

any suit or action wherein a party relies for ground of relief or defense upon this act or any regulation, order, or requirement thereunder, the court having jurisdiction of such suit or action shall certify such fact to the Housing Expediter. The United States may intervene in any such suit or action.

"'(e) The principal office of the Housing Expediter shall be in the District of Columbia, but he or any duly authorized representative may exercise any or all of his powers in any place and attorneys appointed by the Housing Expediter may, under such authority as may be granted by the Attorney General, appear for and represent the United States in any case arising under this act.

"'(f) (1) The Housing Expediter is authorized to make such studies and investigations, to conduct such hearings, and to obtain such information, as he deems necessary or proper to assist him in prescribing any regulation or order under this act, or in the administration and enforcement of this act and regulations and orders prescribed thereunder.

"'(2) For the purpose of obtaining information under this subsection, the Housing Expediter is further authorized, by regulation or order, to require any person who rents or offers for rent or acts as broker or agent for the rental of any housing accommodations (A) to furnish information under oath or affirmation or otherwise, (B) to make and keep records and other documents and to make reports, and (C) to permit the inspection and copying of records and other documents and the inspection of defense-area housing accommodations.

"'(3) For the purpose of obtaining information under this subsection, the Housing Expediter may by subpena require any person to appear and testify or to appear and produce documents, or both, at any designated place. Any person subpenaed under this subsection shall have the right to make a record of his testimony and be represented by counsel, and shall be paid the same fees and mileage as are paid witnesses in the United States district courts. For the purposes of this subsection the Housing Expediter, or any officer or employee under his jurisdiction designated by him, may administer oaths and affirmations.

"'(4) The production of a person's documents at any place other than his place of business shall not be required under this subsection in any case in which, prior to the return date specified in the subpena issued with respect thereto, such person either has furnished the Housing Expediter with a copy of such documents (certified by such person under oath to be a true and correct copy), or has entered into a stipulation with the Housing Expediter as to the information contained in such documents.

"'(5) In case of contumacy by, or refusal to obey a subpena served upon, any person under this subsection, the United States district court for any district in which such person is found or resides or transacts business, upon application by the United States, and after notice to such person and hearing, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce documents, or both; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

"'(6) No person shall be excused from attending and testifying or producing documents or from complying with any other requirement under this subsection because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (49 U. S. C. 46), shall apply with respect to any individual who specifically claims such privilege.

"'(g) The Housing Expediter shall not publish or disclose any information obtained under this act that such Housing Expediter deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information unless he determines that the withholding thereof is contrary to the public interest.

"'(h) It shall be unlawful for any person to remove or attempt to remove from any controlled housing accommodations the tenant or occupant thereof or to refuse to renew the lease or agreement for the use of such accommodations, because such tenant or occupant has taken, or proposes to take, action authorized or required by this act or any regulation, order, or requirement thereunder.'

"SEC. 206. Section 209 of the Housing and Rent Act of 1947, as amended, is amended to read as follows:

"'SEC. 209. Whenever in the judgment of the Housing Expediter such action is necessary or proper in order to effectuate the purposes of this act, he may, by regulation or order, regulate or prohibit speculative or manipulative practices or renting or leasing practices (including practices relating to recovery of the possession) in connection with any controlled housing accommodations, which in his judgment are equivalent to or are likely to result in rent increases inconsistent with the purposes of this act.'

"TITLE III—MISCELLANEOUS

"SEC. 301. Nothing in this act or in the Housing and Rent Act of 1947, as amended, shall be construed to require any person to offer any housing accommodations for rent.

"SEC. 302. Section 303 of the Housing and Rent Act of 1948 is hereby repealed.

"SEC. 303. If any provision of this act or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of the act, and the applicability of such provision to other persons or circumstances, shall not be affected thereby.

"SEC. 304. Section 603 (a) of the National Housing Act, as amended, is hereby amended by striking out 'March 31, 1949' in each place it appears therein and inserting in lieu thereof 'May 30, 1949.'

"SEC. 305. This act shall become effective on the first day of the first calendar month following the month in which it is enacted."

Mr. MAYBANK. Mr. President, I move that the Senate insist upon its amendment, ask for a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. MAYBANK, Mr. SPARKMAN, Mr. DOUGLAS, Mr. FLANDERS, and Mr. BRICKER conferees on the part of the Senate.

Mr. MAYBANK. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized and directed to make all necessary clerical and technical changes, including changes in section numbers and cross references, in the engrossed amendment to the bill (H. R. 1731) to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. LUCAS. Mr. President, I desire to take just a brief moment of the time of the Senate to express my very sincere appreciation for the faithfulness and devotion of the members of the Committee on Banking and Currency who worked long hours, both in the committee and on the floor of the Senate, in carrying forward the rent-control bill from the beginning to the end of its consideration. Especially I wish to compliment the distinguished chairman of the committee, the Senator from South Carolina [Mr. MAYBANK], as well as the distinguished chairman of the subcommittee, the Senator from Alabama [Mr. SPARKMAN].

AMENDMENT OF FEDERAL TORT CLAIM ACT—CORRECTION AND REPRINT OF S. 1030 AND REPORT

Mr. McCARRAN. Mr. President, on Monday of this week I reported to the Senate, from the Committee on the Judiciary, the bill (S. 1030) to amend the Federal Tort Claim Act. Through a clerical error, the report as filed was not technically correct. Because of the codification of title 28 of the United States Code, which was approved during the last session, it is necessary to provide for the amendment of that title instead of amending the original act. In order to make this merely technical correction with a minimum of lost effort, I now ask unanimous consent to file a revised report in substitution for the report filed Monday, and that the calendar print of the bill may be corrected in accordance therewith, in the nature of a star print.

The VICE PRESIDENT. Without objection, it is so ordered.

LEAVES OF ABSENCE

Mr. HICKENLOOPER. Mr. President, I ask unanimous consent to be absent from the Senate at tomorrow's session and until the Senate convenes on Monday.

The VICE PRESIDENT. Without objection, leave is granted.

Mr. BUTLER. Mr. President, I ask unanimous consent to be excused from attendance on the Senate from Friday of this week until Thursday of next week.

The VICE PRESIDENT. Without objection, leave is granted.

EXTENSION OF EUROPEAN RECOVERY PLAN

Mr. LUCAS. Mr. President, on March 8, 1949, the senior Senator from Texas [Mr. CONNALLY] reported from the Committee on Foreign Relations a bill to amend the Economic Cooperation Act of 1948. The bill is known as Senate bill 1209, and is Order No. 83 on the calendar. I now move that the Senate proceed to consider the bill, so that it may be made the unfinished business. I may say that the consideration of the bill is to start tomorrow.

The motion was agreed to, and the Senate proceeded to consider the bill (S. 1209) to amend the Economic Cooperation Act of 1948.

EXECUTIVE SESSION

Mr. LUCAS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

The VICE PRESIDENT. If there are no reports of committees, the clerk will state the nominations on the calender.

INTERIOR DEPARTMENT—NOMINATION PASSED OVER

The Chief Clerk read the nomination of John R. Nichols, of New Mexico, to be Commissioner of Indian Affairs.

Mr. LANGER. Mr. President, I hope the nomination will be passed over, in view of the lateness of the hour.

Mr. LUCAS. I shall be glad to accommodate the Senator. I do hope, however——

Mr. LANGER. I am ready to proceed now, but the hour is late.

Mr. LUCAS. Very well; I shall be glad to accommodate the Senator.

The VICE PRESIDENT. The nomination will be passed over.

MUNICIPAL COURT FOR THE DISTRICT OF COLUMBIA

The Chief Clerk read the nomination of Milton S. Kronheim, Jr., of the District of Columbia, to be associate judge of the Municipal Court for the District of Columbia.

The VICE PRESIDENT. Without objection, the nomination is confirmed, and, without objection, the President will be notified.

RECESS

Mr. LUCAS. I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 9 o'clock and 10 minutes p. m.) the Senate took a recess until tomorrow, Thursday, March 24, 1949, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 23 (legislative day of March 18), 1949:

The following-named candidates for appointment and promotion in the Regular Corps of the Public Health Service:

To be senior assistant surgeons (equivalent to the Army rank of captain), effective date of acceptance:

Katherine M. Herrold	Leroy E. Duncan, Jr.
Henry H. D. Sterrett, Jr.	Luther M. Mace
	Clifford H. Jope
David R. Hawkins	Richmond T. Prehn
John Bareta	Arnold W. Pratt
Fred W. Love	Andrew W. Para
Walter S. Dietrich	Frederick S. Layton
Noah L. Krall	Gregory S. Slater
William J. Zukel	Paul C. Wetzig
Carl G. Baker	

To be assistant surgeons (equivalent to the Army rank of first lieutenant), effective date of acceptance:

John R. Hartmann	Ed G. Hopkins, Jr.
Herman H. Gray	David Carson
Roger S. Waterman	Wallace R. Johnson
Charles A. Jarvis	Julian J. Platt

To be senior sanitary engineer (equivalent to the Army rank of lieutenant colonel), effective date of acceptance:

Clarence C. Ruchhoft

To be sanitary engineer (equivalent to the Army rank of major), effective date of acceptance:

Robert R. Harris

To be sanitarian (equivalent to the Army rank of major), effective date of acceptance:

Evelyn Rahm

Senior sanitary engineer to be sanitary engineer director (equivalent to the Army rank of colonel):

John J. Bloomfield

CONFIRMATIONS

Executive nominations confirmed by the Senate March 23 (legislative day of March 18), 1949:

SECRETARY OF DEFENSE

Louis A. Johnson to be Secretary of Defense.

MUNICIPAL COURT FOR THE DISTRICT OF COLUMBIA

Milton S. Kronheim, Jr., to be an associate judge of the Municipal Court for the District of Columbia.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 23, 1949

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thou who givest abundantly, we pray for strength of soul which turns to advantage every burden. Instill into our lives the living truth that our love and faith are tested by what we are willing to sacrifice and suffer.

Faith is the substance of things hoped for, the evidence of things not seen. Let us have faith in our democracy, in the rights and dignity of man; faith in our form of government; faith in the ultimate destiny of a free people. Let our devotion be such that we will defy any enemy within or without.

Lord God, bless our President, the Speaker, and the Congress, and keep them with minds ever open to the urgent calls of today. Through Christ our Redeemer. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS

Mr. HAYS of Ohio asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article.

Mr. HUBER asked and was given permission to extend his remarks in the Appendix of the RECORD and include a speech made by Harvey S. Firestone, Jr.

Mr. RANKIN asked and was given permission to extend his remarks in the RECORD and include certain data relative to the veterans' pension bill.

Mr. DEANE asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. WALSH asked and was given permission to extend his remarks in the RECORD and include an article appearing in the Indianapolis Times of last Sunday.

Mr. MACK of Washington asked and was given permission to extend his remarks in the RECORD and include an article appearing in Elks magazine.

Mr. HARVEY asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Indianapolis News.

Mr. SCUDDER asked and was given permission to extend his remarks in the RECORD and include a poem.

Mr. TOLLEFSON and Mr. COUDERT asked and were given permission to extend their remarks in the RECORD and include extraneous matter.

Mr. ENGEL of Michigan asked and was given permission to extend his remarks in the RECORD and include an article on China appearing in the Catholic Evening News.

Mr. MERROW asked and was given permission to extend his remarks in the RECORD in two instances and include in each an editorial.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. GOODWIN asked and was given permission to extend his remarks in the RECORD and include a resolution.

Mr. JAVITS asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. WOOD asked and was given permission to extend his remarks in the RECORD.

CORRECTION OF THE RECORD

Mr. GREEN. Mr. Speaker, I ask unanimous consent that the RECORD of yesterday be corrected in the colloquy that I had with the gentleman from Mississippi [Mr. RANKIN] on page 2952. The gentleman from Mississippi said:

Yes, and we never heard from the gentleman, either.

He changed the complete text of his words to read:

The gentleman probably caused confusion.

I think that the words have been changed with the intention on the part of the gentleman from Mississippi to do harm to me.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

Mr. RICH. Mr. Speaker, reserving the right to object, what was the request? We could not hear it.

The SPEAKER pro tempore. The request of the gentleman from Pennsylvania was to correct the RECORD of yesterday in connection with the colloquy between the gentleman from Pennsylvania and the gentleman from Mississippi [Mr. RANKIN].

Mr. RICH. I have no objection, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

Mr. RANKIN. He can correct his own remarks, but he cannot correct mine. I will certainly object to that.

Mr. GREEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Will the gentleman withhold his request for the time being?

Mr. GREEN. Yes, Mr. Speaker.

SPECIAL ORDER GRANTED

Mr. KILBURN. Mr. Speaker, I ask unanimous consent that on tomorrow, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. MILLER of Nebraska asked and was given permission to extend his remarks in the RECORD in two instances and include in one a chart.

Mr. JACKSON of California asked and was given permission to extend his remarks in the RECORD and include an article appearing in the Army and Navy Journal.

Mr. FARRINGTON asked and was given permission to extend his remarks in the RECORD in two instances; to include in one a resolution and in the other an article.

Mr. JENSEN asked and was given permission to extend his remarks in the RECORD and include an analysis of his bill H. R. 2368, the Soil Conservation Act of 1949.

Mr. CELLER asked and was given permission to extend his remarks in the RECORD in four instances.

VETERANS' LEGISLATION

Mr. POLK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. POLK. Mr. Speaker, the American Legion is a great organization of war veterans and one of the most active posts of the Legion, in the district I represent, is the Mathews-Carter Post, No. 325, of Manchester, Ohio.

I wish to read to the House a resolution recently adopted by this American Legion Post concerning veterans' legislation.

The resolution is signed by Harold C. Wilson, post commander, and attested by R. W. Poole, post adjutant, and is as follows:

Because of increased living costs, advancing ages and disabilities of World War veterans, and the failure of the Eightieth Congress to act accordingly, the Mathews-Carter Post, No. 325, American Legion, Department of Ohio at Manchester, Ohio, in regular session on February 15, 1949, unanimously adopted and passed the following resolution:

"*Resolved*, That this post urge upon the Eighty-first Congress to act favorably upon the following veterans bills:

"1. H. R. 901 to provide increased compensation for those veterans with service-connected disabilities rated less than 60 percent who have dependents.

"2. H. R. 903 to increase compensation and pension rates 20 percent.

"3. H. R. 508 and H. R. 1693 service pensions for World War veterans and their widows and orphans on the same basis and amount as those presently granted to Spanish-American War Veterans."

HAROLD C. WILSON,
Post Commander.

Attest:

R. W. POOLE,
Post Adjutant.

EXTENSION OF REMARKS

Mr. MANSFIELD asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. WALTER asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. FULTON asked and was given permission to extend his remarks in the RECORD and include a speech delivered by the president of the Pennsylvania Education Association.

PERMISSION TO ADDRESS THE HOUSE

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

[Mr. MILLER of Nebraska addressed the House. His remarks appear in the Appendix.]

FOREIGN AFFAIRS COMMITTEE MAJORITY REJECTS ONE-PACKAGE APPROACH ON FOREIGN AID TO EXCLUDE CHILDREN'S EMERGENCY RELIEF FUND AND CHINA AID

Mr. FULTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FULTON. Mr. Speaker, I call the attention of the House to the tragic situation that may develop in the foreign affairs of this country.

In the first place, the Committee on Foreign Affairs, through its Democratic majority, has rejected the one-package approach to foreign-affairs appropriations. One-package approach means that we look to see what we have to send abroad and the requirements for appropriations for foreign aid over-all, and let the taxpayers know at once what it is, so we can make plans for it overall in our United States budget. This is a planned, budgeted approach, as against a hand-to-mouth, play-by-ear approach.

Second. The China-aid program expires April 3, which is about a week away. Failure to act immediately means throwing into the general funds of the Treasury what remains of those funds we have last year authorized and appropriated. China will be completely left out like a shorn lamb in a cold wind. This would be ill-merited treatment for our former loyal allies in World War II.

Third. Title II of the bill for economic recovery, which we passed last year, has been left out of this current bill. What a tragedy. That is the United Nations children's emergency relief fund, giving a supplemental meal a day to the children of Europe and the world. This means simply extra vitamins, extra milk, extra food, that are to go to these unfortunate and war-blighted children of the next generation. Heaven help these unfortunate ones who cannot shift for themselves. Is it a real relief and assistance program, or only a political maneuver? I hope it is really the aid we warmhearted Americans hoped it would be. Do not leave the children out.

I urge you, regardless of party, to look and see just what has been done in the name of politics, because the children's emergency relief fund authorization expires on June 30, and the best part of this program, the building of a healthy new generation of friends of America, will be lost unless there is action by this House.

Humbly I urge immediate consideration of the extension of aid to these children, and the extension of aid to our loyal Chinese friends. We cannot fail them now.

CIVIL FUNCTIONS, DEPARTMENT OF THE ARMY, APPROPRIATION BILL, FISCAL YEAR 1950

Mr. KERR, from the Committee on Appropriations, reported the bill (H. R. 3734) making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1950, and for other purposes (Rept. No. 307), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. TABER reserved all points of order on the bill.

EXTENSION OF REMARKS

Mr. SHAFER asked and was given permission to extend his remarks in the RECORD and include a magazine article.

H. R. 2945

Mr. MORTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky [Mr. MORTON]?

There was no objection.

Mr. MORTON. Mr. Speaker, I am sure we have all been victims of post-card barrages in various forms. I was on Monday of this week. But one particular post card, I think, will be of interest and amusement to the Members of the House. This man took his instructions—where he received them, I do not know—but he took his instructions literally.

DEAR SIR: Please use the enclosed card to contact the Congressman named to use his influence to vote to suppress the bill H. R. 2945.

The SPEAKER pro tempore. The time of the gentleman from Kentucky has expired.

EXTENSION OF REMARKS

Mr. CLEMENTE asked and was given permission to extend his remarks in the RECORD and include a letter to Hon. Dean Acheson by William H. O'Neill, of the Catholic War Veterans.

Mr. LARCADE asked and was given permission to extend his remarks in the RECORD and include an article entitled "The Struggle for American Air Power," by William Bradford Dewey, from the Reader's Digest of April 1949.

UPPER COLORADO RIVER BASIN COMPACT

Mr. PETERSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 790) to grant the consent of the United States to the Upper Colorado River Basin Compact.

The SPEAKER pro tempore. Has the gentleman cleared with the minority leader?

Mr. MARTIN of Massachusetts. Mr. Speaker, may we know what bill this is?

Mr. PETERSON. Mr. Speaker, this is the bill relating to the Upper Colorado River Basin Compact, about which the gentleman from Arizona just conferred.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, may I ask the gentleman if this is a unanimous report of the committee, and just what does the bill do?

Mr. PETERSON. Yes; this is a unanimous report of the committee. After rather extensive hearings the other body passed the bill. The House had extensive hearings on a companion bill. The various States affected either directly or indirectly were heard. It was decided that this bill should be passed unanimously. There are certain statements made in the report on the similar House bill to the effect that we were not construing the compact, but merely giving consent under the Constitution to the compact, which is set forth in the bill itself.

Mr. ENGLE of California. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. ENGLE of California. Mr. Speaker, the gentleman from Florida, the acting chairman of our committee, has explained the matter which I had in mind and that is, that Congress by giving its consent to this compact does not consent or agree to any interpretation, express or implied, of the Colorado River Compact in the Upper Colorado River Basin Compact. That fact is specifically set forth in the report and was unanimously agreed to by the committee and all the witnesses appearing before the committee representing the compacting States. The fact that this is true protects the lower basin States not parties to this compact. That being clearly understood, Mr. Speaker, I have no objection to the unanimous-consent request of the gentleman from Florida.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the consent of the Congress is hereby given to the compact, signed (after negotiations in which a representative of the United States, duly appointed by the President, participated and upon which he has reported to the Congress) by the commissioners for the States of Arizona, Colorado, New Mexico, Utah, and Wyoming, on October 11, 1948, at Santa Fe, N. Mex., and thereafter ratified by the legislatures of each of the States aforesaid, which said compact reads as follows:

"UPPER COLORADO RIVER BASIN COMPACT

"The State of Arizona, the State of Colorado, the State of New Mexico, the State of Utah, and the State of Wyoming, acting through their commissioners, Charles A. Carson for the State of Arizona, Clifford H. Stone for the State of Colorado, Fred E. Wilson for the State of New Mexico, Edward H. Watson for the State of Utah, and L. C. Bishop for the State of Wyoming, after negotiations participated in by Harry W. Bashore, appointed by the President as the representative of the United States of America, have agreed, subject to the provisions of the Colorado River Compact, to determine the rights and obligations of each signatory State respecting the uses and deliveries of the water of the upper basin of the Colorado River, as follows:

"ARTICLE I

"(a) The major purposes of this compact are to provide for the equitable division and apportionment of the use of the waters of the Colorado River system, the use of which was apportioned in perpetuty to the upper basin by the Colorado River Compact; to establish the obligations of each State of the upper division with respect to the deliveries of water required to be made at Lee Ferry by the Colorado River Compact; to promote interstate comity; to remove causes of present and future controversies; to secure the expeditious agricultural and industrial development of the upper basin, the storage of water and to protect life and property from floods.

"(b) It is recognized that the Colorado River Compact is in full force and effect and all of the provisions hereof are subject thereto.

"ARTICLE II

"As used in this compact:

"(a) The term 'Colorado River system' means that portion of the Colorado River and its tributaries within the United States of America.

"(b) The term 'Colorado River Basin' means all of the drainage area of the Colorado River system and all other territory within the United States of America to which the waters of the Colorado River system shall be beneficially applied.

"(c) The term 'States of the upper division' means the States of Colorado, New Mexico, Utah, and Wyoming.

"(d) The term 'States of the lower division' means the States of Arizona, California, and Nevada.

"(e) The term 'Lee Ferry' means a point in the main stream of the Colorado River 1 mile below the mouth of the Paria River.

"(f) The term 'upper basin' means those parts of the States of Arizona, Colorado, New Mexico, Utah, and Wyoming within and from which waters naturally drain into the Coloradio River system above Lee Ferry, and also all parts of said States located without the drainage area of the Colorado River system which are now or shall hereafter be beneficially served by waters diverted from the Colorado River system above Lee Ferry.

"(g) The term 'lower basin' means those parts of the States of Arizona, California, Nevada, New Mexico, and Utah within and from which waters naturally drain into the Colorado River system below Lee Ferry, and also all parts of said States located without the drainage area of the Colorado River system which are now or shall hereafter be beneficially served by waters diverted from the Colorado River system below Lee Ferry.

"(h) The term 'Colorado River Compact' means the agreement concerning the apportionment of the use of the waters of the Colorado River system dated November 24, 1922, executed by commissioners for the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming, approved by Herbert Hoover, representative of the United States of America, and proclaimed effective by the President of the United States of America, June 25, 1929.

"(i) The term 'upper Colorado River system' means that portion of the Colorado River system above Lee Ferry.

"(j) The term 'Commission' means the administrative agency created by article VIII of this compact.

"(k) The term 'water year' means that period of 12 months ending September 30 of each year.

"(l) The term 'acre-foot' means the quantity of water required to cover an acre to the depth of 1 foot and is equivalent to 43,560 cubic feet.

"(m) The term 'domestic use' shall include the use of water for household, stock, municipal, mining, milling, industrial and other like purposes, but shall exclude the generation of electrical power.

"(n) The term 'virgin flow' means the flow of any stream undepleted by the activities of man.

"ARTICLE III

"(a) Subject to the provisions and limitations contained in the Colorado River Compact and in this compact, there is hereby apportioned from the upper Colorado River system in perpetuity to the States of Arizona, Colorado, New Mexico, Utah, and Wyoming, respectively, the consumptive use of water as follows:

"(1) To the State of Arizona the consumptive use of 50,000 acre-feet of water per annum.

"(2) To the States of Colorado, New Mexico, Utah, and Wyoming, respectively, the consumptive use per annum of the quantities resulting from the application of the following percentages to the total quantity of consumptive use per annum apportioned in perpetuity to and available for use each year by upper basin under the Colorado River Compact and remaining after the deduction of the use, not to exceed 50,000 acre-feet per annum, made in the State of Arizona.

"State of Colorado, 51.75 percent; State of New Mexico, 11.25 percent; State of Utah, 23 percent; State of Wyoming, 14 percent.

"(b) The apportionment made to the respective States by paragraph (a) of this article is based upon, and shall be applied in conformity with, the following principles and each of them:

"(1) The apportionment is of any and all man-made depletions;

"(2) Beneficial use is the basis, the measure and the limit of the right to use;

"(3) No State shall exceed its apportioned use in any water year when the effect of such excess use, as determined by the Commission, is to deprive another signatory State of its apportioned use during that water year, provided, that this subparagraph (b) (3) shall not be construed as:

"(i) Altering the apportionment of use, or obligations to make deliveries as provided in article XI, XII, XIII, or XIV of this compact;

"(ii) Purporting to apportion among the signatory States such uses of water as the upper basin may be entitled to under paragraphs (f) and (g) of article II of the Colorado River Compact; or

"(iii) Countenancing average uses by any signatory State in excess of its apportionment.

"(4) The apportionment to each State includes all water necessary for the supply of any rights which now exist.

"(c) No apportionment is hereby made, or intended to be made, of such uses of water as the upper basin may be entitled to under paragraphs (f) and (g) of article III of the Colorado River Compact.

"(d) The apportionment made by this article shall not be taken as any basis for the allocation among the signatory States of any benefits resulting from the generation of power.

"ARTICLE IV

"In the event curtailment of use of water by the States of the upper division at any time shall become necessary in order that the flow at Lee Ferry shall not be depleted below that required by article III of the Colorado River Compact, the extent of curtailment by each State of the consumptive use of water apportioned to it by article III of this compact shall be in such quantities and at such times as shall be determined by the Commission upon the application of the following principles:

"(a) The extent and times of curtailment shall be such as to assure full compliance with article III of the Colorado River Compact;

"(b) If any State or States of the upper division, in the 10 years immediately preceding the water year in which curtailment is necessary, shall have consumptively used more water than it was or they were, as the case may be, entitled to use under the

apportionment made by article III of this compact, such State or States shall be required to supply at Lee Ferry a quantity of water equal to its, or the aggregate of their, overdraft or the proportionate part of such overdraft, as may be necessary to assure compliance with article III of the Colorado River Compact, before demand is made on any other State of the upper division;

"(c) Except as provided in subparagraph (b) of this article, the extent of curtailment by each State of the upper division of the consumptive use of water apportioned to it by article III of this compact shall be such as to result in the delivery at Lee Ferry of a quantity of water which bears the same relation to the total required curtailment of use by the States of the upper division as the consumptive use of upper Colorado River system water which was made by each such State during the water year immediately preceding the year in which the curtailment becomes necessary bears to the total consumptive use of such water in the States of the upper division during the same water year; provided, that in determining such relation the uses of water under rights perfected prior to November 24, 1922, shall be excluded.

"ARTICLE V

"(a) All losses of water occurring from or as the result of the storage of water in reservoirs constructed prior to the signing of this compact shall be charged to the State in which such reservoir or reservoirs are located. Water stored in reservoirs covered by this paragraph (a) shall be for the exclusive use of and shall be charged to the State in which the reservoir or reservoirs are located.

"(b) All losses of water occurring from or as the result of the storage of water in reservoirs constructed after the signing of this compact shall be charged as follows:

"(1) If the Commission finds that the reservoir is used, in whole or in part, to assist the States of the upper division in meeting their obligations to deliver water at Lee Ferry imposed by article III of the Colorado River Compact, the Commission shall make findings, which in no event shall be contrary to the laws of the United States of America under which any reservoir is constructed, as to the reservoir capacity allocated for that purpose. The whole or that proportion, as the case may be, of reservoir losses as found by the Commission to be reasonably and properly chargeable to the reservoir or reservoir capacity utilized to assure deliveries at Lee Ferry shall be charged to the States of the upper division in the proportion which the consumptive use of water in each State of the upper division during the water year in which the charge is made bears to the total consumptive use of water in all States of the upper division during the same water year. Water stored in reservoirs or in reservoir capacity covered by this subparagraph (b) (1) shall be for the common benefit of all of the States of the upper division.

"(2) If the Commission finds that the reservoir is used, in whole or in part, to supply water for use in a State of the upper division, the Commission shall make findings, which in no event shall be contrary to the laws of the United States of America under which any reservoir is constructed, as to the reservoir or reservoir capacity utilized to supply water for use and the State in which such water will be used. The whole or that proportion, as the case may be, of reservoir losses as found by the Commission to be reasonably and properly chargeable to the State in which such water will be used shall be borne by that State. As determined by the Commission, water stored in reservoirs covered by this subparagraph (b) (2) shall be earmarked for and charged to the State in which the water will be used.

"(c) In the event the Commission finds that a reservoir site is available both to assure deliveries at Lee Ferry and to store water for consumptive use in a State of the upper division, the storage of water for consumptive use shall be given preference. Any reservoir or reservoir capacity hereafter used to assure deliveries at Lee Ferry shall by order of the Commission be used to store water for consumptive use in a State, provided the Commission finds that such storage is reasonably necessary to permit such State to make the use of the water apportioned to it by this compact.

"ARTICLE VI

"The Commission shall determine the quantity of the consumptive use of water, which use is apportioned by article III hereof, for the upper basin and for each State of the upper basin by the inflow-outflow method in terms of man-made depletions of the virgin flow at Lee Ferry, unless the Commission, by unanimous action, shall adopt a different method of determination.

"ARTICLE VII

"The consumptive use of water by the United States of America or any of its agencies, instrumentalities or wards shall be charged as a use by the State in which the use is made; provided, that such consumptive use incident to the diversion, impounding, or conveyance of water in one State for use in another shall be charged to such latter State.

"ARTICLE VIII

"(a) There is hereby created an interstate administrative agency to be known as the 'Upper Colorado River Commission.' The Commission shall be composed of one Commissioner, representing each of the States of the upper division, namely, the States of Colorado, New Mexico, Utah, and Wyoming, designated or appointed in accordance with the laws of each such State and, if designated by the President, one Commissioner representing the United States of America. The President is hereby requested to designate a Commissioner. If so designated the Commissioner representing the United States of America shall be the presiding officer of the Commission and shall be entitled to the same powers and rights as the Commissioner of any State. Any four members of the Commission shall constitute a quorum.

"(b) The salaries and personal expenses of each Commissioner shall be paid by the government which he represents. All other expenses which are incurred by the Commission incident to the administration of this compact, and which are not paid by the United States of America, shall be borne by the four States according to the percentage of consumptive use apportioned to each. On or before December 1 of each year, the Commission shall adopt and transmit to the Governors of the four States and to the President a budget covering an estimate of its expenses for the following year, and of the amount payable by each State. Each State shall pay the amount due by it to the Commission on or before April 1 of the year following. The payment of the expenses of the Commission and of its employees shall not be subject to the audit and accounting procedures of any of the four States; however, all receipts and disbursement of funds handled by the Commission shall be audited yearly by a qualified independent public accountant and the report of the audit shall be included in and become a part of the annual report of the Commission.

"(c) The Commission shall appoint a secretary, who shall not be a member of the Commission, or an employee of any signatory State or of the United States of America while so acting. He shall serve for such term and receive such salary and perform such duties as the Commission may direct. The Commission may employ such engineering, legal, clerical, and other personnel as, in its judgment, may be necessary for the performance of its functions under this Compact. In the hiring of employees, the Commission shall not be bound by the civil-service laws of any State.

"(d) The Commission, so far as consistent with this compact, shall have the power to:

"(1) Adopt rules and regulations;

"(2) Locate, establish, construct, abandon, operate, and maintain water-gaging stations;

"(3) Make estimates to forecast water runoff on the Colorado River and any of its tributaries;

"(4) Engage in cooperative studies of water supplies of the Colorado River and its tributaries;

"(5) Collect, analyze, correlate, preserve, and report on data as to the stream flows, storage, diversions, and use of the waters of the Colorado River, and any of its tributaries;

"(6) Make findings as to the quantity of water of the upper Colorado River system used each year in the upper Colorado River Basin and each State thereof;

"(7) Make findings as to the quantity of water deliveries at Lee Ferry during each water year;

"(8) Make findings as to the necessity for and the extent of the curtailment of use, required, if any, pursuant to article IV hereof;

"(9) Make findings as to the quantity of reservoir losses and as to the share thereof chargeable under article V hereof to each of the States;

"(10) Make findings of fact in the event of the occurrence of extraordinary drought or serious accident to the irrigation system in the upper basin, whereby deliveries by the upper basin of water which it may be required to deliver in order to aid in fulfilling obligations of the United States of America to the United Mexican States arising under the Treaty between the United States of America and the United Mexican States, dated February 3, 1944 (Treaty Series 994) become difficult, and report such findings to the Governors of the upper basin States, the President of the United States of America, the United States section of the International Boundary and Water Commission, and such other Federal officials and agencies as it may deem appropriate to the end that the water allotted to Mexico under division III of such treaty may be reduced in accordance with the terms of such treaty;

"(11) Acquire and hold such personal and real property as may be necessary for the performance of its duties hereunder and to dispose of the same when no longer required;

"(12) Perform all functions required of it by this compact and do all things necessary, proper, or convenient in the performance of its duties hereunder, either independently or in cooperation with any State or Federal agency;

"(13) Make and transmit annually to the governors of the signatory States and the President of the United States of America, with the estimated budget, a report covering the activities of the Commission for the preceding water year.

"(e) Except as otherwise provided in this compact the concurrence of four members of the Commission shall be required in any action taken by it.

"(f) The Commission and its Secretary shall make available to the Governor of each of the signatory States any information within its possession at any time, and shall always provide free access to its records by the Governors of each of the States, or their representatives, or authorized representatives of the United States of America.

"(g) Findings of fact made by the Commission shall not be conclusive in any court,

or before any agency or tribunal, but shall constitute prima facie evidence of the facts found.

"(h) The organization meeting of the Commission shall be held within 4 months from the effective date of this compact.

"ARTICLE IX

"(a) No State shall deny the right of the United States of America and, subject to the conditions hereinafter contained, no State shall deny the right of another signatory State, any person, or entity of any signatory State to acquire rights to the use of water or to construct or participate in the construction and use of diversion works and storage reservoirs with appurtenant works, canals, and conduits in one State for the purpose of diverting, conveying, storing, regulating, and releasing water to satisfy the provisions of the Colorado River Compact relating to the obligation of the States of the upper division to make deliveries of water at Lee Ferry, or for the purpose of diverting, conveying, storing, regulating water in an upper signatory State for consumptive use in a lower signatory State, when such use is within the apportionment to such lower State made by this compact. Such rights shall be subject to the rights of water users, in a State in which such reservoir or works are located, to receive and use water, the use of which is within the apportionment to such State by this compact.

"(b) Any signatory State, any person or any entity of any signatory State shall have the right to acquire such property rights as are necessary to the use of water in conformity with this compact in any other signatory State by donation, purchase, or through the exercise of the power of eminent domain. Any signatory State, upon the written request of the governor of any other signatory State, for the benefit of whose water users property is to be acquired in the State to which such written request is made, shall proceed expeditiously to acquire the desired property either by purchase at a price satisfactory to the requesting State, or, if such purchase cannot be made, then through the exercise of its power of eminent domain and shall convey such property to the requesting State or such entity as may be designated by the requesting State; provided, that all costs of acquisition and expenses of every kind and nature whatsoever incurred in obtaining the requested property shall be paid by the requesting State at the time and in the manner prescribed by the State requested to acquire the property.

"(c) Should any facility be constructed in a signatory State by and for the benefit of another signatory State or States or the water users thereof, as above provided, the construction, repair, replacement, maintenance, and operation of such facility shall be subject to the laws of the State in which the facility is located, except that, in the case of a reservoir constructed in one State for the benefit of another State or States, the water administration officials of the State in which the facility is located shall permit the storage and release of any water which, as determined by findings of the Commission, falls within the apportionment of the State or States for whose benefit the facility is constructed. In the case of a regulating reservoir for the joint benefit of all States in making Lee Ferry deliveries, the water administration officials of the State in which the facility is located, in permitting the storage and release of water, shall comply with the findings and orders of the Commission.

"(d) In the event property is acquired by a signatory State in another signatory State for the use and benefit of the former, the users of water made available by such facilities, as a condition precedent to the use thereof, shall pay to the political subdivisions of the State in which such works are located, each and every year during which such rights are enjoyed for such purposes, a sum of money equivalent to the average annual amount of taxes levied and assessed against the land and improvements thereon during the 10 years preceding the acquisition of such land. Said payments shall be in full reimbursement for the loss of taxes in such political subdivisions of the State, and in lieu of any and all taxes on said property, improvements, and rights. The signatory States recommend to the President and the Congress that, in the event the United States of America shall acquire property in one of the signatory States for the benefit of another signatory State, or its water users, provision be made for like payment in reimbursement of loss of taxes.

"ARTICLE X

"(a) The signatory States recognize La Plata River Compact entered into between the States of Colorado and New Mexico, dated November 27, 1922, approved by the Congress on January 29, 1925 (43 Stat. 796), and this compact shall not affect the apportionment therein made.

"(b) All consumptive use of water of La Plata River and its tributaries shall be charged under the apportionment of article III hereof to the State in which the use is made; provided, that consumptive use incident to the diversion, impounding, or conveyance of water in one State for use in the other shall be charged to the latter State.

"ARTICLE XI

"Subject to the provisions of this compact, the consumptive use of the water of the Little Snake River and its tributaries is hereby apportioned between the States of Colorado and Wyoming in such quantities as shall result from the application of the following principles and procedures:

"(a) Water used under rights existing prior to the signing of this compact.

"(1) Water diverted from any tributary of the Little Snake River or from the main stem of the Little Snake River above a point 100 feet below the confluence of Savery Creek and the Little Snake River shall be administered without regard to rights covering the diversion of water from any down-stream points.

"(2) Water diverted from the main stem of the Little Snake River below a point 100 feet below the confluence of Savery Creek and the Little Snake River shall be administered on the basis of an interstate priority schedule prepared by the Commission in conformity with priority dates established by the laws of the respective States.

"(b) Water used under rights initiated subsequent to the signing of this compact.

"(1) Direct flow diversions shall be so administered that, in time of shortage, the curtailment of use on each acre of land irrigated thereunder shall be as nearly equal as may be possible in both of the States.

"(2) The storage of water by projects located in either State, whether of supplemental supply or of water used to irrigate land not irrigated at the date of the signing of this compact, shall be so administered that in times of water shortage the curtailment of storage of water available for each acre of land irrigated thereunder shall be as nearly equal as may be possible in both States.

"(c) Water uses under the apportionment made by this article shall be in accordance with the principle that beneficial use shall be the basis, measure, and limit of the right to use.

"(d) The States of Colorado and Wyoming each assent to diversions and storage of water in one State for use in the other State, subject to compliance with article IX of this compact.

"(e) In the event of the importation of water to the Little Snake River Basin from any other river basin, the State making the importation shall have the exclusive use of such imported water unless by written agreement, made by the representatives of the States of Colorado and Wyoming on the Commission, it is otherwise provided.

"(f) Water use projects initiated after the signing of this compact, to the greatest extent possible, shall permit the full use within the basin in the most feasible manner of the waters of the Little Snake River and its tributaries, without regard to the State line; and, so far as is practicable, shall result in an equal division between the States of the use of water not used under rights existing prior to the signing of this compact.

"(g) All consumptive use of the waters of the Little Snake River and its tributaries shall be charged under the apportionment of article III hereof to the State in which the use is made; provided, that consumptive use incident to the diversion, impounding, or conveyance of water in one State for use in the other shall be charged to the latter State.

"ARTICLE XII

"Subject to the provisions of this compact, the consumptive use of the waters of Henry's Fork, a tributary of Green River originating in the State of Utah and flowing into the State of Wyoming and thence into the Green River in the State of Utah; Beaver Creek, originating in the State of Utah and flowing into Henry's Fork in the State of Wyoming; Burnt Fork, a tributary of Henry's Fork, originating in the State of Utah and flowing into Henry's Fork in the State of Wyoming; Birch Creek, a tributary of Henry's Fork, originating in the State of Utah and flowing into Henry's Fork in the State of Wyoming; and Sheep Creek, a tributary of Green River in the State of Utah, and their tributaries, are hereby apportioned between the States of Utah and Wyoming in such quantities as will result from the application of the following principles and procedures:

"(a) Waters used under rights existing prior to the signing of this compact.

"Waters diverted from Henry's Fork, Beaver Creek, Burnt Fork, Birch Creek and their tributaries, shall be administered without regard to the State line on the basis of an interstate priority schedule to be prepared by the States affected and approved by the Commission in conformity with the actual priority of right of use, the water requirements of the land irrigated and the acreage irrigated in connection therewith.

"(b) Waters used under rights from Henry's Fork, Beaver Creek, Burnt Fork, Birch Creek and their tributaries, initiated after the signing of this compact shall be divided 50 percent to the State of Wyoming and 50 percent to the State of Utah and each State may use said waters as and where it deems advisable.

"(c) The State of Wyoming assents to the exclusive use by the State of Utah of the water of Sheep Creek, except that the lands, if any, presently irrigated in the State of Wyoming from the water of Sheep Creek shall be supplied with water from Sheep Creek in order of priority and in such quantities as are in conformity with the laws of the State of Utah.

"(d) In the event of the importation of water to Henry's Fork, or any of its tributaries, from any other river basin, the State making the importation shall have the exclusive use of such imported water unless by written agreement made by the representatives of the States of Utah and Wyoming on the Commission, it is otherwise provided.

"(e) All consumptive use of waters of Henry's Fork, Beaver Creek, Burnt Fork, Birch Creek, Sheep Creek, and their tributaries shall be charged under the apportionment of article III hereof to the State in which

the use is made; provided, that consumptive use incident to the diversion, impounding or conveyance of water in one State for use in the other shall be chraged to the latter State.

"(f) The States of Utah and Wyoming each assent to the diversion and storage of water in one State for use in the other State, subject to compliance with article IX of this compact. It shall be the duty of the water administrative officials of the State where the water is stored to release said stored water to the other State upon demand. If either the State of Utah or the State of Wyoming shall construct a reservoir in the other State for use in its own State, the water users of the State in which said facilities are constructed may purchase at cost a portion of the capacity of said reservoir sufficient for the irrigation of their lands thereunder.

"(g) In order to measure the flow of water diverted, each State shall cause suitable measuring devices to be constructed, maintained, and operated at or near the point of diversion into each ditch.

"(h) The State engineers of the two States jointly shall appoint a special water commissioner who shall have authority to administer the water in both States in accordance with the terms of this article. The salary and expenses of such Special Water Commissioner shall be paid, 30 percent by the State of Utah and 70 percent by the State of Wyoming.

"ARTICLE XIII

"Subject to the provisions of this compact, the rights to the consumptive use of the water of the Yampa River, a tributary entering the Green River in the State of Colorado, are hereby apportioned between the States of Colorado and Utah in accordance with the following principles:

"(a) The State of Colorado will not cause the flow of the Yampa River at the Maybell Gaging Station to be depleted below an aggregate of 5,000,000 acre-feet for any period of 10 consecutive years reckoned in continuing progressive series beginning with the first day of October next succeeding the ratification and approval of this compact. In the event any diversion is made from the Yampa River or from tributaries entering the Yampa River above the Maybell Gaging Station for the benefit of any water-use project in the State of Utah, then the gross amount of all such diversions for use in the State of Utah, less any returns from such diversions to the river above Maybell, shall be added to the actual flow at the Maybell Gaging Station to determine the total flow at the Maybell Gaging Station.

"(b) All consumptive use of the waters of the Yampa River and its tributaries shall be charged under the apportionment of article III hereof to the State in which the use is made; provided, that consumptive use incident to the diversion, impounding, or conveyance of water in one State for use in the other shall be charged to the latter State.

"ARTICLE XIV

"Subject to the provisions of this compact, the consumptive use of the waters of the San Juan River and its tributaries is hereby apportioned between the States of Colorado and New Mexico as follows:

"The State of Colorado agrees to deliver to the State of New Mexico from the San Juan River and its tributaries which rise in the State of Colorado a quantity of water which shall be sufficient, together with water originating in the San Juan Basin in the State of New Mexico, to enable the State of New Mexico to make full use of the water apportioned to the State of New Mexico by article III of this compact, subject, however, to the following:

"(a) A first and prior right shall be recognized as to:

"(1) All uses of water made in either State at the time of the signing of this compact; and

"(2) All uses of water contemplated by projects authorized, at the time of the signing of this compact, under the laws of the United States of America whether or not such projects are eventually constructed by the United States of America or by some other entity.

"(b) The State of Colorado assents to diversions and storage of water in the State of Colorado for use in the State of New Mexico, subject to compliance with article IX of this compact.

"(c) The uses of the waters of the San Juan River and any of its tributaries within either State which are dependent upon a common source of water and which are not covered by (a) hereof, shall in times of water shortages be reduced in such quantity that the resulting consumptive use in each State will bear the same proportionate relation to the consumptive use made in each State during times of average water supply as determined by the Commission; provided, that any preferential uses of water to which Indians are entitled under article XIX shall be excluded in determining the amount of curtailment to be made under this paragraph.

"(d) The curtailment of water use by either State in order to make deliveries at Lee Ferry as required by article IV of this compact shall be independent of any and all conditions imposed by this article and shall be made by each State, as and when required, without regard to any provision of this article.

"(e) All consumptive use of the waters of the San Juan River and its tributaries shall be charged under the apportionment of article III hereof to the State in which the use is made; provided, that consumptive use incident to the diversion, impounding, or conveyance of water in one State for use in the other shall be charged to the latter State.

"ARTICLE XV

"(a) Subject to the provisions of the Colorado River Compact and of this compact, water of the upper Colorado River system may be impounded and used for the generation of electrical power, but such impounding and use shall be subservient to the use and consumption of such water for agricultural and domestic purposes and shall not interfere with or prevent use for such dominant purposes.

"(b) The provisions of this compact shall not apply to or interfere with the right or power of any signatory State to regulate within its boundaries the appropriation, use, and control of water, the consumptive use of which is apportioned and available to such State by this compact.

"ARTICLE XVI

"The failure of any State to use the water, or any part thereof, the use of which is apportioned to it under the terms of this compact, shall not constitute a relinquishment of the right to such use to the lower basin or to any other State, nor shall it constitute a forfeiture or abandonment of the right to such use.

"ARTICLE XVII

"The use of any water now or hereafter imported into the natural drainage basin of the upper Colorado River system shall not be charged to any State under the apportionment of consumptive use made by this compact.

"ARTICLE XVIII

"(a) The State of Arizona reserves its rights and interests under the Colorado River compact as a State of the lower division and as a State of the lower basin.

"(b) The State of New Mexico and the State of Utah reserve their respective rights and interests under the Colorado River compact as States of the lower basin.

"ARTICLE XIX

"Nothing in this compact shall be construed as:

"(a) Affecting the obligations of the United States of America to Indian tribes;

"(b) Affecting the obligations of the United States of America under the treaty with the United Mexican States (Treaty Series 994);

"(c) Affecting any rights or powers of the United States of America, its agencies or instrumentalities, in or to the waters of the upper Colorado River system, or its capacity to acquire rights in and to the use of said waters;

"(d) Subjecting any property of the United States of America, its agencies or instrumentalities, to taxation by any State or subdivision thereof, or creating any obligation on the part of the United States of America, its agencies or instrumentalities, by reason of the acquisition, construction, or operation of any property or works of whatever kind, to make any payment to any State or political subdivision thereof, State agency, municipality or entity whatsoever, in reimbursement for the loss of taxes;

"(e) Subjecting any property of the United States of America, its agencies or instrumentalities, to the laws of any State to an extent other than the extent to which such laws would apply without regard to this compact.

"ARTICLE XX

"This compact may be terminated at any time by the unanimous agreement of the signatory States. In the event of such termination, all rights established under it shall continue unimpaired.

"ARTICLE XXI

"This compact shall become binding and obligatory when it shall have been ratified by the legislatures of each of the signatory States and approved by the Congress of the United States of America. Notice of ratification by the legislatures of the signatory States shall be given by the governor of each signatory State to the governor of each of the other signatory States and to the President of the United States of America, and the President is hereby requested to give notice to the governor of each of the signatory States of approval by the Congress of the United States of America.

"In witness whereof, the commissioners have executed six counterparts hereof each of which shall be and constitute an original, one of which shall be deposited in the archives of the Department of State of the United States of America, and one of which shall be forwarded to the governor of each of the signatory States.

"Done at the city of Santa Fe, State of New Mexico, this 11th day of October 1948.

"[Sgd.] Charles A. Carson,
"CHARLES A. CARSON,
"Commissioner for the State of Arizona.

"[Sgd.] Clifford H. Stone,
"CLIFFORD H. STONE,
"Commissioner for the State of Colorado.

"[Sgd.] Fred E. Wilson,
"FRED E. WILSON,
"Commissioner for the State of New Mexico.

"[Sgd.] Edward H. Watson,
"EDWARD H. WATSON,
"Commissioner for the State of Utah.

"[Sgd.] L. C. Bishop,
"L. C. BISHOP,
"Commissioner for the State of Wyoming.

"[Sgd.] Grover A. Giles,
"GROVER A. GILES,
"Secretary.

"Approved:

"[Sgd.] Harry W. Bashore,
"HARRY W. BASHORE,
"Representative of the United States of America."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMISSION TO EXTEND REMARKS AT THIS POINT

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. MURDOCK. Mr. Speaker, as chairman of the Subcommittee on Irrigation and Reclamation, to which this legislation was referred, I am very happy to have Chairman Peterson call up the Senate bill, S. 790, for immediate action under unanimous consent. I regard the adoption of an Upper Colorado Basin Compact as a great step forward, and without such I doubt whether the maximum development on that great western river could proceed. Rather than to wait the required time to place my own bill, H. R. 2325, on the Consent Calendar, it was preferable to ask for the action which has just been taken upon the Senate bill which is identical. There are 11 Members of the House from the 5 States interested in this compact, and all of us are supporting this measure. Therefore, it is not because we Members of the House lack interest in the legislation, but rather it is our anxiety to have the legislation speedily enacted, which has caused us to forget our pride of authorship and urge the adoption of the Senate bill.

I want to call attention to a statement of Judge Clifford H. Stone in the hearings on the bill which is in answer to a mistaken thought of mine. Quoting Judge Stone:

> At this point I wish to suggest to you, contrary to a general view which has been expressed in Congress concerning this compact, that we did not proceed with these negotiations in accordane with any previous statute or authorization by Congress to make a compact. We proceeded under the right of quasi-sovereign states as provided by the Constitution to make a compact, it being understood, of course, that such compact is not binding and effective on the signatories thereto until it had been ratified by their State legislatures, and until Congress had granted its consent to such a compact. If a compact is made, and later it is consented to by the Congress, such consent implies previous authority to proceed with negotiations. It is under that principle that we proceeded. We did not proceed under any section of the Boulder Canyon Project Act, nor under any provision of the Colorado River Compact.

Such opposition as showed up in the hearings on H. R. 2325, our bill giving congressional approval to the Upper Colorado River Basin Compact adopted last year, came from Californians who seemed to consider that there might be something in this compact affecting adversely the rights of nonsignatory States in the lower basin. Certain California members on the committee took considerable time questioning the men who drafted that compact as to its effects upon the lower basin States. These members of the committee from California, having first early in the hearings suggested an amendment to the bill, later agreed upon certain explanatory language which they demanded be written into the report which they thought would allay the fears of California and safeguard her water rights in the Colorado River. Now, all of the members of the committee were told repeatedly during the hearings that the assent of Congress to this compact merely met a constitutional limitation upon States in regard to interstate compacts and was binding only upon the States signatory thereto, and was not at all binding upon any States not signatory thereto. That answer did not at first satisfy the members from California, and they insisted that more complete denial be made that the action of the upper basin compact would have no effect upon the lower basin States. However, after extensive hearings and repeated suggestions, some language was agreed upon and was written into the report, after which the measure was unanimously reported by the committee.

Of course, the proponents of the upper basin compact could not, in good conscience, declare to the California members that the adoption of this compact would have no adverse effect whatsoever upon the lower basin States, and it was pointed out that some adverse effects were right and proper. However, the committee agreed no such amendment should be adopted on the bill itself when there was inevitably to be certain adverse effects upon the lower basin.

What were these adverse effects so plainly discernible? Obviously, one effect of the upper basin compact would be to cause less water on the average to flow from the upper basin into the lower basin than had heretofore been flowing into it. Such would be a very significant effect, and it in turn would cause another effect and would mean that there would be less water passing through the power plants on the lower river to produce hydroelectric power. Now these two are obvious and significant effects and are inevitable effects, and they are right and proper effects according to the master compact of 1922. In bringing about these effects under the new compact it would all be legal and in accordance with the Colorado River Compact adopted at Santa Fe in 1922. The Californians evidently recognized that fact and could raise no objection thereto.

It is my opinion that the effect which the California witnesses were most apprehensive of were not legal effects but rather the intellectual and moral effects of the power of example. Let me explain: For years there has been a dispute between Arizona and California over the waters in the lower basin. One element of that dispute has been over a difference of view on the proper method of accounting of the water from the Colorado River system to be charged to each State. The Arizona authorities, agreeing with the national reclamation authorities, favor the so-called depletion theory or system of measurement, whereas the Californians have ingeniously hatched up quite a different system of measurement. Having given it a good name, they apparently have succeeded in fooling themselves—if not many others. Of course, when these wise, experienced, level-headed men in the upper basin got together and wrote their compact, they naturally used the sensible method of measurement known as the depletion method. That fact in itself is an intellectual rebuke to the representatives of certain water agencies in southern California who have cunningly devised their different method so as better to serve their own purpose. It is not strange then that the men representing these water agencies in southern California are not at all pleased with the philosophy underlying the upper basin compact, although of course they say, in effect, "We don't care how you divide and measure your water up north so long as you don't force your system on us below." Well, they have been assured in the hearings and in the report they will not be legally bound by the rules prevailing up north and only the future can tell how others will feel about the effects of the example of wise and sensible water usage in the northern States upon the entire basin and the entire West.

Mr. DOYLE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. DOYLE. Mr. Speaker, I join in urging that the joint resolution granting the consent of Congress to joinder of the United States suit in the United States Supreme Court for adjudication of claims to waters of the Colorado River system be promptly approved.

As most concrete evidence of my support of the objectives of this worthy project, I filed House Joint Resolution 107 on January 25, 1949, and the text of my resolution followed the text of the first and previous resolutions filed in this Congress for a similar purpose.

Clearly, it is not the purpose of my resolution, House Joint Resolution 107, or any of the others to do other than to ask that this Congress of the United States, by its Senate and House of Representatives, give consent that the whole subject matter of the very earnest and urgent difference of opinion, as to the waters of the Colorado River, of the State of California, and the State of Arizona, and other States also containing basins, as defined in the Colorado River Compact, be adjudicated by the Supreme Court of the United States. This would appear to be the prompt, the orderly, and the final way to have it adjudicated to the interests and approval of all concerned.

CORRECTION OF THE RECORD

Mr. GREEN. Mr. Speaker, I offer a resolution (H. Res. 164) and ask for its immediate consideration.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read as follows:

Resolved, That the RECORD of Tuesday, March 22 be amended by printing the colloquy between Mr. RANKIN and Mr. GREEN as reported by official reporters.

The SPEAKER pro tempore. The gentleman from Pennsylvania is recognized on his resolution.

Mr. RANKIN. I will agree to that, Mr. Speaker. I was just trying to soften my language. I agree to it.

Mr. GREEN. Mr. Speaker, I do not like the remarks of the gentleman from Mississippi. I have the floor. If he wants the floor he can ask me to yield.

Mr. RANKIN. No. Go ahead and make your statement and then I will make mine.

Mr. GREEN. Yesterday afternoon, Mr. Speaker, I had occasion to have a colloquy on the floor with the gentleman from Mississippi [Mr. RANKIN]. I am glad he has agreed to correct the RECORD to coincide with the Official Reporter's transcript, but I wanted to bring to the attention of the new Members of the House that whenever colloquies are conducted between yourself and the gentleman from Mississippi [Mr. RANKIN], it may be necessary to get the Official Reporter's transcript; because yesterday when I completed my colloquy with the gentleman from Mississippi [Mr. RANKIN], I went to the Official Reporters and told them I was very anxious to have a copy of the colloquy. So when it came up I copied it. When I received the RECORD this morning I found that it had been completely changed on the part of the gentleman from Mississippi [Mr. RANKIN] in order to put me in a bad light.

As a member of the Committee on Veterans' Affairs, of which my colleague the gentleman from Mississippi [Mr. RANKIN] happened to be chairman in the Seventy-ninth Congress, and any committee in this House, regardless of what committee it is, the conduct of the committee and the procedure in it is entirely up to the chairman of the committee and not any Member of the House. So that if any committee of this House would happen to be in confusion I would say that the blame would be entirely upon the part of the chairman.

I am glad the gentleman from Mississippi has agreed to correct the remarks in the RECORD.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. RANKIN. Mr. Speaker, yesterday the gentleman from Pennsylvania [Mr. GREEN] carried on about the same kind of conduct he carried on when he was a member of the Committee on Veterans' Affairs.

I thought my language was a little harsh and I toned it down. What the RECORD shows that I said and what I say now is that the gentleman from Pennsylvania [Mr. GREEN] probably caused the confusion. In these remarks I will strike out the word "probably" and say that he caused more confusion on our committee than he ever contributed to its procedure.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. RAMSAY asked and was granted permission to extend his remarks in the RECORD.

CALL OF THE HOUSE

Mr. RANKIN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. PRIEST. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 42]

Andersen, H. Carl	Gwinn	Smith, Ohio
Battle	Jones, Mo.	Somers
Breen	McSweeney	Stanley
Brown, Ohio	Macy	Thomas, N. J.
Bulwinkle	Norton	Towe
Davenport	Pace	Whitaker
Davies, N. Y.	Poulson	White, Idaho
Fernandez	Powell	Withrow
Gilmer	Redden	Zablocki
	Richards	

The SPEAKER pro tempore. Four hundred and one Members have answered to their names; a quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

SPECIAL ORDER GRANTED

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that on tomorrow, after the legislative program of the day and any other special orders heretofore granted, I may address the House for 20 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXTENSION OF REMARKS

Mr. HAND asked and was granted permission to extend his remarks in the RECORD.

Mr. CLEVENGER asked and was granted permission to extend his remarks in the RECORD and include an editorial.

Mr. SHORT asked and was granted permission to extend his remarks in the RECORD and include a recent radio broadcast.

Mr. LODGE asked and was granted permission to extend his remarks in the RECORD and include extraneous matter.

Mr. NIXON asked and was granted permission to extend his remarks in the RECORD and include certain correspondence.

Mr. PHILBIN asked and was granted permission to extend his remarks in the RECORD and include an article.

Mr. MULTER asked and was granted permission to extend his remarks in the RECORD in two instances and to include extraneous matter.

Mr. MILLER of California asked and was granted permission to extend his remarks in the RECORD and include an editorial and other extraneous matter.

PENSIONS FOR VETERANS OF WORLD WAR I AND WORLD WAR II

Mr. RANKIN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 2681.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 2681, with Mr. GORE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the Clerk had read through section 1 of the bill.

Mr. HUBER. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. HUBER: On page 1, line 3, strike out all after the enacting clause of the bill and insert in lieu thereof the following:

"That any person who served in the active military or naval service, for a period of 90 days or more, during World War I, as now or hereafter defined, who was discharged under honorable conditions from such service, or who, having served less than 90 days, was discharged for disability incurred in the service in line of duty or is receiving or entitled to receive compensation for service-connected disability, who is shown to have been in active service therein before the cessation of hostilities and who is or may hereafter be, suffering from a permanent non-service-connected disability, or has attained the age of 65 years or over, shall be entitled to receive pension at the rate specified in section 2 of this act: *Provided*, That payment of pension under the provisions of this section shall not be made to any unmarried veteran whose annual income exceeds $2,000, or to any married veteran or any veteran with minor child or children, or dependent parent or parents, whose annual income exceeds $3,000.

"SEC. 2. The amount of pension payable pursuant to the terms of section 1 of this act shall be—

"(a) $50 per month upon being rated as 50 percent disability;

"(b) $75 per month upon being rated as 75 percent disability;

"(c) $90 per month upon being rated as 100 percent disability;

"(d) $90 per month at age 65; and

"(e) $120 per month for any person otherwise entitled to pension under section 1 of this act who has, or hereafter may become, on account of age or physical or mental disabilities, helpless or blind or so near'y helpless or blind as to need or require the regular aid and attendance of another person.

"SEC. 3. That the first sentence of section 1 (c), Public, No. 484, Seventy-third Congress, June 28, 1934, as amended, is hereby amended to read as follows:

"'(c) Payment of pension under the provisions of this act shall not be made to any widow without child, or a child, whose annual income exceeds $2,000, or to a widow with a child or children whose annual income exceeds $3,000.'

"SEC. 4. That paragraph II (a), part III, Veterans' Regulation No. 1 (a), as amended, is hereby amended to read as follows:

"'(a) Payment of pension provided by part III except as provided in paragraph I (g), shall not be made to any unmarried veteran whose annual income exceeds $2,000, or to any married veteran or any veteran with minor child or children, or dependent parent or parents, whose annual income exceeds $3,000.'

"SEC. 5. That the pension or increase of pension herein provided for, as to all persons who are now in receipt of a pension under existing law and who are now shown by competent evidence of record to fulfill the requirements of this act, shall commence, without the necessity of filing a new application, effective the first day of the second month following the date of approval of this act; and original awards of pension un-

der the provisions of this act shall be effective from date of application or the first day of the second month following the passage of this act, whichever is later.

"SEC. 6. That nothing contained in this act shall be held to affect entitlement to or reduce the amount of any pension heretofore granted under any existing act, public or private, or veterans regulation, but the provisions of paragraph XIII, Veterans' Regulation No. 10, as amended, shall be for application under this act.

"SEC. 7. The administrative, definitive, and penal provisions of Public Law No. 2, Seventy-third Congress, March 20, 1933, and veterans regulations promulgated thereunder, as amended, insofar as they are not inconsistent with the above provisions, shall be applicable to claims under this act."

Mr. HUBER. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HUBER. Mr. Chairman, the amendment offered to be substituted for all, except the enacting clause of the bill, H. R. 2681, will do several things which I am confident will go far toward arriving at a fair and equitable pension for the ailing and aging veterans of World War I, and will also rectify certain inequities in laws affecting World War II veterans and widows of veterans.

First, the amendment would set up certain pension rates for World War I veterans who reach the age of 65 years, or who are totally and permanently disabled. Lesser rates would be provided for those World War I veterans who are less than totally disabled.

These pension rates would be as follows:

For 50 percent disability, $50 per month.

For 75 percent disability, $75 per month.

For total and permanent disability, $90 per month.

For those reaching the age of 65 years, $90 per month.

Where an aid and attendant is required, $120 per month.

World War II veterans would not be included in these pension rates. We are today endeavoring to carry into effect the traditional pension policy of this Nation. From and including the Revolutionary War down to and including the Spanish-American War, the Congress of the United States some 20 to 30 years after each war has enacted pension legislation for veterans of that war. Veterans of World War II are not in need of a pension aimed primarily at assisting aged and ailing veterans. Then too, as will be brought out subsequently, World War II veterans who are permanently and totally disabled from non-service-connected causes are already benefiting from what is commonly referred to as the part II pension.

The amendment also provides pensions for 50 percent and 75 percent disability as well as permanent and total disability. This is also on all fours with previous pension laws which provided small pensions for veterans who were disabled even to the 20-percent degree as is evidenced by examining the Spanish-American War pension system still on the statute books.

Mr. Chairman, the amendment would limit these pensions to only those World War I veterans whose annual incomes were $2,000 or less, if they had no dependents; and $3,000 or less, if they had dependents. This would limit the pension payments to only those who are in need. Although no income limitations were imposed under previous pension systems, it is believed that such income limitations today would be more consistent with our economy, and with the trend of veterans benefits whose disabilities are not of service connection.

Mr. Chairman, the amendment will also provide some benefits to World War II veterans. For example, veterans of the recent war are presently entitled to pensions of $60 per month if they are permanently and totally disabled and have an income of $1,000 or less if without dependents, or $2,500 or less, if they have dependents. The basic law governing eligibility for this pension was enacted in 1934 and the income limitations imposed at that time have become somewhat out-dated. The new income limitations imposed by this amendment of $2,000 of less if without dependents, and $3,000 or less with dependents, is more realistic in the light of the difference in the purchasing power of the dollar in 1934 and the purchasing power of the dollar in 1949. World War I veterans are also eligible for this pension, although veterans of that war will draw the larger pension provided for in this amendment, as has already been set forth. Also, Mr. Chairman, veterans of World War II who receive the $60 per month pension for 10 years, or reach the age of 65 years, whichever is sooner, will have their pension increased to $72. Let me reiterate, Mr. Chairman, that this pension is already provided for under existing law. Only the income limitations are revised to the $2,000–$3,000 formula in this amendment.

The amendment will also strike from the bill, H. R. 2681, all of section 6 which seeks to put widows of World War II veterans on a par with widows of World War I veterans for determining eligibility for a non-service-connected death pension.

Under existing law, a widow of a World War I veteran is entitled to a pension of $42 per month if her husband's death is non-service-connected, and she has an income of $1,000 or less, if she is without dependents, or $2,500 or less if she has a child or children. A widow of a World War II veteran in order to be eligible for this pension must establish that her husband had some service-connected disability even though the death were attributed to non-service-connected causes. In the past the requirements for eligibility for widows, where the husband's death is non-service-connected, has been liberalized only after many years have elapsed since the close of the war and only when the age of the widow places her at a disadvantage in our competitive economy. Consequently, I believe it a bit premature to equalize eligibility for these pensions at this time. Bear in mind, Mr. Chairman, that this amendment has no reference to the widows of men who died in the service or from service-connected disabilities. These are already provided for generously under other laws.

The amendment does, however, with reference to the widows, revise upward the income limitations governing eligibility for such pensions, to the $2,000–$3,000 formula instead of the present archaic $1,000–$2,500 formula. The same argument for revising the income limitations governing pension eligibility for the veterans holds for a similar revision for the benefit of the widows. The limitations were imposed at approximately the same time, 1934, and due to the diminishing purchasing power of the dollar have become somewhat outdated.

Mr. Chairman, I hope this amendment will be adopted.

EXHIBIT B

Estimated cost for sections 1 and 2 of amendment as prepared by Veterans of Foreign Wars of United States

1950—WORLD WAR I, AGE 65, TOTAL AND PERMANENT

World War I, 65 or over	104,039
Will never apply—percent	.05
Will never apply	5,201.95
Remaining over 65	98,837
Income limitation bar—percent	.40
Barred by income limitation	39,534.80
All-around eligibility	59,302
Per month	$90
Per month cost	$5,337,180
Months	12
Yearly cost	$64,046,160

1950—WORLD WAR I, TOTAL AND PERMANENT, UNDER 65

Under 65 years	3,483,423
Will never apply—percent	.05
Will never apply	174,171
Remaining under 65	3,309,252
Eligible total and permanent percent	.08
Eligible total and permanent	264,740
Income limitation bar—percent	.50
All-around eligibility	132,370
Per month per person	$90
Per month	$11,913,300
Months	12
Per year	$142,959,600

1950—WORLD WAR I, 75-PERCENT DISABILITY, UNDER 65

Under 65 years	3,044,512
Eligible 75-percent disability percent	.07
Eligible 75-percent disability	213,116
Income limitation bar—percent	.50
All-around eligibility	106,558
Per month per person	$75
Per month	$7,991,850
Months	12
Per year—1950	$95,902,200

1950—WORLD WAR I, 50-PERCENT DISABILITY, UNDER 65	
Potential for 50 percent	2,831,396
Eligible for 50 percent-percent	.20
Eligible for 50 percent	566,279
Eligible under income limitation-percent	.40
Total eligible for 50 percent	226,512
Per person per month	$50
Per month	$11,325,600
Months	12
Total cost—1950	$135,907,200

1950—WORLD WAR I COST	
Age 65	$64,046,160
Total and permanent	142,959,600
75-percent disability	95,902,200
50-percent disability	135,907,200
Total	438,815,160

NUMBER OF VETERANS	
Age 65	59,302
Total and permanent	132,370
75-percent disability	106,558
50-percent disability	226,512
Total	524,742

Mr. RANKIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, of all the ridiculous performances that I have ever seen, it was for the gentleman from Ohio [Mr. HUBER] to attack this bill on yesterday on the ground of the expense, and then this morning offer an amendment which would raise the cost the first year from $62,411,000 to $1,711,256,000.

Now, there are some clarifying amendments to be offered by members of the committee who are familiar with the situation. But if you are going to try to load this bill down with unreasonable amendments that pile burdens onto the taxpayers far beyond anything that the measure before the House even contemplates, then vote for the amendment offered by the gentleman from Ohio.

That is all I have to say.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from New York.

Mr. COUDERT. Would the gentleman mind explaining in what respect this bill increases the cost?

Mr. RANKIN. It is similar to a bill that was before the committee, and we got a report from the Veterans' Administration showing that the cost the first year would be $1,711,256,000.

Mr. COUDERT. Is that because of increases of payments in particular categories?

Mr. RANKIN. Increases, and also by putting in other categories.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Would the effect of this substitute mean that if a veteran without defendents was receiving $1,900, he would receive an additional $900, or a total income of $2,800, whereas a veteran receiving $2,000 would not get anything? Is that the effect of this amendment?

Mr. RANKIN. That is the needs clause provided in this amendment. The main thing in this amendment is that it loads onto the bill more than a billion dollars a year to begin with, an amount that the committee trimmed down in order to make it a pension bill for these old men who have passed the age of their earning capacity.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. Do I understand the amendment offered by the gentleman from Ohio to exclude all World War II veterans from the benefits of the bill?

Mr. RANKIN. There will be some few picked up along the line.

Mr. ABERNETHY. But it does exclude World War II veterans?

Mr. RANKIN. Yes.

Mr. ABERNETHY. Does not the distinguished chairman of this committee agree with me that pensions are paid by virtue of age and war and not alone by virtue of service in war; and that there are five or six thousand World War II veterans now who have reached their sixty-fifth year and would be eligible for pensions under this bill, whereas if the amendment is adopted they would be denied equality with World War I veterans?

Mr. RANKIN. Let me say to the gentleman from Mississippi that the number he mentioned, practically all of them were in World War I also. That is not the danger of this amendment. The danger of this amendment is piling on an additional $1,000,000,000 annually to begin with, making approximately three times what the present bill provides for the first year.

Mr. ABERNETHY. But at the same time this amendment practices a definite discrimination against World War II veterans. It is wrong and should be defeated.

Mr. RANKIN. Yes.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Is it not possible that someone has designs on scuttling the bill by loading it down?

Mr. RANKIN. Yes. The gentleman from Pennsylvania [Mr. VAN ZANDT] has been on the Committee on Veterans' Affairs, and he has seen these attempts made before. I remember when we were trying to take care of the tubercular—the presumptive cases—certain Members attempted to pile onto the bill amendments in order to try to break it down.

Mr. WHEELER. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Georgia.

Mr. WHEELER. Is it not true that with the adoption of this amendment you should probably change the title of the bill to make it read "pensions and compensation"?

Mr. RANKIN. Yes.

Mr. WHEELER. The bill we have under consideration proposes to provide pensions. With the adoption of the amendment, you would have not only pensions but compensation for disability.

Mr. RANKIN. Yes.

Mr. Chairman, I hope the House will vote this amendment down and let us proceed in an orderly way with those amendments that are to be offered by the members of the committee.

Mr. CARROLL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as some of us pointed out yesterday, this is the confusion we said would inevitably arise as a result of trying to write this legislation on the floor of the House. I say very frankly to you, I am confused. I know the gentleman who offered this amendment is very sincere, but I must say to him quite sincerely that at this time he has not convinced me that this ought to be a part of the bill. May I ask him first, does his substitute bill exclude World War II veterans?

Mr. HUBER. It definitely excludes World War II veterans.

If the gentleman will permit me to make one further observation, every Member of this House has received a letter from the Veterans of Foreign Wars endorsing this amendment. I wonder if the gentleman from Pennsylvania [Mr. VAN ZANDT] and the chairman of our committee would accuse the Veterans of Foreign Wars of scuttling this pension bill?

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. In answer to the gentleman I will say that no one has the right to speak for the Veterans of Foreign Wars of the United States on the floor of this Congress.

Mr. CARROLL. May I ask the gentleman from Pennsylvania if this is the Veterans of Foreign Wars proposal?

Mr. VAN ZANDT. In reply to the gentleman, may I say that I am in a position to answer that question.

Mr. CARROLL. It is a simple question.

Mr. VAN ZANDT. The amendments in which the Veterans of Foreign Wars are interested do not exactly coincide with the amendments contained in the amendment offered by the gentleman from Ohio.

Mr. CARROLL. You see what we are up against here? First of all, we are going to cut out the veterans of World War II. The gentleman from Mississippi [Mr. ABERNETHY] is 100 percent correct. Five thousand and three hundred veterans of World War II will become of age this year, as recorded in the testimony of the hearings. That is point one.

Point two, is it not true that under this bill you establish a needs clause? And may I ask the gentleman from Mississippi, the chairman of the committee, if that does not violate the traditional pension policy insofar as Spanish-American war veterans are concerned?

Mr. RANKIN. Yes.

Mr. CARROLL. It does. So you see we have two great issues before us that we are seeking to change. I say to you in all fairness that the Rankin proposal is far more honest than the amendments that will be offered here on the floor of the House, and why? Because it meets the issue head on. Are you going to give $90 pensions to the veterans of both

World Wars I and II? This is what I said to you yesterday. This is the issue you are going to have to meet, and you are not prepared to meet it because there has not been that calm, mature deliberation which is necessary in all legislative matters.

I will now ask the gentleman from Mississippi, when we think of setting up standards of need, what are we going to do? Shall we send social workers into the veterans' homes to determine the standards of need? What will it build up in administrative costs? What sort of a bureaucracy will it create?

Mr. RANKIN. In 1928 we had 215,000 people on the pension roll under the pension law. The expenses of the pension bill were about $3,500,000. We had fewer than that number drawing compensation from World War I. The expenses of the Veterans' Administration at that time were $43,000,000. So this straight pension will be administered at far less expense than would be the case if this amendment were adopted and they put on compensation.

Mr. CARROLL. Yes, I well remember the gentleman's remarks as contained in the records of the hearing.

Mr. RANKIN. By the way, if the gentleman will permit me to make just one correction, a while ago, when I said that this bill of his would cost almost three times as much as the present bill for the first year, I meant almost 30 times as much.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. CARROLL. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes because we are trying to develop some thinking on this legislation.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. CARROLL. Mr. Chairman, the gentleman from Mississippi, the chairman of this great committee, says that this will cost 30 times more, or billions of dollars more. The Director of the Budget has said that if we pass the so-called Rankin pension bill it will cost $125,000,000,000. Now we have a substitute amendment which will cost much more. That is why I repeat that this bill should have been recommitted yesterday; let it go back to the Committee on Veterans' Affairs for further study. As the gentleman from Wisconsin [Mr. BYRNES] pointed out, there are inequities against disabled veterans. He also pointed out other inequities in this bill. This bill has not been given fair consideration. This was not an issue in your campaign at home. I say to you again it is not proper to pass legislation of such great import, in this—I will not say reprehensible but certainly shameful—manner.

I yield to the gentleman from Ohio [Mr. HUBER].

Mr. HUBER. The gentleman from Mississippi says it will cost 30 times as much. Of course he is just reaching in his hat and pulling out figures. I can give you some simple figures that all of us can understand.

My bill includes World War I veterans. You can use your own arithmetic as to how many years it will be until they are all dead and gone. You can use that same arithmetic with reference to the World War II veterans who will be coming along year after year.

Mr. CARROLL. Mr. Chairman, I am opposed to the substitute amendment. I am opposed to any amendment on this bill. I think that if we pass it, we ought to pass it as it was brought from the Committee on Veterans Affairs. Why do I think so? Because if it was good then, it is good now. You cannot water down this bill. It is going to cost this Nation billions of dollars. We are not prepared for it. Soon a bill will be coming up on the floor of the House in a few days concerning the Marshall plan. I know the argument is being made that we are pouring that money into the sinkholes of Europe and Asia. But we have a serious responsibility—an international responsibility. We shall soon be discussing the North Atlantic Pact. And after that lend-lease. Soon we will have a lend-lease program to consider involving from $1,000,000,000 to $2,000,000,000. Already our fiscal experts say that this Congress will have a deficit. Do you want to go back to deficit financing? This is a real issue. That is why I say let this bill go back to the Veterans Committee for further study. That will not kill this legislation, it can be fully and fairly considered again.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield to the gentleman from New York.

Mr. COUDERT. Something has been said about the advantage of removing World War II veterans from this bill. Has the gentleman the slightest doubt that any benefits, by way of pension, that are afforded to World War I veterans in a bill today will be given to World War II veterans within a very short time?

Mr. CARROLL. That is exactly the point. And that is why I say you have to consider the over-all picture.

I recognize that we all want to help the veterans. We recognize that the great veterans organizations are trying to help them. But a new problem has arisen in this Nation. We are not dealing with a few Spanish-American War veterans. We have 18,000,000 men to consider. Not too far away—and I hope it does not come, but it may come in 10 years—there may be a situation where another 20,000,000 men are engaged in war. We no longer fight war on a local scale. We have total wars. The whole economy is involved in war. Yesterday I may have frightened some people in this great Chamber by talking about social security. I have no means of knowing whether the Committee on Ways and Means, or whether this body, will accept an expansion of social security. All I say is, let us explore it. Let us put our minds to the great task which is before us and not give way to pressure groups. I am not concerned about the hierarchy of the American Legion. I am a Legionnaire. I have been in both wars. I am not concerned about the hierarchy of any veterans' organization, and neither need you be. I should say to you that you had better be more concerned with what you are doing to World War II veterans, because they are very much concerned about this measure. I hope we vote down this amendment, and I hope we vote down all amendments so we can meet this issue head-on.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield.

Mr. HALLECK. We are all very much concerned about this legislation and certainly we want to do whatever is right. I have listened to the gentleman's arguments for the fiscal solvency of the Government, but I would like to ask the gentleman whether or not it is a fact that programs that would call for additional spending totaling probably $15,000,000,000 are presently before the Congress, coming from the executive branch, with the recommendation that they be enacted into law. I wonder what the gentleman's attitude with respect to them will be.

Mr. CARROLL. It is very simple. They will come before this body for its consideration. Others may propose but this body will have an opportunity to pass upon it. Let us treat first things first. Let us deal with this issue in an honest intelligent and straightforward manner.

The CHAIRMAN. The time of the gentleman from Colorado [Mr. CARROLL] has again expired.

Mr. MAGEE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to say this: Like the distinguished gentleman from Colorado [Mr. CARROLL] I, too,, served in both world wars. I want to say to him and all of those who have offered amendments to this bill that the German population, as I said yesterday, is receiving a dole from the United States. I hope to God, and all that it means, that we are not putting the boys of this country in the same classification as that. I think the men who put on the colors in the two world wars, men who went forth to battle for democracy, are just a little better than the German population who are now receiving a dole from the United States. And as the distinguished gentleman from Mississippi [Mr. RANKIN] said, the Japanese. I agreed, and all of our committee members agreed, that we would agree to the amendment offered by the distinguished gentleman from New York [Mr. KEARNEY], but I am going to oppose all amendments after that, because I believe, and I think the consensus of opinion here is, that the veterans of this country who went forth to battle for democracy are just a little better than our enemies in Germany, Japan, Italy, and those other countries.

I hope you will defeat every amendment that is offered on the floor today.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. RANKIN. Mr. Chairman, I wonder if we cannot agree on time for debate on this amendment.

I ask unanimous consent that all debate on this amendment, and all amendments thereto, close in 25 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN]?

There was no objection.

Mr. POTTER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, the debate we have had on this last amendment shows the folly of trying to write legislation as vast as this pension bill on the floor of the House of Representatives. Yesterday I voted to recommit the bill; if I have an opportunity today to vote to recommit, I will do so again. I hate to see the veterans of this country used as political pawns in this great Washington game of chess, of playing one group against another.

Many eloquent speeches have been made in behalf of the veterans. I doubt if anyone here will challenge my support and interest in the veterans of this country. I remember that at the time I went into the service I did not consider whether I should or would receive a pension, and I believe the same is true of every man who went into service in both wars. It is true, I believe, that the veterans are a special class; they are a special class only because of the service they render to their country, not because of the dollars going out to them. Yes; a veteran is in a special class because he can walk down the street holding his head high and look anyone in the eye, knowing that he has done his duty to his country when his country was in need. You are trying to make mercenaries out of the veterans of this country. You cannot convince me that by doling out a few dollars to veterans and then forgetting them you are performing them a service.

I believe that the aged veteran who is in need should be provided for. If an amendment is offered to require a sufficient showing of need, and other amendments that will make this bill more workable, I undoubtedly will support it.

I regret to see a bill of this kind come to the floor from the great Committee on Veterans' Affairs as this bill did, with so much bad taste on the part of some members of that committee. It does not do credit to the veterans; it does not do credit to the committee; it does not do credit to the Congress.

If this bill be considered an incentive for military service, I am just wondering how logical it is. We have had two great wars in the past 25 years. While we win our wars, we have an inherent faculty of losing the peace. I am just wondering whether it might not be wise to provide pensions for our policy makers, our peacemakers, as an incentive for them to do a better job rather than to offer it as an incentive to men to bear arms. The soldiers always do their job; our peacemakers do not.

The CHAIRMAN. The gentleman from New York [Mr. JAVITS] is recognized for 4 minutes.

Mr. JAVITS. Mr. Chairman, I believe no one could hear our colleague, the gentleman from Michigan [Mr. POTTER], knowing what he has been through, without being moved.

Mr. Chairman, I was in the Army in World War II. I was not a fox-hole soldier, but I got around the world enough to know what the fox-hole soldiers went through; and the gentleman from Michigan has given us a sample of what the fox-hole soldier feels he is entitled to—I say it is good enough for me.

Being a Member of Congress is a new job for me; it is a hard job; it takes years out of one's life and costs a good deal of money; it is a drain on one's resources; but it does give one the privilege of rising here and speaking the conscience, the aspirations, and the hopes of the country. You gentlemen have the inalienable privilege of speaking with the voice of responsibility. I know of no bill that is likely to come before us in this session of Congress which seeks as much from us in a judgment of responsibility from our own conscience as this one.

It seems very gracious and very easy to take care of our brother veterans. They are swell fellows; we all know them; they get together in fine rallies at veterans' posts—and they support us. In my last campaign I was supported by an outstandingly fine veterans' committee, yet leaders of that veterans' committee have come to me and said, "If in the exercise of your responsibility for the country as a whole, you feel you ought to oppose this pension bill before the Congress, we are with you. You go ahead and do it."

Mr. Chairman, the soldiers of World Wars I and II have far more patriotism than cupidity. There is little in this bill as it stands now except an appeal to their cupidity.

There is one other thing that worries me very much about this bill. I know it is unwitting, but it must be stated. The bill, it seems to me, is animated by this idea that all of the moneys we put into the European recovery program, the aid programs, the United Nations organizations, the Atlantic Pact, and our other efforts to save peace in the world are moneys gone down the sinkhole at one place or another, and that, therefore, this is a bill designed to divert all of that money, siphon it off in one big fell swoop for the purpose of veterans' pensions—under a very fine and very agreeable title. If we lend ourselves to this effort we do not deserve to be entrusted, not alone with the destinies of America, but indeed with the destinies of the world with which we are now entrusted.

I have labored over this bill long and hard and I have thought about it a lot. My mind was not made up until after a sleepless night last night. I can see a real case for a pension to veterans of World War I of an age and condition to require it—based upon a traditional veterans' pension policy. Mr. Chairman, this bill is not such a bill, and our responsibility dictates that we must stand against it. Let us face the issue openly, let us face the facts, let us vote this bill down after a full and fair discussion, then the country and the world will know that the United States is dedicated to fighting with adequate resources for peace, that we intend to act for our veterans in the right way and not by purporting to heal the wounds of a war with salve of this spurious character.

The CHAIRMAN. The time of the gentleman from New York has expired.

The Chair recognizes the gentleman from California [Mr. JOHNSON].

Mr. JOHNSON. Mr. Chairman, we are obscuring the real issue before us today. Everyone in the Congress wants to help the veterans, but in considering the matter of assisting veterans we have to think of the country as well.

As I see it, the real issue is this: Are we going to follow the old orthodox American pattern of giving pensions to those who served in our wars when they reach a certain age? If we are, we must face the fact that we will some day have to provide pensions for almost 17,000,000 people. It is a simple problem when you have two or three hundred thousand Spanish-American War veterans, it is a much bigger one when you have somewhat over 4,000,000 World War I veterans, but it is a colossal and staggering problem when you have over 16,000,000 veterans.

We heard a speech here the other day that I hope every one in this Congress heard and will think about. It was to the effect that four great civilizations in the past history of the world have gone down to ashes and ruin because of financial policies that brought about the collapse of those civilizations. This cost is so great that it is utterly impossible to meet it and at the same time maintain our economy at a high standard of living.

If we are going to have pensions, and we ought to have some, we must place them on the basis of disability and need of some kind. Those of us who served that are in good health and making an adequate living should not have a bounty.

It has been stated here, and amply demonstrated, that this bill has not had adequate hearings. The committee has not pursued the problem, except through the mouths of those who want a pension. They have heard pressure groups but have not explored exhaustively the financial aspects of this legislation. We can work this out if we will direct a committee to work on this for 6 months or more and then present a pension system that will be sound and also just. That is what I hope we will eventually do.

Let me show you how fantastic this general pension thing can become and how endless it is.

In 1930, 118 years after the close of the War of 1812, we still had 10 pensioners on the roll. In the same year, 65 years after the close of the Civil War, we had over 211,000 pensioners on the rolls, and when every Civil War veteran was 85 years or more. This sort of legislation becomes an interminable chain, leading inevitably to higher and higher pensions and more and more recipients. First, the veteran, then the widows, and then the children. It has been the experience in these pension matters that the first law is only the beginning. This sets up a chain reaction that puts more and more persons on the rolls. When it gets too big it may defeat itself and injure the very ones that should be helped. In a minor degree that is what brought on the Economy Act of 1933, which was one of the most unjust acts ever passed, injuring particularly the disabled veterans.

Do you not see that under the Rankin Act, which is what we may ultimately

get, every time you put a milion people on the rolls—and you will have several million for a great many years—you are just adding over a billion dollars to the cost? That act provides $1,080 a year. I want to reiterate the thought that two other speakers mentioned today, and that is that I voted for the ECA and those things. Why? Because I want a peaceful world and I think that is one way in which we may get a peaceful world. The veterans of the last war especially—and also my war, the First World War—are more anxious to have a peaceful world so that we can build a peaceful America, a quiet, peaceful America, than they are to have pensions. For the destitute and the disabled we should not hold back, and we will take care of them. America always has and will continue to do so. But, for God's sake, let us have a bill that is the product of exhaustive hearings and study on the problem and will be a bill that will take care of the needy and disabled adequately and will not place on the rolls those millions who are well able to take care of themselves and have good health. We all recognize that 435 of us on this floor, all with varying ideas and understanding of the problem, cannot possibly write a proper bill.

On January 31, 1949, Mr. Gray, the Administrator of the Veterans' Administration, wrote to the chairman of the Veterans' Committee of the House that—

> In reviewing the history of pension legislation, generally, it is noted that one of the primary factors leading to the Economy Act of March 20, 1933, was the effect, current and anticipated, of the act of July 3, 1930. This act added to section 200 of the World War Veterans' Act, 1924, as amended, provisions granting disability allowance (pension) benefits for non-service-connected disabilities at the following monthly rates: 25 percent, $12; 50 percent, $18; 75 percent, $24; and permanent total, $40.

The act of 1933—Economy Act—cut out all but the permanent disabilities and many veterans partially disabled suffered terribly. This was the result of a bad reaction against pension legislation.

If this were emergency legislation, I would go along with it. But it is not. The average monthly value of pension awards for all World War I non-service-connected disabled veterans was $62.53 at the end of fiscal year 1948 as compared with $62.03 at the end of this fiscal year.

The expenditures for fiscal year 1948 for pensions not service connected totaled $101,357,956.59. Under title III of the act a totally disabled veteran, whose disability was not service connected, can draw $72 a month.

So while we were drawing a good act that might give those kinds of cases more money, we would still be giving them $72 a month. I am afraid of this legislation, because it will give, ultimately, too much to people who do not need or deserve it and not enough to those poor veterans who are in real need—both economic and physical need.

That is why I have frankly voted against this legislation as a mere step to get "the foot in the door" for undesirable legislation.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. CAVALCANTE].

Mr. CAVALCANTE. Mr. Chairman, I was impressed with the statement made by the gentleman from Colorado [Mr. CARROLL], who evinced considerable confusion as to what is going on relative to this bill. The gentleman is a multiple-term Member of this House. He has been here before. I am just a first-termer. You can imagine what confusion I am in. I am in so much confusion that several days ago I wrote a letter about it to my Democratic colleagues. I wish they will read it over very thoroughly and then think about the confusion that is admittedly prevalent.

I was also impressed with the remarks of the proponent of this amendment, the gentleman from Ohio [Mr. HUBER], that it is consistent with our economy. As this bill now stands, if a veteran is eligible, he presents his honorable discharge and his birth certificate and that is all that he needs to prove, and the pension is forthcoming. But, if this amendment is adopted, then the veteran will have to show need, and to show need the Veterans' Administration is going to need a personnel probably three times its present size, consisting mostly of social-welfare workers, to go out all over the United States of America to determine whether this veteran does have need for the pension. So, you see the amendment is destructive and subtle because it is presented under the theory that it will be economical when, in fact, it will increase the cost.

Let me go still further on this question of economy. If this amendment is not destructive and subtle, if it has for its purpose the aim of economy, let me point out this: For over 15 years State governments have been administering public assistance and have administered assistance on the basis of need, and for these 15 years our States have developed agencies that are manned by competent social-welfare workers under civil service who go out to determine this problem of need, and if need is found, the applicant is given that assistance. Mind you, not many days ago we here in this House approved an appropriation to make grants to these States in order to help finance these agencies that administer a similar kind of relief that this amendment would provide. Those agencies are established. We help to finance them. If this amendment is intended to be in the spirit of economy, then the amendment should provide that these State agencies be used to establish the "need" of the veteran.

Further, the States provide their own revenue to finance assistance to their citizens on the basis of "need." The Federal Government merely matches the State revenues, in part. Again I say, if the amendment is in the spirit of economy, why does it not provide that the Federal Government will supplement only the amount granted by the State in such sum as will give the veterans, or those entitled thereto under this bill, a sum up to the amount provided by the bill?

This amendment, in my opinion, will not produce economy as believed by its proponent. The amendment should be voted down.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. COUDERT].

Mr. COUDERT. Mr. Chairman, yesterday I ventured to ask a question about ancient history of the distinguished chairman of this committee. I asked if it is not a fact that when service benefits legislation was passed in 1917 and since, it was contemplated that such legislation would be in lieu of and instead of future pension legislation. His memory apparently was not entirely in accord with the facts as I recall them.

I therefore ventured into ancient history as it appears in the CONGRESSIONAL RECORD. For clarification of this record and the benefit of Members, let me read two quotations. The first is from President Calvin Coolidge in 1924, in a veto message to the House. Speaking of the war-risk insurance and national life insurance legislation that was enacted in 1917 and 1918, Coolidge said:

> When this provision was made in 1917 it was on the explicit understanding of the Congress that such insurance was to relieve the Government of subsequent contributions. The then Secretary of the Treasury said in relation to the proposed insurance act: "It ought to check any further attempts at service-pension legislation by enabling a man now to provide against impairment * * *. It was distinctly understood that it covered every obligation on the part of the Government. * * * Considering this bill from the standpoint of its intrinsic merit, I see no justification for its enactment into law. We owe no bonus to able-bodied veterans of the World War. The first duty of every citizen is to the Nation. The veterans of the World War performed this first duty.

Mr. Chairman, let me turn the pages of history forward to 1935. Many of the Members who served here at an earlier day will remember this. President Roosevelt, speaking in a similar veto message, said this:

> At the outbreak of the war the President and the Congress sought and established an entirely new policy, in order to guide the granting of financial aid to soldiers and sailors. Remembering the unfortunate results that came from a lack of a veterans' policy after the Civil War, they determined that a prudent and sound policy of insurance should supplant the uncertainties and unfairness of direct bounties.

Let us not deceive ourselves. There can be no doubt whatsoever that when we passed this benefits legislation in 1917 and 1918 it was intended to obviate the necessity for future pensions. When the bonus bill was passed in 1924 over the veto, clearly that added further uncontemplated benefits. So it seems to me that we have a square question of principle here to consider. We are not going to be helped by striking out World War II veterans, because if we establish the principle that despite all of these benefits that no veterans of the Civil War, the Spanish-American War, or any other earlier war got, pensions are coming along as well, then certainly we cannot discriminate against World War II veterans, and they will come in

ultimately on exactly the same basis. Therefore, I am against the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. NOLAND].

Mr. NOLAND. Mr. Chairman, the confusion in the House on this amendment, which has just been offered, rivals the confusion which existed in the Committee on Veterans' Affairs during their first executive session, when they took the bill which is now before the House, read it through in 15 minutes, then reported it to the floor so that the bill could be written on the floor of the House.

I do not believe the Members of the House of Representatives can abdicate their responsibility as our committee did. You will not be able to go home and tell the veterans of World War II that you did something for them when you vote for a piece of legislation which has had such little consideration in our committee.

I would like to clarify the stand of the AMVETS, which is a World War II organization chartered by the Congress. It seems that yesterday there were a lot of accusations going around, and the gentleman from Wisconsin [Mr. O'KONSKI] poked some fun at this organization. The AMVETS group were so interested in this pension bill which is before us that they had a meeting of their executive committee only 2 weeks ago and went on record definitely. Ninety percent of their organization opposes this pension legislation.

We have heard the argument here about the Marshall plan, that if we can spend so much money for this, that, and the other thing, we can afford what we are doing here today. I say that is not the issue here today because we all know that the money we vote for national defense and for ERP and other international programs is money spent in a cold war. It is not money thrown down the sinkholes. It is money spent to carry on a program to prevent war and continue peace.

I do not believe that striking out World War II veterans will improve this legislation to any extent. I hope you gentlemen sitting here today who are having so much trouble with this legislation do not think that if we pass this legislation for World War I veterans that it will not be the case for World War II veterans.

We must meet this issue squarely. This is an issue as to whether all of the people of America are going to contribute to the welfare and security of only 40 percent of our people. That is the decision which you will have to make on this legislation. I believe, in view of the confusion existing here today, this bill should be recommitted to the Committee on Veterans' Affairs to study such aspects as were pointed out by the gentleman from Wisconsin [Mr. BYRNES] and to consider it in relation to the over-all veterans' program.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Chairman, I am grateful for this opportunity to lend my voice to the cause of service pension legislation for veterans of World War I and World War II.

During the Eightieth Congress I introduced H. R. 5213, to establish as a matter of national policy a system of uniform pensions. When the present Congress convened I reintroduced H. R. 5213 as H. R. 8. In addition, I introduced similar pension bills known as H. R. 2068 and H. R. 2379. These bills were introduced at the request of the Veterans of Foreign Wars of the United States and the American Legion.

While the House Committee on Veterans' Affairs did not report out any of my bills, the Rankin bill, H. R. 2681, reported by the committee, contains some of the provisions of the bills introduced by me. I am in favor of the Rankin bill because it relates itself to the general question of service pensions to veterans.

At the appropriate time it is my intention to offer suitable amendments which I feel will strengthen the bill and greatly reduce its cost.

The immediate objective of the Rankin bill is to extend to veterans of World War I and World War II the traditional service pension which this Nation in the past has accorded its aging and disabled veterans. The operation of this traditional service pension has provided benefits in their declining years to veterans of the Revolutionary War, War of 1812, Mexican War, Civil War, Indian wars, Spanish-American War, and lesser campaigns and expeditions. These pensions have covered the period from 1818 to the present time and range in payment from $6 monthly to $90 now being paid to a Spanish-American veteran.

It is an historical fact that George Washington, as President of the United States and speaking for a grateful Nation, launched the traditional policy of recognizing one's service to his country in time of war as a duty above and beyond that of ordinary citizenship. Our first President laid the foundation for the traditional pension policy for this Nation when he provided bounties in the form of parcels of land for his victorious soldiers. Subsequently, the Congress of the United States, in the furtherance of this principle, and as an expression of gratitude of the Republic they served so well, provided monetary pensions in the declining years of these soldiers of the Revolution.

The Congress then decreed, as it subsequently did after wars that followed, that as a matter of national policy, men, who in their youth fought to defend the United States from its enemies on world battlefields, ought never to live out their remaining years in want and privation. In my opinion, it is one of the glorious chapters in our history that today every living veteran of the Indian wars, Civil War, and Spanish-American War is facing the twilight of life with the knowledge that the Nation he served so faithfully has provided for his security in the form of a service pension.

It is highly significant, and a significance which this Congress must recognize, that all the service pensions previously granted to veterans of past wars have occurred approximately 25 years after the termination of each of these wars.

For example, the first service pension law for veterans of the Revolutionary War was enacted in 1818; the Civil War in 1890; the Indian Wars in 1892; and the Spanish-American War in 1920. Now, almost 31 years after the termination of World War I, the veterans of 1917–18 stand out as the only living group of veterans who have been denied participation in this traditional policy of service pensions based on age and nonservice-connected disabilities.

Here are some pertinent facts concerning World War I veterans. According to the Veterans' Administration, of the 4,750,000 men who served in World War I, 3,518,000 will be alive in 1950 when this bill becomes effective. Their average age is 56 years and they are dying at the rate of 60,000 annually. While the average age of the World War I veteran is 56 years, it is interesting to learn that in 1950 approximately 60,000 of them will reach the age of 65.

Under the provisions of H. R. 2681, a World War I or World War II veteran who reaches the age of 65 and who holds a discharge other than dishonorable will receive a pension of $90 monthly. A similar veteran who is permanently and totally incapacitated and in regular need of aid or attendant will receive $120 monthly. In addition there are provisions of the bill which affect the widows of World War I and World War II.

The cost of H. R. 2681 for the year 1950 will be approximately $65,000,000. For the next 50 years the average annual cost will be approximately $2,000,000,000 or $109,000,000,000 for the lifetime of the legislation.

As I said in the beginning of my statement, at the appropriate time amendments will be introduced designed to perfect the bill, reduce the cost, and eliminate some of the inequalities under existing veterans' laws.

After listening to yesterday's debate on this veterans' pension bill, I am more convinced than ever that H. R. 2681 when perfected should be approved. This bill not only recognizes services rendered by America's veterans but it is an answer to those social planners who have ideas of wiping out all veterans' benefits.

Mr. Chairman, at this time I would like tc straighten out in the minds of the members of the committee the war-risk insurance of World War I. It was bought and paid for by the veterans of World War I and only in the case of a veteran dying was the Government put to any cost. Then the Government paid benefits to the widow. When I mention World War I insurance, I must answer the gentleman from New York when he mentioned the so-called adjusted compensation, which was not a soldiers' bonus, but an adjustment of pay for services rendered on the part of veterans of World War I. The distinguished gentleman from Texas [Mr. PATMAN] and I traveled over the United States telling the American people about the so-called adjustment of pay for services rendered by veterans in World War I. Time and time again I heard the gentleman

from Texas tell the story of how many buck privates in World War I, by reason of deductions from their pay, the cost of their uniforms, the allotment they had to make to their dependents, the premium they had to pay on their insurance, because they were forced to take out insurance during World War I, many of those buck privates found themselves in debt to the Government of the United States. It was on that basis that the Congress of the United States adjusted the pay of the veterans of World War I.

Now, about writing legislation on this floor: I sat in the gallery of this House of Representatives as a spectator back in 1933 when there was presented to this House the most vicious piece of legislation that was ever presented, the so-called Economy Act of 1933. The bill was never printed. It was written in longhand. No hearings were held. The House of Representatives proceeded to pass it. It went to the other body and was passed, and then it went to the White House and was signed.

The organized veterans' groups have been working ever since to restore the provisions of the then existing law that were repealed by the Economy Act.

So I refresh the minds of those members of the Committee who say that Congress never acts upon legislation where the appropriate committee has given no previous consideration to it. We have perfected many bills on this floor, time and time again. Every member of the committee will agree to that.

So today, if we are permitted to proceed in an orderly manner, after defeating this amendment, a series of amendments will be offered, and ample opportunity under the 5-minute rule will be accorded to everyone to explain their amendment. Before the day is over and when the House is ready to vote, we will have a good bill, a bill on which every Member of this House can vote his own convictions. When they vote they are going to vote on the proposition of whether we shall continue to pay pensions to those who defended this country on the battlefield in time of war or whether we shall permit the Social Security to take over the benefits of the veterans of this country; to take Veterans' Administration hospitals and bury them in the Department of Welfare; take away from veterans the preference in civil-service jobs that a grateful Congress, in the name of the American people, granted to the veterans.

So I say let us defeat this amendment and proceed in an orderly way.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. VAN ZANDT] has expired.

The gentleman from Mississippi [Mr. RANKIN] is recognized to close debate.

Mr. RANKIN. Mr. Chairman, I simply wish to call attention to one or two things.

In the first place, the gentleman from Pennsylvania referred to the Economy Act of 1933.

I was one of the Members who opposed that so-called economy bill that took the bread from the mouths of the tubercular veterans and their widows and orphans.

Then they turned around and put people on relief who had never been in this country before, but many of whom are here now plotting to overthrow this Government.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. SHORT. Thousands of veterans of World War I who were cut off under the infamous so-called Economy Act have never been restored.

Mr. RANKIN. We restored as many as we could, but many of them died without being restored.

Mr. SHORT. Thousands of them are still cut off.

Mr. RANKIN. Another thing. I realize what the gentleman from Pennsylvania said about what the men in the rank and file of the First World War suffered. I led the fight here to raise the base pay of the men in this war to $50 a month. It did more for the morale of the boys in the rank and file than anything else that was done during the entire conflict.

The gentleman from Pennsylvania [Mr. VAN ZANDT] is right when he says this amendment should be voted down. It multiplies by almost five the cost of the pending bill for the first year. It raises it from $62,000,000 to $1,711,000,000 the first year.

Talk about this question not being properly considered. We went through the hearings on this bill as usual. Here they are. One hundred and eighty-six pages. Every Member of Congress was invited to appear and testify. We went into executive session, took the bill up line by line and considered every amendment that was offered. All of this abuse of me is being carried on by influences that do not give a tinker's dam for the veterans.

I ask for a vote on this amendment, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The question was taken; and on a division (demanded by Mr. HUBER) there were—ayes 3; noes 162.

So the amendment was rejected.

Mr. KEARNEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KEARNEY: Page 1, line 4, after the word "during", strike out the word "either"; and on line 5, following the words "World War I" strike out "or World War II."

Mr. KEARNEY. Mr. Chairman, my motive in offering this amendment is not by any means to penalize the World War II veterans. I offer it for the simple and sole reason that I do not believe this Congress should legislate for something that eventually will take place 35 or 40 years from now. The average age of World War II veterans today is approximately 31 years. There is a historical precedent back of my amendment, because during the debate on the legislation providing for pensions for the veterans of the Spanish-American War in 1920 or 1921, several years following the close of World War I, no mention was made of including World War I veterans in that pension legislation.

Mr. Chairman, let me bring to the attention of the membership some figures of expenditures for the veterans under the Servicemen's Readjustment Act, commonly known as the GI bill of rights, Public Law 346: For tuition alone the cost has been over $1,800,000,000; for supplies, $42,000,000; for equipment, $194,000,000; for subsistence, $559,000,000—and this does not include, for instance, the cost of flight training, which has been costing the taxpayers approximately $200,000,000 a year; and on the "52–20 Club" we have spent over $3,378,000,000. My amendment would, of course, take off the pension rolls some 3,000 veterans of World War II; but I offer it with the knowledge that another amendment will be submitted which contains the so-called needs clause. I am thoroughly convinced that the adoption of this amendment will injure no needy veteran of World War II.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. KEARNEY. I yield.

Mr. VAN ZANDT. The gentleman might explain to the House that a veteran of World War II who has reached the age of 65, if he is permanently and totally disabled, can today draw benefits under part 3 of the Veterans' Administration regulations.

Mr. KEARNEY. The gentleman is absolutely correct; and the monetary amount runs up to the neighborhood of $72 per month.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. KEARNEY. I yield to the gentleman from New York.

Mr. KEATING. Does the gentleman have any figures which would indicate how his amendment will alter the estimated cost of this measure?

Mr. KEARNEY. Yes; I have. These are simply estimated figures. I do not claim they are accurate by any means because figures can always be wrong.

In 1950 there will be approximately 69,700 World War I veterans. The cost under this bill as it is now written would approximate $56,800,000 for that first year. The cost of the addition of World War II veterans would be in the neighborhood of five or six million dollars. That is, there would be a saving of five or six million dollars.

In 1955 there would be approximately 413,000 veterans of World War I, making the cost at that time $330,000,000. If the veterans of World War II were excluded, that would represent a saving of some $9,000,000. The figures go up until the year 1965, when it reaches the peak.

Mr. KEATING. Can the gentleman tell us what the saving will be in the year 1965, or does he not have those figures available?

Mr. KEARNEY. I would not care to give those figures offhand at this time.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BENNETT of Florida. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, after hearing all of the discussion that has taken place thus far, there is, in my opinion, a good deal of confusion with regard to this bill as it relates to World War II veterans. We can clearly see from the evidence that

has been given us on the floor of the House that there is fair accord on behalf of World War I veterans. With regard to this bill, most of the veterans' organizations, which are largely influenced by World War I men—although their personnel may be largely World War II—have approved it. Insofar as it relates to World War I, it is a pretty sound bill, after some already suggested amendments are added to it.

With reference to World War II, we can clearly see that there are many differences of opinion as to what sort of World War II bill there should be. As to World War II there needs to be further study of the most appropriate type of bill.

Personally, I do not adhere to the idea that the benefits given World War II veterans, through education, and so forth, are any substitution for a future pension bill. The tradition was set way back in the Revolutionary War days, not recently but a long time ago, that we should give pensions to the veterans of our various wars. I do not think it is a grab matter at all. Although I am a veteran of World War II, I probably never will be affected one way or the other by this legislation. However, I believe it is only just that we should put first things first. We talk a lot here on the floor of the House about a great many things. Personally, I see a great many of the people who are opposed to passing any sort of legislation for World War I veterans putting a great deal of emphasis upon some sort of new state, some system of statism, which they seek to inject into our American system of government. That sort of thing is not a course that we should follow.

I do not adhere to the statement that the money we have spent abroad for foreigners is in any sense of the word a charitable matter. It is true that we are, in our big heart, trying to help them, but we are primarily trying to preserve the world from future wars, and that is the real purpose of those expenditures. There are some expenditures which we are making internationally and locally which are and should be cut down, and the people who are opposing this particular bill ought to watch very carefully the vote which they will cast for the heavy expenditures in the future, not only internationally but domestically.

I think it should be a thing which should weigh upon their minds that first things do come first. There is nothing wrong about realizing our country's responsibility to the veterans. Is there anything bad about that? Is that not first? Should it not be first? Has it not been first for a long time? Is it a grab proposition? I do not think it is whatsoever. I have no personal feeling about it whatsoever. I am not speaking from a political standpoint, but I personally hate to hear the words bandied about here on the floor by some Members—I would say it is really against the veteran—who seem to think there was some grab attitude on the part of the veteran. I do not think it is whatsoever. I feel very deeply that we should strike World War II veterans out of this particular bill so that they can help us to draft a bill cut to the pattern of that war and to today's conditions. There are many things that could be suggested that would be realistic about World War II pensions, but I do not think this bill is the solution. Personally, I believe a World War II pension bill should have some base in it, perhaps $50 or $60 a month, and to that should be added certain credits for the number of months in the service, for time overseas, and for combat service. I think that would be a realistic approach to World War II veterans, a war which varied all the way from service of from 90 days to 5 or 6 years. There were certainly more members in World War II than there were in World War I. There were many people in World War II that were in combat much longer than World War I lasted. If you bring in a bill along the line I refer to, it might possibly be fair, but it might be an unjust burden to veterans of World War I, who readily might think they should get the same pensions as members of the Spanish-American War.

Gentlemen, I just do want to say this to you, I feel that the Members of the House should strike World War II veterans from this particular pension bill, because I do not think there is any indication whatsoever that sufficient evidence has been given regarding World War II veterans in this particular bill.

I think the amount of money required to sustain this bill has been grossly exaggerated, particularly if it has a needs clause in it. Eventually we should also pass a World War II pension bill; but it is apparent to me that this bill has not been considered sufficiently insofar as it relates to World War II veterans.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to say how much I appreciate the very fine statement made by the gentleman from Florida. I agree with him that it is extremely unfortunate to have some of the remarks made about the veterans that have been made on the floor today. There is no question but that they were made at a time of excitement and confused thought. They contrast so strikingly with the thoughts expressed at the time these veterans were drafted into service—when they were overseas fighting for our country. I hate to feel that the people of our country are forgetting so soon the gallant service of these men; that veterans are being cast aside when we are asked to provide for them in their hour of need. I know that is not the sober thought or the sober judgment of the Members of this House. Therefore, I want to again stress my deep appreciation of what the gentleman from Florida said regarding the veterans who have done so much for us.

Mr. EVINS. Mr. Chairman, I move to strike out the last two words.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield to the gentleman from Mississippi.

Mr. RANKIN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

Mr. HOLIFIELD. I object, Mr. Chairman.

Mr. RANKIN. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 25 minutes.

The motion was agreed to.

Mr. EVINS. Mr. Chairman, I have the highest regard for the gentleman from New York [Mr. KEARNEY]. He is a very able member of our committee, but I rise in opposition to the amendment which he proposes. I think when he speaks in opposition to the World War II veterans he is speaking primarily for the World War I veterans. He has not given all of the figures with respect to the number of World War II men who are already 65 years of age or who will soon reach this age. The figures we have from the Veterans' Administration indicate that there are 5,300 World War II men today who are 65 years of age. In 1955, 6 years from now, there will be 11,246 World War II veterans who will be 65 years of age and thus eligible for a pension under the provisions of this bill.

The primary reason why World War II veterans were included in the bill was that there would be no discrimination or inequity among the veterans of our country. We have heard too much talk about favoritism for World War II veterans or for World War I veterans. The veteran of this country is a veteran regardless of the war in which he may have fought. When he reaches the age of 65 he is entitled to compensation regardless of which war he may have fought in. The same provision applies with respect to the veterans of the Spanish-American War. So why should we discriminate against the World War II men who may reach the age of 65 this year or next year or in the immediate future?

Mr. Chairman, I am opposed to this amendment and believe it should be voted down.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. JACKSON].

Mr. JACKSON of California. Mr. Chairman, I think that one important aspect of this debate which has not been touched on today is the action taken by this great body on yesterday. I do not know just what the people of America are thinking today after we as their representatives marched up the hill on a teller and division vote and then turned around and marched pell-mell back down again when faced with a record vote. I trust that whatever action we take today will at least be consistent and in accord with good conscience and that we will not repeat the sad performance of yesterday.

I, too, am a veteran. I recognize a duty to my comrades, to the 12,000,000 to 15,000,000 men who fought in the late war. I also have a duty to insure that my disabled comrades of that war are taken care of, that they have every comfort, every possible care and assistance that can be given to a human being. I have a responsibility also to the widows and the orphans of those men who

fought so valiantly and it is my firm intention never to stint or fail those who bore the brunt of that vast struggle. But do we not have other and far-reaching obligations to America?

Did our duty as veterans of World War II end when we were mustered out of service and shed our uniforms? In that glad and happy day did we cease to think in terms of citizenship and obligation to a sound, just, and solvent state or did we shed the responsibility of active warfare without further regard for the duties of the citizen?

It is my sincere feeling and deep personal conviction, and I think it is shared by a majority of World War II veterans in this House, that we have a greater and more far-reaching responsibility for for the welfare of 148,000,000 Americans today as legislators than we had yesterday as those who had fought and won in war.

By adopting this amendment which would provide pensions for World War I veterans in need we by no means foreclose future action on pensions for deserving veterans of World War II. In adopting this amendment we take a step which is entirely in keeping with the traditional precedent which has been established in this country during our national history.

The veterans of America are by no means unanimous in their support of this measure. Fully as much mail has been received in my office opposing this bill as supporting it, and I think that this situation is characteristic of a divided opinion on the subject in all the posts of the great organizations of the American Legion or the Veterans of Foreign Wars. I would further remind you, Mr. Chairman, that the vast majority of the veterans of World War II do not belong to any of the great veterans' organizations. They are the speechless ones whom we must also take into consideration in our rejection or acceptance of this measure. So, without reference to any other factors, I feel that an amendment should be adopted, which will limit this measure in its over-all scope, and reserving for future action an over-all plan of pension payments to a later date.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Chairman, although I am opposed to the general principles involved in this legislation, I certainly want to see it perfected as much as possible before we finally vote this bill up or down. No matter what considerations are dictating the writing of this bill, and the amendments to it, be they justice, logic, or politics, I am at a loss to find the justification for this particular amendment. There certainly can be no distinction made between the services performed by veterans of World War II or World War I. If the principle of the legislation is based upon the so-called precedent providing for equal treatment with Spanish-American War veterans, and veterans of other wars, then certainly the World War II veteran is just as entitled to be treated on the same basis as Spanish-American War veterans and receive a pension.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. HALLECK. The gentleman referred to precedents. Of course the precedent is uniform in that general pension laws have been voted after some 20 or 25 years.

Mr. BYRNES of Wisconsin. I appreciate that.

Mr. HALLECK. There has been no such lapse of time since World War II, but there has been since World War I.

Mr. BYRNES of Wisconsin. In other words, what we are probably saying by this amendment is that we believe veterans of World War II should have a pension, but we do not want to give it to them for another 20 years, and that those people who reach the age of 65 and who are veterans of World War II and who die before that 20 years has expired, just are not supposed to get anything.

In my book, Mr. Chairman, that theory cannot be justified on any basis. We are adopting a principle. It is either the principle of having pensions for veterans or not having any. I cannot see any reason to eliminate World War II veterans. At this time there are World War II veterans who are 65 years of age, and they are entitled to it just as much as veterans of World War I who are 65 years of age.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. PACE. In other words, the eligibility should be on the basis of age and need and not where the veteran served?

Mr. BYRNES of Wisconsin. Certainly the question of where a veteran served is not a proper distinction. It is my understanding that eligibility is based on the veterans' age and the fact that he wore the uniform a certain length of time in the service of his country. Any other consideration would be adding to the inequities that now exist in present veterans' legislation. The gentleman has listed the number of veterans of World War II who are today 65 years of age. Even if there was only one veteran of World War II today who is 65 years of age, why should he not be covered? However, you have 5,300 of them today and the number grows each year. By 1965 you will have 132,000 living veterans of World War II 65 years of age or over. If this amendment is adopted, it will mean that none of these men will receive any pension benefits under the legislation while payments are being made to veterans of World War I similarly situated.

Is the purpose of this amendment to water down the cost of the bill and thereby make it more palatable? If that is the purpose, then we must remember that the passage of this bill, as amended, would still establish the policy which would commit the Congress to the eventual payment of pensions to veterans of World War II and any future wars. We will not have reduced the cost; we will only have postponed the incurment of that added cost.

The proponents are now faced with a dilemma which is characteristic of the inherent inequities contained in the legislation. If they include World War II veterans under its benefits, the cost will be a dangerous threat to the stability of the Government and the country. If they exclude World War II veterans, they create an inequity that will constantly rise to haunt them.

Mr. Chairman, no matter whether the bill in final form is killed or passed, this amendment should be defeated. There is no justification for excluding World War II veterans from its benefits.

The CHAIRMAN. The Chair recognizes the gentleman from Colorado [Mr. CARROLL].

Mr. CARROLL. Mr. Chairman, the gentleman from Wisconsin is 100-percent correct. There is no justification for excluding World War II veterans. This very proposal was contained in the so-called Huber amendment. Now we begin to understand the pattern here. We rejected the substitute bill, but an attempt is being made to put in, piecemeal, the very things that he had in his substitute bill. Clearly, as the gentleman from South Dakota [Mr. CASE], in the very opening day of this session said, what justification is there to exclude World War II veterans? That is why I say the proposal of the gentleman from Mississippi is far more honest, because it takes them all in. I do not want anybody to misunderstand my position. I think it is clear. I intend to offer a motion to recommit.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield.

Mr. CASE of South Dakota. If my words are to be quoted, I would rather they were quoted in the way that I put the proposition. I did not raise the question of justification. I asked the question whether the age 65 is any different if reached by a man who served in World War II than by a man who served in World War I. Of course, a man 65 years of age is 65 years old, regardless of which war he served in.

Mr. CARROLL. That is the point I intended to convey. I think I made it reasonably clear. We have 5,300 men who are going to become of pension age in 1950. The number is going to increase every year. You gentlemen have been subjected to some pressure. I wonder how you are going to go home and talk to your World War II veterans and justify excluding them from the provisions of a pension bill. This is only a clear demonstration that this bill ought to go back to committee and receive fair consideration.

The question is, Are you 65 or not; are you a veteran or not? If you are 65, you ought to come within the general pension provisions. Somebody has said that if we pass this bill we will soon have another pension bill which will take care of the veterans of World War II. The gentleman from Indiana says that after 20 or 30 years have elapsed we may pass such a bill, but what about the thousands of veterans of World War II who are 65 years of age, who ought to come under a pension bill? They are entitled to coverage if you are going to vote back into operation the general pension system?

It is true the veterans of World War I can get $72 a month now if they are 65

years of age and have a 10-percent disability, which in turn is based upon unemployability. So can the veterans of World War II under the veterans regulations.

Clearly, this amendment ought to be voted down.

The CHAIRMAN. The time of the gentleman from Colorado [Mr. CARROLL] has expired.

The gentleman from California [Mr. HOLIFIELD] is recognized for 3 minutes.

Mr. HOLIFIELD. Mr. Chairman, I refrained from speaking on this measure up until the present time. It had been my intention to listen to those who are better qualified, possibly, than I on veterans' legislation questions.

I could not help but be impressed by the gentleman from Michigan [Mr. POTTER] who walked into the well of this House in the manner that only a veteran of his tragic experience could walk into the well, and spoke from the background of his war experience. I have also been impressed by some of the young veterans who have had notable war records who have come into the well of this House and opposed a pension bill at this time.

If those young men who went into the fox holes and paid the price which many of us did not have the opportunity of paying, in service and in bodily wounds, have the courage to come in here today and oppose this pension bill, I wonder if some of my IV–F friends and some of us who did not serve in the recent war, have the political courage at this time to come forward and consider the needs of the American people. We should consider the platforms of the Democratic and Republican Parties, which promised to extend the base of social security, not to the veterans alone but to the veterans' mothers and fathers, many of whom are in need. We should consider the need to protect from an old age of want every individual mother and father of a veteran in this country in the years that lie ahead.

If this tremendous expenditure of $120,000,000,000 goes toward defeating the purpose of widening the base of social security, is it not some concern of ours in our obligation to all the people? I think the gentleman from Colorado has pointed out the issue. The issue is very clear before the House. Do you want to carry forward a pension policy which has been established, a policy to which I have subscribed in the past, where only a few hundred thousand people were involved. Or do you want to carry a new policy through, which involves eventually some 20,000,000 veterans and untold numbers of millions of dependents, and which will include all of the people, veteran and nonveteran alike, in a social-security program which will take care of all the people?

I make this prediction, if we do not face the facts at this time, we will fail in our obligation to the American people. The facts are that the number of veterans and their dependents are now so large that a nonparticipating or noncontributing pension expenditure will drive this country into bankruptcy.

Security for all the people on a sound actuarial basis through contributions from their earnings can be developed.

The security of our veterans will inevitably rest on a sound fiscal policy in our type of society. A pension granted without regard to the financial burden placed thereby on our taxpayers cannot be paid from a bankrupt economy.

A blanket pension on World War I and World War II veterans will involve over 20,000,000 veterans. It is impossible to estimate the number of dependents which eventually will be entitled to pension benefits. Statistics from reliable sources prove that over 45 percent of the taxes necessary to pay these pensions must be collected from World War II veterans.

I shall vote to recommit this bill for further study, so that we can evolve a fair pension policy based on a sound economic foundation. This I believe, in the long run, will be the best insurance for the veterans' old-age security.

The CHAIRMAN. The time of the gentleman from California [Mr. HOLIFIELD] has expired.

The gentleman from North Dakota [Mr. LEMKE] is recognized for 3 minutes.

Mr. LEMKE. Mr. Chairman, I shall vote for this bill with such amendments as are adopted. I prefer the veterans of World Wars I and II to foreign nations. I am talking about veterans. I am not talking about any foreign nation or any element with foreign ideologies. I am not talking to the international manufacturer or banker—the one-worlders for a profit—who would betray our Nation chasing the almighty dollar in foreign lands at the expense of our veterans and our taxpayers.

I am talking about the veterans—some of whom gave up their lives and some of whom gave up their health and their limbs to win the wars that others started—some of whom surrendered their education and their ambitions to fight on foreign battlefields to save other nations from the wars they started.

We will shortly again be asked to appropriate billions to arm half of the world against the other half—to promote world war III. We will shortly be asked to appropriate billions to bribe good neighbors with. It is needless to say that these billions will again be used by some of these nations to destroy us in case of world war III.

I know that our Nation today is rumbling along on a strange highway in an international vehicle. Our people are sitting carefree in the rumble seat—in a what-do-I-care attitude. They are the easy victims of the hyphenated, hybrid Americans—an international bureaucracy—who think more of other nations than of their own or of the veterans that won World War I and II.

History repeats itself. Cheers for the boys when they are inducted—the cold shoulder when they are discharged. In World War I, after our soldiers had made the world safe for so-called democracy—after they won the war that was to end all wars—their Uncle Sam, whose banner they carried to victory, handed them a check for $60 with which to buy civilian clothes and get a new start in life.

Years later, after several Presidential vetoes, Congress finally succeeded in doing partial justice. It passed the so-called bonus bill over the then President's veto. We were told by the President, in his veto message, that it would wreck the credit of the Nation. However, he was mistaken. It did not wreck the Nation. It is our foreign flirtations that are wrecking not only the credit but the natural resources of our Nation.

In World War II, while the veterans were fighting and some of them dying, their Uncle Sam dished out $50,000,000,000 for lend-lease—part of it for war effort and part for foreign civilians. While the veterans were doing the fighting and the dying, we plunged their Nation $250,000,000,000 into the red—some of it for war effort, much of it wasted—some dissipated in graft and the rest of it went to the cost-plusers that again built some ships that fell apart in midocean.

Then we assumed some $352,000,000,000 of future obligations. These obligations with the present indebtedness makes a total of some $640,000,000,000. These obligations the veterans of both World War I and II will have to help pay.

This bill simply demands that the Nation keep faith with its servicemen. This bill should be passed without further delay. Since the war we have given to and have spent on foreign nations over $60,000,000,000. I haven't heard any objection on the part of the internationalists in regard to this $60,000,000,000. As far as our Government is concerned it is foreigners preferred—veterans forgotten.

I repeat we will shortly again be called upon for additional billions for foreign nations, and I am sure many of you who are opposing this legislation for American veterans will be found supporting these foreign gifts.

I am for this bill because I believe that the veterans come first. I feel that this money should be spent in America rather than in foreign lands. If it is spent in this country, we will all have a chance indirectly of getting some of it back. It will increase the national income sevenfold. It will make it possible for the Federal Government to meet the interest on its foreign debts and present obligations—this by increasing the amount of the income tax.

If it is sent to foreign countries, we might as well say good-by to it. We shall never see it again, and, in addition, it will further deplete our Nation of its natural resources that belong to unborn generations. Also, in the end we will have the bitter animosity of those nations rather than their friendship. Beggars are your friends only while you continue to give. These nations will be our enemies when we stop this international WPA—when we stop this international lunacy to which some of my "east short" colleagues are so firmly wed.

I am for this bill because I believe our first duty is to Americans, and especially to American veterans. I believe in treating all nations with justice and to help them get on their feet, but I do not believe in supporting incompetent, inefficient foreign governments who are not doing anything to take care of their own people. I do not believe in arming nations who, in case of war with Russia, will overnight become our enemies and use

the armaments we give them to destroy our sons with.

I am sure I express the sentiment of every patriotic American when I say billions for the veterans but not one penny for sponging, indolent nations. Veterans come first.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. VAN ZANDT] is recognized.

Mr. VAN ZANDT. Mr. Chairman, I find myself in a very difficult position, being a veteran of both World War I and World War II. I associate daily with veterans of both wars from one end of this country to the other, and I think I know their sentiments on this legislation. It may be well at first to understand that there are approximately, and I use the word "approximately" conservatively, 15,000,000 veterans of World War II. The average age of the World War II veteran today is 31 years. Among the veterans of World War II there are approximately 9,000 veterans 65 years of age or over. Five percent of this number, if this bill becomes law, will not apply for benefits. That figure is based on the experience of the Veterans' Administration in administering other veterans' statutes. That leaves 8,550 eligible. If an income limitation is written into this bill it will mean that 60 percent of the 8,550 veterans of World War II will not be eligible; thus we shall have 5,130 veterans of World War II eligible for benefits. The cost of this bill during the year 1950 with respect to World War II veterans will be $5,540,400.

Let us give further consideration to the veteran of World War II who is 65 years of age or over. Many of them are "retreads," having served in World War I and World War II, and were called back into service by reason of a special background of knowledge the armed forces needed to prosecute successfully World War II. Many of them have an earning capacity which would make them ineligible to enjoy the benefits of this bill if it were enacted. Many of them, of course, are permanently and totally disabled. By reason of being unable to earn a livelihood they are today drawing benefits under part 3 of the Veterans' Administration Regulations based on existing law. We find that 12,615 veterans of World War II are drawing a total of $10,000,000 and the average monthly amount is $60. Should the Kearney amendment be adopted excluding veterans of World War II from this bill, any veteran of World War II who becomes permanently and totally disabled and unable to earn a livelihood is eligible for benefits of $60 monthly under part 3 of the Veterans' Administration Regulations, which are based on existing law.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Chairman, I am ready for a vote on the pending amendment. I realize there is a great deal of argument on both sides of the question and I also realize that there are very few of the World War II veterans who are old enough to come under the provisions of this bill who were not in World War I.

For my part I am standing by the committee recommendation. The committee recommends the bill as it is now before the Congress.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. KEARNEY].

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 65, noes 121.

So the amendment was rejected.

Mr. SCRIVNER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCRIVNER: On page 2, line 3, after the words "from a", insert the words "total and."

Mr. RANKIN. Mr. Chairman, I have discussed this amendment with the gentleman from Kansas and we will accept it.

Mr. SCRIVNER. Mr. Chairman, I am glad to have the observation of the chairman of the Committee on Veterans' Affairs but in view of the fact there have been so many who said they were not going to vote for any amendment at all, I think in all fairness they might be informed as to what this particular section will do without this amendment in it.

As the chairman of the Committee on Veterans' Affairs said, this amendment is proper. The two words "total and" were apparently left out by oversight. If you read all of the hearings you can see that the intent of the committee and what it had been discussing was to provide this pension if a veteran became totally disabled, nonservice-connected.

Now, without this, what is going to happen? I served in World War I; one of the youngest men. I will not get any of this $90 for a long time and possibly may not live that long. But, this bill says that any man who has a permanent nonservice-connected disability of any degree whatsoever will be entitled to the $90 a month. That means that I can lose one finger, and I have permanent non-service-connected disability and I will get $90 a month, and the man who has a service-connected disability of 65 percent will not quite get $90. I am sure the Congress does not want to do that. To give any veteran, as the bill now stands, of World War I or World War II, who has a non-service-connected disability, permanent in character, of any degree at all, $90 a month is going so far beyond reason that I will be compelled to vote against the bill. It is not right. I do not think the committee intended that it should have this impact. Any number of things could happen to any of you. You might lose a finger, a toe, a hand, or an ear, and you have permanent disability. What degree? Probably 5 percent, yet you would get $90 a month. If it is 10 percent, $90 a month; 20 percent, $90 a month, and yet the man who was in combat, who is 50 percent disabled as a result of that service would not get that much.

I think with those examples and that brief explanation, even some of those gentlemen who said that they would not vote for any amendment, can see the logic of the proposal that I have just made.

Mr. RANKIN. Mr. Chairman, the amendment offered by the gentleman from Kansas [Mr. SCRIVNER] was one which the committee contemplated offering, and we ask for a vote on it now.

Mr. CARROLL. Mr. Chairman, I move to strike out the last word.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I refuse to yield, Mr. Chairman.

I would like to ask the gentleman from Kansas a few questions on his amendment. I have no desire to object to it, but it is not clear to me, and as long as we are writing this legislation on the floor of the House, I think we ought to have some understanding just what this means.

Mr. SCRIVNER. That is what I was trying to bring out.

Mr. CARROLL. I will be happy to have that information. The gentleman inserts after the words "from a", on line 3, page 2, the word "total"?

Mr. SCRIVNER. "Total and."

Mr. CARROLL. Can the gentleman tell me whether or not this would add benefits to a veteran who is receiving total disability now?

Mr. SCRIVNER. No. There will be a clause in section 5 relating to multiple payments which I think would clear that up in very good order. In other words if he had a permanent nonservice disability, he would be entitled to $90, but if his service-connected disability was less than that, of course, he might be entitled to the higher, the $90.

Mr. CARROLL. In any event, when he reaches 65 years of age, he would get the pension under this bill.

Mr. SCRIVNER. That is right. We are talking about the man who is disabled not in service, who is less than 65. He may be only 30 and lose a finger, and he would have a non-service-connected disability. But under this bill as it now stands he would be entitled to the $90. If he is under 65, if he is to get the $90, he should be totally and permanently disabled.

Mr. CARROLL. The gentleman means only veterans under 65 years of age, non-service-connected disabled, will get $90 a month.

Mr. SCRIVNER. With total and permanent disability.

Mr. CARROLL. Does that conflict with the percentage application of the Veterans' Administration?

Mr. SCRIVNER. I cannot tell the gentleman offhand, but certainly you can see the point of my logic that as the bill now stands it could be a 5-percent non-service-connected disability that would give this man under 65 $90. Certainly, I cannot vote for that.

Mr. CARROLL. I may be mistaken, but I am under the impression that today for non-service-connected disabilities, according to a percentage scale, they get a certain amount of money, even when they are under 60 years of age.

Mr. PACE. I think if it is nonservice and total permanent disability, he gets $60 a month.

Mr. CARROLL. That is right.

Mr. PACE. And this raises it to $90.

Mr. SCRIVNER. That would be the effect of it.

Mr. CARROLL. In other words, any veteran who has a total non-service-connected disability who now gets $60 would get $90.

Mr. SCRIVNER. That is right. It is now $72.

Mr. CARROLL. And you now raise that to $90?

Mr. SCRIVNER. That is right.

Mr. CARROLL. Can the gentleman see any conflict with other veterans' regulations if we pass this amendment?

Mr. PACE. I have not been able to analyze that.

Mr. SCRIVNER. Certainly, there would be less conflict with my amendment in than with my amendment out.

Mr. CARROLL. I think that is true, but that shows the danger of writing a bill on the floor of this House. I am not going to object to this amendment, however, for I want to aid every veteran who is disabled.

Mr. RANKIN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. WELCH].

Mr. WELCH of California. Mr. Chairman, I voted to recommit the bill, H. R. 2681, to provide pensions for veterans of World War I and World War II.

This bill as reported by the committee could not have been carefully considered by the committee or it would not have placed on a parity young men honorably discharged and many of whom were decorated, with men who were dishonorably discharged and drummed out of the service for unmentionable crimes.

This bill, referred to by some as the spawn of spite, and reported to the House as the result of narrow partisan leadership.

Mr. Chairman, no explanation is necessary from me as to my stand with reference to legislation to help and protect the men who fought our wars. I am one of the few Members of this House who had the courage of his convictions to vote against the vicious Economy Act of May 12, 1933, which deprived our veterans of the measly pittance they then received from the Federal Government. In many instances they were forced from their homes and from hospitals to become objects of charity on local communities. I subsequently voted to repeal this law as many did who had voted for it.

This bill should have been referred back to the Committee on Veterans' Affairs, which committee I venture to say in due course would report a bill which could be supported by the true friends of American war veterans.

Mr. Chairman, I had a son in the last war, a strapping young university graduate, who did not wait to be drafted but signed up with the Navy and, after splendid service was honorably discharged with the rank of lieutenant-commander. He is now a Reserve officer and taking a course of training in case our country may again need his services. I would be ashamed to have my son or millions of other young men who served with honor and many of whom were decorated, know that I voted for a bill giving equal consideration to men guilty of crimes such as referred to in the RECORD by the gentleman from New York, Congressman KEARNEY, a member of the committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. SCRIVNER].

The amendment was agreed to.

Mr. RANKIN. Mr. Chairman, I move that all debate on section 1 and all amendments thereto close in 20 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. CAMP].

Mr. CAMP. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CAMP: Section 1, page 2, line 4, strike out the word "65" and insert in lieu thereof the word "60"; and section 2, page 2, strike out lines 9 to 11, inclusive, and insert the following in lieu thereof: "(a) $40 per month at age 60 for those veterans disabled to the extent of 25 percent by either service-connected or non-service-connected disability; (b) $60 per month at age 65; and (c) $75 per month for any person otherwise."

Mr. CASE of South Dakota. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. Mr. Chairman, if I remember correctly, the first part of the amendment proposes to amend the word "65" in line 4 on page 2, which itself is a committee amendment to the word "62" and if the committee amendment has already been adopted, I make a point of order that the gentleman's amendment is out of order.

Mr. HINSHAW. Mr. Chairman, I make the further point of order that the amendment applies to section 2, which has not yet been reached.

Mr. CAMP. Mr. Chairman, it is my understanding that we have passed section 1 and are on section 2 now.

The CHAIRMAN. The Clerk has not started reading section 2.

The Chair must sustain the point of order.

The Chair recognizes the gentleman from Florida [Mr. ROGERS].

Mr. ROGERS of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Florida: On page 2, line 4, after the comma, following the word "over", insert "whose annual income is less than $2,000, if single, and $3,000, if married, or has dependent child or children."

Mr. ROGERS of Florida. Mr. Chairman, I am friendly to this pension bill. The amendment I am offering simply puts the veteran on an equality with his widow after the veteran has died. In other words, we have a provision in section 3 that the payment of a pension under the provisions of this act shall not be paid to any widow without child or children whose annual income exceeds $2,000 or to a widow with child or children whose annual income exceeds $3,000.

Now, this same provision applies to the veteran, and certainly there is a great deal more sense to provide that the veteran should not receive in excess of this amount than it is to the widow. That is the import of my amendment. We all recognize that veterans' pensions is a policy of this Government. We recognize that as has already been explained. But certainly no Member of this Congress wants to provide a pension for a man or a veteran who has a sufficient income to take care of himself. To my mind, that is not the purpose of the pension. In passing this legislation, I want to call attention to the fact that you are not only doing something for the veterans but you are doing something against them. By that I mean this increased burden of taxation is going to bear on the veteran. He is going to take your place. Within a period of 10 years I envision this House will be filled with veterans, taking your places. We certainly should not incur any greater liability than is possible to take care of our veterans.

I do not think anybody can question my loyalty or my interest in the veterans since I have been in the Congress. The first thing I did was to take care of that inequality that existed between commissioned officers and noncommissioned men by introducing and passing H. R. 4051, granting terminal-leave pay, known as Rogers bill. I made the statement on the floor then, and I make it now, that there is nothing too good for our veterans. I hope this amendment will be accepted by the committee. Certainly it does not hurt the bill.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield.

Mr. KEATING. Do I understand from the gentleman's amendment that if a person has a dependent child or children, then the income does not apply at all?

Mr. ROGERS of Florida. A veteran would not be entitled to draw a pension if his annual income is $2,000 or more, if he is a single man. If he is married, then he would not draw it if he had an income of $3,000 or more.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Unless one of the gentlemen who is entitled to speak under the allotment of time wishes to speak to the amendment, the Chair will put the question.

Mr. VAN ZANDT. Mr. Chairman, I offer a substitute amendment for the amendment offered by the gentleman from Florida.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. VAN ZANDT as a substitute for the amendment offered by Mr. ROGERS of Florida: On page 2, line 6, after the word "act", strike out the period and insert in lieu thereof a colon and the following proviso: *"Provided,* That payment of pensions under the provision of this section shall not be made to any unmarried veteran whose annual income exceeds $2,000, or to any married veteran, or any veteran with a minor child or children or dependent parent or parents, whose annual income exceeds $3,000: *Provided further,* That the money expended for medicinal, surgical, hos-

pital, and nursing expenses for the veteran and his wife shall be excluded in determining income."

Mr. ROGERS of Florida. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state it.

Mr. ROGERS of Florida. I think the gentleman's amendment would apply to section 3 instead of section 1. In other words, my amendment is confined to the fact of permitting him to draw a pension. In other words, my amendment provides a qualification for the veteran who can draw a pension or who would come within this act. The amendment offered by the gentleman from Pensylvania should not be substituted for my amendment, because it deals with a somewhat different subject matter.

The CHAIRMAN. Is the gentleman making the point of order that the amendment offered by the gentleman from Pennsylvania is not germane to the amendment offered by him?

Mr. ROGERS of Florida. It is not germane to this section.

The CHAIRMAN. Does the gentleman from Pennsylvania wish to be heard?

Mr. VAN ZANDT. Yes, Mr. Chairman. I offered it as a substitute amendment. It relates definitely to section 1.

The CHAIRMAN (Mr. GORE). The Chair is prepared to rule.

The amendment offered by the gentleman from Florida [Mr. ROGERS] proposes to insert certain words in section 1, line 4, page 2, whereas the substitute amendment offered by the gentleman from Pennsylvania [Mr. VAN ZANDT] seeks to offer a proviso in addition to the existing language in the bill.

Therefore, the Chair rules that it is not a proper substitute for the amendment offered by the gentleman from Florida [Mr. ROGERS].

Mr. CASE of South Dakota. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. Would it be possible for the gentleman from Pennsylvania to offer the latter part of his amendment at the conclusion of the paragraph, or where he offered it, after the amendment of the gentleman from Florida is disposed of?

The CHAIRMAN. The gentleman may offer the amendment at the conclusion of the debate or now to that part of the bill, but it cannot be offered until the pending amendment is disposed of.

Mr. VAN ZANDT. Mr. Chairman, I offer at this time an amendment to the amendment offered by the gentleman from Florida.

The CHAIRMAN. Does the gentleman wish to submit the same amendment?

Mr. VAN ZANDT. The second part of my amendment; it is already prepared at the desk.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. VAN ZANDT to the Rogers amendment: Insert the following language at the end of the amendment: "*Provided further*, That money expended for medicinal, surgical, hospital, and nursing expenses for the veteran and his wife shall be excluded in determining income."

The CHAIRMAN. The gentleman from Pennsylvania is recognized.

Mr. VAN ZANDT. Mr. Chairman——

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield.

Mr. ROGERS of Florida. Is that an amendment to my amendment?

Mr. VAN ZANDT. It is an amendment to the gentleman's amendment. It is nothing more than a clarifying amendment in which we spell out in the bill certain procedures we want the Veterans' Administration to follow in determining limitation of income.

Mr. ROGERS of Florida. That will in no way affect the amount of income I have set in my amendment?

Mr. VAN ZANDT. It will not in any way whatever.

Mr. ROGERS of Florida. The amendment is acceptable to me as far as I am concerned.

Mr. VAN ZANDT. Mr. Chairman, the application of what we call a limitation of income will very effectively curtail the cost of the bill approximately 60 percent. Much as I hate to offer an amendment along these lines at this time I feel I have to in order to protect the veterans of World War I and World War II who will benefit from the provisions of this bill if it becomes law.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield.

Mr. CARROLL. Does this follow the traditional policy set in pension bills heretofore?

Mr. VAN ZANDT. It does in the case of certain veterans of World War I and their widows.

Mr. CARROLL. But this is not true of the Spanish-American War veterans.

Mr. VAN ZANDT. It is not.

Mr. MAGEE. Mr. Chairman, will the distinguished gentleman from Pennsylvania yield?

Mr. VAN ZANDT. I yield.

Mr. MAGEE. Does the gentleman want to put the veterans of the United States in the same position with those in Japan and Germany and what they are receiving today?

Mr. VAN ZANDT. No.

Mr. MAGEE. Does the gentleman not admit that in Germany and in Japan people who were our enemies in the late war are receiving a dole from the United States? Does the gentleman from Pennsylvania want to see the veterans of the United States put in the same classification?

Mr. VAN ZANDT. The gentleman from Missouri is bringing in a subject that does not concern the veterans of World War I or World War II.

The amendment I am offering here establishes an income limitation. Congress some years ago established an income limitation affecting veterans of World War I who were eligible for non-service-connected benefits. So it is not a new procedure; the precedent has already been established.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield.

Mr. HALLECK. I served on the Committee on World War Veterans' Affairs at the time that provision was written into the law and I well remember the occasion.

Mr. VAN ZANDT. I have spent a great deal of time and effort on these matters and everyone recognizes me as one who does a lot of work for the veterans and gets little appreciation in return. It is not my intention to set up here today a pension of $90 or $120 a month at age 65 for a man who receives an income of $5,000 a year.

Mr. KEATING. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Chairman, this is perhaps the most important amendment which has been or will be offered to this bill. Indeed, it may well prove to be controlling on the votes of many of us.

Some provision along these lines should have been incorporated in the measure presented to us. That would have happened if the Veterans' Affairs Committee had discharged its legislative responsibility in an orderly fashion according to the pattern set in the last Congress. The confusion, twice confounded, which we have witnessed today is a product of the failure of the majority party controlling one of the legislative committees of Congress to meet its obligation, not simply to us, but to the American people.

It is estimated that the adoption of this amendment will cut the over-all cost of the benefits conferred under this act by approximately 60 percent. Yet there will remain intact relief to those who most sorely need it and to whom an obligation exists.

It is for the disabled, the widows, and dependent children of those who lost their veteran breadwinner, and those ex-servicemen who, oftentimes, because of the vagaries of fate and through no fault of their own, do not earn enough adequately to care for themselves and their families, that I have the deepest concern. Although I do not need a pension and sincerely hope I never shall, I am not unmindful of the fact that many men who served at my side, always with faithful devotion and often with conspicuous gallantry, who, when their country called, did not haggle or bargain, but responded without cavil, may find themselves at age 65 without adequate support for themselves or their families. I do not propose to let them down, unless to grant modest recompense to the limited number in this category of need will seriously jeopardize our national economy, a consideration we must at all times have in mind. I am convinced it will not have that result.

This amendment strengthens this bill. It insures that any benefits will be apportioned, not in a hit-and-miss fashion but only to those who actually need them. It will, of course, be opposed by those Members who have entered this Chamber opposed to any legislation whatever on this subject and determined to do everything within their power to write

the worst kind of a bill in order that a vote against it may the better be justified. We have already seen exhibitions of that on this measure. I predict we will see them repeated.

Such are apparently the tactics of the chief spokesmen on this measure for the majority party. Instead of endeavoring to cooperate to improve this legislation, they conceive their proper role to be one of obstruction and confusion. I consider it my duty, in the light of the apparent abnegation of legislative responsibility by the majority members of the Veterans' Affairs Committee, to try my level best to cooperate to incorporate into this half-digested piece of legislation provisions which will strengthen, not weaken, it, and which will make it more nearly responsive to the wishes and views of all our people—veterans and nonveterans alike.

With few exceptions, the American people have not forgotten their obligations to their defenders. They are ready to help those who need help. They are opposed, however, to raids on the public purse by veterans, or, indeed, any other group, whose entitlement through financial circumstances has not been established.

I hope this amendment may have enthusiastic support.

The CHAIRMAN. The gentleman from South Dakota [Mr. CASE] is recognized for 3 minutes.

Mr. CASE of South Dakota. Mr. Chairman, the pending needs amendment of the gentleman from Florida as proposed to be amended by the gentleman from Pennsylvania is, in my judgment, the most important amendment that remains for consideration in connection with section 1 and probably in the entire bill. Does this proposal to establish a needs clause as measured by income establish a new rule or break with precedent in pension legislation? It does not. In my hand is a page from the CONGRESSIONAL RECORD of March 10, 1949 which carries the letter written by Mr. C. H. Birdsall, Assistant Administrator for Legislation, to the gentlewoman from Massachusetts [Mrs. ROGERS], the ranking minority member of the Committee on Veterans' Affairs. It sets forth the provisions of existing law with respect to pensions payable for non-service-connected disabilities under present law.

I will read the exact language of the letter of the assistant administrator:

> The rate is $60 per month, except that where the veteran shall have been rated permanent and total and has been in receipt of pension for a continuous period of 10 years or reaches the age of 65 years and is permanently and totally disabled, the rate is $72 a month. Pension is not payable to any unmarried person whose annual income exceeds $1,000 or to any married person or any person with minor children whose annual income exceeds $2,500.

In other words, the needs clause exists in present legislation. So, this is not a new precedent suggested by the gentleman from Florida. We have a needs clause in existing law. What the bill will do if these amendments are adopted will be simply to say in effect, that the honorable discharged veteran who becomes 65 is automatically recognized as totally and permanently disabled and to raise existing rates. He will be entitled to receive the authorized pension if his annual income is less than the amount stated. Under existing law, at age 65, he has to show a disability of 10 percent or more.

In the estimates I have seen or read about the cost of this legislation, no deduction has been made for the amount of pensions already paid under existing law as I have pointed out, then the total ties. If we had exact figures it would be found that all of these estimates that have been bandied about as to the cost of this legislation would be far too high because they do not subtract the cost of the old-age assistance that people over 65 may get and they do not subtract the cost of pensions which many can get under existing law. If we add this needs clause as proposed by the Rogers amendment, which is in keeping with existing law as I have pointed out, then the total cost of this bill will be far less than the estimates that have been so widely circulated.

In my opinion, if we want any bill here we better vote for the pending amendments, the Van Zandt amendment to the Rogers amendment, and then the Rogers amendment as amended.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. CAMP].

Mr. CAMP. Mr. Chairman, I ask unanimous consent that when we reach section 2 I may be permitted to go back to section 1 and offer an amendment there as to age in order that my amendment may be brought up when it comes to the rates of pay.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. RANKIN. Mr. Chairman, reserving the right to object, the gentleman has a right to offer that amendment at any rate, but there is no more debate left on section 1.

Mr. CAMP. Why do I not have the right to offer an amendment to this section? I am a Member of this body.

Mr. RANKIN. The gentleman has a right to offer the amendment, but we are not going back and open up debate on section 1 if we can help it.

Mr. CAMP. Mr. Chairman, then I ask unanimous consent that I be allowed to present my amendment at this time.

Mr. CASE of South Dakota. Mr. Chairman, reserving the right to object, I very much dislike to object, but I may point out that if the gentleman will permit the vote to be had upon the pending amendment he can offer his unanimous consent request at that time. To be sure, the amendment should have been offered at the time the committee amendment was proposed. I am constrained to object at this time, Mr. Chairman.

Mr. CAMP. I am stating to the gentleman that I have been rising here all day today and yesterday trying to get recognition to offer it.

The CHAIRMAN. Objection is heard.

Mr. CARROLL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CARROLL. As to those in opposition to the pending amendment, is time allotted to the Members here, or is it limited to the names on the list?

The CHAIRMAN. Debate is limited by action of the committee. The gentleman from Georgia is now entitled to 3 minutes of general debate if he wishes to take it. Does the gentleman wish to use his time?

Mr. CAMP. Has the Chair ruled that I may offer my amendment?

The CHAIRMAN. Objection was made to the unanimous-consent request.

Mr. RANKIN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. RANKIN. The gentleman has a right to offer his amendment. He can speak on it now and offer his amendment when the other is voted on. We are not trying to shut him off.

The CHAIRMAN. As the Chair understood the statement of the gentleman who objected, he would entertain a unanimous-consent request after the pending amendment and amendment to the amendment was disposed of.

The Chair recognizes the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, I take this time for the purpose of asking the gentleman from Pennsylvania how many veterans of World War I and World War II, or either, are obtaining benefits now under part III of the Veterans Regulations.

Mr. VAN ZANDT. According to the figure furnished by the Veterans' Administration as of this morning, there are 151,943 veterans of World War I drawing benefits at a cost of $108,000,000 annually, and 12,615 veterans of World War II, at a cost of $10,000,000. The average pension is $60 a month. The majority of the veterans of World War I are 65 or over, and a majority of the veterans of World War II are under 65.

Mr. HINSHAW. I assume that the needs clause is in part III.

Mr. VAN ZANDT. That is correct; a needs clause of $1,000 for the single veteran and $2,500 for the married veteran. I may say that later on in the bill we will offer an amendment that will increase the income limitations for this group of veterans that we are talking about now from $1,000 to $2,000.

Mr. HINSHAW. The pending amendment as proposed to be amended by the gentleman from Pennsylvania would simply increase those pensions now under part III from $60 and $72, respectively, to $90; is that correct?

Mr. VAN ZANDT. That is correct.

Mr. HINSHAW. And at the same time increase the exemptions in the medical as well as the income status.

Mr. VAN ZANDT. That is correct.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Tennessee.

Mr. SUTTON. When the boys went into the service in World War I and World War II, they were not asked whether they had $2,000 or not, were they?

Mr. HINSHAW. No. As a matter of fact, a great many of the boys who went into World War II had to give up their properties, their businesses, or their engagements of any kind that they may have had, and many of them suffered very severe financial losses on account of their service in this war.

Mr. SUTTON. Then there should not be any needs clause in this bill, should there?

Mr. HINSHAW. I think if a man today is earning $10,000 or $12,000 a year or $5,000 a year, that he has no need for a pension. After all, that would be a grab, in my humble opinion, and I would not be in favor of broadening it to include all of those who have all of the income needed for them to get along. After all, we are doing a service to those who are unable to help themselves and who served their country in time of war as I too did, sir, but in World War I.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Is it not true that as of now, where we are dealing with non-service-connected disability, we have a needs clause, but this bill deals with both classes, so we are perpetuating or proposing to perpetuate the needs clause?

Mr. HINSHAW. In the non-service-connected disability case?

Mr. CASE of South Dakota. Yes, and in the service-connected.

Mr. HINSHAW. The service-connected cases are all taken care of in the first part of the bill and the question of need is not involved in service-connected cases, as I understand things.

The CHAIRMAN. The Chair recognizes the gentleman from Maine [Mr. NELSON].

Mr. NELSON. Mr. Chairman, this proposed amendment to me emphasizes the necessity of sending the bill back to the committee for further study and a realistic appraisal of a needs requirement that would really take care of those veterans of World War I who need a pension in order to maintain a proper standard of living. It is the aged veteran, unable to work and without other income, that I am sure we are all primarily interested in.

Up to the time this amendment was offered we have considered a bill that would pay at least $90 a month to all veterans of 90 days service with honorable discharges who reach age 65 regardless of disability and regardless of need. To those veterans, married or unmarried, who are disabled by injury, disease, or age, unable to work and without other income, it is an inadequate pension. To those veterans who do not need it, it is another bonus paid this time for their good fortune in reaching the age of 65. I am most sincerely against such a bill. This bill with its tremendous cost, on which we have as yet no agreed estimate, is only a small part of the problem. We have yet to face the cost of partial non-service-connected disabilities for veterans of World War II. We have yet to face the question of adjusting compensation to veterans of World War II who did not or could not take advantage of the GI bill.

I have heard many fine and magnanimous speeches made on the floor of this House in the last 2 days. They have been a delight to hear. Almost, at times, I have been led to believe that we here in Congress were going to pay the veterans this pension ourselves. But who is paying this pension? The answer is easy although sometimes too little considered. It is that fellow the taxpayer. And who is the taxpayer? The head of the Veterans' Administration, in quoting very conservative figures as I find them recorded in the hearings on this bill, estimated that over the next 25 years veterans and their dependents would constitute at least 43 percent of the population of this country. After that it is their children. You can talk about war profits but those profits have long since become principal nontaxable except for the income it yields. You can talk about capital profits. You take them and it is still paid for in terms of living costs, less wages, less dividends, or more unemployment. It is the veteran who will pay a large proportion of this cost and we are fooling only ourselves if we think they are not tax-conscious and do not know it.

Many fellow veterans of World War II, I believe, are extremely grateful to the Congress and to the veterans of the first war for their forethought and intelligence in the GI bill and other legislation. I know that all of them would want an adequate pension paid to a needy veteran. Are we doing that in this amendment? To my mind the amendment offered is completely unrealistic for the following reasons:

First. In setting the income limit at $2,000 we would in effect be saying to the man who is aged, disabled but not requiring an attendant, unable to work and without any other income, that $90 a month is adequate to maintain him. We say to the next veteran who fortunately either has other income or is able to do some work and gets $150 a month that that is not enough, he should have $90 a month more. The one who really needs it is underpaid and the one whose need is not so great is given a much higher standard of living.

Second. In the proposed needs clause a differentiation is made between income if single and income if married. If married you can get one-half again as much income and still be entitled to the pension. Yet in the award of pension there is no increase as between a single and a married veteran. The direct result is that the disabled, needy veteran I have been talking about who happens to be married still gets only $1,080 a year in spite of a dependent. While his fellow veteran who has other income or can work and happens to be married is told that $2,999 is not enough but he should have $4,079.

In the interest of the veteran who really needs justified assistance, is it not obvious that we should, to really help him, make the income limitation very much lower and increase the amount of the pension that is to be awarded? Further, if we are going to differentiate as to marital status in any income limitation we should also do so in the award of pension. I realize that some inequities are bound to result when an arbitrary standard must be set. But they could be far less and benefit the really needy much more than in the proposed amendment.

I have had no opportunity to attend the hearings on the committee but I have read them. So far as I know they have had no testimony as to the limitations that should be set or the cost of varying need clauses. I think the effect and cost of any such clause should be thoroughly considered before it is enacted. I am for a needs clause and a pension which would really help needy veterans, veterans who will never qualify for adequate pension under social security. I shall vote against this amendment because I do not think it accomplishes that result. If I have the opportunity I shall vote again to recommit this bill to the committee that they may give it thorough consideration on the basis of an adequate needs clause and an adequate pension. If that motion does not prevail and the present needs clause is incorporated, I shall vote against the bill as inadequate for the veteran in real need.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. VAN ZANDT] to the amendment offered by the gentleman from Florida [Mr. ROGERS].

The question was taken; and on a division (demanded by Mr. CARROLL) there were—ayes 134; noes 52.

So the amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. ROGERS].

The question was taken; and on a division (demanded by Mr. CARROLL) there were—ayes 127, noes, 70.

So the amendment was agreed to.

The CHAIRMAN. For what purpose does the gentleman from Georgia [Mr. CAMP] rise?

Mr. CAMP. Mr. Chairman, I am going to present a unanimous-consent request and would like to use my 3 minutes to explain why.

The CHAIRMAN. The gentleman may propound his unanimous-consent request.

Mr. RANKIN. Mr. Chairman, I ask unanimous consent that the gentleman may have 5 minutes, if he desires to present his amendment, to discuss it.

The CHAIRMAN. The Chair will put the unanimous-consent request of the gentleman from Georgia.

Mr. RANKIN. Mr. Chairman, I am amending the request of the gentleman from Georgia [Mr. CAMP].

The CHAIRMAN. The gentleman from Georgia [Mr. CAMP], asks unanimous consent that he be allowed to offer an amendment which was reported a while ago to section 1 on page 2, line 4.

Is there objection to the request of the gentleman from Georgia?

Mr. KEARNEY. Mr. Chairman, I will have to object.

Mr. CAMP. Mr. Chairman, I would like to explain why I make this request.

Mr. KEARNEY. Mr. Chairman, I reserve the right to object.

Mr. CAMP. Mr. Chairman, I propose to offer an amendment to section 2 which will provide that at the age of 60 those veterans who are 25 percent or more disabled from non-service-connected disabilities will be paid a pension of $40 a month.

My amendment also proposes to cut the pension at the age of 65 from $90 to $60, and for those who have dependents from $120 to $75.

In order to present that amendment to section 2, I must go back to section 1 and cut that age to 60 to take care of the first part of my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia [Mr. CAMP]?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Georgia.

The Clerk read as follows:

Amendment offered by Mr. CAMP:

On page 2, line 4, strike out the word "sixty-five" and insert in lieu thereof the word "sixty."

On page 2, section 2, strike out lines 9 to 11 inclusive and insert in lieu thereof:

"(a) $40 per month at age 60 for those veterans disabled to the extent of 25 percent of either service-connected or non-service-connected disabilities.

"(b) $60 per month at age 65.

"(c) $75 per month for any person otherwise."

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN] that the gentleman from Georgia be recognized for 5 minutes?

There was no objection.

Mr. CAMP. Mr. Chairman, there are thousands of veterans all over our country who have reached the age of 60 and who suffer some partial disability, not service connected, for which they can receive no compensation under any present law and who, because of their attained age and their disability, find it most difficult to obtain remunerative employment. I find these veterans holding small jobs and part-time jobs all over the country, and I know of the distress they are suffering and their dire need. A compensation of $40 per month, while it does not in any wise support them, will in most of these cases solve their problems, and this amendment which I have offered provides for such a compensation of $40 a month to those veterans who have reached the age of 60 years and who suffer from a disability of 25 percent or more, whether service-connected or not.

From a perusal of the report accompanying the bill, on page 2 you will find a statement regarding the recent extension 5 to the 1945 disability rating schedule, which is unchanged. This new regulation permits a veteran of either World War at age 55 and having a permanent disability of 60 percent or more, single or combined, and who is unemployable, to receive a pension of $60 a month. Under the same conditions, when the veteran reaches the age of 60, the disability requirement is lowered to 50 percent. These veterans with disabilities of 60 percent are cared for under present law, but nothing is being done for those veterans in the borderline classifications who have disabilities but not quite up to the percentage stipulated under the present law. I think my amendment will reach a very needy class and one that is putting the most pressure on us for recognition.

You will note that I have placed the compensation at age 65 at $60 per month, with $75 per month for those so helpless or blind as to require the regular aid and attendance of another person.

I do not think that at this time the country is in a position to pay a pension of $90 per month, but I do think it is time for us to recognize our obligation to the veterans who have reached this age and do something in the neighborhood of what the country can afford to do. I believe we can pay $60 a month to this class of veterans.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. CAMP].

Mr. SADOWSKI. Mr. Chairman, a point of order. There is no one to speak in opposition to the amendment?

The CHAIRMAN. All time for debate on this section 1 has been closed.

The question is on the amendment offered by the gentleman from Georgia [Mr. CAMP].

The amendment was rejected.

The Clerk read as follows:

Sec. 2. The amount of pension payable pursuant to the terms of section 1 of this act shall be—

(a) $43.20 per month at age 62;

(b) $90 per month at age 62; and

(c) $120 per month for any person otherwise entitled to pension under section 1 of this act who has, or hereafter may become, on account of age or physical or mental disabilities, helpless or blind or so nearly helpless or blind as to need or require the regular aid and attendance of another person.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Page 2, strike out all of line 9; in line 10, strike out "(b)" and insert in lieu thereof "(a)"; in line 11, strike out "(c)" and insert in lieu thereof "(b)."

The committee amendments were agreed to.

Mr. VAN ZANDT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VAN ZANDT: On page 2, line 9, insert new subsections (a), (b) as follows, and renumber the present subsections (b) and (c) accordingly.

"(a) $75 per month upon being rated as 75 percent permanent disability:

"(b) $90 per month upon being rated as 100 percent disability."

Mr. VAN ZANDT. Mr. Chairman, this amendment is offered at the request of the Veterans of Foreign Wars. It provides for the veteran of World War I and World War II who is 100 percent disabled. Let me point out, the bill at the present time, contains language providing for the veteran of World War I or World War II who is permanently and totally disabled and who is regularly in need of aid and an attendant; such a veteran receives $120 a month. My amendment will provide benefits of $90 monthly to the veteran of World War I and World War II who holds an honorable discharge with 90 or more days of service and who is 100 percent disabled. The amendment further provides that if a veteran of World War I or II is 75 percent disabled he will receive $75 a month.

This amendment will concern: 132,370 veterans of World War I and World War II who are permanently and totally disabled; and 106,558 veterans who are 75 percent disabled. The cost of this amendment will approximate $230,000,000. Already some 150,000 veterans of World War II are receiving benefits under section 3, subsection 5, of existing law, at a cost of $108,000,000; another 12,000 veterans of World War II are receiving benefits under the same law at a cost of $10,000,000. Therefore $118,000,000, could be deducted from the total cost of this amendment since you would be simply taking this group of veterans of World War I and World War II from under existing laws and placing them under this bill if it becomes law.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from New York.

Mr. COUDERT. I think perhaps the gentleman has answered my question in his last sentence. This refers, I take it, then, to those veterans who today under existing legislation are receiving disability pensions?

Mr. VAN ZANDT. That is correct; non-service-connected disability pensions.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from Kansas.

Mr. SCRIVNER. I observe that the committee, by adopting the amendment offered to line 3, has already taken care of the totally and permanently disabled.

Mr. VAN ZANDT. That may be so.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from New York.

Mr. KEATING. As I understand the gentleman's amendment, it is in addition to the age limitation which we already have in the bill. In other words, these people if totally disabled or 75 percent disabled will be in the same classification as if they were eligible under the age limitation.

Mr. VAN ZANDT. That is correct. I hope the committee will support my amendment.

Mr. CARROLL. Mr. Chairman, I move to strike out the last word to ask the gentleman from Pennsylvania a question. Let us begin at the beginning of this amendment.

Do I understand that where there is a total permanent disability of a non-service-connected nature, the veteran will get $90 a month?

Mr. VAN ZANDT. Is the gentleman asking about existing law?

Mr. CARROLL. I am asking about the gentleman's amendment.

Mr. VAN ZANDT. That is correct.

Mr. CARROLL. Now, let me ask the gentleman from Kansas, did we not in offering and passing the amendment that he offered, which gave the totally and permanently disabled man certain

benefits, do the same thing as this amendment does?

Mr. SCRIVNER. That is my understanding.

Mr. CARROLL. That is what comes from trying to write legislation upon the floor of this House.

Here is another point. The title of this bill is to provide pensions for veterans of World War I and World War II. Now we are talking here about disability, we are talking about percentages. If I understand the gentleman from Pennsylvania correctly, if we have a veteran with a non-service-connected disability who is 75-percent disabled, you are going to give him $75 under this bill?

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield to the gentleman from Kansas.

Mr. SCRIVNER. That is perfectly proper under the title of this bill, because, as the gentleman well knows, the language of Congress has always been used that pensions related to those things not concerned with service-connected disability, whereas service-connected disability payments are called compensation.

Mr. CARROLL. I am sure the gentleman from Kansas will agree with me that as this bill came out of the Committee on Veterans' Affairs, and as it was held up before this body as covering the real issue, we have said we are going to give $90 to every veteran 65 years and over of both World War I and World War II. Now we are writing legislation upon the floor of this House, and I agree with the gentleman's amendment; I think it was a sound one. But already confusion has been created within this Chamber by overlapping amendments and I say you cannot write important legislation of this type upon the floor of the House.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. I would like to clarify the statement or the question put by the gentleman a moment ago. The amendment offered by the gentleman from Kansas does not in any way, shape, or form conflict with the amendment I have offered.

Mr. CARROLL. The gentleman just got through saying it did.

Mr. VAN ZANDT. I did not have the bill before me then.

Mr. CARROLL. That was my impression at least.

Mr. VAN ZANDT. On page 2, line 3, the language as amended reads: "from a total and permanent non-service-connected disability." If the gentleman will go on down and read the language that follows on that page and the rest of the bill, he will find my amendment is in order.

Mr. CARROLL. I did not say it was out of order and I did not raise a point of order. I raised the question that you have overlapped; that you have duplicated and, as the gentleman from Kansas said, we have already passed the amendment to the present bill. Now we come along with another amendment, which speaks for itself, and I trust it will be voted down.

Mr. HUBER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I felt a little bit disappointed at the treatment accorded my substitute offered some time ago. I do not feel quite so bad now that I see the substitute which I offered and which was defeated being gradually adopted piecemeal; in fact, you have gone a little beyond that, you have adopted one of the amendments contained in my substitute twice. By adopting the amendment of the gentleman from Pennsylvania [Mr. VAN ZANDT] although when adopted it was discovered the committee had previously adopted same at the request of the gentleman from Kansas [Mr. SCRIVNER]. So, I think that speaks well for my substitute.

The gentleman from Pennsylvania [Mr. VAN ZANDT], when I called attention to the fact that the Veterans of Foreign Wars were supporting my substitute, told us very vigorously that the Veterans of Foreign Wars did not speak on the floor of this House for legislation, but when introducing his amendment he said it had the Veterans of Foreign Wars endorsement. I think he ought to make up his mind one way or the other.

I want to also pay my respects to the gentleman from Kansas [Mr. SCRIVNER] who intervened the other day to point out something about my conduct and those associated with me who had nerve enough to walk out of the Committee on Veterans' Affairs during consideration of this abortive measure because of the high-handed tactics of the chairman of the Committee on Veterans' Affairs, Mr. RANKIN. He said he always remained and fought things out with the chairman when he was a member of the Veterans' Affairs Committee. I am sorry he did not remain as a member just a little bit longer and make his contribution in matters affecting the welfare of our veterans and their dependents. He might explain to the veterans of his district why he let them down by transferring from that great Committee on Veterans' Affairs and going to another committee.

Mr. BATES of Massachusetts. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I find myself thoroughly in accord with the sentiments expressed by the gentleman from Colorado [Mr. CARROLL]. Yesterday I voted to recommit this bill and voted also to strike out the enacting clause, for the very obvious reason to me, at least, that the committee having jurisdiction over this bill has not done a good job. Now, here is an illustration on the floor of this House at the moment in connection with the amendment offered by the gentleman from Pennsylvania [Mr. VAN ZANDT]. Under the provisions of his amendment, if a veteran is disabled 75 percent at the age of 65, he gets $75. If he is 65 and he has 100-percent disability, he gets $90. Well, I talked to the Veterans' Administration only 5 minutes ago to have them restate to me what they stated yesterday in regard to the present law. I have a copy of that explanation of extension 5 of the rating schedule here in my hand, and it goes on to say, among other things, that as to rating, total disability, at the age 65 and over, there is no percentage requirement other than disability rating of 10 percent or more. A veteran must be determined to be unable to secure and follow substantial, gainful employment by reason of such disability. Or, in other words, a veteran today arriving at the age of 65 with determination of 10-percent disability is automatically given a permanent total disability rating of $72 a month, if he is unable to follow substantial, gainful employment. Any veteran arriving at the age of 65 will not find much difficulty in getting a 10-percent rating. But, under the amendment offered by the gentleman from Pennsylvania [Mr. VAN ZANDT], he must qualify for 75 percent in order to get $3 more, or $75 from $72, that he is already entitled to under the law.

Now, that is the reason I concur with the gentleman from Colorado [Mr. CARROLL], that this matter ought to be referred back to the committee, and let us get to the bottom of this whole thing to see where we are headed.

Mr. RODINO. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman and ladies and gentlemen of this Committee, I have been trying to resolve in my mind and my conscience what to do on this great question, and honestly, I am at a loss and in a quandary—what with all of these amendments and this resultant confusion.

I am a new Member of this House, and am proud to say that I am serving on the Committee on Veterans' Affairs. When elected by my constituents I promised that I would decide an issue only after due and ample consideration and with the help of a God-given conscience. I also promised that first and foremost was my responsibility to the people. I promised that those who had served, and had served this great democracy for all of us, should be given their just reward. And, I intend to do just that while serving as a Member of Congress.

As a veteran of 5½ years of service in this last World War I feel that I know what the veteran seeks. The veteran has done so much and has asked so little. What does he ask for? I believe that, mouthing his words, he asks for this: That the old be secure in their old age, that the needy be provided for, that the ill-clothed be clothed, that the unsheltered be housed, and that this great country of ours continue to prosper in its democratic way and to be secure in peace.

But no veteran who puts patriotism above selfish requests seeks to do what is not just and proper and what may not be in keeping with our great democratic principles—to do the most good for all of us.

This bill, H. R. 2681, despite the 186 pages of testimony, in my mind was ill-conceived because there had not been sufficient deliberation. On not one of those pages will you find any allusion to that bill.

As some of my colleagues have stated, the issues here are vastly confused. That is evident today. We are all in a state of confusion, as was evidenced yesterday

in this House when votes went first one way and then another on roll calls.

I want to do what is honestly right. I want to do what is best for the veteran, and ultimately best for all of us. Our veterans, all, have done so much and asked so little. The little that is now asked for is this, that we here have the courage of our convictions to act for the best interests of all of us and to decide this issue on its merits. I do not believe we can act properly on this issue here. I believe we will fail here if we try to resolve this question now. To achieve the desired purpose, we must give this bill greater consideration and more deliberation so that we may see it in all its implications. Unless we do this, we will not have met the issue properly—and we will have failed in our duty to the veteran and to the people whom we serve.

Mr. RANKIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I regret very much to disagree with my distinguished friend the gentleman from Pennsylvania [Mr. VAN ZANDT] whom I know to be one of the best friends the veterans ever had. This amendment will vastly increase the cost of this bill. We had this proposition under consideration in the committee. The gentleman who has just complained from the floor of the House, walked out. I do not know how far he walked, but he left the committee.

The rest of the committee went through this bill, line by line, and voted it out by a vote of 16 to 3. We had up then the proposition which this very issue involves. We reduced the bill to what we thought was the irreducible minimum. With all deference to my distinguished friend from Pennsylvania, I hope the amendment is voted down.

Mr. BRYSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as we consider H. R. 2681 let us remember that the general provisions therein, providing for honorably discharged service men and women in a special way against old age and infirmities is not a new theory. Since time immemorial civilized countries have rewarded their defenders. Our own country has followed the precedent since early in its history and has continued to provide pensions through all her wars up to and including the Spanish-American War. Heretofore in much shorter periods than have elapsed since World War I, pensions have been provided for honorably discharged veterans.

Although no particular campaign has been launched in behalf of pensions, no pressure groups or lobbyists have sought to force enactment of this or other pension measures, I feel that favorable action should be taken at this time.

It is unfortunate that some members of the House Committee on Veterans' Affairs insist that adequate hearings were not held. The printed hearings given to us consist of 185 printed pages. To be sure the bill before us is not the identical bill considered before the committee but much testimony was offered on the general subject of pensions. I believe that every member of this committee is sufficiently advised so that he may intelligently cast his vote either for or against pensions. No doubt many of us if permitted to do so would have written other or different provisions into the bill than those contained therein. In a body as large as this committee, consisting of 435 Members, there must of necessity be a spirit of compromise. As we proceed, we are improving the bill as originally presented to us and no doubt we shall continue to adopt helpful amendments.

Our gallant sons and daughters crossed the seven seas to fight the battles of our great country.

> Theirs not to make reply,
> Their not to reason why,
> Theirs but to do and die.

Those of us who were here before and during World War II will remember that it became necessary and imperative that we, in a sense, violate our contract with the servicemen by extending the draft. In fact, as you may recall, the draft was only extended by one vote. Those of us who voted in the affirmative can claim the responsibility of extending the draft, contributing to the successful prosecution of and ultimately winning the war.

It is encouraging to note that although the provisions of the draft law are still in force no one is being drafted. This is due to the patriotism and love of country on the part of our sons and daughters. One of the most effective means of encouraging young people to enter the service is for them to remember that their fathers, who served in previous conflicts, were adequately provided for when their earning capacity ceased.

There are no more patriotic organizations in the world than our major duly recognized veterans' associations. In principle, they favor enactment of adequate pension laws. I believe honorably discharged service people are entitled to be given preferential treatment. I believe they should be dealt with separately from those of our citizens who qualify under the Social Security Act.

Let it not be said by those of us who are on the shady side of 50 and who, by the kindness of Providence plus hard work and good judgment, are for the moment able to provide for ourselves that we were unmindful of our comrades who may now be in need.

We have and no doubt shall continue to allocate large sums of money for the aid and recovery of the peoples in other lands. Let us not be so inconsistent or neglectful as to fail to provide for those who sacrificed that we might continue to live in and enjoy the blessings of the greatest country history has even known.

Mr. MORRIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it seems to me that in the consideration of this whole matter there is just one outstanding issue to be decided and that is: Is our economy here in America strong enough to take care of our old soldiers? I think it is. We talk about the great expense of the bill. Of course, it will cost a lot of money. Any material thing that is worth a great deal to our Nation is going to cost a lot of money—it always does. But that is the question, and I throw the challenge out to your thinking.

Are we strong enough in America to take care of our old soldiers? Of course we are.

Those who are opposing this bill, in my judgment, are just as patriotic as I am, and are just as good friends of the soldiers, down in their heart, as I am. It is foolish for us to come here—not only foolish, but I think it is wrong—for us to come here and challenge the motives of people who disagree with us on these controversial issues. Those who are opposing this bill, I am sure, are doing so in good faith and are anxious to help the ex-serviceman in every legitimate way, but they honestly believe, evidently, it is going to cost too much money. But I throw out this challenge to your thinking again: Is not it true that we have all accepted the proposition that it is reasonable and logical to provide retirement benefits for our civil-service employees? When they reach a certain age they are permitted to retire on a good stipend. The members of the Supreme Court of this great Nation are permitted to retire on unusually big stipends, and the Members of Congress are permitted to retire on good stipends. Why should not our old soldiers be permitted to so retire?

Some of you will say that the civil-service employees and the Members of the Supreme Court and Congressmen pay some money into the retirement fund. Surely they do. But the soldiers, and all of us who pay taxes, will pay into the soldier-retirement fund, also. The money all comes from our economy and most of it goes back into our economy and thus helps the wheels of industry to turn, and it is not entirely lost to our economy by any means.

Yes the fundamental proposition here is: Are we strong enough in America to properly take care of our aged soldiers? I know that we are.

Let us move to another thought with regard to this proposition. Not only are we strong enough to take care of our old soldiers the same as our retired civil-service employees and Congressmen and members of the Supreme Court and others—not only are we strong enough to do that, but in taking care of them, we show everybody that a grateful Nation is not going to let a man down when he has served this great Nation of ours in its hour of greatest need.

Those men, yes, and some women, who have offered their lives and their blood in our behalf necessarily, in my judgment should be most carefully considered in their old age. I believe that true patriotism demands that they should be.

We find that down through the years we have not taken care of old soldiers as they should have been taken care of until modern times. You know what happened following the Revolutionary War. You know what happened following the early wars of this country. We let the soldiers down. You know that we did. Back shortly after World War I when we fellows of the American Legion and other service organizations were fighting for just a pitifully small bonus some called us "Treasury raiders."

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. MORRIS] has expired.

Mr. MORRIS. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MORRIS. They called us "Treasury raiders" when we asked for this pittance.

This is a good bill and it ought to pass. I believe that the Van Zandt amendment is a good amendment and I believe it ought to pass. It should be incorporated in this bill. But whether it is or not, the bill is a good bill, and we here in America this day will not be doing something to weaken our economy but something that will actually strengthen it, I believe, and we will be doing something that is in keeping with the historic policy of this Nation from the beginning of our Nation, and we will be saying that we in this modern age are going to take proper care of those men and those women who have offered so much for us.

I think it will bring about results that will be beneficial to the entire Nation.

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. MORRIS] has again expired.

Mr. SCRIVNER. Mr. Chairman, I move to strike out the last word.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. Not at this time.

Mr. Chairman, I have no rancor in my heart. I have no hard feelings because the gentleman from Ohio [Mr. HUBER] chose to make some personal comments on the floor. I served with him on the committee. I like him personally. It is a question of opinion as to whether or not it took guts to walk out of the Veterans' Committee. That is a question of opinion. I happen to think it takes more guts to stay and fight than it does to walk away from a fight.

I did not like the statement of the gentleman from Ohio that any person who was for this bill was a superpatriot. I have been called a superpatriot for nearly 30 years of American Legion service. It got to be a word that I preferred not to be called. I have never claimed to be one. I served in the Army nearly 2 years. I do not think the gentleman from Ohio questions my courage the least bit. If he does, he probably has not read my record in the Congressional Directory. If he has, he knows, as many of you gentlemen know from your own experience, that you do not get Silver Stars walking away from fights.

As for going back and telling the veterans in my district why I did not stay on this great committee, they know why I did not say on the committee. They know that I was promoted to a greater service, not only to the veterans of the Second District of Kansas but to the entire State and the Nation as well to serve on the Committee on Appropriations. I did not get that assignment to serve there because I had ever walked away from any fight in the Veterans' Committee either.

I am sure the gentleman from Ohio [Mr. HUBER] does not question my courage on the floor of this House. Each man can make up his own mind. I do not say it is lack of courage or anything else when a person changes his vote. I voted the same way on the roll-call vote as I voted on the teller vote. But other people may have seen some reason why they should change their views in that time. Maybe some argument that has been made in debate persuades them.

I still say I have no rancor in my heart against him. I like him personally, but I just wish he had not made those remarks.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. RANKIN. Mr. Chairman, I ask unanimous consent that all debate on this section, and all amendments thereto, close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

Mr. CASE of South Dakota. Reserving the right to object, Mr. Chairman, I wish to offer an amendment to this section.

Mr. YOUNG. Mr. Chairman, I object.

The CHAIRMAN. For what purpose does the gentleman from Arkansas rise?

Mr. TACKETT. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Arkansas [Mr. TACKETT] is recognized for 5 minutes.

Mr. TACKETT. Mr. Chairman, this confusion theory as of yesterday and today that has been thrown into the debate concerning the Rankin plan is quite amusing. Many Members come to the floor of this House yelling to the tops of their voices that they are so confused over the Rankin bill that in their opinions the entire matter should be returned to the House Committee on Veterans' Affairs from whence the Rankin plan came to us for additional study and deliberation. It is quite noticeable that most of our confused colleagues compose the members of the Committee on Veterans Affairs who walked out of their committee in an effort to kill the pension plan in the committee, to keep from becoming properly advised upon the measure, or to be in a predicament of confusion today.

Since I have been here as a freshman Member, no piece of legislation has been presented to the House upon which the membership was more fully informed than the Rankin pension plan. The matter has been continuously discussed by the entire membership since the day that the pension plan was dropped into the hopper. It is my opinion that the most confusing thing confronting the gentlemen who are hollering, whooping, and yelling about confusion is that they do not know how to vote their honest convictions and still pacify their constituents. I am not so confused, because I well know that unless some drastic amendments are adopted to the Rankin plan that I am going to vote against the entire measure. I am not confused—it is not necessary for the bill to go back to the committee in order to get me straightened out—I am not worried the least bit in the world about what is going on here. The entire membership is cognizant of every provision of the simple Rankin pension plan; and each member of the Committee on Veterans' Affairs who is today hollering "confusion" should know more about the provisions than the remaining Members of Congress who are not members of the Committee on Veterans' Affairs. This measure is intended to pension World War I and World War II veterans; and the only thing that is bothering all of these confused Members is the simple decision of voting for or against this great pension program and at the same time being able to explain their respective votes.

Even though I have well known that I could not vote for the Rankin pension plan as submitted to this Committee of the Whole, I have opposed the motion to recommit the bill to the Committee on Veterans' Affairs; and I have likewise opposed the motion to strike the enacting clause from the Rankin bill. I could not see the need of additional deliberation by that committee upon a simple piece of legislation that could be amended by this Committee of the Whole so as to provide a fair and equitable pension to the disabled veterans of this country. The motion to recommit which was sponsored by some of these "confused" gentlemen could have no other purpose than removing the burden from this membership of providing a veterans' pension plan; and, of course, the motion to strike the enacting clause by the same "confused" gentlemen could have no other purpose than to slaughter and destroy the entire pension program and thereby dodge the responsibility of voting for or against an equitable, righteous, and just pension plan that could be worked out in this Committee of the Whole.

It is my observation that a record vote seems to lend quite a bit of assistance in removing "confusion" in the House of Representatives. Just yesterday, this House voted by a silent, unrecorded, standing vote to in effect kill the Rankin veterans' pension plan, but parliamentary maneuvers which brought about a record roll call vote revealed quite a different picture. As a new Member of Congress I would say that a record vote upon all measures and amendments thereto is the most needed improvement to our congressional procedure. Under present congressional proceedings, it is not only difficult, but practically impossible, to secure a roll call upon an offered amendment; and a roll call will not be had upon any offered measure unless requested by 20 percent of the participating congressional membership—thereby denying the people on the homefront of knowing in a majority of instances how their respective representatives vote upon measures affecting their interests. I feel that any Congressman who does not have the gall and audacity to make public his vote is not worthy of the trust imposed upon him by his people. The seniority system would be of little consequence were the membership required to vote their convictions rather than to allow the senior

Members, heading the various committees, to force through congressional committee approved legislation without a record vote. Practically every State legislature has an electric roll-call system for the purpose of not only securing a record vote of the membership, but as a means of conserving time. We use the old, archaic roll-call system that was used in the time of George Washington as a means of denying knowledge to our constituents concerning our true vote.

Veterans' pensions should inure to the benefit of the disabled, rather than solely to the aged veterans; and disability should be so defined as to make eligible for pension those who are disabled due to age, physical incapacities, or mental deficiencies. In order to insure sane and reasonable available funds for such purpose, I sincerely feel that only the so-described disabled veterans with limited incomes should be eligible to participate.

Under the Rankin plan, the President of the United States, the millionaire veterans of this country, and all others with sufficient incomes for comfortable livings, would be entitled to the same consideration as a totally disabled veteran. I have never believed it necessary or wise to buy patriotism in a land of democracy; while, I do feel that no disabled veteran should want for necessities in this great Nation.

According to the provisions of the Rankin bill, I would be entitled to a pension because I am a veteran of World War II who did nothing more than undergo five seiges of basic training; but I cannot feel that I should be paid a pension so long as I have a sufficient income to provide for myself and family a comfortable living—which further accounts for my belief that pensions should be paid only to disabled veterans who do not have such a sufficient income. This Government owes me nothing merely because I am a veteran until such time as I am unable to provide for myself and family—all of us realizing that the veterans of each war were fighting for the preservation of democracy and not for personal remunerations.

The Rankin plan as introduced is more of an attempt to pacify rather than to assist those needy and disabled who have participated in the times of need for the preservation of the liberties being enjoyed in this country. A great percentage of this congressional membership are veterans of some war; and I know that each and every Member of Congress has closely scrutinized the Rankin plan with the idea of sponsoring amendments that will cure the hereinbefore-mentioned defects. I am further led to believe that a majority of our membership are anxious for an opportunity to favor the disabled veteran with a sufficient income for a comfortable living.

Mr. MAGEE. Mr. Chairman, will the gentleman yield?

Mr. TACKETT. I yield.

Mr. MAGEE. I ask my good friend, distinguished colleague, and neighbor, would he put the veterans of the United States in the same class as those who receive a dole from the taxpayers of the United States in Japan and Germany today?

Mr. TACKETT. That is a rather broad question which should not be answered by merely "Yes" or "No"; however, my answer would be "No."

Mr. MAGEE. I want to ask again, Does the gentleman, my distinguished friend, colleague, and neighbor, admit that in Germany and Japan today those who fought us in the two world wars do not have to pass a needs test to receive a dole from the taxpayers of this country; and I further ask the gentleman to answer: Does he want the veterans of this country to be put in the same class with our former enemies in Germany and Japan?

Mr. TACKETT. No. I am not willing for such to exist. I will not vote for one single, solitary penny to go to Japan, Germany, Italy, or any of our other conquered enemies until the veterans and all other deserving people of this country are taken care of—but I am not going to allow my patriotic fervor to sway me into voting for something that the taxpayers of this country cannot afford. The veterans merely want a fair deal; do not believe that we can spend ourselves into continued prosperity; do not want to bankrupt this country for which they have proven their love and affection; and will ask for nothing more than a reasonable pension for disabled veterans whose disabilities have been brought about by either age, physical incapacities, or mental deficiencies. Until this Rankin bill is amended, nothing is provided for any disabled veteran other than the aged; and those with physical incapacities or mental deficiencies are left to receive the dole that you speak about. The sponsors of this bill are asking us to discriminate in favor of the rich, aged veterans against the younger physically incapacitated and mentally deficient veterans. My people, including the veterans of my district, do not expect any such vote by me.

I likewise believe that charity begins at home, and I shall insist upon the needy and disabled people of this Nation being cared for before one penny be spent abroad. No doubt it is necessary, for our own protection, to assist in the rebuilding of war-torn foreign countries friendly to democracy. While we have carried the burden of financing the last two world wars, and while many of our young manhood lost their lives in those two great conflicts, it was upon the soils of those foreign countries that the battles were fought, and where the women, children, and the aged were slaughtered—friendly democracies paying the necessary penalties to keep the actual conflict confined to those areas and save suffering from our families.

No doubt most of us realized that during World War II while this country was participating on the side of Russia that we could be in no better position than perhaps on the side of the lesser of two evils, because all of us well knew that both Germany and Russia were seeking the same goal. Russia has since behaved as per our suspicious expectations. Now, with Russia emerging from World War II the strongest government in Europe with a continued desire to impose here despicable communism upon all the world leaves us in a position whereby we must prepare her neighboring democracies with power to forestall destruction and thereby preclude conflict upon our own soil. I could stand for myself to be denied the necessities of life, but I am quite sure that I would commit wrongs to prohibit my wife and children from being without such necessities. Those weak foreign democracies want to remain a free people, but when their wives and children, aged mothers and fathers are starving, would join communism or any other type of ism in the hope of finding food and clothing.

Then, it must be admitted that under the European recovery program we are actually helping ourselves when lending assistance to that cause, to say nothing of the eventual loss of foreign trade to this country in favor of unfriendly competitors to democracy, which would in effect place us in that position where we could not care for the underprivileged in our own country.

As you well know, I was not a Member of Congress when the European recovery program was launched and cannot be held responsible for such action; and, no doubt, it might be more popular for me to criticize rather than command that effort. During my campaign when a couple of my opponents were shouting criticism of the European recovery program, in every one of my more than 200 speeches I uttered in substance these statements concerning the Marshall plan.

The European recovery program, generally known as the Marshall plan, can certainly stand scrutiny, closer supervision, and narrowed coverage to assure the maximum benefit to those entitled and preclude same reaching unfriendly powers. I am at a loss to know why we should send tremendous sums to Italy and other such subversive nations where we could, by the exercise of ordinary precaution, anticipate the Communists and those unfriendly to our form of Government are waiting at the depot to receive our assistance to further their cause. No doubt a lot of our assistance is reaching unfriendly sources; and I contend that we should not spend 1 penny in the European recovery program that has a chance of drifting into the hands of our enemies. We are spending too much in the occupation of Japan, Germany, and Italy. The Army is always anxious to spend every dime at its command and would fortify the moon if possible to reach that goal, and Congress would sanction such action.

Again, I wish to state that regardless of the European recovery program, or any other such assistance to foreign people, that we should first take care of our own people even should we not have left 1 penny for worthy foreign aid. No person in the United States should be denied the comforts of every necessity, whether disabled physically, mentally, or by age.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. TACKETT. I yield.

Mr. RANKIN. Was the gentleman on the floor a while ago when the committee debated the "needs" clause?

Mr. TACKETT. Yes; I was here; and I know that the amendment offered for

the purpose of pensioning only those with limited incomes and for the purpose of extending your bill so as to pension the physically and mentally disabled, regardless of age, was defeated. I am still hopeful that an amendment for such purposes will be adopted, and I can assure you that unless your bill is so amended as to pension the disabled and does eventually contain a "needs" clause that I will vote against your bill.

Mr. RANKIN. I am afraid the gentleman from Arkansas is confused.

Mr. TACKETT. No; I am not so confused as the gentleman from Mississippi might think. My vote will reveal whether or not I am confused. You have a bill that is worthy of consideration by this House and could be made workable with proper amendments for the benefit of the veterans who expect and need assistance. However, until your bill is so amended as to remove the discrimination against the physically incapacitated and mentally deficient veterans of both World Wars I and II and limits pension payments to those without the comforts of life I shall not hesitate to vote against your bill.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. RANKIN. Mr. Chairman, I move that all debate on this amendment do now close.

Mr. CASE of South Dakota. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. Will that preclude the offering of a perfecting amendment?

The CHAIRMAN. To the amendment now pending?

Mr. CASE of South Dakota. To the bill, which should be voted upon prior to the pending amendment.

The CHAIRMAN. The motion of the gentleman from Mississippi applied to the closing of debate on the amendment offered by the gentleman from Pennsylvania.

Mr. CASE of South Dakota. That does not answer my parliamentary inquiry. I have an amendment which might be considered a perfecting amendment to the bill. It should be voted upon before the Van Zandt amendment is voted upon.

The CHAIRMAN. If the amendment to be offered by the gentleman from South Dakota is a perfecting amendment to the bill, then it would be considered before the amendment offered by the gentleman from Pennsylvania.

Mr. RANKIN. Mr. Chairman, I withdraw my motion and move that all debate on this section and all amendments thereto close in 20 minutes.

The motion was agreed to.

Mr. CASE of South Dakota. Mr. Chairman, I offer an amendment.

The CHAIRMAN. Does the gentleman offer it as an amendment to the bill?

Mr. CASE of South Dakota. I offer it as a perfecting amendment. It is an amendment to the bill. It bears on the language which is proposed to be amended by the amendment offered by the gentleman from Pennsylvania.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from South Dakota.

The Clerk read as follows:

Amendment offered by Mr. CASE of South Dakota: On page 2, line 10, strike out "$90" and insert "$72."

Mr. CASE of South Dakota. Mr. Chairman, the purpose of the amendment offered by the gentleman from Pennsylvania [Mr. VAN ZANDT], apparently is to bring up to $90 those veterans who today can get $72 on account of being totally and permanently disabled, or having reached the age of 65 have 10 percent disability or more. That is the present law. He is doing that so as to bring existing law relating to those totally disabled veterans under 65 who are presently getting $72 in line with the $90 proposed to be established here for all who reach age 65.

My amendment proposes to accomplish parity or to bring the two in line the other way around, by reducing the $90 proposed for age 65 to the $72 which is the amount that a totally and permanently disabled veteran can get today.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Colorado.

Mr. CARROLL. The purpose of the gentleman's amendment is to actually take away the $90-a-month pension as provided by the original bill brought before this body?

Mr. CASE of South Dakota. My amendment will reduce the $90 figure to $72 to bring pension for age in line with those who get $72 today under the provisions of existing law for total and permanent disability.

We need to keep in mind, I think, that this bill is basically a bill relating to age. It proposes to establish presumptive disability at age 65 for those who have honorably served in the armed services; that is a disability which renders the veteran unable to be assured of regular employment.

Under existing law, the veteran who is unable to show service connection for his disability must show total and permanent disability and unemployability and to have been getting a disability pension for 10 years or to become 65 years of age with a 10-percent disability or more to receive $72.

The pending bill wipes out the requirement of proving 10-percent disability at age 65. At age 65 he will be presumed to have the 10-percent disability and unemployability which present law requires him to prove.

Present law, in effect, is based upon the word "and." The veteran must, if under 65, be totally "and" permanently disabled "and" unemployable to get it or, if, 65, must be 65 "and" 10 percent or more disabled.

The bill under my amendment would rest upon the word "or" which appears in line 3 on page 2. The veteran could be either permanently and totally disabled or simply 65 years of age and his entitlement would be established.

The language at the top of the page reads that a man "who is or may hereafter be suffering from a total—" under the Scrivner amendment— "and permanent non-service-connected disability, or has attained the age of 65 years or over," shall get the payment provided for in section 2. The amendment which I have offered accepts the "or" at face value and simply reduces the $90 to $72.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota [Mr. CASE].

The question was taken; and on a division (demanded by Mr. CASE of South Dakota) there were—ayes 94, nays 83.

So the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. HOLIFIELD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOLIFIELD. I am a little bit confused as to what the content of the amendment before the House at this time is. I ask unanimous consent that it be reread.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk again reported the Van Zandt amendment.

Mr. HOLIFIELD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOLIFIELD. Has the amendment just read by the Clerk been amended by the amendment offered by the gentleman from South Dakota [Mr. CASE]?

The CHAIRMAN. The Chair understood that the amendment offered by the gentleman from South Dakota was to the text of the bill and not to the amendment offered by the gentleman from Pennsylvania.

Mr. HOLIFIELD. What effect will that have on this amendment?

The CHAIRMAN. The Chair is not empowered to construe the effect of an amendment.

The question is on the amendment offered by the gentleman from Pennsylvania [Mr. VAN ZANDT].

The amendment was rejected.

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. Do I correctly understand that as a result of the adoption of the amendment offered by the gentleman from South Dakota [Mr. CASE] the figure "90" now contained in line 10 on page 2 of the bill is changed to "72"?

The CHAIRMAN. Without objection, the Clerk will report the amendment that was adopted by the committee.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. CASE of South Dakota: On page 2, line 10, strike out "$90" and insert "$72."

The CHAIRMAN. That is the amendment that was adopted.

Mr. JACOBS. Mr. Chairman, I offer an amendment.

Amendment offered by Mr. JACOBS: On page 2, line 10, strike out all of line 10 and insert "$10 per month at age 65, plus an additional sum equal to $1 for each month or fraction thereof served during any period

of open hostilities, plus an additional further sum equal to $3 for each month or fraction thereof served in an actual theater of war, as such theater of war may be defined by the Secretary of Defense."

Mr. RANKIN. Mr. Chairman, I make the point of order against the amendment that it is not in order on this bill. It is not germane. That is a bonus proposition and not a pension proposition; therefore, it is not germane on this bill.

The CHAIRMAN. Does the gentleman from Indiana desire to be heard on the point of order?

Mr. JACOBS. Yes, Mr. Chairman.

It seems to me the question of pensions is in the nature of what a man is entitled to because of service. My amendment is based upon the amount of service that man has rendered.

The CHAIRMAN. The Chair is ready to rule.

Although the amendment offered by the gentleman from Indiana makes reference to periods of service in arriving at an amount to be paid per month, it nevertheless refers to a monthly amount of pension. Therefore, the Chair overrules the point of order.

Mr. JACOBS. Mr. Chairman, in the past few days I have been hearing considerable talk about whether or not we are voting pensions in order to gather votes.

I have a rather old-fashioned idea that if I owe a man something I ought to pay him, and when I pay him I ought to pay him what I owe him. I am like the gentleman from Arkansas, I am not confused at all, not in the slightest. I am not apt to vote the same amount of pension to a man who served 90 days as to one who served 4 years. I know it has been traditional to make 90 days the test. That does not necessarily make it right. The cold fact that a man who serves 90 days has not earned as much in the way of a pension as the man who has served 4 years cannot be changed by tradition. This amendment will give the fellow who served 90 days less money—only $13—but the one who spent 36 months in combat and 48 months in the service will get $166.

I do not know exactly what the cost will be under this amendment. I believe it will be less. At any rate, whatever it is, we will be paying on the principle of what we owe. At least we are adopting a formula that recognizes merit in a ratio between length and type of service and pension due. I think a better formula could be written and I think that if we had the facts and figures we could write a better formula.

For that reason I think the bill should go back to the committee and a formula based on this principle should be adopted.

I assert that when we pay a man a pension of $90 a month for going to camp for 90 days and probably being let out of the service because he could not qualify for such service, we are buying votes. You can spell it out in riddles and make all the flag-waving speeches you want to, but we are buying votes when we do that.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. JACOBS].

The question was taken; and on a division (demanded by Mr. SMATHERS) there were—ayes 112, noes 79.

Mr. RANKIN. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. RANKIN and Mr. JACOBS.

The Committee again divided; and the tellers reported there were—ayes 135, noes 111.

So the amendment was agreed to.

The CHAIRMAN. The gentleman from California [Mr. WHITE] is recognized.

Mr. WHITE of California. Mr. Chairman, I ask unanimous consent to proceed out of order and to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WHITE of California. Mr. Chairman, I have read with amazement and disgust an article in the Washington Daily News of yesterday, in which the newspaper writer refers to money loaned by the Government against farm products as money invested in holding up farm prices.

That newspaper article is strictly in line with the propaganda of an unfriendly, antiadministration press which cleverly attempts to mislead the people of this Nation into believing that money loaned by the Government to farmers against farm products is a net loss to the taxpayers. As a matter of fact, up to the end of the last cotton season Government loans on cotton, which has been the benefactor of more loans than any other crop, have been fully repaid, with interest, and that cotton which was taken over by the Government showed a profit of approximately $200,000,000. I am rising to the defense of Secretary of Agriculture Brannan and the administration in trying to carry out a program that is beneficial and necessary, not only to the farmers of this Nation, but to the entire Nation and the world. A depression is nothing on earth but a fall in the general price level. The difference between inflation and depression is very small indeed.

As world production of farm products increases, and as the necessity for shipments of farm products from this country to foreign nations under the Marshall plan decreases, it means a steady and violent increase in the pressure against the price level of farm products in this country. After World War I in May 1920, we had a break in the price level of farm products of approximately 50 percent. The resulting farm depression became a national depression. My whole point is this:

These farm price-support programs are highly essential and the newspaper people of this Nation should bow their heads in shame for attempting to mislead the public into believing the Government loans against farm products are necessarily out-of-pocket expense to the taxpayers.

The CHAIRMAN. The gentleman from Michigan [Mr. SADOWSKI] is recognized for 3 minutes.

Mr. SADOWSKI. Mr. Chairman, the last vote is just another way of trying to kill this bill.

Mr. Chairman, we are not voting for a bonus bill to be paid to veterans at the age of 65; we are voting for an old-age pension bill, a pension bill for the aged soldiers, the aged veterans. I can understand very well the attitude of a man who has always opposed old-age pensions on principle, and I will let him have his views and his ideas; but there are a lot of men in this House who have come out for the Townsend plan, who have come out for the 60-60 bills that have been offered, who have come out for other old-age pension programs; they have gone on record. But we can see others who are attempting to kill off those old-age pension bills and this pension bill. I think that is wrong. In the last session of Congress there were a few of us, the gentleman from Oklahoma, TOBY MORRIS, myself, the gentleman from Pennsylvania [Mr. VAN ZANDT], and some others, who introduced old-age pension bills providing a $60 pension for people over 60 years of age. That was a fair bill. We had something like 224 Members of this Congress sign a petition which we presented to the Ways and Means Committee requesting the Ways and Means Committee for action in favor of an old-age pension bill. It shows that the overwhelming sentiment of the membership of the Eightieth Congress was a belief in old-age pensions. Certainly, the sentiment ought to be for old-age pensions for the veterans, and here is the opportunity to express it. I cannot understand the attitude some Members are taking on this issue. I have heard it said here by several Members that great empires have collapsed and gone into ruin; reference was made to Egypt, to Greece, and to Rome. Yes; I heard the gentleman from Missouri [Mr. SHORT] when he made his speech the other day referring to those empires and how they were destroyed. But none of those empires were destroyed because the Government at the time was giving old-age pensions to its people, or was taking care of the public health, or looking after the interest of its citizens. No; those empires collapsed because they were building pyramids that had no value to anybody, gave nothing to the economy of the nation, gave nothing in strength or wealth to Egypt; they piled rock upon rock, and boulder upon boulder for years and years; and they wasted the energy, the money, and the strength of the nation building what? Pyramids. And Greece, and Rome, wasted the money of their people and the lives of their people, in fighting a succession of wars; that is what destroyed those empires. Never was an empire destroyed, never was a country destroyed which looked after its own citizens and gave the yield of its own produce back to its own citizens and looked after them to see that the aged people of the nation were taken care of.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

The gentleman from Illinois [Mr. YATES] is recognized.

Mr. YATES. Mr. Chairman, it seems to me that if the ghost of Diogenes had been in this Chamber last night he would have been very frustrated; if Diogenes were in this Chamber today with his lantern he might have some difficulty in finding his honest man. But we could certainly use his light because right now we are groping in darkness.

I believe this entire question is being debated in an atmosphere of complete emotionalism, with little reason and rationality. A subject as important as this one, with the profound effect it will have upon our national economy and the lives of every person in this country deserves objective and analytical treatment. It deserves mature and reasoned consideration by the committee first, so that we shall not have the burden of drawing the bill upon the floor of the House without having the benefit of expert witnesses of all kinds who can assist us in dealing with the many intricate problems which are necessarily involved in bills of this type. I believe this measure has failed to receive that mature consideration by the committee and that this bill should be recommitted for further study.

I object vehemently to the allusion by the chairman of the Committee on Veterans' Affairs that one of my distinguished colleagues, the gentleman from New Jersey [Mr. RODINO], a new Member of Congress and a man who spent 4 years in the fox holes of Italy and Europe, walked out on the veterans. He did not walk out on the veterans merely because he walked out of committee in protest of what he considered undemocratic tactics on the part of the chairman. He believed sincerely that this bill will not benefit the veterans; certainly, that adequate hearings had not been given to the matter. And he is right and his action was correct.

Frankly, I agree with the many others who have preceded me and stated that confusion now reigns in this Chamber in our deliberation of this bill. Those of us who want decent legislation and reasonably full hearings being given by a legislative committee on legislation find ourselves unable to agree that this bill qualifies to those standards. I have given conscientious study to the subject. I read the entire hearings last night. While there was much discussion on the general subject of veterans' pensions, this bill was not even considered in the hearings. I do not know what the cost to the Nation will be if this bill is passed and I believe that I should know the cost if I am to vote intelligently. I did not see any discussion, nor has there been any on the floor as to how this bill will work into our entire social-security program. Will those receiving benefits under our old-age retirement and assistance schemes get this pension in addition to the other? How does it fit in with the matter of State contributions to the security programs? I want to know the answers to those questions if I am to vote intelligently. Should not combat veterans, possibly, receive more than those who did not undergo battle fire, as the amendment offered by the gentleman from Indiana envisages? The committee should properly have considered these matters and many others before reporting the bill out. This attempt to correct the hasty action of the committee by writing or attempting to write pensions on the floor can only be abortive.

I do not intend to imply by these remarks that our disabled veterans should not receive special consideration; they are entitled to every conceivable allowance which we can give them. So, too, are the members of the families of those who have been stricken by the war. But I cannot vote for this bill in the absence of information which will disclose how the pension system sponsored by this bill will fit into the over-all security system. I am opposed to piecemeal treatment founded upon emotionalism and not fact. I believe that the veterans of World War I do not want to be treated as a privileged class. I certainly know that the veterans of World War II do not want to be so treated. They want housing, they want education, they want to raise their families with a decent standard of living.

Being a veteran of World War II, may I say that personally if there is nothing done to improve this legislation I propose to vote against it.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Kentucky.

Mr. PERKINS. Is the gentleman in favor of the principle of the veterans when they reach the age of 65 having a pension based on need?

Mr. YATES. I am in favor of every segment of our population getting pensions when the occasion arises. I think this matter should be considered together with all phases of our social-security problem, and that a vote here may very well jeopardize the possibility of women, for instance, or any other segments of our people ever getting any sort of a pension at all. There has not been sufficient investigation into the impact of this bill on our economy; there has not been sufficient investigation as to how much more this pension should be; perhaps it should be $100 per month. I have not found any expressions of cost in the hearings.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. LECOMPTE].

Mr. LECOMPTE. Mr. Chairman, in the state of confusion that exists with respect to this bill—many involved amendments adopted and others pending—it is very apparent that the bill should be recommitted to the Veterans' Committee for further study and consideration. The present situation emphasizes the difficulty in attempting to write a bill on the floor of the House. Everyone wants to help the veterans of every war who have preserved the Republic. They deserve every honor and every benefit that a grateful country can extend to them.

The bill has been improved by the adoption of the amendment which makes a need requirement for eligibility for a pension for the veteran and it probably reduces the over-all cost of the legislation by more than 60 percent.

At this late hour I yield back the balance of my 3 minutes.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. MCCARTHY].

Mr. MCCARTHY. Mr. Chairman, I do not know how confused the gentleman from Arkansas is on this issue, but by his own admission he is more confused than I am. I say that if he is as confused as I am he is in no position to vote on this measure.

When I became a Member of the House of Representatives there were two things I was advised about by senior Members. One was to respect the seniority system and the other was to respect the committee system which are in force in this House. I was not here long until I discovered that the advice on seniority was not very good. It does not, of course, take a great deal of moral courage for a Democrat Member from the State of Minnesota to stand in the well of this House and criticize the seniority system, because the average term in office of Minnesota Democrats is about 2½ years. I started as one of the end men of the Committee on the Post Office and Civil Service so all I have to lose statistically is a half year in office.

I did believe the committee system was working well because I have seen excellent reports come into this House from committees; reports which the House could do something about, reports that were reasonable and workable. Insofar as this committee report from the Veterans' Affairs Committee is concerned, there is only one point upon which there seems to be general agreement and that is the matter of the paternity of the bill. On that point there is no dispute. Insofar as the rest of the bill is concerned, confusion is manifest. Seven members walked out of the committee meeting from which this bill was reported. Three of those who stayed voted against it. That makes 10. At least four or five men who did vote for the bill have stood up here on the floor of the House, even before the bill was read for amendment, and said they hoped the bill would be amended.

What kind of a committee report is this to bring before the House of Representatives? I do not think we should condemn the Committee on Veterans' Affairs for this one mistake. That committee will bring out additional legislation in the future. I do think we should protect them from the application of a quotation which was applied to the other legislative body of this Congress. It was said that a legislative body that cannot govern itself cannot expect respect from those who are governed by it.

If a committee of this House cannot handle its own affairs properly it cannot expect a popular reception on the floor of the House. A woman's community club back in my district would not accept a committee report on parks and playgrounds that was as confused as this one is. Let us give the Veterans' Affairs Committee another chance on this bill.

Let us send this bill back to the committee and see what the committee can do about improving it.

The CHAIRMAN. All time has expired.

Mr. HINSHAW. Mr. Chairman, I understand that 3 minutes of debate has not been used. Could that be granted at this time?

The CHAIRMAN. All of the time has been consumed that was allotted on the motion of the gentleman from Mississippi, agreed to by the Committee.

The Clerk read as follows:

SEC. 3. That the first sentence of section 1 (c), Public, No. 484, Seventy-third Congress, June 28, 1934, as amended, is hereby amended to read as follows:

"(c) Payment of pension under the provisions of this act shall not be made to any widow without child, or a child, whose annual income exceeds $1,800, or to a widow with a child or children whose annual income exceeds $3,000."

With the following committee amendment:

Page 2, line 22, strike out "$1,800" and insert "$2,000."

The committee amendment was agreed to.

Mr. BOGGS of Delaware. Mr. Chairman, I just want to express one or two thoughts on this important legislation at this time. I wish the Members would look at the bill H. R. 2681 and you will note that we have just completed the veterans' pension phase of the bill. In my opinion that section of the bill is divided into two important problems. One concerning World War I veterans and one concerning World War II veterans. But, they have been combined into one bill.

The next section is an entirely different thought. However, it is included in this one bill. This section provides increased limitations for pensions to veterans' widows.

Now we come over to page 3, section 6, and we see an entirely different problem, which is to provide death-pension benefits for widows and children of World War II veterans.

Mr. Chairman and members of the Committee, all this is important legislation, and I am sure if our Committee on Veterans' Affairs had the opportunity to consider each one of these important proposals in a full and deliberate manner, proper measures would have come to this House and would have been given not only the kindest, but the fullest, attention and consideration by the membership of this body. I am not personally satisfied with the manner in which these important problems are being approached. I am entertaining a very deep conviction that a serious injustice is being done to the veterans' cause and to the veterans and their families. I would like to see each one of these important problems come before this body in separate bills after full and complete committee consideration.

Because of the manner in which this legislation is being considered, I am afraid that history might repeat itself. While I am not a great student of the history of veterans' legislation, I am advised that back in the Monroe administration there was a general pension bill enacted in great haste, and several years later it was necessary to repeal it along with many other benefits which had been granted to veterans.

Remember also that in 1930 there was enacted by the Congress a law for disability allowances to veterans. Look what happened under the Economy Act just a few years later. Not only did it repeal that law outright, but it also cut off certain benefits which veterans and their families and the widows and orphans of deceased veterans are entitled to, and which a grateful Nation wants to provide. It cut them off to such an extent that I have heard experts on veterans' legislation on this floor today say that there are still many thousands suffering from that act.

I do not propose to be a party to hasty, ill-considered action which, in my humble opinion and my deepest conviction, would work contrary to the best interests of our Nation and our veterans and their families.

This measure should be recommitted to the Veterans' Affairs Committee for proper and full consideration.

Mr. RANKIN. Mr. Chairman, I move that all debate on section 3 do now close.

The motion was agreed to.

The Clerk read as follows:

SEC. 4. That the pension or increase of pension herein provided for, as to all persons who are now in receipt of a pension under existing law and who are now shown by competent evidence of record to fufill the requirements of this act, shall commence, without the necessity of filing a new application, effective the first day of the first month following the date of approval of this act; and original awards of pension under the provisions of this act shall be effective from date of application or the first day of the first month following the passage of this act, whichever is later.

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: On page 3, line 5, strike out the word "first" where it appears the second time and insert "second."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: On page 3, line 8, strike out "first" at the end of the line and insert "second."

Mr. KEEFE. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, I started my thinking on this bill in hopes that I could vote for a pension bill for World War I veterans. I understood that when the original Rankin bill was coming before the House there would be substantially three amendments: One with reference to beneficiaries, providing that an honorable discharge should be required; another that would provide a needs test, which we have already put into this bill; and a third, eliminating World War II veterans. I was willing to vote for that sort of bill, and I think most of the Members of the House are willing to vote for that sort of bill, but we are in a situation right now where I will have to reappraise this bill as it has been amended in order to know just exactly what is in it. I feel that the average Member of the House and the average individual in this country and throughout the world feels a little different toward the veteran than he does toward the average citizen. All we have to do is to take a ride to the serenity of this great cemetery that lies on the edge of the Capital to see where people have given expression to their sentiments concerning soldiers. You can go from one end of the country to the other and find emblazoned the sentiments of people with respect to those who have served the country in its defense.

That goes back to the primitive savage and is to be found all over the world. So there is nothing new in this recognition, it seems to me, of the activities of veterans in serving their country. But we have developed a great spirit of disunity here. I do not know what to make of it. I sort of get a laugh out of it. I remember a candidate for the Presidency going up and down the land talking about the Eightieth Congress. He said it was the worst Congress in history. Then he changed his mind just a little bit and said, "Well, maybe the second worst." He reserved another place. I am not so sure but what he had in mind the Eighty-first Congress!

And it seems to me as if that is what is happening to you gentlemen over there. Oh, what you promised the people you were going to do for them if you only could get control of this Congress! And what you are doing to the people up to date!

Are you not just a little bit ashamed of your action here today? Are you not just a little bit ashamed of the lack of unity and the lack of ability to think together and work together for the interest of the whole people? I see some of you smiling. I know what you are going to have to face. I am smiling, too.

I know what you are going to have to face when you go back to your district, especially in the districts that are close. They are going to ask you, "What did you do in this great Eighty-first Congress?"

The longer this Congress stays in session, the prouder I am of the membership I had in the Eightieth Congress.

Mr. HINSHAW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask for this time in order to serve notice that I intend to ask for a separate vote on the Jacobs amendment which was just passed. I do so because, while the gentleman's idea may be perfectly good so far as World War II veterans are concerned, it is absolutely ruinous to the veterans we are here trying to help, namely, the aged and needy veterans of World War I. Anybody who wants to go on record in favor of cutting the amounts due to aged and needy veterans of World War I—to something on the order of $30 a month—can go on record to that effect because that is just about what it will accomplish.

I think you had better examine the Jacobs amendment carefully and reserve judgment on it until you have because, when the time comes to vote on it, you are going to have an opportunity to show whether you are in favor of it or are in favor of what I believe

the large majority of the House is in favor of, namely, taking care of the aged and needy veterans of World War I, by a record vote.

It is quite obvious that the ultra-liberals on the Democratic side of the House want the veterans turned over to the Federal Security Administration—lock, stock, and barrel. That has been tried before and it failed. That liberal group voted for the Jacobs amendment in the teller vote just had. Then there were others who voted for it because it sounded logical when it was read. But $10 plus $1 per month of service plus $3 per month of service in a combat area adds up to far less than old-age assistance or plain charity for veterans of World War I because that war only lasted 17 months for the United States. Think it over and add it up. It may have the effect of cutting to less than half the present compensation rates which the aged veteran who has 10 percent or more non-service-connected disability now receives. I ask the gentleman from Pennsylvania or the gentleman from New York if the effect of the amendment offered by the gentleman from Indiana is not as I have stated.

Mr. KEARNEY. You are absolutely correct.

Mr. HINSHAW. Now, I suggest we cut out the horseplay and disregard those who seek to turn the Veterans' Administration over to the Federal Security Administration and get down to the business of writing a good bill on this floor because everybody here knows one cannot be written in the committee. Nearly all of us are opposed to the Rankin bill as it came to the floor.

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. KEARNEY. The question before the House is whether we are going to try to write a good, decent bill or put in enough amendments to kill it.

Mr. HINSHAW. That is exactly the answer to it. These amendments of the type that has just now been adopted—I do not mean to impugn the motives of the gentleman from Indiana [Mr. JACOBS]—will kill the bill and kill an opportunity for a long time to come for the aged and needy veterans of World War I to receive any benefit from the Government.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. VAN ZANDT. Is it not a fact that the social planners are working in the House as a unit?

Mr. HINSHAW. As a unit; yes.

Mr. VAN ZANDT. They have designs to take over the Veterans' Administration, the veterans' hospitals, and eliminate veterans' preferences.

Mr. HINSHAW. Of course, that is absolutely obvious. Some of the gentlemen who are opposed to any such thing find themselves sucked in on an amendment, such as the Jacobs amendment recently adopted. If you get a chance to throw it out in the House, you should throw it out on the roll-call vote which I shall ask for if no one else does.

The CHAIRMAN. The time of the gentleman from California [Mr. HINSHAW] has expired.

Mr. RANKIN. Mr. Chairman, I move that all debate on this section do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the second committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 5. That nothing contained in this act shall be held to affect entitlement to or reduce the amount of any pension heretofore granted under any existing act, public or private, or Veterans Regulation, but the provisions of paragraph XIII, Veterans Regulation No. 10, as amended, shall be for application under this act.

Mr. BATES of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it has been suggested that the gentleman from California will ask for a record vote on the so-called Jacobs amendment.

I rise for the purpose of calling to the attention of the Members of the House what the situation then will be if the Jacobs amendment is defeated. We will revert back then to the so-called Case amendment.

Mr. CASE of South Dakota. If the gentleman will yield, that is not the situation. If the Jacobs amendment would be voted down when we go back into the House, we would then remain with the text of the bill as it was reported by the committee. The only way that I know of to get a vote on the Case amendment would be if the Jacobs amendment were voted down and then thereafter a motion to recommit were offered with instructions to report it back forthwith, embodying the so-called Case amendment.

Mr. BATES of Massachusetts. Then, if that is the situation, we ought to have it clarified, because again we find ourselves in that confused state that has been referred to so much today. If the so-called Jacobs amendment is defeated, we do go back to the committee bill. If a motion to recommit is made, to recommit with instructions to report the bill back with the Case amendment, or $72 a month, we find ourselves precisely in the situation where, under the bill with the Case amendment, a veteran at the age of 65 will get $72 a month; when today, under the present law—and I do not think any member of the committee will deny it—a veteran at the age of 65 with a 10-percent disability automatically gets a full disability rating which entitles him to $72 a month. Does the gentleman deny that?

Mr. RANKIN. If the gentleman will yield to me, I will explain the situation.

Mr. BATES of Massachusetts. I will yield.

Mr. RANKIN. We have a right to vote on both the Jacobs amendment and the Case amendment.

Mr. CASE of South Dakota. Will the gentleman yield?

Mr. BATES of Massachusetts. I yield.

Mr. CASE of South Dakota. I wish that were the fact, but I am afraid it is not. I may say to the gentleman from Mississippi that I have discussed it with the Parliamentarian.

Mr. RANKIN. All right. Then you have a chance to vote on the Jacobs amendment.

After that is voted down then the bill will be before the House as reported by the committee.

Mr. BATES of Massachusetts. I think, Mr. Chairman, under the conditions we are facing today the best job that this House can do is to refer this bill back to the committee for further consideration.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield.

Mr. HALLECK. There has been a lot of talk about confusion here today. I have seen things called confusion heretofore in the House of Representatives.

This time, however, I think it ought to be in the RECORD that much of this alleged confusion is the result of nothing more nor less than the attempt by opponents of this legislation on the Democratic side to sabotage its accomplishment. Amendments to the bill should be determined on their merit. Then on final passage each Member can vote for or against the bill as he sees fit in its final form.

Mr. BATES of Massachusetts. Mr. Chairman, it is very obvious that great confusion exists here, not only in the bill but with the members of the Committee. I discussed an interpretation of the present law with the Veterans' Administration this afternoon. They informed me that a veteran now receives $72 a month if he is 10-percent disabled at age 65; the committee apparently did not know that; and because of that, Mr. Chairman, I sincerely believe this bill ought to be referred back to the committee.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. RANKIN. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

The motion was agreed to.

The Clerk read as follows:

SEC. 6. That section 6, Public Law No. 483, Seventy-eighth Congress, is hereby amended to read as follows:

"SEC. 6. The surviving widow, child, or children of a veteran who served in World War II whose death is not due to service therein, but who was discharged or released from active service under conditions other than dishonorable after having served 90 days or more or for disability incurred in wartime service in line of duty, or who at time of death was receiving or entitled to receive compensation or retirement pay for wartime-service-connected disability, shall be entitled to pension in the amounts and otherwise subject to the conditions of Public Law No. 484, Seventy-third Congress, as amended: *Provided*, That for the purposes of this section the definition of the terms 'veteran', 'widow', 'child or children' shall be those applicable to World War II as provided in Public Law No. 2, Seventy-third Congress, and Veterans Regulations promulgated thereunder, as now or hereafter amended."

Mr. BOGGS of Louisiana. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take the time of the Committee only to propound some questions to members of the committee at this point.

No. 1: There has been discussion here on the floor that under existing language of the sections which have just been read a retired officer of the naval or military service would be eligible for benefits under this legislation. Is that correct?

Mr. RANKIN. That is not correct.

Mr. BOGGS of Louisiana. My second question is this: Under existing legislation in many States of the Union, old-age assistance is provided in sums as high as $84, as in the State of Colorado; $75 in the State of California; and so on down to $16 in the State of Mississippi. I should like to ask the question whether or not a veteran eligible for $90 a month under this legislation as originally drafted and presented to the House would also be eligible for a $75-a-month old-age pension in the State of California?

Mr. RANKIN. That would be left up to the States.

Mr. MAGEE. Mr. Chairman, will the gentleman yield? I will answer the question quickly.

Mr. BOGGS of Louisiana. I yield to the gentleman from Missouri.

Mr. MAGEE. We do not have to have it in veterans' legislation because the Social Security Act provides that if you have a certain income you cannot draw any benefits.

Mr. BOGGS of Louisiana. The gentleman is wrong. I am a member of the Ways and Means Committee and I know a little something about the Social Security Act. It is left to the discretion of the States. So that, according to the answer given by the gentleman from Mississippi, unless a State would specifically prohibit it, as I understand the law as it now stands and as now before the House, then he would conceivably be eligible for both benefits.

Mr. JACKSON of Washington. Mr. Chairman, will the gentleman yield?

Mr. BOGGS of Louisiana. I yield to the gentleman from Washington.

Mr. JACKSON of Washington. I would not want to take issue with the gentleman in reference to his last statement, but it occurs to me that the Federal Social Security Act provides that if the States are going to get matching money from the Federal Government for direct assistance, the States must provide a need test, is that correct?

Mr. BOGGS of Louisiana. The gentleman from Washington is correct only up to a point. The States formulate their own plan, they submit them to the Social Security Board, and if the plan is approved by the Board, matching funds are provided. As I understand it, the State of California adopted a constitutional amendment which provided a limitation of $3,500.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. BOGGS of Louisiana. I yield to the gentleman from Colorado.

Mr. CARROLL. I agree with the gentleman 100 percent. That is exactly the evidence and the testimony given before the committee when this issue was discussed. The gentleman is absolutely right.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. BOGGS of Louisiana. I yield to the gentleman from California.

Mr. HINSHAW. What the gentleman said is true concerning the $3,500, but he refers to the amount of property which a person may own and does not refer to income. Any income is deductible from the total amount they receive, hence any amount they would receive under this bill would be deducted.

Mr. BOGGS of Louisiana. The fact remains that no one here is certain about the proposition.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. BOGGS of Louisiana. I yield to the gentleman from Montana.

Mr. MANSFIELD. In view of the Jacobs amendment, if it is agreed to, does that mean that the veteran at age 65 with a 10-percent disability will be able to get up to $75 a month?

Mr. BOGGS of Louisiana. I have no way in the world of answering that question.

Mr. HUBER. Mr. Chairman, will the gentleman yield?

Mr. BOGGS of Louisiana. I yield to the gentleman from Ohio.

Mr. HUBER. Had the committee been given ample time to discuss this, and bring in officers of the Social Security Administration as well as others, then we could have had this information on the floor of the House for the Members and would not be going at it piecemeal.

Mr. BOGGS of Louisiana. Then, according to the explanation, under the existing situation it is possible for a veteran in one State which pays a low old-age-assistance benefit to receive say $75 or whatever figure is in the bill now—I do not know what has been adopted—and in another State he might receive a much higher amount. In any event it would vary from State to State.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. CARROLL. Mr. Chairman, I offer a preferential motion.

Mr. RANKIN. Mr. Chairman, I offer a motion preferential to that. I move that the Committee do now rise.

The question was taken; and on a division (demanded by Mr. CARROLL) there were—ayes 174, noes 118.

Mr. YOUNG. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. RANKIN and Mr. YOUNG.

The Committee again divided; and the tellers reported that there were—ayes 173, noes 98.

So the motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. MCCORMACK, having resumed the chair, Mr. GORE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 2681, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. MARCANTONIO asked and was given permission to extend his remarks in the RECORD and include a letter written by him.

UPPER COLORADO RIVER BASIN COMPACT

Mr. MURDOCK. Mr. Speaker, earlier today the House passed unanimously Senate bill 790. There is an identical House bill H. R. 2325. I ask unanimous consent that the House bill be laid on the table.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

SPECIAL ORDER GRANTED

Mr. BIEMILLER. Mr. Speaker, I ask unanimous consent that on Friday, after the disposition of business on the Speaker's desk, and at the conclusion of special orders heretofore granted, I may address the House for 10 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

EXTENSION OF REMARKS

Mr. MCCARTHY asked and was given permission to extend his remarks in the RECORD and include a magazine article.

Mr. BLATNIK asked and was given permission to extend his remarks in the RECORD.

SPECIAL ORDER GRANTED

Mr. MCGRATH. Mr. Speaker, I ask unanimous consent that on Friday, after the disposition of business on the Speaker's desk, and at the conclusion of special orders heretofore granted, I may address the House for 15 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. HUGH D. SCOTT, JR., asked and was given permission to extend his remarks in the RECORD and include an editorial by Beatrice Hancock Mullaney.

Mr. MCCULLOCH asked and was given permission to extend his remarks in the RECORD and include an editorial from the Mercer County Chronicle.

HOUR OF MEETING TOMORROW

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow morning.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. MULTER] is recognized for 50 minutes.

CULTURAL AND SCIENTIFIC CONFERENCE FOR WORLD PEACE

Mr. MULTER. Mr. Speaker, this afternoon seven citizens of the Soviet Union are arriving in New York on a

very special mission after traveling 4,000 miles beyond their borders.

They have come—with the blessings of their own government and through the courtesy of ours—to attend a so-called Cultural and Scientific Conference for World Peace. Much has already been said about it in the daily press.

In any other year except 1949, we might have been able to assume that the people who sponsor, attend, and participate in this conference would be people who are interested in culture, in science, and in peace.

In any other time except this agonized era in which we live, we might be able to assume that this would be a gathering of freemen. Down through the ages, it has been the world's artists, its writers, its scientists, its thinkers, its musicians who cared for freedom above all else. In many previous dark ages, it has been these free spirits who spoke a language of liberty in their poems, plays, novels, music, art, and in their free scientific inquiry, while the ruling political powers were committed to tyranny, repression, suppression, and slavery to dogma.

But the hard fact is that today this cannot be assumed.

We live in an age where musicians, writers, and scientists must in many nations write what they are told, sing what they are told to sing, whistle what they are told to whistle, and discover what their government wants them to discover, We live in an age where many men of science and the arts must serve their state or perish.

And sadder still and more paradoxical is the fact that in our country, among others, we find artists, writers, musicians, even scientists, the traditional guardians of political and intellectual freedom, who are playing another role. They are using their great talents, their public reputations, their eminence, and their skill to destroy the climate of intellectual and political freedom in which they were born and nourished.

For many years now we have seen these conclaves under one name, then another, gathered together to serve one cause, then its direct opposite, as the Communist Party line changes, under the chairmanship and direction of a repertory company of big names. The operation of these standard Communist-front groups has become one of the standard and tiresome rituals of our time.

First there is the cause. It is usually an unvarying appeal to that deep longing that lives in all men for a just and permanent peace. Then come the sponsors. They must be people everybody knows. They must be authors everybody reads, writers of music everyone listens to, plays everyone attends, men and women serving institutions of learning that everyone respects, scientists whose great discoveries leave all men in awe of them.

These conferences open in a blaze of order and splendor. Speeches are made, songs are sung, round-table discussions grind out resolutions and decisions. Usually there is a current American political hero in attendance. Sometimes the same hero can play one or more engagements. More often last year's hero is this year's villain.

But when the conference is all over, the ordinary American picks up his morning paper and reads about what happened. And every year he gets the same impression.

This collection of American intellectuals would have us believe that the United States—which has offered to share the secret of the most destructive weapon in history, and is giving of its wealth and labor to rehabilitate other nations—will be labeled aggressor. Russia which in the past 5 years either through aggression or internal subversion has swallowed up a dozen nations—will be pictured as the pillar of peace-loving democracies. Of course, today's world is a small world. And it is not just the citizens of Brooklyn and Columbus, Ohio, and Boise, Idaho, who read about these seances. It is always big news in Europe and Asia and Africa—round the world where men can name you a dozen Americans whose books they have read, whose music they know, whose scientific theories are world renowned. Men who know the whole litany of America's men of letters and yet could not tell you the name of two Members of the Congress of the United States if they were to be awarded an electric ice box.

It will be biggest news of all behind the iron curtain, where the Soviet radio will headline for days the news that America's artists. writers, professors, and scientists have condemned America's foreign policy and applauded the policies of the Soviet Union.

Worst of all is the fact that the men in the Kremlin listen seriously to this kind of a voice from America. Of course, they know that each one of these productions is staged by American Communists; that the declarations were originally written in the Politburo, parroted on Thirteenth Street in New York and window dressed by the addition of the names of prominent Americans who know not or who care less for what purpose their reputations are used. But men who have made a craft out of the deception of others only too often come to deceive themselves.

Every sponsor likes to listen to—and believe—his own commercials.

This conference at the Waldorf-Astoria in New York, Friday, falls squarely into this same pattern.

It is just one more move on the part of international communism to capture the intellectuals of the world, to use them to serve their perverted purposes, to serve the Soviet Union in the cold war, and attempt in a head-on fashion to discredit the Atlantic Pact abroad and undermine support for its approval in this body.

Look at the list of sponsors for this conference:

Not one single prominent American intellectual who has ever been even faintly critical of any policy of the Soviet Union has been invited. Where are the outstanding champions of intellectual freedom who have opposed all totalitarianism—Nazi and Soviet alike? Where are the names of America's John Dewey, Britain's Bertrand Russell?

And who are the representatives of Russia and her satellites at this conference? Are they people who represent free art, free science, free thought, free criticism, free music? No, my friends. They are a pitiful band of victims of the Russian regime who can only survive as propagandists for it.

They arrived this afternoon, shepherded by agents of the NKVD, this time in the guise of translators—because the Soviets have learned the hard way that a high window in a building in New York City can open onto the only road to freedom that a Soviet citizen has ever seen.

It is particularly poignant that this Soviet delegation is headed by Dimitri Shostakovitch—a musician whose work has been played and applauded on its merits by the leading orchestras of the United States. This same Shostakovitch who was publicly chastised and whipped into line on admittedly political grounds in the Soviet Union. Whipped into line when the leaders of the Kremlin thought that Shostakovitch's music did not express what they thought it ought to express.

No, the men who might have represented free Russian art, free Russian science, free Russian thought, free Russian criticism, free Russian music will not be in New York. God only knows where they are. Over the years as Russian art, letters, and science were prostituted and chained to the service of the state, there were those who took their stand for freedom. To stand up for freedom meant to be liquidated. They were liquidated.

Where are they? I challenge anyone at the gathering at the Waldorf Astoria to tell us.

Where is Boris Pasternak, noted poet who was attacked for his bourgeois spirit in the postwar purge of 1946, who has had nothing published since? And where is Anna Akhamatova, the poetess so popular during the war who disappeared following attacks for bourgeois sympathies in 1946?

Where is Sergei Ruchyov, the young peasant poet, hailed as a great lyric poet in 1932 and who disappeared in 1935 accused of individualism and moral decay?

Where is Pavel Vasiliev, brilliant young poet arrested in 1934 and not heard from since?

Where is Arosev, the novelist friend of Molotov's in the days before the revolution?

Where is Victor Orlov who disappeared after writing his first and last novel which described life on the editorial staff of a big newspaper?

And where is Tarasov-Rodionov, well-known author of the 1925 novel Chocolate which described the technique of confessing guilt to serve the ends of the Communist Party. The latter was denounced 12 years after his novel appeared and has since disappeared?

And where is Mikhail Zostshenko, the great contemporary humorist?

We must broadcast to the world that this conference is under the direct sponsorship of the American Communists. We must take public notice of its cynical use of the word peace. We must call attention to the fact that these people

are taking advantage of the unparalleled freedom we—even they—enjoy in America to serve the interests of those who would stifle free expression everywhere. We must sadly face the fact that among the participants will be a few men from some of our free American churches who will be serving the ends of those who are destroying all religion.

We have reason to hope that the free light of inquiry which we are here applying to the Waldorf conference will have some effect. Certainly we cannot change what will be said there. The resolutions condemning American policy and applauding every Soviet move have already been written. Everything has been rehearsed and approved.

But it will be a smaller and sadder show than we might have expected a week ago because of the courageous action of some of our great American intellectuals banded together as Americans for Intellectual Freedom. Under the leadership of Prof. Sidney Hook and Prof. George Counts, this committee has helped to expose the Waldorf conference for what it truly is. The facts they have made public have already caused many honest Americans—who had previously been involved in the affair—to withdraw their sponsorship and participation.

Next Sunday afternoon, while all is sound and fury at the Waldorf-Astoria, Americans for Intellectual Freedom will hold a meeting of its own at Freedom House in New York to examine the problems facing all intellectuals in the world today.

From Freedom House will come the real voice of American writers and scientists—those who will not tamper with truth, who refuse to compromise with evil, who apply no double standard of political morality.

With their help, the American people and the people of other democratic nations will learn the truth. With that truth in hand, they will choose freedom every time.

Mr. BIEMILLER. Mr. Speaker, may I respectfully direct the attention of the Members of the Congress to a meeting which will take place in New York City this week under the aegis of the National Council of the Arts, Sciences, and Professions.

The title of this meeting is an imposing one, designed to attract the attention of all thoughtful citizens. It is called the Cultural and Scientific Conference on World Peace.

As one who has been proud to be identified with the liberal elements in this country, I wish to state with all the force and persuasion at my command that this meeting will actually serve neither the cause of intellectual freedom nor further the ends of world peace.

The purpose of this meeting—and again I chose my words carefully—is to serve as a sounding board for the spread of Communist doctrines. It is part of the world-wide effort mounted by the Communists in their effort to capture the minds of men.

An examination of the list of delegates discloses to any informed observer that this is no meeting dedicated to the free exchange of ideas. The list is replete with the names of Communists, Communist sympathizers, and inveterate followers of the party line. Perhaps the crucial test, the acid test of a Communist-front conference is to inquire: Among the scores of individuals who have been invited to speak, is there a single one who has been known publicly to take issue with the policies of the Soviet Union with either its suppression of civil liberties at home or with its expansionist policies abroad?

To the best of my knowledge—and I have made a careful inquiry—not a single speaker has ever differed on any public platform or ever offered any criticism of any policy of the Soviet Union.

But if more proof were wanted that this is but another of a long list of rigged Communist conferences, you have but to run through the roll of familiar names. Names whose constant association with Communist-inspired declarations serve as a warning to all men of independent thought that here is no honest search for truth, but a shameful subservience to the ends and purposes of totalitarianism.

What we shall witness at this conference will be a virtual repetition of the World Congress of Intellectuals staged at Wroclaw, Poland, last August by the Cominform. But this time the ambitious assault will be delivered from the largest city in the New World against the very intellectual freedom which has made our country the arsenal of democracy. My purpose in making these blunt statements is not to urge the suppression of this meeting. The challenge to our democratic way of life cannot be successfully met by the adoption of the weapons of our enemies.

The challenge of communism and of its many disguised fronts of which this conference is but an instance can best be met and overcome by throwing the spotlight of public opinion upon such activities. Let all of us who are dedicated to the free flow of ideas and the pursuit of truth help strip the curtain of deceit, trickery, and deception from this conference.

Mr. JAVITS. Mr. Speaker, it is very clear that this conference, designated as the Cultural and Scientific Conference for World Peace, to which the gentleman from New York [Mr. MULTER] refers is obviously "canned" in the typically Communist manner.

I ask unanimous consent at this point in the RECORD to insert the release of the Department of State on this subject, dated March 16, 1949, which is a very eloquent statement of the American position. This statement indicates that the United States is not afraid to listen to anybody. We do not feel that we can be corrupted by ideas if the ideas are bad. The Soviet Union could well learn this from us. The collapse of great powers historically has been attributed to their stubborn refusal to learn this lesson—that the ultimate trust must be in the people.

Mr. MULTER. I thank the gentleman.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York [Mr. JAVITS]?

There was no objection.

The statement referred to is as follows:

DEPARTMENT OF STATE,
March 16, 1949.
No. 148.

The Department of State, after consultation with the Department of Justice, has authorized issuance of official visas for seven Soviet citizens, two Rumanians, five Czechs, three Poles, and five Yugoslavs to attend a meeting designated as the Cultural and Scientific Conference for World Peace in New York City on March 25.

The Government of the United States has approved the issuance of these visas because of its unswerving devotion to freedom of information and free speech on any issue, however controversial it may be. As such this Government does not feel that the visa authority should be used to prevent any arrangements, however dubious certain of them may appear, for open public debate of outstanding issues. We owe it to ourselves not to prevent such arrangements, regardless of the actions and policies of other governments.

The decision to authorize the visas has been taken after due consideration of all factors involved. Among these are:

1. The American Government is fully aware of the close relationship between this conference and the so-call World Congress of Intellectuals held in Wroclaw, Poland, in August 1948. At this conference it was entirely clear that none of the cultural leaders of eastern Europe were free to express any view other than that dictated by the political authorities in Moscow. None of them will be free at the present conference.

2. The American Government entertains no illusions as to the manner in which the Communists will attempt to use and manipulate the present conference.

3. Moreover, the American Government is not unmindful of the action of the Union of Soviet Socialist Republics in ignoring the representations of the American Embassy at Moscow on repeated occasions concerning cultural interchange between our two countries. Information on this subject was given to the press on February 19, 1947. Numerous further incidents of this kind have occurred. The American Government is also not unmindful of the discrimination against United States citizens in other eastern European countries. They have frequently been denied access on legitimate business, journalistic, educational or cultural assignments.

4. It may be pointed out that the Soviet Government has frequently failed even to answer visa applications by high American officials in the past.

5. It is hoped that the door will be opened for ultimate understanding between and among all peoples. This will be possible only when the people under totalitarian regimes are able to bring to bear upon their governments a disposition to relax the barriers that now separate and isolate them from the rest of the world.

Mr. DOLLINGER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DOLLINGER. Mr. Speaker, there is a tendency on the part of many Americans to assume that any sort of phenomenon, no matter where it occurs, can be explained in purely American terms. It is extremely difficult for us to realize

that, for example, the differences between ourselves and the Soviet dictatorship are not merely differences of custom or language or even of ideology. Rather, they are differences of mental processes, of ethics, or morality, of the very meanings of words, so that such words as "peace" and "freedom" and "democracy" can no longer be translated from one language to the other and be expected to retain the same meaning.

It is even more difficult for Americans to realize that some of their fellow citizens have chosen, for whatever reason, to cast their lives in a mold fashioned in Moscow, and thenceforward to devote their lives to serving whatever purpose is decreed for them by their masters.

And so, when we read that a cultural and scientific conference for world peace is to be held at a great hotel in New York City, many of us merely shrug our shoulders, and if we have been informed that this conference is being sponsored by the National Committee of the Arts, Sciences, and Professions, we may give it only a passing thought. Even when we are told that this organization has a long record of support of the Communist Party line, and that this conference is being organized and run by the same people who stage-managed a notorious Congress of Intellectuals in Poland last summer, many of us are disposed to dismiss the whole affair as insignificant and unimportant. But it is really so? Is this conference merely a get-together of Communists and fellow travelers, or is it something more? Let us examine the facts:

The first fact that strikes us about this conference is that it is being run on a more lavish and impressive scale than is usual for such meetings. Soviet citizens do not leave their country merely by applying for a passport and booking passage; they must go through a far more complicated routine of being checked and rechecked for their loyalty to the Communist state before they are permitted to go abroad. Victor Kravchenko in his book, I Chose Freedom, has written of the precautions, the tests and safeguards adopted by the Soviet Government to insure the return of even the most important officials from missions to other countries. Only on most urgent state business are Russians permitted to pass through the iron curtain.

And so when we learn that seven Soviet delegates will attend this conference, we become aware that the Kremlin must attach considerable importance to this gathering. And, while it is true that the most distinguished names in the American arts, sciences, and professions are absent from the roster of the conference, the Soviet Government has obligingly sent us its most famous composer, Dmitri Shostakovitch. Of course, Comrade Shostakovitch has been in hot water in his native land on several occasions because his music was not considered sufficiently pro-Soviet, but we may be sure that this Government has taken steps to guarantee both his return and the orthodoxy of the statements he will make here. It is reputed that two members of the delegation are members of the secret police, and they will undoubtedly keep their comrades in line.

Why should the Soviet Government send its star performers to what is, after all, a second-rate production? I think a possible answer is that this conference, in addition to its obvious value as a propaganda weapon and a recruiting ground for fellow travelers, is a desperate effort to regain some of the ground that the Cominform has lost in recent months. The European recovery program and the North Atlantic security pact have demonstrated to the world our determination to sacrifice and, if necessary, to fight for freedom and democracy. The Communists hope to answer this challenge by showing that so-called capitalist countries are torn with internal dissension.

This is not mere speculation. At last year's meeting in Poland, to which I have already referred, Alexander Fadeev, the Soviet delegate, who, incidentally, will also attend the conference in New York, made a long and violent attack upon the United States. He openly declared that the democratic, anti-Fascist, anti-imperialist camp led by the Soviet Union had its adherents in each of the capitalist countries. His inference was as plain as the more recent statements by Communists in France, Italy, Britain, and the United States that they would side with the Soviet Union in the event of war.

It is clear that Stalin and his cohorts are concerned by the growing solidarity of the democratic forces opposing them and that they are throwing all their resources into an effort to split these forces through the use of Communists and their unwitting dupes. I firmly believe this effort is doomed to failure, but it will fail only when we have succeeded in exposing the true nature of Communist fronts and transmission belts.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 21 minutes p. m.), under its previous order, the House adjourned until tomorrow, Thursday, March 24, 1949, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

441. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Export-Import Bank of Washington for the fiscal year ended June 30, 1948 (H. Doc. No. 139); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

442. A letter from the Attorney General, transmitting a request that the cases of Maria Moldovan and her children, Maria and Emil, A-6242721-2-3, CR 22916, be deleted from a list of 66 cases transmitted to the Congress on March 1, 1949, which involved suspension of deportation; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KERR: Committee on Appropriations. H. R. 3734. A bill making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1950, and for other purposes; with amendments (Rept. No. 307). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. H. R. 2859. A bill to authorize the sale of public lands in Alaska; with amendments (Rept. No. 308). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. H. R. 3259. A bill to add to the Abraham Lincoln National Historical Park, Ky., certain land acquired by the United States for that purpose; without amendment (Rept. No. 309). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITTINGTON: Committee on Public Works. H. R. 3662. A bill to provide for comprehensive planning, for site acquisition in and outside of the District of Columbia, and for the design of Federal building projects outside of the District of Columbia; to authorize the transfer of jurisdiction over certain lands between certain departments and agencies of the United States, and to provide certain additional authority needed in connection with the construction, management, and operation of Federal public buildings; and for other purposes; without amendment (Rept. No. 310). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURDOCK: Committee on Public Lands. H. R. 1770. A bill to amend the Reclamation Project Act of 1939, and for other purposes; with amendments (Rept. No. 311). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MILLS:

H. R. 3735. A bill to amend the Internal Revenue Code with reference to the tax on toilet preparations; to the Committee on Ways and Means.

By Mr. O'HARA of Minnesota:

H. R. 3736. A bill to amend the Internal Revenue Code with reference to the tax on toilet preparations; to the Committee on Ways and Means.

By Mr. BENNETT of Florida:

H. R. 3737. A bill to amend the Hospital Survey and Construction Act (title VI of the Public Health Service Act), to extend its duration and provide greater financial assistance in the construction of hospitals, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CANNON:

H. R. 3738. A bill to amend the Federal Crop Insurance Act with respect to the payment of claims for losses; to the Committee on Agriculture.

By Mr. WALSH:

H. R. 3739. A bill to amend section 207 of the Legislative Reorganization Act of 1946 to authorize payment of claims arising from correction of military or naval records; to the Committee on Armed Services.

By Mr. WALTER:

H. R. 3740. A bill to continue until the close of June 30, 1950, the present suspension of import duties on scrap iron, scrap steel, and nonferrous metal scrap; to the Committee on Ways and Means.

By Mr. BROOKS:

H. R. 3741. A bill for the purpose of erecting in Coushatta, La., a post-office building; to the Committee on Public Works.

H. R. 3742. A bill for the purpose of erecting in Cotton Valley, La., a post-office building; to the Committee on Public Works.

H. R. 3743. A bill for the purpose of erecting in Logansport, La., a post-office building; to the Committee on Public Works.

H. R. 3744. A bill for the purpose of erecting in Minden, La., a post-office building; to the Committee on Public Works.

H. R. 3745. A bill for the purpose of erecting in Bossier City, La., a post-office building; to the Committee on Public Works.

H. R. 3746. A bill for the purpose of erecting in Shreveport, La., a post-office building; to the Committee on Public Works.

H. R. 3747. A bill for the purpose of erecting in Springhill, La., a post-office building; to the Committee on Public Works.

By Mr. KEE:

H. R. 3748. A bill to amend the Economic Cooperation Act of 1948; to the Committee on Foreign Affairs.

H. R. 3749. A bill to provide for the issuance of a special postage stamp in commemoration of the establishment of the Great Kanawha River Basin flood-control plan; to the Committee on Post Office and Civil Service.

By Mr. LEMKE:

H. R. 3750. A bill to promote the rehabilitation of the Standing Rock Sioux Tribe of Indians and better utilization of the resources of the Standing Rock Indian Reservation, and for other purposes; to the Committee on Public Lands.

H. R. 3751. A bill to transfer a tower located on the Lower Souris National Wildlife Refuge to the International Peace Garden, Inc., North Dakota; to the Committee on Merchant Marine and Fisheries.

By Mr. MULTER:

H. R. 3752. A bill to extend the time for initiating recommendations for certain military and naval decorations for acts performed during World War II; to the Committee on Armed Services.

By Mr. NICHOLSON:

H. R. 3753. A bill relating to the eligibility for pensions of the widows of certain veterans of the war with Spain; to the Committee on Veterans' Affairs.

By Mr. PETERSON:

H. R. 3754. A bill providing for the temporary deferment in certain unavoidable contingencies of annual assessment work on mining claims held by location in the United States; to the Committee on Public Lands.

By Mr. SADOWSKI:

H. R. 3755. A bill to protect consumers and others against misbranding, false advertising, and false invoicing of fur products and furs; to the Committee on Interstate and Foreign Commerce.

By Mr. JACKSON of California:

H. R. 3756. A bill to amend the Civil Service Retirement Act of May 29, 1930, to provide that the annuities of certain officers and employees engaged in the enforcement of the criminal laws of the United States shall be computed on the basis of their average basic salaries for any five consecutive years of allowable service; to the Committee on Post Office and Civil Service.

By Mr. STOCKMAN:

H. R. 3757. A bill to permit Commodity Credit Corporation to acquire real property for the purpose of providing storage for agricultural commodities close to farms where such commodities are grown; to the Committee on Banking and Currency.

By Mr. TOWE:

H. R. 3758. A bill relating to the nomination of candidates for appointment as cadets at the United States Military Academy and as midshipmen at the United States Naval Academy; to the Committee on Armed Services.

By Mr. THORNBERRY:

H. R. 3759. A bill to credit for the purpose of determining eligibility for promotion all service performed by employees of the postal service who are transferred from one position to another within the service; to the Committee on Post Office and Civil Service.

By Mr. BOYKIN:

H. R. 3760. A bill to provide for a preliminary examination and survey of channel in Heron Bay, Ala.; to the Committee on Public Works.

By Mr. YOUNG:

H. R. 3761. A bill to readjust the tax rates applicable to corporation net incomes in order to impose a lesser tax burden on small corporations; to the Committee on Ways and Means.

By Mr. BRYSON:

H. R. 3762. A bill to amend title 18, entitled "Crimes and Criminal Procedure," and title 28, entitled "Judiciary and Judicial Procedure," of the United States Code, and for other purposes; to the Committee on the Judiciary.

By Mr. GOSSETT:

H. R. 3763. A bill to limit the removal of civil actions from State to Federal courts; to the Committee on the Judiciary.

By Mr. KLEIN:

H. R. 3764. A bill to promote the general welfare of the people of the United States by establishing a publicly supported labor-extension program for wage and salary earners, and for other purposes; to the Committee on Education and Labor.

By Mr. LOVRE:

H. R. 3765. A bill to promote the rehabilitation of the Sisseton-Wahpeton Sioux Tribe of Indians and better utilization of the resources of the Sisseton Reservation, and for other purposes; to the Committee on Public Lands.

By Mr. BOGGS of Louisiana:

H. R. 3766. A bill to prohibit the picketing of courts; to the Committee on the Judiciary.

By Mr. JUDD:

H. R. 3767. A bill to amend the China Aid Act of 1948; to the Committee on Foreign Affairs.

By Mr. POTTER:

H. J. Res. 202. Joint resolution to amend the act of August 8, 1946, relating to investigation and eradication of predatory sea lampreys of the Great Lakes, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. DOUGHTON:

H. J. Res. 203. Joint resolution to maintain the status quo with respect to the exemption, from the tax on transportation of persons, of foreign travel via Newfoundland; to the Committee on Ways and Means.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to the establishment of an Air Force Academy; to the Committee on Armed Services.

Also, memorial of the Legislature of the State of Idaho, memorializing the President and the Congress of the United States to make available funds necessary for the completion of an unfinished part of United States Highway No. 93, extending from Ketchum, Idaho, to the Montana line; to the Committee on Public Works.

Also, memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to make certain changes in the Displaced Persons Act of 1948; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Michigan, memorializing the President and the Congress of the United States to enact legislation to aid cigarette-taxing States in the enforcement of their cigarette-tax laws, now evaded by use of the United States mails; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Montana, requesting that careful consideration be given to the present condition of the gold-mining industry with a view to securing a substantial increase in the price of gold; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the State of Montana, relating to the liquidation of the trusts under the transfer agreements with State rural rehabilitation corporations; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Nebraska, memorializing the President and the Congress of the United States to continue the light horse breeding program at Fort Robinson Military Reservation; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Oregon, memorializing the President and the Congress of the United States to repeal the acts imposing excise taxes on transportation; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Texas, memorializing the President and the Congress of the United States to go on record as being strongly opposed to the completion of the Great Lakes-St. Lawrence seaway and power project; to the Committee on Public Works.

Also, memorial of the Legislature of the State of Utah, memorializing the President and the Congress of the United States to oppose the federalization of the National Guard of the United States and the National Guard of the several States, Territories, and the District of Columbia in whole or in part; to the Committee on Armed Services.

Also, memorial of the Legislature of the State of Washington, memorializing the President and the Congress of the United States that the Postmaster General issue suitable commemorative postage stamps recognizing and honoring the Olympic National Park; to the Committee on Post Office and Civil Service.

Also, memorial of the Legislature of the State of Washington, memorializing the President and the Congress of the United States to repeal all existing laws placing the sale of liquor to Indians on any different ground than the sale of liquor to persons generally; to the Committee on Public Lands.

Also, memorial of the Legislature of the State of Washington, commending the President for his courageous fight in behalf of the health of the people of our country; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of Washington, memorializing the President and the Congress of the United States to make the necessary funds available for the completion of a highway across the Quinault Indian Reservation; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of Washington, memorializing the President and the Congress of the United States that the Postmaster General issue suitable commemorative postage stamps recognizing and honoring the Ballard locks; to the Committee on Post Office and Civil Service.

Also, memorial of the Legislature of the State of Washington memorializing the President and the Congress of the United States that the Postmaster General issue suitable commemorative postage stamps recognizing and depicting the landing of our pioneers from the schooner *Exact* at Alki Point; to the Committee on Post Office and Civil Service.

Also, memorial of the Legislature of the Territory of Alaska, urging the appropriation of funds for the improvement of the Ketchikan, Alaska, waterfront; to the Committee on Appropriations.

Also, memorial of the Legislature of the Territory of Alaska, urging that Congress authorize the Alaska Road Commission, when engaged in surfacing or hard-topping any highway that enters a town, to continue said surfacing and hard-topping of said highway within the corporate limits of said town; to the Committee on Public Lands.

Also, memorial of the legislature of the Territory of Alaska, urging that a study be made with the view of establishing an institution in Alaska for Alaska's insane; to the Committee on Public Lands.

Also, memorial of the Legislature of the Territory of Alaska, urging the enactment of legislation to empower the United States Supreme Court to make the Federal Rules of Civil Procedure applicable to Alaska; to the Committee on the Judiciary.

Also, memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States to proceed with the utmost expedition in the construction of a Federal building in Wailuku, Maui; to the Committee on Public Works.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DONDERO:

H. R. 3768. A bill for the relief of Mrs. Justa G. Vda. de Guido, Belen de Guido, Mulia de Guido, and Oscar de Guido; to the Committee on the Judiciary.

By Mr. GRANGER:

H. R. 3769. A bill for the relief of Doris M. Faulkner; to the Committee on the Judiciary.

By Mr. KLEIN:

H. R. 3770. A bill for the relief of Mrs. Helen B. Kolodkin; to the Committee on the Judiciary.

H. R. 3771. A bill for the relief of Mrs. Marie Gulbenkian; to the Committee on the Judiciary.

By Mr. McDONOUGH:

H. R. 3772. A bill for the relief of Mrs. Ethel Cavanaugh; to the Committee on the Judiciary.

By Mr. TAURIELLO:

H. R. 3773. A bill for the relief of Boleslaw Tadeusz Szczanowski; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

319. By Mr. ELSTON: Petition of Ben Irvin Torf and 37 other residents of Cincinnati, Ohio, and vicinity, urging repeal of the 20-percent excise tax on toilet goods; to the Committee on Ways and Means.

320. By Mr. GOODWIN: Memorial of the City Council of the City of Worcester, Mass., requesting a proclamation by the President making October 11 General Pulaski's Memorial Day; to the Committee on the Judiciary.

321. By Mr. KEOGH: Petition requesting a courthouse building for the eastern district of New York; to the Committee on Public Works.

322. By Mr. LeCOMPTE: Petition of Charles B. Simpson and sundry other citizens of Ottumwa, Iowa, representing the United Packinghouse Workers, expressing interest in S. 249, a bill to repeal the Fair Labor Standards Act, and supporting 100-percent parity for farmers; to the Committee on Education and Labor.

323. By Mr. TOWE: Petitions of 67 residents of Closter, N. J., and 77 residents of Fairview and Cliffside, N. J., urging repeal of the 20-percent excise tax on toilet goods; to the Committee on Ways and Means.

324. By the SPEAKER: Petition of J. E. Allen, secretary, District of Columbia Society of the Sons of the American Revolution, Washington, D. C., petitioning consideration of their resolution with reference to the Displaced Persons Act and vigorously urging that no further impairment or deterioration of our immigration laws be made by general or special legislation, unused quotas, Executive orders, or otherwise; to the Committee on the Judiciary.

325. Also, petition of John C. Snowhook, Santa Monica, Calif., petitioning consideration of his resolution with reference to his proposed law for the protection of the Treasury on mints and our citizens; to the Committee on Banking and Currency.

326. Also, petition of Anthony Vazzano, clerk, Lorain City Council, Lorain, Ohio, petitioning consideration of their resolution with reference to approving the General Pulaski's Memorial Day resolution now pending in Congress; to the Committee on the Judiciary.

327. Also, petition of Charles H. Nutting, secretary, Fifth Congressional District Townsend clubs, Daytona Beach, Fla., asking that a uniform national insurance program be enacted; to the Committee on Ways and Means.

328. Also, petition of Jean Boyce Harber and others, Miami, Fla., asking for the passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

329. Also, petition of W. F. Jury and others, Miami, Fla., asking for the passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

330. Also, petition of Mrs. Rose Koons and others, Tampa, Fla., asking for the passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

331. Also, petition of Mrs. Mathilda McNaughten and others, Miami, Fla., asking for the passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

332. Also, petition of Leroy A. Clark and others, Miami, Fla., asking for the passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

333. Also, petition of W. A. Bloom and others, Tampa, Fla., asking for the passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

SENATE

THURSDAY, MARCH 24, 1949

(Legislative day of Friday, March 18, 1949)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O God, before whom the long travail of the passing centuries is wrought out, and who hast ushered us into this strange world where no good thing comes to its coronation save as we fulfill the conditions of its coming, strengthen us for the high enterprise of building here a more decent habitation for Thy family. Across the waste places use our frail and faltering hands to help throw up a highway for our God. May our free land throned in richness between the seas, coming to the kingdom for such a time as this, dedicate her privilege and her might as the servants of the spiritual life of this people and as the foe of tyranny and the bulwark of liberty in all the earth. In the Redeemer's name we ask it. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, March 23, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF A BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on March 23, 1949, the President had approved and signed the act (S. 634) to authorize payment of certain claims for damage to or loss or destruction of property and personal injury arising from activities of the Army.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 1731) to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SPENCE, Mr. BROWN of Georgia, Mr. PATMAN, Mr. MONRONEY, Mr. WOLCOTT, Mr. GAMBLE, and Mr. KUNKEL were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 2101) to authorize the Regional Agricultural Credit Corporation of Washington, D. C., to make certain disaster or emergency loans, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. COOLEY, Mr. GRANGER, Mr. PACE, Mr. HOPE, and Mr. AUGUST H. ANDRESEN were appointed managers on the part of the House at the conference.

REPORT OF RAILROAD RETIREMENT BOARD

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Labor and Public Welfare:

To the Congress of the United States:

In compliance with the provisions of section 10 (b) (4) of the Railroad Retirement Act, approved June 24, 1937, and of section 12 (1) of the Railroad Unemployment Insurance Act, approved June 25, 1938, I transmit herewith for the information of the Congress, the report of the Railroad Retirement Board for the fiscal year ended June 30, 1948.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 24, 1949.*

DISPOSITION OF EXECUTIVE PAPERS

The PRESIDENT pro tempore laid before the Senate a letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents in the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition, which, with the accompanying papers, was referred to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the committee on the part of the Senate.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Holland	Mundt
Anderson	Humphrey	Murray
Baldwin	Hunt	Myers
Brewster	Ives	Neely
Bricker	Jenner	O'Conor
Bridges	Johnson, Colo.	O'Mahoney
Butler	Johnson, Tex.	Pepper
Byrd	Johnston, S. C.	Reed
Capehart	Kefauver	Robertson
Chapman	Kem	Russell
Chavez	Kerr	Saltonstall
Connally	Kilgore	Schoeppel
Cordon	Knowland	Smith, Maine
Donnell	Langer	Smith, N. J.
Douglas	Lodge	Sparkman
Downey	Long	Stennis
Ecton	Lucas	Taft
Ellender	McCarran	Taylor
Ferguson	McCarthy	Thomas, Okla.
Flanders	McClellan	Thomas, Utah
Frear	McFarland	Tobey
Fulbright	McGrath	Tydings
George	McKellar	Vandenberg
Gillette	McMahon	Watkins
Green	Magnuson	Wherry
Gurney	Malone	Wiley
Hayden	Martin	Williams
Hendrickson	Maybank	Withers
Hickenlooper	Miller	Young
Hill	Millikin	
Hoey	Morse	

Mr. MYERS. I announce that the Senator from Mississippi [Mr. EASTLAND] is absent on public business.

The Senator from New York [Mr. WAGNER] is necessarily absent.

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Minnesota [Mr. THYE] are absent by leave of the Senate.

The VICE PRESIDENT. Ninety-one Senators having answered to their names, a quorum is present.

ANNOUNCEMENT AS TO PROGRAM

Mr. LUCAS. Mr. President, the pending measure to extend the European Recovery Act is of tremendous importance to the country and the world. As every Senator knows, the present law on the subject expires on April 3. It is the hope of the majority leader and Members on the majority side that we may complete action on the bill by tomorrow afternoon. I want to make the announcement that if action on the bill is not completed either today or tomorrow we will have a night session tomorrow evening and endeavor to complete action on the bill, after which we will take a recess until Monday. I make that announcement now so that Senators will understand what the program is.

LEAVES OF ABSENCE

Mr. KEFAUVER asked and obtained consent to be absent from the Senate tomorrow on official business.

Mr. SCHOEPPEL asked and obtained consent to be absent from the Senate tomorrow and Saturday of this week.

Mr. BALDWIN asked and obtained consent to be absent from the session of the Senate tomorrow.

TRANSACTION OF ROUTINE BUSINESS

The VICE PRESIDENT. If it is agreeable to the Senate, and there is no objection, the Chair will recognize Senators to place in the RECORD routine matters and introduce bills and joint resolutions before the Senate begins the debate on the pending measure. The Chair hears no objection.

CHARGES AGAINST OFFICIALS OF BUREAU OF RECLAMATION—LETTER FROM SENATOR DOWNEY TO SENATOR McKELLAR

Mr. DOWNEY. Mr. President, this morning I wrote a letter to the distinguished senior Senator from Tennessee [Mr. McKELLAR] concerning the controversy over the so-called Boke-Straus amendment. With the consent of the Senator from Tennessee, I desire to read it into the RECORD now. The letter is as follows:

MARCH 24, 1949.

Hon. KENNETH MCKELLAR,
Chairman, Senate Appropriations Committee, Washington, D. C.

MY DEAR SENATOR: When I recently appeared before your subcommittee at hearings on the first deficiency appropriation bill, 1949, I was patiently allowed to state a large variety of charges against officials of the Bureau of Reclamation and to present supporting proof of such charges. In all, I believe I occupied the attention of yourself and your committee members for a period of about 8 hours. Even so, I was able to present but a small portion of the material now in my possession showing, as I confidently believe, widespread waste and corruption in the Bureau operations. It is my opinion that at least a hundred charges of various kinds of serious malfeasance could be presented against the Bureau's personnel and that an exhaustive examination of such charges would occupy the attention of any investigating group for more than a year's time.

Manifestly, the burden of such a hearing cast upon the shoulders of Senators already confronted with obligations beyond the limits of their time and energies is an impossible one for them to carry. I, therefore, have this suggestion respectfully to present to you and your committee members.

During the last month and largely since I began my testimony before your committee, I have come into possession of convincing evidence of grossly inefficient operations of the Bureau, in the State of California, covering three entirely different segments of its operations. All such operations of the Bureau reveal conduct by the Bureau representatives so corrupt that their revelation should convince both the congressional and executive representatives of our Government that a cleansing of dishonest and subversive individuals in the Bureau is imperatively required. I would, therefore, like to suggest that I be allowed to appear before your committee for the following purpose and under the following conditions:

I will undertake to present to the committee what I consider wholly undeniable proof of serious misconduct in Bureau operations in one of the three segments of its activities which I have already mentioned. Such an examination, in my opinion, will clearly reveal misrepresentation to Congress of official information; suppression of official reports of an important and relevant nature on present projects; wasteful expenditures of governmental funds, currently running into tens of millions of dollars annually; corrupt plans of the Bureau to burden the Federal Government and/or the farmers, power users, and citizens of California with unnecessary expenditures amounting to at least $100,000,000; the issuance of dishonest and far-flung propaganda to achieve improper aims; vicious lobbying activities in direct violation of the Federal statute against lobbying by officials of the executive branch of the Government; and the operation of subversive individuals both within and without the Government in connection with such activities.

If my charges are sustained, it will prove such a pattern of wasteful, inefficient, dishonest, and subversive activities on the part of top-flight officials in the Department of the Interior and Bureau of Reclamation as to clearly demonstrate the imperative necessity of removing such officials from the employment of the Federal Government and eliminating the methods and means by which they have been operating.

May I further suggest that if a hearing such as I am here requesting is arranged, that it be before the full Appropriations Committee, that members of the Senate Committees on Interior and Insular Affairs, and Expenditures in the Executive Departments, as well as members of the House Appropriations Committee, be invited to attend. Furthermore, may I respectfully recommend that Secretary Krug and Commissioner Straus be allowed to be present when I present my testimony and either directly through their own attorney, or by other Senators, submit to me such questions as they may deem advisable. I believe likewise that all of the witnesses including myself should be placed under oath and subject to the penalty of perjury if there is any misstatement of facts.

If such a hearing is arranged and proof is submitted of the charges to be made, convincing the committee members of the guilt of Bureau or Interior officials, beyond a reasonable doubt, then I shall urge upon the committee that it recommend to the House of Representatives bills of impeachment against all conspiring officials and that the committee lay before the Attorney General the facts developed along with the committee's findings with a recommendation that he undertake an investigation toward the prosecution of such individuals.

In view of the fact that the present wasteful and improvident operations of the Bureau officials are currently costing the Government and our citizens many thousands of dollars a day, may I respectfully urge that if this hearing is to take place it should be arranged at the earliest possible date.

Your consideration is indeed appreciated.

Sincerely,

SHERIDAN DOWNEY.

GENERAL PULASKI'S MEMORIAL DAY—RESOLUTION OF BOARD OF ALDERMEN OF MELROSE, MASS.

Mr. LODGE. Mr. President, on behalf of the senior Senator from Massachusetts [Mr. SALTONSTALL] and myself, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Board of Aldermen of the City of Melrose, Mass., favoring the enactment of

legislation proclaiming October 11 of each year as General Pulaski's Memorial Day.

There being no objection, the resolution was referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Resolution relative to the General Pulaski's Memorial Day resolution now pending in Congress

Whereas a resolution providing for the President of the United States of America to proclaim October 11 of each year as General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski is now pending in the present session of the United States Congress; and

Whereas the 11th day of October 1779 is the date in American history of the heroic death of Brig. Gen. Casimir Pulaski, who died from wounds received on October 9, 1779, at the siege of Savannah, Ga.; and

Whereas the States of Arkansas, California, Connecticut, Delaware, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, Nevada, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, West Virginia, Wisconsin, and other States of the Union, through legislative enactment designated October 11 of each year as General Pulaski's Memorial Day; and

Whereas it is fitting that the recurring anniversary of this day be commemorated with suitable patriotic and public exercises in observing and commemorating the heroic death of this great American hero of the Revolutionary War; and

Whereas the Congress of the United States of America has by legislative enactment designated from October 11, 1929, to October 11, 1946, to be General Pulaski's Memorial Day in United States of America: Now, therefore, be it

Resolved by the Board of Aldermen of the City of Melrose, Mass.:

1. That we hereby memorialize and petition the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in the United States Congress.

2. That certified copies of this resolution, properly authenticated, be sent forthwith to the President of the United States, the Vice President of the United States, the two United States Senators from the State of Massachusetts, and to the Representative in Congress from the Eighth Congressional District of the State of Massachusetts.

Passed March 7, 1949.

FRANK B. MCLAUGHLIN,
President of the Board of Aldermen.

Approved March 16, 1949.

THOMAS L. THISTLE,
Mayor.

WISCONSIN RED-CHERRY INDUSTRY

Mr. WILEY. Mr. President, I send to the desk an important letter which I have received from leaders in the Wisconsin red-cherry industry, representing over 1,000 growers of the famed Wisconsin product. This letter protests against injurious provisions of the wage-hour bill now pending before the House of Representatives and points out the grave implications of the bill. I ask unanimous consent that the letter be printed in the RECORD at this point for the attention of my colleagues and that it be appropriately referred.

There being no objection, the letter was referred to the Committee on Labor and Public Welfare and ordered to be printed in the RECORD, as follows:

REYNOLDS BROS., INC.,
Sturgeon Bay, Wis., March 18, 1949.

Senator ALEXANDER WILEY,
United States Senate,
Washington, D. C.

DEAR SENATOR: The Lesinski bill (H. R. 3190), which will soon come before Congress, has come to the attention of and has been thoroughly studied by all of us who are interested in the red-cherry industry of Door County. In this letter we are speaking for the more than 1,000 growers, all of the cherry processors, and many of the workers who look to us for work in the orchards and factories each season.

H. R. 3190 proposes a workweek which we sincerely believe is unfair to growers, processors, and workers alike. Each succeeding year finds us faced with an increased scarcity of persons available for cherry harvesting, canning, cold packing, shipping, and all of the various other problems we are forced to meet in this seasonal industry.

In this county, where 43,000,000 pounds of cherries were grown and packed this year, and where there is a potential crop of more than 50,000,000 pounds always in the offing, we have, through the years good and bad alike, tried to provide facilities in the way of processing plants, sleeping quarters, dining halls, etc., to care for the many thousands of workers who must be used during the short peak period. If for any reason we are forced to put on a double crew for even a part of any operation we are certain that the housing and feeding facilities will be inadequate for the number of employees needed. To even try to attempt to provide more facilities for this short 3- to 4-week period would be entirely unjustified and would be a tremendous additional expense which the growers of Door County should not be forced to consider.

We have stated that the work that we have here is of a short duration and has a peak rush at the time it is going on. Practically all of the workers who have enjoyed this work during the past years have each year looked forward to the opportunity to put in the usual longer canning-factory hours, so that in a short time they can make good money, which they can use for their further education, clothing, payment of back bills, and many other necessary and highly commendable purposes. They should not be deprived of this opportunity.

H. R. 3190 calls for a minimum wage of 75 cents which we wish to discuss. During the last few years, when crops have been good and prices have been high, this wage and even higher wages have been paid to the workers. However, when prices recede for any reason, this industry should not be faced with a minimum wage which might prove disastrous. If this wage minimum were based only on present existing conditions, we do not believe there would be much objection to it. On the other hand, the minimum wage should not be put at a figure which will make it impossible to lower costs when incomes from agricultural crops are lowered.

Practically all of the cherries that are grown in Door County, Wis., are marketed by the growers through organizations and processors who make returns to the cherry growers on a cooperative basis. This means that the more the cherries sell for the more the growers receive for the raw product. It also means that the higher the costs are, the more must be charged back to the grower, and, therefore, the less he will receive in return for his year's work.

This entire matter has been thoroughly and sincerely studied by all of us. It is our firm belief that it is fundamentally wrong and should be for that reason fought with the utmost vigor. We want you to fight against the passing of this bill, and we want you to fight vigorously. We want to count on your support.

Sincerely,

REYNOLDS BROTHERS, INC.,
By D. W. REYNOLDS.
FRUIT GROWERS COOPERATIVE,
By HARRY A. OLSON.
GOLDMAN FOODS, INC.,
By SAM GOLDMAN.
MARTIN ORCHARDS, INC.,
By H. L. THENELL,
Treasurer.
M. W. MILLER & CO.,
By M. W. MILLER,
President.

GENERAL PULASKI'S MEMORIAL DAY—RESOLUTIONS OF CITY COUNCIL OF ST. PAUL AND COMMON COUNCIL OF WINONA, MINN.

Mr. HUMPHREY. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD resolutions adopted by the City Council of St. Paul and the Common Council of Winona, both in the State of Minnesota, favoring the enactment of legislation proclaiming October 11 of each year as General Pulaski's Memorial Day.

There being no objection, the resolutions were referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Resolution memorializing the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day

Whereas a resolution providing for the President of the United States of America to proclaim October 11 of each year as General Pulaski Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski, is now pending in the present session of the United States Congress; and

Whereas the 11th day of October 1779 is the date in American history of the heroic death of Brig. Gen. Casimir Pulaski, who died from wounds received on October 9, 1779, at the siege of Savannah, Ga.; and

Whereas the States of Arkansas, California, Connecticut, Delaware, Illinois, Indiana, Kentucky, Louisiana, Maryland, Kansas, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, Nevada, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, West Virginia, Wisconsin, and other States of the Union, through legislative enactment designated October 11 of each year as General Pulaski's Memorial Day; and

Whereas it is fitting that the recurring anniversary of this day be commemorated with suitable patriotic and public exercises in observing and commemorating the heroic death of this great American hero of the Revolutionary War; and

Whereas the Congress of the United States of America has by legislative enactment designated October 11, 1929, October 11, 1931, October 11, 1932, October 11, 1946, to be General Pulaski's Memorial Day in the United States of America: Now, therefore, be it

Resolved by the Common Council of the City of St. Paul and the State of Minnesota in session assembled:

SECTION 1. That we hereby memorialize and petition the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in the United States Congress.

SEC. 2. That certified copies of this resolution, properly authenticated, be sent forthwith to the President of the United States,

the Vice President of the United States, the Speaker of the House of Representatives of the United States, and each of the United States Senators and Representatives from Minnesota.

Adopted by the council January 19, 1949.
Approved January 19, 1949.

FRED M. TRUAX,
Acting Mayor.

Resolution memorializing the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in Congress

Whereas a resolution providing for the President of the United States of America to proclaim October 11 of each year as General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski is now pending in the present session of the United States Congress; and

Whereas the 11th day of October 1779 is the date in American history of the heroic death of Brig. Gen. Casimir Pulaski, who died from wounds received on October 9, 1779, at the siege of Savannah, Ga.; and

Whereas the States of Arkansas, California, Connecticut, Delaware, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, Nevada, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, West Virginia, Wisconsin, and other States of the Union, through legislative enactment designating October 11 of each year as "General Pulaski's Memorial Day"; and

Whereas it is fitting that the recurring anniversary of this day be commemorated with suitable patriotic and public exercises in observing and commemorating the heroic death of this great American hero of the Revolutionary War; and

Whereas the Congress of the United States of America has by legislative enactment designated from October 11, 1929, to October 11, 1946, to be General Pulaski's Memorial Day in United States of America: Now, therefore be it

Resolved by the Common Council of the City of Winona and State of Minnesota:

SECTION 1. That we hereby memorialize and petition the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in the United States Congress.

SEC. 2. That certified copies of this resolution, properly authenticated, be sent forthwith to the President of the United States, the Vice President of the United States, and each of the United States Senators and Representatives from Minnesota.

Adopted at Winona, Minn., this 21st day of February 1949.

W. D. THEMER,
President of the City Council.

Approved February 21, 1949.

JOHN DRUEY, *Mayor.*

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. GEORGE, from the Committee on Finance:

S. 1185. A bill to provide that all employees of the Veterans' Canteen Service shall be paid from funds of the Service, and for other purposes; with an amendment (Rept. No. 155).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. YOUNG:

S. 1384. A bill to authorize the transfer of a tower located on the Lower Souris National Wildlife Refuge to the International Peace Garden, Inc.; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of Colorado (for himself and Mr. MILLIKIN):

S. 1385. A bill providing that excess-land provisions of the Federal reclamation laws shall not apply to certain lands that will receive a supplemental water supply from the San Luis Valley project, Colorado; to the Committee on Interior and Insular Affairs.

By Mr. BREWSTER:

S. 1386. A bill to authorize the exchange of certain private and Federal properties within the authorized boundaries of Acadia National Park, in the State of Maine, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. McMAHON:

S. 1387. A bill to provide for designation of the United States Veterans' Administration hospital to be constructed at West Haven, Conn., as the John D. Magrath Memorial Veterans Hospital; to the Committee on Labor and Public Welfare.

By Mrs. SMITH of Maine (by request):

S. 1388. A bill to continue on a permanent basis a system of nurseries and nursery schools for the day care of school-age and under-school-age children in the District of Columbia; to the Committee on the District of Columbia.

By Mr. McCARRAN:

S. 1389. A bill for the relief of Alexis Leger; to the Committee on the Judiciary.

(Mr. KNOWLAND introduced Senate bill 1390, to authorize the conveyance to the State of California, of easements for the construction, operation, and maintenance of a toll-highway crossing and approaches thereto over and across lands of the United States in the vicinity of San Francisco Bay, Calif., and for other purposes, which was referred to the Committee on Public Works, and appears under a separate heading.)

By Mr. O'CONOR:

S. 1391. A bill to amend section 16 of the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the Postal Service; to establish uniform procedures for computing compensation and for other purposes," approved July 6, 1945; to the Committee on Post Office and Civil Service.

By Mr. CHAVEZ:

S. 1392. A bill authorizing appropriations for the comprehensive plan for the Rio Grande Basin, N. Mex.; to the Committee on Public Works.

By Mr. TYDINGS:

S. 1393. A bill to promote the national defense and to contribute to more effective aeronautical research by authorizing professional personnel of the National Advisory Committee for Aeronautics to attend accredited graduate schools for research and study; to the Committee on Armed Services.

S. 1394. A bill for the relief of Monroe Kelly, rear admiral, United States Navy, retired; to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. 1395. A bill authorizing the Secretary of the Interior to acquire on behalf of the United States Government all property and facilities of the Rainier National Park Company; to the Committee on Interior and Insular Affairs.

By Mr. FERGUSON:

S. 1396. A bill for the relief of Krikor G. Guiragossian; to the Committee on the Judiciary.

SAN FRANCISCO BAY (CALIF.) TOLL BRIDGE

Mr. KNOWLAND. I introduce for appropriate reference a bill authorizing the Secretary of National Defense to grant easements to the State of California for the construction of a second toll bridge crossing parallel to the existing bridge in the vicinity of San Francisco Bay, Calif.

The bill (S. 1390) to authorize the conveyance to the State of California, of easements for the construction, operation and maintenance of a toll highway crossing and approaches thereto over and across lands of the United States in the vicinity of San Francisco Bay, Calif., and for other purposes, introduced by Mr. KNOWLAND, was received, read twice by its title, and referred to the Committee on Public Works.

EDEN PROJECT, WYOMING—AMENDMENTS

Mr. BUTLER submitted amendments intended to be proposed by him to the bill (S. 55) to authorize completion of construction and development of the Eden project, Wyoming, which were referred to the Committee on Interior and Insular Affairs and ordered to be printed.

EXTENSION OF EUROPEAN RECOVERY PROGRAM—AMENDMENTS

Mr. GILLETTE submitted an amendment intended to be proposed by him to the bill (S. 1209) to amend the Economic Cooperation Act of 1948, which was ordered to lie on the table and to be printed.

Mr. CAPEHART submitted two amendments intended to be proposed by him to the Senate bill 1209, supra, which were ordered to lie on the table and to be printed.

PRINTING OF ADDITIONAL COPIES OF SENATE REPORT 99, RELATING TO NATIONAL LABOR RELATIONS ACT OF 1949

Mr. HAYDEN submitted an original resolution (S. Res. 91), which was considered by unanimous consent and agreed to, as follows:

Resolved, That there be printed 4,000 additional copies of Senate Report No. 99, relative to the National Labor Relations Act of 1949 (S. 249), of which 3,000 copies shall be for the use of the Senate document room and 1,000 copies for the use of the House document room.

STUDY OF FISHING INDUSTRY OF UNITED STATES

Mr. BREWSTER submitted the following resolution (S. Res. 92), which was referred to the Committee on Interstate and Foreign Commerce:

Whereas the fishing industry is an important part of the economy of the United States; and

Whereas the growing population of the Nation emphasizes the increasing future importance of fish as a food; and

Whereas the men and equipment of the fishing fleets and the shore workers engaged in the preparation of the catches, and the food resource thereby made available, have been demonstrated in two World Wars to be necessary to the national defense; and

Whereas operations of much of the fishing industry have been seriously curtailed by reason of steadily growing imports of fish and fishery products, particularly of fresh and frozen groundfish fillets, and there is reason to believe that similar conditions are imminent in the tuna industry on the Pacific coast; and

Whereas if the present trend is permitted to continue, the fishing industry will, within a short time, be so impaired as to force out of business a major portion of the fishing fleet of the United States and force out of employment a major portion of the work-

men employed in various phases of the industry; and

Whereas the domestic fishing industry has already been adversely affected and is further seriously threatened by the consistently increasing importations of fish and fishery products into the United States; and

Whereas the imported fish are caught by workmen whose wage scale and standard of living are far below those of Americans in like occupations; and

Whereas, notwithstanding the resulting lower cost of fish in their primary foreign market, the finally processed product is sold to the American housewife at the same price as the domestic fish; and

Whereas representatives of the fishing industry and others from many parts of the United States recently appeared before the Committee on Merchant Marine and Fisheries of the House of Representatives and attested to the facts hereinbefore stated; and

Whereas the foregoing indicates the need for an immediate study and investigation of the cause and effect of a situation that will, if not corrected, result in the serious impairment of the oldest and one of the most important food producing industries in the United States: Therefore be it

Resolved, That the Secretary of the Interior be, and he hereby is, requested to cause an immediate study to be made of—

(1) the differences in the costs of domestic production of fresh and frozen fish, especially groundfish fillets, and the costs of foreign production of similar fish; and

(2) the effect on the domestic fishing industry of increasing imports of fresh and frozen fish, especially groundfish fillets, into the United States,

and, with the advice of, and in coordination with, the Department of State, the Department of Agriculture, the United States Tariff Commission, the Bureau of Customs of the Department of the Treasury, and other appropriate executive departments and independent agencies of the Government to recommend means by which the United States fishing industry may survive and be saved harmless against the inroads of foreign-caught and foreign-processed fish; and that, because of the urgency of the situation, he be and hereby is requested to make his report and recommendation to the Senate within 30 days after the adoption of this resolution.

INCREASE IN LIMIT OF EXPENDITURES FOR HEARINGS BEFORE COMMITTEE ON ARMED SERVICES

Mr. TYDINGS submitted the following resolution (S. Res. 93), which was referred to the Committee on Armed Services:

Resolved, That in carrying out the duties imposed upon it by section 136 of the Legislative Reorganization Act of 1946 (Public Law 601, 79th Cong.), the Committee on Armed Services, or any duly authorized subcommittee thereof, is authorized during the period ending December 31, 1950, to make such expenditures, and to employ upon a temporary basis such investigators, technical, clerical, and other assistants as it deems advisable.

SEC. 2. The expenses of the committee under this resolution, which shall not exceed $25,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

NOTICE OF HEARING ON SENATE BILL 1008

Mr. McCARRAN. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Wednesday, March 30, 1949, at 10 a. m., in room 424, Senate Office Building, on the bill (S. 1008) to provide a 2-year moratorium with respect to the application of certain antitrust laws to individual, good-faith delivered price systems, and freight-absorption practices. Persons desiring to be heard should notify the committee by Monday, March 28, so that a schedule can be prepared for those who wish to appear and testify. The subcommittee consists of the Senator from Nevada [Mr. McCARRAN], chairman, the Senator from Maryland [Mr. O'CONOR], and the Senator from Wisconsin [Mr. WILEY].

CHANGE OF METHOD OF COUNTING ELECTORAL VOTES—STATEMENTS BY BASIL BREWER AND ANSWERS BY SENATOR LODGE

[Mr. LODGE asked and obtained leave to have printed in the RECORD certain statements made by Mr. Basil Brewer, publisher of the New Bedford (Mass.) Standard-Times, together with Mr. LODGE's answers thereto, relating to Senate Joint Resolution 2, providing for abolishing the electoral college and counting electoral-college votes for President and Vice President in proportion to the popular vote, which appear in the Appendix.]

IN BOSTON, NOT THE SOUTH—EDITORIAL FROM THE ARKANSAS DEMOCRAT

[Mr. FULBRIGHT asked and obtained leave to have printed in the RECORD an editorial entitled "In Boston, Not the South," published in the Arkansas Democrat of March 17, 1949, which appears in the Appendix.]

COLUMBIA VALLEY AUTHORITY—ARTICLE BY TOM HUMPHREY

[Mr. CORDON asked and obtained leave to have printed in the RECORD an article relating to the proposed Columbia Valley Authority, written by Tom Humphrey and published in the Oregon Journal of March 20, 1949, which appears in the Appendix.]

THE NORTH ATLANTIC SECURITY PACT—ARTICLE BY GEORGE SOKCLSKY

[Mr. WATKINS asked and obtained leave to have printed in the RECORD an article on the North Atlantic Security Pact, written by George Sokolsky and published in the Washington Times-Herald of March 23, 1949, which appears in the Appendix.]

IMPROVEMENT OF INTERGOVERNMENTAL RELATIONS—EDITORIAL COMMENT

[Mr. HENDRICKSON asked and obtained leave to have printed in the RECORD an editorial entitled "The Mayors and Money," published in the New York Times of March 23, 1949; also an editorial entitled "Sprouting Seed," published in the Newark Evening News of March 22, 1949, which appears in the Appendix.]

PROPAGANDA AND THE NATION'S HEALTH—ARTICLE BY MARQUIS CHILDS

[Mr. McMAHON asked and obtained leave to have printed in the RECORD an article entitled "Propaganda and the Nation's Health," written by Marquis Childs and published in the Washington Post of March 24, 1949, which appears in the Appendix.]

REPORT ON UNEMPLOYMENT SITUATION IN CONNECTICUT

Mr. BALDWIN. Mr. President, I ask unanimous consent to have printed in the RECORD a report from the State Department of Labor of the State of Connecticut on the unemployment situation in Connecticut.

There is no more important domestic problem than the maintenance of a high level of employment; and it is my humble judgment that everything we do here must be geared to that thought, and that that thought must be paramount in all our considerations.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

CONNECTICUT JOBLESS CLAIMANTS REACH 61,804

The number of jobless claimants for unemployment insurance in Connecticut rose to 61,804 during the week ended March 12. A year ago there were 25,353 filing, while in mid-October, when the present upward trend began, 21,485 were applying for benefits.

Initial claims, which represent new unemployment, remained high with 7,959 received during the week as compared with 2,672 for the corresponding week a year ago. Largest increases in initial claims were in the Bridgeport, Meriden, New London, Danbury, and Bristol areas.

During the week lack-of-work lay-offs totaling 350 were reported in the bearings industry, 475 in the brass industry, and 230 in hardware. Lack-of-work lay-offs totaling from 100 up to 200 occurred in each of the following industries: Electrical appliance, hat, garment, metal products, chain, electrical products, clock, tractor, and paper products. The woolen, recording, and typewriter industries had lay-offs affecting from 50 to 100.

A footwear company rehired 100.

BRIDGEPORT HIGHEST

Bridgeport led the State in the number of jobless claimants with 9,937, followed by New Haven with 9,160, Hartford 7,484, and Waterbury 6,921. The other 15 offices, with less than half the total, were each under 3,000.

BY OFFICE

The Ansonia office reported a lay-off of 25 by a brass mill and 25 by a wire manufacturer due to lack of work.

In the Bridgeport area, a brass company laid off 350, an electrical appliance company 190, a chain manufacturer 125, and a recordings company 45, with lack of work the reason in each instance.

The Bristol office reported a lay-off of 115 by a clock company and 30 by a brass company due to lack of orders.

In the Danbury area, 7 hat companies laid off a total of 185 due to lack of work. An electrical coil manufacturer laid off 35, and a metal products firm 20, with lack of work the reason.

The Danielson office reported a lay-off of 30 by a steel-products firm because of insufficient steel, and 25 by a textile mill due to lack of orders.

A Hartford typewriter company laid off about 50.

In the Meriden area, a bearings factory laid off 285 due to lack of work.

The New Britain office reported lay-offs of 65 by a bearings factory, 150 by a suit shop, and 95 by an electrical products plant.

In the New Haven area, a hardware concern reduced its force by 75, and a radiator factory by 20. A wire company laid off 20 and an electrical-equipment factory 20, due to lack of work.

A Norwalk hardware concern reduced its working force by 30. A footwear company rehired 100, and a dress company rehired 20.

In the Norwich area, a paper-products company laid off 100 temporarily while moving machinery. A textile mill laid off 40 due to lack of work.

In the Stamford area, a lock company cut production and laid off 75.

In the Thompsonville area, three woolens companies laid off a total of 65 temporarily.

In the Torrington area, a hardware firm laid off 20 and a sporting goods concern 30. A timepiece company placed 160 on a 24-hour week and a machinery factory put 260 on a 24-hour week due to lack of work.

The Waterbury office reported lay-offs of 110 by a tractor company, 25 by a castings factory, 30 by a rubber-footwear manufacturer, 25 by a brass goods concern, and 40 by another brass-goods company.

MISSOURI RIVER FLOODS—PROPOSED MISSOURI VALLEY AUTHORITY

Mr. MURRAY. Mr. President, I wish to take the time of the Senate for a few minutes to call attention to two news stories dealing with the Missouri River, which appeared side by side in the March 6 edition of the Great Falls Tribune, Great Falls, Mont. I intend to have these two stories included in the RECORD just as they appear in the newspaper, because the relative position of the two items has significance.

The main story has a three-column headline in large, bold-faced type which reads: "Mighty Missouri over banks—Flood levels prevail."

Under that heading, in a separate column, is another less conspicuous headline: "MVA, CVA dead, says Congressman."

The main story is about the recent Missouri River floods creating such havoc in the stretch of the river passing through Iowa, Nebraska, Kansas, and Missouri, where the Army engineers for many, many years have been engaged in a costly but fruitless piecemeal effort to control the periodical floods which annually carry to the sea millions of tons of rich topsoil and cause enormous property damage and loss of life.

The second news item I am referring to concerns a statement issued by Representative WHITTINGTON, of Mississippi. Representative WHITTINGTON is described as chairman of the House Public Works Committee and vice president of the National Rivers and Harbors Congress. The story says that he was speaking in the later capacity.

Anyway, this is another example of those premature funerals of the CVA and the MVA frequently conducted in the press while, at the same time, the country is advised that the Army Engineers must be left strictly alone to carry on their ineffectual, discredited program of flood control, now recognized as a serious menace to that area.

In one paragraph Representative WHITTINGTON, speaking of those who would like to correct the conditions in the valley, says:

> The superficial planners again are on the march. In recent years they advocated creation of the MVA; now they are advocating the CVA.

Beside this remark concerning the alleged superficial planners we find in the main news story a paragraph which reads as follows:

> The United States Army Engineer, of Kansas City, estimated that the Missouri River has topped 40 levees and flooded 75,000 acres of lowlands in the four States of Iowa, Nebraska, Missouri, and Kansas. Downstream the river climbed to 26.63 inches at Atchison, topping the all-time high mark set in the great flood of 1881. East Atchison, Mo., across the river, was flooded, Rock Island & Burlington tracks were covered, and Highway 59 was flooded for the first time in the memory of residents.
>
> At St. Joseph, Mo., 20 miles upstream from Atchison, water rolled 10 feet above flood level around the levee protecting the town. Burlington and Rock Island railroad tracks to Kansas City were closed by 14 inches of water.

Notwithstanding this tragic story of flood damage, Mr. WHITTINGTON is quoted as saying:

> The better course is to continue the projects in both these valleys authorized by Congress for flood control and reclamation.

He further says:

> They (Army engineers) should be kept in the Department of the Army and not stripped of their civil functions.

The editor of the Great Falls Tribune was fair to the public by printing these two articles in adjoining columns. If the two articles had been separated by a few pages, the glaring contradictions would not have been so apparent. In this Montana newspaper, in juxtaposition, we see the Representative's plea for the discredited Army engineers' program and also the graphic news story of the devastating floods they have failed to control, strikingly showing why the valley and its people have had enough of the Army engineers and would like to see an effective program patterned after the TVA.

I want to read just a little more of the news story concerning the floods:

> Two hard-hit towns are Halls and Rushville, Mo., in the river bottom. Four hundred refugees were being cared for in the area and more were being evacuated. The Red Cross set up disaster headquarters.
>
> Ice also broke at Nebraska City, releasing floodwater that had dammed up to 25.8 feet, 6 feet above the all-time high recorded in 1943.
>
> The fire whistle blew in Nebraska City at midnight and 300 residents surged out of their homes to pile sandbags around the town's generating plant. A half dozen families were evacuated at Nebraska City and more were taken from farm homes south of the town when a levee broke.

Mr. President, this is a serious and tragic matter. We have spent hundreds of millions of dollars on the lower Missouri River works of the Army engineers. The result is that floods have been worsened; serious damage occurs in the basin year after year. These conditions cannot continue longer without irreparable injury, not only to the valley but to the Nation.

I sincerely urge the people of the country to watch carefully the happenings out in the Missouri Basin. I urge them to study these problems, read the dramatic reports that will be appearing in the press from time to time.

When the people of this country and the Congress learn the tragic story of what is happening along the Missouri, the issue will be raised above political considerations—the demands of the special interests will be rejected, and a Missouri Valley Authority will be established to rescue the area from the ruin which now threatens it.

I ask that the two news stories to which I have referred be printed in the RECORD at this point.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

MIGHTY MISSOURI OVER BANKS; FLOOD LEVELS PREVAIL

CHICAGO, March 6.—The highest Missouri River levels since 1881 were recorded at some points tonight, while the death toll from flooding Iowa streams reached two.

A 100-mile ice jam along the mighty Missouri began to crack allowing dammed-up muddy water to surge down onto hastily erected sandbagged levees in the Atchison, Kans.-St. Joseph, Mo., area.

Scores of families were evacuated in the Atchison lowlands as the river crested 6 feet above flood stage.

George Johnson, 77, was found dead in the second story of his water-filled home at Missouri Valley, Iowa, as the rampaging Boyer River began to recede. Earlier, a 10-year-old boy had drowned in a swollen creek near Missouri Valley.

Missouri Valley's Mayor Maurice Kirlin said his town was a flood trap and asked Representative CARL JENSEN (Republican, Iowa), for aid in obtaining Federal relief funds.

The United States Engineers at Kansas City estimated that the Missouri River had topped 40 levees and flooded 75,000 acres of lowlands in the four States of Iowa, Nebraska, Missouri, and Kansas.

Weather forecasters said it is virtually impossible to predict what the "Big Muddy" will do as the ice broke in the vicinity of Atchison, Kans., and the sluggish stream began moving rapidly.

In some areas the break released floodwater and in other lowland areas water raced around great chunks of ice to pour over thousands of acres of farm land.

Two hard-hit towns are Halls and Rushville, Mo., in the river bottom. Four hundred refugees were being cared for in the area and more were being evacuated. The Red Cross set up a disaster headquarters.

Ice also broke at Nebraska City, releasing floodwater that had dammed up to 25.8 feet, 6 feet above the all-time high recorded in 1943.

The fire whistle blew in Nebraska City at midnight and 300 residents surged out of their homes to pile sandbags around the town's electric generating plant. By morning the river had dropped and the plant was saved.

A half-dozen families were evacuated at Nebraska City and more were taken from farm homes south of the town when a levee broke. The river poured over the levee onto 2,000 acres of farm land.

Bridges at Nebraska City and elsewhere are endangered by the surging ice.

Downstream the river climbed to 26.63 inches at Atchison, topping the all-time high set in the great flood of 1881. East Atchison, Mo., across the river, was flooded; Rock Island and Burlington tracks were covered and highway 59 was flooded for the first time in the memory of residents.

At St. Joseph, Mo., 20 miles upstream from Atchison, water rolled 10 feet above flood level around the levee-protected town. Burlington and Rock Island railroad tracks to Kansas City were closed by 14 inches of water.

The river is rising also at Kansas City.

MVA, CVA DEAD, SAYS CONGRESSMAN

WASHINGTON, March 6.—Representative WHITTINGTON, Democrat, of Mississippi, predicted today the Eighty-first Congress will reject proposals for broad river valley authorities in the Columbia and Missouri Basins.

WHITTINGTON, chairman of the House Public Works Committee and a vice president of the national rivers and harbors congress, issued a statement in the latter capacity.

Taking note that new legislative proposals for a Missouri Valley Authority are before Congress and President Truman has urged a similar agency for the Columbia, WHITTINGTON, said:

"The superficial planners again are on the march. In recent years they advocated creation of the MVA, now they are advocating the CVA.

"The better course is to continue the projects in both these valleys authorized by Congress for flood control and reclamation."

WHITTINGTON also went on record as opposing the Hoover Commission's suggestion that the Army engineers, who handle flood control, be placed under civilian authority.

"They should be kept in the Department of the Army and not stripped of their civil functions," he said.

The Mississippian said Congress should vote increased sums for flood control and reclamation. He believes the President's campaign appeal for greater waterways appropriations won him many votes in the 1948 election.

TEMPORARY SUSPENSION OF CERTAIN IMPORT AND AD VALOREM TAXES ON COPPER—CONFERENCE REPORT

Mr. GEORGE submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2313) to suspend certain import taxes on copper, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "and other than composition metal provided for in paragraph 1657 of the Tariff Act of 1930, as amended, which is suitable both in its composition and shape, without further refining or alloying, for processing into castings, not including as castings ingots or similar cast forms"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "June 30, 1950"; and in line 8 of the House engrossed bill strike out "March 31,"; and the Senate agree to the same.

WALTER F. GEORGE,
TOM CONNALLY,
E. D. MILLIKIN,
Managers on the Part of the Senate.

R. L. DOUGHTON,
JERE COOPER,
WILBUR D. MILLS,
DANIEL A. REED,
ROY O. WOODRUFF,
Managers on the Part of the House.

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. GEORGE. Mr. President, the conference has resolved the disagreement between the two Houses. There were two amendments made in the Senate. The House is concurring in the first amendment, with a clarifying amendment inserted at the request of the Treasury Department solely for the purpose of rendering easy the administration of the act. It will be remembered that in the Senate these duties and taxes were suspended for a period of 1 year. The bill as it came from the House provided for suspension for a 2-year period. The Senate and House conferees have accepted the Senate amendment, with an amendment suspending the taxes until June 30, 1950, which is a year and 3 months after the expiration of the current act.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. SALTONSTALL. May I ask if this is a unanimous report?

Mr. GEORGE. It is a unanimous report, signed by all the conferees on the part of the House and the Senate.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

MISSISSIPPI RIVER FLOODS IN LOUISIANA

Mr. LONG. Mr. President, I have received word this morning that a disaster has befallen a section of my State of Louisiana. Across the river, slightly above the State capitol at Baton Rouge, La., the main line levee has caved into the Mississippi River. This is the first time in 22 years that one of the main line levees of the Mississippi has been breached. From the best information available at this time, this disaster is entirely an act of God, which no human hand, with all due care, could have prevented. The capable forces of the Army engineers and the Louisiana Department of Public Works are at this moment mobilizing all equipment in the area in the effort to close this breach in our levee. We are extremely hopeful that this effort will be successful. If it fails to succeed, then 10,000 people of Louisiana may lose their homes and their possessions. Fortunately the flood waters have passed their peak height of 2 weeks ago, which is of some small consolation, because it would tend to minimize the damage and especially the potential loss of life. Nevertheless, if this breach cannot be immediately closed, all crops in this agricultural area will be lost. In fact, it is feared that there is enough water behind the levee already to prevent any successful crops in this area of three parishes, which corresponds to three counties in other States.

Our Governor, the Honorable Earl K. Long, has been at the breach since the early hours of this morning, to assure that all forces of the State of Louisiana are used to assist in the flood fighting.

For some time, in committee, I have been urging that flood-control functions be left in the hands of the Army engineers; and I believe the wisdom of that position will be demonstrated in this present disaster. No one is better able to mobilize relief forces than the Army engineers on the scene. I am informed that General Feringa, president of the Mississippi River Commission, flew to Baton Rouge, La., at daybreak this morning, and that he is presently assisting in directing the flood-fighting operations at the breach. All suitable equipment of public and private agencies is being commandeered; and, if the breach can be successfully closed, it will be a gigantic tribute to the enormous diligence of the Army engineers. I am frank to say that I do not believe any Federal civilian agency could cope with such a disaster.

Mr. President, on yesterday the House Appropriations Committee reported to the House their action with regard to appropriations for flood control, in which they slashed the budget recommendation for the Mississippi River and its tributaries by $13,000,000. I desire to condemn this as false economy, as is well demonstrated by the catastrophe visited upon my State in the small hours of this morning. I desire to serve notice at this time that the entire Louisiana delegation will exert every effort to restore these funds.

The Morganza floodway, which protects the greater part of the population of south Louisiana, cannot be opened without enormous property damage at this time. At the rate recommended by the House Appropriations Committee, we may never in our lifetime see that floodway completely ready, in the event the city of New Orleans and surrounding area should be threatened by the type of disaster which now has befallen one of our rich, rural areas. To me it is the height of false economy that we should here be debating the expenditure of $5,500,000,000 for the salvation of the European economy, and at the same time be leaving more than 1,000,000 Americans in danger for their lives and property because of an effort to save a few million dollars from year to year.

It may be necessary for my State to seek disaster relief similar to that which the Western States have already requested. This situation more than ever calls to my mind the wisdom of the recommendation made by the junior Senator from Florida on this floor a few weeks ago, when he stated that the United States of America should have a permanently organized disaster relief program available to all sections of the United States. I trust that at this session the Congress will establish such an organization and will provide adequate financial reserves for its operation.

EXTENSION OF EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 1209) to amend the Economic Cooperation Act of 1948.

Mr. LUCAS. Mr. President, Mr. C. Tyler Wood is an expert on ECA. He is not a member of the staff of the Committee on Foreign Relations, but he is now in the Chamber. The distinguished Senator from Texas [Mr. CONNALLY] and the distinguished Senator from Michigan [Mr. VANDENBERG] believe that it is advisable that he be on the floor during the debate on this important measure.

I therefore ask unanimous consent that Mr. Tyler Wood be permitted the privilege of the Senate floor during the debate upon ECA.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. CONNALLY. Mr. President, as the Senate knows, the pending bill proposes to continue for another year from the coming April and for the 3 months intervening between April 1950 through June of 1950, the Economic Cooperation Administration authorization.

Less than 12 months ago the Congress of the United States, in an action unprecedented in world history, approved the European recovery program for a 1-year period. This program has attracted

the attention of the entire civilized world. It was a departure from practices which theretofore had obtained, and it represented an act of far-reaching importance by the United States for the salvation, rehabilitation, and reestablishment of the economies of the nations of Europe which participate under the program. The program was designed to help the participating countries, whose economies had been devastated and disrupted by war, to help themselves to sound recovery.

Mr. President, I hope the Senate will bear in mind that the cardinal principle of this act is to help the countries of Europe themselves rehabilitate their economies under its provisions and under their own efforts, so that at the end of the period they may be able to stand upon their own feet and carry forward their economic and other activities.

Austria, Belgium, Denmark, France, Greece, Iceland, Ireland, Italy, Luxemburg, the Netherlands, Portugal, Norway, Sweden, Switzerland, Turkey, the United Kingdom, western Germany, and the Free Territory of Trieste—these are the countries that have cooperated in this great venture.

When we launched the European recovery program, we forsook temporary relief, and embraced the concept of recovery. By this program it has been our purpose not simply to provide relief for the moment, relief which would easily be expended and easily be consumed, but to envision the ultimate recovery of those nations, so that they would not need the character of relief which had previously obtained. At the same time we required as a condition for our aid that the participating countries take the initiative and the main responsibility for working out a program designed to restore Europe's economic health by 1952. These principles have been followed and the success that has been achieved so far proves that mutual aid and self-help are vital elements in the recovery effort.

On February 8 the ECA submitted to the Congress its request to extend the recovery program for another year. The Foreign Relations Committee has just completed an exhaustive study of the entire matter. Thirty-five witnesses have appeared before the committee, including the Administrator, the Secretary of State, the Secretary of the Treasury, the United States representative abroad, five Members of the Senate, and a number of ECA mission chiefs. We have met in almost continuous session for 4 weeks. We have heard many witnesses who asked to be heard.

On the basis of this exhaustive inquiry, the Foreign Relations Committee recommends the continuation of ECA, and urges speedy action on the bill before the Senate. I am proud to say that the committee, in still another demonstration of bipartisan unity, has reached its decision by a unanimous vote of 13 to 0.

I am pleased that the ECA is, in large measure, accomplishing the important objectives which the Congress set out for it. It has made possible a heartening increase in production and trade in the participating countries. It has contributed to genuine independence in Europe, and has given new hope and confidence to the free nations of the world. It has been the impelling motive in causing the nations of western Europe to cooperate more closely in peace than they have at any time in their history. It has brought vividly to the minds of the people of western Europe the fact that their salvation does not lie in discord and disunion, but that it lies along the road of cooperation and unity, especially in economic affairs.

Let us look for a moment at the production figures of the participating countries. It will be understood, of course, that participating countries are required to enter into contracts with the ECA in Europe, under which they assume certain obligations, and in which the United States sets forth the outlines of its policy. Here impressive progress has been made. The total output of factories and mines last year was 15 percent higher than in 1947, and nearly equal to 1938. Outside of western Germany, coal production increased almost to prewar levels, and steel operations were well above the 1938 rate. Freight traffic is up more than 30 percent, and the production of electric power is already 65 percent higher than prewar.

Statistics are always cold hard facts, Mr. President, but even so, these are eloquent figures. They mean, in human terms, that the warm blood of economic life is beginning to course once more through the veins of a devastated and war-torn Europe. Recovery, in both an economic and spiritual sense, is well under way.

Just as coal and power and steel are the sinews of economic life so the increased production of food is absolutely essential if the vigor and vitality of the people of Europe are to be built up again. Here again I can report encouraging progress. Due to greater efforts of European farmers and extremely favorable weather conditions crops in the participating countries were 20 percent larger in 1948 than they were in 1947. But people are still eating less than they did before the war and there are discouraging deficiencies in meat, fats, and dairy products.

The production figures look good, but how about exports? In order to pay their obligations and their assumption of imports, it is necessary of course that the participating countries be able to export commodities. For the countries as a group, exports increased 20 percent over the 1947 level. In Italy the increase ran to nearly 50 percent; in Holland and Belgium, a little less than one-third. It remains highly significant, however, that the earnings of the ERP countries this year will pay for only about half the imports they need from the outside world.

While we have every right to be pleased with this general increase in production, we must not be misled by our optimism. Some people are asking, why should we not make a sizable cut in European recovery funds now that production is approaching the prewar level? Why, they ask, should the American taxpayer continue to subsidize the people of Europe so they can enjoy a standard of living even higher than that which they enjoyed in 1938?

This is an extremely important question, Mr. President, and deserves a forthright reply. We must not make a wrong diagnosis of our patient or he may suffer a serious relapse during our course of treatments.

The plain fact is that Europe will not, during the period of our aid, enjoy a higher standard of living than in 1938. Production will have to be increased far above the prewar level before the people can once again live as well as they formerly did. During the war the participating countries lost many billion dollars when their homes, their factories, and their transportation systems were destroyed. They also were forced to liquidate much of their overseas investments which had been a profitable source of income. Those overseas investments usually are referred to as their invisible assets, foreign investments, shipping income, and a vast variety of foreign overseas income. They must now make up that lost ground. Moreover, we must not forget that the population of western Europe has increased by 20,000,000 since 1938, and production must be correspondingly increased.

By no means the least of ECA's achievements is the real stimulus it has given the participating countries toward cooperative action in solving their mutual problems. The central organ of the participating countries—the Organization for European Economic Cooperation—has already rendered invaluable service and is steadily gaining in power and influence. It will be remembered that that was the group of representatives of the various nations who were called upon by the American Government to meet and to propose plans by which it was expected they would cooperate with the United States in carrying forward any program that might be adopted.

During the past year OEEC has devoted a great deal of its energies to the immediate task of drawing up an effective program for the use of American aid in 1948–49. With this preliminary hurdle out of the way, OEEC should now be able to give more attention to those measures of mutual aid and self-help which will directly stimulate production in and trade among the ERP countries. That is one of the chief activities.

Another OEEC pilot project is the intra-European payments plan. By this ingenious device our aid has a double-barreled effect in stimulating trade—it helps the recipient country and it helps other states to whom the recipient may in turn extend grants-in-aid in its own currency. Thus, Belgium, a creditor nation in its trade with western Europe, is receiving over $247,000,000 from ECA in 1948–49. At the same time, Belgium is making grants totaling more than $207,000,000 to other participating countries. The net aid Belgium receives is, therefore, only a little over $40,000,000. But a great stimulation has been given to the countries with whom she trades and carries on commerce and whom she aids in rehabilitating their economic fortunes.

We Americans have long been impressed by the economic advantages that derive from the fact that the people of the United States can trade freely within

a large geographical area. The plans now being developed in western Europe for customs and economic unions involving the Benelux countries, the Scandinavian countries, and Italy and France are, therefore, particularly encouraging. I salute especially the recent announcement which Holland, Belgium, and Luxemburg made that all trade barriers among the three countries will be abolished by July 1, 1950. This courageous action may prove to be the first significant step in tearing down trade restriction all across western Europe.

For those impatient souls who would like to see Europe unified overnight all this may seem discouragingly slow. Yet when one looks back across the centuries it becomes perfectly obvious that western Europe has already moved further toward voluntary unity in eight short months under ECA stimulus than it had in all the previous centuries since the fall of the Roman Empire.

Anyone who has been abroad during the past few months can testify that the recovery program has also greatly bolstered the forces of freedom in Europe. Before the passage of ECA the situation was desperate. Europe was drifting toward economic collapse and communism raised its ugly head anticipating a field day in every country.

But the passage of ECA had an electric effect in western Europe. Even before the first shipment of ECA goods left American ports, prospects for freemen became brighter. The Italian elections of April 18, 1948, resulted in a heartening victory for democracy and a corresponding defeat for the Communists.

Mr. President, I happened to be in Italy in October and November of last year, and upon every hand we found evidences of the activity of the Italian people in the election in which they were successful, and in which a vital effort against communism was registered by the Italian people. I have no doubt that much of their improved morale, much of the stimulation for them to reclaim their political power and to resist totalitarian influences, was due to the operations of the ECA and the relief of the agony of the people.

In France, too, the Communist star has steadily waned, particularly after the Government, supported by the great majority of the French people, successfully broke up the coal strike last fall.

I was also in France in November of 1948, but only for a short period, and I did not have as complete an opportunity to survey the situation as I had in Italy; but there is no question with regard to the very helpful influence the ECA has had on the French situation.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. ELLENDER. Mr. President, I am sorry that I was not able to hear the beginning of the speech of the distinguished Senator from Texas. I have been attending a hearing of a subcommittee of the Appropriations Committee since 10 a. m. I am informed there is much industrial progress being made in the various countries of western Europe. Can the Senator tell us to what extent France, Great Britain, and other nations in western Europe have increased their productivity, both industrially and agriculturally, and how does such productivity compare now with what it was in 1939 and for some time before the war?

Mr. CONNALLY. I have already discussed that quite fully, but I shall be glad to go over it again, if that is the Senator's wish.

Mr. ELLENDER. Is it already in the RECORD?

Mr. CONNALLY. Yes. Does the Senator mean their productivity before the war and since the war?

Mr. ELLENDER. Yes. The productivity of Great Britain was at a certain level prior to 1939, and today I am informed that it is in excess of what it was before 1939 and for some time before the war.

Mr. CONNALLY. I would have to check the exact figures.

Mr. ELLENDER. I was going to follow up with another question. To what extent should we lend aid so as to further increase their productivity and thereby place them in a better position to offer us competition in the future?

Mr. CONNALLY. I intended to discuss that a little later. I assume the Senator has reference to certain statements carried in the press, from politicians in the United Kingdom, with reference to how far they have recovered and that they are not in need of additional funds to aid in their recovery.

Mr. ELLENDER. No; I did not mean that. I was thinking, for example, of the production of steel. Great Britain has today far exceeded its steel capacity in contrast to its prewar production. Am I correct in that statement?

Mr. CONNALLY. That is correct.

Mr. ELLENDER. Are we to continue supplying them with more funds so as further to increase their production and, no doubt, cause a clash with our own production?

Mr. CONNALLY. I will say to the Senator that it is fortunate for us that Great Britain is producing more steel than she did previously because it lessens the load upon us in contributing to her recovery. I cannot discuss all the different angles because that would be beyond my capacity.

Mr. ELLENDER. Suppose she should continue to increase production, and suppose France and other nations which we are assisting should increase their production, what would become of our production?

Mr. CONNALLY. Increased production on their part will speed the day when we can discontinue our aid and retire from the field, if necessary.

Mr. ELLENDER. That may be true, but it will also affect our ability to dispose of our own enormous production capacity. Today we have reached an all-time high in the production of steel—some 96,000,000 tons. It strikes me, as I have just stated, that if we continue assistance to the extent that foreign nations will be able to increase their capacity to such a degree that it will clash with our own, we shall either have to decrease our capacity or find new markets for our excess production, if that is possible.

Mr. CONNALLY. Exactly. It is our hope that foreign trade will increase and grow and that the world will be able to take care of the increased production.

Mr. ELLENDER. I should like to see that accomplished, but I fear I lack optimism in that direction. It is my own feeling that a time will soon come when those we are now assisting will become some of our chief competitors, which, in turn, will curtail our ability to dispose of our own production.

Mr. CONNALLY. That is our hope. Of course, we cannot do it all at once.

Meanwhile, Mr. President, the Communists have continued their agitation. They have consistently and systematically misrepresented the purposes of the ERP. They have resorted to obstructionism and sabotage. But with ECA assistance the forces of freedom have grown constantly stronger.

Mr. President, the very fact that the Soviets and their Communist underlings all over Europe have so bitterly denounced and so persistently opposed the Marshall plan is the best evidence we can have that it is, in fact, bringing economic peace and stability to western Europe.

From what I have said, it is clear that the recovery program is successfully under way. The first serious challenge has been met. But the supreme test will come during the critical year that lies just ahead, when the participating countries will have to make drastic readjustments in their internal economies and work even more closely together in the interests of the total program.

We can put the importance of the coming year in its proper perspective if we outline briefly some of the things OEEC believes must be done if the program is to succeed. Let me emphasize again that this is western Europe's own prescription for its own ills as set forth in the recent interim report of the OEEC.

This is western Europe talking to European countries.

First. Steps must be taken to bring under control the inflation existing in many of the participating countries. Inflation tends to reduce exports; it encourages imports; it threatens the production and investment programs. Many things which need to be done cannot be begun at all until inflationary pressures are under control.

Second. Renewed efforts must be made to stabilize currencies. It will be necessary in some cases to develop more effective taxing systems, balanced budgets, and improved investment programs.

Third. They must use their existing resources more efficiently, and they must put forth new and additional productive effort. This involves not only wise and vigorous governmental leadership, but the full cooperation of the people.

Fourth. They must intensify their drive to increase their exports. The importance of steps in this direction becomes obvious when it is recalled that the foreign exchange earnings of western Europe this year will pay for only about 50 percent of their imports from the outside world.

Fifth. To the maximum extent possible they should seek to develop new

sources of supply. Western Europe's difficulties in obtaining foodstuffs and raw materials will continue for some years, and there are many opportunities to expand production both at home and in their overseas territories.

Sixth. Considerable emphasis should be placed on the expansion of intra-European trade. This will require the reduction of tariff barriers and other drastic changes designed to encourage the freer flow of goods and services among the participating countries.

Seventh. They must also cut back even further the importation of goods and services which are not vitally needed for their recovery. While this may create certain inconveniences from the point of view of the consumer, it is essential for the restoration of economic equilibrium in western Europe.

At this point, Mr. President, I should like to quote the last paragraph of the OEEC report which makes eloquently clear the fact that the leaders of western Europe are completely aware of the severe test which confronts them. I quote:

> The effort required is very great, the sacrifices necessary to construct a joint European recovery program will be many. The recovery of western Europe since the war has also been considerable, but the distance left to go is longer than the road already covered. The effort called for is a severe challenge, but a challenge to which the peoples of western Europe must respond.

In making possible the launching of this great enterprise the American people have made a rather considerable sacrifice. We now have every right to expect that the people and the governments of the participating countries, on their part, will be willing to make those sacrifices—and some of them may be painful—which OEEC says must still be made if we are to bring the program to a successful conclusion.

Let us turn now for a few moments to the amendments to the ECA bill which the committee has approved. I shall not dwell upon these at any length since most of them are technical in nature and are presented in some detail in the committee report, to which I call the attention of Senators.

First of all, I am pleased to point to a very tangible evidence of recovery—the sizable reduction in ECA funds which the committee is recommending for next year. For the year ending April 2, 1949, the ECA had available slightly more than $5,000,000,000. That was for the entire year before April 2, 1949. For the fiscal year 1949–50, after trimming about $490,000,000 from the requests of the participating countries, the ECA has asked for $4,280,000,000.

Senators will understand, when we say we have cut so much from the requests of the participating countries, that they are supposed to present their requests to our representatives in Europe, and after consultation the representatives of the ECA here cut them very substantially.

Mr. AIKEN. Mr. President, will the Senator from Texas yield?

Mr. CONNALLY. I yield to the Senator from Vermont.

Mr. AIKEN. I should like to ask to what extent ECA funds may be used for the development of colonies of the ECA nations, for instance, Belgium, Italy, Holland, or any other country which may have colonies, with particular reference to African colonies.

Mr. CONNALLY. In the case of Africa, French Africa is within the ECA program, because it is part of metropolitan France.

Mr. AIKEN. I was thinking of Belgium.

Mr. CONNALLY. There is no specific statutory provision about that, but I assume that the Administrator would have authority to grant the aid if otherwise it were regarded as sound, and as contributing to the rehabilitation of Belgium or any other country which might own a foreign possession.

Mr. AIKEN. It would be permissible, then, would it not, to assist Italy in the development of colonies in Africa assuming she retained a clear title to those colonies?

Mr. CONNALLY. I know of nothing in the act itself which prohibits that.

Mr. AIKEN. Then it would be permissible, would it not, to develop production in Nigeria, or in any of the African colonies of the European states?

Mr. CONNALLY. If it were found that that sort of a procedure would contribute to the development and stabilization of European conditions and help to rebuild the economic situation in western Europe, it would be permissible, according to our conception.

Mr. AIKEN. The Senator has answered my question, and I thank him for making that clear.

Mr. CONNALLY. I thank the Senator for thanking me for making it clear. We need clarity wherever we can get it.

I repeat, for the fiscal year 1949–50, after trimming more than $5,000,000,000 from the requests of the participating countries, the ECA has asked for $4,280,000,000. This represents a reduction of more than $700,000,000 from the amount appropriated last year.

This request is based on a careful study of the facts. Back of it are innumerable economic analyses of each of the participating countries. Detailed appraisals have been made of the general European situation and of each country's foreign trade. Separate studies have also been made of major commodities as cross-checks on the country-by-country estimates.

Now, Mr. President, just what happened as a result of these studies? In the first place, the national governments themselves requested considerably less than they did last year. OEEC then exercised an analysis of these national programs that was even more deliberate than last year. In addition, with some months of practical experience as a guide, ECA, in its country missions, in Paris, and in Washington, has applied continuing and exhaustive examination to bring in a budget request that is a tight fit and refreshingly unpadded. For the ERP countries as a group, the new figures represent a cut of 15 percent from 1948–49 aid.

The committee has approved a sum of $1,150,000,000 to enable the program to continue for the 3-month period from April 3 to June 30, 1949. Since substantially all the funds available to ECA will have been obligated by April 2, it is absolutely essential that this authorization be approved at an early date.

At this point I suggest that if Senators should find, in their investigations, that all the money appropriated for the 3 months' period has not been spent, they should also remember that during this period the ECA can continue to incur obligations up to the expiration date of the act, and can pay for those obligations after the act has expired. So it is not at all possible, it is not even probable, it is not to be expected, that the money provided for ECA will all be expended by the time of the expiration date. The money may not actually be paid, but if the obligation is made it will have to be paid at a later date.

I repeat: Since substantially all the funds available to ECA will have been obligated by April 2, it is absolutely essential that this authorization be approved at an early date. We do not at all want the purchase of these materials, mostly in our own country, to be handicapped and delayed by reason of failure to make a proper authorization.

Mr. KNOWLAND. Mr. President, will the Senator yield at that point?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from California?

Mr. CONNALLY. I yield.

Mr. KNOWLAND. I should like to make an inquiry of the Senator relative to the question of so-called east-west trade. I fully appreciate the fact that when the Senate had this matter under consideration a year ago the matter was rather fully discussed on the floor of the Senate. I think there was a general agreement that insofar as trade which would not add to the war potential of the east is concerned, it would be proper under certain circumstances. One situation, I remember, that was discussed was the possibility of sending coal mining machinery to Poland, which is behind the iron curtain, in order for Poland to produce more coal that could be used to facilitate the economic recovery of western Europe. But I also think there was a general feeling in the Senate that neither the United States nor the western European countries should be adding to the war potential of Russia and her satellite powers, because under present conditions wars are fought not alone by armies, navies, and air forces, but by the industrial capacity to back them up.

The thing which has concerned me is a dispatch which just came over the wires from London a few minutes ago, as follows:

> LONDON.—Harold Wilson, president of the board of trade, said today that Britain is guided in trade relations with Russia and Soviet satellites solely by considerations of economic advantage.
>
> Conservative John Langford Holt asked Wilson in Commons what policy he proposed to adopt "with regard to trade agreements with Russia, Bulgaria, Rumania, and Hungary, having regard to the repeated breaches of the peace treaties committed by all these powers."
>
> Before Wilson could reply Communist Phil Piratin objected that the question was out of order on grounds that Britain had no peace treaty with Russia so there could be no

breach. He was overruled. Finally Wilson answered:

"The Government is guided in its trade relations with these countries by considerations of economic advantage and cannot make it a rule that trade agreements with these countries shall be subject to the settlement of political questions."

The question I wish to address to the able chairman of the Foreign Relations Committee is this: Does he interpret this dispatch as meaning that from now on the British Government has no intention of having any limitations upon it for the shipment of industrial equipment into Russia and her satellite powers? Such action would apparently be regardless of the fact that those shipments might directly add to the war-making potential of Soviet Russia or the satellites upon the western nations which at this very time we are about to consider the need of helping to defend under the North Atlantic treaty.

Mr. CONNALLY. I will say to the Senator from California that, of course, I do not know what is in the minds of those in charge of this program in Great Britain. But I would not apprehend that the sole consideration with them hereafter will be their own pecuniary advantage, notwithstanding the language which was used in the House of Commons, because there are many other factors which enter into the question.

Mr. KNOWLAND. Mr. President, will the Senator yield for another question?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from California?

Mr. CONNALLY. I yield.

Mr. KNOWLAND. The Senator knows I supported the ECA program last year. I expect to support it this year. But I do most respectfully urge that the able chairman of the Foreign Relations Committee, through the American State Department, make immediate inquiries of the British Government as to whether or not there is a basic change in its policy, and whether, as the press dispatch indicates, hereafter they are going to send anything into the Soviet Russia and her satellite powers, solely by considerations of British economic advantage and regardless of any—as they put it—political considerations?

Mr. CONNALLY. I thank the Senator. I will state that in the committee report it is set forth that—

The Administrator—

That is our Administrator—

has encouraged east-west trade within the limits of national security.

That is the point which, as I understand it, largely is in the Senator's mind. He wants trade, but he does not want trade that will even indirectly strengthen Russia in security matters.

Mr. KNOWLAND. The only reason I raised the question now, I will say to the Senator from Texas, is that I was reasonably well satisfied with the working of this arrangement until I read the press dispatch today, but if this situation is to completely reverse itself, then it might be advisable for the Senate to strike out the words "insofar as practicable" so that we are not leaving the barn door wide open. I should like to have some kind of assurance upon which the Senate could depend prior to the time we pass that part in the bill where such an amendment could be offered.

Mr. CONNALLY. Of course, the bill will be open to any amendment any Senator may desire to propose. But I will say to the Senator that our reports from the Administrator and others are that we are receiving very fine cooperation from the other countries which are making bilateral agreements with us in regard to the very matters the Senator from California is discussing. We are trying to keep out of the hands of aggressors and totalitarians anything which may be valuable to them in a military way. It is possible that we may be able to accomplish a great deal in the matter of contracts with the other countries which are participating along that line. Our reports are that we are receiving fine cooperation. I will say to the Senator that I am in hearty accord with his desires in this matter, and if it becomes necessary for us to adopt some amendments, why the bill will be open to amendment at the proper time.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. WATKINS. In connection with the same subject about which the Senator from California has been inquiring, I should like to ask the distinguished chairman of the Foreign Relations Committee if he is aware of the present trade agreement between Great Britain and Russia, which has been in effect for some time?

Mr. CONNALLY. I have read of it in a general way. I am not at the moment prepared to discuss its details.

Mr. WATKINS. I invite the Senator's attention to that trade agreement. As I understand, it covers the shipment by Great Britain to Russia of a considerable number of locomotives and steel rails. Would the distinguished chairman regard that as an agreement which would build up the war potential of Russia, if such items were actually being exported from Great Britain to Russia now?

Mr. CONNALLY. I will say to the Senator that I assume that anything which would contribute to a country's economic build-up would in a sense at least be valuable in time of war. That is one reason we are undertaking to help western Europe. We want her to be strengthened. We want her to have internal fortitude, not only of a spiritual and mental character, but the weapons and the production of war materials, if necessary, which will enable her to defend herself from any attack from without. I cannot say how many locomotives Great Britain has sent to Russia. I do not know about the steel rails.

Mr. WATKINS. I think that provision is contained in the treaty itself. It provides for so many tons of locomotives and steel rails, if I am not mistaken. I do not happen to have a copy of that trade pact at the moment, but that is my memory of it. I remember that during the discussion a year ago when this question was before the Senate it was pointed out that there might be violations under this particular trade treaty or others which Great Britain might negotiate with Russia or some of the satellites of Russia. As I recall, one distinguished member of the Foreign Relations Committee pointed out that if any American administrator under those circumstances should release to Great Britain war materials that could be used to build up the war potential of Russia, or which would enable Great Britain to release to Russia some of her own products in the same category, that would be almost an act of treason. He went so far as to describe it as a serious violation of what we were trying to accomplish by the European recovery program.

I voted for the program. I am in favor of it. However, I think we ought to watch it carefully. Has the Foreign Relations Committee any information as to what is being done by Great Britain under that trade treaty? Can the Senator tell me whether or not a check has been made to see if the spirit of the European recovery program is being carried out by our administration under Mr. Hoffman, and also by the British, in turn? I should like to know what is being done.

Mr. CONNALLY. I cannot give the Senator a detailed alphabetical list of all the products, but I can tell him that the ECA, the American State Department, and others interested are undertaking to keep a check on that very situation. If they should find that our concept of the program is being violated in spirit, they could take action through the ECA to correct the situation. That is the most I can say to the Senator at the moment.

Mr. WATKINS. Has the Foreign Relations Committee any information in its records, as brought out in the hearings, to indicate just what is being done, and what check is being made of the situation?

Mr. CONNALLY. It is very difficult to get behind the iron curtain.

Mr. WATKINS. I am speaking now about what is outside the iron curtain, as between Great Britain and Russia.

Mr. CONNALLY. I understand that we made protests against certain actions, and I think they were largely discontinued. However, I cannot at the moment give the Senator all the details. We shall be glad to keep the suggestion in mind. We shall be glad to impress it upon the ECA and the State Department, with a view to discontinuing that sort of situation, if it exists.

Mr. WATKINS. I invite the Senator's attention to the trade treaty between Great Britain and Poland. It is well known that Poland is a satellite of Russia, and under the domination of Russia. It is much more recent than the treaty between Great Britain and Russia. In the trade treaty between Great Britain and Poland, Great Britain is to trade with Poland for certain Polish products a certain quantity of copper. I do not know how many pounds or tons. Of course, copper is a commodity which can be used to build up the war potential. Does the Foreign Relations Committee have any information as to what is happening under that trade treaty?

Mr. CONNALLY. I assume it is being carried out.

Mr. WATKINS. And Great Britain is actually turning over copper to Poland?

Mr. CONNALLY. If she has a treaty to that effect.

Mr. WATKINS. Would the Senator regard that as a violation of the spirit of the recovery program?

Mr. CONNALLY. I would prefer that such a situation should not exist; but I must say to the Senator from Utah that we cannot stop all trade in Europe between various nations. That is one thing we are trying to build up. We cannot simply issue an edict and shut it off. I suppose Great Britain, if she entered into such a treaty, was trying to get some commodities from Poland which she direly needed in her own economy. However, I shall be glad to have the subject investigated for the Senator. If he has any proof, we shall be glad to have him cooperate with us.

Mr. WATKINS. I understand that there is such a trade treaty. In fact, I have read what purports to be a copy of that trade treaty, furnished to me by the State Department itself. I am very much concerned as to what is going on under the European recovery program, and whether, as a matter of fact, the nations we are trying to help are actually observing the spirit of the program. For example, I have been told by travelers who have returned from Europe, people who have lived in Europe for many years and have recently returned home, that there is much more war talk in the United States than there is in Europe; that the people over there are not nearly so concerned as we are. I can see some indication that there may be some truth in that statement, if Great Britain feels that she can continue to ship copper to Poland and steel rails and locomotives to Russia. Probably Great Britain is not greatly concerned over whether or not she builds up the war potential of Russia.

It seems to me that we ought to have information on the subject. It ought to be before the Senate so that we can know whether or not we are actually receiving cooperation from the European powers we are trying to help. I know that that subject was discussed at great length before we voted a year ago. Personally I relied upon assurance from members of the Foreign Relations Committee that the situation would be watched, and that nothing of that kind would be permitted to occur.

I have already indicated that one member of the committee thought that anyone who would aid or encourage or permit such a situation to continue would be guilty of treason. I myself would not go that far; but I think it would be an inconsistent attitude to levy heavy taxes on our people to provide commodities, money, and means for European nations, and at the same time have them ship from their own stock piles, their own stores, or their own manufactures, to the countries which might ultimately be our enemies, countries against whom we are trying to win the cold war.

Mr. CONNALLY. The ECA, which makes bilateral agreements with other nations, assures us that the signatory nations are cooperating with the United States. That does not include Poland, because Poland is not within the scope of this act. However, we are assured that the United Kingdom and other countries signing bilateral agreements are cooperating with us and trying to go along with our views and desires. We always have the backlog of discontinuing this relief if we are led to believe that other nations are not living up to their contracts and obligations. That is about all I can say to the Senator at the moment. I wish to be courteous, but I do not care to yield all afternoon for speeches instead of questions.

Mr. WATKINS. I have taken about 7 minutes. I should like to ask if it is the attitude of the Foreign Relations Committee, particularly the chairman, that in the event we find such things are happening, and that the nations we are helping are actually shipping to Russia and her satellites material which could be used to build up their war potential, we ought to discontinue the program of helping those nations.

Mr. CONNALLY. No.

Mr. WATKINS. Or should we lay down such stringent rules that they can no longer do that sort of thing?

Mr. CONNALLY. My information is that they are not shipping any war materials as such. Anything could be a war material. If a man were hungry, a pone of bread would be a war material if he wanted to fight. Any other economic aid of that kind might be a war material. However, let me say to the Senator that we can take up these questions through the ECA and the State Department. If other nations are not living up to their obligations, if they are not respecting the commitments they have made, we can bring the question to their attention and correct those things.

Mr. WATKINS. That is what I am trying to do now. This is the only opportunity I have, as one Senator, to check on the program; and I am relying on the Senator from Texas to help me.

Mr. CONNALLY. We are just as much interested in that question as is the Senator from Utah. I do not think it is the particular function of any one Senator to have a monopoly on patriotism and public interest. I say that in all kindness.

Mr. WATKINS. Have I indicated that I claim a monopoly?

Mr. CONNALLY. Not at all; but I have some evidence along that line.

Mr. WATKINS. We shall get to that a little later, I hope, before we get through.

I wish to assure the Senator that I have supported this program. I supported the loans to Greece and Turkey, and the Marshall program for aid to Europe, with the hope that we could accomplish many of the things which we were told would be accomplished. I think it is my duty, as one Senator, to raise questions about this program, to see how we can make it most effective, and to learn whether or not it is actually the right program to go ahead with.

Mr. CONNALLY. I am glad to hear the Senator. We are all just as much concerned as he is. We are endeavoring to carry out the wishes of the Senate in our own national welfare and by our own patriotic endeavors. We are doing the best we can. Would the Senator wish to abolish this plan and turn the other nations loose so that they can trade in arms and war materials, and all that sort of thing?

Mr. WATKINS. I have not so indicated. I am trying to prevent such a thing.

Mr. CONNALLY. The Senator has indicated that if the European nations are doing these things, we might as well abolish the whole program.

Mr. WATKINS. No. I think we had better lay down rules, regulations, and policies which will make it impossible for them to do so.

Mr. CONNALLY. We already have rules and regulations, and we have the assurance that the countries which are within the scope of these contracts and agreements are undertaking to live up to their obligations.

Mr. WATKINS. That is the very thing I am trying to find out. Are they trying to live up to them?

Mr. CONNALLY. I cannot go over there personally and come back and report that I saw the Russians and the Poles. I do not know. We must rely on the people we have in Europe for this information. They assure us that they are not shipping war materials to Russia. They assure us that they are cooperating with our own people in an effort to stimulate trade in proper lines, but not in potentially dangerous war materials. That is all I can tell the Senator. He can ask me 50 questions, but I cannot answer any more than that at the moment.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. DONNELL. I should like to ask the Senator this question: If it be true that Great Britain is entering upon a policy of furnishing war matériel to Russia and is undertaking to pursue such a policy as was indicated by the dispatch read by the Senator from California, does not the Senator from Texas regard such action by Great Britain at this time as both inconsistent and unfortunate, in view of the fact that in the North Atlantic Pact, which will soon be before the Senate, there is a sentence reading that—

They—

Meaning the signatories, of whom Great Britain is one—

will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.

Mr. CONNALLY. I shall answer the Senator. Of course, if Great Britain is violating the agreement she has entered into with the United States, she ought to suffer the consequences. But, on the other hand, I am not assuming that she is doing that. I am not assuming to be true a newspaper article based on a statement by some United Kingdom politician, who probably was making a speech for political consumption by his own constituents. We have assurances that Britain is not shipping war materials to Russia. If anyone has any proof that she is doing so, let him bring it forward in the way of proof, but not simply in the way of an oratorical outburst.

Mr. DONNELL. My question was not particularly as regards whether any of the proposed signatories to the North Atlantic Pact are presently violating an obligation under ECA, but my question is this: If it be true that Great Britain is entering upon or is pursuing a policy of furnishing war matériel to Russia, does not the Senator from Texas think that such action on the part of Great Britain should be deferred, and no position to that effect should be taken by Great Britain, until after it shall have been determined whether the pact shall be entered into, particularly in view of the fact that the pact contains the sentence I have already quoted, namely:

> They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.

Mr. CONNALLY. I say to the Senator that of course I do not have any quarrel with that situation. Britain is going into the pact; Britain has signed the pact; and I cannot conceive of Britain's shipping war materials in the face of that situation; and, in fact, we have assurances that Britain is not shipping war materials. That is all I can say to the Senator.

Mr. DONNELL. I thank the Senator from Texas.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. JENNER. I wish to ask the distinguished Senator from Texas, the chairman of the Foreign Relations Committee, whether he thinks this whole matter might be clarified if we were to prescribe in this bill some definitions of war materials, so as to state what they are. As I understand the matter, the authorization act now contains no definition which would enable one to determine what a raw material is or what a war material is. If we are to have the spirit of the act lived up to, I think perhaps an amendment would be necessary, so as to indicate what are war materials. The act does not contain a definition of them now, so a loaf of bread might be considered a war material, if one wished to interpret it as such.

My point is that if we are going to fight a cold war with Russia and if we are going to use the taxpayers' money to help European recovery, we must not permit the nations we help under the European recovery plan to ship to Russia materials which Russia could use against us. However, under the present act, inasmuch as it contains no definition of what is a raw material or what is a war material, all the countries participating in the European recovery plan are in a position to go ahead and trade with Russia, even in the most strategic supplies.

So does not the Senator from Texas think such an amendment is necessary if we are to win a cold war or to stop a cold war with Russia?

Mr. CONNALLY. We do not think it would be possible, by placing such an amendment in this bill—which is an action of the United States Government—to stop other governments from shipping materials as they pleased.

As I pointed out a while ago, war materials really include practically everything; they include food and clothing and practically everything else.

The State Department largely controls and dominates the section of the Department of Commerce relating to export controls. They have already formulated a long list of articles of the kind the Senator has in mind; so no exports of those articles from this country are allowed. But it is so difficult to impose upon other governments a long list of articles which we might tell them they could not ship, that it is wholly impractical to do what the Senator from Indiana has suggested.

Mr. JENNER. Mr. President, it might be a little impractical, but it is not impossible, because in this country we already have authorized the stock piling of certain strategic materials and metals which we shall need in the event of war. So I think it is unfair for the Marshall plan countries to use the benefits of the funds and taxes of this Nation which we are giving them in an effort to accomplish their own recovery, to ship the very materials we need to possible enemies of ours, or, at any rate, to further strengthen the satellite countries and Russia. I think there should be some provision prohibiting the shipment to those countries of materials which we ourselves actually need.

Mr. CONNALLY. As I have said, I know of no way of doing so. Of course, if we have a contract with those countries and if they do not live up to the terms of the contract, we can cancel the contract. But my information is that they are living up to their contracts.

Mr. VANDENBERG rose.

Mr. CONNALLY. I yield to the Senator from Michigan, if he desires to have me yield to him.

Mr. VANDENBERG. Mr. President, I think the answer the Senator from Texas has given is correct. I should like to supplement it, with his permission; first stating that I totally sympathize with the viewpoint of the able Senator from Utah [Mr. WATKINS] and the able Senator from Indiana [Mr. JENNER] and the spirit in which they raise this question:

I believe it will be found that our export list in respect to war materials is substantially the key list which the beneficiary countries use as a basis for their identification of exports which are not eligible for shipment to the Soviets and their satellites. As the able Senator from Texas has said, inevitably there are borderline cases. Frequently it is impossible to determine whether a given commodity has a war potential which is not overcome to a substantial degree by the immediate peace potential which the shipment is to serve. I think it is perfectly clear from the record, insofar as I am familiar with it, that a good-faith effort is being made to conform to a common standard in this aspect, and one which reflects our own standard.

Of course, all of us are anxious to restore peacetime east-west trade, because except as that can be done sooner or later we shall be permanently saddled with the responsibilities which we have only temporarily assumed. Therefore, the restoration of east-west trade, short of war potentials, is an important matter.

I think I can testify, without having the specific facts before me, that a completely good faith effort is being made to confine exports from the beneficiary countries to the standards which we have substantially set for ourselves. I would expect, I may say to the Senator from Utah, that it would be quite possible to produce exhibits here and there which, in a controversy on the subject, might be temporary exceptions to the rule. But I believe an over-all test of the situation will conform with the result which the Senator from Texas has indicated, and which I have tried to indicate. I should like to say to the Senator from Missouri it is my understanding that in connection with the Atlantic Pact, if, as, and when it develops—I do not want to keep referring to that document, but I want to give the Senator this information at the moment—it is my understanding that there will be an official memorandum certifying the British information and attitude that its trade agreement with Russia does not in any way, and will not be allowed in any way, to again come into conflict with the obligations to which the Senator referred, in the prospective North Atlantic Pact.

Mr. DONNELL. Mr. President, will the Senator yield, to permit me to ask either of the two Senators who have just spoken a question?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Missouri for the purpose stated?

Mr. CONNALLY. I yield.

Mr. DONNELL. The Senator from Texas referred to the man who was quoted by the Senator from California as some newspaperman making a political speech. I call the attention of the Senator from Texas to the fact that the man who was quoted in the article read by the Senator from California is Harold Wilson, president of the Board of Trade. I observe from the World Almanac of 1949 the Labor government of Great Britain, as of August 1, 1948, included the Right Honorable Harold Wilson as a member of the Labor Cabinet, he being President of the Board of Trade. I infer from the dispatch which was read by the Senator from California that the interchange between Mr. Wilson and Conservative John Langford Holt, at least in part, and I assume probably entirely, was in the House of Commons.

Mr. CONNALLY. I may say to the Senator I did not say anything about a newspaperman. I said some local politician in the United Kingdom. Evidently he is a politician, because he holds a Cabinet job.

Mr. DONNELL. He is at any rate a member of the Cabinet and occupies a very distinguished position, I should say, and the statement was made in the course of discussion in the House of Commons.

Mr. CONNALLY. Certainly he has a distinguished position. He is a member of the Cabinet. If he were not in line with the Labor Party he would not be a member of the Cabinet. The speeches which are made in the British Parliament frequently are made to bolster up

support for the Labor Party. I thank the Senator from Michigan for his statement along that line.

Let me suggest to the Senator from Missouri that building up the east and west trade between the satellite countries, if necessary, and western Europe is for the advantage of western Europe. We are not shipping, and our information is the western European nations are not shipping, any war materials to countries behind the iron curtain. But to cut off all trade between western Europe and the satellite countries would impose upon the United States a greatly increased burden in carrying out the program. We would have to go deeper into the Treasury. We would have to get more of the people's money, about which Senators eloquently speak. So that is the reason we want, so far as possible, to have normal trade between western Europe and the satellite countries. Divert it from Russia. Get it away from Russia. Let Russia do business with the western European nations that are not sending war materials to the satellite states or to the Soviets.

Mr. GREEN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Rhode Island?

Mr. CONNALLY. I yield.

Mr. GREEN. I thank the Senator. I thought in reply to the suggestion of the Senator from Indiana that the definition of raw materials be included, that the term "war materials" is not used in the act in connection with the subject he was discussing. The language of the act is:

> The Administrator is directed to refuse delivery insofar as practicable to participating countries of commodities which go into the production of any commodity for delivery to any nonparticipating European country, which commodity would be refused export licenses to those countries by the United States in the interest of national security.

So there is the definition, if one is needed, of "war materials," although the term is not used. In other words, it seems to me that is as definite as it could be.

Mr. JENNER. Mr. President, will the Senator yield? I should like to try to make my point clear.

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Indiana?

Mr. CONNALLY. I hope the Senator will be brief.

Mr. JENNER. I shall be.

Mr. CONNALLY. I want to get through. I want to conclude this discussion.

Mr. JENNER. It will not take more than half a minute.

Mr. CONNALLY. I have given the Senator an opportunity once to discuss it.

Mr. JENNER. It will not take more than half a minute.

Mr. CONNALLY. I yield. I reserve the right, however, to refuse to yield any further.

Mr. JENNER. I may say to the Senator from Rhode Island the country is very short of manganese. Our great supply of manganese comes from Russia. There should be some definition of a strategic material of that kind, prohibiting the countries we are helping through the European recovery plan from shipping manganese to the satellite countries. We need manganese. If they have any to ship, they surely should ship it to us in exchange for the assistance we are giving to them.

Mr. CONNALLY. We are receiving manganese from Russia now.

Mr. JENNER. I understand.

Mr. CONNALLY. Does the Senator wish to see that cut off?

Mr. JENNER. Of course not. But in all likelihood Russia herself will cut it off or greatly reduce it. Therefore, if England or France or any of the other countries we are aiding has manganese, rather than send it to Poland or Czechoslovakia, or some other place, let them send it to us. If that is unreasonable, I am crazy.

Mr. CONNALLY. Mr. President, I should like to continue with my remarks, if I may. I may say with regard to the interruptions, of course the Foreign Relations Committee and the chairman of the committee want to preserve the peace of the world. We do not want war materials to be shipped to Russia or to the satellite countries. Such materials are not now being shipped to those countries, according to the regulations of our Department. I thank the Senator from Rhode Island for making clear a portion of that matter. We do not need the definition. We are not setting ourselves up as a dictator. We do not profess power merely to put our finger on any country we want to, and say, "Now, do not do that, do not do this." We must act through normal channels.

Mr. President, the committee has approved the sum of $1,150,000,000 to enable the program to continue for the 3 months' period from April 3 to June 30, 1949. Since substantially all the funds available to ECA will have been obligated by April 2, it is absolutely essential that the authorization be approved at an early date. I adverted to that a little while ago, stating that although the money may not have been actually paid over, if it has been obligated, it is in effect already expended.

ECA's experience has demonstrated that, in order to handle procurement effectively, a substantial amount of funds should be available at least 2 months in advance. For this reason, the committee has approved a Reconstruction Finance Corporation advance of $750,000,000. There must be no loss of momentum in the procurement program, no disruption in the stream of supplies. We must not lose ground.

The committee also authorized the sum of $150,000,000 for forward contracting, so that equipment for vital long-term projects may be contracted for without falling excessively upon a country's allotment in any one year. It is important in launching such projects that some assurance be given to American contractors that they will receive payment for their equipment after 1950. No appropriation will be required for this purpose during the next fiscal year.

We looked carefully into the effect of lower prices upon both the program requirements and the dollar-earning capacity of the ERP countries because any price decline can cut at least two ways. A price decline may mean not only lower prices for the goods Europe buys, but also lower prices for the things it sells. It ought to be more feasible to foresee the price trend when the authorization comes to the attention of the Appropriations Committee.

To sum up, Mr. President, the committee examined the authorizations in the present bill with painstaking care. While we approved the full amount requested, I want to emphasize that the members of the committee are, of course, free to reconsider these figures when the final vote is taken on the appropriation.

In making this statement I do not want to detract one iota from the committee's endorsement of the full amount.

Mr. President, some doubt has been cast upon the validity of ECA's figures as a result of the speech recently made by Mr. Mayhew, British Parliamentary Under Secretary for Foreign Affairs.

I am sorry that the Senator from Missouri is not present at this moment to hear my discussion of the British statement which was made some time ago. I hope the Senator from Utah will remain.

Mr. WATKINS. I intend to remain.

Mr. CONNALLY. In that speech Mr. Mayhew indicated that Britain's recovery is now virtually complete. We all rejoice with them in the progress made. However, I think it can be expected, from time to time, that European officials will make optimistic speeches of a political nature especially designed to convince their constituents at home of the desirability of certain domestic policies and couched in such terms that Americans might question the need for further American aid.

Mr. Mayhew, as I recall, was making a speech defending his party and seeking justification for the action of his party in not going ahead with some of the nationalistic plans and programs. So, as a matter of defense, he stated:

> We do not need to use so much money in these enterprises. We have already largely recovered under the ECA program.

We were not satisfied with the newspaper reports. The committee's analysis left no doubt that, in spite of encouraging British internal recovery, she still is unable to earn all the dollars required for essential imports.

There is a difference between internal recovery and external recovery. We all know that the clamor has been for more dollars. Most of the European countries have large amounts of their own currency, but they want dollars, because dollars constitute the only kind of money that is accepted as being worth anything.

Since Mr. Mayhew's statement, this has been explicitly confirmed by Sir Stafford Cripps and other high British officials. Moreover, the committee recalled Mr. Hoffman and Mr. Finletter, chief of our ECA mission in London, and examined them very carefully on this point. We must conclude that any substantial cut in dollar aid to Britain would

be a tragic mistake. It would seriously retard British and European recovery.

All of us know that the United Kingdom is the heart of the European situation. We know that she has dominated the economy of Europe in the past, so that anything that would seriously impair her recovery would react unfavorably upon the progress of Europe.

The estimated British requirements for dollar aid next year already represent a 24-percent cut over last year, compared with a 15-percent reduction for the ERP countries as a group.

We are making some progress. We are not giving Great Britain as much as was involved in the last bill. The cut in the amount allotted to the United Kingdom is greater than for all the rest of the ERP countries.

Clearly this is an excellent example of the principle that, with respect to European recovery, we cannot afford to be short-sighted. We must take a broad view of the entire program and never lose sight of its basic objectives.

Mr. President, let me summarize briefly some of the other amendments approved by the committee.

First. We have amended the preamble to the act to make clear that it is the policy of the people of the United States to encourage the unification of Europe.

That does not mean politically. The real impetus toward unification, of course, must come from the people of Europe themselves. It is not the province of the United States to dictate to Europe. We can sympathize with her and be of aid to her, but she must dictate her own policies as to unity in the future.

Second. We have approved a higher status for the Deputy United States Representative in Europe and the chiefs of the ECA missions abroad. This we did because of the great importance of their work.

There is a slight improvement in salary and rank. When a man gets into foreign countries he must have rank, lots of rank. The officials of foreign nations do not like to have to associate with anyone who is not on a very high level.

Third. We have changed the basic act to provide that 15 percent instead of 25 percent of all wheat shipped with ECA funds should be in the form of flour. We believe this amendment is desirable because of the changing supply situation.

We had very great pressure brought to bear on the committee to leave the figure at 25 percent. The millers were anxious to be able to make as much wheat into flour as was possible. The Senator from Kansas was very active. The committee heard him patiently, but, all things considered, the committee determined that 15 percent was a better ratio than was 25 percent.

I think, on the whole, it was acceptable to the milling interests.

Fourth. We have made it possible for the Administrator to continue to guarantee the convertibility into dollars of foreign currency secured from new American investments in the participating countries. Thus far progress in this direction has not been encouraging. It is expected, however, that under the stimulus of this guaranty, American capital will increasingly seek investment opportunities abroad as Europe recovers.

The House bill, in this respect, has much broader provisions than has the Senate bill. We simply provide that American interests can make investments abroad and we will guarantee the conversion of their foreign money into United States dollars, but we do not guarantee their profits or anything more than convertibility. We think that is a sound policy.

Fifth. We have clarified the 50–50 shipping provision by making it quite clear that 50 percent of ERP goods should be shipped in American vessels to the extent these are available at market rates for United States flag vessels.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. AIKEN. Does that provision mean 50 percent of the goods of each country, or of the nations as a whole?

Mr. CONNALLY. The nations as a whole.

Mr. AIKEN. That means Holland, of course; and Norway is one of the ECA countries, is it not?

Mr. CONNALLY. That is correct.

Mr. AIKEN. Norway can certainly not recover unless she is permitted to rebuild her shipping. We would not require Norway to accept half of the ECA goods in American bottoms.

Mr. CONNALLY. No; we give them 50 percent of the total, and we do that in order to help the maritime nations to continue in business. The business must be available at the same rates which American-flag vessels charge.

Since United States-flag vessel market rates are often higher than world market rates, the amendment which I have been discussing provides additional protection for the American merchant marine.

Mr. AIKEN. Does that mean that no goods can be shipped at rates which exceed the American merchant marine rates?

Mr. CONNALLY. No; it means only the 50 percent.

Mr. AIKEN. But there are no countries where the shipping rates are higher than in our own merchant ships.

Mr. CONNALLY. I do not think there are. That is why it is necessary for us to look after this, in a way.

These higher freight costs, however, add not only to the dollar costs of the program but also to the prices paid by buyers in Europe in their own currencies. Thus the effect is inflationary on prices in Europe. This has been especially serious in the case of coal and, among other things, has caused the participating countries to pay higher prices for Polish coal than would otherwise have been necessary.

I am not quite sure as to how that can be explained, but I think it can be explained in this way: The cost of the freight has been added in the past to the price of the coal, so that when it reaches Europe, Poland, in order to compete, in order to get all the profit it can, added the freight to its cost, and sold its coal with the cost of the freight added, thereby getting a larger percentage of profit than it was really entitled to.

Mr. AIKEN. That situation has improved, has it not, to the extent that the ECA countries are getting into such a position that they are not dependent on either Poland or the United States?

Mr. CONNALLY. They are improving, but still they have to get a great deal of coal from Poland. Poland is a great producer of coal, and it was to take away some of their undue profits that this provision was drawn up.

The committee found that the effect on European prices could be overcome if the Administrator were authorized not to require the deposit of local currency counterpart funds to cover the increased costs of shipment in United States vessels. Accordingly, we provided that deposits should not be required in such cases. That was for the purpose of equalizing this situation.

Sixth. In the field of strategic and critical materials—I regret the Senator from Arkansas is not on the floor—we have reemphasized the position of ECA by directing that the Administrator should continue to make the fullest use of his bargaining power to help the United States acquire the materials it needs. With the approval of the Bureau of Federal Supply, and with funds available to other agencies for this purpose, the Administrator may enter into long-term purchase contracts for the United States. The committee action does not restrict other United States agencies from stimulating production or purchasing materials in other parts of the world.

In other words, we authorize the ECA to utilize its bargaining power in stimulating the production of these strategic materials, which we may need, but we use and employ for their purchase the funds of the particular department which desires to utilize them, for instance, Army, Navy, or the merchant marine. Their funds are what will be used for paying, but the ECA, because of its contacts abroad and its bargaining power, is authorized to carry on that sort of work. The Bureau of Federal Supply is the overall supply market, and we use their funds with which to purchase these materials.

Seventh. The committee decided not to continue the requirement of the present act that certain fixed amounts should be used only in the form of loans. Loans, however, can and should be used wherever they can be made on a sound basis.

The issue that probably exercised the committee most—the relationship of surplus commodities and United States business generally to the ECA program—resulted in no amendments basically altering the nature and purpose of the recovery program. Last year the ECA bill provided protection against inflation and serious shortages of certain types of commodities. It also required the Administrator to take account of agricultural surpluses under certain conditions consistent with the objective of promoting European recovery.

The committee agreed unanimously that the Administrator should give sympathetic consideration and attention to the use of United States surplus commodities and should not discriminate against the use of American services. On the other hand, the committee did not

subscribe to the proposition that the Administrator should be compelled to use large quantities of surplus commodities which are not needed for European recovery. Nor should he be compelled to give preferential treatment to any particular segment of American business.

There was a good deal of pressure on the committee to set up devices by which the producers of certain commodities would have preferential shipment of their commodities to Europe. We founded our action upon the fundamental principles which I have undertaken to enunciate in the last few minutes.

It is true that various American businesses have experienced losses of foreign markets because of the acute dollar shortage. Yet without the ECA, and without the hope of general European recovery and consequent increased world trade, American business would face a host of economic barriers and even greater losses of markets.

The committee rejected an amendment which would have required the Administrator to cut off aid to any country which fails to comply with the orders or requests of the Security Council of the United Nations.

At this point I yield to the Senator from Michigan, if it is desired. I am getting down to the Indonesia project, if he cares to discuss that.

Mr. VANDENBERG. No; I suggest that we discuss Indonesia when the amendment is brought up.

Mr. WATKINS. Mr. President, I should like to indicate to the Senator from Texas that when he has finished his main presentation I have some questions I should like to ask him before he yields the floor, if he will be so gracious as to permit it.

Mr. CONNALLY. I shall examine the questions when they are propounded. I do not care to make any general promises. If the Senator is going to try to hijack me, I shall have to decline to yield further.

Mr. WATKINS. I said that when the Senator concluded his main speech I wanted to ask him some questions. If he does not want me to ask them, he may so indicate.

Mr. CONNALLY. I shall wait and take the chance. The Senator has a very shrewd and aggressive mind, and I am sure his questions will be right to the point.

I remind the Senate that the imposition of sanctions is thoroughly covered in the Charter. That is a matter for the Security Council to determine. It would, therefore, be totally improper to use the ECA, an agency of the United States, to apply sanctions unilateraly in such a case.

I know that many Senators are disturbed lest our assistance to the Netherlands contribute toward that government's military operations in Indonesia. Let me review briefly the facts. Originally the ECA had allotted $84,000,000 to the Netherlands Government for use in Indonesia. On December 22, 1948, however, that part of assistance to the Netherlands intended for Indonesia was cut off. That was our act. We cut it off. This was done because the outbreak of hostilities and the resultant disorder there made the further investment of ECA funds unjustifiable.

After a careful examination of the evidence, the committee was convinced that continued aid to the Netherlands will not contribute in any significant degree to the support of its operations in Indonesia. According to our information, the Dutch have not incurred heavy military expenditures, either in dollars or in other resources, in excess of their expenditures in that area prior to December 21. Moreover, it is reported that these operations are supported from local revenues and do not constitute a charge against the national budget of the Netherlands Government.

Under these circumstances it seems to the committee most unwise to cut off aid to the Netherlands and thus completely disrupt Dutch recovery and seriously impair the entire European recovery program.

I should like to remind the Senate that the Security Council is actively engaged in working out a solution of this entire Indonesian problem. It would, therefore, seem best to concentrate our efforts on assisting in reaching a collective answer in the Security Council, which might be complicated if we should now insist on taking unilateral action to deal with one segment of the problem. This course would be consistent with our policy of support for the United Nations.

I profoundly hope that a solution will soon be found, in view of the important contribution the production of a peaceful Indonesia can make to European recovery.

With respect to the timing of action on aid to China, it is believed appropriate that China should be dealt with separately in relation to the unique circumstances that exist in that country. That is also the attitude of the House of Representatives, in which a bill has been introduced on that subject, and which provides that it should not be involved with the general terms of the bill we are now considering. The highly fluid and uncertain character of the Chinese situation, including the exact outcome of political negotiations now being attempted between the Chinese Government and the Chinese Communists, distinguishes sharply the problem of aid for China from the long-range reconstruction measures being undertaken for Europe. It was with similar considerations in mind that the Congress last year limited its concept of aid for China to 1 year rather than to 4 years as in the case of the European recovery program. It would be inappropriate and misleading at this juncture to act on the two situations simultaneously.

I am in complete agreement with the 50 Members of the Senate who recently addressed a letter to the Committee on Foreign Relations that our policy toward China is of the utmost importance. The basic problem which confronts us is this: What is it feasible to do under existing circumstances?

I will say to the Senate that the Committee on Foreign Relations has been giving extensive attention to this question. Many men who are supposed to be acquainted with conditions in Asia have appeared before us. The matter is still before the committee, and may result in some action before the present bill is concluded.

Mr. AIKEN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Vermont?

Mr. CONNALLY. I yield.

Mr. AIKEN. As one Senator whose name appeared among the 50 signers of the letter, I should like to say to the Senator from Texas that it certainly was not my intention to ask the Foreign Relations Committee for aid to China. As I recall the letter, it asked the committee to consider a bill introduced by the Senator from Nevada. I was somewhat mystified to read the complete letter later, but I want to assure the Senator from Texas that, as one of the 50 Members of the Senate who signed the letter, it certainly was not my intention to ask for aid to China at this time.

Mr. CONNALLY. I thank the Senator from Vermont. We construed the letter as he says he intended it to be construed—not that the signers were committing themselves to any particular measure but that the signers of the letter were asking the Committee on Foreign Relations to give attention to the Chinese situation, and we have done so and are continuing to do so. Even today, all morning, we had a distinguished man before us who knows China, and who gave his testimony on the subject until noon.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. CONNALLY. I yield.

Mr. SALTONSTALL. If the question is not a proper one the Senator from Texas, of course, will not answer it. While it is going over the Chinese problems is the committee at the moment considering any concrete recommendation from the administration?

Mr. CONNALLY. Does the Senator mean the executive administration?

Mr. SALTONSTALL. Yes.

Mr. CONNALLY. Representatives of the executive department have appeared before us, but I am not at the moment prepared to divulge what they have had to say, because the proceedings have been held in executive session. I will say to the Senator from Massachusetts that we are giving consideration to all aspects of the Chinese problem with a hope that we can contribute something to its solution, although it has not gotten down to the point that the committee is prepared to recommend at the moment any particular action, except the committee will probably recommend—it has not done so yet, but I think it will—that the unexpended balance of from about $56,000,000 to $58,000,000 for the 3 months' period, allocated to China, may be extended and continued for another period, and that it may be expended. Further than that, though, we have not gone.

Mr. SALTONSTALL. Then, there is no public—and that is the only thing I am asking—no public recommendation from the executive department to the Congress, at the time, with relation to China?

Mr. CONNALLY. No. I will say to the Senator that Judge KEE, Represent-

ative from West Virginia, introduced a bill which represents, as I understand, the view of the ECA on the subject. The Senator can consult that bill.

While there is little we can do at this time to determine the course of events in China, it would be consistent with our traditional friendship for the Chinese people if, in the face of their adversity, the United States were to continue its economic relief until the next harvest in areas of China that remain free of Communist domination. I would, therefore, support an ECA request for congressional action to extend the authority of the China Aid Act of 1948 to permit commitment of unobligated appropriations for a limited period beyond April 2, 1949—that is the matter I discussed a moment ago—the present expiration date of the act, and to authorize the President to extend aid to such beneficiaries in China as he may determine. That is in order to give its operation some elasticity. Events in China are changing—they are fluid—and we do not want to be tied down to any particular course at the moment. Meanwhile, if the situation in China should clarify itself sufficiently, consideration could be given to such further measures as might be appropriate.

Before concluding my comments, let me dispel one doubt that may be lurking in many minds. A recent OEEC report indicated that, according to present calculations, the participating countries might still confront a balance of payments deficit in 1952 of some $3,000,000,000. In some quarters this report has been interpreted to mean that western Europe cannot become self-supporting in 4 years and that we will be compelled to continue our assistance even after the program is over.

In my judgment, this is a complete misunderstanding of the OEEC report. The report merely states, with utter candor, that present program plans are not entirely adequate to make western Europe self-supporting by the end of the program. It is not a request for more funds. Rather it is a warning that the participating countries must tighten their belts and make the necessary adjustments in their programs in order to avoid the deficit referred to.

It has been repeatedly empnasized and the participating countries are left in no doubt that they must put themselves in a position by mid-1952 to be independent of extraordinary American aid. We do not expect to continue this program beyond that time. We shall not continue this program beyond that time. Participating countries must understand that such is our position. It is contemplated that, just as the proposed appropriation for next year is considerably below that of the first year, so even larger reductions may be made as recovery proceeds, until the time when such aid is no longer required.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. KNOWLAND in the chair). Does the Senator from Texas yield to the Senator from Massachusetts?

Mr. SALTONSTALL. I wish to ask the Senator a question in relation to dollars and deficit dollars, and so on. Would the Senator prefer that I wait with my question?

Mr. CONNALLY. I should prefer to have the Senator wait, but I will yield now, if he so desires.

Mr. SALTONSTALL. The Senator has been talking about the deficit in dollars estimated for 1952. My question is with relation to the blocked-sterling countries, our ability to trade with those countries, and their general situation. Are they in a better position than they were a year ago or is their situation likely to continue beyond 1952?

Mr. CONNALLY. I think they are in a better condition because of the general improvement in trade and economics, but I cannot answer the latter half of the question.

Mr. SALTONSTALL. I bring that question up because, in order to make this program successful, the European countries which we are aiding must reduce their imports from us and increase their exports. That means we would have less opportunity to trade with those countries.

Mr. CONNALLY. That is true.

Mr. SALTONSTALL. If our domestic employment drops, we should be able to trade with other countries. It is my understanding that there are various other countries with which we cannot trade today because of the blocked-sterling condition. I wonder if the Senator would be willing to elaborate a little on the problem and state whether or not the situation is improving, so that our trade can go elsewhere if it cannot go to the European countries.

Mr. CONNALLY. I can make only a general statement. I think the last part of the Senator's statement is correct. There are other countries in which there can be an expansion, but at the moment I cannot go into detail as to the operations in the blocked-sterling countries.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. AIKEN. The Senator from Texas has indicated that he believes the United Kingdom will be much better off as regards the dollar shortage by the year 1952. Does the Senator from Texas base this opinion on the expectation that Great Britain will need less dollars by that time, or that her exports and trade with this country will have increased, so that she will have more dollars?

Mr. CONNALLY. I think I agree to both prongs of the Senator's question. I think her exports are going to increase and her general economic level will rise.

Mr. AIKEN. The Senator believes there will be some improvement in both respects?

Mr. CONNALLY. I think there will be some improvement in both respects.

Mr. AIKEN. I thank the Senator.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. ELLENDER. I must soon leave to attend an Appropriations Committee meeting and regret that I will not be able to hear the rest of the remarks of the able Senator on the important bill now pending. I should like to ask the Senator a quesiton.

As I understand, when we provided European recovery funds last year there was a provision in the bill which stated that at least $1,000,000,000 would be in the form of repayable loans.

Mr. CONNALLY. Not quite $1,000,000,000. It was $900,000,000.

Mr. ELLENDER. I understand that that provision has been striken from the law by the amendment which appears in the measure now up for consideration. Is it the intention of the sponsors of this bill tc make the entire amount of funds available to our friends in the form of gifts and grants?

Mr. CONNALLY. We did strike that provision.

Mr. ELLENDER. Is it the intention of the committee that the $5,400,000,000 is to be in the nature of gifts, rather than a part of it in loans, as is provided for in the present law?

Mr. CONNALLY. A part of it will be grants, and a part of it will be loans.

Mr. ELLENDER. Who is to determine the extent to which a certain portion shall be grants, and how much shall be loans?

Mr. CONNALLY. Primarily the Administrator will determine that question.

Mr. ELLENDER. Can the Senator tell us who initiated such a plan?

Mr. CONNALLY. The Administrator is supposed to consult with the National Advisory Committee with regard to these loans.

What was the other question?

Mr. ELLENDER. Who initiated such a change in the law?

Mr. CONNALLY. I cannot state at the moment who initiated it.

Mr. ELLENDER. The Senator is chairman of the committee. I presume he should be in a position to say who brought it up.

Mr. CONNALLY. I do not have to know who wrote this paper, or on what typewriter it was written. We have the plan before us. That is the important thing.

Mr. ELLENDER. Who suggested that the change be made from earmarking $1,000,000,000 for loans and the rest by way of gifts, as is now provided by law?

Mr. CONNALLY. The Administrator.

Mr. ELLENDER. What was the reason he gave for such a change?

Mr. CONNALLY. I cannot tell the Senator all his reasons. The Senator asked me who did it. The Administrator did it.

Mr. ELLENDER. He must have advanced some very good reasons to change the mind of the Senator from Texas. I should like to know if the Senator can give us some of those reasons.

Mr. CONNALLY. He needed greater authority, greater discretion, and greater leeway. He did not want to be compelled to make the loans unless he felt that they were justified and should be made, and were sound.

Mr. ELLENDER. Does the record indicate that some of the urging for a change might have come from the recipients abroad?

Mr. CONNALLY. No.

Mr. VANDENBERG. Mr. President, will the Senator yield to me for a supplemental comment?

Mr. CONNALLY. I yield.

Mr. VANDENBERG. The Administrator and the advisers behind him came to the conclusion, when they had almost reached the $1,000,000,000 limit of loans under the old system, that they had exhausted the possibilities of making advances under the program which legitimately could be made in the form of loans. In other words, if it were done in the form of the loans beyond the limit already established by the $1,000,000,000 limitation, in the first place the loans would not be honestly entitled to be called loans. They would really be camouflaged loans. Secondly, they would be a charge against the credit of the beneficiary country, in the form of a fixed charge which simply could not be liquidated in connection with the economic program. So, having exhausted the basis for the legitimate use of the loan device, it is my understanding that the Administrator wished to proceed not only with complete candor, but with the most advantageous economic effect of grants instead of loans from this point on, except in the cases of three or four, or perhaps five participating countries, which will never receive anything except loans.

Mr. ELLENDER. Mr. President, will the Senator yield for a further question?

Mr. CONNALLY. Just a moment. Let me say to the Senator from Michigan that I think he is correct in the main; but under this bill the Administrator will still have the power to make loans.

Mr. VANDENBERG. I have just said so.

Mr. CONNALLY. In the cases of countries which are good credit risks.

Mr. VANDENBERG. I have just said so.

Mr. LODGE. Mr. President, will the Senator yield to me?

Mr. CONNALLY. I yield.

Mr. LODGE. On page 18 of the committee report is a very concise statement which responds precisely to the question of the Senator from Louisiana. I should like to read it:

> The committee heard testimony from the Administrator and the Secretary of the Treasury to the effect that it would be unwise in the coming year to stipulate a fixed amount for loans as had been done last year. It was pointed out that many of the participating countries are already heavily committed for the repayment of dollar loans and that such countries would need dollar-borrowing capacity to carry them after the end of the European recovery program. The witnesses recommended that the Administrator be given discretion in determining the amounts of loans to be made. He would, as required by the law, consult with the National Advisory Council on International Monetary and Financial Problems in making his decisions. Testimony indicated that the Administrator would plan to extend aid in the form of loans to certain countries which clearly would have the capacity to repay dollars without undermining their financial position after the end of the program. The committee was impressed with the validity of the consideration advanced and decided to require no fixed amount of the appropriation to be used in the form of loans. At the same time the committee clearly expressed its view that loans should continue to be an integral part of the program and should be used wherever they can be made on a sound basis.

Mr. CONNALLY. That is correct.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. ELLENDER. As I understand that language, it leaves it to the Administrator to determine the extent to which loans should be made, and to whom.

Mr. LODGE. After consultation.

Mr. ELLENDER. After a determination that the country would be able to repay after this program is at an end; is that correct?

Mr. LODGE. That is correct, with this additional statement, that the Administrator must consult with the National Advisory Council on International Monetary and Financial Problems. So he is not completely a free agent.

Mr. ELLENDER. Would not the Senator say that the Administrator has a free hand to make a loan, or to make a gift?

Mr. CONNALLY. No; I do not think so.

Mr. ELLENDER. What limitation is there?

Mr. CONNALLY. As pointed out by the Senator from Massachusetts, he must consult the National Advisory Council. This provision was inserted in order that he might use his discretion in passing upon the validity of a loan and the prospects of its being repaid, as well as the soundness of the financial condition of the country involved.

Mr. ELLENDER. All of that may be true, but there is no law providing for a portion of the amount appropriated to be insured by loans. I am not impressed with the reasons given by the Administrator. He states, in effect, that loans should not be made, because it might upset the economy of those countries; that they might not be able to repay us. I wish that the same yardstick be used in determining our ability to advance these funds. I fear that with our enormous debt and with all of the things we are now being asked to do may seriously affect our ability to pay our own huge debt. What if we default? I do not like to contemplate the future should that occur.

In all events, my guess is that most of this money will be distributed in the shape of gifts, and that any loans as now contemplated by the existing law will be entirely abandoned.

Mr. CONNALLY. Of course, the Senator from Louisiana is entitled to his own views on that subject.

Mr. McKELLAR. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from Texas yield to the Senator from Tennessee?

Mr. CONNALLY. I yield.

Mr. McKELLAR. I should like to know whether the Senator from Texas has the figure as to the number of loans actually made in the last year.

Mr. CONNALLY. Yes; approximately $900,000,000 worth.

Mr. WATKINS. Mr. President, I should like to hear what is being said. I ask for order in the Chamber, please.

Mr. CONNALLY. Mr. President, we invite the Senator to move closer. My reply was, nearly $900,000,000 in loans.

Mr. AIKEN. Mr. President, will the Senator yield for a question?

Mr. CONNALLY. I yield.

Mr. AIKEN. Suppose the Administrator finds, let us say that $100,000,000 is necessary to carry out the purposes of the program in a certain country.

Mr. KEM. Mr. President, we cannot hear over here.

Mr. AIKEN. I said, suppose the Administrator determines that $100,000,000 is necessary to carry out the purposes of the program in a certain country; and suppose that then the officials of that country say to the Administrator, "That is all well and good; but if we had $30,000,000 more we could put ourselves in a still better position." Would the Administrator then have the right to lend that country $30,000,000, in addition to the $100,000,000 grant?

Mr. CONNALLY. Yes. Of course these programs are supposed to be processed first by the OEEC, and they make their recommendations. After that, if the Administrator wished to review the recommendations, and if he found affirmatively that the other $30,000,000, in addition to what he had intended to allocate, would be repaid, and if he found that it would be a sound loan and, in the nature of things, would receive the approval of the National Advisory Council on International Monetary and Fiscal Affairs, he would make it.

Mr. AIKEN. Of course he might find that the repayment of the $100,000,000 would work an insuperable hardship on that nation, but that the repayment of the $30,000,000 would not.

Mr. CONNALLY. Of course the Administration might find that to take the $30,000,000 from the pot might result in taking that amount of money away from another country which was in as much need as was the country which was applying for that much additional aid.

Mr. AIKEN. I realize that.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. TAFT. I should like to know where I can find the figures for the requests for funds for both the whole year and the 3-month period between April 1 and July 1, 1949. In a rather hasty examination, I have not been able to find those figures.

Mr. CONNALLY. Let me say to the Senator that those figures are to be found in the report of the Committee on Foreign Relations, and also in the hearings. They appear on page 11 of the committee report, under the heading "European recovery program—United States aid, 1948-49 and 1949-50."

The figures are shown in millions of dollars.

Does that meet the Senator's request?

Mr. TAFT. No; I should also like to know where I can find a division of the $1,150,000,000 requested for the next 3 months; I wish to know whether there are any such figures as to that sum.

Mr. CONNALLY. I do not know whether I can find that, but we shall make a search for it.

I have here a statement as to the $1,150,000,000 from April 3, 1949, to June 30, 1949. I do not know that it has been

printed, but I shall make it available to the Senator.

Mr. TAFT. I shall be glad to have it, if I may.

Mr. CONNALLY. Certainly.

Mr. TAFT. I thank the Senator.

Mr. CONNALLY. Mr. President, while considering this legislation, the Foreign Relations Committee was constantly aware of the fact that the European recovery program is only one of the assistance programs that the United States plans to undertake in the coming fiscal year. An estimated $600,000,000 will be asked for aid to China and Korea—I do not know whether they will be granted, but it is requested—and for military aid to Greece and Turkey. Six hundred million dollars was supposed to cover all those items. Another $1,000,000,000 will be spent for relief in the areas occupied by the United States Army. Through the International Refugee Organization and the displaced-persons program, the United States will be giving additional assistance for relief and rehabilitation purposes. According to the President's budget, the estimated expenditures for these assistance programs, including ECA, for fiscal 1950, will total a very substantial sum. The committee kept these figures constantly in mind to make certain that the United States does not exceed its resources.

I do not wish to pursue at the moment the details of the Atlantic Pact, the text of which has recently been released, and which will soon be before the Senate for its consideration. But, Mr. President, question has been raised as to whether the contemplated military-assistance program will interfere with the execution of the recovery program by the diversion of European manpower and materials for defense purposes. Obviously, no categorical answer can be given to this question at this time, because the military-assistance program is still in the process of formulation.

As I understand it, preliminary estimates indicate that the military-assistance program will be well within the ability of the American economy to support it. Furthermore, any additional military efforts which the participating countries may undertake as their part of the program are not expected to constitute, in 1949–50, such a drain as to interfere with the progress of economic recovery. The Congress will have ample opportunity to look into this problem in detail when it is confronted with the text of the military-assistance bill.

For our part, I should like to make clear that the basic policy of the United States Government is to accord economic recovery a clear priority. It is our expectation that any possible additional military production by the European countries will be in such a manner as not to jeopardize economic recovery and the maintenance of financial stability. The military-assistance program should, in fact, have a beneficial effect on economic recovery by strengthening the feeling of confidence and security.

The United States is vitally concerned in the threat of totalitarian and tyrannical powers to overrun the entire world by infiltration, by political agitation, and by the stimulation of economic and political confusion. Their objective is to influence the democratic nations of the earth, to conquer them with their evil powers, and to bring them within the domain and control of the despotism which they promote. The United States is devoted to the preservation of freedom and democracy, a system under which the people of respective nations may institute and maintain systems of government and ways of life suited to their own concepts of liberty and to their own economic, social, and political needs. The poisonous doctrines of communism, directed by a strong and powerful state, have made repeated assaults upon the countries of western Europe in order to disturb and destroy their economic rehabilitation and the strength of their systems of government. One of the cardinal motives in establishing the economic-recovery program has been the desire of the United States to aid the countries of western Europe in resisting conquest by these false and noxious policies.

Even after the establishment of the ERP these influences have endeavored to wreck its operations and to discredit its activities. The underlying purpose of such attacks is to create confusion and uncertainty in the economic and political life of free democracies. Confusion and dissatisfaction are rich soil for the propagation and growth of communism and anarchy. The enemies of democracy, through infiltration and poisonous propaganda, hope to weaken and destroy real democracy, to substitute in its stead the tawdry theories of communism, and to erect in its place a tyranny as galling and as heartless as any system in the history of the civilized world. Dominated by an oligarchy, small in numbers but wielding tremendous power, it hopes to centralize into one dictatorship all the powers of government, to destroy government under law and the liberties of mighty peoples, and to control all forms of economy and the activities of millions upon millions of human beings. Their future would depend upon the caprice and arbitrary action of a mighty group responding to no consideration except their own perverted and destructive will and their desire to enslave millions of people in obedience to that will.

Our European partners remain in the ranks of the democracies with growing vitality and faithful to free institutions and the goal of peace. They have resisted the corrosive, but cheap and ugly, doctrine of communism that destroys and corrupts, the doctrine that assails both the dignity of man and the morality of God.

Nothing must be left undone to protect the right of participating nations and America's right to live and work in peace, within the aspirations and obligations of the Charter of the United Nations. This is an objective calling for balanced statesmanship and high patriotism. Its achievement is of world significance.

The United States will not shirk its responsibility. It will give its influence, its resources and its strength to this lofty task.

Mr. WATKINS and Mr. KNOWLAND addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Texas yield; and if so, to whom?

Mr. CONNALLY. I may say to the Senators I shall be glad to yield, but I am very tired. I have been on the floor now for more than 2 hours. I yield first to the Senator from Utah. He was on his feet several times, some time ago.

Mr. WATKINS. Mr. President, I may say to the distinguished chairman of the Foreign Relations Committee, I do not care to press my questions now, if he is weary. I shall take them up at some later time.

Mr. CONNALLY. Could the Senator not properly take them up when amendments are being considered? I do not want to decline to yield. I shall answer the Senator, but I am very tired.

Mr. WATKINS. I have a number of questions, probably 15 or 20, that I should like to propound.

Mr. CONNALLY. I hope the Senator will withhold them. If I were assailed with 15 questions at once, I should probably collapse.

Mr. WATKINS. In view of the statement of the distinguished chairman, I shall not submit them now, but I should like to propound them later.

Mr. CONNALLY. I shall be around and shall try to help the Senator. I always like to enlighten Senators who want information.

Mr. WATKINS. I need enlightenment, and I go to the source of information.

Mr. CONNALLY. I thank the Senator very much. I shall cooperate with him.

Mr. KNOWLAND. Mr. President, I may say to the Senator from Texas I have only one question, not fifteen or twenty. But I should like a slight clarification. I was presiding a short while ago when the Senator touched upon the subject of China, and I could not ask questions at that time. As I understand, in the bill passed last year, title IV, I believe it was, related to Chinese aid.

Mr. CONNALLY. That is correct.

Mr. KNOWLAND. I understood the Senator to say there was, either before the Foreign Relations Committee, or at that time, I thought, in the bill itself, some reference to China. Will the Senator repeat what he said a short time ago?

Mr. CONNALLY. I said that I personally would favor an amendment probably to the pending bill, before we get through with it, extend the authorization for the $56,000,000 or $58,000,000 contained in the original bill, which has not yet been expended, for the first 3 months, and providing for a continuation of the appropriation until it is exhausted. However, the House has a larger, more comprehensive, more extensive separate bill, which is before the House committee and which will be considered.

Mr. KNOWLAND. I understood the Senator to say there was a certain change in language to the effect that the amount should be allocated as the State Department might determine.

Mr. CONNALLY. No. It may be allocated by the President to anybody in China. The Senator can readily understand that conditions in the Far East are very fluid. We do not know when the Communists may sweep down and conquer the whole of China. Our purpose, however, was to limit aid to the non-Communist Chinese. We know no better way of doing it than to give the authority and discretion to the President to say for whom the money will be expended.

Mr. KNOWLAND. In other words, that might mean any non-Communist Chinese government that may be established in China, might it not?

Mr. CONNALLY. Any non-Communist government or non-Communist area or state. Does that answer the Senator?

Mr. KNOWLAND. That answers the question, though I may say, speaking solely on my own responsibility, I should prefer to have such an amendment to the pending bill, rather than to wait for subsequent legislation. I think it important, so far concerns the people of China, who are also having problems in keeping from being completely overrun and placed behind the iron curtain, to show at this time at least a gesture of interest on the part of the Government of the United States in the problems of the Far East.

Mr. CONNALLY. I may say to the Senator, I personally prefer to incorporate it in the pending bill as an amendment. But there are very strong reasons alleged by those who want a separate bill relating to China. I personally should favor a provision of that kind in the pending bill, which would not preclude a general bill at a later time if it were found desirable.

Mr. TAFT. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Ohio?

Mr. CONNALLY. I yield.

Mr. TAFT. I should like to get certain information which I think may be useful during the course of the debate. Can the Senator tell me why, when we have appropriated $5,000,000,000 which was to be used up by April 1, we, so far as I can ascertain have actually spent only $2,900,000,000? In other words, according to the Treasury's daily report of March 22, the expenditures under the trust fund amount to $2,160,000,000 on that day, and the expenditures through the Export-Import Bank amount to $606,000,000; to which I add about $150,000,000 spent prior to current fiscal year, prior to June 30, 1948, making, a total, according to my figures—and I want to know whether they are correct—of $2,916,000,000 actually expended out of the Treasury on account of the first $5,000,000,000 appropriation.

Mr. CONNALLY. I may say to the Senator, I have not seen his figures. I do not know what they are. I am referring the question to members of my staff, who will know.

Mr. TAFT. The figures are from the latest Treasury report, March 22.

Mr. CONNALLY. If the Senator will permit, I want to submit certain remarks at this point. The officials who are present with me advise that there is a lag of from 4 to 5 months between the time the obligation is incurred and the time payment is made, which accounts for a certain apparent lack of expenditure, when as a matter of fact there is no lack of expenditure, because the obligation stands, and must finally be met. But the actual payment is delayed some 4 or 5 months.

Mr. TAFT. Are not those payments made before the goods are actually shipped from this country? Does it not indicate that of the $5,000,000,000 which may be obligated, only $3,000,000,000 worth of goods have actually been shipped to Europe up to the present time?

Mr. CONNALLY. I am told that that is not correct.

Mr. TAFT. What is the fact? Surely the Government cannot buy wheat and not pay for it before it is shipped to Europe. I do not know as to manufactured goods.

Mr. CONNALLY. I will answer the Senator in this way: The fact that it is known that the goods are available makes it possible for credit to be extended on the strength of the fact that they will get the money in due time. Therefore it does not necessarily show up as a cash item.

Mr. TAFT. I still do not understand why, when we still have $2,000,000,000 available, if we do not appropriate a cent until the 1st of July, it will go on just as it is going, and why we cannot begin cutting by the 1st of July while the present pipe lines are not only full but more than full, and why we would not be just as well off to wait until the 1st of July and not appropriate this sum for a 3 months' period.

Mr. CONNALLY. A pipe line must be fed from the other end, so there is a lag of 4 or 5 months between the time of incurring the obligation and the actual payment of the money.

Mr. TAFT. As a practical matter, we have talked about $4,200,000,000, and that Great Britain was to receive $940,000,000, but, as a matter of fact, Great Britain will get $1,260,000,000, and it still has not received all the goods it was to receive under the last appropriation.

Mr. CONNALLY. That is for 15 months rather than for 12 months.

Mr. TAFT. The shipments under the last appropriation, so far as I can see, will continue up to the 1st of July, before all the goods are shipped. Is not that substantially true?

Mr. CONNALLY. Many things have actually been shipped which have not yet been paid for.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. CONNALLY. Mr. President, I yield the floor.

Mr. LODGE. Mr. President, I think we must bear in mind that this bill does not make appropriations. It is an authorization bill. By the time we get around to making appropriations we shall face two prospects which we do not face at this time. One is that a great deal more of the original appropriation, to which the Senator from Ohio has referred, will find its way to Europe, and the other is that we shall have a much more accurate idea of the cost. As I have said, this is an authorization bill and is, of course, not so precise as is an appropriation bill.

Mr. TAFT. Mr. President, do I correctly understand that the Senator from Texas has yielded the floor?

Mr. CONNALLY. I intended to yield it, but it did not stay yielded.

Mr. TAFT. I should like to raise another question——

Mr. CONNALLY. I want to answer the Senator, very briefly. The expenditures are running from $400,000,000 to $500,000,000 a month, so it does not take long to pile up quite a considerable sum.

I now yield.

Mr. TAFT. I understand that; but I still think we need not appropriate any more than $4,280,000,000, and the pipe line would continue to be full all the time, from what I can judge from our past experience.

I should like to ask another question, because the point was raised by the Senator from Massachusetts.

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Ohio?

Mr. CONNALLY. I yield.

Mr. TAFT. The Senator from Massachusetts suggests that the amount can be revised in the Appropriations Committee. I want to ask the Senator whether he thinks it can be revised by the Appropriations Committee, or whether we will have the same difficulty we had last year. When the Appropriations Committee suggested it would cut a little off the appropriation the members were accused of being thieves and practically traitors to the country. It was stated that the original authorization was absolutely binding and that not a cent could be cut off the appropriation. Will we be faced this year with the same situation, or does the Senator think that the Appropriations Committee really has a free hand in examining the amounts?

Mr. CONNALLY. I would say the committee has a free hand. It does not have to appropriate a nickel unless it wants to.

Mr. TAFT. I understand that; but I want to know if the distinguished chairman of the Foreign Relations Committee is going to take the position that the amount suggested is sacred, that it has been fixed by the authorization bill, and that the Appropriations Committee would be making a complete repudiation of the Foreign Relations Committee if it failed to appropriate the amount mentioned. That is what I want to find out.

Mr. CONNALLY. I would not go that far. I would wait until the time came and seek the information which would influence me in my action in the matter, and then do what I thought was right. I would not abuse the Appropriations Committee, as the Senator has insinuated. That is not a part of my technique.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield to the Senator from Georgia.

Mr. GEORGE. Mr. President, I should like to call attention to page 13 of the report, and then I should like to make an explanatory statement. After having stated that the appropriations

are not to exceed the amount specified in the bill, the report uses this language:

> The committee recognized that the Appropriations Committee will have an opportunity to review these amounts at a later date and at that time the course of future prices may be more readily determined. It believes that the Appropriations Committee should carefully consider any changes in prices, both in imports to and exports from the participating countries, and the members of this committee are, of course, free to reconsider the authorized figures in voting on the appropriations. This statement should not be construed in any sense—

There follows an admonitory suggestion that this statement is not to be considered as in any way detracting from the committee's endorsement in general of the amount of funds requested, based on its own investigation. I should like to say to the Senator from Ohio that, among other Senators, I, as a member of the committee, insisted that I expressly reserved the right to support on the floor in this bill and, subsequently, in the appropriations bill, whatever amount I felt should be appropriated, and no more. We were told that all the estimates of the needs of the recipient countries were based upon the price level of November 30, last year. There has been some fluctuations in the price level since that time. That accounts for the use of the particular phrase, that the committee "believes that the Appropriations Committee should carefully consider any changes in prices," and so forth, when the final appropriation is made.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. TAFT. The statement made by the Senator from Georgia, and the report itself, suggest to me this proposition, which the Foreign Relations Committee seems to be making, that this amount is the correct amount and that we should not criticize the Appropriations Committee if they reduce the appropriation only to the extent of reduction in prices of the goods.

Mr. CONNALLY. No.

Mr. TAFT. Is not that, in effect, what the Foreign Relations Committee is saying?

Mr. CONNALLY. No.

Mr. GEORGE. Mr. President, will the Senator yield further?

Mr. CONNALLY. I yield.

Mr. GEORGE. That was the view of of some members of the committee. I think some members took the view that unless there had been a substantial decline in the price level, the maximum appropriations called for should be made. But the Senator from Georgia did not take that view. I seriously reserved the right to consider other matters; in fact, there are other matters which I thought, all along, should have been considered.

I am now calling attention to the fact that we have tried to leave this matter open for the Committee on Appropriations in considering a substantial decline in price levels as against the price levels prevailing November 30 last on the goods or imports required by the recipient countries. We also tried to emphasize the fact that we were reserving the right to insist, at this time and subsequently when the Committee on Appropriations acts on what we believed to be justified by way of appropriations.

I call the Senator's attention to the fact, a fact he already knows, that we have not authorized flat appropriations. Each authorization in all the categories, for the 3 months and for the whole fiscal year, and for the contractual $150,000,000 authorized, is not to exceed the amount stated. That of course is usual in connection with appropriation bills, and I confess that it ofttimes is meaningless, because when the Committee on Appropriations begins to consider the matter it can be easily pressed upon the committee and easily used by the committee as a more or less binding commitment. But in this case I think there is enough in the report to indicate that we were not undertaking to foreclose the Committee on Appropriations in respect to these amounts.

Mr. TAFT. Does the Senator from Texas agree with the position of the Senator from Georgia?

Mr. CONNALLY. There is in the report an explicit explanation that not only the members of the committee, but all the Members of the Senate, have a right to reconsider the matter when the appropriations come before the Senate. That is such a well-recognized principle that I am amazed at the Senator from Ohio doubting it.

Mr. TAFT. It is a principle which is not recognized by the newspapers of the country, and last year it was suggested, in fact, it was in effect alleged, that anyone who attempted to take one cent off these appropriations below the amount authorized was repudiating a position which the committee had already taken. It is not understood by the people of the country. I am glad, however, to have it settled, at least by the leading members of the Committee on Foreign Relations.

Mr. CONNALLY. Of course, we are not responsible for what some blatherskite may say in a newspaper or out of a newspaper.

Mr. TAFT. I do not mean to imply that the editor of the New York Times or the editor of the New York Herald Tribune is a blatherskite, or that the editors of the other newspapers of the United States are. I am not accusing them. I am merely saying they do not understand the principle which the Senator is laying down, that the appropriations can be less than the authorizations.

Mr. CONNALLY. I was a Member of of the Senate, I think, when the principle of making authorizations was adopted. I do not know whether my service here runs back that far, but it has been clearly understood that an appropriation could not exceed an authorization. It has been likewise understood that an appropriation may be cut below the authorization. The Senate has complete freedom of action. It does not have to appropriate a nickel unless it wants to do so. I thoroughly agree with the statement that the committee report specifically recognizes that principle, and by inference, at least, recognizes it for other reasons besides the reason affecting changes in prices. Something might arise which would make it undesirable to adopt some of the provisions of the act, and it could be very easily accomplished by a refusal to appropriate to carry out some particular activity.

Mr. TAFT. Mr. President, will the Senator from Texas yield?

Mr. CONNALLY. I yield.

Mr. TAFT. Does not the Senator agree that after hearing the testimony concerning the possible reduction in prices, as a matter of fact it is an ephemeral hope? Does he not agree that any reduction in prices of the things we ship is balanced by reduction of the prices of the exports which England and the other European countries are able to make, so that as a practical matter there is no hope in the theory of a reduction of prices?

Mr. CONNALLY. The committee report points that out, that the same forces which would lower the prices at one end would lower them at the other end also.

Mr. GEORGE. Mr. President, let me say again that that may be the view of the committee, but it never was my view. I am not undertaking to say that the full amount should not be appropriated, that is, "not to exceed" these maximum amounts, but the view stated was never my view. That was the view stressed by the Administrator himself, which would have had some force, as I see it, if we had been dealing at arm's length in making advances to the European countries for the purpose of enabling them to build up their exports. But when we were giving them the money to build up their exports, then I do not see, and have never been able to see, that there was any moral or legal obligation that we ought to fix their prices for such exports as they might be able to send out.

Mr. TAFT. My suggestion was that a general reduction of prices, which necessarily would apply to our exports and make them cheaper, would indicate a general reduction of prices throughout the world, which would mean a reduction in the prices of the exports these countries had to make, and under a theory with which I do not agree, that we are supposed to make up a balance of exports for these different countries, their deficit would be increased, and therefore we would be correspondingly losing in that way. That is as I have read the statement in the report.

Mr. GREEN. Mr. President, will the Senator from Texas yield?

Mr. CONNALLY. I yield to the Senator from Rhode Island.

Mr. GREEN. I should like to try to reply, in rough figures, to the question which the Senator from Ohio asked the Senator from Texas. The figures run something like this. At the end of February the relief amounted to $2,600,000,000. The total appropriation was about $5,000,000,000. The rate of expense runs from $400,000,000 to $500,000,000 a month. It is approaching the latter rather than the former. There are about 5 months to go, which would mean an expenditure of about $2,400,000,000.

Mr. TAFT. I suggest the calculation would be correct as of the end of February.

Mr. GREEN. The lag is 4 or 5 months, and that would make about $2,400,000,000. There would be a total of $5,000,000,000.

We should not use up all the money which is needed for the lag because, as the Senator has said, there is a pipe line, to use his illustration. We have been feeding in at one end and drawing off from the other. Otherwise, we would have to stop and have to begin all over again, and it is very important there should be no interruption in the amount we must use for supplying these goods to Europe. If there should be a serious interruption, 4 months, it would be far more costly than the amount immediately involved in an arithmetical calculation.

Mr. CONNALLY. Mr. President, I yield the floor.

Mr. VANDENBERG obtained the floor.

Mr. SALTONSTALL. Mr. President, will the Senator yield to me so that I may suggest the absence of a quorum?

Mr. VANDENBERG. I yield for that purpose.

Mr. SALTONSTALL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Holland	Mundt
Anderson	Humphrey	Murray
Baldwin	Hunt	Myers
Brewster	Ives	Neely
Bricker	Jenner	O'Conor
Bridges	Johnson, Colo.	O'Mahoney
Butler	Johnson, Tex.	Pepper
Byrd	Johnston, S. C.	Reed
Capehart	Kefauver	Robertson
Chapman	Kem	Russell
Chavez	Kerr	Saltonstall
Connally	Kilgore	Schoeppel
Cordon	Knowland	Smith, Maine
Donnell	Langer	Smith, N. J.
Douglas	Lodge	Sparkman
Downey	Long	Stennis
Ecton	Lucas	Taft
Ellender	McCarran	Taylor
Ferguson	McCarthy	Thomas, Okla.
Flanders	McClellan	Thomas, Utah
Frear	McFarland	Tobey
Fulbright	McGrath	Tydings
George	McKellar	Vandenberg
Gillette	McMahon	Watkins
Green	Magnuson	Wiley
Gurney	Malone	Williams
Hayden	Martin	Withers
Hendrickson	Maybank	Young
Hill	Miller	
Hoey	Millikin	

The PRESIDING OFFICER. Eighty-eight Senators having answered to their names, a quorum is present.

The Chair recognizes the Senator from Michigan.

ILLEGAL SHOOTING OF DUCKS AND GEESE

Mr. VANDENBERG. Mr. President, the Senator from Virginia [Mr. ROBERTSON] is anxious to be recognized for a couple of minutes to make a statement, and I should be very glad to have the Chair recognize the Senator from Virginia for that purpose.

The PRESIDING OFFICER. The Senator from Michigan has yielded to the Senator from Virginia for the purpose of making a brief statement.

Mr. ROBERTSON. Mr. President, I appreciate very much the kindness of my good friend the Senator from Michigan, who has given me this opportunity to make a statement in the midst of National Wildlife Week concerning a very serious wildlife problem.

Mr. President, 2 years ago the supply of ducks and geese had reached such an alarmingly low stage that drastic curtailment was made in the length of season, bag, and possession limits. Duck hunters and conservationists generally were encouraged to learn that the 1949 spring census of the Fish and Wildlife Service indicated the 1948 supply of ducks and geese was approximately 12 percent larger than for the previous year.

Reports I have just received from the head of the law-enforcement division of the Fish and Wildlife Service indicate, however, that unless steps are taken to stop current illegal shooting of these birds it will not only wipe out the increase referred to but will so deplete the brood stock returning to the nesting areas that the shortage next fall may be the most critical in our history.

The past season was characterized by the most flagrant violation of shooting regulations in recent years. For example, in a prosecution against three men in California, one of the defendants told agents another of the defendants had killed 50,000 ducks for him. All legal shooting in the United States ended January 9, or prior to that date, but I am informed by enforcement agents of the Government that shooting in States along the lower Mississippi River has continued unabated. The States of Georgia, Mississippi, Louisiana, and Florida have been cooperating with Federal agents to break up this illegal destruction of a great natural resource but confess their inability to handle it. Federal agents now have pending in the lower Mississippi area 600 cases of flagrant violation and feel they have merely scratched the surface. There have been an average of 20 enforcement agents operating in that area since the legal season closed but the chief of that unit informs me at least 75 are needed, along with more active cooperation on the part of individual States.

Last year I introduced and the Senate passed a bill to increase the price of the duck stamp from $1 to $2, which would have given the Fish and Wildlife Service adequate funds for law enforcement in the 1948–49 shooting season, but that bill did not reach the House in time for action to be completed on that side. A bill similar to the one passed by the Senate last year has been offered this year by the Senator from Colorado [Mr. JOHNSON], chairman of the committee to which it was referred, but unless State conservation departments and sportsmen and conservationists of the Nation can agree on the provisions of that bill, efforts to safeguard this resource may again fail.

In the meantime, I most urgently appeal to all sportsmen, nature lovers, and law-abiding citizens in those States where our inadequate supply of ducks and geese is being decimated voluntarily to come to the help of Federal and State wardens to end this disgraceful slaughter. And, I appeal to all the United States district judges before whom cases are pending to recognize the gravity of this offense and to impose a punishment calculated to deter it.

APPOINTMENTS AND PROMOTIONS IN THE ARMED SERVICES

Mr. TYDINGS. Mr. President, as in executive session, I ask unanimous consent that numerous routine appointments and promotions in the Military Establishment be confirmed and the President immediately notified. These nominations come from the Committee on Armed Services unanimously, as the acting Republican leader, the Senator from Massachusetts [Mr. SALTONSTALL], knows. No objections have been filed in any of the cases, and for the most part they are in the lower promotional grades. I know these young men would like to have their promotions come through quickly.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Is there objection to the request of the Senator from Maryland? The Chair hears none, the nominations are confirmed en bloc, and the President will be notified forthwith.

EXTENSION OF EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 1209) to amend the Economic Cooperation Act of 1948.

Mr. VANDENBERG. Mr. President, after the very thorough review submitted by the able Senator from Texas [Mr. CONNALLY], chairman of the Foreign Relations Committee, I certainly do not intend to belabor the subject in any great detail, because I think the general basis has been laid for the Senate to proceed to the actual consideration of the bill.

It seems to me that the facts of life so plainly recommend this second year's authorization that argument is scarcely necessary to defend this action on the part of the Senate.

When we passed the original act 1 year ago we settled the question whether it is wise, as a matter of intelligent American self-interest and within our resources, to seek to help western Europe to help itself to stand upon its own feet and thus to sustain the independence, the ethics, and the solvent economy of free peoples and free states. To that question we answered "Yes."

Nothing has happened in the historic interim to change this basic decision except by way of cumulative support. It is clearer than ever that western civilization stands or falls together if and when it confronts conspiracies of aggression against democracy and freedom. It is clearer than ever that economic salvation is one of the major bastions against spiritual disintegration. It is clearer than ever that ECA serves indispensable objectives for us as well as others.

But when we passed the original act 1 year ago, we frankly recognized that we were launching a gigantic speculation in which we must neither overstrain ourselves nor overpromise others. We frankly took a calculated risk. Advance assurance of success was impossible. Literally we faced imponderables. Only time and experience could tell whether the economy—and then the independent

stamina—of western Europe would respond to this unprecedented stimulus or whether these cooperating countries would adequately apply the individual and collective self-disciplines essential to success.

We said in effect at that time that we would act on the basis of courageous faith; that we would postpone both our hopes and fears until experience could audit the record 1 year hence; and that the subsequent continuity of our own aid would depend upon a realistic appraisal in 1949. That is the precise process in which we are now engaged. That is where we stand today. That is the question before the Senate. Does the record recommend that we carry on?

The first test I wish to apply is a domestic one. Congress plainly indicated that it felt the success of the adventure would largely depend, in the first instance, upon economic efficiency and competence in the general management of ECA and upon the effective independence of an adequate administrator.

I believe it is well-nigh universal judgment that the answer to this first question is totally affirmative. Administrator Paul Hoffman, facing one of the most complex and baffling responsibilities of modern times, has done a masterful job under difficult circumstances. He has mobilized one of the finest teams of competent aides that ever served a public trust. Their impressive testimony before the Senate Foreign Relations Committee leaves no room for doubt that the congressional purpose could not have been more faithfully pursued and implemented and that successful end results could not have been more ably sought. In a problem of this ramifying magnitude, with no precedents for guidance, it is inevitable that there should have been mistakes—as Mr. Hoffman and his associates would be the first to disclose. Earnest microscopes will not be disappointed in their search for flaws—and the flaws need searching. But it seems to me that the over-all verdict must be, all things considered, that the organization and management of ECA is a phenomenal success.

Therefore, since that was the point at which Congress 1 year ago asserted its greatest interest and its greatest purpose of reliance, it seems to me that the record clearly indicates that the test upon that score for the first year of ECA clearly justifies the adventure up to date, and clearly warrants a continuation of the confidence which Mr. Hoffman as Administrator and his group of assistants have richly earned and will continue to deserve.

The second test must prove that the general impact of ECA has been to encourage the self-confidence of western Europe to resist conspiracies of disintegration engineered by Communist aggression from within and without. Can there be any doubt upon this score?

These are the tests which we said 1 year ago should determine our answer today, as we legislate in respect to a second year of ECA.

Moscow drew the naked issue when it declined its chance to join this great drive for postwar rehabilitation; instructed its reluctant satellites to boycott their own best hopes for recovery; and ordered unlimited sabotage to destroy the so-called Marshall plan before it should relieve the western European hopelessness which Communist conquest requires for success.

What happened? The Soviet conspiracy was all but stopped in its tracks. The tonic effect of ECA was apparent even before it shipped a dollar's worth of goods. It was a veritable shot in the arm for western European freedoms. The people of Italy chose a democratic government. Communist strength in France receded; and a deliberate campaign of Red strikes, though doing France grave damage, succeeded chiefly in rallying Frenchmen to their government and to their democratic unions. The same rebirth of resistance to infiltrating Communist sabotage was obvious everywhere in greater or less degree. Current Soviet hysteria against the so-called Marshall plan is the most eloquent possible testimony to its success.

The relationship between cause and effect cannot possibly be mistaken. ECA was fresh air in the lungs of liberty. It drove despair from the souls of men. Self-help and mutual cooperation moved forward in great strides, as I shall presently indicate in other aspects, and as the able Senator from Texas has so clearly demonstrated. The results are obvious. If a reasonable sense of physical security can now add its incentive for long-range planning, this particular battle in the cold war is won. When it is won for western Europe, it is won for us and for the world. The Kremlin knew exactly what it feared in respect to the Marshall plan. Its fears are being realized. Conversely, so are our hopes. Therefore, this second test of ECA strongly argues for the extension of this great adventure for another year.

Now, Mr. President, the test questions become more specific. ECA is not only a direct design for providing the credit and the commodities necessary to establish a self-supporting commercial economy in each participating country by 1952. It also is inevitably a device which requires these countries to set their own governments in order so as to initiate those individual and collective governmental reforms without which the other stabilities are impossible. So, before we move into direct examination of ECA itself, let me briefly touch these latter tests, as did the Senator from Texas.

What are these governments doing in respect to this great fundamental purpose which underlies this entire vision? Administrator Hoffman says: "In the important area of financial stabilization, the participating countries with few exceptions have made real progress." For example, the United Kingdom, living in heroic austerity, has been notably successful in checking inflationary pressures and in providing a budgetary surplus. In harassed Italy, the lira grows in confidence. It has remained stable throughout the last 12 critical months, to all intents and purposes. France, despite her heavy and complex difficulties, levied the highest taxes in its history in 1948—with still higher rates in 1949—and, we are told, with greater percentages of collection. Several other of the participating countries already are on such a sound basis that no aid grants at all are now required.

The ECA cannot and should not attempt to run these governments. But, Mr. President, many of these results, present and prospective, are direct by-products of ECA because the ECA contractual requirements for self-help can only be met by the rigorous attention of participating governments to budgets and currencies and generally sound public housekeeping. Indeed, it is highly significant and encouraging that the joint council of economists, representing the 16 countries participating in ECA, has bluntly notified their own governments, on their own responsibilities, that the year 1949 should be the year of financial and fiscal stabilization in Europe, and that this requires increased and more effective taxes, balanced budgets, and stabilized currencies. Precisely as the able Senator from Texas has indicated, this is the hard, harsh rule of conduct which they themselves have laid down for themselves in order to meet the self-help tests upon which ECA rests.

This sort of thing gives proof, Mr. President, of self-determination to meet the specifications which the Congress set down in the ECA Act in respect to self-help. Of course, good intentions alone are not enough. We—and they—must see competent results. The results today are still far short of the goal. But the warnings which must constantly be uttered on this score may well include a word of commendation and encouragement to our western European friends that they see the goal for themselves and propose to reach it. The progress to date, in my view, certainly, under this particular test, warrants our carrying on with ECA another year.

I have just referred to the joint council of economists representing the 16 participating countries. They constitute what is familiarly known as OEEC, to which the Senator from Texas has repeatedly referred—the Organization for European Economic Cooperation. It was established 9 months ago as a clearing house—or, shall we say, a welding shop—to serve essential ECA unitary functions among the participating countries. It is unique in European history. It is an omen of vast possibilities for western Europe's confederated future. It is a vivid break from Europe's century-old tradition of many compartmentalized and jealously segregated sovereignties. Thus, I may say in passing, the ECA shadow is a lengthening one across the years ahead—a happy and a hopeful shadow.

But this is my immediate point: OEEC, including representatives of western Germany and Trieste, brought all of these participating countries together at one conference table where, for the first time in histroy, they revealed to each other their trade figures which once were top state secrets. They criticized each other's plans for gearing in with ECA. They sought and reached

agreement as to how maximum advantage could accrue to all concerned. They established an intercountry payments plan, under ECA, to thaw out frozen lines of inter-European trade—a plan which already has produced immense results. They demonstrated that individual and separate recovery programs will fall short of the 1952 objective; but they demonstrated it, Mr. President, not for the purpose of asking more aid, but for the purpos of demanding more self-help and mutual aid within themselves.

They spelled this out. Here is what they said to their multinational countrymen: "You must increase exports by increasing productivity per man-hour, by lowering prices and by improving market techniques. You must make greater efforts to develop at home, in overseas territories, and in other countries, new sources of supply for those imports which Europe will not be able to afford to buy in dollars. You must make a much greater effort to develop intra-European trade."

Remember, Mr. President, these are the economic leaders of the beneficiary countries themselves, speaking to themselves in terms of economic austerity: "You must agree on plans to break down tariff barriers, to build customs unions, and to modify immigration barriers to permit the sensible deployment of labor. You must exchange full information concerning your respective investment plans and needs, so that investors, whether private or governmental, may be able to make their investment decisions in the light of all the facts, and thus reduce the misdirection of resources. You must seek increased and ever more effective taxes. You must balance budgets."

I submit, Mr. President, that this is encouraging evidence of a will to win the ultimate objectives to which the Congress gave its faith when it established ECA. These things are not just an illusory prospectus. Some are going on right now. Others are in the works. Let us remember that ECA is not yet 1 year old. I wonder if we can show any faster progress with some of our own far less complicated problems than has been shown by these beneficiary countries under the ECA aegis and cooperation. I wonder if we can claim as good a record at home as they can claim in response to the self-help and mutual aid which we have required as the price of the continuation of ECA. Let us by all means continue to make it grimly plain, as written in the law, that the continuity of our cooperation from year to year until 1952 is entirely contingent upon the continuity of self-help and mutual aid—and that we shall require not promise but performance. But let us say, wholeheartedly, that here is another test of the record which justifies our favorable attitude for 1949, always remembering that we have a great stake in the success of ECA as well as they.

In this basic field of more intimate intercountry integration—the massing of common efforts for the common good—western Europe has taken other great strides away from the prewar pattern of acute and rival nationalisms. Thus they serve not only their own best destiny but also our best hopes for them—and peace.

Mr. President, I feel that this phase of the matter cannot be overemphasized, because the entire national security program, the entire international security program, within and without the United Nations, is based upon the concept that there must be a new community of defense among western Europeans themselves if there is to be any defensive hope on a defensive basis in the future. When ECA can demonstrate that it has made this great fundamental contribution to the impulse in this direction, I submit it is living up to every expectation we assigned to it.

This is what I mean. Plans for customs and economic unions have far advanced among the Benelux countries—Belgium, Holland, and Luxemburg—in one group, among the Scandinavian countries in another group, and between France and Italy in a third group. The signatories of the Brussels Pact have announced that they will form a permanent council through which they can put their common problems in common gear. The International Council of the European Movement met in Brussels only a few weeks ago. Premier Spaak, of Belgium, opened the meeting with the assertion that Europe must be united—that there is no other choice in the matter—and Mr. Churchill, reiterating his favorite theme, said: "This is the hour for another practical, positive, forward step toward the structure of a united Europe."

This drive for self-help and mutual aid is not only economic. Already it envisions cooperation for security, and it is political in its ultimate aspiration. Here stems the ultimate United States of Europe or its effective equivalent. I am addressing myself with a smile to the distinguished Senator from Arkansas [Mr. FULBRIGHT], who has so long and so ably insisted upon that great ultimate objective in behalf of a united Europe. I am saying that the objective in some form is on the way, with substantial advantage from the operations of ECA.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Arkansas?

Mr. VANDENBERG. I yield.

Mr. FULBRIGHT. I am very much interested in the Senator's last statement, as he very well knows. I note, however, the Senator quoted Mr. Churchill. We all know what Mr. Churchill's views have been on the matter. I do not think the Senator has seen any quotation from the Government of Great Britain to the same effect. I agree entirely with what the Senator has said, except I am unable to see the real acceptance of this goal particularly by the British Government, and that it is actually making progress. I think the only real difference I have had with either the State Department or the Senator from Michigan is, I still want to be convinced that they have accepted political unity as the objective.

Mr. VANDENBERG. I have undertaken of course to make no such assignment to their purposes, but I am sure the Senator from Arkansas will agree with me that more progress has been made in the past 12 or 15 months in the general direction of a cooperative unity, which is the germ from which political unity ultimately must flow, than has occurred in many decades heretofore.

Mr. FULBRIGHT. Mr. President, will the Senator yield to me for a question in the political field?

The PRESIDING OFFICER. Does the Senator from Michigan yield further to the Senator from Arkansas?

Mr. VANDENBERG. If the Senator will permit me, I do not want to branch off into a debate on the United States of Europe. I am very familiar with the ability and genius of the Senator from Arkansas to keep me on that subject from now to midnight, if I allow him to do so.

Mr. FULBRIGHT. I shall not interrupt now, but at a later time, when the Senator has finished his statement, I should like to have a more thorough discussion.

Mr. VANDENBERG. The Senator is not in disagreement with me, that the trends are in the direction I have indicated.

Mr. FULBRIGHT. Perhaps it is a difference of emphasis or degree. I think that may perhaps be a better way of stating it. I shall try to state it more specifically later on.

Mr. VANDENBERG. I am asserting, Mr. President, that, beyond peradventure or denial, there are cooperations at work at the present time in western Europe, the like of which has never occurred in European history. I am saying that these are taking place within the framework of the ECA countries, and it cannot be gainsaid that without ECA there would be little realistic likelihood that the movements could have the heart and spirit to succeed.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Arkansas?

Mr. VANDENBERG. I yield.

Mr. FULBRIGHT. I want to emphasize, with respect to the Senator's last statement, I agree that this is necessary in order that the opportunity may be availed of; but my point is they have not taken full advantage of the opportunity.

Mr. VANDENBERG. I think the Senator and I are in substantial agreement.

Mr. President, the lifeblood doctrine of our own American States, "United we stand, divided we fall," is vigorously taking hold, at least in the economic life of western Europe. It is one of the great encouragements for the future. It is the great promise that western Europe will be ready to stand on its own feet as a self-reliant bulwark of the Atlantic community by 1952, when ECA, in any event, will have ended its mission.

Mr. PEPPER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Florida?

Mr. VANDENBERG. I yield.

Mr. PEPPER. I am merely curious to know the opinion of the able and in-

formed Senator from Michigan as to whether that principle of cohesion is likely to persist, when the external pressures that American aid has brought about are removed, as we expect they will be in 1952.

Mr. VANDENBERG. My answer to the able Senator from Florida is that I should expect the self-disclosed advantages of cooperation by that time would have substituted an impulse even greater than the present pressures brought about by American aid.

Mr. PEPPER. Mr. President, will the Senator yield for a further question?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Florida for a further question?

Mr. VANDENBERG. I yield.

Mr. PEPPER. Then, if the example of aid is so persuasive, may we not devoutly hope that that example will make such an impression upon all the nations and peoples of the world that and through some kind of international organization we may have such world cooperation?

Mr. VANDENBERG. Oh, I entirely agree with the Senator, or I would not have given what I hope has been such devoted service to the United Nations.

I am basing my entire argument today—and I want to conclude as rapidly as possible—upon the premise that 1 year ago we had to take the ECA on faith. I said at that time, when I was pleading with the Senate and the Congress to take it on faith, "You have got a right to apply cold-blooded tests 1 year from today to the prospectus, because then you will have experience to deal with instead of mere guesswork." It is these tests, Mr. President, which I am now applying, and I believe justly and accurately, to the first year's record, to see whether the second year's rebirth and continuation is justified.

Mr. THOMAS of Utah. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. THOMAS of Utah. The Senator has spoken concerning the apparent unity which is becoming evident in Europe, of which we all approve, and which we hope will come to full realization. I wish the Senator would speak for a moment regarding the import- and export-license technique which is developing among the nations of Europe and which may destroy not only any hope of ultimate political unity, but all hope of economic unity, because it involves individual rivalry, is used only for the advantage of individual nations, and ultimately will react not only against their neighbors but actually against themselves.

Mr. VANDENBERG. I agree with the Senator.

Now, Mr. President, the next test question is whether the ECA countries are making real and actual progress toward the economic objectives upon which a continuation of this plan depends, under the very terms of the law creating it. Again I am sure we are all happy to acknowledge the degree of indisputable progress that has been made and that Administrator Hoffman has reported to the Senate Foreign Relations Committee. I observe, in passing, it is somewhat ironical that the persuasive degree of this success is sometimes used as an argument against the necessity for the full continuation of ECA—just as any comparable degree of reported failure would have been used as an argument against its continuation. We must protect our decision against the hazard of this paradox. The economic impulse we have generated is a reason to carry on rather than to turn back.

The total output of factories and mines in the participating countries during 1948 was 14 percent above that of 1947, and about equal to prewar. Excluding western Germany, steel output is currently at a rate exceeding the prewar high of 1937, and 25 percent above that of 1947. Total output of electric power in 1948 was 65 percent higher than it was before the war, and 10 percent above 1947 levels. Railway freight traffic is one-third greater than it was before the war, despite a shortage of equipment and arrears of maintenance and repairs. Gross investment in all countries for which estimates are available is expected to total, roughly, the equivalent of $30,000,000,000 in this fiscal year—six or seven times the dollars provided by ECA. This means that gross investment would approximate 20 percent of the gross national product. Meanwhile, in agriculture, the 1948 crop in bread grains was 41 percent larger than that of the previous year; and the production of fertilizer in the participating countries was about 25 percent greater.

I do not want to weary the Senate with figures. In an enterprise of this magnitude and complexity figures can confuse quite as easily as they may illuminate. Yet some basic, over-all yardsticks are authentically and intelligibly available. Reflecting the rises in industrial and agricultural output, exports for the ECA countries, excluding western Germany, were up 20 percent in 1948 above 1947. For example, the exports from the United Kingdom were one-quarter higher. In Italy they were up almost 50 percent. In the Benelux countries they were up about 30 percent. Speaking generally these are the types of achievement which ECA was created to serve; and this proof of progress in these directions is the vindication of ECA for 1948 and its justification for 1949.

At this point, Mr. President, I think it is important that we take good care not to draw erroneous conclusions from this sort of arithmetic. Comforting and encouraging as it is, it must not be confused with the over-all balance-of-payments problems—which is to say, the dollar shortage in these ECA countries when they confront their unavoidable necessities for dollar imports from the United States and the dollar area.

It must be remembered that the restoration of exports from the ECA countries to a prewar level or even substantially higher by no means indicates the restoration of the over-all economies of these countries to anything like a prewar level. In prewar days, these countries had large earnings from abroad on their foreign investments, from shipping, insurance, and banking, from tourists, and from other so-called invisible earnings. All of these latter sources of dollar earnings have largely disappeared. It will take years to restore them. Meanwhile, these latter deficits must be made up from heavily increased and improved production for export to close the gap. Furthermore the gap is widened, in making prewar comparisons, by war damage and by increased population.

I submit one quick example to illustrate my point.

What I am trying to make plain, Mr. President, is that when someone enthusiastically says British trade is rapidly returning to better than a prewar basis, in justifiable pride for the effort Britain is making in these directions, and often with entire truth in the specific figure, the thing to remember is that it is not enough for the British to restore their export trade to prewar levels in order to balance their international payments, because they must depend almost exclusively upon exports, whereas heretofore they could depend upon all the invisible revenues from overseas dividends, shipping, tourists, and so forth, which are factors in their balance sheet, but which are now all but totally lacking. Therefore the recovery toward which they are aiming, and upon which ECA puts all of its emphasis, requires infinitely increased exports rather than simply a balance of exports with prewar exports, because the new total exports must take care of almost the entire balance sheet.

Now, Mr. President, I want briefly to speak about the price tag, and then I think I shall be through.

Last year ECA asked—and I wish the Senators would follow me—$6,800,000,000 for 15 months, and received $5,000,000,000 for 12 months, in net result. The pending authorization is for 15 months, in order to put the procedure on a fiscal-year basis. ECA now asks $1,150,000,000 for the last quarter of the current fiscal year, as compared with $1,500,000,000 originally sought for this quarter. ECA asks $4,280,000,000 for the subsequent 12 months as compared with $5,300,000,000 which was asked for the first 12 months. In other words—and this is the computation I want Senators to have particularly in mind—the authorization for the next 3 months carried in the pending bill is a reduction of $350,000,000 for the last quarter of the current fiscal year, a reduction of $1,000,000,000 from the request for the first 12 months, and a reduction of $720,000,000 from the actual appropriations for the first 12 months. In other words, the trend is substantially downward.

Administrator Hoffman asserts to our committee that these figures have been scrupulously screened down to an absolute minimum to accomplish the ECA purpose. He says that if they erred it was on the conservative side. His figures are supported by a wealth of statistical material which is available to all Senators in the printed hearings and in the collateral reports.

This brings us finally, Mr. President, to the problem of appropriations, and at

that point, as indicated by the able Senator from Georgia [Mr. GEORGE] in reading specifically from the report of the committee in response to an inquiry by the Senator from Ohio [Mr. TAFT], the Senate Committee on Foreign Relations frankly invites the Senate Committee on Appropriations to apply its scrutiny to this authorization when the proper time comes, and to bring us its best judgment at that time.

The Senator from Ohio wished to know whether the authorization would not be urged this year as a commitment which could not be reduced. For myself, I should like personally to be very frank about that matter, as other members of the committee have indicated they are. So far as I am concerned, I think the price-level factor is an important one in figuring the second year's appropriation for ECA. The authorization in the pending bill is based on the price index of November 30, 1948, except that the price index for certain bread grains was projected into the early spring as a basis for computation. I assume that it will probably be May, perhaps June, before this appropriation finally comes before the Senate for action. Certainly world trade is in great flux, certainly the price index is in great flux, and I would expect, among other things, the Committee on Appropriations to apply a new price index, both in and out, in respect to imports and exports under this program, to see if that does not automatically produce for the same given amount of commodities a lower required appropriation than the authorization would indicate.

The Senator from Ohio wanted to know if that was the only basis of economy which the members of the committee would acknowledge as justified. The able Senator from Georgia indicated, as did the Senator from Texas, that the subject is wide open.

Mr. President, I do not want to be misunderstood at this point. I think the figures which have been submitted are gathered, screened, and recommended, on the most expert basis of information to which we can possibly have access, and I think the figures as requested have a distinct relationship to the figures which should ultimately result, except as there is a difference in the factors used in figuring the requirements. In other words, I do not believe in any mere abstract or horizontal reductions in the authorization, horizontal reductions which are unrelated to a specific reason for them, and I shall not support such reductions when the time comes for action. When that time comes I shall argue with my able friend from Ohio about his pipe-line theory. I disagree with him. I touch upon this only briefly in his absence. I think that if the appropriations for the next 3 months were suspended at the end of the 3 months, the pipe line would be empty, and it could not be renewed for another 3 months, because the orders and commitments would not have been made during the second 3 months when the appropriation would have been denied. We will meet that issue when the amendment is brought up.

What I am trying to say is that I think it is the sense of the Senate Committee on Foreign Relations that in this particular instance it is honestly anxious to have the Senate Committee on Appropriations screen the authorization, and submit to the Senate its best judgment based upon realities, and, so far as I am concerned, I am prepared to consider it in good faith on that basis.

Mr. SALTONSTALL. Mr. President, will the Senator from Michigan yield?

Mr. VANDENBERG. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. As a member of the Committee on Appropriations I should like to ask the distinguished Senator a question. Would he be willing to add, or does he think it is fair to add, one more factor which the Committee on Appropriations could consider; that is, the time factor? As I understand, the Committee on Foreign Relations considered this matter in January and February, and the price indexes were based on November. It will be pretty nearly 6 months later when the Committee on Appropriations considers the matter, and would not the time factor also be a fair one to add?

Mr. VANDENBERG. I think so. Any factors which are linked with realities, and not merely based upon arbitrary attack, are factors which I am perfectly willing to consider.

Mr. President, I think I have said all I wish to say at the moment on this subject.

Mr. KEM. Mr. President, I should like to ask the distinguished Senator from Michigan a question or two.

Mr. VANDENBERG. I yield.

Mr. KEM. With his usual gift for accurate expression, the Senator has called the European recovery program a shot in the arm. As I understand, after a shot in the arm has been had there is an inevitable reaction. The Senator will recall that we first had the UNRRA——

Mr. VANDENBERG. I am sorry already I used the expression, because I can see what is coming.

Mr. KEM. The Senator will recall that we had the UNRRA, and we were given some assurance then that that would be the extent of the demand on the American people for European recovery.

Then we had the loan to Britain, and we were given a similar assurance so far as Great Britain was concerned.

Then we had the Bretton Woods agreement, and the very large commitments we made as a result of that, and, as I recall, the assurance again was the same.

What I should like to ask the Senator from Michigan, who I know has given this matter the most careful consideration, is whether he believes the American people can have a reasonable assurance that when they have completed the payments under the present program the job will be done?

Mr. VANDENBERG. Will the Senator define the word "job" in his final question?

Mr. KEM. That there will be such a recovery in Europe that no further payments from the United States will be reasonably required.

Mr. VANDENBERG. Mr. President, I should like to give the Senator that assurance, and in my optimism about this program I might be almost lured into doing it, but if I did, it would not be worth the breath it took to utter it, because the world is in a state of such utter flux that I do not believe it is humanly possible for anyone to do other than rely upon his best judgment in respect to maximum contributions which he believes we can make to the economic recovery. I think that, if it is possible to anticipate the result desired, this is the way to do it.

Mr. KEM. Is not the Congress of the United States entitled to some assurance from those presenting the plan that in their opinion that result will follow?

Mr. VANDENBERG. I do not know how the Senator can expect the President, or the chairman of the Senate Foreign Relations Committee, to give any assurances as to what history is going to write in respect to world relationships between now and 1953, but I think the Senator is entitled to ask whether or not those who have put this plan together feel that they have a legitimate justification for anticipating its success, given a peaceful world. Now, I think the answer to that question is "Yes."

Mr. KEM. Another very felicitous expression the Senator has given us during the course of his discussion of this matter, is that it is a calculated risk. I will ask the Senator: If it is a calculated risk, does he not mean by that that we have a reason to expect that having risked our money we will have a favorable result?

Mr. VANDENBERG. Yes, I think so. I thank the Senator for the compliment he pays me by referring to that phrase. It is two speeches ago that I used it. I have not used it today. So, I thank the Senator for his compliment of remembering my use of the expression.

Mr. KEM. The Senator's language lingers in the memory.

Mr. VANDENBERG. I thank the Senator.

Mr. KEM. I should like to ask the Senator one or two further questions. I do not want to tire him.

Mr. VANDENBERG. The Senator is quite welcome. I will not guarantee to answer him, but I will do my best.

Mr. KEM. The Senator referred to the recovery that has taken place in these European countries. Is it not reasonable to expect that there would be a recovery in each of these countries following the greatest war in history?

Mr. VANDENBERG. If there was any change it would have to be in the direction of a recovery.

Mr. KEM. It would have to be for the better?

Mr. VANDENBERG. Yes.

Mr. KEM. And is it not a matter of history that economic and social recovery have followed every war in the history of the world?

Mr. VANDENBERG. I suppose so, although I doubt whether there are any precedents for the situation following the last war, because I doubt whether there has ever been such utter destruction and devastation of the means for creating recuperation.

Mr. KEM. Since the dawn of history western Europe has been the cockpit of the world, has it not?

Mr. VANDENBERG. It certainly has been.

Mr. KEM. There has been great devastation over long periods, such as occurred during the Thirty Years' War.

Mr. VANDENBERG. Yes, of course, but nothing like this.

Mr. KEM. And following each war there has been normal recovery?

Mr. VANDENBERG. Sooner or later.

Mr. KEM. So we cannot fairly say that the recovery which has taken place in this case is due entirely to ERP?

Mr. VANDENBERG. Oh, I would not say that at all.

Mr. KEM. And we cannot exactly determine to what extent it is due to ERP.

Mr. VANDENBERG. Certainly not. But I think I can be dogmatic about the statement, that I do not believe the recovery could have occurred to the degree it has occurred, nor could the stabilities have been created which have been created, not only economically but politically, without ERP.

Mr. KEM. Is it not true that most of the countries, or let us say many of them, to which we have been extending aid, have launched themselves in experiments in socialism to a greater or less degree? Is that not true?

Mr. VANDENBERG. Oh, I think so, yes. Of course it is necessary to define "socialism." I know what the Senator wants.

Mr. KEM. Let us take England as a typical example.

Mr. VANDENBERG. Yes.

Mr. KEM. I should like to ask the Senator to what extent he thinks the aid we have extended to England has been used for the purpose of financing and implementing experiments in socialism in that country?

Mr. VANDENBERG. I think that under some previous grants there may have been an indirect diversion to the objective to which the Senator refers. So far as the experience under ECA is concerned I have no doubt in the world that it is of substantial asistance to the labor government to be able to demonstrate that it has a recovery economy as a result of ECA, although that would not be the reason which they would give as the basis of the recovery. I have no doubt that without ECA the Labor government in Britain would be having far more to explain to its people than it may be having to explain at the present time. So if that is what the Senator means, there is an impact, of course. But if the Senator will permit me, so far as our interest is concerned, so long as Britain is a free and independent people making free and independent decisions regarding a type of economy under which they want to operate, I do not believe it is any of our business. I do not believe it is any of our business to try to interrupt or interfere with that free choice of a method, and so far as our economic aid is concerned, if under whatever method they elect to pursue they can get the result we seek in the balance sheet, I think that is the end of our right of interest.

Mr. IVES. Mr. President, will the Senator yield on that point?

Mr. VANDENBERG. I yield to the Senator from New York.

Mr. IVES. I should like to raise this question: Is it not true, sir, that without ECA the chances are that in France and Italy at least there would be a much worse type of government than socialism to deal with at the present time?

Mr. VANDENBERG. I think that is an axiom.

Mr. KEM. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the Senator from Missouri.

Mr. KEM. If I understand the point made by the Senator from New York it is that we have by the use of our money influenced the elections in those countries?

Mr. VANDENBERG. By the use of our money we have created conditions under which free peoples can seek to sustain independent government as a result of some degree of economic stability.

Mr. KEM. To refer again to the Senator's phrase, is that not a very dangerous shot in the arm for us to resort to?

Mr. VANDENBERG. I would not think so.

Mr. BALDWIN. Mr. President, will the Senator yield at that point?

Mr. KEM. Mr. President, I should like to continue my questions. The Senator referred to the experiments, or I referred to the experiments, in socialism which have been carried on in England. I had in mind the use of money for social purposes, which has undoubtedly been of great benefit to the existing government there, but I have also had in mind the economic effects of the program the English people have launched upon. For instance, it is understood now that the next step will be the nationalization of the iron and steel industry. Does the Senator think that the funds of the American people should be used directly or indirectly for that purpose?

Mr. VANDENBERG. I certainly do not, if that is the equation to which the Senator's question can be confined. I do not think, on the other hand, that it is any of our business what the British conclude to do in respect to the nationalization of anything, so long as their right of decision is free, so long as the government which exercises the decision is free, and so long as the net result which is unrelated to the nationalization of these enterprises produces the international balance sheet which we seek as the justification for ECA.

Mr. KEM. May it not be a very important thing to the American people if in the post-ERP world we find ourselves competing with a socialized industry in England, a great national cartel set up and organized by the use of our own money?

Mr. VANDENBERG. If we confront cartels around the world, we shall have to fight the devil with fire, and we shall not be able to live up to very many of the very lovely aspirations of the ITO, and if there is to be that kind of a trade war, events will have to dictate our reprisals.

Mr. KEM. Would not the Senator agree that we have a real interest in seeing that that condition does not develop in a post-ERP world?

Mr. VANDENBERG. Yes; I think so.

Mr. KEM. Have we any assurance that our money is not being used for that purpose?

Mr. VANDENBERG. I do not believe that question can be answered. I doubt whether assurances are possible with respect to an indirect impact of that character across the years.

Mr. KEM. I do not mean that the Senator should give the American people a personal indemnity bond to that effect. What I mean is, Have we reason to believe that our money is not being used for that purpose?

Mr. VANDENBERG. I can only answer the Senator in the affirmative, that it seems to me that the proofs are conclusive that, perhaps with the exception of a fringe of debatable boundaries—because it is impossible to be totally specific—our money is being used for purposes which have the approval of the representatives of the Government of the United States in respect to specific objectives which are not the objectives which the Senator describes. The indirect result, I suppose, is perfectly inevitable in the direction to which the Senator refers.

Mr. KEM. In referring to representatives of the Government of the United States, does the Senator have in mind representatives other than the Congress of the United States?

Mr. VANDENBERG. I am speaking about ECA, and the National Advisory Council.

Mr. KEM. In the exercise of its constitutional function should not the Congress determine to what use these funds should be put, and should not Members of the Senate and Members of the House interest themselves in the exact and specific uses to which the funds of the American people are being put?

Mr. VANDENBERG. I would have to agree with the Senator 1,000 percent, that the function and responsibility of a Senator or a Representative is to seek maximum information upon this or any other subject.

Mr. KEM. Based upon the record, the hearings before the committee, and on the report, does the Senator feel that we have sufficient definite and specific information to justify our feeling that the money of the American people is being put to a proper use in each of those countries?

Mr. VANDENBERG. My answer to the Senator is yes, and I want to tell him why it is yes. It is not yes because I can prove that it is yes in each instance, but it is yes because I believe that Administrator Hoffman has demonstrated to our committee that he has put together an organization of rugged American administrators which is just about the best organization I ever saw in my life. If I must rely upon delegated decisions—and that is what most of us have to do—I am happy to rely upon the Hoffman organization for my answer to the Senator's question, rather than upon any organization I can think of in my 31 years in public life.

Mr. KEM. Have not our friends in England, in their own rugged individualism, made it abundantly clear to us that they are not going to permit us in any respect to interfere with any use to which they put any public funds; that they retain the right to carry on after ERP

and during ERP exactly as if no such grants or aids were being given?

Mr. VANDENBERG. I think that after ERP is finished they will have a right to carry on as they please.

Mr. KEM. How about during that period?

Mr. VANDENBERG. It is a matter of cooperation; and the programs are screened mutually. I know of no other way in which it can be done.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. BALDWIN. One of the earlier questions of the Senator from Missouri addressed to the Senator from Michigan prompts me to ask this question: The Senator from Missouri seemed to indicate that after other European wars there was, without our help, a recovery in Europe. Would the Senator say that the situation following World War II in Europe could in any way be compared with the situation following prior European wars?

Mr. VANDENBERG. No. That is what I tried to indicate to the Senator from Missouri.

Mr. BALDWIN. In other words, we have a factor this time, namely, a threat from the East, which makes this an entirely different situation, and one which involves our interest most intimately.

Mr. VANDENBERG. Furthermore, we have a degree of total destruction in respect to the instrumentalities of recuperation which could not possibly have existed prior to the days of mass destruction.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. JENNER. As the Senator from Michigan knows, I have never looked upon the European recovery program with much hope or satisfaction.

Mr. VANDENBERG. I am well aware of that fact.

Mr. JENNER. I ask this question in the light of our general situation at home. We are faced with many problems as to the cost of government. This year it seems that we are to be committed to spend about $45,000,000,000. There are many Members of the Senate, and Members of the House, who advocate further expenditures, as suggested by the Fair Deal. There is every expectation that some of those measures will pass, which will possibly add many more billions of dollars to the cost of government. Then we have this program, involving an expenditure of several billion dollars. The cost of local governments in our cities, counties, and states is going up by the billions of dollars. This year the cost will be approximately $15,000,000,000.

Following the European recovery program comes the North Atlantic Pact, which is a pact within itself, but when we put the price tag on it, no one knows what the cost will be. It has been estimated at $1,200,000,000 the first year, and, according to the statements of many authorities, could easily be projected into a program of $5,000,000,000, $10,000,000,000, or $12,000,000,000 a year.

In the past few days there has been a concentrated effort, coming from Secretary Acheson, concerning the Middle East. So it looks as though the next step will probably be a Middle East pact. That will require more dollars.

We have a problem in China. I notice that our good English friends are already saying that it is absolutely necessary to have a Pacific pact.

What is bothering me—and I am sincere about it—is the question: How far can 6 percent of the world's population, which we are, and 7 percent of the world's area, which we are, go in doing all these things for ourselves and for other nations all over the world before we kill the goose that laid the golden egg?

Mr. VANDENBERG. I think the Senator's very excellent statement is totally persuasive in its warning to every Member of the Congress that there is a limit to American resources, and that it is impossible for us to take on unlimited responsibilities and obligations. I remind the able Senator from Indiana that before ECA was ever projected, I happened to be chairman of the Foreign Relations Committee, and I declined even to touch it until the President of the United States had appointed a special commission, representing the highest type of economic brains in the United States, to report upon what we could "wisely and safely"—those are the two quoted words—do in respect to a European recovery program, in view of the necessity for consulting our own permanent solvency.

As a result, the so-called Harriman Commission was appointed. Its voluminous reports and its highly useful advice became a source of great consolation to me when the first year's program was approved.

What I am indicating to the Senator is that I have the same fundamental feeling he has, but we must wisely and safely remember our own limitations as we proceed to these enterprises. We must also remember the alternatives when we are undertaking to decide whether we can afford a given commitment. We cannot overlook the fact that we have become the greatest power in the world. We cannot overlook the fact that if there is ever another world war, it will be aimed at us, willy-nilly, as the ultimate target. We cannot overlook the fact that the price of avoiding that final calamity in the life of civilization cannot even remotely be as great as the price of not preventing it if we can and then paying for the consequences.

The best we can do is to take a balanced judgment in the presence of our dilemma. We want peace above everything else in this world. We have no aspiration on earth except peace. Those who charge us with selfish imperialism in our international attitudes are guilty of the grossest libel since time began. We want nothing but a chance to create a free world of freemen, in which we can live and let live. We are bound, by a moral as well as a physical leadership in the world, to recognize the fact that we cannot escape a responsibility not only for our own peace, but for the peace of lesser powers, lesser peoples in terms of physical power, who share our spiritual love of free institutions and free life.

Mr. President, I beg the pardon of the Senator from Indiana. I have been describing what I believe to be a thing so utterly valuable, so utterly indispensable if Christianity and civilization are to maintain themselves. I have been speaking of it because it is not possible for me to consider the question of what we can afford to do, solely in terms of what we have to spend, solely in terms of what we might save if we did not make some specific current expenditure, such as a bollion dollars' worth of ECA or a billion dollars' worth of North Atlantic Pact, because I am plagued by the price of the alternative if we should not go to the maximum in undertaking to give our people and the people in the rest of the world, who believe with us, in free governments, a leadership in the direction of peaceful stability.

I beg the Senator's pardon, I repeat, for going into a sermon on the subject; when he asks me, "What can we afford?"—and I have to agree with him that there are things we cannot afford; I have to agree with him that this should be a time when we should undertake to cut every expenditure that can possibly be cut in the Government of the United States, for the sake of our own economy—yet even under the pressure of that necessity, and I think it is a very great necessity at the present time, I doubt whether it is economy to economize in what I believe, speaking for myself, is the best possible bargain for the next 10 years in terms of peace for America and the rest of the world.

Mr. JENNER. Mr. President, if the Senator will permit me to interrupt at this point, let me say that I agree with what he says, and I clearly see his point of view. I do not think my point of view is at all different, except that we have different roads by which we approach the same objective.

So, on the same basis, I reason the matter this way: We cannot dissociate the Marshall plan from the North Atlantic Pact and from the other projected pacts, because all of them involve a cost, and the cost will lie against the Treasury of the United States. When we were debating the Marshall plan, I said on the floor of the Senate that if any Senator could assure me that our great country would not be thrown by it into another depression which would last for 10 years, during which from 10,000,000 to 15,000,000 of our people would be jobless and hungry, and during which, for 10 years, we would not be able to answer our own immediate problems here at home—and, Mr. President, in the past it was answered only by a great world war in which some 465,000 of our boys were killed and approximately 750,000 of them were crippled—then I would be willing to go along with that answer to the question.

Mr. President, if we make these commitments, for instance, the commitments under the Marshall plan and under the North Atlantic Pact, running for 10 or 20 years, commitments by which we shall promise not only to aid these foreign countries now, but to secure them for the next 20 years—and we have made such commitments; we are even pledged, under a moral commitment, to continue to give them Marshall plan aid—in addition to the great strains to which we al-

ready are subjected under our programs here at home, whereby we now are obligating approximately one-third of our national income in Government expenditures and taxes; if under such pledges and programs to aid foreign peoples, as well as under our own domestic program, we spend all our people's means, and leave them without further means, without an oar with which to aid themselves, then the very thing we are afraid of in Europe may, because of an economic debacle in this country, strike into the very midst of us and destroy the very things we are trying to preserve.

That is my line of reasoning. I want peace, but I think one of the best ways to have peace is to see to it that our Nation remains strong; and I do not believe we can remain strong when our people—6 percent of the people of the world—have to dig from the bowels of the earth their natural wealth and ship it to the four corners of the world. I do not think we can do that. That is where the Senator from Michigan and I differ as to the best way to reach the ultimate end.

Mr. VANDENBERG. Mr. President, strange to say, the difference between the Senator from Indiana and myself is very small. Despite everything I have said in this colloquy, I would start with the proposition that an insolvent America would be the greatest disservice which we could render to the hopes of humankind for 20 centuries to come.

Mr. JENNER. We would lose the whole ball of wax.

Mr. VANDENBERG. Therefore, I agree that we are called upon to exercise a calculated judgment as to what risk we can afford to take by way of investment in these programs. Any Senator who thinks that the risk of the investment proposed in a given program is greater than the risk of not proceeding with that program, should oppose the program.

Mr. JENNER. Then, on that premise, we get into other specific points, for example, the point raised by the Senator from Utah [Mr. WATKINS] awhile ago, when the Senator from Texas [Mr. CONNALLY], the chairman of the Foreign Relations Committee, had the floor. How can we justify taking money out of the pockets of the people of our country and using it to go to the aid of the people of western Europe, when they have entered into trade pacts with Russia and with satellite countries of Russia and are selling to them strategic materials which we ourselves are short of, which the Congress has authorized and directed that purchases be made on the markets, in order to accumulate stock piles?

Mr. President, the dollar-shortage argument does not impress me, because certainly there is a dollar shortage here in the United States. Labor says it has a dollar shortage, and labor wants an increase in wages. I myself have a little trouble with my dollar shortage, at times.

Then we consider the other specific proposition raised by the Senator from Missouri [Mr. KEM], namely, how can we justify the expenditure of the money of our people for the socialization program of England? Winston Churchill was described in an editorial in the Washington Times-Herald on yesterday as probably one of the greatest living men and probably one of the greatest living Englishmen of all time, because, so it was said in the editorial, he is for Britain first. Yet when an American Senator rises on the floor of the Senate and sensibly presents the problems that represent his country's interests as they do, he is immediately branded as an isolationist, a reactionary, and a know-nothing.

Mr. VANDENBERG. The Senator is not talking to me at that point.

Mr. JENNER. No, no.

Mr. VANDENBERG. I have a complete respect for the right of every man to have the widest latitude in this world in determining these questions.

Mr. JENNER. On a specific proposition—socialism, for example—Winston Churchill only the other day said the socialization program in England has been moving along all right. Why? In substance he said, "Thanks to our good American friends." That is the same as saying to me they could not furnish $50 toupees free to baldheaded Englishmen, if we were not suckers enough to be sponsors of such a damned-fool program.

I do not think we can justify all these things. I know what the Senator's ideas are; I admire them. Mine are just as sincere. But I am afraid we are going to break the camel's back, and when we do—cold war, hot war, come what may—we shall have lost everything we are trying to preserve. The only hope for the peace of this world now and in the future is for the American Nation to remain strong and free.

Mr. VANDENBERG. Mr. President, will the Senator from Indiana let me yield the floor, so that he may continue his address? I do not believe he needs me here.

Mr. JENNER. I will make an address on this subject at some other time. I am full of it; I am sincere about it. I think the American people have had only a one-sided picture. I think they certainly are entitled to the other side of the picture. I believe that when they understand it they, too, will realize that there is a limit to the bottom of the well of America's wealth and economic health.

Mr. VANDENBERG. I underwrite that conclusion myself.

Mr. DONNELL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Missouri?

Mr. VANDENBERG. I yield to the Senator from Missouri.

Mr. DONNELL. Mr. President, does the Senator intend to yield the floor? I wish to obtain the floor in my own right.

Mr. VANDENBERG. I do.

Mr. SALTONSTALL and Mr. TAFT addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Michigan yield; and if so, to whom?

Mr. SALTONSTALL. Mr. President, my I ask the Senator a question before he yields the floor?

Mr. VANDENBERG. I should a little prefer to resume the floor tomorrow. I confess I have some engagements I must keep. But, no, I will stay here a minute, because I do not want anybody to think I am evading questions.

Mr. SALTONSTALL. I should like to have the Senator answer for me one question, which is of importance to many people in my section of the country. We are sending this money abroad now to help certain nations to help themselves. They are cutting down on their imports, building up their exports. Would the Senator care to comment on whether he believes that through the aid we are giving them to build up their industries, while we are having to restrict our exports to them because they will not buy them—probably quite correctly—we are building up competitors to our own export trade in the years to come.

Mr. VANDENBERG. I may give the Senator an answer from an authority whose opinion is far more reliable than anything the Senator from Michigan might be able to say on the subject of import-export trade. I may say to the Senator from Massachusetts, Administrator Hoffman was asked that question time and again in one form or another in the course of the hearing. The Senator from Massachusetts is familiar with the fact that Mr. Hoffman is one of the greatest and most successful industrial managers and operators of the country. He is at the head of the great Studebaker enterprise. His constant answer was that America need fear no competition in sales, if America can find enough people with money to buy things. He said further time and again, that whatever we lose by way of some slight competitive advantage in western Europe at the moment will be offset a hundredfold by the advantages which our export trade will enjoy as a result of putting western Europe on such a basis that it has a widely increased standard of living, therefore standard of buying, therefore standard of market available for us to enter.

Mr. SALTONSTALL. I thank the Senator.

Mr. DONNELL and Mr. KEM addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Michigan yield; if so, to whom?

Mr. KEM. I should like to ask the Senator from Michigan a further question.

Mr. DONNELL. Mr. President, has the Senator from Michigan yielded the floor?

The PRESIDING OFFICER. Has the Senator from Michigan yielded the floor?

Mr. VANDENBERG. I was about to. The Senator's colleague has a question.

Mr. KEM. Mr. President, I should like to ask a question following the question of the Senator from Massachusetts. I ask that I be permitted to pursue the point a little further. In the State from which I come we have a considerable gas industry, a considerable glass industry. It is one of the principal industries of an important community in our State.

Mr. VANDENBERG. I am not clear whether the Senator misspoke himself.

Mr. KEM. We have both. The gas is used in the manufacture of the glass,

which may account for my perhaps confusing statement. I have recently been told by responsible persons engaged in the glass business that under the administration of ECA a great glass factory has been erected in Belgium equipped with the latest American machinery. The Senator will agree that a competitor who has no capital investment is a pretty dangerous competitor, I assume. I want to ask the Senator whether he does not think an American industry, such as the glass industry in my State, may well look forward with considerable trepidation to the years ahead, when they will be competing with plants built in Europe with American money, equipped with the latest American machinery, at no cost to those countries or to their citizens?

Mr. VANDENBERG. The Senator's premise, I respectfully submit is erroneous. It is not true that any contribution from America to the glass operation is without local capital investment. Whatever aid the Belgian industrialist receives in setting up the glass factory he must pay for in the currency of his own country. It is just as great a capital expenditure so far as he is concerned as is the relative investment in American dollars by his competitor in the United States.

Mr. KEM. The currency of his own country in terms of world commerce is relatively worthless. Much of it is not worth enough to paper the walls of his office with it.

Mr. VANDENBERG. That is not true of the Belgian gentleman of whom the Senator speaks.

Mr. KEM. No; but it is true of the currencies of other countries.

Mr. VANDENBERG. It may be true of some of them.

Mr. KEM. I do not think the Belgian instance is unique by any means. But to sum it up, does the Senator feel that American industry has nothing to fear from competition of the character I have just outlined?

Mr. VANDENBERG. Did the Senator hear my reply to the Senator from Massachusetts?

Mr. KEM. I did.

Mr. VANDENBERG. That really is my reply to the Senator from Missouri. It seems to me the Senate Foreign Relations Committee could not possibly have had a greater expert witness on the subject than the distinguished head of the Studebaker Corp., Mr. Hoffman himself, because certainly he has demonstrated that he knows how to face extreme industrial difficulties and to rise above them and reach a highly advantageous and profitable result. His statement to our committee, time and again, was that, whatever incidental competitive disadvantage might result in line with the example submitted to me by my able friend from Missouri, is offset a hundredfold by the advantage to the American export trade as a whole through having a vigorously healthy western Europe on a basis of higher living standards, higher wage standards, and general expansion of purchasing power.

Mr. KEM. Mr. President, will the Senator agree that the manufacturer or the community that happens to be made a guinea pig under such circumstances is in rather an unfortunate position?

Mr. VANDENBERG. I would have to agree with that.

Mr. DONNELL obtained the floor.

Mr. LUCAS. Mr. President, will the Senator yield to me for a moment?

Mr. DONNELL. I yield.

Mr. LUCAS. Mr. President, the hour is near 5 o'clock, and I have agreed with a number of Senators to move to take a recess until tomorrow, if the Senator from Missouri may have the floor tomorrow morning. I ask unanimous consent that the Chair recognize the Senator from Missouri when the Senate convenes tomorrow morning.

The PRESIDING OFFICER. Without objection, that will be done.

Mr. DONNELL. Mr. President, that is quite satisfactory to me; and I thank the Senator from Illinois for his courtesy.

Mr. MAGNUSON. Mr. President, I should like to ask the Senator from Illinois if it is the intention to try to finish debate on Senate bill 1209 tomorrow?

Mr. LUCAS. I made such a statement at the opening of the Senate session today. I said that we would remain here tomorrow until we finished the bill, even though it required a night session. I shall, in a few moments, move to take a recess until 11 o'clock tomorrow morning.

Mr. MAGNUSON. I thank the Senator.

EXECUTIVE SESSION

Mr. LUCAS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFICER (Mr. MILLER in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

INTERIOR DEPARTMENT—NOMINATION PASSED OVER

The Chief Clerk read the nomination of John R. Nichols, of New Mexico, to be Commissioner of Indian Affairs.

Mr. SALTONSTALL. Mr. President, the Senator from North Dakota [Mr. LANGER] is not present, and I have not heard from him. In his absence I hope that the majority leader will allow that nomination to be passed over.

Mr. LUCAS. I shall comply with the request of the Senator from Massachusetts, with this observation, that on Monday next, when the Executive Calendar is called, I shall be compelled to move to take up the nomination of Mr. Nichols to be Commissioner of Indian Affairs, if objection is made to it.

Mr. SALTONSTALL. I shall communicate with the Senator from North Dakota and give him that information.

The PRESIDING OFFICER. The nomination will be passed over until next Monday.

COAST AND GEODETIC SURVEY

The Chief Clerk proceeded to read sundry nominations in the Coast and Geodetic Survey.

Mr. LUCAS. Mr. President, I ask that the nominations in the Coast and Geodetic Survey be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. LUCAS. Mr. President, I ask that the nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc; and, without objection, the President will be immediately notified of all confirmations this day made.

RECESS

Mr. LUCAS. I move that the Senate now stand in recess until tomorrow morning at 11 o'clock.

The motion was agreed to; and (at 4 o'clock and 54 minutes p. m.) the Senate took a recess until tomorrow, Friday, March 25, 1949, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate March 24 (legislative day of March 18), 1949:

APPOINTMENTS IN THE REGULAR ARMY

The following-named persons for appointment in the Medical, Dental, Medical Service, and Judge Advocate General's Corps, Regular Army of the United States, in the grade and corps specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.) and title II of the act of August 5, 1947 (Public Law 365, 80th Cong.):

To be lieutenant colonels

Sterrett E. Dietrich, MC, O261907.
Harvey G. Taylor, MC, O1683642.

To be majors

Laurence A. Bilotta, MC, O328854.
William R. Haas, MC, O375414.
Bernard J. Moore, MC, O301378.
Orville H. Tackett, MC, O378418.
Herman E. Wilkinson, MC, O282080.

To be captains

John R. Altmeyer, MC, O1724896.
Irving H. Canfield, MC, O474732.
Henry M. Cook, Jr., MC, O1766851.
Philip A. Cox, MC, O407311.
Allan C. Evans, MC, O547444.
John R. Fair, MC, O423656.
Warren H. Kimsey, MC, O440243.
Thurman A. Larson, MC, O1685483.
Hugh B. McManus, Jr., MC, O1774912.
Oscar W. Miller, MC, O465709.
Spurgeon H. Neel, Jr., MC, O435322.
John E. Pleasants, DC, O464390.
Samuel D. Salem, MC.
Frank E. Schwartz, MC.
Joseph C. Stroud, Jr., MC, O1775494.

To be first lieutenants

John H. Angell, MC.
Angel A. Arce, MC, O935465.
Roberto E. Benitez, MC, O1718388.
William W. Bindeman, MC.
Hu A. Blake, MC, O1736671.
Don G. Bock, MC.
Robert H. Bowden, MC.
Arnold J. Capute, MC.
Robert J. Carpenter, Jr., MC, O1705307.
Thomas P. Clarke III, MC.
George A. Colom, MC.
Robert M. Counts, MC.
George W. Curd, Jr., MC, O964816.

Leslie E. Dixon, JAGC, O411977.
Samuel L. Dunaif, MC.
Frank L. Dunn, MC.
Williford Eppes, MC.
John H. Fisher, MC, O1756604.
Barney L. Freeman, Jr., MC, O1736605.
Robert C. Garner, MC.
Jack E. Geist, MC.
Irving Gray, MSC, O408411.
James W. Grey, Jr., DC.
Robert R. Hahn, MC.
David A. Hamburg, MC.
William F. Hughes, Jr., MC.
Edward E. Mercier, MC.
William H. Morse, MC.
Arthur D. Porcella, JAGC, O1548530.
Joseph C. Rogers, DC, O938691.
James D. Roorda, MC.
Robert M. Senty, MC.
Paul E. Sieber, MC, O1726349.
John Q. Thompson, MC.
Kent P. Upchurch, MC, O1736385.
John H. Webb, Jr., MC.
Vaughn W. Westermeyer, MC, O1787131.
Robert H. Wildhack, MC.
Lawrence H. Williams, JAGC, O698501.
David C. Wilson, Jr., MC.
Willard W. Young, JAGC, O523322.

The following-named persons for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

James L. Clark, O450826.
Ernest M. Kelly, Jr., O947405.
Melvyn A. Sandler.

The following-named persons for appointment in the Army Nurse Corps, Regular Army of the United States, in the grade of second lieutenant, under the provisions of Public Law 36, Eightieth Congress:

Kathryne I. Hudson, N797475.
Olga Luckton, N794793.
Margaret P. Phillips, N795112.

IN THE ARMY

APPOINTMENTS IN THE REGULAR ARMY

The following-named officers for appointment, by transfer, in the Regular Army of the United States without specification of branch, arm, or service:

Capt. Francis John Kelly, O37505, Medical Service Corps, United States Army.

Capt. Ernest Harry Wallace, O37552, Medical Service Corps, United States Army.

PROMOTIONS IN THE REGULAR ARMY

The following-named officers for promotion in the Regular Army of the United States, under the provisions of section 107 of the Army-Navy Nurses Act of 1947:

To be captains, Army Nurse Corps

Phyllis W. Adams, N1019.
Gertrude Florence Allen, N251.
Katherine Virginia Allen, N282.
Rena L. Andersen, N984.
Edith Ansley, N724.
Rubye Wilkes Archer, N1634.
Leona Arend, N871.
Audray E. Arnold, N1084.
Nelna M. Arp, N1051.
Agnes M. Arrington, N1326.
Elizabeth Artz, N264.
Lillian Vaughn Avery, N1037.
Caroline E. Avila, N846.
Mary Celestine Axmann, N478.
Alberta Mary Bachman, N841.
Agnes Bacior, N1530.
Rosalie Bacior, N229.
Mary Edna Baggett, N413.
Rosalie F. Bailen, N646.
Doris Lillian Bailey, N1246.
Louise Bainbridge, N192.
Julia Whitette Baker, N1043.
Adele Margaret Ball, N1199.
Katherine Ball, N358.
Katherine E. Baltz, N688.
Wilma R. Barney, N1363.
Frances M. Barrett, N730.
Anne E. Batho, N1075.
Anna N. Bauer, N872.
Evelyn M. Bedard, N1314.
Georgia V. Beidle, N1282.
Mattie Agnes Bell, N694.
Margaret Ellen Bellue, N1668.
Maude B. Benedict, N197.
Clara Rose Bentley, N1313.
Anne A. Benton, N227.
Bonnie Jane Best, N489.
Loretta Margaret Bevins, N1280.
Margaret N. Bishop, N186.
Minnie L. Bitros, N691.
Louise Frederica Bitter, N1358.
Dollie Mae Blake, N680.
Ruby J. Blasingame N1064.
Clarice Helen Blegen, N685.
Edith Isabel Blennerhassett, N215.
Inez Henrietta Blossman, N1273.
Irene C. Bofenkamp, N1644.
Catherine Grace Boles, N365.
Mary R. Bonner, N378.
Ada E. Boone, N1301.
Ann Bosshard, N1081.
Mathilda E. Bott, N823.
Myfanwy Mayme Bowden, N1018.
Patricia Ida Boyle, N993.
Betsy Bradford, N327.
Marcella V. Brandyberry, N618.
Edna R. Brauning, N818.
Lucy P. Brazeal, N842.
Ruth Elva Breneman, N1328.
Dorothy P. Briggs, N1651.
Winifred M. Briggs, N992.
Aileen Elizabeth Brimmer, N291.
Mattie C. Britton, N845.
Donna D. Bromerski, N658.
Juanita M. Bronson, N299.
Edith E. Brown, N1052.
Faunetta Lucille Brown, N1574.
Margaret Ann Brown, N1034.
Marjorie T. Brown, N1269.
Frances Lucia Bryant, N284.
Muriel Burchfield, N276.
Lottie B. Burk, N405.
Menla Burke, N648.
Barbara P. Burnham, N487.
Marguerite Marcia Burns, N613.
Grace I. Burrus, N317.
Ethel Burton, N207.
Vera N. Bush, N849.
Sara Christine Butts, N297.
Laura Pauline Byrne, N366.
Virginia Frances Cahill, N711.
Elizabeth M. Cale, N1046.
Lilah M. Cameron, N308.
Violet Ruth Campbell, N222.
Margaret H. Cannoles, N1211.
Peggy G. Carbaugh, N363.
Martha Carle, N1575.
Eva Lea M. Carter, N265.
Dorothy Helene Cartwright, N654.
Mary Anne Casserly, N1572.
Eleanor Cassidy, N328.
Mercedes A. Castille, N1641.
Constance Genevieve Catalano, N1372.
Jennie L. Caylor, N1290.
Hazel Christine Chadwick, N1289.
Rebecca Chamberlin, N400.
Eva Elizabeth Cheeseman, N632.
Christine Marie Chesnik, N1196.
Katherine Elizabeth Chickering, N1544.
Grace H. Chism, N706.
Annabel M. Christiansen, N596.
Bessie Carlotte Christie, N622.
Ruth E. Church, N455.
Jeannette Churchill, N1336.
Alta Ruth Clark, N670.
Leota H. Clark, N1227.
Mary Elizabeth Clark, N1295.
Mary S. Clark, N1213.
Mildred Irene Clark, N608.
Margaret Geneva Clarke, N745.
Barbara Allen Clymer, N409.
Louise M. Coard, N1577.
Mary Margaret Coffey, N868.
Dorothy Ellen Coleman, N725.
Christine Coletti, N1642.
Betty Lorraine Colyer, N1206.
Florence Barbara Combs, N345.
Florence Therese Connell, N337.
Rita V. Conners, N980.
Margaret Elizabeth Connor, N387.
Hazel Versie Cooley, N334.
Dora Mary Coover, N1344.
Gladys R. Corey, N1559.
Helen Rose Cosma, N599.
Dorcas E. Coulter, N1540.
Catherine V. Coyne, N312.
Mary Jean Craig, N862.
Edna Frances Crandall, N1549.
Ellen Gladys Crigler, N246.
Aileen Cronkite, N865.
Margaret Evangeline Croskery, N1055.
Catherine Lois Crotty, N662.
Lillie Udine Crow, N254.
Aller Mae Crowell, N65.
Ruth L. Crowell, N490.
Lois B. Cullmann, N404.
Irene Elizabeth Cully, N614.
Virginia E. Cundiff, N850.
Helen F. Custer, N697.
Virginia B. Dailey, N1003.
Elizabeth Ann Darden, N202.
Margaret Rosalie Dardis, N645.
Alice Bissell Davidson, N1240.
Gertrude G. Davidson, N451.
Robertine Eldrydd Davies, N1263.
Anna L. Davis, N732.
Kathleen E. Davis, N476.
Margaret Elizabeth Davis, N1011.
Harriet Alice Dawley, N644.
Marjorie May Dawson, N866.
Bernice Y. Deason, N316.
Kathryn Knapp DeBoard, N1042.
Georgia D. De Frane, N701.
Dorothy May DeHart, N1312.
Grace Delaney, N454.
Helen C. Dembeck, N1222.
Janet Lucile Demy, N1355.
Jewell Dennis, N1022.
Jewell Derryberry, N214.
Lucretia M. deSchweinitz, N464.
Ada Wilson Desprez, N1556.
Helen T. Devine, N1078.
Grova-Nelle Dickson, N484.
Helen Frances Dietsche, N665.
Rachel Emma Dillemuth, N1576.
Lois Rhodema Dimmerling, N983.
Flora Jane Ditchfield, N1053.
Louise E. Dittmar, N272.
Helen Louise Doll, N210.
Lydia Miriam Domert, N901.
Rhoda E. Donahoe, N364.
Dorothy M. Donahue, N621.
Madelyn Florence Donnedy, N1220.
Rose A. Donoghue, N877.
Doris Margaret Donovan, N870.
Mary E. Donovan, N301.
Kathryn Mary Doody, N338.
Annie May Dorset, N225.
Anna J. Dorsey, N223.
Helen Doviak, N900.
Myrtie Drake, N837.
Magdalene Drozd, N257.
Jane M. Duey, N1031.
Clara M. Duley, N1637.
Rita R. Dulisse, N1334.
Mamie Dumas, N286.
Hazel Bernard Duncan, N1013.
Elizabeth MacArthur Dunsmore, N1655.
Colatine Dyas, N1260.
Dorcas Elizabeth Easterling, N1639.
Hilda Reber Echols, N883.
Sammye Edenfield, N740.
Claire Patricia Egan, N395.
Evelyn Carin Ekstrom, N1714.
Virginia Monica Elder, N1718.
Lilyan M. Emmons, N824.
Ruth Lake Engle, N737.
Anna M. Evans, N1371.
Bessie Facuna, N342.
Anna Elizabeth Fairley, N1304.
Gaeda N. Falcone, N838.
Eleanor H. Faulk, N458.
Nellie Irene Feagans, N1547.
Mary Fedor, N1000.
Daria Fedoronko, N666.
Wanda Irene Fill, N1238.
Ruth A. Fisher, N350.
Edythe M. Fleck, N1291.
Margaret H. Flook, N702.
Mary M. Foley, N1054.
Dolores Ann Foltz, N682.
Hallie Eloise Fondren, N277.

Virginia Ellen Foor, N735.
Anne R. Foster, N655.
Marguerite Wilson Foster, N1248.
Edith H. Fowler, N1663.
Lucille I. Fowler, N633.
Mildred L. Fraser, N624.
Irma J. French, N1009.
Marie Emma Frese, N200.
Irene Frey, N603.
Mildred L. Fuller, N635.
Miriam E. Fuller, N1202.
Jeanne Theresa Fullerton, N674.
Ruth Elizabeth Fussell, N1318.
Marie C. Gaddis, N383.
Mabel Galvin, N266.
Helen Marguerite Garrison, N221.
Edythe C. Garst, N1069.
Margaret Louise Gattis, N1245.
Sara Jane Gephart, N1259.
Lois Alma Giebler, N1076.
Nancy Gertrude Gillahan, N611.
Marjorie G. Gillard, N991.
Virginia Mae Gillespie, N1551.
Katherine Smith Gillies, N1270.
Sheila Mary Gillman, N1256.
Elsie Clise Gilmore, N390.
Pauline H. Girard, N218.
Lillian Rita Godek, N892.
Rena Mae Godwin, N244.
Louise Barbara Gondek, N995.
Melrose C. Goodson, N703.
Joyce Goodwin, N1284.
Katherine Gorinski, N884.
Eleanor Mary Gorman, N1243.
Edith Anita Graham, N269.
Rita Catherine Graham, N721.
Lois K. Grant, N829.
Barbara Anne Grass, N369.
Ann Evelyn Grazin, N878.
Patricia Greenan, N1323.
Ina M. Greene, N822.
Ruth Lucille Greenfield, N873.
Jeannette Delia Grenon, N1002.
Pauline W. Grier, N283.
Catherine Regina Grogan, N1315.
Emma Caroline Groh, N1298.
Hortense Sophia Groh, N256.
Revella Guest, N195.
Estella M. Guilliams, N380.
May H. Gunsten, N1087.
Martha C. Habib, N332.
Anna M. Hackett, N62.
Louise M. Hackfort, N189.
Kate Annie Haenisch, N609.
Geraldine Corrinne Haglund, N262.
Lucy E. Hall, N741.
Sara Caroline Hall, N619.
Ruby M. Hammond, N491.
Cecelia Louise Hanson, N637.
Mabel Oles Hardman, N853.
Cleo S. Harrod, N1339.
Willie Ellis Hart, N1320.
Mary Elizabeth Hartley, N1375.
Lulu Juanita Hartman, N1724.
Nora Catherine Haselmire N643.
Sally Campbell Hayes, N1231.
Margith Heide, N1293.
Helmi Heikkila, N989.
Helen Marie Heinrich, N203.
Alma Elizabeth Heintzelman, N821.
Izabella C. Helhoski, N852.
Dorothy Ann Helwig, N1226.
Nellie L. Henley, N486.
Helen Mary Hennessey, N261.
Elma Eleanor Hennies, N401.
Jonike Ellis Henry, N1065.
Jane Elizabeth Herrin, N303.
Sue Isabelle Hester, N442.
Phyllis Jane Hocking, N1347.
Marynell Ann Hoefs, N1579.
Ann Ellen Hogan, N1201.
Estalene L. Holloway, N450.
Mary Magdelen Holly, N720.
Sarah Blanche Holmes, N421.
Bernice Elizabeth Holsinger, N1275.
Eugenia Louise Holzknecht, N419.
Hallie E. Hoover, N398.
Helen C. Hooverson, N1377.
Hettie Ava Hopkins, N1063.
Janet E. Hopkins, N736.
Margaret Lucyle Hornberger, N1307.
Elizabeth Ruth Horne, N1277.
Margaret Kunst Hosey, N615.
Bettie E. Hosick, N1086.
Otelia Alvena Hovland, N717.
Matilda Howard, N1368.
Ann Elizabeth Howell, N985.
Vivian Howell, N1330.
Frances Lucile Hubbard, N396.
June Lucille Hudson, N1297.
Maude A. Hudson, N233.
Margaret E. Huitt, N863.
Agnes T. Hulme, N1258.
Fay J. Hutton, N335.
Ann T. Hyland, N469.
Marguerite Duggan Imhof, N1666.
Lucy Mary Infosino, N861.
Alberta T. Ingram, N391.
Lemma Ingram, N698.
Sallie H. Ingram, N1302.
Jane Victoria Isler, N1578.
Velma V. Jablunovsky, N471.
Florence S. Jacobs, N1306.
Margaret Luceille Jacobson, N1346.
Cecilia Pearl Jamula, N485.
Bertha Kay Janas, N481.
Angeline P. Jankoviak, N996.
Harriet J. Jayne, N708.
Kazmiera Augustyniak Jeffer, N313.
Alice C. Jeffreys, N1229.
Leda Elizabeth Jelinek, N437.
Emilie K. Jensen, N60.
Bernice C. Johnsen, N193.
Dorothy M. Johnson, N270.
Nancy Ann Johnson, N705.
Jennie E. Jones, N1007.
Mary C. Jordon, N987.
Florence Elizabeth Judd, N232.
Katherine Rose Jump, N431.
Margaret Ann Kabana, N1661.
Evelyn Agnes Kackman, N343.
Angie Clarissa Kammeraad, N1529.
Mildred C. Katich, N1357.
Marie Agnes Keating, N671.
Virginia Heenan Kegerreis, N982.
Lelia May Kehoe, N1349.
Josephine J. Kelley, N607.
Bertha I. Kellogg, N428.
Eva L. Kelly, N859.
Evelyn Aleda Kelly, N311.
Leila Kemp, N379.
Violet Louise Keniston, N459.
Josephine Carmelita Kennedy, N279.
Genie Key, N643.
Mary C. Kin, N406.
Elizabeth Erwin King, N1557.
Helen W. King, N300.
Mary L. King, N321.
Ruby Lorraine Kinnaird, N231.
Lois Fern Kinnison, N245.
Kathryn M. Kirkhoff, N382.
Marie Louise Kirman, N719.
Cecelia L. Kirschling, N1062.
Eleanor Ann Klensch, N1283.
Helen S. Kloss, N1197.
Esther Marie Knoedler, N1720.
Gladys Nelms Knowles, N1342.
Alma C. Koehler, N1008.
Lillian Smith Koontz, N999.
Julia E. Koszalka, N1562.
Ethel Rose Kovach, N1322.
Elaine Agnes Kowalski, N652.
Idelle Dorothea Kraft, N1056.
Dorothy E. Kraftschenk, N287.
Sylvia M. Kronemeyer, N461.
Josephine Minerva Krumanocker, N1045.
Lucile Krumperman, N1338.
Helen M. P. Krystopik, N689.
Blanche Frances Kuchar, N1224.
Rose Kudletz, N1560.
Ruth Rose Kuhlmann, N1539.
Julia E. Kuntz, N733.
Katherine Rose Kurutz, N1274.
Isabelle A. Kuskowski, N653.
Blanche M. Kutter, N230.
Marjorie W. Kydd, N324.
Phyllis M. LaConte, N474.
Mary Martha Laggan, N1028.
Cecelia Sweeney Lakemeyer, N1059.
Mildred Irene Lamar, N597.
Helen May Landis, N1299.
Stella Sylak Lapitsky, N375.
Viola H. Laurie, N435.
Mildred Margaret LaVelle, N360.
Caryl Ruth Lawrence, N1242.
Frances I. Lay, N290.
Lonnette M. Lee, N636.
Helena M. Leland, N874.
Adeline H. Lenz, N625.
Ann M. Leonard, N683.
Marcia Marie Lessard, N1079.
Iva D. Lewis, N1083.
Grace Marie Liebig, N827.
Elsie M. Lien, N630.
Beata Margaret Lieske, N361.
Lulu Marguerite Lines, N1219.
Edna J. Linn, N323.
Irene Lilonais, N1217.
Laura Belle Little, N1636.
Wealthy F. Litton, N438.
Alice Genevieve Heil Lloyd, N1068.
Josephine A. LoCicero, N1296.
Marie Lois Lockhart, N295.
Esther Marcella Lockwood, N1281.
Martha Eleanor Lohman, N1325.
Agnes Bernadette Lohrmann, N1329.
Imelda Helen Lohrmann, N1254.
Lorette L. Lokuta, N259.
Mamie Vera Loman, N1014.
Helen T. Lonchar, N1012.
Esther Maude Long, N198.
Verta Ruth Long, N1660.
Dorothy La Rue Looby, N893.
Floy Leora Looper, N744.
Lela Mae Lovelace, N1311.
Hazel J. Lovett, N1331.
Elizabeth Conradetta Mahoney, N1665.
Mildred M. Malarick, N902.
Agnes C. Malerba, N1036.
Louise Margaret Malone, N1538.
Doris, Maness, N408.
Helen T. Marcinkoski, N854.
Angelena I. Mariano, N1324.
Helen Marion Martin, N1343.
Lorraine Helen Martin, N351.
Mary L. Martin, N449.
Marian E. Martini, N208.
Louise Marie Mateer, N472.
Mary Jane Mathis, N686.
Ann Maysarros, N612.
Blanche M. McAndrews, N63.
Ruth Scofield McBurnie, N1646.
Anna Mae McCabe, N905.
Ruby Edwina McCain, N252.
Kathryn J. McCann, N1370.
Genevieve M. McCartney, N1006.
Dorothea Meyer McCarty, N1218.
Iola Ruth McClellan, N278.
Shirley M. McCorquodale, N331.
Margaret Mary McCray, N433.
Martha Anita McFadden, N402.
Agnes B. McGann, N1279.
Sadie Lee McGibboney, N322.
Barbara R. McGill, N445.
Mary A. McGill, N393.
Marguerite Marie McGrath, N298.
Eleanore McIntyre, N1276.
Mary Catherine McNamara, N979.
Margaret Jane McNulty, N477.
Ruth Vivienne McPherson, N956.
Marian R. McQuiston, N1567.
Mary C. Meagher, N904.
Avis Octavia Meeks, N59.
Helen Griffin Meikle, N348.
Mary V. Menold, N1209.
Edith M. Mercer, N275.
Rose Mary Merhar, N678.
Elizabeth Theda Merscher N349.
Marjorie Meszar, N675.
Dorothy Louise Meyer, N234.
Eleanor R. Meyer, N899.
Irene Elizabeth Micklick, N388.
Florence Joan Mikowski, N1340.
Agnes L. Miller, N1713.
Kathleen Frances Miller, N1253.
Mae Elizabeth Miller, N1374.
Annie Mary Mills, N483.
Margaret Albina Minckler, N825.
Florence Zilphia Miner, N672.
Marjorie Mirkin, N216.
Mary A. Moles, N1300.
Christine Moore, N895.
Gladys Moore, N239.
Lillian Elizabeth Moore, N374.

Esther Josephine Moran, N1359.
Dorothy Beatrice Morgan, N1566.
Elsie Morgan, N488.
Mary Sue Morris, N346.
Helen E. Morrison, N305.
Ida Belle Morrison, N1327.
Mary Frances Morse, N860.
Velma L. Mount, N828.
Kathryn Virginia Murphy, N1025.
Dorothy Helen Murray, N1294.
Gladys M. Nash, N1561.
Sarah Lucille Neal, N1532.
Madeline L. Nearhood, N856.
Nadine A. Neisig, N1711.
Edna M. Nelson, N604.
Helen Adeline Nelson, N836.
Dorothy M. Newcomb, N249.
Nelly Newell, N885.
Rowella Helen Newell, N1212.
Mary Elizabeth Newman, N975.
Pearl G. Nicolls, N191.
Evelyn Joyce Niles, N1656.
Charlotte Loretta Nolan, N1351.
Norma Barbara Nordstrom, N718.
Alma M. Nyberg, N1552.
Walburga Genevieve Nyez, N1236.
Evelyn M. Oberkirch, N479.
Marguerite A. Oberson, N623.
Mary L. O'Brien, N1653.
Maureen Patricia O'Dwyer, N425.
Mae Evangeline Olson, N1049.
Frances F. Olszowy, N1061.
Evelyn R. Ordway, N1194.
Margaret Louise Ormand, N1192.
Naomi Imogene Osborne, N1225.
Gertrude Mary Ostmann, N881.
Esta Cleo Ott, N1337.
Lora J. Pace, N1050.
Marion J. Pace, N1640.
Alma M. Paetzold, N886.
Margaret H. Paetzold, N844.
Philomena A. Pagano, N354.
Frances Palm, N213.
Margaret T. Paolilli, N1272.
Edna M. Parker, N271
Jean L. Parks, N377.
Josephine C. Parrish, N319.
Margaret E. Parsons, N1058.
Alice Shepherd Patterson, N1350.
Evelyn M. Patterson, N339.
Mary A. Patterson, N679.
Catherine G. Paul, N1040.
Macie Eunice Paul, N187.
Phoebe Madge Paul, N353.
Isabel Satterfield Paulson, N1376.
Irene Mary Pawlowski, N1288.
Mildred Mary Peace, N1214.
L. Isabelle Peacock, N831.
Augusta K. Peake, N820.
Florence Mary Pecora, N359.
Ava L. Peene, N663.
Lydia J. Peerey, N628.
Barbara Hazel Pensinger, N422.
Hazel Percival, N696.
Janie Louise Perkins, N1035.
Sally M. Perkins, N412.
Elizabeth A. Pesut, N258.
Mollie Anna Petersen, N64.
Pauline Frederick Peterson, N330.
Margaret Elizabeth Pettibone, N1643.
Edna L. Pharris, N1712.
Helen Arline Pieper, N638.
Mary Elizabeth Pierce, N1726.
Miriam Reynolds Pierce, N857.
Mary E. Pilchard, N1555.
Gladys Hay Pinckney, N864.
Margaretta Burton Pinneo, N716.
Flora V. Pittman, N367.
Julia R. Pollack, N1571.
Norma M. Pollo, N659.
Sarah M. Pollock, N281.
Vivian R. Pool, N427.
Martha Lucille Poole, N977.
Helen Porter, N990.
Reber L. Posey, N1067.
Katherine M. Powell, N344.
Ethelyn McIntosh Preecs, N356.
Alice Margery Pressler, N704.
Gladys E. Prestwood, N426.
Margaret M. Price, N294.
Lillian Frances Priddy, N1044.
Josephine A. Pritchard, N855.
Ruby Ellen Pritchard, N690.
Cunegundes J. Przybilla, N457.
Grace Kathryn Puppel, N692.
Doris Marie Quinn, N381.
Lula Mae Ragsdale, N687.
Jean Christine Rancoilta, N253.
Berneice B. A. Rappath, N470.
Eleanor R. Reed, N598.
Katherine Clara Reed, N190.
Olie Betty Reed, N1723.
Ann Reeves, N974.
Eileen W. Reichert, N699.
Mary Jean Reppak, N273.
Ellen Marie Respini, N1305.
Marguerite C. Reutenauer, N206.
Julianne M. Rheaume, N1553.
Antoinette Marianna Ricci, N664.
Bertha Deen Richardson, N1208.
Helen Virginia Richardson, N407.
Edith Virginia Richman, N376.
Della Pauline Riley, N660.
Mabel Luella Rime, N1533.
Catherine M. Riney, N1262.
Lorraine Marie Ripps, N631.
A. Inez Robinette, N453.
Pauline Robinson, N1261.
Ruth Margaret Robinson, N1558.
Elizabeth Ella Rode, N1070.
Charlotte Rita Rodeman, N601.
Florence Jones Rodenboh, N723.
Luella Rodenburg, N340.
Agnes C. Roesle, N389.
Theda W. Rogers, N444.
Geraldine Rollins, N452.
Mary Mae Rollins, N1207.
Eleanor Frances Romanofski, N650.
Nina Marie Romeo, N1633.
Edna Earle Ross, N194.
Rita V. Rourke, N677.
Anna Rozycki, N835.
Margaret K. Rucker, N1534.
Dorothy L. Rundle, N1361.
Evelyn Louise Russell, N661.
Phyllis Ryan, N869.
Ramona Mary Saar, N446.
Helen May Salisbury, N978.
Wilma K. Sandberg, N248.
Helen Fickes Sanderson, N220.
Beatrice J. Sarrokie, N894.
Juanita H. Scalf, N1352.
Anna K. Schelper, N414.
Elma G. Scheuer, N602.
Laura Bertha Schild, N1652.
Leora Lillian Schmidt, N832.
Helen J. Schnader, N834.
Elizabeth V. Schnebly, N399.
Mary Margaret Schultz, N1266.
Foy Mozelle Scott, N306.
Frances Elizabeth Scott, N415.
Frances Marion Scott, N710.
Lucile Augusta Seaman, N1546.
Bernice Margaret Sebelien, N242.
Majorie E. Seekins, N431.
Gertrude C. Seibert, N255.
Azile Self, N228.
Berneda A. Serfass, N729.
Helen M. Seroczynski, N606.
Alice M. Service, N1001.
Virginia Mary Sessoms, N293.
Ruth F. Shadewaldt, N673.
Mildred M. Shaner, N1195.
Elizabeth E. Shepherd, N204.
Vivian M. Shepherd, N626.
Mary R. Sheppard, N423.
Helen Merle Shivers, N418.
Regina Mary Sieleni, N397.
Emily Frailey Siemasko, N1292.
Itaska Simmons, N420.
Martha A. Simpkins, N1265.
Geneva Fern Sims, N1662.
Blanche Irene Sipple, N1204.
Eileen Ada Sisson, N713.
Ruth Catherine Sitzmann, N819.
Sophia Cathryn Skiba, N411.
Alice Louise Skinner, N667.
Etna E. Skipper, N647.
Alpharetta Elizabeth Slaats, N684.
Eleanor Mae Slade, N1638.
Emma Rouphina Smart, N224.
Elma Catherine Smith, N657.
Frances K. Smith, N1271.
Mary Irene Smith, N1005.
Mildred Elizabeth Smith, N247.
Milly E. Smith, N1016.
Ruth Georgiana Smith, N1251.
Myrna Alberta Snyder, N847.
Agnes Cecelia Sokol, N241.
Anna Margaret Solberg, N1341.
Jessie A. Sorrells, N600.
Frances Almira Soule, N1550.
Mary Francis Spisak, N1066.
Venice Spendlove, N1345.
Irina Stahovich, N833.
Grace Hamel Stakeman, N205.
Ruth Mary Stallard, N1082.
Amelia Stark, N656.
Anne Brown Steele, N728.
Mary F. Steuart, N274.
Ursula LaVerne Stievenart, N260.
Helena M. Stoffregen, N880.
Pauline Stokes, N1319.
Carrie Pauline Stout, N889.
Harriet Atherholt Stover, N238.
Sarah Carolyn Stradley, N1233.
Kathryne Cecilia Stuwe, N296.
Harriet Catharine Styer, N668.
Dora F. Large Sullivan, N1650.
Alice Helen Svedirsky, N876.
Alice O. Swenson, N196.
Ruth W. Sylvester, N1004.
Virginia Theresa Szyper, N1032.
Nellie Theresa Tamalonis, N1569.
Martha Jane Taranta, N1564.
Bernice Vivian Taylor, N1333.
Ruth P. Taylor, N302.
Madge M. Teague, N201.
Eva Mae Tembrock, N739.
Mary Sue Templeton, N998.
Mollie Agnes Tewell, N333.
Jean Delores Tewksbury, N236.
Margaret K. Thatcher, N973.
Catherine M. Thompson, N981.
Ida M. Thompson, N373.
Joyce Anita Thornton, N267.
Frances P. Thorp, N61.
Elizabeth Jane Thurness, N436.
Evelyn F. Tinkle, N199.
Virginia L. Titus, N616.
Mary Cecelia Tkacik, N1659.
Mary Isabelle Tobey, N1039.
Mary Lyle Todd, N1649.
Katherine J. Tolen, N1048.
Margaret Emily Tollefson, N329.
Mary P. Toudouze, N467.
Annie Townsley, N1193.
Estelle Marian Travers, N314.
Ruth Evelyn Tregea, N304.
Florence T. Trombly, N695.
Helen Lucille Tucker, N1228.
Lois Lucille Turnbull, N1531.
Mildred Parish Turton, N250.
Anne A. Tyler, N263.
Otillia Magdelane Ulrich, N896.
Marian E. Vanderbrook, N888.
Janice Olive Van Hees, N726.
Lera V. Via, N712.
Doris Winona Viedt, N731.
Mary T. Votava, N448.
Joella Wallace, N355.
Althea M. Ward, N722.
Mary A. Ward, N429.
Mary Hulda Waters, N839.
Clara K. Watry, N700.
Lelia H. Watson, N460.
Ruth Viola Watson, N416.
Kathleen Waugh, N292.
Gertrude B. Waymoth, N1255.
Betty Jeanette Weddell, N326.
Alice E. Weinstein, N976.
Stephanie Wekluk, N1074.
Nell O. Welborne, N1360.
Marcella Wenderott, N1548.
Irene Minnie Wendt, N1024.
Harriet H. Werley, N1241.
Ida Belle Aaron Werner, N1303.
Irene Wertenberger, N468.
Martha Maria West, N1230.
Tannie Elaine Westmoreland, N1716.
Alta White, N1365.
Geraldine Whitehurst, N336.
Dorothy E. Whitsell, N289.
Virginia M. Wickensheimer, N372.
Irene Wiley, N1080.
Agnes Lay Williams, N1239.

Irma F. Williams, N830.
Juanita H. Williams, N1541.
Kathryn Hazel Williams, N307.
Sarah Lynn Williford, N1310.
Margaret Loane Willis, N212.
Gladys H. Wilson, N1249.
Lucille Alice Wilson, N394.
Helen M. Wiltzius, N707.
Mildred L. Windbiel, N727.
Alice Ronald Wink, N858.
Ann M. Witczak, N610.
Ethel Emily Wood, N887.
Dorothy Agnes Wolfe, N1654.
Fleeta Orman Worthington, N1237.
Paula Crowe Wright, N1554.
Gertrude E. Wuerdinger, N385.
Mary V. Wyatt, N620.
Doris M. Yeasted, N235.
Mildred Lucille Yonce, N867.
Eunice Florence Young, N226.
Mary Mollie Younger, N288.
Nellie J. Zalesney, N1536.
Anne M. Zizon, N1221.
Blanche Edwarda Zukowski, N714.

To be major, Women's Medical Specialist Corps

Ruth A. Robinson, J45.

To be captains, Women's Medical Specialist Corps

Roberta E. Aber, J4.
Ethel Lisenby Barnes, R10088.
Catherine Marie Bender, M10024.
Mary Lenor Ben Dure, M10008.
Margaret Pauline Bettinger, J36.
Martha Magruder Boger, M10082.
Ruth Wesley Bradley, M10021.
Belle Kaplitz Cohen, M10059.
Kathleen Ruth Creech, R10096.
Doris J. Crouser, J37.
Elizabeth Mary Dean, R10075.
Isabelle Delaney, R10044.
Marion May Donaldson, R10076.
Gladys Thompson Edwards, R10017.
Mabel M. Eisele, J1.
Ruth Wilhelmina Ellinger, M10025.
Emily Fairbanks, M10009.
Lois Maxine Forsythe, R10039.
Elizabeth Fowler, M10077.
Virginia Lois Frost, M10022.
Evelyn Marie Girard, R10041.
Ada Elizabeth Gray, M10023.
Merle Moreen Hall, R10013.
Thelma Alta Harmon, R10092.
Grace McNee Heltman, M10041.
Vivian Toolan Hicks, R10011.
Edith Marie Hobson, R10042.
Nancy Louise Huston, R10015.
Katherine Elizabeth Manchester, R10016.
Kathryn Maurice, J38.
Myra L. McDaniel, J13.
Elsie Kathleen Miller, R10043.
Alyce G. Milne, J58.
Sue Winifred Moore, R10009.
Mary A. Reilly, J14.
Velma Lee Richardson, R10014.
Corrine Carolyn Rizzo, M10043.
Savinah Shockey, M10042.
Carolyn Edith Smith, R10089.
Dorothy Louise Swartz, R10008.
Margaret Joan Thornton, R10077.
Alma Shaw Wainwright, R10046.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 24 (legislative day of March 18), 1949:

COAST AND GEODETIC SURVEY

APPOINTMENTS IN THE COAST AND GEODETIC SURVEY

To be captains, effective May 4, 1949

Albert J. Hoskinson — Ralph W. Woodworth
Elliott B. Roberts — Leo C. Wilder

To be commanders, effective March 1, 1949

John Bowie, Jr. — Leonard C. Johnson
William F. Malnate — Francis B. Quinn
Ira T. Sanders — John H. Brittain
Edward R. McCarthy — Emil H. Kirsch
Henry J. Healy — Roger C. Rowse
Clarence A. Burmister — George A. Nelson
George R. Shelton

To be commanders, effective September 1, 1949

Wilbur R. Porter
Percy L. Bernstein

To be commander, effective October 1, 1949

Charles A. Schanck

To be commanders, effective November 1, 1949

Joseph P. Lushene
James D. Thurmond
Walter J. Chovan

To be commanders, effective December 23, 1949

Curtis LeFever — Edwin C. Baum
Henry O. Fortin — Lawrence W. Swanson
Gilbert R. Fish

To be lieutenants, effective August 9, 1949

Marvin T. Paulson
V. Ralph Sobieralski

To be lieutenant, effective October 24, 1949

Lorne G. Taylor

To be lieutenants, effective December 24, 1949

John O. Boyer
Wilbert M. Hellman
Emerson E. Jones

ARMY OF THE UNITED STATES

TEMPORARY APPOINTMENTS

Col. James Lowe Harbaugh, Jr., O12339, Judge Advocate General's Corps, for temporary appointment as brigadier general.

APPOINTMENT, BY TRANSFER, IN THE JUDGE ADVOCATE GENERAL'S CORPS, REGULAR ARMY OF THE UNITED STATES

Maj. William George Easton, O20656.
Maj. Tom Bryson Hembree, O29789.

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

The following-named officers for promotion in the Regular Army of the United States, under the provisions of sections 502 and 510 of the Officer Personnel Act of 1947.

(Names preceded by the symbol (×) are subject to examination required by law.)

To be colonels

Stephen Wilson Ackerman, O15708.
Thomas Harrison Allen, O15865.
James Grafton Anding, O15677.
Charles Francis Baish, C9309.
×Russell Andrew Baker, O15745.
George Huston Bare, A12957.
Raymond Clay Barlow, O12379.
Oliver Malcolm Barton, O15724.
Clarence William Bennett, O15618.
Logan Carroll Berry, O15752.
William Harry Bertsch, Jr., O15759.
Raymond Thomas Beurket, O15543.
Bruce Woodward Bidwell, O15552.
Leonard Lawrence Bingham, O15534.
Wendell Blanchard, O15528.
George Louis Boyle, O14862.
Perry William Brown, O15649.
Harold Albert Buck, O39502.
Walter Allen Buck, O15665.
×Vonna Fernleigh Burger, O15667.
George Raymond Burgess, O12311.
Henry Coates Burgess, O15778.
×Joseph Rogers Burrill, O15680.
George William Busbey, O15639.
Frank Faron Carpenter, Jr., O15870.
Edward Amedee Chazal, O15791.
Clarence Clemens Clendenen, O12725.
James William Clyburn, O15762.
Samuel Glenn Conley, O15707.
Victor Allen Conrad, O15546.
Raymond Hendley Coombs, O15561.
Paul Cooper, O15748.
William Leo Coughlin, O15776.
Malin Craig, Jr., O15908.
George Dakin Crosby, O15512.
Daniel Bernard Cullinane, O8061.
Emerson Leroy Cummings, O15500.
Charles Dwelle Daniel, O15668.
Clarence Keith Darling, O15645.
Francis Marion Day, O15614.
Reginald Langworthy Dean, O15507.
Kenneth Negley Decker, O15789.
Oswaldo de la Rosa, O15774.
Lawrence Russell Dewey, O15575.
Wolcott Kent Dudley, O15799.
Augustine Davis Dugan, O15610.
George Emmert Elliott, O15858.
Eugene Barber Ely, O15565.
David Griffith Erskine, O15766.
William John Eyerly, O15628.
Edward Hern Farr, O39501.
Samuel Henry Fisher, O15835.
Ovid Thomason Forman, O15590.
Louis Chadwick Friedersdorff, O15732.
Andrew Allison Frierson, O15587.
Bjarne Furuholmen, O15725.
Harold Phineas Gard, O15585.
Philip Robison Garges, O15509.
×Gerald Goodwin Gibbs, O15637.
Francis Edwin Gillette, O15693.
Ralph Irvin Glasgow, O15576.
Victor Zalamea Gomez, O14876.
John Boyden Goodell, O28771.
Sanford Joseph Goodman, O15625.
Lynell Frank Gordon, O28769.
Francis John Graling, O15826.
Rupert Davidson Graves, O15794.
Peter Conover Hains 3d, O15657.
Sarratt Thaddeus Hames, O15845.
Adna Chaffee Hamilton, O12480.
Stephen Smith Hamilton, O15934.
Donald Quitman Harris, O15007.
Paul Americus Harris, O14624.
Edwin Henry Harrison, O15573.
Martin Frank Hass, O15889.
Wallace Howard Hastings, O15498.
Daniel Francis Healy, Jr., O15742.
Frederic Allison Henney, O15531.
Donald Charles Hill, O15504.
John Gillespie Hill, O15797.
John Ismert Hincke, O15539.
Walker Wesley Holler, O15905.
James Frederick Howell, Jr., O15625.
Daniel Harrison Hundley, O15862.
Cary Brown Hutchinson, O15644.
Wynot Rush Irish, O11227.
Emerson Charles Itschner, O15516.
×Washington Mackey Ives, Jr., O15696.
Thomas Allen Jennings, O15793.
Howard Jehu John, O15802.
Leonard Marion Johnson, O15921.
Harold Dean Jones, O23772.
William Henry Kendall O15714.
Howard Ker, O15518.
Howard Everett Kessinger, O15692.
Francis, Elmer Kidwell, O15563.
Cary Judson King, Jr., O15574.
Edward Arthur Kleinman, O15003.
Ralph Arthur Koch, O15830.
Stephen Stanley Koszewski, O15654.
James Barry Kraft, O15800.
Charles Raeburne Landon, O15592.
Philip Stueler Lauben, O39500.
Ernest Orrin Lee, O15517.
Amel Thomas Leonard, O15550.
Willard Koehler Liebel, O15723.
Russell Layton Mabie, O15626.
William Henry Maglin, O15812.
Howard Alexander Malin, O15821.
×Darwin Denison Martin, O15678.
Murry John Martin, O28775.
Earl Mattice, O15602.
Robert Joseph McBride, O15756.
John Alfred McComsey, O15687.
Glenn Bruce McConnell, O15556.
Otis McCormick, O15527.
Thomas George McCulloch, O15727.
James Edward McGraw, 15672.
Donald McGrayne, O28762.
Harry Dillon McHugh, O15758.
Winfield Rose McKay, O8450.
Robert Douglas McLeod, Jr., O15901.
Charles George Meehan, O15545.
Claron Wager Meldrum, O41365.
Ernest August Merkle, O15597.
Benjamin Schultz Mesick, O15505.
George Alvin Millener, O15740.
Virgil Rasmuss Miller, O15847.
Richard Tonkin Mitchell, O15833.

Dennis Milton Moore, O15836.
Zachery Winfield Moores, O15647.
David Albert Morris, O14666.
Allen Milton Murphy, O28764.
Hobart Amory Murphy, O15811.
Humbert Orazio Nelli, O38586.
Daniel Peter Norman, O15467.
George Wesley Palmer, O15593.
Emil Pasolli, Jr., O26777.
Emil John Peterson, O15523.
Paul Albert Pickhardt, O15772.
Nunez Christian Pilet, O15931.
Richard Givens Prather, O15698.
Carl William Albert Raguse, O15598.
Arthur Cecil Ramsey, O15497.
John Wesley Ramsey, Jr., O15824.
Joris Bliss Rasbach, O15918.
William Joseph Reardon, O15631.
Augustus Jerome Regnier, O15720.
John Held Riepe, O15515.
Thomas Du Val Roberts, O15529.
Raymond Rodney Robins, O15866.
Gordon Byrom Rogers, O15620.
Clarence Everett Rothgeb, O15612.
Chester Archibald Rowland, O15924.
Charles Harold Royce, O15769.
Wellington Alexander Samouce, O15562.
Peter Sather, Jr., O15867.
William Herbert Schaefer, O15616.
Jean Dorbant Scott, O15885.
Charles Edward Shepherd, O15904.
Joseph Peter Shumate, O15537.
Peter Wesley Shunk, O15622.
Cleland Charles Sibley, O15671.
Leslie Earl Simon, O15567.
Douglas Byron Smith, O15699.
John Clair Smith, O15656.
Mark Edward Smith, Jr., O15796.
Samuel Waynne Smithers, O15829.
Lewis Stone Sorley, Jr., O12483.
Merrow Egerton Sorley, O15508.
Charles Rexford Stark, O28773.
Albert Kellogg Stebbins, Jr., O15695.
Richard Warburton Stephens, O15569.
Vernum Charles Stevens, O15526.
Marcus Butler Stokes, Jr., O15613.
Kenneth Crawford Strother, O15738.
Albert Newton Stubblebine, Jr., O15768.
Charles Pelot Summerall, Jr., O15726.
Henry Ignatius Szymanski, O28754.
Fremont Swift Tandy, O15521.
Harry Jordan Theis, O15549.
Frank Jay Thompson, O15609.
Jesse Thomas Traywick, Jr., O15818.
Frank Glover Trew, O15711.
William Samuel Triplet, O15815.
Frank Anthony Valente, O28768.
Charles Ward Van Way, Jr., O15757.
Harry Van Wyk, O15555.
George Walter Vaughn, O15747.
Herbert Davis Vogel, O15520.
Vern Walbridge, O15915.
Everett Chalmers Wallace, O15525.
Jesse Bernard Wells, O15580.
Lucien Francis Wells, Jr., O15832.
James Stewart Willis, O15607.
Ovid Oscar Wilson, O15887.
George Spence Wise, O38589.
Charles Edward Woodruff, Jr., O15283.
George Edmund Wrockloff, Jr., O15781.
George Edmund Young, O15659.

To be colonels, Judge Advocate General's Corps

George Wiltz Gardes, O28340.
John Amos Hall, O16173.
George William Hickman, Jr., O16420.
John Wilson Huysscon, O16088.
Irvin Schindler, O16605.

To be colonels, Medical Corps

Arnold Archibald Albright, O18273.
Samuel Howard Alexander, O17830.
Ellis McFerrin Altfather, O17816.
Kincheon Hubert Bailey, O15489.
Charles Lewis Baird, O18299.
Rollin LeRoy Bauchspies, O17819.
Daniel John Berry, O17806.
Herbert Theodore Berwald, O17831.
Robert Eugene Bitner, O17371.
John Frederick Bohlender, O17814.
Aubrey LeVerne Bradford, O17817.
×Clyde Lemuel Brothers, O17824.
Victor Allen Byrnes, O18303.
Walter Atwater Carlson, O18266.
Thomas William Ellsworth Christmas, O16935.
Harold Eastman Coder, O18302.
Samuel Leonard Cooke, O18301.
Henry William Daine, O17804.
Elbert DeCoursey, O17813.
Robert Reeve Estill, O17836.
James Hedges Forsee, O18265.
James Donley Gardner, O18280.
×Leon Lloyd Gardner, O16016.
Robert Cabaniss Gaskill, O18275.
William Smith George, O18304.
Howland Allan Gibson, O15496.
Paul Crump Gilliland, O17430.
Hugh Richmond Gilmore, Jr., O16555.
Carlton Duncan Goodiel, O16951.
Alexander Otis Haff, O18260.
Clarence Woodson Hardy, O17835.
Gilles Edward Horrocks, O17428.
George Horsfall, O17827.
John Alexander Isherwood, O18297.
Milford T. Kubin, O18278.
Dwight Moody Kuhns, O18294.
Robert Edward Lee, O17796.
Charles Laurn Leedham, O17838.
George Edward Leone, O18287.
Russell Samuel Leone, O18293.
David Ernest Liston, O17820.
Emmett Bryan Litteral, O18281.
Austin Lowrey, Jr., O18282.
Harold Bradley Luscombe, O18298.
Clinton Stone Lyter, O18291.
Lawrence Abraham Matternes, O18295.
Olin Foster McIlnay, O17829.
Charles Scott Mudgett, O17815.
Roary Adlai Murchison, O17808.
Hubert Maurice Nicholson, O15493.
Dan Clark Ogle, O18276.
Thomas Neilson Page, O18300.
Nuel Pazdral, O18285.
Walter Lee Peterson, O18292.
Robert Edwin Peyton, O18263.
×John Edward Pluenneke, O18279.
Roger Gaylord Prentiss, Jr., O17825.
Crawford Fountain Sams, O18261.
Harold Edward Schneider, O17828.
Jack William Schwartz, O17823.
Albert Henry Schwichtenberg, O18288.
Warren Mimms Scott, O17360.
Clement Franklin St. John, O18258.
William Spencer Stone, O18277.
Arthur Lyman Streeter, O18296.
Duran H. Summers, O17794.
Carl Willard Tempel, O18284.
Ralph Matthew Thompson, O17429.
Edward Joseph Tracy, O18272.
James Harvey Turner, O17361.
Harold Hanson Twitchell, O18327.
Wendell Axline Weller, O18290.
John Ruxton Wood, O17321.
James Elmo Yarbrough, O17348.

To be colonel, Dental Corps

Leland Stanford Mabry, O17034.

To be colonels, Medical Service Corps

Seth Overbaugh Craft, O16036.
Edward Martin Wones, O16028.

UNITED STATES AIR FORCE

The following-named officers for promotion in the United States Air Force, under the provisions of sections 502 and 508 of the Officer Personnel Act of 1947. Those officers whose names are preceded by the symbol (*) are subject to examination required by law. All others have been examined and found qualified for promotion.

To be first lieutenants

Adair, Luther Ewell, Jr., AO56711.
Augustyn, Frank Joseph, AO50537.
Barr, Thomas James, AO41359.
Bridgers, Sam, Jr., AO41357.
Bryan, Donald William, AO56716.
*Burcham, Lee Aubrey, AO56718.
Carroll, Bill, Jr., AO56706.
Carroll, Thomas Lee, AO56722.
Cathcart, Charles Earl, AO56714.
Crisp, Harold Newark, Jr., AO38530.
Cunningham, Arthur Sylvester, Jr., AO50536.
Dean, Louis Jefferson, AO56701.
Ellis, Max Eugene, AO56700.
*Gibson, Ralph Duane, AO50533.
Grossmiller, William John, AO56720.
Heringlake, Charles Wayne, AO50534.
Hunter, Cedric Vernon, AO56705.
*Hurn, James Lee, AO56708.
Immig, Richard Graham, AO50538.
Jewell, Harold Roger, AO56710.
Jones, Arthur Meriwether, AO56703.
Joseph, Adolph Davis, Jr., AO56713.
Kult, Milton Louis, AO38529.
*Lindeman, Jack Ray, AO56723.
Mackie, John Victor, AO56712.
MacKinnon, Robert Louis, AO39484.
Messmer, Eugene John, AO56704.
*Mutch, Alex Young, AO56709.
O'Neil, Earl William, Jr., AO41358.
Shackelford, Dave Seale, Jr., AO56721.
Thomas, Rex O., AO56707.
Weatherford, Ross Holmes, Jr., AO50535.

(NOTE.—The officers nominated for promotion to first lieutenant will complete the required 3 years' service for promotion during the months of April and May. Dates of rank for those officers will be determined by the Secretary of the Air Force.)

IN THE NAVY

To be ensigns in the Navy from June 3, 1949

John Abbott	Walter N. Haupt
Richard R. Allman	James R. Hoffman
Arthur H. Barie	John E. Huesgen
William H. Barry	Albert N. Into, Jr.
Frank C. Bonansinga	Don M. Isberner
Kenneth C. Bonine	Ralph A. Jenkins
Waldo L. Born	Jack E. Keller
Walter L. Brown	Francis J. Klinker
William L. Burgess, Jr.	Malcolm R. McCann
Edward J. Cosgriff, Jr.	Dwight A. Mahaffy
Robert E. Dobelstien	John E. Marshall
Orion J. Dussia	Ernest L. Masson, Jr.
George Dzamka	Victor E. Menefee, Jr.
Robert W. Fero, Jr.	William H. Mero
Bruce D. Fraites	James R. Messner
Bernard E. Goehring	Raleigh Miller, Jr.
William L. Hall	Charles P. Moore
Arthur D. Hamilton	Donald F. Munday
Kennard R. Hamilton	Leo A. Regan
Evan C. Harris	

To be ensigns in the Navy from June 3, 1949

John H. Carroll, Jr.	Robert A. Lewis
Charles W. Cates	Charles E. Swingle
Frederick W. Denton III	Harold R. Podorson
	William E. Rhoads

Thomas J. Moran to be a lieutenant (junior grade) in the Navy (special duty officer).

Harvey L. Rittenhouse to be a lieutenant in the Medical Corps.

John H. Schulte to be a lieutenant (junior grade) in the Medical Corps.

To be ensigns in the Supply Corps of the Navy from June 3, 1949

Junius C. Bell	James C. Protulis
Everette T. Brown, Jr.	John C. Walker III
Dominic V. Cefalu	John R. Waltrip
Thomas J. Ingram III	Anton L. Witte

To be lieutenants (junior grade) in the Chaplain Corps of the Navy

Jonathan C. Brown, Jr.
Cornelius J. Griffin.

Howard B. Marble, Jr. (civilian college graduate) to be a lieutenant (junior grade) in the Dental Corps.

To be ensigns in the Nurse Corps of the Navy

Patricia M. Clark	Shirley M. Riggan
Sophia H. Gormish	Esther M. Thomson
Florence R. Martin	Ethel J. Whitesell
Verna LaJ. Miller	Mildred L. Williams
Lillian A. Patsel	Marjorie R. Wilson
Marie A. Petrovitch	Marion E. Withers

IN THE MARINE CORPS

APPOINTMENT TO THE PERMANENT GRADE OF MAJOR GENERAL

Field Harris

APPOINTMENT TO THE PERMANENT GRADE OF BRIGADIER GENERAL

Christian F. Schilt

APPOINTMENT TO THE TEMPORARY GRADE OF BRIGADIER GENERAL

Clayton C. Jerome

APPOINTMENTS TO THE PERMANENT GRADE OF LIEUTENANT COLONEL

James O. Appleyard
Paul E. Becker, Jr.
Charles H. Cowles
Eugene A. Dueber, Jr.
William F. Frank
Joseph A. Gray
Walter Holomon
Louis N. King
Jack F. McCollum
Martin E. W. Oelrich
Jonas M. Platt
Leon A. Ranch
John T. Rooney
Nicholas A. Sisak
John W. Stevens II

APPOINTMENT TO THE PERMANENT GRADE OF CAPTAIN

Josef I. Reece

APPOINTMENTS TO THE PERMANENT GRADE OF FIRST LIEUTENANT

Myrl E. Boys
Robert H. Porter, Jr.

APPOINTMENT TO THE PERMANENT GRADE OF SECOND LIEUTENANT

John R. Heppert
John K. Stewart

APPOINTMENT TO THE PERMANENT GRADE OF LIEUTENANT COLONEL IN THE MARINE CORPS RESERVE

John J. Capolino

POSTMASTERS

CONNECTICUT

Howard Macciocca, Derby.
James F. Abbott, Gales Ferry.
Margaret H. Burke, Litchfield.
Frank J. Barboni, North Haven.
Mary T. Doyle, Thomaston.

DELAWARE

Bertha M. Carrow, St. Georges.

IOWA

Estelle M. Burroughs, Albion.
Russell E. Bamsey, Audubon.
Vernon L. Dinges, Avoca.
John M. McNiel, Batavia.
Charles W. Crees, Bayard.
Vernon M. Zylstra, Bussey.
James T. Kisgen, Carroll.
Francis L. Porter, Clarion.
Marion W. Palmer, Clearfield.
William G. Strunce, Creston.
Joseph L. Torpey, DeWitt.
George W. Kunzman, Douds.
Paul Davie, Dunlap.
Edward P. Domayer, Dyersville.
James W. Klaus, Earlville.
George R. Lewis, Elliott.
Dorris E. Trullinger, Farragut.
Raymond J. Gilday, Fort Dodge.
Mattison L. Swaney, Garner.
Jerome A. Bunkers, Granville.
Ralph W. Gardner, Humeston.
Robert B. Christopher, Huxley.
Amy E. Allen, Jewell.
Elton O. Brill, Kamrar.
Frank E. Orwan, Lorimor.
Mary C. Burns, Neola.
Alice L. Pool, New Providence.
Raymond M. Harrold, Palmer.
Ernest J. Heatherington, Prescott.
Fred J. Ehrhardt, Sac City.
Stanley H. Nelson, Terril.
Marion C. Retter, Van Horne.
Oral J. Brown, Washington.
Rex C. Severt, Wellman.
Wesley B. Neal, Westfield.
William J. Newcomb, Williamsburg.
Pearl L. Smith, Woden.

KENTUCKY

Ernest C. Runyon, Belfry.
John B. Adams, Berea.
Edna T. Holman, Cerulean.
Arthur Kelly Hearon, Clay.
John M. Magee, Cynthiana.
Leland G. Rubarts, Dunnville.
Lillian Bodenheimer, Freeburn.
Lora C. Birmingham, Hardburly.
Harold A. Bolin, Irvington.
John C. Ryan, Pine Knot.
John R. Craig, Rockholds.
Robert F. Gillispie, Sadieville.
Hodge J. Slayden, Salem.
Effie M. Voiers, South Shore.
Mary M. Deaton, Toner.
Rachel A. Galvin, Waverly Hills.
George G. Wilson, Whitley City.

MICHIGAN

John B. Seidl, Jones.

MINNESOTA

Peter B. Kiselewski, Browerville.
Alfred F. Ess, Hopkins.
Grant D. Bergstrom, Pine River.
Carl S. Fischer, Sauk Centre.
Fred P. Schroeder, Sauk Rapids.
Lyle R. Martinson, Shafer.

NEBRASKA

Irvan S. Renie, Arapahoe.
Arthur Glen Miller, Atkinson.
Lorin V. Jones, Auburn.
Viola Calhoun, Benedict.
Audrey Ida Babb, Broadwater.
Donald K. Burklund, Brule.
Edward J. Pepperl, Burchard.
Winton E. Newcomb, Cambridge.
Cyrus F. McDowell, Chadron.
Wayne L. Patras, Clearwater.
John P. Davis, Crawford.
Troy Kenneth McCown, Elsie.
Charles Edmond Rock, Geneva.
Gayle K. Conner, Glenvil.
Harry L. Dresslar, Grant.
Henry A. Davis, Louisville.
Mary L. Wunderlich, Martell.
James J. Marshall, Merriman.
Adeline L. Breslin, Newcastle.
Raymond R. Stevens, Orchard.
M. Belle Bouck, Palmyra.
Robert K. Corn, Papillion.
Fahy E. Wadkins, Phillips.
Rolland L. Winkle, Pickrell.
Calvin Joseph Olk, Pilger.
Leslie W. Niel, Plattsmouth.
Mae M. Lovell, Potter.
Walter A. Aregood, Rising City.
Jerry E. Severyn, Schuyler.
Hattie A. Pateidl, Snyder.
Charles V. Brokaw, Uehling.
Margaret Linhart, Verdel.
Aura Mae Keckler, Weeping Water.

NEW JERSEY

Sesto A. Ferretti, Alpha.
William F. Kuhn, Brigantine.
Kathryn W. Haines, Browns Mills.
Stanley John Ryba, Burlington.
Edmund O. Howell, Cape May Court House.
Charles M. Kammerer, Carlton Hill.
George T. Albrecht, Dover.
Edward J. Breen, Edgewater.
William J. Pricolo, Emerson.
Damon Caccese, Franklinville.
Elizabeth A. Philhower, Gladstone.
Jerome L. Becker, Jr., Hightstown.
Henry T. Hopkins, Keyport.
Melvin A. Jolly, Old Bridge.
Walter C. Farley, Oldwick.
John F. O'Donnell, Phillipsburg.
Joseph E. Stout, Pittstown.
Robert G. Young, Port Monmouth.
Nicholas M. DaPrile, Port Reading.
William A. Kearns, Ridgewood.
Julius B. Scott, Somerdale.
James Abercromby, South Branch.
Ralph T. Hodge, South Vineland.
Carl L. Roof, Stillwater.
Joseph E. Lyons, Vineland.
Joseph Carroll Bransfield, Wildwood.
William M. Danridge, Wortendyke.

NEW YORK

Mary A. Burns, Andover.
David E. Dodge, Apalachin.
Alonzo L. Grasberger, Ashland.
William A. Clukies, Bellmore.
Charles C. Vorhis, Brooktondale.
Chester E. Canniff, Cairo.
William J. Trombley, Cohoes.
Dorothy N. Lyke, East Bethany.
Maurice H. Adair, East Meredith.
Phoebe J. Varney, East Nassau.
Richard A. Stahley, East Randolph.
Paul E. Carrigan, East Rockaway.
Mary H. Bunt, Elka Park.
Robert G. Sullivan, Gainesville.
Elvira Reppucci, Glenwood Landing.
Elizabeth C. FitzPatrick, Hamilton.
Manuel Fisher, Harris.
Julia M. Conway, Kiamesha Lake.
Charles W. Schmitt, Montgomery.
Julia C. McManus, Montrose.
Frank A. McEvoy, Mount McGregor.
Andrew A. Wulforst, New Hyde Park.
Mildred C. Sigrist, North Evans.
T. Leo Ford, Oak Hill.
Edward Warner, Point Pleasant.
Walter R. Cumiskey, Port Washington.
Margaret M. Fox, Purdy Station.
Robert L. Simmons, Ripley.
Cornelius S. Ball, Rye.
Louise H. Allen, Sandy Creek.
Mary W. Hally, Sonyea.
Mae Carroll, Sound Beach.
Francis A. Brophy, Stony Point.
Hyman Sasnowitz, Swan Lake.
Althera Wahl, Sylvan Beach.
Arthur J. Kane, Waverly.
William J. Yaeger, Webster.
Frederic Francais, Westhampton Beach.

OHIO

Ralph C. Bennett, Amesville.
Willis D. Kay, Anna.
Ida U. Smeltz, Attica.
Anna Gilmer Love, Basil.
Norman W. Elsass, Botkins.
Harry B. Bavis, Bowling Green.
Harley G. Butler, Bryan.
Woodrow E. Cecil, Caldwell.
Robert S. Keadey, Centerburg.
Mary C. Dick, Cleves.
Willis W. Hill, Dublin.
William Henry Jenne, Elyria.
Walter L. Bervinkle, Jr., Fort Jennings.
Elmer E. Caldwell, Gallipolis.
Clarence N. Emrick, Germantown.
L. Abram Flory, Granville.
William R. Hapner, Hillsboro.
Russell E. Elliott, Jackson Center.
Herbert N. Dunfee, Jacobsburg.
Ralph W. Stitsworth, Jamestown.
J. Gilbert Coil, Jeffersonville.
Ivor W. Cowell, Lake Milton.
Mildred C. Sellars, Little Hocking.
John B. Fanto, Lowellville.
William C. Simon, Metamora.
Homer E. Omen, Millfield.
Forest L. Ayers, Murray City.
Albert D. Borer, New Riegel.
Russell M. Powell, New Vienna.
William J. Gallehue, North Hampton.
Howard B. Acker, Perry.
George J. Stoll, Piketon.
Gail I. Lauer, Prospect.
Ella L. Clare, Richmond.
Robert E. Erwin, Richwood.
Glenn G. Rex, Rome.
Francis M. Myers, Russellville.
Charles L. Sparks, Sabina.
Eugene Victor Grevencamp, St. Henry.
Lena G. Konneker, Sawyerwood.
Mabel I. Linson, South Solon.
John M. Daly, State Soldiers Home.
Laura V. Tipton, The Plains.
Roger M. Crites, Tuscarawas.
Roger W. Goertemiller, Verona.
Ermel Ward, Vinton.
Lester Gerber, Walnut Creek.
Elijah H. Jackson, Waverly.
Harry A. Hahn, Waynesburg.
Erwin J. Brause, Westlake.
Edsel F. Rowland, Williamsfield.

OKLAHOMA

Clarence W. Phillips, Coyle.
Robert Anderson, Sperry.

PENNSYLVANIA

Thomas J. Zimmerlink, Allison.
Robert N. Eisenhart, Aspers.
Frank W. Coughanour, Jr., Hopwood.
Malcolm A. Young, Monroeton.

Steve J. Vrotny, Natrona Heights.
Raymond T. Stuckey, Newport.
Anna V. Eichlin, Ottsville.
Kenneth W. Hoag, Ralston.
William H. Rufe, Jr., Sellersville.
Frank W. Thomas, Skytop.
Eugene Patrick J. McMahon, Waymart.

VERMONT

Bernard H. Lilley, Hyde Park.

WASHINGTON

Edward W. Schoenholz, Alderwood Manor.
Charles O. Jackson, Auburn.
Emanuel A. Anderson, Carnation.
Douglas P. Salisbury, Chewelah.
Emanuel Lindberg, Custer.
Ernest W. Wendelin, Grays River.
David N. Judson, Jr., Oak Harbor.
William Lorin McClure, Oakesdale.
Ronald M. Hinton, Parkwater.
Lonnie D. Leeper, Pasco.
Clifford Lavender, Portage.
Harley E. Chapman, Prosser.
Gerald A. Emerick, Snoqualmie.
Richard K. Morley, Stevenson.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 24, 1949

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord, our Lord, in this moment of contemplation, we pause at Thine altar and trust that Thy spirit may work in our souls a deeper knowledge of the eternal God.

To know Thee and to serve Thee is the greatest end of man. When our hopes in Thee fail and we become materialistic, living by the ethics of pleasure and not of duty, then it is that goodness fades and our high powers are wasted.

Grant us, O Lord, in all our duties Thy help, in all our perplexities Thy counsel, in all our dangers Thy protection, and in all our sorrows Thy peace. Through Christ the everlasting word. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 1731. An act to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes.

The message also announced that the Senate insists upon its amendment to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAYBANK, Mr. SPARKMAN, Mr. DOUGLAS, Mr. FLANDERS, and Mr. BRICKER to be the conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. COLE of New York asked and was given permission to extend his remarks in the Appendix of the RECORD and include a radio address.

Mr. COLE of Kansas asked and was given permission to extend his remarks in the Appendix of the RECORD and include a resolution of Alonzo F. Dexter Post, No. 110, American Legion, of Clay Center, Kans.

Mr. CAVALCANTE asked and was given permission to extend his remarks in the Appendix of the RECORD and include two newspaper editorials.

Mr. LYNCH asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement by Dr. Joseph F. Thorning.

Mr. CHATHAM asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article which appeared in the March issue of All Hands, the news bulletin of the Bureau of Naval Personnel, the article being entitled "New Super Carrier Bears Illustrious Name."

Mr. LANE asked and was given permission to extend his remarks in the Appendix of the RECORD and to include an interesting letter from a constituent.

EXEMPTING FROM IMPORT TAX COPPER AND COPPER-BEARING ORE

Mr. MILLS submitted a conference report and statement on the bill (H. R. 2313) to suspend certain import taxes on copper.

Mr. MILLER of Nebraska asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. BRAMBLETT asked and was given permission to extend his remarks in the RECORD.

Mr. COUDERT asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter.

CALL OF THE HOUSE

Mr. MILLS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Obviously, a quorum is not present.

Mr. PRIEST. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 43]

Allen, Ill.	Coffey	Scott,
Andersen,	Davenport	Hugh D., Jr.
H. Carl	Gilmer	Smith, Ohio
Battle	Jones, Mo.	Somers
Blatnik	Keefe	Thomas, N. J.
Brown, Ohio	McSweeney	White, Idaho
Bryson	Macy	Wilson, Ind.
Buckley, N. Y.	Norton	Withrow
Bulwinkle	Powell	Woodruff

The SPEAKER pro tempore. On this roll call 403 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on the District of Columbia may have until midnight tomorrow to file a report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

HOUSING AND RENT ACT OF 1947

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 1731) to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. SPENCE, BROWN of Georgia, PATMAN, MONRONEY, WOLCOTT, GAMBLE, and KUNKEL.

REGIONAL AGRICULTURAL CREDIT CORPORATION OF WASHINGTON

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2101) to authorize the Regional Agricultural Credit Corporation of Washington, D. C., to make certain disaster or emergency loans, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. COOLEY, GRANGER, PACE, AUGUST H. ANDRESEN, and HOPE.

EXTENSION OF REMARKS

Mr. ABBITT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article prepared by Charles Hall Davis, of Petersburg, Va., entitled "The So-Called Rights of Communists and Atheists Under the Constitution of the United States." I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $301.75, but I ask that it be printed notwithstanding that fact.

The SPEAKER pro tempore. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. CLEMENTE asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter by Mr. George A. Meade and other extraneous matter.

Mr. HÉBERT asked and was given permission to extend his remarks in the RECORD and include newspaper articles on two different subjects.

Mr. WAGNER asked and was given permission to extend his remarks in the RECORD and include an editorial from the Cincinnati Enquirer, together with extraneous remarks on the same subject.

Mr. MULTER asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and include extraneous matter.

Mr. O'SULLIVAN asked and was given permission to extend his remarks in the Appendix of the RECORD and include a speech.

Mr. PATMAN asked and was given permission to extend his remarks in the

RECORD on two subjects and include certain statements and excerpts.

Mr. JOHNSON asked and was given permission to extend his remarks in the RECORD and include three articles from newspapers.

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD in three instances and include extraneous matter.

Mr. FULTON asked and was given permission to extend his remarks in the RECORD and include a statement by Mr. Olds, chairman of the board, United States Steel Corp.

Mr. CRAWFORD asked and was given permission to extend his remarks in the RECORD.

Mr. MARTIN of Iowa asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. PHILLIPS of California asked and was given permission to extend his remarks in the RECORD and include two newspaper articles.

Mr. McCULLOCH asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. BYRNE of New York asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the New York Times.

Mr. FEIGHAN asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. HESELTON asked and was given permission to extend his remarks in the RECORD and include statements by certain individuals.

H. R. 3748—CONFERENCE REPORT

Mr. KEE. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may have until midnight to file a report on H. R. 3748.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

PENSIONS FOR VETERANS OF WORLD WAR I AND WORLD WAR II

Mr. RANKIN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 2681) to provide pensions for veterans of World War I and World War II based on non-service-connected disability and attained age, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 2681, with Mr. GORE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the Clerk had read through section 6 of the bill. Are there any amendments?

Mr. TEAGUE. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. TEAGUE moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. TEAGUE. Mr. Chairman, the purpose of this motion is not to kill the bill. The purpose of this motion is to bring it back before the House, at which time I will make a motion to recommit it to the Committee on Veterans' Affairs for further study. I think it is obvious from what has happened in the last 2 days that the bill deserves further study.

Mr. RANKIN. Mr. Chairman, I rise in opposition to the motion.

Mr. Chairman, the gentleman from Texas need not deceive himself. If this motion is adopted, that kills this legislation for this Congress. Besides, there is no reason to take it back to the committee. All these attempts to create confusion have not deceived the average Members of this House. That is the line the Communists have followed in wrecking legislative bodies all over Europe.

You have the bill before you. You have adopted the amendments that a majority of the House wanted. In the first place, you eliminated the men with blue discharges.

In the next place, you put in a "needs" clause; in other words, an income provision.

Again, you adopted the amendment offered by the gentleman from South Dakota [Mr. CASE] reducing the amount to be paid each veteran to $72 a month. If that amendment is held not to have been adopted, a motion to recommit will be offered, I understand, with that provision in it. So that will clarify the entire situation.

If you want to shut the door of hope in the faces of those old men who fought World War I, then vote for this motion. I hope the motion will be voted down.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mrs. ROGERS of Massachusetts. I should like to add my word, if it has any weight, to that of the gentleman from Mississippi [Mr. RANKIN] regarding passage of any pension bill for the World War I veterans. I am distressed to feel that there seems to be a pushing aside of the veterans today. The war is over, but we have not taken care of them; we are not taking care of them, not for a large amount. I agree with the gentleman that this is our last opportunity, perhaps ever, to pass a pension bill for World War I veterans.

Mr. PICKETT. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield for a question.

Mr. PICKETT. What is the effect of the Jacobs amendment that was adopted yesterday?

Mr. RANKIN. It means sending many of the old World War I veterans to the poorhouse. Some of them would get as low as $13 a month if that amendment is left in the bill. But I feel sure it will be voted out when we call the roll on it.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. It may be well to explain to the House that under the Jacobs amendment men who were the victims of casualties overseas will receive less than those who did not receive wounds overseas.

Mr. RANKIN. If this motion is voted down, then we will discuss the Jacobs amendment under the 5-minute rule.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. CASE of South Dakota. If this motion is voted down, there has been prepared an amendment which will straighten out the situation as far as the Jacobs amendment is concerned. I would suggest to the Members that if they vote down this motion, we can see whether or not we can clear that up. If we can, then we can have a bill.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. HOFFMAN of Michigan. The gentleman stated a moment ago that if the motion to recommit which would follow this one were successful that would be the end of the legislation. The gentleman is the chairman of the Committee on Veterans' Affairs.

Mr. RANKIN. Yes.

Mr. HOFFMAN of Michigan. The gentlewoman from Massachusetts [Mrs. ROGERS] is the ranking minority member. You are both friends of the veterans. Why do you say, then, it will be the end of it?

Mr. RANKIN. I will say to the gentleman from Michigan, that it will probably be the end of it for this Congress.

Mr. HOFFMAN of Michigan. Why?

Mr. RANKIN. Simply because we have brought you a bill as clear as it could be made, and you added the amendments you wanted. If the House turns it down by adopting this motion, why bring out another one just like it?

Mr. SMATHERS. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Florida.

Mr. SMATHERS. Is there any parliamentary rule which forbids the Committee on Veterans' Affairs from reconsidering this bill?

Mr. RANKIN. None whatever. The gentleman ought to read the rules of the House.

Mr. SMATHERS. The gentleman does know the parliamentary procedure.

Mr. RANKIN. No man in Congress has fought harder for the servicemen of the Nation than I have. No man has taken more abuse, not only from this left-wing crowd, but from the press of the Nation, than I have.

Back in the old days when I was battling to take care of the tubercular men of World War I, when they rammed through the economy bill, that took the bread from the mouths of those poor fellows and their dependents, I was maligned through the press, just as I am today.

When the boys of World War II were in the service I introduced and fought through an amendment that raised the base pay of the men in the rank and file to $50 a month, and I received the same criticism I am receiving today.

I am trying to do what is just for the veterans of both wars. If you vote for this motion, you shut the door of hope in the faces of the World War I veterans, as far as this Congress is concerned.

I hope the motion is voted down.

If we can spend untold billions to feed and rehabilitate our former enemies, we can afford to care for our own veterans when they have passed the age of their earning capacity.

Mr. COLMER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COLMER. Mr. Chairman, I have been very much interested in this legislation from the time that it was reported out of the Committee on Veterans' Affairs. In fact, when an application was made for a rule at the hands of the Committee on Rules, of which I have the honor to be a member, I exerted myself to see that it came to the floor under a proper rule for its consideration. I wanted to see the Committee on Rules grant an open rule for its consideration in order that the substitute bill sponsored by the Veterans of Foreign Wars could be offered as well as any perfecting amendments that the House might see fit to write into the legislation. I made the appropriate motion in the committee to bring this up; but, since that action was not taken and my motion did not prevail, I have watched with interest the debate upon the floor, the amendments which were offered, and the movements that were made to defeat the legislation. Of course, we all know that the President and his administration leaders are opposed to this legislation, but it has been very interesting to watch their movements with a view of determining what they were really after.

It is all quite apparent now, from the debate, the motions and the amendments that are being offered by the so-called liberal bloc in this House, that their real purpose is to pull the veterans of this country into the pattern which they hope to weave for the country or the so-called Fair Deal program. It must be apparent to all now, from the utterances of these leaders of the so-called liberal bloc, that they want to put the veterans of this country into the same class as the indigent, the poor, the ne'er-do-wells, and that unfortunate class of our people generally who are forced to seek alms at the hands of their Government. They would place the veteran who risked his very life, and bared his breast in defense of his country, under social security. They would do away with the system of pensions for the veterans of the wars which has prevailed in this country since the days of the Revolutionary War. In other words, they would make no distinction whatever between the veterans and the nonveterans. If they had their way, no longer would a grateful country pension its old war veterans, but they would be placed in the same category with the 4-F'ers and the draft dodgers. Having succeeded in this, the next move would be to place the Spanish-American pensioners in the same category, and who knows but that that might not be followed with doing away with all other veterans' laws dealing with compensation and other emoluments with which a grateful country has seen fit to reward its war heroes?

Mr. Chairman, I must confess, if this constitutes liberalism, then I am just a plain old fogey who still believes that it is right, proper, and just that a country give separate, different, and distinct treatment and preference to those who are torn by their Government from their homes and families and required to risk their all as a living sacrifice upon the altar of their country.

With those who honestly and patriotically feel that this is not the time for pension legislation for the veterans of World War I and II, those who do not like all of the provisions of this legislation, and those who think it could be amended, I have no quarrel. That it could be amended and improved is most likely; but I resent the open and patent efforts that are being made here to scuttle this legislation in their efforts to further their plans for a regimented, socialized state. I have opposed all of these crippling amendments and will continue to oppose them and support this legislation.

Mr. MACK. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MACK of Illinois. Mr. Chairman, I am one of the seven members who walked out of the Veterans' Committee in the interest of the welfare of the many veterans of this country. My action was in protest against the undemocratic principles being employed in conducting the Committee on Veterans' Affairs.

I will fight to protect the interests of all the veterans of World War I and II. I fought dictatorial policies in two elections so that I would be a good representative of the people. I shall fight just as hard, and just as long against any dictatorial policies here in Washington, so that I may be a good representative of the veterans of this country.

I am of the opinion that the many veterans' organizations are in complete disagreement on this veterans' pension proposal, and I do not believe that this bill is in any form to do justice to the veterans. The Veterans of Foreign Wars have, on several occasions, severely criticized this bill in its present form and have made known the need for amendments to this proposal. The American Legion has requested that this legislation be passed without amendments. The AMVETS and many other veterans' organizations have expressed their opposition to this measure.

If the veterans' organizations of this country are in disagreement over this measure, we may feel certain that the veterans themselves have not reached an agreement with regard to the bill.

I voted to recommit this bill as I felt that the various committees of the House of Representatives were designated for special purposes, and it is my belief that they should be used for those purposes.

In view of the existing confusion of the past 2 days, and the many arguments we have heard, nearly everyone agrees that the Committee on Veterans' Affairs has not given due consideration to the many needs of the veterans in their very brief discussion of this bill, and I do not believe that the Committee of the Whole House is in any position to vote out adequately a sound proposal.

The Rankin bill, which was voted out of the Committee on Veterans' Affairs, was not given adequate hearings and was discussed for only 7 minutes in the committee. Surely, the veterans of this country are worth more consideration that the 7 minutes that the chairman of the Committee on Veterans' Affairs allowed for discussion of this bill.

I have always stated, and I still claim, that no veteran should go to the poor house at journey's end; nor should he ever have to undergo undue hardships in his declining years.

A sound program can be worked out for them, but not by undemocratic and dictatorial methods. Neither can it be worked out in a short time by the Committee of the Whole House.

This action can do nothing but hurt the veterans, bring discredit to their cause, and would do much to develop antiveteran sentiment in this country. The veterans fought, and even gave their lives, for the democratic principles of this Nation—and they do not want any action that will destroy these principles.

I do not believe that there is anyone in this body who is more in sympathy with the veterans, the Gold Star mothers, the widows, and children of the boys who gave their lives so that democracy might live, than I am; or who is more in sympathy with the amputees, the blind, the mental patients, and the many persons who suffered as a result of these devastating wars. I will work for the interests of all those who served, but I refuse to vote for any veterans' proposal unless it is sound and adequate legislation.

We have given the Committee of the Whole House an opportunity to write this bill without success. The members of the Committee on Veterans' Affairs are practically unanimously agreed that this bill which has been railroaded through the committee and loaded with amendments on the floor of the House, is not acceptable.

It is my belief that we owe it to the veterans of this country to recommit this bill to the Committee on Veterans' Affairs.

Mr. JACKSON of California. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JACKSON of California. Mr. Chairman, in Paradise Lost the great Milton penned these immortal words:

> With ruin upon ruin, rout on rout,
> Confusion worse confounded.

He must have received his inspiration for the lines from something in the nature of the primeval chaos which has consumed almost 3 days here in the House. A legislative measure which was certainly no thing of thoughtful beauty in its conception has grown with ruin upon ruin and rout on rout to the point where it is truly a frightening thing. We have now reached the point where no Member has the slightest idea

how many veterans will be affected by the measure, as amended in hasty floor action, nor is any prepared to hazard a wild guess at the eventual cost of the legislative monstrosity if it is permitted to live and achieve a horrible maturity.

The majority of the Members of this body want a pension plan passed and were prepared to vote favorably upon an equitable bill. It is possible that the so-called Rankin bill might have been doctored to the point where a majority of the Members could have swallowed twice, closed their eyes, and voted "aye." We have, of course, long since passed that stage in the proceedings. It is likely that the present jury-rigged bill will be sent back to the committee where it belongs for adequate study and deliberation which it should have had before it was brought to the floor for action.

As I have said before during the course of this debate, I am a veteran of 10 years of active service in the armed forces of this country. When I early announced my support of the amendment designed to strike out the objectionable clause which would have permitted bad-conduct and undesirable dischargees to have participated in the benefits of the pension plan, I hoped fervently that in spite of historical precedent, it might prove possible to write a passing fair measure upon the floor of the House, instead of in the committee where legislation should be shaped and formed to a high degree of perfection.

It has been charged during this debate that the measure upon which we have tried to work our will was given only 15 minutes of deliberation in the Committee on Veterans' Affairs before being reported out, and I trust, Mr. Speaker, that I may be pardoned for saying that 15 minutes of conscientious labor failed to show in the finished product.

As a result, vacillation and confusion have taken the saddle in our deliberations, and the country has been treated to a demonstration that verges upon the ridiculous. On Tuesday last, those of us who considered the bill undesirable in the form it then took—and our numbers include a large number of Members who are themselves veterans of World War I and World War II—voted to strike out the enacting clause. That measure carried when the question was put in the Committee of the Whole House on the State of the Union—and failed as promptly when the Members were required to stand up and be counted on a roll-call vote.

For my part, Mr. Chairman, I have no apology to make. The bill, when first brought to the floor, and later following the addition of amendments which would have added billions to its cost, was not, in my humble opinion the kind of a measure which would have benefited either the veteran or the country. I later voted to recommit, hoping to force the Committee on Veterans' Affairs to report out, after adequate study and deliberation, a measure which would be in such form that I could support it. Again, the failure to stand up and be counted kept the measure alive for more major operations performed with an ax of haste and a chisel of indecision. We have, as a natural result of this precipitate action, delivered the most malformed babe brought forth for many moons.

But, Mr. Chairman, it seems to me that the roots of this parliamentary mess extend back to the opening days of this session, when this body took action which rendered it possible for the chairman of a legislative committee to take short cuts to the floor. When we amended the rules to deprive the Rules Committee of much of its discretion with respect to measures reported out of the several standing committees, we in effect laid ourselves open to exactly the situation in which we find ourselves today. Nor will this be the last of such demonstrations. There are already reports of bonus legislation being prepared for eventual reporting—of other measures which will cost the taxpayers of the United States additional billions of dollars in taxes if they are not headed off. In curbing the power of the Rules Committee it appears that the administration also cut the bonds of the Frankenstein monster which lay strapped on the legislative table, a monster which now appears, licking its chops when committee chairmen sound their whistles.

It is unfortunate that the many veterans who have opposed this measure will perforce be bracketed with other colleagues who have been violent in their opposition, but for another reason. There are those who wish to see the veteran blanketed under the provisions of social security with no regard for his military service or the degree of incapacitation which he may have suffered as the result of such service. It is important that the reasons for the veteran opposition be made perfectly clear. Many of us believe that the man who has served his country in the armed services during time of war is entitled to a special consideration, particularly if his service has destroyed or limited his ability to earn a decent and adequate living. He and his family must be protected under the Veterans' Administration and not under the Social Security Agency. Under the latter there is little doubt that he would soon become only a number in the files rather than one to whom this country owes a great and lasting debt of gratitude.

It is likely that we shall soon be called upon to vote on recommital of this tortured bill. I shall support the motion, and I hope that it will carry instructions to the Committee on Veterans' Affairs to get to work forthwith on a sound and equitable pension measure designed to be of real assistance to the aging and in some cases destitute veterans of World War I. We shall not be out of step with historical precedent if we do not include the veterans of World War II, inasmuch as the average age of those veterans at the present time is about 30 years. We have several years in which to take action with respect to the younger men.

In voting to recommit the Rankin bill I feel that I shall be casting a ballot for sound deliberative procedure and orderly parliamentary courses of action. We have not had them on this bill and we are not likely to have them so long as we attempt to write important measures of this kind in the heat of floor debate.

Mr. CHRISTOPHER. Mr. Chairman, I want to begin by saying there is no one in this House who has a greater regard for the veterans than I have. How could it be otherwise? I have four veterans in my immediate family. One boy was invalided home from the Mediterranean with a burst vertebra. Another spent 4 years in the jungle hellholes from New Guinea to Korea. A third was with the landings on the Normandy beachheads and went through the campaign in the Belgian Bulge. A fourth spent 5 years in our Navy on two oceans. I am certainly not a traitor to the veterans when my own family is so well represented among them.

I would like to examine the statement the distinguished chairman of the Veterans' Affairs Committee made recently in the well of this House. He said, "I am going to give you fellows who have been poking your nose in a chance to stick your neck out." In my opinion, what the gentleman meant by this statement was that he would bring to the floor of this House a bill we could not honestly support but a bill we would lack the courage to vote against.

Like the gentleman from Arkansas who spoke here yesterday, I want to say I have the courage to vote against any bill I believe to be against the best interests of the people of this country.

It is not necessary that I return to this House 2 years from now. This country has gotten along some way from the days of George Washington to January 3, 1949, without me, and I do not want to return to this House bad enough to surrender one single principle for the privilege of returning. In fact, if the horseplay that has gone on in this House all day yesterday and all day the day before is going to continue throughout the session I do not think I want to come back at all.

The distinguished gentleman from Michigan asked yesterday, "If we"—meaning, of course, the Democratic Members of the House—"were not just a little bit ashamed?" I want to confess to the gentleman from Michigan that I, for one, am a big bit ashamed, and that shame is so all-embracing that it covers every Member of the House on both sides of the aisle, including even the gentleman from Michigan himself.

It covers particularly the work of the Veterans' Affairs Committee that reported to the floor of this House a bill for which they themselves apologize and on which they could not agree. Brought to the floor by the committee from which some of its members bolted during the consideration of the bill. A bill so ill-considered that it offered to pension men who had been kicked out of the Army for the good of the service.

If I had voted for that bill as it came from the committee I could not have gone home on a visit. My soldier-boy sons would hang me to the first weeping elm they came to that would support my weight.

When we get to the place that we are considering an amendment to the amendment to the amendment, that is altogether too much. Men in this House were in the same position as the judge who, after hearing the attorney argue a

case for six consecutive hours, fell asleep. The attorney awakened the judge, and said, "Your honor, I fear you have not been following me." To which the judge replied, "I have been following you all right, but if I had any idea I could find my way back I would quit you right here."

I am going to vote to send this bill back to the committee to be rewritten into a just, honest, honorable pension bill that can be brought to the floor of the House by the Armed Services Committee and recommended by them without apology, and I trust and sincerely hope that there will be enough gentlemen in this House with the courage to do what we all know we ought to do, send this bill back to the committee.

Mr. YOUNG. Mr. Chairman, veterans of World War II are not thinking about pensions. They are thinking about the GI bill of rights; that their Congress provide adequate compensation and adequate hospital facilities for their disabled comrades for service-connected disability. They are concerned with completing their education, with marriage, homes, raising families. They hope that the Nation they served will remain at peace and that their tax burdens will not be increased by passage of a shameful pension grab as sponsored by the gentleman from Mississippi.

The last Republican Eightieth Congress left homeless veterans still homeless. They look to this Congress to provide adequate low-cost housing.

Less than 4 years have elapsed since the fighting ceased. I say there is no historic precedent for passing this bill and for the pensions for veterans of World War II less than 4 years after they have returned to peaceful pursuits.

Mr. Chairman, the gentleman from Mississippi said:

> I want those gentlemen who have been sticking their noses in to have a chance to stick their necks out.

If it is to be inferred that Members are being placed in a tough spot if we vote against pensions for World War II veterans, against taking $125,000,000,000 through the years from the pockets of taxpayers, nearly half of whom will be World War II veterans, I repudiate such assertion. I report, Mr. Speaker, I will vote against a pension grab of this magnitude. This is the most outrageous, shameful, and untimely bill to be considered in the House of Representatives within my memory.

At this time when the Soviet Union is threatening the peace of the world as an aggressor in the Hitler pattern, at a time when this Congress is compelled to appropriate $15,000,000,000 each year for our Air Force, Army, and Navy to defend this Nation, at a time when this Congress is forced to appropriate additional billions for European aid to prevent Communist infiltration into the nations of western Europe, at a time when we are all striving mightily, and spending huge sums of money, to maintain the peace of the world, it is outrageous and unthinkable to give serious consideration to this stupendous pension grab. I deny past Congresses established a historic precedent for pension legislation to be enacted less than 4 years after hostilities ceased.

It may be that 10, 15, or 18 years from now this Nation will not be engaged in a cold war—will not face the possibility of a shooting war. The need for pensions for World War II veterans, if any exists, can be taken care of in the future.

I repudiate some statements made in the course of this debate. For example, the gentleman from Louisiana [Mr. ALLEN] said:

> Be assured if pensions for World War II veterans are denied today they are denied for all time.

It happens that I served in World War I. I served in the field artillery the same as President Truman, the difference between us being that he was a captain and I was a private. It happens that I served for 37 months in World War II. The reference of the gentleman from Missouri [Mr. MAGEE] in his patriotic speech Tuesday "to our soldiers who served on the hot sands of Africa" left me cold. World War II veterans who shivered in the cold of north African nights can appreciate that feeling.

My two sons served overseas as enlisted men in the Navy. They and their comrades do not want pensions. They hope to be the earners and the taxpayers of the next 40 years. They are worried enough about present taxation and the cost of living. Their immediate concern is the same as other World War II veterans—housing, continuing aid according to the GI bill of rights, adequate veterans' hospitalization, liberal compensation payments to their comrades whose disabilities are service connected.

Both of my boys sustained service-connected injuries while in the Pacific. My younger boy was wounded at Leyte. A few months ago, after my older boy was released from the Key West Naval Hospital, I paid his way to Cleveland, seeking to have him admitted as a patient at the famed Crile Veterans' Hospital near Cleveland. He has a metal plate in his knee and is receiving a small disability allowance. I failed to secure his admission to Crile Veterans' Hospital. Beds were occupied, many by veterans claiming nonservice-connected disabilities, so I gave up and he returned to Key West, where he is now employed.

I know that World War II veterans are grateful to their Government for the provisions of the GI bill of rights and for the generous treatment they have received. They are hopeful that this Congress will give every consideration to liberal compensation for service-connected disabilities and for Federal aid to low-cost housing. I am in accord with the gentleman from Massachusetts [Mr. KENNEDY] in his view that the kingmakers and others in charge of policy of the American Legion, of which I am a member, would do well if they fought the real-estate lobby and urged immediate Federal aid to a low-cost housing program for the welfare of World War II veterans, instead of seeking to foist this ill-timed pension legislation upon our taxpayers.

Mr. Chairman, I vigorously oppose the Rankin bill for pensions for World War II veterans. I am here representing the citizens of Ohio as Congressman at Large. My views, based upon my experience, are just as important as those of a gentleman who is here as a result of receiving fewer than 17,000 votes. The office of Congressman at Large belongs to the people of Ohio, and more than 1,400,000 Ohio citizens voted for me and nearly that many voted against me.

I like my job. I am working hard to represent my constituents. I hope they will reelect me next year; but if the price of voting against pensions for World War II veterans means my defeat as Ohio Congressman at Large, I accept that, Mr. Speaker, with a feeling of serenity and faith that a Divine Providence would come to the rescue of our beloved country and fill the vacant chair.

Mr. CHELF. Mr. Chairman, after having heard the argument here for the past 2 days, pro and con, on this bill and after having seen the type of amendments that have been adopted, I cannot in good conscience remain silent any longer during this particular debate. In its present form, this is a bad bill.

The good people of the Fourth District of Kentucky honored me by sending me here as their Representative on November 7, 1944. It was my high privilege and good fortune to be one of 10 vets of World War II who formed the vanguard of World War II boys here in the House. I came here with my good friends JOHN LYLE, BILL GREEN, MEL PRICE, JAMES FULTON, WALTER NORBLAD, and others, and I am proud to say that all of us from the very first day that we were sworn in on January 3, 1945, became active in the interests of all our veterans.

My colleagues, I had not been here but 27 days when I made my maiden speech. It was in favor of the bill known as the mobilization of civilian manpower—more commonly referred to as the "work or fight bill."

Just for the sake of the RECORD, and with your kind permission, I would like to read to you a few excerpts from that speech which was made on January 30, 1945, while we were at war. As a green freshman, with only 27 days' service in this House I said:

> Mr. Chairman, it was my honor to serve in this present war for a period of 2 years. I would be in uniform today were it not for the fact that I was retired due to physical disability. * * * A vast number of our fighting men who are in fox holes overseas feel that we here on the home front are letting them down. * * * Some of you Members may be worrying about domestic complaints, but I am sure that you will agree with me that it is far better to hear the local hue and cry of sore toes trampled upon here at home than to hear the mournful wail of one of our brave lads stricken in mortal combat and lying in the throes of death, all because his supplies were too little or too late. I urge you * * * Members to join with me in supporting our Commander in Chief. Let us fire the shot today * * * that will * * * give comfort, courage, fortitude, and confidence to our fighting men. * * * Unconstitutional, they say. I am just a country lawyer and I do not believe in curbstone opinions, but if we can draft a man to leave his family to * * * fight * * * and that is constitutional, then I submit to you that it should be a relatively simple matter for us to draft a man to work, to fashion the tools for him to use in his fighting. * * * I am going to vote "Aye"

so that my returning buddies will know that I did not desert my Commander in Chief under fire; and that I did not let them down when victory was within their grasp.

My colleagues, this first speech of mine brought the House of Labor down upon my head. Unfortunately many of those men in leadership of labor interpreted my speech as antilabor. Of course it was not—nor did I intend it as such. We were at war and I was doing what I thought in my heart ought to be done to help win the war. If I had to do it over—I would do the same thing. During the first session of the Seventy-ninth Congress, I introduced a bill setting up a point system that would expedite the discharge of our men so that they could return home sooner. I made a speech on the subject and took the War Department to task for its delay in returning our battle-weary men to their homes after the war was over. I pointed out that an adequate constabulary or army of occupation ought to be maintained overseas, but that those who had served longest overseas ought to be given credit in way of points for priority in returning. In my bill there was a provision to provide terminal leave pay for all enlisted military personnel, retroactive from June 1, 1940. I supported the pay increases for our men—voted for expansion of the GI benefits, for increased compensation for our disabled veterans of all wars; in fact, I have supported every measure that has been before this House in the interest of all our veterans since I first became a Member of this body.

I yield to no man or woman on or off of this floor in my loyalty and my devotion to the veterans of all wars. Therefore, that which I am about to say surely cannot be misconstrued.

After careful study and deliberation, I am of the opinion that the present bill is according to Army lingo snafu. As you know, snafu means, "situation normal all fouled up." In the present condition of this bill it cannot be properly and fairly administered. It would give the administrator running fits. He would be scratching where it did not itch. In other words, he would be half crazy in a sincere effort to apply the law. Under amendments now in the bill, one would not know whether a veteran was entitled to $30, $72.50, $90, or $166 per month. Fact is, there is grave doubt as to whether or not a disabled veteran who is now drawing a pension under existing law might not be cut to $10 per month. In my opinion, we now have the unhappy situation in the bill of pitting the World War I vets against the World War II vets. This bill desperately needs to be recommitted to the Committee on Veterans' Affairs to untangle the duplications and inequities unwittingly, but I am sure nevertheless in good faith, placed there by these sundry amendments. I am for a reasonable, fair, equitable, pension bill, that will care for our aged and needy veterans. I will vote for one if I have an opportunity to vote for a good pension plan, but I simply cannot vote for the Rankin bill in its present form.

Let us recommit this bill and get one back from the Veterans' Committee that will get the job done—one that will be just and equitable to the veteran; that is a credit to Congress.

The CHAIRMAN. The question is on the motion offered by the gentleman from Texas [Mr. TEAGUE].

The question was taken; and on a division (demanded by Mr. RANKIN) there were—ayes 159, noes 168.

Mr. TEAGUE. Mr. Chairman, I ask for tellers.

Mr. SMATHERS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SMATHERS. Mr. Chairman, is this not the parliamentary situation that if the motion is agreed to on this teller vote, then the Committee rises and a motion will be offered in the House to recommit the bill at which time there will be a yea-and-nay vote, the first recorded vote?

The CHAIRMAN. As Chairman of the Committee of the Whole, the Chairman cannot construe what action may take place in the House. The Chairman can only report the action of the Committee of the Whole to the House when and if the Committee should rise.

Mr. CASE of South Dakota. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. Mr. Chairman, is it not true that should this motion to strike out the enacting clause carry, we would be in the identical situation that the Committee was in the other day when we adopted the motion offered by the gentleman from Colorado [Mr. CARROLL]?

The CHAIRMAN. The Chair will follow the same procedure by reporting the action of the Committee of the Whole to the House when and if the Committee rises.

Mr. RANKIN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RANKIN. Mr. Chairman, I think this should be made plain to the membership by the Chair that if the motion is carried, then we will have a roll call on this motion to strike out just as we did 2 days ago when it was defeated by a vote of 291 to 20.

The CHAIRMAN. The gentleman does not state a parliamentary inquiry.

Tellers were ordered, and the Chairman appointed Mr. RANKIN and Mr. TEAGUE to act as tellers.

The Committee again divided; and the tellers reported that there were—ayes 171, noes 168.

So the motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore having resumed the chair, Mr. GORE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 2681) to provide pensions for veterans of World War I and World War II based on non-service-connected disability and attained age, and for other purposes, had directed him to report the bill back to the House with the recommendation that the enacting clause be stricken out.

The SPEAKER pro tempore. The question is on the recommendation of the Committee of the Whole House on the State of the Union that the enacting clause be stricken out.

Mr. TEAGUE rose.

The SPEAKER pro tempore. For what purpose does the gentleman from Texas rise?

Mr. RANKIN. Mr. Speaker, a point of order.

The SPEAKER pro tempore. The gentleman will state it.

Mr. RANKIN. I make the point of order that, according to the rules of the House, the vote comes now on the motion to strike out the enacting clause. I looked into the matter carefully last night.

The SPEAKER pro tempore. In this particular legislative situation the motion to recommit is in order under clause 7 of rule 23.

The Chair recognizes the gentleman from Texas [Mr. TEAGUE].

Mr. RANKIN. Mr. Speaker, a point of order.

The SPEAKER pro tempore. The gentleman will state it.

Mr. RANKIN. That means after the amendment is adopted.

The SPEAKER pro tempore. The Chair overrules the point of order.

Mr. TEAGUE. Mr. Speaker, I offer a motion to recommit.

Mr. RANKIN. Mr. Speaker, a point of order.

The SPEAKER pro tempore. The gentleman will state it.

Mr. RANKIN. The gentleman from Texas to qualify to offer a motion to recommit must announce that he is opposed to the bill.

The SPEAKER pro tempore. Is the gentleman from Texas opposed to the bill?

Mr. TEAGUE. Mr. Speaker, I am opposed to the bill as now written.

The SPEAKER pro tempore. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. TEAGUE moves that the bill H. R. 2681 be recommitted to the Committee on Veterans' Affairs for further study.

Mr. RANKIN. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on March 24, 1949, the President approved and signed a joint resolution of the House of the following title:

H. J. Res. 89. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress.

PENSIONS FOR VETERANS OF WORLD WAR I AND WORLD WAR II

Mr. CASE of South Dakota. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. CASE of South Dakota. Mr. Speaker, would the Chair be in position

to state whether the communication from the President just received bears upon the pending matter?

The SPEAKER pro tempore. At this point the Chair would not say.

The question is on the motion to recommit offered by the gentleman from Texas [Mr. TEAGUE].

The question was taken; and the Speaker pro tempore announced that the "ayes" had it.

Mr. RANKIN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 208, nays 207, not voting 18, as follows:

[Roll No. 44]

YEAS—208

Abbitt	Granahan	Multer
Addonizio	Granger	Murdock
Anderson, Calif.	Green	Murphy
Aspinall	Gregory	Nelson
Auchincloss	Gwinn	Nixon
Bailey	Hale	Noland
Barden	Hall,	Norblad
Barrett, Pa.	Leonard W.	O'Sullivan
Bates, Mass.	Hand	O'Toole
Bentsen	Hardy	Patten
Biemiller	Harrison	Pfeiffer,
Bland	Havenner	William L.
Blatnik	Hays, Ark.	Phillips, Calif.
Boggs, Del.	Hays, Ohio	Pickett
Boggs, La.	Hedrick	Plumley
Bolling	Heller	Poage
Bosone	Herlong	Polk
Breen	Herter	Potter
Buchanan	Heselton	Poulson
Burke	Hobbs	Powell
Burleson	Hoffman, Mich.	Price
Burnside	Holifield	Priest
Burton	Hope	Quinn
Byrnes, Wis.	Howell	Rabaut
Carroll	Huber	Ramsay
Case, N. J.	Irving	Regan
Celler	Jackson, Calif.	Rhodes
Chatham	Jackson, Wash.	Rich
Chelf	Jacobs	Rodino
Christopher	Javits	Sabath
Chudoff	Johnson	Sasscer
Clemente	Jones, N. C.	Sheppard
Coffey	Judd	Sikes
Cole, N. Y.	Karst	Simpson, Pa.
Combs	Karsten	Sims
Cooley	Kean	Smathers
Cotton	Kearney	Smith, Va.
Coudert	Kee	Spence
Crawford	Kelley	Stanley
Crook	Kennedy	Steed
Davies, N. Y.	Kilburn	Stigler
Davis, Wis.	Kilday	Stockman
Dawson	Kirwan	Sullivan
Deane	Klein	Taber
Delaney	Kruse	Tauriello
Denton	Latham	Teague
Dingell	LeCompte	Thomas, Tex.
Dollinger	Lesinski	Thompson
Doughton	Lind	Thornberry
Douglas	Lodge	Towe
Doyle	Lucas	Trimble
Durham	Lynch	Vinson
Eaton	McCarthy	Wadsworth
Eberharter	McConnell	Wagner
Ellsworth	McCormack	Walsh
Elston	McGuire	Walter
Fallon	McKinnon	Welch, Calif.
Fellows	McMillen, Ill.	Welch, Mo.
Fernandez	Mack, Ill.	Whittington
Fisher	Madden	Wickersham
Forand	Mahon	Wier
Ford	Marsalis	Wigglesworth
Fugate	Marshall	Wilson, Okla.
Gamble	Mason	Wilson, Tex.
Garmatz	Miller, Calif.	Woodhouse
Gary	Mitchell	Woodruff
Goodwin	Monroney	Worley
Gore	Morgan	Yates
Gorski, N. Y.	Morton	Young
Gossett	Moulder	Zablocki

NAYS—207

Abernethy	Baring	Bolton, Md.
Albert	Barrett, Wyo.	Bolton, Ohio
Allen, Calif.	Bates, Ky.	Bonner
Allen, La.	Beall	Boykin
Andresen,	Beckworth	Bramblett
August H.	Bennett, Fla.	Brehm
Andrews	Bennett, Mich.	Brooks
Angell	Bishop	Brown, Ga.
Arends	Blackney	Bryson
Buckley, Ill.	Hill	Patman
Burdick	Hinshaw	Patterson
Byrne, N. Y.	Hoeven	Perkins
Camp	Hoffman, Ill.	Peterson
Canfield	Holmes	Pfeifer,
Cannon	Horan	Joseph L.
Carlyle	Hull	Philbin
Carnahan	James	Phillips, Tenn.
Case, S. Dak.	Jenison	Preston
Cavalcante	Jenkins	Rains
Chesney	Jennings	Rankin
Chiperfield	Jensen	Redden
Church	Jonas	Reed, Ill.
Clevenger	Jones, Ala.	Reed, N. Y.
Cole, Kans.	Kearns	Rees
Colmer	Keating	Ribicoff
Cooper	Keogh	Richards
Corbett	Kerr	Riehlman
Cox	King	Rivers
Crosser	Kunkel	Rogers, Fla.
Cunningham	Lane	Rogers, Mass.
Curtis	Lanham	Rooney
Dague	Larcade	Sadlak
Davis, Ga.	LeFevre	Sadowski
Davis, Tenn.	Lemke	St. George
DeGraffenried	Lichtenwalter	Sanborn
D'Ewart	Linehan	Scott, Hardie
Dolliver	Lovre	Scrivner
Dondero	Lyle	Scudder
Donohue	McCulloch	Secrest
Elliott	McDonough	Shafer
Engel, Mich.	McGrath	Short
Engle, Calif.	McGregor	Simpson, Ill.
Evins	McMillan, S. C.	Smith, Kans.
Feighan	Mack, Wash.	Smith Wis.
Fenton	Magee	Staggers
Flood	Mansfield	Stefan
Fogarty	Marcantonio	Sutton
Frazier	Martin, Iowa	Tackett
Fulton	Martin, Mass.	Talle
Furcolo	Merrow	Taylor
Gathings	Meyer	Tollefson
Gavin	Michener	Underwood
Gillette	Miles	Van Zandt
Golden	Miller, Md.	Velde
Gordon	Miller, Nebr.	Vorys
Gorski, Ill.	Mills	Vursell
Graham	Morris	Weichel
Grant	Morrison	Werdel
Gross	Murray, Tenn.	Wheeler
Hagen	Murray, Wis.	Whitaker
Hall,	Nicholson	White, Calif.
Edwin Arthur	Norrell	Whitten
Halleck	O'Brien, Ill.	Williams
Harden	O'Brien, Mich.	Willis
Hare	O'Hara, Ill.	Wilson, Ind.
Harris	O'Hara, Minn.	Winstead
Hart	O'Konski	Withrow
Harvey	O'Neill	Wolcott
Hébert	Pace	Wolverton
Heffernan	Passman	Wood

NOT VOTING—18

Allen, Ill.	Davenport	Scott,
Andersen,	Gilmer	Hugh D., Jr.
H. Carl	Jones, Mo.	Smith, Ohio
Battle	Keefe	Somers
Brown, Ohio	McSweeney	Thomas, N. J.
Buckley, N. Y.	Macy	White, Idaho
Bulwinkle	Norton	

Mr. BARRETT of Pennsylvania and Mr. GRANAHAN changed their vote from "no" to "aye."

The SPEAKER pro tempore. On this vote the ayes are 208; the noes are 209.

The Chair thinks the vote is so close that there should be a recapitulation.

Mr. RANKIN. Oh, no; it is clear.

The SPEAKER pro tempore. The Chair will take its own initiative; either way the Chair would have taken the initiative on this vote.

Mr. RABAUT. Mr. Speaker, I make such a request.

Mr. MARCANTONIO. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. MARCANTONIO. Mr. Speaker, a Member cannot change his vote during the recapitulation; is that correct?

The SPEAKER. The gentleman is correct.

The Clerk will call the names of those voting in the affirmative.

The Clerk called the names of those voting "yea."

The SPEAKER pro tempore. Are there any corrections to be made? [After a pause.] The Chair hears none.

The Clerk will call the names of those recorded as voting "nay."

The Clerk called the names of those voting "nay."

The SPEAKER pro tempore. Are there any corrections to be made? [After a pause.] The Chair hears none.

Upon the tallying of the vote on the recapitulation it appears the vote is as follows: Those in favor of recommittal, 208; those opposed, 207.

So the motion to recommit was agreed to.

The Clerk announced the following pairs:

On this vote:

Mrs. Norton for, with Mr. White of Idaho against.

Mr. Hugh D. Scott, Jr., for, with Mr. Buckley of New York against.

General pairs until further notice:

Mr. McSweeney with Mr. Brown of Ohio.

Mr. Battle with Mr. Allen of Illinois.

Mr. Davenport with Mr. Macy.

Mr. Jones of Missouri with Mr. Smith of Ohio.

Mr. Somers with Mr. Keefe.

The result of the vote was announced as above recorded.

RAILROAD RETIREMENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

In compliance with the provisions of section 10 (b) (4) of the Railroad Retirement Act, approved June 24, 1937, and of section 12 (1) of the Railroad Unemployment Insurance Act, approved June 25, 1938, I transmit herewith for the information of the Congress the report of the Railroad Retirement Board for the fiscal year ended June 30, 1948.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 24, 1949.*

COMMITTEE ON EDUCATION AND LABOR

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor may have until midnight tonight to file a report on the bill H. R. 2032.

The SPEAKER pro tempore. And that the minority have the same privilege if desired?

Mr. LESINSKI. Yes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan [Mr. LESINSKI]?

There was no objection.

EXTENSION OF REMARKS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that I may revise and extend the remarks I made in the Committee of the Whole to discuss the $5,360,000,000 that Congress is getting ready to pour into the sinkholes of Europe, Asia, Africa, and Israel.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. KEOGH asked and was granted permission to extend his remarks in the RECORD.

Mr. SPENCE asked and was granted permission to extend his remarks in the RECORD and include a lecture delivered on March 9 by Governor Szymczak, of the Federal Reserve System.

Mr. SPENCE asked and was granted permission to extend his remarks in the RECORD and include a lecture delivered on March 11 by Governor Szymczak, of the Federal Reserve System.

Mrs. WOODHOUSE asked and was granted permission to extend her remarks in the RECORD and include an article from Harper's magazine of March.

Mr. CELLER asked and was granted permission to extend his remarks in the RECORD in two instances.

Mr. DOYLE asked and was granted permission to extend his remarks in the RECORD and include pertinent material.

Mr. SABATH asked and was granted permission to extend his remarks in the RECORD.

Mr. SABATH asked and was granted permission to extend his remarks in the RECORD and include an article from the Chicago Sun-Times.

Mr. MURDOCK asked and was granted permission to extend his remarks in the Appendix of the RECORD.

Mr. BURDICK asked and was granted permission to extend his remarks in the RECORD.

Mr. HORAN asked and was granted permission to extend his remarks in the Appendix of the RECORD and include an article.

Mr. SMATHERS asked and was granted permission to extend his remarks in the Appendix of the RECORD.

PERMISSION TO EXTEND REMARKS AT THIS POINT

Mr. VORYS. Mr. Speaker, I ask unanimous consent to extend my remarks at approximately this point in the RECORD on the measure just under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VORYS. Mr. Speaker, I am for adequate pensions for honorably discharged, needy, old war veterans. I think this should be done right away. I have been trying to carry out these simple principles by my votes during the complicated and confusing proceedings here on the floor the last few days. I think that separate laws for World War II pensions should be passed in the future, based on conditions then, but the handful of older, needy World War II veterans who are the same age and have the same needs as their World War I brethren should be taken care of now.

I think war veterans are in a class by themselves, in many respects. I hate to see any man who wore the uniform of his country with honor in war dependent on local charity in his old age. I do not want to see veterans' pensions involved in political maneuvers for old-age pensions for everyone. Social security expansion should be considered on its own merits, separate from the care of war veterans.

I have not been making speeches on this during the last few days, feeling that there was too much talk and too little action going on. I want, however, to make my position clear for the consideration of the committee and the House and its leaders, in preparing this bill for further consideration on the floor.

CIVIL FUNCTIONS, DEPARTMENT OF THE ARMY, APPROPRIATION BILL, 1950

Mr. KERR. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3734) making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1950, and for other purposes; and pending that motion, I ask unanimous consent that debate may continue not to exceed 2 hours, the time to be equally divided between myself and the gentleman from New York [Mr. TABER].

Mr. WHITTINGTON. Mr. Speaker, reserving the right to object, I trust that the gentleman from North Carolina will arrange for more time for general debate on this bill, for it embraces matters that are of such great departure from the system that has heretofore obtained that I believe there ought to be an opportunity for Members to discuss it. I trust therefore that additional time may be granted. I want to facilitate passage of the bill but I do not believe that the request for additional time is out of order or that there will be objection to it.

Mr. RABAUT. Mr. Speaker, if the gentleman will yield, how much time does the gentleman desire?

Mr. WHITTINGTON. I desire 20 minutes, but I do not want to deprive anyone else of time.

Mr. SHORT. Mr. Speaker, reserving the right to object, I heartily concur with the distinguished gentleman from Mississippi [Mr. WHITTINGTON]; and I am sure that the chairman of this committee, the gentleman from North Carolina, will grant us a little additional time if we need it.

Mr. KERR. Mr. Speaker, I modify my request and ask that general debate be limited to 3 hours, if that is satisfactory to the gentleman from New York [Mr. TABER].

Mr. TABER. That will be all right.

Mr. SABATH. Mr. Speaker, reserving the right to object, several of my colleagues are vitally interested in the bill and desire time in general debate; will the additional half hour on this time be sufficient to take care of them?

Mr. KERR. I assure the gentleman that within the limit of the hour and a half at my disposal I will do the best I can to take care of all who wish to speak during general debate.

The SPEAKER pro tempore. The gentleman from North Carolina asks unanimous consent that general debate continue not to exceed 3 hours, the time to be equally divided between himself and the gentleman from New York [Mr. TABER].

Is there objection?

There was no objection.

The SPEAKER pro tempore. The question is on the motion.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3734) making appropriations for civil functions, Department of the Army, for the fiscal year 1950, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. The gentleman from North Carolina [Mr. KERR] will be recognized for an hour and a half and the gentleman from New York for an hour and a half.

Mr. KERR. Mr. Chairman, I yield myself such time as I may need.

The CHAIRMAN. The gentleman from North Carolina is recognized.

Mr. KERR. Mr. Chairman, the purpose of this bill is to protect the property for the citizens of our Government and provide for power to extend our business and make secure our welfare.

This committee is constituted by four of the best authorities on appropriations in the House. I refer to Mr. CANNON, Mr. RABAUT, Mr. TABER, and Mr. WIGGLESWORTH, who will doubtless discuss matters involved in this appropriation, and I know that the committee and the House will be glad to hear them.

Your committee has patiently and carefully heard the Army engineers, 155 Members of Congress, and approximately 150 constituents in reference to matters involved in this bill.

For rivers and harbors in the pending bill for 1950 there are 61 projects, items approved by the budget, amounting to $144,934,100. The flood-control items for the fiscal year 1950 in this bill consist of 157 projects approved by the budget at an estimated cost of $412,502,600. The total amount for which the budget has recommended items in this bill is $557,436,700. This amount is for construction and excludes maintenance and other costs.

The total of budget estimates for rivers and harbors considered by the committee, including maintenance and other items of expense was $231,152,620. The committee reduced this amount by $55,152,620 which left a recommended amount of $176,000,000 which is carried in the bill. The reductions consist of $25,000,000 representing an anticipated unencumbered balance as of June 30, 1949, which will be available for obligation and expenditure in the fiscal year 1950; $12,000,000 estimated as necessary for construction on the ice harbor lock and dam which was eliminated by the committee; and an over-all 15-percent reduction on the construction items, both rivers and harbors and flood control.

The budget estimates for flood control totaled $430,937,600. The committee allowed $321,000,000 or a reduction of $109,937,600 in the budget estimates. As

in rivers and harbors, the reduction is in three general categories. First, $50,000,000 was deducted because of an estimated unencumbered balance which will be carried into fiscal year 1950; second, $5,500,000 representing costs of three construction projects eliminated by the committee was deducted; and, third, a 15-percent reduction in the cost of construction.

For flood control on the Mississippi River and tributaries, the total of the budget estimate is $70,000,000. The committee allowed $57,000,000 or a reduction of $13,000,000. This reduction consists of $6,000,000 estimated to be unencumbered at the end of fiscal year 1949 and $7,000,000 representing the 15-percent decrease in construction costs.

The action of the committee is explained in somewhat greater detail in the report on the bill. Other items in the bill are comparatively less important from the money standpoint. The action of the committee in connection with these, however, is also explained in the committee report.

The committee has written into the report for the full committee and Congress that if these reductions interfere with the progress of the civil functions work in the fiscal 1950 and available funds are not sufficient to take care of the 1950 civil functions program, then the deficiencies subcommittee will supply additional funds as requested by the Army engineers and approved by the budget to cover the amount needed and recommended by the budget.

This committee has been most fortunate to have as its clerk, in the consideration of this appropriation, Mr. C. D. Orescan, and I wish to express my appreciation and the appreciation of my whole committee for the fine, splendid, outstanding work which he has done in the preparation of the pending bill. The Appropriations Committee of Congress has always had outstanding men to assist the committee in the construction of its reports, and I am confident that my committee fully realizes that Mr. Orescan ranks among the outstanding men who have served the Congress in this capacity.

Mr. SHORT. Mr. Chairman, will the distinguished chairman yield?

Mr. KERR. With pleasure, sir.

Mr. SHORT. From the bill itself and the report it is difficult for Members to know just what projects or items are included. As the Chairman will recall, I appeared before his committee on two particular projects that had been approved by the Bureau of the Budget: Carthage, Missouri, flood-control dam, $8,000, and $125,000 for further work on Table Rock Dam. I was just wondering whether or not they are included here. You have Alaska, you have Puerto Rico, you have Ice Harbor, and there are a lot of others, but I do not see where anything in Missouri is included here.

Mr. KERR. If they were approved by the budget, I think they are in the bill.

Mr. SHORT. I would like to know whether or not they are. I cannot find that in the bill and I cannot discover it in the report.

Mr. KERR. The budget items are right in front of the gentleman from Michigan.

Mr. RABAUT. If they are approved, they are in there.

Mr. SHORT. So we will have to revert to the hearings?

Mr. RABAUT. There are two tables in the hearings, on different pages, page 344 on flood control and page 219 on rivers and harbors.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. KERR. I yield to the gentleman from Nebraska.

Mr. CURTIS. Is it the intention that any project should be cut more than 15 percent?

Mr. KERR. Yes, various projects in there. The rivers and harbors appropriation was cut $25,000,000 because of unexpended balances that we can assume can be used to keep the work current. We cut flood control $50,000,000. Then we cut 15 percent off the amount for maintenance accounts, assuming that we could get that off easily on account of the reduction of material and the possible reduction of labor.

Mr. CURTIS. The gentleman is referring to unobligated balances?

Mr. KERR. Yes.

Mr. CURTIS. Not the unliquidated obligations?

Mr. KERR. No, the unobligated balances.

Mr. CURTIS. Aside from that factor, in applying this 15-percent cut are the Army engineers required to make it an across-the-board cut, so that no project is cut more than 15 percent, or may they cut the project in certain States 30, 40, or 50 percent, and not cut other projects at all?

Mr. KERR. It would be assumed that the Army engineers would cut 15 percent off each of the projects.

Mr. CURTIS. Is it the intent of the committee that they be permitted to cut beyond 15 percent on any project, in addition to the unobligated balance?

Mr. RABAUT. The status of the Army engineers under this bill is no different than it ever was before. Just exactly the same status prevails. The only thing we took away from them was the surplus money they did not use. We returned that. We gave them that much less, and that carries over. It was not only something that they did not use for 1 year but many of the similar amounts that they did not use for several years. So the status of the Army engineers and the operations that they have of using funds for different projects under emergency still prevail.

Mr. CURTIS. My question is, Are you permitting them to cut any individual project more than 15 percent?

Mr. RABAUT. We have not entered into the proposition of control of individual projects. We have let them have the status they have always had. We are dealing with the over-all money in the proposition.

Mr. CURTIS. I do not believe the gentleman answered the question I have in mind. Here is a list of projects which the budget has recommended. You say we are going to cut the total 15 percent. Is it the intent of Congress to permit the Army to reduce any individual project or the project in any State more than 15 percent?

Mr. KERR. That would depend upon the cost of the project. If it is $100,000,000, then they would take off 15 percent. If the project costs $300,000,000, of course they would take off 15 percent of $300,000,000.

Mr. RABAUT. Your proposition is not at all what we intend to do.

Mr. CURTIS. I am not arguing for the proposition.

Mr. RABAUT. I am going to tell you. We instructed the Army engineers to continue at the same speed as they were going before. The committee makes the cuts it has made recognizing the downward trend of the indicator as to costs.

The central portion of the period to which this money applies is next Christmas. We figure by that time there may be a 15 percent reduction. If that reduction does come about, then we have met the situation and we have anticipated it correctly. If the reduction is not there, the language in this report gives full right to the Army engineers to see the budget, then to come back to the committee and proceed with the work as they are supposed to proceed with it under present conditions. If they need more money the door is open. We want to serve notice on them that we are alert to the situation as to the trend in employment in the United States.

Mr. CURTIS. How are you going to translate this reduction in costs in labor and material with reference to a contract that has already been let?

Mr. RABAUT. That is something that the Army engineers will have to deal with.

Mr. WHITTINGTON. Mr. Chairman, if the gentleman will yield, we may just as well be frank about this matter. The question propounded by the gentleman from Nebraska raises a very, very important matter. Before this 15 percent is made operative there is an automatic reduction for general flood control, as I recall, of $25,000,000. So you have $25,000,000 taken off from the list of projects in general flood-control work. That appears on page 354 of the hearings. After that you have a 15 percent reduction in the cost of construction. So in the very nature of the case it must involve a great deal more than 50 percent reduction, do you not understand, because you first automatically take off $25,000,000 which would include items now under contract where the contract is continuing, and then you take off 15 percent of the construction. That is my interpretation of it. If that is not the interpretation of this committee, then I want to know what that interpretation is.

Mr. RABAUT. That is not the interpretation of this committee and I am going to tell you now what the interpretation is.

Mr. WHITTINGTON. If the gentleman will pardon me just a moment, since

I have the floor, I understand that you are being perfectly frank, but as I understood your statement, the gentleman responded to the gentleman from Nebraska by saying that that was a matter for the Army engineers to determine. I am saying if you take off $25,000,000 in the first instance, then you do not leave very much for the Army engineers to determine.

Mr. RABAUT. In the first place the $25,000,000 to which the gentleman from Mississippi refers is money that we are not allowing because that sum is now there and unused. We are telling them that if they have certain moneys in their funds, we want them to use those moneys and not have them as stand-by funds. These balances have not stood by 1 year, but have stood by for several years. That is No. 1.

The same thing is true about the $50,000,000. So that settles those two funds. All the juggling around of those funds does not change the situation one iota. Those funds are there and are not being used. We are leaving them there to be added to next year, but we are not giving them $25,000,000 to add to it to be laying there in the future.

Incidentally, the same thing is true about the lower Mississippi, in which the gentleman from Mississippi [Mr. WHITTINGTON] is very interested. One year they had $8,400,000 remaining, in spite of the fact that the committee was informed they would practically be broke by the end of the fiscal year. No such thing happened. They had $8,400,000 remaining. The following year they had $9,000,000 remaining.

Now, what has the committee done? The committee has taken from that balance, that has always remained, $6,000,000. We have not taken it back. We just have not appropriated that new sum, because other money is left in there. Those funds all carry over automatically into the succeeding year. That is the same for all these funds. So all the argument about it will not change it. That is the situation.

I do not think there is a man in this House, knowing what the condition is, knowing what our debts are, knowing what the feeling of the public is, and realizing the situation generally about matters in this country, who can question the thoughtful consideration about this matter by the Appropriations Subcommittee which has charge of this bill.

Mr. WHITTINGTON. Now, Mr. Chairman, will the gentleman yield?

Mr. KERR. I yield.

Mr. WHITTINGTON. In response to the question propounded by the gentleman from Nebraska, What becomes of the contract that is in existence, that was to be paid out of this fund that you are taking $25,000,000 from, as the gentleman from Nebraska asked? That applies not only to flood control generally but to the Mississippi flood control and rivers and harbors.

Mr. RABAUT. The gentleman is putting a clause in there that does not exist. Nobody is taking anything back. We are not giving $25,000,000 in the one case, because $25,000,000 is laying there, and they have not used that $25,000,000. With reference to the $50,000,000 fund, it is exactly in the same case. Also, the lower Mississippi fund is in exactly the same case.

Mr. WHITTINGTON. You are making a statement now, but when you come to explain it in your committee, you are getting off of your statement.

Mr. RABAUT. No; and I am not trying to use any double talk, or anything like that. I am trying to give you the exact situation.

Mr. HINSHAW. Instead of there being $321,000,000 available for flood control there is $371,000,000, except that the $50,000,000 need not be appropriated. Is that correct?

Mr. RABAUT. That is the substance of it.

Mr. HINSHAW. You have not reduced any of the approved projects, except by the proposed 15-percent saving in cost?

Mr. RABAUT. Yes; and they are all available until expended. Now, when you are making reference, for instance, to the length of these contractual obligations, does the gentleman mean to tell me that on some proposition where we have to spend hundreds of millions of dollars, we are going to continue to pay for that proposition at the high war dollar, when it may not be finished for 20 years? I am just talking about general debate. The gentleman has not raised this question, but in order that the House might be informed, we have to pay these things with the dollar in relation to the economy at the time in which the money is spent.

Mr. KERR. In other words, we do not take off $25,000,000 or $50,000,000 unless there is a surplus. We take off nothing unless there is a surplus. We are not going to interfere with the project at all. We are assuming that we can get a surplus off these projects, which will not embarrass the Army engineers at all in the construction work.

Mr. HINSHAW. That was my understanding, but I just wanted to have it confirmed.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. KERR. Yes; I yield.

Mr. NICHOLSON. I wish to ask the gentleman if it is the last opportunity for me to insert in this appropriation bill one, two, three, or a dozen propositions that are in my district?

Mr. KERR. The gentleman has a right to offer any amendment he wishes.

Mr. NICHOLSON. But is this the proper time to do it?

Mr. KERR. When the bill is ready for amendment the gentleman may offer any germane amendment.

Mr. GOLDEN. Mr. Chairman, will the gentleman yield?

Mr. KERR. I yield.

Mr. GOLDEN. Does this bill cover any project that was not included in the budget report?

Mr. KERR. Yes; four or five small projects that were not in the budget, emergency projects, where they need a little money and the committee allowed it; less than a million dollars.

Mr. GOLDEN. What was the yardstick or rule applied?

Mr. KERR. The yardstick was determined by the committee from the evidence before it when they came there and told us that certain appropriations should be changed, some project had been worked upon, they needed a better harbor or some construction or something of that kind and appealed to the committee; the committee allowed it.

Mr. GOLDEN. Did the committee consider the emergency?

Mr. KERR. That is what guided the committee in its action, the emergency involved, and the necessity.

Mr. GOLDEN. Does the gentleman remember whether or not the report covers Pineville, Ky., a great emergency and flood there?

Mr. KERR. I cannot at the moment tell the gentleman but I can refer to my notes elsewhere. I do not offhand recall anything for it.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. KERR. I yield.

Mr. SHORT. I wish to ask the distinguished gentleman from North Carolina [Mr. KERR], because it is difficult for Members to know what particular projects are included in the bill and the report, but I have been informed by the gentleman from Michigan [Mr. RABAUT], and also by the gentleman from New York [Mr. TABER], that Carthage, Mo., and Table Rock Dam in Missouri are included in justification of estimates in the amount of $8,000 for Carthage and $125,000 for Table Rock; is that right?

Mr. KERR. I think the gentlemen who gave that information are correct.

Mr. SHORT. I merely wanted that in the RECORD.

Mr. KERR. Yes.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. KERR. I yield.

Mr. POAGE. Am I correct in understanding that all of the authorized projects that were recommended by the Bureau of the Budget have been included in this bill with a 15-percent cut?

Mr. KERR. I will ask the gentleman from Michigan [Mr. RABAUT] to answer that question.

Mr. RABAUT. Yes; except where there was local controversy.

Mr. POAGE. If the gentleman will yield further, three are mentioned in the report; with the exception of those three are all of the others included?

Mr. KERR. I think so.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. KERR. I yield.

Mr. BROOKS. Can the gentleman tell me the status of the emergency fund under this bill?

Mr. KERR. I have not the report right in front of me, but there is a tremendous emergency fund, there is a provision to replace the amount taken from the emergency fund.

Mr. BROOKS. I am very much concerned because I, and probably other Members also, have received reports this morning from engineers about the break in the levee along the Mississippi River 5 miles below Baton Rouge, La., that might result in a very serious situation.

Mr. KERR. We cannot of course do anything in reference to that break now.

Mr. BROOKS. No; but there are going to be similar breaks in the future.

This might entail a great deal of expense. Does the bill contain enough to take care of an emergency of that character?

Mr. KERR. The committee after hearing the evidence provided for the approved projects in the bill. They will go forward concurrently and will be taken care of currently. No question has arisen about the deduction of any amount whatever; and, further than that, it is written in the bill not only by this Committee on Civil Functions, but by the Deficiency Subcommittee, that should the engineers find during the course of their operations that the cut has been too deep, they can come back and ask for more money and, if they justify the request, receive additional funds.

Mr. BROOKS. What I refer to, I may say to my distinguished friend from North Carolina, is the special emergency fund to take care of disasters such as a sudden crevasse similar to that which occurred down at Fort Allen, La., this morning.

Mr. KERR. I am sorry they had the flood down there.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. KERR. I yield.

Mr. HORAN. I am very much interested in this 15-percent reduction in construction costs. I wonder if the gentleman would give the House a brief summary of the evidence which indicated that the cut could be made.

Mr. KERR. My recollection is, and I think it is perfectly clear, that we discussed the diminution of the costs of material and it was evident to the committee that the costs of material had been reduced appreciably in the last 2 months. We assumed the costs would continue not to be static but would probably keep on going down. There was also an assumption on the part of the committee that the cost of labor would be lessened. The 15 percent that we took off will not hurt the project at all.

Mr. HORAN. Are steel costs cheaper?

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. KERR. I yield to the gentleman from Michigan.

Mr. RABAUT. May I say, Mr. Chairman, the engineers themselves testified that they are looking forward to a reduction in costs and that this reduction started last October.

Mr. LECOMPTE. Mr. Chairman, will the gentleman yield?

Mr. KERR. I yield to the gentleman from Iowa.

Mr. LECOMPTE. I note in the report that the Red Rock project and another one have been eliminated in this bill. Is that correct? I refer to page 6 of the report. I presume that is not included for the reason the Governor of Iowa has not approved that project as yet.

Mr. RABAUT. That is correct.

Mr. KERR. Let us see what the report says:

> The unencumbered balances at the end of fiscal years 1947 and 1948 were $47,000,000 and $42,400,000 respectively. Appropriations during those years were considerably less than either the fiscal year 1949 appropriation or the amount recommended for the fiscal year 1950.

The report further says:

> Relative to the three projects mentioned above, it was testified that either local cooperation was not agreed upon or State authorities requested deferment.

These are Brady, Tex., levee and flood wall, Big Walnut reservoir, Ohio, and Red Rock reservoir, Iowa.

The local authorities have not complied with their part of the obligation, therefore we struck them out.

Mr. LECOMPTE. Inasmuch as the Red River reservoir was included in the President's budget and the Governor of Iowa, who is new in office has not had time to go into it, would it be possible to have that included in a deficiency appropriation later on?

Mr. KERR. I would unhesitatingly say yes.

Mr. TABER. Mr. Chairman, I yield myself 20 minutes.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Ohio.

Mr. JENKINS. I would like to take up with the gentleman about the same sort of discussion we had with the distinguished gentleman from North Carolina, but I did not get a chance to ask him the questions I would like to ask.

Mr. TABER. Is it a river and harbor project or flood-control project?

Mr. JENKINS. Flood control.

Mr. TABER. All right.

Mr. JENKINS. Referring to page 348 of the hearings, I do not get much satisfaction out of two Ohio projects there, particularly the Burr Oak Reservoir project. Figures are shown across there that do not mean anything to me. It is not indicated what they will spend this year and maybe it is not intended to show that.

Mr. TABER. Refer to page 349 and the gentleman will find the fourth column is entitled "Request for 1950, Construction." Down opposite Burr Oak Reservoir is the figure $1,295,000, and that is the amount that they should be able to figure on, minus 15 percent.

Mr. JENKINS. And the same thing then would apply to the one indicated as Ironton, the third item below that, $250,000.

Mr. TABER. That will be the amount that is supposed to be necessary to complete that project.

Mr. JENKINS. Here is what I am coming to. In view of the discussion we had with reference to the $25,000,000 that the gentleman from Mississippi [Mr. WHITTINGTON] raised, and the 15 percent, that $250,000 item there is going to be an urgent item. Burr Oak Dam will not be as urgent; that is, there may not be urgency about it, just the continuation of the job. Would the Army engineers have any authority, if it should develop that they needed the $250,000, to use that sum without the 15-percent reduction?

Mr. TABER. Well, they could, but they should not have to. Now, to get at that 15-percent business. I think maybe I ought to say a word or two right now.

Mr. JENKINS. I wish the gentleman would clarify that.

Mr. TABER. If I could, I would like to have the attention of the full membership of the Committee while I make it. That 15-percent figure was based in part upon bids that have been received by the Corps of Engineers on different projects. One particular project was the Chief Joseph Dam on the Columbia River, where the bids received were 10.8 percent below the Engineers' estimates. It was based in part upon highway-construction contracts that had been let in different places. I know of one instance where the bids came in at 50 percent of what they had been a year and a half ago. Now we all know that with that kind of a drift and that kind of a situation contrctors are more ready to bid and they bid at lower figures than they do when things are tight and employment is excessively crowded. We also know that labor under such conditions is much more efficient; that the workers work more steadily, and they will naturally produce more because of that steady employment. Frankly, I think that a 15-percent cut is justified on the basis of this whole economic situation and the tendency of the bids that are coming in.

Mr. JENKINS. Summing it up, then, the gentleman concludes this: That the 15 percent, ordinarily speaking, will not result in any diminution of the work in any way?

Mr. TABER. It should not.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. The testimony which the committee heard, accepting a trend in construction costs, is in line with testimony heard by another of the subcommittees, I might say to the gentleman, and it would appear to me that, with the increasing bids and with the increase in the number of contractors who are bidding, it should be possible to accomplish the same amount of work with a substantially less amount of money.

Mr. TABER. I think that is correct. I do not think this Congress should be a party to trying falsely to build up the cost of these projects. We should try to encourage the engineers to keep their costs down. I for one am prepared to stand on that kind of position.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Nebraska.

Mr. CURTIS. I am sure we are all in accord with the view that we want this construction at the lowest possible cost and still meet good engineering standards. What I want to know is this: By cutting the total appropriation by 15 percent, are we granting authority to the Army engineers to cut some projects more than 15 percent and not cut other projects at all? Can any project be cut more than 15 percent, aside from the factor of its unexpended balance?

Mr. TABER. If you have 2 projects 20 miles apart or 100 miles apart or 200 miles apart, and the bids come in 20 percent below the estimates on one project and 13 percent below the engineers' estimates on the other, it would be natural

under that kind of condition that one project would be cut a little more than the other. If you can get a contract for less than the estimates by more than 15 percent in any case, you are not penalizing the project at all if it costs less.

Mr. CURTIS. This is the problem in my mind: On most of these projects the contract has already been let. The contractor sets his rate of speed on the basis of money available for a given year. Are we granting authority to the Army engineers to cut the projects in New York State, say by 30 percent and expend on projects in some other States 110 percent of the budget estimate?

Mr. TABER. I do not think we are. We have to rely upon the engineers to do the job honestly. Whether they will or whether they will not allow themselves to be driven by pressure into doing things they ought not to do, I do not know. I hope they will not. If they do, I think they should pay the penalty.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Kentucky.

Mr. SPENCE. I have understood that the cut in the budget estimate was very much in excess of 15 percent. I have been told that the cut would actually be about 26 percent. Is there any truth in that?

Mr. TABER. On rivers and harbors, it has been customary for many years for the engineers to have remaining unexpended balances running anywhere from $25,000,000 to $50,000,000, and anywhere from $50,000,000 to $75,000,000 upon flood-control projects.

The committee took the position that we should not allow that unexpended balance to continue and that there was no occasion for appropriating funds to carry over an unobligated and unexpended balance into the days to come.

Mr. SPENCE. Is that unexpended balance immediately available for construction?

Mr. TABER. Surely. It is available for obligation. After we had taken that out, and after we had taken out a few items which were rejected and which appeared in the report, we took the flat 15 percent off of the rest of the money, so that what should slow up as a result of this is the letting of contracts at unreasonable figures or at higher figures than proper attention to the picture could result in, so far as getting down to earth.

With this situation we should have greater expedition of the construction of the work.

Mr. SPENCE. What authority have the engineers to divert funds from one project to another?

Mr. TABER. The way this thing is left, from a legal standpoint, this money is appropriated to the engineers for authorized projects. That is the way the language reads, as I understand it, and the engineers can, in their discretion, legally, I mean, proceed with the construction of anything that they please within the authorized limits. On the other hand, it has been the custom for many years, and to my own knowledge from my service on the Committee on Appropriations for at least the last 26 years, to appropriate the money in bulk to the engineers and have them follow a line which was submitted by the Budget or by the Congress, or, rather, the congressional committee, in its report as to the allocation of the funds.

In this particular case, our report, instead of listing the projects as they have been listed for a great many years, refers to the Budget estimate excepting projects which were eliminated.

Mr. SPENCE. I am interested in two projects, the flood-control works at Newport and Covington, Ky. The budget estimate for the flood-protective works at Newport, Ky., was about $2,733,000, and the flood-protective works at Covington, Ky., was estimated by the budget at $1,400,000. They have been writing to me to know what they are going to expend there, and I cannot tell them.

Mr. TABER. For Covington, there was an estimate in the budget of $1,400,000, and for Newport there was an estimate of $2,733,000. Those estimates we would expect to be cut 15 percent. We would expect that they would get just as much work done with 15 percent less money than they got last year with the larger amount.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. CASE of South Dakota. Is it not true that one could take the table on flood-control projects between pages 344 and 353, which list the projects by States, and look at the column which shows requests for 1950 construction, and ssume that is the amount that will be available for each individual project, less 15 percent, except the three projects cited on page 6 of the committee report, which are deleted.

Mr. TABER. I think that is correct.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. McDONOUGH. With reference to item 344, the Los Angeles County drainage area, you show $7,507,000. Are the Army engineers allowed to use up to $7,507,000 for any authorized project in the Los Angeles County drainage area during that fiscal year?

Mr. TABER. I expect they would have to take the 15-percent cut.

Mr. McDONOUGH. I mean with the 15-percent cut. Then whatever is left of the $7,507,000 they can apply to any project within the Los Angeles County drainage area?

Mr. TABER. I think that is correct.

Mr. McDONOUGH. They are not limited by specific items in the bill at all, are they?

Mr. TABER. No. But the projects must be included in the budget.

Mrs. ST. GEORGE. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mrs. ST. GEORGE. I notice in the report that they have deleted from the budget proposal $25,000 for the Davenport Center Reservoir in Delaware County. I trust this is a final decision.

Mr. TABER. I hope it is.

Mrs. ST. GEORGE. Because I can assure the gentleman that the people of Delaware County do not want this construction. It will work a very great hardship on the farmers, and I am delighted to see that the committee has recommended that this amount be deleted, as well as the $35,000 for the Geneganstlet Reservoir, which is also deleted.

Mr. TABER. Yes; and which would also be a great disadvantage to the people.

Mrs. ST. GEORGE. A great disadvantage to the people.

Mr. TABER. I thank the gentlewoman.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. SCRIVNER. As a member of the Appropriations Committee, several Members have come to me with the report and asked me how they could find out how their projects stood as far as these appropriations are concerned. For instance, in reading the report, there is nothing here that indicates what any project will get.

Mr. TABER. That is correct.

Mr. SCRIVNER. Although in years past each project has been listed. For instance, in the situation as it develops relating to the two Kansas Citys, on the Missouri and Kansas Rivers, then, in answering any inquiries with reference to that I would have to refer those inquiries to the hearings themselves rather than to the report; is that correct?

Mr. TABER. That is correct.

Mr. SCRIVNER. So that referring to the hearings on page 264, we find a tentative allocation for those two Kansas Citys of $5,700,000.

Mr. TABER. I expect that is correct.

Mr. SCRIVNER. That, however, will be subject to the over-all 15-percent reduction, if construction can be had at that price?

Mr. TABER. That is correct.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TABER. I yield myself five additional minutes, Mr. Chairman.

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. HESELTON. In connection with projects where there are existing contracts, as is the case with reference to the completion of flood work in Holyoke, Mass., and there is a 15-percent reduction, is it my understanding that the committee expects the engineers to review that and determine if they can reduce it, but if they are not able to, they will make a report, so that the contract can be completed?

Mr. TABER. In that particular case there was an item of $264,000 carried in the request to complete the job. We would hope that they might be able to do it within that figure without the 15 percent. If they cannot, that would be a matter to take up later; I do not know. There is not any guaranty submitted anywhere as far as I am concerned on anything that will be done in the future. If the engineers operate their job in an intelligent and forward-looking way and try to keep the costs down and get the work done efficiently they will appear to a great deal better advantage than if they run on a loose basis.

Mr. HESELTON. I thoroughly agree with the observation of the gentleman

from New York. My point is that it is my understanding that this involves the completion of a concrete wall and pumping plant, and I believe the pumping plant is in process of construction under a contract. I was wondering if that were true.

Mr. TABER. They would not have authority to enter into a contract for more than the appropriation.

Mr. HESELTON. That is true.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. JENSEN. The Army engineers asked for an amount of money for emergency flood control. I understand the budget allowed a million dollars for this work in places along rivers where floods had been most hazardous. Is that million dollars still left intact in the bill?

Mr. TABER. That is the way I understand it.

Mr. JENSEN. There is also an item in the bill, $500,000, for flood-control work on the Little Sioux River. Was that item cut the regular 15 percent?

Mr. TABER. I expect it was.

Mr. JENSEN. That would make the amount $425,000.

Mr. TABER. I think that is correct.

Mr. JENSEN. Just one more question: Missouri River, agricultural levee, Sioux City, Iowa, to the mouth, there is an allotment in the budget of $8,000,000, which is used by the Army engineers for agricultural levee. Are we to understand that that has also been cut 15 percent?

Mr. TABER. That is the way I understand it.

Mr. JENSEN. I thank the gentleman.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. DONDERO. I have risen to ask a question more for information on the general policy of the Committee on Appropriations rather than to direct my remarks to any particular project. Where the Army engineers urge and put an item in a rivers and harbors and flood-control bill because of the urgency or emergency of the project, and the Bureau of the Budget takes it out, does the Committee on Appropriations have any policy as to whose judgment is followed in a case of that kind?

Mr. TABER. The committee as a general rule goes into the situation and hears whatever evidence is presented to it and makes up its own mind as to the policy.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Florida.

Mr. ROGERS of Florida. I ask the gentleman from New York to refer to page 248 of the hearings, item No. 27, with reference to the flood control or water conservation in central or southern Florida.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. TABER. Mr. Chairman, I yield myself five additional minutes.

Mr. ROGERS of Florida. Am I right in construing the remarks of the distinguished gentleman from New York to mean that the sum of a million dollars is allocated to the Army engineers for the beginning of the construction of the first phase of that project?

Mr. TABER. That was the allocation and it would naturally drop off to $850,000 with the 15 percent cut.

Mr. ROGERS of Florida. I understood that reduction did not apply to this particular item.

Mr. TABER. There is not any difference, as far as I know, between one project and another. I have not heard that there was.

Mr. ROGERS of Florida. That is my information.

Mr. TABER. Maybe the gentleman is right, but I have not heard so. I do not know anything about that.

Mr. MACK of Washington. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from Washington.

Mr. MACK of Washington. I am still not clear about the 15 percent reduction. I refer to page 180, the Grays Harbor project, for which there is allocated a total of $800,000. With the 15 percent reduction, does that mean the engineers cannot spend more than the $800,000 on that project?

Mr. TABER. Well, naturally, I would say that was so. Of course, it might depend how some of the other contracts worked out and it might depend on how the contracts came along. I do not think anyone can promise.

Mr. MACK of Washington. Does the gentleman mean they can take money from one project and give it to another project if costs are less on the first project?

Mr. TABER. If they can save money on some other project they might have money left which they could use up to their original allotment, if necessary. On the other hand, they might not be in a position to do that. As far as I am concerned, it would depend upon the kind of a job the engineers did and the real efficiency with which their job was operated as to the attitude I would take on anything.

Mr. TRIMBLE. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Arkansas.

Mr. TRIMBLE. I think I have gotten what I wanted from the questions propounded by other Members. I was interested in the situation in reference to the Bull Shoals Reservoir in Arkansas. The budget estimate was $16,500,000, and I note on page 230 a tentative allocation for 1950 of $16,500,000. That is tentative, and the 15 percent will come off of that?

Mr. TABER. That is how I understand it.

Mr. TRIMBLE. And the other projects located in Arkansas, as indicated on pages 232 to 236, inclusive, are in the same status?

Mr. TABER. That is the way I understand it.

Mr. TRIMBLE. I thank the gentleman.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from California.

Mr. McDONOUGH. With regard to the question of 15 percent, the committee has said to the Army engineers that they must operate within a 15 percent discount or if they cannot do that they can spend up to the total amount allowed in the bill? Is that the way I should understand it?

Mr. TABER. They can only spend up to the 85 percent figure without further funds being made available to them. That follows naturally from the cut.

Mr. McDONOUGH. In other words, the total amount provided in this appropriation bill is not the total amount they can spend?

Mr. TABER. As the gentleman knows, they will have $50,000,000 on flood control, probably less, the 1st of July. That has been the usual story year after year and we can see no great necessity for carrying $50,000,000 available for obligations after the 1st of July next year.

Mr. McDONOUGH. Does that $50,000,000 compensate for the 15 percent allowance?

Mr. TABER. No.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TABER. Mr. Chairman, I yield myself 10 additional minutes.

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New Mexico.

Mr. FERNANDEZ. The gentleman from New York spoke a while ago about the general policy of the committee with respect to projects which have not been included by the Bureau of the Budget. With reference to this particular bill, as I understand, flood-control projects which the Bureau of the Budget did not include are not included in this bill, with one exception, where one project was excluded and another put in in lieu of it; am I correct about that?

Mr. TABER. That is the way I understand it. There were others that we have taken out, however. The gentleman from New Mexico referred to two. There was one in Ohio, where there was general agreement on the part of everybody in that territory that it should go out, and there was one in Iowa regarding which the engineers said the localities had not provided the cooperation required.

Mr. FERNANDEZ. As to those which were not included, because they were not included in the Bureau of the Budget report, we are to take the action of the committee as not disapproving those projects but merely as not having given them consideration because of not being approved by the budget.

Mr. TABER. I would not say that entirely, but we did not provide funds with which they could be started.

Mr. FERNANDEZ. Because they were not approved by the Bureau of the Budget merely, and not because of the action of the committee.

Mr. TABER. Well, the committee did not determine to embark upon that. That is the only thing I can say.

Mr. FERNANDEZ. The committee did not go into the merits fully on those projects which were not included.

Mr. TABER. That probably is so.

Frankly, this reduction runs into about $180,000,000. I can say this, as far as I am concerned, I do not believe that the

solvency of the United States can be maintained unless we are more careful regarding the authorization of projects and spending money than we have been for a long time. At the present time we have a national debt of $250,000,000,000, with enormous quantites of contingent obligations which are almost equal to that amount. We have an interest bill which is growing year by year; growing to a very considerable extent as a result of the Government trust funds that are invested in Government obligations, carrying a rate of interest from 2½ to 3 percent, and we have been too careless in providing other funds and creating other obligations on the part of the Government. I believe that it is absolutely necessary if the solvency of the United States is to be preserved that we watch out to see that every possible opportunity is taken to reduce the rate of spending. Every item, in my opinion, should be pared down just as far as it can be pared down and allow the necessary functions of the Government to operate. Otherwise we are going to be bound to increase taxes. We have at the present time, including the amount that the Federal Government takes in taxes approximately $42,500,000,000, the amount that the States and localities take in taxes, of approximately $15,000,000,000, or a total of $57,500,000,000, which is 35 percent of the disposable income of the country; I mean, the disposable income after you have taken out the duplications. It cannot go on any further.

Mr. RABAUT. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, all my colleagues from Illinois, I think, are deeply interested in a project which we feel is not covered in the pending bill with sufficient adequacy. I refer to the Lake Calumet-Sag Channel improvement in Illinois and Indiana.

At the proper time during the reading of the bill my colleague from the Fourth District of Illinois [Mr. BUCKLEY] will present an amendment to allocate $5,000,000 from the rivers and harbors appropriation to the construction work on Sag Channel, largely in the district in Illinois which he represents. The gentleman from the Third District of Illinois [Mr. LINEHAN] and the gentleman from the Eleventh District of Illinois [Mr. CHESNEY], who is a member of the Committee on Public Works, will join Mr. BUCKLEY in pressing the urgency of this appropriation.

That the House may know something in advance of what is to be proposed, and at the suggestion of all my Democratic colleagues from Illinois, I shall at this time bring the matter to the attention of the distinguished Members. I am sure the distinguished Republican Members from Chicago and Cook County are interested with equal keenness. All of the Chicago newspapers, I believe, are committed to this project, and included is the Chicago Daily News, which with its usual editorial virility has been foremost in advocacy of the work of construction on this development going on at once. Also included among the newspapers strongly urging the immediate start of work is the Daily Calumet, the largest daily newspaper in the district. In the matter of the Lake Calumet-Sag Channel project, and the urgency of beginning immediately the work of construction, there is no division among our people along political lines.

Ten percent of the national budget comes from the State of Illinois, whose taxpayers put $4,000,000,000 annually into the Federal Treasury. We from Illinois would direct attention to the fact that although our State is among the largest contributors in Federal taxes, appropriations of Federal funds for projects in which we directly are interested are far below those in many States which pay less in taxes. In urging, therefore, the appropriation of $5,000,000 to start the work of construction on Sag Channel we respectfully suggest that the House consider our position as one who gives much and has received relatively little.

I cannot better emphasize the importance of the Calumet-Sag project than to point out that it will open the bottleneck between the Great Lakes shipping-industrial area on the one hand and the 12,000 miles of navigable channels in the Mississippi River watershed, which embrace 29 States. This was forcibly shown at the hearing before the committee by Stuart B. Bradley, Esq., distinguished Chicago attorney and representing the Chicago Association of Commerce and Industry. Mr. Bradley brought out in his testimony that the project lies in the region of the natural crossroads of the country, and that within its radius are located 17 of the Nation's 34 major industrial groupings.

To open up the present bottleneck between the vast shipping and industrial area of the Great Lakes and the 12,000 miles of Mississippi River waterways it is necessary to widen and deepen Sag Channel, which connects with Lake Michigan via the Little Calumet and Calumet Rivers. It is only 16 miles long and 60 feet wide and was built in 1922 for sewage disposal. Since the Illinois waterway was improved in 1935, the pressure of cargo tonnage moving through this bottleneck has increased until in 1948 the tonnage totaled 11,500,000. The pressure is so great that barges carrying this tonnage grind and scrap along the narrow sides of the 60-foot-wide channel to wait for craft going in opposite direction at the only three places where the channel is wide enough for vessels to pass. Five million dollars is needed to open up this bottleneck. Considering the great benefits to accrue, the sum seems almost negligible.

My colleagues the gentlemen from Illinois [Mr. BUCKLEY, Mr. LINEHAN, and Mr. CHESNEY] doubtless will present the large industrial and transportation phases involved. I wish to place emphasis upon the phase connected with the national security. Open up the Sag Channel bottleneck at an expense of $5,000,000 and you have an inland waterway from the Great Lakes to the Gulf of Mexico upon which naval vessels and craft carrying cargoes could travel. This phase standing alone should sufficiently argue the urgency of this appropriation.

I think at this time when world stability has not been established and there is uncertainty as to what tomorrow may bring, this phase should receive the very serious consideration of every Member of the House. The cost is only $5,000,000. In the event that something should happen which we all hope will not happen, what a small price that would be to pay for a security which cannot be bought in equal measure by any similar appropriation.

I wish further, Mr. Chairman, to point out that the city of Chicago, county of Cook, and State of Illinois have now under way the building of a system of superhighways. Included is a four-lane superhighway crossing the Little Calumet River. Unless the appropriation is made at this session of the Congress for the Sag Channel improvement, there will be a very large waste of money in relocations and reconstructions necessitated at a later date. This would require excavation through embankments, the removal of concrete pavement, the construction of a new overpass, and extensive bridge alterations.

By adopting the amendment which my colleague from the Fourth District of Illinois [Mr. BUCKLEY] will offer, we will be showing a spirit of cooperation in the doing of great works of public improvement which I know will be appreciated by the State, county, and local municipal governments as well as by the people of Chicago, Cook County, and Illinois. Moreover, at a minimum of expense to the Federal Government the amendment, if adopted, will make a substantial contribution to the national security and to the prosperity and welfare of the great Middle West section of our country. I trust it will receive the favorable consideration of my colleagues on both sides of this Chamber.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. RABAUT. Mr. Chairman, I yield 20 minutes to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Chairman, as I detain the committee I would like to think at least that I am contributing something to solve a rather difficult problem that confronts the committee. I believe in protecting appropriations and balancing the budget. I am in sympathy with all efforts to eliminate unnecessary wasteful expenditures and to protect public funds. The members of this committee are my devoted colleagues. I have served with them for years. If I did not sincerely believe that the course being pursued in this bill would be detrimental, if not hazardous, I would not detain the committee. In order that we may keep the situation in mind, I call attention to the fact that the committee has very frankly stated that they have eliminated "unencumbered funds" in "Rivers and harbors," "General flood control," and "Flood control in the lower Mississippi River and tributaries." I believe that to be a mistake. The flood-control works and river and harbor works are works that have to be done in season, in dry weather, when they can be done. Dams and levees cannot be built while the floods are in progress and the rains are falling. They must be built in the spring, summer, and fall months. As members of the committee have very properly stated, through the years there

has always been unexpended and unobligated balances. There have always been obligated balances. But I search the hearings in vain to ascertain if the Engineers have ever used the term "unencumbered balance," such as appears in the report of the committee. There is a reason for the obligated balances and for the unexpended balances. Contracts are to be made. Large projects require great expense for the contractors to get their equipment on the job. They had to close down the first of last December in levee and dam work in the lower Mississippi Valley. They can begin working now because the contract was made; it is a continuing contract, but these funds are there. They are obligated, but they have not been expended. There is a difference between unexpended and unobligated, and the term "unencumbered" used here is confusing.

The committee has deducted from the budget recommendation for rivers and harbors $25,000,000 that they estimate to be in this "unencumbered balance." But that balance has been used heretofore to continue contracts and works from March to July 1, the beginning of the next fiscal year, in rivers and harbors.

The same thing obtains with respect to national flood control. First, $50,000,000 is deducted. That money is to be used on contracts that are continuing, that may have been made 1 or 2 years ago or on other works. Those contracts will continue after the first of the year.

In the lower Mississippi River they deducted $6,000,000 because that was, as they say, unencumbered. The record shows for the lower Mississippi River or tributaries that there is an unexpended balance of $1,700,000, estimated as of June 1, 1949. That is about enough to pay the employees for 1 month. By the record this appropriation bill was passed in July last year. It was passed in July the year before. If that unexpended balance had not been on hand there would have been some 6,000 employees who could not have gotten their salaries and wages for the month of July 1948.

There is a reason for this system that has grown up. It is to provide for continuing contracts and the orderly prosecution of the works. Along the Mississippi River, to protect the levees, we construct revetments. There must be funds obligated to enable the revetment crews that have not been able to work in the winter in time of floods to resume their work as soon as the floods pass. So these funds are unexpended, but they are obligated. They are obligated to contracts that have been made. They are also obligated for the works, like revetments.

Secondly, I say it is a mistake to reverse a policy that members of this committee have testified, as the gentleman from New York [Mr. TABER] says, has prevailed for 25 years; that is, the obligated balances have obtained. They should be continued. They are to provide for continuing contracts and other works. They are to provide for works before funds are appropriated for the next fiscal year.

It is estimated by the committee that there will be a reduction in cost of construction of 15 percent. I trust that it may obtain. That will be for new contracts to be made after this fund is appropriated, around the first of July. The Federal Government will get the benefit of that. I am among those who advocate that when labor was not available and materials could not be obtained, the Government ought not to force contracts.

Now, I happen to be chairman of the Committee on Public Works. We have had much testimony before us with respect to the costs and reduction in the costs of construction. I want to sum up that testimony here, without detaining you, to say this: The Public Buildings Administration, the Corps of Engineers, the Public Roads Administration tell us that fortunately there has been a leveling off of prices and there has been a stabilization of costs, with some reductions. Nobody in the hearings before the Committee on Public Works has estimated that to be more than about 5 percent. But we do not have to take your opinion or my opinion to see whether there is going to be a reduction of 15 percent or not. We have the facts. I wish to point out that the Engineering News-Record construction index, as shown in a chart I hold in my hand, was at 478.4 when the engineers' estimates were being presented to the Bureau of the Budget in September 1948, and stood at 475.4 when the engineers presented their estimates to the Committee on Appropriations in February of 1949. In other words, although there has been a leveling off and a stabilization—when this Congress is being called upon to increase minimum wages—there is no evidence on which you can put your finger to show that there has been a reduction of 10 percent or 15 percent or any other definite percentage with respect to the cost. We are grateful that we are stabilizing the cost, but those who know tell me there will be no reduction in the cost of labor.

Are the members of this committee advocating a 15-percent reduction in the cost of labor? Are they able to show a material reduction in the cost of steel when steel could not be obtained a few months ago? There was delay in letting at least some of these contracts, as the engineers wanted lower and better bids.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I cannot yield at the moment; I want to give the gentleman another question to answer.

Mr. RABAUT. But I want to ask the gentleman a question about steel. There was another little slump in the price of steel today.

Mr. WHITTINGTON. I understand there was, and I am thankful for it. But everybody knows that you could not buy a tractor or an automobile a year ago. I said there has been a stabilization. The automobile situation is a little better. I trust the steel situation will improve. And that leads me to say this, that although there has been a leveling off, a stabilization as to the decrease, the index price of this Engineering News-Record shows there has been a reduction of less than 1 percent in the cost or only a fraction of 1 percent. The appropriations were made last year in July. There were increases in the cost; in fact, the highest months that we reached were in July, August, and November of last year; and the appropriations had to bear that increase. Is it not fair to everybody if we can get more work done for the dollars that we appropriate this year? And I trust that we will. We should be governed by facts before us, and not hopes, or fantasies.

In the third place, and I emphasize this, the committee really admits they are doubtful about the 15-percent reduction. They say, "We took off $50,000,000 from general flood control, $25,000,000 from rivers and harbors, and $6,000,000 from the lower Mississippi River and tributaries, but if we are wrong, if we made a mistake, come back before us here with a deficiency recommendation from the Director of the Budget and we will guarantee that we will make an appropriation to make up for the 15 percent. They are sincere.

What are the facts? The Congress of the United States, I trust, will adjourn around the 1st of July or the 1st of August. These works have got to be done in the summer or fall, during the favorable construction season. Where will the Committee on Deficiency Appropriations be from July 1 until January 1? And when we are back here next January, in all circumstances now with respect to deficiencies, I know of no way to judge the future except by the past. I call your attention to the fact that we have now a deficiency bill that was introduced in this body some 2 months ago and that deficiency bill is still pending and has never been enacted into law. Mr. Chairman, it does strike me that if there be one committee in the House of Representatives that ought not to encourage deficiencies that committee is the Committee on Appropriations.

Why do I make that statement? The law requires that possible deficiencies be eliminated, that they be avoided, and yet the committee in their report would encourage these deficiencies. I speak by the record when I make that statement. I call your attention to the fact that section 665, title 31, of the United States Code, specifically prohibits the incurring of deficiencies by the expenditure of funds in excess of the amounts appropriated. This statute contemplates that the appropriation shall be so apportioned monthly or by other allotments as to prevent expenditures which may necessitate deficiencies or an additional appropriation to complete the service of the fiscal year for which such appropriations are made.

The committee encourages the Corps of Engineers to violate the law in the prosecution of its civil-functions program. If the course of action outlined by the committee cannot be pursued without violation of the statute, the only alternative open to the Corps of Engineers is to violate the instructions of the committee itself and to schedule the individual projects in accordance with the reduced amounts recommended in the bill. Such a course will have far-reaching effect. It will result in projects costing more to the Government. Contractors will make higher bids where there are no continuing contracts.

The committee reports a cut of only 15 percent. The actual cut is 26 percent in general flood control. First there is subtracted from the budget estimate $50,000,000; then the 15 percent is applied. In the budget estimate there was an allocation of projects and the amount allocated to each project. When the amount of the budget is reduced first by $50,000,000 and then by 15 percent, no matter what kind of arithmetic is used, the reduction will be more than 15 percent, and, as I have stated, it will be 26 percent. The effect of the committee report is to encourage the violation of the statute by urging that deficiencies be submitted. While the committee is sincere, I emphasize that Congress will not be in session in the late summer and fall, which is the season for construction. While the committee agrees to supply deficiencies, the seasons and the fact that Congress is not in session means that the deficiencies will not be supplied and that the work will not be done. They would be of little value to us if the committee does not report a deficiency bill until March or April of next year. The working season is then gone.

I repeat in all kindness to the committee that has presented this bill that their program here to ask for deficiencies and to pledge in advance favorable consideration of those deficiencies really invites the Corps of Engineers to violate the law because they are supposed to take the annual appropriations, where the Committee on Appropriations makes them for a period of 12 months, and where there are public works they ought to divide that over the period when the work can be done. I think that the program of the committee is unsound.

Moreover, when the committee considered the recommendations of the Director of the Budget, and when the Corps of Engineers appeared before the Director of the Budget, they made their recommendations on the theory that the unobligated appropriations for last year would be utilized and recommended new works based upon that proposition. Mr. Chairman, with all deference to my devoted friends of the committee, if you want to reduce these appropriations 15 percent across the board that is one thing. I believe this committee would do well of its own volition to rise here and ask that it be permitted to offer amendments to restore the appropriations for rivers and harbors, general flood control, and flood control in the lower Mississippi River to the amounts recommended by the budget at least, less 15 percent. You cannot afford to do less. Personally I think the 15-percent reduction ought not to be put in the bill.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from New York.

Mr. TABER. I want to suggest to the gentleman that "unencumbered" means "unobligated," and the committee used that language, I am sure, as meaning unobligated. It had no other idea. The thought was that there should not be unobligated large sums of money at the end of the fiscal year, and it should not be provided on that basis rather than on the basis of what they would use.

Mr. WHITTINGTON. I can only repeat that your committee did not use the term "unobligated."

Mr. TABER. Oh, no; the gentleman is confused.

Mr. WHITTINGTON. I have read the hearings. The engineers referred to "unobligated" and "unexpended." You refer to "unencumbered." I say that the word "unencumbered" is a word here calculated to cause confusion, because every dollar of that money except the unexpended balances, according to the testimony of the engineers, has been obligated, and "obligated" means what it says—the contracts have been made, or the work arranged to be done.

Mr. TABER. The history of the thing is that there were $25,000,000 unobligated on rivers and harbors on the 1st of July and $50,000,000 on flood control.

Mr. WHITTINGTON. I want to say I believe that policy of obligated balances is sound, but will you pardon me for saying today that at 4 o'clock this morning along the mightiest of all rivers there was a break in the levee. The levee is 25 or 30 feet high. Thousands of acres are being flooded today. That occurred down in the State of Louisiana.

I remember the great flood of 1927. It occurred on the 27th of April. I do not know when floods are coming or how they are coming, but I do know that from the 27th of April to the 1st of January, because these funds were obligated, or unobligated, with the consent of President Coolidge, they used those funds in providing for the emergency work for that flood. Today I have not the slightest doubt but what the Chief of Engineers is undertaking to use some of those obligated or unobligated funds that may not be required until after this bill has been passed to stop that break which, they tell me, is growing wider every hour. I do not want to assume the responsibility of deviating from a policy that has demonstrated its soundness through the years. These funds that you undertake to subtract in advance are needed. The estimates are based upon their use. Each one of the items that make up the $70,000,000 for the lower Mississippi River are reported in the hearings. You will find them for the lower Mississippi River on page 357.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Michigan.

Mr. RABAUT. I think the gentleman will find the emergency fund on page 10 of the bill, for $500,000 to take care of the very thing that he uses today as a springboard for keeping up an antiquated system.

Mr. WHITTINGTON. Let me say this, if the gentleman will pardon me. I was just about to say that if you take the projects that are recommended by the Director of the Budget for $70,000,000 for the lower Mississippi River—I use that as an example—the amount carried in this bill is $57,000,000. A 15-percent reduction on each one of those items aggregating $70,000,000 means that some interior work may be eliminated, and that other projects will be reduced, for the works along the main Mississippi come first. I cannot see how the committee only reduces 15 percent when they take off the $50,000,000, the $25,000,000, and the $6,000,000 in advance on rivers and harbors, general flood control, and flood control along the lower Mississippi River and tributaries.

This bill does provide for $500,000 for emergencies, but that is on tributaries only of the lower Mississippi. Ten million dollars was spent in emergency work alone on the Missouri River, not 1 year but 3 years in succession, as I recall, in 1944, 1945, and 1946. Your $500,000 here, carried properly for emergency, will not be a drop in the bucket and will not enable them to close the one break in the levee on the lower Mississippi that has occurred. Moreover, this fund will not be available until after the 1st of July.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Louisiana.

Mr. PASSMAN. In the recent issue of the Engineering News Journal, regarding construction costs——

Mr. WHITTINGTON. I have already referred to that, and I will say that the reduction is indicated as a fraction of 1 percent.

Mr. PASSMAN. I spoke to General Feringa about 40 minutes ago, and he said the break in the levee will cost about $250,000.

Mr. WHITTINGTON. I conclude by saying to my colleagues that now, when the waters are overflowing thousands of acres of land as a result of a break at 4 o'clock this morning, they should at least restore to this bill the obligated and unobligated balances to carry on the work.

If you make a 15-percent cut, I can understand that, but this should not apply to continuing contracts that have been made according to policies that have been maintained for at least 25 years, from my observation and experience and for probably more than a hundred years. Moreover, obligated and unexpended and unobligated balances obtain in all other appropriation bills.

I would be justified in offering an amendment to increase the appropriation for the lower Mississippi River and tributaries to at least the $70,000,000 recommended by the Director of the Budget. I do urge that the committee in charge of the bill voluntarily restore to the bill the $6,000,000 of obligated or, as the committee terms it, unencumbered balance. Revetment works are to be done. Continuing contracts can only be provided by having obligated funds for such contracts. Moreover, the costs to the Government of the project will be increased if the course of the committee is followed, as small contracts generally cost more than large contracts.

The Chief of Engineers recommended $104,000,000 for the lower Mississippi River and tributaries. The Director of the Budget recommended $70,000,000. The appropriation has already been cut. With an additional 15 percent it means a cut of 50 percent from the amount re-

quested by the Chief of Engineers. I repeat that the committee should voluntarily restore the $6,000,000, and that the comparable amounts should be restored for rivers and harbors and general flood control. There would then be, for future determination, the 15-percent reduction across the board. I insist, however, that the committee not only restore the $6,000,000 but that it also provide at least the $70,000,000 recommended by the Director of the Budget for the lower Mississippi River and tributaries.

Mr. RABAUT. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, in speaking about the Mississippi River, we are talking practically about the Father of Waters. The great needs of the Mississippi have been known to the committees of this House from the beginning. Much money has been spent on the Mississippi and much more is scheduled to be spent. The all-time record flood on the Mississippi was in 1927. At that time the flood resulted in a volume of 2,465,000 second-feet. The present facilities made available by the Congress of the United States, according to the testimony before our committee, will provide for a volume of approximately 2,500,000 second-feet in excess of the all-time flood ever known upon the Mississippi. The facilities presently authorized but not completed will, it is estimated, take care of approximately 3,000,000 second-feet of water on the Mississippi.

In this bill on page 10 there is an appropriation for emergencies, such as are used today to influence the House in this matter, and that sum is established at $500,000.

The question came up about labor. I yield to no man in this House in my devotion to labor, and the record over six sessions of Congress will bear the testimony of my words.

It is clearly stated on page 3 of the report that the decline in manpower scarcity may be expected to result in less personnel turn-over, less overtime payments, higher production per man-hour, and accompanying lower unit costs, even though, mind you, hourly wage rates are not reduced. We are not asking for a reduction in wage rates. We just expect there will be less confusion and more production in the coming years.

The gentleman from Mississippi wants to continue the system of unexpended balances, and he gives great reasons, because the whole situation is very inimical to his State, his championship of which I greatly admire. But we are here this afternoon legislating on rivers and harbors and flood-control projects for this Nation. He says the system that has grown up is to be changed, a system that holds $50,000,000 in one pot and $25,000,000 in another pot, absolutely unexpended at the end of a fiscal year, not once but several times. The committee seeks to recapture these sums, not by taking them away but by refusing to appropriate an additional and like sum just because that condition has gone on in the past. There is no reason to it, there is no reason for it. I cannot understand a vote in the House that would support it.

Then they say that the committee has gone afar when it says that the Army engineers can return to ask for a supplemental appropriation. Why, there is nothing within greater reason than to say that to them. We cannot look into a crystal ball and see what the situation is going to be next January 1, which is the middle period of this expenditure of money. When the gentleman talks about the fact that we will not be here in July, no, maybe we will not be here in July; but the money will be here in July. If they are going to spend this money at the rate of the whole appropriation in 6 months, then I would say we would not be here. That is the situation, and we will be back here in January. This is the Appropriations Committee, charged with watching the purse strings of the American people, and we are fighting that battle today on the floor of this House. Of course, it all depends on whose ox is being gored. There are other appropriations, and there are projects in every district. This committee has gone over this situation with a fine-tooth comb for many weeks of hearings with the Army engineers before us. As has been said before, we heard from many, many Members of Congress and from many interested delegations from every nook and quarter of this country.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I yield.

Mr. HARRIS. I think the gentleman from Mississippi proposed a very important point a moment ago when he said the emergency fund included in this appropriation bill was limited to $500,000. The gentleman from Louisiana has just indicated that the Army engineers have just advised him that the emergency which now exists, due to the break in the Mississippi levee, will require two and a quarter million dollars. How does the gentleman think that that emergency is going to be met?

Mr. RABAUT. The gentleman says $2,225,000? Why, that is the estimate of some Army engineers who saw or heard about it this morning. By the time it gets up here to the Congress you know that it will not be $2,225,000. For all of these flash announcements are always very great, but when we calmly look it over and the Congress puts its specs on, we find out they do not amount to what they say they did in the beginning. If they need $2,225,000 then they will get that amount.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Will the gentleman explain this? It says "emergency funds for flood-control work on the tributaries of the Mississippi River." It does not mean the Mississippi levee, proper.

Mr. RABAUT. It means what it says—"tributaries."

Mr. PASSMAN. It means the tributaries of the Mississippi River.

Mr. RABAUT. Yes.

Mr. PASSMAN. Well then that would not really apply to the main Mississippi levee, would it?

Mr. RABAUT. The engineers may use the emergency fund any place developing an emergency. That is within their discretion. We will replenish the fund for them if they come back to us from time to time.

Mr. PASSMAN. In view of the fact that this recent break is going to cost approximately $2,225,000, what does the gentleman say in that connection.

Mr. RABAUT. If it costs two and a quarter million dollars and they can justify that before the committee and they find their way up here to our committee, then they will get that money.

Mr. WHITTINGTON. In all fairness, will my colleague yield?

Mr. RABAUT. What do you want us to do—put the two and a half million dollars in the bill this afternoon, and then when somebody else gets up here and wants two and a half million dollars more, and then somebody else wants $15,000,000 more, do you want us to put all of that in the bill here? Are you going to try to write this bill on the floor, just as you tried to write the bill on veterans' pensions?

Mr. WHITTINGTON. I want to help the gentleman.

Mr. RABAUT. This bill was written after consideration in our committee. We gave all that we had to the consideration of this bill and after much study we have brought the bill to you. That is the way we submitted it, and that is the way we want it to pass the House.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. RABAUT. I yield.

Mr. WHITTINGTON. Permit me to say that you, yourself, as a member of the subcommittee on the deficiency, have provided in the deficiency bill that is pending, I believe, about two and a half million dollars for emergency work which would be applicable on all rivers, except the tributaries of the Mississippi River. I understand informally that that was increased. So there is the answer to questions that have been propounded here of the fund that would be available for emergency work on most of the rivers of the country under general flood control.

Mr. RABAUT. No gentleman in the House knows more about flood control and river and harbor works than the gentleman from Mississippi. He, himself, knows that it is within the discretion of the Army engineers to use this flood-control money where trouble is found.

The CHAIRMAN. The time of the gentleman has expired.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Chairman, this is quite a large appropriation bill. It carries with it nearly $600,000,000. In it are many projects for rivers and harbors, and flood control. All of those projects, no matter where located, originated in the Committee on Public Works, of which my distinguished and able colleague from Mississippi [Mr. WHITTINGTON] is now chairman, an honor which I shared, at least for a very brief time, and on which committee I am now ranking minority member and have been for many years in the past. So if you have a project in this bill for which money is to be

appropriated, either to begin work or to continue work, let me say to you that that project first had to receive the approval of the Committee on Public Works before it reached the floor of this House.

I want to commend the Committee on Appropriations for every effort it has made to curtail public spending of money, but if an item in the newspaper last night is to be believed, the amount that this bill has been cut and the amount of work reduced in the United States for the benefit of our people is to be expended overseas for like construction work, then of course our sympathy is not quite as warm as it might be.

Last night's Washington Star carried this significant item, and I quote from it, referring to this bill:

> The big slash from this year's total resulted mainly from a decision to finance government and relief in occupied overseas areas.

So that if some of the projects have been reduced or entirely omitted from this bill, it has been done in the interest of expending the money in overseas areas and for other peoples of the world.

It so happens that the only project I have ever asked this Congress to approve in more than 16 years has been entirely omitted from this bill. When the gentleman from New York [Mr. TABER] was on the floor, I asked him this question: whether the judgment of the Bureau of the Budget was accepted in preference to the judgment of the Army engineers or a Member of Congress, who perhaps know more about the details and the area affected than anybody else. I asked that in good faith, and apparently in this instance the judgment of the Bureau of the Budget was accepted over the Army engineers.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield.

Mr. RABAUT. I want to say to the gentleman from Michigan that I was out in his district and saw his project. I can tell him that I think it is a worthy project. In a way, I am sorry it is not in here, but it was not possible to put it in the bill. The Army engineers advise the committee on engineering matters. The Budget, naturally, advises us, or directs us, or tells us by its report that comes before the committee, of the monetary situation and how they think they can spread Uncle Sam's dough. It is getting rather thin and we are having trouble spreading it.

Mr. DONDERO. I appreciate the gentleman's position. I want to thank him for what he said to the Committee on Appropriations. But if you lived in the area that is affected by the Red Run-Clinton River project, where I have lived my entire life, and knew that the people of eight cities in that area and other governmental units, including two counties, one the second largest county in Michigan, had no other solution and no other outlet for their storm and drain water, just what would you do, if you were their Representative in Congress, such as I am? Those people are at the mercy of the action to be taken in this Chamber today or tomorrow. Their property and their health have been menaced for years. In 1 year the amount of damage caused by flood waters in that area, where those eight cities are located, affecting more than 150,000 people—the flood damage alone was more than I am asking this House to approve.

We had a flood damage in 1937 of $563,000. The whole project is only $4,000,000, of which the people in the local areas will pay $3,000,000. The Federal portion is only $1,000,000. All I am asking the committee to do is to approve an item of $500,000 to begin the work.

The Army engineers knowing the urgency of the situation in that area, southeast Oakland County, and knowing the emergency need of this project, included it in their list of projects on which to commence work immediately. The Bureau of the Budget took it out. I think a mistake has been made, and I am asking the Committee on Appropriations to reconsider their action. The State of Michigan, in this bill, will receive about $3,500,000, of which $3,000,000 is allocated to work at the Soo, Mich., where the famous locks and a powerhouse are located. The rest of the State will receive about $600,000. What does Michigan pay into the Federal Treasury? You will be interested in knowing this because your State, too, may share in the Federal budget to a degree equal to that of my State. I want you to listen: Michigan paid into the Federal Treasury last year, 1948, $2,700,000,000, of which nearly $1,000,000,000 was individual income tax. I want to repeat that: We paid into the Federal Treasury from the State of Michigan, $2,700,000,000 in taxes, of which $1,000,000,000 was individual income taxes. And what do we get from this appropriation bill? When you leave out the famous locks at the Soo, Mich., in which the whole Nation is interested because it does affect the national security, we get $600,000. Of this, $300,000 is for a small project in Grand Traverse Bay and $302,000 is for the Clinton River-Mount Clemens project which is now under construction. Red Run is a tributary of the Clinton River and ought to be constructed simultaneously with the flood-control work on the Clinton River at Mount Clemens.

The engineers have said to this Committee on Appropriations that they could use $500,000 to begin the work on the Red Run flood-control project. They would not have asked for it had they not known the emergency and the necessity for relief in this area.

I have had a map prepared and I want to show the House and the committee what the situation is. The Red Run project is shown on this map in green. This blue line is the Clinton River. The Red Run flows into the Clinton River within 2 miles of where the work is now in progress, and that work is to build a bypass in order to divert the water of the Clinton River and Red Run into Lake St. Clair, part of the Great Lakes system. This is the county line here. This is Oakland County. Royal Oak is right here, where I live and where I have lived all my life. I know the area intimately and personally. They want to deepen Red Run in order to provide an outlet for these eight cities, Birmingham, Clawson, Royal Oak, Hazel Park, Ferndale, Pleasant Ridge, Berkley, and Huntington Woods, that are located in this area, the southeastern corner of Oakland County, Mich. If you had a situation like that in your congressional district, where your people were faced with a problem where their property and even their health were involved, you, too, would be entirely justified in urging the committee to accept the item. You, too, would appeal to your colleagues as I am appealing to you this afternoon to include this small item in order that these people might receive relief.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. TABER. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. DONDERO. Mr. Chairman, having served on the Committee on Rivers and Harbors and Public Works for some 16 years, I do not hesitate to urge the committee to reconsider its decision. I shall offer an amendment to restore the $500,000 which the engineers asked for the Red Run project.

I am going to offer that kind of an amendment in order to have this work on the Clinton River and Red Run completed at the same time. I appeal to my colleagues for support of that amendment in the interest and for the welfare of a large population that is at your mercy if this work is not done. Otherwise it means that their property will continue to be flooded and destroyed. The average destruction has been over $120,000 a year.

The matter has been before this Congress for a long time and was authorized in the last Congress without a dissenting vote either in the Committee on Public Works or on the floor of this House.

The project is a worthy one and of such a critical nature that it deserves more than ordinary consideration on the part of Congress. I believe it is of such importance that the Committee on Appropriations should reverse its decision and accept an amendment for this small amount of money to bring relief to a large portion of the population living in the metropolitan area of Detroit. May I say that the south line of this project is the north line of the city of Detroit, the fourth largest city in the Nation.

I hope when I offer my amendment you will support it.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. RABAUT. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. LINEHAN].

CHICAGO'S OPPORTUNITY—A NATIONAL NEED

Mr. LINEHAN. Mr. Chairman, the development of Lake Calumet and the system of waterways interlocking Lake Michigan and the Mississippi River is a matter which should engage the attention of the Congress of the United States. Through the expansion of commerce in this fashion among the States, we will see, in the future, the full fruition of the meaning of the words of our founding fathers, when they encouraged full and free commerce by and with our States. It is only in this way that the internal quality of each State can be brought to its maximum point of development and become integrated with the

remaining member States to form our harmonious national unity.

Out of considerations which beset our best minds dealing with the problems of defense and internal security, it behooves us, at this time, to direct our attention to the vast and incalculable aid that can evolve from the completion of this project. As we know from our wartime experience, interruptions of rail and road traffic by our enemies can be sudden, severe, and catastrophic. Traffic on inland waterways or canal connections cannot so easily be disturbed. Enemy forces must concentrate upon the objects moving in this method of travel rather than upon the surfaces used for such journeying. In like manner we must face the fact that with the demands of commercial expansion and the growth of heavy industries, our national road systems have been unduly burdened. In effecting or achieving the completion of this project we would go a long way toward reducing the great stress on our roads and highways.

In view of the fact that this project has been favorably urged, and was only curtailed owing to the recent war, the question of its necessity does not require much discussion. However, with the end of World War II, the resumption of this great project will be a praiseworthy beginning in the postwar national development program.

Chicago, as the great metropolitan center of the United States, should take its rightful place at the head or hub of the midwestern industrial area. Those industries already established in that locality will be afforded a cheaper and more adaptable mode of transit for various goods. Especially is this so in the case of goods or commodities which can be delivered without a requirement of urgency. Chicago has the basic potentialities for the realization of coordinated rail, air, surface, and waterway transportation. It affords a new alternative to present industries, and the completion of this project will see a greatly increased number of businesses and industries concentrating in this natural valley of the Middle West.

This meritorious objective has about it the aura of needy action, indeed we may go so far as to say it has a sense of immediate necessity. We will see upon its completion a closer-knit union of our Central States and a more understanding and more cooperative linking with the areas bordering on the Great Lakes region; in fact, there will be achieved a profound interrelationship between the interests of the latter and such distant localities as the areas encroaching on the Gulf of Mexico.

Congress has its opportunity. It must not be reluctant at this time to effect the resumption of this project. A favorable and increased appropriation for this task can only result in bringing to our Nation another and brighter keystone in the advance of commerce, industry, and transportation, which has become the trademark of the American people.

Mr. CHESNEY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CHESNEY. Mr. Chairman, on the floor of this House many appropriation bills have been passed, some large, others small, but seldom has the great metropolis of Chicago ever asked this body for funds to start a project which is of vital importance to the future commerce of the southwest section of Chicago and above all to the Middle West.

The Calumet-Sag Channel, an inland waterway project which has been undergoing various stages of construction, survey, and planning since time immemorial, has reached a turning point. The Calumet-Sag Channel at present has a tonnage of approximately 1,000,000 tons per year and all indications prove the possibility of 6,000,000 to 10,000,000 tons per year can be attained if the necessary improvements are undertaken. The Calumet-Sag tonnage includes coal, oil, gravel, grain, and other heavy material.

Other advantages the Chicago region may expect through the completion of the project are: Break a severe transportation bottleneck; provide new employment for thousands of workers; reduce transportation costs; provide adequate facilities for the interchange of cargoes among railroads, steamship, and barge lines, and motor carriers; establish a badly needed rail-lake-barge terminal area, and enable vessels from the Great Lakes to reach other parts of the country in times of emergency. I feel that the necessary funds for planning and construction of the Calumet-Sag Channel must proceed at once.

Mr. RABAUT. Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Chairman, I rise to appeal to you to support an amendment to begin a project that means more to the American people for the amount involved than any other project of its kind ever proposed. I refer to the Tennessee-Tombigbee inland waterway, which has already been authorized by the Congress.

The Army engineers have stated that there is not another project on earth, or place where you can find one, where the traffic can be transferred from one major watershed to another with so much ease, with such little expense and with such a tremendous savings in transportation costs and distance. This project was submitted to the Congress in 1946, and approved by a good majority vote in the House, and passed the Senate by a vote of 44 to 21.

All we are asking today is for funds to begin the work. I have sent to every one of you copy of a statement showing the savings that this would bring to the people along the upper Mississippi River, the Illinois, the Ohio, the Missouri Rivers, and the Great Lakes, as well as the Tennessee, the Tombigbee, and the Gulf of Mexico.

Before I proceed further, I want to call your attention to a letter that I have from the Ohio Valley Improvement Association located at Cincinnati. Now, they know what it means. There is also a gentleman in Washington now who represents a string of barges from Pittsburgh, Pa., down the Ohio and the Mississippi, appealing to Members of Congress to provide funds to start this project. We are only going to ask for $3,000,000 at the outset.

Now, here is the situation. From Cairo, Ill., to New Orleans, it is 869 miles, downstream, the finest inland waterway in the world. You do not need to disturb that, and you cannot. But, when you start back up that terrific stream it eats up millions of dollars in extra costs for transportation fuel alone.

We have a slack-water route along the Intercoastal Waterway over to Mobile, which is behind the chain of submerged islands that keep back the tides of the Gulf of Mexico. We have a slack-water route up the Tombigbee to the mouth of the Warrior River. This project provides for 18 locks and dams between the Warrior and the Tennessee. Since we built the Pickwick Dam just below the mouth of Yellow Creek on the Tennessee in 1938 and lifted that water level 55 feet, the Army engineers find that we can cut through that sand ridge and make this a slack-water route all the way from the Gulf of Mexico to the Tennessee River. The average Member does not seem to realize that it is 262 miles downstream from the Mississippi State line on the Tennessee River to Cairo, Ill. It is 215 miles downstream to Paducah, Ky.

Look at these barges here. There is one coming down from Detroit, Mich. Here is one coming from Pittsburgh, Pa. Here is one coming down the Missouri. When one of those 14,000-ton barges comes to New Orleans, if it undertakes to go back up to the Tennessee and then downstream to Cairo, by going through this inland waterway it would save $9,800 on its fuel bill alone? And going from Mobile it will save $20,160.

The men who operate these barges tell me that that is more profit than they make. If it is going back to the Ohio, at Paducah, on its way from New Orleans to Pittsburgh, Pa., it would save $11,760.

Suppose it picks up its load at Mobile. That is where your bauxite comes in. There is a great aluminum plant in Pittsburgh. These barges bring this bauxite that comes in from South America; they are loaded with bauxite, lumber, oil, sugar, cottonseed meal, cotton, with tropical fruits, or sea food, or any other raw products. That barge going from Mobile, Ala., to Cairo, Ill., would save $20,000 on its fuel bill alone. That means that every barge that goes not only to Cairo but goes on up the Illinois into the Great Lakes would save $20,000 on its fuel bill alone. If it were going to Omaha or to Sioux City on the Missouri, or to Minneapolis or St. Paul on the Mississippi, the savings would be the same.

If it were going into the Ohio River it would save $22,000 on its fuel bill alone. That is the reason the people who operate these large barges on the Ohio River are appealing to us to start this project now. It is already authorized, and the planning has already been done. The engineers are ready to go to work now.

Here is what the Ohio Valley Improvement Association says——

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Michigan.

Mr. DONDERO. I take it it is the gentleman's claim that the barges would not have to buck the current of the Mississippi River going up, or on the return?

Mr. RANKIN. That is right.

Mr. DONDERO. So that it would be cheaper to go by this new waterway.

Mr. RANKIN. That is right. It would be much cheaper.

From Cairo to New Orleans it is 869 miles, 156 miles across to Mobile, 481 miles to the Tennessee River, in slack water, behind the locks and dams along the Tombigbee, and then it is 262 miles downstream to Cairo, or 215 miles downstream—downstream, mind you—to Paducah, Ky. The round trip is 1,768 miles. Of that 1,768 miles, 1,131, or approximately two-thirds of the way, is downstream, and the rest of it will be in slack water. The Army engineers say there is not another project like it on the face of the earth, or a place where you can construct one, where you can transfer the traffic from one major watershed to another with so much ease, so little expense, and such a tremendous saving in transportation costs and distances.

The Ohio Valley Improvement Association says:

With reference to your letter of December 28, 1948, to the Ohio Valley Improvement Association regarding the Tennessee-Tombigbee Inland Waterway, I wish to advise that our association not only is on record for this waterway but has been actively pushing the project among the people in the Ohio Valley.

Now let me show you what we are doing. Someone said that if we had that project in Europe you could get it done under the Marshall plan, or if you had it in Japan. Let me read you an article that appeared in the Atlanta Constitution a day or two ago. Have we not done enough for the rest of the world to look out for our own people a little? This is an article that comes from the Atlanta Constitution. The source of the article is Paris, France. It says:

French and Italian interests planning to construct a vehicular and railway tunnel beneath Mont Blanc to connect France and Italy by direct route. Expect to obtain Marshall plan funds for the project.

It says further:

The 50-year-old scheme to bore a tube beneath the Alps has never found the capital for the undertaking. However, now that the United States is preparing to join the North Atlantic Military Alliance, it is believed that Washington will consent to allocate Marshall plan credit for construction to provide speedy, bomb-proof communication between France, Switzerland, and Italy.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. DONDERO. The reason given for a slash in the funds in this bill is that the money is to be used for relief in overseas areas.

Mr. RANKIN. Yes; but from my viewpoint, we had better look out for our own country.

Mont Blanc is 15,800 feet high. The upper 7,000 feet of it is in perpetual snow. The mountain itself is solid granite. Yet they propose to tax the American people to dig a tunnel under it. To be perfectly frank with you, I think the harder it is for those people to get together, probably the fewer wars they will have, and the less trouble they will have among themselves.

Here we are with a project that affects everybody in the whole Mississippi Valley, including the Ohio, the Missouri, the Arkansas, the Monongahela, the Allegheny, the Tennessee, the Cumberland, the Illinois, the Great Lakes, the Intercoastal Waterway, and the Gulf.

We need to pay some attention now to our own national defense. The two greatest things that happened to make the world understand that we are not going to take it lying down were the airplane that circled the globe the other day without stopping, and that 70-group Air Force that was passed by the Congress.

Here is Oak Ridge, Tenn. (pointing to the map). This project will cut the water distance between Oak Ridge and the Gulf of Mexico by about 800 miles.

It is necessary for the defense of this Nation.

One of these barges going from Mobile to Oak Ridge loaded with the materials that we need there would save $30,380 on its fuel bill alone.

I say there is not another project like it on earth where so much saving can be brought about with so little expense.

We are going to offer an amendment when we come to that point in the bill, and I trust everyone of you will support it.

For your information, here is a table prepared by the Army engineers showing what the savings of this great project would amount to for up-bound traffic:

From—	To—	Via Mississippi, per ton	Via Mississippi, per tow of 3,500 tons	Via Tombigbee-Tennessee, per ton	Via Tombigbee-Tennessee, per tow of 3,500 tons	Average savings per ton	Average savings per tow of 3,500 tons	Average savings per tow of 14,000 tons
Houston, Tex	Cairo	$2.34	$8,190	$1.94	$6,790	$0.40	$1,400	$5,600
	Paducah	2.42	8,470	1.88	6,580	.54	1,890	7,560
	Tombigbee-Tennessee junction	2.74	9,590	1.60	5,600	1.14	3,990	15,960
New Orleans, La	Cairo	2.02	7,070	1.32	4,620	.70	2,450	9,800
	Paducah	2.10	7,350	1.26	4,410	.84	2,940	11,760
	Tombigbee-Tennessee junction	2.42	8,470	.99	3,465	1.43	5,005	20,020
Mobile, Ala	Cairo	2.39	8,365	.95	3,325	1.44	5,040	20,160
	Paducah	2.47	8,645	.89	3,115	1.58	5,530	22,160
	Tombigbee-Tennessee junction	2.79	9,765	.62	2,170	2.17	7,595	30,380
Port Birmingham, Ala	Cairo	2.96	10,360	.95	3,325	2.01	7,035	28,140
	Paducah	3.04	10,640	.89	3,115	2.15	7,525	30,100
	Tombigbee-Tennessee junction	3.36	11,760	.62	2,170	2.74	9,590	38,360
Demopolis, Ala	Cairo	2.68	9,380	.67	2,345	2.01	7,035	28,140
	Paducah	2.76	9,660	.61	2,135	2.15	7,525	30,000
	Tombigbee-Tennessee junction	3.08	10,780	.34	1,190	2.74	9,590	38,360
Columbus, Miss	Cairo	2.83	9,905	.51	1,785	2.32	8,120	32,480
	Paducah	2.91	10,185	.45	1,575	2.46	8,610	34,440
	Tombigbee-Tennessee junction	3.23	11,305	.17	595	3.06	10,710	42,940
Aberdeen, Miss	Cairo	2.88	10,080	.46	1,610	2.42	8,470	33,880
	Paducah	2.96	10,360	.40	1,400	2.56	8,960	35,840
	Tombigbee-Tennessee junction	3.28	11,480	.13	455	3.15	11,025	44,100
Fulton, Miss	Cairo	2.93	10,255	.41	1,435	2.52	8,820	35,280
	Paducah	3.01	10,535	.35	1,225	2.66	9,310	37,240
	Tombigbee-Tennessee junction	3.33	11,655	.08	280	3.25	11,375	45,500

As I said, it is the greatest project of its kind ever proposed in this country, and the sooner it is constructed the better it will be for the people of the entire Nation.

I hope the amendment is adopted.

Mr. KERR. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, I thank the distinguished gentleman for the time that has been given to me to make an explanatory statement in the RECORD which could not be formally presented to the committee. It is in reference to the Sutton Reservoir on Elk River in West Virginia.

This project was authorized by the Seventy-ninth Congress through the efforts of myself and my colleague, Senator KILGORE, of West Virginia. An initial appropriation of $750,000 was made for the project. Immediately after the money was available a freeze order was placed on it by President Truman, and by the time that freeze order was lifted the political complexion of the Congress had changed, and when the Eightieth Congress outlined its program for flood-control projects in my State of West Virginia, no attention was paid to this project which was authorized by the Seventy-ninth Congress, but three other new projects were authorized and appropriations were made by the Eightieth Congress for those three projects.

There are appropriation items in this bill pending before the House today for these three projects which were author-

ized by the Eightieth Congress, but no appropriation for the project authorized by the Seventy-ninth Congress. On coming to Congress and finding that there was no provision for this project, I appeared before the Appropriations Committee on the 28th day of February and was advised that they could take no action unless they had an authorization from the Army engineers. I secured that authorization and it was sent to the Budget Office. But on its way it had to clear through the office of the Secretary of War, Mr. Royall, who was then out of the city of Washington. For 10 days or 2 weeks it laid on the desk of the Secretary of War and by the time it reached the Budget Office there was no time to take formal action on it and get a supplemental estimate before the committee.

I am advised by the Budget Office that the authorization for this project will be forwarded to the Senate committee and will appear as part of the Senate bill. I am asking favorable consideration of the House when the Senate addition to the bill comes before us for concurrence and hope that it will be accepted by the House. It will be in proper order.

STATEMENT OF HON. CLEVELAND M. BAILEY BEFORE HOUSE APPROPRIATIONS SUBCOMMITTEE ON ARMY CIVIL FUNCTIONS, FEBRUARY 28, 1949

Mr. Chairman, for the purpose of the record, I am Congressman CLEVELAND M. BAILEY, of the Third West Virginia District. I appear on behalf of more than a quarter-million residents of my own district and the adjoining Sixth District of West Virginia to request immediate authorization of funds for construction work on the Sutton Reservoir, located 1 mile east of the city of Sutton, on Elk River, Braxton County, W. Va.

The committee will recall that this Sutton Reservoir project was included in action taken by the Seventy-ninth Congress, and an initial appropriation of $750,000 was authorized by that Congress. This project is the second one of four major projects recommended by the Corps of Army Engineers and the Rivers and Harbors Board as necessary to control the floods in the great Kanawha River Basin, as well as assisting in the control of floods in the Ohio Valley below the confluence of the great Kanawha with the Ohio at Point Pleasant. Only one of these four projects has been completed. That is the project at Bluestone, on New River. The Sutton Reservoir is project No. 2 in this program. Other projects are on the Gauley River, near Summersville, and on the Greenbrier River, at Big Bend.

My district, located as it is on the watershed of four major rivers, tributaries of the Ohio River, has a total of seven flood-control projects favorably reported by the Army engineers, and not a single one of these projects, except for the action taken on the Sutton Reservoir by the Seventy-ninth Congress, has been constructed. It is obvious that money spent to control floods on these mountain streams near their source will be more economical than spending it for flood walls and levees along the lower course of the Ohio and the Mississippi Rivers.

The early construction of the Sutton Reservoir project will:

A. Effectively eliminate all flood damages on 87 miles of the lower reaches of the Elk River. It will, supplementing the Bluestone Dam on New River, completely control the flood situation on 58 miles of the lower reaches of the Great Kanawha River from the confluence of the Elk and Kanawha near the city of Charleston to the confluence of the Great Kanawha with the Ohio at Point Pleasant. Situated along the lower reaches of the Elk and the Kanawha Rivers are numerous populous communities and scores of both large and small industrial establishments now within the flood zone. The hazard to these communities and to these industries, as well as the hazard to extensive farming operations in both valleys, will be removed.

B. Effectively regulate the flow of the Elk River during the dry season by use of water impounded in the reservoir, which will be sufficient to keep an average stage of from 2½ to 3 feet of water moving down the Elk Basin, which will guarantee to the cities of Sutton, Gassaway, Clendenin, Charleston, South Charleston, Dunbar, Nitro and Saint Albans an adequate supply of pure water for both domestic and industrial purposes.

C. Remove a serious pollution condition that exists along the lower reaches of the Elk River and particularly at and near the city of Charleston where the pools in the Kanawha River between the navigation locks are polluted by the several large chemical plants now discharging untreated waste into those pools. By opening the wickets on the Sutton Reservoir sufficient water can be released to do this flushing simply by opening the wickets in the locks along the Kanawha River below the city of Charleston. This volume of water so released will add materially to the navigation stage of 9 and 14 feet required for effective operations of the locks of the Kanawha River below the city of Charleston.

D. Enable hundreds of farmers living along both the Elk and Kanawha Rivers to plant crops in the lowlands adjacent to the rivers with a definite assurance that these crops will not be destroyed by intermittent floods due to the heavy rainfall in the mountain sources of the Elk and Kanawha Rivers.

Whatever opposition there appears to be against the construction of this reservoir came originally from the thought that it would be a power project. Practically all of this objection was removed as a result of a hearing held in Sutton by the Corps of Army Engineers located at Huntington, W. Va. While several hundred people attended the hearing, not a single formal protest was entered. The city of Sutton, where the hearing was held, is just three-fourths of a mile from the proposed site of the dam. Represented at the meeting were the State Chamber of Commerce, the West Virginia Coal Operators Association and the United Mine Workers organization, all of whom had appeared for the purpose of filing objections, had the project been intended to produce power. It is definitely not a power project and is not planned to be so constructed as to produce power in the future.

Mr. Chairman, in support of this request for the appropriation of funds to begin immediate construction work on this project, I have here in my files certain recommendations, the original of which are all on file with the Corps of Army Engineers at their Gravelly Point, Va., headquarters. I shall not ask that the details of these several communications and petitions be included in your record. I do, however, wish the privilege of listing the various organizations, manufacturing concerns, and individual petitions urging the appropriation of sufficient funds so as to permit the early granting of a construction contract. They are:

1. The West Virginia State Chamber of Commerce.
2. The Charleston City Chamber of Commerce.
3. The West Virginia State Health Department.
4. The West Virginia Water Commission.
5. The West Virginia State Agriculture Department.
6. The West Virginia Water Service Corp., which supplies water to the city of Clendenin, Charleston, South Charleston, Dunbar, Nitro, and St. Albans.
7. The City Council of the City of Sutton.
8. The United Fuel Glass Co.
9. The Carbide Carbons Chemical Corp.
10. The Elk Refining Corp.
11. Hope Natural Gas Co., of West Virginia.
12. A petition of the citizens of the city of Sutton, comprising approximately nine full pages.
13. A petition of the citizens of the city of Gassaway, comprising approximately 14 pages.
14. Several other individuals and small isolated requests.

I have been advised by the Army Engineer Corps located at Huntington, W. Va., and by the Army engineers at their Washington headquarters, that their formal request was for an appropriation of $1,500,000 which, when added to the $750,000 appropriated by the Seventy-ninth Congress, would constitute a sufficient fund to award an initial construction contract. Certain activities are already being carried on by the Huntington office of Army engineers at the present time out of the initial appropriation by the Seventy-ninth Congress. The unexpended part of this initial appropriation is not sufficient to award a construction contract and I respectfully ask this committee to include in the current appropriation for the civil functions of the Army the amount requested by the Army Engineer Corps.

Should your committee find it inadvisable to include this request, I would like to have some definite assurance that it would be included among the projects for which appropriations will be made in the succeeding year, so that the work now under way will properly dovetail with the later requested appropriation.

Mr. WIGGLESWORTH. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. TAYLOR].

Mr. TAYLOR. May I, Mr. Chairman, first express my appreciation and the appreciation of the constituency of the Thirty-third Congressional District, New York, for the consideration given by the Subcommittee on Appropriations to the problem of flood control as it pertains to the Hoosic Valley-Mechanicville-Hudson River area.

I recognize, Mr. Chairman, that the Bureau of the Budget in most instances makes its review beginning September 15, and makes its recommendations during the later months of that calendar year.

In the particular instance, the Bureau of the Budget considered the estimates for flood control during the period between September 16 to November 30, and thereafter made recommendations. The project of which I speak was never included in the consideration of the Bureau of the Budget, and I am given to understand that the reason for that omission is due to the fact that a resurvey of the Hoosic River had not been made prior to that date.

That reason, Mr. Chairman, becomes specious in the light of later action of the Bureau in considering the Missouri River project. The Hoosic River, like the Missouri River, rampaged after the period set aside for consideration of these projects, and if the Bureau waives rules and precedents in the Missouri situation, it should do likewise in the Hoosic and Mechanicville proposals, because in each

instance an emergency has arisen. Surely the Missouri project has no more importance to the general welfare of the people of the country than the Hoosic-Mechanicville project, since the later project very definitely affects the entire Hudson River Valley.

Justification for consideration of the Hoosic project is ample, as evidenced by the survey recently completed by the Division of Engineers. That survey recognizes the necessity for meeting a very serious situation now. The denial by the committee of consideration of this survey smacks to me of false economy. Billions have been spent for every boondoggling crack-pot idea that could ever be conceived in the mind of man, but sober consideration of the things necessary to our economic welfare has been completely forgotten in the instance of which I speak.

Let us see, Mr. Chairman, whether or not the undertaking of the Hoosic project is feasible now. Concededly, the postwar era was not conducive to any long-range construction programs. Contractors in many instances refused to bid on construction contracts.

Today the composite trend of construction has already leveled off and has turned downward. Building material is no longer scarce, and is much less expensive. Manpower and availability of equipment is no longer a construction deterrent. Competitive bidding by contractors is evident, and in many instances where bids have been received on flood projects they have been 10 percent below the engineers' estimate.

Properly, the next question to be considered by the committee is the question of necessity. Must I dwell on the subject? I think not. The testimony before the Subcommittee on Appropriations definitely indicates that industry in the Hoosic River area, as well as the homes and farms of individuals residing there, are in jeopardy, and as important as anything else, the industries and homes and farms in the entire Hudson River Basin are likewise in jeopardy. The Army engineers recognize that fact, and they recognize further the military necessity for control of that river and its tributaries. I am at a loss to know the reason for reluctance to appropriate money under such compelling circumstances.

There will be, I assume, later deficiency appropriation bills before this committee. May I urge that when and if such bills are considered, that appropriate consideration be given to the Hoosic Valley project and the Mechanicville project. Both of these projects could well be considered along with the Adams and North Adams, Mass., projects, which likewise have been eliminated from this bill.

As the gentleman from Mississippi [Mr. RANKIN] has just very aptly indicated, there are projects now under construction, and contemplated, in foreign countries, that are underwritten with American dollars. I am cognizant of one in Italy, which is of such magnitude that the Hoosic project seems indeed meager in comparison.

The Flood Control Commission of New York State has indicated its willingness to immediately allocate funds to procure rights of way, and so forth, necessary to be acquired for the project. The Department of Engineers and the localities affected are ready to do their part. It behooves the Members of this House, in whom authority is delegated to consider the projects, to do this.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 10 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, I realize the hard work the committee has done on this bill. I find no fault with the bill and I am not asking for any increase in money. However, generally I favor all wealth-creating, wealth-saving, and health-promoting projects. I feel that when we get through with this bill perhaps some of those will be included.

What I wished to appear for is to call attention to an amendment that I shall offer on page 9, line 16. A limitation has been put in on what the Army engineers can spend money for on the Garrison Dam in North Dakota. I will read that limitation and will explain it:

Provided further, That no part of this appropriation shall be available or used to maintain or operate the Garrison (North Dakota) Reservoir at a higher maximum normal pool elevation than 1,830 feet, or for constructing dikes or levees which would be required by a higher maximum normal pool elevation than 1,830 feet for operating such dam.

That limitation has now been carried in this appropriation bill for 4 years. It should be carried indefinitely, because when this Pick-Sloan plan was proposed it was shown that all the multiple purposes of that dam could be obtained at the 1,830 feet pool level. However, the engineers, without additional authority, have tried to raise that dam either by direct or indirect action to 1,850 feet.

The dam at 1,830 feet will flood over 300,000 acres of valuable valley land—river bottom. It will create the largest artificial lake in the world, with 2,500 miles of shore line. We want to say to you that is all that they will ever need for the multiple purposes of this dam. It will have a storage capacity of 17,000,000 acre-feet of water. But the engineers are not satisfied with that.

Although this provision was put in as a compromise in the Senate some 4 years ago, and adopted by the House ever since, yet the engineers are trying by indirection to get around the mandate of Congress. Now they are out buying land away beyond the 1,830-foot limitation. They are even buying beyond the 1,850-foot requirements.

I just received a report from Van Hook, a small village miles away from this dam, that they are trying to get half of that village—a village of about 1,600 people. They are now engaged in going out and condemning the farmer's land. They are now in the real estate business. They are taking his home and then they rent it back to him at a consideration.

The time has come that the engineers should construct this dam and quit trying to evade the mandate of Congress and raise the pool level from 1,830 to 1,850 feet. I say that because that has been mandated four times in the bill before us and in the original Pick-Sloan plan.

The amendment I am going to offer is simply to cure a loophole in the present limitation that they are getting around, where they go out and buy this land. We prohibit them from building dykes and levees, but they are buying land. Later on they will come before the Congress and say, "We have got all this land. Let us raise the dam and drown out the city of Williston." And in addition, flood at least three successful irrigation projects in the State of North Dakota and another 100,000 acres of valuable farm lands.

The little amendment I will offer will be only four words, and it will be in line 16 on page 9: "or for acquiring lands." That is, that they will not be permitted to use any of the money that we are giving them to construct the Garrison Dam, to buy farm lands and to drive the farmers from their homes.

We have no objection to the building of the dam even beyond the 1,830 feet, because some time, in a hundred years or so, there may be some necessity for it. There will be no necessity for it during our lifetime.

I hope the committee will accept this simple little amendment which will compel them to build the dam according to the mandate of Congress, and not go out and become real estate men and buy up villages and farm lands by using the funds that are intended for the construction of the dam. It will take at least another 12 years after the dam is constructed to get that water raised to 1,830 feet if we continue to use the water as we should for flood control and for power. Then the water will never get up to 1,830 feet, yet they want to raise it to 1,850 feet, and they have created a feeling of uncertainty among at least five or ten thousand families unnecessarily. We are just trying to hold these engineers where they belong. I have great respect for their ability. I want them to construct the dam, and then, if in a hundred years from now future generations or the Congress wants to let them raise it, that is all right. We will be in the other world then, and we will look at this little flurry as not having amounted to much. We are willing to let succeeding generations deal with the future height. But the time is here now that we should limit and keep the engineers within the limitation. We are adding nothing to the limitation. We are just closing up the loophole through which they always slip to avoid the mandate of Congress.

At the proper time I shall offer that amendment.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from North Dakota yields back 1 minute.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 10 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, I am not going to read all these documents I have before me but I am going to give you the history of this Williston situation. I live there; I live where the Yellowstone

River joins the Missouri, and that is where Williston is located. The Garrison Dam is about 150 miles to the east of us.

The first document we ever heard of in Congress that mentioned this dam at all was House Document No. 475 of the Seventy-eighth Congress in 1944. At that time it provided for the building of this Garrison Dam under control of the Army engineers. A little later there was published Senate Document No. 191, in which the Bureau of Reclamation brought in their program and that was to take the water out of the Missouri River west of Williston, take it down through the high country and let it flow by gravity into the eastern part of North Dakota where they needed water. That was called the Sloan plan. The first one was called the Pick plan. I was here in Congress when both of these came in. Congress did not know what to do about them so they sent the Army engineers and the engineers of the Bureau of Reclamation out to get together on a common plan; and they did, and that is embodied in House Document No. 247. That was the Sloan-Pick plan, the development of both of these projects.

At no time in the history of this development did the Army engineers ask for more than 17,000,000 acre-feet of a pool. Even in the joint report they did not ask for more than 17,000,000 acre-feet; they have never been authorized to raise the water to 23,000,000 acre-feet. If they are allowed to do it they will drown out a city of 10,000 people; they will drown out the only railroad in and out of that town; they will drown out three reclamation plants now in operation that cost $5,000,000.

Let me say to the gentleman from Michigan that we are not asking for more money; we are trying to save money, and we can save enough right here if we adopt the amendment offered by the gentleman from North Dakota [Mr. LEMKE] to build the Michigan program; save enough to build the one the gentleman from Mississippi [Mr. RANKIN] wants. I will tell you what they will have to buy to raise that dam 20 feet: They will have to buy 90,000 acres of our best land, productive land, river-bottom land. It will cost them $5,000,000 to buy that land. Shut them off from buying that until it is necessary to do so. We are willing to make our contribution for the benefit of the people down the river, we are willing to take some loss, but in doing that do not let the theory be adopted that they can take any more than is necessary.

The Bureau of Reclamation says that an 830-foot dam is all that is necessary for flood control, navigation, power development, and irrigation. They talk about irrigation. They cannot irrigate anything if they fill the valley full of water. There will still be the bottom of the Missouri River, and you know what the Missouri River said to the hills:

> This is my land. I made it with the aid of the sun and the sea—you can have the hills and the uplands. But this bottom belongs to me.

That is what they are trying to do and this committee has been kind enough to say to them: "You cannot put this elevation more than 1830 feet now" but if you do not hold them back they will go and buy 90,000 acres of land and shut it off from production, they will take it off the tax list and own it and then there will be nobody to object to the dam and they can go ahead with a high dam.

I know, of course, they are the Army engineers, and they are as hard to catch as an eel in a barrel of bear grease. I want to shut them off. I do not want to leave it up to them. I am perfectly willing to let this Congress say to us, "We are going to drown you out, we are going to raise that dam," but I do not want the Army engineers to tell me that.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from Michigan.

Mr. RABAUT. No one has more admiration for the distinguished gentleman now addressing the committee than I have and no one is more regarded for his sincerity, but, you know, if we were to abandon the Army engineers we could save millions of dollars every year, then we could start engineering here on the floor of the Congress. But the Congress in its wisdom has never seen fit to do that.

Mr. BURDICK. The gentleman is taking his time out of my time.

Mr. RABAUT. I will yield the gentleman a few more minutes. The Congress has never seen fit to do that.

The question raised here is this: When they make purchases of land they make huge purchases of land, as the gentleman well knows. There is a question here as to what the level of that impounded lake should be. The question is over a 20-foot additional elevation.

In deference to those who are in the territory, like the gentleman, and also the gentleman from North Dakota [Mr. LEMKE], who spoke previously about it, we have held it at the required height which they have suggested. The entire project, however, involves the building of a dam of a higher level with a spillway at the desired height which the gentleman suggests.

Mr. BURDICK. Yes.

Mr. RABAUT. If we only permit the purchase of land for that lower level, and later are required to raise the level, the Government would be forced to purchase all the improvements that had been made adjacent to the lake to be created in order to extend the water boundary to the higher level. So in that way we figured that thousands of dollars will be saved by the Army engineers taking a further extension of land but not using it to impound the water at the present time, inasmuch as the construction of the dam is built for the higher level which they say is the sound project for the particular purpose.

Mr. BURDICK. That is what I thought. That is where I thought the gentleman got his information.

Mr. RABAUT. I got my information, as does the committee, from the Army engineers. They are an expensive group of individuals and they advise us.

Mr. BURDICK. That is all right. Now, you go on the theory that the land around this lake will be valuable, and if you do not buy this land now, when you need it 50 years from now the land will be too high. I will assure you right now that the land around that lake will not be any more valuable in the next 50 years than it is today, because there is no direct benefit coming to the local people from that dam. There is no irrigation. The only benefit that comes to them is power development. They have one generating plant at Fort Peck now, and have room enough for three more. They have capacity enough to light up the whole country for 500 miles already. What we are going to lose is our land and our cities and our railroads when it is not necessary to accommodate the people further downstream. Did you take that into consideration? The evidence is uncontrovertible from the testimony of the Army engineers themselves, before a committee that I attended, that they did not know but what 1,830 feet would be enough; they were not sure. But, they said that in the next 25 or 30 years the silt might form in the bottom of the river and it might have to be higher. Let us wait until the 30 years comes around, and I will be willing to sit down and examine it with them at that time, and if it is necessary to raise the dam, go ahead and raise it, but do not tell me that we are receiving benefits from it, because we are not. And, you will buy the land cheaper after you put the dam in than you can buy it now. All purposes can be accomplished by a dam of 1,830-foot water pool level, and do not spend more money than necessary. Do not take away our lands on which we live; do not destroy our tax system; do not destroy our city; do not destroy our railroads; do not destroy three presently operating irrigation projects; when it is not necessary!

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. HORAN].

Mr. HORAN. Mr. Chairman, I have taken this time because I would like to discuss something that I think is still a little bit vague in the minds of some of the folks in this House, and that is the foundation for the assumption of a 15-percent reduction in cost of the construction of these projects.

There is one thing that is important to me. That is this: When we start a project, I would like to see it finished as quickly as efficient construction schedules will permit. I think we save in interest on invested capital and we make a definite saving and a benefit by getting results and revenue from these projects as soon as possible. For that reason I would like to discuss briefly here something about this 15-percent reduction in cost.

I commend the Committee, if it is true, that by making this 15-percent reduction in cost that they can force contractors to be more efficient. I am informed that the figures on some of the contracts let on some of these projects are below those which the Army engineers had estimated. That is all very good. But, if in assuming that we can safely make this 15-percent reduction in cost we will slow down the construction of these dams and find that the reduction is not so, we are making a mistake this afternoon. I do very much admire the members of this committee for the faithful job they have

done in examining the estimates of this budget. I know they have done a competent and praiseworthy job in trying to hold down the cost of the work to be accomplished under this bill.

More than anything else, Mr. Chairman, I want to compliment the committee in its effort to force down construction costs by encouraging contractors to be more efficient. I have, however, been reading dozens of economic reports and forecasts in the past few days and I have yet to find one which states with such clarity, finality, and assurance the news that we all have been waiting for—that the cost of construction actually will be reduced by 15 percent in the coming year.

Steel, I understand, is down—let us hope with some permanency. Labor, I understand, is becoming more productive, and so I hope the committee is correct in its assumption—even though the President's Council of Economic Advisers disagrees. It perhaps is only a coincidence that the chief economic adviser to the President, Dr. Edwin G. Nourse, has been touring the country the past 2 weeks telling people that prices are not going to fall, that we are only leveling off, and that the coming year will be another year of "great prosperity"—which, in my language, cannot be accompanied by any 15-percent reduction in prices. But the committee says costs are going down, and for the sake of speeding up the construction schedules on these projects so that we can save money by completing them sooner, I hope that they are right.

I am sure it is only coincidence, Mr. Chairman, that wage scales for construction workers in the Pacific Northwest are still going up. Indeed, a news dispatch which came to me only yesterday tells of a Federal agency—the Bureau of Reclamation—giving its wageboard employees increases of from 15 to 21 cents per hour. However, I am glad to know the committee says costs are going down.

I have checked the stock boards, commodity prices, and the other pertinent indicators of economic activity. I find some agricultural prices down, but I can find no sign of reduction of prices in commodities used in construction of dams, flood walls, and power plants. But I do hope the committee is right when it says the cost of construction is coming down.

I say very seriously that I hope the committee is correct in its estimate—although plenty of evidence available to the public and we other Members of this House indicates more in the direction of Mr. Nourse's leveling off—because we desperately need every bit of work done on some of these items that can possibly be done next year.

Time and time again, Mr. Chairman, my colleagues from the Pacific Northwest States, the most competent witnesses of the Army engineers, the representatives of the operating public utilities in the Northwest power pool—all of us have taken turns in trying to impress upon Congress, the Bureau of the Budget, and the Nation in general that there is an acute shortage of electric power in the Northwest; that that shortage can be effectively offset at the least cost to the country only by an accelerated program of Federal hydroelectric dam construction; that the only way to build these dams and get that power on the wires was to give the Army engineers the money and tell them to go ahead.

Last year they tried to tell us there really was no power shortage—that there was no hurry about these dams. So we had a brown-out last winter—just these last 3 months—industries were shut down to save electricity for home cooking, clocks ran slow, new businesses just couldn't open, transformers and generators worked at dangerous overloads trying to meet the demands.

So now the committee, after carefully studying the evidence and weighing all the facts, has decided to reduce the amount of work to be done on McNary and Chief Joseph dams—the two great hopes of an early solution to the power shortage—by 15 percent, and to throw out entirely a third dam which was scheduled to produce 195,000 kilowatts by 1954.

I merely want to call the attention of this committee to the fact that the action taken here today will actually complicate, rather than alleviate, that power shortage. Under the schedule set up by this bill, with all the work that can be done in the next 5 years, in 1955 the Pacific Northwest still will gain a margin of available power capacity above firm power requirements—not including any expansion of the light metals industry - of less than 100,000 kilowatts.

Now let us contrast that course with the statement which the acting chairman of the National Security Resources Board, Mr. John R. Steelman, made on March 7 of this year to the effect that an accelerated construction program—not a routine, mind you, but an accelerated program—on McNary, Chief Joseph, Ice Harbor, and Detroit projects is essential for national security.

It is known, Mr. Chairman, that competent authorities within and without the administration have stated that the needs for more power in the Northwest could best be met by granting an appropriation of $21,375,000 for Chief Joseph Dam in fiscal 1950. The Budget Bureau cut that to $5,000,000 and this committee has reduced that another 15 percent.

Last fall, Mr. Chairman, we had the spectacle of a man coursing through our part of the country labeling the Republican Party and the Eightieth Congress as saboteurs of the West. I have made these remarks only to help keep the record straight regarding who is responsible for the actions taken here today.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, I appreciate the courtesy of the committee in giving me this 5 minutes in which to take my hair down and talk about flood control in Los Angeles County, Calif.

I should like to point out something that seems to me to be very incongruous in the general program of flood control insofar as the area of the United States known as Los Angeles County is concerned. There are nine and a fraction congressional districts in Los Angeles County, and probably the largest flood-control project in the United States outside of the Mississippi River is located in Los Angeles County. That county has a population of 4,000,000 people. Somebody mentioned a while ago the subject of taxes paid to the Federal Government. I believe the records will show that the people of Los Angeles County pay about $1,000,000,000 a year into the Federal Treasury in income and other taxes.

The thing to which I call your attention, and I speak particularly to the gentleman from North Carolina [Mr. KERR] and the gentleman from Michigan [Mr. RABAUT], is that the remaining additional funds needed to complete the Los Angeles County drainage area project after the fiscal year 1950 are $204,874,400, and the appropriation carried is $7,500,000. If you divide the 204,000,000 by 7,500,000 you will find that at that rate it is going to be 27 years before the project is completed, and by that time most of us here will be dead and gone.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. McDONOUGH. The $7,500,000 according to the terms of the bill, as I understand it, are to be cut 15 percent.

Mr. HINSHAW. I understand that. But I would like to call the attention of the gentleman from North Carolina and the gentleman from Michigan, the gentleman from New York and the gentleman from Massachusetts, all members of the subcommittee, to the fact that if you take the final figure at the end of the table at page 353 of the hearings, you will find additional funds needed to complete all the flood-control projects authorized in the United States after 1950 to be $1,542,438,600 and that if the total allowances made by the committee in the pending bill of $321,000,000 is increased by the $50,000,000 which is carried over, total $371,000,000, is divided into the amount that still remains to be spent, it will only take about 4 years to complete all the rest of the projects in the United States.

It seems to me wholly unreasonable, and I am sure the gentlemen of the committee will agree, that while all of the projects in the United States can be completed in 4 years at the present rate of appropriations that the project in the Los Angeles County drainage area at its rate of appropriation is going to take 27 years. I do not blame that fact on the committee, because I know the committee has followed the budget. I make no derogatory statement in connection with the treatment of Los Angeles County by this committee.

But I point out that if the Bureau of the Budget is going to treat Los Angeles County that way, it will take another 30 years approximately before we get these projects finished, and by that time goodness knows what will happen in the way of flood, loss in life, and property.

I would like to know from some member of the committee whether they religiously are going to follow what the Bureau of the Budget recommends, or

whether they are going to set up a plan of their own on the basis of rhyme and reason. This project has been in existence some 13 years and if it is going to take another 27 years, that will be a total of 40 years to complete the project. That is ridiculous.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. RABAUT. We had a very distinguished group before our committee that spoke very much in the vein that the gentleman is speaking in now.

Mr. HINSHAW. Yes; I was present at the time.

Mr. RABAUT. I said to one of the gentlemen, "We would be very glad to complete these projects, but would you permit the Congress to go ahead and raise taxes a little bit so that we could raise some money?"

He said, "No; absolutely no." Where are we going to get the money? I do not want to quote my friend the gentleman from Pennsylvania [Mr. RICH] today, but I just want to ask the gentleman, How do you figure that all of these projects can be finished?

Of course, we all know that it would be very fine to finish your project.

Mr. HINSHAW. I would like to say to the gentleman, as I said in the first place, that we pay $1,000,000,000 a year in taxes in Los Angeles County, and we think that we contribute our share very neatly. We do not believe there is any argument on that score at all.

Mr. RABAUT. Of course the gentleman who is now addressing us very ably represents his district.

Mr. HINSHAW. I thank the gentleman. I am not criticizing the committee, but I am criticizing the Bureau of the Budget for its failure to place in the budget funds adequate to complete this Los Angeles County flood-control project within a man's lifetime when it is recommending appropriations to complete other projects in only a few years.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. RANKIN. Does not the gentleman think that the Congress of the United States is just as competent to pass on these things as a few men down at the Bureau of the Budget?

Mr. HINSHAW. Yes; I do, and it should.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. MACK].

Mr. MACK of Washington. Mr. Chairman, as a member of the Committee on Public Works, I know a little about a great many river and harbor projects. As a representative of the State of Washington having in my district most of the territory on the sea-coast counties of the State, I know a great deal about one particular project in that State which is involved in this bill. It is about that project—the Westhaven-Point Chehalis project—I speak to you today.

Grays Harbor is one of the three major harbors of the Oregon-Washington coast. In the 1920's as many as 1,500 big ocean vessels entered and cleared this port annually. Grays Harbor shipped more lumber than any other seaport in the world. Ships of the Victory and Liberty class use this harbor.

To maintain deep water at the harbor entrance two great jetties were built at the entrance to the harbor. These provided a narrowed channel through which water funnelled swiftly to sea thereby creating a current that prevented the silting up of the channel at the harbor entrance.

These jetties were not built to protect the shore lands. There was no erosion of the shore land before the jetties were built. There was no erosion of the shore land after the jetties were built until the last few years when great storms drove a hole 2,400 feet wide through the south jetty.

In stormy weather, great waves break through this 2,400-foot breach in the jetty and sweep shoreward and are eating a big hole in a long, narrow peninsula that divided the sea from the inner bay.

This peninsula, which divided the sea from the inner harbor bay, is about a mile and a half long and varies in width from 300 feet near its tip to about 3,200 feet, or about half a mile, at the peninsula's base.

On this inland bay, protected from the sea only by this narrow peninsula of land, is one of the most important fishing bases on the Oregon-Washington coast. Last year, over the docks of this fish basin, were handled 1,821 tons of fish, mostly tuna, salmon, and crab, and fishermen were paid $1,808,000 for the catches they landed there. Processed and canned, the fish which passed over this Grays Harbor dock, probably had a value of more than $5,000,000.

Around the fish basin that has been built just inside this long, narrow peninsula of land are commercial, local, and Federal Government installations which cost one million to one million five hundred thousand dollars.

If this peninsula of land, known as Point Chehalis, which protects this fish basin from the sea, is washed away as a result of the tides now driven through this 2,400-foot break in the jetty, all of these installations will be destroyed utterly and completely, with great loss to the fishermen, the fish companies, and to the local and Federal governments.

The best way to protect this fish basin from such destruction, in the opinion of the United States engineers, is to build a rock wall 7,500 feet long around this point of land. The cost of such a project will be $3,780,700, according to present estimates.

The budget recommended only $800,000 to start this work during 1950. The Appropriations Committee in this bill proposes to reduce the amount available for this work during 1950 by 15 percent, or to $680,000.

On that basis it will require 4 to 5 years to build the rock wall that will safeguard Point Chehalis and protect its $1,500,000 worth of installations from destruction.

How serious is this threat to this $1,500,000 fishing base? Let us see what the engineers had to say.

During the authorization hearings, I questioned Colonel Jewett, of the United States Army engineers, as follows:

Mr. MACK of Washington. I am informed, Colonel, by the port engineer for Grays Harbor, that as a result of this break in the jetty the entire point—Point Chehalis—may be washed out to sea, thus destroying the complete cove with all its installations.

Colonel JEWETT. That is correct.

Mr. MACK of Washington. If this cove should be destroyed by the sea, this fishing base then would have to be moved 1½ miles inland, behind the railroad tracks, and a new mooring basin established?

Colonel JEWETT. In addition to which there would have to be additional jetty work along the railroad tracks.

In effect, Colonel Jewett was saying when I questioned him in committee that if this area is washed away the result will be that the Government will have to build a new fish basin far inland, dredge out a new base, and the county, private owners, and Federal Government rebuild all of their installations, which include a lifeguard station, large docks, large canneries, icing stations, fuel stations, and many other facilities.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield.

Mr. DONDERO. What is the estimated cost of the project?

Mr. MACK of Washington. The estimated cost of the project is about $3,700,000, which was authorized last year as an emergency project. This bill allows $680,000 for a start on the work. I am advised if the work is only started, the whole cove may be washed out and destroyed in next winter's storms.

In relation to this Coast Guard station, let me say that in the report that was submitted by the district engineers concerning this project, they spoke of the Coast Guard station located at Point Chehalis in these words:

In addition to the commercial benefits to be derived, the present location of the West Haven facility provides a readily accessible harbor or refuge for off-shore fishing craft, and also provides a most advantageous base for the Gray's Harbor lifeboat station, one of the most important Coast Guard stations on the Oregon and Washington coast.

Over this dock last year were handled 1,821 tons of fish, for which the fishermen were paid $1,808,000, and which when processed had a value of more than $5,000,000. Last year was not a peak year for fishing landings at Point Chehalis. Last year was below the average of the last few years. This port has had fishing years in which twice as much fish were handled over this dock as were landed there in 1948.

The CHAIRMAN. The time of the gentleman from Washington [Mr. MACK] has expired.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS. Mr. Chairman, I do not think the record is quite clear yet on the application of the 15-percent reduction provided for with reference to these flood-control projects.

Mr. Chairman, I would like to have the attention of the committee that I may ask some questions.

I refer the chairman of the committee to page 348 of the hearings. Under the projects listed for the State of Nebraska is the Harlan County Reservoir. Work has been under way on that project for several years. The Bureau of the Budget, you will notice, recommended $12,500,000. There will be an unobligated balance on June 30 of this year of $310,000. My question is: How much money is being appropriated in this bill for that project? Can the chairman answer that question?

Mr. RABAUT. The gentleman asked the same question when he was on his feet before.

Mr. CURTIS. No; this is the first time I have asked about this project.

Mr. RABAUT. I answered the gentleman's question before. At least I thought I answered it.

We have appropriated a sum that will permit the fund allocated to this project to be used for this project.

We appropriated for all the projects with the intention that the amount requested for 1950 construction of this project should be $12,500,000. Additional funds necessary to complete this project are $16,675,000. That was the estimated figure at the time this project was started.

Mr. CURTIS. How many dollars are you appropriating in this bill for the Harlan County Reservoir?

Mr. RABAUT. Twelve million five hundred thousand dollars is the sum that is set within the discretion of the engineers to use. It is not earmarked for this project, as I told the gentleman before; nor is it earmarked for any other project.

Mr. CURTIS. If the gentleman's statement is correct——

Mr. RABAUT. It is correct.

Mr. CURTIS. It is my understanding the Army engineers are obligated to adhere to the tables set forth in the hearings. My question relates to the application of this over-all 15-percent reduction.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. CURTIS. I yield.

Mr. CASE of South Dakota. There has been the unviolated understanding between the Appropriations Committee and the Corps of Engineers over a long period of time that when they present their budget estimates, with a break-down or table showing how the total request will be applied, except for the exceptions that may be noted in the committee report or in a specific statement by the chairman of the committee or the ranking minority member, that those allocations will be followed by the Chief of Engineers in expenditures.

Mr. CURTIS. That is my understanding too, and that is why I was surprised at the statement of the chairman of the committee when he said that nothing here is earmarked. I hope that before this measure becomes law this matter concerning the reduction, if there is one, will be clarified.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. WIGGLESWORTH. Mr. Chairman, I yield such time as he may desire to the gentleman from Montana [Mr D'EWART].

Mr. D'EWART. Mr. Chairman, I note with great disappointment that the Appropriations Committee has not included in the bill now before us, providing funds for the Civil Functions of the Corps of Engineers, the funds we requested for construction of a flood control at Havre, Mont.

We have a very serious flood-control problem at Havre, which is the leading town of northern Montana, a railroad and agricultural center of great importance. Floods are a common occurrence each year when the snow thaws, and can be expected whenever a serious thunderstorm hits the drainage area of Bull Hook Creek. The losses from these floods are severe, and the imminence of floods has curtailed desirable expansion of the city in many instances.

The flood-control project in which we are interested is referred to as the Bull Hook project. It would take only $400,000 to begin construction of the project in fiscal year 1950, and it could be completed in the following fiscal year with a slightly larger appropriation. The project was authorized by the Flood Control Act of 1944. Plans and surveys were completed more than a year ago. Twice the Bureau of the Budget has refused requests for funds. In view of the small cost of the project as compared to the losses its construction will prevent, this appears to me to be false economy.

I have made every possible effort to secure the required funds during the past 2 years, and I shall continue to do so. An emergency situation exists at Havre this spring. Millions of dollars are being spent on the repair of the damage resulting from floods and on relief to flood victims. Certainly it is unwise to refuse to spend $400,000 on a sound project to prevent floods.

I regret exceedingly the action of the committee in denying this desperately needed project.

Mr. WIGGLESWORTH. Mr. Chairman, I yield such time as he may desire to the gentleman from Oregon [Mr. ANGELL].

Mr. ANGELL. Mr. Chairman, I am interested in McNary Dam and the Chief Joseph Dam on the Columbia River.

Neither one of these projects is in my congressional district.

You will probably recognize the Chief Joseph project as Foster Creek. The name has recently been changed.

Mr. Chairman, I represent the Third District, which is Multnomah County, Oreg. That comprises a great industrial center, and all of these projects on the Columbia River furnish power down to my district.

All the power in the Columbia River is put into a pool, not only the public power, but private power as well.

So these additional projects are of just as much interest to me as Bonneville itself, which is in my congressional district on the Oregon side.

I think the difficulty we have been experiencing there has already been detailed to you, and that is the lack of adequate power to carry on our ordinary operations.

As a matter of fact, industrial operations have had to be curtailed and it has been necessary to cut down some of the pot lines in the aluminum works and they have had to black out quite a bit the power that is used for advertising purposes, lighting, and that sort of thing, because there is just not sufficient power under the present generating capacity to supply the demands.

All of the generating facilities are working overtime. As a matter of fact, last year we used 14 percent more power than it was anticipated those facilities would produce.

We produced in the calendar year 1948, 47 percent of the aluminum produced in the entire United States. Fifty percent of the power from Bonneville and Grand Coulee was taken for the production of aluminum. That is about 30 percent of the power produced in the entire northwest area.

That shows that the production of aluminum is one of the heavy demands on the power industry.

Also, the atomic plant, the atomic plant across the river in Washington, is also another large user of this power.

The development of power is not only essential for the economy of the Pacific Northwest but also for our rearmament program. During the war it was very essential to carrying on the war, especially in lumber, ship, and airplane production.

The McNary Dam, as you know, is in the process of construction. We endeavored last year to get some additional funds. The Army engineers recommended more money than was allowed, and, as you will recall, in your deficiency appropriation this year you allowed $8,000,000.

It will take, the engineers tell us, an additional $40,000,000, which is carried in the budget, to carry on the work of McNary Dam during this coming fiscal year.

That is in addition to the $8,000,000 that is included in the deficiency.

We have need and necessity for the project.

Of course, it is an economic advantage for the Federal Government to produce the power as soon as possible. If we do not get substantial allocations for the completion of the construction work, of course, it puts off the construction an additional year or so because of high water. You can only work at certain stages of the water there on the dam, so that if funds are not available to utilize all of the free time available between high water, you are necessarily putting off the work for an additional year.

We feel that these additional funds are not only justified in order to continue the construction as speedily as possible, but also because the revenues will be coming in that much quicker to the United States Treasury.

The Chief Joseph Dam is another dam farther up the river. It was formerly called Foster Creek. That is just in the early stages of construction.

We were allowed only a nominal sum of $42,000 in the Eightieth Congress to begin the work, and there is in the deficiency request $1,500,000.

Three million three hundred thousand dollars was requested, but, I believe, in

the deficiency bill only $1,500,000 was carried, as I have said.

The Bureau of the Budget allotted $7,209,000. The bill, however, carries only $5,000,000 for Foster Creek for the coming fiscal year.

These two projects, of course, tie in together because they both furnish power and put it in the common pool.

As a matter of fact, the Chief Joseph Dam is largely a power production project. There is not much in the Chief Joseph except power, although it does have some reclamation.

We feel that in the interest of our own economy there in the Northwest, as well as in the interest of the Federal Government as a whole, these projects are most essential.

In presenting its budget for the fiscal year 1949, the War Department included $32,000,000 as its request for work on McNary Dam. In line with general policy on the 1949 estimates this was decreased to $30,000,000 before it was presented to the Congress. The final action of the Congress made further reduction of $8,000,000 so that the amount ultimately available to the Army engineers was only $22,000,000. The net effect of these reductions was to postpone work on McNary Dam so that the date at which initial generation could be expected was changed from December 1952 to December 1953 which is the present schedule.

A supplemental estimate of $17,000,000 for the fiscal year 1949 was presented to the Bureau of the Budget in the fall of 1948. The estimate submitted to the Congress was only $8,000,000 and this estimate has been approved in the House bill on which action has not been taken by the Senate—First Deficiency Act, 1949. This reduction from $17,000,000 to $8,000,000 has not yet had the effect of modifying the accepted schedule for energization of the first generating unit in time to meet the peak loads of 1953–54 but will inevitably have this effect if corresponding action is taken between now and 1954 in the course of appropriations approval.

In its 1949 fiscal year estimates the Army engineers requested $700,000 for preconstruction investigations at the site of the Chief Joseph Dam. Budget Bureau action reduced this amount to $625,000 and the final appropriation by the Congress amounted to only $42,000 which was not sufficient to permit assembling the nucleus engineering force at the dam site.

Supplemental estimates for the fiscal year 1949 were presented to the Bureau of the Budget in the fall of 1948 in the amount of $3,300,000 to cover engineering surveys, test drilling, and the assembling of a construction force at the site of the Chief Joseph Dam. This estimate was reduced to $2,000,000 at the time it was presented to the Congress and in the House bill—First Deficiency Act, 1949—only $1,500,000 is now included. The net effect of the reduction will mean a delay of at least 1 year in the power facilities from December 1955 to December 1956.

The 1950 estimates of the Army engineers for the Chief Joseph Dam were presented to the Bureau of the Budget in the amount of $7,209,000 and this estimate was reduced in the budget action to $5,000,000.

Mr. Chairman, it is my understanding that if experience shows that the 15-percent reduction made by the committee is not saved in construction costs the committee will allow deficiency appropriations to make up the deficits. I am not at all certain from reports coming to the Public Works Committee, of which I am a member, that 15 percent can be saved. I want to serve notice now that if such savings cannot be made that we will be petitioning the Appropriations Committee for additional appropriations.

Mr. WIGGLESWORTH. Mr. Chairman, I yield such time as he may desire to the gentleman from Idaho [Mr. SANBORN].

Mr. SANBORN. Mr. Chairman, I find myself in disagreement with the recommendation of the committee for cuts on flood-control items. I urge the bill be increased to the full amounts recommended by the Bureau of the Budget.

It is false economy, it appears to me, to approve the bill as reported by the committee. To make any curtailment of the flood-control projects will only add additional cost to the taxpayers. Already, this year, the Corps of Engineers has had to use emergency funds to prevent flood damage, and there is every indication that more of such funds will be needed to prevent serious and devastating damage. And this is all right and should be done. I am not discrediting the need for this work. The point I am making is that much of this emergency work that has been done and will be required before this year's flood season is over is only temporary. Much of it will need to be done again next year unless some permanent work is accomplished. It is not permanent, and we will be faced with the same emergency trouble next year.

Idaho, with several of the Western States, has suffered a hard and long winter. Because of such unusual snowfall there is danger of serious flood this spring. As a matter of fact, we have already had to do some work to prevent damage from the flash floods and ice jams that have occurred. There has been an unprecedented amount of snowfall on all watersheds in Idaho this winter.

The people of the State of Idaho have made an heroic effort in withstanding the rigors of winter and are already preparing for the emergencies that may arise because of floodwaters. But I believe they deserve some real assistance from the Government in this work and should not be deprived of such aid by action of this, the Eighty-first Congress. And should not have their authorized flood-control projects slowed up by the reductions as reported by this committee.

As I understand the committee bill, the reduction recommended by the committee will amount to 25 percent or more of the amount requested by the Bureau of the Budget. The committee, in the report on the bill, estimated that construction costs since last November have or will decrease about 15 percent and part of the reduction, made in this bill, is based on this assumption. I cannot agree with this assumption. From the reports that are coming to me the bids that are coming in now are not reflecting any cut in construction costs. In fact, the bids, for the most part, are above the estimates of the bureau. There may be a decline in construction costs on the way, and I hope there is, but I do not think we should jeopardize the building of any flood-control project by discouraging bidders with this recommended cut. Many contractors are slow to offer a bid when there is a possibility it will require a deficiency appropriation to complete the project, or part of the contract they are bidding on. We have had unpleasant experiences with this before.

There is another angle that should be considered in this 15-percent horizontal cut by the committee. On the older projects authorized contracts are already entered into and cannot be reduced when paid. In meeting these full contract obligations reductions will have to be made on other projects and this could easily exceed the 15 percent indicated by the committee. If this were carried out it would simply mean that some projects would be penalized and held up, while others already under contract could be finished.

This body will soon be asked to vote for the appropriation of billions for defense and foreign relief. I cannot see the justice in depriving our own citizens of adequate Federal assistance on worthy projects to furnish billions abroad. Many of the farmers and residents in cities in Idaho stand to lose all of their investment because of flood damage this year. And they have suffered thousands of dollars of loss in previous years because of Government negligence in building flood-control projects. I urge my colleagues to vote to restore the amount recommended by the bureau for flood control.

Mr. WIGGLESWORTH. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. HESELTON].

Mr. HESELTON. Mr. Chairman, although I had hoped that the subcommittee would find it possible to include in this bill $300,000 for the initiation of construction of the flood-control project on the Hoosic River at North Adams, Mass., and $500,000 for the initiation of construction of the flood-control project on the same river at Adams, Mass., yet I recognize the difficulty confronting the subcommittee in view of the fact that it did not have before it any estimates on these items from the Bureau of the Budget. Unfortunately, there was a flood December 31 last, which caused very severe damage in these communities. This occurred after the budget had been completed. Consequently, the only course open to the people of these communities and their representatives was to present the full facts to the subcommittee in the hope that those facts would appeal to the members of the subcommittee as warranting emergency action. Even though this was not the result, I do believe that the members recognized the seriousness of the situation, and I venture the opinion that they would have so acted if there had been the estimates I believe are justified entirely in terms of the memorandum addressed to me, dated March 4, 1949, signed by Lt. Col. H. C. Gee, Deputy

Chief of Civil Works for Flood Control, Corps of Engineers, and another memorandum as to the details of the projects. They are as follows:

DEPARTMENT OF THE ARMY,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, March 4, 1949.

Memorandum for Hon. JOHN W. HESELTON, House of Representatives, Washington, D. C.

Subject: Data on Adams and North Adams, Mass., projects.

Attached hereto are data sheets which you requested in connection with the authorized projects at Adams and North Adams, Mass. The amounts shown for fiscal year 1950 are the minimum amounts estimated to be required in order to secure reasonable bids for continuing construction contracts.

H. C. GEE,
Lieutenant Colonel, Corps of Engineers, Deputy Chief of Civil Works for Flood Control.

DATA ON NORTH ADAMS, MASS., PROJECT

The North Adams project was authorized in the 1936 and 1941 Flood Control Acts. The project will consist of channel improvements and reinforced concrete chutes with a total length of about 29,000 feet together with a debris basin, a stilling basin, and appurtenant works on the north and south branches and the main stem of the Hoosic River at North Adams. The project will protect North Adams and the adjacent Braytonville area against floods somewhat greater than the maximum of record which occurred in 1927 on the north branch and 1938 on the main stream.

The total estimated Federal cost of the North Adams project is $13,167,900. Funds in the amount of $80,000 have been appropriated for planning of the project. No funds for initiation of construction have been appropriated to date.

The flood of December 1948 demonstrated the need for early initiation of construction of the project. Deterioration of the existing channel during that flood indicates that damages from future floods will be considerably greater than those experienced in the past. Recurrence under present conditions of the 1927, 1936, 1938, and 1948 floods would alone inflict damages estimated at $11,719,000. Construction of the project would eliminate those damages. Average annual benefits for the project are estimated at $714,400.

Planning of the North Adams project is now advanced to the point that will permit initiation of construction of the project during fiscal year 1950. The amount of $800,000 could be applied during fiscal year 1950 to a continuing contract for channel excavation and construction of the stilling-basin walls and channel paving downstream from junction of the north and south branches. The allocation of $800,000 during fiscal year 1950 would bring the project to about 6 percent of completion.

DATA ON ADAMS, MASS., PROJECT

The Adams project was authorized in the Flood Control Act approved August 18, 1941. The project will consist of about 2.2 miles of channel improvements through the town of Adams together with flood walls, levees, channel paving, and necessary appurtenant structures. The project will protect the town of Adams against floods 50 percent greater than the maximum of record which occurred in September 1938.

The total estimated Federal cost of the Adams project is $4,580,000. Funds in the amount of $22,000 have been appropriated for planning of the project. No funds for initiation of construction have been appropriated to date.

The flood of December 1948 demonstrated the need for early construction of the project. A survey of the damages caused by that flood shows that damages from future floods may be expected to be considerably greater than those experienced in the past. Adams has experienced four major floods in the past 22 years. Recurrence of those floods under present conditions would cause damages estimated at $4,015,000. Construction of the project would eliminate those damages. Average annual benefits for the project are estimated at $272,000.

Planning of the Adams project is now advanced to the point that will permit initiation of construction of the project during fiscal year 1950. The amount of $500,000 could be applied during fiscal year 1950 to a continuing contract for channel excavation and the construction of a stilling basin, flood walls, channel paving, and related works. The allocation of $500,000 during fiscal year 1950 would bring the project to about 10 percent of completion.

MEMORANDUM RE FLOOD-CONTROL PROJECTS, ADAMS AND NORTH ADAMS, MASS.

NORTH ADAMS

The existing project was authorized by the Flood Control Act approved June 22, 1936, and modified by the Flood Control Act approved August 18, 1941. (See H. Doc. 182, 76th Cong., 1st sess.)

Subsequent to a very serious flood at the end of 1948, referred to in connection with the North Adams project, the Chief of Engineers was requested to reexamine the situation resulting from this flood and did so.

This morning a report was received by messenger from the New York office, and Colonel Gee, of the engineers, reported on the salient facts leading to the conclusion that the situation is now found to be favorable in terms of the benefit-cost ratio. The following figures were given:

Local costs	$1,615,000
Federal costs	$13,167,900
Benefit-cost ratio	1.13
Annual benefits when completed	$714,400
Annual charges	$635,600
Appropriation which could be utilized to advantage in fiscal 1950	$800,000

This would cover preparation of plans and specifications and the starting of work in the spring of calendar 1950.

ADAMS

The existing project was authorized by the Flood Control Act approved August 18, 1941. (See H. Doc. 182, 76th Cong., 1st sess.)

Subsequent to a very serious flood at the end of 1948, referred to in connection with the North Adams project, the Chief of Engineers was requested to reexamine the situation resulting from this flood and did so.

This morning a report was received by messenger from the New York office, and Colonel Gee, of the engineers, reported on the salient facts leading to the conclusion that the situation is now found to be favorable in terms of the benefit-cost ratio. The following figures were given:

Local costs	$520,000
Federal costs	$4,580,000
Benefit-cost ratio	1.16
Annual benefits when completed	$272,000
Annual charges	$234,000
Appropriation which could be utilized to advantage in fiscal 1950	$500,000

This would cover progress on planning and starting work in the spring of calendar 1950.

In both instances, there were several reasons for the result as to the benefit-cost ratio. First, there has been a modification of the two projects in some degree in which local interest concerned concurred. Next, the reinvestigation showed that, as a result of the damage incurred in the recent flood, there would be additional benefits by reason of flood protection. Next, the review showed that industries in the area had expanded their building construction and occupancy. Finally, a growth of building of all types in the area has resulted in making more property susceptible to any further floods.

I would like to outline briefly the background of these two projects.

The Hoosic River flows generally north and northwest in Berkshire County. North Adams is situated on the river about 14 miles below the source of the North Branch. Adams is situated on the river about 6 miles below the source of the South Branch. The branches join in North Adams.

Both the town of Adams and the city of North Adams are primarily industrial communities. The most recent figure I have on the population of Adams is 12,724. There are 18 establishments, employing 3,459 wage earners, with an annual pay roll of $6,361,000. The annual value of the manufactured products is $12,328,131.

The most recent figure I have on the population of North Adams is 22,230. There are 30 establishments. Nine of the principal manufacturers employ approximately 75 percent of the wage earners, having a total of 5,259 workers and an annual pay roll of $12,529,000. In addition to the industrial activities there is a substantial agricultural area on which dairying, the raising of poultry and eggs and general farming is conducted, with products of a large value. In both communities conservation, recreation, and education contribute heavily to the economic life.

In November 1927, these two communities suffered very severe damage as a result of the largest flood of record. I might say here that no accurate records of floods prior to that date have been located although it is known that there were previous floods and it has been officially established that flood damage has occurred along this river on an average of once in every 3 to 5 years. The magnitude of the 1927 flood, coupled with the repetition of the flood in March 1936, undoubtedly was one of the prime factors in the authorization of the Federal project in June 1936, as well as the main reason for the request for the review in February 1937.

The flood of March 1936, did not result in as substantial damage as the 1927 flood. But its occurrence, together with the frequency of other, less serious flood damages, created a situation which was and has continued to be one of increasing anxiety. This was intensified by the flood of September 1938, at the time of the hurricane in New England, when again these communities suffered damage approximating that of the 1927 flood.

Yet although the United States engineers were constantly interested in a program of flood protection, on the basis of the evidence which could be developed, it was not possible to establish the requisite benefit-cost ratio.

In the last days of December 1948, this area was once more visited with another flood. This resulted in further damage to these two communities in an amount which will undoubtedly exceed that resulting from any previous flood. The sit-

uation was so grave that the Governor of Massachusetts recommended to the legislature an emergency appropriation of $2,000,000 to be used in assisting communities which were victims of the flood. This recommendation was carried into effect immediately by the legislature and emergency work is now taking place in Adams and North Adams, as well as other communities which suffered damage. This was a most unusual action and is a clear indication of the recognition throughout the State of the extent of damage resulting from this flood as well as of the continuing threat to these and other communities in the event of another flood before some reasonable measure of flood protection can be created.

The latest information which I have received indicates that the Commonwealth of Massachusetts is now in the process of spending on town roads and bridges, State highways and channel and stream clearance and other corrective measures $392,480 in North Adams and $191,000 in Adams, or a total of $583,480 of the entire appropriation of $2,000,000.

In Adams the best estimate I have of the real value of all property is $32,932,000. More than one-third of this property is directly affected by floods.

The best estimate I have now on the damage from the 1948 flood is $1,775,000. This, added to the damage by reason of the floods of 1927, 1936, and 1938, amounts to $2,748,580. With damage occasioned by recurring high water, not classified as floods, the financial burden is obvious.

I do not have at this moment the total expenditures by this community from 1927 to this date to remedy flood damage but I do know it has been a very heavy local burden.

In North Adams the best estimate I have of the real value of all property is $44,000,000. At least one-half of this property is directly affected by floods.

The best estimate I have now of damage from the 1948 flood is $2,101,500. This, added to the damage by reason of the floods of 1927, 1936, and 1938, amounts to $5,805,500. With the damage occasioned by recurring high water, not classified as floods, the financial burden is obvious.

The city has striven to protect itself within its means. Its total expenditures from 1927 to this date in 1949 to remedy flood damage has been $820,000. This is exclusive of industrial and private expenditures for that purpose. The county, State and WPA expended another $1,046,000 so that the total governmental expenditures in that period have been $1,866,000.

The people in these two communities are living now in constant fear of the results of another flood or of even relatively high water. All are united in their earnest request for assistance under the Federal flood-control program. Their share of the cost of such a program will be a relatively high one but there is no alternative and the officials of these communities are here today to assure the committee of their willingness to undertake their share in any reasonable program.

The industries which would be affected by another such disaster have in the past and are now doing everything within their power to protect their properties.

Immediately after learning of this recent flood, with the Senators from Massachusetts, I requested the Chief of Engineers to reexamine the situation resulting from this flood. This has been done. On March 2 I received a telephone report on the salient facts leading to the conclusion, in both instances, that there now had been found a favorable benefit-cost ratio. I shall ask permission to submit a two-page memorandum covering that report as it was made to me.

I would like to emphasize one point which substantiates the statement I have made as to the seriousness of the situation as it has developed, particularly in the last 10 years.

When the report was made in 1939 the annual flood benefits were estimated in Adams to be $7,300. The annual benefits now, following this review, are estimated to be $272,000.

At the time of the report in 1939, the annual flood benefits at North Adams were estimated to be $89,300. As a result of this recent flood and of the review, the annual benefits now are estimated at $714,400.

I assure you that if I did not believe this situation to be critical in the extreme, I would not urge it for your consideration. I have been in practically daily contact with the developments and I know the anxiety and fear under which the people of these communities are living. It is my considered opinion that unless they can receive some aid from their Federal Government, should there be another unfortunate recurrence of flood conditions, it will result in substantial injury which cannot help but threaten the very economic life of these communities. In fact, it is no exaggeration to say that it could result in such substantial damage to existing industries that they could not survive and that other industries similarly threatened would be forced to find locations elsewhere.

Fortunately, in the course of these floods, there has not been substantial loss of life. But that is certainly no guaranty that there will not be such losses if there is another flood. It is unnecessary to labor the facts that even the figures we and the United States engineers can submit will not include intangibles such as the alleviation of human suffering, protection from loss of life, and disruption of community enterprise. Nor can they take into account the peace of mind to be afforded by the knowledge that they will be protected from flood disaster, that the means of their daily existence will be preserved and that they may go forward in the normal development of their communities without the harassment of constant fear of the effects of high water and floods.

These two projects were listed in the 6-year program based on budget estimate submitted to Congress—1949 flood control, general—at page 464 of the hearings before this subcommittee last year. The construction program indicated starting in fiscal 1952 at both places. Had this December flood occurred before the budget was prepared, I have every confidence that they would have been included in the budget. I submit with all the earnestness and sincerity I possess that the United States engineers have now made findings which make it beyond dispute that a reasonable flood-control program should be undertaken immediately and that an appropriation of $300,000 for the North Adams project and of $500,000 for the Adams project could be utilized to advantage in fiscal 1950.

I would like to emphasize the point that as a result of this review we requested the engineers advise that North Adams has had recurrences of floods in 1927, 1936, 1938, and 1948, and such floods under present conditions would inflict damages estimated at $11,719,000, and in the case of Adams a similar recurrence would result in estimated damages of $4,015,000.

I would like to submit some references in regard to the flood-control projects at Adams and North Adams, as follows:

REFERENCES RE FLOOD-CONTROL PROJECTS, ADAMS AND NORTH ADAMS, MASS.

(1) "308," Report on Hoosic River, N. Y., Vt., and Mass., transmitted by Secretary of War to the Congress under date of December 15, 1930, and published in House Document 684, Seventy-first Congress, third session.

(2) Authorization of Federal project for flood control on Hoosic River in section 5 of act approved June 22, 1936, Public, No. 738, Seventy-fourth Congress.

(3) Resolution dated February 3, 1937, by Committee on Flood Control of House of Representatives requesting review of Report on Hoosic River submitted in House Document No. 684, Seventy-first Congress, third session. Report transmitted by Secretary of War to the Congress under date of February 25, 1939, published as House Document No. 182, Seventy-sixth Congress, first session.

(4) Annual Report of the Chief of Engineers, United States Army, 1948, part I, volume I, items 69 and 70, pages 364, 365, 366, and 367.

I hope and urge that the requisite estimates from the Bureau of the Budget be submitted at the earliest possible date so that the work recommended by the Office of the Chief of Engineers may be started without delay.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 1 minute to the gentleman from Kentucky [Mr. GOLDEN].

Mr. GOLDEN. Mr. Chairman, I appeared before the Committee on Appropriations on behalf of a flood project in Pineville, Ky. I referred to the report of the Army engineers and that showed that the destruction to our little mountain town down there in Kentucky was more than $1,000,000 in the year 1946. In other words, the destruction to that city in 1 year was more than the amount of money that we ask this committee to appropriate in order to protect us from flood dangers.

May I inquire of the members of the committee as to whether or not there was any appropriation for Pineville, Ky., as I can find nothing in the report about it?

Mr. KERR. There is nothing in there for Pineville, Ky.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. WIGGLESWORTH. Mr. Chairman, I yield the balance of my time to the gentleman from Iowa [Mr. MARTIN].

Mr. MARTIN of Iowa. Mr. Chairman, I appeared before the Committee

on Appropriations Subcommittee on the Civil Functions, Department of the Army, March 4, in behalf of Keokuk lock and dam on the upper Mississippi River. The Keokuk lock and dam is recommended in the proposals of the Chief of Engineers on page 1569 of his annual report, which has been published as House Document No. 4, part 1, Eighty-first Congress, first session. The Chief of Engineers' report recommended that $2,275,600 can be profitably expended during the fiscal year 1950 on the Keokuk lock. My testimony will be found starting at page 850 of the hearings on the appropriation bill for 1950, now before Congress for consideration.

I know full well that the number of projects presented to the Committee on Appropriations for development is tremendous and I know full well that the Committee on Appropriations cannot possibly appropriate funds for all worthy projects without extending the total appropriations to the point where these expenditures may jeopardize the fiscal stability of our Nation.

On the other hand, some projects are seriously in need of development because of their importance to our national economy, and it is in this category that I place the Keokuk lock.

Total tonnage of cargo transported on the Mississippi River system reached an all-time record figure in 1948 when the estimated total was 143,000,000 tons. This was an increase of 30 percent over 1947 as compared with an estimated increase of 15 to 20 percent in tonnage on all inland waterways of our Nation.

The Keokuk lock has a width of 110 feet, which is the same as the other standard-size locks in the Mississippi system, but its total length is only 358 feet instead of the standard 600 feet and the Keokuk lock is thus the shortest of the 26 locks and dams on the Mississippi River. The shortness of this lock requires many additional lockages to pass existing traffic and these additional lockages cause great delay. The average lockage time per tow at Keokuk is 2 hours and 10 minutes while at Burlington it is only 30 minutes. In other words, the inadequate Keokuk lock causes an average delay per tow of 1 hour and 40 minutes in lockage time. This does not take into consideration the time lost waiting for the opportunity to lock through and this delay frequently amounts to several hours and in some instances as much as 8 hours delay for a tow to have the opportunity to start its way through the lock. The saving in lockage time of a new lock would be over 65 days each year and that loss of time together with the delay in waiting turn for passing through the Keokuk lock places a tremendous and costly impediment on the movement of the 143,000,000 tons of annual cargo transported on the Mississippi River system.

During my appearance before the Subcommittee on Appropriations I was asked whether all freight traffic on the Mississippi must pass through this lock when it passes along the Mississipi River at Keokuk. I have brought with me today a picture of the Mississippi River at Keokuk showing the Keokuk Dam and lock so that you may see that all such freight must pass through this very short lock.

The Keokuk lock is the oldest lock on the entire Mississippi River. It was placed in operation in 1913 and is deteriorating rapidly due to age. The concrete in several places is decomposed beyond use, valves are worn excessively, and the buoyancy chambers in the main-lift gate are corroded and must be welded at frequent intervals. All these conditions make it important to replace the existing lock with a modern larger lock at the earliest possible date.

I appreciated the consideration given to this project by the Committee on Appropriations at the time I appeared before the subcommittee. While the great need for economy confronting the Committee on Appropriations prevented them from including funds for the Keokuk lock in the bill now under consideration, I have asked for this time in the debate to urge as strongly as I can the favorable consideration of the expansion of the Keokuk-lock facilities at the earliest possible date in fairness to the increasingly heavy Mississippi River freight traffic. The new lock at Keokuk is tremendously important to the industry, commerce, and agriculture of the entire Mississippi River valley.

Mr. KERR. Mr. Chairman, I ask unanimous consent that the gentleman from West Virginia and Massachusetts [Mr. STAGGERS and Mr. FURCOLO] may extend their remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. STAGGERS. Mr. Chairman, as a Representative for the Second District of West Virginia, in which is located Piedmont, Keyser, and Ridgeley, three West Virginia towns which will benefit from the completion of the Savage River Dam project, I earnestly urge my colleagues to vote for the passage of this bill. These three towns will benefit from the completion of the Savage River Dam project in the way of flood control.

This project is primarily for the prevention of floods but it will also help in the industrial development of this region and in the antipollution of our streams.

On numerous occasions this section has been overrun with flood waters and since the work is more than 60 percent complete, surely it is more economical to the taxpayers to have it finished than it is to write this off as a total loss the funds already expended in its partial construction. In behalf of the many thousands of citizens in this region who have suffered severe losses from floods in the past, I urge the passage of this bill to provide for the completion of this work now before this project deteriorates any further and another flood strikes this section.

I also urge passage of the bill because it provides $1,000,000 to continue the flood-control project in the towns of Cumberland, Md., and Ridgeley, W. Va. The Army engineers have already approved and recommended this project and it has been approved by the Appropriations Committee. I feel this is a worthy project and will help the two States of West Virginia and Maryland. The loss of property throughout this region from floods in past years is a matter of record in history. It has also been a big detriment to the health of the people of the region and has caused unnecessary suffering.

I am for this bill 100 percent and am asking that my colleagues concur in its passage.

Mr. FURCOLO. Mr. Chairman, I want to urge the committee to give every consideration in its deliberations to the flood-control project in the Connecticut River.

Those of us who have lived near the Connecticut River have been familiar for many years with the great damage and devastation that can be caused through failure to have adequate flood control. The expenditure of money for flood control cannot be characterized as wasting money, or spending more than we can afford.

If we do not spend the money now, it simply means that in the future it is going to cost us untold millions of dollars through our failure to complete flood-control projects. Although only one of these projects is physically located within the boundaries of my own district, projects to the north of my district also have a tremendous bearing on the entire flood-control problem, and I want to urge the committee to approve the amounts recommended for those projects.

The citizens of western Massachusetts have done their share in every way in production, in the field of industry, in the war effort, in the payment of taxes, and in every contribution that goes to make America the great country that it is. I think the least that we can all do, whether we are from Massachusetts or some other State, is to support the flood-control projects in the Connecticut River, and to provide the money to make that district safe for us today and for succeeding generations.

I realize that there is not enough money for all the projects in the country that are asking for appropriations to complete flood-control projects. A choice must be made between the different projects. I believe that western Massachusetts has been slighted in recent years. I want to call attention of the Congress to the fact that the Appropriations Committee, of which I am a member, is going on record today as favoring these projects in western Massachusetts. I know every other Member is interested in projects in his particular State, but I urge them to remember that we in western Massachusetts have not had much in the past and ask them to support me today in my fight for money to protect western Massachusetts from floods.

The CHAIRMAN. If there are no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the

fiscal year ending June 30, 1950, for civil functions administered by the Department of the Army and for other purposes, namely.

Mr. McGREGOR. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I desire to ask the distinguished chairman of the Subcommittee on Appropriations a question. I refer to the original request of the Budget Bureau which called for $1,800,000 for a project known as the Big Walnut Creek Reservoir in Ohio. In checking the bill before us for consideration (H. R. 3734) I find no appropriation in the bill for that project, and in checking the committee report on page 6 I find that the Big Walnut Creek Reservoir is one of the projects that has been deleted and not in conformity with the budget request. To clarify the RECORD I would like to have the chairman tell me whether or not there is any appropriation in this appropriation bill for the Big Walnut Creek Reservoir in Ohio.

Mr. RABAUT. I will say to the gentleman from Ohio that there is nothing in this appropriation bill for the Big Walnut Creek Reservoir.

Mr. McGREGOR. I thank the distinguished gentleman for that information, because the records will show I have appeared before the gentleman's committee in opposition to this item. I have been opposed to this project as it certainly is not needed and would not justify the expenditure. I am glad to know that the $1,800,000 for the Big Walnut Creek Reservoir in Ohio has been deleted from this appropriation bill.

Mr. HOLMES. Mr. Chairman, I move to strike out the last two words.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. HOLMES. I yield to the gentleman from Michigan.

Mr. RABAUT. Mr. Chairman, I ask unanimous consent that all debate on this paragraph close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOLMES. Mr. Chairman, I wish to take this opportunity to thank the members of the committee for the recognition given in this bill to the McNary Dam and lock on the Columbia River and to the Chief Joseph Dam and lock on the Columbia River. However, I am not in agreement with the committee that these projects can stand the so-called 15-percent across-the-board cut. My understanding of the bill is that the Army engineers will have that discretion and will administratively handle the moneys in the over-all appropriation as they see fit. I want it definitely understood that I do not agree with that procedure in connection with the respective projects in that area. There was a budget request of $12,000,000 in the bill this year for the construction of the Ice Harbor Dam on the Snake River, 9 miles up the Snake River, from its confluence with the Columbia. I have read in the report that the committee saw fit to delete this item from the appropriation bill that has been presented to the House.

I wish to call to the attention of the committee part of the testimony that I gave upon these projects before your committee during the hearings:

Power from Ice Harbor will provide electric energy so badly needed in the Pacific Northwest. In addition to power benefits, the orderly construction of the remaining three Snake River dams would permit the realization of benefits through the transportation of petroleum products, machinery, building materials, and manufactured goods from downstream sources, and limestone, ores, wool, grain, and farm products from upstream sources. The average annual commerce is estimated at 2,547,000 tons.

So the dual purpose of this dam is not only to supplement and to produce power for the great power shortage that we have in the Northwest, but also for means of navigation and flood control and irrigation.

I would like to ask the chairman of the committee a question, if I may and it is, Do you have knowledge of the controversy that has come up over the fish-ladder construction on this dam and can the chairman of the committee answer me as to why the Bureau of the Budget cut out the fish-ladder construction on the Ice Harbor Dam?

Mr. TABER. That matter was all gone into in the hearings and witnesses appeared before the committee. That all appears. I cannot give the gentleman the page but I know it is there.

Mr. HOLMES. Can the gentleman enlighten me as to why the Bureau of the Budget took the action they did in their recommendation of $12,000,000 for the dam, and not include the fish ladder?

Mr. TABER. The operations of the Bureau of the Budget are away beyond my comprehension.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. HOLMES. I yield to the gentleman from Michigan.

Mr. RABAUT. There was some controversy that developed as to the height of the fish ladder, and the fishermen and the people building the dam got into a controversy about it, and until it is settled, why that project is taking a rest.

Mr. HOLMES. Was the Bureau of the Budget aware of that controversy when they made their ruling?

Mr. RABAUT. I do not know whether they inquired about it. All I know is what took place before the committee.

Mr. HOLMES. It is my understanding that the Army engineers recommended a fish-ladder construction for this dam, in their recommendation to the Bureau of the Budget. Can the gentleman give me any information on that?

Mr. RABAUT. I think they did, but I would not say for certain. I think they did recommend it. I think the Army engineers did recommend it to the budget. For some reason or other, perhaps because of the testimony that developed before the budget of a controversial nature about the height of these ladders, they decided to leave it out until there was some sort of settlement between the parties who were at variance on the subject.

I cannot understand why the Bureau of the Budget saw fit to cut out the recommendation of the Army engineers for fish ladders on the Ice Harbor Dam which seemingly has caused a great deal of this controversy.

The Clerk read as follows:

CIVIL FUNCTIONS, DEPARTMENT OF THE ARMY

QUARTERMASTER CORPS

Cemeterial expenses

Cemeterial expenses: For maintaining and improving national cemeteries, including personal services and fuel for superintendents; purchase of grave sites; maintenance of the Arlington Memorial Amphitheater, chapel and grounds in the Arlington National Cemetery, and that portion of Congressional Cemetery to which the United States has title and the graves of those buried therein, including Confederate graves, and the burial site of Pushmataha, a Choctaw Indian chief; repair to roadways but not to more than a single approach road to any national cemetery; for headstones or markers for unmarked graves of soldiers, sailors, and marines under the act of July 1, 1948 (Public Law 871), and civilians interred in post cemeteries; for maintenance of monuments, tablets, roads, fences, and so forth, made and constructed by the United States in Cuba and China to mark the places where American soldiers fell; maintenance of the Confederate Mound in Oakwood Cemetery at Chicago, the Confederate Stockade Cemetery at Johnstons Island, the Confederate burial plots owned by the United States in Confederate Cemetery at North Alton, the Confederate Cemetery, Camp Chase, at Columbus, the Confederate Cemetery at Point Lookout, and the Confederate Cemetery at Rock Island; and for maintenance of graves used by the Army for burials in commercial cemeteries; $4,500,000: *Provided*, That no railroad shall be permitted upon any right-of-way which may have been acquired by the United States leading to a national cemetery, or to encroach upon any roads or walks constructed thereon and maintained by the United States: *Provided further*, That no part of this appropriation shall be used for repairing any roadway not owned by the United States within the corporate limits of any city, town, or village.

Mr. RICH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am interested in a flood-control project in Bradford, Pa.

Mr. ANGELL. Mr. Chairman, will the gentleman yield?

Mr. RICH. The gentleman wants to know where we are going to get the money?

Mr. ANGELL. Yes, I want to know where you are going to get the money.

Mr. RICH. I am going to tell you where you can get the money. I very seldom come in here and ask for anything for the district which I represent, because I realize that much money has been asked for things when sometimes I question whether or not they are sound. But this is one that has been recommended by the Army engineers.

Mr. RABAUT. If the gentleman will yield, what is the name of the project?

Mr. RICH. This project for flood control is known as the upper Allegheny River in and around Bradford, Pa.

I am asking that you include $1,000,000 to start the project in this bill. The total cost of the project is $7,909,100. The amount to be borne by the local people is $1,442,400 and the Federal Government's share is $6,466,700. This is in accordance with the survey of W. E. Lorence, colonel, Corps of Engineers, district engineer, and recommended by

them. Also D. L. Deast, brigadier general, United States Army, division engineer, concurs in the conclusions and recommendations of the district engineers. It was submitted by General Wheeler, lieutenant general, chief of engineers to the Governor of Pennsylvania, and they gave a favorable report on the project.

The Army engineers recognize the need for flood control at Bradford, Pa., and are fully prepared to recommend its construction. Why not add $1,000,000 now to start the job in this bill, H. R. 3734. It is worthy, it is needed, and it is necessary. Where will you get the money?

The point I want to make is this: If we are going to have these flood-control projects for our own country, where they are recommended by the Army engineers, and the Budget Bureau turns them down, I think it is time for the Members of Congress to act. You are going to be asked in the next week or two to give to foreign countries $1,100,000,000 to carry them from April 3 to June 30, and for the next year $4,750,000,000. This amounts to $5,850,000,000 for foreign countries, to build power plants, flood-control projects, dams, and other things. It is time that we look after America and America first. It seems to me that ought to be the sentiment of this Congress. If you are not going to do that, then God help America, because nobody else is going to do it if the Congress is not going to do it. What is your duty, to our own people or to some foreign country, I ask?

I realize also that this administration is carrying us in debt this year to the tune up to this time of $2,346,000,000. As the gentleman from Oregon said, where are you going to get the money? Let us get the money by not giving it to these foreign countries and giving it to our own people. That makes sense to me.

Here is a project that is worth while and which has been approved by the Army engineers. We ought to include it in this bill. Members of the committee say, "We cannot add anything more here."

I have not come to you and asked for many things, but I say it is unjust, unsound, and unreasonable the way we do things here in Washington, and the way we do things in Congress. I ask you to include a million dollars in this bill to start this project which is only going to cost $6,466,700 and where the local people will have to spend $1,500,000 of their own money. Is there anything wrong with that?

I would like to have the chairman of the committee on the other side of the aisle give us an answer to that question. Why can you not put a million dollars in this bill to help in this worthy project?

Mr. RABAUT. Hearing the distinguished gentleman talking about his own project makes me think of that old saying "Oh, consistency, thou art a jewel."

Mr. RICH. You are not making a flowery speech here. I want results.

Mr. RABAUT. I say, "Consistency, thou art a jewel."

Mr. RICH. I want this project and I think it is worth while. The American people want and demand it.

Mr. RABAUT. And I want to inform the gentleman now that the Army engineers did not ask for this project.

Mr. RICH. The Army engineers did ask for this project and here is the report right here in my hands recommended by the Army engineers.

Mr. RABAUT. Yes, here is the report right here.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. RABAUT. Mr. Chairman, I ask unanimous consent that debate on this paragraph close in 3 minutes, the time to be used by the gentleman from Oklahoma [Mr. WICKERSHAM].

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WICKERSHAM. Mr. Chairman, as a freshman Member—or rather a refreshed Member—I want to say that I came to this House 8 years ago, and during my service here many times I have disagreed with the gentleman from Pennsylavnia [Mr. RICH]. But when he now comes and asks for this one project I feel we ought to let him have it. I think he deserves it. I think he is conscientious and I believe that he should be granted this request.

The CHAIRMAN. The pro forma amendments are withdrawn.

The Clerk will read.

The Clerk read as follows:

Cemeterial expenses (act of May 16, 1946): Not exceeding $2,000,000 of the appropriation under this head in the Civil Functions Appropriation Act, 1949, is hereby made available for all expenses, not otherwise provided for, incident to the burial of the remains of an unknown American who lost his life in the Second World War, as authorized by the act of June 24, 1946 (60 Stat. 302), including expenses incident to the provision of a suitable tomb corresponding to the extent practicable with that erected for the Unknown Soldier of the First World War.

Mr. TABER. Mr. Chairman, I make a point of order against the language in this bill at page 3, lines 13 to 23, on the ground that it is legislation requiring additional duties and alters existing law.

The CHAIRMAN. Does the gentleman from Michigan desire to be heard on the point of order?

Mr. RABAUT. Mr. Chairman, we concede the point of order.

The CHAIRMAN. The point of order is sustained.

The Clerk read as follows:

Maintenance and improvement of existing river and harbor works: For the preservation and maintenance of existing river and harbor works, and for the prosecution of such projects heretofore authorized as may be most desirable in the interests of commerce and navigation; for surveys of northern and northwestern lakes and other boundary and connecting waters as heretofore authorized, including the preparation, correction, printing, and issuing of charts and bulletins, and the investigation of lake levels; for prevention of obstructive and injurious deposits within the harbor and adjacent waters of New York City; for expenses of the California Débris Commission in carrying on the work authorized by the act approved March 1, 1893, as amended (33 U. S. C. 661, 678, and 683); for removing sunken vessels or craft obstructing or endangering navigation as authorized by law; for operating and maintaining, keeping in repair, and continuing in use without interruption any lock, canal (except the Panama Canal), canalized river, or other public works for the use and benefit of navigation belonging to the United States; for payment annually of tuition fees of not to exceed 100 student officers of the Corps of Engineers at civil technical institutions under the provisions of section 127a of the National Defense Act, as amended (10 U. S. C. 535); for examinations, surveys, and contingencies of rivers and harbors; for the execution of detailed investigations and the preparation of plans and specifications for projects heretofore or hereafter authorized; for examination of estimates of appropriations in the field; for printing and binding and office supplies and equipment required in the Office of the Chief of Engineers to carry out the purposes of this appropriation, including such printing, either during a recess or session of Congress, of surveys authorized by law, and such surveys as may be printed during a recess of Congress shall be printed, with illustrations, as documents of the next succeeding session of Congress: *Provided*, That no part of this appropriation shall be expended for any preliminary examination, survey, project, or estimate not authorized by law; $176,000,000: *Provided further*, That of the amount herein appropriated, $478,520 shall be for repayments of advances made under the provisions of the act of October 15, 1940 (Public Law 857, 76th Cong.): *Provided further*, That from this appropriation the Secretary of the Army may, in his discretion and on the recommendation of the Chief of Engineers based on the recommendation by the Board of Engineers for Rivers and Harbors in the review of a report or reports authorized by law, expend such sums as may be necessary for the maintenance of harbor channels provided by a State, municipality, or other public agency, outside of harbor lines and serving essential needs of general commerce and navigation, such work to be subject to the conditions recommended by the Chief of Engineers in his report or reports thereon: *Provided further*, That not to exceed $5,000 of the amount herein appropriated shall be available for the support and maintenance of the Permanent International Commission of the Congresses of Navigation and for the payment of the expenses of the properly accredited delegates of the United States to the meeting of the Congresses and of the Commission: *Provided further*, That from this appropriation not to exceed $1,000,000 shall be available for transfer to the Secretary of the Interior for expenditure for the purposes of and in accordance with the provisions of the act of August 8, 1946 (60 Stat. 932), and the act of August 14, 1946 (60 Stat. 1080): *Provided further*, That all land owned by the United States described as parcels 10, 16, 17, and 36 on the War Assets Administration tract map of Marinship yard containing approximately 60 acres, together with the buildings, improvements, and facilities thereon, which comprise part of the Marinship facilities, Marin County, Calif., and now under the control and jurisdiction of the War Assets Administration, is hereby transferred, without reimbursement of funds, to the jurisdiction of the Department of the Army for use by the Corps of Engineers of that Department.

Mr. O'HARA of Minnesota. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. O'HARA of Minnesota: On page 6, line 22, strike out "$176,000,000" and insert "$176,034,270, of which sum the amount of $34,270 shall be expended for a small boat harbor at Hastings, Minn."

Mr. O'HARA of Minnesota. Mr. Chairman, this amendment would make

this small amount of money available for a small boat harbor at Hastings, Minn., which is on the Mississippi River. It would complete a very necessary chain of small boat harbors between St. Paul, Minn., and farther down the Mississippi River. At present there is no small boat harbor between St. Paul, Minn., and Red Wing, Minn., a distance of about 49 miles. Hastings is about 26 miles down the river from St. Paul. Red Wing is about 23 miles from Hastings farther down the river.

I have been a Member of this House for almost 9 years. So far I have never had one project or one penny for any project in my district. This little harbor is badly needed because of the rather heavy traffic of small boats along the river. At Hastings, Minn., there is no decent place to dock those small boats in an emergency. They must get gas. There is no decent place to moor them because the river channel is very rugged along there. They must have some place to go, and they are constantly a menace to the heavier river traffic, and of course are in constant danger themselves if they attempt to tie up at Hastings. This harbor was authorized by law in the Seventy-eighth Congress.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. MARSHALL. I wonder if the gentleman recalls the great suffering and even loss of life that occurred in the storm of November 11, several years ago, where those small boats, with people in them, could not go to shore.

Mr. O'HARA of Minnesota. Yes.

Mr. MARSHALL. It is a very serious thing from the standpoint of human welfare.

Mr. O'HARA of Minnesota. That is exactly the point. I thank my colleague from Minnesota for bringing that to my attention, because it does illustrate the hazards which do exist along the river, and the necessity for some protection.

This infinitesimal amount of $34,270 is the amount that the engineers have estimated, and they have written a most enthusiastic report about the need of this harbor and the necessity for it. I am sorry that the Bureau of the Budget did not include it. There is a great deal of need for it locally; there is a great deal of need for it along the river. It is not just a local problem; it is a problem which has to deal with the safety of those traveling upon the river. According to the estimate in the engineer's report about 100 small boats a day, and by small boats I mean small launches, went through the lock above Hastings. That traffic up and down the river perhaps has increased. I do hope that it will not break the Treasury of the United States or throw the budget completely out of agreement if we vote this little amount of $34,270 for a very worth-while project. I hope the committee will adopt the amendment.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. RANKIN. It is already authorized by law?

Mr. O'HARA of Minnesota. Yes; it is already authorized by law; it was authorized by the Seventy-eighth Congress.

Mr. Chairman, I yield back the balance of my time.

Mr. RABAUT. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 3 minutes, this time to be used by the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. RABAUT. Mr. Chairman, there are so many nice people in this House that the legislative position of one who has the duty that this speaker has today is not easy; but we are charged with a certain responsibility by a committee that has done much work to bring before this body a bill.

There are many projects just as deserving as this project of the distinguished gentleman from Minnesota, but they cannot be considered in fairness to this body for the simple reason as the gentleman has admitted himself, that they failed of approval by the Bureau of the Budget. I ask the House to stay with the committee and vote this amendment down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The question was taken; and on a division (demanded by Mr. RABAUT) there were—ayes 92, noes 66.

Mr. RABAUT. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. RABAUT and Mr. O'HARA of Minnesota.

The Committee again divided; and the tellers reported that there were—ayes 110, noes 67.

So the amendment was agreed to.

Mr. RANKIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RANKIN: Page 8, after line 8, insert the following new paragraph:

"Tennessee-Tombigbee inland waterway: For the prosecution of the works of improvement with respect to the Tombigbee and Tennessee Rivers heretofore authorized by law (Public Law 525, 79th Cong.) $3,000,000."

Mr. CANNON. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. CANNON. I make the point of order, Mr. Chairman, that the amendment is not germane at this point in the bill, and therefore not in order.

The CHAIRMAN. Does the gentleman from Mississippi desire to be heard?

Mr. RANKIN. Yes, Mr. Chairman, it is germane to this part of the bill and is in order.

This is the part of the bill that covers projects of this kind. I have prepared this amendment to carry out the mandate of Congress 2 years ago and the recommendation of the Army engineers. This amendment merely introduces a new section after line 8 on page 8 and provides for funds to begin construction of this great inland waterway, this missing link in our great internal waterway system.

I submit that it is in order and properly presented at this time.

Mr. TABER. Mr. Chairman, a further point of order.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. The provision for rivers and harbors is entirely included in the paragraph beginning at line 10 on page 5 of the bill and ending on line 8, page 8, and all amendments relating to additional rivers and harbors projects would have to be offered within that paragraph. This goes outside of that and is not germane at this point or elsewhere in the bill.

Mr. RANKIN. Mr. Chairman, that is where it is offered.

The CHAIRMAN. Can the gentleman from New York advise the Chair as to a more appropriate place that he thinks the amendment should be offered to this bill?

Mr. TABER. I think that it must be offered as an amendment to the figure $176,000,000 on page 6, line 22, where all provisions for rivers and harbors are included.

The CHAIRMAN. The Chair is prepared to rule. The Chair invites attention to the fact that the paragraph of the bill now under consideration relates to rivers and harbors, maintenance and improvements of existing river and harbor works. The gentleman from Mississippi offers an amendment which has been reported by the Clerk which seeks to add a new paragraph under the same heading of rivers and harbors, maintenance and improvements of existing river and harbor work. The Chair invites attention to the fact that the pending amendment relates to the prosecution of work on improvements with respect to certain rivers as heretofore authorized by law. The Chair is constrained to believe that the amendment is in order as a new paragraph and, therefore, overrules the point of order.

Mr. RANKIN. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Chairman, this is the most important project of its kind in America, and I am quoting the words of the Army engineers when I say that.

This project was authorized by Congress in 1946 by a good majority in the House and by 44 to 21 in the Senate.

It will provide a slack-water route from the Gulf of Mexico to the Tennessee River, and then a downstream route from that point 215 miles to Paducah, Ky., on the Ohio River and 47 miles down the Ohio River to Cairo, Ill.

I have before me a letter from the Ohio Valley Improvement Association ardently supporting this project.

It not only involves the Mississippi River but involves the Ohio River, the Illinois River, the Missouri, the Tennessee, the Tombigbee, and all the tributaries of those streams, as well as the Great Lakes and the Gulf of Mexico.

From Cairo to New Orleans down the Mississippi is 869 miles. We save that downstream current for downstream

traffic. There is a slack-water route along the Intercoastal Waterway to Mobile of 156 miles.

Then there is a slack-water route up the Tombigbee to the mouth of the Warrior River. Then this project provides for 18 locks and dams between the Warrior and the Tennessee along the Tombigbee. This will shorten the water distance between the Tennessee River and the Gulf of Mexico by approximately 800 miles.

It is 1,768 miles from Cairo, Ill., to New Orleans, across to Mobile, back up to the Tombigbee, through that slack-water route, and then downstream 262 miles back to Cairo, or 215 miles to Paducah, Ky.

Of that 1,768 miles, 1,131 will be downstream and the rest of it in slack water. The Army engineers say there is not another place where the traffic can be transferred with so much ease, so little expense, and such tremendous savings in transportation costs and distances.

There is no power involved. It is not a power project.

As I said, the Ohio Valley Improvement Association has come out wholeheartedly for it. The people in the Pittsburgh area and along the Monongahela River, the Illinois River, the Ohio, the Missouri, and the upper Mississippi are vitally interested in this project. It will cut the water distance from our atomic-bomb plant at Oak Ridge, Tenn., to the Gulf of Mexico by about 800 miles.

A barge of 14,000 tons—you see these photographs of barges here, one coming down from Detroit, Mich., one coming from Pittsburgh, Pa., and one coming down the Mississippi, or the Missouri. They each carry 14,000 tons.

One of those barges returning by this slack-water route, going from New Orleans to Cairo, would save $9,800 on its fuel bill alone. Going from Mobile to Cairo it would save $20,020 on its fuel bill alone.

Going from New Orleans into the Ohio River, at Paducah, which means any point on the Ohio River up to Pittsburgh or any point on the Monongahela, it would save more than $11,760 on its fuel bill alone.

Going from Mobile to any point on the Ohio, or the Monongahela, it would save $22,160 on its fuel bill.

As I said, it will shorten the water distance from Oak Ridge to the Gulf by more than 800 miles.

One of these 14,000-ton barges, taking essential materials from Mobile to Oak Ridge, where our atomic-bomb plant is located, would save $30,000 on its fuel bill alone.

The operator of a great barge line from Pittsburgh was in to see me a day or two ago and he said the savings on his fuel bill alone would be far more than the profits his firm now makes on these barge lines.

This is something that will benefit everybody, not only along the Tombigbee and the Tennessee Rivers, but along the Ohio River, all the way from Paducah, Ky., or from Cairo, Ill., to Pittsburgh, and all the way up and down the Monongahela and the Allegheny. It will benefit everybody along the Mississippi and the Illinois River up to the Great Lakes, and everybody along the Great Lakes. It will benefit everybody on the Mississippi up to St. Paul and Minneapolis.

It will benefit everybody along the Missouri River up to Sioux City, Iowa, and beyond.

The Army engineers say it is the only project of its kind on earth, and the only place they can find where you can transfer the traffic from one major watershed to another with so much ease, so little expense, and with such tremendous savings in transportation costs and distances.

I just talked to the Army engineers and they said they would like to have $5,000,000, but that they could start with $3,000,000. Of course we can get additional funds later. I am asking the Congress to provide this $3,000,000 now, in order to get this project started.

Here you are, getting ready to spend money abroad by the billions of dollars. Let me read something to you. Here is an article that appeared in the Atlanta Constitution just a few days ago from Paris, France. Listen to this:

French and Italian interests planning to construct a vehicular and railway tunnel beneath Mont Blanc to connect France and Italy by a direct route, expect to obtain Marshall plan funds for the project. The 50-year-old scheme to bore beneath the Alps thus far has found no capital for the undertaking.

The article goes on to say that now they expect to get capital from the United States taxpayers through the Marshall plan to cut through this mountain of granite, through the Alps Mountains, in order to build this great project.

Yet here we are asking for this small amount to begin construction of one of the greatest projects of its kind on earth—the missing link in our inland waterway system—which means more to the people in the interior of the United States than any other similar waterway project on earth.

But it is in the United States. If it were in Europe, Asia, Africa, Japan, or Israel, I presume we could get funds for its construction through the Marshall plan.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. JENSEN. Would the gentleman suggest that in the event this project is allowed and built, that all the barges and ships that ply up and down this great waterway system should be owned by the Government of the United States?

Mr. RANKIN. No, they are not owned by the Government.

Mr. JENSEN. Would you recommend it?

Mr. RANKIN. No.

Mr. JENSEN. Would you fight it?

Mr. RANKIN. Well, that has not occurred to me, but I would not think that the Government should own them.

Mr. JENSEN. I am asking, would you fight that?

Do you think the Government should own them?

Mr. RANKIN. I do not think so. I do not think I would want the Government to own them.

Mr. JENSEN. Would you fight Government ownership of all the barges and ships?

Mr. RANKIN. I think so, yes.

Mr. JENSEN. I think you should say "Yes" or "No."

Mr. RANKIN. Yes, I would be opposed to it.

Mr. JENSEN. All right.

Mr. RANKIN. I say that because these private barge lines are doing a good job, and what we are after is to give them the facilities to serve the people in this great area.

Mr. JENSEN. Then you would not insist that that whole big area should be included in one great big authority like the TVA, would you?

Mr. RANKIN. Why, no. You could not include the whole area.

Mr. JENSEN. Yes, they could.

Mr. RANKIN. No, you could not. I would not be for that. The gentleman from Iowa knows what we are driving at here is to develop this great inland waterway which has been recommended by the Army engineers time and time again, and which has been approved by two of the Chief of Army Engineers, General Reybold and General Wheeler. It has been authorized by the Congress. It is now written into the law of the land, and the Army engineers say they need money now to construct it. I talked it over with the President and he said he was as much interested in the project as I was.

I said, "If so, you are very much interested."

All we want is the funds to begin this work. We are not trying to interfere with any project for that purpose.

I want to say to the gentleman from Iowa [Mr. JENSEN] that this project will be worth more to the people of Iowa than any other project of its kind that could be constructed.

It will serve Iowa along both sides of the State by the Mississippi River on one side and the Missouri on the other. We get our grain from that section. They want bauxite, they want lumber, they want sulfur, they want salt, they want cottonseed meal and hulls, they want sugar, they want tropical fruit, they want sea foods and other materials that come from the South. So, instead of sending these barges back empty, you can take them back loaded with the things you people need. It will be worth as much to the great State of Iowa as it will to the State of Mississippi.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. JENSEN. I will say to the gentleman we are going to develop the Missouri River Basin, but we are going to develop it in the American way. We are not going to develop it and have three men run that great empire within our State.

Mr. RANKIN. I am not arguing that question, but I am asking the gentleman to go along with me in adopting this amendment, because I think it is more than justified and will be of great benefit to the people not only of Iowa but of the entire country.

It has been authorized by the Congress and signed by the President. The Army engineers are ready to go to work on it.

I hope this amendment will be adopted.

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. RANKIN] has expired.

Mr. TABER. Mr. Chairman, I rise in opposition to the amendment.

I think, Mr. Chairman, we ought to have the facts. This is a project to build a canal up through the Tombigbee River from its junction with the Warrior River and the Mobile River, approximately 481 miles from Mobile up to Pickwick Dam. It requires the digging of a channel approximately 100 feet wide and 9 feet deep for nearly 300 miles. At present there is a creek maybe 6 inches deep and 6 feet wide for 40 or 50 miles, and from there on down it is a little larger. It is a terribly expensive and costly job. But then at the top is a channel dug in the rock 175 feet deep. As near as I can figure, although I do not have the exact figures, it will be approximately 2 or 3 miles long, 175 feet deep, which would have to carry water 9 feet deep and 100 feet wide.

There are 18 locks involved. Those locks on the Mississippi River and the Ohio River that carry these big barges run around $10,000,000 each. Eighteen locks would cost $180,000,000. You can imagine how much that 175-foot-deep channel would cost.

In addition to that, you have a tremendous cost of operation. There are 18 locks on the Tombigbee River in the proposal, and there are 3 locks on the Mobile River below it. It would take so long to go up through all those locks and handle navigation in any volume that it would cost considerably more than these engineers have allowed.

Now, let us think somewhat about distances. The distance from Cairo to New Orleans on the Mississippi River is 869 miles, and my authority for that is a speech delivered by the gentleman from Mississippi [Mr. RANKIN]. If they wanted to go back this other way they would have to go from New Orleans to Mobile on the Intercoastal Waterway 156 miles, from there up the Tombigbee 481 miles, and from there on the Tennessee River 262 miles, or 899 miles, which is farther than it is up to Mississippi direct to Cairo, according to his own figures. I believe in looking at these things as they are; I do not believe in exaggeration; I do not believe in trying to make the thing appear better or worse than it is. This thing would cost $300,000,000 at the very least, if it did not cost more.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I have given the gentleman details, and the gentleman cannot dispute them. He may possibly get someone to say something about cost, but I gave you the details. Now, I think it is about time that this House of Representatives which has been considering this proposition for years and years in appropriation bills and turning it down, turned it down just once more.

Mr. RABAUT. Mr. Chairman, I ask that all debate on this amendment close in 5 minutes, to be allotted to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. RABAUT. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, now that we have returned from that excellent travelogue, we will face the cold facts and recognize some of the situations that confront this Nation.

Here is an editorial which says:

The American disgrace—Our great danger, the financial rocks ahead.

Mismanagement will be of the utmost importance in America to Joe Stalin and mismanagement grows from conditions where everybody wants something when the Treasury of the United States cannot afford it.

Now, let us get the real facts and figures about the Tombigbee. The monetary authorization is $169,117,000, and that does not include the changes in conditions that have come about by the new larger and larger barges which require better locks on the river. No. 2: There has already been spent for planning, or has been allocated for planning $658,000. In this bill there is an additional $200,000 for planning. I have an admiration for this project, and I so told the distinguished gentleman from Mississippi. But, we must go along with these things in an orderly fashion. It is one thing to get the camel's nose under the tent, but it is quite a different proposition when the American public have got to pay the price for dragging in the hump. No, this amendment should not pass in this House today. In view of the financial situation of the country we should not start this project at this time. There is, perhaps, no man in this House whose district and whose city will receive a greater benefit from it than mine, coming, as I do, from the city of Detroit. I recognize that, but I recognize, too, at this moment, the responsibility that is mine in speaking for the committee, and I ask, Mr. Chairman, that the amendment be voted down.

The CHAIRMAN. The time of the gentleman from Michigan has expired. All time has expired on this amendment.

The question is on the amendment offered by the gentleman from Mississippi [Mr. RANKIN].

The question was taken; and on a division (demanded by Mr. RANKIN) there were—ayes 76, noes 115.

Mr. RANKIN. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

Mr. KERR. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3734) making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1950, and for other purposes, had come to no resolution thereon.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2313) entitled "An act to suspend certain import taxes on copper."

The message also announced that the Vice President had appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 49–8.

AMERICAN RIVER BASIN DEVELOPMENT

Mr. LYLE, from the Committee on Rules, reported the following privileged resolution (H. Res. 166, Rept. No. 316), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 165) to authorize the American River Basin development, California, for irrigation and reclamation, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Lands, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

COMMITTEE ON FOREIGN AFFAIRS

Mr. VORYS. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may have until midnight tomorrow night to file a report on the bill H. R. 3748.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

SPECIAL ORDER CANCELED

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that the special order granted to me for tonight be canceled.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

FILING OF MINORITY VIEWS

Mr. McCONNELL. Mr. Speaker, I ask unanimous consent to have until midnight Monday to file minority views on the bill H. R. 2032.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

EXTENSION OF REMARKS

Mr. RABAUT. Mr. Speaker, I ask unanimous consent that all Members who spoke on the appropriation bill under consideration today be permitted to revise and extend their remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. PLUMLEY asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

Mr. BYRNES of Wisconsin and Mr. JENSEN asked and were given permission to extend their remarks in the RECORD.

Mr. HESELTON asked and was given permission to include extraneous matter in the remarks he made today in Committee of the Whole.

Mr. MONRONEY asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. BUCHANAN asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous material.

Mr. YATES asked and was given permission to extend his remarks in the RECORD and include a newspaper editorial.

Mr. ADDONIZIO asked and was given permission to extend his remarks in the RECORD and include a letter and a newspaper article.

Mr. MORGAN asked and was given permission to extend his remarks in the RECORD and include an article from the Pittsburgh Post-Gazette.

Mr. BIEMILLER asked and was given permission to extend his remarks in the RECORD and include an editorial from the Boston Post.

BUGGS ISLAND DAM PROJECT

Mr. ABBITT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. ABBITT. Mr. Speaker, I rise today in support of a request for additional funds for the Buggs Island Dam project in Virginia. This matter has been discussed numerous times on this floor, and I will not attempt to go into details, setting out the many advantages that our country, and particularly my section, will receive from the completion of this project.

The Congress has already committed itself to the carrying out of the project. The contract has been let; the work has started; the question now is: Do we desire a speedy completion of the project, which means quicker relief for flood control and an earlier use of sorely needed power which is so scarce in the area in which the project is located. We are informed by the Army engineers that, if sufficient money is made available, the project can be completed in 1952. We are further informed that the sooner the project is completed, within reason, the less it will cost, bearing in mind that the overhead alone is considerable.

It would be something else if we were requesting money for a project that the Congress had not committed itself upon, but in this case we have committed ourselves for a certain amount. It will not affect the economy of our country to appropriate the amount needed now rather than space it over a period of two or more years.

I appeared before the Subcommittee on Appropriations which had under consideration this and other projects and I made the following statement, which is equally applicable before this body:

I desire to take this opportunity to express to Judge KERR the keen appreciation of the people of the Roanoke River Basin for the magnificent work he has done in securing for us and making possible the construction of Buggs Island Dam. He has worked unceasingly and tirelessly in behalf of this project which means so much to the welfare of our section and the good of the Nation.

I will be very brief, as I know this committee is fully cognizant of the importance and need of these two projects.

We are all familiar with the great good to be accomplished by the construction of the dams. We know of the devastating floods of the past in this area and the havoc caused by them. Homes have been swept away, fertile soil washed to the sea, crops ruined, and the economic stability of the basin seriously deteriorated by these unchecked floods.

We are also well aware of the situation as to the great power shortage in this general area. Many miles of electrical lines have been built in the rural areas in the Roanoke River Basin made possible by the REA program. Much electrical power is being consumed by the farmer, thus making possible a higher standard of living, increased farm production together with many other benefits. However, there still remains in this section a large number who do not have electrical power available due to a drastic shortage of power. The existing power companies are unable to presently increase their output. In some areas rural power lines have been built, but there is no power available nor will it be available in the near future. This is a great handicap to the progress of this section.

When the dam is completed the power shortage will be over. Power will be available at a reasonable rate for all purposes which will redound to the benefit of our entire country.

Congress has agreed that the dam is to be constructed. The contract has been let and the work is now going forward.

Therefore, the question is, What can be done to bring about an early economical construction of the dam? We know that as long as the dam is under construction there will be a tremendous cost in overhead. We know that the sooner the dam is completed the sooner we have protection and freedom from tremendous financial and economical loss as well as better living conditions.

The Army engineers tell me that if the proper funds are made available, the dam can economically be completed by the end of 1951. They requested $19,200,000 for the coming fiscal year, which if appropriated, plus the necessary funds the following year will mean that the dam should be completed by the end of 1952. The budget as submitted only recommended $16,600,000. If this amount only is appropriated then we cannot hope to have the dam completed in 1952.

On the other hand we are further informed by the Army engineer that if the requested amount of $19,200,000 is made available for the coming year plus an additional sum of $12,000,000 that the dam can be economically completed by the end of 1951. As a matter of fact, it will cost less to complete the dam in this manner than it would in a drawn-out program.

Therefore, I respectfully request that this committee give serious consideration to this matter, bearing in mind the great benefit of the dam, its importance to the economical stability of our section, as well as the economy to be effected by the rapid completion of the dam. I hope that the full sum necessary to accomplish this will be made available to the Army engineers.

The need is for $19,200,000 as recommended by the Army engineers for the fiscal year 1950, $1,500,000 in the deficiency appropriation bill, and $10,500,000 additional in this bill for the 1950 fiscal year, making a total of $31,200,000.

All that has been said for Buggs Island Dam is equally true as to Philpott and I trust that the amount needed as so ably pointed out by Representative STANLEY, of Virginia, can be made available.

I appreciate greatly the opportunity of appearing before this committee and thank you for your kind and courteous consideration.

EXTENSION OF REMARKS

Mr. RANKIN asked and was given permission to revise and extend the remarks he made in Committee of the Whole and include therein certain excerpts from speeches, records, and hearings and a letter from the Ohio Valley Improvement Association.

LEGISLATIVE PROGRAM

Mr. PRIEST. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. PRIEST. Mr. Speaker, I take this time to announce the program for next week. Of course, the House meeting tomorrow at noon will continue with the appropriation bill presently under consideration.

On Monday we will have District day. Four bills are scheduled to come up on that day—the daylight-saving bill, the salary-increase bill, the bill for additional revenue, and also H. R. 2799, regulating the retent of contracts.

Mr. MARTIN of Massachusetts. What is the salary bill?

Mr. PRIEST. That is the salary increase for the District of Columbia. If some member of the committee is here, they can explain it.

Mr. BUCHANAN. That is the bill providing for the flat $330 across-the-board salary increases, retroactive to July 1, 1948.

Mr. MARTIN of Massachusetts. I suppose the tax bill will come up before that is taken up.

Mr. PRIEST. I am not sure what the District Committee may choose to do, so far as the order of the bills is concerned. But I assume that that will probably be true.

Mr. GREEN. Mr. Speaker, will the gentleman yield?

Mr. PRIEST. I yield.

Mr. GREEN. Would it be possible that a sales-tax bill can come up again on District of Columbia day?

Mr. PRIEST. That is in the bill. It is an additional revenue bill, and I think

there is a modified sales-tax provision in the bill which has been reported.

Mr. GREEN. The reason I ask that is that just a few weeks ago we defeated the sales-tax bill here.

Mr. PRIEST. That is true.

Mr. GREEN. In a discussion on the pension bill this afternoon, the gentleman from Mississippi [Mr. RANKIN] said that you could not bring out a pension bill again, and it it would seem that if they can bring up a sales-tax bill, they can certainly bring up the pension bill again.

Mr. PRIEST. This revenue bill does contain some sort of sales-tax provision.

On Tuesday, the appropriation bill for the Department of the Interior is scheduled.

For Wednesday, the House will take up the bill H. R. 3748, that is the ECA bill.

The schedule for the rest of the week is undetermined so far, and will be announced after we have cleared the ECA bill.

I should announce also that a conference report on the rent-control bill, H. R. 1731, may be called up at any time during the week if it is ready.

Mr. MARTIN of Massachusetts. It has not been decided yet what day that will be, is that correct?

Mr. PRIEST. It has not yet been decided. I believe the conferees will hold their first meeting on tomorrow, but of course it may be called up at any time during the week.

Mr. MARTIN of Massachusetts. The other body has to act first, anyway.

Mr. PRIEST. I believe in this case it does, yes.

PERMISSION TO ADDRESS THE HOUSE

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

FILMS OF ARIZONA IN CAUCUS ROOM, OLD HOUSE OFFICE BUILDING

Mr. MURDOCK. Mr. Speaker, today I have had some color films of Arizona being shown in the caucus room of the Old House Office Building. We will have them there this evening and I am inviting the Members of the House, their families and office staffs to come and see the pictures. It will be well worth your while to do so.

The SPEAKER pro tempore. Under special order heretofore entered, the gentleman from New York [Mr. KILBURN] is recognized for 5 minutes.

ST. LAWRENCE SEAWAY AND POWER PROJECT

Mr. KILBURN. Mr. Speaker, I wish to speak briefly to urge the early enactment of legislation providing for the completion of the Great Lakes-St. Lawrence seaway and power project. On the opening day of the session I introduced House Joint Resolution 53, calling for such action, and it, along with other similar resolutions, is now before the Committee on Public Works.

I think it is extremely important that the New York Power Authority handle the power generated, as my bill provides. They are best equipped to do it and can distribute it more economically. Under the method of allocation provided by the Federal-State accord, New York State is ready, willing, and able to assume their share of the expense and should certainly distribute the power.

My good and able friend the gentleman from Minnesota [Mr. BLATNIK] spoke eloquently in behalf of the St. Lawrence project on February 15, when he introduced his resolution—House Joint Resolution 161. Although our resolutions differ somewhat in respect to provisions for tolls and power arrangements, we are in strong agreement on the desirability of early completion of this important and beneficial project. I am happy to join the gentleman from Minnesota in urging that the Committee on Public Works report the legislation to the House, and I am confident that such differences as exist can and will be resolved in the interest of the major objective of completion of the St. Lawrence project.

I scarcely need to remind you that President Truman and Governor Dewey strongly advocate the completion of the St. Lawrence project, as have the Presidents and New York State Governors of this generation.

The gentleman from Minnesota has said that the advantages of constructing the St. Lawrence project are very obvious and convincing, and I heartily concur. In my opinion, there are four important and compelling reasons why Congress should promptly give its approval to the completion of the Great Lakes-St. Lawrence project.

In the first place, the St. Lawrence seaway will result in greatly reduced transportation costs for both producers and consumers in a very large area of the United States inhabited by nearly a third of our population. It will open to ocean traffic the great farming and industrial area of the Lake States and Middle West and stimulate interstate as well as foreign trade.

In the second place, the St. Lawrence project will develop 2,200,000 horsepower, or 820,000 kilowatts, of the cheapest electric power in the world, to be divided equally between Canada and the United States for use in the Northeast where it is badly needed.

Thirdly, the St. Lawrence project would strengthen our national defenses and directly contribute to the security of the North American Continent. In these perilous times of cold war the national defense factor must be given great weight.

Finally, the St. Lawrence project is one of the greatest public improvements now available for development in our country. It will provide thousands of jobs at a time when they may be sorely needed. It will benefit the Nation as a whole.

Therefore, I strongly urge an early report and prompt passage of the legislation providing for the completion of the St. Lawrence project.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. CANFIELD, for an indefinite time, on account of illness in family.

SENATE ENROLLED BILL SIGNED

The SPEAKER pro tempore announced his signature to an enrolled bill of the Senate of the following title:

S. 790. An act to grant the consent of the United States to the Upper Colorado River Basin Compact.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 26 minutes p. m.) the House adjourned until tomorrow, Friday, March 25, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

443. A letter from the Chairman, National Advisory Council on International Monetary and Financial Problems, transmitting a draft of a proposed bill to permit investment of funds of insurance companies organized within the District of Columbia in obligations of the International Bank for Construction and Development; to the Committee on the District of Columbia.

444. A letter from the Postmaster General, transmitting a draft of a proposed bill relating to air star routes, to amend section 6 of the act entitled "An act to provide for experimental air-mail services to further develop safety, efficiency, and economy, and for other purposes"; to the Committee on Post Office and Civil Service.

445. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill for the relief of Monroe Kelly, rear admiral, United States Navy, retired; to the Committee on the Judiciary.

446. A letter from the Acting Administrator, Federal Security Agency, transmitting a legislative proposal authorizing appropriations to the Federal Security Administrator in addition to those authorized under title V, part 2, of the Social Security Act, as amended, to provide for meeting emergency needs of crippled children during the fiscal year ending June 30, 1949; to the Committee on Ways and Means.

447. A letter from the Archivist of the United States, transmitting lists or schedules, or parts of lists or schedules, covering records proposed for disposal by certain Government agencies; to the Committee on House Administration.

448. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated October 11, 1948, submitting a report, together with accompanying papers, on a review of reports on Alpena Harbor, Mich., requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on June 7, 1945; to the Committee on Public Works.

449. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated October 12, 1948, submitting a report, together with accompanying papers, on a preliminary examination of Tedious Creek, Dorchester County, Md., with a view to establishing such jetties as may be necessary, authorized by the River and Harbor Act approved on July 24, 1946; to the Committee on Public Works.

450. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated October 13, 1948, submitting a report, together with accompanying papers, on a preliminary examination of Lakes Cove, Honga River, Dorchester County, Md., authorized by the River and Harbor Act approved on July 24, 1946; to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PETERSON: Committee on Public Lands. H. R. 3297. A bill to authorize the addition of certain lands to Manassas National Battlefield Park, Va., and for other purposes; without amendment (Rept. No. 313). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. H. R. 3396. A bill to amend the law relating to timber operations on the Menominee Indian Reservation in Wisconsin; without amendment (Rept. No. 314). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMITH of Virginia: Committee on the District of Columbia. H. R. 3704. A bill to provide additional revenue for the District of Columbia; without amendment (Rept. No. 315). Referred to the Committee of the Whole House on the State of the Union.

Mr. LYLE: Committee on Rules. House Resolution 166. Resolution for consideration of H. R. 165, a bill to authorize the American River Basin development, California, for irrigation and reclamation, and for other purposes; without amendment (Rept. No. 316). Referred to the House Calendar.

Mr. LESINSKI: Committee on Education and Labor. H. R. 2032. A bill to repeal the Labor-Management Relations Act, 1947, to reenact the National Labor Relations Act of 1935, and for other purposes; without amendment (Rept. No. 317). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANGELL:

H. R. 3774. A bill authorizing the construction of certain works of improvement on Johnson Creek, a tributary of the Willamette River in Oregon, in the interest of flood control and allied purposes; to the Committee on Public Works.

By Mr. BARTLETT:

H. R. 3775. A bill to provide for an additional district judge for the third division of the District Court for the District of Alaska; to the Committee on the Judiciary.

By Mr. BRYSON:

H. R. 3776. A bill relating to the internal security of the United States; to the Committee on the Judiciary.

By Mr. CHATHAM:

H. R. 3777. A bill to provide for the issuance of a special postage stamp in commemoration of the centennial of the founding of Forsyth County, N. C., and the establishment of Winston, N. C., as its county seat; to the Committee on Post Office and Civil Service.

By Mr. CHRISTOPHER:

H. R. 3778. A bill for the purpose of erecting in Bolivar, Mo., a post-office building; to the Committee on Public Works.

By Mr. ENGLE of California:

H. R. 3779. A bill to confirm and establish the titles of the State to lands beneath navigable waters within State boundaries and natural resources within such lands and waters and to provide for the use and control of said lands and resources; to the Committee on the Judiciary.

By Mr. FARRINGTON:

H. R. 3780. A bill to amend title 28, United States Code; to the Committee on the Judiciary.

By Mr. GOSSETT:

H. R. 3781. A bill to amend section 109 of the Internal Revenue Code; to the Committee on Ways and Means.

H. R. 3782. A bill to amend section 743 of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. HAYS of Arkansas:

H. R. 3783. A bill authorizing the transfer of part of Camp Joseph T. Robinson to the State of Arkansas; to the Committee on Armed Services.

By Mr. HORAN:

H. R. 3784. A bill authorizing the construction of a multipurpose reservoir on the Pend Oreille River in Idaho for flood control, and for other purposes; to the Committee on Public Works.

By Mr. IRVING:

H. R. 3785. A bill to promote the general welfare of the people of the United States by establishing a publicly supported labor extension program for wage and salary earners, and for other purposes; to the Committee on Education and Labor.

By Mr. LEFEVRE:

H. R. 3786. A bill to provide, in certain cases, that internal-revenue stamps may be affixed in foreign countries to tobacco products manufactured in such countries before importation into the United States; to the Committee on Ways and Means.

By Mr. McGUIRE:

H. R. 3787. A bill to designate the Veterans' Administration hospital to be constructed at West Haven, Conn., as the John D. Magrath Memorial Veterans Hospital; to the Committee on Veterans' Affairs.

By Mr. MILES:

H. R. 3788. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Vermejo reclamation project, New Mexico; to the Committee on Public Lands.

By Mr. MORTON:

H. R. 3789. A bill to promote the general welfare of the people of the United States by establishing a publicly supported labor extension program for wage and salary earners, and for other purposes; to the Committee on Education and Labor.

By Mr. MURPHY:

H. R. 3790. A bill to provide for the purchase from the State of New York of buildings and land now occupied by Halloran General Hospital at Staten Island, N. Y.; to the Committee on Veterans' Affairs.

By Mr. PRESTON:

H. R. 3791. A bill to authorize preliminary examinations and surveys for flood-control and allied purposes, and for run-off and water-flow retardation and soil-erosion prevention, and for other purposes; to the Committee on Public Works.

By Mr. RABAUT:

H. R. 3792. A bill to provide for the issuance of a postage stamp in commemoration of the one hundredth anniversary of the founding of the Michigan Annual State Fair and for the purpose of saluting the 1949 Michigan Centennial Fair and Exposition; to the Committee on Post Office and Civil Service.

By Mr. WHEELER:

H. R. 3793. A bill to provide for the furnishing of quarters at Brunswick, Ga., for the United States District Court for the Southern District of Georgia; to the Committee on the Judiciary.

By Mr. YOUNG:

H. R. 3794. A bill to encourage construction of farm storage facilities by allowing the cost to be deducted, for income-tax purposes, over a period of 48 months; to the Committee on Ways and Means.

By Mr. LANE:

H. R. 3795. A bill to provide for a comprehensive survey to promote the development of hydroelectric power, flood control, and other improvements on the Merrimack River and such other rivers in the New England States where improvements are feasible; to the Committee on Public Works.

By Mr. HARRIS:

H. R. 3796. A bill to provide for an additional judge for the juvenile court of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. MADDEN:

H. R. 3797. A bill making the first Tuesday after the first Monday in November, in every even-numbered year, a legal holiday; to the Committee on the Judiciary.

By Mr. POULSON:

H. R. 3798. A bill for the relief of certain persons occupying lands of the United States within the drainage of the Arroyo Seco, Angeles National Forest, Calif.; to the Committee on Agriculture.

H. R. 3799. A bill to provide a civil government for the island of Guam, and for other purposes; to the Committee on Public Lands.

By Mr. ALLEN of California:

H. R. 3800. A bill to authorize the conveyance to the State of California of easements for the construction, operation, and maintenance of a toll highway crossing and approaches thereto over and across lands of the United States in the vicinity of San Francisco Bay, Calif., and for other purposes; to the Committee on Armed Services.

By Mr. SOMERS:

H. R. 3801. A bill to amend section 501 (b) (6) of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. MILLER of California:

H. R. 3802. A bill to prohibit movement or travel in interstate commerce with intent to avoid certain family responsibilities; to the Committee on the Judiciary.

By Mr. LEFEVRE:

H. J. Res. 204. Joint resolution to provide for the issuance of a special postage stamp in commemoration of John Burroughs, poet and naturalist; to the Committee on Post Office and Civil Service.

By Mr. JAVITS:

H. Res. 165. Resolution favoring the use of certain merchant vessels for temporary transoceanic passenger service; to the Committee on Merchant Marine and Fisheries.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROWN of Georgia:

H. R. 3803. A bill for the relief of Mrs. Mary L. W. Dawson; to the Committee on the Judiciary.

By Mr. ENGLE of California:

H. R. 3804. A bill for the relief of Fred B. Niswonger; to the Committee on the Judiciary.

By Mr. FARRINGTON:

H. R. 3805. A bill for the relief of Yuk Onn Won; to the Committee on the Judiciary.

By Mr. GORDON:

H. R. 3806. A bill to grant permanent residence in the United States to Zbigniew Galecki; to the Committee on the Judiciary.

By Mr. HALE:

H. R. 3807. A bill for the relief of Helen Giacoumaki; to the Committee on the Judiciary.

By Mr. HAYS of Arkansas:

H. R. 3808. A bill for the relief of Josef Korzeniowski; to the Committee on the Judiciary.

By Mr. HÉBERT:

H. R. 3809. A bill for the relief of Alvin A. Baumer, doing business as the Baumer Foods Products Co., of New Orleans, La.; to the Committee on the Judiciary.

By Mr. JACKSON of Washington:

H. R. 3810. A bill for the relief of Cecil E. Gordon; to the Committee on the Judiciary.

By Mr. MILLER of California:

H. R. 3811. A bill for the relief of Amy L. Hefington; to the Committee on the Judiciary.

By Mr. MORTON:

H. R. 3812. A bill for the relief of Myrtle Ruth Osborne, Marion Walts, and Jessie A. Walts; to the Committee on the Judiciary.

By Mr. MULTER:

H. R. 3813. A bill for the relief of Lawrence Annenberg, Norman Annenberg, and Chestnut Lodge Sanitarium; to the Committee on the Judiciary.

H. R. 3814. A bill for the relief of Sun Yip Chin and Chung Lum (Lum Chung); to the Committee on the Judiciary.

By Mr. POULSON:

H. R. 3815. A bill for the relief of Harry Comber; to the Committee on the Judiciary.

By Mr. WALTER:

H. R. 3816. A bill for the relief of Alexis Leger; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

334. By Mr. GATHINGS: Petition of Blytheville, Ark., drug-store patrons in behalf of removal of taxes on cosmetics; to the Committee on Ways and Means.

335. By Mr. MANSFIELD: Memorial of the House of Representatives of the State of Montana, requesting the Congress of the United States to provide for the liquidation of the trusts under the transfer agreements with State rural rehabilitation corporations; to the Committee on Agriculture.

336. Also, memorial of the Senate of the State of Montana, requesting the Congress of the United States to enact legislation to insure a substantial increase in the price of gold; to the Committee on Banking and Currency.

337. By Mr. MERROW: Resolutions by 32 members of the Strafford County Medical Society, New Hampshire, asking that their voice be heard and considered before action on medical care is taken; to the Committee on Interstate and Foreign Commerce.

338. By Mr. TOWE: Petition of 37 residents of Lyndhurst, N. J., urging repeal of the 20-percent excise tax on toilet goods; to the Committee on Ways and Means.

339. By the SPEAKER: Petition of Patrick J. Minihane, secretary, Knights of St. Finbarr, Corkmen's Association, Charlestown, Mass., petitioning consideration of their resolution endorsing the Atlantic Pact; to the Committee on Foreign Affairs.

340. Also, petition of William J. Storie, clerk, Delaware County Board of Supervisors, Delhi, N. Y., petitioning consideration of their resolution expressing opposition to the construction of a flood-control dam on the Charlotte River in the town of Davenport, N. Y.; to the Committee on Public Works.

341. Also, petition of Lynn D. Wright and others, Miami, Fla., asking for passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

342. Also, petition of Nellie L. Hackley and others, Miami, Fla., asking for passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

343. Also, petition of Grace E. Ashton and others, St. Cloud, Fla., asking for passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

344. Also, petition of Mrs. C. W. Collins and others, Miami, Fla., asking for passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

345. Also, petition of G. W. Coe and others, Miami, Fla., asking for passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

346. Also, petition of Mrs. Mary Morris, Sanford, Fla., asking for passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

347. By Mr. ELLSWORTH: Memorial of the Legislature of the State of Oregon, requesting that an appropriation in the amount of not less than $2,000,000 be made available to the United States Corps of Engineers for the completion of the Coos Bay improvement project; to the Committee on Appropriations.

SENATE

FRIDAY, MARCH 25, 1949

(Legislative day of Friday, March 18, 1949)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal God, we bring to Thee the moral chaos of our world, with its spiritual fatigue, its restlessness of heart, its dark forebodings. We acknowledge our share in the world's catastrophe, our love of ease, our pride of race and place and possessions, our failure to take account of the suffering and need of others. Before we turn this day to perplexing affairs of state we would bring our own hearts to the white light of Thy scrutiny. We would open to Thee the secret places of our lives.

Cleanse us, cast out the defilements we have cherished in spirits that should be the channels of Thy will. And so confront us with our shortcomings, our sins, and also with our possibilities, that by Thy grace we may be transformed by the renewing of our minds and go forth to live more nearly as we pray. In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, March 24, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts and joint resolution:

On March 22, 1949:

S. 594. An act for the relief of John I. Malarin, former Army mail clerk at APO 932, a branch of the San Francisco, Calif., post office, relative to a shortage in his fixed credit account.

On March 24, 1949:

S. 632. An act to authorize certain personnel and former personnel of the Naval Establishment to accept certain gifts and a foreign decoration tendered by foreign governments; and

S. J. Res. 36. Joint resolution for the authorization of a special contribution by the United States for the relief of Palestine refugees.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the Speaker pro tempore had affixed his signature to the enrolled bill (S. 790) to grant the consent of the United States to the Upper Colorado River Basin Compact, and it was signed by the Vice President.

EXTENSION OF EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 1209) to amend the Economic Cooperation Act of 1948.

Mr. LUCAS. Mr. President, last evening the Senator from Missouri [Mr. DONNELL] obtained the floor, and it was agreed by unanimous consent that he should be recognized this morning to proceed with his remarks.

The VICE PRESIDENT. The Chair recognizes the Senator from Missouri.

Mr. WATKINS. Mr. President, I suggest——

The VICE PRESIDENT. Does the Senator from Missouri yield for a question?

Mr. DONNELL. I do not yield the floor. I yield to the Senator for an inquiry.

Mr. WATKINS. Mr. President, I desire to suggest the absence of a quorum.

The VICE PRESIDENT. The Senator from Missouri cannot yield for a quorum call.

Mr. DONNELL. By unanimous consent, I think it may be done.

Mr. WATKINS. I ask unanimous consent that the Senator may yield to me to suggest the absence of a quorum.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hunt	Murray
Anderson	Ives	Myers
Bricker	Jenner	Neely
Butler	Johnson, Colo.	O'Conor
Byrd	Johnson, Tex.	O'Mahoney
Capehart	Johnston, S. C.	Pepper
Chapman	Kem	Reed
Chavez	Kerr	Robertson
Connally	Kilgore	Russell
Cordon	Knowland	Saltonstall
Donnell	Langer	Smith, Maine
Douglas	Lodge	Smith, N. J.
Downey	Long	Sparkman
Ecton	Lucas	Stennis
Ellender	McCarran	Taft
Ferguson	McCarthy	Taylor
Flanders	McClellan	Thomas, Okla.
Frear	McFarland	Thomas, Utah
Fulbright	McGrath	Tobey
George	McKellar	Tydings
Gillette	McMahon	Vandenberg
Green	Magnuson	Watkins
Gurney	Malone	Wherry
Hayden	Martin	Wiley
Hendrickson	Maybank	Williams
Hill	Miller	Withers
Hoey	Millikin	Young
Holland	Morse	
Humphrey	Mundt	

Mr. MYERS. I announce that the Senator from Mississippi [Mr. EASTLAND] is absent on public business.

The Senator from Tennessee [Mr. KEFAUVER] is absent by leave of the Senate on official business.

The Senator from New York [Mr. WAGNER] is necessarily absent.

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN], the Senator from Nebraska [Mr. BUTLER], the Senator from Washington [Mr. CAIN], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Kansas [Mr. SCHOEPPEL], and the Senator from Minnesota [Mr. THYE] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER] is necessarily absent.

The VICE PRESIDENT. Eighty-five Senators having answered to their names, a quorum is present.

TRANSACTION OF ROUTINE BUSINESS

The VICE PRESIDENT. With the permission of the Senator from Missouri, the Chair suggests that, without debate, and without affecting the Senator's rights, other Senators may place matters in the RECORD and transact routine business.

Mr. DONNELL. Mr. President, that is quite agreeable.

REPORT OF GOVERNOR OF THE PANAMA CANAL

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Armed Services:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, the Annual Report of the Governor of the Panama Canal for the fiscal year ended June 30, 1948.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 25, 1949.*

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAMES

A letter from the Attorney General, withdrawing the names of Maria Moldovan, and her children Maria and Emil from a report relating to aliens whose deportation he suspended more than 6 months ago, transmitted by him to the Senate on March 1, 1949; to the Committee on the Judiciary.

LAWS PASSED BY MUNICIPAL COUNCILS OF ST. THOMAS AND ST. JOHN AND ST. CROIX, V. I.

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, copies of laws enacted by the Municipal Council of St. Thomas and St. John and the Municipal Council of St. Croix, V. I. (with accompanying papers); to the Committee on Interior and Insular Affairs.

AIR STAR ROUTES

A letter from the Postmaster General transmitting a draft of proposed legislation to amend section 6 of the act entitled "An act to provide for experimental air-mail services to further develop safety, efficiency, and economy, and for other purposes," approved April 15, 1938; and for other purposes, relating to air star routes (with an accompanying paper); to the Committee on Post Office and Civil Service.

APPROPRIATIONS TO FEDERAL SECURITY ADMINISTRATOR FOR EMERGENCY NEEDS OF CRIPPLED CHILDREN

A letter from the Acting Administrator of the Federal Security Agency, transmitting a draft of proposed legislation authorizing appropriations to the Federal Security Administrator in addition to those authorized under title V, part 2 of the Social Security Act, as amended, to provide for meeting emergency needs of crippled children during the fiscal year ending June 30, 1949 (with an accompanying paper); to the Committee on Finance.

AUDIT REPORT OF EXPORT-IMPORT BANK OF WASHINGTON

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report of the Export-Import Bank of Washington, for the fiscal year ended June 30, 1948 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

INVESTMENT OF FUNDS OF CERTAIN INSURANCE COMPANIES

A letter from the Secretary of the Treasury, as Chairman of the National Advisory Council on International Monetary and Financial Problems, transmitting a draft of proposed legislation to permit investment of funds of insurance companies organized within the District of Columbia in obligations of the International Bank for Reconstruction and Development (with an accompanying paper); to the Committee on the District of Columbia.

REPORTS OF COMMISSION ON ORGANIZATION OF EXECUTIVE BRANCH OF GOVERNMENT

A letter from the Secretary of the Treasury, mission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on Overseas Administration (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on the Development of Governmental Powers in the United States (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on Federal-State Relations (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on Federal Research (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on the Central Administrative Organization for the Territories and Dependencies of the United States (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on State-Federal Overlapping Taxes (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on Federal-State Relations (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on Federal-State Relations (No. 48) (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on Federal-State Relations (Appendix No. 49) (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A concurrent resolution of the Legislature of the State of Michigan; to the Committee on Finance:

"House Concurrent Resolution 16

"Concurrent resolution memorializing and requesting the Congress of the United States to enact legislation to aid cigarette taxing States in the enforcement of their cigarette-tax laws, now evaded by use of the United States mails

"Whereas the State of Michigan in 1947 enacted a State cigarette tax law which is now producing nearly $23,000,000 annually, which amount constitutes an important portion of the funds available for appropriation by the legislature; and

"Whereas it has been brought to the attention of the Michigan Legislature that a large and growing system of evasion of the Michigan cigarette-tax law has developed, in that the United States mails are flooded with advertisements and inducements to the citizens of Michigan to violate the Michigan law, and in numerous instances such advertisers entice prospective customers with statements to the effect that the use of the United States mails is sufficient proof of the legitimacy of such business and such a system, and the mails of the United States are constantly flooded with cigarettes in the process of delivery within the State of Michigan on which the tax required by the laws of Michigan has not been paid; and

"Whereas the State of Michigan is seriously disadvantaged by such use of the post offices and mails of the United States for the purpose of evading the cigarette tax law of Michigan, and the State of Michigan is now suffering serious losses of revenue as the result of this type of evasion; and

"Whereas the use of the mails to evade the Michigan cigarette tax not only deprives the State of tax moneys, but also results in unfair competition to some 112,000 retailers of the State, who annually pay in sales taxes approximately $200,000,000, and also is unfair to the cigarette wholesalers of Michigan who are annually paying into the State treasury nearly $23,000,000; and

"Whereas it has been brought to the attention of the House of Representatives and the Senate of Michigan that there is now pending before the Congress of the United States proposed legislation which would aid the cigarette-taxing States by requiring shippers of cigarettes in interstate commerce to furnish to the taxing authority of the State into which such cigarettes are shipped a copy of the invoice of each shipment, and the name and address of each person to whom shipped: Now, therefore, be it

"*Resolved by the house of representatives (the senate concurring)*, That the members of the Michigan Legislature respectfully urge the Congress of the United States to enact legislation requiring shippers of cigarettes in interstate commerce to furnish to the taxing authority of the State into which such cigarettes are shipped a copy of the invoice of each such shipment, and the name and address of each person to whom shipped; and be it further

"*Resolved*, That copies of this resolution be forwarded to the President of the United States, to the President of the Senate, and Speaker of the House of Representatives of

Congress, and to the Michigan Members in the Senate and House of Representatives of Congress.

"Adopted by the house February 18, 1949.

"Adopted by the senate March 9, 1949.

"NORMAN C. PHILLEO,
"Clerk of the House of Representatives.

"FRED I. CHASE,
"Secretary of the Senate."

A concurrent resolution of the Legislature of the State of Delaware; to the Committee on the Judiciary;

"Senate Concurrent Resolution 17

"Concurrent resolution memorializing the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day

"Whereas a resolution providing for the proclamation by the President of the United States of America of October 11 of each year as General Pulaski's Memorial Day, for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski, is now pending in the present session of the United States Congress; and

"Whereas the 11th day of October 1779 is the date of the heroic death of Brig. Gen. Casimir Pulaski, who died from wounds received on October 9, 1779, at the siege of Savannah, Ga.; and

"Whereas it is fitting that the recurring anniversary of this day be commemorated with suitable patriotic and public exercises commemorating the heroic death of this great American hero of the Revolutionary War; and

"Whereas the Congress of the United States of America has by legislative action designated October 11 of the years 1929–46 as General Pulaski's Memorial Day in the United States of America: Now, therefore, be it

"Resolved by the Senate of the State of Delaware (the House of Representative concurring therein):

"SECTION 1. That we hereby memorialize and petition the Congress of the United States, to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day Resolution now pending in the United States Congress.

"SEC. 2. That certified copies of this resolution, properly authenticated, be sent forthwith to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives of the United States, and each of the United States Senators and the Representative in Congress from the State of Delaware.

"Approved March 22, 1949.

"ELBERT N. CARVEL,
"Governor."

A resolution of the Legislature of the Territory of Alaska; to the Committee on Interstate and Foreign Commerce:

"House Memorial 9

"To the Congress of the United States, the Department of the Interior, the Fish and Wildlife Service, and the Delegate from Alaska:

"Your memorialist, the House of Representatives of the Territory of Alaska, in nineteenth session assembled, respectfully represents that:

"Whereas many resident Alaskan fishermen have been notified by the Alaska salmon packers that their services will not be needed for the 1949 season; and

"Whereas said packers intend to employ numerous nonresident fishermen in place of resident fishermen; and

"Whereas resident fishermen have proven by past experience and statistical data that they are as efficient and capable as nonresident fishermen;

"Now, therefore, your memorialist urges that Congress enact legislation requiring every person, firm, or corporation engaged in the Alaska canned-salmon industry to employ at least 50 percent of resident fishermen during the 1949 season, 60 percent of resident fishermen during the 1950 season, 70 percent of resident fishermen during the 1951 season and thereafter.

"And your memorialist will ever pray.

"Passed by the house March 2, 1949.

"STANLEY MCCUTCHEON,
"Speaker of the House.

"Approved by the Governor, March 5, 1949.

"ERNEST GRUENING,
"Governor of Alaska."

A joint resolution of the Legislature of the State of Washington; to the Committee on Foreign Relations:

"House Joint Memorial 13

"To the Honorable Harry S. Truman, President of the United States, and to the Senate and House of Representatives of the United States of America in Congress assembled:

"We, your memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

"Whereas the preservation of international peace is essential to the welfare of the people of our State and to the welfare of all people; and

"Whereas recurrent differences among nations now make the outbreak of major war an ever-present danger; and

"Whereas the United States of America and other nations are even now engaged in a so-called cold war and in an increasing race for armaments, despite the efforts of the United Nations as now constituted to make and preserve peace in the world; and

"Whereas the growing deadliness of atomic weapons, bacteriological weapons, and other methods of mass destruction makes action imperative to prevent a third world war: Now, therefore, be it

"Resolved by the Senate and the House of Representatives of the State of Washington, in legislative session assembled, That we respectfully petition the President and the Congress of the United States to take all possible steps to strengthen the present form of the United Nations so that it shall possess the means and legal authority to preserve world peace, including the following instrumentalities:

"1. A United Nations Legislature empowered to enact laws providing for progressive disarmament of all nations and prohibiting the manufacture or possession of forbidden armaments or conspiracy to arm and wage war;

"2. A United Nations Inspection Force with authority to make investigations in all nations to prevent the manufacture or possession of forbidden armaments, and authority to arrest individuals found violating United Nations laws;

"3. A system of United Nations courts to try and to sentence individuals convicted of such law violations;

"4. A United Nations Police Force to enforce decisions of the United Nations courts and of the United Nations Legislature; and be it further

"Resolved, That the President of the United States should begin negotiations promptly to invite other member nations of the United Nations to meet in an assembly to revise the United Nations Charter in whatever manner necessary to provide the United Nations with the foregoing instrumentalities; and be it further

"Resolved, That copies of this memorial be transmitted immediately to the Honorable Harry S. Truman, President of the United States, the President of the United States Senate, Speaker of the House of Representatives, and to each Senator and Representative from the State of Washington.

"Passed the house February 19, 1949.

"CHAS. W. HODDE,
"Speaker of the House.

"Passed the Senate March 7, 1949.

"VICTOR A. MEYERS,
"President of the Senate."

A resolution of the House of Representatives of the State of Washington; to the Committee on Post Office and Civil Service:

"Whereas the Lake Washington Floating Bridge is a floating bridge over Lake Washington and connecting the city of Seattle with Mercer Island on the east; and

"Whereas said bridge forms a vital link in one of the chief highways of the State; and

"Whereas said bridge proper is well over 1 mile in length and is the longest floating bridge in the world; and

"Whereas said bridge and its approaches was built as a toll bridge and was a self-liquidating project and its cost will be entirely paid from tolls some time during the year 1949; and

"Whereas said bridge was dedicated and opened to traffic on July 2, 1940; and

"Whereas it is expected that commemorative services and celebrations will be held in the city of Seattle and surrounding cities and towns at a time which will be either July 2, 1949, or the exact date when the Lake Washington Floating Bridge will be finally opened as a toll-free bridge: Now, therefore, be it further

"Resolved by the House of Representatives of the State of Washington, in legislative session assembled, That we respectfully petition the President and the Congress of the United States that the Postmaster General issue a suitable commemorative postage stamp recognizing and honoring the Lake Washington Floating Bridge, and if consistent with your policies, the exact time of such issuance be fixed to accord with the wishes of the people of the city of Seattle and the State of Washington; and be it further

"Resolved, That copies of this resolution be immediately transmitted to the Honorable Harry S. Truman, President of the United States, the President of the United States Senate, Speaker of the House of Representatives, and to each Senator and Representative from the State of Washington."

A joint resolution of the Legislature of the State of Washington, relating to tax on cigarettes; to the Committee on Finance.

(See text of joint resolution printed in full when presented by Mr. MAGNUSON on March 18, 1949, p. 2745, CONGRESSIONAL RECORD.)

A resolution adopted by the Knights of St. Finnbarr, Corkmen's Association, of Charlestown, Mass., endorsing the so-called North Atlantic Pact, and so forth; to the Committee on Foreign Relations.

A resolution adopted by the Chicago Medical Society, of Chicago, Ill., relating to adequate medical care to all people; to the Committee on Labor and Public Welfare.

Resolutions adopted by the New Orleans Dental Association of Louisiana, of New Orleans, La.; the Sussex County Medical Society of Delaware, of Seaford, Del.; and the West Coast District Dental Society of Florida, protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

A resolution adopted by the Board of Supervisors of Delaware County, N. Y., protesting against the construction of a flood-control dam on the Charlotte River in the town of Davenport, N. Y.; to the Committee on Public Works.

A letter in the nature of a petition, from the District of Columbia Federation of Women's Clubs, of Washington, D. C., signed

by Anna Kelton Wiley, chairman, department of legislation, relating to rent control (with an accompanying paper); ordered to lie on the table.

A resolution adopted by the south Florida district of the assemblies of God, of Lakeland, Fla., commending the ministry of Rev. Peter A. Marshall, late Chaplain of the Senate; ordered to lie on the table.

By Mr. GREEN (for himself and Mr. MCGRATH):

A resolution of the General Assembly of the State of Rhode Island and Providence Plantations; to the Committee on Post Office and Civil Service:

"Resolution commending Congressman FORAND upon his fine understanding of pertinent problems in sponsoring an act to give civil-service employees involuntarily separated from Federal Service certain retirement benefits, and memoralizing Congress in relations thereto

"Whereas Congressman FORAND has presented an act giving civil-service employees with 25 years' service or more who are involuntarily separated from Federal service certain retirement benefits, a measure which would affect the economic status of many citizens of Rhode Island who were involuntarily separated from work at the United States Naval Torpedo Station, at Newport, R. I., within the past few years: Now, therefore, be it

"*Resolved*, That this general assembly, having at heart the welfare of its worthy citizens, now commends Congressman FORAND in highest terms for this practical approach to a pressing problem and need among all former Federal employees so situated; requesting the Senators and Representatives from Rhode Island in the Congress of the United States to make every effort to have this proposed measure enacted into law; directing the secretary of state to transmit to them duly certified copies of this resolution."

FEDERAL DEPARTMENT OF HEALTH—PETITION

Mr. GILLETTE. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD, without all the signatures attached, a petition signed by Robert S. Taylor, H. B. Weinberg, and Howard A. Weis, and sundry other members of the medical profession of Iowa, advocating a Federal Department of Health.

There being no objection, the petition was referred to the Committee on Labor and Public Welfare and ordered to be printed in the RECORD, without the signatures attached, as follows:

DAVENPORT, IOWA, *March 17, 1949.*

HON. GUY GILLETTE,
United States Senator, Senate Office Building, Washington, D. C.

DEAR SENATOR GILLETTE: The undersigned wish to make it known that they are in favor of the following 12-point program:

1. Creation of a Federal Department of Health of Cabinet status with a Secretary who is a doctor of medicine, and the coordination and integration of all Federal health activities under this Department, except for the military activities of the medical services of the armed forces.

2. Promotion of medical research through a National Science Foundation with grants to private institutions which have facilities and personnel sufficient to carry on qualified research.

3. Further development and wider coverage by voluntary hospital and medical care plans to meet the costs of illness, with extension as rapidly as possible into rural areas. Aid through the States to the indigent and medically indigent by the utilization of voluntary hospital- and medical-care plans with local administration and local determination of needs.

4. Establishment in each State of a medical-care authority to receive and administer funds with proper representation of medical and consumer interest.

5. Encouragement of prompt development of diagnostic facilities, health centers, and hospital services, locally originated, for rural and other areas in which the need can be shown and with local administration and control as provided by the National Hospital Survey and Construction Act or by suitable private agencies.

6. Establishment of local public-health units and services as communicable-disease control, vital statistics, environmental sanitation, control of venereal diseases, maternal and child hygiene, and public health laboratory services.

7. The development of a program of mental hygiene with aid to mental-hygiene clinics in suitable areas.

8. Health-education programs administered through suitable State and local health and medical agencies to inform the people of the available facilities and of their own responsibilities in health care.

9. Provision of facilities for care and rehabilitation of the aged and those with chronic disease and various other groups not covered by existing proposals.

10. Integration of veterans' medical-care and hospital facilities with other medical-care and hospital programs and with the maintenance of high standards of medical care, including care of the veteran in his own community by a physician of his own choice.

11. Greater emphasis on the program of industrial medicine, with increased safeguards against industrial hazards and prevention of accidents occurring on the highway, home, and on the farm.

12. Adequate support with funds free from political control, domination, and regulation of the medical, dental, and nursing schools and other institutions necessary for the training of specialized personnel required in the provision and distribution of medical care.

ROBERT S. TAYLOR
H. B. WEINBERG
HOWARD A. WEIS
(And sundry other members of the medical profession of Iowa).

FAIR AND FIRM FARM PRICE SUPPORTS—CONCURRENT RESOLUTION OF MINNESOTA LEGISLATURE

Mr. HUMPHREY. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD a concurrent resolution adopted by the Legislature of the State of Minnesota on March 21, 1949.

There being no objection, the concurrent resolution was referred to the Committee on Agriculture and Forestry, and under the rule, ordered to be printed in the RECORD, as follows:

Concurrent resolution memorializing the United States Congress for fair and firm farm price supports

Whereas Minnesota is the fifth highest State in value of farm products sold, because the farm families of this State produce such a large part of the Nation's livestock, milk, poultry, grains, and oilseeds, their sales ranking second in oil crops, third in poultry and eggs, fourth in feed crops, fifth in meat animals and in dairy products, and fifteenth in food grains; and

Whereas the well-being and prosperity of all the citizens of this State depend more upon the purchasing power of the farmers of this and neighboring States than upon anything else as has been proven during the past 8 years in contrast to the depression years when farm commodity prices were not in balance; and

Whereas farmers by greatly increasing their equipment so as to produce more efficiently have thereby made themselves much more vulnerable to the high fixed costs charged by their suppliers, who in the past have enforced these costs by restricting production; and

Whereas farmers cannot discharge their labor force and shut down their farm plant and consequently cannot maintain a fair price unless aided by their Government; and

Whereas it has been the policy of this Nation to try to help farmers maintain fair prices so that farmers would be able to buy the necessary goods and provide services for operating their farm efficiently and for improving their standard of living; and

Whereas by Federal law an attempt has been made to provide a standard by which fair parity prices may be determined and maintained through Government-backed loans or purchases which have been in use and of great practical value to farmers during these years; and

Whereas greatly reduced farm income will surely be the first step into a depression, with tremendous and far-reaching effects on our economy: Now, therefore, be it

Resolved, That we the members of the Legislature of the State of Minnesota, hereby do urge the Congress of the United States, in its present session and without delay:

First, to provide a new formula for ascertaining the true parity price of the various agricultural commodities which will accurately reflect modern farming costs;

Second, to provide levels of price supports, based on such a modern standard, which together with conservation payments will maintain farm purchasing power at parity;

Third, to restore price supports for next year and the following years for dairy products, poultry, eggs, hogs, soybeans, and flaxseed;

Fourth, to provide adequate means so that such price supports may be fully effective, by providing storage facilities to qualify for and carry out the commodity-loan program by construction of such facilities on the farm, by providing a depreciation period within which to charge off the cost of the storage facility as has been done in defense and war plant facilities, purchase agreements, new outlets and new uses for agricultural commodities, including consideration of the international wheat agreement, at least on such portion of the several products which are consumed domestically;

Fifth, to keep these programs under unified Federal direction and administered by farmer-elected committeemen—all to the end that equitable farm purchasing power be maintained as a permanent and essential need of all our people; and be it further

Resolved, That the Secretary of State be, and he is hereby, instructed to transmit a copy of this resolution to the President of the Senate, the Speaker of the House of Representatives, and to each Member of Congress from the State of Minnesota.

JOHN A. HARTH,
Speaker of the House of Representatives.
C. ELMER ANDERSON,
President of the Senate.

Approved March 21, 1949.

LUTHER W. YOUNGDAHL,
Governor of the State of Minnesota.

RESOLUTIONS OF MINNESOTA ELECTRIC COOPERATIVE

Mr. HUMPHREY. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD six resolutions adopted by the Minnesota Electric Cooperative in annual meeting held March 14, 1949, at St. Paul, Minn.

There being no objection, the resolutions were referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

Resolution I

Whereas 30 percent of the American farms are still unelectrified; and

Whereas the past year's experience proves that an enormous shortage of power still exists; and

Whereas the average use per customer has exceeded all previous estimates many system improvements are needed: Now, therefore, be it

Resolved, That the Minnesota Electric Cooperative Association recommends to the Congress of the United States that an appropriation of $450,000,000 be made available to REA for the fiscal year 1950, and that the Administrator be given authority to make generation and transmission loans direct.

Resolution II

Whereas additional services justifying feasibility regarding area coverage is required; and

Whereas the number of borrowers has increased; and

Whereas additional services are needed by the various cooperatives, especially prompt action on allocation of funds: Therefore be it

Resolved, That the Minnesota Electric Cooperative recommends that Congress make available to REA $8,000,000 as administrative funds.

Resolution III

Whereas we believe that due to the fact that only 10 percent of the rural families now have adequate telephone service; and

Whereas it is a recognized fact that only 50 percent of the rural families now have any telephone service; and

Whereas it is a recognized fact that the rural telephone system at present is inadequate; and

Whereas we believe that the existing rural telephones would be improved if low-cost money were made available: Now, therefore, be it

Resolved, That the Minnesota Electric Cooperative recommends that Congress pass H. R. 2960, providing for the amendment of the Rural Electrification Act to provide for rural telephones.

Resolution IV

Whereas there exists a shortage of electric power; and

Whereas electric power at the lowest possible cost is a continuing interest of the Rural Electrification cooperatives; and

Whereas the contemplated improvement of the Missouri River would provide generating facilities that would go a long way in alleviating the power shortage and also produce electricity at reasonable rates: Now, therefore, be it

Resolved by the Minnesota Electric Cooperative, representing a majority of the individuals of the rural electrification cooperatives in Minnesota, That we endorse and support the bill introduced in Congress by 16 Midwest Senators in the first part of March 1949 for the development of the Missouri Valley, and that we urge our Senators and Congressmen from Minnesota to do their utmost in seeking the passage of said bill; and be it further

Resolved, That a copy of this resolution be mailed to the President of the United States, to Senators THYE and HUMPHREY, and to all the Minnesota Congressmen.

Resolution V

Whereas a committee was designated after the last annual meeting to make a study of the feasibility of burning North Dakota lignite in the production of electric energy; and

Whereas it appears that further study is necessary for a complete report: Now, therefore, be it

Resolved, That said committee be continued and requested to make a detailed report to the next annual meeting of the Minnesota Electric Cooperative.

Resolution VI

Whereas the cooperatives, which are members of the Minnesota Electric Cooperative, would both directly and indirectly be benefited by the development of the transportation facilities to Minnesota: Therefore be it

Resolved, That the Minnesota Electric Cooperative does hereby support and endorse the development of the St. Lawrence waterway and does hereby urge the Minnesota Senators and Congressmen to do their utmost in the support of the project of developing the St. Lawrence waterway from Duluth to the Atlantic Ocean; and be it further

Resolved, That a copy of this resolution be forwarded to the Minnesota Senators and Congressmen.

REPEAL OF FEDERAL AUTOMOTIVE EXCISE TAXES

Mr. WILEY. Mr. President, I send to the desk an important resolution which I have received from F. M. Elliott, able chairman of the Wisconsin Highway Users Conference. On behalf of 39 Wisconsin organizations, Chairman Elliott has recommended repeal of Federal automotive excise taxes. In the resolution, reference is made to the whole question as to whether or not this should really be at all within the area of Federal taxation or whether this matter should be left to the States at their discretion for their own highway improvement.

I have previously referred this same problem to the Congress in my cosponsorship of Senate bill 810. This bill would survey the whole problem of duplication of Federal, State, and local taxes. In addition, I have introduced Senate bill 1029 for wholesale repeal of the wartime tax rates on hundreds of items.

The sum and substance of this comment is that the conference's resolution deserves, I believe, the careful attention of the Senate as does the entire problem of overhauling our present obsolete excise-tax structure.

I ask unanimous consent that there be printed in the RECORD at this point the text of Mr. Elliott's letter followed by the text of the conference's resolution, and thereafter by a list of all the Wisconsin organizations supporting the repeal of Federal automotive and petroleum excise taxes.

There being no objection, the matters were referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

WISCONSIN HIGHWAY USERS CONFERENCE,
Madison, Wis., March 23, 1949.

Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: May we urge your support at this time on behalf of efforts to obtain immediate repeal by Congress of all Federal automotive excise taxes?

We invite your attention to the reverse side of the resolution. These organizations are representative of the membership of this conference, which is a spokesman for the more than 1,300,000 motorists of Wisconsin.

Yours very truly,

F. M. ELLIOTT,
Chairman, Wisconsin Highway Users Conference.

Resolution urging Congress to repeal Federal excise taxes on petroleum and other automotive products

Whereas the Federal gasoline, lubricating oil, and other special automotive taxes were enacted as temporary revenue measures during periods of emergency; and

Whereas these taxes were imposed with the understanding that they would be repealed as soon as conditions permitted; and

Whereas such taxes bear most heavily upon those who must use their motor vehicles to earn their livelihood, having cost the highway users of Wisconsin approximately $28,000,000 in 1948 alone; and

Whereas these taxes increase the already high costs of motor transportation and of the commodities which are moved by motor transport; and

Whereas national defense, mail delivery, and interstate commerce are responsibilities of the Federal Government which should therefore contribute to the costs of highways from general tax revenue; and

Whereas the taxation of motor fuel by the Federal Government constitutes an invasion of a field of taxation which properly belongs to the States and upon which they depend heavily as a source of income for highway development: Now, therefore, be it

Resolved, That the Wisconsin Highway Users Conference, meeting in Milwaukee, Wis., on January 5, 1949, hereby urges the Wisconsin delegation in Congress to work for the rapid and outright repeal of Federal emergency excise taxes on gasoline and lubricating oil and other Federal automotive taxes.

The following organizations endorse the Wisconsin Highway Users Conference resolution that Federal automotive and petroleum excise taxes be speedily and completely repealed:

Agricultural Haulers of Wisconsin, William Dotseth, secretary, Knapp; American Auto Association, Wisconsin Division, Stuart B. Wright, manager, Madison; Dane and Rock Counties Farm Truckers Association, Gerhard J. Olson, secretary and treasurer; Farm Truckers Association, Earle D. Healy, service manager, Milwaukee; Highway No. 13 Association of Wisconsin, Lester P. Daniels, president, Wisconsin Rapids; Madison Laundry Owners Association, Paul L. Fleury, president, Madison; Milwaukee Cartage Exchange, J. R. Vande Creek, president, Milwaukee; Milwaukee Cooperative Milk Producers, Charles Dineen, secretary, Milwaukee; Milwaukee County Auto Dealers Association, Robert M. Blanding, executive secretary, Milwaukee; Milwaukee Furniture Movers Association, George F. Grueschow, executive secretary, Milwaukee; Milwaukee Milk Haulers Association, John Thurmann, secretary, Milwaukee; Outdoor Advertising Association of Wisconsin, H. J. Fitzgerald, secretary, Milwaukee; Retail Gasoline Dealers Association of Milwaukee, Louis M. Faber, executive secretary, Milwaukee; Retail Gasoline Dealers Association of Wisconsin, Carl H. Meyers, president, Manitowoc; Southwest Wisconsin Scenic Association, Ellis A. Lee, secretary, Richland Center; Travelers Protective Association of America, F. Schad, secretary and treasurer, Milwaukee; Truckers Service Association, Inc., Paul M. Moldenhauer, president, Waupun; Wisconsin Association of Ice Cream Manufacturers, Paul C. Carver, Oshkosh; Wisconsin Association of Ice Industries, Paul C. Hoff, secretary, Milwaukee; Wisconsin Association of Taxicab Owners, J. R. Robertson, secretary and treasurer, Milwaukee;

Wisconsin Automotive Trades Association, Louis Milan, executive vice president, Madison; Wisconsin Bakers Association, Inc., F. R. Laufenberg, secretary, Milwaukee; Wisconsin Bus Operators Association, George Manson, president, Sheboygan; Wisconsin Dairymen's Association, B. R. Dugdale, secretary, Madison; Wisconsin Dump Truck Owners Association, Bruno Guadagni, executive secretary, Milwaukee; Wisconsin Motor Carriers Association, Edward J. Konkol, general manager, Madison; Wisconsin Petroleum Association, K. C. King, executive secretary, Madison; Wisconsin Petroleum Industries Commission, F. M. Elliott, executive secretary, Madison; Wisconsin Retail Food Dealers Association, Fred B. Winke, secretary-manager, Milwaukee; Wisconsin Retail Hardware Association, Inc., H. A. Lewis, secretary-treasurer, Stevens Point; Wisconsin Retail Lumbermen's Association, D. S. Montgomery, Milwaukee; Wisconsin Rural Letter Carriers Association, H. A. Woerpel, secretary, Marshall; Wisconsin State Hotel Association, H. L. Ashworth, executive secretary, Milwaukee; Wisconsin Upper Michigan Fuel Dealers Association, N. Mavis, president, Appleton; Wisconsin Upper Michigan Fuel Dealers Association, C. A. King, secretary, Madison; Wisconsin Utilities Association, transportation section, Ray M. Fey, president, Eau Claire; Wisconsin Warehousemen's Association, I. A. Kirsch, vice president, Milwaukee; Wisconsin Wholesale Beer Distributors Association, Harvey E. Roesler, executive secretary, Milwaukee; Wisconsin Wholesale Food Distributors Association, E. J. Malloy, secretary, Milwaukee.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce:

S. J. Res. 32. Joint resolution to authorize the cancellation and release of an agreement dated December 31, 1923, entered into between the port of Seattle and the United States of America, represented by the United States Shipping Board acting through the United States Shipping Board Emergency Fleet Corporation; without amendment (Rept. No. 156).

By Mr. DOWNEY, from the Committee on Interior and Insular Affairs:

H. R. 164. A bill authorizing the Secretary of the Interior to convey certain lands to the Churntown elementary school district, California; without amendment (Rept. No. 159).

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

H. R. 1401. A bill relating to the disposition of certain recreational demonstration project lands by the State of Michigan to the Mount Hope Cemetery Association of Waterloo, Mich.; with an amendment (Rept. No. 160).

FINANCIAL AID TO PUBLIC ELEMENTARY AND SECONDARY SCHOOLS—REPORT OF A COMMITTEE

Mr. THOMAS of Utah. Mr. President, from the Committee on Labor and Public Welfare, I report favorably, with amendments, Senate bill 246, to authorize the appropriation of funds to assist the States and Territories in financing a minimum-foundation-education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare, and for other purposes, and I submit a report (No. 158) thereon.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting several nominations, and withdrawing a nomination, which nominating messages were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, March 25, 1949, he presented to the President of the United States the enrolled bill (S. 790) to grant the consent of the United States to the Upper Colorado River Basin Compact.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. REED:

S. 1397. A bill for the relief of Catherine S. Tremayne; and

S. 1398. A bill for the relief of A. I. Lang; to the Committee on the Judiciary.

By Mr. TYDINGS:

S. 1399. A bill to amend certain provisions of the Internal Revenue Code authorizing the establishment of special rectifying plants for the receipt, prior to tax, of distilled spirits, alcohol, and wines for rectification, bottling and packaging, or for bottling and packaging without rectification; to the Committee on Finance.

By Mr. KILGORE:

S. 1400. A bill for the relief of John Schaftener; and

S. 1401. A bill for the relief of Anthony van Portvliet; to the Committee on the Judiciary.

By Mr. JOHNSTON of South Carolina:

S. 1402. A bill to amend the act of January 16, 1883, an act to regulate and improve the civil service of the United States; and

S. 1403. A bill amending section 5 of the act of June 6, 1945, providing differential pay for night work by employees of the postal service; to the Committee on Post Office and Civil Service.

(Mr. HUMPHREY (for himself, Mr. WAGNER, and Mr. MORSE) introduced Senate bill 1404, to declare certain rights of citizens of the United States, and for the better assurance of the protection of such citizens and other persons within the several States from mob violence and lynching, and for other purposes, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

By Mr. MAGNUSON:

S. 1405. A bill to provide for the admission to, and the permanent residence in, the United States of Poon Lim; to the Committee on the Judiciary.

By Mr. IVES:

S. 1406. A bill for the relief of Luigi Podesta; to the Committee on the Judiciary.

By Mr. O'MAHONEY (for himself, Mr. HAYDEN, Mr. CHAVEZ, Mr. MCFARLAND, and Mr. ANDERSON):

S. 1407. A bill to promote the rehabilitation of the Navajo and Hopi Tribes of Indians and the better utilization of the resources of the Navajo and Hopi Indian Reservations, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. TOBEY:

S. 1408. A bill to amend the Internal Revenue Code in order to make certain requirements of trusts taking deductions from gross income, for income-tax purposes, of charitable contributions, and for other purposes;

S. 1409. A bill to amend the Internal Revenue Code in order to recognize a gain or loss in liquidation where the liquidating corporation is one not located in the United States; and

S. 1410. A bill to encourage increased production, and for other purposes; to the Committee on Finance.

(Mr. THOMAS of Utah (for himself, Mr. MURRAY, Mr. PEPPER, Mr. HILL, Mr. NEELY, Mr. DOUGLAS, Mr. HUMPHREY, Mr. WITHERS, Mr. TAFT, Mr. AIKEN, Mr. SMITH of New Jersey, Mr. MORSE, Mr. DONNELL, and Mr. SALTONSTALL) introduced Senate bill 1411, to provide for the general welfare by enabling the several States to make more adequate provision for the health of school children through the development of school health services for the prevention, diagnosis, and treatment of physical and mental defects and conditions, which was referred to the Committee on Labor and Public Welfare, and appears under a separate heading.)

By Mr. MCCARTHY:

S. 1412. A bill to amend subsection 602 (j) of the National Service Life Insurance Act of 1940, as amended; to the Committee on Finance.

By Mr. HUMPHREY:

S. 1413. A bill for the relief of Maria Margarete Otto; to the Committee on the Judiciary.

By Mr. TYDINGS:

S. J. Res. 69. Joint resolution proposing an amendment to the Constitution of the United States relating to fiscal matters; to the Committee on Appropriations.

PROTECTION AGAINST LYNCHING

Mr. HUMPHREY. Mr. President, on behalf of the Senator from New York [Mr. WAGNER], the Senator from Oregon [Mr. MORSE], and myself, I introduce for appropriate reference a bill designed to protect the lives and security of American citizens and others who may be living in the United States subject to protection under our laws, and I ask unanimous consent that a statement prepared by me may be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the statement presented by the Senator from Minnesota will be printed in the RECORD.

The bill (S. 1404) to declare certain rights of citizens of the United States, and for the better assurance of the protection of such citizens and other persons within the several States from mob violence and lynching, and for other purposes, introduced by Mr. HUMPHREY (for himself, Mr. WAGNER, and Mr. MORSE), was received, read twice by its title, and referred to the Committee on the Judiciary.

The statement presented by Mr. HUMPHREY was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUMPHREY

It is a distinct privilege that I have the honor to join with the distinguished and most respected Senator from New York [Mr. WAGNER] and the most distinguished Senator from Oregon [Mr. MORSE] in introducing a bill designed to protect the lives and security of American citizens and others who may be living in the United States subject to protection under our laws.

The Federal antilynching bill is based on the eternal religious and democratic principle of human dignity. It declares for all the world to hear and see that democracy, as we in the United States profess and practice it, means freedom; it means freedom from fear, freedom from the threats of illegal bodily in-

jury and death, freedom from violence and irresponsible mob action anywhere in the United States. Freedom, we proclaim is the most basic of human rights. Without it all other civil rights become academic.

It is for that reason that we consider antilynching legislation to represent the heart and core of the civil-rights program and respectively suggest that it have priority on the legislative program for the first session of the Eighty-first Congress.

It was a direct result of a number of lynchings in 1946, the murder of two men and their wives at Monroe, Ga., that the President of the United States issued Executive Order 9808 establishing the President's Committee on Civil Rights. The President in his order declared, and I quote in part:

"The preservation of civil rights guaranteed by the Constitution is essential to domestic tranquillity, national security, the general welfare, and the continued existence of our free institutions."

He further stated:

"The action of individuals who take the law into their own hands and inflict summary punishment and wreak personal vengeance is subversive of our democratic system of law enforcement and public criminal justice, and gravely threatens our form of government."

Executive Order 9808 authorized the committee to determine how the Federal, State, and local governments could better safeguard civil rights, and to recommend to the President necessary legislation for this purpose. The committee was composed of 15 distinguished citizens representing religious, labor, business, and racial minority groups. Committee members came from every geographical section of the United States.

After nearly a year of painstaking study of all questions relating to the violation of civil rights, the committee unanimously recommended, as one of the measures to make secure the rights of Americans, enactment by Congress of an antilynching act. The committee was also careful to point cut what such a law must contain to be effective.

"First, it should define lynching broadly" the committee declared. Section 4 of the bill we introduced today, contains a broad definition of lynching.

"Second, the Federal offense ought to cover participation of public officers in a lynching, or failure by them to protect a person accused of a crime against mob violence. The failure or refusal of public officers to make proper efforts to arrest members of lynch mobs and to bring them to justice should also be specified as an offense." Sections 5 and 6 of our bill so provide.

The committee continued: "Action by private persons taking the law into their own hands to mete out summary punishment and private vengeance upon an accused person, action by either public officers or private persons meting out summary punishment and private vengeance upon a person because of his race, color, creed, or religion—these too must be made crimes." Section 5 of our bill makes it a felony for any person whether a public officer or not to commit violence under these conditions and section 6 punishes State officers who neglect or willfully refuse to prevent a lynching or apprehend members of a lynch mob.

"Third, the statute should authorize immediate Federal investigation in lynching cases to discover whether a Federal offense has been committed." Section 7 of the bill directs the Attorney General of the United States to make such an investigation.

"Fourth, adequate and flexible penalties ranging up to $10,000 and 20-year prison term should be provided." Section 5 of our bill provides that any person found guilty of participation in a lynching shall be punished by a fine not exceeding $10,000 or by imprisonment not exceeding 20 years or both.

Thus, the measure that we are today introducing conforms in every important detail to the historic and eminently sound recommendations of the President's Committee on Civil Rights.

I have alluded to these recommendations at some length because they have a particular meaning to the Eighty-first Congress. Civil-rights legislation is in reality no longer a subject of deep contention and heavy debate for most Americans in most of the areas of the United States. Platforms of both major political parties ring out in support of civil rights and human rights. The President of the United States was elected to his great office by an intelligent electorate which expects and continues to expect him and his party to lead the Nation toward the adoption of his civil-rights program. There are only a bare few who would defend the poll tax as a requirement for voting; or who would condone the failure to provide equal employment opportunities for all Americans, or who would not condemn religious prejudice, hatred, and lynchings. To the extent that a few do choose to oppose legislation aimed at eliminating these bitter injustices from our society, they do so in the main by raising procedural issues or technical objections. There are today very few voices raised against the substance of the civil-rights program, because the American people are overwhelmingly in favor of a civil-rights program.

Finally, I want to call attention to one of the constitutional bases upon which our bill is predicated. I refer to section 2 (b) "To promote universal respect for, and observance of, human rights and fundamental freedoms for all, without distinction as to race, language, or religion in accordance with the treaty obligation assumed by the United States under article 55 and article 56 of the United Nations Charter.

The United States played an important part in formulating this great Charter; the Senate of the United States ratified it as a solemn treaty obligation. More recently our delegates to the United Nations subscribed, on behalf of this country, to the declaration of human rights. The nations of the world—the people of the world—look to the United States for democratic leadership.

America has given the world economic and political leadership, but she cannot and will not supply true moral leadership until every person, regardless of his race or color, may exercise every right as a citizen and be safe against the lynch mob.

With the passage of the Wherry amendment to Senate rule XXII last week many of us in this distinguished body expressed the conviction that the civil-rights program supported by the people of the United States and the President of the United States had been virtually defeated because it would not allow the Senate of the United States to vote on this most vital program. We believed that the Republican leadership in this distinguished body had, even while professing their continued loyalty to civil rights, united with those on this side of the aisle who have always stood in honest though erroneous opposition to civil rights to defeat the President's program for civil rights.

In the face of our admonitions to the American people we were told by the Republican leadership that civil-rights legislation could be passed in spite of the Wherry resolution. The distinguished Senator from from Michigan [Mr. VANDENBERG] in fact challenged us in public print to bring to the floor of this body the legislation which we now introduce.

With the introduction of this bill, we accept that challenge and we, in turn, challenge the Republican leadership and the Republican Party to stand up and be counted on this most crucial issue facing the American people.

On behalf of the senior Senator from New York and the junior Senator from Oregon, I urge the speedy consideration and passage by the Senate of the Federal antilynching bill.

DEVELOPMENT OF SCHOOL HEALTH SERVICES FOR CHILDREN—INTRODUCTION AND REPORT OF BILL

Mr. THOMAS of Utah. Mr. President, on behalf of the Senator from Montana [Mr. MURRAY], the Senator from Florida [Mr. PEPPER], the Senator from Alabama [Mr. HILL], the Senator from West Virginia [Mr. NEELY], the Senator from Illinois [Mr. DOUGLAS], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Kentucky [Mr. WITHERS], the Senator from Ohio [Mr. TAFT], the Senator from Vermont [Mr. AIKEN], the Senator from New Jersey [Mr. SMITH], the Senator from Oregon [Mr. MORSE], the Senator from Missouri [Mr. DONNELL], the Senator from Massachusetts [Mr. SALTONSTALL], and myself, I introduce for reference to the Committee on Labor and Public Welfare a bill providing for the development of school health services for all school children.

The VICE PRESIDENT. The bill will be received and referred, as requested by the Senator from Utah.

The bill (S. 1411) to provide for the general welfare by enabling the several States to make more adequate provision for the health of school children through the development of school health services for the prevention, diagnosis, and treatment of physical and mental defects and conditions, was read twice by its title and referred to the Committee on Labor and Public Welfare.

Mr. THOMAS of Utah. Mr. President, by direction of the Committee on Labor and Public Welfare, I report back favorably, without amendment, Senate bill 1411, to provide for the general welfare by enabling the several States to make more adequate provision for the health of school children through the development of school health services for the prevention, diagnosis, and treatment of physical and mental defects and conditions, just introduced, and I submit a report (No. 157) thereon.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar.

EXTENSION OF EUROPEAN RECOVERY PROGRAM—AMENDMENTS

Mr. CAPEHART submitted an amendment, and Mr. FULBRIGHT and Mr. MAGNUSON each submitted two amendments, intended to be proposed by them, respectively, to the bill (S. 1209) to amend the Economic Cooperation Act of 1948, which were severally ordered to lie on the table and to be printed.

AMENDMENT OF COMMODITY CREDIT CORPORATION CHARTER AND STRATEGIC AND CRITICAL MATERIALS STOCK PILING ACTS—AMENDMENTS

Mr. WILLIAMS (for himself, Mr. BYRD, Mr. WATKINS, Mr. KEM, and Mr. CAPEHART) submitted amendments intended to be proposed by them, jointly, to the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials

Stock Piling Act, and for other purposes, which were ordered to lie on the table and to be printed.

SAN FRANCISCO BAY TOLL BRIDGE—CHANGE OF REFERENCE

Mr. KNOWLAND. Mr. President, yesterday I introduced Senate bill 1390, to authorize the conveyance to the State of California of easements for the construction, operation, and maintenance of a toll highway crossing and approaches thereto over and across lands of the United States in the vicinity of San Francisco Bay, Calif., and for other purposes, which was referred to the Committee on Public Works. The bill deals solely with the construction of a bridge across the Bay of San Francisco by the State of California. No Federal funds are involved. The engineering work and construction is to be done solely by the State of California. As I said, the bill was referred to the Committee on Public Works. I have consulted with the chairman of that committee, the Senator from New Mexico [Mr. CHAVEZ], and he has given his permission that the bill might be withdrawn from the Committee on Public Works and referred to the Committee on Armed Services. I have also consulted with the Senator from Maryland [Mr. TYDINGS], chairman of the Committee on Armed Services, and that is agreeable to him. The only way in which the Federal Government is involved is that some Government officers will have to work out the question of easement with the State of California. For that reason I ask that bill be withdrawn from the Committee on Public Works, and referred to the Committee on Armed Services.

The VICE PRESIDENT. Without objection, it is so ordered.

THE THREAT OF COMMUNISM

[Mr. MORSE asked and obtained leave to have printed in the RECORD a speech on the subject of the threat of communism delivered by him at Trenton, N. J., on March 3, 1949, which appears in the Appendix.]

SALE OF COLORED OLEOMARGARINE—EDITORIAL FROM MOSINEE (WIS.) TIMES

[Mr. McCARTHY asked and obtained leave to have printed in the RECORD an editorial entitled "Reserve Yellow for Butter," published in a recent issue of the Mosinee (Wis.) Times, which appears in the Appendix.]

THE NORTH ATLANTIC SECURITY PACT

Mr. DONNELL. Mr. President, although I shall today mention certain facts concerning the proposed North Atlantic treaty, neither is it my plan nor would it be possible, within the time which I shall today occupy, to discuss exhaustively that document.

I rise for two purposes. They are:

First. To place in the record of proceedings of the Senate a request recently made by the junior Senator from Utah [Mr. WATKINS] and myself in the endeavor to obtain the adoption by the Senate Committee on Foreign Relations of a procedure which he and I believe should be followed in order that the entire membership of the Senate may receive all available information with respect to the proposed North Atlantic treaty.

Second. To mention briefly certain facts which demonstrate the vital importance of Senators receiving all available information with respect to that proposed treaty.

On March 21, 1949, I requested, in remarks made to the Senate, that the Foreign Relations Committee of this body shall permit every Member of the Senate who so desires to engage in the hearings and executive sessions—meaning the hearings and executive sessions concerning the proposed North Atlantic treaty—which shall be held; and that such engagement shall consist of the privilege to examine witnesses, to suggest witnesses, to bring in documents, to request the documents to be brought in—in other words, to participate as fully as if each Member of the Senate were a member of its Foreign Relations Committee. The record of the request so made appears at page 2853 of the CONGRESSIONAL RECORD.

On March 23, 1949, there was delivered to the Senator from Texas [Mr. CONNALLY] a letter addressed to Senate Committee on Foreign Relations, attention Hon. TOM CONNALLY, chairman, from the junior Senator from Utah [Mr. WATKINS] and myself, which letter reads as follows:

MARCH 23, 1949.

SENATE COMMITTEE ON FOREIGN RELATIONS,
Washington, D. C.

(Attention: Hon. TOM CONNALLY, chairman.)

GENTLEMEN: Letter, dated March 17, 1949, from the President of the United States to the undersigned ARTHUR V. WATKINS, and by the latter communicated to the Senate, has informed the Senate that the North Atlantic treaty has been negotiated in accordance with the "advice" contained in Senate Resolution 239 of the Eightieth Congress and "with full and detailed consultation" with the Senate Committee on Foreign Relations.

An article appearing in the Washington Post of March 21, 1949, states that quick approval of the North Atlantic security treaty by the Senate Foreign Relations Committee was forecast on March 20, 1949, by Chairman TOM CONNALLY, although (to quote the article) "he was unwilling to guess how long it might take the Senate itself to act on ratification."

The undersigned, neither of whom is a member of the Senate Committee on Foreign Relations, have not been informed of the contents of, or matters discussed in, the "full and detailed consultation" with said committee with which consultation the President stated that the treaty has been negotiated.

In our opinion, every Member of the Senate should have the opportunity to obtain all information available with respect to the proposed treaty, its origin and development, and the reasons for its negotiation and should also have the opportunity to obtain views of any persons whom such Member may deem qualified to express them and whose views such Member desires to secure, with respect to whether the treaty is constitutional and, if so, whether it is advisable that the treaty be ratified.

Inasmuch as it is stated in the above-mentioned article that quick approval of the treaty by the Senate Foreign Relations Committee was forecast by Chairman TOM CONNALLY, we infer that that committee has nearly, or perhaps entirely, arrived at a conclusion favorable to such approval.

Indeed, according to an Associated Press dispatch of March 20, 1949, those Senators who at least indicated they favor the principle of the treaty included 12 of the 13 members of the Senate Committee on Foreign Relations. The New York Times of March 1, 1949, carried a dispatch the opening sentence of which reads: "Senators TOM CONNALLY, Democrat, of Texas, and ARTHUR H. VANDENBERG, Republican, of Michigan, reassured Secretary of State Dean Acheson today that the draft of the North Atlantic Pact was satisfactory to them as it now stood." The Washington Post of March 9, 1949, carried an article the opening four paragraphs of which read as follows:

"Informal approval of the proposed North Atlantic security pact was given yesterday by the Senate Foreign Relations Committee.

"The treaty is now virtually in final form, and 'satisfactory results may be expected and I feel are assured,' declared Committee Chairman TOM CONNALLY, Democrat, of Texas.

"Secretary of State Dean G. Acheson was before the committee for nearly 3 hours yesterday, to present and discuss the treaty at an informal meeting. When he left, Senator CONNALLY told reporters:

"'I feel that * * * the results will answer the complaints that are being made against the treaty here in the United States.'"

The Evening Star (Washington, D. C.) of March 22, 1949, states that Senator VANDENBERG (who is the ranking minority member of said committee) unequivocally indorsed the pact itself.

In view of the fact that it is important that adequate information respecting the treaty, its genesis and development, legal standing and advisability be possessed not alone by those Senators who are on the Senate Committee on Foreign Relations but by all Senators, and in view of the probability that the committee has nearly, or perhaps entirely, arrived at the conclusion above-mentioned, we think it important that, in addition to the members of said committee, every other Senator be granted the right of participation in both the public hearings and executive sessions to be held by that committee respecting the treaty. Such participation should, in our opinion, include the right to suggest persons to be accepted or called as witnesses, to examine and cross-examine such persons and all other witnesses, to make request for exhibition to the committee of documents or other exhibits deemed by the Senator making such request to be of importance, and to engage in all such other participation (excluding, in the case of each Senator who is not a member of said committee, the power to vote in committee) in any manner beyond sessions to which each Senator who is a member of said committee is entitled.

It would not, in our opinion, be advisable to (a) require that any question which a Senator who is not a member of the Senate Committee on Foreign Relations shall desire to have asked of a witness be merely transmitted to the committee for presentation by it to the witness or (b) refuse any such Senator the right to any part of the participation above-mentioned. We think the opportunity for full examination and cross-examination by every Senator, thereby permitting such Senator to develop fully all points which he or she deems proper, should be afforded to him or her and that neither he nor she should be limited (except, in the case of each Senator who is not a member of the Senate Committee on Foreign Relations, by the exclusion of the power to vote in committee) in any manner beyond the limitation by which members of the committee are themselves circumscribed.

We accordingly respectfully request that assurance be given by you that every Senator who is not a member of the Senate Committee on Foreign Relations shall have the right to the participation above-mentioned.

There exist precedents in support of our request above set forth. For instance, in the Senate Committee on Foreign Relations, Senators not members of that committee

were permitted to interrogate witnesses during the consideration of the Colorado River water treaty. In the hearing relative to the nomination of David Lilienthal to the chairmanship of the United States Atomic Energy Commission, like privilege was extended outside the membership of the Senate section of the Joint Committee on Atomic Energy by which section were held hearings respecting confirmation of that nomination. Before the Senate Committee on Labor and Public Welfare the undersigned ARTHUR V. WATKINS was permitted to interrogate relative to the nomination of Hon. Abe Murdock to membership on the National Labor Relations Board. In hearings before subcommittee of the Senate Committee on Banking and Currency, the undersigned FORREST C. DONNELL was permitted to examine witnesses in the matter of the nomination of James K. Vardaman, Jr., to membership on the Board of Governors of the Federal Reserve System. Before the Senate Committee on the Judiciary, both Hon. TOM CONNALLY and Hon. Lee O'Daniel, Senators from Texas, were permitted to interrogate witnesses in connection with the nomination of Joe B. Dooley to the office of judge of the United States District Court for the Northern District of Texas.

We believe that, if our above-stated request were not granted, both the Nation and certain Members of the Senate might fail to receive much valuable information which should be before every Senator and every other citizen of the United States before action is had concerning ratification of the proposed treaty. Facts, which shall not have been developed in a committee hearing, cannot, in many instances, be developed adequately on the floor of the Senate due to the fact that witnesses are not brought upon the floor of the Senate for examination.

The vital importance of the North Atlantic treaty has impelled us to make the above request, which we do with greatest earnestness.

Yours very truly,
ARTHUR V. WATKINS,
United States Senator from Utah.
FORREST C. DONNELL,
United States Senator from Missouri.

Does the Senator from Texas desire to have me yield for a question at this point, now that I have completed the reading of the letter?

Mr. CONNALLY. Mr. President, I thank the Senator, but I do not think I shall disturb his line of thought at this time.

Mr. DONNELL. I thank the Senator for his expression.

By the reading to the Senate of this letter, the first of the two purposes for which I today rose is accomplished.

I pass now to the second of those purposes, namely, to mention briefly certain facts which demonstrate the vital importance of the Senators receiving all available information with respect to the proposed North Atlantic treaty.

On February 14, 1949, the attention of the Senate was called to an Associated Press dispatch in the Kansas City Times, in which dispatch, referring to a meeting between the Norwegian Foreign Minister and Secretary of State Acheson, it was stated, "While the meeting was secret, it was understood that in general, Acheson covered these points"—among which points was the following:

3. Military action, therefore, cannot be committed in advance. But in joining the alliance, the American Government would subscribe to the principle that an attack on one member nation was an attack on all and this would be interpreted as a moral commitment to fight.

Mr. President, I have not seen any statement by the Secretary of State which in any way contradicts the Associated Press dispatch from which I have quoted. Specifically, I have not seen any statement by him which in the slightest contradicts the statement that the subscription by the American Government to the principle that an attack on one member nation was an attack on all would be interpreted as a moral commitment to fight.

During debate in the Senate, on February 14, 1949, there occurred colloquy in the course of which there was addressed to the senior Senator from Michigan [Mr. VANDENBERG] a question—I quote from page 1164 of the RECORD—as follows:

Am I correct in understanding, or in assuming, that the Senator would not favor including in the North Atlantic Pact anything which constitutes a moral commitment to fight on the part of the United States of America?

To that question the Senator from Michigan responded:

If the Senator means an automatic commitment, my answer is "Yes." Obviously, something is meant by a general assertion that we find common interest in our mutual safety. The implementation, I repeat, of that recognition, so far as the Senator from Michigan is concerned—the able Senator from Texas [Mr. CONNALLY] will speak for himself, but I know he agrees—so far as the implementation of any such community of interest is concerned, the decision will remain at home.

There was then addressed, Mr. President, to the senior Senator from Michigan a further question, as follows:

But the Senator would not favor, would he, a North Atlantic Pact containing within it a moral commitment on the part of the United States to fight?

To which inquiry the Senator from Michigan replied:

Not without its own independent decision to that end.

The senior Senator from Texas [Mr. CONNALLY], the distinguished chairman of the Foreign Relations Committee, in the same colloquy, at page 1164 of the RECORD, stated:

I do not, of course, approve of any language which may be adopted which could be construed as automatically involving the United States in war.

There being then addressed to the Senator the question, "Or as a moral commitment to fight?" The Senator from Texas responded:

Of course. In the case of governments I do not know the difference between moral commitments and legal commitments. I certainly would not desire the adoption of any language which would morally commit us to fight. I think our morality is worth something in the world, and we would not want to play with a moral commitment, even though we might not be legally bound. But there are many people, and we have found them in government and elsewhere, who would favor automatically going to war, which would mean letting European nations declare war and letting us fight.

There then being addressed to the Senator the question, "Which would, of course, be entirely contrary to the Constitution of the United States, would it not?" the Senator from Texas replied:

Certainly. Congress alone has the power to declare war. Of course individual Senators declare war sometimes.

To which the response made by the interrogator was, "But those are only local wars."

Mr. President, now that we have seen what the expressions of the distinguished chairman of the Foreign Relations Committee and of the distinguished ranking minority member of that committee were, with respect to the inquiries propounded to them on February 14, 1949, let us now see what the obligations of the United States under the North Atlantic treaty are now regarded to be. I may state again, as I did at the outset, neither is it my plan, nor would it be possible within the time which I shall today occupy, to discuss exhaustively the North Atlantic treaty. I think, however, we can together learn by a few apt illustrations what the obligations of the United States under the North Atlantic treaty are now regarded to be, and that such examination need not consume an undue length of time this morning. I have in my hand an editorial which appeared in the New York Times of Tuesday, March 22, 1949, only 3 days before the moment at which I am speaking, and I desire in a moment to quote from that editorial.

I want to state in advance that I do not agree with such, if any, implications as may be drawn from any utterance of the New York Times that the North Atlantic treaty should be ratified. I do, however, call special attention to a certain part of the editorial of March 22; and in order that the entire editorial, in its context, may be before every Senator, I respectfully ask unanimous consent that at the conclusion of my remarks the editorial be set forth in full.

The PRESIDING OFFICER (Mr. STENNIS in the chair). Without objection, it is so ordered.

(See exhibit 1.)

Mr. DONNELL. The excerpt from the editorial, to which excerpt I now call attention, reads as follows:

President Wilson, indeed, in his war speech of April 2, 1917, looked forward to "a universal dominion of right by such a concert of free people as shall bring peace and safety to all nations and make the world itself, at last free."

The editorial continues as follows:

But Mr. Wilson, in time of peace, would not have dared to ask the Senate to commit itself, as Mr. Truman and his advisers are now doing, to go to war if any one of 11 or more nations is attacked. We should not quibble on this point. The defense pact means that, or it means nothing.

That concludes, Mr. President, the excerpt from the New York Times editorial.

So that there may be no doubt as to the point on which I place emphasis, I want to read again this statement in the editorial:

But, Mr. Wilson, in time of peace, would not have dared to ask the Senate to commit itself, as Mr. Truman and his advisers

are now doing, to go to war if any one of 11 or more nations is attacked. We should not quibble on this point. The defense pact means that, or it means nothing.

Mr. President, the defense pact to which reference is made in the editorial from which I have read is the North Atlantic Pact, and is specifically identified as such in the paragraph from which I have read.

Mr. President, let me inquire for the moment, how does Foreign Minister Schuman of France interpret the proposed treaty? In order that his testimony may be of relevancy and materiality, I may point out that the Washington Post of March 23, 1949, says:

The Michigan Senator—

That is to say, Mr. President, the senior Senator from Michigan [Mr. VANDENBERG]—

the ranking Republican member of the Senate Foreign Relations Committee, listed the 12 nations expected to sign the pact as Britain, France, Belgium, the Netherlands, Luxemburg, Italy, Norway, Denmark, Iceland, Portugal, the United States, and Canada.

So, Mr. President, France obviously is one of the 12 nations expected to sign the pact.

I ask, then, how does Foreign Minister Schuman of France interpret the proposed treaty? I hold in my hand a clipping from the Evening Star of Washington, D. C., dated March 19, 1949, in which, among other items, appears a photograph of the distinguished Foreign Minister, Mr. Schuman, whose name and title appear in black-face type and a paragraph reading as follows:

Foreign Minister Schuman of France.

Then this is quoted:

"We are convinced that the pact contains not only a moral, but a judicial engagement upon each signatory to aid one another as rapidly and as effectively as possible in the manner each deems best according to its means."

He termed the pact an effective shield for France against aggression.

Mr. President, among the 12 nations, the names of which I read a moment ago, is that of Denmark. Let us inquire, how does Mr. Rasmussen, the Foreign Minister of Denmark, interpret the proposed treaty? I hold in my hand a clipping from the Washington Post of March 23, 1949, on the third page of which appears a double-column headline in black-face type, reading as follows:

Denmark told pact binds United States.

The opening three paragraphs of this dispatch read as follows:

COPENHAGEN, DENMARK, March 22 (UP).—

That is the United Press, I assume—

Foreign Minister Gustav Rasmussen told Parliament today that under the proposed North Atlantic treaty the United States "would go to war" if any one of the signatory nations is attacked.

The second paragraph reads:

To the Danish Government, he said: "There is no doubt that the United States will consider herself pledged to assist an attacked nation with all her force."

The third of these three paragraphs in that dispatch of March 22, 3 days ago, from Copenhagen, Denmark, quoting the Foreign Minister in his statement to the Parliament of that nation, reads as follows:

"If armed force is necessary to reestablish security, it is evident that the member countries possessing such force are obliged to use it. That means—

And I am still quoting from Mr. Rasmussen—

"That means that if an armed attack occurred on one of the member countries, they could have only one answer. The United States would go to war."

Mr. President, how does the distinguished ranking minority member of the Committee on Foreign Relations of the Senate interpret the treaty? I hold in my hand a clipping from the Washington Post of day before yesterday, Wednesday, March 23, 1949, in which, at the top, across two columns in black-face type, is this language:

VANDENBERG praises North Atlantic Pact.

In the third column appears a photograph of the Senator on his sixty-fifth birthday—and I pause to congratulate him, at this moment, upon his attainment of that age, which I do not personally regard as at all venerable, with such distinguished and fine qualities as he possesses—and the article goes on to say he tells the conference of mayors—that, Mr. President, is the United States Conference of Mayors—that the Atlantic Pact "is the best bet to keep the present 'cold war' from getting hot."

Mr. President, let me recall further what the Senator from Michigan said in his address, which was a thousand-word address, before the Conference of Mayors. I quote in part from the address of the Senator from Michigan as it appears in this clipping from the Washington Post of March 23, as follows:

"The Neutrality Act of 1939 told Hitler that the United States would keep out of any such conflict, would keep our vessels out of belligerent ports, would refuse credits to warring nations," VANDENBERG said.

The quotation continues:

The North Atlantic Pact, wholly to the contrary, will tell any aggressor in 1949 that from the very moment he launches his conquest in this area he will face whatever united opposition, including that of the United States, is necessary to beat him to his knees.

Mr. President, in the same article from the Washington Post we find, however, that earlier in his statement the Senator from Michigan said:

I ask you to note that we reserve unto ourselves the option to decide precisely what contribution we shall make against any such armed attack by an aggressor. There are many defensive recourses short of war.

We are signing no blank check.

I take it, Mr. President, that the distinguished Senator from Michigan is obviously referring, in the language just quoted, to the wording of the proposed treaty which, eliminating immaterial language, intermediate for the moment, contains an agreement by the parties to the proposed treaty that each of them "will assist the party or parties so attacked by taking forthwith, individually and in concert with the other parties"—and this is the particular part to which I take it the distinguished Senator alluded—"such action as it deems necessary."

Mr. President, I discussed on this floor a few days ago the meaning of the language "such action as it deems necessary," and I shall endeavor not to repeat unduly the argument of the other day. But I call attention to two facts in connection with the allusion thus made by the Senator from Michigan to the language "such action as it," that is to say, in the case of the United States, the United States Government, "such action as it deems necessary."

Mr. President, it is important to observe, first, that the language in the pact does not stop with the words "such action as it deems necessary," but is followed, after an intermediate comma, with the words, "including the use of armed force." There is no provision that it shall be "such action, if any, as the United States shall deem necessary." There is an express inclusion, as I read the pact, within the term "such action," of "the use of armed force."

I read those few words again so that we may all have the continuity:

The parties agree that they * * * will assist the party or parties so attacked by taking forthwith * * * such action as it deems necessary, including the use of armed force—

I call attention further to the fact that the objectives referred to by the term "necessary" are two, not merely the restoration of the immediately preceding status quo, not merely the resumption of peaceful conditions, but it is provided in this obligation on the parties that each of them shall take—

such action as it deems necessary, including the use of armed force, to restore—

Yes, "restore"—

and maintain the security of the North Atlantic area.

Mr. President, I agree with the distinguished senior Senator from Michigan in his general view, as I interpret the statement, that any aggressor in 1949 will face "whatever united opposition, including that of the United States, is necessary to beat him to his knees." That means armed force, and that is what the pact says, "such action" as the United States "deems necessary," and I shall discuss in a few moments those few words "as it deems necessary, including the use of armed force."

Mr. President, I refer to the fact that the Senator from Michigan assures us that we reserve unto ourselves the option, quoting him, "to decide precisely what contribution we shall make against such armed attack by an aggressor."

He says:

There are many defensive recourses short of war.

Then there is his assurance, as I have said:

We are signing no blank check.

I call the attention of the Senate to the very interesting fact that the Senator is quoted by the newspaper as con-

tinuing as follows, after having assured us that we are signing no blank check:

But I ask you also to understand that we are signing no mere scrap of paper.

So, Mr. President, on the one hand, we have an assurance of safety against the signing of a blank check, which we are assured we are not signing, and, on the other hand, we have the assurance that what we are signing is, to quote the Senator, "No mere scrap of paper."

Mr. President, while having before me this quotation from the statement made by the distinguished Senator from Michigan before the conference of mayors, I should like to continue with what he said immediately after the statement asking his hearers also to understand that "We are signing no mere scrap of paper." The Senator continued, as reported by the newspaper:

This pact will mean what it says or it is devoid of war-preventing authority.

It means that if another armed aggressor threatens any or all of us with world war III—God save the mark—all of us will forthwith unite to stop the aggression before it becomes universal, and to defeat it before it becomes a universal conquest.

Mr. LANGER. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order, and the Senator from Missouri will suspend for a moment. It would be very cooperative if the visitors to the Senate floor, who are not Members of the Senate, would refrain from conversation and try to find seats. That would contribute to the effort the Senate is making in wrestling with a very important and delicate question.

Mr. DONNELL. I thank the Presiding Officer, and I also thank the Senator from North Dakota.

I had just read this sentence from the Senator from Michigan, the ranking minority member of the Foreign Relations Committee:

It means—

That is to say, the pact—

It means that if another armed aggressor threatens any or all of us with world war III—God save the mark!—all of us will forthwith unite to stop the aggression before it becomes universal, and to defeat it before it becomes a universal conquest.

And then this final thrilling sentence which is eloquently uttered by the distinguished Senator from Michigan:

All of us must take that pledge in good faith or it were better that we do not take it at all.

Mr. President, the Senator in his assurance that we are signing no blank check has relied, I take it, and as I have previously indicated, upon the point, to quote him, that—

We reserve unto ourselves the option to decide precisely what contribution we shall make against any such armed attack by an aggressor.

Mr. President, the only part of the language of the treaty I know of that remotely refers to what the Senator is talking about there, is the language I have mentioned—

Such action as it—

That is to say, the signatory—

deems necessary, including the use of armed force.

Now, Mr. President, let us for a moment consider what is the meaning of this language—

Such action as it deems necessary.

Let us note first what is said by the Secretary of State himself in the radio address which was so strongly commended by the President of the United States in a message flashed here from Key West, Fla. but a few days ago. I hold in my hand an excerpt from the Washington Star of March 19, from which I read—and in order to be perfectly fair, I read several sentences leading up to the concluding sentence which to my mind sets forth correctly and accurately what the meaning of the language—

Such action as it deems necessary—

Says the distinguished Secretary of State.

This does not mean that the United States would be automatically at war—

I am not agreeing with that statement. The portion I am agreeing with is the concluding sentence, which I shall give in a moment.

This does not mean that the United States would be automatically at war if one of the nations covered by the pact is subject to armed attack. Under our Constitution—

I emphasize this in passing, although it has no immediate relevancy to the matter in point. I call attention to the fact that Mr. Acheson says:

Under our Constitution the Congress alone has the power to declare war.

Then he continues:

We would be bound to take promptly the action which we deemed necessary to restore and maintain the security of the North Atlantic area. That decision would be taken in accordance with our constitutional procedures. The factors which would have to be considered would be, on the one side, the gravity of the armed attack; on the other the action which we believe necessary to restore and maintain the security of the North Atlantic area. That is the end to be achieved.

Then, Mr. President, comes the concluding sentence:

We are bound to do what in our honest judgment is necessary to reach that result.

So, Mr. President, the Secretary of State does not have in mind that we may take an artificial or an unreasonable or a dishonest standard—and I hasten to assure the Senator from Michigan that I make no imputation in the slightest, directly or indirectly, of bad faith against him. He knows the great esteem in which I hold him. The Secretary of State, however, obviously makes it clear that by this use of the language in the North Atlantic treaty—

Such action as it deems necessary—

He does not consider that the United States has the right to make either a dishonest or an unreasonable determination of what is necessary to reach the result. He says; and I quote him again:

We are bound to do what in our honest judgment is necessary to reach that result.

Mr. President, there has recently been issued by the State Department, I assume with the approval of the Secretary of State, what is known as the white paper of the State Department, a document entitled "The North Atlantic Pact. Collective Defense and the Preservation of Peace, Security, and Freedom in the North Atlantic Community." I call the attention of the Senate to two things within that so-called white paper. One is the statement substantially, if not entirely within the language of the Secretary of State, that—

Under the United States Constitution the Congress alone has the power to declare war.

To be sure. The white paper proceeds:

This constitutional question, however, does not present a real obstacle to the pact.

And it continues further, Mr. President:

The United States certainly can obligate itself in advance to take such action, including the use of armed force, as it deems necessary to meet armed attack affecting its national security.

I want to say, Mr. President, that I am not at all conceding the soundness of anything I have just read from the white paper, except the statement:

Under the United States Constitution the Congress alone has the power to declare war.

But I wanted to read fairly, I think, what the Department of State's contention is. Then going down a little further on page 3, to the reference to article V of the pact, which is the article in which appears the language, "such action as it deems necessary," the white paper has this to say:

Armed attack: Article 5 of the pact comprises a solemn engagement—

I pause there, Mr. President. I do not know whether that is stronger or identical with a moral commitment, but it is a solemn engagement, so the Department of State says. I read again:

Article 5 of the past comprises a solemn engagement that each party will exercise honest and genuine judgment in determining what action is necessary for the restoration of peace when another party has been attacked.

I may say, Mr. President, that in order to be entirely accurate I think the white paper should have added "the maintenance of the security" instead of merely "the restoration of peace," for that is in article V of the pact, as I have indicated.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. DONNELL. I yield to the Senator from Maryland.

Mr. TYDINGS. Without taking issue with the Senator as to the point he is making, and without agreeing with any conclusion that he might draw from it as my own conclusion, may I ask the able Senator from Missouri if he feels

that our security would be better protected if we did not go into this pact, or if we would be more secure if we did go into the pact, assuming that the inference contained in his argument is an accurate one?

Mr. DONNELL. Mr. President, I am glad the Senator from Maryland has asked me that question. In my judgment this Nation has vastly less security if we go into this pact as it is written than if we remain out of it. I think we are opening ourselves for a period of 20 long years to a series of contingencies under which if any one of 12 or more nations shall be attacked we shall be immediately and automatically at war against the aggressor who shall attack that nation.

Mr. TYDINGS. Of course, the able Senator recalls that in the war that has just closed, first Austria was picked off, then Poland, then Holland, Belgium, and France, then Russia, and so forth, over a period of succeeding years. Now, it might well be that without this pact that situation could be accomplished again by another aggressor nation; could it not?

Mr. DONNELL. I think it is entirely conceivable that it could, but I may say further in answer to the question of the Senator from Maryland that in my judgment it is far wiser that this country reserve unto itself the right to consider the circumstances at the time that such a series of incidents shall begin or shall be in process, rather than to agree for a period of 20 long years in advance, as we would agree in the North Atlantic Pact.

Mr. TYDINGS. I see the Senator's point of view. As a member of the Foreign Relations Committee who attended practically all the hearings when this subject was being discussed, my understanding was that we had the right to review any situation that existed in Europe where a border incident, a riot, or an actual invasion occurred, and to predicate our action then as we deemed wise, either upon war, or upon measures short of war.

To return to the original question, I do not wish to argue it with the Senator from Missouri. I merely wish to get his point of view. If such a thing has happened in the past, namely, that one nation after another has fallen to an aggressor without this pact, is it not likely that it can happen all over again; and with this pact would it not be unlikely that it could happen all over again?

Mr. DONNELL. I do not agree with the concluding portion of the Senator's question. Although it is entirely possible that the process to which he refers might be sought to be duplicated by some nation, to my mind it is far wiser that we should consider any such situation as it shall begin to develop, or shall have continued to develop, and determine our course of action then, rather than do it now. I shall discuss that point a little more fully in a very few minutes.

Mr. TYDINGS. Mr. President, will the Senator bear with me for another observation?

Mr. DONNELL. Certainly.

Mr. TYDINGS. It is my understanding—I cannot reach any other conclusion—that under this pact we would be concerned with anything that happened in the North Atlantic area which might threaten the security of any one or more nations.

It is not my understanding that we are automatically bound to go to war because of something which may enter into the security picture with respect to one or more of the North Atlantic countries. We might, if we deemed it necessary, take other steps. We might, if we deemed it necessary, go to war. But the Senator knows as well as I do that we cannot go to war unless the Congress votes so to do. Is not that correct?

Mr. DONNELL. It is legally correct; but the fact that the Senate and the President shall at this time enter into a solemn engagement such as the Department of State declares this to be, to my mind would mean that if circumstances should arise in which, for illustration, Denmark should be attacked by 100,000 men, clearly what would happen would be one of two things: Either that the President, as Commander in Chief of our forces, would go ahead under what he considered his authority derived from this treaty, or that the Congress, realizing the seriousness of the situation, would accede to what it had recognized to be a solemn moral obligation and, as nearly as humanly possible in the absence of the constitutional provision, a legal obligation.

Mr. TYDINGS. In the event Denmark should be attacked by 100,000 men and we did not have the North Atlantic Pact, what does the Senator think would be the right attitude for our country to assume?

Mr. DONNELL. I should say that that would depend upon the circumstances at the time. I should say that normally, in the protection of our own interests, we should immediately step in to assist in the protection of Denmark. But I cannot foresee—and with deference to my distinguished friend, whom I so highly regard, I do not believe he can—what will be the contingencies in the next 20 years which would make it advisable or not advisable, at the moment, for us to act under the premise he has suggested.

Let me ask the Senator a question. I shall be glad to yield further to him. I ask him whether or not he heard the quotation from the New York Times which I read a while ago, contrasting what Mr. Truman and his advisers are now doing with what Mr. Woodrow Wilson would have done or would not have done. Did the Senator hear that?

Mr. TYDINGS. I did not hear it.

Mr. DONNELL. Will the Senator bear with me while I read one sentence?

Mr. TYDINGS. Certainly.

Mr. DONNELL. This is from a lead editorial in the New York Times of March 22, 3 days ago:

> But Mr. Wilson, in time of peace, would not have dared ask the Senate to commit itself, as Mr. Truman and his advisers are now doing, to go to war if any one or more of 11 nations were attacked. We should not quibble on this point. The defense pact means that, or it means nothing.

That is the view of the editorial writer.

Let me read one thing further before yielding. The distinguished Senator from Texas [Mr. CONNALLY], in whose good, sound, common sense I have a world of confidence, on the 14th of February of this year, during the colloquy to which I referred earlier—possibly before the Senator from Maryland entered the Chamber—made this statement, on page 1168 of the RECORD:

> We are out for peace, but in preserving the peace we ourselves must be strong. That is why I favor not assuming obligations which we do not intend to fulfill. I favor the Congress and the Executive retaining the right to determine the question of war or peace under the Constitution.

The Senator from Texas was then interrogated as follows:

> And under the circumstances at the time.

The distinguished Senator from Texas replied:

> Of course, under the circumstances at the time, and under our traditions. That is my attitude on this question.

May I say to the Senator from Texas that I think his judgment is sound and proper, as expressed in the statement which I have just read.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. CONNALLY. I made the statement which the Senator read, in view of the following language of the treaty, in article 5:

> They agree that if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defense recognized by article 51 of the Charter of the United Nations, will assist the party or parties so attacked by taking forthwith, individually and in concert with the other parties, such action as it deems necessary—

"It" means the United States in that case—

> including the use of armed force.

We have the power to do that now, without any treaty.

Mr. DONNELL. Certainly we have.

Mr. CONNALLY. Of course that would include whatever measures we decided were necessary. There are many other measures short of taking up arms. Under the Charter of the United Nations there are sanctions of an economic, diplomatic, or other character which we might adopt. The language of this treaty is "such actions as it deems necessary." Of course, the action would depend upon the conditions at the particular time, and the character of the quarrel which provoked the attack, if one were made. Of course we reserve to ourselves that decision, and the treaty does not require us to do anything different.

Mr. DONNELL. May I ask the Senator to read the next six words which follow the words "such action as it deems necessary"?

Mr. CONNALLY. "Including the use of armed force." If we decide that armed force is necessary to maintain the peace, of course we will use it. We did it in two wars without any treaty. That is up to us. We are the judges. We pass upon those questions. It is our conclusions which will operate upon this government, and not some else's conclusions.

Mr. DONNELL. The distinguished Senator has interpolated language of a very important nature which is not in the Atlantic Pact.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. DONNELL. I yield to the Senator from Maryland for a further inquiry.

Mr. TYDINGS. I think the difference between the Senator from Missouri and myself is an honest difference, and I can see very clearly how he is taking the line of thought which he takes. However, let me say to him that if Denmark were invaded today, while we have a great many troops in Germany and in other places in Europe, the question whether we would go to war or not, our troops being already over there and being threatened by such action would be one thing. After we have withdrawn from Europe, at some time in the future, if Denmark should be invaded, the question whether or not we should go to war would be an entirely different question. In one case I can see how some of our own men might be involved in war without the President or Congress doing anything. In the other case we could not be involved in war, in my judgment, without the President or the Congress doing something, because we would have no troops over there. I think we can agree on that general premise; can we not?

Mr. DONNELL. I do not know exactly what the premise the Senator refers to is; but let me answer the question in this way——

Mr. TYDINGS. Mr. President, will the Senator permit me to state the premise again, because I think we shall reach a point where we can agree, and I think we should do so.

Mr. DONNELL. I consent to that.

Mr. TYDINGS. We already have troops in Germany. It is perfectly possible that if an attack were made on Denmark, our own troops in Germany might be involved in the fighting. Does the Senator agree as to that.

Mr. DONNELL. It might very well be.

Mr. TYDINGS. Very well. Then we would be committed to action; the President and the Congress would have nothing to do with that. We would have certain commitments in Germany, in our zone there, and elsewhere which we would have to keep.

Mr. DONNELL. And which we would have to keep in connection with the necessity of determining, under the obligations of the North Atlantic Pact, what we and the other 12 signatories to that pact had obligated ourselves to do—to do what, Mr. President? To take—

such action as it deems necessary * * * to restore and maintain the security of the North Atlantic area.

Mr. TYDINGS. But in the case of an attack tomorrow morning upon Denmark, and involving our troops in Germany, in view of the commitments and obligations we already have, even without any action by the President or any declaration of war by the Congress, we would be involved; would we not?

Mr. DONNELL. Certainly.

Mr. TYDINGS. Then we would have to come to the aid of those troops; would we not?

Mr. DONNELL. I should say so; undoubtedly.

Mr. TYDINGS. Then the Senator from Missouri and I agree as to that.

Mr. DONNELL. Certainly.

Mr. TYDINGS. In the other case, let us suppose that all our troops had been withdrawn from Europe, and that some settlement had taken place, and that after that settlement had taken place Denmark were invaded. Does the Senator from Missouri mean that in such event the President of the United States could order our troops to leave the United States and go to the aid of Denmark, without a declaration of war on the part of the Congress?

Mr. DONNELL. I should say that certainly he should not have the right, and I do not think he has the constitutional right, to declare war.

Mr. TYDINGS. I agree with the Senator.

Mr. DONNELL. Just a minute, please. I wish to say, however, that this pact contains an iron-clad provision obligating us to take such action as it—we—deems necessary, including the use of armed force. It does not say that we may select as between the use of armed force and the provision of cornmeal or cotton or guncotton or guns. We are to take such action as we deem necessary, including the use of armed force. I think there certainly should be the right on the part of our country to distinguish between the two cases—in the one case, where we have sent over there our troops, which we are obligated to protect or should protect; and in the other case, where we do not have any troops over there. However, this proposed treaty makes no distinction. It says nothing about our rights or interests. It says we are required to take such action as we deem necessary to do what? To—

restore and maintain the security of the North Atlantic area.

Mr. TYDINGS. Mr. President, will the Senator yield to me once more?

Mr. DONNELL. I yield.

Mr. TYDINGS. I apologize for asking the question in this fashion; but if the Senator will answer either "Yes" or "No," and then will give me his reason, I can follow him, I feel sure.

Mr. DONNELL. Mr. President, I reserve the right to answer these questions in my own way.

Mr. TYDINGS. Very well. My question is this: Suppose there was a settlement in Europe and suppose we had no troops over there any longer; suppose all of them were back in the United States. Then suppose Denmark were attacked by 100,000 or 200,000 men, and suppose the North Atlantic Pact were in force. Under those circumstances, when we had no troops in Europe, and when Denmark had been attacked by 200,000 men, would the President, in the opinion of the Senator from Missouri, have the right, under the pact, to go to the aid of Denmark by sending our troops over there, without the action of Congress?

Mr. DONNELL. Mr. President, does the Senator mean to ask whether the President would have that right under the pact? Is that the Senator's question?

Mr. TYDINGS. Yes.

Mr. DONNELL. I should say the pact makes it obligatory upon this——

Mr. TYDINGS. Oh, that is not what I am asking.

Mr. DONNELL. Just a minute, and I shall answer. I should say the pact makes it obligatory upon this country—and the obligation is as clear as crystal, I believe—to do two things: Both individually and in concert with the other 12 parties to this pact, to take "such action" as the United States of America "deems necessary, including the use of armed force." Mr. President, that is not my language; it is the language of the pact.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. DONNELL. Not until I finish my statement. I have the floor, and I wish to continue to answer. As I have said, the pact provides that we shall take "such action" as we "deem necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area."

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. DONNELL. Let me say first that in the case to which the Senator from Maryland has referred—a supposititious case in which 200,000 troops entered Denmark from Russia the day after the treaty was signed, and when the other signatories called upon us to do—what? To take "individually and in concert with the other parties, such action as it"—we—"deems necessary * * * to restore and maintain the security of the North Atlantic area."

Suppose we were to say, as the Senator from Michigan has indicated, "We put into this treaty six of seven words which are very conservative to us; and we have considered them; and although we are to take such action as we deem necessary, including the use of armed force—and we recognize all of that—yet we have decided that 250 troops are enough to be sent there, and we are going to send them."

Obviously, in that case every Member of the Senate and the country and the world at large would say we had violently breached the solemn engagement to which the Department of State has referred; for under the North Atlantic Treaty we would be required to send armed forces, which, together with the armed forces of other nations, might be necessary, as we deemed it necessary on our part, "to restore and maintain the security of the North Atlantic area."

Mr. TYDINGS. Mr. President, I see the Senator's point of view, but I do not think I have made myself clear. I should like to ask a further question.

The PRESIDING OFFICER. Does the Senator from Missouri yield further to the Senator from Maryland?

Mr. DONNELL. I yield.

Mr. TYDINGS. My question is this: Assuming that our present differences in Europe have been composed——

Mr. DONNELL. Let me ask, What are our present differences in Europe?

Mr. TYDINGS. We have armies all over the place over there. I am assum-

ing that whatever is keeping them over there had passed away and that we would be able to return them to the United States.

Mr. DONNELL. Let me ask just what are the differences to which the Senator refers, which exist in Europe at this time.

Mr. TYDINGS. We have the air lift; and we do not have any treaties of peace affecting Berlin or Germany or Austria; the Senator knows what I mean.

But I am assuming that all those differences have been composed, and that our troops have returned to the United States of America, and that we do not have one soldier left in Europe; and I am assuming that the North Atlantic Pact is in force, after having been adopted by this body.

Mr. DONNELL. Yes.

Mr. TYDINGS. And I am assuming that when Denmark is attacked by X nation with 200,000 men.

Mr. DONNELL. Yes.

Mr. TYDINGS. My question is a simple one: In that circumstance, has the President of the United States, without the vote of Congress, the right to send our troops to Europe

Mr. DONNELL. Mr. President, the Senator from Maryland has asked a question which involves two things. One is, What is the power of the President as Commander in Chief? I should say that under this treaty—and I am going to leave it to the Senator to decide for himself which official would be the one to act—the United States of America would have obligated itself to send troops back to Europe under the conditions to which the Senator from Maryland has referred; and I assume that the President of the United States, being the Commander in Chief of the Army, Navy, and Air Force, would be the official who would send them back to Europe.

So I should say that the practical and, I think, the obvious intent of this language is to require the President of the United States to send our troops to Europe, because obviously such action would be necessary to restore and maintain the security of the North Atlantic area.

Mr. TYDINGS. Mr. President, will the Senator yield again?

Mr. FERGUSON. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Missouri yield; and if so, to whom?

Mr. DONNELL. I yield again to the Senator from Maryland.

Mr. TYDINGS. Let me pursue my point by asking one more question. Since I opened this debate with the Senator, I should like to make sure that I understand the Senator's point of view; and now I think I have it. The Senator says that in the event we had withdrawn all our troops from Europe and in the event the present differences and difficulties over there had been reconciled and the North Atlantic Pact were in effect, and if there were thereafter an invasion of Denmark—let us say 1 year thereafter—then the President of the United States, without consultation with the Congress, would order the Army, the Navy, and the Air Force to go to Denmark; is that what the Senator from Missouri says?

Mr. DONNELL. Let me say to the Senator from Maryland that he has said "without consultation with the Congress," and that is what I have been talking about up to this point.

But let me say further that in my judgment the President has no authority to declare war. This document, the proposed North Atlantic Treaty, as it is now written would require the sending of our troops in actual war, and thus would place us in war, and would entirely bypass the constitutional provision under which not merely the Senate and the President, as is proposed by this pact, shall determine whether we are to go to war, but also the House of Representatives, the other branch of Congress, with 435 Members who have been elected more recently than have two-thirds of the Members of the Senate, is a coordinate factor in the process of declaring war. It would completely bypass the House; and thus the treaty would have caused us to go to war regardless of the Constitution.

Mr. TYDINGS. Then, as I understand, the answer to my question is "Yes," the President could send the Army and the Navy and the Air Force without consulting Congress.

Mr. DONNELL. I would say, Mr. President, the Senator is correct, inasmuch as the President is the Commander in Chief of the Army, and inasmuch as our country would have obligated itself forthwith, individually and in concert with the other parties, to take such action as it deems necessary in order to restore and maintain the security of the North Atlantic area.

Mr. TYDINGS. I thank the Senator.

Mr. DONNELL. Obviously, in the circumstance indicated, I have assumed it is accompanied by other normal circumstances. I would assume that if 200,000 men should be marched into Denmark by an aggressor nation, the Senator and I as reasonable men and as honest men would say the only way to get them out would be to send troops. We could also reasonably assume, 200,000 troops having invaded that country, they would be followed by great numbers of others, and that therefore it would be necessary as a practical proposition for every one of the nations, including particularly the United States, to send troops over there.

Mr. TYDINGS. I thank the Senator for his very frank, final clearing up of the matter. I do not agree with him at all that the President has that right. As a matter of fact, the pact particularly provides that only within the constitutional processes of each country can war be declared.

Mr. DONNELL. Certainly.

Mr. TYDINGS. I think the Senator's arguent that we might have some sort of commitment is a good point, but I cannot go along with him, and I do not believe it is so, that the President under the Atlantic Pact in the circumstance I have pictured can declare war without any vote on the part of Congress.

Mr. DONNELL. The Senator has not quoted me correctly. I did not say the President could declare war. I may say I agree thoroughly with the thought which I take it is in the Senator's mind, namely, that under the circumstances he cites, where our troops are back home, and we have no interest over there at all, no need of troops, and all the troubles have been composed, our country should be entitled to determine then whether under those circumstances it was advisable that we should send troops over there.

Mr. TYDINGS. I agree with the Senator.

Mr. DONNELL. But I may say to the Senator that under the language of the treaty, I think the other 11 signatories, or more signatories if other nations come in, may very properly say to us, "United States of America, you have bound yourself by a solemn engagement, to quote your own Secretary of State's Department, to assist forthwith individually and in concert with other parties, by any such action as you honestly and genuinely agree to be necessary, including the use of armed force"—that is in the treaty—"to restore and maintain the security of the North Atlantic area."

Mr. TYDINGS. Assuming that; taking the Senator's last statement, that the other 11 countries could say to us, "Now, you must go to the rescue of Denmark," I take it that by the same logic we could say to the other 11 countries, "Now, you go to the aid of Denmark." Is that correct?

Mr. DONNELL. I think the Senator is exactly correct. But I may say that the parade of diplomats who are coming to Washington on the 4th of April, representing, as I have read in the newspaper recently, I think somebody read it to me, perhaps, or told me it was in the newspaper—the greatest assemblage of diplomats in the history of the United States, is a striking illustration of the fact that it is the United States of America, upon the strength of which all these other nations are primarily relying.

How much help would we receive from the troops of Denmark? Suppose we were attacked; would we get any substantial aid from Denmark, or Luxemburg, or any of the other signatories? Indeed, Mr. President, referring to Luxemburg—and I happen to have friends in Luxemburg, including a very distinguished gentleman whom the Senator from Maryland knows, the Minister from Luxemburg, for whom I have the highest regard—how much assistance could Luxemburg, a small country, about as large, I think, as a county in some of our States, give the United States? It is the strong right military arm of the United States that is primarily comprehended within the term, "including the use of armed force."

When diplomats come here, great numbers of them, with all the rank to which the Senator from Texas alluded, and all of them get us to sign on the dotted line, they will have accomplished the greatest feat in history for the preservation of their lands at the expense of the United States of America. That is the view I take.

Mr. FERGUSON, Mr. WATKINS, and Mr. McMAHON addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Missouri yield, and if so, to whom?

Mr. DONNELL. I believe the Senator from Michigan was on his feet first. After I have yielded to him, I shall yield to the Senator from Utah.

Mr. FERGUSON. If I might make a few introductory remarks——

Mr. DONNELL. I can only yield for a question, I understand.

The PRESIDING OFFICER. The Senator from Missouri yields only for a question.

Mr. DONNELL. I yield only for a question. Is the Senator going to ask a question?

Mr. FERGUSON. I shall ask a question.

Mr. DONNELL. Very well; I yield for a question.

Mr. FERGUSON. In article 5, the first part of the language reads:

> The parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all.

Referring to the question of the able Senator from Maryland [Mr. TYDINGS] whose question was, if Denmark were attacked by 200,000 soldiers, could the President of the United States immediately, without action on the part of Congress, send troops to Europe?

Mr. DONNELL. The Senator means, I assume, under the North Atlantic Pact?

Mr. FERGUSON. Under the pact. I am now merely calling the attention of the Senator to the fact that we agree that an attack under such circumstances would be an attack upon America.

Mr. DONNELL. Yes.

Mr. FERGUSON. Having in mind the distinction between fighting a war and declaring a war, could not the President immediately send troops either from the German zone or from the United States into the battle, under the phraseology, and under the interpretation of the Constitution, that an attack upon America can always be repulsed by the President without a declaration of war?

Mr. DONNELL. In my judgment, the Senator is exactly correct. In that connection, I may quote to him the statement which the Kansas City Times Associated Press dispatch set forth in its issue of February 12, 1949, which has been quoted before today, namely, on February 14. I may say this relates to an understanding, or what was supposed to have been an understanding, that in general Mr. Acheson, the Secretary of State, in a conference between himself and Mr. Lange, the Foreign Minister of Norway, covered this point:

> But in joining the alliance, the American Government would subscribe to the principle that an attack on one member nation was an attack on all, and this would be interpreted as a moral commitment to fight.

I should say, not only would it be interpreted as a moral commitment, but it is an obvious, direct, clear, express commitment on the part of this country to supply armed forces under the situation described by the Senator from Michigan.

Mr. FERGUSON. Mr. President, will the Senator yield for a further question?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Michigan for a further question?

Mr. DONNELL. I yield.

Mr. FERGUSON. Under the Constitution of the United States of America, is it not true that if we agree by the proposed treaty that an attack against one or more of the signatories shall be considered an attack upon us, the President would have the right, and in fact the duty, to repel the attack the same as if it were an attack directly upon the United States of America, and therefore he could use troops?

Mr. DONNELL. I should say the Senator is precisely correct. The President is the Commander in Chief of the Army and Navy; the executive power is vested in him, and to my mind obviously he would be under that duty. To illustrate, suppose we should be attacked tomorrow morning at New York harbor. I shall refer later to an attack on some other country—but suppose we should be attacked tomorrow morning at New York harbor, and that Congress had adjourned over the week end. Would there be any doubt that the President would have the right to send troops, to whatever extent necessary, to New York harbor, to repel the attack? Inasmuch as the able Senator has so clearly pointed out the parties to the pact agree that an armed attack against any one or more of them in Europe or North America shall be considered an attack against them all, obviously, if an attack were made on Copenhagen, Denmark, it is to be considered just as much an attack on us as if it were made against the city or port of New York.

Mr. FERGUSON. Mr. President, will the Senator yield for a further question?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Michigan for a further question?

Mr. DONNELL. I yield for a question.

Mr. FERGUSON. I agree with the Senator on that point, but I do not want to be understood as indicating I would not favor the pact for that reason. I think we ought to understand the meaning of the pact, and then we ought to determine what we should agree to do.

Mr. DONNELL. I may say to the Senator, I respect his opinion. The point that has led to this discussion this morning is the fact that the Senator from Utah [Mr. WATKINS] and I have filed a letter in which we ask the Senate Foreign Relations Committee, 12 out of 13 of the Members of which according to the press have already expressed themselves as being in harmony with the principles of the treaty, to permit every Senator to have the right to participate in the hearings and sessions, with a view to every Senator securing all the information which will enable each Senator to decide the question, just as the Senator from Michigan reserves to himself that right.

Mr. FERGUSON. Mr. President, will the Senator yield for a further question?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Michigan for a further question?

Mr. DONNELL. I shall yield in a moment. I may say, before I yield I referred in the reading to article 5, that the parties agree that an attack against any one or more of them in Europe or in North America shall be considered an attack against them all.

I may say, Mr. President, that what, to my mind, is a striking illustration of rather peculiar, if not poor, draftsmanship, is the statement in article 6, that—

> For the purpose of article 5 an armed attack on one or more of the parties is deemed to include an armed attack on the territory of any of the parties in Europe or North America, on the Algerian departments of France, on the occupation forces of any party in Europe, on the islands under the jurisdiction of any party in the North Atlantic area north of the Tropic of Cancer or on the vessels or aircraft in this area of any of the parties.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. DONNELL. I yield to the Senator from Michigan.

Mr. FERGUSON. The language "any such action as it deems necessary" is used in article 5. I ask the Senator from Missouri if it is not true that the word "it" means the United States or any other signatory to the agreement? Is it not also true that the United States can act under its Constitution either by formal declaration of war by the Congress of the United States or by the use of troops by the President of the United States? According to former interpretations, and, I suppose, the conceded interpretation of the Constitution, the President can act actually to fight a war under certain circumstances, while the Congress declares war under certain other circumstances. Either action is contemplated by the word "it," referring to the Government of the United States taking such action as it deems necessary.

Mr. DONNELL. If I understand the Senator correctly—I am not quite sure I get his point—he means that under the language used in the pact, either the President, acting as Commander-in-Chief or under executive power, or whatever other power he has, may proceed to take forthwith such action as the United States deems necessary, or Congress may, by declaration of war, proceed to cause that action to be taken.

Mr. FERGUSON. That is my question.

Mr. DONNELL. I think that is correct. But I do not want to be misunderstood in one respect, namely, that I am not, by any manner of means, conceding at this point, though I do not assert it with positiveness, because it is a legal question which will require careful study—I am not at all conceding that there is any right whatsoever, under the Constitution of the United States, to enter into a treaty, even though it be the supreme law of the land, which ignores the fact that under the Constitution, as the Department of State, in its white paper, says, Congress alone has the power to declare war.

Mr. FERGUSON. Mr. President, I have not attempted by these questions to

obtain from the able Senator from Missouri certain concessions as to what he thought the word meant——

Mr. DONNELL. I did not understand the Senator in that way at all.

Mr. FERGUSON. Sometime later I shall express my opinion on whether the Constitution does so provide. I am inclined to think that it provides that the President can take action when America is attacked, and that by a treaty he can be authorized to take such action when we consider there is an attack upon America.

Mr. DONNELL. I may say to the Senator that I do not in any sense contradict his view that the President has the right to take action in emergency situations. If New York City were attacked today, and the Members of the Senate had gone home over the week end, obviously the President would be derelict in his duty if he did not take action.

Mr. FERGUSON. I think that where the Senator and I disagree at the present time is that he is not willing to concede at this moment that we can, by treaty, provide that an attack upon Denmark is identical with an attack upon New York City.

Mr. DONNELL. I am not willing to concede that this treaty is consistent with the constitutional provision that Congress shall have the power to declare war. As I said a moment ago, I am not making an assertion that there are not two sides to the question, because I think it is a question which will require the most careful study, one as to which I have no doubt we shall receive different opinions from different students, scholars, lawyers, and laymen. But I undertake to say that, to my mind, it is highly unwise, regardless of the constitutional situation, regardless of whether such a treaty is constitutional, to bind ourselves for 20 years to put ourselves actually into a situation which the New York Times refers to as going to war.

Mr. FERGUSON. Does the able Senator from Missouri think we can have an unconstitutional treaty?

Mr. DONNELL. I can see no reason why we could not. Suppose we entered into a treaty—to use an absurd illustration—which provided that every third person in the United States should be taken out and shot at sunrise tomorrow morning. Does the Senator think—but perhaps I am not entitled to ask questions, under the rules. I would say that would not be a valid treaty.

Mr. FERGUSON. There may be limitations, and there probably are; but under the sovereign power of a nation, outside its domestic power, having in mind the Constitution in connection with international relations, probably not reaching the absurdity to which the Senator has gone in his illustration, is it not true that we can go much further in treaty making before a treaty could become unconstitutional?

Mr. DONNELL. I do not think it is necessary to make a commitment at this moment. I know the Senator is not intending to cause me to make commitments. But I do not want to undertake to decide at this moment, dogmatically, this constitutional question. I have presented the situation today from the standpoint of public policy and wisdom on the part of the United States. On the constitutional phase of the question I should like to have further time and further opportunity before the Senate Foreign Relations Committee to hear the views of competent authorities who may express their views.

Mr. McMAHON and Mr. AIKEN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Missouri yield; and, if so, to whom?

Mr. AIKEN. Mr. President, I shall be very brief.

Mr. McMAHON. Mr. President, I have waited a half hour.

Mr. DONNELL. Mr. President, I think the Senator from Connecticut is entitled to be heard, if he has waited a half hour.

Mr. McMAHON. Mr. President, does not the Senator think we should maintain complete freedom of action to do as we please, when the event comes to pass? Does not the Senator realize that we kept our complete freedom of action in 1917, and we kept complete freedom of action in 1939, and that as a result our treasure and our dead are scattered over the seas, the lands, and the oceans of the earth? Does not the Senator believe that an alliance of this kind with other peoples might well serve the purpose of keeping an aggressor from starting something, so that the Senator from Missouri might be deprived—and I know he would welcome the deprivation—of the right to make a choice, because a choice might be forever prevented?

Mr. DONNELL. I may say, in answer to the question, that, in the first place, we kept our freedom of action, so far as I know. There may be treaties which to some extent restricted it, but I know of none. Both at the time of the First World War and the Second World War we had freedom of action. Personally, I do not think we should surrender it.

In the second place, I do not, by any manner of means, concede that the dead of our country were scattered over the battlefields of Europe and other places in the world because of the retention of our freedom of action. I say it was due to an attack by another power, and it was necessary to repel it.

I may say, also, that I do not know how many cases there may be—I have no doubt there are many instances—between the time of the beginning of the First World War and the end of the second, in which there were aggressive attacks made on the territories of various countries which are to be signatories to this treaty, but had we been bound by this treaty at the time, instead of being in the First World War and the Second World War, we might very well have been in numerous wars, and perhaps in a world war shortly after the end of the first one.

We injure our position, Mr. President, by entangling ourselves in the affairs of all these European nations, contracting that if any one of them is attacked we shall immediately, forthwith, take such action, including the use of armed force, as we deem genuinely and honestly necessary to restore and maintain the security of the North Atlantic area.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. DONNELL. I yield for a further question.

Mr. McMAHON. I am sure the Senator realizes that there will be no victor in the event of a third world conflict. The only chance civilization itself has to survive is, in my opinion, by seeing to it that such a conflict never commences. So I say to the Senator, if he will permit——

Mr. DONNELL. I can yield only for a question.

Mr. McMAHON. I shall try to phrase it as a question. I will say to the Senator that I hope that on further reflection he may——

Mr. DONNELL. What is the question?

Mr. McMAHON. That he will tell us if he can——

Mr. DONNELL. I do not yield for a statement, but only for a question.

The PRESIDING OFFICER. The Senator declines to yield save for a question.

Mr. DONNELL. If the Senator will give me the question, I shall try to answer it.

Mr. McMAHON. In view of the kind of weapons which are being produced today, does not the Senator realize that a third world war must not be allowed to come to pass if freedom is to survive on the face of the earth? Has the Senator a realization of that?

Mr. DONNELL. I have a realization of the fact that a third world war might prove destructive of every nation on the face of the globe, but I think I also have a realization of the fact that this pact as it is written would not prevent a third world war, and might, indeed, precipitate action to that end which otherwise might not occur.

Let me say to the distinguished Senator from Connecticut that this pact, as I see it, gives to a prospective enemy of our country, or, if there be an existing one, gives to it, the opportunity to select the time, yes, and, as one of my distinguished colleagues, who perhaps has not given me permission to use his name, observed, would give it permission to select the place where another world war should begin.

Suppose, for illustration, that during the heat of a political campaign our country should be distracted by all sorts of situations which would make us most susceptible to conquest by a victorious enemy, and suppose that an enemy—and, to speak plainly, suppose it were Russia—should see that we were in a position of momentary weakness, torn by discord, labor troubles, political troubles, whatever it might be, over the period of 20 years, and suppose Russia should say, "Now is the time to strike, and we will do it in this way: We will put 200,000 troops tomorrow morning in Norway." In that event, the United States of America, although weakened at the moment, although distracted by domestic dissension of the kind to which I have referred, would immediately be compelled to accept that time as the time for the beginning of a war, and would have to send her troops—yes, employ the use of armed forces, as the treaty says—at a time selected by our enemy and at a

place selected by the enemy, namely, Norway.

The PRESIDING OFFICER. The Senator will suspend. Senators cannot follow the debate because of the confusion on the floor of the Senate. The Chair is not inclined to reprimand anyone, of course, but the Senate must be in order.

Mr. DONNELL. I appreciate the courtesy of the Presiding Officer.

Under the situation I have described, Russia would have selected the time and would have selected Norway as the place at which the war must begin, and our troops must make their first stand there. I say that it would immeasurably weaken our position if we allowed an enemy to select the time and the place when and where the war should begin.

Mr. VANDENBERG. Mr. President, will the Senator from Missouri yield?

Mr. DONNELL. I yield to the Senator from Michigan.

Mr. VANDENBERG. I do not wish to debate the North Atlantic Pact with the Senator this morning, but I want him to know that from my point of view I am glad he has raised every question he has suggested. They are the types of questions which should be raised, which should be frankly discussed, and should be adequately answered, and I would hope that the debate and the consideration of the matter will reach the eventuality toward which the Senator has directed attention.

I rose to say that I am forced temporarily to leave the floor. I shall return as promptly as possible, but I wish to submit a request to the Senator. He quoted at some length from an address which I made to the Conference of Mayors.

Mr. DONNELL. Yes.

Mr. VANDENBERG. Will the Senator be good enough to insert the full address as an exhibit at the conclusion of his remarks?

Mr. DONNELL. I shall be very happy to do so.

Mr. VANDENBERG. I thank the Senator.

Mr. DONNELL. I thank the Senator, first, for his willingness that the address be inserted in the RECORD, and, in the second place, and much more fundamentally, for such a fine, frank, generous statement as the one he has made. It is very characteristic of him, and I am sure his distinguished colleague, the chairman of the Committee on Foreign Relations, shares the same view, and he desires these matters thoroughly explored by the Senate and every Member of it.

Mr. President, I ask at this time unanimous consent that the address delivered by the Senator from Michigan before the Conference of Mayors in this city be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 2.)

Mr. CONNALLY. Mr. President, will the Senator from Missouri yield to me?

Mr. DONNELL. I yield to the Senator from Texas.

Mr. CONNALLY. I take the liberty of asking the Senator to yield because he made reference to the Senator from Texas.

I wish to give assurance to the Senator from Missouri and all other Senators that, so far as I am personally concerned, and so far as the Committee on Foreign Relations is concerned, we are not dodging any of these issues. We are glad to have them all aired; we are glad to have them all presented and urged by those who believe in them. We are not trying to handle the issue before the Senate behind closed doors.

While I am not authorized to speak for the committee on this point as yet, I will say to the Senator that we have not yet had public hearings in the committee, but we are to have full public hearings, at which the Senator may appear, if he desires, and at which the Senator from Utah [Mr. WATKINS] may appear, if he desires, to urge their views.

I do not think that up to the present either of these Senators has asked the Senate Committee on Foreign Relations for the privilege of appearing before the committee. We would be glad to have them. Every Senator will be welcomed at the hearings. I am not prepared to say, without consulting the committee, just how far we will turn over the committee to the Senators. We do not want to abolish the Committee on Foreign Relations, since we are members of it.

Mr. DONNELL. We do not wish to make any such suggestion, of course.

Mr. CONNALLY. I myself do not know who is going to replace the chairman in this new arrangement, in which other Senators are going to take charge of the committee, but we want to be considerate. We want to give the Senators every opportunity to be heard, but if 50 Senators or 60 Senators or 70 Senators are going to sit in as members of the committee, and each one of them make a speech, we will be considering the pending matter a long while before we get a vote.

I assure the Senator that we are not hostile. The problem is our problem, as well as that of the Senator from Missouri. I respect his views and his position, as I respect the views and position of the Senator from Utah, but, after all, this is an issue which belongs to the entire Senate, and not merely to two or three Senators who have very ardent and insistent views on some particular angle of the issue.

I do not care to enter into a debate on the whole proposal, but I think I know something of the issues involved. I have studied the Constitution a great deal, and, while I do not pose as a constitutional lawyer, I do pose as one who is endeavoring at least to follow the Constitution and to observe it, and to uphold it, and also to uphold our national interest and the security of the Republic. We got into two world wars, not by reason of any treaty, but by reason of the cogency of the necessities that oppressed us. We felt that we had to go to war to defend the very principles we are talking about. It did not take a treaty to do that. So I do not regard the obligations which we are assuming under this treaty as binding us at all ever to go to war, unless the United States, in the exercise of its sovereignty, in the exercise of what it believes to be the welfare of the Nation, deems it necessary. In the language of the treaty—and I quote it exactly—our obligation is to—

> Assist the party or parties so attacked by taking forthwith individually or in concert with the other parties, such action as it deems necessary.

That means such action as the United States deems necessary.

Mr. DONNELL. Including the use of armed force.

Mr. CONNALLY. Yes, of course. That clause was put in the pact at that point simply because it was already included. It did not need to be put in. It does not mean that it has to include armed force. It simply means that armed force is among the measures which we may consider and which we must act upon. It does not mean that we have got to use armed force. When one goes into a library to select a book, or into a restaurant to select food, one can take what one likes, and what one does not like he can reject. It is entirely within the discretion and the wisdom and the patriotism of the United States as to what measures we shall take, if any. We do not have to take any action if conscientiously we do not believe it is necessary to take it to restore peace.

Mr. DONNELL. I understand that the Senator from Texas therefore does not agree with the view of the New York Times that the Senate is here asked to commit itself "to go to war if any one of eleven or more nations is attacked"? The Senator from Texas does not agree with the statement that "we should not quibble on this point; the defense pact means that or it means nothing"?

Mr. CONNALLY. I do not mean to enter into debate with the New York Times. The Senator from Missouri furnishes me with sufficient subject matter of debate, without engaging in argument with some newspaper. Of course I have a high regard for the New York Times. It is a great journal. But the Senator from Missouri is also a great Senator, and he is here on the floor where we can look him in the eye. I have no radar set on the floor of the Senate with which to communicate with the New York Times.

Mr. DONNELL. I may say to the Senator from Texas that I want to assure him and the members of the Senate Foreign Relations Committee that it is not the purpose at all in the letter addressed by the Senator from Utah [Mr. WATKINS] and myself to that committee, which I read in full this morning, to endeavor to take charge of the committee. In that letter we expressly stated twice, as I recall, that we have no desire to vote in the committee. Of course, we do not. We only ask the right to be treated as if we were members of the committee in other respects.

Mr. President, I was very much pleased to hear the Senator from Texas say that this issue belongs not to any one or two or perhaps he may have said three Senators, but it is an issue which, he said, belongs to the entire Senate. That is the theory upon which the Senator from Utah and I have asked that we be permitted to sit with the committee on a

matter the decision of which we regard—at least I, speaking for myself—as the most important the Senate has ever been called upon to make, at least in half a century, perhaps since the beginning of our country's existence. Our suggestion is that we be permitted to have a participation in the hearings and in the executive sessions, as the request appears in the letter which I have read.

Mr. CONNALLY. Mr. President, will the Senator yield for one other very brief observation?

Mr. DONNELL. I can yield only for a question. I do not want to lose the floor.

Mr. CONNALLY. Will the Senator from Missouri agree with me in this view—is that a question?

Mr. DONNELL. That sounds very much like a question.

Mr. CONNALLY. That when it comes to the constitutional authority of the President of the United States and the Congress, of course, it is plain that no one can declare war except the Congress of the United States. But that does not preclude the idea that conditions and circumstances and emergencies may not permit the President of the United States, as Commander in Chief of the Army and Navy, to make war. Take the instance of Pearl Harbor. Would the Senator insist that in case of an attack such as the one on Pearl Harbor, at a time, let us say, when the Congress might be in recess, those who are attacked must wait before taking action until the President calls Congress into session and it makes a declaration of war? Those defending such a position have the inherent right to act in repelling attack. The Army or the Navy can act to repel attack, regardless of the constitutional provision that only Congress can declare war.

Mr. DONNELL. I may say to the Senator that I have so expressed myself at least three times on the floor today, and I used the illustration of an attack on New York Harbor. I not only know that the President has the power independent of the action of the Congress, but I say that if Congress is in recess and so cannot take action, the President not only has the power, but has the duty to protect our Nation by the use of military armed force.

Mr. CONNALLY. I thank the Senator. I think he has gone a long way toward our view that the treaty should be ratified.

Mr. DONNELL. I do not share the conclusion of the Senator from Texas?

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield to the Senator from Vermont for a question.

Mr. AIKEN. Is it the contention of the Senator from Missouri that under the Atlantic Pact as written, and if ratified, the President of the United States could engage the forces of the United States in armed conflict for an indefinite period of weeks, months, or possibly years, without even asking the Congress for a declaration of war?

Mr. DONNELL. The Senator has asked a most pertinent and important question. I do not know whether it is possible to answer it categorically. I doubt if any such precedent has ever existed. I would say, however, that the treaty itself binds us forthwith individually and in concert with the other powers to take the action which is indicated in the treaty, and those who advocate such authority in the Executive might well take the position that that gives him this indefinite power. It is very difficult to draw the line between an emergency situation and the exercise of indefinite power. I should like to say that I think it is very unwholesome, very unwise, very deleterious to the interests of our country to have a treaty negotiated and by the ambiguous situation it creates even to leave open the opportunity for a doubt on the question to which the Senator refers.

Mr. AIKEN. But is it not left to the President himself to determine whether the circumstances are of such seriousness and magnitude as to require or make advisable a declaration of war, or whether he shall act upon his own initiative and direct the armed forces as he thinks they should be directed at the time?

Mr. DONNELL. Is the Senator speaking about the contents of the pact, or is he speaking about the Constitution of the United States?

Mr. AIKEN. Both, particularly the Constitution of the United States. Is there any requirement that the President shall request a declaration of war of the Congress?

Mr. DONNELL. There is no such requirement that I know of in the Constitution of the United States.

Mr. AIKEN. And have not the armed forces of the United States been used by the President time and time again without a declaration of war?

Mr. DONNELL. They have. I think it is highly important that the Executive should have that power, but I do not think we should have a situation in which the President usurps the power to declare war.

Mr. AIKEN. I have one other question, and whether or not I receive a satisfactory answer to it from anyone will have considerable bearing upon my attitude towards this pact when it comes before the Senate. My question is this: If a European signatory of the Atlantic Pact has a major portion of its own armed forces engaged in a war of exploitation or conquest outside the area covered by the Atlantic Pact, and then that nation becomes hard pressed at home, is not the United States then required, under the conditions of the pact, to go to the defense of that nation which has sent its own armed forces on an expedition to some distant part of the world?

Mr. DONNELL. The situation the Senator has in mind, if I correctly understand it, is one in which a signatory to the pact is engaged in war somewhere south of the Tropic of Cancer.

Mr. AIKEN. A war of its own making.

Mr. DONNELL. A war of its own making. What is the Senator's question?

Mr. AIKEN. If the major part of that nation's armed forces are engaged in conquest in some other part of the world, not covered by the North Atlantic Pact, and that nation becomes imperiled at home, is the United States then required to furnish the forces to defend that nation at home while its own forces are in some other part of the world engaged in conquest.

Mr. DONNELL. That is a very interesting question, and one which I should wish to consider very carefully. My offhand opinion, subject to correction, is that the pact refers only to armed attacks, and obligates the parties to the pact to give assistance only in cases in which an armed attack is made upon one of the signatories in either Europe or North America, as that term is enlarged by a definition to include Algeria, certain islands, and so forth. That is my offhand opinion.

Mr. AIKEN. But the United States would be required to go to the defense of that nation, even though the signatory nation had sent its armed forces to some other part of the world.

Mr. DONNELL. If that nation should be attacked north of the Tropic of Cancer while its forces were south of the Tropic of Cancer?

Mr. AIKEN. Yes.

Mr. DONNELL. In my judgment, the pact would obligate the United States to go to the aid of the party which had been attacked. To make it concrete, so that I may understand the Senator's question, suppose France were fighting a war near the southern end of Africa, clearly below the line of the Tropic of Cancer, and during the process of operations by its troops in that war it should become weakened at home, and, with nearly all its troops in southern Africa, it should be attacked by some other nation—Russia, or any other nation—north of the Tropic of Cancer. I should say that under the pact we would be clearly obligated forthwith, individually and in concert with the other parties, to take such action as we genuinely and honestly deem necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area. I think the security of the North Atlantic area would be threatened by the attack on France in its area which is north of the Tropic of Cancer.

Mr. AIKEN. Does not the Senator from Missouri believe that we should be absolutely certain, in entering into this pact, that we are not making it possible for any of the smaller nations of Europe to use their forces for expeditionary purposes below the Tropic of Cancer and depend upon us to furnish their defense at home?

Mr. DONNELL. I think the Senator has pointed out a very important situation. To make it very concrete, suppose that country A has territories south of the Tropic of Cancer——

Mr. AIKEN. Or is attempting to acquire territory.

Mr. DONNELL. Or is attempting to acquire territory south of the Tropic of Cancer. Suppose that in the course of that process that nation becomes weakened at home, with most of its armed forces south of the Tropic of Cancer, and is attacked by Russia. I should say that we would be under obligation, under article 5, to take forthwith, individ-

ually and in concert with other parties, the action mentioned in article 5.

Mr. AIKEN. I thank the Senator.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. DONNELL. I yield to the Senator from Utah.

Mr. WATKINS. The Senator from Missouri has been questioned by the Senator from Michigan [Mr. FERGUSON] with respect to a part of the proposed pact, which makes an attack upon any one of the signatory powers the same as an attack upon the United States.

Mr. DONNELL. I assume that the Senator is about to ask me a question.

Mr. WATKINS. I am asking the Senator if that point has been called to his attention.

Mr. DONNELL. Yes.

Mr. WATKINS. In the view of the Senator from Missouri, is it not possible, solely by reason of the provision that in the event of an attack upon Denmark or any of the other signatory powers the attack would be regarded exactly the same as an attack upon the United States, to create a situation in which a future Congress would have nothing left to do but to declare war?

Mr. DONNELL. I think the Senator is exactly correct. Let me call attention to a further point.

The Rio de Janeiro Pact has frequently been mentioned in the press as being similar to the North Atlantic Pact. It differs from it very materially, in this respect:

Article 3 of the Rio de Janeiro Pact provides as follows:

> The high contracting parties agree that an armed attack by any state against an American state shall be considered as an attack against all the American states and, consequently, each one of the said contracting parties undertakes to assist in meeting the attack in the exercise of the inherent right of individual or collective self-defense recognized by article 51 of the treaty of the United Nations.

Article 20 of the Rio de Janeiro Pact reads as follows:

> Decisions which require the application of the measures specified in article 8—

That is not the article which I read, but as I see it, it has a connection with it, because one of the measures specified in article 8 is use of armed force.

To repeat, article 20 of the Rio de Janeiro Pact reads as follows:

> Decisions which require the application of the measures specified in article 8 shall be binding upon all the signatory states which have ratified this treaty, with the sole exception that no state shall be required to use armed force without its consent.

There is nothing in the treaty now before us which even remotely resembles the reservation in the Rio de Janeiro Pact of the right of the respective signatories to determine whether they shall use armed force.

Mr. WATKINS. I should like to have this point made perfectly plain. As I understand, the Senator has now said—and I ask him if that is what he intends to say in answer to my question—that by reason of the provision in the North Atlantic Pact that an attack upon one of the signatory powers is an attack upon them all, there would be created by that treaty a situation which would make it impossible for the United States Congress to say "no."

Mr. DONNELL. I think that is a fair statement.

Mr. WATKINS. Does not the Senator believe that any Congress which refused to declare war in the event of an attack upon any part of the United States would be voted out of power at the first opportunity?

Mr. DONNELL. It certainly should be.

Mr. WATKINS. Can the Senator imagine, in the event of an attack upon the United States, any Congress ever refusing to declare war?

Mr. DONNELL. I cannot.

Mr. WATKINS. The very fact of an attack upon the United States creates a state of war, does it not, without action by Congress?

Mr. DONNELL. I think it creates a state of war, even though there has been no declaration of war. There is a difference between a state of war and a declaration of war. I think the Senator is precisely correct in indicating that a state of war might well be created without any action by Congress.

Mr. WATKINS. If an attack were made on the State of Maine, it would be the duty of the Government of the United States immediately to respond and defend it, would it not?

Mr. DONNELL. In my judgment, the Senator is precisely correct.

Mr. WATKINS. If we accept the interpretation that an attack upon some other country is to be treated in the same manner as an attack upon our own country, it would then be the duty of this country, including the Congress, to declare war and go to the assistance of countries which we place in the same category with ourselves.

Mr. DONNELL. I think that is a fair statement, with this reservation: I am not at all certain, as a matter of constitutional law, that the President of the United States, by submitting a treaty to 96 Senators to be acted upon by two-thirds of a quorum of the Senate, can deprive the House of Representatives of the power to say, "We will not join in a declaration of war." Congress consists of two Houses, the Senate and the House of Representatives. I have grave doubt, as a matter of constitutional law, whether the President has any right to expect that, as a matter of law, the action of himself and the Senate would be binding on the House of Representatives. However, as a practical matter, I cannot conceive of a situation arising in which an actual state of war might arise when the Congress of the United States would not feel obligated to declare war.

Mr. WATKINS. I have one further question with respect to the reason for the letter to the Foreign Relations Committee.

Mr. DONNELL. Yes.

Mr. WATKINS. Is not one of the main reasons why this letter has been sent to the Foreign Relations Committee, asking that it permit the entire Senate, outside the members of the committee——

Mr. DONNELL. Mr. President, may we have order? I have lost the continuity of the question, because of the lack of order. Perhaps the Official Reporter will read the question.

Mr. WATKINS. Let me restate it. I say I am referring now to the letter which has been sent by the Senator from Missouri and myself to the Foreign Relations Committee. Is not the principal reason why that letter was sent the fact that apparently, according to the letter of the President of the United States to me, the committee has already been considering this pact for more than a year, and already, apparently, has held hearings in secret, and all or most of the members of the committee, including the chairman and the ranking Republican member, already are committed to the treaty, and now are advocating the treaty before the Nation?

Mr. CONNALLY. Mr. President, will the Senator yield at that point?

Mr. DONNELL. Let me answer the question, please. I would say that the Senator from Utah is justified in the assumption that there has been close consultation, full and detailed, between either the President or the Department of State and the Foreign Relations Committee. Indeed, I hold in my hand a copy of a letter of March 17, 1949, from the President of the United States to the Senator from Utah [Mr. WATKINS] in which the following sentence appears:

> The treaty has subsequently—

That is, since June 11, 1948, let me say—

> been negotiated in accordance with the "advice" contained in that resolution—

That is to say, Resolution 239 of the Eightieth Congress—

> and with full and detailed consultation with the committee.

Mr. President, in order that my interpolations may not appear as the language of the President, I now read the exact sentence from his letter:

> The treaty has subsequently been negotiated in accordance with the "advice" contained in that resolution and with full and detailed consultation with the committee.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. DONNELL. Just a moment, please.

Proceeding now to the next portion of the Senator's question, let me say I have read here, today, various newspaper articles which indicate very clearly at least the views that have been expressed, including those of the distinguished Senator from Michigan [Mr. VANDENBERG], whose full views will be set forth in the RECORD; and they constitute a full and complete indication of the fact that the members of the Foreign Relations Committee have, in the main, at any rate, joined in the view that the principles of this treaty should be followed.

I think I mentioned earlier today that 12 out of 13 of the members of the Foreign Relations Committee already have so expressed themselves.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. DONNELL. I yield first to the Senator from Utah, to permit him to ask a further question.

Mr. CONNALLY. Let me get into this discussion, please.

Mr. DONNELL. I have no objection, if the Senator from Utah is willing to have that done.

Mr. LODGE. Mr. President, I have been trying for at least half an hour to get the Senator to yield to me.

Mr. DONNELL. Mr. President, I ask the Senator from Utah to continue his question; and then I shall yield to the Senator from Massachusetts, and then to the Senator from Texas.

Mr. CONNALLY. Mr. President, am I not to be permitted to enter the discussion at all?

Mr. DONNELL. I shall yield first to the Senator from Utah, and then to the Senator from Massachusetts, inasmuch as he has been requesting for some time that I yield; and then I shall yield to the Senator from Texas.

Mr. CONNALLY. I wish to ask a question right on this point.

Mr. DONNELL. I have no objection, if that meets with the permission of the Senator from Utah. If he objects, then I yield to him.

Mr. WATKINS. I certainly do not object; I shall be glad to have the Senator from Texas ask a question at this point.

Mr. CONNALLY. Very well. Mr. President, do I correctly understand the attitude of the Senator from Utah and the Senator from Missouri to be that they are complaining that members of the Foreign Relations Committee have come to a conclusion about this matter? If that is the complaint, let me ask this question: Have not the Senator from Utah and the Senator from Missouri already come to conclusions regarding it, and have not they been airing their conclusions and debating them on the floor of this House?

Mr. WATKINS. Does the Senator from Texas ask me that question?

Mr. CONNALLY. I am asking either the Senator from Utah or the Senator from Missouri, whichever of them wishes to answer it.

Mr. DONNELL. Both of us will answer it; but let the Senator from Utah proceed first, if he wishes to do so.

Mr. CONNALLY. In other words, is it any sin for the members of a committee, whose duty it is to look into these matters as well as they can, to form an opinion? Is it reasonable for a Senator who is not a member of the committee to form his own opinion, and then to thunder against and denounce the members of the committee for having their opinion?

Mr. DONNELL. Mr. President, I should like to answer that question; but if the Senator from Utah wishes to answer it first, I defer to him.

Mr. WATKINS. Mr. President, since the question is directed to me, I should like to answer it. I think the Senator from Texas is assuming something which the record will not justify his assuming. I have not committed myself on this treaty.

Mr. CONNALLY. The Senator ought to change his tone of voice, then.

Mr. WATKINS. I am trying to get information. Until the President of the United States wrote me the letter to which I have referred and told me that this treaty had its conception in the Foreign Relations Committee, along with the State Department, I did not know that the members of that committee were supposed to have been in on all the negotiations and whatever was done to bring the treaty into being. That is what created doubt in my mind, and I have not heard it denied by anyone.

I assume that every Senator has a right to form his own opinion, whether he is a member of the committee or is not a member of the committee.

Mr. CONNALLY. That is correct.

Mr. WATKINS. Certainly I have a right to make any decision I wish to make.

Mr. CONNALLY. Exactly.

Mr. WATKINS. But it makes a vast difference when Senators who are members of the committee are familiar with all the circumstances while other Senators cannot obtain the information they want.

Let me point out that the Senator from Texas himself—and this is no reflection on him in any way—has gone before committees of which he was not a member and has asked question after question. That was permitted in the case of the Mexican Water Treaty, as to which the hearings lasted for weeks. I sat there as a spectator and heard Senator after Senator who was not on the committee ask questions of the witnesses.

All we are asking today is to be permitted to attend the committee and to develop the full facts regarding the treaty, realizing that it is asking a little too much of human nature to expect the members of the committee who are so utterly and completely committed to the treaty to develop all the facts which we think should be developed.

I say I have not made up my mind on this treaty; but I have made up my mind to get the truth regarding it, if I possibly can do so.

I have seen so many blunders made and so many steps taken which have threatened to involve the United States in war, after we have spent the lives of 300,000 of our citizens in winning the war, that I do not have confidence—and I do not mind saying so—in the conduct of the foreign affairs of this country. Something has happened somewhere to rob us of our great victories and bring again the threat of another world war.

As a representative of my people, I wish to know what the truth is; I wish to get to the bottom of it. When I get through, and when we get that information, I hope the President will give us a little more time before the big ceremony is held at the State Department, with all the high-powered diplomats present, for the signing of the treaty; at least, if the President will give us such time, perhaps we shall get the information.

In God's name, let us get the truth before we take the step of abandoning the 150-year-old policy which has made this country great.

Mr. CONNALLY. Mr. President, will the Senator yield, so that I may answer his statement?

Mr. WATKINS. Yes.

Mr. DONNELL. Mr. President, I have the floor. I understand that I am permitted to yield for questions only. I wish to answer the Senator from Texas first, before he asks another question. His questions are interesting and illuminating, and we are glad to have them.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. DONNELL. In a moment.

In the first place, Mr. President, the Senator from Texas asks whether it is a sin for the members of the Foreign Relations Committee to have arrived at an opinion. We say there is no sin whatsoever in that; they have a right to arrive at an opinion. Of course, their opinion may be right or it may be wrong.

In the second place, the Senator from Texas says we are complaining about the committee's having come to a conclusion. Mr. President, there has been not one whit of complaint as to that; but when there have been hearings in the committee—and, by the way, there has been no open hearing for even a fraction of a second upon this treaty, but all the hearings have been in executive session of the Foreign Relations Committee—and when there has been the detailed, full consultation which the President or the Secretary of State has had with the committee, we say that, in order to develop the facts, we should be able to be present at the committee meetings or hearings and ask the questions which we think relevant and pertinent. Of course, some of the facts which we think relevant, the Senator from Texas may not think relevant. However, we think that in order to develop all the facts, it is important that, not only the Senator from Utah and I, but every other Senator who wishes to do so, shall have the right to go before the committee and, while sitting with the committee, examine and cross-examine witnesses, and pursue any of these matters to their depth, and thus develop the facts.

Mr. President, the Senator from Texas remembers well that at the hearings in regard to the nomination of Mr. Joe Dooley to be United States district judge for the northern district of Texas, both the then Senators from Texas—the present senior Senator from Texas [Mr. CONNALLY], and the then Senator O'Daniel of Texas—interrogated witnesses; and the Senator from Texas particularly—and with great propriety in my judgment—examined many witnesses; he was permitted to do so by the committee. So there are ample precedents on this matter. We have cited a number of them in our letter, and there may be others.

The Senator from Texas asks, further, whether we have committed ourselves. I wish to tell him what my commitment is. I wish to say it as best I can; and although I said it without any manuscript before me the other day, on March 21, I think probably I said it then about as well as I could say it with the aid of a manuscript. So I wish to read just one sentence—a rather long one, too—with which I then conclude the major portion of my remarks in this Chamber. This is to be found on page 2853 of the CONGRESSIONAL RECORD:

> While I shall, of course, reserve as nearly as I can an open mind upon this matter, shall listen to evidence, shall listen to arguments,

and shall finally determine when I cast my vote what I think is my duty, and what is the right thing to do for the Nation, I want to say here and now with utmost forthrightness and frankness that if I were to vote at this moment on the Atlantic Pact, as it has been presented, and as I hold it in my hand, my vote on the subject of whether there shall be a ratification of the treaty would be "nay."

That is quite in point at this moment.

Mr. LODGE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Massachusetts?

Mr. DONNELL. I yield first to the Senator from Texas, who had something further, I believe.

Mr. CONNALLY. Very briefly, let me ask the Senator from Missouri a question. It seems the Senator from Missouri and the Senator from Utah are complaining that reports of conversations of an informal nature held by members of the Foreign Relations Committee should not have been made public.

Mr. DONNELL. We have not complained of that. There is no complaint at all to that effect.

Mr. CONNALLY. I thought the attitude of the Senators was that the committees having jurisdiction over these matters ought to know well in advance about the forthcoming proposals. We thought it was fine for the State Department to call us in and explain different drafts and different steps in the process of filing the treaty, and in asking for our advice and suggestions.

Mr. DONNELL. I thoroughly agree with the Senator. We have no complaint whatever on that score, not the least.

Mr. CONNALLY. There have been no hearings as yet. When the treaty is signed, and is sent to the Senate by the President, the chairman, and I feel quite sure all other members of the Committee on Foreign Relations, will favor the fullest possible public hearings, in the caucus room, where Senators may have their pictures taken and may get into the movies—including members of the committee; I am not limiting it to the two Senators. But all that is not going to be neglected. We shall have all of them. Anybody in the country who wants to appear and testify, if he can qualify under psychiatric tests, will be permitted to do so. The reason I referred to the psychiatric tests is because——

Mr. DONNELL. Will the Senator please spell that word for us, so we may all get it?

Mr. CONNALLY. Yes; p-s-y-c-h-i-a-t-r-i-c.

Mr. DONNELL. I think the Senator is right.

Mr. CONNALLY. Let me say the reason I have used that word is—and it has no reference to any Members of the Senate, of course—our committee is always assailed by a lot of professionals who are not competent, but who desire to appear before the committee and spread their views all over the record in the hearings; so we must exercise a certain amount of caution and not take up endlessly the time of Senators who want to study the particular questions involved. There is no hostility on the part of the Foreign Relations Committee toward the two Senators. We have not even had an opportunity in the full committee as yet to pass upon the matter.

Mr. DONNELL. I may say to the Senator from Texas we have not said there is any hostility. We assuredly agree there is not. We do not have the slightest idea of hostility.

Mr. CONNALLY. I am sure the committee will be pleased to hear both the Senator from Utah and the Senator from Missouri.

Mr. DONNELL. It is not the thought that only the two of us should be heard. We want the opportunity to develop the facts we regard to be of importance, and we have set forth in our letter fully what we think should be done.

Mr. CONNALLY. The Senator from Missouri has developed that point, as I understand, very fully already, and the Senator from Utah is waiting for an opportunity to rush in and develop the situation from his viewpoint. That is all right. I am not complaining. We are always glad to hear eminent Senators give their eminent views on eminent questions. I want to disabuse the minds of the Senators.

Mr. DONNELL. We have never had the thought which the Senator imputes to us. We have no doubt the Senator desires us to have an opportunity, but we want to have the opportunity not merely of attending the committee and listening, not merely of sending up a piece of paper and saying, "Ask this man question No. 1." We want to have the opportunity, and not for ourselves alone, but for every other Member of the Senate, to attend the hearings and question the witnesses and cross-examine them, and have the other participation mentioned in the letter.

Mr. CONNALLY. As soon as the committee meets, we shall take up the matter. We have not received any requests thus far from any Senators, except the two Senators. That is why I mentioned them. They are the only ones who have demanded this action. We want to be fair, and we want to be just.

Mr. DONNELL. I am confident the Senator does.

Mr. CONNALLY. But we want to get the treaty ratified before the next war occurs.

Mr. DONNELL. I may say to the Senator on the point of time that I do not put so much emphasis on the importance of "fast action."

Mr. CONNALLY. I do not mean fast action. I merely mean reasonable action.

Mr. DONNELL. I noticed in the Washington Post of Monday, March 21, across the eight-column spread, the language:

Fast Atlantic Pact action forecast—Senator CONNALLY sees quick approval by committee—Doubts expressed on United States arms aid precludes guess at ratification time.

Then it reads:

Quick approval—

By the way, the part about the Senator from Texas, and so forth, is not spread over the eight columns, but merely over one column. That was a mistake, as my colleague the Senator from New Hampshire [Mr. TOBEY] suggests. It says:

Quick approval of the North Atlantic security treaty by the Foreign Relations Committee was forecast yesterday by Chairman TOM CONNALLY, Democrat, of Texas, although he was unwilling to guess how long it might take the Senate itself to act on ratification.

Mr. CONNALLY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Texas for a question?

Mr. DONNELL. Not at the moment. I may say that if it should require from now until a year from now, or 6 months, or 3 months, or 3 weeks, in which to investigate the matter from top to bottom, I should say it was worth taking the time to do it.

I do not anticipate it will take any unreasonable time, but I certainly do not concur in the view or in any hope that fast Atlantic Pact action shall occur. I think haste makes waste, and it is unwise for us to gamble with the lives of the boys and girls, and with the safety and happiness of the mothers and fathers of our Nation, to say nothing of the vast amount of money that will be involved in the North Atlantic Pact, as to which I have said nothing thus far. I now yield to the Senator from Massachusetts.

Mr. LODGE. Mr. President, is the Senator willing to have some observations made bearing upon the subject?

Mr. DONNELL. I would be quite willing, but I cannot do it under the rule. If the Senator has a question to ask, I am perfectly willing to yield to him for that purpose.

Mr. LODGE. Mr. President, are we enforcing the rules as we usually do in a filibuster, that an observation cannot be made?

The PRESIDING OFFICER. The Chair understands the Senator can yield the floor if he wishes.

Mr. LODGE. I shall put it in the form of a question.

Mr. DONNELL. I yield for a question.

Mr. LODGE. I will put this to the Senator in the form of a question. Is it not true that I am interested in the boys and girls of America?

Mr. DONNELL. I would say "Yes."

Mr. LODGE. That I have no sense of wrongdoing in what I have done as a member of the Foreign Relations Committee?

Mr. DONNELL. I may say the answer is "Yes," and that nobody is in the slightest imputing that.

Mr. LODGE. There was a ring in the voice of the Senator from Missouri——

Mr. DONNELL. No.

Mr. LODGE. As though we on the committee had done something heinous.

Mr. DONNELL. I may say to the Senator that my recollection is—I think I am correct in it—that the thirteenth Senator, the one member of the committee who had not committed himself, according to the Associated Press poll, who had not expressed himself as being in favor of the general principles of the North Atlantic Pact, was the distinguished Senator from Massachusetts. I may be in error on that, but I do not believe I am.

Mr. LODGE. The Senator from Massachusetts never takes part in any polls. That is one of his standing rules.

Mr. DONNELL. I commend the Senator's wisdom in that respect.

Mr. LODGE. I consider that is why hearings are held, and why committees are appointed, in order to help Senators make up their minds on proposed legislation.

Mr. DONNELL. I agree. Is the Senator now asking another question?

Mr. LODGE. I should like to ask another question in connection with the remarks which have been made to the effect that there is much mystery as to the origin of the pact.

Mr. DONNELL. Just a moment. There has been no suggestion to that effect, nothing about any mystery. I have not used the word "mystery," from beginning to end.

Mr. LODGE. I think the Senator from Utah has used it.

Mr. DONNELL. I have not.

Mr. LODGE. I may ask the Senator if it is not true that on June 11, 1948, the Senate by a vote of 64 to 4, voted in favor of the so-called Vandenberg resolution, which clearly presages a pact of this kind, and that the Senator from Missouri and also the Senator from Massachusetts, I am glad to say, were among the 64 who were in favor of the Vandenberg resolution which clearly set the stage for this kind of treaty

Mr. DONNELL. I want to answer the Senator's question, If the Senator will turn to the CONGRESSIONAL RECORD of February 14, 1949, he will observe this statement by myself and the answer by the Senator from Michigan, the author of the resolution, Senate Resolution 239, to which the Senator from Massachusetts has referred. I said:

Mr. President, it was my privilege some few weeks ago to read a very large portion—

I pause to say I did vote in favor of the resolution. I had not said that.

Mr. President, it was my privilege some few weeks ago to read a very large portion of the very interesting debate which took place at the time when the resolution which was adopted last spring by a vote of 64 to 4 was being considered. I have read over the debate in large part, and I remember that the Senator from Michigan then, in response, as I recall, to vigorous questioning by the Senator from Nevada [Mr. MALONE], gave assurance, without any shadow of a doubt, that in his opinion, that is, in the opinion of the Senator from Michigan, the adoption of that resolution would still leave it open to this country to determine whether or not it would enter into further commitments.

Then the Senator from Michigan [Mr. VANDENBERG] said, on February 14, 1949:

That continues to be the opinion of the Senator from Michigan.

Mr. LODGE. Mr. President, will the Senator permit me to ask him one or two more questions?

Mr. DONNELL. Certainly.

Mr. LODGE. I should like to ask the Senator whether he realizes that I believe that this matter should have the widest possible ventilation, the most profound committee investigation, and the most careful analysis which it is possible for the Senate to give any subject, and that I welcome——

Mr. DONNELL. Is that the question?

Mr. LODGE. That is my question.

Mr. DONNELL. I would say, knowing the Senator from Massachusetts as I do, I believe that to be exactly correct, and I can guarantee it by his attitude on the electoral-college amendment.

Mr. LODGE. That is my feeling.

Mr. DONNELL. I am sure it is.

Mr. LODGE. I should like to say that, so far as I am concerned, I should like to have the Senator from Missouri come and sit in on the hearings.

Mr. DONNELL. Is the Senator asking me a question?

Mr. LODGE. Will the Senator come to the Committee on Foreign Relations and ask questions and testify on the subject?

Mr. DONNELL. I will, with the permission of the committee.

Mr. LODGE. Mr. President, I have one more question, and then I shall let the Senator go on with his able address. The Senator spoke about developing the facts, and I detect an atmosphere of unreality about it, and ask whether there are not two facts which are fundamental in this whole consideration. One is the factor of modern aviation, which means that the Navy is no longer our first line of defense and that we will no longer have time to get allies and friends in case we are in trouble. Is not that one factor?

Mr. DONNELL. I think it is. I would say that the North Atlantic Pact, to my mind, creates a condition in which we are bound for 20 long years, by a series of unforeseeable events, which may plunge us into a situation in which we shall be the victims of important improvements in aviation to which the distinguished Senator alludes.

Mr. LODGE. Does not the Senator think it is more than likely that for the next 20 years or longer we shall not have in Europe a wall between us and the totalitarian world, a wall of friendly nations with strong military establishments, such as used to exist in the past? Is not that a fact?

Mr. DONNELL. I think it is entirely possible that we shall not have such a wall. But may I say that the strength of such a wall has been grossly exaggerated, as was that of the Maginot line——

Mr. LODGE. I am not talking about a wall in the tactical sense; I am speaking of strong military powers adhering to democratic principles, on whom we can count in case of any danger from the east.

Mr. DONNELL. I think the Senator is precisely correct. I think it illustrates the fact that this diminished power of the various nations is today seeking to augment itself by the power of the United States.

Mr. LODGE. Is not that completely and wholly in our interest, unless we want to fight the next war by ourselves?

Mr. DONNELL. To my mind, it is not in our interest to enter into such a pact as that which is before the country and which will shortly be before the Senate.

Mr. LODGE. Does not the Senator think we have a very great manpower shortage in this Nation, and that in the tragic event of another war, which God knows we all hope will not happen, we must have friends to help us to carry some of the burden?

Mr. DONNELL. The burden contemplated is, in very large measure, to be carried by the United States. I would say that the diplomats who are coming here—and I say it not in criticism of them—are representing their countries and are anxious, willing, ready, and able, if I may use that legal expression, to enter into this pact, one right after another, to sign on the dotted line, because they are securing the strength and power of the United States for themselves.

Mr. LODGE. Is it not true that if the next war is to be fought on American soil we certainly shall carry the whole brunt of the bleeding and the dying by ourselves.

Mr. DONNELL. I am not so sure we would derive any great amount of valuable assistance from European nations if the war were fought entirely on our own soil.

Mr. LODGE. We would derive none whatever.

Mr. DONNELL. I do not know whether we would or not, but I would consider that by entry into the pact we are enlarging our military, naval, and air power.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. DONNELL. I yield to the Senator from Indiana.

Mr. JENNER. I wish the Senator from Massachusetts would stay here, because he might get some good out of this discussion.

Mr. LODGE. I might try to contribute something.

Mr. JENNER. Mr. President, the Senator has been questioned as to our line of defense——

Mr. DONNELL. Mr. President, I do not want to lose the floor. I will yield only for a question.

Mr. JENNER. Does the Senator from Missouri know that in the last war, with all of our manpower mobilized and everyone else engaged in war work, at the peak of our military strength we had only 89 divisions in a global war?

Mr. DONNELL. I do not know the figures. I have no doubt that if the Senator has secured those figures and vouches for them, they are correct.

Mr. JENNER. Does the Senator know that in the last great war Hitler had 210 divisions against Stalin, and yet he could not crush him? Does the Senator know that?

Mr. DONNELL. I do not know the figures, but I have no doubt, if the Senator assures me they are correct, they are correct.

Mr. JENNER. Then I ask the Senator, if the North Atlantic Pact, which the Senator says commits us to fight a ground action in Europe, does commit us to fight such action, are we not doomed to utter defeat before we ever get started?

Mr. DONNELL. I not only believe that to be true, but I have in my file what I think is very eminent military authority to that general effect, from a gentleman who served with General MacArthur in Tokyo, Japan.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. LODGE. I know the Senator is always careful and accurate, and he must agree with me that there is not a word in the pact which commits us to a ground action, a sea action, or an air action.

Mr. DONNELL. The words "ground action" or "air action" or other kinds of action are not mentioned, except to say "such action as it"—the United States—"deems necessary, including the use of armed forces."

I would say, Mr. President, if Russia were to go into Denmark tomorrow with 200,000 troops, that as a very probable corollary of that action we would be expected to send over to Europe 500,000 ground troops, in addition to aircraft, seeking to extinguish the power of the Russian troops.

Mr. LODGE. If that is what is meant, would not the wording be "preserve territorial integrity"?

Mr. DONNELL. I cannot give the reason for the nonuse of the words "preserve territorial integrity". The Senator's distinguished grandfather had considerably to do with the use of that same language at the time of the discussion of the League of Nations. I think in a situation in which we undertake to guarantee the territorial integrity of other nations, or if we undertake to speak for them, individually or in concert with 12 or 14 or more of them, and to take such action as we genuinely and honestly deem necessary, including the use of armed forces, agreeing to do that over a period of 20 years, we are giving to our prospective enemy the right to select the time and the place for the commission of the attack; in other words, the right to determine when the war shall begin. I say it would be unwise, improper, and dangerous to the people of the country, the fathers, mothers, boys and girls of our Nation.

Mr. LODGE. Of course it does not use the words "territorial integrity", and I think there must be a reason for it.

Mr. DONNELL. Has that reason been explored by the Committee on Foreign Relations?

Mr. LODGE. We have not had the treaty before us yet.

Mr. DONNELL. May I say, at the moment——

Mr. LODGE. In connection with the remark which the Senator made——

Mr. DONNELL. Just a moment, please. I have the floor. I may say to the Senator that if the committee has not had the treaty before it, the letter from the President of the United States to the Senator from Utah [Mr. WATKINS], dated March 17, 1949, contains language which certainly indicates that the committee had something very close to it, because it says that the treaty has subsequently been negotiated with advice—and I quote this especially—"with advice and with full and detailed consultation with the committee."

If the text has not been before the committee, or if the substance of the text has not been before it, it is a rather peculiar "full and detailed consultation" with the Foreign Relations Committee which has occurred during that period.

Mr. LODGE and Mr. JENNER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Missouri yield, and if so, to whom?

Mr. DONNELL. I yield first to the Senator from Massachusetts.

Mr. LODGE. Of course there have been many consultations——

Mr. DONNELL. I yield for a question.

Mr. LODGE. The question is this. If the Senator from Indiana is correct, as I think he is, in his assertion that we had only 89 divisions on the front in the last war——

Mr. JENNER. On both fronts.

Mr. LODGE. And he is right about it, and if the statements are correct, as I believe they are, that in a future war, because of the demands of aviation and the Navy, we will have even fewer divisions than that on the front, does not that argue even more pressingly than ever before in our history that we simply must have allies, that we must have friends, so that American boys will not have to carry the whole load by themselves?

Mr. JENNER. In answer to that——

Mr. DONNELL. I do not wish to be taken off the floor. I yield to the Senator from Indiana for a question.

Mr. JENNER. My answer to that is——

Mr. DONNELL. Is the Senator asking a question?

Mr. JENNER. I am going to answer his question.

Mr. DONNELL. I yield to the Senator only for the purpose of asking a question.

Mr. JENNER. The Senator will not lose the floor. I am entitled to answer the question. The Chair has so ruled.

Mr. DONNELL. I cannot yield to the Senator except to ask a question.

Mr. JENNER. The Chair has ruled that the Senator shall not lose the floor.

Mr. DONNELL. Has the Chair so ruled?

The PRESIDING OFFICER. The Chair has not made such a ruling..

Mr. DONNELL. I ask the Chair that I may yield to the Senator from Indiana for the purpose of asking a question.

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Indiana?

Mr. DONNELL. I yield to the Senator to ask me a question.

Mr. JENNER. I thought I could answer the question of the Senator from Massachusetts.

Mr. DONNELL. I think I can answer it myself. [Laughter.]

Mr. JENNER. Then I shall change my line. I wish to ask the Senator a question. Is he reasonably sure that there is a North Atlantic Pact treaty in existence?

Mr. DONNELL. My answer to that is that I have seen this document, which has been distributed. It is not certified; I have seen nothing indicating whether it is authentic or not, but I assume it is.

Mr. JENNER. The Senator does not, then, believe that this is another Atlantic Charter which exists only in the blue?

Mr. DONNELL. No, I do not. I think this pact has actually been framed, phrased, or prepared. I judge it will be submitted on or about April 4 to a convention of distinguished diplomats from all sections of Europe, some of whom have already started, perhaps, some of whom are about ready to start, and others will come most gladly for the purpose of signing an instrument which in their judgment will be of advantage to their nations. Perhaps they may think it will be of advantage to us, too. I do not question their sincerity.

But in answer to the Senator from Massachusetts—Where has the Senator from Massachusetts gone? [Laughter.]

Mr. JENNER. Will the Senator yield?

Mr. DONNELL. In answer to the Senator from Massachusetts, I will say that the gain in this matter is not coming to the United States. The gain on the right hand side of the column will be to the European nations.

Mr. JENNER. Will the Senator yield for a question?

Mr. DONNELL. I yield to the Senator for a question.

Mr. JENNER. Will the Senator from Missouri answer the question which the Senator from Massachusetts asked the Senator from Indiana?

Mr. DONNELL. I think I answered it just now.

Mr. WILEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Wisconsin?

Mr. DONNELL. For a question.

Mr. WILEY. As I understand the issue to which the Senator is speaking, he wants full, open, and complete hearings when and if the treaty shall be signed by the signatory powers, and shall come before the Senate for rejection or ratification.

Mr. DONNELL. That is correct so far as it goes, but the letter which I read on the floor of the Senate this morning speaks for itself. It is rather extensive. I can recapitulate it if the Senator desires, but it contains a request which the Senator from Utah and I are making, not for ourselves alone, but for every other Member of the Senate.

Mr. WILEY. I understand. Does the Senator understand that the President, and the State Department, have in this particular instance proceeded in what I personally feel is the right way in matters of foreign policy, namely, have consulted with the Committee on Foreign Relations, and that the President has not merely acted on his own initiative; and out of such consultation there has come a tentative draft—and it is only tentative until the Senate acts—which will soon be before the Senate?

Mr. DONNELL. I say it is very commendable indeed that this full and detailed consultation with the committee mentioned by the President of the United

States in his letter, has been had. I do not know just what is meant in terms of hours, minutes, or days by full and detailed consultation, but I think that the provision of the Constitution that the President shall act "by and with the advice and consent of the Senate," certainly makes it most commendable for the President, in the consummation of a treaty, to make possible this full and detailed consultation.

Mr. WILEY. Mr. President, will the Senator yield for another question?

Mr. DONNELL. I yield.

Mr. WILEY. Does the Senator feel as I do, that there are two provisions of the Constitution which have special application to this matter, one relating to the treaty-making power, which particularly, the Senator knows, calls for action on a treaty by the Senate, which treaty, if and when it is ratified, becomes the law of the land?

Mr. DONNELL. I have no doubt the Senator recalls the discussion in connection with the St. Lawrence seaway as to the power of the Congress later to supersede a treaty. I may say to the Senator there may be some question as to the right as distinguished from the power. I am making no concession on that, but that contention may properly be suggested, at any rate.

Mr. WILEY. Such a treaty when ratified becomes the law of the land, and it then entails not simply a moral but a legal obligation on the Government, does it not, to meet the terms of that law of the land?

Mr. DONNELL. If it be the law of the land, it certainly does.

Mr. WILEY. In connection with that question, the other provision of the Constitution to which I refer is that only Congress shall declare war.

Mr. DONNELL. It does not use the word "only," but that is the construction placed upon it by the Department of State itself. The white paper issued by the Department of State says on page 3:

> Under the United States Constitution the Congress alone has the power to declare war.

Mr. WILEY. Yes, but in view of the fact that there is no enforcing agency it would be a breach of the law of the land if Congress did not comply with the terms of that agreement.

Mr. DONNELL. I do not think that at all follows. I do not think it follows, simply because the President and the Senate shall have undertaken to contract that we shall go into war, that the other House of Congress must comply with that agreement. In other words, there is no way under Heaven that such a construction could be enforced. The House of Representatives could not be compelled to vote for a declaration of war even though the President and the Senate may have made all the treaties they desire upon the subject.

Mr. WILEY. I might say that I agree fully with that statement. That is what happened in the eighteenth century, did it not, when we had a treaty with France? France became involved in a war with England. We had agreed to go to the rescue of France, but because France had also committed certain acts which we regarded as violative of that treaty we did not go to the rescue of France.

Mr. DONNELL. I may say to the Senator from Wisconsin that I do not recall that we had entered into an agreement to go to the aid of France, but the Senator may be quite correct. I remember very distinctly that in the administration of George Washington it was suggested, and strongly urged, that we should make such a treaty with France, and that Washington became exceedingly unpopular, so unpoplar that mobs of thousands of people marched before his window, because he declined to agree to such an arrangement.

Mr. WILEY. What I have in mind is this: Assuming, which I think is the fact, that there was such an agreement, does not that illustrate exactly the situation we would be in if this particular treaty became the law of the land? The power is still in the Congress to fulfill the obligation under the treaty or not to fulfill the obligation.

Mr. DONNELL. I may say to the Senator that he has raised a most interesting question, but obviously, under circumstances such as I have recited, of an invasion of Denmark by 200,000 Russian troops, should the Congress refuse and should the President refuse to go to the aid of Denmark, we would certainly be accused, and justly accused, of a grave, gross violation of the terms of the North Atlantic Pact.

Mr. WILEY. Mr. President, will the Senator yield further?

Mr. DONNELL. I yield for a question.

Mr. WILEY. Does not the Senator feel that a moral and legal obligation by this country should never be broken?

Mr. DONNELL. I should say that if this country enters into an obligation, whether it is moral or legal, it should be complied with in spirit and in letter.

Mr. WILEY. I thank the Senator from Missouri.

Mr. DONNELL. Mr. President, I shall not consume much more of the time of the Senate in this address. I want to say that back in the early days of our Government, to be more exact, on the 17th day of September 1796, there was issued his Farewell Address by George Washington. I quoted from that address on February 14, 1949, as appears at page 1168 of the CONGRESSIONAL RECORD. I desire at this moment to quote one further observation from that address, which, to my mind, still has application to present-day condititons, notwithstanding aviation, notwithstanding atomic bombs, notwithstanding the developments by which speed has brought the world within much closer confines. The quotation to which I refer now from Washington's Farewell Address is:

> The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little political connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith: Here let us stop.

Then, Mr. President, particularly this:

> Europe has a set of primary interests, which to us have none, or a very remote relation. Hence, she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics, or the ordinary combinations and coalitions of her friendships or enmities.

Mr. President, I also desire to quote some words from John Marshall, who, while he is known as the Chief Justice of the United States, has been not so well known, perhaps, as a student of international affairs. Writing about 2 years after the date of the delivery of Washington's Farewell Address, as I pointed out on February 14 of this year to the Senate, John Marshall used the following language:

> I do not think the interest and prosperity of America is at all dependent on the alliance with any foreign nation; nor does the man exist who would regret more than myself the formation of such an alliance. In truth, America has, in my opinion, no motive for forming such connections and very powerful motives for avoiding them. Europe is eternally engaged in wars in which we have no interest, and with which the fondest policy forbids us to intermeddle.
>
> We ought to avoid any compacts which may endanger our being involved in them. * * *
>
> The whole of my politics respecting foreign nations are reducible to this single position. We ought to have commercial intercourse with all, but political ties with none.

Mr. President, the points which I desire to emphasize in these concluding words are that we are about to be confronted with the problem of deciding whether the Atlantic Pact shall or shall not be ratified. I earnestly express the hope that every one of the 96 Senators—I believe we have 96 now, or will very shortly—shall be permitted to participate in the hearings and sessions of the Senate Committee on Foreign Relations so far as those hearings and sessions shall relate to the North Atlantic treaty, as requested in the letter which has today been placed in the proceedings of the Senate.

EXHIBIT 1

[From the New York Times of March 22, 1949]

FULL CYCLE

The United States is about to agree to a treaty under which an attack on any member of the North Atlantic community of nations will be considered as an attack on us. Thus we come to a turning point in the long road back from the isolationism into which we fell when the Senate rejected the League of Nations 30 years ago. The North Atlantic Pact contains promises not even dreamed of by Woodrow Wilson. President Wilson indeed in his war speech of April 2, 1917, looked forward to "a universal dominion of right by such a concert of free peoples as shall bring peace and safety to all nations and make the world itself at last free." But Mr. Wilson in time of peace would not have dared ask the Senate to commit itself, as Mr. Truman and his advisers are now doing, to go to war if any 1 of 11 or more nations is attacked. We should not quibble on this point. The defense pact means that or it means nothing.

This country's conversion from isolationism has been slow. One can understand why. Destiny seemed to have given us a privileged position between two vast oceans. Many millions of immigrants came here because they thought they might thus escape from the constant turmoil of Europe. De-

mocracy, it was thought, might flower here as nowhere else on earth, exempt from foreign threats.

Even after the First World War this illusion persisted. It was never broken down by argument. Only 14 years ago 36 Senators voted against our adherence to the World Court—as harmless an institution as high-minded men have ever erected. Only 12 years ago President Roosevelt had to abandon the stand he took in his famous "quarantine" speech in Chicago. The American people did not even then admit that when anarchy stalks the earth there is no escape through mere isolation or neutrality. In that same year the Permanent Neutrality Act required us to lend no money, ship no goods, arm no ships, give no private contributions to any nation engaged in war or any faction in any civil war. Under that act we treated the legal and democratic Government of Spain on even terms with the Nazis and Fascists who helped to overthrow it. There were only 6 adverse votes in the Senate, only 12 in the House of Representatives.

When war broke out in 1939, between Hitler and the western European powers, we had our second lesson in the folly of isolationism. We learned a little at a time: In 1939 we repealed the arms embargo. In 1940 we put Selective Service into effect and President Roosevelt traded 50 old destroyers for bases in the North Atlantic. In 1941 the Lend-Lease Act was passed and the noble but as yet unrealized principles of the Atlantic Charter enunciated. But not until we were forced into it did we go to war.

The lesson we thus received was taught us by three dictatorships. That was their unintended service to world civilization. They made us see that the remote farmhouse on the Nebraska plains was not safe if we turned our back on the world. They made us see that liberty here was not safe if liberties elsewhere were destroyed. They taught us by the most advanced methods of education—in a rain of hell on Pearl Harbor; in torture and death in the Philippines; in the light of burning ships clearly visible from our Atlantic shores; in the heavy toll of wounds and death that our sons had to pay. Even as we fought this war through to victory we hated it. We hated not only what we had to suffer but what we had to do. We struggled through to peace as a Nation emotionally, as well as intellectually, committed to making peace just and lasting. When the Charter of the United Nations came before Congress 4 years ago only 2 votes in the Senate, only 15 votes in the House, were cast against it.

The three dictatorships that declared war on us in 1941 have vanished. Another dictatorship overshadows a considerable part of the earth. We cannot in self-respect appease it by surrendering our principles. Now we shall try to keep peace by strength—by strength which we never intend to use except in the common defense of the free nations' territory and liberties; strength that is otherwise no menace to Russia or any other country. It is thus in no warlike mood that this Nation takes up the North Atlantic Pact. This is our pacifism, using the most effective means we know to avoid bloodshed and the destruction of civilization. We have not changed in our ultimate desires. We have come full cycle only in the methods we now believe necessary to realize those desires. We stand, as President Wilson did 32 years ago, for a concert of free people.

Across the Atlantic and Pacific and all oceans and continents, as these words are written and read, there is an increasing flow of air traffic. The oceans and the vast spaces of the world, measured in terms of time, have nearly vanished. We and our associates are now neighbors defending our neighborhood against intruders. This is the real meaning of the North Atlantic Pact.

EXHIBIT 2

ADDRESS BY SENATOR ARTHUR H. VANDENBERG BEFORE THE CONFERENCE OF MAYORS, WASHINGTON, D. C., MARCH 22, 1949

Gentlemen, I can only be with you briefly because the Senate is now in session and I must promptly return. But I should like to make the brief moment count by giving you a swift survey of the new North Atlantic Pact which shortly will seek the approval of the Senate and the country. I add "and the country" because the ultimate value of the pact will largely depend upon the extent to which the country wholeheartedly accepts the concept of defensive unity in the North Atlantic community against any armed aggression which may threaten world war three. Therefore, I believe the pact, and any subsequent legislative implementation, must be the subject of total exploration and of complete public hearings in the Senate.

This is the most important step in American foreign policy since the promulgation of the Monroe Doctrine. Such a step should only be taken with the solemnity of a national conviction. Therefore, I welcome this all-too-brief opportunity to lay the basic facts before you, though my presentation under the circumstances can at best be but a sketch.

I wish to say at the outset that, although reserving my position regarding the details of any subsequently disclosed administration plans for military aid to western Europe, I endorse—not only in letter but in spirit—I endorse the North Atlantic Pact as the best possible peace enterprise in which the United States can engage in the self-interest of its own national security; in the practical support of the aims of the United Nations within which the new pact will scrupulously operate; and in the prevention of another intolerable world war in which we would be inevitably involved, no matter how anxiously we might wish to keep out. In my opinion it is the best bet to keep the present cold war from getting hot.

Now, what comprises the community of congenial, peace-seeking, independent, self-governing peoples which are expected to sign this pact?

Britain, France, Belgium, Netherlands, Luxembourg, Italy, Norway, Denmark, Iceland, Portugal, and the United States, and Canada.

What is their pledge to each other?

I quote from the pact:

"The parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all; and consequently they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defense recognized by article 51 of the Charter of the United Nations, will assist the party or parties so attacked by taking forthwith, individually, and in concert with the other parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area."

I ask you to note that this is not an automatic commitment to war. I ask you to note that we reserve unto ourselves the option to decide precisely what contribution we shall make against any such armed attack by an aggressor. There are many defensive recourses short of war as defined in the UN Charter. I ask you to note that, in another paragraph of the pact, we categorically assert that "this treaty shall be ratified and its provisions carried out in accordance with our constitutional processes." We are signing no blank check.

But I ask you also to understand that we are signing no mere scrap of paper. This pact will mean what it says or it is devoid of war-preventive authority. It means that if another armed aggressor threatens any or all of us with world war three—God save the mark—all of us will forthwith unite to stop the aggression before it becomes universal, and to defeat it before it becomes a universal conquest. All of us must take that pledge in good faith or it were better that we do not take it at all.

Let me tell you very bluntly why I think this is the best peace insurance to complete our mutual protection against another war. I hope we have all learned something from the last two World Wars. In my humble opinion, the Kaiser would not have unleashed his conspiracy of aggression if he had not expected to be able to avoid collision with the United States and the united Allies. In my humble opinion, the Fuehrer would not have unleashed his conspiracy of aggression if he had anticipated a war with the United States and the embattled Allies.

Let me be specific so far as we are concerned. The Neutrality Act of 1939 told Hitler that the United States would keep out of any such conflict, would keep our vessels out of belligerent ports, would refuse credits to warring nations. The North Atlantic Pact—wholly to the contrary—will tell any aggressor in 1949 that from the very moment he launches his conquest in this area he will face whatever united opposition, including that of the United States, is necessary to beat him to his knees. I reassert that this is the greatest war deterrent ever devised. No itching conqueror will lightly view such odds. Yet no other nation on the face of this earth needs spend one sleepless night over any sort of menace from this pact unless it is plotting armed aggression against neighbors whose only aspiration is peace with justice and honor in a free world of free men.

In assessing our own responsibilities under the pact, I ask my fellow citizens to remember that they are already under this same general pledge when they joined the United Nations; that the UN Charter specifically recognizes, in article 51, the right of individual and collective self-defense until the UN Security Council has taken the measures necessary to maintain international peace and security; that the pact ceases to apply whenever the UN Security Council thus does its duty; but that if it fails to do its duty the North Atlantic community can defend itself inside the Charter but outside the nullifying veto.

I also ask my fellow citizens to remember the facts of life. We are the greatest power on earth. Regardless of pacts or leagues, if there is another world war, there is no escaping our involvement as its chief target. It is elementary wisdom that we shall keep plenty of our own powder dry, and that we shall tentatively join other equally inevitable defendants in preparation against such challenge.

We shall do so for the sake of peace in what we hope and pray may be a live-and-let-live world.

During the delivery of Mr. DONNELL's address,

Mr. KNOWLAND. Mr. President, will the Senator from Missouri yield?

Mr. DONNELL. I yield to the Senator from California.

Mr. KNOWLAND. I should like to ask the able Senator from Missouri whether he will permit me to ask unanimous consent of the Senate merely to offer a short amendment to the pending ECA bill, so that it can be printed and lie on the table.

Mr. DONNELL. In answer to the question in the affirmative, I shall be very happy to have the Senator make the request.

Mr. KNOWLAND. Mr. President, I ask unanimous consent, without taking the Senator from Missouri from the floor, to be permitted to offer an amendment to the pending ECA bill, to lie on the table.

It is a short amendment, and I should like to read it for the information of the Senate.

The amendment is to add at the end of the bill the following new section:

SEC. —. The balance of any funds appropriated for carrying out and accomplishing the purposes of the China Aid Act of 1948, unobligated as of April 2, 1949, or subsequently released from obligation, is hereby made available to the President for obligation through December 31, 1949, for assistance to China to be furnished in such manner and on such terms and conditions as the President may prescribe. The authority granted to the President under this subsection shall terminate if in his opinion the government of the Republic of China becomes Communist dominated.

I send the amendment forward and ask that it be printed and lie on the table.

The PRESIDING OFFICER. Without objection, the amendment will be received and printed, and will lie on the table.

After the conclusion of Mr. DONNELL's address,

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2313) to suspend certain import taxes on copper.

EXTENSION OF EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 1209) to amend the Economic Cooperation Act of 1948.

Mr. THOMAS of Utah. Mr. President, I realize that it will be most difficult to turn from the thoughts which have been aroused in the minds of all of us about the North Atlantic Pact to the task which is before the Senate. I wish to do so, however. But I wish also to say a word or two about the North Atlantic Pact and its relation to the Senate at the present time.

For the past hour or so we have been discussing a question which is not before the Senate. It is germane, of course. It is before the country, and it is upon the minds of all of us. I wish to assure the Senator from Missouri [Mr. DONNELL] and all other Senators who have now seen the North Atlantic Pact that there has been no departure from the ordinary procedures by which our country has carried on for the past 170 years. There have been consultations about the pact. The press has been informed of certain things. The Committee on Foreign Relations has been invited to consider it. But none of those things has in any way interfered with the constitutional way of proceeding. The right of negotiation is with the Executive. Since so much has been said about the Constitution, it might be well to remember that. The signatures have not yet been placed on the pact. We should remember that. When the various states which have helped in the negotiations have signed the pact, then will be the time for the President of the United States, if he deems it wise in his discretion to go further, to refer it to the United States Senate for ratification. All those things will be done. In view of the fact that the pact contains the words "constitutional procedure" more than once, I think it is a little out of place on the part of any of us to imagine that the Senate, or any committee of the Senate, or the Executive of the United States, or those who act for him, would be forgetful about constitutional processes.

I wish to make a statement about the pact. I do so because of the almost sacred words of Washington's Farewell Address, which have been read to us. I do it also because the words of John Marshall have been read. Both of them reflect ideas which are proper ideas of the American people. We have a fear of offensive and defensive alliances; and throughout our entire history we have made a part of all we have done and all we have said the theory that we should avoid all entangling alliances. But, Mr. President, I believe that any student of American history and American diplomacy in our foreign relations must ultimately come to the conclusion that when the North Atlantic Pact is placed before us it will be treated as though it were a logical sequence of what has been our policy during nearly all the time of our existence.

I point out that the North Atlantic Pact contains words which were used during the discussions about what later become the Monroe Doctrine. There is the phrase that an attack upon one should be considered an attack upon all. For more than 120 years that phrase has been used by those who have spoken for America.

We find also that, starting with Madison's administration, long before the Monroe Doctrine came into existence, the essence of the Monroe Doctrine was in effect. Warning was given to the nations of the world that when certain nations lined up or entered into understandings with one another about this continent, we would pay attention to them. Then, when the Monroe Doctrine came, it became a part of the law of the land.

As we come down through history and into modern times, we find that the North Atlantic Pact is a continuation of things which we either tried to do or actually did. The League of Nations Covenant, which was a part of the Treaty of Versailles, embodied the theory that the preponderant force of the nations of the world which wanted peace should, at a given time, be hurled against an aggressor. The word "aggressor" was not used, but the force of peaceful nations was to be hurled against an erring state, a state which was acting out of harmony with the fundamental principles of the League. There is in the North Atlantic Pact the idea that the many shall act against the wrongdoer; that they shall unite to preserve peace, and that if one is attacked all will be attacked. We are merely accepting the theories which were accepted by the spokesmen of our country during all our history, and making them again into a worded pact.

After two world wars, considering the way in which those wars started and the way in which we got into them, I think we should go back with all seriousness and thoughtfulness to the theories of the Neutrality Act and the mistakes which those theories made possible. I go back in my thinking today to what was said when I presented the strategic-materials bill to this body. There was opposition to it although it was a bill which looked into the future and made us more safe, more strong, and better prepared. It is interesting to note that when the war rumblings began and we had on the statute books the Neutrality Act of 1935 and 1936, in 1937, when there was a threat to the peace of the world, and when one of the nations of the world had started to move against another nation, the Neutrality Act was regarded as notice that we would pay no attention to what other nations were doing, because the Neutrality Act was a mandatory act. It caused us to operate equally against the aggressor and the victim of aggression.

In 1937 I offered an amendment to that act. It was considered, but it was not adopted. The amendment provided that the President of the United States, whenever he saw an aggression, might lift the embargo provisions of the Neutrality Act in favor of the victim of such aggression. It is my humble opinion that had we adopted that amendment then, we could have and would have stopped war. But in 1937 the President of the United States did not wholly agree with that idea. However, by July 12, 1939, he agreed, and submitted a formal request to the Senate Committee on Foreign Relations that something be done so that the force of opinion of nations and the actual force of the United States might be alined with those nations of the world who were in favor of peace. He asked, in theory, for the same thing as the amendment which I had offered, that the embargo might be lifted so that we could act in support of a victim of aggression.

The Foreign Relations Committee turned down the recommendation of the President. That was on July 12, 1939. We may almost count on the fingers of one hand the days which elapsed between the time when the United States gave formal notice to the world that it would not interfere with an aggression, and the time when the aggression started.

In view of the leadership our Nation has developed, I think we have some obligation to the rest of the world to see to it that such a thing does not happen again. Mr. President, if I correctly interpret the spirit of the North Atlantic Pact, it is that such a thing shall not happen again. The North Atlantic Pact is in complete harmony with the theories of collective security and the action of all the nations of the world to that end. In view of the situation in the world today, how do we think peace is ever to be maintained if it is attempted to be maintained purely on the basis of the maintenance of boundaries? It is on that phase of the subject that I should like to speak in relation to the bill which is now before the Senate.

I shall vote for the pending bill. I voted to report it from the committee. I

support it wholly and completely. But, Mr. President, I support it as a matter of good, honest, solid American policy. I support it because I believe it will make America stronger. I support it because I think it will make for the peace of the world, as the European recovery program has done so far. I support it because it is well for us to set an example to the other nations of the world. I support it because it represents, in a way, the promise America has made, so lately, that if the other nations of the world will set their houses in order, decide how we can help them, and act cooperatively to that end, we will extend our help. Mr. President, that idea is not a new one; it is, in fact, very old.

I myself do not and will not support actions which seem to be aimed at one particular nation. The measure we now are considering is not an offensive and defensive proposition. There may be in the world today a nation running riot, just as at many times in the history of the world other nations have seemed to be running riot; but it has not been our idea that we should build our national policy around a feeling of antagonism toward any particular nation, conduct our foreign affairs upon that basis, and call the attention of the entire world to a condition which we think is bad. We should not make our national policy reflect such a feeling, for if we do, we shall be overlooking what has happened in the past when nations which at one time seemed to be our enemies, later proved to be, in reality, our friends. I say that if we act in a way that takes into contemplation only that which is within the bounds of these 1 or 2 years, we shall pursue a course which ultimately we shall regret.

Does such an attitude make us weak in the eyes of a nation which is acting improperly and in a wrong manner? Does it make us weak in the eyes of a nation that is an aggressor? Will such a nation consider us weak because we take our own stand, and do not take a stand against it? I do not think so, Mr. President; I am sure that it is not the case.

I should like to show, by an actual quotation, that what we are so fearful of today is something we have been fearful of through the ages. The quotation I am about to read is the only one in this connection which I could remember, but it is one of the things along such lines which I read when I was a youngster. It sounds almost as if it had been written in respect to present-day conditions; in fact, if we omit the name of the Czar from the quotation, it will read just as well in respect to present-day conditions as it did in respect to the conditions existing at the time when it was written:

Russia has turned tartar and has become isolated in thought and action, with the Chinese Wall again keeping her out of the Middle Kingdom, and a wall of sentiment higher and thicker than the Chinese Wall, built by the allied nations of capital, against her.

Those are not my words, Mr. President; they were written a full generation ago.

I read further:

In 1898 Hazeltine in his supplementary chapter of Boulger's History of China said:

"Russia is conquering by modern methods the kingdoms of Genghis and Kublai Khan; and the Russian Czar, once Emperor of China, will take the place of the Tartar conquerors who carried fire and the sword beyond the Carpathians and Vistula and throughout eastern, western, and southern Asia."

Mr. President, we have worked ourselves into a frenzy of feeling that the expansion of Russia is today just as much a threat as it seemed to be a threat then. Was it a threat? It was regarded then as a threat. Our people talked a great deal about it; and the literature of 50 or 60 years ago, contains various statements along that line.

I bring out that point for the purpose of making matters a little clearer, at least in my own mind. I do so for the purpose of showing that what is now proposed is consistent with American policy, and is not something we have made out of the whole cloth because of what has happened in the last little while.

It is sad indeed that nations sometimes change their minds and their ideals. It is interesting to note how quickly and how rapidly sentiments and ideas change. I think it is healthy for our people to realize that sentiments do change, and that those whom we trusted implicitly at one time, we sometimes lose faith in shortly thereafter.

Mr. President, we fought the First World War as an ally of Russia; but we went through the period following that war frightened at Bolshevism; and we sent our troops into Russia, and they took sides in the Russian revolution. The people of Europe were so incensed and so frightened of Russia that they actually brought certain states into existence. A reading of French history will disclose that Yugoslavia, Czechoslovakia, and certain other states were brought into existence in order to support western Europe against Russia. Was it in vain? Probably what Russia is doing today is simply the counteraction to what was done after the First World War. But I want to say it is in vain. If Russia is proceeding on the theory of defending herself against certain steps taken or steps she may imagine the West is going to take, it is just as much in vain as it would be in our case if we did not have at heart the good of the 10 or more nations that are to become parties to the pact, or who are the beneficiaries of European relief, and who are working together, as they are working today. I think it would be well for us to realize two things taken from some surrendered papers:

The senior Japanese commanders and all ground, sea, air, and auxiliary forces within China (excluding Manchuria)—

When it came to Manchuria, it was deemed, as a result of informal discussion, that Manchuria belonged to China. It was assumed here that it belonged to China. Continuing the quotation:

(excluding Manchuria), Formosa, and French Indochina, north of 16° north latitude, was surrendered to Generalissimo Chiang Kai-shek.

The senior Japanese commanders and all ground, sea, air, and auxiliary forces within Manchuria, Korea north of 38° north latitude, and Karafuto were surrendered to the commander in chief of Soviet forces in the Far East.

Those were the views, those were our feelings toward our ally at that time. Those were feelings which seemed to imply that everything was all right and that everything would go forward satisfactorily.

Those provisions, I may say in defense to myself, were made after a warning which many repeated and which I in my own humble way made. I am going to read into the RECORD, not what was said but actually what was written and published in regard to the matter. It was written after discussions concerning the surrender of the Japanese Empire had been made known to certain interests in the State Department. I must admit some of the wise ones, the practical ones, those who recognize facts as they are and conditions as they are, and history, and who know how to do things, were cynical about my remarks. They did not like what I said. But this is what was said, not 1 year before the surrender, or at the time of the surrender, but 2½ years before the time of the surrender:

We shall have to make certain territorial settlements if freedom and independence are to be China's. There is the question of Hong Kong, the return of which, in my opinion, might not leave China quite so free as she would be without it, since there is some advantage to be gained, at least in the beginning, by continued British interest. There is also Formosa. Considered emotionally, it should go back to China. I should like to suggest, however, that something besides emotion be considered. Historically, China's control of Formosa was not entirely satisfactory. It was even said that when Li Hung Chang ceded the island to the Japanese after the Chinese war, he was convinced that he had played a trick on Japan. Japan has administered Formosa to her own advantage, but Formosa has benefited by the development, and China has not suffered greatly by the loss. The conquest is not complete, and it may be that as a result of this war the independence movement which Japan crushed will once more arise. But though Japan has used Formosa as a stepping stone to conquest, the products which Japan developed have been available to the world. To say that Japan be allowed to retain Formosa is not to condone aggression or to assign possessions undeservedly.

Formosa was made an integral part of the Japanese Empire, and when Japan unconditionally surrendered, the theory of course should have been that something should be done in regard to Formosa.

Japan has held Formosa since 1895 and has closely integrated it into Japanese economy. However, the strongest argument against returning Formosa to China is that the present status frees China of the need for a fleet to protect an island possession. Without the burden of control of the sea, China can spend her energies on developing her own mainland and the bordering continental areas. China has never cared for conquest. Her entire philosophy is against it. If she can expand inland toward Turkestan, Tibet, Mongolia, and Manchuria, she will have enough to satisfy a virile nation for a long time to come. A subdued Japan and an anti-imperial Russia, busy with her own reconstruction, will leave China undisturbed by conflict. That this solution is easier to state than to carry out I freely admit. But I believe it worth trying for the sake of China and the world.

I want a strong America because America actually and really is the only hope left mankind in the world to have that liberty and freedom our fathers toasted. But I do not

want an America strong only because of our ability to destroy. There is a strength that comes from justice. There is a power that comes from right. What makes America strong? It is the strength of our youth. It is the belief that democracy rests upon a trained citizenry. It is the knowledge that the four freedoms whether they be the Jeffersonian freedoms or the Roosevelt freedoms are the bases of any real democracy. Strong America does not mean the curbing of the soul of America by those who would support the will of the people for the perpetuation of a national self-interest along the lines we have heard so much of late. An alliance with wrongdoing, injustice, the lending of our strength to perpetuate wrong will result only in evil. The world needs the political ethics of a Jefferson, who said he knew but one code of morals for men and nations. Is it asking too much to insist that money given to feed the starving be used to feed the starving? Is it asking too much to insist that money given to restore a destroyed bridge be used to restore the bridge? Is it asking too much if we take dollars from honest taxation to restore a national economy that it be as honestly spent as it was honestly taken from the people's earnings? If we cannot teach some decent trade habits it is better not to restore trade. I am told I am asking too much. I am reminded that everyone knows that our American Government is the only one on earth which exists for the benefit of the people and not for the benefit of the Government and that to insist upon our standards is to expect the impossible. If impossible, why attempt it? Let us restore Europe and Asia and leave reform to another day. That has been said, "If we do not do some reforming we will merely rebuild for more war." Build America on the basis of hate, on the theory of suspicion, on the foundation of distrust, and upon a nationalism built upon expediency which compromises every ideal of honesty, upon an altar of dealing with and supporting the dishonest and corrupt in governments out of self-interest, and America will very soon reflect the ideals of the dishonest with whom we deal.

Those are strong words, Mr. President, but it has taken us more than a year to get into the European Recovery Act a simple amendment suggesting that one of the aims of the act should be to bring about the political unity of Europe. When we got the amendment, the very first amendment we had to consider, we discovered that the word "political" was taken out. Why we are so afraid of the word "political" I do not know. It is because of political action that we drink decent water. It is because of political action that we have electric lights in this building. Practically all we do from morning until night is the result of political action. It is because there has been nonpolitical action in Europe that we may bring about a restoration which will leave Europe exactly as we found her, not only before the Second World War, but also before the First World War.

Mr. President, if we do that, we shall not have done much for Europe. If we cannot bring about new ideals and decent notions in regard to trade, if we leave the notion in Europe that every nation is to be antagonistic to other nations, that it is only in economic unity and not political unity that they can go forward, there will be the same rivalry which has always resulted in war. At the present time, if we consider nation after nation and what they are thinking about, it will be discovered that there is very little political reformation in them. At this time there happens to be in the United States the leader of the English Conservative Party, a leader who has called all the reform movements which England is trying to bring about pretty close to being insane, but a leader who, on the other hand, says that he would like to see a United States of Europe brought into fruitful success. Why do we want a United States of Europe? To continue the same old processes we find in some of the nations of Europe today? In spite of the fact that we are trying to help to bring about recovery and the exchange of goods, they are resorting, as I said to the Senator from Michigan yesterday, to restrictions of trade, instituting import and export licenses, and controlling everything that comes in and everything that goes out. Is it to be imagined that the nation that built the British Empire and invented such things as the gold standard in order that it might exploit, may not, in turn, if it does not change its mind in connection with the new and great empire it is bringing into existence, in the exploitation of Africa and the creation of a new Axis, England, France, and Africa, return to the same old mistake? Mr. President, if they do, there will be the same old condition.

I know that England is more restrained than she has ever been before, because she has taken part in the international agreements against the exploitation of peoples and in her attempt to protect the people she governs as a result of exploitation. I know she has agreed that the peoples of all her dependencies shall be governed for their benefit and not for the benefit of the homeland. Those things have come about in much the same way as did the Atlantic Pact, by thoughtful, energetic work on behalf of the peoples of the world. I want those things to continue. I do not want to see another type of imperialistic exploitation in the world. Surely the nations which have exploited the most must have the answer now. Where are the nations that did the exploiting? Where are the nations which have taken part in it? Is England very strong in Asia today? Is the old Imperial Russia still looking for a place in the sun? Is France strong in Asia today? What about Holland's condition? Were all the nations we are talking about victors in great wars? It has already been said that we cannot stand another victory, or words to that effect.

Mr. President, it should be vividly brought to our minds that while we destroyed Germany and Japan, we probably did not destroy as much property as would be represented by the debt which we incurred to bring about that destruction. That is an argument against war. That is why I am in favor of peaceful pacts looking forward to a better way of handling things, doing things, and curbing aggressors throughout the world. I can see now, and we all know, that the economy of the whole world is different from what it was 10 years ago, and very different from what it was 30 years ago, and that even the United States has gone so deeply into debt that the debt structure makes it necessary for us to build our whole economic system upon a system of debt.

That should give us cause to think about finances. It should give us cause to think about our money. It should give us cause to realize that the gold and the silver we have, if used properly, will do the world's work. It can and will, if we have cooperative understandings and agreements. But once the theory of exploitation of peoples again takes hold of an aggressor anywhere in the world, that structure may be completely destroyed, so that even we cannot survive to bring about a condition of some form of peace wherein those nations that want freedom and liberty may have some chance of survival.

Mr. President, I am very happy that the Senator from Missouri quoted from our great thinkers of early times. I myself wish to quote from them, but before I do so I wish to refer to a phrase which has come into our vocabulary—a phrase which is used much—namely, "national self-interest." It is a phrase on which Bismarck built his Germany; it is a phrase which the Kaiser used for all he did; and I do not like to see us using it. While the words are all right, they have had definite and wicked meanings in the past. If we use the phrase, and use it in the same way in which Bismarck used it, we will fail just as Bismarck failed, we will fail as the Kaiser failed, as Hitler failed, and as Mussolini failed. We, too, will fail if we lose our faith in ourselves, in our liberty, and in our freedom. If we go about what we are doing with a spirit of hate—hatred of some nation with which we do not seem to agree now—we ourselves will reflect nothing but distrust, and when once distrust gets into a nation, that is the end of liberty and freedom because they can thrive only where there is trust.

Mr. President, I realize that Russia today, in what she is doing, and in the way in which she operates, under the theory of her government, is just the opposite of what America has stood for in the 170 years of her history. We cannot accept the single will in government and survive. Therefore, we hate what Russia is doing.

Let us remember that the condition there may be a passing phase. There was the single will in Italy, and that was a passing phase. There was the single will in Germany three times since I can remember, and each of them passed away. There was the single will in many other places.

I remember a conversation I had with a man who made himself the first great dictator in Europe. It was in Hungary—a nation which is not having too good times today. I told this man that I disliked seeing the infiltration of Germans into his country. He said, "The more who come, the better." I said also that I did not like to see the German ideas coming in. He said, "The more, the better." Where is Admiral Horthy today? He accepted the single will from without, and what happened to him?

Mr. President, I had the privilege of talking to such men as Sun Yat Sen and Chiang Kai-shek. I knew them in Japan some time before the Chinese revolution. I watched the growth of Chiang

Kai-shek, and I have gone so far as to say that if he succeeded in his dictatorship he would have proved himself the greatest of all dictators, greater even than Hitler, greater even than Mussolini. But, regardless of the habits of the Chinese, he has to succeed on honesty, and he has to do away with greed, or he cannot carry on in China; he will meet his downfall.

Mr. President, there are those in America who think Chiang Kai-shek still is going to survive, that he is not going to fall. Most of his enemies surrendered to him, and all the forces of the Japanese in China, outside Manchuria, were surrendered to him. He was a great victor.

As I read history, Mr. President, the men who set up single wills throughout the world, especially since the American Government came into existence with its idea of freedom and liberty, have not been able to survive very long.

I saw Hitler only four times, but I was impressed with the fact that I was looking at a man who was going to fall, and he fell. It is inevitable that such things will come to mankind, but they are the things against which we have to guard.

The peoples of Europe have lost their faith in themselves; they are divided; they are uncertain; they need leadership. They will follow a Hitler again as they did before, if they are not freed from the despair from which they are suffering. Unity simply must come to those states in order to save them, but if we offer the helping hand with the spirit of Bismarck, we cannot help defeating the technique we are seeking to develop.

What we must preserve is the America of a Franklin, the America of a Jefferson, the America of a Lincoln, the America of a Wilson, but, more than anything else, it must be realized that liberty and freedom are important things. How are liberty and freedom builded? They are builded by men who think, who aspire, men who have the right to come and go, men who have the right to change their avocation in life, men who have the right to have and to hold, men who have the strength because they are free from fear and free from want, men who are not afraid of the soldier-education bill.

Believe it or not, within the last little while, when I attended an international conference, after I had praised the soldier-education bill because of the new leadership that was being trained in America to the number of 2,400,000 soldier boys and girls reaping the benefits of a bill for the purpose of building leadership in America, I was astounded to be asked, "What are you going to do with such a trained mass, and how are you ever going to find places for so many leaders?"

Mr. President, that question was asked me by a man coming from one of the British parts of the world. The British do not yet understand America and what the American policy means. They simply cannot understand how in the world we can assimilate 2,400,000 leaders and still have our country preserved as it is. They do not understand the first elements of American freedom and liberty. If they are not trying to understand, if they are not trying to get what we are trying to give them, if we are merely to restore them without the change of a single mind, what we are attempting to do will be in vain, in the end.

Mr. President, if I remember my history aright, at the celebration held by the people of Philadelphia in 1787 in honor of the writing of the Constitution, two toasts were drunk—first, "to the United States of America," a fact which has been projected into the world; and second, "to freedom and liberty to all mankind," an idea which inevitably followed the reasoning, the philosophy, and the arguments presented by those who took part in the discussions which brought our Constitution into existence. In a sense the toast to the United States of America represented a toast to something accomplished. The second, to freedom and liberty for all mankind, represented a toast to a theory. That first represented the practical, the necessary, that which had to be done if the fruits of the Revolutionary War were to be realized. The second represented faith, an idea as great and as broad as was ever uttered by a group of men believing in the ultimate purposefulness of man's life in the earth, an idealization of the justification of what had been done. This was to grow and become the American spirit. Throughout our history this purpose for America's existence has dominated the writings of our leaders and has reflected the heart of that America which promises the possibility of a democratic world and furnishes the fundamental belief in the wisdom of popular sovereignty. These two toasts do not actually reflect two systems of thought, but they are idealizations of the conflicting spirits which are in the world today—one represents that which is, the other that which is hoped for. Our words are words of hope and faith and trust. Our acts are sometimes acts which display that practicality which ultimately destroys faith, hope, and trust. We have it in all of us. "Trust in the Lord and pass the ammunition" is the type of blending of the practical with the ideal that America loves so well.

Mr. President, I hope and trust that the pending measure, which tends to set our minds upon the theory of unity in Europe, will be accepted not only as representing the practical-mindedness of the American people and the practicality of that unity which has done so much for us, but will also carry with it the idealistic notion of America that unity is brought about for but two purposes, one of which is stated in the first toast, and the other is stated in the second toast, which suggests that freedom and liberty for all mankind shall be what we strive to achieve in connection with those with whom we are associated in Europe.

Mr. CAPEHART obtained the floor.

Mr. KNOWLAND. Mr. President, will the Senator yield so I may suggest the absence of a quorum?

Mr. CAPEHART. I yield for that purpose.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. LONG in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hunt	Murray
Anderson	Ives	Myers
Bricker	Jenner	Neely
Bridges	Johnson, Colo.	O'Conor
Byrd	Johnson, Tex.	O'Mahoney
Capehart	Johnston, S. C.	Pepper
Chapman	Kem	Reed
Chavez	Kerr	Robertson
Connally	Kilgore	Russell
Cordon	Knowland	Saltonstall
Donnell	Langer	Smith, Maine
Douglas	Lodge	Smith, N. J.
Downey	Long	Sparkman
Ecton	Lucas	Stennis
Ellender	McCarran	Taft
Ferguson	McCarthy	Taylor
Flanders	McClellan	Thomas, Okla.
Frear	McFarland	Thomas, Utah
Fulbright	McGrath	Tobey
George	McKellar	Tydings
Gillette	McMahon	Vandenberg
Green	Magnuson	Watkins
Gurney	Malone	Wherry
Hayden	Martin	Wiley
Hendrickson	Maybank	Williams
Hill	Miller	Withers
Hoey	Millikin	Young
Holland	Morse	
Humphrey	Mundt	

The PRESIDING OFFICER. Eighty-five Senators have answered to their names. A quorum is present.

Mr. CAPEHART. Mr. President, I doubt whether any man ever undertook a bigger job than I have taken on now, for I shall try in 1 hour to convince the Senate that it should reduce the ECA authorization from approximately $5,800,000,000 to $3,000,000,000, thereby saving the taxpayers of the United States $2,800,000,000.

Mr. President, I appreciate the fact that that is the unpopular side of the question—or, for that matter, of any question—because one is always more popular when he tries to spend money or give it away than when he tries to save it. But, Mr. President, in less than 4 years since the war ended in Europe, Americans have generously poured billions of dollars into a score of countries in connection with plans and schemes which might be identified in this fashion:

First, it was a poor-relief project known as UNRRA.

Then we called it European recovery.

Now, Mr. President, we can call the plan that is before the Senate the European finance plan.

The relief has ended.

The recovery is complete.

But the financing lingers on.

Mr. President, to Senate bill 1209 I am proposing an amendment by which I move to reduce the amount asked for European financing to a total of $3,000,000,000.

It is not a complicated amendment, Mr. President. It does not change the original bill in any other way. I offer this amendment, Mr. President, after carefully studying the reports of the European Economic Administration, and I intend to use the words of that Administration's authorities in support of my amendment.

Before I turn to the report on European recovery, Mr. President, as a prelude I wish to call the attention of the Senate to a problem to which I feel certain every Member of this body must be giving at least some thought from time to time. Surely my colleagues must be

giving some thought to this problem. I am sure they are hearing about it from their constituents in much the same manner in which I am hearing from mine.

We have been giving most serious attention to European economy in every session of the Congress since the war ended. I think we now should apply the same attention to a very sane consideration of our own economy.

The record shows that we have been living rather high and mighty during the prosperous years since the war. The signs seem to indicate however that we had better stop, look, and listen. Yes, Mr. President, we had better, stop, look and listen.

We have just come through two golden years of prosperity—the greatest years of prosperity in the Nation's history. They were years we shall never forget. We had the highest national income of all time. We had full production at high prices. We had record crops from record acreage at record prices. We had 60,000,000 persons employed at the highest wages and salaries in all our history. Because of all this, we collected $42,000,000,000 in Federal taxes, despite the tax reduction granted by the Eightieth Congress.

We saw the spending of a budget of about thirty-seven billions. Both in and out of that budget, we saw the spending of a total of $9,000,000,000 in foreign nations.

The State Department's estimate of foreign expenditures for the fiscal year 1949, as presented to the Eightieth Congress, was as follows:

European relief program, $5,300,000,000.

China, $570,000,000.

Greece and Turkey, $257,000,000.

International Children's Fund, $60,000,000.

Army's disease and unrest program in occupied areas, $1,483,000,000.

Other occupational costs, $908,000,000.

Economic reconstruction in Japan and Korea, $220,000,000.

Latin-American loans from the Export-Import bank, $500,000,000.

Perhaps, Mr. President, you might say: "Why not stop here and take an inventory of the benefits derived from our spending both here and abroad these many years?"

To such a suggestion, Mr. President, I should like to answer thus: "Wait. You have heard only part of the story."

We are well into a new year on the calendar, and it is by calendar years that our people pay their taxes. Our Government may spend money by the fiscal year, but it is collected by the calendar year. So I suggest, Mr. President, that for once we talk in terms our people know best.

We are well into a new year that has not given any signs of being nearly as prosperous for our people as was 1948, when the national income was $225,000,000,000. I have no fear of an economic collapse, Mr. President; I wish to make that clear. But we do not need an economic collapse to find ourselves in a bit of a predicament financially. We have gaged our cost of government on the 1948 flow from the horn of plenty. What happens, Mr. President, if that flow is not maintained? Let us stop, look, and listen for a moment.

At this session of the Congress, bills which, if enacted, would add billions of dollars to our current domestic costs, have already been introduced. I say "if enacted"; but when I say that, I fully realize that the administration now in power in this country has promised that they will be enacted.

So, Mr. President, we have some indication of what we are facing in the way of problems of our own. At the same time, we are becoming aware that we might be mistaken if we should continue to gage the cost of our Government on the intake of revenue from our most prosperous years.

Only a few days ago our own Department of Commerce reported that the outlook for 1949 indicates a decided drop in our national income.

Mr. President, let me say at this point that anyone who can find that two and two equal four, certainly must know that in the fiscal year ending June 30, 1950, we shall have a smaller national income than we had in the calendar year 1948; and anyone who knows anything about arithmetic must know that in the fiscal year ending June 30, 1950, we shall handle fewer dollars, for he must realize that farm prices have fallen, that in some instances wages are falling, that business is declining. So he must know that we shall handle fewer dollars and shall have less tax revenue. Here and now I wish to make the prophecy that for the fiscal year ending June 30, 1950, the total revenue, in the form of taxes of all sorts collected by our Federal Government, will not exceed $35,000,000,000. I do not need to call the attention of the Senate to what would happen to the Nation if our revenues were $35,000,000,000 and we spent from $42,000,000,000 to $45,000,000,000.

Mr. President, the national income is our sole source of revenue with which we must operate the Government. Let me remind all within hearing that our Federal revenue in 1948 was derived in the following manner: $22,000,000,000 from individual taxpayers, $10,000,000,000 from corporations, $7,000,000,000 from excise taxes which were paid by the people, $2,000,000,000 from unemployment insurance, $1,500,000,000 from old-age and survivors insurance assessments, $400,000,000 from customs collections, and $2,000,000,000 from refunds on receipts.

Nearly $14,000,000,000 more in taxes was collected from our people by State, county, township, and city governments. Has anyone read of tax reduction in any State, county, township, or city? In my State, the tax requirements were made greater by an addition to the gasoline tax and the gross-income tax. Property taxes by counties and cities are going up and up.

What the people have left for themselves, Mr. President, depends on how much they share in our national income. That means, then, that if our national income is reduced from its 1948 level and taxes of all kinds become greater, our people have less. It is just as simple as that, Mr. President, when all the trimmings and trappings are taken away.

I do not know how long we can go on making believe that there is no limit to what our Government can give away. I do not understand what we are thinking about when we repeatedly appropriate and in many instances give away many billions of dollars taken from the American people in taxes. What are we thinking about? Let me remind Senators that during 1948 the most prosperous year in the Nation's history, the Government had the highest rate of tax collection in the history of the Nation, with the exception of the tax reduction provided last year, and that the Government, for all practical purposes, spent its entire income. That should make every man, woman, and child in America stop, listen, and think. Is there a Senator who believes our income in 1950 will be as great as it was in 1948? If our Government in the most prosperous year of its history cannot accumulate a surplus, what is to happen when business levels off? What is going to happen to our Government when the tax revenue based on existing rates is reduced to $35,000,000,000, $30,000,000,000, or perhaps less? What are we thinking about? I know of no greater catastrophe that could befall the Nation, possibly excepting war, than that during peacetime the Treasury should run into the red repeatedly year in and year out, when we already have a public debt of $257,000,000,000. I do not know how long it will be before the people fully understand what is already happening to two of their most cherished beneficial programs. I speak of the unemployment and old-age and survivors' funds, which are dear to the hearts of our people, particularly to the hearts of our laboring people.

Do our people know, Mr. President, that those funds which they have paid in are actually a part of our national debt and can only be replaced by new taxation? They have been told that United States Government bonds are held in trust funds to the amount of the surplus that exists. That is true; but the money has been spent for other purposes and the bonds are a debt against the Government.

How would we pay off those bonds today, Mr. President? By taxing the people sufficiently to pay them, of course. In fact, the Government's budget requirements each year include $5,000,000,000 to pay interest on the debt. Hundreds of millions of dollars of that interest are collected from the people to pay interest on the bonds in those trust funds. What happens then to the interest money that is collected? It is applied to the interest of the trust fund—more bonds go into the trust fund to cover the interest and the actual money is spent to cover the costs of Government. So we have a wheel within a wheel within a wheel.

Our people pay the original assessments, then they pay a tax to pay the interest on that money, then they pay a tax to pay their own money back to themselves.

What does this have to do with European recovery financing? I will tell you, Mr. President. I, for one, do not want our people to face the day when the money they used to finance Europe may turn out to be the money they could have used to finance their lives in little less prosperous times or in the later years of their lives.

Mr. KEM. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Missouri?

Mr. CAPEHART. I am happy to yield.

Mr. KEM. Is the Senator in effect saying he believes that relief at home should come ahead of relief in countries overseas?

Mr. CAPEHART. There is no question that charity begins at home, and that relief also begins at home.

Mr. KEM. That is a rather old-fashioned doctrine, is it not?

Mr. CAPEHART. Yes, it is quite old-fashioned, but what I hope to prove in my speech this afternoon is that we can appropriate $3,000,000,000 for European aid and still give the people of Europe all the money they need; that we can get the job done, and still save the American taxpayers approximately $3,000,000,000.

Mr. JENNER. Mr. President, will my colleague yield at that point?

The PRESIDING OFFICER. Does the senior Senator from Indiana yield to his colleague for a question?

Mr. CAPEHART. I yield.

Mr. JENNER. I noticed the Senator referred to the old people and to the welfare program of the Government, intimating that apparently fraud is being perpetrated upon these people, because the money is not at hand for them, and the only way they can get the money is as the result of additional taxation. Is that correct?

Mr. CAPEHART. The money is invested by our Government in bonds, and becomes a part of the national debt. Then, when the Government retires or redeems the bonds, it must again, of course, tax the people in order to pay for them.

Mr. JENNER. Then, I ask the Senator, by espousing the so-called Fair Deal program nobody will be helped, because whatever money a man receives now he will have to repay eventually by way of taxes; is that not true?

Mr. CAPEHART. Yes. The money of course is deducted from pay rolls and collected in other ways, in order to pay for those benefits.

Mr. JENNER. In other words, the Government will have more money received from pay roll taxes to spend for Fair Deal programs, but will not have the money to pay back to the people, when the time comes, without a great many additional taxes. Is that not correct?

Mr. CAPEHART. The Government will have whatever amount it collects each year above the benefits paid out by the Government. Bonds are placed in the till to cover the surplus, and, of course then become a debt which will have to be repaid through taxation when the bonds are redeemed.

Mr. JENNER. But as the Senator said a while ago in his remarks, if we keep running the Government into the red, the whole situation becomes more complicated; is that correct?

Mr. CAPEHART. That is correct.

Mr. LANGER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from North Dakota for a question?

Mr. CAPEHART. I am very happy to yield.

Mr. LANGER. Does the Senator's statement apply not only to the money set aside for the old people but also to the more than $1,000,000,000 in the fund established to guarantee bank deposits? That fund is in exactly the same situation, so that if a severe depression should come and the banks were to close, that $1,000,000,000 would have to be made available, would it not?

Mr. CAPEHART. I am certain the $1,000,000,000 of which the Senator speaks is in Government bonds and is a part of the national debt, and that as the bonds are retired naturally the people must be taxed in order to get the money with which to retire the bonds in return for the money invested in them. I believe today the Government has above $25,000,000,000 in trust funds, that is to say, money which it has collected from different sources, money collected honestly, and which the Government is holding for the beneficiaries. But, unfortunately, the $25,000,000,000, or whatever the exact figure is, is in bonds. It is a part of the $257,000,000,000 debt. As those bonds are paid, the people must be retaxed to pay them off. I shall speak on that subject a little later.

I have not been opposed to this country's participation in European aid and financing.

I have been opposed, however, to the methods used, and I am opposed to the utter disregard shown for our own economy in determining how extensive our aid to Europe should be.

Senators who were in this body at the time of the origin of European aid a year ago remember that I offered a substitute bill providing for assistance to Europe. That bill required the European nations to share in the cost of the assistance on a matching-dollar basis for the purpose of creating the inspiration within those countries to succeed.

My bill also provided that the assistance program be carried out entirely on the private-enterprise system, a system which has made us the greatest nation in the world and a system we had hoped other countries might see fit to adopt.

True, I voted against final bill, but because of the manner in which we were going into the program; not because I did not recognize the need for some participation on our part.

I am not against continuing to finance Europe's success, but again I come before this great body and make the plea that we consider carefully our own economy as we study and discuss the extent to which we should proceed.

Mr. President, it seems as though some persons have the idea that money grows on trees. That seems to be the idea throughout the world. They seem to think that money is everywhere in the United States, when the fact is that if we take into consideration our debt, which amounts to $257,000,000,000, I am not certain that we are not bankrupt. I believe I am about to make a true statement, which is that the combined assessed value of all physical things in the United States does not amount to as much as $257,000,000,000. Where do we get the idea that we have unlimited resources and that we have unlimited money? A man might have $100 in his pocket, but if he owes $200 to someone else, he is not very prosperous. Where do we get the idea that we can spend and spend and spend? There is a day of reckoning coming. What would happen to us, with a budget of from $42,000,000,000 to $50,000,000,000, if our national income should drop and continue to drop? I read in this morning's newspaper that the cost of living is coming down. I think it was stated that it had come down as much as the rise during the past year had amounted to. As the prices of articles come down we pay that much less in taxes. The Government secures that much less in revenue. What are we thinking about? I am fearful that in 2 or 3 years the European countries may be talking about a finance plan or a recovery plan for us, if we are not careful.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield to the Senator from New Hampshire.

Mr. BRIDGES. Mr. President, I wonder if the Senator from Indiana has ever heard of the statement which was made by a very distinguished Senator from Mississippi, Pat Harrison, who was a member of the Senate when I first came to the Senate. In those days, when the New Deal started to spend and spend and spend, Pat Harrison stood on the floor of the Senate and said, "This country can no more spend its way to prosperity than can a drunken man drink himself sober."

I think that was a very timely statement, and I think it is something that people need to remember. We want to give European countries the money which is actually needed to do the job, but we should not try to spend our way to prosperity in this country, because it will lead only to trouble.

Mr. CAPEHART. I thank the Senator very much. I am in favor of giving those countries what they actually need, say, $3,000,000,000, but I shall try to prove that we can still save possibly $3,000,000,000.

I am sorry that the able Senator from Texas, the chairman of the Foreign Relations Committee, and the able Senator from Michigan, are not present to listen to me. I appreciate the fact that they have passed upon this problem and are satisfied with the figure suggested, but I feel it is my duty, as a United States Senator, to call to the attention of the Senate and to 147,000,000 Americans what may be in store for them in the future.

We have only to look back to the words of the man for whom the program was named—the Honorable George Marshall—to recognize our responsibility in considering a reduction in the amount of money we authorize for extension of the program. As Secretary of State, General Marshall said before the joint

session of the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs, on Monday, November 10, 1947:

> The program of United States support will achieve its objective only if it is kept responsive to changing situations and varying supply conditions.

Mr. President, what did he mean? It seems to me he meant that if conditions in Europe had improved—and I shall prove later by ECA's own reports that they have—we could well reduce the amount of our appropriations. I think that is what he meant; I am certain that is what he meant. I expect to show later in my remarks, by the very words of those in charge of the European Economic Administration, that the situation in Europe has materially changed since General Marshall made that statement.

It is also interesting to note that in the same statement General Marshall said:

> At the same time, every encouragement should be given to early initiation of private financing so as to eliminate as far as possible the necessity for direct assistance from the United States Government.

General Marshall earlier in that statement had indicated that full and complete European recovery might require from $16,000,000,000 to $20,000,000,000. Is it not reasonable to think that General Marshall recognized the burden it would be on our economy if our Government were required to carry the full load of financing Europe to that extent?

Near the end of his statement, General Marshall said:

> It is designed specifically to bring to an end in the shortest possible time the dependence of these countries upon aid from the United States.

Again I say, Mr. President, General Marshall must have had in mind the preservation of the economy of his own country. General Marshall would be among the first to realize that if we were to weaken our own economy in order to strengthen that of Europe, we would not have gained a single inch toward the objective he was seeking.

Now, Mr. President, I desire to turn to a document entitled "A Report on Recovery Progress and United States Aid." This is a pamphlet of 269 pages, dated February 1949—bear in mind, it was dated February 1949, just a month ago—and it contains an opening statement by Mr. Paul G. Hoffman, Administrator of ECA. It presents a complete review of what Europe has accomplished with our assistance, and a smattering of what ECA intends to accomplish in the future. The very first sentence of chapter I is as follows:

> The United States of America has made about $5,000,000,000 available to western Europe during the first 12 months of the European recovery program.

The next sentence reads:

> It is estimated that if this great effort is to be carried forward effectively, $1,150,000,000 will be required in the last quarter of 1948–49, and $4,280,000,000 in 1949–50.

That refers, of course, to the fiscal years.

In view of what I intend to show later from this same report, it is important that we turn our attention for the moment to the eighth report of ECA to the Public Advisory Board, issued on February 16, 1949. Here we find evidence tending to indicate that the quotations heretofore made, while accurate in a sense, do not tell the whole story.

In this report we find a chart on page 2 revealing that only $2,300,000,000 in authorizations had actually been shipped from our shores as of January 31, 1949. That means, then, that $2,700,000,000 in authorizations have not yet been shipped.

Mr. President, I wish to talk about that a moment.

Mr. WHERRY. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Nebraska?

Mr. CAPEHART. I yield for a question.

Mr. WHERRY. As I have read the RECORD for yesterday, there seems to be some question as to the cash on hand, and commitments which will be made in the future if the authorizations are granted now. The argument is made that the authorizations should be entered into by April 3, and as the orders come along on which commitments have been made, for which the cash is available, it will be used up to the extent of nearly thirty or forty or fifty million dollars; that the authorization is needed now because it will keep a steady flow of the goods which are in the pipe line, which will continue right on through, without any difficulty or any break.

As a member of the Committee on Appropriations I may say that we are always confronted with the balance on hand, and the commitments which have been made under authorizations which have to be made good during the fiscal year, or afterwards, against which the money is appropriated.

I wish the Senator would clear up for me the question I have suggested, because I am interested in the amounts which have to be allocated as the result of authorizations, and certainly we should know what the cash balance on hand is. We should know what it will be at the end of the fiscal year. We should know what is on order. We should know what the firm commitments are. If there is to be a surplus, it seems to me that figure should be definitely arrived at, without any question.

Mr. CAPEHART. Mr. President, I shall endeavor to answer the distinguished Senator's question. My answer can be had by reference to the pages of the ECA's own report.

According to ECA's own report, there has been remarkable recovery in Europe. Production is back to prewar levels in almost every instance, and in many instances it is above prewar levels. I am delighted that has been accomplished. I am not criticizing; I think it indicates excellent management on the part of the Administrator. It has all been accomplished with $2,700,000,000. While another $3,000,000,000, approximately, has been appropriated, and that money has been allocated, and a part of the merchandise has been bought and placed in what we normally refer to as the pipe line, it has not yet arrived in Europe to do the ECA nations any good.

Therefore we have this situation: According to the ECA's own report, the ECA nations have made fine progress, they have made fine recovery and it has been accomplished with $2,300,000,000. Another $2,700,000,000 from last year's appropriation is available; and that is why I say that with $3,000,000,000 this year to add to the $2,700,000,000, from which they have had no benefit as yet, making a total of approximately $6,000,000,000, we are doing all this Nation should be called upon to do at this time.

Mr. President, this is of extreme importance when we take into consideration the data I shall review as printed in the report I have mentioned, signed by Mr. Hoffman.

On page 76 of the report, under a section designated as "G" and entitled "Industry and Agriculture," I find this very pertinent paragraph, and I ask Senators to pay close attention to it:

> On the whole, industry in western Europe has now recovered to a level roughly comparable with prewar. The period between now and mid-1952—

Which is a warning that Congress is going to be appropriating, I presume, three, four, five, or six billion dollars until 1952—

> The period between now and mid-1952 will be devoted to the elimination of the remaining industrial bottlenecks; to development of the industrial facilities which will make the greatest contribution to the solution of the balance-of-payments problem—

And get this—

> and to reductions in costs so that exports can compete in world markets.

Mr. President, there we have the story; first, that there has been recovery to a level comparable with prewar. Second, that ECA appropriations from now on will be used for the elimination of remaining industrial bottlenecks, and, third, that they will be used to make reductions in costs so that exports can compete in world markets.

Mr. President, I wonder what our business interests think of that. I wonder what our millions and millions of wage earners think of that. We are taking their money, the taxpayers' money, to untangle the bottlenecks, to prepare the Europeans to reduce costs so that they can compete with our own laboring men and our own manufacturers in world markets.

I have no particular objection to that, except that I think it can be done with $3,000,000,000. If we did not have a $257,000,000,000 debt, if our taxes were not almost unbearable, if we did not have requirements calling for billions upon billions of dollars for our own people, I should have no particular objection to that, but I call attention to it because I want to tell what they have in mind themselves. I shall quote from the ECA report. Senators can get the report and read it themselves.

The recovery of European production to prewar levels is confirmed in another ECA report issued for the quarter ended

September 30, 1948, and transmitted to Congress by letter of President Truman, signed by him on February 11, 1949. On page 22 of this report is the following statement:

Total output of factories and mines in the third quarter of 1948 was 10 percent above the previous year and nearly equal to the 1938 rate.

1938 was prior to the beginning of the war in Europe. The report continues:

Excluding western Germany, production in the first 9 months of 1948 was reported at 12 percent above prewar.

Mr. President, would I be unkind if I asked this question at the moment of the ECA, and of those who are advocating that we spend nearly $6,000,000,000: Are we, the American people, burdened as we are with a debt of $257,000,000,000 and burdened with demands upon our own resources to the extent of from $35,000,000,000 to $40,000,000,000 to keep our own economy going, under any obligation to put the people in Europe back in any better shape than they were prior to the war?

If a friend gets into trouble and I am willing to help him, am I under any obligation to help him beyond the point he was in before he got into trouble?

I know there are other matters to be considered in connection with this subject, and if I were asking to eliminate the entire amount of approximately $6,000,000,000 one might be justified in bringing those matters into the question. But I say, let us give them $3,000,000,000.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Michigan for a question?

Mr. CAPEHART. I am happy to yield.

Mr. VANDENBERG. It would be quite futile for me to undertake to put in the form of a question my statement in reply to the Senator's question and I shall subside.

The VICE PRESIDENT. Does the Senator from Indiana desire to ask unanimous consent that the Senator from Michigan may make a statement in reply to the Senator's question?

Mr. CAPEHART. I should be glad, Mr. President, to have the Senator from Michigan ask me any question or make any statement he desires to make.

Mr. WHERRY. Mr. President, I ask unanimous consent that permission be granted the Senator from Michigan, without prejudice to the Senator from Indiana, to answer the question the Senator from Indiana has posed to him.

The VICE PRESIDENT. Without objection. it is so ordered.

Mr. VANDENBERG. Mr. President, I simply wanted to address myself very briefly to the Senator's question as to whether we are under any obligation to put the industrial levels of European countries back to a point beyond the prewar levels. My response to the able Senator would be this: First, if we are under any obligation at all in ECA we are under obligation to do the complete job of providing the commodities essential to permit them an export trade sufficient to bring their total economic situation to prewar levels.

It seems to me that the able Senator from Indiana ignores, both in his question and in his conclusion, that in the prewar economy of these countries there were many other contributing factors besides industrial production and besides exports. There was a tremendous factor of invisible contribution from earnings on foreign investments, for example, which no longer exists. There was a tremendous income from shipping fees and insurance fees which substantially no longer exist. There was a tourist trade far in excess of the present tourist trade. The disappearance of all these other factors of contribution to their balances has now to be made up exclusively from increased industrial production for export. Therefore, when industrial production for export reaches prewar it has not remotely reached the point necessary to bring the total economy to prewar. And when, in addition, it is remembered that the population has substantially increased since prewar, when it is remembered that these areas suffered destruction the like of which we have never even remotely contemplated in this country, even in the presence of our greatest disaster—destruction which has to have recuperation and recovery—when we combine these factors, I respectfully submit to the Senator that he cannot apply solely the yardstick of prewar industrial conditions as a basis for saying that certain countries are back to a total prewar economy.

My view, I may say to the Senator from Indiana, is that we certainly should not undertake even in our wildest dreams to bring them back to any economy in excess of their total prewar economy, but I respectfully submit that if we are going to undertake the recovery objective at all it does no good only to half undertake it, and it is only half undertaken if we confine ourselves to the figures to which the Senator from Indiana refers.

Mr. CAPEHART. Mr. President, I am going to cover in my speech later a portion of my answer to the able Senator from Michigan. I should like to call to his attention that it is estimated that England's deficit from all sources is about one and a half billion dollars. I believe that at the end of the fiscal year 1950 it will be down to about one and a quarter billion dollars. I wish to call the able Senator's attention to the fact that as far back as 1931, and on up through the thirties, England continually carried a deficit of from about one billion dollars to one billion and a quarter to one billion and a half.

Mr. President, I cannot agree with the able Senator from Michigan that Europe has lost all its tourist trade.

Mr. VANDENBERG. I did not say that Europe had lost it all.

Mr. CAPEHART. I cannot agree with the able Senator from Michigan that Europe has lost much of it. I cannot agree with the able Senator from Michigan that they have lost their shipping. I shall touch upon that later. In fact, I shall prove, before I conclude this evening, that their tonnage has been increased and will be further increased. I will not question the statement of the able Senator from Michigan, but I will say that he dealt considerably in the abstract. I am willing to admit that everything he said is true, but keep in mind that I propose to give them $3,000,000,000 more next year. We are committed for 4 years. Say we might give them $3,000,000,000 the next year and $3,000,000,000 the next year. But I do not see where we are going to get the money to give them approximately $6,000,000,000 each year.

Mr. JENNER. Mr. President, will my colleague yield?

The VICE PRESIDENT. Does the Senator from Indiana yield to his colleague for a question?

Mr. CAPEHART. I yield.

Mr. JENNER. It is a fact, is it not, that England has had a shrinking world trade and a constant deficit, therefore, for many, many years prior to the war?

Mr. CAPEHART. Yes.

Mr. JENNER. And it is also a fact, is it not, that as a result of India's freedom, and so forth, England's economy on a world-wide basis must naturally shrink still further?

Mr. CAPEHART. That is correct.

Mr. JENNER. And yet England, when she was a world power, dominating the world-trade situation, was maintaining with a cheap "cop" her interests all over the world as we are now proposing to maintain ours? Is that not correct?

Mr. CAPEHART. Yes.

Mr. JENNER. And with the services of a cheap "cop" she got back natural resources from almost three-quarters of the world, did she not?

Mr. CAPEHART. I do not know how cheap the "cop" was.

Mr. JENNER. I am talking of the expense of maintaining her Navy, compared with our expense in maintaining our Navy, and the difference between the expense of her maintenance of armed forces all over the world, as compared with ours.

Mr. CAPEHART. Yes, that is correct.

Mr. JENNER. So on that basis, and that basis alone, can we ever pull England, as such, out of her predicament without bankrupting ourselves?

Mr. CAPEHART. I would say England has been going down grade for many years. I am going to read a portion of a report which so states. I do not think it is necessary to do so at the moment, because I will cover it a little later.

Now, Mr. President, I should like to read another sentence from this same report on page 25 under the section title "Trends in industrial production":

Industrial production in western Europe has expanded steadily since the end of the war.

Hear this, Mr. President:

During 1946, the first postwar year, production moved ahead vigorously and by the end of the year the index, excluding western Germany, approached the 1938 level. Further advances were recorded in 1947 despite the setback caused by the severe winter.

There we find, Mr. President, in two ECA reports, not only that European

production has returned to the 1938 peak level, but that it returned to that level before there was a Marshall plan.

I have just quoted from their own reports. Those were not my words. Before one single dollar of the appropriation we made last year arrived in Europe and was spent, they were approaching the 1938 level. These are not my revelations, Mr. President. They are revelations of the ECA itself.

As we proceed through the two reports we find this statement on industrial output in the September 30 report:

> Industrial output in western Europe has shown a tendency to increase at a slower rate as production approaches prewar levels. The principal reason for the leveling off seems to lie in the fact that much of the readily available labor and idle manufacturing capacity was gradually absorbed into productive activity during 1946 and 1947 as plants were repaired and the supply of raw materials increased.

Mr. President, the report again was referring to postwar years prior to the Marshall plan—1946 and 1947:

On page 27 we find an interesting chart showing that by the third quarter of 1948 industrial production had passed the index 100 mark in England, France, Belgium, Netherland, and Norway.

The same chart reveals that by the third quarter of 1947, before the Marshall plan, the 100 index had been passed by England, Belgium, and Norway, while France and the Netherlands were very close to 100.

The year 1938 was chosen for the index because it was the last prewar year and was topped in Europe's prosperity only by 1937. Using 100 as a base, representing the production enjoyed in the year 1938, we have all the countries whose names I read above the 100 mark in industrial production.

Mr. KEM. Mr. President, will the Senator yield for a question?

Mr. CAPEHART. I am glad to yield for a question.

Mr. KEM. I was reading through the evidence which was taken by the Foreign Relations Committee in connection with its hearings on the bill, and I came across a very interesting document, the speech of Christopher Mayhew, a Member of Parliament, before the United Nations Economic and Social Council, on Wednesday, February 23. I invite the attention of every Senator who has not already read it to that very interesting speech. I should like to ask the Senator from Indiana if, as a result of his investigation, he is in accord with the conclusion of Mr. Mayhew, which is as follows:

> From what I have said, Mr. President, it is clearly time to cease talking of the recovery of Britain. We have long passed that stage. For us the social and economic standards of the prewar years are not things to be recovered, but rather things to be repudiated. Big problems still face us, but we are no longer interested in recovery, but in breaking fresh ground in terms of new social and economic experiments.

Mr. CAPEHART. I think some political Scotsman, in commenting on that speech, stated that Christopher Mayhew had said the right thing at the wrong time, and possibly in the wrong place. I do not think there is any question that they have recovered.

But we are not talking about not lending them any money—or giving them money. It is not a loan. If I were standing here fighting to eliminate the program entirely, those who believe in it so strongly—and there are many who do—might question my motives. I am not trying to eliminate it entirely. I am asking, in the face of all the facts and conditions, in the face of all the reports, in the face of what men who are in a position to know say, that we consider our own situation.

A moment ago the able Senator stated that production had increased. Except for western Germany and Italy, there is no unemployment in Europe. I believe it to be a fact that there is more unemployment in America today than there is in all the countries about which we are talking. If we had the money, and if we were talking about cutting out the program entirely, that would be one thing. But they still have nearly $3,000,000,000 to arrive of last year's appropriation. If we appropriate another $3,000,000,000, making a total of $6,000,000,000, it seems to me that should be sufficient. If we can save approximately $3,000,000,000, we can use it for other purposes.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. JENNER. Is it not also a fact that the western European countries have more than $14,000,000,000 worth of securities in America?

Mr. CAPEHART. I do not know what the figure is at the moment, but not long ago they had $14,000,000,000 worth of gold.

Mr. JENNER. If it is desired to carry on further experimentation in socialization in England, rather than ask our taxpayers to pay for it does not the Senator believe that it would be reasonable to ask them to take some of the billions of dollars of securities they have in this country and play with those experiments?

Mr. CAPEHART. It certainly would help our taxpayers.

Industrial output, of course, is dependent upon the supply of coal and electric power.

The ECA reports show that coal production remains below the prewar level and attributes a part of that cause as follows:

> The present difficulties of the coal-mining industry in many countries are not products of the war but can be attributed to conditions between the wars which discouraged investment and modernization and deterred young men from entering the mines. Both of these deficiencies will take years to overcome.

That is a quotation from the ECA report. This report by ECA leaves me a bit cold, Mr. President. Is there an inference in that remark that we are to have a part in the modernizing of those mines which have been scorned by the investors of those countries? Are we to consider that our money is to be used to overcome the deficiencies that have existed for years in the face of absolutely free know-how which could have been obtained from our mines all these years?

I do not believe that we are under obligation to use the money of American taxpayers to do that which our friends across the sea should have done themselves years ago.

Offsetting the coal deficit to European industry, however, is the report by ECA showing that electric power output is far greater than before the war.

In fact, excluding western Germany, the electric power output is shown to be 58 percent greater than in 1938. Mr. President, how are we going to get away from those facts? Those are not my words. Those are the words of ECA. Those are the facts. The gage of prosperity in America is the output or consumption of electricity.

Again omitting western Germany, we find that ECA reports steel output in Europe to be 31 percent above the prewar quarterly rate on the basis of the output in the third quarter of 1948.

With western Germany out, ECA reports that cement production in the third quarter of 1948 surpassed the 1938 production rate by 22 percent; and with western Germany's meager effort included, the production is still 4 percent above prewar levels.

In lumber, Mr. President, ECA reports that European production was close to prewar levels and increasing steadily.

The production of yarns is reported from 17 to 32 percent below prewar levels; but, Mr. President, after inspecting the ECA purchases of cotton in this country through the firm of Anderson, Clayton & Co., I can well imagine that the shortage of cotton yarn will be alleviated very, very soon.

Mr. JENNER. Mr. President, will the Senator yield at that point?

Mr. CAPEHART. I am indeed glad to yield.

Mr. JENNER. Is it not a fact that under the European recovery program last year Anderson, Clayton & Co. furnished cotton in export from this country in the amount of $800,000,000 worth?

Mr. CAPEHART. I do not know the amount; but I hold in my hand ECA reports showing various amounts of such exports. For instance, just one of the full pages which I have before me shows various items of purchases of cotton from Anderson, Clayton & Co. One of them is an item of $139,000; another is an item of $104,000; and then I have page after page after page of similar items of cotton purchases by ECA from Mr. Clayton's firm. I do not know how many dollars all those purchases total. I read in a newspaper that they amounted to approximately $800,000,000. If I remember correctly, that is the same Mr. Clayton who formerly was Under Secretary of State.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. CAPEHART. I am glad to yield for a question.

Mr. WHERRY. I should like to ask this question: Did the European Economic Cooperation Administration buy that cotton? What agency bought it? I should like to know. A moment ago the Senator stated that ECA purchased from that company $800,000,000 worth of cotton.

Mr. CAPEHART. I said I read that in a newspaper. I do not know the exact amount.

Mr. WHERRY. I do not care about the exact amount, but I should like to know who purchased the cotton. Did ECA purchase it?

Mr. CAPEHART. I cannot answer that; I do not know.

Mr. WHERRY. I ask that for the reason that I have been endeavoring to have included in this bill an amendment in behalf of small business. Just a few minutes ago I was told by an assistant to the chairman of the committee that ECA has no purchasing agents.

Mr. GEORGE. Mr. President, if I may enter the discussion, with the permission of the Senator from Indiana——

Mr. CAPEHART. Certainly.

Mr. GEORGE. Let me say that ECA does not purchase cotton. ECA finances the purchases which are made by the users or consumers of cotton, whether they be governments or cotton mills.

Mr. WHERRY. Then let me ask a question of the Senator from Indiana: Do the agents of the governments which are the beneficiaries of ECA come to the United States and purchase the cotton?

Mr. CAPEHART. In the report from ECA, I find reference, for example, to several dozen purchases made from November 1 to November 15. They appear on just one page of the report. I find that in every instance the importer was one of the 16 ECA countries. I assume that they purchased the cotton directly from this concern.

Mr. WHERRY. Does the foreign country itself buy the cotton?

Mr. GEORGE. Yes; the foreign country buys the cotton.

Mr. CAPEHART. I yield to the Senator from Georgia.

Mr. GEORGE. The ECA finances the purchase. Anderson, Clayton & Co.—and I hold no brief for that company, although I do know Mr. W. L. Clayton very well—is the largest cotton merchant in the world, and has for a long time had its trade connections all over the world. Therefore, it is quite natural that the foreign governments should be trading with a great cotton merchant in this country.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. CAPEHART. I yield.

Mr. WHERRY. The Senator has raised a point which is very important to me, and for that reason I wish to follow it up with another question. Although it is true that this particular firm is a large corporation, yet the Senator from Indiana has stated that these very large purchases of cotton were made under ECA, and financed by ECA from the firm of Anderson, Clayton & Co. Aside from the fact that it is large company, does not that information indicate to the Senator from Indiana that ECA does know where these countries go to purchase their merchandise; and does not it also indicate that when such loans are made it might be possible for ECA to help small business in the same fashion, through a liaison officer who, while acting as an administrative assistant to Mr. Hoffman, would be able to help the foreign countries determine where to purchase their supplies in this country, and would also be able to suggest methods whereby that could be accomplished?

Mr. CAPEHART. Yes; I think there is no question that a better job could be done in respect to having purchases made from small concerns. However, in such a situation as this, it is inherent and natural that they should go to the large corporations. They should not but they do.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. CAPEHART. I am happy to yield.

Mr. VANDENBERG. In order to keep the record completely straight, let me say I am advised that under ECA the purchases made through the concern to which the Senator has referred, when compared to such purchases made from other concerns, are almost exactly in proportion to the average purchases under normal private operations. In order to be sure that the situation is not misunderstood, I wish to add that, in the first place, ECA does not have anything to do with the actual purchases, and does not know who the purchaser is until the final papers arrive to be cleared.

Mr. CAPEHART. Yes; I understand. I think it is only natural that those countries would favor a person who was very, very active in instigating and helping to get the ECA appropriation. I think that is a natural thing, and I think it possibly has happened not only in the case of Mr. Clayton but, I presume, in dozens and dozens of other instances.

Mr. VANDENBERG. The Senator is not inferring any favoritism; is he?

Mr. CAPEHART. No; I think it is inherent in the proposition. It is simply human nature that if I do a good deed for you, you in turn will try to help me.

Mr. VANDENBERG. That is a statement to which I wish, very respectfully, to object, because I do not think there is any such implication inherent in this situation. It is my understanding, I repeat, that the average cotton-purchasing practice over the pre-war years in relationship to this particular firm is approximately the same as it has been under ECA.

Mr. KEM. Mr. President, will the Senator yield for a question?

Mr. CAPEHART. I am glad to yield for a question.

Mr. KEM. I know the Senator from Michigan with his characteristic candor is anxious to have the record complete. Will the Senator be good enough to tell us what were the commissions of Anderson, Clayton & Co. on that volume of business during the period mentioned?

Mr. VANDENBERG. I do not have that information. If it is available, I shall be glad to obtain it for the Senator.

Mr. KEM. I assume that they were paid at the regular rates; were they not?

Mr. VANDENBERG. I assume so, but I know nothing about that.

Mr. GEORGE. Mr. President, Anderson, Clayton & Co. are cotton merchants. They buy cotton; they carry cotton in large quantities. They are not recent suppliers of cotton to European governments or European consumers, but they have been in that business for years and years and years. Of course, I do not know what profits they make; but they operate just as other merchants do in buying cotton.

Mr. KEM. They bought and sold cotton so that if there were a rise in the market during that period, they would profit accordingly; is that the case?

Mr. GEORGE. I do not know. I suppose they make a firm contract with any government which wishes to buy their cotton.

Mr. KEM. I know the Senator from Georgia is very familiar with the cotton business. Can he tell us whether during those periods there was a gradually rising cotton market, or otherwise?

Mr. GEORGE. I do not think it was rising; I think it was going down. It was never rising during those particular purchases.

But I suppose they were firm contracts; and that company simply made an offer to, let us say, the British Government, and the British Government bought so many thousand bales of cotton from Anderson, Clayton & Co. or from any other cotton seller or merchant.

Mr. KEM. The profits of Anderson, Clayton & Co. in the transactions are not easily computable or available; are they?

Mr. GEORGE. No. They would be simply the ordinary profits, of course.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. JENNER. Would the Senator agree that such a magnitude of business on the part of Anderson, Clayton & Co. is liable to put them in the category of a glutton of privilege?

Mr. GEORGE. Oh, I am not talking about that at all. I simply gave an explanation.

Mr. JENNER. I was speaking to the senior Senator from Indiana. I say, by reason of the size of their business which has been carried on for many years, they might be classified by some people as gluttons of privilege.

Mr. GEORGE. Is the Senator addressing his question to the senior Senator from Indiana?

Mr. JENNER. Yes. I am asking the senior Senator from Indiana if that would not be true.

Mr. CAPEHART. I assume they have already been so classified.

Mr. BRIDGES. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from New Hampshire for a question?

Mr. CAPEHART. I am happy to yield.

Mr. BRIDGES. Would they be among the "princes of privilege" that the late Franklin D. Roosevelt used to talk about and condemn so righteously, even though about all the business of the New Deal, when it was done, was done through the "princes of privilege," just the same?

Mr. CAPEHART. I would say that, during many years past, anyone who was successful in this country was of course characterized as some sort of undesirable individual. It is unfortunate—but true—that the complaint was made.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Nebraska for a question?

Mr. CAPEHART. I yield.

Mr. WHERRY. I should like to ask the Senator from Indiana this question: He has brought to the attention of the Senate purchases by ECA beneficiaries, who received loans of money through the ECA, in the amount of $800,000,000 worth of cotton from one firm. Has the Senator made any further analysis of the purchases of cotton during the past year?

Mr. CAPEHART. I have not. I made an effort to do so but did not have the time.

Mr. WHERRY. If anyone knows, I should like to ask what the report discloses? Were there purchases of cotton in smaller amounts from small-business men, individual merchants throughout the Nation? I think we are entitled to know that, because that is what the amendment I expect to offer is designed to reach. If there have not been any purchases from them, why was it? Why cannot a liaison be established so the smaller dealers can find out from some source where they can go to get the necessary papers and information? Furthermore, why should we not insist there be some method of enabling them to compete in the cotton markets of the world with larger firms?

Mr. CAPEHART. Mr. President——

Mr. BRIDGES. Mr. President, will the Senator yield further?

Mr. CAPEHART. I yield further to the Senator from New Hampshire.

Mr. BRIDGES. I wonder if the Senator has made any study of or has any facts or figures as to the amount of goods purchased under ECA for various countries that has been procured through agents or commission houses, or, in other words, not as directly as they could be purchased.

Mr. CAPEHART. My answer is that the ECA issues a report, such as the one I hold in my hand, which is available to everyone. Of course, I understand it is a report issued after the transactions have already taken place. I shall be glad to hand it to the Senator from New Hampshire if he cares to peruse it. Perhaps he can find the information he seeks.

Mr. BRIDGES. My point in raising the question is that a good many complaints have been made that purchases are in many instances going through agents who in turn receive commissions, and that one must be a favored person in order to get an order. While the ECA is not doing the purchasing, it certainly might and should have a will to regulate it.

Mr. CAPEHART. Mr. President, Europe's railroads, despite the war damage, are hauling one-third more freight than they hauled before the war, according to the ECA report.

We have heard a lot, Mr. President, about the food situation in the ERP countries, but we do not have to go any further than ECA's own report to be convinced that the situation is not so bad. For 1948–49 ECA reports that the average consumption of food is expected to be 2,700 calories a day. That is about 5 percent below prewar, but it is dietetically sufficient according to our best advices in this country. I recognize readily in the ECA report that certain types of foods are in supplies short of prewar levels. An increase in these foods would tend to make a better-balanced diet. However, there has been no intention on my part to deprive Europe of plenty to eat and wear. I am sure that with the $3,000,000,000 recommended in my amendment, plus the $2,700,000,000 in unshipped authorizations, making a total of $5,700,000,000 for the next 15 months, the few shortages in desired foods could be supplied. The ERP countries only produced about two-thirds of their food supply before the war anyway, so imports of food are not surprising. From the report of Mr. Hoffman to the Senate we are led to believe the European food production situation will improve somewhat rapidly.

In that report we find this statement concerning fertilizer consumption:

> The consumption of commercial fertilizer in 1949–50 is expected to increase more than 10 percent above that in 1948–49. If realized, the program would thus attain a level of about 50 percent above the 1934–38 average.

What does Mr. Hoffman say about European fertilizer production? Reading again from his own report, we find this statement:

> In 1945–46 fertilizer supplies in the participating areas approximated only 70 percent of prewar supplies. By 1946–47, however, supplies had climbed back to prewar levels. They increased to about 20 percent above prewar in 1947–48 and in 1948–49 to more than one-third above prewar.

There, again, is proof that their production is above the prewar level. There again we see where considerable recovery had been realized before we entered into the Marshall plan.

In England alone, according to the report, more than three times as much nitrogen is being used now as was used before the war and plowland in the United Kingdom is 45 percent above the prewar acreage. It is shown in the report by Mr. Hoffman that bread-grain imports should be slightly lower in the future and that sugar imports will be reduced by the participating countries.

All this, Mr. President, indicates the European food supply is reaching a point where it no longer can be considered serious.

Even in the case of fats and oils, probably among the shortest in supply of necessary food items in Europe, we find that Mr. Hoffman anticipates that increased imports into those countries will cost less due to the decline in the world prices of fats and oils. As we proceed through the ECA reports to which I have referred thus far, we can find great encouragement for reducing the tremendous financial burden on the American people, unless, of course, we wish to call the program from this point on by its true and rightful name—the European finance plan.

I have covered as briefly as possible, but with factual material from ECA's own reports, the recovery phase of our European program. Much time could be consumed in referring to the charts and drafts in ECA's reports showing the extent of recovery in each commodity in each country. But those reports are in the hands of every Member of this Senate. It will be found that in most instances the recovery of production in Europe has reached a point where it should no longer take $60 a year from every man, woman and child in this country. It is obvious, Mr. President, that from this point forward the plan is to underwrite the success of the existing forms of European governments, no matter what that form of government may be.

Those are harsh words, I grant, but I can prove from ECA's own reports that our program for the future, as drafted by ECA, is to raise the European standard of living above that which their own governments are able to reach.

We are asked to make successes of monarchies, republics by minorities, and state socialism.

Mr. President, we have recognized the present English Government as state socialism and have witnessed the acquisition of the railroads and coal mines by the Government.

We frown on this type of economy, but as Americans we determine that what the English people want for a government is their business, not ours.

Mr. KEM. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield to the Senator from Missouri.

Mr. KEM. Reference was made a few minutes ago to an address by the Honorable Christopher Mayhew, a member of the British Parliament, on Wednesday, March 23. In connection with what the Senator from Indiana has just said, I wonder if he had in mind that Mr. Mayhew had this to say:

> We have not the slightest intention of modifying our economic or social or political plans in order to qualify for aid.

Mr. CAPEHART. Yes; I remember when that statement appeared in the newspapers. I remember that the Senate Foreign Relations Committee called Mr. Hoffman before it, after that statement was made. I remember, also, as I said before, that a very famous Scotchman said that Christopher Mayhew had said the right thing at the wrong place. There is no question that they are socializing their industries, and yet we are supporting them with our dollars.

Mr. KEM. There is not the slightest thought, is there, that they intend to deviate in any respect from their program of socialism?

Mr. CAPEHART. I see no signs of it. Only last Wednesday we read this item in the Washington Times-Herald:

> LONDON, March 23.—Labor Party leaders today approved an 18,000-word platform for the next year's general elections that reportedly proposed nationalization of the production and distribution of cement, meat, sugar, and water.
>
> Prime Minister Clement Attlee and other high party officials spent more than 3 hours drafting the document for submission to the annual party conference at Blackpool in June.

In the same newspaper, Mr. President, we found the following item:

> LONDON, March 23.—Civil estimates for Britain's 1949–50 financial year made public today revealed a huge increase in the cost of the nationalized health system put into effect 8 months ago.

Health Minister Bevan said the plan will cost $1,036,000,000 in the coming year, an increase of $204,000,000 over the current outlay.

How much of all this socialization of England is being made possible by our assistance?

How much of this socialization of England will be successful because it is underwritten by money from the private-enterprise system of the United States?

Mr. President, the answers to those two questions cannot be found in the ECA reports to the Congress on the progress of European recovery.

I say to you, Mr. President, that it is no longer a European recovery plan; it is a European finance plan.

Let me recall another news story which appeared here a few days ago—also from London.

The headline read:

British sell us more tractors than we give.

Let me read that article to the Senate.

BRITISH SELL US MORE TRACTORS THAN WE GIVE

LONDON, March 14.—American taxpayers, who started converting British farms from horses to tractors under lend-lease, are now sending British tractors worth $2,992,000 and other agricultural machinery worth $5,092,000 under the Marshall recovery program.

At the same time, British manufacturers are selling in the United States 17,000 tractors worth about $20,000,000, a study of British and American reports disclosed today.

The reports show, furthermore, that the tax-bought tractors and machinery are being handed to Britain at a time when British farms already have twice as many tractors as have American farms, per acre of cultivated land, and at a time when British tractor builders, who already have a monopoly on the British market through Government ban on imports, anticipate capturing the world market for tractors within 2 years under ECA-planned programs.

Until now, American tractors and farm machines have dominated the world market.

The startling story of the evolution of British farms from the age of horses to tractors in only 10 years and the even more rapid rise of British tractor makers since the war is told in a study by a private nonparty research organization, political and economic planning, supplemented by British and American Government reports. Here are the details:

Before the war, Britain farmed about 12,000,000 acres with 55,000 tractors, 724,000 horses, and 711,000 men and women. Today Britain farms 18,000,000 acres with 300,000 tractors, 500,000 horses, and 849,000 men and women.

During the war Britons were forced to plow up their treasured grassland, which outmeasured crop land 3 acres to 2, and made the country one big park. Because labor was not so plentiful and almost twice as expensive, the farmers had to turn to tractors.

During World War I, farmers tried tractors, but after that war, when foreign food was cheap and labor was plentiful, Britons went back to horses. During the 1920's, British manufacturers made fewer agricultural machines than they did in 1913.

The first tractor factory in Britain was established by the Ford Motor Co. in 1933, but it was able to sell only about 7,000 a year in Britain. The combine harvester, first patented in the United States in 1836, was virtually unknown in Britain 100 years later. Binders and combine drills also were rare.

The German submarine in World War II torpedoed the British farm horse, making farm expansion necessary in a hurry. In the wartime lend-lease years, Britain received 31,872 tractors. It also got 2,823 combine harvesters, 38,127 binders, and 29,395 combine drills. Since the war, under ECA, the British farmer is discovering the joys of hay balers.

Ford was ordered to expand its tractor plant and its production in Britain reached an average of almost 20,000 a year during the war. Thus, with the American shipments and the home-produced models, Britain, which had gone into the war with 55,000 tractors, came out with almost 200,000.

Since the war, tractor production in Britain has boomed. Farmers have accepted them and the Socialists have seen in tractors a chance to earn some foreign currency.

And now we turn for a moment to the March 15 release of the National Federation of American Shipping, Inc:

The merchant fleets of Marshall-plan nations have recovered from their war losses amazingly well. When their present building programs are completed, they will surpass by more than 5,000,000 dead-weight tons their aggregate size in 1939, National Federation of American Shipping reported today.

In a survey of the 10-year status of the merchant fleets of the Marshall-plan nations, the federation stated that not only will their aggregate size be greater, but their ships in operation, on order, or being built, will be more modern, speedier and have larger lifting capacities than prewar vessels.

That does not look as if they are losing out with respect to their shipping.

According to the survey, the Marshall plan nations had in September 1939, 46,503,300 dead-weight tons of shipping; in June 1948, 43,537,110 tons; and on order or being built an additional 8,160,000 tons; or a total of 51,697,100 dead-weight tons. This exceeds their aggregate size in September 1939 by 5,193,800 dead-weight tons.

The survey showed nearly six of the nations with sizable building programs as of June 1948 with the largest under way in the United Kingdom of 3,216,000 tons. Next in order of importance of new construction were Norway, 2,799,000 tons; France, 762,000 tons; Sweden, 683,000 tons; Netherlands, 279,000 tons; and Denmark, 254,000 tons.

The federation survey showed three of the nations, Switzerland, Ireland, and Iceland, which had no merchant fleets in 1939, presently possessing 70,200, 40,900, and 26,700 dead-weight tons respectively.

Twelve of the number of nations showed greater postwar than prewar fleets when considering ships on order or under construction. Five of the nations, even without including their building programs, have larger postwar fleets than before the war. These are Sweden, Turkey, Portugal, Belgium-Luxemburg, and France.

In summarizing the survey, the federation stated:

From time to time efforts are put forth to gain support in the United States for a program to rebuild the merchant fleets of a Marshall plan nation. The factual situation justifies no such effort. Any proposal to rebuild such foreign fleets is a misnomer and any effort to do so at the expense of the American taxpayer should be opposed.

I read that release, Mr. President, with no intention of implying that the ECA bill before us provides for any aid to the European shipbuilding program, but to further show that we can no longer consider this legislation in the light of a recovery program.

Now I should like to refer to another National Federation of American Shipping release of just a few days ago:

United States flag ships carried only 43 percent of the aggregate ECA cargoes from the United States in January and February of this year, according to a series of ECA reports, the ninth of which was issued today.

This figure includes shipments on Army vessels averaging 10 percent of the aggregate, according to recent testimony of an ECA representative before the House Merchant Marine and Fisheries Committee.

The percentage of ECA cargo from the United States carried aboard United States-flag commercial vessels was, therefore, approximately 33 percent of the aggregate.

As I recall, the law requires 50 percent. We find they are carrying only 33 percent.

A very small percentage of ECA cargoes shipped from the United States by so-called maritime recipient nations in northern Europe was carried on United States-flag vessels.

From April 1948 to February 1949 the United Kingdom shipped only 17.6 percent of ECA cargoes from the United States on United States flag vessels, Netherlands only 29.8 percent, Denmark 17.7 percent, and Norway 30.7 percent.

Mr. KEM. Mr. President, will the Senator yield for a question?

Mr. CAPEHART. I yield.

Mr. KEM. Is there any explanation for this apparent violation of the provision of the law?

Mr. CAPEHART. I have not found any. I do not know what the situation is. The Administrator claimed that it costs more money to ship in American bottoms than in foreign bottoms, and that he was going to save money.

Mr. KEM. Is not the law mandatory that at least 50 percent must move in American bottoms?

Mr. CAPEHART. That is my understanding, but the Administrator stated he was attempting to save money.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. WHERRY. Has the Senator in his figures compared the growth of the merchant marines of the countries coming under the ECA and what is happening to our own merchant marine?

Mr. CAPEHART. We all know, of course, that the merchant marine of our country is declining and the merchant marines of the 16 countries I have just listed are growing.

Mr. WHERRY. Does the Senator know what the personnel in our merchant marine is, what the number of employees is compared with what it was during the war and before the war?

Mr. CAPEHART. I do not know.

Mr. WHERRY. I was told within the past few hours that our merchant marine had decreased in numbers from hundreds of thousands down to less than 50,000. I am wondering whether the Senator has run across any of those figures in his research.

Mr. KEM. Mr. President, will the Senator yield further?

Mr. CAPEHART. I yield.

Mr. KEM. I notice the distinguished chairman of the Senate Committee on

Foreign Relations on the floor of the Senate. I wonder if the Senator from Indiana would care to ask the question of him as to whether his committee inquired into this apparent violation of the law.

Mr. CAPEHART. I shall be very happy to ask the able Senator from Texas.

The VICE PRESIDENT. The Senator can yield only for a question, unless he gets unanimous consent.

Mr. WHERRY. Mr. President, I ask unanimous consent that the distinguished Senator from Indiana may yield, without prejudice to his rights, to the Senator from Texas to answer the question propounded by the Senator from Missouri.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. CONNALLY. Mr. President, what is the question; is it about the 50 percent?

Mr. CAPEHART. Yes.

Mr. CONNALLY. The statistics show that during the operation of ECA the average was about 47 percent. The Senator is in error when he implies that the law has been violated. The law did not absolutely require the shipment of 50 percent in American vessels. It provided that if they were available, and if it were practicable under the circumstances, the goods should be shipped in them.

In the pending bill the matter is treated pretty fully, as the Senator from Indiana knows if he has read the bill. It refers to the fact that the goods shall go in ships charging American-flag ship rates.

Mr. CAPEHART. At the world rates, or the American rates?

Mr. CONNALLY. American rates; and a subsidy is granted to make up for the fact that they may not be able to ship the 50 percent.

If the Senator had read the report on the bill, he would not have had to ask me to respond. On page 8 this language appears:

The original Economic Cooperation Act requires in section 111 (a) (2) that the Administrator, so far as practicable—

It does not make it a felony if he does not send 50 percent—

shall see that at least 50 percent of the goods shipped from the United States under the program shall be transported on United States-flag vessels to the extent that these are available at market rates.

They are not going to sit down and wait for someone to build a ship or bring one from South America. It must be available, charging market rates.

The proper interpretation of the words "at market rates" has been the subject of much dispute. The Administrator has taken the position that this meant "world market rates." Others have claimed that this meant "United States-flag vessel market rates." The difference in interpretation is important because, in the case of bulk-cargo vessels, the rates for United States-flag vessels are often substantially higher than those of flag vessels of other countries.

We have tried in the bill, so far as possible, to meet the complaints in this regard. So the Administrator is required to ship 50 percent in United States vessels, or in vessels charging United States-flag rates, and he is not required to make the foreign countries put up the counterpart funds to cover the increase in the cost of freight over world rates. Does that answer the Senator?

Mr. CAPEHART. Yes; I think so. The figures are a little different than those reported by the federation, but they are close enough, I think, to serve the purpose.

Mr. CONNALLY. I thank the Senator.

Mr. CAPEHART. I continue to quote:

Certain American steamship lines provide regular and frequent year-around service to these northern European countries under contract to the United States Government through the United States Maritime Commission.

They are not assisted in earning the necessary revenues to maintain these services by being advised that the deficiency in the statutory 50-percent requirement is to be made up by some other country to some other shipping line.

Failure of these nations to provide their fair share of United States-flag ECA cargoes, as required by law, is evidence of the necessity of a country-by-country administration of the ECA Act.

Here, again, Mr. President, we find the program one more of financing than assisting in recovery.

I know what the ECA answer is to the shipping controversy as revealed in the last release I read. ECA contends it is getting more for its money by shipping in foreign ships because of the higher shipping costs in American vessels.

Coupling this thought by ECA with an earlier statement by ECA, previously referred to, presents us with the question of what is in the future for any program we may adopt.

To refresh the memory of Senators, I quote the following comment from Mr. Hoffman's ECA report with regard to the intention of ECA between now and mid-1952:

To reductions in costs so that exports can compete in world markets.

We find that already United States shipping is being outbid by United States dollars in foreign hands.

I am not unaware of the argument that can be put forth that lower shipping costs mean more products for Europe at no more expense to the United States taxpayer. But I am not convinced that there is any saving there.

We are made aware of a tremendous fleet program abroad at one moment, and in the next moment we are made aware of the fact that we are turning down our own merchant fleet. That might well prove to be false economy.

Regardless of the shipping policy, Mr. President, when we take the actual practice of shipping and couple it with the avowed intent of ECA to make Europe a competitor in the world market, we find it offers food for some very serious thought by Congress.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. CONNALLY. Does not the Senator know that, of course, for many years the United States maritime interests have not been able to compete with the ships of foreign nations, and that is why we enacted a Ship Subsidy Act, which is on the books now, in order to try to equalize the rates?

Mr. CAPEHART. I think the Senator missed the point I made in my speech. I am probably responsible for the fact that the Senator missed it. What I am trying to prove is that we are taking the American taxpayers' dollars and turning them over to European countries to build fleets to compete with the American merchant marine.

Mr. CONNALLY. Whose dollars can we take but the dollars of the taxpayers of the United States? The whole program is built on the idea that we are going to try to help Europe to rebuild her economy, and, of course, we have to spend American dollars.

Mr. CAPEHART. My point is—and if the Senator had been present earlier in my speech he would have heard me make it—that some of us are trying to save a little money for the American taxpayer.

Mr. CONNALLY. I shall be very happy if the Senator can do that.

Mr. CAPEHART. I say that God help us if we do not start looking after the American taxpayer.

Mr. CONNALLY. I agree that the American taxpayer ought to be looked after. I have been trying to look after him insofar as I can. But the program we are discussing is going to require the expenditure of a good deal of money. We have entered into that program. Did the Senator vote for it when we passed the law?

Mr. CAPEHART. No; I did not.

Mr. CONNALLY. Then I can understand the Senator's attitude. He was against it then and he is against it now.

Mr. KEM. Mr. President, will the Senator yield for a question?

Mr. CAPEHART. I am happy to yield for a question.

Mr. KEM. I should like to ask the Senator if he does not recollect that the present chairman of the Senate Foreign Relations Committee was very specific and very definite, when the original bill providing for ECA was before the Senate, in saying it did not set up a legal commitment or moral commitment or any other kind of commitment beyond the period of the first year, and that when it came before the Senate again we could take a look at it unhampered by the fact that we had made the original appropriation. I do not mean to say that I quote the Senator's exact language, but was that not the effect of it?

Mr. CAPEHART. Yes. One of the unfortunate things about government is that it does not back up. We started out with a 4-year program to spend 15 billion or 16 billion dollars. I am trying to show by ECA's own reports that the recovery in Europe is such that we can well at this time spend $3,000,000,000, or appropriate $3,000,000,000, instead of approximately $6,000,000,000.

Let me quote again from Mr. Hoffman's report on this same thought of world-trade competition:

Engineering industries (excluding ships, aircraft, and consumption goods) are expected to expand from an output of $9,800,000,000 in 1948–49 to $10,600,000,000 in 1949–50 and to $12,700,000,000 in 1952–53.

Capital equipment production (excluding tractors, agricultural machinery, and trans-

portation equipment) is expected to expand from $5,500,000,000 in 1948–49 to $5,900,000,000 in 1949–50 and to $7,400,000,000 in 1952–53.

To a very great extent, Europe must look to this sector of its economy as a spearhead of its exports drive.

Success in this field, in turn, will depend both on quality and on price.

To continue with the statement from the Hoffman report:

Investment in industrial reasearch and in the development of new machines of more efficient design should provide an extremely high rate of return in a relatively short period.

Western Europe has a tremendous reservoir of skilled industrial workers, but in order to take advantage of this very great resource, these workmen must be put to work producing types and qualities of machinery which can successfully meet world competition and which keep in the forefront of technological advance.

Can that be classed as recovery, Mr. President?

I say that is a case of financing European business and the underwriting of the success of whatever form of government they have.

We are to play in this poker game with all the players using our money.

Mr. President, is it not strange that today the American taxpayers are being forced to burden themselves to pay for giving Europe what has been free to them for so many years.

Our production methods and skills have never been closed secrets to anybody. We even gave them away for years to Russia.

I am willing to help Europe enjoy life as we enjoy it here in the United States, but not at the expense of having American labor outbid on the world markets, and not at the expense of making a success out of state socialism with the dollar earnings of a successful free-enterprise system.

Very soon, Mr. President, the North Atlantic Pact will be placed before us for our consideration and approval. Shortly after that business is disposed of we are expecting to have to act on the armaments for the treaty nations. How much that program of supplying arms is going to cost us has been but a guess in the minds of all. No matter what the amount is, Mr. President, it will be an additional burden to our taxpayers.

I think the American people are fully aware of the intent and purpose of such a treaty. They were aware, too, of the intent and purpose of the United Nations, I might add. We cannot weigh dollars against peace, to be sure. But, Mr. President, we must weigh the advantage of a strong economy against everything, including peace and war.

In speaking of the North Atlantic Pact and the anticipated preparations against aggression, I come to a very discomforting disclosure in the ECA report. Keep in mind that the nations who will come within the pact and who will receive arms from us are, in most instances, at least, in our European finance plan.

At the outset of ECA the Eightieth Congress stressed the point that particular attention should be paid to the acquisition of strategic materials from participating countries in return, at least in part, for our assistance in their recovery.

All the participating nations presumably are now hailing the North Atlantic Pact as the savior of world peace. It is, therefore, difficult to absorb with any degree of satisfaction the attitude of those nations as expressed in the January 27, 1949, report of the progress of ECA by the Joint Committee on Foreign Economic Cooperation.

On page 122 of this document is the following statement:

ECA has decided not to request repayment of loans in strategic materials.

The committee then states that ECA's position is contained in a letter from the ECA Administrator dated November 3, 1948, and that letter, published in the report, reads as follows:

We gave careful consideration to a proposal to insert into the loan agreements with each participating country a provision which would provide for repayment of principal and interest in specified materials.

The provision was strongly opposed by some of the participating countries.

Mr. President, I should like, if I may, to call the attention of the able chairman of the Senate Foreign Relations Committee to the words I just read:

The provision was strongly opposed by some of the participating countries.

I should like to know why any participating country should be opposed to repaying us in strategic materials.

Mr. CONNALLY. Does the Senator wish an answer from me?

Mr. CAPEHART. It might be a little enlightening if we could know by what reasoning——

The VICE PRESIDENT. The Senator can yield only for a question.

Mr. CONNALLY. Mr. President, I shall abide by the rule.

Mr. WHERRY. Mr. President, I ask unanimous consent——

Mr. CAPEHART. No; I do not want unanimous consent to ask a question.

Mr. President, I have been a Member of the Senate for 4 years, and it has been customary for Senators to talk back and forth, and for a Senator to ask the manager of a bill a question. For the first time tonight it has been called to my attention that it is against the rule for a Senator to ask the manager of a bill to make an explanation.

The VICE PRESIDENT. Permit the Chair to reply to that remark. The present occupant of the chair has been trying to enforce the rules of the Senate. Under the rules of the Senate no Senator who has the floor may yield to another Senator except for a question from that Senator. That has been the rule all the time. At times there has been some laxity in its enforcement, but the Chair is trying to enforce it.

Mr. CAPEHART. My observation has been that when there are few Senators in the Chamber, as is the situation now, it has been customary to permit Senators to talk back and forth. It has always been customary since I have been here for a Senator to ask the manager of a bill to explain the bill.

The VICE PRESIDENT. And it has always been against the rule.

Mr. CAPEHART. That might well be. If we are to live up to the rules to the letter, from now on I shall make certain that we do.

The VICE PRESIDENT. The Chair is endeavoring to enforce the rule in good faith.

Mr. CAPEHART. I am not questioning the good faith of the Chair. I am simply saying that when I see the rule violated in the future I shall invite the attention of the Chair to it.

The VICE PRESIDENT. The Chair will try to beat the Senator to it.

Mr. CAPEHART. I suspect he may. At least I hope he does. I hope we can get back to the practice under which it will be possible for a Senator to ask the manager of a bill a question.

Mr. WHERRY. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. CAPEHART. I yield.

Mr. WHERRY. I realize that the distinguished occupant of the chair is enforcing the rule which, as we all know, is interpreted as he has stated it. I should like to propound this parliamentary inquiry: If the junior Senator from Nebraska desired to ask a question of the manager of a bill, would it always be necessary to obtain unanimous consent to propound such a question?

The VICE PRESIDENT. The rule states that a Senator who has the floor can yield to another Senator only for a question. It seems to the Chair that that is a simple parliamentary situation. It does not matter whether the other Senator is the chairman of a committee or not. A Senator who has the floor cannot yield to another Senator except for a question. Under the rule he may not ask another Senator a question. That is why it has been necessary to obtain unanimous consent.

Mr. WHERRY. The Chair has correctly stated the rule, and I am not quarreling with the opinion of the distinguished Vice President. However, we might find ourselves in a situation in which, no matter how much I wished to obtain information, if I could not get unanimous consent I never could get an answer to the question.

Mr. CAPEHART. Mr. President, have I the floor?

The VICE PRESIDENT. The Senator from Indiana has the floor.

Mr. CAPEHART. Mr. President, inasmuch as only a few Senators are present in the Chamber, and it is impossible to ask questions of the manager of the bill, I ask unanimous consent to have printed in the body of the RECORD the remainder of my speech, in order to save the time of the Senate, because I see nothing to be gained by reading it. I think it would serve the same purpose to have it printed without reading.

The VICE PRESIDENT. The Senator from Indiana asks unanimous consent to be permitted to print in the RECORD the remainder of his address. Is there objection?

Mr. CONNALLY. Mr. President, reserving the right to object, I do not want to eliminate the Senator's speech. However, under the rule, Senators cannot place speeches in the RECORD as though

they had been delivered, when they are not delivered. I would consent to the Senator inserting a statement at the conclusion of his remarks. I have no objection to permitting him to have the remainder of his address printed as a statement by the Senator from Indiana, but not as a speech made on the floor of the Senate when it is not made.

I do not take this position through pique at the Senator from Indiana, but that has always been the rule in the Senate. That is one thing which distinguishes the Senate from the House of Representatives. When one picks up the CONGRESSIONAL RECORD and looks at the Senate proceedings and finds a speech, he knows that it has been delivered on the floor of the Senate. On the other hand, under the procedure in the House a Member may obtain unanimous consent to speak for 1 minute and then insert a great quantity of material.

Mr. CAPEHART. Mr. President, I shall finish the speech. I must say that I am certainly not getting much cooperation.

I continue to quote from the letter from the ECA Administrator:

> The provision was strongly opposed by some of the participating countries.
>
> The agreement to deliver materials and the agreement to accept materials over a long period in the future are both highly speculative.
>
> Since any material delivered to the United States under the loan agreement would be in lieu of dollars, the inclusion of such a provision would not result in any saving in dollars to the United States Government.
>
> It seemed that the objectives of the act would be more successfully attained through separate agreements covering the acquisition by the United States of materials.
>
> For these reasons, among others, it was therefore decided not to insert this provision in the loan agreements.

The joint committee follows that letter with the following comment:

> The conclusion that there will be no saving in dollars rests upon the assumption that the debtor on the due date, will have dollars with which to make payments.

This position leaves us with the quite clear understanding that the participating nations, those who will get arms from us in addition to the recovery assistance, would rather pay us in dollars which they might have, rather than in strategic materials.

I note that the joint committee has this additional comment in its report:

> The failure to provide for payment of loans in strategic materials as well as dollars may result in the recovery of neither.

I believe that the joint committee has given a good answer to that portion of the Administrator's letter. Mr. President, what did the Administrator mean in his letter when he said:

> For these reasons, among others—

What other reasons, Mr. President? Perhaps the joint committee answers that question part, in its following statement—

> ECA is content to finance in whole or in part the cost of any increased production of strategic materials that might occur, without a binding international commitment, and then is prepared to buy back the increase in dollars, assuming always that dollars alone will overcome the historical prejudice of foreign governments and foreign producers to the accumulation of an American stock pile—a reluctance based on the fear of Government stocks overhanging the market as a threat to maximum prices.

At this point, Mr. President, I cannot help but think what our hard-working taxpayers think of such an attitude. In the first place we cannot help but notice that the joint committee made reference to the fact that foreign governments held a historical prejudice against an American stock pile—the very same governments we are underwriting with the hard-earned dollars of a free people who love and fight and die for a free government.

Which government holds that prejudice, Mr. President? Is it a monarchy? Is it a republic of minorities? Is it a Socialist state?

They are reluctant to build a stockpile in America because of a fear of overhanging the market. What happened to the American taxpayers' market while we were building a stock pile of commodities in Europe? The dollars we pour into Europe through ECA are not enough to enable us to obtain strategic materials. No, we must pour more into those countries through another agency in order to get the materials with which to build the arms we are going to send back to those countries.

In the midst of our preparations to act on the European finance plan and the North Atlantic Pact, the Hoover Commission issues appendix G and on page 92, section 68, reports that the stockpiling of strategic materials in the United States is deplorable. Somewhere, Mr. President, there is a limit to three things with which the American taxpayer has been so generous: first, his monetary resources; second, his natural resources; third, his patience.

After studying the ECA and joint committee reports on the strategic-materials problem, I hasten to say that the matter was too briefly covered by the report of the Committee on Foreign Relations—and, I might add, too elastically covered by the committee's bill.

There is hardly any hint in the Senate committee's report of the true condition surrounding the failure of ECA to obtain strategic materials. We find this vague comment in a section that covers less than one page of the report:

> However, the testimony indicated that no substantial amounts of materials can be purchased unless additional dollars are provided and authority granted to make long-term contracts in order to provide assured markets for the producers. Such assured markets will encourage the capital investment required for increased production.

Mr. President, I fail to find in the committee's coverage of the strategic materials problem any explanation as to why the dollars the committee suggests be spent by another agency would be more attractive to foreign nations than the ECA dollars.

I also fail to find anything in the Senate committee's report which would tend to convince anybody that another agency's interest in stock piling strategic materials in the United States would overcome the historical prejudice about which the joint committee reported.

The Senate committee might well have other information which it did not see fit to print in its report.

We find a provision in the committee bill for the allocation of funds to the Bureau of Federal Supply for the acquisition of strategic materials.

But we also find provisions for other agencies of our Government to obtain other materials in which we are in short supply, or in which there is a potential deficiency.

Obviously, Mr. President, the European finance plan is a strictly business deal flowing in our direction and strictly our generosity going the other way.

For example, we find that a major argument presented for more than five billions in new appropriations is the position of dollar deficits still hovering over the participating countries. Yet in studying the case of England, which is asking for nine hundred and forty millions of the new funds, we find an interesting situation. England's 1948 dollar deficit was approximately one billion, five hundred millions. If we give her another nine hundred and forty millions her dollar deficit at the end of the 1949 finance period will be about one billion two hundred millions. Thomas K. Finletter, who is in charge of ECA in England, told the Senate committee that he felt that was quite a big gap to close. Yet, in the ECA report we find that England has had that much, or more, of a dollar deficit ever since 1931. She had a dollar deficit, Mr. President, of that amount or greater right through her boom years of 1937 and 1938.

Trade balances are desirable. No one will quarrel with that. But that alone, Mr. President, is not enough to convince me that the entire ECA fund is necessary.

To get some idea of what I mean we only have to turn to Mr. Hoffman's report again. On page 82 there is this startling information:

> An investment program of $1,000,000,000 is planned for the further electrification of European railways.

Immediately below that paragraph is the following paragraph:

> Expansion of Europe's truck fleet by 1,000,000 trucks is contemplated between now and 1952.

When the matter of electrifying the railroads was presented to Mr. Hoffman in the Senate committee's last hearing on ECA, it was interesting to note in the transcript that Mr. Hoffman first indicated that he knew nothing of such a program. In fact, his first answer to the question put to him by the Senator from Arkansas [Mr. FULBRIGHT] was:

> I will just check that.

Then the Senator from Arkansas asked if such a program was being considered. Mr. Hoffman replied that it was being considered.

In the same hearing and during a continuation of the same conversation between the Senator from Arkansas and Mr. Hoffman, mention was made of a commitment by ECA of $15,000,000 for participation in a steel program in Norway.

We turn now to other evidence of the future thinking along ECA lines.

On page 79 of the ECA report called European recovery program, United Kingdom, country study, we find this statement:

> Total investment in petroleum development during 1949-50 will be about $500,000,000, nearly $400,000,000 of which will be for expenditures on overseas production, maintenance, and new construction, and $100,000,000 to $120,000,000 of which will go toward expanding refinery capacity in the United Kingdom itself.
>
> One large new refinery is planned in the south of England, and the capacity of a number of existing installations is to be expanded considerably.
>
> The substantial overseas investment involves projects to increase the production of refineries in the Middle East, the Caribbean, and in Holland, some of which are already underway.
>
> Rehabilitation work will be continued on the war damaged refineries and oil field in the Far East.

Mr. President, I believe that in order to understand better this ECA thinking it is important that we turn to a portion of a speech by Walter J. Levy, consultant in the petroleum branch of ECA. This speech was made on March 8 of this year, before the National Federation of Financial Analysts' Societies in New York:

> Our American oil industry faces a difficult but in my judgment, a not at all impossible problem of adjustment to existing conditions.
>
> It is the problem of maintaining outlets for dollar oil in Europe even though the dollar resources of the importing countries are severely limited and even though sterling oil competes with dollar oil for such outlets.
>
> Skillful planning by our American oil companies will be necessary, therefore, during the next few years.
>
> It is, of course, in the economic, political, strategic interests of the United States that these companies maintain their oil interest world-wide and obtain fair and equitable treatment in the oil markets of Europe.
>
> On the other hand, if Europe is to survive without the continuing American assistance, it must increase production for its own use and for the expansion of exports into dollar areas.
>
> In this process of making Europe self-sustaining, somebody may well get hurt, but I believe it is imperative that no vital interest of the United States be sacrificed; and that no legitimate business interest be hurt unnecessarily.
>
> The expansion of refineries in Europe and of crude oil production controlled by British companies outside Europe is one of the most effective means of reducing Europe's dollar deficit.
>
> According to the British, and I am sure these figures will make you sit up and take notice, an investment of about 2 billion dollars, perhaps 40 percent of it in dollars and 60 percent in sterling and other currencies, will lead to an increase in the annual value of crude oil and refined products output by the British of nearly a billion dollars by fiscal 1953.
>
> Of course, only part of the billion-dollar increment in value will result in dollar savings or dollar income, even; therefore, if the original plans of ECA countries do not completely materialize as we believe they will not, the contribution of which oil refining in Europe and oil production outside Europe will make to recovery will be extraordinary.
>
> From what I have said before about the likelihood of a continued dollar shortage in Europe, even in 1953, and about the expansion program and the expansion possibilities of the British oil industry, it is obvious that grave and very serious problems now confront and are likely to remain with our American oil industry.

Mr. President, that is another bold admission that we are to finance Europe from this point on. Is the problem of recovery involved in what Mr. Levy said? I think not, Mr. President. It is purely and simply a matter of financing our own competition.

Just as all workingmen in this country should be interested in what I have read from the ECA report about developing European competition on the world market for skilled craftsmanship, similarly the oil workers of America should be interested in this plan of ECA. Labor in this country has always recognized the fact that foreign labor is difficult competition because foreign labor is cheap.

What is happening right this minute in the shipping of ECA supplies from our shores? The American sailor is not hauling what he expected to haul, because ECA has decided that the materials can be shipped cheaper in foreign vessels.

That is what we are heading for, Mr. President, in the world market for oil.

That is what we are heading for in the world market for technical machinery.

I was under the impression when President Truman in his inaugural speech recommended the development of underdeveloped lands throughout the world with American know-how and skills, he meant only those lands which have not had an opportunity to share in such wealths in the past. Perhaps that is what he meant, but obviously that is not the case with ECA.

Mr. President, we built one Frankenstein by the same methods.

Since the ECA world oil program centers to a certain extent around English development for the future, let us examine for a moment the testimony of Mr. Finletter on February 28 before the Senate Committee on Foreign Relations. In that testimony he revealed that Britain's export plans call for increasing her over-all exports to all countries by 50 percent above prewar exports. But her goal for exports to the United States, Mr. Finletter said, is 83 percent above prewar levels. In commenting, Mr. Finletter said:

> It will be a great achievement if Britain gets there.

There we have the story, Mr. President.

In Mr. Hoffman's report we find ECA striving to develop low prices for European export competition on the world market.

In Mr. Levy's speech we find ECA outlining a world oil market that is threatening the future of American oil exports.

In Mr. Finletter's testimony we find ECA encouraging and promoting greater export markets for England.

Mr. President, who is thinking about the American worker and American business? After all, Mr. President, exports by American business form an important part in the national income of which I spoke earlier.

Mr. LUCAS. Mr. President, will the Senator yield for a question?

Mr. CAPEHART. I yield.

Mr. LUCAS. The Senator has just asked, who is thinking about the American worker, I believe.

Mr. CAPEHART. I asked: Who is thinking about the American worker and American business?

Mr. LUCAS. I should like to ask the able Senator whether he thinks Mr. Hoffman, who is one of the big businessmen of the country, is giving any consideration to the workmen of America and the business of America as he administers the program as the head of ECA.

Mr. CAPEHART. I think he has done a good job. According to his own reports, the recovery has been remarkable. I think he is wrong, in one respect; it is wrong, I believe, to build up in Europe competition which will tear down our own markets and will throw our own people out of work. I do not know what Mr. Hoffman is thinking about. I have great respect for him. However, he and I may well differ on principle, and possibly we do in this instance.

Mr. LUCAS. Will the Senator yield further, Mr. President?

Mr. CAPEHART. I yield.

Mr. LUCAS. I am very happy to hear the Senator from Indiana, who is one of the successful businessmen of the Nation, say, as a Member of this body, that Mr. Hoffman, who has been a very successful businessman in his line of endeavor, has done a good job as head of the ECA. I take it that the Senator from Indiana in no way questions the good faith of Mr. Hoffman who, in what he is doing in connection with the administration of ECA funds and its entire program, believes it is for the best interests of the economy of the United States and its workers, as well as for the business interests of the United States. Does the Senator agree to that?

Mr. CAPEHART. I wish to say that my whole endeavor in this matter—and I have tried to make it perfectly clear in the speech I have made—is to try to take ECA's own reports and Mr. Hoffman's own words, to show that we can reduce the amount of the authorization and appropriation for ECA to 3 billion dollars, and yet not interfere with what Mr. Hoffman and others wish to do in that connection.

Mr. LUCAS. I appreciate what the Senator is trying to do. Will he yield, to permit me to make an observation along that line?

Mr. WHERRY. Mr. President, does the Senator from Illinois wish to make an observation?

Mr. LUCAS. I should like to.

Mr. WHERRY. Well, Mr. President, there goes the rule.

Mr. LUCAS. Does the Senator object?

Mr. WHERRY. No; I do not object.

Mr. CAPEHART. Mr. President, I am happy to yield to the Senator from Illinois.

Mr. LUCAS. Mr. President, I was going to make a statement or observation with respect to Mr. Hoffman; and I intend to, unless it is objected to. I think it is most fortunate that Mr. Hoffman is the head of ECA. I say that because he is one of the most successful businessmen America has ever produced. I say it because I further know that he pays the Government of the United States a tremendous amount of taxes each year, and that he employs thousands upon thousands of people each year. With the kind of background, Mr. Hoffman has and with his enthusiasm for the program of ECA as a means of rehabilitating the nations of Europe, I cannot help but believe that overwhelmingly the businessmen of America are going along with Mr. Hoffman in his belief that he is doing the proper thing in the rehabilitation of those countries, with one ultimate view, which is that the program will bring about that peace among nations for which we are all striving. It may not do it, but let me say, if it does do it, the cost we are paying for it will seem infinitesimal.

Mr. CAPEHART. Mr. President, I may say if it were a matter of peace or war, the cost would not make any difference, but I think we must remember that the war has been over for 4 years, that we have the United Nations to take care of future wars, that we are setting up the North Atlantic Pact, and that at some time—the Senator's answer may well be that that sometime is a year from now or 2 years from now—we have got to stop, think, and listen and consider just how much money we as a Government can spend. I do not think anybody has done that.

Can we as a Government maintain a sound economy and spend $35,000,000,000, $40,000,000,000 or $50,000,000,000 a year? As I tried to point out, the recovery of Europe, according to the reports of ECA itself, has been so phenomenal that from this point on we are simply financing them in order that they may compete with us in world markets, thereby taking business away from our own industrial interests, taking wages and jobs away from our own people.

In reply to what the Senator says about Mr. Hoffman being a successful businessman, and his statement that Mr. Hoffman is in favor of the bill, I may say that Mr. Hoffman is a successful businessman, but as the head of ECA, while I do not know, I am of the opinion that possibly he had nothing to do with whether the figure should be $3,000,000,000, $4,000,000,000, or $5,000,000,000. My other answer to that is, Mr. Hoffman has a job to do in connection with ECA, and like anybody else, the more money he can get to do the job, the better he thinks he can do it. I have found it so in running my business. A department manager asks for more money. He wants to make a great record. He wants all the money he can get. Finally, the board of directors must say to him, "This is what you can do." Do not forget that though Mr. Hoffman is president of his company, he has a board of directors to determine its policies.

Mr. LUCAS and Mr. WHERRY addressed the Chair.

The VICE PRESIDENT. Does the Senator from Indiana yield; and if so, to whom?

Mr. CAPEHART. I yield further to the Senator from Illinois.

Mr. LUCAS. Is the Senator saying that Mr. Hoffman is one of the bureaucrats now in Washington, ready to take all the money he can get?

Mr. CAPEHART. I am not saying he is a bureaucrat. I am not saying what he is. I am saying it is possible, in my personal opinion, to take his own reports and his own words and statements and prove to Mr. Hoffman or to anybody else that it will be possible to get along with $3,000,000,000 equally as well as with $5,000,000,000, and that $3,000,000,000 is the most this Nation should appropriate for next year.

Mr. WHERRY and Mr. LUCAS addressed the Chair.

The VICE PRESIDENT. Does the Senator from Indiana yield; and if so, to whom?

Mr. CAPEHART. I yield to the Senator from Nebraska for a question.

Mr. WHERRY. There has been some discussion about what Mr. Hoffman would do. I think Mr. Hoffman, as Administrator, would do what the law required him to do. In keeping with what the distinguished Senator has said about building up business in beneficiary countries to compete with American business, I should like to ask him a question. When I turned to page 8 of the pending bill beginning with line 10, I was amazed to find these words:

> The Administrator shall, to the greatest extent practicable without detriment to the European recovery program—

Now, Mr. President, get this:

> initiate projects for and assist the appropriate agencies of the United States Government in procuring and stimulating increased production in participating countries of materials which are required by the United States as a result of deficiencies—

That is, with respect to any material—

> or potential deficiencies—

Any deficiencies we might have within the next few years—

> in its own resources; and in furtherance of those objectives the Administrator shall, in addition to the local currency—

I may ask the Senator, in the event the language I have read from page 8 is adopted, will it not permit the Government of the United States and the participating countries to go into any oil field or into any steel-producing area, and in connection with any material they want, go into business in any way, shape or form they see fit, to sell those products anywhere in the world, even though they sell them in competitive markets, including our domestic market in the United States?

Mr. CAPEHART. I do not think there is any question about it. I believe that is another speech.

Mr. WHERRY. I am not here to make a speech. I am here to ask the Senator if he does not feel that the Administrator would be required to do that, if the Congress should pass the bill in this form.

Mr. CAPEHART. I do, and I hope much will be said about page 8, from lines 10 to 20, because I fail to find anything in the report of the Committee on Foreign Relations on that particular phase. It is a most interesting phase, and we shall talk about it later.

Mr. WHERRY. Mr. President, will the Senator yield for one more question?

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Nebraska?

Mr. CAPEHART. I yield for a question.

Mr. WHERRY. I cannot find in the report any reference to this matter, except on page 15——

Mr. CONNALLY. That is it.

Mr. WHERRY. Where in three little lines it is stated:

> Paragraph 1 emphasizes the Administrator's obligation to make use of his bargaining power to increase the production of materials and to assist other agencies of the Government in purchasing materials.

In those three lines, we have language so all-inclusive that, if the Congress passes the bill and the Administrator is charged with its responsibility, the United States Government and the participating countries certainly can be put into the oil business, the steel business, and any other business, in the countries receiving relief.

Mr. CAPEHART. Mr. President, can we maintain our export trade when we are competing in markets where prices are established by our own tax dollars? The taxpayers of Indiana contributed about $170,000,000 to European recovery in 1948. The recovery of Europe was not only important to them, but they felt it an obligation to help restore those nations to the condition they enjoyed before the war. But are the taxpayers of Indiana, and the other 47 States obligated to finance Europe to unlimited prosperity?

In the face of the tax demands which are being made on our people to maintain this overgrown Government of ours and the mounting costs that go with it, I do not believe they are.

That is the reason, Mr. President, that I have placed before the Senate an amendment limiting the new appropriations to ECA to $3,000,000,000.

The pipe lines to Europe are full and overflowing.

More than two and one-half billions in materials and authorizations are still unshipped

That is as much as Europe has had in the past 9 months during which every nation has recovered far beyond any condition that could be considered serious.

With an additional $3,000,000,000, Mr. President, the ECA would have a total of $5,700,000,000 with which to meet European requirements for the next 15 months.

In the past 9 months ECA has shipped from our shores less than half of what my amendment proposes to make available for the next 15 months.

That would permit the program to be carried on at the same rate, or even at a greater rate than it has been carried on in the past 9 months.

Mr. President, it would lift from the shoulders of the taxpayers of this Nation at least a portion of the burden.

It would place us in a better position as a nation to meet other obligations.

It would cushion us against a drop in our national income.

It would instill in our people, Mr. President, the confidence which they are entitled to have, that we, who are the guardians of the Nation's welfare, have had their welfare in mind in our deliberations of the European issue.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. CAPEHART. I shall be very happy to yield for a question.

Mr. LUCAS. I do not want to leave the subject in a state of confusion. I hope the Senator will agree with me that if Mr. Hoffman had not believed in and supported the program, he would never have accepted his position. Will the Senator agree with that?

Mr. CAPEHART. Oh, yes; I do not question his sincerity and honesty. I question only his judgment.

Mr. LUCAS. In other words, the Senator from Indiana, in the frame of mind he is in at the present time, as one who has been a successful businessman, would not take such a position at this time, because he does not believe in the program. But Mr. Hoffman, also being a successful businessman, must have believed in the program, otherwise he would not have accepted the position. Is that correct?

Mr. CAPEHART. That is correct. My position is a little different from Mr. Hoffman's, in that, as a Senator, I must accept some responsibility for the financial condition of the Nation. I am serious when I say that I am concerned about what may happen within the next 18 months or 2 years.

Mr. LUCAS. Let me say to my able friend that I do not question his sincerity and honesty. The only thing I was attempting to do was to contrast the viewpoints of two businessmen, both having come up more or less from the ranks and having been successful in the business world, but one having a viewpoint directly opposite from that of the other.

Mr. CAPEHART. That is correct. But I have a responsibility.

The VICE PRESIDENT. Is the Senator from Indiana offering his amendment at this time?

Mr. CAPEHART. Mr. President, I am not offering it now. It has been sent to the desk and will be printed.

I want to say, in closing, that we must take into consideration the amount of money the Government will need for other purposes. We must also take into consideration, in my personal opinion, the fact that revenues will fall off in the fiscal year ending June 30, 1950. I again want to say—and I believe I shall be found to be correct—that the revenues of the Federal Government for the fiscal year ending June 30, 1950, will not exceed $35,000,000,000. I should like Congress to take at least $8,000,000,000 off the Federal budget. I believe we can take approximately $2,800,000,000 out of the ECA fund without in any way interfering with that which we desire to do in Europe. I believe, if Senators will study the reports and the record, and study the trends of business today, they will come to the same conclusion.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. CAPEHART. I am happy to yield to the Senator from Illinois.

Mr. LUCAS. I think I read a short statement in the newspaper this morning stating that the Senator from Indiana had made an address of that kind, and that he thought the budget ought to be cut $8,000,000,000. I hope the Senator will break that sum down and place the result in the RECORD.

Mr. CAPEHART. I shall do that.

Mr. LUCAS. The statement which he made is very important.

Mr. CAPEHART. I am hopeful that it may be done. I will break the figure down, but I am starting today with the ECA funds.

Mr. LUCAS. Mr. President, with all due deference to my friend, I do not believe he should make a statement without giving the Senate and the country the facts upon which he bases it.

Mr. CAPEHART. I cannot do that at this late hour. As each appropriation bill is presented, I shall do the very best I can to take something off the budget, because I really should hate to see the Government of the United States start running into the red during peacetimes.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. CAPEHART. I shall be very happy to yield to the distinguished Senator from Texas.

Mr. CONNALLY. Mr. President, I have in my hand a break-down of the commodities we expect to ship under the program and their valuation. Would the Senator like to have it put into the RECORD?

Mr. CAPEHART. Yes; I would have no objection to that.

Mr. CONNALLY. Mr. President, I ask unanimous consent to have the statement placed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Economic Cooperation Administration—Estimated total dollar imports of 15 countries [1] participating in ERP and illustrative program of ECA-financed imports, 1949–50

	Estimated total dollar imports	Illustrative program of ECA-financed imports
FOOD AND AGRICULTURE IMPORTS		
Food	1,958.1	879.1
Bread grains	1,162.2	411.8
Fats and oils	271.0	141.0
Sugar	95.1	65.5
Meat	111.2	95.4
Dairy products	77.3	75.3
Other foods	241.3	90.1
Feed and fertilizer	491.3	263.3
Coarse grains	395.9	199.4
Protein feeds	70.8	44.0
Fertilizer	24.6	19.9
Natural fibers	799.3	609.3
Cotton	668.8	581.4
Wool	104.3	21.2
Other fibers	26.2	6.7
Tobacco	196.2	111.9
Other agricultural products	50.7	30.4
Total food and agriculture imports	3,495.6	1,894.0
INDUSTRIAL IMPORTS		
Coal	119.5	95.3
POL	[2] 529.1	437.2
Iron and steel, including iron ore	139.0	100.1
Aluminum	49.8	29.8
Copper	130.6	130.6
Lead	36.7	36.3
Zinc	35.5	35.5
Paper and pulp	82.7	60.7
Lumber	153.8	100.9
Agricultural machinery	78.0	68.6
Machinery and equipment	762.0	489.6
Other industrial products	778.8	218.4
Total industrial imports	2,895.5	1,803.0
Total imports of 15 participating countries	6,391.1	3,697.0
ECA-financed shipping costs on above	----------	298.0
Programs for—		
French dependent territories	----------	145.0
Netherlands dependent territories	----------	10.0
Portugal	----------	10.0
Trieste	----------	12.0
Turkey	----------	30.0
Total direct country aid	----------	4202.0
Rounded to	----------	4200.0
Development of strategic materials	----------	32.0
Technical assistance	----------	15.0
Ocean freight on relief packages	----------	15.0
Administrative expenses	----------	17.5
Confidential fund	----------	.5
Grand total	----------	4280.0

[1] Excludes French and Netherlands dependent territories, Portugal, Trieste, and Turkey, for which illustrative programs of ECA-financing have not been prepared.

[2] Includes some POL for Belgium actually paid in nondollar currencies but treated as dollar item in this tabulation since offset of equivalent nondollar exports has been shown as dollar item in balance of payments.

Mr. CAPEHART. Mr. President, I have no objection to anything on this subject going into the RECORD. I should love to debate the question with the able Senator from Texas. I may well be wrong in my point of view; but I want to say, in closing, that one thing I dislike—and I am not saying this in a critical vein—one thing that has disappointed me—perhaps that is a better

term; and I say it in the most friendly way, because I have the greatest respect for the able Senator from Texas—is that when we try to discuss and to debate foreign affairs there seems to spring up in the Senate a sort of—I wish I could describe the feeling—a sort of wall, something that only "we" or "thee" should handle, not a common fellow such as the Senator from Indiana and some other Senators. The sentiment seems to be "You know very little about it; leave it to us. Please do not ask us to discuss these things. We know best. Papa knows best. Let us handle it, and everything will be all right." As a citizen, Mr. President, I have been listening to that sort of thing for 30 years, and I have found that it has not always been correct.

Mr. CONNALLY. Mr. President, I desire just a moment. The Senator from Indiana has fired his piece and then left the Chamber. I wanted to reply very briefly to his criticism of the Committee on Foreign Relations.

The Senator from Indiana says that when it comes to questions involving foreign relations, we throw up our hands and say "Unclean, unclean. You cannot discuss that. We are the only ones."

Mr. President, that statement is not accurate. The Committee on Foreign Relations has no disposition to conceal anything from the Senate. We always welcome the attendance of Senators who are not members of the committee. If we have an executive session, they are welcomed. We do not throw up any bars against them. We want them to take an interest in our deliberations and discussions.

It is true that the Senator more or less absolved the present committee from his charge when he said he had been listening to that sort of thing for 30 years. If that is an old habit of the Senate, we are not responsible for any conduct except our own. I think the record will show that the present Committee on Foreign Relations has been absolutely considerate of other Members of the Senate, and we have never refused to hear a Senator, so far as I recall, on any subject pending before the committee.

I do not care to sit silent and have that sort of charge brought against the committee. I am sure I speak for the whole committee.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker pro tempore hsd affixed his signature to the enrolled bill (H. R. 2313) to suspend certain import taxes on copper, and it was signed by the Vice President.

EXTENSION OF RENT CONTROL—PERMISSION TO FILE CONFERENCE REPORT DURING RECESS

Mr. MAYBANK. Mr. President, I ask unanimous consent to be permitted to file the conference report on the bill (H. R. 1731) to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes, up to Sunday night midnight, so that it may be printed and be before the Senate on Monday. I make that request because the Government Printing Office does not operate on Sunday, and I wish to have the report printed on Sunday, so that it may be ready for the Senate on Monday morning.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE MANSION COMMISSION—LETTER FROM PRESIDENT

The VICE PRESIDENT. The Chair lays before the Senate a letter from the President of the United States, which the clerk will read.

The Chief Clerk read the letter, as follows:

THE WHITE HOUSE,
Washington, March 25, 1949.

Hon. ALBEN W. BARKLEY,
Vice President of the United States,
Washington, D. C.

DEAR MR. VICE PRESIDENT: On February 16, 1949, I addressed a communication to the Congress further advising the Congress of the critical structural conditions in the Executive Mansion and transmitting an estimate of appropriation for the renovation and modernization of the building.

I have given much thought to the interest of the Nation in the maximum retention of the architectural and historic features of the Executive Mansion and to the accompanying problems which must be faced in a renovation project of this magnitude and importance. I feel sure that the people of this country expect this major undertaking to be accomplished by the best qualified architects, engineers, and craftsmen available and that adequate authority will be granted by the Congress to the individuals who are made responsible for the satisfactory performance of the work.

With this thought in mind I consider it appropriate that the Congress should establish a commission which would exercise general supervision and direction of all construction work involved in the renovation and modernization of the mansion, including the approval of plans and the selection of contractors.

In the past the Congress has established commissions to select sites, procure plans, and exercise general supervision for the construction of our national shrines, as in the case of the memorials for Thomas Jefferson and Abraham Lincoln. The scope and character of the work proposed in this case, and the objectives which always must be kept in mind in the renovation of the Executive Mansion, will impose a great responsibility on a commission appointed for this work.

I trust, therefore, that at the earliest possible date the Congress will enact legislation to establish a commission for the purposes indicated.

Very sincerely yours,
HARRY S. TRUMAN.

The VICE PRESIDENT. The Chair refers the letter to the Committee on Public Works, as it asks legislation creating a commission.

GRAIN STORAGE FACILITIES

Mr. WILLIAMS. Mr. President, I send to the desk a resolution on behalf of the Senator from Indiana [Mr. CAPEHART], the Senator from Utah [Mr. WATKINS], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Missouri [Mr. KEM], the Senator from Indiana [Mr. JENNER] and myself.

I ask first that the clerk read the resolution for the information of the Senate, after which I shall make a few remarks.

The resolution (S. Res. 94) was read as follows:

Whereas the financial transactions of the Commodity Credit Corporation, a Federal corporation, and of its predecessor, the Commodity Credit Corporation, a Delaware corporation, are required by law to be audited by the General Accounting Office; and

Whereas the books and records of such predecessor corporation for the fiscal years ending June 30, 1943, June 30, 1944, and June 30, 1945, are in such disorder that the General Accounting Office has been unable to balance them and complete its audit: Now, therefore, be it

Resolved, That the General Accounting Office shall, insofar as may be practicable upon the basis of the information available to it, complete its audit of the financial transactions of the Commodity Credit Corporation, a Delaware corporation, for the fiscal years ending June 30, 1943, June 30, 1944, and June 30, 1945, and make its reports of such audits to the Congress on or before April 1, 1949.

Mr. WILLIAMS obtained the floor.

Mr. CONNALLY. Has this resolution had the attention of any committe of the Senate?

Mr. WILLIAMS. No; but I am going to call it to the attention of the Senate at this time.

The VICE PRESIDENT. The Senator has not asked for the immediate consideration of the resolution.

Mr. WILLIAMS. Mr. President, I wish to make it clear that this resolution is not intended to be interpreted as a criticism of the work of the General Accounting Office which, as I understand, has been making an effort to audit the books of the Commodity Credit Corporation, but have not been able to verify certain items and therefore we have not had referred to us a copy of the report for the years mentioned.

It has been reported to me, from sources which I consider very reliable, that over $350,000,000 of receivables in the general commodities purchase program could not be supported or verified because of faulty accounting policies and poorly devised procedures.

In the case of certain other programs it was also impossible to support the recorded balances of receivables, particularly in the case of claims in the case of cotton loans held by the Corporation. It had made no effort to prove the accuracy of the total amount of loans and, therefore, I understand that the total amount of loans reported by the Federal Reserve banks, as custodians, could not be reconciled with the records of the Corporation. At least one duplication of over $2,000,000 has been reported to me.

I also understand that the wheat loans are overstated by about $4,000,000 with the corresponding overstatement in accounts payable.

The book value of the inventories held by the Corporation as of June 30, 1945, was in excess of $1,000,000,000, but it has

been reported to me that it was not possible to verify this amount physically.

Furthermore, an incident has been called to my attention where barley has been shipped to Russia in the amount of $1,000,000, under the trading program, and the item has been omitted entirely from the sales.

Mr. President, I feel it is time, in view of the fact that there is legislation proposed before the Senate under which the Secretary of Agriculture is going to ask for complete authority over this $5,000,000,000 Corporation, that these books be made available to the Senate in order that we may look at them and see what has been going on. I want it thoroughly understood that I am making no charges against any official, but merely asking that the accounts should be made available to the Senate, as the law already requires, in order that the Senate may intelligently consider S. 900, the bill which proposes to give the Secretary of Agriculture complete authority over this gigantic Corporation.

I think it is well to know whether or not we can get an accounting of the $350,000,000 which it is reported the books are out of balance. Therefore, I ask unanimous consent that the resolution be given immediate consideration.

Mr. LUCAS. Mr. President, reserving the right to object, this is a very unusual request, especially in view of the seriousness of the charges the Senator makes. He makes a statement before the Senate, and I should like to know whether the Senator can tell me just where he gets all this information with respect to the confusion which now exists regarding the Commodity Credit Corporation.

Mr. WILLIAMS. I may say that the answer to that question is one which I think is giving the Secretary of Agriculture a great deal of worry. I shall not disclose the sources of my information. I will say that I have made the statement based upon information which I have received from sources which I consider reliable. The accuracy of the statement can be verified very readily if the books are brought before the Senate. I think the Senate has a right to know what has been going on, and all I am asking is that the books be produced to the Senate in order that we may examine them.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. LUCAS. The Senator wants immediate consideration of the resolution. Does he not think the resolution should be appropriately referred to a committee to see what the committee will do with respect to the charges which are leveled against the Commodity Credit Corporation?

Mr. WILLIAMS. Let me quote the words of the Senator from Illinois himself last Friday afternoon. He himself has said that a great emergency exists with respect to the particular piece of legislation affected. I read his statement:

> To my way of thinking it is one of the most important measures from the standpoint of emergency that the Congress is called upon to consider.

The Senator was referring to Senate bill 900. He also said:

> In view of the emergency nature of the bill, it seems to me we ought to get some action as quickly as possible.

Senate bill 900 proposes that the Secretary of Agriculture be given complete authority, one man control, over a $5,000,000,000 corporation. That is why I voiced my objection Friday. I have been unable to obtain a complete record of the books, and all I am asking is that the books be presented in order that we may meet the emergency to which the Senator from Illinois himself referred.

I feel that April 1 is ample time. The resolution does not say the books should be completely balanced. It merely states they shall be delivered here as nearly accurate as can be determined. Four years have elapsed, and if the corporation cannot make a determination today closer than $350,000,000 it is time the country knew about it. I desire to know, as one, why that cannot be done.

Mr. LUCAS. Mr. President, I wish to make a statement when the Senator yields the floor.

The VICE PRESIDENT. Has the Senator from Delaware concluded?

Mr. WHERRY. Mr. President, I should like to ask the Senator from Delaware a question.

Mr. WILLIAMS. I yield.

Mr. WHERRY. As I understand, the Senator's reason for asking for immediate consideration of the resolution at this time is that it is his understanding that the majority leader will call up the bill at an early date for consideration because of the time limit.

Mr. WILLIAMS. That is correct.

Mr. WHERRY. What the Senator wants is that he may be in a position to have the information before the bill comes up for consideration.

Mr. WILLIAMS. Yes. During the recent political campaign quite an issue was made of this particular subject, and many charges were made, and I wish to bring before the Senate the true picture when the bill is discussed, and ascertain why information has been withheld from the Senate. I feel that we have a right to the information. I repeat, I am not criticizing the General Accounting Office. I recognize they have a stupendous job to do and in my opinion America owes this agency of the Congress a debt of gratitude. All they can do is to report what they find. If there is anything wrong in the books, let us find it out, because as I understand, though I am not an attorney, the statute of limitation might apply. If there is anything wrong let us find it out in time to do something about it.

Mr. President, the book value of the inventories held by the corporation as of June 30, 1945, was in excess of $1,000,000,000, but it has been reported to me that it was not possible to verify this amount physically.

My experience in business has been that when the Government agent comes around to audit my account I must verify every item. I see no reason why we should extend special exemption to the Government corporation. If they cannot verify the inventory, let us find where the money went. If they can verify the inventory, the matter can be cleared up readily. If then the charge is unfounded, I shall be the first to place that fact in the record. I feel we should know the truth. I have received this information from persons whom I believe to be reliable, and I believe the report to be correct. If I did not believe it to be correct, I would not be standing on the floor of the Senate at this time asking for the facts.

I hope the Senator from Illinois will grant the request I have made.

Mr. LUCAS. Mr. President, the request which has just been made is the most unusual one I have heard since I have been a Member of the United States Senate. I have never heard such serious charges made against any agency of the Government, as have been made by the Senator from Delaware, with a request for immediate investigation on the basis of the charges and on the basis of the statement he himself makes, and information regarding their source withheld. The Senator from Delaware will not give to the Senate any information as to where he obtained the information upon which the charges are based.

Mr. President, I know nothing about the bookkeeping transactions of this corporation. If conditions are as serious as the Senator from Delaware contends they are, certainly a committee should investigate the charges which have been made, and the individuals whose names he now refuses to give to the United States Senate, I assure him will be subpenaed to testify as to the facts, as the Senator contends they are in the statement just made.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. LUCAS. I will yield in a moment. But it is utterly preposterous and wholly unfair to ask the United States Senate, in the last minutes of the session of this day, to consider a resolution on the basis of the one statement that has been made by the Senator from Delaware.

Mr. President, under the circumstances, I certainly shall object, and I gladly object. I say again that if the Senator from Delaware has the information he contends he has, there will be no trouble in having a committee investigate and ascertain the truth or the falsity of the charge.

The VICE PRESIDENT. Objection is made.

Mr. WILLIAMS. Mr. President, may I answer the statement made by the Senator from Illinois?

The VICE PRESIDENT. Objection is made to the present consideration of the resolution.

The Chair recognizes the Senator from Delaware.

Mr. WILLIAMS. Mr. President, I wish to make but a brief statement. I might say to the Senator from Illinois that I am perfectly willing to present the evidence I have to any committee. I always have been willing to do so. I have refrained from disclosing any names because I do not think it is proper to do so. I tried to make it very plain that I was

not making any charges. But the mere fact of the seriousness of the implications, which I fully recognize, is all the more reason why this matter should be acted upon immediately. All that is necessary to be done is to bring the records of the Commodity Credit Corporation here Monday morning, and I will stand on the floor of the Senate and, if it is found there is nothing wrong, I will so report to the Senate. But I feel that we have to know the truth of the matter. If there is nothing wrong, I shall be the first to ask the privilege of the floor and clear the record. But, Mr. President, I have every reason to believe that the report is true. If I did not believe so, I would not have made the statement I did. I feel it is unfair to leave the matter in a cloud and not take action tonight. I feel we should have the records brought before the Senate promptly.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from Nebraska.

Mr. WHERRY. It is a fact, is it not, that the Senator asked me early in the afternoon if he could not secure an opportunity to present the resolution? Is that not correct?

Mr. WILLIAMS. I have been trying to find an opportunity to present the resolution all day. I have been on my feet time and time again to secure recognition, but it seemed that there were too many speeches going on. I do not know of any other way to do it than to make the request I have made. I have been trying to get this information for the past 3 or 4 weeks, in order to verify what has been charged. I do not seem to be making much progress. To show the progress we are making, I should like to read a letter from the Secretary of Agriculture in which he refuses to reveal some of the reports.

Mr. President, I am sorry, but I find I do not have the letter with me but I do have letters in my office showing that information has been denied me by this corporation.

The VICE PRESIDENT. Does the Senator from Delaware desire that the resolution be referred?

Mr. WILLIAMS. If the Senator from Illinois is going to insist on objecting, the only thing I know to do is to let the resolution lie over. I do not know why the Senator from Illinois is afraid to have these records presented before the Senate. If there is nothing wrong with them there will certainly be no reflection on the Corporation, and if there is anything wrong with them, surely the Senator is not going to be afraid to have the matter aired on the floor of the Senate.

Mr. LUCAS. Again, the Senator from Delaware illustrates how utterly preposterous his suggestion is. He wants to have brought before the Senate of the United States the books of the Corporation, and take the time of the Senate in examining them. His request sounds like the proposal of the Senator from Missouri this afternoon, who wanted to have every Senator examine the Atlantic Pact. The fever seems to be catching. The Senator from Delaware wants the Senate to go into special session, apparently, and examine the books of the Commodity Credit Corporation. That is not the way business is done in the United States Senate. I am surprised that the Senator from Delaware has not found out that that is not the way business of the Senate is done. He has been in the Senate long enough to know how business here is conducted.

I want to say also that what the Senator said a moment ago with respect to what I had previously said has absolutely nothing to do with the problem before us. What I referred to was a bill introduced in the Senate of the United States, which was referred to the Committee on Agriculture. Long hearings were held on the bill, and the hearings are now printed. The matter is an emergency one. An emergency exists in connection with that bill, as I see it, from the agricultural viewpoint throughout the United States. That is why I tried to have the bill brought before the Senate some time ago. There is absolutely no comparison between what I suggested and what the Senator from Delaware is now trying to have done by way of investigation of the Commodity Credit Corporation.

The Senator from Delaware wants an investigation. I wish to say, Mr. President, that during the time I have been in the Senate of the United States, I have never made charges such as those now made by the Senator from Delaware, unless I knew what I was doing. What should have been done was to offer a resolution asking for an investigation of the Commodity Credit Corporation on the basis of certain charges. But in my opinion, the Senator has made a speech only for the purpose of smearing that Corporation, and for the purpose of getting his name in the headlines. The charge may be true; but I will say, Mr. President, that what is now being done has been done in the Senate of the United States time without number, when, by innuendo, or implication, individuals who are handling funds of Government agencies have been indicted and smeared.

Mr. WILLIAMS. I trust, Mr. President, the Senator from Illinois in what he is now saying, is putting it in the form of a question. Since I do not want to lose the floor.

Mr. LUCAS. No. I thought the Senator from Delaware had yielded the floor.

The VICE PRESIDENT. The Chair thought the Senator from Delaware had concluded.

Mr. LUCAS. Through innuendo and implication the reputation and name of good individuals who are handling funds in different agencies of the Government are smeared. I say that is unfair. I say it is an improper procedure. I say it is political, Mr. President, and nothing else.

The VICE PRESIDENT. Objection having been made, unless the resolution goes to a committee it will go over under the rule.

Mr. WILLIAMS. Mr. President, if politics has been injected into this question, the Senator from Illinois has injected it. If the procedure suggested has not been followed in the past, perhaps it should be followed to a little greater extent in the future.

The situation on which I am seeking a report happened during the years 1943 to 1945. I think we have a right to see the books. The law plainly states—and the Senator from Illinois was in the Senate at the time the so-called Byrd-Butler bill was passed—that Government corporations must be audited, and a report must be submitted to Congress. Such a report has not been submitted to Congress for the years which I have mentioned. The time has passed when the report should have been submitted. If I were seeking this information previous to the time when the report was due, a different question would be presented; but the reports are overdue.

I am not saying that there is anything that cannot be explained, but I say that there are some items which should be explained. Examination of the records could be made and the situation cleared up in a few days. If the records are in balance, let them say so, and submit them. If they are out of balance, let them say that they are out of balance, and how much.

The VICE PRESIDENT. The resolution will go over under the rule.

BRITISH ECONOMIC SURVEY FOR 1949—BALANCE OF PAYMENTS

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD for the information of the Senate pages 16 to 29 of a report which I have just received, entitled "Economic Survey for 1949," which was presented by the Chancelor of the Exchequer to Parliament. It deals specifically with the balance of payments. I believe that every Senator who is interested in the subject of ECA or in the Reciprocal Trade Agreements Act, which will shortly be before us for consideration, will find information of great importance, regardless of which side of the question he happens to be on. I urge every Member of the Senate to take the opportunity to read the information contained in this report.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. CONNALLY. Why not make it a Senate document?

Mr. KNOWLAND. The part in which I am particularly interested is a small segment of the report.

Mr. CONNALLY. Why not have that part of it made a Senate document? I do not press the suggestion.

The VICE PRESIDENT. Without objection, the material will be printed in the RECORD.

The matter referred to is as follows:

(D) THE BALANCE OF PAYMENTS

47. Introductory: For the second half of 1948 the United Kingdom's overseas account shows a small surplus of total receipts over total payments. This was contrary to expectations, and it is still too early to be certain that it has come to stay. In this particular period, there were certain special factors such as nonrecurring receipts under various governmental settlements, particularly that with India. More important was the fact that expenditure on imports was actually less than in the first half of the year, while receipts from exports rose by £90,000,000. As a result, it is provisionally

estimated that there was a surplus of £30,000,000 in the second half year, whereas in the first half of the year there was, according to the revised estimate, a deficit of £150,000,000.

48. It is not expected that the first half of 1949 will show any very material change from the second half of 1948. The import program is substantially higher than the rate of actual imports in 1948, but this assumes that the difficulties which were encountered toward the end of 1948 in procuring supplies will be overcome. On the other side, various elements in the invisible account, such as shipping income and net receipts from travel, will probably continue to improve. Receipts from exports should again show a substantial increase. The broad prospect, therefore, is that our total overseas account in this half year will again be roughly in balance, though on the whole a small deficit is more probable than a surplus. The prospects for the balance of payments in the latter half of the year are particularly uncertain because, as explained below, the amount of ERP assistance we may receive is still unsettled. For this reason no estimates for the last 6 months of 1949 are shown in tables 10 to 17.

TABLE 7.—*Estimated gross fixed investment in the United Kingdom, 1947–49 (principal sectors)*

[Million pounds [1]]

	1947			1948			1949		
	Construction	Plant	Total	Construction	Plant	Total	Construction	Plant	Total
Fuel and power	40	90	130	60	105	165	80	140	220
Transport, communications, and shipping	105	220	325	115	240	355	140	220	360
Agriculture, forestry, and fisheries	25	45	70	25	60	85	35	60	95
Other industries	95	275	370	100	305	405	125	325	450
Housing (including repairs and maintenance)	460	---	460	475	---	475	420	---	420
Other social services	40	---	40	65	---	65	100	5	105
Defense and administration	45	5	50	55	5	60	60	10	70
Northern Ireland [2]	15	5	20	20	5	25	25	10	35
Total [3]	825	640	1, 465	915	720	1, 635	985	770	1, 755

[1] At current prices in 1947 and 1948, and for 1949 at 1948 prices.
[2] Excluding investment in agriculture and some smaller items included elsewhere.
[3] Excluding miscellaneous fixed investment. See paragraph 45.

TABLE 8.—*Export targets, 1948 and 1949—monthly rates*

	Exports, fourth quarter, 1948	Target, end of 1948	Target, end of 1949	
	Percent of 1938 volume			£ million at end of 1948 prices
Machinery	204	206	225	25
Vehicles	282	255	285	23
Electrical goods and apparatus	231	252	265	7
Iron and steel	134	111	138	10
Other metal goods	259	210	226	8
Textiles and clothing	100	134	125	36
Chemicals	157	184	198	9
Pottery, glass, abrasives, etc	210	223	254	5
Coal	36	39	57	6
All other exports	112	123	122	31
Total	147	154 (150)	162 (155)	160

49. The virtual disappearance of our overall balance of payments deficit in recent months is a noteworthy achievement, particularly when it is recalled that in 1947 we were in deficit with the outside world to the extent of £630,000,000. But it represents only a stage in the progress toward our final goal of full economic independence. With the Western Hemisphere, particularly the dollar area, we are, and are likely to remain, substantially in deficit, even though this deficit is steadily diminishing. For the present, but only for the present, ERP aid and the Canadian credit enable us to meet this deficit, and to cover the other calls on our gold and dollar holdings, such as the requirements of countries in the rest of the sterling area, and the payments which we have to make to certain countries in Europe and elsewhere.

50. The dollar deficit remains the crucial problem. It is a many-sided problem that needs to be attacked from a number of angles. Some of the main issues involved are discussed later in this section. The paragraphs that follow immediately deal with the main elements in the balance of payments and the detailed evidence on which the forecasts for 1949 are based.

51. Exports: The provisional export targets for end-1949, already announced, are summarized in table 8 and compared with those for end-1948. Details of the volume of exports achieved in the fourth quarter of 1948 are also given for purposes of comparison. The sum of the individual industry targets for 1949 is arithmetically equivalent to a volume of about 162 percent of 1938; but, because of the possibility of individual short falls, the general export target has been put at 155 percent. Table 9 shows the forecast levels of exports for each main class of goods. These are the levels of exports on which reliance is placed for the purpose of programing imports.

52. In both halves of 1948 the volume of exports exceeded the forecasts contained in the Economic Survey for 1948, by 4 percent in the first, and by 5 percent in the second half year. Most categories of exports contributed to this surplus, notably vehicles and machinery; but textiles fell short by approximately 5 percent. In the aggregate there was an increase of 25 percent over the volume of exports in 1947, a remarkable achievement for which great credit is due to all working in British industry. A more modest rise is expected in 1949. The limitations on exports in 1949 fall into three categories. First, there are difficulties of supply on our own part which prevent, in particular, any great expansion in the export of cotton goods, pottery, coal, and metal goods. These difficulties derive generally either from manpower scarcity, e. g., in the cotton and pottery industries or from the rival claims of the home market. Secondly, there are the restrictions which other countries in balance of payments difficulties continue to place on the entry of a wide range of consumers' goods which form an important element in United Kingdom exports. Finally, there are the difficulties of finding buyers at our present selling prices. Demand is falling off in some markets and for some classes of goods where restocking is now completed. At the same time increasing competition from other exporters has to be faced in the main hard currency markets.

53. Table 10 shows the volume of United Kingdom exports to different destinations expressed as a percentage of the volume exported in 1938 to the same areas. Exports to the Western Hemisphere are forecast as rising to 150 in the first half of 1949, compared with a figure of 139 achieved in the last half of 1948. Small changes are expected in the volume of exports to other areas. The proportion of our total exports going to the Western Hemisphere is expected to remain at about 17 percent. This suggests that in the first part of the year, at least, the broad geographical pattern of British exports is not likely to change very much.

TABLE 9.—*Exports of United Kingdom produce, 1947 to 1949, by commodity groups*

[Volume indices, 1938=100]

	1947	1948		1949
		January to June	July to December	January to June forecast
Machinery	158	186	200	220
Vehicles	189	254	278	290
Electrical goods and apparatus	164	209	225	235
Iron and steel	107	112	124	135
Other metal goods	177	206	242	235
Textiles and clothing	73	86	100	104
Chemicals	140	152	160	170
Pottery, glass, abrasives, etc.	154	200	206	215
Coal	3	21	36	38
All other exports	91	102	106	108
Total	109	130	143	150

TABLE 10.—*Volume of exports of United Kingdom produce by destinations*

[Volume indices, 1938=100]

	1947	1948		1949, January to June forecast
		January to June	July to December	
Western Hemisphere	94	125	139	150
Sterling area [1]	117	143	157	165
OEEC countries [2]	102	121	136	138
Other countries [3]	107	113	111	118
Total	109	130	143	150

[1] Approximate figures for the colonies only are: 1947, 130; 1948, 190.
[2] "OEEC countries," here and elsewhere in this section, means nonsterling members of the Organization for European Economic Cooperation together with their dependent overseas territories. It excludes Eire and Iceland which are included in the sterling area.
[3] Includes Egypt, Sudan, Palestine, and Transjordan throughout.

54. Special attention will be paid during 1949 to the requirements of the colonial empire. In considering these, account must be taken not only of the contribution which the colonial empire can make and is making to the economy of the United Kingdom Government, but of the responsibilities of the United Kingdom Government to the colonies. If a forward policy of colonial development is to be continued the supply of both capital goods and consumers' goods to the colonies must continue to increase. This is particularly important when they and the rest of the sterling area are so drastically restricting their dollar expenditures.

55. Imports: The volume of imports in the second half of 1948 was no greater than in the first. This was largely due to a short fall in our programs of purchases for a number of commodities, e. g., Argentine meat and Australian wool. Table 11 gives details of our imports under the main categories and a forecast of the probable level of imports in the first half of 1949. Some increase is expected over the low level of the second half of 1948, particularly in imports of raw materials.

56. Table 12 gives the percentage distribution of total imports by sources. These figures bring out the substantial increase in the proportion of our 1948 imports which came from the nondollar areas. The prewar proportion of imports from the Western Hemisphere was restored. Any further reduction will prove more difficult, but it is hoped to reduce it to 28 percent in the first half of 1949. Thereafter the reduction can only be gradual, as non-Western Hemisphere supplies and home production increase. The

practical problems of dollar saving are discussed below.

57. The terms of trade: During the first half of 1948 the terms of trade continued to move against us, and, though in the second half they were approximately stable, the position at the end of the year was distinctly worse than at the beginning. The worsening may be reckoned at about 5 percent. In estimating the balance of payments for the first half of 1949 import and export prices have been assumed to be unchanged. Better crops in 1948 have checked the rise in world food prices, and the recent fall in prices of primary products in the United States suggests that a turning point has perhaps been reached in the progressive worsening of our terms of trade which has gone on for the last 3 years. On the other hand competition in export markets is increasing and there is no sign of any lasting slackening of demand for the primary products we import. These price assumptions bring a considerable uncertainty into forecasts of the balance of payments: for example, a movement of only 5 percent in the terms of trade would change the balance on current account by some £100,000,000 in a year.

58. Invisible payments and receipts: The invisible balance has usually proved much less stable and predictable than the visible balance, since it is the result of a number of large and very variable transactions. Table 13 shows the movements of the main items in recent periods, and also a forecast for the first half of 1949. During 1948 the invisibles were notably better, giving a surplus over the year of £98,000,000 as compared with a deficit of £189,000,000 in 1947. Receipts from intergovernment settlements and disposals of war stores were again large, though less than in 1947. A big reduction in such receipts is expected in the first half of 1949 (apart from the special Indian transaction). For this reason, the surplus on invisible account is less than the figure in the previous half-year. But travel expenditure abroad will show some seasonal decline, net shipping income is expected to rise further, and higher income from miscellaneous sources, including the earnings of oil companies, can be looked for.

59. The balance of payments on current account: If the various estimates of exports, imports, and invisibles are put together we arrive at a statement of the balance of payments on current account. This is shown in table 14. Compared with a surplus provisionally estimated at £30,000,000 in the second half of 1948, the balance in the first half of 1949 is forecast as a deficit of £15,000,000. In a field so fraught with uncertainties little significance can be attached to small variations. The outstanding fact is that, despite the assumption of a considerable increase in imports, our payments are expected to remain approximately in balance.[1]

60. How far this tendency toward general balance will persist after the middle of this year cannot yet be firmly established. The provisional estimate for 1949–50 published in December, but prepared in September, envisaged a deficit in 1949–50 of £200,000,000; the actual development will depend largely upon the availability of essential supplies from nondollar sources, and upon the continued success of the export drive. To reach and maintain a general balance in our overseas payments is one of the major long-term objectives of Government policy. The approximate balance which is now forecast for 1948–49 is partly the result of a number of exceptional circumstances, though it represents in itself a very considerable achievement. It shows that we are sending as much in goods and services out of the country as we are bringing in; but it does not in present circumstances represent a financial equilibrium since it conceals a large and continuing dollar deficit. More significant, therefore, than the course of the total balance, is the progress made towards a solution of the critical parts of the balance of payments problem, in particular the dollar deficit. For purposes of the national income calculations in this survey, it is assumed that, in 1949 as a whole, the state of general balance continues, but this clearly carries no implication about the course of the dollar deficit.

61. The present general balance conceals a varied and complex pattern of financial relationships. With some countries, particularly the Western Hemisphere but also in the Middle East, we continue to be heavily in deficit. With others, including some of our partners in OEEC and a number of countries in the rest of the sterling area, we continue to have a large surplus. But as long as the nondollar world remains critically short of dollars, it is not possible for us in general to earn from the countries with which we have surpluses the dollars which we need to finance our dollar deficit.

62. At present these surpluses are inevitable. Part of them results from the aid which we are granting other OEEC countries under the Intra-European Payments Agreement. This enables them to buy more of the essential goods they need from the United Kingdom and the rest of the sterling area than they can at present send in return. Part represents the investment which we are making in the colonies and other parts of the commonwealth. This is an indispensable element in the program for developing new sources of supply upon which our ultimate hope of solving the dollar problem is largely based. Part of them serves directly to strengthen our financial position with countries which hold balances of sterling, making it less likely that in future they will be able to draw gold or dollars from us; indeed the significant improvement which has taken place in the position of sterling in the world's financial centers has been one of the most striking developments of the last year.

TABLE 11.—*Volume of retained imports in main groups of commodities*[1]

[Volume indices, 1938=100]

	1947	1948		1949, January to June forecast
		January to June	July to December	
Food and feeding stuffs	75	78	76	79
Raw materials	82	81	83	90
Petroleum	102	125	137	121
Other imports	63	64	79	62
Total	77	81	81	83

[1] The figures are based on a revaluation of actual or programed imports at the average c. i. f. values of imports in 1938.

TABLE 12.—*Distribution of total payments for imports by sources*[1]

[Percentages]

	1938	1947	1948		1949, January to June forecast
			January to June	July to December provisional	
Western Hemisphere	32	46	33	32	28
Sterling area[2]	31	33	38	37	38
OEEC countries	23	15	17	19	21
Other countries	14	6	12	12	13
Total	100	100	100	100	100

[1] The percentages for 1947, 1948, and first half of 1949 relate to f. o. b. payments. The 1938 percentages relate to c. i. f. values of imports from the trade and navigation accounts.

[2] Approximate figures for the colonies only are: 1938, 6; 1947, 9; 1948, 11.

[1] This latest appreciation of our position for 1948–49 is much more favorable than the estimate of a deficit of £362,000,000 published in Cmd. 7572 in December. The latter estimate was based on the data available in June 1948; and, as well as being put forward before information on the significant changes in invisible items was available, assumed that we would be able to obtain much greater supplies from the nondollar world than we did; and that we should have paid somewhat higher prices than those which in the event ruled in the second half of 1948. It also underestimated the increase in exports which has since taken place. For further details of all the balance of payments figures now given see Cmd. 7648 H. M. S. O. Price 3d.

TABLE 13.—*Invisible payments and receipts*

[Million pounds]

	1938	1947	1948		1949, January to June forecast
			January to June	July to December provisional	
PAYMENTS					
GOVERNMENT OVERSEAS EXPENDITURE					
(a) Military	-----	197	64	50	[1] 117
(b) Relief and rehabilitation	-----	58	13	2	6
(c) Germany	-----	80	12	11	7
(d) Administrative, diplomatic, etc	-----	37	22	19	21
(e) War disposals and settlements	-----	−121	−28	−[2] 59	−[3] 65
(f) Other government (net)	-----	−44	−1	4	10
Total (net)	16	207	82	27	96
Shipping	80	181	94	96	98
Interest, profits, and dividends	30	106	56	56	56
Films (net)	7	14	7	3	2
Travel	40	80	27	43	30
Total payments	173	588	266	225	282
RECEIPTS					
Shipping	100	205	123	127	134
Interest, profits, and dividends	205	153	78	84	81
Travel	28	21	15	20	17
Other (net)	72	20	66	76	85
Total receipts	405	399	282	307	317
Surplus (+) or deficit (−)	+232	−189	+16	+82	+35

[1] Includes £55,000,000 paid under Indian settlement.

[2] Includes £45,000,000 received under Indian settlement.

[3] Includes £55,000,000 received under Indian settlement.

TABLE 14.—*Balance of payments on current account with all areas*

[Million pounds]

	1938	1947	1948		1949, January to June forecast
			January to June	July to December provisional	
PAYMENTS					
IMPORTS (F. O. B.)					
(a) Food and feedingstuffs	-----	719	421	390	426
(b) Animals and seeds	-----	26	11	14	10
(c) Raw materials	-----	517	303	311	392
(d) Tobacco	-----	30	18	21	2
(e) Petroleum	-----	78	62	61	54

TABLE 14.—*Balance of payments on current account with all areas*—Continued

[Million pounds]

	1938	1947	1948		1949, January to June forecast
			January to June	July to December provisional	
PAYMENTS—Con.					
IMPORTS (F. O. B.)—continued					
(f) Machinery and vehicles	-----	87	29	23	21
(g) Other imports	-----	84	52	52	55
Total	835	1,541	896	872	960
RECEIPTS					
Exports and reexports (f. o. b.)	533	1,100	730	820	910
Invisibles (net)	+232	−189	+16	+82	+35
Surplus (+) or deficit (−) on current account	−70	−630	−150	+30	−15

63. Table 15 sets out the course of our balance of payments with the main areas of the world during the past 2 years and a forecast for the first half of 1949. Such forecasts are inevitably more liable to error than the estimates of the balance of payments as a whole.

64. The deficit with the Western Hemisphere was reduced during 1948 from £200,000,000 in the first half to £140,000,000 in the second. The forecast deficit for the first half of 1949 is £115,000,000. There is thus a steady improvement in this all-important part of the balance of payments, thanks both to some decline in imports and a rise in receipts from exports.

65. The surplus with the sterling area rose considerably during 1948, but much of the total of £160,000,000 in the second half of the year was accounted for by an exceptional receipt of £45,000,000 under the terms of the Indian settlement. Some fall is expected during the first half of 1949. With the OEEC countries the balance was favorable during the whole of 1948. In 1949 our import program allows for an increase in the level of imports from western Europe greater than the prospective increase in exports. But bigger receipts from invisibles are expected and the surplus may not be much lower.

66. The remaining areas of the world are grouped together in the last section of table 15. The most important regions concerned are the Middle East and eastern Europe. The United Kingdom had a deficit on current account with these areas during 1948, and this may increase during 1949. A difficult payments problem is involved here, but the deficit should largely be met through multilateral payments with the sterling area and other countries.

67. The division of the total balance into separate balances with four main areas of the world gives only a rough indication of the gold and dollar or hard-currency problem. There are some countries in the Western Hemisphere with whom we do not settle our trade balances in gold or dollars and which are not hard. On the other hand there are countries in Europe and elsewhere with whom such gold and dollar settlements may have to be made because they tend to accumulate more sterling than they require. It is above all the object of our bilateral negotiations to avoid such gold and dollar payments. We cannot do this merely by influencing the course of trade with the United Kingdom alone; a country's sterling position is largely affected by its balance of payments with the rest of the sterling area and by transfers of sterling between it and other nonsterling countries. Further encouragement to this multilateral use of sterling has, therefore, an important part to play in solving these difficult problems.

68. The overseas capital account and gold and dollar deficit: Table 16 sets out the main elements in the capital account of the United Kingdom. First in importance is the net gold and dollar deficit. This is the sum of the United Kingdom's own deficit with the dollar countries, the corresponding deficit of the rest of the sterling area, and the net gold and dollar payments made by the whole sterling area to nondollar countries. In the second half of 1948, this deficit, which falls as a charge on the central reserves, was reduced to £169,000,000 from a figure of £254,000,000 in the first half-year. Most notable was the reduction in the United Kingdom's own deficit with the dollar area, which fell from £186,000,000 to £125,000,000. Not much change is forecast in the first half of 1949. After the immense improvement recorded by the rest of the sterling area since 1947, an improvement to which the increasing dollar surplus of the colonial territories contributed very materially, a small increase in the dollar deficit of the rest of the sterling area is to be expected in the first half of this year. Large payments to nondollar countries are also likely to continue. This underlines the difficulty of achieving a balance in the sterling area's relations with certain nondollar countries, such as Belgium, Switzerland, and Persia.

TABLE 15.—*Balance of payments on current account by areas*

[Million pounds]

	1947	1948		1949, January to June forecast
		January to June	July to December provisional	
Western Hemisphere:				
Imports (f. o. b.)	717	293	276	270
Exports and reexports (f. o. b.)	173	119	145	160
Invisibles (net)	−111	−26	−9	−5
Surplus or deficit	−655	−200	−140	−115
Sterling area:				
Imports (f. o. b.)	504	337	323	360
Exports and reexports (f. o. b.)	562	350	392	435
Invisibles (net)	−3	+52	+91	+55
Surplus or deficit	+55	+65	+160	+130
OEEC countries:				
Imports (f. o. b.)	233	156	167	202
Exports and reexports (f. o. b.)	268	180	200	220
Invisibles (net)	−60	+11	+12	+17
Surplus or deficit	−25	+35	+45	+35
Other countries:				
Imports (f. o. b.)	87	110	106	128
Exports and reexports (f. o. b.)	97	81	83	95
Invisibles (net)	−15	−21	−12	−32
Surplus or deficit	−5	−50	−35	−65
Total:				
Imports (f. o. b.)	1,541	896	872	960
Exports and Reexports (f. o. b.)	1,100	730	820	910
Invisibles (net)	−189	+16	+82	+35
Surplus or deficit	−630	−150	+30	−15

69. From the start of ERP the Government has been working on the principle that the reserves should be maintained throughout the ERP period at their level at the beginning of the period (3d of April 1948) and thus that dollar outgoings should be limited to dollar income plus external aid. The amount of aid allocated to us in the first quarter of ERP (the second quarter of 1948) was roughly equal to our gold and dollar deficit in that quarter. Despite the probable increase in the total gold and dollar deficit which has been forecast for the first half of 1949, it seems that our dollar requirements during the year 1948–49 are likely to be roughly covered by ERP aid allocated to us for that year (provisionally £313,000,000), by drawings on the Canadian credit, which we have now been permitted to resume by the generous action of the Canadian Government, and by the dollar finance available to other sterling-area countries.

70. Table 17 shows how the gold and dollar deficit has been met since 1947. It brings out clearly the increasingly important part played by ERP aid in 1948. Because of uncertainty about the rate at which the European Cooperation Administration of the United States can be expected to reimburse expenditure we have already incurred, it is impossible to forecast exactly how the deficit will be met in the first half of the year, and the precise change that will take place on the level of our gold and dollar holdings. At the end of 1948 these stood at £457,000,000.

71. The level of ERP aid in future: For the year 1949–50, estimates were tabled at the OEEC (Cmd. 7572) which showed that on certain assumptions we should be able to carry out our programs with ERP aid of $940,000,000, compared with $1,263,000,000 in 1948–49. At the present time the United States Congress is considering the size of the appropriation to the OEEC countries as a whole for 1949–50, and when the legislation has been enacted the sum appropriated will need to be divided among the participating countries. We are framing our buying policies on the assumption that we receive aid of not less than $940,000,000, but until a decision is reached we cannot be certain that we shall be able to implement these policies. Clearly, the levels of consumption or employment in the immediate future cannot be foreseen exactly until the scale of future American aid is known.

72. It is not possible to make precise forecasts of the other transactions on capital account shown in table 16. The movement of our sterling liabilities to nonsterling area countries, for example, depends on many circumstances. Not only the balance of payments of the United Kingdom with them is involved, but also the balance of other members of the sterling area, and the extent to which nonsterling area countries are likely to continue to repatriate their overseas debt or to purchase other British-owned overseas assets.

73. Also important is the extent to which OEEC countries will draw on the sterling grants which we have made available to them under the intra-European payments agreement. During the period July 1948 to June 1949 we have agreed to an amount of £72,000,000, while certain countries will be able to draw on their existing sterling balances to the extent of £52,000,000. On the other side, we ourselves have been granted £7,500,000 by Belgium, of which £5,500,000 was used during the last quarter of 1948. It is impossible at present to say whether all the drawing rights will be exercised under the scheme or whether use will be made of all the sterling balances. The existence and the extent of these facilities represent a very substantial

contribution on our part to the cause of European recovery.

TABLE 16.—*United Kingdom balance of payments—Capital account*

[Million pounds]

	1947	1948		1949
		January to June	July to December provisional	January to June forecast
I. Net gold and dollar deficit:				
1. United Kingdom	655	186	125	130
2. Rest of the sterling area	202	17	9	15
3. Whole sterling area: Net gold and dollar payments to non-dollar countries	167	51	35	50
	1,024	254	169	195
II. Net reduction in United Kingdom external capital assets:				
Nonsterling area	−73	57	43	−180
Sterling area	−179	−142	−50	
	−252	−85	−7	
III. Net increase in sterling liabilities:				
Nonsterling area	3	−138	−108	
Sterling area	−145	119	−84	
	−142	−19	−192	
Net overseas disinvestment	630	150	−30	15

TABLE 17.—*The settlement of the gold and dollar deficit*

[Million pounds]

	1947	1948		1949
		January to June	July to December	January to June forecast
Drawings on:				
United States credit	707	74	----	195
Canadian credit	105	13	----	
Drawings on International Monetary Fund:				
By United Kingdom	60	15	----	
By India	------	11	6	
South African gold loan	------	80	----	
Receipts under ERP	------	22	147	
Decrease in gold and dollar holdings	152	39	16	
Total net gold and dollar deficit	1,024	254	169	195

74. If our balance of payments on current account turns out in accordance with the forecast previously given, net capital investment overseas, defined in the broadest sense to include the assistance offered by us under the Intra-European Payments Agreement, as well as capital investment in the sterling area and elsewhere, may be of the order of £180,000,000 during the first half of 1949; that is, somewhat less than in the second half of 1948.

75. The long-term dollar problem: Assuming that in the short run the problem of financing our essential dollar expenditure is solved with United States and Canadian help, the Government can now devote its main efforts to the solution of the long-term dollar problem. The main lines of such a solution were discussed in a general way in the Economic Survey for 1948 (par. 67 to 81) and in more detail in the long-term program submitted to OEEC (Cmd. 7572).

76. Five types of specific policy are involved. We must promote home production in appropriate fields to save imports from hard-currency areas. The development of home agricultural and chemicals output is especially important, but these are only two of many programs to which attention is being paid. We must expand exports, including oil sales, to areas where they can earn gold or dollars, and in particular, to North America. We must make further diversions of imports away from areas where gold or dollar payments are necessary. We must, by promoting colonial development, maintain and, if possible, increase the now substantial dollar surplus earned by the colonies. We must, lastly, assist the countries of the sterling area to effect continued economies in their dollar imports and further expansion in their dollar exports. Some of the practical issues raised by the policies of increasing dollar exports, and of diverting imports, deserve further description in this survey.

77. In any consideration of these long-term policies, one point must be emphasized. Our object is not to build up a nondollar world from which dollar goods are to be permanently and increasingly excluded; it is to eliminate our deficit with the dollar world so that we can ultimately get back to a normal pattern of world trade. The restrictions now imposed on dollar imports are painful to our overseas suppliers, and particularly to Canada, whose producers have, in many cases, deliberately adjusted their methods so as to meet our special needs. But these restrictions are not imposed from choice; they are an inescapable consequence of our shortage of dollars. That is why they are being accompanied by measures to intensify our export drive to Canada and the United States of America.

78. Exports to North America: In spite of the efforts of the past 3 years the proportion of total United Kingdom exports at present going to North America is still slightly lower than prewar. While we have established a firm foundation for a further intensification of our export drive in these markets, we must in the next 2 or 3 years greatly increase exports to Canada and the United States if we are to become independent of ERP aid without a reduction in the standard of living. It is, of course, true that in the last 2 years the contribution of exports to alleviating the dollar shortage is not accurately measured by statistics of direct exports to the United States or Canada. Much, for instance, of the textiles sold to Commonwealth countries achieved dollar savings by the sterling area quite as effectively as the textiles exported to North America, since the alternative to imports from this country for the Commonwealth countries was to make their essential purchases of textiles from the United States. From the standpoint of our dollar deficit the two transactions were equally helpful. Nevertheless, an intensive drive to increase our direct dollar earnings is vital.

79. A notable advance in exports to North America has already occurred, and we have also built up promising markets for some manufactures which were not exported to the United States or Canada before the war. The time has now arrived, however, when we can and must intensify our attack on the North American market. National incomes in North America are at unprecedented levels, and the prospects for increased sales of manufactures are very promising. Our task is to produce goods which, through design, quality, and price, will command buyers in a free market, and we certainly cannot rely on securing more favorable conditions for the entry of our goods than exist today.

80. The Government has tried to give practical assistance to manufacturers and exporters anxious to increase their sales to North America. There is now a much keener and more widespread understanding of the paramount importance of the dollar market. In the past there has been some reluctance to enter the American market, particularly because of the risk of rapid changes of demand and because the smaller manufacturers and exporters lacked the resources with which to undertake new ventures there. This reluctance must now be overcome.

81. The Government is resolved to play a full part in the North American export drive, and is developing plans for the reinforcement of practical assistance for exporters.

82. Import diversion: The third of the ways of solving the dollar problem distinguished in paragraph 75—the reduction of imports from dollar sources—demands the encouragement of production in the non-dollar world in order that increasing supplies may be available for export to us. The postwar recovery of primary production in other parts of the world, together with projects for new development in the Colonies and elsewhere, have made progress in 1948, but must be pressed further in 1949.

83. The Government has theretofore welcomed the declaration of the President of the United States that the United States intends to embark on a bold new program for making the benefits of scientific and industrial progress available for the improvement of underdeveloped areas. Important developments of this kind are already going forward within the colonial territories of the Commonwealth. These, besides contributing to the welfare of the Colonial peoples and to the saving of dollars by ourselves, also lead to an expansion of the Colonies' dollar income and to increased nondollar supplies for other countries, particularly those of western Europe.

84. Besides colonial development, plans are being made for expanding primary production in the rest of the Commonwealth, and it is hoped that as part of the program for European recovery there will be a substantial increase in the production of basic commodities for the United Kingdom and other western European countries.

85. The expansion of primary production in the Eastern Hemisphere generally is necessary for the recovery of Europe and to bring about a better economic balance throughout the world. The Government has exerted its influence to stimulate production in various ways. These include direct development work under Government auspices (e. g., the Overseas Food Corp. and the Colonial Development Corp.), long-term contracts guaranteeing a market to primary producers both in other commonwealth countries and in Europe, and the active support of international bodies dealing with economic matters. These measures cannot all be expected to yield results quickly. They cannot in themselves constitute a final solution of our long-term balance of payment difficulties with the dollar area. But they are one essential part of our long-term strategy.

REPAIR AND REMODELING OF THE WHITE HOUSE

Mr. FERGUSON. Mr. President, I rise at this moment to urge that the letter from the President to the Vice President receive the very careful and speedy attention of the Senate toward the end that a commission may be appointed to act in connection with repairs to the White House.

A message came to the Committee on Appropriations asking for an appropriation of $5,400,000. At the time it came, there were no plans and no specifications. The evidence indicated that contracts were about to be let on a cost-plus-fixed-fee basis, without knowledge as to how much the fee would be, and with very little idea as to what the cost would be. In connection with the deficiency bill there was testimony indicating that these repairs are very urgent. I think the testimony was very unsatis-

factory. The evidence showed that there were no specific plans and no specifications.

I hope the Senate and the House will immediately appoint a commission so that at a very early date some details may be obtained and the historic building of the White House may be preserved, and the work may be done on a business-like basis, and at reasonable cost. Originally the Appropriations Committee was asked for a great sum of money, $5,400,000, without benefit of plans and specifications.

The President has evidently discovered that there is need for a commission. There is need for something definite by way of information as to the repair and remodeling of the White House.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. CONNALLY. Does the Senator conclude that the President's message should be observed?

Mr. FERGUSON. Oh, yes. I am urging that we give it immediate attention.

Mr. CONNALLY. There is no reflection on the President. He wants a commission.

Mr. FERGUSON. That is correct.

Mr. CONNALLY. So as to relieve him of the odium, or responsibility, as the case may be, in connection with having this work done.

Mr. FERGUSON. I have said that he has discovered that there is need for a commission to be appointed immediately.

Mr. CONNALLY. I assume that the Committee on Appropriations will, of course, also rigidly inspect whatever is done.

Mr. FERGUSON. Yes. We have attempted to place in the appropriation bill language which would protect the Government in the letting of contracts; but with the evidence which we had before us it was a very difficult task. The Commission will be of great help in this project.

The VICE PRESIDENT. The Chair has referred the President's letter to the Vice President to the Committee on Public Works, which has legislative jurisdiction over the creation of commissions of this sort.

EXTENSION OF EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 1209) to amend the Economic Cooperation Act of 1948.

Mr. WHERRY. Mr. President, I do not wish to detain the Senate long. However, I desire to submit an amendment to the bill, and ask that it lie on the table and be printed.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table.

Mr. WHERRY. Mr. President, this amendment is submitted in a constructive spirit. The purpose of it is to make provision for a special assistant to the Administrator, to act as a liaison with small business.

The amendment is presented in answer to the complaints of businessmen who have sought information about the operation of ECA and opportunity to participate in procurement inspired by the billions of dollars appropriated. We no longer have a legislative small-business committee in the Senate. Whether or not we shall have one will depend upon future events. At the present time many letters are being received, which must be answered. I have done my best as an individual Senator to answer them. Many letters request information about ECA.

As chairman of the former Senate Small Business Committee, I conducted hearings. Also correspondence was exchanged between myself and the Administrator of ECA, in an endeavor to get light on the subject of what services and information would be made available to the large segment of our economy to which we refer as small business.

It was admitted by ECA on June 9, 1948, that no provision had been made for small-business consultation or information. On August 27, 1948, and again on November 24, 1948, I received letters from Administrator Hoffman stating that the matter was under consideration, and that certain steps were planned to assure a better flow of information regarding procurement authorizations. I think some improvement has been made.

I have no information that indicates that those steps have been accomplished; and complaints from smaller businessmen continue to come to me, as I am sure they do to all other Members of the Congress.

But beyond the need for better information on procurement programs and ECA-financed commitments, there are specific requirements under the ECA law in the administration of which the voice of small business should be heard.

Section 102 (a) of the Economic Cooperation Act states:

> That no assistance to the participating countries herein contemplated shall seriously impair the economic stability of the United States.

Section 112 (a) of the act states that—

> The administration shall provide for the procurement in the United States of commodities in such a way as to (1) minimize * * * the impact of such procurement upon the domestic economy.

Who will feel the impact of large ECA commitments more than the smaller-business man?

It is reasonable that he should ask that foreign economic aid, which is being provided by American tax dollars, should result in business opportunity to as broad an area of our economy as possible.

In fact, I am sure that that was the intention when the law was passed. No doubt the administration has attempted to comply with the law so far as possible, but complaints are still being received.

ECA officials have repeatedly stated that ECA is primarily a bookkeeping function for the transfer of funds between the United States and the participating countries, and that procurement of the materials so authorized is a problem for the individual country so benefited and the individual businessmen in this country.

Yet it is inevitable that ECA programs have fostered the development of country-to-country purchasing between foreign nations or purchasing missions and the United States Government—or a relatively few producing or distributing firms in this country—to the disadvantage of independent business both in the foreign country and in the United States.

That was brought out rather forcefully this afternoon in my inquiry of the Senator from Indiana [Mr. CAPEHART] relative to statement about the cotton purchases from one firm.

I wish to say that in asking that question I intended no reflection at all upon the firm which did the business, because I asked the question only in regard to whether smaller firms had received any consideration in connection with those allotments. I wish the RECORD to show clearly that so far as I am concerned, I intended no reflection upon the particular firm which got the business; because, after all, it is in the business of selling cotton; and if the business had not gone to that firm, it might have gone to some other big business. What I was interested in was in inquiring whether the business could have been distributed among some smaller firms in the cotton business.

Mr. President, it is apparent that disadvantages to smaller, independent business are inherent in any Government-financed program involving such huge expenditures. For this reason, and this is my only purpose in this matter, I urge that a special assistant to the ECA Administrator be appointed—the Administrator would be able to choose his own assistant, of course—to be responsible for watching these developments and for formulating positive action to benefit smaller business. Such a special assistant would be a liaison officer between ECA and small-business men in the United States. I believe his function could be coordinated with and related to the responsibilities of other government agencies which participate or advise in the ECA program.

Mr. President, before I yield to the distinguished Senator from Texas, I should like to say that this amendment is offered constructively in the hope that it will help legislatively to show the businessmen of the United States that, so far as the Senate and House of Representatives are concerned, they will be glad to have ECA cooperate with small business in supplying information when it is requested.

Now I shall be glad to yield to the Senator from Texas.

Mr. CONNALLY. Mr. President, I do not wish to be hampered by being confined to asking questions.

Mr. WHERRY. I thought the Senator from Texas wished to ask me to yield for a question.

Mr. CONNALLY. I did sometime ago, but the Senator from Nebraska has covered the subject rather thoroughly.

However, I should like to ask the Senator this question: He has referred to one particular firm in the cotton business——

Mr. WHERRY. If the Senator from Texas will pardon me, let me say that matter was brought up by the distinguished Senator from Indiana [Mr.

CAPEHART]. When he brought it up, he mentioned that ECA had purchased $800,000,000 worth of cotton. That point interested me, because a few minutes before that I had been told—and I thought the information was correct—that ECA does no purchasing, but is simply a lending agency. So I made that point on the floor of the Senate. I realize that ECA simply makes loans to the firms which furnish the goods; and I suppose it would be impractical for ECA to locate small business firms in all such cases. I referred to the statement that one firm had sold $800,000,000 worth of cotton, and I used it as an example.

Mr. CONNALLY. I further assume that the Senator from Nebraska did not know that I have received from that company complaints that it had large stocks of cotton in Europe before the war, and that those stocks of cotton were caught there during the war, but ECA would not buy any of them, but insisted upon shipping other cotton to Europe. So that firm was having its difficulties.

I should like to know whether the Senator from Nebraska is aware of the fact that for the last 2 weeks of September 1948, Anderson, Clayton & Co., handled 10.06 percent of the total cotton shipments.

Mr. WHERRY. I think the Senator's point was fairly well covered by the statements which were made in connection with the previous statement by the Senator from Indiana.

Mr. CONNALLY. I did not hear them.

Mr. WHERRY. When the Senator from Indiana observed that ECA had purchased a large amount of cotton in the United States, I arose to correct the RECORD in that respect, because I knew that ECA does not make purchases, or at least does not make most of the purchases, but operates in the capacity of a banker, in that it does the financing in this country for those materials.

But after the matter was brought to the attention of the Senator from Indiana, I referred to Anderson, Clayton & Co., by way of illustration. I realize that it is one of the largest cotton brokers in the world. I understand that the Senator from Michigan [Mr. VANDENBERG] then said that the amount of cotton sold by that firm's representatives was not above the average for that firm in the years prior to the war. So obviously there is nothing unusual in that situation.

Mr. CONNALLY. Mr. President, will the Senator further yield?

Mr. WHERRY. I yield.

Mr. CONNALLY. Did the Senator from Nebraska know that for the last 2 weeks of December 1948, the cotton shipments made by Anderson, Clayton & Co. averaged 11.85 percent of the total cotton shipments?

Mr. WHERRY. No.

Mr. President, I shall be glad to yield further, if there is anything else the Senator from Texas wishes to place in the RECORD.

Mr. CONNALLY. Of course, I hold no brief for Anderson, Clayton & Co.

Mr. WHERRY. I understand that.

Mr. CONNALLY. But that firm has large stocks of cotton all over the world; and in Italy especially it has done a large business. However, that business was cut off; ECA would not purchase the cotton that firm had abroad, but ECA wished to purchase cotton here in the United States. The result has been that that firm has had very serious difficulties along that line, and, of course, it wished to straighten them out.

Mr. WHERRY. Mr. President, does the Senator from Texas know of any small business brokers in cotton who have received business under financing from the ECA?

Mr. CONNALLY. I cannot answer the Senator. He realizes, I am sure, that ECA does not make these purchases.

Mr. WHERRY. Yes; I understand that.

Mr. CONNALLY. We are trying to preserve the normal operations. The foreign concerns have their regular purchasing agents and their regular customers in the United States; and when they make their purchases or business arrangements, it is the business of ECA to finance them.

Let me say that only today—and not knowing that the Senator from Nebraska was going to submit his amendment—I took up with ECA the matter of small business. Of course, we want small business to get its share. But the Senator from Nebraska can understand how difficult it is for a very small concern to transact business 3,000 miles across the sea.

Mr. WHERRY. Of course.

Mr. CONNALLY. Especially in view of the fact that ECA does not make these purchases.

Mr. WHERRY. Mr. President, the distinguished Senator from Texas has made my argument for me. It is because of that difficulty that I have submitted the amendment.

By the way, I submitted the amendment to the distinguished Senator's administrative assistant and to other Senators who are interested, hoping that they would accept it. I cannot see anything wrong with it. If the Senator from Texas will examine it between now and Monday, I think he will find that he will accept it, because I think both of us are attempting to do what is suggested in the amendment. Of course I wish to help the small-business man if I can do so, just as I have been attempting to do all along in connection with the Special Committee on Small Business. We realize that it is difficult for the small-business men to know just what agency to write to or go to in connection with these matters.

I feel that if an assistant to the ECA Administrator were to help, together with the Department of Commerce, to institute some sort of system for the benefit of small-business men, so as to provide them with assistance other than the information issued by the Census Bureau and the Department of Commerce in 30 or 40 cities—which is about all the help that small business is now receiving in this connection—such further assistance would be of great help to small business.

Mr. CONNALLY. Mr. President, will the Senator yield at that point?

Mr. WHERRY. I yield.

Mr. CONNALLY. Did the Senator from Nebraska know that the Senator from Texas, without reference to the anxiety of the Senator from Nebraska in this matter, had taken up with ECA the necessity for supplying an increased amount of information to small business, so that small-business firms could obtain, either by letter, by telegram, or by personal conferences, all the information that is available?

Mr. WHERRY. In answer to the distinguished Senator's question, let me say I did not know that. But regardless of that, I wish to commend the Senator from Texas for doing it.

Mr. CONNALLY. I thank the Senator.

Mr. WHERRY. I think it is a proper course to proceed upon.

Mr. President, I did not intend to offer any amendments to this bill. Certainly I do not wish to be in the position of offering crippling amendments to a bill which has been worked on by the Foreign Relations Committee. If this bill is what the committee feels it should be, no doubt the committee has the evidence to support that view.

But since looking at page 8 of the bill and interpreting subsection (i) (1), beginning in line 10, and then upon referring to the report to find what the justification is, I wish to suggest to the distinguished Senator from Texas that I feel that the language there goes entirely too far, unless I misinterpret it. I would not object at all to having the Administrator "to the greatest extent practicable, without detriment to the European recovery program, initiate projects for and assist the appropriate agencies of the United States Government in procuring and stimulating increased production in participating countries of materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources."

I think that is sound. I think it is within the meaning of the report. But I respectfully call to the attention of the distinguished Senator from Texas the fact that when the lines I would take out are read into it, it results in the ECA doing what? It shall "initiate projects for and assist the appropriate agencies of the United States Government in procuring and stimulating increased production in participating countries of materials which are required by the United States as a result of deficiencies or potential deficiencies." I respectfully call the attention of the Senator from Texas to that language. I do not want to detain the Senator now, unless the Senate desires to continue in session. Perhaps it might go over until Monday morning. In that event, I ask the Senator to give serious consideration to the suggested amendment, which I believe will take care of that.

Mr. CONNALLY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Texas?

Mr. WHERRY. I yield.

Mr. CONNALLY. I can say to the Senator the language was embodied in the bill because of the desire of the United States Government to secure many of the rare commodities, such as

manganese and chrome. If in order to obtain them, it is necessary for the United States to initiate a project, it is wholly within the scope of the Act. It is also in the national interest that it be done.

Mr. WHERRY. Mr. President, I thank the Senator for his answer, but if that is to be the answer, I am satisfied that even though such be the intent, and I respect the sincerity of the Senator, yet I am sure if he will study the provision it will be seen to provide for a stimulation of the production and refinement of oil and the production of many other materials that I think the Senator himself would not want to see developed in the participating countries, to be brought into competition with the products of American industry.

Mr. CONNALLY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Texas?

Mr. WHERRY. I yield.

Mr. CONNALLY. There is no need of stimulation. The oil industry is sufficiently scientific, sufficiently interested, and sufficiently virile to do all these things without any stimulation on the part of the Government.

Mr. WHERRY. Mr. President, I had already been told about part of the ECA money being set aside for that purpose. I heard of it in connection with the Saudi Arabia pipe line. I do not know whether it is true or not. I had not had an opportunity to study the alleged information that came to me, but I am satisfied the purpose of the language is to assist oil companies to get into the business of producing and refining oil, and that it puts the Government on a basis of world-wide participation in such projects. Certainly that is not the intent of the law. I hope the distinguished Senator will think it over during the week end and correct the language himself. I shall study it further myself. Perhaps I am wrong. But I wanted to bring it to the attention of the Senator from Texas tonight.

The VICE PRESIDENT. Is the Senator from Nebraska offering the amendment?

Mr. WHERRY. Not at this time, but I intend to offer it Monday if the chairman of the committee does not agree with me.

The VICE PRESIDENT. It will be printed in the RECORD, then, for the information of the Senate.

Mr. WHERRY. That is correct.

Mr. WHERRY's amendment is as follows:

On page 1, line 7, after "SEC. 2." insert "(a)" and after line 10 insert the following:

"(b) Section 104 of such act is amended by adding at the end thereof a new subsection as follows:

"'(g) There shall be in the Administration a Special Assistant to the Administrator in Charge of Small Business Liaison who shall be appointed by the Administrator. It shall be the duty of such Special Assistant to formulate methods whereby American small business will be assured equitable participation insofar as practicable in the furnishing of commodities and services for procurement with funds appropriated pursuant to this act. Such Special Assistant shall receive his instructions from the Administrator and shall report to the Administrator quarterly on the performance of the duties assigned to him.'"

RECESS TO MONDAY

Mr. LUCAS. I move that the Senate take a recess until Monday noon.

The motion was agreed to; and (at 6 o'clock and 43 minutes p. m.) the Senate took a recess until Monday, March 28, 1949, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 25 (legislative day of March 18), 1949:

UNITED STATES ATTORNEY

Warren G. Moore, of Texas, to be United States attorney for the eastern district of Texas, vice Steve M. King, term expired.

IN THE NAVY

Rear Adm. John W. Reeves, Jr., United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving under a designation in accordance with section 413 of the Officer Personnel Act of 1947.

WITHDRAWAL

Executive nomination withdrawn from the Senate March 25 (legislative day of March 18), 1949:

SUPERINTENDENT OF THE UNITED STATES ASSAY OFFICE

Dr. Charles L. Singer, to be Superintendent of the United States Assay Office at New York, N. Y.

HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 25, 1949

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D. offered the following prayer:

Gracious God, do Thou dignify and bless our fellowship one with another. Thou alone knowest what is best; do Thou help us and guide us, not according to our judgment, but according to Thy infinite wisdom and goodness.

As we are individuals, made in Thine image, endowed with powers of discretion and choice, we pray Thee to harmonize us into the spirit of patriotic duty which we owe to all our people. Give us directive force this day, gathered together in unity, in common desire, and in common labors for the welfare of our land and for the honor of its great name. Hear us, O Lord, in this our petition. Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on March 24, 1949, the President approved and signed a bill of the House of the following title:

H. R. 2485. An act to authorize the attendance of the United States Marine Band at the eighty-third and final national encampment of the Grand Army of the Republic to be held in Indianapolis, Ind., August 28 to September 1, 1949.

EXEMPTING FROM IMPORT TAX COPPER AND COPPER-BEARING ORE

Mr. MILLS. Mr. Speaker, I call up the conference report on the bill (H. R. 2313) to suspend certain import taxes on copper, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2313) to suspend certain import taxes on copper, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "and other than composition metal provided for in paragraph 1657 of the Tariff Act of 1930, as amended, which is suitable both in its composition and shape, without further refining or alloying, for processing into castings, not including as castings ingots or similar cast forms", and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "June 30, 1950"; and in line 8 of the House engrossed bill strike out "March 31,"; and the Senate agree to the same.

R. L. DOUGHTON,
JERE COOPER,
WILBUR D. MILLS,
DANIEL A. REED,
ROY O. WOODRUFF,
Managers on the Part of the House.
WALTER F. GEORGE,
TOM CONNALLY,
E. D. MILLIKIN,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2313) to suspend certain import taxes on copper, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: The Senate amendment provided that the import tax imposed under section 3425 of the Internal Revenue Code will not be suspended in the case of composition metal provided for in paragraph 1657 of the Tariff Act of 1930, as amended, which is suitable both in its composition and shape, without further refining or alloying, for processing into castings.

The House recedes with a clarifying amendment. In view of the possibility that forms such as ingots, bars, and slabs are castings,

the amendment agreed to in conference provides that the term "castings" does not include ingots or similar cast forms. Under the conference amendment, composition metal will not be excluded from the suspension of the import tax if such metal is suitable only for processing into ingots, bars, or slabs. However, if the composition metal is suitable for processing, without further refining or alloying, into casting forms such as die castings or castings which are advanced by machining, polishing, or other processing into finished articles, such metal is excluded, under the conference amendment, from the suspension of the tax even though the metal is also suitable for casting into ingots, bars, or slabs.

Amendment No. 2: Existing law provides for the suspension until the close of March 31, 1949, of the import tax imposed on certain copper articles under section 3425 of the Internal Revenue Code. The House bill provided that the suspension of such import tax shall continue for a 2-year period ending with the close of March 31, 1951. The Senate amendment provided that the period of suspension shall continue for 1 year, ending March 31, 1950. The House recedes with an amendment providing for a 15-month period of extension which ends with the close of June 30, 1950.

R. L. DOUGHTON,
JERE COOPER,
WILBUR D. MILLS,
DANIEL A. REED,
ROY O. WOODRUFF,
Managers on the Part of the House.

The SPEAKER pro tempore. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

ANNUAL REPORT OF THE GOVERNOR OF THE PANAMA CANAL—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Merchant Marine and Fisheries and ordered to be printed:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, the Annual Report of the Governor of the Panama Canal for the fiscal year ended June 30, 1948.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 25, 1949.*

EXTENSION OF REMARKS

Mr. MASON asked and was given permission to extend his remarks in the RECORD on the subject Republican Party Policy Versus Republican Party Principle, and include an article taken from the Reader's Digest bearing on the same subject.

Mr. LANE asked and was given permission to extend his remarks in the Appendix of the RECORD and include a very interesting editorial appearing in the Daily Evening Item of Lynn, Mass.

Mr. TOLLEFSON asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. HILL asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article from the editorial page of the Christian Science Monitor, written by a former Governor of California.

Mr. ELSTON asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Cincinnati Enquirer.

Mr. JONES of Alabama asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from Southern Agriculture for the month of April.

Mr. BLAND asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial by Louis Ludlow on the American merchant marine.

PERMISSION TO ADDRESS THE HOUSE

Mr. BEALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

[Mr. BEALL addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. ANDERSON of California asked and was given permission to extend his remarks in the Appendix of the RECORD and include two communications.

PERMISSION TO ADDRESS THE HOUSE

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include a newspaper article.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

[Mr. ANDERSON of California addressed the House. His remarks appear in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. SHAFER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[Mr. SHAFER addressed the House. His remarks appear in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. FARRINGTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the Delegate from Hawaii?

There was no objection.

[Mr. FARRINGTON addressed the House. His remarks appear in the Appendix.]

THE MARSHALL PLAN

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. MILLER of Nebraska. Mr. Speaker, next week we will have before this House a request for more than $5,000,000,000 to implement the Marshall plan for another year. I am concerned about the reply made by Hugh Wilson, a member of the British Cabinet, when he was asked in Commons concerning the policy of the Government with regard to trade agreements with Russia, Bulgaria, Rumania, and Hungary in view of the repeated breaches of peace treaties committed by all of these powers. News dispatches of yesterday quoted him as saying:

> The Government is guided in its trade relations with these countries by considerations of economic advantage and cannot make it a rule that trade agreements with these countries shall be subject to the settlement of political questions.

I would like to have someone on the Foreign Affairs Committee answer these questions:

First. What trade agreements does Great Britain have with Russia and her satellite powers behind the iron curtain?

Second. Is she, at this time, supplying Russia, with locomotives, steel, and other items she is producing with the help of Marshall-plan funds?

Third. Does she have a trade agreement with Poland, under which she is supplying that country with copper?

Fourth. Is it true that a new trade agreement is being worked out between England and France on the one side and several countries behind the iron curtain on the other?

In hearings before the other body it was stated that 109 different manufacturers appeared before the committee asking to be permitted to supply everything from aloes to zippers under the Marshall plan. Press reports credit the chairman of the committee as stating:

> There will be a fight if the demands of the home folks are not recognized.

Does this mean that the Marshall plan is to become a gravy train to stave off depression in the United States? Does it mean that the appropriation must be increased and that gravy must be ladled out or the plan is in danger?

I should like to ask the chairman of the committee, what, in his opinion, would happen to business in the United States if there were no Marshall plan—if there were no outlet for the products we are now supplying. Since Great Britain, France, and the other countries of Europe in the Marshall plan have about recovered prewar production and will soon be producing more steel than they need and more of everything we have been supplying them, I should like to ask if they will not then come into competition with the very businesses in this country which have helped them recover? What, under our reduced tariff, will that do to the economy of the United States?

The newspaper clipping I mentioned above reads as follows:

MARSHALL-PLAN FUNDS EYED FOR ALPS TUNNEL

PARIS.—French and Italian interests, planning to construct a vehicular and railway tunnel beneath Mont Blanc to connect France and Italy by a direct route, expect to obtain Marshall-plan funds for the project.

The 50-year scheme to bore a tube beneath the Alps thus far has never found the capital for the undertaking.

However, now that the United States is preparing to join the North Atlantic military alliance, it is believed that Washington will consent to allocate Marshall-plan credits for construction to provide speedy, bombproof communication between France, Switzerland, and Italy.

Will some member of the committee tell us if Marshall-plan funds will be used for this purpose?

FREE SPEECH

Mr. KEATING. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Speaker, one trained in the law and accustomed to the judicial process is naturally inclined to be particularly zealous, sometimes perhaps too much so, in guarding freedom of speech. This, however, can be carried too far.

The State Department has seen fit to grant 23 visas to Communists from Russia and its satellites to come to this country to attend what is called a cultural and scientific conference for world peace, about to open in New York City under the chairmanship of a Harvard professor, Harlow Shapley, who has been affiliated with a host of Communist-front organizations in this country.

The explanation given for this singular action is that the Department is seeking to preserve freedom of speech.

Let there be no mistake about it. These visitors to our shores are not interested in culture or in science or in world peace or in free speech. They have come here for the single purpose of an ideological invasion in the cold war now relentlessly waged by the totalitarian powers against this Nation and her democratic friends. To top this muddled thinking with inconsistency, the Department has refused visas to some French and British Communists on some kind of a theory that in the case of Russia and her satellites these representatives were speaking for their respective countries, whereas in the other cases they were traveling on their own, not as spokesmen for the nations they represented.

True, these apologists for Russia are not likely to convince any large number of Americans that communism is preferable to the social, political, and economic system which we enjoy. The argument is made that it is better to let them talk since their exaggerated statements are likely to prove their own undoing. It is even naively suggested that they will have their eyes opened by observing how we live in this country and may be converted to our democratic ideas. Although I do not doubt the sincerity of those who advance this thesis, I think it is pure nonsense.

These are not ordinary Russian citizens. They are international arch conspirators, sent here by the Cominform to contact their opposite numbers in this country, create confusion, plot revolution, spread falsehoods, and do everything they can to injure us. They are part of the hard core, trained and schooled in intrigue, espionage, and propaganda. They will not swerve from their purpose or their objective due to what they may see or hear in this country. They are not that kind. They are not observers. They are disciples.

The last meeting of this gathering which they are to address took place in Breslau. It turned out to be simply a sounding board for Communist propaganda. We knew that when we granted these visas. Nor was it done by our consuls in the field. It was a decision reached by the highest levels in Washington.

The one-sided character of this front organization and its determination that only a single viewpoint shall be presented is evidenced by its refusal to permit Dr. Sidney Hook, a distinguished and liberal professor of philosophy, to present a paper on the thesis that there are no national truths in science; that there are no such things as class truths or party truths; and that the entire cause of international scientific cooperation and peace has been undermined by the doctrine that there are these national or class, or party truths. Although Dr. Hook's request was sponsored by Dr. Anton J. Carlson, famous physiologist and former president of the American Association of University Professors, Dr. Hook was still denied a hearing.

As Miss Dorothy Thompson puts it:

The upholders of free speech and free scientific inquiry are kicked out by the persecutors of both. * * *

Now that the Department has issued the visas, it owes something to American upholders of free speech, namely, insistence that all sides should be heard—not in a rival conference, but in this one.

EXTENSION OF REMARKS

Mr. HOFFMAN of Michigan asked and was given permission to extend his remarks in the RECORD in two instances and include newspaper articles.

Mr. MURRAY of Wisconsin asked and was given permission to extend his remarks in the RECORD in two instances and include a table and a statement.

VETERANS' LEGISLATION

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, yesterday I voted with the present occupant of the chair to return the pension bill to the Committee on Veterans' Affairs. We have on that committee as its chairman the distinguished gentleman from Mississippi [Mr. RANKIN], the greatest friend the veterans ever had, and also the gentlewoman from Massachusetts [Mrs. ROGERS], who has always been in favor of veterans' legislation. I know of no reason why the administration, which has an overwhelming majority on that committee, if it really means what it says and is a friend of the veterans, cannot bring in a pension bill. I will vote for it.

VETERANS' LEGISLATION

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, on yesterday some perfecting amendments to the veterans' pension bill were adopted; but as a result of the "organized confusion" that was carried on systematically certain Members of the House by a majority of one vote recommitted the bill to the Committee on Veterans' Affairs, of which I am chairman.

At the request of one of the great veterans' organizations, and at the suggestion of other members of the committee, I have today reintroduced that bill carrying those perfecting amendments, reducing the monthly amount to $72, providing for the income limitation, also limiting it to World War I veterans, who have been honorably discharged.

That bill will be before the committee and probably be before the House in a short time. I do not know the temper of the House on this new measure, but I do know that on yesterday, with the exception of the Jacobs amendment, which would have been voted down on a roll call, we had a pretty good bill.

Now Members are saying they want the bill brought back.

All right, we will give you a chance.

The SPEAKER. The time of the gentleman from Mississippi has expired.

CALL OF THE HOUSE

Mr. LARCADE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. RABAUT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 45]

Andersen, H. Carl	Harden	Pfeiffer, William L.
Barrett, Pa.	Heffernan	Philbin
Battle	Hoffman, Ill.	Phillips, Tenn.
Bentsen	James	Powell
Brown, Ohio	Javits	Quinn
Buckley, N. Y.	Kearns	Regan
Bulwinkle	Keefe	Rhodes
Byrne, N. Y.	Kennedy	Ribicoff
Canfield	Keogh	Rich
Cavalcante	Klein	Rogers, Mass.
Celler	Lichtenwalter	Scott, Hardie
Chudoff	Lynch	Scott
Clemente	McGrath	Hugh D., Jr.
Coudert	McSweeney	Smith, Ohio
Davenport	Macy	Somers
Davies, N. Y.	Marcantonio	Stockman
Dawson	Merrow	Thomas, N. J.
Delaney	Morrison	Thompson
Dingell	Morton	Wagner
Dollinger	Moulder	Walsh
Donohue	Multer	Welch, Calif.
Flood	Murphy	Whitaker
Furcolo	Nelson	White, Idaho
Gilmer	Norton	Wilson, Ind.
Granahan	Patterson	Woodhouse
Hall, Leonard W.	Pfeifer, Joseph L.	Woodruff

The SPEAKER pro tempore. On this roll call, 350 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SPECIAL ORDER GRANTED

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore entered, I may be permitted to address the House for 10 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

EXTENSION OF REMARKS

Mr. BUCHANAN asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. HOLIFIELD asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. BRYSON asked and was given permission to extend his remarks in the RECORD and include a statement he made before a Senate committee.

Mr. KELLEY asked and was given permission to extend his remarks in the RECORD and include a magazine article.

Mr. STEFAN asked and was given permission to extend his remarks in the RECORD and include a resolution.

Mr. LODGE asked and was given permission to extend his remarks in the RECORD and include extraneous material.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

CIVIL FUNCTIONS, DEPARTMENT OF THE ARMY, APPROPRIATION BILL, 1950

Mr. KERR. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 3734) making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1950, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 3734, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

Mr. BUCKLEY of Illinois. Mr. Chairman, I offer an amendment.

Mr. COLMER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COLMER. Mr. Chairman, when the Committee rose on yesterday it rose immediately after the consideration of the so-called Rankin amendment concerning the Tombigbee River. I understand it is now in order to consider further amendments to the rivers and harbors section.

The CHAIRMAN. The gentleman is correct.

Mr. COLMER. I have an amendment on the Clerk's desk, and was seeking recognition. I should like to know if the parliamentary situation is such that I will be denied an opportunity to offer that amendment.

The CHAIRMAN. The Chair is advised there are 10 or 12 amendments on the Clerk's desk to this section. The Chair will recognize all Members to offer amendments as promptly as he can.

The Clerk read as follows:

Amendment offered by Mr. BUCKLEY of Illinois: On page 6, line 22, strike out "$176,000,000" and substitute therefor "$181,000,000."

Mr. RABAUT. Mr. Chairman, I reserve a point of order against the amendment.

Mr. BUCKLEY of Illinois. Mr. Chairman, this amendment is offered for the purpose of starting work in 1949 on the Calumet-Sag project.

Mr. SABATH. Mr. Chairman, will the gentleman yield?

Mr. BUCKLEY of Illinois. I yield.

Mr. SABATH. The gentleman from Illinois has another amendment to offer following this, so that the $5,000,000 that you are asking for here would be utilized for the purpose you have in mind, is that correct?

Mr. BUCKLEY of Illinois. That is right.

Mr. SABATH. Does not the gentleman have the other amendment at the Clerk's desk?

Mr. BUCKLEY of Illinois. Yes, the other amendment is at the Clerk's desk.

Mr. SABATH. May I suggest that that amendment should have been read after the amendment that the gentleman offered. I ask unanimous consent, Mr. Chairman, that my colleague's amendment, which is to follow this amendment, be read for the information of the membership, so that we may be informed why the additional $5,000,000 is requested.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment for the information of the committee.

The Clerk read, as follows:

On page 8, line 8, amend line 8 on page 8 by changing the period after the word "department" to a semicolon, and adding thereafter the words *"Provided further,* That of the amount herein appropriated, $5,000,000 shall be available for construction of the Calumet-Sag project, Illinois."

Mr. BUCKLEY of Illinois. Mr. Chairman, I thank the distinguished gentleman from Michigan [Mr. RABAUT] for his graciousness in reserving his point of order until I have had opportunity to speak on the urgent necessity of beginning at once the work on the Calumet-Sag project in the district which I represent.

An appropriation of only $5,000,000 is required to do a work which everyone knows eventually will be done by the Federal Government, but the point which I wish to register is that the appropriation for the job must be included in the 1949 appropriations to prevent a great and unnecessary waste.

The plain fact is that the city of Chicago, county of Cook, State of Illinois, and the sanitary district government are now engaged in a program of extensive public improvements in that area, including a great superhighway. If these public improvements go in before the Federal Government proceeds with the Calumet-Sag project as now laid out, later there will have to be alterations and reconstructions which will run into as much money as the appropriation we are now asking for the work which is immediately necessary.

The Calumet-Sag project, to the extent of $82,000,000, already has had the authorization of the Congress. It has been examined and reexamined as to its feasibility, its possibility for advancing the interest of the vast areas served, and its immeasurable benefits measured by its cost—and the verdict of the Congress has been the approval and the authorization of the entire project.

Of the $82,000,000 authorized, we are now asking an appropriation of but $5,000,000. This will suffice to open up Sag Channel so that vessels can pass coming and going and the present bottleneck can be removed. This bottleneck, confined to a channel only 16 miles long, is tying up transportation from the Great Lakes through 12,000 miles of inland waterways. It is the worst kind of stupidity, by every test of common sense, to permit the bottleneck to remain. I say without any fear of contradiction that there is not in all America a Federal public improvement which is entitled to take priority over the Sag Channel deepening. There is no possible excuse for us if we fail to make the comparatively small appropriation required.

There may be something to the point of order raised—that is, that the present bill does not include an appropriation for construction of this project, only for preliminary study. That I leave to the distinguished chairman, who is so well qualified to pass learnedly upon all parliamentary questions. But, although I am new in this House, I have spent a lifetime in the Calumet region and I know what this improvement means to my friends and neighbors back home and the colossal benefits it will bestow upon our country.

I have appeared before the committee, with my colleagues, the gentlemen from Illinois [Messrs. O'BRIEN, LINEHAN, and O'HARA], urging that the appropriation be made in order that work can start in 1949. I shall continue to do everything that is humanly possible to get action. If it should be ruled that this is not the time and place, then I shall have the satisfaction, at least, of having brought this great and necessary project again to the attention of my colleagues. I shall then look to the Senate side to take up the fight where we have left it here, and hope that from conference will come the appropriation for the immediate deepening of Sag Channel and the smashing of a bottleneck which is costing this country more in a year or two than the entire amount of money required to remove it.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. BUCKLEY of Illinois. I yield.

Mr. STEFAN. Has the Budget approved this item?

Mr. BUCKLEY of Illinois. I do not believe that has been done. I am presenting the matter on its own merits.

Mr. TABER. Mr. Chairman, if the gentleman will yield, the Budget has not approved this item and it is not authorized by law, according to the information

that I have. If you will look at page 245 of the justifications, you will see that.

Mr. SABATH. If I am not mistaken, if the gentleman will yield to me, it has been authorized by law and recommended by the engineers.

Mr. BUCKLEY of Illinois. Yes, it has been authorized by law and recommended by the engineers.

Mr. STEFAN. Has the work been started on this project yet?

Mr. BUCKLEY of Illinois. There has been a certain amount of work done there with the appropriations that the Government has already made.

Mr. STEFAN. Is there some money in this bill to continue that work?

Mr. BUCKLEY of Illinois. Yes, I believe there is.

Mr. STEFAN. But you are seeking to increase the amount, is that right?

Mr. BUCKLEY of Illinois. That is right, sir. We want sufficient to remove the bottleneck and open up transportation into the 12,000 miles of waterways.

Mr. RABAUT. Mr. Chairman, I insist on the point of order. The amount in line 22 on page 6 was amended yesterday in an increased sum of $32,270, and is not subject to further amendment at this time.

The CHAIRMAN. Does the gentleman from Illinois desire to be heard on the point of order?

Mr. SABATH. Mr. Chairman, I do not know whether my colleague is ready to argue the point of order. I am not acquainted with the amendment that was adopted yesterday, and therefore I am not in a position to argue the point of order. I will leave it to the discretion of the fair-minded Chairman.

The CHAIRMAN (Mr. COOPER). The Chair is ready to rule.

The amendment offered by the gentleman from Illinois [Mr. BUCKLEY] seeks to amend an amendment which was adopted yesterday. It therefore is subject to a point of order.

The Chair sustains the point of order.

Mr. COLMER. Mr. Chairman, I offer an amendment which is on the Clerk's desk.

The Clerk read, as follows:

Amendment offered by Mr. COLMER: On page 8, after line 8, insert the following new paragraph:

"Gulfport Harbor, Miss.: For the prosecution of the works of improvement with respect to Gulfport, Miss., harbor and channel heretofore authorized by law (Public Law 858, 80th Cong.), $496,000."

Mr. COLMER. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. KERR. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I yield.

Mr. KERR. Do you state the amount you are asking for is $496?

Mr. COLMER. $496,000.

Mr. Chairman, I ask unanimous censent that the Clerk may again report the amendment.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There being no objection, the Clerk again reported the amendment.

Mr. COLMER. Mr. Chairman, I realize there are many angles, complications and conflicting desires involved in the consideration of this appropriation bill, but I want to make this House a very fair proposition. I ask your indulgence for this proposition and my statement.

If I cannot show this House that it is to the interest of the United States Government and its Treasury to adopt this amendment, then I want you to vote against it. But, on the other hand, if I can show you that it is to the interest of the Treasury of the United States and the taxpayers of this country and the national interest of this country, then I want your vote for it.

First let me say that this project is authorized by law. It was authorized by the last Congress upon a favorable report of the Army engineers. It did not reach the Bureau of the Budget in time to get the approval of the Bureau of the Budget to go into this bill.

I have been before the committee. I have had representatives of the Government, and others, before the committee, and while I am not in a position to testify or to state what happened in the Appropriations Committee or what the individual views of members of that committee are, I make the statement that the committee, in my humble judgment, is convinced that this is a good project and to the interest of the Government. But because it does not have budgetary approval they cannot see their way clear to go along with the amendment.

I should, in fairness, give you a bit of the historical background of the matter, for your information.

The port of Gulfport is located on the beautiful Mississippi Gulf coast with a channel approximately 12 miles long connecting the port with the deep waters of the Gulf of Mexico. The port itself is well over 50 years old. It has been a flourishing port throughout these years. The original channel and the harbor were only about 15 feet deep, but, with the progress of oceanic transportation, the Government has, from time to time, deepened it in order to accommodate the ever increasing larger vessels. At the outbreak of World War II the port had an authorized project of 26 feet. During the war, in order to facilitate the shipment of war materials from its naval depot to the Pacific war theater, the Navy maintained a greater depth of water. In fact, the Navy practically monopolized the use of this harbor and its facilities during the war. Now that the war is over, and normal commerce has been restored, it is necessary that a minimum depth of 30 feet be maintained in order to accommodate the larger vessels, which are the only economically operated vessels today. In fact, may I say to my friends, as I said to the Appropriations Committee, that we all know now that, under modern oceanic transportation equipment, no port can survive with less than 30 feet of water. With less water, it would simply dry up.

But for the purposes of this argument I am going to confine myself to the interests of the Federal Government in this project. I am not going into the general benefits of the project to the people of the city of Gulfport or the State of Mississippi; or to comment upon the large amount of other commerce that is handled through that port through both imports and exports in the normal course of trade, I am appealing to you from the Government's, the taxpayers' angle.

During the war the Government had a great naval depot there for the training of naval personnel and for the shipment of billions of dollars worth of war materials into the Pacific warfare. That great establishment in Gulfport today is lying idle, except that under the Government stock-piling program it is stock-piling over 2,000,000 tons of strategic war material at the Gulfport naval depot.

What is the situation? The Government officials went around and located the most economical place they could store this material. They have—and these are not my figures, these are the Treasury's figures—they have already stock-piled over 150,000 tons of this material there; 140,000 tons is in process of being shipped to this depot for storage, and another million tons will come into that port over the period of the next 2 years at a saving, according to the undisputed testimony, of $2.28 a ton over any other depot in which the material could be stored. What does this mean? It means, Mr. Chairman, that the 140,000 tons on the way there will, because it is shipped there instead of some other place, represent a saving in shipping charges of approximately $300,000.

In this amendment we are asking for $496,000.

The saving on the million tons that will come into that port will be approximately $3,000,000 in the period of the next few years if this amendment is adopted.

I have here a letter from Mr. A. J. Walsh, Assistant Director of Strategic and Critical Materials in the Treasury Department. From it I read the following:

There is afloat and directed to this port 140,000 long tons of this ore. It is anticipated that in accordance with Public Law 520 shipments of this ore will continue to move into the facilities at the Gulfport naval storehouse for the next 2 years.

Listen to this statement from the testimony of Mr. Fred Jordan, general freight agent of the Lykes Steamship Co. This corporation has the contract to move this ore into this depot. I have not time to read at length from Mr. Jordan's statement, but I call attention to this portion of it:

I assure you, gentlemen, that we want our fleet to operate, and every time we start in there we are afraid of what could happen. We have no control over going into the ports, because of the Bureau of Federal Supply tells us under the contracts that we can go into the four ports, but we want to put them in where we can get the greatest saving. But we have told them that the next vessel we have to go aground—we have told the Federal Supply that we will not be able to move into the channel until it is dredged.

What is the situation? At the present time there is 26 feet of water in this channel. This project would deepen it to 30 feet and they could move their vessels drawing 30 feet of water into that

port. This would save the taxpayers of this country in excess of $2,000,000 on that item alone. The present standard channel depth of most ports is 30 feet of water. I am talking about the Government's interest in this matter. This is purely a business proposition. That is all it is. If the Members of this House were directors of a business corporation here this morning instead of the House of Representatives or the Congress of the United States, you know we would have no trouble getting this appropriation of $496,000 in order to save over $2,000,000 to the Government. But we have to work through different bureaus, one not knowing what the other does, and you are requested to refuse this emergency appropriation because the Budget Bureau has not approved it.

Mr. Chairman, we are going to get this appropriation eventually. We will get it in the next appropriation bill if we do not get it here today. But what will happen in the meantime? The chances are that this steamship corporation with its contract with the Government will cease going into that port and the Government will be the loser because it will have to transport that material to some other base in some other part of the country where it has facilities at a cost in excess of $2.28 per ton over what it now has.

I am asking you this morning to deal with this matter upon a common-sense basis just like you would if you were considering it as your own personal private business. No one can question the figures I have given you here this morning. I have stated them to you as they come from the Government agents. They are not mine.

I ask your approval of this amendment.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. RABAUT. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 5 minutes and that I be allowed 5 minutes in opposition to the pending amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. NICHOLSON. Mr. Chairman, reserving the right to object, would the request stop me from offering an amendment?

The CHAIRMAN. It would not. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. RABAUT. Mr. Chairman, I know few men in the House that I would rather be opposed to than my distinguished friend from Mississippi. In fact, our congressional offices were beside each other for many years. But it becomes my legislative duty today to oppose his project, as good as it may appear.

There are many, most worth-while projects that are not in this bill. For instance, we have a report before our committee of the tremendous returns to the Federal Treasury from the farmers in the vicinity of Lake Okeechobee, in Florida. The returns there are something tremendous. But they want to engage in further activities in that district over and above those allowed or contemplated in this bill.

The same is true of the great power projects in the West. Do you know that there was always a certain spread of about 15 points between the demand for power and the production of power? However, those trends are going upward almost in a perpendicular line and they are touching each other at this very moment, the demand being equal to the supply.

Yes, there are brown-outs in certain places of this Nation, but when we take a look at the Federal pocketbook we realize that we cannot spend that money. The very same thing applies to the project that my distinguished friend refers to. He represents his district in this House in such a manner that he is admired by every Member on both sides of the aisle, and it is difficult for me to tell him, as it becomes my duty, that we cannot allow this now.

I ask the membership of the committee to support us in this contention, and I ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. COLMER].

The question was taken; and on a division (demanded by Mr. RABAUT) there were—ayes 56, noes 23.

Mr. RABAUT. Mr. Chairman, I demand tellers.

Tellers were refused.

The amendment was agreed to.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Page 8, line 8, insert a new paragraph as follows: "For the construction of a harbor at Port Austin, Mich., $500,000, and for the construction of a harbor at Port Sanilac, Mich., $400,000, as heretofore authorized by law."

Mr. WOLCOTT. Mr. Chairman, for a good many years the State of Michigan and the Federal Government have been very much concerned about harbors of refuge along the Great Lakes. Some years ago the Federal Government conducted surveys to determine the advisability of constructing a chain of harbors of refuge and made agreements with certain of the localities on a participation basis whereby the Federal Government would undertake the construction of these harbors under plans and specifications agreed upon by the Army engineers. The localities were to participate in varying amounts with the Federal Government in the construction of these harbors. It was impossible for the localities as such to raise their money at that time. New surveys were made, and in consequence a few years ago the State of Michigan set up the Michigan State Waterways Commission.

The Legislature of the State of Michigan, taking cognizance, as had the Federal Government already, of the necessity for these harbors, appropriated various reasonably large sums of money, which assure State participation. In consequence of that the Army engineers have recommended the construction of these harbors. These two particular harbors have been authorized by law. They are highly recommended by the Army engineers. The State of Michigan has already appropriated the money to meet its share of the cost, and has already paid into the Federal Treasury something over $65,000 of its share. The Federal Government has already spent a goodly amount of money on these harbors, as has the State of Michigan.

I think perhaps in addition to the necessity for these harbors as harbors of refuge—and we all know that the Great Lakes can on frequent occasions very suddenly get almost as rough as many parts of the ocean—this amendment should be adopted if for no other reason than to keep faith with the State of Michigan under the agreements which have been heretofore entered into between the Federal Government and the Michigan State Waterways Commission. The amount involved here in comparison with the safety which is afforded to lake craft is relatively small. At the present time this shipping and the craft which would use these harbors frequently have to hug the Canadian shore in order to be assured that they can arrive safely at their destination, because the Canadian Government has provided these harbors of refuge, these facilities, on the Canadian shore, although up to the present time we have done nothing for our shipping.

In the 18 years I have been in Congress I believe this is the first time I have ever taken the floor on a bill of this kind to ask for any local facility. The Army engineers have surveyed these projects. They have come to these very definite agreements with the Michigan State Waterways Commission. The Federal Government has spent some money. The project has been authorized by the Congress. I hope this Committee will accept the amendment as proposed.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Nebraska.

Mr. STEFAN. Is the amount the gentleman seeks approved by the budget?

Mr. WOLCOTT. Yes; the recommendation has been made to the budget and I think the budget has approved it.

Mr. STEFAN. Is there some amount in the bill for this purpose?

Mr. WOLCOTT. Not as yet. That is the reason the amendment has been offered.

Mr. KERR. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there has always been a procedure by which the Army engineers go to the budget and ask for sums of money sufficient to keep currently authorized projects which have been initiated. Neither of the projects of the distinguished gentleman has been approved by the budget. They are not in the budget and consequently the committee, of course, did not think it was necessary to include anything for them.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. KERR. I yield.

Mr. NICHOLSON. Has the Bureau of the Budget put in any recommendations for any rivers and harbors throughout the country?

Mr. KERR. I thought the gentleman had looked over what the budget had approved. That is in the bill. It has been

in the RECORD for 3 or 4 weeks. Practically every one except three or four of the items in this bill has been authorized according to custom and the law and approved by the Bureau of the Budget. These two items are not in the budget.

Mr. NICHOLSON. They are continuations of things that have already been authorized and which have not been finished. But there are no new projects in this budget.

Mr. KERR. Everyone realizes that and there are probably many other projects that Members would like to get appropriations for. The distinguished gentleman is asking for an appropriation on a project that has not been authorized by the budget and I hope the committee will vote it down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

The question was taken; and on a division (demanded by Mr. KERR) there were—ayes 33, noes 42.

So the amendment was rejected.

Mr. PETERSON. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. PETERSON: On page 8, line 8, after the end of the sentence, insert the following new paragraph:

"The Pithlaschascotee River: For the prosecution of the works of improvement of the Pithlaschascotee River, and the harbor of refuge therein, heretofore authorized by law (Public Law 14, 79th Cong.), $51,000."

Mr. PETERSON. Mr. Chairman, the purpose of this amendment is to provide $51,000 for the constructon of a project which has been approved by the Army engineers, and which has been authorized by law. It was submitted in the engineers' budget, but was not approved by the Bureau of the Budget. I have other projects in the districts which I am not asking to be included, because I realize the problems of this great committee with reference to these projects. This is the smallest project in my district. This is the smallest project on the west coast of Florida, but is one which is vitally needed, because it is the longest stretch on the west coast of Florida in which there is no harbor of refuge.

The engineers in the field set forth in their report definitely that, "owing to the general absence of protected waterways, numerous small pleasure and fishing craft, as well as barge and towboat traffic, move along that section of the coast in the open waters of the Gulf. They are thus exposed to the hazard of sudden storms and squalls, which are frequent in that area. For the safety of such small craft adequate harbors of refuge should be available at intervals of 15 to 20 miles. A number of such harbors, natural or improved, already exist, but no such harbor is found in the 40 miles between Anclote anchorage and Homosassa River. Between Venice and Anclote River the average distance between refuge inlets is about 6 miles; between the Homosassa and the Suwannee Rivers about 10 miles. The proposed improvement, being about 11 miles north of Anclote River would, by its location and configuration, provide the most adequate available harbor of refuge in the section of the coast between the Anclote and Homosassa Rivers."

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. PETERSON. I yield.

Mr. CASE of South Dakota. The gentleman from Florida has been one of the most distinguished, hard-working Members of the House for a number of years. May I ask him a personal question?

Mr. PETERSON. Certainly.

Mr. CASE of South Dakota. Is it true that the other day the gentleman announced he would not be a candidate for reelection?

Mr. PETERSON. Yes, sir. Effective this Sunday, I am officially announcing that I am not going to be a candidate for reelection. It has been a hard decision to make.

I hope that you may be able to vote this money. I never like to load up a bill, but there are already a number of craft that have gone aground. The Coast Guard have to dash out in those sudden squalls to rescue those ships.

Facetiously, I said the budget did not approve it because they could not spell the name of the river.

I hope you will agree to this amendment because it will save both lives and property.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. PETERSON. I yield.

Mr. RABAUT. Has this project been approved by the budget?

Mr. PETERSON. No, sir. It was in an item that the Army engineers sent to the budget, but it was not approved by the budget. The budget did not approve it. I do not know—but I do know local people have actually provided their funds. I do know that that those in the department of Army engineers who are familiar with it know that it is greatly needed. It is feared that we will lose many lives by reason of not having this harbor of refuge.

The CHAIRMAN. The time of the gentleman from Florida [Mr. PETERSON] has expired.

Mr. RABAUT. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes and that I may be recognized in opposition to the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. RABAUT. Mr. Chairman, I should not take 5 minutes, but I just ask the Members of the House to take a look at the Appendix of the CONGRESSIONAL RECORD, starting on page A1746. You will see there, inserted by the gentleman from Missouri, Chairman CANNON, of the Appropriations Committee, a list of extracts from letters from all over this country of the aroused condition of the people about expenditures. That is something to be thought of here today when we realize the almost solid flank across the aisle in favor of these expenditures. Unauthorized, authorized in some cases, but without budget approval, where the spread of the money is decided for Uncle Sam's expenditures.

Now, this is a small project, but all of these things added to what you have make just a little bit more. I do not intend to talk in the same vein, time and time again, to men who have been elected for their intelligence and sent to this distinguished body. Concentrated and haphazard effort has been displayed here on every little item; in some cases for the purpose of embarrassment and in others for the purpose of joining "You scratch my back and I will rub yours."

Now, let us get down to facts on this thing: You either want to load this bill up this afternoon or you want to respect the committee that has worked hard and diligently over these projects. Mr. Chairman, there is no need to get up here after every individual speech and make the same sort of talk. There are few people in this Chamber today; this is Friday. If we load this bill, and if it is within my power to convince the Members who come to this floor, when we go back in the House I will ask for a roll call on these projects. That will require a long session into the night. Then it will be up to the membership to support a roll call. If you wish to remain in your seats and avoid a roll call then you may take the ignominy of the situation before the country. We are asking for sane procedure. We worked hard to get this bill in its present shape. If that is all the respect the membership is going to show to the committee, the sooner it is known to the Nation, the better.

Mr. Chairman, I ask that this particular small project be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida.

The question was taken; and on a division (demanded by Mr. PETERSON) there were—ayes 37, noes 56.

So the amendment was rejected.

Mr. HALE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HALE: On page 8, line 8, insert the following:

"Perkins Cove, Ogunquit, Maine: For the prosecution of dredging in Perkins Cove, Ogunquit, Maine, heretofore authorized by Public Law 14, Seventy-ninth Congress, $32,000."

Mr. HALE. Mr. Chairman, I came over to the floor yesterday afternoon in a mood of what I would consider reasonable self-denial; but I must say, Mr. Chairman, that if other Members ask for projects in their districts I feel obliged to ask for this; because I think it is a very modest and reasonable request. Certainly, the sum of money involved is extremely modest; I think it is the most modest sum of money involved in any harbor-improvement project that has been offered by way of amendment to this bill.

This project was recommended by the Army engineers 10 years ago, in 1939. It was expressly authorized in the Rivers and Harbors Act which passed in March 1945, in the Seventy-ninth Congress. The project is simply one of dredging, deepening by 5 feet, the channel in a small-boat harbor, the only harbor on a stretch of about 30 miles along the southern part of the Maine coast. The harbor is a necessary harbor for fishermen from which to prosecute their work, and is

located at one of the most popular pleasure resorts in the United States. The harbor would be very widely used for small yachts and motorboats.

The advantage to the community from this improvement would be very great. The community has already spent $50,000 in improving this harbor and has exhausted its resources. I think the adoption of this amendment would be in every way appropriate.

Mr. RABAUT. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close at this time. I will not take the usual 5 minutes in opposition.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine [Mr. HALE].

The amendment was rejected.

Mr. GRANGER. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. GRANGER. Mr. Chairman, about a week ago on such a matter, after this House had by a rather decisive vote defeated a sales tax for the District of Columbia, the editor of the Evening Star castigated all Members who voted against it as being persons who did not realize what good government is, that they were irresponsible and voted for irresponsible government. With that good background of public relations the Committee on the District of Columbia is going to have a re-run on the same issue next Monday.

Mr. Chairman, I take this time to notify the Members of the House, those who are in favor of a sales tax for the District of Columbia and those who are opposed to it, that they better be here on that occasion because it will come up for consideration and undoubtedly action will be taken upon it. I especially admonish those who are opposed to such a tax if they are not here on Monday and the sales tax is passed by default, they will in effect be in favor of having a sales tax for the District, which they have so vigorously opposed heretofore.

Mr. WHITTINGTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have not in my district a single river and harbor project, but as chairman of the Committee on Public Works, which has jurisdiction of legislation respecting rivers and harbors, I feel it is my duty to make a statement and to follow the statement by an appeal to the committee.

The President in his budget recommended for rivers and harbors $235,000,000, $91,000,000 of which is for maintenance. The President, therefore, recommended $144,000,000 for construction. This construction has been reduced by the committee, my devoted personal friends, first, by an arbitrary $25,000,000, and, secondly, by a 15-percent cut, leaving $85,000,000, which makes an over-all reduction of more than 26 percent on all new construction instead of 15 percent.

I am not complaining, but heretofore the committee has filed, as a part of its report, individual projects aggregating the amount of the appropriation. That has not been done in the report and the Members are referred to the hearings. I think it was a mistake to make the arbitrary reduction of 15 percent, and I presented the best argument that I could in opposition yesterday, and I shall not repeat it.

I now direct my remarks to the arbitrary reduction of $25,000,000. The committee made that reduction because they said that that was unencumbered balances. My advice is that in all appropriations at the time they are submitted to the budget, and at the time they are submitted to the Appropriations Committee, whether it be for Agriculture, or Interior, or what not, there must, in the very nature of the case, be unexpended or unliquidated and unobligated balances. Now for the first time, in the first bill ever submitted by this committee, it is proposed arbitrarily to reduce the appropriation for rivers and harbors by $25,000,000.

I call attention to page 244 of the hearings. There are, as shown by the hearings, after individual projects are named, unobligated balances of $5,321,000; secondly, unliquidated balances of $17,000,000; approximately aggregating $22,000,000. Assuming that all of this money was unobligated and unliquidated, it would only aggregate $22,000,000, and yet the committee has arbitrarily taken off $25,000,000 from the budget estimate.

I call your attention to the hearings—to the footnote regarding the $17,000,000 and the $5,000,000 of unliquidated and unobligated balances, and I read from the report at page 244:

> The unliquidated obligations consist of funds which have been obligated for (1) contract work now under way and being used to pay for work as it is performed; (2) acquisition of lands where they are to be acquired.

Now that is this $17,000,000. If you take that $17,000,000 off, work under way, according to that report, you must pay for this work out of the reduced appropriation of $85,000,000. Secondly, the $5,000,000 unobligated balance consists of funds which are reserved; first, Government cost of supervision and inspection on contract work under way; secondly, force account work which is under way. The river and harbor division of the Corps of Engineers has millions of dollars' worth of equipment. They do much force account work. Now then, that money is reserved to pay for that work. The engineers tell me that of these amounts, the $5,000,000 and the $17,000,000, amounting to $22,000,000, that $17,000,000 represents contracts in force for which payments have not been made.

I appeal to the committee. They say that this is a departure. They say that they are trying to eliminate unobligated balances. They tell you that this is the first time it has been tried. Now, when you omit these and deduct these arbitrary amounts—as I say, arbitrary, because 17 and 5 aggregate 22, and not 25, yet the committee takes out $25,000,000—it is a mistake.

I appeal to the committee to restore those unobligated an unliquidated funds so as to prevent the disruption of the works that has obtained for 25 years, according to your recollection and mine, and for 100 years of work by the Corps of Engineers.

Mr. TABER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Frankly, Mr. Chairman, I do not know whether the Members of this House appreciate the situation we are facing. It is about time we begin to take stock of our situation and to realize that we cannot spend every dollar that can be borrowed. I do not say every dollar that can be raised by taxation because that is already gone.

Let me tell you a few things about this bill. It is true that we were asked by the President in his budget message to provide $231,152,620 for rivers and harbors, maintenance and construction, but it is also true that for this current fiscal year, the year which was provided for in the appropriations in the last Congress, there is available $10,000,000 less than our bill carries. In other words, your committee, I think ill-advisedly, has brought in a bill which calls for an increase in the expenditures this next year over the current fiscal year of $10,000,000.

What we ought to be doing, instead of increasing this item, is reducing it, and getting this Government on a sound and stable basis. We ought to be vigilant, not on whether the budget set a figure way up in the air but upon how small a figure we can get along on and not completely impair the facilities of this Government. When you have an increase of $10,000,000 over last year submitted by the committee, to my mind, to increase above that figure is playing false to the duty this Congress owes the American people to keep the Government of the United States solvent.

Mr. NICHOLSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. NICHOLSON: On page 8, after line 8, insert the following:
> "Menemsha Creek, Martha's Vineyard, Mass.: For the prosecution of the Menemsha Creek, Martha's Vineyard, Mass., project, heretofore authorized by law, $72,700."

Mr. NICHOLSON. Mr. Chairman, I agree heartily in the remarks of the gentleman from New York. I want to keep this country solvent. The people whom I represent want to keep it solvent; for if the gentleman from New York only knew what Massachusetts has meant to this Nation, he would know that the children and forebears of the people of Massachusetts feel the same way.

Mr. Chairman, all I am asking for is a little, small thing in a little, small town in the great State of Massachusetts. I have 12 propositions, and if the chairman of the committee will give me 25 percent of them, I will stop talking now and sit down. But, of course, the gentlemen of the committee are not paying any more attention to what I am saying than they did when I appeared before the com-

mittee—they were conversing amongst themselves. Mr. Chairman, I served on a committee in the Massachusetts Legislature for a great many years, the Committee on Ways and Means. We took care of the appropriations and how to get the money for them. I guess that I was as cold-blooded as the gentleman from New York, or this gentleman from Missouri, who twice asked who I was when I came before the committee. They gave me 5 minutes to take care of 12 propositions. I could not do it then and I cannot do it now. You gentlemen of the Congress have to take my word for it that these people in Menemsha Creek, a small town on the Island of Martha's Vineyard, are asking for something to establish a place for a harbor of refuge. There is only one harbor of refuge from Block Island to Boston, and that is the one which the two hurricanes destroyed and took our feet out from under us. We have never asked the Congress for any money. The other day I heard a man from Wisconsin say that when we had a flood up in New England we came to the Congress. We did not.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. NICHOLSON. I yield.

Mr. ROONEY. What is the name of this town?

Mr. NICHOLSON. It is Menemsha Creek.

Mr. ROONEY. How is it spelled?

Mr. NICHOLSON. Menemsha, M-e-n-e-m-s-h-a.

Mr. ROONEY. I thank the gentleman.

Mr. NICHOLSON. It is an Indian name, and while it may have an Indian name, we are Indians enough in Massachusetts to know that we take care of our own and want to help everybody who wants to work for a living.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. NICHOLSON. I yield.

Mr. BOGGS of Louisiana. Is this project authorized?

Mr. NICHOLSON. If it was not authorized, I would not be here. It certainly is authorized and has been authorized for a great many years. The State of Massachusetts has spent some $200,000 in Menemsha Creek, or Menemsha Bight, and we have not asked the Federal Government for anything yet.

Mr. BOGGS of Louisiana. I am just trying to get some information and trying to be helpful. Has the project been approved by the Bureau of the Budget?

Mr. NICHOLSON. Certainly, every project has. I had 12 projects and every one of them has been approved by—well, did you say the Bureau of the Budget?

Mr. BOGGS of Louisiana. Yes.

Mr. NICHOLSON. Oh, no, indeed. They do not approve anything.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. NICHOLSON. I yield.

Mr. BATES of Massachusetts. I wonder if the gentleman can inform us as to whether or not every project in the bill was approved by the Bureau of the Budget when they first submitted the budget to the Congress?

Mr. NICHOLSON. No.

Mr. BATES of Massachusetts. It does not necessarily mean the approval of the Bureau of the Budget before the budget is submitted to the Congress, does it?

Mr. NICHOLSON. The Bureau of the Budget is running the United States, and telling you how much you will appropriate, and if you do not know it, you will find it out. I found that out in a very short time—about a year and a half that I have been here. That is exactly what they are doing. You cannot get me off the subject, nor can anybody else. We ought not to let these people in Martha's Vineyard down.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. NICHOLSON. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. NICHOLSON. Mr. Chairman, I want to tell the Members of Congress what kind of people live in Martha's Vineyard and live in Massachusetts, my own home State. They go out and go to work for a living, and they do not ask anybody for anything. They buy a boat and they want a place to come in when they are through fishing for the day.

Mr. Chairman, we had two hurricanes, one in 1938 and one in 1944, that ripped the life out of that little town. We ask for nothing in Massachusetts, except that the Federal Government pay its share of what it costs to run the commerce of this country. That is all we ask. If the gentleman from New York wants to cut it out, I would cut out everybody. Do not just cut out some community in Massachusetts which does not go on public relief, which is willing to work for a living. Every time they go out in a boat they take their lives in their hands. Give them the kind of a break they deserve. They are the kind of people who ought to be taken care of in this country, and not somebody who is looking for a handout. Certainly we are not looking for any hand-outs.

I would like to ask the chairman of the committee if he would give me 25 percent of the 12 projects, which would cost the Federal Government only about $300,000, and it would cost the State of Massachusetts and its municipalities as much. We are willing to contribute to it. I do not find any fault with the committee. They did not give me any opportunity to tell why this ought to be done. I am trying to tell it to you. I want everybody here, if you believe in taking care of people who are willing to take care of themselves and not ask for hand-outs, to vote for this amendment. That is the kind of people you should take care of and not somebody who wants a pension, who has never done anything. These people whom I represent are God-fearing people. If you do not know, Mr. Chairman, let me call your attention to the fact that we dumped tea in Boston Harbor, and right at this time of the year, on the 17th of March, let the German King of England walk out of Boston. They call it St. Patrick's Day, but we call it Evacuation Day. But they both go together.

Not only that, but about next month we had Concord and Lexington and a hundred other places. We do not want anything that we are not entitled to. We want only what the law says we should get, and that is an equal break from the Federal Government to run this country. When we ask for something for nothing—really it is something for nothing—forty or fifty thousand dollars, it does not mean anything. I know that no one ever heard of Menemsha. I am not surprised that the gentleman wanted me to spell it for him.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. NICHOLSON. I yield.

Mr. BATES of Massachusetts. The gentleman was asked by a Member as to whether the Bureau of the Budget recommended this project. It is a small project, and the Member representing that district is making an honest effort to get recognition. But in this bill, according to this report, there are a number of projects that have never been approved by the Bureau of the Budget. I do not know why gentlemen should ask the question, "Has it been approved by the Bureau of the Budget?" After all, the committee did not follow the recommendations of the Bureau of the Budget.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. NICHOLSON. I yield.

Mr. BOGGS of Louisiana. I asked the question, in response to the gentleman from Massachusetts, to be helpful to my friend from Massachusetts. Frequently, the committee turns down recommendations of the Bureau of the Budget.

Mr. BATES of Massachusetts. That is right, and it adopts projects that have never been approved by the Bureau of the Budget.

Mr. BOGGS of Louisiana. Exactly, but in the event the Bureau of the Budget had approved of this, it would have been of some consequence. I was trying to be helpful to the gentleman.

Mr. BATES of Massachusetts. I am wondering if the mere fact that the Bureau of the Budget approved it would be of some consequence. Is it not of some consequence when a Member who represents the district is making a plea?

Mr. BOGGS of Louisiana. I thoroughly agree with the gentleman. I am trying to be helpful.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. NICHOLSON] has expired.

Mr. KERR. Mr. Chairman, I rise in opposition to the amendment offered by the distinguished gentleman from Massachusetts. It is most unfortunate that he made the statement that "the budget approves nothing," in his address before the House. As a matter of fact there are 213 projects in this bill today approved by the budget which we are attempting to implement and build for the use of the people of this country.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. KERR. Not now.

You must have something to go by. There is a plan by which these projects

are placed on record and brought before the House: They must be approved first by law, as every Congressman knows; then, after being approved by law, the Engineers must make a survey, and the Engineers must give their approval to the project and ask for money to build it; then the budget investigates and looks it over from every angle to find out whether the project is in immediate need of money, and when they do so find that a project ought to be begun immediately they usually recommend an amount to begin the work. But not one dime has been put in this bill or authorized by the Bureau to build the project to which my friend refers. The budget also makes a survey of these projects and their needs just like the Engineers do; and the budget has not recommended that this project be included in the bill.

Members come before our committee asking that various items be put in the bill, and we always refer to the Bureau of the Budget and get the Bureau to give us some explanation why they did not include it. We rely largely upon the Bureau of the Budget. The Bureau did not recommend it and the committee did not recommend it.

Mr. BATES of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there is only one thought I want to clear up. We all have a number of projects in our district, especially those of us whose districts are on the seacoast. Many of those projects, in fact, have already been authorized and approved by the Board of Engineers, but none of them has been approved by the Bureau of the Budget. My friend here from Cape Cod—and I happen to represent Cape Ann, so we have something in common in that regard—is making a plea for approval of a small project in his district, and immediately the question is asked: Did this project receive the approval of the Bureau of the Budget? I understand, of course, the necessity for having some kind of clearinghouse that will be a guide for the Members of the House in considering the projects and the appropriations that are up for consideration. But I do not like to see a smoke screen thrown over the thing and the recommendations of the Member from Cape Cod frowned upon because it is asked if it has been approved by the Bureau of the Budget; and the chairman of the committee says, in substance, that there is no project in this bill that has not met the approval of the Bureau of the Budget. The facts are that there are projects in this bill that have not been approved by the Bureau of the Budget and some of us would like to know why our good friend from Cape Cod cannot get just a little consideration, and why some others of us who have good projects in which the communities and local interests are willing to cooperate to the fullest extent by doing that which has been requested by the Army engineers cannot get consideration. All the gentleman from Massachusetts is asking for is fair consideration. We do not want to have it said here and believed by Members of the House that every project in this report has met the approval of the Bureau of the Budget, because it is not so.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. NICHOLSON].

The question was taken; and on a division (demanded by Mr. NICHOLSON) there were—ayes 26, noes 57.

So the amendment was rejected.

Mr. NICHOLSON. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. NICHOLSON: On page 8, after line 8, insert the following:

"Wellfleet Harbor, Mass.: For prosecution of the Wellfleet Harbor, Mass., project heretofore authorized by law, $95,100."

Mr. NICHOLSON. Mr. Chairman, I do not intend to take up very much time on this amendment which is another one that has just as much right to be adopted by the Congress as any one that has been passed here today or which will be agreed to. I realize too well, Mr. Chairman, having been a member of the State legislature for 23 years, what we are up against, I realize what a committee's report is.

All I was asking in the first place was to give some poor people who work for a living the right to have an opportunity to work for a living without getting a handout from the Government.

This latter one is in the same boat. When the Pilgrims landed here—and you may not know who the Pilgrim Fathers were, but they were the people who landed in Plymouth in 1620—they landed first below Wellfleet. The people of Wellfleet have been taking care of themselves ever since and they will continue to do so whether you give them an appropriation or not.

I was interested to hear the gentleman from Massachusetts talk about what the Budget Bureau was doing. If I was a member of the Committee on Appropriations or the Committee on Ways and Means, certainly I would listen to the Budget Bureau, but I would not have them tell me what to do. There is something in this country besides a Budget Bureau or besides the head of a department who might come down and tell you what to do and what you shall not do. If you Members of Congress cannot make up your own minds whether or not something is feasible or not, then elect somebody from the Budget Bureau to run your business for you.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. NICHOLSON. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. I understand the gentleman has several amendments that he is going to offer for consideration this afternoon. I wonder if the gentleman would be willing to cooperate with the House by offering them together and asking consent to consider the amendments en bloc because they all involve worthy projects.

Mr. NICHOLSON. After action is taken on this one I will submit the others en bloc. I know, of course, what they will get. But I am going to tell the people what they did to me here and how and who did it. It is about time that the people find out how you are voting down here and what you are voting for. If you want to talk about the budget I would like to ask a member of the Appropriations Committee how much we have given to England, France, Italy, Turkey, Greece, and so forth. That is what I would like to ask. It runs into $5,000,000,000, and here is a poor little fellow from Cape Cod standing up and asking you for a couple of hundred thousand dollars to take care of people that are your own. So, you listen to the Bureau of the Budget and say, "Let us take care of a Greek or a Turk." That is what you are asking me to do, and I am not going to do it. I have stood up here all day long, and I have only 12 projects, and you give me 5 minutes. I cannot do justice to it in that length of time, Mr. Chairman. I have another amendment. I know it is going to be voted down, but I just want the opportunity of speaking on the other one.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. NICHOLSON].

The question was taken; and on a division (demanded by Mr. NICHOLSON) there were—ayes 29, noes 57.

So the amendment was rejected.

Mr. NICHOLSON. Mr. Chairman, I offer two other amendments, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. NICHOLSON: Page 8, after line 8, insert the following:

"Duxbury Harbor, Mass.: For the prosecution of the Duxbury Harbor, Mass., project heretofore authorized by law, $124,000."

Amendment offered by Mr. NICHOLSON: Page 8, after line 8, insert the following:

"For the prosecution of the following projects heretofore authorized by law: Channel from Buzzards Bay to Buttermilk Bay, Mass., $18,300; Cohasset Harbor, Mass., $106,700; Falmouth Harbor, Mass., $35,000; harbor of refuge at Nantucket, Mass., $112,500; Hyannis Harbor, Mass., $182,500; and Provincetown Harbor, Mass., $773,300."

Mr. NICHOLSON. Mr. Chairman, I never thought I would have to get up and apologize for appearing before the United States House of Representatives in trying to take care of the district that I represent, probably the greatest district in the United States, and I do not want to take anything away from Missouri or Minnesota or anywhere else. But the cradle of liberty was born in Boston, and I come from right next door to it. Most of the patriots were born and bred in Barnstable County, in my district, and I am proud to represent those people. I realize that there is no chance of you gentlemen from the different sections of the country giving the district that I represent 5 cents.

Let me call your attention to one thing. The gentleman from Michigan [Mr. DONDERO] called attention to the fact here yesterday that they took from the State of Michigan $1,900,000,000 to run this Federal Government.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. NICHOLSON. I yield to the gentleman from Michigan.

Mr. DONDERO. The gentleman is somewhat in error. The amount paid in income taxes by the State of Michigan is $2,700,000,000. This is for the year 1948.

Mr. NICHOLSON. I accept the correction of the gentleman from Michigan. Massachusetts was a little higher than that. So when we come here and ask for $40,000, after giving the rest of this great Nation of ours three or four billion dollars of our money, I guess it is about time to go home.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Massachusetts.

The question was taken; and on a division (demanded by Mr. NICHOLSON) there were—ayes 28, noes 59.

So the amendments were rejected.

Mr. GREEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GREEN: On page 8, line 8, insert the following: *"Provided further,* That from this appropriation $4,000,000 shall be available for dredging the Delaware River to restore the channel to its authorized depth."

Mr. GREEN. Mr. Chairman, I have no argument with the Committee on Appropriations on this matter, but this is a matter that is extremely important to the city of Philadelphia, to the port of Philadelphia, and to the people of Pennsylvania. The matter was brought to my attention a little bit too late to appear before the committee, but last week the joint executive committee for the improvement and development of the port of Philadelphia came from the city of Philadelphia to Washington. Every member of the Pennsylvania delegation and the two United States Senators, Senator MARTIN and Senator MYERS, have an extremely personal interest in this project.

It was authorized back in 1938 by the Seventy-fifth Congress that the Delaware River have a 40-foot channel. The project was started, and completed in 1942. Then, because of the war and the lack of interest in these projects, and through neglect, the channel was allowed to fill in until today it is 32 feet 6 inches, and the present controlling depth of the channel is 34 feet.

The new tankers that are being built at the Sun Shipyard and the New York Shipyard require a 40-foot channel in the Delaware River, in order that these boats may come up that river to the Philadelphia Navy Yard. This means something to the city of Philadelphia not only from an economic standpoint but from the standpoint of the welfare, the health, and the lives of the people of Philadelphia. As you will remember, during the last war we had a munitions depot at Fort Mifflin, which is just below Philadelphia Navy Yard. The welfare of the Nation could be jeopardized. The present width of the channel is 800 feet. The new tankers being built are 640 feet in length. If any of these boats coming up the Delaware River would get stuck in the mud before they reach the navy yard, and were turned around, the entire port of Philadelphia would be tied up. That is a matter which would be of grave concern, not only to the people of Philadelphia and Pennsylvania, but to the people of the entire Nation.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield for a question.

Mr. TABER. There is already included in the bill, under maintenance, an appropriation for the purpose that the gentleman is talking about. That amounts to $4,110,000.

Mr. GREEN. The gentleman from New York, the ranking minority member of the committee, is absolutely right. I would like to bring to the attention of the committee that the ordinary amount for maintenance of this project is $2,000,000. There had to be appropriated an additional $2,000,000 this year in order to keep the channel at 32.6-foot depth. If we would spend an additional $4,000,000 at this time to restore the depth of the Delaware River to its authorized 40 feet, we would only have to continue to spend in the future $2,000,000 a year to keep it at its original authorized depth.

In a few years this project would pay for itself. We import into Philadelphia 55,000,000 barrels of oil a year, which means over $6,000,000 a year to the collector of customs. I have no personal interest in this particular project. It does not mean a thing to my particular district. Most of the people who came down here, who were interested in this project, are not people who support me in a campaign. In most cases, I find they support my opponent. But this is an important project so far as the country is concerned. I implore the members of the committee for their support.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield.

Mr. DONDERO. Has the Army or Navy made any expression regarding this proposal?

Mr. GREEN. I have a letter from the Army engineers.

Mr. DONDERO. I thought they might be interested in what you have already said about the national security being involved in this matter.

Mr. GREEN. That is exactly the way we feel about it. But I am new here and they tell me that the Army engineers cannot make any recommendation unless they are called before the committee and asked about these things. This is what they said:

The total funds mentioned above, however, will not complete the restoration of the authorized 40-foot channel in the Delaware River below Philadelphia. To accomplish such a program of maintenance dredging, additional funds in an amount of approximately $4,000,000 would be required. In this connection, I am pleased to advise you that when hearings are held by the Appropriations Committees of Congress on our civil-functions appropriations for the fiscal year 1950 we will be prepared to answer any questions the committee members may ask concerning the maintenance work required for the Delaware River.

In order to restore the Delaware River to its authorized depth of 40 feet, $4,000,000 are required and I ask your support.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. KERR. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Pennsylvania.

Even the engineers themselves have never recommended this project. Of course, the budget could not pass on it, and, of course, we cannot be expected in committee to pass on it. That is the reason it is omitted from the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. GREEN].

The question was taken; and on a division (demanded by Mr. GREEN) there were—ayes 38, noes 54.

So the amendment was rejected.

Mr. HARDY. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. HARDY: On page 8, line 8, insert a new paragraph, as follows:

"Southern branch of Elizabeth River, Norfolk Harbor, Va., heretofore authorized by law, $1,232,000."

Mr. HARDY. Mr. Chairman, I dislike very much to be in disagreement with the committee. I want at this time to express my appreciation to the committee for their courtesy in hearing me and the people from my district in support of this project.

This is a little different from the other amendments that have been presented. Included in the funds provided in this bill is an item of $500,000 for Norfolk Harbor, Va. This is part of the same project.

The item included in this bill represents about one-fourth of the total cost of the project which we in the Norfolk area consider to be of an emergency nature.

Because of the urgent need for completing this project promptly, because of the annual savings which will be made possible, estimated in excess of three-quarters of a million dollars, and because that work can be accomplished more efficiently and more economically if it is performed in a continuing operation, I sought to secure approval of the committee for inclusion in this bill of the total amount needed to complete the project.

The Army engineers originally estimated the cost of the project at $1,732,000. Since the original estimates there have been some increases in costs, but the engineers believe that if the work can be accomplished in a single contract it can be done for approximately the same amount as that originally estimated.

Mr. Chairman, I would like to give this committee just a few facts about the project in question. It involves the widening and deepening of the southern branch of the Elizabeth River, which is a major part of Norfolk Harbor proper. This is not a new part of our harbor which we desire to open up for industrial use. All along this river there are industrial plants now in operation, plants which were built when the channel would accommodate the then existing ships.

Our naval shipyard is on this river, and up to that important establishment the river is 40 feet deep. For a short distance beyond this point we have a 30-foot channel, and from there on up along the area already developed there is a 25-foot channel. We need to deepen this entire distance to 35 feet.

It is on this part of the harbor that practically all of our fertilizer plants are located. Also, many of the major oil companies have large storage and distribution plants which the existing 25-foot channel does not permit present-day tankers to reach.

In addition to this and other important industrial activities, the naval ammunition depot also is located on this river, and it has only 25 feet of water. In the event of another war a deeper channel will be of tremendous value to the Navy, by permitting its ammunition ships to reach its depot.

Since the war tankers and other ocean-going ships have been increased in size, making it impossible for these plants to be served, and some of them have had to be abandoned entirely because of economic considerations. Plants which during the war performed such fine service in storing and distributing petroleum products are not now used. Steamers destined to load or discharge cargoes at the private piers of these establishments cannot be accommodated in the existing channel, but they have to dock in the lower harbor and discharge part of their cargo which has to be transported overland or by lighter.

Here is another significant point, we will save a great deal of money by approving the full amount of funds at this time. The dredging operations will involve the use of hydraulic dredges and the employment of much heavy equipment. Local people will provide disposal areas for dredged material and will share in the total cost in many other ways. It has been estimated that if funds are available the entire job can be accomplished in a period considerably less than a year. Every man here can appreciate the fact that this work can be done much less expensively if it is done as a continuous operation; otherwise we shall have involved the cost of moving this heavy equipment in when the work is started, moving it out when the funds run out, and moving it back in again as funds are provided. Mr. Chairman, this project will represent a saving of close to three-quarters of a million dollars every year. Every year we put off the completion of it we are losing that much to our community. I hope the amendment will be approved.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. KERR. Mr. Chairman, I regret to oppose the gentleman from Virginia. I am familiar with Norfolk Harbor; it is not far from my State. I know a great deal about it; it is one of the great harbors of this Nation, and a great deal of money has been spent there, I suppose as much as has been spent on any harbor on the continent unless it be the Golden Gate Harbor at San Francisco.

This is another item that was not approved by the Bureau of the Budget or by the engineers.

Mr. HARDY. Mr. Chairman, will the gentleman yield? I wish the gentleman would yield to let me explain that point.

Mr. KERR. I gladly yield to the gentleman to explain that point.

Mr. HARDY. It is true that this additional amount was not approved by the Bureau of the Budget for the reason that the Army engineers requested only $500,000; and the sole reason why the engineers requested only $500,000 was because of a total limitation imposed upon them by the Bureau of the Budget within which they had to stay.

Mr. KERR. It is true that they requested $500,000, but that was for the whole harbor of Norfolk.

Mr. HARDY. That was earmarked for this project.

Mr. KERR. Answering the gentleman's question, this appears to be an entirely new project the gentleman is proposing here. They did not request 1 cent for that.

Mr. HARDY. I would have to disagree on that.

Mr. KERR. May I answer that?

Mr. HARDY. I would like to have it answered. It is my understanding that the entire $500,000 which has been set up in this budget for new work is for this particular project.

Mr. KERR. That may be true, but it has not been approved.

Mr. HARDY. That has been approved by the Bureau of the Budget.

Mr. KERR. Not for the specific work which your amendment proposes to cover.

Mr. HARDY. That is not according to the advice the engineers gave me.

Mr. KERR. They did not come to the committee and give us that advice.

Mr. HARDY. I think the gentleman will find it broken down in his paper. It shows $500,000, and that is for this particular project approved by the engineers and approved by the Bureau.

Mr. KERR. The record before me is that it was not approved by the budget and was not approved by the engineers. That is the record we have here and we have to go by that record in fixing the appropriation.

Mr. HARDY. I certainly must disagree with the gentleman; I think that he is wrong.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

The question is on the amendment offered by the gentleman from Virginia.

The question was taken; and on a division (demanded by Mr. HARDY) there were—ayes 21, noes 56.

So the amendment was rejected.

Mr. HARDY. Mr. Chairman, I would like to propound an inquiry. I do not know whether it would be a parliamentary inquiry or a unanimous-consent request. However, this matter of disagreement between the gentleman from North Carolina [Mr. KERR] and myself disturbs me. Apparently he has been advised one way and I have been advised another way. I would like to have permission to determine what the facts are in the case in order that the RECORD may show what the correct situation is.

The CHAIRMAN. That is certainly not a parliamentary inquiry.

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time for the purpose of trying to clear up the confusion of which the gentleman from Virginia has been speaking. It is my understanding if there is a budget estimate for a project it is in the bill unless it is specifically deleted by the language of the committee report.

If I correctly understood the amendment offered by the gentleman from Virginia, he was seeking more money than was in the budget estimate; but if the project is in the table shown in the printed hearings which was submitted in the nature of a request by the Bureau of the Budget, it is in the bill already, subject to the 15-percent cut.

Mr. HARDY. That is my understanding, but that is not the understanding of the gentleman from North Carolina [Mr. KERR]. It is my understanding from the Army engineers that the $500,000 is for this particular project. I want to be sure it is. I do not want a project that will be left out in the cold.

Mr. CASE of South Dakota. It is true that the committee reporting the bill at this time said that none of the money in the bill is earmarked, but from a reading of the committee report, it is clear that the money is applicable to the projects which are in the Budget Bureau estimates. I have here in my hand the justification of the Army which was submitted to the committee, and it speaks of the proposed operations for the fiscal year 1950 and requests funds "for the fiscal year 1950 to permit partial completion of the deepening of the existing 25- and 30-foot channels in the southern branch of the Elizabeth River to 35 feet."

Mr. HARDY. That is the project.

Mr. CASE of South Dakota. That is one of the projects in the budget request. It is clear from page 177 of the hearings that it was submitted to the committee, and the estimate called for $500,000. It was not deleted in the report. Subject to the 15-percent reduction, the engineers can apply the $500,000.

Mr. HARDY. I thank the gentleman for helping me clear that matter up. I am sorry now that we could not get it clear before the vote because I might have had more support.

Mr. TABER. Mr. Chairman, I am wondering if the majority side does not think it is about time to reach an agreement on closing debate on this paragraph and all amendments thereto. It seems to me we ought to clean this up.

Mr. RABAUT. Mr. Chairman, how many amendments are pending?

The CHAIRMAN. The Chair is advised there are five amendments pending on the desk to this paragraph.

Mr. RABAUT. Mr. Chairman, I ask unanimous consent that all debate on the paragraph and all amendments thereto close in not to exceed 35 minutes, the committee to be allowed 2 minutes in opposition to each amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. HARVEY. Mr. Chairman, I object.

Mr. RABAUT. Mr. Chairman, I move that all debate on the pending paragraph and all amendments thereto close in 35 minutes, the committee to be allowed 2 minutes in opposition to each amendment.

The motion was agreed to.

Mr. MACK of Washington. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MACK of Washington: Page 6, line 22, after the O'Hara amendment, strike out the period, insert a colon and add the following: "*Provided further*, That funds appropriated herein may be used in river and harbor work on Grace Harbor and Chehalis River as authorized by law, not to exceed $1,600,000."

Mr. MACK of Washington. Mr. Chairman, Grays Harbor and the Chehalis River constitute one of the most important seaports on the coast of Oregon and Washington. Just inside of the Grays Harbor entrance there lies a large fishing base upon which a million to a million and a half dollars has been expended for installations. There are fish canneries located there that can tuna, salmon, and crab; there are stores, buying stations, fueling stations, and docks. These installations have a value today of at least a million to two million dollars.

Also, there is adjacent to this base a Coast Guard station which the United States engineers in the hearings said is one of the most important life-guard stations on the seacoast of Washington and Oregon. If the sea destroys that fishing base, it would destroy the life-guard station. Then a new one would have to be built inland where it would be less serviceable in saving the lives off the coast of Oregon and Washington.

This fishing base, with its $2,000,000 of installation and life-guard station, is protected from the sea only by a little narrow strip of land 300 feet to 3,200 feet in width.

A jetty has been constructed out from Grays Harbor. There is a breach in this jetty 2,400 feet long, caused by storms. Water pours through that breach in the jetty at an angle that is tearing to pieces the narrow strip that protects this fishing base. The following is part of the colloquy I had with Colonel Jewett during the course of the hearings on the authorization of this project:

Mr. MACK. I am informed by the port engineer of Grays Harbor that as a result of this break (in the jetty) that the entire point (Point Chehalis) may be washed out to sea, thus destroying the complete cove with all its installations.

Colonel JEWETT. That is correct.

Mr. MACK. If this cove should be destroyed, we would have to move in behind the railroad track used in jetty construction work a mile and a half from its present location to establish a new mooring basin?

Colonel JEWETT. In addition to which there would have to be additional jetty work along the railroad track.

Now, I am not asking by this amendment for any increase in the total money for the entire project. The engineers say this entire project will cost $3,780,000. The gentlemen of the committee say that the work can be done 15 percent less than that today, which would mean that the project could be built for $3,313,000. This bill authorizes $800,000 for the protection of the shore line and the protection of the fishing base and the Coast Guard station. Under this bill, 4 or 5 years will be required to complete this project. What I am proposing in this amendment is that this Congress authorize not an appropriation this year of $800,000 but one of $1,600,000, so that that protection to that fishing base and that Coast Guard station may be accomplished this year before any further damage occurs to that narrow strip of land and washes the fishing base and the life-guard station into the sea.

The authorization of the $800,000 carried in this bill is clear proof that the Government is going to do this job. You are going to do it sometime. Why not do it quickly in 2 years, so that we may be sure Point Chehalis will not be destroyed as a result of doing the needed work soon enough?

Doing this job now, doing it promptly, will cost no more money than expending the money over a period of 4 or 5 years. Doing the job quickly, as a matter of fact, probably will save the Government money, for you can let bigger contracts and thereby obtain lower-priced bids from contractors.

The Congress, by delaying work on this project, increases the possibility that this fishing base and Coast Guard station and its million and a half dollars of installations may be destroyed by storms.

It is good business, good insurance, and sound economy to appropriate $1,600,000 for work on this project during the coming year instead of appropriating only enough to do the job in costly little driblets over a 4- or 5-year period.

Mr. ANGELL. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Oregon.

Mr. ANGELL. I ask the gentleman if this is the project that the Committee on Rivers and Harbors on a recent trip to the coast examined?

Mr. MACK of Washington. It is.

Mr. ANGELL. I want to say to the gentleman that we were very deeply impressed with the necessity of the project, and personally having examined the project, I feel that the proposition the gentleman is urging is sound and that we should accede to it.

Mr. MACK of Washington. Is it not true that the Army engineers appeared before the Rivers and Harbors Committee last year when you were chairman of that committee and brought this up as one of the great emergency projects on the Pacific coast?

Mr. ANGELL. I believe that is true.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Washington.

Mr. HORAN. This is authorized as a budgeted item, I understand.

Mr. MACK of Washington. That is correct.

Mr. HORAN. All the gentleman is asking is the restoration of the 15-percent cut so that the work can be done this year and these valuable properties protected?

Mr. MACK of Washington. I am asking that we get the $800,000 granted in this bill and $800,000 additional, so that this job can be done in 2 years and not be extended over 4 or 5 years.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Washington.

Mr. HOLMES. Because of the extreme emergency of this situation, in spite of the budget approval, the gentleman is asking for an increase of $800,000 in order to put this across in time to keep further damage from taking place out there?

Mr. MACK of Washington. That is correct.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. RABAUT].

Mr. RABAUT. Mr. Chairman, the proposal of the distinguished gentleman who just left the floor is for the Grays Harbor-Chehalis River project, and the total estimated Federal cost for this project is $6,622,200. The amount appropriated to date is $2,841,500. The original estimate of the Corps of Engineers for 1950 is $800,000. The Budget allowed the whole of the request of the Army engineers, in the sum of $800,000. This is all we can really logically give, so that we will have uniformity all along the line in respect to the Engineers' request and what the Budget allowed. I think the gentleman has fared very well on his project. Inasmuch as I am taking only 2 minutes to reply to the 5-minute talks on these individual projects, I hope the House will stand by the committee and allow the gentleman the $800,000 that is in the budget at this time and which the committee approved.

Mr. MACK of Washington. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I yield.

Mr. MACK of Washington. The $2,800,000 of which the gentleman speaks as being the amount that has already been expended was spent 30 or 40 years ago to build one of these jetties.

Mr. RABAUT. I do not say anything about that. I am just saying this is the money that was spent on this particular project. The original total was $6,622,200.

Mr. Chairman, I ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. MACK].

The question was taken; and on a division (demanded by Mr. MACK of Washington) there were—ayes 23, noes 46.

So the amendment was rejected.

Mr. MARTIN of Iowa. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MARTIN of Iowa: On page 8, line 8, insert a new paragraph: "*Provided further*, That of the amount herein appropriated, $56,200 shall be expended for a small boat harbor at Fort Madison, Iowa, heretofore authorized by law."

Mr. MARTIN of Iowa. Mr. Chairman, the Committee on Appropriations gave me a very courteous hearing on this matter. You will find my testimony at page 850 of the hearings. This is one of four harbor development projects along the Mississippi River in my district. The

other three projects have not been authorized by law. This project at Fort Madison was duly authorized. It is almost identical in its standing with the one at Hastings, Minn., which the committee approved yesterday. There are many millons of tons of freight passing up and down the Mississippi River at Fort Madison, Iowa. That part of my district, as you can readily understand, is a great funnel for the grain shipments north and south of the Mississippi River. We seriously need these harbor developments. This is the only such project on the Mississippi River in my district that has been authorized by law. It was not included in the approval of the Bureau of the Budget, but it was approved and recommended by the Chief of Engineers. You will find the project fully described by the Chief of Engineers in House Document 661 of the Eightieth Congress, second session. I hope this can be included in the bill which is now before us, so that we can do a little better job in taking care of commercial freight and other boat activities on the Mississippi River at Fort Madison.

Mr. RABAUT. Mr. Chairman, I ask that the Committee vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. MARTIN].

The question was taken; and on a division (demanded by Mr. MARTIN of Iowa) there were—ayes 34, noes 44.

So the amendment was rejected.

Mr. RIVERS. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. RIVERS: On page 8, line 8 after the word "department" add a new paragraph as follows:

"Shipyard River project, Charleston, S. C., $430,200."

Mr. RIVERS. Mr. Chairman, I, too, want to thank the committee for a very courteous hearing when I presented this matter before the committee. I believe that the reason the budget did not include this appropriation when it was presented by the Army engineers was because the disposal area at that time had not been sufficiently and legally satisfied.

In November 1948, this disposal area where this project is to be maintained had not been obtained, it was obtained in November 1948, but it was too late for the Army engineers to have presented this matter, which had been authorized by law some 6 years ago, to the Bureau of the Budget. This has authorization of law.

I realize that in 5 minutes I cannot explain a matter as important as this. But this $400,000 is to maintain a channel in the river in Charleston Harbor. There are two rivers on this side of the peninsula of Charleston. There is Shipyard River that has been there for a million years, as far as I know, and Cooper River. This empties into Cooper River here. Because the largest river in South Carolina, the Santee River, having had its course changed, now causes the Cooper River to silt the Shipyard River.

Mr. WHEELER. Is it not true that those two rivers——

Mr. RIVERS. The Atlantic Ocean is formed right there. I know what the gentleman has in mind.

Now, a great deal of our industry is located on this Shipyard River, because the Santee River has had its course changed and now dumps into Charleston Harbor. This particular river is being closed up, and industries which have been located there for over a half a century are threatened to be closed down. We have a channel of 30 feet authorized, but actually existing there is only 5 or 6 feet of water in this particular river.

Let me tell you what one of our largest industries said before this committee. They came down to Charleston in 1941, the Pittsburgh Metallurgical Co. They had been promised by the State of South Carolina and the Army engineers and all of the authorities that they would provide a deep channel. They never got it. The war came on, and all the large ships going to these vast industries have to bring their stuff in 2 or 3 miles by rail transportation, at an extra cost. They have to bring it to the place where they should bring the boats. They face stagnation, extermination, and bankruptcy.

I am confident if the Bureau of the Budget had these facts which I tried to present to this committee, which gave us a very courteous hearing, we would have gotten this money.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. RIVERS. I yield.

Mr. HARDY. Do I understand that the improvement has been provided?

Mr. RIVERS. Everything has been provided. If we do not get it now we will get it later, but later these industries cannot face the financial burden that is being heaped on them now. I asked the committee in all fairness to keep our industries going, what little we have. For God's sake, help us keep them, because if we do not get this money they do face absolute obliteration.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. RIVERS. I yield.

Mr. GREEN. Is it true that in some places it is only 5 or 6 feet deep?

Mr. RIVERS. In some places, because of siltage, because the course of the other river has been changed, it is only 5 or 6 feet deep. They had 20 feet authorized, and then they had 30 feet authorized, but they have got only about 6 feet, and if they do not get the money they will be swamped.

Mr. DOYLE. Mr. Chairman, will the gentleman yield?

Mr. RIVERS. I yield.

Mr. DOYLE. Do I understand the gentleman to say his industries there located depend for their continuance upon the appropriation of this money?

Mr. RIVERS. Absolute existence. If they do not get it they are gone goslings.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. RIVERS. I yield.

Mr. DONDERO. Does it involve silt in the channels?

Mr. RIVERS. Yes, they cannot get into the river because of silt.

Mr. DONDERO. And this money is to open that channel and keep those industries alive?

Mr. RIVERS. That is the only thing left to be done.

I thank the gentleman very much.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. RABAUT. Mr. Chairman, on this Shipyard River project there was originally a sum of $543,000 allotted. There has been allocated $112,800. This year the Army engineers—I know not whether they made a request, but there was nothing allowed in the budget.

However, the distinguished gentleman who has just preceded me, the gentleman from South Carolina [Mr. RIVERS], praises this committee for the consideration that they gave him when he appeared before the committee. As a member of the committee, I cannot say the same thing of him for the support he has given us today. He has consistently voted for every measure against the committee today, hoping to have others join in this project of his. In other words, to secure his project, the position of the committee was ignored.

I ask for a vote on this item.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina.

The question was taken; and on a division (demanded by Mr. RIVERS) there were—ayes 43, noes 39.

Mr. RABAUT. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. RABAUT and Mr. RIVERS.

The Committee again divided; and the tellers reported that there were—ayes 41, noes 51.

So the amendment was rejected.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I come before the House today with no amendment and do not expect to ask for any consideration today upon the favorable report which was recently submitted by the Army engineers. I speak of the flood-wall project along the Susquehanna River in the greater Endicott, Johnson City, and Vestal area, a region in which we had a devastating flood a year ago. Millions of dollars worth of property of the workers of the Endicott-Johnson Co. and I. B. M. was either destroyed or placed in dire peril. Houses were carried down the river. A very serious situation resulted. The waterworks of the city of Endicott were washed out, and a great many people suffered in that locality.

There are nearly 100,000 people who would benefit from flood-control works in western Broome County. Not long ago the Army engineers brought out a favorable report as the result of the direction given by the Hall amendment adopted to the Flood Control Act of 1944.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield.

Mr. EDWIN ARTHUR HALL. I yield to the gentleman from California.

Mr. JOHNSON. The gentleman has been fighting for this project for the last 8 or 9 years, has he not?

Mr. EDWIN ARTHUR HALL. This is a project which I have been fighting for a long time. It was last year when I rose here in the House and presented the unfortunate situation we are still confronted with. I am not asking for any funds today. I am simply pointing out to the committee the need for this project.

Mr. JOHNSON. I want to compliment the gentleman on his effort to protect his cities from this flood menace. I am glad his efforts have borne fruit because the Army engineers have now approved the project.

Mr. EDWIN ARTHUR HALL. I deeply appreciate the gentleman's comment.

When the civil functions bill of the Army comes up for consideration next year I hope this project will be included in it. By that time we will have had the approval of the local authorities of Endicott, Vestal, Johnson City, and all adjacent areas whose people want the project. By that time we will have appropriated, I hope, the amount which the report calls for.

I might point out at this time that the city of Binghamton, which is at the confluence of the Chenango and Susquehanna Rivers, has been made secure from floods through the erection of a series of flood walls along these rivers at that point. That is a few miles above Endicott, Johnson City, and Vestal and the other areas now in dire need of protection.

The point I wish to make is that the work of the Army engineers in building those flood walls has brought 100-percent protection to Binghamton. We never had a flood since that has overflowed the walls and we have had floods on the Susquehanna almost annually. What I am now interested in is getting the same protection for the Endicott, Johnson City, and Vestal area farther down the river, so that those equally important factory, urban communities will be likewise protected. The floods which have threatened those areas thus far have been devastating and disastrous for thousands upon thousands of workers. Their homes and lives are in danger.

I am glad the report of the Army engineers was issued about a month ago. I am sorry it was not made public earlier. It should have been completed a year ago. I am satisfied with that favorable report the Committees on Public Works and Appropriations will approve and authorize the funds I am asking.

Mr. Chairman, I should like to direct attention to one more point. The New York State Flood Control Commission has gone on record as being friendly to this project. I have an anouncement from Mr. Horace Evans, executive director of the flood-control commission, that he is in favor of it. He thinks it ought to be passed by the House. That, of course, will bring approval of the State authorities en masse.

As I have already stated, I hope that when next year rolls around the project will be approved, that it will have hurdled all the barriers in its way and that it will reach the point of approval by this House because it is a very worthy project. These flood walls to my way of thinking are the only sure protection. The series of up-State dams claimed by the Army engineers to lower the water level at the confluence of the Chenango and Susquehanna Rivers, are important. But they are not as important as the on-the-spot flood protection I am talking about.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SASSCER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SASSCER: Page 8, after line 8, insert the following new paragraph:

"For the prosecution of the works of improvement with respect to Island Creek St. Georges Island, St. Mary's County, Md., heretofore authorized by law (Public Law 392, 75th Cong.), $22,500; St. Catherines Sound, St. Mary's County, Md., heretofore authorized by law (Public Law 14, 79th Cong.), $19,800; Mill Creek, Ann Arundel County, Md., heretofore authorized by law (Public Law 14, 79th Cong.), $1,400; Cadle Creek, Ann Arundel County, Md., heretofore authorized by law (Public Law 14, 79th Cong.), $14,000."

Mr. SASSCER. Mr. Chairman and gentlemen of the House, in the interest of time I have lumped together four little items into one amendment. The aggregate of the four items is approximately $68,000.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. SASSCER. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. Has the Bureau of the Budget recommended this proposition?

Mr. SASSCER. I will say to the gentleman that these items have been approved by the Rivers and Harbors Committee, by the Corps of Engineers, and they have been authorized and approved by the Congress of the United States, and they have been pending here for a number of years. I appeared before the Committee on Appropriations and they were most courteous and gracious in the hearing afforded to me. There seemed to be some feeling that in view of the fact that these were small items that they should either be postponed as the committee was not dealing with them in the bill at this time. It was agreed there in a most cordial and helpful conference that I contact the Corps of Engineers to see if it would not be possible to get these items out of the so-called snag fund. I followed up that lead and was later advised by the engineers, too late to report back to the Committee on Rivers and Harbors because in the meantime the report had to be made up, that the Army engineers could not consider these projects because of a long-standing agreement that the Corps of Engineers would not utilize any of these funds for new work construction where the funds had not been allotted and approved by the Committee on Appropriations. So that channel was blocked.

In substance, we have four little projects, merely chicken feed, that vitally affect these communities where the oystermen and fishermen make their living. They have to go out whether the tide is high or low. Time will not permit me to go into them all, but in the report it is shown that they have to wait there for hours, frequently at low tide, to get out of these little harbors, or else the more ambitious ones go overboard in the cold of winter or in the fall and, with water up above their knees, push their boats out of these little harbors. One of the projects included here is the nearest harbor for boats within a radius of 3 miles. Persons interested in fishing go out; and if a storm comes up and a project of this kind were opened up, they could get in whether it be high tide or low tide. They lend themselves to the subject of the River and Harbor Act because they are directed to commerce. There is fishing, there is oystering, and to a great degree, also, there are pleasure boats going out from these harbors.

Briefly, we can take a typical case. St. George Island has a population of 335 people. The majority of the residents engage in the sea-food industry. The nearest protected anchorage is about 3 miles distant down the river. The engineers report that this improvement thoroughly justifies the expense, as it is estimated that in providing this storage space in the creek it will be possible also to lay down many thousands of bushels of oysters. Time is limited. The same thing applies at Mill Creek, St. Catherines Sound, and at Cadle Creek.

In a recent letter that I received after pursuing these projects that had been authorized by Congress through to the Army engineers, they said that the Corps of Engineers recognizes the importance of the authorized improvements, as evidenced by their reports.

I respectfully urge the House on these chicken-feed four little items to include an aggregate of $68,000, which is so beneficial to these communities.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. RABAUT].

Mr. RABAUT. Mr. Chairman, under the language of the bill and under the instructions in the report, the gentleman's projects could be built. I ask for a vote.

Mr. SASSCER. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I yield to the gentleman from Maryland.

Mr. SASSCER. I thank the gentleman very much. I think that probably may open up a gap. As I have been fooling with them for about 10 years, I would be extremely happy if we could get them.

Mr. RABAUT. Refer them to my statement in the RECORD.

Mr. SASSCER. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland.

The question was taken; and on a division (demanded by Mr. SASSCER) there were—ayes 17, noes 43.

So the amendment was rejected.

The Clerk read as follows:

Flood control, general: For the construction and maintenance of certain public works on rivers and harbors for flood control, and for other purposes, in accordance with the provisions of the Flood Control Act,

approved June 22, 1936, as amended and supplemented, including printing and binding, and office supplies and equipment required in the Office of the Chief of Engineers to carry out the purposes of this appropriation, and for preliminary examinations, surveys, and contingencies in connection with the flood control, $321,000,000: *Provided*, That of the amount herein appropriated, $650,000 shall be for repayments of advances made under the provisions of the act of October 15, 1940 (Public Law 857, 76th Cong.): *Provided further*, That funds appropriated herein may be used for flood-control work on the Salmon River, Alaska, as authorized by law: *Provided further*, That funds appropriated herein may be used to execute detailed surveys, and prepare plans and specifications, necessary for the construction of flood-control projects heretofore or hereafter authorized or for flood-control projects considered for selection in accordance with the provisions of section 4 of the Flood Control Act approved June 28, 1938, and section 3 of the Flood Control Act approved August 18, 1941 (55 Stat. 638): *Provided further*, That the expenditure of funds for completing the necessary surveys shall not be construed as a commitment of the Government to the construction of any project: *Provided further*, That no part of this appropriation shall be available or used to maintain or operate the Garrison (North Dakota) Reservoir at a higher maximum normal pool elevation than 1,830 feet, or for constructing dikes or levees which would be required by a higher maximum normal pool elevation than 1,830 feet for operating such dam.

Mr. SCRIVNER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCRIVNER: On page 8, line 19, strike out "$321,000,000" and insert "$322,700,000."

Mr. SCRIVNER. Mr. Chairman, I see some smiles on some faces which seem to indicate they think the gentleman from Kansas has reversed his well-known position of seeking economy in government expenditures. That, however, does not happen to be the case because I still have and will steadfastly maintain that same position.

If you will look at page 264 of the hearings you will find the item relating to flood control in Kansas City, Kans., and Kansas City, Mo. You will see that last year after very careful consideration the Committee on Appropriations of the Eightieth Congress allowed for this one project the sum of $7,000,000. That was considered a fair allowance. That seven million is a fair allowance. This year the committee, upon recommendation of the Bureau of the Budget, allowed $5,700,000. After the expenditure of which there would still be $12,862,000 to spend to complete the project.

The effect of my amendment to raise this amount from $5,700,000 to $7,000,000 will be to speed up the work that is now taking place on the floodwalls and dikes in the vicinity of Kansas City, Kans., and Kansas City, Mo. The work is progressing very rapidly on the Missouri side of the river, and there the floodwalls and levees are almost at the very top of their height. If this work were to slow down and there is a flood in the Missouri River and the Kansas River, which the experts say is the No. 1 flood menace of the United States, that means that the higher walls on the Missouri River side of the Kansas River will throw an excessively heavy burden of flood waters over into the Armourdale district of Kansas City, Kans., which means that many packing houses and other essential industries will be closed. Many of the employees of these plants will be out of work. Homes will be destroyed. Lives may be lost. If this flood disaster should happen in time of war, of course, it would have a critical effect on the national defense of this country. I wish to point out that in Armourdale, and along the Kansas River, for a period of almost 50 years the residents themselves have been spending their own money to provide for all of the levees and floodwalls which they have had during all of these years to protect that section of Kansas City, Kans.

This is almost the first time that the Federal Government has come into the picture to any considerable degree to supplement the money that has been and will be spent by the citizens there. The reason that I am making this suggestion is that the engineers themselves say that if they can have a larger sum so that they can keep heavy machinery working on the river dikes, which they now have there, they can do a better job cheaper and finish this whole project which will save the industrial area of Kansas City, Kans., and the industrial area of Kansas City, Mo. They could then complete the work in 3 years, instead of spreading it out to 4 or 5 years. Not only can the job be done more economically and more quickly, but we can save what we already have. We might possibly lose much of that work if a flood comes along now or soon. By having a larger contract and a better contract you can get a better price, and thereby save money, instead of costing the taxpayers extra money.

Hence, adoption of this amendment will save taxpayers' dollars.

Mr. Chairman, I hope the amendment will be adopted.

Mr. RABAUT. Mr. Chairman, I wonder if we cannot reach some arrangement as to the time on this project.

I ask unanimous consent that debate on this project end in 2 minutes, and that the 2 minutes be granted to the committee to reply.

Mr. McDONOUGH. Mr. Chairman, I object.

Mr. RABAUT. Mr. Chairman, I so move.

The CHAIRMAN. The question is on the motion offered by the gentleman from Michigan [Mr. RABAUT] that debate on this amendment and all amendments thereto close in not to exceed 2 minutes, the 2 minutes to be allotted to the committee.

The question was taken; and the Chairman being in doubt, the Committee divided; and there were—ayes 38, noes 21.

So the motion was agreed to.

Mr. HINSHAW. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HINSHAW. Did I understand the gentleman's unanimous-consent request to be on this particular project, or was it on the amendment and all amendments thereto? I understood him to say that debate would close on this project. Is that correct?

The CHAIRMAN. The Chair put the question on this amendment and all amendments thereto, and the Committee voted to close debate in 2 minutes.

Mr. HINSHAW. But the gentleman did not ask for that.

The CHAIRMAN. That is what was voted on and adopted by the Committee.

The gentleman from Michigan is recognized for 2 minutes.

Mr. McDONOUGH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Michigan yield?

Mr. RABAUT. I yield.

Mr. McDONOUGH. I have an amendment at the desk on the item $321,000,000. Am I to understand that my amendment is foreclosed by limiting this debate to 2 minutes?

The CHAIRMAN. If the pending amendment is voted down, the gentleman may offer his amendment to the same item in the bill and be entitled to 5 minutes in favor of his amendment.

Mr. CURTIS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman yield?

Mr. RABAUT. I yield.

Mr. CURTIS. I wish to offer an amendment to the amendment offered by the gentleman from Kansas [Mr. SCRIVNER]. May I present that at this time and be recognized for 5 minutes?

The CHAIRMAN. The gentleman may offer his amendment but he cannot speak on it. The debate has been closed.

Mr. CURTIS. A further parliamentary inquiry, Mr. Chairman.

If the amendment of the gentleman from Kansas is carried, does that foreclose the offering of any further amendments to change the amount to be appropriated for flood-control projects?

The CHAIRMAN. It would if the amendment is adopted.

Mr. RABAUT. Mr. Chairman, how much time do I have remaining?

The CHAIRMAN. One minute.

Mr. RABAUT. I want to hurry and go to this Kansas City, Kans., project. The total estimate for that project is $38,475,000. The amount appropriated to date is $19,912,100. The Engineers requested $11,000,000, and the Budget approved it for $5,700,000. They did not do so badly under the budget. They did better than a great many others who have complained here today.

I ask for a vote, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. SCRIVNER].

The amendment was rejected.

Mr. RABAUT. Mr. Chairman, I would like to see if we cannot come to some arrangement for time to debate this paragraph. I would like to know how many Members have amendments which they wish to offer.

The CHAIRMAN. The Chair is advised there are five amendments to this paragraph on the Clerk's desk.

Mr. RABAUT. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 30 minutes, reserving

1½ minutes to the committee on each amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan [Mr. RABAUT]?

Mr. SUTTON. Mr. Chairman, I object.

Mr. RABAUT. Mr. Chairman, I move that all debate close in 45 minutes.

Mr. WHITTINGTON. Will not the gentleman withdraw his motion just a minute?

The CHAIRMAN. It is not in order to move it.

Mr. RABAUT. Mr. Chairman, I withdraw the motion.

Mr. WHITTINGTON. We have under consideration also what is known as general flood control; that is embraced in this paragraph, and included in that paragraph is the lower Mississippi matter. I wonder if the gentleman would not limit his motion to that part of this section ending on page 9, line 18? We would like to have a little time down there on the lower Mississippi River problem.

Mr. RABAUT. The Mississippi River item is in a separate paragraph, is it not?

Mr. WHITTINGTON. No. The gentleman has asked for limitation of debate on the entire paragraph. The Mississippi would be included.

Mr. TABER. The bill has not been read that far. It has only been read to page 9, line 18.

Mr. WHITTINGTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WHITTINGTON. The motion then, is applicable only to page 8 beginning in line 9 and extending down to and including line 18; is that right?

The CHAIRMAN. The Chair is not able to state what the gentleman's present request is.

Mr. RABAUT. I am going to submit a new request.

Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto end in 1 hour, and that the committee be given 1½ minutes on each amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. TACKETT. Mr. Chairman, I object.

Mr. WHITTINGTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WHITTINGTON. When the gentleman says "this paragraph," what does he mean?

Mr. RABAUT. I mean down to and including line 18 on page 9.

Mr. Chairman, I move that all debate on this paragraph ending in line 18 on page 9, and all amendments thereto, conclude in 1 hour, and that the committee have 1½ minutes to reply to each amendment.

Mr. JOHNSON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JOHNSON. Does that mean that those of us who want to oppose an amendment will have no time at all?

The CHAIRMAN. The Chair is unable to state but the Chair is inclined to believe that is what it would mean.

Mr. RABAUT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RABAUT. The committee has had such little support in that regard today that the committee did not expect any help from the other side of the aisle.

Mr. CASE of South Dakota. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. Under the motion would a Member be denied the right to rise in opposition to an amendment if he were recognized, even though the committee might have a minute and a half reserved?

The CHAIRMAN. It would be very difficult for the Chair to deny recognition. The Chair will try to apportion the time fairly as long as the time holds out.

Mr. DONDERO. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DONDERO. I have one of those five amendments at the desk.

The CHAIRMAN. The gentleman's name is listed here.

Mr. DONDERO. I propose to ask unanimous consent when the amendment is read for five additional minutes in order to discuss the amendment. My inquiry is: Will I be precluded under the motion of the gentleman from Michigan from obtaining that additional time which I need?

The CHAIRMAN. The gentleman could ask unanimous consent to proceed for the additional time. It would be up to the Committee as to whether it gave him five additional minutes out of the limited time.

Mr. ALBERT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ALBERT. Do the number of amendments read a minute ago relate to this entire paragraph or to the one Kansas-Missouri item? If we knew the number of amendments to the entire paragraph we might be better able to reach a conclusion.

The CHAIRMAN. The present motion is on the paragraph which ends at line 18, page 9 of the bill.

Mr. ALBERT. How many amendments are there to that paragraph?

The CHAIRMAN. The Chair is advised that there are now eight such amendments at the Clerk's desk.

Mr. McDONOUGH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McDONOUGH. Under the motion to limit debate on this section to 1 hour, and with the time clerk taking the names of all those who are ready to speak, can the Chairman give us any information as to how much time each Member standing will have?

The CHAIRMAN. The Chair is unable to do that, and, of course, the time clerk cannot do it. Members have been getting up and down, and there is no way of knowing how many want to speak and how many want to propound a parliamentary inquiry; but when the matter is settled, the Chair will read a list of the names; and if anyone wants to add their name to that list, he will have an opportunity to do so. Not until the matter is closed can it be determined how much time will be allowed each Member.

Mr. HARRIS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HARRIS. When time has been allotted to each Member whose name is recorded and that Member is recognized, he can speak for or against the amendments as they are proposed?

The CHAIRMAN. The gentleman is correct.

The question is on the motion offered by the gentleman from Michigan [Mr. RABAUT].

The motion was agreed to.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that the pending amendments on the desk be read for the information of the committee, because if one amendment is read and adopted it may preclude the consideration of other amendments, under the ruling of the Chair. Therefore, the members of the committee might well have all of the pending amendments before them.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

Mr. CASE of South Dakota. Mr. Chairman, reserving the right to object, I do not think what the gentleman from Mississippi seeks to accomplish will be accomplished, as was the case in the preceding paragraph. Those who were precluded from offering their amendment by reason of the change of the original figure put their amendments in the form of a new paragraph to follow the paragraph.

Mr. WHITTINGTON. I do not know whether that is true or not. I am asking that the amendments be reported.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

Mr. TABER. Mr. Chairman I think they should go ahead and offer their amendments just like they did to the rivers and harbors section. There is no sense in reading the amendments now. I object.

Mr. DONDERO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DONDERO: Page 9, line 18, strike out the period, insert a semicolon and the following: "*Provided, further,* That of the amount herein appropriated $500,000 shall be used for the Red Run-Clinton River, Michigan project."

The CHAIRMAN. Permit the Chair to state that under the limitation of time that has been fixed, and the number of names listed seeking recognition within that time, it will mean 2 minutes for each Member.

Mr. DONDERO. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. HARRIS. Reserving the right to object, Mr. Chairman, would that mean that the gentleman's time would be taken out of the hour limitation?

The CHAIRMAN. That is correct, unless somebody else yielded time.

Mr. HARRIS. I exceedingly regret to have to object, Mr. Chairman.

Mr. DONDERO. Mr. Chairman, it is quite obvious that no Member can present adequately an amendment like this and do it justice and do justice to the people he represents in his district in 2 minutes.

Mr. WILLIS. Mr. Chairman, I ask unanimous consent that the time allotted me be yielded to the gentleman from Michigan [Mr. DONDERO].

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. PASSMAN. Mr. Chairman, I ask unanimous consent that I be permitted to yield my 2 minutes to the gentleman from Michigan [Mr. DONDERO].

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. LARCADE. Mr. Chairman, I ask unanimous consent that I be permitted to yield my 2 minutes to the gentleman from Michigan [Mr. DONDERO].

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. DONDERO. Mr. Chairman, I thank the gentlemen for their generous consideration of me.

Mr. Chairman, Winston Churchill is in Washington. His presence here in the Nation's Capital brings to our mind his oft-quoted and famous statement in reference to the small Air Corps of England at the beginning of the last war when he said, "Never before have so many owed so much to so few." I can paraphrase that statement in reference to the amendment which I have offered to the House this afternoon and say, "Never before have so many people been dependent upon so little."

Here is an amendment that is authorized by law, an amendment which passed the committee, passed the Congress and signed by the President. I am asking for $500,000, the exact amount the Army engineers asked for.

At this point I want to pay tribute, or at least, express my appreciation to the gentleman from Michigan [Mr. RABAUT] who has been out in this territory and has seen the condition the people live in in the eight cities in my district affected by this project involving 150,000 people. I shall later refer to the map in explanation of it. He found the condition in that area perhaps worse than I am describing it to you. I just want to quote from the hearings, at page 287 and 288. Here is what the engineers said to the Committee on Appropriations:

> We could use $500,000 the first year and complete the project in the second year.

That would bring relief to the people of these many cities who have no other outlet, no other solution to their problem to preserve their property and their health, except the deepening and enlarging of the Red Run project, tributary to the Clinton River.

To the gentleman from Michigan [Mr. RABAUT] I say again I appreciate his fairness and his consideration. He said this to his committee on appropriations and I quote from page 288 of the hearings:

> I was in this area lately, and they surely do need some relief. There is water all over the sidewalks.

Let me point out on this map, briefly, the situation that exists. In the first place, this is in the metropolitan area of Detroit, the fourth largest city in the United States. The south line of the area affected is the north line of the city of Detroit. Here is Red Run. In this area blocked off are the eight cities to which I have alluded, with 15,000 people. They need this project for the drainage of their storm water. They have no other outlet, no other place to go. Unless this project is allowed to go in this bill and the money provided for it, those people will continue at the mercy of recurring floods.

The damage in 1 year from floods was more than the entire amount I am asking for in this amendment, which is $500,000.

May I say at this juncture that the Government of the United States is providing only $1 while my people are providing $3. The total project will cost $4,000,000; the Federal portion is only $1,000,000. It is not a case where we are asking everything from Washington, it is a case where my people are furnishing the major portion of the money. They would not be here today if they had any other solution to their problem except the deepening and the widening of Red Run.

I want this project to be built and constructed simultaneously with the Clinton River project, of which this is a tributary. That is under construction now. Here is the cut-off on the map under construction. It is being built to prevent Mount Clemens, the county seat of Macomb County, Mich., from being flooded. We want this construction to fit in with that—the two are only 2 miles apart—in order that this water will find its way through this bypass into Lake St. Clair.

That is the whole picture in a few words. I do not mean to reiterate what I said to the House yesterday, but the State of Michigan, contributing something over $2,700,000,000 in income taxes to the Federal Government, and all it has in this bill outside of the Soo, Mich., is one little project, on Grand Traverse Bay, of $350,000, and this little project at Mount Clemens of $302,000; in other words, $650,000.

I should be glad to answer any questions any Member would like to ask at this point. May I say that I cannot conceive of a single reason why this project should be objected to. Why not take a few million dollars off from what we are going to spend in overseas areas and aid our own people in the United States first? Let us do that. This is not unreasonable. May I say further I have spent one-fourth of my entire life in this body, and this is the first project of any kind I have ever asked the Congress of the United States to give the people I represent in the Seventeenth District of Michigan.

Mr. ALLEN of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield.

Mr. ALLEN of Louisiana. How often do these floods come in that territory?

Mr. DONDERO. Every year, and the average has been about $120,000 a year in damage, one year $563,000.

Mr. BENNETT of Florida. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield.

Mr. BENNETT of Florida. What is the total over-all cost of the project?

Mr. DONDERO. It is $4,000,000, of which the local people are paying $3,000,000. That is, the local people are paying $3,000,000, and the Federal Government $1,000,000.

Mr. BENNETT of Florida. That is $500,000 this year and $500,000 next year?

Mr. DONDERO. Yes. Next year the job will be completed and that is the only extent to which the Federal Government participates.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield.

Mr. CURTIS. Would there be any economy to the Federal Government or to the local interests by delaying this a year?

Mr. DONDERO. No, it would simply mean further property damage for these people, and further danger to their health.

Mr. Chairman, if there are no other questions, I am willing to yield the floor, so that other members who wish to offer amendments may do so.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield.

Mr. WHITTINGTON. If I understand the gentleman's amendment correctly, you are not increasing the appropriation, but are just including a proviso that of the money appropriated, a certain amount shall be spent for this project?

Mr. DONDERO. That is exactly right.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. KERR].

Mr. KERR. Mr. Chairman, I believe the membership understands very well that this project was not approved by the committee, because the committee followed the rule of approving only those projects which are approved by the budget. I am sure that it can be conceded that they need work there, but there are about 260 projects in this report from the budget, and a great many of them need work, and perhaps all of them do.

But the only reason that the project of the gentleman from Michigan was not approved is that it was not approved by the budget.

The CHAIRMAN. For what purpose does the gentleman from California [Mr. McDONOUGH] rise?

Mr. McDONOUGH. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered as a substitute by Mr. McDONOUGH: On page 8, line 19, strike out "$321,000,000" and insert "$325,500,000, of which $12,500,000 shall be available for flood-control projects in the Los Angeles County drainage area."

Mr. TABER. Mr. Chairman, a point of order. That is not a substitute to this amendment in any way.

Mr. McDONOUGH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McDONOUGH. Mr. Chairman, will it be in order if I offer this as an amendment to the amendment?

Mr. TABER. It will not be in order.

The CHAIRMAN. It would not be in order any more than it is in order as a substitute for the amendment offered by the gentleman from California [Mr. McDONOUGH]. The amendment appears to be to a different part of this paragraph, and certainly is not germane to the amendment offered by the gentleman from Michigan.

Mr. McDONOUGH. Mr. Chairman, the amendment, as read, includes the $500,000 which the gentleman from Michigan has just presented to the House, plus $4,000,000 for the Los Angeles County drainage area. It is certainly germane, because it includes the proposition which was offered by the gentleman from Michigan.

The CHAIRMAN. The amendment offered by the gentleman from California is not germane to the amendment offered by the gentleman from Michigan. The amendment offered by the gentleman from Michigan seeks to include a proviso. It would appear to be in order for the gentleman from California to offer his amendment after the amendment offered by the gentleman from Michigan is disposed of.

Mr. McDONOUGH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McDONOUGH. If the amendment offered by the gentleman from Michigan is adopted, and it is an amendment to the $321,000,000 item in the bill, is my amendment then in order?

The CHAIRMAN. The amendment offered by the gentleman from Michigan does not change that figure in the bill.

Mr. McDONOUGH. In that case, Mr. Chairman, I withdraw my amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. DONDERO].

The question was taken; and on a division (demanded by Mr. KERR) there were—ayes 47, noes 26.

So the amendment was agreed to.

Mr. ALBERT. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. ALBERT: On page 9, line 18, after the word "dam", remove the period, insert a semicolon, and insert the following: "*Provided further*, That no part of the funds herein appropriated shall be used for planning on the Millwood Reservoir, Ark."

Mr. ALBERT. Mr. Chairman, the purpose of my amendment is to decrease and not to increase the appropriations contained in this bill. My amendment provides that none of the funds herein appropriated may be used for planning on the Millwood Reservoir in Arkansas. The proposed reservoir is located about 11 miles above the confluence of Little River and Red River, near Fulton, Ark. Its flood basin will extend in a northwesterly direction and will include a portion of McCurtain County, Okla., which is in my congressional district. The people of my district are uniformly opposed to this proposal. If this reservoir is built it will give no protection at all to the largest county in my congressional district, which, in turn, is the second largest county in the State of Oklahoma. It will leave unprotected thousands of acres of land in southeastern Oklahoma and southwestern Arkansas.

In order to emphasize the need for such upstream protection, I should like to call the Committee's attention to the fact that in August 1947 one flood on one of the tributaries of this river caused damages which, according to a report made by the Army engineers, amounted to $1,340,000, and which, according to more detailed private estimates, amounted to in excess of $2,000,000. The people of my district are convinced that the building of Millwood Dam will preclude for all time to come any possibility of flood-control protection in one of the largest counties in our State.

I also call the Committee's attention to the fact that a resolution of the Committee on Public Works of the other body, dated January 28, 1949, requested a review of the report of the Red River tributaries in Texas, Oklahoma, Arkansas, and Louisiana, downstream from Denison Dam, with a view of determining whether it is advisable to modify the existing project with particular reference to the substitution of a system of small reservoirs for flood control and other purposes. The very fact that this action has been taken by a committee of the Congress indicates the necessity of holding up on this appropriation until this matter has been further explored.

I have brought out these facts to show you in a general way what the construction of Millwood Reservoir would leave undone in southeastern Oklahoma and southwestern Arkansas.

Now I would like to tell you some of the things that the Millwood Dam would do to that part of these States.

In the flood basin of the Millwood Reservoir below Eagletown, Okla., is located one of the finest hardwood forests in the Southwest. The timber from this forest feeds into various sawmills located in this part of the county. One of these mills is located at Broken Bow, Okla., a community of some 3,000 population. Four or five hundred employees of this sawmill earn their living by processing the hardwood taken out of this basin. If this reservoir is built it will cut the very heart out of a thriving little city in southeastern Oklahoma.

I have conducted public hearings in all parts of McCurtain County, Okla., on this proposal, and uniformly there is a feeling that this structure would be detrimental to the citizens of that county. I ask that my amendment be adopted.

I would like to ask the chairman of the subcommittee—I think it is for this reason that the Army engineers did not request this item. I ask the chairman of the subcommittee, Is that not true? Did the Army engineers request this item?

Mr. RABAUT. No. It was put in by the Budget.

Mr. ALBERT. But it was not requested by the Army engineers?

Mr. RABAUT. No, it was not.

Mr. ALBERT. Mr. Chairman, this is an opportunity to save $150,000 until we decide whether this plan should be adopted or a plan already under operation on the other side of the Capitol. I ask the Members to accept my amendment.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

For what purpose does the gentleman from Arkansas [Mr. TACKETT] rise?

Mr. TACKETT. Mr. Chairman, I rise to be heard upon the amendment.

The CHAIRMAN. The gentleman from Arkansas [Mr. TACKETT] is recognized for 2 minutes.

Mr. TACKETT. Mr. Chairman, I rise for the purpose of giving this Committee of the Whole the benefit of my information and understanding concerning the involved item of $150,000 intended to be used by the engineers for additional surveys and planning relative to flood control within my district. The gentleman from Oklahoma [Mr. ALBERT] seeks to strike this appropriation item.

Little River heads within Mr. ALBERT's district in the State of Oklahoma and empties into Red River within my congressional district of Arkansas. Other than Glover Creek, near the head of Little River, there is but one principal tributary to the river within the State of Oklahoma, which is Mountain Fork River that heads in Oklahoma, meanders into and out of Arkansas, and enters Little River within the State of Oklahoma a few miles west of the Arkansas line. The Rolling Fork River, the Cossatot River, and the Saline River are the tributaries within Arkansas to Little River, named in order from the Arkansas-Oklahoma line southward.

The engineers have tentatively approved a project to be known as Millwood Dam upon and near the mouth of Little River just south of the mouth of Saline River; and, if so constructed, would back a little water into the district of the gentleman from Oklahoma. The people within Mr. ALBERT's district, being

above the tentatively proposed dam, are opposing the construction of the aforementioned project. Little River south of the tentatively proposed dam and Red River form the western boundary lines of two counties of the Seventh Congressional District of Arkansas, represented by the gentleman from Arkansas [Mr. HARRIS]. The affected people along these rivers south of the tentatively proposed flood-control project are anxious for the flood-control project to be made an immediate reality.

A large majority of the people within my district residing below the tentatively proposed dam site favor the construction of the tentatively proposed flood-control project; and the people of my district residing above the tentatively proposed site strongly oppose the construction of Millwood Dam and favor in lieu thereof the construction of upstream and tributary dams.

Mr. Chairman and gentlemen of the Committee of the Whole, it is my understanding, as I so testified before the Appropriations Committee, that this $150,000 item of the appropriation is to be used by the engineers for additional surveys and planning to determine the procedure to be adopted in an effort to curb the destruction by floodwaters within this area. I am not an engineer and therefore would not know the amount of money required. However, I am advised that the engineers will need this additional $150,000 to complete the survey within that area and thereby determine the feasibility of the one big dam project upon Little River or the upstream and tributary dams upon Little, Saline, Cossatot, Rolling Fork, and Mountain Fork Rivers.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. TACKETT. I yield.

Mr. ALBERT. Does the Appropriations Subcommittee agree with your understanding of the purpose for this $150,000 appropriation item?

Mr. TACKETT. I do not know, but that was my understanding.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. TACKETT. I yield to the gentleman from Michigan [Mr. RABAUT], a member of the Appropriations Subcommittee.

Mr. RABAUT. The gentleman's statement is correct.

Mr. TACKETT. Then, my understanding is correct.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. TACKETT. I yield.

Mr. BROOKS. The area under discussion is largely in the State of Arkansas—not in the State of Oklahoma?

Mr. TACKETT. That is true.

The proponents and opponents of Millwood Dam are in favor of flood control, but are merely in disagreement as to the procedure that should be adopted by the Government in making flood control a reality within this territory. Further planning and a complete survey by the Army engineers should determine the most feasible flood-control system to be adopted for the Red River tributaries within my district.

The gentleman from Arkansas [Mr. HARRIS] is recognized.

Mr. HARRIS. Mr. Chairman, I regret exceedingly to find myself in disagreement with my genial and esteemed friend and colleague from Oklahoma [Mr. ALBERT]. I know he is sincere in his efforts in offering this amendment and everyone in this House knows that he is able and diligent to his duties whether it be of national consequence or matters pertaining to his own district.

The people of Arkansas and Oklahoma have a very close association and it is seldom that we are in disagreement as we are unfortunately here today.

Mr. Chairman, this is a highly important matter to the people of my district as well as the entire Red River Basin. The amendment of the gentleman from Oklahoma would delete the $150,000 provided in this appropriation for the preparation of detailed plans and specifications for Millwood Reservoir in Arkansas.

For many years, the United States Army engineers made a very careful study and survey of the Red River Basin below Denison. On April 19, 1945, the Committee on Flood Control of the House of Representatives by resolution, directed the engineers to make a study and report on the Red River Basin and its tributaries, as to what improvements are advisable to provide proper flood protection on the main stream of the river downstream from Denison Dam. Pursuant thereto, the engineers made their report which is submitted to the Secretary of War who in turn transmitted it to the Committee on Flood Control of the House of Representatives on May 20, 1946.

In this report, it was recommended by the Army engineers that an over-all program be undertaken to provide adequate flood control for the entire Red River Basin and tributaries. In this recommendation, a number of flood-control reservoirs were deemed necessary by the engineers, if adequate flood-control protection was provided.

Pursuant to the recommendation of the Army engineers, the Congress of the United States reviewed and considered this major undertaking. In the Flood Control Act of July 24, 1946, this program was authorized by Congress.

Since then appropriations have been made available and some of the reservoirs recommended and authorized are now under construction.

Included in this over-all Red River plan recommended by the Army engineers and authorized by Congress was Millwood Dam and Reservoir near the mouth of the Little River. The purpose of this dam is to store the water in these tributaries and hold it out of the main stream of Red River. It would provide flood control for Saline River, Cossatot, and Rolling Fork in Arkansas. As recommended by the engineers it would provide storage of the water also from North Fork, Glover Creek, and upper Little River in Oklahoma.

Before proceeding to construction, Mr. Chairman, plans and specifications must be prepared by the Army engineers and the $150,000 carried in this appropriation is to initiate this work. Therefore, if this program is going to be carried out, it is important that the money is made available to the engineers for this purpose. If it is continuously delayed and postponed, we will not have this protection, and therefore, subjected to these hazardous and devastating floods.

I appreciate the attitude and position of my colleague from Oklahoma, Mr. ALBERT. I know he is intensely interested in this matter because of the interest of his people. I admire him for fighting as he has done for his people and certainly can understand the reasons that prompted this introduction by him. I realize there was some controversy that arose over the construction of this reservoir. I know the people of Oklahoma desire that numerous small reservoirs in the upper tributaries be provided. I can understand their personal feeling for such a program because of the reclamation and recreational features that would be attached to it.

However, after the controversy developed the Army engineers were instructed to again make a survey to determine the justification of the numerous small reservoirs. The division engineer again concludes on the basis of his review and study that Millwood Reservoir is still the best project for flood control on Little River and he reaffirmed recommendation for the project.

It is my understanding that in the review consideration was given to the possibility of some dam or small reservoir upstream from Millwood. It is my understanding that he found that the best contemplation of such an undertaking would consist of some seven small reservoirs. The cost, however, would be excessive and more than twice as much as the estimated cost of Millwood.

The original cost of Millwood was something more than $22,000,000. That has increased as has been the case of many other projects. Since the engineers on whom we must rely for these engineering studies say that this is the feasible and practical approach to this undertaking, and the other thus far cannot be justified, I urge the amendment offered by the gentleman from Oklahoma be rejected.

I am exceedingly interested in this project because it is located northwest and almost adjoining my district. The benefits would be tremendous to the people of my district and the lower Red River Basin. We have suffered innumerable destructive floods and we need this protection.

Those opposing this project do so by suggesting that another survey be made, a third survey; this would merely delay the initiation of this project another year or perhaps indefinitely.

I do not object, Mr. Chairman, for the gentleman to have a reservoir, or reservoirs in his district. If it can be justified and the engineers say so and the Congress authorizes it, I can assure the gentleman that I will work just as hard for a reservoir in his district and for his people as I am doing for this needed reservoir at Millwood. I hope these funds will be maintained in this bill, and if so, Mr. Chairman, I fully believe that this survey can get under way and the plans be provided and at the same time a definite program worked out that would do justice to this entire area.

I therefore hope, Mr. Chairman, that the amendment is defeated.

The CHAIRMAN. The time of the gentleman from Arkansas [Mr. HARRIS] has expired.

The question is on the amendment offered by the gentleman from Oklahoma.

The question was taken; and on a division (demanded by Mr. ALBERT) there were—ayes 19, noes 37.

So the amendment was rejected.

Mr. McDONOUGH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McDONOUGH: On page 8, line 19, strike out "$321,000,000" and insert "$325,000,000, of which $11,500,000 shall be available for flood-control projects in the Los Angeles County drainage area."

Mr. McDONOUGH. Mr. Chairman, I realize it is almost impossible to do justice to an argument in favor of my amendment in the short time allotted. I do want to call the Committee's attention to the fact that the flood-control district of Los Angeles County is a tax-levying body. We are not coming here asking for any one-sided proposition. We have raised $82,000,000 from the people of that community over the years to take care of our own flood-control program and in 1936 we became a part of the recognized flood-control responsibility of the Nation. Since that time we have had complete and agreeable cooperation with the United States Army engineers in all of the projects.

We had a committee come back here to meet with the subcommittee and to testify as to our problem. The bill before us provides a sum of money that would take approximately 40 years to complete the project which was estimated by the Army engineers could have been completed in 20 years. We have been at it 13 years now. We can compensate for the difference in the war years; however, under the schedule that the appropriations are being made against authorizations up to the present time, the other flood-control projects in the Nation will have been completed in the next 20 years and we in Los Angeles County will be 20 years behind schedule.

It is only fair in considering the problems that we are faced with the fact we cannot control the floodwaters in southern California like you can in other parts of the United States because we have no watershed in the mountains. A flash flood there is very dangerous and disastrous. We cannot control them without adequate channel work on the San Gabriel and Los Angeles Rivers.

I am asking that the committee give serious consideration to this request as a fair one taking into consideration the amount we are contributing from our own tax funds. We appreciate the amount the subcommittee has recommended but it is not enough to complete our projects in a reasonable length of time. Two of our most important projects are not included in the amount in H. R. 3734. These two projects are Live Oak Wash and San Antonio Canyon project.

LIVE OAK WASH

Live Oak Wash is a rather small stream, but during times of flood it has tremendous volumes of water and has a tremendous velocity. The grades on channel are very steep.

At the present time, Live Oak Wash has been improved in its upper reaches so as to protect certain highways and certain properties which were constantly being eroded and destroyed.

The present improved channel for Live Oak Wash ends in the very center of the city of La Verne. From the end of this improved channel, there is a meandering channel varying in width from 6 or 8 feet up to two or three hundred feet and varying in depth from 10 or 12 feet up to as much as 30 feet.

The whole westerly part of the city of La Verne is in constant danger of floods because of the unimproved channel.

About three-eighths of a mile below the end of the improved channel, the unimproved channel goes under the main line of the Santa Fe Railway tracks. There is constant and real danger of a wash-out of the main line of the Santa Fe Railway track at this point, and such a wash-out could be extremely embarrassing if it should take place during a period like the past few years when we were moving so much defense materials across this line.

An appropriation of $500,000 will complete Live Oak Wash, not only across the Santa Fe Railway tracks but down to a point where it can discharge safely behind the Puddingstone Dam. This small appropriation is much less than the damage that might occur if the railroad should wash out. We can see no justification for not going ahead with this project so as to give the protection to the city of La Verne and to the Santa Fe Railway.

SAN ANTONIO FLOOD-CONTROL BASIN

This project when completed will consist of a dam at the mouth of the San Antonio Canyon and an improved channel to protect the cities of Upland, Ontario, Claremont, Pomona, and Chino.

We are asking that an appropriation be made at this time of $2,500,000 to begin this project.

San Antonio Creek, which drains the area above the proposed dam, has a drainage area of 28 square miles. The elevations of the mountains around the upper end of the canyon exceed 10,000 feet. The actual air-line miles from the upper heights of the mountains to the mouth of the canyon are about 15 miles.

The rainfall in this area is extraordinarily heavy, and oftentimes follows periods of heavy snowfall, so that the flood hazard is intensified in that manner.

The velocity of the water coming out of the canyon is almost unbelievable. During the centuries that this stream has flowed unchecked, it has built up a cone at the mouth of the canyon which is approximately 1,200 feet higher than the valley floor. The stream leaves the canyon at the very top of this cone and stays on the high part of the cone during normal stream flow.

During times of flood, the stream goes out of its banks and then goes down the cone in whatever direction it happens to be headed.

During the years since we started flood control in Los Angeles County, we have had constant trouble with this stream in trying to keep it confined to a channel of any kind at all. It has washed out all kinds of irrigation works, it has washed out the railroads upon several occasions, and it has constantly washed out our highways.

This stream crosses a main line of the Santa Fe Railway, the main line of the Southern Pacific Railway, and the main line of the Union Pacific Railroad, and every one of them has been washed out at one time or another by floods in this stream.

We of Los Angeles County have taken these obligations very seriously. We have stood ready at all times to furnish our share of the funds as determined by Congress. In some instances, the county of Los Angeles has even gone so far as to advance money to purchase rights-of-way that would eventually be needed by the United States engineers.

In order that we would be sure that we would have sufficient funds to meet the obligations imposed upon us by Congress, we went before our State legislature and were authorized by legislative act to increase our tax levies for flood-control purposes by 50 percent. This increased levy has been made in anticipation of the project's going ahead as rapidly as possible.

Also in anticipation of the needs for local contributions as required by Congress we again went before our State legislature and had the State appropriate funds to meet what could be determined as the State's share in the flood-control projects of Los Angeles County. These funds were appropriated and are now awaiting the call of the United States engineers when the project requires them. In fact, we have made provision for every dollar that may be called for by the United States engineers in the carrying out of the project which has been approved.

In order to carry on the Los Angeles County flood-control project without interruption and in its most economic way, there should be Federal appropriations of fifteen to twenty-five million dollars each year. Some years the larger amount would be needed, and other years the smaller amount would suffice, but the average should be $20,000,000 per year. By making such appropriations, the project could be completed within the next 10 years.

For the present fiscal year, 1949–50, we have selected the most urgent sections of the project to be completed and those for which the plans have been completed.

I urge the Committee to vote favorably on the amendment I have submitted.

The CHAIRMAN. The gentleman from California [Mr. HOLIFIELD] is recognized.

Mr. HOLIFIELD. Mr. Chairman, I realize that the time allowed me is not enough to talk on this particular subject, therefore I will extend my remarks at this point in the RECORD.

I rise at this time, however, to ask a question of members of the committee. In the Los Angeles master flood-control appropriation there is a project known as the Live Oak project. It has been authorized and needs at this time about $300,000 to complete. Would it be possible for diversion of funds from one of

the larger projects to be made to a smaller project to complete it if the Army engineers and the Los Angeles County flood-control authorities feel it is advisable at this time?

Mr. RABAUT. I would say it would be within the discretion of the Army engineers to work out such a condition. It is within their power to do it.

Mr. HOLIFIELD. I thank the gentleman for the information.

On the general subject of the Whittier and Narrows Dam, has the committee considered the point involved where only one-third of the homes in the condemned area of the Whittier Dam can be purchased under the appropriations contained in the committee bill?

Mr. RABAUT. Something was developed along that line before the committee; but this problem, we feel, is going to be reviewed by another body of the Congress, for which body we have to leave some work to be done.

Mr. HOLIFIELD. I thank the gentleman. I hope when this matter is considered by the conferees an additional request is made on this point.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, I think that the remarks of my distinguished friend from Michigan ought to be put in a frame. In other words, what we are going to do is to give the other body an opportunity to obtain whatever credit can be obtained by increasing an appropriation passed in the House. It seems to me that if we are going to do something about it, we better do it here and not carry it over onto the other side, because we can be condemned for not doing it here, and they in turn can be praised.

As a matter of fact, we from Los Angeles County want to express our appreciation to the committee for their courteous consideration, and appreciate the fact that they have included the sum that was allocated by the Bureau of the Budget to our drainage area flood control problem. We have our fight, maybe, with the Bureau of the Budget, because, after all, $7,500,000 allocated against $204,000,000 of work remaining to be done will require 27 years to complete. However, we hope that the House will join with us in trying to bring this project, which has already been 13 years under construction, to completion sometime within our lifetime. We would like to bring it to completion in 7 or 8 years. As it is now, it is going to be 27 years more. We hope that you will go along with us and allow us this additional sum which has been requested by the flood control engineer of Los Angeles County.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. DOYLE].

Mr. DOYLE. Mr. Chairman, manifestly the time allotted for 20 Members to speak for or against 8 amendments in the time of 2 minutes each is ridiculously insufficient to do justice to any of them.

In support of the amendment by the gentleman from California, Representative MCDONOUGH, asking for an increase of $5,000,000 in the total appropriation for flood control and which $5,000,000 would go specifically to the Los Angeles flood-control area, I will say that agreement is reached between us that, if this increase is made, then a reasonable equitable portion of said $5,000,000 will, at the local level, be added to the expenditures for the Whittier Narrows Dam project. This is not because the Whittier Narrows Dam project is less important than any other project in the strategic county of Los Angeles as relates to flood control, but it is because it is apparent here today that increases in committee allocations already made are very few and far between.

Likewise, I am glad and proud to say that the Whittier Narrows project has been so strongly recognized as one of absolute requirement and need that the President of the United States approved $5,000,000, the budget has approved it, and said sum will be available to logically and sensibly commence the construction of this important flood-control dam. The $5,000,000 is not nearly enough, but the Army engineers recommended only $3,000,500 for the purpose of purchasing land at this time; and they did so on the premise that said sum was sufficient to purchase all the land that was needed for the purpose of commencing prompt construction of the dam itself.

The board of water resources had asked for the sum of $12,000,000 as a total amount that is eventually to go into this dam. I have spoken with the gentleman from California, Representative NIXON, who represents the congressional district in which this agreed dam site is located and, as he stated to me, we want additional money at this time, if possible, to purchase the properties in the given geographic area where the dam is to be located, so that the home owners there would not be held in a mental hazard for the next 2 to 5 years to know when their homes were to be purchased and what they were to receive for them. There are about 500 families that are instantly affected through the decision to commence prompt construction of this dam and about 300 acres are to be condemned. Condemnation suits have been filed in the Federal court already, and so we must think in terms of the sound, humanitarian aspect of this situation and see to it that this land and these homes are purchased at the earliest possible date.

I have discussed with the gentleman from California, Representative MCDONOUGH, the portion of the $5,000,000, if approved by this committee today, which would be added to the amount already authorized for the Whittier Narrows Dam, and I felt that $1,000,000 would not be unreasonable. I appreciate the cooperation and courtesies extended and the cooperation of the distinguished chairman and subcommittee chairman of the Committee on Appropriations and of the members of the subcommittee; and inasmuch as the taxpayers of Los Angeles County have already taxed themselves for a sum of over $82,000,000 to protect themselves against ravaging floods, you, my colleagues, must recognize that when we of Los Angeles County ask for Federal cooperation we are not doing so until we have first done a full share of tax gathering ourselves, and the 1950 budget of Los Angeles County is providing an appropriation of $3,000,000 of further funds, raised from the taxpayers at the local level, to provide for the rights-of-way and other imperative items.

There are something over 4,000,000 people who live in the area of the Los Angeles flood-control district; and between the site of the dam and my home city of Long Beach, Calif., are thousands and thousands of people and of valuable properties, both improved and unimproved. Furthermore, several years ago millions of dollars' worth of properties were damaged as a result of an unexpected and uncontrolled flood. Most of this damage was to properties in the congressional district which I have the honor to represent. That sort of damage could occur again; and if such a flood now comes, the damage will be tremendously greater.

The mental condition of the several hundred families in that area to be necessarily purchased is that they know their property is to be taken from them for this purpose within the next 1, 2, 3, or 4 years; and, consequently, they have a mental hazard and a material condition surrounding them which is not only unconducive to happy home life and material progress and prosperity, but is a continuingly unfair condition and one which must be corrected at the earliest possible date. If this $5,000,000 additional is today appropriated and $1,000,000 of it comes to Whittier Narrows project for the purpose of acquiring some of this necessary land, even that will not be commensurate with the promptness which should be present. But with $1,000,000 additional during the coming year, we can then add the balance necessary in next year's budget and thus complete the land-purchasing part of this strategically essential flood-protection project.

So I respectfully urge a favorable vote on the increase in appropriations of $5,000,000 to the Los Angeles flood-control area, out of which it is agreed Whittier Narrows project will have a just and equitable portion thereof to do the necessary thing I have related, to wit, to commence reasonable acquirement of the necessary lands, some improved and some unimproved.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. JACKSON].

Mr. JACKSON of California. Mr. Chairman, I rise in support of the amendment offered by the gentleman from California [Mr. MCDONOUGH]. Flood waters in southern California are one of two things: They are either slave or master. As a slave, and under proper control, it has been possible to reclaim and make fruitful the desert. It has also been possible to build on the Pacific coast the great metropolis of the city of Los Angeles, a city which, with its metropolitan aspects in the surrounding area, is now the home of more than 4,000,000 people and a city to which thousands of new residents are coming each month. Southern California pays into the Federal Treasury in excess of a billion dollars every year. The growth of

the city has been so phenomenal and rapid that it has far outstripped what would have been, in the normal course of events, an adequate program of flood control. We now find ourselves with a tremendous new population faced with recurrent flash floods which are destructive to both life and property. Storms coming in from the Pacific, hit the mountain sides, and, without adequate grass and foliage cover, are transformed into rushing torrents which pour down the steep slopes of the mountains to course over and across the occupied areas in many of the towns and cities of southern California. In my district, much of the city of Culver City is at a time like that, under from 1 to 2 feet of water. Much of the land has been developed and has been industrialized or given over to homesites. Many of the homesites belong to veterans, who are having a very difficult time at best in making ends meet.

I think the committee has been extremely fair. It gave our representatives a very fair hearing. I hope the committee will in its judgment see fit to support this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. NIXON].

Mr. NIXON. Mr. Chairman, I wish to speak briefly in behalf of three projects which are vitally important to my district and to the entire over-all flood-control program for the county of Los Angeles.

The first project I will discuss is the Whittier Narrows Dam and flood-control basin. An initial appropriation for this project was granted by Congress last year, after it had been in the authorized category for a considerable period of time. As a result, we now have here what might be called a going project—one which is certain to be built. Those who reside in the taking area are almost exclusively small-home owners, in the low to middle income brackets. Under the certainty of Government condemnation, they cannot sell their properties, they cannot borrow on them, nor is it wise for them to make any improvements on them, no matter how badly these may be needed.

I believe it is our responsibility, under these circumstances, to provide as much money as may be required to acquire these properties for the Whittier Narrows project without delay. It is the Government's obligation to persons whose land it is planning to condemn to proceed with such condemnation with a minimum of economic hardship involved upon those who have no choice in the matter. I am certain that the members of the committee will readily understand the anxiety of these people and their desire to have their property purchased as quickly as possible in order that they may have the funds to purchase or build a new residence elsewhere.

For the most part, they are financially unable to maintain their present living quarters and at the same time undertake the acquisition of another home. These residents, whom we are, in effect, dispossessing or evicting, must be allowed a period of time to remain in their present homes after we contract to purchase them in order that they may utilize that time to make arrangements for locating elsewhere. This they cannot do without money from the Government for their properties, and for this reason I was very glad to note the comment of the gentleman from Michigan [Mr. RABAUT] in response to the question asked him by my colleague from California [Mr. HOLIFIELD] to the effect that in the event additional funds are made available in the other body for this project, the members of the Conference Committee from the House would give sympathetic consideration to such increase for the reasons I have pointed out.

The San Antonio Canyon Dam project has been authorized for a number of years and I understand from the Corps of Engineers that approximately $250,000 has been expended to date for planning. However, no funds for construction have been appropriated and the subcommittee did not see fit to include an appropriation for the project in the bill under consideration.

This project is an extremely urgent one from the standpoint of protection of life and property. Some 60,000 people live and work in the valley directly below this canyon; they and their properties are completely at the mercy of flood conditions which might arise at any time as a consequence of the present lack of any protection. The canyon drop is extremely sharp, in a relatively short space. Any rapid increase in temperature in the mountains, at a time when there is a heavy fall of snow on the ground, could produce a very fast flow of water on the communities below with disastrous consequences.

In fact, such a situation did develop in 1938, with loss of life and severe damage to property. I also wish to call attention to the fact that funds were at one time allocated for the construction of this project, but were later diverted to war purposes. I believe the people in the area affected by the existence of this hazard are now entitled to an appropriation in order that construction of a dam for their protection may at long last be started. I trust that if the other body sees fit to provide an initial appropriation for construction of this project the House representatives on the Conference Committee will act favorably upon the increase.

I realize that many times we are asked to appropriate a small amount of money to get a project started, but we then are faced with the necessity of carrying over a period of years a project involving a huge amount of money. We have here a project which does not involve a large amount of money over-all and one in which the chances for loss of life and property are very great. For that reason I believe that an initial appropriation for the purpose of getting the project under way is justified.

The third project in my district which I should like to discuss is the Live Oak Wash. The situation here is one where we have an unfinished flood-control channel—where work had to be stopped because of inadequate funds. Unfortunately, the previous work ended right in the middle of a city—La Verne. As a result, the water coming down through existing containing facilities is free to spread out over a population area and, in the event of heavy rains or a thaw in the mountains directly above could wreak heavy damage and possibly cause loss of life.

In my opinion, the very fact that a previous Congress found this project essential is sufficient reason for us to go ahead and finish it. For those residing at the end of the present channel the hazard is even greater than it was before the project was started; it seems to me that we have a very direct responsibility to them to finish what we have started and to give them the same protection we previously provided those living between them and the hazard source in the mountains.

The amount of money needed to complete this project is only $300,000. It is my understanding that the Corps of Engineers is willing to transfer funds from one of the other authorized projects in the Los Angeles County flood-control basin to this project in order to complete it even though no specific authorization for funds for this project is included in the budget. I was particularly glad to note that the gentleman from Michigan [Mr. RABAUT] indicated that such a procedure by the engineers would be in accordance with the law in response to an inquiry made by my colleague from California [Mr. HOLIFIELD].

Mr. NIXON. Mr. Chairman, I ask unanimous consent to yield the balance of my time to the gentleman from California [Mr. ENGLE].

Mr. JOHNSON. I object, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. RABAUT].

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I yield to the gentleman from New York.

Mr. TABER. It seems to me that when $7,500,000 has been allotted to a project, with the condition of the Treasury what it is, that is going a long way.

Mr. RABAUT. Mr. Chairman, what the gentleman from New York has just said is just about what I was going to say.

The figures on this project are, total estimated Federal cost, $301,000,000 plus. Amount appropriated to date, $89,000,000. Corps of Engineers' estimate for 1950, $9,700,000; for planning, $155,000; and for construction approved by the budget, $7,500,000.

I admire these men who are so devoted to their State. It is a natural condition that we carry with us. But let us for a moment drop this parochial idea we have and take a look at the whole Nation. In the executive budget there is a grand total for California of $38,300,000. Of course, the groups who appeared before us were eager to receive an amount in excess of that. I do not blame them for asking, but they should not blame me for trying to support that which we have to do here on the floor today. They wanted only $69,565,500. I hope the House will support the committee and vote down this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. MCDONOUGH].

The question was taken; and on a division (demanded by Mr. MCDONOUGH) there were—ayes 19, noes 47.

So the amendment was rejected.

Mr. WHITE of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITE of California: On page 9, before the period at the end of line 18 insert the following: "*Provided further*, That of the amount of $321,000,000 herein appropriated, $945,000 shall be for the completion of the flood-control projects on the Merced County group of streams, California: *And provided further*, That no part of the amount of $321,000,000 appropriated herein shall be available or be used for the construction of the proposed Farmington Dam, San Joaquin County, Calif."

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. WHITE].

Mr. SUTTON. Mr. Chairman, I ask unanimous consent that the gentleman from California [Mr. WHITE] have my time.

Mr. JOHNSON. Mr. Chairman, I object.

Mr. WHITE of California. Mr. Chairman, nearly every Member who has appeared before this body today has wanted to spend money. I want to save some money, and plenty of it. I am offering an amendment here which saves over a million dollars to the Treasury of the United States at this time. I do not mean savings in future years, I mean savings right now out of this particular appropriation. This involves the killing off of one particular project and the carrying out of another project. As it happens, one of these projects is in three congressional districts. That is the project which I propose to kill off. The watershed of that project lies in the congressional district of my distinguished colleague the gentleman from California [Mr. ENGLE], in my own district, and in the district to the north of mine. Water is almost like gold in California, as of this time. This project, the Farmington Dam for which $2,000,000 has been appropriated in the first year, because they want to rush the project through so that we cannot object to it when the people are fighting it tooth and nail, takes the water out of our district, the district of the gentleman from California [Mr. ENGLE] and mine, where it is so vitally needed, and lets it run down to the Stockton area to protect a city which, according to the admission of the Army engineers, has not had a flood since 1911, while the Merced stream group, which flows down from the Yosemite Valley through the beautiful little city of Merced, Calif., is being flooded every other year or so, and where the valuable Highway 99 between Los Angeles and San Francisco is washed out every time.

That money should be transferred to the Merced stream project, and I earnestly urge your support of this amendment.

The CHAIRMAN. The gentleman from California [Mr. ENGLE] is recognized for 2 minutes.

Mr. ENGLE of California. Mr. Chairman, the situation with respect to this amendment is this: The gentleman from California [Mr. WHITE] seeks to take out of this bill $2,000,000 allocated to the Farmington Dam and move one million of it over to the dam in his area in Merced. We have somewhat the same situation here that we had with the gentleman from Oklahoma [Mr. ALBERT].

On June 30, 1948, the Senate Committee on Public Works directed the Army engineers to make a restudy of the House document on which the authorization for the Farmington Dam is based, for the purpose and with the view of determining whether recommendations contained therein should be modified at the present time. We are asking that this dam not be built, and that a series of smaller dams be built in the foothills, so that the water from that area can be conserved and used for irrigation, in addition to flood-control purposes which are sought by the people in Stockton.

We are in favor of flood control. We want them to have it, but we want to get it in a way by which we can use that water for irrigation if that is possible. So we have a strange situation of the Committee on Public Works directing a review of this project while at the same time we have an appropriation set out in this bill for $2,000,000.

We are asking that that be deferred for this year and that the money be put in Mr. WHITE's project at Merced, and next year, if the report shows that these dams cannot be feasibly put here, we can proceed with the Farmington Dam, but if the dams can be put at the higher level, then we can put the dams up there and secure the use of this water for the people in the foothills area which I represent.

We are asking that you support this amendment in order to give us a chance to get the report from the Senate Committee on Public Works on the resolution which they have adopted in the last session of this Congress.

The CHAIRMAN. The time of the gentleman from California [Mr. ENGLE] has expired.

The gentleman from California [Mr. JOHNSON] is recognized for 2 minutes.

Mr. JOHNSON. Mr. Chairman, all this argument sounds plausible, but it is not in accordance with the facts. Our Farmington Dam project has run the gamut from the district engineer to the President of the United States, and has received approval at every stage of the proceedings.

The Reclamation Bureau, which is the conservation bureau of the United States, has stated that they do not wish to build a conservation dam at the Farmington site, and the evidence is in the hearings. The matter that the gentleman from California [Mr. ENGLE] mentioned, concerning the study by the United States Senate, is answered by our State Engineer Hyatt who is making an investigation pursuant to a Senate resolution, as follows:

This office is engaged in a general survey of water needs in and plans for mountainous areas, including the upper reaches of Littlejohn Creek. The report on this territory is not completed nor sufficiently advanced to predict its recommendations. However, if the upstream storage on Littlejohn Creek is found to be feasible, such storage would not serve as an alternate to the flood-control dam in the vicinity of Farmington, which dam will be necessary in any event.

These gentlemen came here, after both of them sat in a meeting of the California delegation, where the delegation voted unanimously to support this and other projects, including the one that the gentleman from California [Mr. WHITE] has. Now he and his colleague the gentleman from California [Mr. ENGLE] come here and ask this House to raise his project almost a million dollars and take away my project that has approval from the President of the United States all the way down. The committee also gave to the Merced stream group $200,000.

When I feel that I must oppose a project in another Member's district I inform him of this and as a courtesy give him a copy of any amendment I may have to implement my suggestion. In this case I had no notice of this attempt to strike Farmington Dam from the bill and only by accident did I hear of the plan to do so.

The committee held exhaustive hearings and unanimously recommended this project. We have been devastated by floods of Littlejohn Creek seven different times in the last 25 years, and the record of the Army engineers so shows, and the evidence is in the hearings. It is a question of whether you will protect the lives and property of 100,000 people or try to fool the Congress into thinking there are some other features, that are thoroughly impractical, that could be utilized in this project. Also the argument that the people concerned do not want this dam is fallacious. They are practically unanimous in their support of it.

I hope you will sustain the committee and not try to write this bill on the floor of the House.

Pursuant to leave obtained in the House, the full letter of Mr. Hyatt, State engineer of California, regarding this project follows:

STATE OF CALIFORNIA,
DEPARTMENT OF PUBLIC WORKS,
Sacramento, March 18, 1949.

Hon. LEROY JOHNSON,
Member of Congress, Third California District, House Office Building, Washington, D. C.

DEAR CONGRESSMAN JOHNSON: I regret the delay in answering your telegram of March 10, regarding Farmington Dam. However, I did not get back to Sacramento until a day or so ago.

The construction of a reservoir near Farmington, on Littlejohn Creek, for flood control purposes, was authorized by Public Law 534, Seventy-eighth Congress, second session, substantially in accordance with the recommendation of the Chief of Engineers in House Document No. 545, Seventy-eighth Congress, second session. This project was likewise adopted and authorized by chapter 1514, California statutes of 1945. In the views and recommendations of the State of California, dated April 1946, on the proposed report of the Chief of Engineers, United States Army, entitled, "Comprehensive Flood Control Survey Report on Sacramento-San Joaquin Basin Streams, California, 1945," the Farmington Reservoir, with a capacity of 40,000 acre-feet, was recommended to be constructed for flood control when the necessary assurances for local cooperation are furnished by responsible agencies.

The California State Water Resources Board, in 1947, 1948, and 1949, has, each year, prepared in consultation with local interests a recommended California program of flood-control construction for the following fiscal year, and has presented to the committees of Congress its recommendations for appropriations for all authorized flood-control projects. In 1947 the board recommended to committees of the House and Senate the appropriation of $1,000,000 for construction of Farmington Dam on Littlejohn Creek. No appropriation was recommended by the executive budget, however, and none was made by the Congress in these years. In 1948 the board again recommended an appropriation of $1,000,000. No recommendation was made by the executive budget, but the Congress made an initial appropriation of $250,000 for construction of Farmington Dam. In the present year, 1949, the executive budget contains an item of $2,000,000 for continuation of construction of Farmington Dam, and recommendation of that amount was made by the State water resources board before the House Appropriations Committee on March 3, 1949.

Therefore, the construction of Farmington Dam for flood control has been authorized by the Congress and by the State of California. The State water resources board has repeatedly requested Federal appropriations for its construction. An appropriation of $250,000 was made in 1948, and the executive budget contains a further item of $2,000,000 for this purpose for the fiscal year 1949–50.

This office is engaged in a general survey of water needs in, and plans for, mountainous areas, including the upper reaches of Littlejohn Creek. The report on this territory is not completed nor sufficiently advanced to predict its recommendations. However, if upstream storage on Littlejohn Creek is found to be feasible, such storage would not serve as an alternate to a flood-control dam in the vicinity of Farmington, which dam will be necessary in any event.

Please call upon this office for any further information desired in this connection.

Very truly yours,

EDWARD HYATT,
State Engineer.

The CHAIRMAN. The time of the gentleman from California [Mr. JOHNSON] has expired.

Mr. SUTTON. Mr. Chairman, I am glad to see that somebody wants to cut a million dollars out of an appropriation, when economy is in order and the Nation is the benefactor of the cut.

Mr. ENGLE of California. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield.

Mr. ENGLE of California. I very much appreciate the gentleman yielding to me for the purpose of going into this matter a little further. As I said, in the very short time that was available to me, the Committee on Public Works of the Senate last spring passed a resolution calling for a reexamination of this project. I think it is a strange commentary on this House if we appropriate money in the sum of $2,000,000 to build a project which has been directed to be reinvestigated by a committee of the United States Senate.

I am in hopes that this committee will not do that. I want to say to my friend, the gentleman from California [Mr. JOHNSON], for whom I have the greatest respect, that it is not our desire to interfere with his ambitions for flood control for his people. If this survey on which no report has been made, as I think, indicates that the higher level dams for the purpose of conserving water are not economically feasible and are not possible, then it is to be presumed that we will proceed with the project as it is now authorized. I am certainly in favor of flood control for the area which the gentleman represents. This is not detrimental to his interests at all; it is merely an effort to get a multiple use out of the water if it is possible.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield.

Mr. WHITE of California. The gentleman from California [Mr. ENGLE] is secretary of the California delegation. I am sure he will bear me out in the statement that I was not present at the time of the California delegation meeting when such motions were discussed.

Mr. ENGLE of California. I may say to the gentleman from California [Mr. WHITE] that I am not only secretary of the California delegation, but I made the motion referred to by the gentleman from California [Mr. JOHNSON]. My motion was in the general direction of supporting the efforts of our people to secure proper amounts of money for flood control. Certainly I support that in this instance.

Mr. SUTTON. Mr. Chairman, I hope this amendment will be approved.

Mr. KERR. Mr. Chairman, I rise in opposition to this amendment.

This is a matter, Mr. Chairman, that the committee has determined on the recommendation of the Bureau of the Budget and on the recommendation of the Army engineers. The Army engineers having made this recommendation we insist that the committee stand on it. That is what the engineers have said and we think we ought to follow the engineers.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. WHITE].

The question was taken; and on a division (demanded by Mr. WHITE of California) there were—ayes 13, noes 55.

So the amendment was rejected.

Mr. LEMKE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEMKE: On page 9, line 16, after the word "levees" add the words "or for acquiring land."

Mr. LEMKE. Mr. Chairman, I hope that the Appropriation Committee will accept this amendment. Since the committee insists that we must practice economy, this amendment will do what the committee advocates.

We are not asking for more money. We are asking to save money. We are asking simply that the Army engineers be restricted and limited to the mandate of Congress in acquiring lands. It limits them to acquiring lands only to the extent that is needed for the limitation that has been put in the Garrison Dam for the last 4 years by this committee and by Congress.

That limitation reads as follows:

That no part of this appropriation shall be available or used to maintain or operate the Garrison (N. Dak.) Reservoir at a higher maximum normal pool elevation than 1,830 feet, or for constructing dikes or levees which would be required by a higher maximum normal pool elevation than 1,830 feet for operating such dam.

This amendment simply plugs up a loophole. We thought we had the engineers limited, and we thought that their agreement to that limitation was sufficient. However, now we find that they go outside of that limitation and have gone into the real-estate business. They are taking and condemning lands not only far in excess of the 1,830-foot-pool level, but even beyond what would be required for an 1,850-foot-pool level. They are taking these lands, destroying homes and then leasing them.

They are doing this so that they can come later on and in effect say, "We have all this land now. We are in the real estate business. Won't you please let us flood 90,000 acres more than is necessary to accomplish all the multiple purposes of the Garrison Dam? Would not you permit us to flood the city of Williston—a city of 10,000 inhabitants—and also flood three flourishing irrigation projects on which over $5,000,000 of Federal and State money has been invested, which irrigation projects consist of small irrigated farms cultivated and improved by farmers?"

As I stated yesterday they are now threatening to take part of the village of Van Hook. If we permit them to go on, they will spend at least ten or twenty million dollars in acquiring unnecessary lands—in unnecessarily destroying homes and in buying and condemning city and village property, and in building dikes and dams of little value to the State or Nation. This in place of using all the money we are appropriating in the construction of the dam as we intend them to.

A whole volume of testimony was taken on this subject some 4 or 5 years ago before the Appropriations Committee given both by the Army engineers and the Bureau of Reclamation engineers. The testimony of the Bureau of Reclamation engineers showed conclusively that an 1,830-foot pool level was the very maximum that would be required to carry out and accomplish all of the multiple purposes of the Garrison Dam.

We have no objection to building the dam to the 1,850-foot pool level, but we do insist that the mandate of Congress that the maximum normal pool level be limited to 1,830 feet be followed until Congress sees fit to raise it. That will not be within our lifetime, and I am satisfied will not be within the next 50 or 100 years if ever.

I repeat that this amendment simply perfects the limitation in the bill which has been carried in the last four appropriation bills. It simply closes up a loophole through which the engineers have been misusing the money we appropriate. It will make it impossible in the future for any engineer to ignore that limitation. I hope that the Committee on Appropriations will accept this amendment. At any rate we appeal to the sense of fairness and justice of the members.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. As a matter of fact, there is not any need for buying the land to operate at a higher level as long as the language remains in the bill that is already in there, which would prevent them from operating at a higher level; is that not so?

Mr. LEMKE. The gentleman is correct. The only thing that is being done by the Army engineers is violating the mandate of the Congress and going beyond the limitation.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from Massachusetts.

Mr. WIGGLESWORTH. I want to say that the record, in my opinion, indicates that the Army engineers have been moving directly contrary to the clear intent of the Congress, and I think the gentleman's amendment is very necessary.

Mr. LEMKE. They have been doing it for the last 3 or 4 years, and this amendment is simply completing the limitation that the Congress put in the appropriation bills in the last four sessions of the Congress.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from New York.

Mr. TABER. If the gentleman's amendment is adopted, it will save a great amount of money?

Mr. LEMKE. It will save from five to ten million dollars.

The CHAIRMAN. The Chair recognizes the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, I resent a little bit what the committee said here that we are engaged in the log-rolling business on these amendments. For myself I have not voted today for any amendment unless I thought it was right. I have supported the committee as many times as I have supported the other side, but my vote each time was because I thought it was right.

Now, in regard to this amendment, you can do just as you want to do. The Army engineers are now authorized to maintain a water level of 1,830 feet above sea level and the spillways were put in so that the dam will not be higher. If the dam is not higher we will not be drowned out in my city, but if the Army engineers have their way and raise that water level 20 feet they will drown out a city of 10,000 people, they will destroy 90,000 acres of the best land there is in any country, and they will destroy three irrigation projects that are now in operation, as well as the railroad. If you permit the Army engineers to go on and buy land they do not need—and in my judgment they will never need it—you are simply putting the life and the property of the people of that area, containing a population of some 50,000 people, and you are putting the destiny of all those people, in the hands of a bunch of Army engineers.

Mr. FENTON. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from Pennsylvania.

Mr. FENTON. Will it not destroy an already fine reclamation project that about $5,000,000 have been expended upon in the Buford-Trenton area?

Mr. BURDICK. Yes. It will destroy three of them. It will destroy Buford-Trenton, the lower Yellowstone, and one Lewis and Clark project near Williston. They are now going concerns and are making their way. It is just a question whether you want to leave it to the Army engineers or leave it with the Congress.

What is the purpose of permitting these engineers to purchase lands which I do not think, and the Bureau of Reclamation does not think, and which Congressmen who have visited the Williston area do not think, will ever be used for flooding purposes? These same Army engineers thought themselves that a 17,000,000 acre-foot reservoir was large enough. That is what they asked for themselves; that is what they agreed to when the Pick-Sloan plan was adopted. That reservoir would have required a pool level of 1,830 feet approximately. Now the engineers on their own motion, without the consent or direction of any one; without the approval of the Bureau of Reclamation, say that they want a 23,000,000 acre-foot reservoir and a water elevation of 1,850 feet above sea level.

Congress, has limited them to a pool level of 1,830 feet and when that limitation was imposed no one in the Williston area thought for a single moment that these engineers would attempt to buy any land not needed in an 1,830-foot level. We were mistaken; for in the summer of 1948 they started out and bought and condemned land to accommodate a pool level of 1,850, in clear violation of the limitation imposed by Congress. We now seek to stop them from buying land they do not need and which, if they did need it, would not be flooded for 12 years.

This extra 20 feet of water, which they have not as yet been authorized to maintain, would cause the following damage and expense to the Government, so if it is the desire of this Committee to save money here is the place to do it: Ninety thousand acres of land will be flooded in the Williston area by this 20-foot increase of the pool level; a city of 10,000 people with its great brick buildings will be surrounded on three sides by water; the railroad tracks and water system will be flooded out; and three irrigation projects costing over $5,000,000 will be destroyed. The railroad will have to be moved out of the river bottoms, and the railroad has already filed a statement with this committee that if the level is raised they will move their railway about 12 miles north of Williston, requiring new construction charges of $1,500,000; property in the city will have to be paid for and a new city built, costing approximately $4,500,000; land purchases of 90,000 acres will reach well into $4,000,000. The diking system which the Army engineers propose to build around Williston and the irrigation projects will cost another $8,000,000, which expense can all be saved by leaving the pool level at 1,830 feet.

If in the years to come it becomes necessary to raise this pool level, it can be done, as the foundation of the dam was constructed with that in view, but no change whatever should be made until time and experience demonstrate that a higher pool is necessary, and then the people of Williston want Congress to say when this water level should be raised and not leave that question to the caprice and whims of Army engineers. This Government cannot leave 50,000 people, their property and their homes, the business establishments, the farms and the fields, in the hands of this body of men. They should not be allowed to control the destinies of the people of this area.

The Army engineers should be servants of the people and not their masters. The Army engineers should never be entrusted with civil problems or the problems of government. They are schooled in destruction—they are schooled in the destruction of property and human life—and know nothing about civil problems. Let me quote from the Hoover report:

> The argument that river and harbor work can be directed only by the Army engineers becomes even more absurd when it is realized that only 200 Army engineers are involved, and that the remainder of the personnel under their control are civilians who supply most of the detailed knowledge and continuing direction.

This river and harbor work should be lodged with the Department of the Interior, where it belongs, and the Army engineers used in war work, defense work, and related matters directly concerned with the fighting forces of this country, where they can exercise what they were trained for, namely, the destruction of property and lives.

The brazen attitude of these Army engineers in openly violating the plain direction of Congress in limiting a dam to 1,830 feet, has caused some very bitter feeling in the whole area affected. The people look upon them as nothing more or less than ruthless military junkers. Indeed, they perform like sadists—they seem to enjoy the suffering of the people.

Should this Congress permit them to wade in and either buy or condemn the land required for a high dam, the high dam will be built and maintained, for if they own most of the land there will be few to object. It ruins the community in another respect, it takes off the tax lists 90,000 acres of land not now necessary for the dam, and destroys the income from that land. If permitted to buy it, they will control it.

Another thing which this Army organization should be prevented from doing, and that is to take land before they need it even on the 1,830-foot level. It will take some 12 years to build and fill this reservoir, and why not let the farmers live on and operate their lands until they are needed. This matter, however, will come before this Congress in a separate bill and it ought to pass.

Let me say to the people down the river in the flood area, let me say to those who want river navigation, let me say to those who want electric power, let me say to those who want irrigation that all these purposes can be accomplished by

a pool area of 17,000,000 acre-feet, just as the Army engineers first proposed. The Bureau of Reclamation, who will control power development and irrigation, have testified that an 1,830-foot level is enough. Now, why permit this outfit that apparently cares nothing about the people and their distress, to ride roughshod over the people of this area? Are they our masters? Are we spineless enough to sit here and permit this outrage to be perpetrated on the people of the upper Missouri area?

The members of this committee are friends of mine; I hold each one of them in high esteem and it is a distinct surprise to me that they are weak enough to subscribe to the designs of these engineers. The committee seems to be afraid of only two things in this world—the Army engineers and the Bureau of the Budget. They have the courage of lions on any other subject but are abjectly docile in the presence of the Army engineers. They also hold out that we cannot ever appropriate any moneys not authorized by the Bureau of the Budget. If that is what they intend to follow to its last conclusion then a Congress is not necessary. Adjourn the Congress and go home and let the Bureau of the Budget run the Government. I for one will listen to the Bureau of the Budget, but will not let them control my action. Unless we have this independence in our Congress, we have no representative government. I for one prefer to remain independent and I will not let the Bureau of the Budget, the Army engineers or any other organized Government agency determine my right to stand up and speak for what I believe to be right. If we cannot have this right, we might as well go home before we become a much worse Congress than the Eightieth. As each day now passes the Eightieth Congress does not look as bad as it did at the beginning of this one.

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, the Members who have the bill before them may notice on page 9 that there is a proviso in the bill which reads as follows:

Provided further, That no part of this appropriation shall be available or used to maintain or operate the Garrison (North Dakota) Reservoir at a higher maximum normal pool elevation than 1,830, or for constructing dikes or levees which would be required by a higher maximum normal pool elevation than 1,830 feet for operating such dam.

Now, that limitation has been carried in the civil function appropriation bills for the last 2 or 3 years. It has been carried in the bills as long as we have been making appropriations for the Garrison Dam in North Dakota. Now it appears that there are some negotiations going on in North Dakota to purchase some land which the Army engineers and the Government will never need, as long as the dam is operated under the limitation level in existing law and proposed here to be carried again. Certainly, there is no excuse for the expenditure of any money to buy land which will never be needed unless this limitation on the operation of the pool is lifted. And that whole issue should be settled at one time. If the Congress ever decides to flood out the irrigation projects that have been mentioned and operate the dam at a higher level, then is the time to sepnd money for buying the land, and not now. The whole issue should be faced squarely and properly debated and thoroughly understood.

The amendment should be agreed to at this time since the limitation on the operation and maintenance level is already in the bill.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. RABAUT].

Mr. RABAUT. Mr. Chairman, recognizing the seriousness of this situation and further recognizing the devotion of the gentlemen who have spoken here today, the committee became so aroused about this individual project that we called the Army engineers back into a special conference. What did we learn? Here is a dam or a project with a total estimated cost of $188,000,000. There have been allotments to it of $52,780,000, tentative allotments for the fiscal year 1950 of $31,000,000, and there is still $104,000,000 to be spent on this particular project.

Now, this is no small affair. The foundation for this dam has been built. The base has been built upon the proposition that this dam is to extend 1,850 feet above sea level. The main thing in controversy is that those in the vicinity want the water impounded only to an elevation of 1,830 feet. The spillway of the dam is to be constructed at that level. But the engineers say the perfection of this particular project should call for an elevation of 1,850 feet. They further say that the time to purchase the land for that project is now. To purchase it later to spread the lake would require the purchase of all improvements subsequently made, at which time Uncle Sam would have to pay a big, handsome price.

My time has expired. I ask for a vote, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Dakota [Mr. LEMKE].

The question was taken; and on a division (demanded by Mr. RABAUT) there were—ayes 59, noes 57.

Mr. RABAUT. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. LEMKE and Mr. RABAUT.

The Committee again divided; and the tellers reported that there were—ayes 61, noes 60.

So the amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WHITTINGTON].

GENERAL FLOOD CONTROL

Mr. WHITTINGTON. Mr. Chairman, I speak only with reference to the reduction by the committee of $50,000,000 from the budget recommendation for construction which was $412,502,600 as shown by page 353 of the hearings. I am not referring to the 15 percent reduction. I am confining myself to what I term the arbitrary reduction because of unincumbered or unobligated or unliquidated balances made by the committee in the amount of $50,000,000. It constitutes a departure, and I believe it is unsound. It means a reduction of the total appropriation first by $50,000,000 and then a reduction of 15 percent. This means an over-all reduction of 26 percent on construction items, and this means that this 26 percent reduction is applicable to all items as shown by page 353 of the hearings. Heretofore the projects aggregating the amount of the authorization have been itemized in the report. Such is not the case in the pending report of the committee. They are itemized in the hearings. As disclosed by page 353 there is an unobligated balance of $17,440,300, and as shown by the footnote, and I quote from page 352:

The unobligated balance consists of funds which are reserved for (a) Government costs of supervision and inspection on contract work under way; (b) force account work now under way; (c) land acquisition needed to coordinate with the construction work under way; (d) additional contracts for supplies and equipment to be furnished by the Government in connection with work now under way.

The unliquidated obligations aggregate, as shown by page 353, $91,171,400. They are, and I quote from the footnote on page 352:

The unliquidated obligations consist of funds which have been obligated for (a) contract work now under way and are being used to pay for the work as it is performed; (b) land acquisition on lands where legal procedures are in the process of consummation.

As chairman of the Committee on Public Works without desiring to provoke a further controversy I feel that I should advise Members that a 15 percent cut with a said reduction of $50,000,000 means a cut of at least 26 percent on all projects with probably the elimination of some projects.

There are many arguments against the arbitrary reduction. I mention but a few:

First. They destroy the basis on which the entire budget was prepared.

Second. They make it necessary for the Corps of Engineers to refigure progress on the entire program.

Third. The suggestion of the Committee that we proceed at the rate recommended by the President and finance that program with deficiency estimates commits the Corps of Engineers to a review of the program at mid-year in its entirety.

UNOBLIGATED FUNDS

The unobligated funds or the unincumbered funds, as the committee reported, which have received so much attention in this debate, are required to maintain some flexibility in the program and are represented by these items:

First. Government salaries for 1 month.

Second. Government overhead on contracts not let.

Third. Contracts not let.

Fourth. Real estate procurement in process of completion.

Fifth. Contingencies which may arise during the construction of:

(a) Changing conditions at the site.

(b) Changes in plan and emergencies such as floods at the site.

Sixth. Continuing contracts are utilized in the construction program because of the inherent advantage of permitting the negotiation of a contract which may run more than one construction year with a single contractor known to be capable of handling the entire project. The use of this device does not obligate the United States beyond the amount of money appropriated by the Congress from year to year; however, its use avoids the payment to the contractor of demobilization charges and remobilization charges between fiscal years. Further, it avoids the cost of separate Government surveys between construction years which are required as a basis for final payment in any one construction year under the single year contract system. The use of this contracting method commits the United States to the payment throughout the life of a contract on unit price established at the start of a job. The system has been employed on the rising price curve of the past three construction years. In many of these contracts the Government has obtained the advantage of lower prices during years of increased prices. At present prices appear to be stabilizing and the trend is slightly downward.

I appeal to the committee to restore the $50,000,000—this reduction is untenable.

Mr. TOLLEFSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TOLLEFSON: On page 8, line 22 after the colon insert the following: *"Provided further,* That funds appropriated herein may be used for flood control work on the Green River in the State of Washington."

Mr. TOLLEFSON. Mr. Chairman, I have discussed this amendment with members of the committee and find it is subject to a point of order. Therefore, Mr. Chairman, I ask unanimous consent that I may withdraw it.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. HESELTON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HESELTON. Mr. Chairman, in any consideration of such an appropriation bill as this, the members of the subcommittee must feel that very few of their colleagues have any real appreciation of the immensity of the work undertaken or the satisfactory nature, in general, of the decisions they have to make. In the discharge of their obligation to examine carefully each of the projects coming before them and to recommend appropriations which will accomplish an effective flood-control system throughout the country, in terms of the ability of the National Government to finance such an appropriation, the members of this subcommittee are entitled to the appreciation of all of their colleagues, and I am glad to take this opportunity of expressing my personal appreciation.

In recent years, work has been continuing in connection with the construction of reservoirs and flood-control protective works along the Connecticut River and its tributaries. Some of that work has been completed and proved to be most effective in minimizing the damage resulting from the general flood conditions in western Massachusetts the end of last year. Other projects are now approaching completion, and I know that the people who have been and will be benefitted by the completion of these projects are grateful to the subcommittees which have handled the details and to the Corps of Engineers. I am certain that the people of the First District of Massachusetts who have suffered serious damage in the past by reason of floods on the Connecticut River and its tributaries will welcome the news that the appropriations recommended by the committee in this bill will make possible the entire completion of two of the projects and completion to the extent of 98 percent of the third. Of course, I do not mean to suggest that we shall feel entirely secure until a fully adequate program can become a reality not only in this particular area but to the north, the east, and the west, where further work will be necessary. However, the recognition by the several subcommittees and by the engineers of our problem in the past is a guaranty of their continued interest and assistance until we shall be able to achieve our common objective.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Flood control, Mississippi River and tributaries: For prosecuting work of flood control in accordance with the provisions of the Flood Control Act approved May 15, 1928, as amended (33 U. S. C. 702a), including printing and binding and office supplies and equipment required in the Office of the Chief of Engineers to carry out the purposes of this appropriation, $57,000,000.

Mr. PASSMAN. Mr. Chairman, I offer an amendment, which is on the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. PASSMAN: On page 10, line 2, after the word "appropriation", strike out "$57,000,000" and insert "$70,000,000."

Mr. PASSMAN. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. PASSMAN. Mr. Chairman, I rise to appeal to you to support an amendment to reinstate the appropriation for the lower Mississippi River and its tributaries to the budget's recommendation—$70,000,000.

I should like for the committee to know that I am speaking not only in the interest of my own State of Louisiana, but for the entire lower Mississippi Valley, which includes the States of Kentucky, Illinois, Missouri, Arkansas, Tennessee, Mississippi, and Louisiana.

I doubt if many Members of Congress realize that the unpredictable and mighty Mississippi River must handle the flood waters from 31 States of our Nation. In fact, 42 percent of all the flood waters of our Nation must necessarily be carried through the Mississippi River to the Gulf of Mexico; and in that connection I should think that all of the Members from the 31 States involved should be in favor of my amendment.

When I appeared on March 3 before the committee handling this bill, I pleaded with the committee to fully familiarize themselves with the many problems of the lower Mississippi Valley. At the time I was appearing before the committee there was one parish, or in your State you would say county, with 300 square miles of its rich farm and forest land inundated. Many of the towns in that parish were inundated; namely, Black Hawk, Shaw, Acme, New Era, Eva, and Monterey.

The report given to me this morning by long distance stated that the latest estimate on the number of hogs drowned amounted to 22,500, with 700 head of cattle drowned. It was necessary for the Red Cross to move in and set up emergency headquarters in three of our towns. Bear in mind, gentlemen, that it was not water that fell upon Louisiana that brought about this condition. Some of this water came from as far away as Canada. On Wednesday morning of this week, in the Appropriations Committee, I stated again the necessity of increasing the appropriation for the lower Mississippi and its tributaries to at least the amount recommended by the Bureau of the Budget.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. DONDERO. May I say to the gentleman from Louisiana that it was my privilege last November to make a journey down the Mississippi River with the Army engineers from Memphis, Tenn., all the way to New Orleans. It was a liberal education, and I think I understand better the perils under which you live because of the breaks in these levees, and the damage that is done by that great river to your lands and to your people. I hope that the plea which the gentleman is making will meet with the complete support of the membership.

Mr. PASSMAN. I thank the gentleman. I am sure if each Member of this House could go down the Mississippi River and find out for themselves what our problems are we would not have to be back before the Congress next year asking for an increase in the appropriation.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. NICHOLSON. Under these circumstances does not the gentleman agree that he ought to have this amount in there?

Mr. PASSMAN. To answer that might be a little embarrassing at this time.

Just a few hours after the Appropriations Committee reported out this bill the sad news reached me that the mighty and unpredictable Mississippi River had crevassed just north of Baton Rouge. This one break in the Mississippi levee may cost the people residing in this area

untold millions of dollars in property and livestock loss, and I should add that human life is endangered.

I stated on the floor yesterday that General Feringa, president of the Mississippi River Commission, informed me that to offset and repair this break may cost as much as two and one-quarter million dollars. Again I repeat, this flood is not from water that fell upon the State of Louisiana, but was water brought down from 31 of the States in our Nation, including part of Canada. Our worry is not only the levee around Baton Rouge, but we must take into account that there is in excess of 1,000 miles of levee on the Mississippi River to be maintained.

Mr. Chairman, I am not asking at this time that the Congress appropriate $100,000,000 for the lower Mississippi and its tributaries. I am requesting that the Congress appropriate only the $70,000,000 recommended by the Bureau of the Budget, notwithstanding the fact that the Army engineers pleaded with the Bureau of the Budget to recommend $100,000,000 for this all-important project.

If the Congress appropriates the $70,000,000, $40,000,000 will be earmarked for the main Mississippi River and an additional $15,000,000 for maintenance, and it will require $6,000,000 for the administrative expense of the Mississippi River Commission. So if the Congress allows the $70,000,000 recommended by the budget, we will still have only $9,000,000 to be expended on the off-river projects.

The Mississippi River Commission has 7,500 permanent skilled workers and technicians, with an additional 1,700 temporary employees, the very minimum necessary to carry on a fair schedule of revetment and general maintenance work. The personnel pay roll alone for the Mississippi River Commission amounts to $25,000,000 annually. Only a few years ago, on account of unwise and unnecessary curtailment of work on the lower Mississippi, the Commission was forced to lay off 3,000 of its trained technicians. It has not yet overcome that crippling blow, and if the Congress appropriates less than the budget's recommendation for this project, there could very well be a partial repetition of this condition.

There has been much said about the unexpended balance estimated as of June 1, 1949. I state to the committee that there will be an unexpended balance of only $1,700,000, which is sufficient to meet only a 30-day pay roll. In fact, it will be the smallest reserve carried by the Mississippi River Commission in many years. The committee understands, of course, that it is absolutely necessary for the Commission to retain an adequate reserve to take care of emergencies such as the crevasse at Baton Rouge yesterday morning. If we should have another break in the main Mississippi levee, the Commission would have a deficit and would be forced to expend a portion of its obligated funds.

Mr. Chairman, there is not a Member of this Congress who believes in economy any more than I do. I have voted for economy. I practice economy. Even in my own office the records will disclose that I turned back thousands of dollars of my clerk-hire funds during the Eightieth Congress, and I should like to say, not only for myself, but I am sure for the people whom I represent, that the objective of economy and reduction of unnecessary Federal expenditures should be the first concern of the Congress, but I contend, and I believe rightfully so, that to curtail too drastically on flood control, soil conservation, reclamation and forestry, is false economy of the first order, because certainly you know and I know, and the record will bear me out, that soil erosion alone is costing this country in excess of $1,000,000,000 annually.

Gentlemen of the committee, I plead with you to support my amendment.

Mr. Chairman, I know the members are tired and worn out after listening to several hours of debate today. There is a lot of merit in this amendment. I am not pleading for funds for my State. In fact, 31 States are involved, but more especially the seven States in the lower Mississippi valley. I again plead with you to support this amendment.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. I agree with the gentleman from Louisiana that the budget recommendation of $70,000 which he is proposing here should be embraced in this bill. I realize the situation that confronts the committee. There has been a reduction of 15 percent in rivers and harbors and a reduction of 15 percent in general flood control. Deep down in my heart, knowing the members of this committee as I do, I cannot help but believe that if the events that occurred opposite Baton Rouge on yesterday morning had occurred before this committee submitted its report, the committee would not have reduced in the first place the unallocated amount of $6,000,000.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended 1 minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. I am asking my colleague under these circumstances, at a time when the spring floods are on, inasmuch as a 15 percent reduction has been made in the other two items, if he would not agree to a substitute, and to be realistic I hope this committee will accept it, whereby there would be restored to this bill the $6,000,000 of unallocated or unencumbered funds? While I believe the gentleman's amendment should be adopted I do trust the membership of the committee, because of the emergency that confronts us, will at least agree to the substitute, if the gentleman is agreeable.

Mr. PASSMAN. I am agreeable to the substitute, but I would like to make one other observation. I am sure that the committee is going to oppose this amendment. I am convinced that figures and statistics will prove or disprove anything; however, I want you to consider this amendment strictly upon its merits and upon that basis I would consent to the substitute.

Mr. RABAUT. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto be limited to 15 minutes, the last 5 minutes to be reserved for the committee.

Mr. BOGGS of Louisiana. Mr. Chairman, reserving the right to object, I wonder if the gentleman from Michigan would not make that limitation a little longer. After all, there is water in the Mississippi Valley. We are confronted with a flood.

The regular order was demanded.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan [Mr. RABAUT]?

Mr. BOGGS of Louisiana. Mr. Chairman, I object.

Mr. RABAUT. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto be limited to 20 minutes, the last 6 minutes to be allotted to the committee.

The CHAIRMAN. The question is on the motion offered by the gentleman from Michigan.

The motion was agreed to.

Mr. BROOKS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BROOKS. How much time does that give to the individual Members?

The CHAIRMAN. About 1½ minutes. The Chair recognizes the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Chairman, I offer a substitute.

The Clerk read as follows:

Substitute offered by Mr. WHITTINGTON for the amendment offered by the gentleman from Louisiana, Mr. PASSMAN: Page 10, line 2, strike out "$57,000,000" and insert "$63,000,000."

Mr. WILLIAMS. Mr. Chairman, I ask unanimous consent that the time granted to me under the limitation a few minutes ago be given to the gentleman from Mississippi [Mr. WHITTINGTON].

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. LARCADE. Mr. Chairman, I ask unanimous consent that the time allotted to me be yielded to the gentleman from Mississippi [Mr. WHITTINGTON].

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. ALLEN of Louisiana. Mr. Chairman, I ask unanimous consent that the time allotted to me be yielded to the gentleman from Mississippi [Mr. WHITTINGTON].

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. TACKETT. Mr. Chairman, I ask unanimous consent that the time allotted to me be given to the gentleman from Mississippi [Mr. WHITTINGTON].

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. WILLIS. Mr. Chairman, I ask unanimous consent that my time be allotted to the gentleman from Mississippi [Mr. WHITTINGTON], and I further ask unanimous consent to extend my remarks in the RECORD following those of the gentleman from Mississippi [Mr. WHITTINGTON].

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. RABAUT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RABAUT. Mr. Chairman, do I understand that now, since debate was had here on the floor about the time, that all of this time is yielded to one Member?

The CHAIRMAN. By consent of the Committee those gentlemen have yielded their time.

Mr. WHITTINGTON. Mr. Chairman, the emergency that confronts the people of the lower Mississippi Valley is the reason I beg your indulgence for just a few minutes. The President recommended $70,000,000 for flood control for the lower Mississippi River and its tributaries for the next fiscal year. That is the mightiest river in all the world. It drains two-thirds of the area of the United States.

When I appeared before the Committee on Appropriations I reminded them that we had more rains in the East and more snows in the West than we had had in years; that the snows that melted and the rains that fell would come together at St. Louis and Cairo and would find their way to the Gulf, and that it was never more important that at least the budget recommendation for the Mississippi River and its tributaries be made. The bill, as reported, reduces the budget recommendation by $13,000,000. Six million dollars of that is a figure that the committee say is unencumbered funds. My amendment restores these funds because they are obligated to continuing contracts or force work or land acquisitions.

Gen. P. A. Feringa, the President of the Mississippi River Commission, says those funds are obligated to continuing contracts and are for force works, and so forth. My friends of the committee are perfectly sincere. They point out that in previous years, 1947 and 1948, the obligated funds have been double $6,000,000. That is because last year this appropriation was not made until July. In 1947 it was not made until July. There was added to the unexpended or unobligated amounts the amounts carried in the appropriation each of these years.

Mr. Chairman, at 4 o'clock on yesterday one of the most surprising breaks occurred in the levees along the Mississippi River that within my recollection and in my observation ever occurred. The waters have been coming down, they have been rising. Those levees are the strongest, the highest; they are the mightiest marks ever made across the face of the earth by mortal man. They extend 1,100 miles from Cairo to the Gulf of Mexico. One million five hundred thousand people reside back of those levees. In the district that I represent the levees average 30 feet in height. They have been saturated as a result of the continued rains since last November. While maximum floods usually come within 3 or 4 or 5 feet of the height of those levees, yesterday, because they have been soaked, across the river from Baton Rouge a levee with only about 3 feet of water against it and with a freeboard of probably 15 to 20 feet went out in the twinkling of an eye. I am not a prophet or the son of a prophet but I warned the committee 2 weeks ago of probable floods when I stated that because the unprecedented snows, when we appropriated on a moment's notice about $20,000,000 to aid the snow sufferers of the West, must be followed by the melting of those snows, and when I pointed out to the committee that the greatest flood that ever occurred in the lower Mississippi Valley occurred on the 27th of April there would likely be a major flood this spring. Who knows but what the break in the levee yesterday which, thank God, is being stopped today may be a warning not only to the lower Mississippi Valley but to the Members of this Congress.

I am pleading with you. For 25 years I have supported this committee. I have stood here today against some of the best friends I have to support the committee and the budget recommendations. But now, when this committee is departing from the course that has obtained for 25 years, according to the statement of my good friend the gentleman from New York [Mr. TABER], and when they have reached up and deducted $6,000,000 of unobligated balances, as they say, or funds that I say may be needed to pay continuing contracts—and I have made the same statement with respect to the unobligated funds regarding rivers and harbors today, and a few months ago I made it with respect to general flood control—I say that this is the only appropriation bill where there has been deducted in advance unexpended and unobligated balances. I tell you, in my judgment, that I do not believe that my friends on this committee in this case, whatever they would have done with respect to rivers and harbors and general flood control, if they had known that a break that will probably cost $2,500,000 to close, and that may be followed by other breaks along that river, would have occurred, would have submitted this bill and report. I do not believe they should have reduced or deducted from the budget estimate the $6,000,000.

I want to remind you gentlemen that I happened to be in Salt Lake City last fall when President Truman spoke there. There was a Presidential campaign. We all recall it. If there is one thing that President Truman emphasized more than any other, if there was one criticism that he made more than any other, whether he was speaking on the Pacific coast, in the Midwest, in the cities of New England, or along the Atlantic seaboard, he repeated time after time his criticism of the Congress of the United States for having inadequate and insufficient appropriations for flood control and for reclamation. The country supported him and the country sustained him.

Now, I want to be fair. With floods confronting the people I represent, this committee has arbitrarily reduced the appropriations 15 percent. I am on record and I have stated that I believe that to be unsound. But having taken the 15 percent off of rivers and harbors and off of general flood control I ask you now—and I believe I am making a reasonable request—to restore $6,000,000 of the $13,000,000 more that the Director of the Budget has recommended because that money now is being used to close that break and that money is needed. There will still be the 15-percent cut, because the President recommended $70,000,000; my amendment makes the appropriation $63,000,000. The president of the river commission advised us, and I stated in the hearings that he would only have $1,650,000 of unexpended funds on the first of July, and that this $6,000,000, and the other millions of dollars that he has has been allocated to continuing contracts. I appeal to your best judgment. I plead with you, I plead with the gentleman from Missouri, the chairman of the Committee on Appropriations [Mr. CANNON].

When the floods came on the Missouri River in 1944, 1945, and in 1946, as chairman of the Committee on Flood Control, I reported bills authorizing the expenditure of emergency funds of $10,000,000 that year. I know that we have made provision in the pending deficiency bill for emergency funds, but those funds are applicable from New England to Los Angeles. They are applicable from Oregon to Florida—and they should be. But I told you in my judgment the worst time, the most dangerous and the most hazardous time, to change the policy of the committee by reducing automatically the appropriation because of unobligated funds, is now. I plead with you, for the protection of the people of the lower valley, not to raise the budget, but to give us in this emergency—with that levee of 25 feet broken today and which may be broken in other places—at least $6,000,000 of the $13,000,000 recommended by the Bureau of the Budget.

Mr. WILLIS. Mr. Chairman, we are prone at times to permit the patient to get so sick before calling in the doctor that our family physician is forced to take drastic kill-or-cure methods; methods that could have been avoided if we had called the doctor in time. That is what is going to happen unless we heed the advice of the United States Corps of Army Engineers and provide adequate funds to solve the problems of the lower Mississippi Valley.

When we are confronted with threats of imminent danger we get panicky and are guided by emotions instead of common sense. If a group of bandits would insert a full-page advertisement in the Washington Post that tomorrow they would place themselves on the steps of the Capitol and shoot down everyone passing by some of us would want to gather around to see what is going on and thus increase the danger, instead of

simply calling the trained police force to handle the situation.

This sort of thing actually happened during the war. During the days when the Germans were advancing on Paris, the civilian population, guided by emotions, cluttered the highways with popguns, and thus actually got in the way of generals and soldiers who were supposed to know their business.

I wish you would do me the justice of believing that the danger of floodwaters is ever present and imminent in the lower Mississippi Valley. In the darkness of the night, on Wednesday of this week, the mighty Mississippi, uncoiling and snapping like a rattlesnake, tore apart a portion of the levee near Baton Rouge, La., and heaped her fury upon a vast and populous area. What happened to my State can happen to yours unless we develop a plan of defense in accordance with the views of those who know their business.

Mr. Chairman, there is no place in the Union which has the problem of waterway improvement in such varied aspects as does the lower Mississippi Valley, and especially the State of Louisiana.

We are, on the one hand, wonderfully blessed with a great asset, and, on the other hand, we live in almost constant dread of the fury of floodwaters. Water is, at times, our servant, and, at other times, our master. To the extent that our waters are abundant with fish, shrimp, oysters, and other resources, and our rivers, bayous, and other streams are invaluable channels and provide natural traffic for commerce, they are a blessed servant; but when, because of inadequate planning, the waters get out of control they become our master, heaping upon us untold suffering, misery, and damage.

Nature planned our continent in such a way that the lower Mississippi Valley must receive the waters from the Northern States; and as we progress farther south the problems become more acute. Thus, because of its position created by nature, Louisiana is the dumping ground for the flood waters of 31 States of the Union. Still, Mr. Speaker, there is only one United States of America. When we pledge allegiance to the flag of the United States we do so to one Nation, indivisible, with liberty and justice for all. Clearly, therefore, flood control and related matters are national problems.

The question is, how shall we solve this national situation? We all admit that the problem calls for not only careful but adequate planning. Who should do the planning? Whom shall we rely on? What should we as Congressmen do? Is it safe and prudent, like the emotional crowds above described, for us to stand in the way of the Army engineers and say to them, "You step aside; it is true that you have had vast experience in this field and that you have a splendid record of performance for over a century, but we know better than you what should be done"?

The Corps of Engineers has recommended the sum of $104,000,000 to meet the needs of the lower Mississippi and its tributaries. The Bureau of the Budget placed a limitation of $70,000,000 for construction and maintenance on the lower Mississippi River and its tributaries. The Civil Functions Subcommittee of the House Committee on Appropriations has trimmed the figure down to $57,000,000.

I do not want to criticize members of the committee. The greatest precept of democracy, however, is the right to disagree in an agreeable way. I have a deep conviction, and I have a right to that feeling, that the Army engineers for whose opinions we all have great respect should, and I believe do, know better than you and I what is needed and how the job should be done. I am convinced that upon reflection a majority of you will agree with me and vote for the amendment introduced by my colleague and good friend, the gentleman from Louisiana [Mr. PASSMAN], as modified by the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. RABAUT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RABAUT. Mr. Chairman, there are 6 minutes reserved, I believe, for the committee?

The CHAIRMAN. The gentleman is correct.

Mr. RABAUT. Mr. Chairman, I will ask for three of those minutes now. The gentleman who has spoken to you said that he wants to be fair. I hope he wants to be fair. The committee in its fairness, in view of the request of the members for time, reserved to itself only 6 minutes out of 20 minutes to be given to the membership. We find now that 10 minutes of that time has been sidetracked to one gentleman.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. No; I cannot yield. I do not have the time.

Mr. WHITTINGTON. I want to ask unanimous consent that the gentleman from Michigan may be given more time.

Mr. RABAUT. I cannot yield to the gentleman. I am talking about being fair.

The engineers told us this morning that the flood is running about 2 to 3 feet as a result of the rapid drop in water which undermined the levee. That is nothing new on the Mississippi River. As a matter of fact, they said that within 24 hours it would be under control.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I will not yield. You people have had all afternoon on this.

I want to say further, all this talk this afternoon is over $6,000,000—trying to recapture $6,000,000 from the Treasury of the United States. The estimated money for the Mississippi is $1,038,309,500.

Now, let us look this thing over. Let us take a fair look at it. Six million dollars against over a billion.

The gentleman from Mississippi [Mr. WHITTINGTON] says this is a new thing, recapturing money for the Treasury out of certain recommendations of the budget. I am telling you, Mr. Chairman, that it is necessary to recapture money. With the shrinking income we cannot go on with greater expenditures. That is the question before us today.

If you wish to take this money and put it back in here, I am going to ask for a roll-call vote, and it is now half past 5 o'clock. If you wish a roll call, it will be all right with me. Your committee has been just, has been considerate, has studied this matter, and has done everything it could do in fairness to this problem of flood control and rivers and harbors.

It is not easy to champion projects against Members of the Congress, but we are found in a legislative position. We mean an offense to no one.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I do not yield.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. RABAUT] has expired.

The gentleman from California [Mr. MILLER] is recognized for 2 minutes.

Mr. MILLER of California. Mr. Chairman, I ask unanimous consent that the time allotted to me may go to the gentleman from Louisiana [Mr. BOGGS].

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The gentleman from Louisiana [Mr. BOGGS] is recognized for 6 minutes.

Mr. LARCADE. Mr. Chairman, will the gentleman yield?

Mr. BOGGS of Louisiana. I yield.

Mr. LARCADE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana [Mr. LARCADE]?

There was no objection.

Mr. LARCADE. Mr. Chairman, I realize that the committee in charge of this bill has been carrying on hearings for weeks and that their labor has been long and arduous. I desire to thank the committee for the courteous and considerate treatment which was accorded me in connection with projects within my district, and in my appearance in support of the appropriation for the lower Mississippi River.

Having observed five major floods in my district and State since 1912, I have been intensely interested in alleviating the hazards not only affecting my district, but also the entire Mississippi River Valley as all of these floods in my State are caused from the convergence of the waters from 30 States and two provinces of Canada in the Mississippi River which finds its way to the Gulf through the State of Louisiana.

I have also observed the great damage done by floods in the north of Louisiana from the waters of the Mississippi, as well as the loss of lives caused by these recurrent floods, and for many years I have endeavored to assist as far as possible in providing means to harness these flood waters to forever provide protective works and other projects to contain these flood waters within the rivers and dams and reservoirs, and since I have been in the Congress I have, as a member of the House Flood Control and House Rivers and Harbors Committees worked diligently in that direction.

Due to the abnormal snowstorms in the North and Midwest during this winter, I have been one of those who was alarmed about the probability of the threat of another major flood in the Mississippi River Valley, and on February 22, 1949, I extended my remarks in the Appendix of the CONGRESSIONAL RECORD at page A1056, and the following, calling the attention of the Congress to this threat, and discussing the entire subject of flood control in the Mississippi Valley.

In that discussion it will be recalled that I predicted that, it was my opinion, unless Providence intervened, that the stage was all set for another flood this year. Unfortunately, as has been stated by some of my colleagues who have preceded me, on yesterday, a main-line levee of the Mississippi River, in my State, opposite Baton Rouge, crevassed, and in order that you may be informed as to the seriousness of that crevasse, I wish to read into the RECORD the report which I have received from Hon. J. Lester White, director of the Louisiana Department of Public Works, which gives an accurate estimate of the situation. Under date of January 24, 1949, in a telegram addressed to me Mr. White states:

Mississippi main-line levee broke 4:30 a. m. today on west side and approximately 1 mile north of Mississippi River bridge at Baton Rouge. Water now flowing through crevasse 3 feet deep and 300 feet wide with section increasing in width and levee crumbling on either side. Approximately eight square miles sugarcane lands and sugar refinery inundated. Restaurant, filling stations, and homes in water 5 to 7 feet in depth. Evacuees observed this morning moving out of flooded areas and carrying personal belongings. Red Cross and State health department have organized nurses and doctors for sanitation and health protection. Army and Public Works engineers at site with barges, draglines, and other equipment. Will attempt to close levee estimated to take from 48 hours to 1 week. Set-back levee must be built at estimated cost of several hundred thousand dollars. With good weather prevailing should have situation under control within reasonable time. Should adverse weather conditions strike now the situation will become far more serious with people and livestock having to be evacuated.

Mr. Chairman, this is a familiar story. This story does not only come from Louisiana each year, but from the entire length of the Mississippi River and its tributaries almost every year.

However, Mr. Chairman, I am not addressing myself entirely to the catastrophe in Lousiana which has been described by the chairman of the public-works department of my State. But only to show the great need and importance of carrying on the flood-control work along the entire Mississippi River Valley so that sufficient funds may be appropriated to carry on the program for the protection of this great area of our country.

It is true that much money has been appropriated in this cause by the Congress which has been most generous, and the major portion of the program has been accomplished; however, there remains much yet to be done, and I ask that you give most careful study and consideration to your approval of the amount requested by the Budget Bureau under this appropriation in order that our fine Corps of Engineers may continue and complete the great work that is in progress the entire length of the river.

When I appeared before the Civil Functions Committee in connection with the hearings on the appropriations for the lower Mississippi River you will recall that you permitted me to include in my statement a detailed discussion of the problems affecting the Mississippi River, and that statement will be found on pages 868–878, and I respectfully refer you again to that statement.

In that statement it will be noted that I pointed out that Louisiana, over a period of nearly 100 years had suffered most from the devastating floods from the Mississippi River, and I stated dates and amount of damages and loss of lives caused by these recurring catastrophies, but as has been pointed out by me and by my colleague from Louisiana [Mr. PASSMAN], Louisiana is not the only State that is affected under the appropriations for the lower Mississippi River. All of the other States through which the river sends its waters to the Gulf from Cairo also share in the expenditure of funds under this appropriation.

In my statement to which I have referred above, it will be noted that I stated that the Mississippi River had been straightened to such an extent that the distance from Memphis to the Gulf had been shortened by approximately 169 miles. This was accomplished in order to keep the waters from piling up in the Missouri and Ohio Rivers and to accelerate their way to the Gulf. This has the result of bringing these floodwaters on my State more rapidly, and while the Missouri and the Ohio are relieved, the entire load is placed on the lower Mississippi River where the waters converge on Louisiana.

Mr. Chairman, another point which must be borne in mind is that of any amount which you may authorize for the lower Mississippi River approximately $15,000,000, of the amount appropriated is required for maintenance purposes, and only the remainder is available for protective works and new construction.

Therefore, Mr. Chairman, I trust that the committee and the Members of this House will give their most careful consideration to restoring the appropriation for the lower Mississippi River to the amount recommended by the Bureau of the Budget.

Let us continue the work and finish the job.

Mr. BOGGS of Louisiana. Mr. Chairman, I dislike to take the time of the Committee at this late hour. First I would like to say that my colleague from Louisiana [Mr. MORRISON], is absent because of the flood in his district. Naturally he favors the amendment. He is on the scene of the disaster. I dislike even more to disagree with my friend and colleague from Michigan [Mr. RABAUT]. Certainly I do not feel that I am putting myself in the position of raiding the Treasury of the United States when I take the well of the House in support of the substitute amendment offered by the gentleman from Mississippi.

I have supported economy and I shall continue to support economy, but Members of this House know that this is not economy. This is a foolhardy proposition, to be frank with you. Does a man who runs a business economize by failing to paint his property or replace worn-out machinery or to maintain what he has? Flood control, reclamation, forestry, development of hydroelectric power is protection of the essential wealth of the United States of America. When we come in here to save $6,000,000 at the expense of thousands upon thousands of acres of flourishing, producing agricultural land, at the expense of thousands upon thousands of citizens of the United States, threatening the crops and business resources of every type, nature, and description, I say that is not economy. I say we are playing with dynamite.

The gentleman from Michigan [Mr. RABAUT], says that the engineers told him this morning that this was a minor thing in the State of Louisiana. I say to the gentleman that it is only by the grace of the good God who rules us all that this thing occurred yesterday and not 2 weeks ago. Two weeks ago the Mississipi River was almost at flood stage at that very point where the Mississippi levee broke a distance of from 200 to 500 feet.

I am not asking my colleagues to rob the Treasury of the United States; I am asking them to protect the capital investment of the people of the United States of America, our land, our resources, our agriculture, and our industry. I say that if this amendment adding $6,000,000 is not voted up that we run the risk of losing not $6,000,000 but a loss that may run into the hundreds of milions.

Mr. Chairman, I hope that the amendment offered by the gentleman from Mississippi will be adopted.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. MILLER of California. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MILLER of California. Mr. Chairman, it is a far distance from the Delta of the Sacramento-San Joaquin Rivers system in California to the lower basin of the Mississippi but the ravages of floodwaters caused by spring thaws are not much different.

Water on a rampage can do inestimable damage as those of us who have lived under the protection of levees well know.

Some of the best land in California is the deep alluvial soil in the island area in the delta of California's Central Valley river system. Much of this rich land is in my district. I know the problem that confronts my friends from Louisiana and the lower Mississippi.

Early this afternoon I received a telegram from my friend and colleague the Honorable JIMMY MORRISON of the Sixth District of Louisiana. He was forced to return because of the great emergency that confronts the people of his district.

In the telegram he says:

HAMMOND, LA., *March 25, 1949.*

Congressman GEORGE MILLER:

Tremendous damage has been done by the Mississippi River levee break at Port Allen. Thousands of acres of farm land is already covered with water. The loss in cattle and other property damage will be high. Will appreciate your supporting the Passman amendment so as to restore the $13,000,000 to flood control on the lower Mississippi River. This break was totally unexpected and came as a complete surprise. This additional money will prevent similar breaks elsewhere.

JIMMY MORRISON,
Member of Congress.

I urge the adoption of the resolution restoring the money recommended by the Bureau of the Budget for flood control on the Mississippi River.

The CHAIRMAN. The gentleman from Louisiana [Mr. BROOKS] is recognized.

Mr. BROOKS. Mr. Chairman, I certainly am not in any way questioning the sincerity of the members of this committee who worked on this bill. Some of the best friends I have in the House of Representatives, and some of the best friends I have in the world are on this committee. I think they are eminently sincere in their actions, and I do not assume any position other than that of acknowledging the earnest and sincere efforts which they have displayed in the handling of this measure.

Mr. Chairman, this matter does not directly involve the people of my congressional district, the people I represent here. I am not within the area which is commonly known as the lower Mississippi flood-control area. I am without that area. I do however know the situation prevailing in that part of the lower valley, and it so happens, Mr. Chairman, that I know specifically the location of the flood that occurred early yesterday morning. I have been over that point on the lower Mississippi 1 mile above the bridge that crosses the Mississippi at Baton Rouge, La.; I have hunted birds behind that levee back in the area through which the water of this crevasse sweeps today, and I know that it is ruining fertile, tillable land. I know there is destruction not in the thousands of dollars but in the millions of dollars going on in that area now.

The action which we may take on this resolution may not directly affect that particular break in the levee; but this is a critical year for flood control. The snows are piled up high on the mountains of the West and the hills of the North, and the waters will come down later. There will be other breaks of this sort, Mr. Chairman. This is no year to begin to cut down on flood control in the lower Mississippi Valley. It is a year to prevent further devastating floods from inundating our lands and killing our people.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

The gentleman from New Jersey [Mr. CASE] is recognized.

Mr. KERR. Mr. Chairman, will the gentleman from New Jersey yield for me to submit a consent request?

Mr. CASE of New Jersey. I yield to the gentleman from North Carolina.

Mr. KERR. Mr. Chairman, I ask unanimous consent that the gentleman from West Virginia [Mr. BURNSIDE] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BURNSIDE. Mr. Chairman, the Kanawha Valley of West Virginia has for some time been the chemical center of the world, and it is continuing to grow in importance. New industries are also moving into the Ohio Valley area of West Virginia. These industrial centers deserve protection from the devastating effects of floods which disrupt communication, destroy property, and lay waste the homes of workers and farmers in the low-lying valley areas.

Flood-wall projects have already been begun at Point Pleasant and Parkersburg. These property- and life-saving projects should be completed immediately, and other such projects should be started.

But there is another project that should get under way as soon as possible: the Sutton Reservoir project. When completed, it will relieve flood hazards along the Elk River and will supplement the Bluestone Reservoir in protecting the industrially-important Kanawha Valley from the effects of disastrous floods such as the one in 1861. If such a flood would occur today it is estimated that damages of $44,400,000 would occur.

I urge speedy approval of these projects. Their expense will be paid back many times over by the savings in property they will make possible.

For your information, here is a letter I received from Colonel Neilson of the Army engineers:

DEPARTMENT OF THE ARMY,
CORPS OF ENGINEERS,
OFFICE OF THE DISTRICT ENGINEER,
HUNTINGTON DISTRICT,
Huntington, W. Va., February 28, 1949.

Hon. M. G. BURNSIDE,
House of Representatives,
Washington, D. C.

DEAR MR. BURNSIDE: In accordance with your personal request, the following information relative to flood-control projects in West Virginia is being furnished:

(a) Bluestone Reservoir project, New River, near Hinton: The Bureau of the Budget has approved appropriation of the necessary funds to complete the Bluestone Reservoir project in fiscal year 1950. The project is now nearing completion and the necessary funds will be available to complete the project if Congress appropriates funds in the amount approved by the Bureau of the Budget.

(b) Parkersburg local-protection project: The project is a unit in the general comprehensive plan for flood control and other purposes in the Ohio River Basin. It will provide complete protection to the city of 30,103 population (1940 census) against disastrous floods on the Ohio River. During the past 66 years, the damage stage at Parkersburg has been equaled or exceeded 30 times. The 1913 flood, maximum of record at Parkersburg, inundated about 95 percent of the area within the proposed protection works. Damages resulting from the occurrence of a flood equal to that of 1913, under the present state of development of the city, would amount to over $3,600,000. Damages resulting from the latest flood of consequence, April 1948, amounted to about $830,000. The completed project will provide complete protection to practically all of the developed area of Parkersburg to a stage 3 feet higher than that of the 1913 flood, and eliminate hazards to the health and lives of the citizens of the community from future floods. Average annual benefits are estimated at $415,000. Completion of the project at the earliest practicable date is necessary in order to eliminate the flood damages and human suffering which will result from future floods.

The city of Parkersburg provided for costs of local cooperation by issuance of bonds, which included funds sufficient to pay interest on their indebtedness until January 1949. Unless this project is sufficiently complete to provide at least partial protection to the city at any early date, the city will be unable to levy assessments on the protected property to obtain funds for further interest payments or retirement of the bonds.

The Bureau of the Budget has approved appropriation of sufficient funds to complete the project and the project will be completed during fiscal year 1950 if Congress appropriates the amount approved by the Bureau of the Budget.

(c) Point Pleasant local protection project: The project is a unit in the general comprehensive plan for flood control and other purposes in the Ohio River Basin. It will provide complete protection to the city of approximately 5,000 population against disastrous floods on the Ohio River. During the past 63 years the damage stage at Point Pleasant has been equaled or exceeded 71 times. The January 1937 flood, maximum of record, inundated about 95 percent of the area within the proposed protection works to an average depth of about 11 feet and made refugees of approximately 2,700 persons. Damages resulting from a flood equivalent to that of 1937, under present state of development of the city, would amount to approximately $600,000. Damages resulting from the latest flood of consequence, April 1948, were $326,000. The completed project will provide complete protection to practically all of the developed area of the city to a stage 3 feet higher than that of the 1937 flood and eliminate hazards to the health and lives of the citizens of the community from future floods. Average annual benefits are estimated at $158,500. Completion of the project at the earliest practicable date is necessary in order to eliminate the flood damages and human suffering which will result from future floods.

The Bureau of the Budget has approved appropriation of sufficient funds to complete the project and the project will be completed during fiscal year 1950 if Congress appropriates the amount approved by the Bureau of the Budget.

(d) Sutton Reservoir project: This project is located on Elk River just upstream from the town of Sutton, W. Va. The project is a unit in the general comprehensive plan for flood control and other purposes in the Ohio River Basin. It will relieve flood hazards along Elk River below the dam and will comprise a valuable supplement to the Bluestone Reservoir in providing flood protection for the Kanawha Valley with its extensive industrial developments. This

protection is urgently needed to reduce the possibility of a severe and disastrous flood such as that which occurred in the Kanawha Valley in 1861. Should such a flood be repeated in the Kanawha Valley, it is estimated that damages of $44,000,000 would occur, of which $12,500,000 would be prevented by the Sutton project alone. Use of the storage capacity of the reservoir to increase low flows will alleviate a serious stream-pollution and water-supply problem for the city of Charleston. It is not contemplated that power will be developed at the project and no penstocks are to be provided for possible future power development.

Congress appropriated $750,000 for initiation of the Sutton Reservoir project during the fiscal year 1947. This office has completed reservoir surveys and foundation explorations, and has prepared plans and specifications for plugging the coal mine at the right abutment of the dam. Surveys have been initiated for the relocation of the Baltimore & Ohio Railroad, and this office will proceed to prepare plans and specifications for the railroad relocation and the dam, in order that construction can be initiated promptly on these features upon receipt of the necessary funds.

No appropriations were made for the Sutton Reservoir project during the fiscal years 1948 and 1949. Initiation of construction of the project has, therefore, been delayed pending indication that additional funds would be appropriated, since it was considered that economical progress could not be made on any major part of the work with the limited funds available. Unless, therefore, additional funds in the amount of $1,500,000 are secured for fiscal year 1950, it would appear undesirable to initiate construction with the available funds.

(e) Additional reservoirs authorized: In addition to the Bluestone and Sutton Reservoirs mentioned above, the following reservoir projects have been authorized by Congress:

Summersville Reservoir project, located on the Gauley River, near Summersville, W. Va.

Big Bend Reservoir project, located on the Greenbrier River, near Hinton, W. Va.

Birch Reservoir project, located on Birch River, near Gassaway, W. Va.

Burnsville Reservoir project, located on Little Kanawha River, near Burnsville, W. Va.

Steer Creek Reservoir project, located on Steer Creek, near Grantsville, W. Va.

West Fork Reservoir project, located on West Fork, near Grantsville, W. Va.

Poca Reservoir project, located on Pocatalico River, near Nitro, W. Va.

Mud River Reservoir project, located on Mud River, near Milton, W. Va.

East Lynn Reservoir project, located on East Fork of Twelvepole Creek, near Wayne, W. Va.

Of all the authorized reservoir projects listed above, the Summersville Reservoir project is the only one that justifies a high priority for initiation of construction. At the present time the remaining reservoirs have such a low priority that initiation of construction within the next few years does not appear to be justified.

There is enclosed herewith a small map entitled "Plan of Development, Huntington District," which indicates the location of the projects described above.

It is trusted that the foregoing information will serve your needs.

Sincerely yours,

A. M. NEILSON,
Colonel, Corps of Engineers, District Engineer.

Mr. KERR. Mr. Chairman, I ask unanimous consent that all Members who wish to do so may extend their remarks on the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. CASE of New Jersey. Mr. Chairman, I have asked for this time merely that I might ask the chairman of the subcommittee a question relative to page 6, line 1, of the committee report.

Am I not correct in understanding that the reference at that point to Dunkirk, New York Harbor, is to Dunkirk Harbor, on Lake Erie, N. Y., and in no way to New York Harbor on the Atlantic Ocean?

Mr. TABER. That is correct.

Mr. KERR. That is correct.

The CHAIRMAN. The gentleman from New York [Mr. TABER] is recognized.

Mr. TABER. Mr. Chairman, I do not like to take a position against my personal friends in the Mississippi Valley, but I do think that we should call attention to some of the facts involved here. The cut that the committee recommended on rivers and harbors was 26 percent; the cut recommended on regular flood-control items was 26 percent; the cut recommended on the Mississippi River and its tributaries was 19 percent.

In other words, they have been treated better than anybody else.

Now, I want to call attention to certain statements in the hearing, as follows:

Mr. TABER. How much water have you had coming down the Mississippi River to that point?

General FERINGA. I think it is something over 2,000,000 second-feet.

Mr. SENOUR. The maximum flood of record there was the 1927 flood which was 2,465,000 second-feet.

Mr. TABER. You are presently able without those works at that point to take care of approximately 2,500,000 second-feet?

General FERINGA. Yes, sir, but we need the entire plan to take care of the flood that might come, 3,000,000 second-feet. We presently can take care of approximately a 1927-type flood.

Mr. Chairman, the 1927 flood was the greatest flood of record.

We have built almost 100 dams in that territory, all sorts of levees and everything else. We have probably spent upon the Mississippi River and its tributaries a billion dollars.

We have not been parsimonious with the people in that territory. We have been exceedingly liberal. They had unobligated funds in that appropriation on the first day of January of $23,402,000, an amount which is presently ample to take care of all emergencies. That is what they should do.

We must not run wild, we must not appropriate more funds than we can afford. I think the committee has brought in here a bill which carries more funds than we can afford to put up.

I hope the commitee will not increase this item. I feel we have done our part and have been very liberal with all these people.

The CHAIRMAN. All time has expired.

Mr. WHITTINGTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WHITTINGTON. Mr. Chairman, as I understand it, the gentleman from Louisiana accepted the substitute I offered for $6,000,000 in lieu of his $13,000,000. I ask unanimous consent that the substitute be submitted for the original amendment.

The CHAIRMAN. The gentleman from Louisiana may withdraw his amendment if he so desires.

The question is on the substitute offered by the gentleman from Mississippi [Mr. WHITTINGTON] for the amendment offered by the gentleman from Louisiana [Mr. PASSMAN].

The question was taken; and on a division (demanded by Mr. RABAUT) there were—ayes 76, noes 49.

Mr. RABAUT. Mr. Chairman, I demand tellers.

Mr. TABER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. Mr. Chairman, will there follow a vote upon the amendment offered by the gentleman from Louisiana [Mr. PASSMAN] after this?

The CHAIRMAN. There will, on the amendment as amended, if the substitute is adopted.

Mr. PASSMAN. Mr. Chairman, it was my understanding that I accepted the substitute in place of my motion.

Mr. DONDERO. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DONDERO. What we voted on just now was the substitute, as we understood it, for $6,000,000; is that correct?

The CHAIRMAN. The gentleman is correct. That was the substitute offered by the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. RABAUT. Mr. Chairman, I withdraw my request for tellers.

So the substitute was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana [Mr. PASSMAN] as amended by the substitute offered by the gentleman from Mississippi [Mr. WHITTINGTON].

The question was taken; and on a division (demanded by Mr. RABAUT) there were—ayes 79, noes 66.

Mr. RABAUT. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. WHITTINGTON and Mr. RABAUT.

The Committee again divided; and the tellers reported that there were—ayes 84, noes 65.

So the amendment was agreed to.

Mr. RABAUT. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WHITTINGTON. Mr. Chairman, I make the point of order against section 6 of the bill, which reads as follows:

The act of October 15, 1940 (Public Law 857, 76th Cong., 54 Stat. 1176), is hereby repealed—

That it is legislation on an appropriation bill and a violation of the rules of the House.

Mr. RABAUT. Mr. Chairman, will the gentleman reserve the point of order?

Mr. WHITTINGTON. Yes.

Mr. RABAUT. The reason the committee took the action it did here was to stop an abuse which we think is circumventing the powers of Congress. This particular bill permits a subdivision of government any place to lend money to the Federal Government for the purpose of starting an approved project without the additional consent of Congress or hearings by the Congress. The question is—Is the Congress willing for that situation to continue? The only reason we sought to stop it is because the Congress does not have control over the expenditure. For instance, in the city of Cincinnati they loaned $650,000 to the Government, and they are now asking for their money. Congress did not pass on that.

The functions of the whole operation were not considered by the Congress except for the original approval. However, a point of order will lie, and we must concede the point of order. But we did not think that it was the proper way for the Congress to function.

Mr. WHITTINGTON. Mr. Chairman, I would not detain this Committee except to say that this is legislation on an appropriation bill. It was considered by the committee in 1940. I recall that Senator TAFT, of Ohio, was the author of this bill in the other body. This is applicable only to flood control. There is another statute that provides for these advances, which is applicable to rivers and harbors. I do not think it is fair—and I am going to use that word again—to eliminate the law with respect to flood control and not to eliminate it with respect to rivers and harbors. I have a high regard for the gentlemen of the committee. I will say that the legislative committee will give consideration to these matters when we undertake to report a bill this year.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. RABAUT. The other bill to which the gentleman refers is unknown to the committee and was not brought to the attention of the committee.

Mr. WHITTINGTON. Unfortunately—and I am not saying that to be facetious in any way—there are several things that appear to be unknown to the committee just from what has happened here today. But with all deference, I must insist on my point of order to protect my committee. Speaking for myself, I just want to say that I think the Committee on Appropriations ought, at least, to consult with legislative committees before providing for appropriations, whether they are to repair the White House, or to construct another $10,000,000 building. I just do not think the legislative committees ought to be bypassed. That is my statement, Mr. Chairman.

The CHAIRMAN. The Chair is ready to rule.

The gentleman from Mississippi makes a point of order against the language appearing in section 6 of the bill. The Chair has examined the language and it appears very clearly that this would repeal existing law. Therefore, it is legislation on an appropriation bill, and the Chair sustains the point of order.

Are there any other amendments?

Mr. KERR. Mr. Chairman, if there are no further amendments, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to, and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3734) making appropriation for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1950, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to, and that the bill, as amended, do pass.

Mr. KERR. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment?

Mr. CANNON. Mr. Speaker, we demand a separate vote on all of the amendments. But it is my understanding there has been an agreement to let the vote go over to Tuesday.

Mr. WHITTINGTON. Mr. Speaker, may I ask the gentleman what agreement he refers to? I did not know of any agreement.

Mr. CANNON. I refer to an agreement between the leaders on both sides.

Mr. WHITTINGTON. The gentleman means an agreement between both sides of the Committee here?

The SPEAKER pro tempore. The Chair will state that an agreement has been made that when the House adjourn today it will adjourn to meet on Monday. Monday is District day. The Chair feels that it would not be proper to dispose of this business on that day, so that the first opportunity to take it up will be on Tuesday.

Probably, after consultation with the leadership on the minority side, the House may meet on Tuesday at an earlier hour than usual.

CONFEREES ON H. R. 1731

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. WOLCOTT] may be relieved from further duty as conferee on the bill H. R. 1731, and that a substitute be appointed by the Speaker.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts [Mr. MARTIN]?

There was no objection.

The SPEAKER pro tempore. The Chair appoints as conferee the gentleman from Iowa [Mr. TALLE] and the Clerk will notify the Senate thereof.

COMMITTEE ON WAYS AND MEANS

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight to file a report on House Joint Resolution 203.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas [Mr. MILLS]?

There was no objection.

MINORITY REPORT

Mr. GRANGER. Mr. Speaker, I ask unanimous consent that I may have until midnight tomorrow night within which to file a minority report on the bill H. R. 3704.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Utah?

There was no objection.

RENT CONTROL

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight Sunday in which to file a conference report on the bill H. R. 1731, the rent-control bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

ADJOURNMENT OVER

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

EXTENSION OF REMARKS

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the distinguished gentleman from Massachusetts [Mr. MCCORMACK] may extend his remarks in the Appendix of the RECORD and include two radio scripts on the life of our late lamented colleague, Sol Bloom.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. JOHNSON asked and was granted permission to extend the remarks he made in Committee of the Whole and include a letter.

Mr. TRIMBLE asked and was granted permission to extend his remarks in the RECORD in three instances and include reports.

The SPEAKER pro tempore. Under special order heretofore entered, the gentleman from Michigan [Mr. DONDERO] is recognized for 20 minutes.

COMMUNISTS MANEUVER TO CONTROL ART IN THE UNITED STATES

Mr. DONDERO. Mr. Speaker, 23 of the officers and directors of the Artists Equity Association are sponsoring the pro-Soviet Cultural and Scientific Conference now being held at the Waldorf-Astoria Hotel in New York. There will be mass picketing there this evening and perhaps tomorrow. I mention that as an

introduction to the remarks I am now about to make on the subject of Communists' maneuver to control art in the United States.

Exposure of Communist infiltration in the United States has been directed principally toward the fields of government and labor. We have been neglectful of the knowledge that communism is a hydraheaded serpent that attacks the true democracies on all fronts, political, social, economic, scientific, cultural. Generally, we have been blind to the fact that Communist standards of measurement and Communist undermining of our traditional values have made broad progress in one of our great cultural fields—the field of art. The average American has only limited knowledge of the importance of art in our national existence. Art is a large and important factor in our educational system, in our repositories of culture, as represented by such public institutions as libraries and museums, in our great endowments and philanthropic organizations, and, through commercial art, in our great fields of industry.

In the Communist campaign to undermine the standards of American culture through the substitution of Marxist standards, the comrades have followed the same practices, the same technique, which they have established in other fields. Fortunately, we are able to identify their propaganda in art, and if we are alert to contemporary activities, can put the finger on the latest moves in the campaign of Communist infiltration.

The Communist-front organization is the same in the field of art as it has been in the field of political ideology. A disguised structure is built up and, when its true purpose is disclosed to the public, it fades from view—to be followed by an organization with a new name, but controlled by the same Marxist individuals. We have seen how in 1943 the Young Communists League was succeeded by the American Youth for Democracy, and, more recently, how the Independent Citizens Committee for the Arts, Sciences, and Professions, changed its coat to become the National Council of Arts, Sciences, and Professions, and how the Jewish People's Committee, pronounced subversive by Attorney General Clark, reappeared as the American Jewish Labor Council.

The organization to which I wish to draw attention at this time, and which has attained a rapid, lusty growth, is the Artists Equity Association, arisen from the ashes of other dead and dying similar organizations, but in which identities—no matter how disguised—are easily recognized.

William Z. Foster, chairman of the Communist Party, makes this statement in the April 23, 1946, issue of New Masses:

> There must be a clear understanding that art is a weapon in the class struggle. Not only is art a weapon but a very potent one as well. Moreover rising revolutionary social classes instinctively realize the importance of art as a social weapon, have always forged their own art and used it to challenge that of the existing ruling class.

He urged the development of democratic art projects by the local, State, and National governments; the strengthening of publication facilities by the left and the establishment of organized artists' movements. It is one of these organized movements called for by Comrade Foster that I wish to bring to your attention. It is called Artists Equity Association and is located in the Grand Central Terminal Building, New York City.

Like all Communist-front organizations it advertises fighting the battle, rectifying wrongs, and aiding the lot of the members of its organization—in this case the artists. In that lies the danger, not only to the innocent American artist, who is striving to advance himself in his career and unknowingly joins up, but also to alert Americans who would be fighting this type of subversive organization if it were not cloaked in the disguise of legitimacy. But, like all Communist fronts, the actual working apparatus of this AEA is controlled and manned overwhelmingly by Communists and fellow travelers.

The Artists Equity Association was formed at a meeting held in the Modern Museum of Art in April of 1947. It seems to be rising phoenixlike out of the members of the American Artists Congress which is described on page 5 of Citations, a pamphlet by an official Government agency, showing organizations and publications found to be Communist or Communist fronts, as typical of Communist-created and -controlled organizations. This seeming immortality of the left-dominated culture groups is due to the apathy and confusion in artistic circles. In the Red camp, where they have tasted victory by measure of their continuous attention to organization, no such apathy exists. If the American Artists Congress is labeled Communist, they open up in another location under a different name.

Of the 77 officers, directors, and governors of the Artists Equity, listed on 1947 letterhead, 69 have left-wing connections—and more significant, 42 are members—many are officers of the above-mentioned American Artists Congress. Out of the seven artists on the board of the subversive Communist National Council of American Soviet Friendship, listed on the organization's 1946 letterhead, six are on the board of this Artists Equity Association. Two of these so-called artists of Artists Equity, Frank Kleinholtz and Phillip Evergood, secretary and director, are teaching at the Jefferson School in New York City. That school is listed on page 56 of Citations as an adjunct of the Communist Party.

Now let us take a look at the president of this so-called Artists Equity—he is Yasuo Kuniyoshi, Japanese born artist, whose career has been greatly aided by the many Marxist writers functioning in the art journals and on the pages of the metropolitan press as art critics. He was on the national executive committee of the American Artists Congress, and previous to that was a member of the Artists Union—also a Red front.

One of the members of the board, William Gropper, able cartoonist, but even abler revolutionist, has a record of some 60 radical connections. According to the statement of Walter Steele at the hearings before the Un-American Activities Committee on July 21, 1947, he headed the John Reed Club at one time. His drawings have appeared in the New Masses, New Pioneer, the Worker, Daily Worker, and Soviet Russia Today—all Communist publications. He has been a leader in Communist cultural fronts for a number of years. He is a contributing editor of the Masses and Mainstream, the Marxist cultural magazine, cited on page 123, among typical examples of the Communist press and publications.

Having time to touch on only a few of the prominent Reds in this Artists Equity Association, I will limit the list to those with the longest records of radical activities. Among these is Jo Davidson, sponsor of the National Council of American-Soviet Friendship, Inc., honorary chairman, National Council of Arts Sciences, and Professions. He has long been prominent in the Red-culture front. In fact, in the first big blow directed at American art, the armory show of 1913, described by Paul Robeson as that revolutionary exhibition, we find that Jo Davidson was one of the organizers. Mr. Steele says of him in his testimony on page 144:

> Still another Red front hatched in the fertile brains of the Communists and their fronters is the National Committee To Win the Peace. Jo Davidson has been its leader since its inception. He has been active in Communist circles over a period of years, and was at one time an instructor at the Workers—Communist—School in New York, where he attempted to mold the minds of the students to the Communist pattern. He has also been alined with the National Council of American-Soviet Friendship and the Independent Citizens' Committee of Arts, Sciences, and Professions—another Red front.

On the board of Artists Equity we find the name of Ben Shahn. He was one of the New Yorkers who worked with Mexican Red Diego Rivera on the mural which included Lenin in its design. It was removed from the walls of Radio City Building in New York. He was a member of the John Reed Club, listed in Citation as a Communist organization named in honor of John Reed, who was one of the earliest Communist leaders in the United States. Later he became a member of the American Artists Congress and right up to the present he has continued his revolutionary aim. He is now in the National Council of Arts, Sciences, and Professions.

Max Weber, another of the many Artists Equity Association key men who have long Red records, and who has received tremendous publicity throughout America, due to the predominance of Marxian critics rather than art critics on our papers, is quite a favorite among the appreciators of Communist culture. Even before the revolutionary armory exhibition of 1913 he was an intimate of Picasso, the Communist artist in Paris, and was an influential factor in foisting a Communist international criterion into the judging of art in America. He was a sponsor of the New Masses cultural award in 1945, and in that same year was the winner of it. He is also a sponsor of the National Council of American-Soviet Friendship, and the chairman of the sponsoring committee of Manhattan Committee of Artists for Wallace.

Robert Gwathmey, a younger artist—and a member of the AEA board—was a

contributing editor of the New Masses, and is now contributing editor of Masses and Mainstream, the latter described in Citations as among the typical examples of the Communist press and publications.

If it were possible to show examples of the output produced by these artist politicos, I am sure most of you would agree that they are enemies of true art, instead of artists. However, a few of them are men such as John Taylor Arms, a sponsor of the subversive National Council of American-Soviet Friendship, Inc., who is an artist of note, unlike most of those now pushed into the limelight. John Taylor Arms, a vice president of Artists Equity, is also vice president of the National Institute of Arts and Letters, noted in Citations, on page 73, as a Communist front for writers, artists, and musicians.

Leon Kroll, the honorary president of AEA, is an aggressive leader in the Red art group. He is a director of the subversive National Council of American-Soviet Friendship, and a member of the National Institute of Arts and Letters, cited on page 73 of the Citations in these words: "Communist front for writers, artists, and musicians." Needless to say, he was also a member of the AEA's immediate ancestor, the American Artists Congress.

Paul Manship, the chairman of the Red American Artists Congress and a sponsor of the subversive National Council of American-Soviet Friendship, appears as vice president of the Artists Equity Association.

Hudson D. Walker, executive director of Artists Equity, is another who can be found among the "also present" in left-wing art circles. He, like Mr. Kroll, is a director of the subversive National Council of American-Soviet Friendship, Inc. He is also a member of the United States National Committee for UNESCO.

Thus, one could continue at great length to enumerate the Communist-front connections of these officials in the Artists Equity Association. However, these facts are portentous enough to convey the seriousness of the situation and to impress upon you the ulterior purpose behind this so-called art group, and to disclose its progress.

Through the aid of Marxist evaluators in the cultural sphere, leftists in art have succeeded in lowering, and are attempting to break down the standard to which artists of the past adhered—to be worthy of the calling of art.

The veritable wave of would-be painters, sculptors, with which America is drenched is directly traceable to the need of the Red culture group to create a numerically strong Communist art movement. The fact that the quality of both art and artists is inferior in no way deters them—though it should strike a warning note to all real Americans.

Unlike many groups Artists Equity Association has few "innocents" comprising its board. It is an organization—some of them artists, most of them soldiers of the revolution—in smocks. This organization has appeared under many aliases—the Artists Union, United American Artists, American Artists Congress, and a group of these same names may be found in the Artists League of America—another Red group which was formed in the office of the International Workers Order. Rockwell Kent, with 108 Red fronts to his discredit, is president of this Artists League of America, and also the IWO. They take names similar to those of established art groups in order to trade upon the reputation of respected art organizations.

Benjamin Gitlow, in his book, the Whole of Their Lives, tells us from his own experience as a working, organizing Communist, of the untiring energy and zeal which the avowed Communist brings to his work. He also stresses the importance the Communist hierarchy places upon Red Bohemia, as Mr. Gitlow calls the vast network of Red professionals which operates from Hollywood to New York, and he warns us that when a Red artist or professional of some kind has made an entree into an important group the OGPU agent is soon circulating in that same group. The importance of the artist to the Communist has never been overlooked.

On page 277 of the June 1933 issue of Modern Monthly, Diego Rivera, Mexican Communist, describes the role of the artist in these words: "The role of the artist in the revolution is not that of the fellow traveler; it is not that of the sympathizer; it is not that of the servant of the revolution. The role of the artist is that of the soldier of the revolution."

It is obvious from the above quotation that the revolution of which Rivera speaks is the world-wide Communist revolution at work at the present time in the remaining capitalist countries. And the role of the Red artist is not one of sympathy, but is an active role in the battle for world control by the Communists. In order to function effectively and immobilize opposition—the soldier artists of the revolution have been organizing into unions, congresses, leagues and councils, and so forth.

We are dealing with a subtle enemy. Let every loyal citizen be on guard against this insidious menace to our way of life.

The SPEAKER pro tempore. Under special order heretofore entered, the gentleman from Wisconsin [Mr. BIEMILLER] is recognized for 10 minutes.

GREEK INDEPENDENCE DAY

Mr. BIEMILLER. Mr. Speaker, today, March 25, is the anniversary of Greek Independence Day. We are glad to do honor to the Greeks this day, for no braver, nor liberty-loving people exist anywhere in the world.

In 1821 the Greeks rose and overthrew the Turks who had occupied their country for many years, and reestablished their own independent government.

The same brave spirit which gained them their liberty, kept it for them when 9 years ago their country was attacked by Mussolini's Fascists. The small peace-loving country of 7,000,000 people pitted its strength against an empire seven times its size which had been preparing for conquest for years. And at the battle of the Pindus, four meager Greek divisions routed 12 divisions of picked Fascist troops, well-trained, well-armed, and confident of victory.

The modern Greeks proved themselves the true sons of the heroes of old who stood at Thermopylae and turned back the Persian hordes who tried to take away their land and their liberty.

When, out-manned and out-gunned on the plains, the Greeks were driven to the mountains, they did not give up the struggle. They kept up the fight, from crag to crag, from valley to peak, dragging arms and ammunition and meager supplies up the mountains on their backs. They then swooped down in disciplined formation upon the Fascist lines, throwing them into confusion and leaving 10,000 once swaggering black shirts dead on the field of battle.

We must never forget the Battle of the Pindus, for it was the first Allied victory after a series of staggering defeats. The Greek defense made the first crack in the Axis armor and gave the people of other stricken democracies courage to stand up to their foes. The unexpectedly successful Greek defense held up the Nazi timetable and gave the Allied forces a chance to build their strength to a point which brought ultimate victory.

Although they won a brief respite through their heroism, Greece was overrun later in 1940 by the Nazis. Yet the fight continued in the mountain passes and in the city streets, and behind village walls. Guerrilla activities never ceased. Hidden out in the mountains, fed, and armed, and clothed by faithful friends, Greeks of every age fought on. Men and women fought side by side. In spite of terrorism and horror, murder and destruction, the struggle for liberty continued. We read with horror of the destruction of Lidice, in Czechoslovakia. But did you know that 1,339 Greek villages were destroyed, 870 of them razed to the ground completely?

One-third of the Nation's small forest reserve was destroyed. Olive trees, providing the staple food of the country, were cut down for firewood. Vineyards were uprooted, and almost all production for food or export came to a standstill.

Now, years later, we are doing what we can to help Greece win back her economic security and maintain her independence. Greek Independence Day this year sees villages rebuilding, vineyards replanted, a steady effort to restore the country with our help to its prewar prosperity.

A new enemy dogs the brave Greeks today, an insidious enemy making a new effort to rob them of their independence and absorb them into a sphere of influence where they will lose their political identity and their personal freedom. And the Greeks continue as ever to resist this enemy and to fight in their mountains and their villages against the Communists as they fought against the Fascists, and as their ancestors fought against the Turks and the Persians.

We honor that fight and we want to continue to support it. The Greek struggle against the Communist threat may signal a turn in the tide against the Russian advance, as the battle of the Pindus was the first break in the advancing

Fascist front. We urge that the Greek Government stand steadfast, and give recognition and representation to those elements in Greece who represent the real strength of the nation, instead of leaning too heavily on reactionary cliques.

On this anniversary of their Independence Day we extend to the Greek people our congratulations and our heartfelt wishes that they may maintain their independence, regain their economic strength, and return to that position of leadership which they held in years gone by.

The SPEAKER pro tempore. Under special order heretofore entered, the gentleman from Pennsylvania [Mr. EBERHARTER] is recognized for 10 minutes.

GREEK INDEPENDENCE DAY

Mr. EBERHARTER. Mr. Speaker, 128 years ago today, the people of Greece, with faith in God and love of liberty as their principal weapons, rose against what was then the mighty Ottoman Empire, and, fighting alone and bleeding alone for 7 years, they won the independence out of which modern Greece was born.

Today, as in the early part of the previous century, Greece is fighting and bleeding—and she has continuously fought and bled since October 28, 1940—in her determination to maintain her independence, no matter what the cost in blood and in suffering, and regardless of how great and resourceful her enemies are.

Using the less-than-9-percent Communist element in Greece that has betrayed its country's noble traditions, nations behind the iron curtain have, for years, been training and supplying guerrilla forces that have brought much destruction, wanton killing of innocent people, and widespread pillaging, to the country, chiefly along its northern provinces, bordering with the satellite nations. Worst of all of their shameful and criminal acts, however, is the abduction of Greek children, whom they whisk away into the iron-curtain domain for the purpose of poisoning their hearts and minds with Communist education, and later using them for a new assault against Greece. It is estimated that they now have something like 20,000 or 25,000 such children in captivity.

As an American, I am proud in the thought that Greece has not been left alone in her present struggle—a struggle that is waged for her own independence, as well as for our civilization, which we have inherited from ancient Greece—but is receiving from the United States the material and the moral support that she needs in order to crush the enemy.

I congratulate the people of Greece heartily for their resolute effort to maintain their freedom, no matter whose shadow is behind the visible enemy confronting them; I admire them for their high morale and that of their ever-brave armed forces, and wish them the final success and the happiness that they so well deserve.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. O'BRIEN of Michigan, for 1 week, on account of illness in the family.

ENROLLED BILL SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 2313. An act to suspend certain import taxes on copper.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 1 minute p. m.) the House, pursuant to its previous order, adjourned until Monday, March 28, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

451. A letter from the Comptroller General of the United States, transmitting a report concerning certain contracts entered into by the Federal Public Housing Authority on a cost-reimbursement basis plus a fixed fee and a fixed amount for overhead; to the Committee on Expenditures in the Executive Departments.

452. A communication from the President of the United States, transmitting a request for Congress to establish a commission to exercise general supervision and direction of all construction work involved in the renovation and modernization of the Executive Mansion; to the Committee on Public Works.

453. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting its report on Federal-State relations, and separately, in typescript, volumes 1, 2, 3, and 4 of the task-force report in this field (H. Doc. No. 140); to the Committee on Expenditures in the Executive Departments and ordered to be printed with illustrations.

454. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting to the Congress, in typescript, the study on the central administrative organization for the Territories and dependencies of the United States which was prepared for the Commission's consideration by the task force as a supplement to the Commission's report on overseas administration, Federal-State relations, and Federal research; to the Committee on Expenditures in the Executive Departments.

455. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting to the Congress, in typescript, the study on the State-Federal overlapping taxes which was prepared for the Commission's consideration by the task force as a supplement to the Commission's report on overseas administration, Federal-State relations, and Federal research; to the Committee on Expenditures in the Executive Departments.

456. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting to the Congress, in typescript, the report of the Committee on Federal-State relations which was prepared for the Commission's consideration by the task force as a supplement to the Commission's report; to the Committee on Expenditures in the Executive Departments.

457. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting to the Congress, in typescript, a report on Federal-State relations by the Council of State Governments which was prepared for the Commission's consideration as a supplement to the Commission's report; to the Committee on Expenditures in the Executive Departments.

458. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting to the Congress, in typescript, the appendix to the report on Federal-State relations by the Council of State Governments which was prepared for the Commission's consideration as a supplement to the Commission's report; to the Committee on Expenditures in the Executive Departments.

459. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting the study on the development of governmental powers in the United States; to the Committee on Expenditures in the Executive Departments.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GRANGER: Committee on the District of Columbia. Part II, minority views on H. R. 3704. A bill to provide additional revenue for the District of Columbia (Rept. No. 315). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. H. R. 2820. A bill to amend the act entitled "An act to provide for the purchase of public lands for home and other sites," approved June 1, 1938 (52 Stat. 609), as amended; without amendment (Rept. No. 318). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. H. R. 3284. A bill to authorize grantees of recreational demonstration project lands to make land exchanges relating to such properties, and for other purposes; without amendment (Rept. No. 319). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON: Committee on Merchant Marine and Fisheries. H. R. 1222. A bill to authorize the exchange of certain fishery facilities within the State of Washington; without amendment (Rept. No. 320). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON: Committee on Merchant Marine and Fisheries. H. R. 3420. A bill to authorize the exchange of wildlife refuge lands within the State of Washington; without amendment (Rept. No. 321). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. House Joint Resolution 203. Joint resolution to maintain the status quo with respect to the exemption, from the tax on transportation of persons, of foreign travel via Newfoundland; without amendment (Rept. No. 322). Referred to the Committee of the Whole House on the State of the Union.

Mr. KEE: Committee on Foreign Affairs. H. R. 3748. A bill to amend the Economic Cooperation Act of 1948; without amendment (Rept. No. 323). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CELLER:

H. R. 3817. A bill to amend title 18, United States Code, section 2311 to include the word

"tractor" in the definition of motor vehicles and sections 2312 and 2313 to include thereunder motor vehicles and aircraft which have been embezzled, converted, or taken by fraud; to the Committee on the Judiciary.

By Mr. MARCANTONIO:

H. R. 3818. A bill to extend the benefits of the Servicemen's Readjustment Act of 1944, as amended, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. MORRISON:

H. R. 3819. A bill relating to the method of computing the gross receipts of all post offices except the post office at Washington, D. C., for the purpose of fixing the salaries of the postmasters and supervisory employees in such post offices; to the Committee on Post Office and Civil Service.

By Mr. PATTEN:

H. R. 3820. A bill to authorize the transfer of the Federal Government's interest in certain defense housing to the States and their political subdivisions, and for other purposes; to the Committee on Banking and Currency.

By Mr. RANKIN (by request):

H. R. 3821. A bill to provide pensions for veterans of World War I based on non-service-connected disability and attained age, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. SASSCER:

H. R. 3822. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

By Mr. TAURIELLO:

H. R. 3823. A bill to review reports on the Buffalo (N. Y.) Harbor; to the Committee on Public Works.

By Mr. YOUNG:

H. R. 3824. A bill to supplement the Federal-Aid Road Act by providing for the construction of the national system of interstate highways; to the Committee on Public Works.

By Mr. ABBITT:

H. R. 3825. A bill to amend the Federal Crop Insurance Act; to the Committee on Agriculture.

By Mr. MURRAY of Tennessee:

H. R. 3826. A bill to amend the act of January 16, 1883, an act to regulate and improve the civil service of the United States; to the Committee on Post Office and Civil Service.

By Mr. TRIMBLE:

H. R. 3827. A bill to allow an income-tax exemption for any member of the taxpayer's household who is supported by the taxpayer; to the Committee on Ways and Means.

By Mr. WHEELER:

H. R. 3828. A bill to provide Federal aid to medical and dental colleges and schools and to medical and dental students in order to relieve the shortage of doctors and dentists; to the Committee on Education and Labor.

By Mr. WIER:

H. R. 3829. A bill to provide assistance to certain local school agencies overburdened with war-incurred enrollments where such agencies received similar assistance during any prior fiscal year; to the Committee on Education and Labor.

By Mr. KEE:

H. R. 3830. A bill to amend the China Aid Act of 1948; to the Committee on Foreign Affairs.

By Mr. SADLAK:

H. R. 3831. A bill to provide that no interest on an income-tax deficiency shall be collected if the deficiency is the result of an honest error of the taxpayer, and for other purposes; to the Committee on Ways and Means.

By Mr. IRVING:

H. R. 3832. A bill to provide for the issuance of a postage stamp in commemoration of the one hundredth anniversary of the chartering of the city of Independence, Mo.; to the Committee on Post Office and Civil Service.

By Mr. UNDERWOOD:

H. R. 3833. A bill to permit in certain cases the sale of utilities and related services to municipalities by the Secretary of the Navy and the Secretary of the Army, or their designees; to the Committee on Armed Services.

By Mr. ANDERSON of California:

H. Res. 167. Resolution authorizing and directing the Committee on Veterans' Affairs to conduct thorough studies and investigations relating to matters coming within the jurisdiction of such committee under rule XI (1) (r) of the Rules of the House of Representatives; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Delaware, memorializing the President and the Congress of the United States to approve the resolution providing for General Pulaski's Memorial Day; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Idaho, urging the appropriation of necessary funds and that the Army engineers and/or the Department of Agriculture proceed at once with such works on the interstate stream of Bear River as will effectively prevent the destruction of lands and irrigation pumping systems in Franklin County, Idaho, and Cache County, Utah; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of Washington, requesting the President to take all possible steps to strengthen the present form of the United Nations so that it shall possess the means and legal authority to preserve world peace; to the Committee on Foreign Affairs.

Also, memorial of the Legislature of the State of Washington, memorializing the President and the Congress of the United States to enact legislation requiring shippers of cigarettes in interstate commerce to furnish to the taxing authorities of the States to which the merchandise is shipped a copy of the invoice on each such shipment and the name and address of each purchaser; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Washington, memorializing the President and the Congress of the United States that the Postmaster General issue a suitable commemorative postage stamp recognizing and honoring the Lake Washington Floating Bridge; to the Committee on Post Office and Civil Service.

Also, memorial of the Legislature of the Territory of Alaska, urging legislation to require the canned-salmon industry to employ certain percentages of resident fishermen over a period of years; to the Committee on Public Lands.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CORBETT:

H. R. 3834. A bill for the relief of Anastacia Roshani; to the Committee on the Judiciary.

By Mr. O'BRIEN of Michigan:

H. R. 3835. A bill for the relief of Georgios Ecaterinis; to the Committee on the Judiciary.

By Mr. TOLLEFSON:

H. R. 3836. A bill for the relief of Leslie A. Connell; to the Committee on the Judiciary.

By Mr. WALTER:

H. R. 3837. A bill for the relief of Annie Balaz; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

348. By Mr. ELSTON: Petition of Howard J. Lawson and 38 other residents of Norwood, Ohio, urging repeal of the 20-percent excise tax on toilet goods; to the Committee on Ways and Means.

349. By Mr. GRAHAM: Petition of 39 residents of New Castle, Lawrence County, Pa., urging the repeal of the 20-percent excise tax on toilet goods; to the Committee on Ways and Means.

350. By Mr. RICH: Petition of citizens of Williamsport, Pa., for repeal of the 20-percent Federal excise tax on toilet goods; to the Committee on Ways and Means.

351. By the SPEAKER: Petition of H. Kenneth Scatliff, secretary, Chicago Medical Society, Chicago, Ill., petitioning consideration of their resolution endorsing proposed further development and wider coverage by voluntary hospital and medical care; to the Committee on Interstate and Foreign Commerce.

352. Also, petition of John W. Lynch, president, the Sussex County Medical Society of Delaware, petitioning consideration of their resolution recording complete disapproval of any form of compulsory health insurance, considering it a menace to the public health; to the Committee on Interstate and Foreign Commerce.

353. Also, petition of V. B. Marquer, secretary, New Orleans Dental Association of Louisiana, requesting that no legislation be enacted containing the principle of compulsory health insurance; to the Committee on Interstate and Foreign Commerce.

354. Also, petition of H. L. Bunce, clerk, Borough of Montvale, Bergen County, N. J., petitioning consideration of their resolution requesting the discharge of all communistic employees; to the Committee on the Judiciary.

355. Also, petition of Mrs. Louise Salinger, secretary, Pennsylvania Association of Private Vocational Schools, Philadelphia, Pa., protesting against the overstrict interpretations by the Veterans' Administration of the provision of Public Law 862, Eightieth Congress; to the Committee on Veterans' Affairs.

356. Also, petition of Mrs. M. Landin and others, Miami, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

357. Also, petition of Josie B. Gardner and others, St. Petersburg, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

358. Also, petition of Mrs. Helene A. Burnup and others, West Palm Beach, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

359. Also, petition of Mrs. Geneva Hatch and others, Miami, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

360. Also, petition of Robert L. Rice and others, Miami, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

361. Also, petition of S. E. Gagnon and others, West Palm Beach, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

362. Also, petition of E. M. Coe and others, Miami, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

SENATE

MONDAY, MARCH 28, 1949

(Legislative day of Friday, March 18, 1949)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O Thou Almighty Father of all men, we bow for this quiet moment of communion with Thee at this wayside shrine of the eternal which the faith of our fathers builded. Amid the clamor of a dismaying world grant us grace to go forward to the cares and concerns of a new week in the unruffled confidence that Thou who hast the wisdom and the power hast also the will to supply our every need. Grant to our privileged land, where there are no fetters on human bodies or minds, the insight and good will that shall redeem by constructive service the desolations which have blighted the earth through man's inhumanity to man. Make us dauntless pioneers of a better world for ourselves and for all peoples, organized for peaceful progress and not for mutual slaughter, a world emancipated by Thy truth which makes men free. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Friday, March 25, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF A BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on March 25, 1949, the President had approved and signed the act (S. 592) for the relief of Edwin B. Anderson.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, notified the Senate that Mr. TALLE had been appointed a manager on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1731) to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes, vice Mr. WOLCOTT, excused.

SUPPLEMENTAL ESTIMATES, FEDERAL SECURITY AGENCY (S. DOC. NO. 34)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting supplemental estimates of appropriation for the Federal Security Agency, amounting to $423,600, fiscal year 1950, in the form of amendments to the budget, which, with an accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

EXTENSION OF EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 1209) to amend the Economic Cooperation Act of 1948.

Mr. SMITH of New Jersey obtained the floor.

Mr. WHERRY. Mr. President, will the Senator yield in order that I may suggest the absence of a quorum?

The VICE PRESIDENT. The Senator from New Jersey cannot yield for that purpose.

Mr. WHERRY. I ask unanimous consent that the Senator from New Jersey may yield to me to ask for a quorum call.

The VICE PRESIDENT. Without objection, it is so ordered; but the Chair may say that the Senator who has the floor, in this case the Senator from New Jersey, himself can make the point of no quorum.

Mr. WHERRY. I understand unanimous consent has been granted, and I suggest the absence of a quorum.

The VICE PRESIDENT. The Senator from New Jersey has yielded for the purpose of permitting a quorum call. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Holland	Morse
Anderson	Humphrey	Murray
Baldwin	Hunt	Myers
Brewster	Ives	Neely
Bricker	Jenner	O'Conor
Bridges	Johnson, Colo.	O'Mahoney
Byrd	Johnson, Tex.	Pepper
Cain	Johnston, S. C.	Reed
Capehart	Kefauver	Robertson
Chapman	Kem	Russell
Chavez	Kerr	Saltonstall
Connally	Kilgore	Schoeppel
Cordon	Knowland	Smith, Maine
Donnell	Langer	Smith, N. J.
Douglas	Lodge	Sparkman
Downey	Long	Stennis
Ecton	Lucas	Taft
Ellender	McCarran	Taylor
Ferguson	McCarthy	Thomas, Okla.
Frear	McClellan	Thomas, Utah
Fulbright	McFarland	Thye
George	McGrath	Tobey
Gillette	McKellar	Tydings
Green	McMahon	Vandenberg
Gurney	Magnuson	Watkins
Hayden	Malone	Wherry
Hendrickson	Martin	Wiley
Hickenlooper	Maybank	Williams
Hill	Miller	Withers
Hoey	Millikin	Young

Mr. MYERS. I announce that the Senator from Mississippi [Mr. EASTLAND] is absent on public business.

The Senator from New York [Mr. WAGNER] is necessarily absent.

Mr. SALTONSTALL. I announce that the Senator from Nebraska [Mr. BUTLER] is absent by leave of the Senate.

The Senator from South Dakota [Mr. MUNDT] is necessarily absent.

The Senator from Vermont [Mr. FLANDERS] is absent because of illness.

The VICE PRESIDENT. Ninety Senators having answered to their names, a quorum is present.

TRANSACTION OF ROUTINE BUSINESS

The VICE PRESIDENT. If it is agreeable, the Chair will recognize Senators for the presentation of petitions, the introduction of bills and joint resolutions, reports of committees, and insertions in the RECORD, without debate, and without interfering with the right of the Senator from New Jersey [Mr. SMITH] to the floor. The Chair hears no objection.

LEAVE OF ABSENCE

Mr. TAYLOR. Mr. President, I ask unanimous consent that I may be permitted to be absent from the sessions of the Senate tomorrow and Wednesday of this week. I have to go to Alabama for a little business.

The VICE PRESIDENT. Without objection, it is so ordered.

COMMITTEE HEARING DURING SESSION OF SENATE

Mr. CONNALLY. Mr. President, I ask unanimous consent that the Subcommittee on Appropriations considering the Treasury-Post Office appropriation bill be allowed to sit during the session of the Senate this afternoon.

The VICE PRESIDENT. Without objection, it is so ordered.

PETITIONS AND MEMORIALS

Petitions, etc., were presented, and referred as indicated:

By Mr. HOEY:

A joint resolution of the General Assembly of the State of North Carolina; to the Committee on Finance:

"Joint Resolution 27

"Joint resolution relating to the administration of aid to the blind

"Whereas all of our social institutions, customs, concepts, and activities, equipment, and instruments of living are planned for a seeing world, and sight is essential for their full appreciation and enjoyment; and

"Whereas the physical problems of blindness involve a severe strain upon the vitality, the nervous system, and mental balance, which often results in a complete physical, moral, and spiritual collapse; and

"Whereas the social and economic problems of blindness present great difficulties resulting from the necessity of reeducation and readjustment to a life without sight and the feeling of self-confidence, independence, and security; and

"Whereas the State of North Carolina, through the agency of the State commission for the blind, the State association for the blind, with a membership of more than 9,000 persons from every walk of life and from all of our 100 counties, the 169 Lion's Clubs of our State, with a total membership of approximately 10,000 public-spirited citizens, have for many years rendered outstanding service to the visually handicapped and blind persons of our State, having provided by their joint and cooperative efforts eye examinations, treatment, operations, glasses, rehabilitation, and other assistance for many thousands of indigent persons of our State; and

"Whereas for services the Lion's Clubs of our State have contributed to the State commission for the blind during the past 2 years, the sum of $61,328.94 for State-wide services, in addition to a much larger sum expended by said clubs locally; and

"Whereas for like services the State association for the blind expended during said period, through the State commission for the blind, the sum of $31,921.24, for State-wide services for the purpose of equalizing service throughout the State and supplementing the services rendered by the local Lion's Clubs, and providing services in communities that were not served by Lions Clubs; and

"Whereas H. R. 2892 is now being considered by the Ways and Means Committee of our National Congress, which provides by section 1407, subsection (a) that Federal public-assistance funds shall be allocated to States upon condition that said funds be administered by one State agency; and

"Whereas the North Carolina State Commission for the Blind, which agency since 1935 has administered all governmental sponsored services for the blind, the State association for the blind and the Lions Clubs of North Carolina, as expressed by and through the district governors of Lions international, have all stated their unalterable opposition to the transfer of aid to the blind to a single State agency, because the administration of aid to the blind by one central agency for the blind coordinates and correlates all services with the more important services of prevention of blindness, conservation of sight, restoration of vision, and rehabilitation resulting in the greatest service to all blind people and the most efficient and economic administration for the State: Now, therefore, be it

"Resolved by the house of representatives (the senate concurring):

"SECTION 1. That the General Assembly of North Carolina do hereby petition the North Carolina Senators and Representatives in Congress to use every means at their command to have stricken from H. R. 2892 the following provisions of section 1407—State public-welfare plans: '(a) (1) Provide (A) for the establishment or designation of a single State agency to administer or to supervise the administration of the plan'; and '(b) the administrator shall approve any plan which fulfills the conditions specified in subsection (a), except that there shall not be at any one time more than one approved plan under this title for any one State'; and thus retain the present provisions of title X of the Social Security Act, as amended, which permits the administration of aid to the blind by the North Carolina State Commission for the Blind, the agency created by the 1935 general assembly and further empowered by the 1937 general assembly to render all governmental sponsored services for the blind.

"SEC. 2. That copies of this resolution be sent to the North Carolina Senators and Representatives in Congress.

"In the general assembly read three times and ratified, this the 21st day of March 1949.

"H. P. TAYLOR,
"President of the Senate.
"KERR CRAIGE RAMSAY,
"Speaker of the House of Representatives."

A joint resolution of the General Assembly of the State of North Carolina; to the Committee on Appropriations:

"Joint Resolution 25

"Joint resolution memorializing Congress to appropriate funds to construct an inlet leading from the Atlantic Ocean to the Intracoastal Waterway and Myrtle Grove Sound, north of the town of Carolina Beach

"Whereas the construction of the intracoastal waterway, generally known as the Inland Waterway, resulted in letting fresh water into Myrtle Grove Sound, destroying much of the marine life in the area and doing great damage to the seafood industry; and

"Whereas the construction of an inlet leading from the Atlantic Ocean to the intracoastal waterway and Myrtle Grove Sound would permit the entry of sea water into the sound and thus neutralize in a large measure the harmful effects of fresh water on marine life in that area, and thereby revitalize and restore the seafood industry of such area; and

"Whereas such inlet would provide convenient access to the sea for both pleasure and commercial craft operating in this area: Now, therefore, be it

"Resolved by the house of representatives (the senate concurring):

"SECTION 1. The General Assembly of North Carolina urgently requests the Members of the United States Senate and the House of Representatives from North Carolina to use their immediate concerted efforts to secure an appropriation by the Congress of the United States to construct an inlet leading from the Atlantic Ocean to the Intracoastal Waterway and Myrtle Grove Sound at a point north of the corporate limits of the town of Carolina Beach, N. C., such appropriation to be expended by and under the direction of the Corps of Engineers of the United States Army or other appropriate agency of the National Government.

"SEC. 2. The Secretary of State of North Carolina is respectfully requested to transmit duly authenticated copies of this resolution with expressions of respect to the Senators and Representatives who compose North Carolina's congressional delegation.

"SEC. 3. This resolution shall be in full force and effect from and after its ratification.

"In the general assembly read three times and ratified, this 16th day of March 1949.

"H. P. TAYLOR,
"President of the Senate.
"KERR CRAIGE RAMSAY,
"Speaker of the House of Representatives."

By Mr. MORSE:

A joint resolution of the Legislature of the State of Oregon; to the Committee on Appropriations:

"Senate Joint Memorial 6

"To the honorable Senate and House of Representatives of the United States of America, in Congress assembled:

"We, your memorialists, the senate and the house of representatives of the State of Oregon, in legislative session assembled, most respectfully represent and petition as follows:

"Whereas the west coast during World War II was vital to the defense of the entire United States; and

"Whereas this defense required the construction of large airports and extensive facilities for the operation of long-range aircraft and for the training of large numbers of air force personnel at strategic locations in Oregon; and

"Whereas these strategic airport and training facilities must be maintained so that our western defense front is held in a state of readiness; and

"Whereas the maintenance of these strategic airports is beyond the capacity of the present finances of the municipalities affected; and

"Whereas the Oregon cities owning these strategic airports are faced with increasing population: Now, therefore, be it

"Resolved by the senate of the State of Oregon (the house of representatives jointly concurring therein), That the Eighty-first Congress of the United States be and it hereby is memorialized, and this forty-fifth legislative assembly of the State of Oregon hereby does petition the Congress to make available funds for the purpose of maintaining, on a defense standard, the airports and facilities which have been either constructed or taken over by the armed forces and which are of primary strategic value to said forces; be it further

"Resolved, That the secretary of state of the State of Oregon be and he hereby is directed to transmit copies of this memorial to the President of the Senate, to the Speaker of the House of Representatives of the United States, and to each Senator and Representative therein, representing the people of the State of Oregon.

"Adopted by senate February 9, 1949.

"WILLIAM E. WALSH,
"President of Senate.

"Concurred in by house February 25, 1949.

"FRANK J. VAN DYKE,
"Speaker of House."

FINANCIAL ASSISTANCE IN CONSTRUCTION OF PUBLIC SCHOOLS—RESOLUTION OF CITY COUNCIL OF QUINCY, MASS.

Mr. SALTONSTALL. Mr. President, on behalf of the junior Senator from Massachusetts [Mr. LODGE] and myself, I present for appropriate reference a resolution adopted by the City Council of Quincy, Mass., favoring the enactment of legislation providing financial assistance in the construction of public schools, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Whereas the city of Quincy will construct schools and additions to present school buildings; and

Whereas a large number of bills have been introduced in the Congress providing for a broad program of Federal financial assistance in the construction of public schools; and

Whereas Senate bill No. 39, introduced by Senator MCCARRAN, most clearly meets the views of city officials; it contemplates direct Federal agency grants and loans to local governments for construction of school facilities: Now, therefore, be it

Resolved, That our two Senators be respectfully requested to ascertain, for the city of Quincy, if Senate bill No. 39 will be adopted in the near future.

Adopted March 21, 1949.

Attest:

HATTIEMAY THOMAS,
Clerk of Council.

Approved March 23, 1949.

CHARLES A. ROSS,
Mayor.

FEDERAL AID TO EDUCATION—RESOLUTION OF CITY COUNCIL OF CENTRAL FALLS, R. I.

Mr. McGRATH. Mr. President, I present for appropriate reference a resolution adopted by the City Council of Central Falls, R. I., urging that proceeds of the tideland oil reserves be used as a trust fund for the sole purpose of providing Federal aid to education, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Resolution endorsing Federal aid to education

Be it resolved by the City Council of the City of Central Falls as follows: That the City Council of the City of Central Falls unanimously endorses the bill now pending in Congress which would create a trust fund from the proceeds of the tideland oil reserves, which trust fund would be used for the sole purpose of providing Federal aid to education; and be it further

Resolved, That copies of this resolution be sent to Senators GREEN and MCGRATH and Representatives FORAND and FOGARTY in Washington, D. C.

HOUSING LOBBY—LETTER FROM NEW JERSEY ASSOCIATION OF REAL ESTATE BOARDS

Mr. HENDRICKSON. Mr. President, I present for appropriate reference a letter from the New Jersey Association of Real Estate Boards, Newark, N. J., signed by Harrison L. Todd, president, relating to President Truman's remarks about the so-called housing lobby, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

NEW JERSEY ASSOCIATION OF REAL ESTATE BOARDS,
Newark, N. J., March 22, 1949.

Hon. ROBERT C. HENDRICKSON,
Senate Office Building,
Washington, D. C.

DEAR BOB: New Jersey's 1,700 realtors deeply resent President Truman's intemperate remarks about the so-called housing lobby and his false charge that we are enemies of the American home.

As you well know, no group in our State has done more to encourage home ownership, to supply the housing needs of our citizenry, than the realtors and those in associated fields. The state of our housing would be in a sorry plight indeed if we depended upon politics to provide it.

Any success we have had in our fight to preserve the traditional American system of home ownership in opposition to the socialization of shelter by Government is due, not to our meager numbers but to the principles we espouse. Our 43,000 members nationally represent less than the number of union members in Camden alone; certainly our strength is not in numbers.

As residents of New Jersey who know personally many real-estate people and know them for the high-type citizens they are, active in civic affairs, leaders of their communities, I urge you to protest strongly against this vicious and untrue attack by the President of the United States.

Very truly yours,

HARRISON L. TODD,
President.

RESOLUTIONS OF MINNESOTA CREAMERIES ASSOCIATION

Mr. HUMPHREY. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD resolutions adopted by the Minnesota Creameries Association in annual convention on March 4, 1949, at St. Paul, Minn.

There being no objection, the resolutions were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

RESOLUTIONS OF MINNESOTA CREAMERIES ASSOCIATION ADOPTED MARCH 4, 1949

We, the members of the Minnesota Creameries Association, assembled in convention at the Lowry Hotel, St. Paul, Minn., March 3-4, do adopt the following resolutions as an expression of our attitude on the subjects set forth:

1. We endorse the position taken by the National Creameries Association in conjunction with the American Butter Institute and the National Cooperative Milk Producers Federation, that the Federal Congress should abolish all taxes and licenses upon the sale of oleomargarine, but that it should prohibit the manufacture and sale of oleomargarine which is colored yellow. We maintain that yellow is the natural trade mark of butter and that for any other spread to be colored yellow would open the way for widespread fraud upon the consumer inasmuch as it would prove virtually impossible to police the thousands of eating places in the country where yellow oleomargarine could be sold as butter with slight chance of detection. The Andresen bill, therefore, has our hearty approval.

2. While it is true that conforming to strict regulations is not always easy, we recognize that regulatory food laws are designed primarily in the interest of the consumer and that the tendency will be to make the requirements increasingly strict, particularly if there is any disposition on the part of the industry and the state departments of agriculture to be lax in this respect. Holding that it is to our advantage to produce products of a quality and under conditions which health authorities and consumers will approve, we endorse the milk grading law and the proposal to place cream under similar regulations.

3. Inasmuch as the greatest safeguard to the milk consuming public is the pasteurization of milk, and in view of the fact that outbreaks of disease resulting from the sale of raw milk react unfavorably upon the entire industry, we note with approval the progress made by the compulsory milk pasteurization bill now before the Minnesota Legislature and pledge every effort to securing any support that may be needed to assure its final passage and adoption.

4. In our opinion, the most constructive action yet taken to assure the midwest dairy farmer a sound, staple market has been the promulgation of a manufacturing milk parity program by the Secretary of Agriculture, as a result of the efforts of the National Creameries Association with which we are affiliated, and various individuals. It is our belief, however, that the position of the midwest dairy farmer will be strengthened greatly by the passage of legislation making such action mandatory and we, therefore, endorse the bills introduced in the House of Representatives and the companion measure introduced in the Senate.

5. We are unalterably opposed to proposals to compel by law the artificial enrichment of flour holding, that the interests of the consumer are better served by the use of natural food elements.

6. This being the centennial year of our State, we recognize the contribution which the pioneer settler and the dairy cow has made to the prosperity and health of our people.

Dairying must be preserved if we are to have a prosperous agriculture and a sound economy for the State of Minnesota and the future welfare of the people of our State is closely linked with it.

As an association, we pledge ourselves to greater effort in the conservation of our soil and other natural resources which are indispensable to the health and welfare of our people.

The Minnesota Creameries Association joins with all other citizens of our State in commemoration of the organization of Minnesota Territory on March 3, 1849.

J. O. LUND, *Zumbrota,*
A. H. HALLS, *Hills,*
OLE O. AUNE, Jr., *Underwood,*
A. F. OBERG, *Lindstrom,*
C. J. MOULTON, *Stillwater,*
Resolutions Committee.

COMMISSION ON FEDERAL REIMBURSEMENT TO STATES AND LOCAL GOVERNMENTS—RESOLUTION OF CITY COUNCIL OF ST. PAUL, MINN.

Mr. HUMPHREY. Mr. President, I present for appropriate reference a resolution adopted by the City Council of St. Paul, Minn., on March 25, 1949, endorsing House bill 1356, creating a Commission on Federal reimbursement to States and local governments by reason of Federal ownership of improved and unimproved real property, and I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Resolved, That the City Council of the City of Saint Paul, Minn., endorses the Engle bill, H. R. 1356, now in the Congress of the United States; and be it further

Resolved, That the city clerk is directed to send a copy of this resolution to all members of the Minnesota delegation in the Senate and House of Representatives in the Congress of the United States.

Adopted by the council March 25, 1949.

Approved March 25, 1949.

FRED M. TRUAX,
Acting Mayor.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MURRAY, from the Committee on Interior and Insular Affairs:

S. 392. A bill authorizing the issuance of a patent in fee to Thomas A. Pickett; without amendment (Rept. No. 192); and

S. 716. A bill authorizing the issuance of a patent in fee to George Peters; with an amendment (Rept. No. 193).

By Mr. McCARRAN, from the Committee on the Judiciary:

S. 146. A bill conferring jurisdiction upon the United States District Court for the District of Oregon to hear, determine, and render judgment upon the claims of J. N. Jones, and others; without amendment (Rept. No. 161);

S. 147. A bill for the relief of H. Lawrence Hull; without amendment (Rept. No. 162);

S. 189. A bill conferring jurisdiction upon the United States District Court for the District of Nebraska to hear, determine, and render judgment upon the claim of Mrs. Florence Benolken; with amendments (Rept. No. 191);

S. 195. A bill for the relief of James A. Stapleton, Ruth Burk, and Mildred Ovren, co-partners doing business under the name and style of Stapleton Lumber and Piling Co.; without amendment (Rept. No. 163);

S. 227. A bill for the relief of Stone Cooper Coal Co., Inc.; without amendment (Rept. No. 164);

S. 635. A bill to increase the fees of witnesses in the United States courts and before United States commissioners, and for other purposes; with an amendment (Rept. No. 187);

S. 683. A bill to relieve certain employees of the Veterans' Administration from financial liability for certain overpayments; without amendment (Rept. No. 165);

S. 948. A bill for the relief of Mickey Baine; without amendment (Rept. No. 166);

S. 1042. A bill relating to the payment of fees, expenses, and costs of jurors; with an amendment (Rept. No. 188);

S. 1168. A bill to amend section 2680 of title 28, United States Code; without amendment (Rept. No. 167);

H. R. 555. A bill conferring jurisdiction upon the District Court of the United States for the Northern District of California, Northern Division, to hear, determine, and render judgment upon the claims of all persons for reimbursement for damages and losses sustained as a result of a flood which occurred in December 1937 in levee district No. 10, Yuba County, Calif.; without amendment (Rept. No. 170);

H. R. 572. A bill for the relief of Sylvia M. Misetich; without amendment (Rept. No. 171);

H. R. 576. A bill for the relief of Arthur G. Robinson; without amendment (Rept. No. 172);

H. R. 581. A bill to confer jurisdiction upon the District Court for the Territory of Alaska to hear, determine, and render judgment upon the claim, or claims, of Hilda Links and E. J. Ohman, partners, and Fred L. Kroesing, all of Anchorage, Alaska; without amendment (Rept. No. 173);

H. R. 591. A bill for the relief of Mrs. Lucille Davidson; without amendment (Rept. No. 174);

H. R. 592. A bill for the relief of James W. Keith; without amendment (Rept. No. 175);

H. R. 618. A bill for the relief of Eugene J. Bearman; without amendment (Rept. No. 176);

H. R. 652. A bill for the relief of Laura Spinnichia; with an amendment (Rept. No. 189);

H. R. 659. A bill for the relief of Mrs. Elizabeth B. Murphy; without amendment (Rept. No. 177);

H. R. 729. A bill for the relief of John J. O'Neil; without amendment (Rept. 178);

H. R. 739. A bill for the relief of Mary Jane Harris; without amendment (Rept. No. 179);

H. R. 745. A bill for the relief of B. John Hanson; without amendment (Rept. No. 180);

H. R. 1036. A bill for the relief of R. C. Owen, R. C. Owen, Jr., and Roy Owen; without amendment (Rept. No. 181);

H. R. 1043. A bill for the relief of Mrs. Wesley Berk (formerly Mrs. Ruth Cameron); without amendment (Rept. No. 182);

H. R. 1061. A bill for the relief of Bernice Green; without amendment (Rept. No. 183);

H. R. 1066. A bill for the relief of James Leon Keaton; without amendment (Rept. No. 184);

H. R. 1501. A bill for the relief of the legal guardian of Rose Mary Ammirato, a minor; with an amendment (Rept. No. 190);

H. R. 1959. A bill for the relief of the county of Allegheny, Pa.; without amendment (Rept. No. 185); and

H. R. 2708. A bill for the relief of the legal guardian of Joseph DeSouza, Jr.; without amendment (Rept. No. 186).

By Mr. WILEY, from the Committee on the Judiciary:

S. 646. A bill granting a renewal of patent No. 54,296 relating to the badge of the American Legion; without amendment (Rept. No. 194);

S. 647. A bill granting a renewal of patent No. 55,398 relating to the badge of the American Legion Auxiliary; without amendment (Rept. No. 195); and

S. 676. A bill granting a renewal of patent No. 92,187 relating to the badge of the Sons of the American Legion; without amendment (Rept. No. 196).

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS—REPORTS OF A COMMITTEE

Mr. McCARRAN. Mr. President, from the Committee on the Judiciary, I report favorably an original concurrent resolution favoring the suspension of deportation of certain aliens, and I submit a report (No. 168) thereon.

The VICE PRESIDENT. The report will be received, and the concurrent resolution will be placed on the calendar.

The concurrent resolution (S. Con. Res. 24) was ordered to be placed on the calendar, as follows:

S. Con. Res. 24

Resolved by the Senate (the House of Representatives concurring), That the Congress pass the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months.

A-5348029, Adamiszyn, Mary (nee Grazio Maria Mitola alias Mitale).

A-4476899, Ali, Wahed Mohamed, or Mohamed Ali or Wahed or Wohaed Ali.

A-2771648, Amezcua, Guadalupe, or Guadalupe Chavez De Samaniego.

A-6581279, Andavazo, Felix.

A-9728106, Andresen, Hans Kristian.

A-6314071, Arabanos, Georgia.

A-5007171, Arena, Francesco.

A-6712870, Avalos, Tomasa, or Tomasa Avalos de Urquiza.

A-6199320, Balletti, Cecelia Margaret (nee de Cruz).

A-5431512, Bardi, Massimo, or Sam Bardi.

A-4699363, Bevilacqua, Anna (nee Maldera).

A-6142598, Breslin, Pacita Blanch (nee Pacita Mercedes Blanch).

A-6240752, Bryant, Lila Rachael (nee Weingarten or Hays).

A-3874697, Burghen, Anna Maria (nee Andrews).

A-6455114, Cabrales-Flores, Rafael.

A-4374492, Cocolis, Gerassimos Demetrios.

A-6539706, Cusenza, Violet Matilde (alias Violetta Matilde Bileci).

A-9500533, Da Silva, Vincente St. Aubyn (alias Vincent Da Silva).

A-6618909, De Chaides, Olga Encinas, or Olga Encinas or Olga Encinas De Chairez.

A-6088306, De Guzman, Manuel Fenix.

A-6088305, De Guzman, Nancy Schaefer.

A-6088309, De Guzman, Lillian Schaefer.

A-2085545, De Marquez, Josefa Aguilar (VDA) (alias Josefa Aguilar De Marquez alias Josefa Aguilar).

A-4323280, Demidovich, Mike or Michailo, or Michail Dimidovich.

A-6336480, Eney, Richard John, or Chiang Sheng Dai.

A-3644552, Ernest, Jean, or Jan Gluckman or Glicman.

A-4771499, Fantuz, Richard Joseph, or Richardo Joseph Fantuz.

A-5457910, Fung, Shiu Fine, or Shiu John Fung or Shiu John.

A-5804059, Giessler, Atto Alwin, or Otto Giessler.

A-7738794, Gonzalez, Maria Del Carmen Uribe Echevarria.

A-9539472, Gonzales, Heladio.

A-6251915, Gonzalez, Miguel.

A-6261916, Gonzalez, Ruben.

A-6666785, Gonzalez, Simon, or Simon Gonzalez-Villanueva.

A-6665517, Mendiola, Paula, or Pauld Mendiola de Gonzales or Pauline Mendiola.

A-5697168, Gronwoldt, Walter George.

A-6551423, Haberer, Florentina, or Florentina Nuguid.

A-9664258, Hadjipetros, Sotirios, or Sordi or Steve Hadjipetros.

A-5020056, Haller, Gottlieb Heinrich Gustav, or Gusta. Haller.

A-3565724, Hamilton, Anna (nee Buczma).

A-6172375, Hamm, Juliana Rodil.

A-2663801, Haro, Jose Ysabel Flores (alias Jose Flores).

A-6679233, Hernandez, Benigno.

A-6679234, Hernandez, Francisco.

A-4715960, Hermandez, Francisco.

A-6639350, Hernandez, Norberto Roberto (alias Norberto Hernandez alias Roberto Hernandez alias Robert Hernandez).

A-6639351, Hernandez, Roberto.

A-6382878, Holsman, Marta Hugentobler (nee Marta Hugentobler).

A-5786464, Hoon, Chan Ngon (alias Mrs. Davis Owyang).

A-2038760, Hoyer, Kurt Emil.

A-3602671, Hunt, Henry.

A-6301859, Hyatt, Lewis.

A-6045907, Ichak, Ali, or Ichak Ali.

A-5599244, Ilich, Yova, or John Illich.

A-5573460, Jacob, Sandor, or Alexander Jacob or Jacobs.

A-3148155, Joeng, Soe Siong, or Su Siong Jung.

56208/196, Joyner, William Harry.

A-2036707, Karavolos, Stephanos Theodore.

A-5448558, Kennett, Eunice Lorraine (nee Hultgreen).

A-5324990, Kent, Walter.

A-3192801, Khan, Aziz.

A-5019347, Klevels, Eric Joseph, or Erich Klevers.

A-5654893, Knowlton, Jessie Marie (alias Jessie Marie Aspden nee Lawrence).

A-2855065, Koludrovich, Vladimir Ludovicco.

A-4776975, Laggan, Catherine Feeney.

A-1030731, Lazarich, Mirko.

A-5584293, Leon, Josephine (alias Josephine Leon Viochea or Dicochea alios Josephine Garcia).

A-6300095, Liddicoat, Harold Raymond.

A-2162658, Lombardo, Francesco.

A-5610107, Lopez, Luis, or Louis Lopez or Luis Lopez Garcia.

A-6400801, Lopez-Cabrera, Ezequiel.

A-9553892, Loucas, George Anthony (alias Georgios Antonics Loucas).

A-1598756, Madonna, Giuseppe (alias Giuseppe Clemente).

A-4555403, Magner, James Thomas.

A-4067230, Mancini, Adelio.

A-5825606, Mandel, Margaret Fanny (alias Margaret Sanders or Margaret Schoene or Margaret Barozzi).

A-5261900, Masu, John (alias Giovanni Masu).

A-5010273, De Mendoza, Marcelina Rivera.

A-6208054, Menzies, Colin John.

A-4136618, Miller, Fred, or Frederich Moller or Friedrich Karl Ernst Moller.

A-5107301, Mi-Loffe, Eric Goffe.

A-4066323, Mitola, Antonio, or Anthony Patrick Mitola.

A-3382835, Mitola, Maria Rosa, or Rosa Mitola (nee Del Vecchio).

A-1274580, Monte, Caroline, or Caroline Demallos (nee Caroline Lannutti).

A-6251165, Monterrubio, Bienvenida (nee Bienvenida Vasquez Tirado).

A-4289029, Montes-Lopez, Andres, or Andres Montes.

A-1627591, Morales, Maria de Jesus, or Mary Morales.

A-6240784, Morden, Sarra, or Sarra Mesh.

A-4363956, Mueller, Hans Heinrich Alfred.

A-2862095, Mueller, John Hans, or Hans Otto Eugen Mueller or Hans Mueller.

A-7583119, Naef, Emil Joseph.

A-6815661, Ngai, Shun Him.

A-6815662, Ngai, Siu Kum.

A-2146542, O'Donnell, Francis Albert, or Frank Albert O'Donnell or "Inky."

A-3407260, Olivieri, Anthony (Antonio) (alias Francesco Porro).

A-6302145, Ossin, Sarah (alias Sarah Kovtun Ossin).

A-5942218, Osterlund, Holger Torvald.

A-4123010, Palomba, Giovanni, or Palombo (alias John Palombo).

A-6563748, Palomino, Julian, or Julian Palomino Quinones.

A-1888219, Parenteau, Narcisse (alias Joseph Exidas Narcisse Parenteau).

A-6153664, Pasatiempo, Remedios Navarra.

A-1011989, Pera, Anna.

A-6245339, Pericharos, Christos (alias Christ Pericharos).

A6090963, Pick, Charles Robert.

A-2795198, Pitsiladis, Efstratios, or Charles Peterson or Charles Pitsiladis.

A-3176245, Porvari, Olavi Veli.

A-4384519, Ramos, Juan Jose, or John Joe Ramos (alias Jose Aguilar).

A-6357059, Rodriguez, Sabino, or Sabino Lozoya or Sabino Rodriguez Lozoya.

A-3146287, Rogga, John, or John Rouga.

A-5097023, Romej, Jan Ludwik, or John Ludwik Romej.

A-6047568, Rost, Harry (alias Harry Hyman Rashback).

A-2514384, Sabbe, Margaret Marie (alias Margaret Marie Rosselle or Margaret Marie Billiet).

A-2750510, Sainz-Gutierrez Santiago.

A-6704617, Sallin, Catherine.

A-5936582, Samuels, Jensena Irene.

A-3477565, Santoro, Emilia (alias Emilia Zanone).

A-5249171, Sarkissian, George (alias George Sarkisian alias Hachig or Hatchig Sarkissian or Sarkisian).

A-397443, Sharkey, Mary Jane (nee Mary Jane Ramsey).
A-5452595, Silbert, Mary (nee Finegood).
A-3444818, Silva, Manuel Y Cruces, or Manuel Silva.
A-6075260, Simmons, Pearl Salud (nee Tibig).
A-9769910, Singh, Mahadeo Javert Rampersaud.
A-3678239, Sokolow, Sol, or Zyskind Sokolow or Sokol or Zyskind Sokolow, or Janowicz or Janowitz or Yanowicz.
A-3930421, Speis, Stelios Napoleon, or Steve Napoleon Speis.
A-6517996, Sporup, John Soren Nielsen, or John Nielsen.
A-7703588, Soroosh, Gholam Hossein.
A-4761287, Soulvie, Gertrud Mae, or Seiweh (nee French alias Schultz).
A-3776190, Sousa, Mary Agnes.
A-6551396, Squires, Elizabeth Oonagh (alias Elizabeth Perdue).
A-6551397, Squires, Penelope Oonagh (alias Penelope Perdue).
A-6261575, Stamatiades, Nefelia (nee Valasi).
A-3174351, St. Hilaire, Melvin, or Melville or Joe St. Hilaire.
A-6277447, Taylor, Beth (alias Beth Engelsen).
A-4491271, Thederahn, Walter Herman, or Walter Smith or Schmidt.
A-5378679, Uusmaa, Vladimer (alias Vladimer Vel Uusmaa).
A-7798513, Valencia, Baudelio (alias Baudelica Valencia Gonzaliz).
A-3716183, Wang, James Shu Woo, or Wang Shu Woo or James Wang.
A-6459405, Wands, Laraine Fay, or Loraine Fay Wands.
A-3497722, Whitaker, Laura Myrtle (nee Owen).
A-1275082, Williamson, Williamina, or Mina Williamson.
A-4495042, Wolinsky, Abraham.
A-6364147, Wright, Graham Patrick.
A-6292361, Zakrzewski, Genowefa or Genowefa Szczepanska.
A-6292365, Zakrzewski, Jadwiga.
A-3154916, Zannis, Christos.

Mr. McCARRAN. Mr. President, also from the Committee on the Judiciary, I report favorably an original concurrent resolution favoring the suspension of deportation of certain aliens, and I submit a report (No. 169) thereon.

The VICE PRESIDENT. The report will be received, and the concurrent resolution will be placed on the calendar.

The concurrent resolution (S. Con. Res. 25) was ordered to be placed on the calendar, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months:

A-6749936, Alcala-Martinez, Jesus, or Jesus Martinez or Jesus Alcala.
A-6313380, Ayala-Serrano, Irene.
A-6449001, Alexander, Chi Ngo, or Chen Chi Ngo.
A-6373549, Ayala, Juan Hernandez, or Juan Ayala Hernandez (alias Dan Hancock alias M. C. Stokes).
A-9579672, Bacich, Anton Sime.
A-2879588, Battaglini, Quirino Gene.
A-5652053, Beda, Sabetay.
A-6249257, Bellios, Paraskevi Costalia.
A-5166885, Bendfeldt, August Johannes.
A-6326675, Berliner, Kenneth Michael (alias Kenneth Michael Hovde).
A-3563940, Binicos, Ioannis Simeon, or John Sam Binicos.
A-3153850, Blake, Clara, formerly Sinclair formerly Bott (nee Brewster).
A-6745477, Bohn, Cecilia Sophia, or Cecelia Sophia Syre.
A-6428294, Boone, Patricia B., or Patricia Imelda Boone (nee Bibby).
A-9574254, Boonstoppel, Johannes, or John Jacob Boonstoppel.
A-6441010, Booth, Margaret Kato Walker.
A-5134452, Bosi, Enrico, or Henry Peter Bosi.
A-9810588, Bruggencate, Albertus Ten.
A-3726769, Callejas, Manuel Peidro.
A-6754664, Changeux, Daniel Robert.
A-5763706, Chau, Shing Leung, or Spaulding Chau.
A-6256341, Cirincione, Maria Teresa.
A-6256342, Cirincione, Carmela Marie.
A-6790777, Corazza, Gilberto Leo (alias Gilberto Corazza or Corrazza or Gilbert Lee Corazza).
A-6092372, Cortes, Caroline Napoleon, formerly Caroline Napoleon Denard.
A-1370087, Costas, Juan Antonio Lopez, or Juan Lopez Costas or Juan Lopez.
A-6172681, Cotsonis, Potoula George, or Potoula Laloussis.
A-4851448, D'Agostino, Arcangelo, or Angelo D'Agostino.
A-6218566, Dantes, John, or Ioannes Yusel Dantes.
A-7539086, Davis, John Champneys.
A-6371776, Derro, Giovanna (nee Totino).
A-6391245, D'Orsogna, Marcello.
A-6427491, Estridge, Edward Nathaniel.
A-3442924, Farese, Biagio.
A-4135957, Faustini, Sebastiani, or Benny or Beniamino Faustino.
A-4173534, Fook, Ling Bing, or Bing Fook Ling.
A-6075351, Francisco, Rogelio Chumbuque.
A-9770636, Furman, Franciszek Felix, or Franciszek Furman or Frank Furman.
A-9659926, Galanos, Nocolaos.
A-5929794, George, Eileen.
A-4669615, Gessner, Friedrich Albert Heinrich Robert, or Fred Horn.
A-5146721, Glick, Dorothy, or Dorothy Bloom or Debora Blimbaum.
A-3323609, Goffredo, Pantaleo, or Leo Goffredo.
A-7653000, Goldstein, Katherine Doris (nee Katherine Doris Victorsen).
A-6517959, Gunther, Esperanza Eroles (nee Esperanza Eroles).
A-7592298, Hansen, Marjorie McGuire.
A-1074698, Heiloo, Vartanoush (nee Markarian Rose or Vartanoush Krikorian).
A-6040369, Hodge, Lawrence.
A-6024985, Hodge, Maude Iola.
A-6878163, Hsueh, Wei Fan (alias Wilfred Hsueh).
A-6590350, Huggins, Frederick Oscar.
A-4833110, Hantwarg, Rubin, or Huntverg or Reubin Hunter or Robert Miller.
A-2898572, Ionno, Pellegrino.
A-6428323, Jacobs, Margaret Genevieve (nee Bibby alias Genevieve Jacobs).
A-4301234, Jaeger, George Friedrich Willy (alias George Waldo).
A-6249467, Jarrin, Fanny Lucila or Mosquera.
A-6060836, Jarrin, Nelson Anibal, M. D.
A-6291689, Jarrold, James Michael.
A-5922766, Kellgren, Adam.
A-6755482, Kerketzes, Ioannis, or Joanis Stilianos or John S. Kerkentzes.
A-4699864, Klapprat, Robert, or Klaprat or Klappert or Kappert.
A-7558796, Klasson, Joanna Elizabeth.
A-9776542, Kritikos, Ioannis Stavros (alias John Steve Kritikos).
A-5946937, Kuzemka, Nikolaj or Nikolaj or Nick Kuzema or Joseph Meski.
A-6530589, Kuzninska, Jacek Richard.
A-6277981, Kyriazis, Christ Constantine.
A-6414794, Lamer, Mirko.
A-6251150, Lamer, Leonore.
A-6281356, Lara-Medrano, Jose.
A-7686310, Larson, Alice Mary Margaret (nee Seyer).
A-5234163, Laufer, Edith (nee Luberoff).
A-5886897, Leer, Cornelius.
A-2794013, Lemanis, Konstantine George, or Costas Lemanis.
A-6526015, Leni, Nunziata.
A-4882931, Leshley, William Alexander.
A-6633954, Leung, Vicente.
A-6300096, Liddicoat, Doreen Violet.
A-4441129, Lundsteen, Ernst Hubert.
A-3837986, Lyons, Thomas Joseph.
A-4535362, Madsen, Charles Marinus.
A-5668197, Majka, Jan or John Majka.
A-4940423, Majka, Katarzyna Rose (nee Banek).
A-6810821, Maldonado, Petra, or Petra Maldonado de Montes.
A-4947209, Mancusi, Mario, or Mike Mancusi.
A-6075160, Martin, Gladys Constance.
A-6108461, Medina, Jose Julio Juil Renteria, or Luis Medina Renteria or Jose Luis Renteria Medina.
A-5765526, Melanoff, Rose or Loza (nee Vassiloff or Vassideva).
A-6245144, Mobille, Catherine Z., or Catherine Vomvila or Aitkermis Mombilin.
A-3691575, Mohamed, Dost, or Johnnie Mohamed.
A-9552718, Monterroso, Herman, or Herman Monterrossa.
A-1858603, Morze, Charity Alma, or Charity Alma Fifield.
A-3640890, Mulkern, Joseph or Mulkerinus.
A-1231306, Napoli, Antonio.
A-9701787, Olsen, Ingolf.
A-9550196, Olsen, Rolf.
A-6624314, O'Neal, Etienne Emerson.
A-6239403, Paille, Jack Jean Paul, or Jack Paille.
A-1029502, Perel, Nechemia, or Norman Earnest Pearl.
A-5105586, Petibon, Yves, or Maurice Petibon.
A-6701961, Pfeifer, Karoline Maria (alias Karoline Mary Pfeifer).
A-6594725, Papandreopoulos, Elias Polybios.
A-7041843, Pun, Chin Yuen, or Chin Yuen Pon, Pon Yuen Chinn.
A-6300094, Rankin, Jillian Kay.
A-6252336, Renteria, Manuel, or Manuel Renteria Portilla.
A-5712529, Reynolds, Henrietta Pauline (nee Adams).
A-7010074, Richter, Rolf Hans.
A-7010073, Richter, Lucie Gertrud, or Gertrud Lucie Richter.
A-6650790, Robertson, Clifford James Charles.
A-7528781, Roehmann, Dagobert (alias Dagobert Waldow).
56169/182, Ruello, Antonio.
A-4005355, Samad, Iris Daphne (nee Vanputten).
A-6125773, Sanchez-Barcenas, Jose Inez (alias Inez Sanchez-Barcenas).
A-677519, Schaefer, Adelaida Santos.
A-6077574, Schaefer, Jr., John Santos.
A-4984498, Sartuche, Bertha Reyes (alias Bertha Sanchez Sartuche alias Bertha Reyes alias Bertha Sanchez).
A-1707593, Sauter, Anna, or Anna Manderscheidt or Anna Jetter.
56112/24, Scordilis, Panagiotis Stylianos.
A-2298613, Seiter, Christian Joseph, or Chris or Christ Seiter.
A-6633431, Serrano-Berrera, Jose Mauricio.
A-1384811, Simon, Malvina E. (nee Abraham, alias Malvina Ester Bsch, alias Malvina Schwartz and Malvina Eisenbach).
A-2700886, Skuza, Frank, or Franciszek Skuza.
A-1545593, Spencer, Charles Joseph.
A-7001121, Spencer, Mildred Vivian Margaret.
A-5139588, Stankiewicz, Jozef, or Joseph Stank.
A-6233624, Stevenson, Walter George.
A-6239754, Stolz, Chen Li Ying (nee Chen Li Ying).
A-6345672, Stoyas, Athena, or Athena Moonos or Athena Papanghelidau.
A-7791546, Stroud (de), Maria Voltas.
A-6494368, Tedesco, Saviour.

A-6296116, Thomasson, Ivan Samuel.
A-5593901, Tietge, Paul (alias Paul Klein).
A-5629597, Trapani, Gaetano.
A-6357984, Tratarou, Pantelis John.
A-6350818, Tratarou, Athenoula.
A-3073862, Traynor, Harry Joseph.
A-6692815, Trilling, Erin, or Erin Shikallof.
A-3428895, Tuerk, Arthur Erdmann.
A-6020295, Turnbull, Idalia Constancia "Dally."
A-1164142, Tye, Ong Hee.
A-4973977, Valliant, John Peden.
A-6709145, Vanskike, Verla Cora, formerly Strickland (nee Thomas).
A-6754859, Vanskike, Lois Isable Gladys, formerly Strickland.
A-6755531, Vanskike, Allan Robert, formerly Strickland.
A-5870852, Vanterpool, Viola Anastacia, or Viola Anastacia Fahir or Viola Anastacia Foy.
A-2830324, Vasilios, Christos.
A-4036671, Vassura, Anthony or Antonio.
A-3182536, Vassura, Josephine (nee Girolimini).
A-6007554, Vieira, Joao.
A-5546430, Villanova, Manuel (alias Manuel Villanova Dominquez or Manuel Ribas).
A-4328843, Vogt, Gustav (alias Augusta Conrad alias Paul G. Leonard).
A-2632561, Wang, Mabel Chih-Lan Chen, or Mabel Gee Lan Chan.
A-5748097, Werner, Margaret (nee Carmichael), or Mrs. Howard Charles Werner.
A-5100807, Wexelman, Sarah, or Sarah Dvora Wexelman.
A-7022757, Wexelman, Mortimer.
A-6433846, Wiesner, Lucille M. (nee Bibby).
A-2454595, Wing, Edward Yee; Yee On Woon.
A-6720886, Yankopoulos, Alexander Anastasiou.

REPORTS ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON of South Carolina, from the Joint Select Committee on the Disposition of Executive Papers, to which were referred for examination and recommendation two lists of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted reports thereon pursuant to law.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. McCARRAN, from the Committee on the Judiciary:

Hon. Edward Allen Tamm, of the District of Columbia, to be United States district judge for the District of Columbia;

Jordan B. Royall, of Florida, to be United States marshal for the northern district of Florida;

Raymond A. Morgan, of New York, to be United States marshal for the western district of New York, vice Frank C. Blackford, retired;

William D. Kizziah, of North Carolina, to be United States marshal for the middle district of North Carolina, vice Edney Ridge, deceased; and

Jacob C. Bowman, of North Carolina, to be United States marshal for the western district of North Carolina, vice Charles R. Price, term expired.

By Mr. McGRATH, from the Committee on the Judiciary:

George F. Troy, of Rhode Island, to be United States attorney for the district of Rhode Island.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KEFAUVER:

S. 1414. A bill authorizing and directing the Secretary of the Navy to advance First Sgt. Charles H. Gray, United States Marine Corps (retired) to the grade of major on the retired list of the Marine Corps; to the Committee on Armed Services.

S. 1415. A bill to improve the calendar now in use by making it perpetual; to retain the number of 12 months; to equalize the quarters of the year so that days of the week and dates always agree, each quarter to have 91 days or 13 weeks or 3 months equivalent to the season and every month to have 26 weekdays plus Sundays; to begin years and weeks on the first day of the week, Sunday; to fix holidays; to give the calendar comparability, not for a year but for centuries; to the Committee on Foreign Relations.

By Mr. McCLELLAN:

S. 1416. A bill authorizing the transfer of part of Camp Joseph T. Robinson to the State of Arkansas; to the Committee on Armed Services.

By Mr. McGRATH:

S. 1417. A bill for the relief of Loo Chung Chee; to the Committee on the Judiciary.

S. 1418 (by request). A bill to amend an act entitled "An act to incorporate the Washington Gas Light Co.," and for other purposes; to the Committee on the District of Columbia.

By Mr. HENDRICKSON:

S. 1419. A bill for the relief of Wilhemus Johannes Marie Van Der Kooy; and

S. 1420. A bill for the relief of Antonio Garcia Jiminez; to the Committee on the Judiciary.

By Mr. BALDWIN:

S. 1421. A bill to extend pension benefits under the laws reenacted by Public Law 269, Seventy-fourth Congress, August 13, 1935, as now or hereafter amended to certain persons who served with the United States military or naval forces engaged in hostilities in the Moro Province, including Mindanao, or in the islands of Samar and Leyte, after July 4, 1902, and prior to January 1, 1914, and to their unremarried widows, child, or children; to the Committee on Finance.

S. 1422. A bill to authorize the issuance of a special series of stamps in honor of Nat Palmer, the discoverer of the Antarctic Continent; to the Committee on Post Office and Civil Service.

By Mr. LODGE:

S. 1423. A bill for the relief of Alex Morningstar; and

S. 1424. A bill for the relief of Mrs. Mary Allen de Comminges; to the Committee on the Judiciary.

S. 1425. A bill to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes; to the Committee on Labor and Public Welfare.

By Mr. ECTON:

S. 1426. A bill authorizing the Secretary of the Interior to issue a patent in fee to James Brown; to the Committee on Interior and Insular Affairs.

By Mr. MORSE (for himself and Mr. ECTON):

S. 1427. A bill to authorize the appointment of certain additional permanent brigadier generals in the Regular Army; to the Committee on Armed Services.

By Mr. JOHNSON of Colorado (by request):

S. 1428. A bill to amend section 801 of the Federal Food, Drug, and Cosmetic Act, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. McCARRAN:

S. 1429. A bill for the relief of Lacey C. Zapf; to the Committee on the Judiciary.

By Mr. KEFAUVER (for himself, Mr. MORSE, Mr. WAGNER, Mr. MURRAY, Mr. JOHNSON of Colorado, and Mr. CHAVEZ):

S. 1430. A bill to provide for the investigation of discriminations against women on the basis of sex, to establish policies for the removal of such discriminations, and for other purposes; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado:

S. 1431. A bill to amend the Civil Aeronautics Act of 1938, as amended, to provide a more equitable method of paying for the transportation of mail and for subsidizing essential aircraft operation; to the Committee on Interstate and Foreign Commerce.

By Mr. CHAVEZ:

S. 1432. A bill to provide for a Commission on Renovation of the Executive Mansion; to the Committee on Public Works.

By Mr. MYERS:

S. 1433. A bill amending Public Law 125, Eightieth Congress, approved June 28, 1947; to the Committee on Banking and Currency.

By Mr. MAGNUSON:

S. 1434. A bill to authorize the issuance of a commemorative stamp in honor of the Ballard locks in the Lake Washington Ship Canal, largest in the United States, connecting Lake Washington to Puget Sound, at Seattle, Wash.;

S. 1435. A bill to authorize the issuance of a commemorative stamp in honor of the Olympic National Park, located on the Olympic Peninsula in the State of Washington; and

S. 1436. A bill to authorize the issuance of a commemorative stamp in honor of the opening of the Lake Washington Floating Bridge between Seattle and Mercer Island, Wash., to the general public toll free; to the Committee on Post Office and Civil Service.

By Mr. GEORGE:

S. J. Res. 70. Joint resolution authorizing appropriations to the Federal Security Administrator in addition to those authorized under title V, part 2 of the Social Security Act, as amended, to provide for meeting emergency needs of crippled children during the fiscal year ending June 30, 1949; to the Committee on Finance.

EXTENSION OF EUROPEAN RECOVERY PROGRAM—AMENDMENTS

Mr. ELLENDER submitted amendments intended to be proposed by him to the bill (S. 1209) to amend the Economic Cooperation Act of 1948, which were severally ordered to lie on the table and to be printed.

Mr. KEM submitted two amendments intended to be proposed by him to Senate bill 1209, supra, which were ordered to lie on the table and to be printed.

Mr. BREWSTER submitted an amendment intended to be proposed by him to Senate bill 1209, supra, which was ordered to lie on the table and to be printed.

PUBLIC HEALTH AND VOCATIONAL EDUCATION—STATEMENT BY SENATOR STENNIS

[Mr. STENNIS asked and obtained leave to have printed in the RECORD a statement on public health and vocational education,

made by him before the Labor-Federal Security Subcommittee of the Senate Appropriations Committee, on March 25, 1949, which appears in the Appendix.]

ADDRESS BY SENATOR STENNIS BEFORE INDEPENDENT BANKERS' ASSOCIATION MEETING

[Mr. STENNIS asked and obtained leave to have printed in the RECORD excerpts from remarks made by him at the Independent Bankers' Association meeting, at Biloxi, Miss., on March 21, 1949, which appear in the Appendix.]

VETERANS' HOSPITAL CONSTRUCTION PROGRAM IN PENNSYLVANIA—STATEMENT BY SENATOR MARTIN

[Mr. MARTIN asked and obtained leave to have printed in the RECORD a statement made by him before a subcommittee of the Senate Committee on Labor and Public Welfare, objecting to the proposed curtailment of the veterans' hospital-construction program in Pennsylvania, as recommended by the President, which appears in the Appendix.]

REDUCTION IN PRICES OF PETROLEUM PRODUCTS—RESOLUTIONS OF BOARD OF DIRECTORS, NATIONAL OIL MARKETERS ASSOCIATION

[Mr. GILLETTE asked and obtained leave to have printed in the RECORD resolutions adopted by the Board of Directors of the National Oil Marketers Association in Washington, D. C., March 24–25, 1949, calling for reduction in prices of petroleum products, which appear in the Appendix.]

DEVELOPMENT OF THE NATIONAL RIVER SYSTEMS—ARTICLE BY MARQUIS CHILDS

[Mr. MURRAY asked and obtained leave to have printed in the RECORD an article dealing with the planning and construction of multiple-purpose dams and the development of great river systems, written by Marquis Childs, and published in the Washington Post of March 12, 1949, which appears in the Appendix.]

THE MISSOURI VALLEY AUTHORITY—ARTICLE BY FORMER REPRESENTATIVE JAMIESON

[Mr. MURRAY asked and obtained leave to have printed in the RECORD an article with relation to the proposed Missouri Valley Authority, published in the weekly news sheet, The Window Seat of March 30, 1949, edited by former Representative W. D. Jamieson of Iowa, which appears in the Appendix.]

WHERE IS THE MONEY COMING FROM?—EDITORIAL FROM THE PITTSBURG (KANS.) HEADLIGHT

[Mr. REED asked and obtained leave to have printed in the RECORD an editorial entitled "Where, Oh, Where?" from the Pittsburg (Kans.) Headlight of March 23, 1949, which appears in the Appendix.]

CO-OPS AND THE AMA

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an article entitled "The Right To Face a Problem," published in the March issue of the Pacific Northwest Co-Operator, which appears in the Appendix.]

SHOULD WE BUILD A "WALL" OF RADAR?

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an editorial entitled "Defense Versus Economy—Should We Build a 'Wall' of Radar?" written by Walter Angrist, and published in the Minneapolis, Minn., Morning Tribune of January 25, 1949, which appears in the Appendix.]

RIPENED IDEALISM—ADDRESS BY JAMES T. BRAND

[Mr. MORSE asked and obtained leave to have printed in the RECORD an address entitled "Ripened Idealism," delivered by Hon. James T. Brand, associate justice, Supreme Court of Oregon, which appears in the Appendix.]

WAGES IN THE LUMBER INDUSTRY—LETTER TO THE SECRETARY OF LABOR

[Mr. MORSE asked and obtained leave to have printed in the RECORD a letter addressed to Hon. Maurice J. Tobin, Secretary of Labor, by G. A. Metzger, secretary-manager, Willamette Valley Lumber Operators Association, which appears in the Appendix.]

ADMINISTRATION OF TRAFFIC LAWS BY JUSTICES OF THE PEACE

[Mr. MORSE asked and obtained leave to have printed in the RECORD an article entitled "Cow Pasture Justice," published in the magazine This Week of January 9, 1949, which appears in the Appendix.]

PLIGHT OF GERMAN PEOPLE ABROAD—LETTERS FROM J. FRED LESCHHORN, ROCHESTER, N. Y.

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter I have received from J. Fred Leschhorn, of East Rochester, N. Y., and a copy of his letter to Representative ARTHUR G. KLEIN, relating to the desperate plight of the German people abroad.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

THE STEUBEN SOCIETY OF AMERICA,
GEORGE ELLWANGER UNIT, No. 53,
Rochester, N. Y., March 21, 1949.

Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR BILL LANGER: Admiring your great interest and knowledge in the desperate plight of the German people abroad, which I am following up in the CONGRESSIONAL RECORD of February 28, 1949, pages 1601–1605, and you being such an outstanding example of a good American, I am taking the liberty to send you a copy of a letter which I sent to Congressman ARTHUR KLEIN, of New York. I think it hampers the good work you are doing in the Senate if the remarks go unchallenged.

With the greatest admiration, I am,
Very sincerely yours,
J. FRED LESCHHORN.

EAST ROCHESTER, N. Y.

DEAR SIR: Going through the CONGRESSIONAL RECORD of January 27, page 646, I read with astonishment the remarks about the German people, especially this one sentence, "For almost 2,000 years, the German people have been a constant threat to civilization."

If you ever studied history you could not in all earnestness make such a statement. Your remarks serve no good purpose whatsoever and seem intended to smear the German element in this country. Would one also say that the deeds of the early German settlers and their descendants were a threat to the United States and civilization? Since your knowledge of history is obviously incomplete, I would suggest the study of the following history books: Prof. P. A. Sorokin, published by American Book Co. 1937–41; Prof. Quincy Wright, published by University of Chicago Press, 1942; Historian Sidney P. Fay, published by Macmillan, New York, 1930.

The study of these books will reveal very interesting facts. Assuming that war is a threat to civilization, the record of the following countries would stand like this:

Spain, 1476–1925, 67 percent war years.
Poland-Lithuania, 1386–1925, 58 percent war years.
England, 1386–1925, 56 percent war years.
France 976–1925, 50 percent war years.
Russia, 901–1925, 46 percent war years.
Holland, 1551–1925, 44 percent war years.
Austria, 1101–1925, 40 percent war years.
Italy, 1551–1925, 38 percent war years.
Germany, 1651–1925, 28 percent war years,

The number of wars was as follows:

	Wars
From 1650–1750:	
England	18
France	12
Russia	15
Holland	13
Poland	6
Sweden	9
From 1750–1850:	
England	21
France	15
Russia	20
Poland	3
Spain	11
Germany-Prussia	6
From 1850–1941:	
England	20
France	10
Spain	10
Russia	11
Germany	8
From the year 1480 up to now:	
England	78
France	71
Spain	64
Russia	61
Poland	30
Germany-Prussia	23
Denmark	20

As you can see, Mr. KLEIN, the facts prove your statement entirely wrong, unless you would call the scientific, social, or cultural contributions of the German people a threat to civilization.

In conclusion, I would like to remind you that General von Steuben, this great Prussian-American soldier and statesman, was responsible for the creation and organization of this very efficient United States Army, and it has often been said, in gratitude, there probably would be no United States today without him. If anybody would dare call this a threat to civilization, I can only say, let's have more of these threats.

Respectfully,
J. FRED LESCHHORN.

THE COST OF PRESIDENT TRUMAN'S LEGISLATIVE PROGRAM

Mr. WILEY. Mr. President, I send to the desk a statement which I have prepared regarding a letter sent to me from the Bureau of the Budget relating to the cost of President Truman's legislative program. While the Bureau's answer is rather extended, I feel that it contains a rather interesting set of facts and is important both for the material it includes, as well as for its significant omissions.

I therefore ask unanimous consent that the Bureau's letter be printed at this point in the CONGRESSIONAL RECORD preceded by a statement which I have prepared regarding the Bureau's answer.

There being no objection, the statement and letter were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILEY

COMMENT ON RIDICULOUSLY LOW BUREAU OF BUDGET ESTIMATES OF COST OF ENACTMENT OF PRESIDENT'S LEGISLATIVE PROPOSALS

I recently received a letter from the Acting Director of the United States Bureau of the

Budget who responded to an inquiry which I had sent many weeks ago as to the exact cost of all of the legislative proposals contained in the President's state of the Union message in January.

In the Acting Director's letter, he states that the President's proposed legislation of all types would increase estimated budget expenditure in the fiscal year 1950 by $6,175,000,000. He estimates further that the net increase in Federal personnel for the President's legislative program would not exceed twenty to twenty-five thousand in either the fiscal year 1950 or the fiscal year 1951.

I believe that the Bureau of the Budget's response is a matter which the Senate and House Appropriations Committee will want to carefully study and it is for that reason that I am securing its printing herein.

BUREAU'S FIGURES ATROCIOUSLY LOW

I do, however, want to indicate that I feel that the Bureau's estimates represent one of the most monumental understatements and underestimates I have ever seen. When one contemplates the staggering nature of the President's suggestions—such as Federal compulsory health insurance, public housing, industrial controls—one can readily see that the Bureau has been amazingly modest and shy in its estimate as to the financial burden and personnel increase that would result. For example, the Bureau indicates that "inauguration of medical care insurance probably would not involve substantial addition to personnel in the first year or two", but that thereafter the administrative staff would increase gradually until eventually there were around 40,000 employees administering the insurance program of which, however, allegedly not more than 10 percent would be Federal personnel.

HISTORY OF EXPANDED APPROPRIATIONS BELIES FIGURES

One need only look at the entire history of appropriations legislation in the United States Congress in the last 15 years or so to note the obvious fact that the administration has always been skillfully modest in its advance estimates as to the cost of any social programs with which it wanted to experiment. In fact, one can take it for granted that the administration has consistently and will consistently underestimate the costs for the radical measures which it advances, thus sugaring the pill which it asks Congress to swallow.

WHAT ARE LONG-RANGE IMPLICATIONS?

The administration has always recommended long-range planned control of our economy but it has never made known to the American people the implications—financial and otherwise—of its long-range planning. Rather, piece by piece, step by step, it has sought to lead us down the path to State socialism. I think the Bureau of the Budget's letter to me is an indication as to how carefully the administration attempts to cover up the over-all implications of its suggestions, as slowly, we move down that obnoxious path.

I believe, therefore, that every congressional committee reviewing one of the President's requests for new legislation should think not only in terms of cost for the initial year and for the personnel increase which is involved for the initial year, but in terms of the long-range cost and the long-range result to the American constitutional system of free enterprise.

I am not one of those who believes in fighting all of the administration's new requests simply because they come from the administration. But I do believe that all of the administration's suggestions must be taken under the closest scrutiny and the long-range results must be carefully evaluated, rather than merely attempting to take the sugar-coated pill that is presented in small, easy-to-swallow lumps by representatives of Government agencies.

EXECUTIVE OFFICE
OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C.

Hon. ALEXANDER WILEY,
United States Senate,
Washington, D. C.

MY DEAR SENATOR WILEY: In your letter you requested information on the possible costs of legislative proposals contained in the President's state of the Union message delivered the previous day.

Since the state of the Union message did not contain all the legislative proposals made by the President, we have broadened your questions to include other legislative proposals made by the President either in the economic report or in the budget message. A complete list of those involving budget expenditures in the fiscal year 1950 will be found on pages M69–70 of the budget message. For your convenience, we are attaching a copy of this list.

Using this list as a basis, I shall endeavor to answer your four questions.

1. What would be the total annual cost to the Federal Government if each and every one of the President's suggestions for social and other legislation were accepted by the Congress and enacted into public law?

As the summary indicates, proposed legislation of all types would increase estimated budget expenditures in the fiscal year 1950 by $6,175,000,000. This amount is included in the budget total of $41,858,000,000 in expenditures estimated for 1950. If the reduction of $250,000,000 in the postal deficit is excluded, the gross increase estimated in expenditures under proposed legislation would be $6,425,000,000. The great bulk of this total is accounted for by proposed legislation extending existing programs, notably the program of the Economic Cooperation Administration and other foreign-aid programs (totaling $4,645,000,000); the public works, military-pay adjustment, and miscellaneous proposed legislation of the National Military Establishment ($385,000,000); and the export-control and rent-control programs ($28,000,000). If these and other extensions of existing legislation are excluded, the increase in expenditures resulting from new programs in the fiscal year 1950 would be $1,330,000,000.

While these estimates for 1950 are necessarily tentative, projection of these programs into future years presents even more uncertainties. In some cases, notably the foreign-aid programs, there is reason to expect a considerable reduction in expenditures in 1951 and later fiscal years. In other cases, however, the costs of the second and later years of the new program would undoubtedly be substantially higher than the first year's cost. In the net, expenditures in 1951 for the same programs would probably exceed $7,000,000,000. If the foreign-aid and other legislation extending existing programs are excluded, expenditures for the new programs might rise from $1,330,000,000 in 1950 to $2,600,000,000 in 1951.

Estimates for later years are most tentative of all. It is reasonably clear that expenditures for some of the new programs, such as the St. Lawrence waterway, would continue to increase. However, other programs, such as Federal aid to education, will not necessarily increase above the levels of 1950 and 1951. Foreign-aid programs, excluding possible military assistance to western Europe, should continue to decline.

The foregoing estimates have been confined to budget expenditures. The President's recommendations for liberalizing and broadening the social-security program have only a minor impact on budget expenditures. Most of the social-security programs are largely self-supporting because, in accordance with the insurance principle, the annual contributions of the beneficiaries and their employers cover most or all of the costs. Moreover, such receipts and disbursements are mainly made through trust funds and hence are not reflected in the budget receipts and expenditures. In the fiscal year 1950 the social-security proposals would increase receipts of trust accounts by $2,190,000,000 and trust account expenditures by $1,650,000,000. In 1951 the additional trust account receipts would amount to more than $4,000,000,000, compared to increased expenditures of less than $2,400,000,000. In later years, however, these would tend to balance out.

2. What would be the total number of personnel involved in the administration of all these separate new laws?

The additional personnel requirements arising from enactment of the proposed legislation bear no close relationship to the dollar volume of expenditures contemplated. In the cases already indicated, such as the foreign-aid programs, where the legislation would merely extend existing programs, no increase in personnel whatever would necessarily be involved; and to the extent that these programs tapered off some net reduction in personnel would occur. Other programs involving grants to State and local governments—for example, the aid to education program—would require relatively small additions to staff at the Federal level. Loans and grants for housing are also primarily of this character. Still other programs, such as the proposed increases in military pay, merely involve larger payments to the same number of personnel.

The programs for which additional personnel requirements would be substantial are relatively few. The universal training program is potentially the largest, but it is impossible at this time to predict how much of its personnel requirements could be taken care of through transfer of existing personnel and how much might involve additions to the military and civilian staff of the training agencies.

The new housing programs may require additional staff of roughly 2,500 in 1950 and 4,000 in 1951; this includes temporary employment of from 1,000 to 1,500 for the proposed census of housing. The additional personnel required for the stabilization program, over and above those now engaged in rent-control and export-control administration, should be relatively small, unless inflationary pressures should require price control or consumer rationing. In any event, nothing comparable to the wartime staff is conceivable.

The additional personnel requirements for the broader social-security program depend to some extent upon the allocation of responsibility between Federal, State, and local governments. Again, however, the increase in personnel would not be commensurate with the increase in trust account expenditures, since much of the increase in expenditures would reflect increased payments to present beneficiaries. Extension of old-age and survivors insurance to workers not now protected and addition of disability benefits would necessitate addition at full scale of perhaps 15,000 to 20,000 persons to the staffs of the Federal Security Agency and the Bureau of Internal Revenue. Broadening of the scope of public-assistance grants would involve comparatively little additional Federal personnel if any (and might later permit some reductions). Inauguration of medical-care insurance probably would not involve substantial additions to personnel in the first year or two, while detailed programs, organization, and facilities are being established; thereafter, administrative staff would expand gradually with expansion in the volume of services made available. Eventually, 30,000 to 40,000 employees might be required to administer this insurance program; probably not more than 10 percent of these, however, would be Federal employees.

Because of these and other uncertainties, it is almost impossible to make a definite estimate at this time of the additional personnel requirements. If the staff required for universal training is excluded, however,

it would appear that the net increase in Federal personnel from the President's legislative program would not exceed 20,000 to 25,000 in either the fiscal year 1950 or the fiscal year 1951. This is, roughly, a 1-percent increase in the total civilian personnel of the Federal Government.

3. The expected total Federal budget in the event all the President's recommendations were enacted by, let us say, the 1951 fiscal year?

As the President stated in the budget message, expenditures in the fiscal year 1951 are likely to be somewhat larger than those for 1950. Any forecast of the amount of the increase must be highly tentative, since many of the expenditure programs under existing legislation move up and down with the passage of time. Moreover, the Congress may add other new programs or materially change old ones.

Upon the basis of the present outlook it is expected that expenditures under existing legislation will decline little, if at all, in 1951 from 1950. As indicated in the answer to your first question, the expenditures under proposed legislation, including extensions of existing programs, will probably increase. With the President's present program fully enacted we might expect 1951 budget expenditures to run somewhere between $42,000,000,000 and $43,000,000,000 compared to $41,900,000,000 estimated for 1950. Neither of these figures includes expenditures to provide military supplies to increase the security of the North Atlantic area.

4. The expected additional tax revenue that might be necessary to sustain the overhead mentioned in question 3?

Assuming continuing high levels of national income and employment, the increase in budget receipts of $4,000,000,000 a year, which the President proposed in the budget message, should be adequate both to take care of all anticipated expenditures in 1951 as well as to permit a substantial amount of reduction in the public debt which is essential in a period of prosperity like the present.

Sincerely yours,

F. J. LAWTON,
Acting Director.

Proposed legislation

(Summary of amounts included in the budget)

[Fiscal years—in millions of dollars]

Function and program	Estimated expenditures 1950	Anticipated supplemental appropriations and other authorizations	
		1949	1950
International affairs and finance:			
Economic Cooperation Administration	4,300.0	1,250.0	4,300.0
Other foreign aid	355.0	----------	600.0
Food and Agriculture Organization building fund	1.0	----------	7.0
Contribution to International Trade Organization	1.0	----------	1.0
War-damage claims	----------	17.0	----------
Palestinian refugee program	----------	16.0	----------
Foreign-service pay increase	1.4	.6	1.7
National defense:			
National Military Establishment (public works, special programs, military pay adjustment, etc.)	385.0	----------	645.0 (185.0)
Universal training	600.0	----------	800.0
Social welfare, health, and security:			
Medical care insurance system	14.9	----------	15.0
Public assistance	65.0	----------	65.0
Change in employees' accident compensation rates	3.8	----------	4.0
Housing and community facilities:			
Slum clearance, low-rent housing, farm housing and research	160.5	0.2 (700.0)	11.7 (236.5)
Special assistance for rental and cooperative housing	50.0	----------	----------
Census of housing	6.0	----------	15.0
Stand-by borrowing authority:			
Federal Savings and Loan Insurance Corporation	----------	----------	(750.0)
Federal home-loan banks	(1)	----------	(1,000.0)
Alaska housing	5.0	----------	10.0
Alaska public works	1.0	----------	2.0
Disaster relief	3.0	----------	5.0
Education and general research:			
Federal aid to education	290.1	----------	300.2
Survey of educational building needs, and study of scholarships and fellowships	1.0	----------	1.0
Radio propagation building	.2	----------	.2 (12.5)
National Science Foundation	2.0	----------	2.5
Agriculture and agricultural resources:			
Amendment of Commodity Credit Corporation charter (grain storage)	25.0	----------	----------
Flood control, Missouri River Basin	4.0	5.0	----------
International wheat agreement	55.7	----------	.2
Natural resources:			
Commercial production of synthetic liquid fuels	1.0	----------	(30.0)
Incentive payments for exploration and development of minerals	5.0	----------	15.0
Bureau of Reclamation, rehabilitation and betterment projects	4.0	----------	5.0
Transportation and communication:			
Additional revenue from increased postal rates	−250.0	----------	−250.0
Inland Waterways Corportation, subscription to capital stock	2.0	----------	2.0
St. Lawrence seaway and power project	8.0	----------	20.0
Alaska communications system	.8	----------	3.6
Finance, commerce, and industry:			
Anti-inflation program	13.5	3.0	15.0
Export control	4.7	1.6	5.0
Rent control	23.3	5.4	24.0
Labor:			
Industrial safety program	3.1	----------	3.1
National Commission Against Discrimination in Employment	.5	----------	.6
General Government:			
Construction of Census Building	4.8	----------	7.4
Surplus property disposal	20.6	15.0	21.0
Salary increases for heads and assistant heads of agencies	1.5	----------	1.5
Special fund for management improvement	.9	----------	1.0
National Capital Sesquicentennial Commission	1.2	1.5	----------
Total	[2]6,175.5	1,315.3 (700.0)	[2]6,660.7 (2,214.0)

[1] Budget receipts of 81 million dollars from additional retirement of Federal home-loan bank stock.

[2] Excluding additional postal revenue, total estimated expenditures are 6,425.5 million dollars and total anticipated supplemental appropriations are 6,910.7 million dollars.

NOTE.—Figures in parentheses are authorizations other than appropriations.

REOPENING OF COAL MINES IN PENNSYLVANIA

Mr. MARTIN. Mr. President, the 1,200 bituminous-coal mines and the 500 anthracite mines of Pennsylvania were closed by Mr. John L. Lewis as a protest against the confirmation of the nomination of Dr. Boyd to be Director of the Bureau of Mines. The very efficient inspector of mines of Pennsylvania ordered complete inspection of these mines. I think it would be of general interest to the Senate to have printed in the RECORD the Associated Press dispatch from Harrisburg relating to this subject. I ask unanimous consent that it be printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Richard Maize, State mines secretary, said the survey is necessary to uncover any hazards to safety that might have developed in the mines during the 2-week holiday declared by John L. Lewis, United Mine Workers' head.

He sent telegrams to every State mine inspector stating:

"As a precautionary measure, have each coal company in your district make a special examination of all accessible workings in its mines before resumption of work on March 28. This examination should be in addition to the morning examination of that date."

Maize explained that at every mine an inspection is required by law each day before men go to work, but the special inspection must be more thorough than that.

"After a long suspension," Maize told newsmen, "hazards develop that are not there or are taken care of during normal operations."

These include, he said, broken timbers, falls of rocks that cut off ventilation and permit gas to accumulate and similar mishaps.

"We thought we better take the precaution of a complete inspection," he said.

Maize estimated most of the inspections can be made in a day and any hazardous conditions cleared up before Monday.

He said they will be made by the certified mine officials of each company—foremen, assistant foremen, and fire bosses.

"The inspectors will notify the mine companies by telephone tonight and inspections can be made Saturday and Sunday," he added.

All are requested to file a report in the mine record book that the mine was found safe.

THE WORLD'S TIN—ARTICLE FROM THE LONDON TIMES

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article published in the London Times of March 17, 1949, dealing with the world's tin supply and the proposal for the British to establish a new tin cartel.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE WORLD'S TIN—PROPOSED NEW INTERNATIONAL SCHEME

The preparations for an international tin scheme, which were begun last April, are near completion. Very soon the International Tin Study Group will have to decide whether an international conference is to be called forthwith to consider the proposed scheme. The outcome of these deliberations will be important. It will not only

determine the future of the tin industry, in which the two wealthiest British colonies—Malaya and Nigeria—are vitally interested, but may also establish the pattern for other international schemes for the regulation of raw materials, just as the tin agreement of 1931 became the model for other commodity schemes before the war.

At first sight the proposal for an international tin scheme at this stage may seem surprising. There is at present no surplus of supplies or capacity to be catered for. The tin-mining industry suffered more from the war than any other major raw-material industry. From 1942 to 1945 territories normally supplying about two-thirds of the world's tin were occupied by the Japanese. The widespread damage caused during that period has not nearly been made good. Last April the study group concluded that world consumption of tin, if freed from restrictions, would reach an annual rate of 190,000 tons. This estimate has since been reduced to about 175,000 tons. World production, in spite of an increase of 30 percent in a year, amounted in 1948 to less than 153,000 tons.

Tin, indeed, is the only industrial raw material which still remains subject to allocation on a world-wide basis. The price of tin, which before the war had been artificially raised by a comprehensive restriction scheme, has, compared with 1939, risen less than the price of copper, lead, or zinc, but at £554 a ton (the official buying price in Malaya), it is far and away the highest price in history. The peak before the war was reached during the height of the 1920 boom and amounted to £419 10s.

THE QUESTION OF PRICE

Yet it was the question of price that originally set the ball rolling. At the study group meeting last April the delegations of the producing countries tried to secure a higher price. As the study group has no authority to consider prices the demand was referred to the steering committee, which suggested that the practicability of an intergovernmental agreement should be examined. It is not clear why short-term price anomalies should be used to justify the adoption of a long-term scheme of a general character. If the price is too low at any given time it should presumably be corrected in the buying contracts, and in fact the price was advanced by £50, or roughly 10 percent, on June 1 last year.

Meanwhile, however a new development had occurred. The United States had set out to accumulate a strategic stock pile of tin, and her aim was believed to be to acquire between 200,000 and 250,000 tons, which is the equivalent of the largest annual world output so far attained in the industry's history. At its meeting last April the study group concluded that stock piling in future years would be possible only if world consumption fell or production rose more than expected. Its conclusion was that American stock piling would make necessary a fresh effort to increase production.

In undertaking such an effort producers naturally take risks. Stock piling may last for years, but it is by nature a temporary policy, and on its completion the industry may be left burdened with surplus capacity. Moreover, the large amounts of tin acquired by the American stock pile must constitute a potential threat to the regular market, in spite of the safeguards in the United States Stock Piling Act of 1946. Tin producers have an obvious right to ask that the freezing of the strategic stock pile in time of peace should be the subject of an effective international undertaking. Article 32 of the Charter cannot be regarded as sufficient safeguard.

The scheme proposed by the study group and worked out in draft last December has not yet been made public, although article 60, clause 1 (e) of the World Trade Charter requires that "full publicity shall be given to any intergovernmental commodity agreement proposed or concluded." Sufficient details have become known, however, to give attentive observers a general picture. The scheme is apparently to come under chapter VI of the Trade Charter, and to last in the first instance for 5 years. It will be administered by a council on which producing and consuming countries are each to have half the voting rights.

Under the scheme, producers will be expected to stimulate production, but the obligation of the consuming countries to foster consumption will not become effective until sufficient quantities of tin are at their disposal. There will be export targets for the producing regions and fixed purchase obligations for the signatory consumers. For 2 years the international allocation of supplies is to be maintained and prices are to be fixed. Afterwards distribution will be determined by quotas, while prices are to be kept within a set range, with fixed maximum and minimum prices for each year. There is to be a clause safeguarding the release of tin supplies from noncommercial stocks (i. e., the stock pile). Two years before the agreement expires it is to be decided whether the scheme should be renewed in its original or a revised form.

In part the proposed tin scheme follows last year's international wheat agreement. There are, however, vital differences. The most important is that there will be a prolonged period during which the present system of international allocation is to be maintained. The tin scheme is to cover world supplies as a whole and not, as the wheat agreement, only part of it. There will be a sole residual buyer (the United States) for noncommercial purposes, a provision for which the World Trade Charter does not provide. The general exemption from the Charter for military agreements cannot change this fact.

COMMODITY AGREEMENTS

The proposed scheme, indeed, differs fundamentally from the general pattern of commodity agreements for which the Charter provides. It is designed chiefly to promote a special noncommercial purpose—American stock piling for strategic purposes—and to protect the tin market from the risks and threats which these purposes may entail. In doing so it may come into conflict with the Charter. The maintenance of allocation in order to assist the building up of the American stock pile and the fixing of prices for 2 years to prevent the stock-piling authorities from seeking lower prices for "residual tin" may certainly be regarded as restrictive. On the other hand, since the Charter does not provide for circumstances in which a residual buyer may enter the field, it may be technically difficult to draft an agreement which will satisfy its terms.

While the stock-piling purchases are in progress there is, in fact, no need for a comprehensive scheme on the lines proposed. It is when stock piling is completed that burdens and surpluses may arise, and this may then call for cooperative international action, but the proposed scheme does not provide for this. Producers have certainly a legitimate claim to be protected forthwith against possible releases from the stock pile, but no international scheme is needed to ensure these safeguards. They can be obtained by bilateral agreements between the tin-producing countries and the United States Government, regulating the conditions under which the producers will undertake to supply tin for noncommercial purposes. Such agreements are expressly exempted from chapter VI of the Trade Charter. There is much to be said for this alternative. Under it producers could not only demand guaranties from the United States Government which effectively freeze the stock pile in peacetime, but also assurances that regular United States consumption will not—as at present—be restricted to secure supplies for the strategic reserve.

A FREER HAND

Specific agreements would also give producers a freer hand in meeting the demand from non-American consumers. They would permit the lifting of strict allocation at an early date and allow the reopening of the London tin market and thus the restablishment of a free tin price, as soon as production gets into full swing. Such agreements would not prejudice the adoption of a commodity control agreement if and when the need for it actually arose.

The tin industry, indeed, has good reason to refrain from measures which may hamper consumers and impede the reestablishment of a free tin market as soon as possible.

While potential production of tin, after rehabilitation in the East has been completed, will probably be greater than before the war, tin consumption, through the development of electrolytic tinplate and the intensive search for tin economies since 1942, has lost ground. It is in the interest of all sections of the industry to stimulate consumption by every possible means. The proposed scheme in its rigid form might act as a brake; but more flexible agreements would pave the way to the revival of a free market and might assist the industry in its primary task—that of removing any difficulty that might hamper consumers. Stock piling on a huge scale obviously sets the tin industry a serious problem, but it is not necessarily best tackled by adopting measures which may prove a diversion from the industry's chief task.

EXTENSION OF EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 1209) to amend the Economic Cooperation Act of 1948.

Mr. SMITH of New Jersey. Mr. President, I propose to address myself today to the pending business, Senate bill 1209, which is the amendment of the ECA Act of 1948.

At the outset, I wish to say that I have welcomed enthusiastically the debate on this bill, a part of which I heard in person and a part of which I read in the RECORD, because I feel that probably no more important piece of legislation will be considered by the Senate this year. I look upon this measure as an over-all part of our foreign policy. Therefore, in addressing my colleagues I shall address them as one member of the Foreign Relations Committee who has been living with this problem since its inception more than a year ago.

The pending legislation is in effect an extension for the second year of the so-called ECA program, the Marshall plan. Before I deal with some of the details of the debate on this subject, I wish to reflect my own perspective of the entire situation presented by the so-called Marshall plan.

I consider this plan a link in the chain of events developing our United States postwar foreign policy. I think we need an over-all picture of some of those events in order to understand the importance of the second-year authorization.

This program should not be looked upon as an isolated program now to be considered and then passed over, but as part of a positive, aggressive program for

world peace. Let us lift our sights to that over-all objective in discussing this program—the objective of world peace.

We should briefly remind ourselves again of the development of the so-called Marshall plan. Let me point out that when Secretary Mashall, in June 1947 first suggested this plan it was a program to bring about the peace of all Europe. It was not a relief program. He clearly pointed out that the United States could not continue indefinitely to furnish relief for the stricken countries of Europe; but he did say that, if the stricken countries of Europe could get together through mutual cooperation and mutual surrender of some of their hitherto claimed independence, they might present a plan whereby, in the course of 3 or 4 years, there would be hope that they might be on their feet and be self-sustaining. He also stated that the United States would be deeply interested in a program of that kind, because it meant an addition to those nations in the world which believed in preserving the peace, as provided in the United Nations program. The purpose was to restore all nations to economic health as members of the United Nations and to maintain the peace of the world. It was a cooperative peace policy. It was a pattern of expanding United States foreign policy, taking a new over-all vision of the world and of the part we might play as the strongest nation surviving the last World War, in bringing about a program for universal peace.

We all know that the great country of Russia and other countries, now called the satellite countries, were definitely included in the first proposal. We all know that it was hoped that they all might cooperate in bringing about the movement for world peace and getting back on their feet economically. But we all know, much to our regret, and much to the shock of other nations of the world, that immediately there was opposition from Moscow to this worth-while attempt to help the other nations. The principle of unity and mutual help which Secretary Marshall suggested was opposed by Russia's policy of chaos and confusion and ultimate absorption through the creeping paralysis of communism. They did not want the western nations to recover. They wanted them left in a condition of chaos and confusion in order that their own program of communism might seep through.

We all know that certain of the so-called satellite countries were definitely kept out of the program—countries which wanted to come in. I need cite only two illustrations—Poland and Czechoslovakia, countries which had practically accepted until they were pulled back.

Ultimately the eastern European countries were organized into what was known as the Cominform, to oppose the successful advance of this plan for European reconstruction, and the cold war was on.

What happened when Russia took that attitude? We did not abandon the program. There were nations which desired to get together and see if they could cooperate in order to bring about a rehabilitated world. Without going into details I merely remind Senators that the ECA evolved from a meeting of those countries which tried to cooperate in presenting a program which might have in it the promise of their ultimate independence and recovery. First there was a meeting in Paris of the participating countries in the summer of 1947, at which the first goals were set by the group concerned, as an indication of what they felt they could accomplish if they had certain aids from the United States.

Mr. President, as you yourself will recall, we were abroad together at the time when those conversations were going on in Paris; and you will recall, as I recall so vividly, the interest we had in discussing with the heads of our missions in Paris, London, Italy, and elsewhere, the progress which they felt was being made, although at the initial stages those countries themselves met together, without any cooperation whatever or any instigation from the United States, to see what plans they could work out for themselves; and then they submitted their plans to us. When the plans were submitted, as we recall, they were sent here, and by means of a series of committees established by our Government, including a bipartisan businessman's committee headed by Secretary Harriman, we thoroughly sifted the proposals with the idea, first—and I wish to emphasize this point—of determining whether the American economy could possibly stand a program of aid of that kind, which might last for 3 or 4 years and might call upon us for substantial contributions through that period, in order to bring about the ultimate result and to conclude the work not later than 1952. While I mention that date, I wish to say that every member of the Foreign Relations Committee is definitely committed to the principle that this work must be finished by 1952, and that it cannot be continued beyond that date.

The result of the deliberations in France in the summer of 1947 by the cooperating nations—and there were 16 of them, to which afterward of course was added, as we know, the western part of Germany, the part which is under occupation by the United States, Great Britain, and France—was the development of a general outline of what might be needed over a period of years, considering especially, of course, in the first instance, the needs for the first year, in order to start the recovery program. But we found at the same time that three countries, France, Italy, and Austria, were in desperate condition. So before we even got started in our deliberations as to the set-up of the Marshall plan in 1948, the President of the United States called Congress into special session in the fall of 1947, advised Congress of the plight of France, Italy, and Austria, and requested emergency aid in order to save those countries from the threat of the creeping communism which was coming over them. To prevent the encroachment of communism upon them, we considered—even before we started the Marshall plan—the extension of emergency aid to those countries in order to keep them from going over to the blind side of the iron curtain, with the countries already behind that curtain.

All of us know what that emergency program was. Congress acted promptly in the fall of 1947 and passed the emergency-aid-program legislation; and we know beyond any question that the aid given at that definite moment was what kept France and Italy from collapsing and was what kept those two great countries from going the way of certain unfortunate countries which were so close to Russia that they could not resist.

Then, as we recall, we moved into the hearings on the first year of the Marshall plan. Those hearings had to be based on estimates of what might be the need for the program. From the beginning, we laid down two matters of policy which were most important. One was that, although we considered the program would take 3 or 4 years to accomplish, yet we did not propose to commit ourselves beyond 1 year at a time; and the estimates and authorizations under our first legislation of this subject, as of last year, were for 1 year, and the appropriation was for 1 year, with the possibility of extending it to 15 months. We were very careful to make it clear that in each step of the progress of the plan we proposed to check very carefully as to the results of each year's operations, so as to ascertain whether the nations which were trying to cooperate, and which we were trying to help, were meeting the goals of production which they had set for themselves, and which would be the yardstick by which we could determine whether we could continue our aid.

Mr. President, there was another matter of policy which we decided upon early in our deliberations of last year, and that was as to the administration of this plan. It was an economic rehabilitation plan, and in no sense a relief plan, except in the preliminary stages, when some relief had to be provided in order to get the program under way; but the plan itself was an economic rehabilitation plan, to be built on sound business principles and to be based on a sound understanding by the administrators of what we mean by international relations and international trade. To that end we decided that the official personnel of the plan would be taken from leaders in American industry. As all of us know, the head Administrator, Mr. Paul Hoffman, was the president of one of the largest American corporations doing both national and international business; and he had had wide experience in dealing with international problems. His assistant was Mr. Howard Bruce, of Maryland, a man of wide experience, who had served during the war period with General Somervell, and had exhibited the skill and ability needed for this new job by his work at the head of the entire procurement for the United States armies in the great invasions which were undertaken during the war.

In my judgment, there could not have been found anywhere in the United States two men with greater combined ability and power to deal with this matter. We approved a program which they had studied with their staff, and which we studied with our staffs. That program was for the first year only.

Although it is true that the first year is the period when we had to get the

project under way, and although the substantial part of the first year's funds had to be spent for relief assistance, that relief assistance has now flowered into the second stage or the second year's work of the program. From the task of setting up the program, appointing the heads and organizing the work in the various countries involved, and extending the necessary temporary relief which was needed, in order that people who had suffered from undernourishment, might be able to work at all, we have now moved into what for the second year is to be a great international economic going concern. It was estimated that in the first year or certainly the early part of the first year, 80 percent of the United States aid would be for so-called relief, and 20 percent would be for reconstruction, rehabilitation, and proceeding with the economic plan. It is estimated that in the second year not to exceed 20 percent will have to go for emergency relief, and 80 percent will move into the area of reconstruction, rehabilitation, the restoration of capital investments, and putting the ERP countries on a self-sustaining basis.

This is the part of the program that is most important for us to discuss, because it is now before us. I hope we shall have full public debate on this particular phase of the matter. As has been alleged here by some of our colleagues, those of us who are on the Foreign Relations Committee probably have been closer than have other Senators to the studies with the experts, who have tried to give us the figures on which to base the program for the coming year; but those of us who are on the Foreign Relations Committee should be willing, and I know we are, to answer any questions by our colleagues or to give any information which any of our colleagues may want, and to do so in the fullest, freest possible way, as I shall try to do in my remarks, as I develop my own thinking on this subject.

Mr. CONNALLY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from New Jersey yield to the Senator from Texas?

Mr. SMITH of New Jersey. I am glad to yield to the Senator from Texas.

Mr. CONNALLY. I shall put what I am about to say in the form of a question. Does the Senator agree, or does he not agree, that the second year, or second period, is of the greatest importance, in view of the fact that in the first year we were faced with much experimentation, as we were operating in a new field, having engaged in this enterprise without having had much experience of this particular character? Furthermore, does the Senator agree to the view that all the results which have been obtained are assurances of success to a greater degree this year, and that to cripple the program by cutting back the appropriation by any substantial amount, thus interfering with plans that have now been made, would be not to our advantage in bringing about the success of the plan?

Mr. SMITH of New Jersey. I thank the Senator. I certainly agree with that view. As I tried to point out a moment ago, the first year was taken up with experimentation and with providing a certain amount of relief for undernourished people so as to enable them to work. We were laying the foundations for broader expansion, and I may say, after talking with both the Administrator and Deputy Administrator, it was their feeling—I do not want to commit them or in any way compromise them, but I think they would be willing to have me say this—that perhaps this year is the most important year, because this is the year in which we are laying the foundation for the constructive work which must be done in order in the next 3 years of the plan to develop the returns which it is hoped will come to the respective countries from the productive capacities they will probably install this year. So I agree with the Senator; I agree with him entirely in what he has just said on that point.

Mr. CONNALLY. Is it not true that heretofore our efforts under the plan were largely in connection with relief needs, which were temporarily large?

Mr. SMITH of New Jersey. Yes. My figures show that during the first year of the ECA operation a substantial percentage necessarily had to go for relief to get the work under way. This year it is anticipated that a much smaller percentage will go for relief and practically all of the aid will be for the go-ahead program.

Mr. CONNALLY. Is it not a new conception that the best way to give relief is to make possible for them to return to their normal activities and to increase their productive capacities, rather than simply to give them a loaf of bread and a jug of wine, and let them go?

Mr. SMITH of New Jersey. It is more important in any relief program to help a man help himself, because if we merely go on handing relief out to him, he loses morale and everything else. We want to help people to help themselves; and that is this program.

Mr. President, with that introductory statement of the background, which as I said earlier I feel is a part of an over-all evolving foreign policy of the United States in its dealings with the other countries of the world, let me say that the bill (S. 1209) provides for an authorization. I emphasize authorization as distinguished from appropriation. It provides for an authorization in dollars, from April through June 1949, of $1,150,000,000—that is, the 3-month period, to wind up this fiscal year; and for the fiscal year 1949–50, which we call fiscal 1950, a total authorization of $4,280,000,000. Last year, for the 12-month period, if I recall correctly, the amount was $5,000,000,000-plus, so these figures for the 12-month period are, as we anticipated last year, $1,000,000,000 less.

In arriving at these figures, which of course all members of the committee scrutinized with the greatest care, because we realized our colleagues would want to know what they are all about, we had statements from the Administrator, Mr. Hoffman, himself, and the Deputy Administrator, from the special United States representative abroad, Mr. Averell Harriman, who had visited all the cooperating countries during the past year and had studied their respective needs. We also summoned to the United States for our hearings the chiefs of the ECA missions in the United Kingdom, Norway, France, Italy, western Germany, and the Netherlands in order that we might get first-hand from them their honest opinions, as good Americans, first whether they felt that the nations of the world were cooperating in the spirit in which the Marshall plan was conceived, whether they were doing their part in bringing about their own recovery, and whether the help we were providing was in line with the spirit and purpose of the Marshall program.

Mr. HENDRICKSON. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from New Jersey yield to his colleague?

Mr. SMITH of New Jersey. I yield.

Mr. HENDRICKSON. When the administrator for Italy was testifying, was the question discussed at all of the return to Italy of the Italian colonies?

Mr. SMITH of New Jersey. We did not discuss that question, because it was at the moment before the State Department and was not of course within the jurisdiction of the ECA program.

Mr. HENDRICKSON. Then, that was not at all reflected in the over-all survey by the committee of the Italian problem. Is that correct?

Mr. SMITH of New Jersey. As the distinguished Senator knows, that question was before the Assembly of the United Nations this spring, and we did not discuss it officially at all, but Dr. Zellerbach, chief of the ECA mission to Italy, was here, and I discussed it personally with him because of my profound interest in that subject.

Mr. HENDRICKSON. I thank the Senator.

Mr. SMITH of New Jersey. But as a committee we did not discuss it.

Mr. JENNER. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from New Jersey yield to the Senator from Indiana?

Mr. SMITH of New Jersey. I yield.

Mr. JENNER. While we are on the subject, since the Senator is a member of the Foreign Relations Committee, I ask him, does he know what the Italian Government's attitude was toward the Italian treaty ratified by the Senate? Were the Italians pleased with it or displeased with it?

Mr. SMITH of New Jersey. I do not know the attitude of the Government of Italy. I know a great many Italians of my acquaintance were very much displeased with it. I have talked to them. They felt bad, of course, about the northern area and about the colonies, and all matters of that kind.

Mr. JENNER. Of course, the Senator from New Jersey knows that the Italian people were forced under the treaty to pay communistic Russia millions upon millions of dollars by way of war reparations, does he not?

Mr. SMITH of New Jersey. I knew there were reparation provisions, but, of course, that program was discussed in the conference that was held in settling all those details. I could not answer how

many millions of dollars were involved, but I know there were war reparations.

Mr. BALDWIN. Mr. President, will the Senator yield at that point?

The VICE PRESIDENT. Does the Senator from New Jersey yield to the Senator from Connecticut?

Mr. SMITH of New Jersey. I yield.

Mr. BALDWIN. In the matter of the reparations Italy was required to pay to Russia, were the reparations to be paid in cash, or by way of goods of various kinds?

Mr. CONNALLY. I may say they were payable out of current production.

Mr. SMITH of New Jersey. My recollection is reparations were payable from production.

Mr. BALDWIN. That was my recollection. They were not payable in cash, were they?

Mr. SMITH of New Jersey. No; they were not payable in cash. I do not think the Italians were able to pay in cash. If I recall correctly, the Russians were to send raw materials to Italy, and the Italians were to process them and send them back. Things of that kind were worked out under the plan.

Mr. CONNALLY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from New Jersey yield to the Senator from Texas?

Mr. SMITH of New Jersey. I am glad to yield to the Senator from Texas.

Mr. CONNALLY. The Senator has stated the situation practically. Italy did not have the cash with which to pay. Russia was insistent that Italy make reparations, and so the conference provided they were to do so, with the understanding that Russia was to furnish raw materials, and Italy was to fabricate and manufacture them. That is practically the situation.

Mr. SMITH of New Jersey. I may add, addressing the Senator from Texas, that Italy had a surplus of unemployed people.

Mr. CONNALLY. That is true.

Mr. SMITH of New Jersey. Therefore the load was not quite so heavy on them as it would have been otherwise. They were able to employ some of their people in manufacturing the raw materials. I am not personally familiar with just how far that program is being carried out.

Mr. WATKINS. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from New Jersey yield to the Senator from Utah?

Mr. SMITH of New Jersey. I yield for a question.

Mr. WATKINS. Can the Senator inform us now to what extent Italy has paid the reparations bill to Russia and to Yugloslavia?

Mr. SMITH of New Jersey. I am sorry I cannot tell the Senator how far that has progressed.

Mr. WATKINS. Was any information on that subject presented to the committee?

Mr. SMITH of New Jersey. If I recall correctly, the treaty involved that question. The payments were to start this year, as I recall.

Mr. JENNER. There was reference in the treaty to a 7-year period.

Mr. CONNALLY. I cannot give the details. It is a moving situation. It is fluid. Italy turned over to Russia some ships, and things of that kind, as the Senator will recall.

Mr. SMITH of New Jersey. Yes.

Mr. WATKINS. The ships were warships, were they not?

Mr. CONNALLY. No; not all of them.

Mr. SMITH of New Jersey. I do not think they were all warships, but I am sorry I cannot answer the Senator's question directly.

Mr. WATKINS. The reason I am asking the question is that I want to know what, if any, effect the reparations bill Italy owes to Russia is having on the current economic conditions of Italy. I wonder if the Senator can give us any light on that point.

Mr. SMITH of New Jersey. I should think the processing of raw materials sent from Russia was not seriously affecting Italian economic conditions adversely. They are giving their labor, which otherwise, would be largely unemployed. It is not interfering with their own program, because many of their people otherwise might not be employed at all. I think it is working out that way. I do not think we have sufficient data to say just how it is working in all its details.

Mr. WATKINS. Is there any large unemployment problem in Italy at the present time?

Mr. SMITH of New Jersey. Oh, yes.

Mr. WATKINS. I understood there was not.

Mr. SMITH of New Jersey. I think that has been one of the headaches they have had. I understand Italy has in the neighborhood of 2,000,000 people unemployed.

Mr. WATKINS. What if anything has been done to send unemployed Italians to other nations who are under the Marshall program in order to supply them with needed laborers? I understand laborers are needed in France, Belgium, and even in Great Britain.

Mr. SMITH of New Jersey. I understand the OEEC, the over-all committee of the participating governments, is considering that problem at this time. It is one of those things which has developed out of the Marshall plan in getting the nations together to study the problem. I think this is one of the indications that we are on the asset side of the ledger. We are trying to determine where labor will be needed. Italy has a surplus, and they are endeavoring to adjust it. In our amended bill we have provided for 10 ships in order to help move Italian workers to different parts of the world where they can be used.

Mr. WATKINS. As a matter of fact, ships would not be required to take Italians into France, would they?

Mr. SMITH of New Jersey. No. To take them to Latin America, of course, ships would be needed.

Mr. WATKINS. I understand that. I understood there was a demand for labor in many of the Marshall plan countries. The shortage of labor is one of the reasons why they felt justified in keeping German prisoners of war.

Mr. SMITH of New Jersey. That is true.

Mr. WATKINS. Does not the Senator agree that they are moving rather slowly?

Mr. SMITH of New Jersey. I think, on consideration, we must realize that great progress has been made. This is the first time in the history of Europe that the peoples of different nations have ever gotten together in the spirit of this program. They are sharing each other's views, sharing their budgets, sharing their labor. It is an amazing accomplishment, brought about by the willingness of the United States to say to them, "If you will undertake this kind of a program, we are profoundly interested in your future."

Mr. WATKINS. I am afraid they are still in the talking stage.

Mr. SMITH of New Jersey. I cannot answer that. The subject has been before the OEEC and the United Nations. I think great progress has been made. We have the same problem in connection with the displaced-persons program. I am very much interested in that matter, and I am still interested in it. It involved a question of putting the displaced persons where they are needed.

Mr. WATKINS. That legislation has actually been passed, and displaced persons are landing in New York almost every day. That matter has gotten beyond the talking stage. What I should like to know is, What progress has been made? I am not asking the question in a critical way at all. I should like to know what progress we have made beyond talking about it. There have been consultations of various kinds which have always resulted in merely talk.

Mr. SMITH of New Jersey. If the Senator means the labor problem of Europe, I shall have to obtain the actual facts regarding that subject from the OEEC reports.

Mr. WATKINS. I should like to ask another question on another phase of the problem to which reference has been made. It was referred to, at least, by the Senator from Michigan [Mr. VANDENBERG] and also, I think, by the Senator from Texas [Mr. CONNALLY]. I have reference to what concessions in the way of customs have been made between the various nations under the Marshall program.

Mr. SMITH of New Jersey. Of course, the Senator knows that in addition the Benelux countries' negotiations are going on between France and Italy. In addition to that, the Scandinavian countries are negotiating and trying to work out a customs union. The Benelux countries, France, Italy, and the Scandinavian countries have made a start, and there is real progress. When I was abroad I asked about that subject. It is a difficult thing at the start to get all 16 nations together to bring about a result. They are moving in groups, and those groups will work together.

I see the Senator from Arkansas [Mr. FULBRIGHT] is present. He has been interested in the unification of Europe, which involves all those considerations.

The Benelux countries have already gotten on a free-trade basis. I am advised that by 1950 the Benelux countries will have all tariff barriers removed. That is one of the hopeful signs brought about by the inspiration of the Marshall

proposal which we in America are watching with the deepest interest—the getting together of the European nations for the removal of their prejudices and their differences, the removal of their trade barriers, and merging into agreements for the good of all.

Mr. WATKINS. Have any of those nations actually made any concessions with respect to trade customs as between the various countries?

Mr. SMITH of New Jersey. I do not think all 16 countries have done that, but I do know that the Benelux countries have.

Mr. WATKINS. Have they actually made concessions which are now in effect between them?

Mr. SMITH of New Jersey. I think they have removed the duties entirely.

Mr. WATKINS. That is what I am trying to find out. I am not so well informed as are Senators who are members of the Committee on Foreign Relations.

Mr. CONNALLY. Mr. President, will the Senator yield right there?

Mr. SMITH of New Jersey. I yield to the Senator from Texas.

Mr. CONNALLY. The Senator from Utah has been talking about unemployment in Italy and other nations. The report of the ERP shows that many of the participating countries took steps to attract workers to essential industries. In an attempt to overcome labor shortages, measures have been taken to attract women into industries. Italy has the most pressing unemployment problem, with more than 2,000,000 persons currently out of work. Several countries, notably France and Switzerland, are using Italian workers for seasonal employment. Some are going to Belgium, England, and Sweden. Although Belgium itself has experienced much unemployment in recent months, it continues to seek qualified workers from abroad.

I cannot tell the Senator just how many there are, but progress is being made. It is beyond the talking stage.

Mr. WATKINS. That is the sort of information I wanted to get. I thank the Senator from Texas.

Mr. SMITH of New Jersey. I want Senators to ask questions, so that the information may be put into the RECORD. I may say I understand that only a day or two ago France and Italy announced they were about ready to remove all tariff barriers between them. So progress is being made there.

If I may, I should like to continue, unless the Senator from Utah has another question.

Mr. WATKINS. How about Great Britain? Is there a free exchange of goods between Great Britain and the other countries without the necessity of paying customs duties?

Mr. SMITH of New Jersey. I do not know what the British trade position is at the moment. I do not think she is in any customs union. Agreements have been made between groups of countries that are more homogeneous than others. The Senator knows as well as I do that when we are concerned with the question of industries, international relationships, and tariffs, it is one of the most controversial subjects we can consider.

Mr. CONNALLY. Mr. President, will the Senator yield again?

Mr. SMITH of New Jersey. I am advised that the OEEC, which might be called the executive committee of the 16 cooperating countries, will devote a great deal of time next year to the problems of trade, obstructions to commerce, and, I hope, stabilization of currency. I think those are some of the keys to the whole program.

I yield to the Senator from Texas.

Mr. CONNALLY. Mr. President, I should like to say to the Senator from Utah, as well as to the Senator from New Jersey, that the reciprocal-trade agreements will be considered shortly, and they will have the effect the Senator is so anxious to achieve.

Mr. WATKINS. Can the Senator advise me which reciprocal-trade treaties are coming along, and between whom?

Mr. CONNALLY. Between the United States and foreign nations.

Mr. WATKINS. I think the Senator misunderstood me. I am asking as to Great Britain's attitude with respect to trading with nations under the Marshall program, outside the United States. We are the ones who are giving, and they are the ones who are cooperating to improve their economic condition. That is what I was trying to develop.

Mr. CONNALLY. I am sorry.

Mr. WATKINS. I started to ask a question a moment ago. Can the Senator advise us as to what is the attitude of Great Britain with respect to giving up all customs demands and regulations which would interfere with trade between Great Britain and the other nations under the Marshall program?

Mr. SMITH of New Jersey. I cannot answer specifically the question propounded by the Senator from Utah, because I do not know what their immediate policy is in that respect. But, as I said a moment ago, Great Britain is one of the members of the OEEC, and that organization is dealing with the whole question of customs barriers. That was one of their first pieces of business, and they have been working on it. We feel, and I think I speak for the committee, that real progress has been made. We realize the difficulties involved in doing it all in 1 year or in a period of a few months; but the fact that France, Italy, the Scandinavian countries, and the OEEC, together with the Benelux countries, are tackling the problem, indicates that our hopes are being realized.

Mr. WATKINS. The Senator will agree with me, will he not, that this is a very important question?

Mr. SMITH of New Jersey. Absolutely, and I am very glad the Senator raised it.

Mr. WATKINS. May I inquire further if the Senator can advise us further whether any trade agreements have been entered into between Great Britain and any of the other Marshall plan countries, such agreements as Great Britain has with Russia and Poland?

Mr. SMITH of New Jersey. The Senator is of course aware of the fact that so far as the Marshall plan is concerned, the United States entered into bilateral agreements with each of the countries.

Mr. WATKINS. I am referring to Great Britain.

Mr. SMITH of New Jersey. Great Britain and the other countries?

Mr. WATKINS. Yes.

Mr. SMITH of New Jersey. I am not informed as to the details. I assume trade agreements have been entered into, of course, with the protections as to raw materials which we make imperative in our bilateral agreements with the participating countries, namely, potential war materials cannot be exported to other countries.

Mr. WATKINS. Is the Senator familiar with the details of the agreement covering trade, entered into between Great Britain and Russia in December, 1947?

Mr. SMITH of New Jersey. No; I am not familiar with the details of that agreement.

Mr. WATKINS. Is the Senator familiar with the treaty entered into between Great Britain and Poland some time subsequent to that, I think probably this year?

Mr. SMITH of New Jersey. I know only by hearsay in both cases. I have no familiarity with the details.

Mr. WATKINS. I happen to have copies of those treaties, and I think that for the information of the Senate I shall have them made a part of the RECORD a little later.

Mr. SMITH of New Jersey. I think they would be very valuable.

Mr. FULBRIGHT. Mr. President——

The PRESIDING OFFICER (Mr. STENNIS in the chair). Does the Senator from New Jersey yield to the Senator from Arkansas?

Mr. SMITH of New Jersey. I yield.

Mr. FULBRIGHT. I am sorry the Senator from Utah is leaving. I wanted to point out that the question of tariffs is not the only question involved, that one of the greatest difficulties they have is the convertibility of currencies and also direct trade restrictions. So the tariff matter is not the only one, and in many cases not the most important one.

Mr. SMITH of New Jersey. The Senator is entirely correct in that observation. I think he will agree with me that the signs are most encouraging of these countries actually getting together to clear up the difficulties, and work to the common end of removing tariff barriers and currency difficulties, and moving toward stabilization of currencies. It is all in line with the unification of Europe, in which the distinguished Senator is interested.

Mr. FULBRIGHT. If the Senator will permit me, I am not so optimistic about what has been done as the Senator from New Jersey is, and I expect to say something about that a little later. I noticed a few days ago, in the case of the Benelux countries, that they had postponed action for another 6 months. I think that is one phase to which a great deal of thought and attention should be given by ECA, and that is the purpose of one of the amendments I have offered. I thing this intra-European trade question is right at the core of the difficulty.

Mr. SMITH of New Jersey. I thank the Senator for his observation. He will of course, recall that steps were taken to affect intra-European trade by using

Marshall plan funds for that purpose. I need not go into the details of that. It is in the report of the committee. It is one of the important steps forward.

I had reached the point in my remarks where I was discussing the second step, of restoring the productivity of the Marshall-plan countries by 1952, which I said was the final year of the program.

Now we have a year of building, building in a way that will enable those countries as they build this year and in subsequent years ultimately to find themselves on a self-sustaining basis in 1952.

But there has been a byproduct of all this, because with the increasing tensions with Russia, including the Berlin situation, and other situations throughout the world, we almost unintentionally discovered that the Marshall plan was developing into the most effective way to halt the Communists in their attempt to absorb a chaotic Europe by the creeping paralysis of their communistic methods. The aim of the Communists is to divide and destroy; to bring about confusion and misunderstandings, and then to move in and absorb.

What we have done with the Marshall plan has been to unite the ERP countries and bring about a spirit of courage and of mutual aid, which has been a most constructive primary step, and in that way to answer the kind of threat we are facing from the Communist menace.

Of course, we might have tried any kind of a plan, we might have become desperate and tried to stop some of their activities by force, but we discovered that force was not the best way, that the way to success in meeting these menaces, which tend to demoralize peoples and to bring about economic deterioration was to build on the constructive side.

Mr. President, I shall pass for a moment to one of the matters which has been very much discussed, both on the floor of the Senate and off the floor, namely, the question of the figures which are presented in the bill which is before the Senate, the figures I pointed out a moment ago, $1,150,000,000 for 3 months, April to June, and then for fiscal year 1950, $4,280,000,000.

Before any hearings were held I had the pleasure of talking, as one member of the Committee on Foreign Relations, with Mr. Hoffman and Mr. Bruce about their figures for the second year, and they stated then what I think was a very wise policy, that in presenting their figures to us they did not intend in any way, shape, or manner, to expand the needs or exaggerate them, that they were not going to anticipate any possible cutting down or trading for a lower figure, that they were going to seek to demonstrate to us by the witnesses they were bringing from Europe that every figure presented was the minimum as of the date when the figures were compiled, which was November 30, 1948.

I wish to pause a moment at this point to say that it was brought to the attention of the committee that possibly since November 1948 there had been a recession in certain prices, grain prices, for example. Whether that recession would call for a reorientation of the figures we do not know. How permanent the recession is we do not know. But it was the feeling of the committee that so far as any change in prices was concerned, which might vary from month to month, the problem could be tackled when the question of the appropriation came before the Committee on Appropriations. I am confident there is not a member of the committee who would not be in favor of reducing in the appropriation the over-all figures which we are urging in the authorization, in case reductions could safely be made. But the chances are that the Committee on Appropriations will not act until June of this year, and in the meantime we feel the necessary authorization should be passed, based on the minimum figures.

How were these figures arrived at? In the first place, the OEEC group met this year, as they did the previous year, to estimate what the economic requirements of the Marshall-plan countries would be in order that their rehabilitation might continue along the lines planned, to determine what they would have to do in order to meet their production goals, and to what extent they would need dollars, because the only aid we proposed to furnish them was to the extent to which they needed dollars.

There is a very good statement of their own definition of their program for the second year which I shall read before I consider further some of the questions concerning the figures, because I want the RECORD to show what the OEEC, that is, the committee of the participating nations, visualized their job to be in the coming year. That has been summed up for us by Mr. Hoffman and his staff based on the OEEC report. I quote now from page 4 of the report of the committee which accompanies the pending bill:

> They must make renewed efforts to stabilize their currencies and to check inflation. The year 1949 should be the year of financial and fiscal stabilization in Europe.

I wish to emphasize that, "the year 1949 should be the year of financial and fiscal stabilization in Europe."

> This requires increased and more effective taxes, balanced budgets, balanced investment programs.

Mind you, I am reading a summary of the objectives of the participating countries which are benefiting from the Marshall plan.

> They must increase exports by increasing productivity per man-hour, by lowering prices, and by improving marketing techniques.
>
> They must make much greater efforts to develop, at home, in their overseas territories, and in other countries, new sources of supply for these imports which Europe will not be able to afford to buy in dollars.
>
> They must make a much greater effort to develop intra-European trade. This objective will require drastic changes from traditional patterns—

Let me emphasize that:

> This objective will require drastic changes from traditional patterns—

Imagine a group of European countries admitting to themselves that the course which they are going to pursue will require drastic changes from traditional patterns.

> It is going to require European governments to agree on plans to break down tariff barriers, to build customs unions, and to modify immigration barriers to permit the sensible deployment of labor.

Those are two sensible statements of purpose which, I will say to the distinguished Senator from Utah, are covered by this statement of purpose by the OEEC nations themselves. If the Senator from Utah was diverted for a moment, I will read the sentence again, because I know he will be profoundly interested in this statement by the nations themselves:

> It is going to require European governments to agree on plans to break down tariff barriers, to build customs unions, and to modify immigration barriers to permit the sensible deployment of labor.
>
> They must exchange full information concerning their respective investment plans and needs——

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I should like, if I may, to finish this quotation so that it may be consecutive, and then I shall be glad to yield for a question.

> They must exchange full information concerning their respective investment plans and needs, so that investors, whether private or governmental, may be able to make their investment decisions in the light of all the facts, and thus reduce to a minimum the misdirection of resources.
>
> They also must further curtail imports that are not vitally needed. They must forestall the danger of drastic and sudden reduction of imports when the European recovery program ends.

That is a clear recognition by this group of nations that the European recovery program is to end in 1952 as planned. Mr. President, as an historical matter, I should like to ask whether any of my colleagues can point to any moment of time in the history of Europe when such a statement of a common purpose was made by a group of nations to work together for unification for mutual help and for meeting the problems presented by such a crisis as the recent terrible World War II.

I now yield to the Senator from Utah.

Mr. WATKINS. If I understand correctly, the Senator from New Jersey quoted from the stated plans of these nations.

Mr. SMITH of New Jersey. I quoted from a summary taken from the testimony of Mr. Hoffman of OEEC's report of objectives of the cooperating nations for the coming year.

Mr. WATKINS. If I heard the language correctly, it was that the nations in question were going to do this, and they were planning to do so and so. My question goes back again to what have they actually done, not merely what have they planned to do?

Mr. SMITH of New Jersey. They have reported very fully as to what has been done during the past year. I was merely reading what their program is for the coming year, and the statement of purpose, in developing these points, among others about which the Senator inquired. It is a statement of purpose, I grant that, but that is what it was meant to be.

Mr. WATKINS. As I understand, it is something to be done in the future, but they were not reporting what had been done up to date?

Mr. SMITH of New Jersey. No; not in this statement.

Mr. President, there have been issues raised in the debate by my distinguished colleague, the senior Senator from Ohio [Mr. TAFT] and by my distinguished colleague the senior Senator from Indiana [Mr. CAPEHART]. In both cases the issues were raised whether the amount which is proposed in the bill is too great. Their arguments were made in favor of reducing the total authorization. The point was made there was no need to appropriate for the so-called interim period, the third quarter of the present fiscal year from April to June. It has also been proposed that we can cut down our aid to the United Kingdom. There have also been objections, especially by my distinguished colleague from Ohio, to what he says is the wrong theory in the handling by Messrs. Hoffman and Bruce of the Marshall plan. Mr. President, no one could have a higher regard than I for the Senator from Ohio.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I shall yield in a moment. I merely wish to pay the Senator from Ohio a tribute before I yield to him. I want to say that when the Senator from Ohio raises with me points of economic importance, I am willing to be very humble and say that in the field of economics I would yield to the Senator from Ohio. What I wanted to do, therefore, was to find out, in answer to these particular points presented by the Senator, what the answers would be from the ECA group. So on Friday last I made inquiry and presented three questions to them, and presently I will present the answers to those questions from Mr. Hoffman and Mr. Bruce and their staff in order that I can make clear for the record their program with regard to the three points.

I now yield to the Senator from Ohio.

Mr. TAFT. Mr. President, I want to make it clear that I am not criticizing Mr. Hoffman or Mr. Bruce for the manner in which they have administered the fund. I am objecting to the theory upon which the Marshall plan was based long before they ever came into it. The ECA countries figured out a plan showing finally a deficit of dollars or an excess of imports over the exports they could make, and then based their request for aid from us on that difference. That was the theory of the Marshall plan. I made a speech a year ago protesting against it. My only criticism of Mr. Hoffman and Mr. Bruce is that they apparently have accepted that theory in making their estimates for next year. That is the only respect in which I criticized their administration of the fund. I criticize their acceptance of the theory that America is obligated under the theory of this plan to make up the deficits of the various participating countries in accordance with the plan which they make, which we may criticize and change a little, but which basically we accept—in the case of England 100 percent this year. That is my only criticism. I am not criticizing their management of the Marshall plan or how they administer it, but the economic theory that we are supposed to make up a deficit based on economic plans made by these various governments.

Mr. SMITH of New Jersey. I thank the Senator. I am glad he is present. Mr. Hoffman for the time is in California, but Mr. Bruce is here. I had a long talk with him on Friday. He has submitted material upon which I have based a statement upon these points. I will present the statement, and I hope the Senator from Ohio will give me his attention and his judgment of it, because we are here discussing what the amount of appropriations shall be for this year. I can say without any hesitation that if there were any way by which we could reduce the amount without jeopardizing the program I would be the first one to advocate a reduction. But I think it is so important that we cover the entire ground, and understand what the positions are, that I have taken the pains to find out from ECA headquarters itself what their compilations are.

Mr. SALTONSTALL. Mr. President, will the Senator yield to me?

Mr. SMITH of New Jersey. I yield.

Mr. SALTONSTALL. Does the Senator believe that the Senator from Ohio uses the words "economic theory" in the right sense when he uses them as applied to the Marshall plan? I wonder about that.

Mr. SMITH of New Jersey. I am not sure just what any of us mean when we use the expression "economic theory." We might differ as to what we mean by it. My whole conception of the Marshall plan is that certain things have to be furnished by the United States to make for the recovery of the participating countries, and unless dollars are available recovery cannot be obtained. All the Marshall plan has sought to do is to furnish the dollars to meet those needs, to fill the vacuums in order to put these countries back on their feet.

I felt gratified in securing this information from ECA headquarters, which seems to verify the statement I have just made. It is only because the commodities have to come from dollar countries that it is necessary for us to furnish the dollars to the purchasers.

Mr. WATKINS. Mr. President——

Mr. SMITH of New Jersey. I shall proceed with the first point, if I may.

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Utah?

Mr. SMITH of New Jersey. Would the Senator mind waiting until I present this argument?

Mr. WATKINS. I wonder if the Senator is now leaving the question of the amount of money which is required, which he thinks ought to be appropriated or authorized this year for the program. Is the Senator leaving that subject now?

Mr. SMITH of New Jersey. No; I am just beginning it.

Mr. WATKINS. Then I shall listen before I ask questions.

Mr. SMITH of New Jersey. I am beginning this phase of it. I am beginning the justification of the figures, so far as I can justify them.

With regard to the proposal of the able Senator from Ohio [Mr. TAFT], to the effect that since actual ECA expenditures are under $3,000,000,000 so far, no more funds need be appropriated until July 1; in short the proposal, as I understand, is that we should not authorize an appropriation of $1,150,000,000 for the period from April 3 to June 30, 1949, but should instead rely upon the remaining unexpended ECA funds to carry the program until July 1.

I may say that the distinguished Senator from Indiana [Mr. CAPEHART] in his speech last Friday developed that point very ably, and he tried to use that argument as a reason for reducing the entire ECA appropriation to $3,000,000,000. It was a very good talking point as he presented it; but it seems to me that in taking that position we overlook certain fundamentals which I asked the ECA people to develop for me in this statement which I am presenting, showing why we feel the necessity of maintaining a continuous pipe line in our rehabilitation program if we are to accomplish the over-all objectives and bring this work to an end in 1952, which is what we are driving at, by having those countries released from their need for further aid from us.

The Senator from Ohio and the Senator from Indiana are both correct in stating that just under $3,000,000,000 of the $5,000,000,000 available to ECA has been expended. It is true that $2,000,000,000 remains for expenditure on behalf of the countries participating in this program; but almost all these funds have already been firmly obligated. I am informed that by the end of this week practically the entire $5,000,000,000 will have been firmly obligated for the various commodities and services needed by those countries. So unless we authorize and appropriate new funds for the coming 3 months, ECA will be forced to cease making further commitments, and the continuity of the program will be interrupted. It is a part of the facts of life in any program that a pipe line must be maintained. We cannot order an item today and have it delivered tomorrow. There is and must always be a lag between the ordering of goods and their delivery.

ECA authorized procurement with its funds in the form of procurement authorizations issued several months in advance, in order to permit proper planning and advance notice to private American exporters. These procurement authorizations can be issued only when funds not already obligated are on hand. Consequently, since ECA has already obligated the money it has, no further permissions to purchase can be given until new funds are made available. That is why the $1,150,000,000 is needed for the next 3 months.

Let us look at the effect of not making these funds available upon the flow of aid in the European recovery program. These facts were given to me by the ECA office.

Without new funds until July 1 there will be no ECA funds available to finance shipments of wheat and coarse grains from the end of April to the middle of July, and ECA will be committed by the end of March only for shipments to be made through April.

Without new funds until July 1 there would be no ECA funds available to finance shipments of cotton from the middle of May to the middle of August.

Without new funds until July 1 there would be no ECA funds available to finance shipments of fats and oils from the middle of May until sometime in August.

Let us take a specific country. Let us consider the effect on Italy. While we are immensely gratified at the progress Italy has made in overcoming the Communist menace and attempting self-rehabilitation, we know that Italy is still in critical condition. Italy will require $38,000,000 worth of wheat during the coming 3 months. These are facts furnished me by the ECA office. Only $10,000,000 of this wheat has already been authorized out of funds now in hand. Without new funds until July 1, the Italian people would not get $28,000,000 worth of ECA-financed wheat which is planned under the program during the months of April, May, and June. In such a situation Italy would be forced to cancel outstanding orders for industrial raw materials and machinery and equipment, and divert the funds thus released to wheat and other foodstuffs without which its people cannot survive. Without these industrial materials and equipment Italian production would slow down, and the momentum of recovery, which has been so painstakingly begun, would be lost, and many months would be required to make up lost ground. These facts illustrate the urgent need for new funds during the coming 3 months.

Let me say, as I tried to emphasize earlier in my remarks, that we are now dealing with what we might call a going concern. We have taken a year to make it a going concern. We must consider the over-all implications of all these programs involving commodities, and the interrelationship of one with another.

Mr. KEM. Mr. President, will the Senator yield for a question?

Mr. SMITH of New Jersey. I am glad to yield for a question.

Mr. KEM. The ERP program was described by the Senator from Michigan [Mr. VANDENBERG] the other day as a "shot in the arm." I should like to ask the distinguished Senator from New Jersey whether he thinks that Italy will have sufficiently recovered by 1952, at the end of the 4-year period contemplated by the present plan, so that additional funds for the purposes which the Senator has just enumerated will not be required?

Mr. SMITH of New Jersey. That is a very difficult question. It is a very proper question. It is a question which we have all been considering very carefully.

We have said definitely that the curtain falls in 1952 so far as this program is concerned. Italy has made wonderful progress, and we are hopeful that Italy will recover so that she can pick up at that point. But it is impossible for any of us to say definitely whether she will or will not. From the studies which have been made, and from my talks with the various heads of missions, such as Mr. Zellerbach, in Italy, I feel very hopeful in the case of Italy. Mr. Zellerbach also feels very hopeful that Italy may be in that position by 1952.

Mr. KEM. Is it only a hope?

Mr. SMITH of New Jersey. The whole thing is a calculated risk. It is a choice between this course and doing nothing, and having the imminence of chaos, confusion, and a third world war.

Mr. KEM. As the Senator knows, we have taken a great many calculated risks.

Mr. SMITH of New Jersey. I agree.

Mr. KEM. We took a calculated risk in the case of UNRRA.

Mr. SMITH of New Jersey. I have no defense for UNRRA, although I think it did some good work.

Mr. KEM. The Senator will recall that at the time it was authorized by Congress the representation was made that if that were done, no further funds would be required from the American people.

Then we had the Bretton Woods agreement, which was another calculated risk, which was represented to us as being sufficient to take care of the situation.

Mr. SMITH of New Jersey. Let me correct the Senator. I do not recall that it was represented as being sufficient. I do not believe any of these plans was represented as being sufficient in itself. I voted for all of them. I did not believe that any one of them was sufficient. I thought they were steps, milestones on the road to peace, but none sufficient in itself.

Mr. KEM. I shall be glad to look up the record, but as I recall, at the time the $6,000,000,000 Bretton Woods appropriation was recommended to us, it was represented that it would take care of the situation of dollar credits throughout the world.

Mr. SMITH of New Jersey. I think it was in the direction of currency stabilization, whatever that may mean to the economists.

Mr. KEM. As I understand, the trouble in Italy is a matter of dollar credits, exactly the situation which the Bretton Woods Agreement was designed to take care of. Is that not correct?

Mr. SMITH of New Jersey. That may be true. I am not claiming perfection in the carrying out of any of these programs. The Senator is bringing out for the record exactly what we must bring out. We must bring out the problems which we must face in trying to rehabilitate a torn world and to take a position of legitimate leadership in helping the nations to find the solution. The Senator is making a great contribution.

Mr. KEM. Of course, all of us wish to assist the nations of the world, so as to help them work out their own destiny; but the question I wish to ask the Senator is whether we should go ahead this year on the theory that this program is a part of a more or less permanent WPA throughout the world, or whether we really are proceeding intelligently on a program the end of which is in sight.

Mr. SMITH of New Jersey. Mr. President, I should like to say, in answer to that question, that I have never considered this program as a part or parcel of a WPA. It has nothing to do with a WPA or with anything of that sort or with a relief program. It has to do with the economic rehabilitation of the nations concerned, so that they can take care of themselves and resume their rightful place in the family of nations.

Mr. KEM. The program is called the European relief program.

Mr. SMITH of New Jersey. No; it is called the economic reconstruction program.

Mr. KEM. I know it has obtained a somewhat more euphonious title as matters proceeded; but it is generally called the European relief program.

Mr. SMITH of New Jersey. No; it is the European recovery program, and recovery is a very different matter from relief. I agree with the Senator that it should not be a relief program. If it were a relief program, I would not be arguing for it.

Mr. President, before I leave the question of Italy, I wish to refer to an ECA report which I have on Italy, and this reference may be helpful for the record in regard to Italian progress:

> Despite production difficulties, Italy has made remarkable progress toward closing the gap in its balance of payments. Taking 1938 at 100, the volume of exports has risen from 39 in 1946 to 57 in 1947 and in the first 10 months of 1948, to 80 or 85. If prewar exports to the former Italian colonies are excluded from the comparison, the volume of Italian exports is already above the 1938 level. This remarkable rate of improvement has been due principally to: (1) exchange rate and exchange control policies adopted by the Italian Government which provided a strong incentive to export and, in general, kept Italian export prices competitive in world markets; (2) the deflation which in 1948 helped reduce Italian costs and export prices; and (3) the exploitation by enterprising Italian exporters of a number of favorable, although frequently temporary, market opportunities which developed during 1947 and 1948. Principally as a result of this rapid improvement in exports, Italy's need for dollar assistance has fallen considerably since 1947.

I may add that in talking to Mr. Zellerbach, I learned that it is his hope that by 1952 we shall have reached a place where Italy will not need any more dollar aid. However, as I have said, of course that is a speculative matter.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. BRIDGES. The distinguished Senator from New Jersey stated that this program is not a relief program in any sense of the word, and that if it were a relief program he would be opposed to it.

Mr. SMITH of New Jersey. Of course, I meant that it is not a continuous relief program. We did have to provide some relief during the first year.

Mr. BRIDGES. One thing that has troubled me about this so-called economic recovery program, as it has been indicated to be—and I have followed it closely and have been in favor of much of it—is that so much of it has been in the nature of relief, rather than rehabilitation and recovery. The Senator from New Jersey does not mean to say that none of the funds have gone for what might be termed relief purposes; does he?

Mr. SMITH of New Jersey. No. In my opening remarks I pointed out that in the first year of our operations under this program a large part of the program necessarily had to be devoted to relief, in order to get the people of the participating countries back on their feet and to restore them to a physical state of health which would permit them to return to work. That is why I have been arguing that the second year is so important, because we must get things going if we are to complete the program by 1952.

Mr. BRIDGES. Then it is true that, to date, 80 percent of the program has been in the nature of relief?

Mr. SMITH of New Jersey. In the first year, relief has totaled a substantial amount, but the figure has been decreasing; the amount of the program devoted to relief has gradually been diminishing and slackening off. The estimate is that in the second year, relief will amount to not more than 20 percent of the program.

Mr. BRIDGES. There will have to be a great change in the program in order to shift to that basis, so that relief will constitute only 20 percent of the program.

Mr. SMITH of New Jersey. Of course, the change has been gradual; relief has gradually diminished as progress has been made in the construction of plants, and so forth, and in the taking of other steps by which to build up the economy of those nations, so as to permit them to obtain the necessary funds in order to be able to build up their export programs, and so forth.

Of course, everyone expected that in the beginning there would have to be relief in order to get things started. As the Senator knows, in the summer of 1947, when he was abroad with me, there was a great shortage of grain crops, and we had to help meet that shortage, and that help constituted a large part of the program at that time. But the Senator will also recall that in the past year there have been good grain crops, so more of the program is going into the capital goods industries and into recovery.

I am not troubled about that situation; I think it is the normal development, as we help get people back on their feet. As they become stronger, so that they are able to do a good day's work, they produce more.

Mr. BRIDGES. I wish to say that I have been disturbed about the amount of the program which has been devoted to relief. I supported the program on the basis that it was a recovery and rehabilitation program. So I am disturbed by the amount which has been devoted to relief. Of course, I realize that in the first year a larger percentage would have to go to relief, and that as the participating countries get on their feet, more of the program can be devoted to recovery of a permanent nature. Nevertheless, I am disturbed over the fact that we seemingly have centered the program on relief, and that, seemingly, many of those countries have been clamoring for the relief part of the program, rather than for the other part.

Mr. SMITH of New Jersey. I would not say rather than for the other; but both the Senator from New Hampshire and I are on the so-called watch-dog committee, and we have seen that situation. I agree with the Senator that I am sorry that so much relief seems to be necessary.

But now we find that the program is shifting to the rehabilitation work. I am glad the Senator from New Hampshire has brought out that point, because we must consider it as we deal with this matter over the years.

(Subsequently, under date of March 29, 1949, Mr. SMITH of New Jersey received a letter from Howard Bruce, Deputy Administrator, which, after commenting on the debate of March 28, clears up the confusion with regard to relief and reconstruction, which letter, at his request, and by unanimous consent, was ordered to be printed at this place in the RECORD, as follows:)

ECONOMIC COOPERATION ADMINISTRATION,
Washington 25, D. C.

DEAR ALEX:

* * * * *

There is one item which we apparently did not make clear to you, and I feel that I should call it to your attention at this time. You stated, I believe, that for this year the ECA program will have consisted of about 80 percent "relief" items and 20 percent "recovery" items and that for this coming year the ratio would be exactly the opposite. Actually, the percentages of the various ECA-financed commodities are estimated as follows:

	1948–49	*1949–50*
Food	31	24
Feed, seed and fertilizer	6	8
Fuel	17	14
Raw and semi-finished materials	23	30
Machinery and equipment	13	15
Miscellaneous, including tobacco	10	9
Total	100	100

Of course, it is very difficult to state just which of these items should be considered "recovery" items and which "relief" items. As you will note, however, there is no substantial change in the nature of our shipments between the two years. It must be remembered, however, that our shipments constitute a good deal less than 5 percent of the total national income of the participating countries, and that of this total, of both domestic production and imports, a large and increasing amount of approximately $30,000,000,000 this year and an estimated $33,000,000,000 for this coming year are going into gross capital formation, much of it into an expansion and improvement of productive facilities. This is cumulative.

Over a 4-year period, the European production capacity will be greatly increased. This tremendous recovery effort is largely made possible by the fact of ECA aid.

If there is any further information we can give you, please let me know.

Sincerely yours,

HOWARD BRUCE,
Deputy Administrator.

Mr. HENDRICKSON. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I should like to complete my remarks, but I shall be glad to yield to my colleague.

Mr. HENDRICKSON. Is it not true that in the case of Italy, the great, overall problem is one of overpopulation and the need for migration outlets?

Mr. SMITH of New Jersey. That is quite true. We were discussing that point earlier in the debate, in connection with a question asked by the Senator from Utah.

As I have mentioned, under this program we are contributing 10 ships to help move some of the Italian surplus population. That aid is part of the over-all ECA attempt to bring order out of chaos in connection with the difficulties facing these countries.

Mr. HENDRICKSON. Mr. President, will the Senator yield further?

Mr. SMITH of New Jersey. Yes.

Mr. HENDRICKSON. If the colonies which belonged to Italy before the days of Mussolini were now returned to Italy, would not that help her in connection with her problem of overpopulation, and also help us in connection with our extension of aid?

Mr. SMITH of New Jersey. I think that is true. But when the question of returning the colonies to Italy first arose, Italy was varying between communism and joining the ECA countries.

Mr. HENDRICKSON. That is true.

Mr. SMITH of New Jersey. At that time fear was expressed that if Italy had control of those colonies, and then turned to communism, the control of the Mediterranean would be in the hands of communism. That was a good reason for holding up the return of the colonies. I talked to many of my Italian friends, and they agreed that it was a sound reason.

Mr. HENDRICKSON. But now all that has changed.

Mr. SMITH of New Jersey. Yes; and I hope the problem will be settled to the satisfaction of Italy and also for the betterment of the entire international family of nations.

Mr. HENDRICKSON. I thank my colleague.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. Mr. President, I shall yield if requested to do so, although I should like very much to conclude my remarks, because I have been on my feet for about 2 hours now.

Mr. WATKINS. The Senator from New Jersey previously stated that he would welcome questions.

Mr. SMITH of New Jersey. Oh, yes; and I do. I yield.

Mr. WATKINS. I should like to ask about the Italian situation. Inasmuch as the Senator from New Jersey is a member of the Foreign Relations Committee, can he inform us now what, if any, additional burden will be placed on Italy in an economic sense by reason of membership in the proposed North Atlantic Pact?

Mr. SMITH of New Jersey. I am frank to say to the distinguished Senator that I have not studied that matter sufficiently to be able to give him a considered answer. But when the North Atlantic Pact debate occurs in the Senate, I shall try to inform myself as to that matter. I cannot answer because I do not know what share of united defense, if there is to be a share, we shall look to Italy or to

the other countries to provide. It depends on that.

Mr. WATKINS. Mr. President, will the Senator yield for another question?

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Utah?

Mr. SMITH of New Jersey. I yield.

Mr. WATKINS. Has the Foreign Relations Committee been given a budget or blueprint of the expenditures we are likely to be required to make in connection not only with the European recovery program but also with the North Atlantic Pact, if and when it is ratified?

Mr. SMITH of New Jersey. We have not obtained the details. There have been some suggestions.

Mr. WATKINS. Have there been any over-all figures suggested?

Mr. SMITH of New Jersey. There have been some suggestions as to the over-all figure, but they were given in executive session, and until developed, I do not think I can comment.

Mr. WATKINS. Does the Senator not think it important now to know what our over-all commitments are to be, before we make any commitment under the present program?

Mr. SMITH of New Jersey. No. My own feeling is that this program, with its implications, is one of the most important items of the national budget this year. I think this program should be considered on its merits, and that we can deal with the other program when we come to it.

Mr. WATKINS. Does the Senator not think it wise in the handling of such matters, to have a complete picture of what the requirements are going to be, so we can form a theory about one or the other, as the need is indicated?

Mr. SMITH of New Jersey. I think that is wise.

Mr. WATKINS. Of course I respect the fact this has probably been told the Foreign Relations Committee in executive session, but here we are considering a part of a world-wide recovery program, and a part of the fight against the cold war, and it seems to me the Senate and the people of the country are now entitled to know what that over-all picture is, executive session or no executive session. I do not want to be discourteous in any way, but it seems to me we ought to have those figures. I cannot vote intelligently on this proposal unless I know what else is going to be asked in the foreign budget.

Mr. SMITH of New Jersey. I may say to the Senator that in the report of the committee on the bill, on page 6, there will be found over-all figures, in a table entitled "Budget Statement on International Affairs and Finance," which affords a rather comprehensive over-all picture.

Mr. WATKINS. What does it include for the North Atlantic Pact?

Mr. SMITH of New Jersey. It does not include that, because as I have stated, the figures affecting the pact have not been broken down. I do not know whether the figure would be $1,000,000,000 or what it would be.

Mr. WATKINS. Has not the committee been informed in the detailed consultation about the pact which, as President Truman says, has occurred between the State Department and the committee? Has the committee not been informed of what that figure will be, of what the next step will be, after the pact is ratified?

Mr. SMITH of New Jersey. We had merely an approximation. It is a very rough approximation of what it might be, and it is not certain that any appropriation will be needed for it at the present moment. In fact, the pact does not involve any authorization whatever.

Mr. WATKINS. I understand that, but there is always an uncertainty, as there was about the Marshall-plan program. We considered it a year ago, and now we come to the second year.

Mr. SMITH of New Jersey. There would be involved giving special attention to the military program under the pact, and that detail has not been worked out.

Mr. WATKINS. I am taking all that into consideration, and I have been reading statements by the experts that the North Atlantic Pact will be a dead pigeon, unless we implement it by a heavy support for a rearmament program.

Mr. SMITH of New Jersey. That is the argument of many. Others do not agree. That has not been determined.

Mr. WATKINS. I should like to know whether the Senator from New Jersey agrees with the theory that we must have an implementation of the pact by a strong rearmament program for Europe?

Mr. SMITH of New Jersey. I have never been one of those who have undertaken to suggest what the figures for the whole rearmament program should be. I think the figures have to be screened and examined very carefully, even the suggestions that have been made up to date as to the $15,000,000,000 program. I want to examine that very carefully before giving it my approval.

Mr. WATKINS. In fact, it has been discussed, has it not, that about $15,000,000,000 will be necessary in order to give Europe something like 40 divisions, and so on?

Mr. SMITH of New Jersey. No, that is the Armed Services Committee program, which has nothing to do with what the Senator is discussing.

Mr. WATKINS. It has something to do with the cost, does it not?

Mr. SMITH of New Jersey. With the over-all cost, yes.

Mr. WATKINS. That is what I am trying to find out, how much money are we going to be called upon to appropriate for our world budget. I want to know whether the committee has considered China, Asia, the occupation costs in Japan and in Germany, Greece, Turkey, and all other matters of that kind.

Mr. SMITH of New Jersey. Everything is summarized on page 6 of the report, except the one item about which the Senator is asking, namely, what the implications of the Atlantic Pact are. It includes aid to China. It includes a great deal more than I think will be included for China, as an over-all figure.

Mr. WATKINS. As I understand it then, the Senator says only an approximation has been given to the committee, and does not at this time feel that he can reveal that figure.

Mr. SMITH of New Jersey. Only because it was not given in detail at all, and because it was merely given as a guess, the basis on which the Senator is asking it now. There was an over-all guess as to what it might approximate. If the chairman of the committee were present, I should have no objection to asking him, but, as a member of the committee, I would feel that a figure given in executive session, which might be given wide publicity if I made a statement here, and which might not be accurate at all, but rather merely a guess, might be inappropriate to discuss. I should not hesitate, off the floor, to tell the Senator privately in confidence what I think the figure would approximate, but I should prefer not to say it in public at this time, because I think it would be wrongly construed.

Mr. WATKINS. Does the Senator agree with me we ought to know what the foreign budget is going to be this year and for the next 4 or 5 years, before we make any more commitments or authorizations? Should we merely take them up piecemeal, and then when we get through, add them up, and say, "Well, I guess we can stand that"? Does the Senator think that that is the proper way to proceed?

Mr. SMITH of New Jersey. The Senator has the figure for this year. I do not think we can anticipate 4 years ahead. That is the reason we declined last year to consider a 4-year program. We said we would review the program every year.

Mr. WATKINS. But there was more or less commitment to go on with the Marshall program, once we started it, was there not?

Mr. SMITH of New Jersey. It depends upon whether production is obtained, and whether the participating countries are cooperating.

Mr. WATKINS. I should like to have the information. I am very much in doubt as to how much money we ought to vote for the European recovery program. I am for the program. I voted for it last year, and I intend to vote for it again, but I should like to know what over-all demand is going to be made upon the Treasury this year, and, if the figures are available, for another year, and another year, and another year, I want to know. I want to know how much money we shall have to spend, before we start spending it.

Mr. SMITH of New Jersey. I do not think we can tell the amount which will be required for another year and another year, but I think we can tell for this year. Mind you, Mr. President, we are asking for authorizations in this particular bill, and when the appropriation time comes, all the figures will be before Senators when they are considering the appropriation and before they vote on it. I am in the same position as is the Senator. I do not want to vote for 1 cent more than we are able to take care of, and I am against any increase in our taxes, too.

Mr. WATKINS. How are we going to be able to tell how much we can take care of, if we cannot get the figures?

Mr. SMITH of New Jersey. The Senator can get the figures when the appro-

priation bill comes before the Senate. This is a ceiling on the appropriation, simply to take care of the estimated needs of the program.

Mr. WATKINS. It also becomes the floor. As I found out by past experience in the past 2 years, when once we name a ceiling, it also becomes the floor.

Mr. SMITH of New Jersey. In some cases it has; there is no question about that.

Mr. WATKINS. I thank the Senator.

Mr. SMITH of New Jersey. I thank the Senator, because I think these interruptions are helpful in bringing before the people of the country and before our colleagues what is in our minds as to the implications of the program. They are all helpful. I am all in favor of it. I thank the Senator for interrupting.

Mr. WATKINS. I should merely like to make an observation, if the Senator will permit me. I want to do everything I can, along with the rest of the United States, to help the people of the participating countries get on their feet. I am willing to go as far as we reasonably can, but I do not want to go beyond what is absolutely required, and beyond our ability. I want to call the Senator's attention to the fact that the European recovery program as finally forecast by Mr. Hoffman at $17,000,000,000 would build every reclamation project in the West, without any cost to the people there, and it could be given to them just as it is proposed to give it to Europe. We could make this Nation immeasurably stronger by building those reclamation projects. I am watching this matter with a great deal of interest because I know when I go before the committee of Congress and ask for large appropriations for our reclamation projects, it will be said, "We cannot do it," and my people will say "Well, you gave it to Europe, why can't you give it to us at home, if you want to make America strong?"

Mr. SMITH of New Jersey. Would the Senator mind my saying at that point that we are preparing figures to do the things he suggests. But I want to call the attention of the Senator to the fact that the important consideration that causes me to support this program, as I am supporting it here, is my interest in the peace of the world. If I did not feel this was a milestone on the road to world peace, I should not be supporting the program. This is a part of the policy of the United States, since World War II is over, in bringing about the cooperation of the nations of the world for peace and the restoration of the nations that believe in the fundamental freedoms and the liberties in which the United States believes.

Mr. WATKINS. I believe in peace, too, and I am willing to go a long way for it.

Mr. SMITH of New Jersey. I know the Senator believes in peace, and it is what I am arguing for, because I believe it is the solution to the whole problem.

Mr. WATKINS. I hope the Senator understands when we ask these questions that we are not doing it because we are against peace. If we had peace, we would know what we could do with the economic program, and with those who are sent here to discuss rehabilitation from the ravages of war.

Mr. SMITH of New Jersey. That is quite true.

Mr. WATKINS. I thank the Senator.

Mr. SMITH of New Jersey. I believe that the United States will be prosperous when the rest of the world has recovered, far more than would be the case if we were isolated. Let me put it in this way: I feel there is an international urge, so far as trade and a recovered world is concerned, that can work for peace.

I wish to continue my remarks, if I may. I was discussing, Mr. President, the pipe-line principle and the necessity for an appropriation of $1,150,000,000 between April and June.

Any stoppage in the availability of funds for the ordering of goods during the next 3 months is bound to be reflected in a substantially reduced flow of aid to the participating countries during the summer and to disrupt the orderly planning and carrying out of the program. We cannot live off the pipe line and place no new orders without having the pipe line run out at some later time. The deliberate interruption of aid at this stage of the program—even with the promise of building back the flow after July 1—would dissipate the momentum of recovery and the increased confidence of the people of Europe just at a time when it is critically important to get the greatest benefit from them for European recovery. The proposal of the Senator from Ohio would in the end cost more dollars, not less, for European recovery.

From the press I understand that the Senator from Ohio has made still another proposal, namely, that the Congress appropriate the $4,280,000,000, which the bill before the Senate would make available from July 1 for the fiscal year 1950, for 15 months beginning April 3. The Senator further proposes that if the President finds it necessary, he may authorize the ECA to use the funds in 12 months, that is, by April 3, 1950. This arrangement is similar to that adopted last year in the Appropriation Act. The requests made to the Congress last year were based upon estimates made before actual operating experience had been gained.

We had hoped at that time that the funds would take care of the situation through the coming June, but the President had to call on the entire funds appropriated, as he was authorized to do, and which had been obligated prior to April 1. The same suggestion is made this year. But the situation is different this year from what it was last year.

The amounts of funds provided in the present bill are estimates arrived at through the use of agencies such as the country missions, the office of the special representative—and ECA Washington, established by the Congress itself in the ECA Act last year. Figures were proposed in the first instance by the individual participating countries. They have been closely screened by the ECA missions in the several participating countries.

Every head of mission visiting this country told us of conferences of leaders to determine whether their figures were acceptable. The collected country figures were then screened by the joint Organization for European Economic Cooperation, the existence of which was made a condition of continued ECA aid by the Congress in the original act. The figures were then severely screened by the office of the special representative in Paris, by the ECA administration in Washington, and by the National Advisory Council.

That Council, as all Senators know, was established to advise the ECA.

Therefore, the Congress is confronted this year with an entirely different situation from that on which it legislated last year. In spite of all the difficulties and in spite of all the guesses, the legislation last year turned out to be on a very sound basis.

The estimated requirements for the program during the coming 3 months and the next fiscal year have been screened many times, on the basis of a full year's experience with the aid program, and with the assistance of the several organizations which Congress in the original ECA Act expressly provided for or contemplated.

In all likelihood, therefore, if this proposal of Senator TAFT's were adopted, the $4,280,000,000 would be exhausted by the end of 12 months and the ECA would be required to come before the Congress for an additional appropriation for the remaining 3 months of the fiscal year 1950, just as they are now doing. I believe it will be agreed that this is not a satisfactory or efficient procedure since it involves the Congress in the dilemma of either delaying appropriation of funds for the fourth quarter of the fiscal year beyond the time when they should be available to permit orderly operations and forward planning, or of acting on the necessary legislation without full consideration.

It is unlikely that the Congress will be in session early enough to appropriate new funds by January 1 next year. In fact, the funds available for the last quarter of the fiscal year, in all probability, would not be known before the beginning of that quarter. It would be impossible for ECA to issue its authorizations in advance of the time when the contracts have to be made, and the efforts of ECA to establish and maintain purchasing on a forward basis will be defeated as they have been in the present instance. If, however, we put ECA on a fiscal-year basis by passing this bill, which authorizes an appropriation to complete fiscal 1949 and another appropriation for fiscal 1950, the ECA can come before Congress in good time to secure its appropriation sufficiently in advance of July 1, 1950, to make possible uninterrupted forward programing. It will also mean that ECA will be on a true fiscal-year basis, like any other agency of the Government. Its planning year will harmonize with the basis on which the Europeans themselves prepare their recovery programs and with such other factors as agricultural forecasts which are normally made on a fiscal-year basis.

So, Mr. President, on that point, I sincerely hope that the appropriation suggested will be left in the bill as it is presented, as the committee has given it great consideration and study, and feels

that it is necessary in order to keep the pipe line full.

I now come, Mr. President, to another question which has been brought up and which I think is of great importance.

Mr. SALTONSTALL. Mr. President, will the Senator yield before he comes to that point?

Mr. SMITH of New Jersey. I shall be glad to yield to the Senator from Massachusetts.

Mr. SALTONSTALL. Is the Senator now leaving the fiscal question?

Mr. SMITH of New Jersey. I shall come, in a moment, to the balance-of-payments theory referred to by the Senator from Ohio [Mr. TAFT], but, in the meantime, my purpose is to discuss the problem of aid to Great Britain and the criticisms which have been made of the British program.

Mr. SALTONSTALL. If I may, I should like to ask a question, which I think is appropriate at this time. The Senator has said that these figures were considered as of the date of November 30, 1948, and that he agreed that price considerations might well be considered by the Committee on Appropriations when it takes up the bill in the latter part of May or June. My question is this: Should not the committee also be able to consider the increasing improvement in the recovery of the European countries over that period of time, together with other factors in that connection, as well as changes in the price level?

Mr. SMITH of New Jersey. I think that is a very proper and relevant question, but I call the attention of the distinguished Senator to the fact that most of the participating countries are diagnosed in different ways, depending on what facts are considered. I shall refer to the British situation in a moment. There has been a public statement by Mr. Mayhew, who is connected with the British Government, to the effect that British recovery was complete, and the question was immediately raised, "Then, why do we need to do anything more for Britain?"

We asked Mr. Hoffman and Mr. Finletter to tell us what was meant by the statement of Mr. Mayhew. We also had statements of other British people with regard to Great Britain's situation. Mr. Finletter's statement was most encouraging. But the point that is overlooked is that while British recovery on their own home base may appear to be complete and progressive, the problem of dollars is not solved by simply taking that over-all position. That is what I shall undertake to discuss.

Mr. SALTONSTALL. The point I am trying to make is that the Appropriations Committee could properly take into consideration other questions in addition to the changes in price levels that may be appropriate at this time.

Mr. SMITH of New Jersey. I think that is true. But I want to warn the Appropriations Committee that access to the proper sources of information is most important, so that the committee cannot be led astray by what may appear to be superficial problems which may have been dealt with but which do not go to the bottom of the recovery situation.

Mr. SALTONSTALL. The Senator knows, as a member of the Foreign Relations Committee, that we must not let our friends and associates be misled into the belief that this authorization bill means that the money will be actually appropriated.

Mr. SMITH of New Jersey. I appreciate that.

Mr. SALTONSTALL. Is not that very important?

Mr. SMITH of New Jersey. It is very important, and as other members of the committee have said before, especially the distinguished Senator from Texas and the distinguished Senator from Michigan, who have been our leaders in developing this whole program, I am confident our committee will be the first to make any possible reduction in the appropriation which conditions justify.

There are three possibilities. We have first the authorization, then we have the Committees on Appropriations, which can screen the figures, and if possible reduce them. Then we have the fact that the Administrator and the Deputy Administrator, and their staffs, are good Americans, and even though they have the authorization and the appropriations, if they find the money is not needed, they will not recommend its appropriation just because it is authorized. So I think we have three checks to protect us against extravagance.

Mr. HICKENLOOPER. Mr. President, will the Senator from New Jersey yield?

Mr. SMITH of New Jersey. I yield to the Senator from Iowa.

Mr. HICKENLOOPER. I wonder if the Senator has seen the report just made by the Committee on Appropriations of the House of Representatives, I believe in connection with the public-works appropriation. I think they come to the very definite conclusion that the costs of construction and material equipment are approximately 15 percent lower than the average of last year. That report has just been issued. I saw it about an hour ago, and I wondered if the Senator had seen it.

Mr. SMITH of New Jersey. I regret that I have not seen it, but I am very much interested in the figures. That is one of the things we have been discussing which should be taken into account by the Committees on Appropriations when they come to making the appropriations.

Mr. HICKENLOOPER. If the Senator will yield further, I should like to ask him if it is not his view that, this being merely the question of an authorization, it will be definitely up to the Committees on Appropriations and to the Congress later to examine the costs of the program when voting for the appropriations which will implement it.

Mr. SMITH of New Jersey. I agree absolutely.

Mr. HICKENLOOPER. Perhaps the Senator has already discussed that point, I came into the Chamber just a moment ago.

Mr. SMITH of New Jersey. It has been mentioned before by other speakers in behalf of the bill, and we all agree that the authorization reflects our best judgment, from all the material and all the witnesses we had before us; that the amount recommended is the proper figure to be authorized in order to accomplish the purpose at which we are driving, and that there are still possibilities on the part of the Committees on Appropriations, when they come to recommend appropriations, to determine the amount of money needed at that time.

Mr. HICKENLOOPER. I wish to emphasize, as a member of the Committee on Foreign Relations, along with the Senator from New Jersey, that what the Senator from Massachusetts was saying a moment ago I think is important, namely, that we make completely clear to the Crongress and to the American people that this particular action in the way of authorization is not the voting of the money.

Mr. SMITH of New Jersey. I am glad the Senator emphasized that point, because it is most important that the American people should understand it, and that the American people should not criticize the Committees on Appropriations, when the Congress authorizes this full amount, if later the Committees on Appropriations feel it is not necessary to recommend the appropriation of all of the money authorized. That is the proper function of the Committees on Appropriations.

Mr. CONNALLY. Mr. President, will the Senator from New Jersey yield?

Mr. SMITH of New Jersey. I yield to the Senator from Texas.

Mr. CONNALLY. I ask the Senator whether it is not true that if there is to be any elasticity, or any device for taking up the shock, it should be in the Committee on Appropriations rather than in the authorization, because an appropriation cannot exceed the authorization, but the Committee on Appropriations can cut down an authorization. So the committee should be left free, within the scope of the authorization, to reduce the amounts if conditions at the time warrant. For instance, the Senator from Iowa just pointed out that building costs have gone down, and that is only one index. Perhaps other costs will go down. I thoroughly approve the attitude of the Senator from New Jersey, and I think he has made a very splendid point.

Mr. SMITH of New Jersey. I thank the Senator from Texas. Of course, what he says is entirely correct. I think it is proper we should see to it that the people of the country understand the situation, so that they will not criticize the Committees on Appropriations if they recommend the appropriation of less than the authorization, in the event they discover that less money is needed to carry out the purposes of the program.

Mr. President, I think we have made that reasonably clear, and I am sure that no one could misunderstand the position of the members of the committee. The Senator from Iowa [Mr. HICKENLOOPER], who is a member of the Committee on Foreign Relations, has just stressed the point, and the Senator from Texas and others have done likewise.

I might say in passing that the question of lower prices is involved in the whole picture from another angle, because if prices of commodities sent to foreign countries are lower, they will

probably get lower prices for their exports, which is what they need in order to take care of their problems. So the price question is a difficult one, with which the Committee on Appropriations will have to deal carefully in making the proper appropriations.

Mr. President, I shall now tackle what probably should be called the $64 question, because it has been open to so much criticism. I refer to the question of aid to the United Kingdom. It was suggested that the United Kingdom had received a great deal of aid. I think the figure of aid to Britain this year is $940,000,000, and I think we are going to meet the argument that that is one of the areas where there might be a reduction.

Again I made inquiry of the ECA headquarters in order to get the facts on which to make a statement which I have prepared, and which I shall give for the RECORD, and also try to bring out as simply as possible what the British problem is.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield to the Senator from Texas.

Mr. CONNALLY. I thoroughly applaud the Senator. I was about to ask him if it is not possible that in his remarks he can treat the intercountry-trade arrangement, which I think is on the way to solution, that is, regarding the sterling area, and matters of that kind.

Mr. SMITH of New Jersey. I did not have so much in mind developing the intercountry arrangement as meeting the specific criticism that England has recovered and does not need any further aid and trying in A B C language, if I might, to explain the principal point of our continued aid to Britain.

Mr. CONNALLY. Very well.

Mr. SMITH of New Jersey. I shall speak but a moment on aid to the United Kingdom. The United Kingdom is approaching a position in which her total earnings in all currencies will balance, or nearly balance, her total payments in all currencies. Great Britain is already running a substantial export surplus with the other participating countries and with other countries in the sterling area, but a substantial deficit with the dollar area. That is the important point in this whole discussion, that there is a substantial deficit with the dollar area.

Because of the remarkable recovery progress in the United Kingdom, the need of the United Kingdom for continuing United States aid has been questioned in certain quarters. These questions arise from a failure to distinguish between the recovery of production and over-all exports, on the one hand, and the balance of exports to, and imports from, the dollar area, on the other hand.

Britain still does not earn enough dollars to pay for the goods which it can buy only for dollars and which it needs in order to continue, or even to maintain, its recovery progress. This is the gap which ECA aid must bridge until it can be closed by the efforts of Britain itself.

Because of Britain's recovery throughout the past year with the help of ECA aid, the United Kingdom request for aid during the fiscal year 1950 is 24 percent less than the fiscal 1949 program. I am informed that the other countries are asking 15 percent less; in the case of Britain it is 24 percent less.

This is evidence both of the remarkable progress which the United Kingdom has made in driving hard to increase production and exports while maintaining an austerity program at home, and of the determination of the British people to stand on their own feet as quickly as possible.

All of the administration's witnesses testified that the United Kingdom's program is a tight fit and that any reduction would adversely affect recovery not only in the United Kingdom but also in western Europe. Mr. Hoffman explained to the committee the effect of, let us say, a $200,000,000 cut in the program. That figure has been used a number of times. I have been challenged by a number of people who asked why we cannot cut $200,000,000 from funds for British aid. One of the effects of such a cut would be to reduce Britain's imports of industrial raw materials from the United States. This would, in turn, reduce Britain's ability to manufacture goods, and this, in turn, would be reflected in reduced exports to the dollar areas. It was estimated by Mr. Hoffman that a cut of $200,000,000 in aid would cause a loss of a minimum of $70,000,000 in export earnings, thereby requiring a total cut in imports, not of $200,000,000 by which aid would be reduced, but of $270,000,000.

That sounds complicated in figures, but Senators can see how it would work.

In other words, without the industrial raw materials and equipment and other items in the proposed program, which Britain can obtain only for dollars, provided by the United States, Britain cannot even maintain the level of production and exports which it reached during the past year. In fact, still higher production and export levels are required if Britain is to earn the dollars which it needs for the materials from the United States and on which its production and recovery depend.

Mr. President, that is a brief statement of the British position, and it seems to me that anyone who thinks it through can see that while Britain has recovered so far as the situation is concerned with the other currencies, the dollar situation still remains, and that she must buy much of her raw materials here in order for her production to go on; therefore she needs this aid.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. WHERRY. What is the justification for the 25-percent cut?

Mr. SMITH of New Jersey. That is due to British progress this year. Those matters were all carefully reviewed by our representatives on the ground, particularly by Mr. Finletter in charge of that subject. He and the Ambassador worked for hours, I am told, over this program, and figured that the British could stand a cut from last year, which we all expected would be made. We expect all countries to stand a cut of some sort, ultimately down to zero.

Mr. WHERRY. Then if the Senator approves a cut of 25 percent, how is he proposing to get more dollars for Great Britain? I do not understand.

Mr. SMITH of New Jersey. By the recovery Britain has made she is helping to pull herself out. She is helping to increase her exports. She has made greater imports to us this year than last. Therefore she has gotten more dollars with which to buy. She has been able to recover to that extent. I hope by another year we can cut the aid substantially more. According to the help we have given her, her exports are increasing.

Mr. WHERRY. In other words, we must open up the American markets to Britain, so she can get more dollars in order to export more fabricated materials to us?

Mr. SMITH of New Jersey. No.

Mr. WHERRY. On page 449 I find this, in Mr. Hoffman's testimony.

> Mr. HOFFMAN. Senator, I think I can add a little light on this. In July, when I first met Mr. Stafford Cripps, we were talking about the second year's program. I told him I thought it should be understood that the Americans were very insistent that the second year's program be less than the first year's program, and he asked what amount of cut I had in mind.
>
> "Well," I said, "I think that as it is to be a 4-year program, it would be a good thing to aim at a 25-percent cut."
>
> What figure he had in mind up to that time I do not know. He came out with a 24-percent cut.
>
> Senator TYDINGS. What did he say in response to your suggestion?
>
> Mr. HOFFMAN. He said, "That is a very drastic downward revision."
>
> I said, "Nothing less than a marked revision will convince the Americans that the Europeans are really serious."

In that the basis for the 25-percent cut?

Mr. SMITH of New Jersey. I would not say it is the basis for it. I see what the Senator from Nebraska is driving at. It seems unscientific, of course. But in all these cases, I will say to the distinguished Senator, we said from the beginning that unless the participating countries showed progress in hitting their targets of production and moved ahead so they needed less and less aid, our aid would do them no good.

Mr. WHERRY. If the Senator will permit, I should like to ask him another question. We are told that the ECA budget is $5,800,000,000. A certain amount of it goes to Britain. As a member of the Appropriations Committee I am called upon to justify the ECA appropriations. The amount we give Britain certainly is based upon need. It has to be justified. On the basis of the reports I have received, we say, as a matter of good relationships or politics, that we will automatically cut the amount 25 percent. If that is the way it is going to operate it seems to me members of the Appropriations Committee could say, "Well, we are trying to cut our total budget 15 percent. Why not cut everything right straight across the board, including ECA? Therefore let us reduce the appropriation for ECA 15 percent." I think we ought to have a break-down of the $940,000,000. Does the Senator have that?

Mr. SMITH of New Jersey. I wish the Senator from Nebraska would take the ECA report for the past year, and turn to the pages on Great Britain and see whether he is satisfied with the way the figures are broken down and the way the $940,000,000 was reached.

Mr. WHERRY. I will say to the distinguished Senator from New Jersey that I have done so. As I read the report, the justification is made rather in generalities. It is very difficult for me to understand why the report shows that certain things are for certain purposes, as I expect to bring out later. As the Senator has proceeded with his speech I have come to the belief that the countries we are helping have come to the point where they seek to obtain more dollars in order to balance their deficits because they do not have the dollars with which to buy raw materials with which to manufacture products they can sell for dollars. The Senator from Indiana [Mr. CAPEHART] the other day used their own reports and gave convincing evidence that the various countries had made recovery far beyond the prewar years, and that the deficits this year were less than in the prewar years.

Now comes the new philosophy that, regardless of the fact that they have improved their situation so tremendously with respect to various other countries, it is now necessary to build up their American dollars before they can be on their own and have the prosperity which the administration feels they should have before we can begin reducing ECA aid. To be sure, a cut of 25 percent is proposed in one instance. Why not a cut across the board? I do not know why the American dollars should be separated from the other currencies. In view of the over-all production, can we justify the amount of $940,000,000 proposed for Great Britain, or which Great Britain is asking? What argument is there in favor of it? Although a justification is made in the way of generalities, the amount is not completely justified.

Mr. SMITH of New Jersey. I have read the statement I prepared covering the situation.

Mr. WHERRY. I listened to it with a great deal of interest, but it does not convince me that we cannot cut the $940,000,000 by $200,000,000 more.

Mr. SMITH of New Jersey. The Senator argues that Britain's recovery has brought her to the point where her production is greater than before the war. The Senator himself, as well as the Senator from Indiana [Mr. CAPEHART], has overlooked the assets that Britain has lost in the way of tourists expenditures, the loss of investments, and so forth, known as invisible assets, which previously helped to make her situation solid.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. SMITH of New Jersey. I shall yield, but I prefer not to prolong this debate too much. If the Senator wants to make a speech on the subject I shall be glad to listen to him in his own time, when I yield the floor.

One more problem has been presented, one more objection has been made, with which I wish to deal. It has been argued that the whole theory of the Hoffman-Bruce program is based on the balance-of-payments idea. Of course, it is true that to a certain extent the balance of payments does enter into the problem, and almost inevitably will, but I think we become confused if we talk about theories of that kind without understanding what we are talking about. At least, I wanted to clarify my own thinking when this argument was raised.

I should like now to make a few remarks about the term "balance of payments" about which we have heard so much. For an over-all standpoint European imports of goods for dollars—and that goes for all goods purchased in the United States—are limited by the amount of dollars available to Europe. In practice today this means that their imports are limited to their earnings from exports to America of goods and services plus a certain amount of gold production and such loans or grants as are made available by the United States Government or by private American firms. The shortage of dollars was so acute in the countries of Europe and the recovery of these countries was so important to the over-all United States interests that Congress launched the European recovery program to provide them with the essential commodities which can be bought only for dollars. The measure of the amount of aid can therefore be stated very simply as the amount of necessary dollar purchases for which they themselves cannot earn the dollars. So far as they can earn the dollars they are trying to do so. The dollars which they need for their imports, over and above the dollars they earn for their exports, constitute the adverse balance of payments. Roughly speaking, this is the gap which the United States must finance if we are to make recovery possible. In the speech of the distinguished Senator from Indiana [Mr. CAPEHART] last Friday he said that this was the United States financing plan. To the extent that this statement is correct, he is correct. This is the gap which the United States must finance if we are to make recovery possible. They need the things which the dollars will buy, and they cannot get those things without the dollars.

In arriving at its request for aid for the coming 15 months, the ECA had the estimates of each country as to what it would be able to export and what it would have to import from the dollar area if it were to continue its progress toward recovery. These estimates were screened in Europe both by the ECA and by the OEEC, the organization of the European countries, and again by ECA in Washington. But the ECA estimates are not based on righting the balance of payments alone but also rest upon a painstaking analysis of the quantities of each commodity which each European country will have to have in order to keep its course set toward recovery. I have been told that the ECA estimates are based on extremely optimistic assumptions. Thus, they have counted on excellent crops although now, only a few weeks after their estimates have been made, severe drought in southern Europe raises a question as to whether these goals can be met. Likewise, they have based their assumptions on a continued upswing of industrial production but here again, no allowance has been made for the falling off of production such as has occurred in Italy during the last 2 weeks because of lack of hydroelectric power caused by the worst drought since 1921. Many other favorable assumptions have been made, such as assuming that no Communist-inspired attempts to halt production or trade will be successful. As a result the amount proposed in the pending bill for ECA should be considered conservative. This amount should be authorized to make possible European recovery, a result which the Congress has found to be in the interest of the United States itself.

I am simply making that statement because in all the hearings with the heads of missions, with Mr. Hoffman, and with Mr. Bruce himself, they assumed that conditions would continue favorable. They did not make any allowance whatsoever for backsets, for Communist interference, or for anything which might upset the applecart. So I feel that they gave us sincerely the minimum figures as they saw them.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. SMITH of New Jersey. I yield.

Mr. WHERRY. I should like to ask the Senator if, in arriving at the British figure, the Committee on Foreign Relations considered the testimony on page 498? I read:

> Mr. FINLETTER. Because we had to go into the whole British economy and the whole British balance-of-payments situation in order to determine the suitability of the final figure.
>
> Senator TYDINGS. Was the final figure the same as the first figure submitted by the British?
>
> Mr. FINLETTER. It was.
>
> Senator TYDINGS. Before the final figure was submitted were any projects eliminated or scaled down?
>
> Mr. FINLETTER. The detailed work of preparing the program underlying that figure submitted was done by the British and we did not take it up project by project with them. The entire import program from the dollar area was considered, and an attempt was made to compress it to the absolute minimum on all scores.
>
> Senator TYDINGS. It was compressed was it not?
>
> Mr. FINLETTER. It was.
>
> Senator TYDINGS. What was it before it was compressed?
>
> Mr. FINLETTER. That is something we cannot tell. We were not in on the discussions of the British Government.

That is the point I wish to bring to the attention of the distinguished Senator. We are taking completely the British viewpoint. Our Administrator had nothing to say, as they brought these deficits to us and asked us to appropriate $940,000,000. I read the report. I did not wish to go into this subject too deeply, because I felt that the Foreign Relations Committee had covered all these questions. As a member of the Appropriations Committee, I am asked to appropriate $940,000,000 of the taxpayers' money for ECA aid to Great Britain. Yet we find that the Administrator had

nothing to say about attempting to cut down project after project for which they asked. We are asked to give them the whole thing.

Mr. SMITH of New Jersey. May I ask the distinguished Senator to let me read a little further in the testimony?

Mr. WHERRY. Certainly.

Mr. SMITH of New Jersey. The Senator stopped reading near the middle of page 498. I continue reading near the bottom of page 498:

Senator TYDINGS. Only one more question, because I do not want to divert Mr. HOFFMAN.

Now I get the impression that when this British proposal was first submitted, not in any concrete form, not in dollars and cents but an over-all picture, as a result of your conferences with the British representatives it was gradually compressed more and more and more until you arrived at the final figure. Now am I correct?

Mr. FINLETTER. No, sir. I would have to put one modification on that. I think the British themselves took the initiative in whittling down the figure.

Senator TYDINGS. But it was a different final figure from the first over-all intangible figure.

Mr. FINLETTER. Yes; it was a different figure from the intangible figure.

Senator TYDINGS. In other words, before this final figure was agreed upon there had been a compression on the part of the British and yourselves?

Mr. FINLETTER. That is correct.

Mr. HOFFMAN. Senator, I think I can add a little light on this. In July, when I first met Mr. Stafford Cripps, we were talking about the second year's program. I told him I thought it should be understood that the Americans were very insistent that the second year's program be less than the first year's program, and he asked what amount of cut I had in mind.

Mr. WHERRY. That is the evidence to which I referred a while ago, that for good political reasons they decided to take 25 percent off the first year's appropriation. But I refer the Senator to the colloquy between the Senator from Maryland [Mr. TYDINGS] and Mr. Finletter. Mr. Finletter made it indubitably plain in his testimony that the Administrator had nothing to say about these projects, and that it was the British Government which submitted them. We did not attempt to eliminate any of them. On this evidence how can the Senator ask a member of the Appropriations Committee to approve an appropriation of $980,000,000? That is what I want to know.

Mr. SMITH of New Jersey. I do not agree with the Senator at all that they were merely taking the British figures, because there were many weeks of conferences on this subject.

Mr. WHERRY. Can the Senator show me anything in the testimony to the effect that Mr. Hoffman had anything to say about what the commitments would be? I cannot find it, and I have gone through the testimony. If all we are doing is taking the figures of the British as to what they want, that is one side of the case. We are supposed to have a watchdog committee to watch the expenditure of American dollars. When this proposal is brought before the Appropriations Committee, we must be able to justify these expenditures. The evidence in the report shows merely a general reduction of 25 percent from last year's figures, because that was considered pretty good politics.

Mr. SMITH of New Jersey. I appreciate the Senator's observations. In the light of the position I have taken all the way through, I do not agree with his conclusions at all. I never saw a job more effectively done. I have never seen an over-all economic experiment—and this one is unprecedented in history—handled with such skill, such care, and such interest, not only from the standpoint of the welfare of the countries we are trying to help, but from the standpoint of the welfare of the United States.

Let me say to the distinguished Senator that I am a member of the so-called watchdog committee. We have not overlooked these questions. We have tried to find out all we could about them. We have talked to the heads of missions. I was over there at the inception of the plan, and I have come to feel the greatest possible confidence in the organization and in the integrity of those administering it. I do not believe that a man of Mr. Hoffman's standing and ability would have been led astray by the implications of the Senator's questions.

Mr. WHERRY. I did not imply that there was lack of integrity. I simply stated to the distinguished Senator that the evidence did not reveal that Mr. Hoffman had anything to do with the consideration of these projects. The Senator from Maryland asked if any of the projects had been reduced. In the final analysis neither Mr. Hoffman nor anyone else connected with ECA, which is putting up the money, had anything to do with the projects. I am not for 1 minute questioning the integrity of Mr. Hoffman or the integrity of the watchdog committee; but they were not in on these projects.

Does the Senator have the original program which the British presented?

Mr. SMITH of New Jersey. They have it in London.

Mr. WHERRY. Has the Senator seen it?

Mr. SMITH of New Jersey. I have not seen it personally.

Mr. WHERRY. Has Mr. Hoffman seen it?

Mr. SMITH of New Jersey. Unquestionably.

Mr. WHERRY. If he has seen it, why did he ask the question which he asked?

Mr. SMITH of New Jersey. The Senator is overlooking the fact that telephonic communication is available back and forth, and it has been constantly used in these negotiations. The implication that the ECA organization paid no attention to the development of these programs is simply beyond my comprehension. I know how intimately they have been working on these things, and how carefully they have worked.

Mr. WHERRY. Mr. President, will the Senator yield for a further question?

The PRESIDING OFFICER (Mr. KERR in the chair). Does the Senator from New Jersey yield to the Senator from Nebraska?

Mr. SMITH of New Jersey. I yield.

Mr. WHERRY. Can the Senator point out to me a place in the hearings where I can find the information I have requested? If the Senator were reading the testimony as one who had not attended the negotiations on ECA, what other interpretation would he have placed on it?

Mr. SMITH of New Jersey. Has the Senator from Nebraska studied the testimony on this matter?

Mr. WHERRY. Fairly well; yes. Let me say that I cannot find the original British program or proposal anywhere in the ECA report. We are told that 25 percent was cut. From what was it cut? Also, what did Mr. Hoffman or anyone else representing the United States have to do with it?

Mr. SMITH of New Jersey. Mr. President, let me say that I expect that the information the Senator wishes to have can be obtained.

Mr. WHERRY. I should like to have it.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. TYDINGS. I think it is only fair to say that the very colloquy to which the Senator from New Jersey has referred throws a great deal of light on how this entire program evolved. The British never came forward with anything on a piece of paper as plan No. 1, and then threw that away and had plan No. 2, and then discarded it and had plan No. 3, and then discarded it and had plan No. 4, until finally they agreed upon a final plan. What happened was that there were discussions, as the testimony shows, as to what Britain's objectives were for that particular year, and there was discussion back and forth between the British representatives and the American representatives as to what was mandatory, what was necessary, and what could be eliminated.

For example, Britain had to get permission to make a small debt reduction out of counterpart funds; but at the same time an agreement was entered into between the British and the Americans that at any time in the future we requested it, due to some particular part of the program as it evolved, the debt reduction made by counterpart funds would have to be replaced by the British. The Senator recalls that, I am sure.

Mr. SMITH of New Jersey. I do.

Mr. TYDINGS. And in the beginning of the report of the Foreign Relations Committee and in Mr. Hoffman's own testimony, there is constant reference to the pressure which in the discussions, was brought to bear upon the receiving country to cut down its imports to the maximum, and to allow the recipient country to receive, insofar as our funds would be affected, only the imports vital to its recovery.

From the testimony we find that there was constant pressure on them, so that in effect we were saying to them, "You must not buy this, that, or the other," and the pressure on them was to keep in the receiving country the maximum amount of money available for the things that country had to have as a part of its recovery.

So these discussions went on, back and forth, until finally there was an area of

agreement, both by the receiving country and by our representatives. I think it would not be fair to assume that the British came forward with a plan written on a piece of paper, which would be the normal way to visualize it. As a matter of fact, these plans evolved out of many discussions, so that when they were finally reduced to definite form, it was almost as if there had been a series of plans, because the plan finally evolving was the result of numerous discussions, during which certain proposals were eliminated and others were substituted in their place. The Senator recalls that; does he not?

Mr. SMITH of New Jersey. I do. I think I should say that Mr. Hoffman did not take the 25 percent reduction figure out of the air, as has been suggested; but, as the Senator has pointed out, the ECA officials did a great deal of studying before any final suggestions were made.

The Senator will also agree, I am sure, that, with the help of telephone conversations back and forth, as has been suggested—conversations between England and France and the other countries and ourselves—progress was made in arriving at an agreement. There was constant discussion, and frequently we said to them, "Come over here and discuss these things with us."

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield for a question.

Mr. WHERRY. I shall state this as a question, so as not to violate the rule under which the Senate is operating.

If the Senator from New Jersey will turn to page 498 of the hearings, about one-third of the way down the page he will notice that the Senator from Maryland [Mr. TYDINGS] asked this question:

> What was it before it was compressed?

He was talking about a program which the British considered, they said, and from which they had cut 25 percent.

What I am asking is this: As a Senator who is interested in the program, am I not entitled to know what was the program the British first considered, and from which they later made deductions in the amount of 25 percent?

Moreover, we find from the testimony that after the Senator from Maryland asked Mr. Finletter what the program was and whether Mr. Hoffman or any other American representative knew anything about it—in other words, after the Senator from Maryland asked:

> What was it before it was compressed?

Mr. Finletter replied:

> That is something we cannot tell. We were not in on the discussions of the British Government.

In other words, the American staff was not in on those discussions; the American representatives in London were not in on them.

To me, the whole point is that apparently when they get through with their discussion in the committee—and I wish to make my position clear—nowhere in the evidence do we find what the program was. I should like to know what it was. If we knew what all of it was, then perhaps we would have justification for the proposed $940,000,000.

But as the situation now stands, we simply know that there is a proposed cut of 25 percent from the program of last year, under the theory, I suppose, "Well, there has been some recovery, and perhaps we can get along with 25 percent less than last year, and perhaps next year we can get along with 25 percent less, and perhaps the next year we shall be able to get along with 25 percent less, and then we shall be through."

I say to the Senator that on the basis of the testimony or lack of testimony, if it is reasonable to cut this particular program 25 percent, then it is reasonable to say, "Let us cut the entire program 15 or 20 percent," because a justification for making any cut simply does not appear in the hearings or in the references.

I did not wish to interfere with the Senator's presentation of his address; but I have such confidence in the Senator from Maryland that I am greatly interested in the part he took in the discussion in the committee. He asked the very questions which I would have asked if I had been there.

Finally the answer comes back, in language as clear as crystal, that we do not know what those projects or proposals were.

Mr. SMITH of New Jersey. Mr. President, I say to the Senator from Nebraska that of course the British project had to be explored in connection with OEEC.

Mr. WHERRY. Of course.

Mr. SMITH of New Jersey. I have no doubt that if he wishes to obtain an exact statement of the British position at the opening of the debates, we can obtain it for him.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. TAFT. So far as the payment to Britain is concerned, I think it was figured out, just as almost any other presentation of a need would be figured, on the basis that "We need that many dollars"; and so they requested that amount.

Mr. WHERRY. Yes.

Mr. TAFT. Mr. Finletter says that if they had asked for more, he would have allowed more. But they themselves asked for less, because after they figured up the deficit, they decided that they could find the dollars somewhere else or could get along without them. In other words, that conclusion was reached by means of a detailed calculation, and they asked for somewhat less than would have been shown by the balance sheet upon which they usually rely in connection with requests upon us for money.

Mr. SMITH of New Jersey. Mr. President, as I have pointed out, the British program was determined by the estimates of what they needed from us in the way of commodities which they could obtain in exchange for dollars.

Mr. TAFT. But the Senator from New Jersey did not say what the British intended to do with what they said they needed. Actually, their needs were based on a particular economic plan which they have in England, and which the Labor government has approved and has determined to carry through. As a matter of fact, the British needs in terms of dollars might be entirely different under a different plan, if they wished to make it so.

Mr. SMITH of New Jersey. I think the Senator from Ohio will agree that the British people are entitled to a hand and a pat on the back for the austerity program they have been living through in order to be able to defend their exports and to get the things they need for their home program.

Mr. TAFT. I would give them just a little pat on the back.

Mr. SMITH of New Jersey. A little pat?

Mr. TAFT. But the austerity program is enforced only because they want certain things. They want 20 percent for capital improvement, which is much more than we are spending on capital improvement. They want social services. If we spent as much for free health services as they are spending, this country would today be spending $5,000,000,000 for health services. But they think they should have those free health services. That is all a part of their plan.

Mr. SMITH of New Jersey. The Senator, I think, would not argue that they would need dollars for that. I agree fully with the Senator about that program. It is something I cannot justify, but it has nothing to do with the dollars.

Mr. TAFT. Oh, I think it might have something to do with dollars. A certain number of men are taken from productive work, and placed at work furnishing medical and health services, spectacles, eyeglasses, toupees, and all the other things which are furnished free. Men are taken from productive work, which might be connected with the making of goods for export, and put to work providing social services at home. Those things are all right; I do not criticize them; it is entirely their right to do what they are doing. But I say the result is that we are called upon to underwrite the particular method and economic plan which they have adopted as to capital improvements, as to exports, as to social services, as to consumption, and then they want us to underwrite it without dotting an "i" or crossing a "t." It is that to which I object. According to the method by which this amount has been reached, I do not know that $940,000,000 may not be reasonable, but I mean to say that certainly we ought to know what our budget is, and it would be a complete fallacy to say that a reduction would ruin their plan. That does not seem to me of any significance at all. We are not concerned with the British plan. We are trying to help them as much as we can, and to help them as much as we can afford to help them out of our economy. My chief interest is to establish the fact that we are not bound to defend the figure we have arrived at; we may consider whether it can be reduced, both from the standpoint of the strain on our economy and the necessity of offering a British loan at all.

Mr. SMITH of New Jersey. I agree with that 100 percent. The Senator is perfectly right in that respect. The Appropriations Committee has a responsi-

bility. The authorization in the bill is based on the estimates made at the conferences and in the different dealings and discussions with the representatives of the participating countries with a view to building up the over-all figures.

Mr. BALDWIN. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Connecticut?

Mr. SMITH of New Jersey. I yield.

Mr. BALDWIN. While the colloquy has been going on, I noticed on page 505, the statement made by the Senator from Michigan [Mr. VANDENBERG]:

> But certainly there is nothing sacrosanct about the 24-percent cut under last year's appropriations which Sir Stafford Cripps came up with.
>
> Mr. HOFFMAN. That is right.
>
> Senator VANDENBERG. And you are not undertaking to say this morning that the precise figure of $940,000,000 is sacrosanct.
>
> Mr. HOFFMAN. No, sir. No man living could say that.
>
> Senator VANDENBERG. How much did Congress cut your estimate for the first year of ECA; do you recall?
>
> Mr. HOFFMAN. Yes, sir. The authorization was for $5,300,000,000 and we came out with $5,055,000,000 last year.

As I understand the Senator's position, I ask whether this is correct: We are dealing in the present discussion with an over-all authorization, but it is still within the province of the Appropriations Committee to go into the details of it, as indicated by the questions of the Senator from Ohio and the Senator from Nebraska, as to how the Foreign Relations Committee arrived at this figure; and whether the amount arrived at is the one that is required, is another question, is it not?

Mr. SMITH of New Jersey. I take the position that it is not only within the province of the Appropriations Committee but it is the responsibility of the Appropriations Committee, and if they can find any way by which appropriations can be reduced below the authorization, it is absolutely correct and sound for them to do so. That is the reason we have this method of dealing with the matter.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. SMITH of New Jersey. I should be glad to yield, but I also should like, if I may, to finish my statement.

Mr. WHERRY. I understand, but if the Senator will permit me, I should like to ask another question. A reduction of 25 percent across the board was made in the case of the appropriation for the United Kingdom. Can the Senator find any evidence anywhere in the ECA report that justifies $940,000,000 for the British? Can he find from the questioning of Mr. Finletter by the committee and the Senator from Maryland [Mr. TYDINGS], or anyone else, what projects were eliminated, what projects were submitted, how the figure of $940,000,000 was finally arrived at, and whether that is merely an imaginary figure, like $5,800,000,000? The point is that when the matter comes to the Appropriations Committee, we have a perfect right to say, "We are cutting our own appropriations perhaps 15 percent or 20 percent; why not merely take 20 percent off here?" I am asking for the justification of the $940,000,000. Mr. Hoffman himself did not know what the projects were. He had nothing to do with what they eliminated. The only answer he got was, "They got along with so much last year, and we feel we could probably cut the appropriation 25 percent"—merely a general statement.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. Let me merely say to the Senator from Nebraska, I have before me tabulations showing by commodities the various imports of the United States. It is all spelled out. It slightly varies from the figure we are discussing for the relief of countries. We have the figures very well worked out for all the countries.

Mr. WHERRY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Nebraska?

Mr. SMITH of New Jersey. I yield.

Mr. WHERRY. I should like to get a little more light on that point. On page 18 of the committee report, I find the following:

> A statement made by Mr. Christopher Mayhew, Parliamentary Under Secretary for Foreign Affairs, before the United Nations Economic and Social Council, on February 23, 1949, to the effect that Britain's recovery was virtually complete, led to widespread questioning of the need for further American aid. As a result, the committee decided to reexamine in public hearings previous testimony given by Mr. Hoffman and Mr. Finletter, the ECA mission chief to the United Kingdom, on Britain's need for American aid.

Here, it comes out again:

> Mr. Hoffman pointed out that the estimated British requirements for dollar aid in 1949–50 represented a 24-percent cut from 1948–49 aid as compared with a 15-percent reduction for the participating countries as a group.

We have those general statements, I agree, but here the implication is they do not need this, but in order to continue the program, 25 percent is taken off, and we will continue next year, and cut another 25 percent off, and so on. As a member of the Appropriations Committee it is my humble opinion we should know what the British program is, just as we know what our program is, whether it is for the St. Lawrence Seaway or for power development, or for the flood control area, or for this, that, or the other thing. We should know what it is, and what is asked for it, and what was eliminated. Mr. Hoffman himself said he had not had access at all to the British program, that all he had was a statement from them saying they would take 25 percent off from the amount of last year, making a total of $940,000,000. I ask, is that justification for one to sit on the Appropriations Committee and vote the full $940,000,000.

Mr. SMITH of New Jersey. I think the Senator will find the Appropriations Committee can furnish him broken-down estimates, such estimates as he needs. If not, I shall be very much surprised. I know we had them for weeks, and discussed them with various groups. I cannot give the Senator the figures now. We certainly considered the break-downs.

Mr. WHERRY. Just one more thing, and I am through. Mr. Hoffman said:

> Mayhew is in trouble in New York because he has blurted out the truth at the wrong moment. He has told the Americans that we are very near to an over-all balance of trade. Figures which will be published shortly would show that Britain had surprised even herself by how near she had come to balancing what she has to spend with what she has been able to earn. Inside this over-all picture there was a very great dollar deficiency. To help it out by 1952 would require the continuous effort of us all. Meantime, without the dollar aid, not only Britain but Europe would be starving.

That is the point the Senator is making, but the facts are that Britain's overall is beyond expectations. As was pointed out by the Senator, her recovery has about put her back to her prewar condition, so that there is nothing in the economic report, there is nothing in the evidence of the committees that convinces me as a member of the Appropriations Committee that the figure of $940,000,000 can be positively justified.

Mr. SMITH of New Jersey. I could wish that the Senator from Nebraska, with his great vigor and personality, could have been with us, because I know he would have been one of the foremost advocates of this program.

Mr. President, I want to refer again to the United Kingdom.

The United Kingdom is approaching a position in which her total earnings in all currencies will balance, or nearly balance, her total payments in all currencies. She is already running a substantial export surplus with the other participating countries and with other countries in the sterling area, but a substantial deficit in the dollar area.

That is a question which the Appropriations Committee will be interested in exploring. It is perfectly clear that the committee did not sidestep this issue.

Mr. WHERRY. I am not suggesting that.

Mr. SMITH of New Jersey. No; I know the Senator is not.

In the committee report it is stated, on page 13:

> The committee recognized that the Appropriations Committee will have an opportunity to review these amounts at a later date and at that time the course of future prices may be more readily determined.

We admit that if that enters into the question we shall have to consider it.

The report says, further:

> It believes that the Appropriations Committee should carefully consider any changes in prices, both in imports to and exports from the participating countries, and the members of this committee are, of course, free to reconsider the authorized figures in voting on the appropriations. This statement should not be construed in any sense as detracting from the committee's endorsement in general of the full amount of funds requested, based on its own painstaking examination of the components of the budget presented.

In other words, we are urging the authorization, but we shall applaud Senators if they will examine the figures and find we can reduce the amount needed for appropriation.

Mr. WHERRY. I thank the Senator.

Mr. SMITH of New Jersey. I have only a few words more, Mr. President, and I shall close.

I express my appreciation to my colleagues who have participated in the debate, because I feel it is most important that on a matter of this stupendous import we should have the fullest and freest discussion, so that the American people may know the issues which are involved in the program. But I give my wholehearted support to the pending legislation, which provides for the extension of the ECA program, and I shall sum up by giving a few reasons.

It is the most stupendous economic experiment in all history. It involves a calculated risk. We took it with our eyes open, as a choice of positive action or of doing nothing for the rehabilitation of the world.

I think I can allege, without fear of contradiction, that the first year's experience and performance has been a brilliant success. Many mistakes have been made, but no one could have foreseen what would have to be done. It involved the establishment of the organization, marked by a tolerant spirit, courage, and true Americanism. It has been a great success; and I want to pay tribute to those who participated in it, and especially to Mr. Hoffman and Mr. Bruce, who have been the hubs of the entire movement. To me it has been a practical carrying out of a great vision. We regret that Russia did not come in. As I said earlier in my remarks, General Marshall wanted Russia and the satellite countries to come in. If they had come in, we would have had a chance to move in other areas. What we have done is to give a practical answer to the unification of Europe by economic aid and self-development as opposed to the historic attempts of Napoleon, Bismarck, Kaiser Wilhelm, Hitler, and Mussolini, by force of arms. If we succeed, it will be the most stupendous accomplishment in all history, because the other attempts, as we all know, failed.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield to my good friend from Maine for a question.

Mr. BREWSTER. I should like to ask the Senator a question. Would the Senator favor giving aid to nations which refuse to cooperate with the United Nations?

Mr. SMITH of New Jersey. I know the Senator is asking me with reference to a matter which is very close to his heart, and I sympathize with him, but I think it would be a mistake for the United States unilaterally to attempt to enforce whatever action may be taken by the United Nations. I think that is a program which is now before the United Nations, and I understand the question is being satisfactorily settled. I think it would be a mistake for us to say that, single-handed, we should try to deal with the question by withholding aid.

Mr. BREWSTER. Mr. President, will the Senator yield further for a question on another topic?

Mr. SMITH of New Jersey. Yes.

Mr. BREWSTER. In connection with the balance of payments of Britain, discussed by the Senator from Nebraska [Mr. WHERRY], there were reports, and I should like to inquire whether the Senator from New Jersey has explored them, that with the exchange which was made available under the Marshall plan the British were able, in large measure, to buy up the entire Australian wool clip, and were using it primarily to aid in the solution of their own problems. Has that fact come to the Senator's attention, and has it been explored?

Mr. SMITH of New Jersey. It has come to my personal attention. I do not think that it has come before the committee at all. Possibly it should be explored, I grant that.

Mr. President, in conclusion, let me sum up what I have tried to say today.

The extension of the ECA program and the authorization for the funds for the rehabilitation of Europe for the second year of the operation of the plan is and should be a definite endorsement by the Congress of the United States of the successful initiation of the plan under the able administration of Messrs. Paul Hoffman and Howard Bruce, the Administrator and Deputy Administrator, and their able corps of assistants.

Taking the so-called Marshall plan as a whole with its termination date in 1952, we can properly characterize it as the most stupendous economic experiment in all history. It is another milestone in the program for world peace initiated in the Dumbarton Oaks conferences, carried on even before VE-day and VJ-day and leading to the ratification of the United Nations Charter, and the attempt at least to organize the world to solve its problems by the rule of law rather than by the use of force.

The Marshall plan, as one of the steps in that progress, is the practical carrying out of the American vision of a united world, and it seeks the uniting of Europe by mutual self-help and economic rehabilitation, as opposed to the historic attempts to unite Europe by force made by Napoleon, Bismarck, Kaiser Wilhelm, Hitler, and Mussolini. The Communists have sought to destroy the American purpose by creating confusion and disintegration, and thus have precipitated the cold war. But I am confident that the challenge of the Marshall plan, stressing as it does, mutual aid, self-help and unity of the European nations, will be a definite block to the creeping paralysis of communism which the world today so desperately fears.

The passage of this legislation, continuing the program so brilliantly begun, will definitely tell the world that America is united in its support of the spirit and purpose of the United Nations movement for cooperative action to preserve the peace.

Mr. JENNER obtained the floor.

Mr. WHERRY. Mr. President, will the Senator yield so that I may suggest the absence of a quorum?

Mr. JENNER. Yes; I yield for that purpose.

Mr. WHERRY. Mr. President, I suggest the absence of a quorum, without depriving the Senator from Indiana of the floor.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Holland	Morse
Anderson	Humphrey	Murray
Baldwin	Hunt	Myers
Brewster	Ives	Neely
Bricker	Jenner	O'Conor
Bridges	Johnson, Colo.	O'Mahoney
Byrd	Johnson, Tex.	Pepper
Cain	Johnston, S. C.	Reed
Capehart	Kefauver	Robertson
Chapman	Kem	Russell
Chavez	Kerr	Saltonstall
Connally	Kilgore	Schoeppel
Cordon	Knowland	Smith, Maine
Donnell	Langer	Smith, N. J.
Douglas	Lodge	Sparkman
Downey	Long	Stennis
Ecton	Lucas	Taft
Ellender	McCarran	Taylor
Ferguson	McCarthy	Thomas, Okla.
Frear	McClellan	Thomas, Utah
Fulbright	McFarland	Thye
George	McGrath	Tobey
Gillette	McKellar	Tydings
Green	McMahon	Vandenberg
Gurney	Magnuson	Watkins
Hayden	Malone	Wherry
Hendrickson	Martin	Wiley
Hickenlooper	Maybank	Williams
Hill	Miller	Withers
Hoey	Millikin	Young

The PRESIDING OFFICER. Ninety Senators having answered to their names, a quorum is present.

Mr. JENNER. Mr. President, I am not one of those who adheres to a bipartison foreign policy. I oppose the continued squandering of the material and financial resources of our country in a foreign spending scheme labeled "for recovery purposes."

Spending in Europe is no longer needed for recovery. The money will be expended only for relief and not for recovery.

For proof of this statement we need only refer to the recent remarks of Mr. Christopher Mayhew, English statesman, who reported that England has accomplished its recovery and now was engaged in a series of great social experiments.

Mr. President, I do not believe it is the American taxpayer's duty to carry on the so-called experimentation of the Labor Government in England. In our country our people have to pay for their babies. They pay for their hospitalization. If they want a hearing device they pay for it. If they want false teeth they pay for them. In England, if individuals are unfortunate enough to have lost all their hair, which I am fast doing, they obtain free toupees, but in America individuals who have lost their hair must pay for toupees. So I believe the time has come to draw the line between what is necessary and what is unnecessary.

Mr. MILLIKIN. Will the Senator yield?

Mr. JENNER. I yield.

Mr. MILLIKIN. What would make a man so depraved that he would want to cover an honest bald head with a toupee? [Laughter.]

Mr. JENNER. The answer to that question, Mr. President, is, I presume, that the reason motivating bald Englishmen is that they can get something for nothing. In England a baldheaded man

can get a $50 toupee which the American taxpayer pays for, and therefore he wants to cover up.

Mr. MILLIKIN. Mr. President, will the Senator yield for another question?

Mr. JENNER. I yield.

Mr. MILLIKIN. Can the Senator tell me why anyone would want to disguise an honest bald head by slicking over?

Mr. JENNER. I do not know. But, as the Senator must be aware, the English are pretty good at all kinds of disguise.

Mr. President, the American taxpayer is financing these great social experiments, financing the purchase of false teeth, of toupees, and every other form of socialistic experiment the mind of man can conceive.

No one has questioned the truth of Mr. Mayhew's statement. The only criticism voiced in England of his untimely revelation was that Mr. Mayhew "said the right thing at the wrong time and in the wrong place."

Mr. President, I announce that I am not one who adheres to the so-called bipartisan foreign policy. I do not believe in bipartisanism. I am a firm believer and stanch supporter of the two-party system, and I am of the firm opinion that had the Republican Party taken the issue of foreign spending to the people in the 1948 elections, there would have been a far different result from the balloting.

It is a function of the minority party to call to the people's attention the weaknesses and the shortcomings of the majority party.

Mr. President, how long can our country afford to pour out billions upon billions for this scheme on foreign relief—this scheme which is supposed to bolster not only our own domestic economy but the economy of the entire world?

There is a limit to the source.

As ex-President Hoover testified only a few weeks ago before the House Ways and Means Committee, we have reached the saturation point in taxation. We cannot continue to pluck the feathers from the golden goose and still have feathers.

Now we are asked to dig into the pockets of the American taxpayer for another $5,580,000,000 to finance Europe. I was happy to listen to the address of my distinguished colleague from Indiana [Mr. CAPEHART] last Friday. I commend him for his desire to save $3,000,000,000 for the taxpayers of America. I am always in favor of saving money for the taxpayers, but why stop at $3,000,000,000, Mr. President? Why not save all of it?

For almost a year now the Economic Recovery Administration has doled out American dollars and has given the American people a lot of double-talk about the splendid program which it has been administering. The ECA program, or ERP, as I prefer to call it, has been heralded as a boon to business.

It is now called the ECA program. As it originally started it was called the European Recovery Program; but I can understand why the name was changed from ERP to ECA. ERP does not sound too well, and this program does not sound too well when it is analyzed in all its ramifications.

Just who is being helped in America by this gigantic spending scheme? Are the little-business men getting any of these Marshall-plan dollars? The backbone of American business is the small-business man. Is the small trader being aided? If you operate a small business in the United States, I defy you to get any information from the ECA as to the possibility of sale of your product in the Marshall-plan scheme.

Who, then, Mr. President, is being aided?

It is big business, those vested interests over whom our President sheds so many crocodile tears—the gluttons of privilege, the bloated plutocrats. I repeat, only the big companies get any business out of the Marshall plan.

Small- or medium-sized business cannot get any information about what Marshall-plan countries are buying. What information ECA permits to trickle out is issued after contracts have been signed.

Only recently a high ECA official was quoted as saying:

> You must realize that at no place in the act is ECA directed to aid American businessmen. Therefore, we have no legal obligation.
>
> Also, as a matter of operating policy, we leave it solely to the Marshall-plan countries to decide what they are going to buy—whether in the United States or elsewhere—and from whom they are going to buy. We do not—and will not—even make any suggestions along these lines.

I am informed, Mr. President, that when ECA opened its doors for business last year, 17,000 business firms wrote to ask how they could get some business out of the Marshall plan.

It will be remembered that we were told on the floor of the Senate that it would bolster our domestic economy. Let us see. Their inquiries were answered by a printed pamphlet, a copy of which I hold in my hand. It is entitled "American Business and European Recovery—Second Edition," and is issued by the Economic Cooperation Administration, Paul G. Hoffman, Administrator. I defy anyone to read this booklet as a businessman and find any useful information therein.

For example, on page 6, under the heading, "Whom the American exporter should contact," there is this very unrevealing information: It suggests that American businessmen contact, first, foreign private importers; second, foreign government missions; and, third, United States Government procurement agencies.

That is about the sum and substance of the information provided in this booklet. The main purpose, it seems to me, was to provide an excuse to publish a list of names of persons who are associated with the ECA. In other words, it is a lot of double talk, but of no practical use to the American businessman.

I have judged, Mr. President, that American small business is being bypassed, even actually ignored, in their desire to participate in ECA business.

Mr. MARTIN. Mr. President, will the Senator yield for a question?

Mr. JENNER. I yield for a question.

Mr. MARTIN. Could not that situation be remedied by an amendment to the bill providing facilities for the small-business men of the United States to get some of this business?

Mr. JENNER. It not only could be remedied, but it should be remedied by an amendment to this authorization bill before its passage.

I have here a press release from the Economic Cooperation Administration dated March 22 which reveals an amendment to regulation 1 on prices paid for ECA-financed transactions was being drafted to guide buyers and suppliers in their negotiations. The release states that 21 representatives of private industry discussed the amendment with ECA officials. Who were these representatives of private industry. Listen, Mr. President. Listen, small-business men of America. The list of conferees look like a Who's Who of big business. Here are some of the firms represented: Procter & Gamble Co., Wilson & Co., Standard Oil Co. of New Jersey, Tidewater Associated Oil Co., International, General Electric, United States Steel Export Co., Continental Grain Co., American Smelting & Refining Co., International Harvester Co., and John Deere & Co.

Perhaps it is all right—I do not know—but last year one firm, the Clayton-Anderson Co., sold to the ECA countries $800,000,000 worth of cotton. What a break that gives the American small-business man.

Mr. MARTIN. Mr. President, will the Senator yield for another question?

Mr. JENNER. I yield for a question.

Mr. MARTIN. Does the Senator from Indiana realize that there are 3,600,000 businesses in America which are operated by an average of two and one-half persons each, and that they employ two-thirds of all the people of our country; also, that they have a small-business organization representing them? Was there any representation from that small-business organization?

Mr. JENNER. None whatever.

Mr. MARTIN. Does the Senator believe that if we could place in this bill a provision for a bureau to look after small business that would take care of the situation?

Mr. JENNER. I think it is essential, as I stated a while ago. I think it must be done, and should be done in this authorization bill which is now before the Senate.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. JENNER. I yield for a question.

Mr. CONNALLY. I assume that the Senator does not wish to be inaccurate or unjust. A while ago he stated that Anderson, Clayton & Co. had sold $800,000,000 worth of cotton to the participating countries.

Mr. JENNER. That is correct.

Mr. CONNALLY. I wish to ask the Senator a question: Does he not know that, for the last year, ECA financed—it does not buy or sell; it finances—$358,000,000 worth of cotton to all the countries in the Marshall plan.

Mr. JENNER. Does that include all that was delivered, or does it include the cotton purchases under the $3,000,000,000 that is in the pipe line?

Mr. CONNALLY. No; it includes everything.

Mr. JENNER. Then, apparently I am wrong in my statement; and if I am, I apologize, and am very sorry.

But these figures have been brought out time and again before now. I think it will be found that we shipped that much cotton, and that the brokers for the cotton were Anderson, Clayton & Co. I think it will be found that their shipments of cotton in foreign trade last year amounted to $800,000,000 worth.

Mr. CONNALLY. I should like to ask the Senator one other question.

Mr. JENNER. Yes.

Mr. CONNALLY. Does the Senator from Indiana know that from September 1, 1948, to December 1, 1948, Anderson, Clayton & Co. did only 9 percent of the business in cotton with these countries?

Mr. JENNER. With the European countries?

Mr. CONNALLY. Yes.

Mr. JENNER. Under the Marshall plan, or in our European trade?

Mr. CONNALLY. No; under the Marshall plan.

Mr. JENNER. The same gentleman who apparently is now furnishing the senior Senator from Texas with information was in conversation with me the other day on this subject, down the hall, in a room to the right; and these figures came up, and he verified the fact I have just mentioned, but explained that Anderson, Clayton & Co. would have gotten the business in any event, regardless of the Marshall plan. So I would be interested in having the Senator from Texas inquire of his friend when he changed his mind about the figures.

Mr. CONNALLY. My information is that no specific figures were verified, but that the person to whom the Senator from Indiana refers simply said that Anderson, Clayton & Co. were doing business just as they had always done business in those countries.

Mr. JENNER. Yes; and I do not like it.

Mr. CONNALLY. The Senator does not like it?

Mr. JENNER. I want the small-business man to have a break because he is the backbone of this country.

Mr. CONNALLY. The cotton business is one in which the small-business man is perpetually active. The big-business men simply buy cotton from the small-business men and export it. The small-business men cannot do anything except through the regular channels of trade. I think I have heard the Senator from Indiana say, "We want to preserve the normal channels of trade. We want to preserve the methods of private enterprise."

Mr. JENNER. Yes; but we are getting might tired of trading hams for wieners. [Laughter.]

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. JENNER. I yield for a question.

Mr. WATKINS. Who is the Mr. Clayton who is connected with the firm which has been mentioned?

Mr. JENNER. That is Will Clayton, formerly Under Secretary of State, I believe.

Mr. WATKINS. Was he one of the advisers of the group mentioned?

Mr. JENNER. I am not positive about that, but I would assume that he had somebody hanging around the edges.

Mr. CONNALLY. Mr. President, will the Senator yield again?

Mr. JENNER. I yield for a question only.

Mr. CONNALLY. I am surprised at the way——

Mr. JENNER. I object, Mr. President; I yield for a question only, not for a speech.

Mr. CONNALLY. Then I ask a question: Does not the Senator from Indiana know that Mr. Clayton has no governmental connections at all now, unless it be as an unpaid adviser now and then to the Secretary of State?

Mr. JENNER. I do not think Ed Pauley has any Government connections now, but nevertheless he has had, and so has Mr. Clayton.

Mr. CONNALLY. Mr. President, I do not think the Senator from Indiana is responding to my question. Is it any crime to come from my State? Is it any crime for an honest man to be a success in business?

Mr. JENNER. Absolutely not.

Mr. CONNALLY. Is it any crime to belong to a party to which the Senator from Indiana does not belong?

Mr. JENNER. Absolutely not. If it is a crime to belong to a party to which I do not belong, then many people have been violating the law for about 20 years.

Mr. CONNALLY. I trust that they will continue to violate it in the same way that they have been violating it in the past.

Mr. JENNER. I trust that they will not.

Mr. CONNALLY. In other words, by keeping certain people out of the Government.

Mr. JENNER. Mr. President, this will explain to the Senator from Texas what I am talking about——

Mr. CONNALLY. Mr. President, if the Senator will yield, let me say that I am getting tired of having men like Mr. Clayton abused and denounced on this floor simply because they come from my section of the country. There is not a more honest, more capable, and better citizen in Washington, nor has there been in the past, than Mr. Clayton.

Mr. JENNER. Mr. President, I do not differ with the opinion of the Senator from Texas; I am merely trying to point out the fact that under this Marshall-plan program, the big business concerns—the monopolies, so to speak—over which we shed crocodile tears, the "gluttons of privilege" the President of the United States made his campaign on last fall, are the people who are getting the big end of the Marshall-plan business; but the backbone of this country, the small-business men, are being penalized, and cannot even learn from the Department the truth as to where they can even make sales. I am getting tired of that kind of conduct, if the Senator from Texas please.

Mr. President, my opposition to this so-called bipartisan foreign policy is strengthened every day. Instead of a bipartisan policy, I consider it to be a policy which leaves the Republican Party and the American taxpayer holding the bag.

I have said that if in the 1948 Presidential campaign the Republican Party had taken a firm stand against these foreign-spending schemes, the people would have voted against them in no uncertain terms.

One need only refer to the election of 1920, when the League of Nations was the outstanding issue. At that time the Republican Party under the able leadership of William E. Borah, of Idaho; Henry Cabot Lodge, of Massachusetts, the distinguished forebear of our colleague in the Senate today; Hiram W. Johnson, of California; my distinguished predecessor in the Senate, the late James E. Watson; and other Senators took a firm and determined stand against membership in the ill-fated League of Nations.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. JENNER. I yield for a question.

Mr. LODGE. Is it not true that some of the Senators whose names the Senator from Indiana has just mentioned favored United States membership in the League of Nations with reservations, but those reservations were not acceptable to the then President of the United States?

Mr. JENNER. I think that is correct; and they took that issue to the people in the campaign of 1920, and the people voted overwhelmingly to maintain the American policy of refusing to meddle in foreign entanglements.

We had just emerged from World War I, and already the seeds of "One World" were beginning to grow. Today they are in full bloom. We are committed to membership in United Nations.

Soon we shall be debating the North Atlantic Pact, which I confidently believe will be the forerunner of North African pacts, South African pacts, Middle East pacts, this pact, that pact, and the other pact, plunging the United States deeper and deeper into the hatreds and jealousies and diplomatic maneuverings of the countries of the Old World.

Today there are those who still charge that the band of intrepid Senators who defied Woodrow Wilson, the President who demanded acceptance of the League of Nations Covenant without the dotting of an "i" or the crossing of a "t," are responsible for World War II. Senators have heard it said many, many times. That charge, Mr. President, I challenge. Our present-day troubles began November 16, 1933, when our Government suddenly and ill advisedly, to say the least, recognized the Union of Soviet Socialist Republics on an equal footing in the family of nations. From that time forward, even including today, secret diplomacy has been the rule, not the exception.

In his attitude of "papa knows best," the late President of the United States, the creator of the New Deal, made commitment after commitment, many of which are only now being exposed to the pitiless light of publicity.

The entire world ridiculed and condemned Mr. Chamberlain for his ap-

peasement of Hitler in the Munich Pact, by which he hoped to achieve "peace in our time." But who is there to condemn the attitude taken by our own Government in its appeasement after appeasement conference with Uncle Joe Stalin?

We sat at Tehran, at Yalta, at Cairo, at Quebec, at Potsdam, and dealt all the tickets to him, saying to Stalin, "You take it, Uncle Joe; we will pay for it." Since the war has ended, we talk about helping European nations get on their feet. We pour billions of dollars of the American taxpayers' money into Europe. "Old Joe ain't no bad fellow." He has taken $12,000,000,000 out of Europe in war reparations. "You can't get even, boys." It was brought out here this morning that we ratified a treaty with Italy, making Italy pay Russia millions upon millions of dollars in war reparations. Then we turn around and send American taxpayers' money to Italy to keep her from going communistic. It is silly. It will not stand up. It is going to break this country. It is going to destroy the last bulwark of freedom. Continuance on the present course will destroy the only thing in the world today that can stop Russia, if she starts on a determined aggression—that is, the United States of America. Bankrupt her, and Russia will not be required to fire a single shot. She will march up and down our streets unopposed, and our socialistic friends in Europe will run to her like rats leaving a sinking ship.

That Chief Executive, the instigator of the Russian-appeasement policy, who assumed tripartite powers, executed one secret commitment after another, even in violation of his own brain child, the Atlantic Charter.

Let me quote from William C. Bullitt, former Ambassador to England and Russia, as published in the American Mercury of June 1947, page 646, under the title "Can Truman Avoid World War III?" Mr. Bullitt wrote, and I quote:

> By what enormous error of judgment have we garnered such a poisonous fruit of victory? The answer is clear. When our Government began in 1941 to treat the Soviet Union as a peace-loving democracy instead of as a predatory, totalitarian tyranny, it made one of the most disastrous errors in the history of the United States. We based our foreign policy on the exact reverse of the truth.
>
> While our soldiers, sailors, and aviators were fighting with superb skill and courage, our foreign policy was being handled with ignorant and reckless disregard of the vital interests of the American people.
>
> We did nothing whatsoever to guarantee ourselves against the possibility—which was, in fact, a certainty—that Stalin's totalitarian dictatorship would turn out to have the same aim of world conquest as Hitler's totalitarian dictatorship.
>
> At the conferences of Tehran, Yalta, and Potsdam, we continued to give Stalin what he wanted, hoping that in the end he would turn out to be an amiable, peace-loving democrat.
>
> Even Secretary Byrnes when he took office in the summer of 1945, was imbued with the idea that he "knew how to get along perfectly with Stalin," and it took many months for him to learn Stalin would not stop of his own free will, but could only be stopped.

In further proof, Mr. President, that the failure of America to join the League of Nations——

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Iowa?

Mr. JENNER. I yield for a question.

Mr. HICKENLOOPER. I wonder if the Senator feels that there might be a continuation of the policy within the administration, believing that it has the ability to get along with subversive elements who may still be on the pay roll of the United States Government?

Mr. JENNER. I may answer the Senator by saying I do not know what to expect. In the middle of the last political campaign the Chief Executive of the Nation was willing to chuck the policy we have been following, even that which we were following under the Marshall plan and under the United Nations, to forget our good friends to whom we refer to as allies, and hint that he was going to send Chief Justice Vinson to Europe to sit down and figure it all out with "Joe." There is again talk of that. There is also talk that it will not be long until we will buy off Russia with a $10,000,000,000 loan. I do not know what to expect. When the Senator refers to our foreign policy, I merely say we would have to have the agility of one affected with St. Vitus dance to remain in sight of our foreign policy. It shifts as the shifting sands.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Iowa?

Mr. JENNER. I yield for a question.

Mr. HICKENLOOPER. I am afraid I did not make myself clear, so I shall put it a little more bluntly and succinctly. I wonder if the Senator believes we have cleaned all the subversive elements out of the administration of the American Government up to this time?

Mr. JENNER. Of course, what the Senator might say about that would not amount to anything, because he would be talking about a "red herring." But recently one was uncovered in the Justice Department downtown, and I keep hearing about others in many other Government agencies. It is my personal opinion that if the truth were known, this whole city is crawling and creeping with them. J. Edgar Hoover has told us there are literally thousands upon thousands of Communists and subversives in this country. The Committee on Un-American Activities last week issued a report stating it was their opinion that there were 825,000 in this country. I want the Senator to know that that is a larger number of actual Communists than there are in Russia today.

Mr. McMAHON. Mr. President, will the Senator yield for a question?

Mr. JENNER. Yes; I yield for a question.

Mr. McMAHON. Is the Senator aware of the fact that the Federal Bureau of Investigation has just completed an investigation of all employees of the Federal Government, and is the Senator aware of the percentage of employees who resigned as a result of the investigation?

Mr. JENNER. No, I am not. I read the figures a while back. Some employees resigned rather than take a loyalty test. I read that.

Mr. McMAHON. Of the 2,000,000 employees of the Federal Government who were investigated, I am not certain at this moment of the number found whose loyalty was questioned, but I think it was less than one-tenth of 1 percent. I will say that is too many. I am glad we had the investigation and glad we got rid of those employees; but I will say also to the Senator that the result of the investigation is not consonant with the Senator's assertion that Washington is creeping and crawling with Reds.

Mr. JENNER. I do not have the facts and figures. I wish I did have them. I wish we knew how many there are in the Government, in our universities, just where they are located, and what they are trying to do. But if as a result of this foreign-policy program we bankrupt this Nation, they will spring up regardless of how many there are, from our universities, our schools, our churches, our Government, and our labor unions, and the very thing we are trying to stop in the world will take this country over. Do not let anyone say it cannot happen. If there should be 15,000,000 persons hungry, as happened in what the Democrats like to call the Hoover depression, we would not need to worry about the North Atlantic Pact, any Middle East pact, or any other pact; this great, free country would be ready for socialism overnight.

Further proof, Mr. President, that the failure of America to join the League of Nations was not responsible for World War II, but that it was deliberately planned, is given in the revelations by Charles A. Beard in his work entitled "President Roosevelt and the Coming of the War, 1941," published by Yale University Press, in 1948. I quote, from page 517 of that volume, extracts from Mr. Stimson's diary submitted to the Joint Committee on the Investigation of the Pearl Harbor Attack.

I read the excerpt from Mr. Stimson's diary for November 25, 1941:

> Then at 12 o'clock we went to the White House. * * * At the meeting were Hull, Knox, Marshall, Starke, and myself.
>
> There the President * * * brought up the event that we were likely to be attacked, perhaps (as soon as) next Monday, for the Japanese are notorious for making an attack without warning, and the question was what we should do.
>
> The question was how we should maneuver them into the position of firing the first shot without allowing too much danger to ourselves.
>
> It was a difficult proposition.

Mr. President, I do not intend to enter into a long dissertation on the causes of World War II, but I do charge, and I defy successful contradiction, that one-man diplomacy and secret commitments, combined with lack of a continuing and

forceful foreign policy, plunged America into the greatest conflict in history, the cost of which we are paying today, and which will continue to be paid by our children, by their children, and by their grandchildren.

The Marshall plan—or ERP, as I call it—is only one of the items in the gigantic price we are paying for the foolhardy policies which this country has followed since 1933.

There is no crisis in Europe because of the policies of Europe; there is a crisis not only in Europe but in America today, and it is a crisis in honest, forthright leadership.

Mr. President, among the principal reasons given to the American public and the Senate as to the need for European aid was that it was to prevent hunger and starvation in Europe and to halt the spread of communism. The Marshall plan has been in effect for approximately a year, and I want to cite to the Members of this body the fact that in the past year communism has made its greatest strides in the area and the peoples it dominates. So far as feeding hungry and starving persons is concerned, the American people—and I as one of them—are always ready to do that, wherever they exist, at any time. That applies also to Russia.

I should like to point out one specific example of the results which have been obtained with the use of ECA funds last year and the effect upon our own economic welfare. The United States is producing annually approximately 10,000,000,000 pounds of animal fats and vegetable oils. Many of these fats and oils are interchangeable in their use in industry and as human food. For example, cottonseed oil and coconut oil, which we import, compete with butter in the form of oleomargarine and with lard as a shortening and cooking fat. These fats and oils are one of the most highly concentrated foods and are very necessary for a balanced diet with which to maintain the energy of the human body. A pound of fat contains 4,080 calories as compared with 1,270 calories in a pound of lean meat. A pound of butter has almost four times as many calories as has a pound of lean meat.

The Senator from South Carolina [Mr. MAYBANK], in the discussion of Senate bill 548 on February 8, 1949, stated that the fats and oils program under the ECA and other governmental departments was "handled miserably." I might add that the Senator made an understatement. Here are the facts. Let me point out to the Senate what took place.

In 1948, under the various types of controls, we imported approximately 470,000,000 pounds more fats and oils than were allocated for export. The people in Europe during this period were desperately in need of fats and oils. In fact the shortage in many cases caused a condition approaching that of malnutrition. The point I wish to drive home is that inistead of making these fats and oils available for the hungry in Europe, we bought them away from them and prevented them from having a very necessary item of food.

But that is only a small part of what happened. The net import of 470,000,000 pounds of fats and oils created a surplus in the United States and completely demoralized our fats and oils market. As a direct result, the price of lard dropped from 28 cents a pound in January 1948, to approximately 11 cents a pound at current prices. The price of tallow from our choice corn-fed cattle dropped from 26 cents a pound to a current price of 5.5 cents which is below the prices in some of our depression years when we were not confronted with a $42,000,000,000 budget. The price of other fats and oils dropped in proportion.

This drop of approximately 15 cents per pound for our fats and oils forced the producer to take a loss of approximately $1,500,000,000 or about $125,000,000 per month on current production.

A further result of this dislocation in our fats and oils market made it necessary for the packer to penalize the farmer from $5 to $8 per hundredweight on heavy hogs. In addition to making up the loss on lard and tallow, the packer had to pass on some of the loss to the public. The poor American taxpayer, who is furnishing the funds which we so liberally dole out, was forced to pay 10 to 15 cents a pound more for pork chops and other choice cuts of meat than would have been necessary if fats and oils had retained their normal price ratio.

This led to the cry of "high cost of living," and the American consumer rebelled at the market place.

In my opinion this miserable handling of the fats and oils situation was the primary reason for the drop in commodity prices, which has placed us on the brink of a depression, and has sent fear into the hearts of our people. The prices of farm commodities, as Senators know, have dropped over one-third during the last year. The drop in commodity prices, induced by low prices for fats and oils, has reduced our price level approximately 10 percent, and has wiped out approximately $20,000,000,000 of national income. This in turn will mean a reduction of approximately $5,000,000,000 of potential Federal revenue, which we need to pay for the program we are considering here today, and the program of the North Atlantic Pact and all the other pacts we will have to consider if we follow the foreign policy we have been pursuing.

In addition to that, the Government is now being forced to use the funds of the American taxpayer to support the price of peanuts, soybeans, and flaxseed. Yes, the handling of the program has forced Europe to do without the fats and oils, and in turn reduced our national income $20,000,000,000.

With a few more years of that kind of program the United States will be bankrupt, and the funds which we have voted and the lives of our young men in World War II will have been spent in vain.

Our first consideration must be a solvent United States. I have heard the Senator from Pennsylvania on this floor and in the cloakroom almost daily say those very words, that our first consideration must be the solvency of our own United States.

I know that many of my fellow Senators and the American public have been led to believe that we are feeding the world. Let us take a look at the record in 1948.

The farmer is told, "Oh, this program is necessary. We have to have it to keep the prices up."

Our exports of agricultural products totaled $3,540,000,000 and our agricultural imports totaled $3,270,000,000. In other words, our net contribution of agricultural products to the rest of the world in 1948 was $270,000,000, a very small fraction of 1 percent of the total of approximately $60,000,000,000 spent by the American people for food, tobacco, and beverages.

The funds for European aid have been used to donate tools of production which should have been produced in the factories of continental Europe, factories which we deliberately destroyed, and are destroying right today in the British zone.

Certainly no one can have the idea that Britain wants to see Germany a strong, productive nation again, with her industrial potential intact. I admire the Britishers. When people can take a piece of land, a cold, damp island—no bigger than my State of Indiana and crowd 45,000,000 people on it—and can own and control the commerce and the trade of three-fourths of the world for 350 years, I take my hat off to them. I am pleading today that we tear a few pages out of her book and apply to our country the lessons we learn. It would mean a better foreign policy.

Perhaps I should not be making this appeal to United States Senators. Perhaps I should be making the appeal to the people who govern in England, and say, "Boys, don't bleed us white, don't bankrupt us, or you are going to be sorry. Twice in the last 30 years you have cried 'Wolf.' If you bleed us white and yell again, we will not be able to come, because we will not have enough with which to come." Perhaps that is where my appeal should be.

Mr. McMAHON. Mr. President, will the Senator from Indiana yield?

Mr. JENNER. I yield to the Senator from Connecticut.

Mr. McMAHON. The Senator might consider the advisability of making his appeal at the Waldorf-Astoria, where a conference has been in progress among people who do not like the Marshall plan, so-called, and have not any use for the Atlantic Pact. If he will go there he will find himself in complete agreement with those people, because they, like him, are very much against both these proposals.

Mr. JENNER. That is quite a long question, but I shall endeavor to answer it.

I have here an editorial from one of the leading Washington newspapers of last Wednesday:

> Scheduled to arrive in New York aboard the steamship *Queen Elizabeth* today is a man whom most people consider the greatest Englishman alive—the Right Honorable Winston Leonard Spencer Churchill.
>
> There are those who regard him as the greatest Englishman of all time—an estimate which also has its points when you reflect that but for Mr. Churchill the ruler of Great Britain today would quite probably be one Adolf Hitler.

The wartime Prime Minister comes as a private citizen, on a lecture tour of 3 to 4 weeks. His fellow Britons showed their gratitude for his salvage of their national hide by tossing him out of power a few weeks after the German war ended and before Japan's little red wagon was fixed.

Mr. Churchill, in regard to all this, said the other day, "Socialism is getting along fine over here," and then he said, "Thanks to our good American friends. I wonder how long you are going to put up with it."

So I wonder if I need to go to the Waldorf-Astoria. I wonder why it is, when an American stands here and talks facts and figures in which he believes from the bottom of his heart, he is automatically smeared, as it is so easy to do, with such generalities. We have liberals in the Senate, Mr. President. I do not really know what a liberal is, but apparently a liberal can be defined as one who can be extremely liberal with the American taxpayers' money. Then we have what are called conservatives. Perhaps a conservative may be defined as one who tries to conserve the taxpayers' money. But the Senator from Connecticut [Mr. McMAHON] put a world of innuendo into his statement that one who opposed the present program might be working into the hands of the Communists—the gremlins of the Kremlin in Moscow will get you if you don't look out.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. JENNER. I yield.

Mr. McMAHON. It was not the intention of the Senator from Connecticut to intimidate the Senator from Indiana in the slightest. The Senator from Connecticut was simply trying to point out to the Senator from Indiana that at least in two respects he holds the very same opinion about the efficacy and the wisdom of the Marshall plan and the proposed North Atlantic Pact. I gather that the Senator from Indiana does not like either one of them. From what I have been reading in the newspapers I gather that the gentlemen and ladies who are congregated at the Waldorf-Astoria Hotel have as much use for the Marshall plan and the North Atlantic Pact as has the Senator from Indiana. I draw no inferences. I draw no conclusions. I state the facts.

Mr. JENNER. Mr. President, I do not know whether those gathered at the Waldorf-Astoria are a bunch of "red herrings." The President of the United States would know about that. He knows more about "red herrings" and fish of that kind than I do. But I am certainly against the ECA program. I am against it for the very basic, honest, and sincere reason that I believe we are going to destroy at home the very thing we are trying to preserve all over the world—our liberties and our peace. I honestly do not believe that the American Government can do all the things we say we can do for the American people. It is probable that $15,000,000,000 will be spent for local government this year. The Federal budget is $45,000,000,000. God only knows what the North Atlantic Pact and armament for other countries will cost. I do not know what the projected Middle East pact is going to cost us. I do not know what other pacts are going to cost us. I do not have the least idea what the costs will be. But I know that last year, in the peak of prosperity, we had a total national income of $225,000,000,000. I know that, according to the program we followed in connection with fats and oils, and the already known agricultural program, our income this year, on a projected figure, will not exceed $200,000,000,000. I cite to the Senate that all history does not record the fact that a country can dip into its total wealth and take from 40 to 50 percent of it to be used to pay the cost of government and survive as a free people. That is my point.

That doctrine is as American as the editorial says Mr. Churchill is British. I do not find fault with the editorial. I admire Winston Churchill. I admire the British people. They have done a great work in this world for 350 years, and they did it on the basis of one single foreign policy—the policy of doing what was good for England.

Mr. President, I say that, if we want to help Europe, if we want to help stop the spread of communism, the only sensible policy to follow is the policy of doing what is good for America. We have got to keep America strong. We have got to keep America healthy. We have got to keep the American people well educated, well fed. We must keep our country economically sound. We must biuld an air force that is second to none, or we are going to lose the whole show.

Mr. President, I do not like the idea of anyone imputing to me that I am against this program for the same reason that actuates the Communists. Of course, they do not want it.

I read in this morning's newspaper an article from Pravda, I believe it was, which attacked the North Atlantic Pact. Of course if Russia does not want the North Atlantic Pact—and of course she does not—why does she have to come out with an article in Pravda saying she is against the North Atlantic Pact, while that pact is a current problem in our country? My personal belief is that the reason she does so is to bait us, because she knows we are sucker enough to fall for such a thing. She knows that if she takes a position against it Congress will be urged to adopt it. She plays the game just right. She plays put-and-take here. She does not want the Marshall plan. But she knows that she does not have to take any active step, that all she needs to do is to stand still and wait, while America is being bled white, until America becomes bankrupt, and a depression ensues and then Russia can get what she wants without firing a shot. When we are bled white and a depression comes, all she needs to do is to set in motion the forces she has under cover here, and they can march up and down the highways of this Nation and take over, as J. Edgar Hoover warns us.

I now wish to finish reading the editorial:

We can go along with the general view of Mr. Churchill as the greatest living Briton, and maybe the greatest that ever lived.

The chief reason why we respect him so highly is that he always was a Britain Firster. He fought, worked, sweated, and intrigued for his own country and its Empire, and to hell with everybody else.

His greatest achievement under this head was his virtual hypnotizing of Franklin D. Roosevelt, so that Roosevelt did everything he could to get us into Britain's latest war, and helped England substantially long before he succeeded in badgering Japan into the Pearl Harbor attack.

This Churchill feat was extremely tough on us, and our grandchildren will still be paying for it. But it was the kind of thing which Mr. Churchill as a British public servant was duty-bound to do for his own country. America's chief regret, we feel, should be over the fact that we have so long lacked and still lack statesmen as devoted to their country as Mr. Churchill is to his.

And, Mr. President, that is the category to which I wish to belong.

So here's wishing the former and maybe the future British Prime Minister a most pleasant and profitable stay in the United States. He deserves it * * * Only we do hope he won't push Mr. Truman any closer to war than Mr. Truman now is.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. JENNER. I yield.

Mr. LANGER. Is the Senator from Indiana familiar with the fact that during the Spanish-American War the same Winston Churchill who now brags that he is half American, took up arms for Spain, and fought against the United States, and did all he could to defeat us?

Mr. JENNER. My reply to the Senator's question is that I do not blame Winston Churchill for that. He was representing his country. He was doing what he thought was best for his country. My prayer today is that as representatives of the American people we will do that which we think is best for the future peace of the world and for our country.

Mr. President, the funds of the American taxpayer have been used to subsidize the price of food in European nations so that low wage levels could be continued. As a result of these donations at the expense of the American taxpayer, we are laying the foundation for cheap goods.

Under our foreign economic policy of removing tariffs, the principal support for our domestic price level, these goods will flow into the United States, break down our price level and force us into bankruptcy. And, when that takes place, what is the solution offered by the administration?

It is socialism, the Siamese twin of communism, with more Federal agencies; more Federal expenditures; more taxes; more Federal controls and enslavement of the American people.

The tragic results will be the destruction of our American system.

Mr. President, the world totters on the edge of an abyss at the bottom of which is a third and even more destructive world war. I venture to say that every member of this distinguished body on his infrequent visits to his home State is met on every hand with the query, "Are we going to have war with Russia?"

I do not know the anwer to that question. Neither, I assume, does any Member of this body.

I do know that it is recognized on every hand we are going through a cold war with Russia and we are sacrificing dollars, machinery, food, and material of every kind in a desperate effort to ward off the continuing gobbling by the Russian bear of additional territory in its policy of aggrandizement.

Mr. President, our own country, our own leaders, have been a party to the conspiracy which has permitted Russia to gain the place which she holds today in world affairs.

In direct violation of the Atlantic Charter we permitted the rape of Poland; we made it possible for the Red flag of Russia to be hoisted in Korea, in the Kuriles, Czechoslovakia, and the other small nations that have become Russian satellites.

Only Sunday, March 27, came announcement that three world powers are to meet in Washington in about 10 days to divide up parts of Germany. This parley will come after the signatory nations of the North Atlantic Pact meet April 4 to make that treaty as official as it can be without ratification by this body. I am a little suspicious, Mr. President, regarding the forthcoming parley.

I am afraid that "Uncle Joe" or Mr. Molotov or Mr. Vishinsky will be lurking around the edges of this conference to grab off a little more territory which they can add to the already growing power of the U. S. S. R.

Mr. President, I am one of those Middle West Americans who have compassion and every sympathy with suffering humanity. No matter to me and no matter to my fellow Hoosiers whether that suffering comes from the ravages of war, famine, or disaster. The helping hand of Hoosiers, like all Americans, is always extended to aid more unfortunate peoples, no matter where they may be.

There is a vast difference, however, between extending relief and prolific spending beyond our means.

I am going to assume, Mr. President, for the sake of argument that the Marshall plan is necessary.

I am going to assume, Mr. President, that the pouring out of billions for social experiments is necessary. I am going to assume every crackpot theory of the New Deal from leaf raking to pump priming is necessary. But, Mr. President, the question remains in my mind, can America afford it?

We are embarking now on the North Atlantic Pact, which I feel is only the forerunner, as I have said, of other international agreements. I do not want to confuse the issue because we are considering today the ECA, but let me digress for a moment to consider the proposed North Atlantic Treaty.

Mr. President, I do not think it is possible to separate our foreign policy into categories. My basic theory is simply this: All of it may be good; all of it may be necessary, including the Marshall plan, the North Atlantic Pact, and everything else; but I do not believe we can afford it; and if we go bankrupt that is the end of the story. Our liberties and freedoms will disappear.

We all know what has been happening under the Marshall plan. We sent our money over there. The great bulk of it went to Great Britain. No one can honestly say that Great Britain has not made a recovery. Her production today in many fields is well above her total production before the war. How far are we obligated to go in furnishing free toupees, hearing aids, false teeth, free babies, and free funerals, together with a socialized steel industry? How far are we going in digging the coal out of the bowels of our earth and shipping it to England. Last year when England had coal under her own island, under the socialistic government there was no incentive to dig coal, and England was freezing to death rather than digging coal to keep herself warm.

How far must we go in shipping our strategic material such as copper, lead, zinc, coal, and oil to the four corners of the earth, Under certain agreements the Congress authorized the procurement of strategic metals, but Mr. Hoffman and his administration did not use that power, and as a result, the very nations we are asked to help under the Marshall plan have entered into trade pacts with Russia. More than 88 of them are in existence, under which Russia is getting the strategic materials to make war, and we are sending our materials, of which we are in short supply, to Europe to help European recovery, and Europe is sending those very materials on to our potential enemy. We cannot get even that way.

To try to show what I am talking about, only this morning Secretary of the Interior Krug issued a statement. Please do not call me a Communist. Just call me an American. Mr. Krug is our Secretary of the Interior. This morning he issued a warning. I read from the newspaper article:

Secretary of the Interior Krug today warned of an alarming shortage of some of the vital American national resources, and proposed a series of long-term Government investments in order to maintain national strength for war or peace.

He made public an all-out program for conservation, discovery, and development of new resources in submitting his annual report to President Truman for the fiscal year ended June 30, 1948.

To assure future energy and mineral supplies for American industry Mr. Krug recommended:

A 20-year development program of at least 40,000,000 kilowatts of hydroelectric power, 30,000,000 of which would be Federally built at an estimated cost of $12,000,000,000 to $15,000,000,000.

Do Senators see what I am talking about?

There is $15,000,000,000 for the cost of local government, $45,000,000,000 for the cost of Federal Government, $5,000,000,000 for the Marshall plan, an estimated $20,000,000,000 for the North Atlantic Pact, and $12,000,000,000 for the necessary kilowatts to maintain our own economy. How far can we go? Let us not kid ourselves. Let us not kid the American people. How far can we go in maintaining our standard of living? We represent 6 percent of the world's population and 7 percent of the world's area. We have maintained the highest standard of living ever known under God's sun. How far can we go in maintaining that standard of living and still do all these things for people all over the world, all at the same time?

I read further from Mr. Krug's statement. These are not my facts. I did not get these facts from the Communists. I got them from the Secretary of the Interior. I do not know whether he has any Communists in his Department, or whether Communists are advising him. I am merely telling Senators where I got these facts. I continue to read from the news article:

This program would include the St. Lawrence power and seaway project, which the Secretary said was needed not only for power, but also "to bring the newly important iron ore from Labrador and South America to American steel plants."

Quick development of synthetic liquid fuels from shale and coal by private industry, with Government encouragement.

NEED FOR GEOLOGISTS

Employment of every available geologist to speed up discovery of new mineral resources in the United States and Alaska.

Restrictions on the use of scarce basic materials such as copper, lead, and zinc, "to protect the Nation's economy from the effects of critical shortages."

Mr. Krug reviewed all activities of the Interior Department, but it was apparent from the stress he applied that his mind centered on the danger of rapid depletion of mineral resources essential to national defense.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. JENNER. I yield for a question.

Mr. LODGE. Does the Senator know that in the measure we are now considering there is specific provision to enable the United States to acquire the strategic and critical raw materials she needs in order to make up for the threatened deficit of which Secretary Krug speaks, and to which the Senator from Indiana so wisely adverts?

Mr. JENNER. I know that is in the pending bill, but it was also in the bill last year.

Mr. LODGE. This year we have a different provision, which I think will work much better.

Mr. JENNER. O Mr. President, last year we were told that it would be our job to enter into bilateral pacts, and, as a result of giving the requested aid, they would give us the strategic materials for which we were willing to spend millions of dollars to acquire and stock pile. But, instead, we are giving billions of dollars to the ERP countries, and they are sending to Russia steel rails, locomotives, oil refining plants, and various other critical machinery, materials, and everything else. In short, Mr. President, it is the old put and take: We put, and Uncle Joe takes. [Laughter.]

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. JENNER. I shall be glad to yield for a question.

Mr. WHERRY. The question which was asked by the distinguished Senator from Massachusetts should be clarified somewhat, it seems to me, because I interpret the section to which the Senator refers as going away beyond the procurement originally intended under ECA, in connection with the trading or purchasing or stock piling of strategic materials. It seems to me that this measure would provide the necessary authori-

zation for carrying out the fourth plank in President Truman's campaign program, so as to permit the Government of the United States to engage in the procurement of materials and to initiate projects not only to make up for present deficiencies but for potential deficiencies for the next 20 years. So I ask the Senator this question: Does not the Senator feel that is going away beyond the matter of the stock piling of strategic materials, and that it is an attempt to use the funds of the United States to put the world on a socialized program, with the United States doing the procuring?

Mr. JENNER. Mr. President, I think the Senator from Nebraska is going entirely too fast. The first idea was to get the Marshall plan extension legislation passed by the Congress, and then to get the North Atlantic Pact ratified by the Senate, in the pact by which we would trade hams for wieners. Then I suppose there will be a Middle East pact. I do not know just where the New Deal is going to come in; but eventually we shall reach the point where we shall be furnishing milk to the Hottentots.

So I think the Senator from Nebraska is going a little too fast. First we have a request for an authorization; but after that, the crack-down will come; for, after all, the floor to all these plans has been the same in every case. Do you remember, Mr. President, what Mr. Marshall first said when the Marshall plan was first presented to us? He said, "It must be $17,000,000,000. Give me all of that or give me nothing."

But then various Senators said to the President, "Harry, you had better go a little slower; you had better take things a little easier. We are good; we are in favor of the 'bipartisan foreign policy,' but we cannot choke down all of this at once."

So then the administration was willing to take $6,800,000,000 to start with. However, instead of spending that amount, they have spent only $2,000,000,000 so far, which leaves $4,800,000,000 still available, but unspent. Nevertheless, now we are being asked for an extension of the Marshall plan, and this time the request is for $5,400,000,000 for a further period of 15 months, whereas already the recovery in Great Britain is far beyond what the British had hoped for.

O Mr. President, this is a big thing. The American people are entitled to know just what it is.

It will be remembered that first we were asked to provide—and we did provide—$6,000,000,000 for the Bretton Woods Agreement. That was to stabilize the currencies of the nations of Europe and to get the recovery job abroad going. But that was a fizzle.

Next we had UNRRA. Under UNRRA the first thing we knew, American locomotives which we sent to some of our European friends were sent by them to Russia; and when the Russians got them they put Uncle Joe's picture on them, and ran them up and down the railroad tracks beside the streets, and the Russian people thought they were locomotives that had been built by Uncle Joe himself. [Laughter.] So UNRRA turned out to be a fizzle.

Next we were confronted with the request for the British loan. We were told, "This will do the job; it will stop the Communists, and everything over there will be lovely." That took about $4,000,000,000, but the great bulk of it went for cigarettes, cold cream, and movies, which certainly have a great deal to do with the recovery of a nation. Those funds were to last Britain 4 years; but, if my memory is correct, they were used up within 18 months. So something else had to be done; and we were presented with the Marshall plan. Now we are to have the North Atlantic Pact, and perhaps next we shall be faced with a Middle East pact.

So I say to the Senator from Nebraska that he should wait a little, and probably soon the point he has mentioned will be reached. Perhaps we shall come to that in an election year; we never can tell.

Mr. KEM. Mr. President, the Senator should have in mind the fact that the cost of Bretton Woods was $6,000,000,000.

Mr. JENNER. Yes; I am trying to forget it, but I have it in mind. [Laughter.]

We never read in the newspapers the facts and figures I have been talking about. I do not know why that is. But I do not have to be a high-salaried newspaper columnist or a not-quite-breathless radio commentator to be able to predict ratification by the United States of the North Atlantic alliance. The moves of the Kremlin have already helped to assure its approval. The meeting in New York City, to which the Senator from Connecticut [Mr. MCMAHON] referred, is indicative of the situation, because we seem to be told, "The gremlins of the Kremlin will get you if you don't watch out."

Mr. KEM. Mr. President, will the Senator yield?

Mr. JENNER. I yield for a question.

Mr. KEM. I understand that the Senator from Connecticut, who asked that question, has certain ideas of his own about the atomic bomb and about sharing its secrets with the rest of the world.

Mr. JENNER. Yes.

Mr. KEM. I should like to ask the Senator if those same views are shared by the gentlemen who now are meeting in the Waldorf-Astoria? I refer to the meeting to which reference has already been made.

Mr. JENNER. Yes; I think they are. Of course, mention was made the other day about the great care which has been taken in connection with loyalty checks, and about how carefully advice was taken from the security officer in regard to whether a certain man should receive secret information. The field is so large, the misinformation is so great, the whole picture is so obscure, and the American people are so misinformed, that I wish to say, "again and again and again," that I do not believe we can do all these things all over the world, all at the same time, without going bankrupt.

Is not the proposed North Atlantic Pact a reversal of traditional American policy? I cannot separate the North Atlantic Pact from the Marshall plan because both of them will cost us a great deal. Both of them relate to what I am talking about, I refer to the entire projected program. Will not this be a reversal of the traditional American policy? Is it not exactly what the long-range planners of the Kremlin really want? Is not their prime objective to bankrupt the United States and to win a cold war without even firing a shot? Already since the end of the war they have taken under their jurisdiction and power more than a billion people. They have obtained greater power and more territory until now they control half the world; and they have gained all that without firing a shot.

I am not necessarily flashing a mandatory stop light in examining this subject today, but I certainly am turning on a great big amber caution light, which should shine as brightly in the face of every American as an antiaircraft searchlight. When confronted with the North Atlantic alliance, per se, in view of all that is at stake in connection with it, so far as we are concerned, our people still might be tempted to put a brake on the slide of our Republic toward bankruptcy. I have no doubt that the North Atlantic Pact will be ratified and that the Marshall-plan legislation will be passed, because men say we have a moral commitment. But let us put the searchlight on them before we throw our Nation into bankruptcy or let it slide there. It is inevitable that the North Atlantic alliance will cost us a tremendous amount. The figures again are away up in the billions of dollars. The boys in the Pentagon estimate that we would have to have from 40 to 60 divisions in Europe if we were to go into this proposal. It is estimated that it costs from $200,000,000 to $400,000,000 to equip a division of men.

So again, Mr. President, when we come to the North Atlantic Pact and the other rumored pacts, I say—and I am glad to use the words employed by the distinguished Senator from Georgia, "We had better stop and take a look." One billion dollars is the first approach. That figure, standing by itself, looks all right, and may be all right. But let us tell the American people what we are doing when we sign such a pact. Let us tell them we are committing ourselves to a European ground war. Let us tell them that we are committing ourselves to a European ground war, if any of our allies in the North Atlantic Pact are attacked. We will not only go to their aid and defend them, but also agree to maintain them for 20 years. Let us tell the American people that France and England, our brothers that we are helping under the Marshall plan, have already signed nonaggression pacts with Russia—France for 20 years; Britain, for I do not know how long. They say to each other, "We will not commit any overt act against each other, nor will we," they say, "enter into any coalition against each other." But here they come—Bevin and the other boys—to sign the North Atlantic Pact. Let us ask them whose side they are on—who is going to get the $2? If we are committed to a European war, let us tell the American mothers that World War II was a plaything. True, 300,000 boys were killed; true, a quarter of a million were wounded; but Hitler had 220 divisions against Joe Stalin on the Russian front and 5,000,000 German boys were

killed or wounded. Hitler could not whip Josef Stalin. Stalin had 502 divisions in that war. We had only 89 divisions on both fronts. What are 40 to 60 divisions of men going to do in a European ground war, with the most modern equipment in the world, against such a massive land army? They are doomed to utter defeat. It is said, "Give the western European nations enough so they can make a holding action until we get there." Hitler marched through all the Low Countries and into France. France completely surrendered in World War II within 39 days. Let us quit kidding the American people. We know the next war will not be confined to a European ground war. It will not even be confined to a continent. It will be a global war, and the nation that has supremacy in the air, the nation that has the atomic bomb will, the first night, go into the heart of the enemy country. It will not be a matter of fighting outposts in Luxemburg and Belgium and Norway. We had 63 divisions of men on the European front in the last war, yet we thought we were putting forth a total war effort. I do not propose to go any further down the road of blind spending, on the basis of glittering general appeals that we must do this in order to help hungry people and to stop the spread of communism, and create a third great power in Europe to assist in the effort.

Mr. LODGE. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Massachusetts?

Mr. JENNER. I am glad to yield for a question.

Mr. LODGE. Will the Senator tell me where in the North Atlantic Pact he finds one single word that commits us to fight a ground action in western Europe?

Mr. JENNER. I shall read a part of article 5 to the Senator. I may say that ground action is not mentioned in it, but this is in it, that each of the signatories "will assist the party or parties so attacked by taking forthwith individually and in concert with the other parties, such action as it deems necessary"——

Mr. LODGE. Mr. President, will the Senator yield further?

The VICE PRESIDENT. Does the Senator from Indiana yield further to the Senator from Massachusetts?

Mr. JENNER. Just a moment—"including the use of armed forces to restore—" I do not mind that so much; but get the next one—"and maintain." There might be interleaved at that point 20 years—"maintain for 20 years the security of the North Atlantic area"—which runs all the way from Iceland to Africa, and all the way from our shores to Russia's borders.

Mr. LODGE. Mr. President, will the Senator yield for a further question?

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Massachusetts for a further question?

Mr. JENNER. I am glad to yield.

Mr. LODGE. Is it not true that this means we agree to take such action as we deem necessary, and if we do not think ground action is necessary, we do not have to take it?

Mr. JENNER. Then let us not kid the people over there. They think we will take that action. Their foreign ministers and other leaders have issued statements. They are now on their way to America to sign the North Atlantic Pact. They think we are going to take that action, so, if we are not, let us tell them. If we are not going to, why have an army in the program, why build up our Air Force and our own Army and our own Navy?

Mr. LODGE. I think we ought to build up our own Army and our own Air Force and our own Navy. I think we are doing it. Does the Senator think that in World War II the armies of the nations that were allied with us were of any help to us?

Mr. JENNER. Yes. As a matter of fact, I was in that war.

Mr. LODGE. I know the Senator was.

Mr. JENNER. I was over in England. They were certainly of help, just as suggested by the editorial I have read from the Times-Herald, telling about Churchill's position. We went to their aid when they were down and out, as the result of intrigue and cunning and talk about it being for the interests of this country, and about the rules of morality, and other things. Many of them told me, "We are glad you Yanks are here—but where have you been? You waited a year to get here." Under the proposed pact, we would not wait a year; we would go forthwith; and we would go with an armed force, if necessary.

Mr. LODGE. If we think it necessary.

Mr. JENNER. I think it is silly for us to try to commit ourselves to a ground war in Europe when we demonstrated in the last great war that Russia, because of its manpower, could not be conquered in a continental war. Hitler could not do it, and Hitler had the unqualified support of his entire nation. He had a great military machine. He had supremacy in the air. He had 220 divisions. If we are to enter into the kind of commitment proposed, the people of this Nation might as well be told to prepare for universal miiltary training, to get ready to make an armed camp out of the country, and, tragically, to turn it over to a military dictatorship. If we do not mean what we say, let us not sign the pact.

Mr. LODGE. If the Senator will permit, I may say I would agree with him it would be the worst kind of folly from our standpoint and from the standpoint of the nations of western Europe for us to commit ourselves to fight any particular kind of military tactics. To me it is very clear that the pact does no such thing. It would be very much against the best interests of the nations of western Europe if we did. We would be sticking our head into a noose.

Mr. JENNER. What does the Senator think we are going to do?

Mr. LODGE. We are going to react in the most effective way we can.

Mr. JENNER. What is that most effective way?

Mr. LODGE. We cannot tell until we have to act.

Mr. JENNER. The Senator will admit we must give them arms and equipment. Is not that correct? Is not that admitted by Secretary of State Acheson and the military leaders and everyone else?

Mr. LODGE. I am glad the Senator asked that question. Yes, I think we are going to—and we should—furnish them with a certain quantity of arms. I think that to furnish them with arms for 40 or 60 divisions is perfectly absurd. I do not know where the Senator got that figure. To me it takes no sense whatever. My belief is that in all the development of western Europe through the Marshall plan economic recovery of Europe must have priority; and if it is going to have priority, then that means of course that the manpower of Europe is not going to be taken out of civilian pursuits to build up an army with 40 divisions.

Mr. JENNER. Why, of course not; and they do not plan to do that. So the Senator has admitted to me, at least, he would have us send equipment to Europe. What is going to happen to the equipment? The answer is, Russia will walk in and take it over the week end, and turn it against us. I say we had better watch our arsenal, we had better keep our powder dry.

Mr. LODGE. Let me say to the Senator, we sent equipment to the British, we sent equipment to the Russians. The Germans did not get it. If we make the proper kind of guess, and if our judgment is right, there is no reason why Russia should get our equipment.

Mr. JENNER. I will go a little further than that in my remarks.

Mr. LANGER. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from North Dakota?

Mr. JENNER. I yield for a question.

Mr. LANGER. Has the Senator read the speech by Secretary of State Acheson wherein he stated that of the equipment we sent to China during the last 2 years, the Communists now have nine-tenths of it?

Mr. LODGE. I think it is deplorable and tragic, and I agree with the Senator from Indiana as to the calculations that we made at the end of the hostilities of World War II. They were absolutely tragic in character, and we can never regret profoundly enough the fact that we were so completely unprepared for the end of hostilities. But we must look ahead in a realistic manner and not try to hash over the dead past.

Mr. JENNER. But the Atlantic alliance will not be without tremendous cost to us, in billions of dollars, and there will be more and more alliances.

Mr. President, just as France has been bled white by past wars, so the United States is to be bled white by the fear of the next war. And what do we get for the North Atlantic alliance? The same thing that a stepfather gets when he captures the desperate love of a widow and her big ready-made family of undisciplined hungry and unpredictable kids.

If we fail to provide for our new wards we are guilty of criminal negligence. We also lose the love of the widow. If we are able to provide for them they automatically become ingrates hating us because we helped them and waiting impatiently until the day when they can go

out into the world on their own. Then they will go after us with unprecedented fierceness, competing for our markets, tripping us every time we make a move that can be construed as conflicting with their interest, and in general scorning the temporary refuge that they found in our generous and well-intentioned paternalism.

If Senators doubt that, I have here a clipping which I cut from one of our newspapers a few days ago. It concerns a meeting attended by a group of representatives of western European nations. Sir Stafford Cripps was there, and he said:

> Listen. Get this straight. In our business dealings with the United States this coming year, we must cut down doing business with them.

He recommended a flat across-the-board percentage for all countries. These are our allies—that big, hungry bunch of kids I have been telling about. They turned Sir Stafford Cripps down on his flat percentage, but all agreed that they would do everything they could to reduce their business with America next year. That is under the Marshall plan.

Now, we go to the North Atlantic pact and the Senator from Massachusetts says:

> Surely, we have to send them equipment, antiaircraft guns, tanks, and so forth.

That relieves them of that much military equipment they would have to manufacture, so they can go into the consumer-goods production and have more to sell on the world markets to cut our throat. It is good business, if we can get it.

Suppose I have the best shoe factory in the world, and I look across the street and see a man who has an old, run-down factory. The roof leaks; the morale of his labor is low; his machinery is not efficient. So I reach down into the treasury of my shoe company and go across the street and say: "Say, Bud, you are in bad shape. I will take money out of my business and give it to you, and I want you to build a nice building. I want you to air-condition it and put in all the latest lighting, and all modern conveniences, and I want you to have the best machinery, improve your labor relationships and make your labor happier. I want you to make as good a shoe as I do, and then I want you to put your product on the market and cut my throat with it."

We will get ulcers before we get even. The subject is very large. There is very much involved in it.

Mr. President, I wish to read from a clipping dated March 24, 1949, headed ECA studies refugee jobs:

> ECA STUDIES REFUGEE JOBS
>
> FRANKFURT, GERMANY, March 23.—The Economic Cooperation Administration is studying the possibility of a gigantic public-works program to provide jobs for western Germany's 10,000,000 restive refugees.

I hope they figure that one out a little better than we figured out the program for the 10,000,000 unemployed we had in this country for 10 years. Will we have a world-wide WPA?

I read further:

> ECA officials here said this mass of refugees represents a politically dangerous element—

The goblins of the Kremlin will get you, if you don't watch out—

> a politically dangerous element that is contributing to the rise of nationalism in Germany.
>
> Refugees in increasing numbers are slipping across from the Russian zone. Some estimates place the numbers as high as 50,000 a month.
>
> Most of the refugees were expelled from the Sudetenland in Czechoslovakia, from parts of eastern Germany now claimed by Poland, and from other eastern European states.
>
> They are not eligible for United Nations care, and under United States military government policy they are the responsibility of the German authorities.
>
> The Germans say they lack the resources to care for them.

So ECA says, "There are only 10,000,000 of them. Let the American taxpayers take care of them."

Mr. President, we were talking about our family and our kids.

Moreover, we accept all the ancient grudges of our wards, and are compelled to assume the prevailing European attitude in viewing European problems. Instead of mortgaging European policy to ours we become the servant of Europe's schemes. Thus, at present, because Germany has been the aggressor in three great wars, we feel compelled to continue punitive measures against Germany.

Yet, viewed as an economic unit, Germany, with her millions of skilled workers and her great industrial potential, is essential to any genuine European recovery, and also essential to any balance of power because of her strategic location in Europe's heartland.

Nobody says of our colleagues of the North Atlantic alliance that they shall do more than fight with us. If attacked, they would fight anyway, to the extent of their limited ability, For they know, after their experiences with Hitler's Germany, that Stalin's Russia would be a merciless conqueror. But their ability to resist is in many cases not any more formidable than a temporary roadblock against a great mechanized military machine such as Russia's. And if these little fellows were attacked, we would fight anyway. We joined with them twice in the last 30 years.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. JENNER. I yield to the Senator from Massachusetts.

Mr. LODGE. If it be true, as the Senator from Indiana states, that we would fight anyway, and that the nations of western Europe would fight anyway—and I think he is completely right in both those statements—is it not smart to get together and organize and proclaim that fact to the world, so that it may be a deterrent, and we will not need to fight?

Mr. JENNER. If it is going to cost us a billion dollars—and it has already been stated that the ante is $1,800,000,000 the first year, and I would wager 10 to 1 that before 4 years pass they will be saying, "We have to have $10,000,000,000 or the Communists are going to get us."

Mr. LODGE. The figure of $1,800,000,000 is not a final figure.

Mr. JENNER. The Senator means it is not sacred?

Mr. LODGE. Yes.

Mr. JENNER. I am glad there is some figure connected with our foreign policy that is not sacred.

Mr. LODGE. If it cost a half billion or three-quarters of a billion or a billion dollars to put this plan into operation, and it had the deterrent effect of preventing war and the shedding of the blood of our young men, it would be well worth the price.

Mr. JENNER. We do not measure lives in money.

Mr. LODGE. No.

Mr. JENNER. Absolutely not. If these little fellows were attacked we would fight anyway. We have proven it.

We would not need the urge of honoring the alliance. We would fight because we know that no war can be quarantined hereafter to a single continent or even a hemisphere.

Mr. President, we hear much about "one world." In these days of unbounded progress in aviation, there is only one answer to our national-defense problem. The Congress soon will be considering a budget request totaling $13,227,000,000, plus, for our Army, Navy, and Air Force.

Of this amount, four billion, seven hundred and eighteen million is allocated to the Army, and four billion, four hundred ninety-four million to the Navy—now get this—leaving only four billion and thirteen million for the Air Force. I ask, Mr. President, does that make sense?

The topographical situation is such that no west European country could resist except temporarily, no matter how many billions of dollars worth of arms we gave to them. We must not regard the North Atlantic Alliance as a Maginot line. It would not keep us out of war, and it would not prevent the forward lunge of an aggressor. The Kremlin knows and understands all this. No North Atlantic Alliance will deter the Soviet leaders from making war. Only the power of the United States of America will prevent war. And I tell my colleagues that we will not have that power if we bankrupt our country.

Mr. President, Moscow will keep the peace only so long as we ourselves are strong enough to stay her covetousness.

Mr. LODGE. Mr. President, will the Senator yield further?

Mr. JENNER. I yield for a question.

Mr. LODGE. The Senator has been very affable about yielding, and I do not wish to trespass on his good nature, yet the address he is delivering is so interesting that it suggests questions to me.

Did I correctly understand the Senator from Indiana to state that in the tragic event of another war—which we all hope so fervently will not happen—it would be better for the United States to fight it all by itself, without having any allies at all to help us carry the load?

Mr. JENNER. I want us to have allies, I want us to have friends, but I

do not believe that history records instances showing that it is possible to buy the hearts and the good will of men. If we had to get our friends by buying them and absolutely bankrupting our country, I believe I would take the chance of our country standing alone.

Mr. LODGE. Will the Senator permit me to say that I agree that it is not possible to buy friends, but I think it is possible to get a sick man back in such healthy condition that he is willing to fight for himself.

Mr. JENNER. I shall come to that point.

Mr. LODGE. That is what we are trying to do by the proposal we are considering.

Mr. JENNER. I shall get to that point. Mr. Mayhew says the ECA countries are already well. I may say to the Senator that I do not mind the interruptions, except that I do not wish to be classed as a filibusterer, and I have been speaking a long time. I should like to conclude as soon as possible.

Mr. LUCAS. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Illinois?

Mr. JENNER. I yield.

Mr. LUCAS. May I inquire of the able Senator from Indiana how long he expects to speak?

Mr. JENNER. I think I can conclude in 20 or 25 minutes if I am not interrupted.

Mr. LUCAS. My only reason for making the inquiry is that the conferees on the rent-control bill are ready to report.

Mr. JENNER. I can finish in a few moments, if I am not interrupted.

Mr. WHERRY. Mr. President, will the Senator from Indiana yield?

Mr. JENNER. I yield for a question.

Mr. WHERRY. I should like to ask a question of the majority leader. After we take up the rent-control conference report, does the Senator intend to have the Senate resume consideration of the unfinished business?

Mr. LUCAS. I expect then to ask that the Senate take a recess until 11 o'clock tomorrow, and at that time resume consideration of the unfinished business, with the hope that we can conclude the bill tomorrow. Obviously, I cannot tell any Member of the Senate what he should discuss, but it does seem to me we should get along with the ECA program. I am not complaining at all, for the Senate has no rule as to germaneness, but we have been discussing the Atlantic pact for days. Perhaps it is a part of the ECA program, though I do not think it is. Nevertheless, Mr. President, I shall ask that the Senate take a recess until 11 o'clock a. m. tomorrow, and we will have a night session tomorrow, if necessary, in an endeavor to conclude consideration of the bill tomorrow, if that is possible.

Mr. WHERRY. Mr. President, will the Senator from Indiana yield?

Mr. JENNER. I yield.

Mr. WHERRY. Let me inquire of the majority leader, would it accommodate him if unanimous consent could be had for the Senator from Indiana to take the floor tomorrow at 11 o'clock and conclude his speech then?

Mr. JENNER. I should like to conclude now.

Mr. LUCAS. If the Senator could finish within the next 10 or 15 minutes——

Mr. JENNER. I do not think I can finish in 10 or 15 minutes. In my opinion, this is not extraneous matter I am discussing, because I think the Atlantic Pact and the Marshall plan bill are tied together.

Mr. LUCAS. I would not question the Senator's opinion as to that.

Mr. WHERRY. Mr. President, I ask unanimous consent that, inasmuch as the Chair——

Mr. LUCAS. One moment, Mr. President. I inquire who has the floor?

Mr. JENNER. I have the floor.

The VICE PRESIDENT. The Senator from Indiana has the floor.

Mr. JENNER. I yielded for a question only. I did not yield the floor.

Mr. WHERRY. Will the Senator yield for a question?

Mr. JENNER. I yield for a question.

Mr. LUCAS. Mr. President, parliamentary inquiry.

The VICE PRESIDENT. Does the Senator from Indiana yield?

Mr. JENNER. Mr. President, I am going to ask the Chair to enforce the rule. I yielded for a question.

The VICE PRESIDENT. Very well. The Senator can yield only for a question.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Indiana cannot yield for that purpose.

Mr. JENNER. I yield to the Senator from Nebraska for a question only.

Mr. WHERRY. May I ask the distinguished Senator from Indiana if he desires to conclude his address tonight?

Mr. JENNER. I do.

Mr. LUCAS. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Illinois?

Mr. LUCAS. I do not care to ask any questions. I should like to finish a statement once without being interrupted.

The VICE PRESIDENT. The Chair has recognized that the Senator from Indiana has the floor, and he does not have to yield to any Senator if he does not care to do so.

Mr. JENNER. Mr. President, I have been on the floor for some time——

The VICE PRESIDENT. The Senator can control that for himself. He does not have to yield to any Senator.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. JENNER. For a question only.

Mr. MAYBANK. To present a highly privileged matter?

Mr. JENNER. No; I should like to conclude. I will not be long, and, after all, what I am discussing is an important subject. I think it is a highly important subject.

The VICE PRESIDENT. The Senator has the floor. He may proceed.

Mr. JENNER. Mr. President, I had said that Moscow would keep the peace only so long as we ourselves were strong enough to stay her covetousness.

(At this point Mr. JENNER yielded to Mr. MAYBANK to present the conference report on the bill (H. R. 1731) to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes. The conference report appears at the conclusion of Mr. JENNER'S speech.)

Mr. JENNER. Obviously, Mr. President, our Air Force today is our first line of defense. Yet, our national defense authorities submit a budget having a combined request of more than $9,000,000,000 for the Army and Navy, leaving only a little over $4,000,000,000 for the Air Force.

The next war, it must always be remembered, will be a global war. Our own Air Force has proved that no place will be immune, provided that it is marked for attack. No Atlantic alliance or any other alliance would keep hostilities away from American shores. Our pioneer forefathers never put their main strength at the picket outposts.

They maintained those outposts, particularly for the gathering of intelligence and for the delineation of their peacetime efforts, but their powder magazine and their arsenal were inside the blockhouse. Almost instantly, in the next war, the pickets will be overrun by both major antagonists. The assault, immediately, will be on the centers of power within the borders of the principal adversaries themselves.

We cannot buy immunity. The next time every American industrial center and every seat of both control and authority will be the targets for the first night. It is for this reason, Mr. President, America must keep herself strong, both militarily and economically.

Our military strategists concede that if a properly prepared army chose to rush forward, with its full mechanized power, western Europe would be crushed before we could hope to get the first units of an expeditionary force there to save it. We could retaliate with bombers, but we would have been deprived of any continental bases. Indeed, we would be compelled from the outset to bomb west Europe in order to prevent a transfer there of the Russian functional control cores.

In 39 days Hitler captured France and the low countries and all the military equipment that was in them. The British Army lost all its equipment as it was evacuated at Dunkerque. The Chinese Communists are supreme in the Far East today because they have captured the millions of dollars of equipment which we gave to the Chinese Nationalists.

We may be sure that the enemy would immediately acquire and convert to his own quartermasters' use whatever billions of dollars of equipment, including supplies under ECA, we had given to western Europe.

Why prepare the table for the enemy? Why run the risk, also, of a Communist regime in one of the west European countries suddenly seizing power and turning over everything to the Moscow salvage teams?

On various occasions we have been shocked to learn that Russia already has acquired vast amounts of Marshall-plan equipment and supplies given by America. This has been accomplished by the mere process of Russia gobbling up smaller nations and taking advantage of UNRRA and the silly reparations program and various secret commitments agreed to at Potsdam and other places.

Such arrangements as the North Atlantic alliance are primarily and principally of political value. They are more of a threat than a force. They serve to bolster up the morale of our allies and our friends, and they try to give to them the coveted sense of security. But a document, no matter how worded and no matter how many seals it bears and no matter how much sweeping approval it has received from the parliaments of its signatories, cannot alter physical facts.

The Pan-American alliance—the Rio Pact—is not yet embellished with extensive supplying of United States arms because the Latin-American countries have regarded the economic power of this country as more important to them than the military power. But after the already big arms shipments to Europe are further increased, Latin America also will be clamoring for its guns and tanks and planes. Otherwise, it will argue, Latin America might become a hostile base in our own back yard.

Our Chiefs of Staff will promptly agree, for I have never seen a Chief of Staff ever admit that anybody was sufficiently armed.

We will end up with a lot of insurance premiums that are so wealth-consuming that our own house will fall into ruin.

Let us assume, Mr. President, there is every valid reason for the United States to ship food, arms, machinery, and dollars all over the face of the earth in an effort to halt the march of communism, and to place these nations on their economic feet, yet the question remains—"Can America afford it?"

The thesis of the Marshall plan—which made it a far more logical and sensible program than the Truman doctrine—was that by our available economic might, we were helping our friends to recover from the havoc of war, and thus resume their place in the world economic system. Is that not a fair statement of the plan? We also proposed to make them strong enough so that they could better defend themselves. Is that not a fair statement?

The theory was that busy European people would become happy European people, and that thus they could defeat the steady dosages of Communist poison which they are being fed. Is that not a fair statement? Moreover, by 1952—we were told—west Europe would be sufficiently recovered to walk again without a crutch.

We would reestablish a "third force" in west Europe, a great bulwark between us and Soviet Russia. Is not that a fair statement? The North Atlantic alliance admits that no such third force has been established. It formally abandons the effort. Now a crutch is not enough. We must give every one of the invalids an armored car to ride in.

Suppose for a moment that these vast new armaments are desirable and that they might be effective in curbing world aggression. Then why not let European factories produce a major part of them? Would not that be another way of helping to end European unemployment, at least for a while? Would it not be a way to end the WPA program we are talking about for Germany?

Mr. LODGE. Mr. President, will the Senator yield?

Mr. JENNER. I decline to yield at this time. I shall be glad to yield later. I wish to finish this point.

Why drain America's limited iron deposits, about which Mr. Krug told us today, and compel American steel mills to expand beyond their eventual needs to make arms that we will then be compelled to haul across the Atlantic before we give them away? We are short of iron, coal, lead, oil, and zinc.

Is the Truman administration supporting the North Atlantic alliance—as some have suspected that it really supported ERP—just to perpetuate the United States business boom?

Is the bureaucracy at the other end of Pennsylvania Avenue afraid to let America go back to work supplying the needs of Americans? Are these bureaucratic planners trying to get us so firmly saddled with a managed economy that free enterprise can never return? Is the war talk being whooped up here in Washington to be sure that the Roosevelt revolution has permanently installed the socialist state?

Europe has found herself fit to prepare for every other war. And remember, Europe has been the past master at making war. The other continents are mere tyros. If there must be such vast preparations to try to accomplish the seemingly impossible job of ringing all of the vast periphery of the U. S. S. R. with a band of steel, why not let west Europe go to work to provide its share and meet at least most of its own needs?

The Soviet bloc includes only one large industrial area outside Russia's own borders in Europe. That is the Saxony-Silesia-Czechoslovak area. It possesses only one raw materials basin in Asia. That is Manchuria.

The western alliance has, in addition to the workshops of Britain, France, Belgium, and Italy, the great mines and forges of the Ruhr.

If Kaiser Wilhelm and Hitler could conduct their wars with Ruhr output alone, what is wrong with European arms manufacturing capacity now? It has always been the Marxist thesis, even when tinctured by Lenin and further adulterated by Stalin, that western democracy would fail eventually because of its errors and its own mismanagement.

The United States has become the leader of the non-Communist group of nations—including many Socialist and Fascist states—simply because it has the greatest economic strength and the largest industrial potential. Should that economy be further abused and should that potential be damaged, we would be of no use to our allies. We would soon become their greatest handicap.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. JENNER. I yield for a question.

Mr. LODGE. I agree that we must at all costs preserve the strength and vigor of our own economy. Let me ask the Senator whether it is not true—it is what I believe to be the case—that the nations of western Europe should certainly all be required to provide the parts and the maintenance for whatever equipment they receive from us, and they should receive no equipment from us until they are in a position to do so. Of course, the nations which are in a position to make their own heavy equipment should do so. France, Italy, and other nations are not in a position to make heavy equipment, and we must always try to stress the point of standardization of weapons, because if we think we are getting a unified western European armed force, in which the cannons are of different caliber and the tanks have different parts and different maintenance problems, then we are losing the advantage of unity.

Mr. JENNER. Instead of pulling up the western European nations, if we go "bust," our great weight would prostrate them as well as us. We would be quickly damned by them. We are already hated around the world because of our material possessions and our previous home-front immunity to large-scale warfare. We are detested because of what other peoples regard as our smug cockiness.

If another great economic illness comes to America, the stampede to their Communist cousins by the Socialist leaders of west Europe would be like the rush to the exits when flames appear in the wings of a theater.

Nationalism is not dead anywhere, and the leaders of any nation are always on the look-out for a deal. Moreover, the allegiance of the Red-dominated workers is as fanatical and intense as was the zeal of the Crusaders against the infidels.

Do not forget that you can bribe a government, but you cannot necessarily buy the minds and the hearts of its people.

If one does not think that American popularity has hit a new low around the world, let him ask any intelligent and informed traveler who has just returned from anywhere abroad.

What do Senators imagine that our traditional friend and ally, China, thinks of us tonight? We baited her into a situation, and then stood idly by and let her be gobbled up by the Communists. If we send modern military equipment to Europe, specimens of every one of the weapons will be put into the hands of the Kremlin immediately by the Reds and fellow travelers who honeycomb European governments. Under UNRRA we were permitting a Communist in France to deliver the food which the American people had sent to feed the hungry people in Europe. What do Senators think would happen to our equipment overnight?

The pique of one fragment of a coalition could legally put into the hands of the Communists overnight the control of any of the Socialist states on the Continent of Europe.

We must not delude ourselves into believing that west Europe agrees with our concepts of democracy and free enterprise. The present governments of Europe and masses do not understand our way of life, nor do they want it.

The United States can be defeated by the Kremlin. We can lose the struggle by default. The Politburo need not even order the firing of a single shot—until it starts the firing squads to work after it has taken over—if we become so rash as to torpedo our economic system by spending more than we can afford.

Taxes are the termites of any governmental structure. After he is taxed so far, the individual human being simply refuses to work any longer except for subsistence.

Why grow crops which are immediately confiscated? Why work when the Government grabs a big part of every pay check? The way things are going now, if you have what it takes, the Government takes what you have. Individual initiative is being withered, the soul is being corroded, and the entire economy is being undermined by these silly foreign programs. Yet such confiscatory taxes will be inevitable if the present demands for more and more expenditures are not stopped.

Even the most ardent advocates of the North Atlantic alliance and ECA agree that this Government in the next fiscal year will spend at least $4,000,000,000 more than it will receive in revenues. That is the minimum deficit. The maximum will probably be much, much greater.

With what even a New Dealer would agree is a mild recession now upon us, the new taxes which must be raised to pay for this deficit will only increase the flames.

The experts say that a debt increase from the present level of more than two hundred and fifty-seven billions would positively be dangerous. Do we want to surrender to Russia by completely surrendering to inflation? Are the paper-money boys about to go to press with the largest circulation in all time?

Where are we going to stop? And, please God, when?

After the North Atlantic alliance there will be a Mediterranean alliance. That is just not a dream. Secretary Acheson already has publicly admitted that negotiations are under way. The State Department is busy negotiating it. It will be presented to the Senate, all wrapped up in red, white, and blue ribbons, just like the North Atlantic Pact and just like the Marshall plan. The Senate will be asked to buy another pig in a poke. But, Mr. President, the pig will turn out to be a tax hog that will eat up a great deal more American wealth.

We are preparing to subsidize Japan indefinitely. A conference will be held in London soon to plan a Southeast Asia alliance. Guess who will endow that one? And then there is to be a Middle East alliance—and, yes, a central African alliance.

We shall be asked to pay almost all of the expenses of all of them. If we do not, "the gremlins of the Kremlin will get us," or at least that is what will be screamed by those who now want us to pay—at a minimum—$20,000,000,000 to bring the 80 divisions of our west European allies up to what the Pentagon regards as par.

Mr. President, the Kremlin can afford to wait a little while longer, turning on and off the propaganda faucets and marching a few divisions up and down various frontiers for the stimulation of the rumor boys, if in the end we go into a big economic tailspin, for if that happens, whoever is ruling the Kremlin at the time will be able to walk all the way across the United States of America without a struggle. Starving people do not fight. Idle people will not obey their Government's orders. Look at the gains the U. S. S. R. has made already, Mr. President.

We sent those billions of dollars' worth of arms, equipment, and aid to Chiang Kai-shek, but the Reds now control China. They have Manchuria, as well.

We have been pouring millions of dollars into Greece, but the civil war there is not ended. Oh, yes; the 25,000 guerrillas are reported to have been reduced to 22,000. But that makes each guerrilla come at a price of many thousands of dollars.

Mr. President, does all this prove America's capacity to do anything except play the boob?

An honest man cannot help but come to the conclusion that the Government in Athens does not want its civil war to end. It is trying to do everything it can to keep open the receiving end of Truman's "Burma Road."

But the Greek politicians and profiteers do not really have to worry. Any country that close to Russia will probably be getting our dole as long as we are able to give it, because otherwise "the gremlins of the Kremlin will get you if you do not watch out."

Turkey is getting the same generous gifts, but there is no civil war in Turkey. We would sign up with Communist Tito tomorrow if he would only name his price.

Mr. President, it does not cost a fraction as much to convert a desperate, unhappy man to communism as it does to train him and keep him alerted for military duty. Dollar for dollar, the Reds are outselling us on this world-control business. They are picking up vast and important areas without using a single Russian soldier, and without spending hardly one of their 19-cent rubles. Regardless of how much they hate our civilization, and regardless of how sincerely they believe us to be wrong, Stalin & Co. realize their own limitations. They know just how much the U. S. S. R. can spend before it ruins itself. They are not spending more than their nation can earn.

But we do not have the same realistic good sense.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. JENNER. I should like to complete my statement, if the Senator does not mind. I do not wish to be rude, but I am tired; I have been on my feet for more than 2 hours. I have about 5 minutes more of my speech, and then I shall be through. Then I shall be glad to yield.

Mr. President, we are the dreamers. The Reds are studied pragmatists.

Milk for the Hottentots is absolutely nothing, as compared with the sending of thousands of tanks and bombers and cannon—all free—to all parts of the world. And then, I say to the Senator from Nebraska [Mr. WHERRY], we will get around to sending milk to the Hottentots; we will come to that later; that will be the fourth point.

The wild Broadway splurging of even the wealthiest degenerate playboy must end when his purse is emptied. When there is nothing with which to pay the bill, the bon vivant's popularity and power vanish; then he is just a bum.

The philanthropic impulses of the wisest tycoon can be indulged only according to his capacity to have the cash which he proposes to give away.

Mr. President, if we must have the North Atlantic alliance, why not have it without arms shipment? Nobody in authority here in Washington really believes that a war is imminent. Why, then, bankrupt ourselves to make mountains of equipment that will soon be obsolete?

And what has become of the United Nations—the United Nations which can finally settle disputes in Kashmir and the Levant, but cannot even keep spies off its pay roll. The North Atlantic alliance has been arranged under the canopy of article 51 of the UN Charter, which permits regional pacts. Mr. President, why not give to the United Nations some of the support we are giving to these military set-ups? Do not the United States and its friends command in the United Nations such overwhelming majorities as to be able to checkmate Russia in it, and thus preserve peace? Or has the United Nations already become a shell?

Mr. President, let us be honest about all this and face the facts. Let us not deceive ourselves deliberately, in the same way that we accuse Moscow of trying to deceive the citizens of the U. S. S. R.

The basic question is, Can the United States Government afford to continue its present nonproductive spending? It certainly cannot, unless it wants to fasten on itself for at least the next 100 years, and possibly forever, a rigid regimentation of black austerity. We cannot do what we propose to do overseas and have any money left for our own social betterment. We cannot continue that steady expansion which has made America great.

We shall not be able even to maintain this country on a basis of the bare essentials.

All of the vituperation about isolationism does not alter these facts.

One would not call John Foster Dulles, for instance, an isolationist.

Only under the most authoritative management will this Nation remain solvent unless we wake up. In other words, fascism is dead ahead.

One may call it state socialism or the corporate state or whatever he will. It is still fascism. And what is the difference between fascism and communism? So far as the individual is concerned, there is absolutely no differ-

ence. Both are superstates. Both are totalitarian. Both ask complete allegiance to the state, and refuse to abide by any loyalty to God. Both murder freedom and smother liberty. Both are un-American in every way. Both are 100 percent opposed to the dignity of man, and to his progress under the moral law.

We already have one foot caught in Stalin's trap. Let us not deliberately put in the other.

Mr. KEM. Mr. President, I submit two amendments to the pending measure, Senate bill 1209, and I request that they be printed and lie on the table.

The VICE PRESIDENT. The amendments will be received, printed, and lie on the table.

EXTENSION OF RENT CONTROL—CONFERENCE REPORT (S. DOC. 35)

During the delivery of Mr. JENNER'S speech,

Mr. MAYBANK. Mr. President, will the Senator yield to me so that I may present a highly privileged matter, the conference report on the rent control legislation, with the understanding that it be taken up for consideration after the Senator has concluded his speech?

Mr. JENNER. Yes, of course.

Mr. MAYBANK. And, without prejudice to the Senator from Indiana?

Mr. JENNER. Mr. President, if I may yield to the Senator from South Carolina [Mr. MAYBANK], without prejudice, I shall be glad to do so for the purpose he has suggested.

Mr. MAYBANK. I present the conference report.

(For conference report and statement see House proceedings of today's RECORD.)

After the conclusion of Mr. JENNER'S speech,

Mr. MAYBANK. Mr. President, a short time ago the Senator from Indiana yielded to me in order that I might file the conference report on the rent control bill. Since that time I have discussed with the distinguished majority leader the question of the conference report, and I may say to Senators there is no intention of having a vote on it tonight. But we do wish to have the report printed, which I ask be done, so that it may lie on the desks of Senators. I also request the privilege of making a brief statement in the RECORD, and when the Senate meets in the morning I hope we can take up the conference report and act on it.

The VICE PRESIDENT. The conference report will be printed.

Mr. MAYBANK. I move that the Senate proceed to the consideration of the conference report.

The motion was agreed to; and the Senate proceeded to consider the report.

Mr. WILLIAMS. Mr. President, I was trying to obtain recognition.

The VICE PRESIDENT. The motion is not debatable. It has been carried, and the conference report is now before the Senate.

Mr. MAYBANK obtained the floor.

Mr. BRICKER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Ohio for a parliamentary inquiry?

Mr. MAYBANK. I yield for a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Ohio will state the inquiry.

Mr. BRICKER. The conference report is debatable, is it not?

The VICE PRESIDENT. The question of agreeing to the conference report is debatable.

Mr. BRICKER. Mr. President, I should like to ask a question of the Senator from South Carolina.

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Ohio for a question?

Mr. MAYBANK. I yield for a question.

Mr. BRICKER. Is it the intention of the Senator from South Carolina that the conference report be taken up and debated at this time, or shall we wait for debate on the matter until the conference report is printed and Senators have had an opportunity of studying it?

Mr. MAYBANK. I may say to the Senator that I shall make a brief statement, and I shall be perfectly willing then to have the debate proceed, but I may definitely state, after a conference with the majority leader, that no vote will be taken on the report until tomorrow.

Mr. LUCAS. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Illinois?

Mr. MAYBANK. I yield.

Mr. LUCAS. The only thing the Senator from Illinois desires to say is that after the statement of the Senator from South Carolina I shall move a recess until 11 o'clock tomorrow morning. At that time, the rent-control conference report will be considered.

Mr. WILLIAMS. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Delaware for a question?

Mr. MAYBANK. I yield for a question.

Mr. WILLIAMS. Mr. President, I desire to make a brief statement. It will take only about 5 minutes.

The VICE PRESIDENT. The Senator from South Carolina may only yield for a question.

Mr. WILLIAMS. Then I should like to be recognized in my own right.

Mr. MAYBANK. Under the rules, I cannot yield except for a question.

Mr. WILLIAMS. I shall ask for the floor in my own right, after the Senator from South Carolina shall have concluded.

Mr. WHERRY. Mr. President, I ask unanimous consent that the Senator from South Carolina may yield to me for the purpose of asking the majority leader a question?

The VICE PRESIDENT. Is their objection? The Chair hears none. Does the Senator from South Carolina yield to the Senator from Nebraska for the purpose stated?

Mr. MAYBANK. I yield.

Mr. WHERRY. I should like to ask the majority leader if it is not his intention to permit the Senator from Delaware to make a statement after the Senator from South Carolina has concluded?

Mr. LUCAS. Certainly. Whenever he can obtain recognition, after the Senator from South Carolina concludes, he can have the floor. It is a matter for the Chair to determine.

Mr. MAYBANK. Mr. President, I desire to make only a brief statement in connection with the conference report that is pending at the present time.

On behalf of the conferees on the part of the Senate on H. R. 1731, the Housing and Rent Act of 1949, as passed by the Senate. I wish to explain the bill as finally agreed to in the conference.

VETERANS' PREFERENCE

The House conferees concurred substantially with the Senate version on title I.

RECONTROLS

The Senate conferees receded from the Senate language with respect to recontrol of trailers or trailer space permanently occupied. In so doing, the Senate provision for recontrol of permanently occupied accommodations in motor courts or motels was deleted. The Senate provided that recontrol of such permanent accommodations would be made only after a recommendation by the local board. The House language provides for automatic recontrol.

Similarly, the Senate conferees receded with respect to the recontrol of those housing accommodations which were vacant for a 24-month consecutive period between February 1, 1945, and March 30, 1948, thus providing for automatic recontrol of such accommodations.

With reference to the recontrol of permanent accommodations in hotels, Senators will recall that the Senate brought under control such accommodations which on October 31, 1948, were located in cities of 2,500,000 and over. The conference agreed to amend the language so that only those permanent accommodations in hotels other than transient on March 1, 1949, rather than on October 31, 1948, were brought under control.

In other words, we recontrol them as of March rather than as of October.

We also changed the date of the maximum rent for accommodations under control to March 1, 1949.

As to recontrol of areas, the House had provided for recontrol by the Expediter of any area decontrolled since June 30, 1947. The Senate version allowed the control of decontrolled areas and of areas never before under control, under standards prescribed in the bill, but only after recommendation by local boards. The compromise agreed upon in conference accepts the House language as to areas decontrolled after the enactment of this bill so that the Expediter may recontrol such areas on his own initiative. However, as to areas decontrolled prior to that date and as to areas never under control, the Expediter must first obtain a recommendation from the local board.

In other words, the only recontrol which the Expediter has is as to properties which he decontrols after the conference report becomes law.

LUXURY APARTMENTS

The Senate version provided for the decontrol of luxury housing accommodations, which was defined as any unfurnished apartment occupied by a single family rented for $290 a month or more as of the date of the enactment of this bill, or any lesser figure which the Housing Expediter determined to be representative of luxury accommodations. In lieu of this provision there was included in the bill agreed to in conference a provision which authorizes the Housing Expediter to decontrol any or all luxury accommodations if, in his judgment, this would result in the creation of additional accommodations. It was felt that it would be better for the Housing Expediter to determine what a luxury accommodation is on the basis of local understanding. In other words, a luxury apartment renting for $290 in New York would be far different from a luxury apartment, perhaps, in a smaller city or town.

LOCAL OPTION

The House receded from its provision in favor of the Senate provision with a modification. The provision as finally agreed to would permit any incorporated city, town, or village, after a 10-day notice and a public hearing, to recommend decontrol on the basis of a finding that there is no longer a shortage of rental housing requiring rent control, in that area. This recommendation would still be subject to approval by the governor of that State. The Housing Expediter is directed to decontrol adjacent unincorporated areas if the incorporated place forms a major portion of the defense rental area. The compromise retains the Senate provisions for decontrol on a State level by the Governor if he certifies that the State has an adequate rent-control law. It also retains the Senate provision for decontrol by the State or any part thereof if the legislature and the governor pass a law stating that Federal rent controls are no longer needed.

Mr. President, it is not generally known among the people throughout the United States, but, of course, every Senator knows, that title VI also expires with the present rent-control law. Title VI of the National Housing Act, as amended, was extended for 90 days rather than for 60 days, as originally provided in the Senate bill.

The Senate receded from its amendment extending rent control for 12 months with an additional 3 months of eviction controls, and accepted the House provision extending both rent and eviction controls for 15 months.

APPEALS

The House accepted the Senate version of the bill which grants to representative groups of tenants and landlords the right to be heard by local boards or the Housing Expediter on matters relating to decontrols or general rent increases, and to appeal to the Emergency Court of Appeals from decisions of the Housing Expediter on these matters.

FAIR RETURN

The Senate adopted a provision allowing an increase in maximum rents of 5 percent above the June 30, 1947, base on October 1, 1949, and an additional 5-percent increase on April 1, 1950. In no event could these increases result in a rent higher than 115 percent of the June 30, 1947, rent, except for hardship adjustments. The House version contained no similar provision, but did contain a requirement for adjustment of maximum rents to yield a reasonable return on the reasonable value of housing accommodations. The conferees experienced a great deal of difficulty in reaching a mutually acceptable compromise on this matter. However, agreement was finally reached on a provision which, in general, follows the language of the House version but requires the adjustment of maximum rents so as to yield a fair net operating income from the housing accommodations.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield to the Senator from New Hampshire.

Mr. TOBEY. Will the Senator kindly advise us what the factors are, as adopted by the conference, which resulted in the determination of a fair return?

Mr. MAYBANK. I shall be glad to answer the distinguished Senator. The language adopted by the House was spelled out in no uncertain terms, so that one owning a house could not amortize at the expense of the tenant. I shall read the language:

The conference amendment provides that the landlord shall be provided a "fair net operating income." In determining "fair net operating income" the following factors must be considered: (A) Increases in property taxes; (B) unavoidable increases in operating and maintenance expenses; (C) major capital improvements of the housing accommodations as distinguished from ordinary repairs, replacement, and maintenance; (D) increases or decrease in living space, services, furniture, furnishings, or equipment; and (E) substantial deterioration of the housing accommodations, other than ordinary wear and tear, or failure to perform ordinary repair, replacement, or maintenance.

Mr. TOBEY. Did the Senator say "substantial depreciation"?

Mr. MAYBANK. I said "substantial deterioration of the housing accommodation, other than ordinary wear and tear." In other words, if there is great deterioration because of extraordinary wear and tear by the tenants, the expense incurred in making repairs will be added to the fair return.

Net operating income means gross income less all costs of operation, including repairs and maintenance, taxes, insurance, fuel, wages, utilities, and depreciation, but excluding interest and amortization.

The committee did not believe that it should be made possible for someone to buy a house on credit and amortize it and not only get a fair net operating income, but also the amortization and the interest on the money borrowed.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. MAYBANK. I shall gladly yield to the Senator from Michigan.

Mr. FERGUSON. I notice the Senator has read from the report or from the bill itself as an indication that there is to be allowed income on the money invested.

Mr. MAYBANK. Anyone who has any income invested should certainly receive a fair return. I can only explain it in this way: Two houses adjoin each other, one of them being purchased, we will say, by a widow who has been left money with which to buy a house. A speculator comes along and buys the property next door for $5,000, and goes to the bank and mortgages it at 1, 2, 3, 4, or 10 percent, whatever the rate may be. We believe that the first owner mentioned who has her money invested should get a fair return on the money, but we do not believe that the one who buys the property for speculative purposes should have a return on the interest after he has deducted it from his income tax. That is simple business.

Mr. FERGUSON. Will the Senator read from paragraph (a), (b), (c), or (d), anything that would indicate that owners are to get a fair return on the value of the property?

Mr. MAYBANK. The conference provision is that landlords should receive a fair net operating income. No one on the committee would for one moment deny them that.

Mr. FERGUSON. It says it is to pay for the operating costs.

Mr. MAYBANK. A fair net operating income. It is naturally presumed that they would get a fair income.

Mr. FERGUSON. The language used in the bill as it passed the House was "reasonable return." Why does the conference report use "operating income"?

Mr. MAYBANK. We did not accept the House provision. For example, a speculator might want to go to a bank and say, "we will mortgage this house for $5,000. We will charge the interest to the house," after they have already deducted it from their income tax.

Mr. FERGUSON. What amount would the Expediter be allowed to fix? The Senator has indicated that if a man or woman went to a bank and borrowed the money and was paying 5 percent, there would be no requirement to consider that 5-percent mortgage.

Mr. MAYBANK. The 5-percent interest on the mortgage. Both houses in the instance given would be valued at $5,000. One would not be more valuable just because it had a mortgage on it.

Mr. FERGUSON. What rate of interest could the Expediter fix?

Mr. MAYBANK. It is not included.

Mr. FERGUSON. That is what I am getting at.

Mr. MAYBANK. Normal operating expense does not include interest. It is, however, considered in arriving at net income.

Mr. FERGUSON. There is no provision for a return on the value of the property.

Mr. MAYBANK. There most certainly is. It says very plainly "fair net operating income," and that includes what might be invested in the property.

Mr. FERGUSON. At what rate of interest?

Mr. MAYBANK. As I already pointed out interest is not included in the calcu-

lation. I do not think the Senator intends that we should say what rate of interest should be paid in Michigan or North Carolina or Wyoming. Each State has its own limits on interest payments. Some States fix interest at 6 percent. I remember when some fixed the rate at 10 percent, and some have 2 percent laws. We could not write that in a Federal law.

Mr. FERGUSON. Can the Expediter allow any percentage of return he desires?

Mr. MAYBANK. The report provides for a "fair" net operating income. Net operating income means gross income less all cost of operation, including repairs, maintenance, taxes, insurance, and the like.

Mr. President, in order to assure a fair net operating income the Expediter would be required, in making adjustments, to see that the landlord received a gross income which exceeded all such operating costs by an equitable amount.

Mr. TAFT. Mr. President, will the Senator from South Carolina yield?

Mr. MAYBANK. I yield.

Mr. TAFT. I have heard of net operating income, which may be a thousand dollars or ten thousand dollars. Fair operating income means the income in excess of out-of-pocket expenses. What makes that fair?

Mr. MAYBANK. I said "by an equitable amount."

Mr. TAFT. Does fairness have some relation to the value of the property, to the number of the rooms?

Mr. MAYBANK. Of course, it has relation to the value of the property, but not with respect to a speculator's mortgage value of the property.

Mr. TAFT. Nothing is allowed for interest, but all owners are allowed something for depreciation. In every method of accounting, depreciation is included, in addition to out-of-pocket expenses, if the desire is to make a man whole. As I understood the Senator, he said that in calculating the operating income the report does not allow depreciation as an expense. Is that correct?

Mr. MAYBANK. I did not say depreciation. Depreciation is allowed. We go further than allowing depreciation. We allow for increases in property taxes, unavoidable increases in operating expenses, major capital improvements, increases or decreases in living space, furniture, fixtures, utilities, and the like, and substantial deterioration of the housing accommodation other than ordinary wear and tear. We allow even more than depreciation.

Mr. TAFT. The Senator does not suggest that deterioration is the same as depreciation, does he? Deterioration is something the tenant has caused by bad usage, or possibly it may be caused by destruction, as the Senator suggested, by windstorm. But, as I listened to the Senator read his own statement, at the beginning, not quoting the law, he said, "excluding interest and depreciation as expenses."

Mr. MAYBANK. I beg the Senator's pardon. If I said "interest and depreciation," I myself may have made an error. What I should have said, and what the committee decided upon, was "interest and amortization."

Mr. TAFT. Amortization?

Mr. MAYBANK. Yes.

Mr. TAFT. Does the definition, in the Senator's opinion, include the usual charges for depreciation of buildings?

Mr. MAYBANK. Yes, that is my understanding.

Mr. TAFT. The Senator thinks it does include that?

Mr. MAYBANK. Ordinary depreciation. For example, under present regulations a landlord who is operating at a loss is by adjustment brought to a break-even basis. Under the new provision the Expediter would be required to grant an adjustment which would raise the net operating income to a fair amount above such a break-even basis. I hope that answers the Senator from Ohio.

Under the new provision the Expediter would be required to make an adjustment which would raise the net operating income to a fair amount above the present break-even point. In other words, any landlord would be entitled to a fair income over and above operating costs. That is what we intended.

Mr. TAFT. The question whether depreciation is included in operating expenses, however, I may say is a doubtful one. In the New York law depreciation at 2 percent of the value is expressly mentioned as an additional item. Of course, I have to admit that if it does include depreciation, then there must be a valuation of the property. I concluded from the report the conferees were not allowing depreciation. I should like to have the Senator's opinion on that question.

Mr. MAYBANK. Let me say to the Senator from Ohio that depreciation and interest are deducted before one arrives at his net income, not net operating income. That is true with respect to any business.

Mr. TAFT. In considering fair return on property I do not think interest is ordinarily considered. That, however, depends on what is under consideration.

Mr. MAYBANK. But depreciation is deducted.

Mr. TAFT. One should not be able to deduct both interest and depreciation. Either one or the other can be deducted, as is provided under the New York statute, and a limit of 2 percent placed on both of them.

Mr. MAYBANK. For income-tax purposes, depreciation and interest are both deductible.

Mr. FERGUSON. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Michigan?

Mr. MAYBANK. I yield.

Mr. FERGUSON. On what value will depreciation be allowed as an operating expense? Will the property have to be appraised? Will the Expediter have to determine what the value is?

Mr. MAYBANK. I do not quite understand the question the Senator from Michigan has asked.

Mr. FERGUSON. The question is this: As I understand, the Senator from South Carolina has told the Senator from Ohio that there is a provision which makes allowance for depreciation on the property a cost item to determine the fair income. What I am trying to get at is this: On what value is the depreciation to be allowed unless there is an appraisal of the property?

Mr. MAYBANK. I might say that the landlord would be entitled to a fair income over and above operating costs. The method of computing that in individual cases would be left to the decision of the local rent office, or the Housing Expediter, or whoever it might be.

Mr. FERGUSON. But the difficulty with that is that the item of depreciation is not an out-of-pocket expense as of that time. Therefore it is not technically an operating expense like a year's taxes.

Mr. MAYBANK. The Senator is correct about that.

Mr. FERGUSON. Very well. Then is a depreciation allowance going to be made?

Mr. MAYBANK. There will be a final fair return or income over and above operating costs.

Mr. FERGUSON. But is the individual allowed anything that is not an out-of-pocket operating cost? Is that what the conference report proposes? Does it propose to allow him only a fair amount of the actual out-of-pocket operating costs?

Mr. MAYBANK. No; the conference report bill allows him all operating costs, including taxes, utility expenses, and other items, and then he is allowed a fair income over and above all operating costs.

Mr. FERGUSON. A fair income over and above all operating costs?

Mr. MAYBANK. Yes.

Mr. FERGUSON. And that would include such items as depreciation, as well as all out-of-pocket operating costs? Is that correct?

Mr. MAYBANK. I would say that the owner would be allowed all operating costs such as taxes, insurance, furniture, and so forth and so on.

Mr. FERGUSON. Then, as I understand, nothing will be allowed that is not spelled out in the bill, and only out-of-pocket operating costs are listed. Therefore, the owner gets nothing above the actual out-of-pocket operating costs?

Mr. MAYBANK. Of course, he gets a fair income. That is the main thing the House had in mind. A landlady gets a fair income. We in the Senate tried to do the same thing by the two 5-percent increases.

Mr. FERGUSON. When the operating costs are spelled out, does the owner get anything else?

Mr. MAYBANK. He gets a fair net operating income.

Mr. FERGUSON. Over and above the out-of-pocket operating costs?

Mr. MAYBANK. Yes. That is what the bill provides.

Mr. SPARKMAN. Mr. President, will the Senator from South Carolina yield to me?

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Alabama?

Mr. MAYBANK. I yield.

Mr. SPARKMAN. I will ask if it is not true that under the compromise amendment, while it spells out certain definite items that will be taken into consideration, it does not say that they are the only items, but it is provided that each of these items shall be included in operating expenses?

Mr. MAYBANK. Exactly.

Mr. SPARKMAN. And, as a matter of fact, as was correctly stated, in considering operating expenses under this bill, depreciation should be included. As a matter of fact, depreciation is not spelled out because it is an ordinary item that must be considered in operating every piece of property.

Mr. MAYBANK. The Senator is correct.

Mr. SPARKMAN. And is a constant, year after year, on a particular piece of property.

Mr. MAYBANK. And that is taken for granted.

Mr. SPARKMAN. Yes, and is made a part of the operating expense under this bill.

Mr. FERGUSON. Mr. President, will the Senator yield to me?

Mr. MAYBANK. Yes. The Senator from Alabama knows more about the details of the law than I do, but I know a great deal about interest and operating expenses.

Mr. FERGUSON. Mr. President, will the Senator from South Carolina yield to me so I may ask the Senator from Alabama a question?

Mr. MAYBANK. I yield to the Senator from Michigan so he may ask the Senator from Alabama a question. If it is a question on the legal aspects of the bill I prefer to have the Senator from Alabama answer it.

Mr. FERGUSON. Depreciation is not an out-of-pocket expense.

Mr. MAYBANK. No.

Mr. FERGUSON. Am I to understand that the individual owner is not to be allowed, for instance, more than 2 percent or a certain percentage of depreciation? In other words, if he had a $5,000 house on a $2,000 lot, he would be allowed 2 percent of the $5,000?

Mr. MAYBANK. We did not go into any such details.

Mr. FERGUSON. That would be $100.

Mr. MAYBANK. Will the Senator kindly permit me to make a statement? We did not go into any such details. The conferees on the part of the Senate urged the acceptance of the two 5 percent increases, one in October and one next April. We did our best to retain the Senate provision.

Mr. FERGUSON. It was clear that the 5-percent increases were to be over and above the rent the owner was receiving on the day the bill becomes law. At least, under such a provision he would get some increase. But what I am trying to get at now is what the Senator means by allowing for depreciation. If I own a $5,000 house which stands on a $2,000 lot, and under the conference report I could receive an allowance for depreciation of only 2 percent, I would receive an allowance of $100 on the house, but no consideration of the value of the lot at all. How can that be said to be fair?

Mr. MAYBANK. A fair net operating income would probably be sufficient to allow a return on the lot.

Mr. FERGUSON. In income-tax returns depreciation is never taken on the value of the land. It is taken on the value of the house.

Mr. MAYBANK. The Senator from Alabama [Mr. SPARKMAN] will answer that question. As the Senator from Michigan knows, property depreciation varies greatly from town to town, from section to section, from community to community. For instance, property will depreciate much more quickly in salt air than it will in the mountains.

Mr. FERGUSON. I understand that. All I am trying to find out is what the bill will do, and what we may expect Mr. Woods, as the Expediter, to do.

Mr. MAYBANK. He is going to give everyone a fair net operating income, and he is going to take into account what we have spelled out in the bill. I will permit the Senator from Alabama to answer the question.

Mr. WILLIAMS. Mr. President, I have been endeavoring to obtain the floor for a considerable period of time.

Mr. SPARKMAN. Mr. President, the Senator from Michigan asked a question which the Senator from South Carolina wishes that I answer.

The VICE PRESIDENT. In order that the Senator from Alabama may answer the question asked by the Senator from Michigan, the Chair will recognize the Senator from Alabama.

Mr. SPARKMAN. Mr. President, I want to explain the compromise agreement as best I can in a couple of minutes. Of course, the Senate adopted a formula which we knew was easily understood, easily applied. While we recognize the fact that as it went across the board it would work some injustice, some inequities, not be sufficient for some, and be a windfall for others, at the same time we thought that because of the ease with which it could be understood, the ease with which it could be applied, it would compensate for those factors.

After struggling for a long time we were absolutely unable to obtain any agreement. We made proposal after proposal to the House in an effort to solve the difficulty. Finally this language was written out, and after long and careful discussion and bickering back and forth it was agreed to.

This is what we hope to do: Take a piece of rental property; let the owner who wants relief show the expense to which he is put each year in the operation of that property, including deterioration or depreciation, and including all the normal operating expenses; then compare that with the rent which he is collecting. The only provision in the existing law relating to that subject is a guaranty that the owner should not sustain a loss. That has been in the law right along.

Mr. FERGUSON. In other words——

Mr. SPARKMAN. Let me proceed, so that I may make a connected statement.

If the owner showed that he was operating at a loss, under the terms of the previous law he was automatically entitled to an increase in the rent sufficient to prevent his sustaining a loss. We go beyond that and say that when he shows the cost of operating and maintaining the property, then it shall be the duty of the Expediter to increase his rent, not merely sufficiently to keep him from sustaining a loss, but to break even and then get a fair return above that.

I know that the Senator is going to ask, "What is a fair return?" We do not spell it out. We naturally expect the Expediter to devise a workable plan under which the owner can be assured that he will receive a fair income from his property. We believe that it can be done.

The Senator from Michigan may be interested to know that there was a great deal of argument in favor of the formula which the House had devised, providing for a reasonable return on reasonable value. In that formula no one spelled out what a reasonable return was. No one spelled out what reasonable value was. I think the Senator would be interested to know that in a sampling of 121 or more cases which the Expediter made in approximately 20 different cities, under the fair return formula, the owners would have obtained relief in 56 cases; but considering the same cases under the hardship provision which is in the law today, 101 owners would have obtained relief. Of the 121 cases, 56 would have obtained relief under the House formula, and about 65 would actually have had to roll rents back. So under the so-called fair return formula there would actually have been more roll-back of rents than increase of rents, based upon the sampling which was taken.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. FERGUSON. This is the difficulty I am having in reading this language and understanding the Senator's interpretation: The Senator used the words "a fair net return"——

Mr. SPARKMAN. A fair net operating return.

Mr. FERGUSON. That is just the trouble. The Senator used the expression "above the operating costs." As ordinarily used, the term "operating costs" means out-of-pocket operating costs.

Mr. SPARKMAN. I do not know what the Senator is reading from.

Mr. FERGUSON. I am reading from the report.

Mr. SPARKMAN. The language of the report is "fair net operating income."

Mr. FERGUSON. I want to know whether the words "operating income" include only out-of-pocket expenses in operating the property.

Mr. SPARKMAN. They include all those things, plus depreciation.

Mr. FERGUSON. Merely depreciation on the building

Mr. SPARKMAN. Does the land depreciate?

Mr. FERGUSON. No; but the owner of the land has $2,000, we will say, invested in the land. He has $5,000 invested in the house. Does the Senator propose to give him only 2 percent, which is the amount which the house actually depreciates. At the end of 50 years he

would have no house. Am I to understand that all he is going to get is the privilege of placing a new house on the land, and that he will get no return on the land?

Mr. SPARKMAN. I think the distinguished Senator from Michigan is confusing two different terms. First he speaks with reference to operating expense, and then he speaks about a fair return. Depreciation on the house would be a part of the operating expense.

Mr. FERGUSON. It is not normally so considered.

Mr. SPARKMAN. It is deductible in income-tax returns. In order to arrive at net operating income, he would subtract his out-of-pocket costs of operation, plus depreciation on the house. Then he would compare that with the amount of rent he is receiving. Suppose the expense is $300, and suppose the rent he is receiving is $275. Under the law as it stands now, his rent would have to be increased to $300; but under this provision the Expediter would not stop at $300, but would have to increase his rent to a fair figure above that. We do not spell out what that fair figure is, but we expect the Expediter to devise regulations to assure every owner the right to receive a fair net operating income.

Mr. FERGUSON. Let us take a hypothetical case of a rental property occupied as a dwelling. The building and the land cost $5,000. That is the cost to A. He pays X dollars for taxes. He pays Y dollars for decorating. He pays Z dollars for repairs on the property. How much does the Senator think he ought to get as rental from the property—X, Y, and Z, plus 2-percent depreciation? Is that all?

Mr. SPARKMAN. I do not know just where the Senator got the figure of 2-percent depreciation.

Mr. FERGUSON. How much can he have for depreciation?

Mr. SPARKMAN. The figure of 2 percent was given for New York.

Mr. FERGUSON. That is the law in New York.

Mr. SPARKMAN. I assume the Expediter would probably follow the pattern already established in New York, but it might be different somewhere else. Every man who has rental property, in making out his income-tax return sets up depreciation on his property year by year. The Government does not send an appraiser around to appraise his property and determine whether or not he is asking fair depreciation. The Government takes the taxpayer's word. I do not know, but I assume that the Expediter would certainly be willing to take the same figure which the landowner who is renting the property puts in his income-tax return to the United States Government as the correct depreciation on the property.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. LUCAS. That is the very point about which I intended to ask the able Senator. A great deal of discussion revolves about the question of depreciation, and whether or not appraisers will have to appraise the property. That certainly is not done at the present time with respect to depreciation in connection with income-tax returns. I presume that the Housing Expediter would take the word of the landlord with respect to depreciation, unless he later discovered fraud or something of that kind. But so far as sending out appraisers in the beginning is concerned, that is simply out of the question. It is absolutely unnecessary, and no one can make any kind of an argument in behalf of appraisers. The same formula would be followed with respect to depreciation of the property as is now followed in making out an income-tax schedule.

I should like to inquire whether or not the Senator agrees with me in this statement: The fair net-operating income might be 2 percent in New York, but might be entirely different in Illinois, and might be entirely different in Alabama; so that no standards can be fixed in this bill as to what fair net-operating income should be, because it is different in different communities; and obviously the committee had to leave that to the judgment of the Expediter.

Mr. SPARKMAN. Yes; I think the able majority leader has correctly stated the case. We could not set a rigid pattern, and that the best way to proceed is to let the Expediter work it out, area by area.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. MAYBANK. I may say to the Senator from Illinois that that is what I tried to explain. We cannot spell it out in the bill, because, for instance, shore-front property depreciates twice as quickly as property away from the shore, for shore-front property is subject to serious storm damage.

The bill now provides that in each rental area someone would be there to help the landlords figure what their depreciation is; as I said before, depreciation on property on the lake shore, on Lake Michigan, in view of the storms and accompanying hazards, would be much greater than it would be in the case of property located in the middle of the city of Chicago.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. ELLENDER. I should like to know who will determine what a fair return it.

Mr. SPARKMAN. We do not use the term "fair return."

Mr. ELLENDER. What is the term used?

Mr. SPARKMAN. It is "fair net operating income."

Mr. ELLENDER. Very well; who will determine that?

Mr. SPARKMAN. The Expediter.

Mr. ELLENDER. When will he determine it?

Mr. SPARKMAN. Whenever the landowner petitions him for relief.

Mr. ELLENDER. Supppose the law were to go into effect tomorrow, and suppose a landlord in Louisiana was suffering a loss, would he have to come to the Expediter before he could raise the rent, or could he do that himself?

Mr. SPARKMAN. No; it is not automatic. He has to file his petition with his local rent director.

Mr. ELLENDER. Does the Senator have any idea what size force would be required to administer this new provision?

Mr. SPARKMAN. We do not think it would require any substantial increase in the force, in order to administer this provision.

Mr. ELLENDER. Is not the Senator from Alabama aware of the fact that each case would have to be dealt with individually?

Mr. SPARKMAN. Yes; that is true. Of course that is the case under the present law; and, as a matter of fact, during the last 2 or 3 years there have been probably 2,000,000 or 3,000,000 cases.

Mr. ELLENDER. Yes; but rents were fixed at a certain rate.

Mr. SPARKMAN. No more so than under the new provision.

Mr. ELLENDER. Yes; they were taken at a certain period of time, and could be either added to or subtracted from, according to the case which was made out.

Mr. SPARKMAN. That will still be the case.

Mr. ELLENDER. Will not the situation under the conference bill be different?

Mr. SPARKMAN. No; not at all. The conference bill is exactly the same as the law as it stands today, with one exception. If the Senator will listen to me, I think I can explain it.

Mr. MAYBANK. Mr. President, if the Senator will permit me to interrupt, let me say that the Senator from Louisiana spoke to me earlier today, and thereafter I talked to the Housing Authority, and I can tell the Senator what they say. They say that in view of the enormous number of hardship cases they have been handling in the past few years, they do not think any extra force will be required to handle the cases under the proposed law, because the law now proposed is so thoroughly tied in with the hardship cases they have been handling. I learned that from them since I talked to the Senator from Louisiana earlier today.

Mr. ELLENDER. If this new proposal is tied into the present law, then before any landlord can make an increase in rent, he will have to talk to the Expediter or with his duly authorized representative.

Mr. SPARKMAN. Yes; and that would have been true under the so-called Brown amendment or House provision. It would have been true under any other amendment except the one the Senate agreed to; and we tried to get that automatic increase amendment included in the bill. We voted for it in the conference, and we tried to have it agreed to by the conference.

Mr. ELLENDER. Yes; and I voted for the provision making the automatic raise.

Mr. SPARKMAN. And so did all of us.

Mr. ELLENDER. Because I think the increase in administrative costs under any other proposal would be so great as to make it difficult if not impossible of administration.

Mr. SPARKMAN. I should like to say to the Senator from Louisiana, if I may, that although it is true that in order to obtain relief a landlord will have to file a petition in his individual case, yet that is the law today; and in view of all the hardship cases now being administered throughout the country, the job under the new provision will not be so tremendously large, and the number of cases will not be greatly increased over the number of cases which have arisen under the present law.

We are prescribing a new and definite standard by which the Expediter will be required to operate and to apply the rule more liberally than he has ever applied it before.

Furthermore, if the Senator remembers, we wrote into the bill a provision that in every local defense area there shall be placed a man whose job it will be to help small landlords, particularly, prepare their forms and make their case ready for presentation to the board.

I should like to say—it has been said before, but I think it is something for us to keep in mind—that the landlords who own a great deal of property and rent a great deal of property, generally speaking have been taken care of fairly well. They have obtained their adjustments. They have bookkeepers and accountants and auditors and records, and they have been able to make out their case. It has been the small landlords—and our files are replete with evidence to this effect—who not only have not received adjustments, but have not applied for them. They have not applied for them, simply because they have been lacking in records and have been without the necessary technical assistance.

We hope that under this new provision the small landlord will apply for adjustments; and under this provision we are giving him assistance to make out his case, and we are laying down a standard for the Expediter to follow, not only in hardship cases, but in other cases where inequities exist. In this provision we not only say that he shall not stop with the guaranty that the landlord shall not lose money in the operation, but we provide that the adjustment shall be pushed up still further, to the point where the landlord's net operating income will be fair.

Mr. ELLENDER. Mr. President, will the Senator yield further?

Mr. SPARKMAN. I yield.

Mr. ELLENDER. Irrespective of how long it takes to adjust a particular case, the landlord cannot obtain an increase in the rent until the Expediter acts affirmatively; is that correct?

Mr. SPARKMAN. That is correct; but I assume that ordinarily the increase would date back to the date of the application, although I do not know that that would be so.

Mr. ELLENDER. That is what I wish to ask; I wish to make that point clear. Would the increase be retroactive?

Mr. SPARKMAN. I assume that would be within the discretion of the Expediter.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. DOUGLAS. I should like to ask the Senator from Alabama if it is a fact that the conferees on the part of the Senate tried very strongly to retain the Senate provision, in the belief that it would be simpler and would aid all parties concerned; and that it was only after we were informed that this proposal was completely unacceptable to the House of Representatives that we agreed to the provision now in the conference bill.

Mr. SPARKMAN. That is correct. Of course, the able Senator from Illinois will also remember that we even tried to include it as an alternative or optional method.

Mr. DOUGLAS. The memory of the Senator from Alabama agrees thoroughly with my memory that we offered a provision for either one or the other; but, as I remember, that proposal was rejected.

Is it not also true that some confusion has arisen because we defined "net operating income" in the bill somewhat differently from the way we defined it in the Senate report? In the report we made net operating income equal gross income minus heat, minus taxes, minus insurance, minus repairs, and also minus such services as had been paid for. In the provision presently before us, we retain "net operating income" with quite the same deductions, but we add to them a deduction for depreciation, so that "expense" now is somewhat different from what it was before, and therefore "net operating income" includes an allowance for yield upon property, and the use of this formula will give a fair yield on property.

Mr. MAYBANK. The Senator is correct.

Mr. DOUGLAS. It is true that there is some difficulty in the determination of what is a fair yield. But is it not also true that there would have been far more difficulty involved had we used the term "reasonable return on reasonable value," and that we have chosen the lesser of the two evils, so to speak, administratively?

Mr. SPARKMAN. I think the Senator's statement is correct.

GRAIN STORAGE FACILITIES

Mr. WILLIAMS. Mr. President, on last Friday, on behalf of the Senator from Indiana [Mr. CAPEHART], the Senator from Utah [Mr. WATKINS], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Missouri [Mr. KEM], the Senator from Indiana [Mr. JENNER], and myself, I offered the resolution (S. Res. 94) requesting the audits of the financial transactions of the Commodity Credit Corporation for the years 1943, 1944, 1945, and I at that time endeavored to get consideration. I shall not ask for any further consideration of the resolution, because it is unnecessary, since the information which the resolution sought to get has been promised by the General Accounting Office within a few days. I have been advised today by the General Accounting Office that the accounts of the Commodity Credit Corporation for the years mentioned, namely, 1943, 1944, and 1945, will be delivered to the Senate during the present week.

I have also had a conference with the General Accounting Office, and the officials there told me the information which I brought to the attention of the Senate last Friday, namely, the information which is outlined in the CONGRESSIONAL RECORD at page 3190, is substantially correct in every detail, and in accordance with their audit findings.

While the General Accounting Office confirmed the fact to me that over $350,000,000 receivables could not be reconciled with the proper vouchers, they said this did not necessarily mean that this represented a shortage. In fact, they said it was impossible to state with any degree of accuracy that there was or that there was not any shortage, since adequate records were not available. It is true that while the books did balance, they were balanced only as a result of allowing credit for certain of the items which cannot be substantiated in full. They did not indicate that they found any evidence of fraud, but they were very critical of the manner in which the books and records of the Corporation had been kept during this period.

Mr. President, I do not see any excuse whatever for any Government corporation to be allowed to conduct its affairs in such a manner that proper accounting cannot be made to the taxpayers with any closer degree of accuracy than that in this instance. In private industry a corporation is required under the law to keep records and submit those records to the examination of the Government agents, yet we are continuously finding examples where the Government agencies and corporations themselves are keeping records in such a loose manner that it takes over 4 years to receive any accounting at all, and then we find that substantial amounts cannot be verified.

On page 534 of the Congressional Directory, February 1949 issue, we find that the duties of the General Accounting Office are outlined as follows:

> The Comptroller General is required to audit the financial transactions of all Government corporations in accordance with commercial corporate practices and under such rules and regulations as he may presribe. A report of each such audit for each fiscal year ending on June 30 must be made by him to the Congress not later than the following January 15.

Today we have a situation where the report of the transactions of the Commodity Credit Corporation, which handles billions of dollars, is still not available for the fiscal years 1943, 1944, and 1945.

Last Friday, I had in my possession information which I considered very reliable, information which today has been verified by the General Accounting Office substantially 100 percent, namely, that the accounts of this Corporation were in such a deplorable state that the General Accounting Office was finding itself unable to find proper vouchers for transactions in the amount of over $350,000,000. In view of this information which I had in my possession, and which I had at that time reason to consider very reliable, I felt that I had no alternative other than to call the matter to the attention of the Senate and ask that the books be produced. It was my opinion that the taxpayers who are footing the bill had a right to know how their money was being

spent, and if any Government agency or corporation cannot account for its expenditures, then it is time we know it. That was true particularly in view of the fact that there is legislation now pending which the majority leader of the Senate, the Senator from Illinois [Mr. LUCAS], has been very anxious to rush through as an emergency measure, placing the affairs of this multibillion dollar Corporation in the hands of one man, namely, the Secretary of Agriculture. I felt that it was essential that the Members of Congress be made aware of the full facts. To have withheld the information which I had in my possession at that time, and information which I had every reason to believe was substantially correct, and which has today been verified almost in its entirety, by the General Accounting Office, to have withheld that information, I would have been negligent in my duty as a Member of the Senate.

I resent very much the inference of the majority leader, the Senator from Illinois [Mr. LUCAS], last Friday, when he made the charge that my interest in this matter was purely political and for the interests of gaining headlines. I need not tell the majority leader that this was very close to a violation of standing rule 19 of the Senate, which clearly states that no Senator in debate shall impute to another, conduct or motive unworthy or unbecoming a Senator.

Mr. LUCAS. Mr. President, will the Senator yield right at that point?

The VICE PRESIDENT. Does the Senator from Delaware yield to the Senate from Illinois?

Mr. WILLIAMS. I yield.

Mr. LUCAS. Does the Senator ever make a political speech on the floor of the Senate?

Mr. WILLIAMS. I might have made a political speech on the floor of the Senate, but I never have and never will charge any Member of the Senate with making a political speech when he is making a statement such as I made last Friday.

Mr. LUCAS. Will the Senator yield further?

Mr. WILLIAMS. No; I am not yielding. I shall finish. I repeat, I resented it very much. I am not raising any point of order at this time, but in the future I shall ask the Senator from Illinois to keep his remarks within the rules. However, I may say this——

Mr. LUCAS. Mr. President, if the Senator thinks I was outside the rules——

Mr. WILLIAMS. Mr. President, I have the floor. I ask the Chair to maintain order.

The VICE PRESIDENT. The Senator from Delaware has the floor. The Senator declines to yield.

Mr. LUCAS. I am very sorry.

Mr. WILLIAMS. I am sorry the Senator from Illinois saw fit to make that statement reflecting on my sincerity, in connection with the matter which I thought it proper to divulge to the Members of the Senate and to the country.

The Senator from Illinois indicated last Friday that if the report were confirmed, he would propose an investigation of the Commodity Credit Corporation to ascertain whether or not those items, amounting to some $350,000,000, could be verified, and, if not, why not. The Senator from Illinois is a member of the Committee on Agriculture and Forestry, which would have charge of such investigation. He is also the leader of the majority party, which has the power to conduct such an investigation. Since I am a member of the minority party, not a member of the committee, there is nothing further I can do. The records are going to be submitted and I trust the Senator from Illinois will conduct the investigation and that he will reveal to the Senate just exactly what has happened during those 3 years of operations.

Mr. President, I am not going to delay the Senate any further tonight, but at the time the bill (S. 900), under which the request is being made to give the Secretary of Agriculture full authority over the Commodity Credit Corporation, and also the bill, about which too much has been said regarding the grain storage facilities, is before the Senate, I shall discuss the issue further. I may add that if telling the truth about some of the absurd activities of the Corporation is smearing, then make the most of it, because I am going to place before the Senate some facts which I think the country should know.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. WILLIAMS. I shall be glad to yield to the Senator from Illinois.

Mr. LUCAS. Do I correctly understand that the Senator is now withdrawing the resolution?

Mr. WILLIAMS. I withdraw it because it is of no further purpose, because the information requested by the resolution is to be furnished this week.

Mr. LUCAS. Mr. President, I am surprised almost beyond words, that the resolution, submitted by the Senator from Delaware along with other distinguished Senators on the other side of the aisle, is withdrawn at this time. The resolution makes some very serious charges regarding the Commodity Credit Corporation, and I thought, from the statement made by my distinguished friend last week, that there would be a very thorough and tremendous investigation of the Commodity Credit Corporation before we finished. The only thing I objected to at the time—and I thought I was certainly within my rights to object—was the immediate consideration of the resolution. Now, lo and behold, after the Senator from Delaware has made an independent investigation, through the General Accounting Office, he discovers—I do not know what he discovered, but he must have discovered enough to cause him to withdraw his resolution. It is somewhat difficult for me to understand why a resolution which is so important as is this one is offered one day and withdrawn the next day. The Senator from Delaware is the individual who is tremendously interested in it. He knows the kind of resolution he can offer in order to have the kind of an investigation he wants. One of the able Senators whose names are on the resolution is a member of the Committee on Agriculture and Forestry, the distinguished Senator from Missouri [Mr. KEM].

I think, if the Senator will read the hearings held before the Committee on Agriculture and Forestry, he will find that this very question has been before that committee. The Senator from Delaware has been referring to transactions taking place in the war days. I venture to say that there was not an agency of the Government during the war days when we were dealing with governments all over the world, that did not commit some error. Books were out of balance, because some transaction across the seas, perhaps, could not be accounted for, by reason of a ship being sunk, or papers being lost somewhere along the line.

If the situation is as serious as the Senator wants the Nation to believe it is, he can secure the kind of investigation he wants. He has friends on the other side of the aisle who are prominent members of the Republican Party and who are members of the Committee on Agriculture and Forestry, the Senator from Missouri [Mr. KEM], the Senator from North Dakota [Mr. YOUNG], and other Senators who will see to it. I shall be glad to join with them in any investigation that is absolutely essential and necessary. If there is any fraud or cheating of any kind, as the Senator from Delaware wants the country to believe, with respect to the Commodity Credit Corporation, I shall be the first one to call the agency to task. But I say again, Mr. President, that I am not one who indicts individuals by innuendo and implication.

I repeat what I said a few days ago, that that is exactly what this resolution attempts to do, or the Senator from Delaware would not be withdrawing it at this moment. If there were anything in the charge he has made, he would not be so benignly withdrawing the resolution at this time, simply because a telephone call has been made and he now says that the General Accounting Office is ready to produce the books and the records. Where will they produce them? Will they hand them to every Senator on the floor?

The Senator must have a resolution if he wants to secure those records, unless he wants to go down and look at them himself, which I imagine the Senator will do.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WILLIAMS. I should like to say to the Senator from Illinois that it is normal procedure to submit records to the Secretary of the Senate or to the Secretary of the House. The Comptroller General's Office has advised me that the records will be submitted, and I have no reason to question their word. The resolution did not propose any investigation; it merely required that on or before April 1 the records for the years 1942, 1943 and 1944 be submitted to the Congress. The Comptroller General has advised me that the records will be here within a few days.

Mr. LUCAS. Mr. President, I shall not yield further. I am not talking so much about the resolution as I am about what

the Senator said and what he continues to say with reference to the Commodity Credit Corporation. If it is as bad as the Senator says it is, the thing to do is to submit the kind of a resolution which will give the Committee on Agriculture and Forestry the right, power, and authority to investigate it and to disclose all of the discrepancies and willful and malicious things about which the Senator has been speaking.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WILLIAMS. I thought last Friday the Senator was anxious to get a few headlines. I have no objection to introducing a resolution proposing an investigation, but the Senator from Illinois being a member of the committee I thought he would desire to conduct the investigation himself.

Mr. LUCAS. The Senator has the bear by the tail and he can hang on to it. The Senator from Illinois has plenty to do without conducting investigations on hearsay evidence such as that which the Senator from Delaware is now giving.

Mr. President, I move——

Mr. WILLIAMS. Mr. President, will the Senator withhold his motion?

Mr. LUCAS. Certainly.

Mr. WILLIAMS. I should like to read briefly into the RECORD——

Mr. LUCAS. I shall not yield for a long speech.

Mr. WILLIAMS. It will not be a long speech. It will save taking the floor tomorrow, when the rent-control bill is to be considered.

Mr. LUCAS. I shall be glad to yield to the Senator for another hour.

Mr. WILLIAMS. I have plenty of time, although it took me a long time to obtain the floor.

Mr. President, I wish to read from page 3190 of the CONGRESSIONAL RECORD a portion of the statement which I made last Friday, a statement which the General Accounting Office has said is substantially correct.

I said:

It has been reported to me, from sources which I consider very reliable, that over $350,000,000 of receivables in the general commodities purchase program could not be supported or verified because of faulty accounting policies and poorly devised procedures.

In the case of certain other programs it was also impossible to support the recorded balances of receivables, particularly in the case of claims in the case of cotton loans held by the Corporation. It had made no effort to prove the accuracy of the total amount of loans and, therefore, I understand that the total amount of loans reported by the Federal Reserve banks, as custodians, could not be reconciled with the records of the Corporation. At least one duplication of over $2,000,000 has been reported to me.

I should like the Senator from Illinois to pay attention to this, because the General Accounting Office has said these statements are substantially correct.

Continuing I said:

I also understand that the wheat loans are overstated by about $4,000,000 with a corresponding overstatement in accounts payable.

Again the General Accounting Office said that statement was substantially correct.

I also said:

The book value of the inventories held by the Corporation as of June 30, 1945, was in excess of $1,000,000,000, but it has been reported to me that it was not possible to verify this amount physically.

Again the General Accounting Office said my information was substantially correct. They found no fault with any of the information outlined above. If there is something which deserves an investigation and the Senator from Illinois hesitates for any reason to have such an investigation, I would not hesitate about having the matter investigated. After all is it not one of the important functions of the Congress to explore any irregularities involving public money.

EXECUTIVE SESSION

Mr. LUCAS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The VICE PRESIDENT. Reports of committees are in order. If there be no reports of committees, the clerk will state the nomination on the Executive Calendar.

INTERIOR DEPARTMENT, COMMISSIONER OF INDIAN AFFAIRS

The Chief Clerk read the nomination of John R. Nichols to be Commissioner of Indian Affairs.

The VICE PRESIDENT. Without objection, the nomination is confirmed, and the President will be notified forthwith.

RECESS

Mr. LUCAS. I move that the Senate stand in recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 7 o'clock p. m.) the Senate took a recess until tomorrow, Tuesday, March 29, 1949, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate March 28 (legislative day of March 18), 1949:

IN THE NAVY

The following-named (Naval ROTC) to be ensigns in Navy, from the 3d day of June 1949:

Orlie G. Baird	Charles B. House, Jr.
Leo P. Bauerlein	Alvin Rush
Robert "C" Brown, Jr.	Ralph G. Spencer
Edward R. Day, Jr.	Louis R. Tevell
Dean C. DuBois, Jr.	Jeremy F. Worden
Jimmie "C" Hendricks	

The following-named (Naval ROTC) to be ensigns in the Supply Corps of the Navy, from the 3d day of June 1949:

Robert C. Austin
Lee R. Balderston
John F. Rawls, Jr.

Robert L. Herman (Naval ROTC) to be an ensign in the Civil Engineer Corps of the Navy, from the 3d day of June 1949.

The following-named (Naval Reserve aviators) to be ensigns in the Navy:

George E. Allison	Victor D. Brockmann
William F. Beatty	Alva D. Burkett
Harry L. Benson	James E. Cahill
Charles E. Cantrell, Jr.	Albert J. Monger
Warren E. Carman	Richard D. Murray
Richard E. Case	William G. Nealon
William A. Cody	Norman J. Neiss
Jack C. Coggins	William E. Nowers
Robert T. Darcy	Phil G. Olsen
Howard M. Davenport, Jr.	Delbert A. Olson
	Joseph E. Puccini, Jr.
George D. Edwards, Jr.	Howard M. Puckett
Lester H. Finger	Robert N. Radtke
Frederick L. Foxton	David R. Reilly
Jack D. Fuller	Wallace Rich
Robert W. Hargarten	Daniel P. Riley
Harry J. Hinden	Paul E. Russell
David B. Holcombe	Wallace L. Russell
Jack I. Holmes, Jr.	William McC. Shaver
Robert T. Holmes	James R. Stohl
William C. Hoyman	Glenn E. Trewet, Jr.
Glenn D. Jordan	Bruce W. VanAtta
Herbert L. Joss	Joseph M. Verlander
Frank C. Kolda	Robert S. Vermilya
Andrew F. Kruzich	Cecil R. Vollmer
Joseph R. Laubach, Jr.	Gerald A. Warnke
Edward F. Lebiedz	Douglas A. Washburn
Walter R. Lewison	Eugene F. Witkowski
Robert P. McArdle	Robert H. Witten
Carey P. McMurray	John L. Zent
James G. Measel	

The following-named (civilian college graduates) to be ensigns in the Navy, from the 3d day of June 1949:

Edward Auerswald	William T. Morgan
William E. Biro	Wehrle D. Richmond
Albert T. Buckmaster	James H. Rogers
William H. Diana, Jr.	Francis M. Simmons
Charles F. Jesson	Wayne F. Smith
Wade C. Kemerer	John H. Thayer
Alfred G. Kreinberg	

The following-named (civilian college graduates) to be ensigns in the Supply Corps of the Navy, from the 3d day of June 1949:

Andrew M. Durham	Robert L. McClintock
Joseph L. Forehand	William F. Reiser

William T. H. Barton (civilian college graduate) to be a lieutenant (junior grade) in the Dental Corps of the Navy.

The following-named to be ensigns in the Nurse Corps of the Navy:

Mary A. Ayars	Elizabeth L. Kotch
Jennie Binkiewicz	Bertha A. Krumming
Irene L. Bryant	Margaret H. Lester
Elizabeth M. Dobos	Elizabeth F. Metcalf
Jessie R. Franklin	Janet R. Mullen
Edna P. Gordon	May L. Reid
Bobbie L. Henley	Jean A. Replogle
Annette A. Kalista	Mary Stefanick
Margaret A. Kane	Dannelle Westbrook

John M. Whalen to be a commander in the Medical Corps of the Navy, in lieu of lieutenant commander in the Medical Corps of the Navy, as previously nominated and confirmed.

The following-named officers to the grades indicated in the Dental Corps of the Navy:

LIEUTENANT COMMANDERS

Lloyd A. Bohaker	Howard H. Fischer
Arthur D. Eastman	James C. Reader
Harold W Feder	

LIEUTENANTS

William E. Hutson
Charles E. Rudolph, Jr.
John H. Smith

LIEUTENANT (JUNIOR GRADE)

Wayne A. Nelson

IN THE NAVY

The following-named midshipmen (Naval Academy) to be ensigns in the Navy from the 3d day of June 1949:

Emile W. Achee	Robert B. Aljoe
Francis McK. Adams, Jr.	David S. Allen
	Milton N. Allen
Richard D. Adams	John H. Alvis
Edward C. Adkins	Ted M. Annenberg
Richard S. Agnew	Robert H. Ardinger
Hugh W. Albers	"A" "J" M. Atkins
Edward L. Alderman	Wilfred A. Bacchus

Allan F. Bacon
John A. Bacon, Jr.
Herman M. Bading
Gilliam M. Bailey
Richard T. Bailey
John C. Bajus
Robert F. Baker
Allen H. Balch
Walter J. Balko
Jack E. Baltar
Robert Barden
Henry B. Barkley, Jr.
John C. Barrow
John F. Barrow
Joseph J. Barrow
Byron S. Bartholomew, Jr.
Bernard E. Bassing
Charles J. Bauman, Jr.
Fred G. Baur
Reaves H. Baysinger, Jr.
Raymond W. Bean
Reynolds Beckwith
James W. Beeler
George M. Benas, Jr.
Cedric E. Bennett
John E. Benoit
Francis W. Benson, Jr.
John E. McK. Benson
Richard H. Benson
Manuel S. Bentin
Richard H. Berby
Melvin Berngard
Karl J. Bernstein
Frederick J. Blodgett
Thomas E. Bloom
Paul R. Boggs, Jr.
Roger M. Boh, Jr.
Donald B. Bosley
Alfred C. Boughton III
William DeW. Bourne
Rhodes Boykin, Jr.
Robert E. Brady
Walter J. Brajdich
William W. Brandfon
Carl R. Brandt
Charles B. Breaux, Jr.
Edward S. Briggs
William R. Broughton, Jr.
Coleman "T" Brown, Jr.
Ernest B. Brown
Frank P. Brown, Jr.
James B. Brown
Robert A. Brown
Gerald F. Brummitt
William L. Bryan
Harry F. Bryant, Jr.
Winfred L. Buckingham
Robert W. Bulmer
Gerald L. Burk
John F. Burke
Barksdale A. Bush, Jr.
Herman J. Bushman, Jr.
Dempsey Butler, Jr.
James D. Butler
Kenneth LeR. Butler
Thomas O. Butler, Jr.
William McC. Callaghan, Jr.
John J. Campanile
David O. Campbell
Donald H. Campbell
Lucien Capone, Jr.
James A. Carmack, Jr.
Bruce A. Carpenter
James W. Carpenter
Andrew R. Carr
Kenneth M. Carr
Robert H. Cartmill
John P. Cartwright
Edward S. Carver
Albert L. Cecchini
James H. L. Chambers, Jr.
Samuel R. Chessman
Edmond A. Chevalier
Raymond G. Chote
Louis G. Churchill, Jr.
Glenwood Clark, Jr.
Robert S. Clark
Willard H. Clark, Jr.
Horace D. Clarke, Jr.
Wade E. Clarke
Richard A. Claytor
Richard C. Clinite
David G. Cluett
Warrington C. Cobb
Albert G. Cohen
William M. Coldwell
Leonor L. Collins
William D. Collins, Jr.
Oliver D. Colvin, Jr.
Richard R. Colvin
Robert N. Congdon
Robert W. Conklin
Harvey Conover, Jr.
Karl F. Cook
Robert J. Coontz
Alan B. Cooper
Stanley G. Cooper
Francis E. Cornett
Stanley T. Counts
Sidney S. Cox
Billy H. Craig
Donald E. Craig
Edgar A. Cruise, Jr.
John B. Culp, Jr.
George W. Cummings
Theodore A. Curtin
Stanley W. Curtis, Jr.
Donald A. Dahlman
John M. Dalrymple
John F. Danis
Chester G. Davis
Whittier G. Davis
Jules H. Demyttenaere
Edwin L. Dennis, Jr.
Lawrence H. Derby, Jr.
James D. Dickson
Joe A. Dickson
Edward O. Dietrich
Louis W. Dillman
Horace E. Dismukes
John C. Dixon, Jr.
Stephen A. Dobbins
John F. Dobson
William C. Doby
John F. Docherty, Jr.
Harry J. Donahue
John M. Donlon
James A. Donovan
Kurt F. Dorenkamp
William C. Dotson
Robert McI. Douglass
Barton M. Downes
John E. Draim
Royce C. Dreyer
James R. Dughi
William E. Duke, Jr.
Valerio "M" Duronio
Gordon G. Duvall
Behrend J. DuWaldt
Gerald W. Dyer
William T. Eaton
James E. Edmundson
John R. Edson
Howard R. Edwards, Jr.
Henry W. Egan
Montraville W. Egerton, Jr.
John J. Ekelund
Richard M. Ellis
Presley E. Ellsworth III
Scott Emerson
Jack L. English
Robert J. Eustace
Merton R. Fallon
Robert L. Faricy
Robert E. Fellowes
Leslie K. Fenlon, Jr.
Eric N. Fenno
James V. Ferrero, Jr.
Stanley S. Fine
William A. Finlay, Jr.
John E. Fishburn III
George D. Florence
Philip F. Florence
Henry P. Forbes
Sydney E. Foscato, Jr.
James R. Foster
John B. Foster
Joyce M. Frazee
Warren J. Fredericks
Richard A. Frost
Peter L. Fullinwider
James L. Furrh, Jr.
Donald A. Gairing
Channing Gardner
Paul A. Garrison
John P. Gartland
David E. Gates
Matthew J. Gauss, Jr.
Bernard S. Gewirz
Ralph McD. Ghormley
Beaumont Glass, Jr.
Stephen S. Glass
Frank S. Glendinning
William I. Goewey
Milton D. Goldberg
Roy E. Goldman
Joseph H. Gollner
Russell F. Goodacre, Jr.
Robert W. Goodman
Franklin P. Goulburn, Jr.
William C. Grant, Jr.
Roy R. Grayson
James H. Green
John W. Green
John L. Greene
Richard G. Greenwood
Stanley "J" Greif
Michael B. Guild
Davis L. Gunckel
Milton Gussow
Douglas B. Guthe
William S. Guthrie
James V. Haley
William H. Hamilton, Jr.
Theodore J. Hammer, Jr.
James W. Hanson
Norton D. Harding, Jr.
William N. Harkness, Jr.
Donald M. Harlan
John F. Harper, Jr.
William L. Harris, Jr.
Charles P. Hary, Jr.
William C. Haskell
Dale A. Hawley
George A. P. Haynes
Walter L. Helbig, Jr.
Dale P. Helmer
John W. Hemann
Donald Henderson
Robert C. Hendrickson, Jr.
Robert C. Hennekens
Harvey S. Henning, Jr.
Frederick W. Herbine, Jr.
Frederick DeL. Hesley, Jr.
Francis R. Hibbard
Charles F. Hickey
Robert W. Hiebert
Jackson D. Hill
Joseph E. Hodder, Jr.
William E. Hoff
John L. Hofford
John H. Hoganson
Lloyd N. Hoover
Frederick G. Horan
Robert E. Horne, Jr.
Charles A. Hotchkiss II
Charles M. Howe
James C. Hughes, Jr.
Eugene St. C. Ince, Jr
James E. Inskeep, Jr.
Robert C. James
Rodney R. James
Albert L. Jenks, Jr.
Shepherd M. Jenks
Whitney Jennison
John E. Jensen
John A. Jepson
Theodore N. Johnsen, Jr.
Dallas DeS. Johnson
Gerald R. Jones
Herman W. Jones
John V. Josephson
Daniel H. Kahn
Joseph N. Kanevsky
Thomas M. Kastner
Keatinge Keaya
James K. Keihner
Richard W. Kelly
David S. Kendrick
Richard A. Kennedy, Jr.
Robert W. Kennedy
William R. Kent III
Thomas J. Kilcline
Herbert J. Kindl
Archer E. King III
William C. King
Clark M. Kinney, Jr.
John R. Kint
Gilbert J. Kirk, Jr.
Joseph O. Kirkbride, Jr.
Peter F. Klein
Vernon P. Klemm
George M. Kling
James E. Kneale
Wallace J. Knetz, Jr.
Arthur K. Knoizen
John H. Koach
Philip J. Koehler
Walter J. Kraus
Stephen R. Krause
William S. Kremidas
Otto E. Krueger
Robert G. Kuhne
Michael K. Lake
William G. Lalor, Jr.
Chris W. Lamb
John G. Landers
John S. Lansill, Jr.
Paul H. Laric
David C. Larish
Norman O. Larson
Teodore J. Larson
Lloyd K. Lauderdale
Robert L. Lawler, Jr.
William G. Lawler
Mark B. Lechleiter, Jr.
Thomas F. Lechner
Jack R. Leisure
John F. Leyerle
Theodore E. Lide, Jr.
James B. Linder
Wesley E. Lindsey, Jr.
Thomas D. Linton, Jr.
Donald Lister
Hiram P. F. Llewellyn
Joseph H. Logomasini
Hugh E. Longino, Jr.
Donald J. Loudon
John D. Lund
William H. Lynch
Robert M. McAnulty, Jr.
Kenneth V. McArthur
Ralph W. McArthur
Jeremiah R. McBride
Gerry M. McCabe
Elbert J. McCoy
John C. McCoy
Major I. McCreight
Carlos d'A. McCullough
Ewing R. McDonald, Jr.
Thomas E. McDonald
William D. McFarlane, Jr.
John S. McFeaters, Jr.
Thomas P. McGinnis
William C. McMurray
James A. McQuilling
Edward I. McQuiston, Jr.
John A. McTammany
James L. McVoy
Clinton D. MacDonald
Reginald M. Machell
Jack E. Magee
Edward J. Maquire, Jr.
Timothy R. Mahoney
Charles W. Maier, Jr.
John E. Majesky
John B. Mallard, Jr.
Halford E. Maninger
Robert G. Manseau
William F. Marr
Charles E. Martin
William L. Martin III
James W. Matheney
Stanwix G. Mayfield III
William H. Meanix, Jr.
Gilbert D. Mello
Charles F. Meloy
Richard Mergl
Warren H. Merrill
Frank Messenger III
Edward J. Messere
John T. Metcalf, Jr.
Harry B. Meyer
Charles W. Meyrick
John D. Middleton
Arthur H. Miksovsky
Conrad C. Miller, Jr.
Edmund A. Miller
Gerlous G. Miller, Jr.
John R. Miller
Raymond L. Miller
Robert O. Minter, Jr.
George L. Moffett, Jr.
Robair F. Mohrhardt
Oliver S. Mollison
Lundi A. Moore
Robert S. Moore
Alfred J. Morency
George E. Morgan, Jr.
Hal McN. Morgan
Harry W. Morgan, Jr.
James F. Murphy.
James D. Murray, Jr.
William A. Myers III
Donald A. Nadig
Guy M. Neely, Jr.
Andrew G. Nelson
Philip S. Nelson
Robert H. Nelson
Meredith W. Nicholson
Lionel MacL. Noel
Calvin C. Norman
George L. Norman, Jr.
William J. Norris
Curtis R. Norton, Jr.
John A. Oesterreicher
William A. O'Flaherty
Patrick G. O'Keefe
Oscar E. Olsen
Robert B. Ooghe
John C. Ostlund
Edward J. Otth, Jr.
Dean T. Ousterhout
Andrew J. Owens
Edward W. Page
James R. Page
Anthony L. Palazzolo
Courtland A. Palmer, Jr.
Howard B. Parker, Jr.
Warren S. Parr, Jr.
James E. Patton
Milton O. Paul
John H. Perkins, Jr.
Richard J. Peterson
Willard S. Peterson
Malcolm E. Phares
Thomas J. Piazza
Richard B. Plank
Kenneth A. Porter
Robert S. Potteiger
William W. Potter
Bobby L. Potts
Edwin S. Pratt
Lee S. Pyles
Calvin E. Rakes
Shirley McC. Ramsey
William M. Ratliff
Edgar A. Rawsthorne
William G. Read, Jr.
William L. Read
James P. Reddick, Jr.
Charles E. Reid, Jr.
Eugene J. Reiher
David R. Rice
John T. Rigsbee
Robert K. Ripley
James B. Risser
Gerald G. Roberts
Thomas M. Rogers
Paul D. Roman
Richard M. Romley
Robert E. Rowe
Jack W. Rupe
William H. Russ III
William N. Rutledge
Merwin Sacarob
Frithiof N. Sagerholm, Jr.
Frank C. Sain
Robert J. Salomon
Wilbur H. Sample
Ernest D. Sanders
William C. Sandlin, Jr.
Peter J. Saraceni
Peter J. Sarris
William J. Sawtelle
Valentine H. Schaeffer, Jr.
Albert A. Schaufelberger, Jr.
Frank P. Schlosser
Donald R. Schmidt
Bernard Schniebolk
Paul L. Schoos
Walter A. Schriefer
George S. Schuchart
Elliott P. Schuman
James H. Scott
Jack Scoville
Carl H. Sebenius, Jr.
Thomas T. Seelye, Jr.
Angelo P. Semeraro
Louis M. Serrille
Richard H. Seth
Harry E. Shacklett
William M. Shanhouse
Sumner Shapiro
Lewis A. Shea, Jr.
Oscar C. Shealy, Jr.
Byron M. Shepard
Frank E. Sherman
Eugene F. Shine, Jr.
Earl R. Short
Rodric M. Singleton, Jr.
George L. Siri, Jr.
Robert E. Sivinski
Stephen A. Skomsky
Carl R. Smith, Jr.
Charles R. Smith, Jr.
Donald A. Smith
Earl W. Smith, Jr.
Frederic W. Smith
Gerald F. Smith
Homer L. Smith
James H. B. Smith
Paul E. Smith
Robert F. Smith, Jr.
Robert L. Smith
Robert McK. Smith
Wayne D. Smith
Cornelius S. Snodgrass, Jr.
William H. Somerville
Felix S. Spielmann
David H. Sprague
Edgerton T. E. Sprague
Dennis C. Stanfill
Walter D. Stapleton
Leland R. Stegemerten
Robert E. Stewart
Charles L. Stiles
Donnell M. Still

Clarence W. Stoddard, Jr.	John R. Walker
George B. Stone	Joseph K. Walker
Reid Stringfellow	Edward C. Waller III
Herman A. Stromberg, Jr.	Robert L. Walters
James A. Stubstad	Thomas J. Walters
William C. Stutt	John A. Wamsley
Phillip B. Suhr	Frank W. Ward III
John H. Sullivan	Frank T. Watkins, Jr.
George W. Sumner, Jr.	James D. Watkins
Charles O. Swanson	James H. Webber
Peter S. Swanson	William D. Weir
Claude E. Swecker, Jr.	Henry C. White
Harry F. Sweitzer, Jr.	Richard E. Whiteside
Gerald E. Synhorst	Barry D. Whittlesey
Richard W. Taylor	Eugene J. Wielki
Malcolm H. Thiele	Fred J. Wilder
Philip H. Thom, Jr.	Edwin E. Williams
Wallace J. Thomas	Ralph P. Williams
Alexander D. Thomson	Carl B. Wilson
Harry R. Thurber, Jr.	James C. Wilson
John A. Tinkham	Ralph E. Wilson, Jr.
Harold F. Tipton, Jr.	Russell F. Wilson
Robert W. Titus	Richard S. Wolford
Robert R. Tolbert	David J. Woodard
Harry DeP. Train II	Barkley T. Woods, Jr.
Fred Troescher, Jr.	George P. Wood, Jr.
John K. Twilla	Edwin E. Woods, Jr.
Clinton R. Vail	William W. Wright
Wallace Valencia	James H. Wynn III
Jack D. Venable	Abdiel R. Yingling, Jr.
Elias Venning, Jr.	Duane C. Young, Jr.
Philip Vladessa	Randall W. Young
William A. Vogele	Charles J. Youngblade
Leonard F. Vogt, Jr.	Charles J. Zekan
Robert L. Volz	Marcus A. Zettel
Warren P. Vosseler	Edward F. Zimmerman, Jr.

The following-named midshipmen (Naval Academy) to be ensigns in the Supply Corps of the Navy from the 3d day of June 1949:

Norman Altman	Bernard C. Hogan
William "B" Anderson, Jr.	J. C. Huenerberg, Jr.
William A. Armstrong	John F. Ivers
Erling O. Barsness	James R. Juncker
William W. Bennett	George H. Kapp
Richard B. Blackwell	Robert D. Keppler
Glenn S. Brooks	John F. Knudson
Robert M. Brown	Edward M. Kocher
Herbert F. Butler, Jr.	Roy W. Lankenau
Danforth Clement	Alan Y. Levine
Anthony B. Coburn	John E. McEnearney
Rex S. Coryell	Robert W. Maxwell
Charles L. Culwell	Burton J. Miller
Dorsey W. Daniel	Ralph F. Murphy, Jr.
Jimmy P. Dearing	Donald C. Pantle
Charles DiBenedetto	Sumner Parker
Holton C. Dickson, Jr.	Eugene H. Pillsbury
Chester L. Ditto	Joel Rabinowitz
Thomas J. Donoher	Robert R. Reiss
James E. Durham, Jr.	Lee O. Rensberger
Henry D. Elichalt	Richard W. Ridenour
William T. Emery	Robert J. Riger
George D. Fisher, Jr.	Philip T. Riley
Horace P. Fishman	Calvin W. Roberts
James J. Garibaldi	Ivan L. Roenigk
William L. Gary	William T. Roos
Thomas M. Gill	William Sandkuhler, Jr.
Ephraim P. Glassman	Alfred F. Simcich
Richard Glickman	Charles McK. Smith
Jack H. Haberthier	Howard M. Stuart, Jr.
Don C. Haeske	James G. Tapp
Richard W. Haley	Thomas W. Tift, Jr.
William G. Hall	John H. Vice
Robert P. Hausold	James B. Way, Jr.
Everett C. Higgins	John C. Wilson

The following-named midshipmen (Naval Academy) to be ensigns in the Civil Engineer Corps of the Navy from the 3d day of June 1949:

Irving Bobrick	Lemon DeK. Lang
Warren F. Brown	Paul G. LeGros
Wesley A. Brown	Walter E. Marquardt, Jr.
Neal W. Clements	Claude J. Quillen, Jr.
William L. Collins	Donald R. Trueblood
Rudolph F. D'Ambra	Roger G. Twell
Stephen A. Gilles	Donald W. Wittschiebe
William C. Hall	William E. Wynne
Gordon W. Hamilton	
Louis E. V. Jackson	

The following-named midshipmen (Naval Academy) to be second lieutenants in the Marine Corps, from the 3d day of June 1949:

William D. Bassett, Jr.	Charles H. Mays
James D. Beeler	Robert C. Needham
William A. Black	Edward J. O'Connell, Jr.
Kenneth A. Bott	Lawrence G. O'Connell, Jr.
Philip C. Brannon	William C. Peterson
Ralph H. Brown	Tom D. Parsons
William J. Budge	Roger W. Peard, Jr.
James J. Connors, Jr.	Theophil P. Riegert
Kelly J. Davis, Jr.	Thomas E. Ringwood, Jr.
Lewis H. Devine	Archie R. Ruggieri, Jr.
Richard C. Ebel	Kenneth W. Schiweck
Richard H. Francis	Merlin F. Schneider, Jr.
James R. Gober	Richard W. Sheppe
Fred Grabowsky	Eugene O. Speckart
Thomas I. Gunning	Carl M. Stalnecker
Wayne L. Hall	Paul F. Stephenson
Robert T. Hardeman	Allan MacL. Stewart
Thomas P. Hensler, Jr.	Joseph Z. Taylor
Carlton H. Hershner	Jack E. Townsend
Irven A. Hissom	Kenneth E. Turner
Henry Hoppe III	Littleton W. T. Waller II
Robert G. Hunt, Jr.	William Wentworth
John M. Johnson, Jr.	Richard H. West
Charles M. C. Jones, Jr.	Charles S. Whiting
MacLean Kelley	Harry D. Woods
Calhoun J. Killeen	
Robert H. Krider	
Randlett T. Lawrence	
Charles P. McCallum, Jr.	
Robert L. McElroy	

The following-named (civilian college graduates) to be ensigns in the Navy from the 3d day of June 1949:

Robert E. Allard	Donald O. Modeen
Ralph G. Dalton	James S. Orloff
Albert S. Douglass	Glenn E. Skinner, Jr.
Henry E. Hohn	Chandler G. Smith
Bertie G. Homan	Charles M. Walker
LeRoy Klein	

The following-named to be ensigns in the Nurse Corps of the Navy:

Lucille R. Kroupa	Frances M. Tibbetts
Lolita D. Surprenant	Barbara J. Vines

The following-named officer to the grade indicated in the line of the Navy:

LIEUTENANT

"J" V. Hart

The following-named officer to the grade indicated in the Dental Corps of the Navy:

LIEUTENANT

Ralph H. S. Scott

IN THE COAST GUARD

The following officers of the United States Coast Guard Reserve to be commissioned in the United States Coast Guard, dates of rank to be computed in accordance with prescribed regulations:

To be lieutenants (junior grade)

John F. Kelley
Jay P. Dayton

CONFIRMATION

Executive nomination confirmed by the Senate March 28 (legislative day of March 18), 1949:

COMMISSIONER OF INDIAN AFFAIRS

John R. Nichols to be Commissioner of Indian Affairs.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 28, 1949

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thou Christ who walked the lonely way, hear our prayer. Amid the distractions confronting the minds of this hour, we need a directive hand to show us the way. Increase our understanding of the right that we may love that larger life that ever seeks to serve Thee and all humankind. Forbid that we should in any way violate the dictates of our consciences but, as freemen, discharge the whole obligations of our assigned office.

We ask Thee, Father, to infuse us with a spirit that is fearless of criticism that may emanate from any source. Grant that all our bearings may spring from minds that are studied and prepared. Lead us to believe that we are part of a great plan that will carry with it the rapture of moral victory and spiritual progress. Through Christ our Saviour. Amen.

The Journal of the proceedings of Friday, March 25, 1949, was read and approved.

HOUR OF MEETING TOMORROW

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow morning.

The SPEAKER pro tempore (Mr. McCORMACK). Is there objection to the request of the gentleman from Tennessee?

There was no objection.

CONTINUATION OF THE EXEMPTION FROM THE TAX ON TRANSPORTATION OF PERSONS OF FOREIGN TRAVEL VIA NEWFOUNDLAND

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 203, to maintain the status quo with respect to the exemption, from the tax on transportation of persons, of foreign travel via Newfoundland.

The Clerk read the resolution, as follows:

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That section 3469 (a) of the Internal Revenue Code (relating to the tax on transportation of persons) is hereby amended by inserting after the second sentence thereof a new sentence to read as follows: "A port or station within Newfoundland shall not, for the purposes of the preceding sentence, be considered as a port or station within Canada."

SEC. 2. The amendment made by this joint resolution shall apply to amounts paid for transportation on or after April 1, 1949.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, and I am not going to object to the consideration of this piece of legislation because I realize it has been unanimously endorsed by the Committee on Ways and Means and that it is continuation of legislation that has been enacted previously, but I would like to ask the gentleman if his committee has got around to giving consideration to an excise bill that I introduced some weeks ago and which I think the American people are anxious to have enacted into law?

Mr. MILLS. The committee has not had an opportunity to consider the bill introduced by the gentleman from Massachusetts but, like the gentleman, I hope

the committee may have an opportunity of doing so as speedily as possible.

Mr. MARTIN of Massachusetts. I hope the committee will get at it as soon as possible.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. TRIMBLE asked and was given permission to extend his remarks in the RECORD and include a resolution.

Mr. O'HARA of Illinois asked and was given permission to extend his remarks in the RECORD and include a letter from Hon. Frank Annunzio.

Mr. BUCHANAN asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

Mr. JONES of Alabama asked and was given permission to extend his remarks in the RECORD and include an address delivered by his colleague the gentleman from Alabama [Mr. RAINS] before the United States Conference of Mayors in Washington on March 25 and a resolution regarding the same.

Mr. LARCADE. Mr. Speaker, last week I obtained unanimous consent to extend my remarks in the RECORD and include an article entitled "The Struggle for American Air Power." I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $230.75, but I ask that it be printed notwithstanding that fact.

The SPEAKER pro tempore. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. MITCHELL asked and was given permission to extend his remarks in the RECORD.

Mr. MULTER asked and was given permission to extend his remarks in the RECORD in three instances and include extraneous matter.

Mr. LANE asked and was given permission to extend his remarks in the RECORD in two instances and include various news items.

Mr. BARING asked and was given permission to extend his remarks in the RECORD and include an address by Hon. Archie L. Cross.

Mr. BARTLETT asked and was given permission to extend his remarks in the RECORD.

Mr. O'SULLIVAN asked and was given permission to extend his remarks in the RECORD and include a news item.

Mr. PERKINS asked and was given permission to extend his remarks in the RECORD and include an article appearing in the Courier-Journal.

Mr. SHAFER asked and was given permission to extend his remarks in the RECORD in two instances and include a newspaper article.

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD in four instances and include extraneous matter.

Mr. JENNINGS asked and was given permission to extend his remarks in the RECORD and include a poem.

Mr. ALLEN of California asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Oregonian.

Mr. VELDE asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Peoria Star.

COMMITTEE ON THE JUDICIARY

Mr. LANE. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be permitted to sit today during general debate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

NATIONAL LEAVE US ALONE WEEK

Mr. WHEELER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WHEELER. Mr. Speaker, April 1 will mark the beginning of a week which has come to be known as Leave Us Alone Week. National Leave Us Alone Week was originated by Mr. F. Lander Moorman as a publicity gag and started in a newspaper column in the Coffee County Progress during March 1948. The idea immediately caught the eyes of thousands of people. It was observed with success in Douglas, Ga., in 1948 and is now scheduled as a special week annually.

National Leave Us Alone Week is dedicated to merchants and businessmen in which they keep themselves free from fund-raising drives and solicitors. This is a Customers Only Week. It gives the merchant an opportunity to greet customers instead of solicitors. It is the merchants first free week since the new year came. Since merchants and businessmen give the major support to fund-raising drives, it is only fair that they have a week to be left alone and be assured that no one will interfere.

PERMISSION TO ADDRESS THE HOUSE

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

[Mr. REED of New York addressed the House. His remarks appear in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

[Mr. DOLLIVER addressed the House. His remarks appear in the Appendix.]

VETERAN INSTITUTE CONTRACTS

Mr. FORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. FORD. Mr. Speaker, it has been called to my attention that the VA has inaugurated a new system in the handling of Veteran Institute contracts throughout the country and as a result approximately 203 school districts in the State of Michigan may be without such programs by the end of March.

If the VA on April 1 arbitrarily enforces this new plan, 18,000 veterans in Michigan, and undoubtedly thousands throughout the United States, will be cut off from high school instruction or from supplemental schooling in conjunction with their on-the-job or on-the-farm training.

The school officials in Michigan have done a tremendous job assisting veterans, for since August 1945, over 50,000 GI's have received instruction in local institutions. I concur in the position taken by Mr. Lee M. Thurston, state superintendent of public instruction, and the local school officials in my district when they say the VA's new regulations have made it impossible to complete the newly-required contract data by April 1 and further, that this move by the VA is simply another attempt to impose the will of Federal bureaucracy upon our local educational institutions.

ARIZONA

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. MURDOCK. Mr. Speaker, I want to renew my invitation of last week to my colleagues and their families and official staffs to come tonight to the caucus room in the Old House Office Building to see some very beautiful pictures. I know many of you have seen pictures of Arizona in our Highway magazine which you probably have received by now. The picture I am most anxious to show you is a sound movie in color which will give you nothing more or less than those pictures which you have in your Highway magazine from Arizona, with the added attraction of seeing a live picture.

I extend my invitation to all Members of the Congress and as many of their families and staffs as can come to the caucus room, Old House Office Building, at 7:30 p. m.

PUBLICATIONS OF COMMITEEE ON UN-AMERICAN ACTIVITIES

Mr. WOOD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I have today introduced a resolution calling for the printing of 1,000,000 additional copies of 6 publications issued by the Committee on Un-American Activities. The committee has on hand requests for more than 1,000,000 copies of the publications mentioned in the resolution. I am certain that most of the Members of this House have received numerous requests for copies of these committee publications which have not been filled. The committee's hearing room contains more than four boxes, of a large size, which are filled with requests for committee publications. These letters and post cards can be examined by any Member of the House at any time. I think that a reissue of the six committee publications mentioned in the resolution introduced today, will prove to be of great value to every Member of this House who votes for the adoption of the resolution. I know of no cheaper or simpler method of warning the American public about the subversive forces operating in the United States than through the medium of the information contained in committee publications. I hope that every Member of this House will vote favorably on this resolution when it comes to the floor.

TABULATION OF REQUESTS FOR 100 THINGS YOU SHOULD KNOW ABOUT COMMUNISM SERIES

One Hundred Things You Should Know About Communism In the U. S. A.: Approximately 100,000 requests by telegram, letter, post card, and telephone for 1,500,000 copies.

One Hundred Things You Should Know About Communism and Religion: Approximately 100,000 requests by telegram, letter, post card, and telephone for 1,500,000 copies.

One Hundred Things You Should Know About Communism and Education: Approximately 75,000 requests by telegram, letter, post card, and telephone for 1,000,000 copies.

One Hundred Things You Should Know About Communism and Labor: Approximately 75,000 requests by telegram, letter, post card, and telephone for 1,250,000 copies.

One Hundred Things You Should Know About Communism and Government: Approximately 50,000 requests by telegram, letter, post card, and telephone for 1,000,000 copies.

Total approximate number of requests, 400,000.

Total approximate pamphlets requested, 6,250,000.

Spotlight on Spies: Only 10,000 copies will be available for distribution. It is expected that the demand for this pamphlet, because of the information contained therein, will exceed the requests made for the pamphlets mentioned above.

EXTENSION OF REMARKS

Mr. CROOK asked and was given permission to extend his remarks in the RECORD on the subject of organized labor's contribution to our American way of life.

HON. LOUIS A. JOHNSON, SECRETARY OF DEFENSE

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BROOKS. Mr. Speaker, today the affairs of the Department of Defense fall into the hands of the new Secretary of Defense, Louis A. Johnson, of West Virginia. Secretary Johnson is well known to veterans everywhere. He has a distinguished career as the former national commander of the American Legion. He is well known to Members of Congress, since the days of his service as Assistant Secretary of War in a preceding administration. He has rendered outstanding service to the Nation in preparing our defenses and placing everything in readiness for the last World War. In my judgment Mr. Johnson is a man of magnificent ability and accomplishment. He is taking over the affairs of the Department of Defense at a critical time when great ability is sorely needed. I think he can handle the job. Our best wishes and hearty congratulations go with the new Secretary of Defense this morning as he assumes the heavy duties of his new office.

EXTENSION OF REMARKS

Mr. MURRAY of Tennessee asked and was given permission to extend his remarks in the RECORD and include an editorial from the Salamanca (N. Y.) Republican-Press.

Mr. RANKIN asked and was given permission to extend his remarks in the RECORD and include an article by the Veterans' Administration answering an attack which occurred in Collier's magazine.

Mr. SADLAK asked and was given permission to extend his remarks in the RECORD and include therein a notice from the Commissioner of Labor of the State of Connecticut.

Mr. McCULLOCH asked and was granted permission to extend his remarks in the RECORD and include an editorial from the Cleveland Plain Dealer.

Mr. ELLIOTT asked and was granted permission to extend his remarks in the RECORD and include an article.

The SPEAKER pro tempore. This is District of Columbia day.

CALL OF THE HOUSE

Mr. HAYS of Ohio. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER pro tempore. Evidently there is no quorum present.

Mr. HARRIS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 46]

Battle	Hart	Patman
Bland	Hobbs	Pfeifer,
Boggs, Del.	Hoffman, Mich.	Joseph L.
Bosone	Jennings	Pfeiffer,
Buckley, N. Y.	Johnson	William L.
Bulwinkle	Keogh	Powell
Byrne, N. Y.	Kerr	Quinn
Canfield	Lanham	Richlman
Celler	Latham	St. George
Chudoff	Lichtenwalter	Smith, Ohio
Clemente	Linehan	Somers
Coffey	Lodge	Staggers
Coudert	McGrath	Stanley
Davenport	McSweeney	Stefan
Davies, N. Y.	Macy	Taber
Davis, Tenn.	Merrow	Taylor
Dawson	Miller, Calif.	Thomas, N. J.
Dingell	Miller, Nebr.	Weichel
Gilmer	Morrison,	Werdel
Gore	Morton	Whitaker
Gossett	Murphy	White, Calif.
Halleck	Noland	White, Idaho
Hand	Norton	Wolcott
Harden	O'Brien, Mich.	Woodruff
Harrison	O'Toole	Young

The SPEAKER pro tempore. On this roll call 363 Members have answered to their names; a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CONFERENCE REPORT ON H. R. 1731

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on the bill H. R. 1731.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

INTERIOR DEPARTMENT APPROPRIATION BILL, 1950

Mr. KIRWAN, from the Committee on Appropriations, reported the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes (Rept. No. 324), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union, and ordered to be printed.

Mr. JENSEN reserved all points of order on the bill.

EXTENSION OF REMARKS

Mr. BREHM asked and was given permission to extend his remarks in the RECORD on the subject of labor legislation.

Mr. SHORT asked and was given permission to extend his remarks in the RECORD in two instances; first, to include a brief statement by Dr. Tadeusz Bielecki, chairman of the Polish National Democratic Party, before a group of our colleagues on March 22, 1949; and in the other, an interview between Ely Culbertson and the Foreign Minister of Spain.

Mr. ALLEN of California asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. McGREGOR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include the results of a poll taken in my district.

Mr. Speaker, I have checked with the Public Printer and am informed that this will exceed the usual limit, but I ask that it be printed, notwithstanding.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CASE of South Dakota asked and was given permission to extend his remarks in the RECORD.

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD and include certain excerpts.

Mr. KIRWAN (at the request of Mr. MANSFIELD) was given permission to extend his remarks in the RECORD and include an address by Hon. James Farley.

Mr. NORRELL asked and was given permission to extend his remarks in the RECORD and include a speech by Congressman BROOKS over the radio.

SPECIAL ORDER GRANTED

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that following the

disposition of business on the Speaker's desk and at the conclusion of special orders heretofore granted I may address the House for 2 minutes today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

EXTENSION OF REMARKS

Mr. EVINS asked and was granted permission to extend his remarks in the RECORD and include a history of the Cumberland University, notwithstanding the fact that the additional cost estimated by the Public Printer is $60.

Mr. RAINS asked and was granted permission to extend his remarks in the RECORD and include a newspaper editorial.

Mr. O'KONSKI asked and was granted permission to extend his remarks in the RECORD.

Mr. VAN ZANDT asked and was granted permission to extend his remarks in the RECORD on the veterans' pension bill.

Mr. HAGEN asked and was granted permission to extend his remarks in the RECORD and include a radio talk by Commander Frackman on veterans' affairs.

REPEAL OF TAX ON OLEOMARGARINE

Mr. COLMER, from the Committee on Rules, submitted the following privileged resolution (H. Res. 168) on the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, which was referred to the House Calendar and ordered printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

DISTRICT OF COLUMBIA LEGISLATION

The SPEAKER pro tempore. This is District of Columbia day.

DAYLIGHT-SAVING TIME

Mr. HARRIS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 135) to establish daylight-saving time in the District of Columbia.

Pending that, Mr. Speaker, I ask unanimous consent that general debate be limited to 40 minutes, the time to be equally divided and controlled between the gentleman from Minnesota [Mr. O'HARA] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas [Mr. HARRIS]?

There was no objection.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Arkansas [Mr. HARRIS].

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 135) to authorize the Board of Commissioners of the District of Columbia to establish daylight-saving time in the District of Columbia, with Mr. BOGGS of Louisiana in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Arkansas [Mr. HARRIS] is recognized for 20 minutes and the gentleman from Minnesota [Mr. O'HARA] will be recognized for 20 minutes.

The gentleman from Arkansas.

Mr. HARRIS. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, the District Committee has directed me to report to the House S. 135, which would authorize the Board of Commissioners for the District of Columbia to establish daylight-saving time within the District.

S. 135, which was passed by the other body February 10, 1949, was before the committee, as was H. R. 1347, a companion measure in the House of Representatives, introduced and sponsored by our colleague the gentleman from New York [Mr. KLEIN].

This proposed legislation would merely extend the authority of the District Commissioners for the District of Columbia to provide daylight-saving time for the District. It is unnecessary for me to take but little of your time in explaining this proposed legislation.

The Members of this House are familiar with daylight-saving time. It was first proposed in the District of Columbia as a war measure, a daylight-saving measure, in 1941, called war-saving time. The House in 1947, I believe, for the first time by special act gave the District Commissioners authority to provide daylight-saving time for the District of Columbia for that year, 1947. It was again extended for 1 year in 1948.

The gentleman from New York [Mr. KLEIN] introduced H. R. 1347, which would give the District Commissioners permanent authority to fix daylight-saving time for the District of Columbia for the months beginning with the last Sunday in April, I believe, and extending to the last Sunday in September. In view of the legislative history and the action taken by the House heretofore the committee decided that it probably would be better to limit it again to 1 year. An amendment was offered and adopted to that effect so that the bill is extended for this year, 1949, only. Personally, I see no reason why this should not be made permanent if we are going to have it come up year after year, and particularly if we are going to continue to grant the authority.

I am not so happy about daylight-saving time myself; nevertheless, I am convinced that the greater number of people here in the District of Columbia do want daylight-saving time, and I accede to the wishes of the people who came before our committee and made a case on the basis of their honest convictions; consequently, Mr. Chairman, I agreed to the amendment that would provide 1 year only, for 1949, for daylight-saving time for the District of Columbia.

Mr. CHRISTOPHER. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Missouri.

Mr. CHRISTOPHER. Can the gentleman tell this body whose daylight it would save, and how?

Mr. HARRIS. I would not care to go into that. One of the witnesses who came before the committee said we had the so-called daylight-saving time in reverse, that it ought to be applied in the other months of the year instead of the summer months. I would not care to go into that technicality, because, as I say, I have never been too happy about daylight-saving time. The majority of the people involved want daylight-saving time during the summer months, and since they have had it for 7 or 8 years and since most of the surrounding metropolitan areas likewise have daylight-saving time, I consequently acceded to those wishes and voted for extending it another year.

Mr. Chairman, I reserve the balance of my time.

Mr. O'HARA of Minnesota. Mr. Chairman, I yield myself 5 minutes.

The CHAIRMAN. The gentleman from Minnesota is recognized.

Mr. O'HARA of Minnesota. Mr. Chairman, it is with some regret that I find myself compelled to oppose my colleague from Arkansas who is presenting this bill. I do so rather reluctantly.

I wish to correct one statement the gentleman from Arkansas made, unwittingly, I am sure, and that is that daylight-saving time was terminated by Executive order; it was terminated in 1945, after it had been in operation for 3 years, by unanimous vote of both Houses of the Congress. We had 3 years of operation of it and it brought nothing but turmoil and unhappiness to the country generally. The gentleman from Arkansas and myself as members of the Committee on Interstate and Foreign Commerce had hearings as early as 1943 for the repeal of daylight-saving time. In 1945 it was as I recall the first wartime act that was repealed.

I appreciate that a couple of years ago there was a considerable drive put on in the District of Columbia for daylight-saving time. There were some so-called polls taken. The radio people put on quite a drive because the big chains in New York started their programs on daylight-saving time due to the fact their offices happened to be in New York; then our friends on the Board of Trade wanted to add something to it; so they brought on quite a drive and propaganda for daylight saving.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the gentleman from Arkansas.

Mr. HARRIS. It is true that Congress has extended daylight-saving time in the District of Columbia twice?

Mr. O'HARA of Minnesota. Yes, that is correct, and over my violent objection.

Mr. HARRIS. Was not the gentleman, my distinguished friend who is now speaking, chairman of the subcommittee that reported this bill to the House and brought it to the House, which act extended dalylight saving for 1 year during the year 1947?

Mr. O'HARA of Minnesota. Yes; but I opposed the bill. I did not pigeonhole the bill as I might have done as chairman of the subcommittee that brought it out.

Mr. HARRIS. The gentleman is very fair as he is at all times.

Mr. O'HARA of Minnesota. I announced at the time that I was opposed to the bill.

In that connection may I say with reference to the committee, and I refer to the Committee on the District of Columbia, the committee this year was practically evenly divided as against bringing out this bill or reporting it. The gentleman in his own condition of mind is not very happy about it. The District of Columbia Committee did not report it unanimously by any manner or means. There were very many distinguished members of the committee against it, including the chairman of the committee, Mr. MCMILLAN of South Carolina, and Messrs. MILLER of Nebraska, JONES of Missouri, WADSWORTH, SMITH of Virginia, SIMPSON of Illinois, JONES of Alabama, DAVIS of Georgia, and myself. In addition to that there were two members of the committee who did not want to sign the report and voted against bringing out any daylight-saving time bill. If he had had all our opposition present the bill would have not been reported.

May I say that I hear a great deal from the people of the District of Columbia. There has been a great delusion abroad about this matter. As the gentleman from Missouri stated awhile ago, you do not save any daylight by shoving up the clock an hour. There is the same amount of daylight. You do not change the operation of the planets at all. The sun rises at the same time. You just discommode a lot of people because a few individuals think that there is some gardening exercise they get or they have a little more time for golf or they get to play a little more. So far as 98 percent of the people are concerned if they want to play they can get in the same amount of play without daylight-saving time as they do with daylight-saving time.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. O'HARA of Minnesota. Mr. Chairman, I yield myself five additional minutes.

Mr. Chairman, let us take our Government operations. Most of the hours of bureau operations are regulated by the matter of transportation. The Government workers have a 40-hour week, they have all day Saturday off. Many of the stores during the summertime close for a half day each week in the city of Washington. Your banks generally operate upon a different hour-basis than any other business and it does not make any difference to them except so far as the market operations are concerned in New York, Los Angeles, Chicago, and perhaps some other places. So it does not make any difference to them. The banks adjust themselves as they please.

This is the Nation's Capital. When you change the time different from standard time and your constituents want to call you from home, they, of course, do not know that we have daylight-saving time here in Washington. So, instead of allowing an hour's difference in time, why it is 2 hours difference in time. Take the gentleman from Oregon, for example; there you have 3 hours difference in time. Of course, at home, when they call you, or wire you on some important business, they do not know that your office is closed, because you are trying to operate for the convenience of the District of Columbia in your office as a Congressman.

Let me read from an article appearing in one of the local papers, which carries an Associated Press dispatch headline from Philadelphia:

DAYLIGHT SAVING CUTS CHILD SLEEP, DOCTOR DECLARES

PHILADELPHIA, May 14.—Daylight-saving time is a menace to the health of school children, Dr. John P. Turner, a member of the Philadelphia Board of Education, says.

Students are getting only 6 or 7 hours' sleep and great numbers are suffering from nervous reaction because of daylight saving, Dr. Turner declared in asking a survey be made directly through the schools.

"Instead of getting up at 7 o'clock, our children are getting up at 6 after staying up late because you just can't make a child go to bed when the sun is still up," Dr. Turner told a board meeting.

The doctor said he has visited hundreds of homes as a physician and has treated children for both physical and nervous reactions caused by lack of sleep.

A survey would determine the extent of the harm done by a lost hour of sleep daily, he suggested.

Joseph J. Greenberg, another member of the board, asked Dr. Turner if he thought the situation were serious enough to ask the return of standard time and the physician replied:

"I certainly do."

Of course, among the other things, the housewife is getting her meal an hour earlier in the heat of the afternoon. It does not do the people of the District of Columbia or those who reside in the vicinity, by reasons of being Members of Congress, any good to lose that additional hour of sleep in the morning.

Gentlemen, I want to say to the Committee that I think there has been a complete change of feeling even in the District of Columbia. We do not have this rather hysterical and passionate clamor for daylight-savings time that we had 2 years ago. Why? Because the people have awakened to the fact that it is not doing them any good and is a complete delusion.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the gentleman from Michigan.

Mr. DONDERO. What time is used in the States surrounding the District of Columbia; for example, Maryland and Virginia?

Mr. O'HARA of Minnesota. Let me say to the gentleman that even in Maryland there are some adjoining counties to the city of Washington that have daylight-savings time and some that do not have daylight-savings time. Now, what the condition is in Virginia I do not know, but I know that that is a fact in Maryland.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the gentleman from Arkansas.

Mr. HARRIS. The testimony before the committee revealed that in Alexandria, Va., they do have daylight-savings time, and in Arlington they do have daylight-savings time; and in Richmond, Norfolk, Bristol, and a number of counties.

Mr. O'HARA of Minnesota. I see the gentleman from Virginia here. He can probably answer that question.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. O'HARA of Minnesota. Mr. Chairman, I yield myself two additional minutes.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. I might say for the Virginia communities that the only reason they went to daylight-savings time was on account of the fact that the District of Columbia had put in daylight-savings time. We do not have a daylight-savings law in Virginia.

Mr. O'HARA of Minnesota. It just shows what one bad apple does in the barrel.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. REES. Am I correct in stating that the question of daylight-savings time came up during the war period, and it was suggested we ought to have it in order to save electrical energy? Was not that the idea?

Mr. O'HARA of Minnesota. Yes; and nobody ever showed that we saved a kilowatt.

Mr. REES. That is right; we did not save anything. Now they want to continue this wartime thing year after year.

Mr. O'HARA of Minnesota. Yes; even though a majority do not want it.

Mr. REES. This would be a good time to get rid of it.

Mr. HUBER. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the gentleman from Ohio.

Mr. HUBER. Does the gentleman feel that the majority of the citizens of the District of Columbia are opposed to daylight-saving time?

Mr. O'HARA of Minnesota. I honestly do.

Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Chairman, it may be said that upon this occasion I am talking out of turn because I am trying to talk as a countryman. I wish more people in the great cities of this country

had a conception of what daylight-saving does out in the farm areas. It should be remembered that whenever a great city goes on daylight saving a large area, extending 40 or 50, perhaps 60, miles away from the city, is compelled to go on daylight saving also, always against its will, the reason being this: When the city goes on daylight saving, the markets of the city must conform, which means that goods sent to market from the farms must leave the farms an hour earlier. This applies especially to the dairy business. When a city goes on daylight saving the telegraph companies must go on daylight saving, and their service over the country is on a daylight-saving basis. It is the same with the telephones, and the same with truck transportation. Indeed, the people in the country are helpless to a large degree and are compelled against their will—and I venture to say to you that they hate it—to go on daylight saving.

Perhaps the city folks here present will let me describe what happens on the dairy farms, and the dairy farms are not the only ones affected. Any general-purpose farm is affected in the same way. The dairy farmer must milk his cows early enough in the morning to load the milk on a truck to go to the city, to his processing plant in the city. Normally, on "sun time" the dairy farmer gets up at 5 o'clock or earlier in the morning the year around in order to get the milk chilled and ready and loaded in a truck to go to town. This means that only during the middle summer months, when the sun rises earlier, does the dairy farmer get up by daylight. For at least 7, perhaps 8 months in the year he gets up in the dark, even under "sun time." Then we come along with daylight saving and put the clock ahead a whole hour, and the dairy farmer gets up 12 months of the year in pitch darkness. That is what happens. I have seen it myself on a farm which I operate myself, and believe me, those people hate it.

The housewife has to get up an hour earlier to cook the breakfast for the men. Then when the milk is shipped and leaves the farm, around 6:30 or 7 in the morning daylight saving time, all work on that farm in the fields, if it is a harvest season, has to pause for at least an hour to wait until the dew gets off the grass. I have seen that happen time and time again and when 6 o'clock p. m. daylight saving time comes along, the idea is that the farm work should stop. It is then only 5 p. m. "sun time." Every farmer knows that in the last 2 or 2½ hours of daylight, according to "sun time," some of the most important work done on farms in the harvest season is done.

In other words, it imposes upon the farmers a definite hardship, from which he cannot escape when city folks insist on going on daylight saving time. City folks seldom, if ever, think of what it means. Most of them do not know where their food comes from or how it is produced. But I am portraying to you a practical problem. It does far more harm than good.

So when you are legislating for the District of Columbia do not get the idea that you are legislating solely for people of the District. You are not. You are imposing your will upon thousands of hard-working people out on the land and compelling them to do something which is utterly against their inclinations and against their actual needs.

Mr. Chairman, I hope this bill will not pass.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HARRIS. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I hold the gentleman from New York in the highest esteem. We all recognize his ability and his sincerity, and the fact, too, that he is always exceedingly capable of presenting his position. He has just told the committee about what a tremendous hardship will be worked on the farmers because we may have daylight saving in the District of Columbia. I might say to the gentleman, and I do not say it with any boastful spirit on my part, that I have lived on a farm. I have milked cows, and I know something about what it means to get up early. I know something about the little-dairy business. If the gentleman has ever been around a dairy he knows that a dairyman cannot operate much if he has to wait until 5 o'clock in the morning to get out.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I am glad to yield to the gentleman.

Mr. WADSWORTH. May I say to the gentleman that I was most conservative in stating what time the farmer gets up.

Mr. HARRIS. The gentleman was most conservative.

Mr. WADSWORTH. Yes.

Mr. HARRIS. The dairyman in this business, and particularly if he is in business on a commercial scale, is up at 2 or 3 o'clock in the morning.

But, Mr. Chairman, there are no dairies in the District of Columbia. This is merely for the District of Columbia, and nowhere else.

Mr. WADSWORTH. Does the gentleman deny that the District of Columbia, in enacting such legislation, will not affect the farmers in Virginia?

Mr. HARRIS. It will affect the farmers of Virginia very little, and especially the dairymen. The gentleman knows, I am sure, and if he will investigate he will find out, that the milk which is delivered to the District of Columbia by the dairymen from Virginia and Maryland is milk which was milked the day before. It was brought to the sheds the day before. It is not milk which was milked that morning.

Mr. CHRISTOPHER. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. CHRISTOPHER. Do you not think that the House perhaps ought to protect its record and try not only to legislate for the District of Columbia, but to set a good example for the rest of the country as well?

Mr. HARRIS. Of course, it is always appropriate, I believe, and highly desirable, too, for the House of Representatives to set a good example for the country. I do hope that we can do that.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HARRIS. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Chairman, I think I can yield back about 1 minute of my time.

I would like to make this observation, that here is another opportunity that Congress has to relieve some of the confusion which has existed and which has been caused by daylight-saving time. That is certainly a misnomer. As other Members have said, it does not save any time, but it does add to the confusion. I think Congress has an opportunity at this time to vote not to have daylight-saving time and therefore set an example. In other words, as I said on another bill, too many people look to what we do here in Congress and try to emulate the action of Congress, despite the fact that, as one member of the committee who said he was in favor of this bill, stated that actually he is not in sympathy with it. In other words, let us vote for what we think is right this time and let us try to end the confusion that has been brought about by this law.

Mr. O'HARA of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield.

Mr. O'HARA of Minnesota. I had overlooked one serious item of confusion, and that is the confusion of the railroads and airlines and buses and all forms of transportation, which confuses everybody all over the country when they come here and find that the interstate transportation operates under Federal direction.

Mr. JONES of Missouri. And on standard time.

Mr. O'HARA of Minnesota. And on standard time.

Mr. JONES of Missouri. Which does not conform to the time they see around hotels and in other public places.

Mr. O'HARA of Minnesota. That is right.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield.

Mr. GRANGER. It is certainly the consensus of opinion of the committee that the Congress should not set any bad examples. Is that true?

Mr. JONES of Missouri. I hope they will not set any bad examples.

Mr. GRANGER. The gentleman should remember that when this sales-tax matter comes up.

Mr. JONES of Missouri. I am afraid I cannot agree with the gentleman on that.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. JONES] has expired.

Mr. O'HARA of Minnesota. Mr. Chairman, I yield myself the remainder of the time.

In concluding my opposition to this bill, I should like to call attention to the fact of the terrific amount of confusion this daylight saving has brought about in the matter of transportation, which perhaps does not affect the Members of Congress, but certainly it affects everyone from our districts who comes here, and it affects the people who live in the District of Columbia. That is a very obvious fact. The railroads and airlines

and bus companies and all forms of interstate transportation operate upon standard time. Then we have the confusion which arises in the minds of, our constituents, who come here and find when they get ready to take their plane or bus or train that they have gone to the depot ahead of time by one hour.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. REES. From what source does there come a demand for this legislation. Who in the world seems to want it? Who are they? We would like to know. The gentleman is familiar with the whole problem and has conducted hearings on the matter. Who are the people who are demanding this?

Mr. O'HARA of Minnesota. I do not know of any who have demanded it. I think perhaps the Commissioners rather reluctantly brought this bill up, and the gentleman from Arkansas [Mr. HARRIS] being a kindly and courteous gentleman, has brought it up today.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. BROWN of Ohio. Of course, if we advance the clocks in the District by 1 hour, and they are not advanced in our home districts, then we will be thrown out of balance that much farther with the people back home who are trying to get us by telephone in regard to some important public business.

Mr. O'HARA of Minnesota. The gentleman agrees with me completely.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. NICHOLSON. But we get one more hour of sunshine, and I think most of us need a little bit more.

Mr. HARRIS. Mr. Chairman, I yield 5 minutes to the gentleman from New York, the author of the bill that is before the District Committee [Mr. KLEIN], to conclude the debate.

DEBATE POINTS UP HOME RULE NEED

Mr. KLEIN. Mr. Chairman, it seems to me that the debate that is going on here points up the great need for home rule, or some type of self-government for the people of the District of Columbia. Mr. Chairman, I do not impugn the motives of any Member in his views on this matter. I am trying to look at it from the standpoint of the majority of the people here in the District of Columbia. It seems to me that what many of you are doing is to inflict your own views or the views of your constituents on the people of the District of Columbia.

I should like to answer the question raised by the gentleman from Kansas [Mr. REES] as to who is in favor of this bill. I think it might be easier to tell you who is opposed to the bill.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. KLEIN. I yield.

Mr. REES. I am just wondering how different folks look at it, folks in the laboring group——

Mr. KLEIN. Yes; it might make a difference to some.

Mr. REES. I know certain groups expressed themselves in their appearance before other committees of the Congress on this subject as well as others. I am just wondering if there were home rule here in the District of Columbia whether the people in the District and in the city of Washington, generally speaking across the board would support this legislation when they realize as has been suggested here the inconveniences that come about in the fields of transportation and communication by reason of this tinkering with time.

Mr. KLEIN. I wish the gentleman would not take up any more of my time. I appreciate his position and his views. Every organization I know of is for this bill; I do not know any organization which is opposed. The board of trade, which represents the business interests in the District, is for it; the District Commissioners are for it; the labor unions are for it; the Government employees are for it.

I do not know of anybody against it.

Yet the gentleman from New York [Mr. WADSWORTH], who is a fine man and is honest and consistent in his views, and the gentleman from Minnesota [Mr. O'HARA] are in this instance arguing in a most inconsistent manner.

They are saying that the people of the District of Columbia should not be permitted to impose their views and their likes and dislikes on the people of other States, with which I can agree; but they mean just the opposite. The gentlemen are actually proposing that the people of Minnesota, or of Kansas, or of any other far-away State, should be allowed to dictate to the people of the District of Columbia.

Most emphatically I repeat that I agree with them fully that the people in each State should determine for themselves, under their own laws, the kind of time—fast, standard, or even slow—under which they wish to work and live; but by the same token the people of the District of Columbia should be able to express their desire for daylight-saving time, and through us as their city council to make those views effective when it appears that a majority here want daylight-saving time.

The argument the gentlemen are making is the best argument I can think of for not prejudicing the people of the District of Columbia in the kind of time they want.

Mr. O'HARA of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. KLEIN. I yield.

Mr. O'HARA of Minnesota. The gentleman asks who is against the bill. I refer the gentleman to the testimony of a witness from the Bureau of Engraving and Printing where they have some 9,000 Government employees. He said that at least 90 percent of that group of Government employees were opposed to the bill.

Mr. KLEIN. I did not know that. Now, will the gentleman tell me if there were others against the proposal?

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. KLEIN. I yield.

Mr. HARRIS. A witness by the name of Mr. William H. Hund from the Bureau of Engraving and Printing appeared before the committee and said that 90 percent of their group down at the Bureau of Engraving and Printing was opposed to the bill; but a Mrs. Harriet French who is legislative chairman for the entire Federal workers——

Mr. O'HARA of Minnesota. For the recreation group.

Mr. HARRIS. An organization of District Government employees, said the Government workers were for the bill.

Mr. O'HARA of Minnesota. She was speaking for the recreation employees. She said 90 percent of them were for it.

Mr. KLEIN. Mr. Chairman, I should like to make my point, if I may be permitted to.

It may be that some small groups are opposed to the bill, but the great majority of business people in the District, and of people who live here, people who work in the District, are in favor of this bill.

The gentleman speaks of inconvenience in the matter of transportation and communication, on the grounds that were this bill passed District time would be faster than his time back home. I can tell him of just the reverse of that in my own case. When I am in New York over the week end, if I come back by plane, the ordinary plane takes a little more than an hour to get here, but if the plane is unusually fast I would find myself arriving in Washington before I left New York City. That is very confusing.

Mr. O'HARA of Minnesota. The gentleman is for the bill because they have daylight saving time in New York.

Mr. KLEIN. And it has worked out very well; yes. But my reason for being for the bill is the same as my reason for being for anything else for the District of Columbia; and that is, if a majority of the people of the District want it, then I am for it.

Mr. BROWN of Ohio. I wonder if we could not settle the whole controversy without difficulty by just declaring a 6 months' vacation so that no one will work at all other than employees of the recreation department.

Mr. KLEIN. If the people want it, I am for it.

The CHAIRMAN. The time of the gentleman from New York has expired.

All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the Board of Commissioners of the District of Columbia is authorized to advance the standard time applicable to the District 1 hour for a period of each year commencing not earlier than the last Sunday of April and ending not later than the last Sunday of September. Any such time established by the Commissioners under the authority of this act shall, during the period of the year for which it is applicable, be the standard time for the District of Columbia.

With the following committee amendment:

Page 1, strike out lines 3 to 7, inclusive, and insert the following: "That the Board of Commissioners of the District of Columbia is authorized to advance the standard time applicable to the District 1 hour for the period commencing not earlier than the last Sunday of April 1949 and ending not later than the last Sunday of September 1949."

The committee amendment was agreed to.

Mr. HARRIS. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. McCORMACK, having resumed the chair, Mr. BOGGS of Louisiana, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 135) to authorize the Board of Commissioners of the District of Columbia to establish daylight-saving time in the District, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. HARRIS. Mr. Speaker, I move the previous question on the bill and amendment to final passage.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the third reading of the bill.

The bill was ordered to be read a third time and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. O'HARA of Minnesota) there were—ayes 80, noes 59.

Mr. O'HARA of Minnesota. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make a point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 223, nays, 130, not voting 80, as follows:

[Roll No. 47]

YEAS—223

Abernethy	Chesney	Fogarty
Addonizio	Chiperfield	Forand
Albert	Coffey	Fugate
Allen, Calif.	Cole, Kans.	Fulton
Anderson, Calif.	Cole, N. Y.	Furcolo
Arends	Combs	Gamble
Aspinall	Corbett	Garmatz
Auchincloss	Cotton	Goodwin
Bailey	Crook	Gordon
Baring	Crosser	Gorski, Ill.
Barrett, Pa.	Dague	Gorski, N. Y.
Bates, Mass.	Davis, Wis.	Gossett
Beall	Deane	Granahan
Bennett, Mich.	Delaney	Green
Biemiller	Denton	Hagen
Blatnik	Dollinger	Hall,
Boggs, La.	Donohue	Leonard W.
Bolling	Doughton	Halleck
Bolton, Md.	Douglas	Hardy
Bolton, Ohio	Doyle	Harris
Bramblett	Durham	Hays, Ark.
Breen	Eaton	Hays, Ohio
Brown, Ga.	Eberharter	Hébert
Bryson	Elliott	Hedrick
Buchanan	Ellsworth	Heffernan
Buckley, Ill.	Elston	Heller
Burke	Engel, Mich.	Herlong
Burnside	Engle, Calif.	Herter
Burton	Evins	Heselton
Byrnes, Wis.	Fallon	Hinshaw
Carlyle	Feighan	Holifield
Carroll	Fenton	Holmes
Case, N. J.	Fernandez	Hope
Case, S. Dak.	Fisher	Horan
Chatham	Flood	Howell
Huber	Mahon	Rogers, Mass.
Irving	Marcantonio	Rooney
Jackson, Calif.	Marsalis	Sadlak
Jackson, Wash.	Martin, Mass.	Sadowski
Jacobs	Miller, Calif.	Sasscer
James	Mills	Scott,
Javits	Mitchell	Hugh D., Jr.
Jones, N. C.	Monroney	Scudder
Judd	Morgan	Secrest
Karst	Multer	Sheppard
Karsten	Nelson	Simpson, Pa.
Kean	Nicholson	Sims
Kearney	Nixon	Smathers
Kearns	O'Brien, Ill.	Staggers
Keating	O'Hara, Ill.	Steed
Kee	O'Neill	Stigler
Kelley	O'Sullivan	Stockman
Kennedy	Pace	Sullivan
Kilburn	Patten	Sutton
Kilday	Patterson	Tauriello
King	Perkins	Teague
Kirwan	Peterson	Thompson
Klein	Philbin	Thornberry
Kruse	Phillips, Tenn.	Tollefson
Kunkel	Poage	Towe
Lane	Potter	Underwood
LeFevre	Poulson	Wagner
Lind	Price	Walsh
Lucas	Priest	Walter
Lyle	Rabaut	Welch, Mo.
Lynch	Ramsay	Whittington
McCarthy	Redden	Wickersham
McConnell	Reed, Ill.	Wier
McCormack	Regan	Wigglesworth
McDonough	Rhodes	Wilson, Okla.
McGuire	Ribicoff	Wilson, Tex.
McKinnon	Rich	Wolverton
McMillen, Ill.	Rivers	Woodhouse
Mack, Ill.	Rodino	Worley
Madden	Rogers, Fla.	Yates

NAYS—130

Abbitt	Gary	Murray, Wis.
Allen, Ill.	Gathings	Norblad
Allen, La.	Gavin	O'Hara, Minn.
Andersen,	Gillette	O'Konski
H. Carl	Golden	Passman
Andresen,	Graham	Phillips, Calif.
August H.	Granger	Pickett
Andrews	Grant	Polk
Angell	Gregory	Preston
Barden	Gross	Rains
Barrett, Wyo.	Gwinn	Rankin
Bates, Ky.	Hall,	Reed, N. Y.
Beckworth	Edwin Arthur	Rees
Bennett, Fla.	Hare	Sabath
Bishop	Harvey	Sanborn
Blackney	Havenner	Scrivner
Bonner	Hill	Shafer
Boykin	Hoeven	Short
Brehm	Hull	Sikes
Brooks	Jenkins	Simpson, Ill.
Brown, Ohio	Jennings	Smith, Kans.
Burdick	Jones, Ala.	Smith, Va.
Camp	Jones, Mo.	Smith, Wis.
Cannon	Keefe	Spence
Carnahan	Larcade	Tackett
Cavalcante	LeCompte	Talle
Chelf	Lemke	Thomas, Tex.
Christopher	Lesinski	Trimble
Church	Lovre	Van Zandt
Clevenger	McCulloch	Velde
Colmer	McGregor	Vinson
Cooley	McMillan, S. C.	Vorys
Cooper	Mack, Wash.	Vursell
Cox	Magee	Wadsworth
Crawford	Mansfield	Welch, Calif.
Cunningham	Marshall	Wheeler
Curtis	Mason	Whitten
Davis, Ga.	Meyer	Williams
DeGraffenried	Michener	Willis
D'Ewart	Miles	Wilson, Ind.
Dolliver	Miller, Md.	Winstead
Dondero	Morris	Withrow
Fellows	Moulder	Wood
Ford	Murdock	
Frazier	Murray, Tenn.	

NOT VOTING—80

Battle	Dawson	Kerr
Bentsen	Dingell	Lanham
Bland	Gilmer	Latham
Boggs, Del.	Gore	Lichtenwalter
Bosone	Hale	Linehan
Buckley, N. Y.	Hand	Lodge
Bulwinkle	Harden	McGrath
Burleson	Harrison	McSweeney
Byrne, N. Y.	Hart	Macy
Canfield	Hobbs	Martin, Iowa
Celler	Hoffman, Ill.	Merrow
Chudoff	Hoffman, Mich.	Miller, Nebr.
Clemente	Jenison	Morrison
Coudert	Jensen	Morton
Davenport	Johnson	Murphy
Davies, N. Y.	Jonas	Noland
Davis, Tenn.	Keogh	Norrell
Norton	Richards	Weichel
O'Brien, Mich.	Riehlman	Werdel
O'Toole	St. George	Whitaker
Patman	Scott, Hardie	White, Calif.
Pfeifer,	Smith, Ohio	White, Idaho
Joseph L.	Somers	Wolcott
Pfeiffer,	Stanley	Woodruff
William L.	Stefan	Young
Plumley	Taber	Zablocki
Powell	Taylor	
Quinn	Thomas, N. J.	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Morrison for, with Mr. Harrison against.

Mrs. Norton for, with Mr. Stanley against.

Mr. Gilmer for, with Mr. Stefan against.

Mr. Murphy for, with Mr. Miller of Nebraska against.

Mrs. Bosone for, with Mr. William L. Pfeiffer against.

General pairs until further notice:

Mr. Hobbs with Mr. Canfield.

Mr. Battle with Mr. Plumley.

Mr. Powell with Mr. Macy.

Mr. Whitaker with Mr. Taber.

Mr. Young with Mr. Hardie Scott.

Mr. Noland with Mr. Hand.

Mr. White of California with Mr. Boggs of Delaware.

Mr. Hart with Mr. Lichtenwalter.

Mr. McGrath with Mr. Merrow.

Mr. Dingell with Mr. Morton.

Mr. Chudoff with Mr. Coudert.

Mr. McSweeney with Mr. Hoffman of Michigan.

Mr. Clemente with Mr. Jenison.

Mr. Quinn with Mr. Wolcott.

Mr. Burleson with Mr. Woodruff.

Mr. Davenport with Mrs. St. George.

Mr. Davies of New York with Mr. Riehlman.

Mr. Dawson with Mr. Hoffman of Illinois.

Mr. Richards with Mr. Lodge.

Mr. Joseph L. Pfeifer with Mr. Latham.

Mr. Buckley of New York with Mr. Taylor.

Mr. Byrne of New York with Mr. Jonas.

Mr. Keogh with Mr. Hale.

Mr. Celler with Mr. Harden.

Mr. Lanham with Mr. Weichel.

Mr. BROOKS changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

AMENDING THE ECONOMIC COOPERATION ACT OF 1948

Mr. COX, from the Committee on Rules, reported the following privileged resolution (H. Res. 169, Rept. No. 328), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3748) to amend the Economic Cooperation Act of 1948. That after general debate, which shall be confined to the bill and continue not to exceed 4 hours, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

COMMITTEE ON RULES

Mr. SABATH. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

EXTENSION OF REMARKS

Mr. AUCHINCLOSS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a letter. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $307.67, but I ask that it be printed notwithstanding that fact.

The SPEAKER pro tempore. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. RICH asked and was given permission to extend his remarks in the RECORD and include an article by Dr. Stewart.

Mr. GOLDEN asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. KARSTEN asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. ROONEY asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. POULSON asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. PATTERSON asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

ADDITIONAL REVENUE FOR THE DISTRICT OF COLUMBIA

Mr. McMILLAN of South Carolina. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3704) to provide additional revenue for the District of Columbia; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 2 hours, the time to be equally divided and controlled by the gentleman from Massachusetts [Mr. BATES] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from South Carolina.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 3704, with Mr. BOGGS of Louisiana in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. McMILLAN of South Carolina. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Chairman, we bring you again today a revised revenue measure for the District of Columbia. You will recall that we brought you a measure 2 weeks ago which was defeated in the House on a roll call by 10 votes. Endeavoring to conform to the necessities of the case and to the wishes of the House, we have revised that bill and added some other features, and we brought you here today a bill which we believe is a fair compromise of differences that existed on the floor and we very much hope that the House will adopt this new bill.

I should like to explain briefly the differences between this bill and the bill we had up week before last.

Under the old bill, all items under 14 cents were exempted, and they are still exempt under this bill. All items from 51 cents under the old bill up to a dollar carried a 2-cent tax. We have changed that, and the 2 cents tax now goes on under the new bill only at 63 cents. The 3-cent tax would go on at $1.13, and so on.

We have incorporated a different method of collection of the sales tax. Instead of requiring the assessors and the merchants to keep accurate records of every sale, we have imposed this tax upon the gross sales of the merchant. This is calculated to save a great deal in the administration of the act and the cost of collection.

We have kept in the new bill all of the amendments that were adopted on the floor of the House 2 weeks ago to the other bill; that is, all those exemptions and changes that were made on the floor are incorporated in this bill. We have added a title which increases the liquor license tax in the District of Columbia by 50 percent in all instances.

We have brought in a raise in the real estate tax for the District of 15 cents on the $100, and in that connection let me say that the present rate is $2. Up until 2 years ago the rate was $1.75. The rate was raised from $1.75 to $2, and there was a reassessment made, which resulted in an over-all increase in the amount of the tax on real estate of 32 or 33 percent. By raising it 15 cents more, the net result is that in the past 2 years the tax on real estate in the District of Columbia will, if this bill is passed, have been increased by over 40 percent, which this committee thought was as much increase as they ought to be called upon to bear.

We have made some changes in the income-tax law. This has been a matter of a great deal of controversy because of the fact that a great many Federal employees who live here are domiciled in the States of their nativity. Putting on the sales tax, we have thought it was fair to raise the exemption under the income tax to the point where the lower income tax group would not be touched by the revised income tax. We have revised, however, the definition of residence so that every person resident in the District for the 7 months preceding the first of the year will be subject to an income tax but will not be subject to the income tax except on that portion of his income which is in excess of $4,000. In addition to his exemption of $4,000 he will have the usual dependency exemptions and expense exemptions.

As I had occasion to state on the floor of the House 2 weeks ago, this sales-tax bill has been very generally approved and endorsed by the people of the District, particularly by the organizations here. I should like to repeat the organizations that have in the hearings endorsed the sales tax: the Washington Board of Trade; the Washington Taxpayers' Association; the Fiscal Relations Committee of the Federation of Citizens' Associations, through both the chairman and the vice chairman of that committee, which means that this federation representing all the citizens' associations of the District of Columbia, has endorsed this tax bill, and they are the people who have to pay it; the Junior Chamber of Commerce; and the Washington Building Congress. We also received testimony favoring the sales tax from the Home Builders' Association of Metropolitan Washington, the Washington Real Estate Board and the Federation of Women's Clubs in the District of Columbia.

Mr. Chairman, I am sorry that my time is limited, but I hope to have time under the 5-minute rule to answer any questions that may be asked of me.

Mr. McMILLAN of South Carolina. Mr. Chairman, I yield 10 minutes to the gentleman from Utah [Mr. GRANGER].

Mr. GRANGER. Mr. Chairman, I am sorry I have to disagree with the distinguished gentleman from Virginia on this matter. I hope I may have the attention of the members of the committee, because I think we need to be told what the score is in relation to this bill. I wonder if the gentleman from Massachusetts is going to give me 5 minutes additional time?

Mr. BATES of Massachusetts. Later on, I might be able to do so, but I am trying to divide the time on this side.

Mr. GRANGER. I wish the gentleman would give me 5 minutes.

Mr. BATES of Massachusetts. The gentleman has 10 minutes already; I think he should dispose of that time. first, before we take time from somebody else.

Mr. GRANGER. Mr. Chairman, we are discussing a very important piece of legislation. We are trying to find money to raise $18,000,000 of additional revenue. You have not been told how that has come about. That is why I want to have five extra minutes.

Following this bill you are going to have a pay increase bill which calls for an increase in salaries of firemen, policemen, and teachers up to $330 a year. On top of that, that increase is going to be made retroactive. It will place into this bill the whole burden of paying for these salary increases. Instead of being $330, actually for this fiscal year it is going to be $660. If we pass this increase and make it retroactive, it will mean we will have to raise nearly $6,000,000 of additional revenue. If we do not do that and only make the increase for this next fiscal year, it will mean that the deficit which we are trying to provide for would be reduced to $12,000,000, instead of $18,000,000. That is the situation which confronts us. I believe these people are entitled to a raise, and I voted to bring it out of the committee and to make it retroactive.

I think it is the responsibility of the opponents of the sales tax to raise reve-

nue so that this can be done. We have done that. You will have passed among you an amendment which I propose to offer as a substitute for the Smith bill. It will raise the revenue so that we will have money to spare at the beginning of the next fiscal year.

Let us consider the property tax first, about which there has been so much discussion, as to whether it is fair or not. There is no particular reason to live in the District of Columbia, except for the fact that this is the seat of government. The economy has been built around the District of Columbia because we have the government here. That is an important thing to remember. Furthermore, the whole pay roll of the Federal Government is here and it is dumped into the channels of trade at the rate of $5,000,000, every month of every year.

Would you not like to live in a city that had that great possibility for revenue? There is no other city in the land that has that opportunity. How would you like to live in a city where one single taxpayer would come up on July 1 and pay into the Treasury $12,000,000 to defray the expenses of government.

There is no other city in the United States that has that privilege. So there is an advantage over every other city in the country to owning property in the District of Columbia. Therefore, they should not only pay what every other city in the land pays, but they should be compelled to pay a premium. Why? We are talking about the rate of pay. The rate of pay on the assessed valuation of property of the taxpayers is well below that of any other city of comparable size. They even refuse to pay that minimum.

Let me show you what other benefits they have. Let us compare Washington with comparable cities. Here is Baltimore, with a higher rate than is paid in the District of Columbia. In addition to that, to operate their city they have a debt of $164,500,000 of deferred payments. Boston has $129,700,000; Buffalo, $65,000,000; Cleveland, $95,700,000; Milwaukee, $6,600,000; Pittsburgh, $47,600,000; St. Louis, $44,300,000; San Francisco, $117,000,000. The great city of New York, and cities of that size, are carrying a deficit of a billion dollars; and yet the people of Washington are not willing to pay their fair share of this tax. Why? Because they are running on a budget where they pay the whole cost every year. If these other cities had to do that they would double their rates over what is paid in the District of Columbia.

Now, that is what all this noise is about today. In the amendment I will offer I am proposing to raise the rate of 2 percent to 2½ percent on the assessed valuation of the property in the District of Columbia, which will increase the revenue almost $8,000,000.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield

Mr. CRAWFORD. In looking over the gentleman's amendment, I have in my hand a sheet showing the revenue receipts in the District of Columbia—alcohol beverages. It shows the amount of revenue stamps purchased by each of the 10 or 15 distributors in this area in a given year, covering 3,965,000 gallons of liquor, 725,000 gallons of wine, 588,000 gallons of beer. Then this sheet also shows the approximate net profit on all those transactions. It also shows that some of these licenses are valued as high as $150,000, just for the license, if you want to transfer it. It runs from $60,000 up to $150,000. So that seems to be a pretty profitable situation. I would prefer the gentleman's amendment to a sales tax for this area.

Mr. GRANGER. Now let us take the other means of raising revenue. This committee has been telling you "Oh, we are for an income tax as a means of raising revenue. We have explored every other avenue of raising revenue and cannot find it." Do you not know that you spend more money for liquor in Washington, D. C., than you do for milk? You spend five times as much for liquor as you do for education. What tax do you pay on it? On hard liquor you pay 50 cents a gallon. What is the national average on that? $1.42 a gallon. Now, let us see what Arkansas charges on liquor. The State of Arkansas charges $2.52 a gallon on hard liquor. Tennessee, $2 a gallon. All States adjacent to it are away above the rates charged by the District of Columbia. What is happening here? People as far away as the State of Pennsylvania are coming down here to buy liquor because it is cheap.

The CHAIRMAN. The time of the gentleman from Utah has expired.

Mr. GRANGER. Mr. Chairman, will the gentleman from Massachusetts yield me some time?

Mr. BATES of Massachusetts. Mr. Chairman, I yield the gentleman from Utah five additional minutes.

Mr. GRANGER. I thank the gentleman.

Mr. Chairman, this is the place to get revenue. We are not talking about peanuts here. In this new bill they raise the cost of the license on the dealers in the District of Columbia. What will it mean? It will mean that it will put a lot of small dealers out of business and make a clean-cut monopoly out of it for a few big dealers like the large hotels. That is the difference between the two bills. The revenue is here if we have a mind to go out and get it. As I propose in my amendment, all wine would be taxed. There never has been a tax on wine that had an alcoholic content less than 14 percent; I propose to levy a 10-cent tax on that and to increase the tax on other wine from 10 cents to 20 cents. I also propose to increase the tax on hard liquor from 50 cents to $1 per gallon. This would still make liquor in the District of Columbia cheaper than it is in Maryland, about on a par with what it is in the State of Virginia, and much cheaper than it is in many other parts of the country. Here is the place to get some revenue. Some people ask: Why not tax these lobbyists we have around here. This is the place to tax the lobbyists, for then when they give these big cocktail parties we will know that when they serve the liquor they are paying some of the taxes to help the District of Columbia. This is the best way to get at them.

The income tax, another part of this bill, is the same as it was before. This will raise an additional $5,000,000. So you have under my proposal, taxes to which no one can object too much and under it we can raise $15,000,000; or enough to balance the budget and give the District a decent kind of tax without resorting to the tax of last resort—the sales tax. I hope the committee will give careful consideration to my substitute bill. It is an important bill. It is a bad example for this Congress to set for the Capital City of the Nation to put into effect a sales tax which in anybody's language is a bad tax. It strikes at the poor more than anyone else; and, frankly, everything in the Smith bill is against the little fellow.

This is not my idea alone; the distinguished gentleman from Virginia offered this amendment about which I am talking, but he said the liquor boys did not want it, so he threw it away; of course, they do not want it.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield.

Mr. SMITH of Virginia. I am sure the gentleman wants to be accurate. Nobody, of course, wants these taxes.

Mr. GRANGER. That is right.

Mr. SMITH of Virginia. That is the difficulty I found; but it was not determined by the liquor people; it was determined by the committee of which the gentleman is a member. The committee decided not to report that bill out but did report out the substitute in this bill of an increase of one-half of the cost of the liquor license.

Mr. GRANGER. As I understand, there were no hearings on the gentleman's bill. It was offered but not pressed because as he said to me the liquor people did not want it, the Alcohol Control Board did not want it, and the committee did not want it.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield.

Mr. SMITH of Virginia. The gentleman is mistaken about that, and I am sure he does not intend to be. We did hold hearings in the joint committee of the Senate and House, and the subcommittee was favorable to it. The full committee was not favorable to it, so the matter was abandoned and we provided instead this increase of one-half in the cost of the liquor license.

Mr. TOWE. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield to the gentleman from New Jersey.

Mr. TOWE. How much additional revenue would come from the liquor tax as a result of the gentleman's proposal?

Mr. GRANGER. Under my proposal the best estimate I could get is that there would be an increase of a little better than $2,000,000. Still it would be the lowest priced liquor in the whole country.

Mr. O'SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield to the gentleman from Nebraska.

Mr. O'SULLIVAN. These three pages I have constitute the gentleman's bill?

Mr. GRANGER. Yes, but it is not half as complicated as the number of pages would indicate. The matter of the taxes and the stamps has already been approved and that part of it was written by the Bureau of Internal Revenue. So there would not be any mix-up on the stamps.

The CHAIRMAN. The time of the gentleman from Utah has expired.

Mr. McMILLAN of South Carolina. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Chairman, may I make the observation that in Missouri as well as in some 29 other States there is a sales tax which is paid by all of the people. The revenue from the tax is used to help support all of our State institutions and particularly the schools in the State of Missouri.

I cannot see how any Representative coming from a State whose constituents pay a sales tax in their own States can vote against a similar tax being imposed upon the residents of the District of Columbia, thereby permitting them to participate in the cost of their government. On the other hand, if we vote against this sales tax we will be making it imperative probably for the Congress to increase the Federal contribution to the District of Columbia, which I think would be very unfair to the constituents of our own States who now pay the tax we are seeking to impose upon the people of the District of Columbia. That is one of the main reasons why a sales tax is fair and why the Congress should support the pending bill at the present time.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. BATES of Massachusetts. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, this is an annual event in the Congress of the United States in connection with the consideration of a revenue bill for the District of Columbia. It is repetitious of that which is going on in every city and town in the United States, except that in the other cities and towns, the question of taxes is determined by the city and town governments in their respective city and town throughout the country. Under the Constitution of the United States, the legislative authority for the government of the District of Columbia is vested in the Congress of the United States. Every power that the District of Columbia government has, is a power given to it by the Congress. The power to levy taxes is a power given to the District by the Congress. Today, we are considering the question not only as to how much money the government of the District must have to run the District, as originally submitted to the Congress by the Commissioners who are the administrative officers of the District, but also the question as to how we should raise the money with which to carry on the affairs of the District of Columbia.

We have been told that the budget of the District of Columbia as submitted to Congress in the early part of the year was an austerity budget. There were no provisions in the budget for additional school buildings; for the expanding and shifting school population; to extend the necessary services of the District to adequately care for the indigents. In addition to the austerity budget, or what we might well consider to be the current administrative cost of the District, we are face to face with a situation that is unparalleled, I believe, not only by the District, but any other city of its size in the United States. We are faced with a situation, whereby the Federal employees only a year ago received what was then called a cost-of-living increase, and always, it has been the practice of the Congress that when the Federal civil employees received an increase in wages or salaries that employees of the District were given increases of a similar nature. In addition to that, the firemen, the policemen, and the teachers are to be given consideration along the same line. The Federal employees received their increase in wages. They have already been paid. A year ago, the House passed a bill authorizing a $330 increase for the District employees, and also an increase for the firemen, policemen, and teachers. But, there was a condition attached to the legislation coming through the House that such payment of cost-of-living increase should only be paid if additional revenue was approved by the Congress and approved by the President. No new revenue bill was approved, and the sources of revenue then available and now available, are inadequate to meet the changes in the budget requirements which today, because the $8,000,000 in the ordinary maintenance cost of the government, according to the budget, together with the $5,000,000 more needed to increase the salaries of teachers, firemen, and policemen and all other civil employees for the year 1950, starting July 1st, and then the $5,000,000 more to take care of the retroactive features of the pay increase for the fiscal year that we are now in, makes a total deficiency of approximately $18,000,000.

Now, ladies and gentlemen, we have got to use common sense about this situation. The destiny of the employees in the administration of the city itself in this respect is in the hands of the Members of Congress, and whatever we do here today depends entirely on whether or not the necessary revenue sufficient will be raised to take care of those needs and whether or not the 18,000 employees who rightly may expect an increase, a cost-of-living increase, in their salaries and wages, shall receive the same.

I just want to take a few moments to get this story before the Members of the House. I want to say that this is my thirteenth year on the Committee on the District of Columbia. Every year of that 13 I have been a member of the fiscal committee. Ten years ago, I participated in the revision of the revenue and tax bill of the District as the result of the Pond report. The question before us today of a sales tax which has been mentioned on so many occasions and which is an important issue, has been a matter that we have considered down through a period of the last 10 years. May I restate what I stated only 2 weeks ago on the floor of the House about the Pond report—Mr. Pond being an expert in the field of municipal taxation, made a report 10 years ago in his study of the local District finances that we ought to adopt a combination of income and sales tax exempting those who had net incomes of less than $14,000 and then applying the so-called 2-percent sales tax. I very vigorously opposed it at that time, and we did defeat the sales-tax provision of the Pond report.

We also included an income-tax provision, the first income-tax provision in the revenue laws of the District ever enacted into law. That was under an amendment I offered on the floor of the House 10 years ago, and it has been one of the basic revenue sources from that time to the present.

We have consistently from that time to the present been attempting to broaden the income-tax law that would make all residents here pay an income tax if they did not pay it in another tax jurisdiction. In other words, coming from Massachusetts, where we have an income-tax law, if I perchance should be a resident here engaged in the Government over a period of many years and I paid an income tax in the State of Massachusetts, the amount I paid in the State of Massachusetts would be deducted from the amount I would be assessed in the District of Columbia. That is under what we call the reciprocal arrangements that are made between the various States of the Union that assess an income tax. But the Members of Congress every year—since 1939—that have attempted to broaden that income tax have defeated it on the ground that the people coming from other States who claim domicile in those States, even though they may live here continuously for 10, 20, or 30 years, should not be compelled to pay an income tax in the District of Columbia if they do not pay anywhere else.

We have a situation in the District of Columbia today where approximately 250,000 people, who pay a Federal income tax, give the District of Columbia as their residence, yet when we consider the number that pay a local income tax, out of the 250,000 that pay the Federal income tax, we find that just a little over 80,000 people who claim residence in the District pay a local income tax. It is because of our inability to get the income tax broadened over a period of years that we are here today face to face with this situation which I believe is unparalleled. We are face to face with a situation where the most basic of all taxes, in my opinion, the income tax, cannot be broadened because of the action of Congress, and we are forced thereby to turn to another source, a major source of income, namely the sales tax, in order to meet the requirements of the District budget.

Of course, the property tax is the most basic of all taxes in any community. It has been so from the beginning of time. I realize that I have said on many occasions that the property tax here in the District over a period of years has been, in my opinion, extremely low. However, when I became chairman of the subcommittee of the Committee on the District of Columbia 2 years ago, for the first time in that 10-year period, I had an opportunity to correct, at least in part, that situation that I believe should be cured, by increasing the tax rate from $1.75 to $2 per $100. At the same time, the Dis-

trict assessors increased property values all over the District on an average of about 18 percent, and the rise in the tax load that resulted from the increase in the tax rate and the assessment averaged about 30 percent over the tax bill of the preceding year. It has been said, and it has been so incorporated in the bill that my friend, the gentleman from Utah [Mr. GRANGER] has filed, that we ought to increase the property taxes here to $2.50 per $100, instead of the present rate of $2 per $100. Let me show the Members of the House what effect that will have on the real property taxpayers of the District of Columbia. Let us take the 1947 figure, when properties were assessed at the subnormal rate, or low rate, of $1.75 per $100. Let us consider a house that was assessed at $10,000 at that rate of $1.75 per $100. In the fiscal year 1948, the owner of that property paid $175 in taxes. As a result of the jacking up of the tax rate the following year to $2 and an increase in the assessed valuation of that property to the extent of 20 percent, the assessment was brought up to $12,000, and at the $2 rate in 1949, the tax bill was $240, as compared with $175 the year before.

On the other hand, in our bill for this year we are increasing the tax rate 15 cents more per $100, or making it $2.15. On the basis of a $12,000 assessed valuation, which is an increase of 20 percent, as I said a moment ago, the taxpayer on that real property in 1950 will pay a tax bill of $258 as against $175 in 1948, or an increase of 47.4 percent as compared with the tax bill that he paid only 2 years ago.

My friend, the gentleman from Utah [Mr. GRANGER] comes along and says that we ought to jack up the rate to $2.50. On the basis of present assessments, if we apply the $2.50 rate, the tax bill would be $300 as against $175 2 years ago, which is an increase of approximately 70 percent.

If that is so, it seems to me we ought to go pretty slow, so far as jacking up the rate is concerned on what we call the property tax in the District of Columbia. I think we have to give them a chance to adjust in the local situation. We have to take advantage of every other source of revenue that may be available from the standpoint of equity and fair dealing. Because the Congress refuses to broaden the income tax and thus rely on another major source of revenue to meet the requirements of this large budget, and also to meet the deficiencies which are a result of the increase in salaries and wages being paid to District employees, and as a result of salary increases, to meet the cost of living, we must take advantage of every source of revenue, but on a basis of equity and fair dealing.

Those are the principal features of the bill. I do not like the sales tax. As I have said on many occasions, every year for the past 10 years, I have opposed the sales tax. If the Members of Congress will give us a broader income-tax basis, it will in a substantial way meet the requirements of the District budget. But we have to go beyond that now. We are suggesting the other forms of taxation, which, while they will bring in a smaller amount of money, as compared with the total amount that is necessary, they will be of great help.

We have given a great deal of thought and study to the tax structures of all the large cities of the country. We have come to the conclusion that from the standpoint of fairness and equity to the taxpayers of the District of Columbia we have to assume a tremendous burden and we are justified in recommending the only source of revenue remaining, in the light of the action of the Congress in refusing the income tax bill. We must rely on the sales tax, the liquor license tax, and other minor taxes that we have recommended in this bill. We feel that something has to be done. You will be given an opportunity today by the Granger amendment, by the Klein amendment, and by several other amendments that will be offered, to vote for a broadened income tax. But even if any one of these is adopted, that will not meet the situation, because with the broadened income tax, and to double the rates over the present rate, you will still have a deficit of $6,700,000.

Mr. WELCH of California. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield.

Mr. WELCH of California. The gentleman served with distinction as mayor of his home city of Salem for a number of years. Will the gentleman tell the committee the present tax rate in the city of Salem?

Mr. BATES of Massachusetts. You mean the property tax?

Mr. WELCH of California. The tax rate on property.

Mr. BATES of Massachusetts. The tax rate in practically every city in the country is anywhere from $25 to $65 per thousand.

Mr. WELCH of California. That That would be $6 per thousand in Salem.

Mr. BATES of Massachusetts. Yes.

Mr. WELCH of California. What is the total tax rate on property in the District of Columbia?

Mr. BATES of Massachusetts. The total under the present rate is $2 a hundred, but the assessed values are higher than in other places.

Mr. WELCH of California. Is there any reason why the District should not pay a comparative tax rate with that paid in the city of Salem, the city of Boston, the city of San Francisco, Chicago, Philadelphia, New York, or any other large city?

Mr. BATES of Massachusetts. I do not think it is a question of the tax rate——

Mr. WELCH of California. It is a question of the tax rate, based on assessed valuations.

Mr. BATES of Massachusetts. I will answer the gentleman if he will give me time. I do not think it is a question of the tax rate. It is the tax bill that the property owner has to pay. Here in the District of Columbia, it is my opinion that the assessed values of property are far higher than in large cities generally in the United States. In the gentleman's own city of San Francisco, according to information that I have received, and which he may verify himself, the assessed value there is only about 50 percent of the actual, real sale value of property in the city of San Francisco. In the District of Columbia, with respect to business property, the assessment is about 77 percent of what we might call the real value in the open market; and in the case of apartment houses, it is about 74 percent.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. BATES of Massachusetts. Mr. Chairman, I yield myself five additional minutes.

Mr. WELCH of California. The gentleman made a mistake with reference to the tax rate and assessed valuations in San Francisco.

Mr. BATES of Massachusetts. Now, just a moment. I do not yield. I have consulted many people—in fact, the comptroller of the city of San Francisco last week informed me himself that the assessed value of property in the city of San Francisco has a ratio of about 50 percent of what we might call the real value in the open market.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield.

Mr. GRANGER. But you did not say that they had $127,000,000 deferred taxes to be paid. That is what they have in San Francisco.

Mr. BATES of Massachusetts. Of course, the gentleman is speaking about a matter which is entirely extraneous to the subject we have before us today.

Mr. GRANGER. Oh, no.

Mr. BATES of Massachusetts. I well realize what the gentleman is speaking about in respect to the bonded indebtedness of those communities. I well realize that in the District of Columbia we have no bonded debt. We are on a pay-as-you-go policy. I further admit that if we borrowed money for the purpose of the budget, we would be saving only about $7,000,000, because that is all the money that we take out of what we call the permanent revenue of the general fund to carry on permanent improvements.

Mr. GRANGER. Let us see if we do not agree on this point at least: We are trying to raise $18,000,000 additional revenue; is that right?

Mr. BATES of Massachusetts. Yes.

Mr. GRANGER. And how much we need will depend, of course, on what we do with the salary increases.

Mr. BATES of Massachusetts. That is right.

Mr. GRANGER. If we increase salaries and make the increase retroactive to July 1, 1948, we shall need $18,000,000 to balance the budget.

Mr. BATES of Massachusetts. Approximately.

Mr. GRANGER. And if we do not do that, if we make the salary raises from July 1, 1949, we shall need $5,000,000 less.

Mr. BATES of Massachusetts. That is right.

Mr. GRANGER. Actually, then, what we are talking about would be in the neighborhood of $12,000,000.

Mr. BATES of Massachusetts. That is right; but let me ask the gentleman a question: Was not the gentleman among

those who voted for the salary increase in the committee and to make them retroactive?

Mr. GRANGER. Yes.

Mr. BATES of Massachusetts. Then the gentleman will agree that the amount is not $12,000,000, but $17,000,000.

Mr. GRANGER. Not only did I vote for that but I made the motion to strike off the last clause that would make it mandatory that they do it.

Mr. BATES of Massachusetts. In other words, the gentleman wants to jack up the property tax which according to the figures of his own bill will be insufficient to meet the requirements of the District and will add about 70 percent to the tax bill of the property owners in the District of Columbia over the next 3 years.

Mr. GRANGER. The gentleman has not said anything about the whisky tax part of my amendment; I wish he would.

Mr. BATES of Massachusetts. If we included the whisky tax or the alcoholic beverage control tax, it would add only about $2,000,000.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield.

Mr. GROSS. Did the gentleman give any consideration to making the sale of liquor in the District of Columbia a monopoly handled by the District?

Mr. BATES of Massachusetts. I may say to the gentleman that this is a revenue committee report. The question of making the liquor business in the District of Columbia a state institution is a matter for Congress to determine. We are recommending a revenue bill that has no bearing whatever on the control of the liquor business.

Mr. GROSS. But is it not true there is about $15,000,000 to $18,000,000 profit in the liquor business in Washington?

Mr. BATES of Massachusetts. But it is the Congress itself which set up the system under which liquor is sold in the District of Columbia. That is not a revenue measure as far as I can see.

Mr. KLEIN. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield.

Mr. KLEIN. The gentleman has stated that if my bill, the income-tax bill, were enacted into law there would still be a deficit of about $6,000,000 a year; is that correct?

Mr. BATES of Massachusetts. According to the budget officer of the District, if the bill of the gentleman and the several minority members of the District Committee were adopted, there would still be a shortage of $6,747,000. It is the budget officer who says that.

Mr. KLEIN. That is correct. Now, I want to know from the ranking minority member of the Fiscal Affairs Subcommittee if this committee has given any consideration whatsoever to, call it my bill or call it the bill of any of the other six members who have introduced identical bills which would call for a real income tax in the District—has the gentleman's subcommittee given any consideration to the bills?

Mr. BATES of Massachusetts. We discussed income-tax legislation in the committee from every angle.

Mr. KLEIN. I am talking about my bill now.

Mr. BATES of Massachusetts. Every bill; because, after all——

Mr. KLEIN. Have hearings been held on it?

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. BATES of Massachusetts. Mr. Chairman, I yield myself three additional minutes.

Mr. Chairman, there is only one question involved, or at the most, two, between the gentleman's bill and the present income-tax law. The gentleman broadens the base. That is what we have been trying to do for 10 years. Second, the gentleman doubles the rate. That is the Klein bill.

Mr. KLEIN. That is correct.

Mr. BATES of Massachusetts. But, on the other hand, for 10 years we have been trying to do exactly the same thing but have not been able to get it by the House. What difference does it make whether we took up the Klein bill or any one of the several bills the minority members have filed? Should we enact any one of those bills we would still be short, according to the budget officer, $6,700,000.

Mr. KLEIN. The gentleman knows his committee never had hearings on any of the bills, never did anything except to take the estimate of the budget officer on how much the bills would produce.

Mr. BATES of Massachusetts. That is the only kind of testimony that can be taken—estimates by experts in the field of municipal taxation.

Mr. KLEIN. That is why I say the gentlemen should have hearings on my bill. If he had hearings on my bill then probably we would get some information on what it would yield; and that is what we want—that information.

Mr. BATES of Massachusetts. According to the mimeograph notice the gentleman from Utah [Mr. GRANGER] sent out, you are going to develop $15,000,000 from the so-called Klein-Granger income-tax proposal.

Mr. KLEIN. We hope to.

Mr. BATES of Massachusetts. Fifteen million dollars more than you collect under the present law. The budget officer said, however, it is only $7,800,000 more. There is a difference of over $7,000,000.

Mr. KLEIN. That is why we ought to have hearings, so that we can see how much can be raised.

Mr. BATES of Massachusetts. We have had hearings. We have discussed it in committee from many angles. The members who are on the committee today are precisely the same members who have been on the committee for the last 6 or 8 years. We have given every study to the income-tax proposal far above any other proposal we have ever had under consideration.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield to the gentleman from California.

Mr. MILLER of California. Will the gentleman make clear that out of the $18,000,000 deficit $5,000,000, or approximately $5,000,000, of that amount is a nonrecurring amount. It will not be there next year. So that we are shooting at a point much higher than is necessary to shoot at in this particular bill.

Mr. BATES of Massachusetts. Of course, we do not speak about a situation 2 years hence. The gentleman is speaking about the retroactive features of the pay increase.

Mr. MILLER of California. That is right. I am talking about that.

Mr. BATES of Massachusetts. We know what we are dealing with today is what is called an austerity budget. We must develop the source of revenue to meet those requirements. Two years from now we will bring in something to fit the requirements of the administration at that time.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. McMILLAN of South Carolina. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, we have heard a great deal about the new bill that has been brought in here, but shake it down as you will and speak about all the compromise you want, it is still a 2-percent sales-tax bill.

We have talked about changing its administration, we have gone into some of the technicalities of the matter, but when again you shake it down the 2-percent vicious, repressive sales tax still comes to the top. It is the cream on the milk.

I inserted in the RECORD during the last debate a weighted comparison of taxes between Washington and other major cities in its class in the United States. We find that Washington's weighted tax is still $2 whereas most of the cities were far above that. Many of them were at least twice the amount assessed here in Washington.

We talk about having upped the property values 2 years ago. But for a period of 10 years every city in the country was adjusting its assessed valuation upward and revaluing its property taxes, while at the same time this city stood still. So we are going to forget the accumulated effect of tax rates in the other cities and start gaging Washington by what took place 2 years ago.

May I point out that there is not a city in the United States that I know of that assesses a 2-percent sales tax against its people. One or two have a 1-percent sales tax. In California I do not know of one that assesses more than one-half-percent sales tax. But in those cases — these cities — they have exhausted, and fully exhausted, every other means before they have gone to the sales tax. The States, for the most part, have deserved the revenues put on by a sales tax.

Personally, I find myself handicapped by lack of information. The original bill came to our committee and although I have the highest respect for the gentleman from Massachusetts and the gentlemen who have been on this committee for 10 years, nevertheless my responsi-

bility as a member of the Committee on the District of Columbia is something personal to me and I am not going to vote for a sales tax until I am satisfied in my own conscience it is indispensable.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. McMILLAN of South Carolina. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY. Mr. Chairman, the gentleman from Missouri [Mr. JONES] raised the question a short while ago about the amount of Federal contribution to the District. In 1925 it was agreed that a lump sum should be paid for the maintenance of the District for the great, large properties and services that the Federal Government controlled. It was $9,000,000 in 1925. This year it is $12,000,000, an increase of only $3,000,000, and when one considers the tremendous increase in the value of property, and the value of the services, I certainly think it is not out of order to ask that the Federal Government's contribution to be increased by $5,000,000 more.

When the gentleman from Virginia [Mr. SMITH] left the committee hall 2 weeks ago he said, "Let them find the money," meaning the six minority members of the committee, as well as those who voted against this bill. Now, we have not been given an opportunity to find the money. We were given a bill a few days ago, given about an hour to look at it, and then it was voted through by the same vote that it was voted through 2 weeks ago. We were not given an opportunity to show how we could have raised the money, and by bringing in this same bill again it invites defeat. I am sure the members of this committee will not be content to defeat a bill and then vote for a bill that resembles it a great deal 2 weeks later.

I introduced a bill today to repeal the act of 1878. I have taken it from the Kefauver bill which provides home rule. It will permit the District to borrow for capital developments.

In addition, the gentleman from Massachusetts talked about the tremendous increase in the property tax. If we are going to pay increases for the firemen, policemen and teachers, which bring additional services to the people of the District, they should expect to pay an increase in property tax if they are going to get better protection by the firemen and the policemen, and the children are going to be taught better. According to the figure of the Detroit study on the comparative tax rate of American cities in 1948, it shows in rank of population that Washington is 11th; in rank of assessed valuation it is 7th, and in the size of tax rates in the 20 largest cities, Washington is 18th. So, I do not shed the tears that other Members are shedding about the sad state that the District and the people are in.

Mr. HUBER. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY. I yield to the gentleman from Ohio.

Mr. HUBER. The gentleman from Missouri said that he could not see how any Member coming from a State which had a sales tax could oppose it for the District of Columbia. I just want to make the observation that several States have a great many laws that we do not agree with, as, for instance, the State of Nevada, which legalizes overnight divorce, and gambling, and prostitution. We would not suggest we do that to the District of Columbia.

Mr. KENNEDY. I appreciate the contribution of the gentleman from Ohio.

Briefly, what we minority Members want is that this bill be recommitted, that all of us have an opportunity to join in writing a new bill. I am sure we can rely on the gentleman from Massachusetts [Mr. BATES], with his long experience, to help us, as he has been for an income tax for the last 10 years. So at the end of the 2 hours of general debate we are going to ask that the bill be recommitted for further study, and we hope the majority of the members of the committee take advantage of our advice and counsel in writing a new bill.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Suppose the Congress of the United States wanted to consider passing a bill which would authorize the taking over of the sale of liquor in the District by the District government—from what committee would that bill come?

Mr. KENNEDY. I could not tell the gentleman at first hand. I would have to ask the Parliamentarian.

Mr. CRAWFORD. I am serious about this question, by reason of what the gentleman from Massachusetts [Mr. BATES] said a while ago. I should like to have anybody answer it who will. Would that bill come from the Committee on the District of Columbia or some other committee of the House?

Mr. SMITH of Virginia. It would come from the District Committee.

Mr. CRAWFORD. If I understood the gentleman from Massachusetts, he took the position with reference to the question raised by one of the Members that it was not up to that committee to make such a recommendation so the House could consider it. I should like to get this straightened out.

Mr. BATES of Massachusetts. We all know that all matters pertaining to the District must clear through the District Committee, but the report we are making today is the report of the revenue committee, the fiscal subcommittee of the Committee on the District of Columbia. That is what we are speaking for today. If the liquor-control system in the District is going to be changed, then the legislation must be considered by the full committee and then considered by the Congress, both the House and the Senate. This is entirely a revenue matter.

Mr. GROSS. That is not what the gentleman said a while ago. He said it would not come from the District Committee.

Mr. KEEFE. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-three Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 48]

Barden	Hobbs	Pfeiffer,
Battle	Hoffman, Mich.	William L.
Bland	Jenison	Powell
Boggs, Del.	Johnson	Richards
Bosone	Kerr	Riehlman
Buckley, N. Y.	Lanham	St. George
Bulwinkle	Latham	Scott, Hardie
Byrne, N. Y.	Linehan	Smith, Ohio
Canfield	Lodge	Somers
Celler	McGrath	Stanley
Coudert	McKinnon	Stefan
Davenport	McSweeney	Stigler
Davies, N. Y.	Macy	Taber
Davis, Tenn.	Madden	Taylor
Dawson	Merrow	Thomas, N. J.
Dingell	Miller, Nebr.	Weichel
Durham	Morrison, La.	Werdel
Fellows	Morton	Whitaker
Forand	Norrell	White, Idaho
Gilmer	Norton	Wolcott
Gore	O'Brien, Mich.	Woodruff
Hand	O'Toole	Worley
Harden	Pfeifer,	Young
Harrison	Joseph L.	

Accordingly the Committee rose; and the Speaker pro tempore having resumed the chair, Mr. BOGGS of Louisiana, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 3704, and finding itself without a quorum, he had directed the roll to be called, when 360 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The SPEAKER pro tempore. The Committee will resume its sitting.

Mr. HARRIS. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. McCORMACK. Mr. Chairman, it is my hope, if the legislative program that I have in mind is put through between now and April 14, to take a 10-day recess starting the evening of April 14, and ending a week from the following Monday, April 25. I want to publicly state that the membership of the House has been very cooperative with me as majority leader, not only in this session, but during the 6 years plus that I was majority leader before. We, on the Democratic side, tried to cooperate with the Republican leadership in the last Congress. The leadership on both sides always cooperates with each other very effectively and to the maximum extent possible without regard to what party is in control. I want to publicly state this fact to the country, that we in the House have done a remarkable job this year to date. I want to take the House into my confidence as to my intention, and I might say that the chances now are 98 out of 100 that we might be able to take that 10-day recess.

The pending bill is one that should pass in some form between now and April 14. The Committee on the District of Columbia has considered all types of tax legislation for the District. One thing is certain: We cannot write a tax bill on the floor of the House, any more than we can write a tariff bill or a general pension bill. Only last week we had that experience in connection with a

general pension bill. Those who remember 1933 remember when a tax bill came out of the Committee on Ways and Means, the main part of it was stricken out, and then unofficially members of the Committee on Ways and Means were meeting to bring in tax recommendations, because we had to raise a certain amount of money. I have often attributed to that bill many of the inequities that exist, particularly with reference to our miscellaneous taxes.

This bill has come out of the committee. The committee has given serious consideration to it. I am not talking about an amendment here and there, I am talking about the body of the bill. You cannot overturn a committee on a tax bill, whether national or for the District of Columbia, and undertake to write it on the floor of the House, without having legislative uncertainty if not legislative chaos.

As far as I am concerned, the committee has done the best job possible, and it is my intention to support the bill of the committee. I recognize and respect the views of my friends and colleagues who might differ with me, but we have a responsibility here. The District of Columbia is in a sense different from the country at large. We come here as Members of Congress and find ourselves members of the legislative body of the District of Columbia and members, in a sense, of the city government of the city of Washington. This is not a city affair, it is a District affair. While the city of Washington is the same geographically as the District of Columbia, we are legislating for the District of Columbia which, under our law and our Constitution, is a separate entity. While it does not enjoy statehood, nevertheless, under the Constitution, it is a geographical entity in itself. I consider that we are justified in viewing this legislation in an entirely different way than if we were considering legislation to impose a sales tax on a city. For example, New York City itself has a sales tax, showing the extreme to which cities must go when it is absolutely impossible to obtain otherwise the revenue necessary to render essential services to the people of a city.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Utah.

Mr. GRANGER. I am glad to hear the distinguished majority leader say he is supporting the committee. Is not his attitude generally to support a committee that brings out a bill?

Mr. McCORMACK. Would the gentleman expect me to fail to support a bill out of his committee?

Mr. GRANGER. The only thing I want the gentleman to remember as majority leader is that the Committee on Agriculture has reported out an oleo bill, 14 to 3, and I shall expect the gentleman to support it wholeheartedly.

Mr. McCORMACK. Of course, the oleo bill to which the gentleman refers is contrary to the administration recommendation, so there is a clear line of distinction between that bill and this bill. My purpose now is simply to emphasize to the Committee of the Whole the impossibility of destroying this bill and then expecting to write it on the floor. To recommit the bill would, in my opinion, be unwise. We have to meet this situation and we should meet it by the passage of tax legislation. This bill has been soundly considered and I think we should support it. I hope it will pass.

Further, there is the question of the increase in salaries for the 16,000 to 18,000 employees of the District of Columbia which depends on the passage of this bill. I hope on the final roll call the bill will pass this body.

Mr. McMILLAN of South Carolina. Mr. Chairman, I yield 2 minutes to the gentleman from Kentucky [Mr. CHELF].

Mr. CHELF. Mr. Chairman and my colleagues of the Committee, I have listened to this debate here very carefully today and I am of the opinion that we in the Congress would really help the people here out of their tax dilemma by increasing the assessed valuation on real property and by plugging up some of the loopholes which now exist in the District income-tax structure. For these reasons I shall support the Granger amendment. Let us make no mistake about it, and let us not kid ourselves—we have many folks here who ought to pay either a State income tax or a District income tax. Personally, I pay my home State of Kentucky income tax and the Federal Government, but there are a lot of residents in the District who are dodging all income tax save the Federal income tax. I just cannot be brought on this occasion this afternoon to think that the school youngsters of this Nation who visit our Capital, ought to be forced to pay for the privilege. We ought to make it easier for them to come here—not create obstacles for them to overcome. A sales tax would be equivalent to an admission tax to see the District. There is not a great deal that I can say in 2 minutes against the sales-tax plan but here is a little jingle that I have jotted down that certainly expresses my sentiments:

Washington, our Capital, needs revenue we are told.
So we'd tax the school kids who visit here to reach the needed goal.
Yes, we invite the youngsters to visit us, but we'd charge for the invitation,
By collecting taxes from them upon reaching Union Station.
We'd tax our guests who visit us—we'd tax them unjustly, I fear.
We'd tax 'em just simply because they foolishly stopped o'er here.
Why not build a wall around the town and charge admission daily?
Then we can pitch up circus tents and compete with Ringling, Barnum & Bailey.

There should be no charge for the privilege of seeing and visiting the greatest Capital in the world—it belongs to America—to all 48 States. Let us keep the welcome mat out and not charge our guests an admission price. Let us raise the taxes here locally and if there is a deficit due to the fact that the United States Government owns so much property that is tax-free—then I'll support an appropriation to make up the difference. It has been done in the past—why not now?

Mr. BATES of Massachusetts. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Chairman, there is one provision in this bill which I think is unfair. I regret the committee saw fit to write it into the bill. You will find this provision at the top of page 55 of the bill, and also at the bottom of page 9 of the committee report.

That language is as follows:

> The rental of real and personal property shall be deemed a trade or business within the meaning of this article.

That provision flies in the face of existing law. It also flies in the face of Supreme Court decisions, and in the face of a ruling made by the Board of Tax Appeals for the District of Columbia. Let us make a personal application of what that language means. Suppose the distinguished gentleman, the chairman of this committee the gentleman from Virginia [Mr. SMITH], owns a vacant lot in the District of Columbia, which he rents to somebody for parking automobiles. If that language stays in the bill, he would be obliged to pay a trade, business, or franchise tax, on the income although all that he does is to make a lease to somebody to manage and operate that vacant lot. Suppose that the lot is worth $100,000.

Suppose instead of owning a vacant lot, the gentleman from Virginia owns bonds worth $100,000 of the Potomac Electric Power Co. The only excuse they have for seeking to tax the man that owns the real estate and simply rents it is that the income from that property is derived from sources within the District of Columbia.

But suppose the distinguished gentleman from Virginia owns bonds of the Potomac Electric Power Co., where the sources of income for the payment of the interest on those bonds comes from within the District of Columbia. He would not be taxed for a franchise tax or a business tax, as provided in the bill. On the vacant lot that he rents for a parking space he would be taxed.

It so happens that one of the large hotels in Washington is owned by an individual or some individuals in the State of California. Those men rent this hotel. They have nothing to do with its management or operation. If this language becomes law, they, too, living 3,000 miles away from the District of Columbia, will be deemed to be engaged in a business or a trade here in the District, even though they simply rent the property. If they owned bonds, in the example previously given, they would not be so taxed.

The Supreme Court of the United States for nearly 40 years has consistently held that the simple renting of real estate cannot be construed as a trade or business. So this language is adverse or contrary to established law, and it is also contrary to a ruling made by the Board of Tax Appeals for the District of Columbia.

I want to vote for a bill that will bring needed revenue to the Government of the District of Columbia, but I do not think it just or wise that we should write into law a provision of this kind and do an unjust

thing to the property owners of the District who may not live here, on the ground that renting property here is a trade or business. I am well aware that, if a corporation owned that same property, the way the law now reads in the District of Columbia it would be so taxed; but an individual would not be taxed unless this provision becomes law. I think it is unjust and I believe the committee ought to be willing to take that section out of the bill.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield.

Mr. HARRIS. It is my understanding that the gentleman has stated the real purpose of including this language in the bill in order that an unincorporated individual or group that is in business, just as the incorporated group, will have the same tax on property that perhaps adjoin.

Mr. DONDERO. Does the gentleman not admit, however, that it is stretching the meaning of words in construing and interpreting language to say that a man is in a business or in a trade in the District of Columbia simply because he owns something in the District of Columbia?

The CHAIRMAN. The time of the gentleman from Michigan [Mr. DONDERO] has expired.

Mr. McMILLAN of South Carolina. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. KLEIN].

DISTRICT OF COLUMBIA REVENUE PROBLEM NOT FULLY CONSIDERED

Mr. KLEIN. Mr. Chairman, I am sorry that the gentleman from Massachusetts, the beloved majority leader [Mr. MCCORMACK], took the floor and appealed to the Members to support this legislation. I believe he is a very busy man, and I regret to say that I do not believe the gentleman knows the full import of the bill nor of what is going on. The gentleman says a tax bill should not be written on this floor, and I agree with him. It is too bad, but it is necessary to take such action here. However, let me tell you, as a member of this committee, exactly what has happened with regard to this bill.

We were called 2 weeks ago today, and the bill was defeated. There was a great deal of talk about its being brought up again. Finally, one day last week, each member of the committee received a notice that there would be an executive session of the Committee on the District of Columbia to consider this legislation, and also to consider the pay-raise bill.

Mr. KEOGH. Mr. Chairman, will the gentleman yield?

Mr. KLEIN. I yield.

Mr. KEOGH. Reference was made to the sales tax in the city of New York. I am sure I do not have to call the gentleman's attention to the fact that that sales tax was originally imposed solely for the purpose of raising funds for relief. It has been 6 or 7 years since any of the proceeds of that tax have been devoted to that original purpose.

Mr. KLEIN. I thank the gentleman, and I agree with him. That always happens with a sales tax. It is easy to put it over on the people, and once it is on it is a hidden form of taxes and they feel that the cost of living has gone up and they continue to pay it.

Mr. KEOGH. The city of New York still has a sales tax.

Mr. KLEIN. That is correct, but it was cut in half; it was originally 2 percent, but it is now 1.

Mr. BREHM. One correction, if the gentleman will permit; this is not a hidden tax, a sales tax is not a hidden tax.

Mr. KLEIN. One thing I want to make perfectly clear is the lack of consideration. Very little consideration was given to it. There is very little difference between the bill before us today and the bill we were struggling with 2 weeks ago. The bill has been brought out today for a purpose, and it is very obvious that the committee would not have brought the bill out if they did not think they could pass it. They have changed it very little. Actually it remains the sales tax which, as has been brought out time and time again, is the most unfair type of tax there can be.

I want to point out to the committee that when this came up the committee was called to meet at 10 o'clock in this morning. That was last Thursday. You will recall that at that time we had veterans' legislation under consideration and the House met at 11. If we had met promptly at 10 o'clock there would at most have been but an hour available to the committee. As a matter of fact, however, as is usually the case, we did not meet promptly at 10 o'clock and the result was that about half an hour was all the time available for consideration of the bill; we could not get any more time. We asked the chairman—and I do not think I am giving away any secrets, I am sorry if I do—but I told the chairman and the other members of the committee at that meeting that I would take this attitude on the floor.

We who opposed the sales tax, a proposition that had been defeated in the House only 2 weeks ago, had but 10 minutes, or at most 15. The bill was railroaded through the committee. I say to our beloved majority leader that because you vote down legislation of that kind does not necessarily mean that you are doing it against the committee.

I also want to point out the lack of consideration by the Subcommittee on Fiscal Affairs of other revenue-raising measures. I do not say that they did not go into the question; nevertheless, specifically, there were never any hearings held on the income-tax phase of this bill; nothing has been said here about the Federal contribution which is a very important item to be taken into consideration. The Federal Government occupies buildings in the District of Columbia, which, if they had to pay taxes on at the $2 rate, the old tax rate, would yield the District government between $16,000,000 and $17,000,000. The least the Federal Government should do is to pay the District of Columbia that much revenue. Instead of that the Federal contribution is only $12,000,000; the amount which should be paid is reduced by $4,000,000. I believe the total Federal tax liability would amount to much more than that.

These are two sources that I believe would be more than sufficient; we should not need any other tax if we had a good fair income tax and if the Federal Government paid its fair share to the District of Columbia. The only argument against the income tax is that it has been opposed in the past, that the House has refused to pass it. But, by the same argument, the sales tax has been defeated, and I believe sincerely that it is going to be defeated again. With the same sincerity, I believe that if given an opportunity this Congress—and I make the point that this Congress has had no opportunity to vote on an equitable income-tax measure divorced from a sales tax—can and will pass an equitable universally applied income tax with just provisions to avoid double taxation.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. McMILLAN of South Carolina. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. HARRIS].

Mr. HARRIS. Mr. Chairman——

Mr. BREHM. Mr. Chairman, will the gentleman yield to permit me to make a very short statement?

Mr. HARRIS. Mr. Chairman, I yield to the gentleman from Ohio.

Mr. BREHM. I wish to correct one statement made by the gentleman from New York [Mr. KLEIN]. The gentleman from New York referred to the sales tax as a hidden tax. The sales tax is one of the few taxes that is out in the open; there is not anything hidden about it, and it makes those who pay it conscious that they are paying something.

Mr. HARRIS. Mr. Chairman, I recognize that we have an issue here today that always stirs the minds and hearts of the people when brought up. I think there is nothing about which the people are more conscious than the question of taxation, particularly when it comes to increasing the burden. I believe we all recognize that people throughout the country are tax conscious, and I think we all recognize that real difficulty has arisen in connection with meeting budgets and financing municipalities, particularly the large metropolitan cities of this country. We have that question here today within the District of Columbia. I regret exceedingly to find myself in disagreement with a number of my colleagues. I know they are sincere in opposing revenue measures of this kind, I recognize they are sincere when they try to impose a different type or a different method of revenue raising. But the important thing, Mr. Chairman, is that today we all recognize there must be some revenue from some source. I do not think there is a man on this Committee, and I daresay in the House of Representatives, who does not recognize the fact that for the District of Columbia we must have some sources of revenue somewhere.

We have had this budget issue before us for 3 years trying to do something about it somehow, some way. I recognize it has not been so long since we had an income tax proposal here and I think most Members recall the fact that the House voted overwhelmingly against

a substantial income tax on everyone residing in the District of Columbia. We have had before the House a number of times the question of increasing the Federal payment to the District of Columbia, and I think the members of this Committee know the attitude of the Members of the House in that regard generally.

We have a revenue measure here that proposes to bring in $18,000,000 to meet the needs of the District of Columbia. I admire and respect greatly the gentleman from New York and I am sorry we are at differences here today, but he would try to tell this Committee that they did not get a fair hearing before the Committee on the District of Columbia. For 3 years we have been trying to write a revenue measure. Again we had in this Congress a joint hearing before the committees of the House and Senate. All phases of these measures were given fair hearing and consideration.

We saw a practical situation and the answer that we got out of it was the sales-tax approach. The Congress did act on the sales-tax proposal that was presented 2 weeks ago. Unfortunately I was not here and I am therefore not familiar with the debate that took place at that time. But recognizing that there is a need, the committee went back and tried its best to meet that need. We have the answer here today, the best we could agree on in our committee and that is to bring back a different approach to the sales-tax method by the real estate property tax being increased 15 cents a hundred, also to adjust the base of the income tax and to provide some measure of tax from the liquor industry. That is the compromise agreement, that is the method by which we propose to meet the needs of the District here today.

If we do not do that we are going to have to get it out of the Treasury of the United States instead of from taxes collected from the people of the District of Columbia.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. BATES of Massachusetts. Mr. Chairman, I yield 8 minutes to the gentleman from Iowa [Mr. TALLE].

Mr. TALLE. Mr. Chairman, inasmuch as the time allotted to me is very short, I shall appreciate it if I may be permitted to complete my statement without interruption.

When, as Members of Congress, we took our seats on the 3d of January, we assumed three obligations. In the first place, we assumed the obligation of making laws for the Nation; in the second place, we agreed to be aldermen for the District of Columbia; and, in the third place, we agreed to be the guardians of all Indians who are wards of the state.

Today we are engaged in the discharge of the second responsibility. May I say that I did not ask for the privilege of serving on the Committee for the District of Columbia. I worked at the task in 1947 and 1948, and I am working at it now. So far as I am concerned, I intend to discharge this responsibility to the best of my ability. I say to you that we owe a debt of gratitude to the gentleman from Massachusetts [Mr. BATES], who served as chairman of the Fiscal Affairs Subcommittee in 1947 and 1948, and I want to pay tribute to the gentleman from Virginia, Judge SMITH, who is serving as chairman of this same subcommittee in the current session. I have found that the members of this committee are eager to discharge their responsibilities to the Congress and to the Nation.

I recall that during the discussions of tax bills in this Chamber one principle particularly has been stressed—the principle of ability to pay. I agree with that principle. It is a good one. But like any good horse, it can be worked to death. It would be very easy to drive that principle to the point where our Republic could be destroyed. For, if all the money that would normally be used as a capital fund to promote enterprise is taken by Government, just where are people's jobs going to come from? So, I say, I believe in the principle of ability to pay.

I now call your attention to another principle of taxation which is fully as old as the principle of ability to pay. I refer to the principle of taxation according to benefits. Now, may I ask you, what benefits do the people enjoy in the District of Columbia? We enjoy the benefits of the schools of this city. Then, shall we not see to it that our teachers are paid so well that we encourage persons of genuine ability to teach our children? Scripture says, "Train up a child in the way he should go; and when he is old, he will not depart from it." Education is certainly important to everybody.

Every morning as I leave my humble lodgings I see men in blue standing at the crossing. They see to it that the little children who are crossing the street to the schoolhouse on the other side may do so in safety. Certainly, we want to protect our children here in the Nation's Capital. And I, for one, believe we should pay our policemen wages that will attract and hold men of high caliber.

Then again, we enjoy the benefit of fire protection. There is seldom a day when I do not hear that familiar siren and see the red wagons racing down some street. Later, perhaps I may read in the newspapers that this fireman or that fireman was injured in the course of his duties. Certainly, those men perform a service that is of benefit to everybody.

Furthermore there are the services of health and sanitation. I could go on and recite a great many additional items, all of which enter into the maintenance of law and order in a civilized, cultured community. I do not believe there is anyone so poor in the District of Columbia that he cannot pay some small pittance in return for these benefits.

Suppose a person spends $500 on taxable items; 2 percent of that is $10. Is there anyone so mean that he would not pay $10 for the enjoyment of the benefits I have mentioned?

Now, Mr. Chairman, may I comment on the advantages of the sales tax. It is a good revenue-getter. I know that to be true from actual experience in the State of Iowa. In addition, the flow of income is regular. I contend that the sales tax as a part of a comprehensive tax program will stand up as well as any tax, under whatever maxims of taxation may be used for the test—whether they be those set forth by Adam Smith in his Wealth of Nations, or any other set of maxims that have gained general recognition.

I admit there is the weakness of "easy come, easy go." In other words, "easy come" may be a temptation to easy spending. But that is where your responsibility and mine enters. I intend to do my duty to see to it that we have the kind of administration in this community which will warrant the collection of a sales tax. It shall not be "easy come, easy go" insofar as I am concerned, but "easy come," and most carefully expended.

Mr. Chairman, let me say, finally, that if this were the only tax imposed in the District of Columbia, you may be sure I would fight it to the last ditch. I know it is a greater burden to those with lower incomes than to those with higher incomes. But on the other hand, this is true of many other taxes—excises, licenses, fees, auto tags, and so forth. I could cite a dozen instances of a similar nature offhand. I would not advocate the sales tax as the only source of revenue for the District of Columbia. It is not offered as a single tax. The committee advocates this tax in addition to other taxes on business, property and income. The over-all program of the committee recognizes not only the principle of ability to pay but also the principle of benefits enjoyed.

Mr. Chairman, I urge the enactment of the pending bill.

Mr. McMILLAN of South Carolina. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Chairman, in writing a bill of this character and trying to produce additional revenue for the District of Columbia, it has been stated previously here this afternoon in the discussion in consideration of the daylight-saving-time proposal that we were setting a pattern for the Nation, and that is exactly what we are doing here in this proposal.

A sales tax as such is a proposal that should be considered only after all other sources of revenue have been tapped sufficiently. It has been stated in general debate this afternoon that in the case of the property tax, in the case of the income tax with a broader base, and in the case of the alcoholic-beverage tax, we have not in this committee exhausted or tapped those potential sources of additional revenue, but instead have been taking the alternative of going to the sales tax as the way out of our present dilemma.

Time does not permit me to go into a lengthy analysis of the comparative tax rate of the cities of the United States, some 343 in number, with populations of 30,000 or more, wherein the assessments and the tax rates are graded and adjusted accordingly. I refer to a publication entitled "Comparative Tax Rates of American Cities—1948." We find that among the cities in this classification the District of Columbia is very low; in fact, $20 per thousand is the rate here in the District, and the proposed bill increases it 7½ percent to $21.50 per thousand, whereas in Atlantic City, N. J., it runs up

as high as $71.60 per thousand, and in other cities of comparable size to the District of Columbia, it is considerably higher. In the case of my own particular area in the city of Pittsburgh the ad valorem rate is $40.10 per thousand, and in the city of Boston, Mass., it is $53.40 per thousand. These figures are all adjusted tax rates on 100 percent basis of assessment.

We have the machinery already set up for these additional sources of revenue to the property tax, the income tax, and the alcoholic-beverage tax. Tax-return forms are available. By contrast a sales tax involves enactment not only of a new statute but also hundreds of supplementary regulations; purchasers, and especially sellers of taxable items, must learn the intricacies of the new tax, a whole new personnel must be trained, and a new administrative office must be set up.

And worst of all, you endorse the idea basically of a Federal-city sales tax in contradiction to the Democratic platform of 1948. We are again faced with the dilemma of putting a tax upon those people in the low-income brackets who are already the chief victims of inflation. If this sales-tax plan goes through, they will be taxed still further because this plan hits those in the low-income brackets to a greater extent than the people in the upper income brackets.

Thirdly, it has been stated here that we have promised a $330-across-the-board increase to the teachers, policemen and firemen of the District and that if we do not secure the additional revenue, they will be left out in the cold. Nothing is further from the truth, because the committee will have adequate time to go into the question of these sources of revenue and report a tax bill to cover the increased proposals of such a bill.

An editorial appeared in the Washington Post this morning and I believe that this gives the tip-off on this bill.

The caption on this editorial is: The Sales Tax Again. The following is a sentence in that editorial: "We hope that the House will rise to this bait and vote for the sales tax." In other words, they have here offered a little bait on this proposal, hoping that it will pass. There is an old statement that "You can catch more flies with sugar than you can with salt."

All that the committee has done is to bring this bill back providing for this regressive sales-tax plan, with a little sugar-coating on it, hoping that the House will accept it as a little more bait. I think we have reached a dire predicament when we come to such a point.

As much as I dislike to disagree with the members of the committee, and with my majority leader, I believe we should vote this sales-tax plan down and recommit the bill for further study.

Mr. BATES of Massachusetts. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey [Mr. AUCHINCLOSS].

Mr. AUCHINCLOSS. Mr. Chairman, the District of Columbia is up against a pretty tough proposition financially. There is no doubt about that. Something has to be done, and done soon. When this bill came before the House a week or so ago I spoke against the sales tax. I still am against the sales tax. I think it is the last kind of tax to impose on any community.

But I have had a little time to study this particular situation and the condition of affairs in which the District finds itself. I have talked to some members of the committee, and now I am convinced that the only thing left for us to do is to vote for this sales tax and impose it on the District of Columbia. I think it is really an emergency measure. I think it is something we have to meet and something we cannot avoid.

Other possible taxes have been considered by the committee. I earnestly hope that later on they may be further considered and in another year this sales tax may be taken off.

But at this moment it is necessary to maintain the good name of the District of Columbia and make it possible for it to meet its obligations and to go ahead with the planning and work which must be done.

For that reason, with reluctance, I may say, I am going to support this measure.

Mr. BATES of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentleman from Washington [Mr. HORAN].

Mr. HORAN. Mr. Chairman, as a member of the Appropriations Committee, it was my privilege for 4 years to review the budget of the District of Columbia. While I am no longer a member of the subcommittee that reviews the budget every year, I do have an interest in the government of the District of Columbia and its problems.

I have seen quite a number of men, including the gentleman from Massachusetts [Mr. BATES], who have come to the reluctant conclusion that a sales tax is the only adequate answer, all things considered, for the revenue problems of the District of Columbia.

Two years ago the gentlemen from Massachusetts [Mr. BATES], held extended hearings and investigations into all forms of revenue measures that might be used to meet the growing unbalance in the budget of the District of Columbia. It was following those exhaustive hearings that he arrived at his conclusion.

I trust that the Members of the House will pass this measure, because this Nation's Capital needs additional revenue, and the bill which the gentleman from Virginia, Judge SMITH, and the gentleman from Massachusetts [Mr. BATES], have brought out here will adequately meet the present needs of the District of Columbia.

Mr. KENNEDY. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. KENNEDY. Mr. GRANGER will offer a substitute that will be adequate that does not contain a sales tax.

Mr. HORAN. I trust that the House will support the committee and not try to write this legislation on the floor of the House.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. JENNINGS. I have listened with great interest to the well considered and informative statement of the gentleman from Washington, and I am happy to say that I am in entire accord with him. We must take care of the school children and the people who live in this city. I think the sales tax is a painless way of doing it.

Mr. HORAN. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. BATES of Massachusetts. Mr. Chairman, I yield 4 minutes to the gentleman from Minnesota [Mr. O'HARA].

Mr. O'HARA of Minnesota. Mr. Chairman, I thoroughly respect the different opinions that may exist on the present bill, but I do want to reiterate the fact that this rather thick pamphlet represents the hearings which were held during the Eightieth Congress, by the fiscal subcommittee upon the problem of the fiscal affairs of the District of Columbia.

I think the committee spent approximately 2 months during the last year and the year before on this whole tax problem. The Fiscal Affairs Subcommittee this year has spent approximately 3 weeks or a month in additional findings upon the present affairs of the District of Columbia, bringing them down to date. I appreciate the fact that some of our distinguished colleagues who oppose this bill are for recommittal. They are not for reporting out any kind of a solution of the fiscal affairs of the District of Columbia. That is their privilege. I appreciate their frankness in making that comment, that they are in favor of returning the bill for further study. That solves nothing.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I prefer not to yield at this time.

Mr. GRANGER. That is not my position.

Mr. O'HARA of Minnesota. I appreciate the gentleman's statement. But they are just against this bill being brought out in any form. I may say that the other bill came out of the committee about 20 to 6. In other words, 20 voted for the bill and 5 or 6 against it. As the majority leader said, the committee has given a great deal of thought and study to this matter. They have called in various local people who have testified before the committee. Their testimony has been weighed. Many of the provisions imposing a tax are against certain people or certain groups, in their viewpoints in the District of Columbia. The committee has had the same kind of over-all problem that faces the Committee on Appropriations of the House in the matter of appropriations, or that faces the Committee on Ways and Means in dealing with the great revenue problems of the Nation in trying to arrive at what is a fair, a decent, and an equitable fiscal bill. I was one of those who supported the salary increase of the employees of the District of Columbia, the firemen, the teachers, and policemen. To make that $330 pay raise retroactive for the last fiscal year, or to provide an additional $330 per employee for the next fiscal year is impossible without this bill; there is no alternative.

Some of the Members who oppose this bill I am sure feel they speak for labor,

but I want to speak for labor also. I think our District employees are entitled to that increase. I hope the Members will defeat these amendments and pass the bill substantially as it has been reported by the committee.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. McMILLAN of South Carolina. Mr. Chairman, I yield myself 1 minute.

The CHAIRMAN. The gentleman from South Carolina is recognized.

Mr. McMILLAN of South Carolina. Mr. Chairman, I wish to take this brief time to congratulate the members of the Subcommittee on Fiscal Affairs for their excellent work in dealing with the fiscal and revenue problems of the District of Columbia. We are at this time confronted with a reality, not a theory. It is my earnest hope that this House will pass this revenue bill. We of the committee are bound to be controlled by the majority. I believe I state the views of the majority members of our committee when I say that while there is no painless way of taxing the people of the District of Columbia or any other place, yet we feel that the sales tax is the most painless one that can be levied, and the desire of the majority of the committee.

Mr. Chairman, we have no further requests for time on this side.

Mr. BATES of Massachusetts. Mr. Chairman, we have no further requests for time.

The Clerk read as follows:

Be it enacted, etc., That this act divided into titles and sections may be cited as the "District of Columbia Revenue Act of 1949" and title I of this act may be cited as the "District of Columbia Sales Tax Act" and title II of this act may be cited as the "District of Columbia Use Tax Act."

TITLE I—GROSS SALES TAX

DEFINITIONS

SECTION 1. "Assessor" means the Assessor of the District or his duly authorized representatives.

SEC. 2. "Business" includes any activity engaged in by any person or caused to be engaged in by him with the object of gain, benefit, or advantage, either direct or indirect.

SEC. 3. "Collector" means the Collector of Taxes of the District or his duly authorized representatives.

SEC. 4. "Commissioners" means the Commissioners of the District or their duly authorized representatives.

SEC. 5. "District" means the District of Columbia.

SEC. 6. "Engaging in business" means commencing, conducting, or continuing in business, as well as liquidating a business when the liquidator thereof holds himself out to the public as conducting such a business.

SEC. 7. "Food" means cereals and cereal products; milk and milk products, including ice cream; meat and meat products; fish and fish products; eggs and egg products; vegetables and vegetable products; fruit, fruit products, and fruit juices; bottled soft drinks; spices and salt; flavoring extracts and condiments; sugar and sugar products; coffee and coffee substitutes; tea; cocoa and cocoa products; and ice when used for household consumption: *Provided, however,* That the word "food" shall not include spiritous or malt liquors, beer, and any other beverages such as are ordinarily dispensed at bars and soda fountains or in connection therewith.

SEC. 8. "Gross receipts" means the total amount of the sales prices of the retail sales of vendors, valued in money, whether received in money or otherwise.

SEC. 9. "Person" includes an individual, partnership, society, club, association, joint-stock company, corporation, estate, receiver, trustee, assignee, or referee, and any other person acting in a fiduciary or representative capacity, whether appointed by a court or otherwise, and any combination of individuals acting as a unit.

SEC. 10. "Purchaser" includes a person who purchases property or to whom are rendered services, receipts from which are taxable under this title.

SEC. 11. "Purchaser's certificate" means a certificate signed by a purchaser and in such form as the Assessor shall prescribe, stating the purpose to which the purchaser intends to put the subject of the sale, or the status or character of the purchaser.

SEC. 12. "Retailer" includes—

(a) every person engaged in the business of making sales at retail;

(b) every person engaged in the business of making retail sales at auction of tangible personal property owned by the person or others;

(c) every person engaged in the business of making sales for storage, use, or other consumption, or in the business of making sales at auction of tangible personal property owned by the person or others for storage, use, or other consumption.

SEC. 13. "Retail establishment" means any premises in which the business of selling tangible personal property is conducted or in or from which any retail sales are made.

SEC. 14. (a) "Retail sale" and "sale at retail" mean the sale in any quantity or quantities of any tangible personal property or service taxable under the terms of this title. Said term shall mean all sales of tangible personal property to any person for any purpose other than those in which the purpose of the purchaser is to resell the property so transferred in the form in which the same is, or is to be, received by him, or to use or incorporate the property so transferred as a material or part of other tangible personal property to be produced for sale by manufacturing, assembling, processing, or refining. For the purpose of the tax imposed by this title, these terms shall include but shall not be limited to the following:

(1) The sale for consumption of any meals, food or drink, or other tangible personal property for a consideration, at any restaurant, hotel, drug store, club, resort, or other place at which meals, food, drink, or other tangible personal property are sold.

(2) Any production, fabrication, or printing of tangible personal property on special order for a consideration.

(3) The sale or charges for any room or rooms, lodgings, or accommodations furnished to transients by any hotel, inn, tourist camp, tourist cabin, or any other place in which rooms, lodgings, or accommodations are regularly furnished to transients for a consideration.

(4) The sale of natural or artificial gas, oil, electricity, solid fuel, or steam, when made to any purchaser for purposes other than resale or for use in manufacturing, assembling, processing, or refining.

(5) The sale of material used in the construction, and of materials used in the repair or alteration, of real property, which materials, upon completion of such construction, alterations, or repairs, become real property, regardless of whether or not such real property is to be sold or resold.

(6) The grant of the right to continuous possession or use of any article of tangible personal property granted under a lease or contract if such grant of possession would be taxable if outright sale were made; in such event such lease or contract shall be considered the sale of such article and the tax shall be computed and paid by the vendor upon the rentals paid.

(b) The term "retail sale" and "sale at retail" shall not include the following:

(1) Sales of tickets for admission to places of amusement and sports.

(2) Sales of transportation and communication services.

(3) Professional, insurance, or personal-service transactions which involve sales as inconsequential elements for which no separate charges are made.

(4) Any sale in which the only transaction in the District is the mere execution of the contract of sale and in which the tangible personal property sold is not in the District at the time of such execution: *Provided, however,* That nothing contained in this subsection shall be construed to be an exemption from the tax imposed under title II of this act.

SEC. 15. "Return" includes any return filed or required to be filed as herein provided.

SEC. 16. (a) "Sales price" means the total amount paid by a purchaser to a vendor as consideration for a retail sale, valued in money, whether paid in money or otherwise, without any deduction on account of any of the following:

(1) The cost of the property sold.

(2) The cost of materials used, labor or service cost, interest charged, losses, or any other expenses.

(3) The cost of transportation of the property prior to its sale at retail. The total amount of the sales price includes all of the following: a. Any services that are a part of the sale; b. Any amount for which credit is given to the purchaser by the vendor.

(b) The term "sales price" does not include any of the following:

(1) Cash discounts allowed and taken on sales.

(2) The amount charged for property returned by purchasers to vendors upon rescission of contracts of sale when the entire amounts charged therefor are refunded either in cash or credit, and when the property is returned within 90 days from the date of sale.

(3) The amount charged for labor or services rendered in installing or applying the property sold.

(4) The amount of reimbursement of tax paid by the purchaser to the vendor under this title.

(5) Transportation charges separately stated, if the transportation occurs after the sale of the property is made.

SEC. 17. "Sale" and "selling" mean any transaction whereby title or possession, or both, of tangible personal property is or is to be transferred by any means whatsoever for a consideration by a vendor to a purchaser, or any transaction whereby services subject to tax under this title are rendered for consideration or are sold to any purchaser by any vendor, and shall include, but not be limited to, any "sale at retail" as defined in this title. Such consideration may be either in the form of a price in money, rights, or property, or by exchange or barter, and may be payable immediately, in the future, or by installments.

SEC. 18. "Semipublic institution" means any corporation, and any community chest, fund, or foundation, organized exclusively on a nonprofit basis for religious, charitable, or educational purposes, including hospitals, and operated on a nonprofit basis for such purposes. For the purpose of this title an organization or institution which does not embrace the generally recognized relationship of teacher and student shall be deemed not to be operated for educational purposes.

SEC. 19. "Tangible personal property" means corporeal personal property of any nature.

SEC. 20. "Tax" means the tax imposed by this title.

SEC. 21. "Taxpayer" means any person required by this title to make returns or to pay the tax imposed by this title.

SEC. 22. "Tax year" means the calendar year, or the taxpayer's fiscal year if it be other than the calendar year when such fiscal year is regularly used by the taxpayer for the purpose of reporting District income taxes as the tax period in lieu of the calendar year.

SEC. 23. "Vendor" includes a person or retailer selling property or rendering services upon the receipts from which a tax is imposed under this title.

SEC. 24. The foregoing definitions shall be applicable whenever the words defined are used in this title unless otherwise required by the context.

IMPOSITION OF TAX

SEC. 25. Beginning on and after the first day of the first month succeeding the sixtieth day after the approval of this act, for the privilege of selling certain tangible personal property at retail sale and for the privilege of selling certain selected services defined as sales at retail in this title, a tax is hereby imposed upon all vendors at the rate of 2 percent of the gross receipts of any vendor from the sale of such tangible personal property and services.

REIMBURSEMENT FOR THE TAX

SEC. 26. Reimbursement for the tax imposed upon the vendor shall be collected by the vendor from the purchaser on all sales the gross receipts from which are subject to the tax imposed by this title so far as it can be done. It shall be the duty of each purchaser in the District to reimburse the vendor, as provided in section 27 of this title, for the tax imposed by this title. Such reimbursement of tax shall be a debt from the purchaser to the vendor and shall be recoverable at law in the same manner as other debts.

RATE OF TAX TO BE COLLECTED BY VENDOR

SEC. 27. For the purpose of collecting his reimbursement as provided in section 26 of this title insofar as it can be done and yet eliminate the fractions of a cent, the vendor shall add to the sales price and collect from the purchaser the following amounts:

(a) On each sale where the sales price is from 14 cents to 63 cents, both inclusive, 1 cent;

(b) On each sale where the sales price is from 64 cents to $1.13, both inclusive, 2 cents;

(c) On each 50 cents of sales price or fraction thereof in excess of $1.13, 1 cent.

EXEMPTIONS

SEC. 28. Gross receipts from the following sales shall be exempt from the tax imposed by this title:

(a) Sales to the United States or the District or any instrumentality thereof.

(b) Sales to a State or any of its political subdivisions if such State grants a similar exemption to the District. As used in this subsection, the term "State" means the several States, Territories, and possessions of the United States.

(c) Sales to a semipublic institution: *Provided, however,* That such sales shall not be exempt unless (1) such institution shall have first obtained a certificate from the Assessor stating that it is entitled to such exemption, and (2) the vendor keeps a record of the sales price of each such separate sale, the name of the purchaser, the date of each such separate sale, and the number of such certificate.

(d) Sales of food for human consumption off the premises where such food is sold.

(e) Sales of motor-vehicle fuels upon the sale of which a tax is imposed by the act entitled "An act to provide for a tax on motor-vehicle fuels sold within the District of Columbia, and for other purposes," approved April 23, 1924, as amended or as may be hereafter amended.

(f) Sales of property purchased by a utility or public-service company for use or consumption in furnishing a commodity or service: *Provided,* That the receipts from furnishing such commodity or service are subject to a gross-receipts or mileage tax in force in the District during or for the period of time covered by any return required to be filed by the provisions of this title.

(g) Sales of newspapers.

(h) Casual and isolated sales by a vendor who is not regularly engaged in the business of making sales at retail.

(i) Sales of livestock, poultry, seeds, feeds for livestock and poultry, fertilizers, lime, and land plaster used for agricultural purposes.

(j) Sales of food or beverages of any nature if made in any car composing a part of any train or in any aircraft or boat operating within the District in the course of commerce between the District and a State.

(k) Sales of goods made pursuant to bona fide contracts entered into before the date of approval of this act: *Provided,* That there is a contract in writing signed by the purchaser and vendor which imposes an unconditional liability on the part of the purchaser to buy the goods covered thereby at a fixed price and without escalator clause, and an unconditional liability on the part of the vendor to deliver a definite quantity of such goods at the contract price.

(l) Sales of natural or artificial gas, oil, electricity, solid fuel, or steam, directly used in manufacturing, assembling, processing, or refining.

(m) Sales which a State would be without power to tax under the limitations of the Constitution of the United States.

(n) Sales of motor vehicles and trailers.

(o) Sales of medicines, pharmaceuticals, and drugs made on prescriptions of duly licensed physicians and surgeons and general and special practitioners of the healing art.

(p) Sales of crutches, wheel chairs for the use of cripples and invalids, and, when designed to be worn on the person of the purchaser or user, artificial limbs, artificial eyes, and artificial hearing devices; sales of false teeth by a dentist and the materials used by a dentist in dental treatment; sales of eyeglasses, when especially designed or prescribed by an ophthalmologist, oculist, or optometrist for the personal use of the owner or purchaser; and sales of artificial braces and supports designed solely for the use of crippled persons.

COLLECTION OF TAX

SEC. 29. Upon each sale of tangible personal property or services, the gross receipts from which are taxable under this title, the reimbursement of tax to be collected by the vendor from the purchaser under the provisions of this title shall be stated and charged separately from the sales price and shown separately on any record thereof at the time the sale is made or evidence of sale issued or employed by the vendor.

SEC. 30. It shall be presumed that all receipts from the sale of tangible personal property and services mentioned in this title are subject to tax until the contrary is established, and the burden of proving that a receipt is not taxable hereunder shall be upon the vendor or the purchaser as the case may be. Except as provided in section 28 (c) of this title, unless the vendor shall have taken from the purchaser a certificate signed by and bearing the name and address of the purchaser and the number of his registration certificate to the effect that the property or service was purchased for resale, the receipts from all sales shall be deemed taxable. The certificate herein required shall be in such form as the assessor shall prescribe and, in case no certificate is furnished or obtained prior to the time the sale is consummated, the tax shall apply to the gross receipts therefrom as if the sale were made at retail.

SEC. 31. The tax imposed by this title and interest and penalties thereon shall become, from the time due and payable, a personal debt of the person liable to pay the same to the District. An action may be brought at any time within 3 years from the time the tax shall be due and payable in the name of the District to recover the amount of any taxes, penalties, and interest due under the provisions of this title, but such actions shall be utterly barred after the expiration of the aforesaid 3 years.

SEC. 32. Whenever the business or property of any person subject to tax under the terms of this title, shall be placed in receivership or bankruptcy, or assignment is made for the benefit of creditors, or if said property is seized under distraint for property taxes, all taxes, penalties, and interest imposed by this title for which said person is in any way liable shall be a prior and preferred claim. Neither the United States marshal, nor a receiver, assignee, or any other officer shall sell the property of any person subject to tax under the terms of this title under process or order of any court without first determining from the Collector the amount of any such taxes due and payable by said person, and if there be any such taxes due, owing, or unpaid under this title it shall be the duty of such officer to first pay to the Collector the amount of said taxes out of the proceeds of said sale before making any payment of any moneys to any judgment creditor or other claimants of whatsover kind or nature. Any person charged with the administration or distribution of any such property as aforesaid who shall violate the provisions of this section shall be personally liable for any taxes accrued and unpaid which are chargeable against the person otherwise liable for tax under the terms of this section.

SEC. 33. The taxes imposed by this title and penalties and interest thereon may be collected by the Collector in the manner provided by law for the collection of taxes due the District on personal property in force at the time of such collection; and liens for the taxes imposed by this title and penalties thereon may be acquired in the same manner that liens for personal property taxes are acquired. If the Assessor believes that the collection of any tax imposed by this act will be jeopardized by delay, he shall, whether or not the time otherwise prescribed by law for making return and paying such tax has expired, immediately assess such tax (together with all interest and penalties, the assessment of which is provided for by law). Such tax, penalties, and interest shall thereupon become immediately due and payable, and immediate notice and demand shall be made by the Collector for the payment thereof. Upon failure or refusal to pay such tax, penalty, and interest, collection thereof by distraint shall be lawful.

UNLAWFUL ADVERTISING

SEC. 34. It shall be unlawful for any vendor to advertise or hold out or state to the public or to any customer directly or indirectly that the reimbursement of tax or any part thereof to be collected by the vendor under this title will be assumed or absorbed by the vendor or that it will not be added to the selling price of the property sold or the taxable services rendered, or if added to said price that it, or any part thereof, will be refunded. Any person violating any provision of this section shall upon conviction be fined not more than $500 or imprisoned for not more than 6 months, or both, for each offense.

RETURNS AND PAYMENT OF TAX

SEC. 35. (a) On or before the 20th day of each calendar month, every vendor who has made any sale at retail, taxable under the provisions of this title, during the preceding calendar month, shall file a return with the Assessor. Such returns shall show the total gross proceeds of the vendor's business for the month for which the return is filed; the gross receipts of the business of the

vendor upon which the tax is computed, the amount of tax for which the vendor is liable and such other information as the Assessor deems necessary for the computation and collection of the tax.

(b) The Assessor may permit or require the returns to be made for other periods and upon such other dates as he may specify: *Provided*, That the gross receipts during any tax year shall be included in returns covering such year and no other.

(c) The form of returns shall be prescribed by the Assessor and shall contain such information as he may deem necessary for the proper administration of this title. The Assessor may require amended returns to be filed within 20 days after notice and to contain the information specified in the notice.

SEC. 36. (a) At the time of filing his return as provided by this title, the taxpayer shall pay to the Collector the taxes imposed by this title.

(b) The taxes for the period for which a return is required to be filed by a vendor under this title shall be due by the vendor and payable to the Collector on the date limited for the filing of the return for such period, without regard to whether a return is filed or whether the return which is filed correctly shows the amount of gross receipts and taxes due thereon.

SEC. 37. On or before 30 days after the end of the tax year of each vendor required to pay to the Collector the tax imposed by the provisions of this title, such vendor shall make an annual return for such tax year in such form as may be required by the Assessor. The Assessor for good cause shown may on the written application of a vendor extend the time for making any return required by this section.

SECRECY OF RETURNS

SEC. 38. (a) Except to any official of the District having a right thereto in his official capacity, it shall be unlawful for any officer or employee of the District to divulge or make known in any manner the amount of gross proceeds or any particulars relating thereto or the computation thereof set forth or disclosed in any return required to be filed under this title, and neither the original nor a copy of any such return desired for use in litigation in court shall be furnished where neither the District nor the United States is interested in the result of such litigation, whether or not the request is contained in an order of the court: *Provided, however*, That nothing herein contained shall be construed to prevent the furnishing to a taxpayer a copy of his return upon the payment of a fee of $2.

(b) Nothing contained in subsection (a) of this section shall be construed to prohibit the publication of notices authorized in this title, or the publication of statistics so classified as to prevent the identification of particular returns or reports and the items thereof, or the publication of delinquent lists showing the names of persons, vendors, or purchasers who have failed to pay the taxes imposed by this title within the time prescribed herein, together with any relevant information which in the opinion of the Assessor may assist in the collection of such delinquent taxes.

(c) Nothing contained in subsection (a) of this section shall be construed to prohibit the Assessor in his discretion, from divulging or making known any information contained in any report, application, or return required under the provisions of this title other than such information as may be contained therein relating to the amount of gross proceeds or tax thereon or any particulars relating thereto or the computation thereof.

(d) Any violation of the provisions of subsection (a) of this section shall be punishable by a fine not exceeding $1,000 or imprisonment for 6 months, or both, in the discretion of the court.

(e) Notwithstanding the provisions of this section, the Assessor may permit the proper officer of the United States or of any State or Territory of the United States or his authorized representative to inspect the returns filed under this title, or may furnish to such officer or representative a copy of any such return, provided the United States, State, or Territory grants substantially similar privileges to the Assessor or his representative or to the proper officer of the District charged with the administration of this title.

(f) All reports, applications, and returns received by the Assessor under the provisions of this title shall be preserved for 3 years and thereafter until the Assessor orders them to be destroyed.

DETERMINATION OF TAX

SEC. 39. If a return required by this title is not filed, or if a return when filed is incorrect or insufficient, the amount of tax due shall be determined by the Assessor from such information as may be obtainable. Notice of such determination shall be given to the taxpayer. Such determination shall finally and irrevocably fix the tax unless the person against whom it is assessed, within 30 days after the giving of notice of such determination, shall apply in writing to the Assessor for a hearing, or unless the Assessor of his own motion shall redetermine the same. After such hearing or redetermination the Assessor shall give notice of his final determination to the person against whom the tax is assessed.

REFUNDS

SEC. 40. (a) Except as to any tax finally determined as provided in section 39, where any tax has been erroneously or illegally collected, the tax shall be refunded if application under oath is filed with the Assessor for such refund within 1 year from the payment thereof. For like cause and within the same period a refund may be made upon the certificates of the Assessor and the Collector. Whenever a refund is made upon the certificates of the Assessor and the Collector, the Assessor and Collector shall state their reasons therefor in writing. Such application may be made by the person upon whom such tax was imposed and who has actually paid the tax. When an application is made by a vendor who has collected reimbursement of such tax, no actual refund of moneys shall be made to such vendor, until he shall first establish to the satisfaction of the Assessor, under such regulations as the Commissioners may prescribe, that the vendor has repaid to the purchaser the amount for which the application for refund is made. In lieu of any refund required to be made, a credit may be allowed therefor on payment due from the applicant.

(b) Application for a refund or credit made as herein provided shall be deemed an application for a revision of any tax, penalty, or interest complained of and the Assessor may receive evidence with respect thereto. After making his determination of whether any refund shall be made, the Assessor shall give notice thereof to the applicant.

APPEALS

SEC. 41. (a) Any vendor or purchaser aggrieved by a final determination of tax or denial of an application for refund of any tax may, within 90 days from the date of the final determination of the tax or from the date of the denial of an application for refund, as the case may be, appeal to the Board of Tax Appeals for the District of Columbia in the same manner and to the same extent as set forth in sections 3, 4, 7, 8, 9, 10, and 11 of title IX of the act entitled "An act to amend the District of Columbia Revenue Act of 1937, and for other purposes," approved August 17, 1937, as amended, and as the same may hereafter be amended. The remedy provided in this section shall not be deemed to take away from the taxpayer any remedy which he might have under any other provision of law, but no suit by the taxpayer for the recovery of any part of any tax shall be instituted in any court if the taxpayer has elected to file an appeal with respect to such tax with the Board of Tax Appeals for the District of Columbia.

(b) If it shall be determined by the Assessor, the Board of Tax Appeals for the District of Columbia, or any court having jurisdiction over the subject matter, that any part of any tax which was assessed as a deficiency, and any interest thereon paid by the taxpayer, was an overpayment, interest shall be allowed and paid upon such overpayment of tax at the rate of 4 percent per annum from the date such overpayment was paid until the date of refund.

SALES IN BULK

SEC. 42. Whenever there is made a sale, transfer, or assignment in bulk of any part or the whole of a stock of merchandise or of fixtures, or of merchandise and of fixtures, pertaining to the conducting of the business of the seller, transferor, or assignor, otherwise than in the ordinary course of trade and in the regular prosecution of said business, the purchaser, transferee, or assignee shall at least 5 days before taking possession of such merchandise, fixtures, or merchandise and fixtures, or paying therefor, notify the Assessor by registered mail of the proposed sale and of the price, terms, and conditions thereof, irrespective of whether or not the seller, transferor, or assignor has represented to or informed the purchaser, transferee, or assignee that he owes any tax pursuant to this title or whether he has complied with section 1 of the act entitled "An act to prevent the fraudulent sale of merchandise in the District of Columbia," approved April 28, 1904, or whether or not he has knowledge that such taxes are owing, or whether any such taxes are in fact owing.

(b) Whenever the purchaser, transferee, or assignee shall fail to give the notice to the Assessor as required by the preceding section, or whenever the Assessor shall inform the purchaser, transferee, or assignee that a possible claim for such tax or taxes exists, any sums of money, property, or choses in action, or other consideration, which the purchaser, transferee, or assignee is required to transfer over to the seller, transferor, or assignor shall be subject to a first priority right and lien for any any such taxes theretofore or thereafter determined to be due from the seller, transferor, or assignor to the District, and the purchaser, transferee, or assignee is forbidden to transfer to the seller, transferor, or assignor any such sums of money, property, or choses in action to the extent of the amount of the District's claim. For failure to comply with the provisions of this section, the purchaser, transferee, or assignee shall be personally liable for the payment to the District of any such taxes theretofore or thereafter determined to be due to the District from the seller, transferor, or assignor, and such liability may be assessed and enforced in the same manner as the liability for tax under this title.

REGULATIONS

SEC. 43. In addition to the powers granted to the Commissioners in this title, they are hereby authorized and empowered to make, adopt, and amend rules and regulations appropriate to the carrying out of this title and the purposes thereof.

SEC. 44. In addition to the powers granted to the Assessor in this title, he is hereby authorized and empowered—

(a) to extend for cause shown the time of filing any return for a period not exceeding thirty days; and for cause shown, to remit penalties and interest in whole or in part except as otherwise provided in this title; and to compromise disputed claims in connection with the taxes hereby imposed;

(b) to request information from the Bureau of Internal Revenue of the Treasury Department of the United States relative to any person for the purpose of assessing taxes imposed by this title; and said Bureau of Internal Revenue is authorized and required to supply such information as may be requested by the Assessor relative to any person for the purpose herein provided;

(c) to prescribe methods for determining the gross proceeds from sales made or services rendered and for the allocation of such sales into taxable and nontaxable sales;

(d) to require any vendor selling to persons within the District to keep detailed records of the nature and value of personal property sold for use within the District, and to furnish such information upon request to the Assessor;

(e) to assess, determine, revise, and readjust the taxes imposed under this title.

SEC. 45. The Assessor, for the purpose of ascertaining the correctness of any return filed as required by this title, or for the purpose of making a return where none has been made, is authorized to examine any books, papers, records, or memoranda, or any person bearing upon the matters required to be included in the return and may summon any person to appear before him and produce books, records, papers, or memoranda bearing upon the matters required to be included in the return and to give testimony or answer interrogatories under oath respecting the same, and the Assessor, or his duly authorized representative, shall have power to administer oaths to such person or persons. Such summons may be served by any member of the Metropolitan Police Department. If any person, having been personally summoned, shall neglect or refuse to obey the summons issued as herein provided, then in that event the Assessor, or the Deputy Assessor, may report that fact to the United States District Court for the District of Columbia, or one of the justices thereof, and said court or any justice thereof hereby is empowered to compel obedience to said summons to the same extent as witnesses may be compelled to obey the subpenas of that court. Any person in custody or control of any books, papers, records, or memoranda bearing upon the matters required to be included in such returns, who shall refuse to permit the examination by the Assessor or any person designated by him of any such books, papers, records, or memoranda, or who shall obstruct or hinder the Assessor or any person designated by him in the examination of any books, papers, records, or memoranda, shall upon conviction thereof be fined not more than $500 or imprisoned for not more than 6 months, or both, for each offense.

REGISTRATION

SEC. 46. (a) No person shall engage or continue to engage in the business of making any retail sales subject to tax under the provisions of this title without having obtained a certificate of registration therefor. If two or more persons constitute a single vendor as defined in this title, such persons may operate a single retail establishment under one certificate of registration and in such case neither the death or retirement of one or more of such persons from business in such establishment nor the entrance of one or more persons thereinto shall affect the certificate of registration for a period of 60 days or require the issuance of a new certificate until the expiration of such period.

(b) Each applicant for a certificate required by this section shall make out and deliver to the Assessor, upon a blank to be furnished by him for that purpose, a statement showing the name of the applicant, each retail establishment where the applicant's business is to be conducted, the kind or nature of such business and such other information as the Assessor may prescribe. Upon receipt of such application the Assessor shall issue the applicant, without charge, a certificate of registration for each retail establishment designated in the application, authorzing the applicant to engage in business at such retail establishment. The certificate of registration shall be nontransferable except as otherwise provided in this title, and shall be displayed in the applicant's place of business. The form of such certificate of registration shall be prescribed by the Assessor.

(c) In the case of a vendor who has no fixed place of business and sells from one or more vehicles, each such vehicle shall constitute a retail establishment for the purpose of this title. In the case of a vendor who has no fixed place of business and does not sell from a vehicle, the application for a certificate of registration shall set forth the address to which any notice or other communication authorized by this title may be sent to the applicant, and the place so designated shall constitute a retail establishment for the purposes of this title.

(d) Whoever engages in the business of selling tangible personal property at retail, or makes any sale which is subject to tax under the provisions of this title without having a certificate of registration therefor, as required by this section, shall, upon conviction thereof, be fined not more than $100.

PENALTIES AND INTEREST

SEC. 47. (a) Any person failing to file a return or who files a false or incorrect return or who fails to pay any tax to the Collector within the time required by this title shall be subject to a penalty of 5 percent of the amount of tax due, plus interest at the rate of 1 percent of such tax for each month of delay excepting the first month after such return was required to be filed or such tax became due; but the Assessor, if satisfied that the delay was excusable, may waive all or any part of such penalty in excess of interest at the rate of 6 percent per year. Unpaid penalties and interest may be collected in the same manner as the tax imposed by this title. The interest provided for in this section shall be applicable to any tax determined by the Assessor as a deficiency.

(b) The certificate of the Collector or Assessor, as the case may be, to the effect that a tax has not been paid, that a return has not been filed, or a registration certificate has not been obtained, or that information has not been supplied pursuant to the provisions of this title, shall be presumptive evidence thereof: *Provided*, That the presumptions created by this subsection shall not be applicable in criminal prosecutions.

PENALTY FOR FAILURE TO FILE RETURNS, AND SO FORTH

SEC. 48. (a) Any person required to file a return or report or perform any act under the provisions of this title who shall fail or neglect to file such return or report or perform such act within the time required shall, upon conviction thereof, be fined not more than $300 for each and every failure or neglect. The penalty provided herein shall be in addition to the other penalties provided in this title.

(b) Any person required to file a return or report or perform any act under the provisions of this title who willfully fails or refuses to file such return or report or perform such act within the time required shall, upon conviction thereof, be fined not more than $5,000 or imprisoned for not more than 1 year, or both. The penalty provided herein shall be in addition to the other penalties provided in this title.

ASSESSMENT, REASSESSMENT, FALSE AND INCORRECT RETURNS

SEC. 49. The Assessor shall determine, redetermine, assess, or reassess, any tax imposed by this title, except in cases where the tax is correct as computed in any return filed with the Assessor, within 3 years after the filing of any return, except as follows:

(a) In the case of a false return, or a failure to file a return, whether in good faith or otherwise, the tax may be assessed at any time.

(b) In the case of an incorrect return which has not been prepared as required by this title and by the return and instructions, rules, or regulations applicable thereto, the tax shall be assessed or reassessed within 5 years after the filing of such return.

PROSECUTIONS

SEC. 50. All prosecutions under this title shall be brought in the municipal court for the District of Columbia of information by the Corporation Counsel of the District in the name of the District of Columbia.

NOTICES

SEC. 51. Any notice authorized or required under the provisions of this title may be given by mailing the same to the person for whom it is intended in an envelope, postage prepaid, addressed to such person at the address given in the last return filed by him pursuant to the provisions of this title or, if no return has been filed, then to the last address of such person. If the address of any person is unknown, such notice may be published in one or more of the daily newspapers in the District of Columbia for three successive days. The cost of any such advertisement in newspapers shall be added to the tax. The proof of mailing of any notice required or authorized in this title shall be presumptive evidence of the receipt of such notice by the person to whom addressed. The proof of publising any notice required in this title in one or more of the daily newspapers in the District shall be conclusive notice to the person for whom such notice is intended.

EXTENSIONS OF TIME

SEC. 52. Where, before the expiration of the period prescribed herein for the assessment or redetermination of an additional tax, a taxpayer has consented in writing that such period be extended, the amount of such tax due may be determined at any time within such extended period. The period so extended may be further extended by subsequent consents in writing made before the expiration of the extended period.

TITLE II—COMPENSATING-USE TAX

DEFINITIONS

SEC. 1. (a) "Retail sale", "sale at retail", and "sold at retail" means all sales in any quantity or quantities of tangible personal property, whether made within or without the District, and services, to any person for the purpose of use, storage, or consumption, within the District, taxable under the terms of this title. These terms shall mean all sales of tangible personal property to any person for any purpose other than those in which the purpose of the purchaser is to resell the property so transferred in the form in which the same is, or is to be, received by him, or to use or incorporate the property so transferred as a material or part of other tangible personal property to be produced for sale by manufacturing, assembling, processing, or refining. For the purpose of the tax imposed by this title, these terms shall include, but shall not be limited to, the following:

(1) Any production, fabrication, or printing of tangible personal property on special order for a consideration.

(2) The sale of natural or artificial gas, oil, electricity, solid fuel or steam, when made to any purchaser for purposes other than resale or for use in manufacturing, assembling, processing or refining.

(3) The sale of material used in the construction, and of materials used in the repair

or alteration, of real property, which materials, upon completion of such construction, alterations, or repairs, become real property, regardless of whether or not such real property is to be sold or resold.

(4) The grant of the right to continuous possession or use of any article of tangible personal property granted under a lease or contract if such grant of possession would be taxable if outright sale were made; in such event such lease or contract shall be considered the sale of such article and the tax shall be computed and paid by the vendor upon the rentals paid.

(b) The terms "retail sale," "sale at retail," and "sold at retail" shall not include the following:

(1) Sales of tickets for admission to places of amusement and sports.

(2) Sales of transportation and communication services.

(3) Professional, insurance, or personal service transactions which involve sales as inconsequential elements for which no separate charges are made.

(4) Sales of tangible personal property which property was purchased or acquired by a nonresident prior to coming into the District and establishing or maintaining a temporary or permanent residence in the District. As used in this subsection, the word "residence" means a place in which to reside and does not mean "domicile".

(5) Sales of tangible personal property which property was purchased or acquired by a nonresident person prior to coming into the District and establishing or maintaining a business in the District.

(6) The use or storage within the District of tangible personal property owned and held by a common carrier or sleeping-car company for use principally without the District in the course of interstate commerce, or commerce between the District and a State, in or upon, or as part of, any train, aircraft, or boat.

SEC. 2. "Purchase" and "purchased" shall mean and include—

(a) any transfer, either conditionally or absolutely, of title or possession of both of the tangible personal property sold at retail;

(b) any acquisition of a license or other authority to use, store, or consume, the tangible personal property sold at retail;

(c) any sale of services sold at retail.

SEC. 3. "Purchaser" means any person who shall have purchased tangible personal property or services sold at retail.

SEC. 4. "In the District" and "within the District" mean within the exterior limits of the District of Columbia and include all territory within such limits owned by the United States of America.

SEC. 5. "Store" and "storage" mean any keeping or the retention of possession in the District for any purpose of tangible personal property purchased at retail sale.

SEC. 6. "Use" means the exercise by any person within the District of any right or power over tangible personal property and services sold at retail, whether purchased within or without the District by a purchaser from a vendor.

SEC. 7. "Vendor" includes every person or retailer engaging in business in the District and making sales at retail as defined herein, whether for immediate or future delivery of the tangible personal property or performance of the services. When in the opinion of the Assessor it is necessary for the efficient administration of this title to regard any salesman, representative, peddler, or canvasser, as the agent of the dealer, distributor, supervisor, or employer, under whom he operates or from whom he obtains the tangible personal property sold or furnishes services, the Assessor may, in his discretion, treat and regard such agent as the vendor jointly responsible with his principal, employer, or supervisor, for the assessment and payment or collection of the tax imposed by this title.

SEC. 8. "Engaging in business in the District" includes the selling, delivering, or furnishing in the District, or any activity in the District in connection with the selling, delivering, or furnishing in the District, of tangible personal property or services sold at retail as defined herein. This term shall include but shall not be limited to the following acts or methods of transacting business:

(a) The maintaining, occupying or using, permanently or temporarily, directly or indirectly, or through a subsidiary or agent, by whatever name called, of any office, place of distribution, sales or sample room or place, warehouse or storage place, or other place of business.

(b) The having of any representative, agent, salesman, canvasser, or solicitor operating in the District for the purpose of making sales at retail as defined herein, or the taking of orders for such sales.

SEC. 9. "Retailer" includes every person engaged in the business of making sales at retail.

SEC. 10. The definitions of "business," "food," "gross receipts," "person," "purchaser's certificate," "retail establishment," "return," "sale" and "selling," "sales price," "semipublic institution," "tangible personal property," "tax," "tax year," "taxpayer," "Assessor," "Collector," "Commissioners," and "District," as defined in title I of this act, are hereby incorporated in and made applicable to this title.

SEC. 11. The foregoing definitions shall be applicable whenever the words defined are used in this title unless otherwise required by the context.

IMPOSITION OF TAX

SEC. 12. Beginning on and after the first day of the first month succeeding the sixtieth day after the approval of this act, there is hereby imposed and there shall be paid by every vendor engaging in business in the District and by every purchaser a tax on the use, storage, or consumption of any tangible personal property and services sold or purchased at retail sale. The tax hereby imposed shall be at the rate of 2 percent of the sales price of the tangible personal property or services rendered or sold.

PAYMENT OF TAX BY VENDOR

SEC. 13. Every vendor engaging in business in the District and making sales at retail shall, for the privilege of making such sales, pay to the Collector the tax imposed by this title. At the time of making such sales the vendor shall collect the tax from the purchaser and give to the purchaser a receipt therefor in such form as prescribed by the Assessor. For the purpose of uniformity of tax collection by the vendor engaging in business in the District and for other purposes the provisions of sections 26, 27, 29, and 30 of title I of this act are hereby incorporated in and made applicable to this title.

SEC. 14. Every vendor or retailer not engaging in business in the District who makes sales at retail as defined in this title, and who upon application to the Collector has been expressly authorized to pay the tax imposed by this title, shall, at the time of making such sales, collect the reimbursement of the tax from the purchaser and give to the purchaser a receipt therefor in such form as prescribed by the Assessor. For the purpose of uniformity of tax collection by the vendor or retailer who has been expressly authorized to pay the tax under the provisions of this section and for other purposes, the provisions of sections 26, 27, 29, and 30 of title I of this act are hereby incorporated in and made applicable to this title. A permit shall be issued to such vendor or retailer, without charge, to pay the tax and collect reimbursement thereof as provided herein. Such permit may be revoked at any time by the Collector who shall thereupon give notice thereof to the vendor or retailer.

PAYMENT OF TAX BY PURCHASER

SEC. 15. If a purchaser has not reimbursed for the tax such vendors or retailers as are required or authorized to pay the tax, as the case may be, such purchaser shall file a return as hereinafter provided and pay to the Collector 2 percent of the total sales prices of property and services purchased at retail sale.

EXEMPTIONS

SEC. 16. The tax imposed by this title shall not apply to the following:

(a) Sales upon which taxes are imposed under title I of this act.

(b) Sales exempt from the taxes imposed under title I of this act.

(c) Sales upon which the purchaser has paid a retail sales tax or made reimbursement therefor to a vendor or retailer under the laws of any State or Territory of the United States.

COLLECTION OF TAX

SEC. 17. The provisions of sections 31, 32, and 33 of title I of this act are hereby incorporated in and made applicable to this title.

SEC. 18. Every vendor or retailer not engaging in business in the District who has been expressly authorized to pay the tax imposed by this title and collect reimbursement therefor, and every vendor engaging in business in the District, may, in the discretion of the Collector, be required to file with the Collector a bond not exceeding the amount of $10,000 with such sureties as the Collector deems necessary, and for such duration not exceeding 5 years as the Collector deems necessary, conditioned upon the payment of the tax due from any vendor or retailer for any period covered by any return required to be filed under this title.

UNLAWFUL ADVERTISING

SEC. 19. The provisions of section 34 of title I of this act are hereby incorporated in and made applicable to this title.

RETURNS AND PAYMENT OF THE TAX

SEC. 20. The provisions of sections 35, 36, 37, and 38 of title I of this act are hereby incorporated in and made applicable to this title. Every vendor, and every vendor or retailer not engaging in business in the District who is expressly authorized to pay the tax, shall file returns and pay the tax in accordance with the provisions of such sections applicable to the filing of returns and the payment of the tax and as shall be prescribed by regulation.

SEC. 21. (a) Every purchaser who is required to pay a tax under this title shall file a return with the Assessor within 20 days after the end of each calendar month. Such returns shall show the total sales prices of all tangible personal property and services purchased at retail sale upon which the tax imposed has not been paid by the purchaser to vendors or retailers, the amount of tax for which the purchaser is liable, and such other information as the Assessor deems necessary for the computation and collection of the tax.

(b) The Assessor may permit or require the returns of purchasers to be made for other periods and upon such other dates as he may specify.

(c) The return filed by a purchaser shall include the sales prices of all tangible personal property and services purchased at taxable retail sale during the calendar month or other period for which the return is filed and upon which the tax imposed has not been reimbursed by the purchaser to vendors or retailers.

(d) The form of returns shall be prescribed by the Assessor and shall contain such information as he may deem necessary for the proper administration of this title. The Assessor may require amended returns to be filed within 20 days after notice and to contain the information specified in the notice.

(e) At the time of filing his return as provided in this section the purchaser shall pay to the Collector the amount of tax for which he is liable as shown by such return.

(f) The taxes for the period for which a return is required to be filed under this section shall be due by the taxpayer and payable to the Collector on the date limited for the filing of the return for such period, without regard to whether a return is filed or whether the return which is filed correctly shows the amount of the total sales prices and taxes due thereon.

REGISTRATION

SEC. 22. The provisions of section 46 of title I of this act are hereby incorporated in and made applicable to this title: *Provided,* That vendors and persons who have been issued certificates of registration under title I of this act shall not be required to have such certificate under this title.

DETERMINATION OF TAX, REFUNDS, APPEALS, SALES IN BULK, REGULATIONS, PENALTIES AND INTEREST, PROSECUTIONS, FALSE AND INCORRECT RETURNS, NOTICES, ETC.

SEC. 23. The provisions of sections 39, 40, 41, 42, 43, 44, 45, 47, 48, 49, 50, 51, and 52 of title I of this act are hereby incorporated in and made applicable to this title.

TITLE III—EXCISE TAX UPON ISSUANCE OF TITLES TO MOTOR VEHICLES

An act known as the District of Columbia Traffic Act, 1925, approved March 3, 1925, as amended, is hereby further amended by adding to section 6 thereof the following subsection:

"(j) In addition to the fees and charges levied under other provisions of this act, there is hereby levied and imposed an excise tax for the issuance of every original certificate of title for a motor vehicle or trailer in the District, and for the issuance of every subsequent certificate of title for a motor vehicle or trailer in the District in the case of sale or resale thereof, at the rate of 2 percent of the fair market value of such motor vehicle or trailer at the time such certificate is issued, as determined by the Assessor of the District of Columbia or his duly authorized representatives. As used in this section, the term "original certificate of title" shall mean the first certificate of title issued by the District of Columbia for any particular motor vehicle or trailer. No certificate of title so issued shall be delivered or furnished to the person entitled thereto until the tax has been paid in full. The Assessor of the District of Columbia may require every applicant for a certificate of title to supply such information as he deems necessary as to the time of purchase, the purchase price, and other information relative to the determination of the fair market value of any motor vehicle or trailer for which a certificate of title is required and issued. The issuance of certificates of title for the following motor vehicles and trailers shall be exempt from the tax imposed by this subsection:

"(1) Motor vehicles and trailers owned by the United States or the District of Columbia.

"(2) Motor vehicles and trailers purchased or acquired by nonresidents prior to coming into the District of Columbia and establishing or maintaining residences in the District.

"(3) Motor vehicles and trailers purchased or acquired by nonresidents prior to coming into the District of Columbia and establishing or maintaining a business or businesses in the District. Except as hereinafter provided, it is not intended to exempt from the tax the issuance of certificates of title for motor vehicles and trailers owned by nonresidents who are engaged in business in the District at the time of their purchase or acquisition of such vehicles and trailers and who use such vehicles and trailers in the conduct of their District business or businesses.

"(4) Motor vehicles and trailers owned by a utility or public-service company for use in furnishing a commodity or service: *Provided,* That the receipts from furnishing such commodity or service are subject to a gross-receipts or mileage tax in force in the District of Columbia at the time of a certificate of title for any such vehicle or trailer is issued."

SEC. 2. The provisions of this title shall be applicable with respect to all certificates of title issued on and after the first day of the first month succeeding the sixtieth day after the approval of this act.

SEC. 3. Any person aggrieved by the assessment of any tax imposed by this title may, within 90 days from the date the person entitled to a certificate of title was notified of the amount of such tax, appeal to the Board of Tax Appeals for the District of Columbia in the same manner and to the same extent as set forth in sections 3, 4, 7, 8, 9, 10, and 11 of title IX of the act entitled "An act to amend the District of Columbia Revenue Act of 1937, and for other purposes," approved August 17, 1937, as amended, and as the same may hereafter be amended. The remedy provided in this section shall not be deemed to take away from the person entitled to such certificate of title any remedy which he might have under any other provision of law, but no suit by such person for the recovery of a tax, or any part thereof, imposed by this title shall be instituted in any court if such person has elected to file an appeal with respect to such tax with the Board of Tax Appeals for the District of Columbia.

Mr. SMITH of Virginia (interrupting the reading). Mr. Chairman, I ask unanimous consent that titles I, II, and III, relating to the sales tax may be considered as read, printed in the RECORD, and that it may be open to amendment at any place.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. GRANGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GRANGER: Strike out all after the enacting clause and insert the following: "That section 3 (s) of title I, article I, is amended to read as follows:

"'(s) The word "resident" means every individual domiciled within the District on the last day of the taxable year, and every other individual who maintains a place of abode within the District for more than 7 months of the taxable year, whether domiciled in the District or not. The word "resident" shall not include any elective officer, or any employee on the staff of an elected officer in the legislative branch of the Government of the United States, if such employee is a bona fide resident of the State of residence of such elected officer, or any officer of the executive branch of such Government whose appointment to the office held by him was by the President of the United States and subject to confirmation by the Senate of the United States, unless such officers are domiciled within the District on the last day of the taxable year.'

"SEC. 2. Section 2 of title III is amended by striking out all of the paragraph numbered (b) (10) and renumbering the succeeding paragraphs as (10) and (11), respectively.

"SEC. 3. Section 3 of title III is amended by striking out all of the paragraph numbered 3 (b) (5) and renumbering the succeeding paragraph as (5).

"SEC. 4. Section 3 of title VI is amended to read as follows:

"'SEC. 3. Imposition and rates of tax: There is hereby annually levied and imposed for each taxable year upon the taxable income of every resident a tax at the following rates:

"'Two percent, on the first $2,000 of taxable income.

"'Three percent, on the next $3,000 of taxable income.

"'Four percent, on the next $5,000 of taxable income.

"'Five percent, on the taxable income in excess of $10,000.'

"SEC. 5. Article I is further amended by striking out all of title VIII and renumbering the succeeding titles as VIII, IX, X, XI, XII, XIII, XIV, and XV, respectively.

"SEC. 6. Subsection (a) of section 23 of the District of Columbia Alcoholic Beverage Control Act, approved January 24, 1934, as amended, is further amended to read as follows:

"'SEC. 23. (a) There shall be levied, collected, and paid on all of the following-named beverages manufactured by a holder of a manufacturer's license and on all of the said beverages imported or brought into the District of Columbia by a holder of a wholesaler's license, except beverages as may be sold to a dealer licensed under the laws of any State or Territory of the United States and not licensed under this act, and on all beverages imported or brought into the District of Columbia by a holder of a retailer's license, a tax at the following rates to be paid by the licensee in the manner hereinafter provided.

"'(1) A tax of 10 cents on every wine-gallon of wine containing 14 percent or less of alcohol by volume, except champagne or sparkling wine or any wine artificially carbonated, and a proportionate tax at a like rate on all fractional parts of such gallon; (2) a tax of 20 cents on every wine-gallon of wine containing more than 14 percent of alcohol by volume, except champagne or sparkling wine or any wine artificially carbonated, and a proportionate tax at a like rate on all fractional parts of such gallon; (3) a tax of 30 cents on every wine-gallon of champagne of sparkling wine or any wine artificially carbonated, and a proportionate tax at a like rate on all fractional parts of such gallon; (4) a tax of $1.10 on every wine-gallon of spirits and a proportionate tax at a like rate on all fractional parts of such gallon; (5) and a tax of $2.20 on every wine-gallon of alcohol and a proportionate tax at a like rate on all fractional parts of such gallon.'

"SEC. 7. Within 10 days after the effective date of this act, every holder of a retailer's license under said District of Columbia Alcoholic Beverage Control Act shall file with the Alcoholic Beverage Control Board a sworn statement on a form to be prescribed by the Commissioners of the District of Columbia showing the number of each kind and denomination of stamps denoting the payment of beverage taxes held or possessed by such licensee or anyone for him on the day on which this act becomes effective, or on the following day on which this act becomes effective, or on the following day if the effective date be a Sunday, other than stamps affixed to the containers of beverages manufactured in or imported into the District of Columbia prior to the effective date of this act, and shall, within 15 days after the effective date of this act, pay to the Collector of Taxes the difference between the amount of tax represented by such stamps at the time of purchase from the Collector of Taxes and the amount of tax imposed by this act represented by such stamps.

"SEC. 8. Within 10 days after the effective date of this act every holder of a manufacturer's license, class A, and every holder of a wholesaler's license under the District of Columbia Alcoholic Beverage Control Act shall file with the Alcoholic Beverage Control Board a sworn statement on a form to be prescribed by the Commissioners showing the amount and kind of all beverages, except (1)

beer, (2) wine containing 14 percent or less of alcohol by volume other than champagne and wine artificially carbonated, and (3) beverages upon which required stamps have been affixed, held, or possessed by him in the District of Columbia at the beginning of the day this act becomes effective and shall state the number of each kind and denomination of stamps necessary for the stamping of such beverages so held or possessed. Every such licensee, within 10 days after the effective date of this act, shall also file with the Alcoholic Beverage Control Board a sworn statement on a form to be prescribed by the Commissioners of the District of Columbia showing the number of each kind and denomination of stamps denoting the payment of beverage taxes held or possessed by such licensee or anyone for him at the beginning of the day on which this act becomes effective, other than stamps affixed to the containers of beverages manufactured in or imported into the District of Columbia prior to the effective date of this act. Every such licensee shall within 15 days after the effective date of this act pay to the Collector of Taxes for all stamps not necessary for the stamping of beverages shown on the sworn statement hereinbefore required to be filed with the Alcoholic Beverage Control Board the difference between the amount of tax represented by such stamps at the time of purchase from the collector of taxes and the amount of tax imposed by this act represented by such stamps. Should the number of any kind or denomination of stamps so held by a licensee be less than the number necessary for the stamping of the beverages shown on said sworn statement, the Collector of Taxes is authorized and directed to sell to such licensee, at the rates prescribed for such stamps prior to the effective date of this act, such stamps as may be necessary for the stamping of such beverages. In the event any of the beverages shown on said sworn statement are sold to a dealer licensed under the laws of any State or Territory of the United States and not licensed under this act, such sale shall, within 10 days thereafter, be reported to the Alcoholic Beverage Control Board and within said 10 days such licensee shall pay to the Collector of Taxes on all stamps held by him for the stamping of such beverages the difference between the amount of tax represented by such stamps at the time of purchase from the Collector of Taxes and the amount of tax imposed by this act represented by such stamps.

"SEC. 9. Subsection (a) of section 40 of said act (sec. 25–138, D. C. Code, 1940), as amended, is hereby further amended by striking out the figures and words '50 cents' and inserting in lieu thereof the figure '$1.'

"SEC. 10. The rate of taxation imposed by the District of Columbia on real and tangible personal property shall not be less than 2½ percent on the assessed value of such property.

"SEC. 11. This act shall become effective July 1, 1949."

Mr. GRANGER (interrupting the reading). Mr. Chairman, I ask unanimous consent that the section having to do with the sales tax be considered as read and that the Clerk proceed with the next section.

The CHAIRMAN. Does the gentleman from Virginia object to the request of the gentleman from Utah?

Mr. SMITH of Virginia. What portion is the gentleman talking about?

Mr. GRANGER. The income tax.

Mr. SMITH of Virginia. We have not reached the income tax; that does not come until the next section; but to consider it read, I have no objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. SMITH of Virginia. Mr. Chairman, I reserve a point of order against the amendment.

Mr. GRANGER. The gentleman may make his point of order.

Mr. SMITH of Virginia. Mr. Chairman, I make the point of order that the amendment offered by the gentleman from Utah is not in order at this time, as the part of the bill that has been read relates to the sales tax and the title relating to the income tax has not been reached. I therefore make a point of order that the gentleman's amendment is premature and not in order at this time.

The CHAIRMAN. Does the gentleman from Utah [Mr. GRANGER] wish to be heard?

Mr. GRANGER. I do, Mr. Chairman. The bill we have before us, it is perfectly clear, is to raise revenue for the District of Columbia. Every one of the sections in the amendment that I have offered proposes to do that. It is in order and I hope the Chair rules it is in order.

The CHAIRMAN. The Chair is ready to rule.

The point of order raised by the gentleman from Virginia is the identical point of order raised by the gentleman from Virginia in a similar situation when the committee considered this legislation some time ago. At that time the Chair ruled that the gentleman from Virginia was technically correct in urging the point of order, but the Chair also rules again that the gentleman from Utah would be in order in offering his amendment after the proper section has been read.

Mr. SMITH of Virginia. Mr. Chairman, are there any amendments to titles I, II, or III?

The CHAIRMAN. The gentleman from Utah at this time, in view of the ruling of the Chair, may desire to offer his amendment as a substitute.

Mr. GRANGER. Mr. Chairman, I offer it as a substitute.

Mr. SMITH of Virginia. Mr. Chairman, it has not been offered as a substitute. I do not want to be technical, but I do want to be regular.

Mr. GRANGER. Mr. Chairman, I ask unanimous consent that it be considered as a substitute. That was the intention, that it is a substitute.

The CHAIRMAN. Is there objection to the request of the gentleman from Utah?

There was no objection.

The CHAIRMAN. The gentleman from Utah [Mr. GRANGER] is recognized for 5 minutes on his amendment.

Mr. KEEFE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KEEFE. Mr. Chairman, are we to understand that the gentleman from Utah has now offered a complete substitute for 3704?

The CHAIRMAN. That is the understanding of the Chair.

Mr. KEEFE. If the substitute is adopted, that means wiping out the entire language contained in 3704 and adopts this as the bill?

The CHAIRMAN. The gentleman is correct. That is the parliamentary situation.

Mr. GRANGER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GRANGER. Mr. Chairman, I intended to not have the income-tax provision read, however I think the next section should be read.

The CHAIRMAN. What does the gentleman propose? The gentleman is recognized for 5 minutes under previous ruling of the Chair to explain his amendment. Will the gentleman proceed?

Mr. KLEIN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KLEIN. Mr. Chairman, I do not believe the membership knows what this substitute contains, therefore I ask unanimous consent that the substitute be read.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. KLEIN. Mr. Chairman, is this going to be taken out of the gentleman's time?

The CHAIRMAN. What is the gentleman's request?

Mr. KLEIN. Mr. Chairman, I asked unanimous consent that the substitute be read. It has not been read. I do not want that to be done if it is going to be taken out of his time.

The CHAIRMAN. For the information of the gentleman from New York, the gentleman from Utah requested that it be not read. The gentleman from Utah is recognized.

Mr. GRANGER. Mr. Chairman, this substitute seems very simple to me, but may be very difficult for some people to understand who do not want to understand it. However, the amendment I offered is a substitute for the Smith bill. I was in hopes that we could speed the thing up by having the section read that had to do with income tax, that everyone knows and has heard read before, but I wanted the rest of it read so that they would know what is in the bill. Everybody has been talking about the sales tax and the income tax, but on neither side of the aisle have they talked about the place where they can raise the necessary revenue for the District, but it can be done by taxing liquor. I made a mistake before when I said that the liquor-tax increase in my bill would raise $2,000,000. I have since checked and found that was on hard liquor. But, on wine and champagne and liquor the revenue would be $4,000,000. So, I am going to ask unanimous consent a little later on to offer an amendment to strike out the figure 2½ percent and make it 2¼ percent, because it will not be necessary to raise the property tax that high in order to get the necessary revenue that we need for the District.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield to the gentleman from Arkansas.

Mr. HARRIS. Did I understand the gentleman to say that after some investigation he found that the tax proposed in his amendment on hard liquor would increase the revenue $2,000,000?

Mr. GRANGER. That is right.

Mr. HARRIS. And if it was extended then to all liquors and wine, it would be $4,000,000?

Mr. GRANGER. That is right.

Mr. HARRIS. The gentleman then tells this committee that this increase in tax on wine would raise $2,000,000 additional revenue.

Mr. GRANGER. Wines and liquor combined, $4,000,000.

Mr. HARRIS. Of course, liquor is already in, and you get $2,000,000. As I understand, when you add wines and beer, and so forth to it, you get $2,000,000 more.

Mr. GRANGER. Practically speaking, that is the truth. Four million dollars will be realized in revenue from the tax on liquor and wine as proposed in my substitute.

Mr. HARRIS. My understanding is——

Mr. GRANGER. I do not yield anymore.

So, the committee a couple of weeks ago, when this carefully considered sales tax was before the House and was promptly defeated, seemed to suffer a little bit from offended pride and said, "Now, that the House has done that, it is up to somebody else to find where they can get the revenue." Well, we found where we can get the revenue to meet every requirement of the budget, sufficient revenue to pay these increases that they have been talking about and that most of the members of the committee have voted for. So, we are here now today, and I wish everyone would be in a position where they would have to stand up and be counted as to whether or not they are against putting any of these luxury taxes on liquor, tobacco, and beer in the District of Columbia. There is not a single tax on tobacco in the District. The tax on a barrel of beer is 50 cents; in other places in the country it varies from $2.50 in Pennsylvania to $10 a barrel in Louisiana.

I hope the amendment will be adopted. I certainly am not of the opinion that we ought to recommit it. I want to pass it.

Mr. SMITH of Virginia. Mr. Chairman, I wonder how many Members want to speak on this amendment? Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 20 minutes, the last 5 minutes to be reserved to the committee.

Mr. O'SULLIVAN. I object, Mr. Chairman.

Mr. CRAWFORD. Mr. Chairman, reserving the right to object, I think that would amount to only about 2 minutes each.

Mr. SMITH of Virginia. I withdraw the request, Mr. Chairman.

Mr. BATES of Massachusetts. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment is the crux of the entire situation. Here we find, as the result of all this confusion on the part of those who are trying to write a bill on the floor of the House, an amendment being offered at the last moment, which is a complete substitute for the bill that the committee reported to the House. This brings about in substance a change in broadening the income-tax law and doubling the rates, and also the tax on alcoholic beverages. As I said earlier this afternoon, if we were to meet the $18,000,000 by a tax on real estate it would mean an increase of over 90 percent in the tax bill on any given property between the year 1948 and the next fiscal year, 1950. This substitute bill, offered by the gentleman from Utah [Mr. GRANGER] provides for a rate of $2.50, and on that base, on any given piece of property the tax bill in the next fiscal year, 1950, would be just 70 percent over and above what it was in the fiscal year 1948. That is one feature of his bill.

There was a lot said about the lack of time the committee gave to the fiscal problems of the District. Here is a volume containing the hearings we held on the fiscal problems of the District only 2 years ago. It took the committee over a period of 2 months. We have precisely the same members on that committee that we had 2 years ago, when we made a complete survey of the entire fiscal structure of the District of Columbia.

Another thing I call to your attention is that the minority members have already filed several identical bills as substitutes for the bill that is before the committee today, H. R. 3682, H. R. 3683, H. R. 3684, H. R. 3685, and H. R. 3686, and we have still another one in the substitute offered by the gentleman from Utah only a moment ago.

Let me repeat once more that I believe we have a committee composed of very responsible men, men who have given a great deal of time and thought to the fiscal problems of the District. They have been on the committee a good many years. I think they thoroughly understand the problems of the District. It is just a question of what course they ought to take, whether they should take an income tax or a sales tax. But the plain facts are that we need $18,000,000, and the subcommittee by unanimous agreement reported out the bill that is now before you for a well-balanced one, that can be put into effect in the District of Columbia and will meet all requirements not only of the deficiency in the budget itself but also the $10,000,000 necessary to meet the requirements of the increased pay of the District employees, whose salary increases the House approved a year ago, which means precisely $660 to every employee in the District of Columbia.

If this bill we reported out is defeated today, in my opinion we will not be able to raise sufficient money, because even with the bill that has been filed by the several Members, including the gentleman from Utah [Mr. GRANGER], they still will be $7,000,000 short of meeting the necessary expenditures they still need to operate the District of Columbia in the fiscal year 1950.

Mr. Chairman, I hope the amendment will be defeated.

Mr. KENNEDY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to speak in favor of the Granger substitute. I would like to say to the gentleman from Massachusetts that 2 weeks ago when the House defeated the sales-tax bill, it seems to me it showed conclusively that it did not want a sales tax. Therefore, the duty of the Fiscal Committee of the District of Columbia Committee was to bring up new legislation, which is what we are trying to do. Therefore it seems to me the onus, or the burden rests with the Fiscal Affairs Committee of the District Committee and not with a minority group whom you accuse of trying to write the bill on the floor of the House. That is our only alternative, because the Fiscal Affairs Committee did not respond to the mandate of the House, which rejected a sales tax. They should have brought in an entirely new bill which did not include a sales tax. That is why even though this substitution may not be in the best form and the way it should have been, I am going to support the Granger substitute.

Mr. Chairman, I yield back the balance of my time.

Mr. CAVALCANTE. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I am bound to be in favor of this substitute because of the same reason that I voted against the bill about 2 weeks ago. The bill is loosely drawn up and confused. Let me point this out to you.

On page 2 of the bill, line 14, we find the definition of the word "food." It says that food means, among other things, "bottled soft drinks." Then down on line 21, where a proviso is added to that meaning, it says:

Provided, however, That the word "food" shall not include spiritous or malt liquors, beer—

And mark you this—

any other beverages such as are ordinarily dispensed at bars and soda fountains or in connection therewith.

This language means that if the drink is "bottled," it is "food." But the proviso states that if you buy the same beverage at the soda fountain, it ceases to be food. So, you have the situation that when you go into a restaurant and sit at the soda fountain and order a meal and ask for a bottle of Coca-Cola to go with your meal, the price of the bottle of Coca-Cola will be added to the cost of your meal and you will be charged the tax on the whole price. But if you sit at the counter, and instead of asking for a bottle of Coca-Cola, you say, "Bring me a glass of Coca-Cola," then this section excludes that and the waitress or the restaurant owner would be doing wrong to add the price of that glass of Coca-Cola to your meal ticket because the proviso makes it no longer food. If it is in a bottle, it is food; and if it is not in a bottle, it is not food.

It seems to me that this definition discriminates against the bottlers of soft

drinks. These bottlers who bottle and sell soft drinks in bottles will be taxed, but those who sell the sirup to be mixed with water, which is jerked at the fountain, and sold in bulk—that kind of Coca-Cola is not taxed. That applies to any soft drink. I challenge the committee to question the point that if Coca-Cola is sold in bottles it is food, and if it is sold in the glass at the fountain it ceases to be food. I cannot understand that kind of reasoning.

Mr. O'SULLIVAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is with some reluctance that I request this time to add a heaping measure to the already heavy burdens of this committee, and by my actions seek to make this Congress better known as a no-can-do Congress. But no other course seems to be open to me at this time.

To say that I oppose a sales tax for the District of Columbia is putting it mildly. I am against a sales tax because its burdens fall too heavily upon the ordinary person, and it is a scheme to relieve the big-money people from paying their just share of taxes.

If we pass this sales-tax feature in this District revenue measure, it will be the entering wedge for a national sales tax. The Democratic platform unequivocally condemned a sales tax, and it certainly is no excuse to say that it denounced a national sales tax but not a sales tax for the District of Columbia. I am sure that the intent of the platform was to denounce all sales taxes, whether on a national or a district scale.

I am at a loss to understand why real property in the District of Columbia should not be raised from $2 per hundred to at least $3 per hundred, which amount would be much less than that paid by any other cities, both larger and smaller from a population standpoint; and why an alcoholic liquor tax should not be increased in an amount equal to that paid in other cities. Why should real-estate owners and liquor sellers here be given special handling in the District of Columbia? Why should they be a privileged class?

There is no doubt but what the $18,000,000 deficit should be made up by a proper tax plan. Wages should be raised and the people of the District of Columbia should receive benefits comparable to those received by other cities. But I am afraid that the approach suggested by House bill 3704 is not the proper one and not the democratic one. It would rather appear that this bill was ill-considered in the committee and it should be either returned to the committee or rewritten on the floor of this House by adopting the Granger substitute, heretofore distributed among the Members of the House. It contemplates an increase in the liquor and real-estate taxes. All of its provisions are not entirely clear to me, perhaps, but I do not think there is anything complicated about it after all, and it would do away with sales taxes, impose higher real-estate taxes, and put a proper tax upon liquor sales in the District.

I am sorry that I cannot go along with our distinguished majority leader on this matter. I cannot because the Democratic platform denounces a sales tax, and does not hold out tax exemptions or special handling for liquor dealers and real-estate owners in the District of Columbia or elsewhere in the United States.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. CRAWFORD. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. GRANGER. Mr. Chairman, I ask unanimous consent to amend my amendment on page 3, line 10, by striking out "2½ percent" and insert in lieu thereof "2¼ percent."

The CHAIRMAN. Is there objection to the request of the gentleman from Utah [Mr. GRANGER]?

There was no objection.

Mr. CRAWFORD. Mr. Chairman, in view of the fact that this amendment particularly deals with the question of taxing the liquor consumed in the District of Columbia, I wish to inform the House on certain revenue figures which have been supplied to me, taken from the revenue studies of the District of Columbia, alcoholic beverages.

Some of the large wholesale distributors in this area are shown in this table which I will insert at this point:

Revenue studies, District of Columbia—alcoholic beverages

	Liquor	Wine	Total
1947 REVENUE STAMP PURCHASES			
WHOLESALERS	*Gallons*	*Gallons*	*Gallons*
Austin Nichols & Co.	24,798	3,299	28,097
Beltzell & Co., Inc.	291,892	19,750	311,642
Capital Distributors Co.	515,399	31,550	546,949
Columbia Wholesale Liquor Co.	192,920		192,920
Decker Distributing Co.	144,647	54,286	198,933
District Distributors, Inc.	133,830	87,250	221,080
Forman Bros., Inc.	158,561	34,100	192,661
Globe Distributing Co.	89,818	126,655	216,473
House of Stover	313,507	9,225	322,732
House of Wines	26,108	25,850	51,958
International Distributing Corp.	164,286	13,625	177,912
E. Kahn & Co., Inc.	354,653	15,120	369,683
Kronheim, M. S. & Sons, Inc.	388,069	55,650	443,719
Marvin & Snead Sales Corp.	326,579	4,750	331,329
Middle Atlantic Distributors, Inc.	253,802	1,000	254,802
Mottsman & Wolf, Inc.	30,014	43,400	73,414
National Distributors, Inc.	38,703	3,938	42,641
Paulsam Distributing Co.	10,225	54,645	64,870
Potomac Wine & Liquor Co.	232,387	1,250	233,637
Roma Wine & Liquor Co.		70,500	70,500
Southern Liquors, Inc.	7,975	21,459	29,434
Try-me Bottling Co.	208,377	48,375	256,752
Washington Wholesale Drug Exchange	1,388		1,388
Other wholesalers	57,381		57,381
Total	3,965,230	725,677	4,690,907

I am informed that in 1 year these firms purchase revenue stamps to cover 3,965,230 gallons of liquor; 725,677 gallons of wine; 588,009 barrels of 31 gallons each of beer.

I am putting in only a part of the table, but there are other figures here which indicate the retail prices, the wholesale prices, the mark-up of one-third, and indicate a net profit per annum of $19,500,000 by some retail distributors and wholesalers.

Neither of these bills is entirely satisfactory to me. What I should like to see is for the committee to bring into this House a bill providing for the sale of intoxicating liquors by the District government as a monopoly so that the District government could pick up this $19,500,000 per annum profit on this distribution, just as many of our States do, particularly my home State of Michigan. That would make unnecessary the assessment of the 2-percent sales tax, the assessment of these increased real-estate taxes, the assessment of the additional contributions by the taxpayers who live out in my district and in your district, and the increased income tax; and the budget would be covered and you would have a premium, especially since you have in this proposed budget a nonrecurring item of $5,000,000.

If this is not put in then I propose to vote for the substitute amendment.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. JONES of Alabama. Has the gentleman proposed any legislation along the lines he is suggesting at the moment?

Mr. CRAWFORD. No; because I am not on this committee.

Mr. JONES of Alabama. Did the gentleman avail himself of an opportunity to appear before the committee to advance it?

Mr. CRAWFORD. No; I did not. The responsibility is not mine; the responsibility is with this committee to raise the necessary money in the manner least burdensome to the people who pay taxes. I am not interested in the gentleman's proposition; I have heard it before, and I do not propose to assume a responsibility that is not mine. The responsibility of the Public Lands Committee is on my committee and not on the gentleman who just spoke, and I am not going to criticize him for not appearing before that committee. The responsibility is on the people of this House to raise revenue without forever and eternally raising taxes on the people in this country who are overburdened with taxes at the present time.

Mr. JONES of Alabama. I am trying to find out how effectively the gentleman has pursued his idea.

Mr. CRAWFORD. I decline to yield further, Mr. Chairman.

Of course, the liquor boys oppose this type of legislation; naturally they want to put the $19,500,000 in their pocketbooks; naturally they are in here with a bill to increase the price of retail liquor in this district so as to pick up another $20,000,000. But I do not owe the liquor industry anything, and they have not enough money, influence, or power, to control my views. Suppose they should dispose of my life; what would that gain them? It would only cheat me out of a few days. That is my challenge in this matter.

Mr. SMITH of Virginia. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

Mr. CROOK and Mr. HOLIFIELD objected.

Mr. SMITH of Virginia. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto close in 15 minutes, reserving the last 5 minutes to the committee.

The CHAIRMAN. The question is on the motion offered by the gentleman from Virginia [Mr. SMITH].

The question was taken, and the Chair being in doubt, the Committee divided; and there were—ayes 116, noes 42.

So the motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. CROOK].

Mr. CROOK. Mr. Chairman, in my estimation the sales tax is the most cleverly designed tax ever conceived by the ingenuity of man to take the burden off the big fellow's shoulder, the man of wealth, and place it on the shoulders of the workingman and the small man. That has been the history of the sales tax.

The other day we had round 1 on the sales tax and it was knocked out. Today somebody has rung the bell again and we have the second round. I hope it will be a complete knock-out so that it will never rise again.

I have noticed statements made here that the sales tax will only amount to $19 per family. That has been quoted on this floor today. Suppose you buy an automobile, suppose you buy a house full of furniture, or whatever you buy, how are you going to get by on $19 a year? It is a method of taxation that the big fellows put on the little fellows.

I have noticed in the last few days the papers have been running articles to play upon our sympathy. They say that you will have to close your schools, you will have to cut down on your health programs, you will have to close your swimming pools, and all these things that go for the betterment of humanity. You have the welfare of this city to take care of, and you should not do it by imposing a sales tax upon the small man.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. HAYS].

Mr. HAYS of Ohio. Mr. Chairman, I have heard it said repeatedly here that no other tax except a sales tax would pass this House. I would like to call to the attention of the Committee that there are a great many new Members here who have had no opportunity to vote on any other tax except a sales tax. I am wondering why the committee is so interested in ramming a sales tax through without trying some of these other taxes. I am wondering if somebody is interested in taking care of the liquor interests. I do not say we should raise the revenue on liquor taxes alone, but I believe a monopoly system such as we have in Ohio would go a long ways. I am wondering if there is any reason why the Federal Government should not pay its fair share to run this government. After all, this is a Federal city, and I do not think the people of any State would object to have a little bit of the income-tax money being used to pay a fair share by the Federal Government for the upkeep of the District of Columbia. We vote hundreds of millions of dollars for improvements and water-power projects, and I am not against those. Then we talk about voting four or five million dollars for the Federal Government's share, and the committee says we should not do it.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. GREEN].

Mr. GREEN. Mr. Chairman, I rise in support of the substitute offered by the gentleman from Utah [Mr. GRANGER]. When this House met 2 weeks ago we went on record against a sales tax. It seems as though the committee is definitely committed to a sales tax. I agree with the gentleman who preceded me on this floor that a sales tax is a most repressive tax, and I hope the Committee will once again defeat a sales tax in order that it will not be considered a good national tax by putting a sales tax on the District of Columbia. I heard someone say on the floor that this is an emergency tax; that this is a temporary measure. I have never seen any sales tax or any wage tax like we have in the city of Philadelphia put on the people with the understanding that it was going to be a permanent tax. But, once those taxes are placed on the people, they are never removed, because the money comes in so easily. There are other ways of raising money besides a sales tax, and this substitute provides that. So, I hope you support and vote for the substitute.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Chairman, I have been here for over 40 years—yes, this is my forty-third year—and ever since I have served in the House efforts have been made to impose a District of Columbia sales tax principally by those tax evaders who can best afford to pay taxes. I think it is the most unfair tax that can be levied against the people. I agree with the gentleman who preceded me that once you impose this tax it would be only the beginning of a movement all through the United States for a national sales tax. I feel we should be careful before we act. If we have the interests of the common people and wage earners at heart, it is our duty to vote for the substitute offered by the gentleman from Utah [Mr. GRANGER].

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, I rise in support of the Granger amendment because it eliminates the sales tax. The sales tax is a subtraction from the purchasing power of the poor people who need all the purchasing power they can possible get.

I wonder why the committee is so concerned about the ad valorem tax. In my city of Los Angeles we pay approximately $3 per hundred. If you raise the present $2 tax to the $3 we pay in Los Angeles you will bring in the $18,000,000 that you need, and you will not have to be worried about this.

I do not know why the property owners here should be given the best of the deal throughout the United States. It is certainly not because the income from their properties is less. Their rental incomes from either business or residential property are much larger than in most cities of the Nation. Why should they not pay the extra $1 tax, which will bring it up to the average rate of tax throughout the United States?

The Granger amendment will bring in $5,000,000 in income tax, $5,000.000 in ad valorem tax and $4,000,000 in increased liquor taxes, which will give you the money that you need.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. LECOMPTE].

Mr. LECOMPTE. Mr. Chairman, of course, I am going to support the committee bill and oppose the Granger amendment. I do not even understand it. I do not think it has been read. I believe if the committe will bring in a bill providing for a real-estate tax on about the same level as that prevailing in other cities of 800,000 population, if it will increase the liquor tax, if it will give us a realistic income tax for the District, and then have a sales tax, you will have enough money so you will not have to come to the Federal Government constantly for an additional contribution to run the District of Columbia government. You will have money for schools and hospitals that are sadly needed. I believe that is the answer to it. You ought to have all of those taxes, not just one of them.

Mr. BUCHANAN. That is exactly what is in the current bill.

Mr. LECOMPTE. It has not even been read. I do not know what is in it. It has not been read to the House.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Chairman, the reason we are in this dilemma is just exactly the thing that happened in the full committee. While I do not like to disagree with the members of the Subcommittee on Fiscal Affairs, nevertheless they had the opportunity to discuss this matter and propose their remedy for the situation. We in the full committee devoted about 30 minutes to it. That is why we are in this dilemma.

When we offer a sales-tax plan here for the District of Columbia—a federally operated city—we are actually setting a pattern for the Nation, which is a contradiction of the Democratic platform and also the general purport of the Republican platform. We said in the Democratic platform of 1948 that we favor a reduction in taxes whenever it is possible to do so without unbalancing the Nation's economy. It advocates that any reductions give full measure of relief to low-income families. It charges that the Republican tax law ignored those who needed reductions most, and opposes a general Federal sales tax. Mind you now, we went on record as opposed to a general Federal sales tax.

In other words, we find ourselves in disagreement and contradictorily are setting a pattern for the District of Columbia that is actually apt to be looked upon as a pattern for a Federal sales-tax law in the entire Nation.

Now, just what do we offer as an alternative revenue plan for Washington, D. C.?

Here is a communication from today's Washington Post setting forth the views of the minority members of this committee:

A COMMUNICATION

ALTERNATIVE REVENUE PLAN FOR WASHINGTON

(By six Members of the House of Representatives)

Your editorials, Pauperized Washington of March 16, and A Ward of Congress of March 19, charged that the Members of the House of Representatives who voted down the sales tax showed not the slightest regard for the real financial problems (of the District) and that their action was irresponsible.

Editorials like these serve only to confuse issues. We should like to take this opportunity to present a revenue program which will demonstrate that the situation is not as desperate as your newspaper would have the public believe. This program would yield more revenue than the sales-tax measure recently rejected by the House. It is also superior to the sales tax because it is more equitable, easier to administer, and will provide the basis for expanding revenues in the future to provide necessary services for District residents.

The program consists of the following: A broadened personal income tax which will tax all persons who reside in the District; a somewhat higher property tax; a larger Federal payment; and authorization to finance long-term improvements by borrowing.

The income-tax and property-tax features of this program are included in six identical bills which we introduced in the House last Tuesday. The increased Federal contribution and the repeal of the law of 1878 prohibiting the District from borrowing, will be included in other legislation.

The District of Columbia already has the elements of a good personal income tax. This produces a small amount of revenue at the present time because employes of the Federal Government domiciled elsewhere are specifically exempt. If this exemption for Federal workers were eliminated, the personal income tax would immediately yield at least an additional $5,000,000 a year.

Opponents of a broader income tax have argued that it would result in double taxation, since some residents of the District pay tax to their home States. This double taxation charge is simply not true. Existing law already provides a credit for residents of the District who pay tax to other States for the full amount of such taxes paid.

Without further amendment, the law would provide the same credit to persons who would be subject to tax under the broadened income tax proposed here. Double taxation would, therefore, be impossible.

As a matter of fact, the credit for taxes paid to other States will not greatly reduce the yield of the tax for the following reasons: First, most District residents who are subject to income tax in their home States do not pay that tax because enforcement by State authorities is difficult and expensive.

Second, a few States do not tax domiciliaries if they do not reside there—for example, California and Idaho. New York exempts them providing they do not spend more than 30 days a year in the State. Third, 17 States do not levy a personal income tax and two States, New Hampshire and Tennessee, tax only income from intangibles. In total, double taxation of salaries earned by Federal Government employees is not possible in at least 22 States, even without the credit in the District law.

The estimated $5,000,000 yield which would be obtained from the broadened income tax does not exhaust its revenue potentialities. Revenue can be increased by raising the rates and increasing progression. For example, the income tax provisions of the bill introduced last Tuesday would raise an additional $10,000,000, or a total of $15,000,000 more than the revenue from present law, when the $5,000,000 produced by broadening the base is included.

In the immediate situation, it would be unnecessary to increase rates to higher levels than those provided under the new bill. It is well to note, however, that the rates in this bill are by no means excessive in comparison with rates in other States. Thus, the income tax could be made to produce even higher revenues without unduly burdening District residents.

Increased revenue requirements can, therefore, be met by way of the income tax even if this bill were adopted. Clearly, it is prudent and sound policy to anticipate the need for further revenue and there is no more equitable way to provide for such expansion than by the income tax.

Proponents of the sales tax will argue that Congress has voted down a comprehensive income tax in the past and will also point out that the Klein bill was defeated by the present House during the sales-tax debate. The performance of past Congresses is, however, no indication of how the new Congress will act, nor can the vote on the Klein bill be taken as conclusive.

The vote on the Klein bill was less than half the total vote on the sales tax. A number of influential Members of the House have stated publicly that they support a sales tax only as a last resort. If they were to vote for the newly introduced bill, their vote added to the vote polled against the sales tax would be sufficient to pass that bill by a substantial margin.

The property tax in the District of Columbia may be low by comparison with other large cities in the country. There is no easy method to make such a comparison since the valuations in the various cities differ substantially. Even if it is granted that the District property tax is relatively low, this is by no means a justification for increasing it substantially.

Basically, the property tax is subject to the same criticism as the sales tax: it tends to be more burdensome on low-income families than on those in the higher-income levels. Moreover, under rent control, a large increase in the property-tax rate is likely to be fully shifted to renters, many of whom are already hard-pressed by high prices for the necessities of life.

In view of these considerations, the property-tax rate might be increased, but in the interest of equity, by no more than 25 cents per $100 assessed valuation. This would mean a 12.5-percent increase, or about $4,000,000.

The Federal contribution to the District of Columbia has varied considerably since it was formally adopted. The first formula adopted by Congress in 1878, provided a contribution of 50 percent of total District expenditures. This formula remained unchanged, until 1921, when Congress reduced the Federal contribution to 40 percent of District appropriations. However, the 40–60 formula was superseded by lump-sum contributions beginning in 1925.

Lump-sum contributions have varied as follows since the fiscal year 1925:

Fiscal years—	
1925–30	$9,000,000
1931–32	9,500,000
1933	7,775,000
1934–36	5,700,000
1937–39	5,000,000
1940–46	6,000,000
1947	8,000,000
1948–49	[1] 12,000,000

[1] Includes $1,000,000 contribution to the water fund.

During the period 1925–30, expenditures from the general fund varied between thirty million and forty million, and the nine million contribution of the Federal Government in these years varied between 21 and 32 percent of general-fund expenditures. The general fund has reached almost ninety million in the current fiscal year and the Federal contribution to the general fund of eleven million is only slightly more than 12 percent.

There seems to be no question that a significant proportion of the increase in expenses is due to the increased cost of services to the Federal Government. Such costs have increased both because the Federal Government has enlarged its property holdings and also because the costs of running local government, like all costs, have been increased by the war and the postwar rise in prices. Clearly, it would be unfair to expect District residents to pay for higher costs of services rendered to the Federal Government.

Whether or not a formula is reintroduced or the lump-sum contribution is continued, it is obvious that the present twelve million contribution is wholly inadequate. A minimum increase of five million in the permanent contribution is essential.

The District government must finance all long-term improvements and construction projects out of current revenues. Elsewhere in the country, such improvements are almost always financed out of borrowed funds. Private business also finances long-term construction either by issuing bonds or by borrowing from banks or insurance companies. This practice is so widespread because it is a sound and businesslike approach.

Necessary improvements and construction projects in the District have been delayed by the wartime and postwar shortages. The need for many improvements is urgent and cannot be put off longer without seriously undermining the education, hospital, public welfare, and other programs. It would be impossible to provide even for minimum needs out of current revenue. The District is one of the wealthiest communities in the country, and its credit rating would be excellent. It is, therefore, both essential and safe to permit the District of Columbia to borrow funds for construction of long-term improvements.

In summary, the revenues which might be obtained from the sources enumerated above are:

Personal income tax	$15,000,000
Property tax	4,000,000
Subtotal from District sources	19,000,000
Federal contribution	5,000,000
Total from all sources	24,000,000

The financial situation in the District is by no means desperate, with revenue possibilities of these magnitudes available to be tapped. The program outlined above is a moderate and equitable one and, as already noted, will provide substantially more revenue than the sales tax. Its adoption would enable the District to proceed with plans for improvement in current services to District residents. If, in addition, it is allowed to borrow funds for construction purposes, the District will have the elements of a sound fiscal structure which can well serve as a model to other communities, as it should.

JOHN F. KENNEDY,
Massachusetts.
W. K. GRANGER,
Utah.
FRANK BUCHANAN,
Pennsylvania.
GEORGE P. MILLER,
California.
ARTHUR G. KLEIN,
New York.
JAMES H. MORRISON,
Louisiana.

WASHINGTON.

The CHAIRMAN. The Chair recognizes the gentleman from Virgina [Mr. SMITH] to close debate on the substitute amendment.

Mr. SMITH of Virginia. Mr. Chairman, many of us have heard this same kind of debate over the years. It has been said that there have not been any hearings on the income tax and the subject has not been considered. In 1947 this volume of 1,100 printed pages was taken on the whole tax situation, resulting in the recommendation that the House adopt an income tax similar to the one proposed in this amendment. In the following year, 1948, the committee held further hearings, after we were defeated on the income tax and we brought in the sales tax. The House, just as happened the other day, debated that at great length. The House passed a sales tax last year, but it was not reached on the Senate docket. This year we have discussed those subjects again in the committee hearing. Here are the results of those hearings.

Over on that side of the desk is a great pile of printed hearings, which have been held in previous years.

Let us talk about the income tax. Gentlemen come here and say, "Put on an income tax and that will solve all your difficulties." That is what we did 2 years ago. Here is the vote on it: When we proposed the same type of income tax that these gentlemen are asking for, the House voted it down on a motion to recommit by a vote of 222 to 78. That is what you did in the House to the income-tax proposal.

Let us see who voted against the income tax. There was not a Member that is in the House today making the fight on the sales tax who voted for the income-tax bill at that time. It is very well to stand up here and say, "Do not do this; tax somebody else," but as soon as we try to tax somebody else, somebody gets up here and says, "No, do not do that; tax someone else." Now, how are you going to get a tax bill with that sort of situation? You have reached the point where we must balance the budget of the District of Columbia, or adopt the proposal made in the other body to impose on your taxpayers back home $30,000,000 in order to permit the residents of the District of Columbia to dodge their just responsibility and share of the taxes. Is that what you want to do? Or do you want to follow what your committee proposes; namely, to give them a fair, just, and honest tax bill.

Mr. Chairman, I was very much impressed, as I am sure all the Members were, with what the gentleman from Michigan [Mr. CRAWFORD] had to say. The gentleman said that we ought not to do this, but what we ought to do is to take over the liquor business in the District of Columbia as a government monopoly and sell liquor, so that nobody could make a profit on that business.

When the bill to license the sale of liquor in the District of Columbia came up, I was a member who got up and tried to do the very thing that the gentleman from Michigan [Mr. CRAWFORD] is talking about today. I offered a substitute to put it on a monopoly basis, so that nobody would make a dollar out of the liquor business in the District of Columbia. What happened to me? Oh, I was voted down again. They said, "Oh, no; we must tax somebody else. We have to do this thing in some different way."

Gentlemen, we have reached the crux of this situation. We have brought you the best bill that we know how. We do not know and you do not know what is in the substitute bill. The only thing I know is that you voted down the 3-percent basis on the income tax 2 years ago. Now it has been raised to 5 percent and if you would not vote for it on the 3-percent basis, I am sure you would not want to vote for it on a 5-percent basis.

It has been suggested here that the sales tax goes on the poor man and the income tax does, too. In order to answer that argument, we have raised the exemption on the income tax to $4,000. With the usual family exemption and expenses, nobody with an income of less than $5,000 will ever pay a dollar of income tax in the District of Columbia under our bill.

Mr. Chairman, I hope the Committee will vote down this amendment and pass the measure as we have brought it to you.

Mr. HUBER. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. HUBER moves that the Committee do now rise and report the bill back to the House with instructions to strike out the enacting clause.

Mr. HUBER. Mr. Chairman, it appears to me that the District Committee has been a little bit hasty in drafting this bill. I hold in my hand a copy of today's Washington News. It says the sales-tax bill gives a 25-percent profit to retailers. I am sure there is no Member of the House who is anxious to give a special windfall to any of the retailers of the District of Columbia. It seems to me they are doing quite well. OPA was taken off a long time ago and they are able to charge whatever the traffic will bear. This article refers to the sugar-coated substitute which we are considering today that provides for District collection of the tax by placing a 2 percent levy on gross sales of the vendor. Maybe all the facts have not been considered according to this item. They made a survey and I assume it was an accurate one. The vendor or the retailer collects the tax on each small item, 1 cent on purchases from 14 cents to 63 cents; 2 cents on purchases of 64 cents, and so forth. The difference between the retailer's method of collection from the customer and the method of payment would mean quite a bit extra added profit.

Then they go on to cite a specific case where they interviewed a druggist. They obtained 58 sample items, ranging from a 14-cent bottle of aspirin to $2.96 packages of vitamin pills. The total income from all sales of these items in February was $3,000. The retailer, under the pending bill, would pay 2 percent on this to the District, or $60.14. Collections from customers, however, would total $84.22, in taxes on these items, a difference of $24.08. There is just one case selected at random from thousands of retailers. I am sure that no Member of this House wants to sponsor or support legislation that is going to enable the several retail dealers of the District of Columbia to make an abnormal profit.

They might use the argument that they need a little extra revenue to compute the tax. It takes a very short time to compute 2 percent. That has been the history of sales taxes wherever they have operated. That is why you will find that the sales tax proposition is the darling of the various merchants' associations, because they always get a pretty fair cut between the amount they collect and the amount that they turn back to the tax collector.

If any Member supports this bill, in view of the evils that I have pointed out that will exist, I think they will be making a mistake. I think it is important that we adopt the Granger substitute, and I hope it will have your support.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. HUBER] has expired.

Mr. SMITH of Virginia. Mr. Chairman, I rise in opposition to the motion.

I am surprised, Mr. Chairman, that the gentleman from Ohio [Mr. HUBER] should accept a statement by a newspaper in preference to a statement of a committee of this House that has considered the bill so long.

Now, what happened in the article is this: Ordinarily in collecting this tax a 3-percent allowance is made to the merchant for his service in collecting the tax. On the contrary, this committee struck that out. We do not allow him anything for collecting the tax. The fallacy of that newspaper article is that there are a great many articles under 15 cents, and between 50 and 63 cents, and between $1 and $1.13 where the merchant pays the tax that he never collects. Suppose he has a great predominance of 10-cent sales, such as the 10-cent store. They have to pay 2 percent on their gross sales. Yet on every sale under 13 cents they do not collect any tax. So that in many instances they are losing on it instead of gaining on it.

Based on the experience as was detailed in the hearings we had, we thought it was the fair thing to raise this differential on the sales between 51 cents and 63 cents and that the situation, based on experience, would even itself out.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. HARRIS. Is it not a fact that there are 26 States in the Union that have a sales tax, and the majority of those States collect the tax as provided in this bill and there has never been any contention whatsoever that there is any windfall to the retail merchant?

Mr. SMITH of Virginia. That is the experience in the States.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. BATES of Massachusetts. Is it not a fact that in addition to the 25 States there are about 135 cities and

towns that have a sales tax in the country?

Mr. SMITH of Virginia. I so understand.

Mr. TALLE. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. TALLE. Is it not true that in the State of Maryland the merchants are permitted to retain for themselves 3 percent of the amounts collected as a service charge?

Mr. SMITH of Virgina. Maryland pays the merchants 3 percent.

Mr. TALLE. A similar provision was in this bill originally and the committee struck it out. Is that not right?

Mr. SMITH of Virginia. We struck it out; we did not give them any windfall. Do not worry yourselves any about that.

Mr. BUCHANAN. Mr. Chairman, if the gentleman will yield, in relation to the statement of the gentleman from Michigan, 22 States have a general sales tax, and some others have what they call a general purpose tax.

Mr. SMITH of Virginia. There was evidence before our committee to the effect that either 26 or 27 States had a sales tax.

Mr. BUCHANAN. New York and Pennsylvania have special purpose taxes.

Mr. SMITH of Virginia. Many States do not have a sales tax but do have what they call excise taxes. For instance, take the tax on cigarettes, which is in effect almost all over the country, of 2 and 3 cents a package. This amounts to a tax of between 12 and 15 percent on cigarettes. They have a lesser tax on selected articles in many States, but the tax we propose for the District does not go nearly that high.

Mr. SADOWSKI. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. SADOWSKI. Why is it the gentleman's committee has never increased the real-estate tax? We pay three or four times the rate here in the District.

Mr. SMITH of Virginia. Mr. Chairman, I decline to yield further.

The real-estate tax has been increased 32 percent already; we now propose to increase it further by 15 cents, which will mean a net to the taxpayer of the District of Columbia on his ad valorem of 40 percent in 2 years.

I heard this discussion the other day about that tax. We got the Assessor of the District of Columbia to go into nearby Maryland and find houses constructed identically as the houses in Washington, houses identically similar, built by the same contractor, and find out what the taxes were. He came back and told me that in every case the tax in the District of Columbia was greater on identical houses than it was in Maryland.

Mr. SADOWSKI. But your tax rate is only $20 a thousand in the District of Columbia.

Mr. SMITH of Virginia. The gentleman evidently does not understand the situation; he confuses the tax rate with the rate of assessment. There was an increase in the tax rate, and this together with the increase in the assessed value in 1948 that is included in our bill will make the individual tax bill 47.4 percent higher than what it was 2 years ago.

Mr. SADOWSKI. That is all right; still their rate is only $20 per thousand.

The CHAIRMAN. The time of the gentleman from Virginia has expired; all time has expired.

Mr. HUBER. Mr. Chairman, I ask unanimous consent to withdraw my motion.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Utah.

The question was taken; and the Chair being in doubt, the Committee divided and there were—ayes 90, noes 115.

Mr. KENNEDY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. MCMILLAN of South Carolina and Mr. GRANGER.

The Committee again divided, and the tellers reported that there were—ayes 100, noes 130.

So the amendment was rejected.

The Clerk read as follows:

TITLE IV—AMENDMENTS TO ARTICLE I OF THE DISTRICT OF COLUMBIA REVENUE ACT OF 1947

Article I of the District of Columbia Revenue Act of 1947, approved July 16, 1947, as amended, is further amended as follows:

Paragraph lettered (s) of section 4 of title I of article I of said act is amended to read as follows:

"(s) The word 'resident' means every individual domiciled within the District on the last day of the taxable year, and every other individual who maintains a place of abode within the District for more than 7 months of the taxable year, whether domiciled in the District or not. The word 'resident' shall not include any elective officer of the Government of the United States or any employee on the staff of an elected officer in the legislative branch of the Government of the United States if such employee is a bona fide resident of the State of residence of such elected officer, or any officer of the executive branch of such Government whose appointment to the office held by him was by the President of the United States and subject to confirmation by the Senate of the United States and whose tenure of office is at the pleasure of the President of the United States, unless such officers are domiciled within the District on the last day of the taxable year."

SEC. 2. Paragraph lettered (u) of section 4 of title I of article I of said act is amended by adding thereto the following new subparagraph:

"(9) The spouse of the taxpayer, if living with the taxpayer on the last day of the taxable year."

SEC. 3. Section 2 of the title III of article I of said act is amended by adding thereto the following new subsection:

"(c) Adjusted gross income: The words 'adjusted gross income' as used in this article mean gross income less deductions allowed under section 3 (a) of this title: *Provided, however,* That such deductions were directly incurred in carrying on a trade or business: *And provided further,* That in determining adjusted gross income, no deductions shall be allowed for charitable contributions, alimony payments, medical and dental expenses, an optional standard deduction, losses of property not connected with trade or business, or for an allowance for salaries or compensation for personal services of the person or persons liable for the tax."

SEC. 4. Section 3 (a) (1) of title III of article I of said act is amended to read as follows:

"(1) Expenses: All the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business (except as otherwise provided herein), traveling expenses (including the entire amount expended for meals and lodging) while away from home in the pursuit of a trade or business; and rentals or other payments required to be made as a condition to the continued use or possession, for purposes of the trade or business, of property to which the taxpayer has not taken or is not taking title or in which he has no equity."

SEC. 5. Section 3 (a) (4) (C) of title III of article I of said act is amended to read as follows:

"(C) of property not connected with a trade or business, if such losses arise from fires, storms, shipwrecks, thefts, or other casualty: *Provided, however,* That no such loss shall be allowed as a deduction under this subsection if such loss is claimed as a deduction for inheritance—or estate—tax purposes: *And provided further,* That this subsection shall not be construed to permit the deduction of a loss of any capital asset as defined in this article."

SEC. 6. Section 3 (a) (8) of title III of article I of said act is amended to read as follows:

"(8) Charitable contributions: Contributions or gifts, actually paid within the taxable year to or for the use of any religious, charitable, scientific, literary, military, or educational institution, the activities of which are carried on to a substantial extent in the District, and no part of the net income of which inures to the benefit of any private shareholder or individual: *Provided,* That such deduction shall be allowed only in an amount which in the aggregate of all such deductions does not exceed 15 percent of the adjusted gross income."

SEC. 7. Section 3 (a) (9) of title III of article I of said act is amended to read as follows:

"(9) Medical, dental, and so forth expenses of individuals: Expenses in the case of residents, paid by the taxpayer during the taxable year, not compensated for by insurance or otherwise, for the medical care of the taxpayer, his spouse, or dependents as defined in this article. The term 'medical care,' as used in this subsection, shall include amounts paid for the diagnosis, cure, mitigation, treatment, or prevention of diseases, or for the purpose of effecting healthier function of the body (including amounts paid for accident or health insurance): *Provided, however,* That a taxpayer may deduct only such expenses as exceed 5 percent of his adjusted gross income: *And provided further,* That the maximum deduction for the taxable year shall not exceed $1,250."

SEC. 8. Section 3 (a) (13) of title III of article I of said act is amended to read as follows:

"(13) In lieu of the foregoing deductions, any resident may irrevocably elect to deduct for the taxable year an optional standard deduction of 10 percent of the net income or $500, whichever is lesser: *Provided, however,* That the option provided in this subsection shall not be permitted on any return filed for any period less than a full calendar or fiscal year."

SEC. 9. Section 3 (a) of title III of article I of said act is amended by adding thereto a new subsection to read as follows:

"(15) Reasonable allowance for salaries: A reasonable allowance for salaries or other compensation for personal services actually rendered: *Provided, however,* That in the case of an unincorporated business the aggregate deduction for services rendered by the individual owners or members actively engaged in the conduct of the unincorporated business shall in no event exceed 20 percent of the net income of such business computed without benefit of this deduction: *Provided, further,* That nothing herein contained shall be construed to exempt any salary or other compensation for personal serv-

ices from taxation as a part of the taxable income of the person receiving the same."

SEC. 10. Section 4 of title IV of article I of said act is amended to read as follows:

"SEC. 4. Installment sales: If a person reports any portion of his income from installment sales for Federal income-tax purposes under section 44 of the Federal Internal Revenue Code and as the same may hereafter be amended, and if such income is subject to tax under this article, he may report such income under this article in the same manner and upon the same basis as the same was reported by him for Federal income-tax purposes, if such method of reporting is accepted and approved by the Commissioner of Internal Revenue."

SEC. 11. Subsections (a) and (b) of section 2 of title V of article I of said act are amended to read as follows:

"(a) Residents and nonresidents: Every nonresident of the District receiving income subject to tax under this article and every resident of the District, except fiduciaries, when—

"(1) his gross income for the taxable year exceeds $4,000; or

"(2) his gross sales or gross receipts from any trade or business, other than an unincorporated business subject to tax under title VIII of this article, exceeds $4,000, regardless of the amount of his gross income; or

"(3) the combined gross income for the taxable year of husband and wife living together exceeds $4,000 and each spouse has a gross income in excess of $500, or the gross sales or gross receipts received or accrued by such husband and wife from any trade or business, other than an unincorporated business subject to tax under title VIII of this article, in the aggregate exceeds $4,000. In such cases a separate return shall be filed by each spouse, showing his respective portion of such gross income, gross sales, or gross receipts as the case may be, and no joint return of income or computation thereof by them shall be required or permitted under this article except such returns as are required under section 2 (c), 2 (f), and 2 (g) of this title.

"(b) Fiduciaries: Every fiduciary (except a receiver appointed by authority of law in possession of part only of the property of an individual) for—

"(1) every individual for whom he acts having a gross income for the taxable year of $4,000 or over, regardless of the amount of the individual's net income;

"(2) every estate for which he acts, the gross income of which for the taxable year is $4,000 or over, regardless of the amount of the net income of the estate; and

"(3) every trust for which he acts, the net income of which for the taxable year is $100 or over."

SEC. 12. Section 2 of title VI of article I of said act is hereby amended to read as follows:

"SEC. 2. Personal exemptions and credit for dependents: There shall be allowed to residents the following credits against net income:

"(a) An exemption of $4,000 for the taxpayer.

"(b) An exemption of $500 for each dependent, as defined in this article, whose gross income for the calendar year in which the taxable year of the taxpayer begins is less than $500.

"(c) Beginning with the first taxable year to which this article is applicable and in succeeding taxable years, the amount allowed under subsection (a) of this section shall be prorated to the day of death in the final return of a decedent dying before the end of the taxable year, and as of the date of death the personal exemption is terminated and not extended over the remainder of the taxable year.

"(d) In the case of a return made for a fractional part of a year, the personal exemption and credits for dependents shall be reduced, respectively, to amounts which bear the same ratio to the full credits provided as the number of months in the period for which the return is made bears to 12 months."

SEC. 13. Section 3 of VI of article I of said act is amended to read as follows:

"SEC. 3. Imposition and rate of tax: There is hereby annually levied and imposed for each taxable year upon the taxable income of every resident a tax at the following rates:

"One and one-half percent on the first $5,000 of taxable income.

"Two percent on the next $5,000 of taxable income.

"Two and one-half percent on the next $5,000 of taxable income.

"Three percent on the taxable income in excess of $15,000."

SEC. 14. Section 4 of title VI of article I of said act is repealed.

SEC. 15. Section 5 of title IX of article I of said act is amended by adding thereto the following new subsections:

"(d) There shall be allowed to an estate the same exemption as is allowed residents under the provisions of section 2 (a) of title VI of this article.

"(e) There shall be allowed to a trust a credit against net income of $100."

SEC. 16. (a) Section 1 of title VIII of article I of said act is amended by adding thereto the following new sentence: "The rental of real and personal property shall be deemed a trade or business within the meaning of this article."

(b) Section 4 of title VIII of article I of said act is amended by striking out the figure "$10,000" and inserting in lieu thereof the figure "$5,000".

SEC. 17. Section 10 (a) (4) of title XII of article I of said act is amended to read as follows:

"(4) for the purposes of subsections (a) (1), (a) (2), and (a) (3), a return filed before the last day prescribed by law for the filing thereof shall be considered as filed on such last day."

SEC. 18. The proviso to section 11 of title XII of article I of said act is amended to read as follows: *"Provided,* That if it shall be determined by the Assessor, the Board of Tax Appeals for the District of Columbia, or any court that any part of any tax which was assessed as a deficiency under the provisions of section 5 of this title was an overpayment, interest shall be allowed and paid upon such overpayment of tax at the rate of 4 percent per annum from the date such overpayment was paid until the date of refund, and in addition thereto any interest upon such overpayment which was paid by the taxpayer shall be refunded."

SEC. 19. Section 1 of title XIV of article I of said act is amended by striking out the period at the end of the paragraph, inserting a colon, and the following: *"Provided, however,* That any unincorporated business having a gross income for the taxable year of $5,000 or less shall not be required to obtain the license provided for in this title."

SEC. 20. Section 2 (b) of title III of article I of said act is amended by adding thereto the following new paragraph:

"(14) Dues and initiation fees in the case of any club organized and operated exclusively for pleasure and recreation, no part of the net earnings of which inures to the benefit of any private individual or shareholder. As used in this subsection, the word 'dues' means only sums paid or incurred by members on a monthly, quarterly, annual, or other periodic basis for the privilege of being members of such club and any prorata assessment made against the members as such; the word 'dues' does not include any sums paid or incurred by members or their guests for food, beverages, or other tangible personal property purchased or for the use of the club's social, athletic, sporting, and other facilities; and the term 'initiation fees' includes any payment, contribution, or loan, required as a condition precedent to membership, whether or not any such payment, contribution, or loan is evidenced by a certificate of interest or indebtedness."

SEC. 21. The provisions of sections 1, 2, 8, 11, 12, 13, and 14 of this title shall be applicable to taxable years beginning after the 31st day of December 1949, and the provisions of all other sections shall be applicable to taxable years or portions thereof beginning after the 31st day of December 1948.

TITLE V—AMENDMENTS TO THE DISTRICT OF COLUMBIA ALCOHOLIC BEVERAGE CONTROL ACT, APPROVED JANUARY 24, 1934, AS AMENDED

Section 11 of the District of Columbia Alcoholic Beverage Control Act, approved January 24, 1934, as amended, is hereby further amended as follows:

(a) The next to the last sentence of subsection (a) of said section is amended to read as follows: "The annual fee for such license for a rectifying plant shall be $5,775; for a distillery shall be $5,775; and for a winery shall be $825: *Provided, however,* That if a manufacturer shall operate a distillery only for the manufacture of alcohol and more than 50 percent of such alcohol is sold for nonbeverage purposes, the annual fee shall be $1,650."

(b) The figure "$2,500" appearing in the last sentence of subsection (b) of said section is stricken out and the figure "$4,125" is inserted in lieu thereof.

(c) The figure "$1,500" appearing in the last sentence of subsection (c) of said section is stricken out and the figure "$2,475" is inserted in lieu thereof.

(d) The figure "$750" appearing in the last sentence of subsection (d) of said section is stricken out and the figure "$1,250" is inserted in lieu thereof.

(e) The figure "$750" appearing in the last sentence of subsection (e) of said section is stricken out and the figure "$1,250" is inserted in lieu thereof.

(f) The figure "$100" appearing in the last sentence of subsection (f) of said section is stricken out and the figure "$165" is inserted in lieu thereof.

(g) The second paragraph of subsection (g) of said section is amended to read as follows:

"The fee for such a license shall be for a restaurant, $825 per annum; for a hotel, under 100 rooms, $825 per annum; for a hotel of 100 or more rooms, $1,650 per annum; for a club, $425 per annum; for a marine vessel serving meals in interstate commerce of 100 miles or more and for each railroad dining car or club car, $3 per month, or $20 per annum: *Provided,* That such a license may be issued to any company engaged in interstate commerce covering all dining, club, and lounge cars operated by such company on railroads within the District of Columbia upon the payment of an annual fee of $100; for all other passenger-carrying marine vessels serving meals, $75 per month or $825 per annum."

(h) The second paragraph of subsection (h) of said section is amended to read as follows:

"The annual fee for such a license shall be $330; except that in the case of a marine vessel the fee shall be $30 per month or $330 per annum, and in the case of each railroad dining car or club car $1.50 per month or $15 per annum: *Provided,* That such a license may be issued to any company engaged in interstate commerce covering all dining, club, and lounge cars operated by such company on railroads within the District of Columbia upon the payment of an annual fee of $50."

(i) The figure "$25" appearing in the last sentence of subsection (i) of said section is stricken out and the figure "$40" is inserted in lieu thereof.

(j) The figure "$5" appearing in the last sentence of subsection (j) of said section is stricken out and the figure "$7.50" is inserted in lieu thereof.

SEC. 2. Notwithstanding the provisions of this act, where prior to the effective date of this act a solicitor's license has been issued which sets forth the name of more than one vendor the solicitor may continue to offer for sale or to solicit orders from licensees for the sale of any beverage on behalf of any vendor named in such license until the expiration of such license.

SEC. 3. The figure "$25" appearing in section 16 of said act is stricken out and the figure "$100" is inserted in lieu thereof.

SEC. 4. Section 14 of the act entitled "An act to establish a program for the rehabilitation of alcoholics, promote temperance, and provide for the medical and scientific treatment of persons found to be alcoholics by the courts of the District of Columbia, and for other purposes," approved August 4, 1947, is amended to read as follows:

"SEC. 14. Six percent of the annual fees for licenses for the manufacture or sale of alcoholic beverages, except for retailer's license, class E, imposed by section 11 of the District of Columbia Alcoholic Beverage Control Act, as amended, is hereby permanently appropriated to carry out the purposes of this act."

SEC. 5. The provisions of this title shall become effective on the first day of the first month succeeding the sixtieth day after the approval of this act.

TITLE VI—INCREASE IN RATE OF TAXATION ON REAL PROPERTY

For the fiscal year ending June 30, 1950, the rate of taxation on real property in the District of Columbia shall not be less than 2.15 percent on the assessed value of such property.

TITLE VII—SEPARABILITY CLAUSE

If any provision of this act or the application thereof to any person or circumstances is held invalid, the remainder of the act, and the application of such provision to the other persons or circumstances, shall not be affected thereby.

Mr. SMITH of Virginia (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and open to amendment at any point thereof.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. MILLER of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time in order to make my position very clear. I have tried to see the printed hearings on this bill. They were not available when the previous bill was up for consideration. That question came up in committee the other day. We were told that they would be made available to Members of the committee other than members of the Fiscal Affairs Subcommittee. They have not been made available to other members of the committee, and as a member of the Committee on the District of Columbia it has never been my privilege to see those hearings. I submit to any of you that you cannot vote or act intelligently on any legislation if you have not the privilege of at least seeing the reports of the printed hearings on a bill in order that you may study and make some independent judgment of the bill itself. I realize the necessity for raising revenue, but I also have a conscience in these matters, and I am not going to be stampeded into voting for a bill by virtue of the fact that people come here and tell you what took place in 1947 and 1948. It was not until this morning that I succeeded in getting hold of the majority report on this bill. I would like to direct your attention to part of the basic data in this report, and I read from page 13 of the report submitted by Mr. Manning, who was supposed to have made a study of this subject, in which he says:

It is important in using the materials here presented to understand the limitations on their accuracy. Certainly, no accuracy in the accounting sense should be expected. Only rough approximations that give a general picture are intended.

It is on such language as that that the majority of this committee is presenting to this House recommendations for important legislation that would foist on the poor people of the District of Columbia a sales tax.

The other day when I questioned a very sincere and honorable Member of the House on the floor as to the amount of this tax he gave me a figure of $19 per family. I rose in my place and asked him if that was $19 a person or $19 a family, and he answered $19 per family. I was not prepared to controvert it at the time, so I sat down. May I pay my respects to the gentleman from Alabama [Mr. JONES] that when he did have a chance to check the figures he called my attention to the error that was made, and I appreciate his sincerity in doing so.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield.

Mr. JONES of Alabama. I am very sorry that I did give the gentleman those erroneous figures at that time, and I am very happy he has brought it to the attention of the Committee.

Mr. MILLER of California. I thank the gentleman for his contribution, but I again point out to the House that that is the type of information on which we are asked to pass a sales tax. I say to you we are acting precipitously. We cannot get good legislation, a sound type of legislation, when we base it on hastily collected data that is subject to question, and to those of us on this side, we are in violation of the pledged platform of the Democratic Party.

Mr. SASSCER. Mr. Chairman, I offer an amendment.

Mr. SMITH of Virginia. Mr. Chairman, I ask unanimous consent that all debate on the bill close in 15 minutes, reserving 5 minutes to the committee.

Mr. HAYS of Ohio. I object, Mr. Chairman.

Mr. SMITH of Virginia. Mr. Chairman, I move that all debate on the bill close in 15 minutes, reserving 5 minutes to the committee.

The motion was agreed to.

The Clerk read as follows:

Amendment offered by Mr. SASSCER: On page 12, line 19, strike out all of paragraph (o) and insert in lieu thereof the following:

"(o) (1) Sales of medicines and drugs;

"(2) Sales of other pharmaceuticals made on prescriptions of duly licensed physicians and surgeons and general and special practitioners of the healing art."

Mr. SASSCER. Mr. Chairman, this amendment is similar to an amendment which I offered when this bill was before the House some days ago, with a change which is intended to meet the objection which was then made to the amendment. The bill, as presented, exempts medicines, pharmaceuticals, and drugs provided they are on doctor's prescription, or on prescription of special practitioners. The purpose of the amendment, when I offered it before, and the purpose now, is to exempt drugs and medicines, whether on prescription or not. Objection was made by one of the members of the committee, I think by my esteemed colleague, the gentleman from Nebraska, Dr. MILLER, that the word "pharmaceuticals" would possibly let down the barriers, due to the fact that there are many items sold in drug stores that are not drugs, but might be considered pharmaceuticals. I do not think that is a valid objection, because the same thing would apply if a prescription was given for a hair tonic, or something of that nature.

That would still come under the bill as now drawn. I am sure that we are correct in assuming that a druggist would use the same degree of fairness in the matter of issuing prescriptions. We know that he would not violate his integrity.

However, to remove that objection, I change the wording of the amendment to read:

"(1) Sales of medicines and drugs"—that is they are exempted whether on prescription or not, because there is no question about a bottle of sirup of figs or teething sirup or other home remedies or drugs. Therefore, they are easy to define. I have left the word "pharmaceuticals" in the bill, provided they are on prescription. In other words, after breaking it down into two categories, and exempting home remedies, and in order to meet the objection which was raised before, I have required that the pharmaceuticals be on prescription.

Briefly, this amendment seeks to avoid the payment of a sales tax on these little simple home remedies where the mother, without going to a doctor to get a prescription, possibly because she is unable to do so financially, sends little Willie down to the corner drug store to get some teething sirup for the baby, or some cascara or sirup of figs. My amendment says that she would not have to pay the sales tax. Under this bill, if they are able to go to the doctor and get the prescription and get those same items, they would not have to pay the tax.

I have met the objection as to the break-down on pharmaceuticals, because they still have to be prescribed. I have had to go that far in changing my amendment. I think it is important to

exempt those items. I think this amendment is such that everybody can vote for it. Those who favor the sales tax and say that they do not want to include necessities realize, of course, that these home remedies are necessities. Others who say that they do not want it to fall hard on the shoulders of those less able to pay certainly can vote for this amendment, because these home remedies are usually bought by people who are probably less able to pay the sales tax than anyone else.

So both the proponents and opponents can vote for it and still keep true to their philosophy. All we are doing is to exempt children's home remedies for mothers who do not get a doctor's prescription.

Mr. SMITH of Virginia. Mr. Chairman, I realize there is a great deal of merit in what the gentleman from Maryland [Mr. SASSCER] said. In fact, we discussed it at some length in the committee, and we reached the conclusion that the language we had in the bill was the most practical, because any other language would create a great deal of confusion.

What is a medicine? I have heard many people argue that whisky was a good medicine at times, if you got a little damp. What is a medicine? You will have the utmost confusion unless you have this thing very clearly defined in determining what is subject to a tax.

I recognize there is merit in the gentleman's argument, but I do hope the committee will vote down the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland [Mr. SASSCER].

The amendment was rejected.

Mr. DONDERO. Mr. Chairman, I offer an amendment, which is on the desk.

The Clerk read as follows:

Amendment offered by Mr. DONDERO: On page 55, strike out all of line 1 beginning with the letter "A", all of lines 2, 3, 4, and 5, and the letter "B" in line 6.

Mr. SMITH of Virginia. The gentleman from Michigan spoke to me about this amendment. I do not know that the committee has any particular objection to it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. DONDERO].

The question was taken; and on a division (demanded by Mr. DONDERO) there were—ayes 107, noes 66.

So the amendment was agreed to.

Mr. HUBER. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HUBER: On page 10, line 10, after line 10 add another subsection, as follows:

"(d) On each 8 cents sale price for any cigar, cigarette, or tobacco, 1 cent."

Mr. HUBER. Mr. Chairman, if you really want to raise revenue for the District, here is revenue-raiser No. 1. This amendment will personally cost me 4 cents or more a day. It is simply a tax on each package of cigarettes. Ohio, Pennsylvania, and practically every other State in the Union has a similar tax. I see no reason why the District of Columbia should not have it. I have also included cigars and other package tobacco. If anybody can tell me any reason why we should not have a District tax on tobacco when we are taxing the food to keep life in the bodies of the underprivileged, I would like to know it.

Mr. SMITH of Virginia. Does the gentleman understand that we do have it under the sales tax? They are included in the sales tax.

Mr. HUBER. This will put a 2-cent tax on each package of cigarettes.

Mr. SMITH of Virginia. In addition to the sales tax?

Mr. HUBER. Mr. Chairman, if other States can pay 4 cents a package, the District of Columbia can pay 2. You might bear this in mind. Sometime ago cigarettes went up about three cents a thousand, I believe, but these distributors of cigarettes here in the District still charge 20 cents a package; so here is a chance to raise revenue for the District of Columbia.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

The question is on the amendment offered by the gentleman from Ohio.

The question was taken; and on a division (demanded by Mr. HUBER) there were—ayes 98, noes 105.

Mr. HUBER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. HUBER and Mr. MCMILLAN of South Carolina.

The Committee again divided; and the tellers reported that there were—ayes 92, noes 106.

So the amendment was rejected.

Mr. MCMILLAN of South Carolina. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. MCCORMACK, having resumed the chair, Mr. BOGGS of Louisiana, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3704) to provide additional revenue for the District of Columbia, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. MCMILLAN of South Carolina. Mr. Speaker, I move the previous question on the bill and amendment thereto to final passage.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time.

Mr. NELSON. Mr. Speaker, I offer a motion to recommit.

Mr. GRANGER. Mr. Speaker, I ask for the reading of the engrossed bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. MARTIN of Massachusetts. I would like to ask if the request does not come too late. The bill has already been ordered to be engrossed.

The SPEAKER pro tempore. The Chair will state that the gentleman from Utah was on his feet seeking recognition and under the circumstances the gentleman was within his rights.

Mr. HARRIS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. HARRIS. Is it not true that the request should come just immediately before the vote on the passage of the bill?

The SPEAKER pro tempore. The bill was ordered to be engrossed and read a third time; and the gentleman from Utah has asked for the reading of the engrossed bill. That will be a matter of the unfinished business of the House, and it will come up sometime tomorrow.

EXTENSION OF REMARKS

Mr. CHURCH asked and was given permission to extend his remarks in the RECORD in four instances and include in each an editorial.

Mr. KEOGH asked and was given permission to extend his remarks in the RECORD in three instances.

Mr. BUCHANAN asked and was given permission to revise and extend his remarks made in committee and include certain extracts and editorials.

Mr. BARRETT of Pennsylvania asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Philadelphia Daily News.

Mr. GORSKI of New York asked and was given permission to extend his remarks in the RECORD and include a resolution.

Mr. CRAWFORD asked and was given permission to extend the remarks he made in the Committee of the Whole, on the District of Columbia tax bill, and include a short table.

DEPARTMENT OF THE INTERIOR APPROPRIATION BILL—1950

Mr. DELANEY, from the Committee on Rules, reported the following privileged resolution (H. Res. 170, Rept. No. 331), which was referred to the House Calendar and ordered to be printed:

Resolved, That notwithstanding any rule of the House to the contrary, it shall be in order on Tuesday, 29 March 1949 or thereafter, to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes, and all points of order against the bill or any of the provisions contained therein are hereby waived. That after general debate which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee

on Appropriations, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

PROGRAM FOR TOMORROW

Mr. PRIEST. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. PRIEST. Mr. Speaker, I ask for this time in order to state the program for tomorrow. There have been some changes since the program was announced last Friday. We meet at 11 o'clock tomorrow morning, consent having been obtained earlier in the day.

The first order of business will be the conference report on the rent-control bill.

Following the disposition of this conference report there will be the unfinished business of the civil-functions appropriations bill.

Following final action on the civil-functions appropriations bill will be the action on the District revenue bill, the engrossed copy of which we expect to have available at that time.

Following this action will come the rule on the Interior Department appropriation bill, and, assuming that the rule is adopted, the bill will then be taken up.

CALENDAR WEDNESDAY BUSINESS

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of this week be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted, as follows:

To Mrs. BOSONE (at the request of Mr. GRANGER), for 2 days, on account of official business.

To Mr. GILMER (at the request of Mr. STIGLER), for an indefinite period, on account of illness.

To Mr. DAVENPORT (at the request of Mr. KEOGH), for Monday, March 28, on account of illness in family.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Oklahoma [Mr. ALBERT] is recognized for 2 minutes.

EFFECTS OF TORNADO IN OKLAHOMA

Mr. ALBERT. Mr. Speaker, my home county in Oklahoma last week end was the victim of a serious and devastating tornado. Several communties felt the effect of this storm. The full fury of the hurricane struck the little city of Crowder, Okla., and I have been advised that at least 90 percent of all business and residential properties of that community were either severely damaged or destroyed. At least two deaths have been reported, as well as a score of injuries.

The city of Crowder is located within 6 miles of the community in which I was reared. Many of the victims were lifelong friends and acquaintances of mine. I have word that the National Guard, Salvation Army, American Red Cross, and volunteer workers and contributors in nearby communities have performed heroic services in lending succor to the citizens of this devastated community.

BILL PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on March 26, 1949, present to the President for his approval a bill of the House of the following title:

H. R. 2313. An act to suspend certain import taxes on copper.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 11 minutes p. m.), under its previous order, the House adjourned until tomorrow, Tuesday, March 29, 1949, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

460. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1949 in the amount of $43,000,000 for the Department of the Air Force (H. Doc. No. 142); to the Committee on Appropriations and ordered to be printed.

461. A letter from the Chairman, United States Tariff Commission, transmitting the First Annual Report of the Tariff Commission on the Operation of the Trade Agreements Program, June 1934 to April 1948—Part II: History of the Trade Agreements Program; to the Committee on Ways and Means.

462. A letter from the Chairman, Export-Import Bank of Washington, transmitting the Seventh Semiannual Report of the Operations of the Export-Import Bank of Washington, for the period July to December 1948; to the Committee on Banking and Currency.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KIRWAN: Committee on Appropriations. H. R. 3838. A bill making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes; without amendment (Rept. No. 324). Referred to the Committee of the Whole House on the State of the Union.

Mr. COLMER: Committee on Rules. House Resolution 168. Resolution for consideration of H. R. 2023, a bill to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes; without amendment (Rept. No. 325). Referred to the House Calendar.

Mr. GARMATZ: Joint Committee on the Disposition of Executive Papers. House Report No. 326. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. GARMATZ: Joint Committee on the Disposition of Executive Papers. House Report No. 327. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. COX: Committee on Rules. House Resolution 169. Resolution for consideration of H. R. 3748, a bill to amend the Economic Cooperation Act of 1948; without amendment (Rept. No. 328). Referred to the House Calendar.

Mrs. DOUGLAS: Committee on Foreign Affairs. H. R. 3830. A bill to amend the China Aid Act of 1948; without amendment (Rept. No. 329). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON: Committee on Merchant Marine and Fisheries. H. R. 1140. A bill to protect and conserve the salmon fisheries of Alaska; with an amendment (Rept. No. 330). Referred to the Committee of the Whole House on the State of the Union.

Mr. DELANEY: Committee on Rules. House Resolution 170. Resolution for consideration of H. R. 3838, a bill making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes; without amendment (Rept. No. 331). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DAVIS of Wisconsin:

H. R. 3839. A bill to amend the Civil Service Retirement Act of May 29, 1930, to provide that certain periods of employment in the service of a State, Territory, or possession of the United States may be included as allowable service under such act; to the Committee on Post Office and Civil Service.

By Mr. JAVITS:

H. R. 3840. A bill to amend section 22 (a) of the Internal Revenue Code to exclude pensions, retirement allowances, and annuity payments received because of disability arising solely out of employment; to the Committee on Ways and Means.

By Mr. KENNEDY:

H. R. 3841. A bill to permit the District of Columbia to borrow money for capital projects; to the Committee on the District of Columbia.

By Mr. MURRAY of Tennessee:

H. R. 3842. A bill to amend section 6 of the act entitled "An act to provide for experimental air-mail services to further develop safety, efficiency, and economy, and for other purposes," approved April 15, 1938; and for other purposes; to the Committee on Post Office and Civil Service.

Mr. MURRAY of Wisconsin:

H. R. 3843. A bill to declare that the United States hold certain lands in trust for the Stockbridge-Munsee Community, Inc., of the State of Wisconsin; to the Committee on Public Lands.

By Mr. REED of New York:

H. R. 3844. A bill to eliminate or reduce certain excise taxes; to the Committee on Ways and Means.

By Mr. VINSON:

H. R. 3845. A bill to convert the National Military Establishment into an executive department of the Government, to be known as the Department of Defense; to provide the Secretary of Defense with appropriate responsibility and authority, and with civilian and military assistance adequate to fulfill his enlarged responsibility; and for other purposes; to the Committee on Armed Services.

By Mr. VURSELL:

H. R. 3846. A bill to eliminate or reduce certain excise taxes; to the Committee on Ways and Means.

By Mr. GRANGER:

H. R. 3847. A bill to amend Public Law 195, Eightieth Congress (ch. 258, 1st sess.), entitled "An act to provide revenue for the District of Columbia; to amend the District of Columbia Alcohol Beverage Control Act, approved January 24, 1934, as amended, and for other purposes"; to the Committee on the District of Columbia.

By Mr. FERNÓS-ISERN:

H. R. 3848. A bill to amend section 58 of the Organic Act of Puerto Rico; to the Committee on Public Lands.

By Mr. IRVING (by request):

H. R. 3849. A bill to authorize grants to the States for surveying their need for elementary and secondary school facilities and for planning State-wide programs of school construction, and to authorize grants for emergency school construction, and for other purposes; to the Committee on Education and Labor.

By Mr. ROONEY:

H. R. 3850. A bill to provide for a preliminary examination and survey of Gowanus Canal, Brooklyn, N. Y.; to the Committee on Public Works.

By Mr. BONNER:

H. R. 3851. A bill to amend Public Law 289, Eightieth Congress, with respect to surplus airport property and to provide for the transfer of compliance functions with relation to such property; to the Committee on Expenditures in the Executive Departments.

By Mr. BLATNIK:

H. R. 3852. A bill to incorporate the American Veterans' Committee; to the Committee on the Judiciary.

By Mr. JACOBS:

H. R. 3853. A bill to provide for assistance to State agencies administering labor laws in their efforts to promote, establish, and maintain safe work places and practices in industry, thereby reducing human suffering and financial loss and increasing production through safeguarding available manpower; to the Committee on Education and Labor.

By Mr. RHODES:

H. R. 3854. A bill to increase the equipment maintenance allowance payable to rural carriers; to the Committee on Post Office and Civil Service.

H. R. 3855. A bill to amend the provisions of the postal salary law relating to rural carriers, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. WHITTINGTON:

H. R. 3856. A bill to provide for a Commission on Renovation of the Executive Mansion; to the Committee on Public Works.

By Mr. FOGARTY:

H. R. 3857. A bill to amend section 5 (b) of the War Claims Act of 1948 with respect to repayment to civilian American internees; to the Committee on Interstate and Foreign Commerce.

By Mr. KING:

H. R. 3858. A bill allowing the consumer of gasoline to deduct, for income-tax purposes, State taxes on gasoline imposed on the wholesaler and passed on to the consumer; to the Committee on Ways and Means.

By Mr. RANKIN:

H. R. 3859. A bill making an appropriation for the construction of a Veterans' Administration general medical and surgical hospital at Tupelo, Miss.; to the Committee on Appropriations.

H. R. 3860. A bill making an appropriation for the construction of a Veterans' Administration general medical and surgical hospital in or near Mound Bayou, Miss.; to the Committee on Appropriations.

By Mr. TALLE:

H. R. 3861. A bill to provide for the designation of the United States Veterans' Administration domiciliary center at Clinton, Iowa, as the Schick Veterans' Hospital; to the Committee on Veterans' Affairs.

By Mr. WHEELER:

H. R. 3862. A bill to liberalize existing benefits relating to pensions for certain World War I and World War II veterans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. COUDERT:

H. J. Res. 205. Joint resolution proposing an amendment to the Constitution to authorize Congress, in admitting any new State, to limit its representation in the Senate; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of North Carolina, memorializing the President and the Congress of the United States relative to the administration of aid to the blind; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred, as follows:

By Mr. ALBERT:

H. R. 3863. A bill for the relief of Carl C. Ballard; to the Committee on the Judiciary.

By Mr. SASSCER:

H. R. 3864. A bill to return certain lands taken from W. W. Stewart by the United States; to the Committee on Armed Services.

By Mr. TAYLOR:

H. R. 3865. A bill for the relief of George Minoru Tetsuka; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

363. By Mr. BARING: Assembly Joint Resolution 8, memorializing the Congress of the United States to repeal the tax on transportation; to the Committee on Ways and Means.

364. Also, Senate Joint Resolution 9, memorializing the President of the United States and the congressional delegation of Nevada to assist Bonanza Airlines to obtain a certificate of public convenience and necessity from the Civil Aeronautics Board of the United States; to the Committee on Interstate and Foreign Commerce.

365. By Mr. GOODWIN: Memorial of the Massachusetts Legislature, to make certain changes in the Displaced Persons Act of 1948; to the Committee on the Judiciary.

366. By Mr. GRAHAM: Petition of 40 residents of Evans City, Pa., and vicinity, urging the repeal of the 20 percent excise tax on toilet goods; to the Committee on Ways and Means.

367. By Mr. LECOMPTE: Petition of Charles Cain, druggist, and other citizens of Deep River, Iowa, urging repeal of the 20 percent excise tax on toilet goods; to the Committee on Ways and Means.

368. By Mr. RICH: Petition of citizens of Wellsboro, Pa., for repeal of 20 percent Federal excise tax on toilet goods; to the Committee on Ways and Means.

369. By the SPEAKER: Petition of H. A. Dingweith, Kansas City, Mo., stating opposition to the addition of the home-rule amendment to the rent-control bill; to the Committee on Banking and Currency.

370. Also, petition of O. H. Swearingen, Kansas City, Mo., favoring rent control as it now stands, and feeling that it is beneficial legislation; to the Committee on Banking and Currency.

371. Also, petition of A. F. Horton and others, Oviedo, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

372. Also, petition of John A. Wall and others, St. Petersburg, Fla., requesting passage of H. R. 2135, and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

373. Also, petition of W. E. Cook and others, Oviedo, Fla., requesting passage of H. R. 2135, and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

374. Also, petition of Lulu M. Wilcott and others, St. Cloud, Fla., requesting passage of H. R. 2135, and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

375. Also, petition of Mrs. Maggie Goldsmith and others, Oviedo, Fla., requesting passage of H. R. 2135, and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

376. Also, petition of Mrs. L. E. Beers and others, Cassadaga, Fla., requesting passage of H. R. 2135, and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

377. Also, petition of Miss Alice Myers and others, Cassadaga, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

378. Also, petition of R. L. Summer and others, Miami, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

379. Also, petition of Lionel Loredo and others, Tampa, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

380. Also, petition of Albert Meza and others, Tampa, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

381. Also, petition of Ola M. Fleming and others, St. Cloud, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

382. Also, petition of Mrs. Carrie E. Harvey and others, Miami, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

383. Also, petition of Nelson J. Perkins and others, Miami, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

384. Also, petition of Ruth L. Richardson and others, St. Cloud, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

385. Also, petition of John Newman and others, Orlo Vista, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

386. Also, petition of Buddy Hays and others, Orlando, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

387. Also, petition of Mrs. Henrietta Millican and others, Orlando, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

388. Also, petition of Antonio Castaldo, Chicago, Ill., urging that the Italian delegation to the United Nations take the lead in proposing that Italy be assigned the United Nations trusteeship of her former possessions in Africa; to the Committee on Foreign Affairs.

SENATE

TUESDAY, MARCH 29, 1949

(Legislative day of Friday, March 18, 1949)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of grace and glory, we thank Thee for the radiance of Thy truth which no denial can ever put out. Across our shadowed earth send out Thy light and Thy truth; let them lead us; let them bring us to Thy holy hill.

Bewildered by the world's confusion, we are tempted to lose certitude and stability and self-control. Too often our own distraught spirits but mirror the angry emotions of a violent time. Of ourselves insufficient for these terrific days send us forth strengthened with Thy might to front tasks that tax our utmost with the glad assurance "He restoreth my soul."

In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Monday, March 28, 1949, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed the bill (S. 135) to authorize the Board of Commissioners of the District of Columbia to establish daylight-saving time in the District, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a joint resolution (H. J. Res. 203) to maintain the status quo with respect to the exemption, from the tax on transportation of persons, of foreign travel via Newfoundland, in which it requested the concurrence of the Senate.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	Lodge
Anderson	Green	Long
Baldwin	Gurney	Lucas
Brewster	Hayden	McCarran
Bricker	Hendrickson	McCarthy
Bridges	Hickenlooper	McClellan
Byrd	Hill	McFarland
Cain	Hoey	McGrath
Capehart	Holland	McKellar
Chapman	Humphrey	McMahon
Chavez	Hunt	Magnuson
Connally	Ives	Malone
Cordon	Jenner	Martin
Donnell	Johnson, Colo.	Maybank
Douglas	Johnson, Tex.	Miller
Downey	Johnston, S. C.	Millikin
Ecton	Kefauver	Morse
Ellender	Kem	Mundt
Ferguson	Kerr	Murray
Frear	Kilgore	Myers
Fulbright	Knowland	Neely
George	Langer	O'Conor
O'Mahoney	Sparkman	Vandenberg
Pepper	Stennis	Watkins
Reed	Taft	Wherry
Robertson	Thomas, Okla.	Wiley
Russell	Thomas, Utah	Williams
Saltonstall	Thye	Withers
Schoeppel	Tobey	Young
Smith, Maine	Tydings	

Mr. MYERS. I announce that the Senator from Mississippi [Mr. EASTLAND] is absent on public business.

The Senator from Idaho [Mr. TAYLOR] is absent by leave of the Senate.

The Senator from New York [Mr. WAGNER] is necessarily absent.

Mr. SALTONSTALL. I announce that the Senator from Nebraska [Mr. BUTLER] is absent by leave of the Senate.

The Senator from Vermont [Mr. FLANDERS] and the Senator from New Jersey [Mr. SMITH] are absent because of illness.

The VICE PRESIDENT. Eighty-nine Senators have answered to their names. A quorum is present.

SENATOR FROM NORTH CAROLINA

Mr. HOEY. Mr. President, Hon. W. Kerr Scott, Governor of the State of North Carolina, has appointed Dr. FRANK PORTER GRAHAM, president of the University of North Carolina, to succeed the late J. Melville Broughton as a Senator of the United States. I send forward his certificate of appointment, and ask that it be read.

The VICE PRESIDENT. The certificate of appointment will be read.

The Chief Clerk read as follows:

STATE OF NORTH CAROLINA,
GOVERNOR'S OFFICE,
Raleigh.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that pursuant to the power vested in me by the Constitution of the United States and the laws of the State of North Carolina, I, W. Kerr Scott, the Governor of said State, do hereby appoint FRANK PORTER GRAHAM a Senator from said State to represent said State in the Senate of the United States until the vacancy therein, caused by the death of J. Melville Broughton, is filled by election, as provided by law.

Witness his excellency our Governor, W. Kerr Scott, and our seal hereto affixed at Raleigh, this 23d day of March, in the year of our Lord 1949.

W. KERR SCOTT,
Governor.

By the Governor:
[SEAL]

THAD EURE,
Secretary of State.

The VICE PRESIDENT. The certificate of appointment will be placed on file. Is the Senator-designate ready to take the oath?

Mr. HOEY. Mr. President, the Senator-designate is present in the Chamber, and is ready to take the oath.

The VICE PRESIDENT. If the Senator will advance to the desk the oath will be administered to him.

Mr. GRAHAM, escorted by Mr. HOEY, advanced to the desk, and the oath prescribed by law was administered to him by the Vice President.

TRANSACTION OF ROUTINE BUSINESS

Mr. BRICKER rose.

Mr. LUCAS. Mr. President, I ask unanimous consent that Senators desiring to incorporate matters in the RECORD or transact routine business be permitted to do so without prejudicing the parliamentary situation.

The VICE PRESIDENT. And without debate?

Mr. LUCAS. Without debate.

The VICE PRESIDENT. Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

Mr. WATKINS. Mr. President, I rise for the purpose of making some rather extended remarks.

The VICE PRESIDENT. The Senator cannot be recognized for that purpose at this time.

ANNOUNCEMENT AS TO PROGRAM

Mr. LUCAS. Mr. President, I desire to make an announcement with respect to the program today.

As Senators know, the pending measure is the conference report upon the rent-control bill. It is the hope of those who are interested in this measure that we can conclude its consideration early this afternoon. Then it may be that we shall move to lay the ECA bill aside and take up the District of Columbia rent-control bill. That is not a certainty as yet.

At any rate, the Senate will remain in session late tonight. I am notifying all Senators now to be prepared for that, because of the pressure of business before the Senate, primarily with respect to the deadlines which are involved in several pieces of pending legislation.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the able Senator from Nebraska.

Mr. WHERRY. I am in total sympathy with the observations just made by the majority leader. I trust that Senators on this side of the aisle will withhold speeches on ECA or any other subject, if possible, so that we may dispose of the conference report on the rent-control bill, and, if necessary, the District of Columbia rent-control bill if it is made the unfinished business.

I should like to ask the distinguished Senator from Utah [Mr. WATKINS] if he contemplates making a speech on rent control, ECA, the Atlantic Pact, or some other subject.

Mr. WATKINS. Mr. President, in answer to that question, I may say that I intend to speak on ECA and the North Atlantic Pact. I do not want to retard the work of the Senate. It will be satisfactory to me if I may have it understood that there will be no objection to my obtaining the floor a little later, at the conclusion of the consideration of the conference report, and before a motion is made to take up something else as the pending business, or to lay aside the ECA bill. I should like to deliver my address today.

The VICE PRESIDENT. The Chair suggests that the recognition of Senators is in the control of the Chair. At the time the Senator from Illinois [Mr. LUCAS] requested permission for the transaction of routine business, the Senator from Ohio [Mr. BRICKER] was on his feet, and the Chair feels under obligation to recognize him.

Mr. LUCAS. Mr. President, I assure the Senator from Utah that I appreciate very much his attitude with respect to the postponement of his speech on ECA. There will be no diffiulty about recognition. At the proper time he will be recognized by the Chair, and he will be able to deliver the address which he has prepared on that subject.

Mr. WATKINS. Mr. President, what I had in mind was this: I understood that the majority leader intended to move to lay aside ECA as the pending business. Before that motion is made, I desire to seek recognition to make my speech.

PETITIONS AND MEMORIALS

Petitions, etc., were presented, and referred as indicated:

By Mr. HUMPHREY:

A concurrent resolution of the Legislature of the State of Minnesota; to the Committee on Finance:

"Concurrent Resolution 7

"Concurrent resolution memorializing the Congress of the United States to amend the Federal Social Security Act to permit the Federal Security Agency to participate in the payment of public-assistance grants to persons residing in public hospitals or other public institutions

"Whereas many needy, blind, aged, and deserving persons, particularly the senile aged, require medical, nursing, rest-home, and hospital care; and

"Whereas in many localities such services are available only in public hospitals and other public institution; and

"Whereas the present Federal Social Security Act prevents the Federal Security Agency from participating financially in the payment of public-assistance grants to these persons; and

"Whereas there is no just reason for denying these persons the right to participate in the public-assistance programs: Now, therefore, be it

"Resolved by the house of representatives (the senate concurring), That the Congress of the United States shall take immediate steps to remove from the present Federal Social Security Act, those provisions which restrict and prevent the Federal Security Agency from participating in the payment of public assistance to needy, blind, and aged persons residing in public hospitals or public institutions; and be it further

"Resolved, That a copy of this resolution be forwarded to the President of the United States, the Vice President, the Speaker of the House of Representatives, and to each Congressman and Senator from the State of Minnesota.

"JOHN A. HARTH,
"Speaker of the House of Representatives.
"C. ELMER ANDERSON,
"President of the Senate.

"Approved March 4, 1949.

"LUTHER W. YOUNGDAHL,
"Governor of the State of Minnesota."

A concurrent resolution of the Legislature of the State of Minnesota; to the Committee on Foreign Relations:

"Concurrent Resolution 8

"Concurrent resolution memorializing the Minnesota Members of the United States Congress to present to the Executive Department of the United States Government an official protest regarding the unjust prosecution of Josef Cardinal Mindszenty and other clergymen

"Whereas the recent trial and sentence of Josef Cardinal Mindszenty by the Hungarian Court constitutes a wanton violation of the fundamental rights of man; and

"Whereas the entire proceedings surrounding the arrest, trial, and sentence constituted a mask for a premeditated action against an innocent man; and

"Whereas the case of Josef Cardinal Mindszenty and Bishop Lajos Ordass has now become a dramatic example of the persecutions the Hungarian Government has imposed upon courageous and God-fearing people of many religious faiths; and

"Whereas the United States Government has played a leading role among the United Nations in establishing universal standards of human rights, which include fair and impartial trials and all the other basic guaranties to the accused; and

"Whereas the action of the Hungarian Government in the Josef Cardinal Mindszenty case presents a challenge and a test as to the utility, purpose, and survival of the United Nations as an international instrument for world peace and human rights: Now, therefore, be it

"Resolved by the Senate of the State of Minnesota (the house of representatives concurring), That the Minnesota Representatives in the Congress of the United States be hereby urged to formally present our official protest of the Josef Cardinal Mindszenty case to the President of the United States, to the Secretary of State, and to the American representatives on the United Nations Council, so that the United States Government may continue her traditional role as the champion of human rights and take a position of leadership toward effecting a liberation of Josef Cardinal Mindszenty and the other hundreds of human beings who are victims of the same injustices.

"C. ELMER ANDERSON,
"President of the Senate.
"JOHN A. HARTH,
"Speaker of the House of Representatives.

"Approved March 8, 1949.

"LUTHER W. YOUNGDAHL,
"Governor of the State of Minnesota."

GENERAL PULASKI'S MEMORIAL DAY—CONCURRENT RESOLUTION OF GENERAL ASSEMBLY OF DELAWARE

Mr. WILLIAMS. Mr. President, I present for appropriate reference Senate Concurrent Resolution 17, adopted by the One Hundred and Fifteenth General Assembly of the State of Delaware, and approved by the Governor, memorializing the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day, and ask unanimous consent that the resolution be incorporated at this point in the RECORD.

The concurrent resolution was referred to the Committee on the Judiciary, and, under the rule, ordered to be printed in the RECORD, as follows:

Senate Concurrent Resolution 17

Concurrent resolution memorializing the Congress of the United States to pass, and the President of the United States to approve, if passed, the "General Pulaski's Memorial Day"

Whereas a resolution providing for the proclamation by the President of the United States of America of October 11 of each year as General Pulaski's Memorial Day, for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski, is now pending in the present session of the United States Congress; and

Whereas the 11th day of October 1779 is the date of the heroic death of Brig. Gen. Casimir Pulaski, who died from wounds received on October 9, 1779, at the siege of Savannah, Ga.; and

Whereas it is fitting that the recurring anniversary of this day be commemorated with suitable patriotic and public exercises commemorating the heroic death of this great American hero of the Revolutionary War; and

Whereas the Congress of the United States of America has by legislative action designated October 11 of the years 1929 to 1946 as General Pulaski's Memorial Day in the United States of America: Now, therefore, be it

Resolved by the Senate of the State of Delaware (the house of representatives concurring therein):

SECTION 1. That we hereby memorialize and petition the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in the United States Congress.

SEC. 2. That certified copies of this resolution, properly authenticated, be sent forthwith to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives of the United States, and each of the United States Senators and the Representatives in Congress from the State of Delaware.

Approved March 22, 1949.

ELBERT N. CARVEL,
Governor.

SUPPORT OF RECOMMENDATIONS OF HOOVER COMMISSION ON ORGANIZATION OF EXECUTIVE BRANCH OF GOVERNMENT—PETITION

Mr. REED. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, without all the signatures attached, a petition signed by 64 citizens of Independence, Kans., in which they request that I support the recommendations of the Hoover Commission on Organization of the Executive Branch of the Government.

There being no objection, the petition was referred to the Committee on Expenditures in the Executive Departments, and ordered to be printed in the RECORD, without all the signatures attached, as follows:

INDEPENDENCE, KANS., *March 18, 1949.*

Hon. CLYDE M. REED,
United States Senate,
Washington, D. C.

DEAR SENATOR REED: We, the undersigned, are very much interested in the report of the Hoover Commission for reorganization of Federal Government. We understand that complete findings will not be released until later this month, but have kept up with what has been released so far and heartily endorse this study. Our Federal Government has not had a thorough overhauling for a long time and needs one badly. Now, it appears that some administration advisors are not taking very kindly to the ideas presented in this report and may try to shelve the whole thing. We don't want this to happen. Blast the whole business out into the open and keep it alive until everyone realizes the importance of action!

President Truman wants more taxes. We don't want any more taxes because, for one thing, we can hardly afford to pay those now levied. Perhaps you know what percent of national income is now going into taxes of all kinds. We don't exactly, but guess it must be over 30 percent. Whatever it is, it's too much. Let's not even mention any more taxes until we can be assured that the money we are now paying is being properly used and not wasted.

Every individual has to watch expenses continually if he wants to keep going—why can't our Government do the same? It takes

a lot of figuring for the average citizen to pay his taxes. Is it asking too much of Government to do some figuring when it comes to spending?

We are counting on you to keep hammering on this subject and know you won't let us down.

Respectfully,

J. X. WERNETT,
C. J. KINDT,
ROLAND V. BREDEHOFT,
Mrs. H. P. HARRISON,
LEAH N. SANBORN.
(And 59 other citizens of Independence, Kans.).

REPEAL OF TAFT-HARTLEY LABOR ACT—RESOLUTION OF CITY COUNCIL OF CHISHOLM, MINN.

Mr. HUMPHREY. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD a resolution adopted by the City Council of Chisholm, Minn., on March 22, 1949, favoring the repeal of the Taft-Hartley Labor Act.

There being no objection, the resolution was ordered to lie on the table and ordered to be printed in the RECORD, as follows:

Resolution favoring the repeal of the Taft-Hartley Act

Whereas the Taft-Hartley Act is, in effect, the most vicious antilabor legislation ever enacted and is aimed at the ultimate defeat of labor organizations in their pursuit of bargaining freedom; and

Whereas under the Wagner Act millions of workers did organize into strong unions, thereby providing the instrument necessary to protect their interest; and

Whereas the workers in America, through their unions were able to hold up their heads in the knowledge that for the first time in history they were free men, proving this by their great production record during the terrible years of the past global war; and

Whereas President Truman, in his preelection tour of the United States, brought the issue of Taft-Hartley to the people, making it the major issue of the day and the result was that the people voted, supporting his stand on this matter: Therefore be it

Resolved by the City Council of the City of Chisholm at a regular meeting duly held this 22d day of March 1949, That the Taft-Hartley Act be immediately repealed and the Thomas-Lesinski bill (S. 249; H. R. 2032), which has the approval of the Senate Labor and Public Welfare Committee be enacted as law, and that copies of said resolution be mailed to our two United States Senators and to the Congressman of our district.

ALFRED MATURI, *Mayor.*

GENERAL PULASKI'S MEMORIAL DAY—RESOLUTION OF CITY COUNCIL OF MINNEAPOLIS, MINN.

Mr. HUMPHREY. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD a resolution adopted by the City Council of Minneapolis, Minn., favoring the enactment of legislation proclaiming October 11 of each year as General Pulaski's Memorial Day.

There being no objection, the resolution was referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Resolution memorializing the Congress of the United States to pass, and the President of the United States to approve, if passed, the "General Pulaski's Memorial Day" resolution now pending in Congress

Whereas a resolution providing for the President of the United States of America to proclaim October 11 of each year as "General Pulaski's Memorial Day" for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski, is now pending in the present session of the United States Congress; and

Whereas the 11th day of October 1779 is the date in American history of the heroic death of Brig. Gen. Casimir Pulaski, who died from wounds received on October 9, 1779, at the siege of Savannah, Ga.; and

Whereas the States of Arkansas, California, Connecticut, Delaware, Illinois, Indiana, Kentucky, Louisiana, Maryland, Kansas, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, Nevada, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, West Virginia, Wisconsin, and other States of the Union, through legislative enactment designated October 11 of each year as "General Pulaski's Memorial Day"; and

Whereas it is fitting that the recurring anniversary of this day be commemorated with suitable patriotic and public exercises in observing and commemorating the heroic death of this great American hero of the Revolutionary War; and

Whereas the Congress of the United States of America has by legislative enactment designated October 11, 1929, October 11, 1931, October 11, 1932, to October 11, 1946, to be "General Pulaski's Memorial Day," in the United States of America: Now, therefore, be it

Resolved by the Common Council of the City of Minneapolis, in the State of Minnesota, in session assembled—

SECTION 1. That we hereby memorialize and petition the Congress of the United States, to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in the United States Congress.

SEC. 2. That certified copies of this resolution, properly authenticated, be sent forthwith to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives of the United States, and each of the United States Senators and Representatives from Minnesota.

Passed January 14, 1949.

C. L. SWANSON,
Vice President of the Council and President pro tempore.

Approved January 17, 1949:

ERIC G. HOYER,
Acting Mayor.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. MAGNUSON, from the Committee on the Judiciary:

S. 734. A bill to provide for the appointment and compensation of counsel for impoverished defendants in certain criminal cases in the United States district courts; with an amendment (Rept. No. 197).

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CAIN:

S. 1437. A bill for the relief of Mrs. Rebecca Levy; to the Committee on the Judiciary.

(Mr. WILEY introduced Senate bill 1438, to authorize the construction of a research laboratory for the Quartermaster Corps, United States Army, at or in the vicinity of Madison, Wis., which was referred to the Committee on Armed Services, and appears under a separate heading.)

(Mr. JOHNSTON of South Carolina (for himself, Mr. PEPPER, Mr. CHAPMAN, and Mr. MORSE) introduced Senate bill 1439, to provide for assistance to State agencies administering labor laws in their efforts to promote, establish, and maintain safe work places and practices in industry thereby reducing human suffering and financial loss and increasing production through safeguarding available manpower, which was referred to the Committee on Labor and Public Welfare, and appears under a separate heading.)

(Mr. JOHNSTON of South Carolina also introduced Senate bill 1440, to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide for payment of annuities to widows of retired employees without reduction in the annuities of such employees, which was referred to the Committee on Post Office and Civil Service, and appears under a separate heading.)

By Mr. IVES:

S. 1441. A bill for the relief of Victor Caruso; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado:

S. 1442. A bill directing the Secretary of Agriculture to continue to operate and maintain an experiment station at or near Akron, Colo.; to the Committee on Agriculture and Forestry.

S. 1443. A bill to extend the benefits of section 2 of the act entitled "An act to increase the efficiency of the Air Corps," approved June 16, 1936, as amended, to certain former officers in the Army Air Forces who were erroneously commissioned in the Army of the United States rather than in the Air Corps Reserve; to the Committee on Armed Services.

S. 1444. A bill to provide for the temporary free importation of fir plywood; to the Committee on Finance.

By Mr. HAYDEN (for himself and Mr. MCFARLAND):

S. 1445. A bill to authorize the Secretary of Agriculture to sell certain lands to the Sisters of St. Joseph in Arizona, Inc., of Tucson, Ariz., to consolidate the Desert Laboratory Experimental Area of the Southwestern Forest and Range Experiment Station, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. MCCARRAN:

S. 1446. A bill for the relief of James Hung Loo; to the Committee on the Judiciary.

By Mr. CHAPMAN:

S. 1447. A bill for the relief of John M. Hart; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado (for himself, Mr. MILLIKIN, Mr. REED, and Mr. SCHOEPPEL):

S. 1448. A bill to grant the consent of the United States to the Arkansas River Compact; to the Committee on Interior and Insular Affairs.

By Mr. BREWSTER:

S. 1449. A bill for the relief of Robert B. Workman; to the Committee on the Judiciary.

S. 1450 (by request). A bill to amend section 304 of the World War Veterans' Act, 1924, to abolish interest rates on premiums for reinstated United States Government life insurance; to the Committee on Finance.

By Mr. TOBEY:

S. 1451. A bill to amend section 506 of the Servicemen's Readjustment Act of 1944, as amended, to provide a procedure under which veterans who are in default in meeting payments on home or farm mortgages guaranteed under such act may be assisted in retaining possession of such homes or farms in those cases in which the default is not due to their own faults; to the Committee on Labor and Public Welfare.

By Mr. PEPPER:

S. 1452. A bill for the relief of Dr. Juan A. Queralt Balleste; to the Committee on the Judiciary.

(Mr. PEPPER (for himself, Mr. MURRAY, Mr. HUMPHREY, and Mr. NEELY) introduced Senate bill 1453, to amend the Public Health Service Act to provide grants and scholarships for education in the medical, dental,

dental hygiene, public health, nursing, and sanitary engineering professions, and for other purposes, which was referred to the Committee on Labor and Public Welfare and appears under a separate heading.)

By Mr. BRIDGES:

S. J. Res. 71. Joint resolution to provide for reciprocity between the United States and Soviet Russia in the matter of the issuance of visas, and for other purposes; to the Committee on Foreign Relations.

ARMY QUARTERMASTER CORPS RESEARCH LABORATORY AT MADISON, WIS.

Mr. WILEY. Mr. President, I introduce for appropriate reference a bill providing for the establishment of an Army Quartermaster Corps Research Laboratory at Madison, Wis., and I ask unanimous consent that there be printed in the RECORD a statement which I have prepared on the need for this legislation.

The VICE PRESIDENT. The bill will be received and appropriately referred, and without objection, the statement presented by the Senator from Wisconsin will be printed in the RECORD.

The bill (S. 1438) to authorize the construction of a research laboratory for the Quartermaster Corps, United States Army, at or in the vicinity of Madison, Wis., introduced by Mr. WILEY, was received, read twice by its title, and referred to the Committee on Armed Services.

The statement presented by Mr. WILEY and ordered to be printed in the RECORD is as follows:

STATEMENT OF SENATOR WILEY

INTRODUCTION OF BILL FOR ESTABLISHMENT OF THE QUARTERMASTER CORPS RESEARCH LABORATORY AT MADISON, WIS.

Mr. President, I am introducing today a bill for the establishment of a $10,000,000 research laboratory for the Army Quartermaster Corps at Madison, capital of Wisconsin. I believe that an objective survey of the facts in the matter will more than justify the location of such a laboratory in the heart of Dane County in the Badger State.

It is not a mere act of pride in the capital city of my State, nor the natural interest that I would have in seeing my State capital advance with this institution, but rather it is the fact that I sincerely and strongly believe that the sites which have heretofore been proposed for this laboratory (namely, Boston, in bill, H. R. 1577, and Centre County, Pa., in H. R. 3218) cannot "hold a candle" to Madison in the advantages which they offer.

Need for decentralization

Ever since my entry into the Senate 10 years ago, I have been pointing out with all the power at my command that there has been far too much centralization of Government facilities on the Atlantic coast—in the New York, New Jersey, Philadelphia area, in Washington, D. C., and in similar over-congested centers. On the other hand, the great Middle West, the heart of the Nation, offers ideal possibilities for decentralization and dispersement of vital Government units. It would seem ridiculous for the Federal Government, on the one hand, through its National Security Research Board to be recommending decentralization of industry, and, on the other hand, for it to establish a Quartermaster Corps Research Laboratory in some bloated, congested metropolis already choking from centralization.

Reservoir of facilities available at Madison

That is the negative side of the picture insofar as other sites are concerned. On the positive side, however, there is a more than ample case for location of the laboratory at Madison, Wis. Its proximity to a vast number of ideal resources point up the case.

(a) Its nearness to the Wisconsin State capital, Wisconsin State agencies and institutions, and, in particular, to the University of Wisconsin offering a vast reservoir of expert personnel and facilities.

(b) Its proximity to the magnificent United States Forest Products Laboratory whose great contribution to the Quartermaster Research in packaging and related processes are so well known as not to require repetition.

(c) Its nearness to industries with which the Quartermaster Corps is mostly concerned—the vast variety of food industries of Wisconsin, the tremendous facilities for research in nutrition at the State university, its nearness to the diverse textile, leather, and rubber industries in the Badger State, as well as other types of enterprises involved in Quartermaster Corps work.

(d) There should also be mentioned, of course, the nearness of the Madison location to the Badger ordnance works, 28 miles away, with their vast facilities which could be utilized, the nearness of Camp McCoy in northern Wisconsin which has been utilized for extensive winter training, the availability of frozen areas through use of Madison's and Wisconsin's tremendous number of lakes, the availability of the Truax Field Airport—these and other facilities more than justify the location of the proposed laboratory at the site I have mentioned.

In view of all these and other sound reasons, I am requesting the Senate and House Armed Services Committee to give the most thorough consideration to the legislation which I am introducing today.

CONTROL OF HAZARDOUS WORKING CONDITIONS IN INDUSTRIAL PLANTS

Mr. JOHNSTON of South Carolina. Mr. President, on behalf of the Senator from Florida [Mr. PEPPER], the Senator from Kentucky [Mr. CHAPMAN], the Senator from Oregon [Mr. MORSE], and myself, I introduce for appropriate reference a bill to provide for assistance to State agencies administering labor laws in their efforts to promote, establish, and maintain safe work places, and practices in industry, and so forth, and I ask unanimous consent that the bill, together with a statement prepared by me be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the bill together with the statement by the Senator from South Carolina will be printed in the RECORD.

The bill (S. 1439) to provide for assistance to State agencies administering labor laws in their efforts to promote, establish, and maintain safe work places and practices in industry thereby reducing human suffering and financial loss and increasing production through safeguarding available manpower, introduced by Mr. JOHNSTON of South Carolina (for himself, Mr. PEPPER, Mr. CHAPMAN, and Mr. MORSE), was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That this act may be cited as the "Industrial Safety Act."

SEC. 2. (a) The Congress hereby finds and declares that the establishment and maintenance of safe work places and practices in industry reduce human suffering and financial loss and increase production through safeguarding available manpower. The purpose of this act is to assist the several States in their efforts (1) to develop standards for establishing and maintaining safe work places and practices in industry; (2) to promote the acceptance of such standards in industry through the voluntary cooperation of management and labor; (3) where authorized by State law, to prepare and promulgate regulations for the purpose of requiring safe work places and practices in industry; and (4) to secure the observance of State laws or regulations respecting safe work places and practices in industry.

(b) There are hereby authorized to be appropriated (a) for the fiscal year ending June 30, 1950, and for each fiscal year thereafter, sums sufficient for making payments to States which have submitted and had approved by the Secretary of Labor, State plans under section 3 of this act, and (b) such sums as may be necessary for administrative and other expenses of the Department of Labor in administering this act.

SEC. 3. (a) To be approved, a State plan for carrying out the purposes of section 2 (a) must—

(1) designate a single State agency, which must be the State agency administering labor laws for the establishment and maintenance of safe work places and practices in industry, to administer such plan;

(2) provide such methods of administration as are found by the Secretary of Labor necessary for the proper and efficient operation of the plan, including after June 30, 1951 (a) methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Secretary of Labor shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods; and (b) a training program for the personnel necessary for the administration of the plan;

(3) include a program for the promotion of observance of safety precautions by employers and employees in industry, which program may include cooperation with any nongovernment safety organizations active in the State;

(4) provide for financial participation by the State in all parts of the State plan and such distribution of funds for enforcement and promotional functions as to assure the application throughout the State of standards necessary to the establishment, promotion, and maintenance of safe work places and practices in industry; and

(5) provide that the State agency will make such reports, in such form and containing such information, as the Secretary of Labor may from time to time reasonably require, and give the Secretary of Labor, upon demand, access to the records on which such reports are based.

(b) The Secretary of Labor shall approve any State plan which complies with the provisions of subsection (a) of this section.

SEC. 4. (a) The funds appropriated under section 2 (b) shall be allotted by the Secretary of Labor among the several States annually on the basis of (1) the population, (2) the number of wage earners, (3) the special hazards in industry, (4) the number of workers afforded protection in their work places by the State law and the cost of effective administration of such law, and (5) the financial needs of the respective States. The allotment to any State for any year shall not exceed three-fourths of the expenditures under the State plan for such year: *Provided*, That the annual allotment for each State under this subsection shall not be less than $15,000.

(b) The Secretary of Labor shall, prior to the beginning of each fiscal year, estimate the amount to be paid to each State under the provisions of subsection (a) of this section, such estimates to be based on (1) a report filed by the State containing its estimate of the total sum to be expended in

such year in accordance with the provisions of such subsection and stating the amount appropriated or made available by the State for such expenditures in such year; (2) such other data as to such estimated expenditures and such investigation as the Secretary may find necessary. The Secretary of Labor shall then certify the amount so estimated to the Secretary of the Treasury. The Secretary of the Treasury shall thereupon prior to audit or settlement by the General Accounting Office pay to the State the amount so certified.

(c) Amounts paid to a State under this section shall be expended solely for carrying out the purposes set forth in section 2 (a), in accordance with the State plan. When any part of the amount so paid to any State for any fiscal year is not so expended for carrying out such purposes within such fiscal year, the Secretary of Labor shall reduce by a corresponding amount the next allotment certified to the Secretary of the Treasury under this section for such State.

SEC. 5. In the case of any State plan which has been approved under this act, if the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency administering such plan, finds that in the administration of the plan there is a failure to comply substantially with any requirement of this act or any provision required by this act to be included in the plan, he shall notify such State agency that further payments will not be made to the State until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied he shall make no further certification to the Secretary of the Treasury with respect to such State.

SEC. 6. (a) The Secretary of Labor shall appoint an Industrial Safety Advisory Committee, consisting of such numbers of public, employer, and employee representatives as he deems appropriate. Members of the committee shall serve without pay, but shall be reimbursed for actual expenditures incurred in attending meetings and performing the work of the committee in accordance with section 5 of the act of August 2, 1946 (60 Stat. 808). The Secretary of Labor shall provide such clerical assistance and other services and facilities as may be necessary for the committee.

(b) It shall be the duty of the committee to review existing industrial safety laws, regulations, and practices and make recommendations to the Secretary of Labor with a view to encouraging more effective control of hazardous conditions and lowering the industrial injur rate.

SEC. 7. The Secretary of Labor is authorized to delegate the functions, powers, and duties granted to him by this act to such officers and employees of the Department of Labor as he may designate.

SEC. 8. The Secretary of Labor is authorized to appoint, subject to the civil-service laws, such employees as he deems necessary to carry out his functions and duties under this act, and shall fix their compensation in accordance with the provisions of the Classification Act of 1923, as amended.

SEC. 9. As used in this act "State" means any State of the United States, the District of Columbia, Alaska, Hawaii, Puerto Rico, or the Virgin Islands.

SEC. 10. The Secretary of Labor shall include in his annual report to Congress a full account of the administration of this act.

The statement presented by Mr. JOHNSTON of South Carolina and ordered to be printed in the RECORD is as follows:

STATEMENT BY SENATOR JOHNSTON OF SOUTH CAROLINA

Mr. JOHNSTON of South Carolina. The bill which I have introduced on behalf of myself, the distinguished Senator from Florida, Mr. PEPPER, the distinguished Senator from Kentucky, Mr. CHAPMAN and the distinguished Senator from Oregon, Mr. MORSE, will go a long way in decreasing and, I hope, eventually eliminating to a very large extent, the unnecessary and tragic loss of life and human suffering caused by unsafe and hazardous working conditions in our industrial plants and workshops throughout the Nation.

The legislation is not original with me but is one that has long been advocated, and the need for which I can personally testify. It has recently been recommended by the President, the President's Conference on Industrial Safety and more than half of the States through their labor commissioners have gone on record in favor of this legislation. This list includes the largest and smallest industrial States, the mining States, the agricultural States, and those with the largest and smallest amount of industrialization. The legislation has bipartisan support.

The bill provides for Federal aid to State departments of labor to assist them in establishing and maintaining safe and proper working conditions in industry, and in preparing, promulgating and enforcing regulations to control industrial hazards. The money would be allotted among the States on the basis of first, population; second, number of wage earners; third, special safety and health problems in industry; fourth, number of workers afforded protection by State laws and the cost of adequate administration of such laws; and fifth, financial needs. The bill also provides that plans for expenditure of money would be developed jointly by the States and the United States Department of Labor. Rules and regulations would be determined by the Secretary of Labor in consultation with State labor commissioners.

An Industrial Safety Commission consisting of three members representing the public, the employer, and the employees would be set up in the Department of Labor. It would be empowered to recommend State standards, methods, and procedures for the establishment of safe working conditions in industry.

As I said before, I know from personal experience how much needs to be done and what can be done in the way of eliminating industrial hazards and in safeguarding the workmen in the textile plants of the South. For 10 years I worked in the cotton-textile industry and I have seen more than one of my fellow workmen lose a limb, an eye, and on occasion their lives. Hardly a week goes by in any plant where 100 or more workers are employed where there is not someone who sustains a painful injury. Most of it is unnecessary and preventable. All this has been brought home to me time and time again throughout my administration as Governor of South Carolina and throughout the many years that I was a worker in the industries of my State.

A human life is just as valuable whether he be in the factory or on the battlefield. We have done much to prevent human suffering and loss of life of our military forces. I am proud and grateful that our military leaders have placed such high value on the life and safety of our boys.

The humanitarian aspects of this problem cannot be ignored. The other side of the problem is a financial one. A day's loss of work, the stopping of machinery, the decreased productivity of the workers, the payments of medical care, sick, death, and welfare benefits are dollar cost to the corporations, the proprietors, to the workers, the State and the Nation. The President's Conference on Industrial Safety estimates that the direct monetary cost of over 2,000,000 job accidents in the United States totals an estimated $4,500,000,000 annually.

In the light of all this it must be clear that in offering a bill requiring the expenditure of funds to assist the States in controlling industrial hazards, we are making a very timely investment which will be returned to us many times over, financially and socially.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT RELATING TO PAYMENT OF ANNUITIES TO WIDOWS OF CERTAIN RETIRED EMPLOYEES

Mr. JOHNSTON of South Carolina. Mr. President, I introduce for appropriate reference a bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide payment of annuities to widows of retired employees without reduction in the annuities of such employees, and I ask unanimous consent that an explanatory statement by me be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the statement by the Senator from South Carolina will be printed in the RECORD.

The bill (S. 1440) to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide for payment of annuities to widows of retired employees without reduction in the annuities of such employees, was read twice by its title and referred to the Committee on Post Office and Civil Service.

The statement presented by Mr. JOHNSTON of South Carolina and ordered to be printed in the RECORD is as follows:

STATEMENT BY SENATOR JOHNSTON OF SOUTH CAROLINA

The bill has for its purpose the payment of annuities to widows of retired employees without reduction of the annuities of such employees, amends the Retirement Act to strike out paragraph B in section 4, which provides in effect that any officer retiring under the provisions of sections 1, 2, or 6, which sections apply to optional retirement, automatic retirement, and retirement on disability, has two options: (1) To receive a life annuity as provided in paragraph B and, (2) to have the life annuity reduced by 10 percent and after his death there will be payable to his surviving widow an annuity equal to 50 percent of his life annuity.

The section further provides that the annuity of such an employee shall further be reduced by three-fourths of 1 percent for each full year that the wife is under the age of 60. This bill would eliminate the reduction factor and make the widow's annuity automatic.

Experience has demonstrated that over 50 percent of the employees retiring since the passage of Public Law 426, have elected to take the full annuity and have not made provisions for their wives. Unfortunately, those who have elected the full annuity are generally in the lower salary grades. The pressure of the cost of living has compelled them to elect to receive the largest possible amount of money for immediate purposes. The need for widows' annuities in these cases is extremely great and this bill would correct this condition.

ASSISTANCE TO SCHOOLS OF MEDICINE, DENTISTRY, ETC.

Mr. PEPPER. Mr. President, on behalf of the Senator from Montana [Mr. MURRAY], the Senator from Minnesota [Mr. HUMPHREY], the Senator from West Virginia [Mr. NEELY], and myself, I introduce for appropriate reference a bill to provide Federal assistance to schools of medicine, dentistry, dental hygiene, nursing, public health, and sani-

tary engineering, and I ask unanimous consent that a statement prepared by me may be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the statement presented by the Senator from Florida will be printed in the RECORD.

The bill (S. 1453) to amend the Public Health Service Act to provide grants and scholarships for education in the medical, dental, dental hygiene, public health, nursing, and sanitary engineering professions, and for other purposes, introduced by Mr. PEPPER (for himself, Mr. MURRAY, Mr. HUMPHREY, and Mr. NEELY), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The statement presented by Mr. PEPPER and ordered to be printed in the RECORD is as follows:

STATEMENT BY SENATOR PEPPER

Senators CLAUDE PEPPER, Democrat, Florida; JAMES E. MURRAY, Democrat, Montana; HUBERT H. HUMPHREY, Democrat, Minnesota; and MATTHEW M. NEELY, Democrat, West Virginia, introduced in the Senate today a bill to provide Federal assistance to schools of medicine, dentistry, dental hygiene, nursing, public health, and sanitary engineering. The bill has five principal features as follows:

1. Federal grants to these schools to help finance the costs of instruction on the basis of an amount for the present average student enrollment, based on the fiscal years 1947 through 1949, and a higher amount for the additional number of students enrolled in future years above these averages. For example, a medical school would get $300 per student for the present average enrollment and $1,700 per new student. The difference between these two amounts is based on the fact that the schools would need much more money to hire new instructors for additional students than they need for their present enrollment.

2. Federal grants to finance the cost of construction and equipment of schools up to 50 percent of such cost.

3. The establishment of State scholarship programs under a State agency. The Federal Government would furnish the financial assistance through a system of grants throughout the State, based upon the proportion of the population of each State to the total population of the United States. The bill would provide $50,000,000 for the fiscal year ending June 30, 1950, and $60,000,000 for the fiscal year ending June 30, 1951, and thereafter such sums as the Congress may appropriate. Normally these scholarships will cover the cost of tuition, educational fees, and supplies. If the Surgeon General of the United States Public Health Service so determines, they may include maintenance money not to exceed $125 per month for a student with no dependents, $150 per month for a student with one dependent, and $175 per month for a student with two or more dependents.

4. The establishment of a National Council of Education for the health professions, consisting of the Surgeon General as Chairman, the chief medical officer of the Veterans' Administration, and a medical representative of the Secretary of Defense, 20 public leaders of medical science, education, or public affairs, 10 of whom must be from the fields of health education covered by the bill. The Surgeon General of the United States Public Health Service and the Council would have jurisdiction over the first three features of the program.

5. The establishment of a program financed by the Federal Government at a cost of $15,000,000 a year in the various States for the training of practical nurses, for persons 16 years of age and over. The Federal aspect of this program would be under the jurisdiction of the Commissioner of Education of the Federal Security Agency.

Senators PEPPER, MURRAY, and HUMPHREY state: "This bill is an all-out attack upon the first phase of our national health problem. The shortages of personnel in the field of health are so great that we cannot even meet current needs.

"Our goal is to assure that there are enough professional health manpower of all categories adequately distributed all over the Nation to meet the need of the American people. By 1960, we should increase our present supply of (1) 190,000 active physicians to 227,000, (2) 75,000 active dentists to 95,000, (3) 318,000 active nurses to 443,000. Our current shortage alone is 42,000.

"We need immediately 60,000 well-trained public health workers, including sanitary engineers and nurses. We now have only 36,000 public health workers, about two-thirds of whom are inadequately trained; one-third of all the counties in the United States in 1947 did not have a single full-time public health nurse.

"We are going to press for immediate consideration of our bill by the Senate. We can no longer sit back and let American citizens in ill health go unattended for the want of want of qualified and trained persons in the health field."

INVESTIGATION OF CERTAIN ECONOMIC PROBLEMS

Mr. O'MAHONEY (for himself, Mr. SPARKMAN, and Mr. FLANDERS) submitted the following concurrent resolution (S. Con. Res. 26), which was referred to the Joint Committee on Economic Report:

Resolved by the Senate (the House of Representatives concurring), That the Joint Committee on the Economic Report, or any duly authorized subcommittee thereof, is authorized and directed to conduct a full and complete study and investigation into the following problems of the economy:

(1) The problem of investment, including, but not limited to, (A) the role of investment institutions in the investment markets, in industry, and in the economy generally; (B) changes in sources of investment funds and the reason therefor; (C) availability and character of investment funds for national, local, and independent enterprise and the effect of such investment or lack of investment upon different classes or size groups in industry; (D) and needs, by industry, for various types of capital.

(2) The problem of the effectiveness and coordination of monetary, credit, and fiscal policies in dealing with general economic policy.

(3) The problem of low-income families in relation to economic instability.

(4) The problem of unemployment trends and their significance in current economic analysis.

SEC. 2. The joint committee shall report to the Senate and the House of Representatives not later than December 31, 1949, the results of its study and investigation, together with such recommendations as it may deem advisable.

SEC. 3. For the purposes of this resolution, the joint committee, or any duly authorized subcommittee thereof, is authorized (1) to appoint and fix the compensation of such experts, consultants, and clerical and stenographic assistants as it deems necessary and advisable, but the compensation so fixed shall not exceed the compensation prescribed under the Classification Act of 1923, as amended, for comparable duties; and (2) to hold such hearings; to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Eighty-first Congress prior to January 1, 1950; to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents; to administer oaths; to take such testimony; to have such printing and binding done; and to make such expenditures as it deems advisable. The cost of stenographic services in reporting hearings shall not be in excess of 25 cents per 100 words. Subpenas shall be issued under the signature of the chairman or vice chairman of the joint committee and shall be served by any person designated by them.

SEC. 4. The expenses of the joint committee under this resolution, which shall not exceed $30,000, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman. Disbursements to pay such expenses shall be made by the Secretary of the Senate out of the contingent fund of the Senate, such contingent fund to be reimbursed from the contingent fund of the House of Representatives in the amount of one-half of the disbursements so made.

AMENDMENT OF RULE RELATING TO CERTAIN REPORTS OF COMMITTEES

Mr. CORDON submitted the following resolution (S. Res. 95), which was referred to the Committee on Rules and Administration:

Resolved, That rule XXIX of the Standing Rules of the Senate is amended by adding at the end thereof the following new subsection:

"4. Whenever a committee reports a bill or a joint resolution repealing or amending any statute or part thereof, it shall make a report thereon and shall include in such report or in an accompanying document (to be prepared by the staff of such committee) (a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the committee. This subsection shall not apply to any such report in which it is stated that, in the opinion of the committee, it is necessary to dispense with the requirements of this subsection to expedite the business of the Senate."

INVESTIGATION OF ADMINISTRATION OF BUREAU OF RECLAMATION

Mr. DOWNEY submitted the following resolution (S. Res. 96), which was referred to the Committee on Interior and Insular Affairs:

Resolved, That the Committee on Expenditures in the Executive Departments, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation of the administration of the Bureau of Reclamation and any activities of the Department of the Interior relating thereto, including, but not limited to, (a) excessive costs in the design and construction of projects under the Federal reclamation laws, including the engineering and administrative overhead on such projects; (b) wasteful and unnecessary expenditures in the employment of personnel at the Washington office, and at regional and project offices; (c) the inaccuracy of statements filed with the Congress on the financial feasibility of projects, including the suppression of pertinent information in connection therewith; (d) violation by officials and employees of the Bureau of Reclamation of section 1913 of title 18 of the United States Code in attempting to influence Members of Congress in connection with legislation or appropriations; (e) practices and policies of the Bureau of Reclamation that result in

inefficiency of its operations; (f) the use of unqualified employees in engineering positions in violation of Federal civil-service and other rules and regulations; and (g) any other activities of officials or employees of the Bureau of Reclamation in violation of the laws of the United States or the intent of the Congress regarding the expenditure of appropriations, the employment of personnel, or the general conduct of the Bureau of Reclamation's responsibilities. The committee shall report to the Senate at the earliest practicable date the results of its study and investigation, together with such recommendations as it may deem desirable concerning additional legislation, or such other action as it believes the Congress should adopt.

TRANSMISSION OF CERTAIN DOCUMENTS IN SENATE FILES TO DETROIT (MICH.) HISTORICAL COMMISSION

Mr. VANDENBERG submitted the following resolution (S. Res. 97), which was referred to the Committee on Rules and Administration:

Resolved, That the Secretary of the Senate be, and he is hereby, authorized and directed, as far as practicable, to have photostatic copies made of the following papers and documents in the files of the Senate; that such photostatic copies be deposited in the files, and that the originals be thereupon transmitted to the Detroit Historical Commission at Detroit, Mich., namely:

A grant or deed, signed at Detroit on December 23, 1760, from four principal Indian chiefs, on behalf of certain Indians, conveying to one Robert Rogers a certain tract of land on the south side of Lake Superior;

A report dated December 12, 1806, made by the Governor, the Chief Judge, and the Associate Judge of the Territory of Michigan to the Congress of the United States, pursuant to an act to provide for the adjustment of titles of land in the town of Detroit and Territory of Michigan, accompanied by a plan of one section of Detroit, January 1807, and a plan of the city of Detroit, drawn by Abyah Hull, Surveyor of Michigan, January 1807.

EXTENSION OF EUROPEAN RECOVERY PROGRAM—AMENDMENTS

Mr. BRIDGES (for himself and Mr. MCCARRAN) submitted two amendments intended to be proposed by them, jointly, to the bill (S. 1209) to amend the Economic Cooperation Act of 1948, which were ordered to lie on the table and to be printed.

Mr. BALDWIN and Mr. BREWSTER each submitted an amendment intended to be proposed by them, respectively, to Senate bill 1209, supra, which were ordered to lie on the table and to be printed.

READJUSTMENT OF CERTAIN CORPORATION NET INCOME TAX RATES—AMENDMENT

Mr. FREAR. Mr. President, I submit an amendment intended to be proposed by me to the bill (H. R. 3761) to readjust the tax rates applicable to corporation net income in order to impose a lesser tax burden on small corporations.

This amendment is intended to benefit small business by lowering the tax rate on earnings of $75,000 or less, while authorizing proportionate increases on those corporations whose income ranges from $75,000 up.

The table which I have prepared gives a detailed break-down of the present and proposed tax rates as outlined in the bill. It indicates by example, as a further explanation, the present and proposed taxes on corporate earnings from $25,000 up to $1,000,000.

It is my feeling that many small-business establishments throughout the Nation will stand to benefit considerably if this bill is enacted into law.

I ask unanimous consent that the table be printed in the RECORD.

The VICE PRESIDENT. The amendment will be received, referred to the Committee on Finance, and printed; and, without objection, the table will be printed in the RECORD.

The table is as follows:

PRESENT RATES

	Percent
Corporations, $25,000 or less:	
Normal tax:	
First $5,000	15
$5,000 to $20,000	17
$20,000 to $25,000	19
Surtax	6
Corporations, $25,000 to $50,000:	
Normal tax: $4,250 plus 31 percent on income over $25,000.	
Surtax: $1,500 plus 22 percent on income over $25,000.	
Corporations over $50,000:	
Normal tax	24
Surtax	14

PROPOSED RATES

Corporations, $25,000 or less:	
Normal tax:	
First $5,000	3
$5,000 to $20,000	5
$20,000 to $25,000	7
Surtax	4
Corporations, $25,000 to $75,000:	
Normal tax: $1,250 plus 35 percent on income over $25,000.	
Surtax: $1,000 plus 19 percent on income over $25,000.	
Corporations over $75,000:	
Normal tax	25
Surtax	14

Corporations with incomes of—	Now pay—	Would pay—
$2,500	$525	$175
$5,000	1,050	350
$7,500	1,625	575
$10,000	2,200	800
$12,500	2,775	1,025
$15,000	3,350	1,250
$17,500	3,925	1,475
$20,000	4,500	1,700
$22,500	5,125	1,975
$25,000	5,750	2,250
$30,000	8,400	4,950
$40,000	13,700	10,350
$50,000	19,000	15,750
$60,000	22,800	21,150
$65,000	24,700	23,850
$70,000	26,600	26,550
$75,000	28,500	29,250
$100,000	38,000	39,000
$1,000,000	380,000	390,000

THE AMERICAN NATIONAL THEATER AND ACADEMY—STATEMENT BY SENATOR THOMAS OF UTAH

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD a statement prepared by him on the American National Theater and Academy, which appears in the Appendix.]

FEDERAL AID TO EDUCATION—ADDRESS BY SENATOR WILLIAMS

[Mr. WILLIAMS asked and obtained leave to have printed in the RECORD a radio address delivered by him at Wilmington, Del., on March 27, 1949, outlining his reasons for opposing the legislation pending before the Congress providing for Federal aid to education, which appears in the Appendix.]

HEALTH INSURANCE—COMMENT ON ARTICLE BY SENATOR MURRAY

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an article from the Pacific Northwest Cooperator commenting on an article by Senator MURRAY in the Progressive regarding the activities of the American Medical Association and health insurance, which appears in the Appendix.]

JEOPARDY—POEM BY JAMES PATRICK MCGOVERN

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD a poem entitled "Jeopardy," written by James Patrick McGovern, which appears in the Appendix.]

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 3704) to provide additional revenue for the District of Columbia, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H. R. 3704) to provide additional revenue for the District of Columbia, was read twice by its title, and referred to the Committee on the District of Columbia.

EXTENSION OF RENT CONTROL—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1731) to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. BRICKER. Mr. President, I send to the desk a motion which I wish to submit in regard to the pending conference report.

The VICE PRESIDENT. The motion will be read for the information of the Senate.

The Chief Clerk read as follows:

I move that the conference report on the bill (H. R. 1731) be recommitted to the committee of conference.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Ohio.

Mr. BRICKER. Mr. President, I appreciate the pressure under which we are working on the floor of the Senate, both early and late. I have no desire to delay the consideration of the conference report, the ECA bill, or any other legislation. However, I think it is vitally important—perhaps it is the most important question which confronts us—to consider whether we are violating our constitutional duty. We listened with great interest just a moment ago to the oath which is taken by every Member of the Senate, to defend the Constitution of the United States. That means that a Senator is under obligation to vote his convictions according to the terms of the Constitution.

Mr. President, we have passed in this body a rent control bill. That bill provided, in substance, that the owners of rental property should receive, at the end of the first 6 months period under this bill, a 5 percent increase in their rental, and at the end of 12 months, a second 5 percent increase. I think it was the intention of everyone that something be

done at this time, 4 years after the end of the war, for those who have carried a disproportionate part of the burden of reconstruction. That view was expressed on every hand, on the floor of the Senate, and I believe by practically all the witnesses before the committee. It was felt that some relief should be given to those who own property.

The House passed a bill containing a provision for a reasonable return upon the reasonable value of the property. That amendment was submitted on the floor of the Senate and was rejected. The Senate preferred the bill which we passed, giving an increase across the board of 5 percent plus 5 percent. I will say very frankly that I favor the House provision. It gives the increase where the increase is needed. The Senate bill gives an increase across the board, to those who do not need it as well as to those who do.

I am not in favor at this time, and have not been in favor of eliminating rent control entirely. I submitted an amendment providing for 6 months control, and for 6 months of eviction control after that period. That amendment was voted down.

The time has come—it is here now, and it will be here 6 months from now—to turn this problem back to the States, who have the police power to control rents. In the enactment of this bill we are still operating under the war powers 4 years after the end of the war; and justice has not been done to the property owners during those 4 years. This is the last segment of our economic life which is yet subjected to controls under the war powers. Rent control is a penalty upon thrift. It is a deprivation of the use of property of those who have saved their money and bought property for rental purposes. We should look seriously at this problem.

What happened in the conference? The conferees took from the bill any benefit which might accrue to the general class of property owners. They struck out the Senate section providing for an increase of 5 percent plus 5 percent. They eliminated the House provision allowing a reasonable return upon a reasonable value, and substituted for it nothing in addition to what property owners have under the present law. That fact was admitted on the floor of the Senate by the chairman of the committee, as reported in last night's press.

I have tried to get from the discussion which occurred last night, as I tried to get from the discussions in the committee, an understanding of what "fair net operating income" means. I do not think there are two Members of the Senate who will agree as to what "fair net operating income" means. The conference committee attempted to define that term in order to show what they were trying to do. At the end of the conference, the Senate Members of the committee who are lawyers asked, "How are we going to report this to the Senate? What are we going to say about the meaning of this provision?" There was no unanimity of opinion about it; no one could advise them what this portion of the report should contain or even what this section of the proposed law meant.

Mr. President, there are other provisions of the conference report which I should like to discuss, but I shall confine my remarks to what was done to insure to the property owner a fair or reasonable return upon his property. There is nothing in the conference report which gives any consideration to the value of the property which is being used. Senators talk about "fair net operating income" but this is what the conference report states:

In making and recommending individual and general adjustments to remove hardships—

So, Mr. President, action will be taken only in hardship cases. I suppose a hardship case is one in which an owner can no longer operate his property; he cannot keep his property in fit condition for tenants to live in. That will be the definition of "hardship," as I see it; and in most instances that is the definition which has been given to it by the Expediter under the present law.

I read further:

or to correct other inequities, the Housing Expediter and the local boards shall observe the principle—

Note this—

of maintaining maximum rents for controlled housing accommodations, so far as is practicable—

That leaves it wide open; that phrase gives the Administrator authority to do whatever he wishes to do. If he does not think it is practicable, he does not grant relief. Even if he does think it is practicable, perhaps he will not do it, anyway.

I read further:

at levels which will yield to landlords a fair net operating income from such housing accommodations.

Mr. President, I defy any Member of this body or any person anywhere else—any accountant or any lawyer—to define for me what "fair net operating income" means. There was some confusion in the Senate Chamber yesterday, even among the members of the committee who are sponsoring this measure, as to whether fair net operating income includes depreciation or does not include depreciation. One Senator says it does; another Senator says it does not. I do not know, and obviously it would be very difficult for the Administrator to know what the meaning was, in attempting to administer this proposed law.

I continue to read:

In determining whether the maximum rent for controlled housing accommodations yields a fair net operating income from such housing accommodations, due consideration—

Mr. President, what "due consideration" is, I do not know. That is another indefinite term, which will result in leaving the matter entirely to the Expediter. He will be able to give little consideration or he will be able to give much consideration, according to his own personal whim as to the meaning of due consideration.

I read further:

shall be given to the following, among other relevant factors:

I suppose the relevant factors can be thrown in by the Expediter at will; he can consider just what he wishes to consider. This language leaves the matter entirely to the judgment or opinion or idea of the Expediter. The Expediter will be able to do just as he pleases, which is what he has been doing all along. So this conference report provides for no change in the law under which rent control has heretofore been administered. The conferees have wiped out entirely the corresponding provisions of the bill as it was passed by the House and the bill as it was passed by the Senate, and they have substituted nothing for it.

I read further:

(A) Increases in property taxes.

Mr. President, all of us know that property taxes have been increased and are increasing and of course taxes must be paid. The Expediter has had to consider property taxes, if he has considered hardship cases at all.

Next we find:

(B) Unavoidable increases in operating and maintenance expenses.

What they are, Mr. President, I do not know; and I defy any Member of the Senate to tell me in clear English language what that phrase means. Do Senators think it means the expense of keeping a roof on the property, or the expense of painting the house every 2 years or every 3 years? When would such an expense be unavoidable and when would it be avoidable? I suppose it would not really be necessary to paint the house at all, if it did not fall down; but certainly painting is an item of expense. Under this provision the Expediter could say, "You have painted it too much, and that was avoidable"; or he could say, "It is unavoidable," and take it into consideration.

I read further:

(C) major capital improvement of the housing accommodations as distinguished from ordinary repair, replacement, and maintenance.

I presume that means additions to the property or the building of another room or the installation of a new furnace or something of that kind. But the matter is still left to the judgment of the Expediter; he will be able to adopt whatever rules he wishes to adopt.

Mr. President, under this measure the Senate and the House will have abdicated their responsibility, and will have turned it over to the Expediter, who has made such a mess of this matter up to the present time.

I read further:

(D) increases or decreases in living space, services, furniture, furnishings, or equipment.

Again there is a great deal of confusion as to the meaning and application of that provision.

Next:

(E) substantial deterioration of the housing accommodations, other than ordinary wear and tear, or failure to perform ordinary repair, replacement, or maintenance.

Mr. President, those are the rules of confusion nine times confounded under which we expect the Expediter to carry out his responsibilities.

It was a simple matter to provide for a 5-percent increase straight across the board, although I did not favor it. It is a simple matter and a fair matter to

provide for a reasonable return upon the reasonable value of the property. But when we deny, as the conference bill does deny, to the owners of property a reasonable return for the use of their property by tenants, we are violating a constitutional principle that is as old as the country itself—namely, that property cannot be taken without due process of law, and property cannot be taken for public use without the payment of just compensation to the owners.

Here the Congress of the United States is authorizing the Expediter to say to the group of landowners or property owners, "We are going to take your property for public use; we are going to turn it over to another class; and if you do not have a hardship case, you are not entitled to any relief whatever, the Constitution of the United States to the contrary notwithstanding."

Mr. ELLENDER. Mr. President, will the Senator yield for a question?

Mr. BRICKER. I yield.

Mr. ELLENDER. I understand that the distinguished Senator from Ohio was a member of the conference committee. Am I correct?

Mr. BRICKER. That is correct.

Mr. ELLENDER. Did the Senator attend all the meetings of the conference committee?

Mr. BRICKER. I attended all the meetings of the conference committee except those on Saturday.

Mr. ELLENDER. What assurance can the Senator give to the Senate that the House of Representatives will change its mind and will agree to some of the proposals submitted to us now by the Senator?

Mr. BRICKER. I am quite sure the House would change its mind if this report should be recommitted. The House voted for the Brown amendment, which was deleted by the conference committee by a vote of 3 to 1, as I recall; and it was rejected by the Senate by only 8 or 10 votes.

Mr. ELLENDER. What I have in mind is the provision for an automatic rent increase of 5 percent in April and again in October, a provision to which the Senator has subscribed. I believe that is the main issue; is it not?

Mr. BRICKER. The main issue is over the question of whether the committee of conference will accept that or will accept the provision in the bill as passed by the House, which is the Brown amendment.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. SPARKMAN. The Senator from Ohio was not present on Saturday in the conference committee when we went into figures which were given to us as a result of a survey and sampling in 20 different cities, as I recall.

Mr. BRICKER. Is that in the record?

Mr. SPARKMAN. By those figures it was clearly demonstrated that under the Brown amendment there would be more rolling back of rents than there would be adjustments granted; and it was admitted by the conferees on the part of the House, in the course of those discussions, that that would be true.

Mr. BRICKER. I have no objection to that. If that is what results from a "fair return," let us have a fair return. If it means roll backs, let us have roll backs.

I do not ask for anything but a fair return, and I do not see how any Member of the Senate who has taken the oath which we heard administered a few moments ago can say to property owners, "You are not entitled to a fair return upon your property which is used by another group or class of citizens in this country."

Mr. SPARKMAN. Mr. President, will the Senator yield further?

Mr. BRICKER. I yield.

Mr. SPARKMAN. What is the difference, in the Senator's opinion, between "fair return" and "fair income?"

Mr. BRICKER. Under the definition here given to us——

Mr. SPARKMAN. Let me say, if I may interrupt, that we have tried to write into this conference report or agreement, assurance of a fair income, and let me say that I know the Senator was sincere in his representations in the subcommittee and in the full committee and in the conference committee. He knew, as I knew and as every other member of the committee knew, that throughout the country there are a great many landlords, particularly small ones, who need relief; and I say that the provision we wrote into the conference report gives more relief than the so-called Brown amendment would have given.

Mr. BRICKER. That may be the opinion of the Senator, but I beg honestly to differ with him. I agree that the conference committee tried to write an amendment which would give relief to small landlords. But operating income is not the measure of the value of the use of the property, and cannot be made so by any stretch of the imagination. I claim that the amendment which is submitted by the conference committee is absolutely unworkable, that it is meaningless, that it has not changed the law under which we are operating and under which the Administrator has made such a mess of the rental situation throughout the country

The Senator mentioned small property owners. They are the ones in which I am interested. Eighty-three percent of the rental units of the country are owned by people who own four or less rental units. I have seen the statistics which have been submitted by the Rent Control Expediter, and I want to say honestly to the Senate that they are distorted figures in most instances, and I do not take them as credible or as a yardstick for my action in voting for or against the amendment. But let me cite another instance of what the conference committee did that ought to be clarified. Heretofore, if the Expediter and his representatives—and there are 500 or 600 subsidiary rent-control offices throughout the country—wanted to go into the premises of a landlord or of a renter, he had to get a court order to do it. But now, under the conference bill it is proposed that the Rent Expediter shall have power to go into the homes and inspect them in carrying out his duties without ever going to court and asking for the authority of a court order to do so. It is a fundamental concept of law that "a man's home is his castle," and even his government or its agents, unless they have a court order, cannot violate his right of occupancy of his home against trespassers. Yet under the conference report, the Expediter, greedy for power and disregarding the rights of the average citizen of America who owns or rents property, will be able, without a court order, to violate the owner's premises and trespass upon them under the authority granted him by the Congress in this section of the law.

If the chairman will remember, I asked, why not take that out? He said, "The Expediter will not go into the owner's premises, anyway, unless he is properly admitted." Then why not take out the provision? Unless we expect him to use the power, there is no reason for putting that section in the bill. It was called to the attention of the committee that this power is inconsistent with the principles of the Constitution and ought to be reconsidered and deleted from the law.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. SPARKMAN. I am sure the Senator remembers that on that point, the Senate conferees receded and agreed to the language in the House bill, which, as a matter of fact, did not go so far as the language of the Senate bill did. In the bill as passed by the Senate, we authorized the Expediter to go into any housing accommodations in a defense-rental area. But under the agreement of the conference, we adopted the House language, which restricted his right of entry into controlled housing accommodations. So the committee's provision is narrower than that which the Senate passed.

Mr. BRICKER. Insofar as it is, it is an improvement.

Mr. President, I do not desire to delay the consideration of the conference report, but I do most earnestly insist that since the conference has deleted the most important provision put in the bill by the Senate and also the most important provision, and the only one to give any relief, put in by the House, and has substituted nothing for it, the report should be recommitted to the conference for further consideration.

Mr. CAIN. Mr. President, I rise to a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. CAIN. I think the conferees on the rent-control bill exceeded their authority with respect to one of the provisions of the bill as agreed to on March 23, 1949, by the Senate. I should like to ask the Vice President's advice as to how I should proceed from this point, in establishing what I think is legitimately a point of order.

The VICE PRESIDENT. The Senator from Washington, in the first place, will state the point of order and the particular provisions he has in mind that violate the rule in regard to conference reports.

Mr. CAIN. On March 23, 1949, when the Senate passed its version of a rent-control bill, for 1949 and 1950, it ap-

proved subsection 5 of section 201, under title II, entitled "Maximum Rents."

This provision provided for the decontrol of what are commonly referred to as luxury accommodations. With the permission of the Chair I should like to read the provision as passed by the Senate several short days ago, as it appears at page 3031 of the RECORD of March 23:

(5) Luxury housing accommodations, defined as any unfurnished apartment occupied by a single family rented for $290 per month or more as of the date of the enactment of the Housing and Rent Act of 1949, or any lesser figure which the Housing Expediter may determine as representative of rentals for luxury accommodations in any defense rental area, or portion thereof.

Mr. President, the real meaning, as I see it, of the provision is simply that all single-family unfurnished accommodations throughout America renting for $290 a month or more as of the date of passage of the Housing and Rent Act for 1949, are to be decontrolled. The Banking and Currency Committee of the Senate placed no restrictions of any kind, character, or description on the authority granted to the Expediter as a mandatory provision to decontrol automatically accommodations for single-family accommodations renting for $290 a month or more.

With respect to this problem the Banking and Currency Committee of the House either gave the problem of what to do with luxury accommodations no consideration at all, or, if they gave the problem any consideration, it was not reflected in the House version of a rent-control bill for 1949. Therefore the Senate conferees went into conference with the provision I have just read and were confronted with the absence of any provision covering the same subject, passed by the House. How it was then determined to change the provision which the Senate had agreed to and the House had taken no action upon, I do not know. But within the conference itself it was agreed to change the wording, the substance, and the intention of subsection 5 of section 204 (b), of title II, "Maximum rents." I shall quote now only the words as they appear in the conference report, a copy of which I assume is on the desk of every Senator. The section in question will be found on page 6. It is, in the conference report, subsection (C) of section 204, and it reads as follows:

(c) Section 204 (e) of the Housing and Rent Act of 1947, as amended, is amended by adding after the first sentence thereof the following new sentence: "The Housing Expediter is further authorized and directed to remove maximum rents for any or all luxury housing accommodations in any defense-rental area or portion thereof, if in his judgment such action would result in the creation of additional rental units by conversion."

Mr. President, I submit that what the conference agreed to certainly exceeded the intention of the action taken by the Senate, when it said that all luxury accommodations renting for $290 a month or more, should automatically, on the passage of the bill, be decontrolled. This is what the conferees agreed to do: They agreed to strike out the figure $290 and to say only that a luxury accommodation is what is commonly understood throughout the country to be a luxury accommodation, and that such accommodation can be decontrolled by the Housing Expediter only if, in the judgment of the Expediter, additional rental units are made available on the general market.

I again submit, Mr. President, that it was not the intention of the Senate to place upon the decontrol of luxury accommodations renting for $290 a month or more any restriction whatsoever, of any kind, character, or description. What the conference agreed to, if the report is adopted by both Houses of the Congress, will amount, at least in my opinion, to this—and I shall cite one typical example: Let us assume that in New York City, where, obviously, there are many such examples, there is a particular apartment renting for $750 a month, presently under control. Under the provision of the conference report, that unit, renting today for $750 a month, is impossible of being decontrolled unless, in the opinion of the Expediter, additional rental units are to be made available pursuant to that decontrol.

That, Mr. President, was not the intention of any Senator, to my knowledge, at any time during which, over a period of several weeks, it was agreed, first by the Housing and Rent Subcommittee of the Committee on Banking and Currency, and then by the Senate, that there must be within the field of controlled rental units a category of controlled units which could certainly be decontrolled throughout the Nation without bringing harm or injury to either tenants, on the one hand, or property owners on the other.

Mr. President, this is no new problem. The declaration of policy is today exactly what it was when the rent-control bill was passed in 1947. That declaration of policy, among other things, said, in effect:

It is the considered opinion and best judgment of the Congress of the United States that America shall rid itself of controls at the earliest possible moment.

The provision with reference to luxury accommodations, which was first agreed to by the Senate, was an attempt on the part of the Senate, in 1949, to recognize the declaration of policy in moving toward decontrol in a field in which there would be no injury to any American citizen.

Mr. President, I remember, sir, that we had a similar discussion a year ago. The Banking and Currency Committee a year ago agreed to a provision comparable to the one which the Senate passed with reference to luxury accommodations in 1949. Part of the reasoning behind the adoption of that provision in 1948 was that there are limits in terms of rent control above which neither tenant nor property owner is entitled to, or in need of, any conceivable degree of protection from the Federal Government.

I submit, therefore, Mr. President, that what the conference has done—and I say it has not done it intentionally, and certainly the action taken was in good faith, but, nonetheless, the action which has been taken by the conference repudiates the considered judgment of this body and assumes to recognize that in the year 1949, several years after the war has ended, tenants paying $500, $600, $700, and $1,000 a month are continuing in need of protection from the Federal Government.

Mr. IVES. Mr. President, will the Senator yield?

Mr. CAIN. I shall be very pleased to yield to the Senator from New York.

Mr. IVES. The junior Senator from New York, in view of the facts the able Senator from Washington has brought into the discussion, would like to ask the Senator from Washington if it was not the intent and has not been continually the intent of the Senate, at least during the past year, to begin to decontrol as quickly as such decontrol might be possible, in line with existing housing conditions, and that, as a beginning of that effort, decontrolling at the top rather than at the bottom was thought to be most desirable, and that this is the first direct effort along that line. Is that correct?

Mr. CAIN. I should like to respond to the junior Senator from New York by again reminding him that the declaration of policy in the present bill is exactly as it was in 1947, which declares it to be the intention of Congress to move toward decontrol. In furtherance of that response I should like to say——

Mr. IVES. Mr. President, will the Senator yield further?

Mr. CAIN. I yield.

Mr. IVES. The point which the Senator from New York would like to make is simply this, by way of a question: In the proposal in the conference report, does it not become more or less evident that the original intent of the Senate by this process is abandoned?

Mr. CAIN. The answer to that question, from my point of view, and, I hope, from the point of view of every other Senator, is an obvious one, that the action taken by the conference entirely repudiates the instructions of the Senate to the Senate conferees as they went into the conference. The repudiation is on the basis that it was the intention of the Senate to decontrol wherever decontrol could be safely undertaken, without injury to any of the parties involved. What the conference has actually done is to say that unless decontrol of a luxury apartment shall result through conversion of some additional housing units, beginning not at any particular figure, but including, presumably, all figures, it shall not be decontrolled.

Mr. IVES. Mr. President, will the Senator yield for one further question?

Mr. CAIN. The Senator will be very happy to yield.

Mr. IVES. From all the things being stated by the Senator from Washington, it would appear that the conference report carries out neither the intention of the House nor the intention of the Senate. Is that correct?

Mr. CAIN. I think the Senator's conclusion is precisely accurate, for the reason that, undoubtedly, it does not carry out the intention of the Senate, and I can only assume it does not carry out the intention of the House, because the House did not even reflect on the subject of luxury accommodation.

Mr. President, I have enjoyed this opportunity to call to the attention of the Members of the Senate individually what to me is a seeming contradiction, and a departure from the intention of the Senate.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. CAIN. I am glad to yield.

The VICE PRESIDENT. This argument, of course, is addressed to the Chair on the point of order.

Mr. WHERRY. In order to bring out possibly another point involved, may I ask the Senator from Washington if he is not now setting up the premise that rule XXVII has been violated by the conferees in inserting new matter in the report? Is that correct?

Mr. CAIN. That is my understanding.

Mr. WHERRY. Then I suggest to the able Senator that the rule also provides that if matters which were agreed to by both Houses are stricken from the bill a point of order may be made against it. I ask the able Senator from Washington if it is not true that the conferees took out not only the Senate provision as to a 5-percent automatic increase but also the House provision for a reasonable return? Are they not both out of the bill, and in their place is there not a new provision found on page 2, which is the point the Senator from Ohio has been making, that a fair operating return or expense will be allowed? Is not that new matter inserted in place of two provisions, one adopted in the Senate and one adopted in the House, which are completely stricken from the bill?

Mr. CAIN. The Senator from Washington suggests to the Senator from Nebraska that the Senator from Ohio is better qualified to answer his question, though my response to the question would be that as the conference appears to have disregarded the luxury provision adopted by the Senate, it likewise has disregarded the position of both the House on the one hand and the Senate on the other with reference, first, to a fair return on a fair value, and, second, a 5-and-5-percent increase, as agreed to by the Senate.

Mr. BRICKER. Mr. President, was a question directed to me?

Mr. CAIN. Let me say to the Senator from Ohio that the Senator from Nebraska asked me whether in my opinion the conference had not exceeded its authority in failing to recognize either the House provision respecting a fair return on a fair value, or the Senate provision as to a 5-and-5-percent increase, and I suggested that the Senator from Ohio would be better qualified to answer the question.

Mr. BRICKER. What the Senator has stated as his conclusion is exactly my point, and I have moved that the report be recommitted to the conference committee for further consideration.

Mr. CAIN. Mr. President, having no desire unnecessarily to take up the time of the Senate, let me in summary say only that I would ask very seriously that the Chair read, at his convenience, the two provisions to which I have referred, one covering luxury housing accommodations as provided for in the Senate amendment which was adopted on March 23, 1949, and, secondly, the luxury accommodation provision provided for in the conference report.

I should like to think that the Vice President, after a thoughtful study of those two provisions, might agree with the junior Senator from Washington that the conference has exceeded its authority by its failure to carry out the premeditated intention of the Senate, which was only in keeping with the declaration of policy in the Housing and Rent Act of 1947, the failure of the conference to include the provision in the conference agreement as the luxury housing accommodation proviso was agreed to on the floor of the Senate.

In conclusion, Mr. President, I read from Public Law 601, Seventy-ninth Congress, second session, chapter 753, a section which covers the point in question. Its title is "Conference Rules on Amendments in Nature of Substitute."

SEC. 135. (a) In any case in which disagreement to an amendment in the nature of a substitute has been referred to conferees, it shall be in order for the conferees to report a substitute on the same subject matter; but they may not include in the report matter not committed to them by either House. They may, however, include in their report in any such case matter which is a germane modification of subjects in disagreement.

I suggest, Mr. President, that what the conference has agreed to in the field of luxury accommodations by no stretch of the imagination could be construed to be a germane modification of a subject within the two bills.

The VICE PRESIDENT. The motion of the Senator from Ohio to recommit the conference report takes precedence over the point of order, and therefore will have to be voted upon before a ruling on the point of order, because if the motion should prevail, there would be no need to rule on the point of order.

Mr. TAFT. Mr. President, I should like to explain, very briefly, why I intend to vote to return the report to the conference committee. It is certainly not with any intention of killing the bill, because I have every desire to vote for the bill, and indicated my approval of it when the Senate passed it.

It seems to me the conference committee has evaded, I do not say the rule, but the spirit of the two bills. The Senate inserted a provision for the protection of the landlords through the 5- and 5-percent increases. The House had adopted a provision regarding reasonable return on a reasonable value of the landlord's property. Instead of compromising the two in any way, or accepting the provision of either House, the conference committee eliminated both.

What the conferees inserted to my mind means nothing. It is exactly what is in the present law. It is in no sense what the House adopted or what the Senate adopted. So-called operating net income, or fair net operating income, necessarily, to my mind, excludes depreciation, in spite of the opinion of the distinguished Senator from Alabama [Mr. SPARKMAN] and the distinguished Senator from South Carolina [Mr. MAYBANK]. Why insert the word "operating" at all unless depreciation, which is a direct out-of-pocket expense, is allowed?

I hope that if the conference report shall become the law, the Expediter may pay some attention to the opinion of the Senator from South Carolina and the Senator from Alabama, but I do not think he will. I think he will hold that the phrase does not include depreciation, and that net operating income refers more to cash income than to cash outgo.

Mr. SPARKMAN. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield to the Senator from Alabama.

Mr. SPARKMAN. I should like to assure the Senator from Ohio that depreciation is included as a part of operating expenses, at least in that part which is to be deducted from the gross rental income in order to arrive at the net operating income. That was discussed time after time in the conference committee. We even called in the deputy of the Housing Expediter and discussed it with him. It was thoroughly agreed and thoroughly understood by every member of the conference committee that depreciation was one of the factors to be taken into consideration in arriving at net-operating income.

Mr. TAFT. May I ask the Senator from Alabama a question?

Mr. SPARKMAN. Certainly.

Mr. TAFT. What, then, is the objection to the provision for a reasonable return on a reasonable value? Why did the conferees take out the words "reasonable value"?

Mr. SPARKMAN. We merely thought that the language in the conference report was more workable, more nearly administratively possible of enforcement, than the other language.

Mr. TAFT. Why does the Senator think that? That is what I should like to know.

Mr. SPARKMAN. Because under the other language it would be necessary not only to do exactly the same thing that would have to be done under the provision adopted, that is, the Expediter would have to determine what was a fair return, but he would have to make another determination as to what was the reasonable value of the property.

Mr. TAFT. How can he possibly determine what the reasonable depreciation charge is without first determining the reasonable value of the property?

Mr. SPARKMAN. Every person who owns a piece of property and files a personal income tax return puts in his return what the depreciation is. How simple that is. In the form provided there would be simply a space with the word "depreciation," and the landlord would put in exactly the amount the Commissioner of Internal Revenue recognizes.

Mr. TAFT. Why could not the same thing be done under the provision for a reasonable return on a reasonable value? That is a prima facie test. Every man carries his property on his books at some value on which he bases depreciation. Very well; that is the value I would think the Administrator would take, subject to correction if it were obviously out of line. It seems to me the only reason for substituting these words, which really have never been construed, the meaning of which no one understands, was to get

away from the valuation of property. If you include depreciation you do not get away from the valuation of property, and you should not do so.

Then I ask the Senator from Alabama, What does the word "fair" mean? Fair with relation to what?

Mr. SPARKMAN. The Expediter will determine in each area what fair is. I may ask the Senator from Ohio, What did he mean by the word "fair" in the amendment he offered when the bill was before the Senate?

Mr. TAFT. Reasonable return. I would say that 5 or 6 percent would be reasonable return. The New York law provides for 6 percent.

Mr. SPARKMAN. But the Senator did not say that in his amendment. He said fair return.

Mr. TAFT. That is correct.

Mr. SPARKMAN. Then it was up to the Expediter to decide.

Mr. TAFT. The term has a reasonable relation. It is generally recognized in utilities, in the railroads, that fair return is somewhere between 4½ and 7 percent on property. That is generally determined. But no one has ever determined what a fair net operating income is. What does the Senator mean by fair? Does he mean fair in relation to the value of the property?

Mr. SPARKMAN. My idea would be that the Expediter in each area, by a study as to comparable rents, the historical background of the rents in the particular area, would decide what would be a fair return for the rental of any particular house, and the rents would be adjusted in that way.

As a matter of fact, the Senator from Ohio has just said that there is similar language—not completely similar, but somewhat similar—in the regulations with reference to hardship cases. But the limitation in the existing law, to which the Senator from Ohio vigorously objected when the bill was on the floor, was inserted to make certain that the owner would not sustain a loss. Now we have lifted that out. We are saying further, "Do not stop simply at the point where he no longer sustains a loss. Lift it on up to the point where he is receiving a fair return from the rental for his property."

Mr. TAFT. I suggest to the Senator that by the time this law expires the Supreme Court will still not have determined what a fair net operating income is or what it is intended to mean. The term is so vague and so uncertain that I can see no recourse except to send the report back to the conference committee and let them rewrite it according to what they mean, and say what they mean. I can see no reason for changing the provisions of the Brown amendment, which was adopted by the House, except to get away from the question of valuation. The moment you get away from the question of valuation, the word "fair" means nothing, the word "operating" excludes depreciation, and I can see no possibility of anyone agreeing on what those words mean. Since they affect the money return on the property of millions of people in this country, I see no recourse except to ask the committee to reconsider the matter and write a definition which can be understood—about which there can be no dispute.

The VICE PRESIDENT. The question is on the motion of the Senator from Ohio [Mr. BRICKER].

Mr. FERGUSON. Mr. President, will the Senator from Alabama yield to me for a question?

Mr. SPARKMAN. I do not have the floor. I will accept it, if I may.

The VICE PRESIDENT. The Chair did not know the Senator was seeking the floor.

Mr. SPARKMAN. No; I was not. I did not have the floor, but if the Senator wants to ask a question, I will accept the floor, for the purpose of answering.

Mr. FERGUSON. I have a question in relation to——

The VICE PRESIDENT. The Senator from Alabama is recognized in order that he may yield to the Senator from Michigan for a question.

Mr. FERGUSON. The Senator from Alabama has indicated that under the interpretation of the words "fair net-operating income" a reasonable depreciation would be allowed.

Mr. SPARKMAN. That is correct.

Mr. FERGUSON. That is the way the Senator interprets it. Now I want to know whether there is included a reasonable return on the owner's investment. Is that included?

Mr. SPARKMAN. The question of valuation of the property is not taken into consideration. I mean that is not the base upon which the fair net operating income is determined.

Mr. FERGUSON. Very well. Then, as I understand, the value of the property will not be considered by the Expediter in allowing a return on the value of the property.

Mr. SPARKMAN. Certainly not. If the Senator means by that that the Expediter must make an appraisal of every piece of property, I will say to him that we are striving to get away from that impossible task with the machinery the Expediter has at his command.

Mr. FERGUSON. Very well. As I understand, then, an owner of property in the United States, after the bill is passed, will receive nothing except his out-of-pocket expenses in operating the building or the property, plus a reasonable depreciation. In other words, if the bill is enacted into law, and the law continues to be in operation for 30 years, what a man would end up with is the value of his property, that is the property on the land, the building, and he would receive nothing as a profit for his ownership of the land? Is that correct?

Mr. SPARKMAN. No, that is not correct.

Mr. FERGUSON. Very well. What would he receive?

Mr. SPARKMAN. Let me answer that a little more fully if I may. A man who has a piece of property which he is renting certainly has certain expenses in connection with the operation and maintenance of the property—such as taxes, insurance, upkeep, depreciation—expenses which are necessary in order to keep the rental property in a good shape and rentable condition. Every dime of that expense is counted as operating expenses. He collects so much rent. He can deduct every dime of that expense from the rent he receives. Then if he thinks he is not receiving as much return as he should receive, he can petition the Expediter, and the Expediter is directed under this provision to allow him a rental which will assure a fair net operating income; and net operating income means the gross income from his rent, minus all the expenses of operation and maintenance, and minus depreciation on the property.

Mr. FERGUSON. But he receives nothing so far as a profit or increment on the value of the property is concerned. He receives his out-of-pocket expense plus depreciation, and he receives nothing else.

Mr. SPARKMAN. Yes; he does.

Mr. FERGUSON. What does he receive?

Mr. SPARKMAN. In fact, the Senator from Michigan omits the principal item.

Mr. FERGUSON. What is it?

Mr. SPARKMAN. He receives a fair income over and above the items the Senator from Michigan has mentioned. I do not see how anything could be clearer than that. Under the law as it stands now the Expediter is directed in hardship cases to consider every single one of the factors I have mentioned, and to allow the owner a rental that will prevent him from losing anything. There was nothing mysterious about that provision of law. That has been in the law all along. No one has ever raised the question.

Mr. FERGUSON. In other words, under the law as it is, the Senator claims the owner is entitled to only his out-of-pocket operating costs?

Mr. SPARKMAN. No.

Mr. FERGUSON. Now the Senator proposes to give him a fair profit above that?

Mr. SPARKMAN. It all depends on whether or not the Senator from Michigan intends to include in his out-of-pocket operating cost the depreciation item also. I hope the Senator will keep that in mind, because it is included.

Mr. FERGUSON. I cannot see how allowing a man depreciation is allowing him any money for the use of his property. It is only making him whole.

Mr. SPARKMAN. Depreciation is included, along with the various expenses of operation and maintenance, in determining whether or not the owner is breaking even. The present law simply requires the Expediter to see that the owner breaks even. But we go beyond that. We say that that is not sufficient; that he must have an income over and above that.

Mr. FERGUSON. How much?

Mr. SPARKMAN. We have left it up to the Expediter to see that the property owner breaks even. Now we are leaving it to the Expediter to determine how much he ought to get above that, in order to have a fair net income.

Mr. BRICKER. Mr. President, will the Senator yield

Mr. SPARKMAN. I yield.

Mr. BRICKER. I have tried to read into section 204, subparagraph (b), the

interpretation placed upon it by the distinguished Senator with regard to the depreciation factor. Where in that wording does the Senator find the language which would require taking into consideration depreciation in fixing a return?

Mr. SPARKMAN. I invite the Senator's attention to the fact that the language is this:

> In making and recommending individual and general adjustments to remove hardships or to correct other inequities, the Housing Expediter and the local boards shall observe the principle of maintaining maximum rents for controlled housing accommodations, so far as is practicable, at levels which will yield to landlords a fair net operating income from such housing accommodations. In determining whether the maximum rent for controlled housing accommodations yields a fair net operating income from such housing accommodations, due consideration shall be given to the following among other relevant factors:

We are saying that these are not the only factors to be taken into consideration. Let me say to the Senator that during the discussion, from which he was unfortunately absent all day Saturday, when we were in session for 7 hours——

Mr. BRICKER. I heard enough of that kind of discussion for 3 days without being enlightened.

Mr. SPARKMAN. The Senator should have been present on Saturday also, when this particular issue was discussed over and over. Every member of the conference who was present understood clearly that depreciation was to be included.

Mr. BRICKER. What I am asking the Senator is, Where in this section is it provided that depreciation is to be included? That is what I am trying to ascertain.

Mr. SPARKMAN. It does not say so in so many words, but it does provide for other relevant factors. That question was not completely overlooked in the committee. It came up in the conference committee.

Mr. BRICKER. It was discussed while I was there.

Mr. SPARKMAN. It was discussed on Saturday. We called on Mr. Dupree, the deputy to the Housing Administrator, to get his opinion on it, and he stated that depreciation, once determined in any particular area, would be a constant factor. It did not matter whether it was spelled out or not.

Let me invite the Senator's attention to the fact that this language, as agreed to, was really prepared and very largely stated by the able Senator from Vermont [Mr. FLANDERS], who is unable to be with us today. He came to the conference yesterday with an infected throat, against the advice of his physician, and had to leave the conference. But he submitted this language. I know, as does every other Senate conferee, that he made a determined effort to use the House language of the Brown amendment so far as it was possible to do so, and these factors were spelled out in just this manner in the amendment as it came from the House, and in the amendment which the Senator from Ohio submitted to the Senate when the bill was before us for consideration.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. DOUGLAS. The Senator's last remark is precisely the point I wish to make. In the debate on the bill on the 23d of March the Senator from Ohio [Mr. BRICKER] proposed an amendment, which was identical in language with the language which was adopted, with the exception of "fair return on reasonable value." We took the wording of the Senator from Ohio precisely with reference to "substantial deterioration of the housing accommodations, other than ordinary repair or failure to perform ordinary repair, replacement, or maintenance." So if there is a defect in the present language, it is taken from the proposal submitted by the very able junior Senator from Ohio, and it certainly seems to be identical with that which he proposed. I presume it was satisfactory to him at that time.

Mr. SPARKMAN. I appreciate the remarks of the Senator from Illinois. His statement is correct. I am sorry that I do not have the original proposal submitted by the able Senator from Vermont [Mr. FLANDERS]. I should like to point out how few words in the so-called Brown amendment were changed. I dare say Senators would be amazed to see how few words were changed in that amendment, in order to get this language. We simply changed it from "fair return on reasonable value" to "fair net operating income."

Mr. BRICKER. That, of course, was the most important part, I submit to the Senator.

Mr. SPARKMAN. I am not saying that it was not the heart of it, because it was. But the point I am trying to make is that so many of the things to which objection has been raised today were in the Brown amendment, the very amendment offered by the junior Senator from Ohio [Mr. BRICKER]. and the senior Senator from Ohio [Mr. TAFT] when the bill was before the Senate originally.

Mr. BRICKER. But reasonable value and depreciation on value and other relevant cost factors in relation to value are entirely different things from "fair net operating income." I again ask the Senator from Alabama if there is any place in this language which requires consideration of depreciation in finding fair net operating income, except that the Expediter's attorney came before the committee and said that it would be determined in a certain manner?

Mr. SPARKMAN. Remember, the Brown amendment from the House and the Bricker amendment——

Mr. BRICKER. I was dealing in my amendment with fair value, and with a fair return upon fair value. Fair value takes into consideration depreciation, under every rule of accounting and every principle of law.

Mr. SPARKMAN. I remind the able Senator from Ohio that in determining the fair value and the fair return the Bricker amendment had exactly the same wording that this section has. It had the wording with reference to other relevant factors, and they were spelled out—(A), (B), (C), (D), and (E)—in exactly the words we have here. There has not been a single word changed. So if the Bricker amendment included depreciation, the conference report includes depreciation.

Mr. BRICKER. But depreciation on fair value of property is a well defined thing. Depreciation, when it is applied to a fair net operating income, is practically meaningless. Is not that correct?

Mr. SPARKMAN. I am sorry that I failed to catch the Senator's question.

Mr. BRICKER. Depreciation when applied to an actual value is a very real and tangible thing. When applied to fair net operating income, it is meaningless.

Mr. SPARKMAN. It is certainly just as real as we can make it with our statement.

Mr. BRICKER. I ask the Senator—and I do not do so merely for the purpose of repetition—whether there is anything in this section which would require the Expediter to take into consideration normal depreciation on property, which is, of course, the using up of the property. Is there anything in this section which requires him to take that factor into consideration in fixing fair net operating income?

Mr. SPARKMAN. We believe there is.

Mr. BRICKER. Where is it? I should like to read it.

Mr. SPARKMAN. I shall be glad to submit it in the same language that the Senator from Ohio submitted his amendment.

Mr. BRICKER. Let us get away from that. I want to know where, in this section, there is anything which requires taking into consideration normal depreciation on property in fixing a fair net operating income.

Mr. SPARKMAN. It cannot be found in specific words; nor could it be found in specific words in the Brown amendment or the Bricker amendment.

Mr. BRICKER. But a fair return on fair value is entirely different from fixing a fair net operating income, upon which depreciation has no pertinent bearing at all.

Mr. SPARKMAN. The Senator from Ohio states that his "fair return on reasonable value" would have taken depreciation into consideration. Let us consider that statement coming from the Senator from Ohio. It cannot be found in so many words in the amendment he offered. Yet he says that was his intention.

Let me say just as earnestly and just as sincerely as the Senator from Ohio has said that within the meaning of the amendment we agreed to, depreciation is to be allowed, and it was so understood by every member of the conference committee.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. ANDERSON. I should like to suggest that in determining "fair net operating income," one would naturally take into consideration the expenses which might be paid for a janitor. That

is not spelled out in the language used; but any person who has ever kept a set of books in his life, particularly those which relate to the investments of companies dealing in the ownership of property, recognizes that the expenses of janitors, the expenses of insurance, and all other costs, including depreciation, always are taken into consideration in figuring net operating income. If testimony of that fact is needed, I would suggest that we refer to an accountant, and let him tell us what that means. Certainly it includes wages paid, taxes, insurance, custodial expenses, and so forth.

Would not the Senator from Alabama regard insurance costs as a part of the operating expenses?

Mr. SPARKMAN. I certainly would.

In that connection, Mr. President, let me say frankly, that if I had written the amendment—either the amendment to which the conference committee agreed or the Brown amendment or the Bricker amendment—I would have used different words. For instance, under "(A)," which is one of the factors, it is provided "due consideration shall be given to increases in property taxes."

I wish to say to the Senator that I am just as certain as I can be that when the Senator from Ohio offered his amendment, he intended all taxes to be taken into consideration, and not merely increases in taxes. Yet if we were to hold him as strictly to his amendment as he tries to hold us to this, it would be held to apply only to increases in taxes, and then only increases in taxes would be taken into consideration.

Let me make this perfectly clear, so that no one can say that we intend to include only increases in taxes: We include all taxes, whether they are increased or whether they are the same.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. BRICKER. The Senator may not remember it, but it was at the suggestion of the Senator from Missouri that the phrase "decreases in taxes" was placed in the amendment when it was proposed, and it was accepted by the proposer of the amendment.

Mr. SPARKMAN. I did not know that, but I do see it in the language.

Mr. BRICKER. Yes; there is that difference.

But let us go back to the wording of the section. There is nothing in it which would require the Expediter, under the qualification "fair net-operating income," to take into consideration any depreciation at all. It would simply be up to him to determine whether he would or would not consider it. In other words, he could do whatever he desired to do in the matter, according to the rules and regulations which he issued. Nothing in this section would require him to take depreciation into consideration at all. Nothing in this section would give him any guidance in determining what is a fair return or what the owner should receive above the fair operating costs of the property.

Mr. SPARKMAN. Mr. President, let me say to the Senator from Ohio that I shall not quarrel with his interpretation if he wishes that to be the interpretation of the cold printed type; but I am sure the Senator from Ohio knows that included in the interpretation of any law is the legislative history which was made on the floor of the Senate and on the floor of the House of Representatives while the measure was being discussed. Let me say once more to the Senator from Ohio that all through our conference on Saturday, the question of depreciation was discussed—not once, but many, many times; and it was the understanding and the agreement of every member of the conference committee that depreciation was to be included in arriving at the fair net operating income.

Let me also say to the Senator—I think I can illustrate it further; I believe the Senator from Ohio knows this, for I think some of this discussion took place on Friday afternoon or Friday evening before he left, when question arose as to amortization and interest—that at that time it was agreed by the conferees on the part of the Senate, and we actually submitted it to the conferees on the part of the House, that there would be a provision excluding amortization and interest; but it was understood then that depreciation was not excluded, but was to be accounted for and taken into consideration. As a matter of fact, those were the only words on which we failed to reach an agreement on Saturday night.

Mr. FULBRIGHT and Mr. DONNELL addressed the Chair.

The VICE PRESIDENT. Does the Senator from Alabama yield; and if so, to whom?

Mr. SPARKMAN. I yield first to the Senator from Arkansas, who has been on his feet for some time.

Mr. FULBRIGHT. Mr. President, I should like to ask the Senator how this provision gets away from the necessity of arriving at the value of the property. I do not see how one can determine what the depreciation is without accepting some value on the property. Depreciation is always expressed as a percentage of the value. The normal percentage of depreciation allowed on the average building, is, I believe, approximately 3 percent a year on the estimate of its value, on the basis that a building lasts 30 years. Of course there are variations according to use; but I would say that the average depreciation on a rental building of brick construction is 3 percent a year.

I understood the Senator to say that by means of the provision now under discussion we get away from the necessity of arriving at the value of the property. Is that correct?

Mr. SPARKMAN. What I said is that we would not require the Expediter to make an appraisal of every piece of property, as would have been necessary under the so-called Brown amendment.

With reference to depreciation, I stated yesterday, in answer to a question from another Senator, that in my opinion the Expediter would simply allow the landlord to list the same depreciation which he listed in his income-tax return, and would accept that.

Mr. FULBRIGHT. I understand that; but my point is that if the Expediter accepts that, we have not gotten away from the necessity of arriving at the value of the property. So the idea that the House amendment was excluded because we did not wish to arrive at the value, does not stand up, for we are actually accepting the landlord's valuation of the property when we accept his depreciation figure. There is no difference.

Mr. SPARKMAN. Of course, there are many ways of arriving at the value; but we felt that under the Brown amendment about the only way the Expediter could arrive at the value would be by making an appraisal.

Mr. FULBRIGHT. I see the point.

Mr. SPARKMAN. But be that as it may, that was not the only reason for making the change.

Mr. FULBRIGHT. I do not know why we would accept the owner's statement of depreciation, except for the purpose of arriving at the valuation. It seems to me that the Senator's argument that this provision is an improvement because it does not necessitate arriving at the valuation does not stand up, if we arrive at the depreciation figure, because they are just two different ways of stating the same thing, for there is no way to determine or to state depreciation without using as a basis the value of the property, in order to apply the percentage or rate of depreciation.

So I cannot follow the argument that this provision does not necessitate arriving at the valuation of the property, assuming that depreciation is to be allowed. If we do not permit depreciation to be allowed—according to the theory of the senior Senator from Ohio—then, of course, there is no necessity for arriving at the value. But I am not clear about this provision at all.

Mr. SPARKMAN. We do allow depreciation; although it is used, not for the purpose of determining the value, but as one of the items which should be deductible in order to make certain that the landlord is receiving a fair net operating income. It should be remembered that within any particular area depreciation will be a constant factor, and there are other items that are constant factors. Taking depreciation, and figuring the value on it, does not necessarily give the value of the property as it stands at the present time, or even its replacement value. Depreciation is based on original cost. We do not use it for the purpose of arriving at value, but we simply allow it as a deductible item in the expense of operating the property.

Mr. FULBRIGHT. I should like to pursue the point further. Today one of the great complaints, which is made not only by the owners of rental property but by businessmen, is that the present depreciation is far out of line with what it ought to be because it is based on costs of 10 or 15 years ago, which were perhaps 50 percent of what they are today. I do not know that depreciation based on original cost is the only rule the Expediter will follow; but I am not sure that the result would at all approximate a fair return on present value.

Mr. SPARKMAN. That is exactly what I said. We are not using it to calculate a fair return; we are using it as a deductible item in determining whether

the landlord is breaking even or is getting as much over what would enable him to break even, as he ought to have, and we are simply accepting the landlord's word for it without the agency having to make a definite appraisal.

Mr. FULBRIGHT. I should like to ask another question on this section. Under (B) it says "unavoidable" increases in operating and maintenance expenses. Does that mean that the Administrator determines whether an increase is avoidable or not? For example, let us suppose an increase from $150 to $200 is the pay of the janitor of a building. The Administrator could disallow that on the ground it was unnecessary. That is, he has complete discretion to say whether an increase in operating expense is justified or not. Is that the purpose of the word "unavoidable"?

Mr. SPARKMAN. That really refers to any extra expenses to which the owner might be put. Certainly they are items in the cost of operating. Let me remind the Senator from Arkansas again that that language is in the so-called Brown amendment an was not our language.

Mr. FULBRIGHT. I am not interested in the Brown amendment. I am interested in trying to understand what this means. What does the word "unavoidable" mean? Why was it put in the bill? That is all I should like to know. I am merely curious about its meaning.

Mr. SPARKMAN. The water pipes might freeze, which would require an unusual amount of janitor service, plumbing repairs, or something of the kind. Many things could happen. A fire could break out that would call for additional cleaning up, patching, and so forth. Certainly in any one year the owner ought to be entitled to something for such expenses. He would be entitled to a deduction in his income tax.

Mr. FULBRIGHT. If the building were painted and the Administrator did not think it needed painting, he could disallow the item, because it was not unavoidable, could he not?

Mr. SPARKMAN. Of course we must assume in any law that the person administering it is going to be reasonable. The Senator knows that the same factors have come up many times heretofore, and I think he will agree the Expediter has followed a reasonable course with reference to allowing expenses. There is nothing new in this.

Mr. FULBRIGHT. I may say the assumption of the Senator is reasonable, but the application of the rule is difficult. The question is whether the assumption is valid. If it were perfectly reasonable, we would not at all need all these provisions. That is what the Congress is trying to do, to substitute its wisdom for the unconfined discretion that has been given to the Administrator heretofore.

Mr. SPARKMAN. Of course, that is always true with reference to legislation generally. Congress has a very definite duty to perform.

Mr. FULBRIGHT. I wonder if the Senator does not feel that "unavoidable" is an unnecessary word, that "increases in operating and maintenance expenses" would be sufficient as a practical matter?

Mr. SPARKMAN. It may very well be, but today that cannot be done. In the conference we could have stricken the word "unavoidable." Apparently nobody thought it such a serious matter as does the Senator from Arkansas, and I cannot believe that the Senator from Arkansas would consider it of sufficient importance to justify recommitting the report.

Mr. FULBRIGHT. I am asking only for information. I want to know what it means. I have not committed myself about recommitting at all.

Mr. SPARKMAN. I think the meaning of the word "unavoidable" is well known.

Mr. FULBRIGHT. No, not in this connection. I should think "increases in operating and maintenance" should be allowed, unless there were something extremely strange about them.

Mr. SPARKMAN. I think that is exactly what the word "unavoidable" means.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from New Mexico.

Mr. ANDERSON. It seems to me that possibly there could be types of unavoidable expenditure of this nature: Suppose that in order to get a higher income, a man should put himself on the pay roll and put his wife on the pay roll as an assistant cashier, and put somebody else on the pay roll as a doorkeeper. The Senator would then recognize that those were not proper charges, and the Expediter in such case might have to disallow them. That is the only occasion, so far as I can see, for the provision relating to "unavoidable" expenses, which could be expenses of the type to which I referred.

Mr. SPARKMAN. The Senator is correct. I think the word "unavoidable" has a place in the provision, but I say, when we employ language such as that, we must certainly have confidence in somebody to administer it properly. I assuredly think the Housing Expediter will so administer it.

Mr. FULBRIGHT. Mr. President, if the Senator will yield further, I should like to ask a question in regard to a different section.

Mr. SPARKMAN. The Senator from Missouri has been standing for some time. I yield first to him.

Mr. DONNELL. Since the Senator is good enough to yield to me, I have a question I should like to ask on this section. I understand the Senator from Arkansas wants to proceed to another section.

Mr. FULBRIGHT. That is correct.

Mr. DONNELL. I should like to know whether or not it is the construction of the Senator from Alabama that under the conference bill it is intended, in making and recommending individually and generally, adjustments to remove hardships or to correct other inequities, that the Housing Expediter and the local boards shall observe the principle of maintaining maximum rents for controlled housing accommodations, so far as is practicable, at levels which will yield to landlords a fair return on their investments. Is that intended?

Mr. SPARKMAN. That is not the wording.

Mr. DONNELL. I know that is not the wording, but is that the intention?

Mr. SPARKMAN. I repeat, that is not the wording. Nor is that the test.

Mr. DONNELL. What I ask is, Is it the intention of the Senator from Alabama, by the language contained in the conference report, to provide that, in the sentence from which I have quoted, the Expediter and the local boards shall observe the principle of maintaining maximum rents at levels which will yield to landlords a fair return on their investments?

Mr. SPARKMAN. That is not correct.

Mr. DONNELL. Why is it not proper that rentals should be maintained on that basis? Why is it not perfectly proper for a landlord who has his money invested in his property to have the Housing Expediter and the local boards observe the principle of maintaining the rents, so far as is practicable, at rentals which will yield the landlords a fair return on their investment?

Mr. SPARKMAN. That was the test laid down by the House in its amendment. The Senate laid down a different test, and the conference tried to work out an agreement between the two. We agreed on the other test. Instead of being a fair return on the reasonable value of the property, we set the test as a fair net operating income.

Mr. DONNELL. Does the Senator make a distinction between a fair net income and a fair net operating income?

Mr. SPARKMAN. Yes.

Mr. DONNELL. What is a fair net income and what is a fair net operating income, according to the distinction in the mind of the Senator?

Mr. SPARKMAN. Within our thinking in the conference committee, net income would have included amortization and interest if there were a mortgage on the property. Of course, that would have set up a different rental basis for identical properties, one of which was free of mortgage and the other of which was mortgaged. Therefore, we used the term "net-operating income" in order to exclude amortization and interest on mortgage indebtedness.

Mr. DONNELL. So if a man has his money invested in a rental property and has a mortgage on it, the Housing Expediter and the local boards are not required in determining what is a proper rent to take into consideration any of the interest on the investment, any of the interest on the loan on the property; is that right?

Mr. SPARKMAN. That is correct.

Mr. AIKEN. Mr. President——

Mr. SPARKMAN. If the Senator will wait a moment, I may carry that out just a little further, in order that the Senator from Missouri may see it as I do. I think he will agree with me.

Let us assume that Mr. Smith owns a house of the value of $5,000, clear of indebtedness; that Mr. Jones owns a house, right beside it, worth $5,000, but he has only a thousand dollar interest in it. He has a $4,000 mortgage bearing 5-percent interest, amounting to $200 a year in interest, and let us say, there is $100 principal reduction. That would be $300. If

we take that into consideration, the man who has the mortgage would have to receive $300 more rent than would the first man whom I have mentioned. Certainly the Senator does not believe that there should be that difference in rentals, does he?

Mr. DONNELL. Does not the Senator think it is only common, elemental justice that if a man has his money invested in real estate, the Housing Expediter, in fixing the reasonable rental of the property, should take into consideration the investment, whether it be in the nature of an equity or whether it be in the nature of borrowed money, or both? Let me give the Senator an illustration and ask his judgment on it. I have in mind a concrete case in the city of St. Louis, in which a lady, a school teacher, who was many years younger than she is now, invested her earnings in an apartment building. She carried a mortgage on it, and she carries it today. She has had great difficulty to keep going, under the present rent-control laws. Does not the Senator think it would be proper, in determining what rental that lady may secure from her tenants in the apartment building, that there should be computed as a part of the rent a fair return on the investment which would, of course, include interest on the mortgage and a fair return on the equity? Is not that proper, and only elemental justice?

Mr. SPARKMAN. Mr. President, I yield to the Senator from Illinois.

Mr. DOUGLAS. I should like to speak——

Mr. DONNELL. Mr. President, I asked the Senator a question.

Mr. SPARKMAN. I will answer it. I cannot subscribe to the belief that a tenant occupying a property on which there is a mortgage and an amortization and interest load each year, should pay more rent than some other tenant living side by side with him in a property that is clear.

Mr. DONNELL. Does the Senator not think he misunderstood me? I made no such statement. The point I make is this: Supposing the Senator from Alabama himself had invested his savings, let us say, $20,000, in a building, and that he had paid for it outright; does he think it is proper, in determining the amount of rent he should be entitled to charge, that he should be remitted to such amount as will barely pay the operating expenses, and possibly $10 a year more? Would he not feel, if he had invested all his savings, if he depended upon the investment for his living, that he should have a fair return on the $20,000 of investment in the property, as well as a just and fair income excess over operating expenses?

Mr. SPARKMAN. Of course, the Senator from Missouri does not relate his question to the conference report, because we are not recommending that the purchaser of a $20,000 investment should receive only $10 a year.

Mr. DONNELL. Where does the bill recommend anything else?

Mr. SPARKMAN. It recommends that he shall receive a fair net operating income.

Mr. DONNELL. What is that? Does it include interest on his investment, or does it not?

Mr. SPARKMAN. It does not include interest on a debt. It does not include amortization of the debt. It does include depreciation, all the ordinary expenses of operation and maintenance, and all the unusual expenses with which he may be confronted in the course of a year.

Mr. DONNELL. I was not referring, in my last question, to a situation in which there was a mortgage. I was taking a situation in which the Senator himself takes $20,000 which he has saved by hard work, over a period of years, and buys a building and rents it. Does he think that all he should be entitled to receive for rent would be an indeterminate small, so-called fair excess of rental over operating expenses on the property? Does he not think that he he should be entitled, in computing his rental, to receive also a fair return on the $20,000 which his labor over a period of years has brought into his possession?

Mr. SPARKMAN. When the Senator uses the term "small," I should like to have the Senator reason it out without reading words into the bill which are not there. There is nothing in the conference report that says he should receive only a small net income. It says he shall receive a fair income, and it is left to the Expediter to determine what "fair" is. I may say that there was not a single amendment, there was not a single provision, before the conference committee that spelled out a definite formula. Every member of the conference used the words "fair and reasonable" and left it to someone else to determine what it meant. We do the same thing.

Mr. DONNELL. Mr. President, will the Senator yield further?

Mr. SPARKMAN. I yield.

Mr. DONNELL. Supposing, in the case which I cited, of a $20,000 investment, with no mortgage, the Senator from Alabama owns the property outright. Suppose the rentals amount to $2,000 a year. Supposing the operating expenses are $1,750 a year. Does the Senator think that on his investment of $20,000 he should be restricted to a net income of $250, or only a fraction over 1 percent, or does he think he should be entitled to charge rentals sufficiently large to give him a reasonable return of 5 or 6 percent on his investment of $20,000?

Mr. SPARKMAN. If the Senator wants to ask me for my opinion on that specific case, I would certainly say that $250 net operating income would not be sufficient for that property. I certainly think it should be approximately $1,000 or $1,200; and I am quite certain that the Expediter would set the figure at such a point.

Let me say further, that there is not a community in the United States in which there cannot be worked out a fair historic base for the charging of rents to such an extent that the property owner can be assured of a fair income. We believe that can be done, and we believe that the Expediter can do it. That is what we are asking him to do.

Mr. DONNELL. Mr. President, will the Senator yield for one or two further questions?

Mr. SPARKMAN. I yield.

Mr. DONNELL. In the conference report, or in the original bill which was passed by the Senate, in determining maximum-rent yields and fair income, whatever term may be used, why was not the investment of the landlord in his property taken into consideration as one of the elements entering into what would constitute a fair rental return?

Mr. SPARKMAN. I may say to the Senator that the bill, as it passed the Senate, proceeded on an entirely different basis. We used an increase of 5 percent applicable October 1, 1949, and 5 percent applicable in 1950——

Mr. DONNELL. Leaving aside——

Mr. SPARKMAN. Let me finish, please. I may say to the Senator, in further answer to his question, that the able Senator from Ohio [Mr. BRICKER], and perhaps his colleague from Ohio [Mr. TAFT] sponsored an amendment which, in substance, was the Brown amendment. They did not use investment as a test; they did not say 5 percent or 6 percent or 1 percent. They said "fair return," still leaving it to the Expediter to decide what was fair. We do exactly the same thing.

Mr. DONNELL. Does not the Senator realize that the conference report does not include, even remotely, investment in property as one of the items to be taken into consideration in determining what is a fair net operating investment?

Mr. SPARKMAN. I realize that, and I realize also that the conference committee did not have before it a single word relating to investment in the form of any amendment in the bill.

Mr. DONNELL. Does the Senator consider that the landlord is entitled, as a matter of elemental justice, to have his investment in his property treated as one of the items which should enter into the determination of how much rent he should charge? Does not the Senator agree with me in that?

Mr. SPARKMAN. Let me go a little further. On the very first day we opened hearings on rent-control legislation the question of fair return arose. Every member of the subcommittee, without exception, and I think I can say every member of the full committee, without exception, was in favor of the landlord receiving a fair return, and we started then trying to work out a formula.

Mr. DONNELL. Fair return on the investment?

Mr. SPARKMAN. A fair return. Regardless of whether it was on investment, the present value, or the appraised value, the members of the committee wanted the landlord to have a fair return.

There are two very able economists on the Committee on Banking and Currency, both of whom were on the subcommittee. I refer to the able Senator from Vermont [Mr. FLANDERS] and to the able Senator from Illinois [Mr. DOUGLAS]. If the Senator will read the hearings he will see that these two Senators started quizzing practically every witness who came before us with reference

to fair return. Mr. Woods himself said, "If you can work out a formula I am for it, but I have been unable to discover a formula that would work."

As chairman of the subcommittee, in the very beginning I said to the junior Senator from Illinois and to the junior Senator from Vermont, "You gentlemen are the economists on the committee. I believe something can be worked out, and I am designating you two to work it out." They worked on it, and each of them came up with a somewhat different formula. We met in the subcommittee, we thrashed through the matter as best we could, in an endeavor to get a provision which would be fair, which would be workable, which could be easily and quickly put into effect. The result was that we agreed upon the provision for 5 percent on October 1 and 5 percent on April 1. The Senator knows that the Senate agreed to that. But the House conferees would not agree to it.

We have proceeded on the basis that we want the landlord to have a fair return. The only question that arose was, How are we to determine what that fair income is? It was the considered judgment of the committee that the formula we worked out in the conference was the best we could get.

Mr. DONNELL. Mr. President, will the Senator yield for a further inquiry?

Mr. McCLELLAN and other Senators addressed the Chair.

The VICE PRESIDENT. Does the Senator from Alabama yield, and, if so, to whom?

Mr. SPARKMAN. First let me answer the Senator from Missouri.

Mr. DONNELL. There is nothing in the conference report bill, is there, which includes the amount of the investment of the landlord as an element to be taken into consideration by the Housing Expediter in determining what the rentals shall be? I am correct in that, am I not?

Mr. SPARKMAN. The Senator is correct.

Mr. DONNELL. I again put to the Senator the question which I put to him a few minutes ago, does he not think that, as a matter of elemental justice, if a man or woman has his or her money invested in property, among the items which should be taken into consideration in determining what would be a fair rental would be the investment he or she had in the property? Is not that correct?

Mr. SPARKMAN. I will agree with the Senator that certainly the landlord is entitled to a fair income. What is a fair income may be arrived at in different ways. I would say that if we had the machinery necessary, if the Housing Expediter were equipped to handle the work, or if we were launching a new program to extend over the years, I would be in favor of independent appraisals being made of every piece of property. But we simply do not have the machinery, we do not have, under the Housing Expediter, the employees who would be necessary, and we do not have time to put such a formula into effect. We have tried to work out something that is fair and reasonable, and which can be put into effect just as fast as the petitions are filed.

Mr. LUCAS and other Senators addressed the Chair.

The VICE PRESIDENT. Does the Senator from Alabama yield, and if so, to whom?

Mr. SPARKMAN. I yield to the majority leader.

Mr. LUCAS. I hope the Senator will yield pretty soon to some other Members of the Senate who have been trying to ask a question or two.

Mr. SPARKMAN. Of course, I was merely endeavoring to complete the line of thought.

Mr. LUCAS. I wish to ask the Senator a question. It seems to me that the great trouble with some Senators is that they forget that the conference report bill is a compromise between the House version and the Senate version of the rent-control legislation.

Mr. SPARKMAN. That is correct, and I may say that I have sat as a member of many conference committees, but I have never sat on one, in the 13 years I have been a Member of the Congress, which presented more difficulty than did this one. We had the hardest time working out the conference report bill I have ever experienced in connection with any conference committee.

Mr. DONNELL. Mr. President——

Mr. LUCAS. Will the Senator further yield?

Mr. SPARKMAN. I yield to the Senator from Illinois.

Mr. LUCAS. I wish to say to the Senator that I know exactly what he has been up against in attempting to reach the formula he now has presented, even though it is a compromise between the House version and the Senate version. I may say that all legislation is reached through compromise, and we are now close to the deadline, so far as the expiration of rent control is concerned, so it seems to me that Senators should be fairly cooperative with those who have worked diligently and faithfully in an endeavor to agree on something satisfactory to the great majority of the members of the committee. The Senator from Missouri is interrogating the Senator from Alabama with a long line of questions on a certain phase of rent control which is not involved in the compromise.

Mr. SPARKMAN. And was not before the conference committee.

Mr. LUCAS. And was not before the conference committee, and was not before the committee at any time heretofore in the Senate. The Senator from Missouri never raised any of this contention, as I remember, when the bill was in the Senate. He had the opportunity to do something at that time, the debate was free and open before the Senate, and nothing of the kind was done then. It seems to me, with all due deference, that the Senator is just a little tardy in making his point.

The Senator a moment ago stated that the amendment offered by the junior Senator from Ohio [Mr. BRICKER] was put on the basis of a fair return, and no standards were laid down in the amendment as to what fair return meant. The Senator from Missouri went along with the amendment, as I recall, and never questioned the Senator from Ohio about the factors involved, about which he is now seeking to question the Senator from Alabama. I simply do not understand the point.

Mr. DONNELL. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. In a moment. The Senator from Illinois is correct, and I may make a further statement in order to be absolutely clear to every Senator on this floor. Not a single Senate conferee liked the provision to which we agreed, not one.

Mr. DONNELL. I may say there are others who do not like it.

Mr. SPARKMAN. As I said before, the language finally agreed to was written out by the able Senator from Vermont [Mr. FLANDERS], who did not like it, and who stated at the time that he did not like it. But it was the best that we could get. We are here arguing for it today because it is the best we can get out of the conference.

Mr. DONNELL. Mr. President——

Mr. SPARKMAN. I wish to say that if the bill goes back to conference I think we may as well write rent control off. I know, and every other conferee who sat in the conference knows, that the issue today in the Senate is whether or not we want to extend rent control for another 15 months. If so, Senators should vote the report up or down today, and not send the report back to conference, because we cannot get any better bill out of the committee than we have brought here today.

Mr. McCLELLAN. Mr. President——

The PRESIDING OFFICER (Mr. JOHNSON of Texas in the chair). Does the Senator from Alabama yield to the Senator from Arkansas?

Mr. SPARKMAN. I yield to the Senator from Arkansas.

Mr. McCLELLAN. I appreciate what the Senator has just said, that we ought to vote it up or down.

Mr. DONNELL. Mr. President, will the Senator from Arkansas speak a little louder so that those of us on this side of the Chamber can hear him?

Mr. McCLELLAN. I said I appreciate the very arduous task the conferees had in trying to bring in a report upon which we could all agree. I appreciate what the Senator from Alabama has just said, that in a vote to recommit or to adopt we may be voting for or against rent control. But before the vote is cast I want to try to understand what is the meaning of the language which has been used, and what interpretation will be given to it in the administration of the law. According to my interpretation of the following language——

Mr. SPARKMAN. Will the Senator tell me at what point in the report the Senator is reading?

Mr. McCLELLAN. Yes. I am reading from the section we have been discussing.

Mr. SPARKMAN. Page 5?

Mr. McCLELLAN. Page 5. The report says:

> At levels which will yield to landlords a fair net operating income.

Let us for the sake of having something definite before us assume that 10 percent is a fair income. I think we would all agree that 10 percent on an investment would certainly be liberal. But let us use the figure 10 percent. Let us assume that to be fair. Now, on what are we basing it? The landlord owns a house which costs him $1,000 a year to operate. That is not what the house cost him; that is not the investment. That is not dealt with. Simply the operating costs are dealt with. Would the Senator say that on a house which cost $1,000 a year to operate, a return of $100 net, of 10 percent, would be a fair net operating income? According to my interpretation that is exactly what the language of the bill provides, without any regard to how much the owner had invested, either by way of mortgages or otherwise. Of course, the subject of a mortgage is a very simple one. If I own a house which is of the value of $10,000, and I put $5,000 into it, and I have a mortgage for $5,000, I get only half of the net income of rent for my property. And remember that the landlord must guarantee the income to the mortgagee.

My interpretation of this language is simply that if a man owns a house, or a housing unit, which costs him $1,000 a year to operate, he is entitled to only a fair net income on the cost of operation, and is entitled to nothing, under the language of the conference report, for fair income on his investment. If that is what the language means, and unless I can be convinced it means something different, I do not see how anyone can support it.

Mr. SPARKMAN. I may say to the Senator that that is absolutely not what the language means. At no time during our discussions and deliberations was it ever suggested that such would be the meaning.

Mr. McCLELLAN. Let me ask the Senator——

Mr. SPARKMAN. May I explain my statement?

Mr. McCLELLAN. If the Senator will explain each item as we go along; what other word is used in the language upon which the Senator can base fair net income except the word "operating"?

Mr. WITHERS. Mr. President, will the Senator yield?

Mr. SPARKMAN. Does what the Senator proposes to say relate to the question under discussion?

Mr. WITHERS. Yes.

Mr. SPARKMAN. I yield to the Senator from Kentucky.

Mr. WITHERS. I wish to ask the Senator from Alabama whether the language quoted by the Senator from Arkansas restricts the Expediter to the factors mentioned by him? I find the following language at this point: "Among other relevant factors." Is it a fact that any factor may be considered, whether enumerated here or not?

Mr. SPARKMAN. Yes.

Mr. WITHERS. And the Expediter can consider values, locations, desirability of property, and all other factors in connection with it. Is that correct?

Mr. SPARKMAN. Let me answer both questions together, and I should like to have the attention of the Senator from Arkansas. This has been explained before, but unfortunately, I assume, the Senator from Arkansas was not on the floor at the time.

Let me explain first the term "net-operating income." Let me say to the Senator from Arkansas that the only significance of the word "operating" in this phrase is to exclude amortization and interest, which the Senator agrees ought to be excluded. As a matter of fact, this amendment was offered in alternative language. In one form we said "fair net income, excluding amortization and interest." But as an alternative we proposed it to the House conferees, "fair net-operating income," and they agreed to the term "fair net-operating income." But the expressions are exactly synonymous. "Fair net-operating income" and "fair net income, excluding amortization and interest," are exactly synonymous.

If I remember correctly, the Senator from Arkansas supported the Brown amendment on the floor of the Senate. We are using exactly the same words that were contained in the Brown amendment, when we designate the various cost factors that are set out. That is not our language. That is the language of the Brown amendment. Those which are enumerated are certain extra expenses or unusual expenses. We say "all relevant cost factors." We use that language.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. SPARKMAN. May I proceed and explain what I mean by the phrase "net operating income"?

Mr. McCLELLAN. Explain what is included in "relevant."

Mr. SPARKMAN. What is included in "relevant"?

Mr. McCLELLAN. Yes; all that is included in the word "relevant."

Mr. SPARKMAN. Yes; I will do that. This is about the third time I have done so, but I shall gladly do so again.

Suppose a man owns a piece of property, and he is receiving rent from it. It is costing him something to maintain and operate the property. When I name the factors I may leave out some, but I mean all cost factors—insurance, taxes, maintenance and operation, upkeep, or whatever one may want to call it; unusual expenses that may occur. Those are the four or five that are set out under the designations "(A), (B), (C), (D), and (E)"; any expenses necessary in keeping that rental property on the market in rental condition so as to enable the owner to receive his income from it. I hope that is broad enough to cover everything that is necessary to keep the property going as rental property.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. SPARKMAN. Let me finish. The owner adds all that up, and then he adds to it a certain figure for depreciation. We do not spell it out, but I assume that he would add the same figure that he puts in his income-tax report. Then he takes the total of those figures, and subtracts it from the rent he is receiving.

The law today provides—this is the law, it has been the law for several years, and the Senator from Arkansas voted for it——

Mr. McCLELLAN. I voted for many things during the war that I am not going to vote for in peacetime.

Mr. SPARKMAN. The Senator voted for this provision last year if he voted for rent control. The present law provides that the Expediter shall take those factors into consideration and shall determine whether or not the owner is operating his property at a loss, and if he is, the Expediter must give the owner a rent increase to make certain that he does not sustain a loss.

Now we go further. We are taking that out of the law, and we are saying to the Expediter, "You cannot stop there. You must give the landlord a sufficient additional rent so that he will receive a fair income from the property."

We do not define "fair." Neither did the Brown amendment define it. Neither did the amendment jointly sponsored by the two Senators from Ohio [Mr. TAFT and Mr. BRICKER] define it. It was not defined there, nor is it defined here.

What factors may be taken into consideration? We do not spell them out. We do not pretend to. But we believe that in every community in the United States it can easily be ascertained what ought to be a fair rental for any particular piece of property. There have been base years when the property has brought a proper return. At the present time the Expediter operates on this basis: Any landlord can go to him and say that, during any 2 years the landlord wants to pick out since 1939, "My property brought me this return," and when he says that it brought more than he is receiving now, the Expediter will lift him up to that figure. The Expediter may go back and find other base years when rentals were less than normal, when rent laws were not applied. But he can go further back than that. He can take the investment, if he wants to. He may take into consideration the value if he has a way of determining the value. He may take into consideration the historical base for that particular section. He may consider comparable rents. I do not know what factors he will use; but we are just as certain as can be that in every community in the United States some satisfactory basis can be found to work out a rental base for that particular community. That is what we expect the Expediter to do.

Mr. McCLELLAN. The Senator has told me what the Expediter may take into account.

Mr. SPARKMAN. And what we expect him to do.

Mr. McCLELLAN. We are not telling him that he must do it, are we?

Mr. SPARKMAN. No.

Mr. DONNELL. Mr. President——

Mr. SPARKMAN. Just a moment. There was not a single provision before the conference committee which would have made such a requirement. The subject was not in conference.

Mr. McCLELLAN. I am not arguing that.

Mr. SPARKMAN. I wanted the Senator to know what was within our jurisdiction in the conference.

Mr. McCLELLAN. Since this language has been changed, there is no requirement that the amount invested in the property be taken into account.

Mr. SPARKMAN. No; that is not the test.

Mr. McCLELLAN. That is not the test.

Mr. SPARKMAN. Not necessarily.

Mr. McCLELLAN. There is no requirement that the Expediter take into account the investment in allowing the owner a reasonable return on the investment.

Mr. SPARKMAN. No; that is not the test.

Mr. McCLELLAN. Instead, the words "net-operating income" are used. The owner must have a reasonable profit on that.

I come back to the question which I asked——

Mr. SPARKMAN. No; let me correct the Senator—not a reasonable profit on net operating income. He must have a fair net operating income. Net operating income means what is left from his rents after he has paid all these enumerated expenses, and has allowed for depreciation.

Mr. McCLELLAN. Fair with relation to what? We do not say what.

Mr. SPARKMAN. Neither did the Brown amendment say what was fair.

Mr. McCLELLAN. I am not talking about the Brown amendment. The word is "fair," but it does not say fair with relation to investment; it does not say fair with relation to value; it does not say fair with relation to a thing on God's earth.

Mr. SPARKMAN. The Senator is correct, if he wishes to construe it technically. There was not a single standard before the conference committee, not a single test, not a single provision that said fair with relation to anything. The subject was not in conference.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. BRICKER. The Senator says that there was nothing before the conference committee providing for a fair return on anything. The House bill provided for a reasonable return upon a reasonable value. Reasonable value is an ascertainable, tangible thing. A fair return is a very easily ascertained thing when the standard is fixed. The bill recommended by the conference committee fixes a fair net operating income, but does not say how it is fixed. There is no standard by which it could be fixed. It is entirely up to the Expediter and he may pull the standard out of the air. There is nothing in this bill to say that he may not.

Mr. SPARKMAN. There is just as much in this bill explaining "fair" as there was in the Bricker amendment. Since we are talking about the Brown amendment, let me read what the author of the Brown amendment said on the floor of the House of Representatives on March 11. I am reading from page 2313 of the CONGRESSIONAL RECORD of March 11. Mr. BROWN was asked who was to determine a reasonable return. The House of Representatives was bothered with the same question. This is what Mr. BROWN said:

> Mr. BROWN of Georgia. Percentages vary. Some would say 6 percent or 8 percent or 10 percent. In some sections of the country like New York, where they have many millionaires, a man making 2 percent or 3 percent on a million dollars thinks he is getting a pretty good return. In my section of the country, where we have cities of only 5,000 or 10,000 population, it might be small. Therefore, it is difficult to set a particular standard for every community in the United States. You must go into that on a local basis to arrive at the proper value and reasonable return for each community.

Mr. DONNELL. Mr. President——

Mr. SPARKMAN. I submit, Mr. President, that we are saying the same thing here. The Expediter must go into each defense area, each city, each town, and each section, and determine what the fair net operating income is.

I now yield to the Senator from Missouri.

Mr. DONNELL. Mr. President, am I correct in understanding that the Senator from Alabama has indicated that not a single member of the conference committee is pleased with this portion of the bill, that is to say, that portion which pertains to the basis on which rentals may be fixed?

Mr. SPARKMAN. Yes. I say that unqualifiedly.

Mr. DONNELL. In the second place, I understand from what the Senator from Ohio [Mr. BRICKER] has said—and I ask the Senator whether he is correct—that the House bill did contain reference to reasonable return on reasonable value. Is that correct?

Mr. SPARKMAN. That is correct.

Mr. DONNELL. In the third place, as the Senator from Arkansas so clearly understands, and as I understand, and as I think the Senator from Alabama stated, nothing in the conference report says that the Housing Expediter shall take into consideration the investment in the property in determining what would be a proper rental.

Mr. SPARKMAN. The Senator's understanding is correct.

Mr. DONNELL. The Senator has spoken of the fact that there is no reference to certain requirements, but has expressed his great faith that the Housing Expediter will take into consideration various requirements. Am I not correct in the statement that the bill itself does specify five different requirements, and specifically omits reference to investment in the property as a factor?

Mr. SPARKMAN. The Senator from Missouri is talking about two different things. The five things specified in the bill are extraordinary expenses. They have no connection whatsoever with the value of the property, or investment, or anything of that kind. They are certain expenses over and above the normal operation and maintenance expenses, that shall be taken as part of the operating expense.

Mr. DONNELL. Mr. President, will the Senator further yield?

Mr. SPARKMAN. I yield.

Mr. DONNELL. Does not the Senator think that if he were the owner of rental property, among the things he would like to have in this bill, as a matter of elemental justice to himself, would be a provision that in fixing rentals the Housing Administrator shall take into consideration, among other relevant factors, the investment of the Senator in the property?

Mr. SPARKMAN. I will say to the Senator from Missouri that I do own rental property, and I do not care to have such a provision in the bill.

Mr. DONNELL. The Senator does not care to have in the bill a provision that in determining the rental he may charge there shall be considered, among other relevant factors, the amount he has invested in the property?

Mr. SPARKMAN. I do not care to have such a requirement written into the bill. I am just as certain as I can be that there will be cases, there will be communities, and there will be sections in which that will be taken into consideration; but I certainly do not care to have such a provision in the bill. I do not think it would be desirable to require the Expediter to use that as the standard in every instance.

Mr. DONNELL. Mr. President, will the Senator further yield?

Mr. SPARKMAN. I yield.

Mr. DONNELL. This bill does not require the Housing Expediter in any case to take into consideration the investment in the property in determining what shall be a reasonable rental.

Mr. SPARKMAN. It does not.

Mr. KNOWLAND. Mr. President, will the Senator yield for a question?

Mr. SPARKMAN. I yield.

Mr. KNOWLAND. I have been carefully listening to the discussion on the floor of the Senate. I am perhaps a little more confused now than I was before some of the discussion started. I should like to have the Senator explain to me the words on page 5, subsection (b), "unavoidable increases in operating and maintenance expenses." What is meant by an unavoidable increase? Take an example. Suppose a person owns an apartment house. Because of rents having been frozen, and the fact that the Authority had not allowed an increase, the owner might have talked his janitor into working for a lower wage than the prevailing wage on the outside. Suppose the owner wants to increase the salaries of his janitor and the other help, and he does it on a voluntary basis. Would he then be allowed to charge the new wages, which represent an increase, but perhaps not one which is unavoidable? Would he be allowed to charge such increase as an operating expense? Just what is meant by "unavoidable"?

Mr. SPARKMAN. This question was raised a little earlier when the Senator was unfortunately absent from the Chamber. The example which the Senator mentions would be a part of the ordinary everyday operating expenses. The expenses which are listed in the bill are extraordinary expenses. Let me give an example of what would be an unavoidable increase in operating and maintenance expense. In the case of a hard freeze, such as California had this year, when water pipes broke, that would be, particularly in California, an unusual

increase in the cost of operation and maintenance of the property. The owners would have to call the plumber and the janitor, and perhaps they would have to use some blow torches and I do not know what all, in order to get the trouble straightened out. The cost of that work would be an unusual expense, and the owner would be entitled to include it, as well as the expenses of similar occurrences, under the heading "Unavoidable increases in operating and maintenance expenses."

Mr. MAYBANK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Holland	Mundt
Anderson	Humphrey	Murray
Baldwin	Hunt	Myers
Brewster	Ives	Neely
Bricker	Jenner	O'Concr
Bridges	Johnson, Colo.	O'Mahoney
Byrd	Johnson, Tex.	Pepper
Cain	Johnston, S. C.	Reed
Chapman	Kefauver	Robertson
Chavez	Kem	Russell
Connally	Kerr	Saltonstall
Cordon	Kilgore	Schoeppel
Donnell	Knowland	Smith, Maine
Douglas	Long	Sparkman
Downey	Lucas	Stennis
Ecton	McCarran	Taft
Ellender	McCarthy	Taylor
Ferguson	McClellan	Thomas, Okla.
Fulbright	McFarland	Thomas, Utah
George	McGrath	Thye
Gillette	McKellar	Tobey
Graham	McMahon	Tydings
Green	Magnuson	Vandenberg
Gurney	Malone	Watkins
Hayden	Martin	Wherry
Hendrickson	Maybank	Wiley
Hickenlooper	Miller	Williams
Hill	Millikin	Withers
Hoey	Morse	Young

The PRESIDING OFFICER (Mr. GILLETTE in the chair). Eighty-seven Senators having answered to their names, a quorum is present.

The question is on agreeing to the motion of the Senator from Ohio to recommit the conference report to the conference committee.

Mr. MAYBANK. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. SALTONSTALL (when Mr. LODGE's name was called). My colleague [Mr. LODGE] has had to attend the funeral of a close friend or relative. He has asked me to state that if he were present he would vote "yea."

Mr. RUSSELL (when his name was called). On this vote I have a pair with the junior Senator from Vermont [Mr. FLANDERS]. If the Senator from Vermont were present, he would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote.

The roll call was concluded.

Mr. MYERS. I announce that the Senator from Mississippi [Mr. EASTLAND] is absent on public business.

The Senator from Delaware [Mr. FREAR] is absent on official business.

The Senator from New York [Mr. WAGNER] is necessarily absent.

I announce further that if present the Senator from Delaware [Mr. FREAR] and the Senator from New York [Mr. WAGNER] would vote "nay" on this motion.

Mr. SALTONSTALL. I announce that the Senator from Nebraska [Mr. BUTLER] is absent by leave of the Senate and is paired with the Senator from New Jersey [Mr. SMITH], who is absent because of illness. If present and voting, the Senator from Nebraska [Mr. BUTLER] would vote "yea" and the Senator from New Jersey [Mr. SMITH] would vote "nay."

The Senator from Vermont [Mr. FLANDERS] is absent because of illness, and his pair has been announced by the Senator from Georgia [Mr. RUSSELL].

The Senator from Indiana [Mr. CAPEHART] and the Senator from North DAKOTA [Mr. LANGER] are detained on official business.

The result was announced as follows—yeas 33, nays 53, as follows:

YEAS—33

Baldwin	Hendrickson	Reed
Brewster	Hickenlooper	Saltonstall
Bricker	Jenner	Schoeppel
Bridges	Kem	Taft
Byrd	Knowland	Thye
Cain	McCarthy	Vandenberg
Cordon	McClellan	Watkins
Donnell	Malone	Wherry
Ecton	Martin	Wiley
Ferguson	Millikin	Williams
Gurney	Mundt	Young

NAYS—53

Aiken	Hunt	Morse
Anderson	Ives	Murray
Chapman	Johnson, Colo.	Myers
Chavez	Johnson, Tex.	Neely
Connally	Johnston, S. C.	O'Conor
Douglas	Kefauver	O'Mahoney
Downey	Kerr	Pepper
Ellender	Kilgore	Robertson
Fulbright	Long	Smith, Maine
George	Lucas	Sparkman
Gillette	McCarran	Stennis
Graham	McFarland	Taylor
Green	McGrath	Thomas, Okla.
Hayden	McKellar	Thomas, Utah
Hill	McMahon	Tobey
Hoey	Magnuson	Tydings
Holland	Maybank	Withers
Humphrey	Miller	

NOT VOTING—10

Butler	Frear	Smith, N. J.
Capehart	Langer	Wagner
Eastland	Lodge	
Flanders	Russell	

So Mr. BRICKER's motion to recommit was rejected.

The VICE PRESIDENT. The Chair is ready to rule on the point of order made by the Senator from Washington [Mr. CAIN]. The Senator makes the point of order that the conferees exceeded their authority in regard to the conference committee report on luxury housing as contained in the report which is now before the Senate.

The House of Representatives has no provision whatever on the subject of luxury housing. It is silent on the subject. The Senate, in considering the matter, provided that, automatically, so-called luxury housing renting for more than $290 a month, as of the date of the passage of the bill, should be decontrolled, and that in cases where there is a rental below $290 a month the Housing Expediter is authorized to decontrol. So that, in effect, the Senate provided a method by which, automatically, such luxury apartments renting for more than $290 a month would be decontrolled, and if rented below $290 a month, the Expediter could bring about decontrol under certain circumstances. So that, in a sense, the whole gamut of rental prices is involved in the Senate amendment.

Ordinarily, when one House strikes out the language of a bill of the other House and writes a complete substitute, conferences have always had greater latitude than they have if, piece by piece, either House amends a bill of the other House.

When the conferees met they had, in effect, the position of the Senate with regard to luxury apartments, with no provision in the House bill on that subject.

In rule XXVII, subsection 3, which the Senator from Washington read during his argument to the Chair, there is this provision:

> In any case in which a disagreement to an amendment in the nature of a substitute has been referred to conferees, it shall be in order for the conferees to report a substitute on the same subject matter; but they may not include in the report matter not committed to them by either House. They may, however, include in their report in any such case matter which is a germane modification of subjects in disagreement.

In the opinion of the Chair, the whole subject of luxury apartments was in disagreement, because the House, having nothing on the subject, the Senate having provided, in a sense, for conditional decontrol of all luxury apartments, under certain conditions, and for those renting for more than $290 a month, automatic decontrol, the whole subject was before the conferees. Certainly the modification made by the conferees is germane to the matter which was in disagreement; and the Chair thinks it did not go beyond the power of the conferees in determining a reasonable compromise as between nothing in the House bill and the provision in the Senate bill. Therefore the Chair overrules the point of order made by the Senator from Washington.

The question now is on agreeing to the conference report.

Mr. WHERRY and other Senators asked for the yeas and nays.

The yeas and nays were ordered; and the legislative clerk proceeded to call the roll.

Mr. SALTONSTALL (when Mr. LODGE's name was called). My colleague the junior Senator from Massachusetts [Mr. LODGE] is unavoidably detained, attending a funeral. If he were present, he would vote "yea."

The roll call was concluded.

Mr. MYERS. I announce that the Senator from Mississippi [Mr. EASTLAND] is absent on public business.

The Senator from New York [Mr. WAGNER] is necessarily absent, and if present would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Nebraska [Mr. BUTLER] is absent by leave of the Senate and is paired with the Senator from Vermont [Mr. FLANDERS] who is absent because of illness. If present and voting, the Senator from Nebraska [Mr. BUTLER] would vote "nay." and the Senator from Vermont [Mr. FLANDERS] would vote "yea."

The Senator from New Jersey [Mr. SMITH] is absent because of illness. If present and voting, the Senator from New Jersey would vote "yea."

The Senator from Indiana [Mr. CAPEHART] is detained on official business.

The result was announced—yeas 78, nays 11, as follows:

YEAS—78

Aiken	Hunt	Murray
Anderson	Ives	Myers
Baldwin	Johnson, Colo.	Neely
Brewster	Johnson, Tex.	O'Conor
Bridges	Johnston, S. C.	O'Mahoney
Byrd	Kefauver	Pepper
Chapman	Kem	Reed
Chavez	Kerr	Robertson
Connally	Kilgore	Russell
Douglas	Langer	Saltonstall
Downey	Long	Schoeppel
Ellender	Lucas	Smith, Maine
Ferguson	McCarran	Sparkman
Frear	McCarthy	Stennis
Fulbright	McClellan	Taft
George	McFarland	Taylor
Gillette	McGrath	Thomas, Okla.
Graham	McKellar	Thomas, Utah
Green	McMahon	Thye
Hayden	Magnuson	Tobey
Hendrickson	Malone	Tydings
Hickenlooper	Martin	Vandenberg
Hill	Maybank	Watkins
Hoey	Miller	Wiley
Holland	Millikin	Williams
Humphrey	Morse	Withers

NAYS—11

Bricker	Ecton	Mundt
Cain	Gurney	Wherry
Cordon	Jenner	Young
Donnell	Knowland	

NOT VOTING—7

Butler	Flanders	Smith, N. J.
Capehart	Lodge	Wagner
Eastland		

So the conference report was agreed to.

EXTENSION OF EUROPEAN RECOVERY PROGRAM

The VICE PRESIDENT. The question now automatically recurs to the consideration of Senate bill 1209, to amend the Economic Cooperation Act of 1948.

Mr. FULBRIGHT. Mr. President, I wish to ask just one question regarding the rent control conference report, following up a question I asked a few minutes ago. I wish to ask the Senator from Alabama about the meaning of the language in subsection (3) at the bottom of page 10. It reads:

> The Housing Expediter shall terminate the provisions of this title in any incorporated city, town, or village upon receipt of a resolution of its governing body adopted for that purpose in accordance with applicable local law.

I wish to know the meaning of the language "in accordance with applicable local law."

Mr. SPARKMAN. Mr. President, that wording was inserted on the motion of the chairman of the Committee on Banking and Currency and the chairman of the conference committee, the distinguished Senator from South Carolina [Mr. MAYBANK]. It was inserted in order that the procedure might be laid down in law, and that it might be in accordance with the State or local law governing municipalities in a particular State, and not in accordance with the regulations of the Expediter.

Mr. FULBRIGHT. Is it clear that that relates only to procedural law and not to substantive law? Is it clear that that does not leave any implication that it is necessary that there be a municipal law relating to rent control before this section can take effect?

Mr. MAYBANK. Mr. President, that is my interpretation, except that 10 days must be allowed for public hearings.

Mr. FULBRIGHT. That is correct.

Mr. MAYBANK. But where there is local law providing for the lapse of 30 days or 60 days, that would have to be complied with.

Mr. SPARKMAN. I may say further that it has no connection whatsoever with any rent-control law. It relates to procedure for the city council.

Mr. FULBRIGHT. I wanted to be very clear that this provision can operate without there being any local rent law.

Mr. MAYBANK. The Senator is eminently correct. It is only placed in the rent bill for purpose of insuring the proper procedure in accordance with local law.

Mr. FULBRIGHT. I understand that. Relating to the same article, I want to know what is meant on page 10, in the middle of subsection 6, where it is provided:

> or (B) in any State, city, town, village, or locality in which rent controls under this title have been terminated pursuant to section 204 (j).

As I read that language it means that when the subsection we have just referred to, No. (3), has taken effect, and in pursuance of that provision decontrol has come about, then the property cannot be recontrolled by the Expediter. Is that correct?

Mr. SPARKMAN. That is correct.

Mr. MAYBANK. Unless the local municipality has asked for it.

Mr. SPARKMAN. When it operates to decontrol, the Expediter has no power to recontrol.

Mr. FULBRIGHT. The Expediter cannot go back and recontrol the property on his own motion.

Mr. MAYBANK. No; but he can recontrol it on their motion, although there may not be a city law to permit that, as I understand.

Mr. FULBRIGHT. I do not understand that.

Mr. MAYBANK. The city council, or the mayor, could ask for recontrol through the Governor of the State. Suppose that next year there should be such a law in Arkansas. That is merely a supposition, because I understand that the State legislature will not be in session. An appeal could be made by the local authorities to the governor for recontrol.

Mr. FULBRIGHT. That, I think, has to do with another question, but as I read this language, after decontrol has taken place under subsection (3), the Housing Expediter cannot on his own motion follow that by recontrol?

Mr. MAYBANK. He cannot.

Mr. FULBRIGHT. That is what I wanted to know.

Mr. MAYBANK. The Housing Expediter cannot take such action.

EXTENSION OF DISTRICT OF COLUMBIA RENT CONTROL ACT

Mr. LUCAS. As the distinguished Vice President just said, we now automatically have returned to consideration of Senate bill 1209. In view of the fact that there is pending on the calendar at the present time House bill 1757, an act to amend and extend the provisions of the District of Columbia Emergency Rent Act, approved December 2, 1941, as amended, and in further view of the fact that the District of Columbia Emergency Rent Act expires at midnight on March 31, it seems imperative that, as majority leader of the Senate, I should ask unanimous consent that we temporarily lay aside consideration of Senate bill 1209, and proceed to the consideration of House bill 1757.

The VICE PRESIDENT. Is there objection to the request of the Senator from Illinois?

There being no objection, the Senate proceeded to consider the bill (H. R. 1757) to amend and extend the provisions of the District of Columbia Emergency Rent Act, approved December 2, 1941, as amended, which had been reported from the Committee on the District of Columbia with amendments.

Mr. McGRATH. Mr. President, I wish to address the Senate briefly on House bill 1757, an act to amend and extend the provisions of the District of Columbia Emergency Rent Act to June 30, 1950. The bill we are now considering has been passed by the House of Representatives, and there are some amendments proposed by the Senate committee on the District of Columbia. While the amendments are in the process of preparation, I should like to state a little bit of the history of the rent-control law for the District of Columbia, which has operated somewhat differently than the National Rent Control Act.

I think in many respects the operation of rent control in the District of Columbia has been carried out on a better scale, than has been generally so around the United States. That is for the reason that there has been a very conscientious determination upon the part of those who were charged with the administration of the District Rent Control Act to give much time and attention to it, to the end that there might be a fair and equitable adjustment of cases coming up to the rent-control boards on appeal, either from landlord or tenant.

It may be said that this service in the District of Columbia is peculiar, and there may be some who will question why here in the National Capital one could expect a better degree of service in the administration of an act of this kind than would generally be the rule throughout the United States. Only one thought occurs to me, namely, that the people of the District of Columbia so seldom get an opportunity to do anything in their own behalf or to administer a law for their own welfare, that they are delighted when such an opportunity comes and try to do a superior job.

I believe in the back of their minds is the hope, and I may say the inspiration, that by showing themselves to be superior administrators of the acts which Congress passes for them locally they may the quicker and the sooner convince us of their ability to govern themselves, so we may eventually reach the time when in connection with matters which

ordinarily are passed on for the local determination of communities, the 1,000,000 people who live in the District of Columbia may enjoy the same rights and privileges.

While that may be their thought, it indicates to me also a desire for service upon the highest level, for some very splendid men and women have been called to the service of administration of the rent-control law of the District of Columbia since it was first enacted in 1941. Probably because they have not had to divert their attention to many other details of administration and government, they have been able, in a large measure, to adjust from day to day and month to month the complaints coming to the rent-control administrative board. So I really believe that as of today more equity has been worked out between landlord and tenant under the District rent-control law than probably has been the case generally throughout the United States. Because this is so, it seems inappropriate at this time to try to amend the District rent-control law to incorporate within it at this time many of the provisions which heretofore have been in the national law or which by the action we have just taken in the Senate now become the national law.

Mr. President, I should like to review for the Senate the operations of the District law since its inception.

The District of Columbia Emergency Rent Act was approved December 2, 1941, a few days prior to Pearl Harbor. It had been the subject of prolonged study by Congress. It took effect January 1, 1942, and froze rentals prevailing during the year 1940 or on January 1, 1941. However, it was not a freeze bill in the sense of the word that the rents which were frozen under this statute had to remain so. Elaborate provisions for adjustment were set up under section 4 of the act. In brief, they permitted any landlord to petition the Administrator of Rent Control to adjust the maximum rent ceiling or minimum service standard or both, applicable to his housing accommodations to compensate—

First. For a substantial rise since January 1, 1941, in taxes, or other maintenance and operating costs and expenses.

Second. For substantial capital improvements or alterations made since January 1, 1941.

The Administrator was given authority to "adjust such maximum rent ceiling or minimum service standard in such manner or amount as he deems proper to compensate therefor, in whole or in part, if he finds such adjustment necessary or appropriate to carry out the purposes of this act" with the proviso that no such adjusted rent ceiling or service standard shall permit the receipt of rent in excess of the rent generally prevailing for comparable housing accommodations as determined by the Administrator. There are other provisions in this section relating to the adjustment of rental ceilings but this one is the most important and the one on which practically every petition for an upward adjustment of rent is primarily based. Following the establishment of the office on January 1, 1942, the following cases have been filed under section 4:

Calendar year:	*Number cases filed*
1942	12,276
1943	4,644
1944	3,587
1945	5,200
1946	5,096
1947	18,299
1948	30,599
Total	79,701

As of March 15, 1949, there have been filed in this office a total of 83,578 petitions for adjustment of rent. To the credit of the administration of this office in the District of Columbia, let me say that of the total of 83,578 petitions, 71,739 have been properly disposed of.

Under section 2 (1) (c) of the act, the Office of Administrator of Rent Control is authorized to determine maximum rent ceilings for all housing accommodations not rented on January 1, 1941, or during the preceding calendar year, the determined rental to be based on the rent and service generally prevailing for comparable housing accommodations. It is to be seen, therefore, from the number of cases filed under section 4, that the District of Columbia Emergency Rent Act made adequate provision for the adjustment of rents where the landlord was in position to show that there had been an increase in taxes, maintenance, and operating expenses, or capital or substantial improvements had been made to the housing accommodations in question. The Office of Administrator of Rent Control has carried out these provisions, with the result that there has been some increase in rent affecting every type of housing accommodation in the city of Washington. According to his report as of December 31, 1948, rental adjustments have been made on 60,979 apartment units and 6,302 single-family dwellings, and approximately 11,500 adjustments affecting room rents and board rates in rooming and boarding houses under section 4. Under section 2 of the act, the Administrator estimates that rental ceilings have been determined for approximately 7,500 housing units, either apartment units or single-family dwellings which were not rented on January 1, 1941, or during the preceding year.

Under date of October 1, 1947, the Administrator issued General Order No. 12 and form 79 for the purpose of enabling owners of rented single-family dwellings and rented buildings containing from two to eight dwelling units to compensate themselves for a general increase since January 1, 1941, of up to 20 percent in the assessment on improvements in the real estate taxes, an increase from $1.75 per hundred to $2.00 per hundred in the rate thereof, and a 25 percent increase in the rate charged for consumption of water supplied to such housing accommodations. This order was issued pursuant to provisions of sections 3 and 7 of the Rent Act. As of December 31, 1948, there have been filed in that office approximately 20,200 Form 79's. These forms provide for the adjustment of rent for as many as eight units in one building. If, for the purpose of making an absolute minimum estimate, three units are said to be covered by each form, there are at least 60,000 single-family dwellings and apartment units which received an increase in rent under this order. The Administrator states that the increase for the apartment units approximates from 50 cents to $1.80 per month per apartment, and for single-family dwellings the increase amounts to approximately $1.50 per month to $10.00 per month in some of the higher rental areas in the northwest section of the city.

Until within the last year or so the claim was always made that the District of Columbia Emergency Rent Act afforded owners of property in the District of Columbia an opportunity to receive an increase in their rentals, whereas in the rest of the country, under the provisions of Federal Control, it was practically impossible to obtain an upward adjustment in rental. The Administrator advises me that he is of the opinion, basing it on available data and information in his office, that there have been upward adjustments of rental over the January 1, 1941 rental ceiling of at least 90 percent of all the rental housing accommodations located in the District of Columbia.

The Housing and Rent Act, approved June 30, 1947, Public Law 129, Eightieth Congress, provided in effect that if a landlord and tenant voluntarily agreed there could be a maximum increase of not more than 15 percent in rent. It also provided that the tenant must be given a lease for at least a year. It was following this voluntary 15 percent increase that the contention arose for the first time that there should be a like increase in rents in the District of Columbia. It was opposed on the ground that there had been consistent increases in rent granted to landlords in the District of Columbia throughout the entire operation of the District of Columbia Emergency Rent Act. The voluntary 15 percent increase was opposed by the Rent Administrator of the District of Columbia primarily on the ground that increases had already been granted to a very large majority of the landlords in the District of Columbia, and secondly on the ground that under the provisions of the District of Columbia Emergency Rent Act, the authorization of a voluntary 15 percent increase in rent could very easily result in a demand for a 15 percent increase across the board for all housing accommodations in this city, for the reason that comparability is the key stone of the arch in the District of Columbia Emergency Rent Act and if, for example, 20 persons residing in an apartment building containing 35 or 40 apartments voluntarily agreed to a 15 percent increase in rent, even though the remaining 15 or 20 tenants did not agree to such increase, the landlord could, under the provisions of the proposed amendment to the act, request that he be granted a 15 percent increase on the remaining apartments in the building, basing his allegation on the ground that the remaining apartments were comparable in all respects to those affected by the voluntary increase. This would also have nullified any real advantage which

the tenants agreeing to the voluntary increase might have received in the way of a lease. While the tenants who signed a lease would have been bound for a year, those who did not could have vacated on 30 days' notice at any time.

For the past year and a half, the Office of Administrator of Rent Control has kept a careful check on the increases which it has granted under section 4 of the act. For the period July 1 to December 31, 1947, the average increase over the base rent was 7.73 percent; for the 6-month period, January 1 to June 30, 1948, the average increase was 7.86 percent; and for the last period, July 1 to December 31, 1948, the average increase was 9.18 percent. I am further advised by the Administrator that the increases granted between December 1948 and March 15, 1949, average about 9.5 percent. In one recent case covering a large apartment building in the northwest section of this city, an increase amounting to approximately 15.42 percent was authorized; in another case, an increase of approximately 12.02 percent was granted; and in a third, a 10-percent increase was granted. These increases were granted after a showing before an examiner of the Office of Administrator of Rent Control that costs, maintenance, and operating expenses have increased sufficiently to authorize such action. The Administrator states that evidence of a considerable increase in maintenance and operating costs first became noticeable during the middle and latter part of the year 1946. It became more so following the abolishment of the Price Control Act in the summer of 1947. Some of the increase in maintenance and operating expense is brought about by reason of the fact that during the war years materials and supplies were difficult, if not in many instances impossible, to obtain. The result has been that landlords who desired to maintain their property in good condition have spent considerable sums of money, from 1946 up to and including the present time, in undertaking to rehabilitate their buildings.

If Congress now sees fit to impose any stated increase in rent on housing accommodations in the District of Columbia it probably will have the effect of producing higher ceilings in the city of Washington than anywhere else in the United States.

However, Mr. President, I wish to say that I believe the authority which would then remain in the Administrator by reason of the language which now has been written into the National Rent Control Act would give the Administrator a rather broad discretion in applying the factors which heretofore he has taken into consideration; and by subtracting what he has already done from what he would be obliged to do in the future, probably that would not make the language of the National Rent Control Act in this respect burdensome on the situation in the District of Columbia. It may be that an amendment will be offered on the floor of the Senate to provide that the same language used in the National Rent Control Act shall be used in the District of Columbia rent-control law, as applied to increases. Since this language does not make it mandatory that a 5-percent increase be applied at a particular time and that another mandatory 5-percent increase be applied at another time, but merely that the formula of fairness in the administration of the National Rent Control Act be applied, and since it will be understood that authority and discretion are to remain in the Administrator at all times to determine whether he has heretofore applied the same factors in the granting of rent increases, those who are sponsoring the pending bill probably will raise no objection. But I should like to make it perfectly clear in the RECORD that we are offering no objection only because we feel that this language spells out a course of procedure which the Administrator can follow and will follow, but which he would follow only twice.

Let me make my position on that point clear. I have stated that when there was a general increase in the tax rate in the District of Columbia, as approved by Congress, under a general order issued by the Rent Control Administrator of the District of Columbia all landlords were permitted to take a commensurate increase in rent, so as to compensate proportionately for the increase in taxes which were automatically imposed upon them. Probably that has not happened anywhere else in the United States. Yet now we have written into the National Rent Control Act a formula by which we say that hereafter the Rent Control Administrator must take into consideration, in giving regard to applications for increases in rent which may be before him, whether there has been an increase in taxes since there has been an increase in the rent ceiling. I take it that the Rent Administrator in the city of Washington would not have to consider the fact that a year ago or thereabouts we raised the tax rate in the city of Washington from $1.75 to $2 per $100 valuation, if already he had found that the particular applicant for the the rent increase had taken advantage of the general order and already had applied for, and had received an increase in the rent, so as to take care of that tax increase situation.

So, Mr. President, as I read the language--and I think it very good language—which has been agreed upon by the conferees on the national rent-control bill, I think it may adequately be applied in the District of Columbia with fairness and equity, and probably it will overcome some of the misunderstandings which have existed as between the operation of the law in the District of Columbia and its operation elsewhere.

Contrary to the statements which are being broadcast that the District of Columbia Emergency Rent Act protects Members of Congress from paying as much rent as they would pay under the Federal Act, the converse is true. Under the provisions of the District of Columbia Emergency Rent Act, Congressmen residing in any apartment building in the District of Columbia which is before the Administrator of Rent Control on a petition for an increase in rent—and this applies not only to Members of Congress, but also to those who are obliged to come to Washington to work for Members of Congress—pay exactly the same increase that all the rest of the tenants pay, the percentage increase being applied to the rent covering every apartment in the building. In this connection, the Administrator advises me that over a year ago all Congressmen who happened to be residing in apartments in the large hotels, such as the Mayflower, Shoreham, and Wardman Park, and so forth, had their rents increased 15 percent. An increase of 5 percent over the present rental ceilings in the District of Columbia effective June 30, 1949, to be followed by an additional 5 percent increase effective April 1, 1950, would create very serious inequities, for some landlords would be receiving an increase of at least 25 percent, whereas other would receive rent increases of from 10 to 15 to 16 percent. As has been demonstrated throughout the 7-year period of the operation of the Office of Administrator of Rent Control, there is ample machinery at hand to grant increases in rent where they are justified; and the figures above quoted will show that such increases have been granted.

I therefore feel that there is no real justification for congressional action which would seriously alter the present Rent Control Act under which we have been operating. To the contrary, Mr. President, it is my belief that, as all of us so fondly hope, we are approaching the day when supply will catch up with demand in the field of housing, and the Federal Government will be able to abandon this field to the States. I express the hope that in the District of Columbia when that hour comes we shall find a city government authorized by a city council to which we can abandon problems of local administration of this kind, and turn them back to the people so that in the future in the operation of laws of this kind and in these fields they can govern themselves. I hope we are fast approaching that day. I hope that when the expiration hour comes for the act which we have just approved for the Nation, and when the expiration hour comes for the act we are now asking to be approved for the District of Columbia, it will not be necessary for the Federal Government to be dealing with the problem of rent contol.

No man can sit here today and say what the future holds in store. We do not know as of this hour, with the demands that will be made upon our economy and upon our material resources in defense of our country in the times that are ahead, whether we can go forward with a program throughout the United States and here in the National Capital that will give decent housing to Americans at reasonable prices which they can afford to pay from the wages they receive; but at least it is our hope that we shall not have to deal with this problem again in the Congress; and, since we have that hope, I should think Senators would be willing to go along with a tried and true rent-control bill such as has been in effect in the District for the past 7 years.

Whatever reasons and excuses may be thought up now for making a uniform act, whatever their validity may have been in years gone by, I think there is no valid reason, now that we are reaching the end of the program, completely to disrupt the administration, to change the practices and the procedures and the understandings of the people of the District as to how rent control in the District operates. I think that would be a great mistake. I, therefore, appeal to Members of the Senate to pass the bill now before us, with the amendments which will be proposed.

Principally, the amendments extend control to June 30, 1950. Secondly, recontrol conversions may be placed upon units of rentable property upon which at least $1,000 has been spent, and which in the opinion of the administrator of rent control constitute adequate living accommodations. I might point out that under amendments adopted to the District rent-control law only a year ago, some real injustices have been created, because it has been possible—I say it has been possible; but, in reality it has occurred; whether or or not there were ways administratively to overcome it, I am not prepared to say—for a landlord to put up a very cheap composition-board partition across a room, have a very inexpensive plumbing job done, and then combine them to claim he had created a new living accommodation.

It was a new living accommodation only because he had taken the trouble to put a partition in a room where people were living so as to make it possible for another family to live on the other side of the partition. Perhaps it was possible administratively not to have accepted that interpretation, but in many instances it was accepted, and that property became decontrolled, and it has led to many unfair and unequitable situations.

We now propose to say to the Administrator that if he finds there has been an expenditure on the property of $1,000—and an expenditure of much less than $1,000, in these days, can hardly be said to be sufficient to provide a new and livable accommodation—and if the Administrator finds that that has produced a new living accommodation, he is therefore permitted to decontrol the new accommodation. But at least we do this much in the amendment: We set up a test by which the Administrator may have some measure to guide him in determining whether in practice and in actuality and in fact a new rental accommodation has been brought into being.

A further amendment will be offered by the committee, providing that cooperative apartments cannot be sold or purchased, that there cannot be a transaction which converts present multiple living accommodations into a cooperative apartment, unless 65 percent of the tenants agree to the sale; this to be in effect after March 1, 1949. I believe, Mr. President, there is also to be added or to be offered an amendment——

Mr. McCARTHY. Mr. President, will the Senator yield at this point?

Mr. McGRATH. I am glad to yield to the Senator from Wisconsin.

Mr. McCARTHY. I understand the Senator has an amendment in regard to cooperative apartments. I checked the wording of it. It does not differ greatly from the wording in the bill covering rent control over the Nation as a whole. I wonder whether the Senator will examine the amendment which I have, which is identical to that affecting cooperatives in the Nation as a whole. The local rent control administrator, Mr. Cogswell, is present in the Chamber. He has examined both amendments. I believe he has no serious objection to the adoption of mine, and, merely for the sake of trying to bring the local bill into line as much as possible with the national bill, I shall very much appreciate it if the Senator will examine the amendment.

Mr. McGRATH. I may say to my eminent colleague, the question of cooperative apartments is dealt with in rent control acts for the first time as we are considering both the national and the District acts. In uniformity I should be in favor of providing wherever we can between the District act and the national act. And since heretofore there has been no language affecting cooperatives in the District act, I should be in favor of using the same language in the District act as is used in the national act. While we had drawn an amendment on this subject prior to the adoption of the conference report, I should be perfectly willing to refrain from offering the committee amendment, which I feel I have the sanction of the committee to do, so that the distinguished Senator from Wisconsin may offer his amendment in lieu thereof.

There is one more amendment about which I wish to speak. I voted for, and should like to have seen retained in the national act, the criminal penalties heretofore provided. The Senate retained them. The conference has eliminated them. We have accepted the result of the conference. I see no reason why landlords in the District of Columbia should be subjected to criminal penalties for a violation of the law in a given field when the same penalties are not equally applied throughout the United States. While I lament and deplore the fact that we perhaps have taken some of the teeth out of the national act, while we probably have given an open invitation to a violation of its provisions, since we have seen fit to do it for the remainder of the country, in fairness, we must do it for the people who own property in the District of Columbia. If an amendment is therefore offered which makes the District act conform to the national act in this respect, I cannot bring myself in good conscience to vote against it, though I think it is unwise and should not have been included in the national act. But, fairness and equity require us to face up to these situations.

The PRESIDING OFFICER. The clerk will state the first committee amendment.

The LEGISLATIVE CLERK. On page 2, line 20, it is proposed to strike out "$1,500" and to insert "$1,000."

The amendment was agreed to.

The next amendment was, on page 2, line 23, after the word "accommodations", to insert "*And provided further,* That nothing in this section shall be construed as authorizing or permitting the recontrol of any additional housing accommodations created by conversion prior to the effective date of this amendatory act."

The amendment was agreed to.

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). That concludes the committee amendments. The bill is open to further amendment.

Mr. AIKEN. Mr. President, I offer the amendment, which I send to the desk and ask to have it stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add a new section, as follows:

Section 5 of such act, as amended (D. C. Code, 1940 ed., sec. 45-1605), is amended by adding at the end a new subsection, as follows:

"(d) No action or proceeding to recover possession of housing accommodations shall be maintainable by any landlord against a tenant, if the tenant or a member of his family is ill or is an invalid: *Provided,* That the tenant and his family are unable to secure other suitable living accommodations: *And provided further,* That the tenant is not in arrears in the payment of rent."

Mr. AIKEN. Mr. President, this amendment simply provides for protection for families having an ill or disabled person, so that the family cannot be evicted, if their rent is paid, until they can find some other place to go. I do not suppose there are very many such cases in the District. I happen to know of one such case. I am advised that this case and similar cases are not covered in the District rent-control bill, and for that reason I am offering the amendment to the District of Columbia rent-control bill.

Mr. McGRATH. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. McGRATH. Did the Senator offer a similar amendment to the national rent-control bill?

Mr. AIKEN. No; I did not.

Mr. McGRATH. Why in perfect fairness, should the District bill be so amended?

Mr. AIKEN. I may say to the Senator from Rhode Island that this amendment probably should have been in the national rent-control bill. The matter came to my attention only last Saturday afternoon, and there was no opportunity to offer an amendment to the national rent-control bill. The case I mention happens to be one in which there is an attempt being made to evict a family which contains an invalid man over 90 years of age, and it is regarded as practically certain death to him if the family should be evicted before they can find some other place to go. I can give the Senator names, dates, and addresses if he cares to have them, but in consideration for the persons involved I would rather not do so.

Mr. McGRATH. I may say to the Senator that his amendment is a very worthy one, and certainly it arouses great sympathy in my heart. I should like to support it, but I do not know that it would be

wise to write any general legislation to take care of a few particular cases. I am sure that the case which the Senator has in mind can be administratively handled in the District of Columbia. I should be very happy to look into it. I cannot say, in good conscience, that the Senator is not trying to achieve a good and proper end, but I do say that we are making every effort to bring about uniformity between the national act and the District of Columbia act, and I should hate to see a further restriction written into the District of Columbia bill which would not be applicable throughout the United States.

I think I can give the Senator reasonable assurance that there are agencies within the District of Columbia which will see that the case is taken care of.

Mr. AIKEN. I understand that the agency which would look after such matters claims it does not have the authority to handle this case. I do not suppose there is one landlord in a thousand who would evict a family containing a sick or disabled person. I offered the amendment because I hoped the Senator would accept it and take it to conference, and if, in the meantime, there can be some way found to handle the case without providing for it in the general law, we would be satisfied, assuming that it also covered other cases. I was surprised when I was told that the Rent Control Board of the District of Columbia could not satisfactorily handle cases of this kind, but such seems to be the fact.

Mr. CAIN. Mr. President, will the Senator yield for a question?

Mr. McGRATH. I do not have the floor.

Mr. AIKEN. I yield to the Senator from Washington.

Mr. CAIN. Does it not happen to be presently the fact that the marshal for the District of Columbia does not, as a matter of fact, evict persons who are invalids or who are ill? If the marshal does not evict those who are ill, would not that fact, I inquire of the Senator from Vermont, answer his question?

Mr. AIKEN. I understand that all sorts of ruses are being used to accomplish this eviction. It may be that the marshal does refuse to evict, but I understand that the old gentleman's room is watched all the time to make sure that plumbers do not go in and tear off a square foot of plaster from the wall, because that would result in eviction. It could not be stopped. The landlady cut off the water and light and apparently used every means to get this old man out of his room, when he has nowhere to go. He is in quite a large apartment, which rents for approximately $200 a month. It seems to me there should be some way to handle that and similar cases. If the Senator from Rhode Island would accept my amendment and take it to conference, and show me how the case can be handled adequately under existing law, I certainly would not insist on the amendment being incorporated in the bill.

Mr. McGRATH. Mr. President, I am not one who would tolerate for a moment a condition which would permit what the Senator from Vermont says has occurred. I have some hesitation, however, in accepting an amendment which is designed to legislate for one particular case, when I believe—in fact, I know—there are agencies in the District which have the means of handling such a situation. I know that the courts of the District, the prosecuting attorney, and the United States marshals are of one mind with respect to cases of this kind. I have no recollection, in my years in Washington, of any instance in which we have been disgraced, so to say, as a community, by having to read of an eviction of a family in which there was sickness or some other condition approaching the case of which the Senator speaks.

I find it impossible to agree to the adoption of this amendment, because I believe it is designed to protect a situation which can be otherwise adequately handled. I believe language of this kind, written into a rent-control bill, might very seriously question the right of a landlord to evict a family because there may be sickness in the family, although there might be plenty of other conditions which would overcome the existence of such sickness. The family might be well able to move, and great advantage might be taken of the landlord.

I have not closely studied the language of the Senator's amendment, but it seems to me it opens the door to very dangerous practice.

Mr. AIKEN. Mr. President, the family in question would move if they could find some other place to go. I may say, further, that, in desperation, they have appealed to the court, and the case has been in the court for several months and is proving to be quite expensive. While the family is not destitute, the case is proving to be expensive. It is also proving expensive to do all their cooking and heating with electricity, because the gas and plumbing have been shut off from the outside. This is the only case of its kind in the District, that I personally know of. It was called to my attention only last Saturday. That is the reason why I could not offer the amendment to the national rent-control bill. It seems only humane to stop the eviction of a family when members of the family are sick, until they can find a place to which they can move, and I realize it is very difficult to find such a place. The property to which I refer has been bought for speculative purposes. As I understand, there will be exceptionally good profit to the purchaser, who is anxious to get all the tenants out, and double the money invested.

Mr. McGRATH. Mr. President, it seems to me that Congress is extending itself considerably when it attempts by amendment to basic legislation to adjust individual differences between landlords and tenants. I suppose I could go around the city and find a thousand cases of inequity, some of which would be shocking to the consciences of Senators and to Congress as a whole. Yet I would not attempt to adjust each of those separate cases by a paragraph in a bill or a section in a bill which dealt with an individual case.

I should prefer to say to the Senator that I shall have the appropriate agencies of the Government look into the case to which he calls attention, and I shall be glad to lend my support to a private bill for the relief of these people if the situation which the Senator pictures warrants it. But I do not believe any single case should be the criterion upon which to legislate by a general provision of law which may not apply to any other case within the District of Columbia. I think we make a mockery of our legislative process when we attempt to correct on the floor of the Senate each individual inequity which may exist.

Mr. AIKEN. Mr. President, I am a little surprised that the Senator from Rhode Island would support a private bill for this one case. My amendment is not one to affect this one case alone, it is an amendment to affect several hundred thousand people who live in the District of Columbia, and I merely cite this one case as an example. The amendment is a humane amendment. The old gentleman involved, I am told, will undoubtedly not survive if he is moved at this time, with nowhere to go. Even if there were only one case, I think that the life of one old man is worth the consideration of the Senate. The Senate can vote the amendment down. I merely ask for a vote on it.

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). The question is on agreeing to the amendment offered by the Senator from Vermont.

The amendment was rejected.

Mr. McCARTHY. Mr. President, I have a total of six amendments I wish to offer to the District of Columbia rent control bill. I might say that if this had been taken up as an original matter I frankly would not favor some of the amendments I shall offer. They are offered merely for the purpose of bringing the District act in line with the National Rent Control Act, on the theory that landlords and tenants in Washington should receive no more and no less protection than applies to landlords and tenants in Milwaukee, Wis.; Chicago, Ill.; and other cities of the Nation.

The junior Senator from Delaware [Mr. FREAR] did fine work in drafting the bill. At the time he and his committee framed it they, of course, did not have the benefit of what we have since done in connection with the National Rent Control Act. I should like to make a record of the fact also that Mr. Cogswell, the local rent administrator, has performed very well in administering the District Rent Control Act.

The first amendment I have to offer I send to the desk, and ask to have it read and acted upon.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed to add a new section at the end of the bill as follows:

SEC. —. Section 10 of such act, as amended, is amended by striking out subsection (b) thereof.

Mr. McCARTHY. Mr. President, this amendment would merely delete the criminal provisions of the District act,

as we have deleted similar provisions from the national act. If we pass the District act without this deletion, we will be saying, in effect, that if a landlord were to evict a Representative or Senator or any of their office staffs he would be liable to criminal prosecution because it happened in the District, but if a landlord in any other city in the Nation were to evict a tenant he would not be liable to criminal prosecution. I think it is entirely improper for us to take such a position. I do not believe additional protection should be given to those of us who are tenants in Washington. I understand that the Senator from Rhode Island and the Senator from Delaware, the latter of whom was chairman of the subcommittee, have no objection to accepting the amendment. Am I correct in that?

Mr. McGRATH. Mr. President, I would agree to the amendment reluctantly, because I could not be logical in opposing it inasmuch as in the national act we have taken the action to which the Senator has referred. I believe that the landlords in the District of Columbia are entitled to be put on an equality in treatment with other landlords in the country.

I wish to point out, however, that in the 7 years during which rent control has been in effect in the District of Columbia the criminal provisions of the act have been resorted to only 15 times, which is a very minute number when we consider that approximately 100,000 cases, at one time or another, have passed through the office of the Rent Administrator. That is a demonstration of the fine administration of the office, and it also shows that the power of criminal prosecution provided in the statute could properly be permitted to remain in the District Rent Control Act.

Mr. President, I have made this argument to the distinguished Senator from Wisconsin in an attempt to persuade him not to pursue the course of asking that the criminal provisions be removed from the local act. Repeating what I said before, if he offers the amendment, as I think he is about to do, having made the record perfectly clear, I shall not oppose it.

Mr. McCARTHY. I think that the local administrator, Mr. Cogswell, has used excellent judgment, and very reluctantly took advantage of the criminal provisions of the act when he did so. However, I feel strongly that, in view of the fact that the Senate in the national act rejected a criminal provision identical with that in the District law, to a provision which would have applied to every other city in the Nation, we should not have this additional protection for those of us who are tenants in Washington. As the Senator knows, practically every Member of the Senate, and all the members of our office staffs, are tenants, and I think it would be entirely improper that we should give them greater protection than is given John Doe or others throughout the Nation. Therefore I present the amendment and ask that it be acted on.

Mr. McGRATH. Has the Senator given due consideration, in the drafting of his amendment, to the differences which may exist between the District act, from which he now proposes to remove the criminal sanctions, and the language of the national act? One situation occurs to me, namely, that landlords are supposed to make application to the Rent Administrator if they wish to receive increases in their allowable rents. What authority exists under the District law to compel them to make such application? Before we strike out the criminal provisions of the section I think we should look at the matter pretty carefully, and see to it that there are civil processes by which the Administrator can at least force compliance with the directions of Congress in administering the act. I believe the Senator will find that in the national act means are provided by which a civil proceeding may be had to enforce compliance. I do not recall, and I have asked counsel sitting beside me and he does not recall, that there is anywhere in the District act a provision for a civil proceeding which could conceivably take the place of criminal penalties which the Senator now proposes to remove from the act. I think we should consider that aspect very seriously before we take the proposed step.

Mr. McCARTHY. In view of the fact that the conferees on the Rent Control Act finished their work either last night or this morning, I have not had opportunity to spend as much time as I would have liked on the six amendments which I am offering. Frankly, I relied upon the Senator's own counsel, the gentleman now sitting beside him, to bring the District bill into line with the national bill. I know that was a tremendous task to assign to counsel to handle in 1 or 2 hours. I know he did an excellent piece of work. Mr. Boots, of our legal staff, is here in the Chamber, and neither Mr. Boots nor the Senator's own counsel can give us complete assurance that we have done to the last detail what we intended to do. They have done the best they could. I understand the District act provides for double or triple damages in case of a violation. That may or may not be identical to the provision in the national act. If it is not, then it should be made identical. I do think those slight differences can be ironed out easily in conference. But in order to make myself clear I will say that we rejected in the national act this identical criminal provision. I have given the Senator's own counsel, who is now sitting beside him, the job of drafting six amendments to bring the District act in line with the national act. I think he has done that. I think he has done a good job, though I cannot personally certify it is a perfect job. I think the Senator from Rhode Island did a good job in selecting counsel. I think the committee's counsel is a very competent lawyer and has done a good drafting job in this case.

Mr. McGRATH. I will say that if the Senator persists in offering his amendment I shall not oppose it. I should like to have the understanding with the Senator that when the bill goes to conference, if we then determine that there are adequate civil provisions in the District act which would make it a workable act, we shall not resort to civil sanctions.

Mr. President, I shall not oppose the amendment.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). The question is on agreeing to the amendment No. 1, offered by the Senator from Wisconsin [Mr. McCARTHY].

The amendment was agreed to.

Mr. McCARTHY. Mr. President, I now call up my amendment No. 2. In view of the length of the amendment, Mr. President, I ask unanimous consent that the reading of it may be dispensed with, and that it may be printed in the RECORD at this point, after which I shall explain it.

The PRESIDING OFFICER. The Senator from Wisconsin asks unanimous consent that the reading of the amendment be dispensed with, and that the amendment may be printed in the RECORD at this point. Is there objection? The Chair hears none, and it is so ordered.

Mr. McCARTHY's amendment is as follows:

At the end of the bill, add a new section, as follows:

"SEC. —. Section 4 (b) of such act, as amended, is amended by inserting before the period at the end thereof a colon and the following: '*Provided further*, That during the period beginning on the effective date of this amendatory act and ending on the date this act ceases to be in effect, the Administrator shall make such individual and general adjustments as may be necessary to remove hardships or to correct other inequities or further to carry out the purposes and provisions of this act: *Provided, however*, That the landlord certifies that he is maintaining all services furnished as of the date determining the maximum rent and that he will continue to maintain such services so long as the adjustment in such maximum rent which may be granted continues in effect. In making and recommending individual and general adjustments to remove hardships or to correct other inequities, the Administrator shall observe the principle of maintaining maximum rents for controlled housing accommodations, so far as is practicable, at levels which will yield to landlords a fair net operating income from such housing accommodations. In determining whether the maximum rent for controlled housing accommodations yields a fair net operating income from such housing accommodations, due consideration shall be given to the following, among other relevant factors: (A) Increases in property taxes; (B) unavoidable increases in operating and maintenance expenses; (C) major capital improvement of the housing accommodations as distinguished from ordinary repair, replacement, and maintenance; (D) increases or decreases in living space, services, furniture, furnishings, or equipment; and (E) substantial deterioration of the housing accommodations, other than ordinary wear and tear, or failure to perform ordinary repair, replacement, or maintenance.'"

Mr. McCARTHY. Mr. President, this amendment deals with the question of profit or loss of a landlord, or the basis upon which rents will be set. It is identical to the provision written into the national act by the joint conferees. I personally do not think much of this

provision. I think "net operating income" is so ambiguous that it will be extremely difficult to interpret and administer it. If I had been one of the conferees dealing with the National Rent Act I would have voted against the insertion of this provision. However, in view of the fact that it is now in the national act, since it was approved by the Senate, I think we have no choice but to say that the same rule shall apply to landlords and tenants in the city of Washington as is applied to landlords and tenants in every other city of the United States.

Mr. President, I ask the Senator from Rhode Island if he has any objection to accepting this amendment, in view of the fact that the Senate has approved a similar provision as a part of the National Rent Control Act.

Mr. McGRATH. No. I should like, however, to repeat what I think I covered in my general remarks, that it is the legislative understanding in the adoption of this amendment that where the factors that are mentioned herein have already been applied in the granting of an increase, the passage of this measure shall not mean that they shall have to be applied all over again to place an increase on top of an increase.

Mr. McCARTHY. I think the Senator from Rhode Island and I heartily agree on that point.

Mr. McGRATH. I spoke about the tax situation in the District of Columbia. In the District a general order went forth from the Rent Control Administrator providing that in view of the fact that there had been a general increase of 25 mills in the tax rate, there could be a comparable increase applied by the landlord himself in his rent. The pending amendment mentions increases in taxes as being one of the factors to be considered in allowing a landlord an increase in rent. I want to make it perfectly clear that if a landlord in the District of Columbia has increased the rent he charges by reason of a general tax raise, he should not be entitled to another increase. If he has already taken advantage of these things, then the Administrator may properly find that he has had his compensation, and he is not entitled to have it over again. With that understanding, I have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment numbered 2 offered by the Senator from Wisconsin [Mr. McCARTHY].

The amendment was agreed to.

Mr. CAIN. Mr. President, will the Senator yield for a question?

Mr. McCARTHY. I am glad to yield.

Mr. CAIN. I should like to ask the Senator from Wisconsin a question with reference to his amendment which has just prevailed. What effect, if any, will it have on the comparability provision presently included in the District of Columbia rent bill?

Mr. McCARTHY. It nullifies the comparability feature of the present District of Columbia rent bill.

Mr. CAIN. I wonder if, with the Senator's permission, I might ask the chairman of the Committee on the District of Columbia whether, in his opinion, the amendment which has just prevailed negates the comparability provision prevailing in the District of Columbia rent law?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield for that purpose?

Mr. McCARTHY. I yield.

Mr. McGRATH. The amendment in question puts a fair return into the local law. I am not prepared to say whether it entirely eliminates comparability.

Mr. CAIN. I raise that question, I think importantly, because there appears to be reason to believe that the comparability provision has been outmoded. It is the desire of many interested persons to get away from that provision, and the Senator from Wisconsin feels rather strongly that his amendment does in a sense repeal the comparability provision.

Mr. McCARTHY. Not only in a sense, but completely and entirely.

Mr. CAIN. I thank the Senator for his information.

Mr. LANGER. Mr. President, will the Senator from Wisconsin yield to me for a question?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from North Dakota for a question?

Mr. McCARTHY. I yield.

Mr. LANGER. In view of the adoption of the the two amendments offered by the Senator from Wisconsin, how much can the rent be raised?

Mr. McCARTHY. The same amount that the rent could be raised in Milwaukee, Wis.; Detroit, Mich.; or Chicago, Ill.

Mr. LANGER. How much?

Mr. McCARTHY. Sufficient so as to give a fair operating net income. What that means I frankly do not know. As I previously said, had I been one of the joint conferees I would never have voted for such ambiguous language. I do not think anyone can properly interpret it. I was on the bench for 3 or 4 years and have been a lawyer for many years. It is the sort of thing that, in the law, causes a lawyer or a judge to have a headache. The reason I submitted the amendment was not because I thought it to be a good provision. My reason for submitting the amendment is that I strongly feel that when we legislate for cities in the Senator's State of North Dakota, and in my State of Wisconsin, and in all the 48 States, then we should enact the same type of legislation for the District of Columbia. So far as I know, all of us are tenants, as are our office workers. I believe most of the Government workers are tenants. I do not think the landlords and tenants in the District of Columbia should be treated differently from the landlords and tenants back in our own States. I do not want the Senator from North Dakota to misunderstand me as endorsing that amendment in the national act. Do I make myself clear?

Mr. LANGER. The Senator has offered the amendment, but he is against it in his heart. Is that the idea?

Mr. McCARTHY. I was against that amendment in the national act, but once it was adopted as part of the national act, once it had been agreed to by the Senate and was on the way to become the law of the land, and since its provisions will apply to the cities of Milwaukee and Chicago and Detroit, and all other cities throughout the United States, I wish to have its provisions apply to Washington, D. C., as well.

Mr. LANGER. But personally the Senator is against it?

Mr. McCARTHY. That particular proviso, yes.

Now, Mr. President, I offer my amendment No. 3, which I send to the desk and ask to have stated. I have three more amendments.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add a new section, as follows:

SEC. —. Section 2 (2) (e) of such act, as amended, is amended to read as follows:

"(e) For the purposes of this section, the term 'hotel' means an establishment operating under a hotel license and occupied by an appreciable number of persons who were provided customary hotel services, such as maid service, furnishing and laundering of linen, telephone and secretarial or desk service, use and upkeep of furniture and fixtures, and bellboy service."

Mr. McCARTHY. Mr. President, this amendment takes the language from the national act and puts it in the District Rent Control Act. As of the present time, and under the proposed District act, any hotel with less than 50 rooms could under no circumstances be decontrolled by the Administrator. A hotel with 49 rooms would remain under control. A hotel with 51 rooms could be decontrolled. This amendment merely provides that a hotel which has less than 50 rooms shall be considered the same as similar hotels in other cities of the country.

This does not mean that apartments in a hotel shall be automatically decontrolled. It will be up to the Administrator to determine whether or not a hotel of 45 or 48 rooms is for the purpose of accommodating transients. If so, it shall be decontrolled, the same as such a hotel would be decontrolled in Detroit, Mich. The purpose of this amendment is to make the District act identical in that respect with the national act.

I wonder if the Senator from Rhode Island has any objection to this particular amendment.

Mr. McGRATH. Mr. President, again in the interest of uniformity, I cannot object to the amendment. I have no way of knowing how many people it will affect. It is impossible for us to tell, in a city such as this, where so many people live in small hotels, how many would be affected. The amendment is offered at this particular stage, when there is no possible way of getting any figures; but if the provision is going to work in the national act, there is probably no reason why it should not work in the District of Columbia Act. In the interest of uniformity, I do not oppose the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amend-

ment offered by the Senator from Wisconsin [Mr. McCARTHY].

AMERICAN TRADE RELATIONS

Mr. BREWSTER. Mr. President, I should like to discuss a certain matter for a few moments, if I may——

Mr. McCARTHY. Mr. President, I have four more amendments which I should like to get rid of first.

Mr. BREWSTER. Mr. President, I have waited 3 days. I should like now to have a few minutes.

Mr. McCARTHY. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCARTHY. Who has the floor?

The PRESIDING OFFICER. The Senator from Maine [Mr. BREWSTER].

Mr. McCARTHY. Has the Senator from Wisconsin lost the floor?

The PRESIDING OFFICER. The Chair understood that the Senator from Wisconsin had taken his seat, and the Chair stated that the question was on agreeing to the amendment offered by the Senator from Wisconsin, when the Senator from Maine rose and asked for recognition.

Mr. McCARTHY. May we first have a vote on the amendment which I have just offered?

The PRESIDING OFFICER. The Senator from Maine has the floor.

Mr. BREWSTER. Mr. President, I assure the Senator that I will not take 6 hours. However, I wish to take a few moments to bring to the attention of the country a subject upon which I have for some time been seeking an opportunity to speak.

This subject concerns our trade relations, particularly with the British Empire, and with England. I hold in my hand a copy of a release by the Economic Cooperation Administration. It is dated March 17, 1949. The opening statement reads as follows:

WASHINGTON, March 17.—General Time Instruments Corp., New York, N. Y., will invest $1,000,000 in the manufacture of clocks and watches in the United Kingdom, the Economic Cooperation Administration said in Washington and London today in approving a guaranty of currency convertibility for the corporation.

The million-dollar investment is the largest thus far under the guaranty provision of the ECA law and was designed to encourage the flow of American capital to Europe by assuring convertibility of foreign currency receipts into dollars, up to the amount of the investment. Investments under the provision must be in projects contributing to European economic recovery.

The General Time Instruments Corp. investment is in additional shares of Westclox, Ltd., the corporation's existing British subsidiary. Westclox, Ltd., has leased a plant in Alexandria, Dumbartonshire, Scotland, where production of clocks has begun and output of clocks and watches will gradually be built up.

Prior to the war the United Kingdom imported practically all of its clocks and watches and is now building up its own industry.

I call attention to the fact that it was stated yesterday that we were not going to build them up to a point beyond where they were before the war. This statement indicates that there is to be an additional development.

In recent years General Time Instruments Corp. has been shipping in considerable volume from its United States and Canadian plants to Great Britain, and in larger amounts to other sterling countries. The plant in Scotland ultimately will have a capacity exceeding these combined exports from the dollar area to the sterling area. The project will thus make a definite contribution toward overcoming the present balance of payments difficulties of sterling countries.

The Export-Import Bank of Washington executed the guaranty contract as agent of ECA.

So much for the statement of the Economic Cooperation Administration under date of March 17, 1949. This activity is in line with the general program for the restoration of the economic stability of Europe, but in this instance we are going somewhat beyond the general principle which has been laid down, that we did not propose to increase their productivity beyond the point of prewar years, or to develop new lines.

This has particular interest and significance because, before the Reconstruction Finance Corporation at the present moment, there is pending an application for a loan of three or four million dollars for the restoration of activity in the Waltham Watch Co., in New England, which has been closed down as a result of the imports of foreign watches. This activity of our Government in lending $1,000,000 for the development of a watch plant in England when we are still trying to determine whether or not we will provide money to enable a watch company in this country to carry on affords a very interesting parallel, and one which I fear may be somewhat disturbing to the 2,000 employees of the Waltham Watch Co. who are now unemployed as a result of the closing down of their plant.

I do not wish to labor this point, except as an illustration of the generosity which our country is showing toward foreign countries at this time, and to call attention to certain discrimination being practiced by foreign countries which I think goes somewhat beyond the bounds of what we might properly expect.

I refer to the matter brought up by the Senator from California [Mr. KNOWLAND] a few days ago, dealing with the action of the British Government in connection with the film arrangements which have prevailed.

Last week in Hollywood the American motion-picture industry presented its annual awards for the best picture of the year 1948, to the best actor, and to the best actress of the year, and for various other meritorious accomplishments in production and performance in motion pictures. The occasion of these awards is widely and popularly known as Oscar night.

I do not speak as an authority in the motion-picture realm, but in order to prove that I am not exclusively concerned with potato problems in Maine, to which I have given a great deal of attention, I wish to indicate that my interests are at least continental.

Eight of the awards went to Great Britain. They were topped by the selection of the British-made picture, Hamlet, as the best picture of 1948, and by the choice of Sir Laurence Olivier, the British actor who played the title role in that film, as the best actor of 1948.

The judging panel is composed of those who make American motion pictures in Hollywood. In light of that fact and in light of the fact that 1948 witnessed the production of a considerable number of outstanding American films, this event might be considered spectacular. It is spectacular only as another example of the American motion-picture industry's consistently fair-minded attitude—and I think this extends to other fields—toward the motion picture industries of other nations, with which, of course, it is in competition for the markets of the world.

The American industry has always believed, because the motion picture itself is an international medium of expression unrivaled by any other, that all motion picture industries should regard themselves as international industries. It has believed that such an attitude is the certain road to better pictures and to better markets for all producers, on the tested and tried American theory that unfettered competition inevitably results in better products and better business.

The American industry, accordingly, has never asked its Government to impose a restriction of any kind on the importation of foreign-made films. It has never suggested any legislative barriers to the entry or free exhibition of foreign films in the United States. America is now and always has been a free market for the motion pictures of the world. The American industry endorses this free-market principle today as heartily as it always has. As foreign films come into the United States, American critics praise them if they think they are good, and "pan" them if they think they are bad. The foreign film receives the same treatment accorded American films. The American people go to see foreign films if they like them, and they stay away if they do not.

The essential point, Mr. President, is this: Any foreign film producer has precisely the same opportunity as an American producer to show his pictures on merit in the United States.

In contrast, American motion pictures in other countries do not receive the same equality of treatment from foreign governments or from foreign film industries. Special taxes, quotas, trade barriers, and other restrictive devices are employed to balk the flow of American films around the world.

Great Britain is the most notable case today in point of discrimination against American films. For years, Britain had imposed a quota on the showing of foreign-made films, with approximately 20 percent of the playing time in all British theaters reserved for British-made pictures. This quota had been instituted by the British Government at the instigation of British producers in the name of protecting a fledgling industry.

But in 1947, Britain, in addition to the quota, suddenly imposed a 75-percent

tax on the earnings of imported motion pictures. Obviously, that meant that the tax would be imposed almost entirely on the earnings of American pictures, for Britain imports few from anywhere else. Britain gave the excuse that it wanted to save its dwindling supply of American dollars.

The tax was a startling move, because representatives of the American film industry had already been discussing with the British Government ways and means to help Britain conserve dollars and at the same time to be supplied with the needed number of American films to keep its theaters open. The film industry in the United States was acutely aware of the British dollar shortage, and, as the record shows, was entirely willing voluntarily to make substantial concessions to cooperate in solving it.

Nonetheless, Mr. President, in August 1947 the 75-percent import tax was imposed. The American industry was left with no choice. It simply could not do business in Britain on that basis. It was forced to stop shipping films to Britain.

The ruinous results of this import tax were soon felt in Great Britain itself. The tax demoralized the British motion-picture industry from top to bottom. It threatened mass closings of British theaters, unable to keep running without American films; and in ricochet it brought British producers themselves close to bankruptcy, for it destroyed confidence in the whole British industry.

Meanwhile, the American industry had consistently held open the door for discussions to resolve this unfortunate and critical situation. Negotiations with British Government officials were finally arranged, and, after months of impasse, a new film agreement was achieved. This agreement eliminated the 75-percent tax, and American companies voluntarily agreed to take out of Britain only $17,000,000 of their earnings annually, as against earnings which ran to as much as $50,000,000 a year. It was a sharp sacrifice for the American film industry. It meant that approximately three-fourths of the normally transferable earnings of American films would remain in Great Britain. The American motion-picture industry plainly and simply believed that an agreement to take only $17,000,000 a year in earnings out of Britain was a positively helpful answer to Britain's dollar problem, and it was prepared to make that sacrifice until Britain's economic health should be restored. It so stated this position at the time and has repeated its views many times since through its various spokesmen.

This accord, so widely hailed at the time, was reached in March 1947 and became effective in June of that year. But, Mr. President, the effective date had hardly been reached before Britain, again virtually without warning, adopted a new restrictive device on foreign-made pictures. This time it took the form of a quota twice as high as the existing quota. This quota required British theaters to devote 45 percent of their first-feature playing time to British pictures. This action was, of course, directed against the American industry, despite all that the United States industry had been doing to assist the British.

The quota has just come up for reconsideration by the British Government. Under pressure from British exhibitors, it is now proposed to reduce the quota to 40 percent—a meaningless gesture, in light of the fact that British producers have never been able to produce enough films to fulfill quota requirements of half that much.

The British attitude is difficult to understand.

First, this discriminatory quota cannot be defended on fiscal grounds, for under the remittance agreement American companies can withdraw only $17,000,000 a year.

Second, it cannot be defended in the name of additional protection for British producers, for the great irony involved in this whole affair is that British producers have never been able to satisfy even a 20-percent quota.

Third, it cannot be defended on the grounds that it aids the British motion-picture industry generally, or, in fact, the British economy in general. British exhibitors, by and large, have bitterly assailed it. They are in desperate straits for sufficient films to keep their theaters running—which also means keeping their employees at work. And the producers themselves are suffering severely financially.

Instead of helping the British producers, as the quota was supposedly designed to do, it has brought them near ruination. The quota act can best be described as too smart to be successful. It dodged the all-important fact that no country can build up a full-scale industry of any kind overnight, nor can it by legislative decree force the public to buy its product.

All motion pictures, wherever made, depend entirely on public approval; and no act of legislation has ever yet brought people into theaters. The British have discovered that they can legislate foreign-made films out of Britain, but they cannot legislate their own people to the box offices of their own films.

Mr. President, lay aside Britain's dollar problem, which the American film industry has fully recognized; lay aside its perhaps understandable, even if short-sighted, desire to build its own industry by destroying the industries of competing countries; and this important fact remains: The exhibition of American films has given Britain a thriving domestic business for many years. Theaters in Britain which show American films have taken in as much as $400,000,000 a year, and the great bulk of that revenue has remained in Great Britain.

A point which the British seem to have overlooked is that a consistent supply of American films has kept the British theaters open and has provided a solid, film-going audience which, in turn, would patronize the British-made products as a matter of film-going habit. The movie habit in Great Britain can be largely traceable to the American film, which has won wide popularity with British audiences.

Mr. President, the proclaimed reasons for the British quota simply do not make economic sense. There must be other reasons for the British attitude, which is at once both discriminatory and punitive to an American industry which has extended itself even beyond the bonds of professional sympathy in attempting to help the British industry and the British economy, as well.

It is bad enough that such punitive action should be leveled against an American industry, but far worse is the fact that the British film quota is in absolute contradiction to the principle of world recovery whose essence is a freer exchange of goods and services among the peoples of the world.

America has committed itself to this world recovery program; and out of every American taxpayer's dollar, 15 cents goes to the fulfillment of that recovery program.

American industries in wide variety are making important trade concessions to stimulate a freer flow of world commerce. The example I have just cited in the watch industry is a very conspicuous instance of precisely that.

These are not petty sacrifices, but the American people are willing to make them in the interest of a healthier world. The least the American people can expect in return is for the recipients of our aid to do their full share as well as in the world recovery program. If the recipients are not willing to do this we shall not achieve world recovery. In making these sacrifices, the American people do not expect to go down a one-way street. We talk about reciprocal trade, but how can we be expected to talk about it at all unless there is mutuality, reciprocity, and cooperation from abroad?

The indictment of the British film acts is a harsh one, but the facts warrant no softer impeachment. The British film quota is the antithesis of mutuality; it jams the gears of reciprocity; and it rebuffs a friendly and helpful gesture of cooperation with a veritable slap in the face. Since the end of the war, the British Government's policy must be considered as one openly or covertly intended to oust American films from the British market as swiftly as possible and replace them with home-made products. How would the British like it if the United States were to decree by legislation that 40 percent of all Americans who went abroad must travel in American steamships? The United States could make the reasonable point that such a device was necessary to build and maintain its merchant marine as an instrument necessary to fulfillments of its world-wide commitments. In essence, a film quota and a shipping quota are in no sense different.

There is the problem. The Department of State must take a hand in resolving it, for its ramifications go far beyond the interests of a single industry. Only that agency of our Government can make those representations which will bring some measure of true reciprocity into our dealings with Britain on this important aspect of international commerce. What is the State Department doing about it? The American people are entitled to know.

Viewing the matter in its broader aspects, I have prepared an amendment

which I wish to file today to the measure that has been temporarily laid aside dealing with the related matter concerned with the advertising of foreign products in this country and with advertising for foreign travel. A year ago I presented an amendment to the Economic Cooperation Act which provided for the stimulation of foreign travel. Under the act which was adopted by the Congress and signed by the President, a great deal has been done, and very properly done. I believe as firmly as ever in the possibilities of restoring our normal trade with this as one of the channels. But throughout the past year there has prevailed a "gentlemen's agreement" under which ECA funds were not expended in this country for the advertising of foreign products or advertising the advantages of foreign travel in competition with American manufacturers and American travel agencies and American regions that appeal to the recreational industry, including practically all the States in the Union. Now, it is proposed to step out from that and for the first time to use ECA dollars to advertise foreign products and foreign travel, and I feel, however much it may be justified on logical grounds as calculated to advance the course which has hitherto been pursued, it is utterly indefensible from the standpoint of the people of this country who must put up the money, spending as they are 15 cents of every dollar toward foreign recovery, in addition to having expenditures of this character in this country, which will be nicely calculated to destroy much of the great development which has taken place in the United States. I realize that the dollars of other nations, secured in such way as they desire, may still be used for that purpose in this country, and will be used. But I am sure they will be very much more moderate and abstentious in the expenditure of these dollars if they are their own dollars rather than our dollars. I care not whether it is the State of California, the State of New Hampshire, the State of Nebraska, the State of Washington, the State of Wisconsin, the State of North Dakota, the States of the South, the State of Rhode Island, or the States represented by any of my friends on the floor, I do not believe that American dollars under the ECA program should be used in this country for any such purpose as I have indicated. So I desire to send to the desk this amendment, to have it printed and lie on the table for appropriate consideration.

The PRESIDING OFFICER (Mr. O'CONOR in the chair). The amendment will be received, printed, and lie on the table.

EXTENSION OF DISTRICT OF COLUMBIA RENT CONTROL ACT

The Senate resumed the consideration of the bill (H. R. 1757) to amend and extend the provisions of the District of Columbia Emergency Rent Act, approved December 2, 1941, as amended.

Mr. McGRATH. Mr. President, I send to the desk an amendment, and ask to have it read.

The PRESIDING OFFICER. The Senator's amendment will be held in abeyance pending action on the amendment offered by the Senator from Wisconsin [Mr. McCARTHY].

Mr. McCARTHY. I understand the chairman of the District of Columbia Committee, the senior Senator from Rhode Island, has no objection to the acceptance of the amendment which is now pending.

Mr. McGRATH. Mr. President, is there an amendment pending, on which we have not voted?

The PRESIDING OFFICER. Yes. There is an amendment pending, offered by the Senator from Wisconsin.

Mr. McCARTHY. I ask for action thereon, Mr. President.

The PRESIDING OFFICER. Is there objection? Without objection——

Mr. WHERRY. Mr. President, will the distinguished Senator from Wisconsin state what the amendment is?

Mr. McCARTHY. I perhaps would best tell the Senator what the six amendments are. I have six amendments to the District Rent Control Act. The purpose of the six amendments is to endeavor to bring the District act in line with the National Rent Control Act. The last amendment had to do with the decontrol of certain hotel accommodations, in effect providing the same rules and regulations in the District as those affecting the remainder of the country. The senior Senator from Rhode Island, chairman of the District Committee, has made no objection to that amendment, which is the one now pending, and when it is acted upon, I have four other amendments to offer.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. WHERRY. Has the amendment been passed upon by the District of Columbia Committee?

Mr. McCARTHY. No.

Mr. WHERRY. Would there be any objection to it, in the Senator's opinion, if it were offered in committee?

Mr. McCARTHY. I frankly do not know.

Mr. WHERRY. With reference to the other amendments offered by the Senator from Wisconsin, is there any objection by the chairman of the committee?

Mr. McCARTHY. Let me say that at the time the junior Senator from Delaware headed a committee to draft the District bill, the national act had not been passed. At that time it was impossible for the Senator from Delaware or any of us to know what would be contained in the National Rent Control Act. Since then, as the Senator knows, the conferees have submitted a conference report which the Senate has adopted; and the purpose of these amendments is——

Mr. WHERRY. The purpose is to make the provisions of the national law applicable to the District, is it not?

Mr. McCARTHY. The purpose is to have the same law in Washington as the one applying to the other cities of the Nation.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. McCARTHY], which will be restated.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add a new section, as follows:

SEC. —. Section 2 (2) (e) of such act, as amended, is amended to read as follows:

"(e) For the purposes of this section, the term 'hotel' means an establishment operating under a hotel license and occupied by an appreciable number of persons who were provided customary hotel services, such as maid service, furnishing and laundering of linen, telephone and secretarial or desk service, use and upkeep of furniture and fixtures, and bellboy services."

The amendment was agreed to.

Mr. McGRATH. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 1, beginning with line 9, it is proposed to strike out through line 6 on page 2, and insert in lieu thereof the following:

SEC. 2. Subsection 3 (b) of section 2 of such act (D. C. Code, 1940 ed., sec. 45–1602), as amended by the act approved April 29, 1948 (Public Law 507, 80th Cong.), is amended to read as follows:

Mr. McGRATH. Mr. President, all this amendment does is correct an error which was made in the House bill. The House, in an effort to accomplish its purpose, used some repetitious language. The amendment is intended to straighten out the language so as to conform to the intention of the House. It does not change the language of the District of Columbia Act; it merely deletes repetitious language.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Rhode Island.

The amendment was agreed to.

Mr. McCARTHY. I send to the desk amendment No. 3, and ask that the reading thereof be waived and that it be printed in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, Mr. McCARTHY's amendment was ordered to be printed in the RECORD, as follows:

On page 3, strike out the proviso beginning in line 6 and insert in lieu thereof the following: *"Provided,* That in the case of housing accommodations in a structure or premises owned or leased by a cooperative corporation or association no action or proceeding under this paragraph or paragraph (3) to recover possession of any such housing accommodations shall be maintained unless stock in the cooperative corporation or association has been purchased by persons who are then stockholder tenants in occupancy of at least 65 percent of the dwelling units in the structure or premises and are entitled by reason of stock ownership to proprietary leases of dwelling units in the structure or premises, but this proviso shall not apply where such corporation or association acquires or leases such structure or premises after the effective date of this amendatory act pursuant to a contract entered into prior to such date."

Mr. McCARTHY. I shall briefly explain the purposes of the amendment. It merely provides the same rules for the

eviction of tenants in the so-called cooperative housing projects in the District as those provided in the national rent-control law. I understand the Senator from Rhode Island, the chairman of the District Committee, and the junior Senator from Delaware, chairman of the subcommittee which drafted the District rent-control bill, have no objection to this particular amendment. I may ask the Senator from Rhode Island, is that correct?

Mr. McGRATH. If it is the amendment with reference to cooperatives, there is no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

The amendment was agreed to.

Mr. McCARTHY. Mr. President, I offer the amendment which I send to the desk and ask to have stated. It is numbered 5.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 2, beginning with line 15, it is proposed to strike out through line 2 on page 3, and to insert in lieu thereof the following:

(4) Any housing conditions resulting from any conversion created on or after April 1, 1949, shall continue to be housing accommodations subject to maximum rent ceilings and minimum service standards unless the Administrator issues an order decontrolling them, which he shall issue if he finds that the conversion resulted in additional self-contained family units as defined by regulations issued by him.

Mr. McCARTHY. Mr. President, the presently proposed District rent-control bill provides that unless it costs more than $1,000 to create new living quarters, the Administrator shall have no authority to decontrol such new living quarters. My amendment provides that the same rule shall apply in Washington as applies to various other cities of the Nation which are under rent control.

I understand the senior Senator from Rhode Island has no objection to my amendment.

Mr. McGRATH. Mr. President, in my opinion and in the opinion of the Administrator, this amendment would strengthen the hand of the Administrator in determining what properties have been made livable accommodations, and I think it would be a very valuable addition to the bill. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to amendment numbered 5 offered by the Senator from Wisconsin.

The amendment was agreed to.

Mr. McCARTHY. Mr. President, I send to the desk my amendment numbered 6, and ask that it be read.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. At the end of the bill it is proposed to add a new section, as follows:

Nothing in this act shall be considered as authorizing or permitting recontrol of any housing accommodations which have been heretofore decontrolled.

Mr. McCARTHY. Mr. President, I think the mere reading of that amendment explains its purpose, and I have no further comment to make with regard to it.

Mr. McGRATH. I have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

Mr. McGRATH. Mr. President, I move that the Senate insist on its amendments, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McGRATH, Mr. FREAR, and Mr. McCARTHY conferees on the part of the Senate.

DAYLIGHT-SAVING TIME IN THE DISTRICT OF COLUMBIA

Mr. McGRATH. Mr. President, I understand that the House has sent to the Senate its amendment to Senate bill 135, to authorize the Board of Commissioners of the District of Columbia to establish daylight-saving time in the District. It was my intention to ask that the Senate concur in the amendment of the House. I think the matter can be disposed of in a minute or two, and it will then be behind us.

Mr. LUCAS. Mr. President, I ask unanimous consent that the Senate temporarily lay aside Senate bill 1209 and proceed to the consideration of the amendment of the House to Senate bill 135 to authorize the Board of Commissioners of the District of Columbia to establish daylight-saving time in the District.

Mr. WHERRY. Mr. President, reserving the right to object, may I inquire of the distinguished Senator from Rhode Island whether this is the bill which was passed by the Senate some time ago?

Mr. McGRATH. That is correct. It was amended in the House.

Mr. WHERRY. And all that is necessary is to concur in the House amendment; is that correct?

Mr. McGRATH. That is correct.

Mr. WHERRY. I have no objection.

The PRESIDING OFFICER (Mr. O'CONOR in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 135) to authorize the Board of Commissioners of the District of Columbia to establish daylight-saving time in the District, which was in line 2, to strike out all after "assembled," down to and including "September," in line 7, and insert "That the Board of Commissioners of the District of Columbia is authorized to advance the standard time applicable to the District 1 hour for the period commencing not earlier than the last Sunday of April 1949 and ending not later than the last Sunday of September 1949."

Mr. McGRATH. Mr. President, the difference between the Senate and the House versions of the so-called daylight-saving bill is that the Senate passed a bill which would permit the Commissioners of the District of Columbia indefinitely to establish daylight saving on the last Sunday in April to continue until the last Sunday in September. The House has amended the bill to grant the same permission, but only for a period of 1 year. I feel that it is not necessary to do this every year; we have too many more important things to do; but I move that the Senate concur in the amendment of the House.

The motion was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1731) to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 1731) to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes, and it was signed by the Vice President.

EXTENSION OF EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 1209) to amend the Economic Cooperation Act of 1948.

Mr. WATKINS. Mr. President, we have been discussing for several days the European recovery program. A great many questions have been asked with respect to how that program is operating, and what the budget for foreign affairs is likely to be in the way of cash outlays for equipment, or what not, that may be furnished to the countries who are now participants in the European recovery program.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. WATKINS. I yield for a question.

Mr. LANGER. Mr. President, will the Senator yield for the purpose of suggesting the absence of a quorum?

Mr. WATKINS. If I do not lose the floor by so doing.

Mr. LANGER. Mr. President, I ask unanimous consent that the Senator from Utah shall not lose the floor if I suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LANGER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Holland	Mundt
Anderson	Humphrey	Murray
Baldwin	Hunt	Myers
Brewster	Ives	Neely
Bricker	Jenner	O'Conor
Bridges	Johnson, Colo.	O'Mahoney
Byrd	Johnson, Tex.	Pepper
Cain	Johnston, S. C.	Reed
Capehart	Kefauver	Robertson
Chapman	Kem	Russell
Chavez	Kerr	Saltonstall
Connally	Kilgore	Schoeppel
Cordon	Knowland	Smith, Maine
Donnell	Langer	Sparkman
Douglas	Lodge	Stennis
Downey	Long	Taft
Ecton	Lucas	Taylor
Ellender	McCarran	Thomas, Okla.
Ferguson	McCarthy	Thomas, Utah
Frear	McClellan	Thye
Fulbright	McFarland	Tobey
George	McGrath	Tydings
Gillette	McKellar	Vandenberg
Graham	McMahon	Watkins
Green	Magnuson	Wherry
Gurney	Malone	Wiley
Hayden	Martin	Williams
Hendrickson	Maybank	Withers
Hickenlooper	Miller	Young
Hill	Millikin	
Hoey	Morse	

The PRESIDING OFFICER. Ninety-one Senators having answered to their names, a quorum is present.

TAX REDUCTION IN CANADA

Mr. GEORGE. Mr. President, will the Senator yield to me? I wish to speak for a very few minutes, about 5 or 10 minutes.

Mr. WATKINS. Mr. President, I am willing to yield to the Senator from Georgia if I may be granted unanimous consent to do so without losing my privilege to the floor. I ask unanimous consent that I may yield to the Senator from Georgia, if, by doing so, I do not lose my rights to the floor.

The PRESIDING OFFICER. The Senator from Utah has asked unanimous consent that he might yield to the Senator from Georgia without impairment of his rights. Is there objection? The Chair hears none, and it is so ordered.

Mr. GEORGE. Mr. President, in order not to consume any unnecessary time I will not yield to questions at this time. I wish to make a brief statement for the RECORD. My statement has an indirect bearing upon all our programs calling for the expenditure of money.

I wish to call attention particularly to the tax program announced by the Finance Minister of Canada, Mr. Douglas Abbott, on the 22d of March. He prefaced his announcement of the tax program for the Dominion of Canada with a statement which I think is true of the United States at this time. In fact the Finance Minister himself recognized that the economy of Canada and the economy of the United States were much in the same general condition. He called attention to the fact that inflation had really spent its course, barring a great catastrophe, such as war, a complete crop shortage, or some other catastrophe of that character which would call for the expenditure of money on an immense scale. With those exceptions, he said, the danger from inflation was over.

Then he proceeded to do the significant thing of announcing general tax cuts, most of the cuts to be applicable immediately, but some of them to be retroactive back to the 1st day of January of this year.

With respect to individual income taxes he recommended an average reduction of 32 percent in all brackets. Of course, the reduction in some brackets is very much less than that. The reduction in the very low brackets is very much above that. But the general average reduction recommended is 32 percent. The new, individual income-tax rates are made retroactive to January 1, 1949.

Mr. President, I wish to give a few detailed statements about the Canadian Finance Minister's recommendations.

The exemption of a single person is raised from $750 to $1,000. In 1945 a single person in Canada had an exemption of $660. In the United States a single person now has an exemption of $600. His exemption in 1945 was only $500.

In Canada the exemption for married persons without children is raised from $1,500 to $2,000. In 1945 married persons had an exemption of $660 under the surtax, and $1,200 under the normal tax.

In the United States a married person without dependents now has an exemption of $1,200. In 1945 his exemption was $1,000.

The dependency exemption in Canada is raised from $300 to $400. The $300 exemption was instituted in 1946, and replaced a system of tax credits. The dependency credit in the United States is now $600. In 1945 and 1946 it was $500.

The exemption for children eligible for family allowance, which is provided under Canadian law, is to be raised from $100 to $150. The $100 exemption was made in 1946, and was announced at the time to be the equivalent of the $300 exemption then allowed for other dependents when the family allowances are taken into account.

It is reported that the proposed increases in exemptions will bring Canada back to the prewar level and relieve about 750,000 taxpayers of all tax liabilities. Bear in mind, Mr. President, that the number 750,000 is out of a total of about 13,000,000 Canadians, the estimated population at this time.

The prewar level of exemptions in the United States was $1,000 for a single person, $2,500 for the head of a family, and $400 for each dependent.

Rate reductions are provided in percentages which decrease as the size of the income grows larger. It is reported that a married person without children, having an income of $2,500, would receive a tax reduction of 56 percent. This appears to produce a tax of about $95, as compared with $170 under existing law. In 1945 this couple would have paid a tax of $385. Thus the proposed tax burden is about 25 percent of the wartime burden.

Under existing law in the United States a married couple without children, with an income of $2,500, pays a tax of $215.80. Prior to the first postwar tax reduction made in the Revenue Act of 1945 this couple would have paid a tax of $360. Thus the present burden in the United States is about 60 percent of the wartime evel, as against 25 percent in Canada, of their wartime level.

Under the proposed Canadian legislation a married couple without children, having an income of $10,000, will receive a tax reduction of about 17 percent. This produces a tax of about $1,652. Under existing law the tax is $1,990. Under the rates in effect in 1945 the tax would have been $3,612. Thus the proposed tax burden is about 46 percent of the wartime level.

Under existing law in the United States a married couple without children, with an income of $10,000, would pay a tax of $1,621.44. Under the rates in effect prior to the Revenue Act of 1945 this couple would have paid a tax of $2,585. Thus the existing tax burden is about 63 percent of the wartime level. The proposed changes in the Canadian tax on individual net incomes are to take effect, as I have already stated, January 1, 1949.

I should like to say a word about surtax on investment income. That is a principle which is not written into our tax laws. The Canadian individual income tax includes a special levy of 4 percent on investment income. Under existing law the first $1,800 of investment income is exempt. Under the proposed bill the first $2,400 will be exempt. In 1945 the exemption was $1,500.

Corporate rates were also reduced. The present Canadian law imposes a full 30-percent tax on corporate net income. The rate on the first $10,000 of profits is to be reduced to 10 percent, while the rate on the profit above $10,000 is raised to 33 percent. This, according to Mr. Abbott, was intended both as a relief for small business and in order to save any loss of revenue on this particular item in their tax bill.

I digress here to say that if anything is ever done for the small taxpayer in America, it must be done taxwise. In my opinion, the Canadian system is sound in principle. Here it would be necessary to take one additional step, and that step would be to permit ordinary copartnerships to treat themselves as corporations for tax purposes.

As a first step in dealing with double taxation of dividend incomes, about which we have talked a great deal and done nothing, individuals are to be allowed a credit against their personal income tax equal to 10 percent of the dividends which they receive from the common shares of Canadian taxpaying corporations.

The 10-percent credit does not apply to anything but dividends upon common stock. It does not apply to preferred stocks, and it does not apply to the ordinary dividends issued by cooperatives.

Excise taxes were reduced generally. Very much the same general excise list is to be found in Canada as is found in our own law. The rates during the war period have not been much out of line with each other. There has been a complete elimination of a number of the excise

taxes, including taxes on travel, or transportation, as we call it, tickets, sleeping-car berths, parlor-car chairs, telegrams, cables, long-distance telephone calls, extension telephones, soft drinks, carbonic acid gas, candy, chewing gum, and transportation busses. A decrease back to the prewar level on certain excises was also recommended by the Finance Minister. Purely as an illustration, he proposes to reduce the tax on cosmetics, toilet articles and preparations from 25 percent to 10 percent; and the 10 percent is levied at the level of the manufacturers, and not on the retailers.

Mr. President, Canada has a sizable national debt for 12,000,000 to 13,000,000 people. Her national debt is somewhat in proportion to our own when population is considered. But the Canadian Government finds it not only proper, but necessary, to make these tax reductions at this time.

I have before me, Mr. President, a copy of the Winnipeg Free Press, which carries the Finance Minister's address and gives the results at which he arrived. Of course, it may very well be said—and no doubt his opponents in Canada will say—that he has his eye fixed on the next election. However, there is one thing absolutely sure. In 1947 Canada found that her dollars and her reserves were being very rapidly depleted. She took appropriate steps, and although her reserves reached the very low level of approximately $500,000,000, they are now already above $1,000,000,000.

Our economic conditions are not dissimilar to conditions in Canada, as I stated in the beginning. In my opinion there is but one thing which will bring us a sizable depression in 1949. After that, of course, no one can even venture to make a guess. That one thing is to super-add to the already heavy tax burdens of the American people between $4,000,000,000 and $6,000,000,000. If we do that, there will be a flight of American capital into Canada, and there will be no further shortage of American dollars in the Canadian reserve account. Indeed, there is none now. That is the one thing that can bring this country close to a threatened recession or depression at this time.

One further word. If we are not willing to reduce spending by the Federal Government—say what we please about it, and whatever may be the great cause for which money is being spent—we shall face a deficit or we shall be compelled to increase taxes. Of course the President has estimated a $4,000,000,000 tax raise. Mr. President, a $4,000,000,000 tax increase will not be placed upon the taxpayers; a part of it will be a shift. The moment we undertake to adjust tax rates in this country, there will be a loss of at least $1,000,000,000 through the elimination of many excise taxes which ought to be eliminated, and through the reduction of others which ought to be reduced; and, instead of $4,000,000,000, we shall necessarily have to increase the tax rates to a point where we can realize at least $5,000,000,000.

Where are we going to place that burden? It can fall only on American corporations, by having them reduce their reserves, which are absolutely indispensable if we are to carry on a program of expansion in the industrial field; or it can fall somewhat on estates. But, Mr. President, be assured that it must also fall upon the individual taxpayers. The one thing we ought to be able to do now is to increase exemptions on single persons to at least $1,000, as Canada has done, and on married persons without children to $2,000; and assuredly we should give some credit for dividends actually distributed; and assuredly also we should apply a special rate to corporate earnings not in excess of some fixed amount, in order to take care of small business; and for tax purposes, we should treat all partnerships, at their option, as corporations.

Mr. President, if we wish to impose $5,000,000,000 more in taxes upon individuals and corporations, do it; and make it necessary by not cutting a penny from any of the appropriations.

This year we are collecting at the rate of only $44,000,000,000 from our taxpayers. About $2,000,000,000 goes back by way of tax refunds, but it does not go back automatically except in cases of overwithholding on the wage and salary accounts of our people. If we increase the budget for the fiscal year 1951 to a level of at least $48,000,000,000, and as a consequence put $5,000,000,000 more on the taxpayers of the United States, we shall have something which will strongly resemble a depression in these United States.

Mr. President, I should like to offer for the RECORD the entire address, omitting the tables, of the Canadian Finance Minister, because I think it most informative and I think it indicates which way the wind is blowing in other countries which have very much the same economic problems and economic system that we have.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

[From the Winnipeg Free Press for March 23, 1949]

TEXT OF AMENDMENTS IN INCOME-TAX RATE

OTTAWA, March 23.—Here is the text of the resolution to amend the income-tax act. It provides:

1. That, for the 1949 and subsequent taxation years, the following shall be the exemptions from individual income tax:

(a) Two thousand dollars in the case of a married person and persons allowed a deduction equivalent to that of a married person, and $1,000 in the case of all other persons; and

(b) Four hundred dollars in the case of dependents not eligible for family allowances, $150 in the case of children eligible for family allowances.

2. That, for the 1949 and subsequent taxation years, the schedule of graduated rates for individual income tax be replaced by the following schedule:

On the first $1,000 of income or any portion thereof, 15 percent per annum; or

$150 upon the income of $1,000; and 17 percent upon the amount by which the income exceeds $1,000 and does not exceed $2,000; or

$320 upon the income of $2,000; and 19 percent upon the amount by which the income exceeds $2,000 and does not exceed $4,000; or

$700 upon the income of $4,000; and 22 percent upon the amount by which the income exceeds $4,000 and does not exceed $6,000; or

$1,140 upon the income of $6,000; and 26 percent upon the amount by which the income exceeds $6,000 and does not exceed $8,000; or

$1,660 upon the income of $8,000; and 30 percent upon the amount by which the income exceeds $8,000 and does not exceed $10,000; or

$2,260 upon the income of $10,000; and 35 percent upon the amount by which the income exceeds $10,000 and does not exceed $12,000; or

$2,960 upon the income of $12,000; and 40 percent upon the amount by which the income exceeds $12,000 and does not exceed $15,000; or

$4,160 upon the income of $15,000; and 45 percent upon the amount by which the income exceeds $15,000 and does not exceed $25,000; or

$8,660 upon the income of $25,000; and 50 percent upon the amount by which the income exceeds $25,000 and does not exceed $40,000; or

$16,160 upon the income of $40,000; and 55 percent upon the amount by which the income exceeds $40,000 and does not exceed $60,000; or

$27,160 upon the income of $60,000; and 60 percent upon the amount by which the income exceeds $60,000 and does not exceed $90,000; or

$45,160 upon the income of $90,000; and 65 percent upon the amount by which the income exceeds $90,000 and does not exceed $125,000; or

$67,910 upon the income of $125,000; and 70 percent upon the amount by which the income exceeds $125,000 and does not exceed $226,000; or

$137,910 upon the income of $225,000; and 75 percent upon the amount by which the income exceeds $225,000 and does not exceed $400,000; or

$269,160 upon the income of $400,000; and 80 percent upon the amount by which the amount exceeds $400,000.

DIVIDENDS ON SHARES

3. That, for the 1949 and subsequent taxation years, there may be deducted from tax payable by an individual resident in Canada 10 percent of the amount of his income that is from dividends on shares, having no preference of any kind, in a corporation resident in Canada that was liable to corporation tax in the taxation year; provided that in the case of dividends deemed to have been received from a personal corporation the deduction shall only be 10 percent of that part of the income deemed to have been received by the shareholder as a dividend that the income of the corporation derived from dividends is of the whole income of the corporation.

4. That, with respect to income of corporations earned on and after January 1, 1949, the present rate of tax of 30 percent shall be reduced to 10 percent on the first $10,000 of income and increased to 33 percent on income in excess of $10,000 with corresponding changes in the rates in the case of consolidations.

5. That interest on unpaid taxes on income of the 1948 and subsequent taxation years for which no assessments have been issued will cease to accrue 12 months after the date for filing the return in place of 20 months.

6. That, for the 1949 and subsequent taxation years, the business losses that may be deducted from income shall include losses sustained in the 5 years preceding and the year following the taxation year in the place of the 3 years preceding and the year following the taxation year.

CLERGY DEDUCTIONS

7. That for the purpose of computing income of the 1948 and subsequent taxation years of a member of the clergy or of a religious order or a regular minister of a religious denomination there may be deducted the value of the residence or other living accommodation enjoyed by him as such member or minister to the extent that it would otherwise be included in his income, or the rent paid by him for, or the fair rental value of, such a residence or living accommodation.

8. That, for the 1949 and subsequent taxation years, the exemption from income of an individual in respect of a spouse supported by him shall not be reduced because of exempt income of the spouse.

9. That, for the 1949 and subsequent taxation years, all amounts whether in the form of lump sums or otherwise, received by employees from their employers, whether before, during or after their employment, shall be included in computing income of the employee unless it is established that they cannot reasonably be regarded as consideration for entry into the employment, remuneration for services or consideration for restrictions on the activities of the employee.

10. That, for the 1949 and subsequent taxation years, payments made for a wheel chair may be included in the medical expenses for which a deduction from income may be made for the purpose of computing taxable income.

11. That, for the 1949 and subsequent taxation years, $500 may be deducted from income for the purpose of computing taxable income of a taxpayer who, throughout the whole of the taxation year, was necessarily confined by reason of illness, injury, or affliction to a bed or wheel chair.

12. That special deductions from income to taxpayers engaged in exploring or drilling for natural gas, oil, or minerals be allowed for expenses incurred in the 1950, 1951, and 1952 operations on the same basis as for expenses in 1949 operations.

13. That special deductions from taxes to taxpayers engaged in exploring or drilling for oil for expenses incurred on deep-test oil wells be allowed for such expenses in 1950 operations on the same basis as for such expenses in 1949 operations.

14. That the provision for the exemption of income derived from a metalliferous or industrial mineral mine that came into production during the calendar years 1946 to 1949, inclusive, during the period of 36 months after the mine came into production be extended to exempt income from such mines that come into production during the calendar years 1950, 1951, and 1952.

15. That tax concessions under statutes of Newfoundland shall not apply in respect of taxes imposed by any act of the Parliament of Canada.

Mr. GEORGE. Mr. President, blood undoubtedly is thicker than water; and Canada met heavy responsibilities to the mother country during the war. But Canada is not exhausting her substance in overseas contributions at this time. She is doing what a prudent people—and they are a prudent people in that great community—ought to do, namely, meet all her responsibilities, but conserve—so far as it is possible to do, consistent with its clear obligations—her own resources.

EXTENSION OF EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 1209) to amend the Economic Cooperation Act of 1948.

Mr. WATKINS. Mr. President——

Mr. TAFT. Mr. President, will the Senator yield to me, to permit me to make a brief statement in connection with the offering of an amendment?

Mr. WATKINS. I ask unanimous consent, Mr. President, that I may yield for that purpose without prejudicing my right to the floor.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. TAFT. Mr. President, I cannot add anything to the force of what the Senator from Georgia [Mr. GEORGE] has said, except to come to the conclusion, from his statement, that if we hope to avoid having to vote a tax increase in June, when we reckon up expenditures and income, we shall have to cut practically all the proposed expenditures which now contemplate a deficit of $800,000,000. In my opinion, unless we are willing to cut the appropriation for ECA, unless we are willing to begin at this time to make cuts, there will be very little hope of cutting other appropriations.

For that reason, on behalf of the junior Senator from Georgia [Mr. RUSSELL] and myself, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 5, in lines 14 and 15, it is proposed to strike out "$1,150,000,000" and insert in lieu thereof "$1,035,000,000."

On page 5, in line 16, it is proposed to strike out "$4,280,000,000" and insert in lieu thereof "$3,852,000,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT] on behalf of the Senator from Georgia and himself.

Mr. WATKINS. Mr. President, at the outset of my remarks this afternoon, let me say that I think all of us were very much impressed with the very able statement and warning given to us just now by the distinguished senior Senator from Georgia [Mr. GEORGE]. I think what he has said today should be taken into account by every citizen of the United States, and particularly by those in the Government of the United States who are connected in any way with the spending of the taxpayers' money. What he has said in regard to Government expenditures points up the statement I had intended to make this afternoon with respect to the European recovery program and its allied North Atlantic Pact.

Several days ago, Mr. President, while the European recovery program was under discussion on the floor of the Senate, I asked a number of questions about the over-all budget for our foreign spending. The answers which were given covered some of the items; but the answers were rather indefinite and vague, and I was unable to obtain a clear picture of just what is intended by the program which we now are proceeding to consider, not only the ECA program, but another program which the President of the United States will shortly have before us, namely, the North Atlantic Pact, immediately following which, if we can believe the accounts appearing in the newspapers, we shall have the proposed legislative implementation of that pact by a huge rearmament program, to begin rather modestly this year, and to increase as the need is demonstrated in the years to follow.

So it is highly important that we keep in mind what the Senator from Georgia has told us. I have great respect for his judgment. Of course, we have not yet had time to analyze all he said or to consider all the implications growing out of his statement. I am sure that it will have far-reaching effects if it is given the consideration it deserves, and I think it should immediately be given consideration by this body in connection with the study of the foreign-aid programs which are being presented to us.

Of course, the first one is the ECA program. We wish to know exactly what it will cost. The request presently before us is for an authorization only, which amounts to $5,500,000,000. We know that under the foreign-aid program we have in Germany an army we must maintain. We know that as a part of the cost of that occupation we are helping feed German people in the occupied zone in which our troops are located. We know that we have an obligation to maintain our army in Japan and to help feed the Japanese people and to help restore them. I am informed that it costs about $1,000,000,000 at least for those occupations and for the incidental costs connected with them. And now this vast sum is asked for in connection with the European recovery program.

Some of us are wondering whether all this money is necessary. We are asking questions about whether the Marshall-plan countries have recovered to the point where they can carry a part of the load, or do with less money from the American Treasury. Immediately we are met at times by the public critics who say, "You are trying to deny the necessary means to reach the end desired. We must appropriate all this money. We must not cut off anything. We must not go into detail. We must enter upon this over-all program and leave it to somebody else to say whether it is too much or too little.

I maintain we must give this matter very careful consideration at this moment. In connection with it we are entitled to know what the plans are for the rearming of Europe, if and when we adopt the North Atlantic Pact. That is tied in with it. So I make no apologies today in discussing both these matters.

The other day a telegram was read into the RECORD, or at least a press dispatch, by way of the wire service, by the junior Senator from California [Mr. KNOWLAND], in which it was pointed out, for instance, that Great Britain, one of the countries to be benefited by the recovery program, was planning to go ahead with its economic trade treaties and economic policies of doing business in Europe as it had always done. I asked in connection with that general subject some questions about trade treaties which were supposed to have been entered into by Great Britain with Russia and one of her satellites, Poland. I was

unable to get any information from the Senators who were then presenting the program for the committee. So I took the time to get the trade pacts which are now in effect between Great Britain and Russia and Poland.

I call the attention of the Senate to a trade agreement entered into at Moscow on the 27th day of December 1947 between Great Britain and Russia. The trade agreement, as Senators will note from the date, came a short time before we provided the Marshall program for the recovery of Europe. It was then in existence, and it will be noted that by the terms of the agreement, it runs for many years. I read from that treaty, as follows:

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Union of Soviet Socialist Republics, prompted by a sincere desire to insure the development of Anglo-Soviet trade to their mutual advantage and attaching particular importance not only to the establishment of a short-term program of supplies having the object of facilitating the satisfaction of current needs of both countries but also to the development of Anglo-Soviet trade on a long-term basis, have, through thier respective trade delegations appointed for that purpose, reached the understandings embodied in the annex to the present protocol.

Then I read from this treaty some of the articles which are considered to be in the trade. Under article 1, Russia is to furnish to Great Britain from the 1947 harvest and the 1948 harvest, 450,000 metric tons of barley, 200,000 metric tons of maize, and 100,000 metric tons of oats. None of these, I understand, are war materials coming from Russia to build up the war potential of Great Britain. Moreover, they are articles which I think could have been purchased in the United States or in Canada or in other parts of the world.

In return for this, Mr. President, I want the Senate to note what Great Britain is to give to Russia:

Light rails with fishplates, bolts and nuts for narrow-gage railway: 25,000 English long tons (including not less than 10,000 English long tons from new production and the balance from the United Kingdom military surpluses) and in addition 10,000 English long tons from any further United Kingdom military surpluses which may become available during the year 1948 in the United Kingdom and overseas.

I do not know what military surpluses are in Great Britain, but whatever they are, the rails were to be taken from the military surpluses. Whether they are surpluses which we let them have by lend-lease, or munitions and commodities which we had in Great Britain at the close of the war, I do not know. I do not know how England accumulated military surpluses, unless by the help of the United States. But I note that the rails are made of steel, and I shall follow on to show that other articles which are used in war and are of great help in the building up of the war potential are also mentioned. We then proceed to article 3–B (i), which says:

Both sides being desirous of extending trade between the two countries are agreed that apart from carrying out of deliveries provided for in article II and paragraph (A) of this article corresponding negotiations will immediately be commenced with the object of supplying to the Union of Soviet Socialist Republics, wool, rubber, aluminum.

If I remember correctly we have been hearing a great deal in the Senate from Senators on the other side of the aisle about the shortage of aluminum in the United States. That shortage is attributed to the fact that we did not vote enough money for certain projects in the West. Here we have one of our allies, and one of the nations that intends to come into the Atlantic Pact, entering into an agreement to furnish aluminum to Russia. So far as I know, the United Kingdom, at least Great Britain, the island itself, England, does not have as a natural product the materials from which aluminum is made.

I shall not read the entire treaty, but I want to call the attention of Senators to a long-term arrangement, under article IV, which reads as follows:

The aim of the two Governments is to secure as soon as possible a balanced trade on an expanding basis between the United Kingdom and the Union of Soviet Socialist Republics, due account being taken of other transactions which enter into the balance of payments between the two countries.

The two Governments will appoint representatives who will meet not later than May 1948 for the following purposes—

It then names them, on down the line, and then, finally it says:

To draw up in the light of this review a balanced program of shipments between the two countries consisting of:

(1) From the Union of Soviet Socialist Republics to the United Kingdom: Wheat, pulses, pit props, cellulose, canned goods;

(2) From the United Kingdom to the Union of Soviet Socialist Republics: Oil-well tubes, tin plate.

Oil well tubes, as I understand, are used in connection with drilling for oil and for use in oil production. As we know, oil is one of the most vital materials in connection with the prosecution of a war. So, apparently, Great Britain will furnish oil-well tubes in the future; and that may well be in the contemplation of Mr. Brown, the Chairman of the Board of Trade of Great Britain, and a member of the British Cabinet, who is talking about doing business as usual. He probably had this in mind in connection with future expansion.

Then we come to the annex to the treaty. All of it is quite interesting. We see the types of equipment to be delivered by Great Britain to Russia. We find narrow-gage 750 millimeter locomotives. There are 1,100 of them. They require a great deal of steel and workmanship.

There are flat trucks, 750 millimeter, 2,400.

Winches, 2,400.

Excavators, 210.

Caterpillar loading cranes, 54.

Auto timber carriers, 250.

Tugs, 14.

Dredgers, 4.

Locomobiles, 200 units.

Fifty-kilowatt mobile Diesel electric generators, 155.

We find, also, timber mill equipment, 400,000 English pounds' worth in value. We find scientific and laboratory apparatus, valued at 150,000 English pounds; electro dredger; ball mills for copper ore grinding; ball mills for grinding apatite; rod mills for grinding ores; spiral type classifiers; gyratory crushers; railway steam cranes; 154-kilovolt voltage transformers; 100-kilowatt electric motors. There are 300 of them.

Every one of these articles would be needed in the prosecution of a war. They are being traded, now, in exchange for grains, and in the future they may be traded in exchange for rubber and aluminum. Those commodities may be involved in some of the contracts in the future.

I call these facts to the attention of the members of the committee. They did not, in my opinion, give satisfactory answers as to what is now taking place under the so-called recovery program. It seems to me that in this cold war between our ideals of democracy and the Communist idea of demanding slaves of the state we should watch everything that is done, so that we can see that we are not building up the strength of those who want to overthrow our way of life. I respectfully call this matter to the attention of the Foreign Relations Committee and to the Senate, so that if we are doing violence to the express wording of our agreement with the countries which we are now helping, we should know it and insist upon the enforcement of the provisions, and if our agreements do not now contain provisions preventing such a thing, then they should be included in future contracts and in the extension of the program.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. WATKINS. I yield for a question.

Mr. BREWSTER. Is the Senator from Utah familiar with the provision in our settlement with Great Britain regarding the balances of military supplies which have been furnished? I think there were between four billion and five billion dollars worth at the end of the war which were turned over, under the settlement arrangement, with a reservation to our country that it might veto any transfer of those supplies to any other country. Has that information ever come to the attention of the Senator?

Mr. WATKINS. I think someone mentioned it, but I had not been acquainted with it until that moment, and I do not know the terms of that particular agreement between our country and Great Britain.

Mr. BREWSTER. I do not know whether any subsequent arrangements have been made, but I think it might be well for the Senator to make inquiry about it. That question was raised in connection with the Near East, in the Palestine war, as to whether a very considerable quantity of our military supplies were not being used directly or indirectly in connection with transfers to Russia, involving items such as rails, of which the Senator speaks. It would seem to me to be a matter which could be appropriately explored.

Mr. WATKINS. I thank the Senator. I think it should be explored. I think it should be explored by the Foreign Relations Committee. I think they should have the information so that we can know what is going on under the agreements and in the recovery program.

I remember that many of the trucks, locomotives, and other material transferred to Yugoslavia after the war, under UNRRA, or whatever agency had charge of the material, have gone for use by the army of that country and probably to other satellites, or probably to Russia itself. We do not know. I do not know where we can get the information, but I think we should have it.

I am not calling attention to this matter in any spirit of criticism. I am calling it to the attention of the Senate as being one of those things into which we should look before the program goes much further, and particularly in view of the fact that we have to make sacrifices in this country in order to carry out such a large program of help to other countries.

Mr. President, I ask unanimous consent that this particular trade agreement be made a part of the RECORD immediately following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. WATKINS. Mr. President, I also have a copy of the trade agreement between Great Britain, Northern Ireland, and the Government of Poland, which is in somewhat the same terms as the trade agreement I have just mentioned between Great Britain and Russia.

I want to call attention to the fact that under this agreement the Government of the United Kingdom undertakes to grant for the year 1949 import quotas to the value of £600,000 sterling for Polish furniture and other wooden articles to be agreed upon by the contracting parties.

It has been said from time to time that there will be obtained from these countries for our friends in western Europe materials which will help them build up their war strength. Maybe furniture will do that; I do not know; but at least that is what they are to take—£600,000 worth of Polish furniture.

We find articles which are to be exchanged by the Government of the United Kingdom with Poland. The list starts off with raw wool to the value of 10,000,000 English pounds in each of the years 1949 to 1953; crude rubber, 3,000 tons in 1949, increasing by 500 tons yearly to 5,000 tons in 1953; tin plate, 300 tons in the period April to December 1949 and 300 tons in 1950.

We have to obtain it from Great Britain or some of her colonies in order to build up our stock pile.

We find, in the year 1949, 400 tons of tin plate for packing 2,000 tons of canned meat for supply to the United Kingdom. This is a deal which I think would be very beneficial to Great Britain, because the tins come back filled with meat for the United Kingdom.

Then we come to subdivision (iv):

Rubber conveyor belting, 30 miles in each of the years 1949 to 1953.

(v) Shellac, 200 tons in 1949, rising to 400 tons in 1953.

(vi) Rubber tires for cars and tractors, 125,000 English pounds' worth in each of the years 1949 to 1953.

Spare parts for cars and trucks, 250,000 pounds, English money, in each of the years 1949 to 1953.

Then there are to this treaty annexes which contain a list of the articles which are to be exchanged. I think that without reading all those, or any large number of them, I may say in general that many of the items are made of steel, and we have been shipping steel to Great Britain, I understand, under the recovery program.

I ask unanimous consent to have inserted in the RECORD at the conclusion of my remarks a copy of the trade agreement between Great Britain and Poland.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 2.)

Mr. DONNELL. Mr. President, will the Senator yield for an inquiry?

Mr. WATKINS. I yield for a question.

Mr. DONNELL. I notice in the trade agreement between Great Britain and Russia, in part (B), which is entitled "Long-Term Arrangements," a provision that the two Governments may appoint representatives who will meet not later than May 1948, for certain purposes, among which is the following:

To arrange for the appointment of representatives who will as often as may be necessary, but in any case not less frequently than once a year, meet alternately in London and in Moscow to discuss the progress made in fulfillment of this agreement and to make recommendations to the two Governments designed to improve, develop, and widen the basis of trade between the two countries.

I ask the Senator whether or not he has found out yet whether the meeting was held not later than May 1948, whether it is contemplated that a meeting will be held in 1949, and whether he has any information which would enable him to know whether this is intended to be, as would be indicated from its heading, a long-term arrangement.

Mr. WATKINS. I take it for granted that the British people, the English Government, will try to keep that agreement, and they probably have met and probably are meeting, and that the letter from the President of March 17 had in mind that this agreement between these two countries would be carried out as provided in the agreement. I have no reason for assuming for a moment that Great Britain will not keep its agreement under that contract.

Mr. DONNELL. The Senator referred to the expanding basis. I take it that the particular language in his mind at this time is that contained in this provision:

The aim of the two Governments is to secure as soon as possible a balanced trade on an expanding basis between the United Kingdom and the Union of Soviet Socialist Republics, due account being taken of other transactions which enter into the balance of payments between the two countries.

Has the Senator learned what are the other transactions which are referred to in the excerpt I have just read?

Mr. WATKINS. No; I have not learned what they are, and I am very much mystified about what they intend to do in the expanding trade they are contemplating.

Mr. DONNELL. Does the Senator think it would be an appropriate subject of inquiry by the Committee on Foreign Relations of the Senate, while it is investigating this matter, to learn something of what the other transactions are which enter into the balance of payments between the two countries, Great Britain and Russia?

Mr. WATKINS. I think it is the duty of the Committee on Foreign Relations, or of this body, if they do not do it, to ascertain what this expanding trade is, what effect it has on the recovery of Great Britain, and how it would in any way cast a further burden on us to help Great Britain in her recovery.

Mr. DONNELL. I thank the Senator.

Mr. BRICKER. Mr. President, will the Senator from Utah yield?

Mr. WATKINS. I yield for a question.

Mr. BRICKER. Does the Senator know whether there are any other contracts or trade agreements like this, of any kind or character, between the other ECA countries and Russia or her satellite countries?

Mr. WATKINS. I cannot answer the question; I do not know. I happened to know about these trade treaties because I saw them mentioned in the press. I asked the same question, the Senator will remember, in the address I made on March 4 in the Senate, when I called attention to many of these matters which I understood were in existence, and I wanted to know what treaties of any kind existed between the countries which intend to become a part of the North Atlantic Security Pact and those who are doing business with Russian and the satellite countries. We want to get that information.

Mr. BRICKER. Has the Senator been advised by the State Department whether they have any information in regard to that matter?

Mr. WATKINS. I have not been advised. I made that public address here, and I assume that probably these questions will be answered in time. The State Department has not advised me, and I have not put up to them a specific request for any of the trade agreements. I asked for those I have just produced for the RECORD. I think the State Department knows what I have said, and I had hoped they would volunteer. I cannot put my finger on any others, because I do not know about them.

Mr. BRICKER. Does the Senator know whether any of the ECA supplies which have been furnished by this country, or purchased by funds of this country, which have gone to England have subsequently been delivered to Poland or Russia or any other satellite country under the agreements to which the Senator has referred and produced for the RECORD this afternoon?

Mr. WATKINS. I do not know.

Mr. BRICKER. Does the Senator know of any way by which we could follow that up?

Mr. WATKINS. The only way to follow it up would be for the State Department to furnish a full statement of what is being done.

Mr. BRICKER. The Senator does not know, does he, whether the State Department has any information, as of this date, in regard to that?

Mr. WATKINS. I do not know whether they have it or not. I am certain they can get the information if they desire to get it, because I cannot conceive of Great Britain refusing to give it if the proper request were made for it.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. WATKINS. I yield.

Mr. DONNELL. In view of the fact that in the proposed North Atlantic Treaty there is a provision that the parties to it "will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them," does not the Senator think it would be very appropriate for the Committee on Foreign Relations of the Senate to make full and thorough inquiry, in advance of any commitment or vote by the Committee on Foreign Relations, as to just what trade agreements and treaties of the type to which the Senator has referred this afternoon are in existence, or may be contemplated?

Mr. WATKINS. I think it would be very good procedure, and I think it is absolutely necessary for the committee or for some other agency to get that information. I take it for granted that if this body should instruct or request the Committee on Foreign Relations, it would get the information desired.

Mr. President, some few days ago I made on this floor two addresses with respect to questions which should be considered in connection with the North Atlantic Security Pact. I called the attention of this body to the necessity for having certain information before we could act intelligently in considering the proposal, and the necessity of determining whether our policy should be directed away from that we had followed in for some 150 years.

Later I urged the President of the United States—and I put it that way in a telegram—to make public the text of the treaty, for the information of the Senate and the general public, and also asked him to give us information supporting the reasons why we should enter into the pact so that it could be considered well in advance of the signing of the instrument. I tried to point out to the President the embarrassment which would inevitably follow if this were not done in advance of the signing, for the reason that if, after it had been signed we questioned it in this body, argued against it, and possibly in the end failed to ratify it, it would be considered by the people of the world, the peoples of Europe in particular, a great blow to the United States and the other nations in the cold war against communism which has been raging for several years. The President replied to me in his letter that he did not agree. I asked for 60 days. I thought that would be a reasonable time for the treaty to be in our possession for study before the ceremonies of signature. He pointed out in his letter to me in substance that he did not agree for the simple reason that the Senate of the United States had been in on the conception of the treaty; that there had been full and complete and detailed cooperation between the Foreign Relations Committee and the State Department from the very time it was conceived over a year ago in this body until the present time, and that by reason of that close cooperation between the Foreign Relations Committee of the Senate and the State Department, it was not necessary to have the treaty in our possession for any great length of time. In effect he said that we are already committed to the treaty, so why take a great deal of time to discuss it in advance of its signing.

Mr. President, I have heard no denials from the members of the Foreign Relations Committee on the Senate floor as to the implications of the letter of the President on this particular subject, and if the President is correct, I am at a loss to understand why it has been so difficult for Members of the Senate to obtain from the Foreign Relations Committee information about the pact, the reasons for it, and what had been written into the various texts as the programs progressed.

As I have said, I cannot reconcile the apparent inability of the committee to give us this information, with what the President has said had actually been taking place. From some private conversations I have held with members of the committee, I am convinced that the President has been misinformed, and that there was not the full and complete collaboration and detailed consultation which the President mentioned.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for a question?

Mr. WATKINS. I yield for a question.

Mr. HICKENLOOPER. Does the Senator interpret the letter of the President to him, which he has placed in the RECORD, and to which he has referred, as indicating to him that the Foreign Relations Committee of the Senate has been fully informed upon the subject of the implementation of the North Atlantic Pact, if the pact should be ratified?

Mr. WATKINS. I would say that that would naturally follow from what the President said. I cannot conceive of men of the ability of the members of the Foreign Relations Committee, and of men in the State Department, when discussing the Atlantic pact, not taking into consideration how it would be implemented, and how it would be made to work for the protection of the democracies of the world.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for another question?

Mr. WATKINS. I yield.

Mr. HICKENLOOPER. I should like to ask the Senator if he is not aware—I am sure he is—that the North Atlantic Pact has not yet come before the Foreign Relations Committee of the Senate officially for its recommendation and ratification, and that it will come before the Foreign Relations Committee officially after it has been signed as a treaty by the administrative or executive departments of the various governments?

Mr. WATKINS. I understand that is the procedure. That is the way it will be done.

Mr. HICKENLOOPER. Mr. President, will the Senator further yield? I merely want to develop this point for the RECORD.

Mr. WATKINS. I yield for a further question.

Mr. HICKENLOOPER. Is the Senator aware of the fact—and I am speaking as an individual now—that there has been no detailed or specific information furnished, so far as I know—and I am a member of the Foreign Relations Committee—to any Member of the Senate or to the committee, as to the details of the implementation of the North Atlantic Pact? I, as one individual member of the committee, know that some other members of the committee have been very insistent that before we are asked to pass finally on the approval or disapproval of the North Atlantic Pact we be furnished with some understandable information that will clarify what we are expected to do and what other nations are expected to do in implementing the pact, if we adopt it. Has the Senator been informed of that?

Mr. WATKINS. If I may say so, with the Senator's permission, I think this day the Senator from Iowa informed the Senator from Utah that full information, so far as he knows, has not been furnished to the committee.

Mr. HICKENLOOPER. I should like to make my own position clear as to what I have sought to do in the way of obtaining information.

Mr. WATKINS. I should like to verify that the Senator has sought to elicit information respecting the implementation of the pact; how it is going to be carried out with respect to rearmament of Europe, the cost to them, and the cost to us.

Mr. HICKENLOOPER. I think it is completely necessary in connection with the North Atlantic Pact that we know with considerable detail and specifications exactly that, and I believe it is part and parcel of the consideration of the North Atlantic Pact. In other words, what are our physical obligations by way of implementation of the pact in general? I use the words "in general" because I realize that in many fields it may not be possible to specify minutely. I think it is a vital part of the consideration of the whole proposition that we know with considerable accuracy what particular obligations we will be expected to assume, and what contributions and obligations other nations parties to the pact will be expected to assume. I say that as one who is inclined to believe that the pact is probably a step toward peace rather than a step toward war.

Mr. WATKINS. I appreciate the Senator's statement and his comment. I should like to make a suggestion to the

Senator and see if he agrees with my view. Does not the Senator believe we should have complete information in connection with the entire European program, including the ECA authorization bill which is now before the Senate? Is it not necessary to have such information now before we finally pass on what we are going to do here with respect to this particular bill?

Mr. HICKENLOOPER. In answer to the Senator's question, if I may answer his question by not asking him another, and not be admonished that I am guilty of infraction of the rule——

Mr. WATKINS. Mr. President, may I get this matter clear. The other day, when I had the floor, and was speaking, and endeavored to protect myself against losing the floor by yielding only for questions, I was informed by the majority leader that we were now back to the point at which we started before the filibuster began, and that there was no longer demand for enforcement of the ironclad rule that a speaker could yield only for a question to a Senator who wished to interrupt him. I want to know now whether the majority leader was correct in making that statement?

The PRESIDING OFFICER (Mr. HUNT in the chair). The Chair is informed that the Vice President is continuing to enforce the rule.

Mr. WATKINS. The Vice President still insists on enforcing the rule?

The PRESIDING OFFICER. The Chair so understands.

Mr. HICKENLOOPER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HICKENLOOPER. I have known the present Presiding Officer for a good many years, and I know his genial and lenient disposition, so I presume he will not be too intolerant if I answer the Senator's question before asking him one.

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Iowa for a question?

Mr. WATKINS. I yield for a question, and I am not going to be technical respecting just how the Senator from Iowa asks the question.

The PRESIDING OFFICER. Neither is the Chair going to be too technical in his interpretation of the rule.

Mr. HICKENLOOPER. Mr. President, I shall begin my question by asking the Senator from Utah if he wants me to answer the question, as I assume he does?

I do not believe I go as far as the Senator does in assuming that the North Atlantic Pact is an integrated part of the European economic program. I believe that the economic program in western Europe, in the consideration of which we are now engaged, has already been adopted as a policy of this country, and we are committed to it separate and apart from any question of arms or armament or treaties such as the North Atlantic Pact. I believe there is a strict division between policy. On the one hand we have already adopted the policy, we are in it, and we are going forward with it. Without doubt the North Atlantic Pact has a very important relationship to the economic recovery program, because it is in the nature of a union of these countries for the purpose of preserving peace, as differentiated from the economic unity of these countries in their recovery program. They are interrelated, but I believe they can be discussed and evaluated separately. I also believe that if they are coordinated eventually that will be of great help.

Mr. WATKINS. I understand what the Senator says, and I must respectfully state that I disagree with him. In the first place, I think we have no commitment. At least, I understood last year when we adopted the European recovery program that it was on a 1-year basis, that we had no future commitments, and that we could discuss it at this time just as though we had never started the program.

I also think that the history of the last war will show completely, beyond question, that the economic output of a country is just as essential to war as are men, guns, battleships, and planes. In other words, men will have nothing to fight with unless they have weapons, and they must be produced in the industries of those countries, or some other country.

So I cannot see how it is possible to separate the two programs. I think they ought to be considered together. I think we ought to have laid before this body at this time the over-all budget of this country with respect to its world commitments—all of them—so that we can find out whether or not we are going to do what the Senator from Georgia [Mr. GEORGE] said we might do, and that is to overexert ourselves and bring on a depression.

Mr. HICKENLOOPER. Mr. President, will the Senator further yield?

Mr. WATKINS. I yield.

Mr. HICKENLOOPER. I should like to make it clear that I do not take the position that because of any policy in connection with western European recovery we are committed to the yearly appropriation of any specific amounts of money, or any particularly specific recovery programs. I do believe that we are committed, as shown by the record and our attitude when the economic recovery of western Europe was first brought up, to do a reasonable amount of continuous assistance, provided the western European countries show a satisfactory measure of self-help and development on their own initiative. I do not mean to be understood as saying that because we voted for $5,000,000,000-plus last year we are committed to vote for $5,000,000,000-plus this year.

Mr. WATKINS. Or to vote for any amount.

Mr. HICKENLOOPER. Or for any amount, if we decide that the program is not going forward successfully or economically.

Mr. WATKINS. Suppose we decide that we do not want to do any more, that we do not have the money and want to quit. What then? Are we committed to go on? If we are, the situation is much different from the story we were told when the argument was made for the recovery program a year ago.

Mr. HICKENLOOPER. I believe that if we decide that in our own best interests and in the interest of our own economy we simply cannot afford to go on with this program, we are at liberty to discontinue assistance in western Europe.

Mr. WATKINS. Without breaking any obligation.

Mr. HICKENLOOPER. I think that is correct.

Mr. WATKINS. Moral or otherwise.

Mr. HICKENLOOPER. But if we can continue to aid the countries of western Europe when they are short of the reasonable goal of recovery which we establish, I believe we must evaluate the problem year by year, see what their progress is, see what the justification is, and then take such action as we believe we are justified in taking to aid them, based upon their past experience and their potential for future recovery up to the goals we may eventually set.

Mr. WATKINS. I agree with the Senator that that part of the program is all right. However, I want it clearly understood—and I thought that was true of the entire membership of the Senate—that we are not obligated in any way to go on with this program unless we wish to continue it. Personally I am trying to support some kind of a program, but I want to know where we are going. I want answers to some of the questions asked by the Senator from Georgia today. I want to know what this program is going to do to us. That is the reason why I am asking these questions today.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. FERGUSON. Has the Senator a copy of the pact?

Mr. WATKINS. The North Atlantic Pact?

Mr. FERGUSON. Yes.

Mr. WATKINS. I have a copy of it.

Mr. FERGUSON. I should like to ask the Senator a question. If the pact is ratified as a treaty, which I understand is the form in which it will be presented to the Senate, will article 3 legally commit the United States to carry on the Marshall plan aid, or the ERP, or whatever we may wish to call it—the aid which we are discussing today? Under the head of mutual aid, this is what we are asked to do:

> In order more effectively to achieve the objects of this treaty the parties, separately and jointly, by means of continuous and effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack.

Could it not be said that this mutual aid would enable the countries which are parties to the pact to develop themselves so they could resist armed attack, and that therefore we are in duty bound to do something by way of mutual aid, either through the Marshall plan or the plan outlined in the North Atlantic Security Pact, or both of them—including mutual aid by way of arms?

Mr. WATKINS. I think it is open to that interpretation. In fact, I cannot see any necessity for article 3 if it is not

intended to bring about some aid in an economic sense to those people, to help them build up their industries so that they can manufacture weapons, and so that they will be equipped for combat not only in the field of actual fighting but also in the economic field, to provide a defense against the inroads of communism. It seems to me that that is exactly what this plan is intended to do. I think there is a commitment in it. If there is no commitment, there is no necessity for the meeting downtown on April 4. There is no necessity for all this talk about it if there is no commitment to do anything. I think it means exactly what it says.

When it comes to the question of mutual aid it is very much as was described yesterday by the Senator from Indiana [Mr. JENNER]. The "mutual" part of it will be our part. We shall be expected to give, and they will be doing the taking, for the most part. It has been claimed—and I have heard no denial of it—that they are not in a position to do very much, but we are, and they are counting on us to give most of the so-called mutual aid.

Mr. FERGUSON. Do the words "mutual aid" in article 3 relate to war matériel, or to the aid which we are giving at the present time, which we call nonwar material, but which consists of aid in building up the industry and capacity of the country to defend itself, or even to exist? Would "mutual aid" include both such aids?

Mr. WATKINS. I think it does include both economic and military aid. For proof of that we may look at the article which provides that there shall be an elimination of economic conflicts between the various nations. The last sentence in article 2 reads as follows:

> They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.

This is not only a military pact, this is an economic pact, and that is one phase of it which is receiving very little discussion, and which should receive a great deal of attention from the American people, particularly those who work in industry.

Mr. FERGUSON. Does the sentence which the Senator has just read require other countries to do everything possible to form an economic unit such as they have been working on in London for the past few days? Is there not some responsibility on those nations to do what they are doing if this treaty is signed by all of them? Is there not some responsibility on their part to do what they are doing today in London?

> They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.

Is there not a responsibility upon them to build a united Europe and to destroy economic barriers, such as tariff barriers and others, between their countries?

Mr. WATKINS. For two reasons: First, because it is a part of the agreement under the Marshall program; and, secondly, because if they finally enter into this agreement, it appears to be an obligation of this agreement as well.

Mr. DONNELL. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MCCLELLAN in the chair). Does the Senator from Utah yield to the Senator from Missouri?

Mr. WATKINS. I yield.

Mr. DONNELL. Does not the same obligation which the Senator has just read, namely, to eliminate conflict in their international economic policies and encourage economic collaboration between any or all of them, apply to the United States as well as the other countries?

Mr. WATKINS. If we were parties, I think it is obvious that it would apply to us.

Mr. DONNELL. So we would be binding ourselves, if we went into this pact, not merely along military lines, but also, as the Senator has indicated, to the extent that we, the United States, obligate ourselves, with all the other 11 countries, to seek to eliminate conflict in their international economic policies and encourage economic collaboration between any or all of them.

Mr. WATKINS. I think so; and I may point out that it is my judgment, after going into this matter somewhat, that it is probably a commitment to take something like the International Trade Agreement, which is in the offing and is to be brought before the Senate after a while. By the way, I think we should take time to consider what that is. My objection to this matter is that these various requests are brought in on the installment plan. We are told, "Consider just this much; do not bother with all of it, but take only this one step at this time."

But after that is done, Mr. President, we shall later be presented with the implementation bills, and then later we shall have the International Trade Treaty, which must be in harmony with the proposal now before us. If we go into the agreement now requested, in effect we shall have bound ourselves to go into the other agreements or proposals. Perhaps we should do that, but the American people should know what we shall be required to do if we sign the treaty which will soon be before us.

Mr. DONNELL. Does not the Senator from Utah think that it is the function and right and duty of every Member of the Senate—not only those who are members of the Foreign Relations Committee but the other 83 Senators likewise—to have every opportunity to know fully both the military, the economic, and all other implications of this treaty before we vote on it?

Mr. WATKINS. I think so. Let me say in that connection that I have referred and shall refer again to the letter which the Senator from Missouri and I sent to the Foreign Relations Committee. I think what the Senator from Missouri has said is especially true, inasmuch as the members of the Foreign Relations Committee now, for the most part, not all its members—from what has been said by the Senator from Iowa [Mr. HICKENLOOPER], I think probably he is not a party to advocacy of the pact—seem to be advocates of the pact. As a matter of fact, after reading the President's letter—assuming that he had been correctly informed—I came to the conclusion that most of the members of the Foreign Relations Committee, insofar as it is concerned, do not need to hold hearings; they have been "in" on the matter from the very beginning, and they already know all the answers, and probably they could turn the matter over to us tomorrow without having any hearing at all. I make that assumption of course, on the theory that the President was not misinformed; but, on the other hand, I am happy to say that I think the matter has not gone that far, and that there are Senators on the committee who have not yet made up their minds about the treaty, and who can benefit from having hearings held.

Mr. DONNELL. Mr. President, does the Senator from Utah refer to the letter written by the President of the United States under date of March 17, 1949, and to be found at page 2843 of the CONGRESSIONAL RECORD for March 21?

Mr. WATKINS. Yes.

Mr. DONNELL. Does the Senator from Utah refer to the following language contained in that letter:

> In view of the importance of the present treaty there has been close collaboration between the State Department and the committee since its inception.

And also this language:

> The treaty has subsequently been negotiated in accordance with the advice contained in that resolution—

Namely, Senate Resolution 239—

> and with full and detailed consultation with the committee.

Does the Senator also refer to the further language of the letter from the President, to which I have adverted, and I read now beginning with the middle of a sentence:

> the Foreign Relations Committee has already carefully considered its provisions—

Meaning the provisions of the treaty. Is that some of the language to which the Senator from Utah has been referring?

Mr. WATKINS. I think the Senator from Missouri is pointing it out correctly. That is one reason why I became convinced—as probably the Senator from Missouri became convinced—that under those circumstances, if the President were correct, there would be only one thing to do, and that would be to permit all Senators who are not members of the Foreign Relations Committee to attend the meetings of that committee and to ask questions and receive answers to their questions. This should be done because the committee, according to the President, is a coauthor of the treaty. It is committed to it. That is no reflection upon it, I have no intention of reflecting upon the very able Senators who make up that committee. But I say that in fairness to all of us and in the interest of making all information available,

favorable or unfavorable, to the treaty, it is asking too much of them to expect them to bring before us, here in the Senate Chamber, all the material and all the facts bearing on that matter, and some of which might argue against their thinking in regard to the pact to which they now are committed.

Mr. DONNELL. Let me ask if it is correct that no reflection was intended by the letter addressed to the Foreign Relations Committee by the distinguished Senator from Utah and myself.

Mr. WATKINS. No reflection at all was intended. That letter is simply in keeping with the policy of the Senate to permit the Members of the Senate to ask questions about matters of importance to the Senate.

I know the situation has been referred to as an almost impossible one. I shall refer to that in greater detail later on.

I daresay that if the request we have made of the committee is granted, probably not more than 8 or 10 Senators will appear before the committee and will request the privilege of interrogating witnesses; and there may be not more than 5, 10, or 15 Senators, at the outside, who will have suggestions in regard to what witnesses should be called and what material should be investigated.

So I see no practical impasse, so far as that is concerned.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. WATKINS. I yield.

Mr. DONNELL. Even if every Member of the Senate not on the Foreign Relations Committee were to avail himself of the privilege of participating in the hearings before the committee, is not the vital importance of the treaty from the standpoint of the national interest and the interest of the Republic such as to make it advisable for us to spend all the time that it is necessary to spend in order that all the other Members of the Senate, the other 83 Senators, may be able to know as much about the treaty as do the members of the Foreign Relations Committee?

Mr. WATKINS. I agree in general with the suggestion that the treaty is so important that every opportunity to obtain information should be afforded the Members of the Senate, so that when the Senate finally concludes its action on this matter the people of the United States will be united in their position regarding it. If the Senate refuses to ratify the treaty the people of the United States should be fairly well back of that position. If the Senate does ratify the treaty the people of the country should be back of that position to a man. So I think that that result, one way or the other, could possibly come as a result of carrying out our suggestion to the committee.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. WATKINS. I yield for a question.

Mr. FERGUSON. As I understand the matter, the treaty now under consideration is proposed, just as the United Nations Charter was proposed, as a means of keeping peace in the world. If that be true, is not it advisable that the people of the United States, as well as the people of the other nations which are to become signatories to the treaty, understand all the terms of the treaty, at the time when we vote on the treaty, so that we may decide if it will keep the peace? Let us consider the last sentence of article 2 of the proposed treaty: "They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them," and, in short, to do what is provided in articles II, III, and IV of the treaty—things which, at least in the opinion of some of us, will help to keep peace among all the nations of the world. The question for us to decide is if we agree to these provisions and ratify the treaty. Will the treaty keep the peace?

Mr. WATKINS. That is what the proponents of the treaty say, and I believe they are sincere in saying it and in stating that they believe the objective and purpose of the treaty is to keep the peace. Of course, Mr. President, the question immediately arises, Will it keep the peace?

Mr. FERGUSON. Very well. In order to keep the peace, should not we be willing to ratify this treaty? In other words, should not we be willing to provide for keeping the peace and adopt the provisions of this treaty?

Mr. WATKINS. Does the Senator from Michigan mean the provisions of the treaty or the provisions of other proposals?

Mr. FERGUSON. I mean the provisions of the treaty, perhaps supplemented by other proposals if necessary.

Mr. WATKINS. Yes; we should consider whether the treaty, or proposals, will result in keeping the peace; and, if they do not violate the Constitution, we should consider whether we should be willing to adopt all the other proposals which are made in this connection.

Mr. FERGUSON. Then I come back to the question I asked the able Senator from Missouri [Mr. DONNELL] as to whether there can be an unconstitutional treaty. I am of the present opinion that there cannot be an unconstitutional treaty. The only limit on the treaty-making power is the ballot box.

Mr. WATKINS. Mr. President, let me see whether I understand what the Senator from Michigan is saying. He does not mean to say, I assume, that we can change a treaty at the ballot box; does he?

Mr. FERGUSON. I mean that is the only way the people can make their sentiments known, and if they are not satisfied with a treaty after it is ratified it may be denounced; but the courts cannot declare it unconstitutional.

Mr. WATKINS. I am not so sure about that. I should say—and this is only a curbstone opinion, for which lawyers are famous—that if a treaty should violate the Constitution, it would in effect give the Senate and the President of the United States the power to amend the Constitution; because if a treaty is unconstitutional and if it is ratified, and thus becomes the law of the land, and if it is upheld, then in effect it amends the Constitution by bypassing all the machinery set up in the Constitution itself for the amendment of the Constitution.

Mr. FERGUSON. My reason for saying that we cannot have an unconstitutional treaty is that under the *Curtiss-Wright case* (299 U. S. 304) it was stated that international sovereignty is over and above and outside the Constitution. "The broad statement that the Federal Government can exercise no powers except those specifically enumerated in the Constitution, and such implied powers as are necessary and proper to carry into effect the enumerated powers, is categorically true only in respect of our internal affairs."

The Curtiss-Wright and Holland against Missouri decisions make it clear that it is impossible to have an unconstitutional treaty, because there is no way by which the court can review a treaty.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

Mr. WATKINS. I cannot say I agree with the Senator from Michigan. It is an interesting suggestion and I think that is one of the questions that should be explored, if I may so state at this moment, at a time and under conditions where we are not under terrific pressure to ratify a treaty. By that I mean the period after the signing.

Mr. DONNELL. Mr. President, will the Senator yield for a further inquiry?

Mr. WATKINS. I yield to the Senator from Missouri for a question.

Mr. DONNELL. Did the Senator hear, the other day, in the response that was made to the Senator from Michigan when he made the inquiry as to whether it was possible to have an unconstitutional treaty, the illustration which I mentioned, namely, this: Suppose a treaty were to be ratified providing that on the next morning after the ratification of the treaty, every third person in the United States should be taken out and shot.

Mr. WATKINS. I remember that.

Mr. DONNELL. I understood at that time the Senator from Michigan was inclined to think there might be some point in the suggestion that such a treaty might be unconstitutional.

Mr. FERGUSON. May I answer that?

Mr. DONNELL. Just a moment. If I may ask the further question: Is it not a fact that the Curtiss-Wright case, in substance, merely holds that it is not necessary in the course of the negotiation of a treaty that the President be able to point to a specific provision in the Constitution authorizing it; that there is a power under which the President can proceed in the case of external affairs, which does not exist in the case of internal affairs; in which latter case it is necessary to point to the specific provision of the Constitution? Is not that the holding in the Curtiss-Wright case? Is it not true also that the case of Missouri against Holland, which is one which would require very careful analysis, does not hold that there cannot be an unconstitutional treaty? Is the Senator

familiar with those two cases? Does he recall them at the moment?

Mr. WATKINS. I am somewhat familiar with them. I have not read them very recently, but I am familiar with the doctrine that is supposed to have been laid down in those cases, and I think I agree in substance with the suggestions of the Senator respecting those two cases. I have a strong feeling on the question whether or not a treaty that is in violation of the Constitution could be entered into, and whether it would become the supreme law of the land. I think that has not been decided. I think that is still open.

Mr. DONNELL. Mr. President, will the Senator yield for another question?

Mr. WATKINS. I yield.

Mr. DONNELL. I ask the Senator if he has in effect said, in answering the Senator from Michigan, in his curbstone opinion, it is not possible to bypass the Constitution by means of a treaty and to enact something into a treaty which is contrary to express provision or implication of the Constitution.

Mr. WATKINS. I think that is exactly correct, and I think if the case were presented squarely to the Supreme Court, the Court would so hold, that we cannot in effect amend the Constitution by means of a treaty.

Mr. FERGUSON. Let me ask the Senator some questions. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. FERGUSON. Is it not true that when this Nation was founded it acquired or took upon itself entire sovereignty and is not that sovereignty over and above what is provided for in the Constitution, so far as domestic matters are concerned? What does the Senator say about that?

Mr. WATKINS. I would say the Constitution I think is the supreme law of the land. It is what the Senator and I are sworn to defend, and all the powers not granted in it are reserved to the people.

Mr. FERGUSON. Yes; but as I understand the case of *United States* v. *Curtiss-Wright Export Corp.* (299 U. S. 304), it said the entire sovereignty the United States Government has is not in the States so far as international law is concerned, and therefore we did not take it from the States. We took it because we became a sovereign nation. The Court said:

> And since the States severally never possessed international powers, such powers could not have been carved from the mass of State powers but obviously were transmitted to the United States from some other source.

Mr. WATKINS. If I may ask the Senator a question, were not the Thirteen Original Colonies sovereign nations before they formed the Union?

Mr. FERGUSON. No, no; they were not. They had their ties to Great Britain, which held the entire sovereignty.

Mr. WATKINS. They broke them off before they adopted the Constitution, as I remember.

Mr. FERGUSON. At least the Curtiss-Wright case says that entire sovereignty did not exist in the States, but the United States Government itself took on all powers of sovereignty, the same as that which Great Britain or any other nation possesses.

Mr. WATKINS. I appreciate the suggestion.

Mr. FERGUSON. Therefore, it is impossible to have an unconstitutional treaty.

Mr. WATKINS. I should appreciate the suggestion from the Senator from Michigan as to how we would handle the State of Texas. Texas came in as a sovereign nation, did it not?

Mr. FERGUSON. Yes; I would say that it did.

Mr. WATKINS. And all the States, other than the Original Thirteen, came in, of course, as part of the territory. But the State of Texas came in as a sovereign nation. It was the Republic of Texas, was it not?

Mr. FERGUSON. Yes. But the United States Government had full sovereignty prior to 1848 when the State of Texas became a part of the United States. If it had full sovereignty, is it not true that it can make any treaty it desires with a foreign nation—in fact, should make treaties in order to keep the peace?

Mr. WATKINS. The Senator is now speaking about the United States, I assume.

Mr. FERGUSON. I am talking about the United States of America.

Mr. WATKINS. We could make treaties. We have the power to make treaties. But I still believe treaties cannot be made in violation of the Constitution because that is the grant of power. The President derives his power from the Constitution. The Constitution is a grant of power, and all not granted remains in the people.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. WATKINS. I yield.

Mr. DONNELL. Does the Senator recall that the case of Missouri against Holland was the migratory bird case, that no question was therein involved as to whether the President and the Senate could by treaty exceed their powers under the Constitution of the United States, and that in that case there was no question as to whether a treaty could violate a provision of the Constitution? Does the Senator recall that the question was merely one between the Nation and the States, as to whether the Nation could enter into a migratory bird treaty in view of the powers reserved to the States? And does not the Senator also recall that in the Curtiss-Wright case the point decided by the court was simply that the executive department does not in international affairs have to go to a specific provision of the Constitution for its authority, whereas in internal affairs it does have to go to a specific provision of the Constitution for its authority?

Mr. WATKINS. As I remember the case, it was to that general effect.

Mr. TAFT. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Ohio?

Mr. WATKINS. For a question? I may say that these distinguished lawyers seem to be opening their guns on me. I am just a Senator barely out of the freshman class. To have these distinguished constitutional lawyers fire these questions is giving me a good workout. But I may not be giving the right answers.

Mr. DONNELL. The Senator from Utah is doing very well.

Mr. TAFT. It seems to me that article VI of the Constitution is the whole basis of the discussion. It says:

> This Constitution, and the laws of the United States which shall be made in pursuance thereof; and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land.

It is perfectly clear that a law must be in accordance with the Constitution. But treaties are put upon a separate and distinct basis. The Constitution says, "all treaties made or which shall be made under the authority of the United States." They are put on a parallel basis with the Constitution itself; so that there certainly is some justification for the claim, does the Senator not think, that at least there is no provision that treaties must be in accord with the Constitution?

Mr. WATKINS. In answer to that I would say there are lawyers who think a treaty should be, and there are others who think a treaty should not be, in accord with the Constitution. That presents the very problem I am trying to present here, if I am able to finish, which is that the treaty is a very important matter and should receive the utmost careful and thorough consideration before it is signed and before we are under the pressure to go ahead after we have committed ourselves by adding our signature to the treaty.

Mr. TAFT. Mr. President, if the Senator will yield, what I was going to suggest was that the limitation on treaties was not the Constitution, but the authority of the United States. It seems to me that authority in some respects may be subject to certain constitutional provisions; but, apparently, in the case of Holland against Missouri, all of the provisions of the Constitution are not a limitation on treaties. I suggest to the Senator that we can argue whether particular provisions of the Constitution limit the authority of the United States.

Mr. WATKINS. What about the Bill of Rights?

Mr. TAFT. That is one of the questions which I think the Senator should discuss.

Mr. WATKINS. All these questions point up the fact that there is a vast difference of opinion between lawyers on this question. I did not intend to discuss constitutional questions today.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. WATKINS. I yield for a question.

Mr. BREWSTER. Has the Senator from Utah ever read the opinion of Mr. Hackworth, formerly attorney for the State Department, who advanced a very interesting theory before the Commit-

tee on Commerce, that an agreement made by the President of the United States, without any consideration by the Senate, was morally and legally binding on the United States under international law, even without any constitutional safeguards? I do not know that he found full concurrence in that view, but he earnestly advanced it before the Committee on Commerce.

Mr. WATKINS. I thank the Senator.

Mr. BREWSTER. May I add that I do not know whether the Senator is aware of the fact that Mr. Hackworth is now a justice on the World Court, where he can put his ideas into practice.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WATKINS. I yield for a question.

Mr. DONNELL. Along the line of the inquiry of the Senator from Ohio, does the Senator from Utah care to express himself at the moment as to whether it would be possible, in his opinion as a lawyer and former judge, for the President of the United States, by a treaty ratified by the Senate, to declare war, although under the terms of the Constitution Congress shall have the power to declare war? Does the Senator think at this moment, as he is at present advised, that a mere treaty could bypass that provision of the Constitution of the United States?

Mr. WATKINS. I certainly do not agree with that.

Mr. DONNELL. The Senator does not agree that it could bypass that provision of the Constitution?

Mr. WATKINS. No; I do not think it could bypass the Constitution. I have not made a complete study of the proposed pact or proposed treaty. We have many calls on our time. We have had the text for only a short time, and it would require a considerable period of study to go into all the legal questions involved. They are not as easy as they may seem. Curbstone opinions do not get us very far. I think there are many questions which can be legitimately raised and which ought to be considered in an atmosphere of absolute freedom from pressure, so that we can go into them and not feel, as we probably shall feel after this pact is signed, that we cannot say this or that or do this or that because we may give aid and comfort to an enemy.

Mr. President, I should like to continue some observations I started awhile ago, and of which I have almost lost track because of the questions which have been asked. I am frank to say that I have not had time, up until now, to give the necessary study to all these legal questions which are involved. What I have said is more or less in the nature of curbstone opinion in reply to numerous questions regarding the Constitution. When interrupted, I was directing attention to what the President of the United States had said to me in his letter in response to my request that we be given at least 60 days from the time the text of the treaty was made public to study it before it would be signed. The President said "No" very courteously. Some discussion has taken place since that time as to whether that has been the proper stand to take.

I wish to call attention to the fact that in Denmark and Italy, if we can credit the press dispatches, the parliaments of those two countries have been given opportunity to study the pact and to give it their approval before their ambassadors or plenipotentiaries come to this country for the ceremony of signing the pact. That might be a good precedent for us to follow, although, of course, it is not binding upon the President of the United States.

This matter has attracted some attention in the press. I wish now to read from an editorial which appeared in the Washington Star on the 23d of this month, and which reads as follows:

President Truman has indicated that the North Atlantic Pact will be signed, as planned, on April 4, which would be 17 days after the text of that agreement was put before the people. Senator WATKINS, of Utah believes there should be an interval of 60 days between the publication of the text of the pact and its signature.

It is hard to know how much importance should be attached to this disagreement. The President would have been entirely within his rights had he decided to hold up any publication until after the treaty had been signed. In fact, that is the usual procedure. But an exception has been made in this instance because, to use the President's words, "of the importance of the present treaty."

There can be no question of its importance. Senator VANDENBERG has just told the United States conference of mayors that it is the most important step in American foreign policy since promulgation of the Monroe Doctrine. Senator WATKINS believes that with ratification of the treaty "we shall have become so involved in the affairs and troubles of Europe and of the rest of the world that we shall not be able to withdraw, but we shall be involved in them forever." The Star agrees with both statements, although it believes we are going to be irrevocably involved in the affairs and troubles of Europe in any event, and favors ratification of the treaty in the belief that this would mean fewer troubles, not more troubles.

It is important, however, to have the largest possible measure of public support behind the treaty if and when it is ratified. Quite possibly, a majority of the people are already in favor of ratification. But if any significant minority holds a different view, it unquestionably would be desirable to win them over as proponents, if that can be done by public study and debate of the pact's provisions.

To me this last paragraph is very, very important, and especially the last sentence:

But if any significant minority holds a different view, it unquestionably would be desirable to win them over as proponents, if that can be done by public study and debate on the pact's provisions.

I intend to come back to that section of the editorial after I have read the remainder of it. I continue:

Senator WATKINS fears that once the pact has been signed there will be heavy pressure on the Senate to ratify it as a matter of good faith, and he does not believe this can be compensated for by full debate after signature. This probably is not an idle fear, and since it is likely that pressure of other business will prevent Senate consideration of the treaty before May or June, it is hard to see any compelling reason for signature by April 4.

This newspaper is unreservedly in favor of ratification of the treaty without any material change. That is merely another reason, however, why the Star would look with misgiving on any approach to ratification which smacks of steam-roller tactics, or which could reasonably be interpreted as such. The North Atlantic Pact finds its justification in the logic of our times. And the more this logic is explored, the more compelling will be the case for ratification. If this is a sound view of the situation, then the proponents of the pact may discover that a needlessly early signing of the treaty will give its opponents a better argument than they could have found in a debate on the merits.

There is much in that editorial with which I agree, but I desire to go back to the paragraph I mentioned a few moments ago, namely, the following:

But if any significant minority holds a different view, it unquestionably would be desirable to win them over as proponents, if that can be done by public study and debate on the pact's provisions.

I call the attention of the Senate to the fact that it has been a difficult matter to get before the people of this country any debate or the statement of any Senator or public official who raised any question about the desirability of entering into this pact.

I called attention in my address on March 8 to this very situation. In a subsequent statement to the Senate I called attention to the fact that the press of the country gave very little notice to any questions raised with respect to the pact. The newspapers in Washington, with the exception of the Star I think, did not mention the fact that any question had been raised by me or any other Senator on the floor of the Senate.

One of the leading newspapers in the United States, the New York Times, which publishes "all the news that is fit to print," ignored the first statement I made, but later, after I had made the second one, did carry a news story about it.

Then there was an observation by Mr. Arthur Krock in the New York Times, under date of March 10, 1949, in which Mr. Krock pointed out some of the questions I had raised, or at least the dilemmas we faced, and my criticism of the situation in which one certain newspaper was able to get the information when the rest of them were not, and when even the Members of the Senate not on the Foreign Relations Committee did not get the information.

Then, after he goes on with that statement, he gets to what he describes as a "paradox" which I pointed up by my address. I shall comment on this, because it is an important development in the history of the pact, and points out that I was justified in calling attention to the fact that it is difficult to get anything before the people of this country which might in any way question the desirability of entering into the pact. I am not blaming anyone in the Senate for that situation, but in this country, where we pride ourselves on the fact that we

have full information, it seems we now have an iron curtain here through which some of us cannot get through to the people with respect to certain phases of this treaty. Said Mr. Krock:

But Mr. WATKINS in the course of this same speech furnished a paradox. Though complaining that the secrecy surrounding the pact negotiations and the evolution of the text had kept the Senate in official ignorance of what it will soon be asked to approve, and cannot take effect until that approval is given, he criticized the only channel of information which provided him with the materials of his complaints and the substance of his fears. That channel is the public press.

"To be very frank about the matter," he said, after stating his belief that part of the press has become a propaganda machine to achieve the situation he opposes, "I do not like the idea of having to depend on a newspaper columnist for information which will be of help to me in making up my mind in regard to such a proposal."

I omit material in the way of explanation, not necessary to this discussion, and I come to this:

Here was a Senator calling on the Executive for information about a treaty of vast consequence, and for time to consider this information before it is signed. But here was the same Senator joining the press to the Executive as partners in an effort to make the Senate rubber-stamp a rush order, and failing to make due acknowledgment of his obvious debt to the press.

The facts would not have been overstated if that acknowledgment had far outweighed the part of Mr. WATKINS' speech which was critical of certain editorials supporting the aims of the North Atlantic Pact and of some news reports of his previous speech on the subject.

I want Senators to note this:

So far as the Washington staff of this newspaper is concerned, no greater diligence, tenacity, and knowledge of the subject were ever required in giving due information to the public—and Senator WATKINS—about a negotiation in this field and of this gravity.

During the conferences at Dumbarton Oaks, while the Charter of the United Nations was being written, the State Department imposed the same secrecy, and only by ceaseless reportorial effort were the public and Congress informed, in time to assure adequate debate, of the agreements on the veto, on the admission of White Russia and the Ukraine as separate nations, and other matters.

And note this:

But the official wall between the public and essential information on the North Atlantic pact was even higher, thicker, and more difficult to penetrate. That, however, was accomplished in a responsible manner, and that is why the Senate and the public will have had a proper opportunity to discuss the issues pro and con. That also is why Mr. WATKINS was able to come to an opinion about the official tactics to which he took exception.

I may be indebted, and probably we are all indebted, to the New York Times for giving us, I was going to say, a blow by blow account of the writing of this text, but I am somewhat intrigued by a situation created by what Mr. Krock has said and by what was said by the New York Times on January 16, 1949. I shall read what the New York Times said in the leading editorial about this situation. This was a long time before Mr. Krock wrote his article. I quote from the New York Times of January 16, 1949:

Th. State Department's review of foreign policy, published yesterday under the title "Building the Peace," would please Woodrow Wilson if he could know about it. It is in line with his declaration in favor of "open covenants of peace, openly arrived at," made 31 years ago this month. Our Government now recognizes that diplomacy is not properly a hush-hush affair to be carried on by elegantly dressed gentlemen behind closed doors. In the good old American phrase, the State Department has laid all its cards on the table.

There are a few surprises in what is now said.

Perhaps Mr. Krock is right; perhaps the ramparts they had to get over to get this information on the Atlantic Pact were much more difficult to surmount than were those in the case of the Bretton Woods agreement and the beginning of the United Nations agreement. But according to the Times editorial the State Department had laid the cards on the table, and one would be justified in asking, Were the cards on the table to the New York Times and to nobody else?

Mr. President, I say that advisedly. That paper has a perfect right to espouse any cause within the laws of this country. I have admired the New York Times for many years. When I was a student at college in New York for some 5 years I read it assiduously, and it was my daily diet in the way of newspaper reading. I admire the splendid service the paper has given to the country. But I am coming to the points that I made in my first speech; I am not backing down on a single one of them. I charged that a propaganda campaign had been entered into; that some papers got the information about the treaty and others apparently could not get it. I did not name the source of the information; I did not know its source. I could not obtain it from our own committee, the agent of the Senate, and other Senators could not obtain it. But apparently the New York Times got it from some source and it was published to the world. Mr. Krock says they had a difficult time in obtaining it, but the editor says that all the cards were laid on the table by the State Department. When Mr. Krock resolves that contradiction I shall be able to resolve the paradox he charges me with creating. I have great respect for Mr. Krock.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. WATKINS. I shall yield in a moment.

Mr. CONNALLY. The Senator is denouncing the Committee on Foreign Relations constantly on the floor of the Senate, but then he will not listen to the truth about the matter.

Mr. WATKINS. I shall give the Senator an opportunity in just a moment.

The PRESIDING OFFICER. The Senator from Utah declines to yield.

Mr. WATKINS. I wanted to say before I finish this particular phase of the subject, that I have great respect for Mr. Krock. He may have had to do all he says he had to do, but I say he has a contradiction to resolve just as much as I have with respect to the paradox mentioned in this article.

Now I am willing to yield to the Senator from Texas for a question.

Mr. CONNALLY. I do not care to have the Senator yield to me.

Mr. WATKINS. Very well, sir, if the Senator does not care to have me yield. We are here to discuss this matter.

Mr. CONNALLY. If the Senator cannot yield to me courteously and in good spirit, I do not want to have him yield to me.

Mr. WATKINS. I will yield to the Senator in as good a spirit as he now has been asking me to yield, if he knows what that is.

Mr. President, I should like to say now, since the suggestion has been made that I have been denouncing the committee, that I have been pointing out the situation in which we find the committee to be, and I believe there are members of the committee who realize what that situation is. I am not denouncing them for taking their stand. I say they are within their rights. But I say all Senator DONNELL and I are asking, since they have become committed in this matter, and are partisans from our point of view, is that we and other Senators be permitted to ask questions at the hearings. I have no intention to reflect on any member of the Foreign Relations Committee.

Mr. CONNALLY. The Senator has been doing it for 4 or 5 days.

Mr. President, will the Senator yield?

Mr. WATKINS. I will submit the record.

Mr. CONNALLY. Will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Texas?

Mr. WATKINS. I yield to the Senator for a question.

Mr. CONNALLY. Will not the Senator from Utah admit that he has made speeches on the floor of the Senate four or five different times, and that in those speeches he has claimed that the Committee on Foreign Relations was concealing something from him, and that he could not obtain the facts, and could not crawl over the breastworks? As a matter of fact, the Senator knew what was in the treaty as soon as it was released. The Committee on Foreign Relations made public the treaty as soon as it was agreed upon. The committee could not give the Senator the information as the negotiations went on, with one country insisting on this, and another country insisting on that. During that time we could not rush into the press and give the Senator the information. But when the pact was agreed upon the Senator from Utah, if he can read, knew exactly what was in the treaty. And every other Senator knew what was in it. The committee went far beyond the usual custom in advising the Senate about it.

Mr. WATKINS. Just to keep the record straight, as I recall the committee did nothing of the kind. The President

of the United States and the Secretary of State released the treaty, and not the committee.

Mr. CONNALLY. Well, they did not release the treaty until we had agreed to it in committee informally.

Mr. WATKINS. The committee may have agreed to it, but——

Mr. CONNALLY. We told the Senate that. And we told the Senator from Utah that. But he does not want to know. He wants something to complain about and to fuss about and to denounce the Committee on Foreign Relations for.

The Committee on Foreign Relations has just as high a concept of its public duty as has the Senator from Utah. The Senator from Utah, notwithstanding he got all the information that was available, now proposes to come in and take charge of the Committee on Foreign Relations. He is going to ask the questions and he is going to oust the committee from jurisdiction and take over the examination of this subject. He has been from time to time speaking on the floor of the Senate on the pact when it is not before the Senate.

Mr. President, it is time that we proceed with the business of the Senate. The Senator from Utah will have plenty of time to discuss the treaty when it comes before the Senate. He will have plenty of time in the Committee on Foreign Relations when it holds extensive hearings.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WATKINS. I should like to make a short statement to the Senate, in view of the charges which have been made. I think what has just been said might be considered to be an infraction of the rules of the Senate, but I shall not ask to have it expunged from the RECORD. I want to say, however, that every word of what I have stated is a matter of record in the CONGRESSIONAL RECORD. Whether or not the Senator has placed the right interpretation upon it can be easily ascertained by anyone who reads. I deny any such intent as the Senator has suggested, and I deny that my language would justify such an interpretation. What was requested of the Committee on Foreign Relations by the Senator from Missouri [Mr. DONNELL] and myself is also in writing. There can be no question about it. Now, after the Senator from Texas has made his statement, I am wondering if he has actually read our letter, because I cannot see how on earth he can gain the impression that anyone wants to take over his committee. We have merely asked to do what the Senator himself has done on numerous occasions, appear before the committee and ask some questions, and that our colleagues who are not on that committee may come before the committee and ask some questions. That is all we have done. I leave that to the RECORD.

Mr. TAFT. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Ohio?

Mr. WATKINS. I yield.

Mr. TAFT. Does the Senator from Utah understand the distinguished chairman of the Foreign Relations Committee to say that the North Atlantic Pact was approved by the Foreign Relations Committee?

Mr. CONNALLY. No; I said informally.

Mr. TAFT. The Senator said that hearings are to be held on the pact. Do I understand that the committee has already approved the pact before the hearings have been held?

Mr. CONNALLY. No. Mr. President, I ask the Senator from Utah to yield in order that I may make reply.

The PRESIDING OFFICER. Does the Senator from Utah yield for that purpose?

Mr. WATKINS. I yield to the Senator from Ohio.

Mr. TAFT. I first thought perhaps the Senator had merely said that the committee had approved the release of the treaty, but as I later understood him he said that the committee had informally approved the treaty itself.

Mr. CONNALLY. I did say informally, I but did not mean that it was an official act at all. What I meant to say was that those of us on the committee who had from day to day been in contact with the Secretary of State, who himself had been in contact with representatives of the other governments, and who submitted to us from time to time what he, the Secretary of State, proposed to do, just as a group of the members of the committee, informally agreed that we favored the language of the treaty. Now if that be a crime, if that be a sin, very well. The Senator is complaining that we did not tell him what was going on all the time, but we did tell the Senator just as soon as we were able to. We did not release the treaty. The Secretary of State released it. But he would not have released it if some of us who had been in on the negotiations indirectly had not approved what he had done.

Mr. WATKINS. And if the Senator from Utah had not asked to have it released. The Senator may add those words to his statement.

Mr. CONNALLY. What is that?

Mr. WATKINS. And if the Senator from Utah also had not requested to have the treaty released. That request was made in a telegram to the President, and in a resolution.

Mr. CONNALLY. I am sure that telegram may have moved the President. We had no desire to keep anything from the Senator. We could not give out the treaty until it had been completed. If the Senator wants to know all about this matter, if he will just wait patiently until we take it up in the committee he can have all the time he wants in the hearing. But I object to his taking up the time of the Senate from day to day talking about something that is not before the Senate and delaying the consideration of a very urgent matter, the ECA bill, which is now pending before the Senate.

Mr. WATKINS. Mr. President, if I remember correctly, about 2 weeks ago, or some time back, the Senator from Texas and some of his colleagues were talking about a number of bills which were not before the Congress, not only for 1 day, but for 2 weeks, and some of us had to sit and listen to that discussion. I believe the Senator from Texas himself talked about those bills. They were not before the body at that time either. The talk was only on a motion to take up a resolution. But that is neither here nor there.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. WATKINS. I decline to yield. I do not intend to enter into an argument or to engage in a quarrel about this matter. I have the highest regard for the Senator from Texas, who is chairman of the Foreign Relations Committee. But I say he has overlooked the fact that what I am complaining about is that certain newspapers obtained the information, but Senators could not. I wanted to make a study of the pact sometime before it was signed. The Washington Star has pointed out, and Mr. Krock has pointed out that after the big ceremony of signing takes place at the State Department, before some 1,300 people who will be present, and when the entire world has been shown the ceremony on the movie screens, it is going to be very embarrassing later on to question the treaty. It places anyone who has an honest question to ask about it, or who may find himself inclined to oppose it, in a position where it will be immediately said, "You are aiding and assisting the Communists. Can you not stand by your country? We have signed this treaty, and see what you are doing now."

That is what is likely to happen, and that is what I am complaining about. It seems that I have not been able to make myself clear. When newspapers could get that information before the Secretary of State released a copy, I thought we ought to be able to get it from our own committee. The committee is not the Senate; and I am sure that no member of the committee has ever so claimed. On the other hand, it is an agency of the Senate. If newspapers could get the information, I felt that individual Senators could get it. I have no apology to offer for the course of action I have taken. What I have said is all in the RECORD; and if anyone wishes to challenge it, let him take the RECORD and present it to the Senate and to the country. I will stand by it and take my chances.

Mr. President, I realize that sometimes it is inconvenient to call attention to important matters which arise. Senators have things which they want to have done right away. I waited from last Friday until this afternoon to make this speech. I did not take advantage of the opportunity to get the floor at the time the rent-control bills were brought up. I stepped aside rather than take advantage of the opportunity afforded me and other Senators to present our views.

The more I listen and the more I see of the conduct of the business of the country here, the more I realize that there may be a great deal of merit in what Senators from the South have been contending about the House and the Senate. I have listened with a great deal

of respect to the arguments of the distinguished Senator from Texas on that very point. I can see now that if it is not right to bring these matters up just because a particular bill is not before us we may not have free speech in this Senate for very long.

If the Senator from Texas had been present at the beginning of my remarks, he would know that I tied these subjects in with the ECA. I wanted an over-all budget, an over-all blueprint of ECA and the implementation of the North Atlantic Pact.

The Senator from Georgia [Mr. GEORGE] brought before us very impressive information on the state of the Union with respect to our finances. That subject is tied in with the entire program, and the whole program is a part of it. That is all I have to say on that particular subject.

In connection with the request which I made of the President, I invite attention to the fact that the Washington Star thought it was a good idea to have more time allowed before the treaty was signed. It was in favor of the pact, but it thought it would be reasonable to let us have the time requested before pressure was brought on us to approve the treaty.

In my judgment the question of the rearmament of Europe and the implementation of the pact, or whatever we are going to do, is important. Something is going to be done. The State Department has announced that there will be a program of rearmament, which costs money. That program ought to be considered in connection with the entire expenditure which we are making all over the world, particularly in Europe.

There should be some delay. The programs are all tied together. I do not see how we can ratify the pact without knowing something about the general program.

I read an article in the Washington Times-Herald of March 28, under the title "GEORGE Urges Year's Delay on Arms Aid." The subhead is "Marshall plan debate will continue today."

> Senator GEORGE, Democrat, of Georgia, yesterday urged a 1-year delay in the United States program to help rearm anti-Communist Europe, lest it cause the frightful mistake of crippling the Marshall European recovery plan.

Does that tie in with what we are doing now? I think it does. The Senator from Georgia suggests a year's delay in considering that particular program. If it is necessary to have a year to study that subject, perhaps the entire program should be postponed for a year. I think we could postpone it to good advantage. It is one of the most important programs ever to be presented to this country. It commits us to important obligations. I think the Washington Star, in its editorial agreed with me that it commits us to an intervention in the affairs of Europe forever, or at least as long as this Nation endures, if we once go down this road.

I have said in my previous speeches, "Let us take a look." We went into the United Nations, and found that it did not work. This pact now practically abandons the United Nations. It is an admission on its face that the United Nations has failed to work. It is proposed as a substitute for the United Nations. Having gone that far down the road, we should take a look and see what has been accomplished. We should see where we stand. That is what I am pleading for. That is what I am urging not only Senators, but the entire citizenry of the country, to do. Unless the press is willing to give to the country information on the questions which are raised, and the arguments which are made, how can we have an enlightened people? How can they understand the program?

I invite attention to the fact that when the Senator from Missouri [Mr. DONNELL], who is admitted to be a great constitutional lawyer, made a speech on the floor of the Senate, some of the newspapers which claim to publish everything that is fit to print did not even mention what he had said. Yet a day of so before—or perhaps on the same day—the distinguished former chairman of the Foreign Relations Committee [Mr. VANDENBERG] made a speech on the same subject, and the newspapers not only gave the ordinary news story but many of them printed the text of his speech. That is what they should have done. It was a fine thing to have printed the speech of the Senator from Michigan. It was a great contribution. We should all know about it. But why, in the name of everything that is fair, should they refuse to give even one line to the distinguished former Governor of Missouri when he made a wonderful contribution on the floor of the Senate? Let anyone raise his voice praising the program, and immediately he gets the headlines. But that has not been the treatment accorded those who question the treaty.

We are spending a great deal of money to put the Voice of America overseas, to tell the people over there about America, but if this situation is to continue, and we cannot get information to our own people as to what is going on in the Senate, I do not know what the result will be.

I use another illustration. Yesterday the Senator from Indiana [Mr. JENNER] made a speech on the floor of the Senate. Some may not like it. Others may agree with it. At least the speech was made by a United States Senator, who has some responsibility in these matters. I had to hunt through the newspapers to find a line about it. In one newspaper I found four lines about this speech which occupied half the afternoon on a very important question.

Mr. President, I am trying to get light on the proposal which is now being made. I want the American people to know what they will be called upon to do if we go into this pact. Many of them will have to make sacrifices. They will have to pay higher taxes. They may have to go without things. They may have to line up in queues before the stores to get rationed food and clothing and other things, just as they did during the war, and just as the people of Europe did. The American people must be informed. I hope the American press, of which I have been a part in a very modest way, will at least give some information about the important questions which are being raised in connection with this treaty.

So far as I am personally concerned, I am a Senator from a small State. I am not a former governor. I am not a great constitutional lawyer; but I have a duty to discharge, and that is why I make this plea and why I urge that the people of the country be fully informed before we go into this pact.

It was said by the President of the United States that he acted on the advice of this body. I invite attention to the fact, as I remember—and I think I am correct—that we spent about half a day on the so-called Vandenberg resolution, with 21 Senators not answering to the roll call when the vote was called for. The President stated that the treaty had been drafted in full accordance with that advice. Was that enough time to consider it? It was before us on the 11th day of June, just before the national conventions, when the attention of Senators was distracted. According to the President, apparently we committed ourselves at that time.

In connection with what the Senator from Georgia said in urging a year's delay on arms aid, I point out that there appeared in the Washington Star of Sunday, March 27, an article by Constantine Brown under the heading "North Atlantic Pact best insurance for peace if backed up by steel." The subhead is "Agreement is worthless without armament plan. Atlantic alliance drafters and military men convinced treaty must be backed by might to be of any value."

That question has already been raised. It is in line with what the Senator from Georgia [Mr. GEORGE] said. It must be backed up. As I understand, bills are now being prepared for that purpose, and will be introduced in Congress.

Mr. President, there are many implications growing out of the pact which the people do not realize. I want to be fair. I want to get as much information to our people as I can.

Last Sunday I read an article in the Washington Star, written by the Senator from Massachusetts [Mr. LODGE], who is a member of the Foreign Relations Committee——

Mr. DONNELL. Mr. President, will the Senator yield for a question?

Mr. WATKINS. I yield for a question.

Mr. DONNELL. Has the Senator seen the New York Times of Sunday, March 27, in which there appears an article by Mr. Hanson W. Baldwin, under the heading "Arms to support pact an intricate problem. The $1,800,000,000 asked of Congress would be a start for program."

The article reads, in part, as follows:

> Representatives of the "Atlantic community" are converging on Washington for the formal signing of the Atlantic Pact, the first step in a system intended to provide politico-military security for western Europe.
>
> The next step is now being charted in Washington, but its general outlines were clarified yesterday with the disclosure that Congress would be asked for an initial installment of $1,800,000,000 to provide arms and equipment to the pact signatories and associated countries.

Mr. WATKINS. Yes; I read it; and it is just a sample of what is being handed out to us day after day in the newspapers. We are told that now we are to be faced with the rearmament program and its accompanying cost. So I maintain that it is material for us now, in connection with the proposed ECA program, to consider what we shall have to provide further, because all the expenditure will come out of the pockets of the taxpayers of the United States; and before we make any decision, we must consider what the over-all charges are to be.

Mr. President, I started to read the article by the Senator from Massachusetts [Mr. LODGE]. Although I do not agree with all that he says in the article, I think it throws considerable light on the problem we are discussing today. So I ask unanimous consent to have it printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. FULBRIGHT in the chair). Without objection, it is so ordered.

(See exhibit 3.)

Mr. WATKINS. Mr. President, I say that the people of the United States have not understood and do not now understand, I think, the full implications which may grow out of this pact. Most of them have been converted to belief in the United Nations. They have felt that it was our best insurance for peace. I think that if we go back in the CONGRESSIONAL RECORD we can find many statements by many of the distinguished Members of the Senate who said, at the time of the consideration of the United Nations Charter, that it was our last great hope and insurance for peace.

I hold in my hand an article by Thomas L. Stokes, who is not unfriendly to the administration now in power. The article is entitled "UN Versus Atlantic Pact."

I wish to read the article. It will take a little time to read, but I know of no effective way to present the truth which the writer of this article has recognized other than to bring it to the attention of the Senate and, through the CONGRESSIONAL RECORD, to the attention of the country. The article has already received some circulation, but it should receive more.

Said Mr. Stokes:

The member of the family who indulges in occasional essays in this space on global generalities, with the apologetic timidity of the novice, was discussing the Atlantic Pact not long ago with the female member of the family who fortunately has a refreshing way of getting right down to the essentials.

She looked up, finally, and inquired with what appeared to be sheer innocence:

"Whatever happened to the United Nations?"

Whatever did? A good question. Probably millions of others in this country and the world are asking it.

And I am asking it now.

I read further:

It is noted now that there is creeping into the official campaign on behalf of the Atlantic Pact the suggestion that this regional arrangement—which, incidentally, takes in a rather diverse group of nations—may be the beginning of another United Nations. This regional pact, it is intimated, would be hooked up with the one we have already with Latin-American Republics. Then there would be a Mediterranean pact and a Pacific pact and so on until, presto, we'll have another United Nations, including practically everybody but Russia.

GOOD EXCUSE

If Russia wants to come in after it gets all fixed up, then all right. But if she doesn't, and if she wants to start anything after she gets all hemmed in, then all the rest of us will be ready for her, and she won't dare. At least that's the thesis. It may be sound, and again it may not, for there is a human tendency of those who get hemmed in to try desperately to break out.

It is a good excuse, anyhow, as history demonstrates. In starting the last two world wars Germany complained she was being hemmed in and so convinced her people. It is good psychology for those who want to expand to say they are hemmed in, and to add to that some flowery, if illogical, rhetoric about bringing together in one piece, under one cover, people who have a kinship of blood or race or ideals or economic interests or what-have-you, such as Germany did in Europe and Japan did in Asia with her talk about an east Asia coprosperity sphere or whatever the phrase was. Russia talks like that, too. Nor are we entirely guiltless, for though we have no aims whatever of expansion, we speak glibly of bringing the "democracies" under our cover, and our pact is getting beyond such, for they are not too plentiful in the world today.

The point here is not the validity of all of this, of which there is very little, but that rulers have a way of making people believe it enough so they'll fight. A fact of human nature, not theory, is involved.

Worth contemplating now, from the place we have reached, is the difference in purpose in the United Nations as originally conceived and that of the new series of regional alliances. The UN was a world organization designed to achieve peace by removing economic and social injustices and maladjustments, which start wars, and by limiting armaments with which wars are fought. The objective was bold and positive.

ALLIANCE MEANS ARMING

The aim of the projected alliances is to preserve peace by arming ourselves all over the world. It is defensive, negative, and old as man and has proved futile for centuries.

Mr. DONNELL. Mr. President, will the Senator be kind enough to read that sentence again?

Mr. WATKINS. Certainly.

The aim of the projected alliances is to preserve peace by arming ourselves all over the world. It is defensive, negative, and old as man and has proved futile for centuries. It can do nothing but start an arms race, and that is not only costly but dangerous. That is the reason for the questions raised in Congress about the proposed program, supplementary to the pact, to supply arms to western Europe, while there is general acceptance of the pact itself.

The UN was a weak sort of vessel from the start. It got stalled with the veto, which permitted big-power domination, and while achieving something in the economic and social field it has failed completely of two basic objectives. One is disarmament, including atomic control; the other, an international police force to check aggression. For all this Russia is much to blame, but not altogether.

The Atlantic Pact and the projected extension of such regional arrangements are but the inevitable result of a policy that started with the Truman Doctrine in Greece and Turkey which was thought necessary to counter Russian expansion. It established a philosophy which could lead nowhere else.

There was another direction, another choice, which was to proceed boldly to make the UN a real world government, a positive force, for which the world yearned. But nowhere in the world was there leadership for such a course, and so we find the UN disintegrating in a series of secession movements. The whole world has hemmed itself in with ancient concepts and prejudices.

Here is offered no sermon, no remedy—only an epitaph which, however, we would not dare place above the graves of those who thought they were dying for a brave new day:

"Here lie the hopes of the world."

Mr. President, it is beginning to dawn on the American people, particularly those who are thinking about this problem, that the North Atlantic Pact is the way out of the United Nations and, if adopted, will mean the end of the United Nations. I read with considerable interest a statement made by one of our distinguished Members, the Senator from Tennessee [Mr. KEFAUVER], in which he agreed in substance with that thought, and said he would welcome the change—in other words, for us to leave the United Nations and go into the North Atlantic Pact.

Although I do not wish to prolong my remarks today, I think I should present these matters, for the Senate and for the country to consider. Therefore, I have presented the articles to which I have already referred, and I now ask unanimous consent to have printed in the body of the RECORD, at the conclusion of my remarks, an article appearing in the New York Times on March 24 of this year. The article is written by Mr. C. L. Sulzberger, and it bears a date line "Paris, March 23." In the article Mr. Sulzberger points out that the Atlantic Pact may require changes in the Brussels treaty. So I ask unanimous consent to have the article printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 4.)

Mr. WATKINS. Mr. President, in my questions the first day I spoke on the Atlantic Pact, I asked for information about the treaties of alliances that had been entered into by Great Britain and Russia, and by France and Russia. I wanted to know what effect they would have on this agreement, what their provisions were, and also to have a study made as to how far they bound Great Britain and France to the support of Russia. I have here copies secured from the State Department, indirectly, of these treaties of alliances, and I ask unanimous consent to have each of them placed in the RECORD, following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 5.)

Mr. DONNELL. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Missouri?

Mr. WATKINS. I yield for the purpose of a question.

Mr. DONNELL. I should like to ask the Senator if he would have any objection to the RECORD showing at this point, in regard to the remarks which I made a few days ago, about which the Senator was so kind and generous in his expressions, that I noticed a reference to it, I think in the New York Times, in a long column article, down near the bottom of the article, and I recall that the Times-Herald of Washington, D. C., made reference to it on the 21st or 25th of this month.

Mr. WATKINS. I thank the Senator for the information. I mentioned the fact that so far as I could ascertain I could not find anything in the New York Times reporting the Senator's first speech. There may have been a reference to it, as he stated, but I searched that paper and had the members of my staff search it, and they could not find it. I did that, not because I was interested to see whether what appeared to me to be the case was actually the case, but because I did not want to make any charges not founded in fact.

Mr. DONNELL. I may say to the Senator I do not recall saying anything as to the remarks made on March 21. I think the one sentence to which I referred in the column referred to the one of March 25. I do not recall whether there were any statements in regard to the remarks I made on February 14.

Mr. WATKINS. I would appreciate it if there is any information to that effect; but I have tried to make diligent search. It was not done in such a way that it was very prominent in the newspaper. If done at all—it was not given the prominence given to the case presented by those who were for the pact.

I ask unanimous consent to have printed in the RECORD following my remarks, an article from the Times-Herald under date of March 28, this year, written by Bob Considine, in which he calls attention to the fact that the Senator from Tennessee [Mr. KEFAUVER] calls the Atlantic Pact the end of America's share in the United Nations.

(See exhibit 7.)

Mr. DONNELL. Mr. President, if the Senator will yield, in the interest of accuracy, I recall that, regarding the February 14 remarks, there was quite an extended statement, including quotations from the interchange between the Senator from Texas [Mr. CONNALLY] and the Senator from Michigan [Mr. VANDENBERG] and myself. That is as to February 14. But as to March 21, I recall no mention in the New York Times; and, as to March 25, only one sentence.

Mr. WATKINS. I thank the Senator for that information.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. WATKINS. I ask unanimous consent——

Mr. KNOWLAND. Mr. President, will the Senator yield at that point?

Mr. WATKINS. I am just about to yield the floor.

Mr. KNOWLAND. Right at that point I wanted to ask a question with reference to the matter the Senator has been discussing.

Mr. WATKINS. I yield for a question.

Mr. KNOWLAND. I should like to ask the able Senator from Utah whether the significance of his remarks is to the effect that there has been what might be called a conspiracy of silence on the part of the press. I think if that is his inference, he is doing an unfairness to the press of the country, because there are many factors which go into the coverage of the news with respect to a Senator. One of those factors may be the time of day at which a speech was delivered. It might be competing news releases which occurred on a particular day. My general observation has been, of course, that a man who has been chairman of the Foreign Relations Committee or who is the present chairman of the Foreign Relations Committee, from the point of news coverage quite properly from the national point of view, might warrant much greater coverage than some of the others of us would warrant, just as when the President of the United States makes a statement, it properly gets greater coverage than the statement of a United States Senator would get. So I think it is necessary to take into consideration the whole picture as to the situation. My own observation has been that the wire services and the newspapers have been doing a good job in covering the situation in the Senate. But in the final analysis, they have to be the ones to judge the news value of what is sent over the wires.

Mr. WATKINS. I appreciate the comment of the Senator from California and I may say that I do not charge any conspiracy. I am merely calling attention to what has happened, or has failed to happen, the omissions that have occurred. I did refer to the fact, in the beginning—and I am not backing upon it—that with respect to information about the treaty, only a certain newspaper or certain newspapers seemed to have any information about it. They scored a scoop. I was advised by Mr. Krock and the New York Times that I had created an oratorical paradox. I was indebted to them for the news. Then I called their attention to the fact that in an editorial of January 16 they said all the cards were laid on the table, so I could not reconcile those two statements.

I should like further to say that I have the utmost respect for the American press, and from what I have said today, I hope they will look into this question and see to it that there shall be better coverage for those who present divergent views.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. WATKINS. Just a moment. I have looked over the newspapers. In a very very modest way, I have been connected with the newspaper business a part of my lifetime, and I know many of those problems. But I also know that it is possible for the newspaper to play up the matters it is interested in particularly to which it is giving editorial support. I have been around newspapers and I know it is possible for them to do that. I not only know it is possible for them to do it, I know they do it many times.

Mr. KNOWLAND. Mr. President, will the Senator yield for a question?

Mr. WATKINS. I yield.

Mr. KNOWLAND. In fairness, will the Senator not also agree that the New York Times and the Herald Tribune and other newspapers, both in this city and elsewhere, have covered stories, for instance, Henry Wallace's statement in opposition to the North Atlantic Pact? I can recall in half a dozen newspapers that I try to read every day, quite extensive coverage was given to his opposition to the North Atlantic Pact. I have seen statements in opposition to it made by the two Senators in question. But, so far as the amount of coverage is concerned, I do not think the newspapers of the country can be expected to cover each Senator's speech with the entire text. If they did that I am quite sure they would have no space left in their newspapers for any other news of the world.

Mr. WATKINS. I did not intimate that they ought to give each Senator full coverage, but they at least should have printed a reasonable summary of what was said. I think it was perfectly proper, and so I said a few moments ago, to give to the public the statement made by the distinguished former chairman of the Foreign Relations Committee. I think that was fine coverage. The New York Times has been giving the text of most of the documents and the speeches made upon important questions. I understand the reporting of what Henry Wallace said. But I could not understand why they would report what he said, a man who is not now in office and who has been repudiated by the people at the polls, why they should give space to him, and yet not give space to the speech, and the very able speech, on the law involved in this matter, made by the senior Senator from Missouri. I could not understand it. I am calling it to the attention of the newspapers of this country. We just do not get coverage. I do not say there is any conspiracy; I do not believe there is, because the newspapers are competitors.

But for some reason or other, they have not been giving space to the questions which have been raised. They ought to publish those things so that the people can be thinking about the subject. It seems to me we are trying to get our story over to Russia—and, by the way, I will say that I believe the Voice of America is carrying more copy on what the Senator from Missouri [Mr. DONNELL] and I have said than are in the newspapers of America. It might be a good idea to do a little informing in America and have the Voice of America addressed to America for a while.

I have no quarrel with newspapers. I have great respect for newspapers; they are great institutions; but sometimes, in the rush of things, some persons and causes are given a great deal of attention and others are not.

I wish to call attention to the fact that I do not think a single newspaper printed the text of the letter which the President sent to me regarding this subject, although the letter contains very important history and implications.

Usually, whatever the President does is published. If he goes bathing in Florida, and wants to wear trunks, or if he wants to sun himself under a palm tree, the newspapers tell the whole story. I cannot understand, and it has not been explained to me yet, why the President's letter was not important enough to print. It stated that he denied the request I made to extend time for the signing of the pact and gave his reasons for the denial.

As I have said, I am not quarreling with the newspapers, but I hope they will see that this is an important matter and will see to it that the American people are given information on both sides of the question, so that an intelligent decision can be made.

Mr. President, I have two or three more insertions, and I am through.

I ask unanimous consent that the entire article by Arthur Krock appearing in the New York Times of March 10, 1949, may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE PRESS AND THE NORTH ATLANTIC PACT

(By Arthur Krock)

WASHINGTON, March 9.—Senator WATKINS, of Utah, voiced the feelings of many when he took the Senate floor to complain of the secrecy in which the State Department has shrouded the process of composing the text of the proposed North Atlantic defense pact. His fears, said Senator WATKINS, were these:

1. The text would be made public by the State Department, so near to the date fixed for signing that the Senate would not have an opportunity commensurate with the importance of the subject to study the project before it became a national commitment by the President.

2. Immediately after the parties to the contract signed it, a propaganda campaign for ratification by the United States, which Mr. WATKINS said is already under way in the press, would be intensified with a call for rapid Senate action.

3. Then every Senator who felt that his duty and the national interest required thorough study and debate, or who disapproved the text, would be bombarded with such arguments as, "If you now turn down the President the whole world will say the Communists have won a victory and you * * * are only helping the Communists." And the burden of proof that these Senators were not would be unfairly placed on them.

This is the gist of that portion of Mr. WATKINS' speech which provoked the second lively debate on the subject and more searching questions from other Senators than were asked on the previous occasion. He also informed his colleagues that, to avert the situation he feared was about to arise, he had formally asked the President to set a period of 60 days between the submission of the text to the Senate and the signing of the treaty. And he offered a resolution to this purpose.

AN ORATORICAL PARADOX

But Mr. WATKINS in the course of this same speech furnished a paradox. Though complaining that the secrecy surrounding the pact negotiations and the evolution of the text had kept the Senate in official ignorance of what it will soon be asked to approve, and cannot take effect until that approval is given, he criticized the only channel of information which provided him with the materials of his complaints and the substance of his fears. That channel is the public press.

"To be very frank about the matter," he said, after stating his belief that part of the press has become a propaganda machine to achieve the situation he opposes, "I do not like the idea of having to depend on a newspaper columnist for information which will be of help to me in making up my mind in regard to such a proposal." (He indicated that in the word "columnist" he was also covering reporters, editorial writers and other newspaper workers who have brought the news of the treaty into the open.)

Here was a Senator calling on the Executive for information about a treaty of vast consequence, and for time to consider this information before it is signed. But here was the same Senator joining the press to the Executive as partners in an effort to make the Senate "rubber-stamp a rush order," and failing to make the due acknowledgment of his obvious debt to the press.

The facts would not have been overstated if that acknowledgment had far outweighed the part of Mr. WATKINS' speech which was critical of certain editorials supporting the aims of the North Atlantic Pact and of some news reports of his previous speech on the subject. So far as the Washington staff of this newspaper is concerned, no greater diligence, tenacity, and knowledge of the subject were ever required in giving due information to the public—and Senator WATKINS—about a negotiation in this field and of this gravity.

POSITION OF STATE DEPARTMENT

During the conferences at Dumbarton Oaks, while the Charter of the United Nations was being written, the State Department imposed the same secrecy, and only by ceaseless reportorial effort were the public and Congress informed, in time to assure adequate debate, of the agreements on the veto, on the admission of White Russia and the Ukraine as separate nations, and other matters. But the official wall between the public and essential information on the North Atlantic Pact was even higher, thicker, and more difficult to penetrate. That, however, was accomplished in a responsible manner, and that is why the Senate and the public will have had a proper opportunity to discuss the issues pro and con. That also is why Mr. WATKINS was able to come to an opinion about the official tactics to which he took exception.

The State Department has good arguments for its secrecy in this and other delicate and momentous undertakings in the international field. The wishes and interests of proposed partners to a treaty must be understood and fully considered. Some officials are confident that the less the Politburo knows about the problems of negotiation and text before they are finally resolved, the more effective a North Atlantic Pact will be. Moreover, the Senate to the Department is a composite problem child which can't safely be told much, and often can't be told anything, in advance of an executive fait accompli. That opinion began with the Republic.

But if the American press in all circumstances, including periods of peace and "cold war," makes this position its own, it vacates its function as a responsible institution. Then, in many instances, it would merely serve official interests which were not necessarily those of the whole people.

Mr. WATKINS. Mr. President, I ask unanimous consent that the editorial which appeared in the New York Times of Sunday, January 16, 1949, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

The State Department's review of foreign policy, published yesterday under the title "Building the Peace," would please Woodrow Wilson if he could know about it. It is in line with his declaration in favor of "open covenants of peace, openly arrived at," made 31 years ago this month. Our Government now recognizes that diplomacy is not properly a hush-hush affair to be carried on by elegantly dressed gentlemen behind closed doors. In the good old American phrase, the State Department has laid all its cards on the table.

There are few surprises in what is now said. The Department believes that strong nations can live together in peace if they are willing to do so, no matter how much they may differ in their economic and political outlook and in their national institutions. Our diplomacy since the end of the war has been based on this belief. We have been frustrated by the unwillingness of one great power to cooperate. This unwillingness, together with the Communist-inspired coup d'etat that have taken place in eastern Europe, has produced a sense of insecurity. To restore the confidence of free peoples everywhere the United States adopted the Truman Doctrine and the Marshall plan, both of which are now in operation.

But what has been done so far is obviously not enough. The interests of peace require that our European friends shall be in a position to defend themselves. If they are so situated, they are the less likely to be attacked. Consequently—and this is no secret—the United States has been consulting with western European nations and with Canada on a program of mutual protection.

In plain language, this means that the United States must furnish military equipment. But military equipment alone will not be enough. There must be a real defensive union of our friends in western Europe and a real undertaking on our part to come to their aid if they are attacked. This was the principle implicit in the Vandenberg resolution of last June, which the State Department took as its text in yesterday's statement. We cannot under the Constitution commit ourselves to go to war without a declaration by Congress. We can, however, make it clear that this country and its people will act if there is "any armed attack by an aggressor nation upon a peace-loving nation" whereby we judge our own security to be endangered.

The State Department let it be known that we would not be disposed to furnish military equipment to nations which will not come into the proposed North Atlantic defense pact. This is fair enough. Those who reap the benefits should take the risks. Another delicate problem will be the balance between economic aid and military aid. It is good to know that our Government still holds that "economic recovery is fundamental and should continue to have priority over rearmament."

As this statement was given out, Secretary Marshall, who will retain that title until next Thursday, was about to take off for a vacation in Puerto Rico. The principles announced are his and are a tribute to his intelligent and devoted service to his country. They are also the principles the prospective new Secretary of State, Dean Acheson, will uphold. We hope public opinion here and elsewhere will realize that in preparing for a united defense the democratic nations desire peace.

Nothing whatever in this new document threatens Russia or any one of Russia's allies. We are simply proposing to stand our ground and within the democratic areas build up a free and nonaggressive civilization.

Mr. WATKINS. Mr. President, I ask unanimous consent that the article by Constantine Brown, appearing in the Washington Evening Star of March 27, 1949, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AGREEMENT IS WORTHLESS WITHOUT ARMAMENT PLAN—ATLANTIC ALLIANCE DRAFTERS AND MILITARY MEN CONVINCED TREATY MUST BE BACKED BY MIGHT TO BE OF ANY VALUE

(By Constantine Brown)

Unless the Atlantic Pact, which is expected to be ratified by a substantial majority of the Senate, is implemented by appropriations for the purchase of equipment for western Europe's projected ground forces, it will remain a dead letter and simply an expression of pious wishes, just like the Kellogg-Briand Pact to outlaw war and many other treaties and agreements signed since World War I.

This is the considered opinion not only of the framers of the alliance in the White House and the State Department but also of some military men, who are skeptical of the willingness of the peoples of western Europe to use the equipment we send them.

TAXPAYERS' ANGLE

Most Members of Congress have open minds on this subject. Some hold the definite opinion that neither the Italians nor the French would make a better showing against the Russians than they made in World War II—the French against the Germans and the Italians against the Americans, British, and French.

Others consider it likely that under the weight of an invasion by Asiatics, the men of western Europe will fight better, and with more determination, than in the last war. Finally, there is a group in both Houses of Congress which hopes that the Atlantic Pact, in which America pledges itself in advance to fight a future aggressor, together with adequate military preparations, will act as a deterrent on the men in Moscow

All Members of the Senate and House, however, are concerned over how much of the taxpayers' money will be required for precautionary measures which, in the last analysis, may lead to an armed clash with the U. S. S. R. They all have a vague idea about the gigantic sums which must be expended in the event of a third world war.

For the time being there are no definite plans for the outlay of money in rearmament of western Europe. Whatever estimates exist for the size of the western European defense force, and for the time to be spent in creating a combat force, remain a military secret. But from available figures it is estimated that the cost of equipment alone for each armored division created in western Europe will be about $250,000,000.

According to unofficial reports, the high command of the Western European Union at Brussels considers that it needs at least 60 divisions in order to make a good showing against the vastly superior number of troops held in readiness by the U. S. S. R. and its satellites.

SUPPLY UNIFORMS, TOO?

Of these 60 divisions a minimum of 15 must either be armored or motorized forces. That is to say, the Amercan taxpayer will be called on to provide some $3,750,000,000 for the equipment of these 15 divisions alone. Of course, this does not take into account the gasoline needed for the training of personnel to man the tanks. The upkeep of officers and enlisted men, together with the ammunition required for training, would be paid, it is hoped, by the respective European governments.

The other 45 divisions of the western European ground forces would be provided, partially at least, with artillery and machine guns, as well as communications material, radar, and other instruments which are produced in very limited quantitie- on the other side of the Atlantic.

The organization of the desired force will require, under the best possible conditions, between 3 and 5 years, and a rough guess is that we will have to put up for this rearmament program of our new allies somewhere between $12,000,000,000 and $15,000,000,000.

Added to an estimated $15,000,000,000 for the balance of the European recovery program, this sum brings to nearly $30,000,000,000 the expenditure to be required of American taxpayers for western Europe's recovery and security during the next 4 years.

The first question which arises in the mind of every Member of Congress is whether the taxpayer will be able to stand the burden which the administration may feel impelled to impose—without our economic and social structure breaking down.

The second question—of equal importance—is whether, unless we accept this burden, Europe will fall prey to Russia's expansionism, and whether, if Europe does fall to Russia, our own security will be further threatened.

One other question which comes to the minds of Congressmen who in recent years have studied the international situation first hand is whether the precautions we are now planning to take against possible aggression across the Atlantic will be sufficient without taking some definite steps also to secure our defenses in the Pacific.

We are undertaking to defend our European allies not only on their own territories but also in Algeria. The western European nations which look to us for all possible assistance have not promised anything, according to the wording of the pact as it stands, to assist in defense if Russia should strike at the United States or at other nations in the Pacific and Indian Ocean areas.

It is conceded by those officials and legislators who are studying western Europe's defensive rearmament that the economy of this country will be heavily burdened by this new and inevitable expenditure. It is agreed by all those who have studied present conditions in Europe that unless we proceed to the physical rearmament of the western European Union the Atlantic Pact will be a dead letter. Our refusal to provide the necessary arms, even on a smaller scale than western Europe envisages, will play into the hands of Communist agitators better than if we had never agreed to enter an alliance.

The Communists will say not only that America is ready to sacrifice millions of lives and watch impassively the havoc of a new war in Europe, but also that the money-minded Americans refuse to give their "victims" even the most essential means of fighting in their own defense.

TREATY COULD BOUNCE

The Communists will revive the story of the real causes for the defeat of the French armies in 1940, which they ascribe solely to the lack of adequate modern military equipment, and will say that America aims to destroy Europe.

American refusal to implement the Atlantic Pact after its ratification by the Senate may cause the treaty to boomerang. It will be difficult, therefore, for Members of Congress to reject a request for appropriation for military supplies for western Europe.

What worries American military men, who are lukewarm to the idea of sending large quantities of military equipment to Europe, is whether the French and Italians who comprise the projected ground forces have enough fight left in them to make good use of costly American war material.

There seems to be no doubt among American military men that the British will make good and determined soldiers. But they seem to be uncertain about the fighting qualities of continental Europeans.

Some American military experts contend that after a perfunctory defense continental Europe will seek safety in surrender. This opinion is by no means general. Some of our high-ranking officers believe that the French, for instance, fought poorly against the Nazis not only because the latter had better armament and a devastatingly superior air force, but because the French soldiers had an inferiority complex about their German opponents.

ITALY'S CASE DIFFERENT

Conditions are different in Italy, where the soldier of modern times has fought indifferently in wars of aggression—against the Arabs in Cyrenaica, against the Ethiopians both in 1886 and 1935, and against the Greeks, the French, the British, and ourselves in World War II.

It is possible, however, that in a defensive war, in which they may have to oppose the hordes of an atheistic, totalitarian government, the Italian soldier may give a better account of himself. Whereas under Mussolini the Fascist ideology took precedence, since the war the population of Italy once more has turned strongly toward the church. This change may be an important factor in the ability of the Italians to resist the anti-Christian forces.

These are purely psychological conditions, but have to be taken into account in the general estimate as to the willingness of western European governments to make good use of American war material.

What stands out forcefully today in the minds of those who carefully analyze the pros and cons of supporting the nations of western Europe with military equipment is that if we refuse to accept what may become a dreadfully heavy burden, the Atlantic treaty will never be anything but a pious wish, and the real purpose for which it has been negotiated—the defense of Europe as a means to our own defense—will be defeated more decisively than if we had never entered such an alliance.

EXHIBIT 1

GREAT BRITAIN—U. S. S. R.

TRADE AND PAYMENTS AGREEMENTS BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS

Moscow, 27th December, 1947

No. 1. Protocol of Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Union of Soviet Socialist Republics on Questions of Trade and Finance

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Union of Soviet Socialist Republics, prompted by a sincere desire to ensure the development of Anglo-Soviet trade to their mutual advantage and attaching particular importance not only to the establishment of a short-term programme of supplies having the object of facilitating the satisfaction of current needs of both countries but also to the development of Anglo-Soviet trade on a long-term basis, have, through their respective trade delegations appointed for that purpose, reached the understandings embodied in the Annex to the present Protocol.

The present Protocol together with its Annex shall come into force on the date of signature.

In faith whereof the undersigned, duly authorized to that effect, have signed the present Protocol.

Done in Moscow, 27th December, 1947, in duplication both in the English and Russian languages and both texts being equally authentic.

MAURICE PETERSON.
A. MIKOYAN.

ANNEX TO THE PROTOCOL OF AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM AND NORTHERN IRELAND AND THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS OF 27TH DECEMBER, 1947

PART A.—SHORT-TERM ARRANGEMENTS

Article I

There will be made available from the Union of Soviet Socialist Republics to the United Kingdom the following goods in accordance with the terms and conditions of the contract which has been concluded between Vsesojuznoje Objedinenije "Exportkhleb" on the Soviet side and the Ministry of Food on the British side.

Grain—

Out of the 1947 harvest (for delivery during a period of eight months from 1st February, 1948, to 30th September, 1948, inclusive)—

450,000 metric tons barley.
200,000 metric tons maize.
100,000 metric tons oats.

Article II

The Government of the United Kingdom will ensure the supply from the United Kingdom to the Union of Soviet Republics of the following goods in accordance with the contracts to be concluded between Vsesojuznoje Objedinenije "Promsyrioimport" on the Soviet side and the Ministry of Supply or the appropriate British manufacturers on the British side and the agreement already reached between the two Parties in respect of prices and periods of delivery:—

Light rails with fishplates, bolts and nuts for narrow-gauge railway: 25,000 English long tons (including not less than 10,000 English long tons from new production and the balance from United Kingdom military surpluses) and in addition 10,000 English long tons from any further United Kingdom military surpluses which may become available during the year 1948 in the United Kingdom and overseas.

Article III

A.—(i) The Soviet economic organisations and the appropriate British firms will conclude contracts for supplying from the United Kingdom to the Union of Soviet Socialist Republics equipment mentioned in the attached Schedules I and II. The Government of the United Kingdom has indicated in these Schedules the prospective dates of delivery of the equipment in question.

The Government of the United Kingdom recognising the importance for the economy of the Union of Soviet Socialist Republics of the equipment mentioned undertakes to afford all possible aid for ensuring that the contracts between the Soviet economic organisations and the appropriate British firms for the delivery of the equipment in question shall be signed in good time and carried out by the prospective dates of delivery specified in the Schedules. For this purpose the Government of the United Kingdom will as necessary use any of the powers exercised by it in such matters, in particular with regard to the giving of permission to the supplying firms to acquire the materials necessary for the orders.

(ii) It is understood that the buyers and suppliers may agree to earlier dates of delivery. In such an event the Government of the United Kingdom will do their utmost to apply the facilities under the preceding subparagraph in respect of the contracts concerned.

B.—(i) Both sides being desirous of extending trade between the two countries are agreed that apart from the carrying out of deliveries provided for in Article II and paragraph (A) of this Article corresponding negotiations will immediately be commenced with the object of supplying to the Union of Soviet Socialist Republics wool, rubber, aluminum, cocoa beans, coffee and other goods to be agreed.

The Government of the United Kingdom for its part declares its readiness to facilitate the supply of such goods through the appropriate trade channels.

(ii) Both Governments in the near future will enter into additional negotiations concerning the question of obtaining supplies of tin to the Union of Soviet Socialist Republics.

C. In the event that by 31st May, 1948, the total value of Soviet orders placed for equipment provided for in the above-mentioned Schedules I and II does not reach half of the whole value of this equipment, then the Government of the Union of Soviet Socialist Republics will have the right to reconsider its undertaking relating to the making available to the United Kingdom of the last 200,000 tons out of the 750,000 tons of grain mentioned in Article I. In reviewing the position on 31st May, 1948, the value of contracts actually concluded and prepared for concluding for the above-mentioned equipment will be taken into account.

PART B.—LONG-TERM ARRANGEMENTS

Article IV

The aim of the two Governments is to secure as soon as possible a balanced trade on an expanding basis between the United Kingdom and the Union of Soviet Socialist Republics, due account being taken of other transactions which enter into the balance of payments between the two countries.

The two Governments will appoint representatives who will meet not later than May 1948 for the following purposes:—

(i) to review the payments position between the two countries resulting from shipments made and orders placed under the preceding Articles of this Agreement and from other financial transactions between the two countries;

(ii) to draw up in the light of this review a balanced programme of shipments between the two countries consisting of—

(a) further supplies of the goods enumerated in Articles I, II and III and in the Schedules I and II mentioned in Article III; and of

(b) supplies of the following goods—

(1) from the Union of Soviet Socialist Republics to the United Kingdom: Wheat, pulses, pit props, cellulose, canned goods;

(2) from the United Kingdom to the Union of Soviet Socialist Republics: Oilwell tubes, tinplate; and of

(c) such further goods as may be agreed;

(iii) to arrange for the appointment of representatives who will as often as may be necessary, but in any case not less frequently than once a year, meet alternately in London and in Moscow to discuss the progress made in fulfilment of this Agreement and to make recommendations to the two Governments designed to improve, develop and widen the basis of trade between the two countries.

PART C.—FINANCIAL ARRANGEMENTS

Article V

I. The Government of the United Kingdom and the Government of the Union of Soviet Socialist Republics have agreed on the following amendments to the terms of the Agreement of 16th August, 1941 [1] concerning mutual deliveries, credit and methods of payment:—

(a) As from 1st May, 1947, the interest payable on the amount of the advances outstanding under the Agreement of 16th August, 1941, shall be calculated at the rate of one-half of one per cent. per annum; similarly the rate of interest on all further advances, including that of 1st August, 1947, will be one-half of one per cent. per annum.

(b) The Account mentioned in Article 5 of the Agreement of 16th August, 1941, shall be balanced as at 31st July, 1947, and at the end of every three months thereafter.

Amounts due from the Government of the Union of Soviet Socialist Republics for goods delivered and still intended for delivery from the United Kingdom under the Agreement of 16th August, 1941, will continue to be dealt with through this Account.

Any debit balance shall be discharged in sterling, to be paid to the Account by the Government of the United Kingdom by way of advances to the Government of the Union of Soviet Socialist Republics.

(c) As from 1st May, 1947, repayment of 50 per cent. of the amount of the advances then outstanding under the Agreement of 16th August, 1941, shall be made in twelve equal yearly instalments of which the first shall be paid at the end of the fourth year and the last at the end of the fifteenth year counting in each case from 1st May, 1947.

(d) The advance being made available as on 1st August, 1947 (in connection with the settlement of the Account on 31st July, 1947), as well as all advances to be made available in connection with future settlements of the Account under the Agreement of 16th August, 1941, shall be repayable in twelve equal yearly instalments of which the first shall be paid at the end of the fourth year and the last at the end of the fifteenth year, reckoned in each case from the date on which the advance was made.

(e) The Government of the Union of Soviet Socialist Republics shall have the right at any time to make repayments of advances before the due date of any instalment or instalments.

Except as modified by this Article the provisions of the Agreement of 16th August, 1941, shall remain in force.

II. The Government of the United Kingdom agrees to waive its claims for the repayment of the costs of all supplies and services to the Government of the Union of Soviet Socialist Republics during World War II, other than those arising out of the Ships' Expenses and Freights Agreement, as set out in the Exchange of Letters of 22nd June, 1942, between the British Embassy in the Union of Soviet Socialist Republics and the People's Commissariat for Foreign Trade in the Union of Soviet Socialist Republics.

PART D.—TRANSPORT ARRANGEMENTS

Article VI

Having regard to the considerable expansion of trade between the two countries which will result from the present Agreement and with a view to facilitating the transport of the goods concerned both Governments have agreed—

(a) to give their fullest support and cooperation in fostering the development of the shipping trade between the two countries and to refrain from actions tending to hinder arrangements to enable the shipping of each of them to participate on an equitable basis in the trade between the two countries.

(b) to grant facilities to enable their respective shipping organisations to engage immediately and thereafter periodically in direct negotiations in order to put into effect the principles set out in paragraph (a) of this Article.

These organisations will meet alternately in London and Moscow or as otherwise mutually agreed but not less often than once a year to consult in accordance with the needs of the trade.

MAURICE PETERSON.
A. MIKOYAN.

[1] See Appendix.

Schedule I (to article III of the annex)

EQUIPMENT FOR DELIVERY FROM THE UNITED KINGDOM TO THE UNION OF SOVIET SOCIALIST REPUBLICS

Item No.	Description of equipment	Quantity or amount	Prospective period of delivery
1	Narrow Gauge 750-mm. Locomotives	1,100	75 in first two years from placing of order, 350 per annum thereafter. Complete in 3¼ years from commencement of delivery.
2	Flat Trucks, 750-mm	2,400	Commence 18 months after placing of order at 25 a month. This rate will increase to 100 a month and the delivery period will cover approximately 2¼ years.
3	Winches (2 and 3 Drums)	2,400	Commence 12 months after placing of order. Delivery at rate of 1,000 units in 1949 and 1,400 units in 1950. One-half will be fitted with electric motors.
4	Excavators	210	In 1948, 30 units; in 1949, 60 units; in 1950, 120 units.
5	Caterpillar loading cranes (Diesel types in substitution for equivalent number of excavators).	54	In 1948, 4 units; in 1949, 20 units; in 1950, 30 units.
6	Auto timber carriers	250	2 a week commencing 18 months after placing of order.
7	Tugs	14	In 1948—4 from surplus, 10 from new building starting 18 months after placing of order. Delivery one per month.
8	Dredgers	4	First—24 months after placing of o der. Remainder at rate of 1 every 3 months.
9	Locomobiles	200 units	Commence delivery in 21 months from placing of order and complete in further 18 months.
10	50-K. W. Mobile Diesel Electric Generators	150	15—4 months from placing of order. 135 in further 12 months.
11	Steam Power Turbine Stations, 500 K. W.	24	First set would be delivered in 2½ years from placing of order and thereafter 1 set per month.
12	Plywood Equipment	£1,050,000 value	1949, £100,000 per annum; 1950, £200,000 per annum; 1951, £200,000 per annum, and after at the rate of £200,000 per annum.
13	Timber Mill Equipment	£400,000 value	1949, £50,000; 1950, £100,000; 1951, £100,000, and after at the rate of £100,000 per annum.

(Intld.) M. P. (Intld.) A. M.

Schedule II (to article III of the annex)

EQUIPMENT FOR DELIVERY FROM THE UNITED KINGDOM TO THE UNION OF SOVIET SOCIALIST REPUBLICS

Item No.	Description of equipment	Quantity or amount	Prospective period of delivery
1	Scientific and Laboratory Apparatus	£150,000 value	In 1948-49.
2	Pile Drivers mounted on Pontoons	4	Deliver first one in 2 years after placing of order and then one every 5 months.
3	Winding Gear	4 sets	Start in 2 years after placing of order and complete in further 6 months.
4	Electro Dredger	1	Delivery 2½ years after placing of order.
5	Ball Mills for Copper Ore Grinding	18	Start 2¼ years after placing of order. Deliver 4 mills a month.
6	Ball Mills for Grinding Apatite	8	Start 2¼ years after placing of order. Deliver 4 mills a month.
7	Rod Mills for Grinding Ores	3	Deliver in 2¼ years after placing of order.
8	Spiral Type Classifiers	8	Deliver in 2½ years after placing of order.
9	Gyratory Crushers	2	Deliver in 2 years after placing of order.
10	Railway Steam Cranes	3	Delivery 2 years after placing of order.
11	154-K. V. Voltage Transformers	48	Delivery to commence 2½ years after placing of order and complete in further twelve months.
12	Complete Distributing Sets (13.8 K. V.)	6	Delivery to commence 2½ years after placing of order and complete in further six months.
13	Isolating switches (154 K. V.)	45	Delivery to commence 2¾ years after placing of order and complete in further six months.
14	Oil Purifying Apparatus	10	Delivery to commence 2 years after placing of order and complete in further six months.
15	100-K. W. Electric Motors	300	Delivery to commence 2 years after placing of order at rate of 150 a year.

(Intld.) M. P. (Intld.) A. M.

NO. II. PAYMENTS AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS

(1)

Sir Maurice Peterson to M. A. Mikoyan

BRITISH EMBASSY,
Moscow, 27th December, 1947.

Monsieur MIKOYAN,

With reference to the recent consultations which have taken place between representatives of our two Governments, I have been instructed by my Government to propose that the following procedure relating to payments between the Union of Soviet Socialist Republics and the "Scheduled Territories" as defined in paragraph 6 (i) below and the use of sterling for payments between the Union of Soviet Socialist Republics and other countries should apply:—

1. All payments between residents of the Union of Soviet Socialist Republics and residents of the Scheduled Territories shall continue to be settled in sterling.

2. (a) As from 15th January, 1948, the existing Account at the Bank of England called the "State Bank of the Union of Soviet Socialist Republics No. 1 Account" shall be designated "State Bank of the Union of Soviet Socialist Republics No. 2 Account."

(b) As from 15th January, 1948, the existing "ordinary" undesignated accounts of the State Bank of the Union of Soviet Socialist Republics at the Bank of England and at the Moscow Narodny Bank, London, shall each of them be designated "State Bank of the Union of Soviet Socialist Republics No. 1 Account." Each of these accounts shall be a transferable account and they are hereinafter jointly referred to the "Transferable Accounts."

3. The Government of the United Kingdom shall not restrict—

(a) The availability of sterling standing to the credit of "Transferable Accounts" for making payments for current transactions to residents of such countries outside the Union of Soviet Socialist Republics and the Scheduled Territories as may be agreed between the Bank of England and the State Bank of the Union of Soviet Socialist Republics acting as agents for their respective Governments.

(b) The availability of sterling standing to the credit of the "Transferable Accounts" and of any Union of Soviet Socialist Republics Account as defined in paragraph 6 (ii) below for making payments to other residents of the Union of Soviet Socialist Republics or to the residents of the Scheduled Territories.

4. The Government of the Union of Soviet Socialist Republics shall not restrict the acceptance by residents of the Union of Soviet Socialist Republics of sterling at the disposal of residents of such other countries outside the Union of Soviet Socialist Republics and the Scheduled Territories as may be agreed between the Bank of England and the State Bank of the Union of Soviet Socialist Republics acting as agents for their respective Governments in settlement of payments for current transactions.

5. All transactions authorised by the State Bank for payment through the "Transferable Accounts" shall be in respect of current transactions.

6. For the purpose of these arrangements the expression—

(i) "The Scheduled Territories" shall have the meaning from time to time assigned to it under the United Kingdom Exchange Control Act, 1947.

(ii) "Union of Soviet Socialist Republics Account" means any account so designated by the Bank of England under the United Kingdom Exchange Control Act, 1947.

I have the honour to suggest that the present letter and your reply should be regarded as constituting an agreement between the two Governments in this matter with effect from 15th January, 1948.

I avail, &c.

MAURICE PETERSON.

(2)

[Translation]

M. A. MIKOYAN TO SIR MAURICE PETERSON, MINISTRY OF FOREIGN TRADE OF THE U. S. S. R.

Moscow, 27th December, 1947.

M. l'Ambassadeur,

Acknowledging receipt of your letter of to-day's date, I have the honour to inform you that the Government of the U. S. S. R. accepts the proposals set forth in that letter relating to payments between the U. S. S. R. and "the Scheduled Territories" and the use of pounds sterling between the U. S. S. R. and other countries.

Your letter and this answer will be considered as constituting an agreement between the two Governments, coming into force as from 15th of January, 1948.

I take this opportunity, &c.

A. MIKOYAN.

APPENDIX

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS CONCERNING MUTUAL DELIVERIES, CREDIT AND METHODS OF PAYMENT

(Moscow, 16th August, 1941)

The Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as "the Government of the United Kingdom") and the Government of the Union of Soviet Socialist Republics, desiring to arrange for mutual deliveries and to provide for the associated payments, have agreed as follows:—

Article 1

(a) The Governments of the United Kingdom and of the Union of Soviet Socialist Republics have agreed to deliver goods to one another. Such mutual deliveries of goods shall be regulated by special lists to be agreed upon between the two Contracting Parties. Such lists may be supplemented or modified by agreement between the two Contracting Parties.

(b) In the event of either Contracting Party requesting the other to act as its agent in the purchase of any goods in third countries, such transaction shall not fall within the scope of this Agreement.

Article 2

Unless otherwise agreed in writing delivery of goods in accordance with Article 1 of this Agreement shall be taken:—

(a) in cases where shipment is made in vessels other than those of the seller, at the port of shipment; and

(b) in cases where shipment is made in the vessels of the seller, at the port of discharge.

Article 3

(a) The prices to be charged by the seller to the purchaser for the goods to be delivered in accordance with Article 1 of this Agreement shall be based on world prices. However, in regard to the price of any commodity in respect of which the Government of the United Kingdom have or shall have an agreement with the Government of any foreign country concluded after 2nd September, 1939, the Union of Soviet Socialist Republics shall receive treatment at least as favourable as that country.

(b) Prices shall in every case be calculated f. o. b. port of shipment, and the buyer shall pay the freight from such port onward and shall bear the risks of maritime transportation.

(c) All contracts shall be concluded in sterling, and prices which are normally quoted in United States dollars shall be converted into sterling at the official middle rate of exchange for United States dollars in London on the day on which the contract is concluded.

Article 4

The British Government War Risks Insurance Office and the Trade Delegation of the Union of Soviet Socialist Republics in the United Kingdom shall negotiate the insurance against marine and war risks of the goods purchased by Soviet organisations under the present Agreement, of the Soviet ships effecting the transportation of such goods, and also of gold and of such other cargoes and ships effecting the transportation of these cargoes belonging to the Union of Soviet Socialist Republics as may from time to time be agreed upon between the two Contracting Parties.

Article 5

(a) All payments between the United Kingdom and the Union of Soviet Socialist Republics for the deliveries provided for in this Agreement shall be made, upon receipt of advice that the delivery of the goods has been taken, in sterling through an Account in the name of the State Bank of the Union of Soviet Socialist Republics to be established at the Bank of England (hereinafter referred to as "the Account"). For this purpose, the Bank of England and the State Bank of the Union of Soviet Socialist Republics shall agree together upon the necessary technical measures for effecting payments hereunder.

(b) Repayment by the Government of the Union of Soviet Socialist Republics of existing indebtedness under the 1936 Export Credit Guarantee Agreement may also be made in each three-monthly period through the Account, up to the value of their deliveries of goods hereunder during that period.

(c) Such other payments may also be made through the Account as the two Banks, with the approval of their respective Governments, may from time to time agree.

Article 6

The Account shall be balanced on 31st October, 1941, and at the end of every three months thereafter. Any debit balance shall be discharged as follows:—

(a) As to 40 per cent. by sterling received by the State Bank of the Union of Soviet Socialist Republics from the sale to the Bank of England of United States dollars or of gold to be delivered at centres agreed upon between the Bank of England and the State Bank of the Union of Soviet Socialist Republics; or by delivery of platinum up to such amounts as the Government of the United Kingdom may from time to time specify, the sterling value of such platinum to be agreed between the two Governments.

Sales of United States dollars to the Bank of England shall be made at the official middle rate of exchange for United States dollars in London on the day of sale.

Unless otherwise agreed between the Bank of England and the State Bank of the Union of Soviet Socialist Republics, sales of gold to the Bank of England shall be made at the official price of gold in the United States of America on the day of sale, and the United States dollars shall be converted into sterling at the official middle rate of exchange for United States dollars in London on the day of sale.

(b) As to 60 per cent. in sterling to be paid to the Account by the Government of the United Kingdom by way of advance to the Government of the Union of Soviet Socialist Republics.

Any credit balance shall be at the free disposal of the State Bank of the Union of Soviet Socialist Republics.

Article 7

(a) The total of the advances outstanding made hereunder by the Government of the United Kingdom to the Government of the Union of Soviet Socialist Republics shall not exceed the sum of 10 million pounds. When the total of the advances outstanding approaches the said 10 million pounds the Contracting Parties shall enter into negotiations for a further credit to be granted on the same terms and to be used for the same purposes as are laid down in this Agreement.

(b) The amount of each advance so made shall be repayable in sterling or United States dollars, at the option of the Government of the Union of Soviet Socialist Republics, in five equal yearly instalments, of which the first shall be paid at the end of the third year and the last at the end of the seventh year, reckoned in every case from the date on which the advance was made.

(c) Interest, reckoned in every case from the date on which the advance was made, shall be payable on the amount of the advances outstanding, half-yearly on 30th April and 31st October, at the rate of three per cent. per annum in sterling or United States dollars at the option of the Government of the Union of Soviet Socialist Republics.

(d) The conversion of sterling into United States dollars for the purpose of calculating payments under this Article shall be effected at the official middle rate for the United States dollar in London on the day on which payment falls due.

Final article

This Agreement shall come into force on the date of signature, and shall remain in force for the whole period of the utilisation of the credits and of the effecting of deliveries under this Agreement.

In witness whereof the undersigned, duly authorised by their respective Governments for that purpose, have signed the present Agreement and have affixed thereto their Seals.

Done at Moscow, in duplicate, the sixteenth day of August, nineteen hundred and forty-one, in English and Russian, both texts having equal force.

On behalf of the Government of the United Kingdom of Great Britain and Northern Ireland:

R. STAFFORD CRIPPS.

On behalf of the Government of the Union of Soviet Socialist Republics:

A. MIKOYAN.

EXHIBIT 2

GREAT BRITAIN–POLAND

TRADE AND FINANCE AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF POLAND

Warsaw, 14th January, 1949

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Poland prompted by a sincere desire to ensure the development of Anglo-Polish trade to their mutual advantage and attaching particular importance to the development of Anglo-Polish trade on a long-term basis and to a settlement of the financial questions outstanding between the two countries have agreed as follows:—

Article 1

The Polish Government undertake to make available for export to the United Kingdom in the five-year period 1949 to 1953, and the Government of the United Kingdom undertake to purchase or to permit the import of, as the case may be, the quantities of foodstuffs set out in Schedules I to IV of Annex A to the present Agreement in the years specified therein.

Article 2

(a) The Polish Government undertake to make available for export to the United Kingdom in the year 1949 and in the three-year period 1949 to 1951, and the Government of the United Kingdom undertake to purchase or to permit the import of, the classes and quantities of timber specified in Annex B (1) to the present Agreement. The contracting Governments will consult together in the autumn of 1949 and 1950 for the purpose of determining the quantities to be supplied in the years 1950 and 1951 respectively.

(b) The contracting Governments agree to facilitate and encourage the trade in timber between the United Kingdom and Poland so that Poland shall regain her traditional position as exporter of timber to the United Kingdom.

(c) In particular the Polish Government shall use their best endeavours to supply to the United Kingdom over the five-year period 1949 to 1953, out of the total quantities available for export or re-export, the classes of timber specified in Annex B (2) up to the quantities shown.

(d) The Government of the United Kingdom undertake to grant for the year 1949 import quotas to a value of £600,000 for Polish furniture and other wooden articles to be agreed between the contracting Governments. They will also ensure that the internal regulations in force in the United Kingdom governing the manufacture and sale of furniture and other wooden articles of the classes which shall have been agreed by the contracting Governments shall not discriminate against such goods when of Polish origin.

Article 3

The undertakings set out in Articles 1 and 2 of the present Agreement are subject—

(a) to price, type, specification and quality being satisfactory;

(b) to the terms of any contracts that may have been or may be concluded between the contracting Governments;

(c) in the case of foodstuffs to compliance with any health regulations in force in the United Kingdom where they are applicable; and

(d) in the case of goods imported otherwise than through Government channels, to application being made for an import licence.

Article 4

The quantities or values shown in the Annexes referred to in Articles 1 and 2 (a) of the present Agreement are minima unless otherwise specified and they may be increased from time to time by agreement between the contracting Governments.

Article 5

(a) The Government of the United Kingdom shall facilitate the supply to Poland of the following goods through the appropriate trade channels up to the quantities stated below and subject to agreement on prices:—

(i) Raw wool—£10 million in each of the years 1949 to 1953. In regard to this figure of £10 million any supplies which the Polish Government may purchase from other parts of the Commonwealth shall be taken into account. The Polish Government shall use their best endeavours to ensure that purchases are reasonably distributed over all qualities and types of wool.

(ii) Crude rubber—3,000 tons in 1949 increasing by 500 tons yearly to 5,000 tons in 1953.

(iii) Tinplate—300 tons in the period April to December 1949 and 300 tons in 1950, and in addition—

(a) in the year 1949, 400 tons of tinplate for packing 2,000 tons of canned meat for supply to the United Kingdom, and

(b) in each of the years 1949 to 1953 tinplate for packing frozen eggs for supply to the United Kingdom in the proportion of 300 tons of tinplate to 3,500 tons of frozen eggs.

(iv) Rubber conveyor belting—30 miles in each of the years 1949 to 1953

(v) Shellac—200 tons in 1949 rising to 400 tons in 1953

and in addition, the following goods assuming that Polish buyers are able to place orders for suitable types to meet their requirements.

(vi) Rubber tyres for cars and tractors—£125,000 in each of the years 1949 to 1953.

(vii) Dyestuffs of types for which United Kingdom export licences are normally granted—£250,000 in each of the years 1949 to 1953. In addition, the Government of the United Kingdom shall facilitate the supply of such dyestuffs to Poland during this period to the maximum extent possible within the available types and grades.

(viii) Spare parts for cars and trucks—£250,000 in each of the years 1949 to 1953.

(ix) Semi-manufactured copper goods—8,000 tons in each of the years 1949 to 1953 provided that purchases are reasonably distributed over the whole range of semi-manufactured cooper goods.

(x) Wool rags for the textile industry of types for which export licences are normally granted—6,000 tons in each of the years 1949 to 1953.

(b) (i) The Government of the United Kingdom shall place no obstacles in the way of the supply to Poland of 180,000 tons of crude oil f. o. b. Middle East during 1949 rising by regular quantities to 250,000 tons in 1953. They will raise no objection to the supply of additional quantities of such oil, if they are commercially available, in the second half of 1949 and in the succeeding years up to and including 1953. The supply of such oil shall be in accordance with contracts to be arranged by the appropriate Polish organization and the United Kingdom oil companies.

(ii) The Government of the United Kingdom shall place no obstacles in the way of the Polish Government ordering in each of the years 1949 to 1953 reasonable quantities of sisal, manila and electrolytic nickel through London merchants, provided that payment is made in accordance with the normal United Kingdom exchange control procedure.

(iii) The Government of the United Kingdom shall place no obstacles in the way of the Polish Government obtaining in the year 1949 through the appropriate trade channels reasonable commercial quantities of ferrotungsten, ferro-vanadium and refined ferromanganese.

(c) (i) The Government of the United Kingdom undertake that within such allocation as may be made to Poland for each of the years 1949 to 1953 by the Combined Tin Committee they will facilitate the supply to Poland of a quantity of tin not exceeding 1,000 tons per annum from sources within the Scheduled Territories within the meaning assigned from time to time to that expression under the United Kingdom Exchange Control Act, 1947.

(ii) The Government of the United Kingdom undertake that within such allocation as may be made to Poland by the International Emergency Food Council for each of the years 1949 to 1953 from sources within the Scheduled Territories (within the meaning assigned from time to time to that expression under the United Kingdom Exchange Control Act, 1947) they will facilitate the supply to Poland through the appropriate trade channels of cocoa, copra and oil seeds.

Article 6

The Government of the United Kingdom shall not prohibit the export to Poland of capital equipment produced in fulfilment of orders placed by or on behalf of the Polish Government with United Kingdom firms on or before the date of signature of the present Agreement.

Article 7

(a) The Government of the United Kingdom undertake to issue in the year 1949 licences upon application for the import from Poland of goods to be agreed from among those specified in Annex C to the present Agreement up to a total c. i. f. value of £2 million. This total shall include the quotas for Polish furniture and other wooden articles established in accordance with the provisions of Article 2 (d) of the present Agreement. The contracting Governments agree that the individual quotas within this total shall be determined in London not later than 1st March, 1949.

(b) The Polish Government undertake to issue in the year 1949 import licences and to make available the requisite foreign exchange for the import from the United Kingdom of the goods specified in Annex D to the present Agreement up to the c. i. f. values shown.

(c) The contracting Governments agree that the import quotas referred to in paragraphs (a) and (b) of this Article shall come into operation simultaneously on a date not later than 15th March, 1949.

(d) (i) The contracting Governments have agreed to effect in each of the years 1950 to 1953 an exchange of miscellaneous goods of classes corresponding to those specified in Annexes C and D to the present Agreement, with additions or deletions to be agreed. For this purpose they shall enter into negotiations in the last three months of each of the years 1949 to 1952 with a view to making arrangements for such an exchange of goods for entry into force on 1st January of each of the years 1950 to 1953 respectively.

(ii) The quotas for Polish goods imported into the United Kingdom shall amount to a total of £9 million for these years but no quota for any one year shall exceed £2.4 million.

(iii) The quotas for United Kingdom goods imported into Poland shall amount to a total of £5.25 million for these years.

(e) The Polish Government shall authorise the purchase from the United Kingdom in 1949 of cured herrings to a value of not less than £400,000 and if possible to an increasing value in each of the years 1950 to 1953, in accordance with the requirements of Poland, the actual quantity to be negotiated by the contracting Governments each year. The contracting Governments agree that if the value of such purchases in any 1 year exceeds the value of Polish landings of white fish and sales of Polish frozen salmon in the United Kingdom in that year, the excess shall be taken into account as soon as possible in the fixing under the provisions of paragraph (d) of this Article of the Polish import quotas for United Kingdom goods.

Article 8

(a) The Polish Government place on record their intention to continue to purchase on at least the same scale annually as hitherto United Kingdom industrial products such as are specified in Annex E to the present Agreement.

(b) It is also their expectation that with the improvement in the economic situation of Poland they will be in a position to authorize within the arrangements provided for in Article 7 of this Agreement the import into Poland on an increasing scale of United Kingdom miscellaneous consumer goods.

Article 9

The Government of the United Kingdom take note of the wish of the Polish Government to place orders for capital equipment to the extent of £20 million beyond their current programme. They will continue to take whatever steps are open to them in the light of their general export policy to facilitate the placing of Polish orders for such capital equipment and are prepared to arrange for discussion with the Polish Commercial Counsellor in London or with the Polish Purchasing Mission in London of any particular order which the Polish Government wish to place.

Article 10

(a) In order to facilitate the purchase by the Polish Government of raw materials (mainly wool) on terms of payment not exceeding 90 days' credit, the Government of the United Kingdom undertake to raise no objection to arrangements being made in London for the grant or renewal of a revolving acceptance credit or credits up to a limit of £2.5 million, to be fully repaid by 31st December, 1949. The Government of the United Kingdom, through the Export Credits Guarantee Department, shall arrange that

guarantees on normal terms as hitherto are given for this credit.

(b) The Government of the United Kingdom will be prepared to consider favourably the possibility of facilitating the renewal of this arrangement after 31st December, 1949.

(c) The Government of the United Kingdom undertake to raise no objection to the extension of the credit arrangements for the purchase of capital equipment which are now in force between the Polish Government or Polish financial institutions and London financial institutions, so as to provide that the credit permitted shall become a revolving credit within the existing limits of £6 million available up to 30th June, 1955, in addition to the revolving credit or credits up to a limit of £2.5 million referred to in paragraph (a) of this Article. The provisions of this paragraph shall not apply to orders placed after 31st December, 1951.

Article 11

In view of the facilities afforded to Poland under Article 5, 7, 9 and 10 of the present Agreement, and of the new possibilities for the import into the United Kingdom of Polish agricultural products under Article 1, the Polish Government have agreed with the Government of the United Kingdom upon the provisions of Articles 12 to 17 of the present Agreement.

Article 12

(a) Not later than 15th February, 1949, discussions shall begin in London between the Polish Government and the Government of the United Kingdom, together with representatives acting on behalf of the United Kingdom interests concerned and approved in that capacity by the Government of the United Kingdom.

(b) The purpose of these discussions shall be—

(i) to consider the possibility of replacing the arrangements set out in the Anglo-Polish Minute of 31st October, 1947,[1] concerning compensation for British interests, confirmed by the Exchange of Notes of 24th January, 1948,(1) by provision for the payment of a sum in sterling in satisfaction of the claims of British claimants as defined in Article 1 (b) of that Minute; and to determine the amount of that sum, and the dates on which it shall be paid;

(ii) to determine the sterling amount to be paid, and the dates on which it shall be paid, in respect of all forms of pre-war debts, public and private, in connexion with which it will be agreed that a liability of the Polish Government exists.

(c) The meeting-place for further discussions concerning the settlement of matters referred to in paragraph (b) (i) and (ii) shall be determined during the preliminary stages of the London discussions.

(d) The contracting Governments shall use their best endeavours to ensure that these discussions result in agreement by 30th September, 1949.

Article 13

(a) The Polish Government shall ensure that the National Bank of Poland instructs the Bank of England within thirty days of the date of entry into force of the present Agreement to open in the name of the National Bank of Poland an account at the Bank of England denominated "National Bank of Poland No. 3 Account."

(b) This account shall receive moneys provided under Articles 15 and 17, and out of this account shall be made such payments in respect of United Kingdom claims as may be agreed in pursuance of Article 12.

(c) The Polish Government shall arrange at the time when the National Bank of Poland No. 3 Account is opened that the Bank of England be given irrevocable instructions, in a form satisfactory to the Government of the United Kingdom, so as to secure the making of the payments mentioned in paragraph (b) of this Article.

Article 14

(a) The Custodian of Enemy Property in the United Kingdom (hereinafter referred to as "the Custodian") shall, on the request of the Polish Government, communicate to them as soon as possible after 1st June and 1st December in each year, until a date to be agreed in accordance with the provisions of Article 16, the Custodian's estimate of the value of the money and property released by him in the preceding six months in accordance with the Anglo-Polish Money and Property Agreement[2] signed this day.

(b) The Custodian, in estimating the value of the money and property released by him shall use, and the Polish Government shall accept—

(i) in respect of all moneys held by the Custodian in his own account, the actual amount released by him;

(ii) in respect of bank balances held to the order of the Custodian, the actual amount of the bank balance on the date of release, as reported by the holding bank;

(iii) in respect of securities quoted in the London Stock Exchange Daily List of Officially Quoted Securities the mean of the quotation for each such security on the date of release by the Custodian, or if there is no quotation on that date, then on the next date on which there is a quotation;

(iv) in respect of gold coin and bullion, and of any foreign currency, the buying prices quoted by the Bank of England, and in respect of silver, the London market price quoted at the daily fixing, each on the date of release by the Custodian, or, if there is no such price or quotation on that date, then on the next date on which there is such a price or quotation.

(c) The Custodian, in estimating the value of the money and property released by him shall use—

(i) in respect of commercial debts, the amount of the debt as reported to him;

(ii) in respect of all other money and property released, except money and property of the kinds referred to in the preceding paragraph (b), the value as reported to him.

(d) The Polish Government may question any estimate made in accordance with the preceding paragraph (c) on the following grounds, evidence of which they shall communicate to the Custodian—

(i) in respect of commercial debts, either—

(a) that the debtor is bankrupt; or

(b) that the debtor is no longer in business; or

(c) that the debtor disputes his obligations;

(ii) in respect of other money or property released, except money and property of the kinds referred to in the preceding paragraph (b), that the value reported to the Custodian is greater than a reasonable estimate of the market value on the date of release.

(e) If the Polish Government produce evidence that the value of the money and property referred to in the preceding paragraph (c) which the Custodian used in his estimate was incorrect, his estimate of the value of the money and property released shall be reduced by an amount to be agreed between him and the Polish Government.

(f) If the Polish Government produce satisfactory evidence that any money or property referred to in the preceding paragraphs (b) and (c) released by the Custodian has not passed under the control of the Polish Government or of a person subject to Polish exchange control regulations, then the amount payable by the Polish Government under the provisions of Article 15 of this Agreement shall be reduced accordingly.

Article 15

On receipt of the estimate to be communicated by the Custodian under the provisions of Article 14 (a) the Polish Government shall pay into the National Bank of Poland No. 3 Account—

(i) forthwith, subject to the provisions of Article 14 (f), the equivalent of the total sum estimated by the Custodian to be the value of the money and property of the kinds referred to in Article 14 (b) released by him in the preceding six months;

(ii) immediately after agreeing with the Custodian any necessary adjustments in accordance with the provisions of Article 14 (e) and (f) the equivalent of the total sum then estimated by the Custodian to be the value of the money and property of the kinds referred to in Article 14 (c) released by him in the preceding six months.

Article 16

The obligations of the Custodian under the provisions of Article 14 (a) and those of the Polish Government under Article 15 shall continue until the Custodian has released all money and property which he has reason to believe may belong to Polish persons within the meaning of the Anglo-Polish Money and Property Agreement signed this day, or until the contracting Governments agree that these obligations shall cease. The contracting Governments shall discuss not later than 30th June, 1951, the possibility of terminating these obligations.

Article 17

(a) In each of the years 1951 to 1953 the Polish Government shall pay into the National Bank of Poland No. 3 Account three and three-quarters per cent. of the sterling proceeds based on the f. o. b. value of all retained imports from Poland into the United Kingdom during those years plus 10 per cent. of the sterling proceeds based on the f. o. b. value of all retained imports from Poland into the United Kingdom during those years of the goods referred to in Annex F.

(b) Payments under paragraph (a) of this Article shall be made by the Polish Government by quarterly instalments on 31st March, 30th June, 30th September and 31st December of each of the years 1951 to 1953 in accordance with the provisions of paragraph (c) except that on 31st March, 1951, the payment to be made to the said account by the Polish Government shall be £400,000 which sum shall be taken into account in determining the total amount for 1951 due in accordance with paragraph (a) above.

(c) The amount of each quarterly payment to be made under paragraphs (a) and (b) of this Article shall be calculated upon the basis of the figures for the quarter immediately preceding that in which payment is due to be made as prepared by the Government of the United Kingdom and extracted from the declared value of the United Kingdom imports from Poland as published in the Accounts relating to the Trade and Navigation of the United Kingdom and supplemented where practicable by a detailed analysis of such figures, less a deduction of ten per cent. for freight and other appropriate charges. The amount so calculated shall be communicated to the Polish Government not less than fourteen days before it is due to be paid under paragraphs (a) and (b) of this Article.

(d) In the first quarter of each of the years 1952 and 1953 the final amount due in respect of each of the years 1951 and 1952 respectively shall be determined by agreement between the contracting Governments and the difference between the amount so determined and the amount actually paid under paragraphs (a) and (b) of this Article shall be compensated accordingly by increasing or

[1] "Treaty Series No. 23 (1948)," Cmd. 7403.

[2] "Treaty Series No. 10 (1949)," Cmd. 7627.

reducing the payment to be made in the second quarter of each of the years 1952 and 1953 respectively. In respect of the amount due for the year 1953 the adjustment shall be made by agreement between the contracting Governments one month after the final statement of declared value in accordance with paragraph (c) of this Article has been communicated to the Polish Government.

Article 18

In the event of the denunciation or expiry of the Anglo-Polish Payments Agreement of March 1948 [2] and of no agreement being reached for its replacement by a new Payments Agreement, the contracting Governments will review the position as it affects the present Agreement.

Article 19

(a) The contracting Governments agree to refrain from discriminatory action and unnecessary restrictions affecting shipping engaged in international trade.

(b) If a multilateral agreement aiming at the removal of discriminatory action and unnecessary restrictions affecting shipping engaged in international trade to which the contracting Governments are parties comes into force the provisions of the foregoing paragraph (a) shall be regarded as superseded by the provisions of any such multilateral agreement.

(c) The contracting Governments agree that at the request of either of them, officials of the two Governments shall meet in order to determine whether the shipment of goods by sea between the two countries has been carried on in accordance with the principle of non-discrimination between their two flags and to take any measures which may be necessary with a view to avoiding the recurrence of any difficulties which may have occurred.

Article 20

The contracting Governments agree that during the period of validity of the present Agreement meetings of a committee of officials representing the two Governments shall take place by agreement as may be necessary for the purpose of reviewing the progress of the trade between the two countries, of examining any difficulties which may arise and of suggesting solutions for their removal. Such meetings shall be supplementary to, and are not intended to replace, the existing channels of communication between the two Governments on matters arising out of the present Agreement.

Article 21

(a) The present Agreement shall come into force on the date of signature and subject to the provisions of paragraph (b) of this Article shall continue in force until 31st December, 1953.

(b) Articles 13, 15 and 17 shall remain in force until the obligations thereunder have been fulfilled. The date of termination of these Articles shall be decided by agreement between the contracting Governments.

In faith whereof the undersigned, duly authorised to that effect, have signed the present Agreement.

Done in Warsaw, 14th January, 1949, in duplicate in the English and Polish languages, both texts being equally authentic.

D. ST. CLAIR GAINER.
H. MINC.

ANNEX A

SCHEDULE I—*Ministry of Food purchases for which contracts will be negotiated to the end of 1953*

[Figures in thousand long tons throughout]

	1949	1950	1951	1952	1953
1. Bacon*	20	30	40	50	60
2. Eggs—shell—(boxes)*	(435,000)	(620,000)	(860,000)	(1,110,000)	(1,200,000)
frozen*	3.5	5	7	8	8
3. Cheese†	.3	1	2	3.5	5
4. Butter†	----------	.5	2	5	10
5. Lard†	----------	.5	.6	.8	1

* The Heads of Agreement to be in accordance with the terms of letters exchanged between the two Governments.
† Target figures only: the contracting parties will discuss further when export surpluses arise.

SCHEDULE II—*Items on which individual minimum import quotas will be granted up to the end of 1953, or where appropriate, for which the Ministry of Food will contract annually*

[Figures in thousand long tons throughout]

	1949	1950	1951	1952	1953
6. Frozen salmon	0.5	0.7	0.8	0.9	1
7. Fruit pulp	.9	1.5	2	2.5	3
8. Onions	25	35	45	50	60
9. Canned meat	2	2.5	3	3.5	4
10. Bacon factory products—					
Maws and chitterlings	1.65	1.87	2.1	2.27	2.45
Hog casings	.2	.23	.25	.28	.3
11. Canned fish (in varieties to be agreed)	.1	.13	.16	.18	.2
12. Poultry—					
Turkeys	.8	1.1	1.5	1.7	2
Geese, ducks, hens, and chickens	5.5	6.6	7	8.1	8.1
Years beginning 1st April					
13. Pulses	3	5	5	5	5
14. Starch	15	10	10	10	10‡
Years ending 30th September					

‡A similar figure is agreed for the 1953 campaign.

[2] "Treaty Series No. 12 (1948)," Cmd. 7352.

SCHEDULE III—*Items for which a minimum over-all import quota of £500,000 will be given for each of the 5 years subject to upward revision annually*

	Figures in £'000 throughout 1949
(a) Items for which individual minimum quotas within the over-all total are established for 1949:	
15. Bilberries (including red and dried)	[1] 250
16. Game	[2] 5
17. Canned peas and beans	[2] 12
18. Tomato powder	[2] 11
19. Preserved and salted mushrooms	[2] 10
20. Fruit juices	[2] 40
21. Vodka, liqueurs	[1] 17
22. Sugar and chocolate confectionery	[2] 30
23. Seasoned meat	[2] 75
(b) Items without individual minimum quotas but which may be imported within the total for this group:	
24. Miscellaneous—specified below [3]	[2] 140
25. Miscellaneous—not specified elsewhere	[2] 10
Total	600

To the extent that licenses are under-applied for on some items, the value of licenses for other items may be increased by mutual agreement.

[1] Per annum 1949–53. [2] 1950–53 for annual negotiation.
[3] Agricultural seeds. Fresh vegetables—cauliflowers, cucumbers, horse radish, asparagus (subject to seasonal limitations). Frozen vegetables—peas and beans, onions, pickles, small pickles. Canned vegetables—other than cucumbers. Fresh fruit—cherries, strawberries, wild berries. Frozen fresh fruit—cherries, strawberries, raspberries. Fruit salads—peaches, pears, cherries. Frozen eels. Dried mushrooms. Cucumbers in barrels in brine. Pro Memoria: Canned hams (for annual consideration; no imports in 1949).

SCHEDULE IV—*Items subject to annual and ad hoc arrangements*

(a) Minimum quantities now established for 1949:

	Tons
26. White fish	5,000
27. Feed barley (ex-1949 crop)	30,000
28. Malt (ex-1949 crop)	[1] 4,000

(b) No minimum quantities established:

29. Oats—The Ministry of Food may be a buyer of Polish oats and will be willing to consider samples and availabilities after each harvest.

[1] Licenses will be granted on application in the ratio of 1 ton for every 7 tons of feed barley contracted by the Ministry of Food.

ANNEX B (1)

(SEE ARTICLE 2 (A))

Imports of timber from Poland

	1949	1949–51
Softwood ('000 standards)	70	270
Sleepers ('000 pieces) (redwood, to usual British Railways specification)	50	50
Pitprops ('000 fathoms)	30	200
Oak staves (cubic meters)	300	1,400
Plywood (cubic meters)	300	900
Hardwood (cubic meters)	10,000	23,000
Pulpwood ('000 fathoms) (white wood, fully barked and basted)	25	120

ANNEX B (2)

(SEE ARTICLE 2 (C))

Target deliveries of certain classes of timber from Poland in the 5-year period, 1949–53

Softwood ('000 standards)	450
Pitprops ('000 fathoms)	275

ANNEX C

(SEE ARTICLE 7 (A))

I. Textiles: Cotton fabrics (book cloth and mattress ticking included), woolen fabrics, rayon fabrics, plush and hangings, ready-made clothes (workers' clothes, trousers, shirts, etc.), carpets, woolen covers and rugs, hand-made cloth (home-spuns); woolen yarn worsted and carded, haberdashery, curtains.

II. Chemicals: Sodium chloride, calcium chloride, caustic potash, charcoal, arsenic (white), thallium sulfate, montan wax, turpentine.

III. Wood and wood manufactures: Joinery furniture, joinery chairs, bentwood chairs and armchairs, bentwood coat stands, chair seats, plywood wet glued, plywood dry glued, block boards, joiners' work for buildings (flush doors and block-board doors), ready-made parquet and flooring strips, oak barrel sets and staves, redwood barrels for herrings, boxboard sets, picture frames gilded and silvered, wooden fancy goods, domestic woodware (kitchen and household articles, dowels, and bungs, etc.), baskets (for soft fruit), wood wool of softwood, willows, willow goods.

IV. Metals and manufactures: Enamelware, galvanized buckets, cast-iron enamel goods, zinc containers for small batteries, zinc sheets.

V. Glass, china, cement: Window glass, carboys, bottles, table glassware, lighting glass, table china, cement.

VI. Miscellaneous: Bristles, feathers and down, medicinal herbs, matches, buttons, Christmas-tree ornaments, toys, fancy art goods, gloves, casein.

And other items to be agreed.

ANNEX D

(SEE ARTICLE 7 (B))

	£'000
1. Private motorcars	50
2. Mechanical handling trucks and equipment	50
3. Commercial vehicles (special types)	100

ANNEX D—Continued

	£'000
4. Garage servicing equipment	30
5. Trailers	10
6. Motorcycles	25
7. Cinematograph equipment	60
8. Still cameras and accessories	5
9. Drawing instruments, mathematical instruments, and slide rules	10
10. Calculating and adding machines	10
11. Duplicators	40
12. Clocks and watches	5
13. Road rollers	10
14. Industrial laundry machinery	10
15. Industrial sewing machines	10
16. Domestic sewing machines	
17. Clothing-cutting machines	5
18. Cloth spreaders	5
19. Domestic refrigerators	5
20. Small tools	65
21. Portable power tools	80
22. Grinding wheels	10
23. Silk yarn, threads, and fabrics	10
24. Waterproofs	5
25. Tobacco pipes	2
26. Sports equipment	25
27. Sensitized photographic material	20
28. Artists' materials	5
29. Books, dictionaries, and encyclopedias	20
30. Maps	5
31. Newspapers and periodicals	10
32. Cutlery	5
33. Razors and blades	3
34. Toilet preparations	10
35. Pharmaceuticals and alkaloids	75
36. Proprietary remedies	15
37. Dental equipment and deaf aids	25
38. Polishing rouge	5
39. Musical instruments and gramophone records	10
40. Bakelite and Trolit powder	5
41. Laminated plastic materials	10
42. Moulded plastic goods (industrial and domestic)	25
43. Linoleum and felt base	25
44. Paints	15
45. Printing inks	5
46. Special varnishes	30
47. Cotton yarns and wool tops (except merino)	25
48. Canvas hose pipes	10

ANNEX E

(SEE ARTICLE 8)

Small pumps (standard); gages and measuring instruments; divers' equipment; concrete mixers and vibrators; agricultural tractors; machinery for ink, paint, and varnish manufacture; electrical measuring instruments; fire-fighting equipment; lighthouse equipment; pesticides and disinfectants; hoists and winches; commercial refrigerators; brake bands, linings, and parts; ship's measuring equipment; standard laboratory instruments and apparatus; radio equipment, parts, and industrial electronics; rubber hoses, sheets, and tubes.

ANNEX F

(SEE ARTICLE 17)

1. The goods specified in schedule III of annex A.
2. The goods specified in annex C.
3. Farina.
4. Onions.
5. Fruit pulp.

EXHIBIT 3

[From the Evening Star of March 27, 1949]

NEW POLICY LEADS AWAY FROM PAST INDIFFERENCE—SENATOR LODGE BELIEVES CONSULTATIVE PLAN OF SIMILAR NATURE WOULD HAVE DISCOURAGED KAISER AND HITLER

(By Senator HENRY CABOT LODGE, JR., member of the Senate Foreign Relations Committee)

There is no use in blinking the fact that the North Atlantic security treaty represents a new departure for the United States. It not only commits us to a policy, which, though moderate, is new. It also takes us away from a very definite old policy of disinterest in the affairs of Europe.

But when we look at the facts of life how can we doubt the wisdom of proclaiming a change which history itself has made inevitable? Until the development of high-powered aviation, an attack on the United States had to be made by sea and could therefore be thwarted by the Navy, which in a very real sense was the first line of defense. Also there used to be a large number of real military powers in Europe. This is not true in the same sense today. The wall between us and the Soviets does not consist of large military establishments of European states.

DOES NOT INCREASE RISK

What can we lose by embarking on this North Atlantic Pact and these schemes for military aid to western Europe? Obviously we lose the time and treasure which all these efforts cost. But do we in any way increase the risk of war when we say that we will consult with each other if armed attack begins? Clearly we do not. I submit that if there was an armed attack on western Europe that we would not, could not, and should not sit idly by. We would, I am sure, react, and I hope, react with effect.

When we agree to consult, therefore, and to take "such action as we deem necessary, including the use of armed force," we add nothing to what we would have to do in case of an armed attack which might occur without a treaty being in existence.

To put it another and a better way, the North Atlantic Pact and the proposed measures for military aid may make it unnecessary for us ever to use this "uniforce" about which we talk, think, and work so much. I do not believe I am being visionary.

Moreover, I believe that if such a consultative arrangement had been in existence in 1914 that the Kaiser would not have started what we call World War I. I believe that if such an arrangement had been in existence in 1939 Hitler would not have started World War II. I submit that the arrangement (the North Atlantic security pact) which we are now considering, would not only make it far more likely that we would win a new war, if, tragically, it did occur, but that it very much lessens the likelihood that some one will start World War III.

If it has this consequence, it will indeed have been the cheapest bottle of preventative medicine that the American people ever bought.

MARSHALL AWAKENED US

It is almost 4 years since the fighting in Europe stopped. Unfortunately, the ability which produced those armed forces and gained a victory was not equaled by our preparedness for the end of hostilities. Our unpreparedness for peace, coupled with a nearly complete prostration of Europe, created a vacuum. Into that vacuum stepped the gaunt figure of communism, apparently determined to set up a godless world dictatorship.

General Marshall's speech at Harvard in 1947 awakened us. We began to take the lead. It has become an accepted bipartisan American policy to favor the integration of the countries of western Europe. Those are the countries in which the individual is considered to be worth while, and to be the master, rather than the servant, of the state. We favor the integration by economic, by military, and by political methods. We encourage the elimination of tariff barriers in Europe. We speak favorably of setting up a unified European armed force. We dream of a United States of Europe. The order in which I have stated these steps represents, I think, the order in which they will come. Certainly the political integration epitomized by a United States of Europe is far in the future.

Recent steps have been taken looking toward both economic and military integration in western Europe. It is to the latter that I wish particularly to direct attention. We Americans support this movement toward integration, because we think it is best for the nations of Europe, best for us, and, in the long run, best for the world if there arises a third force of approximately equal population and strength with the two great world powers of today—the United States and Soviet Russia—such a third force would contribute greatly to world stability. The alternative—a Balkanized Europe—is certain poverty and misery for the Europeans and the likelihood of war. As separate little countries they are at the mercy of an invader. United they would be a prosperous and powerful organization of human beings.

IMPORTANT QUESTIONS

The whole policy of our country is directed toward avoiding war. But if war should come it is only natural and proper for us to hope that we would have some friends, some allies who would be fighting on our side. We shall not shirk our duty or evade the obligation of giving everything we have to any future conflict if it comes. But, candidly, we simply have not the manpower to carry the whole burden of a future war alone.

We in the Senate are, therefore, considering a treaty—the North Atlantic security treaty—pledging consultation in the event of an armed attack. This will be followed by a bill providing practical means for strengthening the capacity to resist aggression leveled against the signatory states. This means helping the development of a western European armed force. Without committing myself to any particular bill, it can be said it would be strongly in the interests of the United States and of world stability for us, under the proper conditions, to give help to such a force.

There are questions to which satisfactory answers must be given, however. First, is the proposed pact a device to spread war by providing that if one country gets into war it automatically pulls all the other nations in with it? The answer is "No." The pact calls for consultation, which is all that any country can honorably promise. The second question is whether American military leaders enthusiastically vouch for the pact. The answer to that is "Yes."

Still another question is whether we are ready to meet reaction to such a pact in nonparticipating countries. I believe we are. A fourth question arises over a supreme command on which all the member nations can agree. I think such a command is to be seen in the development of Uniforce—that western European army with headquarters at Fontainebleau in France, which has made encouraging progress.

WILL OF THE SOLDIER

We must be sure, too, that the governments involved in setting up this armed force be free from Communists insofar as top secret military matters are concerned. We must know that these same governments are strong enough to provide the foundation of civil and economic power which is essential to a healthy military organization. Such strength is gaining, thanks in large part to the Marshall plan. There must be complete proof that the participating nations are willing to pledge their manpower in regularly organized military units.

It is essential that we know how much we can afford to send abroad in relation to our own Military Establishment and our own solvency. Let it be set down that there is not one word or sentence in the Atlantic Pact which commits the United States to the ruination or militarization of our own economy by incurring armament expenditures either for ourselves or for other nations.

The final question is the will to fight of the individual soldier in these western European countries. This will to fight is at the bottom of every good military organization. In Europe this will to fight depends fundamentally on the extent to which Europe unifies itself. I believe that this quest for unity in the military sense is off to a good start and that we can have great expectations for the future.

I do not believe that all our hopes for the human race can be stated in military terms. The Communist philosophy cannot be defeated with bullets. Nor can mankind find a way out of its misery by economic aid alone, marvelous and hopeful though the Marshall plan may be. It is to the everlasting credit of mankind that it cares about that for which it lives more than it cares about the mere act of keeping alive. We must therefore make our Christian doctrine of the dignity of man an article of export. It is the most thrilling doctrine in the world if we would only take the trouble to state it to ourselves and others as earnestly as the Communists have done with their 10-cent, tin-horn doctrine.

EXHIBIT 4

[From the New York Times of March 24, 1949]

ATLANTIC PACT MAY REQUIRE BRUSSELS TREATY CHANGES—TWO DEFENSE ACCORDS CALL FOR DIVERGENT OBLIGATIONS ON WESTERN UNION RULES

(By C. L. Sulzberger)

PARIS, March 23.—Although the North Atlantic defense pact is not yet a binding document, its strongest European supporters already are legally bound to defend each other against aggression under the Brussels Treaty, which created the western union.

As a result of that alliance an integrated headquarters modeled on Gen. Dwight D. Eisenhower's supreme headquarters of the Allied Expeditionary Forces has been established in Fontainebleau by the Army, air, and naval staffs of Britain, France, Belgium, the Netherlands, and Luxemburg.

It is purely a planning body. Its function is to ascertain how best to defend the continental territories of the participating powers—four of which incidentally are possessors of large overseas empires—with the military potential available to them.

No hint has yet reached this headquarters concerning the alterations to this planning function that may be required by the obligations assumed under the Atlantic Pact by the Brussels powers.

OBLIGATIONS OF PACTS DIFFER

These powers will now become members of two alliance networks with the same fundamental defensive philosophy, but with certain potentially different types of obligations.

The Brussels Treaty provides for automatic action. An attack against one member immediately obligates the signatories to military action defending the victim. The Atlantic Pact specifies no such clear-cut automatic action in article 5.

The Brussels Treaty concerns only the continental territories of the signatory powers and the United Kingdom. The Atlantic Pact includes French Algeria.

There is some speculation now as to whether in the future it may be found convenient to amend some aspects of the Brussels Treaty or at least to expand the membership of the Western Union to include future continental members of the Atlantic Pact.

One technical point may have to be ironed out. By reading articles 2 and 4 of the Atlantic Pact in conjunction with each other it is possible to deduce that the signatory powers are obliged to protect each other's democratic institutions by consulting with a view to action if internal aggression threatens a member's security.

BRUSSELS PACT NONPOLITICAL

The Brussels Treaty, considering no such indirect threats, is strictly nonpolitical. Thus, theoretically, Britain would be in a dual position vis-à-vis France if the latter were menaced by a Communist coup along the Czechoslovak lines.

Because of these complexities it would appear essential that the western-union nations must review their mutual continental obligations after the Atlantic Pact has been signed. Uniforce, as the Fontainebleau planning headquarters is known, would then presumably have to review its plans in light of the new conditions.

As it is, the officers of five nations gathered here are still concerned only with drawing up defense programs in terms of the available force. This force is limited at present, according to London reports, to 7 combat divisions but it is hoped to raise this number to 36.

If Italy or other proposed Atlantic Pact members eventually joined the western union it would completely alter the present plans by expanding the geographical pledges. Presumably something also would have to be done to bring together the differing commitments with respect to Algeria under the two treaties.

Even before these problems descend upon Fontainebleau, this headquarters has enough long-term headaches. For example, no French Government appears yet to have faced the issue of whether it will be worth reconstructing at least part of the expensive Maginot line.

With the existing commitments of France in north Africa and above all in French Indochina it is difficult to envisage any speedy increase in the number of divisions France can promise the western union for continental use.

EXHIBIT 5

TREATY OF ALLIANCE IN THE WAR AGAINST HITLERITE GERMANY AND HER ASSOCIATES IN EUROPE AND OF COLLABORATION AND MUTUAL ASSISTANCE THEREAFTER CONCLUDED BETWEEN THE UNION OF SOVIET SOCIALIST REPUBLICS AND THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

His majesty the King of Great Britain, Ireland, and the British Dominions beyond the Seas, Emperor of India, and the Presidium of the Supreme Council of the Union of Soviet Socialist Republics;

Desiring to confirm the stipulations of the agreement between His Majesty's Government in the United Kingdom and the Government of the Union of Soviet Socialist Republics for joint action in the war against Germany, signed at Moscow on the 12th July, 1941, and to replace them by a formal treaty;

Desiring to contribute after the war to the maintenance of peace and to the prevention of further aggression by Germany or the States associated with her in acts of aggression in Europe;

Desiring, moreover, to give expression to their intention to collaborate closely with one another as well as with the other United Nations at the peace settlement and during the ensuing period of reconstruction on the basis of the principles enunciated in the declaration made on the 14th August, 1941 by the President of the United States of America and the Prime Minister of Great Britain to which the Government of the Union of Soviet Socialist Republics has adhered;

Desiring, finally, to provide for mutual assistance in the event of an attack upon either High Contracting Party by Germany or any of the States associated with her in acts of aggression in Europe.

Have decided to conclude a treaty for that purpose and have appointed as their Plenipotentiaries:—

His Majesty The King of Great Britain, Ireland, and the British Dominions beyond the Seas, Emperor of India,

For the United Kingdom of Great Britain and Northern Ireland: The Right Honourable Anthony Eden, M. P., His Majesty's Principal Secretary of State for Foreign Affairs;

The Presidium of the Supreme Council of the Union of Soviet Socialist Republics:

M. Vyacheslav Mikhailovich Molotov, People's Commissar for Foreign Affairs,

Who, having communicated their Full Powers, found in good and due form, have agreed as follows:—

PART I

Article I

In virtue of the alliance established between the United Kingdom and the Union of Soviet Socialist Republics the High Contracting Parties mutually undertake to afford one another military and other assistance and support of all kinds in the war against Germany and all those States which are associated with her in acts of aggression in Europe.

Article II

The High Contracting Parties undertake not to enter into any negotiations with the Hitlerite Government or any other Government in Germany that does not clearly renounce all aggressive intentions, and not to negotiate or conclude except by mutual consent any armistice or peace treaty with Germany or any other State associated with her in acts of aggression in Europe.

PART II

Article III

(1) The High Contracting Parties declare their desire to unite with other like-minded States in adopting proposals for common action to preserve peace and resist aggression in the post-war period.

(2) Pending the adoption of such proposals, they will after the termination of hostilities take all the measures in their power to render impossible a repetition of aggression and violation of the peace by Germany or any of the States associated with her in acts of aggression in Europe.

Article IV

Should one of the High Contracting Parties during the post-war period become involved in hostilities with Germany or any of the States mentioned in Article III (2) in consequence of an attack by that State against that Party, the other High Contracting Party will at once give to the Contracting Party so involved in hostilities all the military and other support and assistance in his power.

This Article shall remain in force until the High Contracting Parties, by mutual agreement, shall recognise that it is superseded by the adoption of the proposals contemplated in Article III (1). In default of the adoption of such proposals, it shall remain in force for a period of twenty years, and thereafter until terminated by either High Contracting Party, as provided in Article VIII.

Article V

The High Contracting Parties, having regard to the interests of the security of each of them, agree to work together in close and friendly collaboration after the reestablishment of peace for the organisation of security and economic prosperity in Europe. They will take into account the interests of the United Nations in these objects, and they will act in accordance with the two princi-

ples of not seeking territorial aggrandisement for themselves and of non-interference in the internal affairs of other States.

Article VI

The High Contracting Parties agree to render one another all possible economic assistance after the war.

Article VII

Each High Contracting Party undertakes not to conclude any alliance and not to take part in any coalition directed against the other High Contracting Party.

Article VIII

The present Treaty is subject to ratification in the shortest possible time and the instruments of ratification shall be exchanged in Moscow as soon as possible.

It comes into force immediately on the exchange of the instruments of ratification and shall thereupon replace the Agreement between the Government of the Union of Soviet Socialist Republics and His Majesty's Government in the United Kingdom, signed at Moscow on the 12th July, 1941.

Part I of the present Treaty shall remain in force until the re-establishment of peace between the High Contracting Parties and Germany and the Powers associated with her in acts of aggression in Europe.

Part II of the present Treaty shall remain in force for a period of twenty years. Thereafter, unless twelve months' notice has been given by either Party to terminate the Treaty at the end of the said period of twenty years, it shall continue in force until twelve months after either High Contracting Party shall have given notice to the other in writing of his intention to terminate it.

In witness whereof the above-named Plenipotentiaries have signed the present Treaty and have affixed thereto their seals.

Done in duplicate in London on the 26th day of May, 1942, in the English and Russian languages, both texts being equally authentic.

ANTHONY EDEN.
V. MOLOTOV.

EXHIBIT 6

TREATY OF ALLIANCE AND MUTUAL ASSISTANCE BETWEEN THE USSR AND THE FRENCH REPUBLIC

The Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics and the Provisional Government of the French Republic, determined to prosecute jointly and to end the war against Germany, convinced that once victory is achieved, the reestablishment of peace on a stable basis and its prolonged maintenance in the future will be conditioned upon the existence of close collaboration between them and with all the United Nations; having resolved to collaborate in the cause of the creation of an international system of security for the effective maintenance of general peace and for insuring the harmonious development of relations between nations; desirous of confirming the mutual obligations resulting from the exchange of letters of September 20, 1941, concerning joint actions in the war against Germany; convinced that the conclusion of an alliance between the USSR and France corresponds to the sentiments and interests of both peoples, the demands of war, and the requirements of peace and economic reconstruction in full conformity with the aims which the United Nations have set themselves, have decided to conclude a Treaty to this effect and appointed as their plenipotentiaries:

The Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics—Vyacheslav Mikhailovich Molotov, People's Commissar of Foreign Affairs of the USSR

The Provisional Government of the French Republic—Georges Bidault, Minister of Foreign Affairs

Who after exchange of their credentials, found in due form, agreed upon the following:

ARTICLE I

Each of the high contracting parties shall continue the struggle on the side of the other party and on the side of the United Nations until final victory over Germany. Each of the high contracting parties undertakes to render the other party aid and assistance in this struggle with all the means at its disposal.

ARTICLE II

The high contracting parties shall not agree to enter into separate negotiations with Germany or to conclude without mutual consent any armistice or peace treaty either with the Hitler government or with any other government or authority set up in Germany for the purpose of the continuation or support of the policy of German aggression.

ARTICLE III

The high contracting parties undertake also, after the termination of the present war with Germany, to take jointly all necessary measures for the elimination of any new threat coming from Germany, and to obstruct such actions as would make possible any new attempt at aggression on her part.

ARTICLE IV

In the event either of the high contracting parties finds itself involved in military operations against Germany, whether as a result of aggression committed by the latter or as a result of the operation of the above Article III, the other party shall at once render its every aid and assistance within its power.

ARTICLE V

The high contracting parties undertake not to conclude any alliance and not to take part in any coalition directed against either of the high contracting parties.

ARTICLE VI

The high contracting parties agree to render each other every possible economic assistance after the War, with a view to facilitating and accelerating reconstruction of both countries, and in order to contribute to the cause of world prosperity.

ARTICLE VII

The present treaty does not in any way affect obligations undertaken previously by the high contracting parties in regard to third states in virtue of published treaties.

ARTICLE VIII

The present treaty, whose Russian and French texts are equally valid, shall be ratified and ratification instruments shall be exchanged in Paris as early as possible. It comes into force from the moment of the exchange of ratification instruments and shall be valid for 20 years. If the treaty is not denounced by either of the high contracting parties at least one year before the expiration of this term, it shall remain valid for an ulimited time; each of the contracting parties will be able to terminate its operation by giving notice to that effect one year in advance.

In confirmation of which, the above plenipotentiaries signed the present treaty and affixed their seals to it.

Done in Moscow in two copies, December 10, 1944.

On the authorization of the Presidium of the Supreme Soviet of the USSR

MOLOTOV

On the authorization of the Provisional Government of the French Republic

BIDAULT

EXHIBIT 7

[From the Washington Times-Herald of March 28, 1949]

KEFAUVER CALLS ATLANTIC PACT END OF AMERICAN SHARE IN UN

(By Bob Considine)

Side glances at celebrities:

Senator KEFAUVER, the scholarly young man who beat the Crump machine and won a seat in the upper House, tells friends that the impending Senate ratification of the Atlantic Pact will be the most important step this country has ever taken in a time of peace and will mark our abandonment of the UN.

"It is an infinitely more important document than the covenant of the League of Nations and the Charter of the United Nations," he says. "It means that isolation is no longer a policy of the United States. It is our final recognition that we cannot stay out of European wars.

"By signing it we are abandoning the United Nations Organization, but I feel no especial regret. UN just isn't enough to preserve the peace. Nor should we worry about Russia's criticism of the pact on the ground that it is inconsistent with the promises we made as a UN signatory. It is inconsistent, but we should remind Russia of the 22 pacts it has made which are equally inconsistent."

He will plug for all-out endorsement of the pact, or none at all. KEFAUVER predicts that Russia will attempt to take over control of UN by watering down its use of the veto and making overtures to pro-United States nations not invited to join in the pact.

"You can say what you want about the pact," the Tennessean says, "but if one like it had been in existence 10 years ago Hitler would not have dared to make his move."

WARTIME RECORDS OF THE COMMODITY CREDIT CORPORATION

Mr. LUCAS. Mr. President, I ask unanimous consent that a letter dated March 29, 1949, from Secretary Brannan, of the Department of Agriculture, addressed to me, dealing with the colloquy that has been going on recently in the Senate concerning the Commodity Credit Corporation, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES
DEPARTMENT OF AGRICULTURE,
Washington, March 29, 1949.

Hon. SCOTT W. LUCAS,
United States Senate.

DEAR SENATOR LUCAS: I wish to give you a brief statement of facts on the allegations made by Senator WILLIAMS on March 25 concerning the Commodity Credit Corporation. The Senator's comments refer to a report on the audit of the Commodity Credit Corporation as of June 30, 1945, which I understand the Comptroller General intends to make available to the Congress in the very near future.

Unfortunately, the statements made by the Senator are fragmentary in character and do not reflect the more complete discussion of these matters which, I am informed, will be contained in the audit report. Some of the most pertinent facts, from the point of view of the public interest, are not recognized by the Senator.

1. The $350,000,000 was accounted for. It was a net book figure representing the results of some 2,000,000 transactions. The program was liquidated in accordance with plans known to and having the concurrence of GAO auditors, and resulted in a profit to the Corporation. It was not possible,

however, because of wartime backlogs to furnish the auditors a detailed listing of amounts due the Corporation by name and address of debtors as of June 30, 1945. This apparently is what the Senator refers to.

2. There has been no charge or intimation of fraud or dishonesty on the part of any employee, or of loss to the Government.

3. The period covered by the report ended nearly 4 years ago, while the country was still at war.

The facts regarding these wartime problems are, of course, not new to the Congress. They were thoroughly covered in investigations conducted by Judge Tarver pursuant to House Resolution 50 in the spring of 1945, and they were dealt with again before the Senate Committee on Agriculture and Forestry in connection with hearings on S. 1322 a year ago.

Senator WILLIAMS is now, therefore, bringing up matters which have already been thoroughly investigated and on which full corrective action has already been taken.

I am enclosing a brief discussion of the facts about each of the points, as definitely as we can identify them, which have been raised by Senator WILLIAMS. We shall be glad to furnish any further information which may be desirable.

Sincerely yours,

CHARLES F. BRANNAN,
Secretary.

Mr. LUCAS. Mr. President, I also have comments by persons in the office of the Secretary of Agriculture with reference to the statements made by the distinguished Senator from Delaware [Mr. WILLIAMS].

I ask unanimous consent that these matters be printed in the RECORD.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

ATTACHMENTS TO SECRETARY BRANNAN'S LETTER OF MARCH 29, 1949, TO SENATOR LUCAS

LACK OF SUPPORT FOR GCP RECEIVABLES—SENATOR WILLIAMS' STATEMENT (CONGRESSIONAL RECORD, MARCH 25, 1949)

"It has been reported to me, from sources which I consider very reliable, that over $350,000,000 of receivables in the general commodities purchase program could not be supported or verified because of faulty accounting policies and poorly devised procedures" (p. 3254).

"I think it is well to know whether we can get an accounting of the $350,000,000 which it is reported the books are out of balance" (p. 3255).

"Four years have elapsed, and if the Corporation cannot make a determination today closer than $350,000,000 it is time the country knew about it. I desire to know as one, why that cannot be done" (p. 3255).

Comment

These statements pertain to operations under the general commodities purchase program conducted by the Corporation for the War Food Administration, which was subjected to a complete investigation under House Resolution 50 in December 1944. The report submitted by Mr. Tarver from the Committee on Appropriations on June 27, 1945 (Rept. No. 816, Union Calendar No. 238, 79th Cong., 1st sess.), contained a full disclosure of the condition of the records and financial statements of these operations.

These receivables largely represented unbilled deliveries under the lend-lease program, and were payable from Federal funds appropriated during the emergency period to the Lend-Lease Administration and its successor agencies. Shortly after July 1945, the Corporation undertook the task of liquidating the program on a reasonable and practicable basis. It was determined that due to the volume of transactions and the administrative costs involved, and since there would be no effect on the over-all interests of the United States Government, intragovernmental receivables would not be reviewed in detail by the Corporation. Other transactions were reviewed in detail. This determination was made following an interchange of correspondence with representatives of the General Accounting Office and discussion with various investigators from the House Committee on Appropriations during hearings on administrative expenses for lend-lease liquidation. The GCP program was liquidated with a net gain to the Corporation. A report as of June 30, 1947, on those actions was submitted to the General Accounting Office on September 24, 1947, and again on December 26, 1947 and in accordance with the request of the GAO, has been supplemented from time to time to show the progress in liquidating claims.

(The attachment referred to follows:)

DECEMBER 26, 1947.

Mr. CLARK L. SIMPSON,
Assistant Director,
Corporation Audits Division,
General Accounting Office,
Washington, D. C.

DEAR MR. SIMPSON: In discussions as early as April 1946 with your office you concurred in our general approach to the problem of liquidating account balances reflecting GCP payables and receivables; and in your letter of April 16, 1947, you concurred in our proposed plan to make no further investigation of transactions representing deliveries (1) under the lend-lease program prior to September 2, 1945 (VJ-day) and (2) under procurements made for other agencies of the United States Government, provided that it could be demonstrated that there will be no over-all loss to the United States Government.

A comprehensive report was forwarded to you September 23, 1947, with respect to the liquidation of the GCP accounts payable and accounts receivable and the adjustments in the accounts incident thereto. However, in view of our previous discussions and understandings, it is believed appropriate to also briefly summarize the project and its results.

As you know, the total activity during the period under discussion amounted to approximately $8,000,000,000 and involved individual transactions running into the millions. The unit for inventory and accounting purposes was usually a carload of the commodity involved, so that when such unit is multiplied by the purchase, movements, storage, cost determination, sale, billing, and collection transactions which must be recorded in each instance, the magnitude of the total undertaking almost defies comprehension in terms of usual commercial undertakings.

During the war period and for some time thereafter it was not possible to maintain the accounting operations, including the accounts payable and accounts receivable, of the GCP program on a current basis. With respect to payables, deliveries by vendors and payments therefor based upon documentation called for by the contract were usually recorded currently as each event occurred but were not related to each other for the purpose of ascertaining and recording the normal adjustment for differences between estimated charges based upon shipping information and actual payments based upon certified documentary evidence of delivery.

With respect to receivables much the same situation existed, i. e., liftings based upon shipping information and bills and collections based upon certified documentation were each recorded as currently as possible as the events transpired but were not related to each other for the purpose of ascertaining and recording normal adjustments for differences between estimated lifting values and actual bills and collections. Since there were several million transactions involved in these accounts, it can readily be seen that by not making such adjustments currently the differences accumulated in the accounts and eventually grew into large dollar amounts, although perhaps not disproportionate to the billions of dollars of activity involved.

In order to determine the amount of these differences to be adjusted and also in order to determine as at June 30, 1947, the outstanding payables and receivables with respect to the GCP program, the procedure as outlined in our report of September 23, 1947, and as briefly summarized hereinafter was followed.

With regard to accounts payable, an abstract showing the detail of each delivery by the vendor and each payment by the Corporation was prepared for each contract. If this indicated deliveries which had not been paid for, the data were reviewed and audited with the documents and records reflecting the shipment and storage of commodities. Following this examination, the contracts which still appeared to reflect open items were forwarded to the field fiscal office which had made the payments for further reconciliation and verification. After this work was performed, current liquidations (payments) were verified with the remaining contracts. As of June 30, 1947, there remained only 42 contracts with balances totaling $11,676,960.68 out of the billions of dollars of contracts involved on which it was necessary to undertake a final verification for the purpose of determining the validity of the amounts carried as payables. The balance of the accounts payable reflected in the general books at June 30, 1947, prior to adjustment was $72,843,595.19. Thus the net adjustment required to properly state the accounts was made in the amount of $61,166,634.51 by reducing accounts payable with a corresponding reduction in cumulative cost of sales.

Should there be claims subsequently submitted by vendors for deliveries which were not included in the amounts established as payables, a complete examination will be made to assure the validity of such claims prior to payment. Also, in collaboration with the Office of Audit, Production and Marketing Administration, and your office a further verification is being completed with respect to the $11,676,960.68 remaining on the books as of June 30, 1947.

With respect to the accounts receivable liquidation it was necessary to first balance the detail representing lot-by-lot shipments, invoices, and collections to the general ledger control accounts for the period March 1, 1944, through June 30, 1947. After the detail was balanced the transactions were segregated into groups so that detail verification could be made for the purpose of establishing amounts due from commercial customers, foreign governments, and lend-lease deliveries after VJ-day. In accordance with our plan concurred in by your office, we did not examine in detail the transactions representing lend-lease deliveries prior to VJ-day or deliveries to other government agencies since, as previously discussed, any overcharges or undercharges in lend-lease billings and collections prior to VJ-day will not affect lend-lease settlements with foreign governments and since any overcharges or undercharges to other government agencies will not result in any loss or gain to the Government as a whole. However, test checks were made in conformity with generally accepted audit principles, and the results of such test checks revealed that the invoicing and collection operations of the Corporation were generally satisfactory. In addition to the analysis and verification of outstanding accounts receivable which were developed from the detailed entries to the accounts, all shipments (involving over $2,000,000,000) to cash-paying foreign governments and UNRRA were reconciled with the quantities invoiced and paid, in order to

independently establish that any amounts owing and due to Commodity Credit Corporation from these claimants were billed and collected. The status of each contract balance was verified with the accounts prior to the closing of the books as at June 30, 1947, excepting for minor differences which were examined and adjusted in the books subsequent thereto. The results of this work were made available to your office for confirmation with the debtor or creditor in conjunction with your audit.

Adjustments were made as of June 30, 1947 of $64,627,243.64 and $31,842,483.09, respectively, to the general books to properly state accounts receivable—unbilled and accounts receivable—billed. Again, although the dollars amounts involved are large, they must be related to the billions of dollars of activity to get a perspective.

Abstracts of the accounts, work papers, supporting documents and files were accumulated during the progress of liquidation of the payables and receivables of the GCP program so as to provide your office with such data as required to verify the adequacy and accuracy of the work involved in this project. Also, the Office of Audit, PMA, is making an examination of the audit of UNRRA and Cash-Paying Foreign Government accounts referred to for the purpose of determining the accuracy of the work performed.

Consequently, we believe the action which was taken by the Corporation was in conformity with our mutual objective of seeking to avoid the incurring of unjustifiable administrative expense by the Corporation and the Government in the correction of wartime accounting deficiencies, but to exert all reasonable efforts in the collection of amounts from sources outside the United States Government.

Very truly yours,

K. A. BRASFIELD,
Treasurer.

VERIFICATION OF INVENTORIES—SENATOR WILLIAMS' STATEMENT (CONGRESSIONAL RECORD, MARCH 25, 1949)

"The book value of the inventories held by the Corporation as of June 30, 1945, was in excess of $1,000,000,000, but it has been reported to me that it was not possible to verify that amount physically" (pp. 3254–3255).

"Mr. President, the book value of the inventories held by the Corporation as of June 30, 1945, was in excess of $1,000,000,000, but it has been reported to me that it was not possible to verify this amount physically."

"My experience in business has been that when the Government agent comes around to audit my account, I must verify every item. I see no reason why we should extend special exemption to the Government Corporation. If they cannot verify the inventory, let us find where the money went. If they can verify the inventory, the matter can be cleared up rapidly. If the charge is unfounded, I shall be the first to place that fact in the RECORD. I feel we should know the truth. I received this information from persons whom I believe to be reliable, and I believe the report to be correct. If I did not believe it to be correct, I would not be standing on the floor of the Senate at this time asking for the facts" (p. 3253).

Comment

The complexities of making a physical verification of approximately $1,000,000,000 of commodity inventories as at any specific date during the war period is readily understandable in view of the nature of the Corporation's operations. A large volume of commodities held in inventory was evidenced by warehouse receipts issued by bonded warehouses. With respect to fungible commodities such as grain, oilseeds, etc., stored in public warehouses it would be impossible to take physical inventories as at any specific date of the portion against which receipts were held by the Corporation. In the case of processed and packaged commodities, purchases by the Corporation from the commercial vendors were delivered f. o. b. railway cars at shipping point or f. a. s. vessel. Therefore, huge quantities were always in transit to port, in pier storage, located on wharves for lifting, or in process of being lifted or aboard vessels, as of any specific date.

On March 12, 1945, the President of the Corporation, pursuant to a resolution approved by the Board of Directors on March 10, 1945, requested the General Accounting Office to take a physical inventory of processed commodities. This request was prompted by the realization of the Corporation that serious deficiencies existed in inventory-control procedures, which was indicated by the findings included in the report of the Committee on Appropriations on the investigation of the War Foods Administration, made in June 1945 to the Congress. The effectiveness of this endeavor was materially impaired by the factors explained above.

In the conduct of its day-to-day operations at the present time, the Corporation controls its inventory of all processed commodities on a lot-by-lot basis, and makes periodic verifications with respect to individual commodities, as conditions warrant. Generally such verifications are made when commodity movements permit or at the end of the fiscal year. In the case of fungible commodities and other nonprocessed commodities, evidence of ownership is periodically verified through confirmation with warehousemen.

ACCURACY OF AMOUNT OF COTTON LOANS—SENATOR WILLIAMS' STATEMENT (CONGRESSIONAL RECORD, MARCH 25, 1949)

"In the case of certain other programs it was also impossible to support the recorded balances of receivables, particularly in the case of claims in the case of cotton loans held by the Corporation. It had made no effort to prove the accuracy of the total amount of loans and, therefore, I understand that the total amount of loans reported by the Federal Reserve banks, as custodians, could not be reconciled with the records of the Corporation. At least one duplication of over $2,000,000 has been reported to me" (p. 3254).

Comment

The books of the New Orleans office of the Corporation did reflect $2,329,485 as loans held by lending agencies as of June 30, 1945, in error, since these loans had previously been purchased by the Corporation. This error, of course, was subsequently corrected. The comment regarding the reconcilement of individual loan account balances refers to the inability of the New Orleans office to perform as of June 30, 1945, a reconciliation between punch-card cotton-loan records in that office, the records maintained by the Federal Reserve banks acting as custodians of cotton-loan documents, and the general ledger control balances of the New Orleans office. This situation existed as of the date stated over 3½ years ago, but has been corrected since.

The individual IBM bale card system was established primarily to facilitate the physical handling of the huge volume of cotton involved in the CCC loan and purchase programs, and worked well for tha purpose. The CCC made loans on approximately 14,000,000 bales of 1940–44 crops of cotton, bought 2,600,000 bales of 1944 crop cotton, and acquired or pooled for producers approximately 9,500,000 bales of loan cotton after August 1, 1939. The problems involved in the record keeping as well as the physical handling of this volume of cotton were tremendous.

During the war the New Orleans office was handicapped by a limited number of trained personnel and inadequate acounting machine equipment. Consequently, some auditing and accounting functions, including the comparison and reconciliation of loan and accounting records of the New Orleans office and the Federal Reserve banks were not currently performed.

After 1945, concerted effort was expended toward eliminating all backlogs and balancing all accounts with related subsidiaries. Also, a detailed survey of the accounting system and procedures used was undertaken and a new over-all system was devised and placed into effect. This system worked satisfactorily under the tremendous work load of a 5,000,000-bale loan this year.

Mr. WILLIAMS. Mr. President, I wish to congratulate the Senator from Illinois for cooperating with me and procuring some of the information which I was seeking. I am glad the Secretary of Agriculture is cooperating with us and giving us an accounting in connection with the $350,000,000 which has been discussed. I wish it had been done 4 years ago, so that the reports could have been submitted to the Congress in accordance with the law. It would have saved me a great deal of trouble. I am glad that they are now going to make an effort to account for it.

I notice, on the first page of the letter offered for the RECORD by the Senator from Illinois that they claim the $350,000,000 has been accounted for. I am not saying it has not, but I wish the Secretary of Agriculture would tell the General Accounting Office of this alleged fact because as of 2 o'clock yesterday afternoon I was told by them that it was not accounted for, and that they could not support all the vouchers. The General Accounting Office is the agency of the Government which audits books, and that is the agency of Congress which has told me that their auditors had not been able to reconcile the items with the proper vouchers. This is March 1949, and we are speaking of what occurred in 1943, 1944, and 1945. The law provides that the records should be submitted on January 15 following each fiscal year beginning June 30. If the Secretary of Agriculture does have information as to how this $350,000,000 was spent then let him convince the General Accounting Office. The information being inserted by the Senator from Illinois—a copy of which I have—certainly does not contain the information. All that is contained in these insertions is the opinion only of the Department of Agriculture and not of the General Accounting Office, whose responsibility, I repeat, is to audit these accounts and report to Congress.

I hope that the Department of Agriculture can give us an accounting for each and every item involved, and convince the General Accounting Office to that effect.

I notice that the Secretary claims on the first page of his letter, that the $350,000,000 was accounted for, but that it "was not possible because of wartime backlogs, to furnish the auditors a detailed listing of amounts due the Corporation by name and address of debtors as of June 30, 1945."

This part of his statement, if I can understand the English language, contradicts itself.

On the second page of the Secretary's letter I notice a criticism of the fact of our bringing this matter up after it had been investigated 4 years ago. In other words, he does not deny it but implies the time limit should protect him. I was not a Member of the Senate 4 years ago. I have found out about this matter since I have been here, in the past 2 years. He should have convinced the General Accounting Office 4 years ago, because they have been working 4 years trying to get the answers, and still have not completed the task.

With reference to the lack of support for receivables amounting to over $350,000,000 I notice that the Secretary says:

> These receivables largely represented unbilled deliveries under the lend-lease program, and were payable from Federal funds appropriated during the emergency period to the Lend-Lease Administration and its successor agencies.

If that is true, they should very easily be able to reconcile those accounts. If it is a transfer from one Government agency to another Government agency, it should not be too much trouble to reconcile them.

The Senator from Illinois stated last night that possibly some of the shipments had been sunk. Surely there is a record of the sinking, if that be the case. It would be very simple to complete the transaction by charging it off accordingly.

In regard to the physical inventories, it was pointed out by the Accounting Office that the book value of the inventories of over a billion dollars in 1945 could not be reconciled with the physical inventory of that date. I read from page 5 of this insertion which the Senator from Illinois just put in the RECORD which gives the Secretary of Agriculture's explanation:

> The complexities of making a physical verification of approximately $1,000,000,000 of commodity inventories as at any specific date during the war period is readily understandable in view of the nature of the corporation's operations.

In other words, because there was a war going on, they claim they did not have a chance to reconcile the inventories. That is a very poor excuse for lack of accounting of the taxpayers' money. The taxpayer himself was held responsible when he could not always reconcile his accounts, war or no war. But we find the Government pleading that they could not reconcile their accounts because there was a war going on. They did not deny my statement.

I now read from page 7 of the Secretary of Agriculture's statement regarding the $2,000,000 which was reported out of line. He explains that item as follows:

> The books of the New Orleans office of the Corporation did reflect $2,329,485 as loans held by lending agencies as of June 30, 1945, in error, since these loans had previously been purchased by the Corporation.

They proceed to say:

> This error, of course, was subsequently corrected.

I call attention to the fact that prior to the time the War Food Administration took this Corporation over it was still the Commodity Credit Corporation, and had been such since 1933. Why had not this error been picked up and corrected before the War Food Administration took over? The mere fact that it was under other management prior to this error, is no answer. It is still not straightened out according to the General Accounting Office as of yesterday. They still do not have the full vouchers to follow through the transaction as required by the law.

I repeat, as I said before, that I am not making any accusation that there is anything wrong, because I am not in a position to do so. I am merely saying that the records have not been reconciled in the amount of over $350,000,000 according to the General Accounting Office's own statement.

Mr. President, while we are dealing with explanations, I have another matter which I should like to straighten out with this corporation. I noticed that all during the last 12 months, when we were conducting a rather active political campaign, it was the boast of the administration that the Commodity Credit Corporation was operating at a profit. For instance, in a speech made on October 1, 1948, in Chicago the Secretary of Agriculture, Charles Brannan, made this statement:

> The Government has not only lost nothing on the total of price supports during the past 15 years but has shown a net gain of $250,000,000 on wheat, cotton, and corn.

In addition, the Department of Agriculture circulated bulletins throughout the country giving the impression that the Commodity Credit Corporation was making a profit on its operations. I shall read to the Senate a sample of this propaganda taken from a widely circulated Department bulletin dated September 1948, which says:

> Recent Government losses and expenditures that have the effect of supporting prices are extremely small in relation to cash farm income—too small to have any appreciable effect on the inflation problem. Incidentally, Commodity Credit Corporation shows a lifetime profit rather than a loss.

I read another statement which was put out by the Department:

> Support prices do cost some money sometimes, even though it is true that CCC at present has a lifetime profit rather than loss on this type of operation.

I now read another statement put out by the Department during this same period:

> So far this discussion has centered chiefly on support prices of food commodities. Cotton and tobacco are basic agricultural commodities and the Department is also directed to support the price of wool. Support-price activities on recent crops of cotton have been minor and the net result of Commodity Credit Corporation price-support and export operations from 1933 through June 30, 1948, has been a gain of about $183,000,000.

From these quotations I think it is clear that it was the intention of the Administration to give the American people the impression that in administering its agricultural programs through the CCC, it was actually making a profit for the taxpayers.

From my experience with the operations of this Corporation I could not understand that, because I knew that the Corporation was not set up to make a profit. It has been given a job to do by the Congress upon which it cannot make a profit, and if it conducts its operations properly I am not criticizing it. However, I think it is unfair to the American people to tell them the programs do not cost money, when in reality they are costing billions of dollars.

Knowing these statements were not true, I directed an inquiry to the Director of the Bureau of the Budget, as follows:

> Would you please furnish me the net results, from a taxpayer's standpoint, of the operations of the Commodity Credit Corporation, since its inception in 1933 to the latest date you have available. * * * It is not necessary that this information be broken down in any manner, since the only answer I am interested in at this time is the net profit or loss sustained by the Commodity Credit Corporation during its lifetime.

This is the reply from the Bureau of the Budget:

> In answer to your letter of February 1, 1949, the net loss sustained by the Commodity Credit Corporation from its organization on October 17, 1933, through December 31, 1948, was $2,146,930,367.

The Bureau of the Budget, in the same letter, called attention to the fact this above amount did not include the $1,743,960,803 which the Corporation spent on section 32 funds, which made the total loss to the taxpayers for their 16 years' operations, $3,880,891,170. This stupendous loss is quite a contrast to the untrue statements they made.

Mr. President, I ask that at this point there be printed in the RECORD the letter which I received from Mr. F. J. Lawton, Assistant Director of the Bureau of the Budget, confirming these figures.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

> EXECUTIVE OFFICE OF THE PRESIDENT,
> BUREAU OF THE BUDGET,
> *Washington, D. C., February 16, 1949.*
>
> HON. JOHN J. WILLIAMS,
> *United States Senate, Washington, D. C.*
>
> MY DEAR SENATOR WILLIAMS: In confirmation of the telephone conversation with your office relating to your letter of February 9, you are correct in your understanding that the $2,146,930,367 designated as the loss sustained by the Commodity Credit Corporation from the date of its organization through December 31, 1948, does not include the $1,743,960,803 mentioned in the second paragraph of our letter as expenditures under section 32.
>
> Yours sincerely,
>
> F. J. LAWTON,
> *Assistant Director.*

Mr. WILLIAMS. Mr. President, the only way in which the Department of Agriculture can justify its statement that the Commodity Credit Corporation has, during its lifetime, operated at a profit is on the basis that it has counted as income the billions which have accrued to the Corporation either as direct appropriations or cancellation of notes. As proof of this statement I quote from the letter of explanation which I received from the Bureau of the Budget:

> Because corporate funds have been replenished by congressional appropriations, the records of the Corporation show a surplus of $52,544,719 on December 31, 1948.

I call these discrepancies, relating to the over-all costs of the agricultural program, to the attention of the Senate and the American people in order that when we consider the enactment of any new legislation we might have the true facts before us. When these false statements are known to the taxpayers I am sure they will remember and condemn the administration for misleading them upon such a vital issue affecting their welfare.

Mr. LUCAS. Mr. President, I desire to say that I want to congratulate the Secretary of Agriculture for getting up this information in order to satisfy the extraordinary curiosity of the distinguished Senator from Delaware.

Mr. WILLIAMS. I should like to say to the Senator from Illinois that I may yet have a little remaining curiosity, and shall continue to demand a full accounting.

Mr. AIKEN. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. McCLELLAN in the chair). Does the Senator from Delaware yield to the Senator from Vermont?

Mr. WILLIAMS. I yield.

Mr. AIKEN. The Senator does not want to leave the impression, does he, that the loss to the Commodity Credit Corporation, which was quite large, was due wholly to the price support program?

Mr. WILLIAMS. No, definitely not.

Mr. AIKEN. That amount included the direct subsidies which were authorized by the Congress, and which, by cancellations of notes of the Treasury, accounted for a loss of $800,000,000?

Mr. WILLIAMS. I am not sure the Senator's figures are correct.

Mr. AIKEN. I agree with the Senator from Delaware that that was not the way to do it. It should have been a direct appropriation by the Congress.

Mr. WILLIAMS. That is correct. But from a taxpayer's standpoint the over-all net result was the loss. What I said was that in the future, when making reports of this nature to the farmers and to the American people, I think the Secretary of Agriculture should tell them exactly what it is costing, so they will know the price tags on these programs when they are going out, because many farmers have told me, "You need not be too concerned about the support programs, because the Commodity Credit Corporation has made a lot of money, and you fellows in Congress have not had to appropriate the money."

When statements are made that the Commodity Credit Corporation has made a profit rather than a loss, they are misleading. I hope the Secretary will clear that matter up, and make the situation plain to the American people.

Mr. AIKEN. I think the Senator will probably agree that a good share of this loss, possibly as much as $2,000,000,000 of it, could more properly have been regarded as a consumer subsidy than as a loss incurred in farm operations. In other words, the payments were made to farmers and to processors while a ceiling was on their products in order to hold down costs to the consumers.

Mr. WILLIAMS. A good bit of it was paid that way, but regardless of which way it was paid, viewing the operations of the Commodity Credit Corporation from the taxpayers' standpoint—and the taxpayers are the stockholders of the Corporation—the over-all net results of the 16 years' of operation was definitely not a profit, it was a loss of well over $3,000,000,000. The Senator from Vermont will agree with me on that.

Mr. AIKEN. The over-all result, of course, was a loss.

Mr. WILLIAMS. I am not entering into any criticism of any of the Corporation's operations by items. I am just talking about the net results. Let us put out the facts in a plain manner so the American people will understand. I think the Senator will agree with me that the impression was given that it was not quite as expensive a program as perhaps it has been.

Mr. AIKEN. I think the Senator from Delaware is correct in saying that some of the precampaign oratory and literature was perhaps——

Mr. WILLIAMS. A little off base.

Mr. AIKEN. Perhaps it gave that impression.

Mr. WILLIAMS. Yes.

Mr. AIKEN. But I still want to say that the total cost should not be charged to the farmer, because a considerable share of it was incurred in holding down prices to the consumers.

EXTENSION OF EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 1209) to amend the Economic Cooperation Act of 1948.

The PRESIDING OFFICER. The question is on the amendment offered by the senior Senator from Ohio [Mr. TAFT] in behalf of himself and the junior Senator from Georgia [Mr. RUSSELL].

Mr. WHERRY. Mr. President, I believe it would be in order to establish the presence of a quorum at this time. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). The Clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Holland	Morse
Anderson	Humphrey	Mundt
Baldwin	Hunt	Murray
Brewster	Ives	Myers
Bricker	Jenner	Neely
Byrd	Johnson, Colo.	O'Conor
Cain	Johnson, Tex.	O'Mahoney
Capehart	Johnston, S. C.	Pepper
Chapman	Kefauver	Reed
Chavez	Kem	Robertson
Connally	Kerr	Russell
Cordon	Kilgore	Saltonstall
Donnell	Knowland	Schoeppel
Douglas	Langer	Smith, Maine
Downey	Lodge	Sparkman
Ecton	Long	Stennis
Ellender	Lucas	Taft
Ferguson	McCarran	Taylor
Frear	McCarthy	Thomas, Okla.
Fulbright	McClellan	Thomas, Utah
George	McFarland	Thye
Gillette	McGrath	Tobey
Graham	McKellar	Tydings
Green	McMahon	Vandenberg
Gurney	Magnuson	Watkins
Hayden	Malone	Wherry
Hendrickson	Martin	Wiley
Hickenlooper	Maybank	Williams
Hill	Miller	Withers
Hoey	Millikin	Young

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT] for himself and the junior Senator from Georgia [Mr. RUSSELL].

Mr. BREWSTER. Mr. President, I wish to discuss as briefly as I can an amendment which I intend to offer to the ECA bill, dealing primarily with the so-called Indonesian situation, although the amendment, in form, is not confined to that subject.

I have been associated with a number of Senators on this side of the aisle in a resolution which was calculated to serve the same purpose. Other Senators associated with me were the Senator from New Hampshire [Mr. BRIDGES], the senior Senator from Nebraska [Mr. BUTLER], the junior Senator from Nebraska [Mr. WHERRY], the Senator from Nevada [Mr. MALONE], the Senator from Connecticut [Mr. BALDWIN], the Senator from North Dakota [Mr. LANGER], the Senator from Oregon [Mr. MORSE], the Senator from Maine, my junior colleague [Mrs. SMITH], and the Senator from Wisconsin [Mr. MCCARTHY]. There were also, I think, 10 or a dozen Senators on the other side of the aisle who had given this question careful consideration, and who I think are still inclined to support it, in spite of the strong representations which have been made.

The amendment proposes to add at the end of the bill the following new section:

> No funds authorized for the purposes of this act shall be allocated to or expended for any foreign government which fails to comply with the orders or requests of the Security Council of the United Nations until such times as the Administrator is advised, in writing, by the President of the Security Council that such compliance has been effected.

That might seem to be a rather simple solution of one of the problems with which the United Nations is faced, although the amount of discussion it has occasioned and the amount of disagreeing opinion would indicate that there may be more in it than meets the eye. It would not appear, from the discussions we have had on the United Nations, that anyone would desire to give aid and comfort to those who were defying the decrees and decisions of the United Nations or its Security Council; and yet the suggestion that we should not extend aid in very substantial amounts—the particular amounts here involved are probably around $350,000,000—is an indication of the degree to which the United Nations is sinking in international prestige, unless some drastic action is taken. The fact that this deals primarily with the Indonesian situation leads me to discuss it on that basis, although, as indicated by the terminology, it is by no means confined to that. There have been several other cases where this would have had a very pertinent bearing in the past, and may well have in the future. It is a fundamental declaration of the great moral principle upon which the United Nations is founded. I speak of this as one of those who followed the course of the League of Nations to its disastrous end, after the Manchurian controversy when Secretary Stimson pleaded with the other nations of the

world to stop the Japanese action at that time by some concerted action; and later on, in the Ethiopian crisis, when we sought to stop the shipment of arms and ammunition to Italy, but the other countries of the world still let oil flow freely to oil the Italian war machine, and thus laid the foundation for the Second World War, by steadily diminishing the prestige of the League of Nations; and I speak of this with a certain amount of interest and emotion, because, when fresh from the First World War, in 1920, I organized in the State of Maine the League To Enforce Peace, which was calculated to encourage our participation in the League of Nations. It was a matter of profound regret to me at that time that the country did not seem to be prepared to take that great cooperative step toward the dream of mankind, a cooperative association of nations; and it was a matter of even more profound regret to me to see, as time passed on, the League of Nations lose its standing among mankind, as a result of its failure to grasp the opportunities which came along, by which it could have contributed to the pacification of the world and the settlement of the world's problems.

So much for the interest which I know many of the Members of this body, and I think probably all of them, have had throughout the course of their service, not only as Senators but in other positions in public life, and, certainly, the emotions of every mother and of every other citizen of the United States in desiring to have our country take whatever steps may be feasible to preserve the peace of all the world.

Coming down, now, more particularly to the problem of Indonesia, about which I shall speak, let me point out that our country in its attitude toward Cuba and the Philippines offered one of the most remarkable examples of the application of moral law in the relations of the people of one country with other peoples, and laid broad and deep the foundation by which to establish in mankind the confidence that we in the United States do not desire aggression of any character to give us strength and might. Cuba, after being freed from the Spanish yoke, was given its freedom by us, in accordance with our pledge; and a few decades later, the independence of the Philippines was granted freely, without the firing of a shot—one of the greatest examples in all history of the generous and moral attitude of one people toward another people. The reputation which we thus established as revealing our character, in the case of Cuba and the Philippines, was of immeasurable value to the United States in recent decades because of the extent to which it had captured the imagination of mankind; and it seems to many persons to be of supreme importance that we shall not forfeit that good opinion of mankind by failing to fortify with all the power and resources at our command and with every proper source of action the one great hope of mankind for the preservation of peace.

The particular situation in Indonesia is not one which has not hitherto engaged the attention of the world. It came to my attention first before we entered the Second World War, when we were seeking to stock pile the strategic materials which seemed vital to the preservation of democracy. At that time, before the War Investigating Committee, of which the present President of the United States was then chairman, we had very extensive hearings concerned with the difficulties which Mr. Jesse Jones was experiencing in seeking to secure rubber from that area. Mr. Jones appeared repeatedly before our committee and denounced the interests in control of that area, the rubber and oil cartels, which even in the very hour of our greatest need, when we already had embarked upon a program of lend-lease to try to give some aid and assistance to the beleaguered democracies, were even then refusing to accord to us a share of their rubber supplies, except upon terms which Mr. Jones considered so exorbitant that he refused to comply. His Yankee instinct which led him to refuse to be held up, even in the face of the great crisis of those days, led him to make continuing and constant complaints, as revealed in the records of our committee, about the unreasonable demands of the groups in control of those strategic and critical materials. They were demanding 20 or 22 cents a pound for the rubber which had previously been sold for 7 cents a pound, and which, in his judgment, should not have cost us more than 12 or 15 cents a pound. That was my first introduction to the fact that considerations other than the welfare of the people of those areas were governing the action of those who controlled the Dutch East Indies at that time.

Subsequently, in 1943, under the direction of the chairman of the committee, five Senators journeyed around the world. Finally, after a flight across the Indian Ocean, we came to Australia, and there found the Consul General of the United States who had served for 20 years in the Dutch East Indies. It was my fortune to spend some time with him in a survey of the East Indian situation. This is the story he told: Having had that long experience there, upon the invasion by the Japanese he immediately came to Washington and made an extended report, which I assume is still in the files of the State Department and is available to the Foreign Relations Committee. In that report, as he related it to me, he pointed out the utterly unconscionable advantage which those interests in the Dutch East Indies, controlling the great rubber supplies, had taken of the United States, as well as of the other powers in need; he further pointed out that upon the conclusion of the war—in which at that time we anticipated we would ultimately be successful—it was imperative that those interests should not be reestablished in a position to dominate the vital rubber supplies on which we must depend; and he further pointed out that any action calculated to reestablish those interests in the Dutch East Indies and thus to prevent those vital and critical strategic supplies from being subject to the free interplay of economic forces would be a disaster to the United States.

Mr. President, I regret to speak in these seemingly selfish terms; and yet I think it is proper and important that we should bear in mind that we have in this matter a vital national interest as well as the very much broader interest in the welfare of the peaceful relations of the countries of the world.

Now I come down to this: In his story to me, he told me of the great rubber plantations there and of the development of rubber trees by the natives; he said that in order to prevent the native rubber groves from being properly cultivated and used in the development of their rubber trade, the government in control had imposed export taxes and monopolistic cartels which had made it extremely difficult, if not impossible, for their normal development to be carried on. I speak of this only as background for the realization that my interest in this matter is not of a recent date.

Now I come to the present time. The Republic of Indonesia has been recognized by the United Nations as entitled to survival and continuance. The Security Council of the United Nations has taken cognizance of the controversy which now prevails in the Dutch East Indies, and has repeatedly found in the attitude and action of the Dutch Government a violation of the plain principles of the Security Council's action.

I find considerable difficulty in comprehending how the Netherlands Government is coming here to Washington next week to sign the Atlantic Pact, when I read the first article of the Atlantic Pact, as follows:

> The parties undertake, as set forth in the Charter of the United Nations, to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security, and justice, are not endangered, and to refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations.

That seems to be a very clear and a very mandatory provision, and yet if we are to believe the solemn decrees of the Security Council, if we are to believe the utterances of our own representatives before the Security Council during the past 10 weeks, by Ambassador Jessup, representing our Government before the Security Council, on January 11, and by Ambassador Austin before the Security Council, within the present month, the Netherlands Government is in plain and repeated violation of the solemn decisions of the decrees of the Security Council of the United Nations. If there is any question about it I may quote from the Netherlands Ambassador himself, Mr. E. N. van Kleffens. I quote from his statement in the Washington Post of March 1, as follows:

> Envoy hits UN policy on Indonesia.

This is from the Washington Post, Tuesday, March 1.

> The Netherlands Ambassador, E. N. van Kleffens, said yesterday that his country could not abide by the recent decision of the United Nations Security Council to reinstate the Indonesian Republican Government immediately. And he also stated that his country does not recognize the authority of the Security Council to intervene in the Indonesian problem since it does not concern two sovereign states.

Mr. CAIN. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Maine yield to the Senator from Washington for a question?

Mr. BREWSTER. I am happy to yield for a question.

Mr. CAIN. I find it somewhat difficult to reconcile what the Senator has stated thus far with what I have heard. I should like to reconcile those matters, by asking the Senator, with his permission, two questions. The first question is, how true is the prevailing Dutch claim that they have maintained an open-door policy in Indonesia for many years? My second question is, are they maintaining that open-door policy at the present time?

Mr. BREWSTER. I hold in my hand a very authoritative account of that very matter from the New York Times of December 24, 1948, written by James S. Conroy, their reporter, who I think is recognized as an authority in this field, regarding the extent to which the East Indies trade has been the subject of a monopoly. The heading is East Indies Trade Held a Monopoly—United States Merchant Exporters Say Quota Regulations Barred All But Netherlands Concerns.

Announcement by Economic Cooperation Administrator Paul Hoffman cutting off ECA assistance to the Netherlands Indies tended to focus attention last week on a problem which has bothered American merchant exporters during the postwar years. This was the difficulty that United States exporters have had in trying to do business with the Netherlands Indies, with the charge being made that such trade was being monopolized by Netherland Indies concerns which have opened offices here.

That is, in New York.

Actually, according to exporters here, Mr. Hoffman's action will mean almost nothing so far as the American merchant exporter is concerned, because he has had practically no share of this lucrative market.

In 1946 exports from the United States to this market were more than $73,000,000. In 1947 they reached a figure in excess of $103,000,000, and in 1948 through October the Department of Commerce reported exports to the Netherlands Indies of almost $71,000,000. But the quota regulations set up by the Netherlands Indies Government, it was asserted by exporters here, have almost completely barred the American exporter from enjoying any portion of this business. Prewar shipments to the Netherland Indies rose from $25,000,000 in 1937 to $124,000,000 in 1941.

NO POSITIVE ACTION TAKEN

It is understood that representations on this situation have been made to the State Department from time to time. Although the State Department has appeared sympathetic to the protests, it has not yet seen fit to take positive action.

But exporters here now feel that, should ECA authorizations be reinstated, it would be in line with American economic policy that the Netherlands East Indies be informed that our Government disapproves of the exclusion of American merchant exporters in the trade with the Netherlands East Indies.

It was explained for background that a number of Dutch East Indies official, semi-official, and private purchasing missions have been established in the United States through which the business has been channeled. Under the set-up it was said, the establishment of New York offices of Netherlands Indies concerns was encouraged and stimulated.

Buying orders received from the Indies, these exporters continued, were divided by the buying office here of the Nigieo import organization, set up shortly after the Japanese surrender, among the New York branches of the Netherland Indies concerns and each was said to receive a buying commission in dollars on all purchases.

In addition, the head offices of these companies in the Netherlands East Indies were credited with receiving an additional buying commission payable in guilders in proportion to the historical import record of each firm.

It was indicated that the official explanation given by the Netherlands Indies authorities for the monopolistic structure was that the Indies importers had stock piled goods in excess of normal needs at the request of the government before the outbreak of the war in the Far East. Hence, the government felt it was duly bound to put these importers back on their feet. "How far this has been accomplished can be judged from the figures of postwar trade" was one comment.

It was added that the Nigieo has recently been abolished and a semblance of private trade restored, but it was reported that quotas are still being given out in Batavia, Java, on the basis of historical record of imports for each commodity and buying commissions are still paid. It was also indicated that to avoid the appearance of monopolies as well as for political reasons, some concession has been made to newcomers.

However, it was asserted that the bulk of all import quotas are given to the so-called Big Five who were the five leading importers in the Netherlands Indies before the war, all of whom established offices here during or since the war.

Exporters here said it has been made plain by Government officials in the Netherlands Indies that they would not consider American concerns as newcomers; only bona fide Indonesian companies would fit into this category.

As an illustration, it was claimed that a typical allotment of $100,000 for the purchase of steel products, for example, would find $80,000 going to the members of the Big Five and allotments of $1,000 to $2,000 each to 10 or 15 small importers. Frequently, it was remarked, these allotments have been found insufficient to be worth handling by the small importers.

I think that answers pretty well the question as to the effect upon American exporters, who it says are greatly concerned with the practical effects of this policy, whereby they have been short-circuited by the establishment of branches of the Netherlands Indies firms in New York, and are thus unable to perform their customary and necessary functions in export trades. I think that covers the question of what the policies have been.

Mr. CAIN. The Senator has added to my information on his present subject, and I am very grateful.

Mr. BREWSTER. I have spoken about the United Nations, the defiance of it by the Netherlands Ambassador, and about the Atlantic pact. I quote also from the Washington Post of March 10, where Warren Austin, former United States Senator, and our present representative at the United Nations, was reported as follows in the Associated Press:

The United States called on the Netherlands today to put the Indonesian Republic back in power and then talk peace.

The United States voiced its new demand on the Dutch in the Security Council after hearing a Dutch representative say his Government has refused to restore the Indonesian Republic to authority because it feared violence and chaos would result.

* * * * *

Warren R. Austin, chief American delegate, said the United States is unable to understand why the Netherlands cannot restore the republic to authority.

"Is it entirely consistent, moreover, to propose as the Netherlands proposes, a transfer of sovereignty 3 or 4 months hence to an Indonesian government which will include the republic as a member state while at the same time maintaining that immediate restoration of the republic in the limited area of Jogjakarta would result in chaos?"

Mr. MALONE. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Maine yield to the Senator from Nevada?

Mr. BREWSTER. I yield for a question.

Mr. MALONE. What proposition did the Dutch Government make to the Indonesian Government for such transfer?

Mr. BREWSTER. The answer to that is, they made a variety of propositions. In 1947 they made an agreement which was supposed to cover this, known as the Linggadjati agreement, which was supposed to contemplate the transfer of sovereignty to the establishment of the Republic. Subsequently, a year later, in January 1948, they made the so-called Renville agreement, which was made on an American warship, and which again was calculated to cure this problem. Both those agreements, which agreed to observe the deliberate findings of the Security Council, have been repeatedly violated, culminating in December, when the Netherlands Government launched its armed forces in an utterly secret and sneak attack, seized the President and the Prime Minister of the Republic, interned them on an island, and killed many hundreds, if not thousands, of the Indonesian subjects.

Mr. MALONE. Mr. President, will the Senator yield for another question?

Mr. BREWSTER. Yes.

Mr. MALONE. What type of government were they to set up in the interim period before turning over the government to the Indonesians proper? Was there any date ever set to end the interim period?

Mr. BREWSTER. They have had various dates set. The latest one, I believe, is in July. But the methods by which they are proceeding with an invitation to a round table in the Netherlands, which was issued very recently, was not one which either the Security Council or the Indonesian Republic felt they could, with any propriety, accept. So that armed strife continues there.

There was another proposal by the Netherlands-Indonesian Union which would have left them still under the restraint of the Netherlands Government, to which they desire not to be subjected.

Mr. MALONE. Mr. President, will the Senator yield for another question?

Mr. BREWSTER. I yield.

Mr. MALONE. Was it not, as a matter of fact, a federation of states that the Netherlands Government suggested

they would build up in Indonesia, keeping control of the police power and the money exchanges, and of the imports and exports, for an interim period with no definite termination?

Mr. BREWSTER. I shall certainly recognize the Senator from Nevada in this matter, as I want later to summon him as a witness, because of his own personal experience after having visited that area. I know there has been great controversy about the form of the government which is to be split up, the Republic of Indonesia being apparently the dominant factor. But there was an attempt of the Federal Union to vitiate the prestige and influence of the republic through the control of their foreign trade.

Mr. MALONE. I was very much interested in the Senator's outline of how imports and exports were handled. I think it is entirely true that the imports are handled through the favored five. At least, there are approximately five importers, and all Americans are entirely restricted to a very small amount of imports. The Dutch Government says that over a long period the five have handled the business of the Government. Those five are connected with the Government in such a way that imports are entirely controlled.

If the Senator will yield for another question, is it not a fact that the money exchanges are entirely controlled by the Dutch, that there has never been any relaxing of that control, and that when an Indonesian merchant or producer sells a dollar's worth of goods, the dollar goes into exchange; that he does not get the dollar, but is paid in Indonesian guilders to the extent to which the Dutch at the moment say the dollar is worth?

Mr. BREWSTER. That is correct.

Mr. MALONE. At the time I happened to visit there, the exchange was fixed at 2.63 guilders to the dollar. That was the official rate. On the street, or in the ordinary market in the area, 13½ guilders could be exchanged for $1. That meant they actually gave the Indonesians approximately 20 cents on the dollar.

Mr. BREWSTER. Which is about one-fifth of what they would have been entitled to under normal exchange.

Mr. MALONE. That is correct. The holder of an Indonesian guilder could expend it only in Indonesia. It was said the guilder was worth approximately the same as a Holland guilder, if one traded with Holland. It compared favorably with the Australian pound as contrasted with the English pound. Approximately 20 percent of the income from exports would find its way to the producer. The rest went as tithings to the Government. Is that correct?

Mr. BREWSTER. That has been my understanding of it. I have been very much interested in the discussion of the matter with the Senator from Nevada, who has given a great deal of attention to the subject.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. CAIN. Could one reasonably conclude from what the Senator from Maine has very recently read and stated, that the Dutch might withdraw from the Atlantic alliance; and if they were to withdraw, what difference, in the opinion of the Senator from Maine, would their withdrawal make?

Mr. BREWSTER. There would be raised a very interesting point. Of course I cannot undertake to say what the Dutch Government would do. But I think we have been very adequately briefed on the idea that our strategic spot is in Europe, that that is where we are mobilizing our forces. Some of us have felt we were somewhat neglecting the Far East, China, and other spots. Here is an example of where we are reversing our field, so to speak, as we are, indirectly. I think there is no question that we are actually supporting an army of 150,000 Dutch in Indonesia to suppress the Republic of Indonesia which we claim is entitled to its freedom and independence. It costs $1,000,000 a day, or approximately $350,000,000 a year. That is approximately the amount we have turned over to the Dutch during the period since the war. We have turned over to the Dutch approximately $700,000,000, close to $1,000,000,000. The $700,000,000 we have supplied has made it possible for the Dutch to maintain their forces in Indonesia carrying on a war which we say is an utterly unjust and illegal one, in defiance of the Security Council. I suggest that one of the best things the Dutch could do would be to bring their 10 divisions back to the Netherlands, and there would be a nucleus, if they are equipped, and are capable of fighting. They have approximately $75,000,000 worth of American arms which we turned over to them after the war. Another $100,000,000 has been made available. They have some very well-equipped divisions comparable with our marine divisions. Under the Atlantic Pact, according to rumors, they are to have two divisions in the Netherlands. That is supposed to be the number allotted them for their contribution. There are approximately 10 divisions which, if we would simply recognize the policy which we are laying down in every other field, that Europe is a matter of our prime concern, would be a tremendous contribution. All they would have to do would be to give up their unwarranted and defiant war on the Indonesians, and, incidentally, we would have an army ready to go.

Mr. CAIN. Mr. President, will the Senator permit me to ask one or two more questions?

Mr. BREWSTER. I perhaps did not answer the Senator's question as to whether the Dutch would stay out of the Atlantic Pact. I am very sure that if this amendment is adopted, the Indonesian war will cease, and the Atlantic Pact will be in no way affected. That is my expression of opinion. I was in the Netherlands last fall. I spent some time there, but not sufficient to become an authority. They are very thrifty people. I have had some correspondence with some of them. Some members of the Dutch Parliament have written me, and there is a very strong difference of opinion among the Dutch themselves regarding the matter. I have no question that our action in this matter would be a decisive factor in determining what the Dutch would do.

Mr. CAIN. One other question, if I may.

The VICE PRESIDENT. Does the Senator yield?

Mr. BREWSTER. I yield for a question.

Mr. CAIN. Present conditions being what they are, is it likely that we might be encouraging most of Asia to look to Moscow for help, guidance, and assistance by continuing our present support of the Dutch Government?

Mr. BREWSTER. The eastern countries were called together in New Delhi by Nehru, the Prime Minister of India, 17 of them, I believe, at the time of the inception of this Indonesian affair, when they were profoundly disturbed over it because it seemed to present a contradiction of our policy in Cuba and the Philippines. We were following a course which seemed to contradict some very brave words we were saying in the Security Council. These eastern people are realists, and how could they reconcile our statements before the Security Council, when the war was in progress with the fact that we were giving the Dutch $350,000,000 or $400,000,000? It is the greatest possible incentive for them to consider that they need not look to us for aid.

Mr. CAIN. Perhaps the Senator would agree it is such a contradiction in itself that it lends encouragement——

Mr. BREWSTER. To the Russian propaganda?

Mr. CAIN. Yes.

Mr. BREWSTER. Beyond any question.

Mr. MALONE. Mr. President, will the Senator yield for a question?

Mr. BREWSTER. I yield.

Mr. MALONE. I should like to inquire of the Senator, if he is familiar with the information, whether it is a fact that the Government of the United States furnished certain equipment, and even as a matter of fact trained some of the Dutch troops which are now in Indonesia?

Mr. BREWSTER. That is correct, and we furnished $75,000,000 of our equipment at the close of the war, which they have over there, so that probably many of the bullets which are going into the Indonesians today, in defiance of the Security Council, are American bullets.

Mr. MALONE. Is it not a fact also that there is a unit of marines there, who have been specifically trained in America, and have special equipment, even above and beyond the equipment that is ordinarily found with our own marine divisions?

Mr. BREWSTER. I think there are two divisions there, and they have very special equipment, such as we had in the most modern form supplied for our own troops in the marine divisions.

Mr. MALONE. It is really called a reinforced unit?

Mr. BREWSTER. That is correct. At the time this matter first came up I put into the RECORD various items bearing on this matter, and I shall quote from the CONGRESSIONAL RECORD of February

7, 1949, at page 832 from material which I inserted in the RECORD at that time for the information of the Senate.

I shall quote as briefly as I may from the statement by Ambassador Jessup before the United Nations in order to establish beyond any question what is the precise attitude of our Government in this affair. This was a statement by Mr. Jessup on January 11, 1949:

The United States Government can find no adequate justification for the military action taken by the Netherlands in Indonesia. In many important respects, the reasons put forth by the Netherlands representative at the meeting of the Security Council on December 22 in Paris and again here last Friday as to the justification for their action are not supported by the reports of the Committee on Good Offices.

The Committee on Good Offices I believe at that time was headed by the newest Member of this body, the junior Senator from North Carolina [Mr. GRAHAM], who is perhaps more familiar with the problem we are discussing than is anyone else in the Senate, and perhaps than anyone in the State Department, because of his service for the United Nations in this particular position.

In our view, the Netherlands military action is in conflict with the Renville agreement and with the Security Council's resolutions of August 1 and November 1, 1947.

As the United States delegation has frequently made clear, it is our opinion that these two Security Council resolutions were adopted under the provisions of article 40, chapter VII of the Charter—

The Charter of the United Nations—

and that, therefore, in accordance with article 25 of the Charter, the Netherlands Government was and is under obligation to comply.

I cite that in order that there may be no question as to the position which the Netherlands Government occupies at the present time.

Mr. AIKEN. Mr. President, will the Senator from Maine yield?

Mr. BREWSTER. I yield for a question.

Mr. AIKEN. Has the Senator knowledge as to what has quieted down the American Government's protest over the Dutch exploitation in Indonesia?

Mr. BREWSTER. There have been various explanations in the press, how authoritative I do not know, and 10 or a dozen Senators on the other side of the aisle who were going forward with this resolution were quieted down by some very effective protests. It has been whispered that the North Atlantic Pact was the vital factor in the decision, and unless we went forward with this grant of funds they would not join the Atlantic Pact.

Mr. AIKEN. What good would the Atlantic Pact be in promoting the safety and security of the United States if by winking at the Dutch actions in Indonesia we forced a billion Orientals to look elsewhere for friendship and even trade?

Mr. BREWSTER. That is a tragic aspect of the affair.

Mr. AIKEN. Did not the Dutch claim that one reason why they went into Indonesia was to prevent Communists from obtaining a foothold there?

Mr. BREWSTER. That has also been wrispered about the corridors. As a matter of fact, the Republic of Indonesia suppressed a Communist uprising last spring with a very firm hand, thus showing their attitude.

Mr. AIKEN. Does the Senator believe that the actions of the Dutch are playing directly into the hands of the Communists, and increasing the likelihood of communism overruning other countries?

Mr. BREWSTER. That is the opinion of many Members of this body.

Mr. MALONE. Mr. President——

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from Maine yield to the Senator from Nevada?

Mr. BREWSTER. I yield.

Mr. MALONE. I know the Senator from Maine has been a student of Far East affairs, and I should like to inquire of him if there is not evidence to support the thought that the same condition, to a greater or less extent, a matter of degree, obtains not only in Indonesia, but the Malayan states, Indochina, Burma, and other nations of the Near East? That in effect to get away from the oppression such as that the Senator has been describing, they will lean toward any kind of offered security, regardless of what it is, including communism, to relieve them from the long oppression?

Mr. BREWSTER. That is a very natural tendency of humankind. The whole question of colonial imperial policy is to my mind what is evolving out of this situation, and whatever may have been the justification or the wisdom of the course of the governments of the great colonial empires of the last century it seems to me obvious that in the present day, with the development of communication and education, it is no longer feasible for that sort of thing to be perpetuated, and that the attempt to perpetuate it upon these people is going to cause much trouble.

Mr. MALONE. Mr. President, will the Senator yield for another question?

Mr. BREWSTER. I yield.

Mr. MALONE. Is it not a fact that over the years, and especially during the time when the Indonesians had control of their own country following World War II, before the Dutch moved back into the country following World War II, many of the younger people had gone to school in other countries and the same obtains in the Malayan States and Indochina and of course naturally they have radios, newspapers, and better communications, and they now know what is going on in the outside world? And are not many of these people, like Dr. Hatta and Mr. Soekarno, the President of the Indonesian Republic and others, a really high type people? In other words, they are not savages, they are not just ordinary jungle folk, but really understood government and knew what they wanted and knew how to run a government. Is not that true?

Mr. BREWSTER. I have not had the pleasure of meeting these gentlemen myself, but I shall quote from the statement of Ambassador Jessup as to that. Certainly that is the position of the Security Council of the United Nations in the decision it has made.

The development of the idea of freedom among these people is not of recent origin. It has been in process of development for half a century, and it finally has reached fruition at this time. I think it is recognized by all that if the British had not moved in following the end of the war and prevented them from asserting their independence there would have been no doubt about the result.

Mr. MALONE. I had the pleasure of meeting the cabinet, and Soekarno, the President of Indonesia, before the Dutch moved in the last time, and it was my considered judgment that they were very capable, highly educated, and understood government.

Mr. BREWSTER. The Senator from Washington, I think, or perhaps it was the Senator from Vermont, spoke about the attitude of the State Department. It is a very curious and anomalous position when we have Ambassadors Austin and Jessup presenting their position before the Security Council and insisting upon the observance of its decrees, and at the same time taking the position of very firmly opposing, as I think it is clear they have before the Committee on Foreign Relations, the adoption of my amendment which would be the most persuasive argument that the Dutch should cease their utterly unjustified action.

Following the presentation of my amendment there was a good deal of flurry in this country, as well as abroad. I received many communications about it. The most interesting happening, and one which I assume could not have taken place without the approval of the State Department, was what Mr. Alan Valentine, who is reported as the head of our ECA mission in Holland, did. Following the statement that I proposed to present this amendment and start off with a resolution, on February 10, 3 days after I had submitted the resolution, Mr. Valentine submitted a long statement to the Dutch Aneta, which is a news agency comparable with our Associated Press, giving his reason for thinking that stoppage of the ECA aid to the Netherlands would be unfortunate. That might be considered as a proper expression of his opinion on the subject, but I go a little further. He was in Washington at the time he made this statement, which I think indicates that he must have discussed it with the State Department.

But then he flew back to Holland and arrived there a couple of weeks later and made a further statement to the Dutch press. There was then going on in the Netherlands Parliament a very earnest discussion about the whole problem of their policy toward Indonesia. Mr. Valentine, our ECA representative, after he had flown back to Holland, said this:

If Congress planned to stop aid to Holland I would not have returned today.

I wonder how Mr. Valentine knew that Congress was not going to stop aid to Holland? Did he have any mysterious power of prophetic vision to tell what the Senate and the House would do? Would

he have dared make that statement unless it had been previously cleared by the State Department? Yet if that is correct, they were deliberately defying the legislative processes of this Government, when an amendment calculated to bring this about was pending, and when their own representatives in the Security Council were denouncing the actions of the Dutch. How far would that go in persuading the Dutch Government to comply with the demands of Mr. Austin and Mr. Jessup?

Mr. MALONE. Mr. President, will the Senator yield for another question?

The PRESIDING OFFICER. Does the Senator from Maine yield to the Senator from Nevada?

Mr. BREWSTER. I yield.

Mr. MALONE. In the Senator's opinion is there evidence—and I have reason to believe there is such evidence—to support the conclusion that while the Security Council was communicating these orders and conclusions of the Council to the Dutch in the matter of withdrawing and releasing President Soekarno and Dr. Hatta and others—is there evidence to support the thought that the State Department was at that time secretly encouraging the Dutch and giving assurance that nothing would happen, and just to sit tight?

Mr. BREWSTER. I shall not undertake to bring it in as a secret file, but I think that the statements I have just read by our ECA representative in Holland is the best evidence. If he made statement without authority, then he certainly should be called to book. Certainly the Dutch assume that he was the authorized spokesman of the American Government. They were have a closed discussion in the Netherlands Parliament as to whether they should continue the policy there. There was considerable contention about it. Nothing was more nicely calculated to fortify the group who said, "Do not worry about that. Go right ahead and kill the Indonesians. There will be no difficulty so far as the Americans are concerned."

Mr. MALONE. Mr. President, will the Senator yield for another question?

Mr. BREWSTER. I yield.

Mr. MALONE. In November, or early December, when I was in Indonesia, Mr. Merle Cochran was there as a member of the three-man board appointed by the United Nations to try to bring the opposing factions together. I have not seen Mr. Cochran's report. But I think I am betraying no confidence—it was at least well known in Batavia at that time, where the Dutch headquarters were located, that Merle Cochran and his associates were about to conclude that there were no grounds upon which to get together simply because the three things the Dutch wanted—the money exchange, the police power, and the import and export controls—gave them complete control of the Indonesian Republic and left no grounds for compromise.

To understand the procedure, when a product is sold by an Indonesian to any nation—let us say to our own—for dollars, then the Indonesian does not receive the dollars—they go into the exchange pool. The dollars do not go to the seller. Then Indonesian guilders are paid to the seller in the amount that the Dutch say that the dollar is worth.

They retained the police power and the import and export control through the favored five. I think that is a good expression. Some said six at that time, but the "favored five" was an expression well accepted in Batavia.

Of course, all the Indonesians wanted was some control of their business affairs including their money exchanges, and the police power of their country, including, of course, control of their exports and imports.

As a matter of fact I think the Senator would be familiar with the fact—and he has very well and clearly outlined the situation—that $350,000,000 or $400,000,000 was the current cost of keeping 120,000 soldiers, sailors, and marines of the Dutch Government in Indonesia, with their patrol boats patrolling the harbors.

Their business was to keep any exports from going out. Copra was piling up. Tin was piling up. Spices were piling up by the thousands of tons.

Mr. BREWSTER. And rubber.

Mr. MALONE. And including rubber, all of which we needed desperately. But they would not allow those goods to go out until the Indonesians agreed to allow them to go out through the money exchange controlled by the Dutch. As a matter of fact, the three controls was all that the Indonesians wanted, control of the money, control over the police power, and the control over imports and exports. The Dutch did not give an inch on any of those matters and the Indonesians could not give in and run the government.

I am not quoting Mr. Cochran directly, but at least it was generally understood that that was the situation, and Mr. Cochran was just about as disgusted as a human being could be, as well as his associates, and was about ready to leave. Everyone understood there were no grounds for a common agreement, no grounds to talk about or approach a common agreement. At that time it was proposed by the Dutch to speed up the federation of states organization to take the place of the United States of Indonesia, where they, the Dutch, would retain control of the three arms of the government just mentioned and described, through an interim period, with no definite date set, or no indication of a date when the interim period would end. It was generally assumed that things would continue as before, and that the interim period would never end, but finally continue as before.

Mr. BREWSTER. I think it is very interesting as a laboratory case, to demonstrate how we shall apply the principles of the United Nations to the economic and governmental controls over a people who we have declared are entitled to their freedom.

I continue with the quotation from Ambassador Jessup. Having established that the Netherlands Government, as he says, was and is under obligations to comply, now let us see what they have done. I quote:

The Netherlands representative has assured the Council that his government has complied with the cease-fire and release-of-prisoners order of the Council. Neither my government nor the Committee on Good Offices consider they have done so. * * *

The orders noted respectively that hostilities had terminated on December 31, 1948, in Java and on January 5, 1949, in Sumatra, and charged the troops to—

This was the order to the Netherlands troops after they had said they had ceased fire—

To carry out action against roving groups, bands of individuals, who attempt to cause unrest or, as was stated by our representative to the Security Council, to act against disturbing elements, who either individually or collectively endanger public security or interfere with or prevent the supply of food and other essential commodities to the needy population.

And the Security Council is quoted as follows:

The orders permit the continuation of the very type of military action that would be required against the guerrilla resistance likely to be offered by regular or irregular Republican forces.

As a result of the immobilization of its military observers the committee has no first-hand information as to the effect of the order discussed above. So far as the committee is aware, President Soekarno, Vice President Hatta, and the other members of the Republican Government, who were captured by Netherlands forces on December 19, are still under detention.

That is still true at the present time, so far as any reports we have received are concerned.

It has been heard unofficially and informally that certain military and naval liaison officers attached to some of the consular officials in Batavia took advantage of a Netherlands offer to conduct them on a tour of some of the military areas on January 5–6. These officers are not the military observers of the Committee of Good Offices and their observations are not available to the committee, even if their tour was the type of field investigation and observation required by the functions of the committee.

The continuance of military action of the Netherlands authorities after the Security Council resolution of December 24 was clearly an act of defiance on the part of the Netherlands authorities. No excuses offered by the Dutch Government can conceal the fact that they have failed to comply with the Security Council demands, both in refusing to cease-fire immediately and in refusing to release the political prisoners immediately. In the opinion of the Government of the United States, the representative of the Netherlands has failed to relieve his Government from the serious charges that it has violated the Charter of the United Nations.

* * * * *

The continuance of military action by the Netherlands forces until all military objectives have been taken cannot be regarded as compliance with the cease-fire order.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. VANDENBERG. As the Senator goes through this record, in order to make it complete, if he has the information, will he indicate for the record what action, if any, the Security Council itself takes each time this question is raised?

Mr. BREWSTER. I have only the record of the repeated votes which have been taken in regard to the matter, accepting the report of the committes of the United Nations which have jurisdic-

tion. The membership of the Council have never passed any resolution, so far as I know, condoning, or doing otherwise than condemning the action of the Dutch Government. I shall, of course, defer to the much more adequate sources of information possessed by the highly respected senior minority member of the Committee on Foreign Relations.

Mr. VANDENBERG. Mr. President, will the Senator further yield?

Mr. BREWSTER. I yield.

Mr. VANDENBERG. I think the Senator's record is entirely accurate as he is reading it. I am simply wondering whether he has any record of any movement by the Security Council itself to implement its orders or to bring to a conclusion, by way of sanctions, any of the criticisms which have been made.

Mr. BREWSTER. If the Senator means by that whether they have ever taken any action to implement it by sanctions, I do not think they have.

Mr. VANDENBERG. Have they not in each instance—and this is not in controversy with the Senator's position at all, because I am simply trying to keep the record straight—left the whole matter still in the field of negotiation, apparently still hoping for the process of negotiation to produce an ultimate satisfactory result? Is not that the record?

Mr. BREWSTER. I think that is probably a fair statement of the attitude which they have taken. Whether that is adequate to cover our interest or obligations is something else again.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. AIKEN. I ask the Senator from Maine what steps the Security Council could take that would be effective in correcting the situation if the Dutch simply refused to withdraw from their operations.

Mr. BREWSTER. I think one of the grave difficulties has been the position of the Russian with their veto, as that has entered into the picture. I shall read, when I have opportunity, from a statement by Ambassador Jessup with respect to the attitude of the Soviet Government, who have been inclined to block any action looking to this end.

Mr. AIKEN. Would that indicate in the mind of the Senator from Maine that the Soviet Government thought it was distinctly advantageous to the spread of communism to let the Indonesian campaign continue?

Mr. BREWSTER. That is certainly the opinion of Ambassador Jessup, who states it in unequivocal terms. I shall read what he had to say as to the attitude of the Soviet Government, and why they had paralyzed the action.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. MALONE. I should like to ask the Senator a question. Is there any action which the Security Council could take beyond a request which faced an obvious Russian veto?

Mr. BREWSTER. I suppose they could impose sanctions.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BREWSTER. Certainly.

Mr. VANDENBERG. There are other actions which it could take. The treaty spells out a series of steps to be taken whenever the Security Council finds its orders resisted. There is a series of specific steps under one chapter, until they finally reach the use of force under a subsequent chapter. The only question I was raising, in order to keep the record quite straight, was that the Security Council has never yet proceeded beyond the first step, which is the step of negotiation under the chapter dealing with pacific settlements. While there may be a fear of a Russian veto, it has never been tested out, as a matter of fact, has it?

Mr. BREWSTER. I shall read what Mr. Jessup says on that score, as to his estimate of the Russian attitude and action.

Mr. VANDENBERG. Again, I am not arguing with the Senator on the merits of the question, and I am certainly not quarreling with him with respect to his view about Indonesia. I want to be sure that the record itself is straight. Am I not correct in saying that the Security Council has never put the matter to a vote in respect to any of these opportunities—to put it mildly—which are offered to it in the Charter, if it wishes to proceed to action?

Mr. BREWSTER. I should like to read what Ambassador Jessup has to say.

Mr. MALONE. Mr. President——

Mr. BREWSTER. Just a moment. I should like to reply to the Senator from Michigan. Mr. Jessup says:

> Every other member of the Council attended the meeting on December 20 except the two Soviet representatives.

They blocked action by refusing to attend.

> The United States also took the initiative in conjunction with the representatives of Colombia and Syria in proposing a resolution to the Security Council to deal with the situation, but the Soviet representative refused to support this resolution. He later tried to cover up this further attempt to prevent the Security Council from acting by introducing a resolution of his own which he knew could not be adopted by the Council.
>
> More fundamental, however, than these obstructionist tactics in the Security Council is the fact that the Soviet Union is fundamentally opposed to the Government of the Republic of Indonesia and has itself through the Communist Party, which is, of course, its mouthpiece throughout the world, sought to undermine and overthrow this government. No one doubts that the Communists in Indonesia like the Communists throughout the world are responsive to and act in accordance with instructions from Moscow. The Communist revolt against the government of President Soekarno and Premier Hatta was thus an effort on the part of the Soviet Government to overthrow the Indonesian Republic. Furthermore, when the resumption of hostilities by the Netherlands Government against the Indonesian Republic took place, the official Communist line as printed in the Communist press instead of deploring this action, openly gloated that this action was a punishment for the government of President Soekarno and Premier Hatta who had successfully put down the Communist revolt. The Communist line, which I again repeat means the line of the Soviet Government, accused that distinguished statesman of the Indonesian Republic, Dr. Hatta, of being a traitor to his country. At the very time when editorials were appearing to this effect in the Communist Party organ in Paris, the Soviet representative on the Council sought to cover up the actual policy of his government by identifying himself with the Council's endeavors to insure the release of Dr. Hatta and other political prisoners.

Again showing the same devious course of Soviet diplomacy.

> These are the facts on the record which are known to the world and which reveal that the Soviet Government has no interest in supporting the government of the Indonesian Republic or of restoring peace to Indonesia.

There is some question whether we want to do it, when we are doing what we are, but certainly Ambassador Jessup is very clear that the Soviet Government does not desire it.

> On the contrary, it is following its familiar tactics which it has used in Korea, in Greece, and Berlin, and again now in Indonesia, and which have been described in the speeches of many delegates in the last session of the General Assembly, namely, seeking to overthrow a lawful democratic government and to undermine its authority.

That is precisely what I feel we are doing by the contribution of $300,000,000 to a government which is trying to crush that very government.

Mr. VANDENBERG. The Senator from Maine is not arguing with me in respect to the statements he is reading. Nothing he is reading even bears upon the question I discussed with him, which was simply the bare question of whether the Security Council had ever taken action.

Mr. BREWSTER. I was trying to apply it to the statement about whether it had ever taken action. Perhaps I should have paused and should have called more loudly. The words were that—

> The United States also took the initiative in conjunction with the representatives of Colombia and Syria in proposing a resolution to the Security Council to deal with the situation, but the Soviet representative refused to support this resolution.

Is not that definite enough for the Senator from Michigan?

Mr. VANDENBERG. The only point the Senator from Michigan is trying to make perfectly plain the record, because ultimately it will become of importance in the argument——

Mr. BREWSTER. Yes.

Mr. VANDENBERG. Is that the Security Council has never undertaken to implement the various decisions it has made, as correctly reported by the Senator from Maine, in respect to the Indonesian situation.

Mr. BREWSTER. How does the Senator from Michigan interpret the statement about which I have raised the point, in referring to the Soviet attitude? What does this language mean:

> but the Soviet representative refused to support this resolution.

It was a resolution which Ambassador Jessup said was calculated—

> to deal with the situation.

Mr. VANDENBERG. Whatever the procedure was, nothing happened.

Mr. BREWSTER. Nothing happened because the Russian veto was imposed.

Mr. VANDENBERG. I am not arguing as to why or how it happened. I am saying there was no order at any time from the Security Council. I simply wish to make that plain. Perhaps there should have been and perhaps I am just as sorry as the Senator from Maine is that there was not. But the fact I am trying to establish is, purely as an abstract fact—without any challenge to the enthusiastic sympathies of the Senator from Maine in this matter—simply the fact that it has been, let us say, impossible for the Security Council to issue an order under any of the sanctions available to it, or at least it has not done so.

Mr. BREWSTER. My reply to the Senator from Michigan was that I thought it was a result of a Russian veto. If that were the case, if Ambassador Jessup is correct when he says the Soviet representative blocked the resolution proposed to deal with it, it seemed to me that the Senator from Michigan was seeking to establish this as a basis for later saying that we should not do anything about it because the Security Council did nothing about it.

If I am correct that the Soviet representative blocked the Security Council from doing anything, I do not think that is an answer as to what we ourselves should do if there is anything appropriate and proper that we can do.

Mr. VANDENBERG. I am not arguing that with the Senator from Maine at all.

Mr. BREWSTER. I think the Senator from Michigan will argue it.

Mr. VANDENBERG. I simply wish to establish a fact for the record.

Mr. BREWSTER. I have undertaken to establish the fact that the reason why the Security Council did nothing—and I gather the impression that to the Senator from Michigan that was a very important fact to establish, because he is not accustomed to wasting his ammunition on mosquitoes [laughter]——

Mr. VANDENBERG. Mr. President, if the Senator from Maine is referring to himself and to me in that connection, I can assure him that there is no mosquito and no ammunition. [Laughter.]

Mr. BREWSTER. Mr. President, if I am correct in saying that the reason why the Security Council has taken no action is, as Mr. Jessup states, that the Soviet representative refused to concur, then it seems to me that we enter another field, to which I shall seek to address myself in a moment—namely, the question whether there is anything we can do about it, or whether we are absolutely paralyzed by the action of the Soviet Government.

Mr. MALONE. Mr. President, will the Senator yield for a question?

Mr. BREWSTER. I yield for a question.

Mr. MALONE. I think the Senator from Maine is establishing beyond all doubt that the Security Council either has gone as far as it felt it could go with a veto staring it in the face, or else it was considering the double-barreled proposition that the Council itself wanted to make a showing and still wanted the Dutch to continue to control the Indonesians. Does the Senator agree with that line of reasoning?

Mr. BREWSTER. That is what seems to me to be indicated by this record.

Mr. MALONE. I think the record is clear.

Mr. BREWSTER. Mr. President, I resume reading the statement by Ambassador Jessup, speaking on January 11:

> The Soviet Union does not want an independent Indonesia. It wants an Indonesia under the domination and control of a Communist minority taking its orders from Moscow. Anywhere in the world when a Communist government climbs in through the window, independence is kicked out of the door.

I am sure we shall not quarrel about that.

Then he states our position now:

> The Government of the United States on the contrary has viewed with admiration the efforts of the Indonesian people both in the Republic and elsewhere to gain their independence and has steadfastly sought to support them.

Mr. President, I wonder what an Indonesian who had been killed with a bullet furnished by the United States would think about that statement—"has steadfastly sought to support them."

I read further:

> It still takes that position and it is for this reason that it has taken the lead in endeavoring in the Security Council and in the Good Offices Committee to bring about a peaceful adjustment of the difficulties between the Indonesian Republic and the Netherlands Government and to establish the United States of Indonesia as one of the fully sovereign and independent peoples of the world.

That, Mr. President, it seems to me, establishes very clearly what is our position on the record.

Now I wish to quote the following:

> Probably the most striking and clearest disregard of the orders of the Security Council is to be found in the refusal of the Dutch authorities to release President Soekarno and Prime Minister Hatta and the other leading officials of the Government of the Republic of Indonesia.
>
> * * * * *
>
> The Republic of Indonesia represents the largest single political factor in the projected federation and should therefore have a voice in the formation of the federation. The Republic has a twofold nature. Firstly, it is a political entity and secondly, it is the heart of Indonesian nationalism. This latter attribute cannot be eliminated by any amount of military force. The Netherlands Government may find that far from assuring law and order in the Indies the action they have embarked upon may instead let loose forces of terror, chaos, and sabotage. It may well be that the only victory will be that of the forces of anarchy.

That is the considered opinion of our own representative in the Security Council, within the past 2 months, as to what is the wise course so far as this situation is concerned.

Now, Mr. President, I come to the position of the Security Council and its relationship to the Soviet Government:

> It cannot be denied that despite the efforts of some governments of states which are members of the Security Council, this body has not yet succeeded in overcoming the obstacles which have been placed in the path of achieving a peaceful settlement in Indonesia. The responsibility of the Netherlands Government for this lack of success has already been made clear. Another obstacle has been created by the action of a member of the United Nations which has in many parts of the world sought to obstruct the successful operation of the United Nations. I refer to the Soviet Union.

Mr. President, if that establishes, as I believe it does, with sufficient clarity what has transpired thus far, then I wish to address myself for a moment to the United Nations. I have previously stated that I have found great difficulty in understanding how the Netherlands Government could sign the North Atlantic Pact, when its initial article declares that—

> The parties undertake, as set forth in the Charter of the United Nations, to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security, and justice, are not endangered, and to refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations.

Mr. President, the Netherlands Government contends this is not an international problem. However, the Security Council of the United Nations has obviously found otherwise. That being the case, it is a clear case of whether the Charter of the United Nations is to control or whether it is to be the prey of everyone who shall presume to defy it.

The very basic act we are considering here refers, in section 121, to the United Nations, as follows:

> (a) The President is authorized to request the cooperation of or the use of the services and facilities of the United Nations, its organs and specialized agencies, or other international organizations, in carrying out the purposes of this title * * * (b) The President shall cause to be transmitted to the Secretary General of the United Nations copies of reports to Congress on the operations conducted under this title.

What an anomaly, when we report to the United Nations Security Council that we have given $400,000,000 to the country that is defying the order of the Security Council. What would anybody conclude as to the schizophrenia that affects the people of the United States and its Government, when with one hand it says, "Let us scotch the Dutch," and with the other we give them the instruments with which they may defy us?

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

The PRESIDING OFFICER. Does the Senator from Illinois desire to be recognized?

Mr. DOUGLAS. I simply desire to ask a question.

The PRESIDING OFFICER. Does the Senator from Maine yield to the Senator from Illinois?

Mr. BREWSTER. I yield for a question.

Mr. DOUGLAS. Does not the case outlined by the Senator indicate the very tragic choice of alternatives which the American people and the Senate must make? On the one hand, I think we are all indebted to the Senator for pleading the case of the Indonesian people, who, in my judgment, have been treated un-

justly by the Dutch, and in whose behalf I believe the United Nations should act.

Mr. BREWSTER. Could the Senator use stronger language than "unjustly"? "Shameful"?

Mr. DOUGLAS. I will say unjustly. On the other hand, Holland is a western European nation, and we do not want western Europe to be overrun by the Russians. Holland is an integral part of the western European community, which we wish to protect.

Mr. BREWSTER. Will the Senator yield at that point for the comment that, if they would take those 120,000 troops back to Holland, they would be much better of so far as the threats are concerned?

Mr. DOUGLAS. The question is just how far we can insist that states whom we regard as our allies, insofar as Communist Russia is concerned, shall be required to conform to standards of high conduct in order to qualify for our aid. I am deeply disturbed by the question which the Senator raises, and I think all people of good will should be. But it does seem to me that the action of the American Government should not be held up to the censure to which the Senator subjects it, because in a very hard and difficult set of choices it has on the one hand tried to protect the Indonesians, but at the same time has not felt it should withhold aid from Holland in the fear that if they did that they would make a breach in the western European union which we hope to build up against communism.

Mr. BREWSTER. I assume the Senator from Illinois refers to the question whether they might not join the Atlantic Pact if we were not to give the aid.

Mr. DOUGLAS. Yes. That is right.

Mr. BREWSTER. I think we are all deeply indebted to the Senator from Illinois for bringing that argument very definitely to the floor. It has not been uttered openly, so far as I know, up to this time, although I think we have all realized that was intended. I think we are paying altogether too high a price for the cooperation of the Netherlands—sacrificing the blood of the Indonesians in order to secure the cooperation of the Netherlands, who have not demonstrated the capacity that would be worth the price of the loss in moral standing which I think we would suffer as a result.

Mr. DOUGLAS. I do not want to interrupt any further, but I should like to say that it is a very, very difficult choice we have to make, and yet we certainly do not want the Communists to overrun western Europe.

Mr. BREWSTER. I think if the question of the Communists overrunning western Europe is dependent upon the Netherlands, we are pretty far gone.

Mr. DOUGLAS. It is not wholly dependent on the Netherlands, of course, but they are one link in the chain of allies.

Mr. BREWSTER. Does the Senator mean to intimate that if we did not give the money, and they refused to join the Atlantic Pact, they would take hostile action so far as we are concerned, or so far as their security is concerned? What would they do? What would be the result if we did not give them the money?

Mr. DOUGLAS. I do not think anyone knows.

Mr. BREWSTER. We have got to project it. I mean, the Senator is anticipating they would refuse to join the Atlantic Pact. I say, all right, what of it? What would happen if they did not join? Why are they so vital? What was the story of the last World War, and of the First World War? But I think we are indebted to the Senator for bringing the argument out on the floor and intimating that the Indonesians must be sacrificed——

Mr. DOUGLAS. No.

Mr. BREWSTER. For our security in western Europe.

Mr. DOUGLAS. No.

Mr. BREWSTER. That is the plain and inevitable logic of the argument the Senator presents.

Mr. DOUGLAS. May I correct the Senator on just this point?

Mr. BREWSTER. The Senator may ask me a question.

Mr. DOUGLAS. I was merely trying to put into words the conflicting struggle that goes on in the hearts of every one of us when this issue is raised.

Mr. BREWSTER. I am trying to put into words what happens in my heart also.

Mr. DOUGLAS. Yes.

Mr. MALONE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. If the Senator will indulge the Chair for a moment, the Chair will not recognize any Senator unless the ordinary rules of parliamentary procedure are recognized by the Senator who seeks recognition. The Chair respectfully requests that the Senate follow the ordinary rules of procedure.

Mr. MALONE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Maine yield to the Senator from Nevada?

Mr. BREWSTER. I yield.

Mr. MALONE. I think as the distinguished Senator from Maine has suggested, we are indebted to the junior Senator from Illinois for bringing this cut into the open. We have been a little reticent in saying much about it, but I think it is a good thing. As a matter of fact, I ask the Senator from Maine if we are not now right up under the gun and faced with the necessity of making a decision? Do we believe what we said in the United Nations Charter, when we organized it at San Francisco? I attended the organization meeting in 1945, and I seem to remember that some of the faces I saw there I now see in this body. Do we believe what we said there, namely, that all nations should have a spot in the sun? Do we believe the ritual that we wrote down? I had little to do with it, but I say "We" because we all agreed it was a good start. Are we going to live up to that, or are we going to say that the countries of southeastern Asia, Indochina, and the 73,000,000 Indonesians, must, as the distinguished Senator has already said, be sacrificed? Are we to go back on the great document we wrote at San Francisco? It seems to me I saw the photographers very busy with everyone signing something at San Francisco, all deeply interested in completing the document. Are we now to repudiate it, and say that 8,000,000 people shall rule 73,000,000 people who have set up their own government? Are we not right up under the gun now, I ask the Senator from Maine? Must we not make the decision now, whether we believe in the gospel we have been spreading all over the world, or are we going to say that from now on we must protect the colonial system in Asia and Africa, and throughout the world, and hold the status quo with our own money, as the Senator from Maine has so ably suggested?

Mr. BREWSTER. As I have said, I feel there are many aspects of this thing, Mr. President, which suggest Ethiopia and Manchuria; there is a very sinister analogy in the position which is being taken. If I may be indulged for a moment, I should like to read——

Mr. MORSE. Mr. President, will the Senator yield for one or two questions?

The PRESIDING OFFICER. Does the Senator from Maine yield to the Senator from Oregon for a question?

Mr. BREWSTER. I yield.

Mr. MORSE. Am I correct in my understanding that the major thesis of the Senator from Maine is that in respect to the Indonesian problem, it is his view that the Netherlands failed to keep faith with the spirit and the intent of the United Nations Charter?

Mr. BREWSTER. I was about to read some of the passages from the United Nations Charter, if the Senator will indulge me, and I should be glad to have him inquire of me how they can be construed otherwise. Article 2 of chapter 1, section 2:

All members—

And the Netherlands Government is a member.

All members, in order to insure to all of them the rights and benefits resulting from membership, shall fulfill in good faith the obligations assumed by them in accordance with the present Charter.

Paragraph 3 provides:

All members shall settle their international disputes by peaceful means in such a manner that international peace, and security, and justice, are not endangered.

The Netherlands Government, of course, contend that it is not international, because it is their colony. The Security Council has decided otherwise.

Paragraph 4:

All members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any member or state, or in any other manner inconsistent with the purposes of the United Nations.

Now, paragraph 5. This really seems to me to have a very pertinent application not only to the Netherlands, but to the United States of America:

All members shall give the United Nations every assistance in any action it takes in accordance with the provisions of the present Charter, and shall refrain from giving assistance to any state against which the United Nations is taking preventive or enforcement action.

My good friends may argue that the United Nations are not taking any preventive or enforcement action. They have taken, apparently, as much action as the Soviet veto will permit. If we are, then, to conclude that any time the Soviet veto is interposed we are to be free from all moral and other obligations to assist in any way, that we may go forward and give hundreds of millions of dollars to nations which are defying the Security Council, I say the United Nations Charter is not worth the paper upon which it is written, and it will go down to the same inevitable destruction that I witnessed in the League of Nations, on the shores of Lake Geneva, where the League of Nations had been endangered because it could not act in Ethiopia or Manchuria.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. MORSE. The Senator having read pertinent passages from the United Nations Charter, is it his conclusion that the Netherlands, in respect to its conduct in relation to Indonesia, has not kept faith with the spirit and intent of the United Nations Charter?

Mr. BREWSTER. I am not talking about spirit or intent. I have read chapter 5, the Security Council composition. Listen to this—it is article 25:

> The Members of the United Nations agree to accept and carry out the decisions of the Security Council in accordance with the provisions of the present Charter.

If the Dutch Government can justify, in any forum of mankind, their attitude, when the Ambassador himself said, before the Sulgrave Club, within the past 2 weeks, that he refuses to carry it out, I do not think there can be any question as to the deliberate defiance of the Security Council of the United Nations, in plain violation of article 25 of the Charter.

Mr. MORSE. Now that the Senator from Maine has definitely made the statement that, in his opinion, the Dutch Government is in defiance of the United Nations Charter, is it true that the findings of every official body that has gone into the Indonesian matter have been against the Dutch Government, including the findings of the international commission of which the new Senator from North Carolina [Mr. GRAHAM] was the American representative and chairman?

Mr. BREWSTER. That is correct; and it is very interesting to note that the Dutch named Belgians for their representatives, the Indonesians named Australians, and the United States representative was designated as a neutral, and not only the Australian representatives, but the United States representative, and the Belgian representatives named by the Netherlands Government concurred in every one of the conclusions and recommendations, which is rather conclusive as to where equity and justice lie.

Mr. MORSE. It is true, then, is it not, as stated, that the findings and conclusions of these impartial bodies have been against the Dutch Government?

Mr. BREWSTER. In every instance, so far as I know. They refused to carry out one recommendation. The Security Council could not act. The United States regretted it, but could not secure the action desired.

Mr. MORSE. Then, is it the opinion of the Senator from Maine that this defiance on the part of the Dutch Government, its refusal to comply with the recommendations which had been made in good faith, is a very emphatic denial of the soundness of the position taken by our own United Nations representative, Mr. Jessup, which places us in a position in which, prior to the signing of the North Atlantic Pact, one of the prospective members thereof has already made a record, so far as international understandings are concerned, that she and she alone will be the interpreter of the application of any international understanding with respect to her obligations thereunder?

Mr. BREWSTER. That is the plain import of the statement of the Netherlands Ambassador in Washington, within the past week, that he defies and refuses to comply with the orders of the Security Council.

Mr. MORSE. It is also the position of the Dutch Government that if we do not give her the funds under ECA which she would receive under an extension of the act, we may suffer, so far as our national self-interest is concerned, in western Europe, because we do not accept what, to me, would appear to be an international blackmail on her part or a demand for international bribery in order to get our cooperation in respect to our interest in checking the onrush of communism in Europe.

Mr. BREWSTER. That was the difficulty I found with the argument of the Senator from Illinois.

Mr. MORSE. Has it been the observation of the Senator from Maine that in human relations, either as individuals, or as members of groups to which we may belong, even within a family of nations, when one individual or one group or one nation lays down a demand for a course of conduct based upon, shall I say, at least an amoral premise, if not an immoral premise, usually any joint enterprise entered into with such a nation or individual or group is bound to fail even at the time the birth of the enterprise takes place?

Mr. BREWSTER. It is certainly entered into under most unhappy auspices.

Mr. MORSE. May I now ask the Senator from Maine if he knows, since the signing of the United Nations Charter which contains the World Court section and which, incidentally, as the Senator knows, has an interesting reservation on our part in regard to the determining of what is a domestic issue, whether any widespread attempt has been made by member nations to submit for determination to the World Court controversies which involve misunderstandings as to international agreements?

Mr. BREWSTER. I do not know to what extent that has been carried out. Of course, that was the design of the Court, but we have heard very little of its operations.

Mr. MORSE. I have one or two more questions along that line. Does the Senator from Maine think it is both interesting and regrettable that the World Court section of the United Nations Charter is, comparatively speaking, pretty much a dead letter?

Mr. BREWSTER. I think the Senator from Oregon was equally concerned with me in the entire Palestinian controversy, where the deliberate violation of all the nations concerned led to a terrible holocaust for a considerable period, which would have been instantly resolved if it had been submitted to the United Nations.

Mr. MORSE. Does the Senator agree with me that the record to date, by way of attempt to resort to the World Court jurisdiction, has been one of great paucity so far as member nations are concerned, in the endeavor to take an appeal to the World Court for determination of a great many issues which have arisen and which really involve misunderstandings over international agreements and international law?

Mr. BREWSTER. I think it is perfectly clear that it is only as we build up those experiences and adjudications and submissions over a period of years that we shall clothe the World Court and the United Nations with the majesty and authority which will be essential if world peace is to be preserved.

Mr. MORSE. Does the Senator from Maine know of any record made by the United States, for example, by way of an offer of submitting, in the very early stages of the dispute over Berlin, questions as to the meaning of the Potsdam agreement to the World Court for determination?

Mr. BREWSTER. I have no knowledge as to that happening.

Mr. MORSE. Does the Senator have any knowledge of any attempt on our part to get the other nations to submit to the World Court for determination any of the questions concerning Palestine, involving alleged disputes over international agreement or breaches of international agreements?

Mr. BREWSTER. I think I can speak with somewhat more authority on that, because I was urging such a course repeatedly throughout all the period of the discussions and was never able to find any receptive ears.

Mr. MORSE. Does the Senator from Maine share the opinion of the junior Senator from Oregon that to date even our own Government has not made any record which shows any apparent immediate intention on its part to submit to the World Court for adjudication some of the issues which have given rise to misunderstandings over international agreements?

Mr. BREWSTER. I think that is regrettably true.

Mr. MORSE. My last question is this: Does the Senator from Maine share my view that we should not take the position that it is too late really to try to adjudicate in a tribunal such as the World Court some of these issues, and in this particular instance at least make an endeavor to ascertain whether under the World Court Charter there is a basis for jurisdiction—mark my words, a basis for jurisdiction—on the part of the

World Court to make a determination of any facet whatsoever of the Indonesian matter?

Mr. BREWSTER. I would welcome any steps along that line, although I think the Senator from Oregon would agree with me that this would probably present one of the most difficult cases in which to find a juridicial problem, because of the way it has developed. The Committee on Good Offices of the Security Council would probably be a more practical and effective approach, if it could be fortified by the Security Council and by the United Nations.

Mr. MORSE. It would not be a very good test case, the Senator from Oregon is willing to admit, but he would hasten to add that nations possessing clear good faith, in a desire to maintain peace in the world, have within themselves the power to waive some jurisdictional technicalities in order to submit some of these issues to the World Court for determination.

Mr. BREWSTER. I think the Netherlands Government, in view of its great obligations to humanity, particularly to this country for whatever we have been able to do in helping them, owes far more consideration to our viewpoint, as officially expressed in the Security Council, than has thus far been advanced. I think that is a matter of profound regret. I have a great deal of admiration for much the Dutch people have done. I spent some days in Holland last fall, and I met some of the Dutch statesmen in the Interparliamentary Union, and they are in many respects fine citizens. It has been all the more regrettable to me to see the policies which have been adopted in the present situation, in many respects characteristic of many of the colonial administrations, because there are some of the same problems in French Indochina, in Morocco, and representatives of our own American Legion are here today begging for relief from an indefensible course of conduct. It is typical of the eighteenth-century colonial imperialism, and I believe we should recognize, and I think the governments of Europe should recognize, that we must move more rapidly ahead.

Mr. MORSE. Will the Senator permit me to ask him if he agrees with me, in view of the fact that we have to take the necessary steps to make our Government secure from the standpoint of defense, by way of developing our own national security forces, by way of protecting our loans made necessary to peoples in other countries who are willing to take a stand for freedom, that it is regrettable our own country, while at the same time it is preparing for security, has not made a better record in making use of the peaceful procedures of the United Nations Charter, through the World Court, for an adjudication of a great many of these issues over international law which that tribunal was set up to determine?

Mr. BREWSTER. As I said, I think it is a matter of profound regret that there has not been more use of these agencies, and I hope that as time goes on it will come.

Mr. MALONE. Mr. President, will the Senator from Maine yield?

Mr. BREWSTER. I yield for a question.

Mr. MALONE. I should like to ask the Senator just one question following the line of reasoning of the junior Senator from Oregon.

In the first place, I wish to take the time to pay my compliments to Merle Cochran, who was the representative from the United States on the three-man board heretofore referred to. I would venture to say that he did as fine a job as it was possible to do, and admittedly found no ground for compromise.

I also wish to pay a compliment to Mr. Livingood, our ambassador there, who is a hard worker, sincere and competent, who offered full cooperation at all times.

Would the Senator say that the attitude of the Dutch Government in openly defying the Security Council compared very favorably, in only a matter of degree, with the Russian attitude on the veto?

Mr. BREWSTER. I think it is much less defensible, because the Russians, after all, when they exercise the veto are exercising a right admittedly bestowed on them by the Charter. They are complying with the Charter. When they refuse to obey a proposal of the Security Council they are deliberately defying obligations which they themselves have undertaken.

I wish to conclude, if I may, in a moment. I have taken more time of the Senate than I had expected, but in emphasizing, in conclusion, my position in this matter, I desire to point out the high hopes with which we entered into the United Nations, and for that purpose I venture to quote the distinguished senior Senator from Michigan [Mr. VANDENBERG], who was at that time, in June 1945, the ranking minority member of the Committee on Foreign Relations, who later was chairman, and who perhaps along with the senior Senator from Texas [Mr. CONNALLY], the present chairman of the committee, certainly did as much as any other individuals toward the evolution of the United Nations. I shall never cease to pay tribute to the work of these Senators in bringing the United Nations into being, and so handling the very difficult problem within the United States Senate that, as I recall, there were only two negative votes when the report was presented to the Senate and they recommended it to us for adoption. At that time the Senator from Michigan was expressing his very high hope and his profound interest, which was shared certainly by not only every Member of the Senate, but by every citizen of the United States.

I quote the Senator's language, on page 6982 of the CONGRESSIONAL RECORD of June 29, 1945:

> You may tell me that I have but to scan the present world with realistic eyes in order to see these fine phrases often contemptuously reduced to a contemporary shambles. You may tell me that some of the signatories to this Charter practice the precise opposite of what they preach even as they sign.

Never were words more true of the position of the Dutch Government when this week it comes here to sign the document which it is itself deliberately defying.

> You may tell me that the aftermath of this war seems to threaten the utter disintegration of these ideals at the very moment they are born. I reply that the nearer right you may be in any such gloomy indictment, the greater is the need for the new pattern which promises at least to try to stem these evil tides. The nearer right you are, the greater becomes the importance of this new self-denying ordinance which promises a chastened view in 50 capitals of this earth.

It is those words with which I plead tonight that we ourselves, as the leader in the United Nations, shall use every proper power we possess to see that the decisions of the Council are implemented and secured, rather than to stand before the nations in cynical disregard of the decisions of that Council, giving $400,000,000 to a country which deliberately defies the very obligations they have themselves assumed.

I continue to read:

> And all the time it invokes the moral pressures of the organized conscience of the world, functioning through this organization, upon any nation, big or little, which ignores this pacific routine and draws its ruthless sword.

And the Netherlands Government has drawn its ruthless sword, as evidenced by their own representatives, selected by them, in the Committee on Good Offices.

> This special and particular authority may be looked upon as special and particular privilege. But, in the last analysis, it is the privilege of serving the world. If it ever becomes a selfish privilege, an exploited privilege, this organization will die of cancer.

If the Senator from Illinois is correct that we must pay the price of the North Atlantic Pact, and of the Dutch entry into it by sacrificing the Indonesians, I say that this organization is coming to the same sad end that visited the League of Nations.

For myself—

Said the Senator from Michigan—

> I decline to write any such obituary in anticipation of a funeral which never need occur. But I do not for an instant blind myself to the overriding fact that these responsibilities, these authorities, these privileges which the great powers thus accept are the most sacred public trust ever created in the affairs of men. It is indispensable that this obligation be accepted in this spirit by all concerned.
>
> * * * * *
>
> If America is to assume the moral leadership of a better world in which we have fought our way to glorious eminence, we can scarcely be content to be among the last who care or dare to speak when this United Nations' roll is called.

Those were the great words of the Senator from Michigan. I do not challenge the sincerity or devotion of the Senator from Michigan or the Senator from Texas in their earnest desire to build a structure that shall endure, that shall not go the way of the League of Nations, which failed and faltered when the test came. Nor do I challenge their sincerity in questioning whether our action at this time should be in accordance with the views advanced by the Senator from Maine. But I do ask that they consider seriously what must be the judgment of

mankind, of all the other peoples of the world, when they see that we cut off, if you please—Senators speak of sanctions—we cut off $15,000,000 to the Dutch East Indies. That is a sanction, if you please. If we can cut off $15,000,000 to the Dutch East Indies because of the action of the Dutch Government, why can we not, a fortiori, cut off the $400,000,000 draft to the Dutch Government which is able to carry out this devastating warfare only by reason of the aid which we ourselves are extending both in arms and in a financial way.

I will quote only one more item. I quote from the New York Times of last Sunday. The headline is as follows:

PESSIMISM INCREASING AMONG LEADERS AT UN—ATLANTIC PACT CONSIDERED NECESSARY, BUT A BLOW AT WORLD ORGANIZATION

This is an article by Mr. Thomas J. Hamilton, an accredited reporter of the New York Times, in a special from Lake Success, and I quote one paragraph to account for this pessimism.

LAKE SUCCESS, March 26.—Rightly or wrongly, a considerable number of delegates and United Nations employees saw a sign of the times in President Truman's announcement Thursday that he could not spare the few hours he would have needed to come from Washington April 10 to lay the cornerstone on the new United Nations headquarters in Manhattan.

Pessimism was already prevalent, for the prestige of the United Nations organization took a nose dive during its Paris meeting last fall. It has had its ups and downs since then—over Palestine, Kashmir, and Indonesia.

* * * * *

As an example, the unwillingness of the United States to compel the Netherlands to comply with the Security Council resolutions on Indonesia is due, of course, to the complications this would create for one of the key members of the North Atlantic Pact.

But how can we expect to reconcile our attitude with the plain records which here prevail?

I have, in conclusion, a letter written by a young man who served in the Dutch East Indies, who is now living on Long Island. He arrived there within the past 2 days. The letter is as follows:

SIR: I was most grateful and happy to hear on the radio yesterday that you are considering cutting off the Dutch from Marshall plan aid unless and until they conform to the direction of the United Nations in relation to Indonesia.

I hope never to serve in the southwest Pacific again, but if I do, I hope that the native population will receive the American flag with the same friendliness and respect that they did several years ago. One of the most inspiring events of my life was to note the respect of the American flag in the Philippines. It was not accident that this was the first time in the world's history that a foreign flag was welcomed back. I worked with Indonesians rescuing American airmen in Dutch New Guinea and watched the Dutch, like jackals, following in our wake, and imposing the old colonial pressure on these nice human beings. The Javanese hate the Dutch and they have every reason to. The Dutch in Indonesia were pro-Nazi in good part. Those who sought shelter in Australia sat out the war in leisure and comfort. The Dutch in Europe folded up in 4 days, in Java in 9 days. We have been lending money in fantastic amounts to a political and economic unit numbering less than New York City. Their treatment of the Indonesians since the war has shown that they are without honor among nations.

They realize or recognize no moral issues in Indonesia and would resubjugate a race that they have cruelly exploited for over 300 years. We cannot, without failing in every concept of liberty, continue to support these cruel, monopoly- and cartel-minded people. We should arm the Indonesians and give them equal chance to defend and regain their liberty. For 6 months after the war they could have taken all the Dutch and thrown them into the ocean. They bargained, however, in good faith with them all the while the Dutch were rearming. Our whole honor everywhere in Asia is at stake. We can no longer fool Asia and I am confident that if the American people knew the whole issue they would not only castigate the Dutch but our State Department and all those who have permitted the Dutch to use American arms, airplanes, ammunition, etc., in this foul cause.

That comes from the heart of a GI who served in the Dutch East Indies during the war. It is a sufficient testimonial as to the attitude of many of our young men who fought in what they conceived to be the cause of human liberty.

Mr. President, if I have expressed myself with more emotion than is proper for one in the deliberations of this body, I trust it will be charged to the intensity of my feelings. Nothing other than the future development and progress of the United Nations is here involved. As certainly as we permit this monstrosity to go on, so certainly the marvelous hopes which we experienced when we were thrilled by the presentation of this Charter to this body by the Senator from Texas [Mr. CONNALLY] and the Senator from Michigan [Mr. VANDENBERG] are doomed to disappointment. We cannot erect any sort of structure of enduring world peace upon the shambles of a disgraceful action of this character.

Soon there will be tests as to our moral stamina and as to our agreements, and as to whether we have the fortitude to carry them out. As Winston Churchill said in denouncing the Palestine activities, soon there will be tests which will require the fortitude to observe our obligations and our interests that will be far more of a challenge than any we have yet faced. Then the confidence of all the nations in the world in the security of our word and of our determination will be the mightiest asset, greater than armies, greater than reserves, greater than any single element we can bring to bear.

That is why I hope very earnestly that this amendment may be adopted as a recognition that America at least still adheres to the high ideals which animated this people when we subscribed to the United Nations Charter.

Mr. LUCAS. Mr. President——

The VICE PRESIDENT. Did the Senator from Maine intend to send to the desk an amendment which he proposed to offer? There is now an amendment pending.

Mr. BREWSTER. There is an amendment on the desk which I submitted last night, and which I shall call up at the proper time.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LUCAS. May I inquire what is the pending amendment before the Senate?

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT] for himself and the junior Senator from Georgia [Mr. RUSSELL].

Mr. LUCAS. May I inquire whether there are any other Senators who desire to speak on that amendment at this time, or upon any other amendment?

Mr. TAFT. Mr. President, I desire to speak on the amendment. I shall take probably an hour or more. I understand that the chairman of the Foreign Relations Committee does not desire a vote on the amendment this evening.

ADDITIONAL BILL INTRODUCED

Mr. MUNDT introduced Senate bill 1454, authorizing the Secretary of the Interior to convey certain lands in the State of South Dakota to Clarence E. Forman, which was referred to the Committee on Interior and Insular Affairs.

EXTENSION OF EUROPEAN RECOVERY PROGRAM—ADDITIONAL AMENDMENT

Mr. CONNALLY submitted an amendment intended to be proposed by him to the bill (S. 1209) to amend the Economic Cooperation Act of 1948, which was ordered to lie on the table and to be printed.

EXECUTIVE SESSION

Mr. LUCAS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The VICE PRESIDENT. If there be no reports of committees, the clerk will proceed to state the nominations on the Executive Calendar.

UNITED STATES DISTRICT JUDGE

The Chief Clerk read the nomination of Edward Allen Tamm, to be United States district judge for the District of Columbia.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

UNITED STATES ATTORNEY

The Chief Clerk read the nomination of George F. Troy to be United States attorney for the district of Rhode Island.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

UNITED STATES MARSHALS

The Chief Clerk proceeded to read sundry nominations of United States marshals.

The VICE PRESIDENT. Without objection, the nominations of United States marshals are confirmed en bloc; and, without objection, the President will be immediately notified of all nominations confirmed this day.

That completes the Executive Calendar.

PROGRAM FOR TOMORROW—RECESS

Mr. LUCAS. Mr. President, it is the hope of the majority that we may conclude consideration of this bill tomorrow. I do not know whether we shall be able to do so, considering the number of amendments; but I again express the hope that Members of the Senate will

confine themselves to the issue which is before us. I say that most respectfully because of the fact that April 3 is the date of expiration of the present European recovery program. It may be that we cannot conclude consideration of the bill tomorrow, but I sincerely hope that we may.

With those remarks out of my system, as in legislative session, I now move that the Senate take a recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 9 o'clock and 26 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, March 30, 1949, at 11 o'clock a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate, March 29 (legislative day of March 18), 1949:

UNITED STATES DISTRICT JUDGE

Hon. Edward Allen Tamm to be United States district judge for the District of Columbia.

UNITED STATES ATTORNEY

George F. Troy to be United States attorney for the district of Rhode Island.

UNITED STATES MARSHALS

Jordan B. Royall to be United States marshal for the northern district of Florida.

Raymond A. Morgan to be United States marshal for the western district of New York.

William D. Kizziah to be United States marshal for the middle district of North Carolina.

Jacob C. Bowman to be United States marshal for the western district of North Carolina.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 29, 1949

The House met at 11 o'clock a. m., and was called to order by the Speaker.

Rev. James P. Wesberry, LL. D., pastor of the Morningside Baptist Church, of Atlanta, Ga., offered the following prayer:

O God, the light of all that is true, the strength of all that is good, and the glory of all that is beautiful, we lift our hearts to Thee in loving gratitude for our great Nation. We humbly bow before Thee to invoke Thy special favor upon this illustrious body of men and women whom Thou hast so highly honored and called to such strategic places of leadership.

Grant, Holy Father, that this beautiful and sacred Capitol may ever be filled with the presence of Thy Holy Spirit. Be Thou with the multitudes who come and go with each passing day. Grant to these our leaders, if it be Thy will, wisdom, guidance, health, courage, and conviction. Make them strong in the faith that they are laborers together with Thee in making this a better nation and world in which there is a full share of freedom and peace, liberty and justice, for all.

May our Nation humble itself, pray, seek Thy face, and turn from all of its wicked ways. Teach us, gracious God, that if we will commit our way unto Thee that Thou wilt direct our pathway both as individuals and as a nation.

This we ask in the name of the strong Son of God whom we who have not seen His face by faith and faith alone embrace. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS

Mr. HELLER asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. BUCHANAN asked and was given permission to extend his remarks in the RECORD and include an editorial from the Pittsburgh Post-Gazette.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances; in one to include a speech delivered by Mr. Louis E. Leverone. I am informed by the Public Printer that the cost of printing this item exceeds the allotted amount by approximately $139. Nevertheless, I ask that the extension may be made.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. McGREGOR asked and was granted permission to extend his remarks in the RECORD in two instances and include newspaper articles.

Mr. CLEVENGER asked and was granted permission to extend his remarks in the RECORD in two instances and include newspaper articles.

Mrs. ST. GEORGE asked and was granted permission to extend her remarks in the Appendix of the RECORD and include a letter.

Mr. MARTIN of Massachusetts asked and was granted permission to extend his remarks in the RECORD and include an editorial on excise taxes, appearing in the Mobile Register.

Mr. BLAND asked and was granted permission to extend his remarks in the RECORD and include an article on a sea-level Panama Canal.

Mr. MULTER asked and was granted permission to extend his remarks in the RECORD in two instances and include extraneous matter.

Mr. McCORMACK asked and was granted permission to extend his remarks in the RECORD in two instances.

LEAVE OF ABSENCE

Mr. HALE. Mr. Speaker, I ask unanimous consent that I may be excused for a short period later in the afternoon to attend the funeral of a relative.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

BIRTHDAY ANNIVERSARY OF HON. CHARLES A. EATON

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, today is the birthday of one of the most illustrious Members of the House, Hon. CHARLES A. EATON, of New Jersey.

Mr. EATON is a distinguished American, one who has served his country with courage, fidelity, and wisdom. As chairman and an outstanding member of the Foreign Affairs Committee he has contributed materially to the cause of peace and world readjustment. I am sure all Members of the House, both on the Democratic side and the Republican side, extend to him their warmest felicitations on this birthday, and wish him many years of health, happiness, and continued national service.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. McCORMACK. I am very glad, speaking not only for myself but for my Democratic colleagues in the House, to join with the distinguished leader on the Republican side in extending our felicitations to one of the greatest men that any of us will ever meet, a man whose honorable and trustworthy conduct throughout life has been an inspiration to all who know of him. He is one of the most valuable Members of this House. His keenness of mind becomes stronger and stronger as the years pass by. As each year rolls by it may add another year to his age, but it certainly does not reduce his keenness of mind.

I join with my friend from Massachusetts in extending the congratulations of myself and my Democratic colleagues to our dear friend, our valued friend from New Jersey [Mr. EATON] on this, his birthday anniversary.

Mr. AUCHINCLOSS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. AUCHINCLOSS. Mr. Speaker, I am greatly honored to have this opportunity to speak about the elderly gentleman from New Jersey. He only looks old because of that shock of blond hair which he has; but he is young. He is young in heart. Those of us who have had the privilege of serving with him from the State of New Jersey know him as a young man, with young ideas and young ideals. He is a really great American, as has already been said. He has always the interests of this country very close to his heart. He is held in honor by everyone who has ever met him and many who never have had that opportunity. He is one of the real statesmen of our time.

It is a great privilege to wish him many, many happy returns of the day.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that all Members who care to do so, may have permission to extend their remarks at this point in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WOLVERTON. Mr. Speaker, I join with others in extending to our esteemed colleague the gentleman from

New Jersey [Mr. EATON], congratulations upon this, his birthday.

Our colleague has lived a life of great usefulness to his fellow man. His activities have been numerous and in many varied fields of activity. In each he has rendered distinguished service. He has gained the well-merited esteem of those with whom he has come in contact. It is our wish that he will have many more years of service in this House.

REPRINTING OF DOCUMENTS ALREADY PRINTED

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RANKIN. On yesterday I asked and received unanimous consent to extend my remarks in the RECORD and to include a very fine and a very valuable report on spies issued by the Committee on Un-American Activities. The Government Printing Office informs me that there is a ruling by the Joint Committee on Printing that Government documents which have already been printed cannot go into the RECORD.

I wish to know if it is necessary to take any steps other than to appeal to the Joint Committee on Printing. There is nothing the House can do about it, as I understand.

The SPEAKER. The Chair understands that is the proper procedure.

Mr. RANKIN. To appeal to the Joint Committee on Printing?

The SPEAKER. Yes.

Mr. RANKIN. I thank the Speaker.

CIVIL FUNCTIONS, DEPARTMENT OF THE ARMY, APPROPRIATION BILL, 1950

The SPEAKER. The unfinished business is action on the amendments adopted in the Committee of the Whole on the bill (H. R. 3734) making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1950, and for other purposes.

The gentleman from Missouri [Mr. CANNON] on Friday last, demanded a separate vote on each amendment adopted in the Committee of the Whole.

CALL OF THE HOUSE

Mr. KEEFE. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. KEEFE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 49]

Angell	Dawson	Hoffman, Mich.
Boggs, La.	Deane	Jenison
Bosone	Douglas	Jones, N. C.
Buckley, N. Y.	Forand	Kee
Bulwinkle	Gilmer	Latham
Canfield	Gossett	McCarthy
Carlyle	Gwinn	Macy
Chatham	Hall,	Merrow
Chiperfield	Leonard W.	Miller, Nebr.
Coffey	Hays, Ark.	Norrell
Davis, Tenn.	Hoffman, Ill.	O'Brien, Mich.
Pfeifer,	Smith, Ohio	Welch, Mo.
Joseph L.	Somers	Whitaker
Powell	Stanley	White, Idaho
Richards	Stefan	Woodruff
Smathers	Thomas, N. J.	

The SPEAKER. On this roll call, 385 Members have answered to their names; a quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

CIVIL FUNCTIONS, DEPARTMENT OF THE ARMY, APPROPRIATION BILL, 1950

Mr. CANNON. Mr. Speaker, the committee asks that a separate vote be taken on the amendment at line 16, page 9 of the bill; and I ask unanimous consent that all of the remainder of the amendments be voted upon en bloc.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. CANNON]?

Mr. TABER. Mr. Speaker, I object.

The SPEAKER. The Clerk will report the first amendment on which a separate vote is demanded.

The Clerk read as follows:

Page 6, line 22, strike out the figure "$176,000,000" and insert "$176,034,270, of which sum the amount of $34,270 shall be expended for a small-boat harbor at Hastings, Minn."

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment on which a separate vote is demanded.

The Clerk read as follows:

Page 8, after line 8, insert the following new paragraph:

"Gulfport Harbor, Miss.: For the prosecution of the work of improvements with respect to the Gulfport, Miss., harbor and channel heretofore authorized by law, Public Law 858, Eightieth Congress, $496,000."

The SPEAKER. The question is on the amendment.

The question was taken; and the Chair being in doubt, the House divided; and there were—ayes 211, noes 3.

So the amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment on which a separate vote is demanded.

The Clerk read as follows:

Page 9, line 16, after the word "levees", add the words "or for acquiring land."

The question was taken; and on a division (demanded by Mr. CANNON) there were—ayes 134, noes 124.

Mr. CANNON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 194, nays 203, not voting 36, as follows:

[Roll No. 50]

YEAS—194

Allen, Calif.	Biemiller	Clevenger
Allen, Ill.	Bishop	Cole, Kans.
Allen, La.	Blackney	Cole, N. Y.
Andersen,	Blatnik	Corbett
H. Carl	Boggs, Del.	Cotton
Anderson, Calif.	Bolton, Ohio	Coudert
Andresen,	Bramblett	Crawford
August H.	Brehm	Cunningham
Angell	Brown, Ohio	Curtis
Arends	Burdick	Dague
Auchincloss	Byrnes, Wis.	Davis, Ga.
Barrett, Wyo.	Canfield	Davis, Wis.
Bates, Mass.	Case, N. J.	D'Ewart
Beall	Case, S. Dak.	Dingell
Bennett, Mich.	Church	Dolliver
Dondero	Judd	Powell
Donohue	Kean	Rankin
Ellsworth	Kearney	Reed, Ill.
Elston	Kearns	Reed, N. Y.
Engel, Mich.	Keating	Rees
Engle, Calif.	Keefe	Rich
Fellows	Kilburn	Riehlman
Fenton	King	Rogers, Mass.
Fernandez	Kunkel	Sadlak
Ford	Larcade	Sadowski
Fulton	LeCompte	St. George
Gamble	LeFevre	Sanborn
Gavin	Lemke	Sasscer
Gillette	Lichtenwalter	Scott, Hardie
Golden	Lodge	Scott,
Goodwin	Lovre	Hugh D., Jr.
Graham	McConnell	Scrivner
Granger	McCulloch	Scudder
Gross	McDonough	Secrest
Gwinn	McGregor	Shafer
Hagen	McMillen, Ill.	Short
Hale	Mack, Wash.	Simpson, Ill.
Hall,	Mansfield	Simpson, Pa.
Edwin Arthur	Marcantonio	Smith, Kans.
Halleck	Marshall	Smith, Va.
Hand	Martin, Iowa	Smith, Wis.
Harden	Martin, Mass.	Stockman
Harrison	Mason	Taber
Harvey	Meyer	Talle
Hébert	Michener	Taylor
Herlong	Miles	Tollefson
Herter	Miller, Calif.	Towe
Heselton	Miller, Md.	Van Zandt
Hill	Morris	Velde
Hinshaw	Morton	Vorys
Hoeven	Murray, Wis.	Vursell
Hoffman, Ill.	Nelson	Wadsworth
Holifield	Nicholson	Walsh
Holmes	Nixon	Weichel
Hope	Norblad	Welch, Calif.
Horan	O'Hara, Minn.	Werdel
Howell	O'Konski	White, Calif.
Hull	O'Sullivan	Wier
Irving	Patterson	Wigglesworth
Jackson, Calif.	Pfeiffer,	Williams
James	William L.	Willis
Javits	Philbin	Wilson, Ind.
Jenkins	Phillips, Calif.	Withrow
Jennings	Phillips, Tenn.	Wolcott
Jensen	Plumley	Wolverton
Johnson	Potter	
Jonas	Poulson	

NAYS—203

Abbitt	Deane	Kennedy
Abernethy	DeGraffenried	Keogh
Addonizio	Delaney	Kerr
Albert	Denton	Kilday
Andrews	Dollinger	Klein
Aspinall	Doughton	Kruse
Barden	Douglas	Lane
Baring	Doyle	Lanham
Barrett, Pa.	Durham	Lesinski
Bates, Ky.	Eberharter	Lind
Battle	Elliott	Linehan
Beckworth	Evins	Lucas
Bennett, Fla.	Fallon	Lyle
Bentsen	Feighan	Lynch
Bland	Fisher	McCormack
Bolling	Flood	McGrath
Bolton, Md.	Fogarty	McGuire
Bonner	Forand	McKinnon
Breen	Frazier	McMillan, S. C.
Brooks	Fugate	McSweeney
Brown, Ga.	Furcolo	Mack, Ill.
Bryson	Garmatz	Madden
Buchanan	Gary	Magee
Buckley, Ill.	Gathings	Mahon
Burke	Gordon	Marsalis
Burleson	Gore	Mills
Burnside	Gorski, Ill.	Mitchell
Burton	Gorski, N. Y.	Monroney
Byrne, N. Y.	Granahan	Morgan
Camp	Grant	Morrison
Cannon	Green	Moulder
Carlyle	Gregory	Multer
Carnahan	Hardy	Murphy
Carroll	Hare	Murray, Tenn.
Cavalcante	Harris	Noland
Celler	Hart	Norton
Chatham	Havenner	O'Brien, Ill.
Chelf	Hays, Ark.	O'Hara, Ill.
Chesney	Hays, Ohio	O'Neill
Christopher	Hedrick	O'Toole
Chudoff	Heffernan	Pace
Clemente	Heller	Passman
Colmer	Hobbs	Patman
Combs	Huber	Patten
Cooley	Jackson, Wash.	Perkins
Cooper	Jacobs	Pickett
Cox	Jones, Ala.	Poage
Crook	Jones, Mo.	Polk
Crosser	Jones, N. C.	Preston
Davenport	Karst	Price
Davies, N. Y.	Karsten	Priest
Davis, Tenn.	Kee	Quinn
Dawson	Kelley	Rabaut

Rains	Staggers	Walter
Redden	Steed	Wheeler
Regan	Stigler	Whitten
Rhodes	Sullivan	Whittington
Ribicoff	Sutton	Wickersham
Rivers	Tackett	Wilson, Okla.
Rodino	Tauriello	Wilson, Tex.
Rogers, Fla.	Teague	Winstead
Rooney	Thomas, Tex.	Wood
Sabath	Thompson	Woodhouse
Sheppard	Thornberry	Worley
Sikes	Trimble	Yates
Sims	Underwood	Young
Smathers	Vinson	Zablocki
Spence	Wagner	

NOT VOTING—36

Bailey	Jenison	Richards
Boggs, La.	Kirwan	Smith, Ohio
Bosone	Latham	Somers
Boykin	McCarthy	Stanley
Buckley, N. Y.	Macy	Stefan
Bulwinkle	Merrow	Thomas, N. J.
Chiperfield	Miller, Nebr.	Welch, Mo.
Coffey	Murdock	Whitaker
Eaton	Norrell	White, Idaho
Gilmer	O'Brien, Mich.	Woodruff
Gossett	Peterson	
Hall, Leonard W.	Pfeifer, Joseph L.	
Hoffman, Mich.	Ramsay	

So the amendment was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Eaton for, with Mr. Boggs of Louisiana against.

Mr. Leonard W. Hall for, with Mr. Welch of Missouri against.

Mr. Woodruff for, with Mr. Joseph L. Pfeifer against.

Mr. Macy for, with Mr. Stanley against.

Mr. Latham for, with Mr. Buckley of New York against.

Mr. Hoffman of Michigan for, with Mr. Gilmer against.

Mr. Chiperfield for, with Mr. Somers against.

Mr. Jenison for, with Mr. Whitaker against.

General pairs until further notice:

Mr. Kirwan with Mr. Stefan.

Mrs. Bosone with Mr. Miller of Nebraska.

Mr. Bailey with Mr. Merrow.

Mr. Richards with Mr. Smith of Ohio.

Mr. PERKINS and Mr. COLMER changed their vote from "aye" to "no."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote is demanded.

The Clerk read as follows:

Page 9, line 18: Strike out the period, insert a semicolon and the following: *"Provided further,* That of the amount herein appropriated $500,000 shall be used for the Red Run-Clinton River, Mich., project."

Mr. CANNON. Mr. Speaker, I ask unanimous consent that the remainder of the amendments be voted on en bloc.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. TABER. Mr. Speaker, I object.

The SPEAKER. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. DONDERO) there were—ayes 125, noes 104.

Mr. CANNON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 256, nays 138, not voting 39, as follows:

[Roll No. 51]

YEAS—256

Abernethy	Hall, Edwin Arthur	Nixon
Allen, Calif.	Hall, Leonard W.	Norblad
Allen, Ill.	Halleck	Norrell
Allen, La.	Hand	O'Hara, Minn.
Andersen, H. Carl	Harden	O'Konski
Anderson, Calif.	Hardy	Pace
Andresen, August H.	Harris	Passman
Angell	Hart	Patman
Arends	Harvey	Patterson
Auchincloss	Havenner	Peterson
Barrett, Wyo.	Hays, Ark.	Pfeiffer, William L.
Bates, Mass.	Hays, Ohio	Philbin
Beall	Hébert	Phillips, Calif.
Bennett, Fla.	Herlong	Phillips, Tenn.
Bennett, Mich.	Herter	Pickett
Bishop	Heselton	Plumley
Blackney	Hill	Poage
Blatnik	Hinshaw	Potter
Boggs, Del.	Hobbs	Poulson
Bonner	Hoeven	Powell
Boykin	Hoffman, Ill.	Rabaut
Bramblett	Holifield	Rains
Brehm	Holmes	Rankin
Brooks	Hope	Reed, Ill.
Brown, Ga.	Horan	Rees
Brown, Ohio	Hull	Regan
Burdick	Jackson, Calif.	Rich
Burleson	Jackson, Wash.	Riehlman
Camp	James	Rivers
Canfield	Javits	Rogers, Mass.
Case, N. J.	Jenkins	Sadlak
Case, S. Dak.	Jennings	Sadowski
Chesney	Jensen	St. George
Church	Johnson	Sanborn
Clevenger	Jonas	Scott, Hardie
Cole, Kans.	Jones, Ala.	Scott, Hugh D., Jr.
Cole, N. Y.	Judd	Secrest
Colmer	Kearney	Shafer
Cooper	Kearns	Short
Corbett	Keating	Simpson, Ill.
Cotton	Keefe	Simpson, Pa.
Coudert	Keogh	Smith, Kans.
Cox	Kilburn	Smith, Wis.
Crawford	Kilday	Stockman
Crosser	King	Sullivan
Cunningham	Kunkel	Sutton
Curtis	Lanham	Taber
Dague	Larcade	Talle
Davis, Ga.	LeCompte	Tauriello
Davis, Tenn.	LeFevre	Taylor
Davis, Wis.	Lemke	Teague
DeGraffenried	Lesinski	Thomas, Tex.
D'Ewart	Lichtenwalter	Thompson
Dingell	Lodge	Thornberry
Dolliver	Lovre	Tollefson
Dondero	Lucas	Towe
Douglas	Lyle	Trimble
Ellsworth	Lynch	Van Zandt
Elston	McConnell	Velde
Engel, Mich.	McCulloch	Vinson
Fallon	McDonough	Vorys
Fellows	McGregor	Vursell
Fenton	McMillan, S. C.	Wadsworth
Fernandez	McMillen, Ill.	Weichel
Fisher	McSweeney	Welch, Calif.
Ford	Mack, Wash.	Werdel
Frazier	Mansfield	Wheeler
Fulton	Marcantonio	Whitten
Gamble	Marsalis	Whittington
Gary	Marshall	Wickersham
Gathings	Martin, Iowa	Wier
Gavin	Martin, Mass.	Wigglesworth
Gillette	Mason	Williams
Golden	Meyer	Willis
Goodwin	Michener	Wilson, Ind.
Gordon	Miller, Md.	Wilson, Okla.
Gorski, N. Y.	Mills	Wilson, Tex.
Gossett	Mitchell	Winstead
Graham	Morris	Withrow
Granger	Morrison	Wolcott
Grant	Morton	Wolverton
Gregory	Moulder	Wood
Gross	Murray, Tenn.	Worley
Gwinn	Murray, Wis.	Zablocki
Hagen	Nelson	
Hale	Nicholson	

NAYS—138

Abbitt	Bolton, Md.	Carroll
Addonizio	Breen	Cavalcante
Albert	Bryson	Celler
Andrews	Buchanan	Chatham
Aspinall	Buckley, Ill.	Chelf
Baring	Burke	Christopher
Barrett, Pa.	Burnside	Chudoff
Bates, Ky.	Burton	Clemente
Battle	Byrne, N. Y.	Coffey
Beckworth	Byrnes, Wis.	Combs
Bentsen	Cannon	Cooley
Biemiller	Carlyle	Crook
Bolling	Carnahan	Davenport
Davies, N. Y.	Jones, N. C.	Patten
Dawson	Karst	Perkins
Deane	Karsten	Polk
Delaney	Kean	Preston
Denton	Kee	Price
Dollinger	Kelley	Priest
Donohue	Kennedy	Quinn
Doughton	Kerr	Ramsay
Doyle	Kirwan	Redden
Durham	Klein	Rhodes
Eberharter	Kruse	Ribicoff
Elliott	Lane	Rodino
Engle, Calif.	Lind	Rooney
Evins	Linehan	Sabath
Feighan	McCormack	Sasscer
Flood	McGrath	Scrivner
Fogarty	McGuire	Sheppard
Forand	McKinnon	Sikes
Fugate	Mack, Ill.	Sims
Furcolo	Madden	Smathers
Garmatz	Magee	Spence
Gore	Mahon	Staggers
Gorski, Ill.	Miles	Steed
Granahan	Monroney	Stigler
Green	Morgan	Tackett
Harrison	Multer	Underwood
Hedrick	Murphy	Wagner
Heffernan	Noland	Walsh
Heller	O'Brien, Ill.	Walter
Howell	O'Hara, Ill.	White, Calif.
Huber	O'Neill	Woodhouse
Jacobs	O'Sullivan	Yates
Jones, Mo.	O'Toole	Young

NOT VOTING—39

Bailey	Jenison	Rogers, Fla.
Barden	Latham	Scudder
Bland	McCarthy	Smith, Ohio
Boggs, La.	Macy	Smith, Va.
Bolton, Ohio	Merrow	Somers
Bosone	Miller, Calif.	Stanley
Buckley, N. Y.	Miller, Nebr.	Stefan
Bulwinkle	Murdock	Thomas, N. J.
Chiperfield	Norton	Welch, Mo.
Eaton	O'Brien, Mich.	Whitaker
Gilmer	Pfeifer, Joseph L.	White, Idaho
Hare	Reed, N. Y.	Woodruff
Hoffman, Mich.	Richards	
Irving		

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Woodruff for, with Mr. Stanley against.

Mr. Hoffman of Michigan for, with Joseph L. Pfeifer against.

Mr. Lathan for, with Mr. Gilmer against.

Mr. Eaton for, with Mr. Somers against.

Mr. Reed of New York for, with Mr. Welch of Missouri against.

Mr. Scudder for, with Mr. Buckley of New York against.

Mr. Jenison for, with Mrs. Norton against.

Additional general pairs:

Mr. Richards with Mr. Macy.

Mr. Whitaker with Mr. Chiperfield.

Mrs. Bosone with Mrs. Bolton.

Mr. Bailey with Mr. Stefan.

Mr. Hare with Mr. Merrow.

Mr. Smith of Virginia with Mr. Miller of Nebraska.

Mr. Miller of California with Mr. Smith of Ohio.

Mr. TAURIELLO, Mr. MANSFIELD, Mr. RABAUT, and Mr. ZABLOCKI changed their vote from "no" to "aye."

Mr. KERR changed his vote from "aye" to "no."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote is demanded.

The Clerk read as follows:

Page 10, line 2: Strike out "$57,000,000" and insert "$63,000,000."

The SPEAKER. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 139, noes 44.

Mr. TABER. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and sixty-two Members are present, a quorum.

Mr. TABER. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 277, nays 117, not voting 39, as follows:

[Roll No. 52]

YEAS—277

Abbitt	Frazier	Marsalis
Abernethy	Fugate	Martin, Iowa
Addonizio	Fulton	Mason
Albert	Gary	Michener
Allen, Ill.	Gathings	Miles
Allen, La.	Gavin	Miller, Calif.
Andrews	Gillette	Mills
Angell	Gordon	Mitchell
Aspinall	Gore	Monroney
Bailey	Gorski, Ill.	Morris
Baring	Gorski, N. Y.	Morrison
Battle	Gossett	Morton
Beckworth	Graham	Moulder
Bennett, Fla.	Granger	Multer
Bentsen	Grant	Murphy
Bishop	Gregory	Murray, Tenn.
Blackney	Hagen	Nicholson
Blatnik	Hall,	Noland
Bolling	Edwin Arthur	Norrell
Bolton, Md.	Hardy	O'Hara, Minn.
Bonner	Hare	O'Konski
Boykin	Harris	O'Neill
Brooks	Harrison	O'Sullivan
Brown, Ga.	Havenner	Pace
Bryson	Hays, Ark.	Passman
Buchanan	Hays, Ohio	Patman
Burdick	Hébert	Patten
Burke	Hedrick	Perkins
Burleson	Heffernan	Peterson
Burnside	Heller	Philbin
Burton	Herlong	Phillips, Calif.
Byrne, N. Y.	Hill	Phillips, Tenn.
Camp	Hinshaw	Pickett
Cannon	Hobbs	Poage
Carlyle	Hoeven	Polk
Carnahan	Hoffman, Ill.	Potter
Carroll	Horan	Poulson
Cavalcante	Howell	Powell
Celler	Huber	Preston
Chelf	Jackson, Wash.	Price
Chesney	Jacobs	Priest
Christopher	James	Quinn
Chudoff	Javits	Rains
Clemente	Jennings	Ramsay
Coffey	Jensen	Rankin
Cole, Kans.	Johnson	Reed, Ill.
Colmer	Jonas	Regan
Combs	Jones, Ala.	Rhodes
Cooley	Jones, Mo.	Ribicoff
Cooper	Jones, N. C.	Rivers
Corbett	Karst	Rodino
Cotton	Karsten	Rogers, Fla.
Cox	Kearns	Rooney
Crook	Keefe	Sadowski
Crosser	Kennedy	Sanborn
Cunningham	Kerr	Sasscer
Curtis	Kilday	Scott, Hardie
Dague	King	Scott,
Davies, N. Y.	Kirwan	Hugh D., Jr.
Davis, Ga.	Klein	Scudder
Davis, Tenn.	Kruse	Secrest
Deane	Lane	Short
DeGraffenried	Lanham	Sikes
Delaney	Larcade	Simpson, Ill.
Denton	LeCompte	Sims
Dingell	LeFevre	Smathers
Dollinger	Lemke	Smith, Kans.
Dolliver	Lichtenwalter	Smith, Va.
Dondero	Lind	Smith, Wis.
Doughton	Lovre	Spence
Douglas	Lucas	Steed
Doyle	Lyle	Stigler
Eberharter	Lynch	Stockman
Elliott	McConnell	Sullivan
Ellsworth	McCormack	Sutton
Engle, Calif.	McDonough	Tackett
Evins	McGrath	Talle
Fallon	McGregor	Tauriello
Feighan	McGuire	Teague
Fenton	McMillan, S. C.	Thomas, Tex.
Fernandez	McMillen, Ill.	Thompson
Fisher	McSweeney	Thornberry
Flood	Mack, Ill.	Trimble
Fogarty	Magee	Underwood
Forand	Mansfield	Van Zandt
Ford	Marcantonio	Velde
Vinson	Whitten	Wilson, Tex.
Walsh	Whittington	Winstead
Walter	Wickersham	Withrow
Welchel	Williams	Wood
Werdel	Willis	Woodhouse
Wheeler	Wilson, Ind.	Worley
White, Calif.	Wilson, Okla.	Yates

NAYS—117

Allen, Calif.	Goodwin	Murray, Wis.
Andersen, H. Carl	Granahan	Nelson
Anderson, Calif.	Green	Nixon
Arends	Gross	Norblad
Auchincloss	Hale	O'Brien, Ill.
Barrett, Pa.	Hall, Leonard W.	O'Hara, Ill.
Barrett, Wyo.	Halleck	O'Toole
Bates, Ky.	Hand	Patterson
Bates, Mass.	Harden	Pfeiffer, William L.
Beall	Harvey	Plumley
Bennett, Mich.	Herter	Rabaut
Biemiller	Heselton	Reed, N. Y.
Boggs, Del.	Holmes	Rees
Bolton, Ohio	Hope	Rich
Brambiett	Hull	Riehlman
Breen	Irving	Rogers, Mass.
Brehm	Jackson, Calif.	Sabath
Brown, Ohio	Jenkins	Sadlak
Buckley, Ill.	Judd	St. George
Byrnes, Wis.	Kean	Scrivner
Canfield	Kearney	Shafer
Case, N. J.	Keating	Sheppard
Case, S. Dak.	Kelley	Simpson, Pa.
Church	Keogh	Staggers
Clevenger	Kilburn	Taber
Cole, N. Y.	Kunkel	Taylor
Coudert	Lesinski	Tollefson
Crawford	Linehan	Towe
Davis, Wis.	Lodge	Vorys
Dawson	McCulloch	Vursell
D'Ewart	McKinnon	Wadsworth
Donohue	Mack, Wash.	Wagner
Durham	Madden	Welch, Calif.
Elston	Mahon	Wier
Engel, Mich.	Marshall	Wigglesworth
Fellows	Martin, Mass.	Wolcott
Gamble	Meyer	Wolverton
Garmatz	Miller, Md.	Young
Golden	Morgan	Zablocki

NOT VOTING—39

Andresen, August H.	Gwinn	Pfeifer, Joseph L.
Barden	Hart	Redden
Bland	Hoffman, Mich.	Richards
Boggs, La.	Holifield	Smith, Ohio
Bosone	Jenison	Somers
Buckley, N. Y.	Kee	Stanley
Bulwinkle	Latham	Stefan
Chatham	McCarthy	Thomas, N. J.
Chiperfield	Macy	Welch, Mo.
Davenport	Merrow	Whitaker
Eaton	Miller, Nebr.	White, Idaho
Furcolo	Murdock	Woodruff
Gilmer	Norton	
	O'Brien, Mich.	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Stanley for, with Mr. Eaton against.

Mr. Whitaker for, with Mr. Chiperfield against.

Mr. Boggs of Louisiana for, with Mr. Hoffman of Michigan against.

Mr. Gilmer for, with Mr. Woodruff against.

Mr. Joseph L. Pfeifer for, with Mr. Miller of Nebraska against.

Mrs. Norton for, with Mr. Macy against.

Mr. Somers for, with Mr. Jenison against.

Mr. Buckley of New York for, with Mr. Gwinn against.

Mr. Welch of Missouri for, with Mr. Latham against.

Mr. Holifield for, with Mr. Hart against.

Additional general pairs:

Mr. Richards with Mr. Smith of Ohio.

Mrs. Bosone with Mr. Stefan.

Mr. Furcolo with Mr. August H. Andresen.

Mr. FLOOD, Mr. O'NEILL, Mr. SIKES, Mr. NOLAND, Mr. VAN ZANDT, Mr. VELDE, and Mr. LOVRE changed their vote from "no" to "aye."

Mr. KEARNEY changed his vote from "aye" to "no."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. KERR. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

EXTENSION OF REMARKS

Mr. CANNON asked and was given permission to extend his remarks in the RECORD and include excerpts and certain letters on Federal expenditures.

ADDITIONAL REVENUE FOR THE DISTRICT OF COLUMBIA

The SPEAKER. The unfinished business is the reading of the engrossed copy of the bill (H. R. 3704) to provide additional revenue for the District of Columbia, demanded on Monday, March 28, by the gentleman from Utah [Mr. GRANGER] which the Clerk will read.

The Clerk read the bill.

Mr. RANKIN (interrupting reading of the bill). Mr. Speaker, I ask unanimous consent that further reading of the engrossed copy of the bill be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. The question is on the passage of the bill.

Mr. NELSON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. NELSON. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. NELSON moves to recommit the bill back to the Committee on the District of Columbia.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. KENNEDY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 177, nays 218, answered "present" 2, not voting 36, as follows:

[Roll No. 53]

YEAS—177

Addonizio	Boggs, Del.	Carroll
Allen, La.	Bolling	Case, N. J.
Andersen, H. Carl	Breen	Cavalcante
Angell	Brehm	Celler
Bailey	Brooks	Chelf
Baring	Buchanan	Chesney
Barrett, Pa.	Buckley, Ill.	Christopher
Bates, Ky.	Burke	Chudoff
Bennett, Fla.	Burnside	Clemente
Biemiller	Byrne, N. Y.	Coffey
Blatnik	Canfield	Cooper
	Cannon	Corbett

Crawford
Crook
Crosser
Davenport
Davies, N. Y.
Davis, Wis.
Dawson
Delaney
Denton
D'Ewart
Dingell
Dollinger
Donohue
Douglas
Doyle
Eberharter
Ellsworth
Engle, Calif.
Feighan
Flood
Fogarty
Forand
Frazier
Fulton
Furcolo
Golden
Gordon
Gore
Gorski, Ill.
Gorski, N. Y.
Granahan
Granger
Green
Gregory
Gross
Hagen
Hall,
Edwin Arthur
Hand
Hart
Harvey
Havenner
Hays, Ohio
Heffernan
Heller
Heselton
Hill
Holifield
Howell
Huber
Hull
Irving
Jackson, Wash.
Jacobs
Javits
Jensen
Judd
Karst
Karsten
Kearney
Kearns
Keating
Kelley
Kennedy
Keogh
King
Kirwan
Kunkel
Lane
Lanham
Lemke
Lesinski
Lichtenwalter
Linehan
Lynch
McGrath
McGuire
McKinnon
Mack, Ill.
Madden
Magee
Mansfield
Marcantonio
Marshall
Miller, Calif.
Mitchell
Morgan
Morrison
Moulder
Multer
Murray, Wis.
Nelson
Noland
O'Brien, Ill.
O'Hara, Ill.
O'Konski
O'Neill
O'Sullivan
O'Toole
Patten
Perkins
Philbin
Phillips, Tenn.
Powell
Price
Rabaut
Ramsay
Rhodes
Ribicoff
Rodino
Rooney
Sabath
Sadowski
Sanborn
Scott, Hardie
Secrest
Sims
Smathers
Spence
Staggers
Sullivan
Tauriello
Taylor
Thomas, Tex.
Tollefson
Towe
Underwood
Van Zandt
Vursell
Wagner
Walsh
Walter
Welch, Calif.
Whitaker
Wier
Withrow
Wolverton
Woodhouse
Yates
Young
Zablocki

NAYS—218

Abbitt
Abernethy
Albert
Allen, Calif.
Allen, Ill.
Anderson, Calif.
Andresen,
August H.
Andrews
Arends
Aspinall
Auchincloss
Barden
Barrett, Wyo.
Bates, Mass.
Battle
Beall
Beckworth
Bennett, Mich.
Bentsen
Bishop
Blackney
Bolton, Md.
Bolton, Ohio
Bonner
Boykin
Bramblett
Brown, Ga.
Brown, Ohio
Bryson
Burdick
Burleson
Burton
Byrnes, Wis.
Camp
Carlyle
Carnahan
Case, S. Dak.
Chatham
Chiperfield
Church
Clevenger
Cole, Kans.
Cole, N. Y.
Colmer
Combs
Cooley
Cotton
Coudert
Cox
Cunningham
Curtis
Dague
Davis, Ga.
Davis, Tenn.
Deane
DeGraffenried
Dolliver
Dondero
Doughton
Durham
Eaton
Elliott
Elston
Engel, Mich.
Evins
Fallon
Fellows
Fenton
Fernandez
Fisher
Ford
Fugate
Gamble
Garmatz
Gary
Gathings
Gavin
Gillette
Goodwin
Gossett
Graham
Grant
Gwinn
Hale
Hall,
Leonard W.
Halleck
Harden
Hardy
Hare
Harris
Harrison
Hays, Ark.
Hébert
Herlong
Herter
Hobbs
Hoeven
Hoffman, Ill.
Holmes
Hope
Horan
Jonas
Jones, Ala.
Jones, Mo.
Jones, N. C.
Kean
Keefe
Kerr
Kilburn
Kilday
Larcade
LeCompte
LeFevre
Lind
Lodge
Lovre
Lucas
Lyle
McConnell
McCormack
McCulloch
McDonough
McGregor
McMillan, S. C.
McMillen, Ill.
McSweeney
Mack, Wash.
Mahon
Marsalis
Martin, Iowa
Martin, Mass.
Mason
Meyer
Michener
Miles
Miller, Md.
Mills
Monroney
Morris
Morton
Murphy
Murray, Tenn.
Nicholson
Nixon
Norblad
Norrell
Norton
O'Hara, Minn.
Passman
Patterson
Peterson
Peterson
Pfeiffer,
William L.
Phillips, Calif.
Pickett
Plumley
Poage
Polk
Potter
Poulson
Preston
Priest
Rains
Rankin
Redden
Reed, Ill.
Reed, N. Y.
Rees
Regan
Rich
Riehlman
Rivers
Rogers, Fla.
Rogers, Mass.
Sadlak
St. George
Sasscer
Scott,
Hugh D., Jr.
Scrivner
Scudder
Shafer
Short
Sikes
Simpson, Ill.
Simpson, Pa.
Smith, Kans.
Smith, Va.
Smith, Wis.
Stigler
Stockman
Sutton
Taber
Talle
Teague
Thompson
Trimble
Velde
Vinson
Vorys
Vursell
Wadsworth
Weichel
Werdel
Wheeler
Whittington
Wickersham
Wigglesworth
Williams
Willis
Wilson, Ind.
Wilson, Okla.
Wilson, Tex.
Winstead
Wolcott
Wood

NOT VOTING—36

Bland
Boggs, La.
Bosone
Buckley, N. Y.
Bulwinkle
Gilmer
Hedrick
Hinshaw
Hoffman, Mich.
Jackson, Calif.
Jenison
Kee
Latham
McCarthy
Macy
Merrow
Miller, Nebr.
Murdock
O'Brien, Mich.
Pace
Patman
Pfeifer,
Joseph L.
Quinn
Richards
Sheppard
Smith, Ohio
Somers
Stanley
Steed
Stefan
Thomas, N. J.
Welch, Mo.
White, Calif.
White, Idaho
Whitten
Woodruff

ANSWERED "PRESENT"—2

Thornberry Worley

So the motion was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Pace for, with Mrs. Bosone against.

Mr. White of California for, with Mr. Stanley against.

Mr. Worley for, with Mr. Woodruff against.

Mr. Thornberry for, with Mr. Hoffman of Michigan against.

Mr. Patman for, with Mr. Miller of Nebraska against.

Mr. Welch of Missouri for, with Mr. Macy against.

Mr. Joseph L. Pfeifer for, with Mr. Jenison against.

Mr. Buckley of New York for, with Mr. Gilmer against.

Additional general pairs:

Mr. Richards with Mr. Smith of Ohio.

Mr. Boggs of Louisiana with Mr. Merrow.

Mr. Quinn with Mr. Stefan.

Mr. Hedrick with Mr. Latham.

Mr. HILL changed his vote from "no" to "aye."

Mr. PLUMLEY and Mr. WEICHEL changed their vote from "aye" to "no."

Mr. WORLEY. Mr. Speaker, I have a pair with the gentleman from Michigan, Mr. WOODRUFF, who, if present, would vote "no." I therefore withdraw my vote of "aye" and vote "present."

Mr. THORNBERRY. Mr. Speaker, I have a pair with the gentleman from Michigan, Mr. HOFFMAN, who if present, would vote "no." I therefore withdraw my vote of "aye" and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. KENNEDY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 216, nays 180, answered "present" 3, not voting 34, as follows:

[Roll No. 54]

YEAS—216

Abbitt
Abernethy
Albert
Allen, Calif.
Allen, Ill.
Anderson, Calif.
Andresen,
August H.
Andrews
Arends
Aspinall
Auchincloss
Barden
Barrett, Wyo.
Bates, Mass.
Battle
Beall
Bennett, Mich.
Bentsen
Bishop
Blackney
Bolton, Md.
Bolton, Ohio
Bonner
Boykin
Bramblett
Brehm
Brown, Ga.
Brown, Ohio
Bryson
Burleson
Burton
Byrnes, Wis.
Camp
Carlyle
Carnahan
Case, S. Dak.
Chatham
Chiperfield
Church
Clevenger
Cole, Kans.
Cole, N. Y.
Colmer
Combs
Cooley
Cotton
Coudert
Cox
Cunningham
Curtis
Dague
Davis, Ga.
Davis, Tenn.
Deane
DeGraffenried
Dolliver
Dondero
Doughton
Durham
Eaton
Elliott
Ellsworth
Elston
Engel, Mich.
Evins
Fallon
Fellows
Fernandez
Fisher
Ford
Fugate
Gamble
Garmatz
Gary
Gathings
Gavin
Gillette
Goodwin
Gossett
Graham
Grant
Gwinn
Hall,
Leonard W.
Halleck
Harden
Hardy
Hare
Harris
Harrison
Hays, Ark.
Hébert
Hedrick
Herlong
Herter
Hinshaw
Hobbs
Hoffman, Ill.
Holmes
Hope
Horan
Jackson, Calif.
James
Jenkins
Jennings
Jensen
Johnson
Jonas
Jones, Ala.
Jones, Mo.
Jones, N. C.
Kean
Keefe
Kerr
Kilburn
Larcade
LeCompte
LeFevre
Lind
Lovre
Lucas
Lyle
McConnell
McCormack
McCulloch
McGregor
McKinnon
McMillan, S. C.
McMillen, Ill.
McSweeney
Mack, Wash.
Mahon
Marsalis
Martin, Iowa
Martin, Mass.
Meyer
Michener
Miles
Miller, Md.
Mills
Monroney
Morris
Morton
Murray, Tenn.
Nicholson
Nixon
Norblad
Norrell
Norton
O'Hara, Minn.
O'Toole
Passman
Patterson
Peterson
Pfeiffer,
William L.
Phillips, Calif.
Pickett
Polk
Potter
Poulson
Preston
Priest
Quinn
Rains
Rankin
Redden
Reed, Ill.
Reed, N. Y.
Rees
Regan
Rich
Riehlman
Rivers
Rogers, Mass.
Sadlak
St. George
Sasscer
Scott,
Hugh D., Jr.
Scrivner
Scudder
Shafer
Short
Sikes
Simpson, Ill.
Simpson, Pa.
Smith, Kans.
Smith, Va.
Smith, Wis.
Stigler
Stockman
Sutton
Taber
Tackett
Talle
Teague
Thompson
Trimble
Velde
Vinson
Vorys
Vursell
Wadsworth
Weichel
Werdel
Wheeler
Whitten
Whittington
Wickersham
Wigglesworth
Williams
Willis
Wilson, Ind.
Wilson, Okla.
Wilson, Tex.
Winstead
Wolcott
Wood

NAYS—180

Addonizio
Allen, La.
Andersen,
H. Carl
Angell
Bailey
Baring
Barrett, Pa.
Bates, Ky.
Beckworth
Bennett, Fla.
Biemiller
Blatnik
Boggs, Del.
Bolling
Breen
Buchanan
Buckley, Ill.
Burdick
Burke
Burnside
Byrne, N. Y.
Canfield
Cannon
Carroll
Case, N. J.
Cavalcante
Chelf
Chesney
Christopher
Chudoff
Clemente
Coffey
Cooper
Corbett
Crawford
Crook
Crosser
Davenport
Davies, N. Y.
Davis, Wis.
Dawson
Delaney
Denton
D'Ewart
Dingell
Dollinger
Donohue
Douglas
Doyle
Eberharter
Engle, Calif.
Feighan
Fenton
Flood
Fogarty
Forand
Frazier
Fulton
Furcolo
Golden
Gordon
Gorski, Ill.
Gorski, N. Y.
Granahan
Granger
Green
Gregory
Gross
Hagen
Hall,
Edwin Arthur
Hand
Hart
Harvey
Havenner
Hays, Ohio
Heffernan
Heller
Heselton
Hill
Hoeven
Holifield
Howell
Huber
Hull
Irving
Jackson, Wash.
Jacobs
Javits
Judd
Karst
Karsten
Kearney
Kearns
Keating
Kelley
Kennedy
Keogh
King
Kirwan
Klein
Kruse
Kunkel
Lane

Lanham	Noland	Sims
Lemke	O'Brien, Ill.	Smathers
Lesinski	O'Hara, Ill.	Spence
Lichtenwalter	O'Konski	Staggers
Linehan	O'Neill	Steed
Lynch	O'Sullivan	Sullivan
McCarthy	Patten	Tauriello
McDonough	Perkins	Taylor
McGrath	Philbin	Thomas, Tex.
McGuire	Phillips, Tenn.	Tollefson
Mack, Ill.	Plumley	Towe
Madden	Poage	Underwood
Magee	Powell	Van Zandt
Mansfield	Price	Wagner
Marcantonio	Rabaut	Walsh
Marshall	Ramsay	Walter
Mason	Rhodes	Welch, Calif.
Miller, Calif.	Ribicoff	Whitaker
Mitchell	Rodino	White, Calif.
Morgan	Rooney	Wier
Morrison	Sabath	Withrow
Moulder	Sadowski	Wolverton
Multer	Sanborn	Yates
Murphy	Scott, Hardie	Young
Murray, Wis.	Secrest	Zablocki
Nelson	Sheppard	

ANSWERED "PRESENT"—3

Pace	Thornberry	Worley

NOT VOTING—34

Bland	Kee	Richards
Boggs, La.	Kilday	Rogers, Fla.
Bosone	Latham	Smith, Ohio
Brooks	Lodge	Somers
Buckley, N. Y.	Macy	Stanley
Bulwinkle	Merrow	Stefan
Celler	Miller, Nebr.	Thomas, N. J.
Gilmer	Murdock	Welch, Mo.
Gore	O'Brien, Mich.	White, Idaho
Hale	Patman	Woodhouse
Hoffman, Mich.	Pfeifer,	Woodruff
Jenison	Joseph L.	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Woodruff for, with Mr. Worley against.

Mr. Hoffman of Michigan for, with Mr. Thornberry against.

Mr. Miller of Nebraska for, with Mr. Kilday against.

Mr. Jenison for, with Mr. Pace against.

Mr. Stanley for, with Mr. Gore against.

Mrs. Bosone for, with Mr. Patman against.

Mr. Gilmer for, with Mr. Welch of Missouri against.

Additional general pairs:

Mrs. Woodhouse with Mr. Macy.

Mr. Joseph L. Pfeifer with Mr. Latham.

Mr. Buckley of New York with Mr. Hale.

Mr. Somers with Mr. Smith of Ohio.

Mr. Richards with Mr. Stefan.

Mr. Celler with Mr. Merrow.

Mr. Boggs of Louisiana with Mr. Lodge.

Mr. RAINS, Mr. COOLEY, and Mr. SCRIVNER changed their vote from "no" to "aye."

Mr. WORLEY. Mr. Speaker, I have a pair with the gentleman from Michigan, Mr. WOODRUFF, who if present would vote "aye." I therefore withdraw my vote of "no" and vote "present."

Mr. THORNBERRY. Mr. Speaker, I have a pair with the gentleman from Michigan, Mr. HOFFMAN, who if present would vote "aye." I therefore withdraw my vote of "no" and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

DISASTER AND EMERGENCY LOANS

Mr. COOLEY submitted conference report and statement on the bill (H. R. 2101) to authorize the Regional Agricultural Credit Corporation of Washington, District of Columbia, to make certain disaster or emergency loans, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1731) entitled "An act to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes."

APPROPRIATIONS FOR THE DEPARTMENT OF THE INTERIOR, 1950

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 170 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That, notwithstanding any rule of the House to the contrary, it shall be in order on Tuesday, March 29, 1949, or thereafter, to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes, and all points of order against the bill or any of the provisions contained therein are hereby waived. That after general debate which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. DELANEY. Mr. Speaker, I yield 30 minutes of my time to the gentleman from Illinois [Mr. ALLEN] and at this time yield myself such time as I may need.

Mr. Speaker, this resolution makes in order consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950. Yesterday afternoon the Committee on Appropriations asked the Rules Committee for a rule, the purpose being to waive all points of order. After due consideration the Committee on Rules unanimously granted this rule which waives points of order and grants 2 hours of general debate under the rules of the House.

Mr. Speaker, this appropriation bill contains 97 pages. I have asked the Committee on Appropriations to have the chairman and the subchairman here in readiness.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I might require.

Mr. Speaker, there is no disposition on the part of anyone over here to delay action on this resolution. As the gentleman from New York stated, this rule waives all points of order, the reason being that the appropriation bill authorizes certain contracts, which is legislation on an appropriation bill and, of course, under the rules is not permitted. For instance, on page 6 of the bill the Secretary is authorized to incur certain obligations and to enter into certain contracts.

My understanding is that there are going to be several amendments offered by Members on the minority side. May I say that especially astounding to me is the fact that the bill means in all probability the authorization of 8,000 additional Federal employees. The Department of the Interior has asked the committee to permit the hiring of these 8,000 additional employees, which is something I think we ought to go into very thoroughly. However, as I said before, there is no disposition on the part of anyone over here to delay action on the rule.

Mr. DELANEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

HOUSING AND RENT ACT OF 1949

Mr. SPENCE. Mr. Speaker, I call up the conference report on the bill (H. R. 1731) to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1731) to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows: That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That this Act may be cited as the 'Housing and Rent Act of 1949'.

"TITLE I—AMENDMENT TO TITLE I OF HOUSING AND RENT ACT OF 1947, AS AMENDED

"SEC. 2. Section 4 of the Housing and Rent Act of 1947, as amended, is amended to read as follows:

"'SEC. 4. (a) In order to assure preference or priority to veterans of World War II or their families—

"'(1) no housing accommodations designed for single-family residence, the construction or conversion of which is completed after June 30, 1947, shall be offered for sale or resale, or sold or resold, to persons other than veterans of World War II or their families, unless such housing accommodations have been publicly offered for sale exclusively to veterans of World War II or their families (a) during the period of construction or conversion and for thirty days thereafter, prior to a sale or offering for sale to such nonveterans, and (b) for a period of seven days prior to a resale, or an offering for resale, to such nonveterans; and

"'(2) no housing accommodations designed for occupancy by other than tran-

sients, the construction or conversion of which is completed after June 30, 1947, shall be offered for rent or rerent, rented or rerented to persons other than veterans of World War II or their families, unless such housing accommodations have been publicly offered for rent exclusively to veterans of World War II or their families (a) during the period of construction or conversion and for thirty days thereafter, prior to a first renting or offering for rent to such nonveterans, and (b) for a period of seven days prior to a subsequent renting, or offering for rent, to such nonveterans; and

"'(3) no housing accommodations designed for single-family residence, the construction or conversion of which is completed after June 30, 1947, shall be offered for sale or resale, or sold or resold, to any person at a price less than the price for which it had been last offered for sale to veterans of World War II or their families for at least seven days: *Provided, however,* That in no event shall the public offering period to veterans of World War II or their families total less than thirty days in any first or original sale as required by paragraph (1) of this subsection; and

"'(4) no housing accommodations designed for occupancy by other than transients, the construction or conversion of which is completed after June 30, 1947, shall be offered for rent or rerent, or rented or rerented, to any person at a price less than the price for which it had been last offered for rent to veterans of World War II or their families for at least seven days: *Provided, however,* That in no event shall the public offering period to veterans of World War II or their families total less than thirty days in any first or original renting as required by paragraph (2) of this subsection.

"'(b) As used in this section—

"'(1) the term "person" shall include an individual, corporation, partnership, association or any other organized group of persons, or a representative of any of the foregoing.

"'(2) the term "housing accommodations" shall include, without limitation, any building, structure, or part thereof, or land appurtenant thereto, or any real or personal property, designed, constructed, or converted for dwelling or residential purposes, together with all privileges, services or facilities in connection therewith; industrially made or prefabricated houses, sections, panels, or their aggregate as a "package", designed or constructed for dwelling or residential purposes; and a certificate; deposit, membership, stock interest, or undivided interest in real estate, under a cooperative mutual ownership or similar plan, which carries with it the right of occupancy of individual dwelling units.

"'(c) The Housing Expediter is authorized to issue regulations and orders prescribing the manner in which such housing accommodations shall be publicly offered in good faith for sale or rent to veterans of World War II or their families and such other regulations or orders as he may deem necessary in the public interest to effectuate the provisions of this section. The Housing Expediter is further authorized to grant such exceptions to the provisions of this section for hardship cases as he may deem appropriate.

"'(d) Any person who willfully violates any provision of this section shall, upon conviction thereof, be subject to a fine of not more than $5,000 or to imprisonment for not more than one year, or to both such fine and imprisonment.

"'(e) This section shall cease to be in effect at the close of June 30, 1950, or upon the date that the President proclaims that the protection to veterans of World War II or their families provided by this section is no longer needed, whichever date is the earlier, except that as to offenses committed, or rights or liabilities incurred, prior to such termination date, the provisions of this title and regulations and orders issued thereunder shall be treated as still remaining in force for the purpose of sustaining any proper suit, action, or prosecution with respect to any such right, liability, or offense.'

"TITLE II—MAXIMUM RENTS

"SEC. 201. (a) Section 202 (c) of the Housing and Rent Act of 1947, as amended, is amended by striking out paragraph (1) thereof and inserting in lieu thereof the following:

"'(1) (A) those housing accommodations, in any establishment which is located in a city of less than 2,500,000 population according to the 1940 decennial census and which is commonly known as a hotel in the community in which it is located, which are occupied by persons who are provided customary hotel services such as maid service, furnishing and laundering of linen, telephone and secretarial or desk service, use and upkeep of furniture and fixtures, and bellboy service; or

"'(B) those housing accommodations in hotels in cities of 2,500,000 population or more according to the 1940 decennial census (i) which are located in hotels in which 75 per centum or more of the occupied housing accommodations on March 1, 1949, were used for transient occupancy, or (ii) which are not located in hotels described in (i) but which on March 1, 1949, were used for transient occupancy; for the purposes of this subparagraph (B)—

"'(1) the term "used for transient occupancy" means rented on a daily basis, to a tenant who had not on March 1, 1949, continuously resided in the hotel for ninety days or more; and

"'(2) the term "hotel" means any establishment which on June 30, 1947, was commonly known as a hotel in the community in which it is located and was occupied by an appreciable number of persons who were provided customary hotel services such as maid service, furnishing and laundering of linen, telephone and secretarial or desk service, use and upkeep of furniture and fixtures, and bellboy service; or'.

"(b) Section 202 (c) (2) of the Housing and Rent Act of 1947, as amended, is amended by striking out 'trailer or trailer space' and inserting in lieu thereof 'trailer, or trailer space, used exclusively for transient occupancy'.

"(c) Section 202 (c) of the Housing and Rent Act of 1947, as amended, is amended by striking out paragraph (3) thereof and inserting in lieu thereof the following:

"'(3) any housing accommodations (A) the construction of which was completed on or after February 1, 1947, or which are housing accommodations created by a change from a nonhousing to a housing use on or after February 1, 1947, or which are additional housing accommodations created by conversion on or after February 1, 1947: *Provided, however,* That any housing accommodations resulting from any conversion created on or after the effective date of the Housing and Rent Act of 1949 shall continue to be controlled housing accommodations unless the Housing Expediter issues an order decontrolling them, which he shall issue if he finds that the conversion resulted in additional, self-contained family units as defined by regulations issued by him: *And provided further,* That contracts for the rental of housing accommodations to veterans of World War II and their immediate families, the construction of which was assisted by allocations or priorities under Public Law 388, Seventy-ninth Congress, approved May 22, 1946, shall remain in full force and effect; or (B) the construction of which was completed on or after February 1, 1945, and prior to February 1, 1947, and which between the date of completion and June 30, 1947, both dates inclusive, at no time were rented (other than to members of the immediate family of the landlord) as housing accommodations; or'.

"(d) Section 202 (d) of such Act, as amended, is amended by striking out 'in which maximum rents were being regulated under such Act on March 1, 1947', and inserting in lieu therof the following: 'in which maximum rents (1) were being regulated under such Act on March 1, 1947, or (2) are established or reestablished pursuant to section 204 (i) (1) or (2) of this title'.

"(e) Section 202 (e) of the Housing and Rent Act of 1947, as amended, is amended to read as follows:

"'(e) The term "rent" means the consideration, including any bonus, benefit, or gratuity demanded or received for or in connection with the use or occupancy of housing accommodations, or the transfer of a lease of housing accommodations.'

"SEC. 202. Section 203 (b) of the Housing and Rent Act of 1947, as amended, is amended to read as follows:

"'(b) On the termination of rent control in any area or portion thereof under this title all records and other data (and the cabinets or containers holding such records and data) used or held in connection with the establishment and maintenance of maximum rents in such area or portion thereof by the Housing Expediter, and all predecessor agencies, shall, on request, be transferred, without reimbursement to the proper officials of any State or local subdivision of government that may be charged with the duty of administering a rent-control program in any State or local subdivision of government to which such records and data may be applicable: *Provided, however,* That any such records or data (and the cabinets or containers holding such records or data) shall be so made available subject to recall for use in carrying out the purposes of this title.'

"SEC. 203. (a) Section 204 (a) of the Housing and Rent Act of 1947, as amended, is amended by striking out 'March 31, 1949' and inserting in lieu thereof 'June 30, 1950'.

"(b) Section 204 (b) of such Act, as amended, is amended to read as follows:

"'(b) (1) Subject to the provisions of paragraphs (2) and (3) of this subsection, and subsections (h) and (i), during the period beginning on the effective date of this title and ending on the date this title ceases to be in effect, no person shall demand, accept, or receive any rent for the use or occupancy of any controlled housing accommodations greater than the maximum rent established under the authority of the Emergency Price Control Act of 1942, as amended, and in effect with respect thereto on June 30, 1947: *Provided, however,* That the Housing Expediter shall, by regulation or order, make such individual and general adjustments in such maximum rents in any defense-rental area or any portion thereof, or with respect to any housing accommodations or any class of housing accommodations within any such area or any portion thereof, as may be necessary to remove hardships or to correct other inequities, or further to carry out the purposes and provisions of this title: *Provided, however,* That the landlord certifies that he is maintaining all services furnished as of the date determining the maximum rent and that he will continue to maintain such services so long as the adjustment in such maximum rent which may be granted continues in effect. In making and recommending individual and general adjustments to remove hardships or to correct other inequities, the Housing Expediter and the local boards shall observe the principle of maintaining maximum rents for controlled housing accommodations, so far as is practicable, at levels which will yield to landlords a fair net operating income from such housing accommodations. In determining whether the maximum rent for controlled housing accommodations yields a fair net operating income from such housing accommodations, due consideration shall be given to the following among other relevant factors: (A)

Increases in property taxes; (B) unavoidable increases in operating and maintenance expenses; (C) major capital improvement of the housing accommodations as distinguished from ordinary repair, replacement, and maintenance; (D) increases or decreases in living space, services, furniture, furnishings, or equipment; and (E) substantial deterioration of the housing accommodations, other than ordinary wear and tear, or failure to perform ordinary repair, replacement, or maintenance.

"'(2) In any case in which a valid written lease with respect to any housing accommodations was entered into and filed in accordance with the provisions of this subsection (b) as then in effect, and such lease was in effect on the effective date of the Housing and Rent Act of 1949, such housing accommodations shall be subject to the provisions of this title and, until such lease is terminated or expires, the maximum rent for said accommodations shall be the rent set forth in said lease.

"'(3) In any case in which a valid written lease with respect to any housing accommodations was entered into and filed in accordance with the provisions of this subsection (b) as then in effect, and such lease has heretofore terminated or expired or hereafter terminates or expires, such housing accommodations shall be subject to the provisions of this title and the maximum rent for said accommodations shall be the rent set forth in said lease, plus or minus applicable individual adjustments: *Provided, however,* That if such housing accommodations are in a defense-rental area in which a general increase in maximum rents has been or is hereafter granted, the maximum rent shall be said lease rent plus or minus applicable individual adjustments, or the maximum rent in the absence of a lease, whichever is higher.

"'(4) If a lease entered into under this subsection has heretofore terminated or hereafter terminates, prior to the expiration date of such lease, the landlord shall file with the Housing Expediter a report of the termination of such lease, unless a report of such termination was filed with the Housing Expediter prior to the effective date of the Housing and Rent Act of 1949. Such report shall be filed within 15 days after the date of such termination or 15 days after the effective date of the Housing and Rent Act of 1949, whichever is the later date.

"'(5) In order to help assure fair adjustments for tenants and small landlords, the Housing Expediter is authorized and directed to designate for every defense-rental area an officer whose function shall be to assist tenants and small landlords by—

"'(A) informing them concerning the conditions under which rent adjustments may be obtained;

"'(B) helping in the preparation of applications for rent adjustments; and

"'(C) providing them with such other information and services as may be necessary and appropriate.'

"(c) Section 204 (c) of the Housing and Rent Act of 1947, as amended, is amended by adding after the first sentence thereof the following new sentence: 'The Housing Expediter is further authorized and directed to remove maximum rents for any or all luxury housing accommodations in any defense-rental area or portion thereof, if in his judgment such action would result in the creation of additional rental units by conversion.'

"(d) (1) Section 204 (e) (2) of such Act, as amended, is amended by striking out the word 'and' immediately preceding the words 'stenographic assistance' and inserting a comma in lieu thereof and by inserting, immediately following the words 'stenographic assistance', the following: 'and reporting services for public hearings (including attendance fees)'.

"(2) Section 204 (e) (3) of such Act, as amended, is amended by adding at the end thereof the following new sentence: 'If the Housing Expediter approves or disapproves any recommendation of a local board he shall promptly notify the local board in writing of such action.'

"(3) Section 204 (e) (4) (A) of such Act, as amended, is amended by striking out 'interpleader' and inserting in lieu thereof 'pleadings'.

"(4) So much of the first sentence of section 204 (e) (1) of the Housing and Rent Act of 1947, as amended, as precedes the proviso is amended to read as follows: 'The Housing Expediter is authorized and directed to create and, if necessary, continue in existence until the termination of this Act in each defense-rental area (whether or not under Federal rent control) or such portion thereof as he may designate, local advisory boards. The Housing Expediter shall, whenever in his judgment there is need therefor, create a local advisory board in any part of an area designated under the provisions of the Emergency Price Control Act of 1942, as amended, prior to March 1, 1947, as an area where defense activities have resulted or threaten to result in an increase in the rents for housing accommodations inconsistent with the purposes of such Act, in which maximum rents were not being regulated under such Act on March 1, 1947. Each such board shall consist of not less than five members who are citizens of the area and who, insofar as practicable, as a group are representative of the affected interests in the area, to be appointed by the Housing Expediter, from recommendations made by the respective Governors:'.

"(5) Section 204 (e) (1) is amended by adding after the third sentence thereof the following: 'Upon petition by a representative group of tenants or landlords, the board, if it finds that the petition is substantial in character, shall hold a public hearing in accordance with the requirements set forth in paragraph (4) of this subsection on any of the matters set forth in subparagraphs (A) and (B) of this paragraph. Such hearing shall be begun within thirty days after the filing of such petition, and shall be completed within thirty days after it is begun. Should the board for any reason fail to hold such hearing, the Housing Expediter, upon notice of that fact given by such group, shall (unless he finds that the petition is not substantial in character) hold a public hearing in like manner on such matters. Such hearing shall be begun within thirty days after the giving of such notice by such group, and shall be completed within thirty days after it is begun. If the Housing Expediter finds that such petition is not substantial in character, such group may file a complaint with the Emergency Court of Appeals within thirty days after the date such finding is made. Thereupon, if it finds that the Housing Expediter's finding is not in accordance with law, the Emergency Court of Appeals shall have jurisdiction to enter, within thirty days after the date of filing of such complaint, an order directing the Housing Expediter to hold such hearing. If a hearing is held by either the board or the Housing Expediter, a recommendation by the board or decision by the Housing Expediter, as the case may be, on the merits of the matter shall be rendered within thirty days from the date of completion of such hearing, and the local board forthwith shall forward its recommendation to the Housing Expediter.'

"(e) The paragraph immediately following section 204 (e) (4) (E) of the Housing and Rent Act of 1947, as amended, is amended to read as follows:

"'Any representative group of interested parties or the local board may file a complaint concerning such recommendation with the Emergency Court of Appeals within thirty days after the date on which the Housing Expediter notifies the local board of his decision, or the date of the expiration of such thirty-day period, as the case may be. If the Housing Expediter holds the hearing, such group may file a complaint with the Emergency Court of Appeals within thirty days after the rendering of his decision, or within thirty days after the expiration of the time within which his decision should be made. A similar right of appeal shall be afforded in the event the Housing Expediter makes a decision as to a general adjustment or as to removal of maximum rents for any class of housing accommodations (other than for luxury housing accommodations under the second sentence of section 204 (c)) on his own initiative. The Clerk of the Emergency Court of Appeals shall notify the Housing Expediter in writing of the filing of any such complaint promptly after it has been so filed. Within fifteen days after the receipt of such notice by the Housing Expediter, the Housing Expediter shall file such recommendation or decision in the Emergency Court of Appeals, together with the record and statement of findings of the local board or of the Housing Expediter and such statement as the Housing Expediter may desire to make as to his views on the matter. The statement of the Housing Expediter may be accompanied by such supporting information as the Housing Expediter deems appropriate. Thereupon, the Emergency Court of Appeals shall have jurisdiction to enter, within sixty days after the date of its receipt of such recommendation or decision from the Housing Expediter (or within such additional period of not more than thirty days as the court may find necessary in exceptional cases), an order approving or disapproving the recommendation of the local board or decision of the Housing Expediter. The recommendation, record, and statement of findings of the local board or decision, record, and statement of findings of the Housing Expediter, as the case may be, together with the statement and supporting information filed by the Housing Expediter, shall constitute the record before the court. If the court determines that the recommendation or decision is not in accordance with law, or that the evidence in the record before the court, including such additional evidence as may be adduced before the court, is not of sufficient weight to justify such recommendation or decision, the court shall enter an order disapproving such recommendation or decision; otherwise it shall enter an order approving such recommendation or decision. The judgment and decree of the court shall be final. The powers heretofore granted by law to the Emergency Court of Appeals are hereby continued for purposes of exercise of the jurisdiction granted by this subsection. The court shall prescribe rules governing its procedure in such manner as to expedite the determination of cases of which it has jurisdiction, under this paragraph. The Housing Expediter, the local board, representative groups of interested parties, and representatives of the State or States involved, shall be granted, to the extent determined by the court, an opportunity to be heard, by pleadings or otherwise, with right to be represented by counsel.'

"(f) (1) The proviso contained in section 204 (e) (5) (A) of such Act, as amended, is amended by striking out 'provisions of section 209' and inserting in lieu thereof 'regulations and orders with respect to practices relating to the recovery of possession of housing accommodations issued under section 209'.

"(2) The first sentence of section 204 (e) (6) of such Act, as amended, is amended by inserting a period immediately after the word 'subsection' and by striking out the remainder of the sentence.

"(g) Section 204 (f) of such Act, as amended, is amended to read as follows:

"'(f) The provisions of this title shall cease to be in effect at the close of June 30, 1950, or upon the date of a proclamation by the President or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the further continuance of the authority granted by this title is not necessary because of the existence of an emergency, whichever date is the earlier; except that as to rights or liabilities incurred prior to such termination date, the provisions of this title and regulations, orders, and requirements thereunder shall be treated as still remaining in force for the purpose of sustaining any proper suit or action with respect to any such right or liability.'

"(h) Section 204 of such Act, as amended, is amended by adding at the end thereof the following new subsections:

"'(h) For controlled housing accommodations which were not included within the definition of "controlled housing accommodations" as such definition read prior to the effective date of the Housing and Rent Act of 1949, the maximum rent shall be the maximum rent last in effect for such housing accommodations under Federal rent control, plus or minus applicable adjustments; or, if no maximum rent was ever in effect for such housing accommodations, the maximum rent shall be the rent generally prevailing in the defense-rental area for comparable controlled housing accommodations within such area, plus or minus applicable adjustments: *Provided*, That in the case of those controlled housing accommodations in hotels which were not included within the definition of "controlled housing accommodations" as such definition read prior to the effective date of the Housing and Rent Act of 1949, the maximum rent shall be the rent in effect for such accommodations on March 1, 1949.

"'(i) (1) Whenever a local advisory board in any defense-rental area in which maximum rents were never regulated under the Emergency Price Control Act of 1942, as amended, after having determined, with respect to the area over which it has jurisdiction or any portion thereof, either that (A) a scarcity of rental housing has developed as a result of national defense activity, or (B) employment or other conditions have changed to such an extent as to make the supply of rental housing inadequate to meet the demand, or (C) rents have increased or are about to increase unreasonably, recommends that such action is necessary or appropriate in order to effectuate the purposes of this title, the Housing Expediter, if such recommendation is appropriately substantiated, shall by regulation or order establish such maximum rent or maximum rents for any housing accommodations (except those not included within the definition of "controlled housing accommodations") in such area or portion thereof as in his judgment will be fair and equitable. In establishing any maximum rent for any housing accommodations under this paragraph, the Housing Expediter shall give due consideration to the rents prevailing for such housing accommodations, or comparable housing accommodations, on such date as he deems appropriate, not earlier than the date of the enactment of the Housing and Rent Act of 1949, and he shall make adjustment for such relevant factors as he shall determine and deem to be of general applicability in respect of such accommodations, including increases or decreases in property taxes and other costs within such defense-rental area. For the purposes of this paragraph the term "defense-rental area" means any part of an area designated under the provisions of the Emergency Price Control Act of 1942, as amended, prior to March 1, 1947, as an area where defense activities have resulted or threaten to result in an increase in the rent for housing accommodations inconsistent with the purposes of such Act.

"'(2) Whenever a local advisory board in any defense-rental area in which housing accommodations were decontrolled by administrative action taken, prior to the date of the enactment of the Housing and Rent Act of 1949, under the Emergency Price Control Act of 1942, as amended, or under this title, after having determined with respect to the area over which it has jurisdiction, or any portion thereof, either that (A) a scarcity of rental housing has developed as a result of national defense activity, or (B) employment or other conditions have changed to such an extent as to make the supply of rental housing inadequate to meet the demand, or (C) rents have increased or are about to increase unreasonably, recommends that such action is necessary or appropriate in order to effectuate the purposes of this title, the Housing Expediter, if such recommendation is appropriately substantiated, shall by regulation or order reestablish maximum rents for any or all such housing accommodations in such area or portion thereof. For the purposes of this paragraph the term "defense-rental area" has the meaning assigned to such term in paragraph (1) of this subsection.

"'(3) Any local advisory board may recommend to the Housing Expediter that he exercise the authority granted to him by paragraph (4) of this subsection to reestablish maximum rents for any or all housing accommodations, within the defense-rental area over which such board has jurisdiction, which are decontrolled on or after the date of the enactment of the Housing and Rent Act of 1949, by administrative action taken under this title.

"'(4) The Housing Expediter, upon recommendation of a local advisory board or upon his own initiative, whenever in his judgment such action is necessary or proper in order to effectuate the purposes of this title, may by regulation or order reestablish maximum rents for any or all controlled housing accommodations, in any defense-rental area, which are decontrolled on or after the date of the enactment of the Housing and Rent Act of 1949, by administrative action taken under this title.

"'(5) In the case of housing accommodations for which a maximum rent is reestablished pursuant to paragraph (2) or (4) of this subsection, the maximum rent shall be the maximum rent last in effect for such housing accommodations under Federal rent control, plus or minus applicable adjustments; or, if no maximum rent was ever in effect for such housing accommodations, the maximum rent shall be the rent generally prevailing for comparable controlled housing accommodations within such area, plus or minus applicable adjustments.

"'(6) No maximum rents shall be established or reestablished under this subsection for any housing accommodations (A) in the case of which maximum rents have been heretofore or are hereafter removed as the result of approval by the Emergency Court of Appeals of a recommendation of a local advisory board or as the result of approval by such court of a decision of the Housing Expediter, or (B) in any State, city, town, village or locality in which rent controls under this title have been terminated pursuant to section 204 (j).

"'(j) (1) Whenever the governor of any State advises the Housing Expediter that the legislature of such State has adequately provided for the establishment and maintenance of maximum rents, or has specifically expressed its intent that State rent control shall be in lieu of Federal rent control, with respect to housing accommodations within defense-rental areas in such State and of the date on whch such State rent control will become effective, the Housing Expediter shall immediately make public announcement to the effect that he has been so advised. At the same time all rent controls under this Act, as amended, with respect to housing accommodations within such State shall be terminated as of the date on which State rent control is to become effective. As used in this subsection, the term "State" means any State, Territory, or possession of the United States.

"'(2) If any State by law declares that Federal rent control is no longer necessary in such State or any part thereof and notifies the Housing Expediter of that fact, the Housing Expediter shall immediately make public announcement to the effect that he has been so advised. At the same time all rent controls under this act, as amended, with respect to housing accommodations within such State or part thereof shall be terminated on the fifteenth day after receipt of such advice. As used in this subsection, the term "State" means any State, Territory, or possession of the United States.

"'(3) The Housing Expediter shall terminate the provisions of this title in any incorporated city, town or village upon receipt of a resolution of its governing body adopted for that purpose in accordance with applicable local law and based upon a finding by such governing body reached as the result of a public hearing held after 10 days' notice, that there no longer exists such a shortage in rental housing accommodations as to require rent control in such city, town or village: *Provided, however*, That such resolution is first approved by the Governor of the State before being transmitted to the Housing Expediter: *And provided further*, That where the major portion of a defense-rental area has been decontrolled pursuant to this paragraph (3), the Housing Expediter shall decontrol any unincorporated locality in the remainder of such area.'

"SEC. 204. (a) Section 205 of the Housing and Rent Act of 1947, as amended, is amended by striking out from the heading of such section the words 'BY TENANTS'; by inserting after the words 'receives such payment', in the first sentence, the following: '(or shall be liable to the United States as hereinafter provided)'; and by changing the period at the end of the second sentence to a colon and inserting: '*Provided*, That if the person from whom such payment is demanded, accepted, or received either fails to institute an action under this section within thirty days from the date of the occurrence of the violation or is not entitled for any reason to bring the action, the United States may institute such action within such one-year period. If such action is instituted, the person from whom such payment is demanded, accepted, or received shall thereafter be barred from bringing an action for the same violation or violations.'

"(b) The last sentence of section 205 of such Act, as amended, is amended by striking out 'plaintiff' and inserting in lieu thereof "person".

"SEC. 205. Section 206 of the Housing and Rent Act of 1947, as amended, is amended to read as follows:

"'SEC. 206. (a) It shall be unlawful for any person to demand, accept, or receive any rent for the use or occupancy of any controlled housing accommodations in excess of the maximum rent prescribed under section 204, or otherwise to do or omit to do any act, in violation of this Act, or of any regulation or order or requirement under this Act, or to offer, solicit, attempt, or agree to do any of the foregoing.

"'(b) Whenever in the judgment of the Housing Expediter any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of this Act, or any regulation or order issued thereunder, the United States may make application to any Federal, State, or Territorial court of competent jurisdiction for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, and upon a showing that such person has engaged or is about to engage in

any such acts or practices a permanent or temporary injunction, restraining order, or other order shall be granted without bond.

"'(c) Any proceeding brought in a Federal court under section 205 or under subsection (b) of this section may be brought in any district in which any part of any act or transaction constituting the violation occurred, or may be brought in the district in which the defendant resides or transacts business, and process in such case may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found. Any such court shall advance on the docket and expedite the disposition of any such proceeding brought before it. No costs shall be assessed against the Housing Expediter or the United States Government in any proceeding under this Act.

"'(d) No person shall be liable for damages or penalties in any Federal, State, or Territorial court, on any grounds for or in respect of anything done or omitted to be done in good faith pursuant to any provision of this Act or any regulation, order, or requirement thereunder notwithstanding that subsequently such provision, regulation, order or requirement may be modified, rescinded, or determined to be invalid. The United States may intervene in any such suit or action wherein a party relies for ground of relief or defense upon this Act or any regulation, order, or requirement thereunder.

"'(e) The principal office of the Housing Expediter shall be in the District of Columbia, but he or any duly authorized representative may exercise any or all of his powers in any place and attorneys appointed by the Housing Expediter may, under such authority as may be granted by the Attorney General, appear for and represent the United States in any case arising under this Act.

"'(f) (1) The Housing Expediter is authorized to make such studies and investigations, to conduct such hearings, and to obtain such information, as he deems necessary or proper to assist him in prescribing any regulation or order under this Act, or in the administration and enforcement of this act and regulations and orders prescribed thereunder.

"'(2) For the purpose of obtaining information under this subsection, the Housing Expediter is further authorized, by regulation or order, to require any person who rents or offers for rent or acts as broker or agent for the rental of any controlled housing accommodations (A) to furnish information under oath or affirmation or otherwise, (B) to make and keep records and other documents and to make reports, and (C) to permit the inspection and copying of records and other documents and the inspection of controlled housing accommodations.

"'(3) For the purpose of obtaining information under this subsection, the Housing Expediter may by subpena require any person to appear and testify or to appear and produce documents, or both, at any designated place. Any person subpenaed under this subsection shall have the right to make a record of his testimony and be represented by counsel, and shall be paid the same fees and mileage as are paid witnesses in the United States district courts. For the purposes of this subsection the Housing Expediter, or any officer or employee under his jurisdiction designated by him, may administer oaths and affirmations.

"'(4) The production of a person's documents at any place other than his place of business shall not be required under this subsection in any case in which, prior to the return date specified in the subpena issued with respect thereto, such person either has furnished the Housing Expediter with a copy of such documents (certified by such person under oath to be a true and correct copy), or has entered into a stipulation with the Housing Expediter as to the information contained in such documents.

"'(5) In case of contumacy by, or refusal to obey a subpena served upon, any person under this subsection, the United States district court for any district in which such person is found or resides or transacts business, upon application by the United States, and after notice to such person and hearing shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce documents, or both; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

"'(6) No person shall be excused from attending and testifying or producing documents or from complying with any other requirement under this subsection because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (49 U. S. C. 46), shall apply with respect to any individual who specifically claims such privilege.

"'(g) The Housing Expediter shall not publish or disclose any information obtained under this Act that such Housing Expediter deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information unless he determines that the withholding thereof is contrary to the public interest.

"'(h) It shall be unlawful for any person to remove or attempt to remove from any controlled housing accommodations the tenant or occupant thereof or to refuse to renew the lease or agreement for the use of such accommodations, because such tenant or occupant has taken, or proposes to take, action authorized or required by this Act or any regulation, order, or requirement thereunder.'

"SEC. 206. Section 209 of the Housing and Rent Act of 1947, as amended, is amended to read as follows:

"'SEC. 209. Whenever in the judgment of the Housing Expediter such action is necessary or proper in order to effectuate the purposes of this Act, he may, by regulation or order, regulate or prohibit speculative or manipulative practices or renting or leasing practices (including practices relating to recovery of the possession) in connection with any controlled housing accommodations, which in his judgment are equivalent to or are likely to result in rent increases inconsistent with the purposes of this Act.'

"TITLE III—MISCELLANEOUS

"SEC. 301. Nothing in this Act or in the Housing and Rent Act of 1947, as amended, shall be construed to require any person to offer any housing accommodations for rent.

"SEC. 302. Section 303 of the Housing and Rent Act of 1948 is hereby repealed.

"SEC. 303. If any provision of this Act or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of the Act, and the applicability of such provision to other persons or circumstances, shall not be affected thereby.

"SEC. 304. Section 603 (a) of the National Housing Act, as amended, is hereby amended by striking out 'March 31, 1949' in each place it appears therein and inserting in lieu thereof 'June 30, 1949'.

"SEC. 305. This Act shall become effective on the first day of the first calendar month following the month in which it is enacted."

And the Senate agree to the same.

BRENT SPENCE,
WRIGHT PATMAN,
MIKE MONRONEY,
HENRY O. TALLE,
Managers on the Part of the House.

BURNET R. MAYBANK,
JOHN SPARKMAN,
PAUL H. DOUGLAS,
RALPH E. FLANDERS,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1731) to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute amendment. The conferees have agreed to a substitute for both the House bill and the Senate amendment. Except for clarifying, clerical, and necessary conforming changes, the following statement explains the differences between the House bill and the substitute agreed to in conference.

VETERANS' PREFERENCE

Both the House bill and the Senate amendment rewrote section 4 of the Housing and Rent Act of 1947, relating to veterans' preference in the sale and renting of new housing accommodations, but the differences were not substantial.

In the Senate amendment, in paragraphs (3) and (4), provisions were added to insure that there shall be a veterans' preference period of seven days on a new offering at a lower price, and a proviso is included in each case that in no event shall the public offering period to veterans of World War II or their families total less than thirty days in any first or original sale or first or original renting, as the case may be. These provisions of the Senate amendment are included in the conference substitute.

There is also included in the conference substitute, in subsection (e), a provision taken from the Senate amendment providing that when the section ceases to be in effect, title I of the Housing and Rent Act of 1947 and regulations and orders issued thereunder shall nevertheless be treated as still remaining in force, as to offenses committed, or rights or liabilities incurred, prior to the termination date, for the purpose of sustaining any proper suit, action, or prosecution with respect to any such right, liability, or offense.

It is the understanding of the conferees that paragraphs (1) and (3) of section 4 of the Housing and Rent Act of 1947, as it will be amended by the conference substitute, are not applicable to any trade or exchange of housing accommodations made in good faith between owners.

TERMINATION OF RENT CONTROL

The House bill provided that rent control shall cease to be in effect at the close of June 30, 1950, or upon the date of a proclamation by the President or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the further continuance of the authority granted is not necessary because of the existence of an emergency.

The Senate amendment provided for termination at the close of June 30, 1950, but contained a proviso as follows: *"Provided, however,* That the provisions of section 204 (except subsection (a) and this subsection) hereof shall cease to be in effect on March 31, 1950, but during the period from March 31, 1950, to June 30, 1950, inclusive, no tenant in possession on March 31, 1950, shall be deprived of possession of the housing accommodations he occupies merely because of nonpayment of such portion of the rent therefor as exceeds the maximum rent which would be in effect for such housing accommodations if the provisions of section 204 were to remain in effect until the close of June 30, 1950, nor shall such tenant be liable for such portion of rent if he refuses to make payment therefor".

The termination provision in the conference substitute is the same as in the House bill, with minor clarifying changes.

LOCAL OPTION

The House bill contained the following provision:

"(j) If the legislature or comparable governing body of any State, municipality, county, or other political subdivision declares by resolution that Federal rent control is no longer needed in such State, municipality, county, or political subdivision, and transmits a certified copy of such resolution to the Housing Expediter, the provisions of this title shall be inapplicable to such State, municipality, county, or political subdivision fifteen days after such certified copy shall have been mailed by registered mail to the Housing Expediter."

The Senate amendment eliminated the provision quoted above, and inserted the following provisions which were not in the House bill:

"(j) (1) Whenever the governor of any State advises the Housing Expediter that the legislature of such State has adequately provided for the establishment and maintenance of maximum rents, or has specifically expressed its intent that State rent control shall be in lieu of Federal rent control, with respect to housing accommodations within defense-rental areas in such State and of the date on which such State rent control will become effective, the Housing Expediter shall immediately make public announcement to the effect that he has been so advised. At the same time all rent controls under this Act, as amended, with respect to housing accommodations within such State shall be terminated as of the date on which State rent control is to become effective. As used in this subsection, the term 'State' means any State, Territory, or possession of the United States.

"(2) If any State by law declares that Federal rent control is no longer necessary in such State or any part thereof and notifies the Housing Expediter of that fact, the Housing Expediter shall immediately make public announcement to the effect that he has been so advised. At the same time all rent controls under this Act, as amended, with respect to housing accommodations within such State or part thereof shall be terminated on the fifteenth day after receipt of such advice. As used in this subsection, the term 'State' means any State, Territory, or possession of the United States.

"(3) Upon petition of the governing body of any municipality, adopted after a public hearing of which ten days notice has been given to the public, and approved by the Governor of the State, the Housing Expediter shall within thirty days after approval by the Governor, decontrol said municipality."

Paragraphs (1) and (2) of the Senate provision above quoted are included in the conference substitute, and the following provision was agreed to as a substitute for the House provision and the Senate paragraph (3):

"(3) The Housing Expediter shall terminate the provisions of this title in any incorporated city, town or village upon receipt of a resolution of its governing body adopted for that purpose in accordance with applicable local law and based upon a finding by such governing body reached as the result of a public hearing held after 10 days' notice, that there no longer exists such a shortage in rental housing accommodations as to require rent control in such city, town or village: *Provided, however,* That such resolution is first approved by the Governor of the State before being transmitted to the Housing Expediter: *And provided further,* That where the major portion of a defense-rental area has been decontrolled pursuant to this paragraph (3), the Housing Expediter shall decontrol any unincorporated locality in the remainder of such area."

ADJUSTMENTS FOR HARDSHIPS AND OTHER INEQUITIES

The House bill contained a provision to require the Housing Expediter and the local boards, in making individual and general adjustments to remove hardships or to correct other inequities, to observe the principle of maintaining maximum rents, so far as practicable, at levels which would yield to landlords a reasonable return (but not in excess of a reasonable return) on the reasonable value of such housing accommodations. Under this provision it was required that in determining whether the maximum rent for controlled housing accommodations yielded a reasonable return on the reasonable value of such housing accommodations, due consideration should be given to the following, among other factors: (A) Increases in property taxes (B) unavoidable increases in operating and maintenance expenses; (C) major capital improvement of the housing accommodations as distinguished from ordinary repair, replacement, and maintenance; (D) increases or decreases in living space, services, furniture, furnishings, or equipment; and (E) substantial deterioration of the housing accommodations, other than ordinary wear and tear, or failure to perform ordinary repair, replacement, or maintenance.

The above House provision was not included in the Senate amendment, but the Senate amendment included a paragraph providing that effective October 1, 1949, the maximum rent then in effect for any controlled housing accommodations should be increased by 5 per centum of the maximum rent in effect on June 30, 1947 (or if no rent was in effect on that date, the rent first established after that date) and that, effective April 1, 1950, the maximum rent then in effect for any controlled housing accommodations should be increased by an additional 5 percent of the maximum rent in effect on June 30, 1947 (or if no rent was in effect on that date, the rent first established after that date). This provision was, however, subject to the limitation that in no event should any such maximum rent be increased thereby to an amount in excess of 115 per centum of the maximum rent in effect for the housing accommodations on June 30, 1947 (or if no rent was in effect on that date, the first rent established after that date), plus or minus applicable individual adjustments. The Senate provision is not included in the conference substitute.

The provision in the conference substitute is patterned on the language contained in the House bill. As did the House provision, it replaces the provision of the present law which provides that in the making of adjustments to remove hardships, due weight shall be given to the question as to whether or not the landlord is suffering a loss in the operation of the housing accommodations. This provision of existing law is objectionable because it seems to imply that a maximum rent for housing accommodations is sufficient if the landlord is merely breaking even in the operation of the housing accommodations. The conference substitute approaches the problem in a positive manner by requiring observance of the principle of maintaining maximum rents for controlled housing accommodations, so far as is practicable, at levels which will yield to landlords not merely a net operating income but a fair net operating income from such housing accommodations. The conference substitute provides that in determining whether the maximum rent for controlled housing accommodations yields a fair net operating income from such accommodations, the Housing Expediter and the local boards shall give due consideration, among other relevant factors, to the same factors that were specifically set forth in the House provision.

HOUSING ACCOMMODATIONS IN HOTELS

The House bill made no change in the existing law relating to the housing accommodations, in hotels, which are subject to rent controls under title II of the Housing and Rent Act of 1947. Under section 202 (c) (1) of the present law the housing accommodations, in hotels, which are not subject to such regulation are "those housing accommodations, in any establishment which is commonly known as a hotel in the community in which it is located, which are occupied by persons who are provided customary hotel service such as maid service, furnishing and laundering of linen, telephone and secretarial or desk service, use and upkeep of furniture and fixtures, and bellboy service".

The Senate amendment proposed to substitute for the present paragraph the following:

"(1) (A) Any housing accommodations in hotels in cities of less than two million five hundred thousand population according to the 1940 decennial census; or (B) any housing accommodations in hotels in cities of two million five hundred thousand population or more, which accommodations were, on October 31, 1948, used for transient occupancy; or".

The conference substitute makes no change in present law for housing accommodations in hotels in cities of less than 2,500,000 population. It provides, broadly speaking, for control of non-transient housing accommodations in non-transient hotels in cities of 2,500,000 population or more, and for the establishment of maximum rents for such accommodations at the March 1, 1949, level.

The text of the provision in the conference substitute is as follows:

"(1) (A) those housing accommodations, in any establishment which is located in a city of less than 2,500,000 population according to the 1940 decennial census and which is commonly known as a hotel in the community in which it is located, which are occupied by persons who are provided customary hotel services such as maid service, furnishing and laundering of linen, telephone and secretarial or desk service, use and upkeep of furniture and fixtures, and bellboy service; or

"(B) those housing accommodations in hotels in cities of 2,500,000 population or more according to the 1940 decennial census (i) which are located in hotels in which 75 per centum or more of the occupied housing accommodations on March 1, 1949, were used for transient occupancy, or (ii) which are not located in hotels described in (i) but which on March 1, 1949, were used for transient occupancy; for the purposes of this subparagraph (B)—

"(1) the term 'used for transient occupancy' means rented on a daily basis, to a tenant who had not on March 1, 1949, continuously resided in the hotel for ninety days or more; and

"(2) the term 'hotel' means any establishment which on June 30, 1947, was commonly known as a hotel in the community in which it is located and was occupied by an appreciable number of persons who were provided customary hotel services such as maid service, furnishing and laundering of linen, telephone and secretarial or desk service, use and upkeep of furniture and fixtures, and bellboy service; or".

LUXURY APARTMENTS

The Senate amendment proposed to remove certain housing accommodations from rent control by adding to section 202 (c) of the present law the following paragraph:

"(5) luxury housing accommodations, defined as any unfurnished apartment occupied by a single family rented for $290 per month or more as of the date of the enactment of the Housing and Rent Act of 1949,

or any lesser figure which the Housing Expediter may determine is representative of rentals for luxury accommodations in any defense rental area or portion thereof."

The House bill contained no such provision. In lieu of the Senate provision there has been included in the conference substitute a provision which authorizes and directs the Housing Expediter to decontrol luxury housing accommodations, in individual cases or by class, when in his judgment such action will result in the creation of additional rental units by conversion.

RENT STANDARDS IN THE CASE OF CERTAIN HOUSING ACCOMMODATIONS

Both the House bill and Senate amendment contained a provision specifying what the maximum rent shall be in the case of those housing accommodations which will be brought under control by reason of the changes which are being made in the definition of "controlled housing accommodations". The provisions are the same except that the Senate provision contained a proviso that in the case of those controlled housing accommodations in hotels which are thus brought under control the maximum rent shall be the rent in effect for such accommodations on October 31, 1948. The Senate proviso is included in the conference substitute, with a change in the date to March 1, 1949.

RIGHT OF REPRESENTATIVE GROUPS TO BE HEARD

The Senate amendment contained certain provisions making changes in section 204 (e) of the Housing and Rent Act of 1947, as amended, designed to give representative groups of tenants and landlords a right to be heard on matters of general adjustments, decontrol, and recontrol, and to appeal to the Emergency Court of Appeals from decisions by the Housing Expediter on such matters. The conference substitute incorporates certain of these provisions, with modifications, as explained below.

Each local board is required, upon petition by a representative group of tenants or landlords, if it finds the petition is substantial in character, to begin a public hearing on matters of general adjustments or decontrol, within thirty days after the petition is filed. The board is required to complete the hearing within thirty days after it is begun, and to make and forward to the Housing Expediter a recommendation on the merits of the matter within thirty days after the hearing is completed.

If the board fails to hold the hearing and the representative group notifies the Housing Expediter, the Housing Expediter is required to hold the hearing and render a decision within the same time limits unless he finds the petition is not substantial in character. If the Housing Expediter makes such a finding, the group may appeal to the Emergency Court of Appeals which may order the Housing Expediter to hold the hearing if it decides his finding is not in accordance with law.

Existing law provides that if the Housing Expediter fails to approve a local board recommmendation as to a general adjustment or decontrol within thirty days after he receives it, he must file the recommendation and the record and statement of findings of the local board with the Emergency Court of Appeals, even though the local board may not desire review by the court. The House bill changed this provision to require review in such a case only on appeal by the local board. The conference substitute provides for review in such a case on an appeal by the local board or by any representative group of interested parties. Such a group is also given the right to be heard on an appeal by a local board, and to take a similar appeal on decisions made by the Housing Expediter in response to the petition procedure described above and on decisions made by the Housing Expediter on his own initiative as to general adjustments and as to decontrol of classes of housing accommodations (other than decontrol of luxury accommodations for the purpose of making available additional housing accommodations).

RECONTROL

The House bill

The House bill contained a provision authorizing the Housing Expediter, on his own initiative, whenever he deemed such action necessary or proper to carry out the purposes of title II, to establish maximum rents for any or all controlled housing accommodations in any defense-rental area (that is, any area in which rents have been regulated under the Housing and Rent Act of 1947), notwithstanding any administrative decontrol action taken since June 30, 1947; except that he could not establish maximum rents for any housing accommodations decontrolled as the result of approval by the Emergency Court of Appeals of a recommendation of a local board. In case of such recontrol, it was provided that the maximum rent fixed should be the maximum rent last in effect for the housing accommodations under Federal rent control, plus or minus applicable adjustments; or, if no maximum rent was ever in effect for the housing accommodations, the maximum rent should be the rent generally prevailing in the defense-rental area for comparable controlled housing accommodations within the area, plus or minus applicable adjustments.

The Senate amendment

The Senate amendment contained no provision authorizing the Housing Expediter to recontrol on his own initiative, but did contain a provision for the establishment or reestablishment by the Housing Expediter, upon local board recommendation, of maximum rents not only in areas where rent control has been applicable under the Housing and Rent Act of 1947, but also in any other area in the United States. Under this provision the local board had to make specified findings before making the recommendation to the Housing Expediter, and the Housing Expediter was authorized and directed to carry out the recommendation only if it was approved in accordance with the provisions of section 204 (e) of the Act as it was proposed to be amended by other provisions of the Senate amendment. Stated briefly, the changes in section 204 (e) would have granted a local board authority to recommend recontrol, would have authorized any representative group of landlords or tenants to petition the local board to hold a hearing on the subject of recontrol, would have provided that if the board failed or refused to hold the hearing it would have to be held by the Housing Expediter, would have provided a time within which (after such a hearing) the local board had to make a recommendation on the matter, and, if the hearing was held by the Housing Expediter, a time within which he had to make a decision on the matter. The changes in section 204 (e) would have provided also that the Housing Expediter's decision on a recontrol recommendation by a local board which was appropriately substantiated and based on an appropriate hearing (and whether the local board held its hearing on its own initiative or on petition) would have been subject to review by the Emergency Court of Appeals. The Senate provision contained a provision that there could be no recontrol where decontrol had been effected by reason of approval by the Emergency Court of Appeals of a recommendation of a local board or of a decision of the Housing Expediter. Under the Senate provision it was provided that in establishing or reestablishing maximum rents for any housing accommodations the Housing Expediter should ascertain and give due consideration to the rents prevailing for such accommodations, or comparable accommodations, on or about such date as World War II defense activities shall have resulted or threatened to result in increases in rents for housing accommodations in such area inconsistent with the purposes of the Housing and Rent Act of 1947, and he was directed to make adjustments for such relevant factors as he might determine to be of general applicability in respect of such accommodations, including increases or decreases in property taxes and other costs within the defense-rental area.

The conference substitute

The recontrol provision in the conference substitute (the proposed subsection (i) of section 204) is a compromise between the Senate and House provisions.

Under it, the Housing Expediter may recontrol housing accommodations on his own initiative only in the case of housing accommodations which are decontrolled on or after the date of the enactment of the Housing and Rent Act of 1949 by administrative action taken under title II. The standard for fixing the amount of the maximum rents in such a case will be the same as that contained in the House provision.

A local board may recommend that the Housing Expediter exercise the recontrol authority granted to him under the provision referred to in the above paragraph, but there would be no Emergency Court review of the Housing Expediter's action, or failure to act, on such recommendation.

The new subsection (i) contains a paragraph, based on the Senate provision, under which maximum rents may be established by the Housing Expediter, upon recommendation of a local board, in areas which have never been under rent control under the 1947 Act and in which rents were never regulated under the Emergency Price Control Act of 1942. The local board is required to make one or more of certain specified findings before making a recommendation. The standard for fixing the amount of the maximum rents is that the Housing Expediter shall give due consideration to the rents prevailing for the housing accommodations, or comparable housing accommodations, on such date as he deems appropriate, not earlier than the date of the enactment of the Housing and Rent Act of 1949, and he is directed to make adjustment for the same factors specified in the Senate amendment. No provision is made for Emergency Court review of the Housing Expediter's action, or failure to act, on such a recommendation, and in the conference substitute the proposed Senate amendments to section 204 (e) have been modified accordingly. Appropriate amendments have been made to make it clear that the Housing Expediter may create local boards for such areas.

The new subsection (i) also contains a paragraph, based on the Senate amendment, under which maximum rents may be reestablished by the Housing Expediter, upon recommendation of a local board, in the case of housing accommodations which were decontrolled by administrative action taken, prior to the date of the enactment of the Housing and Rent Act of 1949, under the Emergency Price Control Act of 1942 or under title II of the Housing and Rent Act of 1947. The local board is required to make one or more of certain specified findings before making a recommendation. The standard for fixing the amount of the maximum rents is that contained in the House bill. No provision is made for Emergency Court review of the Housing Expediter's action, or failure to act, on such a recommendation, and in the conference substitute, as explained above, the proposed Senate amendments to section 204 (e) have been modified accordingly.

The new subsection (i) contains a provision, applicable to all of the recontrol authority contained therein, providing that it may not be exercised to establish or reestablish maximum rents for any housing

accommodations (A) in the case of which maximum rents have been heretofore or are hereafter removed as the result of approval by the Emergency Court of Appeals of a recommendation of a local advisory board or decision of the Housing Expediter, or (B) in any State, city, town, village, or locality in which rent controls have been terminated pursuant to section 204 (j).

RECORDS AND OTHER DATA RELATING TO MAXIMUM RENTS

Both the House bill and the Senate amendment modified the existing provision relating to the transfer to local authorities of records and other data upon the termination of Federal rent control. The provisions were identical except that the Senate amendment made a clarifying change, to relate the provision to areas or portions of areas, which is included in the conference substitute.

EVICTIONS

The conference substitute contains the same provision contained in the House bill and the Senate amendment, rewriting section 209 of the present law so as to authorize the Housing Expediter, by regulation or order, to regulate or prohibit speculative or manipulative practices or renting or leasing practices (including practices relating to recovery of possession) in connection with controlled housing accommodations, which in his judgment are equivalent to or are likely to result in rent increases inconsistent with the purposes of the Act. It is the understanding of the conferees that nothing in the eviction section shall be construed to authorize the Housing Expediter to prohibit or delay recovery of possession by a landlord of housing accommodations on farm property which are to be used as living or dwelling accommodations for tenant farmers.

DEFINITION OF "RENT"

The Senate amendment redefined the term "rent" in section 202 (e) of the present law, so as to make the definition similar to, but not exactly the same as, the definition of such term contained in the regulations of the Housing Expediter. This provision from the Senate amendment is included in the conference substitute with slight changes to make it conform precisely with the definition contained in the regulations of the Housing Expediter. It is believed that this modification of the present definition makes no substantive change.

SECTION 608 OF THE NATIONAL HOUSING ACT

Section 304 of the Senate amendment amended section 603 (a) of the National Housing Act by striking out "March 31, 1949" and inserting in lieu thereof "May 30, 1949". This amendment would have had the effect of extending the provisions of section 608 of the National Housing Act until May 30, 1949. This Senate provision is contained in the conference substitute except that as so contained it strikes out "March 31, 1949" and inserts "June 30, 1949".

BRENT SPENCE,
WRIGHT PATMAN,
MIKE MONRONEY,
HENRY O. TALLE,
Managers on the Part of the House.

Mr. SPENCE. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, we are all familiar with the report, and you have heard the statement of the messages read. The other body has acted first and has just passed it by a vote of 78 to 11. I think the report that the conferees brought back is better than the House bill and the Senate bill. Those who are apprehensive about decontrol certainly can have no fear, so far as the report that we have brought back is concerned. Decontrol is at State level. The local legislative bodies can decontrol the areas with the consent of the governor. The legislature can decontrol, and the governor can decontrol if he certifies the State has adequate laws in effect to meet the housing situation. The local advisory board can advise the Expediter to decontrol, and he can decontrol either on their advice or on his own initiative.

So, certainly, there is no reason to apprehend that controls will continue after the reason for their application has ceased.

With regard to the landlords and the rights of the tenants, we have provided that the landlord shall obtain a fair operating net income. That means that after he has paid all the necessary expenses of upkeep and operation of the housing accommodation, after he has paid taxes, insurance, repairs, and other charges, after an allowance has been made to him for depreciation, he shall have a fair net income. Certainly that is a provision that will insure the landlord fairer treatment than he has received under the other acts, and will assure him, under all circumstances, of a return?

The law previously enacted provided that if he could show that he was operating at a loss he might obtain relief. I think this gives to him about the same rights that he had under the provision authorizing the correction of hardships. This report is a fair report for both tenant and property owner. I think it meets almost all the objections that were raised with regard to the legislation in the House.

In addition to that, section 608 of the National Housing Act will expire on the 31st of this month. That is the rental-housing provision. Under that provision most of our rental housing has been built. I think it would have been very inadvisable to allow that provision to expire. It is incorporated in the conference report, and if you agree to the conference report today, those provisions will continue until June 30 of this year. In the meantime we expect to consider the housing bill, and will place it in the housing bill, as it is a very much needed piece of legislation.

Transient hotels have been decontrolled, except hotels in Chicago and New York where, if 25 percent or more of the occupants are permanent residents, they are still under control.

The SPEAKER. The time of the gentleman from Kentucky [Mr. SPENCE] has expired.

Mr. SPENCE. Mr. Speaker, I yield myself five additional minutes.

In approaching these matters we have to approach them from a national standpoint. I know there are great sections of the country that do not need any rent control; and they now have the machinery to get from under rent control, if they do not want it, because the decontrol has been made a local matter. But there are areas of this country where rent control is a vital thing to the welfare of the people. Those areas include the great cities of the East. They are asking for it. I know a great deal of the opposition to this bill has come from the rural areas, but I want to call attention to this fact, that we have been dependent in agriculture on price support, and we have asked the people of the great cities to help us. They have never failed. I am greatly interested in that, because the great cash crop of the farmers I represent is tobacco, and it has been essential to them that they have a support price. It has been necessary for the cotton farmer to have a support price. Our colleagues from the North and the East helped the farmers when they were in trouble; now the North and East come and ask to be helped themselves to give their people an opportunity for housing accommodations. I hope you will not fail them, for they have not failed you. I hope you will not consider this matter in the provincial manner, or think only of the interest of your own people. We are here to legislate for the national interest, and we must consider the interests of all the people of our common country. I hope you will vote to agree to the conference report. I am confident that its administration will be very much improved. After all, this is but emergency legislation to continue but 15 months.

The Senate agreed to the House provision that the act be continued for 15 months or until a year from next June.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. CANFIELD. Is it not true that the local option feature of this bill is obnoxious to the President of the United States?

Mr. SPENCE. I have never heard that. He has never said it was obnoxious to him, as far as I know.

Mr. CANFIELD. Did he not criticize it bitterly in a speech not so many days ago before the mayors conference?

Mr. SPENCE. I do not know anything about that; anyhow, that is injecting politics where it has no place. We ought to consider these things on their merits.

You have what you asked for, local self-control. You have asked to put it on the State level; now we have got it there, and those who believe in States' rights will have no reason to vote against this bill because of that fact.

The President wants a bill that can be enforced. He knows what would happen if there were no rent control at this time. I know he sincerely has at heart the best interest of all the people of the United States. He may have some preferences, but I can assure you he wants this bill enacted into law, because he thinks it will benefit all of the people. I am confident that it will be so administered, that it will give relief to thousands and thousands of people who otherwise would be the subject of imposition. At the same time it will give relief to some landlords who have not had an adequate income on their property.

Mr. CHRISTOPHER. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. CHRISTOPHER. The gentleman from Kentucky referred to those Members who represent agricultural sections of the United States. For the benefit of the House, and for the benefit of the gentleman from Kentucky, let me say that I represent thousands of farmers in Missouri. Let me say further that there

is no more sincere, no more just, no more God-fearing people in the United States than the American farmers. They do not object to rent control. I voted for the bill when it passed the House, and I shall vote for it again today; in doing so I am representing my farmers.

Mr. SPENCE. The gentleman need not sing the virtues of the farmer to me, because about half of my constituents are farmers. I have a very deep affection for them just as the gentleman does; and I assure him my affection and deep regard for them will continue.

Mr. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. CHURCH. I am glad to hear the gentleman state that depreciation is taken into consideration. However, on page 5 of the report the word "depreciation" does not appear following the words "amongst other relevant factors." Is it the gentleman's idea that that is a sufficient statement of intention that depreciation be taken into consideration among other relevant factors.

Mr. SPENCE. I do not see how one could have a net income unless it included all of the costs and depreciation of property; otherwise it would not be net. Net income means the gross income after all expenditures have been made; and I think it would include depreciation before he could have a net income.

Mr. CHURCH. Would the gentleman answer this question then, How is the value of the property to be determined for purposes of a depreciation allowance?

Mr. SPENCE. I cannot spell that out for the gentleman because that is not in the act and I do not know how the value of the property is to be determined.

Mr. CHURCH. Even though the report does not recite the word "depreciation" as one of the things to be taken into consideration, and where it states due consideration shall be given to the following, among other relevant factors: (A) Increases of property taxes; and those other items—the gentleman feels that depreciation must be considered?

Mr. SPENCE. That would be my interpretation of it as it is a relevant factor.

Mr. CHURCH. That is what I want.

Mr. SPENCE. One cannot have a net income unless all the elements of expense and depreciation are taken into consideration.

The SPEAKER. The time of the gentleman from Kentucky has expired.

Mr. SPENCE. Mr. Speaker, I yield myself one additional minute.

Mr. POULSON. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from California.

Mr. POULSON. I understood the gentleman to say that the Administrator had the same powers before in the case of hardship to grant an increase and that the powers given in this bill are not additional powers, is that correct?

Mr. SPENCE. There are additional powers. I think they are more general, and I believe the intent of the Congress is more explicitly and more definitely shown.

Mr. BROOKS. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Louisiana.

Mr. BROOKS. Can the gentleman tell us why the word "reasonable" was stricken out and the word "fair" placed there in lieu of it? Is there any difference in the meaning?

Mr. SPENCE. Because we could not agree in conference. A conference results in concessions and we had to get out a bill. This is the only thing we could get out.

Mr. BROOKS. What is the difference in the meaning of the two words?

Mr. SPENCE. "Fair" in the conference report is used in a different sense than the word "reasonable" in the House amendment. "Reasonable return on reasonable value" means something different than "fair net operating income."

Mr. BROOKS. The gentleman thinks "reasonable" is a better word?

Mr. SPENCE. I think "reasonable" and "fair" in the ordinary sense mean very much the same, and I think probably they could be used interchangeably in the report without great change of intent.

Mr. KEOGH. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from New York.

Mr. KEOGH. I notice that the conferees have agreed upon an extension of section 608, the rental-housing section. I am sure that will meet with the approval of all who are interested in that type of housing development.

I wonder if the gentleman will tell us whether his committee has considered making that authority of the Federal Housing Administration permanent?

Mr. SPENCE. Well, I could not tell the gentleman what we are going to do. We are certainly going to consider continuation of that when the housing bill comes before the committee. It was essential to continue it now, otherwise it would expire on the 31st of this month.

The SPEAKER. The time of the gentleman from Kentucky has again expired.

Mr. SPENCE. Mr. Speaker, I yield 10 minutes to the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Speaker, it was not my good fortune to sit through the entire conference. I have tried with unusual diligence to find out from a reading of the report what was agreed upon, but the more I read the report, the more I study it, the more confused I become. If we take into consideration the debates in the Senate and the debates in the House and try to arrive at an intent in respect to many of the provisions, we find ourselves in a complete maze of contradictory statements, and confused and incongruous policies, from which no one can determine what we really want to do in respect to the continuance of rent control.

I believe that my very estimable chairman the gentleman from Kentucky [Mr. SPENCE], threw a great deal of light on one particular provision. It will be recalled that when the so-called Brown amendment was before the House it was explained that its purpose was to give to landlords a reasonable return on fair value. Now we find some language in the conference report which is subject to interpretation, and the way it appears now is that the Expediter, if he finds it practicable, shall set the rent in such a manner as to yield the landlords a fair net operating income. Now there is a great deal of difference, of course, between the rent which will result in a fair net operating income and one which will be a reasonable return on fair value.

I wondered what the difference was and I wondered what they were getting at, so I referred to the committee report of the Committee on Banking and Currency in the other body, accompanying the bill, and I find this language which throws some light on the case.

> It is, therefore, important to keep in mind the three terms: "Gross income," which is the amount of rent paid by the tenant; "net operating income," which is gross income minus operating expenses; and, "net income" which is net operating income minus interest and depreciation.

I am very glad that the gentleman from Kentucky has assured the House that net operating income is arrived at after taking into consideration depreciation, because that clears up the inconsistency which might otherwise appear between the language in the Senate report and the language which appears in the conference report. Now, because the interpretation which has been placed upon it by the gentleman from Kentucky comes last, I think we should warn the courts, in the interpretation of this language, that it is to be interpreted in the manner stated by the gentleman from Kentucky and not in the manner stated in the Senate report.

Now, there is a precedent established in this bill which I do not think we should adopt. It is true that the legislatures of many of the States, like New York, Michigan, and Illinois, which have a large city, frequently provide in legislation that it shall apply or shall not apply to cities having a population of over 500,000 or a million, as the case might be; to include only, or to eliminate the large cities.

The Legislature of Michigan occasionally passes legislation which, because of that language, applies only to the city of Detroit. Now for the first time that I can find in the history of the Congress of the United States, we pass general legislation which eliminates, through the application of population standards, two of the cities of the United States, namely, New York and Chicago. We provide that in New York and Chicago—we might as well have mentioned them as to have used the figure 2,500,000—we restore rent control on all hotel units which are not strictly transient units. As I understand it, we restore controls on all hotels which have 75 percent of their accommodations on a transient basis, but it is left to interpretation, very broad interpretation, as to what constitutes a transient hotel.

Of course this eliminates all of the units which might be in Pittsburgh and San Francisco and Dallas and all the other cities. We do not apply the same standards to other large cities as we apply to the cities of Chicago and New York. Everything else is decontrolled.

Mr. Speaker, that was a sop to certain conditions that exist. All through the hearings we were confronted with it.

Finally they came up with what they considered to be a novel idea, which has been used by State legislatures for years but never has been used by the Congress before, to discriminate against the entire country because of peculiar situations that might exist in two of our States. Of course, the sensible thing to do under the Williams amendment would be to apply these controls generally throughout the United States and then let the city of New York and the city of Chicago determine each for itself whether it should or should not remain under rent control, the same policies, the same principles, the same standards which are applied to every other American city.

I wonder if we want to establish this very dangerous precedent of legislating in this particular way.

Under the so-called Williams amendment, many of the advantages which would be given to the localities have been adjusted in such a manner as to present very grave doubts as to whether they will ever be used or not.

When the bill was before the House there was a motion made to recommit the bill with instructions to bring it back and continue rent control as is for only 90 days. I honestly believe that were it not for the Williams amendment, which has been emasculated, and for the Brown amendment, which has been virtually destroyed, the 90-day provision would have prevailed. The sensible thing to do now in the light of the changes which have taken place in our economy ever since the day we passed this bill, and because of these changes which have been made by the conference is to vote down this conference report and give this House an opportunity to make such amendments as may be necessary to make it a workable bill or, preferably, to continue rent control as is for 90 days in order that we may take another look at our economy in the light of whatever changes shall take place.

Mr. SPENCE. Mr. Speaker, I yield 8 minutes to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Speaker, I am sorry I cannot support the conference report. I am against any rent-control bill which does not give a reasonable return on the reasonable value of one's property. That is not asking too much. When the Government undertakes to control my property, and then does not give me a reasonable return on the reasonable value of my property, that is wrong.

The only segment of our people today who are being controlled are those who own homes to rent. No one else is controlled. It is wrong to say to these people under a law which Congress has written that we will not give them any profit, but will only see to it that they might get enough to pay their operating expenses.

When the people of this country, who have invested in homes for rent cannot receive any return for the investment they have made, they have a right to complain. We all know it is wrong not to allow them some form of a just return.

Many people, especially widows, have invested all their savings and small amounts left to them by their husbands in a small home or homes to rent in order to obtain enough income to live on.

The House, by a vote of 311 to 47 a few days ago, said that unless we have the fair return yardstick in this bill it should not become law. The conferees' amendment to the so-called Brown amendment practically destroys, as I see it, the meaning of the entire amendment. This is my opinion. Some of my good friends on the conference committee may not agree with me. I appreciate the fact the House conferees stood by the reasonable return amendment through Friday and Saturday and until Monday morning, but in my opinion the conference committee's amendment to my amendment in the words "fair net operating income" does not mean anything more than has been in the law for the past years. It certainly does not take into consideration any value of the property. The effect, as I see it, destroys the purpose of the so-call Brown amendment. For that reason I could not go along with the conferees.

Whoever heard of a man or woman who rents a house being referred to as the operator of a house? The hotel owner might operate a hotel, but in the case of a small home owner, the word is a misfit.

I did not understand the meaning, when these words were agreed upon in conference. I asked the members of the conference to write the meaning of the words "fair net operating income" in the report. They agreed to do it. Then the legislative counsel of the House said, "Mr. BROWN, we do not know what it means, and we cannot write the meaning."

Mr. Speaker, I have devoted a lot of time and have done a lot of work trying to get a good bill that would be just to both the landlords and tenants.

What better proof could I offer of the soundness of my contention relative to the so-called Brown amendment as amended by the conferees than to quote what the distinguished Senator from Alabama [Mr. SPARKMAN] stated to newspaper reporters, as given in this morning's Washington Post, as follows:

> The new formula amounted to practically what the Housing Expediter is doing now with respect to the hardship provisions under the present law.

That is saying in a few words we have cut everything out of the Brown amendment. More than that, the 10-percent increase across the board in the Senate bill was eliminated, so there is nothing now to correct the inequities except what is in existing law.

If you people are satisfied to continue rent control without any profit guaranteed or allowed, then this conference report should be satisfactory to you. There is no profit or return beyond operating expenses guaranteed under the present law. While the law is in operation, these people who have their investment in rental properties are entitled to some kind of a profit. Many of them are dependent on it for a livelihood. It is not fair. If we continue this kind of legislation, what are we coming to?

I led the fight for a reasonable return but not more than a reasonable return. The administration leaders at one time were against my amendment. They finally came to the conclusion that my amendment was just and proper and supported the amendment in this form a few days ago when we had the bill up for consideration. The attorney for the Expediter finally said it was legal and could be carried out. The sentiment that was expressed on the floor 2 or 3 weeks ago is the view of 311 men who stood up and voted for it against 47 who dissented.

Now, Mr. Speaker, in extending rent control let us have something workable, something that will guarantee some kind of return to the people who own these properties. No tenant could object to this and no selfish landlord could take advantage of a tenant under this formula.

The SPEAKER. The time of the gentleman from Georgia [Mr. BROWN] has expired.

Mr. SPENCE. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. BROWN of Georgia. On the first day when we went into executive session to report the bill out, I offered the so-called reasonable return amendment. This was on February 28, and on March 4 or 5 the bill was voted out and my amendment lost by one vote. During all this time between February 28 and March 5 I stuck to my views, but there are some people and classes of people who would like to destroy you when your views conflict with theirs and who fail to give you credit for being honest.

The CIO Political Action Committee, who I understand strenuously opposed my amendment, called my office on March 1 and asked if I had any opposition last year. My secretary replied that I had never had any opposition from the time I was first elected in 1933 when I obtained 87 percent of all the votes in 16 of the 17 counties of the district and there were nine in the race.

That did not appeal to me. I took it as a veiled threat to deter me from what I thought was right. Then in the March 14 issue of the CIO News, on page eight, under the heading "Against control, Reds," this paper stated "the 'fair return' amendment, sponsored by Representative PAUL BROWN, Democrat of Georgia, sailed through easily. Rejected in committee, the southerner's proposal was his contribution to his fight against rent control and against 'communism'."

This same paper on March 21 again criticized and took another dig at me.

Then Drew Pearson, who delights in trying to destroy everyone who differs with him, said over the radio Sunday night that I had admitted I was representing the Metropolitan Fair Rent Committee of New York. This is untrue and he knew it was untrue when he made the statement. One William E. Russell, chairman of this committee, testified before our committee. I believe everyone on the committee was impressed with his honesty and sincerity. He stated he was in favor of continuing rent control. I referred to this on March 10 in a speech I made on the rent-control bill in the

House and read a letter that was dated March 9, which I received on the morning of the tenth, the day I made my remarks on the floor of the House. This letter was signed by one H. B. Brill, executive secretary. This letter in part said:

I want to take this opportunity to express our deep and everlasting gratitude to you for your recognition of the fact that a provision for a reasonable return on a fair value is the only prescription that can lead to a cure of one of the major inequities in the rent law.

I never communicated or talked with Mr. Brill or anybody connected with the Metropolitan Fair Rent Committee in my life. My amendment was introduced on February 28 in the committee, and the letter referred to was dated March 9. Drew Pearson's attempt to create the impression I was representing the views of anyone in New York, without any foundation of fact, is typical of this man who would destroy anyone to carry his point.

It is most unfair for a Member of Congress who is honest and diligent in giving his views on public questions to be maligned in such a fashion.

The tactics which I have just related will not frighten me nor will they deter me now or ever from doing what I think is right. I believed my amendment was right and I still believe it is right.

I have heard Drew Pearson vilify men in Congress who were not present and missed many roll calls. I have heard him vilify men who had some member of their family, who could do good work in the office, on the pay roll, but I have never heard him praise anybody for never missing a roll call or committee meeting, or for not having any relative on the pay roll.

A man who is always looking for something bad and nothing good in his fellow man is a dangerous citizen to any community or to his country.

When I believe I am right no man or class of men can deter me from this course by fear of threats.

The SPEAKER. The time of the gentleman from Georgia has expired.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. COLE].

Mr. COLE of Kansas. Mr. Speaker, last summer the President of the United States called a special session of Congress that we might consider the problem of price control. During that special session 100 speeches and articles appeared in the CONGRESSIONAL RECORD about price control. Since the Eighty-first Congress has convened I have watched rather carefully but have not found a single speech or a single suggestion on the part of any of the Members on either side of the House asking for price control.

The gentleman from Michigan [Mr. WOLCOTT], in debating this bill on the floor of the House the other day said that we should continue it for only 90 days in order that we might determine the economic situation in the country before we took further action. It seems that he is rather a prophet, because the Senate Committee on Banking and Currency in reporting this bill said:

Large sections of our population among the low- and fixed-income groups would suffer in the event we did not have rent control.

Already we are concerned about the increase of unemployment and the decrease in savings, in the increased growth of installment buying and small loans, in the decline and leveling off of purchasing and even industrial production. So we find advanced now a new basis for the retention of rent control. That basis as announced by the Senate Committee on Banking and Currency is that because we are entering into an era of low production we are now facing the possibility of a shortage of reasonable houses at a reasonable price. So we are entering the road which leads to permanent rent control if we agree with the conference committee.

Mr. Speaker, I suggest that we vote down this conference report. A vote "No" means that we shall have an opportunity to amend the bill to make it more satisfactory. That we return it to the conference committee with the suggestions of the House, including therein the amendment offered by the gentleman from Georgia [Mr. BROWN] and including the Williams amendment which I think has been emasculated in this report. The Williams amendment provided, as you will recall, for local option; but this conference report emasculates the local option provision by requiring that the Governor of the State approve decontrol before a particular area can be decontrolled. I think it will place upon the Governor of each of our States too much pressure and that it will do away with any possibility of local option.

The gentleman from Massachusetts talked about the fact that this is an urban problem and not a rural problem. We from the rural areas believe that it is now time we should have decontrol and we say to the people from the large cities such as Chicago, New York, and the other great cities that if you desire rent control you may have it. We should provide for that in the local-option feature. But we also say, "Do not force upon us in our community a law which penalizes the tenant as well as the landlord."

The tenants are penalized in this bill, the tenants will be penalized; they will be penalized by a shortage of houses as they are penalized today. There are 2,000,000 less rental units in the country today than there were when rent control began. Some tenants have been living in larger apartments because they can afford to pay for them, being subsidized by the landlord. Other tenants are thus penalized, because they cannot find a place to live, or must pay exorbitant rents, or buy a high-priced house. The law defeats its avowed purpose, for it freezes housing and prolongs the shortages.

So, Mr. Speaker, I ask that the House vote down the conference report and return it to the conferees in the form such as the House is willing to accept it.

The SPEAKER. The time of the gentleman has expired.

Mr. SPENCE. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Speaker, I am speaking this afternoon for the adoption of the conference report to extend rent control. We men in the Republican Party from the industrial areas know that rent control is necessary in the big cities. We know it is necessary both from the point of view of the real-estate owner and the tenant that it should be extended on a fair basis to each, for more than a 90-day period. This short period would cause confusion and would result in the necessity of many more leases being signed. It would be a settlement of the tenant-landlord relations for just that period of time.

We also know that unless there is good adequate rent control in the cities there is a great probability of street demonstrations against unwarranted rental increases, and not without justification. There are simply not the housing accommodations, however much we might wish otherwise. Thus a rent control extension bill is necessary at this time.

In order that the cities may have the chance to have rent control, I feel there should be local option which permits strict rent control where the people want and need it. That permits the people from the farm areas and the places where there is not the pressure of population likewise to determine what they want to do. To me that is a good Republican principle, returning this to the States, and with full responsibility and control in the local communities, under the consent of the governor of the State.

I therefore believe the conference report should be adopted.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. SPENCE. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. JAVITS]

Mr. JAVITS. Mr. Speaker, I consider this conference report as being at least a resolution of the conflicting claims on rent control. There is much in it we could all disagree about, and it leaves much to be desired for firm rent control; however, our problem is to get the job done now when it needs to be done and before Federal rent control expires within only 2 days. I shall therefore support the conference report.

I am glad to see that the report retains the provision of the House bill inserted by an amendment I proposed conditioning landlords' hardship or inequity increases on their giving maintenance and decoration services to tenants, customary for the premises before rent control. The tenants will not have to go through the difficulties of complaining to the Office of the Housing Expediter.

Mr. SPENCE. Mr. Speaker, I yield 8 minutes to the gentleman from Texas [Mr. PATMAN].

RENT-CONTROL BILL

Mr. PATMAN. Mr. Speaker, this bill is much better than either the bill that passed the Senate or the bill that passed the House.

The Brown amendment, according to the way I view the Brown amendment, has not been weakened. It has been strengthened instead. As evidence of that fact we had the general counsel for the Housing Expediter take 121 hardship cases, that is applications that had been filed for hardship relief, and find out how these landlords would come out un-

der existing law, then determine how they would come out under the Brown amendment as it passed the House. Out of those 121 cases, 101 of them would have gotten relief under existing law, whereas only 56 would have gotten relief under the Brown amendment, and under the Brown amendment it would have been possible for rents to be rolled back and reduced as well as increased in some cases. Therefore it was necessary that the Brown amendment be rewritten, so in rewriting the Brown amendment the final conclusion was the House wanted a fair net income for the landlords and the Senate insisted that we should put into that phrase the word "operating" to make it "fair net-operating income." The argument that was made, to my mind, was irresistible, and that argument was this: Suppose we have two houses; each house worth $10,000. One house does not have any mortgage at all; the other house is mortgaged 90 percent. Under the language without the word "operating" in it, the owner of the house that is encumbered to the extent of 90 percent would be entitled to not only the same rent as his neighbor was receiving but an additional amount sufficient to take care of the interest and amortization on the loan. You could not justify that. No one wants that. The word "operating" will prevent that from happening, and they will get exactly the same rent, as they should. The Brown amendment as now written is just as plain as I believe any language can be written, and that language is that the rents shall be set "at levels which will yield to landlords a fair net-operating income from such housing accommodations." In determining whether the maximum rent for controlled housing accommodations yields a fair net-operating income, certain factors are specifically named, but that does not exclude from consideration other factors, and the language of the amendment says that. It says, "among other relevant factors." In other words, every relevant factor must be considered in connection with these that are specifically mentioned. So, I think the Brown amendment has been greatly improved.

LOCAL ASSISTANCE

This bill has one provision in it that will be very helpful, and that is to have a local person at every rent-control office whose duty it is—and he is designated for that purpose by the local board—to help the landlords in preparing their papers for hardship cases and, in addition, if tenants desire help, they will be given the help. It will not be necessary for them to employ a lawyer or any other person in order to get the relief that either the landlord or the tenant is entitled to under this act.

RECONTROL THE DECONTROLLED

Not only that, in the past the Housing Expediter was reluctant to decontrol areas that were on the fringe. He was just doubtful whether they should be decontrolled or not. But under a new provision in this law, if it is adopted by this House, he will no longer be reluctant to decontrol an area about which there is a doubt. He can go ahead and run the risk. Then, if rents get out of line, he can recontrol that area. So that will cause 100 or 200 or more areas or portions of areas to be decontrolled almost immediately. I think that is a fine provision.

SENATE YIELDED ITS INCREASE

In rewriting the Brown amendment as we did, the Senate yielded "five and five." The Senate had agreed to give all landlords across the board 5 percent in October and another 5 percent next April. So in rewriting the amendment, the Senate yielded the "five and five."

The hotels under this proposal are not recontrolled, they are left just as they were. The residential and apartment hotels in areas of over 2,500,000—Chicago and New York—are changed and some of them are recontrolled, and should be recontrolled, because when they were taken off and maneuvered around, the rents went up in some cases 400 percent, and people cannot pay that much.

Under the act passed by the Eightieth Congress in 1947 the tenants were disarmed—they had no rights except to sue for triple damages, and if they did, the landlords were armed with sufficient power to evict them. So, in order to have a place to live millions of tenants have paid illegal rents. Under this bill tenants have protection against eviction. It would not surprise me if thousands of triple-damage suits are filed by tenants. We tried to get an amendment that would prohibit anyone from soliciting these cases, but we could not agree on the language suggested by our counsel. If such suits are filed, it will be because of the weak law passed in 1947 enticing the landlords into that vulnerable position.

NEW HOUSES NOT INCLUDED

This proposed law, as stated in this conference report, does not include new houses. It does not include a one. You can go out and build all the new houses you want to under this bill, and they will not be under rent control at all. It does not touch them in any way. It does not touch transient hotels. It does not touch new housing. I think it is a good bill.

EXTENDED FOR 15 MONTHS

The House passed a bill for 15 months. The reason we had the extra 3 months over a year is to make it the end of a fiscal year. We did not want it to expire in 1 year and come back here the first thing in January and have to take up the matter of rent control first. So by making it 15 months, which the Senate agreed to accept, it will expire June 30, 1950, and we will have 6 months next year in which to pass upon this important question. I hope we will not have to have another rent-control act.

Mr. NICHOLSON. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. I should like to ask the gentleman from Texas if it is not true that any rental building which has been let since 1947, does not come under this bill, so that if I had a house to rent and I had not rented it before, if the Expediter cannot come under this bill and say what I will charge for renting my own house in that area.

Mr. PATMAN. I do not get the gentleman's question. Is he talking about the houses that were decontrolled that had remained vacant for 2 years?

Mr. NICHOLSON. I am talking about some that have never been controlled that are recontrolled under this bill.

Mr. PATMAN. I do not think I understand the gentleman. I hope he will pardon me for not trying to answer it in view of the fact that my time is so short.

WHAT BROWN AMENDMENT MEANS

It has been suggested here that language could not be written to explain the revised or rewritten Brown amendment. I am going to insert in the RECORD a statement that came from the Housing Expediter's office. In that statement an explanation is given, and I think a fair explanation, as to how this amendment will be executed or administered.

Mr. KUNKEL. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Pennsylvania.

Mr. KUNKEL. That is an extremely valuable contribution, and I suggest that the gentleman read it to the House right now so we can know about it.

Mr. PATMAN. I will read one paragraph now:

> The conference amendment would provide a much more equitable method of adjusting rents than the one under existing law. It would treat all landlords equitably and would grant relief to those landlords who need it most because they are in the worst operating position. The Expediter would determine what percentage of gross income would constitute a fair or equitable net operating income according to the class of accommodations. The Expediter would take into account any differentials between small structures and large structures, between those supplying furniture and other services, and those which do not, as well as any other pertinent factors.

The other paragraphs are just as interesting. They tell you exactly, specifically, how this can be operated, and the landlords will be given a fair net operating income.

Mr. KUNKEL. Does the gentleman define that operating income at any place in there?

Mr. PATMAN. He tells exactly how it will be operated. That is a definition. It will be operated fair to both landlord and tenant.

Mr. Speaker, this is the best bill we could get. We cannot get another bill. The law expires day after tomorrow night. It is a question of rent control in those areas that need it or no rent control at all. It must be voted up or down, and I hope you vote for the conference report.

Mr. Speaker, the statement from the office of the Housing Expediter to which I referred is as follows:

> Under the present hardship provision the Expediter compares the landlord's current operating position with his operating position in his best 2 years since 1939. He grants an adjustment in an amount which will compensate the landlord for increased costs since the base period which have not been offset by increased income. For example, if Landlord A has a gross rental income in the base period of $1,000 and operating expenses of $600 and if his operating expenses have increased to $800 but his rents have not increased, the Expediter would grant a rent adjustment of $200 so that the landlord's net operating income would be restored to that of his two

best years. This provision takes care of many landlords, but does not take care of those landlords who were not in a favorable position during any 2-year period since 1939. Landlord B, for example, may have had the same rental income of $1,000 in his base period as Landlord A, but expenses of $700. If his expenses have risen to $800, the same as for Landlord A, Landlord B would only get an adjustment of $100 a year.

Under existing law and regulations, there is a second provision for relieving a landlord's financial hardship. This provision is called operating at a loss. If, for example, Landlord C currently has a gross income of $650 and operating expenses of $800, the Expediter will grant him an adjustment of $150 so that he will no longer be operating at a loss.

Under the conference amendment, the Expediter is required to provide for adjustments of maximum rents in order to assure the landlord a fair net operating income. In other words, he will not merely restore the landlord to a break-even position or to the position of some earlier period, but he will provide additional rents so that the landlord's gross rental income will be in excess of his operating expenses by a fair amount.

In the two examples of Landlords A and B, under the present regulations, each of the landlords had exactly the same operating expenses in the current year, but they would receive different adjustments because of the way the hardship and operating-at-a-loss provisions now work. The conference amendment would replace the hardship and operating-loss provisions by a single fair standard and would give each of these landlords exactly the same gross rental income.

The conference amendment would provide a much more equitable method of adjusting rents than the one under existing law. It would treat all landlords equitably and would grant relief to those landlords who need it most because they are in the worst operating position. The Expediter would determine what percentage of gross income would constitute a fair or equitable net operating income according to the class of accommodations. The Expediter would take into account any differentials between small structures and large structures, between those supplying furniture and other services and those which do not, as well as any other pertinent factors.

If, for example, the Expediter found that the fair net operating income for a particular class of accommodations would be 35 percent of the gross rental income, and the gross rental for the particular accommodation was $1,000, and the current operating expenses $800, the landlord would be entitled to an adjustment of $150. It is to be observed that this type of adjustment differs entirely from the existing hardship provision. As stated previously, in the existing hardship provision the landlord is restored to his net operating position for his base 2 years regardless of the percentage relationship between his operating expenses and his gross income.

Mr. Speaker, I yield 3 minutes to the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. Speaker, there is really only one issue which faces the House today. It is whether you want to continue rent control or kill it tomorrow night at midnight.

You do not always get exactly the kind of bill that you want out of the House or the Senate or out of the Congress as a whole. It is a matter of give and take. It is a matter of compromise. I think we have the best bill that two houses of Congress could agree upon in compromise, in view of the division which exists in the country, and in the Congress today.

There are two features in this bill which I think are important. One is the Congress recognizing the need for speedier decontrol of small areas and trying to move that decontrol back closer in every constitutional way to the local city and State levels.

I would like to yield to my friend, the distinguished author of the local option amendment, the gentleman from Mississippi [Mr. WILLIAMS] to ask him if this amendment which we have brought back from conference destroys the theory of the so-called Williams amendment?

Mr. WILLIAMS. In answer to the gentleman's inquiry, I will say that in my opinion I would be splitting hairs if I were to take exception to the differences between the language contained in the amendment which I offered, and which was accepted by the House, and that contained in the conference report. In my opinion, for all practical effects and purposes, the conference version is the same as the original amendment which I offered.

Insofar as I am concerned, I consider the inclusion of my local option amendment in the conference report to be a great victory for democratic self-government over bureaucratic government.

Mr. MONRONEY. I thank the gentleman, and will the gentleman say that the conferees tried to preserve the spirit of his States' rights amendments?

Mr. COX. Mr. Speaker, will the gentleman yield to me to propound a question to the gentleman from Mississippi?

Mr. MONRONEY. I yield.

Mr. COX. Is the gentleman for the bill?

Mr. WILLIAMS. I shall vote for the bill, although I am not thoroughly satisfied with it.

Mr. COX. I thought the gentleman was opposed to it.

Mr. MONRONEY. Mr. Speaker, I think the gentleman from Mississippi has been fighting a courageous fight to give the authority for decontrolling, so far as constitutionally possible, back to local self-governing units. This bill certainly does that. You have four or five different ways in which local authorities can decontrol areas where they find it is not needed.

The second thing which I think is important in this bill is in how to adjust hardship cases. I think you could probably keep the House in session for 24 days, and could not come up with any language, whether it be the language of the original Brown amendment, with which amendment I was in complete agreement, or whether it be the language brought back by the conferees.

All you can do—no matter what language you use—is to implant in the minds of local adjusters that they now must give the property owner a fair return on his property.

You cannot go to utility law on establishing valuations. You cannot go to transportation law, because there are 14,000,000 properties involved here. If you try to follow out that fine line of distinction, you would probably deny relief to hardship landlords whom you are trying to help by a specific formula, by so encumbering adjustment machinery that no relief in deserving hardship cases could be granted due to complicated questions of fact and law.

Mr. SPENCE. Mr. Speaker, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Speaker, in the brief few moments that I have, I should like to state that the compromise rent bill as coming out of the conference between the two Houses embodies the basic philosophy as asked by President Truman. The President urged that the present law be tightened up in a number of particulars and extended.

It is to be hoped that in the ensuing 15 months that the building industry will maintain a high level of production, especially of rental housing. It is only through the production of many new homes and apartments that the present shortages may be adequately met.

Time does not permit to go into a detailed analysis of the provisions of the bill.

I should like to speak about a few points.

First. Decontrol. Under this law individual States can remove rent controls throughout the State and, or, in parts of the State. If the legislature passes such a law and the governor approved, or even if the governor disapproved, the legislature could override him. Special machinery is provided for decontrol of cities and towns on their own initiative. It would work in this way. The governing body, after a public hearing announced 10 days in advance, could by resolution call for decontrols and if the governor disapproved that would end it. If the governor approves the city or town would have to be decontrolled by the Federal Housing Expediter.

Second. Now as to increases. It requires the Housing Expediter to make individual adjustments to observe the principle of maintaining maximum rents at a level which would yield landlords a fair net operating income—so far as is practicable.

The conference compromise, however, would require the Housing Expediter to assure a landlord of a net operating income that is a fair or equitable percentage above his cost. In other words, instead of bringing the landlord who is operating at a loss to a break-even basis, he would be required to increase his rent to an amount that would insure that he receives an income that is a fair percentage above his cost. Likewise, as against his present method of granting hardship petitions, he would put all landlords in the same position with reference to the ratio of operating income as against cost. Net operating income would take into consideration all factors in the cost and maintenance of rental properties, excluding interest but including depreciation.

The question might well arise as to what is the fair percentage that the Housing Expediter would be required to maintain. On the basis of surveys made by the Expediter's office, it is apparent that landlords generally are better off today than they were prior to rent control. However, a number of landlords are below the average and some might

well be operating at a loss. The Housing Expediter would be required under the conference substitute to make adjustments that would bring those landlords that are well below the average or operating at a loss to the more favorable position of the average landlord. In other words, he would be required to determine what was fair net operating income just as he would have been required under the House version to determine what is a fair return based upon the factors which were included in the House language.

Whatever may be said of the specific provisions of the conference bill, that fact is that in its basic philosophy it will meet the test over the next 15 months and provide proper safeguards to both tenants and landlords.

Mr. Speaker, I believe this to be a fair compromise proposal and rather than have a system of inflated rents and black-market conditions, we may be sure of orderly procedure over the next 15 months, I ask the Members of the House to support this conference report.

Mr. SPENCE. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Speaker, I shall support this conference report and urge my colleagues to do likewise.

We now have a stronger rent-control bill than this House originally passed at this session. Of course, it is not as strong as some of us would like to have it. Those opposed to rent control can similarly say that it is not as weak as they want it. But time has run out on us. Rent controls expire in less than 2 days. If we do not adopt this conference report now, we will throw thousands of the tenants of our country to the wolves who are waiting to pounce upon them. The fair-minded landlord will not complain about this bill. His rights are fully protected. This bill has received full and deliberate consideration in both Houses of the Congress. The conference report has reconciled the differences fairly, having in mind that compromise was absolutely essential in order to get any extension of rent control.

The elimination of the percentage increase of rents as proposed in the other House's version of the bill was a tremendous victory over another flight up the inflationary spiral.

The conferees are entitled to the thanks of the Congress and of the people of the country for the splendid work they have done.

Mr. SPENCE. Mr. Speaker, I yield 3½ minutes to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. McCORMACK. Mr. Speaker, we are now faced with the final vote on this particular bill. Unless we adopt the conference report today, the chances are that rent-control legislation will expire. Even if it expired for a short time, and another bill was passed later, irreparable damage would be done.

In my opinion, the House conferees are to be congratulated because they have brought back to the House the bill substantially as it passed the House.

The gentleman from Mississippi [Mr. WILLIAMS] has expressed his views in relation to his amendment. I listened with great interest to the remarks of my dear and valued friend, the gentleman from Georgia [Mr. BROWN]. The gentleman from Georgia knows, as the result of his years of experience, that when you get into conference and there is disagreement, the conferees must get together some place in order for a completed bill to be brought back to both Houses. From what I read in the newspapers the House conferees stood by the Brown amendment. I think the action of the conferees is a victory for the Brown amendment. The Senate amendment was rejected. It is true there is certain language inserted into the Brown amendment with which the gentleman from Georgia disagrees, but you and I who have had experience as conferees know that where there is one question remaining, we have to try to get together on it. Particularly is that so when there is a dead line; not when we have weeks ahead to consider a bill in conference but as, in this case, where there is a dead line, March 31, and time is of the essence. It was absolutely imperative that the conferees get together. This seems to me to be the best bill that could pass this Congress. I am frank in stating it does not go quite as far as I would like to see it go. On the other hand, it may go farther than other Members would like to have it.

There are certain Members who are absolutely opposed to any extension of rent control. As far as they are concerned, they will vote against the conference report. I respect their views even in disagreement. But this report should concern itself with the Members of the House who believe that some kind of extension should be put into operation. The provision for 15 months adopted in the House has been put into the conference. The Williams amendment, in substance, has been adopted in conference. The greater part of the Brown amendment has been adopted in conference. A bill that can be administered with regard to the proper protection of the tenants is about to be enacted into law if we adopt this conference report today. At the same time, fair consideration, with proper administration for hardship cases in the case of landlords is also contained as provisions of this bill.

We do not have to consider those who are opposed to the bill, because they will vote against the conference report, but certainly those of us who believe that some extension should take place can with confidence, not being entirely satisfied with the bill in its entirety or some provisions of the bill, but like every bill in its entirety, we can vote with confidence to adopt this conference report. It is either this conference report, in my opinion, or no rent-control bill at all.

I hope the House will adopt the conference report.

The SPEAKER. The time of the gentleman from Massachusetts [Mr. MCCORMACK] has expired.

Mr. SPENCE. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

Mr. SPENCE. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 263, nays 144, not voting 26, as follows:

[Roll No. 55]

YEAS—263

Abbitt	Gorski, N. Y.	Mitchell
Addonizio	Granahan	Monroney
Allen, La.	Grant	Morgan
Andrews	Green	Morris
Angell	Gregory	Morrison
Aspinall	Gross	Morton
Auchincloss	Hall,	Moulder
Bailey	Edwin Arthur	Multer
Baring	Hall,	Murdock
Barrett, Pa.	Leonard W.	Murphy
Bates, Ky.	Hand	Nelson
Bates, Mass.	Hardy	Nixon
Battle	Harris	Noland
Beall	Hart	Norblad
Beckworth	Havenner	Norrell
Bennett, Fla.	Hays, Ark.	Norton
Bennett, Mich.	Hays, Ohio	O'Brien, Ill.
Bentsen	Hébert	O'Hara, Ill.
Biemiller	Hedrick	O'Neill
Bland	Heffernan	O'Sullivan
Blatnik	Heller	O'Toole
Boggs, Del.	Herter	Pace
Bolling	Heselton	Patman
Bonner	Hobbs	Patten
Breen	Hoffman, Ill.	Patterson
Brooks	Holifield	Perkins
Bryson	Holmes	Pfeiffer,
Buchanan	Horan	William L.
Buckley, Ill.	Howell	Philbin
Burke	Huber	Plumley
Burnside	Hull	Polk
Burton	Irving	Poulson
Byrne, N. Y.	Jackson, Wash.	Powell
Canfield	Jacobs	Price
Cannon	James	Priest
Carnahan	Javits	Quinn
Carroll	Johnson	Rabaut
Case, N. J.	Jonas	Rains
Cavalcante	Jones, Ala.	Ramsay
Celler	Jones, Mo.	Rhodes
Chelf	Jones, N. C.	Ribicoff
Chesney	Judd	Riehlman
Christopher	Karst	Rivers
Chudoff	Karsten	Rodino
Clemente	Kean	Rogers, Mass.
Coffey	Kearney	Rooney
Cole, N. Y.	Kearns	Sabath
Combs	Keating	Sadlak
Cooley	Kee	Sadowski
Cooper	Kelley	St. George
Corbett	Kennedy	Sasscer
Coudert	Keogh	Scott, Hardie
Crook	Kerr	Scott,
Crosser	Kilburn	Hugh D., Jr.
Davenport	King	Secrest
Davies, N. Y.	Kirwan	Sheppard
Davis, Tenn.	Klein	Sikes
Dawson	Kruse	Sims
Deane	Kunkel	Smathers
DeGraffenried	Lane	Spence
Delaney	Larcade	Staggers
Denton	Latham	Sullivan
Dingell	LeFevre	Sutton
Dollinger	Lesinski	Tackett
Donohue	Lichtenwalter	Talle
Douglas	Lind	Tauriello
Doyle	Linehan	Taylor
Durham	Lodge	Thomas, Tex.
Eberharter	Lynch	Thornberry
Elliott	McCarthy	Tollefson
Engel, Mich.	McConnell	Trimble
Engle, Calif.	McCormack	Underwood
Evins	McDonough	Van Zandt
Fallon	McGrath	Vinson
Feighan	McGuire	Wagner
Fenton	McKinnon	Walsh
Flood	McSweeney	Walter
Fogarty	Mack, Ill.	Welch, Calif.
Forand	Mack, Wash.	White, Calif.
Frazier	Madden	Wier
Fugate	Magee	Wigglesworth
Fulton	Mansfield	Williams
Furcolo	Marcantonio	Willis
Gamble	Marsalis	Withrow
Garmatz	Marshall	Wolverton
Gary	Martin, Mass.	Woodhouse
Gordon	Miles	Yates
Gore	Miller, Calif.	Young
Gorski, Ill.	Mills	Zablocki

NAYS—144

Abernethy	Allen, Ill.	Anderson, Calif.
Albert	Andersen,	Andresen,
Allen, Calif.	H. Carl	August H.

Arends	Gossett	Pickett
Barden	Graham	Poage
Barrett, Wyo.	Gwinn	Potter
Bishop	Hagen	Preston
Blackney	Hale	Rankin
Bolton, Md.	Halleck	Redden
Bolton, Ohio	Harden	Reed, Ill.
Boykin	Hare	Reed, N. Y.
Bramblett	Harrison	Rees
Brehm	Harvey	Regan
Brown, Ga.	Herlong	Rich
Brown, Ohio	Hill	Rogers, Fla.
Burleson	Hinshaw	Sanborn
Byrnes, Wis.	Hoeven	Scrivner
Camp	Hope	Scudder
Carlyle	Jackson, Calif.	Shafer
Case, S. Dak.	Jenkins	Short
Chiperfield	Jennings	Simpson, Ill.
Church	Jensen	Simpson, Pa.
Clevenger	Keefe	Smith, Kans.
Cole, Kans.	Kilday	Smith, Va.
Colmer	Lanham	Smith, Wis.
Cotton	LeCompte	Steed
Cox	Lemke	Stockman
Crawford	Lovre	Taber
Cunningham	Lucas	Teague
Curtis	Lyle	Thompson
Dague	McCulloch	Towe
Davis, Ga.	McGregor	Velde
Davis, Wis.	McMillan, S. C.	Vorys
D'Ewart	McMillen, Ill.	Vursell
Dolliver	Mahon	Wadsworth
Dondero	Martin, Iowa	Weichel
Doughton	Mason	Werdel
Eaton	Meyer	Wheeler
Ellsworth	Michener	Whitten
Elston	Miller, Md.	Whittington
Fellows	Murray, Tenn.	Wickersham
Fernandez	Murray, Wis.	Wilson, Ind.
Fisher	Nicholson	Wilson, Okla.
Ford	O'Hara, Minn.	Wilson, Tex.
Gathings	O'Konski	Winstead
Gavin	Passman	Wolcott
Gillette	Peterson	Wood
Golden	Phillips, Calif.	Worley
Goodwin	Phillips, Tenn.	

NOT VOTING—26

Boggs, La.	Jenison	Somers
Bosone	Macy	Stanley
Buckley, N. Y.	Merrow	Stefan
Bulwinkle	Miller, Nebr.	Stigler
Burdick	O'Brien, Mich.	Thomas, N. J.
Chatham	Pfeifer,	Welch, Mo.
Gilmer	Joseph L.	Whitaker
Granger	Richards	White, Idaho
Hoffman, Mich.	Smith, Ohio	Woodruff

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Stanley for, with Mr. Miller of Nebraska against.

Mr. Joseph L. Pfeifer for, with Mr. Macy against.

Additional general pairs:

Mrs. Bosone with Mr. Stefan.

Mr. Boggs of Louisiana with Mr. Jenison.

Mr. Gilmer with Mr. Merrow.

Mr. Stigler with Mr. Smith of Ohio.

Mr. Whitaker with Mr. Hoffman of Michigan.

Mr. Welch of Missouri with Mr. Woodruff.

Mr. Richards with Mr. Burdick.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

COMMITTEE ON FOREIGN AFFAIRS

Mr. VORYS. Mr. Speaker, I ask unanimous consent that the Republican minority of the Committee on Foreign Affairs may have until midnight tonight to file minority views on the bill H. R. 3748.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

EXTENSION OF REMARKS

Mr. POAGE asked and was given permission to extend his remarks in the RECORD and include some tables.

Mr. MULTER asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. KLEIN asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. UNDERWOOD asked and was given permission to extend his remarks in the RECORD.

Mr. DAVENPORT asked and was given permission to extend his remarks in the RECORD.

Mr. CHRISTOPHER asked and was given permission to extend his remarks in the RECORD.

RENT-CONTROL BILL

Mr. YATES. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. YATES. Mr. Speaker, I have just examined the conference report on the new rent-control bill. The decision of the conferees to change the control date on permanent accommodations in apartment hotels from October 31, 1948, to March 1, 1949, comes as a distinct surprise and shock to me. I had hoped that when this bill was considered originally, controls would be established on permanent accommodations in apartment hotels as of June 30, 1947, and when the House adopted the Rains amendment, which for all practical purposes removed such controls, I was very much disappointed. There can be no doubt that many of the owners of apartment hotels took advantage of the period of decontrol to raise rents to unconscionable levels. Because of their unrealistic position, unrealistic in this period of a monopolistic housing market, I believed controls should be imposed as of the date I suggested.

When the Senate provided for the reimposition of regulation as of October 31, 1948, I felt that this was a warranted compromise. Although it would not have remedied many of the abuses which had intervened prior to that date, at least it would have protected tenants of permanent accommodations from the increases which had taken place subsequent to that time. It would have protected those who had leases expiring in November and December of last year. More than that, it would have cancelled the ill-advised efforts of many property owners who tried to qualify their properties as transient hotels by collecting rentals on a daily or weekly basis. This practice has only taken place since the last election, when such landlords realized that rent control would be continued and strengthened.

I regret the action of the conferees. The change of date to March 1, 1949, will serve as a springboard to those property owners who require control and who will seek to take advantage of their tenants by claiming that their properties are transient hotels. I predict there will be much litigation.

The most that can be said for the action of the conferees is that it will prevent increases from now on. I hope that it will not result in the deprivation of the services which apartment hotels have offered in the past and that there will be no additional charge to tenants for such service . The tenants should be advised of their rights—that they can obtain relief from the Office of the Housing Expediter if they are deprived of reasonable services.

I shall vote for this bill only because I believe it is better than no rent-control law at all. I would have preferred a much stronger bill.

EXTENSION OF REMARKS

Mr. FORD asked and was granted permission to extend his remarks in the RECORD and include an editorial from the Akron Beacon-Journal.

Mr. MARCANTONIO asked and was granted permission to extend his remarks in the RECORD and include a radio address by Henry A. Wallace.

INTERIOR DEPARTMENT APPROPRIATION BILL, 1950

Mr. KIRWAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 3838, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. The gentleman from Ohio [Mr. KIRWAN] is entitled to recognition for 1 hour, and the gentleman from Iowa [Mr. JENSEN] will be entitled to recognition for 1 hour.

Mr. KIRWAN. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, the Interior Department appropriation bill for the fiscal year 1950 contains a total of $536,000,000, and the total budget estimates came to $616,000,000. We have cut this $80,000,000, or 13 percent.

In addition, the budget requested contract authority for $54,000,000. We have cut this down to $41,112,500. Considering together the appropriations and contract authorizations, the bill contains 14 percent less than the budget requested.

Fortunately, we did not have to do the entire job of trying to reduce expenditures. The Interior Department asked the Bureau of the Budget for a total of $874,272,384. The President and the Bureau of the Budget reduced this 29½ percent. So, we made less of a reduction than the President did.

On the other hand, we have recommended $126,821,934 more than was appropriated by the last session of the Eightieth Congress. More funds will be appropriated for 1949 before the year is out, so the increase we have recommended over 1949 will amount to less than the amount I have stated. For instance, the first deficiency bill, which has already been passed by the House, contained nearly $25,000,000 for the Department of the Interior, and other deficiency estimates are under consideration.

We have made cuts in the estimates for every bureau in the Department. The table at the end of the report shows the figures for each bureau and for each appropriation.

I am not going to talk about every item in this bill. It is 95 pages long, and just to read it would take more than an hour. The bill needs to be revised on some kind of orderly basis, and this has been mentioned in the report.

CONSTRUCTION

The bill contains funds for construction of dams, irrigation works, electric transmission facilities, and so forth. These are principally under the Southwestern Power Administration, the Bonneville Power Administration, and the Bureau of Reclamation. Construction funds are also included under the Bureau of Indian Affairs and in smaller amounts elsewhere in the bill.

I believe construction costs will be coming down in the next year. Neither you or I can tell now just how much they will come down. But as I see it, the Committee and the Congress have the duty of trying to get the most we can out of every dollar that comes out of the Treasury. So, we have recommended a cut of 15 percent in construction money. If this percentage is wrong, we can take care of that later. But I think it is important that we make a determined effort to get as much for the public's money as possible. That is what we are trying to do. The report on the Army civil functions bill explained why construction costs are expected to be lower, and there is no need to repeat that in this report. The same reasons apply to the Interior Department.

SOUTHWESTERN POWER ADMINISTRATION

Last year the appropriation for the Southwestern Power Administration was $260,000, to cover operation and maintenance for only 8 months. No construction money was appropriated for 1949. If this agency is going to carry out its duty under the Flood Control Act of 1944, and to transmit and sell to preferred customers the electricity generated at flood-control dams, it has to have funds. We have approved the entire program as proposed in the budget for this agency. The cut we made will not prevent or delay the work on a single power line or substation proposed in the budget for 1950.

BONNEVILLE POWER ADMINISTRATION

The entire program of the Bonneville Power Administration as recommended in the budget for 1950 has been approved. A cut in the appropriation and contract authority has been made, but every electric line and substation is to be constructed and on the same time schedule as planned. A line to tie in Hungry Horse Dam in Montana with Grand Coulee over in Washington will have to be started at once in order to be completed when Hungry Horse starts producing power in 1952. It will be a race against time even if they set the first pole at 1 minute after midnight on June 30th of this year. It is only by connecting these two dams, which have different low-water periods, that the serious power shortage in the Pacific Northwest can be overcome. Other lines are also needed for this purpose.

BUREAU OF RECLAMATION

First, let me say that there is no money in the bill for starting any new reclamation projects. Funds are provided only to continue work on authorized projects already under way. With only two exceptions, every project, dam, irrigation ditch, power line, and so forth is authorized by the action on the bill to go forward as planned for 1950. The cut of 15 percent which has been made below the budget estimates will not cut out or slow down any project except the Glendo project, in Wyoming, and a power line from Havre to Shelby, Mont. Three hundred thousand dollars requested for the Glendo project has been cut out, and the same restriction carried in the bill last year is repeated. This is to hold up work on the project until Nebraska and Wyoming can work out their disagreement over the water of the North Platte River. We cut out $1,300,000 requested for the Havre-Shelby transmission line, because this area is already served with power. The installation of a relatively inexpensive voltage regulator should provide entirely adequate service, and no good reason has been presented for duplicating the line already there.

BUREAU OF INDIAN AFFAIRS

We have cut $6,873,459 from the budget estimate for Indian Affairs. We gave a part of the increase requested for administrative work, but by no means all. I am not interested in voting money to hire people to come to Congress each year and tell us how bad off the Indian is. Every dollar requested for Indian education is approved, and the boarding schools at Pipestone, Minn., and Eufaula, Okla., are to be kept open. Also, we have approved the entire budget estimates for roads on reservations, and for conservation of health. These are the things that can really help the Indians, and I am in favor of doing that.

BUREAU OF MINES

We made only small reductions in the amounts requested for the Bureau of Mines. The relatively small sums spent by the Federal Government in helping make the mines safer to work in are well spent. Industry in the country cannot run if someone does not get the coal and metals out of the ground. I do not want to hear about men being killed or injured while digging underground to get out the coal that keeps me warm or feeds the blast furnaces so I can have a new automobile to ride in. Also, we need to spend every dollar we can to develop new and better processes for using our limited supply of minerals.

NATIONAL PARK SERVICE

The estimates for the National Park Service were reduced relatively little. Visitors to the parks during the past couple of years have been in greater numbers than ever before. Camping facilities, comfort stations, and other facilities are not adequate to take care of the visitors. And the number of attendants employed to maintain and operate the parks has not been nearly enough. Many roads and trails are badly in need of repair. While we have been fairly generous so far as the budget estimates are concerned, the funds in the bill will only cover the most urgent requirements of the Park Service.

FISH AND WILDLIFE SERVICE

Reductions made in the Fish and Wildlife Service budget are not very large. Officials of this service stated that hunters are breaking game laws all over the country. Commercial fishermen are breaking regulations and seriously reducing the salmon supplies in the Pacific. Funds to enforce fishing and game laws are necessary to protect the future supply.

ALASKA

Many millions of dollars could be spent in Alaska without more than scratching the surface. Lack of transportation facilities is one of the most serious handicaps in the development of this large area. Nearly all the funds requested for highway construction are approved in the bill. However, the appropriation for the Alaska railroad has been kept at the level of 1949 funds. An ambitious program of rehabilitation is proposed for this railroad. And each time we see the representatives of the railroad, their estimates for the job go up and up. It does not seem wise to pour large sums into this railroad. Highway transportation in this country is driving the railroads to the wall, and we should not fail to keep our eyes open to this so far as Alaska is concerned. Alaska cannot be developed without people. People will travel in automobiles and haul goods and materials in trucks if we will give them roads. But investment of millions and millions of dollars in a railroad is poor business.

VIRGIN ISLANDS

The budget estimates for the Virgin Islands and the Virgin Islands Co. have been approved entirely. The people of these islands have been living in poverty for many years. It is the direct responsibility of our Government to see that they get a chance to live like Americans. The relatively small amount for these islands in the bill will help only a little.

As I said before, I am not going to talk about every item in the bill. The report explains what the bill contains, and is here for all to read if interested. I think we have done a good job on the bill, and I hope it will be reported out and passed without change.

Mr. Chairman, this is the largest Interior Department appropriation bill ever presented to this Congress in the history of this country. My only regret is that this bill is not for $2,000,000,000. A nation that gave to us from the interior of America a national income of over $200,000,000,000 last year. Now all the money we are recommending to be spent on this country, the greatest country in the world, is just half a billion dollars. I repeat, I wish the bill was for $2,000,000,000. Then we might be able to correct some of the abuses that have occurred in this great Nation during the past hundred years.

The Interior Department celebrated its one hundredth anniversary on February 24. Let us just go down the line and try to see what happened in this country and in other countries during that time.

About 1356 oil was discovered in Pennsylvania. Even at that early date people were complaining just as they are today, and saying "The Government is being put into business." In the beginning, everybody who had a hundred dollars thought it was their right to drill an oil well. The oil tanks would hold probably 50 barrels, and they were made out of wood. When the oil came in there was no market for it as oil but there was a market for kerosene. All the by-products that we have today were not yet discovered. The oil ran back into the Allegheny River by the millions of barrels, wasted and destroyed in that river and the Ohio River and the Mississippi River as well. Today we are going all over the world spending billions of dollars hunting for oil, just because we had no supervision back in those days.

Our next move was into the coal mines and the coal industry which are today under the jurisdiction of the Interior Department. I remember working in the mines for 3 years as a boy. In those days they would mine the coal and let the debris lie on the top of the earth. Rain would come and wash it into the rivers; the river would carry it down 300 miles into Chesapeake Bay or Delaware Bay, depending on what river it went into; and it would destroy the farms because of the deposits laid on them by the rivers that carried it in flood. Instead of the mine operators' taking that debris and putting it right back into the mines and sealing up the holes, holding up the surface of the earth as they do today, they let it lie on top. On a trip our committee made 6 years ago I saw a hospital falling into a mine hole, a brand new hospital. It looked like it had been cut in two with a knife. That hospital had cost a million dollars to build. The State of Pennsylvania is appropriating hundreds of millions of dollars every year in an effort to cure the evils inherent in old mining methods, and all because the Bureau of Mines in its early days—and today—did not have sufficient authority to correct that waste.

We next move into the forests. I was raised in the foothills of the Pocono Mountains. I remember the warnings given back in those days, the early nineties, against the wasteful methods used: "It is wrong," we were told, "you will live to regret it." They would go into the forests and burn trees it took God 200 years to grow just to get at trees that it took God 400 years to grow. What was the result? Today we have to go to Canada for lumber, wood products, wood pulp, paper and the like and pay three prices for it.

Everything in this country has been wasted. Today we have the problem of strip mining. Go through Ohio, Pennsylvania, Indiana, Illinois, Missouri, if you will, and everywhere you see mountains of dirt piled up, left from strip-mining operations. The rain comes and washes it down into the Ohio or Mississippi River. Today at the mouth of the Mississippi we have great dredges trying to keep ahead of the waste and destruction simply because we will not make the strip-mine operators level off the earth; and the cost to us is hundreds of millions of dollars annually.

It seems we are afraid to spend a dime on this country. This bill I think is one of the biggest that ever came to the House. It contains 95 pages. What is the reason? If we were appropriating $16,000,000,000 for Europe we would not even have to tell what we were going to spend the money for; but because this money is to be spent in America we must tell what every dime, what every single quarter, what every penny, is to be spent for. That is why it is so large and so detailed.

We are wasting the resources of this country. The pay-off will come, and when it comes it is going to be terrific, and all because we have not got the courage to spend the money needed on this, the greatest country in the world, to right what is wrong, and to put a few dollars back into the country where it will do the most good.

Out in western Pennsylvania today there are coal mines that have been burning for 10 or 15 years. It has gone to the extent that the earth is undermined and buildings are falling into the holes; but we are afraid to appropriate a little money to put out the coal-mine fires in Pennsylvania. If we should hear about a coal-mine fire in some island in the Pacific, for instance, the people of the Nation would raise their hands in horror and ask why we did not appropriate some money to put that fire out; yet they accuse us of wasting money if we try to appropriate Federal funds to put out a fire in a mine in this country. I repeat, from Maine to California there is waste and destruction of our national resources; yet every time we try to appropriate some money to correct it the cry is raised against us that we have got to economize.

Think of the American Indians, the people we drove into their present destitute and desolate position. I have been in the DP camps of Europe. I was never in a DP camp that did not have its hospital, its nurses and doctors inside the enclosure so that if one of the DP's got sick he would have attention—and I am for that, do not think I am not; but in our own country south of Tucson, Ariz.—not the Navajos that you have been reading about—there is an Indian reservation and for 90 miles there is only one highway through it. For 45 miles on each side of that highway there is not one doctor or not one nurse. That is out on the desert. And when they drag their weary bones in to that emergency hospital, and I mean they drag them in, over 45 miles of desert, there is a sign "All filled. We cannot admit you."

Go out to the Navajo country, go out to the Hopi country, go to any Indian reservation in this country and that is what you will find. They are out on the rocks. But we always complain when we come in asking for funds for the Indian Bureau.

What was the Indian Bureau established for in the first place? All they do is report back to the Congress the suffering of the Indians, but for 200 years the Congress has never done anything for the Indians. All we do is sink them deeper and deeper, and we want the rest of the world to follow in our footsteps.

As you look around the country, you see the destruction that went on when they were building our great railroads across it and remember we gave every other section to the railroads free to exploit the people in those areas and what a job they did. Yet they are complaining and asking for higher rates.

We come on down now to modern times and to the subject of power. Out in California the citizens voted back in the late twenties to construct what is known as the Central Valley project. That was the building of a great dam and reservoir at the foot of Shasta Mountain to develop and generate power. What has happened since the Federal Government took it over as a Federal project? For every inch of the way this project has been fought against insofar as building transmission lines and producing and generating the power from them were concerned. The private power companies will tell you that the Government is getting into the power business. All the power that the Government is going to take away from the B. G. & E. of California will be taken when they build their third and last dam. Every ounce of energy they get out of that dam or dams will only come to 17 percent and there is 83 percent left for the P. G. & E. Just 17 percent for the project; just 17 percent for the people.

Governor Warren, who was elected on the Democratic and Republican tickets sent a telegram to the Congress asking for every dime that the budget requested be spent on that project. The President of the United States has requested it and the people of California have requested it. Yet you find the P. G. & E. all along the line and all along the way objecting to spending one penny on transmission lines. Here is a power project generating electricity for the people, and allowing them to move the energy over their own lines, involving about $1,500,000.

Down in the southwestern part of the country where the Flood Control Act gave that part of the Nation the right and privilege to go in there and construct five dams, they did that, and all of the power that comes from the five dams under flood control, recreational facilities and generating power will only amount to about 8 percent. Yet you find the same private utility group in there opposing the construction of the power lines, although 40 percent of the population living down there is still in the dark age. They have no electricity on their farms.

In the late war, we defeated three nations—Japan, Italy, and Germany. The three of them were electrified to the extent of 85 percent. But in this great country of America, and it is the greatest in the world, only 54 out of every 100 families tonight have electricity in their homes. Just think of this great country being in that situation where 46 out of every 100 families have no electricity in their homes.

Yes, you can hire a bus or a truck and tell them to move you to some place out in the far West and to many places in the Middle West and East. They will start off on a three-lane highway, then go on to a two-lane, then onto a one lane, and finally get down to where they have to ford

a river. That is a new industry. But here is the electric industry with 65 years of experience and when the truck delivers the furniture there are no lights. After 65 years they have not been able to take care of the situation.

Let us take the State of Nebraska. Up until the thirties private power was in operation in Nebraska. Today it is public power. After 45 years, under private power company operation, the State of Nebraska has less power than any State in the Union. We hope to correct that situation through public power. For 45 years the private power companies had that opportunity and delivered hardly any power to the farmers.

Yes, I am asking you today to give this bill your very earnest consideration. Read what is in it. Read the hearings, and read the report of the committee. The national income last year was over $200,000,000,000, and that all came from the interior, from good earth, from our air and sky, by means of rainfall onto that earth. If our economy produced $200,000,000,000 last year, surely it is worth spending half a billion to protect it, and that is what you are faced with today. I am asking every member of this committee today and tomorrow to listen carefully to these debates and then to vote for every dollar that is requested by the committee. If you do that, and spend a few dollars correcting the evils that went on in this country for 200 years, you will be doing something for posterity. Do not listen to those who say, "Those are the sins of our fathers." I say they are sins that we are committing today, and if we do not hurry up and try to make a fair confession of the sins we are committing now, God help this country the next 100 years.

Take a look at Lake Erie. A part of that area is in my district where the original marker was placed just 100 short years ago marking the boundary of Pennsylvania and Ohio. The marker today is back 3 miles from where they placed it originally. Can you imagine the highways, the buildings, and everything that dropped into that lake? Erosion did it. You can roll the Columbia River, the Mississippi, and the nearby mountains and streams, into one, and they would not make what Lake Erie is. Through Lake Erie there was hauled 88,000,000 tons of ore last year; 31,000,000 tons of coal and oil, and 15,000,000 tons of limestone and miscellaneous products, and I do not think the Federal Government spent $200,000 on the whole lake. Oh, no; you cannot continue to evade your responsibility and expect to keep on having a $200,000,000,000 income. Somewhere along the line something has got to give. It is our resources that are giving out now. We have agents traveling to all parts of the world, to Peru, Chile, Brazil, and Labrador to find where they can get ore. Yes, we are building a 70-group Air Force. For what? To go over across the seas to find oil and protect it? It is oil we have in mind. But, there are other things that we should have in mind, and that is to protect our resources. So far we have done a great job of destroying most of what we had. So, I again ask this committee to see to it that this bill is passed and that every dollar will be forthcoming that we ask for to benefit the people of the greatest country on earth, the United States of America.

Mr. McSWEENEY. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield to the gentleman from Ohio.

Mr. McSWEENEY. May I say to my colleague from Ohio that this is perhaps the most down-to-earth speech on conservation that I have heard in the House. It brought the matter right back to our very doorstep. I remember the great Englishman, Johnson, saying that you cannot get wealth from India unless you take wealth to India. So today the gentleman from Ohio [Mr. KIRWAN] is suggesting that we cannot continue to give this vast wealth from America without bringing some wealth to it. I thank him for this marvelous contribution. I am only sorry there were not more Members present to hear it.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield to the gentleman from California.

Mr. HOLIFIELD. I want to take this time as a Member of the House of Representatives from the State of California to thank the distinguished gentleman from Ohio for his masterful presentation of this tremendous subject of conservation. It is all the more remarkable that the gentleman has brought forth this bill, and I want to give credit to him and the other members of his committee who have brought it forth, because I realize that the great reclamation projects are not in his district. They are in the districts of other Members. The thought, the care, and the concern he has given this subject for the good of the whole Nation are indeed remarkable. We are certainly grateful that he has brought this great bill before the House, and we pledge to him our support in the passage of the bill because we believe it is an investment in the future of America and not an expense to the taxpayers of this country.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield to the gentleman from Arizona.

Mr. MURDOCK. May I add my word of thanks and appreciation. The gentleman recognizes the interdependency of all parts of this great country. While we are conserving the natural resources, we are building up the great eastern manufacturing centers to supply the material they need in the West, which will in turn supply what is needed here. The gentleman has a broad view.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield to the gentleman from Montana.

Mr. MANSFIELD. May I add my compliments to those already extended to the gentleman from Ohio and remark that in the years that I have been here I have never heard a speech with more common sense and more in it to think about than the gentleman has given us this afternoon. He has said on occasion that as far as he is concerned about the only thing he personally gets out of this bill is a 25-cent appropriation to light the wick on the Perry Monument on Lake Erie. The gentleman shows a national consciousness when he recognizes the problems that confront us of the West especially. I wish to express publicly and without reservation my wholehearted respect and admiration for what he has done for us of the West over the years, and to hope that he will be with us for many, many years to come to carry on the great work he has undertaken. You are a credit not only to your district and your State but, more important, you are a credit to our country. You are, in my opinion, a Congressman's Congressman.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield to the gentleman from California.

Mr. JOHNSON. Let me also compliment the gentleman on his speech in general, and particularly I want to refer to the Central Valley project of California. What he and his committee have recommended in this bill, under his leadership, is what the people of California approved by a State-wide vote in 1933. The legislature had approved the Central Valley project, including transmission lines and a steam plant, and it had been referred to the people on a referendum. I thank the gentleman most heartily for his contribution in submitting these features of this project to the House for its approval.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield.

Mr. MILLER of California. I should like to compliment the people of the gentleman's district for sending him to Congress.

Mr GAVIN. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I, too, compliment the gentleman on a very fine statement. I appreciate his reference to oil. I quite agree with him and his presentation of the situation existing in Pennsylvania. Many years ago oil was discovered in Pennsylvania. Today we are buying the best brains and ability that money can buy to get the greatest good and value out of the oil we still have left. The average production in the Pennsylvania fields is, I believe, less than a quarter of a barrel per well per day. The $650,000 which you have set up here for oil and gas investigations is a pitiful sum as compared to what should be set up to see if we cannot by new and scientific research methods get the billions of barrels of oil out of the earth that still remain there, for the benefit of the American people. I appreciate the consideration that has been given by his committee to this oil investigation matter.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. KIRWAN. Mr. Chairman, I yield myself one additional minute.

I yield to the gentleman from Pennsylvania.

Mr. FLOOD. I am sure my distinguished colleague and old neighbor, the gentleman from Ohio, is trying to sit down so his colleagues cannot shower

any more words of gracious praise upon his noble Roman brow. However, he was raised in my congressional district, the Eleventh Congressional District of Pennsylvania, and I am proud to be MIKE KIRWAN'S Congressman. When we first came to the House we sat at his feet to hear words of advice and instruction and we profited well. Pennsylvania is sorry to lose this great public servant, and Ohio has made a great gain.

Not only do I congratulate the Youngstown Congressional area, but I congratulate the House of Representatives upon being so fortunate as to have MIKE KIRWAN at our service and command.

Mr. KIRWAN. I thank the gentleman.

Mr. JENSEN. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I enjoyed the remarks of my chairman. As you know, I was chairman of this committee during the last session of the Eightieth Congress. The gentleman from Ohio [Mr. KIRWAN] was very cooperative and courteous. I am pleased that this session of Congress in this bill is carrying through the record which the Eightieth Congress established. As you know, the Eightieth Congress appropriated almost twice as much for irrigation and reclamation for the 17 Western States as was ever appropriated by any session of the Congress.

Many of these projects are coming up to the peak of construction, and of course, it is necessary to spend more money on such projects when construction is fully under way; to do otherwise would be penny wise and pound foolish, but let me add that unless this Congress does an aboutface regarding a lot of useless spending certainly it will not be long until Congress will have nothing to spend for worthy and necessary things for anybody or anything. I am in accord on almost all of the items in the bill. I think, however, that when we reduce the bill 15 percent for construction straight across, horizontally, it is bad procedure. I do not think we can justify a 15-percent horizontal cut because every project should be treated individually, and we should appropriate accordingly.

The minority had little to say about that. When the bill was being marked up, the gentleman from Missouri [Mr. CANNON] saw to that. The distinguished gentleman from Pennsylvania [Mr. FENTON] and I are the two minority members of the committee. We sat through the hearings, which, of course, were less than half as long as they were last year. Then, during the marking up of the bill, we discovered we had another member of the committee, the gentleman from Missouri, the Honorable Mr. CANNON, chairman of the full Committee on Appropriations. He had not sat for one single minute with the subcommittee during the hearings on this bill; but he was there during the marking up of the bill. This bill, as it comes to the floor of the House, is, in effect, the Cannon bill not only in amount but in language. We had much restricting language, limiting language, in the bill made law last year which proved to be good. Congress directed the Bureau of Reclamation to do certain things and also forbade it to do certain other things. Because of that, the construction program of the Bureau of Reclamation went forward at a more rapid rate than ever before in the history of America. In other words, we put them to work. We said, "Now, get out and do this job." Before that time for at least the past 10 years they always had a carry-over—an unexpended balance in the Bureau of Reclamation fund of from $45,000,000 to $90,000,000. But they spent all the money each of those years for administrative costs that the Congress appropriated. The Commissioner of Reclamation, Mr. Michael Straus, said to a gathering of Interior Department representatives from all over the country that his face was red whenever he went before the Congress and had to explain why they had these carry-overs in construction funds. He said, "It is difficult to explain. We spend all our appropriated administrative fund. It would seem we are not very good constructors, but we are mighty good pay rollers." That, in effect, was Michael Straus' own words about 2 years ago to a large gathering of BPA officials here in Washington, D. C.

This 15-percent horizontal cut, of course, does not mean much, because the report says, "We expect you to carry on the program just as it was ordered to be carried on in the budget request. We did reduce it 15 percent," the report says, "but if you run out of money we invite you to come on back and get more."

Now, that is about what the report says. This is the first time I ever saw language of that kind in a report on an appropriation bill. We make a cut. Then we apologize for it. Then we say, "Come on back and Congress will take care of you."

If I had had anything to do with the writing of this report or if the gentleman from Pennsylvania [Mr. FENTON] had had anything to do with it, I am sure we would have insisted that that kind of language not be written into the report. But we were not invited to help write the report as is the custom and no meeting of the committee was even called to approve the report.

Now, why do I say it is not right and proper and good business to make this 15-percent horizontal cut? I will give you a little example. I was called out to California to the Coachella Valley project last fall by Representatives of Congress of that State who urged me to come out, and the water users of the district who wired me and telephoned me urging me to come out and look the job over. I went out in the latter part of November last year. What did I find? I found that 14 years ago the water users of that irrigation project agreed and signed a contract to irrigate about 75,000 acres, and the Bureau of Reclamation agreed that the job would be done in 30 months. That was 14 years ago, and the cost was to be a little over $11,000,000. Since that time they have been required to sign other contracts amounting to millions of dollars; if not, the construction would stop.

There is not a drop of water on a speck of land in the Coachella Valley yet that was put there by the Bureau of Reclamation construction work as such. The water is in the main canals all around the project and they are now just in the process of laying in the concrete conduits to bring the water to the land.

In this bill is an item from the budget of a little over $5,000,000 for the fiscal year starting July 1 of this year. The water users of the Coachella Valley have requested that $7,000,000 be allowed in this bill, which would complete the job in the fiscal year 1950; instead of putting the $7,000,000 in to complete the job, the five million plus has been reduced by 15 percent.

Why did they ask for that? Why were they so interested? Because the Bureau of Reclamation had on last November, when I was there, 137 Federal employees on the pay roll of the Coachella Valley project and charged to the water users, costing about $2,500 a day, which the water users of the Coachella Valley must pay. I was told that 25 employees would be sufficient to do the job. They had one-hundred-thirty-some employees in the town of Coachella, which is about in the center of the valley, but that was not enough; they went 50 miles north of the valley at Banning, set up another office, put 50 more employees up there and charged their pay to the water users of the Coachella Valley. In addition to that they are charged with a part of the district office engineering for the Coachella Valley. I do not wonder that they want to finish this thing up next year and get that terrific expense off their backs. That, my friends, is a fair example of what goes on here.

The greatest criticism of the Reclamation Bureau made by the folks of the West who must pay the bill is the terrific administration expense piled on their project year after year. Yes, construction costs are reduced 15 percent in this bill, but only very small token cuts are made on administrative items.

Another project up in North Dakota, the Missouri-Souris project—a wonderful project—which the Eightieth Congress brought from phase B, which is investigation and planning up to phase A, into construction. After it had been in phases B and C for a number of years and they had spent thousands upon thousands of dollars in investigating, in surveys, and in planning, we figured it was about time, and the people in North Dakota figured it was about time, to bring that project into construction. The Eightieth Congress brought it up from phase B to phase A and gave them $200,000 to start construction. But in this bill they push it right back out of construction, right back into phase B. That is not a nice or fair way to treat the people in North Dakota; especially since the Missouri-Souris project is one of the most feasible irrigation projects in the West.

Mr. LEMKE. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from North Dakota.

Mr. LEMKE. I notice we have been taken out of the bill, but we are going to try to get back in.

Mr. JENSEN. Mr. Chairman, the Eightieth Congress put a limitation of 8 percent on the force account, which is day labor. This bill takes that out. Under this bill all these projects can all

be built by day labor, which is a great deal more costly. The Bureau of Reclamation under this bill can go out and hire every Tom, Dick, and Harry they want to hire and spend all the money they want to for day labor. So they will no doubt dilly-dally around and very little will be done on construction on irrigation projects, as was customary before the Eightieth Congress put them to work. Of course they have all spent every dime appropriated for building power facilities.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. JENSEN. Mr. Chairman, I yield myself five additional minutes.

Mr. Chairman, we have in this bill a proposed line running out of the Bonneville area in Washington and Oregon. They want to run a heavy transmission line from Spokane over to Kerr Dam, Mont., and about 150 miles farther down-State to Anaconda. We asked them why. Dr. Raver, BPA Administrator, said they wanted that line because there was a brand-new industry moving from the East to Anaconda and they wanted to run the powerline down there to furnish power to that new industry. They have lines already proposed for a complete network all over the West paralleling already existing lines and covering a great section of the Missouri Valley, where we must have 5½ to 6 mills for the power produced from Federal power plants to make our projects in the Missouri Valley feasible. They are trying to give us competition with 2-mill Bonneville power to the end that we can never justify building our multipurpose projects in the Missouri Valley, which we need so badly for irrigation, power, and flood control.

Mr. Chairman, they are getting over into our bailiwick; they are getting over on our side of the fence, and we are going to do some fighting, we folks in the Missouri Valley, because we know the folks in that valley are well able to run their own business.

Of course, what these hot shots are trying to do is to get their noses under the tent, working with certain money barons in Wall Street to borrow money with which to force out, take over, or buy out a lot of private and municipal plants in the State of Washington in the hope of finally getting complete control of all the power and the water resources of the West, which is only the beginning.

I shall now give you concrete proof of exactly how it is proposed to be accomplished by fair means or foul by a few of the slick planners in and out of Government.

Two kinds of greed, the greed for power and the greed for money, have brought about a strange mating of political forces and money forces in the Pacific Northwest.

From the matters I am about to reveal, it will soon become apparent that a gang of Wall Street promoters has joined hands with the forces of American socialism to socialize the electric-power industry of the great Pacific Northwest country—for the money benefit of the first group, and for the political benefit of the second.

This socialization is to be accomplished at an inflated price—at a price which will load the people of the region with a huge load of unnecessary and wasteful bonded debt—at a price made possible only by the device of robbing the Federal Treasury of tax revenues amounting to millions of dollars a year.

The device is to snatch away from the users of electricity all of the electric-rate benefits that should come with tax exemption, and hand these benefits over to the Wall Street owners of the common stocks of the electric companies which are being socialized.

How rich a dish the promoters share is apparent from the fact that the promoter extraordinary, one Guy C. (Flash) Myers, recently had pending in the tax courts of the United States a $300,000 tax evasion case, covering just 2 years of his take.

The Internal Revenue Bureau alleged that Promoter Myers attempted to dodge payment of more than $300,000 due the United States Government on his 1940–41 income tax. Myers tried to talk himself out of paying that tax on the grounds that he had spent years promoting various public ownership deals in the States of Washington and Nebraska. He claimed that the huge income he received in 1940 and 1941, when the deals finally paid off, should be spread back over a long period, clear back to 1934, when he first smelled the chance to make himself a multimillionaire at the expense of the taxpaying public.

His racket is to capitalize the tax savings by issuing tax-exempt bonds against these savings, and hand the proceeds—less a fat commission—over to the Wall Street owners of the common stocks of the electric companies which are being socialized.

Here is the way Guy Myers' tax-capitalizing device works: Suppose I have a business that is worth only $100,000 on the basis of its net earnings after taxes, and suppose that business is now carrying $2,400 a year in Federal income taxes as part of its operating expenses.

Now, suppose some smart fellow comes along and says to you, "Look, you've got a nice little business here, and I know how you can get a fancy price for it. I've got a client who doesn't have to pay Federal taxes, and he's very anxious to buy you out. If you sell it to a taxpayer like yourself, you know very well that all you can get for it is $100,000, because that's as big an investment as it will carry.

"But if you will sell it to my tax-free client, he can take the $2,400 a year you now pay Uncle Sam and use that money to pay interest on a much bigger investment. That $2,400 will pay 6 percent on $40,000, which means that he can make the business carry an investment of $140,000 and still show the same net return.

"So here's what we can do. I'll get my client to pay you $130,000 for the business, and pay me $10,000 for fixing up the deal, and we'll both make a nice piece of change."

Yes; that is exactly the way Guy Myers works up his deals to sell electric power companies into socialism. Only he is not working for small change. He is dealing in millions and hundreds of millions, and his commissions run into seven figures.

Take the Puget Sound Power & Light Co. deal, for example. That company now pays the Government about $2,500,000 in Federal taxes every year. And once you understand the game, it is easy to see how Myers can offer thirty or forty millions, and his commissions run into owners of the company.

It is a slick trick, a very slick trick. And I think Mr. Myers himself must wonder sometimes why the public has not caught onto it long before now.

One reason the public has not caught on, of course, is the smoke screen of confusion which has been spread by the shrewd and skillful agents of power socialism.

Time and again I have stood in the well of this House and spelled out the inevitable result of the socialistic policies of the Bonneville Power Administration. But not until recently have I been able to quote to this House chapter and verse facts upon which this House will be completely derelict individually and collectively if it does not follow with a full-dress, all-out investigation of a racket which will not end so long as a subservient President with a mistaken code of loyalty stands behind a vicious racket.

What a picture. The Pacific Northwest was taken for a ride by Wall Street in the twenties. Its private utilities, with scandalous write-ups, were sold into great holding-company mergers. The stock was watered. Some of the stock was not worth 10 cents on the dollar in earned value. That money is gone. Wall Street got it. Wall Street kept it. And now, by grace of Harry Truman and his administration, Wall Street is going to collect double. The PUD revenue-bond deals that are pending out there will bail out the holding companies for all the foolish money spent.

Nobody will suffer—nobody except the people of Washington and the little "guy" who has to dig down a little deeper into his own pocket to pay taxes to the Federal Government. Nobody will profit—nobody except the Wall Street promoters.

Puget Sound Power & Light Co. was valued in 1944 at $90,000,000 cash. Inventory of $8,500,000 brought the price to $98,500,000. This is not my word, but the word of Dr. Paul Raver, Bonneville Administrator. In 1945 Guy Myers, on behalf of a public-utility district in Skagit County, Wash., offered to buy the property for $135,000,000. Certainly a watered deal if there ever was one. The Supreme Court of the State of Washington refused to allow this sale because Skagit County would become owner of property far beyond its boundaries and the State law at that time permitted purchase of properties only within the district's own territory.

At the beginning of this year Guy Myers and his "hungry heelers," loaded with "swag-bags," moved into the Capitol Building at Olympia, Wash., and lobbied through a law which would legally permit this deal. At the same time it would allow Howard Aller, president of American Power & Light Co., to unload the common stock of Washington Water

Power Co. at double the amount it is carried on the books of the company. But the "swag" would not end there. Aller also owns the Pacific Power & Light Co. with large properties in the State of Washington, which would be subject to the same kind of inflationary sell-out scheme.

All of these deals would be "cooked up" in a back room somewhere. The huge bond issues to finance them would never be put to a popular vote, because the law of Washington, like the law of Nebraska, allows public-utility district bonds to be sold privately, without an election and without competitive bidding. That is a good thing for the promoters of these deals, because all the recent public-ownership elections out in Washington have shown pretty clearly that the voters are beginning to get a "bellyful" of power socialism.

But the people there are confused by the way Guy Myers juggles millions and millions of dollars. His hand is quicker than the public eye. They have been drugged with the ceaseless cry that public ownership is inevitable.

Persistent propaganda has led honest believers in the free enterprise system to begin thinking that maybe power socialism is different, in some strange and unexplained way, than socialism itself.

The same persistent propaganda has caused equally honest believers in public power to let themselves be used as tools of Wall Street—to be used as respectable "front men" for the financial racket of a kind that we thought had been stopped when the Securities and Exchange Commission was organized.

What these people do not realize is that the oldtime financial racketeers have simply moved over to the public ownership side of the street—the unregulated side of the street—the unregulated side of Wall Street.

They do not yet realize that Guy Myers and his "boodle-bund" are playing the people for suckers—that these slick operators are out to make themselves rich by twisting to their personal advantage the reform legislation of the New Deal.

Was the Holding Company Act of 1935—fathered in this House by our distinguished Speaker, Mr. RAYBURN, who at the time was chairman of the Interstate Commerce Committee—was it intended to bail out the overcapitalized holding companies which headquarter in Wall Street? Was it intended to put public bond issues back of watered stock? Was it intended to substitute political holding companies for financial holding companies?

Is the SEC breaking up the public utility holding companies just to fatten the wallets of the men who made fortunes by putting them together in the first place?

From the standpoint of the little fellow who pays the bill, is there a particle of difference between a watered public utility district bond issue, floated by Guy Myers, and an issue of watered holding company stock? In principle, no—but in actual practice, yes. The Securities and Exchange Commission has been squeezing the water out of the holding company stocks, to protect the consumer, but no one can squeeze the water out of a PUD bond. There is no way to put the public bonded debt through the wringer.

The amazing, the shocking thing about it all is that the indispensable tool and instrument of the Myers' racket is the Bonneville Power Administration, and, by the same token, Guy Myers is the most important single factor in BPA's power socialization program.

It is a well-matched mating—the worst of capitalism, the nest-fouling type, teamed with the weakest form of Marxism.

If I may be forgiven to digress a moment, I would like to discuss the type of Marxism that happens to plague America at the moment. There are two types of Marxists. Both share the same objective—complete totalitarian domination of every human being under the control of the State. The two schools differ in only one respect: the international and revolutionary Marxist thinks to achieve his end by bloodshed and revolution; the American socialist or Marxist believes that the free will of Americans is such that they would resist conquest by blood. They prefer the bloodless revolution that comes with internal sabotage of the processes of government.

If you do not believe that, read the writings of Stephen Raushenbush, who advised the Socialist Party 20 years ago that "one man within the Department of Interior is worth one hundred working outside." When the Eightieth Congress moved in, Steve Raushenbush left his position "within the Interior Department."

The Bonneville Power Administration, as everyone knows, is regarded by its masters as merely an interim agency—an interim agency which up to now has unwillingly had to permit private enterprise in the electric field to live under a sword that hangs by a thread. It is an interim agency which is very impatient with the legislative processes of the Congress. It wants to be turned loose from any congressional controls, wants to be the complete and undisputed master of the Pacific Northwest region. That is why the BPA, the Interior Department, and all the motley forces of Marxism are now centered on a thrust to reach their objective through a Columbia Valley Authority.

Once they get a CVA, if they do, you will see the same forces moving with increased strength to take control of the Missouri Valley, the Central Valley of California, the Colorado, the Arkansas, the Rio Grande—the whole of America west of the Mississippi River. And preceding them will be Guy Myers, stirring up the public confusion which is so essential to the success of his money racket—and also to the advance of Marxism.

These are serious charges which I make, and I make them most seriously, because I have the proof to back them up. The court records in the Guy Myers tax-evasion case are available which prove in his own words how he has been master-minding the PUD movement in the State of Washington since its inception.

Also in my possession is the report by Robert E. Lee on the Bonneville Power Administration. Because of the length of the transcript of the Myers tax case, which would run into scores of pages of the CONGRESSIONAL RECORD, I will not submit it for publication at this time. But in the matter of the Robert E. Lee report, I submit it in full for the benefit of the doubting Thomases who cannot believe that such things be. I further submit the reference to page 113 of the Interior Department hearings for the appropriation bill, 1950. Dr. Raver admits the authorship of the letters attributed to him.

Under the provisions of the Reorganization Act of 1946 Mr. Lee was serving at the time as chief of the investigative staff of the Appropriations Committee. Mr. Lee was not a Republican appointee. He was originally employed in 1944 by the Appropriations Committee under the chairmanship of the present chairman of the Appropriations Committee, the gentleman from Missouri [Mr. CANNON]. He came to the Appropriations Committee on loan from the Federal Bureau of Investigation on the highest recommendation from J. Edgar Hoover because of his brilliant career in that organization as an investigator.

The Bonneville report by Mr. Lee is an objective appraisal of the political activities of the BPA to which I suggest every Member of this House should give full and serious concern.

Out of this factual memorandum I will select one letter. It is directed to C. G. Davidson, Assistant Secretary of the Interior, by Dr. Paul Raver. In this letter, by implication, Raver admits his own violation of his oath of office under the Hatch Act, and, also by implication, he draws in "Jebbie" Davidson. Here is the letter to "Jebbie" from Raver, signed by Raver, and dated July 15, 1946:

> I received your note while I was on my vacation and have turned it over to Bob Willard [former acting general counsel of the BPA, now with the Atomic Energy Commission] to formulate a reply for Cap, setting forth the minimum requirements for a private utility company contract.
>
> As to Loring [refers to Mr. Marlett, assistant to Dr. Raver] and I coming to Washington immediately, we realize the importance of having someone there during the formative period of your organization problem but it is simply out of the question for us to come down until we have formulated certain programs, which we have been working on strenuously the last few weeks.
>
> These three programs are as follows:
>
> 1. Revitalizing the public power movement in the Northwest. Henry Alderman is heading this up and has the program pretty well outlined and we are working on it at the present time.

Who is Henry Alderman? Before the war he used to be on the publicity staff of the BPA. Then he had some kind of a job with a magazine. Then he came back to Raver as his administrative assistant:

> 2. Our long-range as well as 1948 construction program. On this I have insisted that our engineering and system planning organizations tie down a generator installation

schedule with the Army engineers and Bureau of Reclamation for new dams on the Columbia and lay out our program for transmission line construction up to and including 1955 with plans for southern Idaho projected to 1965. Both of these forecasts of generator installations and transmission line construction, of course, are tied in with our load forecast for the region. I see no point in coming to Washington to talk about coordination until we are prepared to present a coordinated plan which can be used as a basis for such orders of the Secretary as he deems necessary to carry out the coordinated construction plan, assuming, of course that he agrees that our plan is feasible.

For the sake of continuity I include the following two paragraphs:

3. With these two programs as a basis, we will also be in a position to present to the coordination committee and to the Secretary, if it seems desirable, an organization plan to carry out the construction and operation program.

All three of these programs are shaping up very rapidly and Loring expects to be in Washington on July 24. I will arrive there Sunday night, July 28.

We come to a significant portion immediately thereafter, as follows:

Loring, Henry Alderman, Frank Ward, and I have been working on the first step of our public-power program today in Seattle. This program involves pulling together all of the public-power forces of the region around an agreed program of public ownership and public acquisition of private utility company properties. As discussed with Cap, it involves fitting municipal-ownership program with REA development in the rural areas into an existing PUD plan and enlisting the support of the PUD's in carrying it out. In order to do this we are trying to work it out in harmony with plans of Carstensen and the Washington Grange so as not to upset their existing plans for private-utility acquisition in the Puget and Washington Water Power Co. areas.

Please note Loring, Marlett, Henry Alderman, somebody named "Frank," and Raver have been working on the first step of Bonneville's—they admit it here and now—public-power program. Note, too, this problem involves "pulling together" all of the public-power forces in the region around an agreed program of public ownership and acquisition of private-utility-company properties. This statement makes it necessary for Dr. Paul Jerome Raver to do a mighty lot of explaining.

Time and again he has denied on the witness stand that his purpose in the Northwest was more than to give countenance to the public-ownership program—to give information and have it available to the normal forces seeking public ownership. I could cite chapter and verse, year after year, beginning even before my time in Congress, when Raver disavowed the very thing that he betrays and spells out in his letter to his Department of the Interior boss.

Let us continue:

As discussed with Cap, it involves fitting municipal-ownership program with REA development in rural areas into an existing PUD plan and enlisting the support of the PUD's in carrying it out.

Now, who in the world could "Cap" be? Secretary of the Interior Julius Krug is commonly known to his friends as "Cap." Cap was in on the deal, too—whoever Cap is—possibly Krug, possibly some less distinguished personage.

Let us turn to the next paragraph:

We reviewed this program at some length with Tompkins [Mort, master of the Oregon State Grange] in Portland last Friday. He realizes the critical situation of the public-power program at the present time, particularly in the State of Oregon, and felt that our approach was sound but desired to check it with his executive committee before making any definite commitments. I told him I was planning to discuss the program with Carstensen [master of the Washington State Grange] in Seattle today and wanted to be sure that we had the full and wholehearted support of the granges of both States on any program that we worked out. Tompkins called Carstensen after our meeting and reported to Hank that Carstensen was receptive to working out a cooperative program, but was adamant in his opposition to mixing up a municipal-ownership campaign with his plans for acquisition through PUD's. He stated that Carstensen was not interested in a municipal-ownership campaign until after he knew the outcome of the election on Initiative 166.

This was a measure to provide for a vote of the public before revenue bonds were issued for the acquisition of private property. It was defeated.

Now who is this Mort Tompkins? He got into State politics in Oregon, and into grange politics. He became overseer of the Oregon State Grange, and when the Bonneville Power Administration was formed he got on the Federal pay roll as a field agent for BPA. His duties seem to have been principally to travel over the State and help with the organization of PUD's.

After 3 or 4 years of this he got himself elected master of the Oregon Grange, a salaried position, and was presumed to have severed his connection with the Bonneville pay roll. But what did we find during the 1948 Interior appropriations hearings? We found that Mort Tompkins was still drawing money from BPA as a consultant—that he was on the Federal pay roll while taking part in many types of political activity.

Suppose it had come out that Tompkins had been on the secret pay roll of a private power company while serving as the salaried head of a farm organization which we all respect? What a scandal that would have been to the membership.

We do not know that Carstensen ever received any money from BPA, but his sustained interest in the Guy Myers schemes to switch ownership of $200,000,000 of electric properties might bear looking into.

We met with Carstensen at 10:30 this morning and I outlined the following situation to him: If the court case (now set for hearing on September 2 with a promise that the decision will be rendered within 10 days of the hearing) is favorable to the PUD's, then the Puget deal must be made prior to December 5 if Initiative 166 carries.

Carstensen stated that he was confident the court case would be favorable and that the deal would be made before the election on Initiative 166. He also stated that the Washington Water Power deal was already made and that the real purpose of the court case was to clear the way for making the Washington Water Power deal. They had expected to have the court case decided in May and the Washington Water Power deal out of the way before this time.

The next three paragraphs of Raver's communication to his boss, "Jebbie" Davidson, require some background explanation to make them meaningful, and to show how BPA is being so helpful to the Guy Myers boodle-bund.

Common stock control of both the Washington Water Power Co. and the Pacific Power & Light Co. is owned by a New York holding company, American Power & Light. That holding company, like others, is under orders from the SEC to dissolve. A constructive dissolution program would simply divorce the Washington and Pacific companies from their parent, and establish them as independent, locally controlled enterprises. This was and is the purpose and intent of the Holding Company Act, under which the SEC is proceeding.

The Bonneville power socialists and their assorted allies do not want such a constructive solution to come about. They do not want their political power satellites to have to meet the competition of streamlined and efficient private power companies. They want the SEC to be an instrument of destruction to free enterprise, not constructive regulatory force. In brief, they are deathly afraid that their watered-down brand of socialism cannot stand up by itself under the test of time. So they want to wipe out private power and municipal ownership in the Pacific Northwest—now.

Neither does Guy Myers want the SEC to order American Power & Light to turn its captive companies free. Myers wants the SEC to close its eyes to the public interest, and to the interest of the men and women who have spent their lives building up efficient public service enterprises, and allow him to hand millions of dollars of unearned profit to the holding company—millions of dollars which must come out of the pockets of users of electricity in the State of Washington.

Myers does not want the Washington and Pacific companies to become independent enterprises, completely subject to regulation by the States in which they operate. He wants to retain the ability to make a deal with one man—one man alone—Howard Aller, the head of American Power & Light. He wants to make that deal so that he, Guy C. Myers, can add another two or three million dollars to the million or so he already has made on similar deals. Aller would like to make the deal so he can turn his watered stock over to the public, in exchange for cold, hard dollars which would come from PUD bond issues, paid for by the people.

So you can see how perfectly the Myers financial game ties in with the BPA-Interior political game. What could be better for Myers than to have an important and influential department of the national administration urging the SEC not to compel Aller to free his captive companies?

I, for one, cannot believe that the Securities and Exchange Commission of the United States will allow itself to be so used by political power grabbers.

Now to continue with Dr. Raver's letter:

I told him if this was the situation that he should use every effort to stop or at least delay the merger of Pacific Power & Light and Northwestern Electric until after the court decision, otherwise the Washington Water Power deal, which he claims is already made, would no longer be effective since Washington Water Power would be out from under Electric Bond & Share at the same time P. P. & L. and NW. E. are merged. I am not sure that Washington Water Power will be divorced from the holding company at the same time NW. E. and P. P. & L. are merged, but I do know that the plan is for Washington Water Power to acquire controlling interest in the comon stock of the merged corporation.

I pointed out to him that in my opinion the NW. E. and P. P. & L. merger was being slipped through without the public realizing that it was only the first step in the further integration of operating companies in the area using Washington Water Power Co. as the original holding company and that subsequent steps might well include the Portland General Electric, whose common stock, as a result of the reorganization of Pepco, was widely scattered in the hands of income bondholders and might well be acquired, as far as the controlling interest is concerned, by the new merged corporation or by the Washington Water Power Co. Furthermore, I pointed out to him that the company might be gambling that the court decision would be favorable to them and they could then step in, bail out Frank McLaughlin at $18 per share for the common stock of Puget and thus very quickly set up a major public-utility-company monopoly that would control the entire power development of the Northwest from here on out.

This analysis was evidently new to Carstensen and he readily agreed to do anything we thought advisable to stop it. I suggested a number of hedges or efforts which various groups could make to stop or at least delay this merger until after the fall elections.

1. Contact Governor Wallgren and ask him to telegraph the SEC to delay proceedings until such time as the State had had an opportunity to examine the implications of this merger. Henry readily agreed to this and suggested that the Governor might have his advisory commission study the matter. Henry felt that he could enlist the support of McLaughlin and Hemphill, who are members of this commission, in formulating a protest because of the disadvantages to the development of the State and the development of its resources if the transmission and distribution of Government power came under the control of one large private-utility monopoly. Carstensen agreed to take this up with the Governor tomorrow. It was also pointed out that the merger would probably have to come before the State Public Utility Commissioner for approval and the Governor would have an opportunity to discuss the matter with his own public-utility commissioner.

2. I suggested to Carstensen that I explore the possibilities of developing municipal-ownership programs in the cities of Spokane, Yakima, and Walla Walla. He objected strenuously to starting anything in Spokane on the basis that the Spokane City Council has agreed to take no formal action on municipal ownership until the Washington Water Power deal is actually made and that the city council and the grange leaders have agreed to let the people in Spokane decide for themselves whether they desire municipal ownership for a PUD after the deal has been made. Of course, he has stated unequivocally that this deal has been made with Aller and, therefore, he is quite anxious to stop this merger, which presumably would take the properties out from under the control of Aller until after the court decision (which he expects to be favorable) at which time, according to Carstensen, the Washington Water Power deal will be made even before the Puget deal. Inasmuch as Carstensen maintained that if the city of Spokane voted for municipal ownership, the Washington Water Power deal would be killed, I agreed with him not to promote municipal ownership with the city council in my meeting with them next Tuesday morning. Consequently, I wish that you would have Cap check with Calder [chairman of the board of Electric Bond & Share Co.] and see if he can get the facts about Washington Water Power deal. It may be well that Carstensen has been misled by Myers about the deal and, if so, we should know about it and then be free to enlist his help or at least his consent in going ahead with the municipal-ownership program in Spokane.

He also objected to our promoting municipal ownership in Yakima at this time but on a different basis. He stated that in his opinion two of the commissioners of the Yakima PUD are strong for public ownership in Yakima County and that they have been misunderstood in their position because of a grange fight which arose out of the grange people trying to dictate to the newly elected commissioners what their position should be with respect to the sale of this property by the P. P. & L. Carstensen felt that it would be very bad at this time to support municipal ownership in Yakima as it would only tend to cause a wider rift between the commissioners and some of the grange officials and other public-power supporters in Yakima. He stated that he was trying to pull all the public-power forces together and he felt confident that all parties would be served best by having the PUD take over instead of municipal ownership. He also stated that he was confident that a new PUD commissioner would be elected this fall who is a strong supporter of acquisition.

I ask you to read the further evidence of connivance to defeat the will of the people of the United States in the following three paragraphs. They are self-explanatory.

He also stated that the present PUD commissioners had determined that if municipal-ownership agitation started in Yakima they would institute condemnation proceedings against P. P. & L. in order to stop it. I made no definite comments about this except to state that we would not want to do anything to cause a break in our public-power forces and wanted to pull them together. My own fee'ing is (although I did not express it to Carstensen) that some more individual work will have to be done on the situation with Carstensen and other public-power leaders in the Yakima area before municipal ownership can be developed there with any possibility of success.

In both the Spokane and Yakima situations, Carstensen agreed that if they were unsuccessful in fighting Initiative 166 this fall (or in the case of Yakima, in electing a friendly PUD commissioner this fall) that he would come all out for a strong municipal-ownership campaign because, as he stated it, the PUD's were on their last legs and they either had to win this fight or try some other alternative to accomplish the acquisition of the private companies in this State.

We then discussed the Walla Walla situation and Carstensen agreed that municipal ownership in Walla Walla could go ahead without interfering in any way with their PUD program. I requested that he support municipal ownership in Walla Walla if the city council decided to put it on the ballot this fall, but he gave no commitment as to his support.

Dr. Raver's request for help in promoting municipal ownership in Walla Walla takes on greater significance when tied in with the fact that the Bonneville Power Administration maintains a costly and unnecessary district office in that city, and when tied in with the further fact that BPA's district manager, H. R. Richmond, Jr., has long been busy with various schemes to break down that community's stalwart resistance to the socialization of its electric service.

It is a matter of public knowledge that Richmond, a year before Raver wrote his intimately revealing letter to "Jebbie," had been active in the organization of an abortive electric co-op, intended to sneak public ownership into Walla Walla via the back-door route. It is also a published fact that he and one Charles Luce, then Bonneville staff attorney for the district, a few months later helped organize Interstate Electric, Inc., a Guy Myers type of nonprofit corporation, created for the announced purpose of buying the Pacific Power & Light Co. system, and then picking it apart.

In Dr. Raver's own words, testifying before the Securities Subcommittee of the Committee on Interstate and Foreign Commerce on January 29, 1946, Interstate Electric was, and I quote, "a pure legal fiction and a device to accomplish an end."

When Dr. Raver's legal fiction failed of its purpose, we find him turning to the king pin of the Myers public-ownership group for permission to go ahead with an attempt to start a municipal-ownership program in Walla Walla.

I refer to the following paragraph in Dr. Raver's letter particularly because of its reference to Nick Bez, the RFC beneficiary:

We also discussed with Carstensen certain other alternatives that need to be pushed now in order to strengthen the public-power situation in the Northwest and help defeat the merger. I pointed out that while the possibility of a competitive system in The Dalles and the existing competitive situation of the Hood River Co-op were Oregon developments, they had a bearing upon the situation in the State of Washington because they were in Pacific Power & Light territory and that, therefore, the Grange should give its moral support and any other support that it could to these developments. Similarly, we pointed out that a PUD election in Clatsop County (Astoria) was coming up on the fall ballot and that the leaders in the Oregon Grange felt that if sufficient effort were placed on winning this election, they had a very good chance of winning it. I suggested to Carstensen that inasmuch as Nick Bez is a member of the Governor's advisory commission and (according to Carstensen) is a stronger supporter of PUD's that he might try to enlist the assistance of Bez in the problem of getting the issues properly before the people in Clatsop County.

I mentioned also that Benton County had received an award of one and one-quarter million dollars and had been promised financing by Hassock. Carstensen's reaction to the

Benton County award was that it was too high and that the PUD would find itself in the same embarrassing condition that Okanogan County finds itself in today as a result of paying too high a price for its properties. I did not mention to Carstensen the inconsistency of his position on the question of price.

You will note the statement that "the leaders of the Oregon Grange felt that if sufficient effort were placed on winning this election, they had a very good chance of winning it." That was a PUD election in Clatsop County, Oreg., and the top leader of the Grange was the very same Mort Tompkins who was drawing pay from Bonneville in the guise of a consultant. I am happy to be able to say that, in spite of this web of intrigue, this use of taxpayers' money, and of Federal influence, the voters of Clatsop County said emphatically that they were against power socialism and wanted to keep private enterprise in the electric business.

I told Carstensen that certain groups in Portland were interested in circulating a referendum petition when and if the city council acts favorably upon the NW. E. and P. P. & L. application for city approval of their merger plans. Incidentally, Commissioner Lee made a statement in the Sunday morning paper to the effect that she had examined the proposed merger of the two companies and felt it should be approved by the city council because it would result in refinancing the company on a lower interest rate. Our information is that a referendum requiring the city council's action to be submitted to the voters for approval can be secured by a petition containing 2,000 signatures in the city of Portland.

When I told Carstensen about this possibility of delaying the merger proceedings, he inquired as to the possibility of getting an initiative petition circulated and signed up in the city of Portland for municipal ownership or for a PUD in time for the fall election. I indicated to him that I was not informed as to the number of signatures required but that I would look into this possibility purely as a delaying tactic and not with any feeling that such an election could be carried through to a successful conclusion.

I leave the following paragraph as it stands with its own reference to Bonneville Administration's violation of section 9 (a) of the Hatch Act:

I neglected to mention in the proper place that Carstensen is having a meeting in Wenatchee on Monday, July 22, of all organizations interested in defeating Initiative 166. He expects to have the A. F. of L., the Public Power District Commissioners' Association, and the Grange, as well as certain municipalities, represented at this meeting. He proposed to have each of the organizations represented there send telegrams to the SEC, protesting against the merger plans and asking for hearings on these plans in the Northwest. It is our feeling that if these hearings can be held in the Northwest they can be used as a good public forum on the whole public-power issue, including the basic points in Initiative 166.

I refer you to section 9 (a) of the Hatch Act, which reads as follows:

SEC. 9. (a) It shall be unlawful for any person employed in the executive branch of the Federal Government, or any agency or department thereof, to use his official authority or influence for the purpose of interfering with an election or affecting the result thereof. No officer or employee in the executive branch of the Federal Government, or any agency or department thereof, shall take any active part in political management or in political campaigns. All such persons shall retain the right to vote as they may choose and to express their opinions on all political subjects. For the purposes of this section the term "officer" or "employee" shall not be construed to include (1) the President and Vice President of the United States; (2) persons whose compensation is paid from the appropriation for the office of the President; (3) heads and assistant heads of executive departments; (4) officers who are appointed by the President, by and with the advice and consent of the Senate, and who determine policies to be pursued by the United States in its relations with foreign powers or in the Nation-wide administration of Federal laws.

(b) Any person violating the provisions of this section shall be immediately removed from the position or office held by him, and thereafter no part of the funds appropriated by any act of Congress for such position or office shall be used to pay the compensation of such person.

I have submitted and discussed the letter from Dr. Raver to his boss, Davidson, Assistant Secretary of the Interior, a letter which Raver admits having signed and sent. Taken in its entirety it reveals a prima facie case of law violation by the Bonneville Administration at the highest levels.

It reveals that an important agency of the Federal Government, the Bonneville Power Administration, is deeply involved in political shenanigans, and is contributing to the enrichment of a group of Wall Street promoters and Wall Street holding companies, at the expense of the Federal taxpayers and of the power consumers of the State of Washington.

It is shocking and scandalous that the same holding companies should today have the aid of public officials in unloading these high-priced stocks back on innocent people in the form of inflated revenue bonds.

It is shocking, I repeat, and scandalous, Mr. Chairman, and I recommend a public hearing involving all of the characters mentioned: ex-Governor Wallgren, Nick Bez, Myers, Aller, Raver, Tompkins, Carstensen, and on down the line, with the proviso that all of them be sworn to tell the truth, the whole truth, and nothing but the truth.

Just where is our greater power shortage today? It is in the Tennessee Valley area, and in Washington and Oregon—the Bonneville area. Why? Because years ago Government competition started to drive private utilities out of existence. Private industry and private utilities are unable to get the money for construction and expansion. Consequently, you have the brown-outs and black-outs in those areas where we have the greatest Federal control of electric energy.

Now the Bonneville Power Administration in this bill are asking Congress to furnish a great sum to construct a transmission line from that power-shortage Bonneville area, where they are asking for millions of dollars to build power-generating plants, to build transmission lines, and so forth. I repeat, they are asking this Congress to run a line out of that power-shortage area into a power-surplus area in Montana, where no one has asked for power that they did not get at a fair price. When the gentleman from Ohio [Mr. KIRWAN] talks about 8- or 10-percent Government ownership of power plants and power facilities in America, we all know that unless Congress calls a halt soon it will be 20 percent, then 30 percent, then 40 percent, then 60 percent, as is the case in Washington and Oregon, and at the present rate of scheming 100 percent is the goal.

Mr. Chairman, private enterprise is on the skids today, and unless this Congress wakes up now and stops this kind of Government encroachment on the good private power utilities in America in the interest of every other kind of business in America where Government is getting into the business that they have no business in one of these fine days a commissar will take over your home, your farm, and your business, and make no mistake about it. Now is the time to do a lot of serious thinking.

Tomorrow I shall offer several amendments to this bill. I hope every Member will be here to voice and vote their convictions.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. KIRWAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

SAVINGS ON ELECTRIC BILLS

Mr. RANKIN. Mr. Chairman, we have just listened to the gentleman from Iowa [Mr. JENSEN] talking about driving private power companies out of business.

It is about time for Congress to pay more attention to what the Power Trust is doing to the American people.

As I have pointed out, time and time again, the power business is a public business.

Instead of the Government engaging in a private business, the Power Trust is trying to monopolize a public business.

Electricity is the life blood of our advancing civilization. The cheaper the rates the more freely it flows, and the more freely it flows the greater are its benefits to mankind.

It has become a necessity of our modern life. No home is complete without it, and no business establishment can operate successfully without it.

It must be handled by a monopoly; and any monopoly of a necessity of life is a public business.

Besides, the water power of the Nation already belongs to the Federal Government. The Supreme Court so held in the Appalachian Power case, as well as in the Ashwander case. The Government has the right and the duty to build the transmission lines necessary to get the power generated at these public dams out to the people.

At this point, Mr. Chairman, I am inserting a table showing the amount of electricity used in each State during the year 1947, the cost of that electricity, and the savings that would have occurred if it had been supplied at the TVA rates, the Tacoma, Wash., rates, the Bonneville rates, or the Ontario rates.

The table referred to follows:

TABLE 1.—*Total electric sales, 1947*

State	Sales			Estimated revenues and consumer savings if services were rendered under basic rates in effect in—							
	Number of customers	Kilowatt-hours	Revenues	Area served by Tennessee Valley Authority		Tacoma, Wash.		Area served by Bonneville Power Administration		Ontario, Canada	
				Revenues	Savings	Revenues	Savings	Revenues	Savings	Revenues	Savings
Alabama	528,401	5,480,972,000	$52,872,700	$32,438,173	$20,434,527	$26,797,859	$26,074,841	$37,326,851	$15,545,849	$34,642,116	$18,230,584
Arizona	151,468	1,128,795,000	18,228,700	8,583,322	9,645,378	7,542,687	10,686,013	10,191,477	8,037,223	8,956,061	9,272,639
Arkansas	336,529	1,116,014,000	25,904,400	13,484,997	12,419,403	11,418,455	14,485,945	15,732,950	10,171,450	14,365,527	11,538,873
California	3,117,788	18,035,720,000	288,979,100	201,144,595	87,834,505	168,137,160	120,841,940	233,303,657	55,675,443	216,347,302	72,631,798
Colorado	337,671	1,166,990,000	29,007,200	13,670,595	15,336,605	12,038,693	16,968,507	16,216,270	12,790,930	14,141,525	14,865,675
Connecticut	595,613	2,945,948,000	70,241,400	32,772,352	37,469,048	27,962,632	42,278,768	38,165,037	32,076,363	34,054,592	36,186,808
Delaware	83,970	452,731,000	9,567,800	4,341,148	5,226,652	3,735,020	5,832,780	5,088,025	4,479,775	4,536,123	5,031,677
District of Columbia [1]											
Florida	637,712	2,363,649,000	63,900,300	26,086,976	37,813,324	23,271,027	40,629,273	31,043,836	32,856,464	26,431,722	37,468,578
Georgia	612,635	3,421,552,000	56,635,700	31,966,305	24,669,395	27,892,303	28,743,397	37,698,592	18,937,108	33,000,535	23,635,165
Idaho	169,242	1,194,849,000	15,879,300	9,859,890	6,019,410	8,656,935	7,222,365	11,617,941	4,261,359	10,022,988	5,856,312
Illinois	2,407,993	13,946,033,000	268,066,500	132,349,440	135,717,060	112,414,144	155,652,356	154,434,196	113,632,304	139,258,220	128,808,280
Indiana	1,123,529	5,996,387,000	116,255,900	59,467,245	56,788,655	50,319,196	65,936,704	69,157,645	47,098,255	62,640,512	53,615,388
Iowa	741,812	2,564,733,000	62,028,900	31,049,521	30,979,379	27,133,113	34,895,787	36,649,483	25,379,417	32,043,780	29,985,120
Kansas	496,353	2,040,248,000	45,178,300	22,338,963	22,839,337	19,206,293	25,972,007	26,168,195	19,010,105	23,366,004	21,812,296
Kentucky	547,419	2,578,483,000	47,368,300	25,712,700	21,655,600	21,891,503	25,476,797	29,978,220	17,390,080	26,870,359	20,497,941
Louisiana	519,260	2,472,257,000	44,065,400	20,484,896	23,580,504	17,718,967	26,346,433	24,042,533	20,022,867	21,274,184	22,791,216
Maine	275,814	1,142,871,000	22,911,300	10,971,088	11,940,212	9,426,210	13,485,090	12,809,762	10,101,538	11,306,441	11,604,859
Maryland and District of Columbia	734,648	4,995,671,000	82,199,300	45,162,229	37,037,071	38,691,783	43,507,517	53,145,018	29,054,282	48,191,938	34,007,362
Massachusetts	1,439,541	5,400,491,000	144,720,800	63,171,478	81,549,322	53,778,203	90,942,597	73,481,311	71,239,489	65,762,048	78,958,752
Michigan	1,763,974	9,956,502,000	186,239,400	93,696,512	92,542,888	81,655,236	104,584,164	110,185,486	76,053,914	95,994,399	90,245,001
Minnesota	808,590	3,069,935,000	73,562,700	36,857,025	36,705,675	32,278,319	41,284,381	43,430,295	30,132,405	37,696,451	35,866,249
Mississippi	323,945	1,078,294,000	24,587,200	11,922,107	12,665,093	10,404,956	14,182,244	14,044,062	10,543,138	12,286,071	12,301,129
Missouri	1,010,458	4,381,836,000	88,505,700	47,008,810	41,496,890	40,791,691	47,714,009	55,372,835	33,132,865	48,924,908	39,580,792
Montana	151,006	1,851,532,000	18,040,600	10,827,747	7,212,853	9,020,517	9,020,083	12,526,834	5,513,766	11,588,032	6,452,568
Nebraska	330,996	1,132,871,000	26,683,100	14,115,259	12,567,841	12,512,614	14,170,486	16,792,124	9,890,976	14,472,431	12,210,669
Nevada	41,584	394,694,000	6,236,700	3,024,534	3,212,166	2,629,502	3,607,198	3,579,633	2,657,067	3,199,234	3,037,466
New Hampshire	178,261	622,762,000	15,890,100	7,452,558	8,437,542	6,367,034	9,523,066	8,685,703	7,204,397	7,707,876	8,182,224
New Jersey	1,427,679	6,397,912,000	152,825,900	71,936,274	80,889,626	61,204,773	91,621,127	83,857,001	68,968,899	75,504,061	77,321,839
New Mexico	109,992	388,274,000	10,434,900	4,329,724	6,105,176	3,819,080	6,615,820	5,137,766	5,297,134	4,473,981	5,960,919
New York	4,458,147	22,618,807,000	457,911,900	189,435,038	268,476,862	168,271,632	289,640,268	226,318,570	231,593,330	196,511,419	261,400,481
North Carolina	747,689	4,403,786,000	66,363,200	38,059,380	28,303,820	32,232,234	34,130,966	44,239,177	22,124,023	40,060,465	26,302,735
North Dakota	110,944	286,596,000	9,755,300	4,176,700	5,578,600	3,832,613	5,922,687	5,050,294	4,705,006	4,205,484	5,549,816
Ohio	2,247,329	15,494,727,000	253,232,600	136,125,909	117,106,691	114,767,736	138,464,864	158,035,802	95,196,798	143,353,625	109,878,975
Oklahoma	508,612	1,757,374,000	40,594,700	19,717,091	20,877,609	16,978,553	23,616,147	23,108,710	17,485,990	20,572,872	20,021,828
Oregon	428,643	4,311,383,000	43,096,100	29,775,713	13,320,387	25,825,541	17,270,559	34,945,571	8,150,529	30,712,039	12,384,061
Pennsylvania	2,853,776	19,696,741,000	325,872,100	175,862,760	150,009,340	146,409,619	179,462,481	203,005,181	122,866,919	186,965,440	138,906,660
Rhode Island	237,832	951,961,000	25,121,600	10,795,158	14,326,442	9,063,150	16,058,450	12,492,490	12,629,110	11,378,727	13,742,873
South Carolina	359,998	2,120,342,000	30,235,300	17,610,758	12,624,542	14,936,097	15,299,203	20,497,695	9,737,605	18,496,231	11,739,069
South Dakota	128,214	329,142,000	10,545,100	4,404,934	6,140,166	3,981,226	6,563,874	5,294,306	5,250,794	4,492,880	6,052,220
Tennessee	608,018	7,739,687,000	58,838,700	43,707,026	15,131,674	36,729,797	22,108,903	50,597,756	8,240,944	45,914,538	12,924,162
Texas	1,663,099	7,404,697,000	143,606,600	73,232,888	70,373,712	63,366,077	80,240,523	86,305,559	57,301,041	76,998,374	66,608,226
Utah	177,458	928,265,000	16,348,200	9,374,545	6,973,655	8,120,474	8,227,726	10,988,813	5,359,387	9,629,565	6,718,635
Vermont	114,835	418,594,000	10,566,300	5,133,436	5,432,864	4,402,227	6,164,073	5,978,812	4,587,488	5,274,055	5,292,245
Virginia	642,072	3,266,181,000	61,918,400	30,827,617	31,090,783	26,680,643	35,237,757	36,199,864	25,718,536	31,948,089	29,970,311
Washington	674,769	9,604,980,000	77,118,200	55,350,295	21,767,905	47,563,860	29,554,340	64,851,753	12,266,447	57,643,748	19,474,452
West Virginia	414,823	3,568,492,000	50,719,200	27,184,528	23,534,672	21,996,275	28,722,925	31,011,000	19,708,200	29,423,062	21,296,138
Wisconsin	587,089	4,748,573,000	97,959,700	49,902,011	48,057,689	42,952,694	55,007,006	58,585,037	39,374,663	52,211,793	45,747,907
Wyoming	64,720	212,163,000	5,943,900	2,587,005	3,356,895	2,326,582	3,617,318	3,096,838	2,847,062	2,635,391	3,308,509
United States total	38,431,950	217,581,497,000	3,852,764,700	2,009,489,255	1,843,275,445	1,719,152,935	2,133,611,765	2,350,465,966	1,502,298,734	2,107,487,218	1,745,277,482

[1] Included in Maryland data.

Mr. KIRWAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Oregon [Mr. ANGELL].

Mr. ANGELL. Mr. Chairman, Bonneville, being in my congressional district, I am deeply interested in it from the standpoint of the Third Congressional District, but even above that for the development of the entire Northwest, as well as the Nation at large.

We have a very peculiar situation there, as you no doubt realize. We have a dearth of hydroelectric power. We thought after the war—I know many of us in Congress felt—that with the speeded-up program during the war for the construction of hydroelectric generating facilities, we would probably have a let-down and have electricity running out of our ears, as one high official said. As a matter of fact we have utilized not only every kilowatt of existing facilities, but we are critically short. We are not able to carry on the ordinary activities requiring hydroelectric power in the Northwest area. In fact, the newspapers have been carrying ads by utility companies for several months urging their customers to discontinue the use of electricity so far as possible from 4:30 to 6:30 in the evening. This curtailment did result in a considerable saving of hydoelectric power at critical peak periods in the day when they did not have the facilities to meet the demands. As a matter of fact, as you know, Bonneville and Grand Coulee have had their generation facilities running not only at the ordinary rated capacity but 10 to 15 percent above that without any units available in reserve in case of a breakdown, so they have been in a very critical situation.

The appropriations for Bonneville under the Interior Department are for the facilities for getting this power over the backbone transmission facilities to the areas where it is needed and where it is turned over to industrial enterprises and private utilities for distribution. In addition to that, we require funds for maintenance and upkeep and carrying on this enterprise. I will give the figures with respect to the various items; you have them in the budget, and I will submit a list of them for the record. I am pleading with you, as you have done in the past, to view our problems with a critical eye, with the thought in mind of making us adequate appropriations to carry on the normal activities of this big enterprise which really belongs to Uncle Sam. The profit, of course, goes to him, and unless we can meet the demands of the area for hydroelectric power we are not only penalized, but Uncle Sam himself will lose revenue to boot. So that is the problem facing us.

The North Bonneville-Troutdale line is presently nearing the field-construction stage. Actual construction will be performed during 1950 fiscal year as the line must be energized by November 1949 in order to reinforce the two existing 230-kilovolt lines from North Bonneville to the Portland load centers. The power flow in November is estimated to be 500,000 kilowatts, an excessive load for two lines.

The Troutdale substation additions include several items, one of which is the permanent installation of static capacitors which have been temporarily connected. Also transformer No. 4, a 250,-

000-kilovolt-ampere bank, is now being installed and will be energized this fiscal year but the installation of much of the auxiliary equipment will carry over into the 1950 fiscal year. The addition of this large transformer bank and a third 230-kilovolt line west from North Bonneville Substation requires adjustment of the relay and protective scheme. Some of the older types of relays now installed are to be replaced with new and improved types. A 230-kilovolt potential transformer is necessary to provide a reference voltage for adjusting line-potential devices and to provide accurate voltage indication for metering and system control.

The St. John substation additions include the installation of 15,000 kilovolt-amperes of static capacitors and the replacement of some oil circuit breakers which have become overloaded because of system growth. The work is now under way and is scheduled for completion in the 1950 fiscal year. A large portion of the funds are for liquidation of prior years' contract authorization.

The transmission-system additions include customer metering requirements, small system additions, system relay changes to newer type relays, a small storage building for tools and equipment at St. Johns, and other minor installations and replacements which become necessary during the fiscal year.

The control-cable replacements are necessary at several substations in the western portions of Oregon. The number and frequency of cable faults at some of the earlier installations warrant the replacement of the original cable with a type which can better withstand the moisture conditions at these several substations. St. Johns substation is one of the principal stations requiring control-cable replacements.

The list of major projects shows primarily those facilities required for the system, and, therefore, necessary to bring power to the borders of my district, and to other districts as well.

The operation and maintenance requirements of the Administration are increasing as the system expands; and as the loads grow, it becomes more important to prevent interruptions to service. The needs of the AEC in particular must be given special attention so as to avoid, if possible, any disruption to their power supply. Engineers of both the AEC and the Administration have discussed operations and maintenance, including the methods of relaying and means of communication to be used to minimize operating troubles. The engineers have reached substantial agreement on the technical problems, but in the past the funds available have not been adequate to provide a high grade of service. The 1950 budget estimate includes substantial increases for both the operation and maintenance of the system. There are two main reasons for the increases: First, the expanding system requirements demand more operators and more maintenance men; second, the standards of operation and maintenance must be brought up to normal, both to satisfy the requirements of the AEC and to meet the needs of other customers. Proper operation and maintenance of the Administration's system is of fundamental importance, and the increases requested are the minimum that will permit a normal commercial grade of service to be rendered to the AEC, industries, utilities, and public agencies of the region.

Mr. Chairman, the following items affect my district:

THIRD OREGON DISTRICT, BONNEVILLE POWER ADMINISTRATION—1950 FISCAL YEAR BUDGET SUBMISSION

Major projects located outside of district to bring power from upstream plants to border of district

Budget symbol	Project	Cash	Contract authorization	Total
I-III	Grand Coulee-Columbia No. 3	$1,356,000	$300,000	$1,656,000
I-IV	Grand Coulee-Columbia No. 4	355,000	811,000	1,166,000
I-V	Columbia-Midway No. 2	57,000	325,000	382,000
I-VI	Midway-Goldendale No. 3	97,000	813,000	910,000
I-VII	Goldendale-Detroit	1,671,000	2,801,000	4,472,000
I-VIII	Detroit-Goshen (Eugene)	1,832,000	755,000	2,587,000
I-IX	Control-cable replacement	127,000		127,000
I-X	Grand Coulee Midway No. 3	565,000	1,840,000	2,405,000
IA-1	Covington-Olympia	2,912,000	441,000	3,353,000
IB-1	North Bonneville-Troutdale No. 1	1,086,000		1,086,000
IB-2	Troutdale substation additions	276,000	13,000	289,000
IB-3	Longview substation additions	51,000	127,000	178,000
IB-4	Chehalis substation additions	379,000	217,000	596,000
IB-6	J. D. Ross substation additions	321,000	156,000	477,000
IB-7	St. Johns substation additions	160,000		160,000
IIC-3	McNary-Pasco	97,000	625,000	722,000
IIC-8	Midway substation additions	917,000	356,000	1,273,000
IV-2	Communications facilities [1]	125,000		125,000
IV-3	Tools, equipment [1]	1,009,000		1,009,000
IV-4	Preliminary engineering studies [1]	110,000		110,000
IV-5	Telemark [1]	23,000	60,000	83,000
IV-6	Telemetering [1]	2,000	240,000	242,000
IV-7	Emergency power transformers [1]	1,000	200,000	201,000
IV-8	Warehouse stock [1]	550,000		550,000
III-1	Hungry Horse-Kerr No. 1	197,000		197,000
III-3	Hungry Horse-Kerr No. 2	117,000	481,000	598,000
III-4	Kerr switching station	5,000	181,000	186,000
III-6	Kerr-Spokane line No. 1	319,000	1,817,000	2,136,000
	Total	14,717,000	12,559,000	27,276,000

[1] These items cover entire system.

Following items in submitted budget (designated by budget symbols) necessary to secure full use of western leg of 220-kilovolt loop in State of Washington to use the full capacity of this transmission line for feed into State of Oregon from Grand Coulee and Hungry Horse plants:

I-1	IA-7	IB-4	IC-7	IC-1
I-2	IC-5	IB-8	IB-16	IC-2
IA-1	IB-3	IB-9	IB-18	

Projects located within district and included in 1950 fiscal year budget

Budget symbol	Project	Cash appropriation	Contract authorization	Total
IB-1	North Bonneville-Troutdale	$1,086,000		$1,086,000
IB-2	Troutdale substation additions	321,000	$13,000	334,000
IB-7	St. Johns substation additions	160,000		160,000
IB-18	Transmission-system additions	50,000		50,000
I-9	Control-cable replacements [1]	127,000		127,000
	Total	1,744,000	13,000	1,757,000

[1] Applies to system.

Mr. Chairman, by reason of the hydroelectric power generated in the Northwest, we were able to make aluminum in vast quantities during the war, and now we have a very critical situation due to the need for more electricity for use in making aluminum for use in our rearmament plan. We supplied about one-third of the aluminum which went in the war effort, and before the war we did not make a pound of aluminum. Now we are in that business and it takes a big block of power. Also we are using a big block of power at Hanford, Wash., in the atomic plant; so it is used not only in the atomic-energy experiments and manufacturing at Hanford, but also in the production of aluminum, which is used Nation-wide.

Mr. KIRWAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Montana [Mr. D'EWART].

Mr. D'EWART. Mr. Chairman, I ask unanimous consent to extend my remarks in the Appendix of the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. KIRWAN. Mr. Chairman, I yield 15 minutes to the gentleman from Arkansas [Mr. NORRELL].

Mr. NORRELL. Mr. Chairman, it did me good a few minutes ago when so many of my friends and able and courageous Members of the House complimented my chairman and his subcommittee for presenting this bill to the House today. I am not going to talk about my section of the country except to say this: We are all familiar with the Southwestern Power Administration. A few of you will remember that I have opposed some activities of the Southwestern Power Administration. A few years ago I told them that I would be anxious to vote to tie the dams together by transmission lines if they would not try to create a mammoth power concern down there; but that is water over the dam now. The amendment offered was adopted. I

know how things go. First, we desire just to tie the dams together, then this little line and that one, then others. Now they offer a power-transmission system of about $50,000,000. Part or all requested now has been allowed and the whole system has been approved, according to the report.

I belong to the Democratic side of the committee. I do not always agree with them. They are good, honest, and honorable men. I reserve the right to disagree sometimes. Thank God, that is an old-fashioned rule of the Democratic Party. I am from a State that does not have to offer apologies. We do not know anything but Democratic Party. My State has never gone Republican. In the last campaign I made a public statement, as did the other Members of Congress from Arkansas, and these statements were published in practically all the papers of the State, that we expected to support the Democratic nominees for President and Vice President.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. NORRELL. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. Is there something wrong if some State goes Republican?

Mr. NORRELL. No; not a thing; but I am sure the distinguished gentleman understands what I have reference to.

The papers carried these statements all over Arkansas. We voted the Democratic ticket. The Democrats carried Arkansas. I say again, thank God that we have a right in the Democratic Party to use our own judgments, and thank God we have a right under the American system of government to make a mistake. I make them and you make them. I do not favor this entire bill, not all of the projects and not all of the sums that have been allowed. Even the projects may be desirable but we may be unable to supply them. We should maintain a balanced budget and taxes ought not to be increased.

The bill before you is about like it came to us from the Bureau of the Budget with the exception that 15 percent has been discounted. That is not a cut, that has been brought about because of the economic trend. The report so states. Therefore, the bill has practically not been cut at all.

I like the Interior Department. I liked Harold Ickes when he was in charge of the Interior Department, and his associates, and of course I like Mr. Krug, the present Secretary and his associates. In this connection, I like Douglas Wright, the Administrator of the Southwestern Power Administration. He stated to the committee, and it is in the hearings that the REA in Arkansas is buying cheaper power, paying less money for it from the private utilities, than the Southwestern Power Administration is selling it to the REA. This evidence can be found on pages 71, 72, 73, and 74 of the hearings before you.

In conclusion I want to say I have reserved the right to vote for a few amendments, if they should be offered. I urge you to think about this. We, as a Congress, ought to establish three categories of projects: One, the necessities; two, the desirables; and, three, the miscellaneous items.

The necessities must be carried on. The desirables ought to be, if we have the money. We did not get to be a billion-dollar Government until 1916. This bill has over half a billion dollars in it. It ought to be reduced some. Some of the other items, miscellaneous probably to a few of us, ought to be cut out. We ought to build the necessary and desirable projects and then do the rest if our money will permit.

I do want to impress this one thing on you, and that is the miscellaneous projects ought to be weighed carefully. This bill contains many. Some are good. Many items are good. Others are bad. I expect to vote to delete the bad ones if amendments are offered. Are we going to put the national budget out of balance by including some items that we really could get along without? It is good to get your projects allowed, get your money, and go back home. I know how good it feels; we all feel good when our projects are approved. However, gentlemen, this bill carries too much money. We provide as much money for the Bonneville Power Administration in this bill as another subcommittee provided for the great lower Mississippi River, and all its tributaries, which you might say drain almost the total area of the country, this side of the Continental Divide.

I am trying to say that if you vote for all the items in this bill and all the items in the other appropriation bills, if they contain the budget estimates, then when the administration presents a tax bill to get $4,000,000,000 additional taxes, I am sure I will not hear any of you say that you are against a tax increase. I am going to make my record. I am going to vote against a few of the items in this and other appropriation bills. I am going to vote against some of the items which I would place in the miscellaneous category. I would not put the budget out of balance to construct those items. I would not do that. I would not have the national budget go in the red, so to speak—I would not create a deficit in order to do those things. If I had my way, I would not do that. I am not going to vote for a tax increase in order to construct these projects, whether they be in my district or yours. The President has been fair about this matter. He says it will require $4,000,000,000 additional in new taxes to do the things that he has recommended. He is correct, and I want to tell you that it will cost that much, if you spend the money recommended in the entire budget. It is up to you. If you do not vote to cut the budget, then you ought to vote a tax increase, in order that the country may continue to maintain a balanced budget.

Mr. Chairman, I thank you for the attention you have given me. I hope you will consider that I am sincere in my statement and honest in the opinions that I have expressed.

I want to avoid a tax increase and a budget deficit. The only way to do that is to cut the budget and eliminate items possibly desirable, but not necessary, absolutely essential.

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The gentleman from Arkansas [Mr. NORRELL] yields back 3 minutes.

Mr. JENSEN. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. FENTON].

Mr. FENTON. Mr. Chairman, this is the third year that I have sat in hearings of the Subcommittee on Appropriations for the Department of the Interior; and, while I have enjoyed the work very much I want to say that I am concerned about the administration of several of the Department's subdivisions—its Bureaus. On the other hand it is consoling to find that the Interior Department does have other bureaus that function well.

The chairman of our subcommittee, the gentleman from Ohio [Mr. KIRWAN], was fair in his handling of the work of the committee, and to its members. He was fair to the witnesses who appeared before us.

The five members of the committee got along very well together even though our opinions and ideas varied at times. But as far as I am concerned those differences were left in the committee room.

However, as Members of Congress we have the right to know and we have a right to challenge anything which we think will eventually tend to turn the minds of the American people away from the ideologies and basic principles of the founders of this great country. If you will read the hearings you will see that there were a number of verbal clashes over policies and in the arguments for the justification for certain items.

The members of this subcommittee sitting for week after week on what the Interior Department officials sometimes refer to as its "board of directors" are privileged to listen to many details for appropriations. The Department of the Interior is indeed—what our distinguished chairman often calls it—the all-American department.

I have learned much about reclamation, power, irrigation, flood control, and the other features that go into multiple-purpose dams. Some sections of our country may need one or more of those features. If they are necessary they should be given. But where an area does not need all of the features of the multiple purpose dam we should not permit the Bureau of Reclamation, Bonneville, or the War Department engineers or any other outfit to encroach upon private industry under the guise of shortages of power in some instances, and flood control in others.

When we ask whether or not there is cooperation between our Federal officials and the heads of private industry in certain areas we find them saying in one breath that there is and in another breath that there is not. Now somebody is wrong and that is what I mean when I say I am concerned.

The previous speakers of this committee have gone into the details of the Bonneville Administration, reclamation, and southwestern power projects. I will discuss some of the other bureaus.

BUREAU OF INDIAN AFFAIRS

The committee has allowed $52,127,971 for fiscal 1950. The Bureau of the Budget recommended $59,001,520. This is a decrease of $6,873,549 under the budget and an increase over 1949 of $7,817,657.

There has been and still is a great deal of unfavorable talk about the management of the Bureau of Indian Affairs. Some of it may be justified but a great deal of it cannot, in my opinion.

I have tried to be impartial in evaluating this criticism.

Scattered out over the entire United States and Alaska the many and varied problems of the Indian Bureau are bound to create many difficult problems.

In this Bureau we find many items that could probably be better and more efficiently administered if they were distributed where they rightfully belong.

There are, for instance, the following functions—which are for the rest of the citizenry of the United States—in other departments:

First. Education: United States Public Instruction.

Second. Health: United States Public Health Service.

Third. Welfare: Federal Security.

Fourth. Reclamation and Irrigation: United States Bureau of Reclamation.

Fifth. Treaties: State Department.

Sixth. Land: Bureau of Land Management.

Seventh. Agriculture and Forests: Agriculture Department.

Eighth. Construction: Public Buildings.

We could probably go on and cite more instances but it would not do any good at this time.

In other words, the Indian Bureau appears to me from all the criticism aimed at it as being a "Jack of all trades and master of none."

Now if you will read the statement that Mr. Zimmerman made before our subcommittee you will agree that there is confusion. When the Acting Commissioner, Mr. Zimmerman, of the Bureau of Indian Affairs, says:

I should like to talk about the scandalous condition of Indian health (p. 583 of the hearings).

When he says that—

Approximately 19,000 children of school age are not going to school because the Federal Government has not provided facilities (p. 583).

That 31,000 children are in public schools, and 27,000 are in Federal schools. He further states that one-quarter of the Indian children have no place to go to school—now I say it is a sad condition.

With Mr. Zimmerman's statement I am in full accord, and I think he should be congratulated for his forthrightness in telling the facts. Yet criticism prevails when it is impossible to administer health and education under the present conditions and set-up.

Another significant part of Mr. Zimmerman's statement, page 583:

The Indians are essentially a rural people. Most of them still subsist on the land. In 1887, the Indians had in their use or in their ownership 138,000,000 acres of land. Today they have 56,000,000. During that same period the Indian population increased from roughly 240,000 to 400,000. Therefore, you can see very clearly that the Indian land base today is perhaps 40 percent of what it was in 1887, while the population has almost doubled. The deficiency of the Indian land base is even more apparent when you look at the kind of land they have. Most of the Indian lands, roughly 80 percent, have an annual rainfall of less than 20 inches. Practically all of the Indian lands, in other words, are in an area where crops mature with some irregularity, where water is the very life of the population. Only a very small fraction of Indian land is agricultural land. The bulk of it is forest and grazing land. There is an appreciable part of it, particularly on the Navajo, which is barren land and not fit for any kind of use.

So my colleagues you can see that a great deal of the trouble comes from misplacement of the Indian population. Water is very necessary not only for irrigation and agriculture but for sanitation and health and education. They certainly do not have it in the Navajo area where there are 80,000 or 90,000 Indians.

Now I could go on at great length but I will refer you to the details in the hearings on this Indian problem.

I do however want to bring to the attention of the House and the country the terrible and wholly unnecessary conditions that exist amongst some of the Indian tribes—particularly the Navajo and Hopi Tribes. Also conditions of the Indian Service in Alaska as far as health and sanitation are concerned.

TB death rate in Alaska 300 per 100,000. In United States, 34 per 100,000.

Three thousand and eighty-nine TB cases recorded in Alaska.

Will have 1,000 beds in 1952.

Two thousand cases need hospitalization. Infant mortality—Alaska, 236 per 1,000 births. In United States, 36 per 1,000 births.

UNITED STATES INDIANS

TB death rate over 300 per 100,000.

Twenty-seven percent of deaths in Navajo are from TB.

Infant mortality—300 per 1,000 births from diarrhea. Also typhoid fever and diphtheria.

Time does not permit me to go into the details of this problem except to say that the tubercular death rate of the Indians in the United States and Alaska is about 8 to 10 times as great as our general population.

The infant mortality rate is greater in the Indian population of the United States than in Alaska according to the figures given us by the Indian Bureau. In both instances, however, they are five to eight times as great as in the general population of infants in the United States.

Now all this mortality and morbidity of Indian infants in Alaska and the Indian infants in the United States is due to unsanitary conditions—lack of proper food, milk, and poor housing. In the case of the Navajo Indians the scarcity of water plays an important part. In fact, I think it is the major cause of infant mortality and tuberculosis. Water is basic for sanitation.

Now what should we do about these conditions? The best solution for the Navajo and Hopi tribes is to transfer them to new locations where they can get water and have decent sanitation; otherwise, we are just appropriating huge sums of money with no results. We will still hear the same old wail of a high TB death rate and high infant mortality rate. I am firmly convinced that the USPHS should take over the functions of sanitation and the preventive measures necessary. I am also convinced that the present medical setup for the Indian hospitals needs revamping. There are a number of very fine hospitals in the Indian Service. They are, however, improperly staffed and should be taken out of civil-service requirements. Until that is done the Indian Service will not be able to get proper staffs for their institutions.

Under the present set-up the medical personnel is under the domination of people who are not familiar with medical problems, and for that reason they do not have a free hand to handle medical problems.

I want to repeat what I have said on many occasions before our committee, before the Indian Service officials, the Department of the Interior heads, and publicly, "I believe the Indian Affairs Bureau has been assigned a job—impossible to carry out efficiently—as far as health, sanitation, and education are concerned under the present program."

Tuberculosis, infant morbidity, infectious diseases like typhoid fever and diphtheria are all diseases that can be prevented. The least that can be done would be to reduce them to a minimum.

What I have said about conditions of the Indians in the United States is applicable to the Alaskan Native Service, particularly TB and infant mortality.

I know the officials of the Bureau of Indian Affairs is concerned about the situation. I know also that the Assistant Secretary of the Interior, Mr. Warne, is troubled about it, and they are suggesting a 10-year program.

I hope, in view of the fact that we have the greatest medical and sanitary professions in the world, that this great Government of ours will correct these conditions which are a blot on us.

The money appropriated year after year has been enormous. It is being used like a person running around in circles—getting nowhere fast.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield.

Mr. NICHOLSON. I should like to ask if the gentleman can tell me something about projects in the bill starting on page 37 under, Construction. I wish to know what it means. It states "Santa Barbara County project, California, $5,000,000; Boise project, $2,000,000; Lewiston project," and several Indian names that I cannot pronounce.

Mr. FENTON. I believe the gentleman is talking about the Reclamation Bureau there.

Mr. NICHOLSON. No; I am talking about this bill.

Mr. FENTON. Yes; but I am dealing with the Indian Bureau at the moment.

Mr. KEEFE. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. KEEFE. Mr. Chairman, the House is considering in Committee a bill involving nearly $600,000,000. There is just a mere handful of Members on the floor. The debate that is now taking place is of tremendous importance and ought to be heard by all Members. I therefore make the point of order that there is not a quorum present.

Mr. KIRWAN. Mr. Chairman, I move that the Committee do now rise.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. PRIEST, having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that I may include in the remarks I made in the Committee of the Whole a table on power rates which I inserted in the RECORD in 1948.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

HOUR OF MEETING TOMORROW

Mr. KIRWAN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock a. m. tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BARING, for Wednesday, on account of illness in family.

To Mr. SASSCER, for 1 day, March 30, on account of attending funeral.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 1731. An act to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes.

ADJOURNMENT

Mr. KIRWAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 19 minutes p. m.), under its previous order, the House adjourned until tomorrow, Wednesday, March 30, 1949, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

463. A communication from the President of the United States, transmitting a draft of a proposed provision and supplemental estimates of appropriation for the fiscal year 1949 in the amount of $2,426,760 for the Federal Security Agency (H. Doc. No. 143); to the Committee on Appropriations and ordered to be printed.

464. A communication from the President of the United States, transmitting proposed provisions and a revised estimate of appropriation involving a decrease of $4,275,000 for the fiscal year 1950 for the National Military Establishment, Departments of the Army and Navy, in the form of amendments to the budget for said fiscal year (H. Doc. No. 144); to the Committee on Appropriations and ordered to be printed.

465. A letter from the Executive Secretary, National Advisory Committee for Aeronautics, transmitting a draft of a bill to promote the national defense and to contribute to more effective aeronautical research by authorizing professional personnel of the National Advisory Committee for Aeronautics to attend accredited graduate schools for research and study; to the Committee on Armed Services.

466. A letter from the Secretary of Defense, transmitting a report listing the contracts negotiated by the Departments of the National Military Establishment for the period from July 1 through December 31, 1948; to the Committee on Armed Services.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DENTON: Committee on the Judiciary. S. 208. An act for the relief of Ella L. Browning; without amendment (Rept. No. 334). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. S. 748. An act for the relief of Charles L. Bishop; without amendment (Rept. No. 335). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 631. A bill for the relief of Mrs. Dorothy Vicencio; without amendment (Rept. No. 336). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 636. A bill for the relief of B. G. Jones; with amendments (Rept. No. 337). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 639. A bill for the relief of certain employees of the Post Office Department; with amendments (Rept. No. 338). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 718. A bill for the relief of Gertrude O. Yerxa, Mrs. G. Olive Yerxa, and Dr. Charles W. Yerxa; without amendment (Rept. No. 339). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 1011. A bill for the relief of the Pearl Assurance Co., Ltd., and the Bankers & Shippers Insurance Co.; without amendment (Rept. No. 340). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 1053. A bill for the relief of Frank O. Ward; with amendments (Rept. No. 341). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 1062. A bill for the relief of Lorrayne E. Graus; with amendments (Rept. No. 342). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 1058. A bill for the relief of Frederick W. Lass; with amendments (Rept. No. 343). Referred to the Committee of the Whole House.

Mr. FRAZIER: Committee on the Judiciary. H. R. 1131. A bill for the relief of James Fred Girdley; with amendments (Rept. No. 344). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 1497. A bill for the relief of Ralph A. Wood; with amendments (Rept. No. 345). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 2069. A bill for the relief of Alton Bramer; without amendment (Rept. No. 346). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 2078. A bill for the relief of Winston A. Brownie; without amendment (Rept. No. 347). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 2710. A bill for the relief of Emma Armstrong; with amendments (Rept. No. 348). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 2935. A bill for the relief of Mrs. Benjamin Betts; without amendment (Rept. No. 349). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 3663. A bill for the relief of Lawrence Reves; with amendments (Rept. No. 350). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 3727. A bill for the relief of the Marden Construction Co., Inc.; without amendment (Rept. No. 351). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CELLER (by request):

H. R. 3866. A bill to provide for the protection of patent rights where enforcement against direct infringers is impracticable, to define "contributory infringement," and for other purposes; to the Committee on the Judiciary.

By Mr. CLEMENTE:

H. R. 3867. A bill to exempt the fares of maritime passengers from liens in certain cases, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. DENTON:

H. R. 3868. A bill to limit the removal of civil actions from State to Federal courts; to the Committee on the Judiciary.

By Mr. GOSSETT:

H. R. 3869. A bill to provide for the conveyance of a certain housing project in Decatur, Tex., to Decatur Baptist College; to the Committee on Banking and Currency.

By Mr. HAYS of Ohio:

H. R. 3870. A bill to make it unlawful to use the mails for the transmission of matter prepared by or for any party or organization which has as one of its aims the overthrow of the Government of the United States by force or violence, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. LYNCH:

H. R. 3871. A bill to amend the Servicemen's Readjustment Act of 1944, as amended, by extending the benefits of titles II and III to certain persons who have continued on active service; to the Committee on Veterans' Affairs.

By Mr. MARTIN of Massachusetts:

H. R. 3872. A bill to amend section 2402 (a) of the Internal Revenue Code, as amended, and to repeal section 2402 (b) of

the Internal Revenue Code, as amended; to the Committee on Ways and Means.

By Mr. MITCHELL:

H. R. 3873. A bill authorizing the construction of a dam and reservoir on the Green River in Washington for flood control, and for other purposes; to the Committee on Public Works.

By Mr. TOLLEFSON:

H. R. 3874. A bill authorizing the construction of a dam and reservoir on the Green River in Washington for flood control, and for other purposes; to the Committee on Public Works.

By Mr. WALTER:

H. R. 3875. A bill to amend subsection (c) of section 19 of the Immigration Act of 1917, as amended, with respect to suspension of deportation of aliens; to the Committee on the Judiciary.

By Mr. HAVENNER:

H. R. 3876. A bill to provide that in State insolvency proceedings certain debts due for wages shall have a priority of payment ahead of the United States; to the Committee on Ways and Means.

By Mr. MITCHELL:

H. R. 3877. A bill to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes; to the Committee on Banking and Currency.

By Mr. PETERSON:

H. R. 3878. A bill to authorize the Secretary of the Interior to procure with available funds, including those made available by the State of Florida, the remaining lands and interest in lands within the boundary agreed upon between the State of Florida and the Secretary of the Interior, within and less than that authorized by the act of May 30, 1934 (48 Stat. 816), and within which the State has already donated its lands, and for other purposes; to the Committee on Public Lands.

By Mr. WALSH:

H. R. 3879. A bill to establish a United States Air Force Academy; to the Committee on Armed Services.

By Mr. CASE of South Dakota:

H. R. 3880. A bill to amend the Federal Crop Insurance Act with respect to the payment of claims for losses; to the Committee on Agriculture.

H. R. 3881. A bill to provide for the use of the State course of study in schools operated by the Bureau of Indian Affairs upon petition therefor; to the Committee on Public Lands.

By Mr. DAVENPORT:

H. R. 3882. A bill to suppress the evil of anti-Semitism and the hatred of members of any race because of race, creed, or color; to the Committee on the Judiciary.

By Mr. DAVIS of Georgia:

H. R. 3883. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for widows of certain former Federal employees who had rendered 30 years of service; to the Committee on Post Office and Civil Service.

By Mr. BLAND:

H. J. Res. 206. Joint resolution to continue the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. STOCKMAN:

H. J. Res. 207. Joint resolution proposing an amendment to the Constitution relating to the terms of President and Vice President; to the Committee on the Judiciary.

By Mr. WILLIAM L. PFEIFFER:

H. J. Res. 208. Joint resolution to amend the joint resolution creating the Niagara Falls Bridge Commission, approved June 16, 1938; to the Committee on Foreign Affairs.

By Mr. DOUGHTON:

H. J. Res. 209. Joint resolution authorizing appropriations to the Federal Security Administrator in addition to those authorized under title V, part 2, of the Social Security Act, as amended, to provide for meeting emergency needs of crippled children during the fiscal year ending June 30, 1949; to the Committee on Ways and Means.

By Mr. WOOD:

H. Con. Res. 52. Concurrent resolution authorizing the printing of additional copies of the publications entitled "100 Things You Should Know About Communism in the U. S. A.," "100 Things You Should Know About Communism and Religion," as amended, "Spotlight on Spies," "100 Things You Should Know About Communism and Education," "100 Things You Should Know About Communism and Labor," and "100 Things You Should Know About Communism and Government;" to the Committee on House Administration.

By Mr. McCORMACK:

H. Res. 171. Resolution authorizing the Sergeant at Arms of the House of Representatives to insure the funds of his office; to the Committee on House Administration.

By Mr. BYRNE of New York:

H. Res. 172. Resolution providing for one additional clerk for the Committee on the Judiciary; to the Committee on House Administration.

By Mr. SULLIVAN:

H. Res. 173. Resolution providing for the payment of 6 months' gratuity and $250 funeral expenses to Mrs. Maude E. Stanford, widow of Fred L. Stanford, late an employee of the House; to the Committee on House Administration.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to having the Mammoth Pass road in California constructed as a postwar construction project; to the Committee on Public Works.

Also, memorial of the Legislature of the State of Minnesota, memorializing the President and the Congress of the United States relative to fair and firm farm price supports; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States relating to the program of rehabilitation of the landless Indian in Montana; to the Committee on Public Lands.

Also, memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States relating to the payment of grants by the United States Government to the State of Montana for the use and benefit of the several counties of Montana in lieu of taxes on lands owned by the United States Government in the State of Montana; to the Committee on Public Lands.

Also, memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States to give Hawaii immediate consideration for appropriations from any funds provided by the Congress for emergency work projects upon the same basis as any State in the Union for the relief of unemployment, by providing for the employment of employable persons on essential public works; to the Committee on Appropriations.

Also, memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States to enact legislation authorizing the continuance of housing of a temporary character until the appropriate local authorities decide such housing is no longer needed; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States to enact legislation providing for a new post-office building at Kapaa, county of Kauai; to the Committee on Public Works.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

Mr. CASE of South Dakota:

H. R. 3884. A bill authorizing the issuance of a patent in fee to Katherine Nelson Flesh; to the Committee on Public Lands.

By Mr. CELLER:

H. R. 3885. A bill for the relief of Monroe Kelly, rear admiral, United States Navy, retired; to the Committee on the Judiciary.

By Mr. D'EWART:

H. R. 3886. A bill authorizing the Secretary of the Interior to issue a patent in fee to Jeanette Pearl Burns; to the Committee on Public Lands.

By Mr. FUGATE:

H. R. 3887. A bill for the relief of Holly Nelson Carter; to the Committee on the Judiciary.

By Mr. KEOGH:

H. R. 3888. A bill for the relief of Salvatore Panariello; to the Committee on the Judiciary.

H. R. 3889. A bill for the relief of George Sarris; to the Committee on the Judiciary.

By Mr. KIRWAN:

H. R. 3890. A bill for the relief of Francesca Cammarata; to the Committee on the Judiciary.

By Mr. MULTER:

H. R. 3891. A bill for the relief of Gennaro Loffredo; to the Committee on the Judiciary.

By Mr. RABAUT:

H. R. 3892. A bill for the relief of Giulio Carone; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

389. By Mr. PLUMLEY: Resolution of Harmony Pomona Grange, No. 9, requesting Senators AIKEN and FLANDERS and Representative PLUMLEY to support legislation embodying, as nearly as possible, the principles of the Taft-Hartley law; to the Committee on Education and Labor.

390. Also, resolution of the Vermont Hospital Association, adopted by the midyear conference of presidents and secretaries of State hospital associations, advocating the best medical and hospital care for veterans and commending the proposed study of the problem of integrating and coordinating all of the hospitals of the Nation as a means to further improvements in the quality of hospital care available to citizens of this Nation; to the Committee on Expenditures in the Executive Departments.

391. By Mr. RICH: Petition of citizens of Mansfield, Pa., for repeal of the 20-percent Federal excise tax on toilet goods; to the Committee on Ways and Means.

392. By the SPEAKER: Petition of M. W. Clark and others, Miami, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

393. Also, petition of Mrs. Mary Nelson and others, St. Petersburg, Fla., requesting passage of H. R. 2135, and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

394. Also, petition of James F. Mullahy and others, Orlando, Fla., requesting passage of

H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

395. Also, petition of Mrs. Anna B. Knopf and others, St. Petersburg, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

396. Also, petition of New Plymouth Chamber of Commerce, New Plymouth, Idaho, requesting that such legislation as proposed in H. R. 2756 not be passed; to the Committee on Banking and Currency.

397. Also, petition of New Plymouth Chamber of Commerce, New Plymouth, Idaho, requesting the withdrawal of the membership of our country from the International Labor Organization; to the Committee on Foreign Affairs.

398. Also, petition of New Plymouth Chamber of Commerce, New Plymouth, Idaho, requesting that such legislation as proposed in S. 5 and H. R. 783 not be passed; to the Committee on Interstate and Foreign Commerce.

399. Also, petition of W. T. Dillon, American Ports Cotton Compress and Warehouse Association, New Orleans, La., concerning Wage-Hour Act amendments and the Taft-Hartley Act; to the Committee on Education and Labor.

400. Also, petition of the National Lumber Exporters Association, Memphis, Tenn., concerning the exports of hardwood lumber; to the Committee on Foreign Affairs.

401. Also, petition of S. B. Tatom, president, Fairbanks Chamber of Commerce, Fairbanks, Alaska, relative to their endorsement of statehood for Alaska; to the Committee on Public Lands.

402. Also, petition of New Plymouth Chamber of Commerce, New Plymouth, Idaho, relative to their opposition to any favorable legislation dealing with any authority control of the Columbia Basin; to the Committee on Public Works.

403. Also, petition of Dr. L. J. O'Reilley, president, American National Fur Breeders Association, Wausau, Wis., expressing appreciation for the application of tariff on the importation of silver foxes and their furs; to the Committee on Ways and Means.

SENATE

WEDNESDAY, MARCH 30, 1949

(Legislative day of Friday, March 18, 1949)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Rev. H. Frank Ledford, minister, First Methodist Church, Ashland, Ala., offered the following prayer:

Unto Thee, our heavenly Father, do we come with our humble supplications. We are mindful that Thou art almighty and terrible in Thy immutable justice, but we are also conscious of Thy grace and mercy.

We are grateful for Thy multiplied blessings. Continue them upon us, we pray.

Grant Thy Spirit's guidance for this body. May those delegated here have a deep knowledge of Thy way and a firm resolve to be in that way at any hazard. Whenever they are tempted to be small of soul come with Thy love and wisdom and make them aware of how much Thy kingdom's coming depends upon them.

Bless the President of this body. Give him wisdom.

Bless the President of these United States as he seeks to lead this Nation in "paths of righteousness." May he be conscious of Thy presence.

Bless Thou our beloved Nation. May we ever be reminded that "those to whom much has been given, much will be required." Help us to lead all nations into the knowledge of Thy salvation. We pray in the name of our blessed Redeemer. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, March 29, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts and joint resolution:

On March 28, 1949:

S. J. Res. 52. Joint resolution to authorize vessels of Canadian registry to transport iron ore between United States ports on the Great Lakes during the period from March 15 to December 15, 1949, inclusive.

On March 29, 1949:

S. 90. An act to provide for permanent residence status of Richard Kim.

S. 271. An act to provide for the appointment of an additional district judge for the middle district of Georgia.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 3734) making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1950, and for other purposes, in which it requested the concurrence of the Senate.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

RESTRICTED REPORT ON CONTRACTS NEGOTIATED BY DEPARTMENTS OF NATIONAL MILITARY ESTABLISHMENT

A letter from the Secretary of Defense, transmitting, pursuant to law, a restricted report on contracts negotiated by the departments of the National Military Establishment (with an accompanying report); to the Committee on Armed Services.

TRANSFER BY NAVY DEPARTMENT OF NAVAL MOTOR LAUNCH TO JUNIOR MIDSHIPMEN OF AMERICA, NEW LONDON, CONN.

A letter from the Acting Secretary of the Navy, reporting, pursuant to law, that the Junior Midshipmen of America, Inc., of New London, Conn., had requested the Navy Department to transfer a motor launch to be used in training boys in seamanship, navigation, boat handling, and related subjects; to the Committee on Armed Services.

REPORT OF UNITED STATES ADVISORY COMMISSION ON INFORMATION

A letter from the Acting Chairman of the United States Advisory Commission on Information, transmitting, pursuant to law, a report of that Commission on international information activities (with an accompanying report); to the Committee on Foreign Relations.

REPORT ON CERTAIN CONTRACTS ENTERED INTO BY FEDERAL PUBLIC HOUSING AUTHORITY

A letter from the Comptroller General of the United States, transmitting a report concerning certain contracts entered into by the Federal Public Housing Authority on a cost-reimbursement basis plus a fixed fee and a fixed amount for overhead (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

REPORT ON EXAMINATION OF COMMODITY CREDIT CORPORATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the examination of the Commodity Credit Corporation, for the period ended June 30, 1945 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

REPORT OF EXPORT-IMPORT BANK OF WASHINGTON

A letter from the Chairman of the Export-Import Bank of Washington, transmitting, pursuant to law, a report on the operations of that bank as of the close of business December 31, 1948 (with an accompanying report); to the Committee on Banking and Currency.

REPORT OF FEDERAL MEDIATION AND CONCILIATION SERVICE

A letter from the Director, Federal Mediation and Conciliation Service, Washington, D. C., transmitting, pursuant to law, the first annual report of that Service for the fiscal year ended June 30, 1948 (with an accompanying report); to the Committee on Labor and Public Welfare.

REPORT ON HISTORY OF TRADE AGREEMENTS PROGRAM

A letter from the Chairman of the United States Tariff Commission, transmitting, pursuant to law, part II of the First Annual Report of the Tariff Commission on the operation of the trade-agreements program, for the period June 1934 to April 1948 (with an accompanying report); to the Committee on Finance.

REPORT OF ARCHIVIST OF THE UNITED STATES

A letter from the Archivist of the United States, transmitting, pursuant to law, his fourteenth annual report for the fiscal year ended June 30, 1948, together with four supplements to the report listing the accessions of the same period (with accompanying papers); to the Committee on Post Office and Civil Service.

REPORT ON FRANKLIN D. ROOSEVELT LIBRARY

A letter from the Archivist of the United States, transmitting, pursuant to law, his ninth annual report on the Franklin D. Roosevelt Library, for the fiscal year ended June 30, 1948 (with an accompanying report); to the Committee on Rules and Administration.

BITTER ROOT IRRIGATION DISTRICT, MONTANA

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, his report, together with a draft of proposed legislation to approve a repayment contract negotiated with the Bitter Root irrigation district, Montana, and to authorize its execution, and for other purposes (with accompanying papers); to the Committee on Interior and Insular Affairs.

KITTITAS RECLAMATION DISTRICT, WASHINGTON

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, his report, together with a draft of proposed

legislation to approve a repayment contract negotiated with the Kittitas reclamation district and to authorize its execution, to approve the reclassification of lands within the Kittitas division of the Yakima project, Washington, and for other purposes (with accompanying papers); to the Committee on Interior and Insular Affairs.

OKANOGAN IRRIGATION DISTRICT, WASHINGTON

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, his report, together with a draft of proposed legislation to approve a repayment contract negotiated with the Okanogan irrigation district, Washington, and to authorize its execution, and for other purposes (with accompanying papers); to the Committee on Interior and Insular Affairs.

SHASTA VIEW IRRIGATION DISTRICT, OREGON

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, his report, and a draft of proposed legislation to approve a repayment contract negotiated with the Shasta View irrigation district, Malin, Oreg., and for other purposes (with accompanying papers); to the Committee on Interior and Insular Affairs.

WILLWOOD IRRIGATION DISTRICT

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, his report, together with a draft of proposed legislation to approve a contract negotiated with the Willwood irrigation district and to authorize its execution, and for other purposes (with accompanying papers); to the Committee on Interior and Insular Affairs.

THE UNCOMPAHGRE VALLEY WATER USERS' ASSOCIATION, COLORADO

A letter from the Under Secretary of the Interior, transmitting, pursuant to law, his report, together with a draft of proposed legislation to approve a contract negotiated with the Uncompahgre Valley Water Users' Association and to authorize its execution, to approve reclassification of land of the Uncompahgre project, Colorado, and for other purposes (with accompanying papers); to the Committee on Interior and Insular Affairs.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hoey	Millikin
Anderson	Holland	Morse
Baldwin	Humphrey	Mundt
Brewster	Hunt	Murray
Bricker	Ives	Myers
Bridges	Jenner	Neely
Byrd	Johnson, Colo.	O'Conor
Cain	Johnson, Tex.	O'Mahoney
Capehart	Johnston, S. C.	Pepper
Chapman	Kefauver	Reed
Chavez	Kem	Robertson
Connally	Kerr	Russell
Cordon	Kilgore	Saltonstall
Donnell	Knowland	Schoeppel
Douglas	Langer	Smith, Maine
Downey	Lodge	Sparkman
Ecton	Long	Stennis
Ellender	Lucas	Taft
Ferguson	McCarran	Thomas, Okla.
Frear	McCarthy	Thomas, Utah
Fulbright	McClellan	Thye
George	McFarland	Tobey
Gillette	McGrath	Tydings
Graham	McKellar	Vandenberg
Green	McMahon	Watkins
Gurney	Magnuson	Wherry
Hayden	Malone	Wiley
Hendrickson	Martin	Williams
Hickenlooper	Maybank	Withers
Hill	Miller	Young

Mr. MYERS. I announce that the Senator from Mississippi [Mr. EASTLAND] is absent on public business.

The Senator from Idaho [Mr. TAYLOR] is absent by leave of the Senate.

The Senator from New York [Mr. WAGNER] is necessarily absent.

Mr. SALTONSTALL. I announce that the Senator from Nebraska [Mr. BUTLER] is absent by leave of the Senate.

The Senator from Vermont [Mr. FLANDERS] and the Senator from New Jersey [Mr. SMITH] are absent because of illness.

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present.

COMMITTEE MEETINGS DURING SENATE SESSIONS

Mr. MAYBANK asked and obtained consent that the Subcommittee for Treasury and Post Office of the Committee on Appropriations be permitted to meet this afternoon and the remainder of the week while the Senate is in session.

Mr. McCARRAN asked and obtained consent that the Judiciary Committee or any subcommittee thereof may meet today and tomorrow during sessions of the Senate, to hold hearings.

Mr. MAGNUSON. Mr. President, the subcommittee of the Committee on the Judiciary investigating the life-insurance industry of America has a very important meeting at 2 o'clock. I ask unanimous consent that the committee may be permitted to sit during the session of the Senate. Members of the subcommittee include the Senator from West Virginia [Mr. KILGORE], the Senator from Maryland [Mr. O'CONOR], the Senator from North Dakota [Mr. LANGER], the Senator from Michigan [Mr. FERGUSON], and myself.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. MAGNUSON. I thank the Chair.

TRANSACTION OF ROUTINE BUSINESS

The VICE PRESIDENT. If there is no objection, before recognizing any Senator for a speech, the Chair will recognize Senators for routine matters, without debate, and without interfering with the present parliamentary situation.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A concurrent resolution of the Legislature of the State of West Virginia; to the Committee on Foreign Relations:

"House Concurrent Resolution 24

"Concurrent resolution condemning persecution of pastors and clergymen in Hungary and Bulgaria

"Whereas it has come to our attention that 15 clergymen of the Methodist, Baptist, Congregational, and Pentecostal Churches in Bulgaria have been arrested and tried by the Soviet-controlled Communist dictators of that country upon various shabby pretexts, but for the actual and evident purpose of destroying religious freedom in and completing the enslavement of the oppressed peoples of that unhappy country; and

"Whereas it has also come to our attention that the Catholic cardinal of Hungary, Josef Cardinal Mindszenty, has been arrested, tried, and condemned by the Soviet-controlled Communist dictatorship of that country upon various equally shabby pretexts, also for the actual and evident purpose of destroying religious freedom in and completing the enslavement of the oppressed peoples of that unhappy land; and

"Whereas a bishop of the Lutheran Church, the Reverend Lajos Ordass, has for many months languished in prison in Hungary, having been arrested on base and trumped-up charges by the Communist authorities of Hungary for the equally evident purpose of destroying religious freedom and completing the enslavement of the unhappy Hungarian people: Now be it

"*Resolved*, That we, the Legislature of the Sovereign State of West Virginia, do most solemnly condemn the persecution of the pastors and clergymen of the Methodist, Baptist, Congregational, Pentecostal, Catholic, and Lutheran Churches in Hungary and Bulgaria.

"That we furthermore do most solemnly condemn the trials of the clergymen aforesaid as being trials by kangaroo courts, shameful and obscene mockeries of justice, and in effect nothing other than legalized lynchings.

"That we furthermore do most solemnly condemn the so-called confessions extracted by the government in these trials as having been obtained under force and duress, and as an obvious result of the use of drugs or torture, mental or physical, upon the unhappy victims.

"That we furthermore do, in the name of the people of the State of West Virginia, most solemnly condemn the persecution of Protestant, Catholic, and Jew carried on at present by the Soviet-controlled dictatorships of eastern Europe as being a deliberate effort to destroy the freedom of religion in those lands, and therefore as deserving of the solemn condemnation of freemen everywhere.

"That we furthermore order and direct that a copy of this resolution be sent to the President of the United States of America, one to the Secretary of State of the United States of America, and one to the President of the United States Senate."

A resolution of the House of Delegates of the State of West Virginia; ordered to lie on the table:

"House Resolution 16

"Resolution memorializing the Congress of the United States to repeal the Taft-Hartley law

"Whereas the Labor-Management Relations Act, 1947, Public Law 101, Eightieth Congress, chapter 120, better known as the Taft-Hartley law; and

"Whereas this Taft-Hartley law brought back into force the injunction law, which had been outlawed through the efforts of the late Senator Norris, and was known as the Norris Anti-Injunction Act; and

"Whereas section 8 of our Bill of Rights has been violated, not once, but twice, and we quote this section 8: 'Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishment inflicted; and

"Whereas this Taft-Hartley law compelled involuntary servitude under Government authority: Therefore be it

"*Resolved by the house of delegates*, That we recommend to the Congress of the United States the outright repeal of the infamous Taft-Hartley law and that we respectfully recommend that the Members of Congress from the State of West Virginia support the provisions of said resolution; and be it further

"*Resolved*, That a copy of this resolution be forwarded to the clerk of the Senate and the Clerk of the House of Representatives of the Congress of the United States."

A joint resolution of the Legislature of the State of Montana; to the Committee on Interior and Insular Affairs:

"Senate Joint Memorial 3

"Joint memorial of the Senate and House of Representatives of the State of Montana to the Congress of the United States and to the Honorable JAMES E. MURRAY and ZALES N. ECTON, United States Senators from Montana, and to the Honorable MIKE MANSFIELD and WESLEY A. D'EWART, Representatives in Congress from Montana, requesting that Congress continue and enhance its program of rehabilitation of the landless Indians in Montana

"Whereas before World War II the Government of the United States had undertaken a program of rehabilitating the landless Indians in Montana, which program was interrupted by the outbreak of the war and has not since been resumed; and

"Whereas, many Montana Indians, who for the most part reside on the outskirts of various cities and towns in the State, are ill-fed, ill-clothed, and their living conditions are deplorable, in that said Indians do not receive the common necessaries of life: Now, therefore, be it

"Resolved by the Thirty-first Legislative Assembly of Montana of 1949 now in session (the Senate and House of Representatives concurring), That we do most earnestly pray that the Congress of the United States resume and continue an adequate program of relief for the nonward Indians, commonly known as the landless Indians, of Montana, to the end that said Indians may ultimately become self-supporting, and may in the meantime not be denied the common necessaries of life; be it further

"Resolved, That copies of this memorial be transmitted by the secretary of the State of Montana to the Senate and House of Representatives of the Congress of the United States, and to the Senators and Representatives in Congress from the State of Montana.

"PAUL CANNON,
"President of the Senate.
"LEO C. GRAYBILL,
"Speaker of the House.

"Approved February 25, 1949.

"JOHN W. BONNER,
"Governor."

A concurrent resolution of the Legislature of the State of Minnesota; to the Committee on Agriculture and Forestry:

"Concurrent resolution memorializing the United States Congress for fair and firm farm-price supports

"Whereas Minnesota is the fifth highest State in value of farm products sold, because the farm families of this State produce such a large part of the Nation's livestock, milk, poultry, grains, and oilseeds, their sales ranking second in oil crops, third in poultry and eggs, fourth in feed crops, fifth in meat animals and in dairy products, and fifteenth in food grains; and

"Whereas the well-being and prosperity of all the citizens of this State depend more upon the purchasing power of the farmers of this and neighboring States than upon anything else as has been proven during the past 8 years in contrast to the depression years when farm commodity prices were not in balance; and

"Whereas farmers by greatly increasing their equipment so as to produce more efficiently have thereby made themselves much more vulnerable to the high fixed costs charged by their suppliers, who in the past have enforced these costs by restricting production; and

"Whereas farmers cannot discharge their labor force and shut down their farm plant and consequently cannot maintain a fair price unless aided by their Government; and

"Whereas it has been the policy of this Nation to try to help farmers maintain fair prices so that farmers would be able to buy the necessary goods and provide services for operating their farms efficiently and for improving their standard of living; and

"Whereas by Federal law an attempt has been made to provide a standard by which fair parity prices may be determined and maintained through Government-backed loans or purchases which have been in use and of great practical value to farmers during these years; and

"Whereas greatly reduced farm income will surely be the first step into a depression, with tremendous and far-reaching effects on our economy: Now, therefore, be it

"Resolved, That we, the members of the Legislature of the State of Minnesota, hereby do urge the Congress of the United States, in its present session and without delay:

"First, to provide a new formula for ascertaining the true parity price of the various agricultural commodities which will accurately reflect modern farming costs;

"Second, to provide levels of price supports, based on such a modern standard, which together with conservation payments will maintain farm-purchasing power at parity;

"Third, to restore price supports for next year and the following years for dairy products, poultry, eggs, hogs, soybeans, and flaxseed;

"Fourth, to provide adequate means so that such price supports may be fully effective, by providing storage facilities to qualify for and carry out the commodity-loan program by construction of such facilities on the farm, by providing a depreciation period within which to charge off the cost of the storage facility as has been done in defense and war-plant facilities, purchase agreements, new outlets and new uses for agricultural commodities, including consideration of the International Wheat Agreement, at least on such portion of the several products which are consumed domestically;

"Fifth, to keep these programs under unified Federal direction and administered by farmer-elected committeemen; all to the end that equitable farm-purchasing power be maintained as a permanent and essential need of all our people: be it further

"Resolved, That the secretary of state be and he is hereby instructed to transmit a copy of this resolution to the President of the Senate, the Speaker of the House of Representatives, and to each Member of Congress from the State of Minnesota.

"JOHN A. HARTH,
"Speaker of the House of Representatives.
"C. ELMER ANDERSON,
"President of the Senate.

"Approved March 21, 1949.

"LUTHER W. YOUNGDAHL,
"Governor of the State of Minnesota."

A joint resolution of the Legislature of the State of Nevada; to the Committee on Finance:

"Assembly Joint Resolution 8

"Joint resolution memorializing the Congress of the United States to repeal the tax on transportation

"Whereas the Congress of the United States enacted an excise tax on the transportation of persons and property for the purpose of meeting a war emergency; and

"Whereas the primary object of such tax was to discourage travel and unnecessary shipping during a period of wartime emergency; and

"Whereas it is the opinion of the Legislature of the State of Nevada that the need for such tax no longer exists and that the collection of such tax imposes an unwarranted and unnecessary burden on residents of the far West; and

"Whereas the cost of transportation is an integral factor in preserving eastern markets for goods and merchandise produced and manufactured in the West and every effort should be made to reduce said cost of transportation to the absolute minimum; and

"Whereas the State of Nevada desires to develop its industries and to develop its vacation and tourist travel on an equal basis with other more populated areas in the United States, without the imposition of unequal or artificial tax barriers; and

"Whereas it is the opinion of the Legislature of the State of Nevada that the transportation tax discriminates against the people of Nevada and the people of other Western States: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of Nevada (jointly), That the Congress of the United States be and it is hereby memorialized to repeal the tax on transportation of persons, being section 3469, title 26, United States Code, and the tax on transportation of property, being section 3475, title 26, United States Code; and be it further

"Resolved, That duly certified copies of this resolution be transmitted by the secretary of state of the State of Nevada to the President and Vice President of the United States, and to each Senator and Representative of the State of Nevada in the Congress of the United States.

"PETER A. BUCHER,
"Speaker of the Assembly.
"CLIFF JONES,
"President of the Senate.

"Approved March 22, 1949.

"VAIL PITTMAN,
"Governor."

A joint resolution of the Legislature of the Territory of Alaska; to the Committee on Foreign Relations:

"Senate Joint Memorial 14

"To the President and Congress of the United States, the Secretary of State, the special assistant to the Under Secretary of State, W. M. Chapman, Washington, D. C., and the Delegate in Congress:

"Your memorialist, the Legislature of the Territory of Alaska, in nineteenth regular session assembled, respectfully submits:

"Whereas there was established by the convention for the preservation of the halibut fishery of the northern Pacific Ocean and Bering Sea, signed at Washington, D. C., March 2, 1923, and continued by subsequent conventions entered into for said purpose between the United States and Canada, an International Fisheries Commission; and

"Whereas said International Fisheries Commission, subject only to the approval of the President of the United States and the Governor-General of Canada, is vested with and exercises full regulatory power over the Alaska halibut fishery; and

"Whereas said Alaska halibut fishery is a vital part of Alaska's economy; and

"Whereas, in the quarter century of said International Fisheries Commission's existence Alaska has never been represented on the membership of the commission; and

"Whereas said International Fisheries Commission in the exercise of its powers annually makes decisions which have sweeping effect on Alaska's economy, as evidenced by the proposal now under consideration for a so-called split season in the halibut fishery, which split season would tend to divert a considerable volume of business arising from the Alaska halibut fishery from Alaska to Puget Sound ports and otherwise work a pronounced hardship on southeastern Alaska:

"Now, therefore, your memorialist, the Legislature of the Territory of Alaska, respectfully urges that the next vacancy from among the American members of said International Fisheries Commission be filled by

appointment thereto of a bona fide resident of Alaska.

"And your memorialist will ever pray.

"Passed by the Senate February 18, 1949.

"GUNNARD M. ENGEBRETH,
"President of the Senate.

"Passed by the house February 24, 1949.

"STANLEY MCCUTCHEON,
"Speaker of the House.

"Approved by the Governor March 4, 1949.

"ERNEST GRUENING,
"Governor of Alaska."

A joint resolution of the Legislature of the State of California; to the Committee on Public Works:

"Assembly Joint Resolution 18

"Joint resolution relative to memorializing the President and Congress to have the Mammoth Pass Road in California constructed as a postwar construction project

"Whereas the National Government has assisted in the construction of a national highway from the Mexican border to the Canadian line, known as United States Highway No. 395; and

"Whereas the United States Highway No. 395 connects with various other highways leading to other portions of California; and

"Whereas present direct traffic routes from the San Joaquin and Santa Clara Valleys through the Sierra Nevada Range connecting with said United States Highway No. 395 are closed for a large part of the year by heavy snows; and

"Whereas the Mammoth Pass, which is within a few miles of United States Highway No. 395, is much lower and in more open country and is not closed with snow for as long a time in the winter months as the other passes; and

"Whereas a portion of said proposed highway has been constructed by the forestry department, building from both sides of the mountain range, leaving a distance of approximately 45 miles to connect the said Highway No. 395 and State Highway No. 125 and State Highway No. 126; and

"Whereas the proposed highway will connect with United States Highway No. 99 from which several State highways lead across the Coast Range to the Santa Clara Valley on the west side of the said range, and connect with United States Highways Nos. 101 and 466; and

"Whereas the construction of the highway over the said Mammoth Pass which could be kept open during the entire year through the use of modern machinery would provide an important east-west traffic route through the Sierras and would be in every way a desirable postwar construction project;

"Whereas the construction of the proposed highway would not only be of importance from the standpoint of national defense, but would be of inestimable advantage from an economic standpoint, in that it would:

"(a) Afford an opportunity for the development of a virgin territory with extensive natural lumber resources amounting to upward of 2,800,000,000 board-feet of a present commercial value and an additional 2,000,000,000 board-feet of potential pulp timber and substantial deposits of iron, lead, and silver;

"(b) Attract a large number of visitors to view the priceless heritage of forests, mountains, game animals, birds, and other scenic beauties of the region which would be open to tourist and other travel;

"(c) Provide a loop trip for those persons traveling from southern California to the Owens River Valley by the eastern route;

"(d) Assist in the full power and irrigation storage development of the upper San Joaquin River in order to meet the needs of the Central Valley project; and

"Whereas the building of the proposed highway would contribute in great measure to the future and increasing growth and prosperity of the San Joaquin Valley and of other portions of this State: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of California (jointly), That the President and the Congress of the United States be memorialized to take such steps as may be necessary to have the said Mammoth Pass Road constructed to commence at or near Casa Diablo, in Mono County, on United States Highway No. 395, and continue over Mammoth Pass at the most feasible location and connect with State Highway No. 125 and Highway No. 125 in Madera County, a distance of approximately 45 miles; and be it further

"Resolved, That a copy of this resolution be sent by the chief clerk of the assembly to the President and Vice President of the United States, to the Speaker of the House of Representatives of the Congress of the United States, and to each Senator and Representative from California and from Nevada in the Congress of the United States; and the Senators and Representatives from California and Nevada are hereby respectfully urged to request such action."

A concurrent resolution of the Legislature of the Territory of Hawaii; to the Committee on Banking and Currency:

"Senate Concurrent Resolution 11

"Concurrent resolution memorializing the Congress of the United States of America to enact legislation authorizing the continuance of housing of a temporary character until the appropriate local authorities decide such housing is no longer needed

"Whereas there exists, and will continue to exist for a number of years, an acute shortage of housing within many areas of the Territory of Hawaii; and

"Whereas about 18,500 people, including veterans, families of veterans, and families of servicemen, who have been, and still are, unable to find shelter elsewhere, are now sheltered in 14 housing projects of a temporary character within the said Territory; and

"Whereas 8 of the said temporary housing projects, which shelter about 13,264 of such people, upon which housing projects the said Territory has expended out of its own funds about $2,417,814, are housing projects which are within the jurisdiction of the Administrator of the Housing and Home Finance Agency; and

"Whereas Public Law 849 of the Seventy-sixth Congress, as amended, provides in regard to the said eight temporary housing projects, as well as in regard to housing projects of the same character in the several States, that the said Administrator of the Housing and Home Finance Agency shall, as promptly as may be practicable and in the public interest, remove all such housing not later than January 1, 1950, with the exception only of such housing as the said Administrator, after consultation with the local communities, annually, finds is still needed in the interest of the orderly demobilization of the war effort; and

"Whereas the acute shortage of housing within the said Territory will continue for some years, and the removal of the said eight temporary housing projects, or any part thereof, would cause severe distress to many people and injuriously affect the communities within which such housing projects are located, as well as the entire Territory of Hawaii; and

"Whereas the degree of housing shortage and the need for continuing or removing temporary housing projects varies greatly with each State and Territory, and with communities within each State and Territory, and are matters which can be best determined solely by the State, Territory, or municipal agencies administering such housing: Now, therefore, be it

"Resolved by the Senate of the Twenty-fifth Legislature of the Territory of Hawaii (the House of Representatives concurring), That the Congress of the United States of America be, and it is hereby, respectfully requested to further amend said Public Law 849, and any other pertinent acts of the Congress, in such manner as to empower each State, Territory, or municipal agency which administers housing of a temporary character, which is under the jurisdiction of the Administrator of the Housing and Home Finance Agency, to alone and conclusively determine and find, in regard to such housing administered by it, whether such housing is still needed to house or shelter persons who are unable to secure housing or shelter elsewhere, and to direct the said Administrator of the Housing and Home Finance Agency to continue, and not to remove, any such housing so long as it is so determined to be needed; and be it further

"Resolved, That duly authenticated copies of this concurrent resolution be forwarded to each of the two Houses of the Congress of the United States of America, to the Secretary of the Interior, to the Delegate to Congress from Hawaii, and to the Administrator of the Housing and Home Finance Agency."

A concurrent resolution of the Legislature of the Territory of Hawaii; to the Committee on Interior and Insular Affairs:

"Senate Concurrent Resolution 3

"Whereas during the past year there were more persons unemployed in the Territory than at any time in the history of the Territory; and

"Whereas the Federal Government has recently announced plans for shutting down certain defense installations, with the resultant reduction in personnel and lowered pay rolls and the consequent additional strain on the territorial economy; and

"Whereas some relief for the unemployment situation in the Territory is imperative and can more properly and equitably be assumed by the Federal Government than by the Territory: Now, therefore, be it

"Resolved by the Senate of the Twenty-fifth Legislature of the Territory of Hawaii (the House of Representatives concurring), That the Congress of the United States of America be and it is hereby respectfully requested to give Hawaii immediate consideration for appropriations from any funds provided by the Congress for emergency work projects, upon the same basis as any State in the Union for the relief of unemployment, by providing for the employment of employable persons on essential public works; and be it further

"Resolved, That duly certified copies of this concurrent resolution be forwarded to the President of the Senate and to the Speaker of the House of Representatives of the Congress of the United States of America, to the Secretary of the Interior and to the Delegate to the Congress from Hawaii."

A concurrent resolution of the Legislature of the Territory of Hawaii; to the Committee on Finance:

"House Concurrent Resolution 43

"Concurrent resolution requesting the Congress of the United States to repeal the Federal taxes on the transportation of persons and property as each affects interisland transportation in Hawaii and transportation between Hawaii and the mainland United States

"Whereas the United States now levies a tax of 15 percent of the amount paid for the transportation of persons, and a similar tax of 3 percent on the amount paid for the

transportation of property between the Territory and the mainland United States, and between the several islands of the Territory of Hawaii; and

"Whereas these taxes were imposed as wartime excises to discourage unnecessary transportation of persons and property, which reason is no longer sufficient to justify continuing their levy; and

"Whereas due to the geographic make-up of the Territory virtually all interisland shipments of food and other goods as well as transportation of persons must be accomplished by commercial means and are therefore subject to the payment of these taxes, a condition not true on the mainland with regard to either intrastate or interstate transportation; and

"Whereas these taxes materially increase the cost of transportation of persons and property both from the mainland, to the Territory and within the Territory, thus directly contributing to the high cost of living in the Territory and working great hardship on the people of the Territory who must pay inflated prices for food and other necessities because of these taxes; and

"Whereas the cost to the carriers of collecting these taxes substantially increases the cost of transportation, which cost is ultimately paid by the users of such transportation facilities and results, therefore, in an additional and unnecessary charge upon the public; and

"Whereas these taxes put Hawaii in a very unfavorable position in its competition with Europe, South and Central America, the Caribbean area and other southern trade areas for tourist business, which is Hawaii's third ranking industry and is rapidly increasing in importance, as well as in Hawaii's bid for a place in the import-export business of the world, inasmuch as transportation to and from the aforesaid mentioned areas are not subject to these taxes; and

"Whereas these taxes definitely discourage passenger travel and shipping activities via commercial means at a time when transportation systems generally are hard-pressed financially, which is particularly detrimental to the low-income groups in the Territory who cannot afford the resultant higher travel costs in the Territory: Now, therefore, be it

"Resolved by the House of Representatives of the Twenty-fifth Legislature of the Territory of Hawaii (the Senate concurring):

"SECTION 1. That the Congress of the United States be and it is hereby respectfully requested to repeal the Federal tax on the transportation of persons and the tax on the transportation of property as each applies to travel and shipping within the Territory of Hawaii and as each applies to travel and shipping between the mainland United States and the Territory of Hawaii.

"SEC. 2. That duly certified copies of this concurrent resolution be transmitted to the President of the United States, to the President of the Senate and to the Speaker of the House of Representatives of the Congress of the United States, to the Secretary of the Interior, and to the Delegate to Congress from Hawaii."

A concurrent resolution of the Legislature of the Territory of Hawaii; to the Committee on Public Works:

"Senate Concurrent Resolution 26

"Concurrent resolution requesting the Congress of the United States of America to enact legislation providing for a new post-office building at Kapaa, county of Kauai

"Whereas the United States post office at Kapaa, county of Kauai, T. H., occupies inadequate space and is without proper postal facilities: Now, therefore, be it

"Resolved by the Senate of the Twenty-fifth Legislature of the Territory of Hawaii (the House of Representatives concurring), That the Congress of the United States of America be, and it is hereby, requested to enact legislation providing for the acquisition or construction of a new post-office building at Kapaa, county of Kauai, T. H., and appropriating sufficient funds therefor; and be it further

"Resolved, That certified copies of this concurrent resolution be transmitted to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States of America, to the Postmaster General and the Secretary of the Interior, and to the Delegate to Congress from Hawaii."

A resolution adopted by the City Council of the City of Springfield, Ill., favoring the retention of the Lincoln Ordnance Depot at its present site near Springfield; to the Committee on Armed Services.

A letter in the nature of a petition from the Chamber of Commerce of Honolulu, T. H., signed by Paul H. Anderson, president, relating to fruitfly investigations in Hawaii (with accompanying papers); to the Committee on Appropriations.

A resolution adopted by the New Plymouth (Idaho) Chamber of Commerce, protesting against the enactment of House bill 2756, to implement the established national policy of promoting maximum employment, production, and purchasing power; to the Committee on Banking and Currency.

A resolution adopted by the National Lumber Exporters Association, of Memphis, Tenn., relating to the exportation of hardwood lumber; to the Committee on Foreign Relations.

A letter in the nature of a petition from Mrs. A. V. Scheiber, of Hinsdale, Ill., relating to the North Atlantic Pact; to the Committee on Foreign Relations.

A resolution adopted by the California Republican Assembly, an association of Republicans of the State of California, favoring the enactment of Senate Joint Resolution 4, granting the consent of Congress to joinder of the United States in suit in the United States Supreme Court for adjudication of claims to waters of the Colorado River system, and protesting against the enactment of Senate bill 75, authorizing the construction, operation, and maintenance of a dam and incidental works in the main stream of the Colorado River at Bridge Canyon, together with certain appurtenant dams and canals, and for other purposes; to the Committee on Interior and Insular Affairs.

A resolution adopted by the Fairbanks Chamber of Commerce, of Fairbanks, Alaska, favoring the enactment of legislation providing statehood for Alaska; to the Committee on Interior and Insular Affairs.

A resolution adopted by the Board of Commissioners of the City of Paducah, Ky., relating to contracts with private individuals for exclusive sales of gasoline and oil at airports receiving Federal aid; to the Committee on Interstate and Foreign Commerce.

Resolutions adopted by the Council of the City of Glendale, Calif.; the Common Council of the City of New Haven, Conn.; the Council of the City of Harvey, Ill., and the Common Council of the City of Rome, N. Y., favoring the enactment of legislation proclaiming October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

Resolutions adopted by the Blair County Medical Society, of Altoona, Pa.; the Morgan County Medical Society, of Jacksonville, Ill.; the Mahoning County Medical Society, of Youngstown, Ohio; the Woman's Club, of Owensboro, Ky., and the Rotary Club, of Nampa, Idaho, protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

A resolution adopted by the Rotary Club of Nampa, Idaho, favoring the withdrawal of the United States as a member of the International Labor Organization; to the Committee on Labor and Public Welfare.

The petition of Dewie J. Gaul and Robert T. Herendt, of Dubuque, Iowa, praying for the enactment of legislation providing for the construction of a Federal superhighway connecting the cities of Earling, Iowa, and Mankato, Minn.; to the Committee on Public Works.

By Mr. McCLELLAN:

A concurrent resolution of the Legislature of the State of Arkansas; to the Committee on Armed Services:

"Senate Concurrent Resolution 15

"Concurrent resolution memorializing the Congress of the United States to oppose the federalization of the National Guard of the United States and the National Guard of the several States, Territories, and the District of Columbia in whole or in part

"Whereas the Secretary of Defense brought into being in 1947 the Committee on Civilian Components, commonly known as the Gray board, and which Committee was directed by said Secretary of Defense to make a comprehensive, objective, and impartial study of the armed forces; and

"Whereas said Committee on Civilian Components on June 30, 1948, in its report to the Secretary of Defense, recommended, among other things, that national security required that all services have one Federal Reserve Force which should be accomplished:

"(a) by establishing the Reserve forces of the Army clause of the Constitution;

"(b) by similarly establishing the Reserve forces of the Air Force under appropriate legal authority;

"(c) by incorporating the National Guard and the Organized Reserve Corps into the Army Reserve Force under the name of 'the National Guard of the United States';

"(d) by incorporating the Air National Guard and Air Reserve into the Air Force Reserve Force under the name of 'the United States Air Force Reserve'; and

"Whereas on December 15, 1948, the Secretary of Defense recommended to the President of the United States, among other things, the federalization of the Air National Guard; greater Federal control over the personnel, equipment, facilities, allocation of money to the States; and

"Whereas federalization of the National Guard, in whole or in part, by the organization of a single Federal Reserve Force under the Army clause of the Constitution instead of under the militia clauses of the Constitution, as the National Guard is now organized, and under which the sovereign States retain the authority for the appointment of the officers of the National Guard and the authority for the training of the National Guard in time of peace in accordance with the discipline prescribed by the Congress; and

"Whereas such federalization would violate the principle of States' rights in that the framers of the Constitution contemplated a standing army as the only Federal force is clear from the arguments advanced by Hamilton, whereby he persuaded the States to accept the principle of a standing army, large enough to accomplish the immediate purpose of the Congress only, its size to be controlled by limiting appropriations to a period of 2 years only with the further agreement that the States would mantain no troops in time of peace, other than with the consent of Congress, in exchange for the provision that the Congress would have power to provide for the organizing, arming, and discipling (training) the militia and reserving to the State only the power to appoint officers and the authority to train the militia according to the discipline prescribed by Congress; and

"Whereas complete federalization would violate the principle upon which the States bargained, as above explained, by giving to the Federal Government, in addition to its

own standing army, a part of the militia over which the States would have no control or power whatsoever, instead of the control provided in clause 16, section 8, article I of the Constitution; and

"Whereas nowhere in the Constitution is there any power given to the Federal Government to do other than raise and support armies and standing armies only were contemplated with no power ever given to the Federal Government to organize and support a Federal militia and none exists; and

"Whereas federalization of the National Guard as now constituted under the militia clauses of the Constitution, in whole or in part, would not only violate the principle of States' rights but would violate existing agreements between the Federal Government and the sovereign States whereby the States accepted in good faith the allotments made by the War Department in 1945, and have completed the organization of such allotments, insofar as authorized by the Congress and for which funds have been provided; and

"Whereas federalization of the National Guard, air or ground, as recommended by the Secretary of Defense and the Committee on Civilian Components, would destroy at one blow the National Guard as it now exists and which has rendered exceptional and valiant service to the Nation in two world wars and in time of peace would impose fantastic costs beyond the ability of the Nation to meet and would seriously jeopardize our national security and would result in the centralization of all military power in the Federal Government and ultimately in the hands of a few, and thus pave the way for the establishment of a dictatorship, military or otherwise, in this country; and

"Whereas the States would be left without an internal security force and would be compelled to organize and maintain State troops at great cost to the States with the result that there would thus be maintained a Federal Reserve and State military force, creating a great duplication of effort and expense while the National Guard, as it is now constituted and controlled, not only furnishes the necessary internal security for the States but, in addition, serves as a component of the Army of the United States and a first line of defense thereof as provided by the National Defense Act: Now, therefore, be it

"Resolved by the Senate of the State of Arkansas (the house of representatives concurring), That the Congress and President of the United States are hereby memorialized to retain intact the National Guard of the United States, ground and air, as it is now organized under the militia clauses of the Federal Constitution and thus reserve to the States the controls provided by the Constitution in time of peace and insure that it will be at the disposal of the State in time of peace and that there will be unity in the armed forces of the Nation at a time when unity is so essential; and be it further

"Resolved, That copies of this concurrent resolution be transmitted to the President of the United States, the Speaker of the House of Representatives, the President of the Senate, the chairman of the Armed Services Committee of the Congress, and members of the Arkansas delegation in Congress."

A concurrent resolution of the Legislature of the State of Arkansas; to the Committee on Interior and Insular Affairs:

"Senate Concurrent Resolution 16

"Whereas the State of Arkansas owns and possesses over 241,280 acres of land beneath navigable waters within its boundaries, subject only to the Federal powers over navigation, commerce, and national defense; and

"Whereas State ownership of this property has been and will continue to be an important source of revenue for our State, the loss of which would be a great injury to the State and our people, for whom it is held in trust; and

"Whereas after over 100 years of recognized State ownership without interference with the delegated Federal powers, certain Federal officials are now suing other States for similar property and advocating Federal control of the lands and resources therein: Now, therefore, be it

"Resolved by the Legislature of the State of Arkansas—

"That the State of Arkansas favors continued State ownership and control, subject only to the delegated Federal powers, of lands and resources within and beneath navigable waters within the boundaries of the respective States, and requests Congress to pass suitable legislation to that end.

"That the members of our delegation in Congress are hereby requested to give their active support to legislation which would recognize and confirm State ownership of such property.

"That the members of our delegation in Congress are hereby requested to give their active opposition to all pending and proposed measures which would create Federal ownership or control of lands, fish or other resources beneath navigable waters within State boundaries.

"That a copy of this resolution be mailed to each member of the Arkansas delegation in Congress."

By Mr. LODGE (for himself and Mr. SALTONSTALL):

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Agriculture and Forestry:

"Resolutions memorializing the Congress of the United States to revise the Agricultural Adjustment Act for the purpose of lowering the high cost of living

"Whereas the laws which support prices of farm products were enacted to relieve an acute national economic emergency affecting the farm industry; and

"Whereas the economy of the American people is being jeopardized constantly by the present form of the Agricultural Adjustment Act; and

"Whereas the economy of the farm industry is no longer in a state of acute national economic emergency; and

"Whereas the economy of many American families is being aggravated by the present form of the Agricultural Adjustment Act: Therefore be it

"Resolved, That the General Court of Massachusetts memorializes the Congress of the United States to enact laws that will bring about a revision of the Agricultural Adjustment Act to a more realistic basis to the end that an effective step shall be taken to lower the high cost of living; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the state secretary to the President of the United States, to the Presiding Officer of each branch of Congress, and to the Members thereof from this Commonwealth.

"In house of representatives, adopted, March 17, 1949.

"LAWRENCE R. GROVE,
"Clerk.

"In senate, adopted, in concurrence, March 23, 1949.

"IRVING N. HAYDEN,
"Clerk."

Resolutions of the General Court of the Commonwealth of Massachusetts: to the Committee on Foreign Relations:

"Resolution memorializing the Members of Congress from Massachusetts to exert their influence to effect the unification of all of the counties in Eire

"Whereas the unification of all the counties of Eire would tend both to promote the welfare of the people of Eire and to promote and preserve the peace of the world: Therefore be it

"Resolved, That the General Court of Massachusetts hereby urges the Members of Congress from Massachusetts to exert their influence by securing the enactment of appropriate resolutions by the Congress of the United States to the Parliament of Great Britain and by such other means as may be effective and appropriate expressing the desire and hope of the Government of the United States that immediate action be taken to effect the unification of all of the counties of Eire; and be it further

"Resolved, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the President of the United States, to the Presiding Officer of each branch of Congress, and to the Members thereof from this Commonwealth.

"In house of representatives, adopted, March 21, 1949.

"LAWRENCE R. GROVE,
"Clerk.

"In senate, adopted, in concurrence, March 24, 1949.

"IRVING N. HAYDEN,
"Clerk."

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing two nominations, which nominating messages were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and by unanimous consent, the second time, and referred as follows:

By Mr. KILGORE:

S. 1455. A bill for the relief of Emilien Roozman; to the Committee on the Judiciary.

(Mr. HILL (for himself, Mr. O'CONOR, Mr. WITHERS, Mr. AIKEN, and Mr. MORSE) introduced Senate bill 1456, to authorize grants to enable the States to survey, coordinate, supplement, and strengthen their existing health resources so that hospital and medical care may be obtained by all persons, which was referred to the Committee on Labor and Public Welfare, and appears under a separate heading.)

Mr. MUNDT:

S. 1457. A bill to authorize and direct the Secretary of the Interior to issue to George C. Estes a patent in fee to certain land; to the Committee on Interior and Insular Affairs.

By Mr. AIKEN (for himself, Mr. RUSSELL, Mr. GILLETTE, and Mr. THYE):

S. 1458. A bill to amend and supplement the act of June 7, 1924 (43 Stat. 653); to the Committee on Agriculture and Forestry.

By Mr. JOHNSTON of South Carolina (for himself and Mr. LONG):

S. 1459. A bill to amend section 6 of the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

By Mr. McGRATH (for Mr. WAGNER):

S. 1460. A bill to authorize the issuance of a special series of stamps commemorative of the one hundredth anniversary of the birth of Hambletonian 10; to the Committee on Post Office and Civil Service.

(Mr. WILEY introduced the following bills, which were referred to the Committee on Post Office and Civil Service, and appear under a separate heading:

S. 1461. A bill to provide compensatory time for services performed on Saturdays,

Sundays, and holidays by clerks in third-class post offices; and

S. 1462. A bill to provide certain benefits for employees in the field service of the Post Office Department who are veterans of World War II.)

By Mr. O'MAHONEY (by request):

S. 1463. A bill to approve a contract negotiated with the Willwood irrigation district and to authorize its execution, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. GEORGE (for himself and Mr. RUSSELL):

S. J. Res. 72. Joint resolution for the relief of Thomas Henry Harrison; to the Committee on Labor and Public Welfare.

FEDERAL VOLUNTARY HEALTH INSURANCE PLAN

Mr. HILL. Mr. President, on behalf of the Senator from Maryland [Mr. O'CONOR], the Senator from Kentucky [Mr. WITHERS], the Senator from Vermont [Mr. AIKEN], the Senator from Oregon [Mr. MORSE], and myself, I ask unanimous consent to introduce for appropriate reference a bill to authorize the appropriation of Federal funds to assist the States to survey, coordinate, supplement, and strengthen their existing health resources so that hospital and medical care may be obtained by all persons.

There being no objection, the bill (S. 1456) to authorize grants to enable the States to survey, coordinate, supplement, and strengthen their existing health resources so that hospital and medical care may be obtained by all persons, introduced by Mr. HILL (for himself, Mr. O'CONOR, Mr. WITHERS, Mr. AIKEN, and Mr. MORSE), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

Mr. HILL. Mr. President, the voluntary health insurance bill will perform the same service in financing hospital and medical care that the Hospital Survey and Construction Act is now doing in the building of new hospitals and health centers. Under that act, more than 700 hospitals, health centers, and other facilities are being built or have been approved for construction.

In the preparation of this bill we had the counsel of Dr. Gibson Colby Engel, distinguished physician and surgeon of Philadelphia, and president of the Medical Society of the State of Pennsylvania, and Dr. Magnuson, Chief Medical Director of the Veterans' Administration, as well as officials of the American Hospital Association.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement which I have prepared relative to the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR LISTER HILL, OF ALABAMA, ON THE INTRODUCTION OF THE VOLUNTARY HEALTH INSURANCE PLAN

Five years ago with the Honorable Harold Burton, of Ohio, I introduced the Hospital Survey and Construction Act, which was passed by the Seventy-ninth Congress. Under the act the States were assisted to survey all of their existing hospitals and determine where additional hospital facilities were needed. States and local communities are now being given financial assistance in the construction of hospitals in areas where there have not been enough hospital facilities. More than 700 projects have already been approved. I am proud to note that the Hospital Survey and Construction Act is widely acknowledged as one of the most worth-while domestic programs of the Federal Government.

The voluntary health-insurance bill we are introducing today will perform the same service for financing hospital and medical care that the Hill-Burton Hospital Survey and Construction Act is now doing in the building of new hospitals.

We know that much remains to be done, but already the Federal Government has acted in many ways to meet its responsibilities for improving and safeguarding the health of our people. We have done much to promote research. We are assisting in the construction of hospitals and health centers. We recognize that Federal aid is necessary in the education of doctors and nurses. I have introduced in this Congress, on behalf of myself and some of my colleagues, a bill to assist in the expansion and improvement of local public-health units.

But for more than 10 years we have not been able to agree on the best method of financing hospital and medical care to the individual.

We have had extensive hearings on a compulsory health-insurance program and discussions both in and out of Congress. We have had many proposals and blue prints and cures suggested for the establishment of a completely new system of financing hospital and medical care for our people.

But a compulsory system of health insurance carries within it the danger of seriously impairing the entire system of medical practice in this country.

We believe that the present system of medical care has been too valuable, too effective and too useful through the years, to throw it aside for a new system which might not work. We believe it is the course of wisdom first to examine our existing health and hospital and medical resources, then to proceed with the building and strengthening of them where that is necessary to bring adequate health care to all the people.

The last thing we want in this country is an abundance of poor hospitals and poor medical care. Our existing system has produced a quality of care which is the equal of any that has been developed anywhere in the world. The reason it has grown—and continues to grow—is that it has grown naturally. You cannot build a tree. Our problem is to take our existing system and continue to make it bigger and better.

The Hospital Survey and Construction Act is one step in this direction. It follows the principle of taking our existing hospital system and strengthening it. But the mere construction of a hospital does not necessarily provide hospital care for all persons in the community. The Senate Committee on Education and Labor recognized this when it reported the Hospital Survey and Construction Act of the Senate. The committee said, "It is the conclusion of the committee that assistance in the cost of maintenance and operation of hospitals in the neediest areas should be considered in separate legislation when more information is available from the surveys to be made."

Since then I have been listening eagerly for ideas which might be helpful in making hospital and medical care more readily available.

Several weeks ago my attention was directed to the proposals of Dr. Gilson Colby Engel, distinguished physician and surgeon of Philadelphia and president of the Medical Society of the State of Pennsylvania, and I was much impressed with his proposals. I conferred at length with Dr. Engel and we have incorporated in this bill important parts of his program.

Shortly thereafter, Dr. Paul Magnuson, Chief Medical Director of the Veterans' Administration, announced a proposal for providing diagnostic services to all persons through the cooperation of Government and voluntary agencies. There is no doubt that one of the best ways to improve our present system would be to make it easier for our people to find out the nature of their illnesses and how to treat them.

I have also been aware of the positive recommendations of the American Hospital Association for improving the distribution of hospital care. In fact, the Hospital Survey and Construction Act embodies one of their recommendations. The proposals of the American Hospital Association have recognized that in any satisfactory solution to our health problem, we will need the best efforts of all agencies in the health field whether they be governmental or voluntary. In this connection, my attention has been called to a statement made by President Truman: "I depend upon our peculiar genius for combining governmental and voluntary activity to expand and maintain our hospital system."

The fact is that while we have been debating the pros and cons of a complete new system of Federal compulsory health insurance, the voluntary agencies already in the field have gone quietly ahead to provide protection against the costs of hospital and medical care to nearly a third of our population. In 1939 when the first compulsory health-insurance bill was introduced, the Blue Cross plans for hospital care had only 3,000,000 people enrolled. Today they protect more than 33,000,000. The Blue Shield plans for medical care have enrolled about 10,000,000. And commercial insurance companies have enrolled considerable numbers. A recent survey shows that on December 31, 1947, an estimated 52,584,000 individuals were protected by voluntary hospital expense coverage; 26,247,000 individuals had voluntary surgical expense coverage; nearly 9,000,000 had medical expense coverage; and an estimated total of 31,224,000 of our 58,000,000 employed civilians were insured under some form of voluntary protection against loss of income due to sickness or accident.

Here is a voluntary movement which cannot be ignored if we believe there is a logical place in our American way of life for the voluntary system.

PREPAYMENT PROTECTION ASSISTANCE

The first and immediate purpose of this bill is to provide protection for people of limited income by giving them service cards in voluntary prepayment plans which will entitle them to the same kind of hospital and medical care as those who are able to purchase such protection on a voluntary basis.

The plan has three advantages. In the first place, it has been too often the case that persons who receive care at Government expense receive an inferior quality of care which has often been called charity care. By providing service cards to these people we avoid the necessity of identifying them as recipients of Government assistance at the time they need hospital care, and we provide that they receive the same high quality of care that is available today to persons who purchase prepayment protection.

The second advantage is that an individual may apply for prepayment protection for himself and his dependents at any time, whether or not hospital and medical care is needed immediately. The determination of need is made easier and does not complicate an emergency situation. There is much just criticism of the means test because of the embarrassment and delay to an individual at the time he is ill.

The third advantage is that each individual can be encouraged to carry as much of the responsibility for his own welfare as he is

able. Under the prepayment method, it is easier to pay a small subscription charge than to save for a serious illness. It has been estimated that hospital and medical-care prepayment protection may be purchased by an individual for as little as $25 to $40 a year. It seems quite reasonable that where individuals could not afford all of this annual subscription charge they might be able to pay part of it, with Government assistance for the remainder, and feel that they have contributed to their own protection within their own financial limits. It is important that we maintain this sense of responsibility. The independence of our people has been America's strength, and this is one way to maintain and encourage that independence.

The first objective of the bill is to extend hospital and medical care to those who cannot pay the cost. There are other important features to the plan.

STIMULATION OF VOLUNTARY PLANS FOR PREPAYMENT OF HOSPITAL AND MEDICAL CARE

Another basic purpose of the bill is to encourage every citizen to protect himself against the costs of hospital and medical care through voluntary enrollment. After all, there is a marked difference between voluntary enrollment and a compulsory system. It has been urged quite plausibly that under a compulsory system we could force everyone to join. But this would require new agencies in Washington to collect all the money and purchase all the care. As a matter of fact, no one has been able to imagine all of the details of control that would have to be established for successful operation of such a vast system which would eventually affect the lives and health of all American people. It has been pretty well demonstrated in other countries that under a compulsory health-insurance system the quality of care is impaired. We need to make hospital and medical care available to all the people. But in any legislation to accomplish this purpose we must be sure that we preserve the incentives of a free system, under which it has been possible to develop the high quality of hospital and medical care which we have today.

So we propose that we make use of tried means and methods for meeting the cost of hospitalized illness and encourage all self-supporting persons to protect themselves and their dependents in a voluntary manner.

The most costly illness for the average individual is that which requires short-term hospitalization. This bill will do a number of things to stimulate and encourage voluntary enrollment in prepayment plans which afford him and his family protection against the cost of hospitalized illness.

The States will be assisted in surveying the extent of protection enjoyed by their citizens and in developing methods of increasing this protection, both as to number of persons enrolled, and completeness of protection.

The States will be encouraged to provide pay-roll deductions for employees of State and local governments who wish to purchase such protection in this manner for themselves and their dependents.

The States will be assisted in the payment of subscription charges in addition to unemployment-compensation benefits for such period of time as a person having such enrollment may be out of work.

In other words, the bill will stimulate and encourage voluntary protection against the cost of the usual hospitalized illness for every person who can afford the subscription charges. As an example, the average rates for Blue Cross and Blue Shield are in the neighborhood of $5 per month for a worker and his family. It is very doubtful whether a Government program could provide a reasonably comprehensive protection at any less cost to the individual; and it is extremely doubtful that a compulsory system could provide as high-quality care at such low cost. With the encouragement of Government, these voluntary plans can provide even broader protection.

The bill is limited to care provided in a hospital or a diagnostic clinic. We do not believe we have sufficient medical resources—doctors, nurses, hospitals, and other facilities—to provide all the care which would be called for if we immediately included such services as office calls, home care, and minor illnesses.

Hospitals and health centers are being built under the Hospital Survey and Construction Act. There is now pending in the Congress legislation designed to increase our supply of well-trained doctors and nurses. As these programs go forward, we can then provide in an orderly manner for the expansion of the services made available under this bill.

COORDINATION OF HEALTH RESOURCES

In its broadest effect the bill will stimulate the coordination and full use of the Nation's health resources. Under the Hospital Survey and Construction Act the States have been divided into logical areas which should ultimately contain complete facilities and services for hospital and medical care. The bill now proposes the establishment of regional health agencies, composed of representatives from all interested groups in the areas, who will work together to develop the highest possible efficiency and cooperation in the use of the medical, hospital, and health resources in those regions.

Under the Hospital Survey and Construction Act we provided that each State should make a survey of its existing hospitals in order to determine where additional facilities would be most needed. In this bill we propose that this same procedure be followed in determining the best means of coordinating and strengthening our existing resources for medical care. The situation will be different in different areas. Some of these regional areas may find that the network of hospitals, health centers, diagnostic clinics, and the supply of doctors and nurses and skilled technicians can provide a well-rounded service to all of the citizens of that region. But in other regions it may be necessary to provide for additional services or facilities to give the population of that area proper care. It may be desirable to develop cooperative arrangements between existing units. All of these can be best determined by representative groups in that area on the scene of action. Therefore, the bill proposes that surveys be made by the State agency assisted by the regional authorities to develop the best use of existing facilities and services and to enlarge and strengthen them where needed.

Proper diagnosis is one of the necessary elements of medical practice. The growth and development of diagnostic clinics should be encouraged, particularly in rural areas and areas where such facilities are inadequate. The States shall be assisted in making surveys of their existing diagnostic facilities and encouraged to develop plans for improving diagnostic clinics so as to make such services available to everyone.

We have not been able to cover mental illness, tuberculosis and chronic disease in this program. We have provided, however, that the States survey their existing facilities and services and financing for these long-term illnesses. Experience shows these surveys will stimulate and augment efforts for improving hospitalization of long-term illness which is at present primarily a State responsibility. We are confident that such surveys will lead to definite action for such improvement.

We know that many areas, especially rural sections, have not been able to attract the doctors they need and this is a matter of concern to all of us. The bill provides that the States investigate areas which are presently without adequate medical care because of economic inability to support a medical practice. When the States have determined their own needs they will be able to prepare definite plans. The States and the Federal Government then can and must take definite action.

Under the bill the Federal Government gives financial aid, encouragement, and wise guidance from its vast resources, its broad experience, and its facilities for technical study and research. Under the bill the control and administration of the program rests with the States and their communities, adapted to local needs and local conditions. And finally and most important under the bill, our steps to extend adequate hospital and medical care to all the people preserve at the same time the fundamental freedoms, the incentives and the individual, personal relationships which have done so much to give America the highest quality of medical care in the world.

Mr. AIKEN. Mr. President, I am glad to associate myself with the Senator from Alabama in the introduction of this bill, not because it represents the ultimate that we can do in the way of providing adequate medical and hospital services for the people of the country, but because I believe it is a practical step in that direction, and probably represents the ultimate that can be obtained.

I have prepared a brief statement relative to the bill, and I ask unanimous consent that the statement may be printed in the body of the RECORD in connection with my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR AIKEN

As a co-sponsor of the bill introduced by Senator HILL, I want to say that I think it represents a realistic approach to the important problem of expanding and broadening existing medical-care programs.

The health of our citizens is of vital concern to us as a Nation. The appallingly high rejections for physical reasons during the last war is a grim reminder of the seriousness of this problem of health.

For too long, such a public step as is embodied in the present bill, to improve the health of our citizens, has been delayed because of the widely divergent points of view which found vigorous expression on a divided front.

The bill which has been introduced today is a practical, middle-ground approach to this problem and attempts a proper compromise of two rather extreme viewpoints.

One viewpoint holds that any program which is offered should go all the way in providing Government aid and, in turn, Government control of the program.

The viewpoint at the other extreme is that nothing should be done by government.

Needless to say the public has been the loser in this cross-fire of adamant extremes, neither of which can or should be successful under present conditions.

The program which this bill authorizes would be built on existing programs and offers a way for low-income people to start receiving adequate medical care without humiliation or embarrassment.

Stated in its simplest form, the proposed program would make medical and hospital care available to a greater number of people at a lower cost.

It will make hospital and medical care available to people who do not have the money to pay for such services.

It will enable those who are not quite able to pay for medical attention—perhaps

it is an expensive operation that has been put off—to obtain needed care.

At the same time it should enable those who are now paying for and receiving medical service to get even better treatment at lower cost.

The program is broad enough to allow plans for any type of medical or related service to be included.

The administrative procedure of this program is patterned after the Hospital Survey and Construction Act of 1946. This means that the bulk of the responsibility and part of the expense rest upon the States and local communities. In this way waste of funds is insured against or minimized.

As I see it, the main value of this program is to expose the need for, and point the way to, better medical service.

Once the need for greater medical care is pointed out a more adequate way will be found to meet it.

So long as the need remains obscured by indifference or lethargy, and the public is complacent, it will be difficult to get anything done about this problem.

I shall not attempt to go into the details of the program now. The Senator from Alabama has covered the highlights in this field.

I do want to reiterate that I think the program is a step in the right direction toward pointing to the need for broader medical coverage and toward showing something of what can be done to meet that need.

Mr. O'CONOR. Mr. President, I am glad to associate myself with the Senator from Alabama in the introduction of this bill, and I ask unanimous consent that a brief statement prepared by me be printed in the RECORD as part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR O'CONOR

Everyone will agree, I am sure, that in this great country, with all its wealth and its freedoms, there should be available to every resident necessary medical and health services and facilities. If any proof were needed of the vital necessity of such adequate medical and health services it can be found in the records of the Selective Service System during World War II. The number of men turned down as unsatisfactory for service because of ailments and disabilities was truly staggering in a country which prides itself, as we do, on the high standard of living of its residents.

While granting the necessity, however, of having such services and facilities available there is quite some disagreement as to the proper procedure for placing them at the disposal of all our people. In line with the accepted American way of life, and with the spectacle of mass regimentation in many fields before our eyes in countries throughout the world, a great number of the American people feel definitely that the provision of needed medical and health facilities can be accomplished in a manner consistent with American rights and principles.

In other words, objection is found to any proposals that would seek to regiment either the prospective recipients of these services, or the members of the medical profession who would be called upon to provide them. The alternative to such regimentation, of course, is a system of medical and health service based on voluntary extension of available medical and health services and facilities, in combination with a program of medical care in which the Federal Government would assist the States to handle, on the local level, the question of providing necessary medical and health services to those unable to pay for them.

In the voluntary health-insurance bill proposed by the distinguished Senator from Alabama and others, I believe that the high objectives of any national medical-care program can be achieved without disturbing, and in fact, with actual strengthening of, the satisfactory procedures in the field of health which have been established and perfected during the past. The proposals, as presented by the distinguished Senator, accomplish several very important purposes. First, for those who can afford to pay at least minimum costs of these desired services, it maintains the American policy of paying your own way, or, at least paying as much as you are able toward the deferment of the necessary services.

For those unable to bear the cost of needed medical and other health services it protects them against embarrassment and indignities by arranging in advance for their inclusion in the health program without any subsequent disclosures to either physicians or hospital people that this care is being furnished free of cost.

Furthermore, with the necessary committees that will have to be established to devise the best procedures for strengthening and coordinating existing hospital and other facilities, management of this whole program, which so closely affects the lives of everyone, will be kept close to the individuals participating, so that local needs and local conditions can be given the fullest recognition and attention.

Establishment of a national program in the health field is something that cannot be set up and perfected over night. There are too many phases of the matter that must be worked out carefully and on the basis of experience. I am convinced, and leading members of the medical profession in my own State with whom I consulted believe that the method of approach used in the proposed legislation is sound. We feel that it offers possibilities for development into a complete program which would answer all needs and yet maintain the present healthy relationship between the patient and members of the medical profession, while at the same time making possible desired extension of the services in question without entailing exorbitant outlays by the Federal Government.

Finally, and probably most important of all, it will assist in maintaining the medical services rendered on the high plane on which they have been established. Reports coming to us from some of the other countries where such programs have been initiated, indicate definitely that the quality of medical service has suffered greatly. This must not be allowed to happen in America. Under the proposals of the bill as introduced by the distinguished Senator from Alabama I am convinced that the quality of our medical services in the medical field will not suffer but, in fact, will be safeguarded to the limit.

Maryland, it should be recalled, was the first State in the country to develop a statewide plan of medical care for indigent and medically-indigent persons, and it was my privilege as Governor to sponsor the legislation. This plan since has been used by other States as a model. Certainly it will lend itself well to integration into the much more comprehensive program now being submitted.

COMPENSATORY TIME AND SICK-LEAVE CREDIT FOR CERTAIN POSTAL EMPLOYEES

Mr. WILEY. Mr. President, I introduce for appropriate reference two bills providing compensatory time and sick-leave credit for certain postal employees, and I ask unanimous consent that a series of statements which I have prepared on the bills be printed in the RECORD.

The VICE PRESIDENT. The bills will be received and appropriately referred, and, without objection, the series of statements will be printed in the RECORD.

The bills introduced by Mr. WILEY were read twice by their titles and referred to the Committee on Post Office and Civil Service, as follows:

S. 1461. A bill to provide compensatory time for services performed on Saturdays, Sundays, and holidays by clerks in third-class post offices; and

S. 1462. A bill to provide certain benefits for employees in the field service of the Post Office Department who are veterans of World War II.

The series of statements presented by Mr. WILEY are as follows:

STATEMENT BY SENATOR WILEY

I am introducing two bills today which I feel will help assure elementary justice for many of the Nation's faithful postal employees. One of the bills would grant compensatory time for services performed on Saturdays, Sundays, and holidays to post-office clerks in offices of the third class. Thus, this bill would remedy a ridiculously inconsistent situation which now exists wherein substitute clerks are actually being paid more for their services than regular postal employees.

The second bill is designed to give a credit (merely a bookkeeping credit, it should be noted) to postal employees who entered the military service with earned sick leave for the period of their military service. This bill would supplement Public Law 704 of 1946, which provided terminal leave for military personnel, including Federal postal employees, and which took care of the situation insofar as annual leave is concerned, but which made no provision for sick-leave credit.

These are two of many meritorious bills of the over-all legislative program recommended by postal unions throughout the Nation—a program which requires the earnest attention of the Congress.

I have been in close contact on these bills and on other measures (particularly injury compensatory measures) with, among other postal experts, the able legislative representative of the National Federation of Post Office Clerks, Mr. E. C. Hallbeck. His testimony before congressional committees on postal problems and his experience in this field are well known to my colleagues.

I should like to add just one more general thought. Needless to say, anyone viewing the problem of postal legislation is immediately confronted with the issue of the heavy Post Office Department deficit. I have made and will continue to make suggestions on ways and means of cutting down that deficit.

For example, I have recommended removing from the Post Office's budget (and consequently from its deficit) those items which have no business being in that budget at all, e. g., the cost of handling agency penalty mail.

At the same time, as we seek the cutting of the deficit, we should not lose sight of the fact that our hard-working postal employees are entitled to justice and fair treatment. In the two bills that I am introducing today, I have sought to assure such treatment for them, and I do not believe that a desire along this line is in any way inconsistent with the desire to cut the Post Office's deficit.

Any business employer knows that the morale of his employees (meaning in turn their efficiency) is dependent upon good per-

sonnel practices. The present situation which these two bills would remedy, would help assure improvement of post-office practices, and to that extent it would benefit not only postal employees but all of our population which, after all, is serviced by these diligent workers.

Appended, hereto, are two statements in detail describing the purpose of each of these separate bills. I will, of course, do everything I can to secure prompt action on them in Congress.

STATEMENT BY SENATOR WILEY RE COMPENSATORY TIME FOR POST-OFFICE CLERKS IN OFFICES OF THE THIRD CLASS

The situation at present is that postal employees in offices of the first and second class who are required to perform service on Saturdays, Sundays, and holidays are granted compensatory time for such service on an hour-for-hour basis during the next five succeeding working days in the case of Saturday and Sunday service and within the next 30 days succeeding holidays. In the case of a regular employee in a third-class post office who is required to perform service on Saturdays, Sundays, or holidays, he, amazingly enough, receives neither an additional wage nor compensatory time but is required to perform such service entirely gratis. On the other hand, substitute employees in these offices, like other substitute employees, are employed at an hourly rate and are paid at that rate for all service, including service performed on Saturdays, Sundays, and holidays.

Thus, it often happens that two employees, one a regular clerk and the other a substitute clerk, working exactly the same hours, are paid varying amounts for identical work. In such cases, the substitute clerk is generally paid a larger total wage than the regular employee. This illogical situation was most forcibly brought out during the hearings on the Post Office appropriation for 1950 before a subcommittee of the House of Representatives when a departmental spokesman gave the following answer to a question on this subject:

"Public Law 134, in setting up the standards for employment for clerks in first- and second-class offices, and clerks in third class, drew a definite line between the clerks of the first- and second-class offices, and the clerks in the third-class offices.

"The clerks in the first- and second-class offices are on a 40-hour week, while the third-class office clerks are on a 56-hour week if their services are required for those hours.

"In other words, they can work 8 hours a day, 7 days a week. Normally, they work not less than 48 hours, so that as a substitute they get paid for 48 hours, while as a regular clerk they get paid for 40 hours.

"You can see where it runs to $400 or $500 a year cut in salary."

In the Postal Bulletin of October 12, 1948, the instructions of the First and Fourth Assistant Postmasters General with respect to overtime and compensatory time for the December 1948 quarter contain the following statement:

"Attention is called to the fact that clerks at offices of the third class are not subject to the provisions of the 40-hour workweek law, and may not be paid overtime, nor granted compensatory time, for the first 8 hours of service performed on Saturdays, Sundays, or holidays."

STATEMENT BY SENATOR WILEY RE SICK-LEAVE CREDIT FOR POSTAL EMPLOYEES WHO ENTERED THE MILITARY SERVICES

Postal employees who entered the military services during World War II were placed on military leave and during the period of such leave were not credited with either sick or annual leave. Public Law 704, approved August 9, 1946, provided terminal leave for military personnel, including Federal and postal employees, and took care of this situation insofar as annual leave is concerned. However, it made no provision for sick-leave credit. Had such postal employees remained in the postal service, they would, under the law, have been credited with sick leave at the rate of 10 days each year to be used only upon presentation of satisfactory evidence of illness. If the employee is so fortunate as to escape being ill, this credit remains unused and there is no charge to the Federal Government, since there is no lump-sum payment for unused sick leave.

In the case of postal employees who entered the military service, many of them sustained injuries and illness which cause recurrent periods of absence from duty without pay for purposes of treatment or hospitalization. It may reasonably be concluded that had they not entered the armed forces they would, in many cases, be less susceptible to these injuries and illness and at the same time would have received sick-leave credit. It seems extremely unjust, therefore, that such employees, because of patriotic service to their Government in time of war, should be deprived of the meager benefit they might have received had they not entered the military forces.

Let me point out in addition that one of the special reasons why post-office workers should be credited with sick leave accumulated during military service is the fact that right now there is patent discrimination against them in relation to treatment afforded other Federal workers. Thus postal workers receive only 10 days of sick leave per year and 15 days of annual leave, whereas other Federal workers get 15 days of sick leave and 26 days of annual leave per year. Therefore it is quite obvious, especially in view of that discrimination, that the bill which I am introducing to provide them with the minimum of sick leave accumulated during military service—that this bill is eminently just and fair.

EXTENSION OF EUROPEAN RECOVERY PROGRAM—AMENDMENTS

Mr. McCARRAN and Mr. MALONE each submitted an amendment intended to be proposed by them, respectively, to the bill (S. 1209) to amend the Economic Cooperation Act of 1948, which were ordered to lie on the table and to be printed.

Mr. WHERRY submitted two amendments intended to be proposed by him to Senate bill 1209, supra, which were ordered to lie on the table and to be printed.

HOUSE BILL REFERRED

The bill (H. R. 3734) making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1950, and for other purposes, was read twice by its title, and referred to the Committee on Appropriations.

DEVELOPMENT OF MISSOURI BASIN RESOURCES—STATEMENT BY SENATOR MURRAY AND EXCERPTS FROM HOOVER REPORT

[Mr. MURRAY asked and obtained leave to have printed in the RECORD a statement prepared by him in regard to the Hoover Commission report on the Pick-Sloan plan, together with certain excerpts from the report of the Hoover Commission, which appear in the Appendix.]

UNDERSEAS EXPLORATION BY THE NAVY—ARTICLE BY ANSEL E. TALBERT

[Mr. JOHNSTON of South Carolina asked and obtained leave to have printed in the RECORD an article entitled "Navy Is Exploring the Deep," written by Ansel E. Talbert, and published in the New York Herald Tribune of March 27, 1949, which appears in the Appendix.]

FEDERAL CONTROL OF SCHOOLS—EDITORIAL FROM THE ST. LOUIS GLOBE-DEMOCRAT

[Mr. KEM asked and obtained leave to have printed in the RECORD an editorial entitled "Federal Control of Schools," recently published in the St. Louis Globe-Democrat, which appears in the Appendix.]

TRAGIC CONDITIONS OF OUR NATIONAL FAUNA—ARTICLE BY JULIO ESTRADA

[Mr. KEM asked and obtained leave to have printed in the RECORD translation of an article entitled "Tragic Conditions of Our National Fauna," written by Julio Estrada and published in the January 1949 issue of Cazador, Mexican outdoors magazine, which appears in the Appendix.]

COMMUNISM VERSUS TEN COMMANDMENTS—ARTICLE BY WALTER S. STEELE

[Mr. WILEY asked and obtained leave to have printed in the RECORD an article entitled "Communism Versus Ten Commandments," written by Walter S. Steele and published in the March issue of the magazine National Republic, which appears in the Appendix.]

EXEMPTION FROM TAX OF FOREIGN TRAVEL VIA NEWFOUNDLAND

Mr. GEORGE. Mr. President, I ask that House Joint Resolution 203 be laid before the Senate.

The VICE PRESIDENT laid before the Senate the joint resolution (H. J. Res. 203) to maintain the status quo with respect to the exemption, from the tax on transportation of persons, of foreign travel via Newfoundland, which was read twice by its title.

Mr. GEORGE. Mr. President, I wish to make a brief explanation. The joint resolution does not change existing law; but inasmuch as Newfoundland becomes a Canadian province on April 1, it is necessary to make this change in order to preserve the status quo of the excise taxes on transportation via any port or point outside the Western Hemisphere. Newfoundland was an independent country, of course, when the act of 1917 was passed.

The question has been fully explored by the House Ways and Means Committee and the Senate Committee on Finance, and the joint resolution has the approval of officials of this Government.

By virtue of an election last year, I believe, Newfoundland becomes a province of Canada on April 1, and the joint resolution is intended to preserve the status quo with respect to tickets sold for trans-Atlantic ports, involving temporary stops at the ports of Newfoundland.

Mr. President, I ask unanimous consent for the present consideration of the joint resolution.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to a third reading, read the third time, and passed.

NINETIETH ANNIVERSARY OF DRILLING OF FIRST OIL WELL

Mr. MARTIN. Mr. President, on August 27 of this year will occur the ninetieth anniversary of a historic event which opened a new era of progress in the world.

On that date, in 1859, the world's first oil well was completed. It was drilled by Col. Edwin L. Drake in the hills of northwestern Pennsylvania, near Titusville.

That little well was the birthplace of the modern petroleum industry. A reproduction of the original derrick and machinery marks the site. On the grounds also is the Drake Well Memorial Museum where hundreds of papers, books and documents concerning the early history of oil are exhibited as well as a large number of tools and other equipment used in the production of oil.

Colonel Drake's success exemplified free enterprise at its best. Like so many other outstanding inventions and discoveries by American genius it was achieved after many trials and disappointments.

For years men had known that there was oil in the underlying strata, but many difficulties had to be overcome before a way was found to recover it.

When Colonel Drake struck oil at a depth of 69½ feet a new phase of civilization was born. Oil transformed illumination, power, and transportation. It revolutionized industry. It gave us the automobile and the airplane. It gave new meaning to time, space, and distance. Oil has probably had more effect on the strategy of war than any other development since the invention of gunpowder.

Recently I introduced a bill authorizing the issuance of a special stamp to commemorate the ninetieth anniversary of the completion of the Drake well. I hope this Congress will approve that measure. I feel that proper observance of this anniversary will call the attention of the American people to the importance of maintaining our supremacy in oil.

We need to maintain our leadership in this product, not only for our peacetime economy, but also for national defense. Two world wars have demonstrated that the United States cannot depend upon foreign oil in an emergency. Foreign oil outside our own lines, thousands of miles away, is too hazardous for the security of America.

During the hearings relating to the extension of the reciprocal trade agreements, before the Finance Committee of the Senate, it was brought out that now we are importing over 500,000 barrels of petroleum per day. This situation has resulted because oil can be produced cheaper in foreign countries than in our domestic fields. The testimony at those hearings disclosed that in the United States we have proven oil reserves to take care of our present economic level for 12 years. Those estimates do not include the production of oil from the shale of the great Mountain States, nor do they include the production of synthetic fuel from the great coal deposits of the Appalachian States and the other States of the Union. The testimony also discloses that many of the smaller or stripper wells may be closed down because of the importation of oil. If that occurred, they might be closed down permanently, for it might not be economical to reopen those marginal fields. For example, the fields of Pennsylvania crude oil, the finest lubricating oil so far discovered, are so small that the reserves might be a total loss if they are not continued in operation. These small pools represent an estimated reserve of 2,500,000,000 barrels. Four hundred million barrels of this can be recovered by means of methods presently known. The shutting down of the stripper wells would greatly deplete our known reserve areas, and would discourage prospectors who otherwise would be active in discovering new reserves.

A study of all these problems is of vital importance to the American people. For that reason, it is hoped that the bill to issue a stamp commemorating the ninetieth anniversary of the first oil well will receive favorable consideration.

EXTENSION OF EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 1209) to amend the Economic Cooperation Act of 1948.

Mr. WILEY. Mr. President, I shall be brief; and as measured in terms of the length of the addresses of the Senators who already have spoken on the Marshall plan, probably I shall be very brief. I shall not go over ground already covered. Rather, at least to my own satisfaction, I shall summarize very briefly my thoughts relative to the Marshall plan and to the North Atlantic Pact and their relations to our own economy and the world economy.

Mr. President, in this debate we have been asked, "What can we afford?" One cannot answer that question simply on the basis of monetary considerations. One thing is sure, Mr. President: We cannot afford to close our eyes to world political and world economic conditions. From the viewpoint of our national security, we cannot be either a miser or a prodigal. I admit, that of late there has been a tendency for us to be more prodigal than sensible in many of our governmental activities. I agree that it is time that we pause and take inventory, not simply of our material assets, but also of our spiritual assets and the assets of our neighbors to the north and to the south and across the oceans.

On a previous occasion I quoted from the Book of Books a stanza which I think is pertinent to the discussion of any economic and political problem. It is:

> If any provide not for his own, and specially for those of his own house, he hath denied the faith, and is worse than an infidel.

Mr. President, the real question is, what should we mean when we say "provide for our own"? There was a time, in the days of George Washington, when travel was difficult, when "providing for our own" was not what it is today. So, in light of present-day conditions, how should we interpret the words "if any provide not for his own"? How should we apply the lesson to the obligations owed by and to our country?

To put the matter bluntly, Mr. President, I think we owe a tremendous responsibility to the 148,000,000 people here in the United States. But to define that responsibility is our problem. It is that very problem that is causing each of us to pause and think and seek to obtain proper direction in acting according to the precept that we should act justly and love mercy and walk humbly. It is a problem in regard to which the 148,000,000 people who constitute this Nation must arrive at a decision, and it is no small decision. So far as humanly possible, Mr. President, in seeking to arrive at a decision as to our responsibilities as public servants, we must take into consideration the importance of keeping our economy in balance. I think the Senator from Georgia [Mr. GEORGE] stressed that point yesterday. I think it is one element in the over-all picture which every thoughtful person and every thoughtful servant here must consider. But on other occasions when we were faced in the past with the question of keeping the economy in balance, there were other facets and other considerations to which we had to give weight, and we did not keep the economy in balance. I simply interject that thought at this time.

So, Mr. President, we must watch our step; and, under all circumstances, wherever humanly possible, we must demonstrate national solvency. Certainly we cannot afford merely to do nothing. How much can we afford in view of the circumstances? And by the circumstances I mean the world picture. We are now talking not only in terms of dollar expenditures but in terms of national security, the keeping of friends and allies that would contribute adequacy to a united front in war and in peace. "In unity there is strength."

Mr. President, our civilization, as someone has said, is the result of the heirlooms and memories, the forward-looking decisions and the mistakes of the past—of the generations of the men that have gone over the horizon.

Lincoln dwelt on this very subject in his Cooper Institute speech in 1860, when he spoke of the opinions and the policy of our fathers which we should not lightly supplant, and, if we do, it should be only upon evidence so conclusive and arguments so clear that their great authority fairly considered and weighed cannot stand.

You will remember, Mr. President, that in his address to Congress on December 1, 1862, he spoke of the dogmas of the quiet past which are inadequate to the stormy present. He said the occasion was piled high with difficulty and we must rise with the occasion. "As our case is new, so we must think anew and act anew." We must disenthrall ourselves and then we shall save our country.

I am sure we all agree that the great landmarks of the past which have stood the test of time should not be thrown into the discard. In other words, while we must conserve all that is good and true and beautiful in the past, we cannot be satisfied to live upon the spiritual capital of our forefathers. Every gen-

eration advances or retreats. If there is driftwood on the highways, if there is debris that has been accumulated by the preceding generations, it is for us to clear away the driftwood and the debris. We must not reject progress or improvement or fail to do those things that in the light of current experience we are called upon to do. But, on the other hand, in the ferment of this present day, we must make sure that we are clear-headed and not muddle-headed and seek to accomplish our goal in the disguise of misplaced labels like "democracy." Mr. President, Joe Stalin says his is the great democratic nation. All his propaganda is to the effect that he is the exponent of democracy. We must not permit to become displaced labels like "democracy," "liberalism," and "progress," and uproot the fundamentals of true religion and the basic laws and customs of this Nation. It is our obligation in the march of civilization to add something constructive to the heritage of the past. It is a great challenge, Mr. President, in this age to live up to our heritage and not destroy the same in this topsy-turvy world.

Let us at the start recognize that no diplomatic adroitness, no economic formula—ECA or any other—no force of atomic might, can alone save the world from another and a greater world war.

The world needs spiritual splendor, spiritual ideas of honesty, purity, unselfishness, love, more even than our material contributions. The world needs a sipiritual renaissance. Material means for moral ills and economic ills will prove ineffective unless there is literally a spiritual rebirth. The world also needs to understand the value and significance of a government like ours, with its checks and balances. The world needs to have an understanding of the good old United States of America, an understanding of our purposes, our ideals, and of what we are trying to accomplish. Ignorance is abroad everywhere throughout the earth. The situation calls for moral right.

Our age will determine which of the rival revolutionary philosophies shall sweep the generations of men. You and I, Mr. President, cannot stand idly by and let a few roadblocks, mental or otherwise, interfere with our doing the job that is before us. There must be no feeling of "What's the use?" or of resignation to the impact of communism. There must be no giving into the feeling of fear that seems to have gotten hold of men in high and low places, causing them to say, "Well, not the millennium, but the end of the world, is here." That is not to be, if we keep our heads. It is a momentous hour in history.

I desire to take a few moments to consider the Atlantic Pact. Mr. President, do you remember what Emerson, that great way-shower in America, said? Let me quote a single sentence:

> This time, like all other times, is a very good one, if we but know what to do with it.

I repeat:

> This time, like all other times, is a very good one, if we but know what to do with it.

That was said by Emerson. There is the rub—what to do with this time.

Mr. President, I was privileged, on the 14th of March, to say a few words on this floor. I quote a portion of what I said at that time:

> We shall soon have the North Atlantic Pact in our laps. Everyone else has talked about the pact. The newspapers have it. Apparently it has not been released and yet it has been released. I feel that there should be a complete discussion of the pact and that the people should be permitted to know the full implications thereof. This is the first time it has been proposed to violate in writing the ancient concepts of George Washington.

Then I said:

> I point out—

As I have heretofore, what Lincoln said about changed conditions, which present changed challenges.

> I point out that we are living in a changed world, with changed obligations and changed conditions.

I then continued:

> I am saying that the people of this country should be advised of the implications, of the responsibilities and the liabilities of this pact.

I may say parenthetically that the people of this country should be advised of the implications, the responsibilities, and the liabilities of not joining the pact. I continued:

> Approval of the pact would make it the fundamental law of the land. We do not break promises. The obligations of the pact, as indicated in the newspapers, are clear-cut and definite. We have become involved in two world wars without having any pact or agreement in relation to cooperation and collaboration with other nations.

Mr. President, it appears to me that the continuation of the ECA and the ratification of the Atlantic Pact go hand in hand and must be considered in connection with our economy, our economic health, our ability to produce, our home demands, and our foreign demands.

I think the Atlantic Pact would be an adjunct of the United Nations. If and when the United Nations becomes a functioning organization, with power to handle aggression—and that will be when the nations of earth have awakened to the results of the terrible crime of war—then the Atlantic Pact can be dissolved. I believe there are optimistic signs on the horizon. I never was a pessimist, Mr. President. I never felt that pessimism was conducive to being able to look an inch into the future. Only yesterday we heard of the vote in France. We saw how the Jews in the new State of Israel voted. No Communist was elected.

I think there are also some pessimistic signs, but, Mr. President, I have faith that the closed minds—and there are closed minds—who rule, with an iron hand, the Russian people, will not live forever, and that their successors will see the light. There are many indications to that effect. I meant to bring to the Senate this morning an editorial from the Christian Science Monitor which I happened to read last night, quoting a very famous Chinese to the effect that the principles of living Christianity are making an impact upon the Chinese people, though they are called Communists.

The point I am trying to make, Mr. President, is that whatever step we take, it must not be taken with blinders on our eyes as the result of fear or despair or any other emotion, because that does not make for good judgment, reason, or foresight. America wants peace on earth and good will among all peoples; and until that time comes it looks as if we must be a good Samaritan and big brother among the free peoples of the earth, and we must not fail in the performance of our duty to civilization.

Mr. President, perhaps we were born for this hour. I do not know. But it is a tremendous decision which we have to make, and if and when the time shall come when the nations of the earth shall beat their swords into plowshares—and that is a long way ahead—we shall still have a job to do. It seems that we have a tryst with human destiny.

Mr. President, I have only a word to say with regard to how I view the Atlantic Pact. There has been a great deal of discussion, but I shall make my remarks so simple that a child can understand them. Let me say, parenthetically, that I wish to pay a compliment to the chairman of the Foreign Relations Committee [Mr. CONNALLY] and to the Senator from this side of the aisle, the Senator from Michigan [Mr. VANDENBERG]. Both of them are leaders, but they have a group of independent thinkers on the committee who have to be shown. This matter was gone into, and a prima facie case was made for the authorization of funds for the Marshall plan. I want later to go a little more into detail as to what I consider the obligation of the Committee on Appropriations in relation to the plan, I want to say now how I interpret the Atlantic Pact.

A. If and when the Senate ratifies the pact, there will be a moral and a legal obligation on America to live up to it. There will be a legal obligation, because the pact will be the law of the land, as the Constitution provides.

B. If and when the pact is ratified, it will be, for the first time, notice to the world of America's position—the same position we took in the early days of the American Revolution, when our flag bore the motto "Don't tread on me." Now we say, "Don't tread on me or our co-pact makers."

C. The pact, if and when it is ratified, will create an obligation upon the Congress to weigh aggressions, if any, and, if there is no peaceful way out, to declare war if the pact be violated.

D. Congress can fulfill or breach the treaty obligation. But, I say, if we enter into this pact, and, in the judgment of Congress, there has been an aggression which violates the spirit and the letter of the pact, and there is no peaceful way out, Congress will declare war. That is notice to the world.

It is my opinion——

Mr. DONNELL. Mr. President, will the Senator yield for a question?

Mr. WILEY. I yield.

Mr. DONNELL. Does the Senator think that the Senate, plus the President, by a treaty, can bind the House of Representatives to any action?

Mr. WILEY. No. I said just the opposite.

Mr. DONNELL. I understood the Senator to say, in substance, that if the treaty is ratified and if a condition should arise in which no peaceful settlement of the difficulty would be possible, it would be obligatory upon Congress to declare war. Did not the Senator so state, in substance?

Mr. WILEY. No. I said there would be an obligation upon Congress to weigh the aggression, if any, and if there were no peaceful way out, to declare war, if the aggression violates the pact. Then I said, in connection with the interpretation of the word "obligation," Congress can fulfill or breach its obligation.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

The PRESIDING OFFICER (Mr. WITHERS in the chair). Does the Senator from Wisconsin yield to the Senator from Missouri?

Mr. WILEY. I yield for a question.

Mr. DONNELL. Does the Senator have the opinion that the Senate, consisting of 96 Members, plus the President, can create either a legal or a moral obligation on the House of Representatives?

Mr. WILEY. The Constitution of the United States puts into the hands of the President and the Senate the power to make treaties. Those treaties become the law of the land. They bind Representatives, Senators, Presidents, labor, everyone. On the other hand, just as an individual can break his moral obligation or his legal obligation, so the legislative branch can break its legal obligation, to wit, a treaty.

I think I see what the distinguished Senator is driving at. Because the House of Representatives had nothing to do with the treaty he would imply that there was no obligation on Members of the House to live up to a legal obligation which the Constitution creates, and with that I cannot agree, of course. I can see that they have free will. They could jeopardize treaty-making power by saying, "We did not have any consideration in making the treaty," and I do not agree they did, because while they are sitting over in their body, my brother may be downtown, and he does not have any consideration in the making of the treaty; but he is bound. I merely say that the Constitution is the law of the land, and there is a direct responsibility upon Members of the House to perform the duty imposed upon them.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. WILEY. I yield.

Mr. DONNELL. Then, am I correct in understanding that the Senator takes the position that if a treaty be ratified by two-thirds of the Senators present, on the occasion of the vote on ratification, the action of the Senate, plus the action of the President in negotiating the treaty, has created a legal obligation on the House of Representatives to declare war in the eventualities which the Senator has outlined?

Mr. WILEY. The ancient philosopher said, "Define your terms." The Senator says "legal," and perhaps that is where the crux of the argument is.

Mr. DONNELL. Did not the Senator say a "legal obligation"?

Mr. WILEY. When I say "legal," I mean under the law of the land, and the law of the land is the Constitution and treaties.

Mr. DONNELL. Then, am I correct in understanding that the Senator takes the position that when a treaty is made and ratified by the Senate, it becomes the law of the land and thereby the action of the President, plus the action of two-thirds of the Senators, has made it the legal duty of the House of Representatives to take action toward a declaration of war under the conditions recited by the Senator?

Mr. WILEY. Under the conditions——

Mr. DONNELL. That is to say, conditions of difficulty arising, and a peaceful settlement not proving to be possible. Am I to understand that the Senator takes the view that the negotiation of a treaty by the President and ratification by the Senate creates a legal obligation on the House of Representatives to declare when a situation arises which cannot be peacefully solved?

Mr. WILEY. The provision of the Constitution which delegates to the Senate and the President the power to make treaties is joined with the other provision that the two Houses have the duty of declaring war. While the House does not have any function as to treaties, it is a part of the organism created by the Constitution, and a part of the officiating body of the American Republic. If I were a Member of the House of Representatives instead of the Senate, if this proposed treaty were to become the law of the land, in interpreting an aggressive act, which in its character was a direct fundamental violation of the treaty, I would not hesitate to say that there was an obligation upon me as a servant of the Republic to vote to declare war.

Mr. DONNELL. Will the Senator yield for a further inquiry?

Mr. WILEY. Yes.

Mr. DONNELL. I restate the question, to which I submit I did not get an answer, in my judgment. Is it the idea of a Senator that if a treaty be ratified, the action of the President in negotiating the treaty, plus the action of the Senate in ratifying it, will have created a legal obligation on the House of Representatives to vote for a declaration of war in the event of a situation arising in which an attack shall have occurred, and no peaceful settlement shall be available?

Mr. WILEY. I think I have answered the question of the Senator so far as I can. I am giving merely my personal opinion. The Constitution is an instrument which we have to consider in its entirety, and when we join the two provisions I have mentioned, they create a moral and a legal obligation upon each Member of the other House, and when the circumstances which the Senator has portrayed arise, he must weigh his responsibility to the Nation, because the law of the land includes treaties. If he reaches the conclusion that he is not bound, that is his personal responsibility. But I have told the Senator how I would feel if I were a Member of the other House.

Mr. DONNELL. Am I correct, therefore, in understanding that the Senator would feel that if a treaty shall be ratified, if the Atlantic Pact shall be ratified by the Senate, a legal obligation is created upon the House of Representatives to vote for a declaration of war in the case he has cited, and which I have heretofore repeated?

Mr. WILEY. So far as the law of the land is a legal obligation to be performed by the Senator and me, it is an obligation to be performed by the House Members.

Mr. DONNELL. And the Senator considers a treaty a legal obligation upon him and me, and therefore upon the House of Representatives. Is that correct?

Mr. WILEY. Within the purview of my previous statement; yes.

Mr. DONNELL. Very well. I thank the Senator.

Mr. WILEY. Mr. President, I was about to speak briefly as to why I feel the ratification of the North Atlantic Pact seems right to me. When I say that, I realize the truth of what someone, I think Mr. Dooley, perhaps, said, that after the first 15 minutes no conversions are made, and I daresay nothing I shall say will have any bearing on the way the mental processes of any Senator may operate, and as to the conclusion at which any Senator may arrive. I realize that, but I am going to make my own record, and I trust make it very briefly.

I have some sincere convictions. I heard last night that when some of the great commentators and some of the great lawyers—and they are national figures, far more famous than are we ordinary public servants—gather at the Metropolitan Club and discuss the pact and Marshall plan, sparks fly there as they do in the Senate. It shows that the human mind is, as one Senator said, a rather queer contraption. We get different mental perspectives, just as we get different geographical perspectives, and as we travel life's highway we have to learn to be charitable of each other's views.

I now come to the question of why I think ratification of the pact seems to me right.

(1) I believe that ratification by the Senate would act as a deterrent to World War III. I agree that some folks think otherwise. We have gotten into two world wars under circumstances, as I have heretofore said, in which we had not given advance assurance we would fight if other countries were invaded. The question is, therefore, would we not have a better chance of preventing a third world war by giving such advance assurance? We would still, of course, be reserving to the Congress the constitutional right to declare war.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WILEY. I thought that statement would precipitate a question.

Mr. DONNELL. I thought the Senator a moment ago said that when this treaty shall be ratified it will create a legal obligation upon the House of Representatives to join in a declaration of war. I ask the Senator now, if that be a correct interpretation of his statement, how the constitutional power of Congress to declare war will be preserved if this treaty shall be adopted and ratified?

Mr. WILEY. I have covered that with the Senator, but I wish to say to him again that if he enters into a contract he has the ability to break that contract, but there are courts to arbitrate, or decide what his responsibility may be for breaking it. We make an international contract, and we have the legal power to break our obligation, but should we do so, we would stand condemned in the eyes of the world. I say parenthetically that aggression is the thing we must consider, if there has been an agression of the character the Senator and I and other reasonable men could agree to be aggression.

I say again that, of course, the power exists to violate treaties. Treaties have been violated all through history and sometimes have been considered as being merely scraps of paper. Treaty violation represents one of our problems with Russia now.

Mr. DONNELL. Mr. President, will the Senator yield for another question?

Mr. WILEY. Yes.

Mr. DONNELL. I ask the Senator whether he believes that the framers of the Constitution in providing that Congress shall have power to declare war intended that the President and a two-thirds majority of the Senate should have the right to make a contract to declare war under certain conditions, which contract will be legally binding on the House of Representatives, the other branch of Congress?

Mr. WILEY. From my rather meager perusal of the particular debates concerning the two features of the Constitution we are now discussing I am reasonably satisfied that the founding fathers lodged the power to make international arrangement providing for the protection and security of the life and property of our people in the Senate and in the President, and that such an arrangement placed upon the governmental machinery of the Nation the obligation to fulfill such arrangements. I believe the founding fathers made such a provision in view of the world conditions then existing. They provided necessary checks and balances in our Government, and lodged certain powers in the Senate and in the House, but they definitely provided that the power to make such international arrangements should remain in the Senate and in the President.

Mr. DONNELL. Mr. President, will the Senator yield for another question?

Mr. WILEY. Yes.

Mr. DONNELL. Does the Senator not think that if it had been the intention of the framers of the Constitution that the Senate, plus the President, by treaty might have the power effectively to contract to declare war, there would have been some statement to that effect in the provision of the Constitution which says that Congress shall have the power to declare war? Would there not have been some statement in that provision which would have shown that there is an exception, namely, that if the Senate and the President shall make a treaty, it is not Congress but it is the Senate and the President that shall have the right to make this contract to declare war?

Mr. WILEY. The answer to that is that I will let the language in the two constitutional provisions speak for themselves. I will say to my good friend from Missouri that we could continue interminably to discuss that subject. I call attention to the fact that the Constitution is not a static instrument. It is something that is vitalized in each generation to meet the impacts upon us, as they appear over the horizon. That is the Constitution, and we who live under it must realize that it is not static.

When the founding fathers established the Constitution ours was a Nation of 3,000,000 people. Months were required to make a voyage across the ocean. The founding fathers knew nothing of the radio, the atom bomb, the airplane. They knew nothing of the telegraph and the steam engine. The people of our Nation then sat back secure on this continent. But, thank God, the founding fathers in framing the Constitution used such language that the Supreme Court itself could, in interpreting it, use vision in writing its decisions, and could so interpret it that our country could meet the various impacts of the day.

Mr. DONNELL. Mr. President, will the Senator yield for another question?

Mr. WILEY. Yes.

Mr. DONNELL. I take it that, although the Constitution is not a static instrument, as the Senator suggests, nevertheless the provision of the Constitution that Congress shall have power to declare war is clear and unambiguous. Am I not correct in that statement?

Mr. WILEY. There can be no question about that.

Mr. DONNELL. Yes. That, in substance, is the language of the Constitution, is it not?

Mr. WILEY. The Senator has read that provision several times.

Mr. DONNELL. I say, that is the language of the Constitution in substance?

Mr. WILEY. Yes.

(2) The second reason for ratification is that the changed geography of the world, which has brought each nation into every other nation's backyard, requires global cooperation. The advances of the atomic age, with rockets, jet propulsion, and other aviation improvements, have shrunk the globe.

(3) The third reason is that in the event war with Russia should come the western European nations would be in a position to resist Russia. Thus, in both financial power and manpower, the American people would not have to contribute as much under such circumstances as they would have to pour out in the event we stood alone. Those are practical considerations, Mr. President.

(4) The fourth reason is that America will not have to become an armed camp faced with the threat of Russia. We will still have to maintain highly adequate defenses, but the fact that the western European nations will be prepared themselves more or less will lessen by just that amount the necessity for our armament. That should prove a curb—oh, this is important, Mr. President—that should prove a curb on militarism in our own land. It should prevent the occurrence of military absolutism. It is one thing to have a million men under arms in our land. It is another thing to have 5,000,000 men in our armed forces. Think of the sheer loss of manpower for economic production, and the loss of the revenue which would have to be poured into armament if we stood alone. These facts emphasize the necessity for helping our allies become adequate.

(5) A fifth reason is that the situation in Europe—I refer to the Russian threat—will either grow better or worse. If the situation grows better it will undoubtedly be due to our contribution in helping to rehabilitate the peoples of Europe and to make them adequate to stand up against the aggressor. If the situation becomes worse we can be satisfied at least that we did not add to the worsening condition, but that we did everything humanly possible to improve the condition and to preserve the western unity and strength.

After all, Mr. President, the people of Europe are our own flesh and blood. Our forebears were Europeans. Europe has given us our great language. Europe has given us our great philosophy, our religion, our literature. Europe has given us many values. It is suggested to me that from Europe we adopted the common law of England. We have contributed much to Europe in return; but I say that there is much that is worth while and good still to be preserved over there.

(6) A final reason is that we do not have very much of an alternative to the North Atlantic Pact. Why? Because the only alternative would be to turn our backs to the western European nations and allow them to drop into Russia's lap. That is something no one of us would want to see happen, because we would then have to stand alone and become a military armed camp. We would then have to pour out tens of billions of dollars in armament here at home. We would have to strip our factories and our farms of manpower, and place that manpower in our armed forces. Obviously, therefore, that alternative should be avoided, if it is at all possible.

Mr. President, I now wish briefly to discuss ECA. I prefer the name "Marshall plan" to ERP or ECA. I believe the American people know what we are talking about when we say Marshall plan. There are so many alphabetical agencies in existence in our country which deal with problems at home or abroad, that many people do not know what we talk about when we mention the alphabetical agencies. I am talking about the Marshall plan. I think Marshall was the parent of the plan. I am not going into a review of the historic steps which led up to the adoption of that plan, or the debates which took place in connection with the discussion of it, nor am I going to try to analyze our failures. When I say our failures I mean the failures on the part of the people of Europe to come out of the holocaust of war in better shape than they have. But I wish to say that the

people of Europe have made some progress under the Marshall plan. No one can read the testimony before the Foreign Relations Committee of Mr. Hoffman, Mr. Bruce, and others, without knowing that the shot in the arm we gave has been not only of economic value but of value psychologically and spiritually. What we did gave an impetus to the clarifying of men's minds over there; it helped sweep away the cobwebs that seemed to entangle men's brains after a war. It created courage, faith, and a willingness to work. So, in connection with the question so often asked, "Can we afford it," I want to ask the Senate to pay particular attention to what I am going to say, because I am not one who can be pushed over the precipice in either direction. I am talking about the ECA.

In my opinion authorization by Congress does not do anything else but place the ceiling. I want that definitely understood. Moreover, authorization should be nothing more than prima facie.

Mr. DONNELL. Mr. President, will the Senator yield for an inquiry?

Mr. WILEY. Let me continue for a moment, and then I shall be happy to yield.

The Appropriations Committee is not relieved of its responsibility. I sat through the hearings on this subject and listened to the fine men who testified. I know of no finer group that has come before any committee during the 10 years I have been a Member of the Senate. I call them real public servants. They may be overenthusiastic, but God knows, they have had a job which required the finest brains in the world to handle. They had to meet the impact of deteriorating conditions.

I now yield to the Senator from Missouri.

Mr. DONNELL. Referring for a moment to the North Atlantic Pact, I understood the Senator the other day, and again today, to advocate that the public generally be fully informed as to the pros and cons of this important question.

Mr. WILEY. Of course.

Mr. DONNELL. Let me ask the Senator whether or not he thinks, from his observation of the press, that the public has been as well and fully informed as to the arguments against adherence to the North Atlantic Pact as it has with respect to arguments in favor of such adherence to the pact?

Mr. WILEY. I am glad the distinguished Senator asked that question. The only reason I interjected the pact was that I felt that the two subjects should go together. Please understand that the issue before us now is not the pact. The issue is ECA. The man to whom I referred, who appeared before us, appeared in relation to ECA. I am greatly gratified to see the spirit of cooperation between the Executive and the Senate in the preliminary steps preceding the over-all discussion of the pact. We have had no over-all discussion or public hearing.

Those witnesses came before the committee undoubtedly at the suggestion of the chairman. I appreciate more than I can say the fine spirit of cooperation, something for which I have contended during all the time I have been a Member of the Senate, and of which we saw so little in the past. That cooperation comes within the constitutional provision as to advice of the Senate, with respect to which there may be some difference of opinion.

Mr. DONNELL. Mr. President, will the Senator further yield?

Mr. WILEY. I yield.

Mr. DONNELL. A few moments ago I asked the Senator a question. The Senator stated that he was glad that I asked the question, but the question has not yet been answered.

The question I asked was whether or not the Senator thinks the public has been as fully advised of the arguments against adherence to the pact as it has with respect to arguments in favor of adherence to the pact.

Mr. WILEY. I was getting around to the answer, perhaps going around Robin Hood's barn, but I am really approaching it.

The impression given in the Senate is that we have considered the pact, which we have not. We have not held public hearings. We have had nothing to do with the pact, except to consider certain technical phases of it and receive the benefit of advice and suggestion from and by the State Department and from and by the Committee on Foreign Relations.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WILEY. Just a moment. The other day I frankly stated—and I state today—that the country should have full and complete opportunity to become acquainted with the implications of the pact and the reasons for or against signing the pact.

Mr. DONNELL. Mr. President, will the Senator further yield?

Mr. WILEY. Let me finish. If the purpose of the Senator's question is to obtain a definite statement by this Senator, personally I feel that there has not been complete discussion. There has been a great deal of what might be called muddled thinking about it. Over the radio we have heard talks by Henry Wallace, and by others, creating great fear. I am definitely committed to the proposition that there should be open and complete discussion of the question.

Mr. DONNELL. Mr. President, will the Senator yield for a further inquiry?

Mr. WILEY. I yield.

Mr. DONNELL. The question I asked was whether or not the Senator thought the public had been advised as fully with respect to the arguments against the pact as with respect to the arguments for the pact.

Mr. WILEY. I think the public has been advised more against the pact than for it.

Mr. DONNELL. Mr. President, will the Senator further yield?

Mr. WILEY. I yield.

Mr. DONNELL. Does the Senator believe that the newspapers of the country have given as full a presentation of the arguments against ratification of the pact as they have with respect to the arguments in favor of adherence to the pact?

Mr. WILEY. I must say that I am in no position to evaluate what the newspapers have said, and perhaps I should withdraw my previous answer. From what I have heard on the radio, there has been more discussion against it than for it. That is my only basis for answering the question. Therefore, the answer is not worth much. I do not know what the consensus would be. I would have to examine a great many clippings to see what the commentators and others have said. I am willing to agree that the question is of such significance that there should be full and complete discussion and hearings on the subject.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. CONNALLY. Is it not true that every member of the Committee on Foreign Relations is in favor of full and complete hearings?

Mr. WILEY. Yes.

Mr. CONNALLY. I have no brief for the newspapers, but is it not true that the complete text of the pact has been published in every responsible newspaper throughout the United States?

Mr. WILEY. I presume it has. An injunction was placed upon us not to say anything or talk about it, but the pact was published, and Senators who are not members of the Committee on Foreign Relations were discussing it on the floor of the Senate. That is why I happened to make the few remarks which I made in the early part of March.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. DONNELL. Did not the distinguished chairman of the Committee on Foreign Relations make the statement on the floor of the Senate yesterday that the Foreign Relations Committee had informally approved the pact?

Mr. WILEY. I did not hear that statement. I do not know whether he did or not.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. CONNALLY. What the Senator from Texas undertook to say yesterday was that there had been informal discussion when the pact was completed in its final draft, and that those members of the committee who had been in constant touch with the Secretary of State had informally, but not by action of the committee, approved the draft. That is why it was released. That is all I said.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. WILEY. I yield.

Mr. DONNELL. May I ask the Senator from Wisconsin or the Senator from Texas how many members of the Committee on Foreign Relations have expressed their informal approval of the pact?

Mr. WILEY. Again, Mr. President, I must ask the Senator to define his terms. Evidently I have not made my point clear. When this pact first was brought to my attention, there was collaboration between the two arms of gov-

ernment in relation to language and phrasing. On several occasions the pact was brought back, and we made suggestions as to clearly phrasing the ideas. The Secretary of State was very cooperative. To me it was a great omen for good that such cooperation existed between the departments of government.

I wish the Senator to know that so far as I personally am concerned, I wish him to take my word for it when I say that we did not go into what might be called the minute interpretations of the responsibilities, such as he has mentioned here. We did help formulate this instrument. There was no thought of shutting off subsequent hearings or preventing a full disclosure of the matter to the public. What we did was similar to the action of an attorney who has discussions with his client before the case is brought into court. He consults with his client, so as to be fully informed about the matter under consideration, so that when the case is brought into court, he will be able to give the full facts to the jury.

Mr. SALTONSTALL and Mr. DONNELL addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Wisconsin yield; and, if so, to whom?

Mr. WILEY. Mr. President, I am afraid that I must decide who is the more precocious of the two.

Mr. DONNELL. Then I resign at once in favor of the Senator from Massachusetts, Mr. President, so far as that decision is concerned. [Laughter.]

Mr. SALTONSTALL. Mr. President, I think this matter may be clarified by referring to a statement made yesterday by the senior Senator from Texas [Mr. CONNALLY], the chairman of the Foreign Relations Committee. The statement appears on page 3365 of the CONGRESSIONAL RECORD, in the second column. As I interpret what he said, it is that the members of the "committee informally agreed that we favored the language of the treaty."

Do I correctly understand those words to mean, in the view of the Senator from Wisconsin as a member of the Foreign Relations Committee, that the principles involved in the treaty are completely unagreed upon, so far as the Foreign Relations Committee is concerned and so far as the Senate is concerned; that there was merely an informal approval of the language of the document, and the Senator from Wisconsin and the other members of the Foreign Relations Committee are completely free to vote either in favor of ratification or against ratification? Is that correct?

Mr. WILEY. Mr. President, I would let the language speak for itself; I do not know whether we can pursue this course with profit any further. I think the Senator from Missouri is questioning the statement of the chairman of the committee. I am frank to say that I have made my position as clear as I can, namely, that I felt that there was no intention on the part of anyone to interfere with a complete airing of the matter or with a complete hearing of the arguments pro and con. The treaty itself was in more or less simple language, and the implications as to the responsibilities under the treaty were to be developed as they are being developed. That is about as far as I can go on this subject, Mr. President. I should like to conclude my remarks.

Mr. DONNELL. Mr. President, will the Senator indulge me a little further?

Mr. WILEY. Certainly.

Mr. DONNELL. I do not like to be unduly persistent, but the Senator has not answered the question I have asked. He stated, as I understood him a few minutes ago, that the members of the Foreign Relations Committee who had to do with the negotiations in the committee, and so forth, had informally approved the pact. The Senator from Texas said yesterday that it had been informally agreed to; his words, as I recall, were, "We favored the language of the treaty."

I wish to ask the Senator two questions: First, has the committee approved the language, without determining whether it approves the principles behind that language?

Second, and this is the question which I asked a few minutes ago, but to which I have not secured an answer—how many of the members of the Foreign Relations Committee have approved either the language or the principles of the pact?

Mr. WILEY. Mr. President, of course, I probably could refuse to answer further; I could say to my dear friend that I think I have already answered the question as well as I can. The Senator is very persistent, perhaps overpersistent, in seeking to inquire of a fellow Senator what took place and what did not take place. But I am perfectly willing to say—and I say it while counting my words—that when this matter was brought before us in the committee, we then, among other activities of the committee, called back the Secretary of State several times, and different parts of the pact were gone over; and the intention, at least, if I can correctly define it and recollect it—was that we approved the language; and some of us, probably including myself, approved what might be called the general principles, but did not approve the pact or close our minds to subsequent discussions on the subject.

Mr. CONNALLY. Mr. President, will the Senator yield for a question?

Mr. WILEY. I yield.

Mr. CONNALLY. I wish to thank the Senator from Massachusetts for his interjection a few moments ago. He has stated the facts exactly, and what the Senator from Wisconsin says is absolutely true. At those conferences we discussed the language. There were frequent suggestions of changes in the language. But the committee has not bound itself to either the language or the principles involved. There has been no committee action on that.

When I said "informally," I meant just what I said, namely, that we had discussed it informally, without committing the committee to it; and there is no obligation upon any member of the Committee on Foreign Relations.

So far as I am concerned, I am for the language and I am for the principle involved, if that will do the Senator from Missouri any good.

Mr. DONNELL. Mr. President, will the Senator who has the floor permit me to ask a question either of himself or of the Senator from Texas: How many Members of the Senate Foreign Relations Committee have informally agreed to anything with respect to the pact?

Mr. WILEY. I have not canvassed them.

Mr. DONNELL. May I ask the Senator whether he knows whether the Senator from Texas would like to answer that question?

Mr. CONNALLY. The Senator from Wisconsin is capable of answering it.

Mr. WILEY. I have answered it. I did not canvass them. We have had a number of meetings. We have had as many as two or three meetings a week. I am sure that, if someone has counted noses or has made a tabulation in regard to how all other members of the committee feel about the matter, at least I am not in that category.

I have told the Senator from Missouri how I feel about the matter; and I assure him that, so far as I have stated, I have stated the truth.

Mr. DONNELL. I am sure of that, Mr. President.

Mr. WILEY. Mr. President, we were discussing the ECA proposal, but became sidetracked on a discussion of the proposed pact.

First, I mentioned my preference for the name "Marshal plan"; and then I idly discussed my understanding of the word "authorization." Certainly it does not relieve the Appropriations Committee of the responsibility of examining the matter in connection with making its recommendations as to what the appropriation should be. That was really my second point.

Third, every member of the Foreign Relations Committee expressly made it plain that the authorization was not a commitment as to a definite amount. I wish to emphasize that point as applied to ECA.

If Senators will read the record, they will find that, time and time again, statements to that effect were made. I remember how emphatically the Senator from Georgia, not once but practically every time the subject came up, said he would not be committed to any definite amount. But, Mr. President, I must say that, contrary to the assumption which has been made by some Senators on the floor of the Senate, in my humble opinion, Mr. Hoffman and Mr. Bruce and others who appeared before the committee made out a very good prima facie case, a tremendously strong case, considering all the circumstances—not merely considering the fact that it appeared certain values or production costs were taken as of November, but considering the European picture and what we were aiming at, and considering our obligations to be. When we consider all those circumstances, Mr. President, we must conclude that they made a tremendously strong case for what they requested.

Mr. President, why do I say there was no commitment, and why do I still say that the Appropriations Committee itself must go into the subject? I say that because—

(a) Of fluctuations in costs and in the value of the dollar. We have heard the arguments in regard to that subject.

(b) The possibility or likelihood of fluctuations in respect to the needs of the recipient countries. I can still foresee that from November last, up to the time when we make the appropriation, certain needs may be met by those countries themselves, and conditions may have changed.

(c) Fluctuations in American revenues. That is a tremendously important item, and it was presented to us yesterday by the Senator from Georgia [Mr. GEORGE].

(d) Fluctuations in the revenues within the recipient countries, within 6 months' time, especially if they continue to do what they are doing to our trade. I mean that they are shutting the doors in our faces in a number of places. I shall cite a few of them. I am mentioning certain elements that the Appropriations Committee is going to consider.

(e) America's needs. Senators will remember the scriptural quotation I used in the beginning of my remarks, the one with reference to the man who does not provide for his own being unworthy. Among America's needs are the needs of the farmers. In many places there is very serious need. In many places the prices the farmer receives are less than the cost of production. I am not referring to the situation in the East, where the people do not know anything about a reduction in prices. I am talking about the farmers of the Middle West. Theirs is a serious situation. I need not speak of the unemployment situation. America's needs must be considered in determining what we can do for Europe.

(f) The world political situation, which, by June or July, may be considerably changed. I am hoping there may be a change for the better.

(g) Finally, we must consider the requirement for the North Atlantic Pact. The over-all picture must be considered. If I were a member of the Appropriations Committee, I should certainly insist on getting all the facts, not simply the facts with respect to the needs of Europe, but the facts with respect to the change that has taken place in respect to Europe's needs, her revenues. Within 6 or 8 months' time the revenues of Europe may well increase greatly.

The pattern must be arranged in accordance with the economic cloth available, considering the over-all situation in the world. We are talking about our budget. That gives the economic pattern. The economic cloth and the economic pattern must meet. By the cloth, I mean the over-all needs. We must see that the budget fits into the requirements in order to meet the needs. The more money, let me say, that is available for the Marshall plan, the more money, I hope, may be used to give a shot in the arm to American industry by reason of the money being spent in America, without damaging the plan. There is no question about that. I could give both sides of that argument as given to us by Mr. Hoffman. I am still thinking about our own needs. I am saying that more of the money should be spent in America for farm surplus products, and in order to keep American industry and labor employed. The State Department should get tough with the beneficiary countries and insist that they do not shut the doors of commerce on America.

Mr. President, at this time I ask that a letter received from Lee Benson, at Casablanca, be printed in the RECORD. It relates to my hope that the State Department will get tough.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MOROCCAN SALES CO.,
Casablanca, March 22, 1949.

Hon. ALEXANDER WILEY,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: I have just received word from Mr. Robert E. Rodes, president of the American Trade Association in Morocco, of the wonderful work you are doing to help us in our fight against American discrimination in Morocco.

At the last meeting, both the association and the American Legion Morocco Post, No. 1, were unanimous in giving you a vote of thanks for this fine work.

We are confident that with your continued help we will be able to resume normal trade with our suppliers in the United States, sounding a warning to the French authorities that the United States Government insists that each clause of the act of Algesiras be respected.

Once again, many thanks from myself and from 40 other Americans who all look to you for further assistance.

LEE BENSON.

P. S.: In passing, may I mention that we are the exclusive agents in Morocco for the National Pressure Cooker Co. of Wisconsin. We were doing a bang-up job for them until the French authorities decided that we were competing too much with French-made cookers.

Mr. WILEY. I do not know why we who are to give the $5,000,000,000 or $6,000,000,000 to assist the countries of Europe need to be particularly meek. I have already stated that Mr. Hoffman and Mr. Bruce and their associates have done a tremendously effective job; I trust the future will give them credit. I believe, and I repeat what I said, that no greater public servants have ever been assembled. It is true we hear of mistakes, but, Mr. President, they are dealing with people who have been in the midst of the hell of war. They are dealing with people who have lost millions and millions of homes, whose fields have been destroyed, many of which are not yet capable of being cultivated, by reason of shells and bombs. They are dealing with people whose business and whose economy have been disrupted.

I possess a little personal knowledge with respect to the European situation, having been in Europe in 1947. I have some knowledge of what Hoffman and his crew had to undertake. Whatever I have to say hereafter is said constructively, because, though it may seem at times to be otherwise, in relation to the activity of this group, I merely make suggestions which I trust will be carried out, because I can express my personal judgment and conclusions. I feel that no group has a monopoly on truth or ability. No group should be in such a position as to be unwilling to receive constructive suggestions.

Mr. KNOWLAND. Mr. President, will the Senator yield at that point for a question?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from California for a question?

Mr. WILEY. I yield.

Mr. KNOWLAND. I think my question is in line with a part of the Senator's speech. Unfortunately I was delayed in reaching the Senate Chamber, but I have listened with a great deal of interest to what the Senator has said. Along the same line the Senator has mentioned, does he also believe it would be prudent for the Department of State and the Government of the United States to investigate any attempts being made by certain of the beneficiary nations to reestablish the cartel system which, in the prewar days, plagued the economy of this country and the national defense needs in both rubber and tin?

Mr. WILEY. Yes; decidedly.

At the time I yielded, I was about to discuss the mentalities of European peoples who have been going through the hell of war. Their material house has been ruined. There is sickness and disease and undernourishment. They are proud peoples, who, like the British, have seen centuries of world domination by themselves. There are other countries I might mention. With that mental background, they are striving with all that is in them to recover fully their healthful conditions.

Yet, Mr. President, if we mean what we say when we talk about reciprocity, if we mean what we say when we talk about economic arrangements, treaties, and commerce between nations, correct ideas must begin fermenting. That is also a part of the program. Only in that way shall we build a bulwark against the onrush of communism. Of course, the State Department must meet head-on anything that may result in creating economic barriers, such as the Senator from California has suggested.

Mr. KNOWLAND. Mr. President, will the Senator yield again for a question at that point?

Mr. WILEY. Yes.

Mr. KNOWLAND. Does the Senator agree with me that in preparing this Nation to implement the North Atlantic Pact or the ECA, in addition to such armed defenses as we might have to prepare for ourselves, or such help as the Congress and the Government might determine it would be wise to give other nations, it is also important to keep a strong national economy?

Mr. WILEY. I think that is self-evident, of course.

Mr. KNOWLAND. I should like to ask this question: In keeping a strong national economy, having an ample supply of rubber, tin, industrial diamonds, and manganese, to name only four items, would be of tremendous importance, would it not?

Mr. WILEY. I agree.

Mr. KNOWLAND. Is the Senator familiar with the article from the London Times which the junior Senator

from California placed in the RECORD on March 28, which appears on pages 3246 and 3247 of the CONGRESSIONAL RECORD? I should like to refresh his recollection and ask him another question. In that article this appears:

> Very soon the international tin study group will have to decide whether an international conference is to be called forthwith to consider the proposed scheme.

That is the cartel scheme with relation to tin.

> The outcome of these deliberations will be important. It will not only determine the future of the tin industry, in which the two wealthiest British colonies—Malaya and Nigeria—are vitally interested, but may also establish the pattern for other international schemes for the regulation of raw materials, just as the tin agreement of 1931 became the model for other commodity schemes before the war.

Further on the article points out that one of the great factors in the world today is the American stock-piling plan, and that this cartel arrangement should be put into force so that they can charge the United States a larger amount for the necesary stock pilings for our common defense.

If that be so, I should like to ask the Senator from Wisconsin if he does not think it is not only within the province of the State Department, but is the duty of the State Department, in the various ECA contracts which will be written, to be sure that the Government of the United States is not held up on any cartel arrangement, be it in the field of tin, rubber, industrial diamonds, or manganese, or any other basic material, which may be needed for our general mutual and common defense?

Mr. WILEY. Mr. President, I have no reservation whatsoever in saying "Yes" to the question of the Senator. It is the obligation of the State Department and the obligation of the President of the United States to see to it that such barriers are not created, and, what is more, to see to it that the economy of this Nation is not damaged by those persons who, through the centuries, have gotten to be very smart in international trade, and by whom, of course we, living within our walls and with our heads in the economic sand, so to speak, have been taken time and time again.

I will say to the distinguished Senator from California that what he has said has been said by me, personally, and by others in the committee sessions. I recall definitely saying to one of our advisers, who is a Scotsman who has a similar name to mine—Alec—that we need a few Scotsmen trading for America, looking after our interests, and seeing to it that in business intercourse we are not taken for foolish rides.

Mr. President, I should like to proceed with my statement. I was saying that important consideration should be given to the following points:

(a) Without doing damage to the plan and its purpose, strategic materials should be obtained.

(b) That a larger part of the counterpart funds be utilized in colonial areas for that purpose.

Each of these points is a subject in itself, which I shall not take time to discuss.

(c) That recipient peoples have a high understanding of America's high purpose and generosity. It is important that the recipient peoples know our purpose and realize our generosity, and, in line with that, that they do not think we are "suckers." That is a direct answer to the question asked by the Senator from California. It is time for the world to understand the good old U. S. A. We want to be good Samaritans, and we have been, but all over the world we are regarded as a bunch of "suckers." The State Department has an obligation to dispel that idea.

(d) Utilize grants, where possible, for obtaining needed rights to bases. A little foresight pays big dividends.

Mr. President, the letter which I introduced in the RECORD shows that American businessmen, particularly veterans, engaged in business overseas, have been receiving a rotten deal. I believe that in negotiations for contracts in the ECA countries it is our obligation to the boys who have borne the brunt of battle, to see to it that they are not pushed out of business. At this time, in Morocco, our businessmen are being terribly abused by French authorities. A million dollars' worth of American merchandise is being illegally held by French customs officers at Casablanca. It is merchandise imported by American businessmen. It was even put up for auction, but the State Department took a hand. The French authorities in Morocco seem to be utilizing ECA funds to build up a monopoly by cartels for French businessmen and to squeeze out American nationals. I use the word "suckers" again, Mr. President. If we are providing funds to help, there should be a little quid pro quo. There is no reason why some of the people whom we have helped so many times should not indulge in a little reciprocity. Is it the fault of those who represent this Nation? Do we not have good men who can call a spade a spade and who can talk the common language of the Frenchman and the Englishman so that they can understand what we mean? It is a serious situation, Mr. President. We can upset the people of our own country if we do not look after our own country's interest a little bit.

Mr. President, there are some facts in relation to ECA which are not generally known.

(a) Up to this time approximately one-half of the money grants and loans has been spent for American goods and commodities. That is very important.

(b) The loans, as distinguished from grants, amount to approximately $1,000,000,000.

(c) Besides the amount provided by the military in Germany, approximately $404,000,000 has been used in Germany for economic aid there.

Mr. President, that is very significant. That opens up a whole subject. We could discuss for weeks and weeks our responsibility in the world picture to the German people whom we defeated. Yet there is much of this military money being spent in Germany, in looking after the people and rehabilitating them. On top of that, in the ECA there is the figure of $404,000,000.

Here is another thing which should be said to the credit of the Europeans.

(d) The total capital investment by and in all the aided countries amounted in the first fiscal year, roughly, to $30,000,000,000. It should be clearly understood, putting it so that a child can understand, that of the $30,000,000,000 Europe has contributed $25,000,000,000, and we have put up, roughly, $5,000,000,000. Yet that $5,000,000,000 was more than a shot in the arm. A drowning man given a rope by a friend can sense something through the rope. It is friendship. It adds to the spirit of the man so that he can grasp the rope and pull himself up. That is what has happened. Again I say, of the $30,000,000,000 put into capital investment, Europe contributed about $25,000,000,000.

(e) It is important that the aided countries should understand that we are going to taper off these payments, and that in 1952 we are going out of ECA, the Marshall plan. They have been told that, and I hope with that in mind, they will put a little more iron in their spines, and make sure that they have not yielded too much to a leaning propensity. As I said, there has been and will be a tapering off in the amount furnished each year.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. CAPEHART. How much does the Senator propose we should give them between now and 1952?

Mr. WILEY. The exact amount I have not in mind. We do not propose to give them anything more than is proposed by the Congress to be given this year. After this, under the promise, Congress will appropriate each year.

Mr. CAPEHART. I thought the Senator said those countries understood we were going to quit in 1952.

Mr. WILEY. Yes.

Mr. CAPEHART. That implies we are going to give them money each year until 1952, does it not?

Mr. WILEY. Yes, under the original agreement.

Mr. CAPEHART. But the Senator has no idea what the amount might be next year?

Mr. WILEY. Does the Senator mean the appropriation?

Mr. CAPEHART. Not the present appropriation, but the ones to follow in 1950, 1951, and 1952.

Mr. WILEY. I have not the figures as to the exact amounts, but as I remember—and I am subject to correction—it was contemplated that there would be a reduction of about a billion dollars each year, or something like that. I am told there is to be a considerable reduction in the two succeeding years.

Mr. CAPEHART. Might it not be better to give them $3,000,000,000 this year, $3,000,000,000 next year, and $3,000,000,000 the following year, rather than give them so much the first year and this, the second, year? Would it not be better for the American taxpayers?

Mr. WILEY. I know how the distinguished Senator feels about the matter. He was not in the Chamber when I covered the elements which go into what I think we should do. I suggest that he read my remarks.

Frankly, I would rather take the judgment of men like Mr. Hoffman and Mr. Bruce as to what they figure is necessary if the plan is to be carried out, and taper off the payments each year in accordance with their plans, and in accordance with a number of criteria I mentioned, which we should consider in arriving at what we can afford to do.

Mr. CAPEHART. Am I to understand, then, that the Senator is willing, as a Senator, to pass on his responsibility in this matter to Mr. Hoffman and Mr. Bruce?

Mr. WILEY. No. I am ready to pass responsibility for action to the Committee on Appropriations, after giving them directions, as I have suggested today they be directed. It is the function of the Committee on Appropriations to act.

Mr. CAPEHART. Where does the Senator feel that we in America are going to get the money with which to do this and all the other things we are talking about, and at the same time handle the $252,000,000,000 to $257,000,000,000 national debt, with prices falling, incomes falling, and the Government's revenue falling? Where does the Senator think we are to get the money with which to do all these things?

Mr. WILEY. I prefer not to go into that discussion. I do not think we can get the money to do all those things, and I have so suggested. I have stated that I felt the obligation was on the Committee on Appropriations to act, when it considers all the circumstances, including moral obligations, defense obligations, and the like, and likewise our ability to raise the money that is necessary, without jeopardizing our own economy. The answer to the question suggested will have to be arrived at by a consideration of all the factors in the equation.

I said that there was only prima facie evidence of the correctness of the amount that was needed when the committee reported the bill. That was the conclusion of all members of the committee. There was no commitment by any member of the committee that he would vote for the amount stated. The members of the committee felt that during the time between November 1948 and June and July 1949, many other factors would have to be taken into consideration. They include the question of what Europe really needs, how little the countries there can get along with, how much America can afford to contribute, and other questions. That is the best way in which I can answer the Senator's inquiry.

Mr. President, up to date the Marshall plan has created new hopes and caused people in Europe to go to work to rebuild their economy. I have just stated that they put $25,000,000,000 into their own capital rehabilitation, and we have put in $5,000,000,000, making $30,000,000,000 in all.

Mr. CAPEHART. Mr. President, will the Senator yield further?

Mr. WILEY. I yield.

Mr. CAPEHART. The Senator is not saying that we have spent in Europe, since the war ended, only $5,000,000,000, is he?

Mr. WILEY. My figures are, roughly, what we have put into ECA, or the Marshall plan.

Mr. CAPEHART. Does not the Senator want to give the United States any credit for billions and billions and billions of dollars on top of that? I remember we loaned or gave England at one time $3,750,000,000. I remember that prior to ECA we gave France $1,500,000,000. The facts are that in the last year we appropriated and spent for relief in Europe $9,000,000,000, as is shown by the figures I placed in the RECORD last Friday. It is a fact that we have spent only $5,000,000,000 under ECA. I think we appropriated $6,000,000,000. It is also a fact that only $2,300,000,000 of it, as of January 29, had arrived in Europe, and their fine recovery, which we are all delighted they have had, has been the result of only $2,300,000,000, and there are $2,700,000,000 of last year's appropriation yet to be utilized for the shipment of goods.

Mr. WILEY. I think I can agree with those figures. I thank the Senator for his contribution. The mere fact that the rest of the assistance is not in the pipe line is not the important question. It has been thoroughly gone into by as fine a group of brains and patriots as I feel America has ever assembled. Considering the whole picture, considering the needs of 250,000,000 people, considering the ravages of war, I say again I shall be very hapy to stand by what the Appropriations Committee may arrive at as the proper amount. We all reserved the right in the committee to go over the figures approved by the Committee on Appropriations, and reach our own conclusions first, as to the amount we can afford to continue to give to ECA.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. CAPEHART. How much did the United States contribute during the last world war, in the way of money, substance, material, wealth? And how many American lives were lost, and how many American boys were crippled?

Mr. WILEY. I am sure the Senator has the answer. If he wants to put it in the record I will accept it.

Mr. CAPEHART. The answer is about $200,000,000,000, about a million men killed and crippled, and a debt amounting to some $250,000,000,000, which will have to be paid by our grandchildren and great grandchildren and great-great-grandchildren. It seems to me that when we discuss these things we should take into consideration the fact that we likewise have made a great contribution, and that it is going to take up from 100 to 150 years to pay for our contribution.

Mr. WILEY. So what? What is the Senator going to do about it?

Mr. CAPEHART. Mr. President, it is very simple to begin, at this time, to use a little common horse sense, and start reducing appropriations, and reducing budgets, and getting back on a basis upon which the American economy can remain sound. I say that no economy, I care not whether it is that of an individual, of a firm, or of a nation, can remain sound if more money is spent each year than is received during the year. But we have been spending more than we have been receiving.

It is estimated that this year we are going to run into the red anywhere from $600,000,000 to $1,000,000,000. If anyone will take a look at the signs apparent at the moment to see what is happening to our own economy, he will be obliged to come to the conclusion that, if we are going to spend from $42,000,000,000 to $45,000,000,000 next year, our Nation is going to run into the red anywhere from $3,000,000,000 to eight or ten billion dollars. We cannot continue along that path and maintain a strong economy. If we continue along that path we are going to get into trouble. At this particular time and on this particular matter I believe we should consider very carefully what we can afford to do, in the light of all the circumstances.

Mr. WILEY. I can agree fully with the conclusion of the distinguished Senator. At the same time I suggest we should thoroughly canvass the whole picture, not simply the Marshall plan. The Senator was not present and did not hear the outline I presented, but I there set forth the factors which I think the Appropriations Committee should consider in arriving at the amount to be applied to the budget, the amount available for the over-all economic picture of our country.

Mr. CAPEHART. Mr. President, will the Senator again yield?

Mr. WILEY. Yes; but not for a speech. I want to get through with mine. I have been talking now for an hour and a half.

Mr. CAPEHART. Does not the Senator think we can take a few million dollars out of the amount proposed under the pending bill, and appropriate money to be used in connection with veterans' hospitals in Indiana, so as to provide an additional thousand or fifteen hundred beds which are sorely needed there? I have been fighting with the Veterans' Administration to have that number of beds put into hospitals in Indiana to care for veterans who need medical attention there. Yet this morning I received a letter from the Veterans' Administration saying that it cannot be done, because the Veterans' Administration does not have the money with which to do it.

Mr. WILEY. That is a double-barreled question. I will answer it, and then I shall continue with my speech. I do not think we can consider care for our veterans in connection with the pending bill.

Mr. CAPEHART. Mr. President——

Mr. WILEY. Just a moment. I am speaking now to the question of whether the proposed authorization should be cut. My answer is that if, from the Senator's full and complete investigation of the subject he thinks the Foreign Relations Committee was wrong in its proposal for authorization, let him vote to cut it. But if, on the other hand, he feels there has been an affirmative case made for the authorization, he should not vote to cut it. He should wait until the Appro-

priations Committee has had an opportunity to go into all the factors 8 months after the Foreign Relations Committee acted.

So far as aid to veterans is concerned, I am in favor of giving the veterans everything they have coming to them, and more too. But I am not in favor of bringing that subject into the present picture, and seeking to use the question of aid to veterans as an argument, when we have not discussed the merits of that proposition.

Mr. President, 13 Senators, members of the Foreign Relations Committee, have held hearings on the subject of the amount needed for ECA. They have studied it carefully and have said, "We feel that this is the thing to do at this time, but we also feel that the question of appropriation shall be definitely gone into and all the factors in connection with it considered in June or July when we know more about the changes that have then taken place in the world picture." That is my answer to the Senator's question.

(f) Under the Marshall plan a spirit of cooperation is developing among the nations, as evidenced by the Brussels Pact and by Britain's contribution to the Continent. She gave $282,000,000 of her currency to her debtors intra-Europe. Belgium and Luxemburg have also given of their currency to their debtors intra-Europe. I say those are signs which indicate that perhaps there is a forward march toward cohesion, toward a better day.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. TAFT. It was our money they gave away, was it not; not theirs?

Mr. WILEY. No.

Mr. TAFT. I understood it came out of our dollar allowances.

Mr. WILEY. No; they did not give the money out of our allowance. They gave their own currency, and it is very plain why they did so. They gave their currency in order that the trade of the countries involved should be stimulated. That is why, with that kind of mechanism, the sterling bloc is in the black. But there is a decided need for constant aid, so far as Europe is concerned, aid in the way of American dollars. The countries I have named gave of their currency to other countries who needed it, and it begat trade. The same was true respecting the $2,000,000,000 that came back here to buy our goods. That money resulted in jobs here, it resulted in increased production here. When the Appropriations Committee takes into consideration the amount we should give, in view of all the circumstances, it must also consider the point I made, that we want to get as much as possible of this money into production here, in order that jobs here will be increased, and that our producers will secure returns.

(g) The cut-back the second year to Britain is from $1,239,000,000 to $940,000,000, or $300,000,000.

(h) The over-all reduction of aid to Europe in the second year is 14 percent, and to Britain the reduction is 25 percent.

Mr. President, I am practically ready to conclude. I feel that probably if we step aside from the mundane once in awhile we can get a shot in the arm to carry on. Tennyson said:

> Come, my friends, 'tis not too late to seek a newer world.

May I paraphrase and say:

> It is not too late to get an understanding with Russia.

Therefore, I have constantly stated that America should go many a mile—we can afford to be humble—to seek to get an understanding. It has been suggested that special emissaries be sent to confer with Russia. It is the function of the Executive to spearhead our foreign affairs. While we go ahead with the Marshall plan and the Atlantic Pact, let us also go ahead and see if the light of understanding and good faith can be brought into this muddled picture between Russia and the rest of us.

We are told that Stalin and his associates respect only physical force and regard treaties only as a scrap of paper. The unfortunate thing is that "so few" in Russia speak for "so many" and that these so few have a biased outlook and are influenced by the Marxian philosophy. If their objective is world domination—political and economic, and that seems to be the fact—let us use every worthy expedient to see if there is not a way that can be found short of war to bring about international friendship, cooperation, and understanding.

I will say that the result of our dealings with Stalin and his group do not present a very hopeful picture.

Mr. President, there are more than 180,000,000 plodding, enslaved mothers and fathers and children in Russia—human beings like ourselves, but, unlike ourselves, they do not know the blessings of our way of life. They are blindly led by false propaganda, misstatements, and so forth, but they are our brothers. I am not saying that the pact will do the job, or that the diplomats will do the job. I am saying let us try and try again every peaceful channel and, at the same time, build our bulwarks strong. That means friends in Europe as well as planes and arms appropriate for the present—not for yesterday. Let us build our bulwarks strong and encourage the downtrodden and fearful of earth to stand erect and not be afraid of the bear that walks like a man.

Let us also engage in dynamic peaceful action. It was with that thought in mind that I introduced in the Senate in 1945 a resolution for the establishment of a Department of Peace. I meant just that, Mr. President. How to proceed, when to proceed, and what to say to obtain peace requires consideration as much as do international pacts. Let us think this thing over. There must be dynamic action for peace as well as provision of insurance against aggression.

I believe that the ECA and the pact are insurance against aggression. But, Mr. President, there are 180,000,000 Russians, with 70 different tongues, sprawled over one-sixth of the earth in a state of civilization which is far down the ladder. We claim to be educated. Are we so dumb that we cannot penetrate that curtain? I think there must be dynamic and practical action for peace. Let us go the extra mile. At the same time, let us keep our powder dry.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 1757) to amend and extend the provisions of the District of Columbia Emergency Rent Act, approved December 2, 1941, as amended; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HARRIS, Mr. TEAGUE, and Mr. O'HARA of Minnesota were appointed managers on the part of the House at the conference.

EXTENSION OF EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 1209) to amend the Economic Cooperation Act of 1948.

Mr. HENDRICKSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hoey	Millikin
Anderson	Holland	Morse
Baldwin	Humphrey	Mundt
Brewster	Hunt	Murray
Bricker	Ives	Myers
Bridges	Jenner	Neely
Byrd	Johnson, Colo.	O'Conor
Cain	Johnson, Tex.	O'Mahoney
Capehart	Johnston, S. C.	Pepper
Chapman	Kefauver	Reed
Chavez	Kem	Robertson
Connally	Kerr	Russell
Cordon	Kilgore	Saltonstall
Donnell	Knowland	Schoeppel
Douglas	Langer	Smith, Maine
Downey	Lodge	Sparkman
Ecton	Long	Stennis
Ellender	Lucas	Taft
Ferguson	McCarran	Thomas, Okla.
Frear	McCarthy	Thomas, Utah
Fulbright	McClellan	Thye
George	McFarland	Tobey
Gillette	McGrath	Tydings
Graham	McKellar	Vandenberg
Green	McMahon	Watkins
Gurney	Magnuson	Wherry
Hayden	Malone	Wiley
Hendrickson	Martin	Williams
Hickenlooper	Maybank	Withers
Hill	Miller	Young

The PRESIDING OFFICER. Ninety Senators having answered to their names, a quorum is present.

Mr. TAFT. Mr. President, last year I supported the bill for the Economic Cooperation Administration. I did so for two reasons. One of them, the principal reason—and I think it still applies today—was this: I felt very definitely that we could assist western Europe to recover more rapidly than if that area were left to its own resources. I have always had a good deal of doubt about the economic justification for the program, although there may be some reasonable argument that by helping those countries recover more rapidly, we may ultimately increase the prosperity of the United States. I do not believe the scale on which we are spending money can be economically justified. But I felt then, and I feel now, that by building up the

recovery of those nations and by enabling them to do in perhaps 2 or 3 years what they might otherwise take 10 years to do, we would bring about a condition of prosperity which would prevent the spread of communism as it might otherwise spread. That, to my mind, was a justification for the original program, and it is an equally strong justification for the program today. That is in spite of the tremendous cost to the people of the United States, and the fact that we are giving away a large part of our production, thereby causing a reduction from the standard of living that our people might otherwise have enjoyed, and in spite of heavier taxes than we otherwise would have had to levy, which heavy taxes may interfere with the economic development of the people of the United States. In spite of all that, I felt then, and I feel now, that the need for fighting communism throughout the world, the need for fighting the spread of the whole theory of totalitarian government, was sufficient justification for making the sacrifices which we have to make in this connection.

The other economic justification is this: I have always felt that we are justified in various respects in assisting the economic development of other countries, in various parts of the world; but I think that assistance must be very carefully selected. It must not impose a tremendous burden upon our taxpayers. I believed that when we helped Brazil develop her iron-ore resources and her manufacture of steel, probably the prosperity of Brazil to which we thus contributed would ultimately result in greater exports from the United States than United States exports of steel which might be replaced by the Brazilian manufacture of steel. But that type of justification I think must be very selective; such operations must not be conducted on such a scale as to develop a tremendous competition with our own industries, and particularly they must not develop the production of goods which will come into the United States in such quantities as to put our industries out of business. But I do think there is some justification for a limited program of that kind. But, Mr. President, in order to justify any such program as that embodied in the Marshall plan I think we must rely upon the necessity of fighting the Communist threat throughout the world.

I was on the continent of Europe in November and December, I was not able to go to England. I think the facts show that our aid has had the effect on communism which we desired it to have. That has been largely through the effect on morale through the fact that those people felt they could recover with our assistance, through the encouragement thus given them to develop their own industries and to expand their own activities.

In general, I believe that our program has been administered as Congress wished it to be administered; in other words, by giving specific aid for things which were clearly worth while, and from which there would be a return. In general, the aid has not been given on a political basis. I think that to a certain extent the State Department has brought pressure to bear on the Economic Cooperation Administration to make certain political advances which probably were not justified economically, but this has been the exception rather than the rule. There is not much question that the ECA was used in Italy to influence the Italian election; and in proper cases I think we must admit that, in view of political implications, we may perhaps depart from the general economic purpose, to carry out the moral purpose and to conduct a direct battle against communism. There is not much question that we interfered in the Italian election, and interfered successfully, and that to a certain extent ECA funds were used for projects in connection with accomplishing that end and in carrying out that purpose, and that such use of funds might not otherwise have been justified. Moreover, there can be no question that in various respects—more in the future, I think, than in the past—we are doing specific things to remedy bottlenecks in European production. We are able to furnish supplies which no one else can furnish, and those supplies will enable the people of Europe to achieve a production many times the value of the supplies we furnish.

I wish to pay a tribute, here and now, to the very excellent organization built up by Mr. Hoffman. He has put businessmen in charge, as we desired they should be. He has followed, I think, the wishes of Congress in that respect; and while, of course, there are no doubt many projects which can be properly criticized, I feel that the European Economic Administration has been successful within the purposes laid down by Congress in the act which we passed last year. I think also they have pushed as far as they can to force the beneficiary countries to use their own resources. The backing of ECA has probably been the most influential factor in leading the French to balance their budget and restore some confidence in the French franc—a far more important project than any specific goods we could furnish to France. Our Administrator has taken a strong position, almost interfering in the internal affairs of France, in demanding that if they want this aid to continue they must balance their own budget, and there is, at least, today the promise of a balanced budget and of a government much stronger, I think, by reason of our action than it would otherwise have been.

I think conditions in France illustrate the fact that to a large extent what they themselves do is a good deal more important than what we do. Mr. Bruce himself, in testimony before the committee, in effect, said that France has no serious economic problems. Their problems are political. They have a system of government which results in government by coalition, which is always a weak government, because if any member of the coalition departs when an effort is made to pass strong economic measures there is no longer a majority. We have seen four or five governments in France within the past 2 years, and that, of course, has led to a lack of confidence in the government and a lack of confidence in the franc; and unless their currency is restored by their own action, our assistance cannot do very much good. But up to date I believe that Mr. Hoffman's organization has assisted the French Government to do what it ought to do and has succeeded in strengthening that Government.

But we are asked at this time to authorize $5,430,000,000 of appropriations and expenditures between now and July 1, a year from now. Certainly we have the right to examine again the real basis of the program, its necessities and its dangers. The thing I think we ought to consider first is our own position. We concluded a year ago that we could afford to do what we did—appropriate approximately $5,000,000,000 for the program. I had hoped there would be a substantial reduction this year. Theoretically there is a reduction; but nevertheless we are now asked to authorize the ECA to spend a total of $5,430,000,000, $400,000,000 more than we authorized them to spend a year ago. True, it is for 15 months, but it can all be encumbered and all be authorized at any period after the 1st of July of this year.

We face this year in contrast to last year a substantial deficit in the American budget. The President's budget calls for expenditures during the next year of $41,800,000,000, and he estimates receipts at $41,000,000,000, leaving a deficit of $800,000,000. He demands $4,000,000,000 of additional taxes on top of the tremendous tax burden from which we suffer today. Of the proposed expenditures $6,700,000,000 altogether are for foreign aid and $15,000,000,000 for the national military forces.

Mr. CAPEHART. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Indiana?

Mr. TAFT. I yield.

Mr. CAPEHART. Does the $41,800,000,000 include $1,800,000,000 with which to rearm western Europe?

Mr. TAFT. No; it does not include that. I shall come to that.

We have, as the Senator has said, a proposal, at least a tentative suggestion, that we should appropriate $1,500,000,000 or more for military aid to Europe, which would by that much increase the deficit. There are always other projects outside the budget. There are proposals for increases in salaries, which are not taken care of in the budget. A good many of the new projects are covered in the budget, such as education, housing, and various other things. There are included universal military training and a number of other things, but quite a few things are not included, so that the expenses can be still larger.

If we do not cut the budget, I do not see any way to avoid a tax increase by the first of July, when we look over what we have authorized and what is likely to be spent in the next year. If we accept the budget without a cut, we are bound it seems to me to increase taxes. I agree that a tax increase would be a serious threat to the welfare and prosperity of the United States, and yet I

do not personally want to see Government deficit-financing, when we have a very high state of prosperity in the United States. The only way it seems to me to avoid it is to cut expenses—all expenses.

If we are not willing to cut the ECA expense, then it seems to me we cannot cut any other expense. We have a right to say we have reached a point where, no matter what theory may justify it, an expenditure of $5,430,000,000 exceeds what this country can afford to give away to the rest of the world. It is an extraordinary thing. It is something that no country in the world has ever before done. It is something far beyond any obligation we can possibly have assumed. I think at least 10 percent can be saved in the administration of any program without seriously changing the character of the program or the importance of the aid that is given.

Mr. CAPEHART. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Indiana?

Mr. TAFT. I yield.

Mr. CAPEHART. I should like to ask the able senator from Ohio this question: I believe he stated the President's budget was $41,800,000,000, which did not include rearming western Europe and possibly other projects, and that he anticipated the revenues of the Government would be about $41,000,000,000; is that correct?

Mr. TAFT. That is the budget; yes.

Mr. CAPEHART. My question is, does the able Senator from Ohio feel, or is there any other Senator who feels that this Nation at the present tax rates will collect as much money in the fiscal year ending June 30, 1950, as it will collect for the fiscal year ending June 30, 1949, or as much money as it collected in the fiscal year which ended June 30, 1948?

Mr. TAFT. I do not quite agree with the Senator that we face any very serious loss in taxes in the next fiscal year. So far as I can judge from the general information I can get, the level of activity in the calendar year 1949 ought to be about the same as for the calendar year 1948. It perhaps may not be quite so good, but I think it is likely to be. When we come to 1950, I am not at all certain there may not be a substantial falling off in personal income taxes. Corporation taxes collected in 1950 will be based on operations in 1949, and I do not look for any tremendous reduction.

Mr. CAPEHART. We are talking about the fiscal year ending June 30, 1950. Can there be any question in the Senator's mind that farm prices are down from 25 to 33⅓ percent, with prices falling each day, with the worker's pay check becoming smaller each week, by reason of the fact that he is working fewer hours?

Mr. TAFT. With due respect to the Senator, there is no evidence of that as yet. That may be a thing that is going to happen, but so far as the statistical records show, there has been no substantial falling off. There were actually more people employed in February of this year than in February last year. There were more unemployed, but also there were more people employed, taking up a part of the increase in the labor force. The Senator and I can talk all day about a question of this sort. I agree with the Senator it is uncertain. We may not agree on whether the Government can raise $41,000,000,000, but I would rather not get into a detailed discussion of that.

Mr. CAPEHART. Mr. President, will the Senator yield for another question?

Mr. TAFT. No, I would rather not yield further to the Senator on this question.

I think the Senator's point is entirely correct, that we cannot count on the $41,000,000,000, but I think in July we may probably be counting on it with some justification. If, however, we do not cut expenses, if we increase expenses and do not begin to cut, I do not see how we can justify not providing the additional taxes that may be necessary. But expenses can be reduced. It is proposed to increase the expenses of the Federal Government from $33,800,000,000 in fiscal 1948 to $41,800,000,000 in fiscal 1950. Certainly no one can say that increase is absolutely necessary and cannot be cut. I have a list of the increases, some of which are perhaps necessary. The largest increase is for defense, $3,390,000,000. The international budget increase is $2,000,000,000, which I think can be cut. The other figures are spread through a long list of all kinds of projects. Practically every department of the Government is included. In my opinion, we should start with this bill and cut 10 percent, and continue to cut 10 percent right down the line, and make such other cuts as we can.

There is in the military budget $800,000,000 for universal military training, which no one seems to be pressing very hard. I have said before that I think perhaps we can save a billion dollars in the military budget, perhaps more than that. I do not know what the total will be. But if we are to avoid a tax increase we must save on everything. If we are not willing to save on this particular foreign appropriation, we cannot explain to the American people why we must cut on the things in which they are interested. If we are in a position where we have to save, we must save all the way down the line, and we should begin by making a cut here. So far as I am concerned, I am willing to cut everything which is not of an absolutely obligatory nature, such as interest on bonds, as we go through the various appropriations.

My principal aim in speaking today is to make the point that there is no absolute necessity for the exact amount which is demanded by the ECA, and to show that the theory, which is very prevalent, that it must be this amount or else we lose the whole thing, is an utterly unsound theory. To the extent that we do aid the European nations, our assistance has value to them. To the extent that they have good propositions, we can help them, regardless of whether we go on helping them a little more somewhere else. But there is no sacred feature in the so-called balance-of-payments theory, which is, after all, the basis of the requirements which are finally presented to us by the ECA.

There has been an argument made to the effect that there is a tremendous danger to us in building up competitors. I think, to a certain extent, that is true, if it is too strongly done. I think we have to face the fact, however, that if we want a generally prosperous world we cannot hope to compete with most of the foreign nations in export trade. I think we are bound to lose our export trade as we go along. I think we have to face that fact, anyway. We shall have to face it a little faster by helping other nations to make more progress than they might otherwise make. The arguments which have been made by some Senators do not impress me particularly, but I do not see why we should proceed on such a wholesale scale and so rapidly as to threaten seriously the industries of this country. I think we shall have to admit that we cannot maintain the highest standard of living in the world and at the same time hope successfully to compete in the export market with the British or other nations who happen to have a living standard which is much lower than our own. I do not see how we can hope not to lose some of the tremendous export trade we have today. But I think we can stop short of letting those nations ship goods to this country and destroy industries already established here, and put American workmen out of work. But that is a subject which will be more in order when we reach the bill to extend the Reciprocal Trade Agreements Act.

I think, therefore, there is some question about our overdoing this help to the extent of building up industries in the recipient countries, particularly in cases where we do it so cheaply from the standpoint of the beneficiaries. Most people have to save money in order to establish an industry. We are enabling the businessmen in Europe to go ahead without any such saving. Perhaps we are even establishing some European industries without the fixed charges which our own industries must pay, when we advance, or practically give, money to the French and Italian Governments and they use the money to improve the automobile factories which both nations own. The French Government owns the principal automobile factory in France, and the Italian Government owns the principal automobile factory in Italy. To the extent we set them up, those people may not have any of the fixed charges which our own automobile companies have. I do not think we want to go to the extent of subsidizing them, forever, and enable them to make goods more cheaply than we ourselves are doing.

We are giving the English the money to build up a complete airplane industry which will be subsidized by the British Government to compete with our industry which is subsidized to a much less extent than is the British Overseas Airways. We are enabling England, under this general plan, to set aside 20 percent of her national income for rehabilitation, rebuilding, and extension of factories of all kinds. As a matter of fact, 20 percent is a good deal more than we are setting aside for ourselves. The President's

economic advisers stated that 15 percent was too much in the United States. If we should not get the English competing with our industries quite so fast I do not think there would be any serious injury to the British people as a whole. The British will certainly take advantage of everything they can. I was very much interested in their plan for using these funds to do two things:

First, to build up an export trade into the United States.

Second, to cut down imports from the United States.

They are very frank in the economic survey for 1949 which was presented to Parliament by the Chancelor of the Exchequer, in which it is said:

In spite of the efforts of the past 3 years the proportion of total United Kingdom exports at present going to North America is still slightly lower than prewar. While we have established a firm foundation for a further intensification of our export drive in these markets, we must in the next 2 or 3 years greatly increase exports to Canada and the United States if we are to become independent of ERP aid without a reduction in the standard of living. It is, of course, true that in the last 2 years the contribution of exports to alleviating the dollar shortage is not accurately measured by statistics of direct exports to the United States or Canada. Much, for instance, of the textiles sold to commonwealth countries achieved dollar savings by the sterling area quite as effectively as the textiles exported to North America, since the alternative to imports from this country for the commonwealth countries was to make their essential purchases of textiles from the United States. From the standpoint of our dollar deficit, the two transactions were equally helpful. Nevertheless, an intensive drive to increase our direct dollar earnings is vital.

A notable advance in exports to North America has already occurred, and we have also built up promising markets for some manufactures which were not exported to the United States or Canada before the war. The time has now arrived however when we can and must intensify our attack on the North American market. National incomes in North America are at unprecedented levels and the prospects for increased sales of manufactures are very promising. Our task is to produce goods which, through design, quality, and price will command buyers in a free market, and we certainly cannot rely on securing more favorable conditions for the entry of our goods than exist today.

If the result of our not giving them quite so much cash today would be to make it impossible for them to put on quite so intensive a drive, I think on the whole American industry might be well satisfied to await that competition for a while.

Mr. ELLENDER. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield for a question.

Mr. ELLENDER. I am certain the Senator has read the hearings before the Committee on Foreign Relations, in which Mr. Finletter, who testified, brought out facts which to me are really astounding. He says that what the British intend to do is to cut down their imports from the Western Hemisphere 60 percent, and increase exports by 83 percent over prewar.

Mr. TAFT. The Senator is understating it. The British plan is to increase exports to the United States by 183 percent over prewar, not 83 percent.

Mr. ELLENDER. I am quoting from Mr. Finletter.

Mr. TAFT. I think the Senator will find that it is a 183-percent increase, rather than an 83-percent increase.

I continue reading:

The Government is resolved to play a full part in the North American export drive, and is developing plans for the reenforcement of practical assistance for exporters.

They are going to subsidize some of their exports to the United States.

The third way of solving the dollar problem—the reduction of imports from dollar sources—demands the encouragement of production in the nondollar world in order that increasing supplies may be available for export to us. The postwar recovery of primary production in other parts of the world, together with projects for new development in the colonies and elsewhere, have made progress in 1948, but must be pressed further in 1949.

I think the following sheds an interesting light on the British attitude in this whole affair:

The Government has therefore welcomed the declaration of the President of the United States that the United States intends to embark on a bold new program for making the benefits of scientific and industrial progress available for the improvement of underdeveloped areas. Important developments of this kind are already going forward within the Colonial territories of the Commonwealth. These, besides contributing to the welfare of the Colonial peoples and to the saving of dollars for ourselves, also leads to an expansion of the Colonies' dollar income and to increase nondollar supplies for other countries, particularly those of western Europe.

The President's bold new program for helping the world is interpreted very promptly into dollars for the British, and it is used as a method for reducing the imports they might otherwise have to take from the United States, in other words, reducing the exports the United States can make.

I have much sympathy for the British position, but it seems to me that a small reduction of 10 percent in the appropriation designed for the British would not damage the British people to any great extent, and it may be just as well that our manufacturers have a little longer time to meet these competitive methods, certainly as coming from England.

Mr. President, I do not mind our helping the British, but I do not see the necessity for providing the money for such a very rapid building up of the capital assets of the British. I think we can afford to help people in specified projects, and I hope we will for a long time to come. I hope particularly in the more backward countries we may be able to help. But today the British have from 15 to 20 percent greater production than they had before the war, and I cannot see how they can claim that they must have exactly the amount specified or their whole economy will break down. It is an impossible argument to sustain.

My point is that there is danger in overdoing the capital-investment program. What we do in the way of capital investment should be gradual and selective, with just as much benefit to them and just as little injury to our own business as possible.

In the third place, I think we must realize that after all this whole Marshall plan is only a temporary program, and that it must be gradually reduced if it is not to become a permanent program of support of the rest of the world. We certainly cannot permanently support a people at a standard of living above that which they are able to earn for themselves. The theory of our assistance to the various peoples, in the way of additional food relief, is that we help them to stay on a certain standard of living which they are not wholly earning today, on the theory that they can earn it within a very reasonable time after the emergency of the war has passed. It would be very dangerous to support them on a standard higher than they could reasonably hope to make permanent, because then sooner or later they would have to come down, and at that time there would be a very bitter feeling against us because we did not continue affording them relief on the previous basis.

Mr. President, it seems to me there clearly should be a steady reduction in the aid as the various countries better their own production. If they increase their standard of living from their own resources, it seems to me the assistance we give them should be gradually decreased. All the evidence is that they have increased their production, and from such increase in production it seems obvious to me that our assistance, at least in the form of relief, should be gradually reduced.

As I said before $5,430,000,000 for ECA is more than we appropriated last year. In fact, it is for 15 months, which is a long way off. For practical purposes, the money is available for authorization as soon as the 1st of July comes. I should like to see a total amount less than we appropriated last year, a clear notice that we are beginning to cut down, that the program is temporary, and that we are not going permanently to continue it.

Mr. President, the main point I wish to make is that no matter how strongly one may favor the program, no matter how much good it may do, there is no sacredness in the amount requested. The Senator from Michigan has said that, Mr. Hoffman has said it, and I think we are free to consider whether we cannot make a reduction, as I think we should also make it in programs for domestic purposes.

Mr. Hoffman, when he was called back after the Mayhew statement, made a statement regarding the importance of various things, and as to why we could not cut in some fields. He said:

The British program did not allow for any increase in stocks, though in the case of many raw materials stocks are now barely at safe working levels. By "stocks" I mean inventories. Therefore, cuts in imports bear directly upon production. What this means is that if Britain has to reduce imports of raw materials, then British resources cannot be fully and efficiently utilized. Moreover, the effect of this kind of a cut is bound to be cumulative. If British production cannot be maintained and expanded up to the full limit permitted by British manpower and resources, then Britain's export earnings cannot be as large as they have been estimated.

I think Mr. Hoffman has the right basis of the program. There are still items which I do not think we should cut. We can well take the British example. The same principle applies throughout. The British would get in 12 months $940,000,000. Out of the whole sum they would get a much larger figure than that. They would get $1,260,000,000 out of the total amount in the bill.

For the moment let us figure on $940,000,000. So far as I can make out, that figure is reached on a general balance-of-payments theory. They want so much; they make a plan; they decide: "We want to have a certain breadth of activity. We want a certain standard of living. We want a certain amount of food. We want to put a certain amount of money into fixed capital. We want to export a certain amount of goods. When we get all through with that, we find we have to import from the United States $940,000,000 of money. That is the figure which is absolutely necessary if the plan is to work. Otherwise we will be lost."

I completely disagree with that theory. Mr. Hoffman says that the total British production is $42,200,000,000. If they lose $200,000,000, less than one-half of 1 percent of that amount, surely no serious damage will be done to their entire economy. I do not think it is a valid argument. If we take $94,000,000 out of $940,000,000 and select the things that are least necessary, in that case about one-quarter of 1 percent of their total annual products, I do not see how it can affect the general prosperity of the British.

We hear more and more about the dollar deficit, and that we must make up the dollar deficit. What is a dollar deficit? We accept the term without disputing the basis on which it is founded. There is not any dollar deficit. There are plenty of dollars in the world. What is meant is that Great Britain wants to import more from the west than she ships to the west. She is actually balancing her exports. She has an excess of exports to other parts of the world which balances the deficiency to the United States. She is building up credits and paying debts in other parts of the world through the excess of exports to other parts of the world. Of course, if we do not lend her the money she will not have a dollar deficit because she will not be able to import from the west all the goods she would like to import. The dollar deficit is produced solely by her desire to import things that she is not able to or cannot afford to import. It is said that she has always had a deficiency of exports. She has always imported more than she has exported, and paid for the difference by the invisible balance which she no longer has. Again the process is stated backward. She imported more than she exported because she had those invisible assets to pay for the excess imports. If she had not had them, she would not have imported an excess.

The dollar deficit is created only by the British plan. She cannot have a dollar deficit unless some country gives her the money to pay for goods in excess of what she can afford to pay for. The truth is that, taking the world as a whole, a dollar deficit simply means that people are not producing enough to maintain themselves at the standard of living which they would like to enjoy.

The English now live in a completely planned economy. Sir Stafford Cripps has a planned economy which puts the planned economy of Leon Keyserling in the field of theory. He has the whole thing planned out. It is all on paper. It sets forth what the British must do, what everybody in Britain is obliged to do, what they are going to eat and what they are going to make. The entire thing is worked on a plan which is presented to the people.

The point I make is that we do not have to accept that plan. They reach their requirement figures because those are the figures to which their plan gets them.

What is their plan? Their plan, roughly, is this: Out of a total national income of about £13,000,000,000 they are going to spend 20 perecent on capital investments, about 15 percent on exports, and 65 percent on domestic consumption. The domestic consumption includes food and clothing. It includes, of course, rents for housing. It includes also government subsidies on food. If we tried to do the same thing in this country we would be subsidizing food about $8,000,000,000 a year. It includes their health and welfare services on a scale which, if we conducted them on the same scale in this country, would cost us about $6,000,000,000 a year. That part of the consumption which is allotted to the people in this economic plan includes various other government services.

I do not think we ought to make ourselves responsible for that plan. I do not care how they distribute their money. I do not care how they choose to take the resources they have and distribute them to capital account, to domestic account, or whether they want an austerity program or some other kind of program; whether they want to distribute their income, take it away from some people and give it to others. We do that ourselves, but not quite to the extent it is being done in England. I do not think we ought to be in a position, however, of having to stand by and approve any particular plan. I think we ought to figure out what things will really help them, and give them those things to the extent we can afford to give them, looking at our own position as well.

Mr. KNOWLAND. Mr. President, will the Senator yield at that point?

Mr. TAFT. I yield.

Mr. KNOWLAND. Is it not a fact that during 1948 the net invisible returns to Britain were notably better, giving a surplus over the year of £98,000,000, as compared with a deficit of £189,000,000 in 1947? That is shown in the table of the Chancelor of the Exchequer from which the Senator was reading. As I arrived at the figures in examining the table, they took what they called some of their invisible dollars, namely, for the support of the military, relief and rehabilitation, Germany, administrative, diplomatic, and so forth, war disposals and settlements, and "other government," and then they took the expenses of shipping, interest, profits and dividends, films and travel, and the final summation in the table shows that whereas in 1947 their net deficiency was £189,000,000, they had in 1948 a surplus of some £98,000,000.

Mr. TAFT. The Senator is correct. There has been a steady improvement, and I think greatly to the credit of the British Government. I think they have done a wonderful job, so far as that is concerned. I am not criticizing it. I say only that we have not made this plan, and that we do not have to follow it, and that the plan is subject to change. The British can change it. There is nothing sacred, in other words, in the conclusion of a dollar deficit reached from the provisions of that plan.

Take the 20 percent to capital. The British want to take 20 percent of their income and put it into capital. They want to put 15 percent into exports. All this austerity business is based on their own determination that they are going to take income away from consumption and give it to capital and to exports. That is all right. I think that is probably good for the long distance benefit of the British. But it is not an absolutely necessary plan which we have to underwrite and support.

In the economic report of the President he said:

> At present, private capital expenditures—

That is in the United States—

> are running at 15 percent of the Nation's economic budget, reflecting in part the need to make up for wartime and some prewar deficiencies. The shift to more sustainable long-run patterns will require a relative decline to about 11 or 12 percent of the Nation's economic budget, though perhaps a moderate increase in absolute amounts.

If we include public works of Federal and State governments it will add about 2 percent; so we are running at 17 percent, though the relative decline would place the figure at 13 or 14 percent. The British are running at 20 percent. But certainly we do not necessarily have to guarantee that they shall run at 20 percent, and they could cut it down.

Then they propose that 15 percent shall go to exports. They are exporting more than they are receiving from the rest of the world. That means they are extending credits to the rest of the world to build up their export trade. Some of that export trade is going to Russia. That has been criticized here. They certainly do not necessarily have to extend credit for export trade, as they are doing to various countries throughout the world. And they do not get any immediate benefit from the sale of goods for which they have to extend credit. They might cut the export figure slightly.

In the same field there is no doubt that they have held down consumption below what it would otherwise be, but it is a little bit difficult to see that there is a tremendous degree of austerity in Britain as a whole, because the country as a whole is eating just as much food per person, just as many calories per person

as the British ate before the war. The figures on page 16 of the hearings show very clearly that the only things on which there is any material reduction below prewar are clothing and household goods. The character of some of the food is somewhat different than it was before the war. The British have less meat and less fat, but we never did supply meat to Great Britain. The plan next year provides for 2,990 calories, compared with 3,000 before the war, which is within a very small fraction of 1 percent of the food they had per person at that time; and they have two and a half million more people today than they had at that time, so the total food is considerably greater.

As stated in this same economic survey, Sir Stafford Cripps says:

> The higher-income groups have suffered a substantial fall from their prewar consumption level, but in the case of certain important foodstuffs, particularly liquid milk, consumption of the lowest-income groups has risen appreciably.

They have chosen to pursue a socialistic plan, to try to produce equality, which is all right, but it is a part of their whole program, a part which we do not necessarily have to finance, or approve, or disapprove.

They have extended their government services, as I pointed out. Of course, they increased the consumption of food to some extent by extending tremendous food subsidies, which have reached what would represent in this country, a figure in the neighborhood of $8,000,000,000 a year if we did it on the same scale, considering the difference in population, or more than £500,000,000 in Great Britain. So food is more easily bought by the poor as a part of the program of redistributing food, a desirable thing, and nothing that I would criticize. Neither is it a particular thing that we must guarantee.

No one can say that we must put up exactly the number of dollars necessary to carry out this exact plan. The program of consumption, like the program for capital improvement or the program for exports, is subject to change if there must be a change. If we do not give them the amount of money requested, they will not be able to carry out this plan quite in the detail they would like to carry it out.

I have already referred to the health services. Of course, there is plenty of opposition in Great Britain itself to some of these programs. I read from an article in the Daily Graphic and Daily Sketch. After establishing the budget last year they came in with a deficiency appropriation for—

> The national health service alone of £58,000,000.

As I say, interpreted into what it would cost us if we were doing it, that would be a deficit of $1,400,000,000 on top of an estimated cost of free health services of $4,000,000,000.

I quote from the Daily Graphic on this subject:

> This is the worst mess of them all. There is no excuse for it, because when the Government issued the economic survey, and when it produced the budget, it knew that the legislation would come into force during the year.
>
> When the Socialists stump the country they make great play with the "free" services that a benevolent government supplies. The supplementary estimate shows just how free they are. Fifty-eight million pounds does not fall like manna from the skies. It is drawn from the pockets of the people.
>
> THE NATION'S SPECTACLES
>
> Now it is evident why Dick, Tom and Harry, and Mabel, Doris and Jane have to pay through the nose for their beer, baccy and betting. Incidentally, one of the grossest miscalculations was on ophthalmic services, estimated at £2,000,000, which has now jumped to £13,000,000. Perhaps when the nation gets its spectacles it will see the situation as it really is. We are receiving £300,000,000 under Marshall aid this year. The supplementary estimate indicates that this American assistance, intended for industrial reconstruction, is being swallowed up, or down, by a prodigal Government's expenditure. Let us hope that the Americans will not mind financing socialism-in-our-time in Great Britain.

That is an opposition newspaper. I do not mean to endorse everything it says, but it is fairly evident that many things are being done which are a part of this entire plan, but which it does not seem to me we are compelled to endorse.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. KNOWLAND. I wonder if the Senator from Ohio is familiar with an article which was published in the New York Times of March 26, bearing a Toronto, Canada, dateline. It reads in part as follows:

> John A. Marsh, general manager of the Canadian Exporters' Association, said in an address tonight to the Canadian Credit Men's Association that one-half the world, led by Sir Stafford Cripps, has moved back the clock of progress by barter trading or state trading.
>
> "Curiously enough," he said, "Britain has, up through the years, preached a doctrine of freer trade. She is still giving lip service to it; but actually is practicing the opposite as instanced by the 30 or more bilateral deals with countries of northern Europe on a barter basis."

The Senator from Ohio will be particularly interested in this:

> Buying Swedish newsprint at $171 a ton when she could buy it from Canada for less than $100 just does not make sense even though in return she is charging Sweden 1¾ times as much for finished products as the competitive market would justify in Canada.

If the Senator does not object, I should like to have this article inserted in the RECORD at this point.

Mr. TAFT. Certainly.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

> BRITAIN IS ASSAILED ON BARTER TRADING—MARSH TELLS CANADIAN CREDIT MEN HALF OF WORLD IS LED BY CRIPPS IN PRACTICE—DEAL WITH SWEDEN LISTED—CITES $171 NEWSPRINT AGAINST $100 IN DOMINION—SEES POUND-DOLLAR GAP WIDENED
>
> TORONTO, March 25.—John A. Marsh, general manager of the Canadian Exporters' Association, said in an address tonight to the Canadian Credit Men's Association that one-half the world, led by Sir Stafford Cripps, has moved back the clock of progress by barter trading or state trading.
>
> "Curiously enough," he said, "Britain has, up through the years, preached a doctrine of freer trade. She still is giving lip service to it; but actually is practicing the opposite as instanced by the 30 or more bilateral deals with countries of northern Europe on a barter basis.
>
> "Buying Swedish newsprint at $171 a ton when she could buy it from Canada for less than $100 just does not make sense even though in return she is charging Sweden 1¾ times as much for finished products as the competitive market would justify in Canada.
>
> "This course is driving the pound sterling and the dollar, be it Canadian or American, farther and farther apart instead of bringing them closer together."
>
> Mr. Marsh said that Britain's present fiscal policy will keep the pound and the dollar apart for 10 years.
>
> Referring to the situation wherein other parts of the Commonwealth and Empire within the sterling area reduce their dollar purchases to conform with the dollar supply of the area, Mr. Marsh asked:
>
> "Is this not the time to find out whether the Statute of Westminster actually means what it says? Have we eight independent countries in the British Commonwealth equal in status and autonomy?
>
> "If so, is there any reason why our Canadian Government cannot enter direct negotiations with Australia, New Zealand, South Africa, Pakistan, India, Ceylon, and other self-governing dominions without recourse to the Chancelor of the Exchequer of the United Kingdom or the Colonial Office? Are we a nation or are we not? Are our sister dominions nations or are they not?"
>
> He said, "Britain is striving mightily to sell us British goods which we surely want to buy because we realize that trade is a two-way street. We suggest that Canada's price for more British goods in Canada should be the fiscal release of the iron grip Britain now holds on her colonies in order that Canada can again trade with her traditional markets on a basis of competition.
>
> "Canada and the United States must make up their minds to what extent in the future they are prepared to subsidize and maintain the United Kingdom's position in Europe."

Mr. TAFT. It only shows that on the question of exports they are, in effect, extending practical assistance to Sweden by paying the Swedes so much more for wood pulp than they would have to pay Canada.

The point I wish to make is that I do not think we ought to be responsible for their economic plan. If we read Mr. Finletter's testimony and the booklet on European recovery, dealing with the study of the United Kingdom, we find that American experts have been going through the economic plan of the British and passing upon whether this or that is justified. We are making ourselves responsible to the British people if they do not get as much food as they want. We have gone too far into the whole picture. We ought to ask them what specific goods they must have, as Mr. Hoffman has also done. I do not mean to say that he has pursued exclusively the other theory. To the extent of our financial ability we are willing to help, but I do not think we ought to be responsible in detail. I do not care whether they spend 20 or 25 percent for capital improvements. I do not care whether they have social services of any kind. It is said

that the social services make no difference in the total result. They do. They take a certain number of people who must be employed by the Government, and who must spend their time doing this kind of work when they might be working in plants to increase production.

After all, the British are working only 40 hours a week, which is not a tremendous effort in an emergency. With all the austerity they have agreed to as to food, they have never been willing to modify the 40-hour-week program, which we ourselves modified during the war. There are many people who could be working somewhere else. One difficulty in France is that they have 1,300,000 public servants, employees of the French Government. If we had Government employees on the same basis, we would have 5,000,000 Government employees. We already have too many. We have about 3,000,000, but the French have 60 percent more than we have, considering the population. So long as they do that sort of thing, and so long as the British extend their Government operations, they draw a certain number of people away from the productive processes, which might or might not improve their exports. I have no way of knowing.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. FULBRIGHT. I am very much interested in the Senator's views about Great Britain, but I wonder if the Senator has any thoughts about the tentative allocations to Ireland, Norway, and Sweden, which are very substantial amounts. In the case of Ireland the allocation represents a substantial increase over last year. With regard to Great Britain, I feel that Britain has done an outstanding job in the control of her own economy and production. I do not believe the Senator wishes to leave a wrong impression——

Mr. TAFT. I disavow any attack on Great Britain. I used Great Britain as an example of all the countries with which we are dealing only because in the case of Great Britain we have all the figures worked out in much greater detail. I wish to make it perfectly clear that I do not want to cut Britain off because she is adopting a Socialist form of government. The point I am trying to make is that I do not think we ought to get into that business. I do not think we ought to be in the position of accepting a plan just as they want it, and saying that we cannot change it, that we must give them the money to complete that particular plan. I am only arguing in favor of the proposition that we can make a cut—and certainly a 10 percent cut—without doing substantial harm or forcing any of the nations to make more than a minor modification in the plans which they have made. I think it applies to Ireland and to every other country, perhaps more so or perhaps less so than to England. I am only using the British as an example because their figures are so much more complete, and they have so much more accurate detail as to exactly what they are doing.

Mr. FULBRIGHT. Mr. President, will the Senator further yield?

Mr. TAFT. I yield.

Mr. FULBRIGHT. I believe the Senator ought to say something about Ireland, in view of her experience in the war and her failure to bear any of the burden, and the fact that she has an increase from $64,000,000 to $88,000,000 this year. Ireland might be a little better illustration of the Senator's point of view than the British.

Mr. TAFT. The Irish allotment, according to this proposal, is to be reduced from approximately $78,000,000 to $64,000,000.

Mr. FULBRIGHT. I understand it was $64,000,000 last year, and is $88,300,000 this year.

Mr. TAFT. No; $78,300,000 for 1948–49, and $64,000,000 for next year.

The Irish allotment has been entirely a loan; and, as I understand the matter, it is principally for the purpose of financing food production in Ireland, so that the British can get food from Ireland, instead of getting it from us. That is the only purpose, as I understand the matter, of including Ireland in the budget.

Mr. FULBRIGHT. Let us take the case of Sweden. Part of the justification was, was it not, for reconstruction of damage and dislocation caused in Sweden during the war?

Mr. TAFT. Instead, let us consider the capital investments in Britain. It is said that the English capital plant—there are no supporting figures—was damaged to the extent of approximately $5,000,000,000. They have built it up at the rate of approximately $8,000,000,000 a year, so already they are far ahead of where they were before the war started. They are now building it up at the rate of $8,000,000,000 a year, partly at our expense; so they are away ahead of where they were before the war.

Mr. FULBRIGHT. I understand that. The point I have in mind—I do not believe the Senator from Ohio understood it—is that although there may be some basis for criticizing Britain; on the other hand, I think Britain has made a very excellent case.

However, it is very difficult for me to see the justification in the case of Sweden, whose allotment under this plan is to be increased from $40,400,000 to $50,400,000 in the fiscal year 1950. It is difficult for me to justify that kind of an increase; in fact, it is more difficult for me to justify that than to justify any other item—for instance, the proposed decrease of aid to Britain to some extent.

I was trying to point out that I think the Senator from Ohio has not picked out the strongest case in the over-all picture in justification of a cut. Denmark, Ireland, Norway, and Sweden are included. Aside from Denmark and Norway, the other countries suffered no war damage; and I am informed that the damage in Denmark was nowhere near so severe as the damage in Britain. That is the point I was trying to make.

Mr. TAFT. Of course, we would leave it entirely to the ECA to determine how to apportion the cut. The ECA could cut out all aid to some countries and could decrease the aid furnished to others. But I am interested in trying to break down the theory that the proposal which is made to us is predicated on a necessary balance of payments which we must make up. I contend that is not so; and it is a little easier, it seems to me, to show the problem in the case of Britain than it is in the case of France. France has not done so well as Britain; her reconstruction has been slower.

Mr. FULBRIGHT. Yes; I think that is true. If we examine the balance of payments in the case of France, and if we consider the fact that last year there was a decrease in French exports, as compared to the exports of the previous year, we find that we have a much better case for justifying a cut in the aid to France than we have for justifying a cut in the aid to Britain, for, after all, Britain has done a remarkable job in the way of exports.

Mr. TAFT. Mr. President, I simply used Britain as an example.

Let me say that I was very much interested in an article by Barbara Ward, foreign editor of the Economist, of London. The article appears in the New York Times magazine of last Sunday. In the article she states that:

> The difficulty with which Sir Stafford Cripps has chiefly to wrestle in preparing his budget is the fact that after a certain point the national income will actually decrease in size if the share of money spent by the public authorities grows too large. In the first place, the devotion of too large a part of the national income to services and consumption can mean that the capital accumulation necessary to expand production is checked and cut back. Britain plans to devote 20 percent of its annual income—some £2,000,000,000—to capital investment, but the cost of medical services and the food subsidies already shows signs of encroaching on the allotment to capital.

The British are at least sincere planners. They are finding to be exactly true what we have always said, namely, that the more that is spent on government, the more final interference there is with the productive enterprise system of the country.

As I have said, I am not criticizing. The British have a right to do anything they wish to do; they can run a socialist government, and still can receive aid from us, so far as I am concerned; but I do not think we are bound to be limited to the figures they furnish, which they say represent developments which are absolutely essential to them.

I have offered an amendment to cut the general expenditure under this proposal 10 percent. That will cut the total of $5,430,000,000 by about $540,000,000, to approximately $4,900,000,000, slightly less than the total for 12 months of last year. The Economic Cooperation Administrator would be able to allot that amount wherever he wished; but if the British received $94,000,000 less, I cannot see any reason whatever why the British could not readjust their plan to that reduction, so as to have a little less capital investment or a little less government service, or even to some extent slightly less imports than they already have. The question is, To what extent shall we help them; how rapidly shall we help them expand; how much can we afford to give them, and still maintain our own prosperity?

We have a tax system which certainly will be in excess of that of Canada, as

now proposed. Our system taxes our people almost as heavily as the people of Great Britain are taxed. Our tax system is already taking $40,000,000,000 a year; and unless we make a reduction in expenditures, it will take approximately $45,000,000,000 a year for the Federal Government, plus approximately $15,000,000,000 for State and local governments, which will make a total of approximately $60,000,000,000 to be taken out of the income of the people of the United States, which will mean that we shall be taxing them approximately 30 percent of their income. So we are imposing a tremendous burden on private enterprise, and it is becoming a discouragement to those who wish to expand and increase their business. Some persons says, "We can afford to take as much as 50 percent of corporate income because profits are so large."

But, Mr. President, it is not simply a question of what we take this year. The basic question is, how much will such heavy taxes discourage people from going into business? If people see that if they go into business they will receive only 50 percent of what they earn, provided they make a success of their business, but of course will lose everything if they do not make a success of it, they will hesitate to go into business. If we reach a point of a serious reduction in business, we are on the way to reaching the point where we cannot extend aid to Europe or to other parts of the world. We are able to do it because of the freedom of our own system, because we have not been burdened or limited by regulation and taxation as so many other countries have been. The time has certainly come when we ought to stop the steady increase in the burden on our own people, for the benefit of Europe itself, for the benefit of countries that look to a firm America. I am convinced we ought to see that the national budget is reduced, so that we can pay it certainly out of the present volume of taxes. To accomplish that purpose, I feel it is absolutely essential that we begin by making a cut on the tremendous amount proposed to be appropriated for ECA in order that it may set an example for the same general type of cut that we should make all the way down in our own domestic governmental expenditures.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Florida.

Mr. PEPPER. Has the Senator reduced his amendment to a 5-percent cut instead of 10 percent?

Mr. TAFT. It is a 10-percent cut, $540,000,000 of the total. If I said 5 percent, I stand corrected; I should have said 10.

Mr. PEPPER. That is what I thought. What I wanted to ask the Senator was, if it is a question of saving money for the United States, why not cut it 15 percent, or possibly 17½ percent, and thus save more money for the United States?

Mr. TAFT. I think it could stand a 15-percent cut, but I feel strongly that the essential thing to establish is that we can cut the estimates which are made. The thing to establish is that we can appropriate less than we appropriated last year, instead of more. If we can establish those two principles, I am satisfied. Of course, more people are willing probably to cut it 10 percent than 15 percent, so the 10-percent amendment perhaps is more likely to carry. I think the ECA could stand a 15-percent cut without question. But I do not want to be accused of hamstringing the administration. I do not want to be accused of seriously embarrassing the progress of the general program, which I think has accomplished tremendous good, as I said before. I think a 10-percent reduction will establish what I want to establish as a matter of principle, namely, that we are going to reduce the budget, we are going to reduce it steadily as we go on, that we are providing only emergency relief and reconstruction, not permanent relief and reconstruction. So I think I can accomplish with the 10-percent cut the main principles I want to establish.

Mr. PEPPER. Mr. President, if the Senator will yield further, the Senator from Florida did not mean to suggest that he favored either a 15-percent or a 17½-percent reduction.

Mr. TAFT. I thought the Senator favored a 15-percent reduction. Excuse me.

Mr. PEPPER. I was going to ask the Senator, if the object is to save, and if he is merely going to reach out and pick an arbitrary figure out of the air, why stop with 10 percent? Why not make it 15 percent or 20 percent, or, as some would like to see it, 25 percent, rather than 10 percent? I should like to ask the Senator to suppose a case where there is a disease in the body, the sort of disease that can be combated only, let us say, with penicillin or streptomycin. I am not a doctor, of course, but it is my understanding that if enough of the drug is not given to stop the ravages of the disease, it may not do any good to give any of it at all. I was wondering whether the Senator regards this overall kind of cut, as it were, a reliable approach to so complicated a process.

Mr. TAFT. No. That is exactly the point I have been trying to make. It is unlike penicillin, in that there is no point at which it cures, if enough is administered, whereas, if the administration of the drug falls short of that point, more harm may be done than good. I claim that is an absolutely untrue parallel, for to the extent we help the beneficiary countries, we help them; to the extent that we increase their productive facilities, those facilities are permanently increased. It does do that much good; but there is nothing sacred about the plan for which $5,430,000,000 is said to be necessary; the amount can be changed without injuring the patient, and a lesser dose will accomplish the purpose substantially as well as a greater dose; in fact, if carefully administered, it perhaps might have a more substantial effect.

Mr. KNOWLAND. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from California?

Mr. TAFT. I yield.

Mr. KNOWLAND. I should like to ask the Senator this question: The Senator stopped reading from the Chancelor of the Exchequer's statement a little ahead of where I thought he was going to stop. Is the Senator familiar with paragraph 85, in which the Chancelor says:

> The Government has exerted its influence to stimulate production in various ways. These include direct development work under Government auspices (e. g., the Overseas Food Corp. and the Colonial Development Corp.), long-term contracts guaranteeing a market to primary producers both in other Commonwealth countries and in Europe, and the active support of international bodies dealing with economic matters.

The question I should like to ask the Senator is this: He has mentioned, I think quite properly, that so long as the British people maintain their freedom and have the opportunity to change whatever government is in power, it is not of direct concern to us but it is an internal domestic matter as to whether they shall proceed a little more or a little less with their experimentation. I should like to ask the Senator if he does not think, if they get out of the field of domestic British activities and attempt to influence the economic affairs of the world along a regimented course, that does become our concern?

The reason I raised the question is that earlier in the day while the Senator from Wisconsin was discussing the subject, I pointed out the cartel agreement on tin, which is now under consideration, and which is under the World Trade Charter.

In the article from the London Times which I put into the RECORD there appears language to which I should like to call the Senator's attention, relative to my inquiry, as follows:

> There will be export targets for the producing regions and fixed purchase obligations for the signatory consumers. For 2 years the international allocation of supplies is to be maintained and prices are to be fixed. Afterwards distribution will be determined by quotas, while the prices are to be kept within a set range, with fixed maximum and minimum prices for each year. There is to be a clause safeguarding the release of tin supplies from noncommercial stocks, (i. e., the stock pile).

So that even after this government has purchased for stock-pile purposes, it is to be bound by certain commitments. Is not this in the international field an attempt to establish all types of controls, quotas, prices, price fixing, allocations, and all the rest of it? And, when they get into that field, does the Senator from Ohio not believe we have logically a right to make inquiries to protect the legitimate interests of the people of the United States?

Mr. TAFT. I agree with the Senator. I think the British are much inclined to set up development plans which are pretty much of a violation of the whole principle of our reciprocal trade agreements program, and of the general agreement as to trade and tariffs, into which we and the British have both entered. They have

various "outs" in those agreements, so it may not be a direct violation. But certainly it is a violation of the spirit of those agreements. It is a violation of the whole spirit of the ITO, which again extended certain permission to deal with the present emergency situation. I think we have a direct interest in discouraging things of that sort. I do not believe our State Department has used the power of the ECA to try to discourage them very much, so far as I can see. The British seem to be engaged, in connection with their colonies, in a pretty full cartelization of all important products. It is a socialist government. The Government Board, I think, though I am not certain, still buys all the cotton; they have a completely controlled export and import policy, and, as the Senator points out, whatever we may think about their planned economy in Great Britain, that should not concern us. When it is extended in a manner which interferes with the progress of our own trade, I agree with the Senator we should protest against it and do what we can to prevent it.

Mr. FULBRIGHT. Mr. President, the objective of our foreign policy, officially and unofficially, is a just and lasting peace. There are differences of opinion as to the best methods to achieve this objective, but there is universal agreement as to the objective.

Mr. President, I urge the Senate again to consider the amendment which I shall offer as soon as the pending amendment is disposed of—and which I offered last year. The purpose of this amendment is to impress upon the European countries the importance of political unification to the success of the Marshall plan.

It is painful to me to feel compelled to be critical of the European recovery program. I have supported it since its inception, and it would be much more pleasant and popular to give it my unqualified approval and perhaps to claim a small share of the credit for its achievement. Its accomplishments have been described by those who have spoken; therefore, I feel, that it is my duty to give a critical appraisal of its success with the hope that it can be made a more effective instrument in the future.

Under the circumstances prevailing at the time, I think the program was justified. In view of the inability of the west to make a peace settlement with Russia and the virtual nullification of the United Nations by the Soviets, there was no other practical alternative. My criticism, therefore, does not go to the undertaking as a whole, but rather to a particular aspect of its administration and policy. I intend to support the pending measure.

When it became evident, as a result of the repeated vetoes of the Russians in the Security Council, that the United Nations was not going to be permitted to function effectively, then the West clearly had to turn to other methods, not only to establish peace but also to defend itself from an aggressive and expanding Communist imperialism. The Truman doctrine and the European recovery program were the answer of the West. Within a few days the Atlantic Pact will be signed as as additional bulwark to this structure.

From the point of view of broad over-all policy, all of these moves were justified. My criticism is that although these measures are all necessary and appear to constitute a complete and fully integrated policy, in fact, the most important element of all is lacking. That element is the political unification or federation if you prefer that word, if not of the entire Atlantic community, at least of the Marshall-plan countries.

In building the structure of peace, our policy makers have done a good job in bringing together most of the tangible components of a strong fortress, but they have failed to supply the cement to hold it together. Political sovereignty is the cement. Without the cement I am confident the other elements will fall apart under a severe shock.

Mr. President, 2 years ago, before General Marshall's speech at Harvard on June 5, 1947, which is generally regarded as the origin of the Marshall plan, I introduced, together with the senior Senator from Utah, a resolution endorsing a United States of Europe. Since that time I have become progressively more firmly convinced that the political unification of Europe is indispensable to the salvation of the West and the prevention of another world war.

Last year I sought to have the objective of a European federation incorporated into the authorization of the European recovery program. I was unsuccessful. This year, in the committee I offered an amendment seeking the same objective. The committee accepted the word "unification," but would not accept the word "political." They rejected the cement.

Mr. President, I feel so strongly that the ERP will prove to have been a collossal failure, unless political unity is achieved in Europe, that I am again offering the same amendment. The amendment is very simple and merely expresses our approval of the objective of political unification. I think it would have great influence upon the policy of the administration of the program and upon the attitude of the recipients of our largess.

As I have said above, for more than 2 years I have been urging our Government to encourage, frankly and positively, the political unification of Europe. Our Government has not seen fit to do so. It is said, by those who resist this policy, that it would give substance to the Communist charge of American imperialism.

This fear of the effect of Russian propaganda is one of the most deceptive arguments which can be made. It is constantly raised for and against almost every issue which comes before Congress, both foreign and domestic. It is a bogeyman which is always trotted out either on behalf of maintaining the status quo, or on behalf of a change in the status quo.

It is a totally irrelevant argument, for if a suggested course of action is the right one, we can be sure Russia will nevertheless attempt to twist it to suit its propaganda purposes. If the course is wrong, it is no more wrong because of Russia's capitalization of its wrongness for propaganda purposes.

Mr. President, I submit that the positive and sincere promotion of European political unification by the United States, is diametrically the opposite of imperialism. Imperialism, it seems to me, connotes a policy of domination either directly, by force, or indirectly, by other means. It involves the idea of the control, by a greater power, of a lesser one.

A policy which seeks to create in Europe a federation of peoples, strong and self-sufficient, able to defend themselves and to pay their bills, certainly is directly and absolutely contrary to the very idea of dominating or exploiting those peoples. If we desire to keep them dependent upon us, to exploit them or to dominate them, then we should encourage them to remain divided, helpless, and subject to our dictation.

The traditional policy of imperialists since the beginning of time has been to divide and rule—never to consolidate and strengthen, the enemy, or even friends who, in this uncertain world, might become enemies or competitors.

The policy of Great Britain toward Europe, during the heyday of her empire, was always opposed to the unification of European states. The phrase "perfidious Albion" was an outgrowth of the policy of divide and rule which is characteristic of all expanding or powerful imperial states. Can anyone believe it is a mere coincidence that today the policy of Communist Russia, an aggressive and expanding empire, is likewise to oppose the unification of European states?

Mr. President, the Members of the Senate will recall that, only a short time ago, the Balkan states, now dominated by Russia in orthodox imperial style, proposed that they should form a Balkan federation. The Kremlin violently opposed such a plan and disciplined the leaders who were so bold as to propose it. This was one of the principal reasons for the break between Russia and Tito of Yugoslavia.

This policy, of opposing the federation of eastern European or, for that matter, any European countries, is sometimes called the Molotov plan. It is designed to be the antidote for the Marshall plan. It is a policy of maintaining the form and appearance, the illusion, of absolute national sovereignty and independence, while at the same time reducing each country to complete and abject subservience by a combination of internal corruption, infiltration, and force.

This is not a new idea in Russia. Shortly after World War I, Lenin wrote a powerful denunciation of the idea of European federation. He saw, at that early date, that a unified Europe would be the greatest and the only effective barrier to the expansion of Russian power throughout Europe.

Mr. President, by failing to promote the political unification of western Europe, the Department of State, unwittingly contributes, in fact, to the success of the Molotov policy rather than to what some of us thought was a policy of unification intended by the suggestion of General Marshall. I realize that the Department of State does not directly administer the ECA, but that Department does determine the basic foreign political policy of our Government and has, therefore, the responsibility for over-all policy.

I wish to emphasize the point that this policy is unwitting on the part of the Department of State. I do not think for a moment that consciously and intentionally the Department seeks to prevent the unification of Europe, but its procrastination, negative attitude, and failure to offer positive leadership toward unification has that effect.

A basic fallacy in the philosophy of the ECA and our foreign-policy makers in the State Department is the sharp distinction they make between economic and political affairs, and the undue significance they attach to what they call economic cooperation and recovery.

It is their theory that after, and as a result of, economic recovery in the individual sovereign states, there will be an inclination to unification, or, at any rate, that it will be easier to accomplish. I did not believe this was sound a year ago, and the experience of the past year has confirmed my belief. The fact is that after a year's intensive effort and more than $6,000,000,000 outlay the urge in some government circles today toward unity is no greater than it was a year ago, if as great.

The best example of this is the change in the attitude of the Government of the United Kingdom during the last year or two. In January of 1948 Mr. Bevin made a speech which was generally interpreted as a strong endorsement of western European union. Prior to that time, Mr. Winston Churchill was the most outspoken of all modern leaders for a union of these countries.

By last July and August, however, there became apparent a change in the attitude of the Government of the United Kingdom, as evidenced by an exchange of letters between Mr. Attlee and Mr. Churchill.

I may say that I think Mr. Attlee and the British people as a whole might do well to recall that Mr. Churchill's views during the 1930's about conditions in Europe, and the prospects of war and peace, proved to have been quite accurate, and I have often felt that British people and ourselves would have been spared a great deal of trouble and agony if we had paid more attention to his advice at that time.

I wish now to read from an article which appeared in the London Times on August 26, 1948, which is the most recent official statement by the present Prime Minister of the United Kingdom that I know of. I read:

[From the London Times of August 26, 1948]

CONSULTATION WITH COMMONWEALTH
GOVERNMENT'S DESIRE

(From our parliamentary correspondent)

In correspondence between the Prime Minister and Mr. Churchill released for publication yesterday, Mr. Attlee first refuses the support of the government to a resolution proposed to be moved in the United Kingdom Parliament calling for the convening of a European assembly and later, in reply to a further letter from Mr. Churchill drawing his attention to the recent adherence by the French Cabinet to this proposal, states that the Government prefer to await the discussion with Commonwealth Prime Ministers, which is to take place in October, before expressing any definite view.

The convening of a European assembly as a matter of real urgency was the subject of a resolution unanimously adopted last May at The Hague Congress over which Mr. Churchill presided. A memorandum approved by the International Committee of the Movement for European Unity in Paris on July 18 stated that membership of the assembly should be limited initially to the 16 nations, including western Germany, participating in ERP, that it should meet not later than the beginning of 1949, and that a resolution asking that it should be convened should be submitted in the parliament of each nation.

Meanwhile a group of members of the British delegation to The Hague Congress, drawn from all parties, prepared a tentative scheme in which they assumed that the British Government accepted the desirability of the project in principle. They emphasized that the function of the assembly should be to deliberate and recommend, and suggested that since governments were not to be committed by its decisions it might well be convened under the joint auspices of the European parliaments.

MR. CHURCHILL'S LETTER

The Prime Minister received an all-party deputation of the British delegates, led by Mr. Churchill, on June 18—

That was June 18 of last year—

and undertook to examine the proposal to convene a European assembly. In his first letter to Mr. Attlee, dated July 27, Mr. Churchill referred to this deputation and enclosed copies of the British delegates' scheme, the international committee's memorandum, and the draft resolution. His letter continued—

"The creation of a European assembly would represent an important practical step in the advance toward a united Europe, and would greatly help to create a sense of solidarity among the European peoples in the face of the increasing dangers which beset them. In this the lead should be taken by Britain. The encouraging response to the initiative of the Foreign Secretary after the announcement of the Marshall plan in June 1947 and, more recently, in the negotiations for the Brussels Treaty are proof, if such is necessary, of the influence of British leadership.

"I should therefore be most glad if you would consider this memorandum and its enclosures. We should welcome any criticisms or suggestions you may care to make and should, of course, be glad to come and discuss the matter with you further should you desire it."

PRIME MINISTER'S REPLY

In his reply, dated July 30, the Prime Minister wrote—

"As I told you when we discussed the matter together on July 28, I am in sympathy with the basic idea behind the movement. I do not, however, see how the Government could support in the United Kingdom Parliament the draft resolution which the International Committee of the Movement for European Unity has suggested should be moved in the parliaments of the different participating countries. It seems to me that if an assembly is to be convened this must, in view of the vital importance of the matter, be done by governments, and not by independent organizations or by parliaments."

Now I come to the principal point of the statement:

"On the other hand I think that this is not the right time for governments to take this major initiative, when their hands are so full already with urgent and difficult problems."

This is Mr. Attlee speaking:

"It seems to me that it would be unfortunate if the chances of action later were to be prejudiced by such a resolution being raised before the governments feel able to support it, and I cannot therefore but feel that it would be best that the resolution should not be brought forward at this stage. But of course I see no reason why the independent organizations concerned in the movement should not continue in their work of spreading the idea of European union."

Mr. Churchill's next letter was written on August 21, after the French Council of Ministers, on August 18, had decided to approve and take action upon the International Committee's memorandum and to approach the Foreign Ministers of the Benelux countries and Mr. Bevin with a view to a common agreement upon the contents of the memorandum. Mr. Churchill wrote:

"MY DEAR PRIME MINISTER: We were naturally disappointed to receive your letter of July 30 because of its negative character. I thought it wise to delay its publication until you had returned from your well-deserved holiday in the hope that events in Europe might win a more favorable reply.

"Now that Monsieur Spaak has made his important pronouncement and that the French Government have not only adopted the policy but officially propose a practical form of action, I venture to hope that H. M. Government will find it possible to place themselves more in line with western European opinions upon an issue which they themselves have done so much to promote.

"Yours sincerely,

"WINSTON S. CHURCHILL."

FRENCH INTENTION

The Prime Minister's reply, dated August 21, was as follows:

"MY DEAR CHURCHILL: I have now received your further letter of the 21 August. I note that you now desire that publication should be given to the correspondence which has passed between us about the proposal to convene a European assembly.

"According to press reports, the French Government intend to raise the matter in the first instance with the Brussels Treaty Powers, and in that event the issue will probably be placed on the agenda of the Brussels Treaty Permanent Commission very shortly. If you consider that in these circumstances the present is a suitable moment at which to publish our correspondence, I should not wish to dissuade you. I should, however, tell you that when M. Bidault raised the question of a European assembly at the meeting of the Brussels Treaty Consultative Council at The Hague on July 20, the Foreign Secretary replied that he could not for the time being commit himself and there was general agreement that M. Bidault's statement should be given further consideration by the five governments. In adopting this line the Foreign Secretary took into account the circumstance that the whole question has an important bearing on Commonwealth relations, and that in consequence the Government desires to exchange views with the Commonwealth Prime Ministers in October before expressing any definite view. But this consideration need not affect the work of independent organizations which, as I suggested in my previous letter, could profitably continue to prepare the ground for European union.

"Yours sincerely,

"C. R. ATTLEE."

Mr. President, I have in my hand an editorial from the Washington Post of August 27, 1948, entitled "Unity in Europe," from which I read one or two sentences:

It is axiomatic that there will be no federation in Europe until the Europeans surrender some of their national sovereignty to a European organization. In other words, the issue is political rather than economic.

Then the editorial proceeds to point out the attitude of the French, and

quotes from the exchange of correspondence between Churchill and Attlee which I have just read.

The purpose of the editorial is to indicate the change in the attitude of Great Britain, and the way their enthusiasm, or what appeared to be enthusiasm, a little over a year ago, has begun to cool during the last year.

I ask that the entire editorial be printed in the RECORD.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Is there objection?

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

UNITY IN EUROPE

It is axiomatic that there will be no federation in Europe until the Europeans surrender some of their national sovereignty to a European organization. In other words, the issue is political rather than economic. In this respect the French Government has taken the lead by sponsoring the suggestion for a European Assembly to lay the plans for federation. The inspiration came from the Foreign Affairs Committee of the French Assembly, though there are several members of the new government who are ardent federationists, notably MM. Reynaud and Ramadier. Both were present at The Hague Conference of the European Unity Movement where a scheme was formulated for attention of the governments of Europe.

Where this initiative will take Europe depends upon the British. For France, whose polity is based precariously on a constitution which insures government instability, has for the time being lost its influence in Europe. It is to Britain that free Europe looks for leadership. Yet the British, who till the Marshall plan was launched talked eagerly and imaginatively about western union, seem to be hanging back. It is the fault not of the people, but of their government. No member of the Cabinet seems to have the stature or the vision either to grasp the conception or to assume the task of realizing it. That is shown by Premier Attlee's reply to Mr. Churchill's invitation to Mr. Attlee to adopt a policy of federation. Mr. Attlee, whose pre-Marshall-plan contribution to the spate of words on federation was "Europe must federate or perish," shrank from the responsibility. "This is not the right time," he said, adding the weird remark, as if the suggestion had to do with a local bazaar, that the movement must be left to private individuals. The answer will disappoint millions of Europeans who know in their bones that no occasion is more right than the present for the organization of a new Europe. Is this going to be another example of a great hope meanly lost, as Mr. Stimson would put it? The question is pertinent in view of our feeling that the Attlee answer would be forthcoming from all Mr. Attlee's colleagues. One possible exception is Sir Stafford Cripps, but Sir Stafford allowed his interest to evaporate when he encountered negativism among his associates in the Labor government.

However, aside from the deficit in leadership in England, there is a real obstacle in Britain to federation. It is the split personality in the British make-up which has become pronounced as a result of their weakened condition. The British have three affiliations which they wish to keep in balance: With the Dominions, with the United States, and with Europe. They feel that any tightening of one affiliation might be at the expense of the others. No doubt, a peacetime Churchill could fuse what may seem at present divergent interests, but Mr. Churchill is in the political wilderness, and has to be content for the time being with the role of John the Baptist. The task calls, anyway, more for a genius for organization than for a gift of tongues—an organization involving an immense unscrambling and an immense rescrambling. With full recognition of what is entailed, however, at least a start could be made by bringing the nations together in conference, and the promotion of it would redeem British officialdom from the charge of hypocrisy which is courted by the Attlee statement. Unfortunately, both will and statesmanship are lacking.

The fact must now be faced that British do-nothingness will rivet the British to their status quo till the Commonwealth and the United States show the way. The way is federal union, a jointure of all free nations, no matter where situated. With fear in the saddle in Europe, and most of the world's power locked up in the United States, the initiative to western union really belongs to the United States. Economics and strategy alike put the onus upon this great country to draw all the free nations into a political partnership under the authority of article 51 of the Charter of the United Nations. Federation in Europe is a political question, and the destiny of the United States is wrapped up in it. Both times and challenge make even western union look puny, and nothing will suffice short of bringing the whole of the free world under one great and encompassing banner which would impart to each the strength and spirit of all.

Mr. FULBRIGHT. I also have, Mr. President, the issue of March 1 of the Intelligence Digest, which is a review of world affairs published in London, and produced by Kenneth de Courcy. On page 15 of that digest there is a recitation of a conversation which an observer of the Intelligence Digest had with Mr. Paul Reynaud, which I should like to read:

Our chief observer entertained M. Paul Reynaud for luncheon the other day in Paris. He asked M. Reynaud (as a finance expert) what would happen to Britain and France if within one day all passports, customs and currency restrictions between the two countries were abolished as a practical step toward the much discussed, but still quite unreal, western union.

M. Reynaud said:

"A few industries would have some trouble—but the over-all advantages for France and Britain would be enormous—there is no reason at all why this wholesale abolition should not at once be made."

Our observer then asked what the consequences would be if this experiment included Belgium, Holland, Italy, Luxemburg, Portugal, and Spain.

M. Reynaud said:

"The result would be that much larger and better" * * * he paused and then said:

"Do you know that Mr. Bevin is in fact the chief objector to practical measures of this kind?"

This confirms what is now widely said, viz, that British foreign policy is heavily opposing many of the practical things suggested to make union possible.

Mr. President, there are many other articles which illustrate that same point, which I think has a direct connection with the effect of the Marshall plan which is to the effect that the more successful a country is in relieving itself of its immediate economic necessities, the more that success lessens the probability of political union.

Mr. President, I ask that at this point I may insert in the RECORD an editorial from the New York Daily News, of February 28, 1949, commenting upon a statement by a member of Parliament, Mr. R. W. G. Mackay, concerning western Europe, which also illustrates the point that the British Government is not at the present time enthusiastic about European union.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Daily News of February 28, 1949]

WHAT ARE WE WAITING FOR?

You may remember that we shot an editorial a few weeks ago on the views of R. W. G. Mackay concerning a United States of Western Europe.

Mr. Mackay is a member of the British House of Commons, and of the Labor (Socialist) Party, but with a difference. The difference consists in the fact that he has a habit of rearing up and speaking his mind whenever he disagrees with the Labor big wheels. We suppose they hate his heart for that reason, but his views have a strong appeal to us.

We are now in receipt of a longish memorandum from Mr. Mackay, on that same subject of a United States of Western Europe and whether it is or is it not feasible any time soon. His ideas boil down to this:

Up to now, the United States of America is throwing its billions in Marshall-plan (ERP) aid to western Europe down the drain.

That is because there can be no genuine recovery from the war until the 17 countries of western Europe pool their resources and organize their economic recovery as one country.

They could start doing so at once—could call a convention tomorrow and settle the constitution for a federation of western Europe—and by the end of this year they could have a functioning Parliament and Cabinet. Within 3 months they could set up a single stable currency to replace pounds, francs, guilders, etc. In the same period they could kick over all their tariff and tax barriers and get going as one big free-trade area like the United States.

Why don't they do these things, and do them now? Still passing along Mr. Mackay's ideas:

The big stumbling block to a U. S. W. E. is the Government of Great Britain—and for an interesting reason.

"The British Government," says Mackay, "still regards Britain as a first-class power and not as a state of Europe."

It thinks that within a few years Britain will be back, tradewise and powerwise, where it was before World War II.

Mackay calls this utter nonsense. "Those old gold days," he says, "are gone forever, and Britain will be a second-class power as long as it nurses the hope of recovering its former glories and refuses to merge destinies with western Europe."

GET BUSY, AND GET BUSY NOW

Is there any way to overcome these British Government delusions of grandeur and clear the tracks for a U. S. W. E.?

Mackay says the trick can be worked by the United States Government, if that rather powerful agency will make up its mind and act with determination.

The United States action Mackay urges would be some such ultimatum as this, from Washington to London: "Now, boys, we're putting up the Marshall-plan aid in billion quantities. The hell with our previous delicacy about interfering with your sovereignty. You get busy, and get busy right now, to push a U. S. W. E. into being and business by the end of 1949. Otherwise, come 1950, we will cut off Marshall-plan aid definitely and 100 percent, not only to you but to all the other Marshall-plan client countries."

That, says Mackay, would get action, as soon as the British Government got it through its not-too-brilliant head that we meant what we said.

And if we don't bring such pressure to bear, Mackay warns that a United States of Western Europe may never be established—meaning that those nations will be riding on the United States of America taxpayers' back indefinitely.

Isn't this a thought for careful consideration in the highest Washington echelons?

Of course, there are those who disagree with R. W. G. Mackay. Thomas Finletter, for instance, as chief of the Marshall-plan mission to London, told the House Foreign Affairs Committee the other day that Britain is not dragging its feet on U. S. W. E. plans, and that said plans could not move faster than they are now doing.

FINLETTER SEES IT DIFFERENTLY

But as between this starry-eyed Finletter report and the hardboiled eyewitness statement of Mackay, we'd prefer to put more faith in the latter.

At the least, the clash between the two reports merits high-level Washington investigation to find out which is true.

And if you ask us, such an investigation might well proceed from that point to the question whether Mr. Finletter is quite the man to head the Marshall-plan mission to London any longer, or whether he has been played for a sucker and has outlived any usefulness he may once have had in that job.

Mr. FULBRIGHT. I have in my hand an article by Sumner Welles, published in the Washington Post of February 8, 1949, as merely giving the views of one informed observer on this question. The article deals with a recent action, the setting up of a so-called council of Europe, which, as I recall took place on January 28. As I said, the article is by Mr. Sumner Welles, who we all know is one of the most competent observers on international affairs. I shall not place the whole article in the RECORD, but shall read two or three paragraphs. Mr. Welles said:

I wonder if there is much justification for the enthusiastic reception which public opinion in the United States has given the announcement that the five Brussels Pact countries have agreed upon a project for a council of Europe.

The present plan is unquestionably a weak compromise. It rejects the French contention that a powerful European parliament should be constituted. It accepts the British thesis that nothing should now be done beyond the creation of machinery to facilitate intergovernmental cooperation between the western European countries.

I omit a portion and continue to read as follows:

The project makes no provision for the limitation of national sovereignties. It possesses no real vitality. It responds to no overwhelming popular demand for a peoples' union. It ignores the eloquent and urgent warnings of the handful of statesmen that Europe still possesses, such as Churchill, Herriot, Reynaud, Blum, and Sforza, that Europe's only hope of salvation lies in political and economic federation.

I quote further along in the article:

There are several reasons for Britain's obstinate refusal to acquiesce in the demands of the continental countries for the establishment of a European parliament possessing wide powers.

The British delegate on the permanent commission, Hugh Dalton, alleged that Britain opposed a European parliament which could override national governments.

The continental governments have now learned that the British Labor Party is determined to reject any plan for European union which might hamper its ability to carry out its own internal policies or limit its capacity to impose economic controls and pursue its present course of rigid bilateral trading.

I may say that theory has also been widely publicized by Mr. Walter Lippmann, who feels that that last point is one of the most important of those which have persuaded the British not to cooperate in the setting up of a political union at this time in Europe.

I read the closing paragraphs of the article:

It is generally admitted here in Washington that western Europe will still be a long way from recovery when the European recovery program ends in 1952. It is also believed that only a far-reaching political and economic union can make western Europe self-supporting. The negotiations for the North Atlantic defense pact have clearly shown that in many parts of western Europe there is already a trend toward regional isolation rather than toward a pooling of sovereign rights in the common interest. It would certainly seem to be plain that only a real and vital European federation, such as that envisaged by Mr. Churchill, could prevent a return to such a fractionized western Europe as that which made possible the catastrophe of 1939.

The State Department has properly refused to use the European recovery program as a means of influencing the national policies of the Marshall-plan countries. But is there any valid reason why the countries which are receiving help under the European recovery program and which will obtain arms for self-defense as a result of the North Atlantic defense pact should not be frankly told that one of the principal ends sought by the American people in return for their sacrifices on behalf of western Europe is a real federation of the western European countries?

Might it not be the better part of wisdom for us to adopt before it is too late a less negative attitude with regard to this vital issue?

Several days ago I received a letter from one of the best-known historians and political analysts in this country. Every Member of the Senate is well acquainted with him. It being a personal letter, I will not read the writer's name, but I wish to read the substance of the letter, which presents in a very concise manner, I think, what the attitude of the British Government is at this time. The point he makes is that instead of there being an ever-increasing desire and move toward union while the ERP has been in progress, in the case of Great Britain at least, the most powerful and most important single country, the result has been the opposite. So the underlying theory of the State Department, that as economic progress takes place there will be a tendency to political union, is simply not borne out by the facts.

I quote from the letter:

It is not even a question of our insisting on promoting political federation in Europe. What has actually happened is that even the modest kind of economic cooperation and mutual help called for in ECA legislation has for all practical purposes collapsed. Everyone in Europe knows that, but apparently no one is this country has realized it. What we have got now in Europe are 18 or 19 separate programs of self-help subsidized by the United States. There is no reasonable doubt that this is the deliberate policy of Cripps and the British Government. They have never liked that aspect of the Marshall plan which required them to act as one among several European nations. They do not regard themselves as European. They do not wish to stand in the same queue as the others, and they have as a matter of national policy maneuvered themselves out of the collective efforts for European recovery.

Cripps admitted to me privately that he would much rather go it alone and not be obligated to make agreements with the other European nations. The fact is that our people have accepted this result without serious resistance. It may be that European cooperation and mutual help such as Congress thought it was voting for is not feasible or desirable. I do not agree with that view, but I can see that a man might take that view. What I think is reprehensible is that this major defeat of a declared American purpose should be glossed over and hidden from the American people and from the Congress.

That expresses very well the point I wish to make. We ought to realize, and the country ought to realize, that this program is not making progress toward what I believe the country thought last year was one of the principal objectives of the plan, that is, the political unification of Europe. It certainly is what I thought was the justification for the plan.

Mr. President, economic cooperation induced by an enormous and unprecedented program of free gifts contributes little if anything toward the bringing about of political unification. In fact, it may well be that this program as presently administered is deterring rather than promoting political unity by relieving temporarily the necessity for the abolition of trade barriers, currency stabilization and certain internal reforms. Our gifts are destroying the principal motive for reform—necessity.

To achieve unification there must exist not only a wish to federate, but also the circumstances which demonstrate in the clearest and most unequivocal manner the necessity for such a change in the existing political institutions. The difference between my view and that of the State Department is not so much a difference of objectives as it is a difference of opinion about the practical political considerations which enter into a step of this kind. I believe that the necessities of the moment which arise from the immediate demands upon them are, generally speaking, much more persuasive than long-term considerations, no matter how reasonable the latter may be.

For centuries leading European statesmen and philosophers have recognized the feasibility of unifying the chaotic, fragmented states of Europe if peace and prosperity were to be brought to that restless and quarrelsome region. After each major catastrophe in Europe there has been a movement to form some kind of concert or union of their nations, but each time they were able to restore a precarious peace and a tolerable standard of living before anything definite toward union could be achieved. Since the last war, which has come closer than any previous conflict to bringing about the complete destruction of her civilization, many European statesmen have thought seriously about uniting their countries. Led by Winston Churchill and supported by such men as Auriol and Reynaud, a strong movement got under way to

bring about unification of Europe. Recently, however, there seems to be less enthusiasm for union than some months ago. It is my belief that insofar as the Marshall plan billions relieve the more pressing immediate problems confronting European nations, to that extent the probability of political union in the foreseeable future is lessened. For example, the necessity to balance their international payments—especially intra-European—and the need for efficient mass production are powerful incentives to the formation of a political union upon which basis an integrated economy could be built. However, so long as we pay the deficit in their balance of payments and supply them with the goods required to satisfy their immediate needs, the necessity to make changes in their political structure is not sufficiently critical to induce action.

By this I do not mean that we should withdraw all support for Europe. That might result in complete collapse and communization before the people could have an opportunity to regain their equilibrium.

It is not as simple as a clear-cut choice between no aid or all-out aid with no conditions attached. I think we should give them the aid, but at the same time I think it should be very clearly understood that we expect them to sacrifice some of their ancient prejudices to the end that they may become self-supporting and strong. In other words, the political unification should move along simultaneously and as a part of the program of economic rehabilitation.

One reason for this basic defect in our policy toward Europe is a common misconception in our country of the role of government. Many of our people, especially our most successful businessmen—and ECA is primarily administered by businessmen—feel that politicians and politics are great hindrances to prosperity and the good life. They feel that if the politicians and the Government would leave them alone all would be well. They fail to recognize that the favorable conditions which are indispensable to their business operations are essentially political. They do not see that before we could develop great and efficient business enterprises in this country there had to be a government which gave us personal freedom, freedom of trade among the 48 States, a relatively stable currency and security from external oppression—in other words, a good political government. Combining freedom and security is the condition precedent to economic progress, and not the reverse.

Mr. President, this difference in view as to the relative importance of the economic and political aspects of the problem and the timing of proposed changes is the crux of the matter.

The Secretary of State, Mr. Acheson, according to his testimony before the committee, apparently believes that economic rehabilitation must precede political integration. I believe that political unification or at least a reasonable hope of it is a necessary condition for sound economic progress and recovery in Europe.

For the record I should like to read from the statement made before the committee by the Secretary of State. It is very brief. The portion to which I refer is found on page 196. Secretary Acheson stated, in answer to a question of mine:

Do you think you can have lasting economic integration without political unity among this group of sovereign states?

Secretary ACHESON. Well, Senator, it is sort of like the question, Can you have a chicken without an egg, or can you have an egg without a chicken? The two things would ordinarily progress together.

This is the crux of his answer:

At the present time it would be almost impossible to have any sort of close political integration on account of the great disparity between the situations in the various countries.

It will be noted that the view of the Secretary is very similar to the statement by Prime Minister Attlee in response to Mr. Churchill's inquiry.

On page 197 the Senator from Georgia [Mr. GEORGE] made this comment, to which Secretary Acheson agreed, indicating a little more fully what his view is.

Senator GEORGE. In other words, the economic stability of an area controls the political stability of that area, rather than the political union or stability working out for the economic stability of the area. Between the two, the economic stability really comes first and gives greater color and strength to any political consideration that may be built on it.

Secretary ACHESON. I think that is correct, Senator GEORGE.

That, as I say, sums up in few words the real difference of view as to the practical way to approach this problem.

On page 200, at the bottom of the page, the Secretary had this to say:

But until conditions are improved, it is quite impossible to give any body in Europe, any group of people, final authority, for instance, over the currency. How can you do that when you have such great disparities as you have between some of the countries at the present time? The difficulties in Europe today are not only trade barriers. That is only one difficulty. More important is the lack of uniformity in the progress which they have made toward stability.

As I have said before, it will be noted that the Secretary's view is quite similar to that of the Prime Minister of the United Kingdom. In effect, both of them say that "Now is not the time." It is with that view that I am especially and particularly in disagreement. I should like to add at this point that sometimes I am very puzzled as to what is the official policy of our Department of State. This uncertainty is illustrated in the apparent conflict between what the Secretary of State said and the statement of our Ambassador to France, as carried in the Washington Post under a dateline of March 24. As I have stated, the first statement by the Secretary of State was made during the hearings, approximately 1 month ago. At that time he very definitely said that now is not the time, but that there must be economic rehabilitation first. But under a March 24 dateline, I find the following in a special dispatch to the New York Herald Tribune concerning a statement by our Ambassador to France, Jefferson Caffery, in speaking in Paris:

CAFFERY EXPLAINS STAND ON EUROPEAN UNION

PARIS, March 24 (NYHT).—The United States favors a federation of Europe because political unity of the Continent is the best guaranty of European strength, prosperity, and independence, United States Ambassador Jefferson Caffery said today.

"I do not pretend American policy is wholly unselfish," the Ambassador told the French Union of Federalists. "A prosperous Europe helps make America prosperous."

So apparently our Ambassador to France believes we are in favor of political unification of Europe or federation of Europe, whereas the Secretary of State said, if I correctly interpret his statement, that he believes now is not the time, but that there must be economic unification, before we can move to political unification.

Mr. President, in contrast to the views of the present government of the United Kingdom, the leading statesmen of other western European countries have been quite positive in their views that political unification should be undertaken now. The French, the Italian, and the Belgian leaders have urged that a meeting be called for this purpose; but the British have delayed, put off, and procrastinated, without frankly condemning the idea.

Likewise, the testimony on the subject before the committee was clearly to the effect that the people of those countries favored union. I wish to read a few extracts from the testimony before the committee, in order to direct attention to that point. Mr. Collisson, who is our representative in the bizonal area of Germany, testified before the committee, and I read the following from page 306 of the hearings:

Senator FULBRIGHT. Is there any feeling there—

That is, in Germany—

for uniting with the other western European countries?

Mr. COLLISSON. I think they would readily unite. As a matter of fact, I not only feel it; I am sure they would.

That is a very positive statement on the part of Mr. Collisson.

I pursued the subject, and he elaborated on it, as shown by the paragraphs following the portion I have quoted.

Mr. David Bruce, who is in charge of our program in France, made a statement on this point, as shown at page 247 of the hearings:

Mr. BRUCE. My personal opinion is that the French political leaders, I think, have been more enthusiastic about the idea of economic and in some respects political integration than those in the other countries in western Europe, because they have displayed a great enthusiasm over a period of time in favor of what has been programed.

Dr. Alan Valentine, chief of the ECA mission to the Netherlands, made a statement on this point, as shown at page 325 of the committee hearings:

DUTCH ATTITUDE TOWARD POLITICAL UNIFICATION OF EUROPE

Senator FULBRIGHT. Has the Dutch Government expressed any thought that you know

of, in regard to political unification of western Europe? Do you know whether the Dutch Government has expressed itself?

Dr. VALENTINE. I do not think that the Dutch Government has given any official Government expression. It is certainly in the minds of a great many of the Dutch people.

Senator FULBRIGHT. It is in their minds?

Dr. VALENTINE. Yes, sir.

Senator FULBRIGHT. What do they think about it?

Dr. VALENTINE. It is difficult to generalize for a nation in which I have lived for only 8 months; but I would say they are favorably inclined.

Mr. J. D. Zellerbach, Chief of the ECA special mission to Italy, engaged in an exchange with me when I inquired about the attitude of the Italian Government. These statements appear on page 274 of the committee hearings:

Senator FULBRIGHT. As a matter of fact, the present Italian Government has taken the lead in urging political unification of Europe, have they not?

Mr. ZELLERBACH. You have seen the statements of Mr. Sforza, the Foreign Minister of Italy, and also Prime Minister de Gasperi. They are quite outspoken in their views on the subject, and they had a full-dress debate in Parliament about 6 or 8 weeks ago, in which the problem was raised by the Communists.

Senator FULBRIGHT. I did not notice that. How did it come out?

Mr. ZELLERBACH. The Government received a very substantial majority in support of its policy of western orientation.

Mr. President, to sum up the matter, let me say that I have just indicated the position of our representatives in some of the major western European countries. All of them expressed the opinion in the hearings that the people of the countries with which they are concerned are in favor of western European union, except of course I did not have such a statement from any representative of ours in Great Britain.

Let me say that I also noticed in the New York Times of March 2 an article by Anne O'Hare McCormick, who is one of the best known and most competent observers of that great newspaper. The article is about western Germany. I think the point in regard to the attitude of the people of western Germany is particularly significant, and a little later on I shall touch on the significance of European union to the problems of Germany. However, at this point I wish to read only one paragraph of the article to which I have just referred, for it sums up the entire article.

It should be added that there is also one point on which Adenauer, Schmidt—

Those men are the leaders of Germany at the moment—

and their followers agree. They sincerely believe that the future of Germany depends on the federation of Europe. The desire for a European union is more widespread here than in any country this correspondent has visited. It is far stronger than faith in the Bonn constitution.

Mr. President, I wish to emphasize the point that in view of the criticism which has arisen in the last few days about the action taken by ourselves, together with the British and French, in slicing off small parts of Germany, I think our policy already is beginning to disintegrate. We seem not to know what to do with Germany. But certainly one of the worst things to do at this particular time is to stir up Germany in a petty way, by slicing off 52 square miles of its territory here, and perhaps other pieces elsewhere, without yet having determined what we are going to do about Germany as a whole. It seems to me that it is obvious that the only solution which shows any possibility of success is for Germany to merge in a western European union. I shall refer to that point later on. Mr. President, at the end of my remarks, I should like to have inserted in the RECORD—and I now ask unanimous consent for that purpose—the entire article by Anne O'Hare McCormick, to which I have referred, because of its particular importance in view of the recent developments in Germany itself.

The PRESIDING OFFICER (Mr. GILLETTE in the chair). Without objection, it is so ordered.

(See exhibit A.)

Mr. FULBRIGHT. Mr. President, an article by Michael L. Hoffman, appearing in the New York Times of March 26, illustrates or presents the point I have in mind in a way which perhaps anyone can understand. I must say that the matter of intra-European trade and the effects of political unification is one of the most complicated subjects I know of, and it is extremely difficult for anyone to present it in a way which conveys a clear picture to persons who have not studied the matter very thoroughly. But the article by Mr. Hoffman presents a very simple treatment of the problem and illustrates, out of his experience in Belgium, what is involved all over Europe, and points out one of the reasons why I think a Europe, separated and divided as it is, is hopeless, so far as the future is concerned. The article by Mr. Hoffman is a special dispatch to the New York Times, coming from St. Nikolas, Belgium, under date of March 21, 1949:

ST. NIKOLAS, BELGIUM, March 21.—The factory of Max Meert here in the heart of Flanders, whose artisans founded the modern textile industry six centuries ago, is working at only half capacity. Fifty miles away, on the other side of Brussels, Paul Jacobs' smaller, less modern establishment has more work than there are workers to perform.

Max Meert and Paul Jacobs are important men in Europe—more important than they know. They are the small-business men of a country whose economy epitomizes Europe's strength and weaknesses and whose problems are the problems that Europe must solve to survive.

Max Meert and his two brothers make wool and cotton rugs, fine velours, curtains, and covering for furniture. Paul Jacobs takes bales of cotton from the United States and within an establishment that appears minute by American standards turns them through all the stages into cotton cloth.

MAKES WORKER CLOTHES

Paul Jacobs' concern is going full blast because it makes cloth for workmen's shirts, pants, and raincoats, and cloth that forms the traditional garb of butchers in northern Europe. Max Meert's plant is supporting only 500 of its normal 1,000 employees because it makes goods for which Sweden, Britain, Denmark, and South Africa will not grant import licenses because they are nonessential. The rug department alone is doing well.

I shall skip over to the most important part of the article:

Then why is Max Meert forced to lay off half his force? In his neat sales room, after a thorough visit to all branches of the plant, M. Meert and his sales director explained some of the reasons for the anomaly.

"You hear much of planning," M. Meert said. "But the more governments plan the less we can plan production where it matters—here. You try to do some planning and then tomorrow South Africa or Sweden clamp on new import quotas and an entire market, for which you have made special designs, established sales machinery, and all the rest, is gone."

Like his friend of Brussels Max Meert is convinced of one great truth.

"Neither we nor any other Belgian industry can survive unless Europe becomes one market," he declared.

This is not some long-haired professor, as most of us who advocate this procedure are so fondly referred to. This is an ordinary manufacturer who operates a small plant in Brussels. He says:

"Neither we nor any other Belgian industry can survive unless Europe becomes one market," he declared. "We are willing to face competition of other manufacturers. What we cannot face is the constant break-down of trade at the instigation of some government. Separate tariff systems, separate currencies are luxuries Europe cannot afford. You [Americans] are too soft with us. Hitler would not have let us indulge nationalistic whims. Stalin will not do so, if the collapse of Europe gives him the chance."

I do not think, Mr. President, there can be found anywhere a more persuasive statement as to the necessity of doing something in this field for their own good, than that statement of an ordinary businessman in Brussels. Of course, it is all very well for the high-powered diplomats in our State Department to conjure up all kinds of difficulty in their mumbo-jumbo of currency convertibility, and so on, but that article and that statement by a manufacturer in Brussels assert what is the very heart of the matter, that they are not going to survive; they are not going to be able to maintain a prosperous system so long as a multitude of governments interfere in the markets. He also draws attention to this fact: "You—Americans—are too soft with us."

That is a perfect answer to the constant rejoinder that we should not interfere with their affairs, we should not dictate to them, we should not suggest to them. Most of those people want a few suggestions and a little leadership, to help them over the most difficult time in modern history.

I have before me another article, dated March 23, 2 days later, by the same Mr. Hoffman, writing from Brussels. I only want to read two paragraphs, because it emphasizes the same point. He is discussing Benelux and the Germans. He says:

At the same time the sights have been raised to a much larger objective. The difficulties of forming a larger European economic union incorporating more than 100,000,000 persons are not much greater than

those involved in the Benelux project, in the opinion of responsible officials here.

* * * * *

Productivity is a matter of markets as well as labor and technical skill. The inability of industry to plan on a scale adequate to justify the application of known cost-saving techniques is becoming the chief barrier to progress toward western European viability.

I do not intend to delay the Senate very long, but I do wish to give as briefly as I can some of the additional reasons why I think the political unification of Europe is indispensable to the success of the Marshall plan. As I have indicated, the 16 sovereign nations were not self-supporting before the war. That evidence is in the RECORD in several instances. That is, they had a deficit, an unfavorable balance of trade, prior to the war. They made it up on invisible income to a great extent, and for the remainder they drew upon their accumulated balances—that is, their accumulated "fat."

That accounts in great measure for the gradual building up of their gold reserves in this country, which was simply like an individual living beyond his income, drawing upon his bank account, which was gradually being depleted. So it is not, as has often been indicated, simply a question of recovery in Europe to a status similar to or comparable to that which existed prior to the war. The difficulty goes much deeper than that.

The First World War marked the end of an era, an era which was dominated economically and to a great extent militarily by the power of the British Empire and particularly her trade. We did not recognize that there was a fundamental change which had taken place in the world, we did not adjust our policies to step into the breach left by the decline of the power of Great Britain. There are certain very fundamental differences between our economy and that of Great Britain, which makes it extremely difficult for us to play that role. That was illustrated in the address delivered by the able senior Senator from Ohio who preceded me.

There has been much complaint that this country does not purchase sufficient goods from the rest of the world to balance their accounts. That is partly due to tariffs, but it is also partly due to and emphasized by the fact that we are more nearly self-supporting than is Great Britain, and that we are the most productive nation, and the one with the greatest foreign trade, or with the greatest capacity for foreign trade. We have a situation which will be extremely difficult to remedy by any means that I know of. The only one I can think of which would contribute to the solution is the creation of a strong self-sufficient federation in Europe which could balance, particularly in the economic field, the power of our own Government.

The problem of European recovery is clearly set out in a document entitled "A Report on Recovery Progress and United States Aid," prepared by ECA itself, in February 1949. There is one paragraph in this so-called basic document which I should like to read at this time, simply to illustrate the point I have just made. I quote from page 12 of that document:

Europe's difficulties have not arisen entirely from the war. For years before the war, the export industries of Europe were losing markets to newer or more efficient producers in other parts of the world. Western Europe was able to maintain its traditional living standards only because it possessed a large income from foreign investments and substantial invisible earnings and because it could buy its imports of food and raw materials cheaply from the outside world. The war has deprived western Europe of much of its investment income from overseas and has worsened its terms of trade with the primary producing countries. Changed political conditions have deprived western Europe of many of its more important markets and sources of supply in eastern Europe and the Far East. Throughout the world, it faces more intense competition with the industrial products of more recently industrialized countries, notably the United States. At the same time its population has increased by 20,000,000 since 1938 and its requirements for imported foods and raw materials are correspondingly increased.

Following that statement, the remedy is suggested; and this is the language of ECA:

If Europe is to overcome these handicaps and become self-supporting in the postwar world with anything like its prewar standard of living, basic changes must be made, as the OEEC points out, to adapt its economic structure to its new trading position in the world. It must modernize its old industries and create new ones. It must improve its production and management techniques, and pay greater attention to product design and new product development. Increases in consumption which would be at the expense of exports or capital formation and which could not be supported unaided in mid-1952 must be discouraged. Investment must be stimulated in those fields where it will contribute most and soonest to the balancing of western Europe's external accounts. Finally, there must be a vigorous drive for new markets for European exports, especially in dollar areas. European producers must adapt their products to the needs of those markets; they must build up adequate sales organizations and every effort must be made to stimulate imagination and resourcefulness in sales promotion.

What I am wondering, Mr. President, is, how is investment to be stimulated in an area with so little hope for stability as Europe has, unless some basic change is made in its political organization? All of this advice is very good, assuming conditions existing in Europe, which would make is possible to carry it into effect, but none of those conditions exist.

As lending support to my theory that the prospect of self-sufficiency in Europe, or of her ability to balance her payments by 1952, is very doubtful, I wish to call attention to some statements in the record. I shall not read them all, but in no case did any of the witnesses, including Mr. Hoffman, Mr. Harriman, and others, feel any great confidence that by 1952 the balance of payments between the countries involved and the rest of the world would be achieved.

I should like to call the attention of the Senate to page 83 of the hearings. I was questioning Mr Hoffman, and the following occurred:

Senator FULBRIGHT. Mr. Hoffman, you said this program would end in 1952. Do you believe that the balanced payments of the OEEC countries, that is, their international payments, will be in balance in 1952?

Mr. HOFFMAN. I have got to assume they will be. In other words, that is the goal, and I do not know why they should not be.

Senator FULBRIGHT. From your reports and estimates, do you believe they will be?

Mr. HOFFMAN. If by that you mean every country in Europe, I would say no.

Senator FULBRIGHT. The ones that are in this program.

Mr. HOFFMAN. I would say no.

At page 176 of the hearings I asked the same question of Mr. Finletter, our representative in Great Britain. I said:

Is it your belief that Britain, by 1952, will be in balance? Did I understand you to say that?

Mr. FINLETTER. No, sir. I have been careful not to say that. The British Government itself does not go beyond saying that they will do everything that lies within their power to get into dollar balance by 1952–53. The reason why I am unable to answer the question is that it depends upon, (a) unknown factors, and (b) factors beyond Britain's control.

I only mention that for the purpose of illustrating that the same people who have no enthusiasm for, and are unwilling even to advise the Europeans to form a federation, themselves have no real confidence that the present program will result in the achievement of balance in 1952, from which I am forced to conclude that they think this kind of a program may go on indefinitely, and which, I may say, is much more in accord with and consistent with a theory of a relationship with Europe of permanent dependence than of their gaining independence and a strong self-sufficient economy.

Mr. President, I mentioned a moment ago that the only solution I could see of the problem of Germany was in federation. It will be recalled that there is a basic conflict between the desire to develop Germany on the part of this Nation and the British and other nations who would like to see Europe become self-sufficient; and a fear on the part of her neighbors, France, Belguim, and other nations, of a revived militaristic Germany. That dilemma has plagued our policy, and we have made very little progress toward its solution. In fact, the first sign of progress in the revival of Germany occurred last summer. We started out with the so-called level-of-production policy in which we established a ceiling on the production of vital materials, such as coal, fertilizer, and so forth. It was in response to this fear of aggression by a revived Germany last summer that the reform of the currency of western Europe has begun to make some progress. But we are still plagued with the difficulty of what to do about Germany. On the one hand, if we permit her to rebuild her industries to full capacity, she will threaten the peace of Europe, as she has already disrupted it twice within a quarter-century. On the other hand, if we keep her down and prevent her from rebuilding her industries, and if we permit the dismantling of her

plants, all of Europe will thereby suffer for lack of the goods which Germany can produce. In addition to that, this Nation is spending several hundred millions of dollars. I think the spending is now at the rate of seven hundred or eight hundred million dollars this year. In other words, we have a permanent boarder upon our backs, which is very unhealthy for the Germans as well as being expensive to this country. If that situation is continued too long I think it will result in a hopelessness and, probably, a strong growth of communism in that important section of Europe. I do not think we shall have a really prosperous economy in Europe if her principal industrial nation is kept down.

The only way in which it is possible to turn loose the Germans, so to speak, and let them utilize their genius for production, is to have them become a part of a federation of western Europe. I think that is a point which cannot be too strongly emphasized, because it is quite obvious that our own State Department has not developed any alternative solution.

It is true that what happened a few days ago was not a very significant carving up of Germany; there were involved only some 13,500 people, and 52 square miles, according to the press. At the same time, it was symbolic to the Germans. It was a symbol of their being broken up and scattered about among their neighbors.

If we are to adopt that policy, which I do not think would be a wise one; we should go the whole way and divide up Germany completely and dominate it. But no one I know of is advocating that. Yet the piecemeal approach, the slicing off of a little here and a little there, is certainly a stupid one, because it alienates the Germans, and achieves little in the way of destroying their power for the future so far as our country is concerned.

I cannot see any way of dealing with the German question other than to merge them into a large federation which they would not be able to dominate. As I pointed out a moment ago, in the article by Anne O'Hare McCormick, it is stated that the Germans at this particular time in their history are strongly in favor of merging their government with the other governments of western Europe. It is an opportunity which has probably never occurred before, and I do not know when it will occur again, at least until after the next war, if there shall still be a Germany left. That shows the significance of the circumstance. The very fact that Germany is in bad shape, that she is the most disorganized of all the countries, contributes to her desire to seek salvation through joining up and federating with her neighbors.

In my opinion, the illustration given by Miss McCormick confirms my theory that the time for arriving at a decision and for making a commitment is at hand. It confirms it as strongly as any evidence I have seen regarding the state of mind of Europeans, although I must say that the French and the Italians and the Belgians have also indicated their willingness and eagerness to try to work out such a federation.

The western European countries which are involved in the Marshall plan, some 16, and their possessions, actually have a greater usable power than Russia, if their potentialities are combined and organized in such a way that they can be used. That is, the possibility of development is greater than is the case of Russia. One might say Russia has a potential power, but I think these countries have a greater usable power today than has Russia. The difficulty, therefore, is in finding a way to enable them to be concentrated or combined for purposes of defense, as well as for purposes of supporting themselves economically.

I wanted just to indicate very roughly—and these are strictly rough approximations—a few items. It is estimated that the production of an item like steel in the western world would be roughly 3 to 1 what Russia could achieve with all her satellites by 1950, in round numbers. There has been some variation in the figures, but I would say the production of the United States and western Europe would be approximately 120,000,000 tons compared to 40,000,000 by Russia and her satellites. Or deduct about 80,000,000 tons, the production in the United States, and the production in western Europe would still be forty or fifty million, as against roughly 40,000,000 in Russia and her satellites. There would be, therefore, ample steel production to offset the power of Russia in that field.

As to oil, the United States produces about 250,000,000 tons, as against about 40,000,000 in Russia, which is about 6 to 1. The European countries, assuming, of course, that they can maintain their control and interest in the Middle East, would not lack oil at all. They have no oil within the continent itself in any appreciable amount, but they do have the ownership of it. Probably the greatest shortage of basic raw materials in western Europe and the continent is in grain cereals and oil.

We are now proceeding, as the Senate well knows, to the development of an Atlantic pact, and, assuming friendly relations between western Europe and ourselves, we would have such a combination of power and such a preponderance of power in the west that I think there would be practically no likelihood of any attack by Russia. I can think of no other way which would discourage such an attack than the realization by Russia that European countries are combined under one central direction, and that their power would be available, in case of an attack, to resist the aggression of Russia.

Let us consider coal, for example. Our coal and that of western Europe amounts to about four times as much as the production in Russia and her satellites. In addition, the population of Europe, roughly 250,000,000, together with slightly less than 150,000,000 persons in this country, number about 400,000,000, as against an estimated 290,000,000 in Russia.

Mr. President, more significant than the number of people is the literacy and the skill of technicians of western Europe and of this country, compared with so many very primitive people in Russia and in her satellites.

In connection with the question of security, I think this approach is much more important, over a period, than the Atlantic Pact. I am for the Atlantic Pact merely because it is a part of the structure we are building, as a temporary matter, to resist the threat of aggression in the immediate future. I think it is necessary to get us over the transitional period. I am assuming, of course, that our objective is a united West, and the first step in the unification of the West is the federation of western Europe.

If I cannot assume that as a possibility of this whole program, it knocks out the justification for both the ERP and the Atlantic Pact, except on the theory that the pact gives us a breathing spell. I say that because all countries have had long experience with pacts. We have not had so much, but all the western European countries, all those with whom we are making the pact, have had long experience with pacts, and they have not proved anything except the ability to get around some immediate difficulty. They usually end up by the various members going their own way, according to the immediate self-interest of whatever nations are in the pact.

I would say these pacts have contributed little if anything to the preservation of peace over any appreciable period. During the last century it was not so much pacts that preserved peace in the world, it was the concentrated power under the central direction of the British Empire, with its control of the greatest fleet in the world, and its overwhelming economic power, of course during a period when this country was not seeking to exercise any power. In fact, we were reluctant even after war broke out in 1914, and up until 1917, to enter into this field. I think the peace was dependent primarily upon the existence of a preponderant power on the part of the British.

As that power relatively decreased with regard to Germany and western Europe, we got into the period of recurring wars, and we are going to stay in that period until in some way one of two things happens. One is that there shall be an effective United Nations, that is, an organization based on law. There is no use of our kidding ourselves; that organization is not working, and there is no prospect of it working so long as Russia is of the mind she is today, so we are forced to take some other approach. This is the approach, the only one I can think of, which in a sense would recreate a situation somewhat similar to that which existed in the last century, in which the power under the command and direction of the West would be sufficiently great to deter aggression by Russia, or any other country, for that matter. That is what did happen to a great extent, I believe in the last century. So it has a very tangible interest for us. After all, we are in these programs to be successful, not just for fun. If we were seeking some tangible and real results from our efforts I think this would be the most effective way to approach the problem.

One other word with regard to Europe itself. The only thing I could think of that would inspire in the Europeans themselves any hope of or confidence in the future would be the acceptance by their governments and ours of this objective of unification. If I were a European looking over the situation and all I could see and all that was held out was the re-creation of the same old organization that existed prior to 1914 and prior to 1940, of exactly the same politically fragmented little countries, no one of which is able to defend itself or even to pay its own way, I would have no confidence in recovery. If that is all we are reestablishing, how can any European have any confidence in the future? How can any European with either personal ability or with any capital to invest, have sufficient confidence to invest that capital or really to go to work? In fact, I do not think they have invested their capital or really gone to work.

I believe that a great many of the people of Europe have already made provision to convert their capital, if they have not already taken it out of the country. I believe a great many of them have converted their capital into such things as diamonds and gold. We hear rumors to the effect that there is as much as $5,000,000,000 of liquid capital in France in hoarding—hoarded by her people. I believe that is true, because I am sure that if I were a Frenchman and looked at the scene as it now exists in Europe I certainly would not be thinking of building a factory or doing anything else when any day the present situation might collapse, either internally or because of the fact that the United States might change its mind. I can well imagine that those people, being human, will wonder how long this country is going to sit here and support a plan which actually holds out very little chance of success unless it is inspired and built around some idea such as the unification of Europe. If I were a European I would react in the manner I have described—and I believe every Member of this body would also—unless the European nations could accept as an objective the unification of their countries. Unless that could be done I would have no confidence in the success of the United Nations. If I were a European I would not have any confidence in its success unless I thought there would be such a reorganization of Europe's political alinement.

Mr. President, if I am critical of the ECA, it is only because I am following the injunction of General Marshall. On January 8, 1948, he told the Senate Foreign Relations Committee, and I quote from page 1 of the 1948 hearings on ERP:

> A nation in which the voice of its people direct the conduct of its affairs cannot embark on an undertaking of such magnitude and significance for light or purely sentimental reasons. Decisions of this importance are dictated by the highest considerations of national interest. There are none higher, I am sure, than the establishment of enduring peace and the maintenance of true freedom for the individual. In the deliberations of the coming weeks I ask that the European recovery program be judged in these terms and on this basis.

Let there be no mistake about it; in spite of all the talk of convertibility, exchange rates, balance of payments, bilateral and multilateral agreements, and all the mumbo-jumbo of international finance and economics—in spite of all this—the continuation of ECA is to be judged upon its contribution to that goal which General Marshall set: "the establishment of enduring peace and the maintenance of true freedom for the individual." I am sure that this is the way the American people will judge it—they are paying dearly for it. And their support of it is not dependent upon whether Britain or France or Italy achieves a balance of payments in 1952, nor even whether the European countries achieve prosperity by that time, although these considerations are undoubtedly important.

What we should be concerned with, and what the American people are undoubtedly concerned with, is this effort being used to its maximum to the establishment of enduring peace and the maintenance of true freedom for the individual.

Of course, we do not believe that the ECA alone can accomplish this. But, again I say, it must be judged on the basis of its contribution to that goal, and if it is contributing any less than its maximum, it should be corrected and strengthened accordingly.

Again, I wish to emphasize that economic recovery is important. We all recognize the necessity for a decent standard of living in Europe, in our own interest, because communism preys on economic distress, and economic stability goes hand in hand with military and political security. But economic considerations are not the only elements of this problem, nor can they be isolated or sterilized and treated entirely separate and apart from their political causes.

Of course, ECA is an economic program. But to think there is absolute divorcement between economics and politics, is to say that politics have no effect upon economics. The fact is that the only method of dealing with economic problems which governments have is the political method.

Mr. President, day before yesterday I picked up an article in Foreign Affairs, an American quarterly review, of 1949, published by the Council on Foreign Relations, which is one of the best-known and most-respected organizations dealing with our foreign affairs in this country. The article is by Sir Arthur Salter. I want to identify him. He was a member of Parliament for Oxford University; was Secretary of the Allied Maritime Council during the First World War; was Director of the Economic and Financial Section of the League of Nations, 1922–30; was parliamentary secretary to the Ministry of Shipping, 1932–41, and afterward head of the British shipping mission in Washington. He is one of the most learned and highly respected statesmen of Great Britain. What I want to emphasize is that here is a British statesman. He does not happen to be a member of the present Government. They have their own political problems. After all, the members of the Labor government expect to be up for election next year. I am going to be up for election myself, and can understand how one who is up for election does not want to rock the boat. Certainly one does not want to undertake some new project that might not have developed in time, and all that. There are reasons why the members of the present British Government might not want to undertake this program. So I emphasize that here is a man who is as disinterested as a prominent figure can be, and he has some very clear, significant statements to make with regard to the problem. I am not going to read the whole article, but there are two or three paragraphs which I think are worthy of our consideration, and which I want to read into the RECORD at this point. I read from page 296:

> The conception of "western union," of an integration of the countries of western Europe, including Great Britain, into a single economic union, within which the specialization of industry and the pattern of trade would develop as it has in the federated republic of the United States, has fired the imagination of both Europe and America. In the modern world the nineteenth century dream of an international trade so unrestricted by governmental action as to make political frontiers economically without significance can obviously not be realized. Failing a world economic unit in this sense, there would obviously, in the final result, be a great increase in the total wealth of the countries concerned if an area as large and potentially as rich as "Western Union" could be a single economic unit.
>
> Here is an area with a population of some 250,000,000, rich in resources of industrial skill and easily able to manufacture enough to raise standards of living greatly, with an ample surplus of manufactured products to pay for any deficit of food and raw materials. The economies of mass production, which can be realized only with the assurance of an adequate market exempt from tariffs and other governmental interferences, could in time give to Europe the same advantages as they have to the United States. And with economic union, and the increased economic strength that would result, there would of course be a corresponding increase of defensive power against any threat of aggression from without.
>
> The advantages of union are indisputable. But the obstacles to rapid and complete union are formidable and perhaps insuperable. It is natural that the difficulties should be felt more acutely by European countries than by those who have a more distant and more global view from across the Atlantic; and, within Europe, that those who, as ministers and officials, are enmeshed in the daily problems of current administration, should be more conscious of these difficulties than those who have no such official responsibility. Those who are all the time in the midst of the trees may fail to see the wood. It is easier for America than for Europe, and in Europe for those out of office than those in office, to see the wood as a whole. But, after all, a wood consists of trees, and its pattern can be changed only by dealing with the trees. Changes can come only through the machine of actual government if the impetus to the change must come largely from without. This is why, in the development of western Europe, governments seem to lag behind public opinion, and European action behind what America believes to be both practicable and desirable. It is perhaps equally important at this moment that European governments should, by external impulsion, be pressed to make the utmost progress that is in fact practicable; and that those who press them should equally realize that

there are, after all, practical limits to progress and its pace.

I wish to emphasize that one line:

It is perhaps equally important at this moment that European governments should, by external impulsion—

That is the point I have reference to—external impulsion—in other words, that is ourselves—

be pressed to make the utmost progress that is in fact practical; and that those who press them should equally realize that there are, after all, practical limits to progress and its pace.

This is an Englishman speaking.

An economic union, with the abolition of all internal tariffs and barriers, is a simple and attractive conception, and it would automatically avoid all the difficulties that arise from the "most-favored nation" principle of commercial policy. But practical Western Union, now and for some time to come, must mean both much less and much more than this.

I skip to the next paragraph:

If economic union does not include this, it does little good; if it does, it involves political changes that amount to something approaching federation. Even under prewar conditions the attempts to create economic unions failed unless they were accompanied, or quickly followed, by political union.

There is one paragraph which has particular reference to our part in this program. What I wish to emphasize is that the people who are so concerned about our not offending the British or the French, or whoever it is, by interfering, are completely on the wrong track. These people are eager to have some help in this matter.

On page 300 of this book we find the following:

In these circumstances, agreement among the several countries on a general plan, and on the means of securing its application, is likely to be slow and difficult. The influence of a powerful and disinterested country, in an arbitral position, may often in such cases make just the difference—

That is exactly what this country ought to do—make that difference—

may overcome a separatism which each national representative may realize is against the general interest but which in view of pressure from interests in his own country he is impotent to resist. For ECA to be completely passive in such a case, and merely to stand ready to help whatever may be agreed by OEEC, and no more, will be to decline one of the most valuable services it can render.

That is exactly my point. He makes it in much clearer language than I can.

On the other hand, to try to force through schemes against the determined resistance of governments who after all are responsible for the social and political problems of their countries, by making acceptance the condition of grants, would be highly dangerous. Much may be done by tactful persuasion; all may be risked by a harsh insistence.

I also agree with that statement. I have never thought that this should be forced by harsh insistence, but we certainly should not stand passively by.

Mr. President, I wish to conclude with a few observations as to why I think some of the present operation of ECA is not promoting as much as it should the political unification of Europe. In fact, a strong case can be made, I think, in some instances, that ECA is encouraging nationalism in some of those countries by accepting requests which tend to result in national economic self-sufficiency rather than the most efficient economic integration of the whole area. If the program promotes nationalism, it thereby discourages the unification of those nations. Already there are distinct signs of relaxation of efforts to develop integrated plans even in the economic field.

I have in my hand an article which I ask to have inserted at this point in the RECORD as a part of my remarks. The article is by Mr. Harold Callender, and appeared in the New York Times of March 7. In this article he describes the recent action in the dropping of the so-called master plan which Mr. Hoffman has suggested to the OEEC countries. In fact, it practically says that this is the end of the effort to create an over-all master plan for the administration of the ECA program.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times of March 7, 1949]

EUROPEANS TO DROP ERP MASTER PLAN—STEERING GROUP FINDS PROPOSAL IMPRACTICABLE, BUT WILL URGE MORE COOPERATION

(By Harold Callender)

PARIS, March 6.—The Marshall plan steering committee for Europe, led by Sir Stafford Cripps of Britain, Robert Schuman of France and Paul-Henri Spaak of Belgium, will complete tomorrow a report that will urge steps toward closer cooperation, but will amount to a tacit abandonment of the project for a common recovery plan for Europe.

Some officials said today they thought it preferable to seek concrete results rather than to draft a common plan that would look well on paper but mean little in practice. W. Averell Harriman, roving representative of the European recovery program, will meet with the committee tomorrow.

This committee is the delayed result of a suggestion supported by Paul G. Hoffman, head of the Economic Cooperation Administration, that men of Cabinet rank take active part in the European Marshall plan council. On the same day that Mr. Hoffman backed this idea he urged a master European recovery plan. The two proposals were linked, and it was assumed the Cabinet members would facilitate such a plan. But hope of a common recovery plan had been virtually abandoned by the time the new steering committee composed of Cabinet members was formed.

The committee is expected to put forward a compromise proposal for reduction of dollar imports, which Sir Stafford urged again today in a long speech prescribing greater austerity for the Continent.

The committee also will urge greater intra-European trade. This was sought, with less success than had been hoped, by the so-called payments agreement to finance such trade. This agreement, based on dollar allocations and grants from creditor to debtor European countries, is now to be revised.

The committee is expected to propose asking member countries for reports on what they have done and will do to stabilize currencies this year and to eliminate their adverse trade balances. It is expected to suggest negotiations looking to coordination of investments, which means an international agreement for expansion of national industries so they do not overlap or create surplus productive capacity.

The committee's recommendations must be approved by the European council representing all the Marshall-plan countries and, to be effective, by the governments of those countries. The recommendations will be under the general heading of a plan of action for 1949–50.

Although the council in February decided to authorize the Secretary General to inform the public of its work, the sessions of the steering committee on the last 3 days have been highly secret. It was said the committee disliked to reveal the national differences within it just when the United States Congress was considering voting a second allotment of dollar aid.

Mr. FULBRIGHT. That article is date-lined March 6, and I think it carries perhaps the best description of the situation. However, there was a second article, which I shall not place in the RECORD, which confirms this view. The second article is dated March 8, and is by the same Harold Callender. I wish to read one paragraph:

The tacit abandonment of the much-discussed international long-term recovery plan was implicit in M. Marjolin's statement that the committee proposals were not intended to be a long-term program, and that national action is still the essential reality. M. Marjolin said, however, that Europe should now move toward the increased coordination of its policies and pass from principles to action.

That article indicates quite clearly that now that things are beginning to move a little better, the tendency to try to create a cooperative over-all program for Europe is already lessening.

For more than a year I have inquired at every opportunity about the progress of Europe toward unity. I took a trip last fall and made inquiry privately. I have talked with employees and officials of the ECA on lower levels, and have asked them their private opinion. I recognize that in order to play the game with united efforts employees must, officially, at least, follow the policy set by the top-level policy makers of ECA. Nevertheless, for the purpose of critical examination I feel that I am justified in obtaining information wherever I can.

As an example, I received an informative personal letter from one of the employees in Europe who is a good American. He was trained in the State Department. I wish to read a part of it to illustrate and confirm the point that little, if any, progress is being made toward union. I do not wish to leave the impression that any of the witnesses were not entirely frank, but I may say that I noticed at least a difference in emphasis as between private conversation with several of the members of ECA and their willingness to express themselves before the committee on the problem of unification. It very evidently had been agreed, as a matter of policy, I think, between ECA and the State Department, that this was a hot subject, and to avoid it. They did not like to express themselves for or against it. It was mostly an attitude of, "That is not a matter that concerns us."

This letter is from an employee who, I think, has no reason whatever to state anything except exactly what he believes. He is personally known to me; but I cannot place his name in the RECORD for very

obvious reasons, because I assume that his organization might believe he had not played the game. But I asked him what he thought, and he told me. This letter was written on January 15:

The European edition of the Herald Tribune recently quoted you as follows—

In other words, he was talking about me—

Before I vote any more money, I want to find out what's been accomplished.

That is a statement I made last fall. The writer of the letter then says:

It went on to say that you wanted to know what Europeans have done toward removing trade barriers, and what gains have been made toward economic, political, and military cooperation.

The following paragraphs are not an appeal to vote more funds. They are not an official account of what has happened or what has been done. These official accounts you will soon receive in reports by the ECA and the OEEC. However, I thought it might be of some interest to give you the informal opinion of a boy who is sitting here trying to work on these things.

The European nations have made some progress in economic and political cooperation. They divided the first allocation of ERP aid among themselves. They have worked hard in the past few months in an attempt to evolve a program for 1949–50 and for the entire 4-year period of the ERP. The individuals here have put in long hours, for we in ECA have been sitting with them, and have worked on into the night many times.

However, they have not come up with a program for the 4-year period. The interim reports which they have put out are frank, and do not try to gloss over any of the difficulties. Unfortunately, there are some problems, such as exchange rates, which are very important, but which are not mentioned. There had been some pressure from certain nations to present a more optimistic picture, but this was repudiated. The fact that the European nations have been so frank makes the job of the United States easier, as far as criticism goes. It is much less explosive politically for this criticism to come from the nations themselves than from us.

Maybe I am too impatient, but I think they should have come up with a much nearer integrated program, than merely 19 separate programs. I know that they have spent lots of time, but some of it spent unwisely. The basic trouble, as I see it, is that these people here do not have enough authority to act. They sit and question each other, but any scheme of action, no matter how small, must be referred back to the individual governments for action. We are just as guilty of this as the others, however, since our position is the same in western Germany, and our representatives here have no more power than the others.

This is the situation as far as working together on programs is concerned—some progress, but slow. The other large area of progress is the clearing system set up by which some of the countries received additional dollar aid, provided they made aid available to another country—the so-called intra-European payments scheme. This is a step away from strict bilateral trading toward multilateral trading, and is definitely a step in the right direction.

The various country programs as presented to the OEEC each show an alarming trend toward economic self-sufficiency and nationalism. In countries the size of these, this is of course impossible. The real test on this score will come in the next few months, and I believe that the countries will show more reason when they sit down together than each of them has shown separately. This in itself is a step forward, since if ERP had not been in existence, the individual plans would have been drawn, and never any attempt to reconcile them.

The above are only two areas of possible economic cooperation. There are several others, some of which are listed in chapter 7 of the OEEC reports on "The Interim Report on the Joint European Recovery Programme," which has been or will be made available to you. Very little effort has been made to remove trade barriers, and there seems to be a lack of sense of urgency in their removal. There seems to be a feeling that the removal of these should come only after recovery has been achieved—

That is exactly the point I have tried to make before, namely, they believe that removal of these trade barriers should come only after recovery has been achieved—

but I think they should be an integral part of the recovery effort. I know that all controls cannot be dropped immediately, but I am in favor of erring on the side of dropping too many than on the side of keeping them too long.

In summary, there has been some progress, but there is still a long way to go. Their need for cooperation will continue longer than their need for our gifts, and they should begin to develop a greater sense of realization of this.

That, I think, Mr. President, is as fair and moderate a criticism of the program as I have seen.

Mr. President, great importance is attached to the fact that, by means of the OEEC, for the first time in history, representatives of these sovereign nations sat down at a conference table and freely divulged trade figures and future financial and trade policies. I do not intend to belittle that accomplishment. No doubt it is a great departure from tradition. But that is not the question. We are not concerned here so much with a comparison of accomplishments with the past as we are in judging whether those accomplishments will be adequate for the future. There is no virtue in doing something new simply because it is new.

It is my judgment that the accomplishments of the OEEC, based, as they are, entirely upon cooperation, are not adequate.

The principle of cooperation has been tested by the OEEC and, by itself, has been found wanting. The Interim Report on the European Recovery Program, published on December 30, 1948, is an OEEC review of 19 long-term programs of the 19 participants in the ERP. The OEEC's review of these programs forecast a balance-of-payments deficit in 1952 of $3,000,000,000. The reason for this, as explained by Mr. Hoffman, was generally that "they expected to export more to each other than they intended to import from each other."

This is an altogether natural result, and I am not condemning it. It is perfectly obvious that each country should attempt to better itself economically—that it should desire to sell more to its neighbors than it buys from them. It is not only natural that 19 individual programs would not achieve the desired result, but, in my opinion, it is obvious and inevitable.

The OEEC attempted to reconcile these 19 individual plans into a common recovery program, but, according to the article I have just read, that effort has been abandoned in recent weeks.

On page 123 of the interim report of the OEEC, as quoted by Ambassador Harriman at page 107 of the hearings, the following appears:

The analysis set out in this report does not mean that the western European problem is insoluble; it does mean that the national programs, which have been drawn up by the several governments separately, need now to be revised and modified. This revision must take place in many ways.

None of this revision will be easy. It is not statistical revision of the programs that is needed; the statistics are only valuable as indications of present national policies and of the size of the problem. The modifications needed are changes of policy—import and export policy, investment and production policy, financial and commercial policy—in order to make possible the construction of a joint European recovery program.

Mr. President, the incentive to unity—political or economic—is the interdependence of nations. Each nation's interest in the others is derived from its dependency upon the other for a particular commodity or group of commodities which it cannot supply but which the other can.

If ECA were treating Europe as a whole, these interests and dependencies would be promoted. Country A would be discouraged from producing a product which country B could more economically produce. Country A would be encouraged to turn its investment in labor, money, and materials into some product which Europe as a whole needed, and which country A could produce more economically than could any other country within the trade area of Europe as a whole.

However, in Europe today, each nation is encouraged to build up its production for export, and each nation attempts to hold down its imports. This applies not only to each country's trade with America but to their trade with each other. It is true, of course, that these imbalances among the participating countries are at least partially covered by the intra-European payments plan, but this is merely the passing on of American aid in the form of the creditor's currency. It merely subsidizes the intra-European imbalance; and, for the period of American aid, actually postpones the necessity for reducing or eliminating trade barriers. Of course, it is argued that the removal of trade barriers would result in unemployment and economic chaos. But if reduction and removal of trade barriers is to be accomplished, in keeping with the purposes and policies of the ECA Act, it should be accomplished while American aid can cushion or alleviate many of the unfortunate but necessary dislocations.

I have another amendment, Mr. President, to which I shall refer later, which attempts to deal with that aspect of the problem. In other words, it is admitted that there will be difficulties and dislocations in the trade and industry of the various States, when and if they should make the transition from absolute independence to a federation. But the time that it should be made is while

we are paying the deficit in the balance. In other words, that is the principal use to which the money should be made.

If they are unwilling or unable to undertake that while we are paying, how much less likely are they to undertake it, or be able to undertake it, when the program has come to an end in 1952?

The lack of balance of payments, between European nations and between Europe and other areas, is only symptomatic of their condition. Inherently, the area of the participating countries is possessed of great potentialities. There is no lack of labor, skilled and unskilled. The soil is fertile; other natural resources are generally adequate. Indeed, with the exception of grain cereals, oil, and a few other commodities, there are relatively few deficiencies in the entire area.

The problem is one of confinement of modern industrialism within the restrictions of a medieval economic and political system. Each nation is now, as always, attempting to build up its own compartment to a point of self-sufficiency, to a point of total, or as nearly that as possible, independence of all other compartments.

Of course, it is argued that Europe has not adopted the mass-production techniques which have made us prosper, and it is assumed by many that this is merely due to the fact that Europeans are old-fashioned, backward; that they prefer to do things in the traditional manner of their forefathers. Perhaps this is true to some extent. But the real reason is not a lack of open-mindedness or of the inventive spirit. As a matter of fact, Europe generally has produced many of the modern inventions of the industrial age. The real reason for her failure to adopt more mass-production techniques is the lack of a mass market.

The present difficulties of Europe are merely manifestations of the impossibility of maintaining national particularism in the face of continental economic forces, which in order to operate efficiently must disregard national frontiers.

I have statistics, Mr. President, which I think confirm the statement that the tendency of the program has been to build up the national self-sufficiency of each nation. I ask unanimous consent that the table and the paragraphs which were taken from volume 2 of the OEEC report be inserted at the end of my remarks, merely for reference in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit B.)

Mr. FULBRIGHT. I think, Mr. President, the greatest and most crucial question regarding the question of unification is the timing. It is one of those ideas that, as I indicated in the beginning, has been discussed at least 300 years, if not longer, beginning along about the first of the seventeenth century, in the reign of Henry IV and his minister Sully. This becomes a very live subject, and it has been discussed on and off ever since. I would say that any thoughtful person who has contemplated it, either then or now, agrees with the objective. With that I return to my first point, that the difference between the State Department and myself, or the members of the ECA, is not that they disagree with the objective as a long-term proposition, but that they do not agree that now is the time to do it. I think that is the fundamental difference. I cannot overemphasize its importance. I think that, as Europe regains its prosperity, they will be less inclined toward it. That is, as a political matter, it becomes less feasible to achieve it. That has been true with all peoples at all times. I can think of no instance in which a people, a nation, or a large community has taken really a significant step forward in times of reasonable prosperity. It simply is not human nature. If things are going pretty well, then why change the status quo? People do not sit down, I think, calmly and rationally around a table, analyze their troubles, and say, "We can improve matters in this way." They do not do that to any great extent, especially if it involves a change in either their political or social institutions.

So that the bringing about of a change in the social or political institutions as a practical matter must come about in the time of adversity, the time of great difficulty. I think that has been true universally throughout history. If we accept the theory of the State Department as expressed in the hearings by Mr. Acheson, or as stated by the Prime Minister of Great Britain, I think we shall have missed the opportunity not only of a lifetime, but of many lifetimes, and that the opportunity or similar opportunity is unlikely to occur again until after another war. After such a war, it will be too late.

In conclusion, it is with a troubled conscience and extreme reluctance that I am supporting this further authorization of funds for the ERP. If I were convinced that there is no chance for the political federation of Europe, I would not vote for it. If it does not result in federation, it amounts in effect to a magnificent relief program, and I do not feel that such a program is justifiable.

In other words, I do not feel, if it is merely a relief program, that the taxpayers of this country, certainly those of my State, of whom many are not as well off in many respects as a great many of the people in certain of the countries receiving aid—so if it is purely relief, I cannot justify it.

It is only because I believe that there is still a chance that federation may be brought about that I can support this extension. I still hope that our policy makers and the British can be converted to the view that steps should be taken now toward federation. I think that hope and that possibility is sufficient to justify one more year's effort.

I wish to add, however, that if there is no more progress toward political union made during the coming year than there was during the last, I do not think that I will be able to justify another extension next year.

I shall watch that aspect of the program with the greatest interest during the coming year, and I sincerely intend to abide by that theory.

Mr. President, there was one other article by a leading British statesman, which I ask unanimous consent to have inserted at the conclusion of my remarks. It is written by the Right Honorable Sir Duff Cooper, who is not now in the government, but who formerly was the Financial Secretary to the War Office, Financial Secretary to the Treasury, First Lord of the Admiralty, and, earlier in the war, Minister of Information. Beginning in 1943, and until December 1947, he was the British Ambassador to France. I think he is generally conceded to be one of the leading statesmen of Europe. It is an article published in February 1949—that is, just last month—entitled "The Future of Europe."

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit C.)

EXHIBIT A

[From the New York Times of March 2, 1949]

ABROAD—DESIRE FOR EUROPEAN UNION STRONG IN GERMANY

(By Anne O'Hare McCormick)

FRANKFORT, March 1.—The Bonn Constitution, examined by the military governors of Trizonia in long meetings today, does not evoke much enthusiasm in any quarter. To its German authors it is an unsatisfactory compromise between the views of Christian Democrats and Social Democrats and is weakened, besides, by the abnormal circumstances in which it was written, as a complement to an occupation statute implying indefinite foreign rule and as provisional recognition of a division of the country, which no German accepts. To the military governments it is a compromise between their own divergent ideas on the present status and future Government of Germany.

It doesn't please anybody, yet if the Allies don't agree on its provisions or the Germans find the occupation statute so restrictive that a German Government doesn't seem worth while the situation will be worse than it is now and the Russians will have gained the prime objective of their peace offensive.

The constitution is on the eve of its second reading in parliamentary council. The prescribed third reading will probably take place in the Landerat as a prelude to a vote by this body instead of by the popular referendum favored by the Christian Democrats. As far as the Germans are concerned, the draft is finished. For 6 months representatives of all parties in the 11 states of western Germany, including Communists and 4 delegates from the western sectors of Berlin—the "twelfth state"—have argued it out article by article as they gazed at Hitler's favorite stretch of the Rhine through the glass wall of the assembly hall of the pedagogical institute on the outskirts of the battered university town where Beethoven was born.

GERMANS APPROVE THE DRAFT

The draft reviewed by three military governors today is a German document hammered out under certain directives, but without interference from Allied authorities.

The Germans claim it is modern and federalistic compared to the charter of the first abortive republic. The 65 delegates at Bonn have mulled over every phrase in thorough German fashion. They have taken the job seriously and hopefully as a promise of independence, but they are tired, timid, and defeated men.

The two main tendencies the constitution attempts to compromise are the federalist

and centralist. The Christian Democrats, particularly in Bavaria, support the federal system, while the Social Democrats incline toward a strong central government—the natural policy of a party which aims at concentration of power, especially over taxation, to carry out social reforms and a nationalization program.

Conrad Adenauer, leader of the CDU, charges that the Socialist program also emphasizes nationalism as against the CDU attempt to revive local and individual responsibility. Carlo Schmidt, SPD spokesman, asserts his party is less federalist than opposition only in desiring to realize over-all plans to reorganize the national economy. It goes without saying that the Socialists seek to nationalize coal, steel, and electric power. Herr Schmidt's basic objection to the Ruhr statute is that it is "international control in national interests" and can be used as an instrument to prevent nationalization as well as for deals among competitive powers to restrict German peacetime production and markets.

CONTRASTING FIGURES

These two men, one dry, aloof, a shrewd and able politician of the old German school, the other young, colorful, corpulent, a good mixer and eloquent phrase maker, are outstanding figures in the parliamentary council. It is their ideas that are fused in the new constitution. Dr. Adenauer was twice imprisoned under Hitler and retired 12 years ago to a little house on a picturesque ledge above the Rhine opposite Godesberg where he could look beyond the ugly sights of the Nazi era. But for politicians of the Weimar period and before the beyond it is not enccuraging.

Dr. Schmidt is not so resigned. Actually he is almost as much French as German. Born in Perpignan in France of a Catalan mother, he speaks both languages with equal fluency and mingles Latin effervescence with Teutonic literalness. At present professor of law at the University of Tubingen, he was military governor of Lille for a time during the war and is reputed to have got on well with the French in that Ruhr-like region. Now that roles are reversed he is on good terms with General Koenig and is playing an increasingly prominent part in German revival.

Like most Germans, Schmidt believes the French view prevailed in the Ruhr statute and will prevail in the occupation statute. If the latter gives the Germans too narrow a strip of authority to move in he is among those who would prefer to leave all responsibility in the hands of the military government.

But one point the French and Americans agree on is the federal organization of Germany. The French may prefer a divided Germany and may have acted to delay establishment of any form of western government, but they are nearer to the Americans than to the British or the German Socialists in opposition to centralism.

It should be added that there is also one point on which Adenauer, Schmidt, and their followers agree. They sincerely believe that the future of Germany depends on the federation of Europe. The desire for a European union is more widespread here than in any country this correspondent has visited. It is far stronger than faith in the Bonn constitution.

EXHIBIT B

France, 1948:

Program of additional refining facilities from July 1, 1948, to July 1, 1949. French refinery capacity is scheduled to increase from 8,900,000 tons to 11,900,000 tons. This immediate program and the long-term program must be considered in relation to those of all participating countries. They should be given detailed study to determine whether the sum total of planned refining facilities in various European and eastern Asian areas would result in establishing a refining capacity on an uneconomic basis and in excess of needs.

Vol. II, OEEC: Refining capacity

[Millions of tons]

	1938	1946	1948 (annual rate for first quarter)	1952-53 (targets)
France	6	2.8	7.3	18.7
Benelux	1		2.6	6.4
Italy				8.8
United Kingdom		[1] 2.5		20.0
Bizone Germany			[2] 2.6	3.5

[1] 1947. [2] 1950.

The same report gives what seems to be excessive artificial fiber capacity as follows:

Artificial fibers

[Thousands of tons]

	1938	1946	1948 (annual rate for first quarter)	1952-53 (targets)
France	34.0	49.0	76	150.0
Benelux [1]	6.4	[2] 3.9		17.3
Italy				180.0
United Kingdom	61.2	[2] 92.1	122	200.0
Bizone Germany				150.0

[1] Fabrics.
[2] 1947.

ECA European Recovery Program dated February 1949, page 82, reads as follows:

"An investment program of $1,000,000,000 is planned for the further electrification of European railways. Although electrification will result in very considerable saving in coal, this program may, between now and 1952, tend to worsen rather than improve the balance-of-payments problem. The very large amount of critically short copper and steel will have to be either purchased with hard currency or diverted from the manufacture of other machinery and equipment which could be exported."

Page 95 of the same report carries the following paragraph:

"The second annual program, that is, the one for the fiscal year 1949-50, will not be completed until the spring. The OEEC has obtained program submissions for 1949-50 from each of the participating countries, but it does not plan to undertake the detailed revision and coordination of these programs until after the Congress has indicated what the maximum extent of American aid may be and until the work can be done with a clearer view of the needs of the long-term programs for western Europe."

NOTE.—This would suggest that programing is based on contribution by the United States and not upon the integrated requirements of the participating countries.

EXHIBIT C

NATIONAL PROVINCIAL BANK REVIEW—THE FUTURE OF EUROPE

(By the Right Honorable Sir Duff Cooper)

We who are alive today are living through the greatest revolution that has taken place in human affairs since the fall of the Roman Empire. Our happiness will depend upon our ability to adjust ourselves to circumstances that are changing with bewildering rapidity.

It is a revolution both political and social, which means that not only are the relations between nations, their systems of government, their frontiers and their philosophies undergoing fundamental alteration, but also that the manners and morals of individuals, and their behavior to one another, are entirely different from what they were in the last century. We must understand the facts of the present situation before we can form any plans for facing the future.

The first of these facts is that Europe has lost the position which it has occupied since the dawn of what Europeans know as history. Europe, which includes for practical purposes the seaboard of every country washed by the Mediterranean, has successfully absorbed such Asiatic emigrants as have occasionally crossed its borders, and has, in the last five centuries, extended its control over the whole earth. Europeans have exterminated or suppressed the native populations of North and South America, have broken up the ancient Chinese Empire, and have imposed their authority over the huge and densely populated continent of Asia. And yet the dimensions of Europe are such that anyone who casts a careless eye upon a map of the world may be excused for hesitating a moment before locating this small continent that has played so great a role in the human comedy. The fact that we have got to understand today is that the comedy is finished, and that the scene-shifters are at work preparing for a new production.

During the first 40 years of the twentieth century there were seven great powers in the world—Great Britain, Germany, France, Russia, Japan, the United States, and Italy. They are here arranged roughly in the order in which they could, on the day of mobilization, put fighting forces into the battle, and Great Britain's naval supremacy is allowed to compensate, and more than compensate, for her military inferiority. For the same reason, on a very rough calculation, France is put above Russia. Of these seven great powers only two remain, the United States and Russia. The others have sunk into the second or the third category.

AMERICA'S TASK

It should hardly be necessary to offer proof of this statement, shocking as it may seem to some. The power of the United States was always there, but it was dormant and unrealized. A man may live on the surface of a gold mine and remain a poor man if he is too proud or too lazy to dig. When the Second World War broke out the American Army was inferior in numbers and equipment to the army of Poland. Today her fighting forces are superior to those of any country in the world. Nor has the wealth of the country suffered. In comparison with other countries she is probably richer than she was before. At a cost of some 330,000 lives, spread over a period of 3½ years, the United States have gained world ascendancy.

It is a heritage that has long been awaiting the American people, but one which they have shown no eagerness to take up. Protected by two oceans and the Royal Navy they have been wisely contented with their lot, and have postponed as long as possible their approach to the harsh arena of the world's affairs. Even now there are many Americans who cast nostalgic glances backward, and sigh for the isolation that they have lost. Like the heir to some great position, who finds himself, owing to the sudden death of his father, compelled to assume responsibilities, when he would have far rather remained free and independent, so the American people are today addressing themselves to the high and heavy task of leadership in the civilized world. Upon the manner in which they acquit themselves of this task must, to a large extent, depend the future history of mankind.

If the United States have won, as the result of the war, more than they sought for, the gains of Russia are more solid, substantial and eagerly desired. Owing to the secretive methods of the Soviet Government, all information with regard to conditions in Russia before, during, and since the war

must remain conjectural. We do, however, know for certain that when she was attacked by Germany in 1941 she was both ill-informed and ill-equipped. The Russian dictator refused up to the last moment to believe the information which the British Government was pressing upon him, and when the blow fell, that vast country, with twice the population of Germany and more than twice her resources in raw materials, was obliged to turn for assistance not only to the United States, but also to this small island, which had already been at war for nearly 2 years. Here was a definite symptom of the weakness which has characterised this colossus throughout the centuries, and has been responsible for the small part that Russia has hitherto played in history. Almost impregnable against invasion, she has shown little inclination to extend her territories or to invade others, although, partly owing to her particular methods of conducting diplomacy, she has always been an object of the deepest suspicion to her neighbors. But for Russia, as for other countries, a new era is dawning, and it would be rash to prophesy what part she means to play in it. The important fact to be clear about is that, while Russia lost far more materially than America, she also gained far more in the war. Russia had two principal enemies, of whom she continually stood in terror, by each of whom she had been defeated in war during the present century. The overthrow of Japan in the east and Germany in the west means that Russia's besetting anxieties are wiped away and that, for the first time, she is free to pursue any policy she pleases. She has lost no time in taking advantage of her favorable situation. Not only has she very considerably extended her own frontiers, swallowing whole three independent European republics, but she has so exerted her influence over Finland, Poland, Hungary, Rumania, Czechoslovakia, Bulgaria, and Yugoslavia, as to render all those countries, with the exception of the last named, satellite states, ready to obey any orders they receive at the crack of the whip. And all this Russia has been allowed to accomplish practically without protest from the rest of the world.

GREAT BRITAIN IN THE POSTWAR WORLD

In comparison with these enormous and disproportionate gains, Great Britain has nothing to show but a sorry list of irreparable losses. In the first place she has lost her naval supremacy upon which has depended her authority ever since she became one of the great powers. It is true that she has surrendered it to the United States, a good ally and a true friend; but there is always a pang of regret in quitting a great position, however friendly and trustworthy a man's successor may prove.

Great Britain has lost also something more important than naval supremacy, and something which naval supremacy, even if she had retained it, could have given her no longer. She has lost the inestimable advantages conferred on her throughout the centuries by her insular position. General Eisenhower in his recent book states definitely that if the Germans had launched their attack of flying missiles against this island before instead of after the invasion of Europe, that invasion would have been rendered impossible. This means, in fact, that being an island, instead of being an asset, becomes a liability. The inhabitants of the mainland, if they are bombarded from the island, can retreat, but the inhabitants of the island if bombarded from the mainland are cut off. If western Europe were in the hands of a powerful and properly equipped enemy, Great Britain would not be tenable. This solemn fact has no doubt been fully appreciated by the general staff.

If Britain's safety was always dependent on her fleet, her power and prestige were due to the position she occupied in the realms of commerce and industry and finance. In the conduct of the war she consumed a great part of her foreign investments, which has delivered a shattering blow to her financial position in the world. Now while her industries are struggling toward recovery they are threatened with nationalization. I have no wish to be unnecessarily controversial, but it seems to one who claims no special knowledge of industry, that this is the last country in the world to which the experiment of socialism should be applied. Ours is an essentially artificial economy. It is not based upon the natural products of the soil, nor even upon geographical advantages. It is based upon the intrepidity of private enterprise and a thousand forgotten bankruptcies. There is, for instance, no reason, historical, geographical, agricultural, or geological, why England should have a cotton trade. Not a blade of cotton is grown in Britain or near her shores. The theory, if it were ever anything but a superstition, that the climate of Lancashire was peculiarly suitable for the manufacture of cotton goods has been exploded by modern science, which can produce in the interior of a factory any climate that may be desired. We can have little doubt that, had the proposal to initiate a cotton industry in the northwest of England been submitted to a board of competent and cautious officials, appointed by the state, for consideration before it was undertaken, it would have been universally condemned.

At such a moment, when the country is staggering under the blows she has sustained, to impose upon her industries, engaged in world competition, the additional handicap of Government control, must be to increase considerably the difficulties that lie ahead.

Great Britain has also lost since the end of the war, although not entirely owing to it, her Indian Empire, that is to say, the control of a subcontinent and a population of 400,000,000 inhabitants. Ireland, whose refusal to support the cause of the Allies cost us so many thousands of lives, has gone further in the affirmation of her severance from the Commonwealth, and South Africa seems to be heading in the same direction. Canada, Australia, and New Zealand, not owing to any lack of good will on the part of their inhabitants, but carried along by forces over which they have no control, are daily becoming more bound up with the economy of the United States and less with that of the United Kingdom. When we regard the state of the world today we must admit that Great Britain, the only country that came voluntarily into the war at the beginning and remained undefeated until the end, and that waged total war to an extent that even Germany never reached, has, as a result, suffered more than any other belligerent. Great Britain steps down today from the high position she once occupied. She does so without dishonor, and indeed with some measure of glory, for the heavy losses that she has suffered were incurred when she was fighting, and for 1 year fighting alone, in defense of the whole civilized world.

THE POSITION OF FRANCE

France, so long the opponent of Britain and once the mistress of Europe, must now accompany her ancient rival into the category of second-rate powers. The war, which brought to light and affirmed, rather than brought into being and caused, the supremacy of the United States, has in the same way revealed, rather than been responsible for, the present position of France. The Anglo-American policy between the wars, directed, as it insanely was, toward the strengthening of Germany and the disarmament of France, has resulted in accelerating the decline of the latter, so that, although in this war France has suffered none of the spectacular losses of Britain, she nevertheless emerges from it as a power of the second order whose importance both the British and the Americans are disposed to underestimate. Exhausted by her efforts in the First World War of which she had borne the brunt, and discouraged by her friends from preparing for the second, she collapsed before the onslaught of the enormous armed force which Germany had been allowed to build up, but she remains the most important purely European nation on the Continent, and must form the cornerstone of any European combination that can be constructed. In some ways her position is more secure than that of the United Kingdom, because her prosperity is based upon agriculture rather than upon industry. She is not, as we are, entirely dependent on imports for the food of her people, and such food as she does import comes principally from her own possessions on the southern shores of the Mediterranean. Her political future is uncertain. It always has been since the first French Revolution, but this has not prevented her from enjoying periods of great prosperity. She has lost no territory in the war, and emerges from it with her colonial empire, second only to that of Great Britain, intact. Weak as she may be, she still has a great role to play in the future of Europe.

But however optimistic our views may be with regard to the future either of France or Great Britain, we should do well to recognize, and not to forget, the unpleasant fact that, whether acting separately or in combination, they can never hope to regain the positions they once occupied. There are some who, in the light of this melancholy truth, are driven to the yet more melancholy conclusion that the only alternatives that now await us are either to become satellites of the United States of America or serfs of the U. S. S. R. It is the purpose of this article to propound yet another possibility which is plainly preferable to either.

A map of the world should hang in every schoolroom in Europe in order that Europeans may early grow accustomed to seeing their own importance in true perspective. The first thing that should strike an unprejudiced student is the patent absurdity of having crowded so many nations into so small a space. Nowhere else on the earth are there so many frontiers, so many flags, so many customs barriers and currencies, so many armies and navies. These were luxuries that Europe could afford when it was a question whether Spain, France, England, or Germany should rule the world, but they are luxuries we can afford no longer and we must get rid of them before they strangle us. A wise man, finding himself in reduced circumstances, rids himself first of those possessions that are of least use to him. Of least use to Europe today are all those ancient barriers that divide one country from another.

In the last hundred years the world has shrunk in size—a fact which statesmen have been slow to recognize. Distance, for all practical purposes, should be measured, and usually is measured, by hours and not by miles. When a man is told that he has to leave for a certain destination, he does not ask himself how many miles it is, but how long it will take him to get there—and he is right to do so because it is the time that matters. The North Pole is undoubtedly nearer than Australia, but the journey thither is apt to be protracted by difficulties, so that we rightly think of it as farther away. When, owing to a cabinet crisis, Sir Robert Peel had to return posthaste from Rome to London, toward the middle of the last century, it was calculated that he could have performed the journey equally rapidly in the

first century of our era. But this has all changed. Journeys that took weeks now take hours and the new rapidity of transport is as nothing when compared with the new rapidity of communications. In the days of Peel a message could travel no faster than a sailing ship and a galloping horse could carry it. Today a spoken word can be heard simultaneously in every corner of the earth. These stupendous changes have found no reflection in the sphere of politics, and the map of Europe remains very much as it was a hundred years ago. Insofar, indeed, as it has changed, it has changed for the worse, for the disappearance of the Turkish and the Austro-Hungarian empires have increased the number of separate nations. Surely the lesson to be drawn from these altered conditions is that there is no longer room for the squabbles of a score of little nations in one small corner of this shrunken planet.

WESTERN UNION

Already there are indications that this obvious fact is beginning to impose itself upon the minds of politicians. There is talk of a united Europe and of western union. There have been public meetings in favor of the former and His Majesty's Government have been moved to make certain tentative efforts in the direction of the latter. Experience, however, shows that no movement has less prospect of succeeding than one that is obviously desirable, that everyone vaguely supports, against which there is no organized opposition, but about which nobody does anything definite. After the First World War, the League of Nations represented such a movement. The idea was plainly a good one, the idea was lofty, the practicability reasonable, politicians of all parties combined to bless it, but because nobody was prepared to take the steps that were necessary to make it work, the thing became gradually a sham, and then, like all shams in public life, a pitfall. Doomed, as we appear to be, to repeat every error committed after the first war, we have set up another international organization which has all the faults and none of the merits of its predecessor. Inheriting the fundamental weakness of the League, and lacking the general good will that inspired it, the United Nations Organization has already given sufficient proof of its complete inability to cope with any of the problems presented to it, and it is more likely to cause than to prevent another war. The sooner it is abolished the better, but its abolition should be accompanied by the inauguration of another experiment in the international sphere which will have a better chance of success.

The first condition of success in cooperation is that a common interest should be shared by all those who cooperate. If this is lacking their cooperation becomes an hypocrisy. It was hoped, when the League of Nations was formed, that the maintenance of peace would prove a common interest to all nations, and on the morrow of a war all nations are inclined to believe that it is so. But first Japan, then Italy, and finally Germany believed war to be more to their advantage than peace, and so the basis of the League was shattered.

It would be folly to pretend that any common interest is shared by the powers that now compose the United Nations. But there does exist a group of powers whose interests are so similar as to be almost identical, namely, the countries of western and southwestern Europe. The complete union of these countries is plainly not an easy thing to achieve. Equally plainly it is not impossible. Their survival as separate independent powers is doubtful. Since the end of the war we have seen some half a dozen countries surrender their independence to Russia, while those who are still free grow daily more dependent upon America. The trend of modern politics, like the trend of modern business, favors the creation of large combines, but nobody can regard the possibility of a world divided between two great forces without dismay. Apart from the loss to the world which the elimination of Europe would entail, the probability of war would be increased by the formation of two, and only two, groups in rivalry with one another. If, on the other hand, it were possible to form three groups, two of which were determined to maintain peace, the third would never dare to make war against them, and peace would be assured. The proposition is as simple as it is irrefutable. But simplicity of exposition does not mean facility of achievement, and the difficulties in the way of this most desirable consummation are immense. There are so many obstacles that stand in the way. First and most formidable of these is the spirit of nationalism and the fetish of sovereignty. A proud nation, and all nations are proud, forgetting that pride is one of the seven deadly sins, will not easily be persuaded to forego its prerogative in all matters that concern its own destiny, or agree to place even a fraction of its fate in the hands of foreigners. Next in importance to the spirit of nationalism comes the widespread and deeply rooted spirit of conservatism which is far more widely spread and with far deeper roots than the strength of the conservative political party in any country would lead one to suppose. And it should be noted that the power of these obstacles is augmented by the fact that they are in themselves good things. The writer of these lines accounts himself a patriot and a conservative, but he is not on that account opposed to collaboration between nations and the surrender of some degree of sovereignty.

The third obstacle I would describe as the spirit of avarice, although the word is likely to cause misunderstanding. I mean by it the state of mind which fears that it may be giving more than it is getting. It is exemplified by the argument sometimes used against conscription in England before the war, to the effect that the Royal Navy was such a tremendous contribution to the Allied forces that if we contributed an army in addition we should be giving more than our share. In an exactly similar spirit there are many today who will argue that if Great Britain would enter into a customs union with other countries it is probable that those countries would gain more from such a union than she would. This may well be so, and the argument may carry weight with those for whom the most important things in the world are pounds, shillings, and pence, but when such an argument is applied to decisions upon which the survival of a civilization depends it loses cogency. In private life we recognize this spirit as abominable. A man who is always calculating whether a new friendship will cost him more than it is worth will never make a friend at all.

There are hopeful signs that the importance of European unity is beginning to be understood by leading politicians in many countries. But their efforts toward attaining it are not encouraging. Nearly 5 years have passed since the end of the war, and what is called western union still comprises only five powers, one of which is Luxemburg. So far as the public are aware no efforts are being made to increase this number. In the direction of defense some progress seems to have been made, but none in any other direction.

CONCLUSIONS

In order to arrive at the end of a journey as quickly as possible, it is a very good thing, before setting forth, to decide where it is that you want to go. The second thing is to decide upon the means you are going to take to get there. If you start before either of these decisions has been taken you are likely to waste a great deal of time. People who critcize others are sometimes asked to say what they would do if they were in their place. I accept the challenge.

First I would suggest that the Ministers of Foreign Affairs of all the countries now in receipt of Marshall aid together with the Minister of Foreign Affairs of Spain, should meet without delay and that they should then decide that their respective countries must within the shortest possible measure of time, achieve the greatest possible degree of union. When that decision had been reached I would further suggest that there are three main lines upon which negotiations should be pursued—defense, economy, and empire. To this end there should be set up three commissions upon which each country should be represented by a high plenipotentiary—and, faithful to the method of deciding upon the objective before setting forth on the journey, I should give to each commission definite instructions. The defense commission should be told that first they must create a united general staff, that this general staff must make definite plans to deal with every eventuality and must keep steadfastly in sight, as its ultimate aim, the creation of one single navy, one single army, one single air force, all of which should receive instructions from one single source.

The economic commission should be instructed to abolish, with the shortest possible delay, all economic barriers between the countries concerned, and at the same time, to set up one common currency for the free countries of Europe. Economists may well throw up their hands in horror, but if money has the same value from the State of Washington to the State of Florida, why, in the name of common sense, should it not have the same value over the far smaller territory that extends from Berlin to Lisbon?

But the work of the third commission would be the most important of all. Upon the members of it would devolve the duty of welding into one the broad colonial empire of the states concerned. Too little thought has been devoted either to the difficulties that this task presents, or to the result that its completion would produce. When Portugal, Spain, and Italy are united with Britain, France, Belgium, and the Netherlands practically the whole of the vast and undeveloped continent of Africa will be at their command. Any hesitation which the Union of South Africa may feel at present about pinning its fate to the waning fortunes of this North Sea island would disappear before the dazzling prospects of playing a far greater role as the major partner in an African union, which would form part of a world-wide confederation. Nor let it be forgotten that Britain, France, and the Netherlands still have great possessions in the continent of Asia which link them up with America, by the eastern as well as by the western route, and enable them to stretch out their hands to the British dominions in the Antipodes.

It is sometimes foolishly thought that there exists a dilemma with regard to Great Britain's European and imperial future. Nothing could be further from the truth. The opposite is the case. Great Britain has no future as a purely European power, but far less has she any future as an indefensible island which the inhabitants of the dominions may be once again called upon to defend owing to the complications of European politics. In Europe she must still carry immense weight as the heart and soul of a great empire. To her dominions and colonies she must remain a leader of unquestioned authority so long as she plays a leading role in the councils of Europe.

But it is now that she must decide whether she is going to assume that leading role or allow it to pass to another.

"There is a tide in the affairs of men
Which taken at the flood leads on to fortune."

Today the tide stands high for Britain and should encourage us to launch forth upon this new and great adventure. No time is to be lost. Already there are indications of an ebb. Mr. Walter Lippmann, a close and keen observer of the European drama, has recently published an article in which he states his conviction that the British Government have definitely decided that this country shall not become a European power. A few days later Mr. Joseph Alsop, a younger American writer, and one of the very few who have had an interview this year with General de Gaulle, informed his readers that the general "is reluctant to include Britain in the European union, and that, in any case, he considers that France should be the new union's dominant power." Thus it is possible that, owing to British insouciance or to French intransigence, this, perhaps our last, opportunity, may be missed. Courage and determination are demanded of our leaders; and they are demanded now.

The word "imperial" has recently fallen into disrepute, and there seems to be a disinclination in the world to assume the responsibility which empire demands. In the jargon of Russian diplomacy, which other nations are too apt to imitate, "imperial" is used as meaning "bad" and "democratic" signifies "good." This is the more remarkable, seeing that the U. S. S. R. is certainly not a democracy, and certainly is an empire. It is the vast eastern empire extending from the shores of the Pacific to the center of Europe. The natural answer to it lies in the creation of an empire of the west. If the powers of western Europe can work together they have such an empire waiting to be called into being. If they can unite under their combined control their great colonial possessions both in Africa and Asia, this empire would become in extent of territory, in numbers of population and in wealth of raw materials, not the least but the greatest, the richest and the most powerful of the three great powers upon whom the future of the world depends. They would have yet one additional advantage over their two peers. Within the boundaries of the lands under their control there still live the most gifted specimens of the human race, who have achieved most in the realms of science, art, literature, and music, and who have, as the heirs of Rome, the longest tradition and experience in administration and diplomacy.

Such a development would be regarded by the United States not with distrust and jealousy but with encouragement and enthusiasm. Nothing would please the people of that great Republic better than to see from the ruins of Europe another giant arise inspired with ideals similar to those of the Western Hemisphere. It is permissible to believe that no dispute would ever arise between these two that could produce a fratricidal war—and their strength would be such that no third party would ever dare to challenge them. Thus the mightiness of this companionship would ensure the permanent peace of the world. Nothing else can.

Mr. MALONE obtained the floor.

Mr. WHERRY. Mr. President, will the Senator yield in order that I may make a very brief observation? I ask unanimous consent, Mr. President, that the Senator from Nevada may yield for that purpose.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. WHERRY. Mr. President, I send to the desk an amendment which I ask may be printed and lie on the table.

I offer another amendment which I send to the desk and ask to have stated. It is an amendment to the so-called Taft amendment, which is the pending question, is it not?

The PRESIDING OFFICER. That is correct.

The first amendment offered by the Senator from Nebraska will be received and lie on the table. The second amendment will be read by the clerk.

The LEGISLATIVE CLERK. On page 5, beginning with the dollar sign in line 14, it is proposed to strike out down through the date "1950", in line 17, and to insert in lieu thereof the following: "$3,638,000,000 for the period April 3, 1949, through April 2, 1950"; on page 5, lines 18 and 19, strike out: "June 30, 1949", and insert in lieu thereof "April 2, 1949"; in line 23, strike out "fiscal year ending June 30, 1950", and insert in lieu thereof "the period ending April 2, 1950"; and on page 6, line 2, strike out "fiscal year" and insert in lieu thereof "period."

Mr. WHERRY. Mr. President, the second amendment which has just been read would reduce the authorization for ECA from 15 to 12 months. The 12 months would begin next April 3 and would expire April 2, 1950. In other words, this amendment would put ECA on a yearly basis instead of on the present 15-month basis. I think that is highly desirable. We make our own appropriations on a yearly basis, and I cannot see any reason why we should not consider the appropriations for the ECA on a yearly basis. It is confusing to extend them beyond that period.

The bill which is before the Senate would provide $4,280,000,000 for 1 year of operation, beginning July 1, 1949. My amendment would reduce that amount by $642,000,000, or 15 percent. That is the only difference between my amendment and the so-called Taft amendment. It is a reduction of 15 percent instead of a reduction of 10 percent. Under my amendment, the $1,150,000,000 carried in the bill for April, May, and June of this year would be eliminated, along with the $150,000,000 provided in the bill for an indefinite period beyond June 30, 1950.

It seems to me, in view of the argument which has been made, that the $150,000,000 provided in the bill for an indefinite period beyond June 30, 1950, should be the first item stricken from the measure, because that is certainly looking a long way ahead. I am proposing a 15-percent cut in 1 year of ECA operations in the hope that the 15-percent reduction may be followed as a pattern for reductions in other budget proposals, in order to prevent an increase in taxation. In appropriation bills already reported by the House Appropriations Committee there have been general 15-percent reductions.

In that connection, I call to the attention of the Senate, the Interior Department appropriation bill, and also the civil functions appropriation bill. There is a 15-percent reduction right across the board in those two bills. It seems to me that if we are to undertake to prevent an increase in taxation and make reductions in appropriations for electric power and water control, the same cut should be made across the board, whether it be in the ECA or domestic appropriations.

I believe that the ECA authorization should be made on a 12-month basis, for several reasons. First, the participating countries are now up to prewar levels, industrially, and in some things they are above prewar production. If they continue to build up their economies as they have been doing, they may not need an appropriation from the United States beyond April 1950. Congress will have plenty of time between January and April to make its decision, as it reviews the work of ECA for another year, if we make the 15-percent reduction which I am suggesting.

If the evidence at that time shall warrant additional appropriations for ECA, we can make them. At any rate, I believe, in view of the uncertainties in our own domestic situation, as well as in the general world situation, it would be wiser for Congress to take another look at ECA a year from now instead of 15 months from now.

No one can predict with certainty what the economic situation in the United States will be a year from now, especially since the speech of the distinguished senior Senator from Georgia [Mr. GEORGE], in which he described the situation with which we are confronted, which might require an increase in taxes. That would be a drag on business. We are confronted by the alternative of reducing Federal expenditures all along the line, except, of course, for urgently needed activities, or we shall have to increase taxes. All we need to assure continuation of the downward trend of business and employment is a $5,000,000,000 increase in taxes.

Mr. President, I should like to point out further that under my amendment shipments of materials to ECA participating countries would not end abruptly on April 2, 1950. There would be shipments for many months thereafter as goods on order are completed.

The pipe lines to Europe are now full and overflowing. I am informed that more than $2,500,000,000 in materials and authorizations are still unshipped. That is about as much as Europe has received during the past 9 months, when European recovery reached a level far greater than the most optimistic persons had predicted.

Thus, by adding the $2,500,000,000 in aid that is yet to be given to ECA countries under the existing appropriations, to the $3,638,000,000 which I propose in my amendment for the next 12 months, the total rises to $6,138,000,000.

Judging by the election returns from western Europe, it seems to me that the threat of communism is definitely diminishing, because the misery of the people from the ravages of the war has been substantially reduced, and the people, through increased industrial activity, are regaining their strength to ward off the misleading propaganda of Communists.

The additional funds which my amendment would provide certainly should give further strength to the peoples of the participating ECA countries.

There is no obligation on the part of the United States to finance the economies of western European nations in order that they may, in turn, take foreign markets, including our own American market, and thereby cause our factories to close and lengthen the lines of our unemployed.

Canada has contributed magnificently to the recovery of the United Kingdom. But Canada is being prudent. She recently reduced the taxes upon her people, cutting them back nearer to prewar levels than have we in the United States.

At this time we are not moving toward reduction in taxes in the United States. We are threatened by a substantial increase, which, if made, could result only in unfavorable consequences.

Mr. President, I want to thank the Senator from Nevada for yielding to me, and I make the suggestion at this time that if and when the Senate recesses tonight, if it is in order, I shall ask unanimous consent that the Senator from Nevada be recognized when the Senate convenes tomorrow morning.

Mr. LUCAS. Mr. President, I do not know anything about a recess. It is only 5 o'clock——

Mr. WHERRY. I said, "if and when." Mr. President, I withdraw the suggestion.

Mr. LUCAS. Mr. President, will the Senator from Nevada yield?

Mr. MALONE. I yield for a question.

Mr. LUCAS. Does the Senator desire that I suggest the absence of a quorum?

Mr. MALONE. Not at this time.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. LUCAS. Mr. President, does the Senator yield for a question or for a speech?

Mr. MALONE. I yield for a question.

Mr. WILLIAMS. Mr. President, last Friday I made a certain statement on the floor of the Senate regarding the books of the Commodity Credit Corporation, and made a request, and at that time offered a resolution to have the books of the Corporation produced. Those books are here, they are now ready for submission to the Senate, and I should like to make a brief statement at this time regarding the books, because last Friday the implication——

Mr. LUCAS. Mr. President——

Mr. WILLIAMS. I am going to frame this in the form of a question first, if the Senator from Illinois will permit me. I am going to make a brief statement, because last Friday when I asked that the resolution I offered be agreed to I said that if and when those books were submitted I would stand on the floor of the Senate, and if the books did not substantiate my charges I would so state and clarify the RECORD, or if they did, I would so state.

I ask unanimous consent that the books may be presented, and that I may be granted a few minutes, and I will confine my remarks——

Mr. LUCAS. I object.

The PRESIDING OFFICER. Objection is heard. The Senator from Nevada may proceed.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. MALONE. I yield.

Mr. WHERRY. I suggest to the able Senator from Nevada that if it is his intention to proceed, I think a quorum should be had. The Senator is now about to start on an address which will be very informative, and the Members of the Senate should hear it.

Mr. MALONE. Mr. President, I suggest that the quorum call be delayed for a few minutes.

Mr. WHERRY. Very well.

Mr. MALONE. Mr. President, I appreciated the contributions made by the Senator from Ohio [Mr. TAFT], the Senator from California [Mr. KNOWLAND], the Senator from Utah [Mr. WATKINS], the Senator from Missouri [Mr. DONNELL], and others, on the general subject of world economics which fit into the picture of present conditions and the subject I am about to discuss. The particular point I wish to make in this connection is that we are now trying to enter into the world economic picture which has been established for many generations and which is not cut to our pattern, nor do the long-established plans take into account our well-being.

Forty years ago, and, for the most part, 100 to 150 years ago, the empire-minded nations were well along in establishing their colonial possessions in Asia, the Near East, the South Seas, and in Africa. History shows that they have not changed in their attitude toward their colonial possessions. They frankly farmed them for the benefit of the mother country in each case, through established empire preferential rates and other restrictions.

Thirty-five years ago, Mr. President, and even before that time, beginning perhaps approximately 350 years ago, in some areas, as in the case of the Netherlands in the East Indies. We did not at that time consider their treatment of these possessions in the light of affecting our welfare, and particularly our peace and safety. Then World War I came along, and we entered that conflict because our leaders decided that our ultimate peace and safety were actually threatened. So we sent our boys to Europe to drive back the invader, and out onto the Pacific to reestablish these nations in their colonial possessions. The same thing happened again in 1941, when we entered World War II, for the same reason.

Twice in my lifetime, and in the lifetime of my colleagues on the Senate floor, we have entered into world conflicts for the same reasons, and twice in the memory of all of us, when we entered into one or both of those wars, we left bloody tracks all over the western rim of the Pacific and in Europe in defense of the integrity of these nations and their colonial possessions.

Mr. President, this time we not only did the major portion of their fighting, but we are also doing their financing. So I conclude that it is time we should explore the field and determine just where our own Nation's economic interests lie in world affairs, and quit following blindly the lead of the European nations.

Mr. President, during the course of this address I intend to show that the administration is giving lip service to the workers through proposed labor legislation—and that they are at the same time pulling the jobs out from under the feet of the American workers through a three-prong free-trade program.

I have proposed the establishment of a flexible import fee principle "to put a floor under wages"—to hold our wage-living standard while we are assisting the 57 other member nations in raising their own.

I intend to show that we are arming Russia for the third world war through money and supplies furnished the 16 European nations under the ECA—and that the recipient nations are shipping everything from locomotives to jet engines to Russia and Russian satellite countries. These supplies are largely produced with the raw material and money furnished by the United States through ECA.

I herewith submit a proposed amendment to the ECA bill, and ask that the amendment be read.

The PRESIDING OFFICER. The clerk will read the amendment for the information of the Senate.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to insert the following new section:

SEC. —. (a) Notwithstanding any other provision of the Economic Cooperation Act of 1948, as amended, assistance rendered under such act to any participating country after the date of enactment of this act shall be on the basis of loans only; except that this subsection shall not apply to assistance rendered in the form of food or medicines for the relief of human suffering in a participating country if the Administrator finds, and the President approves such finding, that due to temporary conditions an emergency exists in such country which the government thereof is unable to meet.

(b) All such loans shall be fully and adequately secured. The Administrator, under such terms and conditions as he shall prescribe, may take over or provide for the administration and liquidation of any collateral accepted by him as security for such loans. Such loans may be made directly upon promissory notes or by way of discount or rediscount of obligations tendered for the purpose, or otherwise, in such form and in such amount and at such interest or discount rates as the Administrator may approve. Each such loan may be made for a period not exceeding 3 years, and the Administrator may from time to time extend the time of payment of any such loan, through renewal, substitution of new obligations, or otherwise, but the time for such payment shall not be extended beyond 10 years from the date upon which such loan was made originally. Such loans may be made either directly or in cooperation with banks or other lending institutions through agreements to participate or by the purchase of participations, or otherwise.

Mr. MALONE. Mr. President, the amendment which I have just offered provides that the ECA extend loans for the establishment of rehabilitation of industries in any European country upon exactly the same principle and conditions as money is loaned through the RFC to American industry—with adequate provision for securing the loan and for its repayment.

American companies are now moving into European countries to utilize European low-wage living standard labor—and not only furnish the foreign market, but will include a large sector of the

American market—with commodities which will displace American workers at home.

The President of the United States has gone so far as to propose that such foreign investments by American companies be guaranteed by the United States—with the inevitable result that their products will flood American markets and throw millions of our workers out of employment.

He is doing this at a time when we already have 4,000,000 men unemployed—and nine and one-half million workers on part-time jobs—and that estimate of unemployed men does not include the thousands of railroad men on the extra board—waiting for the call boy to knock at the door.

Mr. DONNELL. Mr. President, will the Senator yield to me for a question?

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Missouri?

Mr. MALONE. I yield.

Mr. DONNELL. Has the Senator given thought, in connection with the point he is now developing, to the fact that the proposed North Atlantic Pact contains this sentence:

They—

That is to say, the signatories—

will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.

And does the Senator regard the sentence which I have read as possibly indicating a decline in our efforts to safeguard the workingmen in our country and to engage in some economic collaboration between 11 or 12 or any number of nations?

Mr. MALONE. I would say, in answer to the distinguished Senator from Missouri, that there is no question but that we have entirely forgotten our own workingmen. In other words, that the differential in the cost of production between this Nation and where our competition is located, on each specific product, has been entirely disregarded in the adjustment of tariffs or import fees.

It has been established over a long period of years, and that is how we built up our industry in this country, by providing an import fee which represented that differential of cost between the production of an article in this country and where our competition is located—due mostly to the difference in the wage standard of living. Now, however, we have, because of propaganda over the years, talked about high tariffs, about low tariffs, or import fees, whereas, as a matter of fact, neither high tariffs nor low tariffs should enter into the discussion. Since unless such tariff or import fee represents the critical point of such differential of cost, we have entirely disregarded the principle. If it is below that critical point, we have no protection, and, if it is above it, the additional amount is unnecessary.

That is the reason for flexibility in tariff adjustment—to meet the changing economics of the countries concerned, and to meet any deliberate attempt to nullify the effect of such tariffs through manipulation of the currencies or other subterfuge.

I intend to show that the President's specious plea of stopping or containing communism is a phony economic cold war against Soviet Russia. If the Truman program is approved by Congress, American labor will be sold down the river like Czechoslovakia at Munich. Many of our factories will stand idle and Joe Stalin will have won the economic cold war without firing a shot.

I will show that England and France, two of the proposed signatories of that pact, now have nonaggression treaties with Russia guaranteeing that they will not enter into any coalition against Russia, and that these nonaggression treaties are subject to termination only upon 12 months' notice; which notice, however, has not been given as of today.

Mr. CAIN. Mr. President, will the Senator yield for a question?

Mr. MALONE. I am glad to yield to the Senator from Washington.

Mr. CAIN. Would the Senator find it convenient at this point to provide such additional information as he has on the statement he has just made, or does he intend to go further with reference to this statement at a later place in his discourse?

Mr. MALONE. I do intend to touch upon it at a later point in my address, and I intend to submit the nonaggression treaty between Great Britain and Russia, and the nonaggression treaty between France and Russia. I intend later to submit the treaties for the record.

Mr. CAIN. May I bother the Senator to ask him a short question at this time?

Mr. MALONE. I am happy to yield to the Senator from Washington.

Mr. CAIN. Has the Senator heard of any intention on the part of either England or France to terminate their nonaggression agreements with Soviet Russia?

Mr. MALONE. I would say to the distinguished junior Senator from Washington that I have not only not heard of any intention to terminate these nonaggression pacts, but that I will, at a later time in my address, point out and submit for the record trade treaties which have been made since the nonaggression treaties, which cover everything from, as I have formerly said, monkey wrenches and tool steel to locomotives, which they are fabricating from the steel and the aluminum and the materials we are sending under the Marshall plan. They are using our money to manufacture them and send them on to Russia and to her satellite countries. It is just a manufacturing-in-transit rate.

Mr. CAIN. Mr. President, will the Senator yield for one further question?

Mr. MALONE. I am happy to yield.

Mr. CAIN. Does the Senator from Nevada at a later stage in his observations intend to endeavor to reconcile what is, on the basis of what the Senator has just said in the statement to which I have referred, a vast contradiction?

Mr. MALONE. I would say to the Senator from Washington that to me such actions are irreconcilable.

Mr. DONNELL. Mr. President, will the Senator yield for a further inquiry?

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Missouri?

Mr. MALONE. I am happy to yield to the Senator from Missouri.

Mr. DONNELL. I should like to ask the Senator from Nevada whether he intends to discuss in the course of his address and in connection with this matter of treaties between England and France and Russia, the affect, if any, of those treaties upon article 8 of the proposed North Atlantic Pact, which reads:

Each party declares that none of the international engagements now in force between it and any other of the parties or any third state is in conflict with the provisions of this treaty, and undertakes not to enter into any international engagement in conflict with this treaty.

Mr. MALONE. I will say to the Senator from Missouri that article 8 conflicts directly, in my opinion, with article VII of the treaty between the United Kingdom and Russia, which is entitled:

The title of the nonaggression pact is: "Treaty of Alliance in the War Between Hitlerite Germany and Her Associates in Europe and of Collaboration and Mutual Assistance Thereafter Concluded Between the Union of Soviet Social Republics and the United Kingdom of Great Britain and Northern Ireland."

Because it goes further than that and provides in article VII that—

Each high contracting party undertakes not to conclude any alliance and not to take part in any coalition directed against the other high contracting party.

And since I conclude, from the newspapers and general interpretation of the North Atlantic Pact, that it is aimed directly at Russia, then there is a direct contradiction. The provision which I read is included in both pacts. Therefore I conclude that the nations of France and England have directly violated article VII of their pact with Russia, without any intention, or at least obvious intention, of canceling such contract or getting out of such contract.

Mr. DONNELL. Mr. President, will the Senator yield for a further inquiry?

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Missouri for another question?

Mr. MALONE. Yes.

Mr. DONNELL. Am I correct in understanding, therefore, that the Senator from Nevada is of the opinion that the treaty now existing, from which he has just read, does conflict with the purpose and intent of article 8 of the proposed North Atlantic treaty, which article I have just read?

Mr. MALONE. I would say to the distinguished Senator from Missouri that obviously it is directly at variance with any agreement that they could possibly make in entering the North Atlantic Pact, because the headlines of the newspapers, the explanation of the Secretary of State, and all explanations we have heard on the floor of the Senate, as well

as discussions, indicate that the North Atlantic Pact is for one purpose, and that is of continuing to contain Russia and to prevent any attack, or the culmination, one might say, of what has been their obvious intention in exercising their veto, in dealing through the United Nations.

Mr. DONNELL. Will the Senator yield for one further question?

Mr. MALONE. I will yield.

Mr. DONNELL. Will the Senator be kind enough to give us the date of the instrument from which he just read, if he has it conveniently at hand?

Mr. MALONE. The pacts of the Soviet Union treaties printed in this document were made between the dates of 1942 and 1944. Number 1 is Anglo-Soviet Treaty, dated May 26, 1942.

Mr. DONNELL. I do not mean to interrupt the Senator unduly. If he prefers to present that information later I shall not insist on that date.

Mr. MALONE. No, I am happy to be interrupted.

(At this point Mr. MALONE yielded to Mr. WILLIAMS, who addressed the Senate on matters having to do with the books of the Commodity Credit Corporation. By unanimous consent the remarks of Mr. WILLIAMS were ordered transposed so as to follow Mr. MALONE'S speech.)

Mr. MALONE. Mr. President, I intend to show that the United Nations is being bypassed in a series of administration moves and financial manipulations, and that the world is being swiftly divided into spheres of influence between the United States and Russia. Last year the Marshall plan, now known as ECA, was authorized and financed by the Congress for 1 year. At almost the same time the 1934 Trade Agreements Act was extended for 1 year—and there was considerable discussion of bringing to the Senate the Charter of the International Trade Organization Treaty, which originated several years ago shortly after the International Monetary Fund, but its consideration was postponed. It is duly signed by the 54 nations and has been signed for over 1 year, yet it is withheld from the Congress until such time as the first two parts of the program have been adopted by the Congress, because it is the final rivet in the free-trade program.

THREE-PART FREE-TRADE PROGRAM—CONSIDER TOGETHER

The fact that the 1934 Trade Agreements Act was extended for only 1 year, so its consideration would also coincide with the date when the ECA, the Marshall plan, would again be before this body, and the time of consideration of the International Trade Organization Treaty before the Senate, was not an accident. The State Department program had always encouraged bringing each of the three-part free-trade scheme before Congress—each as a great emergency in its own right.

They were, however, timed to come before the Senate at approximately the same date this year because the three are indelibly linked together.

The Marshall plan, now known as the ECA, the 1934 Trade Agreements Act, and the International Trade Organization Treaty form a three-part economic legislative program designed to distribute the wealth and the markets of this Nation throughout the world, and to adopt the free-trade principle as the definite and settled policy of this Nation. That is, put the low-cost Asiatic and European labor in direct competition with the American workers on an even basis.

This three-part free-trade program is designed to undermine the basic economic structure of this country, with the one objective of dividing our wealth and leveling our high-wage living standard with the low-wage living standards of such Asiatic and European nations.

The provisions of each part of the three-part free-trade program include:

First. The ECA appropriations are admittedly established to make up the trade-balance deficits of the European nations with hard-currency nations in cash each year. Our chief export is cash.

Second. Extend for 3 years the 1934 Trade Agreements Act, under which the State Department has adopted a selective free-trade principle, to divide the markets of this Nation with foreign nations, on the theory that, to the extent that we divide our markets with them, their trade-balance deficits will decrease.

Third. Adoption of the International Trade Organization Treaty, including ultimately 58 nations with 58 votes, in which we will have one vote—the same as Siam or Lithuania—and this organization is designed to meet once each year and add up the remaining production and markets of the world and divide them between the nations of the world eventually on a basis of population, thus making free trade the permanent and accepted policy of this Nation.

The first step of the three-part program, that of making up the trade-balance deficits of the European nations in cash each year through ECA, began rather modestly with scattered gift loans to the European nations, leading up to UNRRA—then to the gift loan of $3,750,000,000 to England in 1946—and then to the $17,000,000,000 program which is soon to be followed by the Truman global recovery program.

The second step inaugurated through the 1934 Trade Agreements Act, currently known as reciprocal trade, under which the State Department has adopted the selective free-trade principle, is to be extended for 3 years at this session of Congress and the principle later to be made permanent through the adoption of the International Trade Organization treaty.

The phrase "reciprocal trade" does not occur in the 1934 Trade Agreements Act—it is simply a catch phrase to sell free trade to the American people cloaked with the more involved and less understandable phraseology.

The third and final step of this very clever three-phase program—to divide the markets and to distribute the wealth of this Nation throughout the world—is the adoption of the presently proposed International Trade Organization under which the selective free-trade principle will be made permanent and become the settled policy of this Nation.

Mr. KEM. Mr. President, will the Senator from Nevada yield?

Mr. MALONE. I yield to the Senator from Missouri.

Mr. KEM. I am very much interested in what the Senator from Nevada is saying. I wonder just where the Bank for International Settlement, which was agreed on at Bretton Woods, fits into this picture. As I understand, the Government of the United States invested the sum of $6,000,000,000 under the Bretton Woods agreement, and Bretton Woods seems to have been largely forgotton. Like most of the predecessors of the Marshall plan, it seems to be unhonored and unsung, and also forgotten. I ask the Senator just where Bretton Woods fits into this picture he is drawing for us.

Mr. MALONE. Mr. President, every one of these organizations—the International Fund, the Bretton Woods agreement, the organizations of different character each in its turn, UNRRA, the British loan—all have come along each to be a complete answer, "This is all we will ever have to do. This will put every nation on its feet." Each has faded out like the mist before the sun, and there is always another propostion to take its place—to gift-loan. I do not suppose anyone is naïve enough, least of all a United States Senator, to believe that any of the money we have put out under any of these organizations and ideas will ever be returned to the United States Treasury. Yet we go for each in its turn, as a cure-all.

Now we have ECA, the Marshall plan, under which money is being furnished to the participating nations. As I said in the beginning of my address, I intend to prove we are arming Russia with this money and materials, just as we did Japan for 5 years prior to Pearl Harbor. In other words, it is just another matter of manufacturing and processing the raw materials purchased with money from the United States Treasury—everything from engines to locomotives, and sending them along to Russia, or her satellite nations.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MALONE. I yield to the Senator from Nebraska.

Mr. WHERRY. The Senator has recently made a trip completely around the world, I believe, and particularly to the participating countries, has he not?

Mr. MALONE. Yes, I have inspected practically every country in Europe, the Middle East, Asia, the Near East, the South Seas and Africa.

Mr. WHERRY. They would come in among the participating countries?

Mr. MALONE. The European countries; the Senator is correct.

Mr. WHERRY. Does the distinguished Senator from Nevada, who has just barely started on his speech, intend to continue his address tomorrow, if he

shall be recognized, and for the information of the Senate to give details relative to his findings of how ECA has been operating in those countries?

Mr. MALONE. Yes, I intend to go into considerable detail, and to show not only where the money went, but for what obvious purpose.

Mr. WHERRY. I think the Senate would be deeply appreciative if it could get that information, because it seems to me that the one who has had first-hand information and can bring that to the attention of the Senate, will really render a great service. I hope the Senator, as he continues his speech, will make as many observations as he can, even if they are ad lib, off his prepared speech, so that he can bring to us his experience in the consideration of the program we are discussing.

The Senator has been very patient; I do not know of any one who has been interrupted more than he has been during the past hour.

It is now 6:10. I am not sure whether the acting majority leader, the Senator from Louisiana [Mr. ELLENDER], would consent to the Senate taking a recess at this time until tomorrow; but because of the fact that the speech of the Senator from Nevada is so important, it seems to me he ought to be given the opportunity of presenting his remarks and observations to the entire membership of the Senate. I wonder if the Senator would permit me to suggest to him that he might make a unanimous-consent request that he be permitted to continue his speech tomorrow, and that he may be recognized when the Senate convenes tomorrow in order that he may continue the speech he has already begun.

Mr. MALONE. Mr. President, I do make such a request. I have been very happy to yield for necessary interruptions, and I only regret, I wish to say for the RECORD, that I was not able to yield immediately to the Senator from North Dakota [Mr. LANGER] to answer the distinguished senior Senator from Texas. But I hope that the Senator from North Dakota may request the floor tomorrow for his answer to the Senator from Texas.

If the Senator from Louisiana will permit me, I should like to continue for 3 or 4 minutes in order to insert some data and information in the RECORD which I believe will be really important for the Senate to have before it tomorrow.

All of this division of the wealth of this Nation with the countries of the world through gift loans equal to the trade-balance deficits of the European countries and the division of the markets through the 1934 Trade Agreements Act and later to be adopted and made permanent through approval of the International Trade Organization is on the theory that the living standards of the remaining countries of the world will thereby be elevated to ours, and that in some mysterious way we will benefit by increased foreign trade.

As a matter of fact, with 7 percent of the population of the world, the actual effect will be a substantial reduction in our wage-living standards.

Mr. President, I now ask unanimous consent to have inserted in the RECORD the nonaggressions pacts between the Union of Soviet Socialist Republics and the United Kingdom of Great Britain and Northern Ireland, which is to be found in the Department of State's Documents and State Papers, Volume I, No. 1, July 1948, on pages 227 and 228, and the Treaty of Alliance and Mutual Assistance between the U. S. S. R. and the French Republic, to be found on page 230.

In addition to that, I ask unanimous consent to insert in the RECORD at this point a table taken from the hearings before the Senate Finance Committee on the subject of extension of Reciprocal Agreements Act, the hearings being held on House bill 1211, between February 17 and February 23, 1949, the table appearing in part I. The table is to be found on pages 38 and 39 of that document, and purports to show the most recent commercial agreements between the OEEC countries, the European countries which we are helping through ECA, and the countries of eastern Europe.

There are 88 of these treaties, and 45 of them are designated. I have in my possession 45 of these trade treaties. Forty of the treaties were considered as restricted by the State Department, and I was allowed only to see them in the possession of a State Department official. However, I did peruse enough of the contents to know that they conform very closely to the ones I am going to put into the RECORD, and that they contain trade agreements covering almost every conceivable manufactured and fabricated article, including locomotives, engines, and electrical equipment, and tool steel. Almost everything that can be used in the event of war with the United States are included in these treaties which the ECA nations have agreed to send to Russia and the iron-curtain countries. Three of the treaties, which I do not have in my possession were called extremely confidential. In other words, the State Department official held the treaties in his hands, while I looked at them. I do have these 43 treaties or trade pacts—and I ask unanimous consent to have them printed in the RECORD at this point for the benefit of the Senate of the United States. I consider it extremely important that the Members of the Senate and the House—and the citizens of the United States of America know what is being accomplished through the use of the ECA—the Marshall-plan money.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Without objection, the various insertions will be made according to the request of the Senator from Nevada.

The matters referred to are as follows:

TREATY OF ALLIANCE IN THE WAR AGAINST HITLERITE GERMANY AND HER ASSOCIATES IN EUROPE AND OF COLLABORATION AND MUTUAL ASSISTANCE THEREAFTER CONCLUDED BETWEEN THE UNION OF SOVIET SOCIALIST REPUBLICS AND THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

His majesty The King of Great Britain, Ireland, and the British Dominions beyond the Seas, Emperor of India, and the Presidium of the Supreme Council of the Union of Soviet Socialist Republics;

Desiring to confirm the stipulations of the Agreement between His Majesty's Government in the United Kingdom and the Government of the Union of Soviet Socialist Republics for joint action in the war against Germany, signed at Moscow on the 12th July, 1941, and to replace them by a formal treaty;

Desiring to contribute after the war to the maintenance of peace and to the prevention of further aggression by Germany or the States associated with her in acts of aggression in Europe;

Desiring moreover, to give expression to their intention to collaborate closely with one another as well as with the other United Nations at the peace settlement and during the ensuing period of reconstruction on the basis of the principles enunciated in the declaration made on the 14th August, 1941 by the President of the United States of America and the Prime Minister of Great Britain to which the Government of the Union of Soviet Socialist Republics has adhered;

Desiring, finally, to provide for mutual assistance in the event of an attack upon either High Contracting Party by Germany or any of the States associated with her in acts of aggression in Europe.

Have decided to conclude a treaty for that purpose and have appointed as their Plenipotentiaries:—

His Majesty The King of Great Britain, Ireland, and the British Dominions beyond the Seas, Emperor of India,

For the United Kingdom of Great Britain and Northern Ireland: The Right Honourable Anthony Eden, M. P., His Majesty's Principal Secretary of State for Foreign Affairs;

The Presidium of the Supreme Council of the Union of Soviet Socialist Republics:

M. Vyacheslav Mikhailovich Molotov, People's Commissar for Foreign Affairs,

Who, having communicated their Full Powers, found in good and due form, have agreed as follows:—

PART I

Article I

In virtue of the alliance established between the United Kingdom and the Union of Soviet Socialist Republics the High Contracting Parties mutually undertake to afford one another military and other assistance and support of all kinds in the war against Germany and all those States which are associated with her in acts of aggression in Europe.

Article II

The High Contracting Parties undertake not to enter into any negotiations with the Hitlerite Government or any other Government in Germany that does not clearly renounce all aggressive intentions, and not to negotiate or conclude except by mutual consent any armistice or peace treaty with Germany or any other State associated with her in acts of aggression in Europe.

PART II

Article III

(1) The High Contracting Parties declare their desire to unite with other like-minded States in adopting proposals for common ac-

tion to preserve peace and resist aggression in the post-war period.

(2) Pending the adoption of such proposals, they will after the termination of hostilities take all the measures in their power to render impossible a repetition of aggression and violation of the peace by Germany or any of the States associated with her in acts of aggression in Europe.

Article IV

Should one of the High Contracting Parties during the post-war period become involved in hostilities with Germany or any of the States mentioned in Article III (2) in consequence of an attack by that State against that Party, the other High Contracting Party will at once give to the Contracting Party so involved in hostilities all the military and other support and assistance in his power.

This Article shall remain in force until the High Contracting Parties, by mutual agreement, shall recognise that it is superseded by the adoption of the proposals contemplated in Article III (1). In default of the adoption of such proposals, it shall remain in force for a period of twenty years, and thereafter until terminated by either High Contracting Party, as provided in Article VIII.

Article V

The High Contracting Parties, having regard to the interests of the security of each of them, agree to work together in close and friendly collaboration after the re-establishment of peace for the organisation of security and economic prosperity in Europe. They will take into account the interests of the United Nations in these objects, and they will act in accordance with the two principles of not seeking territorial aggrandisement for themselves and of non-interference in the internal affairs of other States.

Article VI

The High Contracting Parties agree to render one another all possible economic assistance after the war.

Article VII

Each High Contracting Party undertakes not to conclude any alliance and not to take part in any coalition directed against the other High Contracting Party.

Article VIII

The present Treaty is subject to ratification in the shortest possible time and the instruments of ratification shall be exchanged in Moscow as soon as possible.

It comes into force immediately on the exchange of the instruments of ratification and shall thereupon replace the Agreement between the Government of the Union of Soviet Socialist Republics and His Majesty's Government in the United Kingdom, signed at Moscow on the 12th July, 1941.

Part I of the present Treaty shall remain in force until the re-establishment of peace between the High Contracting Parties and Germany and the Powers associated with her in acts of aggression in Europe.

Part II of the present Treaty shall remain in force for a period of twenty years. Thereafter, unless twelve months' notice has been given by either Party to terminate the Treaty at the end of the said period of twenty years, it shall continue in force until twelve months after either High Contracting Party shall have given notice to the other in writing of his intention to terminate it.

IN WITNESS WHEREOF the above-named Plenipotentiaries have signed the present Treaty and have affixed thereto their seals.

DONE in duplicate in London on the 26th day of May, 1942, in the English and Russian languages, both texts being equally authentic.

ANTHONY EDEN.
V. MOLOTOV.

TREATY OF ALLIANCE AND MUTUAL ASSISTANCE BETWEEN THE USSR AND THE FRENCH REPUBLIC

The Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics and the Provisional Government of the French Republic, determined to prosecute jointly and to the end the war against Germany, convinced that once victory is achieved, the reestablishment of peace on a stable basis and its prolonged maintenance in the future will be conditioned upon the existence of close collaboration between them and with all the United Nations; having resolved to collaborate in the cause of the creation of an international system of security for the effective maintenance of general peace and for insuring the harmonious development of relations between nations; desirous of confirming the mutual obligations resulting from the exchange of letters of September 20, 1941, concerning joint actions in the war against Germany; convinced that the conclusion of an alliance between the USSR and France corresponds to the sentiments and interests of both peoples, the demands of war, and the requirements of peace and economic reconstruction in full conformity with the aims which the United Nations have set themselves, have decided to conclude a Treaty to this effect and appointed as their plenipotentiaries:

The Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics—Vyacheslav Mikhailovich Molotov, People's Commisar of Foreign Affairs of the USSR;

The Provisional Government of the French Republic—Georges Bidault, Minister of Foreign Affairs;

Who after exchange of their credentials, found in due form, agreed upon the following:

ARTICLE I

Each of the high contracting parties shall continue the struggle on the side of the other party and on the side of the United Nations until final victory over Germany. Each of the high contracting parties undertakes to render the other party aid and assistance in this struggle with all the means at its disposal.

ARTICLE II

The high contracting parties shall not agree to enter into separate negotiations with Germany or to conclude without mutual consent any armistice or peace treaty either with the Hitler government or with any other government or authority set up in Germany for the purpose of the continuation or support of the policy of German aggression.

ARTICLE III

The high contracting parties undertake also, after the termination of the present war with Germany, to take jointly all necessary measures for the elimination of any new threat coming from Germany, and to obstruct such actions as would make possible any new attempt at aggression on her part.

ARTICLE IV

In the event either of the high contracting parties finds itself involved in military operations against Germany, whether as a result of aggression committed by the latter or as a result of the operation of the above Article III, the other party shall at once render it every aid and assistance within its power.

ARTICLE V

The high contracting parties undertake not to conclude any alliance and not to take part in any coalition directed against either of the high contracting parties.

ARTICLE VI

The high contracting parties agree to render each other every possible economic assistance after the war, with a view to facilitating and accelerating reconstruction of both countries, and in order to contribute to the cause of world prosperity.

ARTICLE VII

The present treaty does not in any way affect obligations undertaken previously by the high contracting parties in regard to third states in virtue of published treaties.

ARTICLE VIII

The present treaty, whose Russian and French texts are equally valid, shall be ratified and ratification instruments shall be exchanged in Paris as early as possible. It comes into force from the moment of the exchange of ratification instruments and shall be valid for 20 years. If the treaty is not denounced by either of the high contracting parties at least one year before the expiration of this term, it shall remain valid for an unlimited time; each of the contracting parties will be able to terminate its operation by giving notice to that effect one year in advance.

In confirmation of which, the above plenipotentiaries signed the present treaty and affixed their seals to it.

Done in Moscow in two copies, December 10, 1944.

On the authorization of the Presidium of the Supreme Soviet of the USSR.

MOLOTOV.

On the authorization of the Provisional Government of the French Republic.

BIDAULT.

Most recent commercial agreements between OEEC countries and countries of eastern Europe

Partners	Period	Special provisions
France-Finland	May 1948–49, supplemented November 1948	
France-Czechoslovakia	August 1948–49	
France-Hungary	November 1947–48, extended to Apr. 30, 1949	
France-Rumania	July 1946 to completion	
France-Yugoslavia	May–December 1948	
France-Bulgaria	June 1947–48, presumably continued	
France-Poland	January–December 1949	Investment agreement; March 1948–52.
Belgium-Finland	November 1948–49	
Belgium-Czechoslovakia	March 1948–49	
Belgium-Hungary	April 1947–May 1948	

Most recent commercial agreements between OEEC countries and countries of eastern Europe—Continued

Partners	Period	Special provisions
Belgium-Rumania	September 1948-49	
Belgium-Yugoslavia	do	
Belgium-Bulgaria	April 1947-48	
Belgium-Poland	Nov. 1, 1948-Dec. 31, 1949	
Belgium-U. S. S. R.	January-December 1948	(Some Belgian deliveries for 1949.)
Belgium-Soviet zone, Germany	November 1947-48	
Netherlands-Finland	June 1948-49, supplemented September 1948	
Netherlands-Czechoslovakia	January-December 1948, prolonged to March 1949	
Netherlands-Hungary	January-December 1949	
Netherlands-Rumania	February 1948	Preliminary agreement; Rumanian but not Netherlands deliveries specified.
Netherlands-Yugoslavia	February 1948-51; annual quotas supplemented November 1948	Investment agreement.
Netherlands-Bulgaria	November 1948-49	
Netherlands-Poland	January-December 1948	1947-49 investment agreement, revised March and July 1948.
Netherlands-U. S. S. R.	June 1948-53 (most items for 1 year delivery)	Investment agreement.
Netherlands-Soviet zone, Germany	June 1948-49	
Norway-Finland	November 1948-49	
Norway-Czechoslovakia	March 1948-49	
Norway-Hungary	November 1947-48	
Norway-Yugoslavia	April 1948-49	
Norway-Poland	January-December 1949	
Norway-U. S. S. R.	do	
Norway-Soviet zone, Germany	do	
Sweden-Finland	February 1948-49	
Sweden-Czechoslovakia	November 1947-48	
Sweden-Hungary	October 1948-49	
Sweden-Yugoslavia	April 1948-49	April 1947-54 investment agreement.
Sweden-Bulgaria	October 1947-Dec. 31 1948	
Sweden-Poland	May 1948-49	March 1947-51 investment agreement.
Sweden-U. S. S. R.	January-December 1948	October 1946-51 investment agreement.
Sweden-Soviet zone, Germany	July 1948-49, supplemented December 1948	
Denmark-Finland	January-December 1948; November 1948 supplemented extends and expands agreement to May 1, 1949.	
Denmark-Czechoslovakia	September 1948-49	
Denmark-Hungary	October 1947-48	
Denmark-Yugoslavia	July 1947-48	
Denmark-Bulgaria	May 1947-48	
Denmark-Poland	October 1948-49	
Denmark-U. S. S. R.	July 1948-Dec. 31, 1949	
Switzerland-Finland	September 1948-Feb. 28, 1950	
Switzerland-Czechoslovakia	October 1948-49	
Switzerland-Hungary	do	
Switzerland-Rumania	March 1947-50; annual quotas	
Switzerland-Yugoslavia	October 1948-53; annual quotas	Investment agreement.
Switzerland-Bulgaria	January-December 1947	
Switzerland-Poland	January-December 1948; revised June 1948	Investment orders; delivery to 1952.
Switzerland-U. S. S. R.	April 1948-49	Investment orders; delivery to 1951.
Switzerland-Soviet zone, Germany	July 1947-48	
Austria-Czechoslovakia	August 1948-June 30, 1949	
Austria-Hungary	January-December 1948, supplemented September 1948	
Austria-Yugoslavia	September 1948-49	
Austria-Bulgaria	October 1948-49	
Austria-Poland	August 1948-49	
Italy-Czechoslovakia	September 1948-49	
Italy-Hungary	December 1948-49	
Italy-Yugoslavia	November 1947-48	1947-52 investment agreement.
Italy-Bulgaria	November 1948-49	Investment deliveries may be authorized.
Italy-Poland	January-December 1948, revised April 1948; extended to 2 months.	October 1946-50 investment agreement.
Italy-U. S. S. R.	December 1948-49	December 1948-51 investment agreement.
Italy-Soviet zone, Germany	July-December 1947	
Greece-Czechoslovakia	August 1948-49	
Iceland-Finland	July 1948-49	
Iceland-Czechoslovakia	March-December 1948 extended to Feb. 28, 1949	
Iceland-Poland	July 1948-Dec. 31, 1949	
(Iceland-U. S. S. R.)	(May 1946-47 agreement not renewed in 1948)	
Western Germany-Finland	July-December 1948	
Western Germany-Czechoslovakia	October 1948-49	
Western Germany-Hungary	August 1948-49	
Western Germany-Yugoslavia	April-September 1948, automatically renewable	
Western Germany-Bulgaria	October-December 1947, automatically renewable	
Western Germany-Poland	January-December 1949	
Turkey-Finland	June 1948-49	No quotas scheduled.
Turkey-Czechoslovakia	December 1946-Apr. 1, 1948, automatically renewable to Mar. 31, 1949.	Do.
Turkey-Yugoslavia	September 1947-48	Do.
Turkey-Poland	August 1948-49	Do.
United Kingdom-Finland	January-December 1949	
United Kingdom-Czechoslovakia	November 1945	Payments only.
United Kingdom-Hungary	August 1948-49	
United Kingdom-Yugoslavia	October 1948-49	
United Kingdom-Poland	January 1949-53, annual quotas	Investment agreement; not all goods have annual quotas.
United Kingdom-U. S. S. R.	December 1947-51; U. S. S. R. deliveries February-September 1948; United Kingdom deliveries 1948-51.	Investment agreement.
Total (88).		

Most recent commercial agreements between OEEC countries and Spain

Partners	Period	Special provisions
France-Spain	May 1948-49 revised November 1948	
Netherlands-Spain	November 1948-May 1949	
Sweden-Spain	July 1948-49	
Denmark-Spain	March 1948-49	
Switzerland-Spain	December 1947-48, prolonged to Mar. 31, 1949	
Italy-Spain	July 1948-49	
Bizone-Spain	January-December 1949	
United Kingdom-Spain	June 1948-April 1949 revised December	No quotas.
Ireland-Spain	September 1947-48	
Total (9)		

AMERICAN EMBASSY,
Stockholm, Sweden, February 6, 1948.

NEW SWEDISH-FINNISH COMMODITY EXCHANGE AGREEMENT FOR PERIOD FEBRUARY 1, 1948–JANUARY 31, 1949

(Prepared by Frederick J. Cunningham, Assistant Commercial Attaché)

In a communiqué released to the local press [1] on February 4, 1948, the Swedish Royal Ministry for Foreign Affairs states that a new Swedish-Finnish commodity exchange agreement for the period February 1, 1948–January 31, 1949, was recently concluded in Stockholm. Total Swedish exports to Finland during this period are envisaged on the basis of this agreement to amount to approximately 53,000,000 crowns [2] and total imports from Finland to approximately 59,000,000 crowns. Total exchange of commodities between the two countries is thus anticipated to represent a value of approximately 112,000,000 crowns, or considerably more in comparison to the corresponding period of 1947–48.[3]

The communiqué states that the agreement is expected to be signed in the near future. Neither its full text, nor the commodity lists, appended thereto, have been released.

According to the communiqué, both the Swedish and Finnish Governments shall grant necessary export and import licenses for commodities included in the quota lists appended to the agreement. Swedish deliveries to Finland have been agreed to consist of iron ore, iron and steel, manufactures of iron and steel, and of other nonprecious metals, ball bearings, machinery and apparatus, telephone and telegraph material, omnibus and motortruck chassis, chemicals, certain food products, and other commodities. Swedish imports from Finland, on the basis of the agreement, shall include, among other things, cheese and certain other food products, sawn and planed lumber, birch plywood and lamella, certain kinds of paper, textiles, household and sanitary porcelain ware, pig iron, iron and metal manufactures, semimanufactures of copper and brass, and other commodities, unspecified.

According to Svenska Dagbladet, dated February 4, 1948, total value of Swedish-Finnish trade during the new agreement period, February 1, 1948–January 31, 1949, envisaged at 112,000,000 crowns, will represent substantial increases over previous figures. Thus, under the previous 12-month agreement which expired January 31, 1948, the value of total trade between the two countries was agreed upon in the amount of 75,000,000 crowns, while that for 1946 had been envisaged at only 59,000,000 crowns.

Svenska Dagbladet points out that actual figures relating to the Swedish-Finnish exchange of commodities during 1947 considerably exceeded the total anticipated on the basis of the agreement for that year, approximating the total which is now anticipated for 1948.

The paper further states that the agreement for 1948 contains no provisions for new Swedish state credits to Finland. The paper particularly notes inclusion of such important items as pig iron and other metal products in scheduled Finnish deliveries to Sweden.

In commenting on the new Swedish-Finnish trade agreement, the Finnish Minister of Commerce is reported by the Stockholm evening paper, Aftonbladet [4] of February 3, 1948, to have stated that Finland will import from Sweden iron and steel products and electrical and other machinery to the value of approximately 33,000,000 crowns. Among Finnish exports to Sweden, the Minister is said to have mentioned caramels to a total value of 200,000 crowns.

Given below is a table showing Swedish-Finnish trade totals, by value, for the first 11 months of 1946 and 1947 and for the whole year 1945 and 1946. The table has been compiled on the basis of the Swedish Royal Board of Trade monthly foreign trade statistics.

Swedish trade with Finland

	Imports (thousand crowns)	Percent of total from all countries	Exports (thousand crowns)	Percent of total to all countries	Balance to Sweden (thousand crowns)
First 11 months:					
1946	48,618	1.61	60,113	2.61	+11,495
1947	60,694	1.27	48,624	1.70	−12,070
Whole year:					
1946	55,800	1.66	63,761	2.53	+7,961
1945	37,838	3.50	149,745	8.53	+111,907

HELSINKI, FINLAND, *February 16, 1948.*

Subject: Transmitting lists covering exchange of goods during the 12 months ending January 31, 1949, as provided under the Finnish-Swedish trade agreement

The honorable the SECRETARY OF STATE,
Washington.

SIR: I have the honor to refer to the Legation's telegram No. 37 of February 4, 1948, reporting a Finnish-Swedish agreement to provide for an exchange of goods between Finland and Sweden during the period February 1, 1948, to January 31, 1949.

Transmitted herewith is a translation of the lists of commodities from a copy of the Swedish text made available to this Legation on a confidential basis by the Ministry for Foreign Affairs.

For the Minister,
Respectfully yours,
ARCHIBALD R. RANDOLPH,
Second Secretary of Legation.

ENCLOSURE NO. 1 TO DESPATCH NO. 78, DATED FEBRUARY 16, 1948, FROM THE AMERICAN LEGATION AT HELSINKI, FINLAND, ENTITLED "TRANSMITTING LISTS COVERING EXCHANGE OF GOODS DURING THE TWELVE MONTHS ENDING JANUARY 31, 1949, AS PROVIDED UNDER THE FINNISH-SWEDISH TRADE AGREEMENT"

LIST I.—*Sweden's exports to Finland, February 1, 1948, to January 31, 1949*

Swedish statistical No.	Commodity	Quantity (metric tons)	Value (1,000 crowns)	Remarks
	I. FOODS, ETC.			
27–56, 315, 316, 317	Fish and fish products		100	
211	Timothy seeds	100	(225)	
213	Alsike clover seeds (central Sweden)	35	(175)	
	Sundries		300	
	Total foods, etc.		800	
	II. CHEMICALS, ETC.			
471 m. fl.	Glycols	10	(45)	Subject to supply of electric power.
478	Chrome alum	200	(150)	
ur [1] 480	Special waterglass for manufacture of electrodes		60	
494	Lead oxide	75	(130)	
ur 515	Arsenic salts	50	(90)	
ur 521	Saccharine	5	(110)	
ur 531:2	Methyl acetone	30	(40)	
ur 536	Welding electrodes		300	
ur 536	Welding electrode powder		500	
539:1, 2	Drugstore articles, principally pharmaceutical specialties		400	
ur 540:2	Pentaerythrite	35	(300)	
544:1	Developed films		100	Cash portion.
547, 549:1, 2, ur 550	Tanning extracts and synthetic tanning materials		200	Not quebracho extract. Only minor quantities of mimosa and myrobalan extract.
662	Black gunpowder	50	(100)	
	Sundry chemicals		600	
	Total chemicals, etc.		3,125	
	III. IRON AND STEEL			
ur 1330	Charcoal pig iron	1,000	(320)	
ur 1333:1–1338:3	Ferro-alloys		50	
1370, 1375, 1376, 1378, 1380, ur 1405–1408, ur 1424.	Hot-rolled and wrought iron and steel, including sawblade plate	1,800	(1,800)	Only limited quantity of basic material.
1371:2	High-speed steel	30	(400)	
ur 1371:3–6	Rustproof and acidproof steel	200	(900)	Only limited quantity of acidproof.

[1] ur = from.

[1] As contained in the February 4, 1948, issue of Svenska Dagbladet, a Stockholm conservative daily.

[2] Current official exchange rate: 3.60 Swedish crowns equal $1 U. S.

[3] See Embassy's report No. 88 of April 14, 1947, entitled "New Swedish-Finnish Trade and Payments Agreement, 1947."

[4] Liberal.

LIST I.—*Sweden's exports to Finland, February 1, 1948, to January 31, 1949*—Continued

Swedish statistical No.	Commodity	Quantity (metric tons)	Value (1,000 crowns)	Remarks
	III. IRON AND STEEL—continued			
ur 1371:4	Electric resistance supplies	10	(230)	
1381–1386, 1390–1392	Cold-drawn and cold-drawn steel	500	(1.000)	
ur 1393–1395, ur 1397–1399, ur 1401–1403.	Drawn wires and wire ropes of acid quality	400	(550)	
1425–1432	Hot-rolled and cold-drawn high-quality pipes and tubes	250	(350)	
	Other iron and steel		400	
	Total iron and steel		6.000	
	IV. RON AND STEEL PRODUCTS			
ur 540:2, 1433, 1434	Cylinders for compressed gases, also if filled		250	
1435–1436, 1438	Chains		100	
ur 1450–1453	Agricultural hand implements		100	
1465–1467, 1469–1472	Plane knives for machine and other planes, etc		150	
ur 1473:2	Raw blades for safety razor blades		75	
ur 1473:1, ur 1473:2, 1657	Razor blades, safety razor blades and safety blades		75	
1479–1484	Saws, saw blades		250	
1492–1494, 1501	Pliers, vises and file vises		40	Only limited quantity of pliers.
1495:1, ur 1496, 1497, ur 1498	Drills, reamers, milling cutters, and thread tools		400	
1502–1504	Files and rasps		10	
ur 1517–1518, ur 1520, ur 1522	Iron bolts and nuts		75	
1527–1529	Ball- and roller-bearings and parts		2,400	Comprises cash lot of 1948 shipments to a value of 4,000,000 crowns as per special agreement.
ur 1551–1554 m.fl	Sickroom equipment of rustproof steel		50	
ur 1554, ur 1570:3	Lock and oil packing rings		150	
1566:1, 1568:1, 1570:1	Annealed pipe sections		125	
	Other iron and steel products		800	
	Total iron and steel products		5.050	
	V. PRODUCTS OF OTHER BASE METALS			
ur 1498, ur 1579:6, ur 1649:2, m.fl.	Hard metals and products, including rock drills		400	
ur 1622, ur 1623:4	Phosphor bronze and tombac wire		200	Necessary raw material to be supplied by Finland.
ur 1626	Phosphor bronze and tombac wire cloth		300	
1643–1644:2	Kerosene cookers, blow-pipes, lamps		100	
	Others		200	
	Total products of other base metals		1.200	
	VI. MACHINERY AND APPARATUSES (NOT ELECTRICAL)			
ur 1664–1667, ur 1804:2	Vaporers, heat exchangers and preheaters		750	
1672–1682	Combustion motors and parts		1.000	Include 50 automobile motors of Swedish manufacture, and outboard motors of Swedish manufacture to a value of about 20,000 crowns.
1685, 1688, 1691, 1692, 1694–1707:3.	Machine tools for metals, and parts		750	
1708, ur 1709–1715	Woodworking machine tools and parts		1,300	
1724, 1726, ur 1728–1729	Sewing machines and parts		500	
1733–1749	Agricultural machines and parts		400	
1750–1753, 1788, 1789, 1793	Dairy machines, including milking machines and centrifuges, and parts		300	Including complete hand separators to a value of 50,000 crowns.
1754	Tractors and parts		260	Only of Swedish make.
ur 1766, ur 1767, 1798	Cog gears and clutches, and parts		150	
1769, 1770, ur 1771, ur 1799	Machines and apparatuses for wood-pulp and paper industries, and parts		800	
1766, 1777	Knitting machines and parts		75	
1780, 1782, 1783	Steam and water turbines and parts		5.750	
1784	Pumps and parts		150	
ur 1785:1 4	Compressors, fans and parts		200	
1797:1, 2	Pneumatic machinery and parts		400	
ur 1804:2, 1957, 1958, ur 1959	Office machines, including addressing machines and parts and cash register parts.		400	
1807–1814	Fittings, including gas welding fittings		200	Only limited quantities of heating and water pipe fittings.
	Others		2.000	
	Total machinery and apparatuses (not electrical)		15.325	
	VII. ELECTRICAL MACHINERY AND APPARATUSES			
1815:1–1825, 1831–1836	Electric motors, generators, transformers and parts		2.000	Including sewing machine motors to a value of 50,000 crowns.
1826–1830:4	Electromechanical combination units including electrical household pumps		60	
1837:1–1840:2	Storage batteries and parts		200	Mainly alkaline batteries.
ur 1847	Graphite electrodes		50	
1851:1–1852:2, 1855:2, ur 1800	Electrical switching apparatuses (connectors, relays, motor cases, etc.)		200	Not installation material.
ur 1883:2, 1889:1	Electrical ovens and parts		600	
1884, ur 1889:5	Telephone and telegraph supplies and parts		3.000	
1885:1, 2	Radios and parts		50	
1886:1, 2	X-ray equipment and parts		100	
1889:4	Welding equipment and parts		400	
ur 1889:5, ur 1963	Telesignal supplies, including centralographs, fire alarm switchboards, railway signal supplies and time control equipment.		200	
	Other electrical machinery and electrical and apparatuses supplies, including electric bulbs.		800	
	Total electrical machinery and apparatuses		7.660	
234	Shellac	15	(100)	
235:1, 2037:1, ur 2037:2	Synthetic resins, pulp and sheets of synthetic rosin (mainly on melamine basis).		300	
398–401	Kaolin and other clays, etc		400	
405–407	Iron ore	75.000	(2.000)	
910	Flax tow		500	
ur 1018, 1073	Machine felts		400	
1187, 1188	Rubber shoes		250	
1219–1221, 1242	Grinder stones, grinding, abrasive and polishing discs, and abrasive paper		250	Not abrasive cloth.
1259–1263	Refractory and acidproof bricks		500	
ur 1911	Bus and truck chassis		3.000	Only of Swedish make.
1909–1910, 1912 m.fl	Automobile spare parts		1.200	Do.

LIST I.—*Sweden's exports to Finland, February 1, 1948, to January 31, 1949*—Continued

Swedish statistical No.	Commodity	Quantity (metric tons)	Value (1,000 crowns)	Remarks
	VII. ELECTRICAL MACHINERY AND APPARATUSES—continued			
ur 1437, 1917, 1919 m.fl.	Bicycles and parts		250	Only limited quantity of chains.
1960:1-1961	Electric meters and other measuring instruments		100	
ur 1966:1, 2	Other measuring instruments, and measuring tools		100	
1945-1951, 1954-1956, 1962-1965	Other instruments		250	
	Newspapers and trade journals, also scientific literature and textbooks		500	Should the quota provided for newspapers and trade journals as well as for scientific literature and textbooks not be used in full, the balance shall be made available for other periodicals, fiction, etc.
	Other periodicals and fiction		500	Cash lot.
	Total other commodities		10.600	
	IX. SUNDRY COMMODITIES		3.000	
	Grand total		52.760	

LIST II.—*Finland's exports to Sweden, February 1, 1948, to January 31, 1949*

Swedish statistical No.	Commodity	Value (1,000 kronor)
18	Wild fowl meat	300
14	Farm fowl meat	200
ur [1] 21, ur 22	Reindeer meat	500
30-45	Fresh fish	300
62	Crabs	200
69, 70	Cheese	1.000
133, 134	Fresh berries	500
ur 877	Parchment paper sausage casings.	150
373, 1244, 1245	Asbestos and products	500
376	Feldspar	200
ur 408	Lead slime	50
500	Potassium chlorate	300
ur 616: 2	Cellulose sizing powder	500
660-665	Dressed pelts, other than fur pelts.	300
718, 749	Aspen	600
722-741, ur 747, 776-782.	Sawn and planed lumber, spruce and pine.	10.000
751, 752	Firewood	1.000
ur 756	Metallurgical charcoal	1.200
759:1, ur 761	Birch plywood and birch veneer.	5.000
767, 768, 771, 775, 789, 791, 793: 1, 793:2, 795-972:2, 2076, ur 2078.	Wooden articles	600
ur 819-820, ur 822-823.	Cellulose knotter pulp	1.000
853: 1	Parchment paper	1.560
853-4, 857:2 m.fl.	Cigarette and condenser papers, carbon paper backing, other special papers.	3.150
838:1, ur 839, ur 840:1, ur 841, ur 847, ur 862, ur 863, ur 866, ur 874, ur 877, ur 890 m.fl.	Converted paper and paperboard products.	1.260
ur 865	Paperboard bobbins	200
ur group XI B, C.	Yarns and fabrics	9.000
1108, ur 1110	Fishing nets (from Swedish raw materials) 4,000 kg.	(60)
ur group XI D, E.	Other textile products	3.500
ur 1224	Defibrator stones	50
1282, 1284, 1286, 1288.	Household chinaware	1.000
ur 1287	Sanitary chinaware	2.300
1330	Pig iron	4.000
ur group XV	Iron and metal products	700
ur group XV B	Copper and brass semimanufactures.	500
ur group XVI A.	Machinery, apparatuses and parts.	1.500
ur group XVI B.	Electric bulbs, apparatuses and supplies.	300
1873:3, 1874:2	Cables	560
1853-1855:1, 1855:5-1865, 1870.	Electrotechnical porcelain, electric installation material.	750
ur 2042	Brushes	100
ur 2068, ur 2071	Galalith and synthetic horn buttons.	200
	Others	4.000
		59.190

[1] ur=from.

AMERICAN EMBASSY,
Stockholm, Sweden, November 18, 1948.

COMMODITY LISTS UNDER SWEDISH-HUNGARIAN TRADE AGREEMENT FOR PERIOD OCTOBER 1, 1948–SEPTEMBER 30, 1949

(Supplementary report)

SUMMARY

Trade between Sweden and Hungary during the current agreement period, in accordance with the protocol of October 15, 1948,[1] further extending the validity of the July 26, 1946, trade agreement between the two countries until September 30, 1949, is to take place on the basis of new commodity lists appended to the said protocol. These lists have now been published by the Swedish State Information Bureau (Statens Upplysningsbyrå). They supersede the previous commodity lists relating to the preceding extension of the 1946 agreement.[2] The text of the protocal has not been released.

The State Information Bureau reports that the two governments have agreed to maintain, as closely as possible, equilibrium between exports to Hungary of the first 13 commodity items on the Swedish list, A-1, and imports from Hungary of the first 11 commodity items on the Hungarian list, B-1. Further, an endeavor will be made to achieve equilibrium insofar as possible in the imports of each country of the balance of each other's listed products. Translations of the commodity lists in question are enclosed herewith.

SELECTED COMMODITIES

The selected 13 export items listed on the Swedish commodity schedule, A-1 (see enclosure No. 1), which are to balance against certain selected Hungarian deliveries, specified on list B-1 (enclosure No. 2), include products for manufacture of organic dyestuffs, wood pulp, sulfate paper for bags, machine felt, charcoal pig iron, ferrotungsten, stainless and other quality steel, ball and roller bearing steel, ball and roller bearings, copper (specifically against deliveries of laquered copper wire from Hungary), hard metal, metal-working machines and parts thereof, machinery for manufacture of ball-bearing spheres.

The selected 11 commodity items which Hungary, in return, is scheduled to deliver to Sweden include corn, alfalfa seed, oilcake waste, paraffin, nicotine, rolled iron, band iron, galvanized-iron piping, semimanufactures of aluminum, metal-working machines and parts thereof, electric motors and transformers and parts thereof, and laquered copper wire (specifically against deliveries of copper from Sweden).

It will be noted from the enclosures that in these groups of commodities Sweden has agreed to export to Hungary, among others, such important products as ball and roller bearings to a value of 1,600,000 kronor, metal-working machinery and parts for 1,250,000 kronor, and stainless and other quality steel for 1,000,000 kronor; also 7,000 metric tons of wood pulp and 1,000 metric tons of charcoal pig iron. Among the agreed corresponding Hungarian deliveries those of metal-working machinery and parts represent a value of 1,000,000 kronor, while other important shipments to Sweden include 15,000 metric tons of corn and 6,150 metric tons of iron and iron products.

No limit as to value is indicated on the commodity lists, A-1 and B-1.

OTHER COMMODITIES

On the basis of commodity list A-1, Sweden has agreed to export to Hungary during the current agreement period, in addition to the selected 13 items, over 47 different commodities to a total value of more than 14,200,000 kronor [3] including certain quantities of feldspar and electrocorundum for which, however, no value is given. At the same time, on the basis of commodity list B-1, Sweden will import from Hungary, besides the 11 selected items, over 46 different products for more than 16,600,000 kronor, including malt, bath tubs, and parts of railway cars for which no value is shown.

It may be recalled [4] that according to a previous official Swedish press release, total Swedish exports to Hungary, during the period October 1, 1948–September 30, 1949, have been projected at 25,000,000 kronor and total imports from Hungary, at 28,500,000 kronor.

Approved:

EDWARD HUNT,
Clerk.
JOHN A. BIRCH,
Attaché.

[1] See: Embassy report No. 505 of October 22, 1948, "Swedish-Hungarian Trade Agreement Protocol for Period October 1, 1948–September 30, 1949."

[2] See: Embassy report No. 318 (confidential) of June 21, 1948.

[3] $1 equals Swedish kronor 3.60.

[4] See: Embassy report No. 505 referred to previously.

ENCLOSURE NO. 1 TO REPORT NO. 543, DATED NOVEMBER 18, 1948, FROM THE AMERICAN EMBASSY, STOCKHOLM, SWEDEN, ON THE SUBJECT OF: COMMODITY LISTS UNDER SWEDISH-HUNGARIAN TRADE AGREEMENT FOR PERIOD OCTOBER 1, 1948–SEPTEMBER 30, 1949

(Source: "Från departement och nämnder" no. 18/19, dated October 26, 1948—a publication of the State Information Bureau (Statens Upplysningsbyrå))

(Full translation from Swedish)

LIST A–1.—*Exports of Swedish commodities to Hungary during period Oct. 1, 1948–Sept. 30, 1949*

Commodity	Quantity	Value, Sw. Kr. 1,000
1. Products for manufacture of organic dyestuffs		100
2. Wood pulp, metric tons	7,000	
3. Sulfate paper for bags		750
4. Machine felt		200
5. Charcoal pig iron, metric tons	1,000	
6. Ferro-tungsten, metric tons	20	
7. Quality steel, hot- and cold-rolled (stainless and heat-resisting steel)		1,000
8. Steel for manufacture of ball and roller bearings		200
9. Ball and roller bearings		1,600
10. Copper (against Hungarian deliveries of lacquered copper wire)	(1)	(1)
11. Hard metal		300
12. Metalworking machinery and parts thereof		1,250
13. Machinery for manufacture of ball-bearing spheres and parts thereof		350
14. Fish		300
15. Animal casings, bladders, etc.		150
16. Shellac		50
17. Feldspar, metric tons	250	
18. Electrocorundum, metric tons	20	
19. Material for manufacture of matches		60
20. Hausmannite		100
21. Resin pitch		100
22. Material for manufacture of batteries		400
23. Potassium chlorate		150
24. Turpentine oil		50
25. Resin glue, liquid		50
26. Pharmaceutical products and specialties		150
27. Motion-picture feature films		80
28. Tanning extracts		300
29. Sundry chemical products		300
30. Furs, not sewn		500
31. Electric insulating paper		350
32. Sundry paper: printing, writing, and other fine paper qualities		250
33. Filter and condenser paper		100
34. Photographic paper, raw		50
35. Kraft paper bags		100
36. Woolen rags		2,500
37. Grinding disks and stones		50
38. Electric resistance material		400
39. Machine knives		150
40. Razor blades		100
41. Saws, saw blades, including those for metals		150
42. Spiral drills		150
43. Drill and oval chucks		150
44. Screw dies		150
45. Watch springs		150
46. Railway axle box guides		300
47. Oil-tightening rings		100
48. Blow-torches		50
49. Other products of iron and steel		700
50. Metalworking tools and parts thereof		300
51. Woodworking machinery and parts thereof		100
52. Machinery for shoe factories and parts thereof		100
53. Cream separators and parts thereof		200
54. Special centrifuges and parts thereof		50
55. Office machines and parts thereof		350
56. Sundry machinery, apparatus and parts thereof (including hydraulic jacks)		1,000
57. X-ray tubes		300
58. Medical and surgical instruments		150
59. Polyvinylchloride		450
60. Other commodities		2,500

[1] Not stated.

ENCLOSURE NO. 2 TO REPORT NO. 543, DATED NOVEMBER 18, 1948, FROM THE AMERICAN EMBASSY, STOCKHOLM, SWEDEN, ON THE SUBJECT OF: COMMODITY LISTS UNDER SWEDISH-HUNGARIAN TRADE AGREEMENT FOR PERIOD OCTOBER 1, 1948–SEPTEMBER 30, 1949

(Source: "Från departement och nämnder" no. 18/19, dated October 26, 1948—a publication of the State Information Bureau (Statens Upplysningsbyrå))

(Full translation from Swedish)

LIST B–1.—*Exports of Hungarian commodities to Sweden during period Oct. 1, 1948–Sept. 30, 1949*

Commodity	Quantity	Value, Sw. Kr. 1,000
1. Corn,[1] metric tons	15,000	
2. Alfalfa seed		720
3. Oilcake waste		300
4. Paraffin		275
5. Nicotine		230
6a. Rolled iron, metric tons	4,850	
6b. Band iron, metric tons	500	
7. Galvanized iron piping, metric tons	800	
8. Aluminum semimanufactures, metric tons	800	
9. Metal working machinery and parts thereof		1,000
10. Electric motors and transformers and parts thereof		[2] 500
11. Lacquered copper wire (against deliveries of copper from Sweden)	(3)	(3)
12. Feathers		300
13. Animal casings and bladders		200
14. Tomato pulp		300
15. Onions		420
16. Paprika		70
17. Rose hips		200
18. Beans		400
19. Malt	(3)	(3)
20. Corn starch		200
21. Sundry foodstuffs		300
22. Wines and liquors		50
23. Vaseline		250
24. Opium alkaloids (including papaverine)		400
25. Pharmaceutical products and specialties (including medicinal herbs)		200
26. Photographic paper, sensitized		50
27. Motion-picture feature films		50
28. Earth and mineral colors		150
29. Sundry chemical products		500
30. Furs (thereof sewn furs for 250,000 Swedish kronor)		500
31. Technical and other rubber ware (transport band)		150
32. Sawn lumber of deciduous species		600
33. Linen fabrics (including towel and tarpaulin fabrics)		100
34. Rayon fabrics (linings and satins)		600
35. Woolen fabrics		500
36. Cotton fabrics (blue denims, etc.)		850
37. Pressed felt		150
38. Dry goods (tape, etc)		100
39. Men's shirts, work clothes, etc		200
40. Hat shapes		50
41. Refractory and acid-proof brick		200
42. Household porcelain and glazed ware also fireproof glass		300
43. Thermos bottles		150
44. Optical goods, laboratory instruments, and apparatus, including thermometers, also physical instruments		500
45. Bathtubs	(3)	(3)
46. Locks and appurtenances (excluding padlocks)		250
47. Machines, apparatus, tools, and parts thereof		500
48. Parts for milking machines		250
49. Material for manufacture of incandescent lamps		650
50. Electric installation material		300
51. Sundry electric material		150
52. Electronic tubes		800
53. Parts of radio sets		550
54. Incandescent lamps and lamps for special purpose		650
55. Parts of railway cars	(3)	(3)
56. Electric meters, electric instruments, and parts thereof		1,000
57. Other commodities		2,500

[1] Deliveries under this item in the amount of 750,000 Swedish kronor shall not be taken into consideration for the purpose of estimating the equilibrium provided for in art. 1, point 3, of the protocol (text of the protocol continues unreleased).

[2] Deliveries under this item in the amount of 200,000 Swedish Kronor shall not be taken into consideration for the purpose of estimating the equilibrium provided for in paragraph 1, point 3, of the protocol (text of the protocol continues unreleased).

[3] Not stated.

AMERICAN EMBASSY,
Brussels, Belgium, November 24, 1947.

TRADE AGREEMENT BETWEEN BELGO-LUXEMBOURG ECONOMIC UNION AND SOVIET MILITARY GOVERNMENT IN GERMANY, OF NOVEMBER 10, 1947

On November 10, 1947 a Trade Agreement was concluded between the Soviet Military Government in Germany and the Belgo-Luxembourg Economic Union covering trade between the Soviet Zone of Occupation in Germany and the countries of the Economic Union.

The Agreement includes List A specifying the products which are to be exported from the Soviet Zone of Occupation in Germany List B which enumerates the products which will be authorized for export from the Belgo-Luxembourg Economic Union to the Soviet Zone of Occupation in Germany. Among the items to be furnished from the Soviet Zone of Occupation are sewing machines, textile machinery, typewriters, calculating machines and parts, optical and laboratory glassware, electrical equipment, wool products, etc. The Belgo-Luxembourg Economic Union is to furnish for the Soviet Zone of Occupation in Germany items such as super-phosphates and other fertilizers, sensitized photographic paper, rubber products, wool products, copper and zinc semi-manufactures, miscellaneous machinery, etc.

The Trade Agreement is to be in effect for a period of one year.

There are included as part of the Trade Agreement an exchange of letters between the heads of the two delegations, in which agreement is signified covering the supplying to the Belgo-Luxembourg Economic Union from the Soviet Zone of Occupation, of raw furs, potassium nitrate, textile machinery and parts, while the Belgo-Luxembourg Economic Union on its part is to export rabbit fur, horses, leather products, nonferrous metals, semimanufactures, etc.; an exchange of letters whereby the two parties authorize the conclusion of contracts between firms in the Soviet Zone of Occupation and firms in the Belgo-Luxembourg Economic Union on bases other than those referred to in the Commercial and Payments Agreements; and an exchange of letters agreeing upon the furnishing of transportation for heavy products by means other than railway, between the two areas.

The Agreement also includes a Payments Agreement specifying that payments in the Soviet Zone of Occupation will be made through the intermediary of the Garantie-und Kreditbank and in the Belgo-Luxembourg Economic Union through the intermediary of the National Bank of Belgium at Brussels or through other banks which may have been authorized by those competent in Belgo-Luxembourg exchange matters. For this purpose The Garantie-und Kreditbank at Berlin will open for the account of the Soviet Zone of Occupation an account in Belgian francs with The National Bank of Belgium acting in the name of the Belgian Government. The Garantie-und Kreditbank may also open a Belgian franc account in other approved banks and the latter may open accounts with The Garantie-und Kreditbank.

The Garantie-und Kreditbank of Berlin and the National Bank of Belgium at Brussels have the right to demand at all times payment in dollars of the United States, of the balance in their account in the National Bank of Belgium. Upon agreement of the two

banks such payment may be made in another currency. Nevertheless, neither of the two banks may demand payment of the balance above-mentioned, if this balance does not exceed 10,000,000 Belgian francs. If the balance exceeds 10,000,000 francs payment may be demanded only of the amount exceeding 10,000,000 Belgian francs. The payments agreement comes into force on the date the commercial agreement comes into effect and has the same duration as the latter.

There are attached a copy and translation of the commercial and payments agreements, copies of the letters referred to hereinabove, and lists A and B attached to the trade agreement.

CHARLES H. DUCOTÉ,
Commercial Attaché.

ENCLOSURE TO REPORT NO. 617 DATED NOVEMBER 24, 1947, FROM THE AMERICAN EMBASSY, BRUSSELS, BELGIUM

AGREEMENT BETWEEN THE SOVIET MILITARY GOVERNMENT IN GERMANY AND THE BELGIAN GOVERNMENT REGARDING TRADE BETWEEN THE SOVIET ZONE OF OCCUPATION IN GERMANY AND AND THE BELGO-LUXEMBOURG ECONOMIC UNION

In order to develop commercial relations between the Soviet Zone of Occupation in Germany and the Belgo-Luxembourg Economic Union, the Soviet Military Government in Germany on the one hand and the Belgian Government acting in its own name and by virtue of existing agreements in the name of the Luxembourg Government on the other hand, have agreed upon the following:

Article 1

The Soviet Military Government in Germany will authorize the exportation of articles enumerated in List A attached hereto and the importation of the products enumerated in List B attached hereto, during a period of one year, beginning with November 10, 1947.

Article 2

The Belgian Government will authorize exportation of the articles enumerated in List B attached hereto and the importation of the products enumerated in List A attached hereto during a period of one year beginning with ------ (sic).

Article 3

The delivery of the articles specified in Lists A and B attached hereto, in conformity with Articles 1 and 2 of the present Agreement will be made on the basis of contracts entered into between the Department of Foreign Trade of the Soviet Military Government in Germany or of firms or organizations of the Soviet Zone of Occupation in Germany, authorized by said Department on one hand and Belgian or Luxembourg firms or organizations which may have received the necessary licenses for this purpose, on the other hand.

Article 4

The lists of articles A and B included in Articles 1 and 2 of the present agreement may be extended in common agreement to other products not mentioned in these lists.

Article 5

The Parties will examine willingly and in conformity with the provisions of Article 3 hereinabove, the reciprocal offers of products produced with hand labor in the Soviet Zone of Occupation in Germany and in the Belgo-Luxembourg Economic Union.

Article 6

The two Parties will endeavor to provide the means of transportation required for the shipment of the products to be exchanged.

Article 7

For the supervision and control of the execution of the present agreement the Belgian Government and the Soviet Military Government in Germany will appoint the authorized delegates who will meet when required and at the request of one or another of the Parties, in order to discuss the results of the execution of the Agreement and to draw up proposals with a view to development of commercial relations between the Soviet Zone of Occupation in Germany and the Belgo-Luxembourg Economic Union.

Article 8

All payments resulting from the present agreement will be made in conformity with the provisions of the payments agreement concluded on this day between the two Parties.

Article 9

The present Agreement will come into force on November 10, 1947 and will be valid until ------ (sic) ------ 1948, inclusive.

In the event that the Agreement should not be prorogued its terms will remain applicable until the definitive settlement of all of the obligations resulting from the transactions carried out and authorized at the time it was in force, and conformity with Article 3 of the present Agreement.

Given at Berlin, November 11, 1947, each in French and Russian. In duplicate. These two versions are valid.

FOR THE SOVIET MILITARY GOVERNMENT.

FOR THE BELGO-LUXEMBOURG ECONOMIC UNION.

ENCLOSURE NO. 3 TO REPORT NO. 617 DATED NOVEMBER 24, 1947, FROM THE AMERICAN EMBASSY, BRUSSELS, BELGIUM

LIST A. MERCHANDISE FROM THE SOVIET ZONE OF OCCUPATION IN GERMANY TO BE EXPORTED TO THE BELGO-LUXEMBOURG ECONOMIC UNION

1. Scrap. The delivery of scrap by the Soviet Zone in a quantity not to exceed 100,000 tons will be possible only on the condition that the Belgo-Luxembourg Economic Union furnishes steel in an equivalent amount. The matter of delivery of scrap against steel will be examined by the Belgo-Luxembourg Economic Union at Brussels.

2. Wood:

(a) Oak wood, 5,000 cubic meters.

(b) Sawn lumber, 1,500 cubic meters.

(c) Mine lumber, 60,000 cubic meters.

3. Potash (40 percent K_2O), 30,000 tons.

4. Domestic sewing machines and parts, 3,000,000 Belgian francs.

5. Machinery for the manufacture of clothing and parts, 3,000,000 Belgian francs.

6. Typewriters and calculating machines, printing shop machinery and parts, 5,000,000 Belgian francs.

7. Glass products: (a) neutral glass tubing and ampoules, (b) pharmaceutical ampoules in neutral glass, (c) laboratory glassware, (d) thermometers, (e) colored glass, (f) optical glass, 5,000,000 Belgian francs.

8. Agricultural products (solely on an exchange basis).

9. Electrical apparatus and equipment, 5,000,000 Belgian francs.

10. Crude phenol. Not yet available.

11. Miscellaneous products, 20,000,000 Belgian francs.

LIST B. MERCHANDISE OF THE BELGO-LUXEMBOURG ECONOMIC UNION TO BE EXPORTED TO THE SOVIET ZONE OF OCCUPATION IN GERMANY

1. Semimanufactures and alloys of copper especially tubes, sheets, and wire, 300 tons.

2. Tin oxide, 25 tons.

3. Miscellaneous machines, 10,000,000 Belgian francs.

4. Zinc powder, 400 tons.

5. Stripped flax, 200 tons.

6. Asbestos, 300 tons.

7. Wool rags for unravelling, 1,000 tons.

8. Wool (for handwork into yarn), 5,000 tons.

9. Rubber, 500 tons.

10. Stearic acid, 20 tons.

11. Sensitized products for photography, 100,000 Belgian francs.

12. Paper binding twine, 1,000 tons.

13. Superphosphate, 40,000 tons.

14. Phosphate fertilizer (60,000 tons). Not yet available.

15. Herring, fish. Not yet available.

16. Tanners bark (2,000 tons). Not yet available.

17. Agricultural products (solely on an exchange basis).

18. Miscellaneous products, 4,000,000 Belgian francs.

NOTE.—The Soviet Military Government in Germany has expressed the desire of obtaining nonferrous metals: tin, zinc, antimony, copper, nickel, cobalt, cadmium. The Belgo-Luxembourg delegation has taken due note of this desire which will be examined with care.

ENCLOSURE TO REPORT NO. 617 DATED NOVEMBER 24, 1947, FROM THE AMERICAN EMBASSY, BRUSSELS, BELGIUM

AGREEMENT BETWEEN THE SOVIET MILITARY GOVERNMENT IN GERMANY AND THE BELGO-LUXEMBOURG ECONOMIC UNION CONCERNING THE PAYMENTS RESULTING FROM THE COMMERCIAL AGREEMENT CONCLUDED BETWEEN THE SAME PARTIES ON NOVEMBER 10, 1947

With a view to settling the payments resulting from the Commercial Agreement signed between the two Parties, the Soviet Military Government in Germany and the Belgian Government, acting in its own name as well as in the name of the Luxembourg Government by virtue of existing agreements, are agreed upon the following:

Article 1

All payments between the Soviet Zone of Occupation in Germany on the one hand and Belgium and the Grand Duchy of Luxembourg on the other, resulting from the Commercial Agreement will be carried out in Belgian francs.

Article 2

All payments will be carried out in the Soviet Zone of Occupation in Germany through the intermediary of the Garantie- und Kreditbank (Garkrebo), Berlin, Jaegerstrasse, 49/50 and in the Belgo-Luxembourg Economic Union by the intermediary of the National Bank of Belgium at Brussels or of other banks which may have been authorized for the purpose by the competent authorities in exchange matters in the Belgo-Luxembourg Economic Union.

To this end, the Garantie-und Kreditbank at Berlin will open for the account of the Soviet Military Government in Germany an account in Belgian francs in the National Bank of Belgium at Brussels, acting on behalf of the Belgian Government. The Garantie-und Kreditbank may also open an account in Belgian francs in the other banks referred to in the first part of the present article and the latter may open accounts with the Garantie-und Kreditbank.

Article 3

The Garantie-und Kreditbank at Berlin and the National Bank of Belgium at Brussels have the right to demand at all times the payment in dollars of the United States of the balance in their favor of the account with the National Bank of Belgium, referred to in Article 2. This payment may be made by means of transfers outside of the Belgo-Luxembourg Economic Union. By means of the agreement of the two banks, this payment may be made in another currency.

Nevertheless, each of the two banks may not demand reimbursement of the balance of the afore-mentioned account unless the balance exceeds 10 million Belgian francs.

In the event that the balance should exceed 10 million Belgian francs reimbursement may not be demanded except in the amount exceeding 10 million Belgian francs.

Article 4

If the parity of the Belgian franc, that is to say, forty nine thousand three hundred eighteen Belgian francs eight hundred twenty two ten-thousands (49,318.0822) per kilogram of fine gold should be modified as regards gold value, the debit or credit balance of the account of GARKREBO with the National Bank of Belgium referred to in Article 3 of the present agreement will be adjusted by the National Bank of Belgium on the date of the modification and in the proportion of the latter.

Article 5

The provisions of the present Agreement will apply to the following payments;

(a) Payment for merchandise exchanged between the Parties in conformity with the Commercial Agreement of (sic) 1947.

(b) Payment of transportation, insurance, maritime freight and other charges of the same nature.

(c) Payment of the special charges inherent to commercial operations such as costs of hand labor, of transformation, of manufacture, repair, etc.

(d) To all other categories of operations which may be agreed upon in common agreement by the contracting Parties.

Article 6

The National Bank of Belgium and the Garantie-und Kreditbank will together establish the technical regulations for the execution of the reciprocal payments resulting from the present Agreement.

The present Agreement will be put into application from the date of entry into force of the Commercial Agreement signed today and will have the same duration as the latter.

Article 8

Upon the expiration of the present Agreement the balance of the account referred to in Article 2 will bear interest at 3 percent per year. The balance and interest due will be reimbursed in dollars of the United States within a period of six months.

By means of the agreement of the Garantie-und Kreditbank and of the National Bank of Belgium, this reimbursement, nevertheless may be carried out in another currency.

Article 9

Settlements referred to in articles 3 and 8 above, will be made on the basis of the average rate, or in default of the latter on the basis of the average between the official buying and selling rates established by the National Bank of Belgium, for the currency under consideration, on the date of liquidation.

Given at Berlin, November 10, 1947.

The present Agreement is prepared in duplicate, each in Russian and in French, the two texts being valid.

For the Soviet Military Government in Germany

For the Belgo-Luxembourg Economic Union.

ANKARA, *August 27, 1948.*

Subject: Turkish-Polish Trade and Payments Agreements.

The Honorable

THE SECRETARY OF STATE,
Washington.

SIR: I have the honor to refer to the Embassy's airgram No. 231 of July 23, 1948, in connection with the Turkish-Polish Trade and Payments Agreements of July 18, 1948, and to enclose herewith unofficial translations of the agreements under reference together with unofficial translations of letters exchanged between the presidents of the two trade delegations which negotiated the agreements.

In connection with the payments agreement, it is understood that when payments by the Turkish Central Bank for Turkish Imports reach $500,000, no further payments will be made by the Turkish Central Bank by debiting account established by article 2 of the payments agreement unless the Polish National Bank deposits to the credit of the Central Bank, in dollars in the United States of America or in sterling in London, additional amounts which are to be transferred finally to the Central Bank at the end of three months unless payments made by the Central Bank against such deposits have in the meanwhile been liquidated by Polish exports to Turkey.

It should be noted that from 1936 to 1939 annual exports of Turkey to Poland varied from T£924,836 to T£2,260,533, while imports from Poland to Turkey varied from T£361,094 to T£3,003,855.[1] (See restricted enclosure No. 5.) Turkish exports during this period consisted chiefly of tobacco, dried fruits, and cotton. Polish exports consisted principally of paper products, chemicals, wood, woolens, machinery, and steel. There is enclosed herewith tables setting forth the statistics on foreign trade between Poland and Turkey for 1936 to 1939. Since the war trade between the two countries has been at a virtual standstill, official foreign trade statistics show no trade between the two countries for 1946 and 1947. Turkish exports to Poland during the first five months of 1948 are shown in foreign trade statistics as amounting to T£212,155 and imports amounting to T£616,830.

Respectfully yours,

EDWARD B. LAWSON,
Counselor of Embassy for Economic Affairs.
(For the Chargé d'Affaires ad interim.)

ENCLOSURE NO. 1 TO DESPATCH NO. 332 DATED AUGUST 27, 1948, FROM THE AMERICAN EMBASSY, ANKARA, ENTITLED "TURKISH-POLISH TRADE AND PAYMENTS AGREEMENTS."

(Unofficial translation of the French text of the Turkish-Polish trade agreement of July 18, 1948)

TRADE AGREEMENT BETWEEN TURKEY AND POLAND

The Turkish Government and the Polish Government, desiring to develop their commercial exchanges and taking into consideration the stipulations of the Convention on Commerce and Navigation between Turkey and Poland, dated August 29, 1931, are agreed upon the following terms:

Article 1

Within the scope of their general import and export system in force, the Turkish and Polish governments will accord one another reciprocally as favorable as possible a treatment in granting import and export permits and licenses, so as to facilitate the development of commerce between the two countries.

Article 2

The payments relative to the commercial exchanges which will be made in accordance with the terms of the present Agreement will be governed by the terms of the Payments Agreement signed today between Turkey and Poland.

Article 3

The commercial transactions approved by the proper authorities of the two countries before this agreement goes into effect will be liquidated according to the terms of the general system in force in each one of the two countries at the time of their approval by the respective competent authorities.

Article 4

The transactions approved and started during the period of validity of this Agreement and not completed upon the expiration of the latter will be liquidated in accordance with the terms of this Agreement.

Article 5

Merchandise shipped on both sides, after this Agreement goes into effect, must be accompanied by a certificate of origin, following the sample attached hereto, issued by the proper authorities of the exporting country.

For shipments the countervalue of which does not exceed 100 Turkish liras or 35 U. S. dollars or the equivalent in another currency, certificates of origin are not required.

Article 6

A mixed committee composed of Turkish and Polish official representatives will be constituted for the purpose of facilitating commercial exchanges between the two countries.

This committee will be authorized to superintend the application of this Agreement and to submit to the two governments any proposal tending to ameliorate commercial relations between Turkey and Poland.

Article 7

This Agreement will become effective as of August 1, 1948, and will have a one-year period of validity.

If it is not denounced by two months' notice before the date of its expiration, it will be considered renewed under the same conditions for annual periods.

Done at Ankara July 18, 1948, in two copies, in French.

For the Turkish Government:

FUAD CARIM.

For the Polish Government:

J. DRUTO.
ANTONI ROMAN.

PROTOCOL

In the application of Article 1 of the Trade Agreement signed today between Turkey and Poland, the two contracting parties are in agreement on the following:

1. During the first year of the validity of the Trade Agreement mentioned above, commercial exchanges between Turkey and Poland will be made according to the Turkish and Polish lists of merchandise, called respectively List "A" and List "B", attached to this Protocol.

2. It is understood that the lists thus established will carry no prejudice against the exchange of merchandise other than that mentioned on these lists.

This Protocol is an integral part of the Trade Agreement signed today between Turkey and Poland.

Done at Ankara July 18, 1948, in two copies, in French.

For the Turkish Government:

FUAD CARIM.

For the Polish Government:

J. DRUTO,
ANTONI ROMAN.

LIST A. MERCHANDISE TO BE EXPORTED FROM TURKEY INTO POLAND

Opium, sponges, skins of small animals and half-opened skins, game-animal skins, beeswax, lard, ground-nuts, tobacco, dried fruits (almonds, pistachios, walnuts, hazelnuts, raisins, figs, etc.).

Asbestos, antimony, copper, mercury, magnesite, emery, mohair, hemp thread, flax fiber, cotton, wool in grease, flaxseed oil, hazelnut oil, laurel (bay) oil, rape-seed oil, styrax oil, flaxseed, hempseed, blue poppyseed, rape-seed, castor-oil seed, oil-cake, valonia, valex, pine bark, extract of pine bark, licorice root, licorice extract, madder-root, gum tragacanth, madder, gall-nuts, sumac, medicinal plants, Spanish licorice.

LIST B. MERCHANDISE TO BE EXPORTED FROM POLAND INTO TURKEY

Sugar, window glass, cast glass, crockery and china, sanitary porcelain, slabs of baked clay, varnished tiles for bathrooms, newsprint, wrapping paper, cigarette paper, typewriters, oil-cans keys (type 0.25, 0.35, 0.75), various lubricators, Stauffer system grease cups, garage levers, lead tubes, outboard motors, geodetic instruments, different ele-

[1] Official exchange rate 1936–1939, T£1.00 = $0.77; 1948, T£1.00 = $0.357.

ments for lighting installation, dressmaking and tailoring articles in metal (zippers, snap fasteners, iron fasteners).

Burners for kerosene lamps, alum of chrome-ammonium, arsenic, antichlor, zinc white, sodium bichromate, carbon electrodes, nitric acid, ammonium carbonate, aluminum sulphate, anticorrosive products, pharmaceutical products, agricultural machinery (plows, harrows, cultivators, plowshares), galvanized pails and enameled household articles, ground and telephone electric cables, agricultural tools (shovels, spades, pickaxes, scythes, and sickles), transformers and electric machines, small pumps with flanges, electrotechnical materials, Bergman tubes, water meters, rolling stock for railroads, zinc alloys, and zinc sheets, cast-iron sanitary installations, "Szwabe" semiautomatic weaving looms, cast-iron sewer pipes, steel castings, iron castings, bicycles and spare parts, shutters and roller blinds in metal, combed-wool thread, artificial-silk thread, linen thread, wool felt, cotton goods, woolen goods, tomofan (cellophane), rails, bakers' ovens, cement, dextrin, locks and hinges for doors and windows.

ENCLOSURE NO. 2 TO DESPATCH NO. 332 DATED AUGUST 27, 1948, FROM THE AMERICAN EMBASSY, ANKARA, ENTITLED "TURKISH-POLISH TRADE AND PAYMENTS AGREEMENTS"

UNOFFICIAL TRANSLATION OF THE FRENCH TEXT OF THE PAYMENTS AGREEMENT BETWEEN TURKEY AND POLAND

In order to settle payments resulting from commercial exchange which will be made in accordance with the Trade Agreement signed today between Turkey and Poland, as well as those mentioned in this Agreement, the Turkish and Polish governments are agreed on the following:

Article 1

The payments of the countervalue of Polish goods imported or to be imported into Turkey in accordance with the terms of the Trade Agreement signed today, as well as any other payment by Turkey to Poland authorized by Turkish legislation in force on exchange control, will be made by deposits to a non-interest bearing account, expressed in U. S. dollars and exempt from charges of all kinds, opened at the Central Bank of the Republic of Turkey in the name of the Polish National Bank.

Article 2

The payments of the countervalue of Turkish merchandise imported or to be imported into Poland in accordance with the terms of the Trade Agreement signed today, as well as any other payment by Poland to Turkey authorized by Polish legislation in force on exchange control, will be made by deposits to a non-interest bearing account, expressed in U. S. dollars and exempt from charges of all kinds, opened at the Polish National Bank in the name of the Central Bank of the Republic of Turkey.

Article 3

In order to permit payments to the rightful parties, in accordance with the terms of the preceding articles, the Central Bank of the Republic of Turkey and the Polish National Bank will inform one another reciprocally from day to day of the payment orders with all the necessary detail's.

Article 4

The deposits and the payments will be made in each country in the national currency of such country.

Article 5

The payments to the rightful parties will be made by the two aforementioned Banks following the chronological order of the deposits made to the accounts mentioned in Articles 1 and 2 of this Agreement.

Article 6

In case the credit balance of the account mentioned in Article 1 of this Agreement should be insufficient to cover the payments of the Polish National Bank in Turkey, the Central Bank of the Republic of Turkey will continue to make payments by debiting this account up to the amount of 500,000 U. S. dollars, in accordance with the payment orders of the Polish National Bank.

If the payment orders of the Polish National Bank should exceed the debit balance mentioned in the preceding paragraph, this institution can build up its account with the Central Bank of the Republic of Turkey through carrying-forward operations by the transfer to the latter of U. S. dollars or sight sterling repurchasable at the end of three months, up to the amount of 500,000 U. S. dollars or its equivalent in pounds Sterling.

Article 7

In case the credit balance of the account mentioned in Article 2 of this Agreement should be insufficient to cover the payments of the Central Bank of the Republic of Turkey in Poland, the Polish National Bank will continue to make payments by debits to this account to the extent of 500,000 U. S. dollars, in accordance with the payment orders of the Central Bank of the Republic of Turkey.

If the Central Bank of the Republic of Turkey's payment orders should exceed the debit balance mentioned in the preceding paragraph, this institution can build up its account with the Polish National Bank through carrying-forward operations by the transfer to the latter of U. S. dollars or sight sterling repurchasable at the end of three months, up to the amount of 500,000 U. S. dollars or its equivalent in pounds Sterling.

Article 8

The two above mentioned central banks shall agree upon the technical methods to be applied for the proper functioning of this Agreement.

Article 9

The Turkish and Polish Governments will take, in accordance with their legislation, the necessary measures to ensure the proper functioning of this Agreement.

Article 10

Payments relative to commercial transactions begun during the period of validity of this Agreement and not completed at the expiration of the latter, will continue to be made in accordance with the terms of this Agreement.

Article 11

If at the expiration of this Agreement a balance exists in the accounts mentioned in Articles 1 and 2 in favor of one or the other of the contracting parties, this balance will be liquidated by the debtor party by the exportation of merchandise within a period of six months from the date of expiration.

The balance that exists at the end of this six-months' period must be liquidated by a settlement in free foreign exchange.

Article 12

This Agreement will go into effect on the same day and will have the same period of validity as the Trade Agreement signed today.

Done at Ankara July 18, 1948, in two copies, in French.

For the Turkish Government:
FUAD CARIM.

For the Polish Government:
J. DRUTO.
ANTONI ROMAN.

LIQUIDATION PROTOCOL

In order to liquidate the old Turkish and Polish credits, the Turkish Government and the Polish Government are agreed on the following:

ARTICLE 1

The balance of the special account opened at the Central Bank of the Republic of Turkey in the name of the Polski Instytut Rozrachunkowy, in accordance with the terms of the Protocol of October 12, 1940, which will be established by the Central Bank of the Republic of Turkey under date of August 1, 1948, will be liquidated by a deposit to the credit of the account of the Narodowy Bank Polski opened at the Central Bank of the Republic of Turkey in accordance with the terms of Article 1 of the Payments Agreement signed today between Turkey and Poland.

ARTICLE 2

All other Turkish and Polish credits existing in the former Turco-Polish clearing account and which should be established by common agreement between the two Banks, after this Protocol goes into force, will be settled according to the stipulations of the abovementioned Payments Agreement.

Done at Ankara on July 18, 1948, in two copies in French.

For the Turkish Government:
FUAD GARIM.

For the Polish Government:
J. DRUTO.
ANTONIO ROMAN.

ENCLOSURE NO. 3 TO DESPATCH NO. 332 DATED AUGUST 27, 1948, FROM THE AMERICAN EMBASSY, ANKARA, ENTITLED "TURKISH-POLISH TRADE AND PAYMENTS AGREEMENTS"

UNOFFICIAL TRANSLATIONS OF LETTERS ANNEXED TO THE TURKISH-POLISH TRADE AND PAYMENTS AGREEMENTS OF JULY 18, 1948

ANKARA, *July 18, 1948.*

His Excellency Mr. FUAD CARIM,
Ambassador of Turkey,
Secretary General of the Ministry of Foreign Affairs, Ankara.

MR. AMBASSADOR: Referring to the Payments Agreement signed today between Turkey and Poland, I have the honor to inform you that the payments mentioned in Articles 1 and 2 of this Agreement are those which result principally:

(a) from the delivery of merchandise from Turkey to Poland and from Poland to Turkey;

(b) from the Turco-Polish finishing trade as well as repair and construction work;

(c) expenses of all kinds pertaining to transportation by sea, by river, by land and by air between Turkey and Poland;

(d) additional expenses pertaining to the exchange of merchandise, such as port expenses, storage fees, customs duties and maritime agencies' fees, etc.;

(e) insurance on merchandise in Turco-Polish trade mentioned in paragraph (a), such as premiums, indemnities, etc.;

(f) interests to be paid resulting from commercial traffic, commissions, supplies, brokerage, representation expenses, etc.;

(g) payments for services (fees, remunerations, stipends, salaries) resulting from work contracts, etc.;

(h) acquisitions of the rights of intellectual, industrial and commercial property (author's rights, licenses, patents, trade marks, etc.;

(i) expenses of trips, studies and schooling, subsidies, rents and food allowances;

(j) of all other transactions and obligations approved by the proper authorities of the two governments.

Please accept, Mr. Ambassador, the assurances of my highest consideration.

ANTONI ROMAN,
President of the Polish Trade Delegation.

ANKARA, *July 18, 1948.*

His Excellency Mr. ANTONI ROMAN,
President of the Polish Trade Delegation, Ankara.

Mr. PRESIDENT: I have the honor to acknowledge receipt of your letter dated today as follows:

"Referring to the payments agreement signed today between Turkey and Poland, I have the honor to inform you that the payments mentioned in articles 1 and 2 of this agreement are those which result principally:

"(a) From the delivery of merchandise from Turkey to Poland and from Poland to Turkey;

"(b) From the Turco-Polish finishing trade as well as repair and construction work;

"(c) Expenses of all kinds pertaining to transportation by sea, by river, by land, and by air between Turkey and Poland;

"(d) Additional expenses pertaining to the exchange of merchandise, such as port expenses, storage fees, customs duties, and maritime agencies' fees, etc.;

"(e) Insurance on merchandise in Turco-Polish trade mentioned in paragraph (a), such as premiums, indemnities, etc.;

"(f) Interests to be paid resulting from commercial traffic, commissions, supplies, brokerage, representation expenses, etc.;

"(g) Payments for services (fees, remunerations, stipends, salaries) resulting from work contracts, etc.;

"(h) Acquisitions of the rights of intellectual, industrial, and commercial property (author's rights, licenses, patents, trademarks, etc.);

"(i) Expenses of trips, studies and schooling, subsidies, rents and food allowances;

"(j) Of all other transactions and obligations approved by the proper authorities of the two Governments."

Please accept, Mr. President, the assurances of my highest consideration.

FUAD CARIM.

ANKARA, *July 18, 1948.*

His Excellency Mr. FUAD CARIM,
Ambassador of Turkey, Secretary General of the Ministry of Foreign Affairs, Ankara.

MR. AMBASSADOR: I have the honor to inform you that my government is in agreement as follows:

If, at the end of the first year of validity of the payments agreement signed today between Turkey and Poland, a balance exists in favor of one of the parties, after compensation of the accounts mentioned in articles 1 and 2 of the above-mentioned agreement, the mixed committee mentioned in article 6 of the trade agreement signed today, will be charged with proposing a solution with a view to liquidating this balance.

In case the mixed committee should not be able to propose a solution as of September 1, 1949, the balance in question must be liquidated in free foreign exchange on January 31, 1950, at the latest.

Please confirm for me the agreement of the Turkish Government on the preceding.

Please accept, Mr. Ambassador, the assurances of my highest consideration.

ANTONI ROMAN,
President, Polish Trade Delegation.

ANKARA, *July 18, 1948.*

His Excellency Mr. ANTONI ROMAN,
President of the Polish Trade Delegation, Ankara.

Mr. PRESIDENT: I have the honor to acknowledge receipt of your letter of today as follows:

"I have the honor to inform you that my Government is in agreement as follows:

"If, at the end of the first year of validity of the payments agreement signed today between Turkey and Poland, a balance exists in favor of one of the parties, after compensation of the accounts mentioned in articles 1 and 2 of the above-mentioned agreement, the mixed committee mentioned in article 6 of the trade agreement, signed today, will be charged with proposing a solution with a view to liquidating this balance.

"In case the mixed committee should not be able to propose a solution as of September 1, 1949, the balance in question must be liquidated in free foreign exchange on January 31, 1950, at the latest.

"Please confirm for me the agreement of the Turkish Government on the preceding."

I should like to inform you that my Government is in agreement with the preceding.

Please accept, Mr. President, the assurances of my highest consideration.

FUAD CARIM,
President of the Turkish Trade Delegation.

ENCLOSURE 4 TO DESPATCH NO. 332, DATED AUGUST 27, 1948, FROM THE AMERICAN EMBASSY, ANKARA, ENTITLED: "TURKISH-POLISH TRADE AND PAYMENTS AGREEMENT"

Turkish imports from Poland, 1936–1939

Commodities	1936		1937		1938		1939	
	Kilos	Turkish pounds	Kilos	Turkish pounds	Kilos	Turkish pounds	Kilos	Turkish pounds
Wools, silks and their threads			6,244	14,511	205,688	543,496	18,255	45,562
Wood, etc	10,781	1,353	122,504	17,827	4,534,849	264,145	10,343,777	238,413
Paper and its applications	350,371	140,921	99,401	50,011	279,553	185,728	268,204	174,068
Steel	197,258	16,114	777,269	72,208	16,654,663	1,280,567	24,923,770	1,766,842
Zinc and zinc alloys	391,914	49,324	558,002	105,491	1,063,900	143,512	2,080,581	254,950
Machines	8,653	1,739	524	643	16,316	15,163	522,394	120,089
Chemical products	51,861	4,850	92,613	11,072	203,696	34,739	280,258	66,968
Miscellaneous	896,275	217,457	318,196	89,331	1,713,416	192,214	767,650	336,963
Total	1,907,113	431,758	1,975,001	361,094	24,672,081	2,659,564	39,204,889	3,003,855

Source: Statistique Annuelle du Commerce Exterieur, 1939, Ankara 1940, published by the Turkish Central Office of Statistics.

Turkish exports to Poland, 1936–1939

Commodities	1936		1937		1938		1939	
	Kilos	Turkish pounds	Kilos	Turkish pounds	Kilos	Turkish pounds	Kilos	Turkish pounds
Grains, grasses and their products	202,288	37,111	512,266	99,032	684,185	125,980	296,516	62,209
Fruits	1,328,218	319,764	1,146,877	327,490	2,518,446	605,729	653,793	258,308
Tobacco	57,021	71,755	1,103,368	1,313,000	805,352	1,265,402	693,890	1,206,052
Cotton	834,573	424,387	810,678	379,131	186,317	69,140	10,920	4,315
Other metals	864,000	17,680	475,000	10,450	1,000,000	22,000	1,885,000	41,470
Miscellaneous	573,778	54,139	1,762,463	131,430	1,090,100	114,142	797,953	93,055
Total	3,859,878	924,836	5,810,592	2,260,533	6,284,400	2,202,395	4,338,072	1,663,409

Source: Statistique Annuelle du Commerce Exterieur, 1939, Ankara, 1940, published by the Turkish Central Office of Statistics.

Mr. MALONE. Now with the understanding that I may have the floor at the beginning of the session tomorrow, I yield.

Mr. ELLENDER. Mr. President, how much time will the Senator require tomorrow?

Mr. MALONE. I would estimate perhaps 45 minutes, in addition to the time that might be required for debate.

Mr. ELLENDER. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

WARTIME RECORDS OF COMMODITY CREDIT CORPORATION

During the delivery of Mr. MALONE'S speech,

Mr. WILLIAMS. Mr. President, I ask unanimous consent that the Senator from Nevada may be permitted to yield to me for 15 minutes, without prejudicing his rights to the floor.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). The Senator from Delaware has asked unanimous consent that the Senator from Nevada be permitted to yield to him for the purpose of making a statement, and without prejudicing the rights of the Senator from Nevada to the floor. Is there ob-

jection? The Chair hears none and it is so ordered.

Mr. MALONE. I am glad to yield with the understanding that the remarks of the Senator from Delaware shall appear at the end of my address.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that my remarks may appear at the end of the discussion by the Senator from Nevada.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAMS. Mr. President, last Friday I called to the attention of the Senate a certain matter regarding the Commodity Credit Corporation. At this time I want to read for the RECORD a review of the statement which I made on the floor at that time regarding the Corporation. My remarks are to be found on page 3190 of the CONGRESSIONAL RECORD. I read as follows:

It has been reported to me, from sources which I consider very reliable, that over $350,000,000 of receivables in the general commodities purchase program could not be supported or verified because of faulty accounting policies and poorly devised procedures.

In the case of certain other programs it was also impossible to support the recorded balances of receivables, particularly in the case of claims in the case of cotton loans held by the Corporation. It had made no effort to prove the accuracy of the total amount of loans and, therefore, I understand that the total amount of loans reported by the Federal Reserve banks, as custodians, could not be reconciled with the records of the Corporation. At least one duplication of over $2,000,000 has been reported to me.

I also understand that the wheat loans are overstated by about $4,000,000 with the corresponding overstatement in accounts payable.

The book value of the inventories held by the Corporation as of June 30, 1945, was in excess of $1,000,000,000, but it has been reported to me that it was not possible to verify this amount physically.

After making that statement, which I had received from a source which I considered reliable, I sent to the desk a resolution on behalf of myself and five of my colleagues, the Senator from Pennsylvania [Mr. MARTIN], the Senator from Missouri [Mr. KEM], the Senator from Indiana [Mr. JENNER], the Senator from Utah [Mr. WATKINS], the Senator from Indiana [Mr. CAPEHART], and asked that the General Accounting Office be required, on or before April, to present the audits of this Corporation for the years 1943, 1944, and 1945.

I notice that the Senator from Illinois [Mr. LUCAS] is absent from the Chamber at this time. I am sorry. He objected to the consideration of the resolution at that time. On Monday, after a conference with the General Accounting Office officials, I was promised that those records would be submitted to the Congress during this week, and that it would not be necessary to have the resolution passed. Therefore, on Monday I withdrew the resolution, and at that time stated that the General Accounting Office had substantially confirmed my position.

Today, Mr. President, the audits for those years by the General Accounting Office are in the possession of the Senate, having been delivered this afternoon to the Senator from Oklahoma [Mr. THOMAS], chairman of the Committee on Agriculture and Forestry. I have those records in my hand at this time.

It might interest Members of the Senate to know that the one error which I made in my statement last Friday was that I was $16,000,000 short in stating the amount by which the accounts were out of line. When I said there were $350,000,000 of unreconciled accounts, I was $16,000,000 short.

The report from which I shall read was submitted to the Congress today on behalf of the Comptroller General of the United States, the Honorable Lindsay C. Warren. I read first from page 51 of that report:

The amount of $366,643,129 recorded as due from sales made in the general commodities purchase program could not be supported nor verified.

Thus when I stated on the Senate floor last Friday that I had been informed that over $350,000,000 of receivables in the general commodity purchase program could not be supported or verified I was making an understatement by more than $16,000,000. The information which I shall quote from this report is so astounding that I shall let it speak for itself.

I shall read for the RECORD a few brief excerpts from this report for the information of the Senate.

On pages 5 and 6 of the report we find the following statement:

Operating responsibilities within the corporation at times were not apportioned among the officials to any great extent according to the normal functional characteristics of their office, and broad delegations of responsibility and authority were not made. As a result, the internal operation has been organized less effectively than would have been desirable. This is particularly true of the War Foods Administration era (1943–45). During much of that period there was poor organization, lack of coordination, uncertainty of policies, constant confusion from frequent reorganizations, and extremely high turn-over in executive personnel.

Weakness in management, and operations, or accounting were attributed in large part by the corporation to the stresses and exigencies occasioned by the war. We believe that, while this is true to a certain extent, the effect would have been less if a more sound managerial control had existed at the time.

Turning to pages 31 and 32 of this report, we find this statement:

Our examination of the affairs of the Commodity Credit Corporation was seriously impeded by major deficiencies in accounting policies and procedures and methods of financial recording. * * * The primary causes of the failure of the accounting function were found in the manner in which the functions of the Corporation were intermingled with others of the Department of Agriculture, the apparent lack of appreciation by the management of the necessity for accurate financial reporting.

Turning to page 32, section B, we find this statement:

The Corporation did not maintain adequate control over amounts recorded as being receivable or payable. It was not possible in many instances to determine who owed amounts purporting to be receivable or to whom amounts recorded as owing were due. It also was not possible to determine that all amounts owed to or by the Corporation were reflected in the accounts.

On page 33 of the report, section 12, subsection (f), we find this statement:

The Corporation did not exercise satisfactory control over its investments in fixed assets particularly grain bins and related equipment. Records were not maintained in such a way as enabled the Corporation (or us) to know the location or condition of such assets, whether, in fact, they were still owned by the Corporation, or whether all income resulting from rental or sales had been received.

I invite particular attention to that statement, because the Comptroller General says that the records were kept in such a manner that neither the Corporation nor the General Accounting Office could determine the location or condition of the grain bins, or whether or not the grain bins were still owned by the Corporation. In other words, they did not know what they owned or what they were doing, which partly may explain the Administrator's confusion regarding their grain-storage facilities during the recent political campaign.

On pages 34 and 35 of the report we find the following statement:

To some extent the Corporation's financial statements were on a cash basis, transactions having been recognized in the underlying accounts only at the point in time when they resulted in the receipt or disbursement of cash. In addition, there were delays in the reporting of transactions, including cash transactions and further delays in disposing of accounting data. The amount of assets, liabilities, revenues, and expenses which were omitted from, or improperly classified in, the Corporation's financial statements as a result of these circumstances were not determinable. Unrecorded liabilities are known to have existed, but no representations can be made concerning either their aggregate amount, which we believe was substantial, or their effect upon the financial statements.

On pages 51 and 52 of the report we find the following statement:

The segregation of receivables between those due from Government agencies and others was made by the use of data presented by the Corporation as a basis. The accounts maintained did not provide an adequate medium for such a segregation, and the segregation made by the Corporation could not be supported in full by analysis.

The amount of $366,643,129 recorded as due from sales made in the general commodities purchase program could not be supported nor verified. The recorded balances of individual accounts are subject to qualification as a result of faulty application of accounting policies and poorly devised procedures.

* * * In the case of certain other programs, it was also impossible to support or verify recorded balances of receivables, particularly in the case of claims and miscellaneous receivables.

Mr. WHERRY. Mr. President, will the Senator yield for a question? I do not wish to delay the Senator.

Mr. MALONE. Mr. President, I have the floor. I am glad to yield to the Senator from Nebraska so that he may ask the Senator from Delaware a question.

Mr. WHERRY. Mr. President, I have heard this subject batted back and forth between the Senator from Delaware [Mr. WILLIAMS] and the Senator from

Illinois [Mr. LUCAS]. The Senator from Delaware has just concluded reading the statement from pages 51 and 52 of the report, that—

> The amount of $366,643,129 recorded as due from sales made in the general commodities purchase program could not be supported nor verified.

I think that is about $16,000,000 more than the Senator from Delaware thought it might be when he made his statement recently. Is that correct?

Mr. WILLIAMS. That is correct. The General Accounting Office said that the only error in my statement was that I understated the amount by some $16,000,000.

Mr. WHERRY. The report says that the amount could not be supported or verified. How can that be? The explanation was that it was due to heavy shipments during the war, and so forth. Probably that is true. Just the same, it seems to me that we should have an accounting system which would support and verify the sales of commodities. Can the Senator tell me briefly how that could possibly happen?

Mr. WILLIAMS. After consulting with the officials of the General Accounting Office, the nearest explanation I could get—and that is probably correct—was that the books of the Corporation were conducted in such a deplorable state and were so confused that it was utterly impossible to reconcile the balances. They have been working on these accounts for 4 years, and they have not been able to reconcile them closer than $366,000,000 plus.

Mr. WHERRY. Is this a matter of accounting, or has some loss actually been sustained?

Mr. WILLIAMS. No one knows. The records cannot be followed through.

Mr. AIKEN. Mr. President, will the Senator from Nevada yield to me so that I may ask the Senator from Delaware a question?

Mr. MALONE. I yield.

Mr. AIKEN. I do not rise to challenge the statement of the Senator from Delaware in any degree. Does the Senator from Delaware know of any corporation of Government that kept its books in any better shape than did the Commodity Credit Corporation during the war?

Mr. WILLIAMS. I have not examined very many of them, but if this is an example of conditions it is past time for an investigation.

The Senator from Vermont stated that he did not wish to challenge my statement. I should like to emphasize the fact that these are not my statements, but the exact quotation taken from the the report itself.

The statement I have just read, that—

> The recorded balances of individual accounts are subject to qualification as a result of faulty application of accounting policies and poorly devised procedures—

Comes from the Honorable Lindsay Warren, the Comptroller General.

Mr. AIKEN. I simply was asking the Senator from Delaware whether he thought the Commodity Credit Corporation's books were any worse off than those of other corporations of the Government.

Mr. WILLIAMS. I take the position that it is time for the Congress to find out about that, and as long as I am a Member of this Senate I shall work toward that end.

Mr. KEM. Mr. President, will the Senator for Nevada yield, to permit me to ask a question of the Senator from Delaware?

Mr. MALONE. I yield.

Mr. KEM. I understand that the Senator from Delaware now is reading from reports, and will express his own opinions at a later time.

Mr. WILLIAMS. Yes; I am reading now from pages 51 and 52 of the report by Lindsay Warren.

Mr. KEM. The Senator from Delaware will give us the benefit of his own views at a later and more appropriate time; will he?

Mr. WILLIAMS. Yes.

Mr. President, I am sorry that the Senator from Illinois is not now in the Chamber. As the Senator from Nebraska has said, we batted this thing around previously, and I wonder whether the Senator from Illinois "struck out." I am sorry he is not in the Chamber now, because I was sure he would be interested in these books. He has had a great deal to say about them, and I am really disappointed that he is not here at this time since he knew the report was here.

Mr. President, I continue to read from page 52:

> In the case of certain other programs, it was also impossible to support or verify recorded balances of receivables, particularly in the case of claims and miscellaneous receivables.

On page 53, I find this statement:

> The recorded balance of loans outstanding on wheat is known to be overstated by approximately $4,000,000, with a corresponding overstatement of accounts payable.

Continuing on page 53, I quote:

> In connection with cotton loans held by the Commodity Credit Corporation, the Corporation had made no effort to prove the accuracy of the total amount of loans by adding the individual loan account balances, and we were unable to reconcile the total amounts of loans reported by Federal Reserve banks, as custodians, with the records of the corporation. In addition a duplication of $2,329,483 between loans held by the corporation and those held by private lending agencies was observed in connection with cotton loans.

I should like to emphasize that last sentence by repeating it:

> In addition a duplication of $2,329,483 between loans held by the corporation and those held by private lending agencies was observed in connection with cotton loans.

Mr. KNOWLAND. Mr. President, will the Senator from Nevada yield, to permit me to ask a question at this point?

Mr. MALONE. I yield.

Mr. KNOWLAND. I understand that all the statements the Senator from Delaware is reading now and the figures and reports he has been citing come from the report of Lindsay Warren, the head of the General Accounting Office; is that correct?

Mr. WILLIAMS. That is correct.

Mr. KNOWLAND. I wonder what is the Senator's interpretation of the statement that—

> In addition a duplication of $2,329,483 between loans held by the corporation and those held by private lending agencies was observed in connection with cotton loans.

Does that mean that on the same collateral on which the Government was lending money, the borrowers were also borrowing the same amount of money from private lenders?

Mr. WILLIAMS. Mr. President, I have not arrived at any definite conclusions in regard to this matter. I am merely reporting what has happened. We must take into consideration the fact that the General Accounting Office has been trying for 4 years to find out what has happened. The General Accounting Office now states that there has been a duplication of $2,329,483 on this particular item.

Mr. KNOWLAND. Mr. President, will the Senator from Nevada yield, to permit me to ask another question of the Senator from Delaware?

Mr. MALONE. I yield.

Mr. KNOWLAND. In connection with a report of this nature coming from the General Accounting Office, is it the general procedure that the report will be printed as a Senate document; or what is the normal procedure in connection with such a matter?

Mr. WILLIAMS. This document was submitted this afternoon to the chairman of the Committee on Agriculture, and is becoming an official Senate document, and also has been submitted to the corresponding committee of the House of Representatives.

Mr. KEM. Mr. President, will the Senator from Nevada yield to me, to permit me to ask a question of the Senator from Delaware?

Mr. MALONE. I yield.

Mr. KEM. Does not the law require that these reports be submitted at periodic intervals?

Mr. WILLIAMS. The General Accounting Office is now required to audit the books of these corporations and is required to submit its report to Congress on January 15 following the close of the prior fiscal year, although in this case I offer no criticism but only commendation to the Comptroller General since I realize the great difficulties involved.

Mr. KEM. When was the report which is being filed now, due?

Mr. WILLIAMS. I should say it was due some 3 or 4 years ago, for it is the report on the operations of the corporation for the year 1945 and previous years. That is why I cannot understand why the majority leader was so anxious to have this report delayed further, particularly in view of the fact that we have on the Senate Calendar proposed legislation under which the Secretary of Agriculture is asking for complete control over this gigantic corporation.

Mr. AIKEN. Mr. President, will the Senator from Nevada yield, to permit me to ask a question of the Senator from Delaware, with the understanding that the Senator from Nevada will not thereby lose the floor?

Mr. MALONE. With that understanding, I am happy to yield.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. AIKEN. Let me ask the Senator from Delaware when this report was completed.

Mr. WILLIAMS. It was just delivered to the Senate today.

Mr. AIKEN. Then, as I understand it—and I believe this is also as the Senator from Delaware understands it—the report is to be referred to a committee. If I may say so, I do not think it will be printed as a Senate document or any other document, unless the Senate so directs.

Mr. WILLIAMS. But it will be available to any Member of the Senate who wishes to see it and it is my opinion it should be printed as a Senate document.

Mr. AIKEN. Yes; it will be available in the committee room, for inspection by Senators.

Mr. WILLIAMS. That is correct.

Mr. DONNELL. Mr. President, will the Senator from Nevada yield, to permit me to ask a question of the Senator from Delaware?

Mr. MALONE. I am happy to yield.

Mr. DONNELL. The Senator from Delaware has referred to the time when reports in regard to Government corporations are to be filed. I ask him to state whether the following paragraph, which appears at page 534 of the present Congressional Directory, indicates what he had in mind in making his response:

The Comptroller General is required to audit the financial transactions of all Government corporations in accordance with commercial corporate practices and under such rules and regulations as he may prescribe. A report of each such audit for each fiscal year ending on June 30 must be made by him to the Congress not later than the following January 15.

Mr. WILLIAMS. That is correct.

Mr. DONNELL. Mr. President, will the Senator from Nevada yield to me, to permit me to make further inquiry of the Senator from Delaware?

Mr. MALONE. I yield.

Mr. DONNELL. Is the Senator from Delaware informed whether a report on any audit with respect to this Corporation has been made within the last 2, 3, or 4 years, as required of the Comptroller General?

Mr. WILLIAMS. Reports had not been made for the years 1943, 1944, and 1945, and those are the reports which were delivered today and from which I am quoting. That matter is the subject of the resolution which was presented last Friday, which directed that such reports be submitted to the Congress in whatever shape or manner they were found.

Mr. DONNELL. I thank the Senator.

Mr. AIKEN. Mr. President, if the Senator will permit a further inquiry, let me say that I assume the Senator from Delaware is aware that in the case of the Reconstruction Finance Corporation there was approximately $8,000,000,000 which could not be reconciled; and in the case of other Government agencies operating in the war period it was almost impossible to ascertain what transactions were carried on, how they were carried on, and what the results were.

Mr. WILLIAMS. The fact that one governmental agency is short is no justification for letting another Government agency get away without properly accounting for $366,000,000. In my opinion such conditions as indicated by this report are inexcusable by any Government agency.

Mr. AIKEN. Of course the Senator from Delaware is correct; but in view of the fact that the papers are missing, I doubt whether a proper accounting ever will be made of the transactions of those agencies during the war.

Mr. WILLIAMS. If the proper accounting cannot be made, let us simply tell the American people that we are so many millions of dollars short, and that we do not know where it has gone, and let those responsible explain why.

Mr. AIKEN. Is the Senator from Delaware aware of the fact that I have been trying to do that for the last 2 years?

Mr. WILLIAMS. We are making a little progress. We have this report, which should be an opening wedge for further progress.

Mr. AIKEN. It is a little difficult to get the American people to listen to such things during weeks and months when they have money in their pockets.

Mr. WILLIAMS. From pages 59 and 60 of the report, I read the following:

The segregation of payables between those due to Government agencies and others was made by the use of data presented by the corporations. The accounts maintained provided no adequate basis for such a segregation, and the segregation made by the corporation could not be supported in full by analysis. The amount of $203,186,263 indicated as owed on purchases made in the general commodity purchase program could not be verified. No detailed listings of individual creditors' balances could be obtained. We are aware of an overstatement of approximately $18,500,000 resulting from the failure to record cash disbursements of that amount on regional office records.

I think I should repeat the last sentence:

We are aware of an overstatement of approximately $18,500,000 resulting from the failure to record cash disbursements of that amount on regional office records. Numerous errors, omissions, and inadequacies in the application of accounting policies and procedures in the conduct of this program necessarily had an effect on the recorded balance of accounts payable.

Continuing on page 60 I quote:

No adequate record was kept of outstanding dairy or beef production payment program drafts, and no determination could be made as to the accuracy of the amount of $130,000,000 shown above as estimated program obligations at June 30, 1945.

From pages 69, 70, and 71, of the report, I read the following:

Grains and related products have been acquired by the corporation:

1. In settlement of nonrecourse loans.

2. As a result of open anouncement that all grain offered would be purchased at specific prices.

3. By negotiated purchase. The Washington office notified the regional office representative to get in touch with one or more grain firms and negotiate the transaction on a basis favorable to the Government.

4. As a result of sealed bids filed in response to public notice or as a result of bid invitations to specific grain dealers.

Following is the Comptroller's comment on that procedure:

Criticism has been leveled at the Corporation relative to methods (3) and (4), it being contended that favoritism was shown certain dealers and that others rarely were given an opportunity to participate. Even when sealed bids were publicly requested or obtained as a result of bid invitations to specific dealers, it was claimed that the specifications eliminated all but favorite operators. In most cases the invitations would indicate that specific quantities of certain quality were desired at stated geographic locations. This was an advantage to any grain owner who had such described commodity near the stipulated location but did not necessarily indicate favoritism; we do not have any reason to conclude that locations were selected with that in mind. However, the selection of the successful bidder generally could be predetermined by the knowledge of location of quantities of grain. * * *

In the spring of 1947 an investigation was conducted by the Division of Investigations of the Department of Agriculture concerning alleged favoritism shown by the Corporation to a grain dealer in Kansas City. In the course of this investigation, rather widespread criticisms of the Corporation's grain trading practices and release of related information was encountered particularly among members of the grain trade. As a result, the scope of the investigation was expanded considerably. In the reports on the investigation, it was indicated that considerable basis appeared to exist for the criticisms and allegations made. In a report dated June 10, 1947, an investigator stated that, while the facts and circumstances developed were not conclusive, it appeared that further inquiry should be made and that effort should be directed at establishing control adequate to insure that advance information concerning the Corporation's buying plans would not be made available to unauthorized persons. Based upon our own review of the related reports, we agree that this entire field warrants further administrative inquiry.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. MALONE. Mr. President, I have the floor.

Mr. AIKEN. I was going to ask the Senator, does he know who was in charge of the grain purchases at the time the favoritism is alleged to have been shown?

Mr. WILLIAMS. No; I do not. I am merely reading excerpts from the report.

Mr. AIKEN. Does the Senator expect to find out, if he can, who was in charge of the particular operations when negligence and favoritism were suspected?

Mr. WILLIAMS. I am not a member of the Committee on Agriculture, but I trust the Senator who is a member will find out, or will make an effort to do so.

Mr. AIKEN. The Senator from Vermont undoubtedly will not be the chairman of the committee making that investigation.

Mr. WILLIAMS. No; but the Senator is on the standing committee. He is an active member. I am not on the committee. If I were, I should be glad to serve on a subcommittee to investigate the matter.

Mr. AIKEN. I may assure the Senator from Delaware that the reason I asked whether he knew who was in charge of the grain buying at that time was because the Senator from Vermont is anxious to know who the suspected person was, whether he is still with the Government, and, if so, in what capacity.

Mr. WILLIAMS. I think the Senator from Vermont, as one of the ranking minority members of the committee, could find out, and should find out. I am sure he will. I think the Congress should find out just what is going on. I think the Agricultural Committee should pay some attention to this report, because this is a corporation which has cost the taxpayers a great deal of money. It should be investigated in the interest of the American farmer. If it is found there is something wrong with it, we should get it straightened out.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from California.

Mr. KNOWLAND. I should like to ask the Senator from Delaware whether he has made any investigation or inquiry of the General Accounting Office to find out how many, if any, other Government corporations are in a similar situation, or at least in a situation where reports are not being made to Congress at the time required by law? Since the Senator has done a considerable amount of work on this subject, I think it would be helpful to the Congress, and I know it would be to the junior Senator from California, if the Senator could list all Government corporations, and indicate whether there are any others whose reports are not being made as required by law, and if there is any delay due to bad accounting practices. Then it seems to me the Committee on Expenditures in the Executive Departments or some proper committee of the Senate, should find out why the accounting practices of the Government of the United States cannot be put in proper shape. It certainly appears to me to be a clear indication of the need of reorganization of the executive branch of the Government, in general conformity with the report of the so-called Hoover Commission. It is an amazing and an astounding thing that the sum of $336,000,000 plus cannot be accounted for by an agency of the Government of the United States. Three hundred and thirty-six million dollars, or whatever the precise sum is, is not hay in anybody's language, and it is not something which should be brushed off. It is not something which should be laid aside. There may be some explanation, but certainly both the Senate and the Congress and the people of the country are entitled to an explanation as to why the accounting procedures should be in such a desperate situation that the General Accounting Office, which is responsible to the Congress, in its official report to the Senate and House of Representatives makes these amazing statements. I think they will be so interpreted by every Member of this body and by the public generally.

Mr. WILLIAMS. Instead of expressing my opinion at this time I shall read the conclusions of the General Accounting Office as found on page 73 of this report.

I quote:

> The accounting deficiencies encountered were so substantial and the inaccuracies cited in this report so material that we cannot express any opinion that the financial statements prepared by the Corporation present fairly the financial position of the Commodity Credit Corporation and its affiliate, War Hemp Industries, Inc., at June 30, 1945, or the results of their operations for the period ending on that date.

Mr. President, in order that the RECORD may be complete I ask that the interruptions during this presentation be printed at the end of my remarks, in order that the statement from the General Acounting Office may be found in one section of the RECORD.

The PRESIDING OFFICER. The Senator from Delaware refers to interruptions. Of course, many interruptions were questions asked regarding the matter about which he was speaking.

Mr. WILLIAMS. Mr. President, I withdraw that request. The reason I made it is because I thought if the Senate had the material in one place in the RECORD, Senators could observe it better; however, I think it might be better as it now appears.

Mr. DONNELL. Mr. President, will the Senator yield, in order that I may ask the Senator from Delaware a question?

Mr. MALONE. I yield.

Mr. DONNELL. On page 32, section B, of the report, there appears, according to the statement which the Senator has made to the Senate, the following language:

> The Corporation did not maintain adequate control over amounts recorded as being receivable or payable. It was not possible in many instances to determine who owed amounts purporting to be receivable or to whom amounts recorded as owing were due.

I should like to ask the Senator if he has yet ascertained whether the Comptroller General's report, which he has in his hand, indicates what the aggregate of those amounts which are owing to the Corporation is, as to which it is impossible to determine who it is that owed the money?

Mr. WILLIAMS. No; I could not make any explanation of it.

Mr. DONNELL. Does the report show the amount?

Mr. WILLIAMS. The report was only sent down this afternoon, and I have not had an opportunity to study the individual items. I said on last Friday that when the records were presented to the Senate I would present to the Senate the true facts as contained in the report. I think the Members of the Senate should study the information placed in the RECORD today from this report, because the implications in the report are of such a serious nature that the Senate cannot in justice ignore them.

In conclusion, as one of the Members of the Senate who joined in a resolution offered last Friday requesting these reports from the General Accounting Office, I wish to express my appreciation for their full cooperation and courtesy.

HON. WINSTON CHURCHILL'S CONTRADICTION OF STATEMENT CONCERNING CERTAIN ACTIVITIES ATTRIBUTED TO HIM

During the delivery of Mr. MALONE'S speech,

Mr. CONNALLY. Mr. President, will the Senator from Nevada yield for a moment?

Mr. MALONE. I shall be happy to yield to the distinguished Senator from Texas.

Mr. CONNALLY. Mr. President, I ask unanimous consent that the Senator from Nevada may yield to me without infringing on his rights to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. CONNALLY. I thank the Senator very much.

Mr. MALONE. Mr. President, I request that the statement of the Senator from Texas appear in the RECORD at the end of my remarks.

Mr. CONNALLY. That is satisfactory.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CONNALLY. Mr. President, referring to page 3268 of the CONGRESSIONAL RECORD of March 28, I want to quote very briefly from a colloquy between the Senator from Indiana [Mr. JENNER] and the Senator from North Dakota [Mr. LANGER]. The following occurred:

> Mr. LANGER. Mr. President, will the Senator yield?
>
> Mr. JENNER. I yield.
>
> Mr. LANGER. Is the Senator from Indiana familiar with the fact that during the Spanish-American War the same Winston Churchill who now brags that he is half American, took up arms for Spain, and fought against the United States, and did all he could to defeat us?

The Senator from Indiana [Mr. JENNER] then made a reply, which it is not necessary to read at this time.

Mr. President, I have received a telegraphic message from Mr. Winston Churchill regarding this colloquy and the charges brought against him by the Senator from North Dakota [Mr. LANGER], and I wish to ask the clerk to read the telegram.

The PRESIDING OFFICER. Without objection the clerk will read the telegram as requested.

The legislative clerk read as follows:

[Western Union telegram]

NEW YORK, N. Y., *March 30, 1949.*

Senator TOM CONNALLY,
Washington, D. C.

MY DEAR SENATOR CONNALLY: I understand that a statement was lately made in the Senate to the following effect begins Mr. LANGER. "Is the Senator from Indiana familiar with the fact that during the Spanish-American War the same Winston Churchill who brags that he is half American took up arms for Spain and fought against the United States and did all he could to defeat us?" Mr. JENNER. "My reply is that I do not blame Winston Churchill for that. He was representing his country. He was doing what he thought was best for his country."

The statement made by Mr. LANGER is entirely devoid of truth. I visited Cuba and was with the Spanish Army as an observer during the months of November and December, 1895. There was then no question of the United States being involved in a war with Spain. This war did not in fact begin

until February, 1898, or more than 2 years after I had left Cuba.

I should be grateful if you felt able to contradict this false charge by stating the facts to the Senate so that the truth appears in your RECORD.

Yours very sincerely,

WINSTON S. CHURCHILL.

Mr. CONNALLY. Mr. President, as we all know, the war with Spain did not occur until the spring of 1898. I happen to know, because I was a soldier. I was not stationed in Cuba—I did not get that far—but I was stationed in Florida, Alabama, and other places during that war, so that I have a fairly good idea as to when the war began.

Mr. Churchill, in his telegram, states that he visited Cuba in 1895, and was there a month or more as an observer. He was not in uniform; he was not a soldier; he was an observer with the Spanish Army. He stated that he left Cuba in the winter or fall of 1895, approximately 3 years before war against Spain was declared by the United States. I think Mr. Churchill is entitled to this vindication, and I have taken the liberty of asking the Senator from Nevada to give me 2 or 3 minutes to put into the RECORD the telegram which has been read.

I was trying to be courteous, and I had the office of the Senator from North Dakota [Mr. LANGER] notified that I was going to say something which would be of interest to him so that he could be present. I wanted the Senator to know all the facts.

Mr. LANGER. Mr. President, will the Senator yield? I am entitled to an opportunity to reply.

Mr. MALONE. Mr. President, I should like very much to continue my remarks.

Mr. LANGER. Mr. President, I should like a chance to reply; but I shall not ask it at this time. If I cannot be extended that courtesy, I shall reply tomorrow.

After the conclusion of Mr. MALONE'S speech,

Mr. WHERRY. Mr. President, is there anything before the Senate for the moment?

The PRESIDING OFFICER. The Senate is waiting for a message from the House which is anticipated at any moment. In fact, the message is now being brought into the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by one of its reading clerks, announced that the House had passed a bill (H. R. 3910) to extend for a temporary period the provisions of the District of Columbia Emergency Rent Act, in which it requested the concurrence of the Senate.

EXTENSION OF DISTRICT OF COLUMBIA RENT CONTROL ACT

Mr. McGRATH. Mr. President, I ask unanimous consent that House bill 3910 referred to in the message from the House be laid before the Senate and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER laid before the Senate the bill (H. R. 3910) to extend for a temporary period the provisions of the District of Columbia Emergency Rent Act, which was read twice by its title.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. WHERRY. Mr. President, reserving the right to object, may I address an inquiry to the Senator from Rhode Island? As I understand, the bill just passed by the House simply continues the present Rent Control Act for the District of Columbia for 30 days?

Mr. McGRATH. That is exactly right. The act expires tomorrow, and the conferees have been in session all day, and are in approximate agreement. The conferees unanimously agreed that if we could secure an extension of 30 days we could iron out our differences; so the House bill extends the present act for 30 days, without change.

Mr. WHERRY. The House took that action today?

Mr. McGRATH. The House took that action this afternoon.

Mr. WHERRY. Were the conferees unanimous in making the recommendation for extension of the present act for 30 days, until they could iron out their differences over the pending District of Columbia rent control bill, so that the matter might later be brought back to the Senate?

Mr. McGRATH. That is correct.

Mr. WHERRY. I am sorry that the Senator from Wisconsin [Mr. MCCARTHY] is not present, but on the assurance of the distinguished Senator from Rhode Island that the conferees who were present were unanimous in their recommendation, I have no objection. I feel we should carry out the suggestion made by the Senator from Rhode Island.

Mr. McGRATH. Mr. President, I want to make it plain that the Senator from Wisconsin [Mr. MCCARTHY] was absent from the conference, but the action taken represents the unanimous agreement of the Senators who were present. I think I can vouch for the feelings of the Senator from Wisconsin in this matter, for after all the amendments in disagreement are those offered by the Senator from Wisconsin, which he wants written into the bill. Therefore, if we have an extension of 30 days I think we can come to an agreement.

Mr. WHERRY. Mr. President, I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 3910) to extend for a temporary period the provisions of the District of Columbia Emergency Rent Act, was considered, ordered to a third reading, read the third time, and passed.

RECESS

Mr. ELLENDER. I move that the Senate stand in recess until tomorrow at 11 o'clock a. m.

The motion was agreed to; and (at 6 o'clock and 19 minutes p. m.) the Senate took a recess until tomorrow, Thursday, March 31, 1949, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate March 30 (legislative day of March 18), 1949:

The following-named candidates for appointment and promotion in the Regular Corps of the Public Health Service:

To be scientists (equivalent to the Army rank of major), effective date of acceptance:

Carl L. Anderson

Ruth Sumner

Assistant surgeon to be senior assistant surgeon (equivalent to the Army rank of captain):

John N. Vogel

Senior scientists to be scientist directors (equivalent to the Army rank of colonel):

Willard H. Wright

Floyd S. Daft

Justin M. Andrews

COLLECTOR OF CUSTOMS

Victor Russell, of Port Arthur, Tex., to be collector of customs for customs collection district No. 21, with headquarters at Port Arthur, Tex. (Reappointment.)

UNITED STATES MARSHAL

Joseph L. Wisniewski, of Michigan, to be United States marshal for the eastern district of Michigan, vice John J. Barc, deceased.

WITHDRAWALS

Executive nominations withdrawn from the Senate March 30 (legislative day of March 18), 1949:

POSTMASTERS

MISSOURI

Elmer H. Temme, Leslie.

NEW YORK

James F. Byrne, Norwich.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 30, 1949

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, in the name of the Master we humbly pray for wisdom and understanding. Thou who hast endowed us with marvelous faculties of mind and soul, we pray that the rule of God may be our supreme motive and personal goodness our unflagging ideal. Without blindness or haste, we would seek to know Thy commandments, for great is the peace of them that love Thy law.

In times of pressure, of disturbance, in times of quiet, give us the strength of patience and forbearance. If the day be one of hardship, help us to perform our duty uncomplainingly; if of joy, to accept it with gratitude, and when the shades of night shall call us to our rest, grant us Thy peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that

the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 203. Joint resolution to maintain the status quo with respect to the exemption, from the tax on transportation of persons, of foreign travel via Newfoundland.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 1757. An act to amend and extend the provisions of the District of Columbia Emergency Rent Act, approved December 2, 1941, as amended.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McGRATH, Mr. FREAR, and Mr. McCARTHY to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 135. An act to authorize the Board of Commissioners of the District of Columbia to establish daylight-saving time in the District.

AMENDING ECONOMIC COOPERATION ACT OF 1948

Mr. EATON. Mr. Speaker, I ask unanimous consent to file minority views on the bill (H. R. 3748) to amend the Economic Cooperation Act of 1948.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

EXTENSION OF REMARKS

Mr. CLEVENGER asked and was given permission to extend his remarks in the RECORD and include an article from the Cleveland Plain Dealer.

Mr. McCULLOCH asked and was given permission to extend his remarks in the RECORD and include an editorial from the Cleveland Plain Dealer.

Mr. WILLIAM L. PFEIFFER asked and was given permission to extend his remarks in the RECORD and include an editorial from the Buffalo Courier-Express.

Mr. LEFEVRE asked and was given permission to extend his remarks in the RECORD and include an editorial from today's New York Herald Tribune.

Mr. MILLER of Maryland asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. BROOKS asked and was given permission to extend his remarks in the RECORD in two instances, and in one to include the farewell ceremonies held yesterday before the Committee on Armed Services of the House of Representatives for Secretary James V. Forrestal.

Mr. ABERNETHY asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. DOLLINGER asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

Mr. COUDERT asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

Mr. BLAND (at the request of Mr. THOMPSON) was given permission to extend his remarks in the RECORD and include an article.

Mr. MORGAN asked and was given permission to extend his remarks in the RECORD and include an editorial from the Pittsburgh Post-Gazette.

PERMISSION TO ADDRESS THE HOUSE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and include a resolution of the West Virginia Legislature.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[Mr. McCORMACK addressed the House. His remarks appear in the Appendix.]

INTERIOR DEPARTMENT APPROPRIATION BILL, 1950

Mr. KIRWAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

CALL OF THE HOUSE

Mr. JENSEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 56]

Bland	Jenison	Scott,
Bosone	Jennings	Hugh D., Jr.
Boykin	Lichtenwalter	Sikes
Bulwinkle	McDonough	Smathers
Byrne, N. Y.	Macy	Smith, Ohio
Cole, N. Y.	Marshall	Somers
Combs	Merrow	Spence
Curtis	Miller, Nebr.	Stanley
Davenport	Norblad	Stefan
Davis, Tenn.	O'Brien, Mich.	Thomas, N. J.
Dingell	O'Neill	Welch, Mo.
Durham	Pfeifer,	Whitaker
Gilmer	Joseph L.	White, Idaho
Gregory	Powell	Wolcott
Hinshaw	Price	Woodruff
Hoffman, Mich.	Riehlman	
Holifield	Sasscer	

The SPEAKER. On this roll call 381 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF DISTRICT OF COLUMBIA EMERGENCY RENT ACT

Mr. McMILLAN of South Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 1757) to amend and extend the provisions of the District of Columbia Emergency Rent Act, approved December 2, 1941, as amended, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. HARRIS, TEAGUE, and O'HARA of Minnesota.

INTERIOR DEPARTMENT APPROPRIATION BILL, 1950

Mr. KIRWAN. Mr. Speaker, I renew my motion.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the gentleman from Pennsylvania [Mr. FENTON] had the floor. The gentleman has 4 minutes remaining.

Mr. FENTON. Mr. Chairman, when we were interrupted yesterday I had taken up the Bureau of Indian Affairs and had discussed that a little. I want to reiterate I think the Bureau of Indian Affairs needs a great deal of overhauling. Conditions, so far as health and education are concerned, throughout the United States and Alaska are deplorable. As a medical man, I am ashamed of the conditions that exist in these great United States of ours as far as the Indians are concerned. I hope that instead of coming back year after year and sitting and listening to the people in the hearings, who testify about these deplorable conditions, that something should be done about them. We have appropriated many, many millions of dollars year after year and, as I said, when we concluded yesterday, all we are doing is running around in a circle and getting nowhere fast. I hope that the Congress will take cognizance of these terrible conditions and do something about them constructively.

Mr. D'EWART. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield.

Mr. D'EWART. I compliment the gentleman from Pennsylvania on bringing this matter to the attention of the Congress. I agree with him wholeheartedly that the situation, as regards health and schooling of the Indians, is deplorable. I have visited many of the reservations during the past year, and the situation is just as the gentleman has described it. We should take cognizance of that situation and do something about it and do it immediately. The Member deserves credit for bringing this matter to our attention.

Mr. FENTON. I thank the gentleman for his remarks.

Mrs. BOLTON of Ohio. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield.

Mrs. BOLTON of Ohio. I also would like to commend the gentleman. When

I first came to the Congress I served on the Committee on Indian Affairs. It was most interesting and revealing. I was ashamed when I discovered the lack of understanding about the whole situation, which existed in the Congress, and when I learned of the methods of the Indian Bureau. They seem to be more interested in salaries than they are in education or some of the other more important matters.

Mr. FENTON. I appreciate the remarks of the lady from Ohio.

Mrs. BOLTON of Ohio. I sincerely hope that this House will take action to give adequate education and health possibilities to the Indians. The only bills that I remember passing this House were claims bills which took from the Indians and gave to the white man.

Mr. FENTON. I thank the gentlewoman from Ohio for her comments. We all know the lady is greatly interested in that type of work, and we appreciate her comments very much.

Now I wish to take up for a few minutes a few items in the Bureau of Mines, Geological Survey, Fish and Wildlife, and National Park Service.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. FENTON] has expired.

Mr. JENSEN. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. FENTON. The Bureau of Mines, Geological Survey, and National Park Service are three outstanding bureaus in the Department of the Interior. I am greatly interested in those three bureaus.

BUREAU OF MINES

The Bureau of Mines received $22,284,370 for the current fiscal year. The Bureau of the Budget is asking for $23,946,500 for 1950, an increase of $1,662,130.

The committee has granted most of the requested money and have made small reductions in five items amounting to $609,000.

The Bureau of Mines has as usual done and is doing a good job.

For 38 years, since May 16, 1910, when the Bureau of Mines was established by law, the Bureau of Mines has served the Nation in the capacity of adviser in mineral affairs and through leadership in conservation research. During this time it has undertaken an increasing variety of activities concerned with the three main functions defined in its organic act, namely, to promote safety in the mineral industries, to conserve mineral industries, to conserve mineral resources, and to conduct investigations on the mining, preparation, and utilization of minerals.

From time to time amendments have been made to the original act until today we have an appropriation bill that includes the many functions of the United States Bureau of Mines.

All of the money asked for by the Bureau of Mines is in my opinion justified and in a few instances I would ask for increases.

The item of "Operating rescue cars and stations and investigation of accidents" in the amount of $1,200,000, is practically the same as for 1949—the only difference being a $35,000 increase for increase in salaries due to Public Law 390.

This item takes care of studies and investigations necessary to promote health and safety in the mineral industries. Many mine disasters in the coal-mining industry were caused by mine explosions and so a program was instituted of scientific and technological research and testing on explosives and explosions.

The Safety Branch carries on this work in every State of the Union and Alaska. It is educational and investigative.

The Health Branch does research which is carried on in laboratories and field investigations in mines, mills, and plants of the mineral and allied industries. Such investigations have covered the occurrence and prevention of diseases by fumes, vapors, mists, and airborne dusts; the effects of high temperature and humidity on underground workmen; and the occurrence of toxic gases in the mineral industries, their effects on workers, methods of detection, and methods of protecting against them.

I have had the privilege of seeing the laboratory work done by the Health Branch and I can say they are doing a good job.

Mr. GOLDEN. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield.

Mr. GOLDEN. Did your committee consider giving the Federal mine inspectors more authority to promote their program of safety?

Mr. FENTON. No, we did not. That is the function of the legislative committee; not the appropriation committee.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield.

Mr. MORGAN. In the Eightieth Congress 50 new inspectors were authorized under the appropriation bill. They were employed in the fall of 1948?

Mr. FENTON. That is correct.

Mr. MORGAN. In reading the hearings I understand, according to the testimony of Dr. Boyd, that this appropriation, recommended by the Bureau of the Budget and approved by the committee, was $2,700,000, and it will be approximately $100,000 short to continue the employment of those 50 new inspectors.

Mr. FENTON. As I understand it, the appropriation is the same, with an increase which takes care of the increase in wages.

Mr. MORGAN. I understand under Public Law 800 the increase in wages was carried in the new appropriation, but I have a copy of the hearings where the gentleman from Ohio [Mr. KIRWAN] asked Dr. Boyd, "Will enough funds be recommended for the continued employment of these 50 inspectors?" And he answered, "No, sir. There would be $100,000 short."

Mr. FENTON. That was not the understanding I had of it. I understand they can employ the 250 inspectors and that there is plenty of money to pay them, as far as I know.

I now wish to bring to the attention of the Committee two projects that were instigated during this fiscal year by the Bureau of Mines.

The next item that I want to discuss is control of fires in inactive coal deposits.

The fire control project in inactive coal deposits started in this fiscal year has made a great deal of progress.

It is estimated that there are 146 fires in the United States in which our valuable coal reserves are being burned up and I regret that the Bureau of the Budget did not see fit to recommend more money for this project. It has already been estimated that 120,100,000 tons of coal are endangered on public and private lands in addition to many other millions of tons—still not determined—on private property.

Some of these fires are endangering life and health together with damaging surface properties; and, it seems to me to be in the national interest that we should recognize this fact.

Up until 1949 the activities of the Bureau of Mines had been confined to investigative and recommendatory functions. Many of the fires are permitted to go on, uncontrolled, and the destruction wrought is staggering in loss of a valuable natural resource, destruction of property by fire or subsidence, and menace to life and health of inhabitants because of smoke and poisonous fumes.

Many of these fires are in densely populated areas; others are in isolated localities. In the case of isolated localities it may be questioned as to whether expenditures are warranted because such coal deposits may not be immediately mined. However, under present world conditions with the possibility of invasion and temporary destruction of coal-producing centers, isolated coal deposits may become a vital factor in the well-being of the Nation.

Most of the outcrop fires originate from burning rubbish, brush or grass fires, or by the carelessness of campers. In other instances, smoke and fumes appear in coal-mine openings, indicating that a fire has either burned its way along a coal outcrop or has advanced through abandoned mine workings.

The Bureau of Mines has investigated 57 fires under the current appropriations in inactive coal beds on public and private property—in Pennsylvania, 29; Ohio, 3; West Virginia, 8, and Maryland, 1; and on the public domain in Colorado, 6; Wyoming, 9; and Montana, 1—to determine which required the most urgent attention.

It is obvious that $250,000 will merely scratch the surface and permit the fires to continue to eat up valuable coal reserves.

So it seems to me that this condition should be tackled heroically and put a stop to such a devastating condition.

We are expending many millions of dollars in research to help solve our problems in minerals and agriculture; and to irrigate lands that are not productive so as to increase our agricultural resources. These are all worth-while endeavors but it seems inconsistent to try and develop new resources while permitting a well known and valuable resource to be wasted and consumed by fire.

I shall offer an amendment to increase this item when we read the bill.

COAL-MINE INSPECTION

This is a very important item and calls for an appropriation of $2,700,000 which is an increase of $118,500 over 1949 due to within-grade salary advancements, travel, supplies, materials, and 14 new automobiles.

Authority for this item is Public Law 49, of the Seventy-ninth Congress, May 7, 1941. Its objective is to bring about a decrease in the number of fatal and nonfatal accidents in coal mines by directing attention of both management and labor to hazardous conditions and practices and to recommend means for correcting such hazards and practices.

Two hundred and fifty coal-mine inspectors are engaged in this work.

That there has been a diminution in the rate of accidents since the inception of this law there can be no doubt. If you will turn to pages 277 and 278 in the hearings you can see that there is a reduction in all accidents from 1942 to date—in both bituminous and anthracite mines.

However, I believe that there is room for a great deal of improvement. If you will look on page 279 of the hearings you will see a break-down of the causes of the fatal accidents. There you will find a table that compares all fatal accidents for 1947 and 1948. It is interesting to note that 50 percent of the fatal accidents—and this is also true of nonfatal accidents—occur by falls of roof and face.

I am glad to report that the Bureau of Mines is exerting a special effort to find solutions that might reduce this terrible toll of life each year by falls of roof.

With this appropriation safety educational work is done in the field. The courses have been given to thousands of officials and employees throughout the coal-mining regions.

It is estimated that the laboratories in Pittsburgh will analyze 20,000 mine-air samples and 3,000 air-borne dust samples in the next fiscal year.

TESTING FUEL

The estimate for this item was $621,000. The committee allowed the full amount.

ANTHRACITE MINE INVESTIGATIONS

Under this item is another project which was started this current fiscal year. I refer to the prevention of the flooding of anthracite mines by water. This is a 2-year program which has progressed very well so far. Its purpose is to obtain information relating to the health and safety and economy of the anthracite region of Pennsylvania as affected by the encroachment of water that progressively floods the mines in that region. It is an engineering study seeking a solution of the condition which threatens to destroy the anthracite reserves of the Nation, contributes to a waste of this natural resource, and not only affects the economy of the anthracite region of Pennsylvania, but also a considerable part of the most populous States of the northern Atlantic seaboard.

The volume of water removed from mines in the anthracite region annually by means of pumping and through drainage tunnels exceeds 200,000,000,000 gallons. Ninety-one billion gallons of water is impounded in 159 pools in the underground mine workings that are not now tributary to present drainage systems, and 2,300,000,000 gallons of water is impounded in 141 pools in abandoned stripping excavations.

But in addition to the constant threat of this great amount of water in the anthracite mines ruining the anthracite industry we have the constant fear of a break-through into those pools by our miners. If this should happen, and it has, it would mean the loss of many lives.

It is a very worthy project and this appropriation contains money for its continuance.

This item also provides money for research on mechanical mining and increased utilization of anthracite by preparatory treatment. The budget estimate of $420,000 was allowed in full by the committee.

For the construction and equipment of the Lignite Research Laboratory at Grand Forks, N. Dak., the total budget estimate was allowed—$550,000.

SYNTHETIC LIQUID FUELS

Up to, and including, 1949 fiscal year $34,000,000 has been appropriated for the synthetic liquid fuel program.

The Bureau of the Budget recommended $10,000,000 for 1950. The committee has reduced this $250,000—allowing $9,750,000.

The construction work on the plants is nearly completed. The 1950 fiscal year will find all plants functioning and in operation on new discoveries made during the past few years. These laboratories, pilot plants, and demonstration plants will provide the technologic data required for improving processes and equipment to enable the Bureau of Mines to furnish industry with up-to-date engineering and cost data for the establishment of a domestic synthetic fuels industry.

First. Laboratories and pilot plants at Bruceton, Pa.; Fischer-Tropsch methods; gas synthesis; Bergius method; coal hydrogenation.

Second. Hydrogenation demonstration plant at Louisiana, Mo. This is almost completed and will be in operation fiscal 1950.

Third. Gas synthesis research at Morgantown, W. Va.; Gorgas, Ala. Gas synthesis demonstration plant at Louisiana, Mo.

Fourth. Oil-shale research and development done at Laramie, Wyo.: demonstration plant at Rifle, Colo.

Secondary recovery from shipper oil fields and in refining processes. This work is done at Bartlesville, Okla.; Laramie, Wyo.; Franklin, Pa.; San Francisco, Calif.; Dallas, Tex.; Wichita Falls, Tex.

Now, why is all this necessary?

We are told that the United States, in its normal peacetime development, ultimately must shift gradually from petroleum as a source of liquid fuels to synthetic sources, such as oil shale, coal, or agricultural products. Today's petroleum situation indicates that the time for the beginning of this shift is at hand, for the petroleum-production capacity of the United States is being pressed to meet efficiently present peacetime requirements.

Consumption of petroleum is increasing greatly since 1938.

We are also informed that all locomotives now on order are Diesel-oil burners; also, that industrial use of petroleum has expanded; that domestic or household oil-burner sales reached an all-time high during 1947. Motor vehicles now on the road exceed 30,000,000 and four to five million new ones were manufactured in 1948.

Aviation requirements are growing.

Farmers are turning more to Diesel-fuel and gasoline-driven machinery.

Our proved reserves of crude oil are approximately 22,000,000,000 barrels. Indicated reserves in the Middle East are 27,000,000,000 barrels and the results of exploratory drilling in the Middle East are so favorable that their reserves may reach 50,000,000,000 barrels.

So while the United States is by far the greatest consumer of petroleum, its production will decrease and the production center now appears moving to the Middle East.

In addition to our domestic consumption of petroleum, foreign countries have increased their consumption 13 percent from 1941. Industrialized nations like England and France, finding it difficult to meet their requirements from coal, are turning to oil. In fact the world demand for petroleum is growing so fast that economists have estimated that it might reach 10,000,000 barrels per day by 1950—perhaps this year.

So that if this trend continues the proportion of the world's oil available to the United States may diminish greatly.

Therefore it is clear that the United States cannot rely exclusively on petroleum to supply all future requirements for liquid fuel and its products. It would seem also to be clear that every effort should be made to develop new domestic sources of fuel oils and gasoline.

This foresighted program, started in 1945, is getting along very fine and the Bureau of Mines is to be complimented in their work.

OIL AND GAS INVESTIGATIONS

In addition to $300,000 for the secondary recovery from stripper oil fields and in refining processes taken from the synthetic fuel-oil program, we allowed $650,000 of the $690,000 budget estimate for secondary recovery.

Up until this fiscal year, this item related to active research, as such, on secondary recovery. This is still in progress. But, the new items of $300,000 for secondary recovery from stripper oil fields and in refining processes is justified because even after oil has been recovered by the so-called well known methods of secondary recovery, there still remains in the reservoir rocks large volumes of oil—sometimes as high as 60 to 65 percent of the original oil in the rocks.

MINING EXPERIMENT STATIONS

The committee allowed $1,400,000 from the budget estimate of $1,409,000. This is comparable to $1,385,000 allowed in this fiscal year because $250,000 of the 1949 appropriation was for the Alaska laboratory and is nonrecurring. The increase for 1950 is for $15,500 for repairs to the Rolla, Mo., laboratory which was

damaged on June 27, 1948, and $41,000 for maintenance of the Alaska laboratory, and $65,000 for salary increases due to Public Law 900 and within-grade salary advancements of $13,000.

BUILDINGS AND GROUNDS

The money allocated for 1949 is nonrecurring and the amount of money asked for 1950—$260,000—was reduced by $10,000. This will be used for maintenance of buildings and grounds and for construction of new buildings and facilities.

ECONOMICS OF MINERAL INDUSTRIES

The committee allowed $800,000. The budget requested $1,100,000.

HELIUM

There was no cut in this item of $97,500.

INVESTIGATIONS

Mineral mining investigations, $420,000.

Investigations and development of domestic mineral deposits except fuels, $2,000,000.

Coal investigations, $261,000.

These three items were allowed the full budget allowances.

I will not go into the details of these items but they are all very worthy and necessary.

GEOLOGICAL SURVEY

The committee allowed $15,513,000. This is an increase of $2,486,000 over 1949 and a decrease of $2,387,000 from the budget estimate.

The item cut the most in this Bureau was for Topographic Surveys. The budget recommended $5,500,000 and the committee allowed $4,000,000—a cut of $1,500,000.

The other substantial reduction was in the item of engineering and printing maps, which cut amounted to $193,000.

The testimony given the committee by the Director of the Geological Survey, Dr. W. E. Wrather, was very informative, especially the statement on Geographic Surveys, pages 230 to 233 inclusive of the hearings.

It brings home to us our woeful lack of strategic minerals and how little we are doing about it. To my mind our efforts should be stepped up—in appropriations, prospecting and research—to give us the maximum benefit of our minerals.

I want to congratulate Dr. Wrather for his straightforward statement in this regard. It was a pleasure to hear him testify in his able and courageous manner.

There is evidently a great demand on the Bureau for stepping up of the Topographic Map Service. The armed services are using this facility a great deal as are other bureaus and departments of the Government. The States also cooperate in this program.

FISH AND WILDLIFE

The appropriation recommended by the committee is $10,735,800 as contrasted with $9,928,509 in 1949—or an increase of $807,291. It is a decrease of only $407,200 under the budget estimate.

As stated in the report—that the Fish and Wildlife Service should make provision from this appropriation for the rehabilitation and expansion of the fish-cultural station at Warm Springs, Ga., and the development of facilities for the propagation of both warm-water and cold-water fish at North Attleboro, Mass., and rehabilitation and improvements of facilities at the Quilcene, Wash., station.

NATIONAL PARK SERVICE

The amount allowed by the committee is $28,056,000, an increase of $14,945,696 over 1949. It is a decrease of $1,429,600 from the estimate of the Bureau of the Budget.

There is definite need for improvements and repairs, and so forth, to our system of national parks.

It is strongly urged that our police system in the National Capital parks should be augmented by more police. The crimes occurring in the park should be ample evidence for that needed protection. With 60,000,000 people traveling through the National Capital parks there are only 125 police presently employed, on three different shifts.

Most of the crimes occur on the night tour of duty when 21 officers are patroling. This is known as the first tour, and the hours are 11 p. m. to 7 a. m. The second tour is 7 a. m. to 3 p. m., with 58 officers. The third tour, 3 p. m. to 11 p. m., with 46 men.

The Park Service is asking for 40 additional police and the item should be allowed.

It is to be regretted that the Bureau of the Budget permitted only $500,000 for the Independence National Park project in Philadelphia.

Public Law 795 of the Eightieth Congress authorizes the Secretary of the Interior to acquire certain historical structures and property of outstanding significance in Philadelphia, Pa., all of which were associated with the American Revolution and the founding and growth of the United States, for the purpose of establishing the Independence National Historical Park. The authorization was not to exceed $4,435,000 including expenses incidental to such acquisition.

In addition to the Federal money the State of Pennsylvania and the city of Philadelphia are making grants for this project. Rear Admiral Draemel, who is now the State's secretary of forests and waters, has stated that money was already available for the commencement of this undertaking.

The $500,000 allowed by the budget and sustained by the committee will not be available even for organization until July 1. With a larger appropriation they could go right ahead with the purchases, and so forth. The appropriation should be at least $3,000,000 and the balance contractual authority so that this project can go forward in cooperation with the city of Philadelphia and the State of Pennsylvania.

Mr. ELLSWORTH. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. ELLSWORTH. Mr. Chairman, in Oregon, the O. and C. lands, as the Oregon and California revested lands are popularly known, contain some of the most valuable stands of virgin timber left in the United States. This timber is vital to the economy and the prosperity of Oregon. We have been pleased to see the way in which the timber from the O. and C. lands has been utilized during the war and postwar years when timber was so badly needed. It has made a great contribution to the needs of the Nation and has in addition returned substantial net revenues to the Federal Government. We have been disturbed, however, that the Bureau of Land Management has been unable to make proper inventories and plans for the long-range management of these lands. It has also been unable to carry on necessary reforestation measures. It has been unable to construct simple access roads to open up overripe timber stands for use. The basic reason for its inability to do these necessary functions has been the inadequacies of its appropriations.

The O. and C. Act of 1937 provided that 25 percent of the receipts should be available for administration of the act. Professional foresters feel that this is the absolute minimum required to carry on proper forestry. As a matter of fact the appropriations for administration of the O. and C. lands have averaged but 16 percent of receipts for the entire period since 1937 and at present the appropriation is only 10 percent of the receipts. This amount is inadequate to carry on proper and profitable administration of these lands. The amounts requested by the Bureau of Land Management should by all means be restored since they are not large in relation to the job to be done.

Mr. JACKSON of Washington. Mr. Chairman, I yield such time as he may desire to the gentleman from Utah [Mr. GRANGER].

Mr. GRANGER. Mr. Chairman, I want to congratulate the committee on the fine work it has done, but we are always not quite satisfied.

Mr. Chairman, the committee recommendations for appropriations to the Interior Department do not give adequate recognition of the greatly increased work load with which the Bureau of Land Management is faced. It is my understanding that the total number of applications for oil and gas leases on the public domain is nearly 50 percent higher this year than in the corresponding months of last year. In my State where more than half of the total area is public land, several new oil wells were brought into production last summer, when previously we had had no commercial oil wells. This has greatly stimulated interest in the possibilities of oil production in our State. I am informed that the number of applications for oil and gas leases on the public lands since July 1 has exceeded 2,500. In previous years there have been very few such applications filed. This great increase in volume of work has completely swamped the available manpower of the Bureau of Land Management. Although its employees have worked long and hard, they have been unable to keep up with the flood of applications received. Only a few leases have been issued for public lands. As a result the oil industry cannot proceed with the development of

greatly needed oil supplies in my State. The Federal Goverment is losing revenue at the rate of $150,000 a month as a result of inadequate personnel to act upon these applications. Our State is losing substantial revenue since a portion of these funds would be paid to the State under the Mineral Leasing Act. It is my hope that the appropriation for this Bureau can be increased in order that a development of the resources of our State shall not be impeded.

Mr. JACKSON of Washington. Mr. Chairman, I yield myself such time as I might require.

Mr. JACKSON of Washington. Mr. Chairman, the distinguished gentleman from Ohio, chairman of the subcommittee handling this bill, has often referred to the pending appropriation bill as an all-American bill, and I heartily concur in that statement. I would like to say also that it is an all-American bill because he is an all-American chairman.

As chairman of the subcommittee the gentleman from Ohio [Mr. KIRWAN] has done a signal service to the Congress, to the Nation, and to the people of the West. Credit for the meticulousness with which the committee scanned the estimates and the judiciousness of its decisions belong in great measure to Mr. KIRWAN'S breadth of viewpoint and sensibility on policy matters.

Yes, I say it is an all-American committee because we do have a wide divergence of views within the subcommittee. I admire and respect all of the members of the committee. I am deeply indebted to the gentleman from Arkansas [Mr. NORRELL] for his guidance and assistance to me. His knowledge gained from 7 years' experience on the subcommittee has proven invaluable to me.

I also appreciate the unfailing courtesy shown to me on every occasion by the gentleman from Iowa [Mr. JENSEN] and the gentleman from Pennsylvania, Dr. FENTON. All of these gentleman, I must say, have given their very best to present the views that they believe in, I admire them for their sincerity and honesty of purpose. Naturally, we all at times disagree on various issues, but I think that in our subcommittee you will find as broad a cross section of views as you will find in America itself, and that makes it an all-American committee.

This morning when I read the CONGRESSIONAL RECORD I found that my friend and distinguished colleague from Iowa had inserted considerable material which he did not present to this House from the floor during yesterday afternoon's debate.

I have a great admiration for the gentleman's sincerity and ability. However, I hope he will pardon me for saying here that he had been badly misinformed on many matters concerning power development in my State of Washington and its neighboring State of Oregon.

I do know something about the public utility districts in the State of Washington and our public power program.

It was stated in the RECORD yesterday that the Federal Government, through the Bonneville Power Administrator, is participating with a Mr. Guy C. Myers, a Wall Street banker, in attempting to put the power companies in the State of Washington out of business.

The report by Mr. Robert E. Lee, of the Appropriations Committee staff, which contains data on Mr. Myers, states specifically that Mr. Myers has had no connection whatsoever with Dr. Raver or the Bonneville Power Administration or any other Federal agency operating in the Pacific Northwest.

Mr. Lee in his report said that, while he had gone through the Bonneville Administration's files, he was unable to find any evidence whatsoever that Dr. Raver has at any time dealt with or had an agreement with Mr. Myers.

I do not think any Member of this Congress has sufficient knowledge of the utility companies mentioned to say whether the price which Mr. Myers is negotiating for the public utility districts in the State of Washington is an inflated price or a fair price.

It is purely a State matter between several State power agencies—note I say State, not Federal—and the power companies themselves.

It does not involve the Federal Government in any way.

The Bonneville Power Administration is now supplying power to these companies.

At such time as they may be purchased by public agencies, the Bonneville Power Administration will continue to supply power to them under public ownership.

That is the law.

Now as to the alleged political activities of the Bonneville Power Administration, I also, because of my residence and close association in the State of Washington, can tell you of my own knowledge that the Bonneville staff has conservatively and successfully administered the Bonneville statute.

This statute is a public power statute. It was made a public power statute by the Congress.

It has a strong antimonopolistic provision in it which says that the Bonneville Administrator shall see that the benefits from power produced at Bonneville Dam shall be spread as widely as possible and that he shall take such steps as are necessary to prevent the monopolization of that power.

It is for this reason that the Bonneville Act requires the Administrator to build transmission lines.

The act does not say that the Administrator may build transmission lines. Nor does it say that he can build them if he wants to.

It says he shall build them. He has no choice in the matter. That is what the law says.

The law further states that the Bonneville Administrator shall give preference and priority in the sale of this power to public agencies and cooperatives.

He has no choice in this either.

He must do it.

Furthermore, the law, as originally passed, stated that the Bonneville Administrator must reserve half the output of Bonneville Dam for public agencies until 1942.

There was a strong implication in this that if there were no public agencies to take this 50 percent of the Bonneville power the Administrator should assist such public agencies to get into business. Section 4 of the Bonneville Act even goes so far as to suggest ways in which the Bonneville Administrator should assist the public agencies to get into business.

That is the law. Any administrator who failed conscientiously to fulfill these provisions would be guilty of nonfeasance.

Therefore, it is beside the point to charge that the Bonneville Administration has been going beyond its responsibility relative to assisting public agencies which have been voted by the people in the States of Washington and Oregon.

I have talked frankly with Dr. Raver and with other people interested in power in the Pacific Northwest on this matter many times. I know Dr. Raver has been conscious of the proprieties inherent in his position. He has told me a number of times that the overwhelming public sentiment for public power in the State of Washington has often led to criticism of him on the grounds that he has not been active enough in aiding these customers which have preference under the law in getting into business.

I think this factor speaks for itself. If those who enthusiastically believe in public power think the Bonneville Administrator is not doing enough for them, and if those who oppose public power think he is doing too much for the public agencies, the chances are he is doing about right.

The report referred to in the RECORD this morning, as prepared by Robert E. Lee, to my mind, shows some incompetence. The report obviously started out with a preconceived premise—a premise that the Bonneville Administration is out to wreck the power companies and to achieve some kind of socialism.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of Washington. I yield to the gentleman from Montana.

Mr. MANSFIELD. I should like to quote from page 121 of the hearings, part 2, in which Dr. Raver, in response to a question by the gentleman from Pennsylvania [Mr. FENTON], explains that in the period from 1942 to 1948 electric energy sales in kilowatt-hours by the Bonneville Power Administration to publicly owned utilities amounted to 5,391,-065,000 and to privately owned utilities 12,615,451,000.

Mr. JACKSON of Washington. That is exactly right. In the case of the Portland General Electric, I believe about two-thirds of the power they are selling to the people in that area is derived from the Bonneville Power Administration, and in the case of the Puget Sound Power Co., in the State of Washington, they are getting about 35 percent of all the power they are selling to their customers from the Bonneville Power Administration.

To continue with my previous discussion:

Every effort is made to dig up scattered bits of information which were lifted out of the contents of the agency's normal operations in an attempt to prove this thesis.

Many Members of the House know that anything can be proved by that method.

I think that if you were to talk to the officials of the utility companies in the Pacific Northwest as well as to many other people there, you would find the general impression prevailing that the Bonneville Administration is a conservative, efficiently operated agency which can be accused of nothing except meticulous administration of the law.

If fault is to be found with Bonneville's efforts to serve public agencies, the cure lies in changing the law.

Mr. ANGELL. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of Washington. I yield to the gentleman from Oregon.

Mr. ANGELL. The Bonneville power project is in my congressional district, and the head office of the Bonneville Power Administration is also in my district. The people of my district are very much in favor of the administration of Bonneville power under its present administration. It is doing a grand job. It is selling power at a much lower rate than it is sold in most places, and the Federal Government is making a profit off the power sold. The power as sold is being marketed by private utilities and is being used for the benefit of the people themselves.

Mr. JACKSON of Washington. I appreciate the gentleman's confirmation of the position I have taken.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of Washington. I yield to the gentleman from Washington.

Mr. HORAN. I think the record at this point should show that long before the Bonneville Administration was created the people of the State of Washington enacted into law what is known as the public utility district law. That was in 1930. It is partly on that foundation that the Bonneville administration has to distribute this power in the State of Washington and to some extent elsewhere.

Mr. JACKSON of Washington. I thank the gentleman. I was planning on coming to that. I appreciate the gentleman's contribution.

Every time the Bonneville appropriation comes up there is a great deal said about Marxism and socialism.

This year is no exception.

The power companies always raise this cry, and a lot of sincere people who are unfamiliar with the facts sometimes accept it.

But if the mandate to construct Federal transmission lines, as provided by Congress, is socialism—if the antimonopoly provisions of the Bonneville Act are socialism—if the preference clauses giving aid to public bodies are socialism, it is a very strange kind of socialism.

This so-called socialism has brought private enterprise, taxpaying industry to the Northwest to the extent of more than $300,000,000 of taxpaying investment. A huge new industry has been created in the region which was the Nation's salvation in time of war. This industry has provided pay rolls not only to the Pacific Northwest, but its products have provided pay rolls all over the country in plants which make articles from aluminum.

Is this socialism?

I think all will agree that the farmers in this country are as independent a lot of free private enterprisers as you can find anywhere. The entire farming business is predicated upon the rights of property and property ownership. Yet thousands of farmers in the Pacific Northwest have obtained adequate power supplies for the first time at rates they can afford through the construction of these so-called socialistic transmission lines.

The Washington State Grange comprises a membership of about 50,000 farmers.

The Oregon State Grange also has thousands of farmers among its membership.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of Washington. I yield.

Mr. RANKIN. The charge that public power is socialism certainly ought not to appeal to any man from the State of Michigan or the State of Ohio or Texas—three of the most conservative States of the Union, because their capital cities all have had public power systems for many years—long before the TVA or Bonneville Administrations were created.

Mr. JACKSON of Washington. I thank the gentleman.

I do not believe that the farmers of the States of Oregon and Washington—most of whom I find somewhat to my chagrin occasionally vote the Republican ticket—would tolerate for 1 minute any Marxism on the part of its leadership.

Yet in the RECORD this morning I read that Henry P. Carstensen, master of the Washington State Grange, and Morton P. Tompkins, master of the Oregon State Grange, are involved in a sinister plot to overthrow the rights of property and the liberties of our commonwealth. I know these gentlemen personally. Both of them are outstanding farm leaders, patriotic Americans devoted to our institutions and our way of life. The Grange members in their States have shown their faith and confidence in them by electing them time and again as State masters of the Grange.

The RECORD this morning states that these two gentlemen are tied up with Paul J. Raver and Guy C. Myers in this dangerous Marxian plot.

And yet Guy C. Myers, I am told, is several times a millionaire, maintains offices in Wall Street, and could qualify for the term "Wall Street banker."

Now, I want to reply to the gentleman by saying that every one of these projects to which he refers is reimbursable.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of Washington. I yield.

Mr. MANSFIELD. Is it not a fact that both Bonneville and Grand Coulee are some years ahead of their repayment schedule?

Mr. JACKSON of Washington. That is correct. For 11½ years they have returned a net to the Treasury of some $32,000,000, after allowances for amortization and payment of interest.

Mr. MANSFIELD. And therefore we are paying our own way on these projects and no one is subsidizing us.

Mr. JACKSON of Washington. In the State of Washington we get four times the amount of power for only 10 percent more of cost.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of Washington. I yield.

Mr. RANKIN. I want to remind the gentleman from Iowa [Mr. JENSEN] that when his party was in power under that great engineer, Mr. Hoover, they were selling power at Muscle Shoals to the private power companies at 1.59 mills per kilowatt-hour, and assuring Congress that it was at a profit. Today that power is being sold for more than twice that rate, yet they say it is being sold below cost.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of Washington. I yield briefly.

Mr. BATES of Massachusetts. The facts are that Bonneville originally was constructed for navigation purposes. In fact, it was never authorized by law. Now the power part of Bonneville is only 22 percent of the investment. Only 22 percent is chargeable to power. That is what the gentleman from Iowa [Mr. JENSEN] means, that the other 78 percent is paid by the taxpayers of his State and every other State in the Union.

Mr. JACKSON of Washington. Now, I want to correct the gentleman from Massachusetts. The Bonneville Power Administration is the marketing agency. The power from Bonneville Dam is only a small part of the power which they market. The bulk of the power comes from Grand Coulee. Grand Coulee is not only paying for its share of the power feature but is paying for the cost of a reclamation project that is now estimated at $700,000,000. Only $1,000,000 is chargeable to flood control on that project that involves close to $800,000,000.

Mr. BATES of Massachusetts. But is it not true that only 22 percent of the investment in Bonneville is chargeable to power?

Mr. JACKSON of Washington. What is the gentleman talking about? The Bonneville power agency or the Bonneville Dam?

Mr. BATES of Massachusetts. The Bonneville Dam is what we are speaking about. Only 22 percent is chargeable to power.

Mr. JACKSON of Washington. I am talking about the Bonneville Power Administration.

Mr. NORRELL. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of Washington. I yield.

Mr. NORRELL. The Bonneville Power Administration is the wholesaling agent for the power. It is not a dam. It is to that section of the country like the Southwest Power Administration would be to my section. It is the marketing agency; is that not right?

Mr. JACKSON of Washington. The gentleman is absolutely correct. It is the marketing agency provided by law to market the power created by the great public dams in the Pacific Northwest.

You have different marketing agencies in the different areas.

There are 166 items in the Interior Department appropriations measure as recommended by the committee.

I do not propose to take time now for the purpose of going into detail on all these items; but I want rather to cover the two paramount points:

First, I want to discuss briefly the so-called 15-percent over-all reduction in the construction allowances.

Second, I want to discuss the basic public-policy question which underlay the committee's thinking in its recommendations. This is the question as to whether the Government or the privately owned utility companies of the country should build the transmission lines from Federal multipurpose dams to the load centers served with power from these dams. This great policy question applies particularly to the allowances recommended for the Bureau of Reclamation, the Southwestern Power Administration, and the Bonneville Power Administration.

Any review of the allowances recommended for these three important agencies will reveal the committee's thinking on these two paramount points of policy. Such a review will show that the committee has recommended each and every facility requested by the administration with the exception of the Glendo, Wyo., project, which it was decided should be held status quo, and the Havre-Shelby transmission line on the Fort Peck project.

These facts make it unmistakably clear that the committee believes the policies of Congress require Federal construction of transmission facilities and that the 15-percent reduction in allowances should be qualified in such a way as to keep this program on schedule.

This analysis of the committee's intent is supported by the language of the committee report.

In view of this language, some Members may wonder why all these projects are being approved in their entirety. Some may point out that these approvals run into a lot of money.

In this connection, however, it must be pointed out that these projects are self-liquidating.

These are projects from which the taxpayers are going to get their money back.

The sooner these projects are completed the quicker they will be producing revenue. The power facilities will return the full investment to the Federal Treasury with interest and a surplus. In addition, the power revenues will supply heavy subsidies for reclamation works. Annual payments by reclamation farmers on their water rights will return the Government's capital investment without interest.

This statement of mine is no speculation. It has been proved by the brilliant performance of the Bonneville Power Administration.

The Bonneville Power Administration markets and transmits electric power from dams on the Columbia River to the population centers of the Pacific Northwest and sells this power at wholesale to utility companies, both public and private, and to heavy industry.

On June 30, 1948, the Bonneville Administration had collected a total of $129,866,166 in operating revenues during the 11 years of its existence.

During this same period, it had paid out $97,796,841 for expenses of operation and maintenance, in provision for depreciation, and in interest and other deductions.

Surplus net revenues returnable to the Federal Treasury for this same period totaled $32,069,325.

More than 37 cents of Bonneville's 1948 revenue dollar was surplus. This, with the depreciation item of nearly 16 cents out of that same dollar, meant that very substantial sums were available for repayment of the Federal Government's total investment in the Columbia River power system.

Because the history of such operations proves that these projects are self-liquidating, I personally disagree with the decision of the committee to recommend the 15-percent reduction in construction allowances. It seems to me unnecessary. However, the important point here is this: The committee directed the departments to proceed at the full construction rate recommended by the budget. If the hoped for 15-percent reduction in costs does not materialize, the committee intends to approve such additional funds as are shown to be required to finance construction items at the rate proposed by the President's budget.

Now I would like to dwell briefly upon what I think is a vastly more important issue than the exact amount of the money allowances. This issue is a matter of basic public policy—a policy which can be completely nullified by inadequate appropriation allowances and restrictions or can be implemented by them.

This is the issue of whether the Federal Government shall build transmission lines to bring power owned by the people to the people, or whether this function shall be left to a private monopoly which can exact such toll as it wishes on a people's resource.

There is no doubt in my mind, and I question whether there is a serious doubt in the minds of any of the Members of the Congress as to what the policy of the Congress is and has been on this question.

This policy was first enunciated in the Reclamation Act of 1902 which specified that water should be made available on a preferred basis to municipal corporations.

The Reclamation Act has been amended a number of times and this preference has been applied also to the sale of power from Reclamation Bureau dams.

This policy was reaffirmed with unmistakable clarity in the passage of the Tennessee Valley Act of 1933.

It was reaffirmed again in the Bonneville Project Act of 1937 in terms so unequivocal and unmistakable that there should never be any serious question on it as long as that act remains on the statute books.

This policy of preference to public agencies was reaffirmed once more in the passage of the Flood Control Act of 1944.

I think the Congress has showed great wisdom in this repeated support of the people's interest in a people's resource.

Every time this basic matter has come to a full debate by the Congress the matter has been explored from all sides.

Each time the inescapable conclusion has been reached that the public interest will be best served by making the power from Federal dams available to public agencies and cooperatives.

Now it is one thing to state a policy and quite another to carry it out; and sometimes in the debate on appropriation measures the policy runs the danger of being lost sight of.

For example, in the general debate yesterday there was discussion about the Federal Government driving the power companies out of business. There were references to socialism. There were claims that whenever the Federal Government builds transmission lines the result is the disappearance of private power companies in the area where transmission lines were built. Such arguments are in my opinion mistaken.

To my certain knowledge—and I come from a region in which there are many Federal transmission lines—power company troubles stem directly from the failures or excesses of the power companies themselves rather than from any Federal transmission program.

The laws which are restricting the power companies in Washington are State laws, not Federal laws. The laws which permit the establishment of public utility districts are State laws—not Federal laws. In the State of Oregon, the power companies appear to have done a better job for the people, and the State laws there are not so stringent as they are in Washington. The power companies in Oregon are healthy and lively. They heartily support the Federal transmission system. The Portland General Electric Co. buys two-thirds of its power supply from this transmission system and sells it for a profit.

In the State of Nebraska the power companies have gone completely out of business, but that is not due to the construction of Federal power facilities. There are no Federal power facilities whatever in the State of Nebraska. Yet companies have gone out of business because the people of the State passed State laws providing for their absorption.

In the States of Idaho and Montana, where Federal transmission is badly needed, there are no State laws which will restrict the power companies. So long as the power companies in those States do a good job, I seriously doubt there will ever be any State action against them.

Certainly there is every reason to believe that the power companies of those States will benefit greatly by the construction of Federal transmission lines.

To my mind it would be a tremendous mistake, in view of the repeatedly enunciated policy of the Congress, to fail to appropriate money for the transmission program of the Bonneville Power Administration.

Under the direction of Dr. Paul J. Raver, this administration has operated on an effective and businesslike basis. Dr.

Raver is a technician and careerist with a deep sense of public duty. Time after time the books of his agency have been examined by leading public utility accountants who have had nothing but the highest praise for the technical competence and disinterestedness of Dr. Raver's staff. In the Pacific Northwest he is regarded as a public servant of the highest caliber.

His plan to develop transmission interconnections between the Hungry Horse and Grand Coulee Dams is demonstrably a sound plan. Without such interconnection, the Hungry Horse Dam can produce not more than 77,000 kilowatts of firm, year-round power supply for western Montana.

With the interconnection, as proposed by Dr. Raver and recommended by your committee, that dam will produce not 77,000 kilowatts, but 186,000 kilowatts for western Montana alone. It will also, through coordinated operation with other dams, produce a vast quantity of power for other States in the Pacific Northwest—power which would be lost without these transmission lines.

Therefore, it is my honest hope that the Members of the House will approve the committee's recommendations for these facilities.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. JENSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. CHURCH].

Mr. CHURCH. Mr. Chairman, this bill presents to the House, as definitely as any bill we have had before us, the two fundamental issues of our day. This is by no means an ordinary appropriation bill. There is much more involved in this bill than making funds available for the normal operation of one of the departments of Government.

In the first place, the bill before us appropriates over $536,000,000, plus a contract authorization of over $41,000,000. While the committee in its report, and the gentleman from Ohio [Mr. KIRWAN] in his statement on the floor yesterday, have tried to make it appear that the committee has realized savings for the American taxpayers by reducing the amount of the bill 15 percent below the budget estimates, the fact is that the committee has made no attempt whatever to cut the cost of Government.

This 15-percent cut they talk about is nothing more than a reduction resulting from a reduction in construction costs. There is no attempt here to cut administrative costs. No attempt has been made to eliminates projects that are unnecessary. There has not even been an attempt to postpone certain projects that might well be postponed until some future date when the country is in a stronger fiscal position.

Mr. Chairman, the committee even apologizes for the 15-percent cut that the economic condition made possible. In fact, it says to the Department that if they want more money "the committee intends to recommend approval of such additional funds as are shown required to finance items of construction proposed in the budget." As was pointed out yesterday by the gentleman from Iowa [Mr. JENSEN], this is the first time language of that character has appeared in an appropriation bill.

By the committee's own words found in the official report of the committee, it has not, nor does it intend in the future, to save any money to help balance the budget, realize a surplus to reduce the national debt, and give our people relief from the heavy load of taxes and more taxes they have to bear. On the contrary, the program which this bill proposes to put into effect will result in ever-increasing costs.

Let me call your attention to the matter of the Southwestern Power Administration, to be found on page 5 of the committee report, for example. This relates to the appropriation carried in this bill for the construction, operation, and maintenance of power-transmission facilities in the southwestern power area of the country. For this purpose the bill appropriates $4,000,000, which is the sum requested by the budget, and also grants contract authority for an additional $5,000,000.

Now, look at the next sentence in the report:

> It is intended that this action represent approval by the committee and the Congress of the entire program.

In other words, we are on notice that this particular appropriation today, as carried in this bill, is just the beginning. If I recall correctly, the estimates for the entire program will run between $30,000,000 and $40,000,000, and, judging from our past experience with these projects, we can be reasonably certain that as the program progresses the Department of the Interior boys will find reasons why it should be made larger and still larger than originally envisaged.

This is the issue which this bill presents to us, Mr. Chairman, and that is whether there is really any desire on the part of the membership of this House to reduce the cost of Government. We often hear some beautiful speeches here on the floor and in committee on the great need for economy. But they are just speeches. We have before us today a bill that looks to more and more Government spending. If we really believe in economy, we must demonstrate by our votes that we have the will and the courage to economize. I am not exaggerating when I say that if we continue to approve of bills of this character this great country of ours is headed, as surely as I stand here, to complete bankruptcy. I am not exaggerating when I say that if we continue to make appropriations for items that are unnecesary and for items that might be postponed we will have no alternative but to continue to raise taxes.

The fundamental issue which this bill presents, Mr. Chairman, is whether our Government is to follow a sound fiscal policy or whether it is intended that we proceed merrily on this road to bankruptcy.

The gentleman from Arkansas [Mr. NORRELL] well stated the question before us in the speech he made yesterday. He pointed out that in examining the various items in this bill—and there are 154 different items here—we should establish three categories—one, the necessities; two, the desirables; and, three, the miscellaneous items. We should then look at the funds we have available and make appropriations accordingly.

As I have said many times, the question is not what we would like to have, but what we can afford. There are many things that may be desirable, but we can get along without. I was pleased to hear the gentleman from Arkansas [Mr. NORRELL] say that he intended to vote for the elimination of some of the items contained in this bill. I hope that he will have some support from many of the other gentlemen on his side of the aisle.

The second fundamental issue presented by this bill, Mr. Chairman, is with respect to the philosophy of Government. There is no question about it. The programs for which funds are appropriated in this bill, taken as a whole, look to Government ownership and Government operation of utilities. The gentleman from Iowa [Mr. JENSEN] made this abundantly clear yesterday in the documentary evidence he presented of the activities of the Department of Interior employees. They are the skillful agents of power socialism. They deliberately try to confuse the issues and to mislead the people in order that there may ultimately be set up in the United States a complete national system of Government ownership of utilities.

I do not intend here to develop all the different devices that are used to accomplish this objective. It is sufficient to say that anyone who has given any study to the various projects that they fit into one pattern, and that is to have the Government own and operate all public utilities. That, I say to you, is the No. 1 plank in the platform of the Socialists, and that, I say to you, is what the funds appropriated in this bill, as reported by the committee, help to accomplish.

For example, a particular dam or series of dams are proposed for the ostensible purpose of preventing floods or for irrigation. That is a worthy purpose. Every one of us would approve it. As a result of these dams we have electricity as a byproduct. It is proposed that this byproduct be sold. That, too, is a worthy purpose. But it isn't long, Mr. Chairman, before flood control and irrigation become incidental to the real purpose, undisclosed initially, to manufacture electricity and control its distribution. It is not long before we have presented to us, as presented in this bill, proposals for the construction of transmission lines which run parallel to the lines operated by private companies. It is not long before the private companies go out of business. They cannot compete.

Mr. Chairman, that is creeping socialism. And that is exactly what is taking place in the United States today. Bit by bit, step by step, by this program and by that, our great productive system of private enterprise is being destroyed. It is so gradual and so concealed that the average American does not realize that this process is under way.

I think an editorial which appeared in the Chicago Daily News of March 10,

which I inserted in the CONGRESSIONAL RECORD last Monday, well states the issue:

This country must ultimately make a choice between an enlightened capitalism which thus far has given us an economy sufficiently strong and virile to meet most of our requirements and prop up the rest of the world both economically and militarily; and a system of soft socialism in which big government will forever regulate our mode of daily living in exchange for the illusion of perpetual security.

Every citizen must make that choice.

Mr. Chairman, by the action we take on this bill we will be making this choice. This bill presents two fundamental questions: Shall we continue this program of Government spending and more spending and, two, shall we approve these programs which are taking us to state socialism.

For my part, I believe we are faced with the alternative between bankruptcy or honest economy, and I shall continue to work for economy. And in this alternative between state socialism and our competitive system of private enterprise, I choose the American system.

Mr. JENSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Washington [Mr. MACK]

Mr. MACK of Washington. Mr. Chairman, we should all keep in mind that whenever we develop power from our rivers we are saving our irreplaceable coal and oil resources.

When you burn a ton of coal that coal is gone forever. The same happens when you burn a barrel of oil. But that is not true when you use water to generate hydroelectricity. The water is still there for irrigation, navigation, and other purposes after it has been employed in the production of electricity.

Also, when you use coal or oil once, it is gone; but water is different. It can be used over and over again in the making of electricity.

Therefore, it seems to me, that in the interest of conserving our national resources it is of the utmost desirability that we generate just as much hydroelectricity as possible from our rivers, and as soon as possible, in order to save our irreplaceable coal and oil resources.

HASTE IS GOOD ECONOMY

If any of us were the owner of property on which we were erecting a new apartment house, and that apartment house were half finished, we surely, as a matter of good business, would make all the haste possible to complete it. We could get that apartment completed as quickly as possible in order that we could begin deriving rents from our investment, to get back as soon as possible the money we had expended in building that apartment.

The same business principle should be applied by the Government to these great dams and power lines which we now are engaged in building in the Pacific Northwest. The sooner we get these power properties built and in operation, the sooner they will begin paying back to the Government the money which has been invested in them.

TWENTY-FOUR DAMS PROPOSED

Of the 24 dams proposed on the Columbia River only 1—the Bonneville—has been fully completed as to power production. The Bonneville Dam is fully finished and all nine of the power generators it was built to carry are installed and in operation.

The second of the Columbia River's great power dams—Grand Coulee—in eastern Washington, is completed as far as the dam itself is concerned, but only 9, of the 18 generators this dam will ultimately carry, are installed. Nine others are still to be installed.

In the special session of Congress last fall, I was one of those who worked for and was successful in obtaining from Congress sufficient funds to build three additional generators for the Grand Coulee Dam. These are now being built and will be installed during 1949. The last of these 18 should be installed by 1952.

In short, by 1952, as the result of installing these additional generators, we will be generating at Grand Coulee and Bonneville Dams more than 50 percent more power than these two dams now produce.

Last year, $22,933,144 of power produced by these two dams was sold to Pacific Northwest consumers. The installation of the nine additional generators at Grand Coulee will make more than $35,000,000 of power available each year for sale by 1952.

But the Grand Coulee and Bonneville Dams are not the only ones to be built on the Columbia River and its tributaries. There are 22 others still to be completed and of these 2 already are under construction.

Construction on the McNary Dam, third in the series of great power dams to be built on the Columbia River, is now going forward rapidly. The last session of the Congress appropriated $22,000,000 for construction on McNary Dam and last week the House, in the civil functions bill, voted an additional $34,000,000 for construction work on this great dam.

The McNary Dam will produce twice as much electricity as the Bonneville Dam. It will be completed by 1952. With its completion and the completion of installing nine additional generators at Grand Coulee, the Columbia River will be producing about 3,400,000 kilowatts of electricity compared to the 1,500,000 kilowatts that stream is producing today.

The result will be that by 1952 we will have more than twice as much electricity in the Pacific Northwest as we now produce.

We will require new and additional power lines to carry the power these dams generate to the consuming centers of our Western States. The power is of no use until it is delivered to these consuming centers. That is why we think the building of additional power lines most necessary.

NEW POWER LINES

Earlier in the session, I appeared before your committee and urged that you grant appropriations for 15 power lines and substations in my district which, in cash and contract authorizations, would cost a total of $8,587,000.

I and the people of my district are deeply appreciative that your committee has granted all of these power line and substation requests, except for a cut of 15 percent in the total over-all amount, a cut which you made on all similar requests.

Furthermore, your committee has made us happy today by your assurances that if the 85 percent of $8,587,000, which I asked, is not sufficient to complete all of these 15 jobs, that you will look most favorably upon giving us the additional money in deficiency appropriation bills next year.

The 15 southwest Washington projects and their cost, which are in this bill, are shown in the following table:

	Cash	Contract authorization	Total
Covington substation additions	$55,000	$954,000	$1,009,000
Covington-Olympia	2,911,000	345,000	3,256,000
Olympia-Cosmopolis	68,000		68,000
Olympia - Shelton - Fairmont-Port Angeles	984,000	76,000	1,060,000
Raymond-Aberdeen	6,000	86,000	92,000
Longview substation additions	88,000	841,000	929,000
Chehalis substation additions	437,000	83,000	520,000
Holcomb-Naselle	359,000		359,000
J. D. Ross substation additions	249,000	125,000	374,000
Centralia substation	5,000	13,000	18,000
Alcoa-Carborundum	18,000		18,000
Alcoa substation additions	475,000		475,000
Transmission system additions	50,000		50,000
Olympia-Shelton No. 2	84,000	148,000	232,000
Control cable replacement	127,000		127,000
Total	5,916,000	2,671,000	8,587,000

This amount has been reduced by 15 percent, but the committee has indicated that it will be restored if need for restoration becomes apparent next year.

We are indeed most grateful for your generous treatment of these southwest Washington projects.

I can assure you there is need for them. Our area has grown more than 40 percent in population since 1940. Its growth is continuing. Many new power-using industries have moved into our region. I am certain that there will be a market for as much power as you can get into the Third Washington District as fast as you are able to deliver it.

I am happy to note that this bill also carries an item of $59,075,000 for work on the great Columbia Basin irrigation projects in eastern Washington.

This huge appropriation will greatly speed up the development of this world's greatest irrigation project.

Some day, when this great irrigation project has been completed, it will bring into cultivation 1,029,000 acres of land which, when it gets water, will become one of the world's most productive farm areas.

I have been told by the Reclamation Service that when these 1,029,000 acres are irrigated that this land will provide farm homes for 17,000 American farm families or about 85,000 people. Furthermore, the Reclamation Service says it will require another 170,000 people to supply these 17,000 farm families with the goods and services they will require.

In short, completion of this great Columbia Basin project in the State of Washington, which the $59,075,000 contained in this bill will materially help and hasten, will add 250,000 persons to

the population of the State of Washington.

This is not a dream to be realized in the distant future. The first irrigation on a small part of this land will start this year and by 1952 only 3 years from now, 216,000 acres of this land will be under irrigation according to estimates of the Reclamation Service.

One of the fine features of this great Columbia River power and reclamation development is that it will not cost the Federal Government a cent. It will pay for itself.

The Government merely advances, as a loan, the money to build the initial dams, power facilities, and the reclamation projects. The irrigation district farm owners, water users, and the users of power in the rates they pay, will repay to the Government every cent that the Government invests in these projects plus interest at 2½ percent.

The Federal Government will get back all the money it spends on the projects and when the Federal Government has gotten back all its money with interest the Government will still own these projects and continue to derive revenues from them.

This is far more than we ever will get back from the billions we loan to Europe and Asia.

But the power and reclamation projects not only will pay for themselves out of the revenue from power and from reclamation water sales, the projects also will bring new industries and new farms into the region. This will mean more production of the goods American people need and in the using of which they will increase their living standards. Also, there will be more jobs for every classification of labor.

The new industries which cheap power will bring into the West will add to the taxable wealth of the Nation and the States. Since cheap power became available in the Columbia River Valley, private capital has invested $140,000,000 in establishing new power-using industries in that valley. These new industries now employ more than 7,000 people. These new industries last year paid more than $2,500,000 in new taxes to our western States, counties, and cities. All of these benefits also can and should be placed on the profit side of the Columbia River development ledger.

Mr. KIRWAN. Mr. Chairman, I yield 4 minutes to the gentleman from New Mexico [Mr. FERNANDEZ].

Mr. FERNANDEZ. Mr. Chairman, I want to take this time to express to the committee my appreciation for the excellent manner in which they have taken care of our problems in the Navajo reservation. For once we have made some progress, in my opinion. I particularly want to compliment the chairman of the subcommittee handling this bill. He has done an excellent job. However, in the course of the proceedings today I shall have to offer one or perhaps two amendments, but I want it distinctly understood that in offering these amendments I have no quarrel with the subcommittee so far as its objectives are concerned. In fact, I thoroughly agree with the committee in its objectives. But in trying to reach those objectives the committee, in my opinion, has adopted a method which is harsh and cruel and because of that fact I am going to offer one or two amendments during consideration of the bill under the 5-minute rule. I shall move to strike the clause which prohibits the use of any of this appropriation for the aged, the blind, and the needy in the Navajo-Hopi Reservation. In offering the amendments I want to take time to explain the situation. I am afraid that the committee is not quite aware of the full implications of the new provisions which have been put into this bill, and which were also put in the deficiency appropriation bill passed a few days ago, and which were stricken out by the Senate committee. In offering those amendments I want to take time to explain them, and I hope there will be no objection to giving me enough time—10 minutes will do—to explain the situation once and for all, and then if the House feels that they should support the committee, I have absolutely no ill feeling about it. I could never agree to the method employed, even though I agree with the objectives.

The CHAIRMAN. The time of the gentleman from New Mexico has expired.

Mr. JENSEN. Mr. Chairman, I yield the remainder of the time to the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS. Mr. Chairman, I am grateful to this committee for the consideration that they have given to those matters about which I appeared before them. Throughout the time that I have served in Congress I believe that I have always appeared each year before the subcommittee handling the appropriations for the Department of the Interior. The economy of America is the sum total of the economy of the district that you, and you, and you represent, and the district that I represent. There is nothing quite so hard upon the economy of the district that I represent as the recurrence of drought, the lack of rainfall, and the need for additional water to make our crops grow. The future prosperity of my State depends in a large measure upon the extension of irrigation. The Republican River program of the Bureau of Reclamation is provided for in this bill. I am sure that everyone is interested in seeing this program carried on as economically as possible.

Now, there are a few ways to bring about some economies in an irrigation-construction program. First, you can cut down overhead. I think there is a great deal of room for such procedure. There is another way that you can bring about economy in the construction of irrigation projects and that is to move your construction program forward fast enough so that year after year, and year after year, you are not spending huge sums for supervision and overhead.

I am grateful to the committee for the amounts that they have recommended here. I am quite disappointed that they saw fit in these irrigation-construction programs to make an over-all blanket cut of 15 percent. If costs do come down that will be a good thing for everyone involved, but in many cases the contracts have already been let for these projects. I do not know how lower prices will affect the amount of such contracts. I do know this, that if because of a cut what could be done in 1 year or 2 years is dragged out for 3 or 4 years, it is very expensive for the taxpayer and it is not a good thing.

If I understand the reading of this report, however, it is not the intention of the committee that these projects be curtailed 15 percent, but rather they are instructed to go ahead with the full construction program just as approved by the Bureau of the Budget, and that in effect you are saying now, "Here is 85 percent of your money, and if you cannot get the job done in the next fiscal year without more money, we are willing to give it to you." May I ask the chairman of this subcommittee if in the arrangement they have set forth here for a reduction of 15 percent it is the intent of the committee that these projects approved by the Bureau of the Budget and approved in this bill are to go ahead at their full rate of construction as approved by the Bureau of the Budget?

Mr. KIRWAN. That is stated in the report and that is what we intend and expect to do.

Mr. CURTIS. In other words, the Bureau of Reclamation is not asked to cut out or curtail construction that has been approved by the Bureau of the Budget. I am glad to have that assurance.

Mr. KIRWAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Washington [Mr. MITCHELL].

Mr. MITCHELL. Mr. Chairman, there has been a lot said in the CONGRESSIONAL RECORD accusing outstanding citizens of my State of participating in what has been called a Marxian plot. There have been personal attacks on the Bonneville Administrator on the same grounds.

The people of the Northwest know their local leadership and know the Bonneville Power Administration better than this. They have heard these attacks made before. Usually such attacks come at a time when the Federal agencies are striving to carry out laws which have been passed by the Congress. Usually such attacks are based upon misinformation spread by private interests which do not hold the public interest as paramount.

By law, the Bonneville Power Administration's books are subject to annual audit, not by another Government agency but by independent, nationally known public accountants. These audits invariably show: First, that the Bonneville Power Administration has been operating on a sound financial basis; second, that it is meeting all financial requirements exacted of it under the laws passed by Congress; third, that it is paying back the investment on all power generation facilities with interest; fourth, that it is paying back all Federal money invested in its transmission system with interest; fifth, that in addition, it is contributing millions of dollars annually to the support of reclamation projects; sixth, and finally, that on top of all these payments, the administration is paying a substantial surplus each year into the Federal Treasury.

For the fiscal year just past, the Bonneville Power Administration returned a surplus to the Treasury of more

than $9,000,000 after meeting all obligations. Over the life of this agency, the accumulated surplus has amounted to more than $30,000,000 after the payment of all legal obligations.

The attempt is being made once again to turn back the clock on the great power developments of the Federal Government. The old bus-bar philosophy rears its perennial and ugly head, the philosophy that power generated by public investment shall be turned over to private utilities at the generating plant. I do not believe that selfish attempts to levy a private toll on benefits created by public investment will prevail.

Time and again this Congress has written into basic statutes the principle that power created by public investment shall not be monopolized by limited groups, the principle that the benefits of public power shall be widely spread among the people. This principle is written into the TVA Act; it is written into the Bonneville Act. The people of my State in the great Pacific Northwest understand it well. We have a long history of public-power development, starting with the municipal power agencies of Tacoma and Seattle, and, since 1930, continuing with public-utility districts organized under Washington State law. No amount of name calling, no bogey of communism or socialism, will deter our people from going ahead with these developments which they know to be wise and beneficial.

Under Federal law these local public-power agencies are entitled to preference in purchasing Federal power generated on the Columbia River. Inherent in this legal preference requirement, and integral to the principle that the benefits of public power shall be widely distributed, is the construction of publicly owned transmission lines to carry the power to local distributing agencies. That principle has been challenged here today by the bus-bar school of private-power advocates. I urge the Members to stand firm, as they have done in the past, against these advocates who would limit the benefits of Federal expenditure to a private power monopoly.

It was said here today that the construction of the electrical inter-connection between Grand Coulee Dam and the Hungry Horse Dam in Montana would be an invasion by the Bonneville Power Administration of territory outside its own bailiwick.

This is nonsense. The Bonneville Power Administration is the marketing agent for power from Federal dams on the Columbia River system. The Hungry Horse Dam is on the Columbia River system. It is on the south fork of the Flathead River west of the Continental Divide, which runs through Montana. The Flathead River flows into the Clark Fork, also known as the Pend Oreille, and the Pend Oreille River flows into the Columbia.

Many millions of dollars are being spent to impound waters behind Hungry Horse Dam. This water, as it flows out of Hungry Horse Dam, will run downstream and create power in Grand Coulee Dam, Chief Joseph Dam, McNary Dam, and Bonneville Dam. In other words, all these dams and all of western Montana are in the Columbia watershed.

The money that is spent for Hungry Horse Dam will be returned from the revenues produced by the water from Hungry Horse Dam at these other downstream plants. Obviously, the laws of nature have made all of these dams part of one complicated operation. The money which is spent on these dams all goes for a common purpose, and the revenues collected from the sale of the power from all of these dams also are for common purposes: First, repayment of the Federal investment; second, development of the resources of the entire Columbia Basin; third, distribution of the benefits from all these dams to all the people.

It is only right and proper, therefore, that the dams should be under one management, that the power should be sold by one marketing agency, and that the power should be delivered by a single agency.

One reason for the power shortage now existing in the Pacific Northwest and one reason for the tremendous flood damage in that region last summer is the failure to implement fully this complete coordination of all the projects. Present laws do not permit this complete integration; but, if they did, we would have a better control of the waters in the Columbia River system. If we had a more complete coordination under law, this water, instead of being a menace in the form of floods, would become a blessing in the form of power and irrigation.

Any attempt to stop the integration of all these projects by stopping the construction of transmission lines is a step backward. What we need are two or three steps forward.

When representatives of the utility companies of the Pacific Northwest come before committees of this Congress, as they do each year, they plead that more funds be appropriated for Bonneville Power Administration transmission lines. In their publicity, these Northwest power companies point with pride to what they call the Northwest power pool, and they take great credit for their membership in this pool. Now, this pool is not literally a pool of water. The Northwest power pool comprises all the power facilities of the major private power companies, the power facilities of all the large municipally owned power systems, such as those of Seattle and Tacoma, and all the power facilities administered by the Bonneville Power Administration.

All these dams and steam-generating plants are hooked together by transmission lines. All these plants pool their power into this common transmission grid. This enables them to exchange power. When one company is short of kilowatts because its water is low, the others lend their power to it. Then, in turn, the favor is repaid.

Now, the principal characteristic of this great interconnected power pool is the fact that 50 percent of it, in miles of line and capacity of generation, is contributed by the Bonneville Power Administration. Without these Government lines the pool could not exist. These Government lines are the common highways made usable to all in the Pacific Northwest for the delivery of power in the region. Before the Bonneville lines were built, such a pool was a physical impossibility. I can see no reason why the people of the State of Montana should be deprived of their share of these benefits.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Salaries and expenses, Board on Geographic Names: For necessary expenses to carry out the provisions of the act of July 25, 1947 (Public Law 242), establishing a central authority for standardizing geographic names, including personal services in the District of Columbia, stationery and office supplies, equipment, and printing and binding, $14,200.

Mr. HOLMES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wish to thank the Committee on Interior Appropriations for the funds granted for several projects in the State of Washington and the Pacific Northwest. Most of these projects are multi-purpose in nature; in other words, they bring water to dry land, they likewise use that water to grow agricultural products on dry land, and they use that water to manufacture power, so badly needed in the Pacific Northwest.

We have attained a consumption of approximately 5,000,000 barrels of oil per day in this country. I call to the attention of the House the fact that hydro electricity has a unique characteristic, namely, it is the only source of energy known to man that is completely replaceable. The kilowatt consumption per individual in the Pacific Northwest has gone up from 1,500 kilowatts per person per year to 4,300 kilowatts per person per year, and that area has experienced in the past 8 years an increase of 43 percent in population. The Bonneville lines that cover the Fourth Congressional District and the lines that are needed in other congressional districts throughout the State of Washington bring to the use of private, public, and industrial consumers this badly needed electric energy. We have experienced the worst power shortage in the history of that section of the country. We need that power. We have the collateral. We are asking for the loan to build these dams to produce this food and energy and we pay back the loans. I question the wisdom of the committee in making a 15-percent across-the-board cut for these projects in the Northwest based upon a decrease in the cost of material and labor and other construction costs. I predict that these projects will be back for deficiency appropriations before the fiscal year is completed.

If it had not been for the power created in this area, and if it had not been for the food that came from our dry land, the war effort would have been impeded. Does the House fully realize that the Bonneville Power Administration furnishes kilowatt energy for the Hanford Engineer Works for the manufacture of plutonium for the atomic bomb? That is one of the largest works attached to the Atomic Energy Commission in the United States. If you add the drain of the power necessary for the

Hanford Engineer Works to the power necessary for industries and for our light metals industry and add that to the power necessary for the pumping, handling, and distributing of water in our great irrigation projects, together with an increase in population of 43 percent in the past 8 years, then you will have pretty conclusively presented to you the basic reasons why the Pacific Northwest has been experiencing power shortage. I again thank the committee for the appropriations granted these lines for Bonneville, and for the projects granted in various areas in the Fourth Congressional District. I question the wisdom of the committee for not taking the action for which I pleaded before the committee concerning the extension of the Yakima project, known as the Kennewick division. They did not grant an increase in the budget request. I think that is a major mistake in the development of that area.

Let me bring to the attention of the House the importance of this division of the great Yakima project.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. HOLMES. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. HOLMES. Mr. Chairman, I have called to the attention of the President, on two separate occasions, that this is not a new project, that this is an extension of the great Yakima project. Way back in the year 1931—yes, in the year 1930, there were apropriations of as much as $600,000 to $650,000 granted to this division of the Yakima project. I also cite to the House the precedent of the Welton-Mohawk project as an extension of the Gila project in the State of Arizona, which was a precedent set in 1949. I likewise call to your attention the fact that this division of the Yakima project is located in the area where the Hanford Engineer Works is located, which operates a plutonium plant for atomic energy.

In the condemnation proceedings which were carried out by the Army, before the Atomic Energy Commission was formed, to take over the land that was necessary for the construction of this huge plutonium factory, there were taken out of production by that condemnation proceeding, 7,000 acres of irrigated land. The extension of the Yakima project, known as the Kennewick Division, was authorized to the amount of $10,736,000 by the Eightieth Congress. It was passed, approved, and authorized by the Eightieth Congress to put back into agricultural production and power development, by means of a multiple-purpose project, the land that was withdrawn by the condemnation for the Hanford Engineer Works. In my opinion, it is lamentable that the committee in its wisdom did not grant more than the budget request of $50,000 of planning money for the extension of that project.

I solicit your attention to these facts, as they are basically fundamental, and were beyond the control of the area of my State that was involved in the condemnation of the Hanford Engineer Works.

I close in expressing my thanks for the consideration given to these problems, but I do not agree with the action that the committee has taken in not granting a further increase of funds for starting the construction of the Kennewick division of the Yakima project to put back into balance the economy of that area in my district that was dislocated and thrown out of balance by the inauguration of the Hanford Engineer Works.

The CHAIRMAN. The time of the gentleman from Washington [Mr. HOLMES] has again expired.

The pro forma amendment was withdrawn.

The Clerk read as follows:

BONNEVILLE POWER ADMINISTRATION

Construction, operation, and maintenance, Bonneville power transmission system: To enable the Bonneville Power Administrator to carry out the duties imposed upon him pursuant to law, including the construction of transmission lines, substations, and appurtenant facilities; operation and maintenance of the Bonneville transmission system; marketing of electric power and energy; printing and binding; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); purchase (not to exceed ten, including one at not to exceed $2,100, in the current fiscal year, for replacement only) and hire of passenger motor vehicles; and maintenance and operation of aircraft; $29,927,500, to be available until expended, of which amount not to exceed $4,000,000 shall be available in the current fiscal year for operation and maintenance of the Bonneville transmission system, marketing of electric power and energy, and administrative expenses connected therewith, including $30,000 for personal services in the District of Columbia: *Provided*, That in addition to this appropriation the Administrator is authorized to contract for materials, equipment and services, for power transmission facilities in an amount not in excess of $15,725,000.

Mr. JENSEN. Mr. Chairman, I offer an amendment which I send to the desk.

Mr. HAVENNER. Mr. Chairman, a point of order. I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-seven members are present—not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 57]

Andresen, August H.	Jenison	Sasscer
Baring	King	Scott, Hugh D., Jr.
Bosone	Klein	Short
Brown, Ohio	Lichtenwalter	Smith, Ohio
Buchanan	McKinnon	Somers
Bulwinkle	Macy	Spence
Celler	Mahon	Stanley
Coffey	Merrow	Stefan
Davis, Tenn.	Miller, Md.	Stigler
Dawson	Miller, Nebr.	Thomas, N. J.
Dingell	Mitchell	Vursell
Dondero	O'Brien, Mich.	Welch, Mo.
Gilmer	O'Neill	Whitaker
Grant	Pfeifer, Joseph L.	White, Idaho
Hall, Leonard W.	Plumley	Wickersham
Hébert	Powell	Wilson, Ind.
Hoffman, Mich.	Rich	Woodruff
	Riehlman	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 3838, the Interior Department appropriation bill, finding itself without a quorum, he directed the roll to be called, when 374 Members answered to their names, disclosing a quorum to be present, and he submitted herewith a list of the absentees for printing in the Journal.

The SPEAKER. The Committee will resume its session.

The CHAIRMAN. The gentleman from Iowa [Mr. JENSEN] is recognized.

Mr. JENSEN. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. JENSEN:

On page 8, line 19, strike out "$29,927,500" and insert "$29,452,350."

On page 9, line 3, strike out "$15,725,000" and insert "$14,061,550; *Provided further*, That no part of this appropriation or contractual authority shall be available for construction of power transmission facilities from Spokane, Wash., to Kerr, Mont., or from Kerr, to Anaconda, Mont."

Mr. JENSEN. Mr. Chairman, I am sure that most every Member of Congress knows that the subcommittee appropriations for the Interior Department and this Congress have in the past been very liberal in appropriating funds for transmission lines and power facilities. We have appropriated many hundreds of milions of dollars for that great Columbia River Basin, most of it with my approval.

In last year's appropriation bill we hardly touched the appropriation requests for the Bonneville area because of the fact that we have an atomic bomb plant at Hanford in that area. But when they start running lines out of the Bonneville area, which is a power scarcity area, into a power surplus area, then it is time to call a halt.

I brought this map here to show what they were now proposing to do in this bill, and to explain the purpose of my amendment.

Here is Spokane, Wash., a load center for the Bonneville Power Administration electric-power distribution facilities. They are now proposing a heavy transmission line running from Spokane over to Kerr Dam, a distance of about 150 miles, which is about 20 miles south of Hungry Horse Dam. Originally they requested of the committee a line from Hungry Horse Dam over to Libby, where a power dam is proposed, and from there over to Grand Coulee, to tie those dams together. Every member of our committee supported that request. Instead of that, they are now asking us to run a line from Spokane over to Kerr Dam and then down to Anaconda, Mont., 150 miles southeast of the Kerr Dam; in other words, they are asking us to run a transmission line at the cost of millions of dollars approximately 300 miles, out into a power surplus area, while they are crying for more power over in Washington and Oregon. There is already sufficient transmission lines of the Montana Power Co. running from Spokane to Kerr Dam and down to Anaconda; so there is no purpose in this project except that

they want this transmission line to furnish power to a brand-new company which is moving from the East to Anaconda, and to furnish that power at Bonneville's subsidized rate. There is a phosphate plant at Anaconda which is now being served all the power they can use by the Montana Power & Light Co. at very reasonable and satisfactory rates.

The lines on this map show the transmission lines now existing in that valley in Montana, Idaho, Wyoming, Utah, and Colorado. Now the red lines on this cellophane overlay sheet shows the maze of duplicating transmission-line building program of the Department of the Interior, and, according to Mr. Raver, he will request a line running from Anaconda to Canyon Ferry Dam.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. JENSEN. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. JENSEN. When and if they ever run that line over to Canyon Ferry Dam they will be getting over into the Missouri Valley. In the Missouri Valley project we have many multipurpose projects under investigation and planning, and a number of them already under construction. Please remember that in the Missouri Valley, in order to make a multipurpose project feasible to pay out according to law, we must charge at least 5½ mills per kilowatt for the power that will be produced in our plants. I say "our" because most of my district lays in the Missouri Valley. If they build this line which I am asking be stricken out, if they run it over to Kerr Dam down to Anaconda and up to Canyon Ferry, which is in the Missouri Valley, it will make many of our Missouri Valley projects unfeasible, and you know what that will do to our valley program.

Mr. ROONEY. Mr. Chairman, will the gentleman yield at that point?

Mr. JENSEN. I cannot yield. Time will not permit. I am sorry.

You can readily understand that neither the Bureau of the Budget nor the Congress would dare approve our projects in the Missouri Valley Basin, where we need irrigation, power, and flood control downstream, if we have 2-mill competition. It will, of course, make every one of our projects unfeasible.

Mr. Chairman, regarding public power, it is clearly stated a number of times, in fact it runs clear through the hearings, that the Department of the Interior insists it has a mandate in the Bonneville Act, and in the Flood Control Act of 1944, to sell power at the lowest possible cost without providing local, State, and Federal taxes or a profit, both of which must be taken into account by private industry with which public power comes in competition.

An illustration of the point is a question by Congressman NORRELL and the answer of Dr. Raver, in reference to the Bonneville program:

Question. Is it the kind of a program that if you had the money and were in that business, you would not mind spending your private funds for?

Dr. Raver replied:

Well, I would not say that, Congressman, because I would expect to get some profit out of it if it was my private funds. This program is set up on a nonprofit basis. We are required by law to reimburse the Treasury for the cost. We have not computed any profit as part of the cost.

Mr. Chairman, during the hearings, I said regarding relationship of private and public power, we have to be fair to industry as well as to any Government function. If there is some company that is not fair that company has to be set in its place; there is no question about that. However, I do not know of any company that has refused to pay the rates that the Federal Power Commission sets or that the State Railroad Commission or Commerce Commission or whoever handles the rates sets.

It is apparent that unless Congress changes the present law or insists that Government produced power be sold at rates comparable with private power competition that must pay a profit and taxes it is only a question of time when the Government will own all of the power business in the United States.

The intent of the Administrator of the Bonneville Administration to press his transmission system eastward into the Missouri Basin is indicated by the answer to my question as follows:

Dr. RAVER. I think it [Canyon Ferry] should be tied in with this line eventually, from what I have heard about it. It is out of the jurisdiction of the Bonneville Power Administration, as far as the study is concerned, but such studies as we have had of it indicate that eventually it should be integrated with this system.

Here is a letter from the Board of County Commissioners of Lewis and Clark County of Montana opposing the proposed line from Bonneville Power Administration to Canyon Ferry:

LEWIS AND CLARK COUNTY,
BOARD OF COUNTY COMMISSIONERS,
Helena, Mont., March 24, 1949.

The commissioners of Lewis and Clark County, State of Montana, has had under consideration the Canyon Ferry project, and after careful study, passed the following resolution:

"Whereas Lewis and Clark County is vitally interested in the Canyon Ferry project and the benefits to be received from this proposed reclamation development: Therefore

"The commissioners of Lewis and Clark County do resolve:

"1. That all effort be used to obtain moneys necessary for construction of the Canyon Ferry Dam.

"2. That acceptance be made of the Montana Power Co. proposal regarding construction of power facilities because of the great value to this county of present taxes paid by this utility, and the added value to be received with their operation of the new power facilities, and furthermore, acceptance of the proposal will release money for additional reclamation in this area.

"3. That the Canyon Ferry power market be retained for this area as an incentive for establishing new industries. At present our surplus power is being sent to the power-short Northwest over existing facilities, and we oppose the spending of Federal money to build additional lines into this area as requested by the Bonneville Power Administration.

"4. That copies of this resolution be sent to each of our Representatives in Congress and members of the House and Senate committees for Interior Department appropriations."

PAUL C. KNAPP,
Commissioner.
R. E. O'CONNELL,
Commissioner.

Mr. Chairman, I consider the reduction mentioned below is poor business.

Assistant Commissioner Markwell submitted a list of 15 reclamation projects that will be completed in the current year or in the fiscal year 1950 if adequate funds are provided. The recommendation of the Bureau of the Budget contained the estimated funds to complete these projects. I call attention to the fact that the 15-percent horizontal reduction will make it impossible to complete seven of these projects. I refer to these projects and give the amount of the proposed cut:

Boise-Anderson	$289,800
Boise-Payette	408,750
Lewiston Orchards	40,500
Milk River	10,725
Deschutes	205,200
Ogden	42,750
Parker	20,700
Total	1,018,425

In fact, three of these projects—Lewiston Orchards, Ogden, and Milk River will not be completed because of a lack of $93,975.

Mr. ROONEY. Mr. Chairman, will the gentleman yield at that point?

Mr. JENSEN. I cannot yield at this time.

Mr. ROONEY. Just for a question? I merely wanted to ask the gentleman who prepared this beautiful map.

Mr. JENSEN. Who does the gentleman suppose made it?

Mr. ROONEY. The Montana Power Co.

Mr. JENSEN. Why, of course, they did. They are fighting for their lives. That was a good question. I am glad the gentleman asked it.

Mr. ROONEY. It is a fine answer too.

Mr. JENSEN. I am thankful that they and the American businessmen are fighting for their very existence. They are fighting for America because their house is burning and the fire is blowing your way. Your own house will burn one of these days unless we stop Government encroachment into every sort of good private business and the gentleman should know it. They are trying to save what our boys have fought for and died for on a thousand battlefields.

Mr. ROONEY. We are paying too much for power and electricity back in Brooklyn from whence I come, and I am agreeable to supporting the folks in Washington, Idaho, and Montana in getting power at decent rates.

Mr. JENSEN. They have received fair treatment by Congress and thousands of the people out there have told me so.

Mr. ROONEY. We are not for the friends of Wall Street and the Montana Power Co.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. MANSFIELD. Mr. Chairman, I ask unanimous consent that the gentle-

man may proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. JENSEN. I thank the gentleman from Montana. I am pleading for America. I am pleading to keep the Bonneville Power Administration out of our back yard. I am pleading that the subsidized 2-mill rate which they charge be not sent into the Missouri Valley Basin to defeat much of our good Missouri Valley development program, because certainly that is exactly what it will do. Then surely it will be difficult to get money to spend for anything or anybody. It will be a difficult, yes, an impossible undertaking to get an appropriation for any project unless that project can be proven to be economically feasible and will pay out.

The private power companies of this Nation paid out $650,000,000 in local, State, and Federal taxes. The Montana Power Co. paid almost 4 mills for every kilowatt-hour of power they produce in local, State, and Federal taxes and it is from some of those dollars of which they paid that we are spending to give them competition with which they cannot possibly compete and long stay in business.

Mr. Chairman, I hope the amendment will be agreed to.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. HORAN. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, I will endeavor to speak to the intent of this amendment. The Almighty was pretty good to the Pacific Northwest because there were created out there many gigantic mountain ranges, the Blue Mountains, the Cascade Range, the Bitterroot Range, the Selkirk Mountains, and the Coast Range, the Rockies generally, the Cabinets, the Cascades. Down off of these mountains the Columbia River comes, being joined near the boundary of the State of Washington and of Oregon by the Snake River. There are 73 other tributaries to this river. It is the greatest river in the world from the standpoint of hydroelectric energy.

From the Canadian border to the Pacific Ocean, a distance of some 750 miles, this tremendous amount of water falls nearly 1,300 feet. When fully developed, the Columbia River will generate enough hydroelectric energy which, if created out of oil, would require about 93,000,000 barrels a year or some 6,000 trainloads of coal, if generated from coal. That is something of what, in terms of conservation, the full development of the Columbia River means to America. Now we are developing that river. In order to make work during the depression we built the Grand Coulee and Bonneville Dams. Prior to that time another small dam had been thrown across the Columbia River. Now we are building Hungry Horse and McNary Dams. We are building Chief Joseph Dam just below Grand Coulee Dam, and, as a power dam, it is one of the most efficient dams in the whole world.

As we develop these dams, naturally we have to get this power out to the users, so we connect these dams with a power grid, and that is what the argument here is about. The amendment proposes to knock out one of the spokes of that grid.

I want to quote now from the record, because this integration of all these dams means the firming up of more power in the Columbia River system. It means the possibility of saving more and more coal and oil in these United States of ours. I would like to quote from Dr. Raver's testimony, if I might, at this point:

When the private utility companies come before you, you might ask what that pool is worth in the Northwest.

They have a power pool out there where the private dams and public dams and all of the facilities that are engaged in the electrical business pool their power and transmit it over this grid.

They will tell you, if they repeat what they have been saying all over the region about the pool, that it is worth 600,000 kilowatts—

That is not kilowatt-hours; that is kilowatts—

of additional generating capacity that we did not have to install at all, simply by having this pool. That amount of power is the equivalent of another Bonneville Dam, and that Bonneville Dam at today's cost would mean it would be worth $150,000,000, or something of that sort, without installing a single generator. Out of this coordinated operation, using a grid system as the media or basis for developing it, we have created 600,000 kilowatts of additional capacity that otherwise we would not have * * *. This grid is highly essential.

Now, here is what it means to Hungry Horse, and I continue to quote Dr. Raver:

Now, the difference between operating Hungry Horse Dam without this connection, and operating it with the connection, taking into account the benefit of this Hungry Horse storage water on two downstream dams—Grand Coulee Dam and Bonneville Dam—is the difference between 112,000 kilowatts of firm power and 399,000 kilowatts of firm power, or a difference of 287,000 kilowatts.

My friends, this connecting link means a lot to the Nation in terms of progress, of defense, of conservation. It is my opinion that to knock out this grid spoke in the developing grid system would be penny-wise and pound-foolish to the extreme.

Mr. MANSFIELD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in view of the fact that this amendment concerns transmission lines in my district, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. MANSFIELD. Mr. Chairman, in response to some of the statements made by the gentleman from Iowa, I would like to inform him that there is no authorization, nor has there ever been a request that I know of, for a transmission line from Hungry Horse to Libby; that there is no authorization for a Libby dam; that if a Libby dam is built it will take anywhere from 15 to 20 years before an authorization act is passed by Congress, as the records will indicate.

I would like to also point out that this new industry coming into Anaconda is not an industry coming in from the East, but an industry which is already located in the Northwest, and Dr. Raver's testimony will so indicate because he later corrected the original statement to which the gentleman had reference. I should like to say also that there is no contemplation that I know of of a tie-up between Anaconda, if the line is built to there in the Columbia area, and Canyon Ferry, which is in the Missouri Basin area.

The gentleman says he is fighting for the private power companies. I am glad to know that he brought before this House a map which is an exact duplicate of the maps they have furnished in their endeavors to push across their program. I want you to know I am fighting for the people of Montana and the Nation, because they are the ones who must be considered in this matter.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. MANSFIELD. I yield to the gentleman from Iowa.

Mr. JENSEN. Will the gentleman please point out any line on that map that is not correct, any line that is not proposed by the Department? If there is any mistake made on that map in any way, shape, or form, I should like to have the gentleman point it out.

Mr. MANSFIELD. Mr. Chairman, I have no doubt but that the map is correct. However, I would suggest to the gentleman that after this he use some of the funds which are appropriated to his committee to have these maps made. They will be just as fair and just as impartial as the map now before you.

MONTANA'S FUTURE IS AT STAKE

Mr. Chairman, during the past 2 weeks, the pressures on me have been tremendous. I have been subjected to false and malicious slanders because I have appeared before the Subcommittee on Interior Appropriations and have worked my hardest to get transmission lines from Kerr Dam to Hungry Horse, to Spokane, and to Anaconda. I have received inspired letters demanding that I oppose these transmission lines on the pretext that power from Montana should not go out of the State to build up industry in Oregon and Washington. I have received letters and personal visits asking that I do everything in my power to allow the Montana Power Co. to build the power facilities at Canyon Ferry, and to oppose the building of much-needed transmission lines from Havre to Shelby and from Hungry Horse to Spokane and Anaconda.

All of these factors—the transmission lines in western Montana, the Government building and operating of the power facilities at Canyon Ferry, and the Havre-Shelby transmission line—have been strenuously opposed by the Montana Power Co. The Montana Power Co., for the sixth year in a row, is still opposing the building of the Hungry Horse Dam and, in a recent booklet distributed by it, is asking that the authorization for this great project be reconsidered; in effect, withdrawn. Its emissaries have been back in Washington almost continually since the first of the

year seeking to influence legislation against the best interests of Montana. Hardly a Member of Congress has been missed as the representatives of the private utilities make their rounds.

Washington, for the past 3 months, has been seething with utility lobbyists. They have appeared before the Subcommittee on Interior Appropriations to kill off the transmission lines for western Montana. They have proclaimed that there is no shortage of power in Montana and that the Montana Power Co. is at the present time shipping power out of the State to Washington, Idaho, and Utah. This is true but the surplus is so small that it will be gone by 1951 or before. Furthermore, why isn't this surplus power being used to attract industry to Montana?

Every argument that the Montana Power Co. has ever put forth in opposition to Hungry Horse has been answered in full over the past 6 years. Yet its lobbyists are continuing their attempts to cripple and destroy this great project, which benefits them as well as the people of Montana. The Montana Power lobby is bent upon the destruction of the public power program—a program that means the difference between economic vassalage and economic freedom of the people of Montana. The people of my State are interested in the development and completion of such vitally needed public power projects as the Canyon Ferry, the Hungry Horse Dam, and the transmission lines contained in this bill. They are entitled to know who is opposing the program and the real reasons for that opposition.

There is no competition between the transmission lines proposed in this bill and the lines of the Montana Power Co. The line to Kalispell in northwest Montana will be used to develop our resources there and to supply much needed power to REA's in that part of the State; the line to Anaconda will be used to develop our phosphate, manganese, and other mineral resources in that area; and the line to Spokane will connect with the Bonneville grid at Grand Coulee. This will result in a firm power output the year around for western Montana to the extent of 187,000 kilowatts, whereas, if Hungry Horse was to operate alone, Montana would have a firm power output from Hungry Horse of only 77,000 kilowatts a year.

Appropriations for the Interior Department now awaiting action by this House include an item for the Bonneville Power Administration totaling $3,570,000.

These funds will be used to begin work on a high-voltage transmission line which will interconnect the present Bonneville power system in the States of Oregon and Washington with the Hungry Horse Dam in western Montana, and with power-consuming areas in the southwestern corner of our State.

I am convinced that my State will greatly benefit from the construction of these transmission facilities, and I urge the Members of the House to approve funds for this purpose.

Construction of these lines will benefit the national economy generally by making possible a further decentralization and expansion of our electrochemical and electrometallurgical industries which are required both for peace and for preparedness.

Construction of these transmission lines will help the people of the entire Columbia Basin region, comprising parts of five States.

It is also true, however, that construction of these lines will help the State of Montana more than it will help the other States in the Northwest country.

The Hungry Horse Dam is now being constructed by the Bureau of Reclamation on the south fork of the Flathead River near Glacier National Park. This dam is scheduled for completion in 1952 or 1953 at the latest.

If the Hungry Horse project is kept as an isolated dam, separate from other dams in the Columbia River Basin, it will produce a total of not more than 165,000 kilowatts of electric power. Of this 165,000 kilowatts only 77,000 kilowatts will be produced in generators at downstream dams many miles from the State of Montana, from storage water flowing from Hungry Horse down the Flathead and Clark Fork Rivers into the Columbia.

As matters now stand, there will be no way in which the State of Montana can benefit from this 88,000 kilowatts of power produced outside its borders with Montana water.

But if these transmission lines proposed by the Bonneville Power Administration are built, and if operation of the Hungry Horse Dam is coordinated with operation of other dams on the Columbia River system, the total power production made possible by Hungry Horse will reach the huge sum of 596,000 kilowatts.

Of this 596,000 kilowatts, the amount of power produced in generators at the dam itself will increase from 77,000 kilowatts to 187,000 kilowatts, while the power produced in generators at Bonneville, Grand Coulee, and other dams far removed from Montana will rise from 88,000 kilowatts to 410,000 kilowatts.

Statistics of this kind are confusing I know, but in this case they may be summarized.

They show, simply, that if Hungry Horse Dam is operated as an isolated dam it will produce slightly more than one-fourth the amount of power that could be produced if it were fully interconnected with other power facilities in the Columbia Basin, and operated in coordination with them.

These figures also show that regardless of whether operation of Hungry Horse Dam remains isolated or is coordinated with that of other dams, from 53 to 70 percent of the power will be produced, not at Hungry Horse, but at generators in dams far removed from western Montana.

Montana water, stored by Hungry Horse, will make this power for Oregon and Washington unless it is brought back into my State in the form of electricity. The only way that Montana water can be brought back into the State in the form of power is through construction of the transmission lines proposed by the Bonneville Power Administration. These lines will connect with the present Bonneville-Grand Coulee system near Spokane, and will cross the State of Idaho to near Kerr Dam, and run north from there to Hungry Horse Dam. An extension is also proposed south from Kerr Dam to Anaconda in southwest Montana. This region is rich in mineral deposits.

This electrical interconnection between the present Bonneville system and Hungry Horse, coupled with a coordinated control of the storage water at both Hungry Horse and Grand Coulee, will make it possible to bring surplus power into Montana from Grand Coulee, 250 miles away, during high water in the Columbia. This will permit Hungry Horse operators to conserve storage water with the net effect of nearly trebling the amount of firm power which can be produced at the Hungry Horse site itself.

The 77,000 kilowatts of power produced at the Hungry Horse site, if the dam is kept isolated, will be wholly inadequate to meet the needs of western Montana.

The rich phosphate rock deposits in the Anaconda-Garrison area, are objects of great interest to the fertilizer industry. Already there have been a number of pointed inquiries as to when power may be available for the development of these deposits. A single electric phosphate plant would require a minimum of 25,000 kilowatts of electricity. I am told there is enough rock in the Montana deposits to supply several such plants. Every Member of this House who comes from an agricultural constituency knows of the tremendous national importance of the phosphate fertilizer supply, and the problem that the farmers now face in obtaining an adequate volume of this rich material.

In the Phillipsburg area of Montana exist some of the largest reserves of manganese ores to be found in the United States. The electrolytic development of manganese has barely begun, yet it is of high strategic value. A minimum-sized plant of this sort would require between 15,000 and 20,000 kilowatts.

The rate at which such industries as this develop in the western portion of my State depends directly upon the power supply.

Competent economists and industrial engineers have conservatively estimated that western Montana will need 176,000 kilowatts of power by the year 1956 if such industry is to be developed.

Yet, as I say, isolated operation of Hungry Horse Dam will provide only 77,000 kilowatts of firm power, and Canyon Ferry Dam, the only other new project anywhere near this area, will provide a firm at-site power supply of 22,500 kilowatts, and much of this supply will be needed east of the Continental Divide.

From these facts, it becomes clear at once that isolated operation of Hungry Horse Dam would be wholly inadequate to supply this need.

In the light of these facts, interconnection through the construction of the transmission lines proposed by the Bonneville Power Administration becomes a primary necessity.

These lines will make it possible, not only for western Montana, to keep on top of its industrial power demands, it will also enable the people of that region

to enjoy added benefits of low-cost power in their homes and on their farms.

Over and above these benefits to my State, interconnected operation of Hungry Horse, with other Federal dams on the Columbia River system, through the medium of these tie lines, and through coordinated control of the storage water, will bring added revenues to the Federal Government from the generators at Bonneville, Grand Coulee, and McNary Dams. The other Northwest States will thus gain greatly. Montana will get a fair use of its own water supply. The economy of the entire Pacific Northwest will be strengthened. The Nation will gain through further development of its free private enterprise, and through the production of many strategic and useful products.

Mr. Chairman, I am inserting at this point in my remarks, testimony carried on pages 124 and 125 of the committee hearings:

Mr. RAVER. I can appreciate that problem and I certainly think you should be concerned about it. All I can say is that the facts about our industrial development so far—and I think it is going to be the basic fact in the future—is that the kind of industry that we are getting is the kind you would not want and you could not handle even if you wanted it for a number of reasons. Let me take the phosphate business, which has been concentrated pretty much in the East and in Florida where the phosphate rocks are and down in the southeastern section of the country. We will take also the making of fertilizers and the making of phosphates for chemical purposes. They are located there because the phosphate rock deposits have been there. Those deposits are about gone, from all the information I can get. We have great phosphate rock deposits in Idaho and western Montana. The farmers are going to need that development all over the Nation to keep our soils fertile where they are being exhausted. The price of that phosphate is an important element in the whole farm economy. If cheap power developed by the Government can bring an expansion of the phosphate industry in this area, I think the whole Nation is going to be helped and I do not see where it is going to hurt the kind of industries you are interested in in Pennsylvania or other sections of the East.

Mr. FENTON. Of course, Doctor, it is not only limited to phosphate and the kind of things that are geographically situated in certain areas, but it resolves itself to other manufacturing interests.

For instance, the steel industry.

Mr. RAVER. I do not believe we have anything in the Northwest that is going to attract the Pennsylvania steel industry out there, in the way of a resource. I do not know what it would be. Here are the kind of industries that have been attracted by the Government's power supply and they are all of one character. They are the type that require power as a raw material and power is a raw material in this area just the same as phosphate rock is and as coal is in your area and as iron is up in Wisconsin and Minnesota. The kinds of industries that are now taking power from the Government—and that is what you are interested in, as I understand it—are aluminum, electrometallurgical companies, the Pacific Carbide & Alloys Co., the Keokuk Electro Metals Co., the Crown-Zellerbach and Rayonier Corps., which are pulp mills, using our Northwest timber. That is the kind of industry that is developing and it is developing on two bases.

If the phosphate industry is developed, it will develop on the basis of power and phosphate rock, which are the two basic raw materials for that industry. It is based on power in the case of aluminum. They have shipped their raw materials out there because power is so important for them. You talk about using power for making aluminum in the East. What you are doing is getting our aluminum pig from the West and fabricating it, rolling it, extruding it, making all kinds of shapes, bars, rods, and materials which are job-creating activities. We are providing you with that kind of raw material, the kind that is helping your whole industry.

Mr. Chairman, on pages 64 and 65 of the hearings on the Interior appropriation bill for 1950, in response to a question that he was proposing to extend lines from Grand Coulee out into Montana, Secretary of the Interior Krug said:

We are proposing to tie Hungry Horse Dam, which is in Montana, into the Northwest pool. At the same time we are proposing a marketing line in Montana. It would be extremely unfair if, after we get power at Hungry Horse, we piped it all over into the State of Washington without giving any of the power to the people and industries in the State of Montana. Our policy has been to market the power in the area of the projects and to tie them together to get the maximum result. In the two lines proposed in this budget, which were not authorized before, we will do just that.

Continuing, Secretary Krug said:

As a matter of fact, in many of the projects, private power companies would like to supply the transmission lines and they will make all kinds of glowing promises that they will protect the public interest if they are permitted to do so. As I said before, I do not accept their promises and our experience has demonstrated that if we give them the opportunity of bottling up that power at the dams and providing their facilities to the bus bar of the dam, then they will be in a position to exploit that power. They will be in a position to control the use of the power so that the project will not produce the same revenues that the Government can get in selling the power directly to the customers prescribed in the law.

Mr. Chairman, for 6 years now I have had to fight the all-out opposition of the Montana Power Co. This company is opposing the best interests of my State in the construction of the Hungry Horse Dam and the transmission lines to be connected to it. The Montana Power Co. does not want to starve the Hungry Horse; it wants to kill it so that it can retain its monopoly, hold back the development of Montana, and retard the benefits to the people of my State that this project and these lines will bring.

The Montana Power Co. is against the development of Montana except as they think best. The people of my State know that Hungry Horse and these transmission lines will not only bring in cheap power to us but that it will also supply additional firm power for the downstream generators. These projects are not only of deep interest to Montana in this instance but also to the Northwest and the Nation as a whole. The benefits to us will be cheap electricity for our farms and our homes, industry for our State, security for our people, and opportunities for our sons and daughters.

I am deeply appreciative of the fact that the Appropriations Committee has wisely rejected the request of the Montana Power Co.—even though each one of them was visited personally by Mr. John Corette, vice president of the company—and approved appropriations for Hungry Horse and the transmission lines in western Montana. I am sorry that the committe did not see fit, at this time, to approve the requested appropriations for the Havre-Shelby transmission line and it is my hope that the Senate will restore this item.

I am interested in the development of Montana—a State which has been mined for the benefit of outside people and has been milked down the river ever since we achieved statehood. My one goal since I have represented Montana has been to develop my State for the benefit of its people. I believe that multiple-purpose dams—like Hungry Horse and Canyon Ferry—built with the people's money should be used for the people's welfare. I want to see Montana's public power—the people's power—used in the development of Montana's resources so that we may grow and expand and give to our people the better opportunities they are entitled to. Furthermore, I believe that the power facilities at both Canyon Ferry and Hungry Horse should be built by the Government, and the electricity generated there should be sold at the cheapest possible price to our people. I do not believe that these power plants should be built and operated by a private utility and prices charged to the extent that the market could bear. I am happy that, under this bill, the Canyon Ferry Dam will be operated on the same basis as Hungry Horse, and that the people of Montana will get the benefits of cheap, Government-owned and Government-operated hydroelectric power.

Montana is a great State. I believe that our future lies in the development of our power potential which, at the present time, is in large part being wasted or locked in and used by other States. I am happy to stand here today as a representative of the people of Montana, and as long as I hold membership in this great body they may be absolutely certain that I will represent them to the best of my ability and with my whole heart and soul.

Mr. Chairman, there have been so many things happening in Montana for the past 2 weeks that an explanation is needed. The Montana Chamber of Commerce has attempted to point the finger at the transmission program for western Montana by stating erroneously that some Hungry Horse power had been committed to Idaho by the Bonneville Power Administration. The Montana Power Co., in a letter to its stockholders, on page 3 cites what may be of interest to the Congress as to the reason why these transmission lines should not be built. Their first point is that "Hungry Horse power should go to Washington." Is not their propaganda in Montana and back here in Washington, D. C., to the effect that our power should not go to develop industries outside the State of Montana? Just what side of the fence are they on? Do they think the decent, hard-working people of Montana will swallow anything?

As for me, I believe that we must keep Montana power in Montana so that it

will be available to industry within our State. This is necessary if Montana is to secure more fabrication, more pay rolls, more jobs for more permanent, stable homes. To me, the important thing is to make Montana competitive to other States in the Northwest. These transmission lines I am fighting for, with power contracts under Bonneville Power to industry will certainly establish the foundation upon which a much stronger economy for our State can be built when Hungry Horse power becomes available in 1952.

The timing of the remarks of the Montana Chamber of Commerce against these transmission lines, along with the resolutions passed by various local Montana chambers of commerce, the letters from the Montana Power Co. to its stockholders under date of March 11, 1949, and the issuance of a green book by the Montana Power Co. in March 1949—this month—and entitled "Public Power Means High Taxes, Socialism, and Less Money for Irrigation" has caused some speculation in my mind as to just what is behind this opposition to the transmission program of the Bonneville Power Administration as it affects western Montana.

Mr. Chairman, I am inserting at this point in my remarks a copy of a release, dated March 20, 1949, and carried by International News Service in the Seattle Post-Intelligencer:

RAVER ACCUSED OF POWER DEAL

GREAT FALLS, MONT., March 20.—Dr. Paul Raver, chairman of the Bonneville Power Authority and a member of the Atomic Energy Commission, was accused today of advocating the building of a high-tension power line from the Hungry Horse Dam through Missoula and Anaconda, Mont., to a proposed site for an atomic plant in Idaho.

James J. Flaherty, president of the Montana Chamber of Commerce, who made the accusation, said Dr. Raver wishes to maintain additional atomic plants within the confines of the Bonneville network and wants to take 61,000 kilowatts of power—about one-third of the first electricity to be produced at the Hungry Horse project.

I am also putting into the RECORD two news releases which were issued on March 23, 1949, by Dr. Paul Raver to the International News Service and a news release from the Great Falls Tribune of Great Falls, Mont., and dated March 24, 1949:

VERBATIM TRANSCRIPT OF STATEMENT MADE OVER TELEPHONE TO INS REPORTER

(Statement by Dr. Paul J. Raver, Administrator, Bonneville Power Administration, as of March 23, 1949)

I cannot tell you where the Atomic Energy Commission expects to get its hydroelectric supply for Arco.

That is probably confidential information but you might call the AEC about it.

I do know the AEC does not expect to buy its power supply from the Bonneville Power Administration.

I have no application for power from AEC and I understand from them informally that I need not expect one.

Principal present sources of power in the State of Idaho are the Idaho Power Co. and the Reclamation Bureau, which owns and is building several dams on the Snake River system.

* * * * *

I note an International News story published out of Great Falls, Mont., on March 20, quotes James J. Flaherty, president of the Montana Chamber of Commerce, as stating that I am planing to use 61,000 kilowatts of the Hungry Horse power for the AEC plant. This is complete error.

Mr. Flaherty further implies that I am using my dual position as a member of the AEC and as Bonneville Administrator to ship this power out of Montana into Idaho. This is also a gross error. I am not a member of the AEC nor do I have any connection with it. I am not reserving nor do I have any plans to reserve any quantity of power from Hungry Horse Dam for the atomic energy plant proposed for Idaho.

NEWS RELEASE ISSUED TO AP, UP, AND RADIO

(Statement by Bonneville Power Administrator Paul J. Raver)

WASHINGTON, D. C., March 23, 1949.—The Bonneville Power Administration has no application from the Atomic Energy Commission for a supply of power from Hungry Horse Dam to be used at the Commission's new plant announced for construction near Pocatello, Idaho.

In reply to charges made by James J. Flaherty, president of the Montana Chamber of Commerce, that Raver was planning to reserve 61,000 kilowatts of electricity from the Hungry Horse Dam for the Pocatello plant, the Bonneville Administrator said: "I have no application for power from the Atomic Energy Commission and I understand from them informally that I need not expect one.

"I do not know where the Commission expects to obtain its power supply for its Idaho development. Principal present sources of power in Idaho are the Idaho Power Co. and the Reclamation Bureau, which owns and is building several dams on the Snake River system."

Commenting upon the Bonneville Power Administration's plans for marketing power from Hungry Horse Dam when it is completed in 1952, Raver said:

"It is the policy of the Bonneville Power Administration to sell as much of the Hungry Horse power production in Montana as possible for the development of Montana resources. There is no question but that a great deal can be sold in the State at such a time as the Hungry Horse Dam is connected with Bonneville and Grand Coulee Dams by transmission tie lines.

"Electrical interconnection of these dams will vastly increase the amount of dependable power which can be produced by Hungry Horse Dam for industrial purposes. Western Montana should be the principal beneficiary of this program."

[From the Great Falls (Mont.) Tribune of March 24, 1949]

RAVER DENIES IDAHO PROJECT TO GET HUNGRY HORSE POWER

"The Bonneville Administration does not now have, nor does it expect to have, any application from the Atomic Energy Commission for power for the Idaho atomic plant," Dr. Raver said. "This is contrary to stories that have appeared in the Montana press and statements made by members of the Montana Chamber of Commerce."

I am inserting here an answer to Dr. Raver's reply carried in the Montana Standard, Butte, Mont., under date of March 26, 1949:

FLAHERTY REFUTES RAVER'S DENIAL

GREAT FALLS, March 25.—James J. Flaherty, Montana Chamber of Commerce president, replied Thursday to a published statement by Dr. Paul J. Raver, Bonneville Power Administrator, denying that Hungry Horse power would be used for the atomic reactor plant which the Government proposes to build near Pocatello, Idaho.

"Regardless of the statement of Dr. Raver, the fact remains a map of the United States Department of the Interior power program shows two high-tension power lines are to be built from Hungry Horse through Polson, Missoula, Hamilton, and Anaconda to the Idaho atomic-project site," Flaherty said.

"It is presumed the two lines will carry at least 40 percent of the Hungry Horse potential."

Flaherty added:

"In this dangerous air age when decentralization is the course of safety, the glaring fact remains that two huge atomic plants will be enclosed within the Bonneville network."

I am inserting here a letter from Mr. David Lilienthal, Chairman of the Atomic Energy Commission, in response to a request by me for this information. I might add that this information was given orally to the entire Montana delegation and Governor Bonner on March 22 when we all met with Mr. Lilienthal. The letter follows:

UNITED STATES ATOMIC ENERGY COMMISSION,
Washington, D. C., March 29, 1949.

Hon. MIKE MANSFIELD,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN MANSFIELD: At the meeting you attended with the Montana delegation at the Commission offices on March 22, certain questions relative to the AEC power requirements for the proposed reactor test station were discussed.

You will recall it was stated at that time that we plan to obtain the power for the station from generating equipment installed at the station and from the Idaho Power Co., which will be supported by the plants of the Bureau of Reclamation, either existing or under construction in the Snake River Basin of Idaho.

As you know, the Idaho Power Co. purchases some power from existing plants operated by the Bureau of Reclamation and by the Montana Power Co. Both the Idaho Power Co. and the Bureau of Reclamation have new plants and facilities under construction along the Snake River in Idaho which we believe will be adequate to meet our needs projected over the next several years.

I am further advised by my staff that we have not entered into negotiations with the Bonneville Administration for power for the test station. We do not plan to obtain power from the Hungry Horse project or from the Montana Power Co. Furthermore, we do not expect to require special transmission facilities to bring in out-of-State power to the test station.

Very truly yours,

UNITED STATES ATOMIC ENERGY COMMISSION,
DAVID E. LILIENTHAL,
Chairman.

Mr. Chairman, the claim has been made that the transmission lines in western Montana are "wasteful duplication" of existing facilities. Transmission lines from Spokane to Hungry Horse Dam, and so forth.

Transmission facilities from Spokane to Hungry Horse Dam and from Kerr Dam to Anaconda are in no sense a duplication of existing facilities.

They constitute a very minimum investment consistent with the needs of the area.

To assume that the existing facilities of the private power companies can adequately dispose of the 300,000 kilowatts from this great dam and that, therefore, these transmission lines are un-

necessary would be absurd. The existing facilities, as proven by studies by the Bonneville engineers and by the private power companies, are presently loaded to essentially their full capacity, and it is most urgent that these facilities be reinforced.

Engineers who have studied the power problems in the Montana-Washington-Idaho area are in substantial accord that no time whatever should be lost in proceeding with this construction. Definite need is shown for additional major transmission capacity into Anaconda.

At present, there are two 110,000-volt lines connecting the transmission systems of the Montana Power Co. and the Washington Water Power Co. These two lines originate at the Kerr and Thompson Falls plants of the Montana Power Co. and extend to Burke, Idaho, where they are interconnected with two similar lines of the Washington Water Power Co. These two interconnecting lines, with a maximum capacity of approximately 100,000 kilowatts, have been carrying substantially that amount of power during the past 2 years, and the engineers are truly worried about these lines becoming overloaded during the next few years until additional transmission capacity can be provided. Last winter a snow slide took one of these interconnections out of service for approximately 2 weeks. This resulted in necessary curtailment of approximately 50,000 kilowatts of power in the States of Washington and Oregon.

The present two lines interconnecting Montana with Washington are loaded to maximum capacity with presently installed generating facilities in operation. Hungry Horse Dam will practically double the generation in the western Montana area and will require additional transmission capacity to handle this large increase in generation. Studies jointly conducted by the engineers of the Bonneville Power Administration and the two utility companies show that with the Hungry Horse Dam in operation it will be necessary to interchange approximately 200,000 kilowatts between Montana and the Bonneville system to the west. This is in addition to the 100,000 kilowatts now being carried by the existing two 110,000-volt lines. Only a high capacity high-voltage line, such as the 230,000-volt circuit proposed by the Administration, would be capable of carrying this additional amount of power.

With respect to the proposed 230,000-volt line from the vicinity of Kerr Dam south to the Anaconda area, this facility also is needed over and above the present facilities of the Montana Power Co. The Montana Power Co. now has a 161,000-volt line from Kerr to Missoula, thence to Anaconda where it interconnects with a 161,000-volt line extending on south to the Utah Power & Light Co. Also two additional 110,000-volt circuits extend into Anaconda from the eastern portion of its system, namely, the Butte, Helena, Great Falls area.

All of these existing facilities of the Montana Power Co. are being utilized to handle present power production in the area and will be fully loaded by the time the Bonneville Power Administration's proposed 230,000-volt line from Hungry Horse Dam area to Anaconda area can be completed.

In the marketing of Hungry Horse power for the benefit of western Montana industrial and economic expansion, it is sound public policy to provide sufficient power capacity in the Anaconda area to support new industrial growth which is bound to occur in that area when low-cost power in adequate quantities is made available.

This area should plan on a minimum of 50,000 to 100,000 kilowatts new industrial load which would not occur based upon normal operations of the Montana Power Co. and which can only occur on the basis of large blocks of Hungry Horse power being made available in this area.

With indications of 50,000 to 100,000 kilowatts of new industrial load in this Anaconda area, the need for the proposed 230,000-volt line to Anaconda is manifest.

Recent studies made by the engineers of the EBASCO Services of transmission interchange capacity in the Washington-Montana areas demonstrate the need for additional transmission capacity into the Anaconda area by December 1953 just to meet normal growth of that area without giving consideration to this added load growth that will occur when Hungry Horse power is available. Therefore, with Hungry Horse power and the new industrial load considered, the Bonneville Power Administration's proposed 230,000-volt line should be approved by the Congress for completion and operation by the fall of 1952. These new 230,000-volt facilities in western Montana will in no way duplicate the Montana Power Co.'s facilities. They will provide urgently needed additional capacity to supplement the existing facilities in a manner which is essential to the industrial growth and economic prosperity of western Montana.

These facilities will also be available to serve the Montana Power Co. with Hungry Horse power for its ordinary retail distribution in addition to providing for a large industrial service to the area.

Finally, the facilities will assure the early realization of revenues from the Government's investment in the Hungry Horse project.

Mr. Chairman, I have not had the opportunity to go as deeply into the Montana Power testimony in the hearings against these Montana developments as I would like but on the basis of what I have read, I have these comments to make:

NOTES ON TESTIMONY BY J. E. CORETTE, VICE PRESIDENT, MONTANA POWER CO., BEFORE INTERIOR SUBCOMMITTEE ON HOUSE APPROPRIATIONS COMMITTEE

First. Mr. Corette stated the Army Corps of Engineers 308 review report recommends immediate construction of Libby Dam. He pointed out Bonneville Power Administration plans to interconnect Libby with Hungry Horse and mainstem dams. He appeared to have in mind the line appearing on Bonneville Power Administration's advance program transmission map.

Comment: Libby Dam is not even authorized. Even if authorized immediately with money allowance, construction would take many years. Certainly it could not be considered a factor in the need for an interconnection by 1952 when Hungry Horse completion will require such interconnection.

Bonneville Power Administration advance program maps do show a line from Kalispell—not Hungry Horse—to Troy to Bonners Ferry to Albeni Falls to Newport. However, this line is a 115-kilovolt circuit, not for the purpose of interconnecting major dams but for the purpose of serving a number of utility customers in the Idaho panhandle and western Montana from Grand Coulee Dam. Authorization and allowances have been made for construction between Newport and Troy. The route has been surveyed and the line will be 115-kilovolt construction—far too light for an intertie between major dams. If this line were to be built for 230 kilovolts as an intertie, tremendously expensive substation facilities must be provided to service the small utility customers in that area. Furthermore, it would be necessary to service those customers from the Kalispell end rather than from the Spokane end. This would mean pulling more power out of Montana than if the reverse were the case.

Construction of a new 230-kilovolt circuit for intertie purposes by way of Libby, in addition to the presently authorized 115-kilovolt circuit, would also be much more expensive than if the intertie were to be routed by the presently proposed route—Spokane, Hot Springs, Hungry Horse.

The route suggested by Mr. Corette would be 245 miles long as contrasted with 215 miles, length of the present routing.

Costs would be increased by $2,000,000 from $11,000,000 to $13,000,000.

An additional allowance of $56,000 cash and $292,000 contract authorization would be required above that for the recommended line in the 1950 fiscal year.

The route proposed by Mr. Corette would be inaccessible during the winter season and maintenance costs would be high.

It would be almost impossible to complete line along the Libby route by 1952, when it will be required.

Second. Mr. Corette stated the proposed line from Spokane to Kerr would duplicate and parallel existing lines and would supply loads which Montana Power would otherwise supply.

Comment: The route proposed by the Bonneville Power Administration actually does not pass through Kerr Dam. It misses Kerr Dam by 16 miles and turns north at a place called Hot Springs.

Actually the proposed Spokane-Kerr line and the proposed Kerr-Hungry Horse line No. 2 are the same circuit which runs continuously from Spokane to Hungry Horse without any step-down substation along the route. It would be impossible for Bonneville Power to serve Montana Power Co. customers off this line without a substation.

A switching station without transformers would be located near Hot Springs so that power could be delivered south to the Anaconda 230-kilovolt circuit. These proposed facilities would not duplicate the Montana system since

Montana Power has no facilities of sufficient capacity to carry the loads required.

In any case, the Federal Government sales policy of the Columbia Valley has never been to take any existing load away from another utility. It has been uniformly maintained in 10 years of Federal power development in Oregon and Washington.

Third. Mr. Corette stated that Hungry Horse-Kerr No. 1 line now operating has spare capacity, therefore No. 2 line is unnecessary.

Comment: Hungry Horse-Kerr line No. 1 is a 115-kilovolt line and is suitable for serving existing customers in the Flathead Valley area and for serving construction power at Hungry Horse Dam. When Hungry Horse is no longer under construction the line would be devoted to serving load growth to existing customers. It is a low-voltage transmission line. It is not adequate to serve as a link in interconnecting Hungry Horse with other Federal dams. The proposed Hungry Horse-Kerr No. 2 line will be a 230-kilovolt line designed purely for interconnection purposes.

Fourth. Mr. Corette stated that the Montana Power Co.'s present interconnection between Thompson Falls and Spokane through Idaho comprising two 100,000-volt lines is sufficient interconnection facility to give all the benefits which western Montana requires.

Comment: It is difficult to understand why the company would take the above position in view of the fact that Montana Power and Washington Water Power Engineers made an independent study on a system calculating board in Pittsburgh some time ago. This study, which was participated in by a Bonneville Power Administration engineer, showed need for additional intertie capacity by December 1950, and necessity for 154- or 230-kilovolt tie line by 1952 with advantages favoring the higher voltage.

Thus the company's own study indicates existing facilities, including the two lines from Thompson Falls across Idaho, are inadequate.

The combined capacity of these two lines, with their present connections, is not sufficient to carry their present loads, plus the 136,000 kilowatts they must carry in order to bring Hungry Horse storage water back into Montana in the form of kilowatts.

I also find, on page 136 of the committee hearings a comparison of power rates in Montana and Washington which I am sure the Members of this House and the people of Montana will find of interest:

POWER RATES IN MONTANA AND WASHINGTON

Mr. JACKSON. What are the power rates in the Montana area at the present time as compared to those in Washington?

Mr. RAVER. I do not have that comparison, Mr. JACKSON, but I would be glad to supply it for the record if I can secure it for you.

Mr. JACKSON. I think it would be helpful to have it.

(Information referred to is as follows:)

Comparison of typical bills for residential, commercial power and light, and industrial service

	Residential service			Commercial light and power		Industrial power	
	50 kilowatt-hours	200 kilowatt-hours	500 kilowatt-hours	700 kilowatt-hours, 6 kilowatts	6,000 kilowatt-hours, 30 kilowatts	30,000 kilowatt-hours, 150 kilowatts	400,000 kilowatt-hours, 1,000 kilowatts
Butte-Missoula, Mont	$2.08	$6.33	$9.33	$22.08	$124.33	$410	$3,278
Spokane, Wash	1.64	3.88	6.08	15.49	91.70	391	2,593
Seattle, Wash	1.60	4.72	5.70	20.70	103.36	347	2,500
Tacoma, Wash	1.20	2.70	5.30	10.05	61.50	253	1,780
Portland, Oreg	1.65	4.58	5.70	14.70	80.38	370	2,231

OPPOSITION TO HUNGRY HORSE DAM

Mr. JACKSON. Do you know if the Montana Power Co. opposed the construction of Hungry Horse Dam?

Mr. RAVER. Yes; they have opposed it in the past. I understand they have just recently opposed it again in the hearing in Spokane before the Board of Army Engineers that was holding hearings on the 308 report of the Army. It is reported that in the hearings there yesterday the secretary of the Montana Power Co. filed a strong statement opposing any Federal generation and transmission in Montana on the basis that there is no power shortage there and there is no market for Hungry Horse or other Federal power in western Montana.

These statements were refuted by a representative of the Missoula Central Trades Council. He stated that there is a power shortage in western Montana and the power is needed for industrial development. There are evidently two points of view.

Mr. JACKSON. The private power companies opposed originally the power projects on the Columbia; is that not correct?

Mr. RAVER. Yes, sir.

Mr. JACKSON. In spite of that fact, they are now selling more power than they sold prior to these projects coming into operation?

Mr. RAVER. That is correct.

Mr. JACKSON. They felt at that time that there was no need for the projects and no power shortage; is that correct?

Mr. RAVER. Yes, sir; that is my understanding of that from reading past records.

Mr. Chairman, in the letter sent by Mr. F. W. Bird, president and general manager of the Montana Power Co., to the company's stockholders and dated March 11, 1949, Mr. Bird makes some statements which I think should be answered.

He says in his letter that—

In every State where public power transmission lines have been built, the private power companies are fighting to continue their existence * * * (Nebraska, Tennessee Valley, Oregon, and Washington).

My answer is as follows:

Mr. Bird does not make clear that the power companies' operations in Washington and Nebraska have been menaced, not by the Federal program, but by State laws approved by their own customers and neighbors.

It was a State organization that bought the Nebraska utilities.

State laws were passed, revenue bonds were sold to private investors. The power companies were bought out. But at no time have there ever been any Federal generating or transmission systems in Nebraska. The people of Nebraska were dissatisfied with private power.

It is public-utility districts, formed by local vote under laws passed by the State legislature, which are negotiating for the purchase of company properties in Washington.

These State laws were passed and the public utility districts were formed with the support of customers and bondholders of the power companies who were disgusted with poor service and empty promises.

These State laws were supported by thousands of farmers who were unable to get power service from the companies at reasonable rates.

In the States of Oregon and Idaho the power companies have done a better job of satisfying their customers; they are making profits from the power delivered to them from Federal dams. Consequently, the laws of those States constitute little danger to their continued existence.

In that same letter Mr. Bird said that "These lines"—Hungry Horse transmission—"should not be built." His reasons and my answers follow:

SUMMARY OF MONTANA POWER CO. PRESENTATION—CONGRESS SHOULD NOT BUILD UNNECESSARY TRANSMISSION LINES

SPOKANE-KERR-ANACONDA LINE NO. 1—HUNGRY HORSE-KERR LINE NO. 2

Budget requests $3,300,000 to start these lines and substations.

Their alleged purpose is:

1. To market Hungry Horse power in western Montana.

2. To integrate Hungry Horse and Grand Coulee.

These lines should not be built because:

1. Hungry Horse power should go to Washington where there will be a serious power shortage for seven more years.

2. Western Montana has and will have surplus power.

3. Grand Coulee power should all be used in Washington where shortage exists.

4. It is uneconomic and ridiculous to build lines to carry power from shortage area in Washington to surplus-power area in Montana.

5. Army engineers recommend Libby Dam near northwest corner of Montana for immediate construction.

6. Hungry Horse and Grand Coulee should be connected by lines by way of Libby Dam. It is shortest and most economical route and Bonneville shows on map that this is the plan.

7. Spokane-Anaconda and Hungry Horse-Kerr lines will cost over $33,000,000. Requested appropriation would start that project.

8. These lines are unnecessary and a waste of taxpayers' money.

9. Montana Power Co. system and Bonneville system are already connected by two 100,000-volt lines going west from Thompson Falls and by Kerr-Hungry Horse No. 1 line.

My answers to above questions:

First. What does he mean by "should"? Does he want Hungry Horse power to go out of the State of Montana? Serious power shortage will last 5 not 7 years.

Second. Western Montana does not have surplus firm power. Studies show it will be close to the line next winter.

Third. Grand Coulee power cannot all be used at certain seasons of the year. There is too much water in the spring and not enough in the winter. When there is too much at Grand Coulee, there is too little at Hungry Horse for optimum year-around generation.

Fourth. Answers to 2 and 3 provide answer to 4.

Fifth. Army recommends Libby and many other dams. Libby is not authorized nor can it be built soon.

Sixth. In item 3 he says the line should not be built. In item 6 he says it should be built on a route he suggests.

Seventh. Total estimated cost is $18,708,000—not $33,000,000—see 1950 budget estimates.

Eighth. These lines are necessary. Studies by Montana Power, Washington Water Power, and BPA engineers show agreement that new capacity will be needed by 1953.

Ninth. Present lines are wholly inadequate to carry growing load. Present lines will carry no more than 100,000 kilovolts. Load, after Hungry Horse completion, will be twice that figure.

Mr. Chairman, I want to conclude my presentation before the House today by reading a letter I received from Dr. Paul Raver in response to a request from me. This letter covers the possibility of Montana receiving new industries in the Anaconda-Philipsburg-Garrison area and indicates very clearly the importance of these transmission lines to western Montana:

PORTLAND, OREG., *March 28, 1949.*

Hon. MIKE MANSFIELD,
House of Representatives,
Washington, D. C.

DEAR MR. MANSFIELD: In reply to your request relative to prospective industrial power users for western Montana, I can tell you that we are currently in touch with two companies who have expressed an active interest in developing substantial operations for the use of mineral deposits in the Garrison-Philipsburg-Anaconda area. Such operations would require very substantial amounts of low-cost firm electric power, but these companies have emphasized that the availability of such power supplies in adequate quantities at the site of the mineral deposits must be assured before they can proceed with their development plans.

They point out that geological exploration of the mineral deposits, production cost analyses, and acquisition of adequate reserves for long-term operation, all of which must precede the actual location of such an industry, involve very substantial costs and cannot therefore be undertaken unless they can be given assurance in the form of congressional authorization and appropriations that supplies of power will be available at the raw material deposits. They point out that economics will permit rail transport of raw materials for only a relatively short distance. Therefore, unless low-cost power supplies in adequate quantities will be available at the ore site, they would not be justified in considering or making plans for development.

Sincerely yours,

PAUL J. RAVER,
Administrator.

Mr. Chairman, the Hungry Horse, the Canyon Ferry, and the transmission lines are urgently needed to build up Montana. I ask the House, in behalf of the people of Montana, to heed my request and to approve the authorizations contained in this measure. Montana asks your help today; we will repay you in the future.

I hope that this Committee will vote down this amendment.

The CHAIRMAN. The time of the gentleman from Montana [Mr. MANSFIELD], has expired.

Mr. KIRWAN. Mr. Chairman, I move that all debate on this amendment close in 15 minutes.

The motion was agreed to.

The CHAIRMAN. The gentleman from South Dakota [Mr. CASE] is recognized.

Mr. CASE of South Dakota. Mr. Chairman, I would like to ask a question of the gentleman from Montana. Can the gentleman tell at this time what the probable power rate will be for the power generated at Hungry Horse and at Canyon Ferry?

Mr. MANSFIELD. No one can tell at this early date, but it is my understanding there will be a difference between the two rates, and that Canyon Ferry will be higher.

Mr. CASE of South Dakota. Slightly higher than Hungry Horse?

Mr. MANSFIELD. That is right.

Mr. CASE of South Dakota. How will that compare with the two mills on the Bonneville power?

Mr. MANSFIELD. The rate charged at Hungry Horse will, I understand, be about the same as that charged throughout the system.

Mr. CASE of South Dakota. The postage stamp rate?

Mr. MANSFIELD. Yes, I believe so.

Mr. CASE of South Dakota. What about Fort Peck power? What is the rate on that today?

Mr. MANSFIELD. I am sorry I cannot give the gentleman that information accurately but I believe it is around 5 mills. I will say that the Fort Peck power has been leased for the past 4 or 5 years on a yearly basis to the Montana power company, and that some of the power is going outside the State to some degree. I would like to ask my colleague from Montana [Mr. D'EWART] to answer that question.

Mr. D'EWART. The rate at Fort Peck is 5½ mills, the postage stamp rate, and the rate from Bonneville is 2.9.

Mr. CASE of South Dakota. That is the present Fort Peck rate is the rate which the gentleman from Iowa has said is the probable rate for the entire Missouri basin in its developing program. Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The gentleman from Montana [Mr. D'EWART] is recognized.

Mr. D'EWART. Mr. Chairman, we have heard the debate this afternoon between the public power and the private power interests. I rise at this time on behalf of the irrigation interests of Montana. This power will do us little good in Montana unless we have reclamation. The point I want to make is the point which the gentleman from Montana just brought out—the difference in rate between Bonneville and the Missouri Basin is 5½ mills as against 2.9 mills. That 5½ mills contains a factor to support our reclamation project. If we have to compete with the 2.9-mill rate in the Missouri Basin it will sabotage our irrigation projects. We must have that rate in eastern Montana to support our reclamation projects. Otherwise, it will not be feasible. That is true all over the basin; not only Montana, but the other States in the Missouri Basin. We must have that rate if we are going to have this reclamation project.

If you bring this Columbia Basin power in at 2.9 mills to compete with our power, it makes unfeasible the development of that great basin and that great program that we have for our area. The REA wants low rates. I want low rates, but I do not want them at the expense of the development of our reclamation program throughout the Missouri Basin.

The gentleman spoke of the phosphate plant. We have a surplus of 50,000 kilowatts going out of Montana into the Columbia Basin at this time to help the Bonneville Authority in their shortage of power. Fifty thousand kilowatts going from the Missouri Basin into the Columbia Basin. We can put that into this phosphate development, and we do not want this low-rate power if it has to come in at the sacrifice of our irrigation. We do not want it under those circumstances.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. D'EWART. I yield.

Mr. JENSEN. Is it not a fact that most of the people, farmers and city people and everyone else in your area, do not want this transmission line?

Mr. D'EWART. They fear the very thing that I fear—that we will lose this reclamation program. I have had over a hundred letters and telegrams from farmers' organizations, city councils, and all kinds of organizations in my State protesting it for fear it will be the end of the reclamation program in the Missouri Basin.

I believe the gentleman from Washington [Mr. HORAN] was wrong; this amendment does not prevent the connection of Hungry Horse to the Bonneville grid; it does not prevent that. The amendment simply prevents this low-rate power coming in and sabotaging the reclamation program in the Missouri Basin.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. D'EWART. I yield.

Mr. MANSFIELD. The gentleman from Washington [Mr. HORAN] was correct, because it means if we do not get this transmission system into western Montana we get from the Hungry Horse only 77,000 kilowatts of firm power a year whereas with the grid we will get 187,000 kilowatts to develop the phosphate and other resources which we have in that area. I am under the impression that the lines now being considered will go only as far as Anaconda. I realize, as does the gentleman that Canyon Ferry and Hungry Horse are in two separate river basins.

Mr. D'EWART. The amendment does not interfere with connecting Hungry Horse with the Bonneville grid. The 5½ mill rate in the Missouri Basin is the minimum necessary to make possible the

development of our soil and water resources as authorized by the Congress. Bringing 2.9 mill rate power into the basin will mean we possibly get a lower power rate but, and I emphasize this, the lower rate would result in making the Missouri Basin development of our soil and water resources economically unfeasible. We must have the development of our soil, water, and mineral resources.

Mr. JENSEN. That is right.

The CHAIRMAN. The time of the gentleman from Montana has expired.

The gentleman from Michigan [Mr. CRAWFORD] is recognized.

Mr. CRAWFORD. Mr. Chairman, as a member of the Public Lands Committee, which has quite a bit of jurisdiction over legislation as far as authorization is concerned, I have become very much interested in this whole picture of our great Northwest. With respect to flood control, irrigation, and reclamation, I understand that something like 65 percent of all the power furnished in the Pacific Northwest comes from the publicly financed dams where electric power is produced. I also understand that all of the private systems, all of the private industry, the federally financed distribution lines and power-creating dams are tied in together on a mutual arrangement that is substantially and practically satisfactory to everybody in that section of the world. Certainly that section of the world is one of our main lines of defense, and unless that section of the country is protected in time of war I see no chance for this country to carry out its military obligations for the people of the United States and for the other parts of the world; so this question arises entirely above the question of privately owned power plants and distribution lines and federally financed power plants and distribution lines. I believe that the irrigation of the West must be protected and promoted and extended, because with our increasing population and hundreds of thousands of new babies coming into this country and the extension of the span of life we shall have to grow food, and more food, and more food. So I do not want to see anything happen that destroys the production of food anywhere in the United States by artificial means or by any sins of omission or commission on the part of the Congress or the people. Here is a practicable thing, and we have gone beyond "point of no return"; you are not going to turn back on the development of the water resources of the West, the Columbia River Basin, and the Colorado River Basin; those programs are going ahead in spite of any party or any private opinion, because public opinion in the United States, North, East, South, and West, is going to support it.

Here is an amendment on which there seems to be some difference of opinion as between the people who are directly interested, I mean representatives of the people of the State of Montana. I cannot imagine the committee proposing this proposition if it prevents the tying in of power produced in the eastern section with the distribution system over in the western section. If this amendment prevents the tying in of that power I would be opposed to the amendment. It is my understanding that the amendment does not prevent the tie-in. If we had more time for debate we could eliminate some of the doubt which is now present.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

The gentleman from Mississippi [Mr. RANKIN] is recognized.

Mr. RANKIN. Mr. Chairman, this project is a long way from where I live; it is "way out West."

But, I remember almost 20 years ago a great man from "way out West," Senator George W. Norris—God bless his sacred memory—joined me in the fight to create the Tennessee Valley Authority, which has wrought the greatest development of ancient or modern times.

The passage of the Norris-Rankin bill to create that great Authority marked a turning point in the history of this Nation.

You might say it ushered in the electric age and started this country on a new program of developing the hydroelectric power of the Nation—the greatest wealth in America outside of the soil from which we live.

Out of it grew our rural electrification program which is taking to the farm homes of this country everything you have in the towns and cities—except the noise and city taxes.

As I pointed out on yesterday, the power business is a public business. All the power in these navigable streams and tributaries belongs to the Federal Government. The Supreme Court has so held in two cases.

The Government has a right to build transmission lines in order to carry this power throughout the distribution radius.

Now, what is the distribution radius? The Army engineers' report on the Tennessee River in 1930, under the Hoover administration, said that the distribution radius was 350 miles.

The idea that this is going to hurt anybody in the Missouri Valley is bunk. Do you think it would hurt us in the TVA area if they transmitted power from the Arkansas River over into the Tennessee Valley? Certainly not, it would probably do us good.

It may bring power rates down in that area. I am not willing to vote for an amendment that says this Government can build these dams but that it will have to let the power trust come and hook on to them and take their pound of flesh.

I inserted in the RECORD on yesterday a table, I think it will be found at page 3424, giving a table of power overcharge in every State. The people of the average State are overcharged 100 percent for their electricity. The American people last year were overcharged $1,800,000,000.

The only way in which we have been able to fight these exorbitant rates is through the public power systems that have been built on the Tennessee River and in the far West. I have supported this program for the building of these transmission lines, not only in the Tennessee Valley, but throughout the Columbia River Valley, the Central Valley, and everywhere else in the United States.

I sincerely trust that the pending amendment will be voted down, because its passage would not benefit anyone in Montana or any other State.

If you will develop the Missouri River as we are now developing the Columbia and the Tennessee, and distribute that 10,000,000,000 kilowatt-hours of electricity that is now going to waste and supply it to the people over that vast area that is now crying for more electricity, if you will develop and distribute it at reasonable rates, you will increase the prosperity of that entire area and especially the great State of Iowa.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. JACKSON].

Mr. JACKSON of Washington. Mr. Chairman, I would like to reply to the question propounded by the gentleman from Michigan [Mr. CRAWFORD]. I believe he wanted to know whether this interconnection would bring additional power to the Northwest. On that there can be no dispute. The answer is in the affirmative.

I want to quote from Dr. Raver's testimony given before the committee and to be found at page 103 of the hearings. This is what he said:

> Now, the difference between operating Hungry Horse Dam without this connection—

Referring to the interconnection and the amendment at issue—

> and operating it with the connection, taking into account the benefit of this Hungry Horse storage water on two downstreams—Grand Coulee Dam and Bonneville Dam—is the difference between 112,000 kilowatts of firm power and 399,000 kilowatts of firm power, or a difference of 287,000 kilowatts.

Mr. Chairman, if the situation had been reversed and the private power companies of the Pacific Northwest controlled all of the generating and transmission facilities in that area, you could be sure that they would build this interconnection, because it is good, sound business. If it is sound business policy for private utilities, it should likewise be sound business to authorize the Bonneville Power Administration to do the same thing.

This is the way in which this important interconnection would work. During the critical water months from November to March, the water supply behind Grand Coulee Dam is low. During this same period there is an abundance of water at Hungry Horse. This will make more than 200,000 additional kilowatts of power to Washington and Oregon during the water shortage period. From May until August there is a surplus of water at Coulee Dam when Montana and the Hungry Horse area have a shortage of power, making it possible to send the surplus power from Coulee over the proposed interconnection to Montana. I say that is good, sound American business sense.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of Washington. I yield to the gentleman from Montana.

Mr. MANSFIELD. Is it not true that Hungry Horse is the key to the development of the whole Columbia River system?

Mr. JACKSON of Washington. There is no question about it. In further reply to the gentleman I will say that the private power companies in the Pacific

Northwest realize the advantage of an integrated power system. This is known as the Northwest power pool made up of public and private utilities making available an additional 600,000 kilowatts by reason of this integration.

The CHAIRMAN. The time of the gentleman from Washington has expired. All time has expired.

The question is on the amendment offered by the gentleman from Iowa [Mr. JENSEN].

The question was taken; and on a division (demanded by Mr. JENSEN) there were—ayes 56, noes 146.

So the amendment was rejected.

Mr. JENSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENSEN: Page 9, line 3, at the end of line 3, strike out the period and insert ": *Provided further*, That interest heretofore collected by Bonneville Power Administration from sales of electric energy generated at Grand Coulee Dam on the unamortized balance of investment allocated to power in Grand Coulee Dam shall be covered into the reclamation fund forthwith: *Provided further*, That, awaiting legislation, said interest shall not be allocated during the current fiscal year."

Mr. KIRWAN. Mr. Chairman, I make the point of order against the amendment that it is legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from Iowa desire to be heard on the point of order?

Mr. JENSEN. I do, Mr. Chairman.

Mr. Chairman, the amendment I have offered seeks to place back in the bill the same language as was stricken out of the 1949 Appropriation Act for the Interior Department. It is purely and simply a matter pertaining to the financial ability of the Bonneville Power Administration to pay out according to law. It is already the law of the land, and it was placed in the bill when the bill setting up the Bonneville Power Administration was first enacted into law. Then about 5 years ago a solicitor of the Department of the Interior ruled that it was not necessary to pay this 3-percent interest, but that it could be used as a part of the pay-out program to amortize the cost of the Bonneville Power Administration. I contend that, because it was written into the law when the law was first enacted pertaining to the Bonneville Power Administration this is not legislation.

The CHAIRMAN (Mr. COOPER). The Chair is prepared to rule.

The gentleman from Iowa offers an amendment, which has been reported, against which the gentleman from Ohio makes a point of order on the ground that it proposes legislation on an appropriation bill. The Chair has examined the amendment with considerable care. It appears very clearly that the amendment is legislation, therefore is not in order on an appropriation bill. The Chair sustains the point of order.

The Clerk read as follows:

Management, protection, and disposal of public lands: For the administration of the public lands and their resources under the jurisdiction of the Bureau of Land Management, including their protection, use, maintenance, improvement, development, and disposal; the employment of necessary personnel, travel expenses, hearings, investigations, examination and classification of lands; preparation of maps and reports; surveys and resurveys of public lands, including fragmentary surveys and such other surveys and examinations as may be required; the prevention, presuppression or emergency prevention of fires on or threatening lands under the jurisdiction of the Bureau of Land Management; contract reporting services; purchase of not to exceed 15 passenger motor vehicles for replacement only; printing and binding; the payment of a salary of $6 per diem while actually employed and for payment of necessary travel expenses, exclusive of subsistence, of members of advisory committees of local stockmen, $35,500; and the construction, maintenance, and alteration of necessary buildings; $3,300,000: *Provided*, That this appropriation shall be available for expenses of warehouse maintenance and the procurement, care, and handling of supplies, materials, and equipment stored therein for distribution to projects under the supervision of the Bureau of Land Management, the cost of such supplies and materials or the value of such equipment (including the cost of transportation and handling) to be reimbursed to the appropriation for "Management, protection, and disposal of public lands, Bureau of Land Management," current at the time additional supplies, materials, or equipment are procured, from the appropriation chargeable with the cost or value of such supplies, materials, or equipment: *Provided further*, That this appropriation may be expended for surveys of lands other than those under the jurisdiction of the Bureau of Land Management and in such cases this appropriation shall be reimbursed from the applicable appropriation, fund, or special deposit.

Mr. BARRETT of Wyoming. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I desire to make some observations on the item for $3,300,000 on line 6 of page 10 of this bill.

This appropriation for the Bureau of Land Management does not make an adequate allowance for the administration of grazing lands. The matter of proper administration of grazing districts and of grazing lands outside of districts has been the subject of much study by the Congress, by the livestock industry, and by others.

In the fall of 1946 the Secretary of the Interior had a special study made of the problem by a special consultant, Mr. Rex Nicholson. Mr. Nicholson proposed a plan of grazing-district administration which was generally accepted by the range livestock industry. It provided for a number of administrative personnel, sufficient to administer the grazing lands without unnecessary cost. A schedule of grazing fees adequate to pay the livestock men's share of the grazing administration was also agreed to. It was recognized that certain benefits from the grazing administration accrued to the general public and that it was only fair that a contribution from the public be made to offset these public benefits. The principles of Mr. Nicholson's report were embodied in Public Law 376 which was passed by the Congress in the summer of 1947. The Department of the Interior increased grazing fees on the public lands in the spring of 1947 in keeping with Mr. Nicholson's plan. However, the Congress has not yet appropriated funds fully in keeping with this agreement and with the needs of the grazing-district administration. If the formula advocated by Mr. Nicholson, accepted by the stockmen, and agreed to by the Congress, is applied, the appropriations for the past two fiscal years have been deficient by roughly $300,000 each year of meeting this schedule. The amount allowed by the committee for 1950 is actually less than the portion of the grazing fees going into the Treasury and makes no allowance whatsoever for the public benefits derived from the grazing administration.

In our State the problem of small, scattered tracts of public land interspersed among large areas of privately owned land is a serious one. I have been very encouraged to see that the Bureau of Land Management is proposing to tackle this problem energetically and to assist private landowners in acquiring title to small scattered tracts of public lands which cannot be effectively administered by the Federal Government. This will put additional lands on the tax roll and will in addition, save the Federal Government from the costs of administering these lands. In order to make these sales, however, the Bureau of Land Management must have adequate appropriations for necessary field inspections of the land and for personnel to act upon the applications.

It is my hope that if the appropriation to the Bureau of Land Management is increased in the Senate, the House conferees will take into consideration the urgent need for larger appropriations in order to have more effective administration of grazing districts and in order to keep the agreement made with the livestock men.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HILL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the Colorado-Big Thompson project was authorized in 1937. To begin with compensating reservoirs were to be constructed on the western slope of Colorado thereby providing farms in that section with sufficient water as well as a well-regulated supply of irrigation water. This safety provision of water-storage supply for the western slope would compensate them for the water the Colorado conservancy district proposed to take from the western slope through a 13-mile tunnel under the Continental Divide to provide a supplementary water supply for approximately 615,000 acres of highly developed agricultural land. With the irrigation channels, reservoirs, and farm ditches all completed, this 615,000 acres of land already irrigated is desperately in need of a supplementary water supply in order to maintain full productivity. And in addition many of the cities and towns on the eastern slope of the Continental Divide are dependent on the early delivery of this water for their continued prosperity.

This is a dual-purpose project as power plants will be constructed to supply 175,900 kilowatts of electric energy to existing public and private systems in Colorado, Wyoming, and western Nebraska.

The rapid completion of the Colorado-Big Thompson project is essential. Up to June 30, 1948 we had spent $55,410,644 on this project and in the fiscal year for

1949 the Eightieth Congress appropriated $20,225,000. The budget request for the fiscal year 1950 was $21,500,000—but the Appropriations Committee handling this appropriation decided that the Colorado-Big Thompson project should be cut 15 percent straight across the board—or $3,225,000. This is $1,950,000 less money than the project had to spend on its contracts and construction work for the fiscal year of 1949.

In my mind there can be no justification for any such a reduction. First, it will prolong the completion of the entire project. Second, it will increase the length of time necessary for the project to begin its process of liquidation or repayment to the Federal Government. It seems that the entire planning for the construction and continuation of the contracts on this project will be considerably delayed. There is no economy in such procedure. In fact, this project should be given sufficient funds by the Congress to complete all phases of the project just as quickly as possible. There can be no possible economy in delay.

The membership of the House should have the information on the proposed work on this project for the fiscal year beginning July 1, 1949, to June 30, 1950.

The $21,500,000 requested for fiscal year 1950 will provide for completion of the Granby Reservoir and incidental work, the Granby pumping plant and canal, and the Horsetooth Reservoir, construction of a permanent water supply and sewerage system for the town of Grand Lake, initiation of construction of feeder canals on the western slope, and construction of a warehouse near Loveland. It will provide for continuing construction of the Horsetooth Feeder Canal and permit start of construction of other canals and reservoirs on the eastern slope that are necessary for controlling the water of the project. The amount will permit completion of the Estes and Marys Lake power plants, start construction of tunnels, and award of contracts for major equipment for power plants of the Estes-Foothills power system.

At the present time water is being brought through the tunnel and piped into the river near Estes Park and is available to 30,000 acres of rich farming land in the South Platte Valley. When the entire program is completed, as was stated in the beginning, 615,000 acres of fine productive farm land will have a supplementary water supply to carry them over dry seasons and increase the total agricultural output of the entire valley.

The present installed power generator's capacity is 21,600 kilowatts and the completed program of the project calls for a capacity of 175,900 kilowatts. The plan provides that if the $21,500,000, as requested, is granted to the project the water and the electric energy would be available by 1953 and, of course, at that time the repayment to the Federal Government would begin. I am sure that the curtailing of the funds for this project by the farthest stretch of our imagination cannot be called the curtailing of Federal expenditures—rather it creates the exact opposite. The total amount as recommended by the Bureau of the Budget should be provided.

I do not think there is any excuse in the world for giving us a 15-percent-across-the-board cut in such a project as the Colorado-Big Thompson. The idea is that the sooner it is completed the sooner the Federal Government will begin to get its money back. The farmers have agreed to pay so much per acre-foot for this irrigating water, and there is no reason why it should be delayed 2 or 3 years.

I would like to ask the chairman of this committee, the gentleman from Ohio [Mr. KIRWAN], if it is true that there would be a possibility for us to come in, if we find our $21,500,000 is cut too much, and receive from his committee supplementary funds, if we find we are moving faster on our contracts than the money will supply.

Mr. KIRWAN. If the gentleman was on the floor yesterday when I made my statement, I said my only regret about this bill was that it was not for $2,000,000,000. I still make that statement. My only regret is that this bill is not for $2,000,000,000. So do not be alarmed if $21,000,000 is not enough. You come back and you will get it.

Mr. HILL. I thank the gentleman very much. I was sure that would be the attitude the gentleman would take.

Mr. NORRELL. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. NORRELL. That is one thing the committee was unanimous upon. These budget estimates were gotten up last October. The money becomes available for expenditure July 1, this year. That is supposed to continue the economic trend, and in the report the Department is invited to come back if this guess is erroneous.

Mr. HILL. I thank the gentleman very much.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. KIRWAN. Mr. Chairman, I ask unanimous consent that the bill be considered as read from this point on and that it be open for amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio [Mr. KIRWAN]?

There was no objection.

Mr. CARROLL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have just listened to the remarks of the gentleman from Colorado, [Mr. HILL], and I am in complete accord with his viewpoint that the Colorado–Big Thompson should go forward as rapidly as possible and that this body ought to do everything it can to see that it does go forward in that manner.

It is my understanding there has been a cut in the appropriation of approximately 15 percent. I should like to ask the gentleman from Washington [Mr. JACKSON] who is a member of the subcommittee, whether or not this will interfere with the progress of that program.

Mr. JACKSON of Washington. I shall be happy to attempt to answer the gentleman's question. I think this distinction should be made, the subcommittee and the full committee have approved the rate of construction provided for in the budget estimates. The point is that at the time these estimates were submitted last October it was the general opinion of the committee that prices had reached their peak and that prices would go down. If they do not go down, if the cost of the projects, in other words, do not go down, then the committee in its report on page 3 specifically invites the departments affected to come back for the difference.

Mr. CARROLL. May I put it in a different way? Based upon the original estimate of $21,500,000, we are going forward at the same rate, but the gentleman is thinking in terms of a reduction in the price situation relating to construction.

Mr. JACKSON of Washington. The gentleman is absolutely right. The point is that the committee has approved the rate of construction set out by the budget, but it disagrees as to the cost, not the rate of construction. If the committee is wrong the department affected, in this case the Bureau of Reclamation, is specifically invited by the terms of the report, on page 3, to come back to the committee and ask for the difference, whatever it may be. If the construction cost should go down only 10 percent they can come back and ask for the other 5 percent.

Mr. CARROLL. I think the gentleman has made it very clear.

Mr. JACKSON of Washington. There will be no slowing down of a single project approved by this committee and every single item submitted by the Bureau of Reclamation, the Bonneville Power Administration, the Southwest Power Administration, was approved in toto with the exception of the one from Havre, Mont., to Shelby, and the Glendo project in Wyoming.

Mr. CARROLL. Regarding the appropriations for the Colorado-Big Thompson, you have gone forward with the program for power transmission lines in connection with that project.

Mr. JACKSON of Washington. Whatever was submitted in the budget is in this bill and it will proceed in accordance with the program of the President, in toto.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of Washington. I yield.

Mr. CURTIS. Does the statement just made by the gentleman from Washington apply to all irrigation construction projects?

Mr. JACKSON of Washington. May I read this section of the report? I think it is quite pertinent.

Mr. CURTIS. It does apply, does it?

Mr. JACKSON of Washington. It does apply. I shall read into the RECORD at this point as part of the history of this appropriation item this statement contained in the third paragraph on page 3 of the report on the bill:

In the report (No. 307) accompanying the appropriation bill (H. R. 3734) for civil functions, Department of the Army, 1950, the basis was set forth for recommending reductions of 15 percent below the budget esti-

mates for construction projects. The same factors and recommendations are applicable to construction activities proposed for the Interior Department. Administrative officials should make every effort to accomplish authorized construction at the rate planned within the limits of funds provided in the bill. If this proves impossible the committee intends to recommend approval of such additional funds as are shown to be required to finance items of construction proposed in the budget, unless specifically hereafter denied.

And the only denial we have is the limitation on the Glendo project in the State of Wyoming.

Mr. CARROLL. The statement just made by the gentleman from Washington is a very fine one, and is a very intelligent and reasonable approach. We thus have assurance that if prices go up we will receive sympathetic consideration from the committee. I think that is very fair.

Mr. JACKSON of Washington. If the gentleman will permit, I believe this is the first time in the history of Congress that an entire program has been approved as submitted by the President. There has been no deviation except in the two sections to which I have made reference.

Mr. CARROLL. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. FERNANDEZ. Mr. Chairman, I offer an amendment.

The Clerk read, as follows:

Amendment offered by Mr. FERNANDEZ: On page 15, line 19, after the word "Indian", strike out the comma and insert a semicolon; and strike out the words "except those eligible for benefit payments under the Social Security Act" in lines 19 and 20.

Mr. FERNANDEZ. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mr. FERNANDEZ. Mr. Chairman, the language which I seek to have stricken from this bill has never appeared in any appropriation bill until this year. It first appeared in a deficiency appropriation a few weeks ago.

Let me give you a little history of the controversy that led to the committee putting these provisions in both the deficiency appropriation bill and in this bill. In 1935 when the social-security law was first adopted, the question whether or not Indians were to be included in the State programs arose. My State and other States had to consider whether or not they wanted to come into this program. The then Commissioner of Indian Affairs wrote a letter to the effect that the Indians were receiving direct appropriations for their needy people from the Federal Government. This made sense because the Indian reservations were at that time, as they are now, the sole responsibility of the Federal Government.

Those reservations at that time, as now, were not under State laws. The Indians on the reservations were not then and are not now under State laws. So that made sense.

Proceeding under this theory the States entered into the social-security program, but none of the States took in Indians at that time. Gradually thereafter some of the States, after a little pressure began, put the Indians on their social-security rolls. They had a few Indians, yet they complained, they resisted, but they felt that the advantages were so much greater that they preferred to go ahead and include the Indians in their social-security lists. I think Colorado was the last one to come in during the war.

This left only New Mexico and Arizona, which States have not as yet put all of the Indians in the respective States under the social-security program.

Mr. Chairman, I have a record here which shows that there are 236,639 reservation Indians in the country. The Indians in New Mexico and Arizona aggregate a total of 95,537, which is approximately 40 percent of the entire Indian population of the United States. So you can see how it is that New Mexico and Arizona have been floored when they were suddenly asked to put all these Indians under the Social Security program. Their program was not geared to all at once take over that responsibility, if indeed they should.

We have in New Mexico three categories of Indians—Indians who are outside of the reservations, and they are treated exactly the same as the non-Indian people; then we have the Apache and Pueblo reservations, aggregating something like 18,000 Indians and who are comparable to Indians in other parts of the country. New Mexico, I feel should be willing to take those Indians and put them on the social-security rolls. But, then, we have also the Navajo reservation, which is in an entirely different situation. The reservation includes some 25,000 square miles, with no villages on the reservation, and it is utterly impossible for the State to adequately administer the social-security law on that reservation, particularly when the Indians are not under State law. Consequently, although the matter has been discussed now for 2 years, no agreement has as yet been reached. They are trying to work out an orderly process whereby the Indians in New Mexico and Arizona may be included under the social-security laws.

A few weeks ago the committee for the first time put in a provision prohibiting the money appropriated for the Navajo Indians to be used for the care of the blind, the aged, and needy children. That provision was put in after a 2-year fight by my good friend, the gentleman from Wisconsin [Mr. KEEFE]. I may say he is absolutely sincere about it, and I am glad he brought it to a head. In the deficiency appropriation bill this prohibition was put in for the first time. But no appropriation was made. I pointed out to the House then that I was not moving to strike out the prohibition. There were no moneys to which it was applicable. I preferred for the bill to go to the Senate with that prohibition staring them in the face. So, it went to the Senate and the Senate committee has now stricken out that clause, has provided an appropriation, and in doing so, this is what the Senate committee said in the report:

The House proviso would affect only two States, Arizona and New Mexico. The States of Arizona and New Mexico have always taken the position that the social-security problems of the Indians in those States belong to the Federal Government, and that the Federal Government should provide the funds for these needy Indians. The committee was advised that representatives of both States have been called before the Social Security Board, and that both have appeared in regard to an alleged noncompliance with the alleged obligation to take care of needy Indians who are blind, aged, or dependent children in Arizona and New Mexico. No agreement has been reached between these two States and the Federal Government on a policy for handling the social-security problems of Indians in the two States.

To place in the bill prohibitions against welfare payments to Indians in these two States who are eligible for benefit payments under the Social Security Act when no other provision has been made for the care of these needy Indians would be unfair, and the only ones who would suffer by such action would be the Indians themselves. Legislation is now pending in the Congress on this matter, and until the differences between the States of Arizona and New Mexico and the Federal Government can be resolved, the committee believes that Federal assistance to needy Indians in these two States should not be arbitrarily discontinued.

There is a difference of opinion as to whether or not under the law they actually should be under State social security. The Social Security Administrator has suggested to the State of Arizona to bring suit to test the matter out. Regardless of who is right or wrong, the way to bring this to a head is not to punish the Indians.

The gentleman from Wisconsin [Mr. KEEFE] was chairman of the Social Security Subcommittee of the Committee on Appropriations, and his committee could have suggested language in that bill—and he is still a member of that subcommittee—which would withdraw from the States and prohibit the States receiving any money for the whites until they took care of the Indians. Instead of that they come to this other subcommittee and suggest that we put in language to withdraw all these funds and leave the Indians in the lurch. Now, it ought not to be necessary to use this crude and cruel method of making New Mexico and Arizona comply. It ought not to be necessary to step on the necks and on the weakened bones of those old Indians in order to punish my State and Arizona for not complying with the alleged social-security requirements. I say that the objective may be absolutely good. Ultimately we ought to take care of all these citizens on an equal basis, but this is not the proper procedure, that is not the method, that we ought to employ here in order to force New Mexico and Arizona to comply with the requirements of the social-security law.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I yield to the gentleman from Iowa.

Mr. JENSEN. I believe the gentleman's amendment is a fair and proper

one, for the very reason that the States of New Mexico and Arizona have more Indians in proportion to the population of those two States than any other State in the Union of the Navajo and Hopi Indians, and because of that it does bring a great financial hardship on the people of those two States to support the Navajo and the Hopi Indian reservations.

Mr. FERNANDEZ. I thank the gentleman.

Mr. DOYLE. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I yield to the gentleman from California.

Mr. DOYLE. Will the gentleman please make it a bit more clear to me as to why the State cannot apply the process of social security on the Navajo Reservation?

Mr. FERNANDEZ. Yes; I will be very happy to. The Navajo Reservation consists of 16,000,000 acres, 25,000 square miles. It is equal in size to three or four of the eastern States. It is a vast isolated area. There are no villages, no homes, no places there for our social-security workers to live and work. There is no possibility of their getting into the interior to take care of these cases, and that has to be done if you are to take care of them. They would have to depend on the poor Indians getting to the clerk's office, outside the reservation, and those people cannot travel out of the reservation to seek assistance. It would be far more expensive to the Federal Government and the State than the present system. The Agency has its welfare and health workers, housed in the reservation by the Government.

The CHAIRMAN. The time of the gentleman from New Mexico has expired.

Mr. FERNANDEZ. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mr. FERNANDEZ. The Indian agency has a staff, and that staff is taking care of the needs of the Indians. They would still have to maintain that staff to handle the other indigent in the reservation. By the agency handling the matter the Federal Government would save money in the administration of the needs of the Indians until such time as roads are built and villages are built, and the State can handle the cases.

If we require the States of New Mexico and Arizona to take those cases in the fringes where they can reach them, but prohibit entirely the use of any moneys for the aged, the blind, and the dependent children, then the most needy in the interior of the reservation would be required to starve.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I yield to the gentleman from Colorado.

Mr. CARROLL. What is the gentleman asking for in his amendment, an appropriation directly to the Indians themselves within Arizona and New Mexico?

Mr. FERNANDEZ. That has been the system heretofore for 12 years. Unlike the deficiency appropriation committee last spring, this committee did appropriate moneys, I think adequate, perhaps not, but at least it did appropriate money, but then it put in this prohibition that would not permit the use of any of those moneys for those Indians who are blind, who are dependent children, or who are needy aged.

Mr. CARROLL. If the gentleman will yield further for one or two questions to simplify this whole issue, since the great misery, hunger, and privation that has existed among the Indians in the past 2 years has been given some publicity, what help has been given them, and from what source?

Mr. FERNANDEZ. From the Federal Government half a million dollars last year and half a million dollars in this present appropriation, and $100,000 from the Red Cross, and the Red Cross is putting in $250,000 now.

Mr. CARROLL. They are still in a very desperate condition?

Mr. FERNANDEZ. They are in a very desperate condition. If New Mexico has to take them over, I do not know what they could do now.

Mr. CARROLL. In other words, the Indian population is such that it puts an undue burden upon the State?

Mr. FERNANDEZ. Yes. We have one-fourth of the reservation population of the States in the Navajo and Hopi Indians alone, not counting the 19 Pueblos and the Apache reservations.

Mr. CARROLL. The gentleman mentioned something about Colorado. How is the situation in Colorado different from the New Mexico situation?

Mr. FERNANDEZ. The only difference is in the matter of degree. Colorado has but a very few Indians, so they can take care of them without any particular injustice to their own in need. But in New Mexico the rate would have to go way down, and they could not do it, because there are no roads into these reservations, as has been described here several times, and it would be an utter impossibility for the State of New Mexico to have its staff in there to administer that law, whereas the Indian Office has a staff there that can do it.

Mr. CARROLL. Am I to understand that the Federal Government is changing its policy toward the Indians?

Mr. FERNANDEZ. It is changing its policy now, the policy that has been followed for 12 years, since the social-security law was established, saying to New Mexico, "You take it over, right now." The purpose is to force those States, regardless of their ability financially or physically, to take over the burden of the aged, the blind, and the dependent children. This is fine, but let us not go further now and say to the Indians, "Now, you have to starve in order to make New Mexico and Arizona do their duty."

Mr. CARROLL. Is the gentleman asking any more in this amendment than has heretofore been given to the Indians?

Mr. FERNANDEZ. No; I am just asking that it be left as it has been up to now.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I yield to the gentleman from Arizona.

Mr. MURDOCK. I wish to compliment the gentleman on his splendid statement. I think his is a good amendment. I wish the committee would accept it in the interest of time and the health of the Indians.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I yield.

Mr. JENSEN. I want to say, on behalf of the minority members of the committee, that we have no objection to this amendment.

Mr. FERNANDEZ. I thank the gentleman. I hope the other side can say the same thing.

Mr. KIRWAN. No; the committee has not accepted the amendment.

Mr. FERNANDEZ. I understand that. But the minority members of the committee say that they accept it.

Mr. KIRWAN. That is all right. The minority members can, of course, speak for themselves.

Mr. FERNANDEZ. In the interest of orderly procedure and handling of this matter of social security, I hope that you will do likewise.

Mr. KIRWAN. The reason why we are not going to do likewise, speaking for myself, not speaking for the committee here, is that this was thrashed out at the deficiency hearings, and thrashed out again last week. Maybe they only have 10,000 Indians in the Dakotas, but there are not many people in the Dakotas to pay. The States of New Mexico and Arizona have had plenty of time to take care of this, but they have not done a thing about it.

Mr. FERNANDEZ. I am not complaining of the gentleman's objective——

Mr. KIRWAN. I understand that. You are not complaining, but I am complaining.

Mr. FERNANDEZ. Why do we not put that amendment in?

The CHAIRMAN. The time of the gentleman has expired.

Mr. KEEFE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in view of the time that has been taken by the distinguished gentleman from New Mexico, and in view of his leaving what I conceive to be very definite confusion in the minds of the Members on a very important issue, I ask unanimous consent that I be permitted to proceed for an additional 10 minutes, and I shall not, perhaps, consume the entire time.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. CASE of South Dakota. I have asked the gentleman to yield for the purpose of making a slight correction. I believe reference has been made to 10,000 Indians in the Dakotas.

Mr. KIRWAN. I do not know how many Indians there are up there in the Dakotas.

Mr. CASE of South Dakota. There are almost 30,000 Indians in South Dakota. I do not know how many there are in North Dakota.

Mr. KIRWAN. I do not know how many there are up there, but I know that the Dakotas are paying their freight up there.

Mr. CASE of South Dakota. Yes; and the Dakotas pay because we were told that if we did not, we would not get our social-security plan. It is true, I think, that there is a sad situation in New Mexico.

Mr. KEEFE. I have been referred to repeatedly by the gentleman from New Mexico as being the one who inserted this provision and this language in the deficiency bill, and in this bill. The gentleman compliments me. I claim no such distinction. The facts are very simple and very plain. I raised this question on the floor of the House 2 years ago, as many Members well recall. I raised it at the time there was an appropriation requested here to take care of the Navajos and the Hopis. I asked the question then: Why is it that in Arizona and New Mexico these Indians are not treated as citizens of the United States? My mind went back to the social-security law, as it was adopted in 1935. In order for any State to claim the benefit of the law, they had to submit a plan in accordance with the provisions of the law and have that plan adopted by the then Social Security Board. There is no dispute about that. Now, here are Arizona and New Mexico seeking to come under the provisions of the Social Security Act passed by the Congress, to enable payments to their citizens out of the benefits provided by that law. The social-security law provided, in substance, that in the administration of the various subtitles of that law by the States, in their plan submitted for approval they must agree to carry out the social-security law without discrimination. And they did so. That meant without discrimination as to Indians, who are citizens the same as other citizens under the Federal law.

Now, when a poor Indian came in to the local office of the Social Security Administration operating in the State under the State authority, and asked for old-age assistance or maternal or child-welfare assistance, they were given that assistance if they lived off the reservation, but as to those who lived on the reservation, they were denied any of the social-security benefits. Thus, the Federal Government paid matching funds to the States of Arizona and New Mexico out of money that you appropriate here for that purpose, when they were very clearly operating their State programs in violation of the Social Security Act.

I knew that to be the fact, and I raised the question, not because my heart has not gone out to the Hopis and the Navajos, who have suffered intolerably, but because my objective has been from the start to do something for the Navajos and the Hopis, and if Federal legislation is needed on the subject, to see that that Federal legislation was enacted. Time and time again, my committee has called the attention of the Congress and the proper legislative committee to the inequitable situation that exists today.

Now, either the State of New Mexico and Arizona ought to comply with the law that other States are compelled to comply with or the Congress of the United States legislatively should recognize the difficulties that confront New Mexico and Arizona and make some different provision as affecting the Indian population. But my position has been and still is that the law is there. It is plain and clear. They agreed to comply with it when they got the benefits of social security for their white population. There is no reason in the law by which they can stand here in this House and justify the action they have taken.

This matter was called to the attention of the Social Security Board. The Social Security Board ordered a hearing, calling people from New Mexico and Arizona before them in order to show the noncompliance of those States by their contracts. I am familiar with those hearings. I am familiar with the position that those two States took in those hearings. I had Mr. Altmeyer before the committee, of which I had the honor to be chairman, and we went into the situation. Here is the situation that developed: As I told you, they paid social-security benefits to the Indian off the reservation, but the minute he comes back onto the reservation or while he is on the reservation he loses his right to citizenship, so to speak.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. No, not at this time. I want to finish this thought clearly in the RECORD, if I can.

They came before the Social Security Board and attempted to urge in the first instance that an Indian living on the reservation was in the nature of an individual confined in a public institution and therefore not entitled to social-security benefits. That was the contention that they made, those people who love the Indians so much. They are forced to live on the reservation and therefore are in the same category as a person living in an institution that is exempted from social-security payments under the Social Security Act.

I, as one Member, have protested long and loud at that sort of action. I think it is a great injustice.

Then the next question was: Why, are they not entitled to social-security benefits? Why? Because in the administration of the social-security law these States contended that they did not fall within the class of permitted beneficiaries because there were Federal funds available in the hands of the Indian Bureau that should be used for their support.

They argued that until those funds were exhausted they were not entitled to social-security benefits. Today the Indians are ill-fed, ill-housed; they lack proper medical care and everything else; and the Nation is stirred up, and the Congress is stirred up, and the Congress, out of its generosity appropriates $500,000 for relief for the Navajos. By that very action we have played directly into the hands of Arizona and New Mexico still permitting them, because of the availability of those funds, to come in and claim that these Navajos and Hopis are still not entitled to the benefits of the Social Security Act because Congress has made funds available to them to which they can have recourse, and thus they do not qualify as beneficiaries. Well, we are chasing our tail around in a circle just because of that. When we make the appropriation we relieve the pressure for the time being, and the plight of the Navajos and Hopis and other Indians throughout this Nation temporarily goes into the limbo of forgotten things, until people who have some heart and want to help them cry out against their treatment year after year, as I have tried to do, to get this Congress alive and awake so they will do something to take care of this situation. I have heard these Members talk today and pat each other on the back on what they are doing for the Indians; but, as a matter of fact, the lamentable situation of the American Indian is a disgrace, and we are not doing anything about it. We make a little appropriation of $500,000, and pat ourselves on the back and say we have discharged our obligation to the Indians. We are by that action making it impossible for an Indian citizen who is the beneficiary of that fund to qualify for his rights under social security. Do I make myself clear? I do not want anything that was said by the gentleman from New Mexico to indicate that I am trying to stop aid from going to the Hopis and Navajos. He knows, and everyone who has heard me talk on this subject before knows, that I am trying to do something for those two tribes and for all the Indian tribes. It may surprise you to know it, but right in my own State the Menominee Indian Tribe, which has a vast and very productive reservation on which, through a process of selective cutting and the operation of one of the largest sawmill industries in the country, has built up a large fund of $1,700,000 or $2,000,000 in cash, and other large assets which are controlled by the Bureau of Indian Affairs, yet not a single person on that reservation, not the people who work in that sawmill, not a single Indian, is the beneficiary of social security. Why? Because it has been contended that they have funds, tribal funds, which are available for their support, and, therefore, they do not qualify, although when they come to the Congress and ask that appropriations be made out of their own funds for money necessary to maintain their schools, their hospitals, their social services, and to take care of the indigent, and the blind, they are cut down to a bare minimum. There are people living on that reservation today that have millions of dollars in assets, yet are literally facing starvation. It is a fine situation in America when we are talking about the underprivileged, civil liberties, and civil rights, when we are talking about the oppressed peoples of the world and the people in concentration camps in Germany and all over the world, to have right within our own borders American citizens, many of them in actual need, yet unable to use the funds they have built up themselves.

What are we going to do about this? Due to lack of action on the part of Congress, due to the failure of the great Committee on Ways and Means, to which I have appealed for years, to change the law and recognize this situation, due to inaction, this situation has become deplorable. If we do not do something the

Hopis and the Navajos will perhaps starve and continue to live in desolation and disease as they have in the past.

I am serving notice on the distinguished gentleman from Arizona and the distinguished gentleman from New Mexico that this fight is not going to stop just because this language may be stricken from the bill. I agree with what the Senate said. I do not want these poor Hopis and Navajos to suffer. I want them to be taken care of. But I warn you that the time is not far off when your States will have to come up here and make a settlement and make an appeal to the Congress of the United States to deal with this subject. You will find, I am sure, a very receptive Congress to deal with the subject and because of the situation as it is, difficult as it is, intricate as it is, with the huge burden on those States as it will be and as it ought not to have been in the first instance, but with the law as it is, I am willing to vote for striking this language this year and have this appropriation in order that we may not have the Indians starve and have the country say that the Congress has failed to take care of this very desperate problem.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. KIRWAN. Mr. Chairman, I move that all debate close on the pending amendment in 5 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Arizona.

Mr. MURDOCK. Mr. Chairman, it is gratifying to me to hear the voice of my friend from Wisconsin explain the situation in which we find ourselves and especially when he states that he has endeavored to get this matter properly rectified. God knows, nobody has more interest at heart in this matter of care of unfortunate Navajo and Hopi Indians than the gentleman now speaking to you.

Things are in a deplorable condition and I hope the Committee will recognize the merit of the amendment offered by the gentleman from New Mexico, since it has not been so recognized and accepted in the past, and I hope that the gentleman's amendment will be adopted. Without his amendment in the bill, the gentleman from New Mexico is absolutely right, the aged, the blind, and the needy children of those two tribes cannot receive help. We should not punish those poor victims simply because somebody has been negligent in doing the proper thing.

Mr. Chairman, I do not know where the blame lies, but I do know that I have introduced legislation on the subject, and, may I say to the gentleman from Wisconsin, I have legislation pending which I think will probably remedy the matter in the direction of bringing the State of Arizona into cooperation with the Federal Government in order to do just the thing that the gentleman from Wisconsin and all of us want done. For that reason, his statement that we ought to see to it that the States recognize part of their obligation was very gratifying. But the question is, How much and to what degree at once? One reason why social security has not been furnished the Indians on the reservation is this: They are located on the reservation. They are under tribal relations, they are wards of the Government, and the people out there feel that since no official of the local government can go on a reservation, not even a nurse or an examiner, that it is the obligation of the Federal Government to take care of these people under our treaty obligation.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I yield to the gentleman from Wisconsin.

Mr. KEEFE. I fully recognize the position that the gentleman's State of Arizona and the State of New Mexico find themselves in and that we find ourselves in in the State of Wisconsin. These things are administered by social security, by the local communities of government, the county. The Menominee Reservation is located in my State; and in this instance if anyone should go to the county and ask for social-security benefits, he is going to get a pretty cool ear from the administrator at the local level in the county. Now, your reservations are tax-exempt. They are not paying one dollar into the States in the nature of State taxes, and therefore, of course, the people of New Mexico and Arizona very properly feel that with that huge area that is involved in those two reservations, exempt from taxation at the State level, they probably would have to bear a very considerable burden. But that is not what the social-security law presently says, and it ought to be the obligation, and I know it is of the gentleman, and the gentleman from New Mexico and the Senators from there, to get behind this legislation and force it through so that we can settle this highly volatile and explosive argument that comes up here every year.

Mr. MURDOCK. We ought to recognize the fact that the States of New Mexico and Arizona have 40 percent of the entire Indian population of the country. They are fullblood Indians, and they have been neglected. They live on those large reservations. Take the Navajo Reservation: It is as large as the entire State of West Virginia. It is almost entirely without roads. The sheriff of Apache County in my State is not permitted to go onto the Navajo Reservation to make any arrest or serve any legal process, so that we cannot apply the social-security law on that reservation because of that fact. I am quite anxious to see the right kind of cooperation. My people have a heart for the Indians. They want adequate education for Indians and they want benefits furnished to these citizens, but we have to make a change in the law in order to do that. I offer my efforts now to bring about such a change as will enable that to be done.

Mr. FENTON. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I yield to the gentleman from Pennsylvania.

Mr. FENTON. Does the gentleman not think it would be very much better for the States of New Mexico and Arizona if some definite change were made in the policy toward the Indians generally, and transplant them somewhere where they could really exist?

Mr. MURDOCK. We are doing that on a small scale, may I say to the gentleman from Pennsylvania. We are doing that, but that is a big problem. There are 65,000 Indians living on a high plateau in northern Arizona and northern New Mexico, so that we cannot do it all at one time. But we are doing it in part.

The CHAIRMAN. The time of the gentleman from Arizona has expired. All time has expired.

The question is on the amendment offered by the gentleman from New Mexico [Mr. FERNANDEZ].

The question was taken; and on a division (demanded by Mr. KIRWAN) there were—ayes 57, noes 41.

So the amendment was agreed to.

Mr. BLATNIK. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. BLATNIK. Mr. Chairman, I call the attention of the members of the committee to the item on page 17, lines 10 to 19, in which a total of $7,731,000 is appropriated for the conservation of health, and I should like to make specific reference to the one tuberculosis hospital we have in Minnesota, the Ahgwah-ching Tuberculosis Hospital at Walker. This appropriation would give them an allocation of $139,000. I would have offered that amendment increasing this amount by $220,000, but because this matter was not adequately brought to the attention of the committee, which so generously gave us time on other items, I am going to delay this in order to be given an opportunity to discuss it with the chairman and the committe, which has done such a splendid job in the past, in the hope that this item may be added in the Senate.

Briefly, the appropriation for the fiscal year 1949 was $120,000. The hospital has 118 beds, but the amount of money appropriated was so low they were able to take care of only an average monthly load of 50 tubercular Indians. We have at present 233 tubercular Indians outside the hospital, adults, young people, and children, leading normal family lives, carrying and spreading this terrible disease. We do point out the need for this additional amount of money to take care of the Indians, among whom the incidence of tuberculosis is 6 times that found in the general population.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield to my friend and colleague from Minnesota.

Mr. H. CARL ANDERSEN. I am in full agreement with what the gentleman from Minnesota has said about the need for additional money for this purpose. I sincerely hope we can present the case before the subcommittee in the Senate having to do with this bill and show them the need for it, and get the additional money in the bill. It is too bad this situ-

ation was not brought up as it should have been before the House Subcommittee on Interior Department Appropriations.

Mr. BLATNIK. I thank the gentleman for his comments. I do want to have the record clear that this was through no fault of the House committee, which so generously listened to our other requests. We merely note that the request for a deficiency appropriation for the fiscal year 1949 is now in the Senate, for $50,000, to help us see the wind-up of this year. The Indian Bureau is already going through channels submitting a deficiency request for the fiscal year 1950.

Mr. H. CARL ANDERSEN. Is it not a fact that a supplement has been requested by the Indian Bureau above that which has been requested of the subcommittee in this bill?

Mr. BLATNIK. Yes. The amount is approximately $220,000, and the request is now going through the channels.

Mr. LEMKE. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield to the gentleman from North Dakota.

Mr. LEMKE. My suggestion to the gentleman is that he had better get this money today, because tomorrow we take up the ECA bill, and there will not be any money left.

Mr. BLATNIK. I am confident we will get the same considerate, generous treatment we have gotten in the past from the committee.

Mr. FLOOD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FLOOD: On page 56, line 16, after "District of Columbia", strike out "$250,000" and insert "$500,000."

Mr. KIRWAN. Mr. Chairman, we accept the amendment.

Mr. FLOOD. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The amendment was agreed to.

Mr. FENTON. Mr. Chairman, I was on my feet a short time ago attempting to gain recognition. I have an amendment of a similar nature at the Clerk's desk. Of course, the amendment has now been adopted by the Committee and it is all right with me.

Mr. MARSHALL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we appreciate the work that the Committee on Appropriations has done in connection with this bill. We appreciate the tremendous job that it is to go over these appropriations to try to work out everything for all of the various problems in the United States that need the attention of the Federal Government. Of course, we do appreciate that.

However, as a Representative of the State of Minnesota, I would be greatly remiss in my duty if I did not call to the attention of the Members of the House one of the most tragic things that has happened in the history of the State of Minnesota. The State of Minnesota and the board of health there have done a wonderful job of controlling tuberculosis among the citizens of our State. Volumes could be written showing the amount of progress that has been accomplished in the control of that disease. It has been definitely proved that the disease can be controlled and that by proper hospitalization the disease can be corrected and that people can be made well.

What happened in connection with the wards of the Federal Government—the Indians? We have seen fit in the Halls of Congress to curtail the appropriations. The appropriation made for this purpose in the last Congress was a very drastic cut. How did it affect us in Minnesota? We have a tubercular hospital in Minnesota which takes care of all of the Indians in the State of Minnesota. At times they have also been able to take care of minor ailments for the children of that area.

In the particular area where this hospital is located there are very few hospital facilities—hardly enough to take care of the white population in the area. It was determined that we did not have money enough to operate that hospital. So, in order to stay within the budget as set up, we, in the State of Minnesota, turned tubercular Indians out into the woods a year ago. We were beginning to get to the point where we had some control over the disease, so far as the white people were concerned. So far as the Indians are concerned, our State went out with one of these mobile units, along in December and January, and they found 235 active cases of tuberculosis. They went to the Office of Indian Affairs and that Office said, "We are very sorry, but we cannot take care of these tubercular Indians at the hospital at Walker, which is operated in connection with the State of Minnesota, because we do not have the funds, and there is nobody who can make a commitment for funds out of an appropriation where there is no money in the appropriation."

The State of Minnesota said, "We would like to take care of them, but that appears to be one of the problems of the Government of the United States in that these people are wards of the Government of the United States."

The thing that bothers me and the thing that bothered me at that time, in connection with some of the problems that have been discussed here earlier, is just whose problem is this? The people of the United States feel, and perhaps rightly so, that the States should take over some of these problems. The people in the States say, "We would take care of this, but we understand that this is the problem of the Government of the United States." Therefore, we let Indians starve and let Indians go without food and clothes and let them go without medical attention because nobody seems to be able to make up their mind whether it is a problem of the States, or a problem of the Federal Government.

In connection with this particular problem, the Indian Bureau and the Bureau of the Budget made their recommendations a long time ago. This problem was discovered after the budget had been prepared. It was not adequately called to the attention of the committee. The committee will have before it a request for $220,000 additional.

Mr. BLATNIK. And this additional amount would merely make it possible to utilize to the full capacity the 118 beds that are now available, that are only used by 50 cases because they do not have enough money?

Mr. MARSHALL. Yes.

Mr. BLATNIK. I understand further there is an adjoining wing in the same sanitarium in which the State of Minnesota will allow 32 more beds to be contracted for by the Federal service, thus making available 150 beds, and we do have in addition to the 50 cases now hospitalized, 233 tubercular Indians outside. Is that correct?

Mr. MARSHALL. That is right.

Mr. BLATNIK. And the $220,000 would give us 150 beds for the 233 cases?

Mr. MARSHALL. The hospital facilities are there. The doctors are there to take care of the problem. The State of Minnesota is ready to do its share. We hope that somehow or other out of this Congress the Federal Government can see fit to do its share.

We would like to thank the gentleman for giving us this kind attention and calling the problem to your consideration.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. MARSHALL] has expired.

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wish to describe a situation, and then I shall offer an amendment to correct it.

The paragraph I wish to discuss is that which appears at pages 46 and 47 of the bill entitled "Missouri River Basin."

The Missouri River is the longest river in the United States. That is, it would be if you considered the entire river that goes on from St. Louis down to the Gulf of Mexico. From its headwaters in Montana to the mouth at St. Louis is approximately 2,500 miles. The river rises in the mountains. Its mouth is down in the flat country on the Mississippi. Below Sioux City, in the States of Nebraska, Iowa, Kansas, and Missouri, there has been a series of very disastrous floods.

In order to combat those floods the Army engineers proposed a plan which was embodied in the Flood Control Act of 1944, to build some heavy reservoirs, largely in the States of North Dakota and South Dakota, because they are midway down the river. The Dakotas were the last place where they could find some deep gorges or canyons on the river, and where they would catch a great portion of the floodwater, and yet sufficiently above the broad flood plains of Iowa, Nebraska, Missouri, and Kansas that protection could be afforded to the cities in the area. So they proposed building these dams in the Dakotas, and they said to South Dakota, as well as to North Dakota, "Let us dump this flood water up

there in your States; cut it off of the lower States, and you will get the benefits of navigation, irrigation, power, and perhaps some smaller incidentals."

The first of these dams and the one most advanced in South Dakota is the so-called Fort Randall Dam. The dam site is almost on the Nebraska line, but it backs up water for well over a hundred miles and covers 112,000 acres of bottom land along the Missouri River, good corn land, good bottom hay land.

There will not be in South Dakota any particular flood control from that dam. There is a little flooding down at Yankton once in 5 or 6 years, perhaps a couple of hundred acres. But this dam itself drowns out for all time 112,000 acres in South Dakota. So that from the standpoint of flood control it is a decided detriment to the State, rather than a benefit.

As far as navigation is concerned, the dam approximately 150 feet high puts a plug in the river above which boats will not be able to go. The dam effectively cuts off South Dakota from river navigation.

There is no irrigation proposed from the Fort Randall Dam, so that benefit is out. The only possible benefit from Fort Randall Dam to South Dakota would be the creation of some hydroelectric power which might be available at a cheaper rate than would otherwise be true.

On the other hand, the building of Randall Dam to its proposed height drowns out one of the bridges across the Missouri River which cost the State several millions of dollars to build. And building to that height drowns out American Island, a recreation center near Chamberlain developed at much cost. And the building of Randall Dam in South Dakota will cost over $5,000,000 for relocated highways and bridges.

Thus the only benefit to South Dakota from the building of Randall Dam could be to get some possible power, and it would have to be enough to offset our damages. What happens? Provisions in the Flood Control Act of 1944 which authorizes the Missouri Basin program, the Reclamation Act, and other laws relating to the sale of public energy, all give a preference to public bodies as purchasers. In section 5 of Public Law 534, the act of December 22, 1944, this sentence is found:

> Preference in the sale of such power and energy shall be given to public bodies and cooperatives.

Now, it so happens that the State of Nebraska has a public power district set-up which blankets that State. This bill carries some funds to build a transmission line from Fort Randall in South Dakota across the line to O'Neill, Nebr.; and according to the hearings it is proposed later to build a second transmission line from Fort Randall down to Columbus, Nebr. These lines, with the preference accorded the public power districts of Nebraska will effectively siphon most of the Randall power out of South Dakota into Nebraska until such time as there is enough power produced in South Dakota to leave some for nonpreference customers.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. CASE of South Dakota. Mr. Chairman, I offer my amendment at this time and ask that it be read.

The Clerk read as follows:

> Amendment offered by Mr. CASE of South Dakota: On page 47, line 7, strike out the period, insert a colon and the following: *"Provided further,* That no part of these funds shall be used to build, operate, or administer transmission lines to carry power developed at Fort Randall Dam across the boundaries of the State of South Dakota in which the power is produced, unless the power so produced shall exceed the requests for power in that State."

Mr. JACKSON of Washington. Mr. Chairman, a point of order.

Mr. CURTIS. Mr. Chairman, a point of order.

The CHAIRMAN. The Chair recognizes the gentleman from Washington, a member of the committee, to state a point of order.

Mr. JACKSON of Washington. Mr. Chairman, I make the point of order that this particular amendment is legislation on an appropriation bill and imposes additional duties on the Bureau of Reclamation.

The CHAIRMAN. Does the gentleman from South Dakota desire to be heard on the point of order?

Mr. CASE of South Dakota. Yes, Mr. Chairman.

The CHAIRMAN. The Chair will hear the gentleman on the point of order.

Mr. CASE of South Dakota. I assume that the point of order made by the gentleman from Washington rests upon the question as to whether or not additional duties are imposed upon the Secretary of the Interior who is the person authorized to dispose of surplus power. There is no question but that a limitation could rest upon the bill to prevent the use of certain funds for the building, operation, or administration of transmission lines. The issue in the point of order then rests upon whether or not the amendment imposes additional duties for the Secretary of the Interior to determine whether or not the requests for power exceeded the power available; or, whether there is power which is surplus to the requests for power in the State. I submit to the Chairman that that is purely an administrative matter and does not impose any particular duty, because the supply of power and the requests for power are self-evident. It does not really add any special administrative duties to look at self-evident facts.

The CHAIRMAN. Does the gentleman from Nebraska desire to be heard on the point of order?

Mr. CURTIS. Yes; Mr. Chairman.

The CHAIRMAN. The Chair will hear the gentleman briefly.

Mr. CURTIS. I rose to make the same point of order.

Mr. Chairman, it seems to me this is not a proper limitation on an appropriation bill. Its purpose is to prevent the transmission of power across the State line. Certainly it would bring about a necessary administration far removed from anything that exists at the present time.

The CHAIRMAN. The Chair is prepared to rule.

The gentleman from South Dakota [Mr. CASE] offers an amendment which has been reported, against which the gentleman from Washington [Mr. JACKSON] makes a point of order on the ground it is legislation on an appropriation bill.

The Chair has examined the amendment with some degree of care and invites attention especially to the language appearing wherein it is stated, "unless the power so produced shall exceed the requests for power in that State."

The insertion of that language in the amendment would impose additional duties under the amendment, therefore would be legislation on an appropriation bill.

The Chair sustains the point of order.

Mr. CASE of South Dakota. Mr. Chairman, I ask unanimous consent to proceed for 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. CASE of South Dakota. Mr. Chairman, I anticipated a point of order would be made which is why I took time to speak before offering the amendment, and I am not at all surprised at the ruling of the Chair, but I do think it is important that the situation be brought to the attention of the Committee and the House because it represents a very real and difficult problem in South Dakota and in our relations with our neighbors.

Here we are in South Dakota with 112,000 acres flooded out for all time, worse than any flood that could ever come in, navigation blocked, no irrigation or other benefits, and a cost of several million dollars thrown upon the State to relocate bridges and highways under what proves to have been a mirage that there would be some free or cheaper power available for the State because Nebraska has a public power district setup which blankets that State and can voice a preference demand in excess of the power that may be developed from 1952 to 1958. It is a case of dumping the floodwaters on South Dakota, making us pay for downstream flood protection in several ways, then taking away every conceivable benefit to us from that dam.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Washington.

Mr. HOLMES. Why does not South Dakota use that power?

Mr. CASE of South Dakota. The REA cooperatives of South Dakota can ask for preference power individually, but unless transmission lines blanket the State of South Dakota only a few nearby REA cooperatives will be in position to receive power when it becomes available at Fort Randall, presumably in 1952. Nebraska can take substantially all of the early power and the advance indications are she is prepared to do so.

It should have been sufficient that we take the floodwaters off of Nebraska, protecting Omaha, Council Bluffs, Iowa, Kansas City, and the other harassed

areas, but we ought to be permitted to keep a little power in South Dakota if we flood our land for all time to come in order that protection can be given downstream.

I recognize that a general proposal to repeal the preference law in relation to the disposition of public power, of course, would not be approved by the Congress. It is written too deeply into too many laws and into too much established policy. I do not fool myself on that point. But I did want to bring the situation before the Congress and have the Members realize the problem which exists and see if there is not some way that South Dakota can be assured of some of this power before it is all transmitted out of the State which supplies the 112,000 acres for the reservoir and suffers the cost of ruined roads and bridges, the loss of drowned-out farms and choice bottom lands and the loss of their tax revenues and economic productivity for all time to come. I appreciate the patience of the Members and the attentive hearing they have given.

Mr. FERNANDEZ. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FERNANDEZ: On page 18, line 2, strike out the comma and insert a period; strike out the words "*Provided further*, That no payment shall be made from this appropriation to Indians who are eligible for benefit payments under the Social Security Act," on lines 2, 3, and 4.

Mr. FERNANDEZ. Mr. Chairman, I want to thank the Committee for the action it took on the amendment I offered a little while ago. I want to particularly thank the members of the subcommittee, both minority members and the majority members, for permitting it to go through, because I realize full well that if they had wanted to they could have stopped it, and they may do so still.

I have offered this amendment to point out one thing. This amendment affects 15,000 Indians in New Mexico on reservations outside the Navajo—the Pueblos, the Jicarillas, and the Mescaleros. It affects 20,000 Indians on other reservations in Arizona outside of the Hopis and Navajos.

In other words, the appropriations in this bill are divided. They are made for the Hopis and the Navajos separately on page 16, and for the Apaches and the Pueblos, which constitute 15,000 out of the 38,000 Indians in my State, and for the San Carlos and other Indians in Arizona by this separate item.

The amendment which I offered a while ago applied only to the Navajos and the Hopis. This amendment would lift the prohibition against the Mescaleros and the Jicarillas and the 19 Pueblos and also some of the reservations in Arizona outside of the Hopi and Navajo Reservations. But, I think as to those Indians, which in character and situation are comparable to the Indians in other States, my State and the State of Arizona can and should take care of them now.

For that reason, Mr. Chairman, I ask unanimous consent to withdraw my amendment. I only offered it to point out that I would have no objection to the same provision for the Navajos if I thought Arizona and New Mexico could adequately handle it.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mr. FENTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FENTON: On page 71, line 8, strike out "$500,000" and the comma, and insert "$3,000,000 and contract authorization, $1,435,000."

Mr. FENTON. Mr. Chairman, Public Law 795, Eightieth Congress authorized an appropriation for the establishment of Independence National Historical Park, Philadelphia, Pa., to preserve the outstanding historical shrines in that area.

In compliance with Public Law 795, June 28, 1948, the Bureau of the Budget allowed $500,000 for the purpose of setting up an acquisition organization to accomplish preliminary title work, appraise property authorized for acquisition, and acquire a portion of the properties specified in the act.

The act authorized the Secretary of the Interior to acquire certain historical structures and properties of outstanding national significance, located in the City of Philadelphia, Pa., which were associated with the American Revolution and the founding and growth of the United States. Those properties after acquisition, are to comprise the Independence National Historical Park.

Appropriations totaling $4,435,000 were authorized for these purposes. I am asking $3,000,000 in cash and $1,435,000 in contract authorization.

It was testified before our subcommittee by Mr. Tolson, Assistant Director of the National Park Service, that two submissions were made to the Bureau of the Budget.

One was a supplemental estimate for $500,000 to initiate the program for fiscal year 1949. The other was for the difference between the authorized amount, $4,435,000, and the $500,000 supplemental—or $3,935,000.

The Budget Bureau allowed the $500,000 for 1950 to initiate the program, thereby delaying the start of the project from a Federal standpoint until July 1, 1949. In fact, it will be delayed beyond that point because the National Park Service says it will take time for them to get organized for the land acquisition.

It was further testified by Mr. Demaray, the Associate Director, that if the appropriation is made immediately available that they would be in a position during the next fiscal year to file a condemnation suit on the whole thing and then settle by agreements. In other words with the money allowed by my amendment—the whole amount authorized—they could start the program in the next five months and could move much faster than by being delayed in organizing it until after next July 1.

Furthermore, it is my understanding that the city of Philadelphia and the State of Pennsylvania has already obligated themselves in the amount of five or six million dollars and are all set to go on this project.

In January of this year the Public Works Committee of Philadelphia unanimously approved an ordinance authorizing approval of an agreement between the city and Commonwealth of Pennsylvania for the construction of the North Mall.

I also understand that Rear Adm. Milo F. Draemel, now Secretary of Forests and Waters of Pennsylvania, has stated that money was already available for the commencement of the undertaking.

The longer the full authorized appropriation is delayed the more costly the project will be. Property that might be acquired soon would cost more because of the increased valuation. Furthermore the planning could be done along with the planning of the city.

Certainly there is not an American who would not want to see this project go forward as soon as possible. It is to my mind very appropriate in these days in trying to perpetuate the historical places of our founding fathers.

I hope you will see fit to agree to this amendment.

Mr. KIRWAN. Mr. Chairman, I rise in opposition to this amendment, although it refers to a good project. Like the gentleman from Pennsylvania, I feel that the Liberty Bell and these other objects of historic interest should be placed in a fine neighborhood. However, as you can see from this bill, there is a lot of suffering going on in America among the Indians, and there is not enough money appropriated in this bill for them and the Budget Bureau did not request more money.

If the Liberty Bell has rested peacefully where it has for 165 or 175 years, I think it can rest there until the Park and Planning Commission in Philadelphia and Washington gets better acquainted with this whole project. Next year it might be able to do a better job and come into the budget with a request for $3,000,000 and have better planning on it.

I agree with the gentleman from Washington who said today that there are some irrigation projects in the West that will house many veterans, but we have nothing in the bill for them. I am not too eager now to jump in and spend $3,500,000 to buy property in Philadelphia to make a nice resting place for the Liberty Bell. I am for that project eventually, but I do hope the committee will wait until at least next year, until it has given more thought and study to the question and investigated the proper valuation of real estate. Going into the heart of a downtown section in a big city like Philadelphia and buying 10 or 15 blocks of real estate is not like going out into the West to irrigate some land.

Mr. BARRETT of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield.

Mr. BARRETT of Pennsylvania. Is it not more appropriate to buy properties when they are completely deteriorated than to let them go on for a number of years until they may be reconditioned, when they will have to be bought at a higher price?

Mr. KIRWAN. Since this law was passed, I do not think anybody in that area of Philadelphia is going to put improvements on this property now, when they know they will sell it inside a year.

Mr. Chairman, I hope the Committee in their wisdom will vote down this amendment.

Mr. FENTON. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield to the gentleman from Pennsylvania.

Mr. FENTON. As the gentleman from Pennsylvania has said, the people who own this deteriorated property will certainly hurry up and try to improve the property so they can get more money when the time comes for its purchase.

Mr. KIRWAN. That is what I just said. If the men in Philadelphia have not had a proper survey made, and they are coming to us asking for the money, then they are to blame. But if they have had a proper survey made, and somebody goes out and improves the property so that they can get some money from the United States Government, then we are to blame if we give them the money for that.

Mr. FENTON. May I suggest to my chairman that they certainly know what they are doing there. It is just a matter of planning. They know what they are doing and they know what has to be done. If the gentleman will read the ordinance of the city of Philadelphia, and read the testimony which was given to us, they certainly know what is to be done. They have already started this thing, they have been working for years on it.

Mr. Chairman, I think this is an extraordinary project. Historic landmarks of the great State of Pennsylvania, and the great city of Philadelphia should be protected.

Mr. KIRWAN. I am for protecting them. I am in favor of giving them this fine park plan. But the Budget has set aside $500,000 for them to go into it. I am for that. When they come here next year, if I am still in the Congress, I will vote for the $3,000,000. But I do not think that after 175 years of waiting, we should be in a hurry to give the money to them now.

Mr. FENTON. I know that my chairman has always been very fair and I know that he means what he says. But when the item was up for discussion in the committee all of us agreed on the feasibility of the project at this time. I do hope the Chairman will relent just a little bit and try to help us out.

Mr. KIRWAN. Mr. Chairman, I hope the Committee votes down the amendment.

Mr. JENSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the preservation of the symbols of our American liberty has been delayed too long. The condition of the Statue of Liberty and Bedloe's Island, on which the statue stands, has become a national disgrace. So much so that during the last session of the Eightieth Congress we looked into the matter and we appropriated $500,000 to start the long-delayed job of cleaning up and beautifying the island, and the statue itself, that great symbol of our American liberty. We also appropriated over $100,000 to light the great Mount Rushmore monument so that people and their children passing by at night might see those four great statesmen carved out of solid rock on the mountain and be inspired.

Mr. Chairman, too long have we delayed doing this in Philadelphia, the cradle of liberty, so that there may be preserved for our posterity the Liberty Bell, Independence Hall, and everything in Philadelphia of such great historic value and which is so necessary to preserve that our children and our children's children may never forget that this Nation founded upon the principles of Christianity, freedom, and liberty is the best under God's heaven.

I hope this request which my able colleague, the gentleman from Pennsylvania [Mr. FENTON] has made will be unanimously accepted by this House of Representatives today.

Mr. HUGH D. SCOTT, JR. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. HUGH D. SCOTT, JR. May I also point out to the gentleman that Independence Hall and other historic buildings in this area could easily be subjected to destruction by fire, including the first Catholic Church to be established in that part of America, Carpenter's Hall, and a number of other famous edifices which are partly surrounded by some ancient, dilapidated, and deteriorating structures. One reason for the establishment of a park or mall in which the State and the city governments of Pennsylvania and the city of Philadelphia are actively cooperating with funds and other help has been due to a desire to avoid the destruction of these historic shrines beyond all recall. If the Liberty Bell and these ancient edifices by reason of the spread of fire are gone, nothing which you say hereafter on this floor will ever bring them back. The time to protect the foremost symbol of American freedom is now.

I would like to add this thought as to the very serious danger, as members of the committee who have visited there are aware, of the possible spread of fire in that area, to the destruction beyond any redemption of one of America's most valuable if not its most cherished landmark. I hope you will approve the Fenton amendment, regardless of party.

Mr. KIRWAN. Mr. Chairman, I move that all debate on this amendment close in 10 minutes.

The motion was agreed to.

Mr. GRAHAM. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, all those of America who have had the opportunity of visiting Williamsburg have seen the restoration of that town, bringing it back to the colonial period which the ancient governors, serving under the British, and those great characters in Virginia built, and have come away enriched in spirit, and with an accurate knowledge of the early surroundings under which our forefathers and ancestors carried on the great struggles for freedom and human liberty in the United States.

When we come from Pennsylvania asking for assistance only—we ask not for the complete over-all appropriation on this matter, because the great Commonwealth of Pennsylvania recognizes its duty and the great city of Philadelphia, third in our Nation in population, once the Capital of the United States for 10 years, where the great of this Nation have walked, realizes its duty. Each has done its part. We are only asking for assistance to begin a great and neglected work that should have started many, many years ago.

Think of it, if you will, for a minute. On the 5th of September, 1774, in the old Continental Hall, there the First Continental Congress convened. There came your men from Massachusetts, John Adams and Samuel Adams; there came Peyton Randolph from Virginia; there came the representatives of the Colonies, and there they promulgated the first great principles of liberty and made their addresses to the Crown; and there Richard Henry Lee offered his resolution that these States ought to be free and independent States, absolved from all allegiance to the Crown.

There came George Washington from Virginia to be named as Commander in Chief of the Continental Armies, and there, during that period all through the waging of the Revolutionary War, Philadelphia was the Capital of the United States. There our own great Benjamin Franklin made his contribution, and the other great characters of that day—names that we love and honor and revere in this time.

Then in the period of the Articles of Confederation, when it became the Congress of the Confederation, our predecessor met in these sacred halls; there again a great state document was drawn. Not only had the Declaration of Independence been drawn and signed in that building, but now the great next step, that of the Articles of Confederation, welding together the Thirteen Colonies, was enacted.

Then came the sublime act of all. From that day in May 1787, the Continental Congress had gone; the Continental Armies had gone, but Washington and Franklin and Morse and those great men realized the necessity of welding together a great country under a constitution.

There in that hall the Constitutional Convention met, and in the 81 days in which it was in session it gave to the world the greatest document that has ever fallen from the hands of man. We today are the heirs, and the joint heirs, the beneficiaries of that great document here in free America with all our freedoms of liberty, of the right to worship, of the right of assemblage, of the right of petition, of the right of trial by jury. Independence Hall is the Nation's richest heritage. It is the shrine of the people. Every child, every man and woman in America, would do well to see not only Valley Forge, the Gethsemane of America, but there in Philadelphia to see again and tread again those streets and breathe into their hearts and consciences the greatest tribute that ever came from the lips of freemen: I am a freeborn American citizen.

In doing this you are not honoring Philadelphia, you are honoring yourselves, you are honoring America.

We ask for a vote in favor of this amendment.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. CHUDOFF] is recognized.

Mr. CHUDOFF. Mr. Chairman, I was glad that the distinguished gentleman from Pennsylvania [Mr. FENTON] introduced his amendment. I had a like amendment prepared but it will not be necessary to introduce it now.

This project in Philadelphia which is perhaps better known by Philadelphians, and my district covers a part of Philadelphia—is a combination project of the city of Philadelphia, the Commonwealth of Pennsylvania, and the United States Government. It is an L-shaped project that will run from the Delaware River Bridge, which the Commonwealth of Pennsylvania will take care of, to Independence Hall. The Federal Government's part is on Chestnut and Walnut Streets, from Second to Fifth.

That area in Philadelphia is in what is known in Philadelphia as the fire belt, where fire-insurance rates are the very highest. When they have a fire in that particular section of Philadelphia it is practically a conflagration; nothing is left standing; the fire companies just try to keep the fire from spreading and do nothing about the building itself.

This project embraces not only Independence Hall, but the Federal project will cover many other famous national shrines. The area includes the old First and Second Banks of the United States, Carpenters' Hall, the old Maritime Exchange Building, the old City Hall, where the Supreme Court of the United States first sat in Philadelphia, old Christ Church where George Washington worshiped, and the old Benjamin Franklin House.

Mr. WELCH of California. Mr. Chairman, will the gentleman yield?

Mr. CHUDOFF. I yield.

Mr. WELCH of California. The gentleman might also include St. Marys Cemetery, where Commodore John Barry, the real founder of the American Navy, is buried, also five signers of the Declaration of Independence are buried there. I visited the shrines last year before the authorization bill was reported from my Committee on Public Lands. The old cemetery is in disgraceful condition. It should be beautified and made inviting to the thousands of young Americans who visit Philadelphia every year.

Mr. CHUDOFF. I thank the gentleman. Let me say, Mr. Chairman, that if we do not get this project started soon—and I am certain the other gentlemen from Pennsylvania will agree—we may have a great conflagration in Philadelphia, and if it ever starts nothing will stop it, and we will not have to worry about this project at all.

The First Congress of the United States met in Philadelphia. The Declaration of Independence was signed there, the Articles of Confederation were signed there, and the Constitution of the United States was prepared there. It is a great project. The $500,000 allotted by the Committee is but a drop in the bucket; we can do nothing with it. The city of Philadelphia itself has appropriated over $250,000 for plans; the State of Pennsylvania has already appropriated $2,500,000 for its contribution. I think we ought to start it this year and not wait any longer. We certainly need the additional funds set forth in the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. HARDIE SCOTT].

Mr. HARDIE SCOTT. Mr. Chairman, I rise in favor of the pending amendment. I do not think there is any place in the United States that is more closely identified with our American form of government than the project covered by this appropriation.

The gentleman from Ohio has referred to the fact that the buildings have been there for more than 175 years and perhaps they can stand there a little bit longer. I want to say to the members of the committee that it is a disgrace to the Nation that this area has not been acquired before. It is the good fortune of the country that the area has not been destroyed by a great conflagration. I do not think any Member of this House wants to see anything happen to these shrines that are so closely associated with our history.

There have been many fine statements made in committee as to the merits of the project. I want to report to the members of the committee that far from being in a situation where the National Park Service has to make a study prior to its ability to go on and spend the amount of money that has been requested by this amendment, the Seventy-ninth Congress appointed the National Shrines Committee, which has made an exhaustive study, it has made a most enlightening study. That committee had the services gratis of the best real-estate experts in the city of Philadelphia. All of the information is assembled.

The Commonwealth of Pennsylvania will create a park adjacent and complementary to the National Historic Park. Pennsylvania has started with its plans and has appropriated $3,000,000 to go on with those plans. It is ready, but the project will be delayed by the Federal project unless this appropriation is increased.

May I say to the members of the committee that the pending amendment should be adopted. It should be adopted not only as a matter of good faith to the State of Pennsylvania, but it should be adopted for a far better reason. The National Park Service that is going to administer this bill offered testimony before the committee that it could prepare its preliminary plans with a half million dollars; however, that if it had the full appropriation the Service could do a far more economical job for the United States Government.

Mr. Chairman, we are going to appropriate the money eventually. If we appropriate the money now we will save the United States Government a considerable amount.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. HARDIE SCOTT. I yield to the gentleman from Pennsylvania.

Mr. GREEN. May I say to the gentleman that this particular project has been a nonpartisan matter. It has been supported by all Members from Pennsylvania. I do not think there are any particular State lines involved in the matter. This is something that not only belongs to Philadelphia and Pennsylvania but to the whole Nation. I am in favor of the pending amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. FURCOLO].

Mr. FURCOLO. Mr. Chairman, it is rather difficult to speak against this amendment. I heartily agree with the ideas of the gentlemen who have offered it and if the matter had been brought up at what I consider the proper time, a year or two from now, I would be in favor of appropriating more than the amount they request, twice as much as they request, in fact. But today, Mr. Chairman, there are more important things for this Congress to consider and I for one cannot sit by and see $3,000,000 or $300 or 300 cents being appropriated for any project such as this, regardless of the tradition in which it is held.

In this country we have hundreds of thousands of men who are looking for homes. If the city of Philadelphia has appropriated $500,000, let it use that $500,000 to build homes for homeless people. That is one of the most important problems facing this Nation today. It is not enough for us to think here of what has been done in the past. I hope that when this Congress adjourns that we can say to the people of this country, that at least we left our mark in looking out for the people of America who need homes in which to live. How can we sit here and vote $3,000,000 for any sort of a project that is not absolutely essential until we have provided adequate housing? The two or three Congresses before this, were faced with the problem of housing for the people of this Nation, with everything that stems from the lack of housing, with the broken homes, and the suffering, and the miseries, and it has still not been solved. I cannot sit here and vote to appropriate one cent of money for this amendment until we have provided for the necessities of life. I say what we have to do right now before we spend one penny for Pennsylvania, or repairing this Chamber, is to provide money for housing for those who do not have homes in America.

Mr. CAVALCANTE. Mr. Chairman, will the gentleman yield?

Mr. FURCOLO. I yield to the gentleman from Pennsylvania.

Mr. CAVALCANTE. May I point this out to the gentleman, that in the report of the hearings it shows that in the State of Pennsylvania there are about 29 fires going that are consuming hundreds of thousands of tons of good, valuable coal that cannot be replaced, and in order to save that coal the committee granted only $250,000, when Mr. Boyd said he needed a million. We finally increased it to $500,000, but yet we would spend all these millions of dollars on a park which can wait for a later appropriation, and let us give the Bureau of Mines enough

money to save this coal that cannot be replaced.

Mr. FURCOLO. I thank the gentleman for his contribution. I want to mention this, too. I would like to have the gentlemen from Pennsylvania who are asking for this money tell this Committee how many homeless people there are in the city of Philadelphia and in the State of Pennsylvania.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield

Mr. FURCOLO. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. I would like to say to the gentleman that I do not believe we would have had any homes in this country if it had not been for just that kind of thing that they are asking to protect.

Mr. FURCOLO. I agree with the gentleman. That is why I said when the time comes I would be willing to vote all kinds of money to preserve that which we all revere. But the present problem—and you cannot get away from it—is to take care of first things first, and the first thing we have to do in this country is to take care of people who do not have homes today. Let us do that before we do anything else—take care of the living first, then take care of tradition. Our homeless people want no greater memorial right now than homes in which to live. We can wait a couple of years for tradition, but we cannot wait for living accommodations.

We can either vote $3,000,000 for a tradition or we can vote it for homes. I believe housing comes first, and I urge the Members of Congress to vote with that principle in mind.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. FENTON].

The question was taken; and on a division (demanded by Mr. FENTON) there were—ayes 69, noes 78.

Mr. FENTON. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. FENTON and Mr. JACKSON of Washington.

The Committee again divided; and the tellers reported that there were—ayes 85, noes 93.

So the amendment was rejected.

Mr. HAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAND: On page 69, line 13, insert a new paragraph as follows:

"Travel Division: For expenses necessary in carrying out the act of July 19, 1940 (16 U. S. Code 18), including personal services in the District of Columbia; participation by the Travel Division in domestic and international expositions and conferences dealing with travel; and printing and binding, $63,600."

Mr. HAND. Mr. Chairman, in 1940 the Congress passed legislation directing the Secretary of the Interior, through the National Park Service, to encourage, promote, and develop travel within the United States, subject to the condition that such activities not compete with private agencies. This legislation granted authority for annual appropriations not to exceed $100,000. The Secretary accordingly established the United States Travel Division, and considering the very small sum allotted for this purpose, this Division has done a splendid job of cooperating and coordinating with private activities in generally encouraging travel at home. It does not duplicate the activities of private industry and does not advertise any specific section of the country, but carries on a broad program designed to point out the benefit, pleasure, and recreational value of travel in this country.

Under the 1940 act, there was an advisory committee on travel promotion, which included the executives of the American Automobile Association, the American Hotel Association, the Association of American Railroads, the National Association of Motorbus Operators, the Air Transport Association, and other similar groups. And I think it can be safely said that the activities of the Travel Division have met with the enthusiastic approval of those great groups, and of the National Association of Travel Officials, which represent several hundred State, regional, and private travel organizations.

I do not believe that the authorized annual amount of $100,000 has ever been spent. During the last fiscal year, for example, I think $75,000 was appropriated, a trifling sum when it is contrasted with the vast billions in business which is directly concerned with domestic traveling, particularly to the great recreational areas of our country.

In the budget for the current fiscal year, the sum of $63,600 was recommended. As small as this sum is, I learned just this morning that the committee had eliminated the provision entirely from the pending bill. The purpose of my amendment is to restore this small sum for a very worth-while activity, which directly touches, and materially assists virtually every State in this Union; and literally thousands of private enterprises which depend on travel and recreation.

In my State of New Jersey, for example, although it is the sixth greatest industrial State in the Union, nevertheless, its resorts and recreational facilities are estimated to be its largest and most profitable industry. The value of travel and recreation to New Jersey alone, is well in excess of a billion dollars, and the same thing can be said for all the other great recreational areas throughout the country; including, of course, the famous resorts of New England, California, and the Pacific Northwest, Florida, the Great Lakes area and throughout the magnificent scenic interior of the continent.

Mr. Chairman, I am certain that the committee misapprehended the use of this fund when they eliminated it. Their report seems to take the position that travel to our national parks has lately been of unprecedented volume, and needs no further encouragement. This arises from the misapprehension that the Travel Division is concerned only with national parks, which is not true. They have concerned themselves with encouraging travel throughout the country, and particularly to our recreation areas.

Moreover, there is a substantial recession in travel and resort business generally, as anyone who is familiar with the situation fully knows.

Last year this House passed the Wolverton bill creating the United States Travel Bureau within the Interior Department, in order to avoid the confusion that this service was tied up entirely with National Park Service; but while the bill had the unanimous approval of the Committee on Interstate and Foreign Commerce, and the unanimous approval of this House, it was caught in the legislation jam prevailing in the other body at the close of the session, and failed to become law.

The action of the House last year would have improved and somewhat expanded the functions of the Travel Division, and not eliminated it, as the present appropriation bill will do.

The bill last year was enthusiastically recommended by the Secretary of the Interior, who said among other things the following:

Notwithstanding the small amount that has been expended so far in carrying out the functions under the 1940 act, we have received the enthusiastic support of the travel industry for the work that has been done and the program that has been devised. It is evident, however, that the administration of these functions on a suitable basis is needed to afford adequate opportunity for the exchange of information on a Nation-wide basis between the various components of the travel industry. This is desirable also in order to assist in furthering the needs of the traveling public. A Federal travel office or agency equipped with suitable facilities and personnel will provide an adequate means of furnishing impartial information to individuals and organizations in this country and abroad concerning all phases of the travel attractions of the Nation.

Mr. Chairman, every other major nation in the world has a travel bureau to promote travel in its country. Not only are they promoting travel abroad, but we are lavishly helping them. In the President's second report to Congress of the Economic Cooperation Administration, the President said this:

The importance of stimulating American travel to and within the countries participating in the European recovery program was recognized in the act. The earning of tourist dollars by the European countries was considered to be an important means of helping them to balance their international accounts.

In order to promote this tourist trade, a travel branch was created in the Office of International Trade, Department of Commerce, and a travel development section was set up in the Office of the Special Representative in Paris. A Travel Advisory Committee, consisting of leaders in the various branches of the travel industry, was formed by the Secretary of Commerce to assist the program in Washington. Likewise, a European Travel Commission, composed of representatives of the participating nations, was established as an official advisory group to the OEEC, with headquarters in Paris.

These groups have estimated that Europe can earn from $2,000,000,000 to $2,500,000,000 in the tourist trade during the life of the recovery program. By 1952, the western European countries could attract possibly as many as 500,000 Americans per year, thus earning an income of $800,000,000 annually, including transportation.

It is my understanding that within the last few days the ECA has allocated a very substantial sum of money to encourage travel in Italy.

In the New York Times of March 29, an editorial quoted Mr. Hoffman, the ECA Administrator, as saying that Europe could supply its dollar shortage by furnishing us with an additional $2,500,000,000 worth of European goods, and he concluded his statement by saying, "The rest of the present adverse balance might be taken care of by tourists' expenditures abroad."

I should not like to think that it has become the fixed policy of this Nation to spend any amount of money to encourage traveling abroad, and to pinch out of this bill $63,600 to "see America first."

In the next few days you are going to be asked to appropriate five billions for Europe, and of that amount, substantial moneys will be spent to encourage travel abroad. It is unthinkable that, particularly in view of that situation, you are going to turn down my request for a paltry $60,000 to encourage travel at home.

Mr. Chairman, Americans need American dollars too, and I hope you will consider this when you vote.

I sincerely urge that every member of this committee, particularly all Members whose districts are interested in travel and recreation, strongly support this measure. For myself, I should not want to answer the charge that billions are spent to improve business abroad, and that $60,000 is refused to encourage business at home.

Mr. KIRWAN. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. KIRWAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, cutting out this $63,000 that had been appropriated for the past several years is justified. When you drive along the American highways and see the number of people who are traveling, let me tell you that if there ever was a waste of money it is to keep 5 or 10 men on the job here in Washington paying them $5,000 a year, to tell the American people to travel. All you have to do is to give Americans some kind of a make-shift automobile that really does not need to have a tire on it, a pint of gasoline, and he will travel. Then, when you see the Government setting aside $63,000 to encourage him to travel, I tell you that it is waste in Government, and champion waste at that, to tell an American how, when, and where to travel.

I am for Americans visiting all the parks and resorts and doing whatever they want to do, but I repeat, to keep five men down here turning out a lot of literature to tell the American people to travel—no. I do not know of any amendment that the Committee should vote down quicker than that.

Mr. HAND. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield.

Mr. HAND. I hope the gentleman shows the same interest for the United States Treasury when the ECA bill comes on the floor, out of which hundreds of thousands of dollars will be spent by this country to encourage Americans to travel in Europe.

Mr. KIRWAN. They probably have billions in there, and I will be voting for it, but I repeat, you do not have to encourage Americans to travel. They may have to do that in Europe, where they are sitting around a bottle of wine and don't want to get up; but not here. Americans will travel in this country if you give them anything at all to travel on.

Mr. HAND. May I make one further suggestion?

Mr. KIRWAN. Certainly.

Mr. HAND. Those of us who understand the resort and recreation business in this country can tell you that travel is in recession right now.

Mr. KIRWAN. I tell you I like the parks and I like to travel and I am no different than 130 or 140 million other Americans at all. This is one country that you do not have to tell to travel. That has been proved since the beginning of the Nation. The only thing that stopped them from traveling was when they hit the Pacific Ocean.

Mr. HAND. Was the gentleman present last year when the House unanimously passed a bill to encourage and extend the very worth-while activities of this Commission?

Mr. KIRWAN. Certainly I was. I have been in the House now for a few years. I again tell you that I want to see the American travel and I want to see him prosper; I like to see that. The only thing I am trying to drive home to you, as an American, is that nobody ever has to tell me to travel. Just give me a ham sandwich any day and enough to buy a little gas, or like the majority of Americans, a hot dog, and I will travel. I do not have to be advised to do that; and that is the same with us all.

Mr. HAND. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield.

Mr. HAND. With the gentleman's expression of his desire to travel, I hope I shall have the pleasure of entertaining him in Atlantic City this summer.

Mr. KIRWAN. I spent 5 years in Atlantic City.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey.

The question was taken; and on a division (demanded by Mr. HAND) there were—ayes 22, noes 76.

So the amendment was rejected.

Mr. POTTER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, on page 74 of the bill is an item of $20,000 allowed by the committee for research to eradicate and control the sea lamprey, which is a menace to the fishing industry of our Great Lakes.

For the benefit of the members of the committee I have brought a specimen sea lamprey in this jar. This is a sea lamprey. It is a form of eel that attaches itself to our fish. It has a particular preference for lake trout. This is a salt-water lamprey. It came into our Great Lakes originally, possibly through the Welland Canal.

To show you what damage it has done to the Great Lakes fishing industry, let me submit a few figures regarding three of the Great Lakes in 1925 and in 1929. In 1925 the catch of lake trout in Lake Huron was 1,615,000; in Lake Michigan, 3,422,000; in Lake Superior, 1,836,000. In 1929 the catch of lake trout was: In Lake Huron, 1,371,000 pounds; in Lake Michigan, 2,777,000 pounds; in Lake Superior, 1,934,000 pounds; or a total for these three Great Lakes of 6,083,000 pounds.

The sea lamprey came into the upper Great Lakes in 1939. At least that is when they made their mark as far as the marked decrease in the commercial fishing catch was concerned.

In 1948, last year, the commercial catch of lake trout in Lake Huron was 5,025 pounds; in Lake Michigan it was 584,000 pounds, which is a decrease of over three-quarters, a 75 percent decrease in the matter of 5 years. It has gone down year by year. In other words, today the lake trout is practically extinct, with the exception of Lake Superior, and the sea lamprey is now in Lake Superior.

The committee's hands are tied because the existing law puts a $20,000 limitation on it. I have introduced a joint resolution and hearings have been held by our committee. This resolution would direct the Director of the Fish and Wildlife Service to request whatever funds are necessary for the control and eradication of this eel.

Mr. Chairman, this involves a multi-million-dollar industry which is going out of the window unless Congress does something about it. So I hope when the resolution comes on the floor of the House for consideration the Members will get behind it in order to save a great industry.

Mr. LEMKE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEMKE: Page 47, line 7, after the word "Congress", insert a colon and add the following: *"Provided,* That not less than $1,500,000 of the sums hereby appropriated under this head shall be reserved for the diversion dam, Missouri-Souris division, Missouri River Basin project."

Mr. JACKSON of Washington. Mr. Chairman, I make the point of order that this particular amendment is legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from North Dakota desire to be heard on the point of order?

Mr. LEMKE. I do, Mr. Chairman.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. LEMKE. Mr. Chairman, this amendment earmarks a portion of the appropriation for a purpose for which it may be used. It is not additional legislation.

The CHAIRMAN. May the Chair ask both the gentlemen, Is this diversion-dam project already authorized by law?

Mr. LEMKE. It is part of the Sloan-Pick plan.

The CHAIRMAN. Does the gentleman from Washington [Mr. JACKSON] agree with the gentleman from North Dakota [Mr. LEMKE] that this project is authorized by law?

Mr. JACKSON of Washington. Mr. Chairman, there is some question in my mind whether this specific project is

authorized by law. I wonder if the gentleman would cite the authority?

Mr. LEMKE. It is part of the Sloan-Pick plan, when the Bureau was given authority to build dams in the tributaries of the Missouri River and the Army was given authority to build dams in the main stream.

Mr. JACKSON of Washington. I am still at a loss as to whether or not this particular project has been authorized by public law. The Sloan-Pick plan is a general plan which covers a lot of projects. Some have been authorized and some have not.

Mr. LEMKE. I may say further that last year $287,500 was earmarked by this committee for the construction of this dam.

The CHAIRMAN. Does the gentleman from Washington concur in that view? The gentleman from North Dakota states this specific amount was included and appropriated last year for this particular item.

Mr. JACKSON of Washington. I will say to the gentleman from North Dakota that that does not necessarily make it an authorized project. The funds may have been appropriated, and no point of order made against it. The gentleman from Iowa is more familiar with this particular project than I am.

Mr. JENSEN. Of course, an appropriation was made last year for this particular project. It was brought from phase B, which is investigation and planning. Last year we appropriated up to phase A, construction, and an appropriation was made for this specific job for construction.

The CHAIRMAN. Does the gentleman from North Dakota [Mr. BURDICK] desire to be heard on the point of order?

Mr. BURDICK. Yes, Mr. Chairman. This project was authorized in the 1944 Flood Control Act with an appropriation of $200,000,000 for the dams and $200,000,000 for diversion. It is authorized, and there was an appropriation on that authorization.

The CHAIRMAN. Can the gentleman cite the law relating to the project in question?

Mr. LEMKE. Public Law 534.

Mr. JENSEN. There is an appropriation in this bill of $50,000 for planning for this project, per the budget request, which I think proves that it is authorized.

Mr. BURDICK. Mr. Chairman, the matter before us now came into this Congress in a peculiar way. Document 475 came before this Congress authorizing the building of the Garrison Dam by the Army engineers. Senate Document 191 came in authorizing diversion of the waters, to which this amendment alludes. Those two documents, with the consent of the engineers on both sides, resulted in the law which we passed, which was known as Document No. 247. On that document the law was based. That program was authorized.

The CHAIRMAN. Does the gentleman from Washington desire to be heard further?

Mr. JACKSON of Washington. Mr. Chairman, I should merely like to make the point that if this is to be treated as a reclamation project it must either be specifically authorized by statute or by a finding of economic feasibility by the Bureau of Reclamation, Department of the Interior. If it is not in either one of these categories, then I suggest to the Chair that the project is not authorized in the manner provided by law.

The CHAIRMAN. The Chair is prepared to rule.

In the light of the information given the Chair, the Chair would invite attention to section 9 of the Flood Control Act of 1944. It would appear from the best examination the Chair has been able to make that the project mentioned in the pending amendment is authorized under that provision. Therefore, the Chair overrules the point of order.

Mr. LEMKE. Mr. Chairman, I call the attention of the Committee to the fact that yesterday I tried to save $15,000,000 for the Public Treasury that the Army is spending beyond the mandates of Congress, in buying land in order to flood the land and drive the farmers and some Indians off that land, yet here we are trying to get $1,500,000 to save a repetition of what we had in North Dakota in 1937.

In that year I was one of a committee of five that finally succeeded in getting an additional $37,000,000 from the Federal Government to help take care of hungry people in western North Dakota, South Dakota, Nebraska, and Kansas. We got the $37,000,000. With that we bought hay for cattle and paid $25 a ton, and paid $12 a ton for straw that was so soaked with water you had to chop it with an ax in order to feed it. The farmers up there are still paying for the feed and seed they got from that $37,000,000 that was partially loaned to them.

This amendment has for its purpose starting construction of a diversion dam as to which the Bureau of Reclamation testified before the Committee on Appropriations last year and asked to have $250,000 earmarked for beginning the construction of the diversion dam to help irrigate, when the dam is completed, some 1,335,000 acres in North Dakota.

This is the language in Report No. 2038, of the Subcommittee on Interior Department Appropriations, in 1948:

> It has specifically earmarked $250,000 to start construction of the Missouri River diversion dam in the State of Montana in connection with the Missouri-Souris project in Montana and North Dakota.

There was $250,000 carmarked when the gentleman from New York was the head of the Committee on Appropriations and now we have the gentleman from Missouri throwing out what was done by the gentleman from New York to help irrigation. I do not intend to quibble. This dam may again save the Federal Treasury millions of dollars when we again get a drought. We have plenty of rain now, but the time to build this dam is during the time that there is plenty of water and not after the drought comes. You could have stepped from carcass to carcass of starving cattle in 1937, not only in North Dakota, but in other States as well. This particular appropriation starts the diversion dam. It will irrigate land in Montana and ultimately will irrigate 1,337,000 acres in North Dakota. From the return flow we will fill Devil's Lake, a lake that used to be 35 miles long and 35 feet deep, and which is a little mudhole of a couple of square miles now.

I urge upon the members of the committee the necessity of beginning this dam now, rather than to wait until 1956, when we may have a drought and it will be too late.

I can see no reason why this particular amendment should not carry. Remember we had $257,000 earmarked in the House. The other body added $37,500. Then the Bureau spent $87,500 of that earmarked money. It is ready to let the contract for 1950 to begin the construction of this dam. I cannot see why this Congress should not insist that the Bureau of the Budget follow the mandate of Congress. The trouble with this has been that the Bureau of the Budget thought that it was bigger than the Congress of the United States. The Congress of the United States earmarked this money, and the Bureau of the Budget reported $200,000 as unobligated funds. Those funds were obligated and they are still obligated. The people of North Dakota and Montana relied upon the good faith of the Congress.

Mr. LEMKE. Mr. Chairman, I also should like to comment briefly upon the elimination of an item of $180,000 for the investigation of recreational and archeological resources by the National Park Service, referred to in the committee report on this bill.

I am sure that the House Appropriations Committee when it acted to eliminate this work, was not in possession of all the facts regarding these activities.

In the first place, this work has been a regular activity of the Federal Government for the past several fiscal years and the present appropriation is simply designed to carry an approved program forward toward completion.

In the second place, extremely important scientific resources will be lost forever as a result of early flooding caused by dams now in advanced stages of construction if these funds are not appropriated. This is not an idle statement. Leading universities and research institutions, including representatives of Harvard, Columbia, Texas, Georgia, Washington, Oregon, California, Oklahoma, Denver, Chicago, Houston, Pennsylvania, Ohio, Illinois, and Southern California have cooperated with Federal agencies in the surveys which support the importance of this estimate.

I am sure that the committee did not have possession of all of the facts when it stated that "private institutions and Government agencies having funds available for archeological work will be able to carry out whatever archeological studies and investigations the national interest may require." The 17 universities and State institutions which have been cooperating in these surveys have expended $55,000 of their own funds in this work, but they have been unable to touch the major excavation problems which this urgent river-valley projects are forcing upon the attention of all informed scientists. On the contrary, the Federal agencies involved have been specifically advised by State institutions that they do not have the resources nec-

essary for the immediate large-scale excavations made necessary by the present emergency. Unless these funds are appropriated by Congress during this session, it will mean that the United States Government is abandoning to floodwaters, records of this Nation's history, which, if preserved, will occupy a unique place in the scientific, cultural, and educational heritage of our Nation. These materials, when recovered, will go in large part into State and local museums for the benefit of the public, the Nation's scientists, and the schools.

There is a further unfortunate element in the elimination of this item of $180,000 for river-basin studies. The construction of dams and the impounding of waters in large reservoirs is destined to affect materially the recreational resources of every region in the United States where river-valley developments are in progress. It is essential that the utilization of these resources for recreational use be carefully planned in advance. Unless this is done, a hodgepodge of unplanned developments will almost certainly clutter the landscape and permanently mar and mutilate the lake and reservoir areas which would otherwise be available to our people for public recreation. Construction agencies have specifically requested the expert advice of the National Park Service on this work in order to avoid the necessity of duplicating this activity with less experienced personnel in charge.

I hope that the passage of this bill will not preclude full consideration of these matters at a later date.

Mr. NORRELL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is unnecessary to say that we dislike to oppose any amendment offered by our good friend, Judge LEMKE, for whom we have great confidence and like very much. But, Mr. Chairman, the committee has heard the engineers of the Reclamation Service on this subject. They have a comprehensive plan. Some of the projects are under designation A, which are now ready to be constructed. Other projects come under the designation of B, which are projects not ready for construction. Still others are designated C, as projects to be constructed at a still later date. There are a multiplicity of projects under designation A, and many others under designation B. There are many, many projects throughout the 17 States of the West, constituting the reclamation area which are designated under B, which will be ready for construction at a later date. It is not quite fair to the other projects in this area not now ready for construction to take one out of designation B and place it in designation A. The engineers did not recommend it, the Bureau of the Budget did not recommend it, and the subcommittee did not recommend it. Neither did the full committee.

Gentlemen, to be absolutely fair with all of our colleagues who have projects under designations B and C, I think we ought to let the recommendations stand.

I hope the committee will approve the action of the subcommittee in this respect, because it has tried to be fair.

I now yield with a great deal of pleasure to my genial friend the gentleman from North Dakota, Judge LEMKE.

Mr. LEMKE. May I suggest to my good friend that the subcommittee gave us to understand that they would write language into the bill this time that the Bureau of the Budget would also understand. I want to read the words of the gentleman from Washington [Mr. JACKSON]:

> There has been an injustice done, from what you say. That is apparently true. We certainly can write mandatory language in the bill. There is no discretion left as to whether it is A, B, or C.

That is the subcommittee when I appeared before them, and that is all I know about the subject.

Mr. NORRELL. There is no one on the committee who stands higher than my good friend the gentleman from Washington [Mr. JACKSON]. I know nothing about his statement. The committee will do what it can to uphold his statement. I trust the amendment will not be adopted.

The CHAIRMAN. The time of the gentleman from Arkansas [Mr. NORRELL] has expired.

Mr. BURDICK. Mr. Chairman, I rise in support of the amendment. I do not expect to have any influence with reference to this amendment, because I have horse sense enough to know that when the Democrats crack the whip the votes will be on the other side. But at least I want to take this occasion to let you know what you are doing. I do not think you knew yesterday, but you will have a chance to find out today if my voice holds out.

This program was adopted in 1944. It was a dual-purpose program. One was to build a dam at Garrison, N. Dak., and the other was to take the water out of the Missouri River and bring it down on the higher lands, run by gravity, to fill the eastern part of North Dakota with needed water. The dam feature was known as the Pick plan, and the diversion was known as the Missouri-Souris program, and they both went in together. When you passed the law you passed them both. When you authorize construction of either you authorize the construction of both, $200,000,000 each way.

The Army engineers and the Bureau of Reclamation do not get along very well, and they have not for the last several years. We are punished in our section of the country because those two agencies cannot get along.

Yesterday you made it possible for the Army engineers to drown out 50,000 people. I do not know that they will. Perhaps we can prevent it in some other way, but you made it possible for them to do that. Now, today, by this amendment, you make it possible to not only give the dam but to go on with the rest of the program, take the water out of the Missouri River. You are not injuring anybody, because the water runs by ditch, by gravity, to fill an area that is short of water. There is no power development involved. It is simply a case of furnishing water to the people. The Army engineers will have nothing to do with the building of this diversion. I want the gentleman from Arkansas [Mr. NORRELL] to understand that. The Army engineers have nothing to do with that at all. That will be done by the engineers of the Bureau of Reclamation.

Mr. NORRELL. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I will have to, since I mentioned the gentleman.

Mr. NORRELL. The point I tried to make was that the engineers of the Reclamation Service designated this project in classification B, and that is where it stands as far as the subcommittee is concerned.

Mr. BURDICK. Not the Bureau of Reclamation engineers. No. The engineers of the Bureau of Reclamation did not. It was the engineers of the Army that did that, because that same jealousy exists today. They want to build the dam but they do not want that other project to be built, because under the agreement they made themselves all irrigation is under the control of the Bureau of Reclamation. All beneficial use of water is under that control, and the only control the Army has is over navigation and flood control. If they can prevent that development from being built, then they can build the dam as they see fit; and, believe me, they will build one.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield.

Mr. JENSEN. Along with several other members of the committee I toured over the Missouri-Souris project in the fall of 1947. All of us were thoroughly sold on that project. I think it is one of the best, the most feasible, projects of its kind in the 17 Western States; but I think this treatment the Congress is giving that project is a bad treatment, an unfair treatment to the people of North Dakota.

Mr. BURDICK. I thank the gentleman from Iowa. And especially bad after money was appropriated for its construction at one time and work was started. Then this committee comes along and takes away that appropriation. It seems to be the case where only those who have can lose and those who have not even the little that they hath will be taken away.

This whole law was passed in this body for these two programs; they were brought in together; they did not come in separately, and you passed your judgment on it to build them both. Now you refuse to build one, and you side in with the Army engineers who want to flood that entire country when it is not necessary. If it were necessary for us to give up our homes, if it were necessary for me to give up my home for the benefit of the whole country, I would do it; but it is not necessary, and even under cross-examination the Army engineers this afternoon could not tell you it was necessary. They are determined to have their way regardless of damage, regardless of injury, and regardless of the consequences.

Probably time that cures all things will cure the Democrats from following the Army engineers blindly. I am proud of the stand of every Republican in Congress on this matter. If we are compelled to give up our homes, lose our city

and our irrigated fields, I want the world to know the Democrats did it.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. KIRWAN. Mr. Chairman, I move that all debate on this amendment close in not to exceed 10 minutes.

The motion was agreed to.

Mr. RICH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, here is where you can build a dam, a big dam, a dam that will hold water, a flood-control dam, if you want to build it in North Dakota. These men have asked for it and it has been approved by the engineers of the Interior Department. You had better build this dam, for with all the waste that is going on in this country you soon will not have anything to dam up, not even water. You will begin to believe me, we are headed for bankruptcy perhaps, when you realize that you have gone in the red this year to the tune of $2,406,511,161.07 as of March 25 Treasury statement. In the face of that you are acting like a lot of sailors who will never be able to see the daylight in spending and squandering the people's money and resources.

You have in this bill now under consideration approved an item of $100,000 for this rum plant over in the Virgin Islands. Do you know that every one of you Members is now in the rum business and that you have got every man, woman, and child in America in the rum business, and that you are carrying it on right here in this legislative Chamber and in this bill? Get out of the rum business and do it at once; it will wreck you, morally, physically, and spiritually. Stop the rum business at once. Yet you will not give these people in North Dakota the water-control project they need. You ought to be ashamed of yourselves; you just ought to be ashamed of yourselves, keeping us in rum and not in water dams.

Mr. KIRWAN. Mr. Chairman, will the gentleman yield?

Mr. RICH. I must always yield to my distinguished colleague from Ohio.

Mr. KIRWAN. How did the gentleman vote on the park plan for Philadelphia?

Mr. RICH. I voted for it, and I will tell the gentleman why.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. RICH. No; I cannot yield because I must answer the gentleman from Ohio.

The other day I asked, Where are you going to get the money? I want to show the Members on that side of the aisle where you are going to get this money. In the next few days you are going to be asked to appropriate $5,680,000,000 for aid to Europe. You are going to build up Europe even if, in the process, you tear down America. The idea of the President of the United States advocating a heavier burden of taxes on the people of America when just to the north of us in Canada the Government says their taxes are going to be cut a third, when in most parts of the British Empire taxes are being lowered. But we must give aid to the British Empire to keep the country going in the socialistic way to the tune of billions annually. You ought to be ashamed of yourselves—keeping a Socialist country going like that. Billions for Socialists but not even a dam for Americans. You will not let these fellows out in North Dakota have a million and a half for a dam. There are lots of things in this country that ought to be done. But you will give $5,680,000,000 to these foreign countries to help them. Do what? Keep the socialistic government of Great Britain alive—yes, keep that socialistic government alive—when their own Provinces will not try to help them. Now, we come in and stick our noses into other peoples' business, and as was said here the other day by the gentleman from Mississippi, when we stick our noses in the other fellows' affairs, we stick our necks out, and I say we will soon get our heads chopped off.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. The gentleman from Ohio asked a question how the gentleman voted on the Pennsylvania matter a while ago. The people of Pennsylvania and the rest of the country will bless the gentleman for the way he voted on that matter.

Mr. RICH. Certainly they will. I am trying to protect the people of Pennsylvania. That is my duty; that is what the people back in the Fifteenth Pennsylvania District elected me for. They did not elect me to soak every one of them $42 this year or more to give away to foreign countries without the consent of the people, and I am not going to do it. I am not going to betray the American people, and especially the people of Pennsylvania who elected me. I shall serve them for their best interest fearlessly and unafraid.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I want to compliment the gentleman on his vote to preserve that great historic shrine in Philadelphia. I believe that is entitled to just as much consideration as the $16,000,000 that we appropriated the other day for the dispossessed Arabs. It is about time that we recognized those spots of historic significance that stand out in our history and preserve them to give to generations that follow us an opportunity to know what America stands for.

Mr. RICH. The gentleman is absolutely right. I thank him. I say to the Members of Congress, let us support American projects, let us give these people in North Dakota a million and a half dollars to build a dam so we will not be damned hereafter. We are not and have not been doing the things that will make America strong; that will make America great; that will keep us solvent. Why, I would just as soon believe those countries that now get our aid will turn against us when the money stops going to them. We cannot keep it up, so we are only weakening our own selves by not stopping it. Do it now for the sake of our country and future generations who will have to pay the bill or go broke. Strengthen America and look after our own people. I plead with you now. I implore you to look after our own and to do that we must stop giving away our six billions annually; that is $42 for each American man, woman, boy, and girl. A man with a wife and four children, means $252 to others without his consent. I term it highway robbery or thieving.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Dakota [Mr. LEMKE].

The question was taken; and on a division (demanded by Mr. LEMKE) there were—ayes 63, noes 82.

Mr. LEMKE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. JACKSON of Washington and Mr. LEMKE.

The Committee again divided; and the tellers reported that there were—ayes 82, noes 85.

So the amendment was rejected.

Mr. JENSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENSEN: On page 36, line 13, after "work" and before the period insert the following: "*Provided further*, That not to exceed $50,000,000 of appropriations available for expenditure by the Bureau of Reclamation during the current fiscal year shall be used for administrative personal services and other personal services; *Provided further*, That the total number of employees in the Bureau of Reclamation holding permanent, temporary, or other appointments in grades CAF–9 and P–3, or both, shall not exceed 3,500 at any one time during the current fiscal year."

Mr. JACKSON of Washington. Mr. Chairman, I make the point of order against the amendment that it is legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from Iowa desire to be heard?

Mr. JENSEN. Yes, Mr. Chairman.

Mr. Chairman, this amendment is purely and simply a limitation of appropriation. It was in the bill last year and no point was raised against it. I am simply attempting to place the same language in the bill, with the exception of a little change in figures, as was in the fiscal year 1949 appropriation bill.

The CHAIRMAN. Does the gentleman from Washington desire to be heard on the point of order?

Mr. JACKSON of Washington. Mr. Chairman, of course the fact that the amendment was agreed to during the last session does not mean it would not be subject to a point of order at this time. I presume no point of order was made a year ago because the particular amendment came from the committee under a rule limiting points of order. The amendment was not agreed to on the floor of the House, it was agreed to in the committee, and came from the committee with a rule waiving points of order. Certainly the language, "The total number of employees in the Bureau of Reclamation holding permanent, temporary, or other appointments in grades CAF–9 and P–3, or both, shall not exceed 3,500 at any one time during the current fiscal year" is clearly legislation. It is not a limitation of funds at all. It is in the administrative field, where you are administering the department, as to the number of classified people, and that has nothing to do with the amount of funds that could be used.

Mr. JENSEN. Mr. Chairman, certainly it is nothing more than a simple limitation of an appropriation which I am attempting today. Last year this was discussed on the floor of the House and no one raised a point of order against it. The bill came before the House last year under the same kind of rule as this bill comes to the floor of the House today. Certainly there is no legislation in this bill.

The CHAIRMAN (Mr. COOPER). The Chair is prepared to rule.

The gentleman from Iowa offers an amendment, which the Clerk has reported, against which the gentleman from Washington makes a point of order on the ground that it contains legislation on an appropriation bill, in violation of the rules of the House.

The Chair has examined the amendment with some degree of care. The gentleman from Iowa points out that the amendment is only a limitation on an appropriation bill. The first proviso contained in the amendment probably meets the description given by the gentleman from Iowa. If the amendment contained only the first proviso, the Chair would be inclined to agree that it is a limitation on an appropriation bill. However, the Chair invites attention to the second proviso contained in the amendment, which does not make any reference to a limitation of funds but seeks to control the number of employees that may be used in a department, and also has reference to the Classification Act and other matters which the Chair thinks very clearly constitute legislation. Therefore, the Chair sustains the point of order.

Mr. JENSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENSEN: On page 36, line 13, after "work" and before the period, insert the following: *"Provided further,* That not to exceed $50,000,000 of appropriations available for expenditure by the Bureau of Reclamation, during the current fiscal year shall be used for administrative personal services and other personal services."

Mr. KIRWAN. Mr. Chairman, I ask unanimous consent that debate on this amendment close in not to exceed 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. JENSEN. Mr. Chairman, the purpose of my amendment is to avoid, if possible, this overstaffing and overlapping of administrative personnel in the Bureau of Reclamation. We went into this matter very thoroughly last year and discovered that they were asking, according to their own figures, around $53,000,000 for personnel and administrative hire for the Bureau of Reclamation. After full consideration, the committee saw fit to put a limitation of $45,000,000 in the bill.

The House accepted that provision. It went to the other body, where it was raised to some degree, and then the conferees agreed on $48,000,000. What do we find this year? As near as I can discover, we have in this bill approximately $60,000,000 for administrative and personnel hire of the Bureau of Reclamation. I have asked for the facts and figures this year, as we did last year, but for some unknown reason I have not been able to obtain those facts and figures. Now we learn that the Department of the Interior is requesting 8,000 more people on their pay roll, out of which the Bureau of Reclamation will get between 4,000 and 6,000 more pay-rollers.

This thing just has to stop somewhere. We just heard a lot of Fair Deal opposition to spending a small amount of money for Independence Hall in Philadelphia. I am proud to say that not a single Republican Member of this House opposed the request of the gentleman from Pennsylvania [Mr. FENTON]. Now I suppose you will defeat this amendment, which will save many millions of dollars which would stop this overstaffed Department from piling a lot of unnecessary employees onto the pay roll and have a lot of people sitting around all over the place, stumbling over each other, getting into each other's way, and traveling all over the United States, spending money for hotel bills, getting their per diem when they are out of town, and so forth, all at the taxpayers' expense.

I hope, Mr. Chairman, that this amendment will be agreed to. Certainly no one can justify permitting the Bureau of Reclamation to spend approximately $60,000,000 for administrative and personnel costs. Here is a chance to save somewhere in the neighborhood of $10,000,000, not waste it.

Someone will say that this is for the blue-denim boys, the boys who use the spade and shovel. It is no such thing. That is operation and maintenance. This is for the white-collar boys. Do not let anyone tell you any different. These are the white-collar jobs or at least a very great majority.

Mr. TABER. How much will this amendment reduce their administrative expense?

Mr. JENSEN. I just said I could not find out because they will not give me the figures. They gave them to me last year when I was chairman of the subcommittee.

Mr. TABER. How much was it then?

Mr. JENSEN. It was $48,000,000. I am allowing enough to take care of the pay raise, by adding two million. By holding it down to $50,000,000 we will save this waste of around $10,000,000.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. KIRWAN. Mr. Chairman, I rise in opposition to the amendment.

The gentleman from Iowa said this is just administrative cost; for the white-collar boys. Let us read the amendment:

There shall be used for administrative personal services and other personal services.

The fellow with the pick and shovel is just as much personal service as the fellow with the white collar.

Mr. JENSEN. Now the gentleman knows——

Mr. KIRWAN. You drew the amendment. It says "personal services."

Mr. JENSEN. It is the same amendment that was put in last year.

Mr. KIRWAN. I do not care when it was put in. I am talking about what is in this amendment—"Personal services." This was put in last year and it was taken out about 6 weeks ago in the deficiency bill. We know what it did to the Nation last year and how it slowed up progress. We know from experience that it cost millions and millions of dollars, this same language, last year. Do you want to go through that again? I think once is enough.

Mr. JENSEN. Will the gentleman yield?

Mr. KIRWAN. No. It is not any use yielding. The record is there of what we have already gone through.

Mr. JENSEN. The gentleman knows we got more construction last year.

Mr. KIRWAN. We could get it done now if we appropriated the money.

Mr. JENSEN. But we got the work done.

Mr. KIRWAN. Now, that is the crux of this amendment. They want $50,000,000, but they want it tied down to administration. They want to tie their hands. I throw out this challenge to any corporation in America: The administration of reclamation cost 1.9. I do not care whether it is General Electric, General Motors, or United States Steel, they cannot show a record as good as that. I am trying to tell you what it costs. It just cost 1.9 to administer reclamation. If the Government is doing such a good job as that and you want to cut it down to $50,000,000—let us consider what would happen if the same formula were applied to the Army. Suppose we drafted 4,000,000 men to defend this country, but we are only going to give guns to 5,000 of them. You want to do the same thing here. You want to draft them in, but you do not want to give them any guns. You are recommending we spend a huge sum on reclamation and you want to keep them down to $50,000,000 for administration.

Mr. JENSEN. That is 20 percent.

Mr. KIRWAN. You did it last year, and we know the outcome of it. Contractors are coming in now for a million dollars that they claim the Government owes them. We know what happened all along the line. I certainly hope the Committee votes this amendment down and lets reclamation and irrigation go forward.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield.

Mr. MARSHALL. Actually, by an amendment such as this you increase the cost of administration, because you need all of the people in the Bureau of Reclamation keeping track of what is spent all over the country. Just think what a lot of paper work that requires. Actually that would be a big increase in administrative costs.

Mr. KIRWAN. I thank the gentleman for his contribution.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

The gentleman from Illinois [Mr. YATES] is recognized.

Mr. YATES. Mr. Chairman, the attack by the gentleman from Iowa on employees of the Bureau of Reclamation

compels me to rise and reply. Yesterday the gentleman from Iowa saw fit to cast aspersions upon the integrity of the Administrator of the Bonneville Power project, Dr. Paul J. Raver. He has called for an investigation of Dr. Raver personally and of his activities in administering Bonneville.

I know Dr. Raver personally. I worked with him as a member of the staff of the Illinois Commerce Commission from 1937 to 1940. He was then executive officer and chairman of the Illinois Commerce Commission and I was one of the commission's attorneys. I worked with him and I came to know him very well. I saw his actions as the directing force of the Illinois public utility regulatory agency.

Dr. Raver was appointed to his post by Gov. Henry Horner, one of the greatest men the State of Illinois has known. Under the guiding hand of Governor Horner, Dr. Raver's administration of the commission was unsurpassed in the benefits which it brought to the people of the city of Chicago and Illinois.

The gentleman from Iowa does not question the patriotism of Dr. Raver, because he knows Dr. Raver to be a combat veteran of World War I, the winner of the Purple Heart, one who has in mind and heart above all else the welfare of his Nation and its people.

The gentleman from Iowa does not question the qualifications of Dr. Raver because he knows that as a civil engineer and professor of the subject of public utilities, he is one of the best informed and qualified men in the field in this country.

No—the gentleman from Iowa has taken a letter from Dr. Raver to his superior—a report of his work, and then, by insinuation and innuendo, by leaping from improper premises to illogical conclusions, he has recklessly sought to smear the character of a true American in order that he might, in this manner, stop the progress of public power.

To the gentleman from Iowa, I say that if Paul Raver is guilty of anything, he is guilty of fighting to protect the people of Chicago and Illinois from exorbitant rates charged by private utility companies.

If Paul Raver is guilty of anything, he is guilty of fighting to bring the promise of progress and prosperity to the great Northwest and its people which public power offers.

If Paul Raver is guilty of anything, he is guilty of fighting to bring the magic lamp of electricity to the farmers of Illinois and the Northwest by comprehensive rural-electrification programs. I have just received a letter from Mr. Claude R. Wickard, Administrator of the Rural Electrification Administration of the United States Department of Agriculture, dated March 30, 1949, reading as follows:

UNITED STATES DEPARTMENT OF AGRICULTURE,
RURAL ELECTRIFICATION ADMINISTRATION,
Washington, D. C., March 30, 1949.

Hon. SIDNEY R. YATES,
House of Representatives.

DEAR MR. YATES: During the early days of the REA program, about which you inquired this morning, the REA program in Illinois, as in other States, was hampered and almost stopped several times by the obstructive tactics of commercial utilities. Although they had amply demonstrated their unwillingness to serve the farmers—only 12.3 percent of the State's farms were served with power—nevertheless they did their utmost to keep the farmers from providing this essential service for themselves.

They might well have succeeded, and certainly they would have had a great deal more success, except for the farsighted attitude of the Illinois State Commerce Commission and its executive secretary, Dr. Paul Raver. That commission, under Dr. Raver's urging, set up a State rural-electrification committee which fostered the growth and development of rural electric cooperatives. In most cases this fostering was provided under conditions which required not only foresight but courage.

With the protection and encouragement which Dr. Raver and his associates were able to provide, the co-ops prospered. They grew strong and large. Largely because of their existence, three times as many Illinois farms had power when Dr. Raver left the commission as were served when our program started. The percentage had risen to 37.5.

Now about 85 percent of your State's farms have electric service. The pattern for reaching practically all of the others has been established. This excellent position is to a large extent due to the hard work and sound judgments of Dr. Paul Raver.

To illustrate the active help which the co-ops received, I direct your attention to the editorial which appeared in the December 1937 issue of the Rural Electrification Bulletin, an official publication of the State of Illinois issued under Dr. Raver's supervision. This editorial was reprinted in our Annual Report for 1937. A copy is enclosed.

Sincerely,

CLAUDE R. WICKARD,
Administrator.

Furthermore, on September 5, 1939, the Wall Street Journal had the following to say about Dr. Raver:

SAYS NEW BONNEVILLE HEAD IS INDEPENDENT, MIDDLE-ROAD TYPE

Dr. Paul J. Raver, newly appointed Administrator of the Government's Bonneville project, is an unusual type to find in public office. Starting from the classroom he has risen by merit alone. He is both respected and liked by officials of companies with whose regulations he is charged. Dr. Raver is neither an outright advocate of municipal ownership nor one of those who takes the stand that the entrance of public agencies into the power field is a menace to the public welfare. Rather he views the recent trend toward municipal ownership as an alternative method to which the public turned after the inability of State commissioners to regulate private utilities satisfactorily in some areas had been demonstrated.

There is a place for both the municipal and privately owned utility, Mr. Raver says, but which shall serve a given community and area is for the public involved to determine. As far as the Bonneville project is concerned, a definite duty is owed the taxpayers to make sure that the savings in electric generating costs are passed on to consumers of power and are not used to enrich some private company.

The new Administrator also believes that public power agencies owe a definite duty to private investors in existing public utilities that might be affected. This is to buy them out at a fair price rather than engage in destructive competition. Such price, however, is not to be a bail-out of the excessive valuations that have been placed on a property through a series of sales transactions over a period of years.

Public-utility men in this area whose business has brought them into contact with Dr. Raver consider him a liberal but reasonable man. While he might have been described as a New Dealer 3 or 5 years ago, he is in striking contrast to what that term now implies and is considered definitely a conservative in comparison with some of the Washington administration's other choices for power administrators.

Utility people consider him as sincere in his belief that Government agencies can show the way for private utilities and be of definite aid to them. They regret that he, the first man to head the Illinois Commerce Commission on a strictly merit, contrasted with a political basis, should be leaving this State so soon after his appointment. Indicative that his position on public versus private ownership is not wholly on the former side was his stand on a controversy in this State on rural electrification, wherein he fitted both the private and public agencies into their proper spheres of operation. Utility men speak favorably of him as having crossed swords with the Washington group on the question of the REA and having insisted that the cooperatives established thereunder should not be granted immunity from State regulation.

Dr. Raver is now charged by the duties of his office of assuring that the benefits of Federal expenditures for hydroelectric power production be widely disseminated. That is his job under the law. That job requires the installation and expansion of transmission facilities for power owned by the United States—and that is what is objected to by the gentlemen from Iowa. He knows that he cannot stop the march of progress; the transmission lines will be built. But, insidiously, he seeks to destroy the program by sniping at its most capable employees.

Let us not cloud the issues. Let us not sacrifice the lives and reputations of good Americans to gain legislative ends.

The CHAIRMAN. The time of the gentleman from Illinois has expired, all time has expired on this amendment.

The question is on the amendment offered by the gentleman from Iowa.

The amendment was rejected.

Mr. JENSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENSEN: On page 43, line 3, insert: "None of the funds herein appropriated may be used for the purchase of material for the beginning of any new construction of electrical generating equipment, transmission lines, or related facilities in any State unless approved by the governor, by the board, or commission of the respective States having jurisdiction over such matters."

Mr. JACKSON of Washington. Mr. Chairman, I make a point of order against the amendment on the ground that it is clearly legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from Iowa desire to be heard on the point of order?

Mr. JENSEN. If the Chair pleases; yes.

The CHAIRMAN. The Chair will hear the gentleman, briefly.

Mr. JENSEN. Mr. Chairman, again I contend, and I am sure rightly so, that my amendment is purely a limitation of appropriation. In many States there are State authorities which pass on such matters as this. They find it is good for the States because of the fact they do not want the Government of the United States to encroach on State rights. So

this is in harmony with the programs which are carried on in many of the States at the present time. It is very important and I think for the welfare of this Nation. It is proper and is not legislation on an appropriation bill.

The CHAIRMAN. The Chair is prepared to rule.

The gentleman from Iowa offers an amendment which has been reported, against which the gentleman from Washington makes a point of order on the ground it is legislation on an appropriation bill.

The Chair has examined the amendment and especially invites attention to the following language appearing in the amendment: "unless approved by the governor, by the board, or commission of the respective States having jurisdiction over such matters."

There can be no doubt but what that language would impose additional duties on the governor and the commission and would require affirmative action, therefore it constitutes legislation, and the Chair sustains the point of order.

Mr. JOHNSON. Mr. Chairman, I had intended to oppose the amendment by the gentleman from Iowa [Mr. JENSEN], but since it was ruled out on a point of order, I desire to say a few words about this project—Central Valley project—which so vitally concerns California.

First, I wish to emphasize that the decision of the subcommittee to give a sizable sum for the construction of transmission lines is a wise decision. It was not entered into hastily. That feature—including a steam stand-by plant—has been recommended, by persons who developed and supported this project, for many years. Under leave to include extraneous matter in my remarks, obtained in the House before we went into the Committee of the Whole, I insert here a telegram received from Edward Hyatt, State engineer of California, who worked out the Central Valley water project, which was approved by the Legislature of California and by the people, upon a referendum, in 1933.

This is the telegram:

SACRAMENTO, CALIF., *March 29, 1949.*

HON. LEROY JOHNSON,
Representative, Third California District,
House Office Building,
Washington, D. C.:

In the original Central Valley Project Act approved by the voters of the State in 1933 it is stated that the project shall consist of "(1) a dam, reservoir, and hydroelectric power plant or plants, with necessary afterbay and regulatory appurtenant works located on the Sacramento River at or near Kennett, Shasta County, Calif. Also a transmission line having capacity sufficient to transmit all the electric energy which can be generated at said dam, including substations, transformer stations, and other facilities for the distribution of power from Kennett (now Shasta) Dam to a central substation near the city of Antioch, which transmission line shall be located in such manner and along such route as shall enable the most convenient distribution of electrical energy to the load centers traversed thereby, or capable of service therefrom. * * *" (2) Contra Costa conduit, (3) San Joaquin pumping system, (4) Friant Dam, (5) Madera Canal, (6) Friant Kern canal, (7) other units added by the authority.

Following the descriptions of these units in the act the following statement is made:

"In addition to the works specified in the foregoing subdivisions, said units shall include such plants and works for the generation of electric energy by steam or other power and such electric transmission lines and facilities for the sale, use, and distribution of electric energy as are determined by the Authority to be necessary for making a reasonable, proper, and advantageous sale, use, and distribution of electric energy made available by said units."

EDWARD HYATT,
State Engineer.

This shows clearly that the authors of the project—some of whom, including Edward Hyatt, have devoted their entire adult lives to a study of the water problems of California.

Remember also that no one expects the Federal Government or the State to go into the retail distribution of electricity. What is proposed is that we have a transmission grid, so we can select our customers and will not be the victim of one customer. What does this mean? It means that we will control the power we generate, and the utility which has a complete monopoly of electric distribution of northern California—the Pacific Gas & Electric Co.—will not be the sole customer and distributor of this power. Who are some of our potential customers? A group of cities that have electrical distribution systems, such as Lodi, Redding, Roseville, and so forth. Then we have the Sacramento Municipal Utility District which serves an area containing about 200,000 people. Then there are a considerable group of reclamation districts. For the benefit of our friends not familiar with California I will say that these districts reclaim land against water. They are in the Delta of the Sacramento and San Joaquin Rivers and the total acreage involved is almost 500,000 acres of peat land, the richest in the United States. These districts consist of many islands and water is pumped over the levees onto the land and it is also pumped out of seepage ditches, after it has irrigated the crops, into the rivers and sloughs. The electrical pumping costs of these districts and the ranchers who operate these lands is tremendous. They would welcome some cheap power. Then there are great industries within range of this power who use vast quantities of electricity who are big wholesalers of electricity who might want some of this power. A transmission grid is the businesslike way to handle this vast block of power. I have always contended that if the Government enters a business activity we should give it a setup that makes for businesslike administration. The utility serving this area would also be a customer.

Is this a legitimate field for Government? Certainly it is. We are harnessing a great natural resource. Water is our great perpetual resource in California. It is our white gold. It will continue to be ours as long as we have seasons and mountains and rivers. Under our Constitution these waters belong to the people of California. No private enterprise could have developed this great project and the others that will come in the next half century. We give many services that private enterprise cannot give—because there is no way to assess the value of these services. This project furnishes flood control, salinity control, irrigation water, hydroelectric energy, increased and protected navigation, fish protection, and recreation. The Government must assume some of these as there is no way that the benefits could be equitably assessed against individuals who might benefit by them. How could you assess an owner for flood-control benefits or for salinity-control benefits.

I do not wish to trespass upon the time or patience of the committee but I wish to briefly mention one matter that is generally misunderstood by those not familiar with our conditions. We frequently hear men arise and say in substance "Why should we be called upon to subsidize these great projects? We in New England or in the Middle West are called upon to pay for these projects because great portions of their cost is written off and our taxes help pay for this part of those projects." That indicates a misunderstanding. It is true that the flood-control features of the project and the navigation and salinity-control features are not required to be paid back by the specific beneficiaries of the particular project. But remember that since 1938 the responsibility for flood control has been assumed by the Federal Government. When a flood-control dam is built in New England or in Indiana or Ohio, the people of those areas do not pay for it. The Nation builds and pays for it. This is true of aids to navigation as well. The work done on the port of Houston is paid for by the National Government, although I know, of course, that local interests sometimes pay part of the cost.

Likewise, the National Government pays for flood control in California, helps us with our navigation problems, and pays for salinity control. In a multiple-purpose project the users of irrigation water and the consumers of electricity pay the whole principal back in 40 years, and in some cases, in the case of the electrical features, in 50 years. On the hydro features there is an interest charge of 3 percent. But you say, how are the costs allocated? There is no hard and fast rule. It is figured out by engineers and statisticians. I shall give you a simple case to illustrate the point. My home city of Stockton, Calif., built a flood-control dam in 1928. Its cost was $1,500,000. It was estimated on the basis of engineering studies, that to control the waters of this river so they would not flood the adjacent lands that the dam must have a capacity of 162,000 acre-feet. It was also indicated that if the dam was raised to a higher elevation, which the dam site permitted, that it could store 325,000 acre-feet of water. Then it would be a multiple-purpose dam serving flood control, irrigation, and a small hydropower capacity. How would the costs be allocated on this dam? The cost of the multiple-purpose dam would be $3,500,000. Obviously, the flood-control features would have cost $1,500,000. The other two features would have cost $2,000,000. They should pay for the extra cost to provide those features, that is, irrigation and hydropower development. The engineers would decide after studies how much to allocate to each of these two features.

This same principle applies to all projects, no matter where built. If we pay for those parts of the project that the Government has not assumed the obligation for, we then pay for what we get specifically. A dam in New York that had flood control and hydro development, would only be requiring payment for the hydroelectrical features, by the people of New York, as the Federal Government by statute has assumed the obligation for the flood control.

I wish to express my hearty thanks to the subcommittee for its recommendation as to transmission lines. We now know that the project will soon be completed and in the form which our people approved it in 1933. This project is the key to the economic future of California.

APPROPRIATIONS FOR STEAM PLANT AND TRANSMISSION FACILITIES, CENTRAL VALLEY PROJECT, CALIFORNIA

Mr. JENSEN. Mr. Chairman, requests for unnecessary steam plant and transmission lines were denied many times in prior bills. The Seventy-seventh, Seventy-eighth, Seventy-ninth, and Eightieth Congresses all refused such funds. The Seventy-ninth Congress denied them three times. This has never been a party issue.

All power is being sold at firm-power rates without a steam plant. The power generated at Shasta Dam is being firmed by the system of the Pacific Gas & Electric Co. Transmission facilities required to market all project power have been constructed. There is less reason to appropriate now than ever before.

The project received $16,154,024 from sale of power up to the end of 1948, when the original contract expired. New rates are 29 percent higher. It is estimated that payments will be $8,000,000 in 1949 and exceed $9,000,000 in 1950, when all generators are installed at Shasta and Keswick Dams. The present method of selling power is good for Government and water users.

There is no statutory authority for the proposed steam plant. A steam plant was not mentioned in the feasibility report of 1935 or in the act of 1937 which authorized the project. The reclamation law only authorizes development and sale of power as an incident to reclamation. Construction of the steam plant would be beyond the authority of the Federal Government under the Constitution.

The steam plant is not required to firm the hydro power or to sell it at higher rates. Pacific Gas & Electric Co. has always offered to firm the hydro power with its own steam plants. The company has 950,000 kilowatts of steam in operation and 700,000 more under construction. The company has always offered to pay the same price for the hydro power as if it were firmed by a project steam plant; it has further offered to firm any power the Bureau might sell to public agencies.

The Bureau would spend $51,700,000 for unnecessary transmission lines, switchyards, and substations and get no more revenue than it now gets without them. The added annual cost of operating and maintaining these facilities, including fixed charges, would be $3,000,000. The Bureau would also spend $32,700,000 for a steam plant. The annual cost of this plant would be $2,200,000 more than the additional revenue obtained from sale of steam-generated power. Even with the Bureau's proposed independent power system the average operation of the steam plant would be only one-fourth of its capacity.

The steam plant and transmission lines together would add $5,200,000 a year in costs to be paid by the Federal taxpayer and water user. This would amount to $260,000,000 over a 50-year repayment period. There is no escape from these added costs if the unnecessary facilities are built. Someone has to pay the bill. The Bureau's plan is sheer economic folly.

The only transmission facilities that should be allowed are the switchyards at Shasta and Keswick Dams and at the project's pumps at Tracy and the 230-kilovolt line from Shasta to Tracy via Oroville and Sacramento, the purpose of which is to serve the project pumps.

Denial of funds for the unnecessary power facilities would avoid a cut in appropriations in this bill for vital canals and pumping plants required to serve the parched lands in the San Joaquin Valley. Elimination of these unnecessary items would save $85,000,000 of Federal funds.

Territory is wholly served by the company. The Bureau has long proposed a competitive system to parallel and duplicate the company's system. But after four years it has signed up only the town of Roseville, 160 miles from the dam. Roseville would use less than one-half of 1 percent of the project's power capacity. Company now serves Roseville and has for more than 30 years. Government would sustain heavy financial loss if it served Roseville.

Company rates are low. Public Utilities Commission of California very active and reports California rates are among lowest in United States.

Company is one of largest taxpayers in the West. In last 9 years it paid $170,000,000 into Federal Treasury and $138,000,000 to State and local taxing agencies. Taxpaying property should not be damaged or destroyed.

Company construction program is largest of any utility in the United States. By end of 1951, company postwar construction program will add 1,300,000 kilowatts of new capacity. Company spending three-quarters of a billion dollars on postwar program.

California is not a power-short area. The Central Valley project is in what is described by the National Security Resources Board as the Southwest region—California, Nevada, and Arizona. In its latest survey of power capacity and requirements, made in December 1948, the Security Resources Board found, with respect to this region, that—

The amount of new capacity to be completed during 1949 will be more than twice the expected increase in power demands. By the end of 1949 the margin overload under adverse hydro conditions will exceed 10 percent of the peak load. This percentage will increase to more than 16 percent in 1951. Under normal hydro conditions the margin overload will exceed 15 percent in 1949 and 1950 and exceed 20 percent in 1951.

Company can make no profit on power it purchases any more than it can on wages it pays employees. It can only earn a fair return upon investment it makes itself in facilities used and useful in the service to the public. Any profits from purchased power must be passed on to power consumers in the form of lower electric rates.

Other interests in California have registered opposition to the use of Federal funds for construction of the steam plant and transmission lines. The California Farm Bureau Federation, representing 52,000 farm families and 51 county farm bureaus; the California Manufacturers Association, representing more than 600 manufacturing concerns in California; the Utility Workers Union, CIO, representing 5,500 workers; the International Brotherhood of Electrical Workers, A. F. of L., representing 7,000 workers, and the State chamber of commerce, agriculture and industry, representing all phases of mining, industry and agriculture; all registered opposition to such use of funds.

I will read the telegrams and letter stating the position of the labor unions I have mentioned, on this question:

SAN FRANCISCO, CALIF.,
February 23, 1949.

Hon. MICHAEL J. KIRWAN,
Chairman, Subcommittee on Appropriations,
House of Representatives,
Washington, D. C.:

The following wire is sent by Local Union, 1245, International Brotherhood of Electrical Workers, A. F. of L., which represents over 7,000 people of the Pacific Gas & Electric Co. in northern and central California, all of whom object wholeheartedly to the socialistic proposal of the Government going into competition with private enterprise:

It has come to our attention that appropriations are being asked by the Bureau of Reclamation for a steam plant and for transmission lines for the Central Valley project in California.

All the power from the project is now being sold at the Bureau's regular rates and put to the widest beneficial use through the system of the Pacific Gas & Electric Co. Therefore the Government has nothing to gain in revenue by building a steam plant and transmission lines.

There is no shortage of power in the area at the present time and the Pacific Gas & Electric Co. is building adequate facilities to take care of future growth. One of the plants the company is building is a steam plant of 300,000 kilowatts capacity, located in the same vicinity as that in which the Government proposes to build its steam plant.

The company's plant will be completed long before the proposed Government plant can get under way and when the latter plant is built it will be a duplicate of the company's plant.

Furthermore the Bureau has as yet no customers except the Pacific Gas & Electric Co. capable of making use of its present power output or of the power to be produced by the steam plant. Before it can justify construction of further transmission lines or a steam plant the Bureau should have customers other than the Pacific Gas & Electric Co.

We request that your committee carefully investigate the facts surrounding these requests for appropriations and that if you find them to be as here stated you deny all appropriations at this time for unnecessary transmission lines and for the proposed steam plant.

We request that this telegram be made a part of the record in the hearings before your committee.

Copies of this wire are being sent to the committee.

Executive Board, Local Union, 1245, IBEW: L. E. Dailey, J. W. McMannis, William J. White, C. D. Sorensen, C. C. Shepherd, M. C. Brooks, P. L. Smith, D. D. Raker, T. H. Plummer, L. L. Mitchell.

SAN FRANCISCO, CALIF., *February 28, 1949.*

Hon. MICHAEL J. KIRWAN,

Chairman, Subcommittee on Appropriations, House of Representatives, Washington, D. C.:

We are alarmed at the attempts of the Bureau of Reclamation to obtain appropriations for the building of a steam plant and transmission lines for the California Central Valley project and therefore oppose such proposed appropriations for these reasons:

1. The Utility Workers Union of America, CIO, is now representing more than 5,500 employees through labor contracts with the Pacific Gas & Electric Co.

2. We know that the construction of a 300,000 kilowatt plant is already started by Pacific Gas & Electric Co. in the vicinity of Antioch, Calif., and when it is completed it will be operated by the members of our union. This site is adjacent to that of the proposed steam plant of the Central Valley project.

3. To grant the appropriations referred to will result in duplicating an existing construction project of a private company and will only serve to put the Government further into the running of the power business in this country and particularly in the State of California, and will establish a dangerous precedent for making possible the taking over of other private businesses as well.

4. We also know that Central Valley project now sells all the power it can generate to a private company and therefore has no other customer.

5. The territory is now being adequately served with power by a private company.

6. We visualize this request of the Bureau of Reclamation as an effort to destroy private investments and jobs through political expenditures by the Government which, in addition, takes a long step toward socialism. Our union exists under the democratic American principles which also made private industry possible.

We are not opposed to the building of power dams and reclamation of unusable land by Government authority projects. It is only in the distribution of electrical power and in projects duplicating the facilities of private companies that an issue arises.

We are not opposed to progressive social measures under our present capitalistic setup, but we are against socialism where the Government competes with private enterprise.

We therefore request that you deny the appropriation and we urge that this telegram be entered as part of the RECORD and copies are being forwarded to all members of your committee.

Respectfully submitted.

THOMAS B. MCGUIRE,
President, Local 133, UWUA-CIO.
EDWARD T. SHEDLOCK,
National Executive Board Member.

UTILITY WORKERS UNION OF AMERICA, CIO,
Washington, D. C., March 4, 1949.

To Whom It May Concern:

Recently the position regarding public power of the Utility Workers Union of America, affiliated with the Congress of Industrial Organizations, has been misrepresented in the press and by other means throughout the United States. Our national union has never taken a position against the New Johnsonville of the TVA system. However, without national approval some of our affiliated local unions have passed resolutions opposing the construction of this steam-generating plant. Therefore, in order to place in the record the position of our national union, we, the undersigned president and secretary-treasurer of the national union, make the following statement.

The Utility Workers Union of America is in favor of the Government providing flood control, full development of river navigation, proper development of irrigation and reclamation projects and the building of power facilities as a result of these desirable projects. However, we stand opposed to the public distribution of electrical power when adequate facilities are available from private industry to do this distribution job at fair and equitable rates. We believe that whenever dams are required to be built because of the afore-mentioned projects, then the Government should build power plants and should contract for the distribution of electrical energy with private companies under proper regulation and rate control. In the event that private companies cannot or will not do the necessary job where desirable and feasible, then and only then, should the Government take the distribution of power in its own hands.

This stand of the utility workers agrees in part with the stand of many utility corporations, but it does not follow that the utility companies and our union see eye to eye on many other problems. There are many things wrong with the way many private companies treat their employees. There are utility companies that have failed to provide adequate service in the territories in which they operate. We are striving day in and day out to correct these things. However, we have learned from bitter experience that our union can produce better results for its members under private industry than under a Government agency.

UTILITY WORKERS UNION OF AMERICA, CIO.
JOSEPH A. FISHER, *President.*
WILLIAM J. PACHLER, *Secretary-Treasurer.*

STEAM PLANT NOT AUTHORIZED AND NOT REQUIRED FOR CENTRAL VALLEY PROJECT

Mr. ANDERSON of California. Mr. Chairman, the $32,700,000 steam plant proposed for the Central Valley project has no place in a reclamation program. The purpose behind it is to use reclamation as a means of establishing a commercial power business in California; to use hydroelectric power generated as an incident to reclamation is a camel's head approach to putting the Bureau of Reclamation in the power business as such.

There is no statutory authority for a steam plant as a part of the Central Valley project. This is a reclamation project. There was no mention of a steam plant in the feasibility report of Secretary Ickes which was approved by President Roosevelt in 1935. Nor was a steam plant included in the project authorization voted by Congress in the River and Harbor Act of 1937 or in amendments to this act.

The 1937 statute specifically provides for the generation and sale of electrical energy (1) as a means of financially aiding and assisting the water project, and (2) in order to permit full utilization of the works constructed for improving navigation, regulating the flow of the San Joaquin and Sacramento Rivers, controlling floods, storing water, and delivering the stored waters for the reclamation of arid and semiarid lands. Nowhere in these acts is there any mention of a steam plant.

This is the first steam plant proposed for a reclamation project. The proposal ignores the fact that the reclamation law itself does not authorize the construction of a steam plant. It further ignores the fact that the courts have recognized that Congress can authorize the development and sale of power only as an incident to reclamation.

In addition to being unauthorized, the steam plant is unnecessary. All hydro power generated on the project is being sold near the dam to the Pacific Gas & Electric Co. at firm power rates fixed by the Bureau. The company has always offered and continues to offer to pay the value this power would have if firmed by a project steam plant. The construction of a steam plant would add nothing to the value or usefulness of the hydro power. Therefore to build a steam plant would be to waste $32,700,000 of the taxpayers' money.

In fact the construction and operation of a steam plant would reduce the net revenue which the Bureau would receive from the sale of project power. The Bureau is now getting a firm power price near the dam. It could get no more. The steam plant would not earn its own way, and the loss would have to be made up by the water users, the Federal taxpayers, or both.

There are now in operation in the Central Valley area 15 steam plants with a total capacity of 950,000 kilowatts. Another 700,000 kilowatts are under construction. While all of these steam plants are owned by the private utility, their operation is integrated with the operation of all of the hydroelectric plants in the area, including those of the Bureau of Reclamation.

The Bureau preaches integration and other officials in the Department of Interior point to the necessity for conserving our fuel resources, especially oil. But if the Bureau built and operated the steam plant as it has planned, there would be a waste of more than 500,000 barrels of oil a year.

To recapitulate, this steam plant is not authorized by statute or by the Constitution of the United States; it is not required to obtain a firm price for the power generated at Shasta and Keswick Dams; its construction would waste Federal funds; its operation would add to the financial burden of the water users and result in the waste of more than 500,000 barrels of oil a year.

STATEMENT BEFORE THE HOUSE COMMITTEE ON APPROPRIATIONS ON CENTRAL VALLEY PROJECT IN CALIFORNIA BY ROBERT H. GERDES, GENERAL COUNSEL, PACIFIC GAS & ELECTRIC CO.

There is no statutory or constitutional authority for the construction of a steam plant as a part of the Central Valley project.

The Central Valley project was authorized by Congress as a reclamation and irrigation project. Congress provided that hydroelectric power was to be generated only as an incident thereof "as a means of financially aiding and assisting such undertakings."

Construction of a steam plant is wholly outside of the purposes of the project as defined by Congress. This will clearly appear from a brief review of the acts of Congress under which the project was authorized and is now being constructed and operated.

CONGRESS HAS DECLARED THE PROJECT IS FOR RECLAMATION

The Central Valley project was originally authorized by the President pursuant to the Emergency Relief Appropriation Act of 1935 (49 Stat. 115). Since irrigation was involved the Reclamation Acts of 1910 and 1924 required the Secretary of the Interior to define the scope of the project in a feasibility report. This he did by letter to the President dated November 26, 1935, in which he enumerated the dams, conduits, and all other facilities comprising the project. A steam plant was not included.

The project was reauthorized by Congress by the act of August 26, 1937 (50 Stat. 844). It declared the purposes of the project to be reclamation, flood control, and navigation "and for the generation and sale of electric energy as a means of financially aiding and assisting such undertakings." It provided that "the provisions of the reclamation law, as amended, shall govern the repayment of expenditures and the construction, operation, and maintenance of the dams, canals, power plants, pumping plants, transmission lines, and incidental works deemed necessary to said entire project." It further provided that the project reservoirs "shall be used, first, for river regulation, improvement of navigation and flood control; second, for irrigation and domestic uses; and third, for power."

Again emphasizing the reclamation purposes, Congress by the act of October 17, 1940 (54 Stat. 1198), provided that the water distribution systems of the Central Valley project must also be constructed "under the provisions of the Federal reclamation laws."

The acts above mentioned constitute all of the pertinent authorizing acts with respect to the Central Valley project. It will be noted that there is here no authorization whatever for a steam plant. It should also be noted that Congress expressly provided that construction of power plants in connection with the project shall be governed by the provisions of the Federal reclamation law.

THE RECLAMATION LAWS DO NOT AUTHORIZE STEAM PLANTS

When we turn to the Federal reclamation law we also find it perfectly clear that steam plants are not authorized thereunder.

The basic reclamation law is the act of June 17, 1902 (32 Stat. 388). This act set aside the reclamation fund to be used for irrigation works for the storage, diversion, and development of waters for the reclamation of arid and semiarid lands in States and Territories. The act further authorized the Secretary of the Interior to construct such irrigation works.

The act of April 16, 1906 (34 Stat. 116) contains the first reference in the reclamation law to the development of power. It authorized (sec. 5) the Secretary of the Interior to lease any surplus power or power privileges developed at any irrigation project undertaken under the reclamation law.

The reclamation law was extensively amended by the Reclamation Project Act of 1939 (53 Stat. 1187). This act by its terms applies to reclamation and irrigation projects. The entire act indicates that the generation of electric energy is contemplated only in connection with hydroelectric projects which are incidental to reclamation. It authorizes (sec. 9 (c)) the sale of electric power, or lease of power privileges, developed in connection with the operation of any reclamation or irrigation project. It further authorizes (sec. 14) the Secretary to enter into contracts for exchange of electric energy or water for the purpose of orderly and economical construction or operation and maintenance of any irrigation or reclamation project.

The courts have recognized that under reclamation law development and sale of power is authorized only as an incident to reclamation. The United States Court of Appeals here in Washington, D. C., pointed this out in the case of *Burley Irrigation Dist.* v. *Ickes* (116 F. 2d 529 (certiorari denied Feb. 3, 1941, 61 S. Ct. 614)), wherein it said:

"Disposition of surplus power, not required for pumping or other uses of irrigation, for commercial uses is authorized by an amendatory act of April 16, 1906. * * * But the development and sale of such power is authorized only as an incidental phase of reclamation, not as a primary or independent end in itself. The statute and its amendments are reclamation acts, not commercial power development acts."

A steam plant for commercial power development, as proposed by the Bureau in the Central Valley, is clearly outside the scope of the reclamation acts as declared by Congress and the Federal court.

The reclamation law, limiting production of power to hydroelectric projects, is in a separate and distinct category from other acts of Congress authorizing generation of electric power in aid of national defense or other legitimate Federal purposes.

For example, certain provisions of the Tennessee Valley Authority Act permit the Valley Authority to operate steam plants at Muscle Shoals in connection with the production of nitrate for national defense. But this act is not a reclamation act nor does it contain any reference whatsoever to any clause or provision of any reclamation act.

Nowhere in the Central Valley project acts or in the reclamation law is there any authorization or even mention of steam plants.

A STEAM PLANT WOULD BE A DEPARTURE FROM RECLAMATION

This committee has long recognized that construction of a steam plant as a part of the Central Valley project would constitute a departure from the reclamation purposes laid down by Congress. In 1941, when the Bureau for the first time requested funds for a steam plant, this committee eliminated the sum requested and declared in its report:

"The main purposes of the Central Valley project were for reclamation and flood control, and other development must be regarded as of secondary import. Also, the proposed steam plant is the first departure from water-power development contemplated in connection with the reclamation project. (Rept. No. 476, April 30, 1941, p. 13.)

In fact, the Bureau in its justification submitted to this committee in 1941 stated that the Central Valley project had theretofore been authorized for purposes of conservation and incidential hydroelectric power development. It did not claim that Congress had ever authorized a steam plant in connection with the project. (Hearings, p. 736, Interior Department appropriation bill, 1942.)

In accordance with the recommendations of this committee, Congress in 1941 refused any funds for the steam plant.

Since that date this committee has repeatedly recommended that all requests for funds for a steam plant in the Central Valley be denied. Congress has adopted all such recommendations of this committee, except in 1942, when, on an amendment offered in the Senate, it authorized $200,000 for steam plant engineering studies only. This appropriation for studies was made at a time when it was thought that the plant might be required for war purposes.

NO CONSTITUTIONAL AUTHORITY EXISTS FOR CENTRAL VALLEY STEAM PLANT

The only purpose of the Bureau in requesting funds for a steam plant in the Central Valley is to establish a commercial power system. Apparently recognizing the unconstitutionality of this purpose, the Bureau seeks to justify the steam plant on the ground that its output is needed for pumps and other project facilities. No such need exists. The reliable capacities of the Shasta and Keswick power plants greatly exceed any existing or proposed use of power for project purposes.

Furthermore, the company has agreed to deliver on an exchange basis such portion of Shasta and Keswick power as may be needed for the operation of pumps and other project facilities. Under this arrangement, which is now in effect, the project is assured of a continuous supply of power at all times. Such exchange of power for project purposes was expressly authorized by section 14 of the Reclamation Project Act of 1939.

Even if a steam plant were authorized under the reclamation law (and we have shown it is not), any such authorization would be in conflict with the Federal Constitution.

It has long been recognized by the courts that under the Federal Constitution power plants can be built by the United States only if such plants are incidental to navigation, reclamation, or flood-control projects, or serve directly some recognized function of the Federal Government such as national defense. This principle is supported by the following authorities:

Ashwander v. *Tennessee Valley Authority* ((1936) 297 U. S. 288, 80 L. ed. 688). In this case the court in upholding the constitutionality of the Tennessee Valley Authority Act said:

"The Congress may not, 'under the pretext of executing its powers, pass laws for the accomplishment of objects not entrusted to the Government.' Chief Justice Marshall, in *M'Culloch* v. *Maryland* (4 Wheat. 316, 423, 4 L. ed. 579, 605); *Linder* v. *United States* (268 U. S. 15, 17, 69 L. ed. 822, 823, 45 S. Ct. 446, 39 A. L. R. 229). The Government's argument recognizes this essential limitation. The Government's contention is that the Wilson Dam was constructed, and the power plant connected with it was installed, in the exercise by the Congress of its war and commerce powers, that is, for the purposes of national defense and the improvement of navigation." (U. S. C., p. 326; l. ed., p. 700).

"And the Government rightly conceded at the bar, in substance, that it was without constitutional authority to acquire or dispose of such energy except as it comes into being in the operation of works constructed in the exercise of some power delegated to the United States." (U. S. C., p. 340; l. ed. p. 707.)

In the argument before the Supreme Court, Mr. Justice Reed, then Solicitor General, stated the issue as follows:

"From the bench and at the bar this controversy has come down to a question of this kind, if we assume that this act was primarily for navigation, then it would be valid. If we determine that this act, while stating that it is for navigation, national defense, and flood control, is actually for the purpose of developing power and selling it commercially, the act would be invalid."

The same limitation was recognized by both counsel and the court in *Tennessee Electric Power Co.* v. *Tennessee Valley Authority* (E. D. Tenn. (1938) 21 F. Supp. 947).

The three-judge court upheld the constitutionality of TVA on the ground that the primary objectives were to improve the navigability and to provide for the flood control of the Tennessee River. The court said:

"The most important section is 9a, 16 U. S. C. A. par. 831h-1, heretofore quoted, which governs the operation of any dam or reservoir, in the possession and control of the board, and requires the board to regulate the stream flow primarily for the purposes of promoting navigation and controlling floods. Numerous specific provisions of the statute relate to the generation and sale of electric power for the purpose of assisting in liquidating the cost of these projects, but all of them are limited and controlled by this general provision in section 9a.

"Under the statute, therefore, the generation of electric energy is specifically required to be incidental to the exercise of constitutional powers under the interstate commerce clause, and the operation complies with this requirement" (p. 959).

The constitutionality of the Federal Power Act was at issue in *Alabama Power Co.* v. *Gulf Power Co.* (M. D. Ala. (1922) 283 Fed. 606).

The court upheld this act, but in doing so was careful to distinguish it from a statute authorizing the Federal Government to operate or regulate a hydroelectric project not incidental to the exercise of a constitutional power. The court said (p. 613):

"This enactment is for the improvement of the navigability of the stream. This is the paramount object. But an act which could be reduced to the isolated proposition that the Federal Government can dam up streams for the sole purpose of generating hydroelectricity and sell the same might be obnoxious to the organic law. I think it would be palpably in excess of the powers granted to Congress by the Constitution *U. S.* v. *Gettysburg*, supra; *Henderson* v. *City of Lexington* (132 Ky. 390, 111 S. W. 318, 22 L. R. A. (N. S.) 20); *Shoemaker* v. *U. S.* (147 U. S. 282, 13 Sup. Ct. 361, 37 l. ed. 170); *Fallbrook I. Dist.* v. *Bradley* (164 U. S. 112, 17 Sup. Ct. 56, 41 L. Ed. 369); *Hairston* v. *D. & W. Ry. Co.* (208 U. S. 598, 28 Sup. Ct. 331, 52 L. Ed. 637, 13 Ann. Cas. 1008); *Sears* v. *Akron* (246 U. S. 242, 38 Sup. Ct. 245, 62 L. Ed. 688)."

In conclusion: The acts of Congress authorizing the Central Valley project clearly recognize and come within the limits of constitutional powers defined in the cases to which I have just referred. Congress has established the Central Valley project as a water development project under reclamation law. Under such law hydroelectric power generation is permitted only as an incident to operation of water project works. Steam plants are not authorized. Construction of the proposed steam plant would be a departure from reclamation policy which Congress has consistently followed for nearly 50 years.

IRRIGATION FUNDS MUST NOT BE CUT

Mr. WERDEL. Mr. Chairman, the request for the Central Valley project is $63,000,000; $46,000,000 for water facilities and $17,000,000 for power.

A 15 percent cut across the board would take $9,450,000 away from the project. Irrigation would have to lose $6,900,000 or 73 percent of the total cut. There is no justification whatever for any cut in appropriations for irrigation. The elimination of unnecessary power items would allow the full amounts for irrigation even with a 15-percent cut in the total appropriation.

The Central Valley project was conceived 20 years ago to do two things: First, to furnish supplemental water for the arid San Joaquin Valley where farms were returning to desert because of an insufficient supply; and, second, to repel the intrusion of salt water in the delta area during periods of low run-off. Construction of the Shasta and Friant Reservoirs has taken care of salinity, but the San Joaquin Valley is still waiting for its supplemental water supply.

Construction of the Shasta and Friant Dams commenced 10 years ago. The dams were speedily built and have been in operation for 5 years. But except for a small area in Madera County near Friant Dam, the region which was to be rescued by the Central Valley project has received no water.

The farmers in this region desperately need this water. The demand for food and fiber during the war resulted in increased acres being put under irrigation and more intense cultivation of the land already farmed. The area south of Fresno has a closed underground basin, and except for years with heavy floods, all water stays in the underground reservoir. Heavy war and postwar demands have required excessive pumping from this underground reservoir. Agricultural pumping in this area now requires nearly three times as much power as it did 10 years ago.

In order to get the supplemental water to the San Joaquin Valley, work must be rushed on the construction of the Friant-Kern canal, the Delta-Mendota canal, the Delta cross channel, and the pumps at Tracy. There must be no further delay on these facilities. This Congress cannot stand the onus of refusing to appropriate enough money to carry on this work. It can do so and still go along with a 15-percent over-all cut by eliminating all unnecessary power items in this bill.

The project has received all the money needed to develop the power at the Shasta and Keswick Dams and to deliver it to the market. The Government is being paid a firm price for the power. The Government has received more than $16,000,000 from sale of power up to the first of the year. It recently raised the price on its power and this year alone will receive more than $8,000,000. This is good business for the Government and good business for the water users too.

We have this situation at the present time: The reservoirs are finished, the powerhouses are finished, and all the power is being sold at top prices. The water stored in Shasta Reservoir is going through the turbines to generate power and then flows down the Sacramento River into San Francisco Bay. It repels salt water in the delta as it flows on into the bay. But it does not help the San Joaquin Valley one iota. The water stored at Friant Dam gives some assistance in Madera County and helps some overflow lands along the San Joaquin River, but it, too, is largely wasted.

This waste of water will continue until the main irrigation canals and pumping plants are constructed. All available funds should be used to complete them as soon as humanly possible. Most of the additional power facilities now requested are not needed at this time. They can wait until a later date—until there are some canals to take away the water which otherwise must continue to waste into the ocean.

Mr. JENSEN. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. JENSEN: Page 91, after line 2, insert a new section as follows:

"SEC. 110. Not to exceed 8 percent of any construction appropriation in this title for Bonneville Power Administration or for any reclamation project shall be available for construction work by force account, or on a hired-labor basis, except for projects or items the estimated cost of which does not exceed $200,000."

Mr. KIRWAN. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 10 minutes, including the time of the gentleman from Iowa.

Mr. GAVIN. Mr. Chairman, I object.

Mr. KIRWAN. Mr. Chairman, I move that all debate on the pending amendment close in 10 minutes.

The motion was agreed to.

Mr. JENSEN. Mr. Chairman, the purpose of this amendment is to reinstate in this bill the same language that was contained in the 1949 fiscal appropriation bill.

It has become the practice of the Department of the Interior to do quite a little of its work by force account, which means that the bureau can go out and hire anyone it pleases to do most any kind of a job regardless of size, whether it runs into $1,000,000 or $5,000,000 or $50,000,000, unless this restrictive language is placed in the bill.

Up until about a year or so ago there seemed to be very little disposition on the part of the Bureau of Reclamation of the Department of the Interior to do a lot of work by force account. Then we started hearing that it intended to do this job and that job by force account. We felt it was only proper that we should put this limiting language in the bill, which we did. It was adopted and made law in the last session of the Eightieth Congress. I understand the Senate committee agreed on a limitation of 10 percent in the deficiency appropriation bill that it has considered and which will be before the Senate very soon. I do not agree that 10 percent is necessary. For instance, in an item of say $60,000,000 in this bill for a project, 8 percent of that is $4,800,000 which they can use for force account just on one project, and others in proportion. Now that should be enough to take care of all emergency work on any project. It has been customary for every department of Government to contract for the materials they use and which they buy by the millions and billions of dollars. Surely, the House will adopt this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. KIRWAN].

Mr. KIRWAN. Mr. Chairman, the gentleman from Iowa in his amendment would like to restrict the Bonneville Power Administration and the Reclamation Bureau to 8 percent for construction. Let us see what that would mean. It is only about 4 or 5 weeks ago that right here on the floor of the House, we took out the restrictive language that they inserted in the Eightieth Congress. There is not a man in this House that has ever played a simple game of poker or, if you wish, call it pinochle, who does not know what I am talking about. For instance, if you only had $8, and the fellow sitting across from you had $90, what chance would you have with him. Now what chance has the United States Government got with a contractor when the United States Government has only got 8 percent of the money appropriated for construction? All it is allowed to use is 8 percent. So, in case the contractor makes a bid of a million dollars, the Government cannot do a thing about it. He is just sitting there holding the bag with 8 percent, that is all. He cannot

do that job. It takes millions to do it, and he has only got 8 percent of that. Yes; we took this language out about 6 weeks ago as being very bad language, so why try to put it in now? Why try to curtail the Government? This is our Government. We are always talking about saving money and trying to do a good job. So, I sincerely hope that the gentleman's amendment will be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. JENSEN].

The amendment was rejected.

Mr. BARRETT of Wyoming. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BARRETT of Wyoming:

On page 46, lines 22 and 23, strike out "$73,822,500" and insert "$70,422,500" in lieu thereof.

Mr. KIRWAN. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

Mr. GAVIN. I object, Mr. Chairman.

Mr. KIRWAN. Mr. Chairman, I move that all debate on this amendment close in 5 minutes.

Mr. TABER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. I make the point of order that such a motion is not in order at this time.

The CHAIRMAN. The point of order is sustained. It is not in order at this point to move to close debate on the amendment.

Mr. BARRETT of Wyoming. Mr. Chairman, the purpose of my amendment is to eliminate the appropriation of $3,400,000 for the Moorhead Dam. This project is located on Powder River near the State line between Wyoming and Montana. The dam will flood thousands of acres of valuable land in Wyoming. I had intended to make a point of order against the appropriation on the ground that it provides funds for a dam twice as large as authorized by law. I would have done so were it not for the rule on this bill waiving all points of order. It is my considered judgment, Mr. Chairman, that the Moorhead Dam should not be built. Most certainly not now. Why, you ask? Well, the answer is that it is a waste of public money. It is just as simple as that.

Let us look at the history of Moorhead Dam. The Flood Control Act of 1944 authorizes the projects in the Missouri Basin listed in Senate Document 191. Now, on page 51 of that document reference is made to the irrigation of 42,600 acres of land under the Moorhead project. Now, Mr. Chairman, here is the authorization, and I quote:

The water supply is to be provided by the construction of the Moorhead Reservoir of 390,000 acre-feet capacity, a combination flood control, irrigation, and silt storage reservoir.

And also on page 53 of that document the total capacity of the Moorhead project is again stated to be 390,000 acre-feet. And on page 135 of that document the cost of construction of the Moorhead Reservoir is estimated at $4,000,000, based on preliminary information and construction costs as of January 1, 1940. It is, therefore, crystal clear that in 1944 the Congress authorized a project with only 390,000 acre-feet of storage and estimated to cost $4,000,000.

The first money appropriated for Moorhead was $900,000 in the second supplemental appropriation bill for 1948. Commissioner Straus testified at the hearings that Moorhead Dam would be earthen-filled embankment, 150 feet high and 2,350 feet wide, costing $9,000,000 completed, and that the purpose was primarily reclamation. You will note that by 1948 the cost had increased from four to nine million dollars.

But that is only half the story. Here is the pay-off, Mr. Chairman: On page 412 of the hearings on this bill I find that Mr. Warne, the Assistant Secretary of the Interior, testified that the total estimated cost of the Moorhead unit has been increased to $15,850,000 and that—

This increase has been due to increased unit construction costs and to changes in design made necessary by more complete and accurate design data.

Secretary Warne further stated that—

The reservoir, with a storage capacity of 800,000 acre-feet, will provide flood control, silt control, and irrigation benefits. Water will be provided for the irrigation development of approximately 42,600 acres of new land along the lower Powder River not included in the Moorhead unit.

So the upshot of the whole matter is that for the first time the Congress is told that the dam is 150 feet high, to store 390,000 acre-feet of water, and estimated to cost $4,000,000, which is authorized, is now to be 174 feet high, storing 800,000, acre-feet of water, and costing $15,850,000. By what authority, I ask? What right has the Bureau of Reclamation to change these plans willy-nilly without specific authorization by the Congress? How can you control the purse strings by doing business that way? I am constrained to protest here today, Mr. Chairman, because if this appropriation is granted, then the Congress thereby authorizes an entirely different dam at Moorhead.

My State objects to this dam with good reason. Wyoming furnishes all the water to be stored at Moorhead. It will impound water from a drainage area of 8,000 square miles along the 200-mile course of the Powder River in Wyoming. Under the Flood Control Act of 1944, the Congress required the Bureau of Reclamation to submit reports to the affected States before initiating projects. The State of Wyoming has never been consulted on this project at any time and has never had the opportunity to review the report. This is a clear violation of the plain intent of the law and we insist the law should be observed. In my book, that alone is sufficient grounds to withhold this appropriation. At the proper time I shall insert in the RECORD letters from the State engineer of Wyoming to prove that charge.

Now, Mr. Chairman, before we can size up this situation properly we must determine the primary purpose of Moorhead Dam. The Army engineers have reported that insofar as the engineers are concerned, it is to be developed primarily for irrigation and flood control. Indeed, in their report at page 8, which I have before me, they have designated Moorhead as one of the important reclamation projects in that basin to be developed to irrigate 42,600 acres of new land, and, by the way, they state the total capacity of the dam is to be 390,000 acre-feet of storage, and on page 43 of their report they state they need only 101,400 acre-feet of storage for flood control purposes. It is significant, Mr. Chairman, that Commissioner of Reclamation Straus, in the 1948 hearings, contended that the Moorhead Dam was primarily for irrigation of new land.

Our committee held a hearing on this project at Buffalo, Wyo., last November. It was abundantly clear from that hearing that very few people owning land below the Moorhead Dam expected to irrigate any lands with the water stored at Moorhead. On the other hand, 56 people, owning farms and ranches below the Moorhead Dam, were represented in opposition to the irrigation phases of the project. At the hearing, a representative of the Bureau of Reclamation stated that no irrigation will be provided in that area until requested by 60 percent of the landowners, representing 60 percent of the lands. From the hearings, on the other hand, we are forced to conclude that over 90 percent of the landowners, representing 90 percent of the lands, are opposed to the reclamation features of this project. In that respect, I wish to quote from a recent letter from the State engineer of Wyoming:

Considering the project from the standpoint of irrigation, I would reject it without further thought, as certainly it is not economically sound for the Government of the United States to spend $25,000,000 and destroy 20,000 acres of Wyoming land to irrigate 40,000 acres of Montana land. From testimony of Montana witnesses at a recent hearing in Buffalo, Wyo., I am of the opinion that few if any of the Montana landowners are in favor of the development.

At the Buffalo hearing, the officials of the Bureau stated that in its early stages nearly 8,000 acres of Wyoming land would be flooded by the Moorhead Dam and that eventually a total of 20,000 acres would be flooded. Much of this land is fertile valley land and presently irrigated under privately owned systems. The people of that section of Wyoming have entered violent protest to the flooding of thousands of acres of land in Wyoming to store water, much of which would be used to force irrigation on people below the dam, against their expressed will and wishes. Again, I submit, that irrigation under the Moorhead Dam simply does not make sense. Now, I ask, is it not strange that the Bureau of Reclamation would request funds to build a dam of this size and cost for silt control and flood control and with only the hope that later on it might be used for irrigation that the people do not want?

Now, Mr. Chairman, there is another impelling reason why the people of Wyoming are opposed to this appropriation. Dams of this character on interstate streams should not be constructed

until there is a compact for a division of the waters between the affected States. We have no such compact at the present time. We have been endeavoring to negotiate a compact. As I stated before, all of the water to be stored at Moorhead falls in the State of Wyoming, and I contend it would be eminently unfair to in any way endanger Wyoming's right to the use of that water by the construction of this dam before a compact has been concluded. In that connection, I wish to quote from the letter from our State engineer:

> If Moorhead reservoir development is completed to include any irrigation capacity, there should be a compact or agreement with Montana with reference to the division of the waters of Powder River and tributaries. If this is not done, any irrigation under this reservoir in Montana will establish a right that will in all probability be considered by the Supreme Court as prior and superior to any right of use in Wyoming hereafter established.

Now, let us look at the silt storage features of this dam. The Bureau of Reclamation has allocated 150,000 acre-feet for silt storage at Moorhead. The Powder River is recognized as the heaviest carrier of silt in the entire Misouri River Basin. Powder River is one of the famous rivers of our State. "Powder River—a mile wide and an inch deep" was the war cry of one of our divisions in World War I. The water of Powder River has been aptly described as "too thin to plow and too thick to drink." At the hearings it was stated that Moorhead might well silt up in 2 years but Mr. Myers, of the Bureau of Reclamation, stated that "I think the 2-year estimate is a little on the rapid side," And that it was his estimate that the 150,000 acre-feet of storage for silt would be filled in from 25 to 50 years. Then he stated:

> Of course, we can't predict when a flood such as occurred in 1923 is going to happen. That was a major storm and a major flood which we would not expect to occur more than an average of once in 100 years.

It seems to me, Mr. Chairman, that instead of spending millions of dollars to store the silt at Moorhead, which will sooner or later make a mudhole out of Moorhead, sound business would dictate steps to stop the silt dead in its tracks. We should bend every effort to hold the water where it falls and the soil where it lies. This can and should be done in two ways. In the first instance, there are seven projects in the upper Powder River Basin presently authorized under Senate Document 191 and the Flood Control Act of 1944. They have a combined storage of 192,000 acre-feet. These are located near the headwaters and will not only control floods but will provide irrigation. About 60,000 acres of land in the upper Powder River Basin is presently irrigated under private systems. Some of this land needs supplemental water. In addition, 40,000 acres of new land can be irrigated under these projects. It seems mighty strange to me that the Bureau of Reclamation is requesting funds to build the Moorhead Dam for irrigation against the wishes of the people but, at the same time, fails to advance projects in the upper Basin where the people want and desire irrigation projects. Now, Mr. Chairman, the construction of these projects would not only permit Wyoming to make beneficial use of its own waters by irrigating new lands but, at the same time, it would make a substantial contribution to the reduction of silt in the Moorhead Dam. In the second instance, it seems deplorable to me that this dam is being constructed before the Department of Agriculture has started its 6-year program to control siltation and erosion in this basin. I am advised that the Department of Agriculture will shortly come to Congress on its plan to coordinate the work and activities of both the Army engineers and the Bureau of Reclamation on the Powder River Basin. What we need, Mr. Chairman, is grass-roots conservation and control of silt. I may state that soil-conservation districts have been organized and 30 small reservoirs have already been constructed in the upper Powder River Basin by these soil-conservation districts. We need soil-conservation projects on the east side of Powder River in the Salt Creek and Sussex areas. The hearings at Buffalo disclosed that the farmers of this section, through soil-conservation districts, are doing an admirable job to conserve the land and water resources of that area. The Bureau of Land Management, with its 5,000,000 acres on Powder River, above Moorhead, and the Forest Service, with its tremendous holdings, should institute soil-conservation practices on these lands. Under the Department of Agriculture program, the farmers will be encouraged to build spreader dams, spreader dikes, and combination flood control and livestock reservoirs.

The Department of Agriculture will shortly propose a comprehensive program to encourage the building of countless little structures on the tributaries to the Powder River in this area. I am advised that, undoubtedly, the Department of Agriculture will recommend development in the upper Powder River Basin substantially as follows:

Forty-one upstream flood-water structures.

Twelve sediment-retention structures.

Three hundred and fifteen miles of channel improvement.

One thousand two hundred and seventy-six sediment-control structures.

Seven hundred and eighty-two miles of waterway improvements on the little tributaries of the Powder River.

Three hundred and twenty-four miles of diversion ditches and dikes.

Water spreading on 112,200 acres of range lands.

Two thousand six hundred stock-water developments.

Powder River Basin is predominantly agricultural in character and it seems obvious to me, Mr. Chairman, that the program of the Department of Agriculture, for the conservation of the resources in this basin, should have top priority. The study has been made and the way has been pointed to control silt and floods at their sources. The farmers and ranchers, working through soil-conservation districts, have accomplished much but it is apparent to me that the full program of the Department of Agriculture in this area is the sound approach to the solution of the silt-control and flood-control problems of the area.

It seems to me that the Bureau of Reclamation in this case has the cart before the horse. I am convinced that if the program advocated by the Department of Agriculture is instituted in the upper Powder River basin, it will result in a 40 percent sediment reduction at Moorhead. Now, therefore, Mr. Chairman, the conclusion is irresistible that if we develop the seven reclamation projects, which the Bureau of Reclamation is authorized to build in the upper Powder River basin, and if we develop the countless projects proposed by the Department of Agriculture in the upper Powder River basin, then you can reasonably expect, first, that the flow of water in the Powder River will surely be retarded and floods will be largely controlled, and, secondly, that siltation in the Powder River will be largely eliminated and there will be little if any need for the Moorhead Dam.

I submit, therefore, Mr. Chairman, that the appropriation for Moorhead Dam should be eliminated for the following reasons:

First. The funds are requested to build a dam more than twice as large as that authorized by law. The dam was estimated to cost $4,000,000, but now the cost has risen to nearly $16,000,000.

Second. The dam is being constructed to irrigate 42,600 acres of lands against the wishes of most of the people owning those lands.

Third. The only water to be stored at Moorhead Dam is Wyoming water and that dam should not be constructed until a compact has been negotiated between Wyoming and Montana for the division of these waters.

Fourth. The Moorhead Dam will destroy 20,000 acres of the finest land lying outdoors, including several thousand acres presently irrigated in Wyoming in order to provide irrigation against the wishes of most of the people below the dam.

Fifth. Instead of providing millions to store silt at Moorhead, sound business judgment dictates that: (a) the Bureau of Reclamation should build the seven irrigation projects in the upper basin and store the water near its source and thereby control the flash flood runoff, retard siltation and also provide irrigation for 40,000 acres of land, (b) carry out the Department of Agriculture program by instituting sound land conservation practices that will not only substantially assist in the problem of flood control but will certainly reduce sediment production by at least 40 percent.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BARRETT of Wyoming. I am glad to yield to the gentleman.

Mr. BATES of Massachusetts. What is the reason they gave for increasing not only the height of the dam, but the estimated cost of the project for $4,000,000 to $15,000,000? Originally, what did the project call for?

Mr. BARRETT of Wyoming. It was for irrigation, silt control, and flood control, but the storage capacity was to be only 390,000 acre-feet.

Mr. BATES of Massachusetts. And now what does it call for with the 175 feet?

Mr. BARRETT of Wyoming. The hearings disclose that Secretary Warne justified the increase on the grounds of increased costs and changes in design made necessary by more complete and accurate design data. I contend that there is no justification for any change in the size of the dam.

Mr. BATES of Massachusetts. Does it include power?

Mr. BARRETT of Wyoming. Power is not involved in any way. None will be generated at the Moorhead Dam. I am attaching herewith two letters under date of March 21 and March 23 last from L. C. Bishop, State engineer of Wyoming, on this matter.

STATE OF WYOMING,
STATE ENGINEER'S OFFICE,
Cheyenne, March 21, 1949.

Hon. FRANK A. BARRETT,
House of Representatives,
Washington, D. C.

DEAR FRANK: This is in reply to your verbal request for information with reference to the effect Moorhead Dam, if and when constructed, and its resulting reservoir, will have on Wyoming and requesting my opinion concerning the feasibility of this project.

While I am not fully informed with reference to this proposed project, I have been familiar with the area for more than 40 years and I am of the opinion that the Bureau of Reclamation and the Corps of Engineers are not fully informed concerning the irrigation and flood-control needs here.

Considering the project from the standpoint of irrigation, I would reject it without further thought, as certainly it is not economically sound for the Government of the United States to spend $25,000,000 and destroy 20,000 acres of Wyoming land to irrigate 40,000 acres of Montana land. From testimony of Montana witnesses at a recent hearing in Buffalo, Wyo., I am of the opinion that few if any of the Montana land owners are in favor of the development.

Considering it from the standpoint of multiple uses of the water for irrigation, flood and silt control, it seems reasonable to me that construction of several smaller reservoirs in Wyoming near the headwaters, and possibly a much smaller reservoir than planned at Moorhead, would accomplish a much greater benefit for all purposes at no greater expense to the United States.

If Moorhead Reservoir development is completed to include any irrigation capacity, there should be a compact or agreement with Montana with reference to the division of the waters of Powder River and tributaries. If this is not done, any irrigation under this reservoir in Montana will establish a right that will in all probability be considered by the Supreme Court as prior and superior to any right of use in Wyoming hereafter established.

It is my contention that Wyoming is entitled to a reasonable and equitable share of the waters of this and all other interstate streams that flow across our borders. Montana does not take issue with me on this.

I have confidence in the ability of the appropriate Federal agencies generally to get the answers to these interstate problems but, in this instance, I feel they have not fully explored all of the contingencies that should be considered. In any event, they have not consulted the officials of the States whose interests are, in my opinion, paramount.

The Bureau of Reclamation, as well as other Federal agencies engaged in the development of irrigation, would save themselves and the States a lot of trouble if they would require the States to compact for the division of the waters of all interstate streams before any other than preliminary investigations are made.

I will conclude by saying that Montana has at all times been reasonable in the settlement of our water controversies, and I feel sure we can come to an agreement with them on Powder River without difficulty.

Your advice and early reply will be appreciated.

Very sincerely yours,

L. C. BISHOP,
State Engineer.

Copies to Senator J. C. O'MAHONEY, Senator L. C. HUNT.

WASHINGTON, D. C., *March 23, 1949.*

Hon. FRANK A. BARRETT,
House of Representatives,
Washington, D. C.

DEAR FRANK: This is in reply to your request for further information with reference to the proposed construction of Moorhead Dam near the Wyoming State line in the State of Montana by the United States Bureau of Reclamation.

I will answer your questions in the order asked:

1. Question. Was the State of Wyoming consulted concerning the proposed development at Moorhead Dam?

My answer is "No."

2. Question. Was the Moorhead Dam project report by the Bureau of Reclamation reviewed by the Governor of Wyoming or by you as State engineer in his behalf?

My answer is "No."

3. Question. Were you consulted by any representative of the Bureau of Reclamation with reference to a proposed increase in the storage capacity of Moorhead Reservoir from 390,000 acre-feet to 975,000 acre-feet?

My answer is "No."

4. Your further comments on the merits of this proposed construction will be sincerely appreciated.

My further comments, in addition to comments contained in my recent letter, are as follows:

I will add that, as Interstate Streams Commissioner for the State of Wyoming, I feel it my duty to oppose the authorization of, and if authorized before the water has been allocated, to oppose construction of any water-facilities development which would utilize water in another State originating in Wyoming and where there is no agreement on the division of the water.

It is my opinion that in the case of Moorhead Reservoir its irrigation capacity, which in any event would exceed the low water flow of Powder River, will eventually be considered by the Supreme Court as prior and superior to any water right initiated upstream in Wyoming subsequent to the Moorhead development.

I will repeat that there should be no difficulty in negotiating an agreement with Montana for division of water of the Powder River, since the recent congressional authorization for a Yellowstone River compact makes it possible to negotiate on a single tributary. I suggest that a compact be negotiated at once on Powder River, which is a tributary of the Yellowstone, as you know.

Concerning the merits of the proposed increase from 390,000 acre-feet to 975,000 acre-feet in the capacity of Moorhead Reservoir, I can only say that I am not sufficiently informed on the flood control needs in this area to pass on this item.

Concerning the merits of the proposed irrigation in Wyoming of 44,460 acres of new land and supplemental water supply for 47,050 acres of presently irrigated land by construction of Willow Park Reservoir to a capacity of 9,700 acre-feet, Tringle Park Reservoir to 4,000 acre-feet, Bull Creek Reservoir to 14,000 acre-feet, Smith Reservoir to 30,000 acre-feet, and Middle Fork Reservoir to 50,000 acre-feet, and an increase of 44,000 acre-feet in the capacity of Lake DeSmet Reservoir, together with necessary distribution ditches and other works, and for Montana the construction of Moorhead Reservoir to a capacity of 390,000 acre-feet, for flood and silt control and irrigation of 42,600 acres of new land, it appears to me to be feasible as far as the water supply for irrigation is concerned, since the average flow of Powder River at Moorhead is 277,600 acre-feet per year. However, this is only an assumption, as I have not had access to the reservoir operation studies.

When you consider that the maximum flow of Powder River at Moorhead Dam is about 525,000 acre-feet per year, and the minimum flow about 110,000 acre-feet per year, you can readily see the reason why we of Wyoming do not want Montana to have a prior right of use which on low-flow years would require all of the flow. We are willing to concede to Montana the right to its share of what water is available during any year, but first we must know what that share is by compact or otherwise.

I will conclude by saying that I do not believe you will ever make a mistake by opposing a proposed water facilities development where water from Wyoming interstate streams is to be used and no court decree, agreement, or compact is in force providing for division of the waters of said streams.

Sincerely yours,

L. C. BISHOP,
Wyoming State Engineer,
Interstate Streams Commissioner.

Copies to Hon. JOSEPH C. O'MAHONEY, Hon. LESTER C. HUNT.

Mr. Chairman, I trust this amendment will be adopted.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KIRWAN. Mr. Chairman, I move that debate on this amendment do now close.

The question was taken; and the Chair being in doubt, the Committee divided; and there were—ayes 93, noes 67.

Mr. TABER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. TABER and Mr. JACKSON of Washington.

The Committee again divided; and the tellers reported there were—ayes 113, noes 79.

So the motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wyoming [Mr. BARRETT].

The question was taken; and on a division (demanded by Mr. BARRETT of Wyoming) there were—ayes 71, noes 111.

So the amendment was rejected.

Mr. JOHNSON. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and that they may appear immediately following the ruling of the Chair on the amendment offered by the gentleman from Iowa [Mr. JENSEN] providing that none of the funds herein appropriated may be used for the purchase of material for the beginning of any new construction of electrical-

generating equipment, transmission lines, and so forth.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SCUDDER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SCUDDER. Mr. Chairman, the Interior Department appropriation bill, H. R. 3838, now under discussion, appropriates $53,550,000 for the Central Valley project, California, which is a decrease of $9,450,000 from the budget estimate. The budget, however, provided for power lines. It also provided for the construction of a steam plant to firm up power at low ebbs of production.

In the testimony of the California Farm Bureau Federation, comprising a membership throughout the entire State of California and vitally interested in the development of our agriculture, they lay stress on the fact that we should use every effort to develop our resources and to make available for use by the farmers this much-needed irrigation water, calling attention to the fact that in both State and Federal legislation the purposes of the Central Valley project were, first, for river regulation, improvement of navigation, and flood control; second, for irrigation and domestic uses; and, third, for power.

I believe that the use of the moneys provided by the Federal Government should be in conformity to this legislative policy. The Central Valley program is far behind in its anticipated construction. I believe those in authority should take recognition of this condition and exert their efforts in order to do first things first, which would mean the supplying of water to the arid sections of our State and to provide facilities to increase agricultural production and make available the water for development of areas now little more than marginal, so far as crop benefits are concerned.

As a member of the Legislature of the State of California from 1925 to 1940, I supported legislation in conformity with the above intentions.

I believe that the Bureau of Reclamation in cooperation with the California Utilities Commission, could work together in a plan whereby the Pacific Gas & Electric Co. could be called upon to firm up what power was necessary, in order to operate the pumps required to supply water to the San Joaquin Valley, thereby saving this expenditure for steam-plant construction. This would provide additional money to guarantee the early completion of the Central Valley project.

There was also proposed the construction of a salt-water barrier to shut off the encroachment of salt water into the river delta area. This project should be extended so that many thousands of acres of salt marshes could be reclaimed and developed for agricultural purposes. Should this reclamation program extend, you could provide for irrigation and domestic water supply to a great portion of Sonoma and Marin Counties very much in need of additional water to insure their future development.

With all the money that may be secured from the Federal Government, it will be many years before this project has been completed. After the completion of those necessary irrigation canals and storage facilities, the State of California or the Bureau of Reclamation, whichever would have control of this project, could take up the matter of electric distribution.

It would not be practical to try to amend this appropriation bill, but I do hope that those responsible for this project will use every effort for the best interests of the farmers of this great Central Valley.

Mr. BARRETT of Wyoming. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BARRETT of Wyoming: On page 72, line 2, strike out the figure "$7,500,000" and insert in lieu thereof "$10,000,000."

Mr. BARRETT of Wyoming. Mr. Chairman, more than 29,000,000 people visited the areas administered by the National Park Service last year. Over 3,300,000 automobiles paid entrance fees to our national parks. I venture the statement that every one of them would tell you that they found the roads and highways in the national parks in a deplorable condition. The park highway to the south entrance of Yellowstone National Park is in such a deplorable condition that it is dangerous to travel over it. There are over 5,000 miles of primary and secondary roads maintained under the National Park Service. During the war years highway construction in our national parks was practically discontinued and even maintenance was on a limited basis; consequently, the highway system in our national parks has deteriorated to a terrible extent.

Under the Federal Highway Act of 1944, $4,250,000 was authorized for nine of the three successive postwar years. However, of the total $12,750,000 authorized only $7,415,000 was actually appropriated.

Now, Mr. Chairman, under the Federal Aid Highway Act of 1948, $10,000,000 is authorized for this fiscal year and for the fiscal year 1951. I was surprised to learn that the Bureau of the Budget had requested only $7,500,000 for this fiscal year for construction and maintenance of roads and trails in national parks. Of this sum, $3,500,000 will be required for maintenance and only $4,000,000 will be available for construction.

The entire $4,000,000 available for road construction in the national parks for the next fiscal year would not be sufficient to take care of the needs in Yellowstone National Park alone. This appropriation is wholly inadequate and by all manner or means should be increased to the full $10,000,000 authorized by the Congress.

Mr. KIRWAN. Mr. Chairman, I think the committee did very well in living up to the budget requests. As I stated yesterday, this bill gives more money to the parks and to every bureau of the Department of the Interior than was ever given in its history. I am surprised that the gentleman from Wyoming asks for more. What was he doing last year? For 6 years we have had to let the parks run down. Why did he not come in here last year and ask for a few dollars for these great parks?

Mr. BARRETT of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield.

Mr. BARRETT of Wyoming. I have asked for additional money for highways in our national parks every year that I have been here. Let me tell the gentleman that last year the Committee on Agriculture granted us an increase of from five to twenty million for highways in our national forests. There is no good reason why this amendment should not be adopted, and I want to say further that the National Park Service went to the Bureau of the Budget and requested that this item be increased from $7,500,000 to $10,000,000.

Mr. KIRWAN. Mr. Chairman, we have allowed what the budget asked and we gave them every dollar the budget requested. I hope the amendment will be rejected.

Mr. GAVIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I was surprised and I was disappointed at the laughter which greeted my good friend and colleague the gentleman from Pennsylvania [Mr. RICH] when he replied in the affirmative as to his vote for an increased appropriation for the preservation of that great national shrine—the birthplace of American liberty in Philadelphia.

I just want to say it is a sorry spectacle to attempt to hold up any Member of this House to ridicule for a vote of this kind which is in the interest of the preservation of one of the places of genuine historic significance and great patriotism.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wyoming [Mr. BARRETT].

The question was taken, and on a division (demanded by Mr. BARRETT of Wyoming) there were—ayes 59, noes 114.

So the amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having assumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes, pursuant to House Resolution 170, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

THE NATIONAL-DEFENSE BUDGET

Mr. VINSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD in explanation of the national defense budget.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. VINSON. Mr. Speaker, few matters are of more importance to the Congress and the American people today than the size of the premium that should be paid on the national life insurance policy—the national defense.

And, unfortunately, it is a subject not widely understood. This is not only because such vast sums are involved—it is also because the budget is always so complicated that few people have or will take the oportunity to study its details.

But our national defense is too important to be lightly considered. And its details are so susceptible of being made understandable that we should not leave aside an opportunity to acquaint ourselves with them.

So I have made an analysis of the most significant items in the President's 1950 military budget. I submit it hereafter in the hope that many Americans, and especially all Members of Congress, will give this very basic question the consideration it requires.

Now, to have a clear picture of the President's 1950 military budget, it is necessary, first, to understand the various stages through which it has passed before reaching its present total of fourteen and three-quarters billions.

First, in the National Military Establishment, each Department listed everything it felt it should have in 1950. Then the cost of the listed items was totaled. That was the initial bargaining point for budgetary conferences between the Departments.

This operation, finished last August, produced the staggering total of some thirty-odd-billion dollars. Everyone knew that was far too much. But it was a place to start.

Then the senior assistants to the Joint Chiefs of Staff, Generals McNarney and Richards and Admiral Carney, got to work on the budgets of their respective Departments and on the combined total. By the end of September they had reduced the thiry billions to about twenty-three and one-half billions. This was the second try.

Then the President's fifteen-billion ceiling began to take hold. The Joint Chiefs of Staff were directed to cut out some eight and one-half billion more. At this point, the cutting process began to be a stern requirement. It was not so serious reducing from thirty billion to twenty-three and one-half billion. That six and one-half billion came off without too much strain. But cutting back eight and one-half billion more was a little more, in my opinion, that the Joint Chiefs of Staff could work out and still carry out their job of providing adequately for the national defense.

But they did make a real effort at it, as directed by the Bureau of the Budget. By the middle of November they had come up with a budget of about seventeen and one-half billion dollars. This was the rock-bottom minimum, they felt, that the country could provide and yet maintain a reasonable defensive posture in today's world.

But the President insisted upon his $15,000,000,000 ceiling. So, finally, on December 1, the Joint Chiefs of Staff came up with the directed figure of $15,022,000,000. Later the budget reduced that some $257,000,000, so that the President's budget finally has come to the Congress with the total of $14,765,000,000. This total includes $525,000,000 for stockpiling and $830,000,000 for contingent items of pay and public works and housing.

So that is how the budget got to its present total. It represents four careful cutting efforts, the last three accomplished under pressure from the Bureau of the Budget.

Now, I conceive there to be nothing holy or untouchable about that final budget figure. And I am confident that the Nation will feel the same way.

It is, of course, the responsibility of the House and Senate to take whatever action is deemed proper to get the required defense—even if that requires increasing the budget recommendations—or even if it requires reshuffling the funds the budget proposes. The responsibility of Congress is greater than merely to accept or reduce the totals proposed by the Bureau of the Budget.

Where do we look mainly in this country for the best judgment on what is needed for an adequate national defense? The ultimate responsibility for the executive branch of the Government rests, of course, with the President. But his is not the expert military view. It can never be so, nor does our system so intend. Our top source for military judgment is the Joint Chiefs of Staff who, under the law, are charged among other things with the Nation's strategic and logistic planning. It is to these men, who have risen to the top in the Nation's armed forces after a generation of experience and effort in military life, to whom we must look, and to whom the President must look, for the most authoritative advice on our national-defense requirements.

This being so, I have taken the President's military budget, which is compounded of a number of extra-military considerations, and contrasted that with the lowest budget recommended by the Joint Chiefs of Staff, which is exclusively military in nature. By that process, I believe the Congress can arrive more soundly at our national-defense needs than if the President's budget alone is taken as the criterion.

This process reveals a very interesting set of facts, to which the remainder of my remarks will be devoted. I am leaving aside any discussion of the costs of the Office of the Secretary of Defense. I am referring only to military items, not to the overhead costs wherein the Congress has in the past often found room, and properly so, for substantial savings to the taxpayer.

ARMY

Consider the Army first. What does the budget ceiling do to the plans of the Joint Chiefs of Staffs in respect to the Army?

Take military personnel. The Joint Chiefs of Staff, in their minimum budget, proposed $2,421,000,000 for military personnel costs. Under the fifteen billion ceiling directed by the budget, the Joint Chiefs of Staff reduced that total to $2,068,000,000—a reduction of $353,000,000. The President's budget now before the Congress provides $1,983,000,000. This represents a reduction of $438,000,000 from the base figure proposed by the Joint Chiefs of Staff and $85,000,000 less than the directed ceiling.

What will be the effect of this reduction?

The Joint Chiefs of Staff's lowest figure before the ceiling was imposed represented an over-all Army strength of 800,000. The directed ceiling and the budget now before the Congress will permit an active duty strength of 677,000, or 123,000 less. This directed ceiling, moreover, is 18,200 less than the 695,200 man-year average the Army had in fiscal year 1949, and 34,668 less than the 711,668 officers and enlisted men the Army had on active duty on January 31 of this year.

Now, does this make any difference? Those charged with our national defense certainly thought so. Let us see what this reduction does to the Army's readiness to meet an emergency.

We must bear in mind that the responsibilities of the Army were not changed by the President. He changed only the amount of money. The considered judgment of the Joint Chiefs of Staff was that 800,000 men are needed by the Army in the next fiscal year to meet our defense obligations at home and abroad.

Of course, most of the Army's activities with respect to overseas deployments are virtually fixed at irreducible minimums. For example, almost one-third of the Army today is committed to occupation duties. So the reduction principally affects the troops here at home in the United States. This, in turn, materially lessens our readiness in the event of an emergency here or elsewhere in the world. The Army's mobile striking force, upon which we must rely for immediate action in time of emergency, was reduced by the Bureau of the Budget by two infantry divisions—from the seven divisions proposed by the Joint Chiefs of Staff to five—and, of these five, only one, the Eighty-second Airborne, will be a full-strength division under the President's budget. His budget also compels a reduction in the remaining two infantry divisions—the Second Infantry and the Third Infantry. The Eleventh Airborne, planned by the Joint Chiefs of Staff at 60 percent strength, and the Second Armored Division, planned at 80 percent strength, remain at that level under the President's budget.

Moreover, the budget eliminates a third of an armored cavalry regiment and 26 separate combat battalions, most

of which were antiaircraft artillery. The President's budget leaves us, in all, with 10 divisions, at varying percentages of strength, with various supporting units.

Now, I have been talking only about personnel reductions thus far. What else does the President's budget do to the Army?

Well, along with this reduction in personnel, the Army is to be required to abandon a substantial program for modernization of equipment of the mobile striking force. This is despite the fact that little has been done toward the procurement of modern equipment for those units which are scheduled for early deployment in time of emergency. The Army is still using equipment left over from World War II even though great advances in research and development have occurred since then. For instance, the Army has not been able to acquire enough new tanks. It is left with many World War II tanks. They cannot stand up to the latest type tank being produced elsewhere in the world. On this item the Joint Chiefs of Staff asked $74,000,000. This would modernize 743 tanks. The directed ceiling budget reduced this $32,000,000, so that only 420 could be modernized. Then the Bureau of the Budget reduced that $16,000,000 more, to a total of $26,000,000. So that, under the budget now before the Congress, only 250 such tanks can be modernized.

Also, the vitally important Army program of acquiring the new Skysweeper antiaircraft guns capable of delivering fire against high-speed low-flying aircraft will have to be curtailed under the President's budget. This is a newly developed weapon. It is superior to any known weapon of its type. I know all Americans now realize very well, especially from what happened in the early days of World War II, that this is the type of weapon needed very early in a war. The Joint Chiefs of Staff requested 673 of these weapons, at a cost of $161,000,000. The President's budget allocates $77,000,000 to procure 323 of them. This is less than one-half the number the Joint Chiefs of Staff considered necessary. Here is a calculated risk indeed. It is important that the Congress be aware of it.

A further Army item of real importance is the cut in the originally proposed civilian-component program—Reserves and National Guard. Naturally, the over-all personnel reduction complicates this, for it makes it far more difficult for the Army to provide the approximately 12,000 instructor personnel required. Moreover, the acquisition of the equipment necessary for even the highest priority Reserve units will continue to be short by well over 50 percent, and most of the low-priority units can expect to receive little more than their training equipment.

Now, what is the meaning of this? It is evident—and most important. Clearly, this will force the Army mobile striking force—the element scheduled for immediate overseas deployment in the event of emergency—to provide initially a considerable number of troops for defensive tasks within the United States to replace the units of the civilian components originally scheduled for this duty.

So it is apparent that our ability to mobilize rapidly will be markedly reduced under the terms of the President's budget. It has been reduced to such an extent, under the proposed budget, that it looks as if we are already returning to our traditional practice of failing to maintain reasonably adequate force in time of peace. These civilian components, with the Regulars, buy the time needed for mobilization of personnel in time of emergency. The proposed reduction in their strength and the consequent placing of additional tasks on the Army's mobile striking force will have a most significant effect on the ability of the Army to reinforce vital forward areas if they are attacked. It further affects the ability of the Army to seize and protect, in conjunction with the other services, those advance areas which are so essential for early offensive operations in any war.

Today the Army has well over a half million Reserves. Many of them have lost interest and left the program because of lack of effective training. Much of this lack stems from the failure of the Congress to insist upon the provision of sufficient funds, equipment, and facilities over and above those proposed in the various budgets since the war. Under the President's 1950 budget, there will be some 400,000 Reserves of the Army not in a drill-pay status. This is a paper force only. Its value, in a military sense, is certainly negligible. And nearly all of these men are war-trained veterans.

The Joint Chiefs of Staff asked for the placing of 421,314 Reserves in a drill-pay status. The President's budget provides for barely over half that number—230,000. How on earth the Congress can expect the Army Reserves to function properly and to maintain any esprit de corps or any willingness to continue to work for national defense voluntarily when they are not permitted to receive the pay their compatriots receive for undertaking training is more than I can understand.

It is axiomatic that if we do not maintain active, strong reserve forces, our alternative will be the maintenance of excessively strong standing forces, at vast cost to the Nation. Because, as I have said previously, these men, with the Regulars, buy the time needed in an emergency.

Here, I believe, the President's budget cut is most unhealthful and shortsighted. Here the Congress should step in and see that the services maintain adequate Reserves and that the Reserves are given sufficient funds to perform the job they are expected to do.

Let me say to the House, in this connection, that the Armed Services Committee plans, as soon as its legislative calendar will permit, to conduct a thorough inquiry into the present plight of Army and Air Force Reserves. I find it difficult to understand why the Nation is steadily losing this vast treasure-house of military ability, training, and experience represented in these hundreds of thousands of war-seasoned veterans. The Armed Services Committee plans to do something about this. Likewise, the Congress will have to move forward in this field by providing additional appropriations.

NAVY

And what is the situation of the Navy under the President's budget? As in the case of the Army, take personnel first.

The President's budget establishes a Navy personnel ceiling of 441,617. For the marines, the President's budget provides funds for 85,716. The President's budget is $229,000,000 less, for naval personnel, than the Joint Chiefs of Staff recommended. That is, the Joint Chiefs of Staff recommended $1,766,000,000, whereas the President's budget would allocate $1,537,000,000 for this purpose, a reduction of $229,000,000. The Joint Chiefs of Staff figure of $1,766,000,000 for naval personnel would permit a Navy strength of 485,916 and a Marine Corps strength of 94,071.

The question is, of course, what need exists for adding a little over 44,000 more Navy personnel and a little over 8,000 more marines to the numbers proposed by the President?

For the answer to this, we need to look to what the Joint Chiefs of Staff recommended for the maintenance and operation of the Navy. They recommended $1,318,000,000 for this purpose. That would provide 2 additional heavy carriers with 2 air groups, 30 destroyers, 24 mine craft and patrol craft, and 11 auxiliaries, all of which were stricken by the President's cut of $98,000,000 from the $1,318,000,000, leaving the President's total for Navy maintenance and operation at $1,220,000,000.

Now, what is the significance of the increase in the Navy proposed by the Joint Chiefs of Staff over the President's budget?

The 25 percent additional heavy carriers in commission is a significant item. It means that attack carriers available for combat operations in the initial stages of a war would come closer to minimum needs—which minimum needs the Navy considers to be far in excess of the figure arrived at by the Joint Chiefs of Staff. The additional destroyers and mine craft are, obviously, vitally related to the tremendous effort now being made by the Navy to counter enemy submarines. I know the Congress is aware of the importance of this subject in view of the present type of submarines now being manufactured abroad.

Moreover, the additional numbers of these vessels recommended by the Joint Chiefs of Staff are still far below the minimum number required during the crucial early stages of a war. Certainly it is not necessary for me to remind the House of the necessity for protection of coastal shipping lanes against submarine menace. This should be self-evident after our experiences in the last two world wars.

Now, let me mention what I consider to be a most vital part of the Navy budget. I am speaking of Navy aircraft.

The Joint Chiefs of Staff recommended, in their minimum budget, $1,030,000,000 for the procurement and production procurement of new aircraft. The President's budget allots only $687,000,000 for this purpose—a cut of $343,000,000. This is an item demanding the most serious attention.

In 1950, the Navy will need approximately 1,700 aircraft to keep up with attrition and obsolescence in that year. This would cost about $1,300,000,000. The Joint Chiefs of Staff recommendation was for less than this—$1,030,000,000, permitting the procurement of 1,361 aircraft. Now we come to the President's budget for only 843 aircraft in 1950. This is almost exactly one-half of the number needed to keep up with attrition and obsolescence of naval aircraft. To put it another way, the President's budget provides only one-half the requirement for maintaining a modern naval air arm in 1950.

I earnestly hope the Congress will examine this phase of the Navy's budget most thoroughly. For, in my opinion, it is far insufficient for the needs of the fleet today. In this era, of air power, with the world in a troubled state, surely this is not the time to so drastically reduce the requirements of the fleet air arm.

There is another naval item cut by the President which requires close analysis. That is the naval appropriation for research and development. The President's budget provides $36,000,000 less than the amount appropriated for 1949. The Joint Chiefs of Staff recommended $220,000,000 for Navy research and development, and that figure is $19,000,000 under the 1949 appropriation. I believe that in accelerated military research and development lies much of our ultimate ability to react quickly and effectively to any attack in the future and to meet any enemy with equipment and weapons superior to his own.

But despite the fact that the Joint Chiefs of Staff proposed to allocate $19,000,000 less for Navy research and development than was allocated in 1949, the President's budget imposes an additional cut of $17,000,000. This makes a total reduction under the 1949 budget of $36,000,000. I consider this highly unwise and ultimately dangerous to the country. This is not the place to economize. This is the place to insist upon emphasis on the part of the services. This is the place where it is a continuing function of the Congress, especially in peacetime, to incite further service action rather than to discourage such action by budgetary cuts.

The reduction eliminates the development of two aircraft prototypes—one piloted and one pilotless. It also delays the development of aeronautical power plants, electronics, and ship developments. Such deductions are unwise at a time when virtually every nation in the world has thousands of scientists working day and night to produce new and more destructive weapons of war.

The Congress should be conversant with the letter of February 2, 1949, which Secretary Sullivan of the Navy sent to the Appropriations and Armed Services Committees. In that letter he pointed out that the President's budget requires a manpower reduction of 29,500 commissioned officers and enlisted men of the Navy and Marine Corps, the inactivation of 3 attack carriers, 9 light cruisers, and 3 antiaircraft cruisers, plus additional craft, making a total of 72 vessels to be inactivated—15 of which are major combatant types—reducing the active fleet strength of 755 vessels to a total strength of 731. These figures include the reactivation of 10 reserve fleet destroyers and 1 light carrier, as well as 14 smaller craft, and the completion of 7 new combat vessels. Mr. Sullivan's letter also points out that the Navy will have to reduce its operating aircraft, under the President's budget, from 8,183 to 7,765—a reduction of 418 aircraft, and 9 air stations will have to be inactivated, and three others will be placed in a maintenance status. In addition, there will have to be a general reduction in the scale of activity at naval shore establishments supporting the fleet.

AIR FORCE

Now what about the Air Force situation? First, what was the Air Force program under the fiscal year 1949 budget of $4,717,809,519? That budget, the House will recall, contemplated the establishment of 66 groups and 22 separate squadrons. The House understood that in fiscal year 1950 this force could be increased to 70 groups and 22 separate squadrons. This 66-group phase of the 70-group program contemplated a military man-year strength of 423,174 personnel, including 7,090 1-year enlistees, and an end-of-year strength of 459,000, including 15,000 1-year enlistees. The appropriation permitted the procurement of 2,437 aircraft.

By contrast, the fiscal year 1950 Air Force budget carries a figure of $4,554,887,000. This will permit the Air Force to have 48 groups and 10 separate squadrons. It will have a military personnel man-year strength o 412,273, and an end-of-year strength of 413,486. This is an increase of only 2,486 personnel over the Air Force strength of December 31, 1948. This appropriation will permit the procurement of 1,668 aircraft from the $1,480,000,000 available for aircraft procurement.

Now, the Armed Services Committee interest in the Air Force situation under the proposed budget, for the purpose of this discussion, is confined substantially to the procurement of aircraft. This is because so long a period of time elapses between the time aircraft are contracted for and are delivered. Moreover, now that the air power is the Nation's first line of defense and offense, the plans of our country in respect to national defense must reflect that fact. This can be done only by augmenting our air strength.

The Members of the House will recall that last year, by Public Law 547, the Congress provided $322,000,000 additional procurment authorization for the Air Force over and above that recommended by the Secretary of Defense. At that time there was no doubt in anyone's mind that we had recognized the need for strengthening the Air Force. By appropriating this additional money, we enabled the Air Force to increase its aircraft procurement from 1,671 planes, as originally proposed, to a final figure of 2,437 planes. We enabled the Air Force to plan a program which, if carried out by sufficient appropriations in fiscal year 1950 and subsequently, will eventually result in the creation of a 70-group air force.

The Air Force was asked during recent hearings before the Armed Services Committee what it could accomplish if it were granted an additional $800,000,000. The answer is that, given an additional $800,000,000 in fiscal year 1950 over and above that proposed in the President's 1950 budget, the Air Force can establish in fiscal year 1950 57 effective air groups instead of the 48 groups authorized under the present budget.

What is the present status of the Air Force? On December 31, 1948, it had 49 groups, plus 1 provisional group operating in the Berlin airlift, and 19 separate squadrons with an over-all military personnel strength of 411,000. Most of these 59 groups are now equipped with first-line aircraft. However, some of these aircraft will soon be obsolescent. And if a reasonable level of procurement is not continued, a serious delay will occur in our original objective of getting a modern Air Force within a reasonable length of time. In fact, the delay that has already occurred from the reprograming to meet the proposed 1950 budget of 48 groups for the Air Force will delay a modernized and balanced force until fiscal year 1954.

Under the President's budget, providing for 48 groups and 10 separate squadrons and 413,000 men by the end of the year, $1,480,000,000 is provided for aircraft procurement. This will permit the purchase of 1,668 aircraft.

So if the Congress fails to increase the President's Air Force budget, it will have acquiesced in a cut-back from the program planned from last year. We will purchase fewer aircraft than we authorized last year, and we will delay the attainment of the 70-group program we planned last year. Moreover, we will reduce the number of active air groups from the present 59 to only 48. To prevent this the Armed Services Committee proposes that $800,000,000 be added to the Air Force budget.

Now, what will this do?

If the $800,000,000 were solely for aircraft procurement, the Air Force could purchase 1,116 additional aircraft over the 1,668 now provided for in the President's budget. This would give a total of 2,784 aircraft. However, there is no point in having aircraft without the men to fly them and service them. So of the $800,000,000, $435,000,000 could be used for aircraft procurement, which would permit the purchase of 702 additional aircraft. This would give a total of 2,370 aircraft which could be purchased in fiscal year 1950. This compares adequately to the 2,437 aircraft the Congress authorized to be purchased in fiscal year 1949. Of the remaining portion of the $800,000,000, $94,000,000 would be used for military personnel costs. This would permit an end-of-year strength of 450,000, or 36,000 more than the President's

budget proposes. With these increases, and with $235,000,000 of the remainder being used for maintenance and operation, the Air Force could establish a program of 57 active groups. The remaining $36,000,000 would be used for research and development, procurement of electronics equipment, ground handling equipment, and other operating expenses for the additional groups. I might add that the $435,000,000 for aircraft procurement could be given to the Air Force in the form of contract authorization entirely. Only $365,000,000 of the $800,000,000 need be cash.

Now, to summarize, I submit the following recommendations for the consideration of the House in respect to the President's 1950 military budget:

First. That sufficient funds be provided to maintain at least the January 31, 1949, personnel strength of the Army of 711,668 in place of the budgetary limit of 667,000. It makes little sense, under existing world conditions, to reduce the strength of the Army by 34,668. The maintenance of such a force will require an increase of $105,000,000, plus $25,500,000 for the balance of this year, over the President's budget.

Second. It seems clearly evident that it is far too much of a risk to accept the budgetary figure of $77,000,000 for the new Skysweeper antiaircraft guns for the Army. On this very important item, I strongly support the proposal of the Joint Chiefs of Staff that 673 of these weapons be procured in place of the 323 proposed in the budget. This will require $161,000,000 for this purpose in lieu of the $77,000,000 proposed by the budget, an increase of $84,000,000. The same would appear to apply in the case of the Army tanks mentioned previously in these remarks. Here I support the Joint Chiefs of Staff figure of $74,000,000, to modernize 743 medium tanks, in place of the $26,000,000 recommended by the President, which permits the modernization of only 250.

Third. I urge that the House insist upon the Joint Chiefs of Staff recommendation that 421,314 Army Reserves be placed in a drill-pay status, and that the House insist that the Army properly expend such funds. As indicated previously, the President's budget provides that 230,000 Reserves be placed in a pay status. Surely the time has come for Congress to insist upon the utilization of the civilian components. And if the Congress will provide the funds, the Committee on Armed Services will assuredly act as swiftly as possible to compel the Army and the Air Force to utilize these war-seasoned men without further delay. The Armed Services Committee is already well along with the legislation to authorize the construction of additional armories. If we fail to insist upon vigorous use of the civilian components, our Nation will be plagued with the maintenance of an excessively large standing army. Placing 191,314 more Reserves in a drill-pay status will require an increase of $17,600,000 over the figure proposed by the President.

Fourth. In regard to the Navy, I urge that, as in the case of the Army, sufficient funds be provided at least to maintain the January 31, 1949, Navy strength of 555,700 officers and enlisted men. The Joint Chiefs of Staff recommendation was for a Navy strength of 485,916 and a Marine Corps strength of 94,071, or about 52,000 more than the President's budget allows. Surely there is nothing in the international situation to indicate that so severe a reduction in the strength of the Army and Navy is warranted at this time. The least the Congress should do is to maintain the personnel strength of the Army and Navy. Maintaining the Navy at its January 31, 1949, strength in place of the President's ceiling of 441,617, plus 85,716 marines, will require approximately $87,000,000 more than is proposed in the President's budget.

Fifth. I further recommend that the President's cut of $98,000,000 in the maintenance and operation of the Navy be restored so that there will be provided for this purpose $1,318,000,000 as recommended by the Joint Chiefs of Staff. As indicated, the Joint Chiefs of Staff total, in itself, is considerably below the strength the Nation's naval experts consider the absolute minimum necessary to maintain the Navy in an adequate state of preparedness in today's world. That being the case, I fail to see the rationality of the President's proposed cut. And I accordingly recommend that the House restore the figure to the minimum figure proposed by the Joint Chiefs of Staff.

Sixth. Similarly I propose that the Joint Chiefs of Staff figure of $1,030,000,000 for the procurement and production procurement of new naval aircraft be substituted for the President's budgetary figure of $687,000,000. This will amount to an increase, over the President's figure, of $343,000,000. Even this addition is $270,000,000 less than what the Navy estimates is required to keep the fleet air arm up with attrition and obsolescence next year. By contrast, the President's budget provides only one-half of the requirement for maintaining a modern naval air arm in 1950. Accordingly, I recommended an increase in this item of $343,000,000.

Seventh. For obvious reasons, it is also my recommendation that the House approve the Joint Chiefs of Staff recommendation of $220,000,000 for naval research and development. This amounts to a $17,000,000 increase over the figure proposed in the President's budget. In this connection, I also urge consideration of the advisability of returning this appropriation to the 1949 figure of $19,000,000 more, for a total of $239,000,000. Expenditures for this purpose are amongst the most vital of all our armed forces. This activity should be stimulated, not discouraged.

Eighth. Finally, the Armed Services Committee recommends that the House provide $800,000,000 additional funds to the Air Force, $365,000,000 of which should be in cash, the balance of $435,000,000 in contract authority for the procurement of 702 additional aircraft over the budgeted figure of 1,668. I think this recommendation has been adequately discussed previously.

To sum up these recommendations, the funds involved are as follows:

Increases recommended to President's budget

Army:	
Personnel (to maintain 711,668) plus $25,500,000 for rest of fiscal year 1949)	$105,000,000
Skysweeper antiaircraft guns (350 more)	84,000,000
Reserves (191,314 more in pay status)	17,600,000
Tanks (modernize 493 more)	48,000,000
Total Army increase (plus $25,500,000 for rest of fiscal year 1949)	254,600,000
Navy:	
Personnel (to maintain 555,700)	87,000,000
Maintenance and operation	98,000,000
Navy aircraft (518 more)	343,000,000
Research	17,000,000
Total Navy increase	545,000,000
Air Force: Aircraft procurement and personnel (450,000)	800,000,000
Total increase over President's budget:	
Army	254,600,000
Navy	545,000,000
Air Force	800,000,000
Total (plus $25,500,000 for rest of fiscal year 1949)	1,599,600,000
Total budget after making additions recommended:	
President's budget	14,765,000,000
Increases recommended	1,599,600,000
Total	16,364,600,000
Difference between President's budget and Joint Chiefs of Staff budget:	
Joint Chiefs of Staff	17,439,000,000
President	14,765,000,000
Total	2,674,000,000

Now, before completing this analysis let me make one further comment. The House will recall that when we added the funds to the Air Force last year in our effort to march ahead toward a 70-group Air Force, we imposed broad renegotiation requirements upon the Air Force, which requirements are not equally imposed upon the Army or the Navy. Further, that act, Public Law 547 of the Eightieth Congress, left it to the discretion of the Secretary of Defense as to whether or not the renegotiation authority will be exercised. This same discretionary authority was continued in section 401 of the Second Deficiency Appropriation Act of 1948. Now, I am firmly of the opinion that the Congress should require the insertion in every Government contract, except those for standardized items, involving the expenditure of over $1,000 of military funds, a clause stating that the contract will be subject to renegotiation. The alternative is to withdraw the requirement from the Air Force and from the fleet air

arm, since these branches labor under a severe handicap in dealing with American industry by having their contracts subject to renegotiation whereas other such contracts are not so limited. The alternative being clear, the choice of the two alternatives appears to me to be likewise clear. And that is, to require that military contracts over $1,000 on all but the standardized items be subject to renegotiation as is the case now for aircraft procurement.

In conclusion, let me remind the House that these views are predicated mainly on the concept that we can ill afford, in these troubled days, to fail to give heed to the views of the Joint Chiefs of Staff as is proposed in the President's budget.

Our traditional practice in these matters has not been good common sense.

In time of military crisis, the Congress and the Nation always turn to our military leaders to save the Nation. We open wide the Treasury doors, we hand them billions upon billions, we grease the legislative process and give them just about any legislation they ask for. We lionize them from coast to coast. We give them the greatest honors the country can bestow.

Then, they win the war.

And they won it at vast cost of blood and treasure, much of which could have been saved and perhaps the war itself averted had the Nation followed their advice and been prepared. Then, just after the fighting stops, we begin to punish them for any miscalculations they may have made during the tremendous effort of the war.

And then, very quickly, we begin to cut them down. We call them the "brass," "gluttons for power," "empire builders." They become selfish nondescripts, in the public eye.

And what follows? Why, then we begin to say that we know more about military matters than they do. And we take their estimates of military capabilities of potential enemies and say they do not know what they are talking about. We cut down the forces they insist are needed for national defense. We cut them so far back that within 5 years after every war in our history, the United States has been practically defenseless.

Then, when the next war begins, we have to repeat the whole process. And again, the military leaders, accustomed to operating without adequate funds or forces in peacetime, are given untold billions of dollars, millions of people, and almost all the authority they think they need to win the war.

We have been backing and filling like this for 150 years.

Yes, we ridicule them and ignore their views in time of peace.

But in time of crisis, we have no hesitancy to follow their advice.

Now, it seems to me that we are starting on that short-sighted perilous road again. The Joint Chiefs of Staff, our highest military men in the Nation, each of whom has had outstanding military records in the last war, have made firm representations as to what the Nation needs in today's world in order to provide an adequate defense for the American people.

But, no. The budget says that is $2,674,000,000 too much.

I say that is for the Congress to decide.

And, as between the Bureau of the Budget and the Joint Chiefs of Staff, I will place my confidence in the latter, in regard to what our national defense needs are.

These thoughts underlie my analysis, Mr. Speaker. I most earnestly hope that the House will find its way clear to maintain the Nation's premiums on America's most vital life-insurance policy—the national defense.

EXTENSION OF REMARKS

Mr. YATES asked and was given permission to extend the remarks he made in Committee of the Whole and include a letter and a newspaper article.

Mr. TAURIELLO asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Chicago Daily News.

Mr. ADDONIZIO asked and was given permission to extend his remarks in the RECORD and include an essay.

Mr. HUBER asked and was given permission to extend his remarks in the RECORD and include a letter.

Mrs. DOUGLAS asked and was given permission to extend her remarks in the RECORD in four instances and include extraneous material.

Mr. MULTER asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous material.

Mr. RODINO (at the request of Mr. CHUDOFF) was given permission to extend his remarks in the RECORD and include a resolution.

Mr. KILDAY asked and was given permission to extend his remarks in the RECORD and include a statement by Rev. John J. Cavanaugh, president, Notre Dame University.

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD and include a resolution.

Mr. PATTERSON asked and was given permission to extend his remarks in the RECORD.

Mr. MANSFIELD asked and was given permission to revise and extend the remarks he made in Committee of the Whole and include various newspaper articles, releases, and other matter.

Mr. MURRAY of Wisconsin asked and was given permission to extend his remarks in the RECORD in two instances and include a newspaper article in one.

Mr. McCORMACK asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. BARRETT of Wyoming asked and was given permission to revise and extend the remarks he made in the Committee of the Whole and include a letter and other material.

DISTRICT OF COLUMBIA EMERGENCY RENT ACT

Mr. HARRIS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 3910) to extend for a temporary period the provisions of the District of Columbia Emergency Rent Act.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 1 (b) of the act entitled "An act to regulate rents in the District of Columbia, and for other purposes," approved December 2, 1941, as amended (D. C. Code, 1940 ed., sec. 45–1601), is hereby amended by striking out "March 31, 1949" and inserting in lieu thereof "April 30, 1949."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. WELCH of Missouri (at the request of Mr. SULLIVAN), for an indefinite period, on account of illness.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ARRESTS AND IMPRISONMENTS OF CARDINAL MINDSZENTY OF HUNGARY AND ARCHBISHOP STEPINAC OF YUGOSLAVIA

Mr. McCORMACK. Mr. Speaker, the recent outrage in the effectuation of the Communist plan to sabotage religion and democracy in eastern Europe is the indignity heaped upon the primate of Hungary, Cardinal Mindszenty, by the puppet government of that nation.

Our generation is thereby made witness to a full turn of the wheel of fate and history.

For we now have brazenly thrust before the shocked eyes of the civilized world the ironic spectacle of a government purporting to be lawfully in succession to that of Saint Stephen perpetrating an act of ruthless suppression against an heroic man of God who personifies the spirit of religious resistance to tyranny.

Already decorated with the badge of honor of arrest for his opposition to Nazi totalitarianism in 1944, Cardinal Mindszenty is now further distinguished as a champion of liberty by imprisonment under a despotic regime of Red fascism.

When he raised his powerful voice against the proscription of Hungarian Jews and encouraged his Catholic flock to render them every assistance, the forces of the swastika silenced him by imprisonment. Recently, when he dared to utter protest against the persecution of his own church, the gag was again applied, but this time by means of the hammer and sickle.

Thus, the episcopal career of this eminent churchman, whose humanitarianism transcends his sectarian preference, has been intimately entwined with the cause of freedom.

What is more, his personal suffering in behalf of that cause has marked him as one of the world's outstanding champions of both religion and democracy.

When he bravely left the asylum of our own shores a short time ago to stand in the midst of his people and inspire them in courageous opposition to the Moscow-controlled government of his beloved nation, he is reported to have said: "Why should I fear? All that my enemies can take from me is my life."

By those words he anticipated his present predicament; and, more significantly, he anticipated the ugly travesty on law and justice by which his life is now put in jeopardy.

The charges against Cardinal Mindszenty are that he engaged in treason, espionage, black-market currency manipulation, and attempts to restore the Hapsburg monarchy.

On the other hand, the facts show that the acts to which he would proudly plead guilty are:

First. Denunciation of tyrannical methods employed by a police state;

Second. Assailing the Government for abolition of church holy days;

Third. Refusing to permit Government interference with distribution of privately donated relief supplies;

Fourth. Denunciation of enforced mass deportations of Germans from Hungary and Hungarians from Czechoslovakia;

Fifth. Opposition to nationalization and confiscation of Catholic schools;

Sixth. Resistance to the dissolution of Catholic organizations and church societies;

Seventh. Insistence upon the right to publish an uncensored newspaper with the same newsprint allotment as the controlled-government press.

Any reconciliation of the stupid and baseless charges with his fearless conduct is, of course, impossible.

What is possible, however, is the translation of his courageous acts into terms of democratic liberties.

Denunciation of tyrannical police state methods and mass deportations is maintenance of the right to freedom from fear.

Protest against interference with divine worship on the part of a godless government is championship of freedom of religion.

Opposition to nationalization of church schools is positive support of freedom of education.

Resistance to the dissolution of lawful organizations is a powerful plea for freedom of assembly.

Demand of the right to publish is espousal of freedom of speech and freedom of the press.

The real "crime" of the Hungarian Cardinal, therefore, is his militant advocacy of all of these freedoms—freedoms which we here in America take for granted—but for the protection of which he lost his liberty on December 27, and for which he may yet lose his life.

It is the realization of the true nature of the "case" against him that has caused the whole civilized world to be shocked and grieved at his arrest and imprisonment. For the same reason, a high and responsible official of our own Government has characterized the allegations against him as "a sickening sham."

Informed people everywhere know full well that Cardinal Mindszenty has stood stanchly as a bold defender of human rights and a consecrated witness to the truth of the Christian gospel.

It is for that stand and that testimony that he now languishes in prison, held incommunicado, and subject to God only knows what greater indignities at the hands of jackals in human form not fit to touch the hem of his garment.

His imprisonment, however, degrades only his jailers.

By it, he himself is thereby enrolled in a distinguished company of defenders of faith and freedom.

Thomas à Becket was imprisoned and slain by Henry II in 1170 for his opposition to the tyranny of his king.

The deeds of the second Henry are now forgotten. Thomas à Becket is enshrined forever in the calendar of the saints.

John Fisher was tried and beheaded for treason by Henry VIII in 1535 for daring to place his God before his king.

By common consent, Henry VIII is today considered one of the most tyrannical and lustful figures in history. The man he beheaded died a cardinal of the Roman Catholic Church, has been canonized, and is looked upon as an English hero of liberty.

In 1874 the all-powerful Bismarck imprisoned Cardinal Ledochowski to further his program of state supremacy and suppression of religion.

The nation welded through force by Bismarck has long since crumbled to dust, but the church of the imprisoned cardinal still denounces tyranny and intolerance.

Within our own memory, Hitler stilled the voice of a pastor, Niemoller, with the clang of a prison door, and attempted to extirpate Jewry and Judaism with concentration camps and human crematories.

Hitler, his hated government, and his religion of statism are no more, although they exist elsewhere in the form of red fascism, but the divinely inspired words of the evangelical pastor still ring true and clear, and the Jewish race and the Jewish religion survive and prosper.

Now the stilled voice of Cardinal Mindszenty is added to the eloquence of this noble assembly of historic heroes who have suffered for the sake of truth, religion, and liberty.

His arrest is graphic evidence that the Communist group which now holds Hungary in the grip of bondage has taken the first overt step to stamp out every source of opposition.

It is a revelation that the Moscow-dominated government of that benighted land feels that it is entrenched so strongly that it is no longer necessary to hide its real policy of extermination of religion and democracy.

As that ruthless policy is carried out with vicious precision, liberty, human rights, and the dignity of man will gradually vanish, and the dark shadow of the Kremlin will blot out the last vestige of a free and independent Hungary.

The arrest and imprisonment of the heroic primate of Hungary are but the first cuttings of the Communist pattern for Hungary—the same desolate pattern which has already been stamped with force on Estonia, Lithuania, Latvia, Poland, Bulgaria, Rumania, Yugoslavia, Albania, and Czechoslovakia.

When the pieces of the pattern are all tightly locked in the Communist vise, freedom, liberty, religion, human dignity, and the rights of man will then have been squeezed out of eastern Europe.

Because the violation of Cardinal Mindszenty's person is an act symbolic of the whole Communist pattern, I wish to again add my voice of protest to those of men of good will everywhere in decrying this outrage against humanity.

In the well of this House, where the last century witnessed the inspiring acclamation of the Hungarian patriot, Louis Kossuth, I wish to pay my small tribute to the modern patriot of Hungary whose love of God and his fellow man has brought down upon him the wrath of those whose godlessness and inhumanity are but the hallmarks of the Communist government they so cravenly serve.

His Eminence, the Cardinal Primate of Hungary, now suffers persecution for justice's sake. The unholy trinity of Marx, Lenin, and Stalin appears to be momentarily in the ascendancy.

In the end, however, the Divine Trinity, whose solace and protection sustains the good cardinal in his hour of sorrow, will prevail.

And what I have said about Cardinal Mindszenty applies with equal force to religious leaders of all creeds who have been, are now, or may be in the future subjected to Communist persecution.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 135. An act to authorize the Board of Commissioners of the District of Columbia to establish daylight-saving time in the District.

BILL PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on March 29, 1949, present to the President, for his approval, a bill of the House of the following title:

H. R. 1731. An act to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 4 minutes p. m.) the House adjourned until tomorrow, Thursday, March 31, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

467. A communication from the President of the United States, transmitting an estimate of appropriation to pay claims for damages, audited claims, and judgments rendered against the United States, as provided by various laws, in the amount of $5,398,883.17, together with such amount as may be necessary to pay indefinite interest and costs and to cover increases in rates of exchange as may be necessary to pay claims in foreign currency (H. Doc. No. 145); to the Committee on Appropriations and ordered to be printed.

468. A communication from the President of the United States, transmitting a revised estimate of appropriation involving an increase of $1,000,000 for the National Military Establishment, Department of the Navy, for the fiscal year 1948, in the form of an amendment to the attachment to the submission of March 2, 1949 (H. Doc. No. 93) (H. Doc. No. 146); to the Committee on Appropriations and ordered to be printed.

469. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal year 1949 in the amount of $84,475 for the legislative branch, House of Representatives and Library of Congress (H. Doc. No. 147); to the Committee on Appropriations and ordered to be printed.

470. A letter from the Acting Secretary of the Interior, transmitting a report on a proposed contract between the United States and the Shasta View irrigation district on the Klamath Federal reclamation project, Oregon, and a draft of a proposed bill entitled "A bill to approve a repayment contract negotiated with the Shasta View irrigation district, Malin, Oreg., and for other purposes"; to the Committee on Public Lands.

471. A letter from the Under Secretary of the Interior, transmitting a draft of a proposed bill to approve a contract negotiated with the Uncompahgre Valley Water Users' Association and to authorize its execution, to approve reclassification of land of the Uncompahgre project, Colorado, and for other purposes; to the Committee on Public Lands.

472. A letter from the Acting Secretary of the Interior, transmitting a report on a proposed contract between the United States and the Bitter Root irrigation district, and a draft of a bill to approve a repayment contract negotiated with the Bitter Root irrigation district, Montana, and to authorize its execution, and for other purposes; to the Committee on Public Lands.

473. A letter from the Acting Secretary of the Interior, transmitting a report on a proposed contract between the United States and the Okanogan irrigation district, the organization representing the water users of the Okanogan project, Washington, and a draft of a bill to approve a repayment contract negotiated with the Okanogan irrigation district, Washington, and to authorize its execution, and for other purposes; to the Committee on Public Lands.

474. A letter from the Acting Secretary of the Interior, transmitting a report on a proposed contract between the United States and the Kittitas reclamation district, the organization representing the water users of the Kittitas division of the Yakima project, Washington, and a draft of a bill entitled "A bill to approve a repayment contract negotiated with the Kittitas reclamation district and to authorize its execution, to approve the reclassification of lands within the Kittitas division of the Yakima project, Washington, and for other purposes"; to the Committee on Public Lands.

475. A letter from the Acting Secretary of the Interior, transmitting a report on a proposed contract between the United States and the Willwood irrigation district, and a report of the reclassification of lands of the Willwood division of the Shoshone Federal reclamation project, and a draft of a bill to approve a contract negotiated with the Willwood irrigation district and to authorize its execution, and for other purposes, to the Committe on Public Lands.

476. A letter from the Acting Secretary of the Navy, transmitting a report of the Junior Midshipmen of America, Inc., relative to the transfer of a motor launch to be used in training boys in seamanship, navigation, boat handling, and related subjects; to the Committee on Armed Services.

477. A letter from the president, Board of Commissioners, District of Columbia, transmitting a draft of a proposed bill to provide for weight to be given to evidence of tests of alcohol in the blood, urine, or breath of persons tried in the District of Columbia for certain offenses committed while operating vehicles; to the Committee on the District of Columbia.

478. A letter from the Comptroller General of the United States, transmitting a report on the examination of the Commodity Credit Corporation for the period ended June 30, 1945 (H. Doc. No. 148); to the Committee on Expenditures in the Executive Departments, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. EATON: Committee on Foreign Affairs. H. R. 3748. A bill to amend the Economic Cooperation Act of 1948 (Rept. No. 323, pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. BRYSON: Committee on the Judiciary. H. R. 3762. A bill to amend title 18, entitled "Crimes and Criminal Procedure," and title 28, entitled "Judiciary and Judicial Procedure," of the United States Code, and for other purposes; without amendment (Rept. No. 352). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. H. R. 3440. A bill for the addition of certain lands to Rocky Mountain National Park, Colo., and for other purposes; without amendment (Rept. No. 353). Referred to the Committee of the Whole House on the State of the Union.

Mr. HART: Committee on Merchant Marine and Fisheries. House Joint Resolution 186. Joint resolution to extend the time for use of construction reserve funds established under section 511 of the Merchant Marine Act, 1936, as amended; without amendment (Rept. No. 354). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON: Committee on Merchant Marine and Fisheries. House Resolution 147. Resolution requesting the Secretary of State to investigate the domestic fishing industry; with amendments (Rept. No. 355). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BIEMILLER:

H. R. 3893. A bill to amend the Public Health Service Act to provide for research and investigation as to the cause, prevention, treatment, and possible cure of epilepsy; to the Committee on Interstate and Foreign Commerce.

H. R. 3894. A bill to amend the Public Health Service Act to provide grants and scholarships for education in the medical, dental, dental hygiene, public health, nursing, and sanitary engineering professions, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HAGEN:

H. R. 3895. A bill to declare that the United States holds certain lands in trust for the Minnesota Chippewa Tribe; to the Committee on Public Lands.

By Mr. JOHNSON:

H. R. 3896. A bill to amend the Civil Service Retirement Act so as to make such act applicable to the officers and employees of the Columbia Institution for the Deaf; to the Committee on Post Office and Civil Service.

By Mr. LANE:

H. R. 3897. A bill to encourage increased production, and for other purposes; to the Committee on Ways and Means.

H. R. 3898. A bill to amend the Internal Revenue Code in order to make certain requirements of trusts taking deductions from gross income, for income-tax purposes, of charitable contributions, and for other purposes; to the Committee on Ways and Means.

H. R. 3899. A bill to amend the Internal Revenue Code in order to recognize a gain or loss in liquidation where the liquidating corporation is one not located in the United States; to the Committee on Ways and Means.

By Mr. McMILLAN of South Carolina (by request):

H. R. 3900. A bill to amend an act entitled "An act to incorporate the Washington Gas Light Co.," and for other purposes; to the Committee on the District of Columbia.

By Mr. McMILLAN of South Carolina:

H. R. 3901. A bill to increase the salaries of the judges of the municipal court of appeals for the District of Columbia and the municipal court for the District of Columbia; to the Committee on the District of Columbia.

By Mr. SHAFER:

H. R. 3902. A bill to establish the United States Air Academy at Kellogg Airport and Fort Custer, Mich.; to the Committee on Armed Services.

By Mr. WOOD:

H. R. 3903. A bill to combat un-American activities by making it unlawful for Federal employees and for individuals employed in connection with national defense contracts to be members of, or affiliated with, the Communist Party or certain other subversive organizations, and for other purposes; to the Committee on Un-American Activities.

By Mr. BARTLETT:

H. R. 3904. A bill to authorize the Governor of Alaska to dispose of royalty payments on the literary work entitled "Alaska: A Guide to the Last Frontier"; to the Committee on Public Lands.

By Mr. DOUGHTON:

H. R. 3905. A bill to amend section 3121 of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. BARTLETT:

H. R. 3906. A bill to amend the Federal Aid to Wildlife Restoration Act, as amended; to the Committee on Merchant Marine and Fisheries.

By Mr. MURRAY of Wisconsin:

H. R. 3907. A bill to amend the Agricultural Act of 1948 so as to extend until January 1, 1951, the time in which the provisions of title I thereof shall be effective, and for other purposes; to the Committee on Agriculture.

By Mr. BARRETT of Pennsylvania:

H. R. 3908. A bill to amend title 18 of the United States Code (Crimes and Criminal Procedure) to suppress the evil of anti-Semitism and anti-Negro propaganda; to the Committee on the Judiciary.

By Mr. KILDAY:

H. R. 3909. A bill to authorize the appointment of certain additional permanent brigadier generals in the Regular Army; to the Committee on Armed Services.

By Mr. HARRIS:

H. R. 3910. A bill to extend for a temporary period the provisions of the District of Columbia Emergency Rent Act; to the Committee on the District of Columbia.

By Mr. DAVIES of New York:

H. R. 3911. A bill making an appropriation for the prosecution of works of improvement of Oswego Harbor, N. Y., as heretofore authorized by law; to the Committee on Appropriations.

By Mr. CLEMENTE:

H. R. 3912. A bill to amend section 302 (c) of the Army and Air Force Vitalization and Retirement Equalization Act of 1948; to the Committee on Armed Services.

H. R. 3913. A bill requiring a loyalty oath to be taken by all officers and employees of the United States Government; to the Committee on the Judiciary.

By Mr. FULTON:

H. R. 3914. A bill to provide for salary increases for employees of the field service of the Post Office Department; to the Committee on Post Office and Civil Service.

By Mr. WEICHEL:

H. R. 3915. A bill to provide for the expansion of post-office facility at Bowling Green, Ohio; to the Committee on Public Works.

By Mr. MOULDER:

H. R. 3916. A bill to amend and supplement the act of June 7, 1924 (43 Stat. 653); to the Committee on Agriculture.

By Mr. PATTERSON:

H. R. 3917. A bill to extend the educational benefits of the Servicemen's Readjustment Act of 1944 to the children of veterans of World War II where the veterans have received no educational benefits under such act; to the Committee on Veterans' Affairs.

By Mr. ALLEN of California:

H. J. Res. 210. Joint resolution to continue the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. SHAFER:

H. Con. Res. 53. Concurrent resolution to direct the Veterans' Administration to refund to veterans during the current fiscal year overpayments of premiums on national service life insurance; to the Committee on Veterans' Affairs.

By Mr. WEICHEL:

H. Res. 174. Resolution requesting the Secretary of State, the Secretary of Commerce, and the Tariff Commission to investigate the domestic fishing industry; to the Committee on Merchant Marine and Fisheries.

By Mr. McGRATH:

H. Res. 175. Resolution to direct the Committee on Interstate and Foreign Commerce to investigate the financial structure of the New York, New Haven & Hartford Railroad, and for othe. purposes; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California:

H. R. 3918. A bill for the relief of Roberta Ubaldo; to the Committee on the Judiciary.

By Mr. BROWN of Ohio:

H. R. 3919. A bill for the relief of John S. Steber; to the Committee on the Judiciary.

By Mr. HAVENNER:

H. R. 3920. A bill for the relief of Jack Warner and family; to the Committee on the Judiciary.

By Mr. HELLER:

H. R. 3921. A bill for the relief of Nicholas G. Hadjipateras, Pipitsa N. Hadjipateras, and Costas N. Hadjipateras; to the Committee on the Judiciary.

H. R. 3922. A bill to record the lawful admission for permanent residence of the alien Sophie Szenczi; to the Committee on the Judiciary.

By Mr. JENNINGS:

H. R. 3923. A bill for the relief of Paul Hudson Hood; to the Committee on the Judiciary.

By Mr. STEED:

H. R. 3924. A bill for the relief of Dr. T. F. Harrison; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 or rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

404. By Mr. BOGGS of Delaware: Petition of Woman's Christian Temperance Union of New Castle County, Del., containing 298 signatures, in support of H. R. 2423, a bill to prohibit the transportation in interstate commerce of advertisements of alcoholic beverages, and for other purposes; to the Committee on Interstate and Foreign Commerce.

405. Also, memorial of the One Hundred and Fifteenth General Assembly of the State of Delaware, memorializing the Congress of the United States to pass and the President o' the United States to approve the General Pulaski's Memorial Day resolution now pending in the United States Congress; to the Committee on the Judiciary.

406. By Mr. GOODWIN: Memorial of the Massachusetts Legislature, relative to revising the Agricultural Adjustment Act for the purpose of lowering the high cost of living; to the Committee on Agriculture.

407. By Mr. HART: Petition of Court Rosemary, No. 199, Catholic Daughters of America, West New York, N. J., protesting the imprisonment and unjust treatment of Josef Cardinal Mindszenty; to the Committee on Foreign Affairs.

408. Also, petition of St. Brigid's Holy Name Society, North Bergen, N. J., protesting against the persecution of Cardinal Mindszenty and other clergymen in the Communist-dominated countries of Europe; to the Committee on Foreign Affairs.

409. By Mr. MANSFIELD: Memorial of the Senate and House of Representatives of the State of Montana, requesting that Congress continue and enhance its program of rehabilitation of the landless Indians in Montana; to the Committee on Public Lands.

410. Also, memorial of the Senate and House of Representatives of the State of Montana, requesting enactment of legislation allowing for and directing the annual payment of grants by the United States Government to Montana for the use and benefit of the several counties of Montana in lieu of taxes on lands owned by the United States Government in the State of Montana; to the Committee on Public Lands.

411. By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts, favoring revision of the Agricultural Adjustment Act; to the Committee on Agriculture.

412. Also, memorial of the General Court of Massachusetts, favoring enactment of a resolution providing for observance of General Pulaski's Memorial Day; to the Committee on the Judiciary.

413. By Mr. RICH: Petition of citizens of Kane, Pa., for repeal of the 20-percent Federal excise tax on toilet goods; to the Committee on Ways and Means.

414. By the SPEAKER: Petition of Albert Wirth and others, Tampa, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

415. Also, petition of P. V. Draa and others, Daytona Beach, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

416. Also, petition of Lester Clyde Lamb and others, Miami, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

417. Also, petition of F. A. Morse and others, Miami, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

418. Also, petition of S. B. Bulloch and others, Tampa, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

SENATE

THURSDAY, MARCH 31, 1949

(Legislative day of Friday, March 18, 1949)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Spirit of God, in Thee alone are the deepest cravings of our nature satisfied. With all our defilements we turn to Thee. Flow through us like clean waters and carry from our lives the anxious cares and resentments, the irritations and fears that hinder Thy fullness from dwelling in us. Rise in us, we beseech Thee, like a living well. Empower us with the hidden springs of deep resources not our own, but Thine. Open our eyes to the evils among us that we condemn in others. Make plain our failures to practice genuine democracy. Fashion for Thine own purposes the policies of this Nation whose leadership in these desperate days can make or break the hopes of a better world. In the Redeemer's name we ask it. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, March 30, 1949, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting nominations was communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 135) to authorize the Board of Commissioners of the District of Columbia to establish daylight-saving time in the District, and it was signed by the Vice President.

ORDER OF BUSINESS

Mr. LUCAS. Mr. President, I suggest the absence of a quorum.

Mr. LANGER. Will the Senator withhold the suggestion for a moment?

Mr. LUCAS. I withhold the suggestion.

Mr. LANGER. I ask unanimous consent that at the conclusion of the remarks of the Senator from Nevada [Mr. MALONE] I may have the floor to reply to the telegram signed by Winston Churchill put into the RECORD yesterday by the distinguished senior Senator from Texas [Mr. CONNALLY].

Mr. CONNALLY. Mr. President, reserving the right to object, I do not care

to object to the Senator's request, but it is an unusual procedure to ask unanimous consent that a Senator have recognition. Recognition is entirely within the discretion of the Presiding Officer, and it seems to me that to violate that precedent and that rule would not be good form.

The VICE PRESIDENT. The Senator from Nevada has the floor, under the agreement of yesterday.

Mr. LUCAS. The Senator from Nevada is not in the Chamber, and I should think that since he is not here to take the floor, the Senator from North Dakota might proceed.

The VICE PRESIDENT. If the Senator from Nevada is not here, he cannot occupy the floor.

Mr. LANGER. I have no desire to take the Senator from Nevada off the floor.

Mr. CONNALLY. The Senator's request is that he be recognized at the end of the speech of the Senator from Nevada.

Mr. LANGER. That is correct.

The VICE PRESIDENT. The Chair doubts very seriously if the Chair would honor any such request, unless there were unanimous consent, and the Chair is not certain that even unanimous consent can control the discretion of the Chair in the matter of recognition.

Mr. CONNALLY. It could not. The discretion of the Chair is supreme in such matters, and I do not want the Senate to deviate from that custom—not that I have any objection to the Senator from North Dakota speaking.

The VICE PRESIDENT. The Chair will say to the Senator from North Dakota that he will recognize him at the first opportunity.

Mr. SALTONSTALL. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield.

Mr. SALTONSTALL. I ask whether the Senator from Illinois would object if I asked unanimous consent, without the Senator from Nevada losing the floor, that the Senator from North Dakota be permitted to make a few remarks at this time.

Mr. LANGER. I do not care to do that. I would not do it because I have given my word to the Senator from Nevada that I would not interfere with his speech this morning.

Mr. LUCAS. The Senator from Nevada is not here, and perhaps we can get a vote. I do not think it is necessary to wait for the Senator from Nevada to arrive, because we took a recess to 11 o'clock this morning. I am ready to vote upon the pending measure, if the Senator from Nevada is not here.

The VICE PRESIDENT. Does the Senator from Illinois renew his point that a quorum is not present?

Mr. LUCAS. I suggest the absence of a quorum; but I cannot understand why the Senator from North Dakota does not take the floor.

Mr. LANGER. I do not take it because I have given my word to the Senator from Nevada, and I intend to keep it. The Senator from North Dakota always keeps his word.

The VICE PRESIDENT. The Senator from Nevada is now in the Chamber.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hoey	Millikin
Anderson	Holland	Morse
Baldwin	Humphrey	Mundt
Brewster	Hunt	Myers
Bricker	Ives	Neely
Bridges	Jenner	O'Conor
Butler	Johnson, Colo.	O'Mahoney
Byrd	Johnson, Tex.	Pepper
Cain	Johnston, S. C.	Reed
Capehart	Kefauver	Robertson
Chapman	Kem	Russell
Chavez	Kerr	Saltonstall
Connally	Kilgore	Schoeppel
Cordon	Knowland	Smith, Maine
Donnell	Langer	Sparkman
Douglas	Lodge	Stennis
Downey	Long	Taft
Ecton	Lucas	Thomas, Okla.
Ellender	McCarran	Thomas, Utah
Ferguson	McCarthy	Thye
Frear	McClellan	Tobey
Fulbright	McFarland	Tydings
George	McGrath	Vandenberg
Gillette	McKellar	Watkins
Graham	McMahon	Wherry
Gurney	Magnuson	Wiley
Hayden	Malone	Williams
Hendrickson	Martin	Withers
Hickenlooper	Maybank	Young
Hill	Miller	

Mr. MYERS. I announce that the Senator from Mississippi [Mr. EASTLAND] and the Senator from Rhode Island [Mr. GREEN] are absent on public business.

The Senator from Montana [Mr. MURRAY], who is a member of the United States National Commission for the United Nations Educational, Scientific, and Cultural Organization, is attending a meeting of the second national conference of that Organization, and is, therefore, necessarily absent.

The Senator from Idaho [Mr. TAYLOR] is absent by leave of the Senate.

The Senator from New York [Mr. WAGNER] is necessarily absent.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. FLANDERS] and the Senator from New Jersey [Mr. SMITH] are absent because of illness.

The VICE PRESIDENT. Eighty-nine Senators having answered to their names, a quorum is present.

TRANSACTION OF ROUTINE MORNING BUSINESS

The VICE PRESIDENT. Unless there is objection, the Chair will recognize Senators who want to engage in the transaction of routine morning business, with the understanding that it will not prejudice the rights of the Senator from Nevada [Mr. MALONE]. Is there objection? The Chair hears none.

LEAVE OF ABSENCE

Mr. BALDWIN. Mr. President, I ask unanimous consent to be absent from the Senate tomorrow. I have an important engagement in Chicago.

The VICE PRESIDENT. Without objection, the leave is granted.

COMMITTEE MEETING DURING SESSION OF THE SENATE

Mr. McGRATH asked and obtained consent that a subcommittee of the Committee on the Judiciary be permitted to meet this afternoon during the session of the Senate.

PLATORO RESERVOIR, COLO.

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting, pursuant to law, his supplemental finding of feasibility for the Platoro Reservoir as the first unit of the Conejos division of the San Luis Valley reclamation project, Colorado, which, with accompanying papers, was referred to the Committee on Interior and Insular Affairs.

PETITIONS AND MEMORIALS

Petitions, etc., were presented, and referred as indicated:

By Mr. SALTONSTALL (for himself and Mr. LODGE):

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on the Judiciary:

"Resolutions memorializing the Congress of the United States to pass the General Pulaski's Memorial Day resolution now pending before it

"Whereas a resolution providing for the President of the United States of America to proclaim October 11 of each year as General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski is now pending in the present session of the United States Congress; and

"Whereas the 11th day of October 1779, is the date in American history of the heroic death of Brig. Gen. Casimir Pulaski, who died from wounds received on October 9, 1779, at the siege of Savannah, Ga.; and

"Whereas the States of Arkansas, California, Connecticut, Delaware, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, Nevada, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, West Virginia, Wisconsin, and other States of the Union, through legislative enactment, designated October 11 of each year as General Pulaski's Memorial Day; and

"Whereas it is fitting that the recurring anniversary of this day be commemorated with suitable patriotic and public exercises in observing and commemorating the heroic death of this great American hero of the Revolutionary War; and

"Whereas the Congress of the United States of America has by legislative enactment designated from October 11, 1929, to October 11, 1946, to be General Pulaski's Memorial Day in the United States of America: Therefore be it

"Resolved, That the General Court of Massachusetts earnestly urges the Congress of the United States to pass, and respectfully requests the President of the United States to approve, the General Pulaski's Memorial Day resolution now pending before the United States Congress; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the State secretary to the President of the United States, to the Presiding Officer of each branch of Congress, and to the Members thereof from this Commonwealth.

"In house of representatives, adopted, March 21, 1949.

"LAWRENCE R. GROVE, *Clerk*.

"In senate, adopted, in concurrence, March 24, 1949.

"IRVING N. HAYDEN, *Clerk*."

By Mr. BUTLER:

A resolution of the Legislature of the State of Nebraska; to the Committee on Foreign Relations:

"Legislative Resolution 20

"Resolution memorializing the Senate of the United States to ratify the proposed North Atlantic treaty

"Whereas the U. S. S. R. has imposed Communist dictatorships upon country after country by force, fear, threats, and internal revolution; and

"Whereas our Secretary of the State of the United States has stated 'that the control of Europe by a single aggressive, unfriendly power would constitute an intolerable threat to the national security of the United States'; and

"Whereas the North Atlantic treaty has been proposed 'to safeguard the freedom, common heritage, and civilization of their peoples, founded on the principles of democracy, individual liberty, and the rule of law; and

"Whereas such treaty is designed to reduce the possibility of war by making it clear to Russia that any armed attack upon any signer nation shall be considered an attack against them all; and

"Whereas such treaty should be quickly and unanimously ratified by the Senate of the United States as a warning that the United States will resist with force any armed attack by Soviet Russia upon any of the nations signing such pact: Now, therefore, be it

"Resolved by the members of the Nebraska Legislature in sixty-first session assembled:

"1. That the Senate of the United States be memorialized to promptly ratify the proposed North Atlantic Treaty.

"2. That copies of this resolution, suitably engrossed, be transmitted by the clerk of the legislature to the Vice President of the United States as Presiding Officer of the Senate of the United States, and to each Member from Nebraska in the Senate of the United States.

"CHARLES J. WARNER,
"President of the Legislature."

By Mr. THOMAS of Oklahoma:

A concurrent resolution of the Legislature of the State of Oklahoma; to the Committee on Interstate and Foreign Commerce:

"Senate Concurrent Resolution 12

"Concurrent resolution memorializing the Congress of the United States to amend the Natural Gas Act so as to expressly exclude the production and gathering of gas and the arm's length sales thereof from production and gathering facilities from the terms of said act and further urging and requesting the United States Senators from Oklahoma to introduce as appropriate Senate bill to be considered concurrently with similar bills now pending in the House of Representatives

"Whereas natural gas and oil constitute Oklahoma's most important and basic natural resources, vital to the economic, social, and general welfare of the State and of its citizens; and

"Whereas historically the production, gathering, and sales of natural gas and oil (occurring within the several States) have been regarded as local functions subject to regulation and control by the States whenever necessary or proper in the interest of conservation or the equitable taking and sale thereof and so recognized by the Natural Gas Act in exempting the 'production and gathering of natural gas' from the jurisdiction of the Federal Power Commission; and

"Whereas the State of Oklahoma has been alert to its responsibility in respect to the conservation, efficient and nonwasteful production, and the equitable taking and sale of such gas and oil and has exercised its regulatory powers so as to fulfill such responsibility; and

"Whereas both the gathering of gas and arm's length sales thereof from production or gathering facilities are so related to the production, conservation, and equitable taking of gas and oil that any attempted exercise of authority in respect thereof by the Federal Power Commission would interfere with, and be an inherent and constant source of conflict with, the exercise by the State of its historical power and functions in regard to the production, conservation, and equitable taking of both gas and oil; and

"Whereas any regulation of or control by the Federal Power Commission over the gathering of gas or the sale thereof from production or gathering facilities would so affect and involve the production of the gas and any oil produced therewith, that to regulate the gathering or such sales of gas would of necessity and in effect involve the control and regulation of the production and equitable taking of both gas and any oil produced therewith; and

"Whereas the legislative history of the Natural Gas Act indicates that Congress intended to exclude from the application of the act and the jurisdiction of the Federal Power Commission, the production and gathering of natural gas, nevertheless, the decision of the Supreme Court of the United States in the case of *Interstate Natural Gas Company* v. *Federal Power Commission* (67 Sup. Ct. Rep., p. 1482), in effect, casts serious doubt that the language of the Natural Gas Act excludes from the terms of the act production or gathering or sales of gas moving in interstate commerce and indicates that under the language of the act all production at the wellhead and all gathering other than the regulation of the mere physical acts of producing and gathering and all transportation of natural gas which moves in interstate commerce, beginning at the wellhead, and all sales of such natural gas, including sales by the producer or gatherer even at the well are subject to the jurisdiction of the Federal Power Commission, limited only by a vaguely stated exception in the case of conflict with the exercise by the State of its regulatory functions, which 'conflict must be clearly shown'; and

"Whereas in order to clarify said act and to avoid such conflicts of jurisdiction and to preserve the State's historical functions in respect to the production, conservation, and equitable taking of gas and oil within the States, and in which the States have a paramount interest, it is imperative that the Congress of the United States amend the Natural Gas Act so as to expressly exclude the production and gathering of gas and arm's length sales thereof from production or gathering facilities from the terms and application of said act and the jurisdiction of the Federal Power Commission; and

"Whereas certain House bills differing in terms but in general having as their objective the purposes of this resolution have been introduced in the House of Representatives of the United States Congress and are now being considered by that body; and

"Whereas for the purpose of expediting action by the Congress, it is desirable that an appropriate Senate bill conforming to the purposes of this resolution be introduced for consideration by the Senate concurrently with House consideration of the bills pending in the House of Representatives: Now, therefore, be it

"Resolved by the Senate of the Twenty-second Legislature of the State of Oklahoma (the House of Representatives concurring therein), That the Congress of the United States be memorialized to amend the Natural Gas Act so as to expressly exclude the production and gathering of natural gas and arm's length sales thereof from production or gathering facilities from the terms of said act, and that the Oklahoma Senators in the Congress be urged and requested to introduce and support an appropriate Senate bill conforming to the purposes of this resolution to be considered concurrently with the bills now pending in the House of Representatives; that a copy of this resolution be forwarded by the secretary of the senate to each member of the congressional delegation from Oklahoma, to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States and to the Honorable Harry S. Truman, President of the United States."

REA AND OTHER LEGISLATION—RESOLUTIONS OF WISCONSIN ELECTRIC COOPERATIVE

Mr. WILEY. Mr. President, in this morning's mail I received a series of informative resolutions sent to me by the Wisconsin Electric Cooperative through the office of Robert G. Lewis, manager of the cooperative information department. These resolutions were adopted by delegates representing 65,000 members of REA co-ops in my State. The resolutions were adopted at the annual meeting held in Madison from March 22 to 24. Many of these important resolutions relate to Federal policy, and I feel that they deserve the careful attention of the Senate Appropriations Committee and of other Senate committees involved in REA legislation.

The right of petition by our people is a sacred one, indeed, and submittal of resolutions to the Congress on all viewpoints is an important aid in congressional understanding of our people's position. I therefore ask unanimous consent that the resolutions of the WEC be appropriately referred and printed at this point in the RECORD.

There being no objection, the resolutions were referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

RESOLUTIONS ADOPTED BY DELEGATES TO THE THIRTEENTH ANNUAL MEETING OF WISCONSIN ELECTRIC COOPERATIVE, MARCH 24, 1949

RESOLUTION 1. LOAN FUNDS FOR REA

Almost one-third of the Nation's farmers are still without central station electric service, and there remain thousands of Wisconsin farmers without electricity in addition to more thousands of other rural residences and establishments.

Of those farmers and other members of rural electric cooperatives now receiving service, the great majority will require expanded facilities for generation, transmission, and distribution of electric energy to adequately serve their rapidly increasing needs.

The orderly and economical development of rural electric cooperative systems requires long-range planning in order to save the waste of too little or too late in the way of preparing to meet coming needs.

Delivery of materials is still slow, requiring that orders be placed well in advance of anticipated use. Rural electric cooperatives must be able to back up their orders with loan authorizations from REA at the time of placement of the order, even though the actual expenditure of the purchase price will not be made until delivery later: Therefore be it

Resolved, That we urge the Congress to authorize loan funds for the rural-electrification program sufficient to meet these needs adequately and fully, in the amount of not less than $450,000,000 for the fiscal year 1950.

RESOLUTION 2. ACQUISITION OF EXISTING FACILITIES

In many instances complete electric service coverage for an area in which a rural electric cooperative is operating cannot be accomplished economically because of division of the territory with other power systems which are unwilling or unable to extend service on a complete area-coverage basis. Acquisition of these existing facilities by the cooperative would frequently permit it to complete coverage of the entire area, and in many instances would result in improved and lower cost service to all consumers in the area: Therefore be it

Resolved, That the Congress be urged to amend the Rural Electrification Act to broaden the powers of the Administrator to make loans for the acquisition of existing facilities so that he would also be authorized to make loans in any case in which the following circumstances are found to exist:

1. That the security of existing loans made by the Administrator would not be impaired;
2. That the borrower will be benefited, either financially or by improved operating conditions;
3. That the service to the acquired system will not be impaired;
4. That the existing facilities are so located as to permit effective integration of the system to be acquired; and
5. That the sale is voluntary on the part of the seller.

RESOLUTION 3. EXTENDED REA LOAN AMORTIZATION PERIOD

Be it resolved, That in order to permit the extension of the rural electrification program to the more thinly populated areas of the country and in order to permit REA-financed systems to generate and transmit more power where it is found to be advisable, we urge the Congress to authorize the extension of the amortization period of REA loans from 35 to 50 years, and in the case of loans for hydroelectric facilities, to a longer period corresponding to the reasonable productive life of the property.

RESOLUTION 4. RIVER AND VALLEY DEVELOPMENT

A Nation-wide power-development program is necessary at once to meet present shortages and increasing demand: Therefore be it

Resolved, That we support early unified development of all of America's river basins for the fullest possible production of economical hydroelectric power consistent with other programs.

RESOLUTION 5. ST. LAWRENCE AND MISSOURI RIVER PROJECTS

The St. Lawrence seaway and power project is of vital necessity to the Nation from the standpoint of power needs, transportation, national defense, and economic development of the Great Lakes Basin. Its specific value to our members relates particularly to the increased income advantages that it would provide by making oceangoing transportation available at Wisconsin ports for our products.

The proposed Missouri Valley Authority project will particularly benefit rural electric cooperatives and residents in the area immediately to our west, but by reducing the electric power deficiency in the whole region will directly benefit our cooperative systems. Moreover, the completion of this project and the St. Lawrence power project will provide an opportunity for interconnections between power systems to establish an east-west power grid extending over a distance which would afford substantial advantages to people in areas outside of the immediate areas affected. East-west interconnections of such magnitude would permit substantial advantages to the participating systems by allowing power transfers from east to west and west to east to meet peak loads, the occurrence of which tends to follow the course of the sun. These peak loads at the easternmost extreme of this possible interconnected power grid occur 3 to 4 hours earlier in actual time than they do at the western end, and at the eastern end have terminated well before they begin farther west: Therefore be it

Resolved, That we particularly urge upon our Representatives and Senators in Congress that they vigorously support in every possible way the St. Lawrence seaway and power project and the Missouri Valley Authority project, and that these projects be quickly approved by Congress and promptly gotten under way.

RESOLUTION 6. RURAL TELEPHONE SERVICE

Only about one-half of Wisconsin's farmers have telephone service of any kind at the present time. Many of the half who have telephones do not have adequate telephone service. There are few people whose need, from the standpoints of safety to property and health and of convenience to business operations and home life, is greater than that of rural people. In some areas of the State, particularly in the north, there is practically no rural telephone service at all: Therefore be it

Resolved, That we urge Congress to speedily enact legislation to enable REA to lend funds to finance the extension and improvement of rural telephone service and appropriate sufficient funds for this purpose to permit all those who wish to avail themselves of this opportunity to do so providing it can be done with reasonable assurance of self-liquidation of any loans made for this purpose; be it further

Resolved, That we support the development by cooperatives of rural telephone service to the fullest practical extent, whether by existing rural electric cooperatives or by new or existing cooperatives operating primarily or exclusively in the field of telephone service in order to assure rural people of the advantages of democratic direction and control and nonprofit service; be it further

Resolved, That we direct the board of directors of Wisconsin Electric Cooperative to investigate the possibilities of assisting rural telephone cooperatives by extending to them the service facilities of WEC on a nonprofit, service-at-cost basis, and of developing any new services that would be of practical value to such rural telephone cooperatives, and of extending to such rural telephone cooperatives the opportunity to become members of Wisconsin Electric Cooperative; be it further

Resolved, That if practical means can be found to extend our services to such rural telephone cooperatives, and to admit them to full membership in Wisconsin Electric Cooperative, the board of directors of Wisconsin Electric Cooperative is hereby instructed to take all practical steps necessary to accomplish those purposes.

RESOLUTION 7. FPC SURVEY OF POTENTIAL HYDRO POWER

Be it resolved, That we urge the Federal Power Commission to undertake and complete without unnecessary delay a survey of undeveloped hydroelectric-power potentialities in the region which includes Wisconsin.

RESOLUTION 8. FARM-ELECTRIFICATION RESEARCH

Electricity furnishes a new type of energy to agriculture, the full potentialities of which are not as yet scarcely realized, much less developed. It is known that there are many potential productive farm applications of electricity as a source of light, heat, and power. Additional research is urgently needed to determine the possibilities of using electricity to reduce labor, improve productive efficiencies, minimize plant and animal losses due to insect pests and disease, improve facilities for processing, handling, and marketing of farm products, and to meet the electrical needs of the farm household. Moreover, there is a great need for the establishment of a research program for the study and investigation of the technical problems of rural power-system design, construction, and operation; the evaluation of consumer and power-system-equipment performance; the development and study of new and improved power system, farm and home equipment; the study of power-system loads; and related research activities, in order to insure that rural power consumers will be provided with reliable and economical electric service and be able to utilize it fully and efficiently: Therefore be it

Resolved, That we request Congress to make available to the Farm Electrification Division of the Agricultural Research Administration and to the Rural Electrification Administration the sum of not less than $500,000 per year for research and study on the applications of electricity to broad agricultural usage, and on the technical problems of rural power systems; be it further

Resolved, That we request that the University of Wisconsin expand and intensify its research activities into the fields of practical farm and home applications of electric power and evaluation of equipment performance, and that this be done strictly on a tax-supported basis without special grants from persons or groups who may have interests opposing or conflicting with those of consumers of electricity.

RESOLUTION 12. FEDERAL CONTROL OF TIDELANDS OIL

The farm purchasing and consumer cooperatives of the United States have taken a leading part in the struggle to preserve the Nation's tideland petroleum resource for development in the interest of all the people instead of for the profit of the few monopolistic oil corporations. This struggle has primarily involved the issue of whether these resources should be controlled by the States along whose shores they are deposited under the sea, whose governments are extremely subject to the domination of the oil monopolies, or by the Federal Government which represents all of the people and can best protect the national public interest. The members of these cooperatives are frequently also members of rural electric cooperatives and have therefore an identity of interest with them, and rural electric cooperatives depend to a considerable extent upon petroleum fuels as a source of power for electrical generation: Therefore be it

Resolved, That we fully endorse and support the position taken by other cooperative groups in opposing relinquishment to the States of control over the Nation's tidelands oil resource.

RESOLUTION 15. FULL PARITY OF FARM INCOME

Throughout history, agriculture has been the first section of the economy to suffer from disastrous deflationary declines in economic activity and price levels. Following the First World War, farmers suffered a depression lasting throughout most of the twenties and up to the initiation and establishment of a comprehensive Federal farm program. At the present time, farm purchasing power is again declining at a substantially faster rate than farm costs. A continued decline in the relative income levels of farmers would be disastrous in terms of the human welfare of rural people, and would be equally disastrous to the economic stability, or even the survival, of our rural electric cooperatives as business operations: Therefore be it

Resolved, That we earnestly support measures to establish a Federal farm program which will insure full parity of income to family-type farmers in relation to other groups in society.

RESOLUTION 18. GENERATION AND TRANSMISSION LOANS

According to studies of the Federal Power Commission, all regions of the United States are short of generating capacity to meet the needs of expanding demands for electric power. In Wisconsin almost every single rural electric cooperative has felt the pinch of inadequate power supply, and during the past year we have witnessed brownouts and threatened curtailment of electric service due to inadequate generating capacity throughout the State. The amount of reserve power production capacity in the United States has decreased from 52 percent in 1925 to less than 5 percent in 1948. It is generally recognized in the electric power industry that 15 percent is the minimum reserve for safe operation. Although commercial utility companies are now taking some steps to increase their power capacity, past experience has demonstrated that the statements of the leaders of these companies on the question of power production capacity have all too frequently failed to be in accord with the actual needs of the public for power production. The present dangerous shortage of power was frequently and categorically denied by these same leaders of commercial power companies, who ridiculed those who reported the inadequacy of power generation capacity and predicted impairment of service to consumers. If rural electric consumers are to be safeguarded with respect to their future supply of electric power, it is imperative that they look more and more to their own facilities for furnishing that power. Up to the present time Rural Electrification Administration has followed a policy of making loans for generation and transmission facilities in only limited cases, with the result that only about 6 percent of all loans made by the Administration have been to finance generation and transmission facilities. If REA cooperatives are to be assured of an adequate supply of power for the future, the percentage of REA loans allocated for generator and transmission facilities will have to be substantially increased: Therefore be it

Resolved, That it is the opinion of this meeting that a continuation of a policy of restricting generation and transmission loans to the small percentage now existing will tend to weaken the position of farmer-owned distribution systems and may ultimately jeopardize the survival of rural electric cooperatives; and be it further

Resolved, That this meeting go on record urging the Administrator of Rural Electrification Administration to establish a policy of allocating loan funds for generation and transmission purposes sufficient to guarantee the security of rural electric cooperatives and to assure the fullest possible development and progress of agricultural and rural industries in America.

RESOLUTION 19. ELIMINATION OF 30-DAY NOTICE REQUIREMENT IN GENERATION LOANS

Be it resolved, That we urge Congress to amend the Rural Electrification Act by deleting therefrom the existing requirement that the Administrator notify the Senate Banking Committee at least 30 days prior to the granting of any loan to finance the construction of generation facilities. This requirement was not in the original Rural Electrification Act of 1936, but was added at the urging of opponents of the rural-electrification program as a means of hampering and delaying the granting of generation loans. The act without this requirement gives adequate protection to the public, and the only purpose served by this requirement is the unnecessary delay in the granting of generation loans. In this time of critical shortage of power, unnecessary delays are expensive and tend to jeopardize the timely construction of sorely needed facilities. This 30-day notice requirement is inconsistent with the underlying purposes of the act and should be deleted.

ROY KUNZELMAN,
Chairman, Resolutions Committee.

THE HOUSING PROBLEM, ETC.—RESOLUTION OF COMMON COUNCIL OF MADISON, WIS.

Mr. WILEY. Mr. President, I send to the desk for appropriate reference a resolution which I have received from Leonard Howell, able city manager of the capital city of my State, Madison, Wis.

Mr. Howell, who attended the recent conference of mayors, along with many other distinguished municipal officers of Wisconsin and the Nation, has submitted to me a resolution of the Common Council of Madison, supplementing the views expressed at that conference. I believe this resolution will be of considerable interest to my colleagues, not only because it represents the thinking of many of the mayors of our Nation and of the Common Council of Wisconsin's capital city, but because of the crucial importance of each of the issues discussed.

I therefore ask unanimous consent that the text of this resolution be printed at this point in the RECORD.

There being no objection, the resolution was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

A RESOLUTION OF MADISON COMMON COUNCIL

The United States Conference of Mayors held its annual meeting in Washington on Monday, Tuesday, and Wednesday of this week. The city of Madison, Wis., was represented at this meeting which was attended by approximately 600 municipal officers from this country, Canada, and Europe.

Municipal problems pertaining to housing, school aid, school construction, urban highways, airports, rent control, stream pollution, hospital construction, payments by the Federal Government in lieu of taxes, social security especially for employees of the smaller cities, and the retirement from the admissions-tax field by the Federal Government, were thoroughly discussed at this important meeting of local government officials.

The conference, in its business session, approved a number of resolutions, calling upon Congress to give careful consideration in its legislative program to:

1. A housing law that would stimulate private home building and, where necessary, public assistance, to the end that our people may be properly housed.
2. The need for public-school aid.
3. The very definite need of Federal aid in the construction of schools throughout the Nation.
4. A continuance of the present highway program in which cities share in the aids for highway construction.
5. A sound airport development program.
6. A fair and reasonable rent-control law.
7. Federal assistance in the matter of stream pollution control.
8. A continuance of the hospital construction program.
9. An equalization of the tax load, wherein the United States Government would make payments in lieu of taxes on federally owned properties.
10. A modification of the Social Security Act, whereby employees of municipalities would be included.
11. Exempting the United States Government from the admission-tax field for the purpose of giving municipalities a broader tax base and relieving the tax on real estate.

The city council of the city of Madison, in its regular session this 25th day of March 1949, concurs, in general, with the resolutions as adopted by the United States conference of mayors at its Washington meeting; and it is hereby

Resolved by the Council of the City of Madison, That the city manager be and he hereby is directed to bring the foregoing matters to the attention of the Members of the United States Senate from the State of Wisconsin and the Congressmen from the Second Wisconsin District; and be it further

Resolved, That the attention of the Members of the Senate and the Congressmen be directed specifically to the following items; as above listed:

3. The very definite need of Federal aid in the construction of schools throughout the Nation.
4. A continuance of the present highway program in which cities share in the aids for highway construction.
8. A continuance of the hospital construction program.
9. An equalization of the tax load, wherein the United States Government would make payments in lieu of taxes on federally owned properties.
11. Exempting the United States Government from the admissions tax field for the purpose of giving municipalities a broader tax base and relieving the tax on real estate.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. TYDINGS, from the Committee on Armed Services:

S. 796. A bill to establish the grade of General of the Air Force, and for other purposes; with an amendment (Rept. No. 201);

S. 1136. A bill to amend the Canal Zone Code, and for other purposes; without amendment (Rept. No. 198);

S. 1137. A bill to revise and codify laws of the Canal Zone regarding the administration of estates, and for other purposes; without amendment (Rept. No. 199);

S. 1181. A bill to authorize the appointment of officers on the active list of the Philippine Scouts in the Regular Army, and for other purposes; with an amendment (Rept. No. 202);

S. 1270. A bill to repeal that part of section 3 of the act of June 24, 1926 (44 Stat. 767), as amended, and that part of section 13 (a) of the act of June 3, 1916 (39 Stat. 166), as amended, relating to the percentage, in time of peace, of enlisted personnel employed in aviation tactical units of the Navy, Marine Corps, and Air Corps, and for other purposes; without amendment (Rept. No. 200); and

S. Res. 93. Resolution to increase the limit of expenditures for hearings and investigations by the Committee on Armed Services; without amendment, and, under the rule, referred to the Committee on Rules and Administration.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, March 31, 1949, he presented to the President of the United States the enrolled bill (S. 135) to authorize the Board of Commissioners of the District of Columbia to establish daylight-saving time in the District.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting nominations, which was referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HOLLAND (for himself, Mr. PEPPER, Mr. HAYDEN, Mr. MCFARLAND, Mr. CONNALLY, Mr. JOHNSON of Texas, Mr. DOWNEY, Mr. MORSE, Mr. CORDON, and Mr. CAIN):

S. 1464. A bill to amend the provisions of the Agricultural Adjustment Act relating to marketing agreements and orders; to the Committee on Agriculture and Forestry.

By Mr. BALDWIN:

S. 1465. A bill for the relief of Louis Graf; to the Committee on the Judiciary.

S. 1466. A bill to authorize the issuance of a special series of stamps commemorative of the three hundredth anniversary of the founding of the city of Norwalk, Conn.; and

S. 1467. A bill relating to reemployment rights of persons who were released from Government employment to engage in private employment in support of the war effort; to the Committee on Post Office and Civil Service.

By Mr. KEFAUVER:

S. 1468. A bill to provide for the coverage of certain barbiturates under the Federal narcotic laws; to the Committee on Finance.

S. 1469. A bill for the relief of August Henrikson; to the Committee on the Judiciary.

S. 1470. A bill for the relief of David Townsend; to the Committee on Post Office and Civil Service.

By Mr. KERR:

S. 1471. A bill to supplement the Federal-Aid Road Act, approved July 11, 1916, as amended and supplemented, to authorize regular appropriations for the construction of rural local roads, and for other purposes; to the Committee on Public Works.

By Mr. KERR (for himself and Mr. THOMAS of Oklahoma):

S. 1472. A bill to prohibit the unauthorized use of the name or insignia of the Future Farmers of America, and for other purposes; to the Committee on the Judiciary.

By Mr. GILLETTE (by request):

S. 1473. A bill to implement the Convention on Nature Protection and Wildlife Preservation in the Western Hemisphere, ratified at Washington, D. C., April 15, 1941; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LANGER:

S. 1474. A bill for the relief of Karl Ludwig Przibislawsky; and

S. 1475. A bill for the relief of Victor Franz Pullwitt; to the Committee on the Judiciary.

By Mr. MAYBANK:

S. 1476. A bill for the relief of Mrs. Oteein Foxworth, and children; to the Committee on the Judiciary.

By Mr. O'MAHONEY (for himself, Mr. HUNT, Mr. JOHNSON of Colorado, Mr. MILLIKIN, Mr. CORDON, Mr. MORSE, Mr. MURRAY, Mr. ECTON, Mr. MAGNUSON, and Mr. CAIN):

S. 1477. A bill to approve repayment contracts negotiated with the Bitter Root irrigation district, the Shasta View irrigation district, the Okanogan irrigation district, the Willwood irrigation district, the Uncompahgre Valley Waters Users Association, and the Kittitas reclamation district, to authorize their execution and for other purposes; to the Committee on Interior and Insular Affairs.

HOUSE BILL REFERRED

The bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes, was read twice by its title, and referred to the Committee on Appropriations.

PROBLEMS OF THE ATLANTIC PACT—ADDRESS BY SENATOR TAFT

[Mr. WATKINS asked and obtained leave to have printed in the RECORD a radio address on the subject, Problems of the Atlantic Pact, delivered by Senator TAFT on March 30, 1949, which appears in the Appendix.]

MEN'S PREFERENCE FOR FABRICS IN MEN'S CLOTHING—STATEMENT BY SENATOR O'MAHONEY

[Mr. O'MAHONEY asked and obtained leave to have printed in the RECORD a statement prepared by him for broadcasting, on the subject of men's preferences for fabrics to be used in men's clothing, which appears in the Appendix.]

WEBSTER COUNTY'S GREAT NATIVE SON—EDITORIAL FROM THE WEBSTER PROGRESS

[Mr. STENNIS asked and obtained leave to have printed in the RECORD an editorial entitled "Webster County's Great Native Son," relating to the late Senator Thomas P. Gore, published in the Webster Progress, of Water Valley, Miss., of March 24, 1949, which appears in the Appendix.]

EXCISE TAX ON TELEGRAPH MESSAGES

[Mr. STENNIS asked and obtained leave to have printed in the RECORD a letter addressed to him by B. S. McClane, of Winona, Miss., under date of March 21, 1949, regarding the high excise tax upon telegraph messages, which appears in the Appendix.]

REPAIR OF MISSISSIPPI RIVER LEVEE IN LOUISIANA—EDITORIAL FROM MEMPHIS COMMERCIAL APPEAL

[Mr. LONG asked and obtained leave to have printed in the RECORD an editorial entitled "Mission Accomplished," published in the Memphis Commercial Appeal of March 27, 1949, which appears in the Appendix.]

MESSAGE FROM THE HOUSE—ENROLLED BILL AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the Vice President:

H. R. 3910. An act to extend for a temporary period the provisions of the District of Columbia Emergency Rent Act; and

H. J. Res. 203. Joint resolution to maintain the status quo with respect to the exemption, from the tax on transportation of persons, of foreign travel via Newfoundland.

EXTENSION OF EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 1209) to amend the Economic Cooperation Act of 1948.

Mr. MALONE. Mr. President, yesterday when I delayed completing my statement in order that the Senate might recess until today I had submitted an amendment, which the Senators will find in the RECORD.

At this time I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement which I made a year ago, on March 4, 1948, in regard to what was then known as the Marshall plan, now known as ECA.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PEACE AND SAFETY OF THE UNITED STATES

The peace and safety of this Nation is seriously threatened, through the complete absence of a definite foreign policy, telling our own people and the nations of the world what we consider will threaten our ultimate peace and safety, and the complete absence of a military organization spearheaded by an air corps to enforce our pronouncement.

The basic subject of foreign policy has never been discussed with the American people, through two world wars, and now the Marshall plan is in the same category. The basic subject at issue (as it was in 1823 when the Monroe Doctrine was established to protect South America and the Western Hemisphere from encroachment from the European empire-minded nations) is what areas—and naming the nations in the European and Middle East countries, including Asia and the South Seas—is it necessary for us to currently protect for our own ultimate safety? Until this decision is made no plan to make it effective can be intelligently discussed.

HUNGRY PEOPLE—COMMUNISM—REHABILITATION OF INDUSTRY

It is impossible to consider the feeding of hungry people—the stopping of communism—and the rehabilitation of industry as one subject. We only confuse ourselves.

As a result we mix our emotions with the facts and become unwilling victims of the greatest propaganda machine ever established in Washington; let us take them one at a time:

FEEDING HUNGRY PEOPLE

Feeding emergency hungry people of Europe or of any other area is a matter of charity and must be so considered apart from other considerations. The Congress of the United States has appropriated nearly $1,500,000,000 during the last 12 months for that purpose alone, and has appropriated $24,000,000,000 and handed it to the nations of the world without hope of repayment since the close of World War II in 1945.

INDUSTRIAL REHABILITATION

The rehabilitation of the industries of the 16 Marshall plan European countries, entirely separate from feeding hungry people, can then be accomplished as a purely business transaction in the same manner as such industrial plants were financed in this country by the Reconstruction Finance Corporation during depression and World War II years.

A reasonable amount of money, say $1,000,000,000 could be appropriated and made available to the RFC or to the World Bank for that specific purpose, simply providing that the RFC rules and regulations be applied to any foreign business loans.

Their rules provide for an investigation of the feasibility of such an industry by an experienced investigator in the respective field, with an estimate of cost, together with a list of the needed machinery and supplies. They further provide for a lien or mortgage to be taken on such equipment—the stock or shares of the existing organization to be hypothecated as additional security for such loan, and then the signature of the applicant is required.

It will prove a pleasant surprise to both the Congress and to the State Department the relatively small amount of funds that the European nations will require for industrial plant refinancing, if such loans must be secured on a business basis.

The entire thesis and point of my argument is that the feeding of hungry people, whether located in this or any other nation—the international policy of protecting the integrity of foreign areas in the interest of our own ultimate safety—and the rehabilitation of industrial plants in such foreign nations, must be considered separately to make

sense and to be understood by our own people.

The extent that we can and should feed the hungry people of the world—and the amount of money we may loan for rehabilitation of industrial plants on a business basis throughout the world—is the particular business and responsibility of the Congress of the United States—while the international policy, the determination of the areas and nations of the world that we must currently protect for our own ultimate safety is a State Department matter.

COMMUNISM—INTEGRITY OF NATIONS

Stopping communism through protecting the integrity of the nations of the world that we decide, after full discussion and study, we must currently protect for our own ultimate safety, is a matter of our own integrity and frankness with our own citizens—and with the nations of the world.

If we should decide, after full consideration of our experience through two world wars—and our improved methods of defense and offense—that a threat to the integrity of any member nation of the United Nations Organization, by any other nation would constitute a threat to our ultimate safety—then President Monroe's exact words could be utilized in announcing an extension of the established Monroe Doctrine, leaving out any reference to the Western Hemisphere, and say, in effect, to the world and to the American people that:

"We owe it therefore to candor, and to the amicable relations existing between the United States and those powers, to declare that we should consider any attempt on their part to extend their system, as dangerous to our peace and safety."

We should then build at once a military force, spearheaded by an air corps that would bear silent evidence to all concerned that we were ready and able to enforce the extended doctrine, just as we have enforced the original Monroe Doctrine covering the Western Hemisphere for more than 125 years, and which kept us out of a major war for more than 75 years.

The Congressional Air Policy Board has recommended a long-range military plane purchase program, which would provide a 35,000-plane striking force costing $16,800,000,000 over a 5-year program. The President's Air Policy Board's recent report closely parallels this document.

The Armed Service Committees of Congress should immediately check these reports and if found correct recommend their adoption and the appropriation of the necessary funds by the Congress of the United States for the entire 5-year program.

Congress could apply the Marshall plan 4-year funds of $17,000,000,000 to the $16,800,000,000 5-year plane purchase program and have approximately enough left to continue the necessary European nations' feeding program until they raise a third crop and to furnish the necessary funds to the RFC or the World Bank for the rehabilitation of the European nations' industry under the Reconstruction Finance Corporation rules, as applied to American citizens.

Under the 125-year-old Monroe Doctrine we would only declare war when we judged that our own ultimate safety was threatened, and we were the sole judge in that event.

Mr. MALONE. Mr. President, the amendment which I submitted yesterday was to bring about the lending of money to rehabilitate the industries of Europe; to rehabilitate industries in those areas on the same basis as industry in the United States is rehabilitated. In other words, we would lend money to private industry in any nation in Europe on the same basis as it is loaned to private industry in this country; to Europeans on the same basis as to Americans. That is the purport of the amendment. Then, instead of the three-phase free-trade program of the administration, I suggested a flexible import fee to put a floor under wages.

I stated further that I proposed to show that we were arming Russia for world war III, through the 16 Marshall plan or ECA countries, since they had made 88 trade treaties, practically all of them since World War II had ended, with Russia and other nations behind the iron curtain. Yesterday I asked that those treaties which I was allowed to keep, 45 of them, be printed in the RECORD. Upon consultation with the Public Printer, it was found to be a considerable job. Four of those treaties will be found in the RECORD of yesterday. Forty of the treaties were considered restricted. I was not allowed to keep the restricted treaties. I was allowed only to inspect them. Three of such treaties were held to be very confidential. The representative of the State Department practically held them in his hands in my office while I was allowed casually to examine them.

Yesterday I asked that a complete list of those treaties be printed in the RECORD, and also a list of treaties made by the 16 Marshall-plan nations with Spain, to show that normal trade with Spain is going on in the case of everyone except us, including the ECA European nations. Four of the 45 treaties on the list will be found starting on page 3476 of the CONGRESSIONAL RECORD of March 30.

I stated at that time that I would attempt to show that this administration is giving lip-service to labor through proposed legislation while pulling the jobs out from under their feet through this three-phase, free-trade program. That program consists—first, of making up the trade-balance deficits of the ECA or Marshall-plan nations with hard-currency nations in cash each year. Our chief export is cash.

Second, the extension for 3 years of the 1934 Trade Agreements Act, which is erroneously referred to as the Reciprocal Trade Agreements Act. There is, of course, nothing reciprocal included in the 1934 Trade Agreements Act. It does not operate that way, and that is not the effect. The phrase does not occur in the act itself, but it was a trick phrase invented to sell free trade to the American people, and on that basis the State Department has adopted a selective free-trade policy, beginning 10 years or more ago, selecting a few industries at a time in the beginning. Now, however, nearly all the industries have come under the hammer, and practically all the import fees or tariffs are below the critical point representing the differential in cost of production of an article in this country and the cost of production in the country where the chief competition is located.

There are very few, if any, products that cannot be produced at a lower cost in some foreign nation and shipped into this country, as compared with the cost of the same article produced here without any protection.

The third part of the three-phase free-trade program is the International Trade Organization, which will come along later. Heretofore it has been soft-pedaled so far, waiting for the passage of the first two parts of the program. It is the third part of the three-phase program, and the most dangerous part of all since the ECA Act, including the appropriation, and the extension for 3 years of the 1934 Trade Agreements Act can be terminated. But when the International Trade Organization Act is adopted to make permanent the free-trade policy of this Nation, there is no retreat.

What is the International Trade Organization Treaty? It includes 58 nations. Fifty-four have already signed, and the others will sign, as they have nothing to lose. They can only gain. There will be 58 nations, with 58 votes; we shall have exactly the same vote as Lithuania or Siam. The representatives of those nations are supposed to meet once each year in conference and add up the remaining production and markets of the world and divide them between the nations of the world eventually on the basis of population, thus making free trade the permanent and accepted policy of this Nation. That, Mr. President, will be the last of the workingman of America, as we know the standard of living of this country.

THE WORKERS FREE TRADE

Mr. President, maybe the workers do not know it, but while labor legislation is being promised them the three-part free-trade program which will flood this Nation with cheap labor products is being promoted by the same administration. I recommend that they take a careful look into this matter and decide how far they are willing to go in letting the goods produced by low-cost foreign labor come into this country.

It is a long-range program dominated by low-living-standard foreign nations to divide the American market. Doctrinaire tariff cutting, if persisted in, will swell the flood of incoming cheap-labor goods and the standard of living here will go down just as certainly as night follows day.

In connection with that statement, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article by George Rothwell Brown, published in the New York Journal-American of March 1, 1949.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE POLITICAL PARADE

(By George Rothwell Brown)

WASHINGTON, March 2.—The embarrassing impetuosity of Mr. Christopher P. Mayhew, in blurting out the truth about Britain's economic recovery being virtually complete, presents two pertinent issues to the serious attention of Congress.

While Marshall-plan dollars have been building up not merely British industries but those also of western Europe, all of which are necessarily to be dangerously competitive with the United States, we are on the verge of throwing down the last remaining American tariff barriers to floods of foreign-made goods.

If the indiscreet remarks of the British Under Secretary of State, at Lake Success, were poorly timed, in view of the fact that

$5,580,000,000 bill for another year of ECA is on the Senate agenda, they were no more so than the coincidental revelation in London of the British Labor Government's program for a vast extension of the nationalization of basic industries.

On the same day on which Mr. Paul Hoffman, ECA Administrator, appeared before the Senate Foreign Relations Committee, to head off a possible, and now very probable cut in the $940,000,000 earmarked for Great Britain under the program, the Associated Press reported in a London cable some interesting disclosures concerning the steady onward march of state socialism in the United Kingdom.

The Labor Party is branching out with a vengeance. Sugar refining and water supply industries are marked for the hungry maw that has already swallowed transportation, the Bank of England, communications, coal mines, and electrical supply. Nationalized steel is in the parliamentary stages.

According to the Associated Press report the Labor Party has been examining 20 or 30 industries which are the most suitable, meaning for the extension of socialism.

Senators and Representatives in Congress have no constitutional authority to play Santa Claus to the whole world.

They must now decide whether to impose further strains upon the American economy, in order to expand state socialism in Great Britain.

They must decide whether the United States should be placed on an all-out free-trade basis, by the mere say-so of the President, thus throwing open the great American home market to industrial rivals abroad financed, sustained, and developed with American dollars.

Winston Churchill has repeatedly declared that dollars alone are keeping socialism in power in United Kingdom. As recently as February 12, he again said, that the Labor Government continues in existence only because of gifts from free-enterprise, capitalistic America, whose economic system they deride and revile.

The United States—meaning the men and women who pay taxes to this Government—are building up the industralization of countries of western Europe, including Great Britain, beyond their prewar capacity.

Where will they find markets for their increased production?

If in the United States, what then will happen to American employment. American labor, and the American way of life?

EUROPEAN-ASIATIC CHEAP LABOR

Mr. MALONE. While our dollars are helping to build up the competitive industries of western Europe, we are blithely going ahead and increasing their chance to invade the United States market by further reducing our tariff structure. Mayhew, from England, let the cat out of the bag when he said that Britain's economic recovery is virtually complete. That is the purport of this article. Yet, Mr. President, we are talking about appropriating another $5,000,000,000 to increase their productive capacity. In the meantime socialization is going ahead at a rapid pace in the ECA countries. The Bank of England, transportation, communication, the coal mines, the electrical industry, and steel production are now being nationalized, and 20 or more industries are being examined as to their suitability for nationalization.

Churchill has claimed that the United States dollars are keeping the labor movement in power in England. That is the same Mr. Churchill who is in our town today, and is almost at this moment making one of his very excellent speeches. I am very fond of him—and only wish he were taking care of our best interests, as he is trying to care for the best interests of his homeland. While on this side we are doing everything possible, by reducing tariffs and import fees, to increase the competitive advantage enjoyed by the low-labor-cost countries in our markets, and to displace the American worker through the importation of the products of European and Asiatic cheap labor.

But that is not all, Mr. President. Many years ago American manufacturers began to migrate, so as to get around the trade restrictions in foreign countries. The purpose then was to enable American manufacturers to get inside an otherwise forbidden market. Now the migration has recommenced, but this time with a very different motive. Today the migration of American manufacturers to foreign countries is for the purpose of taking advantage of the lower-paid foreign labor and the lowered American import fees and tariffs. In other words, American manufacturers are establishing themselves abroad, where they use cheap labor to make goods to ship back into the United States. Not only is it their purpose to be able to sell their goods in the foreign markets, as was formerly their intention; but they also intend to ship their foreign-made goods into our country, and that is possible because of the lowering of United States tariffs and import duties, which now constitute no protection whatever to American workers. In fact, they now have been lowered below the critical point of making up the differential of cost between the cost of production by American labor and the cost of production by the low-wage foreign labor.

The result has been that American manufacturers are using the goods they manufacture in foreign countries with the aid of foreign labor, to supply the market in the United States, just as formerly they sent their goods from the United States into the markets of foreign countries.

Mr. CAIN. Mr. President, will the Senator yield for a question?

Mr. MALONE. I am happy to yield to the Senator from Washington.

Mr. CAIN. With reference to the comments being made by the Senator from Nevada, I wonder whether he has any further information concerning the number and character of American manufacturers who apparently or seemingly, from the Senator's viewpoint, have recently gone abroad to establish factories from which to ship goods back to the United States.

Mr. MALONE. Yes; I have. A little later in my remarks I intend to name a number of those firms. Twenty or 30 very prominent firms were listed a short time ago. Among them was the Remington-Rand Typewriter Co., which is laying off several thousand employees in New York, and is going to Scotland, where labor is much lower in cost, but is also very efficient and willing to work; and that company will take highly efficient, up-to-date American machinery to Scotland, and will establish there a factory for the manufacture of typewriters, not only to be sold in the European markets, but also to be imported into the United States and sold in this country to displace American production.

Mr. CAIN. Mr. President, will the Senator yield once more?

Mr. MALONE. Yes.

Mr. CAIN. Will the Senator from Nevada at his convenience discuss the situation prior to the war, with reference to the establishment of factories abroad by American firms, for the purpose of being able to ship goods back to this country; and will he also discuss the situation as of today, so that we can more nearly determine what is the trend in terms of volume, let us say.

Mr. MALONE. Yes; I intend to do so. I shall reach that point a little later in my discussion.

Let me say now that before the war, we had an average duty or import fee or tariff of 45 percent on goods coming into the United States. At the present time, the tariff has been lowered to approximately 12 percent, on an average of the dutiable products. On the average, over-all, it is approximately 6 or 7 percent, or a great deal lower than it has ever been. Before the war, American firms such as automobile manufacturers had established factories abroad, but in very limited number, for the purpose of supplying the foreign market, generally speaking. But now in establishing factories abroad they have the additional purpose of sending goods from their foreign factories into the American market.

Let me say here and now that I see no difference in effect between allowing such foreign-made products to come into the United States free of duty or import fee, or under a duty lower than the critical point which makes up for the difference between the cost of production in the United States and the cost of foreign manufacture—in short, allowing the products of foreign labor to come into the United States and displace the products of American labor—and allowing free immigration of such low-cost labor—the effect upon American labor is exactly the same—idle men.

Mr. KEM. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. KEM. I was very much interested in the Senator's remarks about the construction of plants by foreign firms. In doing so, I assume that they use considerable amounts of American machinery and equipment. Is that so?

Mr. MALONE. That is entirely true. Today we are encouraging the use of our up-to-date machinery by sending between five and six billion dollars a year to those countries, to enable their people to purchase such equipment and supplies.

Mr. KEM. That equipment is paid for in dollars by the foreign subsidiaries in America; is it not?

Mr. MALONE. Yes; unless they are able to have apportioned to them some of the material for which the United States Treasury pays the bill.

Mr. KEM. Of course, what they want is the improved American techniques and

technology and the latest American machinery; is it not?

Mr. MALONE. I am very glad the Senator has brought up that particular point, because the stereotyped answer for 40 years, of all economic theorists, has been, "Of course, with our improved methods and techniques and know-how, we have nothing to fear from foreign cheap labor." But, Mr. President, today I want to inform the Senate of the United States that the very latest machinery and technical know-how and assembly-line methods are available to Mr. Jim Rand, in Scotland, where he is manufacturing typewriters; and to Mr. Ford, in England, where he is manufacturing automobiles; and, similarly, the latest American methods and techniques will be available to any other foreign factories. So as of today, the only differences in costs between United States manufacture and foreign manufacture are the differences in wage-living standards and in efficiency.

Mr. KEM. I wish to ask the Senator if the requisite dollars for that purpose are made available now because the Marshall aid plan is furnishing wheat and other commodities customarily imported by those countries. In other words, under these circumstances they do not have to pay in dollars for the wheat and the other imports they are receiving under the Marshall aid plan, so they have dollars available for the purpose of purchasing the latest American machinery and technical equipment, and thus will be able to compete with American manufacturers and workmen. Is that correct?

Mr. MALONE. I think that is entirely true. In fact, the situation is practically reversed from what it formerly was. In other words, in former times because of the protection we provided, our high-wage-living-standard labor was producing in the United States commodities for both the United States market and the foreign markets, for the foreign nations were buying from us what they needed to buy. It is well understood that no nation or individual ever purchases anything from any particular nation or person if he can get it somewhere else cheaper. Consequently, so long as we protected our workers and were able to produce commodities which they needed, and which they themselves were not then able to produce, we are selling those commodities abroad. But now not only are we ruining our market abroad, but we are taking jobs away from labor in the United States, by permitting such importations from abroad; for instance, the importation by the Ford automobile company of English-made Fords, to be sold in the United States; and also the importation of chinaware, watch movements, and other commodities made by American manufacturers in foreign factories or by foreign manufacturers with our machinery and technique.

Mr. President, the time will come when the jobless auto worker in Detroit will begin asking questions about British-made Ford cars rolling through Grand Circus Park, with its owner wearing a suit of clothes made of foreign cloth.

The time will come soon when unemployed American workers will ask questions about washing machines and vacuum cleaners made by manufacturers abroad. I suggest that the workers of this country take this unpleasant prospect under consideration right now.

REASONS FOR TRADE AGREEMENTS

Periodically over the years since 1934 several reasons for the trade-agreements program, one part of the three-part free-trade program, has been advanced to the Congress. In 1934, it was to cure the depression. In 1937, it was to obtain world peace through increased trade. Through increased world trade, since we were going to have world peace. We all remember how that turned out. In 1943, the plea was "Don't rock the boat." In 1948, it was to permit the United States to dump its surpluses abroad. In 1949, it is to permit foreign countries to dump in the United States the surpluses they do not yet have.

But we are preparing their machinery and their labor to send their surpluses back to the United States without any import fee or protection for the worker of any kind necessary to make up the differential in the cost of production. That is the latest reason why we must extend the 1934 Trade Agreements Act for an additional 3 years.

The State Department itself has recently admitted the interrelationship of its three-part economic program. Willard L. Thorp, Assistant Secretary of State, in his testimony before the Ways and Means Committee on extension of Trade Agreements Act, January 24, 1949, said—I quote:

> The trade-agreements program is an integral part of our over-all program for world economic recovery.
>
> The European recovery program extends immediate assistance on a short-term basis to put the European countries back on their feet. As a part of this program we have asked them, and they have agreed, to follow certain fundamental policies. The basic principle of the European recovery program, as stated in the OEEC—

That is the organization of the 16 Marshall-plan or ECA countries—

> As stated in the OEEC programs and as reaffirmed in the bilateral agreements between the participating countries and ourselves, they will increase production, put their financial houses in order, and expand their trade with each other and with the rest of the world.
>
> So far as the United States has it in its power to do so, it must support and encourage these three objectives. They are fundamentals of economic recovery.
>
> Obviously we cannot urge countries to adopt policies directed toward economic health if we do not pursue the same objectives ourselves.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Missouri for a question?

Mr. MALONE. I am happy to yield to the Senator from Missouri.

Mr. DONNELL. Does the Senator think that what he has read from Mr. Thorp's observations fits in with that sentence of the proposed North Atlantic Pact which reads:

> The signatories to the pact will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.

Mr. MALONE. I may say in answer to the question of the Senator from Missouri, I think the actions of the European countries in entirely forgetting a plan for a United States of Europe, entirely forgetting all cooperation among themselves, and now reaching out for our markets and our money, constitute in effect a very great deviation from the spirit not only of the North Atlantic Pact but of all other agreements they have made with us.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. MALONE. I am happy to yield.

Mr. DONNELL. Am I correct in my view that in the opinion of the Senator the expression made by Mr. Thorp in regard to the reaffirmation of bilateral agreements between participating countries and ourselves, that, quoting Mr. Thorp, "they will increase production, put their financial houses in order, and expand their trade with each other and with the rest of the world," is designed along the same line, as the sentence I have quoted from the proposed North Atlantic Pact, namely, "They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them"?

Mr. MALONE. It no doubt was designed to fit in with and to coordinate the two. However, in the light of their actual performances, it leaves considerable to be desired.

INTERNATIONAL TRADE ORGANIZATION—FREE TRADE

I continue the quotation from Mr. Thorp:

> The International Trade Organization, upon which Congress will soon be asked to take favorable action, provides a long-term

Mr. President, I had just mentioned that that will be forthcoming, just as soon as the other two parts, the first and second parts, of the free-trade program pass the Congress.

> The International Trade Organization, upon which Congress will soon be asked to take favorable action, provides a long-term mechanism by which all countries' commercial policies, in the broadest sense of the term, may be tested and guided into conformity with a pattern which will maximize trade and minimize political friction arising out of national trade measures which may be harmful to other countries' legitimate expectations.
>
> Each part of this program is important. Each contributes to an effective and consistent whole.
>
> Viewed in that perspective, it is perfectly clear to me that the trade-agreements program must continue in the form which will render it most effective; namely, the form introduced in H. R. 1211, the form of which has stood the test of experience for 14 years.

In other words, the short-term program is to make up the trade-balance deficits of the 16 Marshall-plan countries each year, in cash, until the State Department, under its selective free-trade

policy adopted on a basis of the 1934 Trade Agreements Act, can divide the markets of this country with the Marshall-plan countries and the other nations of the world. The theory that the more we divide our markets with them, the less their trade-balance deficits will be, goes along in a temporary fashion year by year. Then along comes the International Trade Organization with the 58 nations, as I have already explained, with 58 votes. We shall have the same vote as Lithuania, Siam, and the smallest nations of the world, so that we shall have 1 vote to their 57. At the same time, we have 64 percent of the market to divide, and ours is the only nation in the world today where you can sell anything and get money for it unless we have previously loaned money to the interested nations with which to buy it.

So there is only one market in the world to be divided today, and that is the market of the United States. We therefore have the three steps to be taken, one by one, representing a very patient operation, I may say. Free-trade proposals have been made to this country heretofore by various people. I shall discuss that matter later in my address. But when it is called free trade, the American people recognize it for what it is and would never accept it. It is only when wrapped up in packages, each one labeled an "immediate emergency" on its own account, that the American people do not understand it, and the Congress of the United States can pass a measure embodying such a program, which the President will sign.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Missouri for a further question?

Mr. MALONE. I am happy to yield.

Mr. DONNELL. I am not certain I made clear to the Senator from Nevada the point that was in my mind a moment ago, and I should like to rephrase the question, if I may. In the letter from Mr. Thorp, from which the Senator has read, he is talking about the basic principle of the European recovery program as being an agreement between the participating countries and ourselves, "that they will increase production, put their financial houses in order, and expand their trade with each other and with the rest of the world." I gathered the impression from the reply of the Senator that he thinks the policy as outlined by Mr. Thorp ultimately leads to a general free-trade situation. Am I correct in that?

Mr. MALONE. That is correct.

Mr. DONNELL. That leads me to this question, which is what was in my mind a few moments ago: Is not that precisely what the framers of the North Atlantic Pact, which will soon be before the Senate for ratification, had in mind in this very sentence in the treaty:

> They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.

In other words, is it not the idea of Mr. Thorp and also the idea of the framers of the treaty precisely to bring into effect some general economic collaboration, some general expansion of trade between the participating countries and ourselves, which would ultimately work out exactly as the Senator from Nevada is indicating, as a free-trade policy in which our Nation and the interest of our employees would not be properly safeguarded? Am I not correct in that interpretation of the two observations, that of Mr. Thorp and that embodied in the proposed treaty by its framers?

Mr. MALONE. I may say to the Senator I think he is entirely correct. I may say further I think the Senator could go further with respect to the North Atlantic Pact, in connection with that point. I had not intended to discuss it at length today, except that at the present time it has come into the discussion logically, through questions, but under the North Atlantic Pact we do something else: We guarantee in effect the protection of the colonial system throughout Asia, the South Seas, and Africa, where the natives are "farmed," as was so ably said day before yesterday by the able Senator from Maine [Mr. BREWSTER]. In other words, we are guaranteeing to maintain the colonial status quo in Asia, in Europe, and in Africa, a status quo which is much to the advantage of certain of the participating nations, since they realized a century before we did that the countries of the Far East, of Asia, the South Seas, and Africa form an almost perfect complement to the production of the United States. In other words, the manganese, chrome, tungsten, copra, spices, hemp, and the 35 or 40 other products which we either do not produce at all or in only small quantities, and which are very important in our everyday peacetime existence and vitally necessary in war, are produced in those countries. We are natural traders and could not be prevented from trading with those areas of course, but we are forced to pay anywhere from 10 to 60 percent tithings for the privilege—to the empire-minded nations for the privilege. Approximately 100 to 350 years ago import-minded nations realized this fact, and they now hold certain nations in virtual slavery. In Indonesia approximately 80 percent of the profit goes into the Dutch coffers; it does not go to the Indonesian producers. The people there have been kept bare-legged and hungry for 350 years; and now we are asked to protect and to finance the continuance of that system.

Mr. DONNELL. Mr. President, will the Senator yield for one question?

Mr. MALONE. I am happy to yield to the Senator from Missouri.

Mr. DONNELL. Will the Senator object at this moment if I read one sentence from article 4 of the North Atlantic treaty into the RECORD?

Mr. MALONE. I shall be very happy if the Senator will do that.

Mr. DONNELL. The sentence is as follows:

> The parties will consult together whenever, in the opinion of any of them, the territorial integrity, political independence or security of any of the parties is threatened.

Does the Senator recall that provision of the proposed treaty?

Mr. MALONE. I have that in mind. If we ratify the treaty as it is now written we shall be guaranteeing protection of maintaining the status quo and the integrity of the possessions of the various signatories as they now stand.

ENGLAND VERSUS UNITED STATES TARIFFS OR IMPORT FEES

When I visited the various Marshall-plan countries in the late Autumn of 1947, shortly before the Marshall plan aid program was launched, the political leaders, as well as the American Ambassadors stationed in these countries, told me that the financial aid was designed not only to bring about economic recovery in these countries, but that it was essential to the maintenance of American prosperity and to keeping our exports to these countries high.

Mr. President, at this time I ask unanimous consent to have printed in the RECORD as a part of my remarks two articles dated March 16, 1949, which appeared in the New York Journal of Commerce on that date, one of which is entitled "World Trade—United States Import Statistics Held No Index of Foreign Dollar Earnings." The other one is entitled "Reserve Halts Belgian Franc Certifications."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Journal of Commerce of March 16, 1949]

WORLD TRADE—UNITED STATES STATISTICS HELD NO INDEX OF FOREIGN DOLLAR EARNINGS

How many dollars are foreign countries earning from their exports to the United States?

The answer to this question is of paramount importance to foreign traders, principally to exporters who would like to know what their chances are of selling goods abroad and getting paid for them in dollars.

Ordinarily it would not be difficult to ascertain what the dollar earnings of foreign countries are. United States import figures would give at least part of the answer.

Recently these figures have shown a steady increase in our imports. They amounted to $7,038,344,000 for 1948 and there has been considerable satisfaction expressed in some quarters concerning what some chose to consider as a tendency of the trade gap to achieve something nearer to a balance.

But today the dollar value of imports gives no exact indication of the amount of dollars earned by foreigners by their shipment of goods to this country.

VALUATION PRACTICES

The reason why import statistics do not give a true picture of foreign dollar earnings today is that they are based on the valuation of imports for customs purposes, not on what importers actually pay for them.

Under the law customs appraisers must value imports on the basis of official rates of exchange as certified daily by the Federal Reserve Bank of New York.

But to a certain extent importers are paying for their purchases abroad in foreign currencies which they have obtained at a discount.

The recent disclosure that Belgium is accepting payment for her exports in bank notes which have sold here at from 16 to 6 percent below the official rate is only one example of how importers can obtain foreign currencies at less than official rates.

THIRD COUNTRY IMPORTS

Imports paid for in foreign currencies obtained at discounts below the official rate are

frequently effected by transactions involving third countries.

Sometimes these triangular transactions involve actual physical transshipments of the merchandise through a port in the intermediary country.

Even though the mark-of-origin rule may actually indicate from where the goods were actually shipped in the first place, there is some question as to which country has actually obtained possession of the dollars that were paid for these imports.

The statistics, for instance, might show certain imports from Iran valued at so many dollars for which the original Iranian shipper may have received only Dutch guilders or Belgian francs and either of these two countries may have dollars to their credit that do not show up in their export statistics.

SMALL EXPORTS IGNORED

There is, on the other hand, a factor which probably results in United States export statistics not showing fully the amount of trade with a given country in a given commodity. That is the practice of the Census Bureau in including in its figures only exports valued at more than $100.

Census officials assert that a 2-percent allowance for an over-all error in their figures is probably sufficient to take care of these discrepancies but some traders point out that the discrepancies may be considerably larger than 2 percent in the case of certain foreign markets.

It is pointed out that recent export control regulations have tended to increase the number of shipments of small consignments of limited value since such shipments could be made without a license even in the case of commodities under export controls.

POSSIBLE SOLUTION

There are good reasons why imports should be valued at official rates of exchange and there are also good reasons why Census Bureau figures cannot be broken down more finely.

But exporters do need more accurate figures on the actual dollar holdings of the foreign countries where they are doing business.

It is for this reason that discussions between some trade groups, local bankers, and representatives of the International Monetary Fund, looking forward to the possibility of making available to the export-trade statistics of this character, are being watched with considerable interest by foreign traders.

[From the New York Journal of Commerce of March 16, 1949]

RESERVE HALTS BELGIAN FRANC CERTIFICATIONS

The Federal Reserve Bank of New York yesterday temporarily ceased certification of a customs rate for the Belgian franc, thus introducing the possibility that it may soon certify two rates for the currency.

Such a development would mean official recognition of a cheaper rate for Belgian goods imported to this country and would pass on to the importer (in addition to the saving obtained on cut-rate bank notes) the savings arising through calculation of customs duties on the lower rate.

AWAIT OFFICIAL WORD

The Reserve bank, it is understood, dropped the Belgian rate from its certified list pending receipt of official clarification from that country's central bank. Meanwhile, it is becoming clear that business is being done at the lower rate. Banking circles reported yesterday that funds in bank accounts opened with bank notes purchased outside of Belgium were being sold in New York at a rate of 2.10 a franc, compared with the official rate of 2.28c.

At that price there is a saving of almost 9 percent on the currency bought to pay for Belgian goods and a proportionate saving on customs duties levied on such goods.

MYSTERY DISTURBS BANKERS

In all the confusion that has reigned in the foreign-exchange market since Belgium announced a week ago that it would permit payments to be made in Belgian bank notes repatriated from abroad, the most distressing factor to bankers here has been the mystery that surrounded the mechanics of the measure and the reason for it.

There have been conflicting advices that only 50 percent of payments may be made in the bank notes and that 100 percent may be used. The latter currently seems more accurate.

There has been a virtual cessation of demand for normal banking cable transfer funds at the official rate, and a growing interest among imports in the use of the cut-rate bank notes. The use of a multiple rate, if that should develop, as now seems likely, would be disliked intensely by commercial bankers and, it is presumed, the International Monetary Fund.

Mr. MALONE. Mr. President, figures showing the earnings for foreign countries on exports to the United States are entirely misleading. The United States customs officials appraise imports on the basis of the official rate in the foreign currencies. There has recently been a move to place a lower value on the Belgian franc used to purchase Belgian goods for import into this country. This would permit easier calculation of customs duties and would effect a substantial saving to American importers dealing in Belgian goods. In practically all those countries, when they want to undersell an article in another country, all they have to do is to lower the official rate, which automatically lowers the cost, and the official rate, as compared with the dollar value, takes care of the rest of it. In other words, they can come in under a fixed tariff or import fee through such manipulation. That is the reason why I suggest a flexible import fee.

We have had the Marshall plan for 1 year, but what has happened to our exports? For 1948, the first year of the ECA aid program, our total exports fell off by about $3,000,000,000. Our exports to England, the nation receiving the largest amount of aid—well over $1,000,000,000—fell off heavily in 1948 compared with the preceding year. The decline was 41.6 percent—from $1,103,000,000 in 1947 to $644,000,000 in 1948.

If we look at England's tariff policy and tax policy, we can understand why our exports to England are rapidly falling off. England charges custom duties and purchase taxes on American automobiles which in some cases exceed 100 percent of the value of the cars.

According to an AP dispatch from Liverpool, England, dated March 12, 1949, Sir Robert and Lady Craigie recently imported an American Cadillac valued at $4,000. The British Government levied an import duty of 40 percent—$1,600—and a purchase tax of $3,200, making total duties and taxes of $4,800 on the import costs of this one car. The United States, on the other hand, charges a tariff of only 10 percent ad valorem on imports of automobiles.

I am showing that they do not live up to their agreements; that through subterfuges, embargoes, and taxes, or in some other manner, such as a purchase tax, they get around the agreements they have made with this Nation.

Mr. KEM. Mr. President, will the Senator yield for a question?

Mr. MALONE. I shall be happy to yield to the Senator from Missouri for a question.

Mr. KEM. I wonder if the Senator noticed, at the hearings last year before the Senate Foreign Relations Committee, that the Detroit Board of Commerce, the official organization of manufacturers and businessmen of that city, appeared, through their representatives, and supported the Marshall plan very enthusiastically.

Did the Senator notice that at recent hearings, a few weeks ago, the Board of Commerce of Detroit was much less enthusiastic? In fact, they suggested, I think, serious defects in the plan. I think, in view of what the Senator has said, their change in attitude is quite interesting.

Mr. MALONE. I will say to the Senator from Missouri, right in line with his statement, that in 1947 there were 48 automobiles imported from Europe. IN 1948 there were 25,000 automobiles imported; and that business is just getting started. The workers in Detroit are the ones who will become very agitated as soon as they understand the situation.

It is obvious from the facts that the ECA aid program, the trade-agreements program, and the International Trade Organization are all part and parcel of one scheme to open the American market to a flood of lower cost foreign imports at the same time that other nations shut out American exports from their markets. At the end of the first year of the ECA aid program our imports had increased by 1.7 billion dollars over 1947, while, as already stated, our exports had decreased by nearly $3,000,000,000.

AFFECT THE WORKERS FIRST

This long-range, three-phase, free-trade program will affect alike farming, manufacturing, mining, lumber, textiles, and labor.

The millions of our country's workers will be the first to feel the effect of the three-part, free-trade program, since unemployment is the first symbol of the jobs displaced through the imported products of the low-wage living standard and slave-labor countries of Europe, Africa, and Asia.

Mr. CAIN. Mr. President, will the Senator yield for a question?

Mr. MALONE. I shall be happy to yield to the Senator from Washington.

Mr. CAIN. Several minutes ago the Senator from Nevada was making some very interesting and enlightening remarks concerning tariffs and import fees. Will the Senator permit me to go back to that subject in order to ask him a question?

Mr. MALONE. Certainly.

Mr. CAIN. In the first paragraph of the Senator's statement on that subject he indicated that during a visit abroad American ambassadors generally, and some political leaders, said that the Marshall aid program had been designed to bring about recovery in those countries, in addition to which it was intended to maintain American prosperity and to keep our exports to foreign countries on a high level.

Does the Senator recall—and I may say I have no recollection of it—that during any of the long hours of debate on this subject on the floor of the Senate it was ever mentioned by any Senator that one of the reasons why we must pass the Marshall plan was to keep our exports to Europe on a high level?

Mr. MALONE. I think a consideration of the Marshall plan itself makes it plain enough, I would say in answer to the Senator from Washington, that it is to make up a trade balance deficit which comes about from the fact that the Marshall-plan countries are importing more than they export and are trying to become more self-sufficient in their production, and they plan to compete with us with our own machinery, the assembly-line methods, and the technical know-how exported from this country through the Marshall plan, and now soon to be augmented by the great global recovery program of President Truman. The President plans to export the technical know-how and pay for it through additional appropriations made by the United States Congress. This will accentuate the very situation to which I have referred, about which our workers are already starting to complain.

We are willing and anxious to help raise the living standard of the peoples of other nations, but not with the accompanying ruination of our own workers.

The people do not realize the deadly serious long-range effect on the workers, the farmers, the merchants, the manufacturers, and the industrialists of this Nation of the permanent free-trade plan of the economic one-worlders included in this three-phase program, of which the 1934 Trade Agreements Act is but one part, and the ECA or Marshall plan extension is the first part only of the three-prong plan to fasten free trade upon the American people.

RESULT OF AVERAGING LIVING STANDARDS OF THE WORLD

Let us see what it means to lower the level of our living standards to that of the remainder of the world, which is exactly what free trade would mean. It is exactly like taking the partition out of a sink: The water will find its own level. There is nothing else for it to do. Roughly speaking, the population of the United States is approximately 7 percent of all the people in the world, and this 7 percent has developed approximately 36 percent of the world's income.

That leaves 93 percent of the people having 64 percent of the world's income in the remainder of the world. If the 140,000,000 American people agree to divide their wealth with the world, and the 2,000,000,000 people in the remainder of the world agree to share their poverty with us, the standard of living of the average American citizen could be one-sixth of what it is today when the final leveling takes place.

I wish to say at this point, Mr. President, having visited most of the nations of Asia, the Near East, the south seas, and Africa since World War II, that conditions in many of those places are pitiful. We do want to help the people of those areas to the best of our ability, without lowering the standard of living of our own people or injuring unduly our economic situation.

We are about the only nation in the world today which can have a decent depression. I visited China, India, Siam, Burma, Indonesia, and others, and went into the small houses of the inhabitants, saw how they lived, and how they worked in their little workshops, where, with their hands, they whittle things out of ivory and various other materials they are able to get. Their situation is pitiful. They are on the ground economically already; they could not have a depression. The next step is starving to death.

Mr. WHERRY. Mr. President, will the Senator from Nevada yield for a question?

Mr. MALONE. I am very happy to yield.

Mr. WHERRY. The Senator has just stated that we should help all these countries to the best of our ability, yet preserving our own economic stability, of course. I am sure that necessity is in the minds of all Senators, and that they would all like to do what the Senator has suggested.

Did the Senator hear the statement made by the distinguished senior Senator from Georgia [Mr. GEORGE] day before yesterday? I shall not attempt to quote him exactly, but summing it up, the Senator said that if our appropriations were increased to around $46,000,000,000 or $47,000,000,000 this year, there would inevitably be an increase in taxes, to be collected from the American taxpayers, to the extent of about $5,000,000,000.

Mr. MALONE. Unfortunately, I did not hear the statement of the Senator from Georgia, but I heard the distinguished Senator say, I think in the latter part of the last session, at least not later than the beginning of this session, that if we kept on as we were going our budget would run to about the point the distinguished Senator from Nebraska has mentioned. I venture to say that that is a dangerous situation.

Mr. WHERRY. I should like to ask the Senator's opinion as to what would happen if taxes were increased by $5,000,000,000, if that should become necessary. I am of the opinion that if we are to do the things contemplated we should pay for them, and I think the only way to pay for them is to increase taxes. I should like to ask the Senator, if, in view of his experience as an engineer, and his investigations as he made a trip clear around the world, he thinks that our economy can stand at this time a $5,000,000,000 increase of taxes without causing a recession in this country, or a depression, if the Senator wishes to define it in that way?

Mr. MALONE. The situation is very grave and very dangerous, because at this moment, as I shall show later in my address, there are nearly 4,000,000 men wholly unemployed in this country. There are nearly 9,500,000 partially employed, and that does not take into account the many millions engaged in employments about which we are unable to get statistics.

Therefore, I think that the present is the time to take stock of ourselves, and determine on an economic policy at this time which will fit the United States, and then assist other nations all we can in recovery, without unduly injuring our economy.

Mr. WHERRY. One of the reasons why I asked the distinguished Senator the question I propounded was that I am of the same opinion the Senator from Nevada entertains, and certainly I agree with the Senator from Georgia completely in his statement. But a few moments ago there came over the news ticker a statement from the President of the United States that he totally disagreed with the statement of the Senator from Georgia, and that if a depression came about in this country, it would be the result of deficit spending. I ask the distinguished Senator if it is not elementary in economics that deficit spending is engaged in to prime the pump. Is not that the force and effect of deficit spending? Is it not done for the purpose of creating business activity rather than a depression? Is not that fundamental?

Mr. MALONE. I think all deficit spending for the purpose of priming the pump should be resorted to only as a last resort—the old pump is pretty well battered as it is.

Mr. WHERRY. We have attempted to increase business rather than decrease it, so as to eliminate the possibility of depression in this country.

Mr. MALONE. The Senator is entirely correct. I wish to say at this point that I have the highest regard for the Senator from Georgia, whose statement has just been quoted. He has had long experience, and his insight into these matters is backed by good, sound judgment. He is chairman of the powerful finance committee of the Senate. I believe there is no other man in the United Senate whom I could follow with more confidence.

Mr. WHERRY. Deficit spending is the equivalent of pump priming, is it not? Are not all those things parts of the same pattern? I hope that as the Senator goes through his address he will emphasize that what we must remember now is that if we increase the tax burden to the extent of the figure suggested by the Senator from Georgia, in whom I have the utmost confidence, it might result in an economic depression or a business depression which would be seriously felt before the year ended. For that reason, on the theory that we should pay as we go, that we should not tolerate deficit spending, I think it behooves every Member of the Senate to justify the figures we write in the economic recovery bill, and if we are to start to cut 15 percent across the board in all our future appropriations we should give serious thought to the ECA appropriations we are about to authorize.

Mr. MALONE. Mr. President, the Senator from Nebraska has injected a very serious situation into this debate. There is only one thing the matter with us, the same thing that is wrong with every other nation in the world I have visited. I can say, Mr. President, that in all the nations of Asia, the South Seas,

the Near East, the Middle East, and of Europe, which it was my privilege to visit during the last year and a half, only two questions were seriously asked of me. First, they asked about your welfare, rather impatiently, it seemed at times. The second question was, "How much can we get, and when?" Every nation in the world today is living over its head. Waiting for what? Waiting for the United States of America to bail it out before the crash comes. I think we can name the nations right down the line alphabetically and never miss one. The people of the various countries will say, "We will have to go Communist unless you Americans keep us from going broke." But what do those in power in the various countries do? Campaigns conducted in South Africa, in England, and in other nations are based on promises that the Governments cannot fulfill through their own production. Therefore, they must obtain the money somewhere else. Where else, but from the United States, will it come? I say to the Senator from Nebraska that our country itself can easily get into the same condition. Every Member of the Senate on this floor remembers the crash of 1929. The night before it occurred, when we went to bed, everyone had money—everyone was planning to get rich. The next morning no one wanted to buy anything. That was the only difference. And the way we are going now we may be headed toward a terrible depression.

It is my humble opinion—if I may mention one other thing—that while we are at the present time appropriating money for the Federal Reserve bank to provide support for low-interest bonds at 100 percent, there is not one person with whom I am acquainted who believes that, if we withdraw that support, within 30 or 60 days those bonds would be worth 75 to 80 cents on the dollar. Some think they would be worth not more than 60 cents on the dollar. If they were to go down to 90, the result would be that in 3 months every bank in the country would be broke.

Mr. DONNELL. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Missouri?

Mr. MALONE. I yield.

Mr. DONNELL. Does the Senator agree with the remarks which the distinguished Senator from Georgia [Mr. GEORGE] made day before yesterday, as they appear at page 3354 of the CONGRESSIONAL RECORD:

> This year we are collecting at the rate of only $44,000,000,000 from our taxpayers. About $2,000,000,000 goes back by way of tax refunds, but it does not go back automatically except in cases of overwithholding on the wage and salary accounts of our people. If we increase the budget for the fiscal year 1951 to a level of at least $48,000,000,000, and as a consequence put $5,000,000,000 more on the taxpayers of the United States, we shall have something which will strongly resemble a depression in these United States.

Does the Senator agree with that observation of the distinguished Senator from Georgia?

Mr. MALONE. I not only agree with every word the Senator from Georgia uttered, but I say that if we go along at the rate we are now going, and with reckless abandon spend the money of the taxpayers of this country, and increase taxes beyond what the people can pay, in my opinion, the Truman depression will make the country forget Mr. Hoover.

Mr. HENDRICKSON. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from New Jersey?

Mr. MALONE. I yield.

Mr. HENDRICKSON. In the Senator's extensive tours throughout the world has he not found it to be true that in the poorer areas of the world to which the Senator has referred, the "natives," as the Senator expresses it, the poorer people, are being exploited by the wealthier people by the use of Marshall aid money?

Mr. MALONE. I would say in answer to the Senator from New Jersey that his statement is exactly correct. The Indonesian question has been debated here. Every Senator is familiar with the condition of the people of Indonesia. They are being farmed just as though they were slaves. I will give one example at this point.

Mr. HENDRICKSON. I am referring to the poorer sections of the Middle East and the Mediterranean area.

Mr. MALONE. Yes. What the Senator says is true of the Malayan States, of Indochina, and of Siam to a degree. Perhaps I should say it is not so much true of Siam now, because the people of Siam have greater control over their own actions. Burma is trying to get out from under the yoke, but is not succeeding very well in doing so. The people of those countries are being farmed through the empire preferential rate system, the sterling bloc, the French franc bloc, and the Netherlands or guilder bloc. So in some mysterious manner, mysterious to the native himself, he ends up with anywhere from approximately 15 to 50 percent of what he produces.

As an example, I will say that in Indonesia the Dutch have a central money exchange control. The Dutch also control the police power of the Indonesian people—73,000,000 of them—and all imports through what was referred to here a day or two ago as "the favored five." That is substantially correct—they are known as the "favored five" in that section of the world. When an Indonesian sells a dollar's worth of material, whatever it may be—tin, rubber, copra—he does not receive the dollar in his little hot hands. That dollar goes into the money exchange and belongs to the Dutch. The Indonesian is then paid, the number of Indonesian guilders the Dutch say the dollar is currently worth. At the time of my inspection of the area the Dutch had placed a value of 2.63 guilders to the dollar, which amount had little resemblance to the real value. That was the official rate. On the street one could get 13½ or 14 guilders for a dollar. So the Indonesian was receiving approximately 20 percent of his production in the first instance. That was the way he was paid off. And he could spend only the Indonesian guilder in Indonesia. The same thing is true in many of the countries to which the Senator from New Jersey has referred in varying degree.

Mr. HENDRICKSON. That, however, does not apply so much to western Europe as it does to the middle eastern areas or the far eastern areas?

Mr. MALONE. No; it does not apply so much to the European areas. I was speaking particularly of the Asiatic areas, the South Sea areas, the Near East, and Africa. In western Europe the four empire-minded nations, England, France, Belgium, and the Netherlands, control the situation in those areas to a great extent.

Mr. HENDRICKSON. In other words, there has been better administration in the European area than in the other areas?

Mr. MALONE. The people of the empire nations are clever. Long years ago Spain used to be in the category of the empire-minded nations. Spain has now reached the point where she has few, if any, foreign possessions. But the other nations of Europe, the smaller nations, are still largely in the throes of knuckling under to, or being under the influence of, the monetary systems, such as the sterling bloc and other monetary blocs. Only the large nations can take care of themselves.

Anywhere from 125 to 350 years ago those nations realized that the large area made up of Africa, Asia, and the South Seas, to which I have already referred, was productive territory to control and to farm for the benefit of the mother countries. The way that is done, of course, is through empire preferential rates slanted toward the mother country; that is, the rates are fixed by the controlling country to make it practically impossible to trade with any nation other than the mother country. They do not permit industries to develop in the areas they control, so manufactured products could be produced in those areas, but the manufactured products must be purchased by the people of the controlled areas from the mother country. It is a two-way profit, and there is little future for a country or a citizen living under such control.

Mr. HENDRICKSON. So I take it the Senator does not contend that the ECA is all wrong.

Mr. MALONE. I will say to the Senator from New Jersey that I have offered an amendment on the subject. All I ask, and all I asked last year, was that we separate the subjects. Last year we said we wanted to feed hungry people, that we wanted to rehabilitate industry, that we wanted to stop communism. I addressed the Senate on March 4 and 5 last year on this subject, in which I suggested that I was unable to understand the three subjects all in one paragraph, feeding hungry people, rehabilitating industry and stopping communism. I simply could not connect the three diverse subjects. I suggested that we break it down; separate the three items. I said that we should separate them and deal with them individually. I suggested that, to the extent of our ability, we feed emergency-hungry people anywhere in the world, but not to try to feed a chronically hungry people, because in most of Asia and in some other areas the

people have been hungry for 2,000 years, it is just a matter of degree. They live up to the food supply and die off to it. That has been a well-known fact for 2,000 years of recorded history. So we should not try to feed the people who are perpetually hungry. We could, however, offer long-term assistance to them on a business basis to develop their resources. My proposal was to feed emergency-hungry people, as we would feed the people of Chicago if another catastrophic fire should occur there, or in New Jersey, if some great calamity should occur, and do so to the extent of our ability, without unduly injuring our economy.

I also suggested that we should not ask for the return of our money. I suggested that we should not embarrass those to whom we gave the money by asking to return it or embarrass ourselves by trying to collect it. I said we should not lie to the American people by calling it a loan or a gift-loan. Let us simply feed them to the extent of our ability. Then we come to the rehabilitation of industry. Feeding hungry people and rehabilitating industry is the job of Congress.

I suggested last year—and this amendment again suggests it this year—that we lend money through the ECA—I suggested the World Bank last year; we had plenty of machinery—to private industry in England, France, Belgium, the Netherlands, or any nation in Europe, or in any area where we consider the integrity of the countries important to our ultimate safety. Let us lend the money on a business basis, exactly as we would lend money through the RFC to private industry in New Jersey, Missouri, or any other State. Let us do that to the extent of our ability, and on a business basis, under RFC rules.

What are those rules? As an example, take an industry in Birmingham, England. I was in Birmingham last year. I went into the steel mills and coal mines, and examined them very closely. I talked with the owners of the steel mills. Most of them said to me, when I talked about money, that they just wanted us to keep out of their hair. I can see why they said that. Under the plan of lending money to the governments of these nations, the industries are being nationalized. Otherwise it could not be done. Let us lend money to private industry.

If one of those steel industries applied for a $10,000,000 loan, what would it get? We would not send a check for $10,000,000 to an industry in the United States, so we should not to a foreign industry without an investigation. We would first send a cold-eyed engineer or economist, or someone who understood the business. He would first determine whether there should be an industry in that location. Perhaps the factors affecting the feasibility of the industry have changed. This expert would study the transportation, the location of the raw materials, markets, etc. If after such investigation he determined that the industry should be in that location, the next question would be, What is the economic size? It may be too big or too small for the area. He would determine the economic size and then go through the plant and determine the machinery and equipment necessary to put it on a competitive basis. He would determine the cost of the machinery and equipment installed.

Then he would add it up from the bottom. He would not grab an estimate out of thin air. He would then send his recommendation to the ECA, under the terms of my amendment.

The money would not be given outright to the industry. Equipment would be made available, and money would be made available to pay the labor to install the new equipment. The ECA would then take a lien on all the new machinery and equipment put into the plant, and the shares of stock, or whatever represented ownership of the company, would be hypothecated for further security, and the chairman of the board himself would sign the note. That is the purport of the amendment which I submitted.

I still say that we should feed hungry people wherever it is necessary in an emergency, to the extent of our ability, without unduly injuring our economy. Then we should lend money, as I have outlined, for the rehabilitation of industry only on the same terms as accorded our own American citizens.

That is the job of the Congress of the United States.

The job of outlining an international policy is the job of the State Department and the President. My suggestion is that we take the old 125-year-old Monroe Doctrine which stopped encroachment in South America and the Western Hemisphere by the same empire-minded nations we have just been discussing.

How did we stop it? About 1822 or 1823 the empire-minded nations of Europe were looking longingly at the little South American countries. It seemed and would have been very easy for them to go over there and take over one or two of the countries each, exactly as was done in Indonesia, the Malay States, and in other areas. The more I read the Monroe Doctrine, the more respect I have for President Monroe. He must have given considerable thought to this subject. He realized that if the empire-minded nations once established themselves in South America they would be only a short distance from the Isthmus, and that if trouble started we would have plenty of trouble stopping them.

What did he say? He said, in effect, that any nation which sought to extend its system of government into the Western Hemisphere would be considered dangerous to the peace and safety of the United States. That was the international policy which he laid down. As a matter of fact, no one wanted to fight the United States. So the Monroe Doctrine kept us out of war for more than 75 years, and the nations in the Western Hemisphere are still free.

Mr. Monroe said at that time that if conditions changed the authorities in Washington could extend the policy. It is now time for us to take stock of that policy and see how it should be extended.

If the President of the United States, the State Department, and the Secretary of National Defense should determine—and they are the only ones who can determine it; this body cannot do it—that the encroachment or the extension of their system of Government by any nation in the world over any other nation would be dangerous to our peace and safety, they can say exactly the same thing as Monroe said in 1823, leaving out reference to the Western Hemisphere. In other words, if the extension of their system of government over another nation by any nation would be considered dangerous to the peace and safety of the United States, let us name the areas and the nations in those areas whose integrity is important to our ultimate safety, and then build a national defense system, spearheaded by an air corps that can keep any such nation on the ground. That is the job of the State Department and the President of the United States.

Does that answer the question of the Senator from New Jersey?

Mr. HENDRICKSON. I thank the Senator.

Mr. MALONE. Let us see what it means, then, to lower the level of our living standards to that of the remainder of the world. Roughly speaking, the population of the United States is approximately 7 percent of all the people of the world, and this 7 percent has developed approximately 36 percent of the world's economy. That leaves 93 percent of the people of the world having 64 percent of the world's economy. If the 140,000,000 American people agree to divide their wealth with the world, and the 2,000,000,000 people in the remainder of the world agree to share their poverty with us, the standard of living of the average American citizen could be one-sixth of what it is today when the final leveling takes place.

That is the broad picture of the situation which faces the average American working man if the State Department's three-part program is adopted.

GROUP LEGISLATION AND THE ECONOMIC FOUNDATION OF THE NATION

Group legislation, including farmers, manufacturers, veterans, labor, and other organizations, has been claiming the full time and attention of Members of Congress while the economic rug is being pulled out from under the Nation's feet through this three-part free-trade program. The labor legislation, the farmers' legislation, the veterans' pension legislation, or any other group legislation will have little significance or effect if the administration's three-part free-trade program is enacted by this Congress.

CAPITAL CAN GO ANYWHERE—WORKERS CANNOT

Capital is fluid. It can be invested in the competitive countries where the lowering of the import fee placed the industry, but American labor does not want to follow capital to the low-wage countries and does not want such low-wage labor coming here.

This is not a new proposal. The same principle was suggested 50 years ago when our Nation started to rise above the living standards of the world through the use of our import fees and protection. It was at that time that the international European bankers began to try to divide our markets through the free-trade principle. It was simply a proposal to divide our markets.

The Trade Agreements Act was suggested by Mr. Hull, the then Secretary of State, after being worked out by his department to supplant his direct suggestion of free trade. I have a high regard for the integrity of the former Secretary, but he first made the mistake of asking for free trade directly, and the people of the United States understood it and would not take it.

EACH PART OF THE THREE-PART PROGRAM CONSIDERED EMERGENCY

Now, however, we have it bundled up in three parts, a three-part program that is just as plain as the suggested free trade when considered together. But when considered separately, each as an immediate emergency in its own right—and rushed through without a full understanding of its collective effect, the workers do not have the time to digest the full significance of importing the products of the competitive low-cost labor.

INDUSTRY IS ON THE MOVE

Every day we read in the newspapers of more workmen losing their jobs—through what is currently called being furloughed from their regular employment. That is a much nicer term than simply calling it losing their jobs through importing the products of low-wage foreign labor into this country.

American industry even now is on the move. Henry Ford has established plants in England—they do not call the automobiles manufactured there Fords, but 25,000 cars made in England came into the United States during 1948 as compared with 48 cars in 1947.

In the past few days the press has carried accounts of the action of Remington Rand in closing down or curtailing its operations at its plants at Syracuse, Elmira, Tonawanda, and North Tonawanda, in New York State; and at Middletown, Conn.; and transferring these operations to Hillington, Scotland; Weybridge, England; Calcutta, India; and Hamilton, Ontario. A similar situation exists with respect to the operations of the Burroughs Adding Machine Co., E. W. Bliss Co., Apex Electrical Products, Inc., and the Easy Washer Corp. In all cases, cheap labor made it impossible to maintain domestic operations on a competitive basis.

Mr. President, at this time I ask unanimous consent to place in the RECORD an article entitled "Scotland Draws More and More United States Companies," appearing in the New York Herald Tribune of March 20, 1949. The article outlines in greater detail some of the movements I have just described.

The PRESIDING OFFICER (Mr. HUNT in the chair). Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SCOTLAND DRAWS MORE AND MORE UNITED STATES COMPANIES—SKILLED WORK IS CHEAPER, LABOR TROUBLES RARE

GLASGOW, SCOTLAND, March 19.—More than a dozen American companies are expanding in the European field and have set up factories in Scotland since the war.

The factories were established on sites developed by the Scottish Government as nurseries of fresh enterprise, and American industry now holds a big stake in Scotland's economic recovery drive.

Among the factors figuring in the trend is skilled labor, which is a third cheaper here than in the United States. Scotland has had no major labor-management trouble for years.

American experts say, however, the influx is due even more to government help making it relatively easy and inexpensive for an approved concern to open a plant, and also to a highly favorable position for exports, especially to the sterling areas. Elsewhere in the British Isles other American companies, most of them long resident, have begun extensions for similar reasons.

The principal American companies in Scotland employ thousands of persons and last year produced for home and export goods valued at an estimated $5,500,000.

VARIETY OF ITEMS PRODUCED

They are making now, or will soon, typewriters, adding machines, and other office equipment, electric razors, safety-razor blades, paring knives, mining machinery, clocks and watches, dress patterns, electronic pyrometers, pumps, dehydrating machinery, high-vacuum apparatus used in atomic research, farm machinery, and soft drinks.

"It will be a long time before the foreign exchange situation is cleared up," one industrialist said, "and the companies naturally find it easier, meanwhile, to sell their products in the sterling area for pounds sterling rather than for dollars."

The government, industrial organizations, and businessmen welcome this American invasion. It fits in with the campaign for more production, and in some instances it may help in the drive to get more dollars.

A big attraction to American concerns is the Government's "industrial estates," which afford the outsider and, in many instances, local companies with the simplest means for starting a factory. Here modern machinery with light, heat, power, water and transportation are leased to approved tenants without any capital expenditure.

Companies must show they have an export potential or are making essential goods for the home market, and they must show they are likely to employ additional labor. They often get priority for materials.

COOPERATION IS PRAISED

Sir Steven Bilsland, chairman of Scottish Industrial Estates, Ltd., the government's agent, said:

"We are delighted to have these American interests here. They are a vital part of our big postwar effort in industry. There can be no doubt that the Americans, on their part, are gratified by the results of their ventures, and there is a fine spirit of cooperation between the Americans and ourselves.

"Certainly Scotland has great advantages to offer. There is a large pool of high-quality labor, a considerable home market, and our export facilities, greatly expanded during the war, provide a service for world markets at rates as favorable as those of any area."

The estates project was started in the late thirties to help correct maldistribution of industry throughout Britain. There now are 23 in Scotland.

Representatives of most American companies were not inclined to say to what extent operations in Scotland were prompted by strikes or other difficulties in the United States.

Strictly unofficially, some observers in and out of the industry said they believed in some instances labor in the United States probably influenced the decisions of some of the firms.

Newest American entry in the field is Burroughs Adding Machine Co., which, however, has had a plant at Nottingham, England, since 1898. Its Scottish plant, on an estate near Loch Lomond, will cover 150,000 square feet and employ between 800 and 1,000. American personnel will be limited.

NOT DRIVEN BY LABOR

W. J. Arris, new general manager of European operations, said: "We were not driven to this by any labor or currency situation."

One complication would be customs duties charged on goods exported to the United States. Some believe, however, American tariffs might be reduced. This they regarded as something new—American manufacturers lobbying to cut American tariffs.

Another large American undertaking in the Scottish development is that of Remington-Rand, Ltd. Its plant in the Glasgow area will employ more than 1,000 when full production is reached on electric razors, typewriters and other office machines.

A. W. Murrell, sales promotion manager, said the company was attracted to Scotland by a very favorable labor situation and good exporting facilities.

Some other plants either operating here or planning to start or to expand are National Cash Register Co., of Dayton, Ohio; Veeder-Root, of Hartford, Conn.; United States Time Co., of Waterbury, Conn.; Thomas A. Edison Co., of West Orange, N. J.; General Time Instruments, of New York; Coca-Cola, Singer Manufacturing Co., Monsanto Chemical Co., and Armstrong Cork Co.

Mr. MALONE. Mr. President, it is not a matter of greater efficiency abroad, but merely that our high-wage standard of living is unable to compete with the low-cost foreign labor.

The selective free-trade policy adopted by the State Department, based on the 1934 Trade Agreements Act, has lowered so many of the import fees—the average is now only about 12 percent on all dutiable imports—that today it is possible to establish industries abroad and to sell the products of their cheap labor in the United States. This encourages the erection of foreign plants, as it creates a broader market than would exist if the plants were entirely dependent on the markets of areas suffering from the so-called dollar shortage. As was made clear here a while ago, it not only will furnish the foreign markets, but will encroach upon the markets in the United States.

The loss of the foreign market through the movement of these industries to the lower-wage, lower-standard-of-living countries will be the least of our troubles. The real victims of the policy are and will be the working people of the United States who have permanently lost their jobs.

Not only will these concerns furnish the foreign market, but they will import their products into this Nation and will undersell the same products manufactured by the high-wage American labor.

And now we have the administration's proposal to guarantee the foreign investments of these companies and organizations which will manufacture their products with the low-cost foreign labor and will bring them into this country, to lower the living standard of the American high-wage, high-living-standard workers. That is the serious proposal by the President of the United States.

THE RESULTING UNEMPLOYMENT

There now are nearly 4,000,000 men in our country who have no work, and more that nine and one-half million part-time unemployed, and the trend has just

started. The railroad extra boards will be crowded with railroad workers waiting for the call boy to knock on the door. We may partially recover, at the moment; but if this three-phase free-trade program is adopted it will continue later with renewed force.

THIS NATION WOULD GUARANTEE SUCH FOREIGN INVESTMENTS

The crowning insult of all time to the intelligence of the working men and women of this Nation is that after advocating the three-part free-trade program—under which not only the foreign factories and foreign fabricating plants owned by our own nationals, but the European countries under the Marshall plan may send the products of their low-wage, low-living-standard labor into this country—it is now contemplated and advocated that the United States Government, through its Congress, shall guarantee the investments of our own firms that move to these countries with the announced purpose not only of furnishing the foreign market which was supposed to be available to us, but of importing the products of their low-wage-labor factories on foreign soil into this country, to cause further displacement of our own workmen.

Such is the only conclusion that can be drawn from the President's inaugural address. So I do not see at this time how a person could vote for free trade and then vote against free immigration.

Our trite answer over the years to all threatened foreign competition has been that with our more efficient and improved machinery—including our assembly-line methods—no low-cost foreign labor could threaten to approach our efficiency in production.

Of course, engineers and industrialists know that all such assumptions are outmoded. They know that the latest improvements in equipment and machinery and the technical know-how are available to producers throughout the world; and they know that foreign labor, for the most part working on the assembly lines, but having lower pay and lower standards of living and, in many cases, longer hours, can produce the same materials and products at a much lower cost.

In this connection I shall take time to refer to a statement made by Mr. Walter J. Mason, national legislative representative of the American Federation of Labor, before the Senate Finance Committee. Mr. President, his testimony will be found at page 675, of part I of the hearings on House bill 1211. I shall read only a portion of his statement, because it is available to all Senators, as printed in the RECORD. He said:

> The reciprocal-trade agreements program offers a method looking toward the further freeing of international trade from restrictive barriers.

Then he said:

> However, in some instances the duty reductions already made have reached the point where further reductions would endanger the employment in particular industries exposed to competition from abroad.

Mr. President, I have heard it said many times that the American Federation of Labor is behind the 1934 Trade Agreements Act; but that statement, as presented by Mr. Mason, does not support that theory.

He further said:

> In supporting the trade-agreements program, we recognize the need of safeguarding American labor in some industries, especially where wages are a relatively heavy factor in the cost of production, against competition that threatens to undermine our labor standards.

NOT FIRST TIME FREE TRADE SUGGESTED

Mr. President, this is not the first time that this suggestion has been made. Forty or fifty years ago the international bankers of Europe suggested this same thing, except they simply proposed a free-trade policy, as did Mr. Hull, when he was Secretary of State.

They did not have the involved language and the three-phase part of it.

THE FLEXIBLE IMPORT FEE VERSUS FREE TRADE

Sometimes these theorists ask, "What do you offer if you do not want the free-trade policy based on the 1934 Trade Agreements Act"? which is erroneously referred to as "reciprocal trade."

Under the proposal of the flexible import-fee adjustment of rates, a definite market basis is established in the United States for the goods of all foreign nations, but they are the judges of their own living standards.

However, under such a provision they would be encouraged to raise their wage and living standards, because they would immediately get credit for any raise in their wage and living standards, through a lowering of the import fee; and when their standards of living approximated our own, then the objective of free trade would be the automatic and immediate result. But in the meantime, while we were assisting them to improve their own wage scales and standard of living, our wage scales and our standard of living would be protected, for the flexible import-fee method would place a floor under wages.

INDUSTRIAL RECOVERY—ECA NATIONS

I shall now submit summarized figures showing the degree of industrial recovery since the war, as compared with a prewar year, for 12 of the 16 Marshall plan countries. Figures are not available for the remaining four countries.

It will be noted that 7 of the 12 countries had achieved prewar levels or even higher levels of industrial production by the end of 1947, before the ECA or Marshall plan was enacted; and 2 other countries, France and the Netherlands, were back to 95 percent of their prewar levels of production.

For the latest year, 1948, it will be observed that the only countries still below prewar levels of production were Germany, Austria, and Greece, and perhaps Italy. Germany shows the least amount of recovery, having reached only 60 percent of her prewar, 1939, level of production. But after the currency reform in June 1948 recovery took place at a rapid rate, reaching 78 percent of the 1936 monthly level in December of 1948.

Mr. President, I ask unanimous consent to insert in the RECORD at this point a press account of British recovery, published in the Journal of Commerce, March 16, 1949, entitled "British Recovery Substantial but Not Complete, Study Shows."

The PRESIDING OFFICER (Mr. JOHNSON of Texas in the chair). Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BRITISH RECOVERY SUBSTANTIAL BUT NOT COMPLETE, STUDY SHOWS

LONDON, March 15.—Britain has made substantial progress toward recovery and is past its period of recurring economic crises, a Government economic survey for 1949 reported today.

The report said, however, the dollar shortage still is crucial.

The progress is due both to the work of the British people and the generous assistance we are being given by the American and Canadian people, said the report, prepared by Sir Stafford Cripps, boss of Britain's economics and finances.

HIGH TARGETS SET

It laid out higher production goals for this year and said their fulfillment would go a long way toward solving some of the nation's most crucial recovery problems.

But there was nothing in the 30,000-word survey to show that Britain has yet achieved complete recovery, as suggested by Christopher Mayhew, Foreign Under Secretary, at a recent United Nations meeting. Mayhew's statement was later repudiated by the Government.

Sir Stafford's survey warned instead:

"The position is still dangerous in a number of critical sections * * * in terms of dollars we are still not paying our way. Sustained efforts to solve the hard core of our economic difficulties are still required."

The entire program was built in the belief that Congress will approve $940,000,000 worth of American aid for the coming year. This is the full amount recommended by Paul G. Hoffman, head of the Economic Cooperation Administration (ECA).

If the fund is cut many plans may need yet to be revised, said a footnote to the survey.

FOUR MAIN TASKS

To tug Britain further out of the morass, the survey set out four main tasks:

1. A bigger effort to sell more goods to the United States and Canada, and so earn dollars.

2. Harder work and more production, especially in steel, coal, and textile industries and on the farms.

3. Cut the cost and boost the quality of British-made goods. Exporters already are having trouble finding customers at present prices.

4. Hold down wages, prices, and dividends to keep inflation under continued control.

As a reward for more self-discipline and hard work, the survey promised the people their diet would come back almost to prewar levels this year, although each person will get 4 pounds less meat.

In recent months Britain has achieved a near balance in trade with all the rest of the world. In 1947, its trading accounts fell into a debt of £630,000,000 ($2,520,000,000).

But, the survey warned, this "does not represent a financial equilibrium since it conceals a large and continuing dollar deficit."

Balance with the whole world means a surplus in trading with the Commonwealth, Europe, Asia, and Africa in contrast to continuing debts to the Western Hemisphere.

With the Western Hemisphere, particularly the dollar area, we are, and are likely to remain, substantially in deficit, even though the deficit is steadily diminishing * * * The dollar deficit remains the crucial problem, the survey reported.

Much of Britain's food and vital raw materials for her industries can be bought only for dollars.

The net deficit in dollar trading for the first six months of 1948 was $1,016,000,000. In the last half of the year it was trimmed $676,000,000. For the first half of 1949, however, it will rise to $780,000,000 as Britain buys materials and machinery to expand output.

Consequently, the Government said it is planning practical assistance for exporters seeking to sell in the North American market.

Mr. MALONE. I shall read merely an excerpt from that article:

Mr. Mayhew's statement was later repudiated by the Government, even though Britain's index of industrial production for 1948 was 121 percent of the prewar level.

Noteworthy is the increase in production in French Morocco, which is receiving Marshall plan aid at the rate of $36,000,000 a year. Industrial production in French Morocco in 1947, the year before the Marshall plan began, was 170 percent of 1938, and in 1948 it reached 190 percent of the 1938 industrial index. How long and how much should the American taxpayer be squeezed to finance, free of charge, such a boom as has been under way in Morocco since the war?

I ask unanimous consent to have inserted at this point in the RECORD, as part of my address, the table to which I referred a moment ago.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE I.—*Trend of industrial production* [1] *in 12 Marshall plan countries since the war, based on index numbers for a given prewar year*

	Base year=100	1946	1947	1948
Austria	1937	--------	48	[2] 72
Belgium	1939	83	100	108
Denmark	1937	101	116	129
France	1938	79	95	108
French Morocco	1938	152	170	[3] 190
Germany	1936	34	40	60
Greece	1939	53	67	73
Ireland	1937	107	113	[3] 129
Italy	1947	--------	100	107
Netherlands	1937	75	95	113
Norway	1937	100	115	125
Sweden	1937	137	139	144
United Kingdom [4]	1935	100	109	121

[1] Monthly Bulletin of Statistics, Statistical Office of United Nations, March 1949.
[2] First 10 months.
[3] First 8 months.
[4] London and Cambridge Economic Service, bull. II, vol. XXVI, p. 51, and bull. I, vol. XXVII, p. 12, May 19, 1948.

Mr. MALONE. The table shows, for example, that in 1947 Belgium was 100-percent recovered. For 1948, it was 108-percent recovered. In 1946, it was 83 percent. In other words, from 1946 to 1947 it moved up 17 percent, and in the next year, under the Marshall-plan operation, it moved up 8 percent.

Mr. CAIN. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Washington for a question?

Mr. MALONE. I am happy to yield to the Senator from Washington.

Mr. CAIN. The distinguished Senator from Nevada has just stated the average percentage increase in Belgium. Does he have an average-increase figure that he may give us, covering the months since we first began furnishing assistance in the reconstruction programs abroad?

Mr. MALONE. Unfortunately, I do not have the detailed figures, because, if they are available, I have been unable to locate them. I have other figures, separately, that are very significant. France had recovered from 79 percent in 1946, the first year after the war, to 95 percent in 1947, an increase of 16 percent. In 1948, at the close of the year, representing only about 9 months' operation of ECA, it was 108-percent recovered. In other words, its recovery had slowed down by the difference between 16 percent and 13 percent.

Mr. CAIN. Mr. President, will the Senator yield for a further question?

Mr. MALONE. I am very happy to yield to the Senator from Washington.

Mr. CAIN. Using Belgium as an example, if the Senator's statement is correct that Belgium has fully recovered, my first question is, Does the Senator know how much of the proposed grants for the ensuing year are to be made available to Belgium?

Mr. MALONE. So far as we could ascertain, the figures are not available to us at this time. We were informed they were, in the main, secret figures.

Mr. CAIN. May we safely conclude that Belgium is to benefit from certain of the credits to be allocated to ECA in the course of the next year?

Mr. MALONE. In answer to the Senator from Washington, I should assume that, since the amount that we are attempting to appropriate for the ensuing year is practically the same as was appropriated last year, the amounts allocated to the various nations will not vary greatly.

Mr. CAIN. Will the Senator from Nevada then help me along my way in thinking through this matter by saying what we should call the credits which are to go to Belgium, if Belgium has fully recovered? What should we call the extension of the forthcoming credits? As I understand the Senator's presentation, they are no longer to be used in the name of recovery.

Mr. MALONE. It is impossible to use them in the name of recovery. Furthermore, with respect to seven of the nations, Belgium had recovered 100 percent in 1947, prior to the use of any of the money; Denmark, 116 percent; France, 95 percent, a gain of 16 percent over the preceding year, with a continuing acceleration still in effect; French Morocco, 170 percent; Ireland, 113 percent; the Netherlands, 95 percent; Norway, 115 percent; Sweden, 139 percent; and the United Kingdom, 109 percent—and all this, in 1947, before the first ECA bill was passed.

Mr. CAIN. The point the Senator from Washington is seriously pressing is that it was certainly his individual hope, and, as he thought, the hope and determination of every other Member of the Senate, to help the nations, particularly of Europe, on the road to recovery; but the converse likewise is true, that so soon as that objective had been accomplished, it would no longer be a requirement to be imposed on the backs of American taxpayers, to continue credits beyond the fulfillment of the desire and objective of European recovery.

Mr. MALONE. I may say in answer to the Senator from Washington, it is very clear that mere recovery was never contemplated, it was never actually meant to apply only to recovery. The great factor in proving what we are actually doing is simply making up the trade-balance deficits of all these nations in cash, and that it was planned to develop some of them to as high as 170 or 175 percent from the beginning. I think Mr. Cripps, of England, has made it clear that their goal is 175 percent. Therefore we are furnishing money with which to purchase goods in this country and elsewhere, and we now see, inasmuch as our economy seems to be taking a dip, that there is more pressure from our people at home to force all the money given to the beneficiary countries to be spent in this country for our products. It would attempt for another year to continue the same kind of prosperity as last year or at least prevent a depression. But it is merely another means of nailing down the fact that recovery was not the objective. The objective was the making up of trade-balance deficits—and then dividing our markets with the nations of the world through the selective free-trade policy, based on the 1934 Trade Agreements Act, upon the theory that the deficits would become progressively less as we continued to divide our markets with the European countries and the nations of the world—and that there would then be an International Trade Organization treaty which would in effect rule all economic relationships of the 58 nations comprising the United Nations. In other words, the object is a gradual averaging of all of the living standards throughout the nations of the world. And, of course, we are the first to be affected.

Mr. CAIN. The Senator from Nevada may very well be correct in his present feeling that recovery was not the fundamental reason for the adoption by Congress of the Marshall plan in the first place, but my memory tells me that the fundamental idea of recovery was what very largely motivated most of us certainly in the Senate, to approve and appropriate money for the ECA a year ago.

May I ask the Senator from Nevada if the feeling which I have, which is a very strong one, namely, that we were almost solely concerned with the recovery of Europe, is the feeling the Senator from Nevada had at the time the proposal was being debated on the floor of the Senate a year ago? We were not talking at that time about long-range participating programs of the United States in the economic affairs of the rest of the world, were we?

Mr. MALONE. In answer to the Senator from Washington, I will say that, unfortunately for my feeling in the matter, I had visited most of the nations of Europe in October and November of 1947, and had taken what can be called, I think, a very good look. I inspected the steel mills and coal mines in the Ruhr in Germany; I inspected the industries of France, the steel mills and coal mines

of Birmingham, England, and also the Middle East, where 50,000,000,000 barrels of oil are blocked out. If I may, I should like to read at this point, for the benefit of the Senator, an excerpt from what Sir Stafford Cripps had to say in that regard: In any case, while I am locating the excerpt, I will say that I visited with Sir Stafford Cripps at some length, and also with Mr. Bevin and with Mr. Anthony Eden. Unfortunately for me, Mr. Churchill was ill at the time and did not come to London. I wanted very much to see him. Sir Stafford Cripps was very clear as to what they wanted the money for.

I finally said to him:

I am informed that England is now more than 100 percent recovered. What would you use the money for?

We were very friendly and he was very cooperative; and I will say that, so far as I know from subsequent events, he never misrepresented anything—he told the truth about what they intended to do with the money.

He said they did not need the money so badly for development in England; what they needed it for was to develop their colonies, in Africa and elsewhere, and to establish new industries; not to rehabilitate old industries, but to build new ones, and to start new farming areas. I said:

Do you mean to say that you want our Government to give your Government money so that you can expend in the construction of new industries, that your Nation will own and operate?

He said that was correct. As a matter of fact, he said that they wanted the money not for recovery, but for the building up of industries in their colonies, notably in Africa. I asked him why they did not establish the integrity of investments so that the citizens of other nations could invest their own money in Africa, since they were willing to invest anywhere in the world where capital is safe from confiscation, where they only take the business risk. There is more private capital for such investment in the United States now than at any other time in the history of the world. Why not let private capital go in and do these things? He said:

Oh, no; that will not do. We need the Marshall-plan money so that the Government of the United States will give the Government of Great Britain the money to build up industry, not to rehabilitate it to the point at which it was prior to the war, not 25 percent above that, but practically double it.

That is where Great Britain intends to come into market domination again. That is what this money is going for really, and it is, of course, in the British Empire where most of the strategic and critical materials are found. That is what Sir Stafford Cripps told me.

Mr. CAIN. Mr. President, will the Senator yield for another question?

Mr. MALONE. I shall be happy to yield.

Mr. CAIN. If, by way of argument, we assume that Sir Stafford Cripps gets what he desires, according to the language which the Senator has just related, how many years would it be necessary for America to continue to provide aid, through a program which the Senator is trying to prove is no longer concerned with recovery, but with furthering permanently the industrial progress of England, in this case, and, I take for granted, likewise other nations of the world? We are talking today about credits to be advanced for a temporary period of a few months. I think the Senator is speaking—I do not know whether his premise is correct—concerning a long-range program to be extended for years into the future.

Mr. MALONE. The Senator is entirely correct. I think if the matter were thoroughly investigated by the Senate of the United States, through committees that would go on the ground, as I did, not only into the European countries, but throughout Asia and the Middle East, such investigating committees would return to the United States and make an entirely different recommendation, because the aid has nothing to do with recovery. It has to do with the growth of those nations and with the strengthening of their competitive world position, to the detriment of the workingmen in the United States.

Mr. ECTON. Mr. President, will the Senator yield for a question?

Mr. MALONE. I am happy to yield to the Senator from Montana.

Mr. ECTON. I should like to pursue the question asked by the distinguished Senator from Washington. How much longer did Sir Stafford Cripps say he wanted loans in order to do the things which the Senator has mentioned?

NO END TO EUROPEAN AID

Mr. MALONE. I would say, in answer to the question of the Senator from Montana, that what Great Britain wanted to do, in the first instance, was to get her foot in the door. Not much was said by Sir Stafford Cripps at that time, but since then I think it has been made very clear. Through the tons of propaganda put out by the State Department the people are being sold first, and the Senate second. The people of this Nation have been subjected to the propaganda that the Marshall plan would end all aid for Europe—in the same manner that they were told that UNRRA and then the British gift loan of $3,750,000,000 would complete the recovery of Europe. I think the Senator from Montana is familiar with the picture, and that the President has already outlined his global program to go on from 1952—the scheduled end of the ECA program.

Mr. ECTON. Does the Senator believe that the people in the foreign countries expect the United States to lend this very extraordinary and substantial assistance to them indefinitely?

Mr. MALONE. That is my humble opinion, and that is why I am tying the three-part free-trade program together. I think it is obvious that once they are tied together it will be seen that it is a program to level our living standard with that of the rest of the world. It is simply designed to bring about a world federation so that low-cost European and Asiatic products can come into our market unchecked as one big world market. When we are all living alike, according to the theory of the one-world theorists, everything will be all sweetness and light throughout the world.

Mr. ECTON. Does not the Senator feel that the people of Europe know that the only source to which this Government must resort in order to get any money is the taxpayers of our country?

Mr. MALONE. I wish the Senator could have been with me on both the inspection trips throughout Europe and Asia. The people of all of the nations of the world think everybody in the United States is rich. We spend our money in a way to encourage that belief everywhere we go, and the Nation spends it even more lavishly than individuals do. Therefore, for example, when I visited with Mr. Nehru, of India, and General Smuts, of South Africa, and many other leaders throughout the countries I visited, they were very emphatic that I was the first representative of the American people who ever told them that we were in a dangerous economic situation at home. They said they thought there was unlimited wealth in the United States, unlimited credit, and unlimited production. They were not even embarrassed about it.

Mr. ECTON. Do they not realize that this country is already carrying an indebtedness of around $260,000,000,000? Do they appreciate that?

Mr. MALONE. Most of them do not know it and would not understand it if they did.

Mr. ECTON. Does not the Senator think it is time someone was letting them know about it, and that money does not grow on bushes in this country?

Mr. MALONE. I did my best in every instance. I found them very friendly and cooperative, and I would give them such information. Again speaking of Mr. Nehru, he is a kindly gentleman, quiet, unassuming. He has great power over his people. He was amazed when I told him we were two hundred and fifty or two hundred and sixty billion dollars in debt, and about how much money that was for each of the citizens of the United States; what a great burden it was to carry the debt, and that we had to pay it; when I told him we were appropriating money for the Federal Reserve Board in our own country to furnish a ready market for 100 percent purchase of low-interest bonds, and that if we stopped those appropriations most of our experts felt that the bonds would go down to 80 or 85 cents on the dollar or even lower, and break every bank in America; when I told him we were siphoning money from the wages and income of the people now to such an extent that we were cutting dangerously into the money normally available for new capital investment; that the curve—the chart of capital investment now was on the down grade, that it would very soon reach the point that it reached in England, where the only available money for capital investment was to appropriate funds by the Government; and that very soon the only available money here for such investment would be out of the Treasury of the United States, and that then we would go into public ownership. He was amazed to learn of this situation. He said I was the only American who ever told him such things. Yet he wants to

borrow money, as everyone else abroad does, and he is getting ready to ask for it.

Mr. ECTON. Did the Senator learn that the people over there realized that the only bulwark for world safety left anywhere on the face of the earth is in the solidarity and in the solvency of the United States of America? Do they realize that? Do they understand that? That is what I should like to know.

Mr. MALONE. I believe they do realize that, but what they do not realize is, as the Senator has so ably explained it, that the source of the money is the American taxpayer, and the source of his money is what money he can earn as a profit above what it costs him for his living quarters and groceries; that by taxation we have now cut into his income and wages to such an extent that many of our people are not living well, but are having a terrific time right now paying taxes and keeping the children in school; and that we are not in a healthy condition. Those are things they do not realize, because we sit here on the Senate floor day after day and talk about $4,000,000,000 for this, $6,000,000,000 for that, $2,000,000,000 for something else. They think, how could we do that and be in bad shape?

Mr. ECTON. Mr. President——

The PRESIDING OFFICER (Mr. MAGNUSON in the chair). Does the Senator from Nevada yield to the Senator from Montana?

Mr. MALONE. I am happy to yield.

Mr. ECTON. Did the Senator ascertain whether the people in Europe realize that we are having to deny our own people in this country many things for which they are asking, and which we would like to give them, in order to send $4,500,000,000 each and every year to Europe? Do the people in Europe realize that?

Mr. MALONE. They positively do not. They think we have a bottomless pit of wealth. They have been taught that. All we have to do to verify that is to read the CONGRESSIONAL RECORD. One can pick up any issue of the RECORD for the past 15 years, and from reading it he would not think the United States ever could run out of money or wealth. Today 4,000,000 people are roaming the streets in the United States without jobs, full grown men out of employment, and 9,500,000 are on part-time work; and that does not include the railroad men on the extra board waiting for the call boy.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. ECTON. I should like to ask one further question.

Mr. MALONE. I yield to the Senator from Montana.

Mr. ECTON. Do the people in Europe also understand that the President of the United States is asking the Congress to raise taxes to the tune of about $4,000,000,000?

Mr. MALONE. They most certainly do not understand it, because no one has ever attempted to explain it to them. While they believed I might be a normally truthful person, I am sure they thought I was exaggerating when I said that many people in our country were having a tough time to make a living now; that the prospect was not good for an increase in opportunities to make a better living, and that the prospect in the United States was that there would be a lowering of living standards if we kept on the course we had started.

Mr. ECTON. We owe the very able Senator from Nevada a debt of gratitude for the time and the energy he has expended in visiting various countries of the world in order to bring this message back to us. I wish to know whether, based on his observation, he thinks there is any sound reason why the present ECA program could not be cut down to $3,000,000,000 at this time, as recommended by the distinguished Senator from Indiana.

Mr. MALONE. If the amendment I have proposed should be agreed to, under which the ECA——I had suggested the World Bank last year—would lend money on a business basis, lend it exactly as it would be loaned to an American in Butte, Mont.; Reno, Nev.; or Seattle, Wash., on the same security exactly, with no harsher terms and no better terms—if this amendment should pass I believe that we could cut this program $2,000,000,000, and have a billion dollars left at the end of next year. Congress and the President of the United States would be pleasantly surprised to know how little money people would borrow if it meant they had to pay it back.

Mr. ECTON. Will the Senator agree with me that the American people are becoming very sick and tired and disgusted with Congress, as they have been with former Congresses, for turning down many of their requests, and yet voting tremendous appropriations and sending money all over the world for other people, who many times say they do not need it and say they are fully recovered? What is the Senator's viewpoint in respect to that?

Mr. MALONE. If I could express my personal opinion to the Senator from Montana, I would say that if the majority of the American people could see these nations as I saw them, and could understand the real motive behind this three-phase free-trade program, they would move on Washington.

Mr. ECTON. Since the Senator from Nevada has brought up the point that three programs are tied together in an over-all plan, I should like to ask him a further question. My question is how much longer the Senator thinks it will be before the American laboring man realizes that he is being sold down the river by this over-all program?

Mr. MALONE. I have discussed the matter with some American workingmen. I will say to the Senator from Montana that the workingmen in my State understand what it means. They know what it will mean to them when Congress takes action which will result in taking from them their wages, because of the fact that we are reducing our own trade in zinc, cattle, sheep, and other products. The State Department eliminated the tariff on wool—the Congress put it back and this Congress vetoed it—then a subsidy was voted for it. That is one of the tricks. If Congress should fail to appropriate the money for the subsidy it would mean that the producers of sheep would simply go out of business immediately. They would not be sick, they would be dead. There would not be an interim period. They would cease to exist.

Mr. President, the workingmen do not like what is being done. No one who really understands the program likes it.

I will say further that this three-pronged thing has been set up in such an intricate manner that everyone simply throws up his hands and says there is no difference between the Democratic and the Republican Party, because he cannot understand the intricate foreign policy. Those who have spoken on the subject, including Mr. Thorp, the Administrator of ECA, and others, say that each one of the three elements is dependent upon the others. The plan is not one of recovery. It is one to bring about a leveling of the living standard of the United States to a parity with that of the rest of the world, interminably and completely.

Mr. ECTON. Mr. President, will the very able Senator from Nevada yield for one more question, and then I shall quit bothering him?

Mr. MALONE. I appreciate very much the Senator's contribution.

Mr. ECTON. Would the Senator agree that the legislation we are now considering affects the welfare of the American laboring man to such a great degree that the few amendments proposed to the Fair Labor Standards Act would, naturally, simply sink into insignificance, compared with some of the major factors the Senator from Nevada has been speaking of today, matters which very deeply affect the present welfare and the future welfare of the laboring men and their families in the United States?

Mr. MALONE. I want to say to the Senator from Montana, with all the earnestness at my command, that what is proposed to be done is of the most extreme seriousness to the workingmen of the country. Members of the Senate are jamming the hearing rooms of the Committee on Labor and Public Welfare, the Committee on Agriculture and Forestry, and other committees in an endeavor to provide legislation for the benefit of our people. Proposals are made to give 90 percent or 60 percent parity on agricultural products, and to pass labor legislation and appropriations for the European nations to purchase American goods. Yet it is proposed in the pending legislation to provide more than $5,000,000,000, and send that money all over the world to increase the manufacture of heavy materials, fabricated products, so those products may be sold in increasing amounts for another year.

We are all spending time in committees. At the same time the three-pronged program of free trade is supposed to go through the Senate and be adopted without debate. Some persons even resent the fact that the subject is being debated for the benefit of the public. When this three-pronged or three-phase program becomes effective, when the ITO, the International Trade Organization, agreement is finally ratified, when that final nail is driven home and clinched and the products of the low-cost-labor countries can come into

America, then it will not matter what type of legislation is written for labor, farmers, or any other group—the drop in prices and the standard of living will leave it meaningless.

The laboring men of America will be out in the street reading the legislation, but what good will that legislation do then when they have no jobs, and when there are no markets for their products?

Mr. CAIN. Mr. President, will the Senator yield?

Mr. MALONE. I yield to the Senator from Washington.

Mr. CAIN. I was very much interested in some of the observations made by the Senator from Montana and by the Senator from Nevada, with particular reference to the attitude of the farmers of our country and what this country is doing for Europe. I should like to ask the Senator from Nevada a question. Are not too many of us too often guilty of dangerous carelessness by our continued reference to what the Government and the Congress and the President and one or another of our Federal bureaus is doing for someone else, either at home or abroad? Would it not be much better, by way of emphasis and for our good and that of the American people, constantly to emphasize the fact that the men and women of this country, the citizens of the United States, have authorized their Representatives in Congress to make available the credits and grants to which we refer to ourselves at home and to nations around the world? If we did that more frequently I am firmly of the opinion that it would be good for the average American citizen to know that it is actually his and her and their children's money which is being spent. It would help materially, I may suggest to the Senator from Montana, in bringing about an awareness which is not presently apparent on the part of the Europeans of what is being done for them by our people, because, having in years gone by lived in Europe, I know that the average European does not know that Americans per se, or as such, exist. They think of America only in terms of either the President or of the Congress. I think it is a dangerous practice which we all too often follow.

Mr. ECTON. Mr. President, will the Senator yield so that I may ask a question in connection with what the able Senator from Washington has said?

Mr. MALONE. I yield.

Mr. ECTON. Is it not time that there should be an awareness here in Washington of where the money comes from? I have been around Washington a little more than 2 years, but in that time I have not seen any money grow on bushes in this locality. I think we need an awareness on the part of governmental officials, and a realization that every single cent that ever comes into the Government's coffers in Washington comes from the farmers and from the businessmen and from the working people, from the professional people back home in the sticks, at the crossroads, from the grassroot sections of America, from the towns, and from the countryside.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. CAIN. With the indulgence of the Senator from Nevada, I wish to compliment the Senator from Montana on what he has just said, and to say to him that I agree with him. As one who came to the Senate with him a little more than two short years ago, I am often conscious of the fact that many of our colleagues, probably including myself, are not nearly so conscious as we ought to be of whose substance it is we are appropriating money and sometimes giving it away, and that if we were more conscious that what we do we always do in the name of others, I think we would stick with such subjects as the Senator from Nevada is so thoroughly discussing, until we were reasonably satisfied that we understood not only what we wanted to do, but how we wanted to do it.

Mr. MALONE. I thank the Senators from Washington and Montana for their contributions.

Mr. HENDRICKSON. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. HENDRICKSON. I heard the Senator from Nevada refer a moment ago to the boom in Morocco. Does the Senator know whether Morocco is a participant in the Marshall aid, or rather the recovery program?

Mr. MALONE. Yes; I will say to the Senator from New Jersey, to the extent of $36,000,000.

Mr. HENDRICKSON. Was the boom to which the Senator from Nevada referred brought about by the recovery program assistance?

Mr. MALONE. Unfortunately I was able to spend only a limited time in French Morocco. I was in Dakar and French West Africa. But my investigation leads me to believe that the ECA is doing more harm in Morocco than it is doing good. Recovery was on the way in Morocco before ECA began. I may say that I have talked at length with American businessmen who have been trying to do a normal, independent business in Morocco ever since 1946. When I say "normal business" I mean normal within the limitations which have had to be endured since the war.

I have before me a letter which was written to a high official in the Moroccan protectorate on January 4, 1946. I should like to read the letter to show the type of business that cannot be done under the controlled economy we are sponsoring in Europe today.

The letter is as follows:

M. LEON MARCHAL,
Ministre Plenipotentiaire Delegue a la Residence Generale, Residence Generale, Rabat.

DEAR MR. MARCHAL: I have delayed writing about the plan of which we spoke, pending the announcement of the new franc-dollar rate. It was obvious that the adjustment would make a difference. If it had placed the dollar considerably higher, the conditions that make the plan useful would have disappeared.

The plan I outlined is, basically, to encourage the barter of certain types of Moroccan goods for goods of American manufacture. Even at the new rate of exchange, the export of Moroccan manufactured products to the United States is not profitable to a measure that justifies the work and sales expense involved. However, if a complete transaction could be realized, with the exporter using the product of his sales to bring American goods into Morocco and dispose of them, he would be recompensed liberally enough to justify his efforts and expenditures. The ease and profit with which the American products could be sold would compensate for the extreme difficulty and comparatively low prices connected with the export of Moroccan products.

In considering the foregoing, certain basic facts should be borne in mind. Moroccan manufactured goods suitable for export to the United States are specialties. They must be sold. No one is spontaneously anxious to buy them. They are competing in a country that has the largest per capita choice of merchandise of any in the world. Even at the new rate of exchange they are priced high, often too high to permit any profit in a one-way transaction. American goods that are needed here are, chiefly, staples. Once arrived, they can be sold without effort and without competition.

Under these circumstances, it is equitable for the exporter whose dollars make possible the acquisition of American merchandise to enjoy the profit from their sale. Furthermore, the added incentive of this profit will stimulate export transactions. In numerous cases, the profit from imports will even permit exports that, in themselves, would be unprofitable.

Essentially, what I suggest is that persons be permitted to purchase American goods with their own dollars, to bring them into Morocco and to dispose of them for francs, through channels and to buyers of their own choosing and at whatever prices can be had. The resulting francs then would be used to acquire Moroccan manufactured articles to be exported to the United States. The profit would be realized when these were sold.

As I explained to you, my military status prevents my becoming actively interested in such a plan at the present time but I am giving it mild consideration as a civilian activity. With this in mind, I greatly appreciate your offer to let me know how the proposal would be regarded. I should be glad to discuss it in more detail with you or with other interested officials.

With kindest regards and best wishes for the new year, I remain,

Yours sincerely,

ROBERT E. RODES,
Major, Corps of Engineers.

I will say further to the Senator from New Jersey that, instead of normal trade being allowed to operate, it is controlled in much the same way as it is controlled in Indonesia, in the Malayan states, and in Indochina. In other words, France controls the trade, and the French are the ones who get the ECA money. They then control the trade through the ECA funds distribution. It is an interruption rather than a promotion of good will and recovery in Morocco.

Mr. HENDRICKSON. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. HENDRICKSON. Does the Senator know how much ECA aid, if any, goes from France to Morocco, being channeled through France?

Mr. MALONE. That was what I meant when I said that France controls the money. It does not go directly from the United States to Morocco. It goes to France, and in turn France sends it to Morocco, at the rate of about $3,000,000 a month. Of course, France controls its distribution to a great extent, and the manner in which it is used.

Mr. HENDRICKSON. With respect to the boom about which the Senator spoke, does he know when the boom in

Morocco started? I address these questions about Morocco to the Senator because it occurs to me that as we consider a possible curtailment of some of the expenditures we are forced to meet in connection with ECA, we might eliminate some of the areas throughout the world where the people are on their feet and able to go forward without aid. It seems to me that Morocco and some other places are in that category.

Mr. MALONE. That is exactly what would be done if an amendment such as the one I have proposed should be adopted and the money were loaned on a business basis. Business does not need loans if it has recovered to that extent. It might accept certain small loans, but they would be on a business basis, and the money would actually be returned.

As I stated a while ago, in 1946 Morocco had recovered to the extent of 152 percent of the industrial index of 1938. No doubt during the latter part of the war they were selling their products. In 1947 the figure was 170 percent, before we ever thought of passing an ECA or Marshall plan. In the first 10 months of 1948 the figure increased from 170 to 190 percent.

Mr. President, I wish to comment briefly on the questions just asked as to the long-range effect of collecting taxes, and how taxes are collected. I refer to the questions asked by the distinguished Senator from Montana [Mr. ECTON], and the distinguished Senator from Washington [Mr. CAIN].

Last year we lowered taxes and balanced the budget. Approximately 7,000,000 people were taken off the tax rolls. That is what they thought. But, Mr. President, if I had the research facilities I would trace the taxes through the food, clothing, and materials which the working people buy, and I would show the many separate taxes which they pay on a loaf of bread, on a suit of clothes, on a hat, on sugar, and on everything else they eat and wear. I would trace the taxes which they pay through rent on the houses in which they live, and the indirect taxes which they pay through the prices which they pay for all of their purchases.

During the past 15 years there has been much talk about "soaking" the corporations and relieving the little man from taxes. For 8½ years, from 1927 to 1935, I served on the railroad commission in my State, the public service commission. It was a source of great consternation to me at times to see how the public utilities of my State were utilized as an indirect collector of taxes. The legislature would meet, and come to the end of the session short of money. At the end we would not know where to get the money for taxes. I say "we," although I was not a member of the legislature. I was a State engineer, watching its operations.

Mr. KEM. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. KEM. Then the dollar shortage about which we hear so much is not an entirely new thing, I take it. The Senator has observed it in Nevada, and in other places in the world.

Mr. MALONE. I will say to the Senator from Missouri that the dollar shortage is the greatest hoax ever perpetrated on the American people. I have been short in my dollar balance ever since I was born, and I think the same thing applies to nearly everyone else. Every individual is short in his dollar balance if he spends currently more than he produces. Foreign nations are spending more than they produce. The reason we sent $36,000,000 to Morocco was that they were spending more than they produced. They know they can get it. They have recovered to the extent of 190 percent. Their production is nearly twice what it was in 1938, but in the hard-money countries they continue to spend more than they can produce and sell, so we sent $36,000,000 to Morocco.

The situation of those nations is a great deal like that of a boy in school. Generally speaking, the boy at college adds up short in his expenses—$5 here, $2.50 there, and the old man foots the bill at the end of the month. That is the short dollar balance. When the boy gets a check he is happy again. That is what we are doing all over the world. The world is short of balance, because it spends more than it can produce.

I was speaking about using the public utilities for tax collectors. When legislatures need money, they resort to indirect taxes, when possible. About every 4 years someone would have a happy thought, and the valuations of the public utilities, the power companies, and the railroads, would be increased. The tax rate would be left the same, and everyone would go home happy.

However, it was only a short time before the railroads went to the Interstate Commerce Commission and petitioned for an increase in rates. The power companies would go to the public service commission for an increase in rates, because of taxes and other expenses. So every time anyone turned on an electric light, or every time a person got on the train or put a bed roll on the train to ship it to a job, he paid indirect taxes on the basis of the amount by which the valuation of the railroads and public utilities had been increased. The result was that the people of my State of Nevada who were not on the tax roll were nevertheless paying additional taxes. That applies to the 7,000,000 people whom we relieved of the tax burden, on paper. They are paying the additional taxes, but are not supposed to know it.

If the President's suggestion goes through, there will be more indirect taxes. The railroads will be going to the Interstate Commerce Commission for another increase in rates. The electric power companies will go to their local public utility commissions to seek an increase in the rates. So in the long run the 7,000,000 people supposedly relieved from the tax burden will be paying the same amount of money, and there will be no difference whatever, except in the method of collection.

Mr. President, there has been considerable discussion as to who will get the money under the Marshall plan and as to how it will be used. I have a list of approximately 59 countries which have been granted monetary aid by the United States during the postwar period. According to a compilation of Prentiss-Hall, Inc., they are the countries to which more than $13,000,000,000 has gone. I now ask unanimous consent to have printed at this point in the RECORD a list showing the distribution of $13,000,000,000 among the nations of the world. The list also shows the purposes for which the money was supposed to be expended.

The PRESIDING OFFICER (Mr. HUNT in the chair). Is there objection?

There being no objection, the list was ordered to be printed in the RECORD, as follows:

	Thousands of dollars
Albania: Through UNRRA	40,502
Argentina: Cultural and technical aid, bank credits	297
Australia: Lend-lease and fixed war installations	54,894
Austria: Supplies, bank credits, surplus property	63,000
Belgium: Loans, lend-lease, surplus property	494,000
Bolivia: Cultural and technical aid	245
Brazil: Bank credits, cultural, and technical aid	70,680
Burma: Lend-lease	11,000
Canada: Alaska Highway	138,312
Chile: Bank credits, cultural and technical aid	42,195
China: Export-Import Bank credits, surplus property, lend-lease	1,482,793
Colombia: Bank credits, cultural and technical aid	859
Costa Rica: Inter-American Highway, cultural and technical aid	1,540
Cuba: Cultural and technical aid	190
Czechoslovakia: Export-Import Bank credits and surplus property	31,304
Denmark: Export-Import Bank credits and surplus property	40,000
Dominican Republic: Cultural and technical aid	75
Ecuador: Bank credits, cultural and technical aid	1,238
Egypt: War installations	11,800
El Salvador: Inter-American Highway, cultural, and technical aid	327
Ethiopia: Export-Import Bank credits and surplus property	4,000
Finland: Export-Import Bank credits and surplus property	92,500
France: Export-Import Bank credits and surplus property	1,950,000
Germany: Supplies	400,000
Great Britain: Loan, surplus property	4,400,000
Greece: Economic assistance, UNRRA, lend-lease surplus property	790,000
Guatemala: Inter-American highway, cultural and technical aid	627
Haiti: Cultural and technical aid	86
Honduras: Inter-American Highway, technical and cultural aid	418
Hungary: Surplus property	15,000
Iceland: Fixed war installations	65,000
India: Surplus property	50,000
Iran: Surplus property, lend-lease	30,000
Iraq: Educational aid	41
Italy: Economic relief, Export-Import Bank loans, special considerations	538,000
Japan: Supplies	267,000
Korea: Supplies, surplus property	62,000
Lebanon: Educational aid	90
Liberia: Civic improvements	20,200
Mexico: Bank credits, cultural and technical aid	87,574

	Thousands of dollars
Netherlands: Export-Import Bank credits, lend-lease surplus property	377,384
New Zealand: Surplus property, war installations	5,707
Nicaragua: Inter-American Highway, cultural and technical aid	2,430
Norway: Export-Import Bank credits, lend-lease	56,500
Panama: Inter-American highway cultural and technical aid	47
Paraguay: Cultural and technical aid	38
Peru: Bank credits, cultural and technical aid, war installations	2,930
Philippines: War claims	695,000
Poland: Export-Import Bank credits, surplus property	90,000
Portugal: War facilities	(value undetermined)
Saudi Arabia: Export-Import Bank credits, surplus property	12,000
Soviet Union: Lend-lease	250,000
Spain: War installations	136
Syria: Educational aid	10
Turkey: Economic and military aid, Export-Import Bank credits	270,000
Uruguay: Surplus property, cultural and technical aid	733
Venezuela: Cultural and technical aid	144
Yemen: Surplus property	1,000
Yugoslavia: UNRRA aid	(value undetermined)

Nations not receiving United States aid: Afghanistan, Bulgaria, Ireland, Luxemburg, Rumania, Siam, Sweden, Switzerland, Union of South Africa.

Mr. MALONE. Mr. President, at this point I should like to say that since the close of World War II the 16 Marshall plan countries included under ECA have made 88 treaties with Russia or her satellite nations behind the iron curtain, and have agreed to ship and are shipping to them practically every kind of equipment and machinery, including everything from locomotives to jet engines, made out of materials purchased largely from this country by means of the use of ECA funds, and using such funds also in the manufacture of such equipment. I have secured 45 of the treaties. Forty of them are marked "restricted" by the State Department, and three of them are so ultraconfidential that I was only allowed to inspect them.

Yesterday I asked unanimous consent to have printed in the RECORD the 88 trade treaties made subsequent to World War II between the nations we are financing through ECA—in other words, the Marshall-plan countries in Europe—and Russia or the nations behind the iron curtain. A list of those nations, as I have previously stated, will be found in the CONGRESSIONAL RECORD for yesterday, March 30, on pages 3477 and 3478. After a conference last night with the printer it was decided to print only four or five of the treaties, inasmuch as printing all of them would have been a rather formidable job, although I wish to say that I consider that there is nothing of greater value or of greater import to the people of the United States than for them to know what is happening to the money and materials being supplied the European nations under ECA—and where they are being shipped, and what they are being used for—the materials are being purchased with money which is being taken from the American taxpayers every year; and last year the extent of the aid we furnished amounted to $5,300,000,000.

I wish to read a few of the items, just in case some persons may at times be inclined to believe the rumors and propaganda issued by the State Department and other well-oiled propaganda units of our Government to the effect that, "Of course, nothing is being sold to Russia for war purposes." Let me read a few of the items. I shall read probably one-tenth of 1 percent of them, because the entire list is extremely large. This is list No. 1, showing Sweden's exports to Finland in the period from February 1, 1948, to January 31, 1949; and this list is to be found in the CONGRESSIONAL RECORD for yesterday, March 30, at pages 3479, 3480, and 3481. From it, we find that hot-rolled and wrought iron and steel, including saw-blade plate, was sent in the amount of 1,800 tons. That is quite a good many saw-blade plates, by the way, and quite a lot of hot-rolled and wrought iron and steel. The list also shows the shipment from Sweden to Finland of high-speed steel; rustproof and acidproof steel; electric resistance supplies; cold-drawn steel; drawn wires, and wire ropes of acid quality; hot-rolled and cold-drawn high-quality pipes and tubes; drills, reamers, milling cutters, and thread tools; files and rasps; ball bearings and roller bearings, and parts; machine tools for metals, and parts; electric motors, generators, transformers, and parts; telephone and telegraph supplies and parts; and so forth.

Mr. President, I shall not read further from the list. It is available in the CONGRESSIONAL RECORD, as I have already stated. The RECORD for yesterday shows four or five of the treaties, and they relate to much the same type of equipment. In other words, as a rule the 16 Marshall-plan or ECA nations of Europe were sending fabricated and manufactured goods to the iron-curtain countries, and to Russia, whereas the iron-curtain countries and Russia as a rule were sending raw materials in return. So, Mr. President, it is obvious that we are arming Russia for war, just as surely as if we ourselves were sending those materials to Russia.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. MALONE. I am happy to yield.

Mr. CAPEHART. Is Sweden building up the war potential of Russia and her satellites by sending them iron ore in larger quantities than she sent prior to World War II?

Mr. MALONE. Mr. President, Sweden is shipping tremendous quantities of iron ore to both Poland and Czechoslovakia; in fact, much larger quantities than she has ever previously sent to them. For instance, in 1936 Sweden exported 41,000 tons of iron ore to Poland. In 1948 she shipped 723,000 tons of iron ore to Poland. That was an increase of 17 times the prewar amount.

In 1936, Sweden shipped only 371,000 tons of iron ore to Czechoslovakia. In 1948, she shipped there a total of 1,111,000 tons of iron ore, which was over four times the prewar amount.

At the same time that Sweden has greatly increased her exports of iron ore to countries behind the iron curtain, she has greatly decreased her exports of iron ore to Germany.

It will be remembered that last year some of us stated on the Senate floor that it might be a good idea to utilize some of the great steel mills of Germany, inasmuch as in 1947 we sent approximately 7,000,000 tons of steel to Europe. Mr. President, while I was in Europe I inspected some of those German steel mills. Although some damage was done to a part of the mills, a great many of them could be used simply by being cleaned up and manned by the men who know the steel business so well and are very much in need of work and very anxious to work. It was estimated by one of the greatest steel manufacturers of this country, who inspected those plants minutely—and I concur in his estimate—that over a period of 7 or 8 months from 7,000,000 to 8,000,000 tons of steel could have been added to the supply in Germany simply by securing the necessary iron ore from Sweden and using it in the German steel mills, which could be placed in operation simply by bringing together the German workers who formerly have been engaged in that business but now are out of work and are practically on our dole. It has been costing us approximately a billion and a half dollars to feed those people and to keep our Army in Germany. Thus, by permitting those German steel mills to resume operations, those German people could pay their board bill. But did we do that? No, Mr. President; instead, we said, "Of course, the iron ore is not available now." Why was it not available, Mr. President, when more than 2,000,000 tons of iron ore was going behind the iron curtain. Obviously it was available, I say to the Senator from Indiana. Does that answer his question?

I want to complete the reading of this statement since it is right in line with the question of the distinguished Senator from Indiana.

In 1936 Sweden shipped to Germany 7,479,000 tons of iron ore; in 1948 she shipped to Germany (bizone) only 1,394,000 tons of iron ore. Swedish exports of iron ore to Germany, thus, have declined to a level of only 18.7 per cent of the pre-war amounts. As a result of the large iron ore shipments from Sweden, Poland, by the summer of 1948, was producing steel at a rate of 136 per cent of the prewar level.

Mr. President, I ask is that any way to handle the nations which we are practically supporting in Europe, to "short" them in shipments of raw material, when they are furnishing the countries behind the iron curtain materials and are building up Russia's war potential?

I wanted to say a word about the trade agreements or treaties. I do not believe the remainder of them will be printed. I was to have been furnished with information this morning as to whether the others would be printed. I hope they will be published. It would give the people of the country a chance to see what 88 of the trade agreements contain, whereas I read perhaps only one-

tenth of one per cent of the contents of one of the agreements.

Mr. DONNELL. Mr. President, will the Senator yield for an inquiry?

Mr. MALONE. I am happy to yield to the Senator from Missouri.

Mr. DONNELL. I should like to ask the Senator how any of the other Members of the Senate are going to be able to see those treaties or trade agreements. Where are we to go to obtain them? Where can we find them, if they are not to be printed?

Mr. MALONE. I may say to the Senator from Missouri, I am glad he asked that question. I was a little reticent about it. I asked some of the people in my office, including my administrative assistant, to get as much information as possible concerning trade among the beneficiary nations. He went to the State Department, after telephoning them several times. The result always was that the trade agreements or treaties were not available, they were so widely scattered throughout the files, and it would take so long, and they did not have the time. I finally got on the telephone myself and told the man I was talking to exactly what I wanted. He began to mumble again that they were widely scattered and that the time was not available. Finally I cut it short by saying, "Just tell me that you do not have copies of these treaties or trade agreements." He replied, "No, no; I do not want to tell you that." I asked, "Do you want to tell me you do not know where they are?" He replied, "No; I do not want to tell you that." "Well," I said, "I should be very much obliged if you could gather them up and bring them to my office. If there is any reason why you cannot do that, tell me the reason." The next day he came down with an armload of them—88 treaties or trade agreements. The result was that the 44 trade agreements I submitted for the RECORD last night, 4 or 5 of which were printed, were released to me. Forty of them were considered restricted and were not supposed to be out of the possession of the man who brought them down. Three of them were highly confidential; I was barely allowed to see them, with the State Department official standing at my desk. So I say to you, Mr. President, in answer to the Senator from Missouri, they are making trade treaties with the iron-curtain countries that the Senators on this floor are not allowed to secure.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. MALONE. Let me first finish my reply to the Senator from Missouri. I think it is the greatest hoax upon the American people that was ever perpetrated, that while we put up money to the extent of $5,000,000,000 or $6,000,000,000 a year, presumably to contain Russia, presumably to prevent an armed conflict in Europe, we thus far have something like 15 recipients of our bounty making trade treaties as fast as they can make them—88 in all to date—and I notice some of them were even signed in Russia—and shipping everything, as I have said before, from jet engines and locomotives to tool steel, to Russia and the countries behind the iron curtain, just as fast as they can manufacture them. I said last year, when I put one of the treaties in the RECORD, and I say again, it is merely a manufacturing-in-transit rate, the same as if we were to send the materials to Russia ourselves.

I am now happy to yield to the Senator from Michigan.

Mr. FERGUSON. Were these true treaties, in the sense that they had been ratified by the Senate of the United States?

Mr. MALONE. They were trade agreements. If I called them trade treaties, I stand corrected. They are called trade agreements. But in any case, the United States is not a party. For example, the agreement from which I just read was a treaty between Sweden and Finland, dated February 1, 1948, only a few weeks before we passed the Marshall plan appropriation. It lasted until January 31, 1949, and I understand a new treaty is under negotiation. Presumably all these materials have been delivered.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. MALONE. I am happy to yield to the Senator from Missouri.

Mr. DONNELL. Will the Senator be kind enough to tell us, if he can, how we can get the treaties? Suppose some of the rest of us wanted to be just as industrious as the Senator from Nevada has been, and that we wanted to get the treaties. How should we go about it? With whom should we confer? Is it the Secretary of State himself, or some subordinate of his, who has charge of the treaties or trade agreements, whatever they may be called?

Mr. MALONE. I did not discuss the matter with the Secretary of State himself, I may say to the Senator from Missouri, but I did talk to an Assistant Secretary of State. That was the information furnished me. I do not know the title of the person who brought the treaties to me, but he was an official of the State Department. I assured him that, "Certainly I do not want to embarrass you. I want to conform to what you say is the exact situation in regard to these agreements. But," I said, "of course, you know I am going to explain to the Senate why I do not have possession of the trade treaties or pacts." The Senate should amend the bill, if it is necessary for a Member of the United Senate to have access to these pacts. The ECA Act should provide that any trade pact or treaty made by an ECA nation with a nation behind the iron curtain, or with Russia, to send products to them with our money, should be made a matter of public record and should be made available to the United States Senate and to the people of America. I do not know, I may say in answer further to the Senator from Missouri, just what action it will be necessary for us to take. I think we might adopt a resolution demanding the treaties, and demanding that they be published.

Mr. FERGUSON. Mr. President, will the Senator yield for another question?

Mr. MALONE. I am happy to yield to the Senator from Michigan.

Mr. FERGUSON. Were any of the trade agreements made with America?

Mr. MALONE. No. I may say to the Senator from Michigan that I placed in the RECORD a list of them last night; it may be found on page 3477. The list is entitled "Most Recent Commercial Agreements Between OEEC Countries and Countries of Eastern Europe." That would be between the 16 European countries who are recipients of our bounty under the Marshall plan, and the countries of eastern Europe. There are 88 of the treaties containing such material, with considerable variation, but all along the same line, under which processed and manufactured products are going behind the iron curtain and raw materials are coming out. That is the general trend. It is a terrible thing. I think it is the most damnable thing that could happen to this country, that the American taxpayers are asked to put up the money, $5,000,000,000 or $6,000,000,000 a year—and no one can appreciate how much money that is coming from the taxpayers of this Nation—to buy materials and process them and send them to Russia, when the Senate of the United States has given the people to understand, and the Secretary of State has given the people to understand that we have broken off negotiations and will not send anything behind the iron curtain that they can use in making war against us.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Missouri for a question?

Mr. MALONE. I am happy to yield to the Senator from Missouri.

Mr. DONNELL. In the draft of the proposed North Atlantic Pact there appears the following:

ARTICLE 8

Each party declares that none of the international engagements now in force between it and any other of the parties or any third state is in conflict with the provisions of this treaty, and undertakes not to enter into any international engagement in conflict with this treaty.

In view of the fact that, as the Senator from Nevada and all the others of us are aware, we shall soon be called upon to consider whether we shall ratify the North Atlantic Pact, does not the Senator think the Senate is entitled, if it wants to, to see every one of the international engagements referred to in article 8?

Mr. MALONE. I would say to the Senator from Missouri that we are certainly entitled to all that information, just as a banker would be entitled to information if one of us should go to the bank to borrow money. Up until that moment, whatever we might do would be of no concern to the banker, but when we are undertaking to borrow money and are asked to sign a note, then our business suddenly becomes the bank's business. I believe it is our business to have that information.

I will say further to the Senator that on page 3476 of the CONGRESSIONAL RECORD of March 30, 1949, there will be

found a treaty, a nonaggression pact, mind you, entered into between—

His Majesty the King of Great Britain, Ireland, and the British Dominions beyond the Seas, Emperor of India,

For the United Kingdom of Great Britain and Northern Ireland: The Right Honourable Anthony Eden, M. P., His Majesty's Principal Secretary of State for Foreign Affairs;

The Presidium of the Supreme Council of the Union of Soviet Socialist Republics.

Most of the names of those representing Russia I am unable to pronounce, but Mr. Molotov is one of the prominent persons of those who sat down to write the treaty. It is a treaty, I will say to the Senator from Missouri, which is in full force and effect at this moment, from all the information I am able to obtain, and it will be in full force and effect until such time as the Kingdom of Great Britain shall serve notice on the Soviet Union, or vice versa, and for 12 months thereafter.

A similar treaty has been made between France and the Soviet Union.

Mr. DONNELL. Mr. President, will the Senator yield for a further inquiry?

Mr. MALONE. I shall be happy to yield.

Mr. DONNELL. I take it, then, that the Senator would agree that when the United States Senate is called upon to ratify this proposed treaty, merely because the parties to the treaty declare, in article 8 "that none of the international engagements now in force between it and any other of the parties or any third state is in conflict with the provisions of this treaty, and undertakes not to enter into any international engagement in conflict with this treaty" the United States Senators, who are supposed to represent this Nation in connection with the ratification of a treaty, should not be precluded by that mere recital from the right to see those international engagements and judge for themselves whether they are in conflict with the provisions of the treaty. Does not the Senator agree with that statement?

Mr. MALONE. I fully agree with the Senator from Missouri. I may say, further, that for many years it has slowly become the custom, and now has become an accepted fact, that it is expected that the State Department and the Executive Department will, through their tremendous propaganda machine, sell the people of this Nation on a treaty, a pact, or an appropriation, before the matter comes to the Senate and the House of Representatives. In other words, they take millions and millions of dollars of the taxpayers' money and distribute propaganda by the ton to sell a proposition to the people so that the Senators and the Members of the House of Representatives will receive telegrams and mail saying, "You must not vote against this bill." I have come to the point—and it did not take me very long after I arrived here to reach it—where I personally—I am speaking for only one Member of the Senate—shall look into everything before I vote. I promised the people of my State only one thing, in running for office. They said that was a very rare occurrence in connection with candidates for public office. I said that the trouble in this country is, at the present moment, that bills are presented in the Congress which are a half-inch thick or a quarter-inch thick, and they must be passed that day or that week, and no Member of Congress has time to read them. I said: "The harm that is being done in this country is not being done by persons who have inquiring minds and are trying to find out what is going on and who know the problems for which they are trying to provide a solution. The harm is done by persons who come up with all the answers, without knowing the problem."

I said to my people, and I shall say it again when I go home next summer, that I shall never vote for anything on the Senate floor unless I understand it and until they have had an opportunity to understand it.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. MALONE. I am happy to yield to the Senator from Indiana.

Mr. JENNER. On that point, let us assume that we ratify the pact; let us assume that two years from today, through constitutional processes, France has an election; let us assume that in that election—and it is not a far-fetched proposition to assume—France goes communistic: Would we still be bound to maintain and aid the French Nation if some nation should attack her, even Soviet Russia?

Mr. MALONE. I would say to the Senator from Indiana that I see no release clause in the treaty. So far as I know, there is no release clause in it.

Mr. JENNER. If we have to ship to the French Nation antiaircraft guns, bombers, tanks rifles, and other equipment, and the French people, by legal, constitutional process, elect a communistic government, does the Senator mean to tell me that the American taxpayers have no way to demand back everything they send to the French people which was sent in order stop the spread of communism? In other words, are we to enhance the spread of communism by our action?

Mr. MALONE. I would say to the Senator from Indiana that, as I read the pact, and as I read the newspapers with reference to arming Europe, it is not felt that the pact has been entirely sold to the people, and it is felt that the Senate of the United States will not receive it until the case is clinched with the public. Then, not only would we be bound to leave the material we have furnished, but we would be bound to continue to fulfill the agreement for years to come.

Mr. JENNER. As I understand, it is more or less accepted that the North Atlantic Pact will be ratified by this body. Certainly the whole theory back of it is security. No one questions that the security of the future peace of the world will not be destroyed by us or by the nations, presumably, parties to the North Atlantic Pact. In other words, it is all a pointed proposition to serve notice on Russia that she must not disturb the future peace of the world. That being true, and since the pact has been more or less tentatively agreed to, is it so sacred that we cannot amend it, so that if certain things should happen and France should become a communistic nation, we would not be bound for 20 years to support, maintain, and fight with the Communists?

Mr. LODGE. Mr. President, will the Senator yield so that I might answer that question?

Mr. MALONE. Permit me to answer the Senator from Indiana.

On page 3476 of the CONGRESSIONAL RECORD of March 30, the Senator will find a treaty made between Great Britain and the Soviet Union. Part 5 of that treaty—appearing on page 3477 of the RECORD—provides that the high contracting parties undertake not to conclude any alliances and not to take part in any coalition directed against either of the high contracting parties.

Mr. JENNER. I understand that France has with Russia a pact of a similar nature and of the same wording; is that correct?

Mr. MALONE. That is correct.

Mr. JENNER. Is she going to withdraw from that pact before she signs this new pact on April 4?

Mr. MALONE. I do not have that information, but as of this moment the best information I am able to get was that the 12 months' notice had not been served, and the nonaggression pact is effective for 12 months beyond the date of the serving of notice.

Mr. JENNER. It seems to me that so far as France and England are concerned it boils down to the question whose side they are on, whose word is going to whom, and whether they are going to keep their word.

Mr. LODGE. Mr. President, will the Senator from Nevada yield, or does he want just one type of question asked during the debate?

Mr. MALONE. I am happy to yield to the Senator from Massachusetts.

Mr. LODGE. Does not the Senator know that the preamble of the North Atlantic Pact states the following:

They—

The nations—

are determined to safeguard the freedom, common heritage, and civilization of their peoples, founded on the principles of democracy, individual liberty, and the rule of law.

In article 2 is the following statement:

The parties will contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions.

Does he not know that no government that is a Communist government could possibly come within the terms of the pact, and that if France went Communist, we obviously would not have to go to her assistance?

Mr. MALONE. I do not know that. There is a very thin line between what we might call communism, and socialism and fascism; and I see nothing in the language that would prevent this nation from being held to our obligation. I will ask the Senator a question: Does the Senator know that history over the centuries shows that there never has been, or let us put it this way, that there rarely has been, very much difference between a socialist government, a communist government, and a fascist government, and that the line is very thin?

Mr. JENNER. Mr. President——

Mr. LODGE. The Senator is asking me a question, and I desire to answer it, because he just made the inquiry of me.

The history of Europe is full of cases in which European governments have had socialistic policies and never became communistic at all.

Let me ask the Senator a question: Instead of making the assumption of the Senator from Indiana that we ratify the pact and then France becomes communistic, let us make the reverse assumption. Let us assume we do not ratify the pact; what does the Senator think is going to happen in the future to all the countries in Europe then?

Mr. MALONE. I will tell the Senator what I think we could do about it, if the Senator is serious.

Mr. LODGE. I am very serious. I think that if we do not ratify this pact it will be one of the greatest disasters that has ever happened to the United States.

Mr. JENNER. Will the Senator yield at that point?

Mr. MALONE. I am coming back to the question in answer to the Senator from Massachusetts—all of the information on the real meaning of the North Atlantic Pact is that we will be, in effect, guaranteeing the protection and status quo of all of the Colonial possessions of the empire-minded nations of Europe.

Further, we will have relinquished our right to go to war only when our peace and safety is threatened—and must go when the peace and safety of any of the European nations signatory to the pact is threatened.

Mr. JENNER. The Senator from Massachusetts presumably was going to answer my question, but he gave only half an answer. Nobody yet has told me, in the situation I cited, what would happen to all our antiaircraft guns, our bombers, our tanks, the equipment which we have sent to France. Can we take it back, or do we have to leave it with communistic nations which have gone communistic legally, and under their constitutional provisions?

Mr. DONNELL. Mr. President, will the Senator from Nevada yield?

Mr. LODGE. Will the Senator from Nevada permit me to answer?

Mr. JENNER. I should like to have an answer.

Mr. LODGE. I should like to say to the Senator from Indiana that of course whenever we undertake to extend military aid to a country we always run the risk that that country is going to be unsuccessful, in which case we would lose the aid we had extended them. It is a gamble. The question is what is the best gamble.

We extended a great deal of military aid to the British during World War II, we extended military aid to the Russians, we extended military aid to the French in 1944, and none of the weapons we sent fell into the hands of the Germans. That was one case in which our extension of military aid to those countries was very definitely to our advantage.

We have to weigh the risk in extending aid to the nations of western Europe, with the chance that they might be defeated, and that the weapons might fall into the hands of another country. Then we have to weigh that against the risk of doing nothing, in which case I believe we would lose a great deal more.

Mr. JENNER. My answer to the Senator from Massachusetts is that we do not propose to do nothing. We propose to build up an air force that is second to none. We propose to maintain an adequate Army and Navy.

Mr. LODGE. That is a good method just so long as one is willing to have the American boys do all the fighting, but if we want to have a little help, if we want to have allies, I do not think that is a good way to proceed.

Mr. LANGER. A point of order, Mr. President. It is not in order for two Senators to speak at the same time.

Mr. JENNER. The Senator from Massachusetts has just cited the fact that we furnished weapons to other nations which did not fall into enemy hands. The proposition I have cited is that by a perfectly legal and constitutional method of free elections, supposedly, in France, the French can go communistic, and when they do, all our armament would fall into their hands.

I might also say that under modern conditions the military equipment we sent to China has directly fallen into Communist hands, and today the Communists have conquered Nationalist China with American equipment. It is also a matter of record that equipment we sent under UNRRA in the last war is now in the hands of the guerrillas in Greece, and they are using it.

And France's record in the last war was not too good. She had a Maginot Line and a standing army, and yet in 39 days Hitler had taken over the Low Countries and France, and England was forced to evacuate all her equipment at Dunkerque, and when she got her army back to England she did not have any equipment left.

If we enter into a treaty of this kind and ship equipment to other countries, I am wondering whether we will leave it there or will have to go over and fight to get it back.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. MALONE. I am happy to yield to the Senator from Missouri.

Mr. DONNELL. I should like to ask the Senator from Nevada a question. Recognizing the tremendous importance and perfect relevancy of the question asked by the Senator from Indiana, does not the Senator from Nevada recall that, notwithstanding the suggestion made by the Senator from Massachusetts, there is not one word from the beginning to the end of the proposed North Atlantic treaty in which any provision for withdrawal from the treaty or release from its obligations is contained, except in Article 13, which would not come into effect until the treaty has been in force for 20 years? Does not the Senator from Nevada recall that article 13 provides:

> After the treaty has been in force for 20 years, anybody may cease to be a party 1 year after its notice of denunciation has been given to the Government of the United States of America, which will inform the governments of the other parties of the deposit of each notice of denunciation.

Does the Senator from Nevada recall that in the treaty is a positive commitment, which, as I take it, runs throughout the entire period of the treaty? I quote from article 3:

> In order more effectively to achieve the objectives of this treaty, the parties, separately and jointly, by means of continuous and effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack.

Does not the Senator conclude, therefore, in answer to the Senator from Indiana, that there is no provision by which any party can even voluntarily withdraw from this treaty within 20 years, and does not the Senator further conclude that as to the matériel which shall have been delivered to France, we would have no right whatsoever to obtain back one piece of it if France went communistic, and that under the terms of this treaty we would still remain liable, under the obligation "separately and jointly, by means of continuous and effective self-help and mutual aid" to "maintain and develop their individual and collective capacity to resist armed attack"? Does not the Senator recall those various provisions, and does he not agree with the conclusion which I have drawn from them?

Mr. JENNER. Mr. President——

Mr. MALONE. I should like to yield to the Senator from Indiana, and will do so just as soon as I complete my answer. I am too far away from the comment made by the Senator from Massachusetts, and I do not agree with his premise.

Mr. DONNELL. The Senator does not agree with which one of us?

Mr. MALONE. I agree with the Senator from Missouri that there is no way by which we can get out of the Atlantic Pact once it is ratified by the Senate. I wish the Senator from Massachusetts would read it again, and comment on it.

Mr. LODGE. I shall read three parts of the treaty.

Mr. MALONE. And point out the particular provision which the Senator thinks would allow us to get out of the treaty.

Mr. LODGE. I say that a Communist government is not a government which, under the language of the treaty, is "determined to safeguard the freedom, common heritage, and civilization of" its people, "founded on the principles of democracy, individual liberty, and the rule of law."

Mr. JENNER. Mr. President, will the Senator yield?

Mr. LODGE. Mr. President, permit me to continue for a moment. I should like to read the three excerpts that I think are pertinent. I do not think that a Communist government, in the words of article 2 of the treaty, "will contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions." I do not think that a Communist government would maintain "effective self-help and mutual aid."

It seems to me that by its very nature a Communist government in any one of the European countries would not maintain self-help and mutual aid, and, ipso

facto, the pact would be no longer binding, insofar as that country is concerned. It seems to me it is so obvious as is the nose on one's face.

Mr. JENNER. We talk about communism. I want to ask if the same thing would not apply to fascism? In other words, Italy, a few short years ago, had a Fascist Government. Can anyone predict with accuracy that 2 years from now she will not again have a Fascist Government? Does the Senator believe that such a government would permit individual liberty to prevail?

Mr. LODGE. No.

Mr. JENNER. Why should the American people, the taxpayers of this country, furnish arms and military equipment to a Fascist nation or, so far as that is concerned, to a socialistic nation?

Mr. LODGE. A Fascist nation would be excluded from the treaty under the terms of this language, just as much as a Communist nation would be.

Mr. JENNER. On what basis?

Mr. LODGE. A Fascist nation does not believe in individual liberty and the rule of law.

Mr. JENNER. Does socialism believe in that?

Mr. LODGE. Socialism? Oh yes. Socialism simply means the running of the factories. It has nothing to do with human personal civil liberty.

Mr. JENNER. Does not socialism have to do with human liberty when those who control a socialistic nation tell a man where he can work, how long he shall work, and how much he shall be paid, and that he cannot change from one job to another? A worker digging coal in England cannot go to work in a shipyard, and in that respect he is deprived of his individual liberty. I want no part of such socialism.

Mr. LODGE. I do not want the Senator to have it if he does not want to have it. Socialism does not involve free speech, the right of free assembly, and religious liberty. One might call the operation of the post office of this country socialistic. It is a way of doing things. I think it is a rather poor way of doing things. But some people like to do things in that way. In France, Italy, and other countries the governments have always operated the railroads, the telephone lines, and the telegraph lines. That is socialism. It has nothing to do with a person's liberty.

Mr. KEM. Mr. President, I should like to ask a question.

The PRESIDING OFFICER (Mr. O'CONOR in the chair). Does the Senator from Nevada yield to the Senator from Missouri?

Mr. MALONE. I yield to the Senator from Missouri.

Mr. KEM. Is not the only difference between communism and socialism the method by which they reach the same objective——

Mr. LODGE. No.

Mr. KEM. Just a minute, please.

Mr. LODGE. Very well.

Mr. KEM. By which they reach the same objective, which is the Marxian objective of the abolition of private property as the means of production? Is not the only difference between socialism and communism that the Communists are willing to do it by force and violence and revolution, whereas the Socialist prefers a democratic process?

Mr. LODGE. No. I think that is entirely erroneous, I will say to the Senator. I think socialism means a belief that the Government should operate certain industries. To me it seems a rather inefficient, unattractive, wasteful, and unproductive way of doing things which the nations of Europe have been fond of for almost 100 years now. I do not think Karl Marx said anything about socialism. I do not think it has anything to do with civil liberties whatever. I think it is perfectly possible for the Government to operate the railroads without interfering with free speech or free worship.

Mr. KEM. May I read a short statement from a professor, the junior Senator from Illinois, the Honorable PAUL H. DOUGLAS, formerly professor in the University of Chicago? I read from a book entitled "The Socialism of Our Times," a symposium, edited by Harry W. Laidler and Norman Thomas. I suppose the Senator from Massachusetts would agree that Norman Thomas is a rather good authority upon socialism?

Mr. LODGE. Well, he claims to be a Socialist.

Mr. KEM. On page 49 of the chapter in that book written by the Senator from Illinois [Mr. DOUGLAS] which is entitled "Lessons From the Last Decade," this sentence appears:

> I have reserved for the last the most important question of all; namely, that which in the past decade has split the socialistic movement of the world into the two camps of Communists and Social Democrats. This is whether socialism can be obtained by the process of political democracy or whether the hold of the capitalist class is so strong that, even though socialism is preferable, it will be impossible to get it adopted by the state through peaceful means.

I will ask the Senator from Massachusetts if he agrees with that statement.

Mr. LODGE. That statement is so long I should like a chance to read it before I say "Yes."

Mr. KEM. I will read it again to the Senator from Massachusetts. I am sure that with his agile mind he will be able to follow it very clearly:

> I have reserved for the last the most important question of all; namely, that which in the past decade has split the socialistic movement of the world into the two camps of Communists and Social Democrats. This is whether socialism can be obtained by the process of political democracy or whether the hold of the capitalist class is so strong that, even though socialism is preferable, it will be impossible to get it adopted by the state through peaceful means.

Mr. LODGE. No; I do not think I agree with that statement. I think we can get socialism by peaceful means if we are unimaginative enough to want it. I think we can have socialism, as I said before, without doing violence to the rights of the individual, although I, personally, am opposed to socialism. The British have a good deal of socialism now, and, so far as I know, they have got free speech in England; so far as I know, a man can worship in whatever religion he chooses in England; and the compulsions on life in England and in other countries in Europe are not so much due to socialism as they are due to the material shortages, which, of course, affect people in a country regardless of the system of government.

Mr. KEM. Will the Senator agree that both communism and socialism are the fruits of the same tree? That they are both derived from the principles of Karl Marx?

Mr. LODGE. No; I would never agree with that, because I know so many European Socialists. I know many of them, and they are for socialism because they think it is a good idea insofar as making a good life is concerned. I think they are wrong.

Mr. KEM. The Senator disagrees wholly then with the thesis of the Senator from Illinois [Mr. DOUGLAS] that the thing that splits the Socialists into two camps is merely the means by which they would attain their objective?

Mr. LODGE. I do not know what the hidden meanings may be in Senator-Professor DOUGLAS' prose. His rhetoric——

Mr. KEM. The Senator from Illinois does not use language which conceals anything at all. His language is very direct, plain, and sincere.

Mr. LODGE. We have been discussing European socialism here. I have had in mind particularly the French and Italian people I have known who were Socialists, and who were certainly just as far away from communism as is the Senator from Missouri and the Senator from Indiana and the Senator from Nevada—and I think that is pretty far from communism.

Mr. KEM. I should like to say to the Senator from Massachusetts that I am so far from it that I do not want to see the money of the American taxpayer used to finance experiments in socialism anywhere in the world.

Mr. LODGE. I do not want to see the money of the American taxpayer used anywhere where it is not going to help the American taxpayer.

Mr. MALONE. Mr. President, I must insist that the interruptions be confined to questions.

Mr. DOUGLAS rose.

Mr. MALONE. Mr. President, I shall now yield to the Senator from Illinois, because he is the coeditor of the book.

Mr. DOUGLAS. I am not the editor of the book. I am the author of the chapter which was quoted. It was written 20 years ago in 1929.

Mr. MALONE. I stand corrected.

Mr. DOUGLAS. I should like to ask, as a matter of personal privilege, that I be permitted to read certain other sections of the chapter which the Senator from Missouri omitted.

Mr. KEM. I should like to say to the Senator from Illinois that I did not undertake to read the whole chapter.

Mr. DOUGLAS. I understand.

Mr. KEM. I merely read the sentence which was pertinent to the discussion.

Mr. DOUGLAS. Since the issue has been raised, Mr. President, I should like to have the privilege, if I may, to read other parts of the chapter.

Mr. MALONE. I yield to the Senator from Illinois.

The PRESIDING OFFICER. Does the Chair understand that the Senator from Nevada yields to the Senator from Illinois for that purpose?

Mr. MALONE. Yes; I yield to the Senator from Illinois for that purpose.

Mr. DOUGLAS. I should like to read certain other passages, if I may.

Mr. WHERRY. Mr. President, as I understand, the Senator from Illinois made a unanimous consent request? Has the request been granted?

The PRESIDING OFFICER. The Senator from Nevada was asked by the Senator from Illinois whether he would yield to him on a question of personal privilege. The Senator from Nevada so yielded.

Mr. MALONE. If it means yielding the floor, Mr. President, I shall not yield. I yield only for a question.

Mr. WHERRY. That is the point of my question.

Mr. MALONE. I yield to the Senator from Illinois with the understanding that I shall not lose the floor thereby. I ask unanimous consent that I may do so.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. DOUGLAS. Mr. President, I should like to continue reading from page 51.

Lovers of democracy and of peace can only hope that the new social order may peacefully come into existence as the culmination of a process of education, discussion, and balloting. Certainly every effort should be made and every possibility exhausted to effect this result. The peaceful introduction of the new society would be so much preferable to civil struggle that it is almost criminal lightly to abandon the political method in favor of a forcible revolution.

I now turn to page 53:

But even if the Communists were to seize power, their work of government would inevitably be poisoned by the methods used in attaining it. Their opponents would naturally be driven to resort to that same method of violent revolution which the Communists had embraced. The Communists would, therefore, need constantly to be on their guard against an armed uprising led by those who had enjoyed greater economic and social privileges under the former regime. They would, moreover, suspect such revolts even when not planned and the inevitable result would be the permeation of society by a state system of espionage and the ruthless use of terror as a means of intimidation. Such an atmosphere of suspicion and suppression would go far to vitiate the very spirit of cooperative fellowship which the Communists hope to engender by running the industries and government of a country for the benefit of the common man.

The disdain which the Communists have for the intelligence and courage of the majority leads them, moreover, to keep power in the hands of their aggressive minority. Their venture seems to them the supreme value and they are naturally unwilling to entrust it to that amorphous mass of people who did nothing to bring it into being. Only those who have sacrificed themselves for the new society are adjudged worthy of directing it. They will govern and work for the benefit of the people but not allow the latter to participate in the ultimate decisions of policy. In short, they will hold on to power for themselves.

Unfortunately power is as subtly corrupting as wealth. Men indeed now struggle primarily for wealth because it is so largely synonymous with power. Those who exercise great authority come almost inevitably to regard themselves as supermen who are above the law and become callous to the desires and emotions of those who are expected meekly to obey. Sycophancy inevitably grows up around the leaders since this seems to ambitious young men and women the speediest way to acquire influence. It becomes increasingly difficult, therefore, for the Sanhedrin at the top to sense the real wishes and opinions of those beneath and the ultimate decisions tend to diverge more and more from the realities of the situation.

The passage of time will, moreover, bring to the fore a new generation which was not schooled and disciplined in the hard struggle to give birth to the new society * * * But it will be impossible to detect all of those who will worm their way into positions of dominance for the mere sake of exercising power. The almost inevitable consequence would seem to be the ultimate creation of a hierarchy which, in its pride and callousness, would bear little resemblance to those self-sacrificing spirits who initiated it.

I continue reading from page 55:

The truth of the matter is that, wherever men are removed from the bracing necessity of submitting their acts and policies to the approval of the great mass in whose behalf they are supposed to be laboring, they tend to degenerate. Many hypocrites and demagogs manage to seduce the public for a time, but there is a gradual tendency to eliminate them. The knowledge that they must secure popular support makes leaders more solicitous than they otherwise would be to further the real interests of those upon whose approval their continuance in office depends.

For these reasons, the democratic way of life is ultimately the best method of obtaining good government while, as John Stuart Mill long ago pointed out, it is also the most effective means of raising the level of civic intelligence.

May I quote in conclusion the final paragraph of my chapter on page 57, in which I sum up my argument against communism and contrast it unfavorably with the democratic way.

Since the democratic way is, therefore, more effective and more humane both as an end and as a means, it follows that the Socialist movement should resist the temptation to resort to methods which may seem immediately to be more effective but which ultimately would be disastrous.

I hope it is permissible to add that in the passage of time since this article was written, I have become convinced that widespread public ownership will create more evils than it will remove. For it will greatly increase the power of the state, and I am afraid that public officials will not exercise that power wisely. I have become convinced therefore that it is better to diffuse economic power by doing everything we can to build up small- and medium-sized business and by diminishing the power of private monopoly. In short, I put my trust in establishing a truly free, competitive-enterprise system with due protection for the economically weak.

Mr. MALONE. Mr. President, I am glad that the junior Senator from Illinois took time to clear up this question. As I now understand the Senator from Illinois, the difference between socialism and communism is a matter of degree, and a matter of how the end is attained, whether peaceably or by violent means. As I understand him, it is perhaps impossible to attain the ends of communism by peaceful means.

Mr. KEM. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. KEM. I should like to say that I have read the chapter written by the learned and able Senator from Illinois [Mr. DOUGLAS], and I think he is entirely correct in saying——

Mr. CONNALLY. Mr. President, I demand the regular order. The Senator from Nevada can yield only for a question.

The PRESIDING OFFICER. The Senator from Nevada has the floor.

Mr. MALONE. I yield to the Senator from Missouri for a question.

Mr. KEM. My question is this: Does the Senator know that in the chapter to which the Senator from Illinois has referred, the Senator from Illinois expresses a preference for the peaceful means of attaining the socialistic end? He says this:

This is whether socialism can be obtained by the process of political democracy or whether the hold of the capitalist class is so strong that, even though socalism is preferable, it will be impossible to get it adopted by the state through peaceful means.

I wish to supplement that by a further question of the Senator from Nevada.

Mr. MALONE. I yield for a further question.

Mr. KEM. Does the Senator from Nevada agree with this comment on the position of an eminent authority on socialism, Prof. Harold J. Laski? I am reading from the London Times Literary Supplement of Saturday, June 26, 1948:

This brings us to the positive part of the thesis, which is—neither more nor less—that the British Labor Party is more truly than bolshevism the heir of the Communist Manifesto.

My question of the Senator from Nevada is this—I apologize for taking so much time——

Mr. MALONE. The Senator from Missouri can take all the time he wishes.

Mr. KEM. I ask the Senator whether he believes that the British Labor Party is more truly than bolshevism the heir of the Communist Manifesto.

Mr. MALONE. I thank the Senator from Missouri for his contribution.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. MALONE. I yield to the Senator from Indiana.

Mr. JENNER. I should like to ask the Senator from Nevada this question: I care not how the form of government is arrived at; I am raising the point that under this pact any one of these nations may go communistic. The pact covers a period of 20 years. Any one of them may go fascistic. Any of them, even England, may develop the socialism which some people like, but which I do not like, to such an extent that it would become as offensive to the American people as either fascism or communism. Or there might be developed in one of the countries which is going to sign the North Atlantic Pact even a democracy that stunk. Before we enter into an agreement of this kind to arm and equip, maintain, and go to the defense of the 16 countries for a period of 20 years, does not the Senator believe that the Senate ought to demand of our Government some kind of an escape clause in the

treaty so that if the things should happen which I have pointed out might logically occur, which have occurred in the past, and may occur in the future, the American people would not be committed to support the very thing which we are trying to prevent happening in this Nation and in the world?

Mr. MALONE. I will say to the Senator from Indiana that he is perfectly correct. There should be an escape clause.

Mr. DONNELL. Mr. President, will the Senator yield for a further inquiry, along the line of the inquiry of the Senator from Indiana?

Mr. MALONE. I yield to the Senator from Missouri.

Mr. DONNELL. A little while ago the Senator from Massachusetts [Mr. LODGE] stated that it is as plain as the nose on one's face that this pact would not permit a Communist nation to remain within it, or words to that effect. I ask the Senator from Nevada if there is one word, from the beginning to the end of the proposed North Atlantic Pact, which I hold in my hand, which mentions the Communists by name, or in any sense refers to the Communist Party. Is there anything in the pact which says, in words as plain as the nose on one's face, to adopt the expression of the Senator from Massachusetts, that if a country goes Communist or Fascist, or any other "ist" it may be expelled from the pact? Is there a word in the pact to that effect?

Mr. MALONE. Mr. President, in answer to the Senator from Missouri, I say that we are supporting some very weird forms of government in Europe; and in my humble opinion there is nothing in the proposed agreement which would enable us to stop giving such aid to any government which simply said it was trying to do the best it could by its people—for instance, as Russia says she is trying to do so now. In other words, it will only be necessary for nations to have fine-sounding, and great objectives, such as are advanced in our country when it is desired to tax our people another $5,000,000,000. A great objective is announced, and is sold to the public, and then the Members of the Senate presumably have to go along. The same procedure is being used generally in the world, just as the eminent Senator from Missouri has said; nations adopt such tactics in order to gain their ends, whether they proceed by revolution or by the peaceful means of election.

My opinion of the North Atlantic Pact—and I know it will be debated thoroughly, for I am sure the Senator from Missouri will debate it, and I know that I myself will—is that if we adopt it as it is now written, we shall be guaranteeing to the empire-minded European countries our help in holding their colonial systems in status quo; and later on, when they get into trouble as a result, we will eventually send our troops to help them. First we will send arms to help them do the job; and when they later get into trouble to such an extent that they cannot take care of the situation, we will help them, and again do their fighting for them.

I say to the Senator from Massachusetts that of course we will get out of the pact when war comes, because when nations come right up against the iron, they will leave a pact if it is in their interest to do so. That is what England and France have always done—but war is far from a pleasant prospect—and as a means of escaping from a treaty.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. JENNER. I am sure the Senator from Nevada knows that what the Senator from Missouri has said is exactly true, namely, that in the pact there is no reference to communism or to any other form of government. The hypothetical question I asked was based on the assumption that a nation would arrive at such a form of government by means of a perfectly constitutional method—by exercising the right of free ballot, for instance.

Mr. President, to show that this point is important, I ask the Senator if it is not a fact that communism has been considered in this country—indeed, in this very Chamber—to be a bad thing only a very short time. On the floor of this Senate Chamber, as I am sure the Senator from Nevada knows—and if he does not recall it, I ask him to ask me about it now—statements were made, and the CONGRESSIONAL RECORD is full of such statements by Members of this body, referring to Russia as "our great democratic ally." That was the prevailing thought in this country; Russia was considered to be our great democratic ally; in other words, implying that she had a democratic form of government.

Does the Senator from Nevada know that it has been only since Jimmy Byrnes was Secretary of State and since our own colleague, the distinguished Senator from Michigan [Mr. VANDENBERG] had a great part in formulating a new attitude toward Russia, only since the latter part of 1945, that anyone in this Government has been concerned about communism?

I say to the Senator again that I am concerned not only with the threat of communism but with the threat of fascism or of any other form of government which might occur in the nations which are to sign the pact, which would commit the American people to the support of a government which would be opposed to freedom, and which would crush freedom and the liberties of the people, wherever freedom and liberty exist, anywhere in the world.

Mr. MALONE. Mr. President, I say to the Senator from Indiana that I think we would not only sign up to protect them and to finance them, but we would be stuck with them, after that, for the 20-year period, unless a war occurred or unless by some arbitrary action we withdrew or forced them to withdraw.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

Mr. MALONE. I yield for a question.

Mr. DONNELL. I wish to ask the Senator whether he agrees that in Article 8 of the proposed North Atlantic Pact there is a provision that—

> Each party declares that none of the international engagements now in force between it and any other of the Parties or any third state is in conflict with the provisions of this treaty.

And, second, that in addition to that, in article 2 of the proposed North Atlantic Pact the following language appears:

> They—

That is to say, the signatories—

> will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.

And, third, that in the trade treaty between Great Britain, which is to be a signatory to this pact, and Russia, which is not to be a signatory to the pact, so far as I have heard—and I refer to the treaty which the Senator from Nevada placed in the CONGRESSIONAL RECORD at page 3477, the following article appears:

> ART. VI. The High Contracting Parties agree to render one another all possible economic assistance after the war.

So I ask the Senator this question: With Great Britain on the one hand becoming a party to a pact in which she agrees with 12 other nations, including the United States, to seek to eliminate conflict in the international economic policies of all the signatories and agrees to encourage economic collaboration between any or all of them; and on the other hand with Britain being a party to a trade agreement, which I understood the Senator to say is in effect today, in which she agrees with Russia that she will render Russia all possible economic assistance after the war, is it not as clear as the nose on one's face, to adopt the very graphic language used by the Senator from Massachusetts, that there is almost an inevitable conflict between the obligation which Great Britain will enter into under the proposed treaty and the obligation she already has with Russia under the agreement which the Senator from Nevada has placed in the RECORD?

Mr. MALONE. Mr. President, in answer to the Senator from Missouri, I say that not only is there a plain conflict between the pact and that trade agreement, but a similar pact has been made between France and Russia, and still is in effect.

Furthermore, there is a plain conflict between every one of the trade treaties made by the 15 Marshall-plan countries with the countries behind the iron curtain, for we furnish everything they could possibly want to use if they were to go to war against the United States today.

I recall the situation on the Pacific coast in 1937, 1938, and 1939. I live at Reno, Nev., 240 miles from the Pacific coast. In those days the United States allowed oil and scrap iron to be sent from the United States to Japan. That was 5 years before Pearl Harbor; and even at that time every veterans' organization was opposed to those shipments. Practically everyone in the United States spoke against those shipments and complained about them—at least, everyone who had any gumption at all did. But did the administration do anything about that? Oh, no. The administration permitted the scrap iron and oil to continue to be sent to Japan almost up to the time of Pearl Harbor, and then following Pearl Harbor sent our boys out in the Pacific

to catch the steel coming back out of Japanese guns with their bare hands.

Mr. President, that experience indicates what will happen to the steel, the locomotives, and the other manufactured articles and equipment which these nations are sending to Russia now, if we have trouble with Russia.

Mr. President, if we continue to make such shipments and if we continue with these pacts and agreements—each one supposed to be a cure-all—I predict that it will not be long before we shall be sending our young people abroad to catch, with their bare hands again, the bullets and shells which will have been manufactured from the equipment and supplies we send abroad; and they will be the sons and daughters of the veterans of other wars, just as our young people who fought in the Second World War were the sons and daughters of veterans of the First World War. Of course, Mr. President, some of the Members of the Senate are themselves veterans of the Second World War.

I say to the Senator from Missouri and to the Senator from Massachusetts that in my opinion the Senate does not have the moral right to promote such agreements and keep the 15 Marshall-plan nations on the dole, when today they are sending the munitions of war and the facilities for arming Russia, to enable her to fight us in a third world war.

I say to the Senator from Missouri I do not want to be a party to it. It is one of the most horrible things I have ever seen. We should never agree to continue such financing until there is a provision in the ECA Act that no trade treaties of this nature can be consummated without our knowledge and consent and approval.

Mr. WHERRY and Mr. DONNELL addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Nevada yield, and if so, to whom?

Mr. MALONE. I yield first to the Senator from Nebraska.

Mr. WHERRY. The distinguished Senator has already reviewed several agreements between various countries, and as he has already stated, when the program came up for authorization 1 year ago, it was the approach that was being made that I think justified the votes of many of those who voted against ECA. They felt the money was not going for individual projects, but was going to help socialize different countries. In that debate there was talk of these agreements and of what Russia or certain of the satellite countries would do with the money or with the material. I should like to ask the distinguished Senator whether, in connection with the agreement between England and Russia, he is aware of the announcement made today in a release by the Associated Press, which I just now obtained from the press, which says:

Britain disclosed today that it plans an advance—

An advance—

of £9,000,000 ($36,000,000).

By the way, that is nearly half the amount of money the senior Senator from Ohio is asking to have cut from the appropriation for Britain, under the 10-percent cut he proposes, which would aggregate $94,000,000.

Britain disclosed today that it plans an advance of £9,000,000 ($36,000,000) to Russia in the next 12 months for purchase of nonmilitary supplies.

The disclosure came in budget estimates presented to the House of Commons.

The advance to Russia, the estimates said, was for nonmilitary supplies under wartime arrangements for which final contracts are being concluded.

A treasury spokesman said he believed the Russian advance is connected with a 1941 agreement with Russia for nonmilitary supplies.

I ask the Senator particularly to notice this:

The Russian figure was listed in the budget estimates under the general heading of "supply, food, and miscellaneous services."

It was stated by the senior Senator from Ohio yesterday that 65 percent of the appropriations we are providing for ECA goes for the purpose of home consumption, including food, and that nearly $6,000,000,000 is used by the British to subsidize their own people. So I ask the Senator, why should we, the United States Senate, vote appropriations under "food to Britain," $36,000,000, that will be made as an advance to Russia under a loan, by reason of which she purchases nonmilitary supplies? I cannot see how that can be justified. I should like to ask the Senator whether he can justify it? Under "food and supplies," we loan $36,000,000, and that goes to Russia, under the guise of "foods to Great Britain." It is things of that kind that cause me to think the figures are not sacred when it said that the least Great Britain can expect is $940,000,000. I ask the Senator what he thinks about it. What agreement provides that? I should like to ask the Senator what he thinks as to whether that figure justifies our appropriating $36,000,000 under the heading of "food," that will go straight to Russia?

Mr. MALONE. Mr. President, I think the Senator from Nebraska has raised a very pertinent question. If any Senator wants to offer an explanation of the meaning of "nonmilitary supplies," I shall be very happy to yield to him. If there is anything that is nonmilitary in time of war, I do not know what it is.

I want to read now from the trade treaty that I placed in the RECORD last year on the occasion of my address during the debate on March 4, 1948. This is schedule 1 of equipment for delivery from the United Kingdom to the U. S. S. R. Many times throughout the period since then, there have been newspaper articles and statements issued by the State Department that of course England is not furnishing any military equipment. I shall merely read some of the items on the list:

Description of equipment

Item No:	*Quantity or amount*
1. Narrow-gage 750-millimeter locomotives	1,100
2. Flat trucks, 750-millimeter	2,400
3. Winches (2 and 3 drums)	2,400
4. Excavators	210
5. Caterpillar loading cranes (Diesel types in substitution for equivalent number of excavators)	54
6. Auto timber carriers	250
7. Tugs	14
8. Dredgers	4
9. Locomobiles (units)	200
10. 50-kilowatt mobile Diesel electric generators	150
11. Steam power turbine stations, 500-kilowatt	24
12. Plywood equipment (value)	£1,050,000
13. Timber-mill equipment (value)	£400,000

SCHEDULE II

Description of equipment

Item No.:	*Quantity or amount*
1. Scientific and laboratory apparatus (value)	£150,000
2. Pile drivers mounted on pontoons	4

Those are the very things used in constructing harbors, abutments, embankments, and fortifications.

Item No.:	*Quantity or amount*
3. Winding gear (sets)	4
4. Electro dredger	1
5. Ball mills for copper ore grinding	18
6. Ball mills for grinding apatite	8
7. Rod mills for grinding ores	3
8. Spiral type classifiers	8
9. Gyratory crushers	2
10. Railway steam cranes	3

That is the very type of crane of which we were so short during the war, for use in loading and unloading railroad cars.

Item No.:	*Quantity or amount*
11. 154-kilovolt voltage transformers	48
12. Complete distributing sets (13.8 kilovolts)	6
13. Isolating switches (154 kilovolts)	45
14. Oil-purifying apparatus	10
15. 100-kilowatt electric motors	300

Mr. President, there is no such thing as nonmilitary equipment or supplies in time of war. That is exactly what the United Kingdom is furnishing the countries behind the iron curtain at this time.

Mr. DONNELL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Missouri?

Mr. MALONE. I am happy to yield to the Senator from Missouri.

Mr. DONNELL. May I ask the Senator, Does he have before him at the moment the CONGRESSIONAL RECORD of March 30?

Mr. MALONE. Yes.

Mr. DONNELL. Would the Senator be kind enough to turn to pages 3476 and 3477? I ask the Senator if he will turn to column 1, on page 3477, which is a portion of the treaty. I referred to it inadvertently as a trade agreement or a treaty. I see it is a treaty of alliance.

Mr. MALONE. It is a treaty of alliance.

Mr. DONNELL. It is a treaty of alliance between Russia and England. I call the Senator's attention to part II of

that treaty, near the end of which, I may interpolate, appears the language:

The high contracting parties agree to render one another all possible economic assistance after the war.

Then at the end of this provision is found:

Part II of the present treaty shall remain in force for a period of 20 years.

It is only thereafter, I may say to the Senator, that either party has a right under the treaty to terminate it. Then I ask the Senator also, whether, on the same page, 3477 of the RECORD, he did not introduce a further Treaty of Alliance and Mutual Assistance between the U. S. S. R. and the French Republic, which is to be another signatory to the proposed Atlantic Pact, and whether that treaty between France and Russia does not provide, according to its terms, that it "shall be valid for 20 years," and that if, in the French treaty with Russia to which I have just referred, there does not appear also this paragraph, namely:

ARTICLE VI

The high contracting parties agree to render each other every possible economic assistance after the war, with a view to facilitating and accelerating reconstruction of both countries, and in order to contribute to the cause of world prosperity.

I ask the Senator further if in article VIII, in addition to the provision that the treaty between France and Russia shall be valid for 20 years, it is not also provided as follows:

If the treaty is not denounced by either of the high contracting parties at least 1 year before the expiration of this term, it shall remain valid for an unlimited time; each of the contracting parties will be able to terminate its operation by giving notice to that effect 1 year in advance.

I ask the Senator if I have not quoted correctly from the two treaties which he has so advisably introduced into the RECORD?

Mr. MALONE. I will say to the Senator from Missouri that he is entirely correct. I say, again, that this is the most damnable thing that the Senate has ever had before it. We are asked to continue to finance nations which have made trade treaties with the very country which we have said, time and time again, on the Senate floor, is a potential enemy. The President of the United States has announced to the American people, time and time again the same thing; and the State Department has announced, through its beautiful, smoothly-moving propaganda machine, for the last 3 or 4 years, statements against Russia whose activities we are trying to contain.

Mr. President, I have submitted 88 trade treaties, 4 of which are printed in the RECORD, and 3 of which are so secret that the Members could only take a quick look. All those things, taken together, indicate the most damnable situation that has even been before the Senate. We are expected to finance nations which have signed trade treaties to do exactly the opposite of what we are trying to do. They, the United Kingdom and France, have signed agreements with Russia to assist Russia's economic development after the war, and we are assisting them to do just that—while telling our people that we are doing all in our power to contain Russia. Then comes this three-pronged thing which the administration has concocted—the ECA—of making up the European nations' deficits each year in cash, the 1934 Trade Agreements Act upon which the State Department has established a selective free-trade policy and, then the International Trade Organization treaty coming along that will clinch the final nail in the long-range free-trade program as the ultimate and final policy of this Nation and which will definitely lower our standards of living. They are all one and the same thing, cut to the same pattern and from the same cloth.

Mr. DONNELL. Mr. President, will the Senator yield further?

Mr. MALONE. I yield.

Mr. DONNELL. The Senator realizes, does he not—I am sure he does—that at the very moment we have the British treaty with Russia, dated the 26th day of May 1942, to run for 20 years, and the French treaty, from which I read a moment ago, dated in Moscow, December 10, 1944, to run for 20 years, with the possibility of remaining in effect for an unlimited time providing for a mutual obligation to render to each of the contracting parties, respectively, every possible economic assistance after the war, we find at this very moment there are converging into the city of Washington representatives of England and of France to sign the so-called North Atlantic treaty, which says:

They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.

Have I not stated correctly, and in proper sequence, the related events?

Mr. MALONE. I will say that the Senator has stated them correctly.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. MALONE. I yield to the Senator from Massachusetts.

Mr. LODGE. Will the Senator permit me to say that I disagree totally with the statement which the Senator from Missouri has made. I do not think he has stated the events correctly. There is no conflict whatever between the British-Russian trade treaty to which he refers and this treaty, and, later, I shall so show.

Mr. MALONE. The British have agreed in the nonaggression pact to be faithful to Russia's economic needs, and is getting ready to pledge her faith and allegiance to us. She sees nothing inconsistent in that procedure.

Mr. LUCAS. Mr. President, will the Senator from Nevada yield?

Mr. MALONE. I yield to the Senator from Illinois.

Mr. LUCAS. Mr. President, may I ask how much time the Senator from Nevada expects to take in addressing the Senate?

Mr. MALONE. I am unable, of course, to estimate the time. I am happy to say that there has been considerable interest shown in the statement which the Senator from Nevada has been making. If that interest continues, I think it may take me some time.

Mr. LUCAS. Mr. President, without this interruption being charged to the Senator's time, I should like to say that I sincerely hope the rules of the Senate will be obeyed with respect to yielding for questions and not for speeches, such as have been made in the time of the distinguished Senator from Nevada. I do not like to try to enforce the rule, but we are running pretty late into the debate, and I do hope that the Senator will yield for questions only.

Mr. MALONE. Mr. President, I shall be happy to conform, as nearly as I can, to the Senator's suggestion. I wanted to allow all reasonable latitude, because I consider this such an important subject that all the light that can be thrown on it is very desirable. The treaties made between certain European countries and our potential enemies as announced by the State Department have been discussed many times, and Russia has been said by many Senators to be a potential enemy. Our so-called allies are on our pay roll and in our budget. They are collaborating economically and in every other way with Russia and the iron-curtain countries. I think, with all due respect to the statement of the senior Senator from Illinois, that every Senator should have every possible opportunity of asking any questions and having any explanation made that may be desirable in this connection, in order to give the public a greater insight into what is really happening, not only on the Senate floor, but to the money which we appropriate.

Mr. KEM. Mr. President, will the Senator yield?

Mr. MALONE. I shall be happy to yield to the Senator from Missouri.

Mr. KEM. I want to refer to the very startling information which was given the Senate a few minutes ago by the Senator from Nevada, in regard to transactions now going on between England and Russia. I should like to ask the Senator from Nevada if, in his opinion, an explanation of these transactions, which otherwise might be inexplicable, may be found in the kindredness of ideology between the Socialist Government of Great Britain and the Government of the Union of Soviet Socialist Republics.

Mr. MALONE. Mr. President, I should like to say that it was only recently that a very strong man in England, how strong I am unable to say until an election shall be held there, made a statement to which I shall refer. His party has a considerable number of members of Parliament. This man represents quite a section of thought of England. He said that in the event of war with Russia the people of England who were his followers would not fight with that nation.

There is no question in my mind, since I spent a good deal of time in England, Italy, and other countries of Europe, that there is a great sector of thought that will go with Russia the minute any change in the situation comes about. For example, in November 1947, I spent some time in Italy. I had a conference there with Mr. Togliatti, the labor leader, who thought his party was going to win in the approaching election. As a matter

of fact, he did come very close to winning. We did everything we could in this country, sending materials, and in other ways, to defeat the Communists. His Holiness the Pope, and every power possible, was invoked to win that election over the Communists led by Togliatti. His opponents did not cover themselves with glory; he made a very respectable showing, and the contest is to be fought out again soon.

No one thinks, least of all the observers who have returned from Russia, that Russia is 100-percent Communist. But it is hard to say when a nation passes the dividing line. There may be a great sector today of democratic thought, and there may be a great sector of another nation, with a socialistic government of communistic thought, but when an election is held it may pass over the line. Sometimes it is a very thin line. Therefore there is a parallel here—there is no question but that these 88 trade treaties which I asked to have inserted in the RECORD—I think they should be made a Senate document—and I hope someone will take steps to that effect, and they ought to be distributed not only to every Senator, but to every Member of the House of Representatives, and they ought to go as far through the newspapers and the radio stations as we think they should go to get general circulation—because these treaties are absolutely diametrically opposed to the principle of cooperation. One cannot possibly be loyal to both at one time. If the people took their choice on one at a time there would be some excuse, but they are treaties signed and sealed for 20 years, just as is proposed for the International Trade Organization, except that we cannot serve notice 12 months ahead of time that we want to get out of it.

While I am on that subject, I take occasion to repeat two or three paragraphs I said on the floor a year ago, when I referred to the trade treaty which had just been made between the United Kingdom and the Soviet Republic. I took occasion at that time to say:

Mr. President, I further point out for the RECORD—I think all Senators know it—that many speeches have been made as to the many restrictions put on in negotiations with Russia. We are at this moment engaged, possibly, in preparing for war with Russia, while our esteemed ally, the United Kingdom, is preparing a long-range trading program. The same is true of France and other nations. However, I do not have exact copies of their trade agreements.

It was made very clear by Mr. Bevin—

Mr. Bevin is now in this country—

and Mr. Wilson, that they wanted to trade with Russia, and they wanted to remain neutral, they wanted to be the bridgehead, that was the exact word they used, between the Soviet Communist government and the capitalist government of America.

Get that, Mr. President, they wanted to remain neutral, they wanted to be the bridgehead. Those were the exact words they used; they wanted to be the "bridgehead." Between what? "Between the Soviet Communist government and the capitalist government of America."

They wanted to be neutral, they wanted to be the bridgehead. Would that not be a fine thing? Let us take a leaf out of Switzerland's book, and be the bridgehead between Communist Russia and capitalist America.

I said at that time:

I think perhaps they are in a fair way of doing just that. Their interests are with Russia, since they are primarily processors and manufacturers of goods, as we are in this Nation, while Russia can furnish mainly the necessary raw materials.

Mr. President, no one in Britain—Mr. Bevin, Sir Stafford Cripps, or anyone with whom I discussed this situation—tried to evade the question in any way whatever. They said frankly what they were going to do, and they have carried out the program to the best of their ability.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. MALONE. I yield to the Senator from Maine.

Mr. BREWSTER. Dealing with this matter of trade agreements, I do not know whether the Senator has seen the article in the New York Times of March 26 containing a statement of John A. Marsh, general manager of the Canadian Exporters' Association, quoting from an address he made before the Canadian Credit Men's Association. Has the Senator seen that?

Mr. MALONE. No.

Mr. BREWSTER. I wonder whether or not this statement by Mr. Marsh, who represents the Canadian side, would have application, when he said that one-half the world, led by Sir Stafford Cripps, has moved back the clock of progress by barter trading or state trading.

He proceeded:

Curiously enough, Britain has, up through the years, preached a doctrine of freer trade. She is still giving lip service to it; but actually is practicing the opposite as instanced by the 30 or more bilateral deals with countries of northern Europe on a barter basis.

Does that coincide with the views which the Senator from Nevada has been advancing?

Mr. MALONE. I think it does. I recall that I did see the article. It is a typical statement.

Mr. BREWSTER. Does this specific case have an application to what the Senator has said? I read:

Buying Swedish newsprint at $171 a ton when she could buy it from Canada for less than $100 just does not make sense, even though in return she is charging Sweden one and three-fourths times as much for finished products as the competitive market would justify in Canada.

Does this statement coincide with the Senator's views:

This course is driving the pound sterling and the dollar, be it Canadian or American, farther and farther apart instead of bringing them closer together.

Mr. MALONE. There is no doubt about it. It is the old game of manipulating the currency for advantage in trade.

Mr. BREWSTER. Does the Senator think Mr. Marsh was correct when he said that Britain's present fiscal policy will keep the pound and the dollar apart for 10 years?

Mr. MALONE. I think it will keep the dollar and the pound apart just so long as it is advantageous for British trade.

Mr. BREWSTER. Would the Senator agree with his conclusion that—

Canada and the United States must make up their minds to what extent in the future they are prepared to subsidize and maintain the United Kingdom's position in Europe.

Mr. MALONE. I think that is exactly correct, and a little later in my address I intend to cover the manipulation of foreign currencies for trade advantages.

On that point, I may say that it is very easy to manipulate the pound value for advantage in trade, and now the pound is valued at about $4.03. We can buy it on any exchange in the world at approximately two and a quarter to two and a half, and it means that anyone who trades with them, either way, buying or selling, loses 30 or 40 percent on the first transaction.

Mr. BREWSTER. I was not in the Chamber yesterday afternoon when the Senator from California inserted in the RECORD the item from which I have been quoting. The complete article appears at page 3454 of yesterday's RECORD.

Mr. MALONE. I thank the Senator.

Mr. President, I now ask unanimous consent to place in the RECORD an article from the New York Herald Tribune dated March 29, 1949.

The PRESIDING OFFICER (Mr. STENNIS in the chair). Without objection, it is so ordered.

The article is as follows:

SATELLITES STILL GETTING GERMAN MACHINE TOOLS—OTHER WAR-PURPOSE GOODS SHIPPED AS REPARATIONS DESPITE ANGLO-UNITED STATES BAN

(By Marguerite Higgins)

BERLIN, March 28.—Heavy machinery which can be classed as war potential continues to be shipped to Soviet satellite states as German reparations in spite of American and British policy statements prohibiting such shipments, American economic officials said here today.

American authorities recently prepared a list of such strategic items, including certain types of heavy machinery and machine tools. Exports of this kind to the Soviet Union or the Soviet satellites have been barred or greatly restricted by the United States, which is trying to have the list accepted by western European nations. British Foreign Secretary Ernest Bevin announced last week that a similar list had been compiled for Great Britain.

The inconsistency between western allied practice and policy shown by German reparations shipments is causing concern among numerous officials in Germany and has been the subject of correspondence with Washington, according to sources here.

CZECHS GET PRESSES

As an example, heavy steel presses now being dismantled at the Krupp plant at Essen for shipment to Czechoslovakia come under the head of the heavy machinery which the Americans would bar from reparations shipments, according to American economic officials familiar with the list prepared. The list has been classed as secret for reasons not clear here, since the Soviet satellites, to judge from their propaganda, are well acquainted with its contents.

Numerous American economic officials at Berlin think there should be an immediate halt in all shipments to Soviet satellites of German reparations involving heavy machinery which could be used for war purposes. They contend that the entire principle of stopping exports of strategic goods to the Soviet satellites is contradicted if the same types of goods are sent as German reparations.

Western European businessmen, it is contended further, want to develop their trade with eastern Europe, and if the United States, with the controlling voice in western Germany, allows strategic items to be sent there as German reparations, its arguments for acceptance of the prohibited list are greatly weakened.

One American economic official said: "If the United States is truly convinced that certain items must be restricted or banned, then it must be consistent and ban all such deliveries. Otherwise, the policy is ineffective nonsense."

LATHES BEING SENT

Plants in the American occupation zone of Germany which are still shipping machinery to Soviet satellites include the Henschel airplane plants at Kassel and Zeigenheim and the Continental Metal Works at Grossenheim.

It is true that machinery actually adapted to war production—such as machines for making airplane motors—has been destroyed. What is being sent to Czechoslovakia and Yugoslavia consists of general-purpose equipment, such as heavy and light lathes. But some of these, according to experts, are strategic items such as the United States would restrict.

Reparations officials at Berlin say almost all of the deliveries due from the American zone to Soviet satellites have been completed.

Opinion on the proposal to halt German reparations deliveries is divided. Those who oppose the idea say the reparations agreement was an international commitment which the United States is bound to observe, and it is immaterial that the agreement was made before the cold war began. This view is not accepted by the Americans at Berlin, who believe that the Soviet Union, in violation of its own commitments, is using Czechoslovakia and other satellite countries as machine shops for Russian rearmament.

Mr. MALONE. In connection with the trade treaties, before we leave that particular subject, I want to say that Britain and France are still shipping machine tools and other goods, which are war potentials, from their respective zones into Russia or to her satellites. Understand in this case the goods are not even manufactured in their own nations and shipped into Russia for profit, but in this case these tools are being manufactured in Germany, in the British and the French zones, and shipped from there to Russia or the satellite nations. They claim they are reparations due Russia and her satellites under the Potsdam agreement, and that they must live up to that agreement. Yet Russia has broken the Potsdam agreement time and again, so that for all practical purposes the Potsdam agreement in regard to reparations is null and void.

Mr. BALDWIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Connecticut?

Mr. MALONE. I yield.

Mr. BALDWIN. First, I want to compliment the Senator upon the marvelously good contribution he has made to the whole subject. I am frank to say that I do not agree with the Senator in his conclusions, but nevertheless I think he has presented a point of view that must be explored to the full.

As I understand, he is now discussing the trade between western Europe and Russia. Is that correct?

Mr. MALONE. Yes. The 88 trade treaties signed by the European nations with Russia, or the satellite nations, under which manufactured and processed materials are delivered.

Mr. BALDWIN. And the effect that trade is going to have upon world peace and our particular situation?

Mr. MALONE. And the effect that it would have if we went to war with Russia. That is my point.

Mr. BALDWIN. Assuming that we did nothing about western Europe at all. Assuming that we gave it no ECA aid or had no other program with reference to dealing with western Europe, what does the Senator think would then happen?

Mr. MALONE. If we were not giving aid to western Europe, if we went back to the time when they were taking care of themselves, when they were doing their own fighting to hold their own colonial possessions, then we would not be interfering. We are now in the role of a banker. I will say to the Senator from Connecticut that what he does, what his personal habits are, are matters of no interest to the banker until the Senator undertakes to borrow money. Then suddenly they become of great interest to the banker.

Mr. BALDWIN. With all due deference to the Senator, I do not think he has answered my question, perhaps because I did not put it as clearly as I should have done. If we did nothing for western Europe, if we had no program for western Europe, no ECA, or no Atlantic pact, or nothing of that kind, what does the Senator from Nevada believe would happen in western Europe, so far as communism is concerned?

Mr. MALONE. I will say to the Senator from Connecticut that no one whom I know has proposed that we do nothing. There have been Senators on the Senate floor, including myself, who have made some suggestions that we do something on a business basis. Is the Senator from Connecticut insinuating that I have suggested that we do nothing in Europe?

Mr. BALDWIN. I understood that was the Senator's point of view.

Mr. MALONE. I hope the Senator will stay on the Senate floor at least long enough to know what we are talking about.

Mr. BALDWIN. As I understand, the Senator has found considerable fault with the ECA program, and as I understand the purport of the Senator's remarks, he is presenting an excellent argument for those who may feel that they want to vote against it. Is that not correct?

Mr. MALONE. No; that is not true. I am presenting an argument here, and I will now review it for the benefit of the Senator from Connecticut, because I know he will never have time to read it in the RECORD.

What I am trying to show is that we have a three-pronged free-trade program which will ruin the workingmen of America. First, what we are doing is to make up the trade-balance deficits of each of the nations each year in cash. Our chief export is cash. We are not lending them the money. I hope the Senator from Connecticut is not naive enough to think we will get 10 cents of the money back. We could, however, loan it in such a way that we could get some money back: by lending for the purpose of rehabilitating private and other industry in Europe. We could have done that last year before England began to further nationalize some of her industries.

The second part of the program is the 1934 Trade Agreement Act under which the State Department has adopted a selective free-trade program designed to divide the markets of the United States of America with the nations of the World on the theory that the more they divide the markets of this Nation the less trade-balance deficits they will have each year.

I do not agree with that. I think they are like 10-year-old kids who spend all the money they have, indeed all the credit they can obtain, and then their daddies are obliged to come along and bail them out anyway.

But let us assume those who are in favor of that plan are correct in their beliefs regarding the division of the markets under the selective free trade program. Does the Senator understand that when we lower an import fee below the critical point, below the differential in the cost of production brought about by the high level labor living standards in this country and the lower level labor living standards in other countries, considering the efficiency of the work, that we have no import fee, and that that is virtually free trade, regardless of what is left of the import fee? The Senator can answer the question later. But that is what they have done. They have lowered the import fee below that critical point.

Now we have a great international trade treaty coming along, which has heretofore been held back. Very little has been said about it. We are going to hear about it. We will see it coming to the fore pretty soon. Just as soon as the measure before us is passed, and the 1934 Trade Agreement Act is extended for 3 years, as they hope, without amendment. Then the international trade treaty is going to be proposed. Those three things are what we are debating here now.

What is their effect? The effect is that there will be 58 nations—54 have signed up now, and the other 4 will sign, because they have everything to gain and nothing to lose by so doing—58 nations each with one vote. The United States will have the same vote as Siam or Lithuania. The United States will have the same vote as will the smallest nation on earth. These 58 nations will sit down once each year and add up the remaining production in the markets of the world, ours included—ours is about two-thirds of the total—and divide it on the basis of the population of the respective nations. That is what will result from the treaty. It may be submitted as an agreement if the votes do not seem to be here to make it a treaty, but it will bind us from now on. Then the policy of this country will be run entirely, I want to say to the Senator from Connecticut, under that plan. I have a very lucid explanation which in a few moments I shall read into the RECORD, as to how, by signing that treaty, we relinquish all our authority to run our own business.

We come to another question, the question of tariffs, the question of an import fee. That is in the hands of this great international body in which we will have 1 vote out of 58, our country being the only one which has anything to give. That is the clincher, the last rivet in a plan which is of such great importance to the workingmen of America.

Mr. BALDWIN. Mr. President, am I right then in believing that the Senator's argument is that ECA is one of the three-pronged approaches to world free-trade which will eventually lower the standard of living in the United States?

Mr. MALONE. That is true. So I have offered an amendment. Mr. President, I suggested that we loan the money to private enterprise through the World Bank. This time I have offered an amendment to amend the ECA Act, and to lend the money to rehabilitate industry, or, if it is necessary in the opinion of the Administrator, to construct new industry—it does not include food and medicine—under approximately the same rules and regulations which apply to loans to an American citizen, and then proceed to feed the emergency-hungry people just as we have done almost from time immemorial. It will make no difference in the end except that we shall have acted on such a basis that we might receive some of the money back.

Mr. BALDWIN. Mr. President, will the Senator further yield?

Mr. MALONE. I yield.

Mr. BALDWIN. I assume that the argument is that if we lend money to private industry instead of to the governments in western Europe, private industry will put the money into the rehabilitation of business. Is that correct?

Mr. MALONE. When we lend money under the Reconstruction Finance Corporation rules—and that is virtually what the amendment provides—we know where it is going. The Administrator is charged with knowing where the money is going. It is spent in a particular industry. When money is loaned to rehabilitate an industry, they take a lien on the new equipment and machinery that is bought with the money, and we hypothecate the stock and shares, or whatever represents the ownership of the steel company or coal mine, for further security. Then the chairman of the board signs the note. If the Senator has ever had any experience in borrowing money from the RFC he knows the procedure.

Mr. BALDWIN. I may say to the Senator that I have never had any business with the RFC, because personally I have not enough assets to make a loan.

Mr. MALONE. One goes to the RFC only when one does not have many assets.

Mr. BALDWIN. As I understand the Senator's point of view, it would be a great deal better if we were to lend this money to private industry in western Europe, rather than to the governments.

Mr. MALONE. I will review that part of what I have said——

Mr. BALDWIN. I do not think the Senator need do that.

Mr. MALONE. Yes, I do; because the question would not be asked if the Senator had heard the debate.

Mr. BALDWIN. I have heard a part of it.

Mr. MALONE. The Senator has not heard the part which answers his question.

I may suggest, if necessary, that the amendment be read again. It is not confined to private industry. The money might be loaned to a Government-owned project, but we would get security for the loan, and someone would be responsible for collecting it.

Congress does not know how to lend money. It knows only how to give it away.

[Manifestations of applause in the galleries.]

Mr. BALDWIN. I subscribe to that statement. I think it is correct. However, as I understand, the Senator's point is——

Mr. MALONE. That is my point.

Mr. BALDWIN. As I understand, the Senator's point is that we should lend the money to private industry for the rehabilitation of business.

Mr. MALONE. To private industry or in any way which satisfies the Administrator. The Administrator should be satisfied with the security on the loan, and the purpose for which the money is used.

Mr. BALDWIN. If the security for the loan is the mechanical equipment which goes into factories, that security will depend in large part upon the success of the operation of the business to which the loan is made.

Mr. MALONE. That is the chance we take; but that is the only chance we take.

Mr. BALDWIN. In that particular instance, whether we loan it or give it in the manner proposed by the ECA, or in the method proposed by the Senator from Nevada, nevertheless, businesses are going to rehabilitate themselves by the use of that money, are they not?

Mr. MALONE. No; I do not think so. I think much of this money is being used for living expenses. In other words, they will take our particular dollars, and say that they are being used for a certain objective. If we give them the money, it means that they will have the money to nationalize their industries, and do things that we would not do in America. It is exactly as if someone had $100, and went to the bank to borrow $500, and then bought a suit of clothes for $100. It would be a suit of clothes that he could not purchase if he had not borrowed the $500.

Mr. BALDWIN. That argument proceeds to the point that we should not let them have the money at all.

Mr. MALONE. I think we should let them have the money if necessary but loan it to a city in Europe on exactly the same terms which we loan money to our own citizens. Last year I asked that we lend money to individuals in Europe, and not to the governments of Europe, unless it so happened that a government owned an industry and wanted to rehabilitate it. That would be a question for the judgment of the Administrator. My proposal is that we lend money to the individuals of Europe just as we lend it to the individuals of America.

Mr. BALDWIN. Assume that we lend it to the individuals, and that they put the money into their businesses. With whom are they going to trade? Are we not in just as grave danger of those nations trading with eastern Europe, whether we lend money to individual enterprises or lend it through their governments? Are we not in just as much danger, whichever way we do it? Must we not take that chance?

Mr. MALONE. I would never lend any nation any money if it had a treaty with our potential enemy, unless our country understood the treaty and had agreed to it. There should be an amendment to the bill to give us protection in that respect. If we think we are taking that kind of a chance, this is the greatest hoax ever perpetrated on the American people.

Mr. BALDWIN. Mr. President, will the Senator further yield?

The PRESIDING OFFICER (Mr. TYDINGS in the chair). Does the Senator from Nevada yield to the Senator from Connecticut?

Mr. MALONE. I yield.

Mr. BALDWIN. In that event, the Senator's point of view is that we should not let them have the money at all.

Mr. MALONE. It is not that we should not let them have the money at all. We should call them to account for the way they are doing, and for signing such treaties. I suppose the Senator was present during part of the time when the treaties were read. They provide for doing everything possible for the economic recovery of Russia and war material. The nations which have entered into such trade treaties with Russia are sending to Russia and the nations behind the iron curtain all kinds of finished steel goods—ball bearings, tool steel, locomotives, and everything else. A year ago I heard it stated on the floor of the Senate many times that that certainly would not be done. If we were to search the record, we could pin that statement on a number of Senators.

Mr. BALDWIN. If we shut off all trade between the nations of western Europe and Russia, then, of course, we are subscribing to the iron curtain from our side, are we not?

Mr. MALONE. I do not believe that we are trying to shut off trade from anyone. It is up to the other nations to decide whether or not they wish to accept our help. We are shutting off trade with Russia, are we not?

Mr. BALDWIN. I think we are.

Mr. MALONE. Why should we shut off trade with Russia and then send the raw materials to Europe to be manufactured in transit and shipped on to Russia? Why do we not do the trading in the first place?

Mr. BALDWIN. To come back to my point, I do not believe that the method suggested by the Senator from Nevada would alter that situation a bit. If we tell the people of the beneficiary countries that they are not to trade with Russia or with one another in such a way that the materials get into the hands of Russia, if we freeze the situation so that they are practically stifled, and if we go down the line and name the items which might in any way be considered military material or convertible to military material, it seems to me that, whether we lend the

money to individuals or to nations, we are placing such limitations and prohibitions on the program as to make it completely ineffective. Then what do we have? We have western Europe taken over by the Communists. In that event everything manufactured in western Europe will go behind the iron curtain anyway.

So we are faced with Hobson's choice, with the hope—which I pray may be justified—that the method which we are following will prove more successful than doing something which is utterly unworkable and utterly impossible, and which would result in having the whole thing collapse before our eyes. That is the point which I do not think my distinguished friend from Nevada has sufficiently cleared up in my mind.

Mr. MALONE. I shall certainly try to clear it up.

I submitted only one small amendment. It would not stop the thing about which the Senator complains. The things which I heard on the floor of the Senate last year were unbelievable. It is unbelievable to me that the Foreign Relations Committee would report a bill such as this without knowing about the 88 treaties to which reference has been made, and without telling the Senate about them. They should be in the RECORD. Therefore a simple amendment would cure what the Senator complains about. I did not try to cure it all at once.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. MALONE. I yield to the Senator from Indiana.

Mr. JENNER. I have heard a great deal of discussion about the collapse of Europe and communism taking over if we do not do this and do not do that, or do not do anything. Has the Senator from Nevada ever considered what would happen if we had a collapse in America as a result of these expenditures all over the world?

Mr. MALONE. I will say to the Senator from Indiana in all seriousness, that I have considered that possibility. On previous occasions I have stated what I thought might happen in the United States. I shudder to think what would happen in this country if we should go into the tailspin toward which we are headed if we adopt this three-prong, free trade proposal.

In other words, if we are to pay and are to continue to raise the ante, inasmuch as every nation of the world is looking this way now, the nations of the world will continue to look to us for more and more aid. As I said before on the floor of the Senate, I have visited practically all the nations of Europe and Asia since World War II. In visiting them, it has been my experience that when talking to strangers there, the two questions which most generally are asked are, first, the perfunctory one of "How are you?"; and then, "How much can we get from you, and when can we get it?"—because they think all the people of the United States are wealthy. However, Mr. President, we know that is not true; we know that the number of wealthy people in the United States is comparatively limited, that most of our people are of only moderate—quite moderate—means, and that many of our people are poor. Certainly all the people of my State of Nevada are not rich. I should say that 15 percent of the people of Nevada now are having a hard time to pay their taxes and keep their children in school. I say to the Senator from Indiana that if we continue as we are headed, we shall have a depression, or whatever it may be called. As soon as the pact is placed in effect and the nations of the rest of the world are able to take over our markets, what will happen? Our people will have to go to a lower standard of living. But I do not wish to ask our people to accept that.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. JENNER. I should like to ask the Senator about this matter: Already we are told that if we continue the Marshall plan—and as the Senator has already said, there is a moral commitment for us to aid these nations up until 1952—they will still have large trade-balance deficits. I ask the Senator if it is not already admitted by the nations we are aiding under the Marshall plan that by 1952 they will still have a $3,000,000,000 annual deficit in their trade balances.

Mr. MALONE. Mr. President, not only have they already said that, but the President of the United States himself has said that we must help make up their trade-balance deficits. In other words, wherever the present Marshall plan leaves off, so the President says, we must take over with a great global program.

I say that there is no more sense in sending technical experts throughout the world, at the expense of our Government, than there is in sending them to Nevada, because certainly what we need in the world today is a little integrity in investments and integrity of nations, so that when a person invests money in another country, the only risk he will take will be a business risk. People are willing to take business risks, but they are not willing to take the risk of nationalization or socialization of their capital.

Just recently I was in South Africa. There are 500,000 tons of chromite on the dumps in Rhodesia, and one can almost trace the vein of chromite from an airplane. In this country we are crying for manganese. There is enough manganese in South Africa and in South America and in Cuba and in the Philippines to supply the United States and the rest of the world indefinitely. But are we trying to develop it? No, Mr. President; we are making no effort to do so—at least, not up to the last several months. Of course, I hope that now that we have a new Secretary of Defense, something will be done about that situation.

I say that if the Congress, the State Department, and the United Nations, would stop writing columns for the newspapers—which is what several of the members of those groups are doing today—and would stop using their organizations as debating societies, and would establish the integrity of investments, there would be a tremendous increase of business everywhere, and it would be impossible to keep people from making investments in the ECA nations and in Asia, and Africa.

When I was in South Africa, I said to Gen. Jan Smuts, as we sat underneath a shade tree in his garden, "General Smuts, engineers like myself have been turned out of the colleges in the United States for the last 50 years in great numbers, almost on a mass production basis, assembly-line methods by which Fords are produced; and the result is that in the United States we have so many engineers today that there is not enough for them to do. If I could stay here in your country as an engineer and businessman, I would at once get on the telephone and would arrange to sell these materials to the people of the United States, and almost immediately I would be in business in a big way."

Mr. President, those countries have available for sale the materials we need. It is our fault that the attitude is wrong. We have made no attempt to establish the integrity of investments in those nations.

Mr. JENNER. Mr. President, does the Senator from Nevada recall a luncheon which we had a few days ago with the Ambassador from India?

Mr. MALONE. I do. You were my guest, and I purposely wanted you to know about that situation.

Mr. JENNER. Does the Senator recall that I specifically asked the Ambassador from India what he thought about the Marshall plan and its ultimate end?

Mr. MALONE. I do.

Mr. JENNER. Do you recall that he said, "Well, it will not work because we are not in it"?

Mr. MALONE. Yes.

Mr. JENNER. Do you recall that he said, "We have 350,000,000 people, and we have newly won our independence; but if you people do not help us, we are liable to go Communist, too"? Did not he say that, in effect?

Mr. MALONE. He used words to that effect, I may say to the Senator from Indiana.

Mr. JENNER. And does the Senator from Nevada recall that in that conversation we asked him about trade between the United States and his country, and we cited the fact that India is a vast storehouse of natural resources which we need to have in order to bring our defense up to the point where it should be; and does the Senator also recall that he replied, "We cannot trade with your country because England has us frozen in the sterling bloc. If we want to buy a deep-well pump from the F. E. Myers people, of Ohio, we cannot do it. We have to get the pump from England because she has us frozen in her sterling bloc. Therefore, you can see that England practically has us by the throat from the standpoint of international trade." Am I not correct when I say that is the substance of what we were told at that time?

Mr. MALONE. I say to the Senator that is exactly true; and later in my remarks I intend to cover the sterling bloc countries and the franc countries; that is, the nations under the domination of France; in other words, Belgium and the

Netherlands; and I shall show that is exactly the situation.

Mr. JENNER. Has the Senator from Nevada noticed recently that, according to the public press, the Marshall plan countries had a meeting in Europe, and Sir Stafford Cripps spoke at the meeting and told the Marshall plan countries, in effect, "Next year we must cut down our trade with the United States"?

Mr. MALONE. That is exactly true, I may say to the Senator from Indiana; and I intend to cover that point, too, later in my remarks.

Mr. JENNER. Does the Senator realize that when we take part in the Marshall plan and the North Atlantic pact and similar arrangements, and then have to ask the American taxpayers to dig down in their pockets for the money which will be needed to help foreign nations under those agreements—for instance, considering the effect of the North Atlantic pact—the result will be to release just that much additional manpower, manufacturing ability, and so forth, for the production of consumer goods in those countries, while we shall be producing nonproductive goods, and shall be relieving them of that responsibility, so that they will be able to enter the world markets with commodities manufactured with cheaper labor than we have in our great country, where we have such a high standard of living; and the result will be that they will cut our commercial throats wherever they can?

Mr. MALONE. In answer to that question I say to the Senator from Indiana——

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. MALONE. I ask the Senator to defer until I can answer the question which has just been asked, please.

Mr. President, I say to the Senator from Indiana, in answer to his question, that the very materials we are sending to Europe today will be used to build factories which will be used to produce commodities and imported into the United States, to compete here with the products of our own labor in the way which I mentioned earlier today when I was discussing United States firms which are establishing factories abroad. Certainly it is true that when the Congress by its action creates such a condition in the United States that competitive industry will thrive better in Scotland than it will in New York, then the Jim Rands and the other manufacturers will go to Scotland and will locate their factories there, for the location of industry is governed by conditions, not by the men who own the industries.

Mr. JENNER. Mr. President, does the Senator from Nevada know that many Members of this body who are willing to vote for the Marshall plan and the North Atlantic Pact have recently been before various of the Senate committees begging them under the reciprocal-trade-tariff agreements to set up peril points in order to protect the industries of the United States? Is the Senator acquainted with that fact?

Mr. MALONE. Yes; I am. That is the very reason why I am terribly alarmed at this three-part program to fasten free trade on the American people and lower the standard of living.

Mr. JENNER. I should like to ask one further question. I do not want to impose upon his time, but does the Senator know, in all recorded history, of any nation that could take from its national income as much as 35 percent to 40 percent in taxes for the operation of the government, and continue to survive as a free and independent nation?

Mr. MALONE. No, I never have. I think it is a very dangerous procedure.

Mr. JENNER. I will ask the Senator, if we have a $15,000,000,000 tax load for the cost of State and local government, and an estimated budget for the cost of the Federal Government this year of $35,000,000,000, and a total cost for the North Atlantic Pact for this year of $1,800,000,000, with a projected over-all cost of $20,000,000,000 for that project, with discussions already going on for a Middle East pact, which is being demanded by our good friend England; with suggestions that a Pacific pact is necessary; and with Mr. Truman proposing a Fair Deal, further broadening benefits—taking all these things into consideration, together with the statement of the Secretary of the Interior, Mr. Krug, day before yesterday, I believe, that we are going to have to spend an additional $12,000,000,000, on hydroelectric power and similar projects in order to maintain the productivity of the Nation; that we are now short of lead and copper and zinc; that we are a have-not nation when it comes to oil, and must spend additional money for the development of these strategic materials in order to maintain our own defense, I ask you, all these things being taken into consideration, regardless of the merits of the proposed projects under our foreign policy, with a public debt of $257,000,000,000 today, and with all the growing cost of Government put upon the taxpayers, do you honestly think America can afford it?

The VICE PRESIDENT. The Chair would like to admonish all Senators that it is a violation of the rule to address another Senator in the second person. The rule requires that a Senator be addressed in the third person. The Chair feels that that rule ought to be observed.

Mr. MALONE. Mr. President, I may say to the Senator from Indiana——

Mr. LUCAS. Mr. President, will the Senator yield for a parliamentary inquiry?

FREE TRADE VS. PETROLEUM—COAL

Mr. MALONE. May I first answer the Senator? What we are doing will be accentuating the difficulty we are getting into. In other words, if the Anglo-American petroleum treaty had been concluded last year, or if it goes through this year as proposed, or if we have free trade in oil, I say in all seriousness to the Senator from Indiana and to other Senators from the coal States of the West and the oil States of the South and West, that oil will not come here at $2.75 or $2.50 a barrel, or $3 a barrel, and it will not correspond to $15-a-ton coal. We have gone along over the years developing coal and oil in this country, because there was a market for coal and oil. As a result, our people have steadily improved their standard of living. They have come along together in the face of competition to furnish the steam plants of the Nation and furnaces of the Nation with coal and oil. When the free-trade idea hits us, and oil is obtained from the Middle East, the difficulties will be increased. I think I saw every oil well in the Middle East. I have been through Bagdad, Abadan, and down the Persian Gulf, out to the American area. I was at Riyadh. I rode the full length of the 1,000 mile pipe line, really taking a look at it. There will be 100,000,000,000 barrels of oil blocked out in the Middle East alone during the next 5 years, and that oil will come into the United States, not at $5 a barrel, not at $3 a barrel, but at $1.50 a barrel and less.

It could conceivably shut down every oil well and coal mine in the United States now furnishing coal and oil outside the immediate area. It certainly will take the incentive out of trying to find new petroleum fields throughout the United States. Then, not only will considerable taxable property and employment be gone, but national security will be vitally affected. No one I have ever seen says we could hold the Middle East oil fields longer than 60 or 90 days. When they are gone, then we are dependent on our enemies for oil; we are dependent on them for petroleum fuels with which to fight a war. That is the danger to this country. We should keep the matter open, and have some kind of a flexible import fee, in lieu of free trade, the three-pronged thing which would shut down the oil wells and coal mines and put the coal miners and the oil workers on the street.

I want to say but one thing further along that line. We are giving France an appropriation. France is still in the program, and we are still sending food to France. But this year France has an estimated crop of 300,000,000 bushels of wheat, compared to the prewar level, in the period 1935 to 1939, of 287,000,000 bushels, and France plans to export more than 3,000,000 bushels of wheat this year. In view of that fact, I should not think there is any great need to furnish France with food. So I say to the Senator we are dissipating our resources not only by every ton of steel and everything we send to Europe, every piece of heavy machinery, road machinery, agricultural machinery, but by all the manganese and tungsten and chromite, and the strategic minerals and materials that in some cases we have to import from as far as South Africa and South America, and other points. Does that answer the question?

Mr. JENNER. Yes; I think it does. Mr. President, will the Senator yield for another question?

Mr. MALONE. I yield for a question.

Mr. JENNER. The Senator from Nevada is presenting a very interesting lot of facts. You mentioned something about agricultural products in France. I should like to know whether or not it has been your impression that the propaganda of which you speak has been put out along the lines that the Marshall plan, for example, is good for American agriculture. Have you heard that kind of propaganda?

The VICE PRESIDENT. The Chair again wishes to admonish Senators, it is a violation of the rules to address a Senator in the second person.

Mr. JENNER. I beg the Chair's pardon.

The VICE PRESIDENT. The habit has grown up here recently, but the Chair feels that in order to preserve the dignity of the Senate, it ought not to be indulged in.

Mr. JENNER. Does the Senator from Nevada know of that propaganda?

Mr. MALONE. Yes. I may say to the Senator from Indiana I am entirely familiar with it, and I believe temporarily it will help the agricultural set-up in the United States.

In other words, we have now built our productive capacity away above our consumption. Therefore, if suddenly the exports were stopped—and they would stop if we did not furnish the money with which to finance them—that would be harmful. At any rate, that is the consensus among well-informed people. Of course, we are giving the money. It is not a loan. It is nothing but a gift, and if it were suddenly stopped, the consensus among the people I talked to is it would hurt the farmers of America, whom we have deliberately built into that position.

Mr. JENNER. Does the Senator from Nevada know that under the present operation of the European recovery program we have taken money from the American taxpayers with which we have purchased Canadian wheat at a time when the wheat crop in America was in surplus and selling below parity?

Mr. MALONE. I may say to the Senator from Indiana I have heard that is the case. I do not have the statistics on that point, but one thing I do know. I visited Canada, where I addressed the Toronto mining engineers at their meeting near the end of 1947. At that moment they were waiting, not patiently but impatiently, for the United States Congress to pass the Marshall plan, or whatever it developed into, to give England money with which to pay cash for Canadian wheat.

Mr. JENNER. Does the Senator know that the offshore purchases by the United States Government last year under the operation of the Marshall plan ran, I believe, if my memory serves me aright, something like $860,000,000?

Mr. MALONE. I may say to the Senator from Indiana, I am informed that that is approximately correct.

Mr. JENNER. I ask the Senator from Nevada further whether he knows that the agricultural exports from this Nation last year only exceeded the agricultural imports from other nations last year by a mere $270,000,000?

Mr. MALONE. I may say to the Senator from Indiana, I am informed that that is approximately correct. I do not have the statistics.

Mr. JENNER. Then, I ask the distinguished Senator from Nevada whether, propaganda of the Government notwithstanding, the American farmer is getting very much from that kind of program?

Mr. MALONE. I will say, in answer to the Senator from Indiana, that that is exactly the subject of my talk today. So long as we are headed for free trade, if we adopt this three-pronged proposition; if we adopt, after we have continued the Marshall plan or ECA, whichever it may be called, the plan for making up trade-balance deficits each year in cash; if we extend one more time the 1934 Trade Agreements Act under which the State Department divides our market on a selective free-trade basis by lowering import fees below the critical point, and then if we adopt the international trade treaty, which is called an agreement, because the votes are not here to adopt a treaty by a two-thirds majority, we shall have in effect a treaty which we cannot abrogate. Therefore that is the final rivet to be driven into the framework, and it will produce the final graveyard for American workingmen.

Mr. JENNER. Mr. President, will the Senator yield for another question?

Mr. MALONE. I yield.

Mr. JENNER. If we continue to move in that direction with our foreign policy, is it not inevitable that the standard of living in America must come down to the standard of living of the rest of the world?

Mr. MALONE. I will say to the Senator from Indiana that, from all my experience in visiting those nations, that is exactly what they expect. They expect an average, which is like averaging the water in a water glass with the water in a city reservoir. The glass—that is the United States—would be empty, and the reservoir would not rise very much.

Mr. JENNER. If that be true, in regard to the future security and peace of the world, if some nation should become an aggressor, and the standard of living of our Nation should be greatly reduced, and we were in the doldrums of a depression, which could last for 10 or 15 years, I ask what hope the rest of the world would have of stopping an aggressor who was bent upon establishing communism throughout the free world?

Mr. MALONE. That is exactly the kind of thing that would bring communism, if anything could do it, in this country. I will say, furthermore, that I agree with the statement made at one time that if this Nation ever goes down, it will be an inside job, it will not be an outside job. It will be because of some action taken by the Congress or by the people of the United States. No one can whip us if we take care of ourselves. It will be an inside job.

Mr. JENNER. I thank the distinguished Senator from Nevada.

Mr. MALONE. Mr. President, I want to read into the RECORD an excerpt from American Affairs, of July 1948, which says, in part:

The charter—

Meaning the International Trade Organization Charter—

reads that the supreme authority of the Internationnal Trade Organization shall reside in the conference, that the conference shall consist of all the members and each member shall have one vote, which means that in the economic control of the world the voice of the United States shall be exactly equal to that of Lebanon or Pakistan.

Mr. President, I want the Senator from Connecticut to listen carefully, and I should like other Senators, who do not understand exactly what may be presented here as soon as we get through with the ECA and the 1934 Trade Agreements Act, to listen carefully.

I read further:

But there is a little more. The administrative functions of the International Trade Organization are to be vested in an executive board of 18.

I ask the Senate to mark that carefully.

The administrative functions of the International Trade Organization are to be vested in an executive board of 18. In choosing this executive board the conference shall have regard to the objective of insuring that the board includes members of chief economic importance, in the determination of which particular regard shall be paid to their shares in international trade.

That is all. No names are mentioned. No permanent members are indicated. It is therefore theoretically possible for the United States, by a two-thirds vote of the conference, to be omitted from the executive board. In any case, as a member of the executive board, the United States would be limited to 1 vote in 18.

But for all the concessions the American delegation was obliged to make in Habana to ease the 52 nations in their fear of American power, the original premises were held intact. The premises underlying the finished charter are these:

1. That the free and competitive exchange of wealth in world trade, governed only by the private-profit motive, leads to economic anarchy.

In other words, if we are governed by the private-profit motive, that leads to anarchy.

2. That such forces as the free price, the free market and free competition can no longer be trusted to keep the world in a state of economic equilibrium.

3. That when governments interfere it is worse, because then in place of the private-profit motive you have ruthless economic nationalism.

4. Therefore, both the trade of the world and the development of its resources shall be planned and regulated by an international authority, and this international authority shall require of the constitutent nations two things, namely: First, that they shall surrender, so far as may be necessary, the right to do as they like with their own foreign trade—

I hope the Senators of the United States will note that carefully; we surrender the right to do as we like with our foreign trade—

and secondly, that insofar as may be necessary, each constituent nation shall plan its own economy to accord with the international plan.

Upon these premises the charter is built. What it does is to create a superstate to plan and govern the economic life of the world. The superstate, for better or worse, will touch deeply the economic life of all the constituent nations, but as a superstate it cannot be held responsible to any of them for the consequences.

"The responsibilities of the Director General and of the members of the staff," says the charter, "shall be exclusively international in character. In the discharge of their duties they shall not seek or receive instructions from any government or from any other authority external to the Organization."

In other words, speaking away from the excerpt, if we had a member among the 18, he would not be supposed to represent

us, he would be supposed to represent the world. I read again:

If before this a Nation got hurt in foreign trade it was free to do something about it; if hereafter—

Following the adoption of this charter—

it gets hurt by a global plan there will be very little it can do about it except to remember that the intention of the superstate was all for the good of the world.

Mr. President, at this point I should like to say that since the close of World War II the 16 Marshall-plan countries, countries included in the ECA, have made the treaties which I have heretofore described, and which the debate this afternoon has clarified, I believe an absolute contradiction to the thing we are trying to do here. In other words, the action defeats the purpose we are moving toward, and in my opinion is a very dangerous thing.

These trade treaties provide in the main that the 16 Marshall-plan countries each in its turn with its own trade treaty will furnish the nations behind the iron curtain with manufactured and fabricated articles and materials, while the iron-curtain countries will furnish the Marshall-plan countries in the main with raw materials.

NONAGGRESSION PACTS

I have already called attention to the nonaggression pacts England and France have with Russia, wherein they agreed that they will not conclude any alliance and that they will not take part in any coalition directed against the other high contracting party.

In other words they will not join with us, Mr. President, in trying to prevent aggression by Russia. They could not join, under this understanding, in any arrangement such as we tried to make with them through the ECA, or any other arrangement which would jeopardize Russia's interests.

SECRET PAYMENTS BY ECA NATIONS TO OTHER COUNTRIES

It is well known that certain members of the 16 possessions of the Marshall plan or Economic Cooperation Administration as it is now known, do contribute money to other nations either in their colonial system or in their own peculiar economic bloc such as the sterling bloc and the Netherlands gilder area and the French franc area.

I have endeavored to get this information from the Treasury of the United States and the ECA through its leaders, but have been told in each case that they do not have all of the information, that it is by the order of the Bank of England kept entirely secret and that such information as they have has been furnished by the Bank of England on the condition of absolute secrecy and restricted and confidential information and also not available to a Member of the United States Senate.

Mr. President, what I have in mind is that the Marshall-plan countries, the empire-minded nations, England, France, Belgium, and the Netherlands, have furnished money to their satellite nations. I shall cite an example. When I was visiting in these nations I would have gotten more detailed data, but thinking I could get it through our Treasury Department or our State Department, I made no effort to make notes as to the exact amounts. But let me cite just one example.

In India, where I had a conference of 3 or 4 hours with Mr. Nehru, he was very frank in stating to me that they do have this agreement with England. They are in the sterling bloc.

Mr. President, since the Presiding Officer has been very technical so far, I shall ask that the Senator from Illinois cease talking to the Presiding Officer when I am talking to him myself, and have the floor.

Mr. JENNER. May we have order, Mr. President?

Mr. MALONE. I do not wish to continue until we have order, and until conversation ceases at the desk, because I am addressing the Chair.

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). The Senate will be in order.

Mr. MALONE. Mr. President, I shall continue with that understanding.

The gentlemen with whom I conferred were very frank, as I have said before. I visited Burma, India, Pakistan, Egypt, nations which had recently broken away from England—at least they thought they had, but they are still in the sterling bloc.

Let me cite an example of the kind of information I wanted to get regarding the nations in the sterling bloc. Mr. Nehru told me that they had a credit with England of seven hundred or eight hundred million pounds, mostly built up during the war, when they sold many materials to England, but got very little pay at the time. They are allowed to trade out seventy or eighty million pounds a year—about 10 percent of the amount. Of that 10 percent, seventy or eighty million pounds a year, Great Britain had given them £15,000,000 in dollars, about $60,000,000. Obviously England could get money from the United States in dollars, and India could not. Therefore, to keep India on the sterling bloc hook England gave her the money, $60,000,000.

That, Mr. President, is the type of information I tried to secure from the Treasury of the United States, but was flatly told that the information was a secret of the Bank of England, that even the Treasury of the United States did not have all the information, but what they did have was given to them under strict secrecy; that the Bank of England maintained a sort of a banker-to-client attitude in this regard, and it was information that a United States Senator could not possibly be furnished.

Mr. President, I think the method of handling that question, just like the trade treaties and the other understandings and treaties and pacts which have been made between the Marshall-plan countries and the iron-curtain countries, is damnable, and it is something the Senate should demand information about before it votes any further money to any country following that practice.

Mr. President, I visited most of the Asiatic, Far East, South Seas, and African colonial possessions of the empire-minded European nations who are all benefiting from the ECA and do know that a considerable amount of the dollars secured from ECA have gone out to these possessions. What they say is that these are not ECA dollars, but I again say, as I said to my friend, the Senator from Connecticut, it is just like a man having a hundred dollars, who borrows $500 from the bank, and then buys a $100 suit of clothes. It is money in lieu. That is exactly the same as the case of the money the ECA furnishes a nation.

I gave the example of India having this credit, and that England furnished India the $60,000,000 apparently to keep her in the sterling bloc. Again, I want to explain that it makes it necessary, or at least these nations think it is necessary, to stay with the sterling bloc because everyone knows that the pound is overvalued. Everyone knows that most of the foreign nations' currency is overvalued and manipulated. At this particular time the pound is worth $4.03. If it were allowed to go to $2.50, where it belongs, or to $2.25, or even to $2, then the debt England owes India would be cut almost in two. So India thinks she has to help maintain the sterling bloc and hold up the value of the pound in order to maintain her position in the world. Of course, it is the Treasury of the United States of America that is maintaining the fictitious price of the pound. It is not India which is doing it. But India, by staying with the sterling bloc, helps in her small way by contributing all the trade possible to the sterling-bloc nations to maintain the fictitious price.

Mr. JENNER. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Indiana?

Mr. MALONE. I yield for a question.

Mr. JENNER. From the facts the Senator has just stated, I wonder whether he understands the meaning of the song There Will Always Be an England.

Mr. MALONE. I am not sure, Mr. President——

Mr. JENNER. In the Senator's travels did he secure the explanation of why there would always be an England?

Mr. MALONE. Mr. President, I am not sure exactly what the Senator means.

Mr. JENNER. Did the Senator in his travels hear there will always be an England so long as Uncle Sam finances her? [Manifestations of applause in the galleries.]

Mr. MALONE. I will say to the Senator from Indiana——

Mr. LUCAS. Mr. President, I make a point of order against any demonstrations in the galleries. Such demonstrations are against the rules of the Senate, and I think the occupants of the galleries should be admonished respecting that matter.

The PRESIDING OFFICER (Mr. MILLER in the chair). The Chair will say to the occupants of the galleries that they are not permitted to register any sentiments while speaking or debate is proceeding on the floor of the Senate. Of course if the rule against demonstrations is violated too often there is only one alternative, and that is to direct the Sergeant at Arms to clear the galleries

which is something the Senate does not like to do.

The Senator from Nevada will proceed.

Mr. MALONE. Mr. President, I made two world-wide trips. One among my purposes in making the trips was to determine as nearly as I could what was being done with the money we were furnishing other nations; where we were headed with the whole program; in other words, to find the attitude of the people toward the United States. I have stated heretofore today two or three times in answer to questions that the attitude is not right, and in my opinion it is our own fault that that attitude is not right. In other words, we have given the impression, and I call this particularly to the attention of the junior Senator from Indiana [Mr. JENNER], that they have gotten the impression that everyone in America is rich, that every individual in America is prosperous, and that nothing can happen to the United States; that the Treasury is a bottomless pit. So every nation in the world today is living over its head, waiting for us to bail them out before the crash comes. They believe we can do so. No one has told them anything different. If they have read the CONGRESSIONAL RECORD for 15 years they certainly would have no cause to change their opinion.

The nations of Burma, Pakistan, and Egypt are in exactly the same category—it is a matter of degree.

It is well known, of course, that a large expenditure is being made in the colonial possessions of the four empire-minded nations of England, France, the Netherlands, and Belgium, to retain their hold on the colonial possessions and to increase their income from them in the same manner as they have dominated these areas for more than 100 years. These include Indochina, the Malayan States, Indonesia, the Sudan in Africa, the Belgian Congo, French Morocco, and many other possessions.

In these nations an empire preferential rate system is maintained—and this is important, Mr. President, for in many areas it was supposed that the import and export fees were eliminated—that is, the import and export fees are arranged to favor the mother country, through the trade of raw materials largely from these areas to the mother country, and, in turn, the manufactured and processed products sold back to the areas.

In other words, Mr. President, for all this time, for anywhere from 50 to 350 years, the domination of the colonies, the colonial possessions, by the empire-minded nations, has discouraged any development of fabricated or manufactured goods, but encouraged the shipment of the raw materials to the mother country. The import and export fees were slanted so that it was of more advantage to the merchants and the producers of these areas to sell to the mother country than it was to sell to any other country. So they practically dominated the trade. Of course, the three means of control by an empire-minded nation over its colonies are control of the police power, control of the money exchanges, and control of the import and export fees.

In other words, the empire-minded nations follow much the same policy in dealing with their colonial possessions, that is, that they are in entire control of the fixing of import and export fees slanted toward the mother country, and in entire control of the money exchange systems set up by them throughout the possessions, and the police power. And in most cases, little effort is put forth to build these countries up, but on the other hand it has apparently been the settled policy of many generations to prevent industrial development in these countries.

CURRENCY MANIPULATION

Most of the nations of the world have established methods of manipulating their currencies for trade advantage.

For example, the English have their sterling bloc—with a large number of nations blocked in—and a large number blocked out. The Dutch have their guilder and the French their franc.

Mr. President, I ask unanimous consent to place in the RECORD at this point a list of the sterling bloc area nations.

The VICE PRESIDENT. Without objection, it is so ordered.

The list referred to is as follows:

THE STERLING AREA

(Prepared by State Department in consultation with United Kingdom Treasury Delegation)

(As of March 25, 1949)

The term "sterling area" means the United Kingdom and the following territories excluding Canada and Newfoundland.

I. BRITISH COMMONWEALTH AND EMPIRE COUNTRIES

(a) any Dominion: Australian, New Zealand, South Africa.

(b) any other part of His Britannic Majesty's dominions: India, Burma, Southern Rhodesia, Ceylon.

Principal colonial territories: Aden[1] (colony and protectorate); Bahamas; Barbados; Basutoland; Bermuda; British Guiana; British Honduras; Cyprus; Falkland Islands and dependencies; Fiji; Gambia[1] (colony and protectorate); Gibraltar, Gilbert and Ellice Islands colony; Gold Coast:[1] (1) Colony, (2) Ashanti, (3) Northern Territories; Hong Kong; Jamaica (including Turks and Caicos Islands and the Cayman Islands); Kenya[1] (colony and protectorate); Leeward Islands: Antigua, Montserrat, St. Christopher and Nevis, Virgin Islands; Malta; Mauritius; Nigeria:[1] (1) Colony, (2) Protectorate; St. Helena and dependencies; Seychelles; Sierra Leone[1] (colony and protectorate); Straits Settlements; Trinidad and Tobago; Windward Islands: Dominica, Grenada, St. Lucia, St. Vincent.

(c) any territory in respect of which a mandate on behalf of the League of Nations has been accepted by His Britannic Majesty and is being exercised by His Britannic Majesty's Government in the United Kingdom or in any Dominion: Cameroons (British), Tanganyika, Togoland (British), South West Africa, Western Samoa, Nauru.

(d) any British protectorate or protected State: Bechuanaland protectorate; British Solomon Islands protectorate; Malay States: (1) Federated Malay States: Negri Sembilan, Pahang, Perak, Selangor; (2) Unfederated Malay States: Johore, Kedah, Kelantan, Perlis, Tregganu, Brunei; State of North Borneo; Northern Rhodesia; Nyasaland protectorate; Sarawak; Somaliland protectorate; Swaziland; Tonga; Uganda protectorate; Zanzibar protectorate.

[1] Colonies contiguous to protectorates of the same name or within the same administrative unit.

II. INDEPENDENT COUNTRIES

(a) Iraq.
(b) Iceland.
(c) Ireland.

THE STERLING BLOC

Mr. MALONE. Mr. President, there is a large number of these nations, and I think it will be of great interest to Senators to study the list, because this sterling bloc area is controlled just as wholly as if it were one nation, and the economics are controlled.

On my visit to Italy toward the end of 1947, I met an Italian banker who was crying his eyes out. He had about 25,000,000 sterling pounds in his vaults, and he said he thought he had been doing all right. He was getting ready for trade. But now his pounds had been blocked, and he could expend this money only in the sterling bloc area. Therefore he was unable to buy anything any place except in the sterling bloc area.

The sterling bloc area, England, has fixed a fictitious value for the pound sterling which is currently $4.03. The real value, at which it can be purchased anywhere in the world including the streets of London, is generally less than $3.00.

So they trade at the official value. Anyone doing business with them loses 25 percent on the first transaction.

For a further example, the official value of the Argentine peso is 3.35 to the American dollar. On the street 1 American dollar will buy 10 pesos. So when one buys anything from them he pays three times its value in the first transaction. Our foreign gift loans support this system. Without them it would fall of its own weight.

The manipulation of their currencies by the foreign nations for trade advantage is a form of piracy. It is dishonest and makes any form of trade agreement with them a farce on the face of the transaction.

In other words, any agreement made with England, France, the Netherlands, or any other nation which manipulates its currency for trade advantage under the 1934 Trade Agreements Act is a farce on its face. They simply do not have to keep the trade agreement. They do not violate the trade agreement. There is nothing in the trade agreement itself which says that they may not change the value of their currency. If they want to undersell in America, they can devalue their currency, as Belgium has just done. She has devalued the Belgian franc so that she may sell a greater amount of her goods in the United States.

THE WORKERS—FARMERS—OTHER GROUPS DO NOT REALIZE LONG-RANGE EFFECT

The people of this Nation do not realize the deadly serious long-range effect on the workers, farmers, merchants, manufacturers, and industrialists of the permanent free-trade plan of the economic one-worlders included in this three-part program, of which the ECA and the 1934 Trade Agreements Act are but two parts.

It is a one-way street. A higher-standard-of-living nation can do nothing but lose under a free-trade agreement.

MANIPULATION OF FOREIGN CURRENCY FOR TRADE ADVANTAGE

This largely explains why England places a high value on its currency, the

pound sterling, with a comparable lower value on all foreign currencies, including the dollar. The official rate of exchange between the pound and the dollar is $4.03. That is to say, the English declare that their pound sterling is worth $4.03. In free markets of the world, however, the pound is worth much less than this and has a value of $3.40 or less.

Let us compare the official rate of $4.03 and the "free" rate of $3.40 or less, on the cost of Britain's imports. If a London importer wants to buy a pair of shoes in New York priced at $10, he has to pay at the official rate of $4.03, slightly less than 2½ pounds sterling. But if the official rate were the market rate of $3.00 or less, then he would pay 3⅓ pounds sterling (10 divided by $3.00). In other words his shoes cost him one-third more at the actual bona fide rate, as at the high official rate now set for the pound. Hence, the artificial official rate of $4.03 per pound makes it possible for Britain to purchase all her imports from America at three-quarters the cost to her of the cost if she placed a value of only $3.00 on the pound. I say again that it is only ECA money which makes it possible for them to hold this fictitious value.

But while a rate of $4.03 for the pound makes it possible for Britain to import very cheaply, it makes it more difficult for her to sell her exports. Hence some market operators who wish to buy British export goods get around the high official rate of $4.03 by buying their pounds for $3.00 or even less in the free or black markets of New York and other big-city centers where dealers in foreign exchange operate.

When an American importer imports wool suits from London which are priced at £10 sterling, they cost him more than $40 (10×$4.03), but if he buys his pounds for $3.40 the suits will cost the American only $34 each (10×$3.40). However, Americans are not permitted, by international agreement, to deal in the unofficial market.

If the time comes when England can export much more than she imports, then she may place a lower value on her pound, for this tends to encourage exports in volume, but make her imports relatively more expensive than before. The larger profits on her big export volume will more than cover the extra cost of her imports due to a lower foreign exchange rate.

Mr. President, I wish to place in the RECORD an excerpt from the United States News of March 25, 1949, at page 50 of that publication.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Monetary devaluation—a lower dollar value for foreign currencies—may appear more attractive as other countries try to add sales in the United States market.

Cheaper money in terms of dollars means cheaper prices for foreign goods.

The British, for example, may find an advantage in a $3 pound instead of a $4 pound. It would mean a 25-percent dollar-price slash for British goods.

Sentiment abroad for currency devaluation is reported to be increasing.

United States critics of the high value put on foreign currencies also might change their tune if devaluation became widespread. It would mean stiffer competition.

The change in attitude toward money values is another reflection of the shift from a seller's to a buyer's market. It is becoming world-wide. Price becomes important when sellers have to seek buyers. And, before the war, money devaluation proved an easy, if temporary, way to cut prices of goods for sale.

Mr. MALONE. Mr. President, I also ask to have printed in the RECORD at this point an editorial from the Chicago Daily Tribune of October 23, 1948, under the heading "Europe pays off its Wall Street friends."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

EUROPE PAYS OFF ITS WALL STREET FRIENDS

The disclosure by the ECA that Anderson, Clayton & Co. received $28,057,000 in August alone out of Marshall-plan funds is so patently scandalous as to require little comment. This concern is the business developed and largely owned by William Clayton, one of the architects of the Marshall plan. He represented our Government in working out the details with foreign countries.

Mr. Clayton has been the top man in the State Department on international economic affairs for years. Even now he has an office in the State Department. If the usual profit margin was obtained on this business, Clayton's company made at least one and one-half millions profit in 1 month from the Government operation he designed.

Many others are cashing in on the legislation they persuaded Congress to pass. Early this week it was revealed that the big Wall Street banks which provided much of the money that was used in propagandizing and lobbying for the Marshall plan are now cashing in handsomely.

These banks worked through an organization called the Committee for the Marshall Plan To Aid Recovery. They did not conceal their support of the scheme to give twenty billions to Europe. All of the big banks had directors on the committee and several of them were on the committee's executive council.

It is now clear why the bankers were so conspicuous. They wanted the foreign governments to know who was entitled to be paid off for putting the deal over.

The Economic Cooperation Administration has just released some figures showing how the big Wall Street bankers are being paid off in the transaction. The foreign governments decide which American banks are given the opportunity to earn the juicy commissions for extending risk-free loans under letters of credit. The business has gone almost exclusively to those banks whose officers and directors were back of the campaign to put the Marshall plan over.

Heading ECA's list is the Bankers Trust Co. of New York. This bank has been designated by four governments in letters of credit amounting to $91,285,881. Two members of the board of the bank were members of the committee which put the Marshall plan over. They are Philip Reed and Ward Melville.

The second ranking bank on the ECA list is the Chase National, with $87,029,757 worth of Marshall-plan business. The chairman of the board of that bank is Winthrop W. Aldrich. He was on the executive council of the committee. Serving with him on the inner council of the committee pushing the grant to Europe was another director of the bank, Arthur W. Page.

The National City Bank has profited from letters of credit totaling $35,560,304 growing out of the plan to save Europe. Two directors of National City, Sosthenes Behn and Gerard Swope, were on the Marshall-plan campaign committee.

Guaranty Trust got $18,758,446 worth of business out of saving Europe, with two directors, Thomas J. Watson and Charles E. Dunlap, on the committee.

The Marshall plan has brought the Irving Trust Co. $34,749,582 worth of business, thanks to Henry P. Bristol and David L. Luke, two Irving directors who helped to persuade Congress to provide the money to aid Europe.

The Manufacturers Trust Co. had only one director on the Marshall-plan campaign committee, but the bank has already had $42,351,810 worth of business out of the Marshall plan. The director, John M. Franklin, must have done well also for the United States Lines, of which he is president.

The Central Hanover Bank has been cut in for $6,997,880 and it had two directors pushing the Marshall plan through Congress.

Much of Wall Street's lucrative Marshall-plan business came from the shipment of food, produced for the most part in the Chicago territory. Trucks, farm implements, and other machinery covered by the Marshall-plan payments are produced in the interior of the country. If the financing of European aid were handled as ordinary exports are, the banks of Chicago would have participated heavily.

The only middle-western bank on the list is the Continental National Bank. It has $28,150 worth of Marshall-plan business.

The conclusion is inescapable that the big banks of this city have been left out of the profitable, riskless, European aid financing because they did not back Europe's colossal raid on our Treasury. We hope no Chicago banker ever will be willing to pay such a price for business, however attractive it may be.

Mr. MALONE. One of the organizations most vociferous in supporting the Marshall plan was the Committee for the Marshall Plan To Aid European Recovery. This organization was made up, in large part, by big business and banking interests. In this country, it was largely big business and banking which was to benefit by Marshall-plan purchases in this country. The attached article in the Chicago Daily Tribune, entitled "Europe Pays Off Its Wall Street Friends" lists a few of the transactions handled by banking institutions and business houses which, through directors and other personnel, had shown interest in the Committee for the Marshall Plan.

One of the big winners in these sweepstakes was the firm of which William Clayton was once chairman, and in which his family still is reported to own a 40-percent share. Clayton has been the top man in the Department of State for commercial policy.

If all this business tie-up is a coincidence, it is a most strange one.

ECA COUNTRIES TO REDUCE IMPORTS FROM UNITED STATES

We are told by the State Department that an extension of the 1934 Trade Agreements Act is necessary in order that our exports may be increased.

We are told at the same time that the Economic Cooperation Administration is necessary to make up the dollar shortage of the nations of Europe, in other words, to make up the trade-balance deficits each year in cash. Yet, the European Economic Cooperation Administration advisory committee of foreign ministers agree that European nations should cut

imports from the United States to relieve the dollar shortage.

Mr. Hoffman in testimony before the Senate Foreign Relations Committee said:

They (Marshall plan ECA countries) also must further curtail imports that are not vitally needed. They must forestall the danger of drastic and sudden reduction of imports when the European recovery program ends. (Senate Rept. No. 100, S. 1209, p. 4.)

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an excerpt from the Journal of Commerce of March 9, 1949, under the heading "World trade: Where will the United States find export markets when ECA ends?"

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

WORLD TRADE—WHERE WILL THE UNITED STATES FIND EXPORT MARKETS WHEN ECA ENDS?

To what extent is the Marshall plan falsifying the world-trade picture and obscuring long-range trends that will confront American exporters when the period of aid to Europe ends 4 years hence?

Some light on these trends is shed by an analysis of world trade just released by the Department of Commerce and more is provided by recent reports from Europe showing what economists there think will happen when ECA aid terminates in 1952.

Department of Commerce statistics show that the percentage of total United States exports that went to the Marshall-plan countries last year was only slightly higher than during the three prewar years, amounting to only 37 percent, as against 38 percent.

The fact that despite the shrinkage of exports to other areas, notably Latin America, and despite the various forms of United States financial assistance in the form of loans, ECA grants and relief expenditures which bolstered exports to Europe, the movement of American goods to the Marshall-plan countries did not show a greater proportionate increase may cast some light on the relative importance of western Europe as a market for our exports when the aid period comes to an end.

EUROPE'S PLANNING

Since the publication of the OEEC report, in which an attempt was made to reconcile the various 4-year plans of the nations receiving Marshall-plan aid, European economists have given considerable thought to the position in which their countries will find themselves when aid comes to an end.

The OEEC report, it will be recalled, showed that Europe will probably have a trade deficit with the rest of the world amounting to $3,000,000,000 when the aid program is over. From the various prognostications as to what this will mean for world trade, two given by a leading British economic publication stand out:

The first is that "the American industry may have to reconcile itself to the permanent loss of its European markets."

At the same time this same publication points out that if the European nations are to achieve the 1952 export goal of $12,000,000,000 set for them by OEEC, they will have to capture half the United States South American market.

WHERE DO WE GO?

Confronted with two markets, from one of which he is told he will probably be barred completely and in the other of which he is told he will meet formidable competition, the American exporter may be facing a dilemma. Into which basket will he place his eggs?

Many will probably conclude that Europe looks like the best bet while ECA lasts, but that when it comes to an end, a chance to compete for the South American trade looks more promising. Competition is something he can face.

A LESSON IN IMPORTS?

A glance at the import side of the picture will probably reinforce the exporter in his determination not to be misled by the present attractions of European trade and to prepare for the day when his survival may depend on his ability to compete for other markets.

Figures show that while the United States is importing more than it did before the war, western Europe's share in American imports has fallen from 23 percent to 13 percent.

This may be a temporary phenomenon, an aftermath of the war's dislocations.

But every estimate of the way in which this country can step up its imports to close the present trade gap leans heavily on imports of raw materials, few of which would come from Europe. Most would come from the undeveloped regions of the world that would be aided by President Truman's "bold new program."

There are some who feel that a return to multilateral trading accompanied by the convertibility of European currencies would permit a resumption of the prewar pattern in which a trade deficit with Latin America was encountered as necessary to permit a trade surplus to Europe.

There are others who feel that two-way trade between the United States and the relatively undeveloped areas of the world is the trade pattern which will emerge when ECA is over.

Mr. MALONE. It is well recognized that the ECA is designed as an aid to American producers. That has been disputed up until this time. Now we have the clamor from the various industries and from agriculture, urging us to pass a further ECA program to purchase these goods.

At the same time, it is recognized that once success is achieved in rehabilitating the European economy, the honeymoon is over for American exporters. Mr. Harriman has already indicated his full cooperation to assure this result, which some day may be a great surprise to those in export industries who are now clamoring for the continuation of the program.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks another excerpt from the Journal of Commerce of March 9, 1949, from pages 1 and 14.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

SPECIAL GROUPS TO SEEK SHARE IN ECA ORDERS

WASHINGTON, March 8.—Special groups seeking an outlet for their surplus commodities are preparing amendments to the $5,580,000,000 foreign-aid bill reported unanimously by the Senate Foreign Relations Committee.

Committee sources said more than 100 commodity groups have asked for a special position in the Economic Cooperation Administration Extension Act that would guarantee them an export market over the next 15 months. At least some of these are prepared to carry their fight for preference to the floor of the Senate.

FOLLOWS ECA RECOMMENDATIONS

The committee reported the ECA bill practically without change from the recommendations of ECA Administrator Paul G. Hoffman.

The only reversals of Mr. Hoffman's recommendations came in committee acceptance of amendments guaranteeing that 15 percent of all wheat moving under ECA will be in the form of flour and continuing the guarantee that 50 percent of all ECA shipments go in American-flag ships, but only if such vessels are available at market rates.

Otherwise, the committee recommended the Administration's program down the line and accepted Mr. Hoffman's over-all money request despite opposition from several witnesses representing private industry.

REQUEST TURNED DOWN

Western Senators representing the fruit growers bloc met today with PMA Administrator Ralph S. Trigg, Mr. Hoffman, and ECA Food and Agricultural Director D. A. FitzGerald to hear spokesmen for the national horticulture industry ask for special consideration.

The Senate Foreign Relations Committee has turned down the fruit growers' amendment for a $100,000,000 appropriation to finance the shipment of tree fruits in the ECA program. The industry now plans to carry the fight to the Senate floor.

The committee made some concession to the growers and voted to put a statement in the record that ECA shall consider the export of surplus farm products wherever it is possible. Chairman TOM CONNALLY, Democrat, of Texas, said, however, that the ECA Act will not be changed to make purchases of farm surpluses mandatory.

The foreign-aid measure was reported only after several committeemen reserved the right to support reduced appropriations reflecting lower commodity prices when the actual supply bill comes before the Senate Appropriations Committee.

The $5,580,000,000 authorized for ERP in the 15 months ending June 30, 1950, includes: $1,150,000,000 for the interim period April 3–June 30; $4,280,000,000 for the fiscal year ending June 30, 1950; and $150,000,000 for financing the shipment of such goods and services as may not be moved by June 30, 1950.

ENCOURAGES UNIFICATION

Amendments adopted by the committee were:

An amendment to declare for the first time that it is the intention of the program to "encourage unification of Europe." This was regarded as a highly dressed-down version of efforts to place the United States on record as favoring a Federation of European Nations.

ECA may pay ocean freight on relief packages shipped to Europe by CARE and similar relief groups at uniform rates.

A compromise amendment directs ECA to continue using American bottoms for 50 percent of ECA-financed shipments from the United States—except where United States vessels are not available at market rates.

CURB ON FREIGHT RATES

This amendment is to curb any increasing differentials between United States and foreign freight rates and is regarded as Mr. Hoffman's answer to American shipping interests who sought an amendment that would require that 50 percent of all ECA-financed shipments be shipped in American bottoms regardless of the point of origin or of the rate assessed.

The ECA administration also is directed by the committee to keep in mind that the future of the European recovery program and of ECA operations are largely dependent on fluctuating commodity prices and that where bargains are to be had they should not be ignored.

Senator CONNALLY said he would take the foreign-aid measure to the floor as soon as the civil-rights filibuster ends.

Mr. MALONE. This means that the ERP or ECA nations must cut down their imports from the United States. In fact, Mr. Hoffman's deputy in Europe, former Secretary Harriman, is aiding the ERP or ECA nations in this objective. The New York Times of March 9—page 10—printed a dispatch from Paris:

Europeans urged to cut imports from United States to speed their recovery.

The article went on to say that the proposal of Sir Stafford Cripps, that each nation reduce its dollar imports by 10 percent a year was replaced by a statement that all should cut those imports to the extent necessary to eliminate by 1952–53 the need for extraordinary outside assistance. The article stated that Mr. Harriman was gratified by the outcome.

Another erroneous assumption upon which the 1934 Trade Agreements Act free-trade program is based is that an increase in American imports will automatically cause an increase in American exports.

The Assistant Secretary of State for Economic Affairs, in a statement favoring the extension of the 1934 Trade Agreements Act free-trade program, endorsed this proposition when he said that the program was to create purchasing power for American exports.

Mr. President, they are on every side of every question, so that no one, apparently—least of all themselves—can determine what the objective result is.

If the Assistant Secretary is correct, then he must use the so-called bargaining power of the Trade Agreements Act to undo the very work that Mr. Harriman is now reported to be doing in Paris to make the Marshall plan effective. It is difficult for the mind to conjure a more diametrically opposed functioning of two programs. Under the ECA our Government encourages the foreign countries to reduce their dollar deficits by excluding the importation of American products. Under the Trade Agreements Act, it is claimed that we knock down the foreign countries' barriers to the importation of American products. We are not supposed to see any inconsistency in this double talk.

ECA MONEY USED FOR INVESTMENTS IN UNITED STATES

All of us know, and the figures show, that dollars received by foreigners from imports into America are not exclusively devoted to purchasing United States exports.

It is fair to ask, "Where did that money go?" The answer is not too involved, Mr. President.

To be specific, $750,000 has just been allocated to a British company for the purchase of department stores in the United States, at least one to be located in New York City. The avowed objectives of that purchase by the British Great Universal Stores, according to the Wall Street Journal of January 8, 1949, is to foster British exports by insuring that British products will be adequately presented to American consumers in retail stores. That is merely another and more complicated way of saying that the purpose of buying the stores is to drive American goods off the shelves of American stores, and substitute British goods in their place.

GREAT BRITAIN PUSHING OVERSEAS INVESTMENTS WITH ECA FUNDS

This is by no means an isolated instance, Mr. President. According to Business Week of July 31, 1948, Britain is pushing overseas investment, as she hopes thereby to recapture some of the income lost through wartime divestment.

Business Week lists 250 firms studying the prospects of Canadian branch plants, with at least one $3,000,000 plant projected. Seventy firms are listed as investigating manufacturing prospects in Australia. An unspecified number of companies are considering commencing operations in South Africa.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article from Business Week of July 31, 1948.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INTERNATIONAL OUTLOOK

Four-power talks on Germany are now almost a sure thing, despite our cutting of the rail link between the Russian zone and western Europe.

The Conference of Foreign Ministers may meet to resume discussions of Germany. That's why the British and United States Ambassadors to Moscow are being briefed before they sit down with Foreign Minister Molotov.

Step 1 in breaking the Berlin deadlock may be agreement to withdraw the Deutsche mark from Berlin on the grounds that the twin currency works hardships on Berliners. This would be traded for lifting of the Soviet rail and road blockade of Berlin.

But parallel plans to speed up a west German government will not please Moscow. They could upset plans for the four-power meeting.

Paul Hoffman, Economic Cooperation Administrator, took Marshall-plan countries to task in Paris last week. He told them it was high time they helped out in the ECA work.

The Organization for European Economic Cooperation has been doing little more than adding up figures and shooting them to Washington. Hoffman made no bones about the fact that Washington is tired of this.

He got results. OEEC will now take responsibility for properly divvying up ECA allocations.

One high light of Hoffman's visit was the announcement, after talks with Sir Stafford Cripps, of a joint United States-British council to study British industrial modernization.

The Federation of British Industries and the National Association of Manufacturers are expected to cooperate. Trade-union groups in both countries will also share in planning the flow of United States technical know-how to Britain.

Czechoslovakia and Finland are the first countries of eastern Europe to get ECA orders.

Last week an order for $488,000 worth of wood pulp was placed in Finland. Czechoslovakia will get $400,000 for repair of railroad equipment. All along, some economists have insisted that success of the Marshall plan depends on recovery of normal trade in Europe regardless of east-west political differences.

Britain is pushing overseas investment.

More than 250 firms are currently studying prospects of Canadian branch plants. About 45 have plans well advanced involving investments of from $100,000 to over $1,000,000. One $3,000,000 plant is listed.

Seventy firms are investigating manufacturing prospects in Australia. South Africa is not being overlooked. Britain hopes, by rebuilding overseas investment, to recapture some of the income lost through wartime divestment.

Metropolitan Cement Co., Ltd., a new $5,000,000 Australian company, has purchased a 150,000-ton cement plant from Ford. It is being dismantled for shipment to Australia.

In recent years Ford Motor Co. has dropped many of the subsidiary enterprises it started, figuring that its big profits lie in car building (BW, Mar. 16, 1946, p. 28). A railroad, ships, tire plant, and several other projects were sold.

World Commerce Corp., New York, has closed a deal with Cassella Farbwerke Mainkur, former I. G. Farben unit near Frankfurt. The idea is to help western Germany's production and export of dyestuffs.

The deal works this way: World Commerce is supplying up to $475,000 in raw materials and equipment. Cassella agrees to manufacture and export $1,500,000 worth of dyes. The United States company gets paid out of the proceeds of Cassella's sales.

World Commerce's Zurich office will do the buying for Cassella, mostly in Europe. It will also handle the exports, which will go chiefly to India and the Far East.

Brazil is astir with rumors of a hot political contest this fall.

Getulio Vargas, who resigned in 1945 after 15 years as chief of state and is officially out of politics, is reported ready to make a bid for return to the presidency as the "father of the poor" candidate.

Incidentally, President Dutra is reported backing General da Costa, the War Minister, as his successor.

Current notes on business abroad:

India is rushing plans for a synthetic petroleum industry. Koppers Co., Pittsburgh, is estimating costs of a plant to produce synthetic oil from gasified low-grade coal. India wants a plant to make a million tons of gasoline and byproducts, but cost estimates are being prepared for units producing from 100,000 tons a year up. Also, Koppers is teamed up with Arthur McKee & Co. and Britain's International Construction Corp. on a steel-expansion project for India (BW, June 19, 1948, p. 116).

Czechoslovakia has made its peace with Unilever. The two weren't on speaking terms after the nationalization of Unilever's Schicht works in 1945. But now the Prague government has agreed to compensation. Unilever will be paid for the nationalized works in Czech crowns, which will be used to purchase Czech products.

Argentina is bidding for Italian airplane motors. The Argentine Air Minister is slated to visit Italy next month to contact Fiat and Breda. Last year Argentina bartered grain for $8,000,000 worth of Italian farm machinery built by Fiat in Milan (BW, September 6, 1947, p. 100).

New Zealand's first tire plant has started production. It's a Firestone subsidiary at Papanui, near Christchurch. It not only will meet the needs of New Zealand motorists, but also will sell to the entire Southwest Pacific area.

India's first frozen-fish plant is being built for the Government at Bombay by Carrier Corp., Syracuse. After tests, the plant will be turned over to private enterprise, probably next year.

Puerto Rico's Industrial Development Co. and Beacon Textiles, Inc., New York, will build a $1,500,000 blanket factory on the eastern coast of the island. The development agency will put up $700,000 for factory and site, and Beacon will spend $800,000 for machinery and equipment. Output of $5,000,000 a year will be marketed in the United States. The new plant gets 12 years' exemption from taxes.

Canadair, Ltd., Montreal, has signed a $14,000,000 contract with British Overseas Airways Corp. for 22 four-engined DC-4M

North Star aircraft, a Canadian-modified Douglas model. British Rolls-Royce Merlin engines are used in the Canadian plane. The Montreal plant will triple its 2,000-man pay roll to handle the order.

Mr. MALONE. Mr. President, are we financing British investments abroad? I have just said that 250 firms are now studying the prospects of establishing branch plants in Canada, alone. The purpose of making such investments would be to make invasion of the American markets easier and profitable to the British. Aside from those plans for plants in Canada, others are planned in Australia, South Africa, and elsewhere. As far as Canada is concerned, British pounds will not suffice, but it will be dollars which will make investment there possible.

Not only the ERP countries are benefiting from the ECA funds, for Business Week of July 31, 1948 reports that $488,000 of ECA funds are going to Finland for purchases of wood pulp, and $400,000 went to Czechoslovakia for the repair of railroad equipment.

Mr. President, I ask unanimous consent to have inserted at this point in the RECORD an article from the New York Times of January 30, 1949.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BRITISH ARE DISTURBED BY GERMAN COMPETITION—THEY ALSO BELIEVE LOW-PRICED GOODS FROM JAPAN HURT THEIR TRADE

(By Charles E. Egan)

LONDON, January 29.—Representatives of the three occupying powers in western Germany were in session here this week to find a solution to western Allied complaints of "unfair" competition by German manufacturers in export markets.

Most vocal of complaining businessmen are British manufacturers of motorcars, precision instruments, oil engines, machinery, and chemicals. These men reported to their Government recently that they were unable to meet prices at which German producers are laying down competitive products in such hard-currency markets as Switzerland and Belgium.

OFFICIAL REASSURANCE

British officials, particularly occupation authorities and executives of the Board of Trade, have assured British producers that fears of continued German underselling are groundless. Since the currency reforms of last summer which established the German mark's value at the equivalent of 37 United States cents, production costs have doubled in Germany, they say. They add that it will soon be apparent that German manufacturers now enjoy no special advantages so far as prices are concerned.

Despite these explanations, British automobile producers are not satisfied. They point out that while enjoying the benefits of the undervalued German mark, producers booked long-term contracts for delivery of cars to Swiss, Belgian, and other buyers, and that these contracts have still many months to run. By the time the last of German deliveries at the old prices are made (British manufacturers say this will be about September of this year), the German car will have established itself over competing foreign makes in continental export markets vital to the prosperity of Britain.

Talks are being held here by representatives of the Joint Export and Import Agency (the Allied organization in Germany based in Frankfurt) responsible to the commanders in chief of American, British, and French occupying forces and officials from Britain's Board of Trade. They hope within the coming 10 days to draw up an export program for Germany covering the first half of this year with a tentative projection of aims for the last 6 months of the year.

FRENCH AND BRITISH UNITED

Complacency of the United States regarding German reentry into the field is difficult for either the British or French to understand. The two countries from different motives are standing together on the subject of German industrial revival. Both agree that some degree of industrial resurgency must be permitted western Germany if the European recovery program is to prove a success.

France wants a watered-down version of German recovery for security reasons. The British ask much the same thing because of inherent fear of German competition in export markets.

The United States, which is footing most of the bill for occupation costs, is anxious to see an early supervised revival in German production so that the occupation zone can come closer to paying its own way.

The British, particularly cotton mill owners in Lancashire, are also extremely puzzled and considerably irked by General MacArthur's willingness to see a revival of Japan's cotton textile and other light industries. British mill owners say they are already feeling the pinch of low-price competition from Japanese mills in a number of eastern markets. What makes the situation doubly bitter in British eyes is that some of Manchester's traditional markets in British colonial possessions are being successfully invaded by eager Japanese textile producers able to undersell the British product.

So far most of the clamor regarding Japanese competition has centered upon textiles, but British manufacturers of other goods are expecting the reappearance of competing Japanese products at prices well below those that the British or Americans can touch.

SHIPYARD INTERESTS

Protests against any possible reentry of either Japanese or German shipyards into the field of construction of oceangoing vessels are under preparation here. The British candidly are more concerned at the possibility of German than Japanese competition, but they believe they can enlist the assistance of fellow shipbuilders in the United States if a Japanese threat to American shipbuilding is high lighted along with protests over German yards.

According to British shipyards, effects of German competition are already being felt in the ship repair end of the business.

Mr. MALONE. The British are ever alert to the costs of production in their competitor countries. To the contrary, our State Department and other free-trade advocators always contend that the cost of production is of no significance. Whatever else may be said of the British, Mr. President, they are realists when it comes to trade.

Mr. President, I wish to say that I have great admiration for the British people. Whatever I have said today is not directed against the British people, but has been said merely to show that we are not protecting ourselves in our dealings with the Marshall-plan countries, whereas every one of them is protecting itself in its dealings with us, and also is reaching behind the iron curtain and is making the necessary trade agreements so as to utilize the money and the goods we are sending to it under the ECA plan.

The same issue of Business Week, to which I referred a moment ago, carries a dispatch to the effect that the Metropolitan Cement Co., Ltd., a new $5,000,000 Australian company, has purchased a 150,000-ton cement plant from Ford, which was being dismantled for shipment to Australia. All of this has occurred during a year of serious shortage of cement in the United States, and when we were furnishing Britain with billions of dollars.

THE INTERNATIONAL TRADE ORGANIZATION

INTENT—FREE TRADE

If there is still any question about the character of the international trade organization treaty which is scheduled to be presented to this body following the approval of the second-year program of the Economic Cooperation Administration and the 3-year extension of the 1934 Trade Agreements Act, I quote here a statement written by Dr. Elvin H. Killheffer, a distinguished economic consultant who was a member of the United States Delegation to the Havana Conference, where the charter was completed:

In discussing the Havana Charter we are no longer talking about the lofty and somewhat nebulous general objectives originally announced as the purpose of the International Trade Organization. What we are now appraising is one of the most important contracts or treaties ever negotiated.

First of all, a centralized international agency of this sort can introduce a planned economy for the world. Why should the United States favor an idea so contrary to its own historical experience?

The whole of the charter is a vast invasion of the private-enterprise principle. All of the obligations—in fact, all of the provisions—are directed to what members shall or shall not do or what exceptions or escapes members may use.

Members are governments in every case. Therefore, the charter is a master plan for the conduct of international trade by governments or, worse still, a supergovernment—an international bureaucracy. While the United States Department of State proposed it, the people of the United States who are engaged in production of its wealth still strongly believe in private enterprise.

How, then, explain this paradox?

The fact that a group in the United States made the original proposals for the International Trade Organization only proves that we have our full share of those who believe they have the wisdom and comprehension to plan for the whole world.

There is little, if anything, in the charter that would indicate a continued belief in private enterprise, whereas throughout the document are the doctrines of a planned economy.

Despite the history and experience of the United States and its unequaled record of achievement under freedom, private initiative and private enterprise, the Charter for the International Trade Organization gives the minimum of lip service to these proved successful doctrines, whereas it accepts and provides for the spread of the doctrines of socialism.

If we in the United States believe that the functions of government should be to plan, operate and control the operations of capital, credit, trade, national resources and means of production, then we should favor the Charter.

If we are faithful to the principles that have made the United States outstanding, then we should reject it.

Mr. President, a further opinion relative to the operation of the International Trade Organization has been rendered by a special committee of the American

Bar Association, after analyzing its Charter. This committee came to the conclusion that—

We are forced to the conclusion (A) that such a commitment cannot validly be entered into by the President without the advice and consent of the Senate; and that (B) the Senate cannot give its advice and consent (and probably will not knowingly do so) to an engagement, the modification of which is thus placed beyond its power of review. Such a situation carries with it a surrender of sovereignty of such broad implications that, if not dismissed forthwith as undesirable, it should only be endorsed if substantial inducements and considerations for it are assured.

With reference to the provisions in the charter concerning the avoidance of unemployment or underemployment, the committee came to the following conclusions:

But the necessary implementation of this vague commitment presupposes planned international economy coextensive with the commitments. This commitment is one which this Nation cannot undertake in good faith, and should not offer on any less basis.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an article from the Wall Street Journal of March 12, 1949, entitled "When Plans Collide—Conflicting National Goals for Increasing Exports Is Bound To Hurt the General Recovery of Europe."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHEN PLANS COLLIDE—CONFLICTING NATIONAL GOALS FOR INCREASING EXPORTS IS BOUND TO HURT THE GENERAL RECOVERY OF EUROPE

(By William Henry Chamberlin)

Advocates of centralized government planning as a cure for all a nation's economic ills have faced up to the question of what is supposed to happen if two or more master plans collide. Suppose, for example, that country A proposes to build up an export surplus of a half billion dollars, that countries B and C have the same purpose—and that the absorptive capacity of world markets just isn't equal to meeting these requirements. Obviously something has to give. The plans collide and some of them, at least, prove to be nothing but daydreams.

This is just the situation that is looming up in Europe today. Great Britain has worked out a 4-year plan, designed to overcome the chronic deficit in its balance of payments and to produce a neat credit balance of $400,000,000 in 1952. The idea is to build up a big surplus of visible and invisible trade with the sterling area, estimated at $816,000,000. There is to be a small surplus of $49,000,000 with the ERP countries of Europe.

These surpluses, so the planners hope, will more than offset deficits of $291,000,000 with the United States and Canada, of $174,000,000 with the rest of the trading world. Britain's international accounts, so long in the red, will be in the black. On this assumption it will be possible by 1952 to dispense with American and Canadian subsidies.

PLANS CLASH

But the realization of this plan runs counter to the aspirations of the European continental countries, which are also heavily in the red and hope to improve their position by the time ERP is terminated. Before the war Britain bought about $600,000,000 worth of goods from Europe more than it sold to Europe. Most of this balance was accumulated by trade with the countries of western Europe, the beneficiaries of ERP.

These countries see themselves shut out of a formerly large and wealthy market and gravely handicapped in their own struggle for solvency. The French feel especially aggrieved, because France has always been famous for luxury exports, such as wines, perfumes, silks. But a Britain committed to austerity shuts its doors firmly on these tempting French "unessentials."

Still another complication is introduced because western Germany, where the city population since the end of the war has been on a meager diet which would have fallen below the subsistence level if it had not been for large American food supplies, is also expected to stagger to its economic feet. The bizonal occupation authorities have worked out a scheme for Germany very similar to the plan which the British have worked out for themselves.

It is proposed to increase German production 64 percent above the present level by 1952. This would be 10 percent above the 1936 level. The British plan calls for exports 50 percent above the prewar level; the German plan for an increase of 60 percent above prewar. The bizonal planners believe that, if all production and trade targets are reached, Germany will be able very largely to cover adverse trade balances of $250,000,000 with the United States, of $142,000,000 with Great Britain, by building up trade surpluses with Europe and the sterling area. The present heavily adverse German balance of payments is expected to be cut down to the manageable figure of $72,000,000.

But this German plan raises even more questions than the British. Will Germany, hobbled and shackled by occupation regulations, be able to compete on equal terms in what will probably be less and less of a sellers' market? Is it likely that all currencies will be convertible by 1952? Can any trade, except on a restricted bilateral basis, be carried on with the Soviet Union and its satellites, since the currencies of these countries are valid only for internal use?

PRODDED BY THE UNITED STATES

There is something ironical and a little pathetic in the fact that America, which is officially committed to free private enterprise, has under ERP been prodding European countries into more planning than they might otherwise have been disposed to undertake. A European economist who took part in the negotiations at Paris that led to the adoption of the Marshall plan told an American friend:

"When I worked for my government it took me 5 months to draw up an import plan for the next year. When I came to Paris, the questionnaires submitted by the American experts forced me to make a plan for 4 years within 1 week."

Surely the wisdom of this orgy of detailed planning is open to serious doubt. A totalitarian state like Russia, able to get along (on a very low standard of living) with very little foreign trade can go in for all-out planning, although in practice this method of running a national economy has proved cruel, wasteful, and inefficient.

But for the smaller interdependent nations of western Europe, not one of which could maintain a tolerable standard of living without considerable foreign trade, accurate planing is not even feasible, leaving aside the question of whether it is desirable. Who can say with any real assurance what will be the state of supply and demand 4 years hence, what will be the level of prices, what sources of demand may dry up and what new ones may appear?

It is highly probable that all these national plans will wind up in a grand collision, with the United States probably absorbing much of the blame for the crash. It might be much wiser for this country to utilize the influence which it possesses as the sponsor of ERP in order to work for the breaking down of artificial obstacles to the free flow of trade, for the restoration of free markets and a normal price system and realistically valued currencies. This would be a better basis for European economic unity than a group of contradictory and conflicting national economic plans.

Mr. MALONE. William Henry Chamberlin points out in the Wall Street Journal how impractical the planning of the various countries is. All of the nations in the ERP are planning to increase exports to the point where they will eliminate the bulk or all of the dollar deficits under which they have been suffering. Whether the exports that are to achieve this goal are to consist of industrial goods, which soon may be a glut on the market, or luxury goods, which many countries are and will be unwilling to import, is immaterial. Individual planning by each country is merely going to result in more clashes in international trade, and in more control over imports. It is certain that such unintegrated planning will not be crowned by success.

All of this planning is aided and abetted by the United States which requests long-range plans formulated in a short period of time, to the despair of foreign planners. This country of free enterprise is actively encouraging and demanding planning on national scales abroad.

STATE DEPARTMENT ERRONEOUS ASSUMPTIONS

A selective free-trade policy adopted by the State Department based on the 1934 Trade Agreements Act sold to the country through the catch phrase "reciprocal trade" is based upon a series of erroneous assumptions.

CATCH PHRASE—RECIPROCAL TRADE

First, of course, among these erroneous assumptions is the conclusion that there is now or ever has been anything reciprocal in the Trade Agreements Act, because any concession we make or have made under the Trade Agreements Act with any nation must be extended automatically to every nation with whom the United States has a commercial treaty embodying the so-called most-favored-nation clause.

Both from a standpoint of theory and also from a practical standpoint, it is impossible to defend any such procedure since, while it could possibly be in some instances that a tariff reduction to one country for a return concession on the part of that country might be justified if it would keep the agreement, but it is utterly impossible to justify a grant of the same concession to other nations which do not offer any corresponding benefits to us. Such a policy simply makes a mockery out of the use of the word "reciprocal" in connection with any such trade agreements. Some of the proponents of the plan say, when questioned, that we make concessions only to the principal supplier of imported commodities, so no real damage is done.

This argument is not sustained by an examination of the facts, as has been demonstrated by such authorities as George N. Peek, a former official in the Agriculture Department, who was coauthor of a work entitled "Why Quit Our Own," where he showed that we made concessions to many nations—not principal suppliers. He says, in effect, that:

The United States made concessions to Brazil on manganese, when Soviet Russia, the African Gold Coast, and British India were the principal suppliers.

The latest example of the way our Government ignores the principal supplier theory has come to my attention in a letter from which I quote the following paragraph:

In the administration of the reciprocal-trade-agreements program, the State Department about a year ago negotiated with Czechoslovakia a reduction in the tariff on the medium-priced range of china in violation of Secretary Hull's principal supplier rule. (Cf. hearings, Ways and Means Committee, March 8, 1934.) The Census Bureau has just started tabulating china imports by these agreement classes, and, while Czechoslovakia never was a principal supplier of this class of china, these new figures reveal that in January of this year only 0.2 to 1 percent of our imports in the Czechoslovakian agreement class came from that country, while the tariff reduction was an outright free gift to countries with which we have no trade agreements at all and which supplied over 97 percent of our imports of this class of china.

So until recently, on account of World War II and the preparation of world war III and our foreign gift loans amounting to nearly $30,000,000,000 since the close of the war, American industry has not felt the full force and effect of this pernicious policy. Now we are moving into a depression as a direct result of the unwise free-trade policy.

SIR STAFFORD CRIPPS—ECA FUNDS INVESTMENTS

I have already quoted Sir Stafford Cripps, but I quote him again for the record. In a discussion with Sir Stafford Cripps, in November of 1947, after he had assured me that the Marshall-plan money was not so necessary for England but that it was necessary to establish new industries in their African possessions, I inquired why England did not establish the integrity of investments in Africa so that citizens of any of the 58 nations of the United Nations including England, investing money in that area would only be taking a business risk and not the risk of nationalization and socialization of their capital.

In other words, businessmen will take a business risk on their judgment of the business which they understand but cannot take the risk of nationalization and socialization of their capital.

He brushed the idea aside with a remark that that did not fit into the program. They apparently want our Government to give their Government the money to invest in new industry so that their own Government will own them free of debt.

That was said, Mr. President, at the time of the visit, and subsequent events have proved that conclusion to be correct.

The ECA pays lip service to the idea that private investment should supply funds for the development of industry throughout the world. According to the Wall Street Journal of September 16, 1948, there was so much interest on the part of businessmen in the prospect of private American investment abroad under ECA, that it was estimated that $2,000,000,000 could be spent in 4 years if the plan were run right.

Mr. President, in connection with that statement I wish to submit an excerpt from the New York Times of March 19, 1949 entitled "Develop Colonies, ECA Nations Told—Hoffman Tells AMA Conference Nine of Seventeen Billion Marshall Plan Aid Will Be Spent Here."

The VICE PRESIDENT. Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times of March 19, 1949]

DEVELOP COLONIES, ECA NATIONS TOLD—HOFFMAN TELLS AMA CONFERENCE NINE OF SEVENTEEN BILLION MARSHALL PLAN AID WILL BE SPENT HERE—WARNS PLAN WILL HIT US—SAYS PROBLEM MUST BE FACED HEAD-ON WITH COLD WAR—AMERICAN WAY AT STAKE

In line with the fourth point of President Truman's inaugural address, Paul G. Hoffman, European Cooperation Administrator, yesterday called for European Marshall-plan countries to intensify activities in the field of colonial development.

Speaking before more than 500 industrial executives, during the second day of the conference on marketing of the American Management Association, in the Statler Hotel, Mr. Hoffman said ECA is charged with the responsibility of helping in the colonial development task.

For the first time, publicly, Mr. Hoffman estimated a total cost to American taxpayers of $17,000,000,000 for ECA tasks for the full 4¼ years of its life. Of this sum, $9,000,000,000 will be spent directly in the United States. In the course of time, he pointed out, the remaining $8,000,000,000 will certainly return to our shores.

"TOUGH IMPLICATIONS" STRESSED

Industrialists and the American public, he stressed, should now prepare themselves to accept some of the "tough implications" of the principle that European nations must make full use of their own resources. Unless this problem is faced "head on," he continued, this great Marshall plan could deteriorate into an ineffective relief program. He named coal exporters and American automobile manufacturers as industrial groups likely to be affected, if ECA area industries recover their prewar trade patterns. Before the war, very little American coal found its way to Europe while now this country is still exporting a million tons a month.

"We in the automobile business," he said, "may shudder but still must not get too violent as we see our European dealers shift over to selling British-made cars. We must exercise this restraint because at the present time most of the Marshall-plan countries cannot buy American motor cars unless the American taxpayers give them the dollars with which to buy them."

America's principal gain, from the Marshall plan, will be that "our way of life will be secure," if through a miracle of economic recovery, Marshall-plan nations have become self-supporting by June 30, 1952. He emphasized that "this is a time to accelerate, and not slow down" the recovery program. Urging that the program hit hard to take advantage of the momentum built up the last few months, he declared there was a sound basis that the "miracle of recovery" would "come off." This would insure peace, not only for a time, but for a long time, he said.

Two points must be accepted, to encourage the greatest possible use of Europe's resources, Mr. Hoffman added. We must help restore European production of all those goods in which she is normally and potentially self-sufficient so that she will no longer require imports from us. And we must also accept whatever temporary or permanent change in the normal trade pattern comes as a result of fuller use of European resources. This task cannot be achieved by attempts to restore the prewar pattern, but calls for rebuilding the economy of Europe along bold new lines.

Pointing out that in some kinds of output and on an over-all basis, Europe is at a great disadvantage in productivity, compared to industry and agriculture in this country, Mr. Hoffman said 1947 per capita income in Europe of $375, compared to about $1,500 here, should be built up to more than $500. He envisaged a level between $650 and $700 as possible.

AMERICAN WAY AT STAKE

He warned that the American way of life is involved because as long as the Kremlin continues its cold war to enslave Europe, huge military expenditures will be necessary and taxes must continue at a level as high or higher than now are prevailing. "Nor should it be necessary to remind you," he said that a huge military program may require reimposition of various controls. The one certain way to get taxes down and keep the American economy free is to win the cold war in Europe and thus avert world war III.

Pointing to concrete results of ECA activities, he said the progress of European recovery has been more rapid than any of us dared to hope. During the calendar year of 1948 total output of factories and mines in participating countries was 14 percent above that of 1947 and about equal to prewar. The gross national product of Marshall plan nations for 1948 will exceed that of 1947 by at least $20,000,000,000. The increase has gone almost entirely into capital assets.

Mr. Hoffman emphasized that he did not ask support of the Marshall plan on the basis of its impact on American markets during the period of its operation. He said there are many groups of American producers who have anticipated substantial increases in business as a result of the Marshall plan, who may, and possibly should, be disappointed.

At this time in no country of Europe has the standard of living yet reached the prewar level, he continued. Increased output has been aimed at rebuilding plants, homes, and public facilities.

Mr. MALONE. But this article goes on to say that the European nations are not cooperating. In some British colonies Americans are permitted to invest in only nonbasic industries. The British reserve to their own nationals the right to develop communications, power, basic minerals, transportation, and other basic industries in these localities. This situation apparently is current throughout Europe with many profitable industries reserved for European nationals.

Mr. President, I want to interject at this moment what I have said on many previous occasions in reference to the colonial possessions of other nations, that twice in our lifetime, twice in my own lifetime, we have left bloody tracks all over the western rim of the Pacific and in Europe in order to reclaim colonial possessions for empire-minded nations. In other words, there is no doubt, I suppose, in anyone's mind about who can protect the colonial possessions. If there were any doubt it must have been dispelled when Singapore, the Indies, and the Malayan States fell during World War II. As I said before, and now I reiterate, when we are doing the financing and doing most of the fighting in connection with the reclamation of such areas, then the colonial areas themselves, if they want to put up a tariff or any other

barrier to trade for their own consideration and for their own development, they should be perfectly welcome to do so. But, Mr. President, they should not be forced to put up a barrier to trade through empire preferential rates with respect to our trade.

In other words, we are entitled, by the very fact that we have twice in our generation protected these possessions and apparently stand ready to continue such protection, to equal access to the trade of those areas. We are entitled, I repeat, to equal access to the trade of the areas we are committed to defend, so that any nation on its own can regulate its import or export fees for the regulation of its trade, but is not to be controlled by any third nation and forced to exclude our trade through such preferential import rates.

After inspecting practically all of the nations in the European, middle eastern, Asian, the near eastern, the South Seas, and African areas, since the close of World War II and noting the conditions there, I conclude:

First. That we are arming Russia for the third world war through the 16 ECA, or Marshall-plan, nations of Europe, since they have signed 88 trade treaties with Russia and the nations behind the iron curtain since the close of World War II, agreeing to send, and are shipping, war materials and equipment, manufactured and fabricated from the raw materials and by the factories financed by the billions of dollars furnished them through our own Economic Cooperation Administration—the so-called Marshall plan.

Second. That two of the so-called Big Five nations—England and France—have nonaggression pacts or treaties with Russia, agreeing that they will not enter into any coalition against Russia, and that these nonaggression treaties are now, and have been, in full force and effect at all times since the close of World War II.

Mr. President, in that connection I ask unanimous consent to have inserted in the RECORD at this point an excerpt from the Times-Herald of Washington, D. C., dated March 3, 1949.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES-AID NATIONS TRADE GIFT GOODS TO RED SATELLITES

PARIS, March 12 (UP).—A considerable amount of goods bought with Marshal-plan money is being bartered to the Communist-run iron curtain countries for products the west needs.

The economic cooperation administration approves the deals as expedient.

High ECA officials confirmed these facts today and say they were worried only about the possibility that the deals might increase the war potential of the Soviet satellites.

PROBE AUSTRIA COTTON DEAL

ECA officials were conferring here with Austrian representatives about the transshipment of Marshal-plan goods. ECA has authorized Austria to send $3,279,000 worth of ECA-bought cotton to Hungary.

Hungary, in turn, would send Austria vegetable products, fats, and oils, an ECA spokesman said.

The spokesman at ECA headquarters said that other countries, such as Sweden, Norway, and Denmark, were shipping ECA-bought goods to Poland in exchange for coal.

However the spokesman was unable to estimate the total amount of goods which western Europe buys with ECA funds and then barters to Soviet-dominated eastern Europe.

ECA ENCOURAGES TRADE

"ECA has no information to make it upset over the amounts or types of goods going to Poland," the ECA representative said. "The present ECA policy is to encourage European countries on both sides of the curtain to stimulate and restore necessary and essential east-west trade."

He said this policy is encouraged only so long as western goods going into eastern Europe are not of military value. He conceded that this was a hard thing to determine and "it is one of our big problems."

Mr. MALONE. Third. That the record shows, and is supported by the direct testimony of the ECA administrator and the assistant Secretary of State, that the three-pronged free-trade program is deliberately designed to divide the markets of this country with the 16 European nations and with the countries of the world, to decrease the trade-balance deficits of such European nations, which are now being made up in cash each year through the direct cash payments made or promised to them under the ECA program.

I am sure, Mr. President, that American workers and their leaders do not realize the catastrophic result which will flow from the administration's free-trade program, and that there will be repercussions of a major character.

Fourth. That England has been shipping large amounts of tin—one of the most essential and scarcest of all strategic metals—direct to Russia from Singapore in the Malayan states in the Far East, and has had a trade treaty with Russia agreeing to ship and is shipping manufactured and fabricated war equipment and materials—all entered into subsequent to the difficulty with Russia in the United Nations organization.

I repeat, Mr. President, they are shipping tin direct from Singapore, where a great part of the tin of the earth is produced. We produce no tin at all in this country, and it is a great strategic metal and a very hard metal to come by.

TRADE AGREEMENTS NULLIFIED

Fifth. That the principal ECA nations, including England, France, and the Netherlands, have never entered into trade agreements with this Nation in good faith, that such agreements have been largely nullified at all times by them through quotas, currency manipulations, and other subterfuges, and that such agreements have all the earmarks of being entered into with the sole objective of dividing the markets of this Nation with such countries through selling the products of their low-wage-living-standard labor in the United States.

Sixth. That we are giving the governments the ECA money through direct gift-loans, encouraging their nationalization and socialization plans to purchase industrial plants including the coal mines and the steel plants, and to construct new industries not only in their own countries, but in their colonies in Asia and Africa to be owned and operated by their respective governments.

Mr. President, I ask unanimous consent to have inserted in the RECORD at this point an excerpt from the Washington Post, dated March 14, 1949. It concerns a statement made by Mr. Churchill, who is now, I understand, in this country.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LIVING IN FOOLS' PURGATORY, CHURCHILL SAYS OF BRITIONS

SOWERBY, YORKSHIRE, ENGLAND, March 13.—Winston Churchill said today the labor government was making the British people "live in a fools' purgatory upon the generous grants of free enterprise capitalist America."

In a letter to Councilor Paul Bryan, Conservative candidate in the Sowerby parliamentary by-election scheduled for Wednesday, the leader of the Tory Party said Socialist nationalization had failed wherever it had been enforced.

One great industry after another, Churchill said, had been turned into a losing business.

"Now the Socialists, to brazen out their failure, are assaulting our most successful export earner, the steel industry," Churchill said. "This can only make us a poorer and weaker country."

Churchill said the Socialists "boast they have cured unemployment and at the same time admit that but for the immense American subsidy there would be between one and two million unemployed today."

"Our British island, with its immense population, will never be able to maintain its prewar standard of living under a Socialist system of society," the letter added.

"If we are to earn our daily bread in the world, it can only be through the strongest possible individual effort and ingenuity arising from conditions of freedom and fair play."

Turning to the government's foreign policy, Churchill said 400,000 people have been killed in India in the last two years and Burma "has become a foreign country and is in anarchy."

He described the state of Britain's defenses as "lamentable."

"Never before was so much manpower and money used for so little result in security," he said.

The Sowerby by-election was caused by the resignation of John Belcher, parliamentary secretary to the Board of Trade, who figured prominently in the recent investigations into alleged bribes of government officials.

The Labor government has not lost a single Commons seat in 32 by-elections since it took office in 1945.

In the 1945 election, Labor had a majority of 6,933 votes at Sowerby in a three-cornered fight against a Tory and a Liberal.

Bryan, a clothing manufacturer, is opposed by Douglas Houghton, well-known British broadcasting company commentator.

Mr. MALONE. Seventh. That the countries of Asia, the Near East, the South Seas, and Africa are almost perfect complements to the United States; that is the 35 or 40 products which we either do not produce at all or not enough for our own use, including the nickel, tin, manganese, chromite, copra, spices, coffee, and rubber are, or could be, produced in ample quantities in that area, and that this productive area including Indochina, the Malayan States (Singapore), the East Indies (Indonesia), the Sudan country in Africa, and the Belgian Congo, South Africa, Rhodesia, the Gold Coast, the Ivory Coast, and French Morocco are all controlled by the empire-minded nations of England, France, the Netherlands, and Belgium.

That even India-Pakistan-Burma, Egypt, and a part of China (the Hong Kong area) are a part of the sterling

bloc with their large credit pound-sterling balance, and with their empire-preferential rates, meaning that the import and export rates of these nations favor Great Britain and the sterling bloc area in all such transactions.

Mr. President, I ask unanimous consent to insert at this point in the RECORD a list of the satellite nations of France, Netherlands, and Belgium in exactly the same manner as I submitted a list of the sterling bloc countries.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Colonial areas of the empire countries (Netherlands, France, Belgium)

	Area	Population
NETHERLANDS EAST INDIES	*Square miles*	
Riau-Lingga Archipelago	12,506	298,329
Banka	4,549	205,433
Billiton	1,873	73,429
Borneo, Netherlands	208,286	2,169,000
West district	56,664	827,898
South and East districts	151,622	1,366,635
Celebes	72,986	4,232,000
Island of Celebes	38,786	3,092,749
Manado	34,200	1,139,251
Molucca Islands (including Dutch New Guinea)	191,682	894,000
Timor Archipelago: Netherlands	24,450	1,657,000
Bali and Lombok	5,231	2,402,227
Indonesian Republic:		
Java and Madura	50,745	47,456,000
Sumatra	163,557	7,563,499
NETHERLANDS WEST INDIES AND SOUTH AMERICAN POSSESSIONS		
Surinam (South America)	55,143	189,484
Curacao	381.1	105,617
FRENCH COLONIAL EMPIRE		
In Asia:		
French India	196	323,500
French Indochina	286,000	25,000,000
Total in Asia	286,196	25,323,500
In America:		
St. Pierre and Miquelon	93	4,175
Guadeloupe	583	304,209
Martinique	380	252,000
French Guiana and Inini	65,041	36,975
Total in America	66,097	597,359
In Oceania:		
New Caledonia, etc	8,548	59,889
Society Islands (Tahiti, etc)	1,520	39,920
Total in Oceania	10,068	99,809
In Africa:		
Algeria	847,552	7,234,684
Morocco (protectorate)	172,104	7,390,428
Tunisia	48,313	3,015,170
French West Africa	1,815,768	15,943,000
Togoland (trusteeship)	21,893	780,407
Cameroons (trusteeship)	166,489	2,516,623
French Equatorial Africa	959,256	4,003,733
Reunion	969	220,955
Madagascar	241,094	4,227,381
Comoro	790	
French Somaliland	9,071	49,685
Total in Africa	4,283,299	45,382,156
Grand total in colonies	4,645,660	71,402,824
BELGIUM		
Belgian Congo	902,082	10,425,235
Ruanda and Urundi	20,535	3,767,002

Mr. MALONE. Eighth. That the United States of Europe proposed by Mr. Winston Churchill and others has been entirely discarded in favor of the gift-loan plan financed entirely by this Nation, that each of such European nations may build up stronger competition with its neighbor.

In other words, all of the great ideas, the great proposals of the United States of Europe to the effect that we were not going to participate in their affairs until they organized a United States of Europe and threw down the trade barriers as between themselves, are forgotten. Then through this tremendous propaganda machine of the State Department and the National Government the idea is sold that this Nation should finance all the nations of Europe, no matter what they did with the money or the products. All prior propositions were forgotten.

Ninth. That each of the empire-minded nations, including England, France, the Netherlands, and Belgium, are expanding and strengthening their position abroad, in Asia, the Near East, the south seas, and throughout Africa—and are demanding and receiving a large percentage from this Nation on any purchase of the raw materials in those areas which are so vital to our welfare.

In other words, the way it operates in the colonial nations is that we do not buy direct from the residents of these nations; we buy from the empire-minded nation which controls the colonial empire in the particular spot, and there is always added a considerable tithing to the purchase price.

Tenth. That an observer of the actions and maneuvers of the principal beneficiary nations under the ECA—the Marshall plan—can lead to only one conclusion—that the United States of America is getting the greatest economic pushing around that any major nation ever received in 2,000 years of recorded history, and paying the bill ourselves.

I therefore again—as I did last year—emphasize that this Nation should work out a plan of action based upon our own best long-range interests. Such a plan would include:

First. Assisting other nations—feeding emergency hungry people—to the extent of our ability without unduly injuring our own economy;

Second. Loaning money for the rehabilitation of industry, or even for the construction of new industries where necessary, on the same basis as we loan money for such purposes to our own people through the Reconstruction Finance Corporation. This is the responsibility of the Congress; that is the basis of the amendment which I have offered, that is, the feeding of hungry people and the financing of industry is the particular business of Congress.

Third. Making up our minds what nations in Europe, Asia, the south seas, and Africa, in addition to the Western Hemisphere—and naming the nations within such areas whose integrity we intend to protect in the interests of our own ultimate safety and security—and then rebuilding our national defense organization, including an Air Force that can keep any nation on the ground which may seek to extend its system of government into such areas.

This decision on foreign policy is the responsibility of the President of the United States and the State Department—and can be extended along the lines of the 125-year-old Monroe Doctrine—under which we are the judge of when our ultimate safety and security is threatened.

This Nation should continue its 173-year-old policy of declaring war only when, in the judgment of the President and the Congress, its ultimate safety and security is threatened.

This Nation then should, at this time, operating under at least nearly normal conditions, work out a national and international economic policy which will maintain our wage and living standards while we are assisting the foreign nations to raise their own living standards. I submit that we cannot permanently raise their wage and living standards by immediately lowering our own through the proposed three-part free-trade program.

I again suggest that as long as this body considers it necessary to rehabilitate industries in Europe, or to furnish them money for the construction of new industries, money be loaned to private industry on the same basis on which we lend money to our own people through the RFC, in accordance with the amendment which I have offered.

PROMOTIONS IN THE ARMY, NAVY, AND AIR FORCE

During the delivery of Mr. MALONE'S speech,

Mr. TYDINGS. Mr. President, I ask unanimous consent, without the Senator from Nevada losing his right to the floor, to send to the desk numerous routine nominations for promotion favorably reported from the Committee on Armed Services, in the Army, Navy, and Air Force, with the request that they be confirmed, as in executive session, and that the President be notified.

I request that this matter may appear at the end of the remarks of the Senator from Nevada, so as not to break into the continuity of his speech.

The PRESIDING OFFICER (Mr. O'CONOR in the chair). Is there objection to the consideration, as in executive session, of the nominations referred to by the Senator from Maryland? Without objection, the nominations are confirmed; and, without objection, the President will be immediately notified.

UNANIMOUS-CONSENT REQUEST TO CLOSE DEBATE ON TAFT-RUSSELL AMENDMENTS

During the delivery of Mr. MALONE'S speech,

Mr. WHERRY. Mr. President, will the Senator yield for an inquiry?

Mr. MALONE. I yield for a question.

Mr. WHERRY. I ask the Senator from Nevada if he will permit me, without prejudicing his right to the floor, to make a unanimous-consent request relative to the time to vote on the Taft amendment?

Mr. MALONE. I shall be glad to yield for any request that the Chair decides will not jeopardize my right to the floor.

The VICE PRESIDENT. The Senator from Nebraska desires to submit a unanimous-consent request. The Chair hears no objection.

Mr. WHERRY. Mr. President, I send to the desk a unanimous-consent request and ask that it be read.

The VICE PRESIDENT. The clerk will read the unanimous-consent request.

The legislative clerk read as follows:

Ordered, That at the hour of 2 o'clock p. m. on tomorrow (Friday, April 1) general debate on the pending Taft-Russell amendments, providing for a 10-percent reduction in funds, shall close, and that the Senate proceed to vote on said amendments en bloc or upon any amendment that may be pending or that may be proposed thereon: *Provided,* That in the event any amendment may be proposed after said hour, the mover thereof may have 15 minutes in which to explain same, and the chairman of the Committee on Foreign Relations may also have 15 minutes to reply thereto.

Mr. LUCAS. Mr. President, reserving the right to object, let me say that I am surprised at the request. I discussed with the distinguished Senator from Nebraska not more than 15 minutes ago this very question. I told him that I would make a unanimous-consent request along that line. He said, "Do not do it. The Senator from Missouri has a long speech and he will object. The Senator from North Dakota has a long speech, and he will object, and I want to wait until those two Senators get their speeches out of their systems." Now, before such a unanimous consent is suggested, the Senator from Nebraska is, as usual, trying to take over the leadership of the Senate. I therefore object to the unanimous-consent request of the Senator from Nebraska.

Mr. WHERRY. Mr. President, I withdraw my request.

Mr. MALONE. Mr. President, I ask unanimous consent that the proceedings regarding the submission of the unanimous-consent request be placed in the RECORD following my address.

The VICE PRESIDENT. Without objection, that order will be made.

REPLY TO HON. WINSTON S. CHURCHILL

After the conclusion of Mr. MALONE'S speech,

Mr. LANGER. Mr. President, yesterday afternoon the distinguished senior Senator from Texas [Mr. CONNALLY] inserted in the RECORD a telegram from Winston Churchill. The proceedings appear on page 3490 of the RECORD. The Senator from Texas spoke as follows:

Mr. President, referring to page 3268 of the CONGRESSIONAL RECORD of March 28, I want to quote very briefly from a colloquy between the Senator from Indiana [Mr. JENNER] and the Senator from North Dakota [Mr. LANGER]. The following occurred:

"Mr. LANGER. Mr. President, will the Senator yield?

"Mr. JENNER. I yield.

"Mr. LANGER. Is the Senator from Indiana familiar with the fact that during the Spanish-American War the same Winston Churchill who now brags that he is half American, took up arms for Spain, and fought against the United States, and did all he could to defeat us?"

The Senator from Indiana [Mr. JENNER] then made a reply which it is not necessary to read at this time.

Mr. President, I have received a telegraphic message from Mr. Winston Churchill regarding this colloquy and the charges brought against him by the Senator from North Dakota [Mr. LANGER], and I wish to ask the clerk to read the telegram.

The PRESIDING OFFICER. Without objection, the Clerk will read the telegram as requested.

The legislative clerk read as follows:

NEW YORK, N. Y., *March 30, 1949.*

Senator TOM CONNALLY,
Washington, D. C.

MY DEAR SENATOR CONNALLY: I understand that a statement was lately made in the Senate to the following effect begins Mr. LANGER. "Is the Senator from Indiana familiar with the fact that during the Spanish-American War the same Winston Churchill who brags that he is half American took up arms for Spain and fought against the United States and did all he could to defeat us?" Mr. JENNER. "My reply is that I do not blame Winston Churchill for that. He was representing his country. He was doing what he thought was best for his country."

The statement made by Mr. LANGER is entirely devoid of truth. I visited Cuba and was with the Spanish Army as an observer during the months of November and December 1895. There was then no question of the United States being involved in a war with Spain. This war did not in fact begin until February 1898, or more than 2 years after I had left Cuba.

I should be grateful if you felt able to contradict this false charge by stating the facts to the Senate so that the truth appears in your RECORD.

Yours very sincerely,

WINSTON S. CHURCHILL.

The Senator from Texas continued:

Mr. CONNALLY. Mr. President, as we all know, the war with Spain did not occur until the spring of 1898. I happen to know, because I was a soldier. I was not stationed in Cuba—I did not get that far—but I was stationed in Florida, Alabama, and other places during that war, so that I have a fairly good idea as to when the war began.

Mr. Churchill, in his telegram, states that he visited Cuba in 1895, and was there a month or more as an observer. He was not in uniform; he was not a soldier; he was an observer with the Spanish Army. He stated that he left Cuba in the winter or fall of 1895, approximately 3 years before war against Spain was declared by the United States. I think Mr. Churchill is entitled to this vindication, and I have taken the liberty of asking the Senator from Nevada to give me 2 or 3 minutes to put into the RECORD the telegram which has been read.

I was trying to be courteous, and I had the office of the Senator from North Dakota [Mr. LANGER] notified that I was going to say something which would be of interest to him so that he could be present. I wanted the Senator to know all the facts.

Mr. LANGER. Mr. President, will the Senator yield? I am entitled to an opportunity to reply.

Mr. MALONE. Mr. President, I should like very much to continue my remarks.

Mr. LANGER. Mr. President, I should like a chance to reply; but I shall not ask it at this time. If I cannot be extended that courtesy, I shall reply tomorrow.

Mr. President, so far as the courtesy of my distinguished friend is concerned, I did not know when I came to the Senate that he was going to discuss Mr. Winston Churchill or that he had a telegram from him. However, twice upon the Senate floor on previous occasions I had made the identical statement I made at the time I interrograted the distinguished Senator from Indiana [Mr. JENNER]. On April 18, 1946, nearly 3 years ago, I spoke on the same subject on the floor of the Senate, as appears in the CONGRESSIONAL RECORD at page 3963. I read an excerpt from my speech at that time:

Mr. President, the Winston Churchill to whom the Senator referred is the same Winston Churchill who so hated the United States of America that during the Spanish-American War he took up arms in behalf of Spain against the United States. He wanted to wipe out the United States of America at that time, and he wants to wipe her out today. As a young man 24 years of age, and as a newspaper reporter in Cuba, he joined the army of Spain in order to fight the United States of America. He is the man, Mr. President, whom the Democratic majority of the United States Senate invited to address the Senate. I wonder what some of the Spanish-American war veterans, whom he tried to kill, thought about it. Churchill was 24 years of age when the *Maine* was blown up in Habana Harbor. He was there as a press correspondent, and later although he was a Briton, he joined the Spanish Army. Yet the Members of the Senate listened to that cunning hypocrite when he addressed the Senate only a few short months ago. He came to this country after World War I in order to get all the money he could obtain out of the taxpayers of America. Now he is back again. I wish to show you, Mr. President, the utter contempt in which some Englishmen held President Wilson. I wish to read from chapter III of the book which I now hold, a book written by a man who is in this country now, or at least was here a few days ago, in an attempt to obtain a loan of $4,000,000,000. This is what he said in November 1919, when the British hides had been saved, and when the British thought it was safe to tell the truth.

Mr. President, the RECORD shows that my friend, the distinguished Senator from Texas [Mr. CONNALLY], was present on that occasion and answered the roll call.

Mr. CONNALLY. But I was not present on the second occasion when the Senator spoke.

Mr. LANGER. A few days later, Mr. President, I again spoke on the subject, and as my friend said, his name does not appear on the roll call at that time. I spoke on the 9th day of May, and I read an excerpt from my speech on that day from page 4724 of the CONGRESSIONAL RECORD:

Last week I made the statement that Winston Churchill fought on the side of Spain against the United States of America. From the State of our minority leader comes an editorial which denies that, and says it is not true, that I am entirely in error.

Mr. President, before I made my statement I looked the matter up. I might say that this newspaper, called the Telegraph and Press-Herald, of Portland, Maine, says that Churchill enlisted in 1895, and was not fighting against the United States, that he had left before the American boys got to Cuba.

Mr. President, I have in my hand International Who's Who for 1943 and 1944, and I wish to read from the sketch of Mr. Churchill. I presume Mr. Churchill prepared this article himself, because that is customary, as every Senator on this floor knows. I read from Who's Who:

"Rt. Hon. Winston Spencer Churchill, C. H., M. P., Hon. LL. D. (Harvard), F. R. S., F. R. C. S.; British politician and writer; son of Lord Randolph Churchill; born 1874, educated Harrow and Sandhurst."

I continued:

It says he entered the army in 1895, and served in Cuba with Spanish forces against the Americans. That is right here in International Who's Who. He served in the Spanish-American War against the Americans. If any Senator doubts that, I wish to show the article to him. Any Senator can come to my desk here and read it.

From there he went to Africa, fought in the Boer War, and did everything he possibly

could against those poor Dutch in the Boer War, did everything he could to wreck them. He has been fighting on the side of aristocracy and fascism all his life, and did all he could to wreck this country, going to Cuba and fighting against it. That is the man the Senate invited to come here and address the Senate. If there had been a Spanish-American War veteran in the Senate, Winston Churchill would have been trying to kill him while he was fighting under the Spanish flag. I say again, that is the record. A record is a very good thing to have at hand at times when a newspaper criticizes a Senator. We are used to criticism. I do not mind it a bit. I have taken my share of it. The statement in the Maine newspaper is:

"Senator LANGER for perhaps the first time in his life is in error."

I will tell the editor that, so far as I know, I have never yet been in error.

Mr. President, I am not criticizing the distinguished Senator from Texas, the chairman of the Foreign Relations Committee. I understand Churchill very properly sent that telegram to him. But as I was saying, I did not know anything about what was coming up when I came to the Senate Chamber, but, very fortunately, I am fully prepared on this matter since on two other occasions I have spoken on this subject on the Senate floor.

Mr. Churchill says in his telegram that my statements were "entirely devoid of truth," and that he wanted the Senator from Texas to "contradict this false charge by stating the facts to the Senate so that the truth appears in your RECORD."

Mr. President, it is obvious that either Winston Churchill is saying something that is not true now, or that I said something in the RECORD that was not true. I propose, Mr. President, to prove my words out of Winston Churchill's own mouth that what I said on the two occasions to which I have just referred and on the occasion 3 days ago is true.

Mr. President, I shall reply directly to Winston Churchill. Ordinarily he would not be worthy of a reply, because the common folks of England, the farmers and the working people, have long since repudiated him. It so happens that in the Senate I am one of the leaders of the farmer-labor branch of the Republican Party, and that I represent in the Senate some of the thoughts and ideals of the farmer-labor party of England, which threw Mr. Churchill out of office. It is natural that he should seek to discredit me.

In the last election Lord Halifax came to North Dakota and did everything he could to defeat me. He went to the State of Wisconsin. He went to the State of Minnesota. He went to the State of Montana. For 2 days in North Dakota he consorted with my political enemy. He was there to beat the Langer ticket. Lord Halifax had never been in the State of North Dakota before.

Let me tell the Senate what the people of North Dakota thought of Lord Halifax. When Lord Halifax got through the senior Senator from North Dakota carried every single county in the State.

Returning to Mr. Churchill, in England, of course, this discredited man's word would amount to little. However, in this country he is not yet as well known as he is in England, where in the last 48 elections Mr. Churchill and his party have prevailed only once—and they have lost the last 33 elections. In some of these Mr. Churchill campaigned for the candidate personally, getting out and stumping for him. All he had received at the hands and hearts and minds of the people of England was one repudiation after another.

The common people of England know what some of the American people are just learning about Mr. Churchill. That is one of the reasons that he is today expecting a large and adoring crowd to listen to his speech at the Boston Garden.

Nearly all his life Churchill has represented British big business—those who live off the sweat, blood, and tears of others. That explains, perhaps, why his speech tonight will be broadcast by NBC, ABC, and Mutual, and telecast by NBC, ABC, CBS, and Mutual. This alone would cost an ordinary man in the neighborhood of $100,000, which would terrify the senior Senator from North Dakota were it not for the fact that I know considerable about this cunning foreign propagandist and, therefore, can take him at his true value.

I need only remind Senators that this is the same Churchill who on an international radio hook-up said to the American people before we entered the war, "All we want are weapons" and "Give us the tools, give us the weapons—we have all the men we need to do the fighting." Surely Senators remember how a short time after that the Connally resolution was passed. I voted against it.

As a result of Mr. Hull's trip, and as a result of that resolution, when we went across to Europe 76 percent of the boys who went there were American boys, and out of 116,000 casualties more than 80,000 were American boys.

We all remember that Mr. Churchill took credit for bringing the United States into the war:

> When I survey and compute the power of the United States and its vast resources, and feel that now they are in it with us * * * I cannot believe there is any other fact in the whole world which can compare with that—

Said Churchill to Commons on February 15.

> That is what I have dreamed of, aimed at, and worked for, and now it has come to pass.

This cold-blooded foreign propagandist has delivered for England. After World War I he came over here and got hundreds of millions of dollars. After World War II he was over here again and got $4,000,000,000. Now here he is again, 48 hours before it was thought we were going to vote giving $5,000,000,000 more, of which England will get roughly one-third. She got nearly one-third of the amount voted last year. How he must chuckle at the Americans when he puts over one fast deal after another.

We have heard much about Churchill's describing "her finest hour" of England. But I suggest that the finest hour for England was not the one described by Winston Churchill, but it was when the United States declared war and threw into the war America's treasure and blood and sacrifice. I am sure that the American people who read Churchill's memoirs must wonder why the lives of their boys should have been taken. American boys who sit crippled and blind must realize that the man primarily responsible was this same Churchill.

There is no secret as to why he is in this country at this time. He is no mystery wrapped in an enigma. He is a cold-blooded foreign propagandist, who wraps himself in a cloud of rhetoric. His visits to this country are always followed by our pouring out our blood and treasure. He was here in connection with the British loan. He was here to start the cold war at Fulton, Mo.; and he is here now to inform us that the United Nations is dead, and that we must scrap the Monroe Doctrine and underwrite the British Empire indefinitely.

I cannot help pointing out in this connection that when it was a question of foreign representatives seeking to attend the so-called peace conference in New York, the State Department refused to grant visas to distinguished foreigners. But when it is a question of a man who speaks for war, all bars are down, all facilities are made available. I have been denied the normal courtesy of unanimous consent to answer his attack. I ask one simple question. Has Mr. Churchill complied with the requirements of the Foreign Agents Registration Act? Has he registered as a foreign agent with the State Department? I think the answer to that question is obvious.

Let me take a moment more to show what Mr. Churchill has accomplished in the matter of obtaining money in the United States, and what it means to the taxpayers of the United States. Let us go to the little county of Barnes in North Dakota. I had the Library of Congress prepare this statement for me.

Adding together the share of foreign-aid commitments from July 1, 1945, to June 30, 1947, and the share of the European recovery program from 1948 to 1952, based upon $17,000,000,000 for the Marshall plan, how much will it cost Barnes County, with a population of 17,814? The sum total amounts to $5,560,462.

What is it going to cost the town of Valley City, with a population of 5,917? According to the Library of Congress, $1,846,933.

What is it going to cost Burleigh County, where I reside? The figure is $7,096,815. The population of that county is 22,736.

It will cost the city of Bismarck, my home town, which has a population of 15,496, the sum of $4,836,922.

Mr. President, consider another county of the State of North Dakota—Cass County, with a population of 52,849. Its share of the total cost of the foreign aid provided and proposed up to 1952 is $16,496,286.

In the case of the city of Fargo, in Cass County—and the city of Fargo has a population of 32,580—its share of our total foreign aid up to 1952 is $10,169,521.

So I suggest to some of the Senators who are so anxious to vote for the Marshall plan that they compare these figures with the corresponding ones for the towns or cities in which they live.

But, Mr. President, that is not all. Those figures are only for the Marshall plan up to 1952. But The Economist, the leading financial paper published in England, says that 4 years will not begin to be enough, for it says:

America was solemnly assured that 4 years would be enough. The discovery that this is not so will be greeted with indignation as well as regret.

They say it may have to be for 10 years or for 20 years more, if some of the countries over there are to be able to take care of themselves.

Mr. President, a few moments ago I said I would prove from Mr. Winston Churchill himself whether he was with the Spanish Army and fought with the Spanish Army against the Americans. I hold in my hand the publication Who's Who in America, for 1946–47. Mr. President, how significant it is that there is not one word—not one—in this volume to show that Mr. Churchill ever had been in Cuba, ever had been with the Spanish forces at any time. The very omission is significant, because I have, for about the same period, the International Who's Who. Every Senator knows that when Who's Who is prepared, the editors take every precaution to make sure that the write-ups appearing in it are correct. In every case the person concerned is contacted; in every case a blank is sent to the person concerned, and he fills it in; and after the entry is prepared by the printer for Who's Who, it is sent to that person for correction.

When we consider the statements appearing in these volumes of Who's Who, it is evident that Mr. Churchill himself prepared them, because there is in them considerable intimate detail which could not be supplied by anyone but the person whose life and activities are described.

What does the International Who's Who for 1947 say:

Churchill, Rt. Hon. Winston (Leonard Spencer), P. C., C. H., F. R. S. Former British Prime Minister. b. 1874. ed. Harrow, Sandhurst. m. Clementine Hozier 1908; one son, three daughters. Military service with Spanish forces in Cuba '95.

He does not say anything there about fighting Americans. I suspect that Mr. Churchill thought it might not be good policy, with so many Americans in England, to say that he had fought the Americans.

I have before me another book, this one being the International Who's Who, 1934–44. What does he say in it? He says:

Churchill, Winston Spencer, Rt. Hon., C. H., M. P., Hon. LL. D. (Harvard), F. R. S., F. R. C. S.; British politician and writer; son of Lord Randolph Churchill; b. '74; ed. Harrow and Sandhurst.

Mark you this, Mr. President:

Entered Army '95; served in Cuba with Spanish forces against the Americans.

The very statement I made, when I interrogated the Senator from Indiana [Mr. JENNER], is substantiated word for word by this entry, and I repeat it:

Entered Army '95; served in Cuba with Spanish forces against the Americans.

Mr. President, he did not serve in uniform? He did not fight the Americans?

Here is the account appearing in Who's Who, in London:

Churchill, Rt. Hon. Winston (Leonard Spencer), P. C. 1907; C. H. 1922; F. R. S. 1941—

I shall omit some of the first part, but here is what he says about his Cuban adventure:

Entered army, 1895; served with Spanish forces in Cuba—

That is not all, Mr. President. He served in Cuba so well that Spain decorated him. He was not fighting anyone but Americans; but Spain decorated him; and Winston Churchill himself says here that he—

Received * * * Spanish Order of Military Merit.

But, Mr. President, he was so proud of it that he put in parentheses "first class."

He here states that he received the first-class Spanish Order of Military Merit—showing that he was not of the ordinary class, but that he was one of the best against the Americans.

So, Mr. President, I conclude by saying that, so far as I am concerned, Mr. Churchill is not an enigma wrapped in a riddle; he is a cold-blooded foreign propagandist wrapped in a bag of aristocratic wind inside a world-wide graveyard which he helped to create and in which he feels so thoroughly at home that now he wants to do it all over again and get us into one more big war.

Mr. President, I say that Winston Churchill has been answered by a Senator of the United States who is not afraid of him, not afraid of any other propagandist of England, and not afraid to stand on the floor of the Senate of the United States and tell the truth.

Mr. CONNALLY. Mr. President, I regret to take any of the time of the Senate. I shall state that in addition to the telegram, Mr. Churchill told me personally over the telephone that he was in Cuba in 1895, that he was there for a very short period, and that he was there as an observer with the Spanish Army, that he left Cuba late in 1895. It was more than 2 years before the war between the United States and Spain was declared. I have in my hand the message of the President asking for a declaration of war with Spain, dated April 25, 1898. I shall not take the time of the Senate to read it, but I ask that it be included in the RECORD.

The VICE PRESIDENT. Is there objection?

There being no objection, the message was ordered to be printed in the RECORD, as follows:

To the Senate and House of Representatives of the United States of America:

I transmit to the Congress, for its consideration and appropriate action, copies of correspondence recently had with the representative of Spain in the United States, with the United States minister at Madrid, and through the latter with the Government of Spain, showing the action taken under the joint resolution approved April 20, 1898, "for the recognition of the independence of the people of Cuba, demanding that the Government of Spain relinquish its authority and government in the Island of Cuba, and to withdraw its land and naval forces from Cuba and Cuban waters, and directing the President of the United States to use the land and naval forces of the United States to carry these resolutions into effect."

Upon communicating to the Spanish minister in Washington the demand which it became the duty of the Executive to address to the Government of Spain in obedience to said resolution, the minister asked for his passports and withdrew. The United States minister at Madrid was in turn notified by the Spanish minister for foreign affairs that the withdrawal of the Spanish representative from the United States had terminated diplomatic relations between the two countries, and that all official communications between their respective representatives ceased therewith.

I commend to your especial attention the note addressed to the United States minister at Madrid by the Spanish minister for foreign affairs on the 21st instant, whereby the foregoing notification was conveyed. It will be perceived therefrom that the Government of Spain, having cognizance of the joint resolution of the United States Congress, and in view of the things which the President is thereby required and authorized to do, responds by treating the reasonable demands of this Government as measures of hostility, following with that instant and complete severance of relations by its action, which by the usage of nations accompanies an existent state of war between sovereign powers.

The position of Spain being thus made known and the demands of the United States being denied with a complete rupture of intercourse by the act of Spain, I have been constrained, in exercise of the power and authority conferred upon me by the joint resolution aforesaid, to proclaim under date of April 22, 1898, a blockade of certain ports of the north coast of Cuba, lying between Cardenas and Bahia Honda and of the port of Cienfuegos on the south coast of Cuba; and further, in exercise of my constitutional powers and using the authority conferred upon me by the act of Congress approved April 23, 1898, to issue my proclamation dated April 23, 1898, calling forth volunteers in order to carry into effect the said resolution of April 20, 1898. Copies of these proclamations are hereto appended.

In view of the measures so taken, and with a view to the adoption of such other measures as may be necessary to enable me to carry out the expressed will of the Congress of the United States in the premises, I now recommend to your honorable body the adoption of a joint resolution declaring that a state of war exists between the United States of American and the Kingdom of Spain, and I urge speedy action thereon to the end that the definition of the international status of the United States as a belligerent power may be made known, and the assertion of all its rights and the maintenance of all its duties in the conduct of a public war may be assured.

WILLIAM MCKINLEY.

EXECUTIVE MANSION,
Washington, April 25, 1898.

Mr. CONNALLY. I also have the CONGRESSIONAL RECORD for April 25, 1898, containing the declaration of war with Spain. I shall not read that, but I shall ask that it be placed in the RECORD.

The VICE PRESIDENT. Is there objection?

There being no objection, the declaration of war with Spain was ordered to be printed in the RECORD, as follows:

WAR BETWEEN THE UNITED STATES AND SPAIN

The VICE PRESIDENT. The Chair lays before the Senate a bill from the House of Representatives.

The bill (H. R. 10086) declaring that war exists between the United States of America and the Kingdom of Spain was read the first time by its title, and the second time at length, as follows:

"*Be it enacted, etc.*, First. That war be, and the same is hereby, declared to exist, and that war has existed since the 21st day of April A. D. 1898, including said day, between the United States of America and the Kingdom of Spain.

"Second. That the President of the United States be, and he hereby is, directed and empowered to use the entire land and naval forces of the United States, and to call into the actual service of the United States the militia of the several States, to such extent as may be necessary to carry this act into effect."

Mr. DAVIS. I move that the doors of the Senate be closed.

Mr. PLATT of Connecticut. I second the motion.

The VICE PRESIDENT. The motion is seconded, and the Senate will proceed in session with closed doors.

The Senate, with closed doors, proceeded, as in the Committee of the Whole, to consider the bill; and it was reported to the Senate without amendment, ordered to a third reading, and was read the third time.

The VICE PRESIDENT. The question is, Shall the bill pass?

The bill was unanimously passed.

Mr. CONNALLY. Mr. President, that was in 1898, so if Mr. Churchill was in Cuba only in 1895, it is very difficult to understand how he could have fought against the United States troops, when the United States did not enter the war until April 1898.

I have nothing further to say, except that it is a very unfortunate incident that a distinguished foreigner, who has consistently expressed himself on the platform and through the press as a friend of the United States, should be attacked in the United States Senate, in the respects I have pointed out, which do not seem to me to be supported by any proof whatever.

Mr. LANGER and Mr. CHAVEZ addressed the Chair.

The VICE PRESIDENT. The Senator from North Dakota.

Mr. LANGER. Mr. President, I do not know what further proof any reasonable man would want than a man's own statement in three different publications of Who's Who in different parts of the world. What was Mr. Churchill's strategy? When he came to the United States there was not one word in the American Who's Who to the effect that he had ever enlisted with the Spanish forces to fight against the United States. But when he went over to see Joe Stalin, when he talked with Joe Stalin, he could say, "You may be afraid of me, because I am half American. But here is the International Who's Who. I will show you, Joe. I will show you right here. It is on page 144. I am not an American. Why, I joined the Spanish Army. I joined the Spanish Army, and I fought against the Americans, surely." It is the typical foreign propagandist who can go to a country friendly, the United States, point to a book and say one thing, and then can go to a foreign country and say exactly the opposite.

EXTENSION OF EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 1209) to amend the Economic Cooperation Act of 1948.

Mr. CHAVEZ and Mr. LUCAS addressed the Chair.

The VICE PRESIDENT. The Senator from New Mexico.

Mr. CHAVEZ. Mr. President, I am sorry this matter has come up. I respect Mr. Churchill. I do not know all of his state of mind. I believe that my good friend the Senator from North Dakota is wrong in his accusation to the effect that Mr. Churchill fought against the United States. It is true, possibly, not only that Mr. Churchill represented the British Army, but even that in 1895 men from the United States Army could have been in Cuba as observers for the United States Army.

The only point I would make that might contribute something to the debate, which I hope is drawing to a close, so that the Senate may be allowed to act on the unfinished business, is this: Spain has been brought into the picture. It appears that in the minds of certain of our colleagues, they, in the best of faith, believe that Mr. Churchill might have contributed something as against the interests of the United States when Spain had control of Cuba. But speaking of the philosophy involved in the pending bill, speaking as to whether it is a good thing for this country to help the nations of western Europe, and whether Mr. Churchill is correct—and personally I believe he is—in advocating and in favoring the proposal now being considered by the Senate, I should say that, in addition to the countries now included among those who are to be helped by the ECA program, if we mean what we are professing, if the theory of the bill is right, if the Committee on Foreign Relations is correct in its philosophy of extending help to the western European countries, then Spain should also be included.

I know it has been stated by those who are now opposing the so-called Communists that Spain might have been of some use to the Germans during the late war. Only last week I caused to be inserted in the Appendix of the RECORD an article which was published in the Daily News of this city, written by Mr. William Philip Simms, wherein he quoted Winston Churchill to the effect that as a matter of fact Spain helped the United States, England, and the other Allied Nations, more than she helped the Germans. She was placed in a most difficult situation in Europe. But if we are in earnest in fighting communism, if we are sincere about it, and really mean it, why should we agree, apparently, more with the Communists of Italy and the Communists of France and Germany—yes, and of England, if you please—than with those in Spain who have been fighting communism, even looking at it from a selfish national standpoint. I do not believe we are selfish. I think we are trying to further the Marshall plan in order that other nations may, with our help, and through our efforts, try to reach the standard we now have in our democracy.

I am confused, I may say to the Chairman of the Committee on Foreign Relations, that when we are supposed to be fighting communism, and when the program is supposed to be directed against communism, when the people of the United States are asked to provide more than $5,000,000,000 for that purpose, the only nation in Europe that fought communism is altogether left out of the picture. Those who are sincere in fighting communism, those who believe that the philosophy behind the effort is sound, are rather confused when they see that Portugal is included, Italy is included, and France is included, and when perhaps the supporters of communism in England will get some benefit from the legislation, poor Spain, the only country to drive Communists out of its borders, is left out. I hope it is not a mistake.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield for a question.

Mr. LONG. Along the line the Senator was discussing, is it not also true that from a strictly military point of view, if Spain were included in the alliance, and if this country with the associated nations were ever forced into war, and the armies of the enemy came through northern Italy and through France and were successful, at least the Allies would have the Pyrenees Mountains to which they might retreat, thereafter to make another stand, if Spain were included in the alliance; wheeras there would be no such place if Spain were left out?

Mr. CHAVEZ. Besides having the geographical protection which the Senator from Louisiana has so finely outlined, we would not have in Spain the millions of Communists who are in Italy and France.

WINSTON CHURCHILL

Mr. KNOWLAND. Mr. President, nothing could be said on the floor of the Senate of the United States which could detract from or add to the standing of Winston Churchill. At a time when the world was desperately in need of leadership in western Europe, this distinguished guest of our country stood like the Rock of Gibraltar against the forces of fascism and nazism which threatened to overwhelm the world. His place in history, I believe, is secure. When most of us in this Chamber shall have long passed into oblivion, the people who believe in a free, democratic world will be saying a prayer of thankfulness that the world, in its most desperate hour, produced a man of the character, the capacity, the ability, and the courage of Winston Churchill, the former Prime Minister of Great Britain.

RECESS

Mr. LUCAS. Mr. President, before the Senate takes a recess until 11 o'clock tomorrow morning, I wish to announce that it is the hope of the majority leader, and other Senators who are interested in the pending legislation, that we may conclude the debate tomorrow. Therefore I think I am justified in saying that

we will work rather late tomorrow evening.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the distinguished Senator from Ohio.

Mr. TAFT. What is meant by "rather late"? Does the Senator mean, until 10 o'clock?

Mr. LUCAS. Yes.

Mr. President, with that announcement, I move that the Senate stand in recess until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 5 o'clock and 51 minutes p. m.) the Senate took a recess until tomorrow, Friday, April 1, 1949, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate March 31 (legislative day of March 18), 1949:

APPOINTMENTS IN THE REGULAR ARMY

The following-named persons for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), effective June 15, 1949, subject to physical qualifications, and with dates of rank to be determined by the Secretary of the Army:

Earl R. Adams
James E. Allred
George M. Alter, O955119
Roger E. Anthony
Elvin H. Asher, O957734
Laurie V. Atkinson
Jay W. Atman
James A. Bailey
Lewis G. Bailey
Henry B. Baldwin
Francis E. Ball
De Forrest Ballou
Paul A. Bander
John J. Banks
Metullus A. Barnes, Jr.
Clarence D. Barry
Robert L. Bary
James W. Bentley
Robert J. Berens
Leon W. Berg, Jr., O948633
Howard C. Berry
Kenneth D. Billings
Eugene R. Biringer
Thomas B. Blake
Willard R. Bliss
Frank E. Bloomenshine, O947391
Samuel E. Bolt, O957406
Lester M. Bornstein
Donald M. Bowman
Spencer M. Bracey
David A. Brissette
Thomas L. Brooks III
Wesley H. Brower
Latham H. Brown, O953725
Orlando B. Brown
Rex N. Brown
Harold H. Brunkhorst
James E. Bunch, O947793
Owen W. Burnham
John T. Buss
John W. Bussey
Jack Cambron
James G. Campbell, Jr.
Richard F. Casper
Jack C. Castleberry
Samuel W. Cathcart
Eugene H. Cathrall
David G. Chase
William M. Church
Benjamin E. Clark
James M. Clark
Burton Clifton
Loren C. Coatney
Frank Cohn, O958916
Merrill R. Cohn, O957305
Grady A. Cole, O947957
James W. Collier, O954139
Herbert W. Condor, O956975
William C. Conrad
Charles D. Coppinger
Duane L. Corbin
Howard J. Costello
Charles B. Costen, O954640
Roy E. Couch
Harris B. Craig
Robert T. Craig
Richard P. Crowley
Henry E. Damon
Robert L. Damrel
Harold L. Davis
Ovid M. Davis, O954991
Preston A. Davis
Robert V. Decareau
Hamilton C. de Jong
Royce D. Delmatier
William L. Denend, O949839
William D. Devitt
Malcom Dick
Paul J. Dickerson, O954390
William P. Dickson, O954711
Thomas J. Dilbeck
Ralph P. Dixon, Jr.
Stephen F. Dodd
Richard J. Doherty, O958157
Henry J. Dombkowski
David D. Dudley
Billy C. DuRant
Clarence C. Dye, O959889
James H. Edgar, Jr., O954664
John F. G. Eichorn, Jr.
James H. Evans
Robert R. Evans
Thomas C. Evans, O956609
Karl R. Fassnacht
Charles S. Felner
John S. Finlay III
Robert W. Fisher, O957138
Austin T. Flagg
Paul S. Fleming
Wallace N. Fluckey, O949459
Robert F. Fly O957845
George L. Ford
Frank L. Frailey
Haywood G. France
Robert T. France
Donald P. Frandsen
Oscar R. Frandsen, O953821
Rayfield S. Froeba, Jr.
John C. Gall
Charles W. Galloway, O958968
Casimer S. Gappa
Oscar M. Garcia, O954654
Lyle J. Garitty, Jr.
Marvin H. Gibbs
Marc A. Girard
Elder G. Glenn, Jr.
Frederick I. Glover, O955375
Arthur L. Godfrey, O956362
Carl F. Godfrey, O955686
John E. Gray, O954010
William T. Green, O958042
Kenneth E. Gregg, Jr.
Sidney M. Groom, Jr.
Charles A. Grosche, O960181
Carl M. Guelzo, O957453
Allen R. Guillot
Walter E. Gunter
Frederick H. Gygax
Frederick J. Haesemeyer
Allen K. Hall
Arthur F. Halverson
Louis F. Hamman
Charles L. Hammell, Jr.
Beltron R. Hancey
Richard L. Hansford, O954642
Albert H. Harding
Oscar J. Harrison
Thomas C. Hathaway, Jr.
Duane Hayes
Ralph P. Hebel
Harold P. Hecken
Harold D. Heise
Glen M. Hemsley
Linwood P. Hendrickson, Jr.
Lewis B. Herring III
Richard G. Hicks
Charles H. Hippert
Robert C. Hirst
George E. Hjorth, O957530
Kenneth H. Holloway
Robert L. Horey
Warren W. Houghton
James E. Hughes, O955655
James E. Hughes, Jr.
Robert B. Hurley
Milton L. Ilgenfritz
Benjamin F. Ivey, Jr., O958288
Winston R. Jacobs, O956597
Calvin R. James, Jr.
Nevon F. Jeffcoat
Hubert J. Jensen
Thomas L. Johnson
Douglas C. Jones, O955567
George M. D. Jones, O955183
James M. Jung
Mark I. Jurras, Jr.
Francis L. Kafka
Andre M. Kahn
Archer W. Kammerer, Jr.
Charles C. Kellogg
Neal D. Kennedy, O955869
Milton E. Key
Lemuel G. King, O956982
Albert C. Kitlas, O955658
Louis H. Knipling, Jr., O960539
Richard C. Kohl
Jurgen M. Kruse
Thomas S. Landis
Albert M. Lapides
Arthur E. LaPorte, Jr.
Narian G. Larsen
Malcolm D. Latham, Jr.
Robert W. Lauber
James P. Laughlin, Jr.
Elbert E. Legg, O949647
Francis R. Lengefeld
Anthony R. Lentini
Richard M. Levin
Giles F. Lewis, Jr.
Jack S. Liles
Thomas D. Lind
Richard T. Lindgren
Ronald A. Liston
Kenneth E. Lively
Leon R. Livingston, Jr.
Richard A. Lodwick, O955125
Flynn V. Long, Jr.
Thomas C. Lyons
William F. Macatee, O955264
Richard E. Mack
Robert A. Mampel
George P. Mandanis
John F. Marias, O947915
Francis R. Marshall
Milton J. Marshall
David L. Martin
Samuel J. Martin, Jr.
Gerard J. Maynard
John P. McBride
James L. McCarthy
Max L. McCausland
George W. McClure, Jr., O954104
Marvin R. McClure, Jr.
David D. McConaghy
Charles E. McCrary
Richard V. McGarey
Charles I. McGinnis
Paul A. McGowan
Robert B. McJilton, Jr.
Harry W. Meador, Jr.
Sinclair L. Melner
Glenn W. Metcalf, Jr.
Jules A. E. Meylan
Donald L. Miller
Rowlan L. Miller
Charles G. Mitchell, Jr.
Raymond A. Mix
Andreas J. Moller, O953805

Donald H. Monroe
James T. Moore
Merl M. Moore, Jr.
William H. Moore
John W. Mueller, Jr.
Francis X. Munisteri
Edward L. Murphy, Jr.
John B. Murphy, Jr., O948683
Clive E. Murray, Jr., O947778
Michael Nakonechny, Jr.
Robert C. Nealey
William J. Nelson
Joseph C. Nesbitt
Jack W. Nielsen
John R. Nielsen, O948511
Oliver M. Nikoloff II
James E. Niles
Oscar F. Noss, Jr.
George A. Nowak
Howard W. Nunez, Jr., O958109
Thomas M. O'Hara, O954101
Robert E. Olson
Frederick T. O'Neill
Sidney E. Ormes, Jr.
Donald M. Palmer
Richard A. Palmer, O953737
Dwayne A. Panzer, O947969
George M. Paris
David R. Parrish
Carl R. Patterson, O954100
Noe O. Pena
Edward W. Pence
Oswald E. Perkins
Elroy F. Perrien
George E. Peters, Jr.
Frank W. Philippbar
Joe E. Pierce
Rocco Piganell, O955684
Thelmus G. Plummer
Roger D. Powell
Donald B. Poynter
Chesley D. Prichard, O954723
William B. Proctor, O954392
Albert B. Pyle, O955176
Jack A. Quirey
Arthur J. Rafferty
John R. Rarick
Jay B. Rash
Edward R. Ravenel III, O958159
John L. Ray, O947837
Roy A. Redmond
Earl H. Reeg, Jr.
Johnny Reus-Froylan
Charles R. Rice
Ronald N. Richards
John L. Ridgeway, O956009
Thomas N. Ringo
Carleton J. Robinson, O961035
Haldon G. Robinson
Willard B. Rogers
Newman Rome
William J. Ronchelli
Gordon D. Rowe
Everett C. Royal, O954644
Dean L. Rumburg
James W. Ryan
Wallace E. Ryle
John R. Saldine
Paul L. Savage
Bruce K. Schmid
Arnold J. Schwartz
Charles E. Scott
Charles A. Seitz
Robert P. Selm
Sherman M. Seltzer
Philip L. Semsch
Clarence A. Shanks
Ralph L. Shannon, O954657
Robert H. Sharpe
Harold E. Shaw, O957618
Dwight M. Sheldon
Louis H. Shelton, O949504
John A. Shortal
Charles M. Short
Louis F. Siegel
Donald E. Sloan
George J. Small
William W. Smith
William R. Smithea
Robert W. Spoede, O954680
James E. Stacy, O955127
Johnson L. Stambaugh
Leon B. Stayton, Jr.
Donald H. Steenburn
Leslie E. Stephenson
William T. Stevenson, O955940
Carroll A. St. Martin, O954454
George H. Strauss, O957642
Rufus C. Streater
Leslie W. Sturdivant, O955576
Robert C. Styslinger
Mario A. Suro-Burgos
Russell J. Suther, O958412
Thomas J. Sweeny
William U. Sykes
Charles W. Tate, Jr.
William B. Taylor
Charles A. Terry, O948414
Edward M. Thoben, Jr.
Charles E. Thomann
Harold I. Thomas
John F. Thompson
John H. Thompson
John W. Timmins, Jr.
Earl N. Trabue
Robert L. Turman
Frederick C. Turner
Glenn E. Turner, Jr.
Lawrence M. Tuthill
Lloyd S. Underhill
Guinn E. Unger
Willis M. Vansell
Charles I. Vinikow
Albert L. Walker
Elwood R. Walls
Edwin S. Walters
John M. Walton
Eugene W. Ward
John J. Warnke, Jr.
Walter K. Waymeyer
Thomas H. Webb
Jack W. Weech
Robert E. Weigel
Doyle D. Weigner
Stanley Wesolowski, O958059
William F. West, O957219
William C. White
William E. Whitely
Joseph M. Wilhere, O954406
Edwin J. Williams, Jr.
Lonnie W. Williams, O954403
Richard A. Williams
Floyd M. Wilson, O947781
Charles C. Winn
Donald H. Wolcott
Dudley L. S. Woods, Jr.
Richard J. Woolshlager
Alan B. Worthington
John J. Wren
George Wright
James C. Yadon, O949928
Bruce C. Young
Ralph K. Younger
Charles B. Zumwalt, O957221

The following-named persons for appointment in the Regular Army of the United States in the grade of second lieutenant in the Medical Service Corps, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), effective June 15, 1949, subject to physical qualification, and with dates of rank to be determined by the Secretary of the Army:

John R. Cross
George A. Custer, O956353
Robert D. Forger
Landon Garrett, Jr.
Eldred E. Jones
Hogan A. Randle, O949952
Virgil S. Thurlow
Robert E. Ward, O949965
Donald L. Welling, O956394
Dale E. Wykoff

CONFIRMATIONS

Executive nominations confirmed by the Senate March 31 (legislative day of March 18), 1949:

IN THE ARMY

APPOINTMENTS IN THE REGULAR ARMY

The nominations of Sterrett E. Dietrich, Medical Corps, O261907, et al., for appointment in the Medical, Dental, Medical Service, and Judge Advocate General's Corps, Regular Army of the United States, in the grade and corps specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.) and title II of the Act of August 5, 1947 (Public Law 365, 80th Cong.), which were confirmed today, appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for March 24, 1949, under the caption "Nominations," beginning with the name of Sterrett E. Dietrich, which appears on page 3102.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

The following-named officers for appointment, by transfer, in the Regular Army of the United States without specification of branch, arm, or service:

Capt. Francis John Kelly, O37505, Medical Service Corps, United States Army.

Capt. Ernest Harry Wallace, O37552, Medical Service Corps, United States Army.

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

The nominations of Phyllis W. Adams and other officers for promotion in the Regular Army of the United States, under the provisions of section 107 of the Army-Navy Nurses Act of 1947, which were confirmed today, were received by the Senate on March 24, 1949, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that day under the caption "Nominations," beginning with the name of Phyllis W. Adams, appearing on page 3103, and ending with the name of Alma Shaw Wainwright on page 3106.

IN THE NAVY

TEMPORARY APPOINTMENTS IN THE NAVY

Temporary appointment to the grade of rear admiral in the Civil Engineer Corps of the Navy

Lewis N. Moeller

Temporary appointment to the grade of rear admiral in the Dental Corps of the Navy

Robert S. Davis

Temporary appointment to the grade of captain in the line of the Navy

George B. Chafee
Frederick S. Hall
James A. Morrison
William J. O'Brien
Mell A. Peterson
Samuel D. Simpson
Bruce E. S. Trippensee
Wilfred A. Walter
David L. Whelchel

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 31, 1949

The House met at 12 o'clock noon.

Rev. Edward E. Tate, headmaster, St. Stephen's School for Boys, Alexandria, Va., offered the following prayer:

O God of infinite power and might, the maker and ruler of all men upon the earth, we commend this Nation to the guidance of Thy wisdom and to the keeping of Thy laws. May those who have been chosen by the people to serve them carry out their sacred responsibilities in honesty and uprightness of life. May they never be allowed to forget that they are answerable, not alone to the people but to the God who knows and judges. Deliver them from the inordinate love of power and the motives of personal aggression, from the considerations of ambitious men or their influence in place of the demands of truth and justice. Bless them, O God, in their several duties with an ever larger vision of truth, an ever deeper sense of the demands of righteousness, so that through

their faithfulness the life of our people may be sustained by wise policies, strengthened by good government, and lifted to a higher plane of destiny and achievement.

And, O Father, who hast appointed a day when the kingdoms of this world shall become one with the Kingdom of our Lord, inspire us all with such loyalty that we may serve Thee as Thou deservest, choosing Thy way as our own. May we be satisfied, in these days of perplexity and anxiety, with nothing less than a country at unity with itself, so that in winning our bid for freedom and fellowship we may guide the world into a larger unity of all men. All this we ask through Him who came to set men free, Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 3910. An act to extend for a temporary period the provisions of the District of Columbia Emergency Rent Act.

FEDERAL BONUS FOR SERVICE IN WORLD WAR II BY RESIDENTS OF THE DISTRICT OF COLUMBIA

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that the Committee on Veterans' Affairs be discharged from further consideration of the bill (H. R. 1233) to provide a Federal bonus for service in World War II by residents of the District of Columbia, and that the bill be referred to the Committee on Ways and Means.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

EXTENSION OF REMARKS

Mr. PERKINS asked and was given permission to extend his remarks in the RECORD in three instances and include in each an article, one from the United Mine Workers Journal, dated March 15, and the other two from the New York Times on the United Mine Workers welfare fund.

Mr. CHRISTOPHER asked and was given permission to extend his remarks in the RECORD.

SPECIAL ORDER GRANTED

Mr. YOUNG. Mr. Speaker, I ask unanimous consent that on Monday next, after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted, I may address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

EXTENSION OF REMARKS

Mr. KEOGH asked and was given permission to extend his remarks in the RECORD and to include an address by former Postmaster General James Farley.

ECONOMIC COOPERATION ADMINISTRATION

Mr. KEOGH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEOGH. Mr. Speaker, I should like to direct the attention of the House at this time to the fact that the bill continuing the foreign-aid program does not require American-flag participation in the carriage of ECA cargoes in trades between foreign ports and does not, therefore, make adequate provision for the use of American-flag tankers for the transportation of petroleum and petroleum products to various ECA nations. The act provides that petroleum cargoes be provided from sources outside the United States wherever practicable. Most of this transportation takes place in the so-called indirect trades, such as the movement of petroleum from Venezuela or the Persian Gulf areas to Europe. During the past year most of this transportation has been carried on by foreign-flag tankers, the American-flag participation being negligible. The situation is especially bad because there is now a surplus of American-flag tanker tonnage, and the American-flag tanker fleet is threatened with wholesale lay-ups. Both the CIO and the A. F. of L. unions are concerned about the resulting unemployment.

I intended to offer an amendment to clarify this situation. However, I am informed that Mr. Hoffman has made personal assurances to the Merchant Marine and Fisheries Committee that he would make necessary readjustments to give the American-flag tanker fleet a reasonable participation in the indirect tanker movement. I shall, therefore, refrain from offering any amendment to cover that situation. I assume that under this program American-flag tankers will receive at least one-third of the indirect tanker movement business. I have full confidence in Mr. Hoffman's assurances on this point, but I desire that the House know that I am relying in this connection upon these assurances.

EXTENSION OF REMARKS

Mr. HAYS of Ohio asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. McGRATH asked and was given permission to extend his remarks in the RECORD.

PERMISSION TO EXTEND REMARKS AT THIS POINT

Mr. TAURIELLO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TAURIELLO. Mr. Speaker, on March 25 the Greeks all over the world celebrated Greek Independence Day, the one hundred and twenty-eighth anniversary of their freedom from the Turks who had overrun and conquered their country. I am sure the House of Representatives does not want the commemoration of this day by a great race of courageous and liberty-loving people to go unnoticed.

When we think of Greece, we are reminded of a gallant, courageous, and valiant people who, during this last World War, stood up in the face of overwhelming odds and, like the Greeks of ancient times, fought the invading and destructive hordes from the north who devastated her land and homes and slaughtered them by the thousands.

When we think of Greece, we think of Sparta and Athens, where the principles of democracy were really practiced, who ruled the world in ancient times, and who contributed so much to the civilization of the world. We think of some of the great men she produced—Demosthenes, Pericles, Socrates, Plato, Aristotle, Pindar, Herodotus, Themistocles, Lycurgus, and Solon, and many others renowned in their respective fields.

When we think of Greece, we think of the fine American citizens of Greek extraction who have contributed so much to the business and cultural life of this great country of ours, who are the finest type of citizens.

When we think of Greece, we think of a valiant, gallant, and courageous people who are continuing their fight for independence and democracy against the destructive hordes of communism, and surely we, as the most powerful Nation in the world, want to direct all the economic aid possible to help her in her great struggle to survive and to take her rightful place in the sun with the other nations of the world.

EXTENSION OF REMARKS

Mr. GRANAHAN asked and was given permission to extend his remarks in the RECORD and include an article from the Philadelphia Evening Bulletin of March 28.

Mr. WILLIAMS asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. PATMAN asked and was given permission to extend his remarks in the RECORD in three instances and include certain statements and excerpts.

Mr. HÉBERT. Mr. Speaker, on March 24 I was granted permission by the House to extend my remarks in the RECORD and include extraneous matter. I am informed by the Public Printer that the cost of printing will be $159.75. Notwithstanding the cost, I ask unanimous consent that the extension may be made.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. MACK of Washington asked and was given permission to extend his remarks in the record in two instances and include extraneous matter.

Mr. McCORMACK. Mr. Speaker, for the information of the Members concerning the proposed repairs to the House Chamber, I ask unanimous consent to extend my remarks in the RECORD and include therein a letter with an enclosure received from David Lynn, the Architect of the Capitol.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. KENNEDY asked and was given permission to extend his remarks in the RECORD and include an article from the Washington News.

Mr. COUDERT asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. DOYLE asked and was given permission to extend his remarks in the RECORD in two instances and include newspaper editorials.

CALL OF THE HOUSE

Mr. H. CARL ANDERSEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 58]

Bailey	Hoffman, Mich.	Riehlman
Barrett, Pa.	Horan	Scott,
Blatnik	Jenison	Hugh D., Jr.
Bolton, Ohio	Jennings	Smith, Ohio
Bosone	Judd	Somers
Bulwinkle	Kearns	Stanley
Celler	Kirwan	Stefan
Dawson	Macy	Thomas, N. J.
Dingell	Merrow	Welch, Mo.
Dolliver	Morrison	Whitaker
Evins	Morton	White, Idaho
Fernandez	Murdock	Wood
Gilmer	O'Brien, Mich.	Woodhouse
Gossett	O'Toole	Woodruff
Hall,	Poulson	
Leonard W.	Powell	

The SPEAKER. On this roll call, 388 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE ON HOUSE ADMINISTRATION

Mr. DOUGHTON. Mr. Speaker, I offer a resolution (H. Res. 176) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That CHASE GOING WOODHOUSE, of Connecticut, be, and she is hereby, elected a member of the standing Committee of the House of Representatives on House Administration.

The resolution was agreed to.

REGULATION OF OLEOMARGARINE

Mr. COLMER. Mr. Speaker, I call up House Resolution 168 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. COLMER. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN]; and pending that I yield myself 5 minutes.

Mr. Speaker, this resolution makes in order consideration of H. R. 2023, known as the Granger bill. There was quite a little testimony before the Rules Committee to the effect that there would be a substitute bill offered, the Poage bill, and possibly another amendment offered by the gentleman from South Carolina [Mr. RIVERS] which would seek to follow still another course.

This matter of oleomargarine versus butter or butter versus oleomargarine has been kicking around in this Congress for some 15 years or more, to my personal knowledge; and altogether for some 60 years. The question that will be presented to the House today through representatives of the two opposing groups, as I understand it, would seek first, under H. R. 2023, certain types of curtailment upon the shipment of oleomargarine. The opponents of that theory of the legislation contend that that gives butter an unfair advantage. The proponents of H. R. 2023, on the other hand, contend that the dairy industry should have some Federal protection.

Under the Poage bill, which I understand will be offered, oleomargarine would not be discriminated against except that the law would require that oleomargarine be distinctly and definitely designated and marked as such, in order that the consuming public could not be misled, and would know in the first instance whether they were purchasing oleomargarine or butter.

I understand further that that bill provides that each package of oleomargarine would be required to be marked or branded as such, and that therefore the housewife or anyone who desired to purchase either commodity would know what they were purchasing when they purchased it, and that safeguards thereby would be thrown around the consuming public so that some unscrupulous merchant or dealer could not sell them oleomargarine when they thought they were purchasing butter.

Of course, in this conflict which has been waging, the advocates of the Granger bill take the position that the dairy industry should be given more protection.

The SPEAKER. The time of the gentleman from Mississippi [Mr. COLMER] has expired.

Mr. COLMER. Mr. Speaker, I yield myself one additional minute.

It is my personal thought, as one who tries to approach the matter sincerely, that if the public, the body in whom we should be primarily interested, is protected in that they know what they are purchasing, that is as far as the Congress should go. In the final analysis, this House will have an opportunity under this rule granted by the Rules Committee to pass upon the merits and demerits of the conflicting theories as they will be presented here today and possibly tomorrow.

The SPEAKER pro tempore. The time of the gentleman from Mississippi has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey [Mr. CANFIELD] and ask unanimous consent that he may proceed out of order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CANFIELD. Mr. Speaker, have you, perchance observed the reported delight experienced by the President when he signed the rent-control bill passed by both Houses of Congress this week? Yesterday in signing the bill he said it meant effective rent control; he also went on to say that it meant a crushing defeat for the real-estate lobby. When the conference report was being debated in this House this week I asked the distinguished chairman of the House Committee on Banking and Currency in charge of the bill, very politely, I thought, this question: "Is it not true that the local option feature of the bill is obnoxious to the President of the United States?" And his answer was, "I have no reason to think so." Then he went on to say that I was injecting politics into the debate.

Let me call attention to the exact remarks made by the President in addressing the mayors' conference here in Washington on March 21. These remarks bear on the local option feature of rent control. I quote:

> During recent weeks the real-estate lobby has made a concerted effort to have rent control turned over to the cities and localities. I have no doubt that the elected officials of city and local governments in most large city areas are as strongly in favor of effective rent control as I am. They know that their problems of overcrowding, relief to the needy, crime and juvenile delinquency, would be greatly increased if rent controls were removed now. The point is, however, that most cities have neither the legal authority nor the financial resources to carry out a successful program of rent control. The real-estate lobby knows this perfectly well. It wants us to turn rent control over to local authority—not in order to strengthen local authority, but in order to destroy rent control.

Mr. Speaker, both these statements, that of March 21 and that of yesterday were post-Key West statements of the President of the United States.

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may desire to the gentleman from Massachusetts, to submit a consent request.

Mr. HERTER. Mr. Speaker, I ask unanimous consent to extend in the Appendix of the RECORD an article on the Taft-Hartley law by Prof. Sumner H. Slichter, notwithstanding the fact that the Public Printer advises it will cost $514.75.

The SPEAKER pro tempore. Without objection, notwithstanding the excess, the extension may be made.

There was no objection.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, the sole question before this body is whether or not we shall support the rule, House Resolution 168, making in order consideration of the bill H. R. 2023 providing for the regulation of oleomargarine and the repeal of the tax thereon, and for other purposes.

As the gentleman from Mississippi has stated, this rule provides for 3 hours of

general debate, after which time it will be open for amendment when the bill is read under the 5-minute rule.

During the Eightieth Congress this body overwhelmingly passed a bill in support of oleomargarine. I know that there is some disagreement which perhaps will be taken care of by amendments. I know that all of us are not in complete agreement in regard to what the bill should contain, but I do feel that everyone should support this rule to bring the bill before this body for consideration, and I therefore ask the Members to support the rule.

Mr. COLMER. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. SABATH], chairman of the Committee on Rules.

Mr. SABATH. Mr. Speaker, there will be no opposition to the rule now before us because I think we are all in favor of passing legislation affecting the present tax on oleomargarine. As I have said many times on this floor, I believe it is manifestly unfair to put a tax on a substitute for butter because the poor people cannot afford to buy butter.

I hope that when the bill is taken up and during the 3 hours of general debate thereon, it will be made clear that we want a fair bill, one that will not mislead the public in any instance; that the packages will be properly marked so that no one can be imposed upon; that the housewives and the people who are obliged to eat in restaurants will not be misled and be served oleo instead of butter.

Some of the gentlemen representing rural districts have stated they are fearful this legislation will affect the farmer. Everything that goes into the manufacture and production of oleomargarine is really grown on the farm, whether it is milk, tallow, lard, soybeans, and even the oil. These products are all produced on the farm.

In view of conditions today, there should not be any opposition, as I have said, to this bill because it is bound to relieve those unfortunate people who cannot afford to buy butter.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. A good many times during the last 12 years I have heard the gentleman from Illinois stand up here in the well and state what a good friend of the farmer he has been and that he has always supported farm legislation.

Mr. SABATH. I have.

Mr. H. CARL ANDERSEN. Mr. Speaker, I am amazed and astounded at the gentleman standing up here now and fighting for the oleo manufacturers of America against the dairy farmers of America.

Mr. SABATH. The gentleman either did not hear what I said or did not understand me. I honestly believe this bill will aid the farmer. It may not help the butter makers or those dairies that devote themselves to the manufacture of butter, but the repeal of the extant tax will definitely aid the masses of people in the United States who live on a budget. But in view of the outrageously high prices that have been imposed upon the American people in the last year, and even up to now, where people are obliged to pay a dollar a pound for butter, I think this bill will deter them from holding up the consumers of our country. As it is, this legislation cannot in any way affect the farmers or the milk producers. They are getting very high prices for milk, for cream, for cheese, and for butter. Now let the users, the customers, have a chance to obtain a substitute for a reasonable price without paying 10 cents a pound tax on it and, at the same time, without taxing the businessmen and the dealers who are selling oleomargarine. I would deplore it exceedingly if the oleomargarine people would try to take advantage of it in any way and increase the price of oleo. If they do, I shall be the first one that will criticize them and fight to protect the masses, for I shall always defend what I honestly believe is right.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 15 minutes to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Speaker, there should be no misunderstanding about the merits or the demerits of the controversy between oleomargarine and butter. I am for this bill. I would have preferred to have seen a stronger bill reported by the committee, one that would have prohibited the yellow coloring of oleomargarine throughout the country. But, with all legislation we generally find it is a matter of compromise, and the Granger bill which was adopted by the committee is a compromise measure. It virtually had the unanimous support of the Committee on Agriculture, one of the great committees of the House. I think I am safe in saying that 24 Members voted for reporting the Granger bill as we have it before us today, and only three voted against it. So, today it comes before you as a compromise measure which I am supporting, and which I believe should receive the overwhelming support of the Members of the House.

I have taken this time to give some explanation about the bill and to discuss the factors involved in the controversy. The Granger bill repeals all Federal tax and license fees on the manufacture and sale of oleomargarine. It removes the manufacturer's tax, the wholesaler's tax, and the retail tax, and taxes on oleo, itself. That was the controversy last year and in other sessions of Congress when the same subject was before us.

Secondly, it permits under the States'-rights rule the power of the State to say whether or not yellow oleomargarine should be sold within the State. For those who believe in States' rights, why there you have a strict States'-rights proposition which you can well embrace to the fullest extent.

Thirdly, it prohibits the shipment of yellow-colored oleomargarine in interstate commerce. That is the main prohibition in the bill.

Now, some have objected to that because they do not have any oleomargarine factories within their respective States. Well, I can assure those who feel that way that should their State allow yellow-colored oleo to be sold within the State, it will not take long for the oleomargarine industry to get a factory in there.

The provisions of the bill do not weaken, modify, or repeal any part of the Federal Food, Drug, and Cosmetic Act insofar as the provisions of that act are applicable to oleomargarine which has been introduced in interstate commerce.

Last year, as I have said, the fight was over the question of taxes. All sides are now agreed that the tax should be repealed. The dairy farmers of the country through their organizations have agreed to the repeal of the tax. They have also agreed to the proposition that yellow-colored oleomargarine shall not be sold in interstate commerce, leaving it to the States to determine whether or not a particular State shall permit the sale of yellow-colored oleomargarine within the State. There are approximately 18 States that have laws prohibiting the sale of yellow-colored oleomargarine: New York, Pennsylvania, and a good many other States throughout the North.

Mr. LECOMPTE. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Iowa.

Mr. LECOMPTE. Is the gentleman going to put the list of those States in the RECORD?

Mr. AUGUST H. ANDRESEN. I shall be very glad to put the list of those States in the RECORD.

Mr. REDDEN. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from North Carolina.

Mr. REDDEN. I wonder if the gentleman would state the content of margarine and where the products come from, so that the RECORD may show that, too.

Mr. AUGUST H. ANDRESEN. I will be glad to do that, and I can do it very briefly.

Some years ago when Paul V. McNutt was the head of the Federal Security Agency, which had jurisdiction over the Pure Food and Drug Act, a ruling was made legalizing the manufacture of oleomargarine out of cottonseed oil, soybean oil, and other vegetable oils. That regulation also permitted that oleo could be flavored with a butter flavor so that it would taste like butter. It also permitted the injection of vitamin A in the form of shark's liver oil. So that oleo today under those regulations would appear to have the same nutritive value as butter and taste like butter, and also have the same texture as butter. Of course, those vegetable fats are churned in skim milk. The only thing left is the color yellow, because we have agreed to repeal the tax. That is what the fight is over here, and that is an economic fight.

The metropolitan newspapers and the big magazines of the country are, of course, all on the oleo side. Why? If you have read the papers, and I am sure you have, and seen the large oleomargarine advertisements, you will recall that the Saturday Evening Post last week had a full-page ad by Lever Bros. Lever Bros. bought out the oldest oleomargarine factory in the country, Jelke, of Chicago, and paid $16,000,000 for

it, so they are now one of the big operators. Those of you who are familiar with Lever Bros. know that Lever Bros. is just a subsidiary company of Uni-Lever Co., one of the biggest companies, that operates over the world and controls the price and supply of fats throughout the world. Lever Bros. alone in 1948 spent $15,000,000 in advertising. The industry itself, as reported in the magazine which represents the advertiser, states that the oleomargarine industry to advertise oleomargarine spent $6,000,000 in 1947 and in 1948 $5,300,000. Then they have had millions of dollars worth of free advertising from all the discussions in Congress, debates on radio broadcasts and forums, and favorable news and editorial comment. The newspapers of the country have been the beneficiaries of the funds received for advertising from all the oleomargarine companies, which manufacture and sell oleo as well as other products. I estimate the total amount that the national magazines, metropolitan newspapers and other newspapers have received for advertising is from $50,000,000 to $75,000,000 in 1948. I am not criticizing that—not at all. I do not criticize that at all, because that is good business. But I would like to point out the reasons why the metropolitan newspapers and magazines will not give the dairy farmers any publicity. The oleo industry receives all of the favorable news and editorial comment. You now know the reason.

Mr. SHAFER. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. SHAFER. I believe it would be interesting to the membership if the gentleman from Minnesota would also point out that many of these manufacturers and others who are interested in this oleomargarine legislation last year made considerable profit as a result of the increase in the market price of the various raw materials used in making oleomargarine.

Mr. AUGUST H. ANDRESEN. I expect to do that when we get to the bill, but I am glad that the gentleman called my attention to it.

Mr. Speaker, as I said, this is an economic fight. I tried to point out to you why the big newspapers of the country are all on the side of the oleomargarine industry. Here is some comment on what appeared in the Washington Post. It says "Once again the Washington Post comes through with a pretty solid editorial to the advantage of the margarine industry. I am sure you will want to pass this along to those interested." I have other letters from the Tampa Daily Times, from a paper down in Tulsa, from the National Citizen—all calling attention to that industry and giving favorable editorial comment. Why? Because those companies spend thousands and thousands—yes, millions of dollars with these newspapers and magazines for advertising.

Of course, we expect that the newspapers and magazines will support the oleomargarine industry in the issue that is now before us. The National Association of Margarine Manufacturers in a report to the soybean industry says, to the second largest customers for soybean oils—nutritious margarine. Then it goes on to say how they are advancing the cause of the soybean people so that they can sell more soybeans for use in oleomargarine.

Let me point out to you again why this is an economic fight. Who will profit most by it? Of course, the oleomargarine industry will profit. We find now that instead of there being 28 large multimillion-dollar oleomargarine factories in this country, that number has been reduced to 24 big oleo manufacturers. They are out now to get legislation to increase the unrestricted sale of oleomargarine colored yellow to imitate butter, and to steal the butter market away from the two and one-half million dairy farmers in the United States, all for the purpose of making more money.

They are using the housewives of the United States and the poor people as fronts to gain their objective. Of course, they are selfish, and of course we here, too, have a right to be selfish to protect a large segment of our American agricultural economy, namely two and one-half million dairy farmers.

The historic color of butter is yellow. The oleomargarine industry can take any other color under the sun, excepting yellow, without paying a cent of tax; but they want yellow, to make their product look like butter, to increase their market, to deceive the people, and when they get that color, to go out and capture the entire spread market, because they can sell their product at a lower price.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. EDWIN ARTHUR HALL. Will the gentleman verify the statement I make when I say that for every pound of oleomargarine produced 11 quarts of milk are lost in production?

Mr. AUGUST H. ANDRESEN. I believe the gentleman is correct. I will discuss that more in detail a little later in general debate.

Of course, the cotton and soybean farmers claim they have a stake in yellow oleo. Every witness who was before our committee from the soybean industry—and a good friend of mine from Minnesota was there in behalf of soybeans, and he said that if they could color oleomargarine yellow and have it sold throughout the country he expected to increase his market for soybeans. Of course, the cotton farmers expect to increase their market for cottonseed oil. The best customers that the cotton farmer has are the dairy farmers of the United States who buy all of their cotton goods, who buy cottonseed meal from the cotton producers of the South. The cotton industry expects that if yellow oleomargarine takes the place of butter it will get a greater price for its product and sell more of it because then it will capture the spread market.

Strange as it may seem, no one from the oleomargarine industry came before our committee to testify as a witness; not a single one. Yet the committee room was filled with lawyers, lobbyists, representatives of the oleomargarine industry, who were there during the entire week of the hearings, but they did not offer to testify in favor of the bill.

The SPEAKER. The time of the gentleman from Minnesota has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. AUGUST H. ANDRESEN. So let me reiterate that this is an economic fight. It is a fight against one industry, an agricultural group in the United States, against the largest segment in American agriculture, 2,500,000 dairy farmers. For myself, if I have to take a choice of going with 24 oleomargarine manufacturers and 2,500,000 Americans who are contributing to the welfare of American life, give me the American dairy farmers.

I have always found that the industries of this country, as a rule, unless they are legislated out of business, will take care of themselves. I have also found that when it comes to charging for the products that they produce they will charge virtually all the traffic will bear, depending upon the competition. When my friend, the gentleman from Illinois [Mr. SABATH], stated that he hoped the oleomargarine industry would not charge more for yellow-colored oleomargarine if they won this battle he does not need to deceive himself. He might as well have his eyes opened right now, because the oleomargarine industry will charge just as much as they can get to move their product.

Mr. ABERNETHY. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. ABERNETHY. Is that not just what the butter people want them to do?

Mr. AUGUST H. ANDRESEN. Well, they are already doing it. You can buy white oleomargarine in Washington for 22 cents a pound, and you will also pay 43 cents a pound for yellow-colored oleomargarine, which is considerably more than the 10-cent tax.

I urge the adoption of the rule and support for the Granger bill.

The SPEAKER. The time of the gentleman from Minnesota has again expired.

Mr. COLMER. Mr. Speaker, I yield 5 minutes to the gentleman from Utah [Mr. GRANGER].

Mr. GRANGER. Mr. Speaker, we are discussing a very important piece of legislation today. I am in a very peculiar situation. The gentleman who just preceded me, the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], referred to me as the worst New Dealer there is in existence. I ordinarily refer to him as the worst Republican I know of. But on this issue we find ourselves together.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. GRANGER. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I am afraid I did not make myself understood by the gentleman, because I have the highest regard for him, for his ability and integrity in dealing with American problems, and I admire him for the stand he has taken, notwithstanding some of the opposition which comes from the floor of the House. So I want to say to the gentleman that I have the highest regard for him, and if he interprets my remarks as having called him a

rank New Dealer, then he misunderstood what I had to say.

Mr. NICHOLSON. Mr. Speaker, will the gentleman yield?

Mr. GRANGER. I understood the gentleman, and he understood what I said about him. Now, I have not time to yield further.

Mr. Speaker, this legislation has come before the House from the great Committee on Agriculture by a vote of 24 to 3. I do not want to mislead anybody into thinking that that was the division in the committee; it was not. The committee was divided with one exception absolutely on the division of the country on the Mason and Dixon's line; those who were below it were on one side of this question. All of those who were above it, with the exception of one, were on the other side of the question. This ought to indicate to everybody here that it is an economic question.

Mr. Speaker, I wish to say something to my colleagues here. I have always been a New Dealer, I have always been favorable to labor. I have fought side by side with you boys on all occasions who believe in the same things as I do, and on this instance you cannot accuse me of being other than sincere and honest; it is not my intention to put anything over on anybody. Before this debate is over I hope we shall have a clear understanding.

It is going to be said here this afternoon before we get through that my bill is not in harmony with the Democratic platform, that it is not in harmony with what the President wants. But I want to tell you that I am one Democrat who when he runs with the crowd once in every 2 years does not run out on them the rest of the time.

This plank on the removal of oleo taxes was in the Democratic platform. I was on the Democratic platform committee. This issue was before the committee. There was a very prominent man on the committee, the former mayor of Minneapolis. We knew what we were doing when we adopted that plank and kept out of it the provisions that had to do with color but held in there the provision of removing the taxes, and in harmony with the Democratic platform we are removing all the taxes from colored oleomargarine. Certainly I would not argue that it meets in toto, but it does in part, the provisions of the platform; and I imagine that if we go this far in this bill our action will be a pretty good criterion to judge what we will do with the other planks in our platform. I wanted to say that in order to give the background behind this question. It is a provision of the Democratic platform, and I promised the leadership this bill would be brought out of the committee in spite of the fact that we had the votes there to have kept it in the committee.

The SPEAKER pro tempore. The time of the gentleman from Utah has expired.

Mr. COLMER. Mr. Speaker, I yield three additional minutes to the gentleman from Utah [Mr. GRANGER].

Mr. GRANGER. In good faith, this is what this legislation proposes, and let there be no mistake about it: It prohibits the sale and transportation of colored margarine or margarine colored yellow in interstate commerce. It removes all of the taxes, however, and it sets up a white oleo for transportation. It prohibits the sale and transportation of colored oleo in interstate commerce. It provides that if a plant is located in any State where the law permits its sale, if my bill becomes law, you can sell colored oleo to your heart's content. That would be a matter for the State to determine and that is what this bill does. In other words, it shifts the responsibility back to the States.

The gentleman from Illinois [Mr. SABATH] could pass all of these bills and you could not sell colored oleo in the State of Illinois, you could not sell it in the State of Ohio, you could not sell it in the State of Pennsylvania, you could not sell it in the State of New York, you could not sell it in the State of Connecticut, you could not sell it in the State of Maine, you could not sell it in many other States of the Union. Until those States remove their prohibitionary laws, any legislation that we may pass here is absolutely ineffective.

This bill is a compromise. It is not as restrictive as I would like, but it is a compromise and I am willing to go along with the legislation; but I shall oppose the so-called Rivers bill that we had with us before and I will oppose the Poage bill.

I hope the Members of the House will consider the necessity of preserving the great dairy industry that is the last and final bulwark of sustaining and maintaining the family-sized farms in these United States. If you destroy those you destroy the very last anchor to which this old accustomed agricultural pursuit is tied, one that has been with us for the past 150 years. Anything that will deprive the farmer of the sale of his dairy products is just that much nearer to destroying this great industry.

The SPEAKER pro tempore. The time of the gentleman from Utah has expired.

Mr. COLMER. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Speaker, it seems to me that we are already getting confused as to what is before the House. This is not a question of what phase of agriculture you are going to help.

There are only two problems, two principles, involved in this legislation. The first is that every citizen of the United States has the right to spend his money to buy any wholesome food product for which he or she wants to spend his or her money. The second is that any citizen who spends his or her money has a right to know that he gets what he thinks he is buying.

The bill, H. R. 3, referred to by the last speaker as the Poage bill, provides for repeal of the taxes and discrimination against the sale of all kinds of margarine and allows the sale of margarine in any color or in any form in any State where the State laws allow it, provided only that it is identified in each individual package or serving. So that with the passage of H. R. 3, and not with the passage of H. R. 2023, would it be possible for the American consumer to buy oleomargarine in any form that he or she wants to, subject to the State laws. Only by the passage of H. R. 3 have you any protection in the world in a public eating place against the serving of margarine as butter. I submit those two things are fundamental. I submit that the 140,000,000 consumers in America have a higher priority on your consideration than have either the butter bloc, the cottonseed people, or the soybean people. I submit that the consumers of America are the people who really have an interest in this question, and I submit that H. R. 2023 denies to the public the right to buy a wholesome food in a form in which the public wants it. I submit that H. R. 2023 denies the public protection to which they are entitled in a public eating place.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. COLMER. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma [Mr. MORRIS].

Mr. MORRIS. Mr. Speaker, I ask unanimous consent to proceed out of order.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MORRIS. Mr. Speaker, I call to the attention of the House the fact that before dawn yesterday a very destructive tornado struck two communities in my congressional district, killing and injuring a number of people and doing great property damage. These two communities involve the towns of Canton and Longdale in Blaine County, Okla. I know that all of you join me in expressing sincere regret and sorrow in learning of this disaster and in extending our sympathies to all those who have suffered in any way by reason of this terrible windstorm.

Mr. COLMER. Mr. Speaker, I yield the balance of the time to the distinguished chairman of the Committee on Agriculture, the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Speaker, this is an old controversy, one which has existed for more than 60 years. I do not suppose that anything new will be said during the course of this debate.

Back in 1943 our committee held extensive hearings and, at that time, we had 64 witnesses that appeared before the committee and gave statements both for and against the legislation. I think by far a majority of the witnesses testified in favor of repealing the tax. In the Eightieth Congress we had further extensive hearings. At that time 67 witnesses appeared in connection with the legislation. We had before the committee 47 different bills dealing with oleomargarine and Federal taxes on oleomargarine. Now we have before us the Granger bill which does not do what its authors contend it does. The original sponsors of that type of legislation intended deliberately to outlaw yellow margarine in both intrastate and interstate commerce, but because of the fact that they were rather hard-pressed for votes in the committee they made a concession and stated that they were willing for

their bill to apply only to interstate commerce. But, as a matter of fact the language now in the bill, according to an interpretation placed upon it by the people who will be charged with its enforcement, means that it does apply both to interstate and intrastate commerce.

I understand that the authors of the bill are willing to accept amendments, if necessary, to make the pending bill applicable only to interstate shipments.

Mr. GRANGER. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Utah.

Mr. GRANGER. What the gentleman has said is true, but we were not hard-pressed for votes, we were trying to get together with the rest of the committee and to make it agreeable to them. We had already passed this bill, as the gentleman well knows.

Mr. COOLEY. I understand you had passed the bill, but if you were not hard-pressed I do not see how you could have gotten the bill out, because the vote in the committee is no secret, it was 13 to 14 in favor of the Granger bill. That has been published in all the papers. Then when they were going to report the Granger bill, 23 members voted to report it, because they wanted this matter brought to the floor of the House for final determination.

Mr. ABERNETHY. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. Is it not also true that the Granger bill was materially amended before they were able to get even a 14 to 13 majority vote on it?

Mr. COOLEY. The gentleman is entirely correct.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from New York.

Mr. EDWIN ARTHUR HALL. Does not the gentleman feel that the greatest bone of contention in this whole issue has been removed from this bill by advocating taking the tax off oleo?

Mr. COOLEY. No; I do not think anything of the kind.

Mr. EDWIN ARTHUR HALL. It was the point of greatest controversy.

Mr. COOLEY. That is no longer in controversy. Everybody concedes now that the Federal tax should be removed.

Mr. POAGE. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. POAGE. On the intent of the original authors, I read from page 601 of the transcript of the record, in which it is shown that I asked the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], "You"—referring to his bill, which was identical with the Granger bill—"would cover intrastate transactions." The record shows that the gentleman from Minnesota answered, "It will cover any oleomargarine that moves in commerce, whether it is interstate or intrastate."

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. There is some question about H. R. 3 on the same point, but may I say to the gentleman, in view of the amendments that were agreed to, that when the Granger bill was offered the gentleman from Minnesota understood that it might be necessary to offer amendments to make it coincide with the intent of the bill, for it to be accepted by the committee. The amendments are here. I have them and the gentleman from Utah [Mr. GRANGER] has them. They will be offered to make the bill coincide with the intent.

Mr. COOLEY. I stated substantially that a moment ago.

The situation before us is this: As I see it, we have three propositions. The first is to adopt the Granger bill, which outlaws yellow oleo only in interstate commerce, and that is all, other than to repeal the taxes, which is provided in all the other bills.

The next proposition is to adopt the Poage bill, which does provide almost every conceivable protection for the dairy industry and for the public at large.

The third alternative is not to adopt either the Granger bill or the Poage bill but to pass a bill which has one purpose, and that is to repeal the tax.

My good friend from Utah said a moment ago that he did not believe in running out on platforms and programs, and he reminded us of the fact that he was a member of the platform committee. The fact is that the Democratic platform came out for repeal of the tax, and that is where it stopped. Certainly my friend from Utah did not sit in with his colleagues in writing that program and agree with them that he would go before the country on the Democratic platform providing for the repeal of the tax, and at the same time say, "I am coming to Congress, and I am going to outlaw the thing upon which the tax is levied." That is what we are doing. Are you going to vote to outlaw a very wholesome food that is consumed by a large group of our people?

This is not legislation in behalf of agriculture, it is not legislation in behalf of the cotton farmer, and it is not legislation against the dairy farmer. Certainly, coming from an agricultural section, I have the interest of the dairy farmer at heart just as much as I do the interest of the cotton farmer. But this is to remove a nuisance tax, a punitive tax, a discriminatory tax which has been imposed upon this wholesome food product for more than 60 years. The President of the United States recommends the removal of it. Now, who is running out on whom? If I stand here and tell you that I intend to vote to repeal this tax, and everybody here I suppose now agrees that it should be repealed, what has been accomplished if we repeal the tax and then outlaw yellow oleomargarine?

So far as the question of who is running out on whom is concerned, we had consumer groups from practically every city in the country before our committee. There were labor groups, the CIO and the A. F. of L., and every labor organization in America. We had practically all of the consumer organizations and all of the civic organizations.

I wish you had the time to look at the record that has been made. This is not something sponsored merely by a bunch of cotton farmers.

Mr. GRANGER. Why do you not read the record?

Mr. COOLEY. It is all here.

The SPEAKER. The time of the gentleman has expired.

Mr. COLMER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. WITHROW. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] A quorum is not present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 382, nays 9, not voting 42, as follows:

[Roll No. 59]

YEAS—382

Abbitt	Case, N. J.	Forand
Abernethy	Case, S. Dak.	Ford
Addonizio	Cavalcante	Frazier
Albert	Celler	Fugate
Allen, Calif.	Chatham	Fulton
Allen, Ill.	Chelf	Furcolo
Allen, La.	Chesney	Gamble
Andersen, H. Carl	Chiperfield	Garmatz
Anderson, Calif.	Christopher	Gary
Andresen, August H.	Chudoff	Gathings
Andrews	Church	Gavin
Angell	Clemente	Gillette
Arends	Clevenger	Golden
Aspinall	Coffey	Goodwin
Auchincloss	Cole, Kans.	Gordon
Bailey	Colmer	Gore
Barden	Combs	Gorski, Ill.
Baring	Cooley	Gorski, N. Y.
Barrett, Wyo.	Cooper	Graham
Bates, Ky.	Corbett	Granahan
Bates, Mass.	Cotton	Granger
Battle	Cox	Grant
Beall	Crawford	Green
Beckworth	Crook	Gregory
Bennett, Fla.	Crosser	Gross
Bennett, Mich.	Cunningham	Gwinn
Bentsen	Dague	Hagen
Biemiller	Davenport	Hale
Bishop	Davies, N. Y.	Hall, Edwin Arthur
Blackney	Davis, Ga.	Hall, Leonard W.
Bland	Davis, Tenn.	Halleck
Blatnik	Davis, Wis.	Hand
Boggs, Del.	Dawson	Harden
Boggs, La.	Deane	Hardy
Bolling	DeGraffenried	Hare
Bolton, Md.	Delaney	Harris
Bonner	Denton	Harrison
Bramblett	D'Ewart	Hart
Breen	Dollinger	Harvey
Brehm	Dondero	Havenner
Brooks	Donohue	Hays, Ark.
Brown, Ga.	Doughton	Hays, Ohio
Brown, Ohio	Douglas	Hébert
Bryson	Doyle	Heffernan
Buchanan	Durham	Heller
Buckley, N. Y.	Eaton	Herlong
Burdick	Eberharter	Herter
Burke	Elliott	Heselton
Burleson	Ellsworth	Hill
Burnside	Elston	Hinshaw
Burton	Engel, Mich.	Hobbs
Byrne, N. Y.	Engle, Calif.	Hoeven
Camp	Evins	Hoffman, Ill.
Canfield	Fallon	Holifield
Cannon	Feighan	Holmes
Carlyle	Fellows	Hope
Carnahan	Fenton	Horan
Carroll	Fernandez	Howell
	Fisher	
	Flood	

Huber	Miles	St. George
Irving	Miller, Calif.	Sanborn
Jackson, Calif.	Miller, Md.	Sasscer
Jackson, Wash.	Mills	Scott, Hardie
Jacobs	Monroney	Scott,
James	Morgan	Hugh D., Jr.
Javits	Morris	Scrivner
Jenkins	Morton	Scudder
Jennings	Moulder	Shafer
Jensen	Multer	Short
Johnson	Murdock	Sikes
Jonas	Murphy	Simpson, Ill.
Jones, Ala.	Murray, Tenn.	Simpson, Pa.
Jones, Mo.	Murray, Wis.	Sims
Jones, N. C.	Nelson	Smathers
Karst	Nicholson	Smith, Kans.
Karsten	Nixon	Smith, Va.
Kean	Noland	Smith, Wis.
Kearney	Norblad	Spence
Keating	Norton	Staggers
Kee	O'Brien, Ill.	Steed
Keefe	O'Hara, Ill.	Stigler
Kelley	O'Neill	Stockman
Keogh	O'Sullivan	Sullivan
Kilburn	O'Toole	Sutton
Kilday	Pace	Taber
King	Passman	Tackett
Klein	Patman	Talle
Kruse	Patten	Tauriello
Kunkel	Patterson	Taylor
Lane	Perkins	Teague
Lanham	Peterson	Thomas, Tex.
Larcade	Pfeifer,	Thompson
Latham	Joseph L.	Thornberry
LeCompte	Pfeiffer,	Tollefson
LeFevre	William L.	Towe
Lemke	Philbin	Trimble
Lesinski	Phillips, Calif.	Underwood
Lichtenwalter	Phillips, Tenn.	Van Zandt
Lind	Pickett	Velde
Linehan	Plumley	Vinson
Lodge	Poage	Vorys
Lovre	Polk	Wadsworth
Lucas	Potter	Wagner
Lyle	Poulson	Walsh
Lynch	Preston	Walter
McCarthy	Price	Weichel
McConnell	Priest	Welch, Calif.
McCormack	Quinn	Werdel
McCulloch	Rabaut	Wheeler
McDonough	Rains	White, Calif.
McGregor	Ramsay	Whitten
McGuire	Rankin	Whittington
McKinnon	Redden	Wickersham
McMillan, S. C.	Reed, Ill.	Wier
McMillen, Ill.	Reed, N. Y.	Wigglesworth
McSweeney	Rees	Williams
Mack, Ill.	Rhodes	Willis
Mack, Wash.	Ribicoff	Wilson, Okla.
Magee	Rich	Wilson, Tex.
Mahon	Richards	Winstead
Mansfield	Riehlman	Wolcott
Marcantonio	Rivers	Wolverton
Marsalis	Rodino	Wood
Marshall	Rogers, Fla.	Woodhouse
Martin, Iowa	Rogers, Mass.	Worley
Martin, Mass.	Rooney	Yates
Mason	Sabath	Young
Meyer	Sadlak	Zablocki
Michener	Sadowski	

NAYS—9

Byrnes, Wis.	Miller, Nebr.	Secrest
Curtis	O'Hara, Minn.	Wilson, Ind.
Hull	O'Konski	Withrow

NOT VOTING—42

Barrett, Pa.	Hoffman, Mich.	O'Brien, Mich.
Bolton, Ohio	Jenison	Powell
Bosone	Judd	Regan
Boykin	Kearns	Sheppard
Buckley, Ill.	Kennedy	Smith, Ohio
Bulwinkle	Kerr	Somers
Cole, N. Y.	Kirwan	Stanley
Coudert	McGrath	Stefan
Dingell	Macy	Thomas, N. J.
Dolliver	Madden	Vursell
Fogarty	Merrow	Welch, Mo.
Gilmer	Mitchell	Whitaker
Gossett	Morrison	White, Idaho
Hedrick	Norrell	Woodruff

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Barrett of Pennsylvania for, with Mr. Stefan against.

General pairs until further notice:

Mr. Gossett with Mr. Macy.

Mr. Welch of Missouri with Mr. Hoffman of Michigan.

Mr. Gilmer with Mr. Jenison.

Mr. Regan with Mr. Kearns.

Mr. Stanley with Mr. Woodruff.

Mr. Morrison with Mr. Cole of New York.

Mr. Whitaker with Mrs. Bolton of Ohio.

Mrs. Bosone with Mr. Smith of Ohio.

Mr. Madden with Mr. Judd.

Mr. Kennedy with Mr. Coudert.

Mr. McGrath with Mr. Merrow.

Mr. WITHROW and Mr. WILSON of Indiana changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 2023, with Mr. WHITTINGTON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. COOLEY. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I spoke briefly, when the rule was under consideration, and referred at that time to the fact that the Democratic platform provided for outright repeal of taxes on oleomargarine. I do not want the membership of the House to feel for one moment that I regard this issue as a partisan issue. The truth is that it is entirely nonpartisan. I suppose that the authors of at least half of the bills—47 in number—which were referred to our committee, are members of the Republican Party. The same thing was true in the Eightieth Congress. Out of the number of bills at that time, half came from each side of the aisle.

With reference to the bill before us now, I would like to read this paragraph from a letter which I received signed by Mr. Roger W. Jones, assistant director of legislative reference, from the office of Mr. Oscar R. Ewing, Administrator of the Federal Security Agency.

The paragraph reads, as follows:

Enactment of section 3 of H. R. 1703, and the identical bill H. R. 2023, prohibiting the manufacture, transportation, possession, sale, use, or serving of yellow oleomargarine, except the use of yellow oleomargarine in private homes, would virtually nullify the effect of repealing the tax on oleomargarine. Consequently these prohibitions are not in accord with the program of the President.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. AUGUST H. ANDRESEN. No doubt that letter was written before the committee acted on H. R. 2023. The gentleman does not know the date of that letter, but the legislation has been changed since that letter was written.

Mr. COOLEY. The letter was written after the Granger bill was reported. The Granger bill has been changed in part, that is true, but I want to refer to another paragraph in this letter. I might state that the letter itself indicates clearly that the Administrator will regard the bill as being applicable to both interstate and intrastate shipments and sales of oleomargarine. Under the bill which is before us, no protection is provided for the public against possible fraud. I want to say to the membership of the House that I have many constituents engaged in the dairy business. I have many close personal friends in that business. I want to say further I was proud of one witness who appeared before our committee, who came from North Carolina. I am proud, further, of the fact that dairy herds are now being grazed in the State of North Carolina 365 days of the year, and further that it is not necessary to artificially color butter which is manufactured in North Carolina. The truth is, I am anxious to provide every protection for the public against fraud growing out of the sale of oleomargarine.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. In just a moment I will yield.

I met with the dairymen of North Carolina in the city of Raleigh before I came to Washington and discussed this proposition with them. I told them they might as well accept the fact that this tax was going to be repealed, and they agreed. Then they put forth the proposition that the sale of yellow oleomargarine should be outlawed both in intrastate and interstate commerce. I told them that in my opinion the Congress of the United States would never take such drastic action as that, but that I was perfectly willing to provide every possible protection to prevent fraud upon the public.

The Poage bill contains just about every possible protection you can conceive, whereas the Granger bill does not even purport to prevent fraud. It does not purport to protect the public. It only makes it unlawful to ship yellow oleomargarine across State lines, but once it is across the State line, there is nothing in this bill to prevent it being sold as butter.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. COOLEY] has expired.

Mr. COOLEY. Mr. Chairman, I yield myself two additional minutes.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. MURRAY of Wisconsin. I would like to ask my distinguished chairman, realizing the statement he has just made, how he can take that position when for 25 years we have had the so-called filled-milk law on the statute books, which does the same thing and gives the same protection to the evaporated-milk people that the Granger bill does to the butter people? The Federal Government does not have the responsibility of seeing whether the people in those States who use filled milk are defrauded or not. It is left to the people of the States that make it—that is Indiana and Illinois.

Mr. COOLEY. We are not dealing now with filled milk. We are dealing with oleomargarine.

Mr. MURRAY of Wisconsin. But the same principle applies.

Mr. COOLEY. The same principle may apply, but the matter before us to determine is whether or not we are going to enact a Federal law making it a crime for the housewife to transport yellow-colored oleomargarine across a State line. Should oleo be put in a category along with narcotics, liquor, and other products of that kind?

Mr. MURRAY of Wisconsin. Well, put it in the same category as filled milk. Would the gentleman repeal the filled-milk law?

Mr. COOLEY. I am not taking any position on that right now. I am willing to consider the matter when the gentleman brings it before the committee.

I wish I had time to read these letters pertaining to the legislation now under consideration, but I will ask permission to incorporate them in my extension of remarks.

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentlewoman from New York [Mrs. ST. GEORGE].

Mrs. ST. GEORGE. Mr. Chairman, I rise in support of H. R. 2023, a bill to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

In the Eightieth Congress I became deeply interested in the dairy industry's fight against unfair competition. This was natural, as the Twenty-ninth Congressional District of New York, which I have the honor to represent, is one of the largest dairy districts in the great State of New York, and for that matter in the Nation.

The total value of the dairy products sold in the Twenty-ninth District of New York was $244,060,082 in 1 year. In other words, the dairy industry is by far the largest industry in the district and any loss that it suffers and any falling off in its revenue will have an immediate effect on every merchant in the district, including the grocer who sells oleomargarine.

It has been said, and with some reason and logic, that it is unfair to tax colored oleo, that it is unfair to the poor man who cannot afford butter, but who likes to have colored margarine because he can then kid himself that it is butter.

Of course, we live in an age of substitutes, and, although there is a well-known advertisement that says, "It's fun to be fooled, but it's better to know," most of us much prefer to be fooled.

Now, this bill repeals the tax on oleomargarine entirely, but insists that it be uncolored; that it be sold for and looking like what it is, and what its proponents claim it is—pure virgin white, without any taint of animal fat—that horrid thought. Well, what is wrong with that? What is wrong with pure white, unadulterated, uncolored margarine? The answer is, nothing at all, unless—and here suspicion raises its ugly head—unless it is desired to pass oleomargarine off as butter.

This is an easy thing to do, and it is being done in hotels, schools, and institutions all over this country at this very moment.

The opponents of the bill have come up with the highly unoriginal suggestion of having a law passed that would oblige any public eating place serving oleo to have a conspicuous sign announcing the fact to the customers. How would this law be enforced? Maybe some of you can remember the prohibition era. It would be enforced by appointing another board or commision paid for by the taxpayer, and incidentally the dairy farmers, under the executive branch, of course. This would create another regiment of Federal bureaucrats who would snoop around to see that the law was enforced.

I need hardly tell you that these bureaucrats would have their friends and their enemies, some of them in vulgar political parlance could and would be reached. We would have nothing but an expensive exhibition of confusion worse confounded.

This simple measure obviates all this. It prohibits the movement of yellow oleo in interstate commerce. It removes all Federal taxes, and best of all, it permits the States to regulate oleo manufacture and sale within their own borders. Some of us are jealous of States' rights; I confess to a slight leaning toward that school of thought. Some of us want to get away from everlasting bigness, the impersonality of size, the octopus-like quality of it. Some of us believe we can conduct our own business better than the Federal Government can conduct it for us. Some of us would like to be allowed to go to perdition in our own way, but that is probably too much to ask.

Just the other day it was announced that the Government had to support butter prices in Minnesota at 59 cents per pound, so the industry is now beginning to feel the depression that is beginning to appear in many places.

It will be a sad day for this country and the world if our cow population diminishes further and the dairy industry goes into a real decline.

This bill is not asking for any appropriation. It is not hurting or preventing the sale of margarine which we acknowledge to be a good, healthful, cheap substitute.

All it does is prevent the butter industry from having to fight unfair competition. The price of butter is always going to be the key to the prosperity of the dairy industry, because it is the only economic way of storing milk in the flush season. All milk prices are inevitably tied to the price of butter.

Mr. Chairman, this is an eminently just and fair bill; it is reasonable; it brings this question down to the State level where it belongs. It merely protects the great dairy industry from unfair competition, the only kind of competition that can destroy it.

We heard a lot on the floor of this House yesterday about Hungry Horse. Mr. Chairman, it will be a sad day for this country when this House hears about hungry cows.

Mr. COOLEY. Mr. Chairman, I yield 6 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Chairman, something was said today about the Democratic platform. I want to tell the members of the committee that the plank in the Democratic platform which proposes repeal of the Federal antimargarine tax means just what it says. I think I know something about that plan. I was a member of the drafting subcommittee that drafted the Democratic platform as a member of the general committee on platforms and resolutions. We conducted a week of hearings on that platform, and we heard many tell us their views on the oleomargarine situation. The proposal on margarine that we drafted meant repeal of the Federal antimargarine legislation—repeal of license fees and taxes. Nothing more was said about it. There was no thought of substituting a ban on the manufacture and sale of yellow margarine in interstate commerce or of putting any other restriction on margarine in lieu of taxes. Those who now argue that the administration would be breaking faith with Midwest farmers or any other farmers if it goes ahead with repeal of the taxes on margarine, evidently do not know what went on at Philadelphia when the Democratic platform was drafted.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Utah.

Mr. GRANGER. It is true the gentleman was on the original platform committee, but certainly he was not on the last committee when we worked until 3 o'clock in the morning on this plank in the platform and I challenge the gentleman to read what the platform says.

Mr. CELLER. Mr. Chairman, I do not want to enter into any controversy with the gentleman. I was in Philadelphia and attended every single solitary meeting of all committees concerning the drafting and the acceptance of the platform before it was placed before the rank-and-file Democratic delegates from throughout the Nation in Convention Hall. I defy the gentleman, for whom I have the most profound respect, to point to a single word in any of the deliberations whatsoever which indicated by even a fair inference that the Democratic platform said anything other than just the repeal of the taxes on oleomargarine. It certainly said nothing to the effect that colored oleomargarine shall not be permitted to go into the stream of interstate commerce and anyone who argues to the contrary flies in the face of the actual facts. I am more than happy to be here this morning to indicate the exact situation. All that was done was to say in that platform, "Repeal the tax." All this other business dragged in here is a facade to hide the shenanigans of the dairy interests. They now, when cowed and licked, belatedly come out and say, "Yes; we want to repeal all of the taxes on yellow oleomargarine, but prevent yellow oleo from crossing State lines." How silly. If yellow oleo is good in intrastate commerce, why should it, ipso facto, be treated as poison, and thus verboten, when shipped across State lines. If yellow oleo is good for John Q. Public in New York, why should it not be sent without hindrance into New Jersey to GI Joe?

If oleomargarine in one State is wholesome and pure, nutritious and good, by what sort of abracadabra does it become just the reverse when it is shipped into another State? That does not enter my cranium as common sense and I cannot conceive of it being logical. Therefore the pending bill is a farce. It is a smoke screen to protect improperly the American Dairy Association and the like.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. As one of the distinguished Members of this body for many years, and being now chairman of the Judiciary Committee, may I ask the gentleman if he would be willing to repeal the law in connection with filled milk which is based upon the same principle?

Mr. CELLER. One has nothing to do with the other. We are concerned with oleomargarine, not with milk. I will say this, not necessarily in direct answer, because the question is utterly irrelevant, incompetent, and immaterial, as they say in court, if you are going to place penalties upon the use of colored oleomargarine then let the sauce for the goose be sauce for the gander. You know, you gentlemen from the dairy States, that you must color butter, especially in the wintertime.

Mr. MURRAY of Wisconsin. Oh, no.

Mr. CELLER. Oh, yes, sir; in the wintertime you color butter. Because of the inability of the cattle to eat the grass, the green of which makes the butter yellow, you come to the inescapable result that fully 80 or more percent of the butter made in the wintertime must be colored. Now I ask you, if you are going to color oleomargarine, and then compel it to bear a penalty, why should you not put the same penalty upon butter when it is colored? That puts the shoe on the other foot.

Mr. MURRAY of Wisconsin. Will the gentleman allow me to answer?

Mr. CELLER. I know from my slight experience—I am not an expert—that when the cattle have to eat the straw and the silage, I think it is called, corn from the silo—maybe I am a little wrong in that, it matters not—the point is that they cannot eat grass, and therefore the butter is not yellow; it is straw-colored, and you add coloring. Now you are being hoist by your own petard and you cannot take it. Therefore, I say you should not put a penalty on oleomargarine, or put any kind of restriction on it so that when it enters interstate commerce it shall be taboo.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Utah.

Mr. GRANGER. I wish the gentleman would tell the House why it is that the State of New York only recently, in the last legislature, did not think oleo was so good, and that it absolutely prohibits the sale of colored oleomargarine in the State of New York.

Mr. CELLER. I do not say that New York State is perfect by any means. We make mistakes there, too, especially at the behest of the Dairymen's League. It is inconceivable that we continue to permit an edible commodity to be directly taxed by the Government for the purpose of keeping down its sales, and pushing another product—butter. Remember the license fee and taxes are passed on to the consumer.

It is time to call a halt to this licensing and tax and repeal the sanctions against a wholesome, inexpensive article of diet and thereby support the housewives who are making a valiant effort to meet budgetary needs against the shrinking dollar.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Chairman, I would like to say first that I am sorry to have to take this stand as a member of one of the greatest committees in this House, probably the most important, even more important than the Committee on Appropriations, because you would not have anything to appropriate if it were not for the agricultural products of this Nation, and that is not a foolish statement. I am sorry to appear today before this House and find no printed hearings. It is not my fault. I corrected all of my remarks right up to the minute, and I say to every Member that whenever the clerks or secretaries sent reports into my office, they are immediately corrected and returned, and here we are today, without a single report of the testimony of a single man or woman that you can sit down and read and learn as you read what these witnesses told our committee. And that is important, ladies and gentlemen, and if I have time this afternoon I would like to analyze the testimony of those witnesses before our committee, wonderful statements, people who have been in the dairy industry all their lives, right from the chairman's own State of North Carolina, where they expect to keep their boys and their girls and the families—all in the dairy business. Yet, we find not a single line of testimony available for the members of this whole Committee to read this afternoon. The only sign I have seen of testimony is in the hands of the opposition.

Now, then, to state the issue just as simply as I know how.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HILL. I will certainly yield to my chairman because I am not criticizing him in any sense; he is a great chairman.

Mr. COOLEY. Do we have any documents here that the gentleman would like to have?

Mr. HILL. I have them.

Mr. COOLEY. I have documents of two former hearings here, and the gentleman knows full well why those hearings were not printed.

Mr. HILL. The gentleman can take his own time to answer the question. But here is a gentleman sitting over there wanting to read the testimony, and he cannot find them. Do not put them under my nose, because I have read them all. I know what the witnesses said; I know how the witnesses answered the questions. When opposition witnesses came before the committee, did they speak up forthright and talk the way I am talking? They did not.

Let me state the issue this afternoon.

Mr. SHAFER. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Michigan.

Mr. SHAFER. Were there any representatives of the oleomargarine industry before your committee?

Mr. HILL. They were before the committee continuously, on the back row, listening to everything that was said, but they offered nothing to the committee by way of real, constructive thinking. Just think of that, will you?

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Utah.

Mr. GRANGER. The gentleman recalls that when we reported this bill out the halls were filled with oleo people with cameras to take pictures of the people who were going to bring out this bill, but they did not use them. Does the gentleman know that 10 minutes after we reported out this bill the oleo people and the National Association of Manufacturers people were there trying to write the report of this committee?

Mr. HILL. I will say to the gentleman from Utah, and I think I am correct—if I am wrong I will withdraw my remarks—that when this committee voted this bill out it voted it out 24 to 3. That does not sound as if we were very much divided.

Let me state the issue. What is the issue this afternoon? The issue is very simply stated. Every man on our side agreed that we should support the overall removal of all taxes, and also any other form of licenses on the statute books concerning oleo. What could be more fair than that? We want the taxes removed, every one of us. I expect to tell all my people I am in favor of removing all the taxes from oleo. Is that what our bill does? It is.

What is the issue, then? The only issue is whether you want oleo sold as butter, and as to that I am going to see that every man stands up and is counted. This is the story. Do you want oleo sold as oleo, or do you want it sold as butter? It is up to this Committee this afternoon to make up its mind. When the final vote comes, that is exactly what you are going to do. That is the issue that is before us now. It is not a question of taxation.

This afternoon you are going to hear those opposed state they are opposed to taxes on oleo. That is not the issue. We are all supporting the removal of the Federal tax. That is the first thing the gentleman who preceded me started to tell you, when he spoke about farming on the streets of New York. I did expect him to say that but I do not expect anyone from Texas to say that, nor from North Carolina.

Let us look for just a moment at the dairy industry. How important is the dairy industry to every man and woman here this afternoon? Let me ask, first of all, how important is it, and I will answer.

There is none but expects to leave children and grandchildren to populate our Nation. Strong, virile men and women that are willing to stand up for the principles of democracy we talked about yesterday in the great city of Philadelphia where our leaders wrote the various documents setting out the way of life which is America. It is a great history, revolutionizing the relation of man to his Government. This afternoon you say you are going to support a synthetic food just the same as if it were a natural food, and say to the boys and girls that will follow us, "Maybe you will have bone and muscle and sinew to do the things we have to do to be the leaders of the world." I cannot follow any such philosophy.

There is not a single bit of testimony anywhere that proves to any mother or father that they can feed their children oleo and make professional football or basketball players out of them or strong men and women to leave behind them to carry on the difficult battle of right in this world. That is what we are talking about.

If I had the time this afternoon I would analyze just one man's testimony and I could show you by his statements that this might accomplish two most terrible things, the destruction of the fine physical and mental qualities of the boys and girls of this Nation, and finally, wash away the topsoil and impoverish future generations.

I will take any dairy section in the United States—and I do not live in such a section—and compare it with any other section in the United States. The record will show that they are over 100 percent plus, so far as living conditions are concerned and so far as the type of men and women, the boys and girls in those communities.

They are as high as 138 percent. Then you say here this afternoon that you are going to be a party to the destruction, or the beginning of the destruction, of such an industry as the dairy industry. My good chairman, whom I love—and this is no foolish or exaggerated statement—had a friend appear before our committee. The testimony he gave to our committee was bright and happy. He told us how he started out a few years ago by buying 100 gallons of milk a day. Now he buys thousands and thousands of pounds of milk per day from the farmers of North Carolina. That is not all he said.

When we questioned him as to whether the dairymen made money and intended to stay on the farms, whether they intended to keep their boys and girls on the farm, we discovered that North Carolina was one of the finest States in the Union in which to bring up a family. Yet you expect to cast a vote to help destroy the very industry that makes North Carolina great. Why, it is ridiculous.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. CRAWFORD. I wish to ask the gentleman about the witnesses who appeared before the committee. Did any of the manufacturers of oleo products appear before the committee and subject themselves to cross-examination?

Mr. HILL. As I recall, they had an attorney. I would like to analyze his testimony if I had the time.

Mr. CRAWFORD. I would like to get technical about this now. Did any of the manufacturers appear before the committee? I think the Members will be interested to know.

Mr. HILL. No manufacturer came before the committee.

Mr. CRAWFORD. Outside of the attorney, what type of witnesses appeared?

Mr. HILL. I will have to admit that most of the witnesses were the dairy people. They were interested in coming before the committee and giving their testimony.

Mr. CRAWFORD. I mean what type of witnesses appeared in support of the bill to permit the interstate movement of colored oleo—who supported that proposition before the committee?

Mr. HILL. I cannot recall anyone who supported it.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. AUGUST H. ANDRESEN. Those who appeared before the committee were the attorneys for the Wholesale Food Manufacturers' Association, the attorney for the Retail Merchants' Association. We also had the representative of the League of Women Voters, the Jewish Council, and a few other organizations.

Mr. CRAWFORD. But no manufacturers?

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. HILL. Mr. Chairman, may I have five additional minutes, as I would like to answer these questions.

Mr. HOPE. Mr. Chairman, I yield two additional minutes to the gentleman.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. CRAWFORD. For some 15 years before being elected to the House, I was a manufacturer. I was continually fighting with my associates on the proposition that the manufacturer himself should appear before these committees.

Mr. HILL. They certainly should.

Mr. CRAWFORD. They should appear before these committees themselves, so as to inform the committees of what is going on in the manufacturing field. I found out then and that situation still exists, all through the manufacturing fraternity, that there is a reluctance to appear before congressional committees, and there is always a design to put up some front. That is not smart business. I want to get that in the record, with regard to this particular case. There is no reason why a manufacturer should not submit himself to cross-examination before these committees. Unless they do that, you do not get the facts on these cases.

Mr. HILL. From the testimony before our committee, we discovered that 65 percent of all the oleo made in this country is made by five companies.

Now, let us get back to the question of how important the dairy industry is to this country. There is not a man or woman on the floor of the House today—be they Democrat, Republican, New Dealer, or with Communist leanings, or any other type—who would do one single thing to bring about a depression. But let me say this, that we may be making the very move here this afternoon, which will bring about our next most destructive depression that we could ever have. If you take 2,000,000 dairy cows off the market in the next 6 months, and thus take off the market all the milk which is made into butter, you will bring to agriculture a depression that will make the first depression in agriculture in the twenties look like a celebration. That is not all I have to say.

I will get some more time on this when the bill is being read for amendment under the 5-minute rule. I want to tell you what the dairy industry means to this Nation of ours, which we are placing in jeopardy this afternoon by supporting such legislation that is proposed by the gentleman from Texas.

Mr. COOLEY. Mr. Chairman, I yield 2 minutes to the gentleman from Mississippi [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Chairman, I believe that my good friend from Colorado [Mr. HILL] wants to be fair when he addresses you from the well of this House. He stated a moment ago, in answer to a question by the gentleman from Michigan [Mr. CRAWFORD], that no one interested in margarine as such appeared and testified in support of repeal of the antioleomargarine laws.

I want to read to the Committee a list of the witnesses who appeared in support of such. The following witnesses appeared:

Mr. Harold O. Smith, Jr., executive vice president of the United States Wholesale Grocers Association.

Mr. J. W. Calland, managing director, National Soybean Crop Improvement Council, of Decatur, Ind.

Mr. John W. Evans, vice president, American Soybean Association, Montevideo, Minn.

Mr. C. M. Gregory, manager, Farmers Cooperative Co., Dike, Iowa.

Mr. Lewis G. Hines, representing the American Federation of Labor.

Mr. Robert C. Jackson, Washington representative, National Cotton Council of America.

Mrs. Margaret S. Manager, national chairman, American Home Economics Association.

Mr. Robert Lamkin, representing Association of American University Women.

Mrs. Harvey W. Wiley, legislative chairman, District of Columbia Federation of Women's Clubs.

Miss Nancy Holland, representing Friendship House.

Mrs. Jean Whitehill, Consumers Union of United States.

Mr. Tyre Taylor, representing National Association of Retail Grocers.

Mr. Ralph Wells, a soybean processor.

Mr. Donald M. Cresswell, representing Pennsylvania Secretary of Agriculture.

Mr. Donald Montgomery, representing the CIO.

Mr. Clifford Patton, representing the National Association of Consumers.

Several Members of Congress, and many others. Furthermore the record was filled with statements, letters, and

resolutions in support of our bill and in opposition to the Granger bill.

Incidentally, I hold here a statement issued by the dairy people a few days ago which enumerates some of the witnesses who supported our bill and oppose the Granger bill.

The margarine witnesses were, according to this dairy paper, the Washington lobbyists for the American Federation of Labor; five representatives of professional consumer and women's organizations; one consumers' representative of the CIO United Auto Workers; three representatives of soybean associations and soybean growers; one soybean processor; one Washington representative of a cotton promotion organization; and one representative each from the National Retail and Wholesale Grocers' Association.

So I suggest that when the gentleman leaves the impression that no one appeared in support of outright repeal of all antimargarine laws, he is in absolute conflict with the record.

Mr. Chairman, the people of my district and the whole South have a great interest in this fight.

The Fourth District of Mississippi, which I am privileged to represent, consists of 10 hill counties. Most of the 201,000 people within the district live in the rural areas and obtain their living from the farms, a vast majority of which are of the family type. Their major crops and sources of income are cotton, cattle, milk, and grain. The present administration and the Department of Agriculture have geared their policies and programs in the particular interest of this type of farmer. Cotton is by far their major cash crop, and, as I shall point out, cottonseed is all-important to them.

From time to time I have heard statements that the cotton farmer had little direct interest in the margarine fight and that its importance to the Cotton Belt had been exaggerated.

In my considered judgment, the margarine issue is a vital one to the cotton producers. Anyone familiar with cotton growing knows that cottonseed is particularly important to the person in whom we all profess a great interest—the little man, the poor man, whether share cropper, renter, or owner.

Few cotton producers, even the wealthiest and most affluent ones, finance the crop. They borrow money each year to raise cotton. The larger operators get capital from the bigger banks; the smaller ones from the small banks, from merchants and from the more fortunately situated producers.

The crop is mortgaged, but in the case of the family-type farmer, the share cropper, and small operators, one portion of the crop generally is left untouched by the mortgage. This portion is the seed. This is a matter of habit and custom, a part of the ritual of producing the South's greatest crop. In bad years this frequently is all the small farmers have left after they have grown the cotton and have paid the expenses of making the lint and seed.

That is why the seed, while approximating only one-fifth the value of the crop, is so important to the little man—the man we say we all wish to help.

The seed then in the case of hundreds of thousands of farmers assumes an importance all out of proportion to its value as compared to the rest of the crop. It has been said, in testimony before the House Agriculture Committee in the past, that the price of seed is a more controversial subject and has more direct influence on the welfare of the attitude of the cotton producers than even the price of cotton.

I am in agreement with that statement.

Cottonseed, as many of you know, derives its monetary value from four uses—oil, meal, hulls, and linters. However, in market value the oil is worth more than the other three products of cottonseed combined. On the average, I would say, oil is a little more than 50 percent of the value of cottonseed.

The oil from cottonseed is consumed almost entirely as human food. Generally speaking, more than 90 percent is used to feed people. Cottonseed oil goes into shortening, into margarine, mayonnaise, salad oil, and salad dressing.

The two primary uses of cottonseed oil are in shortening and in margarine. The latter's importance as a market for oil has increased steadily, until now it is ahead even of shortening. For example, of all cottonseed oil used in 1938, shortening consumed about 63.4 percent, margarine only 8.6 percent. In the January to September period, 1948, approximately 35.3 percent of the cottonseed oil used went into margarine, about 21.8 into shortening.

This shift in uses has not been due to any decline in the volume of cottonseed oil used in shortening. The amount of cottonseed oil going into shortening actually has increased but the amount employed in margarine has increased at a much greater rate.

The 1948 production of margarine is estimated at 900,000,000 pounds. Back in 1940, only 8 years ago, only 320,000,000 pounds of margarine were produced.

I do not need to detail to you the long history of Federal antimargarine legislation. The first act aimed at margarine became law in 1886, a second in 1902, and the third in 1931.

Before the passage of the 1886 law, estimates of the consumption of margarine were as high as 200,000,000 pounds annually. This consumption dropped to 20,000,000 pounds in 1887.

In 1902, when the second Federal antimargarine bill went through, per capita consumption of margarine was estimated at 1.6 pounds per capita. A year or two afterward, consumption had dropped to one-half pound per person.

After enactment of the 1931 act, the consumption of margarine dropped from about 2 pounds per capita to 1.6 in 1932.

Whatever their failure then from a long-time standpoint, the antimargarine laws did succeed for a time in their objective—a reduction in the consumption of margarine.

In so doing, inevitably they reduced the price for cottonseed oil. There is no way of estimating the effect upon the price for this oil. We know, however, that over the years the Federal and State antimargarine laws have taken millions upon millions of dollars from the pockets of the South's cotton producers. Within recent years, as soybean oil began to be used in margarine in large quantities, this legislation likewise reduced the price of soybean oil and hit directly at the pocketbooks of the soybean producers.

Likewise, since the food oils are interchangeable to a large degree, the antimargarine statutes have lowered the price of peanut oil, corn oil, and the other food oils.

I do not need to point out to you that a comparatively small surplus in fats and oils oftentimes exercises a disproportionate effect upon prices. Also, a small deficit in supply can exercise a disproportionate effect upon price. I could compare these effects to the oftentimes thin line which lies between solvency and insolvency.

During the war, this country greatly increased its production of domestic fats and oils. We are confronted with the grave problem of finding a market for these oils. Already, prices for domestic fats and oils have dropped sharply. If 453,000,000 pounds of cottonseed oil had not gone into margarine in 1948 and also large quantities of soybean oil, prices of domestic fats and oils would be ruinously low.

The producers of all domestic fats and oils, including lard, should insist that there be no restraints upon domestic markets for domestically produced fats and oils. If, for example, the price of cottonseed oil and soybean oil declines the price of almost all other fats and oils fall with them.

I would hesitate to predict the effect of a total ban upon the manufacture and sale of yellow margarine upon the consumption and the prices for cottonseed oil and soybean oil.

Certainly, the butter interests feel that such a ban would reduce the consumption of margarine. That is why they are supporting such legislation and why they have supported other antimargarine laws in the past.

If the color ban is enacted, we can look forward to an intensification of the difficulties in which the producers of cottonseed oil, soybean oil, and peanut oil find themselves.

Much has been said here about the possible affects upon the dairy industry of the repeal of Federal and State antimargarine legislation.

In view of the fact that butter is the least profitable use of milk and that the country stands greatly in need of expanded uses for whole milk, cheese, and ice cream, I think the statements about danger to the dairy industry are unwarranted.

But if we are to discuss seriously possible damage to the dairy industry, what about damage to the cottonseed industry, the soybean industry, and the peanut industry from the ban on yellow margarine?

Butter's pleas, if they are examined impartially, are simply pleas not to be forced to compete fairly and squarely with the products from the other American farms.

The drop in dairy prices is pointed out and stress put upon the decline. What about the drop in the prices of cottonseed, of soybeans, and of the other products which produce the fats and oils that

go into margarine? Aren't the farmers who raise cotton, the lowest income group in the United States, to be considered? Has not the time come to remove the burden placed upon them by unfair laws? Do they not deserve consideration? Are we to remove the taxes on margarine but to ban yellow margarine entirely?

What does the proposal to remove these taxes but to ban yellow margarine mean? It means removing the taxes, so far as yellow margarine is concerned, on a product that is outlawed. In other words, the butter interests say, remove the taxes on yellow margarine but ban it completely. Anyone can see that a ban on yellow margarine is much worse than the 10-cents-a-pound tax which now exists. The proposal from the butter lobby is not a compromise. It is an attempt to damage margarine more than other punitive laws have damaged it in the past.

Butter and oleomargarine are competitors. Both are products of the farm. I believe that every Member of this House wants to be fair. I cannot believe that any of us accepted our seats in Congress for the purpose of securing or maintaining an advantage of one farm product over another farm product. We are charged with the duty of treating them with equal fairness. To favor one industry by restricting another is not, in my opinion, compatible with democracy nor is it in the best interest of all business as a whole, or of the American people. It is just as contrary to the American system of free enterprise to legislate for American-produced butterfat as against American-produced cottonseed and soybean oil, the basic element of oleomargarine, as it would be to legislate for American-produced cotton fiber as against American-produced synthetic rayon fiber. Rayon is a competitor of cotton. It has come on the market in a system of free enterprise. It is a serious threat to the thousands of farmers who grow cotton. Yet no Member of Congress from the Cotton Belt has to my knowledge urged or offered punitive legislative measures against the rayon industry. That, however, is exactly what the Congress tolerates in the case of butter as against oleomargarine.

As a Representative of a district which has a flourishing cotton industry and a flourishing dairy industry, I want to be fair to both. If I am to be fair, if I am to do my duty as I see it, I cannot consent to the continuation of an injustice inflicted upon those least able to bear it—the cotton farmers of the South and the Cotton Belt of the Nation.

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. ABERNETHY] has expired.

Mr. HOPE. Mr. Chairman, I yield 1 minute to the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Chairman, I am sorry that my genial friend, the gentleman from Mississippi [Mr. ABERNETHY] was not listening when I was speaking, because I made no such statement. I said no manufacturers of oleomargarine appeared before our committee. That is exactly what I said, as the RECORD will show. Of course I call your attention to how many cotton people appeared and all of those who were paid by the oleomargarine people to come and make their testimony.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. CRAWFORD. My whole point was based on manufacturers of oleomargarine, and not these other miscellaneous witnesses.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. CHRISTOPHER].

Mr. CHRISTOPHER. Mr. Chairman, it is absolutely impossible to handle a subject like this in 5 minutes. If I had 20 minutes' time I would nail this thing so tight to the floor you could not pry it up with a crowbar, but I have not got time. I want everybody in this House who believes that the poor woman shopper of the United States ought to be allowed to buy a cheap spread for her bread to vote for the Granger bill, and here is why: As long as there is white oleo for sale in the United States she can buy it cheaper than butter; as soon as the oleo people get the chance to make oleo yellow and sell it without any restriction all over the United States, it will cost more than butter and it will rob that poor woman who is pinched by her budget of the opportunity to go and buy a cheap spread to put on the bread for her children. I can prove it, and I will tell you how you can prove it. Go to the grocery store around the corner and price 3 pounds of vegetable oil, and you will find it will cost $1. Price 3 pounds of hog lard, the best shortening and frying fat the world has ever produced, and you can buy it for 50 cents. How did the vegetable-oil manufacturers bring that about? By advertising that if you eat vegetable oils and do not eat lard you can retain that boyish and girlish figure. They forgot the fact that the vegetable oil fattens the hogs that make the lard. Is that ridiculous, or is it not?

They say this is an economic question; it is no such thing. It is not an economic question; it is a soil-conserving question and nothing else in the world. I stand before you this evening proposing that you make a spread for the Nation's bread out of bluegrass and timothy, lespedeza and sweet clover, alfalfa, and red clover and white clover; that is the kind of farm products I want to make butter out of. What are they? They are the soil-conserving crops of this Nation. I can sell a thousand dollars worth of butter off my dairy farm and have just as good a farm as I had before I sold the butter; but you sell a thousand dollars worth of soybeans, of cottonseed, of peanuts, off your farm, and you have sold a definite part of your farm. There is no way that you can avoid it. Ride over your farming country and look at the soybean land, see how it has washed away. I have stated in this House before, and I know it to be a fact—I yield to no man in this House or anywhere else when it comes to soil conservation and what will build up soil and what will destroy it; I have watched it and worked with it for 50 years, and I know all there is to know about it. I know it first-hand; I did not learn it on the streets of New York. New York is a great city, but how long would it last without soil? In one week, denied the products of the soil New York City would be in dire distress; in 1 year it would be a ghost town in ruin; that is what would become of New York. When you chase the dairy farmer out of business as the oleo manufacturer intends to chase him out of business by counterfeiting his product and ruining his market—and the gentleman who favors the Poage bill stood here today and would not say a word about filled milk—if you take the step of legalizing yellow margarine all over the United States this year, then next year they will bring in the filled milk bill, and if they get by with that then the next year they will bring in the synthetic ice-cream bill; and pretty soon, as one gentleman said here today, when you want any milk product you will simply take a pill.

Mr. NICHOLSON. Mr. Chairman, if the gentleman will yield, New York City would be all right if it had a few silos, would it not?

Mr. CHRISTOPHER. That would help, sir.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. CHRISTOPHER. I yield.

Mr. HAYS of Ohio. Is it not a fact that practically every agricultural publication in the country says that the only hope for a prosperous agriculture in the South is an agriculture based on animal husbandry?

Mr. CHRISTOPHER. That is right. The South needs a dairy industry as bad as any part of the United States.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. CHRISTOPHER. I yield to the gentleman from Colorado.

Mr. HILL. There was not an expert on agriculture who appeared before our committee but what stated the same thing the gentleman just mentioned; that is, without a good prosperous dairy industry, you cannot maintain the fertility of the soil.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. COOLEY. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. CHRISTOPHER. Mr. Chairman, the Democratic platform has been spoken of here today as coming out for repeal of the oleo tax. The Granger bill repeals the oleo tax, but fixes it so it cannot masquerade in every hotel, in every restaurant, in every eating house, in every institution, and in every home of the land as butter.

One gentleman here spoke about butter being colored, and he talked about the straw that the cows eat in the winter time. A cow does not give milk from straw, neither does she produce butter from straw. We feed a cow nice green legume hay, a good silage, and some cottonseed meal that we buy from down South. That is what we feed our cows to give milk. Our butter does not need coloring if the cow is properly fed. Of course, she will give enough milk to make cream for your coffee if you run her in a stalk field and milk her over in the

corner of some rail fence, but we do not do that. I can understand how a gentleman from New York would imagine all you had to do to get milk was to catch a cow and milk her. But today the dairy business requires more than that. It is a specialized industry. If you want to destroy it, you can do so with this unfair competition, but when you do, do not say, "We did it because we felt sorry for the poor woman who has to buy cheap oleo," because the things they are proposing to do will rob her of the only opportunity she ever had to buy a cheap spread for her bread.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. WITHROW].

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. WITHROW. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. I had requested the gentleman from Missouri to yield so that I might say to the House that I thought the gentleman from Missouri has brought out the one point that is most pertinent to this question, and that is, "Are you interested or are you not interested in preserving the soil of this Nation?" If you are interested, vote down the Poage bill when it comes before the House.

Mr. WITHROW. I thank the gentleman.

Mr. Chairman, the question here today is whether we should permit the transportation of colored oleomargarine. As far as I am concerned, I realize that the reason that oleomargarine is colored is in imitation of butter. I can well recall last December when my distinguished colleague, the gentleman from Wisconsin [Mr. MURRAY] was debating with Dr. Carlson, who was the spokesman of the oleomargarine interests, on the question of butter versus oleomargarine. Dr. Carlson is a very capable gentleman. He is and was at that time representing and speaking for the oleomargarine interests. Dr. Carlson under questioning by the gentleman from Wisconsin, said that the principal reason for the desire to color oleomargarine yellow was to break down a natural sales resistance. The coloring of oleomargarine yellow makes it an imitation of a natural product. The color of butter is yellow; it is a natural color. There are times during the year when the cows are off pasture in the barn that they are fed from silos and the result is that at that time it is necessary, to maintain a uniform yellow color, to slightly color the butter. But, it should not be construed in any way as being an imitation of any other product. It is put in to maintain the regular yellow color of butter, which is naturally yellow.

Now, dairy farming is peculiar. You cannot go into the dairy business quickly and you cannot get out of it quickly. Why, it is necessary to spend 15 to 20 years in building up dairy herds. They cannot be built up in a hurry. Then they must be culled and reculled in order to cut out the low producers to make it profitable. In addition to that, the dairy farmer must maintain large and expensive barns. He must construct large silos in order to store food for the cattle during the winter months. In addition to that he is required to meet very rigid sanitary regulations, both State and Federal. He must keep the entrance of the building that he cools his milk in a prescribed distance from the barn. He must meet these rigid requirements that cost thousands and thousands of dollars on every farm unit. Then, in addition to that he must buy expensive and diversified machinery so as to cultivate and to harvest his many products economically; the dairy farmer has a larger investment in proportion to his gross income than any other industry in the world.

I understand that many leading dairy and farm organizations are agreed on the suggestion that oleo taxes and license fees be repealed. This is being misinterpreted to mean the repeal of all restrictions on the manufacture and sale of yellow oleomargarine. This movement which threatens the very existence of the dairy industry is sponsored and financed by the oleomargarine manufacturers, a small industrial group that seeks to remove all restrictions on the sale of oleomargarine colored yellow in imitation of butter.

The fight between oleo and butter is an economic battle. On the one hand you have 2,500,000 dairy-farm families, 40,000 small dairy plants and their employees as against 28 large oleomargarine manufacturers. The dairy farmers are a vital part of our national economy, they pay substantial taxes and also provide the Nation with vital and nutritious food. They merely want the synthetic product called oleomargarine to be sold for what it is and not to permit it to be disguised as an imitation of butter by coloring it yellow.

I believe it is very conservative to say that the relationship between the producers of cotton and the oleo and crushers of cottonseed has not been conducive to a sound economy. The cottonseed-oil industry sets the market price—they make the money, not the cotton farmer.

The dairyman is in an economy in which butter is the balance wheel; more than 25 percent of all milk produced goes into butter.

From year to year the dairyman, by reason of rigid State requirements and voluntary usages relative to sanitary requirements, has invested hundreds of thousands of dollars in more modernized farm equipment; built new or remodeled old barns and silos, bought milking machines, and so forth, fertilized the soil so as to produce more and better feed. In most areas, he has carried on soil-conservation work, has prevented, in part, soil erosion. All of this has been done because he anticipated that this greatest of all agricultural industries, namely dairying, and, I might say at this point that most of this work was done under the guidance of the State and Federal Government—at least with their approval. Farm boys have attended the universities in ever-increasing numbers, so that they in turn can take over, and in an intelligent way carry on the work so well done by their parents. They have the intellectual and technical ability to carry on in this worthy endeavor. They are literally the backbone of the Nation. Shall their future be jeopardized by the Congress permitting this synthetic product to be sold in imitation of their natural and wholesome product?

The family-sized farm is doomed if this economic blow is dealt to the dairy industry.

Competent economists have shown, and it has not been questioned, that to sell yellow oleo unrestricted would take away an additional 600,000,000 pounds a year in butter sales. The cost of this loss in sales to the dairy farmers would be a quarter of a million dollars in cash income. The long-term result would be liquidation of dairy herds on a large scale. The small farm unit would not be able to operate any longer. This terrible economic readjustment is threatened because the oleo interests of the Nation, who are making handsome profits now, want to expand their business by being permitted to color their product yellow in imitation of butter, whose natural color is yellow. Their object is to fool the consumer and break down a natural sales resistance.

The dairy farmers welcome the expansion of dairying in the cotton areas, and it is of vital interest to you from Cotton States that the status of butter be preserved. The cotton producer realizes, I believe, that the farmers of the Nation are their best customers by buying edible vegetable oils in shortenings for salad and desserts, and for spreads; likewise cottonseed meal is used for feed; which is bringing at the present time between $85 and $100 a ton; and also cotton products.

It must also be borne in mind that any break in the economy of the dairy farmer would severely impair the soil-conservation program which is making wonderful strides in the voluntary conservation of our soil. A break in that economy would also affect adversely our rural-electrification program which, with its further expansion, will accomplish more to raise the standards of living of those in the rural areas than any one other factor. A blow to the dairy economy would also endanger our farm-credit program which is doing much to help our farm economy. In fact, a blow to our dairy economy would have severe repercussions to the entire agriculture set-up.

This is a most inopportune time to be considering this type of legislation, with dairy prices on a sharp decline, and legislation in the hopper for further farm-price supports. With all somewhat in accord that we must cooperate in an effort to help one another, in come the oleo interests to completely—if they are successful—upset the best of our plans with a scheme which is as destructive as it is deceptive.

Oleo manufacturers are guilty of trying to mislead the public to believe that their product is naturally yellow, and that they are compelled by Federal restrictions to remove this yellow color by bleaching or pay the 10-cent tax per pound. They also say that butter is colored with the same dyes with which oleo is colored and to restrain their use of yellow color is unjustified discrimination.

The natural color of oleo is white or gray, and, I understand, must be bleached in most instances to make it white. The natural color of butter is yellow, except during the winter months when the cows are off pasture. Then a coloring is used to make the color uniform the year around. But it is not put in to deceive the consumer.

I am reliably informed for the year 1947 that the oleo manufacturers spent $6,600,000 for advertising directed, in part, toward the repeal of oleo restrictions. In 1948 they spent an additional $5,400,000 to mislead the American housewife on the question of yellow oleomargarine.

Perhaps there are people whose incomes are so low that it may be necessary for them to eat oleomargarine instead of butter, but it is not fair for them to be deceived by the yellow color into thinking they are buying and eating butter.

Fraudulent substitution of yellow oleomargarine for butter must be prevented. This can be accomplished by a flat ban being placed on the imitation of butter through the commercial manufacture or sale of yellow oleomargarine.

Under such a prohibition, the housewives could obtain all the oleo they wanted to buy uncolored and tax-free. At the same time, the ban on imitation butter would curb unfair competition for the butter market.

My people are alarmed; they know what happened to agriculture from 1920 to 1929. They are fearful that this latest unwarranted attack may have the same disastrous result—not merely the collapse of the great dairy industry but likewise the disintegration of our entire economic structure, for agriculture is our basic industry.

Might I remind the Members of the House that every major depression we have had has been preceded by declining agricultural prices and values.

If the taxes are repealed, then there should be an effective prohibition of the manufacture and sale of yellow oleomargarine.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. CHESNEY].

Mr. CHESNEY. Mr. Chairman, the case of butter against oleomargarine again takes the spotlight before this august body. In the Eightieth Congress the probutter forces suffered a set-back, but as we have witnessed in the days and months preceding this legislative day, the butter groups have been capably working.

As a result, we have before us today a bill providing for the repeal of the tax on oleomargarine. Now this is somewhat a reversal of attitude since the battle began. But in conceding to this repeal of the Federal taxes and the Federal ban on the manufacture and sale of yellow margarine, there has been inserted in the bill a clause which is most undesirable in solving this pressing problem. This clause would prohibit the transportation of yellow margarine across State lines. In this regard, the bill is violating a concept of our country's economic system. This is the bill which our good friends of the butter lobby want this Congress to pass.

Those members of the Agriculture Committee who voted to bring out this emasculated repeal bill certainly cannot be blamed because, no doubt, their constituency is composed of dairy farmers and dairy industries who have fought this bill for many years, and who have charged those members of the committee with the responsibility of representing their interests in Congress. However, the distinguished members of the Agriculture Committee knew that the temperament of the Nation was demanding the abolishment of these discriminatory taxes and restrictions on an important domestic food product. Therefore, a compromise stand was taken by the Agriculture Committee in reporting out the Granger bill.

I am opposed to this bill in its present form. As a Congressman from a city district, it is my duty to vote for a bill which will provide the housewives of this Nation an opportunity to purchase and use oleomargarine of their own choice.

This is not only my position, but the position of housewives throughout the Nation who find it necessary for reasons of economy to use, when possible, oleomargarine as a substitute for butter.

The women of Chicago have protested and our local newspapers have taken up the issue and have presented both sides of the question. The newspapers of the city of Chicago have as great a circulation in the rural areas as they do in the metropolitan center.

The Illinois State Register, a newspaper which is published in Springfield, the capital of the great State of Illinois, which is located in the very heart of our farming section, printed, on March 19, 1949, an article by the editor, V. J. Dallman, which read as follows:

UNDEMOCRATIC BUTTER LOBBY

The probutter, antioleomargarine pressure group is one of the most unorthodox special interests that has ever lobbied its will on Congress.

To our knowledge, it is the only group that ever succeeded in securing legislation discriminating against one food product to the advantage of another. Margarine, admittedly a perfectly good food, has been singled out for punitive legislation as has no other domestic food product.

In a competitive economy based upon free enterprise, there is no more reason why butter makers should complain that oleo manufacturers are hurting their business, than for the oleo industry to charge the dairymen with injurying the margarine trade.

The butter lobby operates under the front of helping the consumers, and trys in every way possible to deny the consumers a free choice. In the present Congress the butter men are attempting to throttle oleo manufacturers by passing the Granger bill, which would ban the interstate shipment and sale of yellow margarine.

In pressing for adoption of this bill, the dairy interests have dropped both their insistence on Federal taxes and a Federal ban on the manufacture and sale of yellow margarine. Instead, they have inserted a bigger gimmick. Although the Granger bill would repeal the Federal taxes on margarine, no yellow margarine could be shipped across State lines. This violates a cardinal principle upon which this country's economic system has been built—the free flow of domestic commerce across State lines.

The bill would support a principle which denies consumers the benefits of mass production that have increased efficiency and lessened costs in industry after industry, including the margarine industry.

What would happen, for example, if, by Federal law, automobiles could be sold only in the State in which they were manufactured? In prohibiting the interstate shipment and sale of margarine, the bill is returning to a concept which almost wrecked this country in the early days of the Articles of Confederation, when each State freely levied duties and other restrictions upon the products of other States. The whole thing is slightly preposterous.

Butter has no God-given rights that demand Federal protection. There is no more reason why butter be protected against oleo than that olive oil be protected against vegetable oils; or real rubber tires against tires of synthetic rubber; or silk dress goods against rayon, or both silk and rayon against the newcomer, nylon. The consumers go to the grocery store and buy pure lemon juice or artificial lemon extract, as they choose. They buy fresh or condensed milk; coffee or Postum; soap or detergent; egg noodles or macaroni; cakes fresh from the bakery, or a box of cake mix with which to bake their own. They know what they are getting and are free to choose. Why, in the name of common sense, should they not be allowed to choose freely between colored margarine and butter, without the benefit of any Government regulation?

Apparently, the only logical answer is, because the butter interests are afraid that if given a free choice, a great many of the customers would buy oleo.

And, if the people want to buy oleo without restrictions, Congress, which is elected to represent them, should certainly give the people the chance.

Now, why should the butter interests be opposed to the freedom of oleomargarine? Are they fearful that the sale of butter will drop? I firmly believe that those people who use butter will continue to use butter as they always have. Just the other day Government figures showed that Americans are eating more butter than oleomargarine. It is another indication of the fact that low prices on butter will encourage sales, and ultimately bring greater profits. The dairy farmer has not suffered and will not suffer because of competition with oleomargarine.

Let us forget about sanctions which affect our tables, and pass legislation which will conform with the objectives of our democratic concepts of living.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. WHITE].

Mr. WHITE of California. Mr. Chairman, I noted with considerable interest the remarks of the distinguished gentleman from Missouri and the amusing manner in which he put forth his speech. I was particularly impressed with the remarks he made about the conservation of our soil. I know that that idea has been kicked around, so to speak, by the dairy interests for some time—that is, that unless we continue to discriminate against yellow oleomargarine we cannot maintain the fertility of our soil. As the gentleman said, the city of New York would go back to the Indians, or something to that effect.

I am a farmer myself and I keep my soil in condition by growing cover crops and turning them under. The matter of maintaining the soil fertility of this

Nation is not at all tied up with the dairy industry. It is true that it helps, but it certainly is not the only alternative.

To bring another point into this matter, we have had in discussion here the question of who is in favor of maintaining this discrimination against yellow oleo and who is not. I have had many letters on the subject. The one that struck me the most is this little handwritten letter I received from Modesto, Calif. It is very brief and I will read it to you. It says:

DEAR MR. WHITE: I am damned tired of mixing color into oleo. Please be governed accordingly.

Yours very truly.

Let me say to you that there are many housewives in this country who reflect that sentiment.

Mr. Chairman, I am a member of the subcommittee which held the hearings on this bill. I want to say to you that we heard many hours of useless testimony—testimony that dealt with the relative merits of butter and oleomargarine. Testimony that dealt with whether the butter dealers or the oleo manufacturers are the big bad barons—testimony that dealt with whether or not an unrestricted market on oleomargarine would adversely affect the dairy industry. And let me say that all such testimony is really incompetent, irrelevant, and immaterial, as the lawyers say in court cases. To my way of thinking, the only thing that really counts in this matter is this: "Is the housewife entitled to buy what she wants or is she not?"

If she wants to buy imitation pearls, she can buy them under the law. If she wants to buy an imitation fur coat, she can buy it under the law—and if she wants to buy vegetable shortening, in white color just like real hog lard, she can buy that under the law.

But if her husband happens to be one of the millions of Americans whose income is so low that she cannot afford to buy butter, the proposed Granger bill would prevent her from buying the cheap but healthy and nutritious oleomargarine in the color she desires, unless she happens to live in a State which contains a manufacturing plant which produces yellow-colored oleomargarine. Such plants do not exist in 33 of the 48 States in this Nation. But even if they did exist in every State, it is not just or equitable to place a color prohibition against one product in favor of another product.

Much has been said about oleomargarine being sold as butter through deception. Let me assure you, my fellow Members, that the distinguished gentleman from Texas [Mr. POAGE], the author of H. R. 3, has leaned over backward to provide positive assurance that every ounce of oleo shall be sold only as oleo. He has provided in his bill that the public shall have due notice of individual servings of oleo in public eating places. There is no chance for deception under the Poage bill. I have heard about this controversy between butter and oleo for many years, but I confess that I had never knowingly tasted oleo in my life, until last week. I purposely went to the store and bought a package of oleo just to satisfy the curiosity which listening to the hearings on this matter has engendered, and let me say to my friends on the butter side of this controversy, that after comparing the taste of oleomargarine and butter, I cannot understand what the butter people are worrying about. I say to you, that since there are millions of unfortunate American families with low incomes, who are not able to afford anything but this mediocre tasting substitute, for heaven's sake let them have it in any color that will make it reasonably palatable.

The most striking testimony we had in the hearings on this bill was from a lady representing the housewives of America. She let us know in unmistakable terms that the housewives of America want this color restriction on oleo removed. And let us not forget, my fellow Members, that women do about half the voting in this country of ours.

So again I urge you, ladies and gentlemen, to vote against the Granger bill and for the passage of the Poage bill and give fair treatment to the consumers of the country.

To my friends representing dairy interests, I wish to say that I have no desire to hurt the dairy people and to prove this I want to point out that I have introduced a bill to support the price of dairy products at 90 percent of parity. Also, I want to say in closing that I do not believe the removal of color restrictions on oleo will hurt the dairy industry.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Chairman, this is supposed to be the administration of the little fellows. At least, during the campaign last year our Democratic friends tried to make some headway by asserting that they were the party of the little people and that the rest of us were the barons of personal privilege. I am quite sure that the people of the country are rather disillusioned by now about the whole situation. Almost the first thing the Eighty-first Congress heard upon reconvening last January was a plea by the administration for higher taxes and it was frankly stated by the President that, in his judgment, everybody earning over $6,000 a year should be taxed some more. Almost immediately thereafter the Congress almost doubled the President's salary and expense account, part of which was tax exempt. I am sure the little fellows of the country are beginning to catch on.

Now bringing the picture up to date, approximately 3 months after the convening of the Eighty-first Congress we find the issue clearly drawn today in the fight between 28 oleomargarine manufacturers, the monopoly boys, against 2,500,000 dairy farmers, most of whom are really the little fellows in the dairy industry today. The country should know that once more the administration is lined up with the oleomargarine interests and seems to be very little concerned about the possibility of our dairy herds being liquidated and some 10,000,000 Americans who are dependent upon the dairy industry for a living being put out of business. The majority leadership in the House of Representatives, speaking and acting for the administration, seems to be determined to do everything it can to assist the oleo monopoly, well knowing that in so doing it may virtually destroy one great segment of our agricultural economy—the dairy industry.

Everyone should know that agriculture is the Nation's basic industry. The dairy industry is a vital part of our agricultural economy. The economy of a country like this is in some respects comparable to a complex living organism. All of the parts are closely interrelated. If one part fails to function, or functions improperly, the entire organism is endangered. We have all learned through bitter experience that when one important segment of our economy suffers, the entire economy is upset. Dairy farmers are not merely the persons who supply milk and dairy products to people in cities and towns. They also form one of the largest groups of customers for products of our cities and towns, and the farmer's wife is well aware of the implications of a smaller milk check. Dairy farmers sold about $4,000,000,000 worth of milk and milk products in 1947. A great portion of this money was expended for goods produced in cities—shoes, clothing, cars, and all the numerous items that families require. Reductions in the incomes of dairy farmers would inevitably be reflected in reduced purchases of such manufactured products.

As previously stated, 10,000,000 Americans are dependent upon the dairy industry for a livelihood. They include 2,500,000 dairy industry farmers and their families, 250,000 dairy industry workers, the staffs and employees of 40,000 local dairy plants, and the employees of 3,500 creameries located in every State in the Union. These are the little fellows, most of them whose income will be reduced if the Poage bill is substituted for the Granger-Andresen bill or if the restrictions on the coloring of oleo in imitation of butter are removed. By backing the Poage bill or the Rivers bill or removing the color restriction, a mere 28 oleomargarine manufacturers seek a monopoly of the spread market at the expense of the dairy farmer. Five of these 28 manufacturers are giant corporations which already control 65 percent of the 906,000,000 pounds of oleomargarine produced annually in this country.

In this connection, it is interesting to note that not a single representative of the oleomargarine-manufacturing industry appeared before our committee when this legislation was considered. Interesting to note also is the fact that the oleomargarine side did not present a single farmer. The oleomargarine witnesses mainly consisted of Washington lobbyists and representatives of consumer groups. I do not think that even my cottonseed-oil friends from the South should be deluded by what the oleomargarine manufacturers expect to do if the Poage substitute or the Rivers substitute is adopted. These bills will not add a single penny now paid to the cottonseed farmers for their oil since those prices must compete with other

vegetable oils in the world's market. Do they not know that Procter & Gamble and Lever Bros., two gigantic processors of oils for the Nation's 28 oleo manufacturers, have access to overseas plantations producing coconut, palm, and many other oils with the help of low-cost native labor? There certainly is no assurance that American oleomargarine will continue to be made from domestic oils, and I venture the prediction that when and if the oleomargarine manufacturers leave the cottonseed-oil boys flat, they will be the first ones to ask this Congress to protect their interests.

I am very much concerned about the present decline in our cow population. It has declined 2,731,000 head since 1945, only a period of 4 years. The decline is more serious in the butter-producing States. During this 4-year period, there has been a percentage decline in cow population of 28.4 percent in North Dakota, 25.3 percent in South Dakota, 16.9 percent in Iowa, 24.7 percent in Nebraska, 22.9 percent in Kansas, and 14.3 percent in Minnesota. If the Poage substitute is adopted or the color restriction removed, it is my considered judgment that the cow population will be further reduced, thus affecting the economy of the entire country. We all know what has happened to the sheep population during the past few years, and a similar liquidation of our dairy herds will very likely occur when the butter market is lost to the dairy farmers of America. If the unrestricted sale of yellow oleo is permitted, yellow oleo will replace butter to a volume of as much as 600,000,000 pounds annually. This increase in yellow-oleo sales will result in a decrease in the price of butter from 25 percent to 40 percent. Contraction in butter sales will cost the American dairy farmers $638,000,000 a year. Serious dislocations in the markets and prices of other dairy products, including fluid milk, will affect 40,000 milk-processing plants and 2,500,000 dairy-farm families in every State of the Union. The natural result will be the slaughter of an estimated 2,000,000 head of dairy cattle, which certainly will disrupt livestock and meat prices and marketing. Dissipation of our soil resources will result from discouraging dairy farming—the most important contributor to sound soil conservation the country has ever known. This may all bring about a consequent depression in a critically important branch of farming which will affect retail sales and the economic life in cities, towns, and hamlets in every section of America.

Proponents of the Poage substitute and the Rivers bill should be looking further ahead than the tips of their noses. If oleomargarine manufacturers are given the unrestricted right to color their product yellow in semblance of butter, it stands to reason that practically all of the white oleomargarine now manufactured will be colored yellow to imitate butter. Hence, the cheaper, uncolored form now available at a reasonable price to consumers will tend to disappear entirely from the market. Do not let anybody be deceived. Whenever most of the oleo is colored yellow in imitation of butter, its price will increase by at least 10 cents a pound and, as a consequence, people in the lower-income groups will not only be deprived of the white oleomargarine spread they can now purchase at a reasonable price, but will find that such white oleomargarine will no longer be available.

I would like to discuss the real necessity of retaining and maintaining the fertility of our farms by dairy and livestock farming. Time, however, does not permit; but suffice it to say that the more imitation butter produced, the less fertile the soil.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. HOPE. Mr. Chairman, I yield the gentleman from Iowa two additional minutes.

Mr. HOEVEN. I am sure the following table of 1948 comparative monthly farm-wage rates between certain dairy States and nondairy States will prove of interest. This table shows that the wage rates, without board, in the dairy States far exceeds those in some of the Southern States, where there is very little dairy industry. The table conclusively shows that where dairying flourishes we have better soil conservation and a higher standard of living.

The monthly farm-wage rates (1948) without board

South Carolina	$58
Mississippi	62
Alabama	63
Georgia	63
North Carolina	84
Pennsylvania	121
Illinois	130
Minnesota	140
New York	142
Iowa	143
Wisconsin	147

In closing, I would like to give you a few figures on the State of Iowa. For several years the State has ranked second in the Nation in the production of butter. Cows are milked on 9 out of every 10 farms. Most of these are family-sized dairy farms and a very large percentage of the milk on these farms is farm separated. Practically all the farm-separated cream is churned into creamery butter. We have some 400 creameries producing butter in the State, most of them local cooperatives, made up of the little fellows on the farms. These local creameries are the backbone of our little towns and cities. The regular checks which they pay to their hundreds of thousands of farmer patrons have meant a steady income and a stable business in all of these 400 communities. The merchants and professional men in these towns well remember the days in the early thirties when the dairy farmer's checks were mighty small. Some of them are feeling the pinch today of lower milk and cream checks. They would feel the pinch severely if and when the dairy plants close, and the pinch would soon enough be reflected in the bigger cities. Dairy products are the third largest source of farm income in Iowa. In 1947 figures show cash receipts for dairy products of $177,000,000. Farmers have sizable investments in cattle, buildings, and equipment. Cost of milk-production studies show that dairymen generally have as much invested in buildings and equipment as in their herds. Iowa farmers on this basis have a total dairy investment of over $457,000,000.

Over 70 percent of Iowa's milk is sold for butter. What metropolitan markets can take the fluid milk produced by Iowa or our dairy State cows if butter markets are changed over to oleo? The milk from tens of thousands of farms that now goes into butter cannot crowd into the fluid markets, and remember this—if there is no butter or fluid-milk markets, farmers will simply have to sell their herds. Creameries will have to close. Bankers, barbers, merchants, and mechanics will suffer. Yes, the farmers can grow other crops but what will happen to the economy of this country if fluid milk disappears and the butter market is gone?

Members of Congress who are really interested in the welfare of this country should think twice before voting for any legislation which will drive the dairy industry to the wall. This should not be a sectional issue. It is a question of what is right and just. Under the provisions of the Granger-Andresen bill, all Federal taxes are removed. That seems to be the thing the consumers of the country were most concerned about. A recent survey shows that approximately 62 percent of the consumers do not care whether oleomargarine is colored yellow or not. If this is true, why the determined effort of 28 oleomargarine manufacturers to steal the traditional yellow color of butter so that they can fool the people, drive butter from the market, and eventually destroy the dairy industry in this country.

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Chairman, in the last session of Congress I voted to retain the Federal tax of 10 cents per pound on colored oleomargarine. To have voted otherwise, that is to remove the tax, would have been of no benefit to the people of Michigan. My State, like many other States, had a law which prohibited both the manufacture and sale of colored oleomargarine.

That law, which had been on the books in Michigan since 1892, has been repealed by the present Legislature of Michigan, now in session.

The tax on oleomargarine was an issue in my district during the last campaign. I told the people that, if Michigan changed or repealed the law, permitting the sale or manufacture of colored oleomargarine, I would vote to repeal the Federal tax. That promise shall be kept. I shall vote for H. R. 2023, which repeals such taxes on oleomargarine.

In the bill, however, is a provision in section 2 which I fear will defeat the very purpose of the bill. That section provides that the manufacture, transportation, sale, use, or possession of colored oleo in interstate commerce is declared unlawful. It means that only colored oleomargarine manufactured within a State could be sold or used. Suppose that one ingredient used in the making of oleo was shipped across State lines. The question of interstate commerce could arise or the shipment in commerce could be interposed, which is declared unlawful under this bill.

The average American housewife wants the privilege of buying oleo without mixing or coloring it at home. The bill before us, as presently drawn, may defeat that very objective.

I hope the committee in charge of this legislation will clarify and correct this provision of the bill.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to my distinguished colleague from North Carolina [Mr. CHATHAM].

Mr. CHATHAM. Mr. Chairman, in speaking in support of the Granger bill, I am very sorry it is not stronger. I wish I could speak in support of a bill that would completely outlaw the sale of any substitute for butter colored yellow. I have had no butter lobby after me.

For 30 years I have been trying to help the dairy industry in the South. I am one who believes that our whole future in the South depends on an increase in our livestock population and in a new generation of farmers who will know how to handle livestock and in a South whose agricultural economy will be based on livestock, pastures, legumes, and then for our cash crops—wheat, tobacco, cotton, and peanuts. We have learned in the South during the past 25 years that we can have 12 months' grazing. We have learned that we can grow good pastures in the South by the use of limes and phosphates. We can grow alfalfa now. We have learned to put borax on it. And we are building a great dairy industry. Our dairy products in North Carolina from less than a million dollars 20 years ago rose to more than $34,000,000 in 1946.

Mr. Chairman, most of all I want to speak on what I think it would have to do with the health and the future of our southern children. If you will compare the children from a dairy country with the children from a country like parts of my district, where their only cash crops are tobacco and cotton, you will immediately be struck by the difference. We all know that children require milk. Butter is a product of milk. Whole milk has the butter in it. In spite of the fact that margarine may be a wholesome article and that it may be revitaminized by running it under a blue light and irradiating it, I do not believe this proposed bill will make children what they are in the great dairy countries.

I spent some time during the war along the coast of New Guinea and I saw a great deal of copra being dried. I believe that copra goes into Nucoa, one of the well-known substitutes for butter. If you could see the conditions under which copra is dried and handled, if you could see the people of New Guinea and would see the disease and the size of them and the intelligence, and know they live off of coconuts mainly, from which copra is made and from which coconut oil goes into a great many of the substitutes; then if you were to look at the children of the Scandinavian countries, Norway and Sweden, or Holland, and see the children from the dairy country, and see the children in our own Northwest, then go down again into certain tropical countries like Africa you would see the difference. I have been told by eminent scientists that in spite of the fact they have a great deal of disease in Africa and bad health and do not live long, there is one tribe in the center of Africa, the Massi, who keep and grow cattle and who are raised on milk and cheese. I think the future of our South is tied up in this bill in that every pound of butter substitute will be detrimental to the future of the dairy industry.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. CHATHAM. I yield to the gentleman from Texas.

Mr. POAGE. Does the gentleman think that the sale of margarine will help the butter business? The history of the world is that those nations which consume the most margarine also consume the most butter. The history of the United States is that those States which have restrictions against the sale of yellow margarine get a less price for butter and for their milk and cheese than the States that have not those restrictions. Why does the gentleman assume that it will displace butter?

Mr. JENSEN. Mr. Chairman, will the gentleman let me answer that?

Mr. CHATHAM. I think I can handle that myself—because wherever I have seen oleomargarine used, it was used in place of butter. To me that is a very simple answer and a proper one. If my wife buys a pound of oleomargarine she lays off of a pound of butter.

Mr. POAGE. The gentleman's wife can afford to buy butter, but the woman who cannot afford to buy butter would buy oleomargarine if she is given the opportunity.

Mr. CHATHAM. I do not take too much stock in that.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. CHATHAM. I yield to the gentleman from Iowa.

Mr. JENSEN. The reason that man can afford to buy butter and that woman can afford to buy butter is because this Nation is known as a dairy Nation, just like the countries that the gentleman has just talked about. If in time you destroy the dairy industry, you will not be able to buy even oleomargarine that some folks would like to have.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. EDWIN ARTHUR HALL].

Mr. EDWIN ARTHUR HALL. Mr. Chairman, as a Representative of the great State of New York on the House Committee on Agriculture, I wish to say that I am a little irked this afternoon hearing so many references of a facetious nature regarding my home State. For the edification and information of those who have been wont to refer to New York as a metropolis of houses packed closely together, of factories, of smokestacks, and so forth, let me say that New York State, second only to Wisconsin, is the greatest dairy-producing State in the country. If the members of the 43 granges in my district could hear these facetious remarks directed at the most genuine farmers in America, I hesitate to imagine what they would do. For the record, I want you to know I am a Granger in good standing and have been for many years.

I voted against this bill last year, and I was one of the very few Members from a dairy district who did vote against it. The only issue in my vote against the bill last year was the fact that the tax on oleo was an issue. Today with that issue removed I am only too happy to lend every ounce of energy at my command to the support of the Granger bill. It ought to be passed, in order to protect the future of the milk and dairy industry in this country. In the next few months the prognostication I have several times made will be borne out because the price of milk is already going down, and the threat to every dairyman in the country is paramount. They are in a precarious position.

In my district there are 30,000 rural mail-box holders, and I recently mailed a direct letter to every dairyman in my district telling them of my position in this matter. The 30,000 dairy families in the Thirty-seventh Congressional District of New York are not going to be faced with economic disaster if I can help it. I am going to vote to protect their interests in every way that I possibly can. You can accuse me of being sectional if you want to, but if I am guilty of that I willingly stand accused, because I am voting to protect those dairymen in the Northeast. There are 1,000,000 of them. Nearly one-third of the dairy farmers of this country come from the Northeast and the New York milkshed. I would consider myself lacking in responsibility to the people of my section of the country if I were to vote against this bill.

The dairy people of our milkshed have the responsibility of supplying the populations of the great cities of New York, Philadelphia, Pittsburgh, and all the up-State New York cities, as well as everywhere else in the Northeast where dairy products are used. Every man, woman, and child has need of them. We have the responsibility of supplying those people with the necessities of life, the staff of life, milk and other dairy products. We cannot go back on that responsibility, we cannot go back for one instant on the responsibility to see that they are supplied with those vital necessities and foods of life.

I am not going to challenge the effectiveness of oleo as a food. The very fact that I opposed the tax on oleo last year when many others were for it is indication enough that I concede that oleo is a food. I am against a tax on any food because it is a tax on the poor man's pocketbook. He cannot possibly afford to carry such a tax.

I am going to leave this thought with you. There is a popular report running throughout the country today that the oleo barons are going to grab and absorb the difference in the tax on oleo when we repeal it today. I hope the country will rise up to protest if that ever happens.

Mr. COOLEY. Mr. Chairman, I yield 4 minutes to the gentleman from Nebraska [Mr. O'SULLIVAN].

Mr. O'SULLIVAN. Mr. Chairman, it is almost impossible to say or to do very much in 4 minutes but I shall make a try. At the outset, may I say I am in favor of the Granger bill, and I am in favor of it even though I am mindful of the provisions in the Democratic platform under the subject, Agriculture, the salient parts of which are as follows:

Pledges its efforts to maintain continued farm prosperity. * * * Favors repeal of taxes on oleomargarine.

These two platform planks are inconsistencies if you pass the Poage bill. You cannot work to maintain continued farm prosperity if you dish out to the two and one-half million dairy farmers what is contemplated by the Poage bill. But you can adhere to this platform by repealing the tax and helping these dairy farmers. You do not have to do any more than what the platform requires. I have always observed that when people try to do more than they are required to do—more than they are pledged to do—they always get in trouble.

I consider that I am a good Democrat and I am bound by this Democratic platform, but I am not bound by what the majority leader or anybody else says beyond what is contained in that platform. We are all out on open, common ground as far as this question is concerned about trying to make to oleo an outright gift of the color yellow which from the very first days of creation belonged to butter.

A lot has been said about the color yellow and it is urged that butter cannot appropriate it exclusively. I would like to cite something concerning what Lever Bros. have accomplished by way of appropriating a color—the color red. I shall quote from this document prepared by the Library of Congress. They are talking about Lever Bros.' great lawsuit where they sought to appropriate exclusively the color red. This document states that it is reported in Fortune magazine, in the November 1940, edition, at page 98, that Lever Bros. had a big lawsuit involving Lifebuoy soap, and that after about 10 years of legal battles, the courts ruled that Lever Bros., and Lever Bros. alone, was entitled to make a cake of health soap colored red.

Lever Bros. had the court sustain their right to have the only red toilet soap on the market.

I also call your attention to the fact that the Yellow Cab companies have the sole and only right to use the color yellow on their cabs. I had a legal experience along that line myself. In that lawsuit I thought it was ridiculous for a firm to take one of the colors and appropriate it exclusively for themselves. By a judgment rendered by a court of equity I found out that the Yellow Cab Co. has the sole right to use the color yellow on their cabs. This view was supported by dozens of court decisions in the United States.

You know, I am awfully afraid that there is a Britisher concealed in this legislative woodpile some place. I am sure that Lever Bros. has been carefully concealed behind all this propaganda for oleomargarine. I call your attention to the fact that I was flooded with oleomargarine letters from my district. I kept the letters and the envelopes and compared them. They were all written on the same typewriter and had at the bottom the same letters of the same stenographer.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOPE. Mr. Chairman, I yield two additional minutes to the gentleman.

Mr. O'SULLIVAN. They all had the same watermarks. I sent them all back to Omaha, Nebr., and had them checked. I found out after a check had been made in my district that almost all of them were put out by a big national food concern, and that they were signed by employees and friends of this big national food concern. Of course, I gave that story out to the Omaha World-Herald and this propaganda was blasted into silence. Would you believe it? I never received another such letter. These trapped propagandists did not even have enough sense to do what a bunch of criminals would have had sense enough to do when a great number of the gang are locked up. Everyone knows that for purely self-defense reasons all crime should not cease, but should continue at a greater tempo than before, because, if it ceases, then the police would know that they had everybody in jail who was connected with that particular type of crime. These fellows ceased their propaganda and I know why they ceased. The whole gang had been caught in one fell sweep.

I will not be able to finish these remarks, but I have taken the time to prepare some notes about Lever Bros. and Unilever, Ltd., of London, England, and practically all of the rest of the world. I have set out in these notes the size of this gigantic and mysterious concern; their terrific sales; how they penetrated into the United States and have practically taken over the soap industry; how they have recently bought, for $16,000,000, Jelke, the largest oleomargarine manufacturer in the United States, which concern is located in Chicago. I call attention also that in Fortune magazine of February 1948 it is stated that they—Lever Bros., and so forth—only intend to take 75 percent of any business they engage in, when General Motors only intends to take 45 percent of the business they engage in. I point out further a good many other things which will be important reading, perhaps, if you are interested in this Lever Bros., and so forth, venture, and really want to find out what malefactor is hiding in this legislative woodpile.

I then conclude my remarks by paying a personal tribute to Lever Bros. and Unilever, Ltd., which I wish you would read. It is not original. I just took another man's language and applied it to the particular case.

SIZE AND MYSTERY

The great international vegetable oil and oleomargarine cartel of Lever Bros. and Unilever, Ltd., is admittedly by far the world's greatest producer and distributor of the materials used in oleomargarine, in soap, and also of the finished product themselves. Very little published information is available on the scope of the operations of this great cartel or of its sales and finances.

A cloud of mystery has shrouded all of its operations. What the world does know was learned only when some Government agency probed into its secrets or when a magazine like Fortune runs a series of articles as it did in December 1947 and January and February of 1948.

Fortune reports the basic reason for putting the great British and Belgian oil and soap combines together many years ago was to form a cartel that could control more than one-third of the entire world's output of all fats and oils.

Since the formation the cartel has grown rapidly. Fortune reports in January 1949 that Unilever's United African, Ltd., was the world's largest trading enterprise. That company raised $6,000,000 worth of vegetable oil in 1946 alone.

How many natives employed as laborers at slave labor rates produced the vegetable oil this great British combine sells each year is a mystery. Fortune reports that the subsidiary operating in the Belgian Congo employs 40,000 natives, who produce 37,000 tons of palm kernel oil—ideal for oleo—in a single year.

DOLLAR SALES

Fortune presents its estimate of Unilever sales of oils, fats, and oleo in the year 1946, as follows:

Fats and oils	$382,262,000
Oleo and edible oils	216,621,000
Soap	231,000,000

These huge totals, which were for the year 1946, give no indication as to the far larger current sales of this cartel. Yet they dwarf the comparable totals for oleo producers in this country as far as available information indicates.

LEVER BROS. PENETRATION IN THE UNITED STATES

Because Lever Bros. Co. carefully cloaks its activities of its oils and oleo producing units in this country under every legal veil available, it is not possible to show exactly the extent to which Lever Bros. has penetrated in the United States.

Fortune reported that Lever's American sales in 1946 were 45,000,000 English pounds, roughly $200,000,000. Since 1946 Lever Bros.' sales have grown by leaps and bounds. The most significant recent development is Lever Bros.' purchase of the major American oleo producer, Jelke. Jelke's sales are increasing, too, and current trade reports indicate that this Lever Bros. subsidiary is one of the five or six largest American producers of oleo.

At the present time we do not know to what extent Lever Bros. may hold interest in other oleomargarine concerns nor do we know the number of vegetable oil processing units it controls directly or indirectly in this country.

SYNTHETIC PROTEINS

Fortune also reports that Lever Bros., growth in recent decades is based on "the fact that the cow and pig develop vegetable matter into fat inefficiently." It reports how Unilever vast research and sales resources were mobilized to complete its current world monopoly of oleo and then Fortune says Unilever's research talents are now concentrating on synthetic proteins.

As a lifelong friend of the farmer, I resent these vast conglomerations of capital and chemistry which undertake to remold Nature's handiwork in their own synthetic image. If these men have their wish, the family-sized farm will be doomed as a way of life in this country. The self-reliant, self-sufficient production of the American dairy farmer is not good enough for these cold-eyed experts who juggle the markets of whole nations. They want to reduce everything to a system of valves and faucets, with only their own hands at the controls.

Their nightmare of a vegetable oil monopoly would wipe out the dairy cow as a producer of one-fourth of the food consumed annually in this Nation, and substitute soil-eroding crops. If that ever came to pass, the result would make the dust bowls of the 1930's look like the Garden of Eden by comparison.

Promotion of dairy farming can still save our fast-depleting soil resources. Every soil expert pleads for more grass, more dairying, more manure.

But the chemists of the oleo trust will hasten the wreckage of our land. Not only will these cartels and trusts ruin our soil-conserving dairy farmers—they will foster and encourage the crops that work havoc with the land and provoke erosion.

Mr. Chairman, this trend must be stopped before it brings to an end a livestock economy that is one of the proudest boasts of American agriculture, and tears down a system of food supply that has made our people the best-fed on earth. I, for one, am unwilling to surrender our centuries of gain for the profit of a few men in the financial districts of London and New York. The livelihood of 2,500,000 dairy farmers and their families is more important than the sales of 28 oleomargarine manufacturers, 5 of whom control nearly two-thirds of the total production in this country.

The bills contrived by the oleo cartel and the oleo trust would hit my own State of Nebraska a deadly body blow. Cows are milked on five out of six Nebraska farms. Livestock and dairying combined rank as our first industry.

Available reports show that there are more than 78,000 farms in Nebraska selling farm separated cream. These farmers have a direct cash interest in this legislation being considered here today. They want the Congress to vote for their farms and not for Lever Bros. and the great oleo trust in this country. If you depress butter prices by selling out to the oleo interest, five out of six Nebraska farmers will feel it and will tell you about it. They receive practically nothing from the sale of oleo materials and will not be helped if oleo sales trebled and quadrupled.

The entire Nation owes our Nebraska dairy and livestock farmers a vote of gratitude for what they have done toward correcting the soil damage of the dust-bowl era. Encourage them to continue to protect our soil. Do not force them to sell their cattle and go back to soil-depleting practices.

A great man once said: "The ancients had a saying that those who cross the sea change their sky, but not their mind." No man can escape from himself and no business can escape from itself. The companionship is inseparable.

It has been said by good authority that the Britisher in this political woodpile is Lever Bros. and Unilever, Ltd. My investigations bear out that statement and in conclusion I want to pay my respects to this concern by borrowing some of the language of the great Kansas Senator, John J. Ingalls, reapplied by me to fit the occasion. This business institution lacks all of the negative virtues of barbarism. It is one of the fallen angels of big business. To it duplicity is amusement, crowding others out of business a recreation, and the bankruptcy of its competitors a pastime. They pursue from purpose every object that should be shunned by instinct. It has the ferocity of a wolf, the venom of the adder, and the cowardice of a slave. The contemplation of its business deeds would convince the optimist that any system of morals would be imperfect that did not include a hell of the very largest dimensions. Its continued existence is a standing reproach to the New Testament, to the doctrines of every apostle, to the creed of every church, and to the detriment of American economy. In the business and political pharmacy of America it appears that we can find no antidote for this deadly poison.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Maryland [Mr. FALLON].

Mr. FALLON. Mr. Chairman, it is no accident that repeal of margarine restrictions has called forth probably as many or more bills in this Congress and the last as any other subject. I trust the Congress will act now to bring about such repeal for the reasons that I shall set forth. My aim is the removal of discriminatory restrictions on a pure food product that has been too long hampered by Government edict in the supposed interest of another product.

Last year the sale of yellow margarine became legalized in Maryland. In my opinion, the action was long overdue; but Maryland now has yellow margarine. What are the results? None of the dire things that some threatened would happen, have happened. Our dairy industry is as strong in our agricultural economy as ever. Our housewives are buying butter as freely as they bought it before, and our farmers are selling butterfat as freely as before. Our consumers are using yellow margarine and nothing disastrous has happened or is likely to happen. But they find they are taxed when they buy yellow margarine. They find it is not as available at food stores as they would expect it to be. And they demand that this Federal tax and restrictions go the way of the old State law.

I also find that 30 States and the District of Columbia are in the same spot. State after State has been busy in recent years repealing and modifying antimargarine restrictions. This is right and proper. It is the exercise of States' rights—a most vital and fundamental principle in our democracy and constitutional government. A majority of States has exercised this right in making yellow margarine available to their people. Yet, gentlemen, it is seriously proposed that Congress approve legislation that would absolutely prohibit yellow margarine everywhere. It is suggested that you overrule in the most arrogant way, and in the known interest of a product demanding special privilege, the freedom consumers enjoy in 30 States to choose between yellow-colored margarine and yellow-colored butter.

Seriously, can you gentlemen imagine the effect if the margarine mixing bowl is legislated right on the backs of the housewives of those States—not to speak of those other States in several of which strong movements exist to abolish restrictions on yellow margarine once and for all? I can. I know that in Maryland the reaction would be instantaneous and extreme.

Actually, it goes much further. The housewives in Maryland and in those other States that have repealed their outworn restrictions on yellow margarine have come right up against the present Federal law that taxes and restricts this product. Far from anticipating a return to the mixing bowl, gentlemen, these ladies are firmly expecting a repeal of the discriminatory taxes in the Federal law. In Maryland, for example, they have thrown out the ban on yellow margarine. Since then, they have been confronted with the Federal tax of 10 cents a pound on yellow, and the attendant restrictions. The result has been very plain. The demand for repeal of antimargarine legislation has not died down. Decidedly not. It has grown and grown. And, gentlemen, I can assure you that it will continue to flourish and nothing will make it flourish more than Federal legislation to outlaw yellow margarine.

The consumers of this great and rich country are not fools. They are using margarine because they like it and need it. They know, better than ever before, the real reason why the Federal antimargarine law still exists. They know that the butter interest, and that interest alone, has worked and worked to preserve this notorious monopoly. The testimony presented before the Agriculture Committee and this Congress amply shows that. I doubt if there is any issue of special privilege that is so well known to our people today. The butter lobby is the complaint of everyone who mixes coloring into margarine. It is unfortunate that the dairy industry has attracted such widespread hostility in the minds of its customers but the fact is undeniable.

If you will review all that has been said on this subject before the Agriculture Committee and Congress, it will be apparent that no new basic argument has been advanced for the retention of any restrictions on margarine. The same arguments that for years have been set forth to keep taxes and restrictions are now being turned around to prohibit yellow margarine. The case for special protection for butter is no better than last year or other years, even though that case has been presented differently.

I submit that the real testimony on this subject should come not from one

certain group or another but from the group we are bound to remember. It is in the mind of the consumer who walks into the store and asks herself: "I can buy all food products in the form and color I desire them. The food industry competes to give me food products as I want them. Why is margarine the exception; why must I color my own margarine?" She shortly finds, if she has not already found, that the commercial interest, the butter interest, has sought to deny her yellow margarine. When she asks why, she is solemnly told that if yellow margarine is not restricted, she will be deceived and defrauded. But evidence on scores of pages of committee testimony refutes this tale. Practically all margarine is sold fully packaged and labeled—more fully labeled than butter in the matter of coloring—over the grocery counter. Here is not deception, but just plain, normal food sale. A small amount of margarine is sold through eating places.

The basic purpose of restrictions on margarine is to deprive. There is a philosophy behind the antimargarine arguments that is un-American. This is the philosophy that one industry is entitled to special treatment at the hands of Congress to the deprivation of all others and all consumers. It has been said frequently in the hearings that this is purely an economic controversy. This is not by any means altogether true, in my opinion, although the proposal to ban yellow margarine makes it seem so. This is a controversy that invokes principle, the principle of no special privilege. But in another sense, it is truly economic. It is a thing that involves not only margarine consumers but butter consumers—more often than not, probably the same persons.

It behooves the dairy industry to regard consumers as partners, not as a crop to be harvested. For whom are we primarily speaking? The great dairy corporations? The butter lobby? Let us here make sure that we do not put ourselves in the unenviable position, in which I fear much of the dairy industry now stands on account of antimargarine activities, of saying to the American housewife, "You are a crop to be harvested by the butter industry."

Gentlemen, the evidence is before you. It is not new. It is a tale twice told; we know it well. No real proof has been made that the butter industry is entitled to restrict margarine. Much real proof is available as to the demand for yellow margarine. Let us today repeal Federal margarine restrictions—it is high time—and go on to the many other things that have a valid claim on our time and attention.

Mr. COOLEY. Mr. Chairman, I yield 4 minutes to the gentleman from Washington [Mr. JACKSON].

Mr. KEEFE. Mr. Chairman, a point of order. I make the point of order that there is no quorum present.

The CHAIRMAN. The Chair will count. [After counting.] Seventy-six members are present; not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 60]

Bates, Mass.	Irving	Polk
Bennett, Fla.	Jacobs	Poulson
Bland	Jenison	Powell
Bolton, Ohio	Jennings	Reed, Ill.
Bosone	Judd	Regan
Boykin	Kearney	Rivers
Buckley, N. Y.	Kearns	Sabath
Bulwinkle	Kelley	Sheppard
Burke	Keogh	Sikes
Coudert	Kirwan	Smith, Ohio
Cox	Lesinski	Somers
Dawson	Lyle	Staggers
DeGraffenried	Lynch	Stanley
Dingell	McSweeney	Stefan
Durham	Macy	Stigler
Fellows	Merrow	Thomas, N. J.
Fogarty	Morrison	Wadsworth
Gilmer	Morton	Walsh
Gossett	Murphy	Welch, Mo.
Harris	Noland	Whitaker
Hart	O'Brien, Mich.	White, Idaho
Hébert	Pfeifer, Joseph L.	Woodhouse
Hoffman, Mich.		Woodruff

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. WHITTINGTON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 2023, and finding itself without a quorum, he had directed the roll to be called, when 360 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. JACKSON of Washington. Mr. Chairman, I favor the Granger bill, H. R. 2023, repealing the tax and license fees on oleomargarine, but prohibiting the transportation, manufacture, and sale of yellow margarine in interstate commerce. I congratulate the gentleman from Utah for the fine job that he has done, together with his colleague, the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], who is cosponsor of this legislation.

The State of Washington, during recent session of the legislature, enacted almost identical legislation to that which is now before the House, except it was limited to intrastate business. The State senate unanimously approved the bill, and the State house of representatives by a vote of 95 to 2.

The oleomargarine interests have long been asking for removal of taxes and sales restrictions on their product, which they have characterized as discriminatory. They have maintained that no food product should be taxed, and that low-income groups are penalized by such taxation.

Leading dairy and farm organizations have freely conceded this point in at least three important annual conventions, and in literally hundreds of State and regional meetings. However, since the power to tax is the power to control, they have asked that some other regulation be applied to prevent widespread consumer fraud and deception in the passing of colored oleo as butter, at butter prices.

This new dairy policy toward oleomargarine, freely adopted by thousands of dairymen and farmers in local meetings and recommended to this Congress by the duly elected representatives of the organizations involved, calls for a ban on the factory-coloration of oleomargarine in semblance of butter. This request seems completely reasonable to me, and I believe that it should be incorporated into any new oleo legislation that is passed.

It is obvious that some means must be found to protect both consumer and farmer, who would suffer alike from the unrestricted sale of yellow oleo. The consumer risks the possibility of outright fraud from unscrupulous dealers on the one hand, and a further reduction in our supplies of milk, meat, and similar dairy products, on the other. Both of these threats endanger equally the consumer's pocketbook and the national welfare.

The dairy farmer stands to lose, through unrestricted sale of yellow oleo, certain vital outlets for surplus milk. Cows produce more milk in summer than in winter, while consumption remains about the same. If we are to have year-around supplies of milk, we are bound to have a certain amount of surplus milk from time to time. Last year 26.9 percent of all milk produced went into butter, which is properly called the balance wheel of the dairy industry.

The demands of the oleo interests that they be allowed to impair this outlet can only be interpreted as another attack on small business by big business. Unless this Congress is prepared to reverse our long tradition of encouraging small-business men, it cannot logically sponsor the subjection of 2,500,000 dairy farmers to the selfish aims of a mere 28 oleomargarine manufacturers.

Milk is produced on three out of four American farms and provides the largest single source of cash farm income. The dairy industry supplies more than a quarter of all food consumed annually in this country, and is an important mainstay of the family-sized farm in every one of our 48 States.

The oleomargarine industry, on the other hand, displays a regrettable tendency toward concentration, with 65 percent of the business in the hands of only five giant corporations. The volume of oleo business has almost tripled since 1941 without the help of proposed legislation that would give its monopolistic leaders the unrestricted right to imitate butter's naturally yellow color. I see no need for giving them further advantages over the farmer, to whom butter markets are an absolute necessity.

No one wants to deprive consumers of oleomargarine, and the bill I favor would make it freely available to every housewife in its most economical, uncolored form. However, oleo should be sold for what it is and not in imitation of butter. In that way the farmer would be protected against unfair competition from a substitute product, and we would continue to enjoy the supplies of milk and meat that have made this country the best-fed nation on earth.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of Washington. I yield.

Mr. CARROLL. I notice that H. R. 2023 has had its declaration of policy stricken from it. In that declaration of

policy it, in substance, attempts to set forth the danger of sending oleomargarine in interstate commerce. I wonder what comment the gentleman has to make about the analogous situation that exists with reference to the eighteenth amendment to the Constitution.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. HOPE. Mr. Chairman, I yield the gentleman from Washington one additional minute.

Mr. CARROLL. The eighteenth amendment to the Constitution attempted to prohibit the sale and transportation of liquor within interstate commerce.

Mr. JACKSON of Washington. I think the answer to the gentleman's question is that in the case of the eighteenth amendment the action of the Congress was directed to intrastate prohibitions as well as interstate. This is limited entirely to interstate commerce, and I think it is constitutional. I believe the Congress has the right to prohibit transportation in interstate commerce of colored oleomargarine on the basis of fraud and the confusion that might exist in the minds of prospective purchasers. I think the legislative history, the hearings, and so on, will demonstrate the fact that such is the intent of the Congress. It may be helpful to have that declaration of policy in the act.

Mr. CARROLL. Does not the gentleman think the State governments are capable of exercising their own police power to protect their own citizens?

Mr. JACKSON of Washington. There is no infringement upon the police power of the States in this bill. This bill gives to the Federal Government a right which it always has had, namely, Federal police power in the movement of goods in interstate commerce.

The CHAIRMAN. The time of the gentleman from Washington has again expired.

Mr. COOLEY. Mr. Chairman, I yield one-half minute to the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Chairman, since the chairman of the Committee on Agriculture, who favors the repeal of this unfair and discriminatory legislation, restricting the sale of oleomargarine, in his desire to be fair, has permitted those who are supporting the butter lobby to usurp approximately three-quarters of the time allowed in general debate on this bill, thereby precluding many of us who favor the fair and unrestricted sale of oleomargarine from expressing our views on the floor, I hereby respectfully request permission to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. JONES of Missouri. Mr. Chairman, for approximately 2½ hours I have listened to the general debate on the bills which seek to eliminate the unfair and discriminatory legislation which has attempted to prohibit and restrict the sale of one of America's most popular nutritious foods. In the debate here this afternoon, we have listened to the prejudiced remarks of those who seek to favor one or the other of two great industries. At the same time we have heard little said about the principles involved in this legislation, and, in my opinion, too little importance has been attached to what I believe has been the paramount issue in this question. After more than a half century the butter lobby, realizing that it is fighting a losing battle, has finally agreed that all Federal taxes on oleomargarine should be removed, or more correctly stated, the butter lobby is attempting to lead the people to believe that it favors the elimination of taxes on oleomargarine, but at the same time would impose even more discriminatory legislation prohibiting the sale of yellow margarine in approximately two-thirds of the States of the Union.

To me the provisions of the proposed Granger-Andresen bill, H. R. 2023, as reported from the Committee on Agriculture, where the butter lobby apparently enjoys a majority with a one-vote margin, is evidence that the butter people know when they are licked and are now seeking a compromise.

In my opinion, the American people, particularly the American housewives, are not interested in a compromise, and I feel that now is the time, and here is the place, to settle this issue once and for all on a basis that will leave no grounds for any misunderstanding. I believe that the following editorial taken from the March 8, 1949, issue of the New York Times sets forth most clearly the issue which is confronting Congress today, and for that reason I am including the editorial at this time:

NO MARGARINE COMPROMISE

Ever since Congress failed last year, in the rush of other business and election-year politics, to complete action on a repealer of taxes on margarine, the butter lobby has been busy dreaming up new strategy. Last fall it thought of the device of an outright prohibition against the making of yellow margarine. To this it has added the churning up of dire threats on what would happen if margarine were put on an equal competitive basis with butter, free of discriminatory taxes. We are told that communism would increase in the United States, that farm lands would be depleted more rapidly, that new dust bowls would be created, that the cow population would be decreased.

It is evident that the butter lobby is fighting a losing battle. But it lost that battle first on the housewife's market list. Margarine has been accepted by the American household as an acceptable, nutritious food that could be bought at a price considerably below that charged for butter. The declining tonnage of butter production and the increasing tonnage of margarine production through the years tell the story. As long as the butter producer cannot meet the price competition of wholesome margarine, margarine will continue to sell in large quantity. The heavy discriminatory tax on colored margarine has not succeeded in preventing the greater use of uncolored margarine, and neither will an unfair prohibition against coloring margarine at the plant, which the butter lobby now proposes in a compromise last-ditch fight in which they have at last conceded failure on the unfair tax.

The public wants its margarine colored yellow. The butter producers themselves use artificial coloring, at least at certain seasons, to make the appearance of their product more attractive. The housewife is entitled to emancipation from the chore of coloring her own margarine in the kitchen. Enact whatever law is necessary to protect the consumer, in store or restaurant, from being deceived as to what he is buying. If the decline of butter consumption affects the public welfare through unduly depressing the dairy farmer's income, then let us attack that problem directly through general legislation. But let Congress, as a matter of principle, make a clean break from its long-time servitude to the butter lobby.

Why does margarine exist at all? Because it offers a needed food at equal or lower cost. That is a fundamental success principle in our economic system. Why has margarine steadily increased in consumer favor and become an indispensable item of the American diet—despite the restrictions the butter industry has mistakenly tried to heap on its legitimate competitor? Because margarine is a pure-food product—economical and nutritious. The dairy industry should take a longer look into its own yard. Consumers are doing so—and I may say that nothing has so stirred up interest in what the dairy industry is about, than the mounting demand for repeal of margarine restrictions.

When I was a boy, for example, milk was milk—full of rich smooth cream and accepted as such. Milk like that seems to have disappeared. Instead, your bottle of what is called whole milk today contains a prearranged and standardized amount of cream. You will not find it coming very far down the narrow neck of that milk bottle. Even certified milk, the best grade, requires cream content of only 4 percent. In my own State the requirements for cream content vary but they are not over this figure, yet Missouri milk in 1947 contained an average of 4.3 percent butterfat.

The name "whole milk" today is a legalized, watered-down myth, like the legalized myth of nonfat dry-milk solids, by which pompous torture of the language the industry really means dry skim milk. Obviously, it is profitable to withdraw part of the cream and put it into butter. Obviously, it is even more profitable if you can vote taxes on butter's competitor. It all fits into a pattern that, together with the fantastically complex system of pricing milk products, drives the consumer to an immediate and natural conclusion that the dairy industry is out to get her and that the well-heeled antimargarine propaganda is a concrete demonstration of that fact. When she learns that the butter interest alone wants margarine prohibited; when she is solemnly told that butter is somehow the basis for fixing prices on milk from which butterfat has been removed—she can hardly be blamed for finding vigorous fault and it is no wonder that dairy-industry leaders are faced with probably the worst case of bad industry public relations since the days of the trusts.

It has been interesting to me to note what many of the speakers have said with reference to maintaining dairy herds to

provide the rich, wholesome milk for the youth of our Nation. Yet, today we find those who control the distribution and who fix the price have apparently forgotten the basis upon which they base their slogan that "milk is a food." They have continuously and consistently robbed milk of much of its food value in their greedy efforts to promote the sale of more butter, cheese, ice cream, and other products, and have thereby robbed the public of what it has a right to expect in whole milk. If the dairy industry wants to be fair, it will spend more time, effort, and money in publicizing the value of and encouraging the use of whole milk, and refrain from forcing the public to rely on skim milk with its low butterfat content.

It is common knowledge in my State and I think the practice is general throughout the Nation, that the larger distributors and processors of milk have entered into agreements among themselves to fix the price of milk, thereby robbing not only the consumer but the dairy farmer who is dependent upon them for an outlet for his product.

In the consideration of the legislation here today, I think Congress should be guided not by the claims which have been made either by the producers of butter or oleomargarine, but should vote for what is fair and just which will give the people an opportunity to purchase the product of their preference at the lowest possible price. In adopting the provisions of the Poage bill, I think we will go a long way in correcting an evil which has existed for more than a half century.

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. SMITH].

Mr. SMITH of Wisconsin. Mr. Chairman, I am supporting and will vote for the so-called Granger-Andresen bill now before us. I take this position because it will protect the American dairy farmer against unfair competition by the oleomargarine trust. If colored oleomargarine is permitted to be shipped in interstate commerce, it is my belief that two and one-half million dairy farmers will be adversely affected.

This bill, Mr. Chairman, does three things: First, it removes all Federal taxes on oleo; second, it prohibits the movement of yellow oleo in interstate commerce; third, it permits the States to regulate oleo manufacture and sale within State borders.

Mr. Chairman, who appeared as witnesses for the great dairy interests of this country? I ask that question because we are known by the company we keep. But here is the answer to the question: For the farmers—four dairy farmers, one representative of the dairy-cattle breeders, the dean of the largest agricultural college in Texas, one commissioner of agriculture, the organized dairy cooperatives, and all branches of milk-producer groups. Who appeared for the oleo group? No farmers testified and not a single representative of the oleomargarine industry. Further, not a single representative of the cottonseed-farming industry nor the vegetable-oil-processing industry.

It is my belief and my conviction, Mr. Chairman, that the dairy farmer is entitled to have his product—yellow butter—protected against yellow-colored oleo, which is colored to imitate butter.

The argument has been made the Poage bill protects against abuses that arise when unscrupulous merchants or restaurants sell oleo for butter. This is only a fond hope. Fraud and butter bootlegging occur in many States where the law prohibits such practice, but the evil continues at the expense of the housewife and those who eat in restaurants and hotels. Now the provision in the Poage bill which is designed to stop fraud will be no more effective than State laws that contain the same kind of prohibitions. The public will still be fooled under the Poage proposal.

Mr. Chairman, there has been no statement that I recall which gives us the facts on the cost of policing the prohibition against fraudulent sales of oleo. Obviously it will cost the taxpayers millions of dollars and there is considerable doubt that effective policing can be made all over this country.

I have the feeling, Mr. Chairman, the consuming public wants taxes removed. This is accomplished under the Granger bill. However, the public should understand that it may save some money in taxes, yet in the long run it may pay increased prices for fluid milk, meat leather, and many other family necessities that come from slaughtered dairy cattle. Dairy experts tell us that 25 percent of all milk that is produced goes into butter. If the farmer loses his butter market he will liquidate his dairy herd and when the supply of milk is thus reduced prices will rise; and so with the price of meat and leather.

Soil conservation is another important element to consider in this connection. The dairy farmer is constantly rebuilding the soil on his farm and he can do so when he has a fine herd of cattle. Today our Government is spending millions and millions of dollars on a soil-conservation program, so we recognize that this is a vital necessity if we are to have adequate supplies of food and fibers. We may rue the day when the dairy farmer loses his butter market to the Oleomargarine Trust because a few cents saved now may mean the loss of many dollars later on for farmers and the city people.

Milo K. Swanton, Madison, executive director of the Wisconsin Council of Agriculture, declared last month:

> We in the business know that every dairy market and every product depends to a marked degree on how much butter is sold. When the substitute manufacturers, through a skillful campaign, increased the per capita consumption of oleomargarine from 2.4 to 7 pounds per capita, it meant the loss to the butter market of 700,000,000 pounds a year.
>
> Unless the dairyman can protect the historic badge of yellow color for his product against the fraud of vegetable oil being sold with the dairy trade-mark, then we open the door all the way along the line for the sale of substitutes. And there goes the whole dairy market and the economic welfare of the dairy States.

He might well have said, "and the economic welfare of Rock, Green, Walworth, Racine, and Kenosha Counties"—all in my district, the First Congressional District of Wisconsin.

Mr. Chairman, the Granger bill should be passed and the Poage bill defeated for the reasons set forth above. The dairy farmer is entitled to all the protection this Congress can give him. Let us make the Granger bill the law of the land as a testimonial to the farmer who works with his herds from before sunup and long after sundown for 365 days of every year.

Mr. ABERNETHY. Mr. Chairman, will the gentleman from North Carolina yield for a consent request?

Mr. COOLEY. I yield.

Mr. ABERNETHY. Mr. Chairman, I ask unanimous consent to revise and extend the remarks I made earlier today.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COOLEY. Mr. Chairman, I yield 2 minutes to the gentleman from Tennessee [Mr. SUTTON].

Mr. SUTTON. Mr. Chairman, I personally would like to support the Granger bill for I have many dairy people in my district, and there are many dairy people in the State of Tennessee; but I do not feel that the Granger bill protects the dairyman at all, nor do I feel that the Granger bill protects the housewife at all.

Should this bill be amended on the floor whereby it will protect the dairyman and the housewife from fraud then I will support it 100 percent. In its present form I feel that it protects neither the housewife nor the dairyman. I hope the House will correct the evils of this bill, so that the dairyman, housewife, and the American people will be protected and in so doing I believe we could have a bill that we would be proud to present to our peoples.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, I think the situation in the House this afternoon must be mighty interesting to the industrialists of the country and the world: To see the farmers of one section of the country fighting the farmers of the other section of the country.

Mr. Chairman, I am opposed to any tax on food. That is the reason I have never yet in my life either in the legislature or in this Congress voted for a sales tax; unless I have some further light that I do not have now, I never will. I want the women of America to buy this oleomargarine as cheaply as they can get it, but under the provisions of the Poage bill and that of other gentlemen in the South who are interested in their products, it seems to me that you are preventing the housewives of America from buying this oleomargarine at the right price, because all it will do will be to bring profits into the hands of those who manufacture oleo. Just the moment they color it and send it out through interstate commerce into the various States of the Union the price of that stuff, experience shows, goes up from what it is actually worth by as much as 20 cents a pound, and these housewives will have to pay too much for oleo merely because it is colored. I wonder what they want to color it for anyway. It is the same thing,

is it not, whether it is colored or uncolored? All of which makes me think of a partner I had in the law business at one time. He was a Democrat, and he was Governor of a Republican State for three terms in succession; he was a great man; he was Treasurer of the United States. He was not particular about anything, but his wife was fastidious. She said to him one day: "John, the fellow that brings that milk is bringing us dirty milk." "Well," John said, "that is all right; we have got to eat so much dirt anyhow in our lifetime." She kept digging after him until finally he got aroused. Mrs. Burke saw the milkman coming and she said: "John, tell him about that dirty milk." So John met him at the door and he said: "I don't want to make you feel bad or discourage you in your business, but if you bring the milk in one pail and the cow manure in the other we will mix it ourselves."

It seems to me that if the housewives can buy this oleo, take it home and mix it with yellow coloring matter they will get a cheap product in more ways than one.

I am willing to follow the advice of some of the good Democrats in this House. Just because you voted against me two or three times the other day does not change me from making the statement that there are some great Democrats left in this House. I am willing to follow the advice of the gentleman from Utah [Mr. GRANGER], the gentleman from Missouri [Mr. CHRISTOPHER], the gentleman from North Carolina [Mr. CHATHAM], and the gentleman from Nebraska [Mr. O'SULLIVAN]. It seems to me they have made a better argument on this bill than I could make.

In North Dakota we are receiving the full blast of what you are doing in substituting this material, as our dairy herds shrunk 28 percent in the last 2 years. You are selling a substitute. It is the purpose of the manufacturers to sell a substitute that will take the place of butter. They intend to capture the butter market by selling a substitute. If I am in this Congress next time—I do not think I will be because I am going to run for the Bureau of the Budget so I can control the Congress.

It seems to me if the Congress passes the Poage bill it will simply put in the hands of the manufacturers of this material a chance to make huge profits off the housewives of this country. In the Granger bill they cannot ship that stuff out mixed. They have to ship it out raw, just the way it is. You know people like to be fooled and I think that will fool a lot of them. It looks like butter, it tastes like butter, and you say it is better than butter.

If I am here 2 years from now, do you know what we will be doing? We will be passing a law to substitute synthetic milk for the real thing.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. COOLEY. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. DAVIES].

Mr. DAVIES of New York. Mr. Chairman, I would like to make one observation here this afternoon. It seems to me we often forget very soon things that have happened in the immediate past. It is only about a year ago or less than a year ago when things were not going so well in Democratic circles. Things looked pretty bad for all of us. In fact, they looked so bad that the Democrats were handing out congressional nominations to political accidents like myself. It was at that low point that we had our convention in Philadelphia, at which the President made a speech. In that speech he said that if the farmers did not vote the Democratic ticket they would be the most ungrateful people in America. I think they proved their gratefulness because by the thousands they voted for the Democrats—Democrats like myself and Democrats in the Midwest. If we do not support the Granger bill, if we let these people down, we will be the most ungrateful political party in America. I do not want any part of it.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from New Hampshire [Mr. COTTON].

Mr. COTTON. Mr. Chairman, as a member of the Committee on Agriculture, representing one of the northeastern dairy States, it became necessary for me, reluctant though I was to do it, to differ with my colleagues from other dairy States and to support in that committee, as I now support on this floor, the Poage bill rather than the Granger bill.

Mr. REDDEN. Mr. Chairman, will the gentleman yield?

Mr. COTTON. I yield to the gentleman from North Carolina.

Mr. REDDEN. The gentleman's State is not affected by this bill or the Granger bill or the Poage bill, is it?

Mr. COTTON. I say that every State is affected by these bills, and I will demonstrate to the gentleman in a very few moments that my State is vitally affected by the Granger bill and would be by the Poage bill.

Let us return, first, to the crux of this situation. As has been said by the distinguished chairman of the committee, you have before you three propositions: You have the Granger bill; you have the proposition which may be made that we simply repeal the tax; and you have the Poage bill.

Now, Mr. Chairman, the Granger bill, of course, repeals the tax. The Granger bill is either a ban on yellow oleo or else it is not, and all this argument and talk about amendments that have been adopted and amendments that may be adopted comes down to one proposition, that if the Granger bill does not either prevent or make it exceedingly difficult to get yellow oleo in those States where people want it and the legislatures legalize it, then it certainly is no defense for the farmer, and if it does mean anything it means a ban on yellow oleo. That is indicated in the language on the third page of the Granger bill, and whatever may be the situation in some States, the State that I represent, which has no manufacturers of oleo and which, because of the fact that it is small and has not a large population, would probably never be able to support a manufacturing establishment for margarine is, to all intents and purposes, banned by the Granger bill.

Mr. Chairman, knowing that the Legislature of the State of New Hampshire within a few days or weeks from now will vote on whether or not they will repeal the present State law which forbids colored margarine within that State, I could not in the committee or in this body cast my vote for a bill which says to my State and to its legislature, "No matter what you do, no matter how you vote, we override you, and you cannot have it." That is why I cannot support the Granger bill. That is one reason. I cannot support now, and I did not support 2 years ago, a proposition that would simply repeal the tax, because it is my belief that having for a period of 60 years maintained this tax on colored margarine—and I agree with everyone else that it is an unsound and improper approach to the problem, but it was adopted by Congress and maintained by Congress—and Congress recognized that the dairy farmers of this country are entitled to certain protection, and that their contribution both to the soil and to the country's economy is of sufficient importance to entitle them to consideration. I believe that when that tax is repealed, the dairy farmer is entitled to have some protection thrown around him to take the place of the tax. I do support the Poage bill. I support it because I think it is the fairest proposition that has been presented in this Congress for the consumer, the public, and the farmer. I believe it is fair because, first, it repeals the tax, and second, it endeavors insofar as it is possible, to differentiate and distinguish yellow margarine served in public places. I cannot believe there is any great problem involved when the housewife goes to the store and buys a package of margarine to take home to use in her family. She can read printed on the package exactly what is in it. But nearly 40 percent of the meals in this country are consumed in public eating places. I believe that the dairy farmer has a right, Mr. Chairman, just as the manufacturer of tires has a right, to have his product distinguished. I believe the dairy farmer has the right to have his product distinguished and have us see to it that, when people go into a public eating place and a yellow spread is put upon the table, those who want butter and are willing to pay for it, and who constitute the market for the dairy farmers of this country, shall receive it. The Poage bill not only provides for a sign, and that, of course, might be put up behind a hatrack or somebody's coat, but it provides that every serving put on the table shall be either on a pastboard plate that bears the printing "oleomargarine" or shall be accompanied by a card that says it is oleomargarine. I believe that is a fair and just protection for the farmers.

If we are going to end this controversy which has been going on so long, if we are going to settle it we have to settle it right, and we have to settle it in fairness to all parties. It is for the advantage of the consumer and the farmer alike that it shall be so settled.

Do you realize, Mr. Chairman, that nothing has advertised oleo so much and

hurt butter so much as this constant controversy? Oleo has been made a martyr of, and they have had free more advertising from these struggles in Congress and in the various State legislatures than could be bought by all the money they have spent and are spending for advertising.

So I suggest that for the advantage of the people and the farmer alike we relinquish the tax, we protect and distinguish the product, and, in addition, we protect the rights of the States. The Granger bill says to the States, "Even if you want oleo you cannot have it." The Poage bill does not say to any State, "You must have it." It still is within their power to say whether or not they shall have it.

Mr. CORBETT. Mr. Chairman, will the gentleman yield?

Mr. COTTON. I yield to the gentleman from Pennsylvania.

Mr. CORBETT. I should like to ask the gentleman this, because I think it needs to be emphasized. In my State we expect a vote next week on whether or not to lift the prohibition on margarine. As the gentleman has said, the Granger bill would prohibit the State of Pennsylvania from deciding that question. Is not that correct?

Mr. COTTON. I will answer that in this way. I recognize it is the sincere claim of the proponents of the Granger bill that a factory in Pennsylvania can manufacture and sell to the people of Pennsylvania yellow margarine, but let me remind you of this: On page 3 of the bill, near the bottom of the page, referring to interstate commerce, appears the language that commerce "includes the possession, transportation, serving, or sale (whether or not the first sale) of articles within a State."

Furthermore, when you realize that the Supreme Court of the United States has repeatedly extended interstate commerce until it includes almost every kind of business, until the man who repairs an elevator in a building where an office is occupied by a firm in interstate commerce is himself in interstate commerce, and a lighthouse that throws its rays across a State line, even though it buys its electricity within the State, is in interstate commerce, then you can understand why I do not trust this interstate-commerce clause. I believe the Granger bill will only bring confusion.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COTTON. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The gentleman was probably absent when it was said, and I stated it, that amendments would be offered to clarify that commerce section so there would not be any question about it. I am sure he feels I will offer that amendment.

Mr. COTTON. I appreciate that statement. I know that the gentleman from Minnesota, with his knowledge of the subject and ability, will do his best in that line.

However, this bill, when it is completed, will be either a ban on oleo or not. If it is not, it does not give the farmer the protection the Poage bill gives. If it is a ban, you can amend it all you want to, it is still a ban.

Mr. AUGUST H. ANDRESEN. Of course, it is a protection for the farmer because it stops the interstate shipment of yellow oleo.

It is not as much protection as I would like to have for the farmer. It does stop the shipment in interstate commerce and leaves it to the respective States to decide what they want to do in the sale of yellow oleo, within the State.

Mr. COTTON. I thank the gentleman for his statement.

Once more, as in other years, we in Congress are receiving floods of telegrams and letters calling upon us to stand by the farmer or to fight for the consumer. Both are injured by this conflict, which will continue as long as discriminatory laws exist. Both will benefit when butter and margarine, clearly labeled and identified in the package and on the table, receive equal treatment by law.

I believe that most dairy farmers as well as most consumers want only what is fair and just. I believe the Poage bill is fair to both, and that is why I am for it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOLEY. Mr. Chairman, I yield myself 1 minute to state that even if the Granger bill is amended so as to make it apply definitely and only to interstate commerce, we surrender oleo into the care and keeping of the several States, and deprive it of the protection that is now afforded by the Food and Drug Administration. Under such circumstances yellow oleo once within the borders of a sovereign State could be sold as butter and frauds without end could be perpetrated on an unsuspecting public. That is the reason the gentleman who has just spoken has emphasized the fact that the Granger bill does not afford any protection against possible fraud. The cry of the butter industry from the beginning of this fight until the present time has been that they were anxious to protect the housewife and the American citizens from fraud.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman who is addressing you feels that the States can, by their State legislatures and State laws, properly enforce the law within the State.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOLEY. Mr. Chairman, I yield 4 minutes to the gentleman from Texas [Mr. COMBS].

Mr. COMBS. Mr. Chairman, both sides of the question on these two bills have been discussed rather thoroughly on the floor. I wish to take this opportunity to explain my position. During the last Congress when the so-called Rivers bill was before us, I opposed it. I opposed it because it offered no protection to the American people in the way of identifying what they were eating at their table and in the public eating places of the country, or what they were buying in the stores. Colored oleo could have been sold for butter, and so served in restaurants.

I offered an amendment at that time which would have taken off every penny of tax, but which would have required the product to be identified all the way down the line, in grocery stores and on the tables in public eating places. The Poage bill does that. If the Rivers bill were here now, I would oppose it. But I find myself deserted by the people of the dairy States in going over to the Granger bill which would prohibit the shipment of colored oleomargarine in interstate commerce. But it would permit the manufacture, sale, and serving of colored oleomargarine within the State without requiring any mark of identification whatever.

In my judgment, the Granger bill, instead of protecting the American housewife and the American dairyman, would legalize fraud and encourage oleo bootlegging all over the Nation. As between the two bills I shall support the Poage bill, because it requires the colored product to be identified all the way down the line. It leaves the States free to take care of the situation within the State, which is proper. Any State can regulate the manufacture, sale, and serving of oleo within the State or prohibit it altogether, and the Poage bill removes all taxes on oleo and oleo dealers just as does the Granger bill.

So as between the two, it is the better of the two bills.

I want to add this. This is not the last time we will be considering questions of this kind, because these modern-age scientists are making all kinds of synthetic food products. They say they can make beefsteak out of sawdust. Down my way they are learning how to make sirup out of sawdust. They want to use it in making cattle feed the same as blackstrap molasses is used. The only trouble is that sawdust sirup kills the cow.

As far as I am personally concerned, I will not eat oleomargarine if I know it, and I have a right to know what I am eating. The Granger bill gives me no such protection. I want butter, as far as I am concerned, and I want other natural food products, too.

A hearing was held here in Washington a week or two ago where some wise guy wanted permission to substitute a chemical for shortening in baking bread. The Germans used a lot of ersatz, and the children of Germany suffered on account of it. Now they are treating the German children for ailments caused by the use of ersatz. We are going to be facing that problem in the future.

During the last Congress when the Rivers oleo bill was under consideration and I was opposing it because it offered no protection to the dairymen or to the public by requiring identification of colored oleo, our friends from the dairy States here in Congress agreed with me and most of them I think supported the amendment I offered. My amendment would have removed the taxes but would have required identification of colored oleomargarine just as the Poage bill does. I am sorry to note that you fellows from the dairy States, who agreed

with me then in the necessity of protecting a natural product of the farm, butter, by assuring it fair competition with a synthetic product have abandoned that position and lined up behind the Granger bill which would bar interstate shipment of colored oleomargarine. There is nothing deleterious about oleo, though I do not want to eat it. It is a wholesome food and there are those who do want it and I want them to have it as cheaply as they can get it. I simply want to keep the American people free to choose and to eat what they want to eat. Let the butter people advertise their product as nature's own. Millions of American people prefer it and will buy it and use it. I am not afraid of oleo competition for the dairy interests of my district and my State if we shall insure by law that they will not be undermined by a synthetic product through deception and the fraudulent sale of an imitation product.

Civilized people everywhere have been eating butter since the day when the promised land was described as a land "flowing with milk and honey." People are not likely to abandon the habit of eating this wholesome food in exchange for an ersatz product. Let us keep the competition between oleo and butter fair and open as the Poage bill does and let the American people take their choice.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. MARSHALL].

Mr. MARSHALL. Mr. Chairman, I am going to take a few minutes this afternoon to review a little past history. I am a freshman Congressman. I am here for the first term. I do not know all the ins and outs of Congress. However, back where I come from and in the Midwest we have learned to appreciate what our friends in labor have done for us in an agricultural way.

There are a great many farmers in the Midwest who realize that they would not have had agricultural legislation which has been placed upon our statute books, and which has been good, had it not been for the support that the representatives of labor have given. I remember well during November how the farmers in the Midwest responded, and how the radio commentators said, "When the farm vote comes in, it is going to change the tide." The farm vote came in. The farm vote came in from the Midwest, and because that farm vote came in from the Midwest, the Nation took on a new lease on life. I was not here very long before I began to realize that some farmers in the United States did not have that appreciation for what the friends of labor had done for the farmers of the United States. I rather regretted the remarks of our very able majority leader recently when he said the farmers do not support legislation which the people in labor want. I wish to inform the majority leader, and others who may be interested, that the people here who are supporting the Granger amendment went right down the road with you 100 percent in supporting the kind of legislation which you wanted.

I could not help but notice that the fine gentleman who is the author of the bill being proposed to be placed on the statute books instead of the Granger bill seemed to be spending his time walking across the aisle, trying to make what appeared to me to be some sort of compromise. We are interested in legislation affecting the farmer. The farmers in the Midwest are looking to this Congress for legislation, for agricultural legislation, for legislation which should be placed on the statute books that will provide the security in farm prices that they need and that they are expecting of this Congress. They did not like the uncertainty of the farm legislation that the Eightieth Congress placed on the statute books. They also do not expect to go along with a temporary extension of price support; they want an agricultural program that is a basic program, with some degree of security, one that they know contains some of the things that will stay; they do not expect Congress to make changes each year it meets.

The people of this country expect to have programs placed on the statute books that will take care of our health needs, our educational needs, our social-security needs; and they expect to have placed upon these statute books programs which will maintain our national revenue, our national income, that will give jobs to the workers in this country, and will provide a market for agricultural products in this country.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. CORBETT].

Mr. CORBETT. Mr. Chairman, after long years of debate on the subject of margarine and butter, and after the long hours of debate in the committee and on the floor of this House which is now coming to a conclusion, I believe there are certain clarifications which can be made which will end anything in the way of confusion that may becloud the minds and decisions of some of the Members. If we look back just a little way in our history we will recall very well the days when nothing about margarine was all right; it was not a fit product for the American table. Gradually that argument was abandoned. Then it became a product which was discriminated against by means of excessive taxation. As we come here today we find the opponents of margarine willing to abandon that position. We find them willing to abandon every position except that they oppose the use of the color yellow in margarine.

Mr. Chairman, there must be some compelling reasons why as the years have gone by that the dairy interests have retreated from one position to another. I believe those reasons can be narrowed down to two: First, in a free economy such as ours it is simply not right that any industry be able to handicap another American industry. That truth simply cannot be hammered down. Secondly, there is another fundamental truth which has gradually beaten back the opponents of the free sale of margarine, and that is that the American consumer has the right to go into the open market and purchase what he pleases with his own money. Mr. Chairman, these two points will continue to be the effective weapons by which the American people and a legitimate American enterprise will some day, and I hope within the next few weeks, achieve the right of every other American industry to do its business in a normal way free from handicaps imposed by any special interests.

Now, then, various minor arguments have come into this debate. There was the argument regarding protection from fraud, which I believe the Poage bill satisfactorily meets. There was the argument regarding the general economy, the argument regarding what is going to happen to the price of margarine, the latter leaving me under the impression that there is no law of supply and demand any more; at least not so far as this controversy is concerned. Mr. Chairman, the price of margarine will be determined as it always has been determined by the number of customers desiring the product and the supply of it available.

The matter of the health of our children has been brought up. Let me say that in recent years of our history there has never been margarine enough and butter enough produced to provide an adequate supply of fats and oils for the people of the United States. According to the United States Bureau of Health, we have never had in the combined production of both products an amount which they recommend for public health. Very frankly, I believe there is plenty of room in the American economy for both of these products. In my opinion, the American consumer should have the right to buy what he pleases and I believe the American enterpriser, who is just as much a taxpayer as anybody else, should have the right to produce and market his product in the free American way.

Mr. Chairman, I hope, therefore, that the Poage bill will be passed by this House and by the Senate so that we may have an end to this controversy and an end to this un-American handicap to an American business.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. I yield to the gentleman from North Carolina.

Mr. COOLEY. The gentleman is familiar with the Poage bill. May I ask the gentleman if he does not think the Poage bill contains just about every conceivable protection against possible fraud?

Mr. CORBETT. I honestly believe the provisions to protect the consumers and the producers of butter are too severe if anything.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. WIER].

Mr. WIER. Mr. Chairman, for further identification, and due to the fact that there has been some statement made on this floor regarding the position of labor, I might make known the fact that for the

past 25 years I have been identified officially with the American Federation of Labor in the city of Minneapolis. I have had a close relationship in my position in the labor movement with the very essential industry of agriculture and dairying. So I want to say that the oleo interests are wrong in believing that they have the labor vote in their pockets.

Mr. Chairman, their demand that they be given the unrestricted right to color oleo yellow in imitation of butter threatens the jobs of 10,000,000 Americans who depend upon the dairy industry for a living.

Labor has nothing to gain from such people and everything to lose. In the dairy industry labor is thoroughly organized. Union wage earners include the employees of 3,500 local creameries and 40,000 plants turning out additional dairy products in every one of our 48 States. For example, the dairy industry is the largest single user of motor trucks in the world. Their drivers have a direct interest in the outcome of the butter-oleo controversy, but automotive workers also have jobs at stake. So have the thousands of employees of the dairy supply and equipment companies.

By comparison only a handful of workers are employed by the 28 oleo manufacturers in this country. Five of these corporations control 65 percent of the oleo business.

It is only common sense for unions to oppose anything that will dislocate the dairy industry, because once such dislocation starts it can reach into the pocket of every wage earner in the United States. Milk is the largest single source of farm income, and only prosperous farmers can buy the products of union labor.

When farmers have to sell their dairy herds and turn to other occupations because of unfair competition for surplus milk outlets union labor loses its best customers. Moreover, about 40 percent of our beef and veal come from dairy herds. There is no advantage in risking scarcities and higher prices in those lines in return for doubtful promises of cheap oleo.

Union workers in my district feed their children plenty of milk, meat, and butter. That is one reason why I am today taking the floor to lend my humble efforts to protect the dairy interests.

Mr. Chairman, I should like to present a few facts to show why the dairy industry has a rightful claim to the traditional yellow color of butter.

The dairymen want to protect their inherent right to the yellow color of butter and they want to protect the consumer from unsuspecting purchases of yellow-colored substitutes. Dairy farmers are perfectly willing to compete with a tax-free butter substitute on the market. They ask only that oleo be sold in its uncolored form.

Dairying is the mainstay of agriculture and has been since man first domesticated animals. Dairy products are the diet mainstay of every American family. You have all heard children run into the kitchen and ask, "Can I have some bread and butter, Mom?"

I am sure that most of you made that request yourselves many times when you were younger. Maybe some of you still do. But do any of you ever remember hearing a child say, "Can I have a slice of bread and oleomargarine, Mom?"

When a child asks for bread and butter, he trusts his mother to give him real butter and not an imitation colored the traditional yellow of butter. The same is true of the adult consumer when he orders butter in a restaurant or buys it in a store—he wants the real product and not a substitute dyed yellow in imitation of butter.

I repeat that yellow is the traditional color of butter. Ask any child of kindergarten age the color of butter, and he will tell you that it is yellow.

Butter has not been yellow just since the Civil War, or since the War of 1812, or since the Revolution. It has always been yellow. The phrase "I know which side my bread is buttered on" is first recorded as an old English quotation in a book published in 1546.

Butter is not a product that came on the market in the last few years. The Democrats or Republicans had nothing to do with its origin, and neither did big business or modern synthetic chemistry. If you could turn back time 100 years or 200 years, or even 4,000 years B. C., you would find people milking cows or other animals and making butter.

Our history books tell us that the written history of man does not reach back to the beginning of the domestication of cattle, nor is there any record of the date when cows' milk was first used or when butter was first made.

We do know that, wherever civilization has flourished, people have depended largely on dairy products for a balanced diet. One of the oldest buildings unearthed near Babylon by the University Museum of Philadelphia and the British Museum, reveals a milking scene that had been sculptured on one wall. This building is believed to be 6,000 years old.

The Egyptians, whose civilization is believed to date back to 4,000 B. C., left many pictures showing the use made of cattle in their day. Cattle herding, breeding, and dairying were common to them. The Greeks, who had herds of cattle themselves, often referred to Italy as a country of cattle. History records that tribes from northern Europe invaded Italy and appropriated not only the arts and culture, but also the industries of that civilization, which included the art of butter making.

Quoting from the Bible, we read in the Book of Proverbs, chapter 30, verse 33, "Surely the churning of milk bringeth forth butter." This and other references to butter in the Bible suggest that butter has a very long tradition.

Let us turn to our American history. Is there any child who has not learned that the first colony was established in Virginia in 1607, and that the Pilgrims landed at Plymouth in 1620? Jamestown imported its first cattle in 1611, and by 1618 had 300 cattle. The Plymouth settlers existed 3 years without cattle, but the mortality rate of infants was 50 percent before the sailing vessel *Devon* made its way to their shores with three cows in 1624.

What were the last items our great-great-grandfathers tied on the backs of the prairie schooners before they started their long treks toward new homes. They were the old wooden butter churns, and the family cows.

An unabridged dictionary shows various species of flora and fauna with names derived from the dairy product because they were yellow, like butter. There is the buttercup, so called because of its butter-yellow color; and the butter-and-eggs plant with its flowers of yellow. There is the butter bean, the butter weed, the butterfly, and the butter head, naming only a few. The names are all derived from butter because of their color. As far back as English literature can be traced, the color yellow has been associated with butter.

It is true that the tint of butter may vary with the seasons, but it is always yellow. It also is true that butter is dyed during a certain season of the year, not for the purpose of deceiving the consumer but to keep the product uniform. Butter—real butter—can be identified at sight only by its naturally yellow color. For this reason dairy farmers have always sought to protect their livelihood and the consumer's pocketbook against butter imitations colored yellow in semblance of butter. Yes, yellow is the color of butter; but to the oleo interests, yellow is the color of gold. Oleo seeks to imitate butter for profit.

There are no similar substitutes for other basic food products. There is no such thing as an imitation potato, for instance, or an imitation egg, or an imitation loaf of bread. The dairy industry does not seek to deprive anyone of oleomargarine, provided the substitute is sold for what it is and not in the guise of butter. For this stand the dairy industry has sound legal precedent.

I would like to quote from a letter published in the Washington Evening Star of January 13 and written by Charles M. Fistere, legal counsel of the American Butter Institute:

> It is a fact well known by food enforcement officials that there are certain basic deceptions which are sometimes employed in the preparation of foods which are not correctible by any form of label statement. The use of artificial color for the purpose of simulating a valuable food probably is the foremost example of this type of deception.
>
> The Food and Drug Administration, throughout its rulings, has been sensitive to the deception caused by the use of artificial yellow color in foods which makes them appear to contain eggs. The use of yellow color is forbidden in such foods as macaroni and noodle products, mayonnaise and salad dressings.
>
> The circuit court of appeals has upheld the Food and Drug Administration in its contention that white poppy seeds, artificially colored to resemble more valuable Dutch blue and Turkish grey poppy seeds, are adulterated.
>
> In a 1940 opinion, the Food and Drug Administration said, "bakery products, or any other food containing pumpkin, which gives the appearance of having an egg content when no eggs are present, or a greater egg content than is the case, would be an adulterated article under any form of labeling."
>
> Artificial coloring may not be added to tomato puree or other tomato products.
>
> A truthful label statement that artificial color has been added would not be a successful defense to a charge of adulteration in any of the above illustrations. Yet, inadequate

regulation of yellow oleo would relegate any of the above foods to the "chicken feed" class as a source of booty to the unscrupulous because of the large margin of profit involved and the closeness of the resemblance of yellow oleo and butter in appearance and taste. * * *

The sound principle upon which the dairy industry's policy is based was once expressed by a Food and Drug official who, after 30 years' experience in protecting consumers from deleterious foods and economic fraud, said, "It is our experience in law enforcement that the purchaser is guided many, many times in the identity of a product by its flavor, its appearance, its physical properties, regardless of what statements are made on the label, with respect to artificiality or coloring, as the case may be; and it is one of the fundamentals of law enforcement procedure that such effects, resulting from appearances and flavors, when they are deceptive, are not correctible by label declaration."

Oleomargarine manufacturers have been allowed to imitate the taste of butter by adding diacetyl. They have been allowed to add preservatives such as a benzoate of soda, which are not used by the butter producers, in order to keep their products palatable until it can be sold. They have been allowed to fortify their butter substitute with vitamin A in an attempt to approximate the nutritional value of butter. They have been allowed to imitate the texture of butter by adding skim milk to their product. They have been permitted to illustrate their advertisements with pictures of pastures and barns to suggest the wholesome freshness of butter.

Speaking of advertising, the soap-opera crowd that controls a large part of oleomargarine production in this country has not limited its bad taste to phony use of farm scenes, to squeeze an extra bit of profit out of the misled consumer. It has recently made unauthorized use of the name of a famous actress, a southern girl, who is the daughter of a former Speaker of this House, and the niece of a former United States Senator, to advertise another of its products. For this the soap-opera boys are very properly being sued for a million dollars in damages, proving that there are limits to which commercialism can go in borrowing names and attributes of others to peddle a synthetic product. If good taste and dignity and the virtue of quality still have any meaning in this country, I invite my southern friends among the Members of this House to take another look at the company they are keeping by supporting the oleo side of this controversy. Those are things that the South has always held dearer than mere money, but the soap-opera crowd puts profit first and other things second.

The fact remains that the dairy industry has a tremendous bearing upon the national economy, and upon the national welfare in matters of health and diet. Dairy products comprise more than 25 percent of all food consumed annually in our Nation. More than 10,000,000 Americans are dependent upon the dairy industry for their livelihood, including those in allied industries and the families of employees.

There is still a need for protecting them, and for safeguarding the housewife against fraud and deception. There is still a need to protect the restaurant patron against yellow oleo served as butter. More than 65,000,000 meals a day are served in the Nation's restaurants. Diners who get oleo instead of butter are being cheated, and so are the youngsters who ask their mothers for bread and butter and get bread and oleo.

Each year since 1940 American agriculture, in spite of all handicaps, has come through with larger and larger crops—these in times of most acute world needs. Now the time has come for readjustments and a return in larger measure to the soil-conservation program adopted as a national policy by the Congress and administered by the United States Department of Agriculture. In this connection we can paraphrase Oliver Goldsmith:

Ill fares the nation to hastening ills a prey, where the soil wastes and family farms decay.

Remember, there is as yet no synthetic food.

A good farmer has been defined as one who leaves the soil better than he found it. The record proves American agriculture is manned by good farmers who understand how to build up their land through grass pasturage and livestock. Grass is nature's contribution to soil conservation. It binds the soil and protects it against water and wind erosion while at the same time it adds to the nitrogen and humus content and improves its tilth.

The dairy cow is the instrument of agriculture that puts grass to its most effective use in the maintenance of mankind, conveying it into the most perfect foods for humans yet developed—milk, butter, cheese, and meat—plus useful by-products such as casein, leather, medicinal extracts, bonemeal, and so forth.

Butter for years has been the gold standard of the dairy industry. Based on its value are the prices of all other dairy products. Injure or destroy the market for butter, and you injure or destroy the dairy industry with all its wide ramifications in our national economy.

Our Government, through the Congress, has set up a program of price control for farm products; that on butterfat is more than four times that on vegetable oils. The oleo interests seek to come in and take the domestic market with a substitute colored like butter and absorb the difference in profit. We know that they are already doing this in States—like Texas—that have legalized colored oleo.

Well may the oleo interests advertise in national magazines that "far-seeing men in Washington are looking after your interests." If this scheme of the oleo interests goes over, the American public will more clearly understand what is meant by the "The smoothest spread."

If the oleo interests succeed in their demands for the unrestricted right to imitate butter, dairymen will undoubtedly take up other lines of agriculture because of the necessity to reduce their losses. But may I say to my southern friends, that already nearly 40 percent of the substance of margarine now comes from soybeans, which are more and more developing as a cash crop wherever corn can be grown, which is from the Canadian border southward. There are other oils, not domestic in origin, which are even better for oleomargarine manufacture, and which cost less.

In my opinion, the South could best serve its local interests by promoting its own dairy industry, rather than by sponsoring the imitation of butter, with all the avenues for fraud thus opened. No present Member of Congress was here when the first tax was placed on oleomargarine. These taxes antedated the present pure food laws and may not have been as good an approach to the subject as the pure food laws adopted later. Certainly the tax-free policy toward oleo now urged by leading dairy and farm organizations is a sound approach to the subject.

The responsibility of Congress to protect the American people against fraud is still paramount, and for that reason I say—no tax, no color—no color, no fraud.

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. HARVEY].

Mr. HARVEY. Mr. Chairman, the implications of a complete and unconditional repeal of the oleo tax are clear. The intention of the oleo manufacturers is not to assist the producer of domestic vegetable oil. Rather it is to import cheap foreign vegetable oil to the disadvantage of the domestic producer of both animal and vegetable oil. The Granger bill should be sustained.

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. LEFEVRE].

Mr. LEFEVRE. Mr. Chairman, H. R. 2023 presently under discussion, brings again to our attention this great subject of oleomargarine. It was just a little less than a year ago that we spent hours here in the House arguing whether or not it was right and proper to tax margarine. At that time I took the stand that the tax was discriminatory. Food prices were high. Butter was really a luxury and when the average person had all he could do to meet his food bills, it seemed most unfair to force this extra tax on the consuming public.

From what I have been hearing today, I believe practically every man and woman in the House agrees that the tax should be repealed. The question that seems to draw the most fire is whether to limit the regulation authorized under the bill to yellow oleomargarine in interstate commerce. The bill as written, if I properly interpret it, will permit yellow oleomargarine to be produced or colored locally and made available to consumers in those States where laws permit yellow oleomargarine to be manufactured, colored, and sold.

Unless something comes up during this debate to alter my present views, I believe this is the fairest way to settle this very controversial problem. Many of us here and many more back home are convinced that our State and local governments should get back into the picture and assume more responsibilities affecting the welfare of the people. If we ever intend to stop this growing bureaucracy it is high time we work toward that end. I believe this bill as written suits the

majority of the people in my district. The tax was the issue they considered unfair.

In my section of New York State the great majority of the farmers are dairymen. As I said last year, and I shall repeat it now, I do not believe that the removal of the tax would mean the ruination of our dairy herds. The bulk of the milk produced in the Thirtieth District of New York State goes into the so-called fluid market. We have to look at the problem fairly. I do not believe my farmers were too concerned last year and in many instances told me that I voted as they would have, favoring the repeal of the tax for the benefit of the consumer.

In New York there presently is a law prohibiting the sale of yellow margarine. If and when the people want that changed they have the privilege to so inform their State representatives. As stated before I believe this bill before us looks fair and I expect to support it.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all Members who so desire may extend their remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. HOPE. Mr. Chairman, I yield 8 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, I think this is an important question that is before the House. After having been here for 10 years, I often wonder why we call this general debate, when a mere handful of the Members are here on the floor of the House to listen to this discussion.

I can say that I have approached many questions with an open mind, and I have been delighted to sit here during this entire debate and hear the argument that has been produced especially by some of the new Members who are serving their first term in Congress. There have been statements and arguments made on the floor of this House this afternoon that ought to be convincing to any Member of Congress who would sit here and participate in these debates, and they ought to be here and hear these arguments. The gentleman from Nebraska, a great lawyer, made a magnificent statement and gave arguments that are unassailable and unanswerable in support of the Granger bill. The gentleman from Minnesota who has just left the floor made a magnificent statement as representing the views of labor on this proposed amendment. The gentleman from New York in a very few words made a magnificent contribution, as did the gentleman from the Midwest, one of the new Members, and no better statement was ever made on the floor of this House than was made this afternoon by the distinguished gentleman from Missouri, who talked from the standpoint of a practical farmer.

In opposition to all that debate coming from the Democratic side of this House, I heard one voice raised in opposition and that was the gentleman from New York [Mr. CELLER], from the city of New York, who failed utterly to answer the arguments that were advanced by Members on this side.

I heard the argument over the platform and heard the argument in the debate between the gentleman from Utah [Mr. GRANGER] and the gentleman from New York [Mr. CELLER], both of whom claim they sat on the resolutions committee at Philadelphia when the Democratic platform was adopted. There appears to be a wide divergence of opinion on the Democratic side as to what the Democratic platform intended to do, but I think a fair résumé of that debate would lead anyone to the conclusion that it was the feeling of most Members on the Democratic side that what they intended to do was ask for the repeal of taxes on oleomargarine. That is what is done in the Granger bill.

I come from Wisconsin, it is true. That is a great dairy State, and I would be derelict in my duty as a Representative of that State if I did not take the floor to protest the potential threat which is involved in the total debasement of our food supply. I want to say a word of warning to the gentleman from Texas and the people from the Southern States who originally were prompted by sectionalism into thinking that they are protecting the cottonseed-oil industry by supporting this antibutter legislation. I want you all to know—and I want you who are thinking of soybeans to know—that we are experiencing a revolution in this country which is taking place right before your very eyes. The people of America are not aroused and are not awake as yet to the danger facing the nutrition of the people of this country by the constant debasement of our food supply. I made a speech a few days ago talking generally on this subject to a mere handful on the floor of the House. Do you think I was talking about something that is not true? I hold in my hand the excerpts of a speech delivered yesterday by the chief of the fats and oils branch of the Production Marketing Administration of the United States Department of Agriculture at Urbana, Ill., where that gentleman was talking to the processors and producers of soybeans, and he took the very language of the address that I made here on the floor of the House and called the attention of his audience to the threat which exists to the people of this country by the utilization of chemical substitutes to supplant vegetable and animal oils throughout the entire baking industry of the country.

What he said as to soybeans goes as to cottonseed oil and peanut oil and all the edible animal fats and oils. What is happening? You are going to vote to legalize interstate shipments of oleo—a product which, with the addition of synthetic vitamins and the use of animal and vegetable fats and oils, makes a completely nutritious product.

What happens next? When Lever Bros. carry out their plan to ultimately substitute chemicals for nature's foods, can you see what the future holds? After they have the unlimited right to ship yellow-cclored oleomargarine throughout the country, the next move will be to substitute for the natural fats and oils which they are now using the synthetic products which I can identify and which are being sold today to the extent of millions of tons in the manufacture of soap, which has ruined the inedible fats and oils market. Do you have a rendering plant in your district? I have one in my town. It is closing up; it is going out of business. Why? Because they cannot sell to the soap manufacturers any longer the inedible fats and oils. They are being supplanted by chemicals manufactured by the great chemical companies of this country.

Gentleman, it is time to think. Let us not inject narrow partisanship into this situation. We are dealing with a highly volatile subject. We are dealing with something that reaches the very heart and soul of America, and that is the debasement of the food supply of the Nation. This debasement, so far as oleomargarine is concerned, is just one of the multiple steps that I could tell you of as a result of the intensive research that I have been doing in this field.

We ought to stop and ponder and not give too much attention to the little pitiful arguments that are being made as to butter and oleo. The subject is bigger than that. You will live to rue the day that you took this step. You producers of cotton-seed oil, and you producers of edible fats and oils, you producers of soya oils and peanut oil will be coming to this Congress before long asking the Congress to protect you against these chemical substitutes that are now available and on the market. The gentleman from the Fats and Oils Division yesterday told of the inroads already being made, which threaten to put the soybean industry out of business. Millions of pounds being sold today that cost 12 cents a pound, and they are getting from 55 to 65 cents a pound for it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOPE. Mr. Chairman, I yield the gentleman one additional minute.

Mr. KEEFE. Can not you see the question that is involved? I am going to speak from time to time in this Congress on this subject, because I have interested great scientific minds in this country in the field of nutrition and I am in constant contact with them. I do not propose to see that the great advances we have made in the field of public health and nutrition are destroyed because a few people have larceny in their hearts and think more of mere dollars than they do of human welfare.

Mr. HUBER. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. HUBER. The gentleman mentioned the Democratic Convention. The Democratic Convention evidently endorsed the action of the Republican Congress in passing the legislation last year.

Mr. KEEFE. Now the gentleman is just injecting a little sour note of politics that is very petty, indeed, and characteristic of him in his debates on the floor. I have tried to point out the situation that you will come to realize some day. You may not realize it today. The housewives of America will realize it when you foist onto them food of all kinds, canned and processed, that will debase their food supply, and when they wake

up they will turn the lash upon those who are responsible for it.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, I have listened attentively to this debate today. I wonder if the gentleman from Utah [Mr. GRANGER] would at this time suffer a few questions. I would like to ask the gentleman if his bill repeals the discriminatory taxes on oleomargarine.

Mr. GRANGER. That is true. It repeals all taxes.

Mr. HOLIFIELD. All Federal oleomargarine taxes?

Mr. GRANGER. And all licenses.

Mr. HOLIFIELD. Your bill also allows interstate and intrastate shipment of uncolored oleomargarine?

Mr. GRANGER. That is right.

Mr. HOLIFIELD. It does not change the present situation at all?

Mr. GRANGER. Except it takes off tax. That is all. It makes it free.

Mr. HOLIFIELD. I mean in regard to the shipment of uncolored oleomargarine.

Mr. GRANGER. That is right.

Mr. HOLIFIELD. Is it not true that any oleomargarine manufacturer may place a factory in any State which allows the sale of colored oleomargarine at the present time, and sell the colored product within that State?

Mr. GRANGER. That is true, provided the State law permits it.

Mr. HOLIFIELD. That is right. As I understand, there are 16 States now which prohibit the sale of colored oleomargarine within that State.

Mr. GRANGER. I do not know whether it is 16 or more.

Mr. HOLIFIELD. Sixteen or seventeen.

Mr. GRANGER. Approximately that.

Mr. HOLIFIELD. They comprise many of the large States, such as California. I know California does not permit the sale of colored oleomargarine within the State.

Mr. GRANGER. That is true. The peculiar thing about it is that every person who has spoken on this bill today in opposition to it has come from a State where they could not sell it in that State if all the taxes were repealed.

Mr. HOLIFIELD. In other words, it is a problem on the State level in most of the States.

Mr. GRANGER. Including California. That is true.

Mr. HOLIFIELD. What I want to know is what is wrong with having a mixing plant in each State. Does that not offer employment and decentralize industry?

Mr. GRANGER. I think it does. I think that is a very pertinent question, because it would make those people who are getting the benefits come down to the county and State level and help pay some of the taxes that other people have to pay. Make no mistake about it, in every one of these States in the Union millions of dollars are invested in dairy plants and cheese factories and what not.

Mr. HOLIFIELD. On that particular point, is it extremely costly for an oleomargarine plant to be set up to do the coloring and mixing of white oleomargarine?

Mr. GRANGER. I do not know about the cost, but certainly it cannot be great.

Mr. HOLIFIELD. It stands to reason it would not be if the housewife can mix it in a bowl with this coloring matter. It could be colored in the butter-mixing machines they have in all the butter factories. The same kind of mixing equipment can be used in each State without a great deal of expense.

Mr. GRANGER. That is right. There is no reason why it cannot be done; the gentleman is right.

Mr. HOLIFIELD. It is absolutely true that the Granger bill fulfills the Democratic platform pledge to repeal the discriminatory Federal taxes on oleomargarine.

Mr. GRANGER. If anybody can put any other interpretation on the Democratic platform than I am putting on it, I would like to know. I should like to read the platform.

Mr. HOLIFIELD. I should like to hear the plank read.

Mr. GRANGER. The plank reads:

> We favor the repeal of discriminatory taxes on the manufacture and sale of oleomargarine—

Period.

Mr. HOLIFIELD. That is what the gentleman's bill does?

Mr. GRANGER. Yes.

Mr. HOLIFIELD. The gentleman's bill actually does that?

Mr. GRANGER. Absolutely.

Mr. HOLIFIELD. I am glad to hear the gentleman answer this question.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. SUTTON. Does the gentleman from California realize that the manufacturing plant in California will have to shut down should this bill be enacted into law?

Mr. HOLIFIELD. Did the gentleman say it would have to be shut down?

Mr. SUTTON. Yes.

Mr. GRANGER. They can ship it out of the State; they cannot sell it in the State.

Mr. HOLIFIELD. You can ship colored margarine out of the State and white margarine in the State.

Mr. SUTTON. So it does not prevent the sale of it?

Mr. HOLIFIELD. They cannot ship it within the State; that is very true; but that is a matter for the State legislature. Nor will the law of the State of California permit colored margarine to be sold within the State if the Poage bill is adopted.

Mr. SUTTON. Then those plants in California will be shut down.

Mr. GRANGER. That is not true at all.

Mr. HOLIFIELD. That may be so; they can still ship outside of the State and sell outside of the State.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. COOLEY. Mr. Chairman, I yield myself 2 minutes.

The CHAIRMAN. The gentleman from North Carolina is recognized.

Mr. COOLEY. This little demonstration which we have just witnessed and which was obviously rehearsed before it was enacted prompts me to say that it is a feeble redemption of a sacred platform pledge to repeal the tax and outlaw the object upon which the tax has been imposed. I do not believe that it was the purpose of my party nor of Mr. GRANGER'S party to go before the country with any such flimsy pretext as that.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. No; I decline to yield.

The very idea of intelligent men sitting in a convention of that importance and adopting a platform pledge such as this, and to go before the public saying they are in favor of repealing this discriminatory tax and not telling the same public in all these same meeting places that just let them get down to Washington on this platform and they would repeal the tax but would outlaw oleomargarine. They say: "We will pass a Republican bill if you just let us get in on a Democratic platform."

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. Yes; I yield to my friend from Wisconsin.

Mr. KEEFE. I should like to ask the gentleman what the plank on oleomargarine was of the Dixiecrat branch of the Democratic Party. We have heard the Democratic platform plank, and the gentleman has indicated that there were two divisions to the party.

Mr. COOLEY. I did not attend the Dixiecrats' convention and I have never been classed as a Dixiecrat. I believe that I am just as good a Democrat as will be found anywhere.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. HOPE. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey [Mr. CANFIELD].

Mr. CANFIELD. Mr. Chairman, at this juncture I should like to recall to the House the words of Champ Clark when he was debating the Panama Canal tolls question here on this floor some decades ago. These were his words:

> Tell it not in Gath, proclaim it not in the streets of Ascalon, that the Democratic Party will not keep faith with its platform.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. HUBER].

Mr. HUBER. Mr. Chairman, I was not injecting politics into this thing when I was speaking to my good friend, the gentleman from Wisconsin [Mr. KEEFE]. I was just giving him an out, pointing out that the Eightieth Congress was not quite as bad as everybody thought it was, because one of the few things it had courage enough to do was to face the margarine issue on the floor of this House. As far as I know the bill that was passed was not as acceptable as the present bill or as the substitute to be offered later.

I hear a great deal about Lever Bros. I do not know anything about them. The inference is that there seems to be

something evil about that institution. I thought we all believed in private enterprise. If Lever Bros. is a large company, is that wrong? Is that wicked? The United States Steel Corp., I understand, is rather large. The United States Tire & Rubber Co. is a large institution. There is big business in this country today and I do not know why any stigma should be placed upon a company just because it is big.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. HUBER. I yield to the gentleman from Wisconsin.

Mr. KEEFE. Does the gentleman believe in international cartels and monopolies?

Mr. HUBER. Mr. Chairman, I believe in free enterprise. All the patron saints of the Republican Party are continually talking about free enterprise. Now, if someone can produce a healthful, nutritious food, let them produce it. Let us not put all these Government regulations on it. I am tired of Government reglations and unfair Government practices. Let us get back to the fundamentals of Americanism. Let us allow free enterprise to take its course. I venture the assertion that you ship a greater amount of beer in value out of Wisconsin than you do dairy products. If anybody tried to stop you from shipping Schlitz beer into the States of Ohio or Pennsylvania I am sure you would cry crocodile tears. But, of course, this is margarine—it is wrong; it is evil.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. HOPE. Mr. Chairman, I yield the balance of the time on this side to the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY of Wisconsin. Mr. Chairman, it is easy enough for people who have nice jobs, with political ambitions, to be facetious about this situation here today. Well, I want to tell you, Mr. Chairman that what we do here on this legislation has much to do with the future of at least one State out of the 48.

There is nothing new about this legislation. From a reading of the newspapers you would think that the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] and the gentleman from Utah [Mr. GRANGER] were doing some conniving, were doing something unfair, they were doing something tricky, they were bringing in trick legislation. Mr. Chairman, 25 years ago there was passed a filled milk bill. The filled milk bill is exactly the same as this bill here in principle. Filled milk is composed of a vegetable oil and skimmed milk, just exactly the same as oleo is. All the Granger-Andresen bill does is to put oleo in the same class that the fluid milk is in today and has been for a quarter of a century.

You may be interested in knowing that this is just the beginning. There is another bill here in the hopper that is going to do the same thing on filled cheese. You know, I have an awful job keeping track of people down here in Congress for some reason or other. I went down here with my good friend the gentleman from Texas [Mr. POAGE] to appear before the Washington Advertising Club, and I do not know of anyone who has made more money out of the oleo argument than the advertising people have. Unthinkingly, I mentioned the fact that they had a little lawsuit down in Texas in which it was brought out that they were using filled ice cream. Well, the gentleman from Texas [Mr. POAGE] gave me quite a lecture—he is a good friend of mine—and sort of intimated that it was not any of my business what kind of ice cream they ate in Texas. He asked if I believed in State rights. When the committee agreed that we should have a States' rights provision in this legislation, I thought maybe it would be all right to have States' rights as far as oleo is concerned.

Now, anyone who is shedding tears about protecting the public—and we have heard it twice here this afternoon on both sides of the aisle—just let us not deceive ourselves, because it is not being followed right here in the city of Washington. They made an investigation within the last 60 days, and out of 150 restaurants in one southern State they found only 15 of them that were following the law. So what is the use of having that kind of law on the statute books. The Granger bill passes this back to the States, the same as the filled-milk bill does. Take Illinois and Indiana, if they want to eat it, that is their business, and that is what the Granger bill is trying to do with this law, and that is what we are trying to do with cheese, and that is what we are going to try to do with ice cream. Since all these people have so many tears for the consumer, I would like to take these 11 minutes and talk about labor, because, after all, they are the ones that are going to pay the price on this as far as that is concerned.

And I want to call your attention to another product, another concoction, and I would be glad to make it here for you, and we cannot talk about another city in the United States, because we have nothing to say about it. I made it for you last year here. You take 96.5 percent of skim milk and 3.5 percent of vegetable oil and you practically have oleomargarine. The only difference between that and oleomargarine is the difference in the proportion of the fat and the oil. I can make it for you for 5 cents a quart.

Another point has been omitted here. Surely, the oleo people have been able to sell their products cheaper. Why? Every pound of oil in oleo in the last year has been subsidized. I am not saying that the oleo manufacture is being subsidized, but the United States Treasury is subsidizing the product. There are some of these oils that the United States Government under the program has lost 22.2 cents per pound on, and I would not like to guess what they are going to lose the next year for certain oils that they are supporting. So, it is not a matter, my good colleagues, of any little, petty thing. The whole dairy industry is involved.

When our good President this last fall ran on the Democratic platform, he might have said he was going to get rid of the tax, and I think everyone realizes he wants to follow the platform, but I just cannot believe that any President, President Truman or any other President, wants anyone to be interpreting his mind to show what he wants to do in connection with the dairy business.

Mr. CHRISTOPHER. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Missouri.

Mr. CHRISTOPHER. I would just like to say that while the Democratic platform called for the repeal of the tax on oleomargarine, it did not demand the destruction of a $250,000,000 dairy industry in the United States. I do not believe that of my party, nor of my candidate for President who is President now.

Mr. MURRAY of Wisconsin. I thank the gentleman, because I cannot imagine any President wanting to do that.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I have been here for 4 or 5 hours listening to this debate. The gentleman from New York [Mr. CELLER] says that the Democratic platform says one thing; the gentleman from Utah [Mr. GRANGER] says that the Democratic platform says another thing, and the gentleman from Nebraska [Mr. O'SULLIVAN] gets down in the well of the House and says the Democratic platform says another thing. I would like to know what does the Democratic platform say.

Mr. MURRAY of Wisconsin. Well, I do not want to get into that angle any more than to say that I have more confidence in President Truman than to think that he would deliberately destroy the dairy industry of this country or to be a party to so doing.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from North Carolina.

Mr. COOLEY. I would like to make just one observation, and that is that the Democratic platform was just read a moment ago by the gentleman from Utah [Mr. GRANGER].

Mr. GAVIN. Well, I was not here at that time.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Wisconsin.

Mr. KEEFE. Just so that we can interject a little bit of levity into this serious situation, may I say to the gentleman that this debate regarding the Democratic platform reminds me of a story that the chairman of the Committee on Ways and Means, the gentleman from North Carolina [Mr. DOUGHTON], told yesterday about the colored fellow who was ambling along the road down South twirling a rope. Somebody came up to him and said, "Say, what are you doing with that rope?" He said, "Mr. Ned, I'se confused, I'se confused. I don't know whether I'se found a rope or lost a mule." I thought it was just about like some of the confusion we find here on the floor of the House in discussing some of these questions.

Mr. MURRAY of Wisconsin. As far as the dairy industry is concerned, if you follow the law—and incidentally it is not being followed now, but I do not want to get that injected in here; we think it is going to be—the man who owns the cows

is going to be taken care of. There is no argument about that.

The gentleman from Illinois [Mr. SABATH] today was telling about dollar-a-pound butter. The gentleman is a year behind, because a couple of days ago Uncle Sam had to buy a carload of butter out in Minnesota at the support price of 59 cents. So as far as the man who milks the cows is concerned, he has some protection.

Let me ask you today whether or not you want to step up the number of unemployed in this country. One of my good southern friends came to me a few days ago and said, "You know, all us fellows from the farm districts ought to get together on that wage-hour bill when it comes in. We ought to keep it just the way it is, as far as it affects the farmers." He said, "You must have lots of cheese factories and creameries and milk plants in your district." I said, "Sure, I have plenty of them." He went on to tell me a story, and I said, "Now, Brother, there is something going to happen before we get that far. Just don't make me feel badly about what is going to happen to that minimum wage or maximum hours, or anything that goes with it, because how do I know, when they get down to the oleo bill, whether or not they are going to have any jobs? So why should I worry about what wages they have when I do not know whether they are going to have a job or not?"

Mr. MORRIS. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Oklahoma.

Mr. MORRIS. I honestly have not made up my mind whether to vote for the Granger bill or the Poage bill.

Mr. MURRAY of Wisconsin. It is a creeping thing, but in the gentleman's State they have reduced cow numbers by 22 percent in the last few years. If you want to be in the dairy business in Oklahoma, you want to keep that in mind.

Mr. MORRIS. I appreciate that suggestion. I honestly have not made up my mind whether I am for the Poage or the Granger bill, or for either. I realize the gentleman is an authority, especially in the dairy field, and I say that seriously. Does the gentleman care to tell us at this time whether he is supporting the Poage bill or the Granger bill, or is opposed to both of them? I should like to have the gentleman's suggestion about that.

Mr. MURRAY of Wisconsin. I took it for granted that the gentleman knew I was for the Granger bill, because I have been recommending the Granger bill here several times.

Mr. MORRIS. I have heard the gentleman's speech on this occasion, but I did not know definitely which bill he is for.

Mr. MURRAY of Wisconsin. The Granger bill is a fair bill. The dairy industry has gone too far now with the Granger bill. The gentleman from Utah [Mr. GRANGER] has bent over backward.

Mr. MORRIS. The gentleman's judgment is, then, that the Granger bill is about as good a bill as could be written on this subject? Is that the gentleman's thought?

Mr. MURRAY of Wisconsin. It gives the Government back to the people. If the people of the State of Oklahoma want to eat oleo that is red, blue, yellow, or any other color, that is their business. The longer I am in Washington the more I realize that we have to give these things back to the people and back to the States.

Mr. MORRIS. I was not arguing with the gentleman. I was asking for information. I just wanted to get his judgment.

Mr. MURRAY of Wisconsin. We have done it on evaporated milk and on filled milk. We should do it now as far as butter is concerned. We should do it all the way down the line as far as the dairy industry is concerned.

Mr. WERDEL. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WERDEL. Mr. Chairman, I feel that repeal of the Federal antimargarine laws is in the interests of the consumer.

It is my feeling that the housewife wants the privilege of buying yellow margarine already colored in her grocery store. She should be given that privilege.

The Granger-Andresen bill is illogical and confusing. There is a question as to what it actually does. It may not only ban interstate shipment of yellow margarine but also intrastate shipment of yellow margarine. In any event, the measure should be defeated.

The arguments against repeal of the Federal antimargarine laws fall roughly into two categories:

First. That repeal would destroy the dairy industry.

Second. That a ban on yellow margarine is necessary to prevent fraud and destruction.

I do not think the prospective destruction of the dairy industry thesis needs extended argument. Mr. POAGE of Texas discussed this subject at length a day or two ago. For those of you who want the facts and figures on this matter I refer you to page A1856 of the CONGRESSIONAL RECORD of March 29.

Mr. POAGE points out that the butter interests are riding on the back of the dairy industry and I feel that he is right.

The butter industry has shifted ground quite a bit on this question of margarine and these shifts reinforce the conclusion that what the butter boys really want is something to cripple margarine.

All Members of the Eightieth Congress remember well how it was asserted that without keeping the Federal taxes and license fees the entire dairy industry, let alone the butter part of it, would be ruined.

Now, it is conceded, apparently, that no "fraud" of consequence will result if taxes are removed. But it is claimed, now, that large-scale "fraud" will result if yellow margarine is not prohibited altogether. While it is likely that this claim has been made for the purpose of buttering the butter industry's public relations—a desirable goal—it is put forth seriously and deserves a serious reply.

Where is the proof of the claim that margarine, sold yellow under existing pure food laws, would result in wholesale deception? There is no proof. Two years or so ago, the butter people here in Washington put out a little booklet attempting to make the claim by telling the six so-called cases where margarine had been sold for butter. The material in this book has been repeated recently in one of their publications. Yet the six cases show quite the opposite. They go back to 1900; the recent cases are very few; little margarine is involved; the story is ingeniously woven of scraps of fact larded with slices of fictional treatment intended to scare rather than inform.

This report is headed:

"Six Actual Cases Showing How the Internal Revenue Bureau Helps Protect You Against Food Racketeering."

It was introduced into the record of the House hearings on margarine during the Eightieth Congress by Mr. Charles Holman, of the National Cooperative Milk Producers Federation. It will be found on page 285.

Now, however, Mr. Holman and other butter spokesmen apparently have decided that the protection of the Bureau of Internal Revenue no longer is needed by butter.

Where did the whole idea of deception in margarine orginate anyway? The CONGRESSIONAL RECORD shows that, when the law was originally passed, in Grover Cleveland's time, margarine was newly introduced in this country. It was only at the beginning of its development as a modern product, just as butter at that time had not entered the era of modern big-creamery production and distribution. Most important, our pure-food laws were still 20 years away. It was a new problem. The butter people were quick to see the advantage of an argument of deception. The law was passed, chiefly, because we did not then know how to regulate in the pure-food area except by restrictive taxation.

All that is now changed, of course. We have our pure-food laws, and good ones. They are working—if you have any doubt of it, consult the Food and Drug Administration's record of seizures, including butter—which, incidentally, far outranks margarine in that respect. Today we control foods through the pure-food laws—we encourage the production of more food under pure food standards, rather than restrict. This applies to all foods.

What are the facts?

Butter freely uses artificial coloring to give its product the yellow hue which pleases consumers. If you doubt that statement, look at the butter color advertisements carried in the dairy journals.

Butter then freely uses artificial coloring but wishes to deny that privilege to a competitor.

And here is something which seems to be the crux of this whole situation.

About 93 percent of all margarine is sold through stores to householders.

The labeling requirements are such that there is no danger of deception in this field. These requirements would not

be changed by repeal of the Federal antimargarine laws.

About 3½ percent of all margarine is sold to bakers and confectioners.

There is no danger of deception in this field. The bakers and confectioners do not care whether margarine is yellow or white.

Thus, there is no danger of deception in the case of approximately 96½ percent of all margarine sold in the United States today.

The butter interests claim that some margarine is sold as butter in public eating places. But even they do not claim that these violations include more than 1 percent of the margarine sold in this country.

If there are violations in this field why not get at them directly as is proposed in the Poage bill, H. R. 3 and other pending repeal bills.

The Poage bill, for example, requires the identification of each separate serving of margarine in a public eating place. Furthermore, it requires, in addition, that if a public eating place sells margarine that it place up a placard, or sign, stating the fact, or that it put a notice to that effect on the menu.

Penalties for the provision referred to would be made a Federal offense. The enforcement of the provision would be placed with the efficient Food and Drug Administration.

Bear in mind, that the bills which would prohibit the manufacture and sale of yellow margarine contain no such provision. The danger of violations in public eating places, if yellow margarine is banned, would remain as it is now. For it would be a simple matter for any restaurant owner who wished to violate the law to color his margarine and sell it as butter.

I fail to understand why the housewife is to be forced to continue to mix color into margarine simply because there is danger that an occasional restaurant owner may sell margarine as butter.

The proposal is unreasonable and illogical. Common sense demands that it be rejected and that the Federal antimargarine laws be repealed.

I, of course, agree that oleomargarine should not be permitted to defraud the public at the expense of the dairy industry and the public. I do not believe that the protection of the public from such practices by prohibiting the sale or transportation of colored margarine in interstate commerce can be justified unless we go all the way and prohibit the transportation of squirrel coats colored to imitate mink or citric acid soda pop colored to imitate orange juice and hundreds of other situations. I do believe that restaurants that use margarine should clearly advertise it as such on the menu and when colored margarine is sold in packages, it should be designated as such.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Utah [Mr. GRANGER].

Mr. MORRIS. Mr. Chairman, will the gentleman yield for a question?

Mr. GRANGER. I yield.

Mr. MORRIS. I am seriously seeking information on this matter, because it is an important matter. Will the gentleman express himself to the Committee at this time as to whether or not he thinks the provisions of his bill forbidding the transportation of oleomargarine in interstate commerce would be difficult of enforcement? That is one question that is bothering me.

Mr. GRANGER. No; I do not see that any difficulty would arise to prevent the enforcement of the act.

Mr. Chairman, we are coming to the close of this debate on what I think is a very important question. I am interested in this matter, not from any personal advantage that I may have, but because I am tremendously interested in the perpetuity of a branch of agriculture that has been the mainstay of the farm family. You would be alarmed if you had the figures on the great movement toward commercial and corporation farming. It is alarming to know of the vast acreages of wheat, potatoes, and cotton that has gone into the hands of a few operators, where in many cases the operators are not even residents of the places where the farms are located. So I ask you to consider this matter very calmly, because I am tremendously interested in that phase of our economy. I dare say many of you people here on the floor, as is true in my case, were able to go to school because dad and mother were willing to milk the cows and take the cream to the creamery so that the proceeds of the check might be distributed to the kids going to school.

Further than that, farm family life is a breeder of good citizenship. I dare say that on our farms, generally, and the dairy farms in particular, there never would be sown the seeds of communism or any other ism having for its purpose the overthrow of the Government. I think it is important that we maintain the farm families. It seems to me that to do otherwise would be striking a death blow at the thing that we cherish as a sacred heritage of the American people.

Instead of spending the millions of dollars they have spent in order to imitate butter, if these oleo people were really and honestly trying to make a product of their own, they could have used any number of other delicate colors which would make their product just as palatable and pleasing as the color of butter. There is nothing in the color itself which makes the product any different. It does not change the food value of the product. It is a determined effort on the part of these people to imitate butter and sell it for what it is not. I think if they had spent their money in trying to convert the people of this country to the use of oleo, they could have used another color. And I am not saying green, pink, or any other color, but I am saying that they could have used some other color to distinguish it from butter and then we would have avoided this controversy. I think there is a determined effort being made to destroy the butter industry, which will have a tremendously damaging effect upon the economy of the dairy farmer. In good times and bad, the dairy farmer has been one who could hold his head high and not be forced to depend upon relief from his neighbor, during times of depression.

The CHAIRMAN. The time of the gentleman from Utah has expired.

Mr. COOLEY. Mr. Chairman, I yield the remainder of my time to the gentleman from Texas [Mr. POAGE].

The CHAIRMAN. The gentleman from Texas is recognized for 9½ minutes.

Mr. POAGE. Mr. Chairman, it is little wonder that the gentleman from Wisconsin confessed his confusion at the present state of affairs. The legislation now before us is well calculated to confuse anyone and it seems to have confused its proponents as well as all the others.

These proponents have suggested that this legislation would in no wise reduce the enforcement of the present law. But I hold in my hand a letter, not written before this bill was brought out, but 9 days after it had been brought out, after it had been referred to the Federal Security Administration, Pure Food Division, over the signature of P. T. Dunbar, Commissioner of Foods and Drugs, in which he points out that section 2 (c) of this bill—and 2 (c) is a section which was not supposed to be amended—uses the words "affects, obstructs, or burdens commerce or the free flow of goods in commerce." He points out that under the interpretations of our courts that clearly would require prohibition of the sale or shipment of any goods anywhere that did affect or interfere in any way with interstate commerce. I fear and Mr. Dunbar fears that this bill may in fact prohibit the sale of colored margarine even in intrastate commerce. Now, if it does not, if you apply the interpretation applied by the last speaker, that it does not interfere with interstate commerce, then you have no hook upon which to hang the enforcement sanctions of the Pure Food and Drug Act, which applies only to interstate commerce. If this bill does not affect intrastate commerce, if it affects only interstate commerce, the sale of margarine produced in the State of Texas within the State of Texas is not involved in interstate commerce and then the Pure Food and Drug Act has no control over the purity of that commodity. The sale of any colored margarine that could be sold under the terms of this bill could not be supervised as to purity, as to quality, or as to any of its ingredients. There would be no Federal pure-food law to protect the consumer of yellow margarine under the Granger bill.

I call the attention of all those who profess to favor pure foods to the fact that this butter bill clearly, and, according to the opinion of the Commissioner of Foods and Drugs, provides that he would have no control over intrastate movement. If you sell margarine produced in a State, under the terms of this butter bill as its author just told you he interpreted it, then you could sell it with any kind of impurities, and there is no law on the Federal statute books and there is not a word in his bill that would provide for any pure-food regulation.

Now, I believe the consumers are entitled to some protection. Most of this afternoon has been spent in discussing the effect this would have on the dairy people. The dairy people are entitled to consideration, but not to the exclusion

of all the other people of America. There are three classes of people affected. The first class might be the producers of cottonseed and soybean oil. I do not want to plead their case. I am willing to waive any interest they may have in the measure. I have not stood here and argued on this bill in their behalf.

The next class interested in this bill are the dairy people, of course. You have heard a great deal of discussion about the effect this will have on the dairy people. You have heard the assumption that my substitute H. R. 3 will greatly injure the dairy industry. Yet you have not heard one single speaker this afternoon, nor will you hear one single speaker explain to you how my bill will hurt the dairy industry or how any bill giving the American consumer freedom of choice and assurance of selection will hurt the dairy industry. They say in one breath, "If you sell yellow oleomargarine it will take the market for butter." In the next breath the original author of this bill, the man who introduced this bill and who then stepped aside to take the curse of Republicanism off the bill, the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] has explained how you were going to put the dairy people out of business.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I am sorry. I have only a couple of minutes left.

Mr. AUGUST H. ANDRESEN. I will explain how it will work.

Mr. POAGE. I cannot yield to the gentleman, Mr. Chairman. The gentleman has had his time and has discussed his point of view that my bill would destroy the dairy industry.

Mr. AUGUST H. ANDRESEN. Then I will answer the gentleman tomorrow.

Mr. POAGE. Then in the next breath the gentleman told us that it would result in a higher price for margarine. I do not know which side he wishes to stand on. Either H. R. 3 is going to result in the sale of a cheap table spread that the poor people of America, who cannot afford to pay the high price of butter, can and will buy, or it is not going to affect the sale of butter at all. Does the gentleman believe that, if this results in the sale of yellow margarine at the same price as butter, that the American people will select margarine in preference to butter? I have never made any such contention. I believe the masses of the American people will take butter at the same price, but most of the American people do not have the 73 cents a pound that it takes to buy butter. That is the reason most of the people would buy margarine if they had the opportunity. It will not take butter off the market. It will mean that those families that now cannot buy a table spread will be able to buy one. That has been the experience of every nation in the world.

The greatest dairying nations in the world are the Low Countries of Europe, Holland, Belgium, and those countries; yet those countries all sell more butter per capita than does the United States and all of them sell from three to four times as much per capita of margarine, yellow margarine, if you please, as does the United States.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I am sorry, I cannot yield.

Every one of those countries in Europe that allows the free sale of yellow margarine sells more butter per capita than does the United States. Does that look like it would hurt the dairy people of the United States if we, too, allowed the free sale of margarine in any form the consumer wants it?

What about the States of the Union that have tried to impose restrictions on margarine, as so many States of the Union have? The State of Iowa has a prohibition against the sale of yellow margarine, and yet last year, 1947, the last year for which I have the figures, butterfat brought 82 cents a pound in Iowa. Missouri, an adjoining State, has no restriction on the sale of yellow margarine, and butterfat brought 90 cents a pound in Missouri. Go just west of them: The State of South Dakota entirely prohibits the sale of yellow margarine, and they got 73 cents a pound for butterfat. The State of Nebraska, adjoining South Dakota, prohibits it only in public-eating places, and they got 79 cents a pound for butterfat. The State of Kansas, adjoining Nebraska, has no prohibition against the sale of yellow margarine, and they got 83 cents a pound for their butterfat. Even the farmers of the great State of Wisconsin, on one side of the great market of Chicago, got 2 cents a pound less for their butterfat than did farmers in the State of Indiana, on the other side of that great market.

Going to the East, no man can say that there is a better market than the great city of New York. The State of New York prohibits the sale of yellow margarine. The farmers of the State of New York got $1.24 a pound for their butterfat in 1947. In the little State of Rhode Island where they do not have the great city of New York, in the same year without any prohibition against the sale of yellow margarine they got $1.60 a pound for their butterfat. Does that look as though this prohibition against free enterprise, against the right of the consumer to select the foods that he or she wants to buy, does that look like it would wipe out the dairyman? It has not done it; there is no evidence that the dairyman has ever been helped by these restrictive laws.

But the dairyman is not the one to be primarily concerned with; certainly the consumers of America, the 140,000,000 people who should be buying fluid milk and consuming the product of the dairy farm in its most valuable and most acceptable form are to be considered also.

In the final analysis there are but two fundamentals involved. I submit, any American citizen has a right to buy any pure food in any form or color that the purchaser wants and is willing to pay for. Second, the purchaser has a right to know that he gets the identical product he thinks he is buying. The Granger-Andresen butter bill violates both of these fundamentals. It prohibits the sale of yellow margarine in interstate commerce and denies the consumer the choice of products to which he is entitled. We might as well prohibit the sale of Ford cars in a State which does not have a Ford factory. It gives absolutely no protection to the consumer from the deception which the butter people have so long claimed to fear. On the contrary, it withdraws the protection of the Federal Pure Food and Drug laws.

H. R. 3 gives every citizen the right to buy margarine in any form he wants it, but it requires that every separate serving of yellow margarine be definitely identified as such. I think this is fair. I shall offer it as a substitute for the butter bill.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BENNETT of Florida. Mr. Chairman, I am glad that the gentleman from Texas [Mr. POAGE] has so well established by his speech that there are now legal and adequate methods to protect the public in the nutritive standards of oleomargarine, at least when shipped in interstate commerce.

The CHAIRMAN. All time has expired.

The Clerk will read.

The Clerk read, as follows:

Be it enacted, etc.—

DECLARATION OF POLICY

SECTION 1. Yellow oleomargarine resembles butter so closely that it lends itself readily to substitution for or confusion with butter and in many cases cannot be distinguished from butter by the ordinary consumer. The manufacture, sale, or serving of yellow oleomargarine creates a condition conducive to substitution, confusion, fraud, and deception, and one which if permitted to exist tends to interfere with the orderly and fair marketing of essential foods in commerce. Such transactions in yellow oleomargarine, whether intrastate or interstate in character, burden, obstruct, and affect commerce, interfere with the production of goods for commerce and the free flow of goods in commerce, and constitute an unfair method of competition in commerce.

It is hereby declared to be the policy of Congress to correct and eliminate the conditions above referred to; to promote the orderly and fair marketing of essential foods in commerce; to prevent confusion, fraud, and deception in commerce; and to prohibit practices which burden, obstruct, or affect commerce, the free flow of goods in commerce, or the production of goods for commerce.

Mr. COOLEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WHITTINGTON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 2023) to regulate oleomargarine, and to repeal certain taxes relating to oleomargarine, and for other purposes, had come to no resolution thereon.

TRANSFER OF FUNCTIONS OF REGIONAL AGRICULTURAL CREDIT CORPORATION TO THE SECRETARY OF AGRICULTURE

Mr. COOLEY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on

the bill H. R. 2101, to authorize the Regional Agricultural Credit Corporation of Washington, D. C., to make certain disaster or emergency loans, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2101) to authorize the Regional Agricultural Credit Corporation of Washington, District of Columbia, to make certain disaster or emergency loans, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title, and agree to the same.

HAROLD D. COOLEY,
STEPHEN PACE,
W. K. GRANGER,
CLIFFORD R. HOPE,
AUGUST H. ANDRESEN,
Managers on the Part of the House.

ELMER THOMAS,
GEORGE D. AIKEN,
MILTON R. YOUNG,
CLINTON P. ANDERSON,
ALLEN J. ELLENDER,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2101) to authorize the Regional Agricultural Credit Corporation of Washington, D. C., to make certain disaster or emergency loans and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report.

The Senate amendment struck out all after the enacting clause in the House bill and substituted provisions, the effect of which are (1) to abolish the Regional Agricultural Credit Corporation of Washington, D. C., (2) to transfer its functions to the Secretary of Agriculture, and (3) to authorize the Secretary to make loans to farmers and stockmen for any agricultural purpose in any area or region where he finds that a production disaster has caused a need for agricultural credit not readily available from commercial banks, cooperative lending agencies, or other responsible sources.

The House bill authorized the Secretary of Agriculture to make loans or advances to farmers and stockmen in the event of economic emergencies or where the forces of nature have caused production disasters. The House bill also placed a limitation upon the amount of money authorized for administrative expenses.

The Senate amendment adopted by the conferees does not provide for as broad a loaning authority as was provided in the House bill. Under the House bill the Secretary of Agriculture through the Regional Agricultural Credit Corporation would have been authorized to provide credit to farmers and stockmen in any economic emergency whether or not the need for credit was attributable to a production disaster. Under the Senate amendment which was adopted by the conferees, loans may be made available only when the Secretary finds that a production disaster has caused a need for agricultural credit and that such credit is not readily available from commercial banks, cooperative lending agencies, or other responsible sources.

The House bill authorized an expenditure of not to exceed $750,000 for administrative expenses. The Senate amendment authorizes the Secretary to utilize the revolving fund created by section 84 of the Farm Credit Act of 1933, as amended, for the making of loans and for administrative expenses in connection with such loans and places no limitation on the amount of the authorization for administrative expenses. However, the Senate committee in its report (Rept. No. 89) indicated that the Secretary of Agriculture should, under the terms of the Senate amendment, be able to carry out the program with less cost.

HAROLD D. COOLEY,
STEPHEN PACE,
W. K. GRANGER,
CLIFFORD R. HOPE,
AUGUST H. ANDRESEN,
Managers on the Part of the House.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. MULTER (at the request of Mr. HOLIFIELD) was given permission to extend his remarks in the RECORD.

Mr. MACK of Illinois asked and was given permission to extend his remarks in the RECORD and include a letter from the secretary of State of Illinois and a resolution concerning the Lincoln ordnance depot.

Mr. SADOWSKI asked and was given permission to extend his remarks in the RECORD in four instances and include excerpts.

Mr. AUGUST H. ANDRESEN asked and was given permission to revise and extend the remarks he made in Committee and include tables and statistics.

Mr. KEATING (at the request of Mr. EDWIN ARTHUR HALL) was given permission to extend his remarks in the RECORD.

Mr. VORYS (at the request of Mr. HOPE) was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. VAN ZANDT (at the request of Mr. HOPE) was given permission to extend his remarks in the RECORD and include extraneous matter.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mrs. BOSONE (at the request of Mr. GRANGER), for March 30 and March 31, on account of official business.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 3910. An act to extend for a temporary period the provisions of the District of Columbia Emergency Rent Act; and

H. J. Res. 203. Joint resolution to maintain the status quo with respect to the exemption, from the tax on transportation of persons, of foreign travel via Newfoundland.

BILL AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill and joint resolution of the House of the following titles:

H. R. 3910. An act to extend for a temporary period the provisions of the District of Columbia Emergency Rent Act; and

H. J. Res. 203. Joint resolution to maintain the status quo with respect to the exemption, from the tax on transportation of persons, of foreign travel via Newfoundland.

ADJOURNMENT

Mr. COOLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 57 minutes p. m.) the House adjourned until tomorrow, Friday, April 1, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

479. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal year 1949 in the amount of $92,619,888 for the various departments and agencies (H. Doc. No. 149); to the Committee on Appropriations and ordered to be printed.

480. A letter from the Archivist of the United States, transmitting the Fourteenth Annual Report of the Archivist of the United States, covering the fiscal year ending June 30, 1948; to the Committee on Post Office and Civil Service.

481. A letter from the Archivist of the United States, transmitting the Ninth Annual Report of the Archivist of the United States on the Franklin D. Roosevelt Library, Hyde Park, N. Y., for the fiscal year ending June 30, 1948; to the Committee on House Administration.

482. A letter from the Chairman, Munitions Board, National Military Establishment, transmitting the Annual Report on the National Industrial Reserve; to the Committee on Armed Services.

483. A letter from the Acting Chairman, United States Advisory Commission on Information, transmitting the Semiannual Report of the United States Advisory Commission on Information covering the international information activities; to the Committee on Foreign Affairs.

484. A letter from the Acting Secretary of the Interior, transmitting a supplemental finding of feasibility for the Platoro Reservoir as the first unit of the Conejos division of the San Luis Valley reclamation project, Colorado (H. Doc. No. 150); to the Committee on Public Lands and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PETERSON: Committee on Public Lands. H. R. 2369. A bill to authorize an

appropriation to complete the International Peace Garden, N. Dak.; without amendment (Rept. No 359). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN of South Carolina: Committee on the District of Columbia. H. R. 3088. A bill to increase the compensation of certain employees of the municipal government of the District of Columbia, and for other purposes; without amendment (Rept. No. 360). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITTINGTON: Committee on Public Works. H. R. 3856. A bill to provide for a Commission on Renovation of the Executive Mansion; with amendments (Rept. No. 361). Referred to the Committee of the Whole House on the State of the Union.

Mr. FELLOWS: Committee on the Judiciary. H. R. 3875. A bill to amend subsection (c) of section 19 of the Immigration Act of 1917, as amended, with respect to suspension of deportation of aliens; without amendment (Rept. No. 362). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GOSSETT: Committee on the Judiciary. S. 32. An act for the relief of Milo Jurisevic, Mrs. Jelena Jurisevic, Svetozar Jurisevic, and Radmila Jurisevic; with an amendment (Rept. No. 356). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 750. A bill for the relief of Lee F. Bertuccioli; without amendment (Rept. No. 357). Referred to the Committee of the Whole House.

Mr. CASE of New Jersey: Committee on the Judiciary. H. R. 2360. A bill for the relief of Theodore Papachristopoulos; with amendments (Rept. No. 358). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARDEN:

H. R. 3925. A bill to authorize a preliminary survey to determine the feasibility of constructing a channel through Topsail Inlet, N. C., to the inland waterway; to the Committee on Public Works.

By Mr. CASE of South Dakota:

H. R. 3926. A bill to rename a game sanctuary in the Harney National Forest as the "Norbeck Wildlife Preserve," and for other purposes; to the Committee on Agriculture.

By Mr. CAVALCANTE:

H. R. 3927. A bill to make it a crime for any person, as part of a plan to overthrow the Government of the United States by force or violence, to incite contempt for such Government by the use of publications, motion-picture films, or radio broadcasts; to the Committee on the Judiciary.

By Mr. ELSTON:

H. R. 3928. A bill to incorporate the Guild of Carillonneurs in North America; to the Committee on the Judiciary.

By Mr. HAND:

H. R. 3929. A bill to provide for the mobilization of the scientific resources and knowledge of the United States for the purpose of seeking the causes and cure of cancer, heart disease, infantile paralysis, and other diseases of mankind; to the Committee on Interstate and Foreign Commerce.

By Mr. HART:

H. R. 3930. A bill to amend the Merchant Marine Act, 1936, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. HILL:

H. R. 3931. A bill to authorize certain additional allocations of costs of the Colorado-Big Thompson Federal reclamation project; to the Committee on Public Lands.

By Mr. KILBURN:

H. R. 3932. A bill to exempt artificial limbs from duty if imported for personal use and not for sale; to the Committee on Ways and Means.

By Mr. KUNKEL:

H. R. 3933. A bill to permit Federal employees who retired before April 1, 1948, to elect to have their annuities computed on the same basis as Federal employees who retired on or after such date, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MONRONEY:

H. R. 3934. A bill to permit religious or charitable societies to import musical instruments free of duty in certain cases; to the Committee on Ways and Means.

By Mr. TEAGUE:

H. R. 3935. A bill relating to the promotion of veterans of World War II in the field service of the Post Office Department; to the Committee on Post Office and Civil Service.

By Mr. WINSTEAD:

H. R. 3936. A bill to strengthen the national defense by making it possible for persons drafted under the Selective Service Act of 1948 (Public Law 759, 80th Cong., 2d sess.) as well as all other personnel to choose the type of units in which they serve; to the Committee on Armed Services.

By Mr. WITHROW:

H. R. 3937. A bill to provide for a survey of physically handicapped citizens; to the Committee on Post Office and Civil Service.

By Mr. CRAWFORD:

H. R. 3938. A bill to prohibit interstate commerce in imitation cheese, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 3939. A bill to prohibit interstate commerce in imitation ice cream and in imitation ice milk, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HINSHAW:

H. R. 3940. A bill to amend the Civil Aeronautics Act of 1938, as amended, to regulate the transportation, packing, marking, and description of explosives and other dangerous articles; to the Committee on Interstate and Foreign Commerce.

By Mr. POAGE:

H. R. 3941. A bill to authorize and direct the Administrator of Veterans' Affairs to convey certain buildings surplus to the needs of the Veterans' Administration to the State of Texas for the purpose of establishing and maintaining a State medical college and State hospital; to the Committee on Veterans' Affairs.

By Mr. PRIEST:

H. R. 3942. A bill to provide for the general welfare by enabling the several States to make more adequate provision for the health of school children through the development of school health services for the prevention, diagnosis, and treatment of physical and mental defects and conditions; to the Committee on Interstate and Foreign Commerce.

H. R. 3943. A bill to amend the Public Health Service Act to support research and training in rheumatism and arthritis, multiple sclerosis, cerebral palsy and epilepsy, and other diseases, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SECREST:

H. R. 3944. A bill to establish a National Commission on Intergovernmental Relations; to the Committee on Expenditures in the Executive Departments.

By Mr. SIMPSON of Pennsylvania:

H. R. 3945. A bill to exempt from admissions tax admissions to museums operated or conducted by the Federal Government, the several State governments, or political subdivisions thereof; to the Committee on Ways and Means.

By Mr. VINSON:

H. R. 3946. A bill to promote the national defense and to contribute to more effective aeronautical research by authorizing professional personnel of the National Advisory Committee for Aeronautics to attend accredited graduate schools for research and study; to the Committee on Armed Services.

By Mr. MURDOCK:

H. R. 3947. A bill to approve a repayment contract negotiated with the Shasta View irrigation district, Malin, Oreg., and for other purposes; to the Committee on Public Lands.

H. R. 3948. A bill to approve a repayment contract negotiated with the Okanogan irrigation district, Washington, and to authorize its execution and for other purposes; to the Committee on Public Lands.

H. R. 3949. A bill to approve a repayment contract negotiated with the Kittitas reclamation district and to authorize its execution, to approve the reclassification of lands within the Kittitas division of the Yakima project, Washington, and for other purposes; to the Committee on Public Lands.

H. R. 3950. A bill to approve a contract negotiated with the Uncompahgre Valley Water Users' Association and to authorize its execution, to approve reclassification of land of the Uncompahgre project, Colorado, and for other purposes; to the Committee on Public Lands.

H. R. 3951. A bill to approve a repayment contract negotiated with the Bitter Root irrigation district, Montana, and to authorize its execution, and for other purposes; to the Committee on Public Lands.

H. R. 3952. A bill to approve a contract negotiated with the Willwood irrigation district and to authorize its execution, and for other purposes; to the Committee on Public Lands.

By Mr. MILLER of California:

H. R. 3953. A bill to authorize the Federal Security Administrator to assist the States in the development of community recreation programs for the people of the United States, and for other purposes; to the Committee on Education and Labor.

By Mr. KLEIN:

H. R. 3954. A bill to amend the Alcoholic Beverage Control Act of the District of Columbia of 1934; to the Committee on the District of Columbia.

By Mr. LYNCH:

H. R. 3955. A bill to provide for the payment of Federal unemployment taxes into the Federal unemployment account to be available for the administration of unemployment compensation laws and public employment offices, and to return to the States the excess of such taxes over such administrative expenses, and for other purposes; to the Committee on Ways and Means.

By Mr. WEICHEL:

H. R. 3956. A bill to provide for the expansion of post-office facility at Tiffin, Ohio; to the Committee on Public Works.

By Mr. KEATING:

H. J. Res. 211. Joint resolution to authorize the issuance of a special series of stamps commemorating the volunteer workers and contributors of the Nation's community chests; to the Committee on Post Office and Civil Service.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to revise the Agricultural Adjustment Act for the purpose of lowering the high cost of living; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Arkansas, memorializing the President and the Congress of the United States to oppose the federalization of the National Guard of the United States and the National Guard of the several States, Territories, and the District of Columbia in whole or in part; to the Committee on Armed Services.

Also, memorial of the Legislature of the State of West Virginia, memorializing the President and the Congress of the United States to repeal the Taft-Hartley law; to the Committee on Education and Labor.

Also, memorial of the Legislature of the State of Oklahoma, memorializing the President and the Congress of the United States to amend the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the Territory of Alaska, urging the appointment of an Alaskan on the International Fisheries Commission; to the Committee on Public Lands.

Also, memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States to repeal the Federal taxes on the transportation of persons and property as each affects interisland transportation in Hawaii and transportation between Hawaii and the mainland United States; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CHRISTOPHER:

H. R. 3957. A bill to direct the Secretary of Agriculture to convey certain mineral rights; to the Committee on Agriculture.

By Mr. FLOOD:

H. R. 3958. A bill for the relief of Michael A. Perna; to the Committee on the Judiciary.

H. R. 3959. A bill to provide for the readmission to citizenship of Mrs. Pepa Opalicki; to the Committee on the Judiciary.

By Mr. FULTON:

H. R. 3960. A bill for the relief of Adam Zakielarcz; to the Committee on the Judiciary.

By Mr. HAND:

H. R. 3961. A bill for the relief of Lamia Abed Khalil El Abed; to the Committee on the Judiciary.

By Mr. JAVITS (by request):

H. R. 3962. A bill for the relief of Dr. Marek Halpern; to the Committee on the Judiciary.

By Mr. KILDAY:

H. R. 3963. A bill for the relief of Edward Lee Ankerson; to the Committee on the Judiciary.

By Mr. McGREGOR:

H. R. 3964. A bill for the relief of Walter M. Smith; to the Committee on the Judiciary.

By Mr. McMILLAN of South Carolina:

H. R. 3965. A bill for the relief of Mrs. Oteein Foxworth and children; to the Committee on the Judiciary.

By Mr. MONRONEY:

H. R. 3966. A bill for the relief of the Yellow Cab Transit Co., of Oklahoma City; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

419. By Mr. BARRETT of Wyoming: Resolution of Farmers Union Local 494, of Hawk Springs, Wyo., for support of H. R. 113, providing for farm telephones through the REA; to the Committee on Agriculture.

420. Also, resolution of Farmers Union Local 494, of Hawk Springs, Wyo., endorsing the Missouri Valley Authority; to the Committee on Public Works.

421. By Mr. BUCKLEY of Illinois: Petition of the Council of the City of Harvey, Ill., urging the Congress to pass the General Pulaski's Memorial Day resolution now pending in the United States Congress; to the Committee on the Judiciary.

422. By Mr. GOODWIN: Memorial of the Massachusetts Legislature, asking all Members of Congress from Massachusetts to exert their influence to effect the unification of all of the counties in Eire to the Committee on Foreign Affairs.

423. Also, memorial of the Massachusetts Legislature, asking the Congress to pass the General Pulaski's Memorial Day resolution now pending before it; to the Committee on the Judiciary.

424. By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts, urging unification of all the counties of Eire; to the Committee on Foreign Affairs.

425. By Mr. MILLER of Maryland: Resolution of the Dorchester County Medical Society, going on record against any form of compulsory health insurance or any system of political medicine designed for national bureaucratic control; to the Committee on Interstate and Foreign Commerce.

426. By Mr. TOWE: Petition of 38 residents of Fairview and Cliffside Park, N. J., urging the repeal of the 20-percent excise tax on toilet goods; to the Committee on Ways and Means.

427. By the SPEAKER: Petition of John F. Reilly, grand knight, St. Augustine Council, Knights of Columbus, Stamford, Conn., petitioning consideration of their resolution with reference to enacting into law the McMahon-Johnson bill, S. 496, and thereby demonstrating sincerity and devotion to the welfare of all citizens of the United States, and particularly the children; to the Committee on Education and Labor.

428. Also, petition of William M. Skipp, M. D., Mahoning County Medical Society, Youngstown, Ohio, petitioning consideration of their resolution concerning the federalization of medicine, and opposing any type of compulsory health insurance as proposed in the bills S. 5, H. R. 345, and H. R. 783; to the Committee on Interstate and Foreign Commerce.

429. Also, petition of George Drennan, M. D., Morgan County Medical Society, Jacksonville, Ill., petitioning consideration of their resolution opposing the enactment of any legislation that would provide compulsory or national health insurance or any part of socialized medical care in any form; to the Committee on Interstate and Foreign Commerce.

430. Also, petition of Francis Williams, chairman, Louisiana Ports Survey Commission, New Orleans 12, La., asking for support of several bills having for their purpose the rehabilitation and modernization of the equipment of the Federal Barge Lines; to the Committee on Interstate and Foreign Commerce.

431. Also, petition of Mrs. Anna C. Finch and others, Orlando, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

432. Also, petition of Mrs. Helena E. Roby and others, St. Cloud, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

433. Also, petition of Alfred G. Alexander and others, Orlando, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

434. Also, petition of Mrs. Albina Bibeau and others, St. Petersburg, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

435. Also, petition of Mrs. E. Vernon and others, West Palm Beach, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

436. Also, petition of H. Caine and others, Orlando, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

437. Also, petition of Mrs. Ida J. Wallace and others, St. Cloud, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

438. Also, petition of Mrs. Alice D. Kenney and others, St. Cloud, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

439. Also, petition of Mrs. F. H. Godfrey and others, St. Cloud, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

440. Also, petition of Mrs. Z. V. Dyson and others, Orlo Vista, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

441. Also, petition of Dr. J. R. Leatherman and others, West Palm Beach, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

442. Also, petition of Mabel M. Hand and others, Daytona Beach, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

443. Also, petition of Mrs. R. A. Hanson and others, Holly Hill, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

444. Also, petition of George I. Brazier and others, Orlanda, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

445. Also, petition of Grace E. Major and others, Miami, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

SENATE

FRIDAY, APRIL 1, 1949

(Legislative day of Friday, March 18, 1949)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, grant us, we beseech Thee, the lowly heart purged of pride and self-seeking, which is the only temple that can contain the Infinite. Enrich our lives with the grace of gratitude, for we come to the day's beginning with the song in our hearts: "Bless the Lord, O my soul, and forget not all his benefits."

We bless Thee for all Thy bounties, new every morning; for the glories of the world in which we live, for the work Thou hast given us to do and the strength with which to do it, the lessons Thou hast set us to learn in Thy great school of discipline. Amid all the masquerades of error and the sophistries of the cynical which seek to deceive our day, lead us in the way of truth. May we hold the faith by which we live in unity of spirit, in the bond of peace, and in righteousness of life. We ask it all in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, March 31, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF A BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that, on March 31, 1949, the President had approved and signed the act (S. 135) to authorize the Board of Commissioners of the District of Columbia to establish daylight-saving time in the District.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2101) to authorize the Regional Agricultural Credit Corporation of Washington, D. C., to make certain disaster or emergency loans, and for other purposes.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON PROGRAM FOR DISPOSAL OF GOVERNMENT-OWNED RUBBER-PRODUCING FACILITIES

A letter from the Chairman of the Reconstruction Finance Corporation, transmitting, pursuant to law, a report with respect to the development of a program for the disposal to private industry of the Government-owned rubber-producing facilities (with an accompanying report); to the Committee on Banking and Currency.

REPORTS OF COMMISSION ON ORGANIZATION OF EXECUTIVE BRANCH OF GOVERNMENT

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on Federal business enterprises (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on Revolving Funds and Business Enterprises of the Government (Appendix J) (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on Water Resources Projects (Appendix K) (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on Lending Agencies (Appendix R) (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on Farmers Home Administration and predecessor agencies (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on Housing and Home Finance Agency and its constituent agencies (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on Export-Import Bank of Washington, Federal Deposit Insurance Corporation, and auxiliary Government lending activities (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on Reconstruction Finance Corporation and subsidiaries (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on Farm Credit Administration and its supervised agencies (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Connally	Lucas	Thye
Frear	McKellar	Wherry
George	Neely	Williams
Gillette	Robertson	Withers
Hendrickson	Taft	
Kem	Thomas, Okla.	

The VICE PRESIDENT. Sixteen Senators having answered to their names, a quorum is not present. The clerk will call the names of the absent Senators.

The legislative clerk called the names of the absent Senators, and Mr. DONNELL, Mr. ELLENDER, Mr. FERGUSON, Mr. GREEN, Mr. HOLLAND, Mr. JOHNSTON of South Carolina, Mr. KILGORE, Mr. KNOWLAND, Mr. MARTIN, Mr. MAYBANK, Mr. SALTONSTALL, Mr. SPARKMAN, Mr. TAYLOR, and Mr. THOMAS of Utah answered to their names when called.

The VICE PRESIDENT. Thirty Senators having answered to their names, a quorum is still not present.

Mr. LUCAS. I move that the Sergeant at Arms be directed to request the attendance of absent Senators and to notify them that the session of the Senate began at 11 o'clock this morning.

The VICE PRESIDENT. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. MURRAY, Mr. RUSSELL, Mr. HUNT, Mr. STENNIS, Mr. AIKEN, Mr. KEFAUVER, Mr. LONG, Mr. VANDENBERG, Mr. HUMPHREY, Mr. REED, Mr. MCGRATH, Mr. GURNEY, Mr. MILLIKIN, Mr. CORDON, Mr. MCCARRAN, Mr. KERR, Mr. MILLER, Mr. WATKINS, Mr. BUTLER, and Mr. ANDERSON entered the Chamber and answered to their names.

Mr. ECTON, Mr. HAYDEN, Mr. LODGE, Mr. O'MAHONEY, and Mr. WILEY also entered the Chamber and answered to their names.

Mr. LUCAS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Kentucky [Mr. CHAPMAN], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Illinois [Mr. DOUGLAS], the Senator from California [Mr. DOWNEY], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alabama [Mr. HILL], the Senator from Colorado [Mr. JOHNSON], the Senator from Texas [Mr. JOHNSON], the Senator from Washington [Mr. MAGNUSON], the Senator from Arizona [Mr. MCFARLAND], the Senator from Connecticut [Mr. MCMAHON], the Senator from Maryland [Mr. TYDINGS], and the Senator from Florida [Mr. PEPPER] are absent on official committee business.

The Senator from Mississippi [Mr. EASTLAND] and the Senator from Pennsylvania [Mr. MYERS] are absent on public business.

The Senator from North Carolina [Mr. GRAHAM] and the Senator from New York [Mr. WAGNER] are necessarily absent.

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN] is absent by leave of the Senate.

The senior Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr. BRICKER], the Senator from Washington [Mr. CAIN], the senior Senator from Indiana [Mr. CAPEHART], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from New York [Mr. IVES], the junior Senator from Indiana [Mr. JENNER], the senior Senator from North Dakota [Mr. LANGER], the Senator from Nevada [Mr. MALONE], the Senator from Oregon [Mr. MORSE], the Senator from New Hampshire [Mr. TOBEY], and the junior Senator from North Dakota [Mr. YOUNG] are detained on official committee business.

The Senator from New Hampshire [Mr. BRIDGES] is absent because of illness in his family.

The Senator from Vermont [Mr. FLANDERS] is necessarily absent.

The Senator from Kansas [Mr. SCHOEPPEL] is absent on official business.

The Senator from New Jersey [Mr. SMITH] is absent because of illness.

As will be stated, the Senator from Wisconsin [Mr. MCCARTHY], the Senator from South Dakota [Mr. MUNDT], and the Senator from Maine [Mrs. SMITH] are detained in the Committee on Expenditures in the Executive Departments.

The VICE PRESIDENT. Fifty-five Senators having answered to their names, a quorum is present.

The following announcement was ordered to be transposed to this point in the RECORD:

Mr. KEM obtained the floor.

Mr. MCCLELLAN addressed the Chair.

Mr. KEM. Mr. President, I shall be glad to yield to the Senator from Arkansas for a statement on behalf of his committee.

The VICE PRESIDENT. The Senator cannot yield for that purpose.

Mr. KEM. I ask unanimous consent that I be permitted to yield to the Senator from Arkansas, for the purpose of his making a statement on behalf of the committee of which he is chairman.

The VICE PRESIDENT. If the Senator from Missouri wishes to relinquish the floor temporarily while the Senator from Arkansas makes a statement, the Chair will again recognize him.

Mr. KEM. Very well.

Mr. McCLELLAN. Mr. President, I wish to announce on behalf of a number of Senators the reason for their absence at the roll call immediately following the opening of the session today.

The senior Senator from North Carolina [Mr. HOEY], the junior Senator from Maryland [Mr. O'CONOR], the junior Senator from Wisconsin [Mr. MCCARTHY], the junior Senator from South Dakota [Mr. MUNDT], the junior Senator from Maine [Mrs. SMITH], and myself, were in an executive session of the Committee on Expenditures in the Executive Departments.

I ask unanimous consent that this announcement appear immediately following the roll call this morning.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. McCLELLAN. I thank the Senator from Missouri.

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Senators desiring to submit petitions and memorials and other matters for printing in the RECORD may do so at this time.

The VICE PRESIDENT. Without objection, Senators who wish to present routine matters without debate may do so at this time, before the Chair recognizes any Senator for a speech.

PETITION

Mr. BREWSTER presented a concurrent resolution of the Legislature of the State of Maine, which was referred to the Committee on Finance:

Concurrent resolution memorializing and requesting the Congress of the United States to enact a bill to aid the State in the enforcement of the cigarette tax now evaded by use of the United States mails

To the honorable Senate and House of Representatives of the United States of America in Congress assembled:

We, the Senate and House of Representatives of the State of Maine in the ninety-fourth legislative session assembled, most respectfully present and petition your honorable body, as follows:

Whereas the State of Maine has seen fit to impose a tax on the sale and use of cigarettes, cigars, and tobacco products within its boundaries, and the revenues so obtained constitute an important portion of the funds available for its functions of government; and

Whereas it has been brought to the attention of the Ninety-fourth Maine Legislature that throughout the country a large and growing system of evasion of such tax law has developed; that the United States mails contain advertisements and inducements to the citizens of this State to violate the law of this State; that in some instances such advertisers entice prospective customers with statements to the effect that the use of the United States mails is sufficient proof of the legitimacy of such business and such a system; that the mails of the United States are used for delivery of cigarettes within this State, and on which cigarettes, cigars, and tobacco products the tax required by the laws of this State has not and will not be paid; that this State is seriously disadvantaged by such use of the postal offices and mails of the United States for the purpose of evading the laws of the State of Maine; and that the State of Maine faces and is now suffering substantial losses of revenue as a result of such system of evasion; and

Whereas it has been brought to the attention of the ninety-fourth legislature that there are now pending before the Congress of the United States proposed bills which would aid the States by requiring shippers of cigarettes in interstate commerce to furnish to the taxing authority of the State to which shipped a copy of the invoice on each shipment and the name and address of each person to whom shipped: Now, therefore, be it

Resolved by the senate and house of representatives, That the Congress of the United States be hereby memorialized and respectfully urged to enact a bill requiring shippers of cigarettes in interstate commerce to furnish to the taxing authority of the State to which shipped a copy of the invoice on each such shipment; or to enact such other bill to the aid of the several States affected as may be proper; and be it further

Resolved, That a copy of this memorial, duly authenticated by the secretary of state, be immediately transmitted by the secretary of state, by registered mail, to the proper officers and committees of the United States Senate and House of Representatives, the President of the United States, and to each of the Representatives and Senators representing the State of Maine in the United States Congress.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. HOLLAND, from the Committee on Public Works:

H. R. 2660. A bill to prohibit the parking of vehicles upon any property owned by the United States for postal purposes; without amendment (Rept. No. 204).

By Mr. CHAVEZ, from the Committee on Public Works:

S. 1432. A bill to provide for a Commission on Renovation of the Executive Mansion; with an amendment (Rept. No. 203).

By Mr. DOWNEY, from the Committee on Public Works:

S. 755. A bill to extend the time for commencing and completing the construction of a bridge across the Ohio River at or near Shawneetown, Ill.; with amendments (Rept. No. 205).

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. FREAR:

S. 1478. A bill providing an allowance for the purchase of uniforms for city and village delivery letter carriers;

S. 1479. A bill to abolish the village-delivery service of the Post Office Department; to transfer village carriers to the city-delivery service; and for other purposes; and

S. 1480. A bill to provide credit for salary purposes to carriers advanced from the status of village delivery; to the Committee on Post Office and Civil Service.

By Mr. MARTIN:

S. 1481. A bill for the relief of Antonio Cardella; to the Committee on the Judiciary.

By Mr. THOMAS of Utah:

S. 1482. A bill for the relief of the survivors of Capt. Allen R. Bateman, First Lt. Maxwell G. Erskine, First Lt. Ashton H. Fielding, Master Sgt. Charles S. Lee, and Pvt. Harold W. Hampton; to the Committee on Armed Services.

By Mr. McCARRAN:

S. 1483. A bill to amend title 18, United States Code, sections 2312 and 2313, so as to include thereunder motor vehicles and aircraft which have been embezzled, feloniously converted, or taken by fraud; and

S. 1484. A bill for the relief of Augustino Marlia; to the Committee on the Judiciary.

By Mr. LANGER:

S. 1485. A bill for the relief of Abraham Allie and Jan Allie; to the Committee on the Judiciary.

By Mr. TOBEY:

S. 1486. A bill to amend section 207 of the Legislative Reorganization Act of 1946 to provide for judicial review of denials of applications made for the correction of sentences imposed by general courts martial; to the Committee on Armed Services.

By Mr. WHERRY:

S. 1487. A bill for the relief of Katherine L. Anderson to the Committee on the Judiciary.

By Mr. IVES:

S. J. Res. 73. Joint resolution to amend the joint resolution creating the Niagara Falls Bridge Commission, approved June 16, 1938; to the Committee on Foreign Relations.

INVESTIGATION OF COMMODITY CREDIT CORPORATION AND ALL OTHER GOVERNMENT CORPORATIONS

Mr. WILLIAMS (for himself, Mr. FERGUSON, Mr. KEM, Mr. JENNER, Mr. CAPEHART, Mr. DONNELL, Mr. HENDRICKSON, Mr. WATKINS, and Mr. MARTIN) submitted the following resolution (S. Res. 98), which was referred to the Committee on Expenditures in the Executive Departments:

Whereas the report by Stephen B. Ives, Director of the Corporation Audits Division of the General Accounting Office, to Hon. Lindsay C. Warren, Comptroller General of the United States, which report was, with a letter dated March 30, 1949, transmitted by Hon. Lindsay C. Warren, Comptroller General of the United States, to the President of the Senate, concerning the fiscal affairs of the Commodity Credit Corporation, a Delaware corporation, predecessor of the Commodity Credit Corporation, a Federal corporation, for the period ended June 30, 1945, reveals that the amount of $366,643,129 recorded as due from sales made in the general commodities purchase program could not be supported or verified, and that there has been an apparent lack of appreciation by the management of the necessity for accurate financial reporting; and

Whereas it is important that the fiscal affairs of said corporations and of other Government corporations be investigated: Now, therefore, be it

Resolved, That the Committee on Expenditures in the Executive Departments, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation into the fiscal affairs of the Commodity Credit Corporation, a Delaware corporation; its successor, the Commodity Credit Corporation, a Federal corporation; and each other Government corporation. The committee shall report to the Senate at the earliest practicable date the results of its study and investigation, together with its recommendations.

SEC. 2. For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to employ upon a temporary basis such technical, clerical, and other assistants as it deems advisable. The expenses of the committee

under this resolution, which shall not exceed $, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

RELIEF OF FISHING INDUSTRY OF THE UNITED STATES

Mr. O'CONOR. Mr. President, I submit for appropriate reference a resolution relative to relief for the fishing industry of the United States, and I ask unanimous consent that an explanatory statement prepared by me be printed in the RECORD.

The VICE PRESIDENT. The resolution will be received and appropriately referred, and, without objection, the explanatory statement presented by the Senator from Maryland will be printed in the RECORD.

The resolution (S. Res. 99), submitted by Mr. O'CONOR, was referred to the Committee on Interstate and Foreign Commerce, as follows:

Whereas extensive hearings have recently been conducted by a subcommittee of the Committee on Merchant Marine and Fisheries of the House of Representatives on problems of the fishing industry; and

Whereas the men and equipment of the fishing fleets and the shore workers engaged in the preparation of the catches and the food resource thereby made available have been demonstrated to be and continue to be necessary to the national defense, and

Whereas it appears that the operations of much of the industry have been seriously curtailed by the steadily growing imports of fishery products into this country by other nations which produce at less expense because of lower standards for workers, Government subsidies, and other items; and

Whereas if imports continue to increase as it appears they will the domestic fishing industry faces possible destruction, which will drastically affect many coastal cities dependent on fishing activity for their support, cause unemployment for many thousands of workers, permit one of our most valuable natural food resources to become unproductive and occasion the further removal of management and capital to foreign lands, to the detriment of labor, the national income, and the general public welfare; and

Whereas such occurrences will deprive the country in time of international emergency of the trained men and equipment necessary to catching and preparing for human consumption the product of the seas; and

Whereas it appears from the great amount of testimony adduced at said hearings that certain segments of the fishing industry, particularly the fresh and frozen groundfish fillet industry, are already gravely affected by rising imports, and immediate relief is essential: Now, therefore, be it

Resolved, 1. That the United States Tariff Commission is requested to initiate an immediate investigation under the escape-clause procedure authorized by Executive Order 10004 of the imports of fresh and frozen groundfish fillets in order that relief for this industry, as demonstrated by the recent hearings to be necessary, upon substantiation by the Commission's investigation, may receive speedy consideration by the Executive.

2. That the Secretary of State be, and he hereby is, authorized and directed, through the embassies and consulates maintained in foreign countries by this Government, to investigate and report to the Senate, within 60 days of the adoption of this resolution, the costs of production of producers and processors of fish and fishery products, wages, and other remuneration paid to fishermen, shore workers, and all other labor engaged in the production of fish and fishery products in each nation exporting fish and shellfish and all byproducts thereof to the United States, together with a description of the standard of living enjoyed by the persons employed in the fisheries under the jurisdiction of such governments. The report shall further show the trend of growth and importance of the industry in each such country over the past 5 years with an indication of capacity currently under construction or anticipated. The Secretary shall also submit schedules showing the restrictions which the governments of such nations may have imposed upon the importation into their respective countries of any fish or fishery products: *Provided, however*, That should the Secretary require the aid of the Department of Commerce in the gathering of any of the aforementioned data, the Secretary of Commerce is hereby authorized and directed to render whatever assistance may be requested of him: *Provided further*, That it is within the jurisdiction of his Department.

3. That the Secretary of the Treasury be, and he hereby is, directed to ascertain as required by section 303 of the act of June 17, 1930, as amended (19 U. S. C. A., sec. 1303). and report to the Senate, within 60 days of the adoption of this resolution, all subsidies, grants, and bounties of any kind whatsoever paid directly or indirectly by any foreign country or any citizen thereof presently exporting fish or fishery products to the United States, to any fishermen, producers, or processors of fish or fishery products within the territorial jurisdiction of such country.

The explanatory statement presented by Mr. O'CONOR is as follows:

STATEMENT BY SENATOR O'CONOR

It is a matter of great concern to us in Maryland, and throughout the entire United States as well, that the fisheries industry has suffered a severe set-back in production and in the disposal of its catches and products because of the greatly increased and steadily growing imports of fisheries products from other countries.

The condition has become so serious that, generally, those engaged in the Nation's fisheries, as well as the workers on shore who process the catches, face a very uncertain future as to their employment and their livelihood. Like the other component parts of our great industrial population, these fisheries workers have enjoyed considerable increases in income, to the point where their products can be undersold by the fisheries imports from other lands, which produce at lower cost than it is possible to do here in America because of the lower standards among their workers and quite frequently because of Government subsidies.

If the current condition is allowed to deteriorate at the same rate that it has done so in the past few years, the first thing we know there will be no fishing industry worthy of the name remaining in America. Not only would this entail great unemployment, but it also would deprive our country of an important basic food industry. This industry made a notable contribution to the feeding not only of our own people but of the hungry millions in other lands during the war and the period immediately following. We may be sure that should another such emergency arise, and a comparable food-shortage situation develop, our country would be in a sad state without a going, well-equipped fisheries industry to assist in the production of food for our people and our allies.

Within the fishing industry itself, the unfavorable aspects of the current economic situation have been causing something approaching consternation. Not only has management found in it cause for concern, but the various labor organizations affected, both A. F. of L. and CIO, have joined forces in asking for consideration of possible relief from an intolerable situation.

I am, therefore, presenting, for appropriate reference, a resolution asking that the United States Tariff Commission initiate an immediate investigation, under the escape-clause procedure authorized by Executive Order 10004, of the imports of fresh and frozen groundfish fillets, as a basis for consideration, and that the Secretary of State be authorized and directed to investigate and report on the costs of production of producers and processors of fish and fisheries products, wages, and other remuneration paid to all those engaged in the industry, in each nation exporting such products to the United States, together with other pertinent information.

ACADEMIC FREEDOM VERSUS COMMUNIST INDOCTRINATION—ADDRESS BY SENATOR MORSE

[Mr. MORSE asked ond obtained leave to have printed in the RECORD an address on the subject Academic Freedom Versus Communist Indoctrination, delivered by him to the graduating class of the Federal Bureau of Investigation, National Academy, on April 1, 1949, which appears in the Appendix.]

CANADA CUTS TAXES—EDITORIAL FROM THE WASHINGTON (PA.) OBSERVER

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an editorial entitled "Canada Cuts Taxes To Halt Recession," published in the Washington (Pa.) Observer, which appears in the Appendix.]

A LONDON LONGSHOREMAN IN CALIFORNIA

[Mr. KNOWLAND asked and obtained leave to have printed in the RECORD an article entitled "A London Longshoreman Doesn't Miss California," by Waldo Drake, and an editorial entitled "In Spite of All Temptations," published in the Los Angeles Times of March 24, 1949, which appear in the Appendix.]

THE PROPER APPROACH TO SOCIAL ISSUES—EDITORIAL FROM THE ESSEX COUNTY (N. J.) DENTAL SOCIETY BULLETIN

[Mr. MURRAY asked ond obtained leave to have printed in the RECORD an editorial entitled "Let There Be Light," published in the March 1949 issue of the Bulletin of the Essex County (N. J.) Dental Society, which appears in the Appendix.]

WHAT'S RIGHT WITH AMERICA—RADIO COMMENTARY BY W. EARL HALL

[Mr. MUNDT asked and obtained leave to have printed in the RECORD a radio commentary by W. Earl Hall, published in the Mason City (Iowa) Globe-Gazette, which appears in the Appendix.]

THE CASE OF SAMUEL L. WAHRHAFTIG

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD a statement prepared by him regarding the case of Samuel L. Wahrhaftig, an American military government official in Germany removed from his position in the office of the military government on March 9, 1949, which appears in the Appendix.]

COMMITTEE MEETING DURING SENATE SESSION

Mr. O'MAHONEY. Mr. President, the Committee on Interior and Insular Affairs is in the process of holding a hearing upon the nomination of Governor Gruening to be reappointed as Governor of the Territory of Alaska. A large number of Alaskan citizens have come to Washington for the purpose of testifying at this hearing. We have been in session since shortly after 10 o'clock this morning. The schedule of the committee will

be seriously interrupted and great inconvenience will be inflicted upon those citizens of Alaska unless we are permitted to proceed with the hearing during the session of the Senate. I therefore ask unanimous consent that the Committee on Interior and Insular Affairs may proceed with the hearing.

The VICE PRESIDENT. Is there objection?

Mr. WATKINS. Mr. President, reserving the right to object, I wonder if the distinguished chairman of the committee can tell us about how long we shall have to be in that hearing while the Senate is in session?

Mr. O'MAHONEY. I have no means of knowing exactly how long it will be. There are at least 40 persons whose names have been submitted, but I understand that only a fraction of that number will desire to be heard. It was the hope of the chairman that the hearing might be concluded today.

Mr. WATKINS. I should like to attend the hearing, inasmuch as I am a member of the committee. I should also like to hear the discussion in the Senate on the pending question. However, in view of the statement of the chairman, I shall not object.

The VICE PRESIDENT. Without objection, permission is granted.

LEAVES OF ABSENCE

Mr. THOMAS of Oklahoma asked and obtained consent to be absent from the Senate beginning at 5 o'clock today, until Monday morning.

Mr. FREAR asked and obtained consent to be absent from the session of the Senate on Tuesday next.

TRANSFER OF FUNCTIONS OF REGIONAL AGRICULTURAL CREDIT CORPORATION TO THE SECRETARY OF AGRICULTURE—CONFERENCE REPORT

Mr. THOMAS of Oklahoma submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2101) to authorize the Regional Agricultural Credit Corporation of Washington, D. C., to make certain disaster or emergency loans, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title, and agree to the same.

ELMER THOMAS,
GEORGE D. AIKEN,
MILTON R. YOUNG,
CLINTON P. ANDERSON,
ALLEN J. ELLENDER,
Managers on the Part of the Senate.

HAROLD D. COOLEY,
STEPHEN PACE,
W. K. GRANGER,
CLIFFORD R. HOPE,
AUG. H. ANDRESEN,
Managers on the Part of the House.

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. KNOWLAND. Mr. President, will the Senator give us an explanation of what the conference committee did?

Mr. THOMAS of Oklahoma. Mr. President, the report is unanimous. It accepts the Senate version of the bill, which proposes relief for the persons who have suffered because of the severe winter in the Northwest. It makes available some unexpended funds; no new appropriation is called for, but some unexpended funds are made available, and the report proposes to make them available to certain persons who have suffered losses because of the severe winter.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. THOMAS of Oklahoma. I yield.

Mr. WHERRY. Does this have anything to do with the termination of the RAAC loaning agency?

Mr. THOMAS of Oklahoma. Yes; I think it does.

Mr. WHERRY. That is involved in this matter and from now on the loans will be made by——

Mr. THOMAS of Oklahoma. By the Secretary.

Mr. WHERRY. By the Secretary?

Mr. THOMAS of Oklahoma. Yes.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

WINSTON CHURCHILL'S SPEECH—COMMENT BY SENATOR MCMAHON

Mr. MCMAHON. Mr. President, one of the press services asked me yesterday to comment on the speech which Mr. Winston Churchill made last night. I herewith submit for printing in the RECORD my comment on the speech, and ask unanimous consent that it may be printed in the RECORD at this point.

There being no objection, the comment was ordered to be printed in the RECORD, as follows:

MARCH 31, 1949.

Mr. Churchill correctly judges the part atomic bombs play in presently keeping the peace. However, we shall not remain the exclusive possessors of the atomic bomb in the future and Mr. Churchill, unlike so many others, realizes it. I believe that he realizes, too, that the settlement of the control of armaments capable of mass destruction poses the heart question of our time.

EXTENSION OF EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 1209) to amend the Economic Cooperation Act of 1948.

Mr. CONNALLY. Mr. President, those of us who are deeply interested in the passage of the pending bill and also the vote on the so-called Taft amendment are extremely anxious that Senators shall remain in attendance during the debate and action on these measures. We should like very much to have the bill passed today. That cannot be done unless Senators remain in the Senate Chamber. We think the Senate has been very liberal in allowing full and complete debate by those who are opposing the bill and by those who have amendments to it. I simply wish to urge all Senators to be present if possible. We do not desire to have a session tomorrow; but the majority leader advises that unless we complete action on the bill today, he will insist upon having a session of the Senate tomorrow.

So in the interest of proper consideration and in the interest of obtaining action, I hope all Senators will be present and will permit us to discuss this matter and dispose of it promptly during the day.

The VICE PRESIDENT. The Chair would like to make this statement for the benefit of all Senators: The Chair's attention has been called by the clerks at the desk to the fact that a habit has grown up among Senators to come into the Chamber after a quorum call has been completed and the result announced, and have their names put on the roll as if they were here at the time when the roll was called. That sort of habit makes it difficult to obtain a quorum; because if a Senator can come in after the quorum call has been concluded and still can have his name placed on the roll call as if he had been present at the time when the roll was called, there is no inducement for him to be here to answer to his name when the roll is called. That is a violation of the rules, of course.

From now on, no Senator's name will be placed on the roll as having been present, after the completion of the call, unless he actually is present and answers to his name when called. So if a Senator does not actually answer to his name in accordance with the rule, his name will not go on the roll call as being present.

There is no rule for the practice which has developed; it is simply something which has grown up here as a habit, somewhat like Topsy; but it makes it extremely difficult to obtain the presence of quorums; because if Senators can continue to indulge in that practice, they can remain in their offices perhaps all day long, and yet get their names on the roll call. Frequently it is very difficult under such circumstances to have Senators really in attendance in the Senate Chamber.

So all Senators are now given notice that if they are not in the Chamber in person to answer to a roll call, their names will not be placed on the record.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. LUCAS. I should like to make an observation along the lines of the proper procedure in debate today. As the Senator from Texas has well said, I think we have been more than lenient and kind in permitting this issue to be debated rather fully, and certainly the rules of the Senate have not been strictly enforced at all in that connection. I am the last one who would desire to do that; but in order to expedite matters, it seems to me that the rule in respect of yielding for a question only should be fairly strictly enforced, and no Senator should make a speech of 5 or 10 or 15 minutes in some other Senator's time. I know it is done almost constantly, and, as a general rule, we do not object. But we are moving into the last phases of the consideration of this bill, and it seems to me we should have the rules enforced today. I believe

that if we debate the issue, we can conclude action on this matter before night. As the able Senator from Texas has said, if we are not able to do so, we shall have to come back tomorrow, because of the deadline that is involved.

Mr. ROBERTSON. Mr. President, in view of the fact that I intend to vote against the Taft amendment and all other amendments to reduce, in an arbitrary manner the over-all authorization as unanimously reported by the Foreign Relations Committee, I desire to take a few minutes of the time of the Senate to explain why I shall take such a position.

No Member of the Senate is more deeply concerned than am I over the mounting expenditures of the Federal Government and the heavy burden of taxation necessary to support such expenditures. No Member of the Senate is more anxious than am I to reduce these expenditures and ultimately to reduce the tax burden, to say nothing of avoiding, if possible, an increase in the tax burden at this session or the next session. But, Mr. President, in approaching a problem of expenditure I attempt to differentiate between essential and nonessential expenditures. In my opinion a military establishment to protect us from the consequences of attack in the event we should become so unfortunate as again to be involved in war, involves an essential expenditure. And I deem even more essential than a military establishment, assumed to be capable of winning a war if we get involved in one, any program reasonably calculated to keep us out of war. Certainly nothing could equal the cost of another war, to say nothing of the added destruction of civilization as we have known it.

There are Members of this distinguished body who do not think that a continuation of ECA and the rehabilitation of cooperating democracies of Europe is any contribution to the future peace of the world. They are entitled to their viewpoint. I am very happy to believe that a large majority of this body is of the opinion that the rehabilitation of the democracies of Europe with our help—and certainly there is no assurance that they can be rehabilitated without it—is a contribution to peace that justifies the necessary expenditure. So, I anticipate that when we come to vote on the Taft amendment which proposes a horizontal cut of 10 percent of the Administration's fund and 10 percent of the fund going to meet the dollar shortages of the cooperating countries, the real issue which will divide us will not be that the program is a contribution to peace, in that it will be calculated to stay the hand of a possible aggressor, but that the amount proposed is more than is reasonably needed for such an undertaking.

I shall not take the time of the Senate, because the distinguished chairman of the committee has already said we would like to complete action on this bill today if possible, to make any elaborate argument on the subject of the need for international cooperation. The program was wonderfully explained to us in the opening speech of the senior Senator from Texas [Mr. CONNALLY], and in the equally eloquent, cogent, and persuasive speech by the distinguished senior Senator from Michigan [Mr. VANDENBERG], the ranking minority member of the great Foreign Relations Committee.

I was also impressed with the testimony Ambassador Harriman gave to the committee on this point, and, in view of the fact that I am satisfied no Member of this body has read all the 584 pages of printed testimony taken before the Foreign Relations Committee, I shall take the liberty of merely reading several paragraphs from the testimony of Ambassador Harriman on the point of whether we need a program of this kind and what the alternative to it would be.

Mr. KEM. Mr. President, will the Senator yield?

The VICE PRESIDENT. For a question?

Mr. KEM. For a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Virginia cannot yield for a parliamentary inquiry.

Mr. ROBERTSON. I will yield for a question only, and I hope that it will be pertinent.

Mr. KEM. Mr. President, I have this question to ask——

The VICE PRESIDENT. The Senator cannot yield for a parliamentary inquiry.

Mr. KEM. I should like to ask the Senator——

Mr. ROBERTSON. I yield for a question only.

Mr. KEM. The Senator from Missouri had been recognized, and yielded to other Senators for formal matters, in view of the fact that the Senator from Missouri proposed to address the Senate at some length.

The VICE PRESIDENT. The Chair may say that the present occupant of the Chair had not recognized the Senator from Missouri, prior to routine matters. The Chair later recognized the Senator.

Mr. KEM. I understood the Chair to recognize the Senator from Missouri.

The VICE PRESIDENT. No.

Mr. KEM. As I recall, the Senator from Missouri said he proposed to address the Senate at some length, and would yield.

The VICE PRESIDENT. The Chair recognized the Senator from Missouri during the presentation of routine matters, but had not recognized him prior to that time.

Mr. ROBERTSON. I may add to what the Chair has said to my distinguished colleague that I was watching very closely to see who would be recognized, because I knew the Senator from Missouri planned to speak at considerable length on this subject, and I had only planned to speak extemporaneously for 10 or 15 minutes. Moreover, I have an urgent call to return to the Subcommittee on the Treasury and Post Office supply bill which must consider and act upon an urgent appropriation bill. Therefore, I was keeping close account of what was happening here, to the end that I might make the statement I now wish to make.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Virginia yield to the Senator from Colorado?

Mr. ROBERTSON. I yield.

Mr. JOHNSON of Colorado. I should like to ask the Senator whether he read in the press this morning a United Press dispatch from London, dated March 31, reading as follows:

> Britain ended its 1948 fiscal year tonight with a budget surplus of 831,000,000 pounds ($3,324,000,000), sources close to the Treasury disclosed. This is 42,000,000 pounds ($168,000,000) more than had been estimated, the sources said.

My question is, Can the Senator say that the United States is going to end its fiscal year with any surplus, while Britain is ending hers with a surplus of $3,000,000,000, and while we are proposing, as I understand, to take out of a deficit the money to be sent to Great Britain?

Mr. ROBERTSON. The Senator has asked me four questions, and I cannot answer them all with one answer. But I shall start down the line and answer them as best I can.

No. 1. I did not read the United Press story.

No. 2. I learned a few years ago not to believe everything I read in the newspapers.

No. 3. I do not believe that the United Kingdom has in a reality the kind of surplus to which the news story referred, because it has solemnly and definitely made a demand upon us to meet a dollar shortage of approximately a billion dollars.

No. 4. I do think we shall face a deficit in our current fiscal year, as estimated in the President's budget last January, of $600,000,000, and it may be more than that, because the revenue anticipated at that time may not be realized, and we shall not know until after April 20 whether the March returns showed a collection for 1948 of the sum anticipated when the President submitted his budget to us in January of the current session.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield for another question?

The VICE PRESIDENT. Does the Senator from Virginia yield to the Senator from Colorado for a further question?

Mr. ROBERTSON. I yield for a question.

Mr. JOHNSON of Colorado. I should like to ask the Senator whether he read the Associated Press dispatch from London, dated March 31 of this year, reading as follows:

> Britain disclosed today that it plans to loan Russia 9,000,000 pounds ($36,000,000) for purchase of nonmilitary supplies from Britain in the next 12 months.

I ask the Senator that question, and I also ask this question: Is the Senator able to make a distinction between nonmilitary goods and military goods, in these days of modern warfare, when all goods have a potential military value?

Mr. ROBERTSON. The Senator has asked me three questions in one, and I shall try to answer each one of them.

No. 1. I did read the item to which he refers.

No. 2. Great Britain is lending Russia pounds sterling, and not dollars. Great

Britain does not have a shortage of pounds sterling. She does have a shortage of dollars.

No. 3. The goods to be furnished Russia, as indicated in the story to which my friend refers, were to be, very definitely, nonmilitary goods. The Senator asked me if there was any difference between military and nonmilitary goods, and I say, yes, there is a very great difference between nylon hosiery and an airplane, for instance. We want to rehabilitate Great Britain, the best ally we have, an ally from whom we have inherited our democratic principles, as well as our language, our religion, and our culture; an ally who has always been brave to make a fight for personal liberty, and, I am convinced, is one ally at least, without casting any aspersions on any others, who will stand up and make a fight, as Mr. Winston Churchill so eloquently said at Boston last night.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. ROBERTSON. I have not yet finished answering the question asked me by the Senator from Colorado.

Mr. TAFT. Excuse me.

Mr. ROBERTSON. There is no difference whatever between Great Britain's making a loan of a few million pounds sterling to Russia to buy nonmilitary supplies from her textile mills and making a loan to purchase some drugs, for instance, and a few other items which are mentioned in the article.

The article also said that some British agency would very carefully screen and rescreen everything that went out under the loan to Russia in order to make certain that not one single item of military value would be shipped out of England to Russia. If Great Britain can find a market for her woolen goods and her textiles generally, I do not have to tell the Senator that the United States will not need to take them. Great Britain has to sell them somewhere. Would we not rather have the textiles go out of Great Britain to Russia than have them come here and compete with the textile mills of New England and of the South? We must be consistent one way or the other about this proposition. If we want people to be our friends, and if we want help in the event a nation too big for us to handle alone should jump on us, we must adopt a policy of live and let live, or else we must do what I shall read directly from the testimony of Ambassador Harriman.

Yes; we can keep all our dollars at home. We can tell everyone to "go to," if we want to. We can say, "We are not concerned about what happens to you." We can become an armed camp; but what will it cost in the end, not only in the loss of world trade but in the establishment of a military outfit that could compete with a government which can use 200 divisions when we do not have 10 which could compete through making submarines faster than we can build them? We must compete, if it comes to that kind of a conflict, with a government that has direct control over 300,000,000 persons in its own country and, as Mr. Churchill said last night, is rapidly gaining control over the 900,000,000 persons in China and India. Where would we be? We would be on this continent, which we call North America, without a friend in the world, without a military base, and with no trade except among ourselves.

I trust I have answered all the Senator's question.

Mr. JOHNSON of Colorado. Mr. President, I have another question, if the Senator will yield.

Mr. ROBERTSON. Is it another news item on which the Senator wants me to comment?

Mr. JOHNSON of Colorado. It is in regard to the loan to Russia. Does the Senator realize that it is a loan, and is not an exchange of goods; that Great Britain is furnishing the money to enable Russia to buy goods from Great Britain? An additional question is this: Does the Senator not believe that if England should make similar loans to a great many nations, she could sell the surplus goods about which the Senator from Virginia complains?

Mr. ROBERTSON. The Senator asks me four different questions in one question. He asks if I realize it is a loan. I trust the Senator realizes that Great Britain has a managed currency which is not geared to gold, and can print money just as easily as we can print money—and that is what both of us are doing. I realize that Great Britain has no shortage of pounds sterling. I realize that Russia, with all her faults, has been honest in the payment of her debts, and the loan would, on the basis of a business transaction, be a sound loan, whereas a loan to Greece might be in a different category, because Greece is bankrupt.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield to the Senator from Ohio.

Mr. TAFT. Does not the Senator realize, however, that by taking the men and materials required, the British are diverting materials which might go to dollar areas and reduce the payments we are called upon to make?

Mr. ROBERTSON. I do not think that is true at all, because, up until this year—I do not know about this year—the textile mills in Great Britain have been operating from 60 to 65 percent of capacity, because they did not have a market for what they could produce. A man who is trained to weave cloth cannot be employed to make steam engines. Industries must be operated by men trained to the particular work. Great Britain is now seeking a market for the things she has traditionally made and exported. In a few days or a few weeks or a few months, when we come to consider the reciprocal-trade-agreement program, no Senator is going to be more vigorous in his opposition to that program than is my distinguished colleague from Ohio, because he does not want to take into this country the things which the program contemplates we will take on a mutually profitable basis. You will ask us to turn down that program. You will not want this country to take one yard of cloth or one pair of knit socks that will compete in any way whatever with goods manufactured in this Nation. You have never yet voted for reciprocal trade agreement.

Mr. TAFT. That is not the fact. I voted for a reciprocal-trade-agreement act of last year.

Mr. ROBERTSON. I stood on this floor for an hour to show what a farce that agreement was. Please do not tell me that the Senator from Ohio favored it, when he hamstrung it so it could not possibly work. I know something about reciprocal trade agreements, and I know what a farce the bill of last year was.

Mr. TAFT. Do I correctly understand that the Senator is in favor of admitting goods which will destroy American industry?

Mr. ROBERTSON. Please do not try to put words into my mouth. We are taking at this time more imports than ever before in our history, and they have not destroyed American industry. If the Senator will be good enough to go back to 1929, before our bankers led us into a whirl of bank-credit inflation and broke our backs over the barrel of the stock exchange, he will find in that year, when our farmers had the highest level of prosperity in their history, when our industries had the largest employment, the largest pay rolls, and the largest earnings, that we took more imports than in any previous year in all our history.

So it is not a fact that imports destroy our prosperity. On the contrary, they tend to balance the economy by which our farmers can keep going, by which our automobile manufacturers can keep going, by which our machine tool producers can keep going, by which the business machine tool manufacturers can keep going, by which our dollar watch factories, if there is a desire that we make any more dollar watches, can keep going, and our sewing machine factories can keep going. But I shall not keep going, because I know I can never convince the Senator. He is against the whole program.

Mr. TAFT. Mr. President, will the Senator yield?

The VICE PRESIDENT. The Chair wishes to state that it is a violation of the rules to refer to another Senator in the second person. The Chair has called attention to that, and it seems to the Chair the rule should be observed. Furthermore, inasmuch as the Chair is going to be asked to enforce the rules governing debate, the Senator can yield only for a question, not for a statement.

Mr. TAFT. Mr. President, will the Senator from Virginia yield for a question?

Mr. ROBERTSON. I shall yield, but before I yield, I have somewhat of a moral commitment to the junior Senator from Missouri, who is all steamed up to go, and I told him I would take only 10 or 15 minutes. I should rather finish and then yield the floor.

Mr. TAFT and Mr. KEM addressed the Chair.

The VICE PRESIDENT. Does the Senator from Virginia yield, and, if so, to whom?

Mr. ROBERTSON. I yield to the Senator from Ohio.

Mr. TAFT. Does not the Senator feel that by diverting goods for shipment to

Russia, when the English might be building up their textile industry and shipping textiles to the dollar areas, they are diverting goods and manpower from a source which will reduce their deficit, so that we have to advance so much more money?

Mr. ROBERTSON. I do not know of any dollar area to which Great Britain could ship her goods, except to the United States. She is trying to get us to take all we are willing to take. Resentment is being built up now every week and every month against the possibility that we are taking too much, and when the bloom of the inflation rose has begun to fade, excessive imports would be very disastrous to our domestic economy. Great Britain knows that. They are just as smart as we are, if I may say so, and I think it is a very good thing if Great Britain and the other participating countries can find means of rebuilding their essential industries without expecting too much of us in the way of furnishing dollars, of which they have an acute shortage.

Mr. TAFT. Does not the Senator realize that the moment the British stop exports to the dollar areas—and the dollar areas include South America, Canada, and many other countries besides the United States—we are then called upon to give them the dollars?

Mr. ROBERTSON. I do not think that is true. I wish I had time really to expound the philosophy of that for the Senator, but I desire to come to the point we are really discussing, because with all due deference to my distinguished colleagues who have been debating this issue for nearly 2 weeks, very few of them have stuck to the issue. I concede their right to talk about anything they please, and certainly when I have held the floor on one occasion for 6 hours, I cannot blame any other Senator for exercising the same privilege. But, in view of the fact that we are now getting into something of a log jam, I think it would be in the interest of friendship and brotherly love if, when we have an essential bill before us, we could center on that bill, discuss the bill all we care to, but talk about the bill, and then vote. Then, when the Atlantic Pact comes before the Senate, let us talk about that, and when the reciprocal trade agreement bill comes up, talk about that. I think that would promote orderly procedure as relating to the legislative program.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. TAFT. Was it not the Senator from Virginia who diverted attention to the reciprocal trade agreement question, rather than the Senator from Ohio?

Mr. ROBERTSON. Oh, yes; because I had to answer the Senator from Ohio, since he raised an issue which involved that one question.

Mr. TAFT. Will the Senator yield for one more question?

Mr. ROBERTSON. Yes.

Mr. TAFT. If the aid to Britain shall be cut, in a rather minor degree, assuming they get a 10-percent cut, equally with others, under the amendment—it might be smaller or larger according to what the Administrator might decide—does the Senator realize that Great Britain has other assets by which she could easily make up the deficiency if she had to do so?

Mr. ROBERTSON. I was coveting the opportunity to get to the point where I could tell my distinguished friend from Ohio, and any other colleagues who do me the honor of sitting here to hear my extemporaneous views on this subject, that I did not by any means intend to commit myself, morally or in any other way, to the full amount of this authorization, by voting against the amendment proposed by my distinguished colleague from Ohio. I do not consider that any Member of the Committee on Appropriations will be bound by such a vote, or that any Member of the Senate will be bound by such a vote. But I do intend to indicate, if I get the chance, why I think it would be far more orderly, far more effective, far more logical, to analyze this program with the technical staffs, first of the House Committee on Appropriations, then of the Senate Committee on Appropriations, and then bring the matter back to the floor where amendments could be offered, considered, and voted on just as well as they could be offered today. But if without a full knowledge of what is involved we make an arbitrary cut, we will have tied our hands and the hands of the Committees on Appropriations, no matter what a full investigation of the facts might disclose to be the urgent minimum needs of these dollar-hungry countries, whose rehabilitation will mean much to us.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. TAFT. Is the Senator aware of the fact that the British have on deposit with the Reconstruction Finance Corporation securities of the value of $900,000,000, against which their obligations now to the RFC amount to only $132,000,000, so that they have a borrowing power, if they wish to exercise it—of course, the money would have to be repaid—of more than $750,000,000, to make up a deficit of perhaps $94,000,000, assuming the figures to be correct.

Mr. ROBERTSON. In the spring of 1946, when I spoke in the House of Representatives in behalf of the loan to Great Britain, I went fully into the assets Great Britain had in this country and the assets she had pledged with the RFC. She had pledges with the RFC, which at that time amounted to about $500,000,000, and the assets amounted to something in excess of $600,000,000. I did not know that the loan had been reduced as much as it has been. I think it is very fine and very commendable of the British to have so reduced it. But I also know that included in the assets the Senator is discussing are certain trust assets belonging to Americans, which have been left to British relatives, and that it would be morally unjust if Great Britain liquidated those and spent the proceeds for governmental purposes, when they are private property. And the British are honorable people.

Mr. TAFT. Will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. TAFT. Having borrowed $425,000,000 on those securities, which debt has now been reduced to $132,000,000, from the income from securities alone, does the Senator think there would be any great moral objection to their borrowing the same money again?

Mr. ROBERTSON. Let us consider the facts which existed when they borrowed it. They were under the German guns, and did not know whether they would have anything left. They responded to the appeal of Churchill when he said, "We will fight on the land, on the water, and in the air, until we win the victory." That is when they borrowed the money, and now that the war is over and they have won the victory, they do not want to confiscate private property for governmental purposes. Let us be fair and consider the conditions when they borrowed it, and why they borrowed it.

Mr. TAFT. Does the Senator object to my stating the figure so that it will be in the RECORD? I think the Senator is correct in saying that originally it was $600,000,000. I am advised by the RFC today that those securities are worth $900,000,000, and much of that amount is owned by the British Government, only a part of it is borrowed. The rest was taken by the British Government and the owners reimbursed. At that time they borrowed $390,000,000. That was the maximum. That has been reduced to $132,000,000, and the value of their securities, the same securities, has risen to $900,000,000. So that they now have an equity in securities of some $768,000,000.

Mr. ROBERTSON. Frankly, I am surprised that the securities are not worth more than that. I was this morning going over some figures of the Migratory Bird Commission, concerning the purchase of some land in Wisconsin. We have bought in various areas over a million acres as wildlife preserves at $7 an acre, and when we went to buy some more marshland, to protect the diminishing flocks of ducks, the owners asked as high as $145 an acre, and an average of $77 an acre for it. Of course, that is high, but values now are inflated. The cost of everything in this country has gone up.

Mr. President, if some other Senator does not have a pertinent question to ask, I shall endeavor to return to my original theme. I was proposing to quote a paragraph or two from the hearings of the Senate Committee on Foreign Relations, which I said, comprise 584 pages. I make the assertion, Mr. President, that no Member of this body has read the whole volume. If there is any Member of the Senate on the Senate floor who has read those 584 pages, I yield for him to rise and say so.

That testimony is divided into four general categories. Mr. Hoffman and his aides told what had been done in Europe. He told of the progress that had been made over there. He told what they proposed to do, and he told what he thought it was going to cost. At least one part, of more than 100 pages of this volume which I hold in my hand, is devoted to a discussion and an analysis of what the cost would be. That is the only issue before us now, because, as I said, some Members of the Senate are

going to vote against this program if there are but 10 cents in it, but those of us who think the program is headed in the right direction and that it will mean a contribution to peace, want to know what is necessary to be expended in order to do the job. We do not want to do a halfway job. As the Senator from Michigan [Mr. VANDENBERG] said last year, if a 20-foot rope is necessary to pull a drowning man out of the water, we do not want to throw him a 16-foot rope and say, "It is just too bad if you cannot swim the other 4 feet and get to the end of the rope."

Mr. President, I wish to read from the hearings what Ambassador Harriman said about the over-all program.

It is true that the American people have a certain humane sympathy in the people of western Europe, but I put that aside rather quickly because the sums are so vast.

A second aspect, of course, relates to world prosperity. I think there is an understanding in the United States—certainly I believe it—that it will be very difficult for us to have a prosperous America unless there is a prosperous and expanding world economy.

The third field—

Now listen to this, because it is the gist of the whole program:

The third field is to me the most important of all, and that is the question which is uppermost in the minds of all of us, and that is peace and security of the United States. The hope for peace, to my mind, is the preservation of a free society in as large an area of the world as possible.

I pause at this point to comment again on the speech delivered by Winston Churchill last night when he told about the movement of the anti-God ideologists to substitute the control of the state for individual liberty. He promised us in that speech that the British people would certainly continue with us to fight for the preservation of what we are pleased to call American Constitutional liberty.

I continue to read from Ambassador Harriman's statement:

In western Europe have developed the democratic traditions from which we have sprung. We have taken them and expanded them, but there is a community of outlook in terms of freedom of the state serving the individual rather than the individual serving the state—

Mr. President, Mr. Churchill used exactly that expression. I know he has not read this testimony. It simply shows that men with a common objective are thinking in common terms. That is the real essence of what we are doing.

But there is a community of outlook in terms of freedom—

I repeat—

of the state serving the individual rather than the individual serving the state, and I am convinced—

Said Ambassador Harriman:

In my own mind that if we can reestablish the vitality of western Europe, and I believe we can, that we will have allies in the cause of freedom and peace which, combined with our strength, will be in the first place undefeatable, and in the second place will prevent another war.

He goes further than I would in that respect. I do not know what will prevent another war. There never has been anything devised yet in human experience that has permanently prevented another war. Everything has been an interlude between wars. But I can look back in history and read this fact. The strength of Caesar's Roman legions preserved peace in the world for more than 400 years. They were so strong that no nation dared to challenge them. I feel justified in saying that if the initial virtues of the Roman people, their vigor, their strength, their democracy, and their sense of justice—and they were lawgivers—had been preserved and not undermined by corruption and rotteness and softness they might have preserved the peace of the world for another 400 years.

We are trying, Mr. President, to make our people strong, to have a military establishment that will give pause to any aggressor who may seek to attack us; and we want across the Atlantic Ocean allies like Great Britain and the democracies of the continent who are now so eager to cooperate with us in this program.

I continue the reading from Ambassador Harriman's testimony:

And so I want to emphasize the fact that I believe that this is an investment in peace, and if it is carried through to conclusion, if we do not turn away from it, if we carry through with courage and determination, we can look forward to a peaceful world.

Then a question was asked of the witness by the distinguished senior Senator from Wisconsin [Mr. WILEY]. I do not have a warmer friend, a more esteemed friend, in this body than the senior Senator from Wisconsin. He made a noble and a notable contribution to the settlement of the issue that was dividing us over the proposal to change the rules of the Senate, and he makes a contribution here which I am very happy to call to the attention of my colleagues on this floor. The question is by the Senator from Wisconsin:

Senator WILEY. What is the alternative? If we do not go on, what do we get?

Ambassador HARRIMAN. I think we face living in an armed camp for an indefinite future.

Senator WILEY. And would you be willing to give your estimate as to what you think that would mean in addition to what we are spending for armed services?

I will leave the testimony for a moment to make an observation. I do not know as yet what we shall spend this year for armed services. I am glad that I am on the subcommittee of the Committee on Appropriations which will have to make the first decision on that matter. I understand the President's budget contemplates about fourteen and one-half billion dollars. I understand the chairman of the Armed Services Committee of the House has proposed that one and one-half billion dollars be added to that sum. There seems to be quite a sentiment in Congress as well as among the people of the Nation, that we would do well to increase our Air Force units from the 47 or 48 we now have, by at least 10 more, and some would like to see them increased to a total of 70 air squadrons. So I say we do not know before we have completed action on the appropriation bill for the armed services what figure was being referred to here. But take it to be what you please, this answer still is correct:

Ambassador HARRIMAN. I am not really in a position to give that figure. I believe that if the vitality of western Europe is developed, as I believe it will be, we can hope for a peaceful world at some time in the future where our military expenditures need not be as high as they are today, but I would not want to predict when that time would come, because at the moment the preservation of peace depends very largely—no, I will not say very largely; depends substantially—upon our Military Establishment.

Senator WILEY. What was that?

Ambassador HARRIMAN. I say the preservation of peace depends upon the strength of our Military Establishment.

Senator WILEY. Putting it concretely, if we did not invest in the Marshall plan, you have said it would mean that we would be in an armed camp. Well, we have not quite arrived at an armed camp yet. That would mean billions and billions on top of what we are spending now. That is what you would mean?

Ambassador HARRIMAN. For the indefinite future, with a strengthening opponent rather than a reducing opponent.

Those of us who give some thought to the budget know that 70 percent or more falls in the general category of appropriations for past wars and items to protect us against possible future war. Only 25 or 30 percent of that budget is for our domestic affairs. But I am definitely of the opinion that our major concern today should be with that domestic program, because as Ambassador Harriman says, if we adopt a constructive approach to the problems of peace we may find the time when we can cut five or six billion dollars from our military establishment and end the ECA, or military aid on the lend-lease basis which we may see fit to give under the Atlantic Pact, and items of that kind. They can be temporary. It is the domestic program that will grow and be permanent. If we do not set our hearts resolutely against increases in that program, it may ultimately reach a point equal to the total of our present budget.

I am not too much disturbed about what we are putting into defense and international cooperation, because if we live right and the Lord is with us, and we treat others as we would have them treat us, there is a possibility, as Mr. Churchill said last night, of a retreat, such as took place when Genghis Khan died. They had the necessary forces, but possibly God's hand was there. Genghis Khan died, and when they rushed back to select a new generalissimo they decided that they would not set forth on any more conquests. We are not asking for anybody to die, but it is possible for a man's heart to change. It is possible that there may be a realization among the Russians that it would be better for the Russian people, as well as their leaders, to cooperate on a friendly basis, rather than to persist in a program of constant pressure, irritation, and threat of a future conflict.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. SALTONSTALL. I should like to ask the Senator from Virginia two questions regarding his colloquy with the

Senator from Ohio [Mr. TAFT], but I do not wish to ask them until he reaches an appropriate point for interruption.

Mr. ROBERTSON. Before I yield the floor, I shall be glad to come back to that point. I was about to proceed to another point.

I wish to come now to the question of what should influence our vote on the Taft amendment for a horizontal cut of 10 percent.

I have been discussing what I believe to be the majority sentiment of the Senate—and certainly it is the majority sentiment of the Nation; make no mistake about that. The fear of war hangs like a dark cloud over the peace and contentment of the people of the Nation. They want us to do what we reasonably can to prevent war, rather than to assure them that we can win it. They do not want it to start. The American people believe in international cooperation. I do not know how many millions listened to Winston Churchill last night, but there were plenty of them, and they were with him.

So far as our finite minds and human limitations will permit us to lift the curtain of the future, this is the program best calculated to keep us out of war.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. LUCAS. Does the Senator realize that not a single responsible organization in this country appeared before the Committee on Foreign Relations to oppose the Marshall plan?

Mr. ROBERTSON. No, I did not, but that confirms what I have already said. None of us has read all the hearings. I have not read them all, and I am satisfied that other Senators have not read them all. I know how busy I am, and I concede that other Senators are just as busy as I am.

Mr. LUCAS. I asked the question to confirm what the Senator stated a moment ago, that the people of the country are supporting the program.

Mr. ROBERTSON. I feel that way about it, and I appreciate the suggestion from the distinguished majority leader. No organized body appeared before the committee to oppose the program, and the committee was unanimous in submitting its report to us.

I now take up the question of what Mr. Hoffman said would be the cost of the program.

Mr. KEM. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. KEM. Did I correctly understand the Senator to say that no organization appeared before the committee in opposition to the bill?

Mr. ROBERTSON. That is what I understood.

Mr. KEM. Will the Senator please refer to page 484 of the hearings? I invite his attention to the statement submitted by Merwin K. Hart, president of the National Economic Council, Inc., of New York City.

Mr. LUCAS. I was speaking of responsible organizations.

Mr. ROBERTSON. The question which the distinguished majority leader addressed to me was whether I knew of any responsible organization which appeared before the committee in opposition to the bill.

Mr. KEM. Will the Senator direct his attention to page 555 of the record?

Mr. ROBERTSON. If my distinguished colleague from Missouri will permit me to do so, I should first like to invite his attention to page 9 of the record. If he will center his attention on that point in the record, I shall be glad to look at some of the pages to which he refers. I ask his leave to proceed. I have not yet reached the real issue upon which we are to vote.

Mr. KEM. If the Senator wishes to make wild statements and does not want to have them challenged——

Mr. ROBERTSON. I am glad to yield for a question. I am sure that the Senator from Missouri will have time to present his views after I conclude.

Mr. SALTONSTALL. Mr. President, will the Senator yield for two questions in connection with the colloquy with the Senator from Ohio [Mr. TAFT]?

Mr. ROBERTSON. It is difficult for me to resist any request of my distinguished friend from Massachusetts.

Mr. SALTONSTALL. I appreciate the Senator's courtesy. I should like to clear up one question in my own mind.

The colloquy to which I refer concerned, first, a loan, in pounds, from the British Government to Russia. As I understand the purpose of the pending authorization bill, it is to help other countries to help themselves. If that will result in better trade, we will say, between Russia and England, so as to build up the volume of British export trade, and thereby put Britain in a better position, eventually there will be a better opportunity for her to deal in dollars with us, and therefore accomplish the object of this authorization.

Mr. ROBERTSON. I think that is absolutely correct. That is one of the points I am coming to. When this subject comes before the Committee on Appropriations we shall look into it. Perhaps Britain will be a little better off than she was last fall, when she told us how many dollars she needed. If so, we can reduce the amount of the appropriation. I do not mean an arbitrary, across-the-board reduction. But if the figure requested for Great Britain is $1,000,000,000, we may decide to reduce it to $750,000,000. We shall recommend the allocation which we think would be proper.

Mr. SALTONSTALL. The second question is this: The Senator from Ohio stated that the British Government had securities in this country of a face value of $600,000,000, and a market value of $900,000,000, on which there are at the present time loans of approximately $132,000,000. It is my understanding that the ECA program contemplates both grants and loans. If the British Government has these assets here, it is perfectly possible for the ECA to get more dollars into England in the form of loans rather than grants, is it not?

Mr. ROBERTSON. That is correct; and I am thoroughly in sympathy with that idea. Frankly, I have been a little disappointed with the cooperating countries. They do not seem eager to say, "We want a loan." What they have said—and it may be only human nature—is, "We prefer a grant." But we are reaching the point where we are scraping the bottom of our financial resources. I feel that while we are in a common undertaking we must ask of others the same type of sacrifice we ask of our own people. If we find that Great Britain has unpledged securities which she could put up as collateral for a loan, we should insist on reducing the grant, or the unsecured portion, and increasing the amount of the secured loan.

Mr. SALTONSTALL. Mr. President, will the Senator yield once more, to permit me to ask a final question?

Mr. ROBERTSON. Yes, indeed.

Mr. SALTONSTALL. This is perhaps a more personal question. The Senator from Virginia is a member of the Appropriations Committee, as am I. I do not understand that by voting for this authorization—whether we vote for it in the full amount or in the amount provided by any of the amendments—we shall be binding ourselves in any way when this question comes before us in the Appropriations Committee, as to the final amount which we shall then, as members of that committee vote to have the Senate appropriate. Is that a correct statement?

Mr. ROBERTSON. That is absolutely correct. I have said I would assume no moral obligation or other kind of obligation, when I vote against the Taft amendment, or later to vote to cut the appropriation as much as 10 percent, 15 percent, 20 percent—whatever we may feel the facts justify when the matter comes before our committee; but I do not want to have my hands tied now; and in that connection I shall read something which will indicate that we do not yet know all the facts.

I am very glad to have the suggestion made by the distinguished Senator from Massachusetts, who is on the Appropriations Committee with me; and I think we should call on the distinguished chairman of the committee, who is also chairman of the subcommittee which will handle the ECA program appropriation, for a statement. I am sure he will tell the Senate that no member of the subcommittee and no member of the full committee will feel in any sense bound by the vote of the Senate on the authorization bill. We shall feel that the amount stated in the authorization is the maximum to which we can go; but judging from the debate and, perhaps, from the closeness of the vote—it may be closer than we think; I read in the newspaper a statement that the Taft amendment will lose by only one vote, but, of course, the vote may be the other way around—and knowing that we face a deficit this year and next year, our committee will, with the greatest care, examine all these items and will cut them down if it thinks it proper, but will not, I hope, cut them below the point where an efficient job can be done.

Mr. SALTONSTALL. Mr. President, will the Senator yield, to permit me to ask a further question?

Mr. ROBERTSON. Yes.

Mr. SALTONSTALL. The Senator from Ohio used the example of textiles sent to Russia from the dollar areas.

That struck rather close to home, so far as a New Englander is concerned. Is it not far better to have England, for instance, send textiles to Russia so as to build up her trade, thus enabling England to have dollars in hand which can be used in the making of purchases in our country?

Mr. ROBERTSON. Yes. For many years we in Virginia bought all our textiles from New England; but I am proud of the fact that today we have in Danville, Va., the largest cotton mill in the world; in fact, it is so large that in 1 day that mill can turn out a piece of cotton cloth which would stretch from Danville to New York, clear around the Empire State Building, and back to Philadelphia.

So I think it is a great deal better to have some clothes put on the ragged Russians, and thus have dollars placed in the hands of persons in Europe who thus will be able to send their orders to us for goods we produce and they need.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield for a question.

Mr. CONNALLY. If a vote on the authorization would be binding on the Committee on Appropriations, what would be the sense in having the regulation in respect to authorizations? What good would it do, if the first vote would be binding on the subsequent vote as to the appropriations? I think the answer is evident. Of course it is not binding. Therefore, the Senate has adopted the system of placing a ceiling, through an authorization, and then allowing the Appropriations Committee the utmost liberty and freedom in fixing the details below that ceiling. Is not that correct?

Mr. ROBERTSON. The Senator is absolutely correct. Of course he knows that in the early days of our Government, each committee handled the appropriations for the matters under its jurisdiction. At that time it was not the custom to have, first, an authorization, and subsequently an appropriation; but each committee would simply report a bill together with the necessary appropriation. However, it was found that so much specialized pressure was placed on those groups that we could not afford to continue to handle appropriations in that way. So we ended that practice, and said that one committee would work on matters pertaining to the Army, another on matters pertaining to the Navy, another on matters pertaining to interstate commerce, and so forth, but that when a committee approved a program calling for an appropriation to implement it, the appropriation would subsequently have to go to an independent Appropriations Committee which would review the whole matter and would report an appropriation for such funds, if any, as it thought appropriate to implement the legislative will.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a further brief question?

Mr. ROBERTSON. Yes, if it is brief, for I have an engagement which I must keep.

Mr. SALTONSTALL. I think it extremely important for us to make as clear as possible in the debate the fact that the authorization cannot be taken by the other countries of the world as indicating the final amount which will be approved. My question to the Senator from Virginia is this: Have not the Senator from Texas [Mr. CONNALLY], the Senator from Michigan [Mr. VANDENBERG], and other Senators emphasized that point, so that in the opinion of the Senator from Virginia the Appropriations Committee will be perfectly justified in cutting down the amount, if it feels that is the proper thing to do?

Mr. ROBERTSON. I agree 100 percent as to that. No nation should assume that the vote which may be had in this Chamber on the authorization bill, or in the House of Representatives, when the bill is acted on there, commits us to the total of this proposed $5,500,000,000 program.

Mr. TAFT. Mr. President, will the Senator yield for a question?

Mr. ROBERTSON. Yes.

Mr. TAFT. Does the Senator from Virginia realize that practically every newspaper in the country last year took a different position and said that the authorization was a promise to the foreign nations? Does the Senator from Virginia realize that practically every newspaper in the United States took that position?

Mr. ROBERTSON. I may say to the Senator from Ohio that my mental activities do not cover so broad a field as does his great mind, and when I get through reading the Virginia newspapers I do not have much time to read the Ohio, Pennsylvania, Massachusetts, and other newspapers. I know they are equally as good, but they do not vote in my district. So I cannot say what position all the newspapers took, but I do not remember that our Virginia newspapers took the position that when we in the Senate pass an authorization bill we have bound the Appropriations Committee, hog-tied it and destroyed its freedom of action.

Mr. TAFT. Mr. President, will the Senator yield for a further question?

Mr. ROBERTSON. Yes; for a question.

Mr. TAFT. Does not the Senator from Virginia feel that an authorization made at practically the same time that the corresponding appropriation is made carries a much greate obligation in respect to the determination of policy than does one of the usual authorizations which covers a number of years?

Mr. ROBERTSON. I concede that to be true; and when one debate follows so closely on the heels of the other, and when it is argued here—as has been so eloquently done by other Senators—that the entire amount which has been mentioned is needed, the echo of that debate may well linger in these Halls as we come to vote on the final appropriation. But I wish to give assurance as solemnly and earnestly as I can to my able and distinguished friend the Senator from Ohio that we on the Appropriations Committee will look into this matter in a thorough way and will provide a record from which all Senators can ascertain the facts; and then they will have just as much right to offer an amendment providing for a reduction as they have today, and then there will be time to consider that matter fully, by itself.

Mr. President, I do not have further time to discuss this question because I have an engagement for a meeting which is most important. I apologize for that, and I also apologize profusely to the Senator from Missouri for taking so long, after I said I would take only a few minutes, to explain why I shall vote against the amendments providing for cuts in the amounts. So I shall not take time to read all the marked committee testimony I have before me, but I wish Senators would read Mr. Hoffman's statement, beginning with the third paragraph on page 9. In substance, he said that each dollar-shortage country made a survey of its needs and presented a request; that our European agency screened that request and made reductions in it; that the request then came to Washington and was screened again and reduced again; and that at the end of those two careful screening processes we have arrived at the conclusion. I quote his exact words:

> The aggregate figure is realistic and extremely conservative, because it is a sum of minimums.

Mr. President, now I wish to bring out two points. First of all, there is not one word of testimony available to any Member of the Senate to contradict the statement I have just read—not one word. We can sit here and hazard a guess, of course; we can say, "Oh, well, it is so big that it is bound to be too much"; we can say, "Oh, well, we know the tendency of bureaucrats. They are wasteful; they simply hand money around freely."

We can make such guesses and we can indulge in such unsupported assumptions, of course. But I challenge any Member of the Senate to look into the printed record, which contains all the testimony we have before us, and show one word of contradiction of the final concrete estimate of Mr. Hoffman, that in his opinion it is a minimum, it is realistic, it is conservative. The record shows that nobody in the great Foreign Relations Committee went behind the statements of Mr. Hoffman and his aids that they had screened these things. The committee does not have the technical staff to do work of that kind. The Appropriations Committee does have it on the House side, and the Appropriations Committee has it on the Senate side. Who is going to screen this proposal when it goes over to the House? My old friend, Representative CLARENCE CANNON, and my old friend, Representative JOHN TABER. They are very experienced screeners. They have hearts devoted to the subject of economy. The appropriation bill on the subject must first be reported by their committee. It then goes to the floor of the House for consideration and debate. Then, when it reaches the Senate, it will be referred to the subcommittee on deficiency. That is the largest subcommittee of the Senate Appropriations Committee, deliberately made so because we have among other things this very vital ECA program to handle, and we also have the civil functions of the Army to handle, as well as deficiencies. I say

the appropriation feature must be carefully analyzed, and this one phase of it, namely, the exact dollar needs of each country, has not been carefully analyzed.

I have checked through the hearings and I have talked with the chairman of what is called the watchdog committee. I do not know whether most of the Senators know there is such a committee, but there is a watchdog committee of five, composed of some of the ablest international bankers and economists in the country. They are checking and screening all the time, because they want the program to work, and they want to save the American taxpayer from any unnecessary waste. I have the assurance of the chairman of the watchdog committee that his committee will be available on the House side and on the Senate side.

But let us have a full analysis of the alleged dollar shortages of the participating countries who have said, "We need so many million dollars." We are going to see that that is screened in the best possible way.

Mr. President, in view of that approach, I feel that I am fully justified in taking the position I announced at the outset of my remarks, that I intend to vote against any horizontal and arbitrary cut in the over-all authorization, because I think it will be more orderly, more effective, more in keeping with sound legislative and administrative practices, to get all the facts which are necessary for intelligent decision before we attempt to act.

AMOUNT TO BE AUTHORIZED FOR ECA—1949

I. THE PROBLEM OF EUROPEAN RELIEF SHOULD BE LOOKED AT IN ITS TRUE PERSPECTIVE

Mr. KEM. Mr. President, I was very much interested in the remarks just made by my friend, the Senator from Virginia [Mr. ROBERTSON], particularly in his admonition to the Senate to place the subject now under discussion in a tight compartment, and not to discuss anything else in connection with it. I was particularly interested to note that in the very next breath the Senator from Virginia was discussing reciprocal-trade agreements, and that in the breath following he was discussing operations in the State of Wisconsin under the migratory-bird law.

I think that well illustrates the fact that unfortunately the problem of European relief is only one of many important problems with which the present Congress will be called upon to deal. Each will be considered by the Congress in regular order, but each, in a sense, must be considered in connection with the others. To use Mr. Churchill's phrase of last evening, we must look at their integrity as well as their relationship.

(A) FARMERS AND THE SOIL

High agricultural production in recent years has placed an unprecedented burden on the soil of the United States. Tremendous crops of grain and other products have been raised. A large part has been shipped overseas to Europe. Too much has been taken from our soil, and too little retained or returned to it. It has been estimated that if the present policy of heavy production and underfertilization is continued for the next 5 years, ten to twelve million acres will be threatened with a permanent loss of fertility. Despite this, vast amounts of fertilizer have been shipped and are being shipped to Europe to build up their land, while our farmers have been unable to get fertilizer in adequate quantities at any price. Of particular interest to farmers is the fact that there is still 1,500,000 miles of unimproved dirt roads in the United States.

While we are considering the gifts of billions of dollars to the governments of foreign countries under the Marshall plan, we might remind ourselves that the amount of money involved in the Marshal plan, $17,000,000,000, would restore the fertility of every farm in the United States, and would arrest the ruin being caused each year by erosion. Incidentally, it would also gravel every dirt road in the country.

(B) SCHOOLS AND SCHOOL TEACHERS

It is estimated by the National Education Association that at least 50,000 American children are being deprived of schooling entirely this year as a result of a teacher shortage brought about by low teachers' salaries, while at least 2,000,000 more children are receiving substandard, inadequate instruction.

Furthermore, our school buildings and equipment are grossly insufficient. If we apply the $17,000,000,000 called for under the Marshall plan, we could put our schools in decent condition and, at the same time, every teacher in the United States could have his or her salary increased from the present $2,550 annual average to nearly $4,000 a year for the next 10 years.

(C) CHILDREN

Mr. President, the hearts of Americans always warm at the mention of their children. During the past few years our people have been exposed to barrages of propaganda concerning ill-fed, poorly clothed, unhealthy children in Europe. Is it inappropriate to point out that many of our own American children also are underprivileged? All surveys point to the need for better food for the children of the United States. Nor is this condition of recent origin. General Hershey, wartime director of the selective service, estimated that from 40 to 60 percent of the selectees who were rejected for military service were rejected, in part, because of malnutrition.

May we not remind ourselves of the very trite adage that charity begins at home?

(D) AGED AND NEEDY PERSONS

In that connection, Mr. President, there is the problem of the aged and needy persons. Last year a considerable portion of the Marshall-plan funds went to the Socialist-controlled Government of Great Britain, so that its Government could afford to pay larger benefits to its old and needy persons—larger benefits, I may say, to its old and needy persons, than our Government was able to pay to its aged and needy persons. It has been facetiously suggested that perhaps our older citizens should move to England.

The European situation with respect to food has, of course, greatly changed since this matter was under consideration in this body last year. A recent dispatch from the European correspondent for the Kansas City Star appeared in that newspaper under date of March 27, 1949. Mr. Marcel Wallenstein, an able and well-informed European correspondent for that paper, reported as follows:

After the end of hostilities, millions were in want in Europe. There was widespread suffering. The return of more normal conditions in western Europe, assisted by immense American shipments, has alleviated this condition. I have seen no evidence of starvation, nor of actual want. In Germany, particularly, the children seem well fed and well clothed. American troops and civil organizations supply children there not only with necessities, but with some luxuries, such as candy.

GETTING PLENTY OF FOOD

In all the cities visited in Germany there was no sign of malnutrition, even in the camps where German refugees from the Polish and Russian zones are living. Goods of all kinds were on display in the shops. German motor cars were on the roads. Enormous meals were obtainable in German restaurants and were being bought and eaten by Germans who patronized these places. The same is true in France, where the people seem at least as well fed as in the United States. The variety of food here is amazing, and if prices are high, they are not so high comparatively as in the United States.

Then Mr. Wallenstein concludes his dispatch as follows:

The United States has been holding Europe above the Communist tide since the war. The story becomes one of billions rather than millions. Presently additional money will be asked to arm European forces against possible Russian aggression. This may be necessary for the general safety. But somehow, somewhere, a halt will have to be called, as must become apparent when Congress seriously examines the cost.

That, Mr. President, is what we have to do—seriously examine the cost. I know it has been argued here today and at other times that we can authorize the full amount now and depend on the Senate Appropriations Committee and the House Appropriations Committee to decide on the amount. I think every Senator will remember, very definitely, that the same argument was made when the ERP bill was originally under consideration. After the authorization was made a great hue and cry was raised that we had made a moral commitment to the people of Europe that we could not and should not deny.

Mr. President, I just read what Mr. Wallenstein saw in Germany when he was there recently. In that connection, a dispatch appearing in the New York Times of March 27, last Sunday, is interesting. It has this to say:

HAMBURG, GERMANY, March 26.—An amateur psychologist here has it all figured out. The reason, he says, why Hamburgers love the American song, She's Too Fat for Me, is that everyone now eats so well that they can afford to be choosy and persnickety about waist lines again.

There appears a paragraph in this dispatch which would be of no personal interest to any Senator, but it might as well be put into the RECORD. It is as follows:

Sex, indeed, is so blatant here that it causes grave concern to the strict-minded followers of the Lutheran Church. Experts in such fields attest that Hamburg's Herbetstrasse is

the most notorious street in the world. Scantily dressed girls stand behind floodlighted plate glass, like dummies in a department store window, for inspection by passing males.

I cannot help but wonder to what extent, if any, the money of the American taxpayers is financing directly or indirectly this exhibition.

(E) PUBLIC WORKS

Then, Mr. President, there is the matter of public works.

Since 1940 there has been virtually a moratorium on the construction of public buildings in the United States. Practically no public buildings have been constructed since November 23, 1940.

While billions of dollars of the American taxpayers' money have been going into all sorts of construction of public works on the Continent of Europe and in the British Isles, and the Lord knows where else in the world, our own people have been denied buildings that are reasonably required for the necessities of our own people.

In the meantime our existing highway system has been rapidly deteoriating.

Forty-three billion dollars, it is estimated by the Department of Public Roads, would be required to restore our highway system to first-class condition, and in order to meet an ever-increasing traffic load. Forty-three billion dollars would be required to restore that system, for instance to the level of the world-famous autobahns of Germany. Seven billion dollars would be required to bring up to date our waterworks and sewage systems, $6,000,000,000 for hospitals, desperately needed in certain areas, and one and a half billion dollars for public-service plants and recreation programs.

(F) PUBLIC EMPLOYEES

In that connection, Mr. President, I wish to mention in passing the problem of our public employees. At the present time there are nearly 2,000,000 Federal employees who are finding themselves in serious financial difficulties as a result of the squeeze of high prices. There is no disagreement that this problem must be solved if the efficiency and the morale of the Federal Civil Service is not to be destroyed.

(G) HOLDERS OF THE PUBLIC DEBT

Then there is the problem of the holders of the public debt. At the present time the Federal Government has a national debt of over two hundred and fifty thousand million dollars. The interest payment alone amounts to over $5,000,000,000 annually. The Congress has a solemn obligation to protect this huge debt held by the citizens and financial institutions of our country. It is only common sense to say that now, in a period of unusual prosperity, is the time to tackle this Goliath.

It is no wonder that our people are heard to say, "If you can authorize so much money to be sent to foreign countries, why can we not afford to have a little more of it right here at home?" If we cannot cut ECA expense we cannot cut any expense. We cannot have at one and the same time economy and frugality at home, and profligacy and extravagance abroad. If we open wide the sluice gates on public spending abroad, who among us will undertake to keep them closed at home?

(H) THE TAXPAYER—PERHAPS THE FORGOTTEN MAN

Mr. President, if one sat long in the galleries of the Senate, one might get the idea that the taxpayer was the forgotten man.

Federal taxes take 25 percent of our national income. Taking into consideration State and local taxes, the average wage earner in the United States works 1 out of every 3 days for his Government. In the other 2 days he must work enough to support himself and his family.

Last year every man, woman, and child in the United States paid about $282 in taxes to the Federal Government. Taking into consideration State and local taxes, the average American family paid about $100 a month to the Government before spending a penny for the necessities of life. The President of the United States has suggested that there should be an increase in the tax take from the American people of $4,000,000,000 a year. I disagree with the proposal to increase the tax burden on the American people.

I am impressed, on the contrary, with the soundness of the plan recently suggested by certain distinguished members of the House Ways and Means Committee. Their plan is that the people be given relief from the burden of taxes by revision of the wartime excise taxes to prewar levels. When we are considering sending something like $5,000,000,000 as gifts to the people of Europe, is it inappropriate to talk a few minutes about these hidden excise taxes?

I call them hidden taxes, Mr. President, for two reasons. First, because our citizens pay them with little knowledge of their presence; and second, because these taxes tend to hide the cost of government. In reality, of course, excises are nothing more than sales taxes, the incidence being on selected items. It will be recalled that Samuel Johnson defined an excise in his dictionary as a "hateful tax on commodities." The present excise rates run as high as 25 percent on the cost of over 50 items and services, many of them part of the daily existence of the average American.

Before the war, in 1940, excise-tax collections amounted to nearly two billion a year. During the war the rates of existing taxes were sharply increased and new taxes imposed. It is estimated that in the current fiscal year almost $8,000,000,000 will pour into the Federal Treasury from these hidden taxes alone.

When wartime excise taxes were imposed, the American people were solemnly promised they would be terminated 6 months after the end of the war. Today, 43 months after VJ-day, they are still in effect. Like Tennyson's brook, are they destined to go on forever, or will Congress take the bit in its teeth and remove them, and, if so, when?

An attempt has been made to popularize excise taxes by calling them luxury taxes. This is a misnomer, almost, I am tempted to say, a fraud. While some luxury items are on the list of excise taxes, many of them are imposed on common household necessities. For example, baby oil is now subject to a 25-percent excise tax.

The women of America are particularly hard hit by these excise taxes—handbags, cosmetics, low-cost jewelry are all subject to 20-percent levies. American family life today is built around the automobile. There are heavy excise taxes on automobiles, trucks, tires, tubes, and accessories. Our telephone and telegraph services are back to normal, yet our people still pay the wartime excise tax on these services.

I shall not take the time to go into all these hidden taxes, but I do want to say one thing more about the tax load. It is sometimes argued that most of the burden of the tax load falls on the rich who are quite able to bear it. Plain, cold figures do not bear out this contention. They refute the contention. The truth of the matter is that the average wage earner—the little man—is the one who is hardest hit by the taxes levied by the Federal Government. It is estimated that at the present time over 50 percent of the individual income-tax revenues and about 80 percent of excise-tax revenues are taken from individuals with incomes of less than $5,000 a year. Excise taxes, therefore, are a special burden on the low-income groups. This is because low-income individuals spend a large proportion of their earnings on consumer purchases subject to excise levies. The more children in a family, the larger the part of the total income that must go for basic necessities.

Persons on relief, the unemployed, the student veterans, retired employees—all are especially burdened by wartime excises. It is in effect a tax with no exemptions, except for the rich, who alone are exempt on the income that they save and do not spend.

So much, Mr. President, for the general background with due consideration for which I believe we should approach this problem.

Mr. MALONE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. GEORGE in the chair). Does the Senator from Missouri yield to the Senator from Nevada?

Mr. KEM. I yield.

Mr. MALONE. In the Senator's opinion, how much relief do the working men get, speaking particularly of those in the low- and moderate-income classes, by exempting them from income tax and transferring the tax to corporations and to companies and businesses which in the long run produce the commodities about which the Senator has spoken?

Mr. KEM. I am very glad the Senator from Nevada has brought up that point. It seems to me that we are going to be faced with this proposition: We have been warned by Senators on both sides of the aisle that it is doubtful if the American economy can stand an increase in taxes at this time. If we appropriate these moneys and send them all over the world in considerable amounts, we are also warned that an increase in taxes is inevitable. If, because of economic conditions, employers are unable to sell their goods, then those in the lower income

tax brackets who are employees will be out of jobs. It does not do men and women who are out of jobs very much good to tell them that they are relieving the distress on the Continent of Europe.

Mr. MALONE. Mr. President, will the Senator yield for a further question?

Mr. KEM. I yield.

Mr. MALONE. What I had particularly in mind to ask was whether the Senator has made any study respecting how the taxes which are placed directly on the corporations and the businesses, which are producing the materials, the clothing, the products the wage earners must purchase, are passed on? In other words, if a workingman in the moderate income group is exempted from paying income taxes directly, and that same amount, or an additional amount, is loaded on the companies or individuals or organizations producing the things he must buy, how are those taxes paid? Are they paid through increase in the cost of what the man buys, or are the taxes simply absorbed in some mysterious manner?

Mr. KEM. I have just stated that figures show 50 percent of the income taxes are paid by people in the lower income tax brackets, that is, people with incomes of less than $5,000 a year. The figures also show that 80 percent of the excise taxes are placed on people similarly situated. So that the taxes necessarily, in the last analysis, to a large extent fall upon the ultimate consumers of goods in this country.

Mr. MALONE. Mr. President, will the Senator yield for a further question?

Mr. KEM. I am very glad to.

Mr. MALONE. Let us consider, for example, bread. We place taxes on the corporation making the bread. Is not the price of the loaf of bread increased in accordance with the additional tax and any other expenses involved in the production of the bread, and does not the consumer then pay a tax directly each time he buys something over the counter, instead of paying his share in the beginning?

Mr. KEM. I think that the tax, to a large extent, is figured as a part of the cost of doing business, of producing the loaf of bread, and is figured into the cost paid by the ultimate consumer of the bread.

Mr. President, I now want to address myself to another question to which considerable reference has been made in the present debate. I think the gifted senior Senator from Michigan [Mr. VANDENBERG] referred to it in his opening address delivered near the commencement of the debate. The question is whether the balance of international trade to which the ECA program is addressed can be remedied during the period of the program, namely, in 4 years.

II. THERE IS GRAVE DOUBT WHETHER PRESENT CONDITIONS CAN BE REMEDIED IN 4 YEARS

When this program was first proposed, many of us in the Senate had grave misgivings as to whether it would accomplish what its backers thought it would. When, however, Mr. Hoffman entered upon his difficult task, he did so with the good will and the best wishes of every Member of the Congress. I feel sure of that. We have followed his operations with a sympathetic, and, I hope, an intelligent interest. For my part, it would be pleasant to be able to report that whatever doubts I may have entertained have been removed. However, I should be utterly lacking in frankness if I were to say so. I still believe, in view of our experience the past year, that there is grave doubt whether we shall be able to do what we have set out to accomplish in the time designated. In other words, I am far from being convinced that ERP will be any more successful than any of its ill-fated predecessors, all of which are now unhonored and unsung.

(A) ARE THE MEANS WELL CHOSEN TO ACCOMPLISH THE END?

In the first place, Mr. President, are the means well chosen to accomplish the end? The program which is now being carried out is based on a fundamental premise which I believe to be unsound. This is the idea that friendship, cooperation, can be bought with money. What will happen, Mr. President, when the end of the rope is reached, when the program is terminated? Will we be gratefully thanked for what we have done when we could do it, or will we be bitterly recriminated against because we are not carrying on forever?

It is not long since we heard bitter cries emanating from across the Atlantic of "Uncle Shylock." I am very much afraid they will be resumed when we cease to pour out our economic lifeblood in what I regard to be an unfortunate enterprise. What will we be called next? It may be "Uncle Sap."

(B) CAN THE JOB BE COMPLETED IN FOUR YEARS?

So, Mr. President, I think we ought seriously to address ourselves to the question, can the job which we have set out to do be accomplished in 4 years? It is already clear that at the end of the present 4-year program a new program involving large gifts on the part of the American people will be proposed. In a report entitled "The ERP," prepared for delivery before the Foreign Policy Association on April 15, 1949, Prof. Seymour E. Harris, eminent professor of economics at Harvard University, who I believe has been one of the ardent supporters of the program, reviews—and I think very intelligently—the possibility of a continuing deficit in the balance of trade at the end of the present 4-year plan. His conclusion is:

> Surely, in the light of the optimistic estimates made, a reasonable forecast would be a dollar deficit of $2,000,000,000 or $3,000,000,000 in 1952-53. This would not be a mean achievement; the reduction might be about two-thirds from 1947 and one-half from 1948-49. We would then need a little Marshall plan for 1952-57.

That is the statement of Professor Harris, an ardent advocate of the plan.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. VANDENBERG. I interrupt the Senator because he quoted me as being optimistic as to the objectives in 1952.

Mr. KEM. I am always glad to yield to the Senator. He is always fair, and always interesting.

Mr. VANDENBERG. I should like to tell the Senator, if I may be permitted to do so under the rules, upon what I base my statement.

The interesting thing is that my statement almost completely parallels the figures just quoted by the able Senator from his Harvard authority. One evening a few months ago I had the privilege of sitting with the high council of the OEEC. The council consisted of the top economic experts from various countries. They very frankly said that evening that in 1952 the participating countries probably would fall $2,000,000,000 or $3,000,000,000 short of the objective—almost the same figure the Senator is quoting. Therefore, I think the figures probably are sound.

The thing of great interest to me that evening was, first, that the figures were being frankly produced by the beneficiary countries themselves; secondly, that they were being frankly recognized by the beneficiary countries; and, third, but most impressive of all to me, that the figures were being developed not for the purpose of substantiating any supplementary claims for additional current aid or subsequent aid after the conclusion of the plan, but for the purpose of bringing home to the cooperating countries themselves the fact that they were not yet sufficiently in self-help gear to reach the target. I think it was greatly to their credit that they produced the figures, and even more to their credit, that the purpose of their production was to inspire a still further effort of self-help in the direction of reaching the target.

Mr. KEM. I thank the Senator for his very interesting observation. It seems to me that that is additional evidence that the ERP program is exactly what the Senator from Michigan so interestingly and accurately characterized it as being in the opening day of the debate, a "shot in the arm." In other words, we are sending out a great amount of money and it is accomplishing a certain purpose during a period of time. But there is every reason to believe that at the end of that time we shall again be asked for one of these periodic continuing grants of aid to Europe. In other words, on the basis of the figures I do not think there is any reason to conclude that this program will be any more successful than UNRRA, the British loan, the Turkish-Greek transaction, Bretton Woods, or the first year of ERP.

Let me continue with the statement of Professor Harris:

> This does not mean that western Europe will become either a mendicant or a permanent pensioner of the United States. Western Europe's income seems to have risen to within about 10 percent of the 1938 level by 1947; and the anticipated gains for 1952-53 are 35 percent above 1947 and 20 percent above 1938. Her deficit in the balance of payments is already about one-third less than in 1947.

I ask Senators particularly to attend to this language:

> These are not mean achievements; but they do not justify a forecast of a balanced dollar market by 1952-53.

So, Mr. President, just as the Senator from Michigan has said based upon his

conversation with the high council of the OEEC, at the end of the 4-year period we shall again be met with the problem of the balance of trade with Europe, and application will be again made to us for substantial sums in relief. The name of the future program has already been brought forward. Apparently it is going to be called the little Marshall plan.

When the Senator from Virginia [Mr. ROBERTSON] was addressing the Senate a few minutes ago I understood him to say that no responsible body appeared before the Foreign Relations Committee in opposition to the bill or in criticism of the bill. Of course, the hearings show that a great deal of the testimony was in the nature of a mutual-admiration society. Various employees of the ECA appeared and patted each other on the back and told what a wonderful work the others were doing. But there were very responsible bodies whose representatives appeared before the committee and criticized the operation of the ECA. One of those was the Detroit Board of Commerce, representing more than 6,000 members in the Detroit area. They presented a brief dealing with the European-aid plan. They very frankly stated in that brief that last year they went on record as favoring the program. In the hearings before the Senate Committee on Foreign Relations on the pending bill this same organization, representing 6,000 Detroit businessmen—the official organization of Detroit business, as I understand—presented a second statement, containing their views after observing the operation of the program the first year. This significant statement is made:

> Permanent industrial aid has, however, lagged seriously and unless changes of thinking and organization take place quickly, we doubt very much the ability of the European nations to carry on after 1952 without continuing aid from this country.

The plain truth is that the long-term effect upon Europe in what we are doing will be inconsequential. The decline of European trade has taken place over a period of 75 years. It is not proximately caused by the late war or even the last two wars put together. These wars have aggravated a situation which was caused primarily by the rise of the American economy. As I have said, this situation has been 75 years in the making. In my opinion, it is utterly unrealistic to say, and I hope no Member of the Senate will be naive enough to believe, that we can change the balance of trade between the Old World and the New World in 4 years by spending seventeen billions of American money.

Mr. MALONE. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. STENNIS in the chair). Does the Senator from Missouri yield to the Senator from Nevada?

Mr. KEM. I am glad to yield.

Mr. MALONE. I am very much interested in what the Senator is saying—namely, that perhaps the difficulty is caused by, we might say, the prosperity of our Nation; or, in other words, that if we were no better off than they are, there would be no question at this moment of providing this aid, but each nation would be trying to take care of itself.

However, the point the Senator now presents is a little different, namely, that we cannot change the balance of trade by means of the administration's plan for this three-phase free-trade program; or, in other words, this program for unrestricted trade and the unrestricted flow of products from the low-wage countries into our country, with no leveler of the difference in the cost of production—that is to say, import fees to take care of the differential in production costs between this country and other countries which are in competition with us; and, of course, that difference is chiefly due to the difference in the standard of living. If those differences were removed, could not the trade balance shift almost immediately?

Mr. KEM. I think that is the one way it could be accomplished. But certainly, regardless of whether that will do it, it cannot be accomplished by spending a certain sum of money over a relatively short period, such as 4 years.

Mr. MALONE. Mr. President, will the Senator yield for another question?

Mr. KEM. Yes.

Mr. MALONE. Then the purpose of this proposal, if it is to accomplish anything, is to make up the trade-balance deficits in the interim, while this additional part of the program is being made permanent in the United States, so that through the division between ourselves and our foreign competitors of the markets in the United States, their trade-balance deficits will become progressively less?

Mr. KEM. Exactly; or, in other words, it is to enable those foreign countries to live beyond their means, beyond their income.

Mr. MALONE. Mr. President——

Mr. KEM. I am glad to yield.

Mr. MALONE. That is exactly what they are doing now. However, if we nail down free trade as the settled policy of our country, that will mean that American labor receiving $10 a day will be in competition with foreign labor being paid 40 cents a day. Of course, some of the foreign labor is just as efficient as any workman can possibly be; I have in mind, for instance, labor in Scotland, Ireland, and England. If the low-paid labor in those countries is placed on an exactly equal basis with labor in the United States, and if the products of such foreign labor are permitted to flow unrestricted into the United States, then I ask the Senator if it is true that only two things can happen: Either our workmen will have to change to wage standards and living standards comparable to those of the rest of the world—which would be accomplished by slowly lowering the level of our standard of living, until finally it was equal to the standard of living of the rest of the world, and also lowering the wage levels in this country to the levels of wages in other countries, in which case the foreign workmen would be earning their way, but would be dividing our markets, with the result that they would be earning their way at the expense of the American workingmen; or we could continue to make up the trade-balance deficits of these foreign nations and, as the Senator has so ably said, continue to allow them to live beyond their means, and we would simply make up the deficit at the end of the year. Is that correct?

Mr. KEM. I see no alternative. It seems to me obvious that that is the necessary condition which confronts us.

In that connection, Mr. President, let me say that I hope we shall fool neither the American people nor ourselves by the paltry device of calling this proposal a 4-year plan. Let us tell our people frankly that it is the opinion of competent authorities—university professors and hard-headed businessmen—that the present conditions of trade cannot be materially changed in 4 years, and will not be remedied in 4 years, and we do not want anyone to believe that they will be.

III. "THE CHEAPER THAN WAR ARGUMENT"

Mr. President, I am surprised that I have gotten this far in my remarks without having some Senator raise the argument, "Is not this plan cheaper than war?" That question is asked almost every time we begin to discuss the Marshall plan with one of its earnest advocates or proponents. They state the proposition in approximately this way: "Is not this plan cheaper than another war? Wouldn't you prefer to send money to Europe, rather than to send arms? Wouldn't you rather send commodities to Europe, instead of sending your young men in uniform over there?"

Yes, Mr. President; of course we would. But we have heard that argument before.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. JENNER. I believe the Senator from Missouri has left out another argument which is made by the proponents. They say, "In case of another great world catastrophe, don't we want to have friends over there?"

Mr. KEM. Oh, yes, Mr. President; that argument also is made, but it assumes that we can buy friendship with money.

Mr. JENNER. Does the Senator from Missouri think that can be done?

Mr. KEM. There is nothing in experience or recorded history, so far as I know, to indicate the possibility of making such a purchase.

Mr. JENNER. I thank the Senator.

Mr. KEM. Mr. President, as I have said, we have heard the argument about preventing another war by adopting this program. When the British loan was being considered, we were told by an eminent authority, the Secretary of the Treasury, "This clearly is an investment, not an expenditure." And we were told that we could not afford not to make the loan. Of course, the idea was that we could invest the money in the British loan and thus could prevent another war. The same thing was said when the Bretton Woods agreement was before this body. The same thing was said when the Greek-Turkish program was before us.

This morning the Senator from Virginia [Mr. ROBERTSON] read the testimony of Mr. Harriman, a special ambassador under the ECA plan. He was asked what the alternative was to going for-

ward with the ECA program; and he replied:

The alternative is living in an armed camp.

When the present European recovery program was proposed, the Honorable James Forrestal appeared before the Senate Foreign Relations Committee and testified, in part, as follows:

Our own objective in the present recovery program for Europe is the prevention of war.

Secretary of the Army Royall followed him before the committee, and declared—and he was a little more precise:

Without such effort—

Meaning the ERP plan—

the Army budget and the Army itself should be increased.

Very well, Mr. President; that is what they said. We gave them what they asked; we gave it to them practically in full; the European recovery program was adopted substantially as proposed. It is true that it was cut a few hundred million dollars, but it was adopted substantially as proposed. Nevertheless, within a few weeks it became apparent that ERP was not an adequate substitute for national defense, because the same gentlemen who had been testifying before our committee in favor of ERP, came back and asked for the largest peacetime appropriation for national defense in the history of our Nation.

Mr. JENNER. Mr. President, will the Senator yield at this point?

Mr. KEM. I am glad to yield.

Mr. JENNER. I ask the distinguished Senator from Missouri if it is also a fact that, assuming the Marshall plan were adopted in toto and assuming that we continued our great defense expenditures, would it not be only a few weeks until the same leaders would come before our committees and say, "This crutch is not enough. We now have to give all those European nations armored cars in which to ride around?" They are going to ask us to ratify the North Atlantic Pact and arm those countries, at an initial expense of $1,800,000,000, projected into a cost which no man can foresee. Estimated on the number of divisions which it is said will be necessary in western Europe, it would be around $20,000,000,000 a year.

Mr. KEM. I think that is a very interesting observation. It seems apparent that ERP is not only not an adequate substitute for our own national defense, but it does not take the place of the American people arming the people of western Europe.

Mr. MALONE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Nevada?

Mr. KEM. I yield for a question.

Mr. MALONE. Does the Senator from Missouri remember that at about the time the Marshall plan, then known as ERP, I believe, was placed before the Senate, or at least placed before the Foreign Relations Committee, many statements were made by representatives of the national defense organization of the United States, notably by the Secretary of the Army, and others, to the effect that unless the Marshall plan, or ERP, were passed without amendment and without reduction in the amount, it would become necessary to spend this great amount of money on armament, indicating directly that it was a substitute measure? Is that not true?

Mr. KEM. It seems to me the words of the Secretary of the Army, Mr. Royall, are plain and direct. I quote:

Without such effort, the Army budget, and the Army itself, should be increased.

Mr. JENNER. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Indiana for a question?

Mr. KEM. I am glad to yield.

Mr. JENNER. Does the Senator recall that at the beginning of the debate on the Marshall plan the plan which was brought to the Senate of the United States provided for an initial authorization of $17,000,000,000, and that those in charge of the measure said, "We want all or nothing?" Today the same leadership is saying the appropriation asked for at this time in connection with ECA is also sacred. If what the Senator has cited in the way of deficits at the end of the 4-year period is correct, these same countries are going to have a trade deficit of between $2,000,000,000 and $3,000,000,000. Perhaps the American taxpayers, through their representatives in the Senate, would have been wise to accept the $17,000,000,000, all or nothing. Does the Senator from Missouri agree with that?

Mr. KEM. I think it is clear that $17,000,000,000 could not accomplish the task. As we go deeper into it, we see that we have embarked on an impossible enterprise, and that the authorities are beginning to warn us of the necessity of a "little Marshall plan" when we get through the big Marshall plan. I trust that answers the Senator's question.

Further answering the question of the able Senator from Indiana, I may say it is my belief that while we still have substantial resources at home we should spend as much as necessary to build the national defense so strong that no aggressor nation will be under the slightest temptation to attack us. But I further believe that the strongest national defense we have and can have is a sound economy at home, and I look with dim eyes upon ERP, because I believe its inevitable result is to weaken the economy of the United States.

Mr. JENNER. Mr. President, will the Senator yield for a question?

Mr. KEM. I yield for a question.

Mr. JENNER. The Senator spoke of maintaining strong defenses at home. I wonder whether the Senator from Missouri noticed the recent statements of Mr. Krug, Secretary of the Interior, in regard to our becoming a have-not nation in the very strategic materials and resources which we need to maintain in order to build that strong defense?

Mr. KEM. I think it was the Senator from Indiana who referred to that point a few days ago in the debate. I was very much interested in it and I was impressed with the evidence he presented, that we are reaching or nearing the bottom of the barrel in the United States, and that it is time for us to take stock of just where we are.

IV. WE ARE BUILDING COMPETITION TO PLAGUE US LATER

Mr. President, I now want to address myself to another and a different proposition, namely, that under the ERP we are building competition abroad which, like Banquo's ghost, will rise to plague us later.

In addition to the drain on our economy due to the tremendous payments required by the ECA program, there is another effect of the program which, for my part, I do not believe has received the attention and consideration it deserves by this body or by the American people. This was brought out in a striking way in statements made by the distinguished Senator from Georgia [Mr. GEORGE], during hearings before the Senate committee. As the Senator said:

What we are doing is modernizing, for instance, textile plants in Great Britain and elsewhere.

Again:

You may be putting a whole lot of industry in this country pretty well out of business.

The distinguished Senator from Georgia said further:

When unemployment multiplies and things begin to get tight, then there will be a tremendous kick-back in this country.

Finally, this colloquy occurred:

Senator GEORGE—

He was addressing this to Administrator Hoffman.

Senator GEORGE. What I want you to remember is that I warned you that you may be greatly aggravating the problem we have been dealing with all the time in liberalizing trade policies and you are going to greatly emphasize the necessity of more and more protection. I have warned you.

"I have warned you." It seems to me, Mr. President, those words are prophetic. They remind one of the great Roman Senator who climbed to the rostrum day after day, saying "Carthago delenda est." Continuing the quotation:

Mr. HOFFMAN. Yes, sir.

But later on Mr. Hoffman made his thoughts and ideas very plain about the matter. He expressed himself as bluntly as did the Senator from Georgia, when he said:

Sir, I cannot tell you how little concerned I am about European competition.

I repeat Mr. Hoffman's statement:

Sir, I cannot tell you how little concerned I am about European competition.

Upon being pressed further, Mr. Hoffman expressed his opinion thus:

If any manufacturer in this country is not in a position to manufacture at a sufficiently low cost, as a result, as I say, of perhaps lying awake nights figuring things out, we should not worry too much about him.

In other words, he says, "If any manufacturer is not able to meet this European competition, we should not worry much about him."

Mr. President, that seems to me to be the doctrine of economic survival pushed to the *n*th power.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. KEM. I yield for a question.

Mr. MALONE. I should like to ask the distinguished Senator from Missouri if that is not right in line with the three-phase free-trade program, to allow the whole world to compete with the United States, and simply to say that the survivors will be the fabricators and the manufacturers of machinery? At least, they will be the longer survivors, because, under the plan, the machinery necessary to manufacture large fabricated equipment, such as agricultural equipment, road machinery, automobile machinery to manufacture automobiles, compressers, and so forth, is being shipped to Europe, and it will mean only one thing, which is that all workmen will be alike throughout the world because their living standards will be leveled. Is not that true?

Mr. KEM. It seems to me it is the exact result of what Mr. Hoffman has said. It also seems to me that Mr. Hoffman's statement affirms in every respect the remarks of the able Senator from Nevada on that subject.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. KEM. I yield to the Senator from Ohio for a question.

Mr. BRICKER. Does the Senator regard the statement he has just read as being one made in disregard of the interests of the American businessman?

Mr. KEM. It seems to me it is an expression of the law of the jungle—let the stronger survive.

Mr. BRICKER. Would it not appear that this whole program is being administered by Mr. Hoffman, according to his own testimony, without any consideration of its effect upon American business interests?

Mr. KEM. None whatever, apparently.

Mr. BRICKER. In the judgment of the Senator from Missouri, can we disregard the interests of business and the employment of labor?

Mr. KEM. There is nothing in history which indicates that that can be successfully done.

Mr. BRICKER. The ultimate conclusion, then, from what Mr. Hoffman has said, is that, "I shall administer this fund in Europe without regard for American business or American labor." Is that correct?

Mr. KEM. "Let American business take care of itself."

Mr. BRICKER. American business will go down and labor will go down with it. Is not that true?

Mr. KEM. That is it, exactly. I shall deal with that subject further in a moment.

Mr. MALONE. Mr. President, will the Senator yield for a question?

Mr. KEM. I yield to the Senator from Nevada.

Mr. MALONE. I ask the distinguished Senator from Missouri if he agrees with my conclusion that there has long been a paradox with relation to workingmen in America, speaking again of the moderate-income groups who work with their hands? The administration has been following the same plans, during the past 10 or 12 years, as have the very rich, the very top of the manufacturing, producing, and investing groups. It has always seemed a paradox that though they never meet on a common ground in any other way, they are both for the same program. I said yesterday that the administration is giving lip service to labor legislation, and pulling jobs right out from under labor's feet. The able Senator from Missouri is making it much more clear than I was able to do yesterday. But I wish to ask the Senator if it is not possible that one explanation of Mr. Hoffman's statement might be that money is fluid, and that if one man or a group of men control a billion dollars—and many men control much more than that—if an import fee is to be lowered on a certain type of textiles manufactured in New England, in the Southern States, or anywhere else in the United States, and it is known when it is to be lowered, they can pick up a telephone, and, through a broker, can buy into a textile plant in Scotland, or anywhere else in the world, which manufactures the same type of material? Could that be one explanation of it? At long range the workingman does not see this. He sees the immediate legislation, but misses the implication of the lowering of economic levels with the lowering of the import fee. He does not see that, in the long run, it is against his best interests. Is not that correct?

Mr. KEM. I think that is exactly true. Mr. Hoffman says to the American manufacturer, "If you lie awake nights and cannot figure out how to meet European competition, then just close up shop." But, as the able Senator from Ohio [Mr. BRICKER] suggests, what about the employees of the American manufacturer who has to close up shop?

Mr. MALONE. Mr. President, will the Senator yield for a further question?

Mr. KEM. I yield.

Mr. MALONE. I believe the able Senator is putting it right on the nail head. Is it not a fact that we must meet the competition of $2 labor, which is just as efficient as is our own, or even more so, because of the customary habits of working long hours in Scotland, England, and other countries? Is it not, as a matter of fact, reasonable to suppose that Mr. Hoffman knows that, in order to meet this competition, labor will have to lower its standard of living, and that the manufacturer will force the workingman down to a lower standard of living on a par with that of the workers of the rest of the world?

Mr. KEM. Mr. Hoffman is an able and experienced man, and it seems to me he must know that. But I cannot help but wonder whether he thinks that the working man or woman who gets a close-down slip in his or her envelope can lie awake at nights and figure out the answer.

Mr. President, I pose this question: Are not the American workers, who have made America strong, entitled to some consideration at the hands of the American Congress? Are we willing to say to them, "We cannot tell you how little concerned we are about European competition"?

We are told, Mr. President, that history has a way of repeating itself. There is a story of a Roman emperor who sat on the wall of the Imperial City playing a fiddle while Rome burned. We may imagine a slave calling the conflagration to his attention, and his reply: "Sirrah, I cannot tell you how little I am concerned about fire." He was a Roman emperor, and he could do as he pleased.

Then, Mr. President, there was a queen of France who was told that the people were without bread. "Let them eat cake," she said.

So, Mr. President, are we of the American Congress to say to our fellow citizens who earn their bread by the sweat of their brows, "My friends, we cannot tell you how little we are concerned about European competition"?

Mr. MALONE. Mr. President, will the Senator yield for another question?

Mr. KEM. I am glad to yield.

Mr. MALONE. As a matter of fact, are not those of us who are in the Congress, who have to vote on these important matters, making up our minds as to whether or not the standard of living of the workingmen in the United States is too high, and whether we want to lower the standard below the critical point I described yesterday, which represents the differential between the cost of producing articles here and in countries under other standards, where there is competition? Are we not making up our minds as to whether we should uphold our standard of living in some manner, while assisting the countries where standards of living of the workingmen are low?

Mr. KEM. I think the Senator from Nevada is exactly correct. I cannot help feeling that if the working people of the United States understood this subject they would make up our minds for us.

Mr. PEPPER. Mr. President, will the Senator yield for a question?

Mr. KEM. For a question only.

Mr. PEPPER. I am not sure I caught the full import of the statement of the able Senator. Was he inferring that the working people of the country were against the proposal we are discussing?

Mr. KEM. I was inferring that any working man or woman in the United States who understood it ought to be against it.

Mr. PEPPER. Would the able Senator not consider that great workingmen's organizations such as the American Federation of Labor and the CIO are capable of understanding issues of this character, and does not the Senator recall that they have evidenced their support of the proposal by their resolutions?

Mr. KEM. I have the highest regard for the leaders of those organizations, but I have known them to be wrong before.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. MALONE. Is the Senator from Missouri aware of the fact that some organizations which have adopted resolutions stated in the resolutions in no uncertain terms that certain import fees were too low at this time, and are not protecting the workingmen and that

they are concerned about that? Is the Senator from Missouri aware of the fact that they did not, in the brief submitted to the Committee on Foreign Relations of the Senate, wholeheartedly support this free-trade theory?

Mr. KEM. I appreciate the suggestion of the Senator from Nevada.

Mr. President, I am not going to pursue this matter further. I am going to let it rest on the solemn warning of the Senator from Georgia.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

Mr. KEM. I yield.

Mr. DONNELL. In connection with the Senator's very powerful statement a moment ago about the warning of the Senator from Georgia, I am wondering if the Senator would have objection to language used by the Senator from Georgia being inserted at this point.

Mr. KEM. I am always glad to have a suggestion from my able colleague from Missouri.

Mr. DONNELL. I thank the Senator. Immediately preceding the response by Mr. Hoffman, "Sir, I cannot tell you how little concerned I am about European competition," which response my colleague has quoted, the Senator from Georgia stated:

> I do not mind putting our own people to the test and I go all the way on a rehabilitation program. When, however, you are going to put a weapon in the hands of a competitor in France or Great Britain or Germany or elsewhere, with which they can certainly undo us, there is another day coming in this country, and somebody is going to be held responsible for it, Mr. Hoffman.

I ask the Senator if that is not in itself a very strong warning.

Mr. KEM. It emphasizes the statement of the able Senator from Georgia. Let me say that the able Senator from Georgia has just entered the Chamber, and I express the hope that some time during this debate he will give the Members of this body, and, through them, the American people, the benefit of the solemn warning he gave in the committee.

V. INDUSTRIAL DEVELOPMENT IN FOREIGN COUNTRIES

Mr. President, I wish to speak a little further about the matter of industrial development in foreign countries. The Marshall plan, supplemented, as the Senator from Nevada told us yesterday, by the reciprocal trade program and the ITO is, of course, definitely building up industry abroad owned privately and owned by governments, all at American expense. This operation is bound to have serious effects on American business and American industry.

Mr. MALONE. Mr. President, will the Senator yield at that point?

Mr. KEM. I yield.

Mr. MALONE. In line with the question I asked a moment ago, I ask the Senator to permit me to preface my next question by reading one of the paragraphs from the statement made by Mr. Walter J. Mason, national legislative representative of the American Federation of Labor, before the Senate Committee on Finance, found on page 675 of part 1 of the hearings on House bill 1211, where he said:

> In supporting the trade-agreements program, we recognize the need of safeguarding American labor in some activities, especially where wages are a relatively heavy factor in the cost of production, against competition that threatens to undermine our labor standards.

Is not that exactly what the distinguished Senator from Missouri has been trying to outline, that this protection must remain?

Mr. KEM. That states the proposition better than I could state it myself, and I thank the Senator from Nevada.

Mr. President, many of the countries in which we are building up industry are important sources of raw materials for American industry, and many of the countries from which we draw these raw materials are only too glad to be put in a position where they can process the materials themselves.

Let us not deal in generalities. Let us get right down to brass tacks. Let us look at some specific instances of what is going on. Let us look to our great neighbor to the north, "The Lady of the Snows."

(A) CANADA

Canada has put up numerous barriers against the export of timber, logs, pulpwood, and the like, to the United States, in order, frankly, to force processing of those materials in Canada. Quotas provided by law limit the export of wood for plywood and pulp. The land laws provide that the timber taken from certain lands may not be exported. In the Government administration of timber leases contracts often provide that the timber taken from the land shall not be exported.

It goes without saying that plywood, paper mills, and pulp mills in the United States have been hurt by these provisions. It is not surprising, therefore, that we find the Celanese Corp. putting up a factory in Canada because of the greater availability of wood there.

Much of Canadian nickel is processed in Canada, but some in this country, for instance, in Huntington, W. Va. I am informed that removal of these plants to Canada is likely to increase the proportion manufactured in Canada. It is a well-known fact, which was brought out in the debate in the United States Senate on the St. Lawrence seaway project, that the quantity of iron ore in the United States is decreasing and the supply is running short. Canada has relatively abundant supplies. May we indulge the hope that the Canadian policy with respect to wood will not be repeated in the case of iron ore?

(B) SCANDINAVIA

Let us now look at Scandinavia. The United States has been shipping papermaking machinery to Scandinavian countries to put them in a position to manufacture paper by using the very latest American machinery and technology. What we are doing is to put them in such a position that they can manufacture paper instead of exporting pulp to the United States.

We hear that there is a shortage of pulp in the paper mills in New England. I cannot help but wonder how much of the pulp which would otherwise have gone to the paper mills in New England is being processed in Marshall-plan plants in Norway and Sweden.

Mr. MALONE. Mr. President, will the Senator yield for a question at that point?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Nevada?

Mr. KEM. I yield.

Mr. MALONE. I wish to ask the distinguished Senator from Missouri if he thinks it is a good thing for the United States to foster and keep up the illusion of wealth among the foreign countries which we have encouraged? In other words, the people of every foreign nation with which I am familiar believe that every man, woman, and child in the United States is wealthy. They believe our Treasury is a bottomless pit. Therefore their attitude is that they are entitled to this machinery and the money we are forwarding to them each year under some name—different at times, it is true, beginning with lend-lease, then UNRRA, then the British loan, then the Marshall plan, and ECA, and continuing indefinitely, but all fostering the idea that we are an ultra-rich nation, that our strategic and critical materials with which these things are manufactured are inexhaustible, that our wealth is inexhaustible. Therefore they have no compunction whatever in accepting the machinery to which the Senator has so aptly referred. But does the Senator from Missouri think it is a good idea to have that illusion kept up, or should we describe to the people of the various countries in some detail that presently, perhaps not very long from now, we in the United States are likely to experience some of the difficulties and conditions they are now experiencing?

Mr. KEM. The statement of the Senator from Nevada calls to mind the very apt characterization of the Senator from Indiana a few days ago when he spoke of the United States as the playboy of the Western World. It also calls to mind the observation made by a leading businessman of the largest city in my State who has just returned from Europe. He said the Americans have demonstrated that they have a lot of money and darned little sense.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. JENNER. Does the Senator from Missouri know whether or not the Voice of America has been playing "Stop the Music" to the rest of the world; whether the people of other countries might have gotten that idea from some radio program of that kind?

Mr. KEM. It is entirely possible, but I should think they could have gotten it from the operations and the ministrations of the ECA.

Mr. JENNER. Mr. President, will the Senator yield for another question?

Mr. KEM. I yield.

Mr. JENNER. Is it not a fact that the national debt of the United States,

which is approximately $252,000,000,000, is greater than the national debts of the 16 western European nations that are under the Marshall recovery program?

Mr. KEM. Perhaps that is why some of our European friends are supposed to be joking about us as "Uncle Sap."

Mr. JENNER. I thank the Senator.

Mr. MALONE. Mr. President, will the Senator yield for another question?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Nevada for a question?

Mr. KEM. I am glad to yield.

Mr. MALONE. I ask the indulgence of the distinguished Senator from Missouri to allow me to read a very short dissertation in preface to my question. It is taken from the January 1947 issue of American Affairs. The article is headed "The American proposals for a collectivist world system," and is written by Garet Garrett. I read:

> The one brilliant solution that has been offered is that we shall regularly and in a systematic manner give our surplus away instead of lending it and expecting ever to receive it back.

This is apropos of the question to be propounded to the Senator from Missouri as to the attitude and the belief of others respecting why this policy is consistently being carried on by America.

> This suggestion comes from the Eastern Economist, New Delhi.

I may say I had a long visit with the publisher of the Eastern Economist when I was in New Delhi. He really understands things very well, and has a penetrating mind.

Mr. McMAHON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McMAHON. Is the statement now being made by the Senator from Nevada to be interpreted as being a question?

The PRESIDING OFFICER. The Chair desires to see how it is put. The Chair does not know how it will turn out. The Senator from Missouri yielded to the Senator from Nevada only for a question.

Mr. MALONE. Mr. President, I had asked the Senator from Missouri if he agreed with the interpretation of the Eastern Economist of what we are doing. I can repeat it from memory, virtually, but it would be very helpful if I were permitted to quote the language exactly.

Mr. McMAHON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McMAHON. If a Senator may read for 2 or 3 hours, and then ask, "Now, do you agree with that?," then of course, the rule would cease to have any meaning whatsoever.

The PRESIDING OFFICER. The Senator from Nevada will state his question.

Mr. MALONE. I thank the Chair. I am asking the Senator from Missouri if he agrees with the interpretation of the Eastern Economist in the excerpt I now propose to read, which I assure the Senator from Connecticut, will not require 2 or 3 hours to read. I can, of course, understand the assumption of the Senator from Connecticut that anything which does not agree with the customary methods——

Mr. LUCAS. Mr. President——

The PRESIDING OFFICER. The Senator from Nevada will proceed with his question.

Mr. MALONE. I read:

> The United States lend-lease plan of helping the Allies in the recent war has been acclaimed as an act of unparalleled generosity, and so it was. But it was also a brilliant and ingenious way of solving what would otherwise have been an intractable problem resulting in a world malaise.
>
> The productive power of America has multiplied itself so fast that it is now admitted that she cannot continue to give 60,000,000 jobs unless she is able to have a large export trade. But in the long run—not so long as even a decade—exports cannot continue unless imports are allowed to flow in. But United States economic organization is such that the possibilities of her being paid in imports are not very bright. Lending her surplus would mean only a postponement of the day of reckoning and accounting. Sooner or later imports should enter America in a flood. But imports will or at least might create unemployment. In such circumstances it would not be such a foolish thing—as some might imagine—to give away goods to other countries, for on balance it would be better to part with surplus goods than to create unemployment.

Now, Mr. President——

Mr. McMAHON. Mr. President——

Mr. MALONE. Mr. President I ask——

Mr. McMAHON. I ask the Chair to enforce the rule, because what the Senator from Nevada has just now done certainly does not comport with it.

The PRESIDING OFFICER. The Chair will have to enforce the rule.

Mr. MALONE. I ask the Senator from Missouri to answer my question.

The PRESIDING OFFICER. Very well; the Senator may do so.

Mr. KEM. Mr. President, I appreciate the contribution of the Senator from Nevada.

(C) ARGENTINA

I know that Argentina is not a Marshall-plan country, at least not yet; but it is interesting, since Argentina is the source of considerable raw material which used to be processed in the United States, to inquire just what General Peron and Madame Peron are doing in that country.

Argentina a few years ago decided it would be more profitable to process her hides and skins locally than to ship them to the United States. She has therefore developed a tanning industry, and this has been an important factor in the shortage of hides in the United States. Similarly, Argentina has been processing at home her own dyewood formerly exported to the United States.

(D) INDIA

Now let us look at India. India decided to manufacture her mica into built-up mica rather than to send so many splittings, as they are called, to the United States to be manufactured here. This threatens to cause a shortage of unmanufactured mica in the United States. The American plants cannot get raw material with which to work because such material is being processed elsewhere in the British Empire. India has also placed higher export taxes on raw jute than on manufactured jute; and the inference is permissible that they are trying to encourage their industry at home.

Mr. MALONE. Mr. President, will the Senator yield for a question?

Mr. KEM. I yield.

Mr. MALONE. Does the Senator understand that India is a part of the sterling bloc area, and that the import and export fees are slanted toward the sterling bloc, meaning that the fixing of the import and export fees favors the sterling bloc area? It is more profitable for businessmen to trade with that area; and there may be a deliberate purpose on the part of the sterling bloc area to bring about the very condition of which the Senator from Missouri is complaining.

Mr. KEM. My understanding is that there are three levels to the house of sterling. Members of the Empire get in on the ground floor, or the lower level. A preferred class comes in on the second floor. The hoi polloi are relegated to the third floor. Senators may not be surprised, Mr. President, when I say that Uncle Sam is on the third floor.

(E) CHILE

Chile is developing a local copper-fabricating industry. As a result—I suppose I should say partly as a result—copper is in short supply in the United States.

(F) BRITISH EMPIRE

Let us look at the British Empire a little further. The British have what is called a tin cartel, in which they monopolize to a substantial extent the entire supply of tin of the world. They are enacting and have been enacting a series of laws and regulations to favor members of the Empire. England and some other countries in and out of the British Empire have increased their production of steel. Of course, that has contributed to the shortage of scrap iron in the United States.

Let us consider the subject of cocoa beans, vast quantities of which are processed in the United States. Great quantities are consumed by Americans of all ages. This production is in the hands of a highly organized and skillfully operated cartel. The world's supply is allocated by the International Emergency Food Committee of the United Nations. The United States producers of chocolate and cocoa are of the opinion that competing countries obtain the beans at lower prices than those paid by the United States, partly because of the exchange differentials caused by the three-storied house of sterling. At any rate the supply of the raw material is short in the United States, and in part it is due to the machinations of the British-controlled cartel.

Present supplies of essential metals such as manganese, chromium, tungsten, nickel, lead, zinc, copper, tin, and bauxite are far from abundant in the United States, and in several cases short. On the other side of the picture, the industrialization of South Africa and Australia, going on apace, is making demands on some or all of these metals.

VI. THE APPROACH OF ECA IS UNREALISTIC

Mr. President, I have talked long enough, and I am about to conclude. I wish to make just one more point, and that is that the approach of the ECA is wholly and utterly unrealistic. The proposed extension of industrialization to the under-industrialized countries will do two things—and these are the two principles things it will do: First, strengthen the announced programs of those countries to process their raw materials at home; second, so increase the demand for raw materials that they will be hard to get, even at advanced prices.

Mr. President, I claim no gift of prophecy, although I sometimes think that since I have been a Member of this body I have been more successful in prophecy than in persuasion. However this may be, it seems clear to me that soon—very soon—the Congress of the United States will abandon its evangelical approach to these problems and face with courage and decision the hard realities of an international existence in a very matter-of-fact world.

It has been pointed out by competent authorities on both sides of the aisle in this Chamber—by the able Senator from Georgia [Mr. GEORGE], to whom I have previously referred, on the other side of the aisle, and by the able Senator from Ohio [Mr. TAFT] on this side—that unless we cut expenses we cannot avoid higher taxes, and that higher taxes at this time would have an undesirable, and perhaps an unfortunate, effect upon the economy of the United States.

I shall vote to reduce the authorization in the pending bill.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 2101) to abolish the Regional Agricultural Credit Corporation of Washington, District of Columbia, and transfer its functions to the Secretary of Agriculture, to authorize the Secretary of Agriculture to make disaster loans, and for other purposes, and it was signed by the Vice President.

EXTENSION OF EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 1209) to amend the Economic Cooperation Act of 1948.

Mr. TYDINGS and Mr. VANDENBERG addressed the Chair.

The PRESIDING OFFICER. The Chair has no list before him. He does not know whether or not any Senator has made previous arrangements to speak.

Mr. DONNELL. Mr. President, does the Chair mean that it is appropriate or proper that a list should be prepared?

The PRESIDING OFFICER. Not necessarily. Sometimes the Chair makes a moral commitment.

Mr. DONNELL. I should like to voice a word of criticism, not of the present occupant of the Chair, in whose judgment I have the greatest confidence, as he well knows. However, I think it has been previously pointed out in this Chamber that the practice of having a list is entirely contrary to the rules. As one Senator I desire to voice a word of opposition to any such precedent being established or countenanced. Again I say that my statement is not meant in criticism of my good friend from Mississippi.

The PRESIDING OFFICER. The Chair appreciates the remarks of the Senator from Missouri. The Chair merely wished to ascertain whether there was such a list.

The Senator from Maryland [Mr. TYDINGS] first addressed the Chair. The Senator from Maryland is recognized.

Mr. TYDINGS. Mr. President, I have had nothing to say in the long course of this debate; and perhaps a continuance of that silence would be just as well as an effort to bring some small arguments to the support of the pending measure. However, this debate has taken such a wide range that I am literally astounded at some of the arguments which I have heard on this floor in opposition to the proposal.

For the moment I am not addressing myself to the pending amendment, which seeks to reduce the amount by 10 percent, but to the arguments of those who would oppose the program in toto. Certainly they have been some of the most unique arguments I have ever heard.

For example, it is argued that under this bill we are furnishing money to Great Britain so that she may embrace and further the socialistic experiment on which she is in part now engaged. The inference clearly sought to be drawn from that assumption is that we are furnishing the money to socialize the British Government and people, and that if we did not furnish the money Britain would not go in for socialism to the extent that she is now embracing it.

As I see this proposition, the contrary is true. If it were not for the aid which comes to Britain under the Marshall plan, the need and the urge for socialism in government there would be infinitely greater than it is now, with the money that is going to Britain, for that money acts as a deterrent against widespread socialism. So I cannot accept for a moment the premise that the grant of money to Great Britain under the Marshall plan is made in furtherance of British socialism. Heaven knows, if there is anything in the British picture that is slowing down the march of socialism, it is the aid which Britain is receiving from the United States under the Marshall plan. All the talk that this money is aiding the socialism of Great Britain, on its face is mere tommyrot, for without this financial aid, Britain would be embracing a far greater measure of socialism than she has so far embraced. That is simply common sense. Socialism by governments springs primarily from a need to spread what little there is over a wider and thinner area.

I have also heard the unique argument that we shall be better off from a military and security standpoint if we stand alone, rather than if we take those who are likeminded with us and bind ourselves together with them in a common purpose to keep the peace. That is so childish, according to my lights, that I find it difficult to find the words to meet such a ridiculous argument. To oversimplify it, it comes down to this: that one man can fight another man with more assurance of success than nine men together can fight another man. That is about where that argument seems to end.

Then, too, I have heard some wonderful military strategy in the course of this debate. I have heard statements made—and with some accuracy, I think—about how few divisions we had in Europe and in Japan during the last war, and that therefore all the money for the North Atlantic Pact and the Marshall plan and for military support is money thrown down the drain. Mr. President, is seems to me that those who embrace that idea have entirely overlooked the significant fact that American air power, plus British air power, was equal to many dozens of divisions in the effect it had upon beating Germany under Hitler to her knees. We are assuming that we are discussing land operations as they existed in the time of Napoleon. But, Mr. President, actually we are talking about, not the science of war as it existed under Napoleon, but the science of war in the years 1938 to 1950. Therefore, we did not need the great number of divisions, once we had established a foothold on the Continent, to keep up the pressure which eventually brought the victorious Allies into Berlin, because there were divisions in skies which were heaping devastation upon the cities of Germany, the bridges of Germany, the transportation systems of Germany, at a rate greater than the rate at which a thousand artillery brigades could level such destruction. Yet I have heard it said that we should not associate ourselves with these other European countries, because mere numbers of divisions do not count.

Mr. TAFT. Mr. President, will the Senator yield, merely for an inquiry?

Mr. TYDINGS. Yes.

Mr. TAFT. The inquiry relates in general to the matter the Senator from Maryland has been discussing. He is, of course, the distinguished Chairman of the Armed Services Committee. I notice in the column by Mr. Marquis Childs, appearing in this morning's Washington Post, the following statement:

> That secret has to do with the war plan conditionally agreed to by the United States Joint Chiefs of Staff. While the details of the plan are carefully guarded, it is rather generally known that it is based on the broad assumption that the Continent must be retaken after it has been occupied by the Russian invader.
>
> Many of America's own military planners are pretty unhappy about the assumptions on which the war plan is based. They had an opportunity in World War II to see how close conquest, occupation, and liberation came to erasing the structure of civilization in western Europe.

Is the Senator advised of any such plan or of the nature of the military plans which seem to be involved in the North Atlantic Pact?

Mr. TYDINGS. Mr. President, the Senator from Maryland appreciates the compliment, implicit in the question asked by the Senator from Ohio, that he

would be able to answer such a question on the level of high military strategy. I cannot live up to that implied compliment by my good friend, the able Senator from Ohio, but I think I can say this without losing my amateur status: I know, as I am sure the Senator from Ohio knows, that in our military planning against any contingency in the future every phase of the problem is taken into consideration. For example, if we were to be confronted with a war against country X, we would assume that certain bases would be in our hands, that they might be lost, that we might have to regain them, that we might hold them, that we might lose them permanently, that we might have to drop back to other bases. So I think the question implied by the article from which the Senator from Ohio has read, stems from the fact that that is one of the contingencies which would have to be embraced in a plan, so that every reasonably emergent circumstance would have been covered, and a plan adopted to deal with it.

I hope that answers the question asked by the Senator from Ohio.

I have just come from the marble room, Mr. President, behind the Senate Chamber, where the great globe rests on its stand. Alongside that globe is a yardstick by which one can measure the distance by air between any two points on the globe. It is startling almost beyond belief to find that the distance from Maine to Moscow is only 3,500 nautical miles; that is all, 3,500. How far is it from Honolulu to New York, Mr. President? I think it will be found to be more than 3,500 miles. However, only 2 weeks ago a gentleman in a plane—one of the old-fashioned single-motored planes—left Honolulu and flew all the way to New York, nonstop; and that distance is greater than the distance from Maine to Moscow. Yet, some gentlemen seem to have the idea that Moscow is 10,000 miles away from us. Actually, the distance from here to Moscow is only the distance of the width of this country plus half that distance again. Only 2 or 3 months ago, we read that one of our great planes, a B–36, had flown nonstop 3,800 miles without refueling. There is a plane capable of going almost halfway around the earth.

What does all of this have to do with the Marshall plan, Mr. President? It has this to do with it: First of all, we cannot use World War II as a yardstick by which to gage the possibilities and contingencies which might exist in world war III. Science and invention have moved so far ahead that for the first time in the history of man it is possible to bomb Europe from the American continent and for the first time in the lives of men it is possible to bomb the United States from the European continent. That is an entirely new circumstance, which never existed before. Therefore, when we concede that we are trying to build up western Europe, we are trying to keep from falling into enemy hands the possible bases which might otherwise fall into the hands of potential enemies even before the war starts, and from which they could attack us instantly on the outbreak of war.

Already we have seen Poland picked off. Already we have seen Czechoslovakia picked off. Already the pressure has been brought on Greece. Already the pressure has been brought on Turkey. Pressure was brought on Italy, and a gigantic internal uprising was fomented, born of a desire to have allies of Russia take over Italy and her government, if possible. That effort was largely frustrated by the effect of the first Marshall plan. The same thing happened in France. It was not long ago that little Norway was threatened with being put in the nutcracker. Are we now to sit down here and twiddle our thumbs until this pattern, already in effect and with much of Europe already gobbled up, take over the whole of the European continent, in this day of intercontinental bombers and the atomic bomb? That is something we might ponder. I for myself would rather have the bases and the potential abilities of the great countries that line the Atlantic Coast in western Europe on our side rather than on the other side, and particularly on our side prior to the time war starts.

I admit that as presently constituted, perhaps, a great country like Russia, as it exists today, could roll down to the Atlantic seaboard. There is very little there in the way of enemy opposition to withstand such a Russian thrust. But 4 or 5 days or 3 or 4 weeks, now, are more important than 3 or 4 months were in World War I or World War II. Warfare is not the slow overland proposition it once was. It is a matter of exceedingly great swiftness. The plane that left Guam and flew to Nagasaki and dropped the bomb that killed so many people consumed in the operation less than 24 hours. Think of it. In 24 hours, from a distance far, far away, an entire city with its entire population behind the enemy lines was wiped out. I like to think that, as of the moment, 3 or 4 weeks might be decisive at the present juncture of things, and if we have friends who can delay a possible enemy advance for such a length of time, we could shorten the war immeasurably, in my opinion, and we could save life, save treasure, and save the western alliance and western European civilization.

So it seems to me that most of the arguments which have been advanced against the over-all policy of our country are not well grounded in fact. I think it is perfectly obvious to say that Great Britain would be more socialistic than she is now, if it had not been for the Marshall plan, for, without Marshall-plan aid, the need in Britain would have been greater, and socialism thrives more on need than it does on ideology. It is possible to attract converts to socialism because people are hungry or out of work or poorly housed, just as it is possible to attract people to communism, the more extreme doctrine down the road of political ideologies. So the argument that all we are doing is furnishing money to help socialize England is not true. What we are doing is furnishing money to slow down the socialization of the great British Government. It stands to reason that without this money there would be more socialization than there is with it. That is merely plain common sense. Nobody has offered any proof thus far to the contrary.

It is my opinion, too—and it is as good as an opinion on the other side—that without our aid to Italy, during the last year particularly, it is perfectly possible that the number of seats held in the Italian Government by the Communists would have been much greater than the number actually is.

The same thing is true of France. There has been a turning point. I shudder to think what might have been the conditions there without the Marshall plan. But how gentlemen can take the position that we can, sit here and twiddle our thumbs, while all Europe is taken away, state by state, and still be more secure than we would be by resisting an attack on the western European states by an enemy country, is beyond my comprehension.

The Marshall plan may not hit the bull's eye every time; it may be possible to point out some transaction which is not altogether to my liking; it may be possible to point out some phase of it which could be held up to scrutiny, and about which it might be said, "Is not this bad?" and I should have to agree. But I am arguing the over-all general effect, and this is the way I see it: A strong western Europe, with stabilized currency, with a reasonably well-employed people, devoid of immediate wants, is a Europe that can help the United States of America financially, economically, and physically to share some of the responsibility of fighting communism and keeping world war III in check.

I do not want to look ahead for a hundred years, and I am not prophesying that far, but I am prophesying that for the 4 years contemplated by the Marshall plan western Europe will be much stronger than it would have been without the Marshall plan aid, and that, the stronger Europe is, the less need there is for the United States of America to be as strong as she would have to be if Europe were weaker. The more divisions France has, the more airplanes Britain has, the more tanks Belgium has, the more machine guns Holland has, the less we have to have here. The more men who march under the colors of the countries of western Europe, the less need there is for military training in this country, and the lower our defense expenditures will be.

Moreover, in my humble judgment, for the long pull, we ought to get back from the employment of the help given under the Marshall plan financial advantages of great worth. Once there has been achieved some degree of foundational stability in Europe and we all stand together, it will not be so necessary for us to appropriate the huge sums necessary for our own defense, as would be necessary for us to appropriate for our own defense if we were standing alone. It stands to reason, Mr. President, that if we are going to stand alone, we must make up our minds to spend many more millions of dollars for our national security, to have larger forces for national security than we now have, to impose heavier taxes on our people for our national security than are now imposed upon them. If we are going to stand

alone, we must have bigger and better everything, including taxes and restrictions on our economy, in order to support the load. To those who want to know where the money is going under the Marshall-plan appropriations, my answer is, "You will spend just as much, and more besides, if this Nation stands completely alone. You will spend $600,000,000 this year alone for universal military training; and that is merely a starter."

The testimony before our committee shows that when universal military training has been in existence for a couple of years it will probably cost $2,000,000,000 a year. That is one expense we will have to undertake if we stand alone.

We have been talking about a 70-group air force. That runs into an enormous sum of money. There is another thing we shall not be able to spread over the years if we are going to stand alone—and that is what some arguments on the floor have indicated—and that is that we must have that 70-group air force immediately; and if we have it immediately, we shall have to have higher taxes. My good friend from Maine [Mr. BREWSTER], who is a military man, I am sure will bear out that observation. In other words, while it may be said that our appropriations to aid those who might assist us in time of war are large, we will spend many times more here at home, because we will be standing by ourselves.

The position of my good friend from Indiana [Mr. CAPEHART], who does me the honor of listening to me, is this: He says he would rather have nothing to do with any of the countries of western Europe; he would rather have them bear none of the share of responsibility for keeping peace in the world; he would rather have American dollars, American boys, and American resources meet Russia by itself than to have the help of our allies in the western area of Europe——

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield to the Senator from Indiana.

Mr. CAPEHART. Mr. President, the able Senator was never more wrong in his life. I have never made any such statement. He must be wrong.

Mr. TYDINGS. Then I take it back. I had inferred from the remarks of the Senator a day or two ago that he considered all Marshall-plan expenditures very inadvisable.

Mr. CAPEHART. Mr. President, the Senator is wrong again. I did not say any such thing. All I said was—and I still stand on it, and I shall make a speech a little later in regard to it—that I felt we might well reduce Marshall-plan expenditures from $5,800,000,000 to $3,000,000,000. At no time did I say anything that the able Senator from Maryland is intimating I said. I believe, in order to keep the RECORD straight, that the able Senator from Maryland should either quote what I said, or withdraw his statement, because I am certain it is not true.

Mr. TYDINGS. Mr. President, I am very glad to have that statement of the Senator from Indiana. I take his statement at face value. If he says he said nothing of that kind, or conveyed no inference of that kind, or intended to convey no inference of that kind, I withdraw all I have said in that respect about him. But I renew the attack to say that the Senator feels that it is not a good thing to appropriate the sum requested. Am I wrong in that?

Mr. CAPEHART. I am perfectly willing to appropriate $3,000,000,000, and I shall make an effort, a little later today, to show how I arrived at the sum of $3,000,000,000. I have said repeatedly on the floor of the Senate, and I think the RECORD will bear me out, that Mr. Hoffman has done an excellent job. I think the recovery in western Europe has been splendid. My position is simply that we can reduce the amount and still get the job done. That has been my position straight through, and I do not think the RECORD will show that it has been anything other than that.

Mr. TYDINGS. Mr. President, I am certainly glad that I asked the Senator directly the question which I asked him, because he has disabused my mind of a thought I had when I listened to him a day or two ago, that he was in general opposition on the broad front to what we may call cooperation. If he says he is not in opposition to that, I am certainly glad to hear it. I am glad to know that he approves of the Marshall plan, differing only as to the amount of the contribution. I am glad to know that he is not a party to the philosophy which believes that America should stand alone and have no commitments with western Europe in the form of the Atlantic Pact and related institutions, for its own security and for its own protection.

Mr. CAPEHART. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator can yield only for a question.

Mr. TYDINGS. I yield for a question.

Mr. CAPEHART. The question is simply this: The records of ECA show that in practically every instance production in western Europe and in England has increased above prewar levels. The record also shows that as of January 29, 1949, only $2,300,000,000 of last year's appropriation had been sent. The record likewise shows that $2,700,000,000 of last year's appropriation is not to be sent. The record shows that we are now asked to appropriate $5,800,000,000. I am delighted that western Europe has had such an excellent recovery. If they have had such a fine recovery on $2,300,000,000, then if we send $2,700,000,000 more out of last year's appropriation, and appropriate $3,000,000,000 for the next year, that makes a total of $5,700,000,000, which is approximately the same amount we are asked to appropriate for next year. My position is that that is sufficient to do the job, in light of the fact that this Nation has a debt of $250,000,000,000, and will possibly have a deficit for the fiscal year ending June 30, 1950, in my personal opinion, of anywhere from $5,000,000,000 to $10,000,000,000, because in the present fiscal year we are likely to have a deficit, according to the President's statement yesterday, of from $600,000,000 to $700,000,000.

My position is that the people of western Europe are our friends, and we are their friends; and that we have been trying to help them, and I think we have done a good job, and that, as our friends, they should be willing to see our position, which is simply that we have a $257,000,000,000 debt, that we are at the present time running a deficit, and that next year, due to falling prices, we are going to have less income, and that they as well as we ourselves, should be interested in maintaining a strong economy in this Nation. That is my position. That is the basis on which I arrive at my position; I feel that it is a sound position, and I propose to offer an amendment in keeping with it. I hope I shall not lose a single friend on the floor of the Senate as a result of my position, because I believe it to be in the best interest of the United States to do what I propose, as well as in the best interest of all those we desire to help, because all of us——

The PRESIDING OFFICER. The Senator from Maryland can yield only for a question. The Chair has some obligation to the other Members of the Senate, and while not desiring to cut off any Senator, the Chair will have to enforce the rule.

Mr. CAPEHART. In view of the fact that the able Senator from Maryland brought me into this discussion originally by stating what he understood I had said, I think I am at least entitled to defend myself at this particular point in the RECORD.

Mr. TYDINGS. I am very glad, even if the Chair had to stop the statement of the Senator by enforcing the rule, to have had his remarks. I congratulate the Senator, because while I do not agree with him in toto, I think basically he is more or less in accord with the program, which means that we cannot go along forever being the great big boy who carries all of his little brothers by the hand, and that back of this program is the desire to help the little brothers from year to year to the point where they can stand alone, and then, as they become men again in the society of nations, they can help us to carry some of the burdens, financial, moral, physical, and otherwise, in keeping peace in the world and stopping communism.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. TYDINGS. I can yield only for a question.

Mr. CAPEHART. The question is, Should we, in leading these little brothers until such time as they grow up to be men, take too big a gamble so that we might likewise break our own backs in the process of leading them?

Mr. TYDINGS. I can see that some might take that view, but I think we are taking less of a gamble in what is proposed. I should like to point out in a phrase or two, using the remarks of the Senator from Indiana, why I differ slightly with him in his conclusion. The Senator has pointed out that the testimony abundantly shows that Britain has made a phenomenal industrial production recovery. I concede that, and if all the other facts which existed prior to World War I were in consonance, then the productive record of Britain would

be sufficient to enable us to say, "There, you are back in good health. Throw away these American canes and walk down the international street."

The truth of the matter is that Britain, prior to World War II, and to a greater extent before and after World War I, was a nation which never did balance its budget, which always bought more in dollars than it sold in dollars. So that even if Britain's production had risen to mountainous heights, it would not fill the void of the losses which have resulted from the cessation of the flow of income on investments overseas, an income that has come in as a result of her being the world's carrier of the water commerce of the world for many years, from her great and far-flung banking income, from her tremendously large insurance income. Britain's insurance company is among the primary insurance companies of the world. Her insurance has largely gone to pot, the banking income has gone to pot, her investment income has gone to pot, her merchant marine has likely gone to pot, so, even though her production was greater than it was before the war, there is nothing yet to take care of the other void which has appeared.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. CAPEHART. Will not the able Senator admit that we likewise have a $257,000,000,000 debt which will be left to our great great-grandsons to pay, and will not the Senator likewise agree that we have the largest peacetime budget in the history of our Nation, and will not the able Senator from Maryland likewise agree that we are now running, even this year, in the red, and that we are going to run in the red next year? Will not the able Senator agree that we went into debt to the extent of almost $200,000,000,000 as a result of World War II, with approximately a million men killed and injured, and will not the Senator admit that there should be some degree of mutuality, and that if we give the participating countries $3,000,000,000 under all the circumstances, they, as well as we, will be better off?

Mr. TYDINGS. I think the Senator has a good point, but I do not see the situation as he sees it, and I will tell him why. Let us assume he and I are both medical doctors, and have been attending a sick patient who has been through a very harrowing experience, equivalent to what England and the other countries of western Europe passed through as a result of World War II. The Senator and I meet at the bedside of the patient in this year, 1949. We take the patient's pulse, we take his blood pressure, we ask the patient to stick out his tongue, we take the blood count, and do the other things necessary to size up his condition. The Senator from Indiana says to the Senator from Maryland, "Our patient is coming along better than I believed possible." The Senator from Maryland says, "I agree with you." The Senator from Indiana then says, "I do not think he need take this medicine for more than 80 days more." The Senator from Maryland says, "Well, you know, we should guard against a relapse. We are assuming that everything during the year 1949 is going to conduce to the patient's continued recovery. It is true that he has surpassed our diagnosis up to now, but so long as we have him coming out of the slough of despond, out of his sick bed, let us keep up the treatment, just to make certain that we have not underestimated his vitality, until he can stand on his own feet beyond question, and help our taxpayers and help our soldiers, our sailors, and marines to bear some of the responsibility of meeting the onslaughts of communism, so that our own country will not have to do it all by itself, in the event this good old sick man is unable to stand with us when the emergency comes."

Mr. CAPEHART. Mr. President, will the Senator from Maryland yield?

Mr. TYDINGS. For a question.

Mr. CAPEHART. My question is this: I can certainly agree with the able Senator from Maryland that we do not want a relapse of our patient, but, by virtue of the same reasoning, does the Senator want—I certainly do not—the doctor who, in the first place, is the United States, to catch the disease which the patient has, and then have both of them on our hands, both of them in bed, both of them crippled, neither one of them able to walk, and neither of them able to help to defend the world against the communistic threat?

Mr. TYDINGS. If I were to be completely frank with the Senator from Indiana, I would assume that if we cut out the Marshall plan entirely its immediate effect upon the economy of this country would be disastrous. First of all, to take the Senator's argument, we would lose the sale of many hundreds of millions of bushels of grain. In my judgment the farmers of Indiana would ask for some sort of treatment in the form of a subsidy, perhaps, from the Treasury of the United States if we were to withdraw the purchasing power which the Marshall plan puts into the grain market, because the price would go down so precipitately that farmers would ask for a floor at some point higher than it is today.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. TYDINGS. I have not finished yet. I have only come to grain. I am going to take up some other products, but I shall yield to the Senator before I come to them. What the Senator from Indiana says in effect is that it would be a good thing for the wheat and the hog and the cattle farmers of Indiana if they lost now the market for a part of the products which are at the present time going to Great Britain.

Mr. CAPEHART. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator yield for a question?

Mr. TYDINGS. Yes, I yield.

Mr. CAPEHART. If our economy is so weak and so synthetic at the moment that it depends upon the difference between $3,000,000,000 and five and a half billion dollars, when the able Senator from Maryland admits that in 1950 or 1952 we are going to stop the Marshall-plan spending—I say if our economy is so weak at the moment, and if we are so dependent upon about $2,500,000,000 appropriations to be used in the Marshall plan, then, in all seriousness, we had better keep the five and a half billion dollars. If our economy is so weak I hate to think of what is going to happen to this Nation. I am sincere and honest in that statement.

Mr. TYDINGS. I can yield only for a question.

Mr. CAPEHART. That admission that the economy of the United States is on the way out is one of the most frank admissions I have ever heard. I simply cannot conceive of $2,500,000,000 making the difference between the success and failure of this Nation, when we have a national income of $260,000,000,000 a year.

Mr. TYDINGS. Let us take the reverse of the Senator's statement. Instead of reducing the appropriation $2,500,000,000, let us, for the sake of illustration, increase it by $2,500,000,000 and serve notice on the farmers of this country that a large proportion of the $8,000,000,000 is going to be used to buy farm products. If the Senator does not think that would be important in raising the price of American farm products, then I do not know how to add up the figures 2 and 2 to make 4.

By the same logic, those who are talking about cutting down this program being good for America may conceivably have an argument which may apply over a longer period of years. But after our farmers at the request of the Government have gone forth to raise the largest crops in history, and produce cattle and hogs in such number that our cattle and hog population is one of the largest of all time, if we were to announce that we are going to cut the Government's purchases of these agricultural products by 50 percent in order to cut down the expenses of the Government, I am sure many of the farmers of Indiana would say, "Well if that is all you have in mind, we would rather not have the cut made until we can work the surplus out of our feed lots, out of our granaries, and get down to a normal production where supply and demand will equalize, so we will not be at the mercy of those who have the money to speculate while we do not have the money to store or keep our products." That is only the agricultural part of it. That is merely one little side of the agricultural part of it.

How about the people in industry? How about all the various products which are coming from industry? I understand that in the last 2 or 3 months the unemployment figures have gone up considerably. Four labor men stopped me in the lobby today to tell me that employment has tumbled quite a little momentarily. It stands to reason that if we withdraw the effect of the purchases which come under the Marshall plan this year from the industrial market, there is bound to be more unemployment.

Mr. CAPEHART. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Indiana?

Mr. TYDINGS. Yes.

Mr. CAPEHART. The question is very simple. Are we appropriating money

now to stop communism, to promote peace in the world, or are we appropriating money in order that our own manufacturers and our own people may enjoy a certain degree of prosperity?

Mr. TYDINGS. I shall be glad to answer the question. Will the Senator allow me to answer his question?

Mr. CAPEHART. Yes; I should like to have the Senator answer the question, because it is something which is bothering many people.

Mr. TYDINGS. Without the threat of communism, without the threat of world war III, without the threat of more Russian aggression such as we have already witnessed, in my judgment we might make only a small appropriation for the aid of western Europe, which would be directed primarily to food, clothing, and shelter. That would be all. But, with the threat of communism we have had to go further. We have had to look around to the next international election.

Mr. CAPEHART. The Senator says "international election?"

Mr. TYDINGS. Just a minute. The next international election, just as the Senator from Indiana and the Senator from Maryland sometimes have to look around to the next State election. We have to size up the counties that are likely to be with us in the next election, and the counties that are likely to be against us in the next election. Just as we try to weaken the forces of our opponents while building up our own forces, so we do with Russia, that is, we take those European "counties" that are likely to be with us in the next international election, and we try to make them so strong——

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. TYDINGS. I will not yield until I have finished. We try to make them so strong that when Uncle Sam comes out of this election and all the votes are counted, we will have a majority, and we will have peace, civilization, and a perpetuity of what may reasonably be called democratic liberty.

Mr. CAPEHART. Will the Senator please answer my question as to whether we are appropriating this money to stop communism and establish peace, or whether we are appropriating this money in order to give business and our manufactures and farmers a certain degree of prosperity.

Mr. TYDINGS. I thought I had answered that question, but I shall do so in a sentence. We are doing it to stop communism and, incidentally, as the result of that effort we are able to help our own people in what might have been for certain groups such as farmers one of the most critical economic periods in the history of our country. But primarily the motivation for it, the reason for it, the sine qua non, without which there would not be any legislation, is our desire to survive vis-à-vis communism as it encroaches from the east farther and farther toward the west.

Mr. President, have I answered the question?

The PRESIDING OFFICER. The Senator from Maryland can yield only for a question.

Mr. CAPEHART. The Senator said "Yes" and "No," "but do not quote me." The Senator said "Yes, we were doing it both to stop communism"——

Mr. TYDINGS. I did not say "do not quote me."

Mr. CAPEHART. "And also to help our manufacturers."

The PRESIDING OFFICER. Just a moment. Will Senators suspend for a moment, please?

Mr. CAPEHART. My question was this——

The PRESIDING OFFICER. Will Senators suspend a moment, please? The Senator from Maryland has the floor.

Mr. TYDINGS. I yield for a question.

The PRESIDING OFFICER. The Senator from Maryland yields for a question only.

Mr. CAPEHART. My question is: Does the Senator think it is good business, does he think it is ever good business to do such a thing? I am talking now about the Senator's philosophy, or premise that we should do what he suggests in order to help our manufacturers and farmers. When we do it as we are doing, that is, giving money away to various countries, are we not in the same position as though I would give the Senator $10,000 and say to him, "Now, go out and find somebody you think might like to buy what I am making—give him the $10,000 and then give him the merchandise, too"? If the Senator wants to discuss it from an economic standpoint or a practical standpoint, that is his——

The PRESIDING OFFICER. The Chair rules that that is an argument.

Mr. TYDINGS. Mr. President, I am going to ask the Senator from Indiana the same question he asked me; and if he cannot answer it because of the parliamentary situation, I shall answer it for him.

The Senator from Indiana asked me whether I was supporting this appropriation as a means of halting communism or as a means of aiding the people of the United States. I tried to give him what I thought was a pretty honest answer. I take it that he is supporting the proposal because he is doing it primarily to aid the people of America. I am glad that I interpreted the Senator's state of mind so accurately.

Mr. CAPEHART. Mr. President——

Mr. TYDINGS. I yield for a question.

The PRESIDING OFFICER. The Senator from Maryland has been recognized to make a speech. He has no authority to ask the Senator from Indiana a question.

Mr. CAPEHART. Mr. President, in one breath the Presiding Officer says that I cannot answer, and then the able Senator from Maryland desires that I answer. What am I to do?

The PRESIDING OFFICER. Let the Chair make this statement: The Chair was indulgent in the interpretation of the rule because he thought the Senator from Maryland, in undertaking to quote the Senator from Indiana, had made a remark which gave the Senator from Indiana the privilege of answering in the form of a speech. To that extent the Chair indulged the Senator from Indiana. The Chair rules that the Senator from Indiana has fully covered his position. The Senator from Maryland may not ask the Senator from Indiana a question. The Senator from Maryland is recognized to make a speech, and for that purpose only.

Mr. TYDINGS. Mr. President, I do not want to put the Senator from Indiana in a false position. Inasmuch as he rose very promptly when I pointed the question in his direction, I think it would be only fair to assume that he is supporting this proposal not because it helps the people of the United States, but because it is directed against the spread of communism. I think that is a pretty fair interpretation. I am supporting it for both reasons; but I do not want to put the Senator from Indiana in a false position.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. TYDINGS. No; I cannot yield further. I wish to finish.

Mr. CAPEHART. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. CAPEHART. I do not understand exactly what the Senator is saying.

Mr. TYDINGS. Mr. President, that is not a point of order.

The PRESIDING OFFICER. The Chair believes that the RECORD will reflect the situation.

Mr. CAPEHART. Mr. President, I rise to a point of personal privilege.

Mr. TYDINGS. The Senator cannot rise in my time. I should be very glad if the Senator from Indiana could do so without my losing the floor; but I cannot yield to him.

Mr. WHERRY. Mr. President, I ask unanimous consent——

Mr. TYDINGS. Mr. President, I do not yield for any purpose whatever. I cannot yield for a unanimous-consent request. I will yield for a question only.

The PRESIDING OFFICER. The Senator from Maryland yields for a question only.

Mr. CAPEHART. Mr. President, will the Senator yield for a question?

Mr. TYDINGS. I yield for a question.

Mr. CAPEHART. Will the Senator restate his understanding of the position of the Senator from Indiana? It is not clear to me. The Senator's last remarks were not clear to me. I did not hear them.

Mr. TYDINGS. The Senator from Maryland will request the official reporters to furnish him at the earliest opportunity a transcript of the last question he asked the Senator from Indiana; and if the Senator from Indiana will indicate that the Senator from Maryland has unfairly assumed what the attitude of the Senator from Indiana is, the Senator from Maryland will be very glad to correct it.

Mr. CAPEHART. I did not say unfairly——

Mr. LUCAS. Mr. President——

Mr. TYDINGS. Mr. President, I cannot yield except for a question.

The PRESIDING OFFICER. The Senator from Maryland is recognized for the purpose of making a speech.

Mr. DONNELL. Mr. President——

Mr. TYDINGS. Does the Senator wish me to yield for a question?

Mr. DONNELL. Yes.

Mr. TYDINGS. I yield for a question.

Mr. DONNELL. The Senator indicated that the Marshall plan instead of furthering socialistic designs in Great Britain, has held them back.

Mr. TYDINGS. That is correct.

Mr. DONNELL. The question I desire to ask first is this: Did not the Senator himself, at page 509 of the hearings, quote from the remarks made by Mr. Mayhew, which the Senator stated were couched not in the language of a politician, but of a statesman?

Mr. TYDINGS. I did; and if the Senator had been sitting opposite me and looking at me, he would have known how to interpret that remark. Quite obviously, to anyone who is not too naive, the humor is self-evident.

Mr. DONNELL. I should like to ask this further question: The speech by Mr. Mayhew, quoted by the Senator from Maryland——

Mr. TYDINGS. In derision.

Mr. DONNELL. Is that the one beginning on page 493 of the record?

Mr. TYDINGS. Mr. President, I can yield only for a question.

Mr. DONNELL. That is a question.

Mr. TYDINGS. I do not know. I have not the book before me.

Mr. DONNELL. I have it before me; and the Senator has a copy of it before him.

The VICE PRESIDENT. The Senator from Maryland cannot yield to the Senator from Missouri to read from a book.

Mr. DONNELL. I ask the Senator from Maryland if Mr. Mayhew, a Member of the British Parliament, did not make a speech before the United Nations Economic and Social Council on February 23 of this year?

Mr. TYDINGS. My answer is that I think he did; and in order to anticipate the next question of the Senator from Missouri——

Mr. DONNELL. I have not asked it.

Mr. TYDINGS. I have the floor. The Senator will have to listen, whether he is anticipating it or not.

Mr. DONNELL. Yes; it is compulsory.

Mr. TYDINGS. The Senator is about to use the illustration of Mr. Mayhew to prove that the British would have been less socialistic without Marshall-plan aid than they have been with it.

Mr. DONNELL. Mr. President——

Mr. TYDINGS. That is what the Senator is obviously leading up to.

In the first place, I do not think Mr. Mayhew is a competent witness. In the second place, I doubt very much whether the Senator from Missouri even knows Mr. Mayhew.

Mr. DONNELL. No; I do not.

Mr. TYDINGS. In the third place, I do not believe the Senator from Missouri has ever read Mr. Mayhew's autobiography. In the fourth place, if he had, neither he nor I would take Mr. Mayhew's statement as an answer to the question which is implicit in the preliminary interrogation of the eminent and able Senator from Missouri.

Mr. DONNELL. Mr. President, the Senator from Maryland now having anticipated the question, and having made a statement about my lack of biographical research, I should like to ask him a question.

The VICE PRESIDENT. Does the Senator from Maryland yield for that purpose?

Mr. TYDINGS. I yield only for a question.

Mr. DONNELL. This is a question, if the Senator will wait. [Laughter in the galleries.]

The VICE PRESIDENT. The Senator will suspend a moment. It is against the rules of the Senate for occupants of the galleries to give vent to any expression of approval or disapproval. The Chair hopes that the occupants of the galleries will cooperate in observing the rule.

Mr. DONNELL. The first question I ask is this: If the Senator will look at the book before him, he can answer the question whether or not, at pages 493 and following in the hearings there appears an address by Christopher Mayhew, a Member of Parliament, to the United Nations Economic and Social Council on Wednesday, February 23, 1949.

Mr. TYDINGS. I accept the word of the Senator from Missouri that it is there.

Mr. DONNELL. It is. Will the Senator yield for another question?

Mr. TYDINGS. I yield for a question.

Mr. DONNELL. I do not propose to read all of this speech, I assure the Senator; but if he thinks I am merely quoting excerpts out of their context, I shall be glad to read it all.

I ask the Senator from Maryland if Mr. Mayhew did not make the following statement, among others:

ERP aid began arriving in the middle of 1948. It arrived just in time to save western Europe from a truly desperate position. It gave us a breathing space in which to renew our efforts to solve the dollar problem, by expanding exports to the Western Hemisphere, and by increasing dollar import saving production in the countries of western Europe and in other countries outside the dollar area. United States lending to other countries, though on a smaller scale, continues to assist them to meet their needs for dollar supplies.

Then did not Mr. Mayhew say this, after some intermediate portions:

Let me emphasize this point, which some may not have fully understood. The purpose of Marshall aid is to set us free from dependence on America. We have not the slightest intention of modifying our economic, our social, or our political plans in order to qualify for aid. On the contrary, we are using aid, as it comes to us, to forward those plans on which we know our particular future depends.

I ask the Senator from Maryland if Mr. Mayhew did not make the following further statement:

This means concentration on capital investment, increasing productivity, integration with Europe, strengthening the sterling area, and liberalization of our trade with the whole world.

Mr. TYDINGS. In legal terms, this is called cumulative interrogation.

Mr. DONNELL. I ask the Senator if Mr. Mayhew did not say further:

In capital investment, Britain is currently devoting one-fifth of her gross national production to the reequipment and modernization of her production resources. This is an investment of some £2,000,000,000, or $8,000,000,000, and just under one-half is new investment. More than 700 new factories have been completed since the end of the war.

Then this sentence:

Our new investment covers vast coal-modernization plans, huge steel and electric power plants, and very considerable developments in agriculture.

Did he not also state as follows:

A major element in the success which Britain has been able to achieve has been the great weight we have given in all our planning to what we may call human welfare and social progress. The years since the war have seen a great ferment of ideas and social experiment in Britain. We have set in train a great expansion of education—including technical education—a unique system of national insurance, linked with a comprehensive system of industrial injury insurance and a complete national health service, great plans for town and country planning, and a reorganization of our key industries and services under public ownership.

Then did he not further say, finally:

From what I have said, Mr. President, it is clearly time to cease talking of the recovery of Britain. We have long passed that stage. For us, the social and economic standards of the prewar years are not things to be recovered but rather things to be repudiated. Big problems still face us but we are no longer interested in recovery—but in breaking fresh ground, in terms of new social and economic experiments.

Did not the gentleman so testify; and does not that indicate to the Senator from Maryland that Mr. Mayhew, regardless of what the Senator may think of him, thought the ERP aid was highly material in furthering those programs of modernization and socialization, including coal modernization plans, developments in electric power and in agriculture, human welfare, and social progress, national health service, great public ownership plans, and town and country planning? That is my question of the Senator from Maryland. [Laughter.]

Mr. TYDINGS. Mr. President, does the Senator have his whole question in now?

Mr. DONNELL. For the present; yes.

Mr. TYDINGS. Then if the Senator from Missouri will be as patient with me as I have been while I listened to these cumulative interrogatories, I shall try to give him an answer.

First of all, I appeal to the Senator's good, old-fashioned, native-Missouri, horse-sense intelligence.

Mr. DONNELL. I thank the Senator.

Mr. TYDINGS. When I appeal to that, I know the Senator will agree that if there had been no Marshall-plan aid for Great Britain, Britain would have had a harder time to come out of her difficulties than she has had with Marshall-plan aid. I am assuming that the Senator will answer that in the affirmative.

Mr. DONNELL. I do.

The VICE PRESIDENT. A Senator who is speaking cannot command of a sitting Senator that he answer a question.

Mr. TYDINGS. Mr. President, I only requested, not an immediate reply, but that the Senator be cogitating with the good, old-fashioned, native-Missouri, horse-sense intelligence which I know he possesses.

The Senator from Missouri has already stated that without the Marshall plan, conditions in Great Britain would have been tougher than the present conditions there, which have been described by statesmen all over the world—both British, American, and those of other countries—as embracing one of the most austere programs in the history of mankind; and the British people have been described as embracing that program with a degree of patience, tolerance, and forbearance which has challenged the admiration of the world. It stands to reason that if it had not been for the Marshall-plan money, it would have been necessary from the British point of view to have carried the socialization faster and in a more widespread pattern than actually was necessary, inasmuch as many of the hardships were alleviated.

But finally to come back to the main premise of the Senator from Missouri and the main thing he wishes to know: If Mr. Mayhew, being a witness, had furnished testimony which had been decisive, so as to cause us to cut off at this good instant all Marshall-plan money which either has now been pledged and expended or has been pledged but is unexpended, and thus to serve notice upon the British people that, "Beginning on April 1, 1949, you shall not receive another pound of wheat, another pound of flour, another pound of meat, another piece of machinery"; and if a great many British people knew that that decision and the loss of Marshall-plan aid was due to Mr. Mayhew's testimony, if he were to return to Great Britain, notwithstanding their long reputation for law and order and having resort to the processes of the courts, they would meet Mr. Mayhew at the pier with one of the biggest lynching parties ever held in that or any other country; and I am constrained to believe that Mr. Mayhew would take part in his own lynching, so outraged would he be, if such action terminating our aid to Britain under the Marshall plan were to occur.

The Senator from Missouri knows that in our own country, need is 90 percent of the urge for socialized programs, regardless of whether he or I agree with them. I am sure he will agree that all over the world the drive toward socialism has had its mainspring in hardship, need, wrong, and injustice, in many cases. So the greater the need, the greater the injustice, the greater the hardship, the more accurate it is to say that socialism moves along at an accelerated pace.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

Mr. TYDINGS. Yes; provided it is not more than 550 words long. [Laughter.]

Mr. DONNELL. I shall make it within that limit.

Mr. President, the question I ask the Senator from Maryland is this: Will he be kind enough to answer the previous question, which was this: Did not Mr. Mayhew, a Member of Parliament, in the language which I read, clearly indicate that, whether mistaken or not, it was his opinion that the relief by ERP had furthered and advanced the socialistic designs and progress of Great Britain?

Mr. TYDINGS. Mr. Mayhew may have said that, but that does not make it so, because the Senator from Maryland, for example, takes issue with him. It is simply human nature, as I have tried to focus the good, hard, common-horse-sense of the Senator from Missouri on the problem, that if there had not been any World War II, there would not have been any socialized program in Great Britain. Out of the hardships of that circumstance that socialized program has developed; and to the extent that our aid has alleviated those hardships, the less socialism will take place.

To prove my point again, let me say that one of the greatest deterrents, as the Senator from Missouri knows, to the inroads of socialism in Italy was the aid furnished by the United States; and one of the most effective measures in restricting the growth of socialism and communism in France was the aid coming from America; and one of the greatest restrictions upon the growth of socialism or communism, if you please, in Britain has been the economic aid we have furnished.

The Senator from Missouri, I believe, voted last year for the Marshall plan.

Mr. DONNELL. May I interrupt?

Mr. TYDINGS. I do not know that he did.

Mr. DONNELL. May I state——

Mr. TYDINGS. I cannot yield, except for a question.

Mr. DONNELL. Mr. President, is there unanimous consent that I may answer?

The VICE PRESIDENT. There is none as yet.

Mr. DONNELL. Then I ask unanimous consent that I may. My answer will be very brief. It arouses a very sad memory, but I should like to state this——

Mr. TYDINGS. I can yield only for a question.

Mr. DONNELL. I ask unanimous consent that inasmuch as the inquiry has been propounded to me, I may state the answer to it.

Mr. TYDINGS. Will the Senator limit his reply to 1 minute?

Mr. DONNELL. Well, Mr. President——

. Mr. TYDINGS. The Senator certainly can state "Yes" or "No" in 1 minute.

Mr. DONNELL. The question cannot be answered simply "Yes" or "No." I shall have to state this, Mr. President: As I have previously stated, I was called to Missouri by reason of the death of my mother, which occurred on March 9 of last year. On the way back, I stopped for 1 day in St. Louis. Consequently I was not here at the time when the vote was taken on the Marshall plan. But I telephoned from Webster Groves, Mo., where my daughter has her home, to the effect that were I here, I should vote for ERP; and that is the way the matter is recorded in the CONGRESSIONAL RECORD.

Mr. TYDINGS. Then the Senator has been at least an indirect party for 1 year to the spread of socialism in England.

Mr. DONNELL. Mr. President, may I ask the Senator to yield?

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from Missouri for a question?

Mr. TYDINGS. I yield for a question.

Mr. DONNELL. Did not the Senator from Maryland understand that the question which I asked of him a few minutes ago, in which I quoted so extensively from Mr. Mayhew, was in substance designed to bring out the fact that, although the Senator from Maryland, in whose judgment and ability I have great confidence, as he knows, expressed the view that the ERP aid from this country had not furthered socialism in Britain, yet there is at least one man, namely, a member of Parliament, who has made those statements to the United Nations Economic and Social Council, who disagrees with the learned Senator from Maryland? Is not that correct?

Mr. TYDINGS. I think Mr. Mayhew's statement is probably subject to a different interpretation from that which the Senator from Missouri puts on it. But I would say that so far as the naked language at first blush is concerned, it does seem to support the interrogation by the Senator from Missouri.

Mr. DONNELL. I thank the Senator.

Mr. TYDINGS. But I do not believe that the facts in the case warrant reaching the conclusion which Mr. Mayhew reaches.

Mr. DONNELL and Mr. McMAHON addressed the Chair.

Mr. DONNELL. Mr. President, will the Senator yield for just one final question?

The VICE PRESIDENT. Does the Senator from Maryland yield; and if so, to whom?

Mr. TYDINGS. I yield first to the Senator from Missouri.

Mr. DONNELL. I appreciate very much the Senator's patience and the frankness of his last response, which I know is characteristic of him. I do not limit it to his last response, for the Senator's responses have been perfectly frank throughout. The Senator himself has called attention to certain language of Mr. Mayhew's, without as I see it in any sense stating anything against Mr. Mayhew.

May I ask the Senator to state whether, on page 510 of the hearings, near the middle of the page, the chairman of the Foreign Relations Committee [Mr. CONNALLY] did not say this:

> The CHAIRMAN. May I make just one observation? I may be in error; it is largely speculation. From the reading of Mr. Mayhew's address, it occurs to me that he wanted to acknowledge that the aid that had been already given them had put them in a fair way. He was talking over the heads of some of them to the labor government and to the radicals who were pressing for more nationalization: "Just keep your hats on, now. We are going to have nationalization, and more of it, because we are in fine shape toward recovery," and so on and so forth.

Did not the Senator from Texas [Mr. CONNALLY] so state?

Mr. TYDINGS. I would say to the Senator from Missouri that he has read the record accurately. But if I might interpret that, too, I should say that I think Mr. Mayhew, being one of the species of human beings, the genus to which the Senator from Missouri and the Senator from Maryland belong, who walk on two legs and depend in large part upon the support of people living in a local community for their prestige and position, Mr. Mayhew was making that speech for publication back in Britain to those who put him in power, more than he was making it for any purposes within the United States of America. I say that merely because I do not want to pick out Mr. Mayhew and put him in a class that is different from all the other statesmen who have trod the halls of legislation through time immemorial.

Mr. DONNELL. I thank the Senator for permitting me to propound that final question.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield to the Senator from Connecticut for a question.

Mr. McMAHON. Would the Senator from Maryland undertake to write the policy of this country on the basis of speeches made by certain of the Senators and by certain Members of the House of Representatives, who might travel around the earth and find occasion to express their individual impressions of the world situation?

Mr. TYDINGS. I certainly would not want to be compelled to adopt all that has been said by them.

Mr. BREWSTER and Mr. PEPPER addressed the Chair.

The VICE PRESIDENT. Does the Senator from Maryland yield; and if so, to whom?

Mr. TYDINGS. I should prefer that Senators would not ask me to yield further. If I yield to one, there are three other Senators desiring me to yield to them. I desire to conclude. There are other Senators who want to speak.

The VICE PRESIDENT. The Senator declines to yield.

Mr. TYDINGS. I am afraid if I continue yielding, my remarks will grow to such a length that I shall preclude other Senators from having an opportunity of speaking today. So I shall conclude, Mr. President.

The VICE PRESIDENT. The Senator from Maryland declines to yield.

Mr. TYDINGS. I shall conclude with these observations: Let us look backward for a moment, in dead seriousness, for none of us has a patent on tearing the veil from the future. As Patrick Henry said, "I know of no way of judging the future but by the past." If we will judge a little from the past, I think it will aid us in charting a course for the future. It is easy to look backward after something has happened and say what should have been done. If we had known 3 years before it happened that Pearl Harbor would be attacked on December 7, 1941, the course in this body would have been different. We would have been a stronger country. We would have been more united. We would have had to meet the enemy things which we never had. In the last analysis, we would not have had the defeat at Pearl Harbor. But we did not know. We did not give our country in all respects that degree of support to which the facts of life should have entitled them.

What happened in World War II. First Austria, then Poland, then Holland, then Belgium, and then France fell. Then there was Russia. And so the pattern went, country after country. As the plan unfolds, after having pursued a course of error twice before, costing our country billions of dollars and hundreds of thousands of precious human lives, we this time are trying to take from the lessons of the past the knowledge and the teachings of our error and apply them to the present and the future.

As this plan unfolds, the first thing is to try to build up countries that are like-minded with our own, having a common system of government with ours, having certain reservoirs of freedom similar to ours, so they can stand on their own feet, have a stable currency, a reasonably satisfied people, and a satisfactory standard of living, so that they will be so strong economically that the blandishments of new ideas and new ideologies will not be able to win them away from the orbit of liberty and of democratic institutions and free enterprise and all the other traditions we hold dear. That is my first point.

The second thing is this time to profit by the errors of the past. This time we are going to put the democratic world community behind a good strong iron fence. That fence is called the North Atlantic Pact. It is not built for attack, it is not built for conquest, it is not built for aggression. The whole purpose and philosophy of erecting that fence is to protect civilization, world civilization, I should say, and the democracy and the free institutions we love and cherish. We are trying to do that so that in the coming emergency no one nation can be singled out without inviting attack from all the others on the aggressor nation.

To me it makes sense. To some Senators it seems to be a danger. They say, "We will be stronger to let the world go hang. We will be stronger to stand here by ourselves, to have nothing to do with Britain or Denmark or Norway or Holland or Belgium or France. Let them stew in their own juice. Let them go communistic. Let them ally themselves with whomever they want. Let them make more agreements with Russia. That does not concern us. We will simply stand here by ourselves, and allow ourselves eventually to be surrounded by world communism. What of it? We will be better off."

It is a little difficult for me to adhere to that belief. I say, looking back over history, that those people gave us our Anglo-Saxon civilization, our form of government, and our present-day liberties, to a large extent. England, Scotland, Wales, Ireland, Holland, Belgium, Denmark, Norway are the whole warp and woof of these United States. They are our forefathers. They have our form of government; they think as we do; they are democracies, as we are; they fear communism as we do; they have less to offer than have we. We have said to them, "Come and join with us, and if you promise you will stand ready to fight when any one of us is attacked, we too will promise to stand ready to fight. If we do, we shall command over half the world's industrial plant, we shall command over half the world's natural resources, we shall command over half the world's wealth, we shall have as many people in our orbit as Russia will have in hers, eliminating Asia. Our people are a strong people. We have fought side by side in two recent wars. We know, by the bond of blood and sacrifice, that your ideals and ours are things we hold in common."

Mr. President, that is the policy of this administration, and I thank God that it is. I give it my wholehearted support, because the alternative is unthinkable.

A day or two ago, in a colloquy with an eminent Senator, there was taken, as an example, the fact that country X might be attacked by another country after the North Atlantic Pact had gone into existence, and that under that pact we might have to go to war instantly. Whether we went to war instantly or eventually, suppose we definitely had to go to war anyway, as we have done twice in the past. If we went to war instantly we would probably shorten the war, save lives, treasure, and a great national debt. We are assuming, too, that the next war will be like the other one. What an erroneous assumption that is. There will be no battle front in the next war, no place where men dig trenches in the ground and oppose each other, no place where the artillery shoots at the opposing army. The battle front will be every city in every nation that is engaged in the war. In this country the battle front will be Baltimore, St. Louis, Chicago, New York, Boston, and the countries of western Europe—men, women, and children. Already we have had an illustration of it in Nagasaki and Hiroshima, two cities in Japan, where a bomb on each one practically wiped out the entire population.

Mr. President, we need the countries in western Europe. We need them in peace and we need them in war.

Let me give another illustration before I come to the paths of peace in which we need them. If they were allied with us and could delay an attacking enemy for only a month, in this day when we can fly the ocean in a mere matter of hours, in this day of the atomic bomb, in this day of the guided missile, a month is almost the difference between survival and extinction, modern weapons being what they are. Never again will this country or the world have the luxury of time in which to get ready for the great scientific blood-letting that will come in the wake of world war III, if it shall come. The time to fight that war is now, by amassing the forces of democracy, the military forces, the financial forces, the spiritual forces, the natural resources, in a way so strong that no country on God's earth will dare to attack, because an attack on one is an attack on all, and such an avalanche of might and strength will

be brought down upon the aggressor as will give him pause.

Therefore, I say the Marshall recovery plan is wise from a military standpoint. It is wise from the standpoint of building up the strength of the democracies as a preparedness measure against world war III. But it is also good as a peace measure.

Many people are talking about the future of the United States. Let us suppose that no country on earth bought one article manufactured here, or one product grown on our farms. Let us suppose we had no customers outside the United States. Then we should have to rearrange our economy. It is true that only a small percentage of our total production of farm and factory is sold outside the United States, but that small percentage is mountainous in its effect upon the over-all economy, the velocity of trade, the economic strength of our country, and the employment of our people. We must make up our minds that we can never sell to Great Britain, to France, or to any of the other countries in western Europe unless they can also sell to us. We cannot have one-way trade. The farmer must take his eggs—to use an everyday illustration—into town and sell them for dollars in order to get the dollars he needs to go into the store next door and buy for himself a pair of shoes. He cannot purchase the shoes until he sells his eggs. The British people cannot buy our products until they are in a position to produce something which they can sell to us or to other world customers, and thereby get the money to buy the things which we have in superabundance.

It is a belief of mine, and I think it is supported by most of the economists in the world, that the great need of a prosperous world is velocity in trade as well as volume in trade. The more countries that are able to produce and sell goods, the greater the volume, the greater the velocity of trade; and in the wake of the velocity of trade comes a quickening of transportation, a quickening of communication, more banking business, more insurance business, more repairs, more agencies, more offices, more homes, more prosperity. A prosperous England will do more to make the United States prosperous than will a poor England. Create a whole world outside of the United States into one great, prosperous community, and the United States will be prosperous beyond the dreams of men. But put beyond our borders a world which is impoverished, without trade, without productivity, without means to get the wealth to buy the things we produce, and our prosperity will correspondingly decline.

Therefore, Mr. President, we need the Marshall plan, because every dollar we spend on it will be bread cast upon the waters. Revive the world, get it moving again, and increase the velocity with which money and goods find their way into other countries, and it means dollars and cents in the pockets of the people of the United States.

I can see no greater incentive to a great depression in the United States of America than would be an impoverished world outside of our own country. If it should remain impoverished, the doom of this Nation, to a large extent, is sealed, for then, and then truly, not only would we find in the back-wash of that economic circumstance the end of our own high standard of living, our own prosperity, but such a world would embrace communism very rapidly, because, as we all agree, communism grows and thrives on want, misery, and deprivation.

Therefore I see in this program, not money going out to aid the British, not money going out to aid the French, not charity for taking care of the poor, the victims of the recent great world catastrophe. I see money going forth in the self-interest of the people of the United States. I see our own security strengthened by strengthening the vitality of the people of western European countries. They have been our allies before in great wars, and I like to think and believe they will be our allies in any future war.

I see a lessening eventually in the burden of taxation, through the western European countries reaching a higher economic level than they otherwise would. I see in that a possible opportunity for us to reduce our own expenses, because without a strong western Europe we will have to have universal military training, if we are to stand alone. We will have to have a 70-group air force, and get it quickly. We will have to spend more money if we stand alone in this world, in its present state. We will have to have allies, or everyone of our citizens will have to be a part of the National Defense Establishment. That is plain common sense.

I would rather spend $20,000,000,000 to help the Marshall program now than to spend four or five hundred billion or possibly a trillion dollars on world war III.

The pending proposal presents one of the best opportunities, through the strengthening of the participating countries quickly, spiritually, and eventually, through alliance, militarily, to serve notice on the world that the day of world wars is over, that united we stand, and, God willing, no aggressor will ever start again picking off one nation at a time, as Japan did in the Orient, as Germany did in Europe, and as Italy did in Europe and Africa. The next time they will take us all on at once, and we will say, "You had better watch out. You cannot defeat us all. Get that in your minds, and be a good boy and don't start a war. If you want to play fair we will play with you, but if you start a war, what we will do to you, combined and acting as a unit, you already know, so don't make any mistake about it."

Therefore I say the Marshall plan is an element in stopping world war III away back before it breaks out. It is preparedness for our own country. It is saving us money which we would otherwise have to spend now for our own national defense. I say to my colleagues that if we stood alone, with the whole world arrayed against us, I would not be satisfied with the present defenses of the United States of America.

Mr. MORSE. Mr. President, will the Senator from Maryland yield?

Mr. TYDINGS. I yield.

Mr. MORSE. As a colleague of the Senator on the Armed Services Committee I find myself in agreement with the general thesis of his remarks, and I ask him this question: In his opinion will there not be a much greater need for the adoption of such a defense program as universal military training, in the absence of the approval of the ECA program, than with it?

Mr. TYDINGS. There can be no question in the world about it. We on the Armed Services Committee, many of us, at least, have weighed whether or not it is better to do things as we are doing them on the floor of the Senate today, or to take the money and spend it for our own national defense. The Senator from Oregon and I have been privileged to hear in certain secluded places strategy at the highest possible level, and it does not present a pretty picture. At the rate the world is moving ahead in the field of science and invention, with the things we already know, which have been told to us, and what we can reasonably imagine by the slightest stretch of our imagination, there could be no more unfortunate circumstance from the standpoint of preserving the democracy and the civilization of the world than to have the countries of western Europe turn their backs on us and look to the East, as they make one alliance after another with Soviet Russia, until we stand all alone.

Mr. President, I am not making this address because I am a Democrat; I am not making it to help the administration. The Senator from Ohio is perfectly correct when he says the amount of money involved is huge. He is perfectly right in wanting to save every dollar he feels can be saved without hurting the enterprise. I am not quarreling with that attitude. I hope that if there is to be a reduction it will be brought about in the Committee on Appropriations, and if a good case is made out there that the fund can be reduced in the light of the circumstances as they exist, then we should support such a reduction on the floor of the Senate. There is nothing sacrosanct about it. But we have already taken testimony once in regard to this matter, and as the situation is today, we think this authorization should go through without reduction. That is our opinion, and we are united about it. As I remember, we are practically a unit, if not a unit.

After the Committee on Appropriations has all the facts so as to bring the situation down to date, if they think the appropriation will stand a 2- or a 5-percent reduction, or more, that is a matter we should consider. I am not debating that today.

What astounds me is that some of my colleagues, who I know are acting in the best of faith, are assuming that in authorizing the appropriation of this money we are motivated because we want to do something only for Great Britain or France or Holland or Belgium. I have not $5,500,000,000 worth of charity in me today to lead me to vote out of the pockets of the American people money for these countries. I am voting in self-interest, to prevent a larger bill falling

upon the people of the United States as a part of our defense, as a part of building our outposts, as a part of strengthening our line far beyond the United States, because the great oceans which have protected us, and over which the enemy could not come, are only theoretical now, they are only little streams. The airplane goes over them as if they did not exist. Therefore we are dealing with an entirely new situation.

While I hope I am actuated to some degree by the humanities which are implicit in this appropriation, I could not vote for it if I did not believe that in the last analysis it is not only good for the world, but extraordinarily good for the United States of America.

I should like to recall—and hope I am not violating any confidence—one little incident of World War II. We used to read in the newspapers, somewhat in mystification at first, about the bombs which were shot from the European Continent and directed primarily at London. When we first read about them, knowing that those bombs were coming from a distance of 75 to 100 miles, and that our greatest naval guns would shoot only 20 or 25 miles, we used to say to ourselves, "There is some trick about this. There must be an airplane up high, which no one can see, that drops these bombs. The enemy could not shoot those things from 100 miles away." Yet, we had to adjust our thinking to the fact that artillery—for a guided missile is largely a piece of artillery—had leaped ahead four times the known range of artillery up to the time when World War II broke out. When we finally did come upon the fields and the dugouts in Germany where these things were manufactured, we found in the arsenals a great many of them capable of flying 200 miles, not 80, and data showing what the Germans hoped to accomplish in the eventual future.

Mr. President, I have nothing to support the brash statement I am about to make. It is only my own idea. I do not know how far in the future the day is—perhaps it will never come, and perhaps I am merely a Jules Verne—but if I am given a normal lifetime, I expect to live to see the day when a guided missile will go from one shore to another across the Atlantic Ocean. Do Senators call me a dreamer? Yes; call me that.

I remember when General Marshall came before the Appropriations Committee and asked us to give him $1,000,000,000 and said he did not want anyone to ask him what it was for. We gave him the $1,000,000,000. Years afterwards we learned it was for the atomic bomb. Had he told us he was going to spend this money on atomic fission, on continuing with experiments which many scientists had conducted, we laymen might have said, "General, do you not think you had better buy some tanks and airplanes with that billion dollars?" But one day the war was over, almost that quick, after two bombs had fallen on two great Japanese cities.

When we talk about the aviation we had in the last war, how fast the planes flew, what they accomplished, and so on, we are talking about something of the past. This world has had a complete metamorphosis since that time.

In 1946 I was seated at a table in Japan with General MacArthur. There were air officers there, fine, wonderful men, great heroes, General Kenney, General Whitehead, and others, men who had flown the Pacific, men who had guided air squadrons and destroyed the enemy. Here were these wonderful generals who had been engaged in so many desperate encounters all sitting around the table talking about the great air arm. They discussed what it had done in the war. General MacArthur was silent. He had nothing to say. My eyes were as big as oranges. I was drinking it all in. "Yes," they said, "we were at such and such a place, and here we were carrying on, and did so-and-so, and at another place we did so-and-so." MacArthur nodded his head. "Ah," one of these great generals said, "there is no use talking, the air arm is coming into its own." General MacArthur looked up from his plate and said, "Gentlemen, you are talking about a weapon that will probably be obsolete when the next war breaks out."

Mr. President, what he said is true. Given enough time, these men who are talking and thinking in the realms of the cosmos, who already have confounded all our assertions that they could not do it, are working on ways and means that none of us can clearly discern to exterminate, if necessary, our enemies.

So Mr. President, in the name of national defense, I ask that the authorization for the appropriation be adopted, so that these allies of ours may be strengthened and may be brought up to the point where they will be self-supporting, so that eventually they may share with us some of the burdens of blood, of physical contribution, of natural resources, of money, of wealth, to help keep the peace and order of this world, for otherwise, if they remain poor and weak, we are likely to have to carry them all ourselves, with all that means.

Mr. President, I ask that the amendment be voted down, and after the Appropriations Committee has gone over the matter, if they feel that a 5-percent or a 10-percent reduction is possible, let them bring the bill on the floor and if they make out a good case I shall want to support it. We should not give a dollar that is not necessary to complete this picture. But let us have a thorough examination of it first.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT] for himself and the Senator from Georgia [Mr. RUSSELL], on page 5, lines 14 and 16.

Mr. VANDENBERG obtained the floor.

Mr. WHERRY. Mr. President, I do not want to be presumptuous, but since the senior Senator from Michigan is about to speak, I wonder if he would yield to me to suggest the absence of a quorum.

The VICE PRESIDENT. Technically the Senator from Michigan cannot yield for that purpose. The Senator from Michigan may surrender the floor temporarily, and the Senator from Nebraska may make the suggestion.

Mr. WHERRY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hill	Morse
Bricker	Hoey	Mundt
Capehart	Humphrey	Murray
Chapman	Ives	Neely
Chavez	Jenner	Russell
Connally	Johnson, Tex.	Saltonstall
Donnell	Johnston, S. C.	Sparkman
Douglas	Kem	Taft
Eastland	Kilgore	Taylor
Ellender	Knowland	Thomas, Utah
Ferguson	Langer	Thye
Fulbright	Long	Tydings
Gillette	Lucas	Vandenberg
Green	McCarthy	Wherry
Gurney	McClellan	Williams
Hayden	McMahon	Withers
Hendrickson	Martin	Young
Hickenlooper	Maybank	

The VICE PRESIDENT. Fifty-three Senators having answered to their names, a quorum is present.

Mr. VANDENBERG. Mr. President, I think it is an understatement that the general issue involved in the pending bill has been adequately discussed. I wish to bring the debate back, if I can, to the immediately pending amendment. If I can, I wish to do it with a brevity which may precipitate the business of starting to vote as soon as possible. Therefore, since I wish to achieve this latter result particularly, I ask that I be permitted to proceed without interruption, so that I may be sure of not detaining the Senate more than 10 or 12 minutes.

Mr. President, I am always reluctant to disagree with my distinguished friend from Ohio [Mr. TAFT]. I wholly recognize the good faith and able judgment which inspire his proposal, the pending amendment, and the kindred proposals of others.

But in this instance it seems to me that all the equities, all the logic, and all the prudence—I underline the word "prudence"—argue in favor of sending this authorization to the Appropriations Committee in the form recommended by the Foreign Relations Committee, and not in the truncated form in which it would be if the amendment of the Senator from Ohio were adopted.

Let us never forget that, in the final analysis, we here deal with our own national security. Let us never forget that we here deal with an instrumentality of peace which is proving—I repeat, proving—to be the greatest stimulus to independent peoples to grow in their capacity to resist aggression. It is difficult to put any price tag on such an enterprise—although the Soviets have done so for us by their relentless and often hysterical opposition to ECA. I am simply undertaking, Mr. President, to say that we must proceed with solemn care and with maximum precaution when we legislate in this area. It is solely in respect to this question of procedure that I make this brief appeal.

The Foreign Relations Committee very frankly said that it felt that some readjustment in the ECA figures might prove to be justified by changed conditions as demonstrated by intervening events since the estimates were originally prepared. We held open the ultimate appropriation and urged a new and independent scrutiny by the Appropriations Committee as a basis for ultimate and final Senate action.

But I respectfully submit, Mr. President, that this scrutiny by the Appropriations Committee can be neither free nor open if it is prejudiced and circumscribed in advance as proposed by the pending amendment. We of the Senate Foreign Relations Committee have specifically asserted that we do not consider this authorization figure to be automatically "the last word". Indeed, I shall be surprised if ECA itself does not volunteer some changes resulting from changed conditions since the early winter when these figures were made.

I respectfully submit that this candid procedure deserves the Senate's cooperation. The authorization as written in the pending bill, represents the minimums which the ECA believed essential to successful self-help rehabilitation during the second year of the Marshall plan, after a first year which undeniably worked miracles in the winning of what has come to be known as the cold war. In support of the painstaking figures submitted by ECA, let it be said that it is generally conceded that ECA has superlative management which is faithfully reflecting the intentions and attitudes of Congress. Its figures are entitled to comparable respect. It must be conceded that ECA clearly demonstrated that its figures have been scrupulously and expertly screened, and that the figures had already taken heavy cutbacks before they were submitted to our committee. It would be absurd to say the ECA figures are infallible. But it would be equally absurd to say that they do not represent the best advice available to the Senate.

I respectfully submit—I earnestly urge—that ECA has earned the right to this full authorization, in the first instance—and that is all I am talking about at the moment—as the basis for study by the Appropriations Committee. Otherwise an orderly study by the Appropriations Committee is impossible.

I remind Senators that there have been no committee hearings whatever on this amendment or on any of the other proposed horizontal reductions. There has been no committee study of its effects. There has been no opportunity for ECA itself to present its considered opinion as to what a horizontal cut of this magnitude would do to the objectives which this legislation seeks to serve. I spoke a few moments ago about the solemnity of our approaching decision. Surely it is much too solemn to admit of quick judgments on the Senate floor in respect to the very lifeblood of this enterprise.

I submit, Mr. President, that the Appropriations Committee itself is entitled to—and indeed requires—this full original authorization if it is to have a free and adequate chance to give intelligent attention to the problem which ECA will present to it. Otherwise the entire ECA concept is thrown out of gear ahead of time and the Appropriations Committee has no rational take-off point from which to proceed with its analysis, and has left no basic pattern with which to deal. The result is that ECA is asked, at the very outset, to defend what it would believe to be an indefensibly crippled and incompetent budget. Even though this new and independent audit by the Appropriations Committee might result in a conviction that the total, arbitrary cut proposed by the pending amendment is unjustified—as a matter of sound national economy and security—the committee would be powerless to register this judgment. I submit that we want the unhampered judgment of the Appropriations Committee.

The figures in this authorization are not set figures. They represent a ceiling. We are not asked to authorize $5,430,000,000 for the next 15 months. We are asked to authorize not to exceed this amount—which, by the way, is $1,370,000,000 less than ECA asked for its first 15 months. "Not to exceed." Those are words of latitude. They could even describe the figures proposed by the distinguished Senator from Ohio—or any of the other pending amendments.

Now let me say, Mr. President, that I fully agree with Senators who argue that we dare not overcommit our resources. A solvent government, under livable taxes, is our first and indispensable contribution to the hopes of our own people and the people of the world for peace with justice. I shall never consciously violate that principle. In pursuit of this objective, my able friend from Ohio commendably says he intends to apply this same sort of a flat percentage reduction generally to other appropriation bills. I submit that even if such a formula shall, by some happy miracle, be universally applied, its application to ECA ought to be in the same place where it is applied to every other appropriation, which is in the Appropriations Committee itself. Otherwise, it may get a double dose which not even my distinguished friend would approve.

Let me be entirely frank about my own attitude at this point. I have said that I am opposed to arbitrary, horizontal reductions, unrelated to specific realities, in this ECA budget for the next 15 months. That will continue to be my position. But if I should be confronted with actual reductions in other appropriations, comparable to what is proposed by the pending ECA amendment, I must confess that I should find it far more difficult to make my case. Therefore, I submit that even those who may be inclined to sympathize with the pending amendment will find themselves on far firmer ground if they deal with the ultimate appropriation rather than with this authorization.

I have been asked whether the ultimate total of all foreign-aid bills some of which have not yet even been presented—does not have a definite bearing on the amounts which we can safely and wisely assign to each of the segments. My answer is "Yes." But my answer also is that we have no effective way to deal with this over-all problem at the moment here. Clearly the place to deal with it is in the clearing house for all these bills, namely, in the Appropriations Committee.

Mr. President, so far as I am personally concerned, I make no sort of advance commitment that I shall agree with the findings of the Appropriations Committee. But I urge and I welcome its independent scrutiny of ECA on a basis which allows it a full, free, fair field of action. Serious consideration must be given to the ultimate recommendations of the Senate Appropriations committee, and it certainly will have that consideration from me. I frankly assert that the pending authorization is not untouchable when measured in appropriations, although, in my opinion, it starts with preponderant presumptions in its favor.

I ask my colleagues, Mr. President, to give themselves the advantage of an unhampered double-check through the Appropriations Committee before they determine the ECA appropriation. I ask them to give themselves this protection against error. I ask them to give ECA a fair chance to justify its own persuasive mathematics before this new jury. I ask it because I believe that ECA's able administrators have earned this consideration in return for the splendid and obviously effective job they have thus far done; and because the cost of ECA, if it successfully completes the task it has so ably started, is, even at the full authorization asked, infinitely less than the cost to us if this great western European objective limps or falters or fails.

Mr. President, I hope the pending amendment will be defeated.

Mr. MORSE. Mr. President, I wish to make brief comments on two matters in connection with the pending legislation. In order to keep them brief, I shall not yield until I finish my main remarks.

First, I wish to address myself, Mr. President, to the so-called guaranty-clause amendment which has been reported by the committee. In examining the ECA bill as reported from the Foreign Relations Committee, I am impressed with what I consider to be the meaningless character of the proposed amendments to section 111 (b) (3) as set out on page 3 of the bill. It is impossible for me to believe that these amendments proposed by ECA and approved in good faith by the Foreign Relations Committee were intended to help the guaranty clause accomplish its original purpose of providing an avenue for greater participation of private enterprise through the extension of American techniques and know-how of production to the problem of European industrial recovery—giving the impression, Mr. President, that guarantees may still be issued up to the $300,000,000. But I have ascertained that this is not true, and any Member of the Senate can ascertain that it is not true if he will take the time to read the hearings on this issue that have already taken place before the House. I want to make perfectly clear at this point in my remarks, the purpose of this speech, as far as the legislative record is concerned on the legislation pending before us. It is to be noted that the junior Senator from Oregon is not himself offering any amendments on this point, for what I consider to be good and sufficient reasons from a parliamentary standpoint, because the amendments I favor are already in the House version of the bill. The amendments that I favor have had an adequate hearing on the House side and have been adopted by the House.

In checking through the hearings on the Senate side, I have satisfied myself that adequate consideration of this very important problem has not been given by the Senate committee. I am satisfied also that in view of the lateness of the hour and the pressure for a vote, any proposal on the part of the Senator from Oregon for the adoption in the Senate of the amendments which have already been adopted in the House might result in the defeat of those amendments in the Senate, because I do not believe that it is reasonable to expect the Senate at this late hour to give the kind of consideration that was given to this very important issue on the House side. But this matter is going to conference, Mr. President, and I do not want the record on the Senate side to close with even a presumption that the recommendation of the committee has received anywhere near unanimous support in the Senate. I am satisfied that I speak here today not only for myself but for a considerable group of Senators who believe that this section of the Senate report is not satisfactory, whereas the corresponding handling of the issue on the House side is satisfactory. I hope the protest I am making here this afternoon to the Senate committee's handling of the problem will be of help when the matter goes to conference. I hope that on this issue the conference report will adopt the action taken by the House and reject the Senate committee's recommendation.

The amendment of the Senate committee starts by saying that the guaranties "shall not exceed $300,000,000," giving the impression that guaranties may still be issued up to $300,000,000, but I have ascertained that this is not true. Only $27,700,000 of this sum is committed for guaranties, and none of the balance of the $300,000,000 is available. This is due to the fact that what we authorized for guaranties was to be deducted from a $1,000,000,000 loan fund for participating countries. Very naturally the participating countries were reluctant to approve guaranties if they constituted a deduction from their lines of credit. And, of course, that is the position we ought to expect them to take today, if the deduction was to be from their lines of credit. The $1,000,000,000 loan fund was fully committed, except for $27,700,000 which ECA appears to have reserved for guaranties.

The proposed amendment perpetuates this competition between guaranties and loans by a further statement which is completely misleading to the Members of the Senate unfamiliar with this clause. The amendment says that—

> After the amount of notes sold for the purpose of extending assistance on credit terms (i. e., loans to participating countries) * * * and the amount of guaranties made reach in the aggregate $1,000,000,000, any further guaranty * * * shall create an obligation against funds appropriated * * * (i. e., grants to participating countries) (p. 3, line 17).

The language is really quite deceptive in that it would lead one to think that there is a possibility of getting guaranties under this amendment, whereas in truth and in fact there is no such possibility. It was fatal to the guaranties to be placed in competition with participating countries for the $1,000,000,000 line of credit, and now this amendment not only perpetuates that error of the original act but adds a further and even more fatal competition with funds granted to participating countries. If a participating country would not approve a guaranty because it might reduce its allocation of credit from the $1,000,000,000 loan authorization, there would be no chance at all for securing approval of a guaranty which would not in any way or to any extent diminish that country's allocation of funds granted from ECA.

Furthermore, it has not been made clear by testimony or otherwise that guaranties in the amount of $27,700,000 plus the allocation of credits has already exhausted the $1,000,000,000 limit so that any guaranty in the future would have to come out of grants to participating countries and would therefore not be approved.

The sum and substance of this proposed amendment in the Senate bill completely defeats the purpose of Congress in originally authorizing guaranties in the aggregate amount of $300,000,000. All of these facts are most certainly well known to ECA but not to the Senate. There is only one possible explanation of sending such a proposal to the Senate, where it was not fully examined before the Foreign Relations Committee. It must have been the purpose of ECA to scuttle the guaranty clause. This is as effectively accomplished by this proposed amendment as it could be by outright repeal which they did not dare suggest in view of the very strong support for this guaranty clause in both Houses of Congress.

I wish therefore to enter the strongest possible objection to the adoption of this clause as proposed by ECA and submitted by the Foreign Relations Committee unquestionably in all good faith and without perceiving the fatal character of the language used.

I am glad to say that the Foreign Affairs Committee of the House in careful and extended hearings threw out this provision in toto and adopted in H. R. 3748 amendments which in my opinion will fully accomplish the original purpose of this guaranty clause by making the authorization for $300,000,000 in guaranties completely separate and distinct from loans or grants, by expanding the clause to include the conversion of earnings or profits, if any, in addition to the amount of capital invested, to the extent provided by the contract of guaranty approved by the Administrator, and by expansion of the risk coverage to include—not only ordinary business risks, confronted by any industrial enterprise started in the United States, but to include—and this is the heart of it—the extraordinary risks of confiscation, seizure, riot, revolution, or war, or loss of the property forced by any law, ordinance, government regulation or decree which "in the opinion of the Administrator prevents the further transaction of business." These are all risks which are confronted in a world of revolution—risks which lie properly in the realm of our national foreign policy rather than on the level of private business management. We must bear in mind that the guaranties are limited to $300,000,000—a relatively small proportion of the billions we are spending as a part of the calculated risk to preserve our way of life, and besides in the event of a liability accruing to the United States under any guaranty the Government acquires the currency, credits, or assets of the enterprise guaranteed. There will be no such tangible recovery for the billions spent in grants.

With these changes so wisely adopted by the House there is every reason to hope that the unused resources of reconstructive power which are inherent in American private enterprise can be released on the problems of bringing greater industrial production, more goods and more employment in the permanent form to those areas which the Marshall plan was designed to help rehabilitate.

I would say, Mr. President, that I thought one of the purposes of the Marshall plan, the primary one being, of course, to rehabilitate these countries economically, was that production would be reestablished in the recipient countries. I thought another purpose was to demonstrate the desirability of the American system of private enterprise in those liberty-loving countries over the other system which Communist totalitarianism is seeking to foster. But when we cannot adopt a guaranty clause which will protect the investments of private enterprise against the very dangers of revolution themselves, it seems to me it is rather hopeless to expect American investors to do their part by way of private investment in those countries by establishing factories that will bring to Europe the American know-how, the business acumen, and the production methods of America in an endeavor to get those countries back on their feet economically, so they can compete with the Communist ideology. So I say, Mr. President, that those changes, so wisely adopted by the House, offer every reason to hope that the unusued resources of reconstructive power which are inherent in American private enterprise can be released on the problems of bringing greater industrial production, more goods, and more employment to those areas which the Marshall plan was designed to help to rehabilitate.

Favorable action on the guaranty clause proposed in the House would be an effective answer to the Communist line in Europe today, which maintains that we are not anxious to establish plants for production because they will compete with the United States.

Mr. President, if I stress nothing else in this speech, I would stress the point that the guaranty clause and the proposals for which I am arguing today—incidentally, proposals recommended by the appropriate committee of the American Bar Association—are proposals which seek to establish in Europe private enterprise production plants which, in the last analysis, will compete in world markets with American plants here at home. So my proposal is not one which seeks to protect the American businessman in any selfish enterprise of his, but rather to spread to Europe the American know-how, the American production

methods, so that on European soil we shall have an economic line of defense against the advance of the communistic ideology.

In the Soviet overseas broadcast from Moscow to North America, on March 28, at 6:20 p. m. eastern standard time, an article from a Dutch Communist paper, De Waarheid, was quoted as follows, in respect to the attitude of the ECA representative in Holland:

De Waarheid says that the talks with the Dutch Economic Ministry held with Valentine [ECA representative] about having America provide the needed machinery [to the Netherlands] brought no results, for quite understandable reasons. It is not advantageous for America to have industry develop in the Marshallized countries, because this leads to infringement of the American market.

Of course, Mr. President, I deny—and I think the RECORD is perfectly clear the denial is sound—that we have any such motivation in this country. But that article in the Dutch Communist paper shows the tactics to which communistic propaganda resorts in seeking to twist and falsify the motivations of the Congress of the United States. To combat that type of news propaganda I suggest that we might answer it by seeing to it that a guaranty clause, such as was adopted by the House of Representatives, finally comes back to us in the conference report.

Mr. President, I am not endeavoring to discuss the House amendments individually, in the interest of saving time, but I should like to submit for the RECORD a simplified explanation of them, because this matter, in my judgment, has not had adequate consideration on the Senate side. Therefore I ask unanimous consent to have printed as a part of my remarks, at this point, a summary of the principal changes in the guaranty clause of the revised ECA Act introduced on March 23, 1949, by the chairman of the House Committee on Foreign Affairs.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF PRINCIPAL CHANGES IN THE GUARANTY CLAUSE OF THE REVISED ECA ACT, INTRODUCED ON MARCH 23, 1949, BY CHAIRMAN KEE OF THE COMMITTEE ON FOREIGN AFFAIRS IN THE HOUSE

(Sec. 111 (b) (3), pp. 4, 5, and 6 of H. R. 3748)

1. Inclusion of plant modernization or expansion: The act is amended to make perfectly clear that guaranties could be issued not only for investments in new projects but for expansion or modernization of existing projects. This was done by adding the words, "including expansion, modernization, or development of existing enterprises" (p. 4, lines 5 to 7).

2. Addition of earnings or profits: The original guaranty clause extended only to the conversion into dollars of foreign currency up to the amount of the capital invested. This was a top limit: Earnings and profits could be converted instead of capital, but the total sum of both could not exceed the amount of the original investment. Now, however, it is proposed that both the "amount of dollars invested" and "actual earnings or profits on said project to the extent provided by such guaranty" can be converted (p. 4, lines 15 to 19).

It is contemplated that the Administrator shall determine in the contract of guaranty he executed with each approved applicant what rate of earnings or profits should be convertible into dollars—in addition to the original investment—under the guaranty. It is recognized, as pointed out in the bar committee report and the writer's testimony before the House Foreign Affairs Committee, that investments in different industries, projects, and enterprises will bear different rates of return or earnings. It is intended by the committee that the Administrator shall take this into consideration in writing each contract, and the committee deliberately left the matter for his determination by saying that the earnings or profits could be recovered to the extent provided by such guaranty.

3. Definition of investment: Great confusion arose under the original act as to what constituted an investment. This has been specified in liberal terms so as to include credit transactions involving capital-goods items and related services. It is understood that this was intended to include long-term loans to finance the exportation of capital equipment in approved cases—as well as more complex investments in approved projects (p. 4, line 22; p. 5, line 2).

4. Expansion of the risk coverage: Previously the guaranty clause only protected an investor in respect to the convertibility of currency. Besides adding earnings and profits to the capital investment heretofore protected in this respect the new guaranty clause proposes also to guarantee the payment of compensation in dollars for loss of all or any part of the approved investment by reason of one or more of the following causes: "(a) Seizure, confiscation, or expropriation, (b) destruction by riot, revolution, or war, (c) any law, ordinance, regulation, decree, or administrative action (other than measures affecting the conversion of currency), which in the opinion of the Administrator prevents the further transaction of the business for which the guaranty was issued" (p. 5, lines 10 to 21).

This expansion of the risk coverage is designed to give reasonable protection to private investors against other phenomena—which are political rather than economic—encountered in a world of revolution, and is designed to remove the obstacles which have thus far prevented the full participation of private enterprise and its production know-how in the task of reconstruction.

The amendment recognizes that certain risks be on the level of national foreign policy rather than in the realm of private risks, but business risks of the ordinary character are not guaranteed.

5. Subrogation of United States: When payment is made by the United States to any of these additional guaranties, all the "currency, credit, or assets on account of which such payment is made" become the property of the United States Government, which is subrogated "to any right, title, claim, or cause of action existing in connection therewith" (p. 5, line 21, to p. 6, line 3).

The provision for subrogation of the United States is to be construed with section 115 of the act, which provides that all participating countries shall submit to the jurisdiction of the International Court—which all have agreed to do in the bilateral agreements—in any case "espoused by the United States" on behalf of any of its nationals claiming compensation or damages. When the United States Government has paid, pursuant to its guaranty of one or more of the above risks, it may pursue the claim itself in the country where the loss occurred. There is not room here to develop all the implications of this provision—its importance as a substitute for battleship diplomacy, for instance—but at least it is clear that the party having the guaranty would be relieved of years of diplomatic negotiations and possible futile litigation in the event of a loss.

6. Revolving fund where guaranty discharged: Under the old clause, if a guaranty had once been approved it would constitute a deduction from the $300,000,000 authorized for guaranties—even though the guaranty might never be paid by the United States and might be abandoned or discharged for reasons which resulted in no liability to the United States. The present amendment, therefore, provides that any funds allocated to a guaranty and remaining after all liability to the United States "has been released, discharged, or otherwise terminated," shall be available for allocation to other guaranties (p. 6, lines 7 to 11).

7. Separation of guaranties from loans and grants: A fatal error in the previous guaranty clause was that it treated the $300,000,000 authorized for guaranties as a deduction from the $1,000,000,000 authorized for loans, so that a participating country, considering whether or not it should approve a guaranty, would have to weigh the possibility of a corresponding reduction in its own credit line. Every guaranty reduced the loan funds pro tanto, and no country could tell with certainty whether or not the approved guaranty might be deducted from its own share of the $1,000,000,000 authorization. Under the amendment as adopted by the House Foreign Affairs Committee, the amount authorized for guaranties would not be increased and is stated to be in the aggregate of $300,000,000 (less any amount allocated prior to April 3, 1949, for such purposes, which according to recent estimates cannot exceed $27,700,000). However, the guaranty authorization would be separate and distinct from loans or grants so that there could not be the competition between applicants for guaranties and the participating countries which must approve those guaranties (p. 6, lines 5, 6, and 15 to 23).

Mr. MORSE. Mr. President, I ask unanimous consent that there may be printed at this point, as a part of my remarks, two editorials appearing in the Journal of Commerce, one of them on the subject of foreign investment guaranties, and the other entitled "A Real Chance"; both editorials, Mr. President, being in the form of strong support of the major arguments which I have advanced in this brief statement on the subject this afternoon.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Journal of Commerce of March 22, 1949]

FOREIGN INVESTMENT GUARANTIES

The House Foreign Affairs Committee has paved the way for increased participation of private American capital in the economic reconstruction of western Europe.

It has proposed, in a formal amendment to the ECA Act, changes in the so-called ECA guaranty clause which, if enacted by Congress, would promise to break the complete log jam that thus far has blocked American private investments in western Europe under the Marshall plan.

But ever more, in taking the leadership in this question, the House Foreign Affairs Committee has focused public attention on the fact that, without the existence of adequate guaranties for private American investments in foreign countries, President Truman's (point 4) program of American assistance in the development of economically backward areas will never get past the blueprint stage.

The ECA guaranty clause, as developed by the House Foreign Affairs Committee through close cooperation among the old-timers on the committee and its new members as well as among Democrats and Republicans, may not be the final answer for the economic implementation of the President's point 4 program; but by opening

the way for free-enterprise participation in western Europe's reconstruction, it will at the same time bring the vast dependencies of Great Britain, France, Belgium, and Holland under its scope and thus serve as a laboratory, or as sort of a pilot plant, for the ultimate extension of the President's program to other parts of the world.

This newspaper hopes that the full House as well as the Senate will accept the House-proposed changes in the ECA guaranty clause—formalized over the week-end as the so-called Ribicoff amendment to the ECA Act—and that the administration itself will use its influence to push for the adoption and the quick practical application of these changes.

The proposed changes in the ECA guaranty clause are based on the realization that American companies must be protected against all foreign losses that do not stem from an ineffective operation of their foreign investments and that they must be able to convert not only their original investments but also the profits on these investments back into American dollars.

But, in addition, the Ribicoff amendment realizes that foreign governments, in turn, will be reluctant to approve American private investments within their boundaries as long as they know that this would cut into the funds which otherwise would be available to them directly either as ECA loans or grants.

That is why under this amendment a guaranty fund of $300,000,000 would be set up completely outside the appropriations for ECA loans or grants. The guaranty behind these investments would be a contingent liability as far as the Treasury is concerned. In subsequent years, though not immediately, it may actually prove possible to cut ECA appropriations once the new guaranty mechanism has proven its worth.

The proposed broadening of the risk protection would meet all requirements. The conversion would cover profits, as well as the original investments. Political risks against which American companies investing in ECA countries are to be protected would include seizure, confiscation, destruction by a foreign government, riots, revolution, war and forced abandonment as the result of discriminatory regulations of a foreign government.

The inclusion of war damages even exceeds the scope of the coverage which had been suggested by proponents of the changes in the guaranty clause.

While ECA officials still do not seem particularly keen to take over administration of such a revised guaranty clause, this should not induce Congress to separate the private investment guaranty from ECA and to postpone its application until a complete system of private investment guaranties under the President's point 4 program can be worked out.

Such a decision would involve a considerable delay in the recruiting of American capital and know-how in the economic reconstruction abroad and would needlessly sacrifice a number of instrumentalities already available for this purpose.

There is every reason to speed up rather than delay the economic development of the vast dependencies of Great Britain, France, Belgium, and Holland because, by opening up the rich raw-material sources of these countries, our strategic stock-piling policy would receive an important boost.

Moreover, the Marshall-plan countries already have signed bilateral agreements with the United States which guarantee American contracts and concessions and in which these countries, as well as the United States, have agreed to submit to the jurisdiction of the International Court all cases espoused by the United States for her nationals for compensation and damages.

These bilateral agreements would have to be renegotiated all over again if the private-investment guaranty were to be divorced from ECA. That, of course, would result in long delays.

It is for these reasons that this newspaper favors immediate enactment of an improved guaranty clause as part of this year's amendments to the ECA Act.

[From the New York Journal of Commerce of March 11, 1949]

A REAL CHANCE

One of the most important decisions Congress will have to make before the program for the second ECA year is formalized, is whether or not private enterprise is to be given a real chance to cooperate in the economic reconstruction of western Europe.

This decision involves the so-called guaranty clause of the ECA Act which, as the law now stands, is the provision whereby private investments abroad of an approved character are given a Government guaranty assuring the convertibility of currency into dollars to the extent of the amount of dollars invested in the foreign country. No other risks are assumed by the Government in connection with these guaranteed investments at present.

This guaranty mechanism has been a complete failure to date and if the amendments to the Economic Cooperation Act of 1948, as spelled out in the House bill No. 2362 (introduced by the late Representative BLOOM, on February 7, 1949), are all the changes the administration wants made in the act at this time, the guaranty clause may as well be written off as a useful instrument of western European reconstruction for another year.

That was clearly brought out in a recent hearing of the House Committee on Foreign Affairs in which Norman M. Littell, former Assistant Attorney General and now a practicing lawyer in Washington, D. C., as well as chairman of the Foreign Economic Cooperation Committee of the American Bar Association, and Roy W. Gifford, chairman of the board of the Borg-Warner International Corp., testified.

ECA itself apparently is quite ready to give up the guaranty provision as a useless gesture—at least for the present time. Representative VORYS, one of the committee members, stated at these ECA hearings that the committee had been "told by ECA that there are simply no takers, and we have been told there would be no takers, even if the guaranty provision was made more attractive." He also revealed that "ECA officials are reluctant to continue in the guaranty field and would be quite happy, I think, to have that and the loan provisions handled by others."

Mr. Littell went a step further and accused ECA of having "agreed on a policy line to negate this participation of private enterprise through the guaranty clause in the recovery program of Europe because they are afraid that if they introduce principles such as I have suggested here and which we have approved in the bar report for improving and increasing the guaranty clause to $1,000,000,000 that Congress will promptly deduct $1,000,000,000 from the other appropriations for the Marshall plan."

Both Mr. Littell and Mr. Gifford are convinced that properly encouraged, a large number of American enterprises would be quite willing to take an active part in western Europe's reconstruction. We believe that a great many businessmen and bankers share this view.

There is general agreement, however, that without the proper construction of the guaranty mechanism nothing can be accomplished. Moreover, by the same token, the President's new bold program—as outlined in point 4 of his inaugural address—also will be doomed to failure from the start unless we succeed in developing a satisfactory mechanism for the protection of American capital in foreign countries. This adds considerable weight to the problem now before Congress.

A number of proposals have already been made which are designed to make the guaranty provision more effective. Among these are (1) the recommendation to permit conversion not only of the original investment but of interest and profits as well; (2) the extension of the risk coverage to losses caused (a) by seizure, confiscation, or destruction by a foreign government; (b) by riots or revolution, or (c) through forced abandonment as a result of discriminatory policies of a foreign government, such as the establishment of a state monopoly; (3) the encouragement of short-term investments as well as of long-range projects; this to be accomplished by an increase in the guaranty authorization from the present $300,000,000 to $1,000,000,000 and definition of the word "investment" to include any loan of 6 months or more; and (4) an extension of the guaranty of long-term projects beyond the present 1962 deadline.

These are refinements in the guaranty clause without which it will be impossible to induce American capital to seek employment abroad under current world conditions.

But even their adoption still would not open the road for any impressive increase in western European investments by American companies. Something else will have to be done simultaneously.

As long as the guaranty fund remains in direct competition with ECA funds available for loans to foreign governments or grants, foreign governments will, of course, be very reluctant to approve investments by private industry because such ventures will cut directly into the funds they can obtain directly for their own uses.

As the law now stands, it is wrong to imply that investment guaranties could have been issued up to an amount of $300,000,000. These guaranties would have to come out of the $1,000,000,000 loan fund established last year and this loan fund actually has been allocated for other purposes—with the exception of a piddling $27,700,000 which actually has been set aside for guaranties.

This factor has been widely overlooked to date. It is Mr. Littell's chief argument for a change in the present ECA set-up. The guaranty fund must be increased and set up independently from other ECA funds. Otherwise the whole scheme will remain stagnant.

Maybe the best way to resolve the present stalemate is to divide ECA into two separate units, as Borg-Warner's Mr. Gifford has suggested. Such a step would, of course, first require establishment of a new policy by Congress.

It is not too late to do that this year. We do not doubt that Congress ultimately will provide for a better protection of American capital abroad. Then, why not do it quickly?

We would like to see this done this year—and we believe the administration should ask Norman M. Littell to take over the direction of such a new policy, if he is available for the return to a Government job.

Mr. MORSE. Now, Mr. President, I want briefly to call attention to statements made by our committee in its report, starting on page 9:

15. GUARANTIES OF CONVERTIBILITY

SEC. 6 (b). The committee considered several proposals, including those made by the American Bar Association, to alter the provisions of the basic act authorizing the Administrator to guarantee the convertibility into dollars of foreign currency secured from new American investments in participating countries.

I most respectfully say, Mr. President, that the consideration which the committee gave to these proposals, as shown, at least, by the written record, was a very cursory consideration. The record fails to show that anything approaching the

very thorough and careful hearing on the subject as was given on the House side was indulged in by the Senate committee. I want to say further, Mr. President, that when a committee of an organization such as the American Bar Association, composed of men learned in these foreign-relations problems with respect to investments, prepare as careful a study as that which the committee has prepared on the subject, I think more careful and thorough consideration to the report should have been given than the written record indicates that the Senate Foreign Relations Committee gave to the American Bar Association's recommendation.

I stand here today, Mr. President, endorsing the American Bar Association's recommendations on this point as being superior to the recommendation of the Senate Committee on Foreign Relations. They are recommendations which, on the House side, were found to be exceedingly meritorious, and the principles thereof were adopted by the House committee and approved by the House.

Our committee continues to say:

Three questions were presented by these proposals:

(1) Should the terms of the guaranties be broadened?

(2) Should part of the ECA appropriation be earmarked for the sole purpose of making guaranties?

(3) Should a separate fund, additional to the ECA appropriation be provided for this purpose?

The committee felt that, insofar as the ECA countries were concerned, broadening the terms of the guaranties would not result in substantial amounts of increased investments unless the guaranty was made so broad that, in fact, this Government would assume most of the risks which private capital should be expected to carry

I enter for the RECORD a categorical denial of the soundness of that conclusion of the committee. I say that conclusion of the committee itself represents a confession on the part of the committee that it has not studied in detail the recommendation of the American Bar Association committee. Had it done so, it would not have reached that conclusion, which I consider and believe to be a highly fallacious one.

Next the committee says:

The proposal to earmark a certain part of the ECA appropriation for the sole purpose of making guaranties would, in the opinion of the committee, jeopardize the program. If private investors did not come forward promptly with projects of the right type at the right time the effect would be that the segregated funds, which are urgently needed in the coming year, would be used ineffectively or would be immobilized and not be used at all.

I merely say that the committee fails to point out that the Administrator of ECA has jurisdiction and power to prevent any such result as that which the committee here sets forth as necessarily following from adoption of the bar committee's proposal. I deny the statement. I say that the statement itself shows that the committee has not given careful consideration to the guarantee clause proposal of the American Bar Association committee.

I read further:

As to the proposal to set up a separate fund additional to the ECA appropriation, the committee noted that there is currently under way a study of the desirability of developing a program of promoting American investments abroad on a world-wide basis. It is understood that recommendations will shortly be made to the Congress by the executive branch with respect to such a program.

Mr. President, that is a common parliamentary tactic. We find on the fringes that some study is being made of some issue, and use that as an excuse for not meeting it head-on directly. We pass the buck to some future recommendation which some time may be made, some recommendation which may come out of that study.

I say that here we have an opportunity, in a small way, to effectuate and implement and put into practice some of the recommendations in the President's inaugural speech in regard to the economic part he thinks America should play in the world economy, and to put it into effect under the type of control, under the type of check, under the type of administration, that would demonstrate to the world the superiority of the American enterprise system over any of the socialistic or totalitarian schemes which are competing for men's minds today.

I merely say that that paragraph of the committee's report represents a passing of the buck, that the issue should be faced as the House faced it. The House version would establish a policy with respect to the guaranty clause which in my judgment would be a great contribution to the economy of Europe, in the way of demonstrating by actual practice the superiority of the American system over any of the phases of totalitarian economic forms which are seeking the approval of the people of Europe.

I am disappointed that our Foreign Relations Committee came back with a paragraph in its report which is subject to the fair criticism that they ran away from the problem rather than face it. The report proceeds to say:

The committee is disappointed that the guaranty program has not been more productive but hopes that, as recovery proceeds and stability develops further, American risk capital will increasingly seek investment opportunities in Europe.

That is a pious wish, but the fact remains that the amendment itself continues the same causes which to date have been responsible for the failure of the guaranty clause. It interferes, as it is now written, with the lines of credit, with the $1,000,000,000 loan provision. The recipient countries are not going to proceed under the guaranty clause, or ask to have the guaranty clause put into operation, if it means that thereby they will cut down their lines of credit. That is understandable, and instead of correcting that as the House has done, the Foreign Relations Committee of the Senate continued with the very system which has produced the result which causes the committee to express its disappointment in the words, "the committee is disappointed that the guaranty program has not been more productive but hopes that, as recovery proceeds and stability develops further, American risk capital will increasingly seek investment opportunities in Europe."

I say that the committee should not have indulged in such a pious wish. It should have done something about correcting the causes which have resulted in the fact that the guaranty program has not been more productive.

Then the committee says, lastly:

At the present time guaranties can be made only from the $1,000,000,000 public-debt funds provided for in the original act. Only about $20,000,000 of these funds remain available. The amendment proposed in section 6 (b) of the present bill would authorize the continuation of the guaranty program with appropriated funds after this $20,000,000 has been exhausted.

I respectfully say, Mr. President, that on the basis of those statistics the committee is wrong in its facts, and we have to go only to the hearings on the House side to see how wrong they are, as I pointed out in my main remarks.

I close this part of my speech by saying that I have made these remarks because I wanted the RECORD on the Senate side to show that even though the pending bill may pass with the committee's amendment in it, it did not pass without objections being raised on the floor of the Senate. I hope that when the bill goes to conference the position taken by the House of Representatives on this matter will prevail. I think the Committee on Foreign Relations has failed us on this point by not coming forward with an amendment which really would correct the trouble the committee deplored when it said, "The committee is disappointed that the guaranty program has not been more productive."

I think the committee should do something about it by coming forward with an amendment such as that recommended by the American Bar Association committee, so as to establish in Europe clear examples of the superiority of the private enterprise system over any form of socialistic enterprise.

Mr. President, I am not one who takes the position, as I think some during this debate have done, that we should tell the recipient countries in Europe whether or not they should follow a socialistic course of action in respect to some particular industry. That is their business, not ours. I repeat what some have heard me say before—so long as the free ballot exists, so long as the people of those countries have the right of self-determination, so long as they can walk into a secret voting booth and decide for themselves whether, as in England, for instance, they wish to nationalize their transportation system, that is their business, and not ours. In this country I would oppose such reforms in our economy, but the fight in the world today is not a fight as to how freedom-loving people in the recipient countries shall operate their economy. The fight is whether or not their freedom shall be preserved.

Thus I say, Mr. President, that under such a guaranty clause as I am arguing for here today, and as the House has adopted, we have an opportunity to demonstrate to the peoples of the participating countries the superiority of our private enterprise system over the various

proposals which have been made and will in the future be made to nationalize or socialize some of their industries.

Mr. President, I turn for just a few minutes to an entirely different issue, quite independent of the one on which I have just spoken. I turn to the question of the Brewster amendment, in regard to whether or not we should grant ECA funds to the Dutch Government so long as it stands openly and notoriously in violation of the rights of free men in Indonesia, and in violation of the clear findings of agencies of the United Nations in respect to the merits of the Dutch and Indonesian issue.

I know, Mr. President, that some of my friends on the Democratic side of the aisle find themselves somewhat embarrassed because at least up until this hour the principal defense on this great issue of human liberty has come from the Republican side of the aisle. I have differed with the Senator from Maine, as the RECORD shows, on some issues, but I want to say that on this issue I stand shoulder to shoulder with him. It is pure hypocrisy for our Government to represent to the peoples of the world that we stand behind the human-rights section of the United Nations Charter; that we stand for the protection of free people who are making a fight for liberty, and then countenance the conduct of the Dutch Government in respect to Indonesia.

The Indonesians are the only people in that part of the world, who, up to this hour, have made a successful fight against Russian communism within their borders. Having made that fight, which will go down in the pages of modern history as an heroic fight for freedom, we now apparently find the United States Government aiding the Dutch Government in its insistence upon the right further to exploit the Indonesians.

Mr. President, I am as equally opposed to the exploiting methods of imperialism as I am to communism. I am as much opposed to the imperialistic exploitation of the Dutch in Indonesia as I am to Russian communism or Hitler fascism, because Dutch imperialism in Indonesia tramples the freedom and the liberties and the rights of people as much as do communism or Hitlerism.

Mr. President, I say the time has come to make perfectly clear to the Dutch Government that there are at least a few of us in the Senate of the United States who are not going to sanction the conduct of the Dutch Government in Indonesia.

I think it is also clear that the time has come when we should make it known that there are at least a few of us in the Senate of the United States who are not going to become parties to any proposed amendment which rests upon the basis of either political strategy or political expediency.

Mr. President, we cannot honestly face those millions of peoples in the world who are today raising questions as to whether or not we mean it when we say we are ready to stand as the protector of the people who are willing to resist aggression upon the liberties and the freedoms of people who oppose the advance of totalitarian government.

I say that if we have any partnership under ECA with a government such as the present Dutch Government, that is willing to exploit the Indonesians, and at the same time say that "unless our program is sanctioned or unless the funds under ECA are made available to us we will not cooperate in this world endeavor to protect freedom," the sooner we find that out the better.

Mr. President, I understand the proposed substitute for the Brewster amendment that is being formulated, at least in the minds of some of my Democratic friends in the Senate—and it has reached the point that at least the recipe, the ingredients, have been put on paper—contain such language as this:

(3) The provision of such assistance would be inconsistent with the obligations of the United Nations under the Charter of the United Nations to refrain from giving assistance to any state against which the United Nations is taking preventive or enforcement action.

My answer now, in advance of the introduction of any such amendment, Mr. President, is that it is not worth the paper on which it is written. It is a subterfuge. It is a face-saver. I suspect it is motivated by some regret that the Democrats themselves were not the first leaders in this fight to protect the right of the Indonesians to be free from the exploiting practices of the Dutch Government. In that sad country we see imperialistic exploitation at its worst. So the amendment is not worth the paper on which it is written, because in the last analysis it plays right into the hands of the Russian veto power on the Security Council.

Let us not fool ourselves about that, and let us not be guilty of misleading the American public as to the true meaning and effect of any such proposed amendment.

Well, it is argued that to follow the Brewster amendment would be to follow a unilateral course of action. Why, Mr. President, we have followed unilateral courses of action in these matters in a great many instances. In fact, the cutting off of the $15,000,000 of ECA funds to Indonesia itself, as far as giving the Dutch any right to those funds in Indonesia, was a unilateral action. If the action was justified in that case, if it was proper to act unilaterally in that instance, I know of no logical premise for arguing that we are not justified in taking unilateral action against the Dutch Government in respect to the totality of its grants under ECA unless it changes its course of action in Indonesia.

Certainly we have the right, I insist, to say to the Dutch Government, "We cannot give assistance as long as you maintain a record of trampling underfoot the freedom of liberty-loving people."

Our selection of countries to receive ECA aid and exports—and I am not disputing the desirability of the exercise of such choice—constitutes unilateral action.

The truth of the matter is, and let us be frank about it, that the Indonesian case is a "hot potato." There are strong economic forces at work in America and abroad that want us to follow a wrist-slapping course of action in regard to the Dutch, making a paper record of pretense against their exploiting of the liberty-loving people of Indonesia, but at the same time knowing that all it is is a gesture of reprimand against the Dutch, knowing full well that in the last analysis we will give them their full funds under ECA.

I say, Mr. President, that if our Government does that we are guilty of aiding and abetting a nation that has a black record, a disgraceful record in Indonesia insofar as living up to the principles of the United Nations Charter themselves is concerned.

We cannot have a strong world organization through the United Nations if we, as a member of that body, aid and abet a nation which stands in disgraceful violation of the ideals and the objectives of the Charter of that organization.

Therefore, Mr. President, I say to my Democratic friends that I am not going to support what I understand will be their substitute amendment, because on its merits it does not deserve support. I shall support and vote for the Brewster amendment.

Mr. MARTIN. Mr. President, the outcome of these deliberations and the course we take in related matters may be the deciding factors between national solvency and national bankruptcy.

Therefore, in my opinion, it is incumbent upon us to weigh carefully and consider thoroughly the implications contained in the measure before us.

It should be tested in the light of the whole financial structure that has been erected in years of mounting debt, increasing taxation, and overgrown spending.

No thinking American could fail to be deeply impressed by the masterful presentation of the situation by the distinguished chairman of the Finance Committee [Mr. GEORGE] when he asserted that we must cut down expenditures or we must increase taxes. He warned that if taxes are increased we shall face the grave danger of a depression in 1949.

Mr. President, at a time when the American people are burdened with a national debt of almost $252,000,000,000 we are not justified in regarding as sacred any item in the budget, with two exceptions.

One is the interest on the national debt, and the other is our solemn obligation to the disabled veterans and the dependents of those who made the supreme sacrifice.

I recognize the vital importance of national defense. For a whole lifetime I have been one of the strongest advocates of a national defense program that would give us military, naval, and air superiority over any nation that would dare attack our national sovereignty.

But at this time I insist that careful scrutiny be given to every proposal for expanded expenditures—even for defense purposes—in order to make certain that we do not spend beyond our capacity. The same care must be exer-

cised in considering every proposal that would increase the cost of Government.

I have favored social welfare advancement that would benefit all the people. Nevertheless, under no circumstances would I agree to go beyond our financial ability to attain these objectives, no matter how deserving or how desirable.

I have recognized the value of many reclamation proposals, conservation programs, and other public-works projects, but I submit that in this period we must curtail every project that is not of immediate necessity and which would add unnecessarily to the taxpayers' burden. I have consistently subscribed to the principle that payment for such projects should be made from current funds. Otherwise we would be forced into deficit financing.

The only alternative is increased taxation. I am conviced that higher taxes at this time would be detrimental to the public interest. Nevertheless, I would support higher taxes in preference to the enactment of legislation that would result in deficit financing.

Let me make it perfectly clear that throughout my public life I have supported progressive legislation. I do not say that any of the essential functions of Government should be curtailed, but I do say that we should advance in accordance with honest principles and sound fiscal policies. Furthermore, we must remain within the limits of our ability to pay without danger to the over-all national economy.

Let me illustrate. During the 4 years that I had the honor of serving as Governor of Pennsylvania I recommended and was supported by our State legislature in a progressive program based on sound fiscal policies and within the limits of our means on a pay-as-you-go basis.

We enacted into law a comprehensive program of conservation, stream purification, flood control, and reforestation. We expanded and improved the State highway system. We assisted local communities in airport construction. Our educational system was strengthened by giving more aid to financially handicapped school districts and by increasing compensation to teachers. We enacted into law provisions for a compulsory, thorough, and periodic physical examination of every child of school age in the Commonwealth.

We expanded recreational parks. We inaugurated a program to modernize our mental and penal institutions. We established health clinics and provided funds for cancer research.

Workmen's compensation, unemployment insurance, and occupational-disease laws were liberalized and benefits increased. A second injury fund was established for the first time so as to return handicapped workers to gainful employment. Our health and safety laws were enlarged and strengthened in order to protect our workers.

We established the best system of blind pensions in the United States. We increased old-age-assistance grants; also grants for dependent children and for direct relief.

Legislation was enacted to regulate strip mining so that land so utilized would be restored to useful purposes.

Large sums of money were appropriated by the legislature to carry out these worthy objectives. The point that I want to make is that despite increased appropriations for these various programs carried on in Pennsylvania, State taxes were reduced during the 4-year period by $322,900,000. We did not borrow one cent or increase the bonded indebtedness of our State. Instead, we reduced the State debt $79,784,000 and left Pennsylvania with a net debt of only $44,642,000.

That was progressive legislation based upon honest principles, sound fiscal policies, and within the limits of our ability to pay. It is the application of these principles that I am appealing for today in the fiscal policies of our Federal Government.

Mr. President, I bring these matters to the attention of the Senate because it is our responsibility to place before the American people the full facts of our financial condition so that they can judge with some degree of accuracy how much aid we can give to other nations without endangering the safety and security of our own people.

It is not my purpose to question the value of continuing the assistance we are giving to the nations of western Europe. I am sure the American people strongly desire to restore the free people of Europe to economic stability and to build up their resistance against domination by communism. We want to help them get back on their feet, but in so doing we do not want to destroy the economic strength of America. We do not want to bankrupt ourselves. The most solemn warning that can be sounded in America today is a warning against the rapidly increasing cost of government.

The distinguished Administrator of the Economic Cooperation Administration, Hon. Paul G. Hoffman, in submitting his recent report stated:

> The Congress and the American people, before deciding to assume the heavy burden of continuing this undertaking, should have full evidence assuring them that it deserves their support.

Mr. Hoffman is right. But, Mr. President, I contend that the American people are entitled to more than that. They should have not only full evidence that the European recovery program is deserving of support, but they should also have full, complete, and convincing evidence that they can afford it. At least they should have some guidance as to how much they can afford to spend without danger to their own well-being.

Mr. Hoffman's report gives a glowing recital of progress—splendid progress—toward recovery in western Europe. "The economic recovery achieved in 1948 is impressive," he states; and, pointing to one outstanding achievement, he reports as follows:

> The British budget has been brought into balance and the importance of this accomplishment cannot be overemphasized.

I do not mean to minimize the importance of balancing the British budget, but it is my earnest hope that from this day forward we will have equal success in keeping our own budget balanced. That is so much more important.

Mr. President, a little less than 2 years ago we had before us a proposal from the President of the United States for the expenditure of $400,000,000 for aid to Greece and Turkey. I supported that proposal, with the warning that we must make a survey and inventory of our financial condition and we must determine whether we were willing to make the necessary sacrifices.

At that time I said:

> The people of the United States and the Congress of the United States should be told the facts. They should be advised that they cannot burn the candle at both ends, or we shall find ourselves tomorrow where Britain finds itself today.
>
> Our people must learn that there is a bottom even to the American pocket. I hope we shall not have to learn it the hard way, as the British did.
>
> Our people must be told without equivocation and without deceit that if they spend abroad, they must pinch at home. I understand I am saying things that many people do not like to hear. Perhaps many will resent my saying these things.
>
> However, I am not engaged in a popularity contest. I am after facts. I am gravely concerned, just as all other Senators are, about the future of America.
>
> Our people must be made to understand that if we build that barrier of gold in Greece and Turkey and Korea and elsewhere, we cannot spend the same money twice—we cannot use it to buy comforts and luxuries for our homes.
>
> Our people must realize that they cannot expect new and expanded services from Washington.
>
> Our people must be made to understand that it will be necessary to cut, and cut sharply, into Federal services which have been built up in the past 15 years. They must be told now that sacrifices will be in order on the home front.

A year ago I vigorously supported the Economic Cooperation Act and urged its immediate enactment. I took occasion at that time to repeat the warning that its tremendous cost would demand the strictest economy at home.

At that time I said:

> The United States is a rich and powerful Nation. But there is a limit to our resources. As our national defense and foreign obligations rise, frugality should be the watchword on the home front. * * *
>
> We must eliminate every frill, every proposal for new Federal services which cost the taxpayers money.
>
> Every project not immediately necessary should be either postponed or wiped out.
>
> The cost of Government functions must be stripped to the bone, and the lobbyists and pressure groups and their pet projects should be booted out of the door.
>
> We must remain solvent. We must be strong physically and spiritually if we are to meet the challenge that America must meet today.

In addressing the Senate at that time, I obtained unanimous consent to insert as part of my remarks a speech which I delivered a few days earlier before the Philadelphia Bulletin Forum. In the course of that address, I again sounded the warning, in these words:

> The people who pay the bills must know the value of their freedom and must be prepared to pay the price.
>
> They must insist upon the elimination of new Government services and projects that eat up the money they pay in taxes. The people must know that we cannot spend the

same money twice. If we spend it for preparedness we cannot afford an ever-increasing bureaucracy, swollen pay rolls, and expanded Federal functions on the home front.

The people must choose between liberty and independence and expensive governmental embroidery. If we love freedom we must be willing to forego the high-priced frills that have become part of our Federal system. We must insist that all projects not immediately necessary be eliminated or postponed.

It means paring to the bone the cost of every governmental function. It means that money expended, even for necessary functions, must be utilized to the maximum value of every dollar. It means that the lobbyists and pressure groups must be denied their pet projects.

Only by the strictest economy can we provide the necessary funds to insure ourselves against tyranny and aggression.

The Communists would like to see us in financial collapse, debt ridden, and bankrupt. That is the soil in which the seed of communism thrives.

Those who advocate unlimited spending are unwittingly giving aid and comfort to the forces that would destroy our freedom.

Yet, in the face of an uncertain future and the necessity for huge expenditures for peace and preparedness the administration in Washington has come forward with the most expensive proposals.

They would add billions of dollars to the cost of government here in America.

Whether we like it or not, this is the time for Spartan courage and sacrifice. We must keep America dynamic and solvent.

Mr. President, other Members of this body have sounded similar warnings, but these warnings have gone unheeded. The people of the United States should give a vote of thanks to the Senator from Virginia [Mr. BYRD] for the work he has done in calling the attention of the people to our reckless spending. Now we find every level of government in nearly every section of our country reaching out for higher taxes and new areas of taxation. States, counties, cities, townships, districts, and boroughs are all reaching into the pockets of the taxpayers in order to provide money for increased spending.

Unless we check the tendency in that direction one thing is certain—we will go broke. The free enterprise plan of America will be destroyed.

Mr. President, if through such reckless extravagance we fail to keep our own economy sound, how can we expect to continue our aid to other nations? That is why I appeal to every legislative body in the land to put the brakes on spending; to place economy and prudence foremost in their objectives; to give encouragement to productive enterprise; and to aid in every way in maintaining our national income at a high level.

Unfortunately, we have witnessed in the last two decades a change in the whole thinking of millions of our people. They have been misled by false promises into believing that hard work and thrift are outmoded virtues. They have been taught that government is the source of everything that is needed to make life comfortable and secure.

Mr. President, no more dangerous theory has ever threatened our national existence. The tragic fact remains that the trend toward a socialistic form of government is interwoven with the false notion that government is better able to do things for the people than they can do for themselves. Too many of our people have accepted the idea that governments, State and national, have inexhaustible sources of revenue. They seem to think that money spent by the Government does not cost the individual citizen anything. The result has been a mad scramble for higher taxes all over our country. New ways and means of increasing taxation are being devised in order to provide funds for bigger Government spending.

Every level of Government is involved in this move to dig deeper and deeper into the pockets of the wage earner and into the resources of business and productive industry. Tax and tax, spend and spend, has become the slogan in so many places all over the Nation. The statistics of the rapid increase in the cost of Government and the heavily increased burden of taxation and debt reveal one of the most shocking stories in American history.

It is not my purpose, Mr. President, to give a recital of all the figures, but I should like to point out some of the things that indicate clearly how dangerous the present tendency has become.

In 1930 the cost of operating the Federal Government was less than $4,000,000,000. Ten years later it had more than doubled, to $9,000,000,000. Our current bill for Federal Government is more than $42,000,000,000 a year.

In 1940, only 8 years ago, tax collections for all levels of Government were only $14,000,000,000. That was nearly 19 percent of the national income, or $109 for every man, woman, and child in the United States.

In 1948, the total tax collections had skyrocketed to above $55,000,000,000, better than 26 percent of the national income, or $377 for each individual.

Every time $1,000,000,000 was added to the cost of Government, the tax bill went up $7 for every person in the United States, or $28 for the average family of four.

Spending by the Federal Government alone is now greater than all the money spent for food by all the people of all the 48 States.

Let us now consider the debt which must be paid.

In 1930, the Federal debt was only $16,000,000,000. In 1940 it had climbed to nearly $43,000,000,000, and today we owe approximately $252,000,000,000. That is about $1,800 per capita, or $7,500 for the average family. In other words, the Federal Government owes—listen, Mr. President—$15, for every dollar it owed 18 years ago.

Let us look at the debt from another angle: In 1930, the total debt of all levels of Government, plus the private debt, was $188,000,000,000. That was 44 percent of the national wealth, which then amounted to $428,000,000,000.

Mr. President, I hope all Senators will listen to this: Today the same public and private debt has shot up to almost $444,000,000,000, or 71 percent of the present national wealth of $620,000,000,000. Mr. President, let me repeat those figures. In 1930 the public and private debt was 44 percent of the national wealth. Today, the public and private debt is 71 percent of our present national wealth.

Is it not plainly evident that at the rate we are going, it will not be long before the debt of our country will be greater than our entire national wealth?

We all know what happens to a corporation when its debts exceed its assets.

With the expansion of big government, the number of civilian employees has increased from about 600,000 in 1930 to approximately 2,200,000 today.

In 1930 there were less than 500 separate units in the Federal Government. Today there are more than 1,800 boards, bureaus, divisions, agencies, and commissions.

With these horrifying figures before us, let us look ahead and see what there is in store for us.

The budget offered by President Truman calls for the expenditure of nearly $42,000,000,000 during the next fiscal year He has asked Congress to approve and to provide the funds for 15 new domestic programs to be financed out of general tax funds. In addition, he has asked for three new or expanded so-called social-welfare programs to be financed by pay-roll deductions.

He has proposed that an additional load of $4,000,000,000 be added to the tax burden of our people.

It must be remembered, however, that many of these new spending proposals are of the foot-in-the-door variety, opening the way to vastly increased expenditures when they are in full swing.

It has been estimated by experts that the minimum cost of these new projects, when they are in full operation, will shoot the Federal tax bill above $56,000,000,000.

It has been estimated also that if all the objectives of those promoting the new programs are realized, the added cost could reach the staggering figure of $42,700,000,000 a year, or an annual tax burden of approximately $54,000,000,000. That would be double the tax bill we are paying today.

Those figures should cause every American to stop, look, and listen. They are frightening. If we fail to check the trend toward unlimited spending now, we may never have another chance.

Last year's national income of $220,000,000,000, great as it was, cannot possibly sustain a spending program of such vast proportions, or any substantial part of it.

Furthermore, no one, whether an average citizen or an expert economist, can expect that we shall go on year after year with a national income as large as at present.

In fact, it is now clear that the income for 1949 will fall far short of the national income of 1948, because already employment is off in many industries.

There are now 3,500,000 unemployed in the United States. Lay-offs are increasing in metals, glass, pottery, textiles, plastics, electrical appliances, furniture, television, automobiles, and other products. In most cases the men laid off are skilled mechanics. It now looks as if unemployment would increase during the next few months.

When the inevitable drop comes, disaster will loom over us.

If the national income should drop to $175,000,000,000, the loss of Federal rev-

enue would throw the present budget out of balance by at least ten to twelve billion dollars. We would be forced into deficit financing, and instead of reducing the present national debt of $252,000,000,000 we would go deeper and deeper into debt.

This deficit does not contemplate the additional spending programs not included in the budget, nor does it contemplate the North Atlantic Pact that we will consider in the near future.

At this time, nobody can predict how much it will cost to carry out the provisions of the North Atlantic Pact.

Will this be followed by a Mediterranean Pact and a Far Eastern Pact which will require the spending of additional billions?

Will we be called upon, during this session of Congress to make appropriations to furnish the know-how to improve the undeveloped areas all over the world, as was suggested by our President?

I cannot take the time of the Senate to discuss the continually increasing spending and taxes and debt at the other levels of Government, but the figures show that the same spending infection is spreading throughout State and local governments all over the Nation.

I regret that it has become necessary to paint such a gloomy picture. The sooner we come to a realization of the grave danger that confronts us, the better off we will be.

It means, very definitely, that unless we stop this drunken-spending spree we will soon find ourselves at the end of the road we have been traveling, the road to bankruptcy.

This threat of disaster is not something that may worry us in the far-distant future. It hangs over our heads at this very moment.

Unless checked, many of us in this Chamber today will see the tragic result—a bankrupt Nation, our businesses destroyed, and our freedom lost.

That is not comforting. It is, however, the price that we will be forced to pay if through carelessness, indifference, wasteful spending, and excessive taxation we allow the liberty that is our sacred heritage to slip from our hands.

In my career as a public official and as a soldier, covering 50 years, I have fought constantly to preserve and safeguard individual freedom. I do not propose, and I am sure the Senate does not propose, to permit reckless and extravagant spending to destroy the freedoms that have been bought by the blood of patriots and heroes in every generation.

Mr. President, I have been criticized many times because I have constantly preached economy in government and lower taxes.

I shall continue to do so, because I am firmly convinced that it is the most positive program that can be presented to the American people.

With this crisis before us, it is the only program that will insure a future of freedom and opportunity.

I realize that it would be pleasant and popular to advocate spending, a something-for-nothing policy, without regard for the future of America, but I assure you, Mr. President, with all the emphasis at my command, that I shall never engage in such tactics. There is too much at stake for our country and the world.

Oh yes, Mr. President, the free spenders of today may receive popular acclaim. But the young of this generation and others that will follow will heap condemnation upon them.

The burden placed upon our children and their children will be back-breaking. It will be unbearable. They will have been deprived of all opportunity, even their very freedom.

Mr. President, on February 23 of this year, there appeared in the Detroit Free Press an editorial which sets forth, in language much more eloquent than any words of mine, the dangers which await us at the end of the road we have been traveling.

The writer of the editorial was discussing the Hoover proposals to eliminate Government waste and to establish a saving estimated at $3,000,000,000 a year.

His warning has direct application to the whole philosophy of unrestricted spending, inefficiency and mismanagement, which he terms "The American disgrace."

I should like to quote, in part, from that editorial. It has for its theme Our Greatest Danger: Financial Rocks Ahead. The editorial states:

This country is faced with the greatest danger in its history.

It is a disaster worse than war.

For we have always been able before to rebuild after war and to grow mightier.

That time has gone.

The imminent danger with which we are confronted transcends all political differences.

It is not a question of Republicans against Democrats or New Dealers against Old Dealers. It is not a conflict between unions and management. It has nothing to do with the progress of social security, national health or any other controversial question.

The cold, stark, ugly fact is that the United States is rapidly drifting into national bankruptcy.

Unless something is done to stem the tide we will be, within a very few years, no better off than the nations of Europe.

It is this condition for which the Moscow Communists are patiently and hopefully waiting.

They know what is coming unless we wake up. They can well afford to wait * * *.

The insidious enemy which is serving Moscow as the deadliest of fifth columnists is mismanagement.

It is bitterly ironic—but a great laugh for Stalin—that America, upon whose altars we have placed the god of efficiency, is dying of dry rot because of gross and stupid inefficiency.

The most powerful business corporation in the United States would go into bankruptcy within a year if it were so wretchedly managed as is the business of our Federal Government today.

There is this difference, however: The private corporation, mismanaged and criminally extravagant, would pay for its own sins and go broke; but the Government does not go out of business.

It simply borrows more money which has to be paid through taxation until all business ceases, the factories remain idle, and the people starve.

That is the history of all mismanaged nations since civilization began.

We are now rapidly coming to that period.

Only courage and vision can save us.

Again, this newspaper states as emphatically as possible: This is not a party issue.

We are victims of our own follies and the follies of past generations.

The guilt rests with both parties and all classes. We thought our wealth would never end.

Referring directly to the Hoover report, the editorial continues:

No American of intelligence can read these reports without gasping in horror at our dangers.

Yet, there is a grave possibility that the greatest task of its kind ever accomplished in the history of America will go for naught.

The mean and petty politicians of both parties are seeking to destroy it for their own selfish ends * * *.

Here, then, is the call to the American people of every honest shade of political belief.

Here is the challenge to save us from the fate for which Moscow is waiting.

Shall we continue to drift?

Or shall we be aroused in time by a mighty outburst of public sentiment?

The people of America have crusaded for war bonds, for Red Cross, for community chests, for every worthy effort devised by the mind of man.

Twice in one generation they have gone to war to fight for human liberty. They have poured forth the lifeblood of their youth and their treasure. They have willingly and without protest taken upon their backs the most staggering burden of debt history has ever recorded.

Has all this been in vain?

The Bible has said that where there is no vision the people perish.

Will the leaders of the Republican and Democratic Parties, the National Association of Manufacturers and the A. F. of L. and the CIO, the church leaders of all denominations, every civic-minded group, every noonday club, every individual citizen unite as we have always done in war, to campaign against the evil which is destroying us?

Will there come a clarion call for battle?

Only public opinion can save the United States from the bureaucrats who stifle us.

"Public sentiment is everything," said Lincoln. "With public sentiment nothing can fail. Without it nothing can succeed."

Our one hope is the people themselves.

Facing the Communist horde—surrounded as we are by darkness and chaos across the world—this must be a holy crusade—a fight for God, for country, and for humanity.

That is the end of the editorial. I strongly urge my colleagues who have not already done so to read the full text. It was inserted in the Appendix of the RECORD of March 1 by Representative ROY O. WOODRUFF, of Michigan, and may be found on page A1150.

This editorial lays down a challenge to each of us and to every other red-blooded American.

Again I say that under existing conditions we are not justified in regarding any item in the budget as sacred, excepting the interest on the public debt and our duty to the disabled veterans and the dependents of those who gave their lives for their country.

Mr. President, there is nothing sacred about the sum of $5,580,000,000 that we are asked to authorize by the terms of Senate bill 1209.

But there is something sacred about preserving the solvency of America because to remain free a nation must be solvent.

I shall, therefore, support an amendment to reduce the requested authorization by a reasonable amount.

I am convinced this can be done without impairing the effectiveness or the progress of European recovery. I most sincerely urge my colleagues of the Senate to support such a reasonable reduction.

Mr. RUSSELL. Mr. President, I do not propose to discuss the so-called European economic program in its broad aspects. With respect to that program we have adopted a policy of undertaking to extend assistance to the peoples of western Europe who are willing to do those things to help themselves which would prevent them from falling under the domination of communism. I have supported that program. I believe in it, and I propose to continue to support it in the future.

I cannot, Mr. President, accept the philosophy that the authorizations of appropriations submitted, even though from the powerful Committee on Foreign Relations, composed, as it is, of able men, are sacred and that the Senate should desist from any idea of reducing them. I am glad to testify that the administrators of the program are able men. They all have my admiration. Mr. Hoffman, Mr. Harriman, Mr. Douglas, and others on the upper level, who are responsible for the expenditures, are among the ablest Americans of their generation. They are not, however, infallible. I do not believe we are obligated to accept each and every recommendation made by those gentlemen to the Congress of the United States, nor do we have any definite responsibility to complete each and every project submitted by the nations of Europe which they might approve.

I should be willing to vote for an actual reduction in the authorization, but, I submit, Mr. President, the amendment proposed by the Senator from Ohio [Mr. TAFT] on his behalf and on behalf of the junior Senator from Georgia does not amount to an actual reduction in the authorization. It is in the nature of an adjustment of the figures in the light of conditions which exist today, with respect to furnishing funds which will be adequate to supply the same goods and services contemplated on November 30, when these figures were arrived at. It will, in effect, if the amendment be agreed to, provide an increase in goods and services for the nations of Europe, as compared to the goods and services which could have been acquired for the same number of dollars at the time the proposals were suggested.

Mr. President, we all know there are substantial reductions in almost every commodity going, under this program, into the export of goods to the nations of Europe. There have been substantial reductions in costs since the 30th day of November. Only yesterday the press quoted the Director of the Bureau of Labor Statistics, the official agency of the Federal Government for gathering statistics, as anticipating that there would be a 10 percent reduction in living costs in the coming calendar year. I happened to pick up a commercial periodical, the Wall Street Journal, a few moments ago, and noticed on the front page a news article bearing the headline "Raw Materials Prices Tumbling as Supply Meets Demand." It tells of steel scrap falling to $33 a ton, and reductions in the price of copper, lead, and so forth. In the body of the article there is a very startling little paragraph with respect to one important commodity, tallow, which shows that tallow has dropped from a postwar high of 27 cents a pound in January 1948 to 5⅛ cents a pound as of today's market. So there has been a substantial reduction in the prices of goods of every kind and character that are required for this program to rebuild, rehabilitate, and strengthen Europe to withstand the assaults of communism since this program was arranged on November 30, 1948.

I was talking only yesterday to a member of the editorial staff of one of the great weekly news magazines of this Nation. A study has just been conducted of construction costs. It discloses that for the first time in almost a decade the bids which are now being submitted for the construction of all types of buildings—of roads, structures of all kinds and descriptions—are running far below the engineering estimates. For 8 or 10 years engineering estimates have meant very little. The bids which have been submitted for construction have always exceeded the engineering estimates. But today the bids for actual construction are running from 7 to 15 percent below the engineering estimates.

Mr. President, it is perfectly apparent to me that this small reduction of 10 percent can be completely absorbed in the appropriation without in anywise impairing the efficiency of the European recovery program. The only thing that would be impaired if the Senate should see fit to vote this reduction would be the pride of the administrators of the program, who have taken the position that Congress should not in any event seek to tamper with the figures and the projects they have submitted to us for our consideration.

Mr. President, I think it would be a fine thing for the Congress to reduce this amount, even though it be the token reduction, which is proposed in the amendment. I think it is time that the Congress was asserting itself in some way with respect to the tremendous spending program overseas—whereby we have provided approximately twenty-four thousand million dollars for the relief of foreign nations—without making any reduction whatever in the figures which have been submitted by those who were charged with the responsibility for the administration of the funds or the requests which have come to us from the nations abroad. I think it is high time that we at least made this token cut, though it would not in any way impair the program, and put the world on notice that we do not propose indefinitely to allow every dollar of appropriation and authorization that is sought, and also to put the administrators of the fund on notice that Congress is scrutinizing their actions, that Congress does not propose to have any waste in the operation of the fund, and that we are aware of the fact that declining market prices will enable this 10-percent reduction to be made without in any way denying to any nation in Europe the help that is necessary to enable it to get on its feet.

Senators have been beguiled with the argument that we should pass this appropriation just as it is, and then submit the matter to the Committee on Appropriations, that an authorization is not final, that the Committee on Appropriations will scrutinize the program, and that they will then make reductions, but that reductions should not be made now.

Mr. President, as one who has served on the Committee on Appropriations during the entire time these huge sums have been voted for these foreign programs, I wish to say that those who make that statement can tell that to the marines, but they need not undertake to tell it to me. We heard the same argument upon the floor of the Senate last year. We had before us the authorization bill, and the distinguished Senator from Michigan and the distinguished Senator from Texas made practically the statements which have been made here this week, to the effect, "It is all right, now, we must maintain this authorization just as it is, but let the Committee on Appropriations go into the matter, and if the Committee on Appropriations sees fit to recommend any cuts, we can then scrutinize the whole situation the second time." Those statements were made last year. Unfortunately for some members of the Committee on Appropriations they took them seriously, and the committee held long and exhaustive hearings on the European recovery program.

When it was proposed to touch the appropriations and reduce them in any amount, a veritable avalanche of protests and abuse was leveled at the Committee on Appropriations. The distinguished Senator from Michigan came and made an appearance before the committee, and stated that it might be all right to make cuts, but that the cuts which had been proposed and were being suggested at that time would absolutely paralyze the program. Of course, as a practical matter, when the Senate votes this authorization, it is practically fixing the appropriation, it is fixing it at least within 1 or 2 percent.

Mr. President, not referring to what occurred in the Senate, but what appeared in the press, one would have thought last year, from the protests that appeared in the newspapers, that those who were trying to reduce the appropriation were a group of impious vandals who were seeking to profane the very Ark of the Covenant. They said, "This is not like an ordinary authorization. It is a commitment to foreign powers. They do not understand our system. They do not realize that the Committee on Appropriations and other committees have to pass on the appropriations after the authorization has been enacted into law. The ordinary rules that apply to domestic authorizations should not attach to an authorization for the Economic Recovery Administration, that being a combination of foreign nations."

As a practical matter, despite the almost herculean efforts by the chairman

of the committee and others, I think we finally cut $225,000,000 out of an appropriation of five or six billion, if my memory serves me correctly.

I therefore say to Senators who would like to see some adjustment in these figures, in keeping with today's prices, and those in the 15 months that lie ahead, that if this is not their last chance, it is at least their best chance to secure some reduction in the expenditures.

Mr. President, we also are confronted with the argument that we should pick out specific items in which reductions are to be enforced. To hear Senators discuss this matter, one would think that the administrators of the fund had created the Congress and had charged it with responsibility for the operation of its details, rather than that the Congress had created the administrators and delegated to them powers and duties with respect to the operation of the funds.

It has gotten to such a point that if one talks about slicing a dime off the authorization—and it will be exactly the same way in the case of the appropriations—if we start to cut off a dime, Senators have to delve down into the shipments made overseas, and perhaps finally they will come up with two pairs of shoelaces out of, say, a hundred thousand going to the Free City of Trieste on other side, and someone triumphantly shouts, "Here, you can take off these two shoelaces, and thereby save a dime." It is impossible to go into the matter in any such detailed fashion as that.

We have provided for the administrators, we have prescribed for the operation of the fund, we have delegated to them great powers, they are men of ability and patriotism, and it is their duty to take such funds as the Congress sees fit to authorize and appropriate and utilize them to the best of their knowledge and ability in promoting the accomplishment of the purposes of the program.

Mr. President, it is their duty to adjust the program to fit the authorization of Congress. Of course Congress should scrutinize very carefully the recommendations of the administrators. They are our agents, they are our creatures, they are our advisors, but certainly we are not bound by any rule that we have to take the figures exactly as they hand them to us.

I could make some suggestions to them as to what I think should be done in applying this very modest reduction to this fund. In the first place I have never been able to understand why Ireland and Sweden and Portugal were brought into any rehabilitation program in Europe. We set about at the outset to repair the ravages of war, and three of the countries that were brought into the program were Ireland, Sweden, and Portugal. Not one of them was in the war. All three of them enjoyed unparalleled prosperity during the time the war was raging. None of them suffered any damage. We bought from them, and we had to do preventive buying from them at extremely high prices, to prevent them from selling to Germany and her allies during the war. Yet we are told that we cannot even cut off the funds that are going to Ireland, Sweden, and Portugal. If we adopt the pending amendment I am willing to suggest to the Administrator that I think it might be well to consider the advisability of either eliminating completely or reducing greatly the funds that are going to those three nations.

Mr. McMAHON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Does the Senator from Georgia yield to the Senator from Connecticut?

Mr. RUSSELL. I yield.

Mr. McMAHON. Is the Senator aware of the fact that the Free State of Ireland, which he has mentioned as being one of the nations that did not participate in the conflict, furnished on a voluntary basis to the British forces exactly the same percentage of men that we conscripted under the draft?

Mr. RUSSELL. Of course, the Senator does not expect me here and now to say anything that would in anywise reflect upon the courage of an Irishman. Throughout all history an Irishman has been willing to climb the highest mountain, wade a river, or swim a sea in order to get into a scrap. I am not talking about the individual Irish soldier. I am talking about the Irish Government. There has never been a war fought on the Continent of Europe or elsewhere in which Irishmen who could get to the place of conflict, did not take part. It was just that spirit that brought to our country the forebears of some of our best citizens. Nearly all the members of Meagher's Irish brigade were Irishmen; they were among the finest shock troops engaged in conflict in the war between the States, and fought at Marye's Heights, near Fredericksburg. They were shriven by the priest before they entered the battle, and most of the members of that brigade were killed. The individual Irishman will, if he can get there, get into any war. It is not the individual Irishman I am talking about. I am talking about the Government of Ireland. The Government of Ireland even refused to permit the use of its ports to those who were fighting Germany. The Government of Ireland even impounded our airplanes that got into distress and were forced to land in that country. The sons of old Ireland have engaged in every conflict they could possibly reach. However, no one can detract from the fact that the Government of Ireland did not help in the recent war, and in my judgment Ireland is not entitled to one dime of help out of ECA.

I suspect that perhaps the Senator from Connecticut was responsible for bringing Ireland in as a beneficiary of the plan. I have never been able to understand it until now why they were entitled to so many of our tax dollars.

The modest cut we propose to make will not impair the program. If we ever expect to make any cut in connection with this program, we will have to do it now, because we will not be able to make the cut in the Appropriations Committee, after the authorization has been made. We went through a similar effort in connection with UNRRA. We went through a similar effort in connection with the Greek-Turkish aid measure. We went through it in connection with the Chinese-aid legislation. We had the same experience in connection with the European relief bill.

Then when the Economic Cooperation Commission was created every member of the Appropriations Committee will recall that though we had perhaps the most bitter and acrimonious meetings we have ever had on any subject we were unable to bring about any substantial reduction. Let no Senator salve his conscience by saying that he will vote for reductions later when the appropriation measure comes before us. Let no Senator indulge in the belief that the cut will be made by amendment proposed to the appropriations bill. I, for one, do not propose to carry on under the abuse that will be heaped upon the heads of those who undertake to make substantial cuts once an authorization has been made.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. WHERRY. Does the Senator, as a member of the Appropriations Committee, remember that when amendments were offered to the bill making appropriations for the ECA a year ago almost before the ink was dry on those amendments a great hubbub was raised over the fact that the Appropriations Committee had even dared to offer an amendment providing for a reduction of $500,000,000?

Mr. RUSSELL. The Senator was not on the floor when I recounted the history of last year, when we undertook to make even the most modest reduction, and I said that maledictions were heaped upon the heads of the members of the committee from every source, and we were treated as being almost subversive and as being guilty of treason for talking about reduction in the authorization on the ground that the authorization was, in effect, a commitment to foreign nations.

Mr. WHERRY. As a member of the Appropriations Committee, does the Senator feel that it will be a futile thing to endeavor to secure a reduction in the Appropriations Committee, or on the floor of the Senate, after the Appropriations Committee had reported the bill?

Mr. RUSSELL. I will say, Mr. President, that the Appropriations Committee will be so chastened as a result of what happened to it last year as the result of the terrific whipping it received for even considering reducing the appropriation that I doubt very seriously that any substantial effort will be made to reduce the appropriation.

Mr. WHERRY. Is it the Senator's opinion that if there is going to be any cut made in the amount provided for ECA it must be done now, when we vote on the authorization for ECA?

Mr. RUSSELL. I have stated before that now is the best time, and this is the best chance Senators have to show their sincerity of purpose if they really wish to reduce the appropriations to be made under this act. This is the best chance they will have to show their sincerity.

Now, Mr. President, I have been interested to observe among the press of the Nation, that those who have insisted most vigorously that the European authorizations and appropriations are sacrosanct and cannot be touched, are the ones that advocate the most drastic reductions in our domestic expenditures. That is something I do not exactly understand, but it is a fact which every Senator must recognize. They will seek to pillory a Senator who will vote to reduce the European authorizations in any amount, but they are constantly carrying on a campaign to reduce all domestic appropriations that are for the benefit of the people of these United States.

Mr. President, I think in terms of the American people first. It is my way, and I have no apology to make for it. I have supported this program. There is nothing in all human history that in any wise approaches the generosity of the people of the United States in their dealings with the other nations of the earth to restore the damage that was inflicted during the war—not only to restore the damage, but to rehabilitate their industry, to rebuild their nation, and to give them improved living conditions they never enjoyed prior to the war. I am proud of the fact that America has been able to show that magnificent attitude of benevolence and willingness to assist. Of course it was not all unselfish. We were doing it in order to have other areas in the world that would be free of communism, other than the United States of America.

Mr. President, I have no apologies to make for making comparisons between the treatment of this appropriation, or this authorization, and that which is being made here for the domestic improvement in the United States, because I do not desire to see these United States, in our zeal to rebuild and recreate and reclaim and improve Europe—I do not wish to see our own people suffer.

There has been action on the part of a committee of the House of Representatives, taken the other day, which would reduce all improvements, all projects for reclamation, all flood-control projects, all river and harbor projects, by a 15-percent reduction. That action was applauded by the very newspapers that are demanding that we vote the full authorization for ECA, that we do not cut the authorization here. For my part, while I am willing to help Europe, I am a little more interested in keeping the economy of this Nation on a sound basis. I am more interested in seeing that we go ahead in the United States in order that we can continue to provide for the nations of the earth that are compelled to call on us for assistance. I do not propose, for my part—and other Senators may, if they desire to, go to my people and have them say "Well, what became of our project here to reclaim the acres of the arid regions, to build a flood-control project to protect our fertile acres, and to create means of transportation upon rivers in this land?" I do not propose to tell them, "I am sorry we could not give you these things, but I won a great victory. I beat down every effort to reduce the ECA appropriations. We are building many great projects in Europe. Unfortunately, we lost our project, but we won a great victory when it came to authorizations of appropriations for ECA."

When I go to my State to address the Parent-Teachers Association and they tell me, "We regret very much that we could not get a few million dollars increase in the appropriation for the school-lunch funds," I do not propose to tell them, "That is too bad, but we saved every dollar, down to the last nickel, that Mr. Hoffman said he ought to have. We are operating a very fine program for feeding the children of France, England, Italy, and other nations." I do not propose to be put in that position; but other Senators, with their aura of statesmanship around them, may do so.

When my people say, "How about a good road here? We need a highway—let us get Federal aid for it," I do not propose to tell them, "We are building a great highway system in Europe, restoring their bridges, and building their roads with the entailed funds which have been paid in and cannot build roads here." I could cite any number of other illustrations.

When we come to the question of taxes, we may have to increase taxes 10 percent or more. I do not believe that the American taxpayer would be enthusiastic about having his taxes increased 10 percent. I do not propose to say, "I am sorry; we all hate to have to increase taxes 10 percent, but I beat down a 10-percent reduction in ECA. We gained a great victory there, and must raise the taxes to pay for it."

Mr. President, we must balance these things. I believe that this program can certainly stand the proposed amendment, which is not in reality a reduction. I assert again that more goods and services will be available after we apply the 10-percent reduction that would have been available when the authorization figures for these projects were determined back in November 1948.

The American people are unselfish, but I do not believe that they wish to have their interests neglected merely to maintain the fetish that we must not lay a hand on the authorization for the European recovery program. Either we must drastically reduce the appropriations for our domestic expenditures or we shall have to increase taxes substantially. Otherwise we shall be operating in the red. I cannot think of any greater tragedy that could befall this Nation at this time than to be operating with an unbalanced budget at a time when our national income is so great as it is now.

If we are going to reduce appropriations, we should at least apply some reduction to the European recovery program. The proposed reduction is not so much as has been applied to the American domestic program. It is a modest 10 percent. At least the European recovery program should not escape without any reduction whatever.

There are a number of illustrations. I have always had a great interest in the agricultural appropriation bill. I am a great believer in soil conservation. I am a great believer in reforestation. I have undertaken to support programs of agricultural research, not only in production, but in the marketing of agricultural commodities. I should greatly dislike to see those appropriations reduced. It would be a very poor consolation to me to tell my people that we were reclaiming the lands of Europe, and that we were conducting great reforestation projects over there. I am willing to go along with some projects in Europe, but I do not want them to be at the expense of the American people.

Mr. President, I am for aid to Europe. I have supported the principle of every program of aid that has been extended. From time to time I have voted to make reductions in those programs. I have voted for such reductions on the floor of the Senate. I have voted for them in the Appropriations Committee; but no substantial reduction has ever been made in a single one of them.

I hope that the Congress of the United States will have the courage to face the issue presented by this amendment, which represents merely a token reduction, and which, as I have stated, cannot hurt the program. It can only hurt the pride of Mr. Hoffman.

I was delighted to hear the distinguished Senator from Michigan [Mr. VANDENBERG] say that Mr. Hoffman himself might condescend later to tell the Appropriations Committee that the appropriation might be reduced. I hope that will be the case. However, from the activities which I have observed on the part of some of those who are doing business with ECA, it appears that this great man, like the rest of us, has feet of clay. He is not willing to have any change made in his plans. Statements are being made to the effect that we should not reduce the authorization. The Congress of the United States should at least take this feeble step forward in asserting some control over its own creatures in the administration of this program. Then we can tell the people of the United States, if we have to cut the domestic appropriations greatly, if we have to increase taxes, that at least we undertook to balance the domestic program with foreign requirements.

I was delighted to hear the distinguished Senator from Pennsylvania [Mr. MARTIN] refer to the national debt in his remarks this afternoon. At times I have felt that the fact that we had this staggering public debt of approximately $252,000,000,000 had been entirely overlooked in all our talk about current spending, European relief, and our domestic program, whereby we hope to make even greater governmental services available to the people of the United States.

The public debt terrifies me, Mr. President. In view of this gigantic debt, I am sick when I think of what would happen if we should encounter even a modest recession in this country. The national income does not have to fall off more than a few billion dollars to affect the Government economy to the extent of many billions of dollars. The last billions on top of the pyramid of our national income bring in infinitely more revenue than do

the billions at the bottom. I do not think we should lose sight of that fact when we are considering items of this kind. We must not lose sight of the importance of the orderly liquidation of the public debt. The generations which will come after the last of us shall have departed from this scene will have problems enough of their own without having to wrestle with and to pay the staggering debt incurred through the folly of this generation and the one which preceded it. So we should be exceedingly careful in the handling of every piece of legislation which provides for the expenditure of public funds, particularly when it is on so lavish a scale as is the European recovery program, to see if we cannot recapture a few dollars from somewhere to pay upon the public debt and undertake to reduce it at a time when we have almost unparalleled prosperity in this Nation.

Mr. President, I hope the Senate will agree to this amendment, not as a reduction in the fund, because it is a mere token, but to show that we do not intend forever to accept as the last word the requests of administrators for aid to foreign nations which we have already greatly aided.

Mr. HENDRICKSON obtained the floor.

Mr. CAPEHART. Mr. President, will the Senator yield for a parliamentary inquiry?

The PRESIDING OFFICER. The Senator from New Jersey cannot yield for a parliamentary inquiry. He can yield only for a question.

Mr. HENDRICKSON. I yield for a question only.

Mr. CAPEHART. Very well, Mr. President.

Mr. HENDRICKSON. Mr. President, it was my intention as a new Member of this body, in respect to the great and far-reaching issue now pending before the Senate, namely, Senate bill 1209, to listen intently, to observe carefully, and then, without any extended remarks, to resolve the issue according to my conscience and my considered judgment when the roll is called.

But, Mr. President, in the course of this extremely interesting and enlightening debate, I have come to realize that no one who has taken the oath which has been subscribed to by every Member of this body and who has had any personal experience at all with the international complexities involved should remain mute at this time.

Thus, without regard to the embarrassment which inexperience in this body may cause me, I shall be bold enough to venture to state as briefly as possible some of the convictions from which I cannot escape as a result of the convincing and able arguments which have thus far been advanced.

May I say, sir, at the outset that I was one of those who, in the campaign of 1948, supported wholeheartedly, and with every ounce of energy and enthusiasm I possessed, the Marshall plan? From the opening of my campaign to its finish, I not only endorsed and urged it, but also pleaded with the people of my State to give it all-out support. Indeed, I frequently scolded the Congress before its final passage, because it seemed at times to hesitate.

I did that, Mr. President, because of a deep conviction that it was the only medium by which we could prevent the further march of the forces of communism which were then stalking the earth without any concentrated or well-organized opposition. I knew from my experiences as a member of the American armed forces in Italy, Germany, and Austria, that unless positive, vigorous, and a well-organized course of action was developed and executed with promptitude, both Italy and Austria might quickly fall to the onward rush of the U. S. S. R., its satellites and allies. This would have meant complete control of middle Europe and the Mediterranean for the Communists and their fellow-travelers. But, Mr. President, thanks to the great leadership of the distinguished senior Senator from Michigan [Mr. VANDENBERG] and those who followed his courageous course, that battle was won.

Costly? Of course it was costly; but, Mr. President, that cost was slight when compared to the ghastly cost of another war. Let us look briefly at the cost.

ERP and interim aid have cost us, in actual expenditures and commitments since its inception, approximately $5,540,000,000. World War II cost us, for each day it was fought, approximately a quarter of a billion dollars, not to mention 1,134,000 of the flower of our youth killed and wounded. Mr. President, if I were statistically minded, I could go on and on with figures to prove that this much-questioned expenditure has justified itself, even though I shall concede later that the mission itself was executed in an extravagant and, in some instances, wasteful manner.

But, Mr. President, the Senate today is considering, not an investigation of ECA, but rather, whether it succeeded in its purpose; and if so, whether its continuance is essential to the future security of our Nation and the ultimate establishment of the peace of the world. My answer is unalterably in the affirmative, but I agree immediately with all who question the program, that the final decision of the Eighty-first Congress must reflect the experience of the past. Recognition must be given to the many able arguments which have preceded my humble utterances, and which clearly disclose extravagance and, in some instances, waste in the direction and management of the program. It is my firm conviction, Mr. President, that it would be better to drop the program immediately, rather than to carry it on so ineptly as to permit our resources to be siphoned into left-wing and communistic activities which will one day rise to haunt us.

But, Mr. President, we are an intelligent and responsible people, despite our tendencies toward extreme idealism, our great generosity, and our tendency toward laxity in the management of fiscal matters. Once we are faced with grave responsibilities, we have an uncanny knack of meeting them adequately. Mr. President, I say that at this moment we are faced with a responsibility as grave as war itself, because if we fail in that responsibility we will have war—and have it sooner than we expect.

What then, Mr. President, is that responsibility? It is to secure ourselves, and our precious heritages, and prevent, if we can, by any just and sound medium, the advent of another world cataclysm.

After listening carefully to this great debate, eloquent throughout, from my point of view, I am convinced that in respect to the major issue immediately before us, namely, the enactment of some sound extension of the ECA, there is only one course open to us, namely, to grant the extension.

But upon what terms shall it be granted, Mr. President? That, to me, is the really immediate issue. Shall it be granted as before, when the cost had necessarily to be based entirely upon conjecture; or shall it be predicated upon experience, which always furnishes a basis from which to project one's estimates?

I shall insist, Mr. President, that it be held to the lowest possible cost to the American people, for I am one of those in this body who believe that we can sell ourselves into bondage if we continue to yield to extreme impulses which ignore the effects upon our own economy. I have seen men of great heart, possessed of genuine ability, endowed with fine minds and stout bodies, possessed of considerable of the so-called material things of life, wind up penniless and well-nigh friendless because there was no end to their charitable nature. This can happen to a nation, and will happen to ours unless we are on guard against our own idealistic impulses. I do not mean that we must change the noble course we have followed to this very moment, but I do mean that we must modify the speed with which we pursue that course.

Mr. President, I stand prepared to support the ECA and all it represents in international cooperation; but amendments have been offered which must be considered, and considered carefully lest we become the prey of the very forces we seek to repel. We have been warned by great statesmen and patriots, within and without this body, of the effects that a widespread depression might have upon our own economy. I take the liberty of quoting from the statement the senior Senator from Georgia [Mr. GEORGE] made on the Senate floor on March 29, 1949:

> In my opinion there is but one thing which will bring us a sizable depression in 1949. That one thing is to superadd to the already heavy tax burdens of the American people between four billion and six billion dollars.

Let us take heed, Mr. President, and act with caution as we proceed to establish the terms upon which we shall continue our charities to the reconstruction of a broken and distraught world.

And now, Mr. President, I should like to proceed with what I hope will be a very brief discussion of a few of the related issues which have been raised in the course of this debate. Of course, many of the issues were raised both in the hearings before the Committee on Foreign Relations and in the course of

the debates on this floor; but chief among them, in the order of their importance, was the proposal of the distinguished Senator from Arkansas [Mr. FULBRIGHT], for the political unification of Europe. In respect to this proposal, I shall not take the time of the Senate by extending my remarks, because this subject was so thoroughly and eloquently covered by the distinguished Senator in his address on Wednesday afternoon, March 30, that insofar as it relates to the pending measure, it would be repetitious. This much, however, I do want to say, namely, that I wholeheartedly subscribe to the principles and policies to which the proposals address themselves. I know that to many it seems visionary, but let me say that unless we turn some of the vision which is in our midst and all about us into vigorous and positive action we may well, with the rest of the world, see an application of Solomon's prophecy that "where there is no vision, the people perish."

Another vital issue which has been rather thoroughly aired and debated in the course of the arguments on Senate bill 1209 is the North Atlantic treaty. I say "vital" because up to this time in the history of nations and their relationship with each other such treaties have in the final analysis always been "tried and found wanting." Usually they have culminated in discord between the nations involved, and too often their violations have led to war. Thus, as we enter upon consideration of the so-called North Atlantic Pact, let us do so in the light of history and with a deep consciousness of the frailities of human nature. Let us not forget that the fate of nations has turned again and again upon the whims of an individual or individuals. In sounding these warnings, I want to make it clear that I shall probably at the conclusion of the debates—and I repeat, probably—support the North Atlantic treaty with great reluctance and a troubled mind; but if my vote shall be to approve the treaty it will be because I have determined that in a world beset by power politics we have no other immediate alternative. I know not what the debates on the North Atlantic Pact will disclose, either in respect to its negotiation, its high purposes, or its legality, but I do say, Mr. President, I have yet to be convinced that it is entirely within the framework of our Constitution. I am deeply concerned by the point raised by the distinguished senior Senator from Missouri. There is no question but what the President, by and with the advice of the Senate, may make treaties, with the concurrence of a two-thirds vote of the Senators present, but, as the distinguished Senator from Missouri has said, in effect, the Congress shall have the power to declare war. In the light of these two constitutional provisions, I am deeply concerned lest articles V and VI of the pact, unless amended, prove inadequate to meet the framework of our Constitution, for I can readily visualize the case where, under article V, military action would be taken against the will of the American people and over the objection of the House of Representatives, with resulting embarrassment and perhaps disaster to our whole national unity.

So much for the legalisms involved. But greater than the legalisms are some of the moral issues.

As it was pointed out so ably and eloquently by the distinguished Senator from Maine [Mr. BREWSTER] on Tuesday, March 29, in the colloquy between the distinguished senior Senator from Maine and the distinguished junior Senator from Oregon, we are already confronted with a most embarrassing and, to me, grave dilemma in connection with the approval and execution of the pact. On the one hand, under the negotiations thus far, the Netherlands is to be, as I understand, a signatory to the pact. Presumably it is to be a solemn and binding pact, which means exactly what it says. Now we find, on the other hand, from the records as disclosed in the aforesaid colloquy, at pages 3392 to 3394 of the CONGRESSIONAL RECORD, volume 95, that the Netherlands is already in violation of a solemn and binding pact to which the United States of America is also a member. It would be presumptous of me to try to add to the potency of the remarks to which I have already alluded. Under those circumstances, it is sufficient to say, if we do commit ourselves as parties to the North Atlantic treaty, we are not getting off to a very good start. Mr. President, if this treaty or any other has not been entered into upon high moral principles, no matter how binding it may be in the law, it just has no value. This is the factor which concerns me most in respect to the approval and execution of the North Atlantic Pact.

Mr. President, there have been several collateral issues raised in the course of this debate, and in one of them I have a particular interest because of some personal contacts with the subject matter thereof. I refer, sir, to the disposition of the former Italian colonies, and I speak on this question with deep feeling and with deep conviction, despite the fact that I know there will be those who will say that this subject was not thoroughly aired at the hearings before the Senate Committee on Foreign Relations, because the colonies in the past were not self-supporting, but that to the contrary they were a costly operation to the Government of Italy. Measured entirely in material terms, this may be true, but there are other considerations which I should like to have in the RECORD at this point in my discussion, purely for the purposes of future study by the Foreign Relations Committee and by the Members of this body.

It was my privilege to spend considerable time in Italy during the war, trying to repair some of the devastation which our armies had left in their wake, trying to restore well-ordered law and morality, so that the operations of our armies would not be impaired from the rear. In these operations, my job became more to me than being merely a good soldier. I came to know and understand the Italian people at all levels, and though they had been misled by false and unworthy leadership, basically their aims and objectives were very much akin to our own. Thus, I saw in my service there an opportunity to be an ambassador of our free way of life. I saw an opportunity to inculcate some of the basic principles of our system of justice. After 8 months of helping to direct the operations of the military government courts in the city of Rome and seven adjacent provinces, it was not infrequent that when an Italian lawyer had a choice for his client, he would ask for trial in the allied military courts rather than in the Italian courts. So I could go on, by other examples, to establish the great alliance which came to exist between our troops and the Italian people, largely by virtue of the ambassadorship of the American GI, his great heart and his high sense of idealism. That good will which was earned by blood, sweat, and tears, as I see it, must not go for naught. It is within our power today to turn it into one of the media through which world peace can be attained; but surely, Mr. President, this good will and devotion, those strong bonds of friendship forged in the crucibles of war and in the awfulness of death and devastation, can be of little value if we strip them of all of their meaning by permitting Italy to become again an economic shambles because of an overconcentration of population. That, Mr. President, is the most vital problem with which the Italian Government has to deal. And so, I am suggesting, Mr. President, that the great Government of the United States go on record as favoring an outlet and a remedy for this problem. I am suggesting that insofar as Italy is concerned, we completely forgive the sins of the past, remembering how easy it is to mislead a whole people by false hopes, aims, and ambitions when those people are clearly on the road to economic ruin, to mob violence, and to revolution.

Mr. KEM. Mr. President, will the Senator yield for a question?

Mr. HENDRICKSON. I shall be glad to yield when I have finished my remarks. I do not want to be discourteous, but, for the sake of brevity, I should prefer to yield at the end of my remarks.

I am suggesting that we give Italy an emigration outlet, a safety valve, if you please, by returning the Italian colonies either with or without trusteeship. Actually, there is only one condition that I personally would impose upon the Government of Italy in the event of the return of her former colonies and that would be a proper limitation of military activities in those colonies.

I have been told, Mr. President, that on April 5, which is next Tuesday, United Nations will take up the question of the disposition of the former Italian colonies. Under the Charter, it is quite clear that a two-thirds majority of the nations represented is necessary to effectuate that proposal. To date, the United States has not, officially at least, taken a definite stand. There can be no question that the decision of the United States in the matter would influence the votes of many other nations. Lest there be doubt as to which colonies are involved, may I say that they include only those which were under the monarchy in the pre-Fascist era, namely, Eritrea, Somaliland, and Libya.

In respect to overpopulation, Italy needs an emigration outlet. Today she has 45,000,000 people living in 120,000 square miles. That would compare to 531,000 people in the State of New Mex-

ico. Remembering that Italy is made up, for the most part, of rugged, rocky, and dry mountain country, possessing very limited natural resources, with resulting dependence upon imports and tourist trade, it is not difficult to see clearly the need for a well-ordered plan of colonial expansion which will lend itself to both the population problem and the development of large waste areas.

Let us, for a moment, consider another factor which is almost as important as the one of emigration, namely, the psychological effect which our support of this very proper return of territory, in this instance a sound recognition of property rights at the international level, would have, not only upon the Italians but upon all the people of Europe who are now receiving our financial and moral support. That the return of the colonies would have a terrific impact upon the political front in Italy there can be no question, nor can there be any question that it would be considered as a complete all-cut victory for the democratic forces now in control in Italy and thus strengthen everywhere in Europe the power of those who oppose communism.

There are one or two other factors which should not be overlooked. One is the strategic importance of the Mediterranean Sea. Down through history, the fates of nations have changed as the control of the Mediterranean area changed. Certainly it is to our advantage that a friendly nation situated in the very heart of the Mediterranean area should have a voice in the control of that historic area.

In conclusion, Mr. President, there is one other factor which must not be overlooked in any consideration of this all-important question.

In the Italian colonies, prior to the war, there was tremendous development brought about at a great expenditure of effort and money by the Italian people. Deserted areas were transformed into rich and fruitful fields; modern cities took the place of dreary, dirty, unsuitable villages. The people in those colonies soon learned the European methods of agriculture, and production in all of the Italian colonies developed by leaps and bounds. Hospitals and public schools were established in the colonies. Compulsory education for the natives was instituted and great progress was made all along the line. It is a sad thing, Mr. President, that wicked and false leadership was to prevent Italy from proving to the world that she could colonize as well and as constructively as any nation which ever undertook that task.

So, Mr. President, it is my sincere hope that the Members of the Senate will give this great issue most careful consideration that the Foreign Relations Committee of this body will delve into every phase of the matter, and that the outcome of those studies by the entire Senate and its appropriate committee on the subject, will cause Senators to realize how important this matter is in the whole scheme of European recovery, how important it is to the Atlantic Pact, and how important it is to the peace of the world.

Mr. President, I have here some supporting data and information which I ask unanimous consent to have included in the RECORD as a part of my remarks; and for the benefit of the Foreign Relations Committee I should like to file some statistical and photographic material in support of these articles.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

PREFACE

The United Nations Assembly will discuss the question of the disposition of the former Italian colonies on April 5. The decision will have to be approved by a two-thirds majority.

It seems that the United States has not as yet taken a definite stand on the subject, and, needless to say, its decision will be a determining factor since it will influence the vote of the other nations.

At present, France and the Latin-American Republics are in favor of granting Italy a trusteeship over Libya, Eritrea and Somaliland. Several western European and Arab countries are undecided. England, together with its dominions (with the exception of South Africa which does not agree with the English position) favors the exclusion of Italy from Libya and Eritrea.

The USSR has wavered on the question of Italy's return to colonial administration, but on many occasions—perhaps for political and propagandist expediency—it has seemed to follow a line which might be interpreted as favorable to Italy.

At present—excluding possible changes—the USSR and the satellite countries favor a collective trusteeship proposed by the United States in 1945 and later scrapped.

It is absolutely essential that Eritrea, Somaliland and Libya (constituting the former pre-Facist Italian colonies) be placed under Italian administration for the following reasons:

DOMESTIC POLICY

1. An unfavorable decision might mean a fatal blow to the democratic Italian Government;

2. The Italian Communist forces' prestige would be greatly enhanced through an adverse decision because of the following fundamental reasons:

(a) The Italian masses are keenly conscious of the serious emigration problem and see in the African territories a possible source of immediate employment.

(b) The Communists might maintain, to a certain extent justifiably, that the Western Powers are tending to suffocate Italy—as Russia would not.

(c) The democratic government would appear not to have any real support on concrete problems from the Western Powers which would show themselves to be following an egotistical policy.

(d) All the nationalistic movements which would inevitably arise as a result of an unfavorable verdict to Italian equitable aspirations might turn to the Communist orbit or might contribute through their agitation to weakening the democratic government.

SOCIAL

(A) Italy has absolved its task of civilization in Africa laudably, transforming desert and primitive regions through its labor.

Where at first there only existed insignificant villages with a few nuclei of natives, there have arisen cities organized along modern lines. In Eritrea, for example, the agglomerates of "tucul" such as Assab, Kerem, Adi Ugri, and even Asmara, were transformed into villages and modern cities not only through the initiative of the government but through the active participation of private individuals.

In order to permit commercial and agricultural development, Italy constructed roads which have since become famous. Not to speak of Libya, now known to thousands of ex-GI's, it is enough to say that in the distant Eritrea, a good 7,544 kilometers of asphalt roads cover that region. In Eritrea alone the expenditures for public buildings from 1913 to 1937 totaled 88,468,790 prewar lire and those for railroad construction 91,028,000 prewar lire. Even more eloquent figures can be cited for Somaliland and Libya.

In a relatively short period of time there has been a tremendous increase in the local population. With a social policy based on generous principles, with the institution of hospitals, centers of medical assistance, maternity centers, and rest homes, surprising results have been achieved. In Eritrea, for example, the native population went from 268,893 in 1905 to 600,573 in 1931, thanks to the pacifying activity of the Italians who put an end to racial and religious persecutions and abolished slavery, and also to the medical care provided. With the Italian colonization all the other races also had assistance and protection and developed extensively. The Jews in Libya, for example, increased from 7,124 in 1911 to 26,709 in 1940. Only recently, under the British administration, have pogroms recurred and there has been an exodus of Jews. Up to the very present the Jews are escaping as best they can, even resorting to the use of sail boats, and are taking refuge in Italy. The date of the last arrival of Jewish refugees in Italy is January 26, 1949.

The figures on welfare work, taken from detailed statistics, are also eloquent. In Libya 55,000 patients were treated and cured during the 1928–32 quadrennium. In the period 1932–42 this figure rose to 192,750 patients. An equal, or perhaps greater, increase in this field was had in Eritrea and Somaliland. It should be noted that before the Italian colonization those regions did not have any kind of assistance.

As for the education of children, it can be stated on the basis of statistics that during the course of the single year 1938 a good 11,000 children in Libya and 7,123 in Eritrea and Somaliland received an elementary or intermediary education. If one takes into account that child education was entirely absent from these regions of Africa inhabited by nomadic peoples, the importance of the achievements of the Italian administration become clear.

The contribution that Italy made to the social progress of its former colonies has been recognized not only by impartial observers of all nationalities, but also by the four-power commission of inquiry which unanimously established that Italy accomplished its work of civilization in Africa with excellent results, adding, furthermore, that the native populations are not as yet ready for complete independence.

(B) To exclude Italy means to compromise all that has been done for the natives and for the development of those areas, and to delay their independence.

The dismantlement and impoverishment of the areas cultivated and industrialized by Italy is already in progress.

In Cyrenaica, for example, lands on which grapevines and trees were growing, are already being used by the Bedouins for pasture. Beer, macaroni, tanning, and typographical works are being demolished and sold as scrap piles. Agricultural machinery is deteriorating and rusting.

Identical negative results are to be noted in Somaliland and Eritrea. This last region which had been flourishing and was on the road to ever increasing development, now finds itself in an extremely serious economic crisis.

The messages which continue to reach Italy from Libyan, Eritrean, and Somali leaders are not only the expression of political sentiment but the fruit of real economic necessity.

(C) Italy is the only country having an excess of laborers, technicians, and personnel acquainted with the locale and the customs of the native population.

The excessive number of workers in Italy is eloquently demonstrated by the number of unemployed which, according to official statistics, totals 2,000,000, but which unofficial statistics estimate at the extremely high figure of 3,000,000. This figure, if considered in proportion to the population, would correspond to 9,000,000 unemployed in the United States.

(D) Italy has a progressive system of colonization. It is based on the development of the colonized areas, and not on their exploitation. The colonizers, in fact, do not represent a dominating race but consist of individuals who even work for the natives and with the natives. The interests of the colonizers and of Italy are always subordinated to the progress of the entire community. The process of Italian colonization has never worked to the detriment of the native populations: The lands which the Italian colonizers worked were not appropriated from the natives, but had been uncultivated and abandoned.

(E) Thousands and thousands of Italian colonizers who were forced to leave Libya or Eritrea are now in DP camps in Italy. There are more than 200,000 of them who have been left with nothing, having lost everything in Africa.

ECONOMIC

(A) Italy has not only brought civil progress but economic progress. The existing productive forces were augmented; where there was nothing, new sources of production were created through work and ingenuity.

Colonial development has reached figures which clearly indicate this progress. The following are some significant examples:

Tripolitania: Total area under intense cultivation before 1911: 2,162.35 hectares. After 1911 up to 1940: 21,030.72 hectares. (In olive trees, almond trees, grape vines, citrus fruit trees, etc.) Total semidesert or uncultivated area before 1911: 42,405.60 hectares. Total area reforested from 1911 to 1940: 37,406.83 hectares. Cultivation of olive trees before 1911: 4,107.35 hectares. From 1911 to 1940: 25,885.31 hectares. Agricultural credits granted by the Bank of Tripolitania: 87,673,750 prewar lire during the period from 1924 to 1935.

Cyrenaica: Total area under intensive cultivation before 1911: 1,823.67 hectares. Between 1911–40: 16,111.63 hectares. Production of olive oil before 1911: nonexistent. Between 1920–40: 62,000 gallons yearly.

Eritrea: From Eritrea, during the period from 1923 to 1940, zootechnical and manufactured agricultural products were exported in the amount of 156,623,908 prewar lire.

From the figures on the maritime traffic to Eritrea it is easy to deduce the growth of that colony during the period of Italian colonization: The passenger maritime traffic by steamship which reached a yearly average of 5,832 from 1907 to 1910 increased to 323,918 in 1938; the number of passengers transported on sail boats during the same periods rose from 12,732 to 43,998. The quantity of merchandise transported on ships goes from 20,684 tons in 1902 to 148,587 in 1926 to 1,295,190 tons in 1938; that transported on sail boats, from 14,075 tons to 20,961 to 46,645 during the same periods.

The following progress in the volume of maritime trade was marked in the field of imports: 8,553 tons as an annual average in the period 1899–1904; 170,805 tons in 1923–28; 189,426 in 1929–34; in the field of exports: 2,576 tons in 1899–1904; 84,773 tons in 1923–28.

In 1940 a good 2,198 industrial firms existed in Eritrea which had invested capital in the region in the amount of 2,198,100,000 prewar lire and 2,690 commercial firms with an invested capital of about a half billion prewar lire.

(B) Because of the affinity in climate and the proximity, Italian colonization is the least costly and the most suitable. This can be easily deduced from the fact that in Libya, alone, the Italian population rose from 1,100 in 1911 to 112,596 in 1935.

(C) The Italian Government is spending more than 40 billion lire for the Italian refugees from Africa. These colonizers—who are staying in DP camps in Italy—were forced into idleness and constitute a serious element of unrest both in the economic and political fields.

FOREIGN POLICY

1. Italy has indicated that there will be no difficulties in granting the United States or Great Britain military bases necessary for the defense of the Mediterranean sector.

2. Italy is willing to bring about the independence of the native populations at the earliest possible moment. It has, for example, proposed the creation of an Arab state in Libya.

3. The Italian Government's attitude is one of the most conciliatory. Italy has shown herself to be willing to give up the base at Tobruk (Libya) to England, the Bay of Assab (Eritrea) to Ethiopia, the Fezzan (south Libya) to France, to propose an Italo-Franco-British trusteeship in Eritrea, etc.

4. Italy's return to Africa as trustee is favored by the native populations.

Contrary to what has been said, the native populations are in the majority pro-Italian. Two examples should suffice: The administrative elections held in Tripoli on January 19, and the recent adherence to the pro-Italian party in Eritrea of the descendant of Mahomet Saib Ibrahim el Morgani, recognized head of the Eritreans belonging to the Moslem religion.

The Tripoli elections have special importance if one considers that the overwhelming victory was had by the pro-Italian Arab Party despite the fact that the ballot was not secret and the seats were apportioned on the basis of criteria which was manifestly discriminatory. The mayor of Tripoli is now Mr. Caramanli, a former officer of the Italian Army, educated in Italy, and a declared exponent of Italo-Arab cooperation.

5. Italy's return to Africa would reinforce the position of the present democratic government, it would strengthen the democratic forces which have asserted themselves after such a difficult electoral struggle and it would afford Italy the possibility of greater security in the event of a new world conflict.

[From the Chicago Herald-American of February 14, 1949]

ITALY MUST HAVE AFRICAN COLONIES TO CHECK REDS

(By Karl H. von Wiegand)

ROME, February 14.—An epidemic of new strikes once again reflects the increasing pressure of Italy's insupportable overpopulation and the imperative need for the return to Italy of her former colonies by America, Britain, and France.

The latter three colonies have not the slightest need of these or other areas in Africa.

Italy must be given a "safety valve" emigration outlet for at least some of the Italian people who cannot be given work and have little food.

The return or nonreturn of Italy's African colonies will be one of the tests of sincerity of statesmen of the big powers who say they want and are working for peace and stability in Europe.

The interlocking series of strikes and slowdowns show the Communists are endeavoring to exploit the situation created by overpopulation pressure and growing unrest which Premier Alcides de Gasperi, Foreign Minister Count Carlo Sforza, and Minister of Interior Mario Scelba are battling.

The next 8 or 10 weeks are regarded as a critical period in Italy.

There are signs the Cominform has picked Italy for a big Communist "push" in these weeks.

Unemployment figures are officially given as below 2,000,000, but unofficial figures place the total at about 3,000,000. Compared in populations, this would be equivalent to from 8,000,000 to 9,000,000 unemployed in the United States. That would be regarded as serious in America.

HOLDS FUTURE

"The question of the return of the colonies is a matter of life or death in Italy," a high Government official remarked to me.

In Vatican circles, the return of Italy's African colonies is emphasized not only as a "safety valve" emigration outlet but as a "spiritual and moral uplift and stimulus to the Italian people."

L'Osservatore Romano, official organ of the Vatican, has revealed that Catholic priests in Italy are paid as low as $7.17 monthly and that the basic pay of bishops is $30 and archbishops $32 a month.

As I pointed out in a recent dispatch from Cairo, Africa's 12,500,000 square miles practically are held and fenced in by two big powers—Britain and France—and by two small nations—Belgium and Portugal.

RESOURCES UNTAPPED

With a population of only 176,000,000, whereas more than three times that many persons could live and prosper in Africa, the four European nations have done little to develop the vast resources of the Dark Continent, except in a few spots.

Portuguese Angola stretches 1,000 miles along the Atlantic south of the Congo.

Britain's possessions in Africa in colonies, protectorates, mandates, and by occupation are larger than all of the United States, Mexico, and the Central American Republics, while French possessions are as large as the United States and Mexico.

Belgium has an area of nearly three times the size of Texas. Portugal has an area of 750,000 square miles. Spain has a small sliver of less than 15,000 square miles.

MUST BACK ARMS

If the Governments of America, Britain, and France are sincere in their professed aims of helping Europe to peace and tranquillity, food and a higher standard of living for the populations, and a more encouraging outlook for the future, there is no reasonable or logical reason why Italy's African colonies should not be returned.

If these colonies are not returned, those western powers will be playing into the hands of Soviet Russia.

It can profit Italy little to be invited into the Atlantic or western union pacts, if she is to be treated as a national concentration camp, the overpopulation of which is to be given no emigration outlet.

Mr. HENDRICKSON. I now yield to the Senator from Missouri.

Mr. KEM. Mr. President, the hour is late, so I shall forego the privilege of asking the Senator a question.

Mr. HENDRICKSON. I am sorry if I seemed to be discourteous.

Mr. WHERRY. Mr. President, on March 30 I sent to the desk and had read amendment 3–3–49–D. I intended to offer it as a substitute for the Taft amendment, for the reason that it amends the over-all authorization in the bill, and also reduces the authorization from a 15-month period to a 12-month period. As I say, the amendment was offered 3 or 4 days ago. I wish to make a very brief statement regarding it, and to bring it to the attention of the distinguished chairman of the Foreign Relations Committee and the distinguished

ranking minority member of that committee. I should like to ask unanimous consent to have it voted on prior to voting on the Taft amendment. I realize that I shall have to have unanimous consent to do that.

The VICE PRESIDENT. The Taft amendment is an amendment in the first degree. An amendment to that amendment is in order.

Mr. WHERRY. I realized that I would have to have unanimous consent. That is the reason I should like to have the chairman of the Foreign Relations Committee here; and if there is any objection, I shall not offer it. I intended to offer it as a substitute for the Taft amendment to the bill under consideration, and should like briefly to state my reasons for offering it.

The bill under consideration, as it comes from the committee, provides for the following authorizations:

(a) One billion one hundred and fifty million dollars to carry on ECA during April, May, and June of this fiscal year;

(b) It would provide $4,280,000,000 to carry on ECA for the fiscal year beginning July 1, 1949;

(c) It would provide for contract authorization and expenditures amounting to $150,000,000 after June 30, 1950.

Or summing up these three figures, it makes a grand total of $5,580,000,000 to carry on ECA for 15 months, plus an indefinite period after June 30, 1950, in which the contract authorization would no doubt be used up.

I propose, in the amendment I intend to offer, to put ECA on a 12-month basis beginning April 3 of this year. Therefore there will be no difficulty about the pipe line; it will continue to operate for 12 months instead of 15.

The amendment further provides $3,638,000,000 to carry on ECA for the following 12 months, commencing April 3, 1949, and ending on April 2, 1950; as compared with the $4,280,000,000 that is provided in the bill for the 12 months' period beginning July 1, 1949.

Or putting it in another way, my amendment reduces the authorization for the April 3, 1949, to April 2, 1950, period by $642,000,000, or 15 percent and shortens the bill from 15 months to 12 months. In other words, we shorten it up, and it provides a 15-percent reduction on the balance of $4,280,000,000.

The amendment proposed by the senior Senator from Ohio would provide, for a 12-month period, that is, for the fiscal year beginning next July 1, $3,852,000,000. That would be $428,000,000 less than the amount proposed in the bill for that period. That is, the Taft-Russell amendment would mean a reduction of $428,000,000.

Thus it will be seen that the amendment proposed by the senior Senator from Ohio provides a reduction of $214,000,000 for the 12-month period less than my amendment would provide.

I also wish to point out that the amendment proposed by the senior Senator from Ohio would not cut the $150,000,000 provided in the bill for expenditure after June 30, 1950.

It seems to me that consistency would require a percentage reduction equal to the proposed reduction by the senior Senator from Ohio in the amounts carried in the bill for the 15 months ending on June 30, 1950.

If the 10-percent reduction were applied to the $150,000,000, that figure would be reduced by $15,000,000, leaving $135,000,000 and the amount of reduction in the so-called Taft amendment would rise from $543,000,000 to $558,000,000.

Mr. President, I am disturbed over our national economic situation, as I know many other Senators and citizens are concerned. We all know there has been a slackening of business in recent months. Government agencies report that nearly 4,000,000 persons are now unemployed. Prices have fallen, very greatly on the products of our farms. We are in an uncertain period—all hopeful, of course, that there will be a stabilization that will result in continued prosperity.

The actions the Senate will take during the next few weeks will be crucial actions, in my opinion. We can, by constructive action, arrest the downward trend in business, and strengthen confidence of the people in the future, or we can by our actions contribute to the oncoming of a serious depression.

It is a matter of simple arithmetic that if we appropriate all the money that has been requested in the budget, there will be a huge deficit and the imposition of higher taxes, or inflationary deficit-financing will be necessary. One or the other course must be pursued.

No one could more perfectly or more effectively point out the critical fiscal condition that threatens than did the senior Senator from Georgia [Mr. GEORGE]. I fully concur in all that he said to us last Tuesday. He warned that there will be a deficit of about $5,000,000,000 if we fail to cut the budget. He said that an increase in taxes of that amount would certainly contribute to stagnation of business and a serious depression.

We all know that excessive taxes are a drag upon business. Every schoolboy knows that taxes enter into the cost of everything we buy. To argue otherwise is to lack elementary knowledge of economics.

The Senate has yet to act upon the long train of appropriation bills. Before us now is our first test of what action may be expected on other money bills. What we do about this ECA measure will be widely accepted as the beginning of the pattern that may be expected from this Senate.

To me it is not sound legislating to pass this authorization bill for $5,580,000,000 on the theory that the time to go into it and sift its provisions is after it becomes law and the Appropriations Committee has worked on it. Now is the time for us, I believe, to set the ceiling policy, and show to the country that we are determined to cut expenditures all along the line in the interest of national prosperity, and to stave off a business-killing tax increase.

We all know from the debate we have been having that there is a scarcity of information in the Senate Foreign Relations Committee hearings, and in the reports of the Economic Cooperation Administration, to justify the lump-sum authorizations in the pending bill. It seems to be clear that the totals approximate what the participating countries have asked for. It is quite clear that a rule-of-thumb procedure was followed in reaching these totals.

For instance, Mr. President, there is the $940,000,000 provided for the United Kingdom and supported by the Foreign Relations Committee. On page 498 of the committee hearings we find the following discussion concerning the British allotment:

Senator TYDINGS. Before the final figure was submitted were any projects eliminated, or scaled down?

Mr. FINLETTER. The detailed work of preparing the program underlying that figure submitted was done by the British and we did not take it up project by project with them. The entire import program from the dollar area was considered, and an attempt was made to compress it to the absolute minimum on all scores.

Senator TYDINGS. It was compressed, was it not?

Mr. FINLETTER. It was.

Senator TYDINGS. What was it before it was compressed?

Mr. FINLETTER. That is something we cannot tell. We were not in on the discussions of the British Government.

Senator TYDINGS. Your staff here was not. Your representatives in London were.

Mr. FINLETTER. I was in London at the time. My staff was not in on the detailed discussions of the British Government.

Senator TYDINGS. I think you do not intend to do this, but the impression I get from your testimony is that this figure that you now have before us was the figure that was arrived at after discussions. That is correct, is it not?

Mr. FINLETTER. That is correct.

Later the Senator from Maryland elicited from Mr. Hoffman, the ECA Administrator, that Mr. Hoffman suggested a 25-percent cut, and this was generally agreed to. That is how the figure of $940,000,000 was arrived at.

I cite this testimony, Mr. President, to emphasize that we are not dealing with a sacred figure; that if we do not approve it, the ECA program will not collapse and communism take over western Europe. That suggestion has been made; but this is a general proposition and these figures are general. They do not involve eliminating one project or another, but simply reduce the authorization for the British Empire to $940,000,000.

There is abundant evidence from the ECA and other sources that production in western Europe is now above prewar levels, higher than before the war.

Recent elections in France and Italy revealed sharp declines in the ranks of communism.

The United States has a moral obligation to feed the hungry, clothe the naked, and relieve destitution in freedom-loving countries.

But we have no obligation, legal or moral, to finance those countries to new heights of prosperity—at the expense of the American taxpayer.

We still live in a competitive world. I am opposed to taking the American taxpayer's money to finance world-wide

commerce for foreign countries in direct competition with our own merchants, and, in fact, in competition for our own American market.

Yet I believe that with Europe over the hump in postwar recovery, the ECA program now largely becomes a program to finance our competitors in world commerce. No doubt this phase of the matter will be most thoroughly explored when we consider the bill to extend the so-called Reciprocal Trade Agreements Act.

This ECA matter is not a question of what we would like to do to banish want from the face of the globe, but a question of how much we can afford, how much deeper we must dig into the pockets of the American people. They will become more conscious of this outflow of their cash and goods as unemployment spreads within our own land.

We find from the record that the totals carried in the pending bill are arbitrary totals, fixed to suit the expansion plans of the recipient countries.

That is my opinion as I read the report, and I have gone into it quite in detail, since the colloquy I had with the Senator from New Jersey [Mr. SMITH] recently on the floor of the Senate, when I asked him to attempt to justify, project by project the $940,000,000 allocated to the British.

We, too, have large figures to deal with in our own fiscal situation. We, too, can make arbitrary ceilings in shaping the pattern of our budget. That is how we are going to have to figure, if we are to escape the tax increase that the Senator has warned us against.

To authorize an ECA program for 15 months, with an indefinite period beyond that in the $150,000,000 to be allowed after June 30, 1950, would be in my opinion, an unwise action, in view of the uncertainty of our own domestic situation.

We do not know with certainty what conditions will be a year from now—much less than 15 months from now. We make our major appropriations on a yearly basis, and operate our Government on a fiscal-year basis.

To have the 12 months for ECA begin on April 3, next, as I propose, would not alter the year's basis for comparison and bookkeeping purposes. The 12 months' period I propose simply would end in April 1950.

Congress will be in session next January and then we can take another searching look at ECA, in the light of conditions abroad and at home.

By putting ECA on a yearly basis, we would be required to keep closer tab on it, and be better able to revise it as conditions arise, than if we have to wait until the 15 months have expired.

If, next January, we find that ECA must be continued, we certainly would take that action.

There would be no sudden termination of ECA in April 1950, under my amendment, because long after April 1950, the goods and supplies from our factories and our farms would continue to flow to the recipient countries.

In fact, today, the pipe lines are full and overflowing. I am informed the ECA today has about $2,500,000,000 worth of goods that have yet to be shipped, and to be paid for by our Treasury Department.

My information is the ECA has allocated or earmarked all its funds, but that many orders are yet to be placed, and many months will be consumed in manufacturing and processing these goods.

Therefore, by adding this $2,500,000,000 to the $3,638,000,000 that I propose in my amendment for the next 12 months there will be more than $6,000,000,000 worth of goods and cash available to carry on ECA.

I contend that the 15 percent cut over a 12-month period that I propose in my amendment is not drastic. It is no more drastic than what we propose to do on appropriations for the well-being and happiness of our own people, as was suggested by the Senator from Georgia [Mr. RUSSELL] just a few moments ago.

On appropriation bills that have been reported by the House Appropriations Committee, I am informed, reductions approximating 15 percent have been made. That is true with respect to reclamation projects in the Department of the Interior appropriation bill, and is true with respect to the civil functions appropriation bill, both of which have been passed by the House and sent to the Senate with reductions below the budget estimates.

I believe that we in the Senate are going to have to do as well, or better, if we are to avoid a tax increase or go through another black period of deficit financing. If we are to make those cuts, we can make them project by project, in the amount of 15 percent, if it is to be done in that way. I believe cuts should be considered project by project, but I do believe a pattern must be set here with respect to appropriations.

A 10-percent cut in ECA, in my opinion, would be merely a token reduction.

It has been suggested that the amount of the cut is not important; that the big thing we must accomplish in the Senate is to make it clear that we can think and act, and do not subscribe that any authorization presented to us is sacred—save, of course, appropriations necessary to service our national debt, and to provide for war veterans, and our national defense.

In the light of all the evidence that production in western Europe is now up to prewar levels—and even above it in some lines, I think we need have no worry that a 15-percent cut in ECA would materially retard Europe's expansion program.

There is still another reason I should like to give for proposing a 15-percent cut, instead of a token 10-percent cut—and that is that prices of commodities have dropped substantially and the trend is downward. That is true of grain. I know that, because in my own territory the price of grain today compared to the price of grain a year ago, has in some cases been reduced as much as half. In my opinion, when the complete corn crop is marketed—and much of the corn is soft corn upon which a loan cannot be made—it will have a tremendous impact on the market. It is my opinion that a 15-percent cut can easily be absorbed by reason of reduction in prices during the next 9 months. Even with such a reduction, by reason of the drop in prices, we would give Europe everything that is being asked for under the ECA program.

Every point that our price index drops, the purchasing power of the dollars we provide for ECA, rises.

In conclusion, Mr. President, I urge the Senate to adopt my amendment. Its adoption will be a signal to the country that we are determined to bring our national budget into balance without resort to higher taxes or deficit financing and thus to help keep our nation strong so that we may continue to do our part for all humanity.

Mr. President, at the beginning of my explanation of the amendment I stated to the distinguished Vice President, who is now in the chair, that I would ask, at the conclusion of my statement, for unanimous consent that the amendment be voted upon prior to the vote on the Taft-Russell amendment.

The VICE PRESIDENT. The Chair was under the misapprehension that it affected only the amendment of the Senator from Ohio, but upon reflection the Chair finds that it goes beyond that, by cutting down the period, so it is not in order as a substitute.

Mr. WHERRY. I therefore suggest that my amendment be voted upon prior to the vote on the Taft amendment.

The VICE PRESIDENT. The Senator cannot even offer it at this time.

Mr. WHERRY. If that be true, then I send to the desk another amendment which I offer as an amendment to the Taft amendment, which is a straight 15-percent reduction of the amounts in the Taft amendment.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 5, lines 14 and 15, it is proposed to strike out "$1,150,000,000" and insert in lieu thereof "$977,500,000."

On page 5, line 16, it is proposed to strike out "$4,280,000,000" and insert in lieu thereof "$3,638,000,000."

The VICE PRESIDENT. The Chair would like to ask the Senator from Ohio as well as the Senator from Nebraska a question. The amendment, while a single one, affects two separate provisions of the bill. Is it the purpose in each case to have the amendment voted on as a whole?

Mr. WHERRY. Yes.

Mr. TAFT. My intention was to ask that my amendments be voted on as one amendment.

The VICE PRESIDENT. Without objection, both amendments will be considered as a single amendment. The amendment of the Senator from Nebraska is in order as an amendment to the amendment offered by the Senator from Ohio [Mr. TAFT] for himself and the Senator from Georgia [Mr. RUSSELL].

Mr. WHERRY. Mr. President, I shall not speak upon my amendment. I think the subject has been thoroughly covered. I shall not detain the Senate at all except to show what the figures are. The over-all cut on a 15-percent basis will provide a reduction of $814,500,000.

The reduction under the Taft amendment would be $543,000,000. There is a difference of $271,500,000 between the two amendments. I believe that each and every argument that applies to one amendment applies to the other, unless we want to consider the Taft-Russell amendment to be simply a token reduction.

Mr. MAYBANK. Mr. President, I have prepared a short statement in connection with the Taft-Russell amendment. I had expected to vote for that amendment, but cannot do so because of a pair I have with the distinguished junior Senator from Oklahoma [Mr. KERR] who will be absent the remainder of the evening. In view of the fact that, as I understand, the Taft-Russell amendment has been amended by another amendment which was just offered, I will defer offering the statement I have prepared in support of the Taft-Russell amendment. I do so by reason of the parliamentary situation. As I understand, the Wherry amendment to the Taft-Russell amendment is to be voted on first?

The VICE PRESIDENT. The amendment offered by the Senator from Nebraska would be voted on first, as it is an amendment to the amendment offered by the Senator from Ohio.

Mr. MAYBANK. Then the amendment of the distinguished Senator from Ohio and the distinguished Senator from Georgia will next be voted upon?

The VICE PRESIDENT. If the first amendment is defeated, then the next vote will be on the amendment offered by the Senator from Ohio and the Senator from Georgia. If the first amendment should be adopted, of course it would take the place of the other amendment.

Mr. MAYBANK. I so understand.

In view of the pair which I have with the distinguished junior Senator from Oklahoma, and the fact that I had intended to support the Taft-Russell amendment, I ask unanimous consent to have printed in the RECORD following my remarks a brief statement which I have prepared. I do that because, as a member of the Appropriations subcommittee which will later consider this legislation so far as the funds are concerned, I wish to make my position perfectly clear, that the Appropriations Committee in determining the amount of the appropriation should consider the reduction in prices which has occurred since the estimates were made.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MAYBANK

It is my purpose to vote for the Taft-Russell amendment to curtail the authorization bill of the ECA program by 10 percent.

In the past I have supported foreign-aid programs and various loans which the Congress authorized, but at the present time it is my opinion that even with a 10-percent curtailment in funds, the dollars in purchasing value will be greater than the 10-percent curtailment.

Everyone knows that we are in a recession, and everyone knows further that the price of cotton, cottonseed, soybeans, wheat, corn, hogs and all agricultural products of major importance have declined from 20 percent to more than 100 percent. Hence, naturally, greater quantities can be purchased for ECA with fewer dollars.

It will be my further purpose as a member of the Appropriations Committee, unless there is a substantial recovery among the producers of this country, to vote for an additional reduction in keeping with the purchasing value of the dollar. More important, from a tax standpoint, as has been clearly stated on the Senate floor by the senior Senator from Georgia, Senator GEORGE, we will be faced with a deficit, and unless curtailments are made, additional taxes will have to be placed upon the already overburdened taxpayers. This would result in a greater recession. I shall oppose any new taxes unless we make curtailment of unnecessary expenditures. I hope, therefore, that those who will be willing to vote for the full authorization will, when the time comes, also be willing to vote for additional taxes to carry out the program unless we have a great recovery in the United States of America.

The recent action of the Federal Reserve Board in lessening marginal requirements on the exchanges in evidence of the situation confronting us. Also last month after conferences in the Banking and Currency Committee, because of the recession, the Federal Reserve Board extended the time payment on automobiles, and further reduced the down payment on durable goods which are now in oversupply.

I make this statement because I desire to go on record as favoring a curtailment not only now when the authorization bill is before us, but also to curtail the appropriation as a member of the Appropriations Committee.

Often I have heard it said that an authorization bill does not mean that the Appropriations Committee has to appropriate the full amount, but usually I have found the public favors the expenditures recommended by the authorization bill on the theory that we are honor bound. We now have before us in the Appropriations Committee a large request for funds because of a Treasury Department authorization bill passed last year to purchase materials.

Nothing worse could happen for the economy of the country at this time than to have Congress place additional taxes upon the people of the United States.

Approximately 70 percent of our appropriations are now earmarked for debt service, the various defense units of the Government, veterans' care and for pensions. These items cannot be reduced, as they are obligations and for the defense of the country. Hence, only a small percent of the total budget—some 30 percent—can be reduced. No one knows what the trend of business will be 6 months from now, but everyone knows that it is on the down grade, and unless something is done to aid the taxpayers and business it will continue.

Mr. TAFT. Mr. President, I am unable to accept the amendment of the Senator from Nebraska [Mr. WHERRY] to my amendment. I have only one criticism to make of his remarks. The 10-percent reduction proposed in the amendment which has been offered on behalf of the junior Senator from Georgia and myself is not a token reduction. It is a reduction of consequence. It is a reduction which involves $540,000,000, and $540,000,000 "is not hay."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. WHERRY] to the amendment offered by the Senator from Ohio [Mr. TAFT] on behalf of himself and the junior Senator from Georgia [Mr. RUSSELL].

Mr. WHERRY. Mr. President, I ask for the yeas and nays.

Mr. MAYBANK. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Anderson	Holland	Mundt
Brewster	Humphrey	Murray
Bricker	Hunt	Neely
Butler	Ives	O'Conor
Byrd	Jenner	O'Mahoney
Capehart	Johnson, Colo.	Pepper
Chapman	Johnson, Tex.	Robertson
Chavez	Johnston, S. C.	Russell
Connally	Kem	Saltonstall
Cordon	Kilgore	Smith, Maine
Donnell	Knowland	Sparkman
Douglas	Langer	Stennis
Downey	Lodge	Taft
Ecton	Long	Thomas, Utah
Ellender	Lucas	Thye
Ferguson	McCarran	Tobey
Fulbright	McCarthy	Tydings
George	McClellan	Vandenberg
Gillette	McFarland	Watkins
Green	McKellar	Wherry
Gurney	McMahon	Wiley
Hayden	Martin	Williams
Hendrickson	Maybank	Withers
Hickenlooper	Miller	Young
Hill	Millikin	
Hoey	Morse	

The VICE PRESIDENT. Seventy-six Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. WHERRY] to the amendment offered by the Senator from Ohio [Mr. TAFT], for himself and the Senator from Georgia [Mr. RUSSELL].

For the information of the Senate, the amendment to the amendment will be read.

The LEGISLATIVE CLERK. In the amendment offered by the Senator from Ohio [Mr. TAFT], for himself and the Senator from Georgia [Mr. RUSSELL], in line 2, it is proposed to strike out "$1,035,000,000" and insert in lieu thereof "$977,500,000"; and in line 4 to strike out "$3,852,000,000" and insert in lieu thereof "$3,638,000,000."

Mr. LANGER. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. LUCAS. Mr. President, I do not desire to detain the Senate any great length of time in regard to this amendment. I simply desire to say that the amendment would merely increase by another 5 percent the cut proposed by the so-called Taft amendment.

I am opposed to the Taft amendment. Of course, if Senators decide that a cut of 10 percent or 15 percent can be made, a cut of 20 percent could just as well be made. However, I am unalterably opposed to these meat-ax reductions, as proposed in this case by the amendment offered by the Senator from Nebraska to the so-called Taft amendment. There is not a single fact to support this kind of reduction. In the studied opinion of the Senator from Illinois, this is a most irresponsible and most unsound way to legislate. The amendment should be defeated, and I feel sure it will be.

The VICE PRESIDENT. The yeas and nays having been ordered, the clerk will call the roll.

Mr. MAYBANK. Mr. President, I understand that after this amendment is voted on, we shall have an opportunity, provided the amendment is defeated, to vote on the Taft-Russell amendment. Is that correct?

The VICE PRESIDENT. That is the assumption. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LONG (when his name was called). I have a pair with the senior Senator from Oklahoma [Mr. THOMAS], who is absent by leave of the Senate. If he were present, he would vote "nay." As I intend to vote the same way I am at liberty to vote. I vote "nay."

Mr. MAYBANK (when his name was called). I have a pair with the junior Senator from Oklahoma [Mr. KERR], who is absent on public business. If he were present he would vote "nay." Since I also intend to vote "nay" I am free to vote. I vote "nay."

The roll call was concluded.

Mr. BUTLER. I have a pair with the junior Senator from Connecticut [Mr. BALDWIN]. If he were present, he would vote "nay." If I were permitted to vote, I would vote "yea." I therefore withhold my vote.

Mr. LUCAS. I announce that on this vote the Senator from Mississippi [Mr. EASTLAND], who is necessarily absent, is paired with the Senator from Nevada [Mr. MALONE]. If present, the Senator from Mississippi would vote "nay," and the Senator from Nevada would vote "yea."

On this vote the Senator from Idaho [Mr. TAYLOR], who is necessarily absent, is paired with the Senator from Pennsylvania, who is absent on public business. If present, the Senator from Idaho would vote "yea," and the Senator from Pennsylvania would vote "nay."

The Senator from Delaware [Mr. FREAR] is absent on public business, and if present would vote "nay."

The Senator from New York [Mr. WAGNER] is necessarily absent, and if present would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN] is absent by leave of the Senate, and his pair with the Senate from Nebraska [Mr. BUTLER] has been previously announced.

The Senator from New Hampshire [Mr. BRIDGES] is absent because of illness in his family.

The Senator from Vermont [Mr. FLANDERS] is necessarily absent. If present and voting, the Senator from Vermont would vote "nay."

The Senator from Kansas [Mr. SCHOEPPEL] is absent on official business and is paired with the Senator from New Jersey [Mr. SMITH], who is absent because of illness. If present and voting, the Senator from Kansas [Mr. SCHOEPPEL] would vote "yea" and the Senator from New Jersey [Mr. SMITH] would vote "nay."

The Senator from Nevada [Mr. MALONE] is unavoidably detained and is paired with the Senator from Mississippi [Mr. EASTLAND]. If present and voting the Senator from Nevada [Mr. MALONE] would vote "yea" and the Senator from Mississippi [Mr. EASTLAND] would vote "nay."

The result was announced—yeas 14, nays 68, not voting 14, as follows:

YEAS—14

Brewster	Ecton	Langer
Bricker	Ellender	Martin
Byrd	Jenner	Wherry
Cain	Johnston, S. C.	Williams
Capehart	Kem	

NAYS—68

Aiken	Hunt	Murray
Anderson	Ives	Neely
Chapman	Johnson, Colo.	O'Conor
Chavez	Johnson, Tex.	O'Mahoney
Connally	Kefauver	Pepper
Cordon	Kilgore	Reed
Donnell	Knowland	Robertson
Douglas	Lodge	Russell
Downey	Long	Saltonstall
Ferguson	Lucas	Smith, Maine
Fulbright	McCarran	Sparkman
George	McCarthy	Stennis
Gillette	McClellan	Taft
Graham	McFarland	Thomas, Utah
Green	McGrath	Thye
Gurney	McKellar	Tobey
Hayden	McMahon	Tydings
Hendrickson	Magnuson	Vandenberg
Hickenlooper	Maybank	Watkins
Hill	Miller	Wiley
Hoey	Millikin	Withers
Holland	Morse	Young
Humphrey	Mundt	

NOT VOTING—14

Baldwin	Frear	Smith, N. J.
Bridges	Kerr	Taylor
Butler	Malone	Thomas, Okla.
Eastland	Myers	Wagner
Flanders	Schoeppel	

So Mr. WHERRY's amendment to the amendment of Mr. TAFT and Mr. RUSSELL was rejected.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the senior Senator from Ohio [Mr. TAFT] for himself and the junior Senator from Gerorgia [Mr. RUSSELL].

Mr. TAFT. Mr. President, I should like to address the Senate with reference to the argument which has been advanced that we should make no cut in the authorization, because that function properly belongs to the Appropriations Committee. That argument has been made repeatedly. It was made last year. It was made then and was made this year by the distinguished Senator from Michigan [Mr. VANDENBERG], who, in debate with the Senator from New Hampshire [Mr. BRIDGES], then the chairman of the Appropriations Committee, said:

> The Senator from New Hampshire is asking me about the function of the Appropriations Committee; and I hope I have indicated to him that I consider that the committee has not only a freedom to act, but a responsibility to act.
>
> But within that authorization there is not only freedom, I repeat, but a duty not only upon the Senator's committee but certainly upon the so-called watchdog committee, if it shall be created under the terms of this bill, to provide a scrutiny of this entire enterprise, which cannot be detailed too completely to satisfy the Senator from Michigan.

I answered that argument at that time in this way:

> Mr. TAFT. Mr. President, of course, I considered this question before offering the amendment to the authorization bill.
>
> I quite agree that legally the Appropriations Committee can do anything it pleases. It can appropriate nothing, if it wishes to do so. But I think in all the circumstances of the case, if this bill is passed without my amendment, the European countries will consider that it is an undertaking to give $5,300,000,000. I think every newspaper in the country will condemn the Appropriations Committee if it does not thereafter vote to give $5,300,000,000, after the passage of this particular bill, if my amendment is not added to it.
>
> So while I agree as to the legal position, I do feel very strongly that the Appropriations Committee will not be a free agent if this bill is passed without my amendment, but will for all practical purposes be compelled to adopt the full figure.

That position was supported by the newspapers of the country when the Appropriations Committee of the House undertook to reduce the amount which had been authorized by both Houses of Congress. I should like to read what some of those newspapers said at that time. I hold in my hand a front-page editorial appearing in the New York Herald Tribune, which, so far as I remember, is the only front-page editorial that newspaper has run in many years. I read from that editorial:

> The action of the House of Representatives in cutting the ERP appropriation compromised the pledged word of the United States, undermined the structure of the Marshall plan, and thereby threatened the safety of the United States in the years that lie ahead.

In other words, the position which one of the leading newspapers of New York took was that we had violated our pledged word after we had carefully considered the amount in the authorization bill and had failed to appropriate the amount. Of course it is not legally true, but for practical purposes it is true. For practical purposes the European countries do not understand the difference between an authorization and an appropriation. Most Americans do not understand it. Certainly, some editors, who are a very intelligent group, do not understand the difference.

I read from the Press Herald of Portland, Maine:

> The whole matter had been thoroughly fought out on the floor when authorization of the Administration's plan was voted; and it was assumed as a matter of course that actual voting of the sums necessary to do the job authorized would follow as a routine matter.

An editorial in the Scripps-Howard paper here, the Washington News, is headed "The House welshes."

In other words, the House went back on the promise made in the authorization. The editorial says, further:

> The leaders of the House know the authors of the plan are Secretary Marshall and their own Senator VANDENBERG. They know the facts were checked by international conferences, by 16 foreign nations—
>
> Just as today—
>
> by the executive departments of our Government—
>
> Just as today—
>
> by Congressional committees and by the special Harriman committee of distinguished private citizens. They know that no legislation of the kind ever has had such prolonged, thorough, and objective study as this.
>
> It undermines the spirit of our allies and their confidence in us. After they had been

lifted up by our promises, they are knocked down again. They accepted the authorization of this money by Congress in good faith. Now at best they will say we mean well but are so fickle and unreliable our word can not be trusted. Others will say we deliberately tricked them, as Russia predicted.

That is an editorial which appeared in all the Scripps-Howard newspapers in many States throughout the Nation. It is one of the greatest and most powerful newspaper chains in the United States, and has one of the best-informed editorial staffs in the United States.

I read from the Detroit Post:

When Congress, in April, passed the European recovery bill, it authorized appropriation for the first 12 months of $6,533,000,000 for foreign aid. This was done after the House and Senate committees had held exhaustive hearings—

Just as today—

This was done after House and Senate committees had held exhaustive hearings, had delved deeply into the computations and estimates both of the European participants and of American Government experts. The final judgment of both Houses, entered upon that careful basis, was for $6,533,000,000.

Those who attempted to make the cut were charged practically with treason for having repudiated the promise made by the United States Government.

A Washington Post editorial of June 8 said:

There is one man in the Kremlin who must have heaved a sigh of relief when he heard about the cut in the ECA appropriation—

And so forth. The St. Paul Pioneer Press heads its editorial "The betrayal of ERP," and says:

There is nothing sacred about any particular amount, but Congress after careful and prolonged study by the appropriate committees settled on $6,500,000,000 for European and Asiatic reconstruction and relief for next year. For the appropriations committee to overrule that decision is indefensible.

Mr. President, I shall not continue reading editorials, but I think with the exception of one newspaper, the action of the Appropriations Committee in attempting to cut down the ERP appropriation as determined by the authorization, was condemned. It was said to be a repudiation of the promises made by the authorization. Exactly the same thing will happen this year, if we vote down this amendment and the Appropriation Committee attempts successfully to cut the appropriation. Of course those who make such statements are not legally correct. We know the distinction. But the argument will be made now, as it was made a year ago, that the Committee on Appropriations is bound by the action of the Senate and House in fixing on an amount, after careful committee consideration, as the amount that should be appropriated.

To a certain extent they are right, because this is not the ordinary case of an appropriation. We authorize a program to cost so much for period of 5 or 10 years, and of course the Committee on Appropriations has to reexamine it each year. Here is an authorization for only 1 year, and the conditions upon which we fix the authorization are exactly the same conditions that will be before the Committee on Appropriations when they undertake to appropriate. Of course, they may differ from the Committee on Foreign Relations, but the circumstances they will have before them will be the same, and they will not know a thing more about what the amount should be when they get through than we know now, or than the Committee on Foreign Relations knew.

There have come back from Europe those who know most about conditions there. Every prominent official in the ECA has testified before the Committee on Foreign Relations. Books and documents have been prepared dealing with each country, justifying, so far as they could be justified, the estimates presented. Exactly the same facts will be before the Committee on Appropriations.

When we decide on this matter, we have in effect fixed the policy, and unless we reduce the sum, as I see it, the policy is that we shall make up the export deficits of the various countries in Europe as they have figured them and handed them to the ERP, and as the ERP has approved them.

It is said that there will be a decrease in prices, that the Committee on Appropriations perhaps will find that lower prices justify a somewhat smaller appropriation. Whether prices shall be a little lower or not, the Committee on Appropriations will be making just as much of a guess in the month of April as the Committee on Foreign Relations made presumably in the month of March, because they are going to have to guess the prices for the next 15 months, and no person on earth can do that and be sure he is accurate.

The question of a reduction in prices is a question to be considered by the Executive, and to the extent that he can get a reduction in prices he ought to spend that much less than Congress appropriates or authorizes. I do not think the Committee on Appropriations in that regard will be any better off than the Committee on Foreign Relations has been.

Furthermore, Mr. Hoffman does not admit the claim that there should be any reduction in the appropriation because of a change in prices, because he says in his review of prices:

The results of this reduction are that the estimate of the total cost of our goods to be shipped to Europe from the dollar areas in 1949–50 might be reduced by about $35,000,000—

A mere nothing when we take into consideration the total of the appropriation.

The estimate of European earnings through the export of goods to the Western Hemisphere will have to be reduced by at least twenty-five to thirty million dollars, and therefore the only possible reduction in the estimate of the net figure would be of the order of five to ten million dollars.

In other words, Mr. Hoffman says what I have said before, that this whole matter is based on taking the foreign figures, and the plans of the foreign countries for exports and imports, and making up the difference between them through the advance of American dollars. He says we will not get any benefit from the reduction of prices because they will have their prices reduced, so their deficits will be just the same as they were when they started.

He at least does not admit that lower prices are going to make any difference in the total net result, and he is right, unless we repudiate the theory of a balance, and that is what we can do by adopting the amendment. We can repudiate the theory that we are bound to make up whatever the deficits may be of these foreign countries under the plans they happen to have made. Unless we do that, we accept the theory, and I do not see how any reduction can be justified by the Committee on Appropriations.

The distinguished Senator from Michigan, in effect, today said the same thing, that it is necessary to have the whole amount in order to do what is proposed in the particular way outlined, or it will not serve the purpose intended. The distinguished Senator from New Jersey [Mr. SMITH] the other day stated the matter very clearly:

The measure of the amount of aid can therefore be stated very simply as the amount of necessary dollar purchases for which they themselves cannot earn the dollars. So far as they can earn the dollars they are trying to do so. The dollars which they need for their imports, over and above the dollars they earn for their exports, constitute the adverse balance of payments. Roughly speaking, this is the gap which the United States must finance if we are to make recovery possible.

I utterly deny the correctness of that theory.

Certainly it is wrong to say that they cannot change their plans, cannot change their capital exports, cannot change their consumption. Of course they can change them, and they will change them if they have to. They fit them, necessarily, to the money we advance.

Mr. Hoffman a few days ago submitted a list of commodities to be shipped. It was put into the RECORD by the distinguished Senator from Texas this week, and I have here the list of the commodities. They add up to $4,280,000,000, which is exactly the same figure reached through the balance-of-payments theory.

Mr. President, the distinguished Senator from Michigan said that the pending amendment had not been considered by the Committee on Foreign Relations. If it was not considered by that committee, the committee did not do its duty, because it was its duty to examine as critically as possible the demand for $5,430,000,000 to be authorized for goods to be shipped to foreign countries, $5,430,000,000 to come out of the pockets of American taxpayers. Of course, this was under consideration by the committee when it fixed this amount.

My objection is that the committee accepted, without dotting an "i" or crossing a "t," the amount submitted by the ECA. The distinguished Senator from Michigan says they have screened the figure very carefully, and have submitted it to the committee, and that it will be a repudiation of good faith, or something of the kind, if we do not accept it. If

we followed that theory we never could cut any appropriation. Every department of the Government comes to Congress with a carefully prepared budget which they are sincerely convinced is necessary for the work they are doing. Every single appropriation request is screened by the Budget Bureau, then submitted to the Congress, and certainly we are free to look at the request and decide whether it shall be reduced in the over-all interest of the country, and a reasonably balanced budget, if it becomes necessary to reduce the amount.

What I have been trying to do is to break down the theory that the amount authorized in the bill is sacred. I think all our appropriations should be reduced, and in this case in particular I think it is highly desirable that we authorize a lesser amount than we authorized last year. Last year we authorized about $5,000,000,000. With the total we are now considering it is about $5,430,000,000.

It is said it is for 15 months, but as a practical matter, having given the $5,000,000,000, we are now handing Mr. Hoffman $5,400,000,000, which at any time after the 1st of July he may commit to the participating nations. The money he has is in one lump sum. It does not flow out month by month necessarily. We are actually increasing the appropriation this year.

I should like to establish definitely that we are on the road to cut down the appropriations, that we are not permanently undertaking to grant to Europe the same standard of shipments which we have followed during the past year, particularly as we know that, according to the universal testimony, production in the participating countries has increased, that all the countries are very much better off, and do not need the aid in the amount which would be given to them by the bill.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. PEPPER. The Senator has repeated what I understood him to say in his remarks yesterday about there being an increase in the appropriation. Will the Senator clarify that, because I had understood from the Senator from Michigan that the amount for 15 months would be less than the amount for the previous period. I should like to know what the Senator from Ohio had in mind.

Mr. TAFT. I thought I made it clear. For the first period it was $5,055,000,000. But for practical purposes it is a larger amount than we provided before. We are actually today authorizing more of the American taxpayers' money than we authorized last year. Yes; it is to be spread over 15 months, but that is comparatively a minor matter. It can all be obligated in the next 10 or 12 months if it is desired to do so. It can be obligated, but it cannot be spent, I believe, except month by month.

Mr. William C. Foster, Ambassador at Large to the Economic Cooperation Administration arrived yesterday in New York. He opposed this amendment. He declared that the $5,580,000,000 proposed for the program in the next 15 months was just about sufficient to maintain the present aid level—not to reduce but to maintain the present aid level. That is what in effect the bill does. It in effect continues this aid at almost exactly the same amount as before. Are we ever going to get back to a point where we can gradually reduce the appropriation? It seems to me that unless we are willing, by our vote now, to say, "You had $5,000,000,000 last year, and this year you will get a little less," I do not believe we can ever hope to get back on a basis where we will ever get rid of this burden of $5,000,000,000 a year.

It is said that the proposed cut is an across-the-board cut. What other kind of a cut would Senators make? How would Senators cut this proposed appropriation? If the Appropriations Committee dared to make a cut at all it would be an across-the-board cut. It may not be a 10-percent cut, it may be a 9-percent or a 2-percent cut, but it has got to be an across-the-board cut.

Reference has been made to a selective cut. A selective cut cannot be made. If we are going into this program we must give Mr. Hoffman the power to take the reduction we make and apply it in cases where money is least needed. That is the only way we can hope to cut this particular appropriation. No matter who does it at any time, if it is ever done it is going to be in that sense an across-the-board cut. But it is not an across-the-board cut. Mr. Hoffman has the discretion to apply 20 percent to one country, cut aid to another country off entirely, if he wants to, and apply a less reduction to some other country, and to allot the money as he thinks is most necessary. We are simply saying to him, "We do not see how we can afford the sum of $5,580,000,000. We thing there should be a 10-percent cut if we are going to come anywhere near working out the proper balance of our receipts and our disbursements in the United States."

After all, I think the main reason for the reduction is that we face a deficit in the budget. If we do not now start on this course, which we can start upon here, of reducing 10 percent, we are going to have to increase the taxes on the people of the United States. Already we have a deficit of something like $800,000,000, according to the President's budget. I think the budget can be cut about $3,000,000,000. We can do that if we can cut 10 percent on those things that are open to any cut at all, and are not direct obligations of the Nation. If we cut the budget $3,000,000,000, instead of making a few increases, I do not believe a tax increase will be necessary. Otherwise I think it will be.

I was rather interested to see two headlines alongside each other in this morning's New York Times. One headline is:

President insists on full ECA fund; Senate debates it.

In the next column we find the headline:

Biggest United States peril rests in a deficit, Truman declares.

The President takes the position, and to a certain extent correctly I think, that a deficit is something we cannot face and should not face in a period of great prosperity such as we have today, and that if we are going to spend the money he follows out the logical conclusion of his position and says we have got to have higher taxes. The only way I know of that we can avoid the obligation at least to impose heavier taxes on the American people is to make a cut in this bill, and make a cut also in the various domestic expenditures. A 10-percent cut would just about save us the necessity of a budget deficit. I should like to see a 15-percent or a 20-percent cut in the various appropriations, but unless we begin with this measure, certainly the American people, who are interested in their own welfare, are going to say, "If you do not cut the foreign requests, certainly you should not have cut the requests we make here at home for the absolutely essential services which we think are necessary to maintain health and welfare and the continued progress of the people of the United States of America."

After all, Mr. President, if we really want to cut, if we really want to avoid the necessity of new taxes, the way to cut is to cut when the opportunity is before us. We should not talk about what we are going to do 2 months from now when the Appropriations Committee takes another look at the problem, but settle down now and say that we can cut just as effectively now as then; we can make a policy now just as well as any other time on the general principle of economy in Government expenditures.

I have the highest regard for Mr. Hoffman, but every man who is engaged in Government thinks that his particular field is absolutely necessary, and, of course, he does not like a cut in the particular expenditures which he asks us to make. But unless Congress assumes that responsibility we will not make the cut. What we will do is to impose on the American people additional taxes above the very heavy burden that exists today—additional taxes of two or three or four or five billion dollars—in order to give just a little more money to each participating country in Europe so that we may be able to say we have given them exactly what they really wanted and can say, "We have not cut anything off the request you made."

In the case of England this amount is what they asked in the beginning. They came in with a request for the amount included in the bill. Mr. Finletter said he would like to give them even more, but this amount is exactly what they requested. In effect, we are telling the people we are not going to turn down a request made by any foreign government that asks us for money. If they want that much money, we are going to increase the taxes on our people by large sums of money, which I think will be a serious deterrent to the progress of our country. It would be a serious discouragement, particularly if we increase the corporation tax from 38 to 50 percent, which is practically the proposal which has been made. That would be a serious discouragement for people to go into business, a serious discouragement for people to create jobs for other people, a serious discouragement to that steady advance in the investment of money in

capital and machines and tools which is absolutely essential if we are going to progress in this country, if we are going to keep the country strong, if we are going to keep the country in a condition where it can move forward, as I hope, for many years, and at the same time serving within its reasonable ability to aid the progress of and give assistance to other countries in those respects where we find that our aid may be more helpful than simply the general handing out of money.

So, Mr. President, I believe we have to decide today, and not in connection with any appropriation bill, the question whether we are at this session of the Congress to take an unlimited view of the amount of money we can authorize and appropriate, the amount of money we can pay out, the amount of money we can levy in taxes on our own people. Unless we are going to take that view I think we ought to begin now to cut down this particular expense, and vote the very reasonable reduction which I think can apply in principle to all domestic expenditures.

Mr. CONNALLY. Mr. President, I shall not detain the Senate long. I have not heretofore participated in the debate except on the opening day, when the committee reported the bill to the Senate. I have been present in the Senate fairly regularly and have heard all the discussions on the measure.

At the very beginning I should like to say to the distinguished Senator from Ohio that, of course, I do not relish levying taxes, I do not relish making appropriations, but I do realize that there is a certain degree of responsibility resting upon me, as it rests upon every other Senator, to perform our duties according to our opportunities and resources. In that connection I regard our foreign relations as of the highest importance. I regard them of the highest importance because they so vitally touch the question of war or of peace, and peace is the supreme wish and hope and aspiration of the American people. They are more concerned with the question of preserving the peace of the world than they are with the particular brackets in which they find their financial resources at the moment.

A year ago the Congress enacted the ERP bill, or the Marshall plan bill. It was greeted with enthusiasm when first proposed by General Marshall. This year, which is the beginning of the second year, is probably the most vital and most important year in all the 4 years which were originally planned for the operation of this program. The first year was an experimental year. We were on new ground. We went forth with uncharted journeys before us. Today the officials who have been in charge of the administration of this plan have had a year's experience in its operation. They know a great deal more now than they did then. I think their views and their testimony are worthy of the attention of the Senate.

I suppose the Senator from Ohio [Mr. TAFT] and other Senators who favor this reduction feel that they know better about what it is going to cost properly to operate the plan; they know better as to what the resources of the various countries are; they know better how much each country can produce in aid of this program, than do the administrators and the officials who have had it in charge.

Mr. President, I wish to say for the Committee on Foreign Relations that it considered these questions most carefully and diligently. Members of the committee have attended the debates on the floor of the Senate. They have paid particular attention to the welfare of this program. Senators complain that the Committee on Foreign Relations did not consider some particular amendment. I ask them why they did not come before the committee and present their amendments. We heard everyone who desired to appear. I do not recall seeing the Senator from Ohio [Mr. TAFT] present before the Committee on Foreign Relations at any time while it was deliberating upon this measure or while it was hearing the testimony of witnesses. The committee went into the subject most thoroughly.

Mr. President, what else happened? These estimates and figures were first prepared by the respective countries. They made their requests. Those requests then went to the OEEC, which is the over-all organization of the countries in Europe which are participants in the plan. They screened them. They reduced them. The requests then went to Mr. Hoffman and the ECA officials. They reduced them. Mr. Hoffman's staff reduced the requests below the figures as they were first presented.

The estimates of amounts as reported by the Committee on Foreign Relations were reviewed by Mr. Hoffman himself. No Senator has criticized the ability, the integrity, or the patriotism of Mr. Hoffman. He is a man of wonderful attainments, a great businessman. He does not want any higher taxes if he can help it. He does not want to squander any of the money of the taxpayers in Europe or anywhere else; but he does want to see this program made a success. He wants to see the task to which he has set his hand successfully followed to a conclusion. He wants to see Europe recover. He wants to see that the dollars which are spent in the United States in furtherance of this program are prudently expended, and that they are utilized to accomplish the purposes we had in mind when we instituted the program.

In addition to Mr. Hoffman, the entire program was reviewed by Mr. Harriman. Mr. Harriman is the European representative of Mr. Hoffman. Who is Mr. Harriman? Is he some little "two-bit" job hunter? As Senators know, Mr. Harriman is one of the great financiers and businessmen of the United States. I was with him in Paris last October and November. I was in his office. I discussed with him the progress of this program. Mr. Harriman showed a grasp of conditions in France and in the other European countries that was marvelous to see. He does not want to squander the people's money. He has a pretty good stake in the Treasury. He pays high income taxes, high property taxes, and high corporation taxes, I am sure.

These men reviewed this program, as it is now before us, carefully, conscientiously, and patriotically. They have testified that the program as outlined is necessary. They call it the minimum requirement. The figures which they submitted were in their judgment the minimum figures necessary for the success of this program.

This is not merely a grab bag. We are not giving something to the countries of Europe merely to pacify them. We want to give them enough to make the program a success, so that we can get out of it sooner, and will not have them on our hands for any longer period than necessary. But if we do not give them enough to accomplish the real purposes of the program they will be back again in 1953, 1954, and perhaps 1955.

This program was also reviewed by two men both named Bruce. One of them, Mr. Howard Bruce, of Baltimore, a great financier and businessman of many years' experience, is vice chairman under the direction of Mr. Hoffman. He is tried in all the hazards and misunderstandings of business and has attained eminence in his own right in the field of finance and business administration.

His nephew, the son of Senator Bruce, who formerly sat in this Chamber, is the representative of Mr. Hoffman in France. I saw him in France last October and November. He was here and testified before the committee in its hearings on this bill. He is a man of wide learning in finance and business. His testimony was that the amounts submitted to the committee were the minimum amounts for the pursuit of the program which we have in mind.

Shall we simply say to the European countries, "We are going to give you some money, but we will take a little of it back. We merely wish to satisfy you. We want to give you only enough to make you hush."

What is the use of spending a dollar unless we expect it to accomplish the results we have in mind? There is no economy in chiseling off a few dollars here and a few dollars there if by so doing we impair the program which has been envisaged, a program which a year's experimentation has proved a success.

No Senator in the debate on this floor has criticized the operation during the past year. Most Senators who have spoken of it at all have said that we have made great progress and have been extremely successful. The argument is that because we have been so successful, therefore, we ought to cut some of it off. It is said that Great Britain has progressed rapidly and has been restored quickly. That is an exaggeration. I do not believe that she has been restored so quickly, but there are those who say that she has been restored, and that, therefore, we ought not to give her any more, but should cut her off.

Mr. President, I was in England. I consulted, not in England, but in Paris, with our representatives in the United Kingdom. We brought them here and

they testified before the committee. They said there had been marvelous progress in the United Kingdom, but that it is not yet out of trouble. They stated that the amounts recommended in this bill were the minimum to take advantage of the momentum which had already been accumulated, and which would bring about rehabilitation in the United Kingdom.

Mr. President, what is the logic of any arbitrary cut, a 5-percent or 10-percent or 15-percent cut made arbitrarily, without any examination of the merits? All these proposed cuts are based on arbitrarily slicing off a certain percentage, such as 10 percent. It reminds us somewhat of the haggling which takes place in a second-hand clothing store:

"The price is $10."

"No; I will give you $9—no; I think I will give you only $8."

Mr. President, there is no logic in it; there is no basis for it.

Mr. Finletter is our representative in the United Kingdom. I saw him in Europe. He appeared here before the committee, and submitted himself to examination by the committee. At that time, Mr. President, where were the Senators who now are here with their pockets stuffed full of amendments? Why did not they then come before the committee and listen to the testimony of Mr. Finletter and the testimony of Mr. Bruce and the testimony of the other representatives? Their ears should have been in as good condition then as their mouths are now, here on the floor of the Senate.

Mr. President, many of the great nations of Europe have their representatives in the United States now, ready to prepare and sign the North Atlantic Pact. I shall not discuss that matter in detail, more than to say that it is a part of the foreign policy of the United States to preserve the peace of the world and to resist aggression against free nations. Shall we, while they are here, cut down this program, which they know about and which the whole world knows about; shall we now cut it down, in the face of the tremendous success it has had in the first year of its operation? Shall we now cut it down, although the people of the United States are in favor of this program?

Mr. President, I dare say that the mail which Senators receive in opposition to this program is infinitesimal when compared with the amount of mail they received in opposition to rent-control legislation or labor bills or bills dealing with other domestic subjects. Yet the measure now before us and its associated measures go far beyond such temporary arrangements. These measures go to the peace of the world; they go to the preservation of the lives of human beings; they go to the rehabilitation of a broken and shattered European economy.

Mr. President, let us not forget that, in a large sense, economy and political governments are intimately related. Wherever we find a prosperous people, the chances are that they have respect for property and for law and order and for democratic institutions. But where hunger, desolation, and hardship are found, there also usually are found elements demanding that the Government do something to relieve their misery. So, Mr. President, these things are intimately tied together. We must not forget that in our deliberations

Last fall I happened to be in Italy. I was there for a considerable period of time. A short time before that, the Italian elections had been held. I wish to say that the Marshall plan was one of the dominating influences in Italy which brought about the success of the anti-Communist forces in those elections. We know how dangerous that situation was and how uncertain were the currents of power set in motion by the Communists, and operating upon the people of Italy. But the Marshall plan was a great stimulus to the people of Italy; it was a deterrent against the Communists; and in that election the anti-Communist forces were triumphant. But for the Marshall plan, I feel sure they would have been defeated.

Even in France, since January 1, 1948, the elections have shown the recession of communistic forces and the recognition by the French people of constitutional government and a return to the institutions under which they have lived and under which they desire to live in the future.

Of course, Mr. President, we must be strong. We must have the best air force in the world; we must have the best navy in the world; and we must have an adequate army; of course, we must; but the nations of Europe with whom we expect to be associated in the North Atlantic Pact must likewise be strong. However, they cannot be strong for military purposes unless they are economically strong. Under this program, we are assisting them to become rehabilitated and to improve their production and the utilization of their resources in the manufacture of goods which they can send throughout Europe.

Mr. President, the proposed arbitrary cut of 10 percent is about as logical as it would be for a man to go to a tailor and say, "I want a suit of clothes. How many yards of cloth will it take?"

The tailor might reply, "It will take either 5 or 6 yards."

"Oh," the man would say, "that is too much. Just cut off 2 yards."

The tailor would reply, "You will have to get along, then, with 2 yards less than it takes to make you a suit."

Mr. President, doubtless all of us remember the old Greek myth about Procrustes. He was a gentleman who wished to make sure that his friends who were visiting him rested well; but his method of assuring that result was rather unusual, for if he found that the bed was too short for them, he would apply stretching devices to their limbs and would stretch them out until they were long enough to fit the bed; or if the bed was too short for them, he would arbitrarily cut some inches off their legs.

Some Senators remind me of that old story as they proceed with their proposals for amendments to this bill. They say we should cut some off of it. Some of them say we should cut off 10 percent. Mr. President, who said that a 10-percent cut would be proper? The distinguished Senator from Nebraska [Mr. WHERRY] said that would not be the proper cut; he said 15 percent would be the proper cut to make; he assured us that we should cut off 15 percent. But the Senators who are under the leadership of the authors of the Taft amendment have refused to go along with the Senator from Nebraska and cut off 15 percent. Instead, they know exactly how much to cut off; they are sure it is 10 percent, no more and no less. Although they never heard a word of the testimony, and are not familiar with it except as they read it in the printed hearings now before us, yet they know, with the exactitude of using a measuring tape or a yardstick, how much should be cut off. They know exactly what and where to cut—exactly 10 percent, they say; no more and no less. Perhaps they are thinking, "If we do that, we shall hush up the newspapers."

Mr. President, I am amused.

Mr. WHERRY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from Texas yield to the Senator from Nebraska?

Mr. CONNALLY. I yield.

Mr. WHERRY. As a Senator who listened to all of the evidence, can the Senator from Texas tell me how much of the money going to Great Britain under the Marshall plan is to be set aside by Great Britain for the development of petroleum?

Mr. CONNALLY. I do not recall the amount now.

Mr. WHERRY. Can the Senator find that out?

Mr. CONNALLY. Yes. Of course, I am not an instantaneous researcher.

Mr. WHERRY. The Senator heard all the testimony, I believe.

Mr. CONNALLY. Yes; I heard most of it.

Mr. WHERRY. I ask the Senator, How much money is to be spent by Great Britain in the development of petroleum?

Mr. CONNALLY. I do not know. I expect that Britain will get considerable amounts of petroleum from the Near East, if that is what the Senator from Nebraska has in mind.

Mr. WHERRY. Does the Senator from Texas know how much Britain will obtain from the Caribbean?

Mr. CONNALLY. No; I do not. But I have a list here. I am sorry that I cannot answer all the questions of the Senator from Nebraska. His ingenious mind and ready wit overwhelm me, Mr. President, and I cannot answer all his questions.

Mr. WHERRY. Mr. President, that is a very fine compliment, coming from the great, distinguished Senator from Texas, for whom I have the highest regard.

Mr. CONNALLY. Mr. President, I think I detect a derisive note; mixed in with the Senator's high regard, it seems that there is something of derision.

Mr. WHERRY. Aside from my high regard for the Senator, I find mixed statements in the testimony, which is

the only source or supply of information on these matters that I have. I have not had my pockets full of amendments; but I have depended upon the evidence supplied by the Senator's committee, when we have come to pass on this matter on the floor of the Senate.

I find that $500,000,000 is to be spent on petroleum by Great Britain in the year 1949–50. So I investigated. I took it up with ECA.

The PRESIDING OFFICER. Under the rule, the Senator from Texas may yield only for a question.

Mr. WHERRY. Very well. I am sorry. But I should like to have the Senator explain to me this——

Mr. CONNALLY. I should be most happy to enlighten the Senator.

Mr. WHERRY. I should like to have the Senator, if he will, explain to me why it is impossible to reduce the authorization with respect to Great Britain's petroleum development, which will be nearly $500,000,000, with $150,000,000 of it spent this year, in connection with which funds are earmarked for wildcat wells in the Caribbean and in Africa and in the colonies, mention of which has been made in this debate, so that they can get $400,000,000 in supplies, and then send the oil to the United States and sell it in the dollar areas. I may say to the distinguished Senator, if that is what they want to do, that is one thing. But certainly if I were on the Foreign Relations Committee, I believe that is one place where it would be possible to cut the appropriation nearly half as much again as the Senator from Nebraska desires to see it cut, and to do so without retarding the rehabilitation of Great Britain in any way.

I ask the Senator from Texas this question: Is it not correct to say that what we actually propose to do is to permit Great Britain to take $500,000,000 of these ECA funds for the development of petroleum supplies? Could we not cut $150,000,000 from the appropriation to be spent this year to develop her own petroleum supplies, so that she may send oil into the dollar areas, meaning the United States, and sell it in competition with the oil men here who would like to do the same thing, that is to say, to wildcat, get pipe and develop oil in Texas?

Mr. CONNALLY. I thank the Senator, but I shall not be able to furnish as much information about oil as the Senator himself apparently possesses.

Mr. WHERRY. I obtain it from the record of the hearings.

Mr. CONNALLY. The Senator knows so much about it, I do not see why he wants to pester me with questions. I have the data here.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. CONNALLY. Yes. But I want to get through pretty soon.

Mr. WHERRY. But the Senator is raising a question with me, as a member of the Appropriations Committee, suggesting that it is impossible to cut the appropriation 15 percent. Putting my remarks in the form of a question, I shall ask the Senator again, with respect to one project. I requested a list of the projects the other day, but they were not submitted. Mr. Finletter merely cut 25 percent from one project. By the same token, Why can we not cut off 50 percent?

Mr. CONNALLY. I may say to the Senator, he can do that. He can cut off 50 percent, if he wants to.

Mr. WHERRY. That is my measuring stick.

Mr. CONNALLY. The Senator has a perfect right to use it. I want to make it clear that the authorizations in the bill do not bind Senators to vote for appropriations in equal amount. We are the Senate, which is a free body. When the matter goes to the Appropriations Committee, that committee is not bound by the authorization. The Senator from Nebraska, as a member of the Appropriations Committee, has a right to vote as he pleases. That is the reason for the two checks upon spending: the first being the authorization; the second, the appropriation by the Appropriations Committee. If the Appropriations Committee were bound by the mere authorization itself, there would be no need of such a committee.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. CONNALLY. Yes, though I hope the Senator will be brief.

Mr. WHERRY. I shall be very brief. It seems to me the Appropriations Committee is almost foreclosed by the authorization, but if it happened to be the case that, acting on its own wisdom, the Appropriations Committee were to cut $1,000,000,000 from the amount, and it came back to the floor, would the distinguished Senator from Texas approve it?

Mr. CONNALLY. Certainly; I would vote for the bill, if that were all we had before us.

Mr. WHERRY. With $1,000,000,000 cut off?

Mr. CONNALLY. Yes.

Mr. WHERRY. I want to thank the Senator for that statement. That is an entirely different situation from that of a year ago.

Mr. CONNALLY. The Senator from Nebraska is a member of the Appropriations Committee.

Mr. WHERRY. Yes, and proud of it.

Mr. CONNALLY. I may say to the Senator, Cut one billion off, bring the bill back to the Senate, and I will show the Senator what I will do. I say to the Senator from Nebraska go ahead and make a $1,000,000,000 cut.

Mr. WHERRY. Very well.

Mr. CONNALLY. It was said on the floor a while ago that it is impossible to get any results from the Committee on Appropriations; that they have a regard for an authorization and will not touch it. The Senator from Nebraska, who is a powerful member of the Appropriations Committee, says they are going to cut it $1,000,000,000. If they do, the Senator inquires what we will do. If they cut it $1,000,000,000, I will give the Senator from Nebraska a chromo with his picture on it.

Mr. WHERRY. Mr. President, if the Senator will yield, I realize now we will not be able to cut it so much as a dime, because I think the authorization means that this is what is to come from the Appropriations Committee. All I am asking is, If they cut it $1,000,000,000 or if they cut $500,000,000, when it comes back to the floor of the Senate, will the distinguished Senator from Texas, for whom I have the highest regard, vote for it?

Mr. CONNALLY. I thank the Senator.

Mr. WHERRY. Will the distinguished Senator, in that event, approve the action of the Appropriations Committee, or will he do what was done last year—claim that the figures are sacred, that the Appropriations Committee is to vote for the appropriation authorized, without taking off a dime?

Mr. CONNALLY. No. I did not say that last year.

Mr. WHERRY. At any rate, that is the claim made last year when some of us were offering amendments.

Mr. CONNALLY. The Senator inquired whether, in the event the appropriations were cut $1,000,000,000 or $500,000,000, I would vote for it.

Mr. LUCAS. Mr. President, I ask for the regular order. The Senator from Texas has the floor.

The PRESIDING OFFICER. The Senator from Texas has the floor.

Mr. CONNALLY. Mr. President, I am very grateful to the Senator from Nebraska for his cordial remarks, but I should not want to be a member of a large committee such as the Appropriations Committee and at the same time go around slandering them, saying the committee will not do anything. The Senator from Nebraska is a member of the Appropriations Committee, the most powerful committee of the Senate, the committee that holds the purse strings of the Nation. But, according to the Senator, the committee is of no account, it will not do anything; the Appropriations Committee lets the Foreign Relations Committee, by way of a little authorization, be not only the boss of its own conduct, but also the boss of the Senate in its conduct, in addition to being the boss of the Appropriations Committee itself. I think some internal treatment is needed in the Appropriations Committee. The Senator needs some action in the committee. I feel sure the great Senator from Tennessee [Mr. McKELLAR] knows the functions of the Appropriations Committee. He knows that an authorization does not bind the committee. The Senator knows the reason for providing an authorization. When I first came to the Senate, that was not done. Each committee appropriated what it pleased, without regard to authorizations. Later, in order to provide a ceiling on appropriations, we adopted the rule with respect to authorizations, allowing the Appropriations Committee to appropriate within prescribed limits, under a ceiling.

Mr. President, I am anxious to conclude my remarks. As I suggested a little while ago, one of the complaints made by those who are supporting the amendment is that the plan is working too well in the United Kingdom, and therefore they want the appropriation cut down. This is the second year upon

which we are about to embark, the most important year of the whole program, because we shall now build upon the experience we have had and the knowledge we have gained during the first year, which will give to the second year a momentum. In future years, if the money is not needed, we shall be able to make reductions, not a cut of 10 percent, but a radical cut in the appropriations for the third and fourth years.

Mr. President, a member of the Appropriations Committee says that reference of a bill to that committee is futile. I deny it. It is a great committee of the Senate. I have never been a member of it, but I have appeared before the committee on many occasions and now and then have enjoyed a small degree of success, but, generally, no success at all when the Appropriations Committee is against me.

Mr. President, at the conclusion of my remarks, I shall ask the clerk to read to the Senate a letter addressed to me and signed by Mr. Hoffman, the Administrator of ECA. From my own private investigations while I was in Europe, I was amazed to note the progress which had been made in many of the countries during the past year. I want to correct certain quotations of figures. Under the pending bill, we authorize $4,280,000,000 for the 12 months, $1,150,000,000 for the 3 months; so that for the 15-month period, the appropriation is $5,430,000,000, as compared with the program last year, which was for 12 months only. The appropriation for the ensuing year is a $730,000,000 reduction as against the same period last year. In other words, we have sliced off not 10 percent but $730,000,000 from what it was last year.

Mr. President, the United States occupies a most exalted position among the nations of the world.

Mr. PEPPER. Mr. President, will the Senator yield for a question before he concludes?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Florida for a question?

Mr. CONNALLY. I yield.

Mr. PEPPER. Mr. President, I am glad the Senator cleared up the matter of the comparison of the appropriations for the future.

There is one other matter. I think the Senator from Georgia [Mr. RUSSELL] probably inadvertently fell into the error of supposing there were grants made to Ireland, Portugal, and Sweden——

Mr. CONNALLY. They were loans, not gifts.

Mr. PEPPER. They were loans in those cases; there were no grants made at all to those countries. Is that correct?

Mr. CONNALLY. The Senator is entirely correct. The loans were made because it was believed that by making loans the rehabilitation of the whole area would be aided. Those loans must be repaid. They are authorized to be repaid, and they will be repaid.

I thank the Senator from Florida for calling the matter to my attention.

Mr. President, the United States occupies the most enviable position in the world today. Many nations look to the United States. It is said that they look with their hands out. Where else can they go for aid, inspiration, and encouragement, to face the world and overcome their difficulties? Where can they look for aid except to the United States? I think of brave little Norway, which suffered so terribly during World War II, lining up with the United States and other nations in support of the Atlantic Pact. I think of little Denmark, weak in manpower, perhaps, but a great, brave, heroic nation, lined up with the United States. Look at Iceland, away yonder amid Arctic snows, weak in manpower, small in population, but stout of heart and rich in courage, lining up under the leadership of the United States and other parties to the Atlantic Pact.

Mr. President, I could name other countries which are parties to the Atlantic Pact. We occupy a position of great leadership and great eminence. We must justify the regard in which we are held by the other nations of the world. Let us continue with the program; let us carry out our plans. Let us appropriate what the people in Europe and the United States say will be the minimum requirement for the carrying on of the program to successful completion.

Mr. President, I hope the Senate will vote down the Taft amendment and, in due course, will vote to pass this bill.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. CONNALLY. Not yet.

Mr. President, I send to the desk a letter which I received from Mr. Hoffman, and I should like to ask the clerk to read it.

Mr. DONNELL. Mr. President, a parliamentary inquiry.

Mr. LUCAS. Mr. President, I inquire who has the floor?

Mr. CONNALLY. I have the floor.

Mr. DONNELL. Mr. President, will the Senator yield for a parliamentary inquiry?

The PRESIDING OFFICER. The Senator cannot yield for a parliamentary inquiry.

The clerk will read the letter which the Senator from Texas has sent to the desk.

The Chief Clerk read as follows:

ECONOMIC COOPERATION ADMINISTRATION,
Washington, D. C., March 29, 1949.

The Honorable TOM CONNALLY,
United States Senate.

DEAR SENATOR CONNALLY: I understand that a proposal has been made to cut the authorization for the European recovery program by a flat 10 percent. In our discussions of the recovery program with the Congress, we have made it clear that we are willing to go into the greatest detail in discussing the amounts required for the various country programs. At the same time, we have tried to make it clear that an arbitrary percentage cut might well result in shifting the program from recovery to relief. This would defeat the very objective for which Congress established the Economic Cooperation Administration and would be contrary to my understanding of the job I was asked to do. It is still true that if a man is drowning in a well and you need 20 feet of rope to save him, 18 feet won't do.

The authorization approved by your committee was based on minimum estimates of the amounts that would be needed for the last quarter of this fiscal year and for the next fiscal year. The proposal for an arbitrary cut suggests that the amount in the authorization bill is an arbitrary figure. This is by no means the case. Our estimates were the product of a careful and lengthy process of review and screening. In arriving at these estimates, we had nearly a year's experience to rely on. The amount we believe is needed is not a guess, but a realistic appraisal of facts. The figures reflect tangible recovery objectives, and are the amounts we honestly think are required to achieve those objectives. Any arbitrary reduction in such amounts can mean only one thing: it will mean that many of the specific steps toward European recovery simply will not be taken.

The Congress itself provided for the machinery by which our estimates were arrived at. ECA missions in each of the participating countries worked in the closest cooperation with those countries in developing estimates of the import requirements for the next year and a quarter. The individual country estimates were then transmitted to the Organization for European Economic Cooperation in Paris, where the Europeans themselves reviewed the figures in the light of the total economy of western Europe.

In short, the OEEC helped to convert them into a single estimate for the total program. The resulting figures and recommendations were then reviewed with the greatest thoroughness in the office of the ECA special representative, Mr. Harriman, and when that review was completed the program was sent to Washington to be subjected to further detailed analysis and consideration. In Washington the ECA's own staff studied and altered the estimates of requirements to accord with our views of what is necessary for European recovery and the ability of the United States economy to meet such requirements. Also in Washington the National Advisory Council on International Monetary and Financial Problems, established by the Congress, subjected the figures to the closest scrutiny and advised us with respect to the minimum actually required. Finally, with the benefit of all the recommendations secured through this process of review, it was my task to determine the amounts to be requested from the Congress. This I have done. The European recovery program finally proposed to the Congress and approved by your committee is a tight fit.

The effect of an arbitrary 10-percent cut will be far greater than a mere reduction of the program by 10 percent. Europe is living today in austerity. Even to continue on that basis, foodstuffs and other essentials of life must continue to be imported. There is little give in these items. It is therefore clear that any reduction in the authorization would have to be borne largely by the projects aimed at making Europe self-sustaining by 1952. And the serious effects of an arbitrary cut will not end there. Imports of industrial raw material and equipment are used in the factories of the participating countries to produce goods both for domestic consumption and for export. Through such exports those countries earn money with which to purchase additional imports. Therefore a 10-percent cut in imports under the European recovery program would result in a greater cut in the total imports of the participating countries and would impair recovery by that much.

In short, as I have said, an arbitrary cut would tend to make the European recovery program another relief program. In the long run such a course would cost the United States taxpayers more money rather than less.

I want to emphasize again that I believe the amount we have requested is essential if Europe is to achieve recovery by 1952. I assure you that I don't want to spend any more money for European recovery than is necessary. If the amount we have requested

is more than we need I will not spend it, and if recovery is achieved more rapidly than we now estimate it will be, the amounts requested in the future will be less. The way to reduce the cost of this program is not to hamper recovery by arbitrary cuts in this authorization, but instead to do the job as quickly as possible with the minimum amount needed to provide the essential supplies.

I believe that economic aid to western Europe is just as important as money for military expenditures. Until world peace and security are assured through the success of measures we decide to undertake, including the European recovery program, it is dangerous to resort to an unwise economy which might defeat our efforts.

Sincerely yours,

PAUL G. HOFFMAN,
Administrator.

Mr. TAFT. Mr. President, will the Senator from Texas yield?

Mr. CONNALLY. I yield to the Senator from Ohio.

Mr. TAFT. Every argument Mr. Hoffman makes in the letter will be an argument against cutting the appropriation, will it not, just as much as against cutting the authorization?

Mr. CONNALLY. I am not dealing with the appropriation; I am dealing with the authorization. I have said repeatedly, and the Senator heard me, that the Committee on Appropriations is not bound. Something might occur which would change conditions. They have complete freedom. It is the Senator from Ohio who is arguing that whatever we do in the authorization is going to settle the matter, that the Committee on Appropriations will not have anything to do with it, that what we do here will be final. I take issue with the Senator. That is not the case at all.

I supposed we had a Committee on Appropriations composed of men with heads on their shoulders and brains in their heads and courage in their internals, who would do their duty regardless of politics, regardless of the Scripps-Howard newspapers, regardless of anything else. I am amazed at the Senator from Ohio. He is a man who has a reputation for courage, yet he holds newspapers in his hands, refers to what some editor said somewhere, and quivers and trembles and asks what is wrong about this bill. "Look here: The Scripps-Howard papers, various papers—look what they said about me last year because I did not vote as they said." The Senator from Ohio is above that kind of weak, wobbly backbone. He has plenty of courage. Let him use it. Let him vote his convictions, and let the newspapers do what they want to do. We are not responsible for what the newspapers say.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. TAFT. I think the Senator misunderstood my question. What I asked was whether every argument Mr. Hoffman makes is not an argument against any cut in the appropriation just as much as against a cut in the authorization.

Mr. CONNALLY. When it comes to the appropriations, and he appears before the committee, I expect he will make the same arguments. They are good arguments.

Mr. TAFT. Does the Senator know of any public official who does not violently oppose a cut in his appropriations?

Mr. CONNALLY. Most of them do, but they are specialists. They have one little particular department. Mr. Hoffman has the whole of Europe. He is not picking out any one particular country. Naturally, a man who is the head of a particular agency works for that agency. For instance, a man, let us say, is the Commissioner of Fisheries. Therefore, he wants more fish and more fish eggs. If he is the Commissioner of Public Lands, he wants to spread out and take in more public lands and more public forests, and more this and more that, just as the Senator from Ohio is not content to be just a Member of the Senate, but has to be a leader of the Senate, to take jurisdiction over all the bills, reach out and get the bills, wherever they may be, pick them up, and get out his butcher knife and slice off 10 percent, then the next bill that comes along he may slice off only 5 percent, depending on whether or not the steak he cuts off is fat and juicy and toothsome.

Mr. President, of course experts in particular agencies want all they can get for their particular departments. There is nothing unnatural about that. But we are not considering such a case. The ECA is a new enterprise. Mr. Hoffman is not saturated with the nationalism of the United Kingdom. He does not speak French, so far as I know, and would not be partial to France. I know he does not speak Dutch. Very few people can speak Dutch. [Laughter.] He is not an administrative stooge, either.

Mr. President, I yield the floor.

Mr. DONNELL. Mr. President, I assure the Senator from Texas that I shall not attempt to deliver the remarks I have to make in Dutch, for I do not think anyone here could understand them.

Mr. TOBEY. The Senator would get "in Dutch" if he did. [Laughter.]

Mr. DONNELL. I agree with the Senator quite heartily. On the subject we are discussing I feel, I think as much as most of us, a desire to reduce the expenditures of the United States, and I should like to be in position to vote in favor of a reduction in the bill if I could conscientiously do so under the evidence now before the Senate. It appears to me, however, after what I trust has been a careful consideration of the arguments which have been adduced, that I cannot vote in favor of the Taft amendment. Recognizing the lateness of the hour, I shall not unduly trespass upon the time of the Senate, but I should like, briefly as possible, to state the views which have caused me to arrive at the conclusion I have reached.

Before doing so I should like to address myself to what I thought I heard the Senator from Texas state a few moments ago, though I am not quite sure whether he did or not, and if he did not, I shall not venture further along that line. I understood the Senator to refer to the fact that the Atlantic Pact is to be signed in Washington in a few days, and to ask "What are we going to do about this vote on this economic-cooperation matter? Are we going to cut off these amounts and reduce them while all these foreign diplomats are here in Washington?" If the Senator did not refer to that, I shall not pursue the matter further.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. CONNALLY. I made reference to that. I do not think I made it in the same words the Senator used, but I did say that there was more or less connection between peace and economics, that where there was economic prosperity there was more apt to be peace, and I asked whether, while the representatives of foreign countries were here to sign this pact in behalf of peace, we were going to take this step to cut the appropriations. I did say that.

Mr. DONNELL. I desire to address myself very briefly to that phase of the Senator's remarks before discussing the amendment now before the Senate.

To my mind the fact that these diplomats are in Washington, whether they have come or are coming by air or ship or both, has nothing whatsoever to do with how we should vote on either the pending amendment or on the bill itself. I realize that there has been built up a vast amount of widely extended public opinion in favor of the ratification of the Atlantic Pact. I shall not discuss the pact here tonight, but to my mind the presence of all the diplomats in the world meeting together in the hall where they are to convene on Monday, to the strains, as I have observed in the newspapers, of the Marine Band, and with notable ceremony, with I believe some thousand persons or so present—all this vast amount of publicity about the presence of these diplomats to my mind should not weigh with the Senate one fraction of a scintilla in determining how we should vote on the pending bill or the pending amendment.

While I am commenting on that, let me say that I do not think the American public should be, and I hope it will not be, unduly influenced in the opinion which it shall form of the Atlantic Pact by reason of the great advertising which we see day after day, statements and pictures and all sorts of indications in the press of the unprecedented situation of all these diplomats crowding into Washington for this great, momentous occasion. It is a momentous occasion, but the mere fact that they have come here, and the mere fact that they are going to sign this pact, should not to my mind deter the Senate or any Member of it from using his own individual sound, best, honest judgment when it comes to the vote upon whether the pact shall be ratified.

I think, Mr. President, that all this publicity about the procession of diplomats, about the Marine Band, about the luncheon to be given by the President, this display of rank and diplomacy that is going to be seen here in Washington, illustrates better than I could by far the soundness of the position taken by the eminent Senator from Utah [Mr. WATKINS] that we should not sign the pact—the President and the State Department should not have expected to have the pact signed—until after the Senate had considered it, just as various other coun-

tries which are to be signatories are not signing until after their respective parliaments have considered the pact.

Mr. President, before discussing the pending measure itself, I want to make it clear that I do not agree with the implication which I thought I noted in the remarks of the Senator from Texas [Mr. CONNALLY], that because all these diplomats are to be here, and because of the foreign flags which are going to be displayed, and because the Marine Band is going to play, and because the newspapers all over the country will report this great, momentous incident, which is the greatest, so we are told, in diplomacy, since the declaration of the Monroe Doctrine—I do not agree that the Senate should allow that great display of pageantry to deter them from the proper consideration of a vote upon the pact when the pact shall come before the Senate for consideration.

Mr. President, I address myself now to the amendment proposed by the senior Senator from Ohio [Mr. TAFT]. I want to say that the Senator from Texas has referred to the Senator from Ohio as not being willing to be merely a Member of the Senate, but that he desires to be a leader and bring in various bills, and pass on them, and so forth. As one Member of the Senate, without any flattery whatsoever with respect to the senior Senator from Ohio, I wish to say that I rejoice that the Senate has within its membership a man of the integrity, courage, knowledge, industry, intelligence, and information possessed by the senior Senator from Ohio. I was for him for the Republican nomination for the Presidency of the United States, and to my mind we would have made no mistake in selecting him for that exalted office. As one Member of the Senate, instead of even jocularly rebuking him for being a leader in the Senate—and I want the Senator from Texas to hear this, since he has just come back into the Senate Chamber—I say, instead of even jocularly rebuking the Senator, and I am sure the statement was jocular in the mind of the Senator from Texas, I for one am grateful for the presence in this great body of a man of the intellectual power and of the character possessed by the senior Senator from Ohio, and I am confident that my good friend, the Senator from Texas, joins in that view which I now express.

Now, Mr. President, I speak with respect to the particular amendment submitted by the Senator from Ohio. He said a little earlier this evening that the figure in the bill itself is not a sacred amount, and I thoroughly agree with him in that view. To my mind it is not at all obligatory upon the Senate to adopt the figure or the figures which are set forth in the bill if the Senate shall not deem such action to be wholesome and advisable under all the circumstances. But, Mr. President, as I have considered the matter I have come to the conclusion, and desire to place myself on record to that effect, that it is not shown by the evidence between the Senate to be advisable that we shall adopt the amendment proposed by the Senator from Ohio. Why do I say that? Summing my reason up in one sentence, I will say that I do not believe that the evidence before the Senate is sufficient to justify the conclusion that the Economic Cooperation Administration is in error in recommending the figures which are set forth in the bill.

As I understand generally the purpose of the Economic Cooperation Act, it is for our Nation to go reasonably far toward assisting various other nations of the world in the rehabilitation of their respective countries. The judgment of the Economic Cooperation Administration is to the effect that the amounts in the bill are necessary for that purpose, if the rehabilitation is to be carried on in accordance with the policies which the respective nations themselves believe to be the proper policies for their own internal development.

I had not seen the letter from Mr. Hoffman and did not know of it until it was presented here a few minutes ago, but it impressed me, as I heard it read, by the care and the thought that had been used in preparing it. I recall in that connection the fact that the senior Senator from Ohio himself referred today, as I understand, to the fine capacity which has been shown by Mr. Hoffman in the administration of the Economic Cooperation Administration. I say, Mr. President, that the judgment of the Economic Cooperation Administration is that the amounts set forth in the bill are necessary for the purpose of going reasonably far toward the rehabilitation of the countries involved, provided that rehabilitation is to be carried out in accordance with the policies which the respective nations themselves believe to be the proper policies for their own internal development.

Mr. President, if we should here tonight reduce the amounts of this authorization, as I see it, we would in effect be requiring changes to be made in the internal developments and plans of the respective nations. I think we have a perfect right to bring about a reduction which would cause such change in internal policies provided we deem it the part of wisdom to make such a requirement. It is our money. We have a right to say whether we want it used in a nation such as Great Britain, which is going so far along socialistic lines, and which, at least according to the opinion of Mr. Mayhew, a member of Parliament, has been so much aided in her development along socialistic lines by the use of ERP funds. We have a right to say to the nations of the world that we are not going to permit our money to go to a nation which wants to follow such plans. But I do not believe that there is evidence before us to show that in carrying out the purposes of the Economic Cooperation Act it is advisable for the United States of America to reduce the amount of its appropriation below the figure in the bill to a point which would in effect require a change by these nations in their internal policies.

Now, Mr. President, I want to address myself very briefly to the subject of the Appropriations Committee. As I see it, the Appropriations Committee, of course, retains the power, notwithstanding what we may pass here tonight in the way of an authorization, to recommend to the Senate a proper reduction; and, to be sure the Senate retains, regardless of what recommendations shall be made by the Appropriations Committee, the power itself to bring about such a reduction.

I am not unmindful, Mr. President, of the fact that there has been frequently used in the Senate the argument that when an authorization has been made, the Appropriations Committee should follow the authorization. I do not personally agree with that at all. If I am not mistaken I have either expressed myself to that effect upon the floor of the Senate, or within the hearing of other persons. I think the legal situation is, as was conceded by the Senator from Ohio, that the Appropriations Committee does retain that power.

I think that as a result of this debate upon the floor of the Senate the Appropriations Committee should observe the fact that it has the power to pass independently upon what is done here by way of authorization, and to recommend to the Senate what it deems to be the proper amount. It may be that the Appropriations Committee will come back with a recommendation substantially the same as or identical with the amount set forth in the bill. I should not be greatly surprised if it did. Neither should I be greatly surprised if it recommended some material change in the bill.

Mr. CONNALLY. Mr. President, will the Senator yield for a question?

Mr. DONNELL. I yield for a question.

Mr. CONNALLY. Has not the Appropriations Committee complete jurisdiction to summon anyone it wishes before it and go into the whole question on its own responsibility?

Mr. DONNELL. That is my understanding. I think that is undoubtedly true.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MAYBANK. Will the Senator name the occasions upon which the Appropriations Committee has done so?

Mr. DONNELL. I cannot. I have never served upon the Appropriations Committee. Let me answer the question fully. It may be that in the past the Appropriations Committee has been unduly guided by the authorization features of an authorization bill. If it has, I undertake to say that we have now arrived at a point where the Appropriations Committee should realize, beyond peradventure of doubt, that the Senate expects the Appropriations Committee to retain for itself the power which it possesses, and not to act as a mere rubber stamp upon an appropriation.

Mr. MAYBANK. Mr. President, will the Senator further yield?

Mr. DONNELL. I yield for a question.

Mr. MAYBANK. Will the Senator support the Appropriations Committee to the end?

Mr. DONNELL. I make no promises whatsoever as to what I shall do. I shall do as I have done tonight, namely, make my decision and vote as I deem proper at the time. I shall make no commitment in advance of the time when I am to cast my vote.

Mr. MAYBANK. Then, as I understand the Senator's statement, he would not support the Appropriations Committee, but he retains to himself the right to judge what to do. At the same time, he says that the Appropriations Committee has the right to change the authorization. In substance, the Senator states that he would pass the buck to the Appropriations Committee.

Mr. DONNELL. I say no such thing. I say nothing about passing any buck, or anything to that effect. I say that we have two coordinate committees in the Senate, of equal dignity and power. One of those committees is the Committee on Foreign Relations. The other is the Committee on Appropriations.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. DONNELL. I decline to yield further at this point. The Appropriations Committee should have—and I trust does have—the backbone, just as it has the legal power, to use its own independent judgment upon the evidence which is before it. I do not know what the Appropriations Committee may do. The Appropriations Committee may say that the Committee on Foreign Relations was right. I can well see how the Appropriations Committee might take the letter of Mr. Hoffman as a very significant expression to the general effect that the Foreign Relations Committee was right. But in my judgment every member of the Appropriations Committee should consider himself under a solemn duty, which cannot be delegated to the Foreign Relations Committee, to consider and act independently upon the question of appropriations.

Mr. MAYBANK. Mr. President——

Mr. DONNELL. Does the Senator desire to ask a question?

Mr. MAYBANK. Yes. Is not the Senator agreeing with the Foreign Relations Committee tonight?

Mr. DONNELL. I did not catch the question.

Mr. MAYBANK. The Senator is in accord with the Foreign Relations Committee tonight, is he not?

Mr. DONNELL. I am in accord with the idea of voting against this amendment, for the reasons which I have just stated.

Mr. MAYBANK. I understand; but those are the reasons of the Foreign Relations Committee, are they not?

Mr. DONNELL. They have their own reasons. I have mine. My reason is just as I have stated it so far. I propose to vote against the amendment for the reasons which I have indicated.

Mr. MAYBANK. If the members of the Appropriations Committee do their duty, as I am sure they will, will the Senator then support the Appropriations Committee if it should reduce the appropriation?

Mr. DONNELL. As I have stated to the Senator, I make no promises directly or indirectly. I consider that I have a solemn duty, when the report of the Appropriations Committee is brought before us for consideration, to vote for it if I think it is right. If I think it is wrong, I shall vote against it. That is the only promise I will make to the Senator from South Carolina or to any other Member of the Senate, or to any other constituent, or to any other person in the United States.

Mr. MAYBANK. The Senator is putting off the date when we shall determine what amount of money we shall actually appropriate.

Mr. DONNELL. That question, of course, calls for a "Yes" or "No" answer, and I will answer it "Yes," in this respect: The day will, of course, be deferred, because the Appropriations Committee is not in session tonight. I should say that if the Appropriations Committee were in session tonight, it would be exercising very doubtful judgment if, within a period of 30 minutes, it should pass upon a question involving five and a half billion dollars. Of course, it will mean that the time between now and the time when the Appropriations Committee shall make a recommendation will elapse before we receive that recommendation. But even if we adopt the amendment, or pass the bill without the amendment, the Appropriations Committee will still have its duty to perform, and we cannot finally act upon the amount to be appropriated until the Appropriations Committee shall have submitted its report. So the effect of what I am advocating here tonight is not a delay of one 15-minute period.

Mr. MAYBANK. Mr. President, will the Senator further yield?

Mr. DONNELL. I yield to the Senator from South Carolina.

Mr. MAYBANK. I only wish to say to the distinguished Senator from Missouri that I am happy to have him express the thought that we are not appropriating any money tonight.

Mr. DONNELL. I certainly do not understand that if I vote tonight for this bill I am voting for any appropriation. I shall vote upon what the bill says, namely, an authorization for an appropriation to be made in an amount not to exceed the amount specified in the bill. I am not voting on any appropriation. No Senator is tonight called upon to vote upon any appropriation. He will vote solely upon the measure which is before us, which is merely an authorization.

Mr. MAYBANK. I am happy to hear what the distinguished Senator from Missouri has said. I do not want any foreign governments to be fooled into believing that we are voting $5,000,000,000 for them tonight, because in my judgment the Appropriations Committee will never do it.

The PRESIDING OFFICER. The Senator from Missouri can yield only for a question.

Mr. DONNELL. Mr. President, I agree with the Senator from South Carolina. I do not want any foreign government to be fooled either. I hope the press will make it so clear that no one can misunderstand, that what we are doing is a mere authorization, and that we are not passing upon the final amount to be appropriated.

Reverting for a moment to the North Atlantic Pact, I hope also that the press of the country will make it so clear that any person who can read will understand, that the mere fact of the elaborate ceremony, with flags flying, the Marine Band playing, the luncheons, and the great display of diplomats is not a final determination that the United States is ratifying the North Atlantic Pact.

Tonight the Senator from Ohio [Mr. TAFT] presented various newspaper clippings showing that after the action taken last year on the European recovery bill certain newspapers over the country misunderstood the situation. One newspaper stated that the House of Representatives had welshed. Other newspapers indicated that the committee of the House had gone back on the agreement which had been made by the passage of the bill.

The Senator from Texas [Mr. CONNALLY], with his fine sense of humor and his dramatic ability, portrayed the Senator from Ohio as being almost afflicted with creeping palsy as he presented those newspaper statements before the Senate. I observed no indications of serious illness on the part of the Senator from Ohio. If he were suffering from any such ailment, I should say that it would be the duty of his colleagues promptly to communicate the information to the official physician of the Senate. I do not believe that there was any indication of tremor, or anything approaching cowardice, or anything approaching fear. I think the Senator from Ohio was giving us what the press had stated and what the press understood and believed.

Mr. President, I wish to say two things: In the first place, the press which understood that the authorization bill of last year was the equivalent of an appropriation was 100 percent wrong, and I hope the press will wake up to that fact; in fact, I hope they have waked up to it tonight. There is no binding effect whatsoever in an authorization bill, as regards the appropriation thereafter to be made. The authorization bill simply creates a condition under which authority is granted to make an appropriation; and subsequently the question arises as to whether the appropriation shall be made. Therefore, Mr. President, I say the newspapers were wrong.

Furthermore, I wish to say that even if every newspaper in the United States should be wrong in that respect, when we change this figure, if we do, on final action, to my mind the Senate will have acted properly, conscientiously, and legally in recognizing the fact that this is merely an authorization bill, and that what subsequently will come is entirely distinct from it, and that the mere fact that the appropriation bill may carry a different figure from the figure in the authorization bill will not mean that there has been any backing down on an obligation, any failure on the part of any Member of Congress to do his duty as a Member of Congress. I hope that out of this debate tonight will come a general realization by the press of our Nation—yes, and perhaps by some of the Members of the Senate—of the fact that two great coordinate committees are involved in this matter, each of which should act independently of the other.

So, Mr. President, in the final words which I shall utter tonight I wish to say

that because of the facts I have indicated—which, summed up in a sentence, may be stated as this: that I do not believe there is evidence before the Senate sufficient to justify the conclusion that the Economic Cooperation Administration is in error in recommending the figures as set out in the bill—I shall vote against the amendment of the senior Senator from Ohio.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. DONNELL. I yield for a question.

Mr. TAFT. Does not the Senator think the burden is on the Economic Cooperation Administration to prove that it is correct? Can the Senator find in the hearings any evidence to support the figure "$5,460,000,000," any more than any other figure which might be before the Senate?

Mr. DONNELL. I should say, in answer to that question, that there has been a presumptive finding, as I see it, by the Foreign Relations Committee, which has come before us, after hearing the evidence, and has recommended that figure. I have not read this book of evidence or hearings, and I doubt whether any Member of the Senate who is not a member of the Foreign Relations Committee has read it. In fact, perhaps not any member of the Foreign Relations Committee itself has read all of it. But the committee held the hearings, and now has come before us with a finding which to my mind is entitled to some presumptive value. Therefore, when a Senator not a member of the committee rises on the floor of the Senate and seeks to reduce the amount recommended by the committee, and contained in its report, I say that the burden is certainly upon such a Senator who seeks to reduce the amount recommended by the committee; or, at any rate, if such Senator does not concede the correctness of that statement, then I say we are entitled to consider all the arguments and all the facts and all the evidence which have been placed before the Senate, and to draw our best conclusion from those facts and from that evidence and from those arguments.

Mr. President, although I should like to see a substantial saving made, from the standpoint of the expenditures made by the United States Government, and although I should like to see part of that saving made in this bill, yet I am perfectly willing tonight to say that either on the ground that the evidence which has been adduced shows that the proposed amendment is wrong, or on the basis of our conclusions after searching the entire record to the extent that we Members of the Senate have been afforded an opportunity to do so in connection with the debate, I am of the opinion that the Taft amendment should not be adopted, but the figure contained in the bill should be approved, instead.

Mr. CAPEHART. Mr. President, I shall not delay the Senate for long. I should like to have the Members of the Senate look at the record and consider it.

I have been listening all evening to Senators who have been trying to reduce the expenses of our expensive Government by making reductions in arbitrary amounts in connection with the pending measure. The able Senator from Texas, of course, at times becomes very humorous and likes to joke. He likes to wink a little at other Senators, so to speak, and he likes to make believe that those of us who oppose him do not know what we are talking about. Tonight he has likened those of us who wish to reduce the figure contained in the bill to a man who asks a tailor to make him a suit of clothes, but to use 2 yards of cloth less than the amount that is absolutely required, as a minimum, to make a suit. The Senator from Texas has criticized the use of arbitrary figures by certain Senators.

Mr. President, let us examine the record. I state here and now that unless this body wishes to finance 100 percent the deficits—meaning the difference between exports and imports—of the European countries, we should make a cut in the figure reported by the committee. I shall take the record of the ECA itself and shall prove to the Senate that what we should be talking about, instead of a 10-percent cut in the authorization, is a reduction of it to $3,000,000,000.

I had intended to offer an amendment providing that the figure be reduced to $3,000,000,000. I shall not do so, because that would be hopeless, in view of the fact that this body has already voted down an amendment providing for a 15-percent reduction.

Mr. President, let us look at the record. After all, this matter is not complicated; it is really very simple. It is only necessary to read the report of the ECA.

I hold in my hand the eighth report of the Economic Cooperation Administration, Paul G. Hoffman, Administrator, of February 16, 1949. I am looking at page 2. At the top of the page I read:

> European recovery program.
> How we stand as of January 31.

At the bottom of that page it is stated that $2,300,000,000 worth of goods or supplies from last year's appropriation have been shipped. Keep that amount in mind, Mr. President. That means that $2,700,000,000 worth of last year's appropriation has yet to be shipped. Yet, by the administration's own reports—and it has not been denied on the floor of the Senate—recovery in Europe is now back to prewar levels in every instance, and in most instances it is above prewar levels. We are told that there is no unemployment in Europe, with the exception of in Italy and in western Germany. Let us keep that fact in mind. If there is any Senator who disagrees with it, I wish he would say so. The able Senator from Michigan [Mr. VANDENBERG] a week ago tonight agreed with that statement, but said that the countries of Europe have lost a great many of their foreign investments and have lost their tourist trade and have lost other things. He admitted that their production was back to normal, and in most cases above normal.

I arrive at my figure of $3,000,000,000 in this way—and it is not an arbitrary figure: There is still $2,700,000,000 worth of goods or supplies from last year's appropriation to be shipped. If we appropriate $3,000,000,000 for next year, that will make a total of $5,700,000,000, which is approximately $300,000,000 more than is being asked in connection with this bill.

Mr. President, I ask in all fairness: If the nations of Europe have been able to make the remarkable recovery they have made, if their production is up to prewar levels or above, and if they have been able to do all that with $2,300,000,000 from us, then if we give them another $2,700,000,000 worth of goods from last year's appropriation and $3,000,000,000 worth of goods from the next appropriation, or a total of $5,700,000,000 worth, what more can we do for them?

After all, it is a practicable matter. We talk about appropriating this money. Mr. President, we do not have the money. How do Senators know that we shall have the money next year? We have a $252,000,000,000 public debt. How is it possible to know what our revenue will be next year, with prices falling as they are at the moment? How can it be known that we will collect $40,000,000,000 next year? Suppose it should only be $35,000,000,000, or $32,000,000,000. Does anyone think for a moment that this Nation can live if we continue to run in the red each and every year, with a public debt of $252,000,000,000 at the present time? Yesterday the President of the United States said that, in the current fiscal year ending on June 30, he anticipated the deficit would be $700,000,000 or $800,000,000. If this Government of ours—and we are the Government; we are the ones who appropriate the money—following 1948, the most prosperous year in the history of the Nation, with the high prosperity we are today enjoying, with taxes about as high as the people can be asked to pay, is unable to balance the budget under such conditions, I ask how in the name of heaven are we going to be able to balance the budget and keep out of the red when prices level off.

If the European nations were as friendly to us as I should like to feel they are, they would be as much interested in our financial condition as we ourselves are. What good is it going to do us to give them an extra two or three billion dollars if thereby we run our Government further into the red? Where is the money coming from? Whose money is it? We do not have it.

How is it possible to appropriate millions and billions of dollars when there is an existing public debt of $252,000,000,000? In view of ECA's own record, in which it is admitted that production in certain of the beneficiary countries is above prewar, in which it is admitted there is no unemployment—those are ECA figures and records, not mine—and knowing as we do that our revenues for the next year are going to be less, knowing that we have a $252,000,000,000 debt, and knowing that the worst possible thing that could happen to the Nation would be that we run into the red for the next 5 or 6 or 7 or 8 or 10 years, and pile billions and billions upon our present $252,000,000,000 debt, I ask what are we thinking about? When are we to begin reducing appropriations? When are we to begin cutting expenses?

I say, cut the authorization to $3,000,000,000. The able Senators from Ohio and Georgia offered an amendment to cut it about $500,000,000. To me, the amount is absurd. It should be more than that. I never was any more serious in my life. I never was any more worried about the future of our Nation than I am tonight, because any Senator on this floor, if he will but stop to think, can come to but one conclusion, and that is that revenues for the fiscal year ending June 30, 1950, are going to be smaller. I should have no hesitancy in voting $5,000,000,000, $6,000,000,000, or $7,000,000,000 if we had the money, if we were not in debt. It is all right to laugh about the matter. It is all right for the able Senator from Texas to laugh about it, but I want to tell Senators the American people are not laughing.

Mr. CONNALLY. Mr. President, will the Senator yield for a question?

Mr. CAPEHART. I should rather not.

Mr. CONNALLY. Very well.

Mr. CAPEHART. I say to Senators in all seriousness, when this Nation runs a deficit of two, three, four, or five billion dollars during peacetime, and when we are forced to increase the taxes of the American people in order to pay all or a portion of the $5,000,000,000 that is talked about tonight, I say they are going to rise up. I say that our grandchildren and great-grandchildren will hate us for putting them so heavily into debt. It is unnecessary. It is unnecessary because, by ECA's own records, a $3,000,000,000 appropriation, in my personal opinion, will do the beneficiaries just as much good as the $5,000,000,000 that is talked about, unless perchance it is desired that the American taxpayers shall balance the deficit of the participating countries, as the able Senator from Ohio explained here this afternoon.

Frankly, I do not know what Senators are thinking about. I do not know where the money is to come from. I know we do not have it. I know that the revenues of our Government are going to be less next year than they are this year. I know we are going to be called upon shortly to appropriate another $1,000,000,000 or $1,500,000,000 to rearm the countries of western Europe. I know we should cut expenses, and I believe it is the intention of every Senator to cut expenses. I say, God help us when we start cutting domestic expenses, which we may be forced to do as a result of reduced Government income. God help us when we are forced to reduce domestic expenses, after we have voted in the Senate to appropriate $5,500,000,000 in order to aid people in other countries, when it is proved to the American people, and will be proved to them, that it is unnecessary, and that half the amount would serve the purpose equally well.

I am pleading with the Senate to give some thought to the matter of keeping our Government sound. I care not whether it be an individual, a corporation, a family, or a government; if the individual, corporation, family, or Government continues to spend more money than it takes in, each day and each month and each year, nothing but calamity can come to it. If there is a Senator on the floor tonight who feels that the Federal income for the fiscal year ending June 30, 1950, will be, without increasing taxes, larger than it will be on June 30 this year, I wish he would stand up and say so.

Mr. President, I shall vote for the amendment.

Mr. CONNALLY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Is the Senator from Indiana yielding the floor?

Mr. CAPEHART. I shall be happy to yield to the Senator from Texas before yielding the floor.

Mr. CONNALLY. Would the Senator vote for $3,000,000,000 if that should be the amount of the authorization in the bill?

Mr. CAPEHART. Yes.

Mr. CONNALLY. The Senator's views have changed, since he voted against all appropriations a year ago, and also voted against the bill. Is that not true?

Mr. CAPEHART. The Senator is absolutely correct. I offered a substitute for the bill last year, which was rejected by the Senate, but I voted against the bill which was passed.

I may say, Mr. President, that I shall vote against the pending bill unless there is a substantial reduction, because I shall not vote for billions and billions of dollars for foreign aid when it is unnecessary and then deny my own people the many things they need. Someone someday has got to represent the taxpayers; someone must represent the common folks. The able Senator from Texas said a moment ago, "You should not even question these amounts, because Mr. Harriman and Mr. Hoffman and Mr. Bruce recommended them"——

Mr. CONNALLY. Mr. President, I did not say that.

Mr. CAPEHART. Who are Mr. Harriman, Mr. Hoffman, and Mr. Bruce? They represent Wall Street. They represent the group which the President of the United States went up and down the Nation describing as undesirable persons. They are the ones who recommended $5,500,000,000. It was not the common folks who recommended it. It was not the Democratic Party. It was not the able Senator from Texas. Who recommended it? The representatives of Wall Street, those mischief makers, those awful people—Mr. Bruce, with branch offices all over the world; Mr. Harriman, who inherited his millions and is a member of a Wall Street investment firm; Mr. Hoffman, who represents the Studebaker Corp., which is financed by Wall Street. It was not the Democratic Party, not the common people, not the taxpayers; it was the despicable Wall Streeters whom Mr. Truman condemned from one end of the Nation to the other. Now the able Senator from Texas tells us that we should accept the figures recommended by those men, that they know best, and we know nothing about it. It was only last October and November that they were called—well, I cannote describe the terms which were used.

Mr. President, I say, "Wake up, America! Let us have the courage to do the right thing; let us have the courage to face the facts; let us try to realize what we are doing; let us keep our own Nation strong."

Yes, Mr. President, I shall vote for $3,000,000,000. If there is a dime over that amount, I shall vote against it.

Mr. LODGE. Mr. President, I have attended this debate for the past few days, and I will say, in all frankness, that it has, to me, had an atmosphere of great unreality. It is as if World War II had never been fought, as though the nations of western Europe had never collapsed, as though airplanes had never been invented. It is as though we could sit in safety on this side of the Atlantic Ocean, which once was so broad.

I have heard those who are in favor of economic assistance to the nations of western Europe in their struggle against communism described as being men who, by inference, at least, are opposed to a high standard of living, against low taxes, against integrity of investments, in favor of socialism, have not the interests of our boys and girls at heart, are not concerned with the welfare of the plain people of America, and do not desire to keep the Government sound.

Those are a few of the things which have been said. I may say, Mr. President, that I am in favor of low taxes, a high standard of living, the integrity of investments; I am opposed to socialism, in favor of national defense, I want to keep the Government sound, and I want to keep the boys and girls at home, and out of war. No Senator here has a copyright on a desire to keep the country safe——

Mr. KEM. Mr. President, will the Senator yield?

Mr. LODGE. I do not have time to yield. I shall yield to the Senator from Missouri in my own good time. I have had quite a difficult time getting recognized. Senators opposed to the bill have had the floor for a long time, and I intend to keep it for a few minutes. If the Senator will be patient he will have an opportunity to make his point again.

Mr. President, I shall address myself to the limiting amendments which have been offered by the Senator from Ohio [Mr. TAFT]. I think my friend from Nebraska [Mr. WHERRY] has one also. I presume he does not speak for the minority, although I see nothing in the RECORD to make the point clear——

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. WHERRY. I certainly want to make it clear that I do not speak for any Senator except myself. My amendment has already been voted upon.

Mr. LODGE. I am glad to have that assurance. I thought the Senator had another amendment, as a matter of fact, relating to the duration. The Senator did not make that point clear before. I am glad he makes it clear now, because it is my recollection that most, if not all, the members of the minority on the Foreign Relations Committee were in favor of the proposition which I am discussing.

Mr. President, a great deal has been said about the Foreign Relations Committee. The Senator from Ohio, who, I

regret to say is not present at the moment, went so far as to say we had been negligent in our duty. That is a serious charge. When a man is charged with being negligent in his duty, I think it is a very serious charge. Heaven knows, Mr. President, I do not boast about the Foreign Relations Committee, but I say in all candor that I am not a bit ashamed of it. I am not ashamed of the work which has been done by the watchdog committee, of which I am no longer a member, but of which I was a member at the beginning. I challenge any Senator to find an instance of an activity of the Government being subjected to a more thorough and more detailed questioning than has been the case in the watchdog committee. I do not think a more thorough investigation can be found.

I should also like to know of a case in which a standing committee of the Congress has organized its work in a more realistic manner than has been the case with the watchdog committee. I think we have done our duty. The fact that a committee of Congress does not consider every individual amendment that every Senator may offer, does not mean that he does not consider the subject as a whole. The fact that we did not consider a specific amendment cutting the authorization 10 percent does not mean we have not given the most careful consideration to the figures, which, of course, we did.

We shall not get anywhere in this discussion unless we have certain common assumptions. So long as the idea is perpetuated that those who are against the Marshall plan are in favor of peace, and those who are in favor of the Marshall plan are aiding communism—and that has been said, Mr. President, many times, fantastic as it may be, and incredible as it may appear——

Mr. JENNER. Mr. President, will the Senator yield?

Mr. LODGE. I shall not yield now. I shall yield in my own good time and in my own way, after I have developed my point. I shall yield to suit myself, and not to suit the Senator from Indiana. The Senator from Indiana yielded to suit himself.

Mr. JENNER. Mr. President——

The VICE PRESIDENT. The Senator should not be interrupted when he declines to yield.

Mr. LODGE. Mr. President, it has been said that those who are opposing the Marshal plan are trying to get a copyright on peace, and those who are in favor of the plan are in favor of communism, when all the world knows that the Marshall plan has been a brilliant success. Instead of following the Marshall plan, some have been following the advice of those who said, "Put your money into guns." Communism can only be stopped by human treatment, and that is what the Marshall plan has meant.

Sometimes when we sit here listening to all these facts which are individually correct, with the erroneous deductions we hear being drawn from them, we wonder what century we are in. We must have some common assumption or the whole thing makes no sense at all. We have to assume that we agree that the attempt of international communism to set up a godless world dictatorship is a danger. If one does not think it is a danger, there is no use arguing with him. If any Senator does not think it is a danger, he is at liberty to think so. But if the assumption I have stated is true, then it must be evidently in our interest to help get the nations of western Europe onto their feet and off our backs. But not because we like them. I have heard a childish notion advanced here in the last few days that we help the nations we like and we do not help the nations we do not like, and that if we help a nation and they do not like us, our feelings are going to be terribly hurt.

Mr. President, this is not a Sunday-school picnic, this is international politics. We are helping Germany, we are sending a great deal of money to Germany. We are running the air lift into Berlin to feed 2,000,000 Germans. We have had two wars with the Germans in our lifetime. We are not sending aid there because we like them. We are sending it there because it seems to be the right thing to do.

If someone is sick in bed in a hospital his doctor wants to get him well. If in the process of getting well he throws a book at the doctor and calls him a low name, the doctor realizes the patient is getting well. The doctor is not trying to win popularity; he is trying to restore the patient's health not so that he will be liked but so that the patient will be able to get out and fight for himself.

There seems to be an idea that it is possible to buy popularity. That is not possible in our individual lives, and how can we expect to find it so in international life? It does not work that way.

Here we have Mr. Hoffman, a very brilliant and able man, who has done a very brilliant and able job. I suppose if he had done a poor job, we would certainly want to cut the authorization, but he has done a good job, yet there are still some who want to cut it.

I think Mr. Hoffman's figures are honest. I think they are as near to rock-bottom figures as can be gotten in connection with a proposition of this kind. I do not agree with the contention that the situation with respect to appropriations is the same this year that it was last year. If we had failed last year to appropriate the money which we had authorized, it would have been a psychological blow to the sick countries in Europe. Now the sick countries are much healthier. They have had quite an education in American methods. I think the Committee on Appropriations is perfectly free to reduce the appropriation below the ceiling fixed, and the figure in the bill, Mr. President, is a ceiling. I know that in the Committee on Foreign Relations I stated on the record, as many other Senators did, that I would favor this as a ceiling, and would reserve my right to vote for a lower appropriation if the costs of the articles we must buy declined. So let no one assert that the situation this year in regard to appropriations is the same as it was last year because, in my opinion, it is not.

Now, I yield to the Senator from Indiana.

Mr. JENNER. The Senator stated that there must be one general assumption upon which we must agree, namely, that communism is a bad thing. I wish to ask the Senator whether or not it is a fact that since the Marshall plan has been in effect communism has made its greatest gain, and has come to dominate more people in the past year than it ever had in the previous 20 years of its existence.

Mr. LODGE. In the past year the Communists have had the greatest setback in western Europe they have had at any time since the war. They have made great gains in China, but, so far as western Europe is concerned, they have had the greatest set-back they have had since the war.

Mr. JENNER. I am sure the Senator listened to Winston Churchill last evening.

Mr. LODGE. I did.

Mr. JENNER. He referred to that very subject. He attributed the use of the term "cold war" to America, and in substance he asked, "How are we getting along in the cold war?" He said what the Senator has said, that in western Europe we are getting along pretty well, but in the east things are not going so well. So I ask the Senator the question, Is it not a fact that communism actually dominates more human beings tonight, 1 year after the Marshall plan has been in effect in western Europe, than it dominated in the past 20 years of its history?

Mr. LODGE. No, I do not think that is the case in western Europe. I think communism dominates a far smaller number of people in western Europe than it did a year ago.

Mr. JENNER. In the world, I mean.

Mr. LODGE. I thought the Senator said western Europe.

Mr. JENNER. I beg the Senator's pardon.

Mr. LODGE. It dominates fewer people in western Europe but more people in China. I think the situation in China is extremely serious, very grave indeed, but I do not think this is the time or the place to go into that.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. LODGE. I yield to the Senator from Ohio.

Mr. TAFT. I believe the Senator referred to the watchdog committee.

Mr. LODGE. Yes.

Mr. TAFT. Did the watchdog committee ever approve the figures in the proposed appropriation?

Mr. LODGE. No. I mentioned the watchdog committee while the Senator was out of the Chamber, I think, because of the statement I understood the Senator from Ohio to have made that members of the Committee on Foreign Relations had been negligent in their duty.

Mr. TAFT. I made no such statement.

Mr. LODGE. I understood the Senator to say that.

Mr. TAFT. Not at all. I said I understood the Senator from Michigan to say that my amendment had not been given any consideration in the committee, and

I said that if it had not been given consideration, they had not done their duty, because it was necessarily involved in the consideration which they obviously and properly gave to the amount requested.

Mr. LODGE. That is where I part company with the Senator. The committee did consider the over-all figures and all the factors that went into it, and the fact that it did not consider some individual Senator's particular amendment does not, in my opinion, indicate that we were negligent in our duty.

Mr. IVES and Mr. TAFT addressed the Chair.

The VICE PRESIDENT. Does the Senator from Massachusetts yield, and if so, to whom?

Mr. LODGE. I yield first to the Senator from New York, and then I shall yield to the Senator from Ohio.

Mr. IVES. Apropos of the question previously raised by the able Senator from Indiana, is it not very likely that without the Marshall plan in effect, without ECA aid, the inroads of communism, the march of communism in the world, would have been a great deal more pronounced than has been the case?

Mr. LODGE. I think there is no question about it.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. LODGE. Just a moment, until I answer the question. I think there is no question that what the Senator from New York has said represents the facts. I think the Marshall plan has had the effect he indicates. It has tended to prevent the development of an open war. I think it has been a great preserver and safeguard for the lives of all our sons of military age, and I believe it has completely justified itself.

Mr. JENNER. Mr. President——

Mr. LODGE. I yield to the Senator from Indiana for a question.

Mr. JENNER. On the assumption that communism is bad and must be stopped, we are going to have to do the same thing in the east, in China, for example, that we have done in western Europe. Is not that correct, under the Senator's theory?

Mr. LODGE. No; I do not think we can do the same thing in China we can do in Europe. I do not know China very well; I have been there only twice, but I know enough about it to lead me to feel certain that the whole structure is different from that of Europe.

Mr. JENNER. Mr. President——

Mr. LODGE. The Senator has raised a very important point which is entitled to one or two moments' consideration.

China is larger than the United States in area. There is an uncalculated number of people who live in China, probably 400,000,000. There are no roads there to speak of, there is very little technology. They are a people not accustomed to western methods of production. In the case of a small country in Europe, with a small population, something can really be accomplished, but our efforts are swallowed up in China. So while I think we should resist communism in China in whatever way we can do it effectively, I do not think we can apply the same medicine to China that we apply to western Europe.

Mr. JENNER. Mr. President, will the Senator yield for another question?

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Indiana for a question?

Mr. LODGE. I yield for a question.

Mr. JENNER. I ask the distinguished Senator from Massachusetts, if communism reared its ugly head in India, what would we do about that?

Mr. LODGE. I do not know that there is anything we can do in India. I do not think the situation in India is on all fours with the situation in China.

Mr. JENNER. Is it any worse for communism to come in through our eastern door than it is for communism to come in through our western door?

Mr. LODGE. I think the two things are on a different footing. I think it is a very dangerous thing for the Atlantic nations to fall into the hands of the Communists, because leaving all sentimentality and questions of humanitarianism out of the question, the nations of western Europe have a much greater productivity, and consequently they are a much greater military and cultural asset than any other country on earth; so in that sense they deserve special consideration. I shall never minimize the importance of China, and I hope that a way may be found to develop a really successful Chinese policy. I think we can; but we certainly cannot write out the same prescription for both areas.

Mr. JENNER. Mr. President, will the Senator again yield?

Mr. LODGE. I yield.

Mr. JENNER. But from the standpoint of our security and our peace, and from the standpoint of the future security and the peace of the world, is not communism just as much a threat when it comes from the east as when it comes from the west?

Mr. LODGE. No; I do not think it is the same thing; because, as I have just said, in one place you have communism taking over a great industrial complex, technologically strong, and that is bound to make the impact of it different. The two cannot be put on the same footing.

Mr. SALTONSTALL. Mr. President, will my colleague yield to me?

Mr. LODGE. I yield to my colleague from Massachusetts.

Mr. SALTONSTALL. My colleague has stated that the problem is a problem of international politics. As I understand the problem of international politics, the first objective of our Government is our security, the advancement of our safety, and the promotion of world-wide peace. In the opinion of the Senator from Massachusetts is not our security greater today than it was a year ago as a result of the advancement of the Marshall plan and what we have done so far as western Europe is concerned in our dealings with the people of that area?

Mr. LODGE. I think our security is very much greater today than it was a year ago. I think the enactment of the selective service, the authorization of a larger Air Force, the passage of the unification bill, have all been factors in bringing about greater security, but I think the Marshall plan is certainly one of the very fundamental factors in causing us to be very much better off today than we were last year.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. BREWSTER. I should like to ask the Senator a rather detailed question about something which concerns both of us, since we are both from New England. The Senator may be familiar with the statement of Mr. John G. Wright, president of the Boston Wool Trade Association, made before the Senate Foreign Relations Committee, in which he pointed out—

> The business of buying and selling wool is practically at a standstill today, and many wool mills are either shut down or are running at curtailed capacity, resulting in much unemployment.

He goes on to attribute the reason for that to the fact that we get practically two-thirds of our wool from outside, chiefly from Australia, approximating 1,000,000,000 pounds, for which we are obliged to pay, under the existing regulations in buying British pounds sterling at $4.02, while our European competitors are able to buy, with American money advanced by us under ECA, British pounds sterling in the free market at $3.20, giving them a 20-percent advantage with which, with their lower production costs, they are able to funnel wool into our markets, and secure more American dollars, buy more cheap British pounds, and continue an endless cycle. As Mr. Wright says in his conclusion:

> I cannot bring to the attention of this committee too forcibly the fact that unemployment and further deterioration in our wool-textile industry will continue and become more acute until the advantage enjoyed by certain European nationals who have access to free market sterling, is also made available to American business.

I should like to ask the Senator to what extent that subject has received attention in connection with the pending measure, or what measures are calculated to bring equality to the textile industry of our own New England and the Northeast?

Mr. LODGE. I can speak for myself in answering the Senator from Maine, that the matter of the wool trade has taken up a great deal of my time, and concern. That particular policy of the Economic Cooperation Administration is, I think, a mistaken one, and I am trying to have it changed.

Mr. BREWSTER. The Senator does feel——

Mr. LODGE. Let me answer the first question of the Senator from Maine before he goes on to another one. Insofar as the importation of textiles and woolen goods into this country is concerned, which undercut and undersell the American product, I appeared before the Finance Committee to request that in the reciprocal trade extension act a provision be incorporated which would provide that importations should not fall below what the Senator from Maine knows is the peril point.

Mr. BREWSTER. Does the Senator from Massachusetts know what the peril point is?

Mr. LODGE. I could not tell the Senator offhand, without looking them up, what the precise figures are.

Mr. BREWSTER. Let me advise the Senator from Massachusetts that under the existing regulations no Senator is permitted to know.

Mr. LODGE. I think that is a great mistake.

Mr. BREWSTER. I agree with the Senator.

Mr. LODGE. There are individual items in the operation of the Marshall plan of which I disapprove. I think it is a pity that they are aiding the foreign watch business. I think the Senator from Maine knows about that. There are other items of that kind. But I think the over-all net effect is very much in the interest of all Americans, including the people who work in these industries, who, after all, do not want to see their sons go off to world war III.

Mr. BREWSTER. I gather from the certain phases of this program with which the Senator from Massachusetts has an especial familiarity, such as wool and watches, that he realizes he cannot fully approve of the practices and policies of the administration? Is that correct?

Mr. LODGE. I think the administration is composed of human beings, and they have made some mistakes. I am hopeful that they will correct the mistakes as they are pointed out to them.

Mr. BREWSTER. I have one other question. Is the Senator from Massachusetts familiar with the letter of Mr. Hoffman, the Administrator, to one of the oil companies, regarding the prices of Middle East oil in which he states that they were charging for such oil in this country from $1 to $1.75, while for the part which we were financing in Europe they were charging from 25 cents to $1.25 more? He referred to the oil being furnished from the Middle East to Europe on which ECA funds were being expended. Did that come to the Senator's attention?

Mr. LODGE. Is it the Senator's question that oil from the Middle East received a higher price?

Mr. BREWSTER. They charged 25 cents to $1.25 more a barrel for the Middle East oil supplied to Europe than they charged for the oil shipped to this country. Does the Senator think that ECA funds should be used in that way to pay so obviously disproportionate and uncompetitive a price?

Mr. LODGE. No; I do not defend that price, I will say to the Senator. I have given that some thought also. But I do think that there is an advantage in the development of oil in that part of the world from the standpoint of Europe and from our own standpoint.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. JENNER. Returning to the colloquy between the distinguished Senator from Massachusetts and his colleague [Mr. SALTONSTALL], I believe, in reply to the question of the senior Senator from Massachusetts, the junior Senator made the statement that we were more secure this year than we were a year ago as the result of the Marshall plan activities. Is that correct?

Mr. LODGE. Yes; I think the Marshall plan is one of the factors that has increased our security.

Mr. JENNER. Then I ask the Senator, if we are more secure now than we were a year ago, why do we propose to spend $15,000,000,000 this year on our national defense, and why do we invite to our shores representatives of the countries of the North Atlantic area to sign a security pact which will cost billions of dollars more? If we are more secure, why do we keep putting up the cost of security and building up a greater defense?

Mr. LODGE. Because we are not secure enough. That is a simple question.

Mr. President, I have no desire to detain the Senate any longer.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. WHERRY. I am very much interested in the reply the Senator from Massachusetts made to the Senator from Maine [Mr. BREWSTER] relative to the shipments of wool and of textiles to New England. I have in my hand the report on the European Recovery Program, United Kingdom study, with which, no doubt, the Senator is well acquainted, in view of the fact that the Senator made the response he did to the Senator from Maine that the wool situation should be taken care of. I think he mentioned that the matter of watches should also be taken care of, as well as the oil situation—and if there is anything that should be taken care of, it is oil. On page 63 there is a statement concerning the over-all situation. I should like to read a brief excerpt, consisting of about six lines, showing the degree to which exports may overcome the dollar deficit. That is, of course, what we are after in this appropriation.

> The degree to which exports may overcome the dollar deficit may be of greater importance to the solution of the present problem than the over-all total. Immediately before the war the United Kingdom sold about 4.5 percent of total exports to the United States and 17.5 percent to the Wesern Hemisphere as a whole. The object of the program is to increase these proportions to 6 and 20 percent by 1952–53. Since the total volume would be greater, this would mean an increase in shipments to the Western Hemisphere of about 80 percent over the volume in 1938.

I ask the Senator this question: When all these exports, including petroleum, come from the United Kingdom or the colonial possessions into the dollar areas, will we not run into the same difficulty which the Senator pointed out in connection with wool, textiles, watches, and the other items mentioned a moment ago, if we attempt, with the aid of ECA funds, to increase shipments to the Western Hemisphere by 1952 to the extent desired?

Mr. LODGE. The ideal solution is for the nations of Europe to build up their export trade by producing the things which we do not produce. With skillful management, it ought to be possible for them to build up their economies without having a deleterious effect on American trade. That is easy to say——

Mr. WHERRY. That does not answer my question.

Mr. LODGE. As I say, that is easy to say. That is the way I think it ought to be done. As I understood the Senator, he asked me to peer into the future. That is what I am trying to do.

Mr. WHERRY. Mr. President, will the Senator further yield?

Mr. LODGE. I yield for a question.

Mr. WHERRY. Inasmuch as this is the program outlined by the United Kingdom, will not the difficulty be, as they make shipments of fabricated materials, textiles, wool, petroleum, or anything else the production of which is promoted over there, that the very money which we use to promote the program will come back into the dollar areas, and we shall have the same trouble, especially if the attempt is made to increase shipments to the Western Hemisphere by about 80 percent over the volume of 1938? Should we subsidize the program to that extent?

Mr. LODGE. The Senator asked me to look into the future and tell what I think is going to happen under that program. Let me say once again that the ideal solution is for those countries to develop their export trade by making things which they produce best, and which we do not produce.

Mr. WHERRY. I agree with the Senator.

Mr. LODGE. Let me complete my answer to the Senator's question. If one of those countries should begin under selling us in the case of one of our staple products in a way which is extremely harmful to us, I hope that we in the Congress will have the gumption to place a peril-point in the administrative act to prevent our own industries from being scuttled.

Mr. President, I have said all I care to say. I am opposed to this amendment, and I hope it will be defeated.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT] for himself and the Senator from Georgia [Mr. RUSSELL].

Mr. FERGUSON. Mr. President, I shall not take much of the time of the Senate. However, I wish to say a few words about this amendment.

As a member of the Appropriations Committee, I am glad that the chairman of the Foreign Relations Committee [Mr. CONNALLY], and my colleague from Michigan [Mr. VANDENBERG], the ranking Republican member of that committee, have stated upon the floor that the amount set forth in the bill as a ceiling is only for the purpose of authorization, and that in their opinion the Appropriations Committee has full authority—which we all know it has under the rules of the Senate—to pass upon the items in the appropriation bill.

Mr. President, we realize that at times committees have overlapping authorities. From time to time Congress is called upon to pass authorization measures, and then the Committee on Appropria-

tions in each House has full authority to pass upon the items in the appropriation bill. As a Member of the Senate Committee on Appropriations, I believe that that committee will perform its duties fully when the appropriation bill comes before it. I am satisfied that the burden of proof should be upon those who ask for the appropriation, and that the amount fixed as a ceiling in the authorization bill is not necessarily the amount which must be in the appropriation bill which will be reported to the Senate.

From time to time Members of the Appropriations Committee have been told, in connection with an appropriation pursuant to an authorization act, that the Committee which recommended the authorization knew more about the subject than did the Appropriations Committee.

In this particular case I shall not vote to reduce the authorization, because I feel that the Appropriations Committee should perform its function. I feel that the time has come in the Senate for that committee to perform that function, which it has not done in all cases.

Mr. President, if we are to keep this Nation strong in the fight against communism in the world, we must keep it economically strong. The fact that I shall not vote to reduce the amount of the authorization by 10 percent is no evidence of my feeling as to a reduction both in the foreign field and in the domestic field.

In connection with this bill, as in connection with all similar bills, there are two tests: First, what is the Nation's capacity? What can we as a nation appropriate and remain economically and financially strong? Second, what are the requirements of the foreign nations, and what are the requirements of our domestic budget, in order that we may remain strong as a nation? I think the responsibility is greater this year than it has been in the past years on the Appropriations Committee to determine those two great questions.

I shall not forget that when the question of the determination of the amount of the legislative budget was postponed until May 15, I stood upon this floor and stated that I thought that was a mistake.

The able Senator from Georgia [Mr. GEORGE] has argued the question of taxes. I think that is a very pertinent question, because if our income is to be reduced and our expenses are not to be reduced, we shall run into deficit spending. That will be a calamity not only for the United States, but for all those who are on the side of the United States in the struggle to make this a better world in which to live.

Mr. LUCAS. Mr. President, I rise in opposition to the amendment offered by the distinguished Senator from Ohio [Mr. TAFT], for himself, and the distinguished Senator from Georgia [Mr. RUSSELL]. I shall not take very much of the time of the Senate, although I think I would be justified in doing so, in view of the fact that I have listened patiently for the past 10 days to the addresses and the colloquies upon the floor of the Senate upon many questions which seemed to be utterly immaterial and not germane to the question before the Senate.

The Senator from Illinois is interested in this legislation from more than one standpoint. It seems to me that the thing which now vitally concerns the people of America, and which has concerned them almost from the beginning of our Nation, is the question of peace for mankind. We have seen the United States participate in two world wars, neither of which was of our making. We attempted, through a policy of neutrality, to keep out of both wars. Notwithstanding that fact, we became a participant in those wars. I doubt whether there is a Senator on the floor tonight who would say that if tomorrow there were war somewhere in Europe or somewhere in the Middle East, if an aggressor were to start war there, as we have seen aggressors start war in the past, the United States of America could keep out of the conflict and conflagration.

So, Mr. President, the Marshall plan was conceived for two purposes. The primary purpose was to keep the United States of America out of war; and the second purpose was to rehabilitate the western democracies of Europe in order that they might help maintain the peace of the world.

After listening to some of the debates here on the floor of the Senate of the United States, one might readily believe that the Marshall plan is a one-way street, that all we are doing by means of this appropriation or authorization is merely giving a grant of money to the western democracies.

Mr. LANGER. That is what it is—an appropriation.

Mr. LUCAS. I know the Senator from North Dakota thinks it is. According to some of the debates, when we grant or give this money to the western democracies of Europe, we have no hope of any kind for a return or reward as a result of what we are doing.

Mr. President, I am interested in the safety and security of the United States. America has been good to me. It is the only nation in the world in which a humble son of a tenant farmer such as I, could rise to a seat in its greatest legislative body.

Mr. President, let us make no mistake about it: The people of the United States are more concerned about peace than about any other single thing.

Senators who tonight are talking about a simple 10-percent cut, for which they have been arguing for weeks, are simply attempting to pinch pennies on the question of peace. They speak of the United States as a bankrupt nation. Mr. President, I remembe one afternoon during the war when the distinguished Senator from Tennessee [Mr. MCKELLAR] brought in an appropriation bill, and, without even a record vote, the Senate provided $59,000,000,000 to carry on cold, cruel, devastating war. Yet when we ask for a pittance, so to speak, as compared to that sum, for the sake of peace, or at least in an attempt to bring peace to the world, we hear Members of the Senate talk as if they lived back in the days of 1850

Mr. President, I do not say, and I have never said, that the Marshall plan will avoid war. I have always said it is a calculated risk on the part of the American people. But where is there a Senator who has any alternative other than for us who live in the United States to stick our heads in the sand, like the ostrich of legendary fame? In that case we must build our country into an armed camp, and must spend, not $5,000,000,000 on the Marshall plan, but, as was said so ably this afternoon by the Senator from Maryland [Mr. TYDINGS], billions upon billions of dollars in getting ready for another war.

Mr. President, the other thing the Marshall plan does is to stop communism. Some Senators speak of communism advancing in the world, but I say that communism has been stopped dead in its tracks in Europe as a result of the Marshall plan. The able Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Illinois traveled in some six or seven European countries last year, where the Marshall plan was in effect. I wish every Member of the Senate and every person in the United States could have been with us in Turkey and Italy and Greece and France, and could have talked to the people on the street, to those high and low in government, if you please, and could have asked them what they thought the Marshall plan had done to stop the deadly menace and march of communism across the plains and states of Europe. There was not a single person to whom I talked, other than a Communist, who did not almost get down on his knees and thank Almighty God and the American people for the Marshall plan and aid to Turkey and Greece. Yes, Mr. President; the Marshall plan and our aid to Turkey and Greece have stopped communism in Europe, and have stopped it cold. The greatest opponents of the Marshall plan today in the world are, not Members of the Senate of the United States, but the Kremlin and the Politburo. Mr. President, the Kremlin and the Politburo are fighting tooth and nail against the Marshall plan. Every time we cut an appropriation or authorization of this kind, we give aid and comfort to the Politburo, and in my opinion we help destroy the faith which the people of Europe, whom we are trying to help, have in the American people and in our efforts to help the people of Europe rehabilitate their nations to the point where they will be able to help us again in case of trouble, and also be able to help themselves economically.

There are 240,000,000 people in the democracies of western Europe. They will recover. Communism will not cross the line unless by force. I agree with Winston Churchill when he said last night that war is not inevitable. That was the greatest statement he made in his speech last night, in my humble opinion. That is exactly what I believe, as I stand here tonight: that war is not inevitable. The Marshall plan, along with the atom bomb, as Mr. Churchill said, is the real reason why the Russians are hesitating in these graver transactions of life, and

why they will pause before they take any fatal step.

Mr. President, I cannot understand how it is that Members of the Senate continually stand here, day after day, and condemn England. I have never heard any Senator on this floor castigate France or Italy or any other nation; it is always England. Yet England has been the greatest ally of the United States in the last two world wars. But it is always England that is condemned by Senators. I do not know why that is. I say to Senators that they had better get after France if they wish to criticize any country. She is the weak link in the chain, so far as the Marshall plan is concerned.

No, Mr. President; a 10-percent horizontal cut, without a single fact or figure to back it up, is preposterous. Senators simply take out of the thin air the figure 10 percent, by which they would reduce this authorization, despite the fact that the amount of the authorization has already been carefully screened by Mr. Hoffman and his experts. As the able Senator from Texas said a while ago, certainly Mr. Hoffman cannot be charged with being an administration stooge. Mr. Hoffman is a businessman, and probably has just as much interest in the economy of the United States and in the laboring men of the United States as another big businessman, the Senator from Indiana [Mr. CAPEHART] has. Probably Mr. Hoffman pays more taxes than the Senator from Indiana does. Yet Mr. Hoffman is asking for the amount set forth in the bill. Why does he ask for it?

In a speech which he made in California night before last, Mr. Hoffman said, as quoted in the press:

"With an intensity and determination that make Hitler's efforts seem amateurish by comparison," Russia is waging "an all-out drive for world domination that carries with it the possibility of World War III unless we can meet the challenge."

A little later he said:

Hunger, poverty, and chaos are Russia's "best allies."

Later on he said:

Our way of life will be secure if Europe is strong and free in 1952. I believe if recovery is an accomplished fact in 1952, it is more than probable that the Kremlin will have decided upon a policy of live and let live. If the recovery program fails, the Kremlin will make an all-out effort to communize western Europe.

I do not say that Mr. Hoffman has any crystal ball into which he can look and say whether that is what would happen. But with all his experience in the administration of funds under the Marshall plan, I am willing to accept his judgment rather than the judgment of some United States Senator who does not know a single thing about the program.

I have been in the Senate 14 year. I have never contended that I knew everything about every subject that came before the Senate. I have to put faith and confidence in men who have studied the problems involved. I know of no two Senators upon whom I could rely more confidently than the distinguished Senator from Texas [Mr. CONNALLY] and the distinguished Senator from Michigan [Mr. VANDENBERG], who have devoted the best years of their lives in the Senate to studying problems of foreign policy. They sit in committee meetings day after day, week after week, listening to all the testimony, and they bring forth a unanimous report on a question, and then we hear from Senators who purport to know more about the problem than these two distinguished Senators, who occupy positions in our bipartisan foreign policy which is so important to the welfare of America and the world. To any young Senator on the floor tonight, or to any older Senator, who has not had an opportunity to study the hearings and to analyze the testimony, I say that he cannot go very far wrong, so far as his conscience is concerned, if he follows the faithful, devoted, distinguished, and honorable leadership of the two great Senators whom I have mentioned.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Ohio, for himself, and the Senator from Georgia.

Mr. LANGER. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BREWSTER. Mr. President, I listened with great interest to the majority leader in the early part of his address, regarding the attempt to maintain the peace, which, in my judgment, certainly is the objective of everyone in the United States. The Senator has no monopoly in that desire. I am sure he will recognize, as do many others, that when it comes to the problem of keeping America out of war, the great Democratic Party which he represents also possesses no monopoly. Within my lifetime I have experienced two Democratic administrations. We became involved in two world wars, at the end of 5 years, in one administration, and at the end of 9 years, in the other. I do not say the Democratic Party was responsible. I do not say that the Republican Party could have done any better. I simply say it could not have done any worse. Let us lay the subject of peace and war on the table and admit that every American is entitled to his opinion as to the best way of maintaining peace.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. BREWSTER. Certainly.

Mr. LUCAS. Will the Senator tell me what I said that caused this outburst? I try to give everybody his due in the Senate. I spoke very highly, I thought, of the bipartisan foreign policy of the Senate. I questioned the sincerity of no Senator, whether he was for or against anything. The only thing the Senator from Illinois is saying is that if some Senator——

Mr. BREWSTER. Mr. President, I am yielding for a question only.

Mr. LUCAS. The Senator has started berating me. I was merely wondering what it was all about.

Mr. BREWSTER. I shall tell the Senator what I was alluding to, if he would like me to.

Mr. LUCAS. I shall be happy to listen.

Mr. BREWSTER. I alluded to the first portion of the Senator's remarks, in which he emphasized that the single objective should be peace—to keep us out of war. I think there was a very clear implication that, on this side of the aisle, or on the other, those who questioned the exact formula the Senator was laying down were not equally interested in the maintenance of peace. If I am wrong, I am very sorry.

Mr. LUCAS. Mr. President, will the Senator yield further?

The VICE PRESIDENT. Does the Senator from Maine yield to the Senator from Illinois?

Mr. BREWSTER. I yield.

Mr. LUCAS. The Senator is certainly in error.

Mr. BREWSTER. I shall be very glad to be corrected.

Mr. LUCAS. I did not imply that any Senator on the other side of the aisle did not want peace. If I had done so, I should want to apologize.

Mr. BREWSTER. Then let us start on the basis that we all want peace.

Mr. LUCAS. I am sure I do. And I am sure the Senator from Maine wants peace. But I am not so sure the Senator from Maine wants peace here on the floor of the Senate. I am not talking about the peace of the world.

The VICE PRESIDENT. The Senator from Maine can yield for a question only.

SEVERAL SENATORS. Vote! Vote!

The VICE PRESIDENT. The Senate will be in order.

Mr. BREWSTER. I may suggest that is a very poor way to stop the Senator from Maine. I think perhaps I may be pardoned for a few words.

Mr. LUCAS. I think the Senate should be in order.

The VICE PRESIDENT. The Chair is trying to keep order in the Senate, but it is an up-hill job. The Senator from Maine has the floor, and can yield for a question.

Mr. LUCAS. I may say I was a little surprised, that is all, at the comment made by the Senator. I inferred he was making an attack on me. Certainly there was nothing I said that gave him the right to do so. I want to make myself clear to the Senator from Maine and to other Senators on his side of the aisle. I do not want to bring politics into this matter, because there is no politics involved.

Mr. BREWSTER. If I did the Senator from Illinois any injustice in my comment on his remarks, I am certainly sorry. I was trying to make it plain that I thought every Member of the Senate was equally concerned in seeking peace, that we were seeking it by the methods which seemed to us best. I voted for the Marshall plan originally. I expect to vote for the Marshall plan this year. For 20 years I have supported personally practically every measure that seemed calculated to strengthen our hand in foreign relations. I still reserve the right to my individual opinion. One year ago I pointed out the manner in which I felt $1,000,000,000 could have been properly saved in the ECA expenditure. I enumerated the items concerned with the great shipbuilding program which was then contemplated in the foreign countries, which I thought was unwarranted in the face of all their needs. Today,

those other countries have a greater merchant marine than they had ever had before in history. The Senator from Michigan said we were not going to put them above where they were, we were merely trying to get them back to the point where they were before the war. Today every country in Europe except Germany is, in the point of industrial production, above where it was prior to the war. That I think is a pertinent thing to remember. Exports from England to this country during the next year, according to their announced plans, will amount to 183 percent of prewar shipments. That is having a terrific impact upon our economy, and it must constantly continue to have. I think it is something we must think about, whether it be, in respect to oil, charging us $1, $1.25, or $2 more for it under the European program, or whether it be in respect to the $18,000,000 worth of the most modern textile machinery we have shipped to the ECA countries, 60 percent of our entire modern textile machinery going abroad to rehabilitate their economy. I simply say the point may come where we must consider the dollar problem.

One item alone, certainly I think everyone will agree, must have great significance. All the values in this program that I could find put in this book were based on November 30, 1948. Is there anyone so blind now as not to know that the figures for the coming year are altogether certain to be very materially less? We cannot tell how much less. We know they will be much less. A month from now we shall know more; although today we know much. That is the reason why I feel warranted in the impression that we must sharpen our pencils and that we can properly and safely cut this item by the amount proposed by the Senator from Ohio without doing serious injury to the recovery we all desire.

I did a little pencil-sharpening as to one item. It was on the item of food. I figured a 10-percent cut on food and what that would mean to England. Their daily calorie consumption is nearly 3,000. Under the present program they are to get 2,990, 10 calories less. If the 10-percent cut suggested by the Senator from Ohio should go into effect, England would get 15 calories less, or 2,975. I am sure that would not be fatal. As the result of the $2,000,000,000 absorption on the food costs, British textile workers receive $20 a week as against our $60 or $70 for American workers. But, still, they have our best machinery, and the British mechanics receive $30 a week as against $75 and $100 paid American mechanics. That is a result, in large measure, of the contribution we are making. I am simply suggesting that at some point we must remember that charity must finally begin at home.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT], for himself and the Senator from Georgia [Mr. RUSSELL], on which the yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BUTLER (when his name was called). On this vote I have a pair with the junior Senator from Connecticut [Mr. BALDWIN]. If he were present, he would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote.

Mr. LONG (when his name was called). On this vote I have a pair with the senior Senator from Oklahoma [Mr. THOMAS], who is absent by leave of the Senate. If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote.

Mr. MAYBANK (when his name was called). On this vote I have a pair with the junior Senator from Oklahoma [Mr. KERR], who is absent on public business. If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote.

The roll call was concluded.

Mr. LUCAS. I announce that on this vote the Senator from Mississippi [Mr. EASTLAND], who is necessarily absent, is paired with the Senator from Nevada [Mr. MALONE]. If present, the Senator from Mississippi would vote "nay," and the Senator from Nevada would vote "yea."

The Senator from Delaware [Mr. FREAR], who is absent on public business, is paired on this vote with the Senator from Kansas [Mr. SCHOEPPEL]. If present, the Senator from Delaware would vote "nay," and the Senator from Kansas would vote "yea."

On this vote the Senator from Idaho [Mr. TAYLOR], who is necessarily absent, is paired with the Senator from Pennsylvania [Mr. MYERS], who is absent on public business. If present, the Senator from Idaho would vote "yea," and the Senator from Pennsylvania would vote "nay."

The Senator from New Mexico [Mr. CHAVEZ] and the Senator from New York [Mr. WAGNER] are necessarily absent.

I announce further that the Senator from New York [Mr. WAGNER] would vote "nay" on this amendment, if present.

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN] is absent by leave of the Senate, and his pair with the Senator from Nebraska [Mr. BUTLER] has been previously announced.

The Senator from New Hampshire [Mr. BRIDGES] is absent because of illness in his family.

The Senator from Vermont [Mr. FLANDERS] is necessarily absent. If present and voting, the Senator from Vermont would vote "nay."

The Senator from Kansas [Mr. SCHOEPPEL] is absent on official business and is paired with the Senator from Delaware [Mr. FREAR]. If present and voting, the Senator from Kansas [Mr. SCHOEPPEL] would vote "yea" and the Senator from Delaware [Mr. FREAR] would vote "nay."

The Senator from New Jersey [Mr. SMITH] is absent because of illness. If present and voting, the Senator from New Jersey would vote "nay."

The Senator from Nevada [Mr. MALONE] is unavoidably detained and is paired with the Senator from Mississippi [Mr. EASTLAND]. If present and voting, the Senator from Nevada [Mr. MALONE] would vote "yea" and the Senator from Mississippi [Mr. EASTLAND] would vote "nay."

The Senator from New Hampshire [Mr. TOBEY] is absent on official business and is paired with the Senator from Massachusetts [Mr. LODGE] who is necessarily absent. If present and voting, the Senator from New Hampshire [Mr. TOBEY] would vote "yea" and the Senator from Massachusetts [Mr. LODGE] would vote "nay."

The result was announced—yeas 23, nays 54, as follows:

YEAS—23

Brewster	Gillette	Martin
Bricker	Holland	Russell
Byrd	Jenner	Taft
Cain	Johnson, Colo.	Watkins
Capehart	Johnston, S. C.	Wherry
Ecton	Kem	Williams
Ellender	Langer	Young
George	McClellan	

NAYS—54

Aiken	Humphrey	Mundt
Anderson	Hunt	Murray
Chapman	Ives	Neely
Connally	Johnson, Tex.	O'Conor
Cordon	Kefauver	O'Mahoney
Donnell	Kilgore	Pepper
Douglas	Knowland	Reed
Downey	Lucas	Robertson
Ferguson	McCarran	Saltonstall
Fulbright	McCarthy	Smith, Maine
Graham	McFarland	Sparkman
Green	McGrath	Stennis
Gurney	McKellar	Thomas, Utah
Hayden	McMahon	Thye
Hendrickson	Magnuson	Tydings
Hickenlooper	Miller	Vandenberg
Hill	Millikin	Wiley
Hoey	Morse	Withers

NOT VOTING—19

Baldwin	Kerr	Smith, N. J.
Bridges	Lodge	Taylor
Butler	Long	Thomas, Okla.
Chavez	Malone	Tobey
Eastland	Maybank	Wagner
Flanders	Myers	
Frear	Schoeppel	

So the amendment offered by Mr. TAFT for himself and Mr. RUSSELL was rejected.

Mr. LUCAS obtained the floor.

Mr. ELLENDER. Mr. President——

Mr. LUCAS. Does the Senator desire me to yield to him?

Mr. ELLENDER. I should like to send an amendment to the desk and have it stated.

The VICE PRESIDENT. Does the Senator offer his amendment?

Mr. ELLENDER. I offer the amendment.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 8, line 3, it is proposed to strike out "5 per centum" and insert in lieu thereof "25 per centum", and on page 9, line 1, after the word "materials" it is proposed to insert "plus amounts allocated in accordance with subsection (h)."

Mr. ELLENDER obtained the floor.

Mr. LUCAS. Mr. President, will the Senator yield? How long does he expect to speak on the amendment?

Mr. ELLENDER. I cannot exactly say, but it will require probably a couple

of hours. [Laughter.] I might ask unanimous consent that I may have the floor whenever the Senate meets tomorrow.

Mr. LUCAS. The Senator is not starting on a long speech again, is he?

Mr. ELLENDER. No; I am not doing that.

Mr. LUCAS. Mr. President, I had hoped that we might get a unanimous-consent agreement to vote on all amendments some time on Monday next, giving us an opportunity to get away tomorrow permitting Senators to take care of the mail in their offices. But if we cannot get unanimous consent, we shall probably have to return tomorrow.

I should like to test out the sentiment of the Senate to see what could be done. I should be willing to ask for a recess until 11 o'clock Monday next, if we could get an agreement to vote on all amendments by 4 o'clock in the afternoon on Monday.

The VICE PRESIDENT. Does the Senator propose that as a unanimous consent?

Mr. LUCAS. Mr. President, I ask unanimous consent that on Monday, April 4, 1949, at the hour of 4 o'clock p. m., the Senate proceed to vote, without further debate, upon any amendment or motion that may be pending or that may be proposed to the pending bill (S. 1209) to amend the Economic Cooperation Act of 1948, that the third reading of the bill be then deemed to be ordered, and that immediately thereafter the vote be taken on the final passage of the pending bill.

Mr. LANGER. Mr. President——

Mr. LUCAS. I yield.

Mr. LANGER. I object.

Mr. LUCAS. Has the Senator from North Dakota any other terms he would like to suggest?

Mr. LANGER. I have no terms at all; just an objection.

The VICE PRESIDENT. The Senator from North Dakota objects.

Mr. MAYBANK. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a quotation from the news ticker referring to a statement by Mr. Hoffman today.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Hoffman said that if, by the time the new ECA program passes Congress, there are indications of general price decreases, we will need less dollars and we will ask for less dollars.

Hoffman talked to reporters after an Italian delegation, including Ambassador Alberto Tarchiani, Foreign Minister Carlos Sforza, and Egidio Ortona, first secretary of the Embassy, had paid him a 20-minute call.

RECESS

Mr. LUCAS. Mr. President, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 11 o'clock and 2 minutes p. m.) the Senate took a recess until tomorrow, Saturday, April 2, 1949, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 1 (legislative day of March 18), 1949:

COLLECTOR OF CUSTOMS

Sam D. W. Low, of Houston, Tex., to be collector of customs for customs collection district No. 22, with headquarters at Galveston, Tex., to fill an existing vacancy.

IN THE ARMY

The following-named officers for promotion in the Regular Army of the United States, under the provisions of sections 502 and 508 of the Officer Personnel Act of 1947. Those officers whose names are preceded by the symbol (×) are subject to examination required by law. All others have been examined and found qualified for promotion.

To be first lieutenants

Don Walter Adair, O28491.
Lloyd Senter Adams, Jr., O28238.
Thomas Jacob Agnor, Jr., O28152.
Robert Hildebrand Ahlers, O27905.
Brooke Albert, O27944.
Donald Gould Albright, O28025.
Frederick King Alderson, O28458.
Alford Edward Allen, O28209.
Robert Wallace Allen, O28211.
Ferd Emanuel Anderson, Jr., O27906.
Wayne Stetson Anderson, O28166.
Gunnar Einar Andersson, O28239.
Gilbert Chester Anthony, O28248.
Peter Gerald Arend, O28402.
John Loveland Armstrong, O28469.
Calvin Lincoln Arnold, O28071.
Robert Earl Arnold, O28313.
Alvin Ash, O28539.
William Franklin Ashby, O28664.
Shirley Sylvester Ashton, Jr., O28502.
Grover Woodrow Asmus, O28605.
Robert Anderson Babcock 3d, O28556.
Richard Hamlin Bacon, Jr., O28656.
Frederick Clark Badger, O27902.
George Raney Bailey, Jr., O28707.
Charles Pitman Baker 3d, O28434.
David Thomas Baker, O27984.
Francis Rene Baker, O28543.
Van Roy Baker, O28083.
Edmund Keith Ball, O28308.
William Henry Bamber, O28480.
Charles William Barker, O28012.
Kendrick Broyles Barlow, Jr., O28438.
David Eugene Barnett, Jr., O28356.
John Curran Barrett, Jr., O28481.
Delbert Sylvester Barth, O28052.
John Edward Barth, O28548.
Paul Engram Barthol, O28674.
Edwin Wallace Basham, O28344.
Robert Edward Bassler, Jr., O28064.
John Stanley Baumgartner, O28172.
Rex Webb Beasley, Jr., O28165.
×Roy Pearl Beatty, O27981.
Jack George Becker, O27915.
James Malcolm Becker, O28616.
Richard Gordon Beckner, O28001.
Calvert Potter Benedict, O28286.
James Robert Benton, O39486.
Harold Francis Bentz., Jr., O28392.
Robert Hamilton Berry, O27986.
Donald Sternoff Beyer, O28673.
William Randolph Bigler, O28292.
William Clarence Bishop, Jr., O28428.
Frank Earl Blazey, O28693.
Richard Tunstall Blow 3d, O28135.
Stanley Delbert Blum, O27971.
Rodney Alger Blyth, O28294.
Corwin Boak, Jr., O28484.
Henry Hermann Bolz, Jr., O28364.
Charles Edward Bonner, O27980.
Clair LaVern Book, O28430.
Shepherd Allen Booth, Jr., O28654.
Truman Everett Boudinot, Jr., O28639.
Frank Milton Bowen, Jr., O28478.
Robert Bruce Bowen, O28147.
Kyle Watson Bowie, O28559.
William Theodore Bowley, O28736.
Jerry Dixmer Bowman, O28094.
Benjamin Francis Boyd, O28696.
Russell Raymond Boyd, O28040.
Robert Clements Bradley, Jr., O28679.
Philip Brian Brady, O28192.
Lawson Duval Bramblett, Jr., O28086.
×Edgar Garfield Braun, Jr., O27897.
Richard Anthony Bresnahan, O28643.
David Winthrop Brillhart, O28582.
Herrold Emerson Brooks, Jr., O28563.
Benjamin Clyde Brown, O28493.
David Drummond Brown, O28009.
Levi Aloysius Brown, O27914.
Richard Wanless Brunson, O28615.
Robert Howell Bryan, O27918.
David Thompson Bryant, O27950.
Arthur Johnston Bugh, O28470.
Robert Owen Bullock, O28396.
Paris Russell Burn, Jr., O28038.
Ray Lawrence Burnell, Jr., O28026.
John Crouse Burney, Jr., O27982.
Dwight Comber Burnham, O27916.
Ruel Fox Burns, Jr., O28749.
John Joseph Byrne, O28717.
Jack Thomas Cairns, O28394.
John William Callaghan, O28580.
Roy Cuno Calogeras, O28589.
Tom Clifft Campbell, O28386.
Carshall Carter Carlisle, Jr., O28273.
James Elbert Carter, O28710.
Robert Fleming Carter, O28217.
Frank Salvatore Caruso, O28730.
Robert Harry Case, O28496.
John Charles Cassidy, O28108.
Joseph Roy Castelli, O28454.
×William Burns Castle, O28384.
Edward Joseph Cavanaugh, O28499.
James Richard Cavanaugh, O28237.
Robert Albert Chabot, O28714.
Robert Irving Channon, O28219.
×Benjamin Keller Chase, O28501.
William Edward Chynoweth, O28143.
Joseph Claypoole Clark, O28074.
Carcie Clarence Clifford, Jr., O28194.
David Lapham Colaw, O28459.
James Edward Coleman, O28021.
Robert Reynolds Coller, O28228.
Edward Joseph Collins, O28251.
Joseph Easterbrook Collins, O28633.
Frank Donald Conant, Jr., O27990.
Lester Mykel Conger, O28416.
Edward Joseph Conlin, Jr., O28661.
Steven Livesey Conner, Jr., O28432
×Richard Lansing Conolly, Jr., O28468.
Bernard Earl Conor, O27959.
Thomas Morton Constant, O28426.
James Edward Convey, Jr., O28103.
William Thomas Cound, O28231.
Felix Foster Cowey, Jr., O28242.
×Harry Griffith Cramer, O28409.
Robert Grewelle Cramer, O28199.
Pat William Crizer, O28579.
Willis Dodge Cronkhite, Jr., O28269.
Edward Francis Crowley, O28628.
Robert Emmett Crowley, O27967.
Anthony Angelo Cucolo, Jr., O28636.
William Stephen Culpepper, Jr., O28591.
Elmo Eugene Cunningham, O28618.
John Peter Daneman, O27921.
Charles Dwelle Daniel, Jr., O28258.
Robert Samuel Daniel, Jr., O28455.
Bert Alison David, O28441.
Corbin James Davis, O28570.
Harry Alford Davis, Jr., O28512.
×Ralph Charles Davis, Jr., O28744.
Samuel Preston Davis 3d, O28393.
Franklin Richard Day, O28003.
James Arthur Day, O28160.
John Blackford Dayton, O28049.
Walter Joseph DeLong, Jr., O28184.
Harold Graham de Moya, O28299.
George Lightfoot Dennett, O28565.
Horace Frederick Derrick, O28626.
Rolland Archibald Dessert, O28388.
Glenn Willard Dettrey, O28546.
William George Devens, O28008.
Robert Francis Dickson, O28204.
Harold Thompson Dillon, Jr., O28407.
Richard Boyer Diver, O28137.
James Thomas Dixon, O28130.
Farrel Elmore Dockstetter, O28305.
Frederick Andrew Dodd, O28514.
James Joseph Dorney, O28185.
Robert Sidney Douthitt, O28317.
Donald Warren Dreier, O28321.
Edward Charles Drinkwater, Jr., O28578.
Loren George DuBois, O28466.
Walter Arthur Dumas, O28278.
Robert Fyfe Mein Duncan, Jr., O27968.

Robert Batten Dunham, O28721.
John William Dwyer 3d, O28726.
Earl S. Dye, Jr., O28262.
Walter Francis Eanes, O28058.
×Leonard Edelstein, O27965.
Stephen Orville Edwards, O28127.
James Carlisle Egan, O27907.
James Montgomery Elder, O28473.
Lawrence Lloyd Elder, O27910.
James Sewell Elliott, O28640.
Ralph Louis Ellis, O28061.
Paul Miller Ellman, Jr., O28650.
Basil Beebe Elmer, Jr., O28200.
Louis Owen Elsaesser, O27936.
John Mitchell England, Jr., O56717.
Gerald Samuel Epstein, O28105.
Benjamin Crabbs Evans, Jr., O28569.
×Robert Nathan Evans, O28630.
Stanley Dale Fair, O28551.
Hunter Harry Faires, Jr., O28377.
Philip Anthony Farris 3d, O28627.
George Bernard Fink, O27942.
Joe Wesley Finley, O28599.
Daniel Jarvis Finnegan, O28727.
×Jesse Albert Fields, Jr., O28731.
John Chambers Fischer, O28170.
Charles Alexander Fitzgerald, O28593.
James Drummond Fitzgerald, O28206.
Edward Leo Flaherty, Jr., O28467.
Herbert Hesselton Flather, Jr., O28234.
Joe Bruton Flores, O28371.
Harry Arthur Floyd, O28573.
Philip John Frank, O28665.
Walter Leslie Frankland, Jr., O28391.
Robert Lewis Frantz, O28059.
Frederic Alcott Frech, O27930.
DeBow Freed, O28477.
Harold Clinton Friend, O28087.
Elisha James Fuller, O28268.
Howard Rowson Fuller, Jr., O28098.
William Carl Fuller, O28055.
Alvin Franklin Futrell, O28720.
Thomas Edward Gaines, O28486.
Vincent DePaul Gannon, Jr., O28202.
Rufus Sanders Garrett, Jr., O27935.
Thomas Leigh Gatch, Jr., O28476.
William Gilfillan Gavin, O28585.
Benjamin Andrew Gay, O27966.
John Stuart Gayle, O28719.
John Charles Geary, O28542.
Alexander Gerardo, O28119.
Meredith William Ghrist, O28552.
Faison Pierce Gibson, O28236.
Howard Anthony Giebel, O28318.
James Jay Gigante, Jr., O28267.
Raymond Harlan Gilbert, Jr., O28553.
Jack Keith Gilham, O27988.
John William Gillespie, Jr., O28577.
Roy Wilfred Gillig, O28358.
Joseph Anthony Giza 3d, O28359.
Raymond Howard Glatthorn, O28389.
Calvin Ervin Glidewell, O28418.
Francis George Gosling, O27941.
John Robert Grace, O28220.
John Henry Grady, O28223.
Daniel Orrin Graham, O28212.
×Clifton Wellington Gray, Jr., O28357.
Stephen Eugene Gray, O28683.
John Frederick Green, O28296.
Byron Dillingback Greene, Jr., O28506.
James Morris Gridley, O28360.
×George Warren Griffith, O28338.
William Howard Grisham, O28452.
Peter Grosz, Jr., O27977.
Richard Louis Gruenther, O28711.
John Richard Hacke, O27920.
Alvan Cordell Hadley, Jr., O28191.
×George Gross Hagedon, O27898.
Philip Darlington Haisley, O28380.
Richard Edward Hale, O28520.
Charles Maurice Hall, O28456.
George Edward Hall, Jr., O28323.
William Charles Hall, O28023.
William Walton Hall, Jr., O28005.
Hal Edward Hallgren, O28116.
Jerome Vincent Halloran, O28738.
Alexander Earl Halis, O28065.
Milton Holmes Hamilton, O28245.
Robert Milton Hamilton, O28326.
Walter Fleming Hamilton, Jr., O28208.
Arthur Edward Hansen, O28126.
Benjamin Shaw Hanson, Jr., O28076.
Everitt Fee Hardin, O28117.
Jesse Simmons Harris, O28255.
Alfred Carl Haussmann, Jr., O28283.
×Robert Carroll Hawley, O28254.
Rutledge Parker Hazzard, O28088.
×Warren Eastman Hearnes, O28379.
Robert Johnson Hefferon, O28047.
Stephen Garrett Henry, Jr., O28446.
Robert Foster Hewett, Jr., O28528.
Preston Heacock Hibbard, O28729.
Daniel Webster Hickey, 3d, O28427.
Frederick Francis Hickey, Jr., O28099.
Benjamin Tullidge Hill, Jr., O28158.
John Gillespie Hill, Jr., O27997.
David Clayton Hinshaw, O27962.
Thomas Vincent Hirschberg, O28677.
Howard Byron Hirschfield, O28671.
John Christopher Hoar, Jr., O28345.
James Burtram Hobson, O28419.
John Alan Hoefling, O28404.
James Karnes Hoey, O28036.
Harold Waldron Horne, O28337.
Kibbey Minton Horne, O28057.
Saul Horowitz, Jr., O27973.
Lynn Wood Hoskins, Jr., O28713.
Granville Watkins Hough, O28399.
Joseph Edward Houseworth, 3d, O28584.
Thomas Moore Huddleston, O28340.
Kenneth Wendell Hughes, O28666.
Robert Stout Hughes, O28350.
William Arthur Humphreys, O28348.
James Samuel Hutchins, O28508.
David Niesley Hutchison, O27928.
Henry Laurance Ingham 2d, O28649.
James Homer Wallace Inskeep, O28682
Paul Mills Ireland, Jr., O28288.
Robert Overton Isbell, O28156.
Albert Russell Ives, Jr., O28675.
Charles Maples Jaco, Jr., O28203.
Gordon Ross Jacobsen, O28444.
Peter Michael Jacula, O28716.
Bernard Janis, O28307.
Arthur William Jank, O27926.
Joseph Anthony Jansen, O27964.
Wilbur Fields Joffrion, O28102.
James Wiley Johnson, O28362.
Richard Allan Johnson, O28145.
Sewall Harvey Emler Johnson, O28712.
Edward William Jones, O28724.
John Thomas Jones, O28214.
Amos Azariah Jordan, Jr., O27895.
Clarence Eugene Patrick, Jordan, Jr., O28078.
Edwin Mortimer Joseph, O28522.
Albert Enzo Joy, O28534.
Jean Krummel Joyce, O28284.
Warren Stanley Jungerheld, O28662.
William Joyce Kaliff, O28594.
John George Kamaras, O28100.
Robert Vincent Kane, O28612.
Robert Edward Kaplan, O28611.
Kent Keehn, O28336.
Paul Aloysius Kelley, O28688.
Minor Lee Kelso, O28745.
William Raycroft Kelty, Jr., O28322.
William Joseph Kenney, O28638.
Robert Carleton Key, O28072.
Clarence Wade Kingsbury, O28325.
Harrison Benson Kinney, O28259.
Richard Martin Kinney, O28609.
William Martin Kiser, O28329.
Alfred Ruprecht Kitts, O39483.
Roland Arthur Kline, O28747.
Robert Edmund Knapp, O28079.
Fred Walter Knight, Jr., O28523.
Harlan Gustave Koch, O28725.
Jack Wilson Kopald, O28073.
Robert Ernest Kren, O28277.
Edmond Alexander Kuna, O28691.
Lloyd Charles Kurowski, O28123.
×Harold Francis Lacouture, O28511.
James Von Kanel Ladd, O28464.
Andrew Wilton LaMar, Jr., O28240.
Robert Jones Lamb, Jr., O28667.
Robert Alexander Land, O28368.
Benjamin Lester Landis, Jr., O27968.
David Seffers Lane, O28043.
Ralph Irving LaRock, O28159.
Wayne Emerson Lawson, O28450.
Albert Marshall Leavitt, O28218.
Robert Vernon Lee, Jr., O27974.
×Daniel Marshall Leininger, O27992.
Robert Emil Lenzner, O28082.
×Theodore Julian Lepski, O28571.
Daniel Louis Levy, Jr., O28295.
William Warner Lewis, Jr., O28433.
William Theodore Lincoln, O28161.
Arthur James Lochrie, Jr., O28142.
James Robert Loome, O28383.
Stanley Jerome Love, O28641.
Lawrence Joseph Luettgen, O28247.
Donald Richard Lynch, Jr., O28475.
Malcolm Eldrige MacDonald, O25701.
Clyde Bruce MacKenzie, O28122.
Thomas Harold Mahan, O28448.
Daniel Francis Mahony, O28281.
Robert Joseph Malley, O27978.
John Marberger, O28689.
Robert Langham March, O28101.
Earl Frederick Markle, O28490.
Samuel Rucks Martin, O28044.
Stephen Andrew Matejov, O28372.
John Randolph Mathias, O28042.
×Jack Franklin Matteson, O28221.
Walter Stanley Mattox, O28592.
Alexander Robert McBirney, O28028.
James Hubert McBride, O28622.
Thomas Henry McBryde, O28188.
Charles Francis McCarty, O28715.
Clarence Edison McChristian, Jr., O28504.
James McClure, Jr., O28004.
William McCollam, Jr., O27896.
Thomas Roderick McCormick, O28680.
Robert Watt McCoy, O28735.
Edward Francis McCue, O28118.
Ray Rodgers McCullen, O28056.
John Daniel Henry McDonough, O28183.
James Madison McGarity, O28406.
William Herbert McMaster, O27913.
Thomas Leonard McMinn, Jr., O28387.
John Calvin McWhorter, O28148.
Richard Henry Mealor, O28624.
Joseph Otto Meerbott, Jr., O28352.
Clarence Miles Mendenhall 3d, O28728.
Ralph Anthony Meola, Jr., O28702.
Doyle Merritt, O28174.
Needham Phillips Mewborn, O28645.
John David Miley, O28586.
George Livingston Miller, O28013.
Lawrence Miller, O28081.
Leo John Miller, O28011.
Carey Wayne Milligan, O28125.
Thorton Mitchell Milton, O28032.
Jack Harrison Montague, O28625.
Theodore Giles Montague, Jr., O28332.
Robert Alexander Montgomery, O28697.
Raymond Turck Moore, O28652.
Edward John Morgan, O28257.
Daniel Reardon Moriarty, O28607.
Jack Warren Morris, O28646.
Robert Franklin Morris, O28171.
Oliver Moses 4th, O28139.
Roy Joseph Mossy, O28687.
George Carlisle Muir, Jr., O28457.
Arthur Andrew Murphy, O27951.
Morgan Joyce Murphy, O28706.
Leon Bowman Musser, Jr., O27922.
Charles Robert Myer, O28091.
John William Nance, O28602.
(Wayne Stanley Nichols, O27999.
Roger Hurless Nye, O28010.
Elmer Raymond Ochs, O28547.
John Miles O'Connor, O28335.
Patrick Joseph O'Connor, O28509.
Carroll Raymond O'Neill, O28505.
Gordon Henry Oosting, O27958.
Raymond Emerson Orth, Jr., O28422.
George Frederick Otte, Jr., O28164.
Thomas Sawyer Owen, O28544.
John Kenneth Paden, Jr., O28136.
Stephen Joseph Pagano, O28463.
Francis Miller Palmatier, O28684.
Bernard Joseph Pankowski, O27925.
Alexander Papajohn, O28413.
Alexander James Papatones, O28623.
Thomas William Pardue, Jr., O28576.
Joseph Dodge Park, O28597.
Clifford Hutton Parke, Jr., O28410.
John Griffin Parker, O28250.
William Croom Parker, O28140.
William Robert Parker, O28421.

Eleazar Parmly, 4th, O28423.
×Richard Arthur Patterson, O28445.
Robert Francis Patterson, O28302.
George Smith Patton, 4th, O28685.
Richard Glenn Patton, O27939.
Arthur William Pence, Jr., O28440.
William Fuller Pence, O28112.
Billy Pat Pendergrass, O27985.
Ralph Hugh Pennington, O27927.
Joseph Peter Pepe, O28471.
Ernest Anthony Pepin, O28531.
×John Perkins 3d, O27931.
Wilton Burton Persons, Jr., O27975.
Alexander Dominic Perwich, O28193.
David Merritt Peters, O28581.
Bernard Allen Petrie, O27946.
Rocco Anthony Petrone, O27972.
Eugene Vincent Pfauth, O28256.
Thomas Edward Pfeifer, O28535.
Robert Hazen Philips, O28708.
William Redfield Phillips, O28417.
×Wade Hampton Pitts, Jr., O28022.
Richard John Pitzer, O28495.
Howard Ernst Pleuss, O28608.
Richard Sharon Pohl, O28374.
Reuben Pomerantz, O28261.
Frank William Porter, Jr., O28503.
George Jewel Porter, O28601.
Ephren Lloyd Powers, O28045.
William Clinton Powers, O28568.
Billy McCall Prestidge, O28498.
John Thomas Price, Jr., O28369.
Thomas Gaetano Provenzano, O28346.
Murray Putzer, O28007.
Raoul Jean Quantz, O28169.
Albert Lyle Ramsey, Jr., O27996.
Everett Lipscomb Rea, O28415.
William Thomas Reeder, O28540.
Robert Bradley Rheault, O28111.
William Gibson Richards, O28460.
Robert Tyler Richmond, Jr., O28525.
Francis Albert Richter, O28347.
Joseph George Rioux, O28583.
Louis Nelson Roberts, O28521.
Elisha Miller Robinson, Jr., O28541.
Guy Arnold Rogers, O28207.
Joseph Barnett Rogers, O28233.
Selwyn Phillips Rogers, Jr., O27991.
Lewis William Rose, O27987.
Irving Granville Rouillard, O28177.
Del Patrick Rovis, O28732.
Edward James Roxbury, Jr., O28075.
Richard Lincoln Ruble, O28695.
×Robert Martin Rufsvold, O27983.
Mason Pittman Rumney, Jr., O28024.
Robert Irwin Rush, O28660.
William Paul SacHarov, O28524.
John Ambler Sadler, O28743.
Richard Robert Sandoval, O28017.
Marshall Sanger, O28327.
John Edward Sauer, O28554.
Edward A. Saunders, O27904.
William Ferdinand Scharre, Jr., O28085.
Carl Paxton Schmidt, O28516.
×William Powers Schneider, O27979.
Frank Carl Schoen, O28590.
Jack Lawrence Schram, O27933.
Willis Ervin Schug, Jr., O28039.
Herbert Ardis Schulke, Jr., O28014.
John Morris Schuman, Jr., O28269.
Robert William Seaman, O28668.
×William Thaden Seeber, O28306.
Maurice Serotta, O28198.
Robert George Shackleton, O28651.
Leslie Neal Shade, Jr., O28698.
Eugene Gibb Sharkoff, O28224.
Amos Blanchard Shattuck 4th, O28146.
George Elmer Sheffer, Jr., O28120.
Robert Xavier Sheffield, O28734.
Fields Early Shelton, O28600.
David Kirkwood Sheppard, O27919.
Robert Morin Shoemaker, O28097.
John Merwin Shultz, O28341.
Roy Gayle Simkins, Jr., O28560.
Charles James Simmons, O28133.
Charles Maze Simpson 3d, O27957.
John Eldredge Simpson, O28196.
William Craton Screven Simpson, O28381.
William George Simpson, O27908.
Christopher Booth Sinclair, Jr., O28265.
Samuel Charles Skemp, Jr., O28210.
Rollin White Skilton, O28642.
Charles Robert Smith, O50542.
David Halstead Smith, O27903.
Glennon Clyde Smith, O28349.
William Robert Smith, O28562.
Harry Clayton Smythe, Jr., O28107.
Russell Edward Speake, O28436.
David Bartholomew Spellman, O28513.
Elmer Gene Sprague, O28555.
Norman Theodore Stanfield, O27945.
John Edward Stannard, O28442.
Thomas Jefferson Stapleton, O28285.
Dudley Scott Stark, Jr., O28439.
Ralph Allen Starner, O28482.
Robert Lee Steele, O28429.
Kenneth John Steen, O28050.
John Ember Sterling, Jr., O27952.
Keith Dennis Stidham, O28216.
Harold Joseph Stirling, O28182.
Richard Leonard Stone, O28176.
William Leete Stone 3d, O28538.
Robert Warren Storm, O28742.
×Milton Albert Strain, O27894.
Stratis John Stratis, O28114.
Oliver Day Street 3d, O28053.
Richard Wendell Streiff, O28060.
William Richard Stroud, O28201.
Robert Tilghman Strudwick, O28596.
Charles Robert Hatch Supplee, O27924.
Robert Kniley Swab, O28709.
Andrew Burton Talbot, O28748.
Edmund George Taylor, Jr., O27954.
×William Britton Teglund, O28186.
Harold Alva Terrell, Jr., O28132.
Blucher Stanley Tharp, Jr., O28558.
Raymond Edward Thayer, O28275.
Vernley Fred Thomas, O28037.
×William Kappes Thomasset, O27943.
Leslie Eugene Thompson, Jr., O28435.
Elbert Satterlee Throckmorton, O28339.
John Royster Thurman 3d, O28225.
Samuel Hartman Title, O28507.
Lewis Burton Tixier, O28276.
Robert Chase Toole, O28129.
×Allan Curtiss Torgerson, O28619.
Oscar William Traber, Jr., O28030.
John Russell Treadwell, O27976.
James Kerry Trimble, O27970.
William Harry Trotter, O28246.
Guy Kent Troy, O28162.
Richard Cabell Tuck, O27955.
Frank Beckwith Tucker, O28361.
Harlan Winthrop Tucker, O28153.
Robert Busill Tully, O28678.
Max Marsh Ulrich, O27911.
John Emil Vaci, O28397.
Kenneth Cruikshank Van Auken, O28168.
Edwin Renalds Van Deusen, O28425.
Edwin Sanders Van Deusen, Jr., O28304.
×Harley Eugene Venters, O28376.
John William Vester, O28280.
Alfred Henry Victor, Jr., O27938.
Robert Thomas Wagner, O28232.
Ray Moore Wagoner, Jr., O27940.
Norman Wahl, Jr., O28062.
Richard Harding Walker, O28222.
Sam Sims Walker, O28197.
Josiah Ara Wallace, Jr., O28297.
Matthew Reid Wallis, O28068.
Paul Shelby Ward, O28272.
Joe Holleman Warren, Jr., O27960.
Charles Aloysious Waters, Jr., O28449.
Norman Cooper Watkins, O28131.
Donald Scott Watson, O28316.
George Stanley Webb, Jr., O28015.
William Hayes Webb, O28263.
Edwin Leo Weber, Jr., O28178.
Albert Dunbar Wedemeyer, O28653.
Marvin Stuart Weinstein, O28149.
Norman Emanuel Weiss, O28121.
James Clyde Welch, Jr., O28367.
Anthony Patrick Wesolowski, O28155.
Charles Leroy Wesolowsky, O28704.
Percy Louis Wheeler, O28301.
Robert Doyne Woodley White, O28311.
Robert Menifee White, Jr., O28530.
William Jackson Whitener, O28041.
Prentice Earle Whitlock, O28373.
John Day Whitmore, O28497.
Jere Otis Whittington, O28411.
John Scholto Wieringa, Jr., O28644.
Richard Minter Wildrick, O28019.
Benjamin Bertram Williams, O28515.
Charles Torrey Williams, O27923.
Robert Moody Williams, O28309.
Charles Gurley Williamson, Jr., O28494.
Robert Gregg Williamson, O27901.
Minter Lowther Wilson, Jr., O28244.
Robert Trent Winfree, Jr., O28189.
James Emmett Wirrick, O28529.
×John William Wiss, O28154.
Duquesne Abraham Wolf, O28187.
Herbert Eric Wolff, O39485.
Allen Howland Wood 3d, O28672.
Harris Harold Woods, O28190.
John McReynolds Wozencraft, O27899.
×William Robert Wray, O27949.
William Heaton Young, O28333.
Keith Burns Zimmermann, O28266.
Martin Fish Zorn, O28488.

To be first lieutenant, Medical Service Corps

Bernard Balikov, O56775.

The following-named officers for promotion in the Regular Army of the United States, under the provisions of section 107 of the Army-Navy Nurses Act of 1947:

To be captain, Army Nurse Corps

Sue Harvell Robertson, N1244.

To be first lieutenants, Women's Medical Specialist Corps

Helen Marie Cartwright, M10051.
Dorothy Louise Kemske, M10052.
Phyllis Regina Strobel, M10069.

The following-named officer for appointment, by transfer, in the Judge Advocate General's Corps, Regular Army of the United States:

First Lt. Dugald Walker Hudson, O38201, United States Army.

WOMEN'S ARMY CORPS

The following-named persons for appointment in the Women's Army Corps, Regular Army of the United States, in the grade specified, under the provisions of Public Law 625, Eightieth Congress:

To be majors

Ura M. Ankrom, L500060.
Helen M. Baker, L909176.
Lila Bard, L900779.
Clara R. Beery, L1000046.
Mary F. Connelly, L115003.
Luta M. Cornelius, L501925.
Glenna M. Eastman, L604402.
Rosa E. Ennis, L909554.
Marion L. Evans, L801806.
Mary B. Fanniff, L210036.
Evelyn D. Garrabrant, L703092.
Bernice G. Hughes, L501504.
Frances P. Kidwell, L906085.
Margaret A. Kimpton, L901736.
Alice L. Leach, L115044.
Gertrude F. Lund, L900047.
Neva B. Maiser, L705048.
Verna A. McCluskey, L402508.
Margaret M. Milligan, L701272.
Othelda M. Mitchell, L308012.
Grace L. Overton, L810530.
Mary B. Parker, L510098.
Ruth E. Paul, L600187.
Marjorie C. Power, L220283.
Fannie J. Reynolds, L400016.
Marion A. Rhyne, L402038.
Rose F. Ross, L200019.
Evelyn A. Rothrock, L302000.
Dorothy T. Rudd, L308121.
Margaret M. Upshaw, L604738.
Nettie L. Vest, L501122.
Mona L. Voinche, L801009.

To be captains

Martha D. Allen, L915114.
Ruth M. Briggs, L600310.
Judy Bryan, L903973.
Edwina C. Casbergue, L810292.
Elsie J. Chapman, L502349.
Laura C. Coupe, L304052.
Mildred M. Ferguson, L802417.
Muriel A. Foster, L218206.

Helen E. Friedrich, L203873.
Margaret D. Hallowell, L501291.
Winifred E. Ham, L115845.
Margot L. Harris, L115894.
Ethel M. Hooper, L502308.
Lois E. Hudson, L800648.
Dorothy M. Irwin, L600095.
Margaret B. Johnson, L303880.
Marie Kehrer, L704027.
Rosa T. Lawton, L401290.
Florence M. Lien, L906266.
Lula R. Linder, L900067.
Ida K. Madden, L803151.
Mary Manderino, L117678.
Margaret A. Maxwell, L502145.
Dorothy L. McLellan, L909005.
Florence M. Packard, L903963.
Beatrice A. Parker, L115638.
Laures B. Rajski, L600376.
Margot Reis, L220135.
Marjorie E. Schulten, L603197.
Ernestine L. Stephenson, L215069.
Elva M. Stillwaugh, L501852.
Jessie W. Teuscher, L602355.
Winifred Thomas, L320011.
Sarah B. Todd, L600907.
Hazel Ver Hey, L601254.
Rose L. Wagner, L900027.
Margaret J. Wehrle, L500632.

To be first lieutenants

Carolyn M. Anthony, L125840.
Mildred C. Bailey, L400019.
Jane G. Brister, L311090.
Julia A. Chapman, L803869.
Anne Cody, L600872.
Clare M. Crapo, L302103.
Alice L. Dahnke, L603746.
Evelyn B. Fraser, L514433.
June P. Gonzalez, L406580.
Virginia C. Jessop, L302182.
Louise O'Nale, L800569.
Dorothy W. Parks, L408232.
Minnie P. Patterson, L304329.
Eleanor M. Roberts, L401042.
Delia D. Robinson, L409078.
Sarah L. Sanders, L801976.
Martha E. Saxon, L402530.
Phyllis L. Shafer, L603260.
Katherine L. Sutherland, L909238.
Treva I. Thomas, L603327.
Eileen R. Ware, L402798.
Avis M. Watkins, L115648.
Dorothy H. Wood, L308068.

To be second lieutenant

Johnita Heslinga, L713501.

HOUSE OF REPRESENTATIVES

FRIDAY, APRIL 1, 1949

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Eternal and merciful Father, we praise Thee that Thou didst bring to mankind, with all its sorrows and aspirations, the gulf stream of the world's hope and salvation. As a Divine Saviour, bestow upon us Thy compassion and grant us Thy forgiveness.

O Son of God, look down with pity upon the world Thou didst die to save. Grant to us and to all mankind the grace to search our own hearts and know our shortcomings, so that, filled with contrition and penitence for our sins, we may live together in faith and hope. Then we shall await Thy blessing of peace which the world cannot give, but which never fails to those who love Thee and heed Thy teachings. We pray in the holy name of Jesus our Redeemer. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2101) entitled "An act to authorize the Regional Agricultural Credit Corporation of Washington, D. C., to make certain disaster or emergency loans, and for other purposes."

EXTENSION OF REMARKS

Mr. HOBBS asked and was given permission to extend his remarks in the RECORD and include a speech by Hon. Winston Churchill.

INSURING FUNDS OF SERGEANT AT ARMS

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged resolution (H. Res. 171) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Sergeant at Arms of the House of Representatives is authorized and directed to protect the funds of his office by purchasing insurance, in the amount of $100,000, providing protection against loss with respect to such funds. Until otherwise provided by law, premiums on such insurance shall be paid out of the contingent fund of the House on vouchers signed by the Sergeant at Arms and approved by the Committee on House Administration.

Mr. HALLECK. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. I yield.

Mr. HALLECK. Is this resolution in accordance with existing practice, or is it something new?

Mrs. NORTON. This is continuing an existing practice, except the amount of insurance has been raised.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MAUDE E. STANFORD

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged resolution (H. Res. 173) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there shall be paid out of the contingent fund of the House to Maude E. Stanford, widow of Fred L. Stanford, late an employee of the House of Representatives, an amount equal to 6 months' salary at the rate he was receiving at the time of his death and an additional amount not to exceed $250 toward defraying the funeral expenses of said Fred L. Stanford.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ELEVATOR OPERATORS

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged resolution (H. Res. 134) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there shall be paid out of the contingent fund of the House, until otherwise provided by law, compensation for the employment of 12 additional elevator operators at the basic salary rate of $1,200 per annum each, to be appointed by the Architect of the Capitol.

With the following committee amendment:

On page 1, line 3, strike out "12" and insert "10."

Mr. RICH. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. I yield.

Mr. RICH. What is the idea of putting on 10 additional elevator operators?

Mrs. NORTON. I understand that it is quite necessary in order to have a sufficient number to man the elevators.

Mr. RICH. They have all been manned during the last 5 or 6 years since I have been here, running almost 24 hours a day. I cannot see any use of increasing the number.

Mrs. NORTON. Well, it is a fact that a great many of the present elevator men are working long hours, some of them as many as 12, and I think up to 15 hours a day.

Mr. RICH. And it will take 10 more now to get an 8-hour day for the elevator operators?

Mrs. NORTON. Apparently, to equalize the time, it will take that many more. They asked for 12, but the committee cut it down to 10.

Mr. RICH. Has your committee gone into this very carefully?

Mrs. NORTON. We have gone into it very carefully, and I think the gentleman from Iowa [Mr. LECOMPTE] will agree with me.

Mr. RICH. Is it a unanimous report from the committee?

Mrs. NORTON. It is a unanimous report from the committee.

Mr. RICH. Will the gentlewoman give us a list of the elevators in the House and Senate Office Buildings in which you are going to operate, the number of hours a day they will operate them, and the number of people you now have as elevator operators?

Mrs. NORTON. I will be very glad to do that.

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXPENSES OF THE COMMITTEE ON THE DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged resolution (H. Res. 132) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That in carrying out its duties during the Eighty-first Congress, the Committee on the District of Columbia is authorized to incur such expenses (not in excess of $2,000) as it deems advisable. Such expenses shall be paid out of the contingent fund of

the House on vouchers authorized by such committee, signed by the chairman thereof, and approved by the Committee on House Administration.

The resolution was agreed to.

A motion to reconsider was laid on the table.

INVESTIGATION BY COMMITTEE ON PUBLIC LANDS

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged resolution (H. Res. 72) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the expenses of the investigations to be made pursuant to House Resolution 66, by the Committee on Public Lands (now comprised of the six former Committees on Insular Affairs, Territories, Public Lands, Irrigation and Reclamation, Mines and Mining, and Indian Affairs), acting as a whole or by subcommittee, not to exceed $50,000, including expenditures for the employment of stenographic and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee or subcommittee, signed by the chairman of such committee or subcommittee, and approved by the Committee on House Administration.

With the following committee amendment:

In line 6, strike out "$50,000" and insert "$30,000."

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

INVESTIGATION BY COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged resolution (H. Res. 122), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the expenses of conducting the study and analysis authorized by House Resolution 44, Eighty-first Congress, incurred by the Committee on House Administration. Fisheries, acting as a whole or by subcommittee, not to exceed $25,000, including expenditures for employment of accountants, experts, attorneys, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by said committee and signed by the chairman of the committee, and approved by the Committee on House Administration.

SEC. 2. The official committee reporters may be used at all hearings held in the District of Columbia, if not otherwise officially engaged.

With the following committee amendment:

On line 5, strike out "$25,000" and insert "$15,000."

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

INVESTIGATION BY THE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged resolution (H. Res. 127), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the expenses of conducting the studies and investigations authorized by rule XI (1) (h) incurred by the Committee on Expenditures in the Executive Departments, acting as a whole or by subcommittee, not to exceed $50,000, in addition to $50,000 authorized by House Resolution 88, Eighty-first Congress, agreed to February 9, 1949, including employment of such experts, special counsel, and such clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by said committee and signed by the chairman of the committee, and approved by the Committee on House Administration.

SEC. 2. The official committee reporters may be used at all hearings held in the District of Columbia, if not otherwise officially engaged.

With the following committee amendments:

In line 2, strike out "with respect to Government operations."

In line 5, after the word "exceed" strike out "$125,820" and insert "$50,000 in addition to $50,000 authorized by House Resolution 88, Eighty-first Congress, agreed to February 9, 1949."

The committee amendments were agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ADDITIONAL COPIES OF REPORT ON THE FAIR LABOR STANDARDS AMENDMENTS BILL

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged resolution (H. Res. 160) authorizing the printing of additional copies of report No. 267 on the bill H. R. 3190, entitled "Fair Labor Standards Amendments of 1949," and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there be printed 5,000 additional copies of House Report No. 267, current Congress, being the committee report on the bill (H. R. 3190) entitled "Fair Labor Standards Amendments of 1949," of which 1,000 copies shall be for the use of the House Committee on Education and Labor, 1,000 copies for the Senate document room, and 3,000 copies for the House document room.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. BUCHANAN asked and was given permission to extend his remarks in the RECORD.

Mr. PATMAN asked and was given permission to extend his remarks in the Appendix of the RECORD in two subjects, including in each extraneous matter.

Mr. PASSMAN asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article.

Mr. MULTER asked and was given permission to extend his remarks in the Appendix of the RECORD in three separate instances and in each to include extraneous matter.

Mr. FEIGHAN asked and was given permission to extend his remarks in the Appendix of the RECORD and to include a speech by Secretary of the Navy Sullivan.

Mr. BOLLING asked and was given permission to extend his remarks in the Appendix of the RECORD and include two excerpts from the Washington Daily News with reference to the proposal of the gentleman from Colorado [Mr. CARROLL].

Mr. LIND asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article from the Country Gentleman.

Mr. ABBITT asked and was given permission to extend his remarks in the RECORD.

Mr. PERKINS asked and was given permission to extend his remarks in the Appendix and include an article from the New York Times.

Mr. MARSALIS asked and was given permission to extend his remarks in the Appendix of the RECORD on the subject of the John A. Martin Dam.

Mr. RAINS asked and was given permission to extend his remarks in the Appendix of the RECORD and include therein an article written by former Governor Ellis Arnall, of Georgia, on the general subject of Federal aid to education.

TORNADO DAMAGE AT BLACKWELL, OKLA.

Mr. WILSON of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. WILSON of Oklahoma. Mr. Speaker, I would direct the attention of the House to the serious injury effected by tornadoes in the Eighth District of Oklahoma which I represent. Striking before dawn Wednesday these tornadoes left a wake of wrecked buildings and damaged airplanes. I am informed that in the city of Blackwell a number of persons were injured and hospitalized, and extensive property damage is reported both at Blackwell and rural areas near Enid and Medford. Though these storms carry a perennial threat to the good people of my district and area, the havoc wrought by these storms of Wednesday morning is a new and fearful experience for these particular communities. I know that you join with me in extending sympathy to those who have suffered and in expressing thankfulness to Almighty God that they were spared greater injury and damage.

RENT CONTROL

Mr. YATES. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. YATES. Mr. Speaker, the new provision of the Rent Control Act which requires the Housing Expediter to set rentals at levels which will yield to landlords a fair net-operating income, has provoked a storm of controversy and justifiably so. The ambiguity of the provision itself and the remarks of the conferees as they appear in the CONGRESSIONAL RECORD have made one point crystal clear—that the Housing Expediter, who has the job of administering the provision and of drafting and enforcing regulations to give it meaning, is one of the most powerful figures in the economic life of this Nation today.

To my mind Tighe Woods has a monumental task. The fluidity of the provision leaves to his judgment the question whether the new rent-control law will continue to maintain rent controls at present levels or nearly present levels, or whether the program will be sabotaged by increasing rentals excessively on the ground that such increases are warranted by the new provision. We cannot at this time permit ourselves to be lulled into any sense of false security because the act has been passed. The National Association of Real Estate Boards is still active and will attempt to make its influence felt by the Expediter. We must insist that the Expediter issue decent regulations which will permit the orderly continuation of the present program.

EXTENSION OF REMARKS

Mr. LUCAS asked and was given permission to extend his remarks in the Appendix of the RECORD and include a short questionnaire.

Mr. RICH asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Bristol Courier of Tuesday, March 29, 1949, entitled "Why Are Taxes Going Up?"

Mr. KEATING asked and was given permission to extend his remarks in the Appendix of the RECORD on the subject, Who Is Behind the Move of the Veterans Medical Center from New York City to Boston? and to include an exchange of letters.

Mr. JONAS asked and was given permission to extend his remarks in the RECORD and include an editorial from the Chicago Tribune.

Mr. HALE asked and was given permission to extend his remarks in the RECORD and include a letter appearing in the Washington Post and a news article appearing in the New York World Telegram.

Mr. JAVITS asked and was given permission to extend his remarks in the Appendix of the RECORD in three instances and include certain letters and newspaper articles.

Mr. McCULLOCH asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Christian Science Monitor and the New York Times.

Mr. HAYS of Arkansas asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement by Mr. Edward J. Meeman.

Mr. CANNON (at the request of Mr. McCORMACK) was given permission to extend his remarks in the Appendix of the RECORD and include excerpts from letters received by the Committee on Appropriations in reference to Federal expenditures.

REGULATION OF OLEOMARGARINE

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

CALL OF THE HOUSE

Mr. RANKIN. Mr. Speaker, I make a point of order a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 61]

Arends	Hoffman, Mich.	Pfeifer,
Biemiller	Jackson, Calif.	Joseph L.
Bolton, Ohio	Jennings	Plumley
Bosone	Kean	Powell
Boykin	Kee	Quinn
Brown, Ohio	Kelley	Regan
Buckley, N. Y.	Keogh	Rogers, Mass.
Bulwinkle	Kirwan	Smith, Ohio
Burdick	Klein	Smith, Va.
Cavalcante	Lane	Somers
Chudoff	McCarthy	Stanley
Clemente	Macy	Stefan
Clevenger	Martin, Mass.	Thomas, N. J.
Coudert	Merrow	Vinson
Davenport	Morgan	Wadsworth
Dingell	Morrison	Welch, Mo.
Fulton	Moulder	Whitaker
Gilmer	Murphy	White, Idaho
Gossett	Norrell	Wolcott
Hays, Ohio	O'Brien, Mich.	Wood
Hébert	Patten	Woodruff

The SPEAKER. On this roll call 371 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

REGULATION OF OLEOMARGARINE

The SPEAKER. The question is on the motion.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, with Mr. WHITTINGTON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the first section of the bill had been read.

Mr. POAGE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. POAGE: Strike out all after the enacting clause and insert in lieu thereof the following:

"That section 2301 of the Internal Revenue Code (relating to the tax on oleomargarine) is repealed.

"SEC. 2. Part I of subchapter A of chapter 27 of the Internal Revenue Code (relating to the occupational tax on manufacturers, wholesalers, and retailers of oleomargarine) is repealed: *Provided*, That such repeal shall not be construed to entitle any manufacturer, wholesaler, or retailer to a refund of any occupational tax heretofore paid.

"SEC. 3. (a) The Congress hereby finds and declares that the sale, or the serving in public eating places, of colored oleomargarine or colored margarine without clear identification as such or which is otherwise adulterated or misbranded within the meaning of the Federal Food, Drug, and Cosmetic Act depresses the market in interstate commerce for butter and for oleomargarine or margarine clearly identified and neither adulterated nor misbranded, and constitutes a burden on interstate commerce in such articles. Such burden exists, irrespective of whether such oleomargarine or margarine originates from an interstate source or from the State in which it is sold.

"(b) Section 301 of the Federal Food, Drug, and Cosmetic Act, as amended (21 U. S. C. 331), is amended by adding a new paragraph as follows:

"'(m) The serving of colored oleomargarine or colored margarine in violation of section 407 (b).'

"(c) Chapter IV of such act, as amended (21 U. S. C. 341 and the following), is amended by adding a new section as follows:

"'COLORED OLEOMARGARINE

"'SEC. 407. (a) Colored oleomargarine or colored margarine which is sold in the same State or Territory in which it is produced shall be subject in the same manner and to the same extent to the provisions of this act as if it had been introduced in interstate commerce.

"'(b) No person shall possess in a form ready for serving colored oleomargarine or colored margarine at a public eating place unless a notice that oleomargarine or margarine is served is displayed prominently and conspicuously in such place and in such manner as to render it likely to be read and understood by the ordinary individual being served in such eating place or is printed or is otherwise set forth on the menu in type or lettering not smaller than that normally used to designate the serving of other food items; and no person shall serve colored oleomargarine or colored margarine at a public eating place, whether or not any charge is made therefor, unless each separate serving bears or is accompanied by labeling identifying it as oleomargarine or margarine.

"'(c) Colored oleomargarine or colored margarine when served with meals at a public eating place shall at the time of such service be exempt from the labeling requirements of section 403 (except (a) and 403 (f)) if it complies with the requirements of subsection (b) of this section.

"'(d) For the purpose of this section colored oleomargarine or colored margarine is oleomargarine or margarine having a tint or shade containing more than 1.6° of yellow, or of yellow and red collectively, but with an excess of yellow over red, measured in terms of Lovibond tintometer scale or its equivalent.'

"SEC. 4. So much of the unexpended balances of appropriations, allocations, or other funds (including funds available for the fiscal year ending June 30, 1950) for the use of the Bureau of Internal Revenue of the Treasury Department in the exercise of functions under the Oleomargarine Tax Act (26 U. S. C. 2300 subch. A), as the Director of the Bureau of the Budget may determine, shall be transferred to the Federal Security Agency (Food and Drug Administration) for use in the enforcement of this act.

"SEC. 5. This act shall not abrogate or nullify any statute of any State or Territory now in effect or which may hereafter be enacted.

"SEC. 6. This act shall become effective 30 days after its enactment, except that section 2 of this act shall become effective 30 days after its enactment or July 1, 1949, whichever date is earlier."

Mr. POAGE. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. POAGE. Mr. Chairman and members of the Committee, I believe that we now come to the real issue involved in the problem that has taken so much of our time over so many years. The question now becomes very clear. Are we going to adopt this substitute, which is a word-for-word copy of H. R. 3 as it was originally introduced and considered by the committee, with the exception of section 5, which has been added? Let me read section 5:

This act shall not abrogate or nullify any statute of any State or Territory now in effect or which may hereafter be enacted.

Otherwise the substitute you have before you is identical with H. R. 3. H. R. 3 is based upon two principles which I believe to be sound and fundamental. The first principle is that any citizen of the United States has the right to spend his or her money as he or she pleases for any wholesome product not in itself injurious, in any form that he or she wants to buy. I think most of us must agree that that is a pretty sound principle. Without the recognition of that principle we deny freedom of trade, the development of commerce, and the growth of industry. On that principle we stand.

There is another principle that goes along with that, and that is that every citizen, every consumer, has a right to know that when he or she spends his or her money, that he or she will get the product that the consumer thinks he is buying. I think that is a sound principle. It is one that has long been recognized in American law, and on that we stand.

On those two principles H. R. 3 is predicated, and that is all there is to the bill. That is all there is in H. R. 3; all there is in this substitute. It provides, first, the removal of the present discriminatory laws, taxes, and regulations against the sale of colored margarine in the United States. Not one of the opponents of margarine have come forward and brought in evidence that it is of itself a harmful product, or one which should be banned as a poison. No; they admit that it is a healthful food, but they do not want the competition.

We submit that American industry must face competition. We are not going to agree that we should bring into America European types of combinations in restraint of trade, trusts, and cartels. We submit that we must maintain the right of the individual to make his or her own choice in America and that that is fundamental. Without it you could not ever have developed the great industries that we have in America. We must have the right of competition and the right of the consumer to make a choice. This bill, H. R. 3, the substitute, gives it.

The original bill, H. R. 2023, first introduced by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], as H. R. 1703, both deny this right of the individual to make a choice. They both say to the individual, "No; the Government knows better than you do what you should buy. It makes no difference what color you want your table spread, somebody up at Washington decides that question, not you. It is your money you are going to spend, but you cannot buy the color dress you want, you cannot buy the type of automobile you want, you cannot buy the style of shoes you want. You have to buy something that some bureaucrat decides is better for you and better for the country than the product you want to buy."

I call upon my friends who plead for free enterprise to get up here and explain free enterprise again. You get up here and talk about free enterprise, and then tell me that you are going to vote to deny the American housewife the right to make her own choice? Never go home and make a free enterprise speech if you vote against this substitute. Do not vote for this Granger-Andresen bill and then go tell your people that you believe in the right of the American businessman to compete freely for the American markets. I cannnot see how anyone can sincerely say that he believes in freedom of enterprise, freedom of choice, and the right of selection, if he denies to a wholesome food product the right to be sold or shipped in interstate commerce, and that is exactly what H. R. 2303 does. It denies the shipment of a wholesome food product, it denies the right of the public to buy the kind of product they want.

What about the other principle, the principle of certainty that you are buying what you think you are buying? H. R. 3 goes to great extremes to provide for protection to the public against the deception which the butter people have long claimed was rampant in this country. On each and every occasion that this bill has been before the House the butter interests have cried great volumes of crocodile tears about how the public was going to be deceived in public eating places, how the public was going to have colored margarine palmed off on them instead of butter; yet these same butter people bring into this House a bill that has not one line in it requiring any identification. Not one line in the Granger bill requires identification of yellow margarine wherever sold. In the Granger bill you have repealed all the safeguards that the present Pure Food and Drug Act gives to those who buy margarine moving in interstate commerce.

Mr. RIVERS. The gentleman should mention the fact that it would build up the biggest bootlegging industry in the history of this country.

Mr. POAGE. I think it unquestionably would, because it takes yellow margarine out from under the control of the Pure Food and Drug Act. It makes yellow margarine an intrastate product, and the Pure Food and Drug Act does not touch an intrastate product unless the law specifically brings it in. But in this substitute bill I specifically extend to yellow margarine in any form, any place, anywhere, the protection of the Federal Pure Food and Drug Act. I provide in this substitute that the consumer who goes into a restaurant and seeks to buy butter will know that he is getting butter, or if he is served margarine he will without doubt know he is getting margarine. This substitute both requires the definite identification of every individual serving of margarine and at the same time I retain the penalties now in the Pure Food and Drug Act against adulteration, against the sale of impure products. Over all the years that we have had the protection of the Food and Drug Act we have had but eight seizures of margarine for filth as against more than 600 of butter.

I submit, my friends, that we should not take away from the consuming public the protection of the present laws. We should not take from the consuming public the protection of identification which the butter people told me last year we needed. Oh, sirs, you sold me on the idea of giving this protection, and now you run out and leave us. Are you now going to deny what you said last year? Are you now going to come and say it is all right to sell yellow margarine as butter? Oh, the gentleman from Minnesota talks long and loud about selling colored margarine in imitation of butter, and yet the bill which he proposes does not have one word in his bill to prevent the sale of yellow margarine as butter, whereas the substitute contains adequate protection.

The CHAIRMAN. The time of the gentleman has expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I rise in opposition to the amendment, and ask unanimous consent that I may speak for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, you have listened to a very skillful presentation by a gentleman who could well be district attorney in his congressional district in Texas. He has been very clever in covering over the real objective of his remarks and the purpose back of his bill. I have associated with the gentleman for a good many years and I am very fond of him. I know how powerful he is in his ability of securing more money for his wheat and his cotton and the products grown in his area. Sometimes I help him to get those things. That is just what the situation is here today—and not all this window dressing that you hear about giving the people the right to buy yellow-colored oleomargarine when they go to a restaurant to eat. What he wants is to sell more cottonseed oil and get a higher price for it by capturing the market for spread away from butter in this country. That is the unvarnished truth.

My good colleague from Mississippi [Mr. ABERNETHY] came before our committee and made a plain, concise statement that such was the fact—that they were interested in their producers in cotton down there—most of them being

small farmers. Of course this legislation related to the welfare of their cotton producers.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman.

Mr. ABERNETHY. And that is what the gentleman's objective is; is it not?

Mr. AUGUST H. ANDRESEN. You are absolutely right. I am just as selfish for 2,500,000 dairy farmers, as the gentleman from Mississippi is; he is honest about it and I compliment him on it.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield further?

Mr. AUGUST H. ANDRESEN. I am sorry, I only have 10 minutes. I would like to yield, but I cannot. I compliment the gentleman for being honest and admitting that he was trying to sell more oleomargarine in this country, so that his farmers could sell more cottonseed, and that cottonseed oil would be sold at a higher price.

Now, that is the issue, so let us get away from all this window dressing about bringing before the committee prominent women from the leading women's clubs of the country to testify that they want to get cheap food for the poor people of the country. You can go downtown and buy oleomargarine today at 22 cents a pound. The sponsors of oleomargarine say it is made from cottonseed oil. You can buy it at 22 cents a pound in Washington today. We want to keep cheap food for them and we also want to protect State rights. There is no one on the Committee on Agriculture or in this House who is a stronger advocate of State rights than my good friend the gentleman from Texas [Mr. POAGE] who says the great State of Texas does not want any interference from the Federal Government. He says they will protect themselves. So they do not want any interference from Washington, but in this legislation, of course, he wants to take in the whole country.

Now, let us see what this economic fight is. Of course, they want to sell more oleomargarine and they want it colored yellow so that it will look like butter, and they want to capture the entire butter market. There are 2,500,000 dairy farmers. They all produce milk and 27 percent of that milk that leaves the farm goes into butter. If the dairy farmers of the United States do not have the butter market they will have to liquidate their dairy herds. It will destroy soil conservation in this country, historic soil conservation that is practiced on all dairy farms of the Nation without any subsidy from the Federal Government. It will also destroy a very important source of meat supply for the American people, because if our dairy farmers are forced to liquidate 25 percent of the milk cows of this country, consumers will have to pay more for their meat. Forty percent of the meat you eat comes from dairy farms. If you slaughter the milk cows you will decrease the milk supply and you will pay more for milk in the end—these people who want to save a few pennies, because they can get yellow-colored oleomargarine.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. SHORT. What will the producers in the South do with their cottonseed meal and cottonseed cake when the dairy industry of this country is destroyed?

Mr. AUGUST H. ANDRESEN. The dairy farmer is the best customer they have, not only for cottonseed meal but also for cotton cloth and for the other things produced in the South, including tobacco, which is produced in the State of North Carolina.

Let us see what happens. Back in 1938 you will notice the per capita consumption of butter in this country was 16.4 pounds. Oleomargarine was 2.9 pounds. In 1943 butter came down to 11.7 pounds and oleomargarine went up to 3.9 pounds. Look at what happened last year, 1948. Butter came down to 10.2 pounds and oleo went up to 6.1 pounds. The spread consumption is uniform throughout the country, irrespective of the type, but it demonstrates that oleomargarine consumption has gone up, and when it has gone up butter consumption has gone down. That is what we are fighting about. The oleomargarine interests want to take the entire butter market. If that is not an economic question, I do not know. Of course, it will mean more money for the 24 oleomargarine manufacturers of the country and not for the poor people. So the fight is who is going to have the historic spread market in this country, whether it is going to be the dairy farmers of the United States or whether we are going to let 24 oleomargarine manufacturers capture it, with the hope that some of our cotton friends may sell a little more cottonseed oil and get more money for it.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. CRAWFORD. Oils of all kinds have dropped in price in the last few months, have they not, both vegetable and animal fats?

Mr. AUGUST H. ANDRESEN. Yes. They have dropped.

Mr. CRAWFORD. But the price of oleomargarine did not follow that drop?

Mr. AUGUST H. ANDRESEN. Not as much as the price of fats went down.

Mr. CRAWFORD. And that supports what the gentleman said?

Mr. AUGUST H. ANDRESEN. That is right. Furthermore the close combination there is in the cottonseed-oil industry, holds the power over the price.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. No; I am sorry, I cannot yield.

Most farmers sell their cottonseed when they take their cotton to the gin. Most of the seed is sold at that time. I find that in cotton as in most other farm commodities the farmer sells at the low price and somebody else gets the boost in price, particularly the buyers who are able to hold it. A year ago our committee made an investigation of the corner in cottonseed oil and we found that two big companies, one of them a million-dollar oleo company, had bought up all the cash cottonseed oil in the country and had bought all the futures contracts for the month of May. They raised the price from 28 cents a pound to 43 cents a pound. They made the money out of it, not the cotton farmers of the South.

Now, let me get back to statements made yesterday by the gentleman to the effect that people could not afford to buy butter at prevailing prices. You can get excellent creamery butter in Washington today for 65 to 70 cents a pound; as a matter of fact, the Government bought 25,000 pounds of butter here the other day at 59 cents a pound. But let me direct myself to the gentleman's substitute which he has offered. I have tried to point out the economic factors involved in this fight. The gentleman's amendment will permit the unrestricted sale of colored oleomargarine in the United States. That is important, but the fight goes beyond that; the fight goes down to the effort of the oleomargarine industry and the cotton bloc to capture the entire butter market. That is going to hurt the economy of the country; it is going to jeopardize the welfare of 2,500,000 dairy farmers, and it will seriously injure the health of the people of the United States.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. GRANGER. Mr. Chairman, I rise in opposition to the amendment and ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Utah?

There was no objection.

The CHAIRMAN. The gentleman from Utah is recognized for 10 minutes.

Mr. GRANGER. Mr. Chairman, the gentleman from Texas [Mr. POAGE] is a very able member of our committee, and one who represents his district, I think, perhaps as well as any district in the United States is represented; but the gentleman always has the idea that he can win his argument by yelling loudly and overpowering everybody with words. If that be true, we are all thoroughly and completely subdued this morning.

At the outset let me say to my Republican friends that it was not my intention at all to be an interloper and take away from the gentleman from Minnesota any of the honor and glory that should be his rather than mine in the presentation of this legislation, because he has been at it a long time. It is true, however, that if we were to gain any political advantage or any advantage whatsoever in the passage of this legislation as it is, he was willing to sacrifice any pride of authorship that he might have; and I want the House to understand and the country to understand that this has been his fight longer than it has been mine. He, however, is no more sincere in his efforts than am I. Now, if the Poage amendment is adopted, it would still have my name on it. I think we should all be charitable with illegitimate children, but I certainly do not want that thing hanging around my neck if this bill is passed with the Poage amendment.

What does the amendment do? You talk about bureaucracy. Good lawyers tell me—and I am not a lawyer—that H. R. 3, offered by the gentleman from Texas, would supersede every State law in the United States if in conflict with the Federal law. I am not a lawyer, as I stated, but they tell me that is the fact.

Now, you talk about prohibition and trying to enforce prohibition. It would mean that you would have to have a guard in every house, in every railroad station, in every hotel, in every eating place in the United States. If you want to appropriate some money to enforce this bill, you will have a job to do.

Certain people have had some experience with this matter and I want to read from some people who have had this experience in the nearby State of Pennsylvania. We had a man before our committee by the name of Donald M. Cresswell, who is assistant to the secretary of agriculture of that great State. They have a law up there that prohibits the sale of colored oleomargarine, but 2 years ago they eased up on the licenses on uncolored oleomargarine. They made a flat tax of $2 per wholesaler and retailer and distributor of uncolored margarine. Then they tried to enforce it.

He stated that after they reduced the license fee, they issued 20,000 licenses in the State of Pennsylvania and used every means that they knew in trying to inform the people as to what the law was. A year later, he stated, they made a spot check of those 20,000 licenses, investigating 500 of them and out of those 500, 153 of them were violating the law in three different respects.

Can you imagine what would happen if that law were on the Federal statute books, applying, for example, to the State of Indiana where they have no oleomargarine law whatsoever? We would be going into the great State of Indiana and saying, "This is going to be the law, we are going to have Federal agents in every nook and corner of the State trying to enforce the Federal olemargarine law."

It seems to me that this points out the very ridiculousness of the gentleman's amendment.

I want to show you what we are talking about. This is uncolored oleomargarine. It looks like Crisco or lard but it is oleomargarine. It is very palatable. I do not think anybody would deny that. That sold in the State for say 21 cents, including the tax. That is the product that the poor people use. It is true, it is not sold generally over the State, but in the good State of California this is produced at 224 South Broadway, Los Angeles, Calif. That can be sold in the State of California today, but it cannot be sold if it is yellow.

I want to go along with the gentleman from Missouri who has milked cows. I have milked cows and I have churned butter, but I have never had the opportunity of molding butter. However, I am going to do it here. I suppose you should have clean hands to do it and, furthermore, be possessed of a pure heart. There is a little bean in the middle of that thing, and ordinarily, anybody with experience can mix this up in 45 seconds and make himself 10 cents. All you have to do is to press this thing and move it around this way. It is not a very difficult thing to do for pioneering women in this country. I am not an expert on this thing.

There it is, and that is nice butter. Now, I have made 10 cents with that demonstration. That would be $6 for 1 hour's work, and that runs into quite a lot of money. They sell it in California. That is the spread; that is for the poor people who want to have that kind of a spread. Now, if you adopt any of these bills, and perhaps maybe my own, that little cheap spread will disappear from the market; it will be no more. Colored oleomargarine will take its place, and it will move up to the point where it can, and probably will, destroy the butter market.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield to the gentleman from California.

Mr. HOLIFIELD. As a matter of fact, the gentleman can tell the House that right now in the city of Washington, D. C., you can buy yellow oleomargarine and it runs from 10 to 12 cents a pound more than the white margarine. We know it does not cost that much to color the margarine.

The CHAIRMAN. The time of the gentleman from Utah has expired.

Mr. RIVERS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RIVERS: Substitute for the amendment offered by Mr. POAGE: Strike out all after the enacting clause and substitute the following: "That, effective July 1, 1949, section 2301 of the Internal Revenue Code (relating to the tax on oleomargarine) is hereby repealed.

"SEC. 2. Effective July 1, 1949, part I of subchapter A of chapter 27 of the Internal Revenue Code (relating to the occupational tax on manufacturers, wholesalers, and retailers of oleomargarine is hereby repealed."

Mr. AUGUST H. ANDRESEN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. AUGUST H. ANDRESEN. I make the point of order against the substitute, because there is a substitute already pending to the pending bill. This is the second substitute offered to the original bill.

The CHAIRMAN. The substitute to the pending substitute as an amendment is in order, and the point of order is overruled.

Mr. RIVERS. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. RIVERS. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. Is this the same bill that the gentleman from South Carolina introduced last year?

Mr. RIVERS. This is the same bill which passed the House last year by a vote of 260 to 106.

Mr. Chairman, I did not get an opportunity to speak yesterday. This is the first time I have had an opportunity to address the House on this very vital subject.

Last year it was my honor to be the author of a bill which passed this House by an astounding majority. My bill this year is very similar. It is shorter than the one I had last year, and it differs from the bill of the gentleman from Texas in one regard.

At the outset let me say that the gentleman from Texas and I are in the same corner, with the exception of the portion of the gentleman's bill which says that a place shall do this, that, or the other. I disagreed with that proposal last year and I disagree with it this year. I made my disagreement known last year, and the House accepted it. I disagree with it for two reasons. One of them is this: The other body wants a bill that they can amend, and if we do not send a bill over there they can amend we will not get anything. That is No. 1.

No. 2, like the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], I do not believe there is a way in the world you can enforce the idea of the gentleman from Texas of making these eating places enforce this proposal. I apologize for agreeing with the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], but I think it is window dressing. I do not believe there is a way in the world you can enforce it.

This is the point we come face to face with today. Are you for removing the tax on margarine or are you not? My bill gives you the opportunity to make margarine free from every sword of Damocles hanging over it, from the Treasury Department or any bureau in the Government. That is as plain as the nose on your face. I am not asking for window dressing. I am asking you to go on record today whether or not you are willing to remove from the shoulders of the housewives of this Nation the 13,000 years of work they spend every year in mixing margarine.

The gentleman from Minnesota and the gentleman from Utah say, "Make all you want to, but don't eat it." That is all there is to that bill.

Mother, may I take a swim?
Yes, my darling daughter.
Hang your clothes on a hickory limb
But don't go near the water.

That is their point, make all you want, but they do not want the poor man to get one drop of it. That is the whole situation.

They talk about the virtues of butter. I know about its virtues, but margarine, too, has virtues. I do not say "oleomargarine," because "oleo" means oil from animals, whereas margarine is made from oils from vegetables. These oils go through a process of refining and do not contain contamination. You never see a bug or any filth in margarine, which is made in a still that cracks and purifies and refines the oil. Margarine is one of the purest things on the American market.

Suppose we said, for instance, that every restaurant in this country would have to put up a sign, Margarine is served here, what would happen? You would have a gestapo in this country

that would equal any OPA, and goodness knows we do not want any more OPA's in this country.

What about the little restaurants that are part of the landscape on the main highways? Do you mean to tell me they could enforce it? Not at all. There were a billion pounds of margarine sold in this country last year.

The gentleman from Wisconsin told you very frankly, and I admire him for that—I did not dream I would get to the point of throwing bouquets at these people, especially the gentleman from Minnesota—he said he was for the farmer. I am for the farmer, too, do not make any mistake about that, but there are 140,000,000 people in this country who are not farmers.

I happen to be shedding a few crocodile tears for them, too. This is not a farmers' fight. Neither is this a consumers' fight. This is a fight of the American people, whether they be Republican or Democrat. If my amendment is defeated, I will vote for the Poage amendment, because any amendment is better than the amendment of the gentleman from Utah, or the amendment of the gentleman from Minnesota. And when I say Wisconsin, I mean to include you, too, who also are an actor behind the scenes.

Mr. GRANGER. Mr. Chairman, will the gentleman yield, since he mentioned my name?

Mr. RIVERS. I yield to the gentleman, since I mentioned his name.

Mr. GRANGER. Since the gentleman mentioned Democrats and Republicans, I did not want him to leave out the Dixiecrats.

Mr. RIVERS. I have not asked you for your opinion, but I will tell you we gave you hay for the haylift operations out in your part of the country, and we were glad to give it to you. The Dixiecrats came in pretty handy there; did they not? We gave you hay, and we were glad to give it to you. We will give you hay again. We will give you some corn cakes and give you some cottonseed cakes, and we will continue to give you everything you want, because you seem to have a pretty good appetite for that.

Now, Mr. Chairman, we hear talk about margarine being this, that, and the other thing. I called on the Pure Food and Drug Administration yesterday. The seizures—the seizures for the last 12 months of butter for filth and decomposition, and things of that nature, amounted to 71 cases, as against no cases for margarine. Do not come here and say that margarine is not an edible product. In addition to that, margarine has 15,000 units of vitamin A put into each pound to assure the vitamin content. The gentleman well knows that. I will tell you something else about it. There are over 300,000 farmers in the State of Indiana, Illinois, and Ohio making a great contribution to this and they are making a losing fight. The gentleman wants to bring up a red herring. You have heard about red herrings. You bring in a red herring about this being a southern crop. This is not a southern crop. This is an American problem, whether you come from the North, the East, the South, or the West. There are millions of tons sold on which they do not pay a tax. There is no tax on margarine. Make no mistake about that. There is no tax. There is ransom, there is extortion, there is tribute exacted from every poor man in this country for the privilege of eating the poor man's spread. That is all we offer them. We want to give them a chance to eat this stuff, if they want it.

Then you come to these boys who make this butter. Talk about the Butter Trust, which is being ably defended here today, that made butter $1 a pound. They drove everybody to eating margarine. I was one of them, and I am glad because it makes pretty good eating. There are 145,000,000 people in this country today who are going to eat it. They are going to eat it, if they want it. You can put in all this window dressing, you can put in the "hickory limb" amendment offered by the gentleman from Utah or the "Oak tree" amendment offered by the gentleman from Minnesota, and you are not going to stop it. That will make prohibition look like a mosquito in a snowstorm. If you want my amendment—if you want to do something—vote for my amendment, just like you had the courage to do last year, and show the American people that we want margarine to take its place in our economy, like any other commodity, and we want it to stand on its own feet in free competition and in the free American way. I have told you again and again, let us face this issue clearly and squarely and let the American people know whereof you speak and whereon you stand. That is my amendment. It is simple—simple. It is the shortest on record, because you do not need any longevity to do the right thing. I commend this to you in the name of the American housewife.

Mr. O'TOOLE. Mr. Chairman, will the gentleman yield?

Mr. RIVERS. I yield.

Mr. O'TOOLE. Will the gentleman tell the House about the special quarter-pound package which can be used both for eating and for lubricating the family car?

Mr. RIVERS. Well, I will tell you that if you want to do that, that comes under the heading of Your Business.

Mr. BRYSON. Mr. Chairman, will the gentleman yield?

Mr. RIVERS. I yield.

Mr. BRYSON. Mr. Chairman, I thoroughly endorse the gentleman's position.

Mr. BRYSON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. BRYSON. Mr. Chairman, I rise in support of the Rivers amendment. Without detracting from the study, thought, and knowledge of other Members of the House on the subject of oleomargarine I believe I can truthfully say that my colleague the gentleman from South Carolina, Congressman RIVERS, has given more study to the subject than any other Member.

It will be remembered that in the Eightieth Congress, in spite of the opposition of the party in power, the distinguished gentleman from South Carolina [Mr. RIVERS] succeeded in securing the required number of signatures on a discharge petition, thus bringing the question of the repeal of taxes on oleomargarine before the House for consideration. The measure was passed but subsequently died in the Senate.

By reason of previous action in the House much discussion has been made on this controversial question. The food value of oleomargarine is well established, generally recognized, and quite fully appreciated. Many of our people throughout the country prefer oleomargarine to butter and especially is this true among those of us who have to watch our budget. Our wives have learned to use oleomargarine to great advantage in preparing our foods as well as to serve on our tables.

Taxes have been levied on oleomargarine for many years. The first discriminatory act against this vital food substance was in 1886 and since that time oleomargarine has borne an unjust tax for the protection of the dairy industry. In recent years many of the legislators from several States have memorialized Congress to repeal the Federal taxes on oleomargarine.

The provisions of H. R. 2023 are not acceptable. Why allow the use of oleomargarine, free of tax, within a State and not allow the free use thereof among the several States? I see no justification for imposing regulations or restrictions on the use, sale, transportation, or consumption of any wholesome natural food like oleomargarine. Our womenfolk who purchase the larger portion of food for our families have keener judgment than we men. Therefore, to endeavor to impose regulations on oleomargarine is a reflection on the intelligence of the housewives of this country.

With reference to coloring, I dare say as much coloring is used in butter as is used in oleomargarine. Many of you recall in the early days, our mothers made, used, and served the very finest and purest butter which was as white as snow. It is only commercial butter that is colored. Let us not permit the use of coloring in butter alone while at the same time preventing the free use of coloring in oleomargarine.

I sincerely trust the House will pass an outright repeal of all taxes, regulations, and restrictions on the use and sale of oleomargarine. That, I believe, is the wish of the majority of our people.

Mr. H. CARL ANDERSEN. Mr. Chairman, I rise in opposition to the Poage and Rivers amendments.

Mr. Chairman, in view of the fact that I have taken no time in the Committee on this issue, I ask unanimous consent to speak for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota [Mr. H. CARL ANDERSEN]?

There was no objection.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield.

Mr. HOEVEN. I was interested in the remark just made by the gentleman from South Carolina [Mr. RIVERS] in which he

indicated very clearly the deliberate attempt that is being made to drive butter from the consumer's market. I would like to call the attention of the Committee to page 1506 of the CONGRESSIONAL RECORD of February 24, in which the gentleman from South Carolina [Mr. RIVERS] said:

I make the broad prediction that never again will butter be in any position to compete with margarine.

Mr. H. CARL ANDERSEN. I thank the gentleman from Iowa. He has always fought hard for the best interests of agriculture.

Mr. Chairman, first may I say that I am surprised and disappointed at the fight made here today by Members from the deep South which can only result in great damage to our dairy industry.

It is my purpose during the few moments which I have at my disposal to show just what the passage of the Poage amendment would mean to the average dairy farmer who produces butter in Minnesota. The Seventh Congressional District of Minnesota is the largest butter producer of the nine districts in our State. Because of the fact that we are approximately 200 miles from any large city, we farmers in that district cannot sell our milk as whole milk. We put it through a cream separator and skim it and then take the cream to our local village, where our cooperative creamery manufactures butter out of it and ships this butter by the carload to the eastern markets of the United States. On the farms, we utilize the rest of the milk—the skim milk—as feed for hogs, calves, and hens.

The passage of the Poage bill would, in my opinion, so discourage the thousands of butter producers that hundreds of thousands of good dairy cows would go to market as beef, and dairy herd after dairy herd would go out of existence. Reference was made on this floor yesterday to the high price of butter. The Members who made such references are not aware of the fact that while we did receive in the neighborbood of a dollar a pound for our butterfat for some time following the war, that price has fallen to 70 cents today. We as farmers must have some profit if we are to continue milking cows. There is no profit at 70 cents today for butterfat. Please keep in mind—when you are considering the Poage bill today—that we in southwestern Minnesota have already seen the price of butterfat drop nearly 35 percent below the high point of 1947. Are you—by your votes here today—going to further accelerate that slide downward of the price of butter and serve notice on the farmers in my district and upon the other dairy farmers in the United States that you do not care whether or not they make a profit for their hard work? Will you by your vote legalize a fraud—oleo?

If the Poage bill is enacted, ladies and gentlemen, it will simply mean without question a further decline in the price of butter. It will mean that each and every butter-producing farmer—and I am one of them—will begin to wonder whether or not he can afford to retain his dairy herd. Yes, it would be simple if we could sell our whole milk at the price obtained in the great industrial milkshed centers in the East, but we do not have such a market. It would also be comparatively simple if we could say to our hired help on the farm, "Bill, the price which I have received for butterfat has dropped down 35 percent and due to the Poage bill it seems that it might drop another 10 percent. Are you willing, in view of that fact, to have me cut your wages by 45 percent, so that I can continue in the business of producing butter?" Bill has already answered me, Mr. Chairman, as I have heard from the men who work for me on my farm that they could not see where they could possibly accept any less money than I paid them last year for the season's work. What recourse is left to my farmers if this Poage bill is enacted into law and if the price of butterfat continues to slide further down to meet that of a deceptive competitive article built up to simulate butter in every way? Our only recourse is to dispose of our dairy herds much as we dislike to do so. The 12 dairy heifers which are today on my farm and which my foreman is developing for the future expansion of the herd will bring a very good price for beef in the markets in South St. Paul. We can sell the milk cows as they become dry later in the season, and by fall there will be no dairy herd on that farm and the production of butter and other dairy products will go down just that much. Multiply this specific example by two or three hundred thousand and you can readily see what effect the passage of the Poage bill will mean to the dairy industry and to the people of the United States. The children of America will either drink high-priced milk in the future or go without.

We cannot afford to see our butter industry impaired through unfair competition when we consider that it supports approximately two and one-half million farm families in America. If we destroy the dairy industry it will mean that over one-third of the meat supply of the Nation, which is furnished from dairy stock, will eventually be eliminated. It will also mean that the price of whole milk will become prohibitive because anything that disturbs one segment of the dairy industry will create havoc with the others since they are so closely related.

The dairy cow, when provided a given amount of feed, will produce twice as much human food as any other farm animal and four times as much as some farm animals. The supporters of this legislation argue that vegetable oil is just as good as butter. If it is so wonderful why do they have to use dairy products in oleo to make it desirable to eat? Why not just feed the people vegetable oil straight without doctoring it up to look like butter? Why must they imitate butter even to its natural coloring to make oleo desirable?

Butter has a high quantity of vitamin A—27,000 international units. When oleo manufacturers were reminded that their product only contained 9,000 international units—they squirted 15,000 more units into it—to really fool the people. It is no wonder the oleo bloc is so interested in furthering their product—when you stop to figure the profits in the business—29 cents' worth of oil—20 percent skimmed milk, a little salt and coloring—and the product sells for 40 or 50 cents a pound. That is good business—especially when the product is placed on the market to compete with pure butter. I would have no objection to their putting their product on the market if they would color it some other shade—but the oleo bloc is not interested in doing that—they could not get rid of it via that route—they want to continue their deception with their ersatz product.

Let us compare oleo farming in the hands of 24 large manufacturers and butter farming as Minnesota knows it. Oleo farming means less fertility in the soil. Oleo products are soil-depleting. Nothing goes back onto this land. Oleo does not aid in soil conservation. Yet the conservation of our soil is one of our great problems today. Oleo farming means a smaller meat supply. Forty-two percent of the beef and veal in this country comes from the dairy industry. Do we want to make a bad matter worse and practically take meat off the poor family's table? Oleo farming will provide fewer hides for our leather industries. Cottonseed hulls do not afford any salvage after the vegetable oil is taken out. The dairy cow does go to market after her useful work span is completed. Oleo farming will provide less pharmaceutical supplies for the Nation. We are in desperate need today of insulin for treatment of human beings.

On the other hand, butter farming means increased soil fertility. Our dairy farms are among the most fertile of any. Butter farming means adequate supplies of milk and milk products which are so necessary for human foods and to industry. Byproducts are used by industry in ice cream, candy, and other commercial uses—as a matter of fact you can make cloth out of them. Butter farming means a rounded-out agricultural program.

Mr. COX. Mr. Chairman, will the gentleman yield to me?

Mr. H. CARL ANDERSEN. I yield to my good friend, the gentleman from Georgia [Mr. Cox].

Mr. COX. The gentleman has referred to the Members of this body who come from the Deep South. That is the section of the country from which I come. I wish to say to the gentleman from Minnesota that I am convinced that it is of infintely greater importance to the people of the South that the dairy interests be maintained on a profitable basis than that the South should be able to widen its market in the consumption of cottonseed oil.

This debate has presented a rather ugly spectacle: We find here the farmer-minded Members of the House in furious contest one with the other over the solution of a problem in which they ought to have a common interest and upon which they should be able to find a common ground.

Mr. H. CARL ANDERSEN. I appreciate very much what the gentleman has to say. It is a shame to see our agricultural strength in Congress split wide open because of a fight of this kind. I have

always aided you gentlemen from the South in your agricultural problems and I regret as much as you do, Mr. Cox, to see a situation of this kind develop. You have always worked hard for agriculture.

Mr. COX. If the gentleman had more time I should like to make a further observation.

Mr. H. CARL ANDERSEN. I am sorry, but my time is is limited; otherwise I would be glad to hear you further.

Mr. Chairman, the Poage bill will, as I have said, further continue the downward slide of butter prices. If you people want to say to the dairy farmers of the Nation: "You cannot get a decent price for your butter; we will not give it to you," do so by your vote here today. My farmers do not need to stay in the dairy business; we can raise beef and hogs; we can raise corn. But I cannot furnish employment to the men I now have upon my farm if the butterfat my cows produce cannot return a fair price because of unfair competition by a fraudulent product, oleo, usurping this butter market

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to my good friend from Michigan who knows agriculture well enough to know that we must have a decent return for our work on the farms.

Mr. CRAWFORD. Not only that, but if the farmers of that section of the country are not going to produce liquid milk, where will the kids, the middle-aged, and the old go to get milk? I happen to be a milk drinker.

Mr. H. CARL ANDERSEN. That is a big question. These oleo advocates do not tell us the answer. They are strangely silent on that point.

Mr. CRAWFORD. We have got to have that 125,000,000,000 pounds of fluid milk, but where are we going to get it if the dairy industry of the North is forced out of business?

Mr. H. CARL ANDERSEN. I do not see where the children of America or their parents are going to buy milk at a price they can afford if the dairy farmers of the Midwest are forced out of business because of this oleo cutthroat competition.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to one of the best friends that the farmer has in Congress, the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. I wish to call the attention of the House to the fact that here we have talking to us on this question one of the very few Members of the House who actually owns a dairy herd. The gentleman from Minnesota [Mr. H. CARL ANDERSEN] does know what the dairy farmer is up against in this threatened loss of his butter market to the oleo interests.

Mr. H. CARL ANDERSEN. Mr. Chairman, I thank the gentleman from Iowa for his kind observation. Let me conclude by saying that if you people around big, metropolitan areas, such as Washington, Philadelphia, and New York, want to be able to buy fluid milk in the future for your kids at a reasonable price, then vote for the Andresen amendment. But if you want that milk to shoot up out of sight; if you want the dairy cows to go out of existence in the area around the Twin Cities and Chicago, then go ahead and discourage our dairy farmers—the 2,500,000 of them—by passing the Poage bill or some similar legislation. Yes; drive us out of business; but I know that you will rue the day if you do so. After all, the one great big point here is whether or not we are going to have enough milk for the children of America in the future at a price their parents can afford to pay.

Mr. GAVIN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I have listened with a great deal of interest to this debate on oleo. I have heard about the Middle West, the great Northwest, the South, and the Southwest. I want to say that I come from Pennsylvania, which is a great State, a State with some 10,000,000 people, a State that sent 1,300,000 men and women into the armed services in World War II, a State that produced some 30 percent of all the war materials. So it is a great State which I am proud and honored to represent. Coming from Oil City, Pa., the "Hub of Oildom," and my district being in the heart of the oil country, I listened with a great deal of interest to the discussions on cottonseed oil, soybean oil, peanut oil—in fact, all kinds of oil. So I thought I would just take a minute or two to call to the attention of the members of the committee that Pennsylvania is the home of Pennsylvania-grade crude oil, the finest lubricating oil in the world. Superrefined and known and used the world over I can highly recommend to the membership Pennsylvania-grade crude oil.

Mr. COTTON. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, as I explained yesterday afternoon in general debate, I was the only Member from a northern dairy State on the Committee on Agriculture to support the Poage bill rather than the Granger bill. The main reason that I did that was because I feared the very thing would happen that is being attempted now on the floor of the House. I feared that if we did not adopt and pass the Poage bill, which, in my opinion, repeals the tax and at the same time includes a practical protection for the dairy farmer and his product that is served in the public eating places of this country, the result would be that the tax would be taken off entirely without any protection for the dairy farmer.

Mr. Chairman, for 60 years this tax has been levied and it has been there for a purpose. It has been there to protect an industry that conserves and improves our soil and feeds our country. I want to see this tax repealed because it is an unsound and improper approach to the problem. But today the farmers of my State and your State are entitled, when it is repealed, to have in its place reasonable safeguards that their products shall be known and distinguished and that no other product shall be served in public places when the public believes it is buying butter.

Let us keep this clearly in mind: If you want to put a ban on colored oleo and prevent the consumer from getting it if he wants it, support the Granger bill. If you want to crucify the dairy farmer, support the Rivers substitute. If you want to settle this thing right, with a fair proposition for the consumer and the dairy farmer alike, defeat the substitute and vote for the Poage bill.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. COTTON. I yield to the gentleman from South Carolina.

Mr. RIVERS. How would you crucify the dairy farmer by supporting my bill, when by the gentleman's own admission only 3½ percent of all margarine sold goes to public eating places? How on earth are you going to protect the dairy farmer with that small percentage of it going to eating places? Explain that to me.

Mr. COTTON. I will be delighted to explain it to you, sir. Perhaps only 3½ percent of the oleo sold today goes to public eating places, but wait and see what will happen after this bill is passed. Nearly 40 percent of the meals of this country are served in public eating places. The farmer is entitled to be protected, and so is the consumer, and it is our responsibility to see that oleomargarine is not served when the customer thinks he is buying butter. The same is true of other articles. If I am a manufacturer of automobile tires, I want my product distinguished. If I am a manufacturer of butter I want the public to know when it gets butter.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. COTTON. I yield to the gentleman from Wisconsin.

Mr. SMITH of Wisconsin. Will the gentleman tell us how much it is going to cost to police this proposition?

Mr. COTTON. That is impossible to answer. But many, many States today have regulations. I think that in view of the fact that we are policing every restaurant and every public place in this country for various things, that we can well see to it that as obvious a provision as this one is enforced.

Mr. SMITH of Wisconsin. Was there any testimony before the gentleman's committee on that proposition?

Mr. COTTON. I do not recall any.

Mr. RIVERS. Mr. Chairman, if the gentleman will yield further, the gentleman favors then for the purpose of policing this proposition the return to the old OPA days?

Mr. COTTON. Oh, no. You already have a set-up to take care of pure foods to protect the public, and that is all this bill calls for.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COTTON. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The chairman of our committee, the gentleman from North Carolina [Mr. COOLEY] has a letter on the subject of cost, and as I construe that latter it will cost $5,000,000 a year, approximately, and

950 men to make one inspection of restaurants each year; just one inspection.

Mr. COTTON. Would the gentleman not be willing to spend that to protect the dairy farmer?

Mr. AUGUST H. ANDRESEN. Well by the time the inspector came around, why they would not be serving it that day, if he can only visit one restaurant once a year. In some places of the country, as the gentleman has indicated, they will be serving oleo there right along instead of butter, without in any way complying with the law.

The CHAIRMAN. The time of the gentleman from New Hampshire has expired.

Mr. HOPE. Mr. Chairman, I move to strike out the last two words and I ask unanimous consent to proceed for five additional minutes.

Mr. COOLEY. Mr. Chairman, reserving the right to object, and of course, I shall not object, but I want to serve notice now that hereafter I shall object to any further extensions of time.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. HOPE. Mr. Chairman, we have before us now three pretty clear-cut propositions. All of them take off the tax on oleomargarine. The Granger bill prohibits the shipment in interstate commerce of oleomargarine colored yellow. The Poage bill has no such provision, but it regulates the serving of oleomargarine in public eating places. The Rivers bill simply removes the taxes and contains no policing provisions whatever. I think from a practical standpoint there is little to choose from between the Rivers bill and the Poage bill.

I agree with the gentleman from South Carolina and others who have pointed out the impracticability of enforcing the Poage bill. As was stated a moment ago by the gentleman from Minnesota, the Pure Food and Drug Administration states that it would cost $5,000,000 a year to visit each eating place once. Well, if you multiply that by 365 you get some idea of what it would cost to really enforce the Poage bill. So I regard it as entirely impractical.

Let us discuss for just a minute what the Granger bill does in the way of changing the present situation. At present we have a number of taxes on both white and colored oleo. There is a ¼-cent tax upon the uncolored oleo. There is the tax upon the manufacturer of $600 per year. There is a tax on the wholesaler of $480 if he handles colored oleo. There is a tax of $200 on the wholesaler if he handles only the uncolored. The retailer pays a tax of $48 if he handles colored oleo or $6 if he handles only the uncolored oleo.

If you operate a hospital—and there was a lot of complaint about this last year, and justified complaint, certainly—there is no way that you can serve colored oleo without putting yourself in the class of a manufacturer and paying a $600 tax.

I think the imposition of the tax in the first place could have been justified only because at that time it appeared to be the sole way in which to exercise any control over this product, but in recent years the decisions of the Supreme Court in the filled milk and similar cases have indicated that there is a better method. That is to prohibit the shipment in interstate commerce of colored oleomargarine, and then leave it to the respective States to decide what they want to do with oleomargarine that is manufactured within those States.

That is what the Granger bill does. It takes all taxes off. One of the grave complaints on the part of retailers was that in most cases, except in the larger stores, it did not pay them to take out the license and pay the dealer's tax. Consequently, you could not buy oleo in a very large percentage of the retail outlets of this country. Since all retailers' taxes are eliminated, oleo can, and no doubt will, be sold in all the food stores of the country if the Granger bill is adopted. It will be handled by wholesalers, large and small, because there is no tax for them to pay. The restrictions that we imposed by way of the manufacturer's tax upon those who operate hospitals and eating houses and places of that kind will be taken away. There will not even be the ¼-cent tax upon the uncolored oleo. Therefore, this bill goes a long may in meeting all the complaints that have ever been made respecting the oleo tax.

The bill contains a provision for the protection of the dairy industry, in that you cannot ship in interstate commerce oleo colored yellow, but aside from that there is no restriction of any kind, upon the manufacture and sale of oleo in this country.

The Granger bill, in my opinion, will not seriously interfere with the present sale of oleo, but it will be oleo that will be sold as oleo in its natural color, white. And it takes just as much vegetable oil to make a pound of uncolored oleo as it does a pound of colored.

I want to call your attention to another point which I do not believe has been discussed fully. A very large proportion of the oleomargarine which is bought by the housewives of America is used for cooking. No housewife who uses oleo for cooking cares whether it is white, yellow, or any other color. The color makes no difference. So, the imposition of any restraint upon shipments in interstate commerce of oleomargarine will not in any way affect the housewife who buys and uses oleo only for cooking.

The Granger bill is a compromise, frankly. It is not all the dairy people would like and it is not all that the oleo people would like. There may be some consumers who do not like the Granger bill, but it is a fair compromise.

The gentleman from Texas says everyone should have the right to buy exactly what he wants in the form he wants it at any time. I do not think the gentleman from Texas, himself, believes in that entirely, and certainly they do not believe in that in the State of Texas, because in that State and in many others in the South they have a 10-cent tax upon all oleo which is manufactured from imported ingredients. If the gentleman believes that everyone has the right to buy anything they want in any form, then he certainly cannot believe that his State is right in imposing a tax of 10 cents per pound upon oleo, which is made from imported ingredients.

This is not simply a question of competition between two farm products. It is more than that. The element of soil conservation, which is involved in this bill, has been discussed very ably by some distinguished gentlemen from the South. There is no more important domestic question before the people of this country today than the conservation, and the restoration of our soil. Dairy farming, without anything else means conservation. It is automatic conservation. I want to say to my friends from the South that I have supported the agricultural programs which have been proposed for the South, but I say there is no agricultural program which will do half as much for the South as building up the dairy industry there. There is no State in the South today, as I am informed, where the dairy industry is not far more important, and does not bring in far more revenue, in dollars and cents, than the production of vegetable oils. And that is not saying anything about conservation. There is nothing that will restore the eroded and worn-out soils in some parts of the South, and other parts of the country as well, to the same extent that an expanded dairy production will. And there is no part of this country which has a brighter future from a dairy standpoint than the South.

Mr. VURSELL. Mr. Chairman, I move to strike out the last word.

Mr. VURSELL. Mr. Chairman, the Members of this House, in voting on the oleo bill, face a grave responsibility, the results of which will affect, for years to come, the entire Nation.

This legislation is wide and fundamental in its scope. The Granger bill, which provides for the removal of all taxes on oleo but prohibits this product from imitating the yellow color of butter, is a fair compromise, and as far as the Members of this House should go in the interest of all of the people.

If this bill is defeated by substituting the Poage bill, it will strike a terrific blow to 2,500,000 hard-working dairy farmers and the employment of 10,000,000 people in the production and processing of dairy products.

It will mean a blow against soil conservation made possible by the growing of legume crops and fertilizers from the dairy herds that will have a lasting effect toward destroying the productivity of the soil at a time when the Government, through soil-conservation efforts, is spending approximately $500,000,000 a year.

From the dairy herds we receive 40 percent of beef for food in America. Dairy herds have been reduced 2,000,000 in number since 1945. The defeat of the Granger bill will have such a devastating effect on the dairy farmers that this much-needed food supply in beef in addition to dairy products will greatly decline in the future, at a time when our population is increasing, when we need to build up the dairy herds in an effort to produce more milk, butter, cheese, and ice cream for the growing children and the people generally.

Mr. Chairman, it will mean the production of less hides with which to make shoes, luggage, and other leather goods which in the future will raise the price of all of these articles to the consumer.

When the dairy herds are further depleted, and after the demand for milk, butter, and milk products increase, it will naturally drive these prices higher, causing a loss to the consumer of much more than any benefit they will receive through the use of the substitute oleo.

It will throw millions of people out of employment—the farmhand assisting the dairy producers, dairy farmers, and those who process and distribute dairy products throughout the Nation from the little cream-station operator to the great manufacturing plants.

It will cause a shortage of and an increase in the price of butter because butter is the hub of the dairy industry. It is so because during the flush season of milk production the only way to take care of the over-production is to process the milk into butter and put it in cold storage where it will keep in perfect form if necessary for months and years. Then in the low season of dairy production this butter goes on the market to supply butter for the people of the Nation.

I ask you to consider this important point because it is the policy of this Government through the Commodity Credit Corporation to buy up corn, wheat, and dozens of articles of farm production when there is an oversupply, and hold them so that they can go on the market when the over-production period is passed and these foods are needed in scarcer times.

It has been the policy of the dairy producers to follow this practice and millions of dollars in cold storage space have been provided for butter through the investment of the processors to meet this overproduction, in an effort to continue a normal supply and price level in meeting the need of the people of the Nation for these absolutely necessary food products.

Mr. Chairman, the present administration in the last campaign had much to say about taking care of the little man. The Granger bill helps to take care of the consumer by taking off all the tax, and it helps to take care of the little man who works unthinkable hours on the farm taking care of his dairy herd, milking them every day including Sundays, each morning and night and then holding or sending the butter or milk to the towns and villages of the Nation.

I cannot believe the Members of this Congress, most of them who know the thrift and long hours of toil necessary to provide the dairy products of the Nation, will pass a piece of legislation like the Poage bill that will almost destroy the opportunity and future of the dairy producers who have billions of dollars invested in this great industry.

Mr. Chairman, the Members of this House today by their vote will join with one of the tightest and biggest monopolies in this country, the 24 processors of oleo, or by their vote they will take their stand to protect the 2,500,000 dairy producers and the millions of men they employ in this industry.

If the Poage bill is substituted for the Granger bill it will not only strike a devastating blow at those engaged in the dairy industry but it will put this monopoly into a position where they can imitate butter, and when they have this opportunity the consumers who are now purchasing oleo for what it is, will find that this monopoly has raised the price which will work a hardship on the consumer. Those people who have been deceived by this oleo trust in the thought that it will be beneficial to them in price will find that they have made a great mistake and that the price of oleo when colored yellow will rapidly move up to near the price of real butter.

Mr. Chairman, I believe that the housewives in the towns, cities, and villages of this Nation who can now buy oleo in its natural color would rather so buy it at the lower price, and take the little trouble necessary to color it, as they have been doing, than to take the chance on the price raise that is sure to follow if the oleo trust is allowed to sell it over the counter in the yellow color.

The American people when they understand a problem are generally fair. I do not believe the consumer now that we are willing to take the tax off of the price of oleo, will want a blow struck against the dairy industry that will bring about less milk, less beef for the table, less hides with which to make the shoes, luggage and leather goods the men and women buy, or that they will want to penalize the farm women and take away from them their opportunity for a decent living, who are working along with their families in helping to produce the dairy products of the Nation.

Any substitute bill for the Granger bill should be defeated. The Granger bill should be enacted into law in the interest of all of the people of this Nation.

Mr. CRAWFORD. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. CRAWFORD moves to strike out the enacting clause of H. R. 2023.

Mr. CRAWFORD. Mr. Chairman, I make this motion merely to get a chance to speak on this bill as I could not get time otherwise.

Mr. Chairman, we have on the books at the present time a law which has been there for a number of years which prohibits the manufacture and sale in any of our States, Territories, or the District of Columbia, what is known as filled milk:

The term "filled milk" means any milk, cream, or skimmed milk, whether or not condensed, evaporated, concentrated, powdered, dried, or desiccated, to which has been added, or which has been blended or compounded with, any fat or oil other than milk fat, so that the resulting produce is in imitation or semblance of milk, cream, or skimmed milk, whether or not condensed, evaporated, concentrated, powdered, dried, or desiccated.

The law states that filled milk, as herein defined, is an adulterated food injurious to the public health, and its sale constitutes a fraud upon the public.

This subject which we are discussing today may be broader than we think. On yesterday I introduced in the House two bills, one H. R. 3938, to prohibit the manufacture and shipment in interstate commerce of imitation cheese; and the second, H. R. 3939, to prohibit the shipment in interstate commerce of imitation ice cream and ice milk, and for other purposes.

There is the filled-milk proposition. The bill under consideration is the oleomargarine-butter situation. I hope the Committee on Interstate and Foreign Commerce may do something about the other two bills to which I have referred, because eventually this will all have to come to a shown-down and we shall have to deal with it. We might as well start dealing with it now, for it has a bearing on the Granger-Andresen bill, which I propose to support.

I doubt if there is any Member of the House who has had to do with farming in any more States than I. I was practically born in a cottonfield. When I was 5, 6, 8, 10, and 12 years of age, I had gone to the cottonfields many, many mornings as early as 4 o'clock in the morning, gone to sleep in the cotton piles, cotton unginned, and slept for awhile until the sun came up or until the dew was a little bit off the cotton so we could go to work. I spent years in the cotton areas of this country and I know something about cotton. I have lived in the West and in the irrigated areas in the Midwest of Iowa, Minnesota, Michigan; and recently, that is, some 4 or 5 years ago, I picked up a farm out here in Maryland which had been farmed to tobacco for generations. You can go out there this afternoon and you will see some white-faced steers where I am trying to build up that soil. I want to pay tribute to the gentleman from Missouri [Mr. CHRISTOPHER] who gave us some unadulterated farm facts here yesterday. Should he say nothing else while he is in Congress, he would have me convinced that he knows something about farming. You are not going to run farms successfully unless you have livestock on them. You are not going to rebuild your worn-out soils unless you have livestock. I know what straight cotton farming will do; I know what will happen to the cotton industry if we withdraw the Government support; and I know also that the crop of cotton is one of the greatest boons to mankind, and one of the most valuable crops on the face of the earth. I know what peanuts will do to the country. I know the kind of support we gave to the peanut industry where we have raised the price to the farmer from around $34 per ton to up around $190 per ton. We need a little more fat converted from vegetables into meat on the hoof grown on farms to keep the farms going if we are to feed the 147,000,000 people we have at the present time, to say nothing about the other twenty to thirty million we shall have in this country before some of the Members of this Congress have passed to the Great Beyond. So, there are economic reasons, which have been partly touched upon but which have not been fully developed, which cause me to support the Granger-Andresen bill; and I hope this House will vote it through when the time comes to vote on it.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. CRAWFORD. Mr. Chairman, I ask unanimous consent to withdraw my motion.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I rise at this time to tell a little story to the members of the Committee this afternoon which I think is rather apropos of our present situation. We seem to have arrived at a point where understanding is in question and where confusion is rampant.

It reminds me of the story I heard some time ago of the farmer who was driving a load of fertilizer across the environs of an institution for the mentally inept. As he drove his wagon he was accosted by one of the patients. The patient said to him, "What have you got in your wagon?"

The farmer answered, "That is fertilizer."

The patient thereupon asked him, "What are you going to do with it?"

The farmer answered, "I am going to put it on my strawberries."

The patient looked at the farmer a minute, scratched his head, then said, "That's funny. We put sugar and cream on ours and they call us crazy."

Mr. Chairman, we have had three bills presented to us today and I think the Members can well scratch their heads and wonder what this is all about.

Reference has been made this afternoon to the so-called Butter Trust. If there is a butter trust in this country, I am too naive to know that there is one, and I may say further that I have never been contacted by any member of the Butter Trust suggesting that I cast my vote one way or the other on any question that has come before the Committee on Agriculture.

I have been accused of having something to do with the dairy lobby. If there is a dairy lobby, there, again, I am completely innocent of its presence. I am cognizant of the fact that there are 30,000 dairy farmers in my district, and if they constitute a lobby, then they could probably have some effect if they were to suggest to me that I vote in their interest. I do not think that is entirely apart from the policy which every conscientious God-fearing Member of the House of Representatives takes and the position he assumes when he represents his own district. The suggestion that there is a dairy trust or a dairy lobby working upon the Members of the House to vote in the interest of the dairy farmer is entirely foreign to anything I know of. I have had no experience or connection with them, and I know that the great majority of the Members of this House have had nothing to do with them. So, for that reason, I want to say that I feel that the opportunity is here for every Representative to cast his vote as he sees fit, in a conscientious way, and as his convictions demand that he cast that vote.

I want to say one other thing, and that is that a lot has been bandied about on the floor regarding the price of oleomargarine and what this bill is going to do to it. The price of oleomargarine is going up within a few cents of butter when this tax is taken off. I am going to vote to take this tax off, but, as I said on the floor of the House the other day, I have grave fears that those ambitious and greedy people who are anxious to absorb this tax will immediately bring about a price rise in oleo so that it will come within a few cents of the cost of a pound of butter. Of course, it may result in this: That the butter market may go up and there may be more demand for a pound of butter than there ever has been before because all you have to do is put the two side by side at the same price level and see what happens.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BREHM. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think it should be pointed out that it costs less to manufacture colored oleomargarine than it does uncolored oleo, according to a representative from an oleo manufacturing company in my office a few days ago. He told me that it costs less to make the colored variety than it does to make the uncolored. I said, "That being true, why do you not sell the colored variety for less money than you sell the uncolored?" He said, "Because it more naturally resembles butter and therefore commands a higher price." For those of you who seem to think that if you pass legislation by reason of which all oleo will be colored that you will provide a cheaper spread to low-income groups, I would like to point out that if it is true that the colored variety can be made cheaper than the uncolored, there just will be no uncolored oleo on the market, it will all be colored, and therefore you will not be doing any kindness or any favor to the low income group, because the uncolored will disappear from the market. He told me that the reason it was more expensive was because they had to process the uncolored in order to keep it white, otherwise it would fade out and become a dirty gray in color. That may be one reason, or at least something to think about as to why they insist that all must be colored. It would be good dollar business to make the colored for less and sell it for more.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. BREHM. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I do not want to question what the oleo manufacturer told the gentleman, but all of the information we have had before our committee from chemists state that they must get it into its white form before it can get into the type so that it will be in a shape to look like butter. I have before me samples. It is true that cottonseed oil and soybean oil are naturally yellow in color, but they cannot make a product without taking that color out of it; it is just impossible to do it. There are certain chemical processes they must go through with to get a material and a consistency that will shape into butter, so I am afraid the gentleman stretched his imagination.

Mr. BREHM. Of course, I am only quoting. He came into the office and asked me if I cared to state my position, and I replied certainly not. I said, "I am in favor of eliminating all taxes on oleo; as a matter of fact, I am opposed to all taxes on food. I think it is morally wrong to tax food of any kind. He said, "Thank you, that is all I am interested in." And I said, "Are you not interested in the color?" "Well," he said, "we will take care of that." Then I asked the question, "Would uncolored oleomargarine disappear from the market if this bill becomes law? And he said, "Between you and me, we can make the colored cheaper than the uncolored," and he was the man making it, so I could not question his statement.

The only point I am trying to make is that if it is cheaper to manufacture the colored variety and sell it for more money than it is to manufacture the uncolored, and the consumer is demanding a law which will permit him to buy colored oleo, then that may be the reason the manufacturers of oleo are spending millions in order to try and get this law passed. They would be foolish if they did otherwise. If the uncolored disappears and the price of colored goes up I will venture the prophecy that butter sales increase. No one will choose oleo in preference to butter if the price is in close proximity.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. BREHM. I yield to the gentleman from Texas.

Mr. POAGE. The gentleman understands that he reason it is easier and cheaper to make colored margarine than to make uncolored margarine is that under the present law and under the Granger-Andresen bill it becomes necessary to bleach every bit of margarine that is sold as uncolored margarine, because the natural oils are yellow. While it is true that the manufacturing process now used does destroy most of that color, there is an amount of color left that has to be taken out to avoid the payment of the tax. Consequently, white margarine has to be bleached. The result is that there is an extra process involved in producing white margarine, and it costs more to do it.

Mr. BREHM. Does the gentleman feel there would be any white margarine on the market? Would it not all be colored, then, and sold as imitation butter at a higher price? They would not make the cheaper product. They would not sell white for less, as they are now doing, because there would be none of the white variety available.

Mr. POAGE. Clearly it would not sell for less than the white margarine now sells, no; but it would sell for approximately what white margarine now sells for, because if you would pass H. R. 3 there would be free competition.

Mr. BREHM. There would be no white margarine on the market if this bill becomes law, is not that true?

Mr. POAGE. I think it is probably true that the great mass of it would be yellow, because it would be cheaper, and

the public would want it; but it would sell at the cheaper price.

Mr. BREHM. It should now; they make the colored cheaper than they make white.

Mr. POAGE. But they cannot do it, because right now these dairy people have a tax of 10 cents a pound on every pound of yellow margarine, so it cannot sell for less.

Mr. BREHM. Well, Mr. Chairman, frankly I favor the Granger-Andresen bill and intend to support it to the very end. However, if we should be defeated in that objective and in the final analysis I have no other choice presented than the Poage bill, I will be compelled to support it for the following reasons:

First, it removes all Federal tax and license fees. Second, it provides adequate safeguards against fraud or deception by all those serving or handling the product, and, third, it reserves for the individual States the right to take final action within their borders through their various State legislatures. This means, for instance, in my native State of Ohio, that all Federal taxes are removed, and that it is entirely up to the State legislature as to whether or not the ban against selling colored oleo in Ohio shall be lifted. I do not see how anyone can object to these three provisions.

Mr. GATHINGS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from New York [Mr. EDWIN ARTHUR HALL] stated that he knew of no pressure that has been applied by the dairy interests on any Member of Congress. That may be true. I know of no such tactic that has been applied. I do know that they maintain one of the strongest lobbies that Washington has ever seen. You know that is true. They have a perfect right to do that. They can carry on this work if they care to. It is perfectly lawful to lobby provided you register as provided in the Reorganization Act.

Let us see what the RECORD shows with regard to that lobby. I read from page 461 of the 1948 hearings, "Further statement of Charles W. Holman, secretary, National Cooperative Milk Producers Federation":

Mr. POAGE. Mr. Holman, I want to read a little article. It says:

"Dairy plants are being used to contribute a sizable amount of money to a fund which is designed to circumvent the efforts of the oleomargarine industry to deceive Congress and the Nation's consumers"—to deceive Congress and the Nation's consumers—"with respect to the vital issues involved in the existing controversy."

It goes on now to talk about this fund:

"Dairy Record endorses this movement and urges generous contributions to the fund. Those not affiliated with any of the three organizations"—

The three organizations are stated as being the American Butter Institute, the National Cooperative Milk Producers Federation, and the National Creameries Association—

"may select the one of their choice as the medium of collecting their contributions. It really does not make much difference which you select.

"The program calls for a contribution of 20 cents per 1,000 pounds of butter fat received last year.

"The purpose of the joint committee representing the three groups involves setting up means whereby the Members of the Congress and the consuming public will be kept fully informed regarding the dairy industry's side of the argument, not only while the present battle is in session before Congress, but in the years to come as well."

That was brought to the attention of Mr. Holman. Mr. Holman knew very little about it. The gentleman from Texas [Mr. POAGE] asked this question:

Now then, does the National Cooperative Milk Producers Federation, which is listed as one of the three agencies that are to receive contributions, according to the editorial in the Dairy Record, have any knowledge of this plan to collect 20 cents a thousand pounds of butterfat?

Mr. HOLMAN. Yes, we have some knowledge of the plan which has not yet been put into effect. I hope it will be.

Let us see how much money was contributed, if the plan was put into effect.

The gentleman from Texas [Mr. POAGE] asked:

How much would you estimate?

Mr. HOLMAN. I think that outside of the National Milk Producers Federation you would get about $25,000. I am being realistic, Mr. POAGE.

Mr. POAGE. Of course, if you actually collected for this fund at the rate suggested it would bring in nearly a quarter of a million dollars. According to the Bureau of Agricultural Economics, there were 1,067,934,000 pounds of butterfat required in 1947 to produce the butter that was produced, and that, at 20 cents per thousand pounds, would total $213,586.80, would it not?

That fund, of course, would be used for the purpose of influencing Members of this Congress in line with the program of the dairy lobby—the butter lobby, to continue the restrictions against the sale, use, or distribution of yellow margarine.

Let us see a little further. Mr. Holman is on the stand.

The gentleman from Texas [Mr. POAGE] is asking him about the expenditures that he has made as head of the organization in Washington, and the testimony is as follows:

Mr. HOLMAN. I have no book records with me. I can say this, that the congressional dinner was attended by about 200 of our friends in the Senate and the House, and the cost to us of the dinner was $4.95 per plate.

I bring you this testimony to show that there are other types of organizations coming before the Members of this body, and before congressional committees that are not alined with the oleomargarine industry—and they have a perfect right to do that. I do not condemn organizations for lobbying. They are simply doing what they were created to do.

Mr. Chairman, the consumers of America have been deprived of freedom of choice, one industry favored and another tied down to discriminatory laws passed many years ago. I hope that yellow margarine can be placed on the same basis as its competitor.

Mr. CHRISTOPHER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise at this time particularly to keep the record straight. That is about the only thing that I want to do. Before I make any further remarks, I want to say I am leaving it in the hands of the gentlemen who have been in the House much longer than I have. I do not know that they need to be reminded about it, but I am going to remind them, to see that this bill and every amendment to it get a yea-and-nay vote, because I want these things to be a matter of record. I want that record kept straight, because I want to be able to know who does what.

Mr. Chairman, there has never been a depression in the United States except that it started on the farm. That is the only place we have ever had a depression start. I have a little statistical information which looked so unreliable that this morning I called the Department of Agriculture to check on it and find out if it could be true. The statisticians in the Department of Agriculture assured me that the 25 percent of American farmers who were in the lower bracket—that is, from zero to 25 percent, the lower one-fourth—with an average of 4.12 people in each family, had an annual net income in 1946 of less than $400. You want to remember that. If you think I have made a misstatement, call the Department of Agriculture and check it. If I am wrong, I will get up here and admit it and apologize.

He further told me that the next 25 percent of American farmers had an average income per family in 1946 of less than a thousand dollars. A great many of these folks are dairy farmers. They cannot buy a full-page ad in the Country Gentleman. It cannot be done. Their income does not justify it.

I want to remind the gentleman from Texas [Mr. POAGE] that that is one of the reasons why the dairy farmer has been retreating and retreating and retreating. Today the American dairy farmer is standing on the bank of a precipice. There is no further retreat. But I am going to retreat, and I am one of them. I am going to sell my dairy herd for whatever it will bring. They are purebred Holsteins. I am going into the beef-cattle business. If somebody wants milk let them beat up a little oleo in a cup of water and drink it. It will suit me.

I do not like this Granger bill a bit, but I am accepting it as the least of two evils. The Poage bill and the Rivers bill remind me of the story of the two tramps and the dog. The dog was just inside the gate and he was growling and wagging his tail. One tramp said to the other: "Go on in. Don't you see the dog is wagging his tail?" Bill said, "But he growls and shows his teeth. One end of that dog isn't telling the truth."

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. CHRISTOPHER. No. I have only 5 minutes. You will have the floor plenty soon.

Now, the gentleman from Texas said he wanted everybody to know exactly what he bought; whether he bought butter or oleo. If oleo was not so intent on stealing the yellow color, it would not have to be policed. If oleo was any color except yellow, you would know that when you got yellow spread you were getting

butter, and when you got a spread of any other color you would be getting oleo. But the oleo people, with the aid of certain folks in this House, are bent upon and determined to perpetuate a fraud on the American people. They speak for that privilege and they will probably vote for it. But I want the RECORD clear. I want to know who perpetuates that fraud.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. CHRISTOPHER] has expired.

Mr. TALLE. Mr. Chairman, I move to strike out the required number of words, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. TALLE. Mr. Chairman, Iowa, the State I represent, is one of the largest butter-producing States in the Union; a State that during World War II furnished 10 percent of the Nation's food. I was born and reared on a dairy farm. I have done all of the kinds of work that are done on a dairy, livestock, poultry, and grain farm in the upper Mississippi Valley.

I trust, Mr. Chairman, that the membership of this House will think twice before dealing a crushing blow to the dairy industry, because sometimes careless blows go farther than the first target. I am thinking of the words of the great political philosopher of the nineteenth century, Herbert Spencer, who said:

> The theory on which he, the practical politician, proceeds is that the change caused by his measure will stop where he intends it to stop.
>
> He contemplates intently the things his issue will achieve, but thinks little of the remoter issues of the movement his act sets up, and still less of the collateral issues.

Knocking out the dairy industry may be the bull's-eye objective of the "practical politicians," but the ultimate consequences of hasty action will not be overlooked by the thoughtful legislator. So, I refer to the preface of the book on economics by Alfred Marshall, a name I think all of you know, for he was a distinguished economist of the late nineteenth and the early twentieth centuries. He produced a book that is on the reference shelf of every college or university that makes any pretense of teaching sound economics. In the preface to his notable work he says, "If the economist reasons rapidly and with a light heart, he is apt to make mistakes at every turn of his work." I wonder if it may not be true that there has been too much rapid reasoning in Government affairs during the past 15 years; and I wonder, too, if the light-hearted atmosphere surrounding those who have made the decisions has not been more merry than it would have been if the ultimate consequences had been contemplated in advance.

I say to you that I am not interested in the window dressing of this dispute. I am not interested in the surface arguments. I want to dig deeper than the first layer. This is a struggle between big business, on the one hand, and small enterprise, on the other—and do not forget the old adage that all power corrupts and absolute power corrupts absolutely.

Oleomargarine is a mass-production, assembly-line product, controlled by some 20 companies with 65 percent of the total production concentrated in five gigantic industrial corporations. Butter, on the other hand, is produced individually and cooperatively by approximately two and one-half million farm families plus some 40,000 small dairy plants. Obviously the farmers and small creamery cooperatives cannot hope to produce butter at a figure anywhere near the production costs of a synthetic, assembly-line, mass-production substitute. Remember, once monopoly is firmly established, he who controls the supply fixes the price. That price will be the figure which yields the highest net profit to the monopolist.

In the past century we have developed here in the United States a well-balanced agriculture in which dairying, livestock and poultry raising, and crop farming are closely interrelated. If this balance is upset, our entire economy will unquestionably be shaken. Let us then examine the agricultural structure. The millions of dairy farmers and thousands of small creameries, to which I referred a moment ago, are admittedly the dominant food-producing group in American agriculture. More than one-quarter of all the milk produced by the dairy farmers is churned into butter. Butter, then, is the balance wheel of the dairy industry, and it follows logically, I contend, that sacrificing butter production to the oleomargarine industrialists will upset the balance of our agricultural structure with a resulting adverse effect upon the Nation's economy.

Mr. Chairman, in the current session I have introduced a bill similar to H. R. 2023; I want to say, however, that in my opinion the provisions of this legislation do not go far enough. Instead of merely prohibiting the movement of butter-colored oleomargarine in interstate commerce, we should prohibit the manufacture and sale of butter-colored imitations. Mr. Chairman, in support of my views, permit me to cite the recommendations adopted by the board of directors of the Iowa Creameries Association a few days ago:

> We urge you to put forth every effort to secure passage of H. R. 2023, recommended by the Agriculture Committee of the House. In making this request to you, we wish to add this explanation:
>
> We believe H. R. 2023 should be changed so as to not restrict its scope to interstate commerce only. The elimination of taxes and licenses which were established as control devices on oleomargarine manufacturers and protective measures for the consumers were, as we understand the bill, incorporated in the original H. R. 2023. The oleo group at the start used the tax and license requirements as a basis for their propaganda and advertising. Now instead it is the right to color.
>
> We feel the defeat of H. R. 2023 would not be to the best interest of our national welfare and certainly not for the best interests of agriculture or the consumers. We believe the passage of any legislation that permits the unrestricted manufacture and sale of products, made, processed, and packaged so as to imitate in every possible way other established products, will break down the moral fiber of our people, undermine fair trade practices and weaken our confidence in democratic government.
>
> We not only urge your support to H. R. 2023, but your personal efforts to enlighten other Members of the House to see the serious impact the defeat of this bill will have on our entire economy.

Mr. Chairman, the issue is clear. It is the big business oleo industrialist as against the small business dairy farmer. I choose to cast my lot with him who has always been a stanch supporter of free enterprise—the American dairy farmer.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. LEMKE. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the dairy industry does not object to free competition, but it does object to deception.

Mr. Chairman, there are three classes of people who want oleo colored yellow. First, there is the housewife who is ashamed of what she is doing when she buys oleo and she wishes to deceive herself and her family by coloring it yellow—by imitating butter.

There is nothing new in this self-deception. We even deceive ourselves to the extent that we think we can lengthen or shorten the day by turning the clock backward or forward. Self-deception is as old as man; but my advice to these people is, if they are ashamed of what they are eating, not to eat it. Stick with the cow and let oleo alone. The cow has been your best friend—the best friend of your children and your family. "Don't cut off your nose to spite your face."

If you like oleo, you need not be ashamed of its color. White is supposed to be the sign of purity. You are not ashamed of eating white potatoes. You are not ashamed of eating white ice cream. You are not ashamed of eating angel-food cake. Why so finicky about the margarine? Are you afraid that there may be pink boll weevils in it? Just why do you wish to steal the trademark of butter for a few oleo manufacturers?

Then there is the second class—the hotels, restaurants, and some of the grocers. These wish to deceive their guests and their patrons for a profit. This deception is a fraud upon the guests as well as upon the dairy business.

Last, but not least, come the oleo manufacturers. They wish to imitate butter for a fraudulent profit. They wish to steal the trade-mark of butter, which since time immemorial has been yellow. It is true of different shades of yellow, the same as oleo also has different shades and colors, but not yellow. In its natural form it is pink or brown—perhaps pink from the pink boll weevil.

These people are asking the Congress of the United States to assist them in this theft. Surely this Congress will not knowingly assist the oleo manufacturers in perpetrating a fraud upon the public as well as upon the dairy industry. The Granger bill will prohibit the imitation for the sole purpose of deception, fraud, and a profit.

There are no two ways about this.

Surely my southern friends, whom we of the Middle West have continually assisted and aided in their cotton crisis, do not now wish to pay us back by assisting the oleo people to perpetrate this fraud upon the dairy industry.

I repeat, "Do not cut off your nose to spite your face." If you permit the oleo manufacturers, who have gotten together to monopolize the oleo industry, to succeed in crushing the dairy industry, then the price of oleo will go up and you will soon be paying as much for oleo as you will for butter. You will kill the dairy industry and with it will go veal. You then, in buying roast veal and veal chops, will pay the penalty in higher prices, and you will also pay higher prices for beef.

I am reliably informed that the dairy industry produces 40 percent of the beef consumed in the United States. With the price of beef going up, the price of fluid milk will go up. There will be no fluid milk for the babies or for the children.

You may say that you will get synthetic milk, but that will not be the kind that has produced the healthy children of the past. If we are not careful, the babies may even become synthetic.

In my State 60 percent of the milk is churned into butter. We have no large cities. We are now the ninth State in the Union in dairy production. If we permit oleo to be colored yellow, then the vast majority of the dairy people of my State will have to go out of business, and do not forget that you will pay the penalty in higher prices for fluid milk, veal, and beef, and your babies will have to be fed on synthetic milk.

It is unthinkable that this Congress will become a party to the perpetration of a fraud—will knowingly permit the oleo industry—yes, the millions they have spent to create an erroneous sentiment—to perpetrate a fraud upon the public and the dairy industry, to steal the trademark of butter. Surely we have not forgotten the commandment, "Thou shalt not steal."

We have no objection if oleo does not like its white dress and wishes to put on a pink or even red garment, but we must not permit a deception and fraud that will in the end be paid for in dollars and cents many times over by the consumer of dairy products such as butter, veal, beef; yes, and even pork and poultry and eggs because skim milk is used in producing these products.

Mr. COOLEY. Mr. Chairman, I move to strike out the last six words.

Mr. Chairman, there are two things that I would like to call to the attention of the Committee. The first is that the Poage substitute which has been introduced contains an additional provision which does not appear in the original Poage bill. This provision reads:

> This act shall not abrogate or nullify any statute of any State or Territory now in effect or which may hereafter be enacted.

I think that language is perfectly clear and there can be no question about the fact that the Poage bill will not in any way affect laws enacted in the several States.

Much has been said during this debate about the precarious condition that the dairy industry is in. On yesterday the gentleman from Iowa [Mr. HOEVEN] made this statement on the floor of the House:

> I am very much concerned about the present decline in our cow population. It has declined 2,731,000 head since 1945, only a period of 4 years.

Now I call your attention to the fact that the decline occurred during the time that the oleo tax was in effect, so certainly nothing pertaining to oleo had anything on earth to do with the present situation in which the dairy industry finds itself today.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The gentleman saw the chart that I showed here earlier in the day which shows that as the oleo consumption went up, the butter consumption went down, and when butter consumption went down it necessitated the selling off of a large number of milk cows. Therefore, the dairy farmers have been injured.

Mr. COOLEY. I do not agree with the gentleman's conclusion. I think every man and woman in this House knows what happened to the dairy herds, and I think the dairymen in this House know that the dairymen sold off their herds and culled out their herds at a time when they could sell them at a high profit, when beefsteak was selling at an all-time high.

One other thing. The gentleman said a moment ago that we should not act hastily about this. The fact is this controversy has been going on since 1886, when Grover Cleveland signed the tax bill which from that day has been considered as punitive and discriminatory, and in signing the tax bill Grover Cleveland said this:

> If the existence of the commodity taxed, and the profits of its manufacture and sale, depend upon disposing of it to the people for something else which it deceitfully imitates, the entire enterprise is a fraud and not an industry; and if it cannot endure the exhibition of its real character which will be effected by the inspection, supervision, and stamping which this bill directs, the sooner it is destroyed the better, in the interest of fair dealing.

For 63 years oleo has endured the cruel exhibition of its real character, and I submit that it is no longer considered a fraud but rather a legitimate industry.

With regard to these Members who ran for Congress on the Democratic platform, I merely want to say again that to stand here in the well of the House and say, "I will vote for the Granger bill because it repeals the tax and redeems the promise of my party's platform," is not quite enough, because in voting for the Granger bill you know you are doing something more than merely repealing the tax, you are outlawing the object upon which the tax has heretofore been levied. I say again, that is a feeble effort to redeem a platform pledge. Vote that way and go back and meet your people and say, "Yes, I repealed the tax, but I fooled you, I outlawed the thing the tax was levied on."

Let me show you how ridiculous this Granger bill is: It is a mongrel and a monstrosity. Its original authors have abandoned their original purpose. Now the bill comes before us and it provides in effect that if a baker down in Richmond, Va., bakes a loaf of bread and uses yellow oleo, and then delivers that bread to the Pullman Co. at the railroad station, everybody connected with that transaction is violating the criminal law of this great Republic.

Mr. Chairman, this language is found in section 2 of the Granger bill:

> The manufacture, transportation, handling, possession, sale, use, or serving of yellow oleomargarine in commerce, or after shipment in commerce, or in connection with the production of goods for commerce, or which affects, obstructs, or burdens commerce, or the free flow of goods in commerce is hereby declared unlawful.

So if yellow oleomargarine is used in the manufacture of bread, cakes, puddings, or pies, and such foods go into commerce, and they certainly would go into commerce if they were delivered by a baker to the steward on a pullman car moving in interstate commerce, then all connected with that transaction would become criminals and subject to the pains and penalties of the law.

Mr. Chairman, I call attention to a letter dated February 28, 1949, which I received from Mr. J. Donald Kingsley, acting administrator, Federal Security Agency, in which H. R. 3, H. R. 2023, and H. R. 1703 are discussed:

> FEDERAL SECURITY AGENCY,
> *Washington, February 28, 1949.*
>
> Hon. HAROLD D. COOLEY,
> *Chairman, Committee on Agriculture, House of Representatives,*
> *Washington, D. C.*
>
> DEAR MR. CHAIRMAN: This letter is in response to your request of February 5, 1949, addressed to the Commissioner of Foods and Drugs, for a report on H. R. 3, a bill to repeal the tax on oleomargarine, to amend the Federal Food, Drug, and Cosmetic Act so as to complete the requirements for the positive identification of yellow oleomargarine, and for other purposes, and H. R. 1703 and 2023, identical bills, to regulate olemargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.
>
> Both proposals would repeal the tax on oleomargarine. H. R. 3 would also amend the Federal Food, Drug, and Cosmetic Act to provide control of colored oleomargarine whether it originates from an interstate source or from the State in which it is sold, and sets up special provisions regulating its possession in public eating places and its serving in such places. H. R. 1703 and 2023 would prohibit traffic in yellow oleomargarine in both interstate and intrastate commerce and would forbid its use or serving except in private homes; violations would be subject to the sanctions contained in the Federal Food, Drug, and Cosmetic Act.
>
> Because of its similarity to butter, colored oleomargarine can be easily substituted for butter. Considerable incentive for such substitution is afforded by the usual price differential. However, "colored oleomargarine has become established as a legitimate food when it is served for what it is." It is apparent that if the tax laws are repealed some effective regulatory mechanism should be set up, whether traffic in colored oleomargarine

is regulated or prohibited. If a Federal mechanism is set up, the Food and Drug Administration of this Agency is the organization best equipped, through facilities and experience, to undertake the job.

OPA records indicate that when sugar rationing was discontinued there were about 525,000 public eating places in the country. The effective policing of all these places obviously presents a formidable task.

There would not appear to be much difference between the cost of enforcement of the proposed measures. Under H. R. 1703 and 2023, uncolored oleomargarine would be available for purchase and use in private homes. From supplies available for such use, it might be purchased and colored by public eating places.

It is estimated that if one inspection is made each year of each of the public eating places, an annual appropriation of approximately $5,000,000 will be needed (the first year's cost would be about $1,000,000 greater because of the purchase of necessary equipment). The total personnel needed would be approximately 950.

If it is decided that one inspection of each eating place every 2 years or every 3 years would be adequate, or that it would be desirable to inspect each establishment two or three times a year, the cost would be approximately proportional to the above estimate.

It should be noted in considering the appropriation for enforcement of the amendment that the budget now before the Congress calls for an appropriation to the Food and Drug Administration of $4,985,000 for law enforcement and provides for a total personnel of 984. This appropriation covers all foods (except that a separate appropriation is made for enforcement of the Meat Inspection Act by the Department of Agriculture), all drugs, all therapeutic devices, and all cosmetics, and will enable attention to 10 to 15 percent of the establishments involved in these industries. Many of these regulatory problems are highly important to the public health. In fact, the great bulk of the appropriation is expended on dangerously potent drugs and on foods which are contaminated by poisonous substances or with filth. The substitution of oleomargarine for butter has no demonstrable public-health aspect, although it is a serious economic cheat.

A few comments seem in order on the text of the bills. In H. R. 3, page 2, lines 2 and 16, the words "possession or" should be inserted before "serving" to accord with the text on page 3, lines 3 and 12. In H. R. 3, page 3, line 3, the following language occurs: "No person shall possess in a form ready for serving colored oleomargarine or colored margarine at a public eating place unless a notice that oleomargarine or margarine is served is displayed prominently and conspicuously in such place and in such manner as to render it likely to be read and understood by the ordinary individual being served in such eating place."

The first underscored phrase would raise doubt as to whether the particular forms in which colored oleomargarine is found in an eating place are forms ready for serving. We know of no reason why a public eating place should possess colored oleomargarine except for serving. If it is used for general cooking purposes, the uncolored product would satisfy all needs. The second underscored phrase would raise the question as to whether the clientele of the particular eating place would have to be thoroughly investigated in order to determine whether the ordinary individual in that clientele would be likely to read and understand the displayed notice. We suggest the deletion of both the underscored phrases.

At line 14, on the same page, occurs the phrase "unless each separate serving bears or is accompanied by labeling identifying it as oleomargarine or margarine." The term "labeling" is defined by section 201 (m) of the Federal Food, Drug, and Cosmetic Act to mean "all labels and other written, printed, or graphic matter (1) upon any article * * * or (2) accompanying such article." Court decisions have held that the word "accompanying" is to be given a broad interpretation and includes related written, printed, and graphic matter not attached to or immediately adjacent to the article. (See *Kordell* v. *U. S.*, 69 Sup. Ct. 106 (1948).) We believe the meaning of the quoted phrase could be clarified by changing it to read: "Unless labeling of each separate serving identifies it as oleomargarine or margarine." It will be noted that section 403 (f) of the Food, Drug, and Cosmetic Act defines a food as misbranded "If any word, statement, or other information required by, or under authority of this act to appear on the * * * labeling is not prominently placed thereon with such conspicuousness * * * as to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use." This would require, we believe, that each individual serving be associated with a written, printed, or graphic statement so presented that the consumer would be likely to read it.

H. R. 1703, page 4, line 24, provides that "Any person, firm, or corporation violating any of the provisions of this act * * * and any officer, agent, or employee thereof who directs or knowingly permits such violations, or who aids or assists therein, shall upon conviction be subject to punishment. We question whether the underscored language is necessary in view of the provisions of section 2 of title 18 of the Criminial Code. (Also see *U. S.* v. *Joseph H. Dotterweich*, 320 U. S. 277, 64 Sup. Ct. 134 (1943).)

Time has not permitted us to obtain advice from the Bureau of the Budget as to the relationship of these bills to the program of the President.

Sincerely yours,

J. DONALD KINGSLEY,
Acting Administrator.

I call attention to another letter dated March 18, 1949, written to me by Dr. P. B. Dunbar, Commissioner of Food and Drugs:

FEDERAL SECURITY AGENCY,
FOOD AND DRUG ADMINISTRATION,
Washington, D. C., March 18, 1949.

DEAR MR. CHAIRMAN: This is in response to your telephonic request for our views on the obligation that the enactment of H. R. 2023 will place upon the Food and Drug Administration the cost of enforcement of the bill, and the relationship of this legislation to the President's program.

It is our view that the bill would require surveillance over oleomargarine traffic in both interstate and intrastate commerce and the institution of legal action against traffic in yellow oleomargarine from interstate sources, including its service in restaurants, and against yellow oleomargarine from intrastate sources where the facts reveal that the intrastate traffic "affects, obstructs, or burdens commerce or the free flow" of butter from interstate sources.

These conclusions are reached from the definition of commerce in section 2 (c) as including not only interstate traffic but the "possession, transportation, serving, or sale * * * of articles within a State after shipment in interstate or foreign commerce," and from prohibited acts in section 3 of manufacturing, transporting, handling, sale, use, or serving of yellow oleomargarine not only in commerce as defined in section 2 (c) but also where any such act in intrastate commerce "affects, obstructs, or burdens commerce or the free flow of goods in commerce." The use of the word "serving" in both the definition of commerce and in that of prohibited acts clearly indicates that enforcement operations are expected in restaurants and other eating places.

We have been told that the proviso of section 2 (c) that "oleomargarine or yellow oleomargarine within the borders of a State shall be subject to the laws and regulations of such State or Territory" would exclude the operation of this bill in States and Territories which permit the sale of yellow oleomargarine. We do not believe this language is likely to be so construed. A more normal interpretation is that this bill is not intended to oust the States from jurisdiction to exercise concurrent control that harmonizes with the Federal policy. It would be most unfortunate if the bill should be taken to oust all Federal controls, including the protection afforded by the Federal Food, Drug, and Cosmetic Act, once the oleomargarine arrived in the State of sale.

In the letter of the Acting Federal Administrator, addressed to you under date of February 28, it was estimated that the cost of the enforcement of H. R. 3 or 2023, including one inspection each year of each public eating place, would require an annual appropriation of approximately $5,000,000, although the first year's cost would be about $6,000,000 because of the purchase of necessary equipment. This would provide a total personnel of approximately 950. It was stated that if the Congress decided that one inspection of each eating place every 2 years or every 3 years would be adequate, or that it would be desirable to inspect each establishment two or three times a year, the cost would be approximately proportional to the above estimate.

It was further pointed out that the appropriation to the Food and Drug Administration in the budget then being considered by the House was $4,985,000 and was intended to cover all foods except meat and meat-food products, all drugs, all therapeutic devices, and all cosmetics, and would enable attention to 10 to 15 percent of the establishments involved in these industries. Many of these regulatory problems are highly important to the public health.

In the letter of March 10, 1949, addressed to the Federal Security Administrator by the Bureau of the Budget, the following statement occurs:

"The enactment of section 3 of H. R. 1703 (or of the identical bill, H. R. 2023) prohibiting the manufacture, transportation, possession, sale, use, or serving of yellow oleomargarine except the use of yellow oleomargarine in private homes would virtually nullify the effect of repealing the tax on oleomargarine. Consequently, these prohibitions are not in accord with the program of the President."

I understand that a copy of this letter is being referred to you by the Administrator.

If I can be of any further service, please do not hesitate to let me know.

Sincerely yours,

P. B. DUNBAR,
Commissioner of Food and Drugs.

On March 23, 1949, I received another letter from Mr. J. Donald Kingsley, enclosing a letter dated March 10, 1949, addressed to Hon. Oscar R. Ewing, Administrator, Federal Security Agency, and signed by Mr. Roger W. Jones, Assistant Director, Legislative Reference, of the Bureau of the Budget.

FEDERAL SECURITY AGENCY,
March 23, 1949.

Hon. HAROLD D. COOLEY,
Chairman, Committee on Agriculture, House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: This Agency's letter to you of February 28, 1949, reporting on H. R. 3, 1703, and 2023, stated that time had not permitted us to obtain advice from the Bureau of the Budget as to the relationship of these bills to the program of the President.

We now have a letter from the Bureau of the Budget stating that the provisions of sec-

tion 3 of H. R. 3 and section 3 of H. R. 1703 (H. R. 2023) are not in accord with the program of the President. A copy of the letter is enclosed.

Sincerely yours,

J. DONALD KINGSLEY,
Acting Administrator.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., March 10, 1949.

Hon. OSCAR R. EWING,
Administrator, Federal Security Agency,
Washington, D. C.

MY DEAR MR. EWING: This will acknowledge your letter of February 18, 1949, transmitting copies of the report which the Agency proposes to present to the chairman of the House Committee on Agriculture upon H. R. 1703 and H. R. 2023, to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, and upon H. R. 3, to repeal the tax on oleomargarine, to amend the Federal Food, Drug, and Cosmetic Act so as to complete the requirements for the positive identification of yellow oleomargarine, and for other purposes.

You are advised that the accomplishment of the repeal of the taxes imposed upon oleomargarine would be in accord with the program of the President.

The enactment of the provisions of section 3 of H. R. 3, dealing with the sale or use of colored oleomargarine and proposing to amend the Federal Food, Drug, and Cosmetic Act, as amended, would not, in view of the potential costs of enforcement which would be involved in the event of their adoption, the adequacy of the present provisions of the Federal Food, Drug, and Cosmetic Act, as a means of regulating and controlling the shipment in commerce of oleomargarine, and the special and discriminatory treatment which these provisions would impose upon this article of food, be regarded as in accord with the program of the President.

The enactment of section 3 of H. R. 1703 (or of the identical bill H. R. 2023) prohibiting the manufacture, transportation, possession, sale, use, or serving of yellow oleomargarine except the use of yellow oleomargarine in private homes would virtually nullify the effect of repealing the tax on oleomargarine. Consequently, these prohibitions are not in accord with the program of the President.

Very truly yours,

ROGER W. JONES,
Assistant Director,
Legislative Reference.

On March 24, 1949, Dr. Dunbar, Commissioner of Food and Drugs, wrote the following letter to the gentleman from Utah, Hon. WALTER K. GRANGER, the author of H. R. 2023:

FEDERAL SECURITY AGENCY,
FOOD AND DRUG ADMINISTRATION,
Washington, D. C., March 24, 1949.

Hon. WALTER K. GRANGER,
House of Representatives,
Washington, D. C.

DEAR MR. GRANGER: Mr. Parker has asked that we advise you of the probable cost of enforcement of H. R. 2023 if the scope of enforcement is consistent with the intent expressed in Report No. 277.

My letter of March 18 to Chairman COOLEY gave our understanding of the obligation which H. R. 2023 would place on the Food and Drug Administration. From Report No. 277 it appears that it was the committee's intention "to limit the regulation authorized under this act to yellow margarine in interstate commerce." Frankly it does not seem to us that the text of the bill effects such a limitation. I confess that because of this apparent difference between the language of the bill and of Report No. 277 we are somewhat confused as to just what our obligations will be. It seems clear, however, that additional administrative and inspectional burdens will be placed on the Food and Drug Administration.

Report No. 277 indicates that enforcement operations under this bill will not be expected in those States which legalize the sale of yellow oleomargarine despite the provision in section 2 prohibiting not only interstate traffic in yellow oleomargarine but also any traffic which "affects, obstructs, or burdens commerce or the free flow of goods in commerce."

However, while the report is not specific on this point, we assume that enforcement operations under the bill, including measures to prohibit the serving of yellow oleomargarine in public eating places, would be expected in those States which do not permit the sale of yellow oleomargarine.

We understand that 20 States, including the 5 most populous, do not legalize the sale of yellow oleomargarine, and that these 20 States contain something more than half the total population of the country. Upon this basis the cost of enforcement at the retail level would be approximately half that which we estimated in our letter of March 18 to Chairman COOLEY.

We have no way of estimating the increase in manufacturing plants, especially coloring plants, that would be established upon the passage of this bill. It is quite probable, however, that there will be a very substantial number of new manufacturers. If one inspection each year is expected in eating establishments in States not permitting yellow oleomargarine and coverage under the Federal Food, Drug, and Cosmetic Act is given the new plants, we estimate that approximately $3,000,000 would be required.

I trust this furnishes the information you desire.

Sincerely yours,

P. B. DUNBAR,
Commissioner of Food and Drugs.

Mr. Chairman, I realize, of course, that the dairy industry constitutes a very important segment of the agricultural economy of our country. It is in fact vital and essential to the health and well-being of America. No other industry can or will take its place. If I thought for one moment that the enactment of the Poage bill or a repeal of the tax now imposed on oleomargarine would destroy or unduly burden the dairy industry of this country, I would vote against the Poage bill or any other bill which would bring about such distressing results. I am just as interested in the welfare of the dairy farmers of this Nation as I am in the welfare of the producers of any other agricultural commodity. I do, however, believe that the present tax is unjustified. Apparently everyone now agrees that the tax should be repealed and everything indicates that the tax will be repealed at the present session of Congress. Because of the anxiety of those engaged in the dairy industry, I am anxious to provide every practical safeguard against every possible fraud in the sale of oleomargarine. I do not want frauds perpetrated upon the consumers of this country. I do not want the dairy industry subject to unfair, unreasonable, or unlawful competition. I shall, therefore, vote for the Poage bill, because I honestly and sincerely believe that it affords every conceivable protection for the public and for the dairy industry. It will be expensive to administer to be sure, but the expense involved may be thoroughly justified if the apprehensions of the dairy industry are warranted and well-founded, and I am perfectly willing to provide for the appropriation of a sufficient amount of money to enforce the provisions of the Poage bill. By the passage of the Poage bill, the public will have the protection of the Food and Drug Administration. On the other hand, if the Granger bill is enacted, and its provisions are applicable only to interstate commerce, the Food and Drug Administration will not be in a position to protect the public from fraud nor even to keep oleo pure. I believe that the dairy industry should approve the provisions of the Poage bill and be delighted with the protection that it provides.

I am unwilling to outlaw yellow oleomargarine, which has been sold and consumed for so many years and which is healthful and wholesome, and therefore deprive the people of America of the privilege of buying a food commodity which they very much desire. I am unwilling to make it a crime punishable by fine and imprisonment to transport yellow oleomargarine across State lines. To do so would be an abuse by Congress of the interstate-commerce clause of the Constitution.

I hope, Mr. Chairman, that this issue, yes, this ancient controversy, will be satisfactorily settled at the present session, and I hope that the Poage bill may finally be enacted.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

Mr. O'HARA of Minnesota. Reserving the right to object, Mr. Chairman——

Mr. MURRAY of Wisconsin. No; let him have it.

Mr. COOLEY. In view of the fact, Mr. Chairman, that there seems to be some objection, I withdraw my request, and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. MURRAY of Wisconsin. Mr. Chairman, I rise in opposition to the pro forma amendment, and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. MURRAY of Wisconsin. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

Mr. COOLEY. I object, Mr. Chairman.

Mr. MURRAY of Wisconsin. Mr. Chairman, I did not object when the distinguished gentleman from North Carolina asked for additional time. I regret very much that he does not want me to have a few minutes. I do not think he realizes that I come from a State that produces over one-eighth of the milk in the United States, a State that went out during the war and added 3,000,000,000 pounds to its production—which is more than many States produce—to what it produced before the war.

If I came from a State such as my distinguished colleague from North Carolina or some of my other southern friends come from, where we have the Smoot-Hawley Tariff Act still in effect on our tobacco, or had it frozen in the rates as you do on rice, or had the Smoot-Hawley rate on peanuts, and not only were not satisfied with that but turned around and placed an embargo on cotton coming into this country, I probably would not be so disturbed.

The fact that we have lost between two and three million dairy cows the last 3 or 4 years is just one of the things that are taking place in the dairy world. This Administration has ruined the fur industry in this country, and the largest part of that is in the State of Wisconsin. They have gone to work and practically ruined the sheep industry in this country. Now they want to go ahead and ruin the rest of the livestock industry. So I say to my good friends on the right, everybody in this country knows that you have the votes here.

Last year I got myself rather disturbed. I did not want my party to do these unkind things to the dairy industry. I am not taking credit for it by any means, but I will just say to every man here that I did everything I could do to keep them from erring in their ways. So if you Democrats today want the responsibility of killing off the dairy industry in this country it is your responsibility and the baby is on your doorstep. You probably do not know what has happened in the dairy business. I think you would like to know what has happened to the dairy industry since election day. Surely you would like to know. I know what promises were made—I do not know whether there was a mandate or not. I did not ever intend to discuss this phase of it. Last year milk averaged $4.84 throughout the whole United States. Do you know there are many places in the country today where milk is only bringing $2.40? I should think you have done enough to the dairy industry, without coming here now to give it the final death blow and put it out of business. That is just exactly what you are going to do today. I regret very much that my committee would bring out such a bill. The gentleman from Texas [Mr. POAGE] has another bill now where he wants to furnish telephones to people. He is going to be the great savior in connection with the telephone business. I say to the gentleman from Texas [Mr. POAGE] here now that if you pass this bill you are going to take more telephones out of farm homes in the country than your telephone bill will ever put in farm homes in the next 25 years. This is a serious matter. The dairy people have been very generous in supporting the Andresen-Granger bill. They have bent over backward in order to do it. We are going to run out of money here some of these days. We cannot always keep King Cotton in the style in which he has become accustomed to being kept. There are between four and five million dollars to support agricultural products. Billions of dollars are being dissipated. I am willing to have it in bold type in the RECORD at this time that you will remember what I am saying to you here today.

Talk about propaganda—talk about the butter lobby.

I will yield to the gentleman from Kansas [Mr. HOPE] at this time, because I think he has something to tell us on this lobby business.

Mr. HOPE. I hold in my hand a telegram, addressed to the editor of the Concordia Kansan, a daily paper in Concordia, Kans. This telegram was dated March 24, at a time when the State legislature in Kansas had before it a bill to prohibit the manufacture and sale of colored oleo. The telegram reads as follows:

KANSAN,
Concordia, Kans.
(Attention, Editor.)

Communicating with you on behalf of our client who would be seriously affected if House bill 423, now in your State senate, would be passed. This bill would prohibit in Kansas the manufacture and sale of yellow margarine, which is now permitted in approximately 30 States. Passage of this bill would definitely be step backward when whole tendency throughout country is to remove discriminatory taxes and restrictions upon margarine, a most wholesome and needed food. Would appreciate your editorializing and doing what you can to prevent enactment of this most unjust legislation. Action on bill in senate will probably come up soon, so that anything you may do needs prompt attention. Such efforts on your part would be in best interests of the people of your State. Thanks.

CLARENCE B. GOSHORN,
President, Benton & Bowles, Inc.

Now, this telegram is not signed by a manufacturer of oleo, or by a producer of vegetable oils, or anyone who might have a direct interest in the matter. It is signed by Clarence B. Goshorn, president of Benton & Bowles, Inc., one of the great advertising agencies in the country.

Mr. MURRAY of Wisconsin. With Chester Bowles, Lever Bros., and Sidney Luckman in the picture, and millions of dollars, who can be too surprised as to what will happen?

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. COOLEY Mr. Chairman, I move that all debate on the substitute and all amendments thereto close in 30 minutes.

The CHAIRMAN. Is that the substitute proposed for the amendment offered by the gentleman from Texas [Mr. POAGE]? Is the gentleman's motion limited to the Rivers amendment?

Mr. COOLEY. The Poage bill was offered as a substitute, and the Rivers bill was offered as an amendment to the substitute.

The CHAIRMAN. Is the gentleman's motion limited to the Rivers bill?

Mr. COOLEY. To the Poage bill and the Rivers bill and all amendments thereto.

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. Do I understand the gentleman from North Carolina [Mr. COOLEY] is now proposing to cut off all debate on the Rivers substitute and the original Poage amendment, in 30 minutes?

Mr. COOLEY. That is exactly right.

The CHAIRMAN. And all amendments thereto. That is the motion, as the Chair understands it.

The question is on the motion of the gentleman from North Carolina [Mr. COOLEY] that all debate on the amendment offered by the gentleman from Texas [Mr. POAGE] and the substitute for that amendment offered by the gentleman from South Carolina [Mr. RIVERS] and all amendments thereto be limited to 30 minutes.

The question was taken; and the Chair being in doubt the Committee divided, and there were—ayes 135, noes 78.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed Mr. COOLEY and Mr. AUGUST H. ANDRESEN to act as tellers.

The Committee again divided; and the tellers reported that there were—ayes 132, noes 78.

So the motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. O'HARA].

Mr. O'HARA of Minnesota. Mr. Chairman, I have been trying to get recognition since yesterday in order to speak upon the pending bill. I am proud to represent one of the heavy dairy districts in this country. There is no finer group of people, there is no group of people who work harder 365 days of the year than do the dairymen of this country, and I make that statement to apply to other dairy districts in the United States besides Minnesota.

Mr. Chairman, if it is desired to kill off the dairy industry, there are two ways to do it. You can do it by adopting the Rivers amendment. That is the electric-chair method. That will be quick and short. The Poage amendment is the lethal-gas-chamber method. They will let in a little deadly gas at a time until finally the dairy industry is dead. Now, there is no question about that.

On the other hand, if you want to do decently by the great dairy farmers in this country and the great dairy industry, vote for the Granger bill. Now, do not misunderstand me. As a Member of Congress I have supported the cotton people of the South, I have supported the tobacco people of Kentucky and the South. As the gentleman from Georgia so well said, it is tragic that the great agricultural groups are fighting among themselves. It is tragic that this is happening because you are going to need one another at some time or other in the near future. It is tragic also what these amendments will do to the great dairy industry and to the economy of the country and to the health of the people of this country.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Chairman, I am sorry that this legislation is being considered as a party issue, for surely, politics has no part in this discussion at the present time. I do not think there is anyone in this Chamber today who believes that a dairy lobby does not in fact exist. At this time the legislation is being clouded by representations made by the butter lobby.

I feel sorry for the dairy farmers of this country, and I have the greatest sympathy for them. In my opinion, they have been misled in this fight. In my State and in every other State and in every large city of the Nation we have seen the existence of a monopoly which has taken advantage of the dairy farmer and has fixed a price on his product which has robbed the dairy farmers. Today this lobby is trying to use sympathy for the dairy farmer to continue this unfair discrimination which has existed for years. I say that the dairy interests have robbed the people of this country by continually diluting and robbing the whole milk of its butterfat content. I say that these people who talk about the shortage of milk for our children have failed to realize that those very interests are the ones who have taken the food value from your milk and in their greedy and ambitious effort they have robbed the very children they are endeavoring to speak for today.

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska [Mr. MILLER].

OLEO VERSUS BUTTER

Mr. MILLER of Nebraska. Mr. Chairman, when I read in the morning papers the headline "Oleo wins," I was glad I was one who voted against the rule which puts this bill before us.

I believe the dairy industry has gone rather far, and has been leaning backward, and made some concessions which it may regret. I say that because of the teller vote that has just been recorded. If the dairy interests could have seen who went through the line they would know that 90 percent were from the Democratic side who are going to favor oleo against butter. That vote was convincing. They are the ones that are about to put a dagger into the heart of the dairy industry.

My colleagues, there are 2,500,000 dairy farmers and they give employment to nearly 10,000,000 people. There are 28 great concerns interested in the manufacture of oleo. Now you folks who profess to represent the little fellow ought to hesitate when you line up the 28 manufacturers of oleo against 10,000,000 people engaged in the dairy industry. You demonstrated the action you will take on the final passage of this bill. You will be in Mr. Oleo's corner. It is my judgment that if taxes are taken off as you propose and place the product on the same basis as butter, it will about destroy our great basic dairy industry.

The American dairy farmer sold about $4,000,000,000 worth of dairy products in 1947. As the use of butter declines, the use of oleo goes up. The record shows that in 1938 the per capita use of butter was 16.4 pounds, and that of oleo was 2.9 pounds. In 1943, butter 11.7 pounds, oleo 3.9 pounds. In 1948, butter 10.2 pounds and oleo 6.1 pounds.

Dairy farms promote soil fertility, soil conservation and the restoration of our worn-out soil. This is basic if we expect to continue full production from our soil. All of the products going into the manufacture of oleo are soil-depleting crops.

Your action on the recent teller vote indicates that 90 percent going through the tellers who were Democrats are not interested in the welfare of the 2.5 million dairy farmers. You are not interested in the fact that three out of every four farmers in the United States are in the dairy business either on a large or small scale. By their action they indicate they are for the oleo people who will make a bigger profit off of housewives of America.

In my judgment the South and you Democrats who are supporting the removal of the taxes on oleo and permitting it to be sold yellow, could best serve your own interests if you would work more on promoting the dairy industry. The South needs the dairy industry. They need to rebuild their soil.

We ought to protect the American people from fraud. The bill provides that where there is no tax, no color. If there is no color, then fraud is eliminated.

I know from personal experience that the farm industry breeds good citizenship. I can recall, as a boy, the good training I received being up early in the morning to milk the cows. It was a 365-day job each year. The cows were our bread and butter then. They are still the livelihood on many farms.

This Congress should not undermine the great dairy industry by permitting free competition, with a fraudulent product, to compete with the milk and other products on the farm.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. LECOMPTE].

Mr. LECOMPTE. Mr. Chairman, after waiting here a day and a half it appears I am entitled to a minute and a half to discuss an issue that is vital to the great State of Iowa where we rank No. 1 in the production of dairy products. Down through the war years, with 10 percent of the population in the armed services, Iowa produced 10 percent of the food of the United States. It would be trite to call attention to the fact that food was as important to the war effort as weapons. The Poage amendment, whatever else may be said about it, in the last analysis comes down to this point: The Poage bill is an effort to legalize the sale of colored oleomargarine as a butter substitute; in other words, to sell colored oleomargarine, however wholesome and pure and rich in vitamins it may or may not be, to the people disguised as butter. In other words, people appear to want oleomargarine when it has the appearance of butter, but do not want it in its natural color. Oleomargarine finally is nothing more or less than a butter substitute. It should be sold legally, but should not have the appearance of butter so that people are deceived in eating the substitute and think they are eating a pure product of the dairy farms. The dairy industry is vital to this country, and the dairymen are not asking very much. The dairy people have consented to the removal of all taxes, and all they ask is to be protected from a butter substitute that has the appearance of butter and is disguised as butter, but is not actually butter.

The dairymen whom I know do not favor the Poage bill and make no mistake about this: the farmer is no fool. He knows his business and knows what he wants.

The Iowa legislature has consistently maintained its position against the sale of colored oleomargarine in the State of Iowa. This position has been maintained through the years and was recently reaffirmed by the present fifty-third general assembly now in session.

I regret that I have so little time to discuss so important an issue.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, in my district in Iowa I have thousands of members of organized labor and I have many thousands of farmers. There is no demand in my district on the part of organized labor for this kind of legislation. Labor would like to see taxes on oleomargarine repealed, but not at the expense of destroying the farmer market for dairy products, and that is what the Poage and Rivers amendments will eventually do, make no mistake about that.

The Granger bill, which we will vote upon if the Poage and Rivers amendments are defeated, provides for repeal of Federal license fees and taxes but retains at least some of the protection which dairy farmers sorely need. There is every demand on the part of the farmers of my district for the protection of the butter industry, and by that I mean to say for retention of the color yellow, exclusive to butter in retail sale.

Mr. Chairman, I hope these two amendments, the Poage and Rivers amendments, are defeated, and that the Granger bill will be passed.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Chairman, I opposed the granting of a rule on the Granger bill for one reason. I am convinced that it is the intention of this administration and the present majority in this Congress to permit the Granger bill to reach the floor and then to amend it with either the Rivers or Poage bills which will completely remove the last remaining protection the dairy industry has against this vicious imitator—oleomargarine.

I sincerely hope that my fears prove groundless, and that the Democratic majority will not permit such thoughtless action to jeopardize the basic welfare of our most important soil-conserving agricultural industry—dairying. We are faced with the cold facts, however, that not one voice in the administration has been raised on behalf of the dairy farmer in this fight for his very life, and that the Democrats are in complete control of the Congress.

For obvious reasons, I will oppose the Rivers amendment, removing all restrictions on the sale of oleomargarine, and the Poage amendment offering protection against fraud on paper only. The adoption of either of these amendments will be disastrous to the dairying industry. I will support the Granger bill, and vote for it if it is not weakened by crippling amendments, as a fair compromise on the part of the dairying industry to the problem before us.

I would like to discuss the various aspects of that problem at this time. First, let us consider the nature of the two products involved—butter and oleomargarine.

Butter is a natural product; it has been made for hundreds of years. It is made by churning the cream that has been separated from milk. Thus, its basic ingredient is milk, which is produced by the dairy cow. Its traditional color is yellow—various shades of yellow to be sure, but a yellow that is derived from the natural color of the butterfat—which constitutes 80 percent of a given amount of butter. The rest is composed of other natural products of the cow; skim milk, which breaks down into water and curd, plus about 2 percent salt.

Oleomargarine, on the other hand, is a synthetic product, that is, it is a frank imitation of natural butter. Its formula was imported from France in the 1870's and was based upon a simple trick. That trick was the substitution of a different kind of fat for the natural animal, or butterfat, produced by the dairy cow. That trick was important, because there are many kinds of fats that can be produced much cheaper than the butterfat produced naturally in the dairy cow. In order to produce butterfat, the cow must be raised, tended carefully, and fed high-price feed. The substitute fats, however, derived mostly from seeds, coconuts, and so forth, could be produced much cheaper, and of course, still can.

So the trick in producing oleomargarine is actually a simple one—substitute for the butterfat that the cow has laboriously and expensively produced, the vegetable fats which are cheap and fairly plentiful.

There is one important factor, though, that the oleomargarine manufacturers could not imitate and still get a product that resembled butter. That was skim milk. So remember this one important fact in discussions concerning oleomargarine and butter. Oleomargarine cannot be made without the dairy cow. It has to contain its 15 to 17 percent of skim milk.

Thus, using a base of skim milk, oleomargarine manufacturers have been able to produce a product that resembles butter very closely, except that it does not have butter's natural yellow color—a color which through the years has become closely associated with this dairy product.

Now that simply is the issue at stake on the floor of the House today. Shall the oleomargarine manufacturer be permitted to manufacture and sell a product which will almost exactly resemble in appearance the butter which it frankly imitates?

Now, it is true that yellow coloring is sometimes used in butter. It is used to give a uniformity of color throughout different seasons of the year when the degree of yellow in butter changes with the food being eaten by the cow. But there is no butter produced that is not yellow, there is only a difference in the amount of yellow in it from time to time. The coloring that is added to butter is added only for uniformity's sake, and most important, it is not added to give butter the appearance of something else.

Oleomargarine's natural color, however, ranges from a yellowish green to dark brown. Some people say that soybean oil and cottonseed oil, two of the principal ingredients of oleomargarine, are naturally golden yellow in color and that they actually have to be bleached in order to avoid the tax. A chemist for an oleomargarine manufacturer demonstrated last year, however, that these oils have to be transformed into a paste before they can be used in oleo. With actual samples, he then showed the true color of the paste derived from the different oils. Cottonseed turned into a white, while soybean oil turned into a pale green. So the only way you can make oleomargarine yellow is by coloring it. Natural oleo ends up in some shade other than yellow.

Therefore, the only reason that can possibly be advanced for allowing manufacturers to color oleo yellow, and I think everyone is in agreement on this, is that the product then more closely resembles the product it tries to imitate, natural butter.

The dairy farmer claims, and I agree with him, that the American consumer is entitled to protection against deception and fraud in the nature of substitutes. The dairy farmer knows that what causes injury to the consuming public also causes injury to the dairy farmer. As one of them has testified, "Lack of confidence on the part of the consumer in what is being bought throws a national doubt upon every pound of butter that is offered for sale in the stores and upon every pat of butter that is being served in hotels, restaurants, and boarding houses."

The dairy farmer knows that if all restrictions upon the sale of colored oleo are removed, there will be widespread deception in the sale of oleomargarine represented as butter. He knows that the removal of these restrictions will cause a serious falling off in the sale of butter, because the imitation of his product, except for its indefinable qualities, will have become complete. That is why he opposes the attempt to aid oleo in its deception so vigorously.

Now, if the sale of butter should fall off considerably with the removal of these taxes, as has been claimed, what effect would this have upon the consuming public? That leads us to a short discussion of the economics of the dairy industry.

If butter production is reduced, it can only mean a decrease in total milk production. The reason for this is that butter is the great stabilizing product of all dairy products. Some 42 pounds out of every 100 pounds of milk produced in America is made into butter. Without the availability of this market—a market in which milk can be preserved for a period of time—the farmer would have only one choice—to reduce his production of milk. This means cutting his herds and slaughtering his dairy cows.

In the face of an increased demand for whole milk and milk products such as ice cream—products which mean so much to our children and to the health of our Nation—the reduction in the production of milk could mean only one thing: less milk, and higher prices for the milk that is produced.

So this factor must be weighed carefully in the balance of this argument. It should be considered very carefully by the housewife—who see only the apparent inequity of having to color her white margarine after she buys it. It should even be considered very carefully by the oleomargarine manufacturers, because with less milk, there will be less skim milk, and oleomargarine cannot possibly be made without this vital ingredient.

Those are some of the vital reasons why I am so strongly opposed to the Rivers and Poage amendments.

Supporters of those amendments are concerned with the free choice of the housewife. They fail to tell the housewife the true facts of the matter. They hold up the lure of oleo already colored in butter's golden hue.

Color adds nothing in the way of nutrition to the product; the only thing it adds is butter's universal trade-mark—a yellow hue. It is true that most everyone wants to serve oleo—after they buy it—in yellow form. It is true that adding yellow coloring to it by the old-fashioned way—in a mixing bowl—is a laborious process for the housewife. Modern packaging will eliminate this step eventually, but the housewife must weigh in the balance this inconvenience against the threat of greatly increased milk prices if the free sale of oleo is permitted. This inconvenience must also be considered in the light of the irreparable harm that might be done to our great dairy industry if it should lose a great portion of its butter market through fraud and deception.

The dairy industry typifies the American system and is of vital concern to the economy of Wisconsin. Milk is produced on some 160,000 Wisconsin farms. The total value of the two and one-half million cows milked in Wisconsin amounts to about $475,000,000. In the three principal butter-producing States—Wisconsin, Minnesota, and Iowa—where 41 percent of the butter originates, over 80 percent of the butter is produced in cooperative creameries controlled by dairy farmers living and working on dairy-sized farms. The farmer gets about 62 percent of the consumer's butter dollar.

Contrast this with oleomargarine, where about 26 corporations control the bulk of oleo manufacture, and where the farmer gets about only 30 percent of the consumer's oleo dollar.

In the interest of a stable dairy industry, and that is certainly of great concern to the Wisconsin people, in the interest of a sound agriculture, and in the interest of the consumers, it appears only logical that the simple protections embodied in the Granger bill should be enacted into law.

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS. Mr. Chairman, certainly the agricultural interests of the United States ought to stand together. It is my opinion that the entire movement for this legislation will work to the detriment of all agriculture and all consumers. Therefore, on yesterday I voted against the rule. I realize that the Granger bill is the lesser evil, but I do not believe any of this legislation ought to pass. It is in the interest of the consumers of every State in the Union that the protection butter now has must be continued. It is in the interest of our soil-saving program and our program for building up the soil that the dairy industry be preserved and protected in every State in the Union. It is in the interest of good nutrition and the health and well-being of our people that the protection and safeguards now given to butter continue. This is something that pertains not to any one State but to all the States.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. DAVIS].

Mr. DAVIS of Wisconsin. Mr. Chairman, I rise to express my support of the Granger bill and to express opposition to the substitutes offered by the gentleman from Texas [Mr. POAGE] and the gentleman from South Carolina [Mr. RIVERS].

To my way of thinking, there is very little difference in the practical effect of the Poage and Rivers substitutes. The Rivers proposal would wipe out all existing Federal taxes on yellow oleo. The Poage substitute has a similar provision, but in addition seeks to compel public places, which sell and serve oleo, to inform the public of that fact.

I have very serious doubts as to the legal validity of this second portion of the Poage substitute, and actually, I doubt if it makes too much difference whether it would be deemed valid or not. If it is so, I do not believe it can be enforced as a practical matter. If it is not so, then of course there can be no enforcement of it.

We have heard much here yesterday and today about the discrimination of the existing Federal taxes on yellow oleo, yet I venture to say that if these taxes are to be removed, without protection to the producers of butter or the consuming public, then the discrimination would be entirely in the other direction.

The crux of the whole problem is the desire of the producers of oleo to sell their product colored yellow. If that were not true, there would be no contest regarding the existing tax and there would be no contest over the portion of the Granger bill which prohibits the transportation of yellow-colored oleo in interstate commerce. I do not believe there is any desire here among any large number of Members to prevent the repeal of the licensing fees for the manufacture and sale of oleo colored other than yellow.

Will the repeal of these taxes make it possible to buy oleo any cheaper? Our experience is certainly to the contrary. The record has shown that where oleo has had a chance to do so the price has risen to nearly the price level of butter.

At the same time, anyone with an understanding of the over-all problem will realize that the substitution of oleo for butter will in the long run mean higher prices for meat and higher prices for milk. The trend of our cattle population is noticeably downward. Butter is the balance wheel of the dairy industry, just as the livestock industry is the balance wheel of American agriculture. More than one-fourth of the milk produced in this country is made into butter. In recent years we have seen a substantial substitution of oleo for butter in the American diet. This is an unhealthy and not a healthy trend. It has an unhealthy effect on the economy of our Nation and, I fear, upon the health of our people as well.

Destroy the livestock industry and you destroy the fertility of America's soil. Thus both directly and indirectly you are depriving America's people of the healthful product of America's dairy industry and of America's soil.

It has yet to be proven that oleo and other synthetic dairy products can match the real thing with respect to the availability and digestibility of certain elements of nutrition. Just within the last few weeks we have witnessed the consequences of attempting to substitute chemical compounds for nature's products. From this we ought to take warning against this move that might destroy America's greatest source of nutritious food.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, repeal of the oleomargarine tax is a long overdue reform in the interests alike of agriculture and of city consumers. It is in the tradition of the American farmer that he does not fear competition, and I doubt that American farmers wish to throttle the competition of oleomargarine with butter. We certainly want to preserve our dairy industry, and if it needs help in the public interest as do other commodities which are in the parity-price program, I am sure we will be fully prepared to consider giving dairy farmers such help.

City consumers should not be denied, however, by an artificial tax, the cheaper food which is oleomargarine. To refuse to color oleomargarine also seems like an artificial measure, no more sensible than it would be to refuse to color cloth just because it can keep you warm uncolored.

I propose to support the substitutes to this bill which will enable oleomargarine, both colored and uncolored, to circulate freely in interstate commerce without discriminatory taxes. Certainly the regulations requiring identification of oleomargarine in one of these substitutes should be considered by the dairy producers as going a very long way to make this legislation agreeable to them.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. SCUDDER].

Mr. SCUDDER. Mr. Chairman, to say that I am disillusioned today with the course this bill has taken is putting it mildly. To think that one of our large agricultural industries is being considered on a partisan basis. When I think of the great industry of dairying in California, and particularly in my district, it will be hard for me to report to my very great number of Democratic friends the attitude that is being taken here today to try to disfranchise their business.

I wish you could be out in my district and see the future farmers and the 4–H boys who are going into business, raising and developing their dairy stock. I know one young man whose father passed away. He was in a 4–H Club and had 2 cows and a little dairy route. He started to build that up, and before he had graduated from junior college that boy had a herd of 30 cows and was in a good business. That is what is happening and can happen in the dairy industry. You cannot go into the cotton business with that type of background. I trust and hope that you will have consideration for the dairy industry, which I contend is the greatest American agricultural industry.

The CHAIRMAN. The Chair recognizes the gentleman from Utah [Mr. GRANGER].

Mr. GRANGER. Mr. Chairman, it has been said here that if my bill is passed there will be no regulation of oleomargarine. I called the Deputy Commissioner of the Food and Drug Administration, Mr. Charles W. Crawford, and if anyone doubts the statement I am going to make he can call him on the telephone now.

Mr. Crawford, Deputy Commissioner, advises me that their legal staff has studied the provisions of H. R. 2023 with respect to its application to the enforcement of the Pure Food and Drug Act. He specifically states that it is their opinion that the language in my bill is sufficient to enforce the act in every State where oleomargarine is sold under the provisions of my bill. He further stated that the committee report was conclusive evidence of the committee's intention, namely: it was not the intention of the committee to modify or limit the Pure Food and Drug Act in any particular, and I further state here and now that it is our purpose to have the RECORD clear in this particular.

The CHAIRMAN. The Chair recognizes the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HILL. Mr. Chairman, a number of the members did not use the time allotted to them. I have an amendment to offer to the amendment offered by the gentleman from Texas [Mr. POAGE]. May I use their time?

The CHAIRMAN. The gentleman could use their time if he had asked permission to have their time transferred to him. That has not been done, and in the absence of such a request, the gentleman is recognized for 1½ minutes, and if he desires to offer his amendment, that may be done at this time.

Mr. HILL. Mr. Chairman, would it be in order to ask unanimous consent to use the remainder of the time allotted for this debate?

The CHAIRMAN. The time was allotted to individuals and those individuals have submitted no such request.

Mr. HILL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HILL to the substitute bill offered by Mr. POAGE:

Page 3, line 5, insert after the word "unless" the figure 1 in parenthesis "(1)."

Page 3, line 16, strike out the period at the end of line 16 and insert the following: ", or (2) such colored oleomargarine or colored margarine is molded and shaped in such manner so as to have three sides (exclusive of the ends) and no person shall serve colored oleomargarine or colored margarine at a public eating place, whether or not a charge is made therefor, unless each separate serving thereof is triangular in shape."

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield, if I have the time.

Mr. POAGE. As the author of the Poage substitute, I gladly accept the amendment offered by the gentleman from Colorado, as I want every possible safeguard against any kind of fraud, and I think the gentleman is making a reasonable proposition.

Mr. HILL. Mr. Chairman, before I sit down, I want to say that this just adds another paragraph to the bill of the gentleman from Texas [Mr. POAGE], and simply says that if you want to sell oleo as oleo it will come out in a triangular form. I presented this amendment last year. But the State of Maryland the other day, I am informed, lacked a few votes of putting this sort of provision on the statute books. There is no reason, if you are going to sell oleo, and sell it at public eating places, why you should not be able to identify it by its form and shape, especially if you are going to give them the right to use the yellow color.

Butter is vital to the distribution of milk and dairy products. Since milk is produced on three out of every four farms in this country and supplies the largest single source of farm income, it is obvious that the dairy farmer is an important factor in national prosperity. The dairy industry itself is one and one-half times the size of our gigantic steel industry, and if the steel industry were threatened with a loss of one-fourth of its output, we would all be worried about business conditions. The dairy industry is larger even than our great automotive industry, and I need not tell you that a 25-percent drop in automobile sales would have repercussions on our economy.

The dairy industry favors the removal of all taxes and license fees on oleomargarine. That means that the housewife would be able to buy all the oleomargarine she wanted in its most economical uncolored form without the payment of any taxes whatever.

If the oleomargarine manufacturers are allowed the unrestricted right to sell their product colored yellow in imitation of butter, the cheaper, uncolored form will tend to disappear from the market. Yellow oleo will then be free to follow the price of butter. In States where it may now be sold, yellow oleo is bringing as much as 30 cents a pound more than the white kind, although the Federal tax is only 10 cents a pound.

The testimony before the House Committee on Agriculture established that yellow oleo might take over from 25 to 40 percent of the butter market if its unrestricted sale was permitted. This would eliminate many outlets for surplus milk and force dairy farmers in many States to go out of business entirely. In North Dakota, for instance, where there are very few big metropolitan markets for fluid milk, 92.5 percent of all the milk produced goes into butter. If that output was unable to find a butter market, it would depress the markets for every other kind of dairy product. Naturally, you cannot force farmers to remain in a business that does not make a living for them and their families. They would slaughter their cows, and our national sources of milk and meat would be reduced by just that much. Incidentally, our dairy cow numbers are already at the lowest point since 1940, and last year's decline was the sharpest in history.

There are only 28 oleomargarine manufacturers, with 65 percent of the business in the hands of five of the giant corporations. There are 2,500,000 dairy farmers producing milk in every State in the Union, with 250,000 dairy processing and delivery workers and 40,000 local dairy plants who are dependent on the output of the dairy farmers for their livelihood.

The question is whether a synthetic, artificial product should be allowed to displace a genuine dairy product that is vital to the price and production structure of our farm economy. In other words, do we want to preserve a fundamental type of agriculture based on the dairy cow, soil conservation, and healthful nutrition; or do we want to let a few large manufacturers capture the spread market by fraud and deception? Do we want to continue the meat and milk products diet that has made our Nation the best fed on earth, or do we want a subsistence diet of soil-eroding crops?

I quote from one of the witnesses appearing before our committee:

I believe it is rather significant that of the 10 States where the rural level of living index is over 125 (United States average equals 100), seven derive the principal source of their farm income from dairying, and the five States with the highest rural level of living are dairy States. All of the principal dairy-producing States have a level of living index of well over 100. This level of living is measured by the degree of education, adequacy of housing, and the possession of such things as automobiles and radios.

It is estimated that there will be 15,000,000 more people in the United States in 1950 than there were in 1940. These people undoubtedly will be looking forward to obtaining adequate amounts of milk, particularly for their babies and old folks—butter, cheese, ice cream, and other essential dairy foods. Our cow population is slipping. Unless every encouragement is given to maintaining a profitable dairy industry, everybody will suffer.

A strong, efficient, and healthy dairy industry means a strong and virile America, economically and physically.

Dr. E. V. McCollum, world renowned nutritionist of Johns Hopkins University has said, and I quote:

Who are the peoples of the earth who have used the dairy cow as the foster mother of the race? They are the people of northern Europe and North America. They are the tallest of stature, the longest lived, have the lowest infant mortality, the greatest resistance to disease, and they are the only people on earth who have ever made any material progress in literature, science, and politics.

The amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. HULL].

Mr. HULL. Mr. Chairman, there is a lot of solicitude in Congress. It is expressed in every debate and upon every other possible occasion. It is coming forth in volumes in the discussion of this measure. Last week, some were solicitous as to the welfare of the wealthier residents of the District of Columbia. To raise more revenues for District purposes, an income-tax bill was defeated. The big incomes were protected.

Within an hour thereafter, a sales tax was imposed on all the people, whether residents or transients. The cost of living was upped a bit for everybody, but particularly for those of smaller incomes who compose the larger portion of the population. The sales tax applies to practically everything bought for household or personal purposes, except foods and the drugs prescribed by physicians. The housewife pays the tax on nearly everything she buys for her personal purposes. The solicitude for the housekeepers was only slightly lessened, but among the commodities to remain untaxed is oleomargarine. The profits of monopolies were not reduced by an income-tax but the costs of living were added to.

In the present debate, solicitude for the housewife is much in evidence. But less is said of solicitude for the powerful foreign-controlled monopolies which manufacture two-thirds of the oleomargarine made and sold in this country, which will profit them and their dealers $16,000,000 annually. There are scores of measures before Congress to reduce other excise taxes upon many commodities and services, running into hundreds of millions of dollars annually, but the only reduction thus far proposed in this House is the removal of the tax of one-fourth cent per pound on uncolored oleo and 10 cents per pound on colored oleo. The solicitude expressed is for the housewife, but the real push back of oleo-tax repeal is to abolish the excise taxes upon the most ruthless and powerful associations which are seeking bigger and better profits from the sale of a product which would be used to throttle and help destroy the great dairy industry in which 10,000,000 people are engaged.

There are 700,000,000 pounds of surplus vegetable oils in our country. The price is low. The European cartels which own or control the world supply of vegetable oils are selling the vegetable oils of Brazil, for instance, to European countries at nearly double our market prices. The same world monopolies want us to pass legislation to broaden their markets by permitting the sale of oleo to our own people. Thus they would add $100,000,000 or more to their annual profits, and help maintain the vegetable-oil control they now have.

Only a few months ago, the rural people were told that food will win the war and food will establish a lasting peace. Our farmers responded to the call of their country and produced the needed foods, while their sons went to the fox holes of the tropical islands to regain possession of the coconut groves for the cartels, among other and more important purposes. Scarcely was the war over until the millions commenced to flow into the big newspapers and magazines to portray the farmers whose endeavors saved the world from starvation and won the war, as profiteers and claimants to special privileges. The solicitude expressed for the farmers was quickly turned into virulent attack and condemnation. Never in all history has our good country displayed greater ingratitude toward millions of its own people.

Over 60 years ago, the farmers came to Congress seeking a law which would stop the fraudulent competition of oleo makers. The small tax on uncolored oleo and the higher tax on colored oleo were effective mainly because they could be and would be enforced. I am opposed to their repeal because they can be enforced. But the great propaganda spread by the oleo monopolies has led some to believe that the taxes are discriminatory. Hence, there comes the Granger-Andresen bill which would substitute for the tax provisions the forbidding of interstate traffic in yellow oleomargarine. I shall give it my support as the only method of meeting the situation which will develop from the removal of the tax.

The dairy situation is in a bad way. In 3 years the number of dairy cows in the country has declined by over three millions. Thousands of dairy farmers are so discouraged over the fall in prices for dairy commodities, as the expenses continue to permit no return for their endeavors, that they are selling their herds and quitting. The situation is serious for the consumers as well as the farmers. The oleo monopolies are helping making that situation even more critical.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. WHITE] for 1½ minutes.

Mr. WHITE of California. Mr. Chairman, I think the issue is quite clear-cut now. Both sides have stated that it is definitely an economic fight. Each side is fighting for its own interest. Both sides have not denied that there are strong lobbies working for them. I think this issue has resolved itself into the same kind of a fight that labor and management frequently get into. When you come to a fight of that type, the only way to resolve it is in the public interest. That is just exactly what I ask in this instance, that this matter be decided so the consumers, the people of this Nation, are free to buy whatever product they want with their money.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. MURRAY of Wisconsin. Mr. Chairman, I ask unanimous consent to include at this point a speech by the gentleman from Idaho [Mr. WHITE].

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

DAIRYING THE BACKBONE OF AGRICULTURE

Mr. WHITE of Idaho. Mr. Chairman, the legislation under consideration deals with one of the most important issues affecting agriculture and the welfare of the American people.

Our national leaders have long recognized the paramount importance of the dairy industry to the growth and welfare of our country. The Congress in its wisdom has enacted laws to safeguard our principal dairy product—butter—from the destructive competition of cheap butter substitutes.

Mr. Chairman, the milk cow has followed the pioneer in every State in the Union, bringing sustenance and support to the men and women with their families that have built America. In the covered-wagon days it was the milk cow and her progeny that accompanied the settlers in their migrations to the Nation's frontiers and supported them with milk, butter, and beef while they reclaimed the land and built the homes and communities of this great country. The old-fashioned churn and the farm wife with her golden rolls of delicious butter did more to sustain the farmer and finance the building up of early-day American agriculture than any other product of the farm. This was so in the South, where now so much of the support of cheap butter substitutes comes from.

Well do I remember as a boy when I grew up in the Deep South the system of cultivation followed by my father to increase the fertility of poor land. "Crawfish land" southern people called it when the little white chimney of the crawfish indicated the deficiency in fertility of the soil. My father practiced what he called "cowpenning the land." A cowpen was built on this poor land and the milk cows were penned on the ground every night. Next spring the cowpen was moved and a good crop was produced on the land where the cowpen had been the year before. Each year the cowpen was moved to another piece of land and in time the fertility of the farm was built up while the dairy herd thrived and grew. The butter and the increase from the dairy herd was sold in town to finance farm improvements and purchase the machinery used on the farm.

Let me remind the members of the committee that England has long recognized the importance of dairying and beef production. We are indebted to the English for the excellence and productivity of the dairy herds in this country by their contribution of Jersey, Guernsey, Aldeny, and Ayrshire milk- and butter-producing cows, perfection achieved by generations of painstaking selection and breeding. So it is with their contribution of the beef strains of Shorthorns and Herefords to our matchless herds of beef cattle.

The prowess of the English race in conquering and colonizing many parts of the world must be credited in a large measure to the fighting ability and rugged physiques of her beef eaters.

When Japan was making a bid for military advancement some years ago we read that she endeavored to ascertain what could be done to improve her national diet and increase the stature and prowess of her fighters, and we learned that the commission reported that milk, butter, and beef were the answer.

Mr. Chairman, show me a community or a country that is devoted to dairying and I will show you a hardy race and a prosperous people. Today, little Denmark with its dairy farms, its butter and bacon, a byproduct of the dairy, is an example of farm thrift and national stability to the rest of the world.

Little Holland, with its canals and dairy farms that gave us, and to the world, her famous dairy strains of Holstein-Friesian milk- and butter-producing cows—a country minus timber, without deposits of coal, iron, or oil, dependent on her farms and dairy herds, was before the war one of the richest of European countries.

Now the processors of cheap vegetable oils, surplus fats, and grease have taken over the soap trade and the tremendous business of supplying the Nation's cooking fats and compounds, together with the vast market for lubricants.

They have even come in and taken the market for our dairy-product cheese with their tinseled, adulterated cheese substitutes.

Mr. Chairman, today there is hardly a grocery store in the country where you can buy a piece of honest-to-goodness full cream cheese. Not content with taking over these vast markets, now these processors of cheap vegetable oils, surplus fats, and grease propose to come in and tear down the last legislative safeguards to the main product of our dairy industry, butter, and flood the market with their cheap butter substitute, oleomargarine, that will masquerade as butter in the stores of many communities and deprive the housewife of any opportunity to buy genuine butter. If the oleomargarine dealers have their way and this law is repealed, when the housewife goes to the store and asks for real butter she will get the same response we get today when we ask for full cream cheese, "Sorry; we don't keep it."

Now, when the world is struggling with inflation and is crying to us for fats and oils, we are being pressed by these profiteering packing-house companies and the manufacturers of the cheap butter substitutes—oleomargarine—to reverse our national policy and tear down the laws that Congress has enacted to protect the purity of the food of our children and safeguard our chief agricultural industry, yes, to protect the very stability of our farm economy by preserving our home markets for our principal dairy product—butter.

They would impoverish the farmer and dwarf our children to enrich profiteering manufacturers and unscrupulous oleomargarine dealers.

Mr. Chairman, we know and sympathize with the cotton growers of the South They have been struggling for generations with their soil-depleting one-crop standard—cotton. Naturally, they are demanding a bigger and better market

for their byproduct, cottonseed oil. They need the money to buy commercial fertilizers if they are to grow another good crop and more cottonseed oil.

Mr. Chairman, our Government undertook the construction of Muscle Shoals to provide fertilizer for the worn-out cotton fields of the South.

There has been a concerted effort in the cotton-growing States to get away from cotton and soil depletion, valiant attempts have been made with some success to build up the livestock and dairy industry as a means of increasing the fertility of its worn-out soil.

To meet a temporary price emergency caused by inflation, we are called upon to repeal our laws and deprive agriculture of the security of its dairy industry and the means of maintaining the fertility of the soil.

Mr. Chairman, we must not adopt a short-sighted policy that will bring the standards of agriculture down to the production of soil-depleting crops in order to expand the market for vegetable oil and the purchase of more commercial fertilizer to build up a one-crop, soil-depleting industry.

Mr. Chairman, in the light of a lifetime of observation and experience in watching the growth of the business of manufacturing and marketing cheap butter substitutes and the inroads these butter substitutes have made in the market for dairy products in this country, I cannot bring myself to believe that this Congress can be persuaded to tear down the safeguards of our dairy industry by repealing the last of the laws that previous Congresses in their wisdom have enacted to preserve our basic farm industry, dairying.

The CHAIRMAN. The gentleman from South Carolina [Mr. RIVERS] is recognized for 1½ minutes.

Mr. RIVERS. Mr. Chairman, summing up this proposition before us today, do you want to give oleomargarine, which is agreed and acknowledged by everybody as an edible product, good for every conceivable operation of eating known to human kind, an opportunity to compete with all other free things in our country or not? My amendment gives you that opportunity. You do not need any further talk. The issue is clear. Shall we give an opportunity to compete or not? My amendment does exactly that.

The CHAIRMAN. The time of the gentleman has expired.

Mr. McGREGOR. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. McGREGOR. Mr. Chairman, I have listened very attentively for nearly 2 days to the debate both pro and con in regard to H. R. 2023, known as the Granger-Andresen bill. I have come to the conclusion, Mr. Chairman, that a great many Members of Congress do not realize that we have 2,500,000 dairy-farm families who supply the Nation with vital livestock products. The very existence of these families is threatened by the attempt to place a substitute dairy product on the open market in competition with butter and by not giving the consumer the protection he should have.

The records will show that butter and dairy prices are rapidly declining and pushing downward the dairymen's income. May I call to your attention that milk is produced on approximately three out of every four farms and provides the largest single source of cash farm revenue. Last year the controversial part of similar legislation was the repeal of the Federal tax on oleo. This year the tax is not in controversy, as nearly all groups, including leading farm organization, favor tax repeal on oleomargarine. May I call to your attention that if unrestricted sale of colored oleo is allowed, it means an additional loss to the farmers of $250,000,000 a year. It will also mean a tremendous loss to 40,000 dairy plants and their employees. Farmers will be forced to slaughter millions of milk cows, an economic blow to consumers who are dependent upon dairy herds for 40 percent of their beef and veal and all of their milk. This can only result in scarcity and high prices for meat, milk, and other dairy products. It will also bring to an end the historic soil-conservation program practiced on nearly every dairy farm.

This bill, Mr. Chairman, will protect the vital dairy industry against a complete loss of its crucial butter market to a product using a deceptive coloration. This bill will protect the buying public and prevent them from the sale of oleo colored in semblance of butter, but will remove all taxes and license fees on oleo itself. This bill does not prevent colored oleomargarine from being manufactured in Ohio, for example, if the laws of Ohio so permit. It certainly is the right of every State to legislate for itself. If the people of Indiana want to buy yellow, green, or white oleo, it should be up to their State legislature to decide and they should not be dictated to by Washington. This bill gives that opportunity. It also makes certain that the product will be sold for what it is and not as an imitation of butter. I recognize that several amendments are needed in this legislation to clarify and protect all of us, but I am certain this will be done and amendments will be offered so the final form of the bill will protect the consumer against fraud and deception.

I am hoping that you will join with me in giving this bill, H. R. 2023, your wholehearted support and that it will become a law.

The gentleman from Arkansas [Mr. GATHINGS] is recognized to close the debate.

Mr. GATHINGS. Mr. Chairman, I favor the passage, or the approval of the Poage amendment. I am opposed to the Andresen-Granger substitute because of the fact that I do not believe that it is proper to impose a penalty upon the housewife who lives in the District of Columbia or who lives close to a State line. Let us take the case of the housewife living in the District of Columbia. Suppose she goes to Bethesda, which is just across the line in Maryland, and buys a pound of colored margarine. It is legal to sell colored margarine in the State of Maryland, but under the Andresen-Granger bill it is illegal to sell it or bring it into the District of Columbia. When she comes back into the District of Columbia with that pound of colored oleo she subjects herself to a fine of $1,000 or to 1 year's imprisonment, or to both. The Granger bill should not be passed because under it you cannot sell colored margarine in any State unless a plant that manufactures margarine is operating in that State.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield.

Mr. POAGE. May I read to the gentleman an excerpt from a letter signed by Dr. P. B. Dunbar of the Federal Security Agency dated March 18?

Mr. GATHINGS. I yield to the gentleman for that purpose.

Mr. POAGE. Dr. Dunbar says that it is their opinion that the bill, H. R. 2023, would require surveillance over oleomargarine in both interstate and intrastate commerce. He says he considers that it would require the control of yellow margarine from intrastate sources. That is the reason he told the gentleman from Utah [Mr. GRANGER] that he did not think his bill took control out from under the Pure Food and Drug Act, because he interprets it to be a direct prohibition against the sale of yellow margarine in either intrastate commerce or interstate commerce; and here is the written explanation by the Federal Security Agency of the United States.

Mr. GATHINGS. I thank the gentleman.

I hope the Poage substitute will be agreed to.

Mr. EVINS. Mr. Chairman and members of the Committee, I have followed with a great deal of interest the hearings and testimony on this important question before the House Committee on Agriculture and also the debate on the floor yesterday and today on this pending legislation.

As many members of this Committee will recall, when this issue was before the House during the last session of the Congress I cast a vote which some considered a singular vote—being a representative from the South—as the South has such a great cotton economy. I voted for what I thought was for and in the best interests of the growing, thriving, and progressive dairy industry in Tennessee and particularly the district which I have the honor to represent—the Fifth Congressional District of Tennessee—which is one of the greatest, if not the greatest, dairying districts in the South. My voice and vote of last year was given as an expression and hope that the growing, thriving, progressive, and vitally important dairy industry in my State, and for that matter throughout the United States, would not be impaired. In the action which the House will take here today, I again express the hope that no action will be taken which will impede the future growth and progress of the vital dairy industry not only of my section of Tennessee but throughout the country.

Mr. Chairman, last summer it was my pleasure to visit a number of the TVA test demonstration farms in the southern portion of my district bordering on the Alabama line, where I talked with a number of farmers who were making great strides in dairying. One in particular I recall, and I should like to speak of the experience of this farmer-dairyman and good citizen, because his experience is so typical of the progress that is being made in my State in the field of dairying. This particular farmer stated to me that he moved into Tennessee in what was considered a rather poor agricultural section some 10 or 12 years ago and that his entire income for several years from the raising of cotton amounted to approximately $700 per year. A few years ago he started raising alfalfa and other legume hay and feeding the hay to dairy cattle, milking the cows, and selling his dairy products, and that at the present time his average monthly income is $700 per month. Thus, it was apparent that this farmer, which is so typical of the experiences of many, is receiving as much income per month from the sale of dairy products as he formerly received for an entire year in the growing of cotton. There is no inclination in speaking of this instance in any way to disparage our great cotton crop or cotton economy but rather I give this illustration to indicate what has been done and is being done with regard to the thriving and progressive dairy industry in my section of Tennessee.

In this region, those who visit there can see beautiful farms, fine dairy barns, excellent dairy herds, and an agricultural economy that is second to none. Knowing of the progress which our people are making in this respect, I certainly hope that no action will be taken here today which will disrupt or impede this progress or in any respect injure our agricultural and dairying economy.

I have considered the so-called Poage bill, H. R. 3, also the Granger bill, H. R. 2023, and the Rivers bill, H. R. 279. All three of these measures repeal the tax on oleomargarine. There seems to be no question regarding the fact that the tax at this time should be repealed. In fact, the dairy industry is not opposing or offering any opposition to the repeal of the tax. The so-called Rivers bill, H. R. 279, would permit the unregulated sale of oleomargarine, colored or otherwise. It takes off the bridle of any regulation and would permit of unfair competition. This bill goes to one extreme. The so-called Granger bill, H. R. 2023, would prohibit the manufacture, sale, and shipment of yellow-colored oleomargarine in interstate commerce. It would outlaw the transportation across State lines of colored oleomargarine. Many have said that this bill goes to another extreme and that it is too drastic. The Granger bill prohibits the interstate shipment of the manufactured product when colored, while on the other hand permitting the unregulated sale of the product once manufactured within the State. In my own State of Tennessee, oleomargarine taxes have been repealed by the legislature and yellow oleomargarine may now be manufactured and sold within the limits of the State.

The Poage bill, H. R. 3, provides for positive identification of yellow margarine and for positive marking and identification of the product in labeling, branding, and in each individual patty sold in restaurants, hospitals, and other establishments where the product may be served. In addition, provision is made for the placing of a sign in each such establishment conspicuously showing that oleomargarine product is served in such establishment where such product may be served. As I have indicated, in listening to the debates and from being familiar with the testimony before the committee and with the provisions of the pending bills, it would thus appear that the Poage bill provides considerable protection—said by many to be the most effective protection—to the dairy farmers through the provision for positive labeling, branding, and proper identification.

As indicated, I want to lend my support to whatever measure will afford the greatest protection to our growing, thriving, and vitally important dairy industry while at the same time insuring fair competition and fair play and protection to members of the consuming public. Let us adopt a measure that will provide fair competition, eliminate the discriminatory tax and protect our important dairy industry against unfair methods of competition and unfair practices injurious to the dairy industry, which is of such vital importance to our agricultural economy.

The CHAIRMAN. All time has expired on the pending substitute and the pending amendment.

The question is on the amendment offered by the gentleman from Colorado [Mr. HILL] to the Poage substitute for the original bill.

Mr. RANKIN. Mr. Chairman, I ask unanimous consent that the amendment may be read for the information of the Committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. HILL to the substitute bill offered by Mr. POAGE:

On page 3, line 5, insert after the word "unless" the figure "(1)".

On page 3, line 16, strike out the period at the end of line 16 and insert the following: ", or (2) such colored oleomargarine or colored margarine is molded and shaped in such manner so as to have three sides (exclusive of the ends) and no person shall serve colored oleomargarine at a public eating place, whether or not a charge is made therefor, unless each separate service thereof is triangular in shape."

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. As I understand, the Hill amendment is an amendment to the original Poage amendment. In view of that would the procedure not be to vote first on the Rivers amendment to the Poage amendment before voting on the Hill amendment to the Poage amendment?

The CHAIRMAN. In response to the inquiry of the gentleman from Indiana the Chair will state that the vote comes first on the amendment of the gentleman from Colorado to the Poage amendment to clarify it, or in the nature of a clarifying amendment. The vote will then recur on the substitute of the gentleman from South Carolina [Mr. RIVERS] for the Poage amendment.

The question is on the amendment offered by the gentleman from Colorado [Mr. HILL].

The amendment was agreed to.

The CHAIRMAN. The question is on the substitute offered by the gentleman from South Carolina [Mr. RIVERS] for the amendment offered by the gentleman from Texas [Mr. POAGE].

The question was taken; and on a division (demanded by Mr. RIVERS) there were ayes 52, noes 190.

So the Rivers substitute was rejected.

The CHAIRMAN. The question is on the amendment to the original bill, in the nature of a substitute, offered by the gentleman from Texas [Mr. POAGE].

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 152, noes 140.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. POAGE and Mr. AUGUST H. ANDRESEN.

The Committee again divided; and the tellers reported that there were—ayes 162, noes 141.

So the substitute amendment was agreed to.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I offer a preferential motion.

The CHAIRMAN. Will the gentleman state what he proposes to offer as a preferential motion?

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

The CHAIRMAN. The gentleman is out of order. That is not a preferential motion at this time.

Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WHITTINGTON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, pursuant to House Resolution 168, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

Mr. AUGUST H. ANDRESEN. On that, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 243, nays 137, answered "present" 1, not voting 52, as follows:

[Roll No. 62]

YEAS—243

Abernethy	Gary	Multer
Addonizio	Gathings	Murdock
Albert	Gavin	Murray, Tenn.
Allen, Calif.	Golden	Nicholson
Allen, Ill.	Goodwin	Nixon
Allen, La.	Gordon	Noland
Anderson, Calif.	Gore	Norrell
Andrews	Gorski, Ill.	Norton
Angell	Gorski, N. Y.	O'Brien, Ill.
Arends	Graham	O'Hara, Ill.
Auchincloss	Granahan	O'Neill
Barden	Grant	O'Toole
Baring	Green	Pace
Barrett, Pa.	Gregory	Passman
Bates, Ky	Gwinn	Patman
Bates, Mass.	Hale	Patten
Battle	Hand	Patterson
Beckworth	Hardy	Perkins
Bennett, Fla.	Hare	Peterson
Bentsen	Harris	Philbin
Bland	Harrison	Phillips, Tenn.
Boggs, Del.	Hart	Pickett
Boggs, La.	Havenner	Poage
Bolling	Hays, Ark.	Poulson
Bonner	Heffernan	Preston
Brooks	Heller	Price
Brown, Ga.	Herlong	Priest
Bryson	Heselton	Rabaut
Buchanan	Hinshaw	Rains
Buckley, Ill.	Hobbs	Ramsay
Burke	Hoffman, Ill.	Rankin
Burleson	Holifield	Redden
Burnside	Howell	Rhodes
Camp	Huber	Ribicoff
Canfield	Irving	Rich
Carlyle	Jackson, Calif.	Richards
Carroll	Jacobs	Rivers
Case, N. J.	James	Rodino
Celler	Javits	Rogers, Fla.
Chesney	Johnson	Rooney
Church	Jonas	Sabath
Cole, Kans.	Jones, Ala.	Sadowski
Colmer	Jones, Mo.	Scott, Hardie
Combs	Jones, N. C.	Scott,
Cooley	Judd	Hugh D., Jr.
Cooper	Karst	Sheppard
Corbett	Karsten	Sikes
Cotton	Kearns	Sims
Cox	Kee	Smathers
Crosser	Kennedy	Spence
Davenport	Kerr	Steed
Davis, Ga.	Kilday	Stigler
Davis, Tenn.	King	Sullivan
Dawson	Kruse	Sutton
Deane	Kunkel	Tackett
DeGraffenried	Lanham	Tauriello
Delaney	Larcade	Teague
Dollinger	Latham	Thomas, Tex.
Dondero	Lesinski	Thompson
Donohue	Linehan	Thornberry
Doughton	Lodge	Towe
Douglas	Lucas	Underwood
Doyle	Lyle	Vorys
Durham	Lynch	Wagner
Eaton	McConnell	Walter
Eberharter	McCormack	Welch, Calif.
Elliott	McDonough	Werdel
Elston	McGrath	Wheeler
Engle, Calif.	McKinnon	White, Calif.
Fallon	McMillan, S. C.	Whitten
Feighan	McMillen, Ill.	Whittington
Fenton	Mack, Ill.	Wigglesworth
Fernandez	Madden	Williams
Fisher	Mahon	Willis
Flood	Marcantonio	Wilson, Tex.
Fogarty	Marsalis	Winstead
Forand	Miles	Wolverton
Frazier	Miller, Calif.	Worley
Fulton	Mills	Yates
Furcolo	Monroney	Young
Gamble	Morris	
Garmatz	Morton	

NAYS—137

Abbitt	Bolton, Md.	Chelf
Andersen, H. Carl	Bramblett	Chiperfield
Andresen, August H.	Breen	Christopher
Aspinall	Brehm	Clevenger
Bailey	Brown, Ohio	Cole, N. Y.
Barrett, Wyo.	Burdick	Crawford
Beall	Burton	Crook
Bennett, Mich.	Byrne, N. Y.	Cunningham
Bishop	Byrnes, Wis.	Curtis
Blackney	Cannon	Dague
Blatnik	Carnahan	Davies, N. Y.
	Case, S. Dak.	Davis, Wis.
	Chatham	Denton
D'Ewart	Lemke	Riehlman
Dolliver	Lichtenwalter	Sadlak
Ellsworth	Lind	St. George
Engel, Mich.	Lovre	Sanborn
Evins	McCarthy	Sasscer
Fellows	McCulloch	Scrivner
Ford	McGregor	Scudder
Fugate	McSweeney	Secrest
Gillette	Mack, Wash.	Shafer
Granger	Magee	Short
Gross	Marshall	Simpson, Ill.
Hagen	Martin, Iowa	Simpson, Pa.
Hall, Edwin Arthur	Mason	Smith, Kans.
	Meyer	Smith, Va.
Halleck	Michener	Smith, Wis.
Harden	Miller, Md.	Stockman
Harvey	Miller, Nebr.	Taber
Hedrick	Mitchell	Talle
Hill	Moulder	Taylor
Hoeven	Murray, Wis.	Tollefson
Holmes	Nelson	Trimble
Hope	Norblad	Van Zandt
Horan	O'Hara, Minn.	Velde
Hull	O'Konski	Vursell
Jackson, Wash.	O'Sullivan	Walsh
Jenison	Pfeiffer, William L.	Weichel
Jenkins		Wickersham
Jensen	Phillips, Calif.	Wier
Kearney	Plumley	Wilson, Ind.
Keating	Polk	Wilson, Okla.
Keefe	Potter	Withrow
Kilburn	Reed, Ill.	Wolcott
LeCompte	Reed, N. Y.	Woodhouse
LeFevre	Rees	Zablocki

ANSWERED "PRESENT"—1

Mansfield

NOT VOTING—52

Biemiller	Hoffman, Mich.	Quinn
Bolton, Ohio	Jennings	Regan
Bosone	Kean	Rogers, Mass.
Boykin	Kelley	Smith, Ohio
Buckley, N. Y.	Keogh	Somers
Bulwinkle	Kirwan	Staggers
Cavalcante	Klein	Stanley
Chudoff	Lane	Stefan
Clemente	McGuire	Thomas, N. J.
Coffey	Macy	Vinson
Coudert	Martin, Mass.	Wadsworth
Dingell	Merrow	Welch, Mo.
Gilmer	Morgan	Whitaker
Gossett	Morrison	White, Idaho
Hall, Leonard W.	Murphy	Wood
	O'Brien, Mich.	Woodruff
Hays, Ohio	Pfeifer, Joseph L.	
Hébert		
Herter	Powell	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Kean for, with Mr. Stefan against.

Mr. Wadsworth for, with Mr. Woodruff against.

Mr. Kirwan for, with Mr. Mansfield against.

Mr. Vinson for, with Mr. Welch of Missouri against.

Mr. Gossett for, with Mr. Stanley against.

Mr. Klein for, with Mr. Hays of Ohio against.

Mr. Hébert for, with Mr. White of Idaho against.

Mr. Jennings for, with Mr. Hoffman of Michigan against.

Mr. Keogh for, with Mr. Biemiller against.

General pairs until further notice:

Mr. Regan with Mr. Leonard W. Hall.

Mr. McGuire with Mr. Martin of Massachusetts.

Mr. Kelley with Mr. Macy.

Mr. Whitaker with Mr. Merrow.

Mr. Wood with Mrs. Rogers of Massachusetts.

Mr. Staggers with Mr. Coudert.

Mr. Morrison with Mrs. Bolton of Ohio.

Mr. Gilmer with Mr. Smith of Ohio.

Mr. PERKINS, Mr. IRVING, and Mr. BURKE changed their votes from "nay" to "yea."

Mr. MANSFIELD. Mr. Speaker, I have a live pair with the gentleman from Ohio, Mr. KIRWAN. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. AUGUST H. ANDRESEN. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. AUGUST H. ANDRESEN moves to recommit the bill to the Committee on Agriculture.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 287, nays 89, not voting 57, as follows:

[Roll No. 63]

YEAS—287

Abbitt	Church	Gavin
Abernethy	Coffey	Golden
Addonizio	Cole, Kans.	Goodwin
Albert	Colmer	Gordon
Allen, Calif.	Combs	Gore
Allen, Ill.	Cooley	Gorski, Ill.
Allen, La.	Cooper	Gorski, N. Y.
Anderson, Calif.	Corbett	Graham
Andrews	Cotton	Granahan
Angell	Cox	Grant
Arends	Crook	Green
Aspinall	Crosser	Gregory
Auchincloss	Dague	Gwinn
Bailey	Davenport	Hale
Barden	Davis, Ga.	Hall, Edwin Arthur
Baring	Davis, Tenn.	
Barrett, Pa.	Dawson	Halleck
Bates, Ky.	Deane	Hand
Bates, Mass.	DeGraffenried	Harden
Battle	Delaney	Hardy
Beall	Denton	Hare
Beckworth	Dollinger	Harris
Bennett, Fla.	Dondero	Harrison
Bennett, Mich.	Donohue	Hart
Bentsen	Doughton	Harvey
Bland	Douglas	Havenner
Boggs, Del.	Doyle	Hays, Ark.
Boggs, La.	Durham	Hedrick
Bolling	Eberharter	Heffernan
Bolton, Md.	Elliott	Heller
Bonner	Elston	Herlong
Bramblett	Engle, Calif.	Heselton
Brehm	Evins	Hill
Brooks	Fallon	Hinshaw
Brown, Ga.	Feighan	Hobbs
Bryson	Fellows	Hoffman, Ill.
Buchanan	Fenton	Holifield
Buckley, Ill.	Fernandez	Howell
Burke	Fisher	Huber
Burleson	Flood	Irving
Burnside	Fogarty	Jackson, Calif.
Burton	Forand	Jacobs
Byrne, N. Y.	Ford	James
Camp	Frazier	Javits
Canfield	Fugate	Jenkins
Carlyle	Fulton	Johnson
Carroll	Furcolo	Jonas
Case, N. J.	Gamble	Jones, Ala.
Celler	Garmatz	Jones, N. C.
Chesney	Gary	Judd
Chiperfield	Gathings	Karst

Karsten	Murdock	Sadlak
Kearney	Murray, Tenn.	Sadowski
Kearns	Nelson	Sasscer
Keating	Nicholson	Scott, Hardie
Kee	Nixon	Scott,
Kennedy	Noland	Hugh D., Jr.
Kerr	Norrell	Scrivner
Kilday	Norton	Sheppard
King	O'Brien, Ill.	Sims
Kruse	O'Hara, Ill.	Smathers
Kunkel	O'Neill	Spence
Lanham	O'Toole	Steed
Larcade	Pace	Stigler
Latham	Passman	Sullivan
LeFevre	Patman	Sutton
Lesinski	Patten	Tackett
Lichtenwalter	Patterson	Tauriello
Lind	Perkins	Taylor
Linehan	Peterson	Teague
Lodge	Pfeiffer,	Thomas, Tex.
Lucas	William L.	Thompson
Lyle	Philbin	Thornberry
Lynch	Phillips, Tenn.	Towe
McConnell	Pickett	Underwood
McCormack	Poage	Van Zandt
McDonough	Potter	Vorys
McGrath	Poulson	Wagner
McKinnon	Preston	Walsh
McMillan, S. C.	Price	Walter
McMillen, Ill.	Priest	Welch, Calif.
McSweeney	Rabaut	Werdel
Mack, Ill.	Rains	Wheeler
Madden	Ramsay	White, Calif.
Mahon	Rankin	Whitten
Mansfield	Redden	Whittington
Marcantonio	Rees	Wigglesworth
Marsalis	Rhodes	Williams
Meyer	Ribicoff	Willis
Miles	Rich	Wilson, Tex.
Miller, Calif.	Richards	Winstead
Mills	Riehlman	Wolverton
Mitchell	Rivers	Worley
Monroney	Rodino	Yates
Morris	Rogers, Fla.	Young
Morton	Rooney	Zablocki
Multer	Sabath	

NAYS—89

Andersen,	Hagen	Phillips, Calif.
H. Carl	Hoeven	Polk
Andresen,	Holmes	Reed, Ill.
August H.	Hope	Reed, N. Y.
Barrett, Wyo.	Horan	St. George
Bishop	Hull	Sanborn
Blackney	Jackson, Wash.	Scudder
Blatnik	Jenison	Secrest
Breen	Jensen	Shafer
Brown, Ohio	Keefe	Short
Burdick	Kilburn	Simpson, Ill.
Byrnes, Wis.	LeCompte	Simpson, Pa.
Cannon	Lemke	Smith, Kans.
Carnahan	Lovre	Smith, Va.
Case, S. Dak.	McCarthy	Smith, Wis.
Chelf	McCulloch	Stockman
Christopher	McGregor	Taber
Clevenger	Mack, Wash.	Talle
Cole, N. Y.	Magee	Tollefson
Crawford	Marshall	Trimble
Cunningham	Martin, Iowa	Vursell
Curtis	Mason	Weichel
Davies, N. Y.	Michener	Wickersham
Davis, Wis.	Miller, Md.	Wier
D'Ewart	Miller, Nebr.	Wilson, Ind.
Dolliver	Moulder	Wilson, Okla.
Ellsworth	Murray, Wis.	Withrow
Engel, Mich.	Norblad	Wolcott
Gillette	O'Hara, Minn.	Woodhouse
Granger	O'Konski	
Gross	O'Sullivan	

NOT VOTING—57

Biemiller	Hoffman, Mich.	Powell
Bolton, Ohio	Jennings	Quinn
Bosone	Jones, Mo.	Regan
Boykin	Kean	Rogers, Mass.
Buckley, N. Y.	Kelley	Sikes
Bulwinkle	Keogh	Smith, Ohio
Cavalcante	Kirwan	Somers
Chatham	Klein	Staggers
Chudoff	Lane	Stanley
Clemente	McGuire	Stefan
Coudert	Macy	Thomas, N. J.
Dingell	Martin, Mass.	Velde
Eaton	Merrow	Vinson
Gilmer	Morgan	Wadsworth
Gossett	Morrison	Welch, Mo.
Hall,	Murphy	Whitaker
Leonard W.	O'Brien, Mich.	White, Idaho
Hays, Ohio	Pfeifer,	Wood
Hébert	Joseph L.	Woodruff
Herter	Plumley	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Vinson for, with Mr. Chatham against.
Mr. Gossett for, with Mr. Stanley against.
Mr. Hébert for, with Mr. Hays of Ohio against.
Mr. Staggers for, with Mr. White of Idaho against.
Mr. Regan for, with Mr. Welch of Missouri against.
Mr. Herter for, with Mr. Velde against.
Mr. Kean for, with Mr. Woodruff against.
Mr. Jennings for, with Mr. Stefan against.
Mr. Coudert for, with Mr. Hoffman of Michigan against.
Mr. Merrow for, with Mr. Macy against.

Additional general pairs:

Mrs. Bosone with Mrs. Bolton of Ohio.
Mr. Kelley with Mr. Martin of Massachusetts.
Mr. Wood with Mr. Leonard W. Hall.
Mr. Whitaker with Mr. Wadsworth.
Mr. Morrison with Mr. Smith of Ohio.
Mr. Gilmer with Mr. Plumley.
Mr. McGuire with Mr. Eaton.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that all Members who spoke on the bill be given permission to revise and extend their remarks and that all other Members be given five legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

ADJOURNMENT OVER AND PROGRAM FOR NEXT WEEK

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

Mr. HALLECK. Mr. Speaker, reserving the right to object, I wonder if the gentleman could tell us about the program for next week.

Mr. McCORMACK. I will be glad to.

On Monday the Consent Calendar will be called. Then the following bills will be called up under suspension of the rules: H. R. 3856, which provides for a Commission on Renovation of the Executive Mansion; H. R. 3830, extension of the aid to China bill.

Mr. HALLECK. There has been some discussion about an amendment that will be offered in connection with that suspension. Would the gentleman tell us about that so that it may be clarified in the minds of the Members?

Mr. McCORMACK. I will be very glad to. On page 2 of the bill, lines 3 and 4, there is the following language: "Without regard to the foregoing provisions of this act."

The motion to suspend will be accompanied by an amendment striking out those words.

Then continuing on Monday there will be H. R. 165, the American River Basin Development.

On Tuesday the Private Calendar will be called, and thereafter I am bracketing the remainder of the week together, Tuesday, Wednesday, Thursday, Friday, and Saturday; the agricultural appropriation bill; State, Justice and Commerce appropriation bill; ECA; and independent offices appropriation bill.

Any further program will be announced later.

Mr. PHILLIPS of California. Mr. Speaker, if the gentleman will yield, what date was the independent offices appropriation bill set for?

Mr. McCORMACK. The independent offices appropriation bill is scheduled after ECA.

Mr. PHILLIPS of California. At the end of this coming week?

Mr. McCORMACK. Yes. I have in mind of course, the statement I made a few days ago about the 10-day recess, at which time I said the chances were 98 out of 100 that we would be able to take such a recess. I still adhere to that statement I made a few days ago. I realize it is a heavy schedule but, if necessary, I shall ask the indulgence of the leadership on the Republican side and of my colleagues of the House to meet earlier some days during next week.

The following week we will take up the Army appropriation bill and other legislation which I cannot state now. When that is done, we will have passed every supply bill except the legislative appropriation bill, which I think is a most remarkable record.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERSONAL ANNOUNCEMENT

Mr. PLUMLEY. Mr. Speaker, I was called out of the Chamber while the final vote was being taken on the oleo bill. Had I been here I would have voted "nay."

EXTENSION OF REMARKS

Mr. EVINS asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. RABAUT asked and was given permission to extend his remarks in the RECORD and include an article by the American Parents Committee on the pressing needs of American children.

Mr. DOYLE asked and was given permission to extend his remarks in the RECORD and include three letters passing between himself and the Department of the Interior on the subject of the Jefferson Memorial.

Mr. PRICE asked and was given permission to extend his remarks in the RECORD and include an article on the two hundred fiftieth anniversary of the oldest settlement in the Mississippi Valley, Cahokia, Ill.

Mr. POULSON asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. GAVIN asked and was given permission to extend his remarks in the RECORD and include a news article.

Mr. JENSEN asked and was given permission to extend his remarks in the RECORD and include the language of his bill H. R. 2368.

Mr. JOHNSON asked and was given permission to extend his remarks in the RECORD.

Mr. SCUDDER asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the San Rafael Independent, of San Rafael, Calif.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. KEAN (at the request of Mr. WOLVERTON), for 3 days on account of death in family.

To Mrs. BOSONE at the request of Mr. GRANGER), for April 1, 1949, on account of official business.

To Mr. LANE (at the request of Mr. MCCORMACK), for an indefinite period, on account of illness.

To Mr. MCGUIRE (at the request of Mr. WAGNER), for April 1, 1949 on account of official business.

ENROLLED BILL SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 2101. An act to abolish the Regional Agricultural Credit Corporation of Washington, D. C., and transfer its functions to the Secretary of Agriculture, to authorize the Secretary of Agriculture to make disaster loans, and for other purposes.

ADJOURNMENT

Mr. MCCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 3 minutes p. m.), under its previous order, the House adjourned until Monday, April 4, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

485. A communication from the President of the United States, transmitting a revision of the budget for the fiscal year 1950 involving a decrease of $3,257,000 in an estimate of appropriation for the United States Maritime Commission in the form of an amendment to the budget for said fiscal year (H. Doc. No. 151); to the Committee on Appropriations and ordered to be printed.

486. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting its report on Federal business enterprises and, separately, the task-force reports on revolving funds, as appendix J; on water resources projects, as appendix K; and on lending agencies, as appendix R (H. Doc. No. 152); to the Committee on Expenditures in the Executive Departments and ordered to be printed with illustrations.

487. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting to the Congress a study prepared for the Commission's consideration on certain aspects of revolving funds and business enterprises of the Government other than lending agencies; to the Committee on Expenditures in the Executive Departments.

488. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting to the Congress a study prepared for the Commission's consideration on certain aspects of power, irrigation, and flood-control projects; to the Committee on Expenditures in the Executive Departments.

489. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting to the Congress a study prepared for the Commission's consideration of activities and organization of lending agencies of the Government; to the Committee on Expenditures in the Executive Departments.

490. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting to the Congress, in typescript, the following staff reports which were prepared for the Commission's consideration by the task force as a supplement to the Commission's report on Federal business enterprises: (1) Farmers Home Administration and predecessor agencies; (2) Housing and Home Finance Agency and its constituent agencies; (3) Export-Import Bank of Washington, Federal Deposit Insurance Corporation, auxiliary Government lending agencies; (4) Farm Credit Administration and its supervised agencies; (5) Reconstruction Finance Corporation and subsidiaries; to the Committee on Expenditures in the Executive Departments.

491. A letter from the Comptroller General of the United States, transmitting a report on the audit of Federal Savings and Loan Insurance Corporation for the fiscal year ended June 30, 1947 (H. Doc. No. 153); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

492. A letter from the Chairman of the Reconstruction Finance Corporation, transmitting a report with respect to the development of a program for the disposal to private industry of the Government-owned rubber-producing facilities; to the Committee on Armed Services.

493. A letter from the president, Board of Commissioners of the District of Columbia, transmitting a draft of a proposed bill to provide for the appointment of a Deputy Disbursing Officer and assistant disbursing officers for the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

494. A letter from the Secretary of Defense, transmitting a letter from the Acting Secretary of the Navy recommending the enactment of a proposed draft of legislation, entitled "A bill to amend the act to authorize the construction of experimental submarines, and for other purposes, approved May 16, 1947"; to the Committee on Armed Services.

495. A letter from the Department of the Interior, Geological Survey, representative of United States Pecos River compact negotiations, transmitting a copy of a compact entered into between the States of New Mexico and Texas to determine the rights and obligations of those States respecting uses and deliveries of the waters of the Pecos River; to the Committee on Public Lands.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. REDDEN: Committee on Public Lands. H. R. 225. A bill authorizing the Legislature of Alaska to alter, amend, or repeal certain laws of Alaska imposing taxes for carrying on business and trade, and for other purposes; with an amendment (Rept. No. 371). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORRIS: Committee on Public Lands. H. R. 1407. A bill to declare that the United States holds certain lands in trust for the Bad River Band of Lake Superior Chippewa Indians of the State of Wisconsin; without amendment (Rept. No. 372). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORRIS: Committee on Public Lands. H. R. 1892. A bill authorizing the Secretary of the Interior to issue a patent in fee to certain Indian lands in Lake County, Mont.; without amendment (Rept. No. 373). Referred to the Committee of the Whole House on the State of the Union.

Mr. REDDEN: Committee on Public Lands. H. R. 2387. A bill authorizing the Governor of Alaska to fix certain fees and charges with respect to elections; with an amendment (Rept. No. 374). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORRIS: Committee on Public Lands. H. R. 2876. A bill to effect an exchange of certain lands in the State of North Carolina between the United States and the Eastern Band of Cherokee Indians, and for other purposes; without amendment (Rept. No. 375). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. H. R. 2914. A bill to amend the Taylor Grazing Act, and for other purposes; with amendments (Rept. No. 376). Referred to the Committee of the Whole House on the State of the Union.

Mr. REDDEN: Committee on Public Lands. H. R. 2988. A bill to provide for a Resident Commissioner from the Virgin Islands, and for other purposes; with amendments (Rept. No. 377). Referred to the Committee of the Whole House on the State of the Union.

Mr. DOUGHTON: Committee on Ways and Means. House Joint Resolution 212. Joint resolution authorizing appropriations to the Federal Security Administration in addition to those authorized under title V, part 2, of the Social Security Act, as amended, to provide for meeting emergency needs of crippled children during the fiscal year ending June 30, 1949; without amendment (Rept. No. 383). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. MORRIS: Committee on Public Lands. H. R. 1976. A bill to authorize the sale of certain allotted inherited land on the Flathead Indian Reservation, Mont.; without amendment (Rept. No. 378). Referred to the Committee of the Whole House.

Mr. MORRIS: Committee on Public Lands. H. R. 1281. A bill authorizing the Secretary of the Interior to issue a patent in fee to Leslie Paul Schroeder; without amendment (Rept. No. 379). Referred to the Committee of the Whole House.

Mr. MORRIS: Committee on Public Lands. H. R. 1109. A bill authorizing the Secretary of the Interior to issue a patent in fee to Phena M. Anderson; with an amendment (Rept. No. 380). Referred to the Committee of the Whole House.

Mr. MORRIS: Committee on Public Lands. H. R. 1030. A bill authorizing the Secretary of the Interior to issue a patent in fee to Francis Howe; without amendment (Rept. No. 381). Referred to the Committee of the Whole House.

Mr. MORRIS: Committee on Public Lands. H. R. 1029. A bill authorizing the Secretary of the Interior to issue a patent in fee to Howard C. Heckenlively; with an amendment (Rept. No. 382). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABERNETHY:

H. R. 3967. A bill to continue a system of nurseries and nursery schools for the day care of school-age and under-school-age children in the District of Columbia through June 30, 1950; to the Committee on the District of Columbia.

By Mr. ANGELL:

H. R. 3968. A bill to provide for raising and strengthening the levees of the peninsula drainage district, No. 1, Oregon, in the interest of providing additional flood protection; to the Committee on Public Works.

H. R. 3969. A bill authorizing the construction of certain works of improvement on the lower Columbia River in the interest of flood control and allied purposes; to the Committee on Public Works.

By Mr. BUCHANAN:

H. R. 3970. A bill to amend the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended; to the Committee on Banking and Currency.

By Mr. BYRNE of New York:

H. R. 3971. A bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory and supplementary thereto; to the Committee on the Judiciary.

By Mr EVINS:

H. R. 3972. A bill to provide for the issuance of a postage stamp commemorative of the Eleventh Tennessee Walking Horse Celebration; to the Committee on Post Office and Civil Service.

By Mr. HOBBS:

H. R. 3973. A bill to advance on the retired list certain members of the armed forces commended for their performance of duty; to the Committee on Armed Services.

By Mr. LEMKE:

H. R. 3974. A bill to promote the rehabilitation of the Standing Rock Sioux Tribe of Indians and better utilization of the resources of the Standing Rock Indian Reservation, and for other purposes; to the Committee on Public Lands.

By Mr. ROGERS of Florida:

H. R. 3975. A bill to exempt baby oil and baby powder from the retailers' excise tax on toilet preparations; to the Committee on Ways and Means.

By Mr. SASSCER:

H. R. 3976. A bill to provide for a preliminary examination and survey of Port Tobacco Run and Gilbert Run, Charles County, Md.; to the Committee on Public Works.

By Mr. COLE of Kansas:

H. R. 3977. A bill to allow a deduction, for income-tax purposes, of expenditures made incident to the prevention of erosion of agricultural land; to the Committee on Ways and Means.

By Mr. EBERHARTER:

H. R. 3978. A bill to amend section 3250 (1) (5) of the Internal Revenue Code, and for other purposes; to the Committee on Ways and Means.

By Mr. KARSTEN:

H. R. 3979. A bill to name the twin highway bridge over the Potomac River in the District of Columbia the "Franklin Delano Roosevelt Memorial Bridge"; to the Committee on the District of Columbia.

By Mr. MILES:

H. R. 3980. A bill to provide percentage depletion in the case of pumice and scoria; to the Committee on Ways and Means.

By Mr. MULTER:

H. R. 3981. A bill relating to the review by the Supreme Court of judgments of conviction in criminal proceedings; to the Committee on the Judiciary.

By Mr. PATTEN:

H. R. 3982. A bill to authorize the Secretary of Agriculture to sell certain lands to the Sisters of St. Joseph in Arizona, Inc., of Tucson, Ariz., to consolidate the desert laboratory experimental area of the Southwestern Forest and Range Experiment Station, and for other purposes; to the Committee on Agriculture.

By Mr. RHODES:

H. R. 3983. A bill to extend and improve the old-age and survivors insurance system, to reduce the eligibility age from 65 to 60, to add protection against disability, and for other purposes; to the Committee on Ways and Means.

H. R. 3984. A bill to amend the Social Security Act to enable States to establish more adequate public-welfare programs, and for other purposes; to the Committee on Ways and Means.

By Mr. WOLCOTT:

H. R. 3985. A bill to provide for the issuance of a postage stamp in commemoration of the centennial of the cutting of the world-famous Cass River cork pine at Vassar, Mich.; to the Committee on Post Office and Civil Service.

By Mr. HINSHAW:

H. R. 3986. A bill to provide for the acquisition of McCornack General Hospital, Pasadena, Calif., by the Veterans' Administration, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. MARSALIS:

H. R. 3987. A bill to provide for the transfer of the temporary housing project located on the former Pueblo Army Air Base to the city of Pueblo, Colo.; to the Committee on Banking and Currency.

By Mr. STOCKMAN:

H. R. 3988. A bill allowing the cost of construction of farm-storage facilities to be deducted, for income-tax purposes, over a period of 60 months; to the Committee on Ways and Means.

By Mr. BOGGS of Louisiana:

H. R. 3989. A bill to amend the National Housing Act and thereby facilitate the financing of homes for veterans under the Servicemen's Readjustment Act of 1944, as amended; to the Committee on Banking and Currency.

H. R. 3990. A bill to amend the Federal Credit Union Act; to the Committee on Banking and Currency.

By Mr. KENNEDY:

H. R. 3991. A bill to permit investment of funds of insurance companies organized within the District of Columbia in obligations of the International Bank for Reconstruction and Development; to the Committee on the District of Columbia.

By Mr. DOUGHTON:

H. J. Res. 212. Joint resolution authorizing appropriations to the Federal Security Administrator in addition to those authorized under title V, part 2, of the Social Security Act, as amended, to provide for meeting emergency needs of crippled children during the fiscal year ending June 30, 1949; to the Committee on Ways and Means.

By Mr. DAWSON:

H. J. Res. 213. Joint resolution authorizing Federal participation in the International Exposition for the Bicentennial of the Founding of Port-au-Prince, Republic of Haiti, 1949; to the Committee on Foreign Affairs.

By Mr. HAYS of Arkansas:

H. J. Res. 214. Joint resolution proposing an amendment to the Constitution relating to the qualifications of electors; to the Committee on the Judiciary.

By Mr. HART:

H. Con. Res. 54. Concurrent resolution to investigate certain economic problems; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to pass the General Pulaski's Memorial Day resolution now pending before it; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. EVINS:

H. R. 3992. A bill for the relief of J. L. Hitt; to the committee on the Judiciary.

By Mr. HINSHAW:

H. R. 3993. A bill for the relief of James Q. Henry, of Montrose, Los Angeles County, Calif.; to the Committee on the Judiciary.

By Mr. JAVITS:

H. R. 3994. A bill for the relief of John D. Lange; to the Committee on the Judiciary.

By Mr. LEFEVRE:

H. R. 3995. A bill for the relief of Annetta Bachis, Anna Bellani, Angelina Colombo, Maria Grazia Impari, Franca Porricino, and Antonia Tirabassi; to the Committee on the Judiciary.

By Mr. O'NEILL:

H. R. 3996. A bill for the relief of Dr. J. Carlyle Nagle; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause I of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

446. By Mr. ASPINALL: Joint memorial of the Colorado State Legislature, to support the passage of the Local Public Health Services Act of 1949, and that the appropriation of $10,808,000, "Assistance to States, general public health," which was deleted from the appropriation bill, H. R. 3333, for the Public Health Service, passed March 9, 1949, by the House of Representatives, be restored so that adequate financial assistance will be available, to the end that public health in Colorado may continue to go forward; to the Committee on Appropriations.

447. By Mr. GATHINGS: Four petitions on the question of repealing the taxes on cosmetics; to the Committee on Ways and Means.

448. By Mr. HALE: Memorial of the Maine Senate and House of Representatives, urging the Congress of the United States to enact a bill requiring shippers of cigarettes in interstate commerce to furnish to the taxing authority of the State to which shipped a copy of the invoice on each such shipment, or to enact such other bill to the aid of the several States affected as may be proper; to the Committee on Ways and Means.

449. By Mr. HILL: Memorial of the State of Colorado, asking that the appropriation of $10,808,000, "Assistance to States, general public health," which was deleted from the appropriation bill, H. R. 3333, for the Public Health Service, passed March 9, 1949, be restored; to the Committee on Appropriations.

450. By Mr. MILLER of Maryland: Resolution of the Caroline County Medical Society, of Denton, Md., going on record against any form of compulsory health insurance or any system of political medicine designed for national bureaucratic control; to the Committee on Interstate and Foreign Commerce.

451. By Mr. NELSON: Memorial of the State of Maine, asking enactment of a bill to aid the State in the enforcement of the cigarette tax now evaded by use of the United

States mails; to the Committee on Ways and Means.

452. By the SPEAKER: Petition of Effie B. Rice and others, Miami, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

453. Also, petition of R. E. Collins and others, St. Cloud, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

454. Also, petition of Mrs. George E. Knapp and others, Orlo Vista, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

455. Also, petition of Joaquin F. Fernandez and others, Tampa, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

SENATE

SATURDAY, APRIL 2, 1949

(Legislative day of Friday, March 18, 1949)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God our Father, with contrite spirits we come asking that Thou wilt strengthen our weakness, steady and calm our disturbed hearts, quiet our ill tempers, curb our hasty speech, give us faith for cynicism, and make us worthy of these demanding days that call for wisdom and character. May our own attitudes contribute to the warmth of that climate of friendship which shall yet cover every landscape with its magic charm and at last spread its divine tints across all the areas of human life. In the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Friday, April 1, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

CANCELLATION OF DRAINAGE CHARGES AGAINST CERTAIN LANDS IN UINTAH INDIAN IRRIGATION PROJECT, UTAH

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, a copy of the order of October 15, 1945, canceling, subject to approval by Congress, the sum of $23,090.62 expended for drainage works to serve non-Indian-owned land under the Uintah Indian irrigation project, Utah, together with a draft of proposed legislation to cancel drainage charges against certain lands within the Uintah Indian irrigation project, Utah (with accompanying papers); to the Committee on Interior and Insular Affairs.

ADDITION TO SUMMIT LAKE INDIAN RESERVATION, NEV.

A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to reserve certain land on the public domain in Nevada for addition to the Summit Lake Indian Reservation (with an accompanying paper); to the Committee on Interior and Insular Affairs.

REPORT ON WEST UNIT OF THE DALLES PROJECT, OREGON

A letter from the Under Secretary of the Interior, transmitting, pursuant to law, his report and findings on the west unit of The Dalles project, Oregon (with an accompanying report); to the Committee on Interior and Insular Affairs.

AUDIT REPORT OF FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report of the Federal Savings and Loan Insurance Corporation, for the fiscal year ended June 30, 1947 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

REPORT ON NATIONAL INDUSTRIAL RESERVE

A letter from the Chairman of the Munitions Board, Washington, D. C., transmitting, pursuant to law, a report on the National Industrial Reserve (with an accompanying report); to the Committee on Armed Services.

COMPACT BETWEEN NEW MEXICO AND TEXAS ON WATERS OF PECOS RIVER

A letter from the representative of the United States on Pecos River compact negotiations, Geological Survey, Department of the Interior, transmitting a copy of a compact entered into on December 3, 1948, between the States of New Mexico and Texas, respecting uses and deliveries of the waters of the Pecos River (with accompanying papers); to the Committee on Interior and Insular Affairs.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hill	Mundt
Anderson	Holland	Murray
Baldwin	Hunt	Neely
Brewster	Ives	O'Mahoney
Bricker	Johnson, Tex.	Reed
Butler	Johnston, S. C.	Robertson
Cain	Kefauver	Russell
Chapman	Kem	Saltonstall
Connally	Kerr	Smith, Maine
Cordon	Kilgore	Sparkman
Donnell	Knowland	Stennis
Douglas	Langer	Taylor
Downey	Lucas	Thomas, Utah
Ecton	McCarran	Thye
Ellender	McClellan	Vandenberg
Ferguson	McGrath	Watkins
George	McKellar	Wherry
Green	McMahon	Wiley
Gurney	Martin	Williams
Hayden	Maybank	Withers
Hendrickson	Miller	Young
Hickenlooper	Millikin	

Mr. LUCAS. I announce that the Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Colorado [Mr. JOHNSON], the Senator from Washington [Mr. MAGNUSON], the Senator from Arizona [Mr. MCFARLAND], the Senator from Maryland [Mr. O'CONOR], and the Senator from Florida [Mr. PEPPER] are detained on official business.

The Senator from Delaware [Mr. FREAR] and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

The Senator from Iowa [Mr. GILLETTE], the Senator from North Carolina [Mr. HOEY], and the Senator from Pennsylvania [Mr. MYERS] are absent on public business.

The Senator from Minnesota [Mr. HUMPHREY], the Senator from Louisiana [Mr. LONG], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

Mr. SALTONSTALL. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent because of illness in his family.

The Senator from Vermont [Mr. FLANDERS], the Senator from Massachusetts [Mr. LODGE], and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from Kansas [Mr. SCHOEPPEL] and the Senator from New Hampshire [Mr. TOBEY] are absent on official business.

The Senator from New Jersey [Mr. SMITH] is absent because of illness.

The senior Senator from Indiana [Mr. CAPEHART], the junior Senator from Indiana [Mr. JENNER], the Senator from Nevada [Mr. MALONE], the Senator from Wisconsin [Mr. MCCARTHY], and the Senator from Oregon [Mr. MORSE] are unavoidably detained on official business.

The VICE PRESIDENT. Sixty-five Senators have answered to their names. A quorum is present.

LEAVE OF ABSENCE

Mr. BRICKER asked and obtained consent to be absent from the session of the Senate on Monday next.

TRANSACTION OF ROUTINE BUSINESS

The VICE PRESIDENT. If it is agreeable to the Senate, the Chair will recognize Senators to present routine matters without debate, and without prejudicing the parliamentary situation. The Chair hears no objection, and it is so ordered.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A concurrent resolution of the Legislature of the State of Oklahoma, relating to the amendment of the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

(See text of concurrent resolution printed in full when presented by Mr. THOMAS of Oklahoma on March 31, 1949, p. 3549, CONGRESSIONAL RECORD.)

A concurrent resolution of the Legislature of the State of Maine, relating to aid to that State in the enforcement of the cigarette tax; to the Committee on Finance.

(See text of concurrent resolution printed in full when presented by Mr. BREWSTER on April 1, 1949, p. 3636, CONGRESSIONAL RECORD.)

A resolution of the Legislature of the State of Nebraska, relating to the ratification of

the North Atlantic Treaty; to the Committee on Foreign Relations.

(See text of resolution printed in full when presented by Mr. BUTLER on March 31, 1949, p. 3549, CONGRESSIONAL RECORD.)

A concurrent resolution of the Legislature of the State of Kentucky; to the Committee on Foreign Relations:

"Concurrent resolution condemning the trial and conviction of George R. Jones, of Owensboro, Ky., and Clarence R. Hill, of Jackson, Miss., and calling upon the President of the United States, the Secretary of State of the United States of America, to use all of the means at their command, including the full power and resources of our National Government and economy, to effect their immediate release

"Whereas shocking news has been received that George R. Jones, of Owensboro, Ky., and Clarence R. Hill, of Jackson, Miss., recruits in the United States Army, were tried in secrecy by the Czechoslovak Government, and without regard for the rights of the accused or without the protection of the normal safeguards provided by free and independent governments for the protection of those accused of law violations, were sentenced to 10 and 12 years, respectively, in prison at hard labor; and

"Whereas the youth of the Commonwealth of Kentucky and from every other State of the Union had given their lives and of their safety, security, and fortunes in order to establish orderly procedure and due process of law all over the world, and for which a terribly horrible and shocking war had just been fought; and

"Whereas the safety and welfare of our form of government demands the full and complete protection of the members of our armed forces, wherever they may be or whatever duty they may be given, so that we at home and those other free-loving people throughout the world may be able to enjoy the blessings of life, liberty, and the pursuit of happiness: Be it

"Resolved by the Senate of the General Assembly of the Commonwealth of Kentucky (the house of representatives concurring therein):

"1. That the Commonwealth of Kentucky, as a free and sovereign State, but as a part of the Union of States comprising the United States of America, does hereby condemn as vicious, cruel, inhuman, and unjust the arrest, secret trial, conviction, and sentences of recruits George R. Jones, of Owensboro, Ky., and Clarence R. Hill, of Jackson, Miss., by the Czechoslovak Government;

"2. That it is necessary in order to insure the welfare and security of our form of government and the maintenance of the armed forces thereof that the security of our citizens and especially those members of our armed forces who have been sent abroad be protected and secured at all costs;

"3. That the President of the United States and the Secretary of State of the United States are hereby called upon to use all of the means at their command and at the command of the National Government to effect the immediate and unconditional release of these two members of our armed forces, and to this end, and by this resolution, the Commonwealth of Kentucky pledges its aid, assistance, power, and resources.

"4. That the clerk of this house of representatives certify sufficient copies of this resolution and that he forward same, via United States registered mail, air-mail special delivery, to the President of the United States, the Secretary of State of the United States, to each Member representing Kentucky in the Congress of the United States, to the family of each of the men affected, and that suitable copies be furnished the press with the request that same be published to the end that all free-thinking and loving people may be informed hereof."

A concurrent resolution of the Legislature of the State of Kentucky; to the Committee on Interior and Insular Affairs:

"Senate Concurrent Resolution 17

"Concurrent resolution of the Legislature of the State of Kentucky memorializing the Congress of the United States to make provision for payment of the exact equivalent of taxes of the State of Kentucky, its counties and other political subdivisions thereof whenever the tax base of such taxing units is depleted by withdrawals of lands for the use of Federal agencies

"Whereas the Federal Government and agencies thereof from time to time have withdrawn from the State and its political subdivisions areas such as the Cumberland National Forest project, the Wolf Creek Reservoir project, the Kentucky Woodland National Wildlife Refuge project, the Tennessee Valley Authority projects, the Mammoth Cave National Park project, the Dale Hollow project, the Kentucky Forestland Utilization projects, the Blue Cross Ordnance Depot, Camp Breckinridge, Camp Campbell, Fort Knox, Campbell Air Force Base, Lexington Signal Corps Depot, Goodman Air Force Base, Ohio River Ordnance Works, the Dewey Reservoir project, and many other lesser withdrawals which now total 1,000,000 acres; and

"Whereas it will likely in the development of other projects in Kentucky in the future be necessary for the Federal Government to acquire extensive areas for Federal purposes and for administrative facilities; and

"Whereas the State of Kentucky, its counties and municipalities have already lost and will continue to lose vast sums of tax revenues by reason of these withdrawals: Now, therefore, be it

"Resolved, That the senate and house of representatives of the State of Kentucky, in special session, do hereby memorialize the Congress of the United States to take steps to provide for the payment of the extent equivalent of taxes which would oherwise be levied on lands in the State and its political subdivisions where such lands not acquired by the Federal Government, and its agencies, with the exception of Federal buildings such as post offices, courthouses, and hospitals; and be it further

"Resolved, That a copy of this concurrent resolution be forwarded to His Excellency, the President of the United States, Harry S. Truman, the Vice President of the United States and President of the Senate, Alben W. Barkley, the Speaker of the House, Hon. Sam Rayburn, to each of our Kentucky Senators, and to each Member of Congress serving in the United States Congress from Kentucky."

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Foreign Relations:

"Resolutions memorializing the Members of Congress from Massachusetts to exert their influence to effect the unification of all of the counties in Eire

"Whereas the unification of all of the counties of Eire would tend both to promote the welfare of the people of Eire and to promote and preserve the peace of the world: Therefore be it

"Resolved, That the General Court of Massachusetts hereby urges the Members of Congress from Massachusetts to exert their influence by securing the enactment of appropriate resolutions by the Congress of the United States to the Parliament of Great Britain and by such other means as may be effective and appropriate expressing the desire and hope of the Government of the United States that immediate action be taken to effect the unification of all of the counties of Eire; and be it further

"Resolved, That copies of these resolutions be sent forthwith by the secretary of the commonwealth to the President of the United States, to the Presiding Officer of each branch of Congress and to the Members thereof from this Commonwealth."

Resolutions of the General Court of the Commonwealth of Masachusetts; to the Committee on Agriculture and Forestry:

"Resolutions memorializing the Congress of the United States to revise the Agricultural Adjustment Act for the purpose of lowering the high cost of living

"Whereas the laws which support prices of farm products were enacted to relieve an acute national economic emergency affecting the farm industry; and

"Whereas the economy of the American people is being jeopardized constantly by the present form of the Agricultural Adjustment Act; and

"Whereas the economy of the farm industry is no longer in a state of acute national economic emergency; and

"Whereas the economy of many American families is being aggravated by the present form of the Agricultural Adjustment Act: Therefore be it

"Resolved, That the General Court of Masachusetts memorializes the Congress of the United States to enact laws that will bring about a revision of the Agricultural Adjustment Act to a more realistic basis to the end that an effective step shall be taken to lower the high cost of living; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the State secretary to the President of the United States, to the Presiding Officer of each branch of Congress, and to the Members thereof from this Commonwealth."

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on the Judiciary:

"Resolutions memorializing the Congress of the United States to pass the General Pulaski Memorial Day resolution now pending before it

"Whereas a resolution providing for the President of the United States of America to proclaim October 11 of each year as General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski is now pending in the present session of the United States Congress; and

"Whereas the 11th day of October 1779, is the date in American history of the heroic death of Brig. Gen. Casimir Pulaski, who died from wounds received on October 9, 1779, at the siege of Savannah, Ga.; and

"Whereas the States of Arkansas, California, Connecticut, Delaware, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, Nevada, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, West Virginia, Wisconsin, and other States of the Union, through legislative enactment designated October 11 of each year as General Pulaski's Memorial Day; and

"Whereas it is fitting that the recurring anniversary of this day be commemorated with suitable patriotic and public exercises in observing and commemorating the heroic death of this great American hero of the Revolutionary War; and

"Whereas the Congress of the United States of America has by legislative enactment designated from October 11, 1929, to October 11, 1946, to be General Pulaski Memorial Day in the United States of America: Therefore be it

"Resolved, That the General Court of Massachusetts earnestly urges the Congress of the United States to pass, and respectfully requests the President of the United States to approve, the General Pulaski Memorial Day resolution now pending before the United States Congress; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the State secretary to the President of the United States, to the Presiding Officer of each branch of Congress, and to the Members thereof from this Commonwealth."

A concurrent resolution of the Legislature of the Territory of Hawaii; to the Committee on Interior and Insular Affairs:

"House Concurrent Resolution 37

"Concurrent resolution memorializing the Congress of the United States of America to amend section 16 of the Hawaiian Organic Act

"Be it resolved by the House of Representatives of the Twenty-fifth Legislature of the Territory of Hawaii (the senate concurring), That the Congress of the United States of America is hereby respectfully requested to amend section 16 of the Hawaiian Organic Act to read as follows:

" 'SEC. 16. Disqualification of legislators: That no member of the legislature shall, during the term for which he is elected, be appointed or elected to any office of the Territory of Hawaii, except as otherwise provided by the Legislature of the Territory of Hawaii'; be it further

"Resolved, That duly certified copies of this concurrent resolution be forwarded to the President of the Senate and Speaker of the House of Representatives of the Congress of the United States and to the Delegate to Congress from Hawaii."

A concurrent resolution of the Legislature of the Territory of Hawaii; to the Committee on Interstate and Foreign Commerce:

"House Concurrent Resolution 25

"Whereas there are no protected harbors for vessels along the Kona coast of the island of Hawaii in the Territory of Hawaii; and

"Whereas there are numerous craft operating along the said Kona coast in the pursuit of fish; and

"Whereas the lack of proper berthing facilities is a detriment to the operations of these craft and to the expansion of this fishing fleet; and

"Whereas the area off said Kona coast is one of the best fishing grounds in the Territory of Hawaii; and

"Whereas the development of the fishing industry of the Territory of Hawaii is of great importance to the people of the Territory and of the United States in providing food for consumption and gainful employment for large numbers of persons: Now, therefore, be it

"Resolved by the House of Representatives of the Twenty-fifth Legislature of the Territory of Hawaii (the senate concurring), That the Congress of the United States of America be, and it is hereby, respectfully requested to initiate a survey of the possibilities of the construction of a breakwater at Keauhou Bay, North Kona, county of Hawaii, T. H., for the purpose of creating a harbor for the berthing and protection of small craft, in order that the same may be safe from the elements, and in order to assist the development and expansion of the fishing industry of the Territory of Hawaii; and be it further

"Resolved, That duly certified copies hereof be forwarded to the President of the Senate and to the Speaker of the House of Representatives of the Congress, to the Secretary of the Interior, and to the Delegate to the Congress from Hawaii."

A concurrent resolution of the Legislature of the Territory of Hawaii; to the Committee on Rules and Administration:

"House Concurrent Resolution 39

"Whereas in the attack on Pearl Harbor on December 7, 1941, many brave Americans perished on the U. S. S. *Arizona* in the defense of their country; and

"Whereas many of these valiant defenders of American liberties lie enshrined in the sunken hulk of this great battleship at Pearl Harbor: Now, therefore, be it

"Resolved by the House of Representatives of the Twenty-fifth Legislature of the Territory of Hawaii (the senate concurring), That the Congress of the United States be and it is hereby respectfully requested to erect with Federal funds an appropriate memorial at Pearl Harbor to perpetuate the memory of those brave men who died that America may remain free; and be it further

"Resolved, That certified copies of this concurrent resolution be forwarded to the President of the United States, President of the Senate, Speaker of the House of Representatives, the Secretary of the Interior, the Secretary of the Navy, and the Delegate to Congress from Hawaii."

Two resolutions adopted by the Association of Municipalities of Palm Beach County, Fla., favoring the enactment of legislation to abolish the Federal tax on amusement admissions, and the reduction or abolition of the 20-percent Federal tax upon cosmetics, luggage, and related articles; to the Committee on Finance.

A resolution adopted by the Common Council of the City of Yonkers, N. Y., favoring the enactment of legislation proclaiming October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

A resolution adopted by the St. Augustine Council, No. 41, Knights of Columbus, of Stamford, Conn., favoring the enactment of the so-called McMahon-Johnson bill, S. 496, to authorize the appropriation of funds to assist in reducing the inequalities of educational opportunities through elementary and secondary schools, for the national security and general welfare; to the Committee on Labor and Public Welfare.

A resolution adopted by the Pike County (Ky.) Board of Education, favoring the enactment of Senate bill 246, to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare; to the Committee on Labor and Public Welfare.

A paper in the nature of a petition from the Employees Association of the Gulf Publishing Co., of Houston, Tex., praying for the enactment of legislation to repeal the Taft-Hartley labor law; ordered to lie on the table.

By Mr. MILLIKIN:

A joint resolution of the Legislature of the State of Colorado; to the Committee on Labor and Public Welfare:

"Senate Joint Memorial 4

"Whereas during the past 3 years there has developed throughout the State of Colorado a great public awareness of the value of full-time local health services; and

"Whereas, since the passage of chapter 204, Session Laws of Colorado, 1947, there have been established under this law four county and four district health departments serving a total of 20 counties; and

"Whereas despite the progress made during the past 2 years there are still more than 443,750 Colorado citizens living in areas not served by full-time local health departments; and

"Whereas many areas cannot with their own resources support local public-health services to the extent necessary for the provision of the basic services essential to the well-being of their people; and

"Whereas it appears highly likely that the public-health program in the 20 counties of Colorado now covered by local health services could be strengthened to provide fully adequate programs based on a cost of about $1.50 per capita and that 23 additional counties could be set up with full-time local health services during the ensuing year if adequate financial assistance were available; and

"Whereas the optimum of public-health services cannot be achieved without additional Federal financial assistance; and

"Whereas definite plans have been made to accomplish this strengthening and extending of local health services on the basis of one-third of the cost being provided through Federal matching funds with the balance to be provided from State and local funds in accordance with the Local Public Health Service Act of 1949, now being considered by Congress: Now, therefore, be it

"Resolved by the senate (the house of representatives concurring herein), That the Congress is hereby memorialized to the cognizance of the importance of this program to the people of the State of Colorado, and that it be urged to support the passage of the Local Public Health Services Act of 1949, and that the appropriation of $10,808,000, 'Assistance to States—general public health,' which was deleted from the appropriation bill, H. R. 3333, for the Public Health Service, passed March 9, 1949, by the House of Representatives, be restored, so that adequate financial assistance will be available, to the end that public health in Colorado may continue to go forward; and be it further

"Resolved, That copies of this resolution be transmitted to the Senators and Representatives from Colorado, the President of the Senate, the Speaker of the House of Representatives, and the chairman of the Appropriations Committee in the Eighty-first Congress."

(The VICE PRESIDENT laid before the Senate a concurrent resolution of the Legislature of the State of Colorado, identical with the foregoing, which was referred to the Committee on Labor and Public Welfare.)

By Mr. KILGORE (for himself and Mr. NEELY):

A resolution of the House of Delegates of the State of West Virginia; ordered to lie on the table:

"House Resolution 16

"Resolution memorializing the Congress of the United States to repeal the Taft-Hartley law

"Whereas the Labor-Management Relations Act, 1947, Public Law 101, Eightieth Congress, chapter 120, better known as the Taft-Hartley law; and

"Whereas this Taft-Hartley law brought back into force the injunction law, which had been outlawed through the efforts of the late Senator Norris, and was known as the Norris Anti-Injunction Act; and

"Whereas section 8 of our Bill of Rights has been violated, not once, but twice, and we quote this section 8, 'excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishment inflicted;' and

"Whereas this Taft-Hartley law compelled involuntary servitude under Govenment authority: Therefore be it

"Resolved by the house of delegates, That we recommend to the Congress of the United States the outright repeal of the infamous Taft-Hartley law and that we respectfully recommend that the Members of Congress from the State of West Virginia support the

provisions of said resolution; and be it further

"*Resolved*, That a copy of this resolution be forwarded to the clerk of the Senate and the Clerk of the House of Representatives of the Congress of the United States."

ISSUANCE OF COMMEMORATIVE STAMP HONORING FATHER FLANAGAN—PETITION

Mr. DOUGLAS. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD, without the signatures attached, a petition signed by 150 citizens of the State of Illinois, of various religious faiths, transmitted by Mr. Rudolph Benson, of Chicago, asking that Congress approve the issuance of a commemorative postage stamp as a tribute to the late Father Flanagan, the great and noble founder of Boys Town, Nebr.

The VICE PRESIDENT. The petition will be received and appropriately referred, and, without objection, will be printed in the RECORD without the signatures attached.

There being no objection, the petition was referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, without the signatures attached, as follows:

CHICAGO, ILL., *March 8, 1949.*

HON. PAUL H. DOUGLAS,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: At the present time, there is a petition in Congress that a United States commemorative postage stamp be issued to honor the memory of Father Flanagan, who for 31 years, up to the time of his recent death, devoted his life's work to the advancement and education of homeless and destitute boys, that they might have the opportunity of becoming good citizens.

We whose signatures are attached hereto, are acquainted with the outstanding success that Father Flanagan has made of Boys Town, and sign this petition, asking that Congress approve that a United States commemorative postage stamp be issued as a lasting tribute, to honor the memory of a great and good man.

Sincerely yours,

RUDOLPH BENSON.

(The names of 150 Illinois citizens were attached.)

AMENDMENT OF OLD-AGE AND SURVIVORS INSURANCE ACT—RESOLUTION OF MILWAUKEE TYPOGRAPHICAL UNION, NO. 23

Mr. WILEY. Mr. President, I present for appropriate reference a resolution submitted to me by Mr. August L. Guis, secretary of the Milwaukee Typographical Union, No. 23, and endorsed by the Milwaukee Allied Printing Trades Council. This resolution urges certain changes in the Old-Age and Survivors Insurance Act as it applies to the rights of married women. I ask unanimous consent that the resolution be printed in the RECORD at this point and be thereafter referred to the Senate Finance Committee for appropriate review.

The VICE PRESIDENT. The resolution will be received and appropriately referred, and, without objection, be printed in the RECORD, as requested by the Senator from Wisconsin.

There being no objection, the resolution was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Whereas under the Old-Age and Survivors Insurance Act as presently constituted, provision is made that when the wife of a retired insured worker reaches age 65, she becomes eligible to receive supplementary benefits equal to 50 percent of her husband's benefits during the remainder of their lifetime, and should the husband predecease his wife, she continues to receive three-fourths of his regular monthly benefits; and

Whereas where the normal situation is reversed, where the husband because of incapacitation has been unable to qualify under conditions set forth in the act, where as a result the wife has assumed the burden of supporting the family, worked under covered employment, paid the contributions as required by law, and on or after reaching the age of 65 retires and is granted her old-age benefits, no provision is made which enables the dependent invalid husband to receive supplementary benefits nor to receive proportionate continuing benefits should his wife predecease him: Therefore be it

Resolved, That Milwaukee Typographical Union, No. 23, in regular meeting assembled on March 20, 1949, asks that this inequity in the Old-Age and Survivors Insurance Act be remedied by an amendment that will accord to families where the wife is the breadwinner the same degree of assistance as is accorded to husbands.

FLOOD CONTROL — RESOLUTION OF SCOTTSBLUFF-GERING (NEBR.) NATIONAL FARM LOAN ASSOCIATION

Mr. BUTLER. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution on flood control in the Gering and Mitchell Valleys, Nebr., adopted at a recent meeting of the directors of the Scottsbluff-Gering National Farm Loan Association, of Scottsbluff, Nebr. I hope the resolution will receive the attention of all interested departments of Government, such as the Army engineers, the Department of Agriculture, and the Department of the Interior.

The VICE PRESIDENT. The resolution will be received and appropriately referred, and, without objection, be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Public Works and ordered to be printed in the RECORD, as follows:

Whereas floods in the Gering and Mitchell Valleys threaten to upset the economic welfare of the people on the farms and those in the towns and cities in their vicinity, the losses being in damage to lands, total loss, or greatly reduced income from crops, high rates for operation and maintenance of irrigation systems, impaired irrigation efficiency, destroyed or damaged highways and bridges, and a general recession of business activity throughout this region; and

Whereas these losses amounted to an estimated amount of more than $1,000,000 in 1947 and a great but unestimated amount for 1948; and

Whereas these losses are reflected in reduced business of manufacturers and processors throughout the Nation, having an adverse effect upon the Nation as a whole; and

Whereas this association has long-term Federal-land-bank loans of over $750,000 at this time on farms within this drainage area and feels that its security is now gravely impaired and great losses will be incurred unless corrective measures are taken to relieve the flood conditions now existing and that deterioration of general business in this area will lessen the ability of farmers not affected by floods to repay their loans: Now, therefore, be it

Resolved by the Scottsbluff-Gering National Farm Loan Association in annual meeting this 8th day of March 1949, That we earnestly urge that relief measures be taken at the earliest possible date to relieve the flood conditions in Gering and Mitchell Valleys, and we recommend: (1) That the Corps of Army Engineers undertake the stabilizing of the drains on a nonreimbursable basis; (2) that Soil Conservation Service stress its program for better crop practices to prevent erosion and undertake the building of retention dams and some terracing on the uplands above the irrigation districts; and (3) that the Bureau of Reclamation lend its efforts to a better efficiency of the irrigation system by a program to prevent unreasonable seepage conditions.

COMMUNISM—PETITION

Mr. REED. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, without all the signatures attached, a petition signed by 40 citizens in the neighborhood of Hays, Kans., in which they urge the Congress to take action against increasing communism in America.

There being no objection, the petition was referred to the Committe on the Judiciary, and ordered to be printed in the RECORD, without all the signatures attached, as follows:

To the Congress of the United States:

We the undersigned ask Congress to take action on effective legislation to stop the increasing growth of communism in America and in foreign countries.

1. Registration and fingerprinting of all Communist Party members in the United States.

2. Assist labor in its effort to dispose of all Communist leadership.

3. Increase under the world-recovery plan the shipping of agricultural products, food, and clothing to all needy and Christian countries of the world to increase their hope and enthusiasm in their fight against Communist destruction.

ALBERT DINKEL,
A. A. HERMAN,
MIKE BILLINGER,
PETER SANER,
BEN A. ROME

(And 35 other citizens around Hays, Kans.).

ADDITIONAL FUNDS FOR JOINT COMMITTEE ON LABOR-MANAGEMENT RELATIONS—REPORT OF A COMMITTEE

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration, I report favorably, with an additional amendment, Senate Concurrent Resolution 10, to provide additional funds for the Joint Committee on Labor-Management Relations, submitted by the Senator from Montana [Mr. MURRAY] on January 27, 1949, and I submit a report (No. 206) thereon. I ask unanimous consent for its immediate consideration.

Mr. WHERRY. Mr. President, may I inquire of the distinguished Senator from Arizona if this is not the concurrent resolution submitted by the distinguished Senator from Montana [Mr. MURRAY] which provides for the payment of terminal leave to employees of the committee whose services were terminated?

Mr. HAYDEN. That is correct.

Mr. WHERRY. It also asks for appropriations for 1 month to review the findings of the committee, does it not?

Mr. HAYDEN. That is correct.

The VICE PRESIDENT. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution, which had been reported previously from the Committee on Labor and Public Welfare with amendments, on page 1, line 5, after the word "through", to strike out "February 28" and insert "March 31,"; and in line 6, after the word "exceed", to strike out "$10,000" and insert "$13,975.80."

The amendment of the Committee on Rules and Administration was, on page 1, line 5, after the word "and", to strike out "through March 31, 1949, to" as proposed to be amended, and insert "for a period not to exceed 1 month following the date this resolution is agreed to, to."

The amendments were agreed to.

The concurrent resolution, as amended, was agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Joint Committee on Labor-Management Relations, created by title IV of the Labor-Management Relations Act, 1947, is authorized after December 31, 1948, and for a period not to exceed 1 month following the date this resolution is agreed to, to incur expenses not to exceed $13,975.80, which shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives on vouchers signed by the chairman. Disbursements to pay such expenses shall be made by the Secretary of the Senate out of the contingent fund of the Senate, such contingent fund to be reimbursed from the contingent fund of the House of Representatives in the amount of one-half of the disbursements so made.

PRINTING OF ADDITIONAL COPIES OF PRAYERS BY THE CHAPLAIN—REPORT OF A COMMITTEE

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration, I report favorably, with amendments, Senate Concurrent Resolution 19, authorizing the printing of additional copies of prayers offered by the Chaplain, the Reverend Peter Marshall, doctor of divinity, at the opening of the daily sessions of the Senate of the United States during the Eightieth Congress, and I submit a report (No. 207) thereon. I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

The amendment of the Committee on Rules and Administration was, on page 1, line 2, to strike out all after the resolving clause and insert:

That there be printed as a Senate document the prayers offered by the Chaplain, the Reverend Peter Marshall, D. D., at the opening of the daily sessions of the Senate of the United States during the Eightieth Congress, 1947-48, and at the opening of the first 10 daily sessions of the Senate of the United States, Eighty-first Congress, 1949, together with excerpts from the CONGRESSIONAL RECORD relative to Dr. Marshall's death; and that 6,000 additional copies be printed and bound, of which 5,000 shall be for the use of the Senate and 1,000 shall be for the use of the Joint Committee on Printing.

The amendment was agreed to.

The title was amended so as to read: "Concurrent resolution authorizing the printing of additional copies of prayers offered by the Chaplain, the Reverend Peter Marshall, doctor of divinity, at the opening of the daily sessions of the Senate of the United States during the Eightieth and Eighty-first Congresses."

The concurrent resolution as amended, was agreed to.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GURNEY (for himself, Mr. MUNDT, and Mr. YOUNG):

S. 1488. A bill to authorize the negotiation, approval, and ratification of separate settlement contracts with the Sioux Indians of Cheyenne River Reservation in South Dakota and of Standing Rock Reservation in South Dakota and North Dakota for Indian lands and rights required by the United States for the Oahe Dam and Reservoir, Missouri River Development; to the Committee on Interior and Insular Affairs.

By Mr. KNOWLAND:

S. 1489. A bill authorizing a review of the report on the Interoceanic Canal across Nicaragua contained in House Document No. 139, Seventy-second Congress, first session; to the Committee on Armed Services.

By Mr. McGRATH:

S. 1490. A bill to permit investment of funds of insurance companies organized within the District of Columbia in obligations of the International Bank for Reconstruction and Development; to the Committee on the District of Columbia.

By Mr. DOUGLAS:

S. 1491. A bill for the relief of Rudolph Meinhard and Irene Hallinger;

S. 1492. A bill for the relief of Agnes Tarjani; and

S. 1493. A bill for the relief of Peter Penovic, Milos Grahovac, Nikola Maljkovic and Mile Milanovic; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado:

S. 1494. A bill for the relief of Fausto Leonardo Marcal; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado (for himself and Mr. MILLIKIN):

S. 1495. A bill to establish a United States Air Force Academy; to the Committee on Armed Services.

INVESTIGATION OF PROPOSED DISCONTINUANCE OF CORRECTIONAL INSTITUTION AT SANDSTONE, MINN.

Mr. LANGER submitted the following resolution (S. Res. 100), which was referred to the Committee on the Judiciary:

Resolved, That the Committee on the Judiciary or any duly authorized subcommittee thereof is authorized and directed to make a full and complete investigation with respect to the proposed discontinuance of the Federal correctional institution at Sandstone, Minn., with a view to determining whether the continued operation of such institution is desirable in order to prevent overcrowding at other similar institutions, or whether some other institutions or Federal penitentiaries should be closed. The committee shall report to the Senate at the earliest practicable date the results of its study and investigation, together with such recommendations for legislation as it may deem necessary.

SEC. 2. The Attorney General is requested to postpone action with respect to the closing of such correctional institution until the committee shall have had an opportunity to complete the investigation and study authorized by this resolution.

EXTENSION OF EUROPEAN RECOVERY PROGRAM—AMENDMENT

Mr. CAIN (for himself and Mr. BRIDGES) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 1209) to amend the Economic Cooperation Act of 1948, which was ordered to lie on the table and to be printed.

HOUSE BILL REFERRED

The bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, was read twice by its title and referred to the Committee on Finance.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

COTTON IN OUR ECONOMY—ADDRESSES BY SENATOR KEFAUVER AND WILLIAM D. FELDER, JR.

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD addresses delivered by himself and William D. Felder, Jr., before the Texas Cotton Association on March 25, 1949, which appear in the Appendix.]

ATLANTIC UNION—EDITORIAL FROM THE NEW YORK HERALD TRIBUNE

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD an editorial entitled "Atlantic Union," from the New York Herald Tribune of March 9, 1949, which appears in the Appendix.]

ADDRESS BY ARCHBISHOP BERGAN AT ST. PATRICK'S DAY BANQUET, OMAHA, NEBR.

[Mr. BUTLER asked and obtained leave to have printed in the RECORD an address delivered by Archbishop Bergan at the St. Patrick's Day banquet sponsored by Omaha's Ancient Order of Hibernians, at Omaha, Nebr., on March 17, 1949, which appears in the Appendix.]

CHRISTIAN ETHICS—LETTER FROM MRS. JOHN A. WOOD

[Mr. ROBERTSON asked and obtained leave to have printed in the RECORD a letter from Mrs. John A. Wood, mother of the widow of Dr. Peter Marshall, late Chaplain of the Senate, which appears in the Appendix.]

TRUMAN ECONOMICS AND THE REALITIES—EDITORIAL FROM THE PHILADELPHIA INQUIRER

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an editorial entitled "Truman Economics and the Realities," published in the Philadelphia Inquirer of April 1, 1949, which appears in the Appendix.]

WHY SOUTH FIGHTS FOR FILIBUSTER—EDITORIAL FROM UNITED STATES NEWS AND WORLD REPORT

[Mr. NEELY asked and obtained leave to have printed in the RECORD an editorial entitled "Why South Fights for Filibuster,"

published in the United States News and World Report of February 11, 1949, which appears in the Appendix.]

DEMOCRACY CAN TAKE IT—EDITORIAL FROM THE PUTNAM (W. VA.) DEMOCRAT

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an editorial entitled "Democracy Can Take It," published in the Putnam (W. Va.) Democrat of March 25, 1949, which appears in the Appendix.]

THE CHICAGO HOUSING SHORTAGE—EDITORIAL FROM THE CHICAGO SUN-TIMES

[Mr. DOUGLAS asked and obtained leave to have printed in the RECORD an editorial entitled "Chicago and S. 1070," published in the Chicago Sun-Times of March 23, 1949, which appears in the Appendix.]

CENTRAL AMERICA—EXCERPTS FROM STATEMENTS BY EDUCATORS

[Mr. BREWSTER asked and obtained leave to have printed in the RECORD excerpts from statements made by certain eduators relative to Central America, which appear in the Appendix.]

BRETTON WOODS, THE BRITISH LOAN, AND THE MARSHALL PLAN—STATEMENTS BY PUBLIC OFFICIALS

[Mr. BREWSTER asked and obtained leave to have printed in the RECORD a compilation of statements made by certain public officials in reference to the Bretton Woods and British loan agreements and the Marshall plan, which appear in the Appendix.]

VALUE IN TERMS OF PROPERTY OF ECA AUTHORIZATION

Mr. WHERRY. Mr. President, during the debate on the pending measure, many issues have been raised and many fine things have been said in an attempt to justify the continuance of ECA. There are those who feel, however, that it should be continued on as economical a basis as possible because $5,580,000,000 is a lot of money.

There are those on the Senate floor who are not members of the committee and, I am satisfied, at least one member of the Appropriations Committee, who are apprehensive that if the authorization goes through, the figure of $5,580,000,000 will be the appropriation that is finally granted.

Senators have made speeches in which, disregarding the amount of money involved, they stress the necessity for financing ECA, and contend that if the authorization should be reduced the result might be much higher costs in the event we should become involved in a third world war. But, regardless of all of the arguments for and against the objectives of the bill the fact remains that very few have given consideration to the amount of value in $5,580,000,000. In order that the people of the farm States and especially Nebraska may have some idea of what it means to appropriate $5,580,000,000, I ask unanimous consent that the news release from the Omaha World-Herald of April 1, 1949, may be printed in the RECORD at this point as a part of my remarks.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

Yesterday's paper carried a statement made by the junior Senator of Nebraska, setting out some of these comparisons with the value of farm land, of our buildings, of our counties, of our municipalities, and the crop production of not only Nebraska but the Middle Western States that we call the Bread Basket of America:

Aside from being a whale of a lot, how much is $5,500,000,000; just how much, actually.

For one thing, it is the amount that President Truman insists the United States should spend on foreign aid in the next 15 months. He says Congress shouldn't cut it a penny.

For another, it is some 18 times the valuation of all Omaha's assessed real and personal property, more than twice the valuation of Nebraska's assessed valuation.

It is little more than five times the total gross farm income, including Government payments, of Nebraska farmers in the record income year of 1947. That was $1,139,086,000.

Mr. Truman calls for foreign aid totaling $5,580,000,000.

The parallel was drawn Thursday by Senator WHERRY, of Nebraska, the Republican leader in the Senate, who is one of the leaders in the fight to reduce ECA expenditures.

He favors extending the aid for 12 months at a time instead of 15 and a reduction of 15 percent in the administration request.

He drew his parallels showing how much five and one-half billions is in order that the people of Nebraska could get a close-to-home comparison of what foreign aid was costing, he declared.

He drew them shortly after President Truman made it clear to reporters that he wouldn't be satisfied with anything less than the full $5,580,000,000.

That, said Senator WHERRY, is $100,000 more than the total farm income of Minnesota, Iowa, Missouri, North and South Dakota, Nebraska, and Kansas in 1945, the last war year.

It is just about the same as the total gross income for livestock in 1947, the record year, in Minnesota, Iowa, Missouri, North and South Dakota, Nebraska, and Kansas. That figure was $5,799,596,000.

It is something like 13 times the total assessed valuation of Douglas County property, personal, tangible, and intangible.

That valuation is $455,707,864.

Nebraska's assessed valuation in 1949 was $2,299,222,769. Mr. Truman is asking more than double that for foreign aid in the current bill.

It would take 100,000 men earning $100 per week 10 years and 9 months to make that much.

In 1934, said Mr. WHERRY, the entire cost of United States Government was $6,011,000,000, just a half billion more than the requested ECA appropriation.

Mr. WHERRY pointed out that last year's record corn production of 3,650,548,000 bushels would have to be sold for $1.50 per bushel to raise the $5,580,000,000 Mr. Truman has asked. That is 20 to 30 cents more than today's market.

"Similar comparisons could be made in relation to industrial income," Mr. WHERRY said. "I have drawn these parallels to show the folks in Nebraska just how much we are being asked to contribute."

STATE AND LOCAL HISTORY AND AMERICANISM—STATEMENT BY DR. SYLVESTER K. STEVENS

Mr. MARTIN. Mr. President, I feel that the understanding of State and local history is most important in impressing upon the people of the United States the real plan of our form of government. Dr. Sylvester K. Stevens, State historian of the Commonwealth of Pennsylvania, has prepared a very useful statement on that subject, and I ask unanimous consent to have it printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATE AND LOCAL HISTORY AND AMERICANISM

(By Sylvester K. Stevens, State historian, Commonwealth of Pennsylvania)

It is agreed today by most thoughtful people that the best way to combat communism, or any other ism, is the development of a strong spirit of loyalty to our American ideals and institutions. America is today the world custodian for the tolerance, liberty, and free government which are the foundations for a democratic world order. If this responsibility is to be upheld in the present and for the future, there must be a great revival of patriotism and renewed faith in our institutions and ideals in this country. A basic appreciation for and understanding of the true origins and the meaning of our American way of life and its advantages over totalitarianism and dictatorship must be created.

In any program to develop such an understanding heavy reliance must be placed upon history as a great reservoir of inspiration. The question is how to make the use of history most effective to this end. A meaningless recital of names and dates is not the answer. Our history must be made full of meaning and life, and result in an appreciation of the struggles and hardships which have helped build America.

It is axiomatic that patriotism is based upon loyalty to certain ideals connected with the Nation's heritage. Loyalty, like charity, can best begin at home. Persons are loyal to and will fight to uphold those things which they know and cherish as a part of their personal life and within their own understanding.

The use of history to build sound Americanism should also begin at home. We should try to build our loyalty around that part of America which is the home State or community of the individual citizen. Our citizenry must be filled with a love for their community and for the State of which it forms a part. In turn there develops an inevitable love of country and the sound Americanism so essential to our national life. National ideals and aspirations and the American heritage are thereby translated into individual and community experience.

It is in this connection that the history of our States and of our localities becomes of the utmost importance in creating Americanism. All of our great national ideals and institutions have local roots. Local history is truly living history, close to the people and their experiences and those of their forebears. No great event in our national history is without a local setting or local personalities in some community area.

Edward Everett once said, "How is the spirit of a free people to be formed and animated and cheered but out of the storehouse of its historical recollections?" Almost without limit are the examples which can be cited from the history of our States and localities to show the part each has played in the building of the national heritage. Indeed, the current proposal to include State documents on the Freedom Train's extended tour is belated recognition of the fact that our national history is deeply rooted in the early history of all the several States. By this means the fact can be impressed upon every citizen that his or her heritage embodied in the sacred documents of the Nation likewise is grounded upon the solid foundation of charters and acts of the States which created the Union. Here is a lesson in not only basic Americanism but also in the very structure of the American Federal system of government.

This is a time when the history of our States and of our communities should be brought to the attention of every citizen of voting age and to every boy and girl in the

classroom and university lecture hall. It is a time to evaluate and to make known the living history of those States and communities through the renewed effort of our State and local historical societies. It is these societies which have labored through the years to preserve the documents and records from which that history can be written. Out of the use of these resources, made public in books and pamphlets, will come a new knowledge of our history and our traditions which should foster a great rebirth of loyalty to our American traditions and way of life—a sound Americanism. Out of it should come a keener and closer to home realization that sons and daughters of Kansas, of California, and of Pennsylvania, and of all the States fought and sacrificed and worked in the past that our Nation might live and continue as a community of freemen. From that knowledge should come a renewed determination that we shall not lag in the fight for freedom today; that we shall continue in the forefront of the defense of liberty throughout the world.

MARCH 30, 1949.

POST-CARD NOTICE BY AREA RENT DIRECTOR IN RESPONSE TO LETTER

Mr. BRICKER. Mr. President, I ask unanimous consent to have printed in the RECORD a post card mailed to a citizen of my State in reply to a letter to the Office of the Housing Expediter; also the notation of Mrs. J. M. Morrison, of Toledo, Ohio, who sent this card to me. The card from the area rent director advises her to "refrain from visiting or telephoning this office unless so requested." That is the kind of service being given by the Housing Expediter's Office.

There being no objection, the card and notation were ordered to be printed in the RECORD, as follows:

OFFICE OF THE HOUSING EXPEDITER.

This will acknowledge your recent mailing which will be given the fullest consideration as soon as possible.

However, you will assist yourself and others if you refrain from visiting or telephoning this office unless so requested.

PAUL E. DECKER,
Area Rent Director.

SHIPMENT OF SUPPLIES FROM ERP COUNTRIES TO EASTERN EUROPE—AID TO CHINA

Mr. McCARRAN. Mr. President, for some time there have been articles in the press—and I am sorry to say that some of the expressions have found their way into this body—to the effect that Great Britain and other countries have been shipping jet engines into Russia and the satellite countries. As chairman of the so-called watchdog committee, I am interested in the subject, and our committee is interested in the subject. I addressed a communication to the Secretary of Defense. His reply to me is a complete refutation of the statement. I think it is enlightening, and I ask unanimous consent that it be read by the clerk.

The VICE PRESIDENT. Without objection, the clerk will read.

The Chief Clerk read as follows:

THE SECRETARY OF DEFENSE,
Washington, April 1, 1949.

Hon. PAT MCCARRAN,
Chairman, Joint Committee on Foreign Economic Cooperation, Congress of the United States.

MY DEAR SENATOR MCCARRAN: This is in reply to your letter of March 31, 1949, in which you inquire regarding the shipment of supplies from the 16 ERP countries to eastern Europe. You refer particularly to the reported shipments of jet engines from England to Russia.

Section 117 (d) of the Economic Cooperation Act of 1948 directs the Administrator to refuse delivery to participating countries, insofar as practicable, of commodities which enter into the production of other commodities for delivery to nonparticipating countries when such commodities would be denied export from the United States to these countries for reasons of national security. The direct responsibility for enforcing this lies with the ECA Administrator, and I would suggest that he is in the best position to give you information insofar as it relates to the carrying out of the ECA program. The National Military Establishment obviously has a vital interest in the direct or indirect export of commodities, such as munitions, munitions-producing equipment, and prototypes to certain areas of the world, and we have cooperated with the ECA Administrator in making available technical and other information as to the strategic importance of commodities entering into the export trade.

With respect to your particular inquiry regarding the reported shipments of British jet engines to Soviet Russia, I can give you the following information. Some jet engines were sold and delivered to the USSR after the end of the war, but no deliveries have been made since December 1947, and additional requests have been rejected. We have been in touch with the British on this subject over a period of time and have been informed that it is the present policy of the British Government to make no further deliveries of the jet engines to the Soviet Union and the satellites.

In this connection you may have seen the recent report from London that the president of the Board of Trade has announced to the House of Commons a new schedule of materials and machinery subject to export controls. In the administration of such controls, licenses will not be required for shipments to areas such as the United States, the British Commonwealth, and the ERP countries.

If you require any further information, please let me know and I shall be glad to obtain it for you if I can.

Sincerely yours,

LOUIS JOHNSON.

Mr. McCARRAN. Mr. President, there is pending before the Committee on Foreign Relations a bill introduced by myself providing for aid to China. Suggestions have been made that it might be proper to offer that bill, or the substance of it, as an amendment to the pending measure. It is not in accordance with my best judgment to do so. I have many reasons for that. I think the subject should be dealt with separately by the Committee on Foreign Relations. I have been assured by my good friend the chairman of the Committee on Foreign Relations [Mr. CONNALLY] that the matter will be taken up, and that we shall have opportunity to present such views as we see fit to present in furtherance of aid to China.

I am in receipt of an exceedingly interesting telegram on the subject from David Taggart Clark, associate professor of economics at Williams College, New Haven, Conn. I ask that the telegram in its entirety be inserted in the RECORD in connection with my remarks. I have authority from the author to publish it.

Mr. HICKENLOOPER. Mr. President, reserving the right to object——

The VICE PRESIDENT. The Senator from Iowa reserves the right to object.

Mr. HICKENLOOPER. I wish to say to the Senator from Nevada that I have listened with interest to the reading of the letter from the Secretary of Defense, which the Senator from Nevada has just had read by the clerk. I am afraid that I am unable to agree with the Senator that the letter from the Secretary of Defense is a complete refutation of statements which have been made regarding the shipment of jet engines by the British to the Russians. I am aware that the letter states—and I have no reason to question it—that no jet engines were sent during the year 1948; but I merely wish to reserve my own observations and my own right at a proper time to question the attitude of the British and their conduct prior to January 1, 1948, in connection with the manipulations and the transfers of jet engines between the British companies and the Russians prior to that time. I merely wish to make that reservation at this time.

The VICE PRESIDENT. This hour for the transaction of routine morning business is not a time for debate. The Chair feels compelled to ask Senators to observe the rule in that connection.

Mr. McCARRAN. Mr. President, I wish to ask the Senator from Iowa a question.

The VICE PRESIDENT. Is there objection to the request of the Senator from Nevada for the printing of the telegram in the RECORD?

Mr. HICKENLOOPER. Mr. President, I was reserving the right to object.

Mr. McCARRAN. Mr. President, the telegram has nothing to do with the jet-engine matter. The telegram pertains entirely to China.

Mr. HICKENLOOPER. I am aware of that; but I wished to take this opportunity to reserve the right to object to the other matter in order to make the statement I have made. The telegram in regard to the China situation was injected so soon after the letter pertaining to jet engines was presented, that no opportunity was offered to make an observation, and I did not wish too much of a hiatus to occur.

The VICE PRESIDENT. Is there objection to the request of the Senator from Nevada for the printing of the telegram?

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

NEW HAVEN, CONN., *March 28, 1949.*

Hon. PAT MCCARRAN,
United States Senate,
Washington, D. C.:

May I tell you my unbounded gratification at report you purpose persisting in your patriotic endeavor to preserve a pro-American China before its loss to unfriendly control becomes irretrievable?

You have not missed the prompt Communist counter to our necessary Atlantic Pact. Very day of latters publication, editorial distributed in Communist China, New York Times, March 19, page 4, avowing virtual military alliance of Communist China with Russia, reciting its interpretation of Sun Yat-sen, and declaring in substance such China will stand with Russia against us in event of war.

This accords completely with Steele's illuminating report to Herald Tribune before the news black-out on Communist propaganda at Peiping he said: "Deep sympathy

and admiration for the Soviet Union are obvious."

I needed no more than did your Senate majority startling Budenz disclosures in Colliers, March 19, to know Stalin has sought for years a China menacing the United States. Russian periodical Novyi Zhurnal printed evidence in 1943. Why, however, in face of such clear and credible testimony, tallying with all the reason and logic of the case from Moscow's viewpoint, should American Government so stubbornly seek to hand over to Stalin his coveted prize, and make it that harder for this country to fight for its life if that necessity should befall?

Patently needed seems to me Senate investigation of the competence if nothing else of the misadvisers of the President and Secretary in a crisis not only for American liberty but for the future hopes of all humanity, dependent thereupon. The investigation well might ask C. L. Sulzberger who in State Department doled out to him the silly drivel or outright falsehood he retailed to readers of New York Times, February 15, 18, or other dates.

Column, Marquis Childs, Boston-Globe, Saturday purporting to quote General Barr, wholly irrelevant if General Barr was in China only during last year. During months of 1946, when large American aid was going to Chiang, he was clearly winning out, gaining the upper hand. If he was accomplishing this on 10 percent of what he was getting, while letting 90 percent slip to his opponents, he was a military wonder. You undoubtedly are familiar with article in Current History, March 1948. This tells what started Chiang's difficulties. It tells, if trustworthy, much else. I consider the periodical of highest character for editorship and care.

Probably you believe nothing compatible with American security is likely to come out of imminent negotiations.

Unequivocal intimation ought to be given Mao, privately or publicly, Communist control south of Yangtze would so conflict with American vital interest, and so jeopardize world peace American Government could not possibly consent. The Truman doctrine should apply.

I think, if we left him provisionally in his present area, he would now yield. Perhaps not risk of war would have to be faced. There is no other way, without incurring infinitely greater risk for years ahead. I need not quote to you Chennault or MacArthur.

If only you could gain committee approval for your statesmanlike bill within the next few days or weeks, it would so enormously strengthen the hand of the Nationalist negotiators that the China problem would probably be solved. One can only pray you may.

Yours with the greatest respect,

DAVID TAGGART CLARK,
Associate Professor of Economics, Retired, Williams College.

ATTENDANCE OF SENATORS AT MEETING OF COMMITTEE ON INTERIOR AND INSULAR AFFAIRS ON APRIL 1

Mr. O'MAHONEY. Mr. President, yesterday unanimous consent was given to the Committee on Interior and Insular Affairs to sit during the session of the Senate for the purpose of hearing certain witnesses from Alaska. While the committee was thus in session a quorum call of the Senate was had, and the record of it appears on page 3662 of the CONGRESSIONAL RECORD for April 1. I desire the RECORD to show that the following members of the Committee on Interior and Insular Affairs were present in the Capitol on official business at the time when that quorum call took place, although their names did not appear in connection with the quorum call: The Senator from New Mexico [Mr. ANDERSON], the Senator from Nebraska [Mr. BUTLER], the Senator from Oregon [Mr. CORDON], the Senator from Montana [Mr. ECTON], the Senator from Oklahoma [Mr. KERR], the Senator from Arizona [Mr. MCFARLAND], the Senator from Idaho [Mr. MILLER], the Senator from Colorado [Mr. MILLIKIN], and myself.

The VICE PRESIDENT. The statement will be noted in the RECORD.

RELIGIOUS OBSERVANCE OF GOOD FRIDAY

Mr. NEELY. Mr. President, I have received a letter from Miss Dorothy E. Weitzel, of Wheeling, W. Va., president of St. Joseph's Academy Alumnae Association, submitting a request that Good Friday be set apart as a day of religious observance. I ask that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ST. JOSEPH'S ACADEMY
ALUMNAE ASSOCIATION,
Wheeling, W. Va., March 21, 1949.

Senator MATTHEW M. NEELY,
Senate Office Building,
Washington, D. C.

SIR: The St. Joseph's Academy Alumnae Association, an organization of 2,000 members, asks you to voice the following request and place it on record:

We ask that Good Friday be set apart as a day of religious observance in grateful remembrance of the passion and death of our Lord and Saviour Jesus Christ.

I have the honor to remain,

Yours very truly,

DOROTHY E. WEITZEL,
President.

ANNOUNCEMENT OF TODAY'S PROGRAM

Mr. LUCAS. Mr. President, I should like to make a brief announcement for the benefit of Senators in regard to the program for this afternoon.

The pending amendment is the one submitted by the distinguished Senator from Louisiana [Mr. ELLENDER]. I understand that it will take some time for him to debate it.

The Senator from Massachusetts [Mr. LODGE] is very much interested in the contents of the amendment, as well as in the debate on it. He is unavoidably absent today. It is barely possible that when the Senator from Louisiana finishes his statement, I may ask the Senator if he will permit the amendment to be temporarily laid aside, so that perhaps we can take up other amendments.

The Senator from Connecticut [Mr. BALDWIN] is very anxious to have an amendment presented, as are other Senators. Perhaps we might be able to make disposition of two or three of the amendments on which the debate might not be quite so long. I hope we may be able to pass on two or three amendments this afternoon, in view of the fact that there are some 26 amendments to Senate bill 1209 which are still to be disposed of.

I may say further that probably we shall take a recess some time around 5 or 5:30 o'clock this afternoon.

I hope I may be able to persuade my good friend, the Senator from North Dakota [Mr. LANGER] to agree to a unanimous-consent proposal to have the Senate vote some time on Monday on all other amendments. I shall talk to him a little later in private, and perhaps I can persuade him to go along with us.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. BREWSTER. I should be very glad if it would be possible to take up the amendment on which I spoke at some length yesterday. I do not contemplate more extended speaking on it, so I hope it will be possible to dispose of it.

Mr. LUCAS. I hope the Senators who have amendments will remain rather close at hand, in order that we may take up some of them.

Mr. WHERRY. Mr. President, let me ask the distinguished majority leader if he plans—I understood he said this might be done, but I should like to know whether he can assure us of it—at the end of the presentation of the amendment affecting strategic materials, to lay it aside temporarily, so that we may then proceed to dispose of certain other amendments. I wonder whether we can have a clear statement in that regard.

Mr. LUCAS. Yes; I think I have that tentative understanding with the Senator from Louisiana, and I think there will be no question about it.

Mr. ELLENDER. I am very glad to agree to have that done, Mr. President.

The VICE PRESIDENT. The Senator from Louisiana is recognized for the purpose of discussing the amendment which he offered last evening.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, in which it requested the concurrence of the Senate.

EXTENSION OF EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 1209) to amend the Economic Cooperation Act of 1948.

Mr. ELLENDER obtained the floor.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Louisiana [Mr. ELLENDER] on page 8, line 3, to strike out "5 per centum" and insert in lieu thereof "25 per centum", and on page 9, line 1, after the word "materials", to insert "plus amounts allocated in accordance with subsection (h)."

Mr. ELLENDER. Mr. President, at the outset I wish to make it crystal clear that the amendment proposed by me does not in any manner affect the pending authorization for the ECA program. The sole purpose of the amendment is to increase by 20 percent our minimum share of the local-currency account established under the provisions of the present law. That account is known as the counterpart fund. As I understand the way in which the counterpart fund operates, the importers of, let us say, France, furnish a statement of the requirements of French merchants, farmers, or manufacturers. The statement of

requirement is then sent to the ECA Administrator in Washington. After he approves it, the goods are purchased and paid for from dollars allocated to the given country, in this case, France. When the goods reach France, they are sold through normal trade channels to the manufacturer, the merchant, or to the farmer, and so forth. They are paid for in francs. The francs are thereafter deposited in a bank and, as I have just indicated, they become known as counterpart funds. Under existing law not less than 5 percent of this special local-currency fund is allotted to the use of the United States Government for purchase of strategic materials and for other local-currency requirements of the United States. Section 10 (h), found on page 8 of the pending bill, states:

(h) Not less than 5 percent of each special local currency account established pursuant to paragraph (6) of subsection (b) of this section shall be allocated to the use of the United States Government for expenditure for materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources or for other local currency requirements of the United States.

Dropping down to line 21, subparagraph (2), I read further:

In furtherance of such objectives and within the limits of the appropriations and contract authorizations of the Bureau of Federal Supply to procure strategic and critical materials—

At this point on page 9, line 1, my amendment proposes to insert "plus amounts allocated in accordance with subsection (h)."

As I have already indicated, that would have the effect of increasing the minimum from 5 percent to 25 percent. I continue the reading of subparagraph (2):

The Administrator, with the approval of the Director of such Bureau, shall enter into contracts in the name of the United States for the account of such Bureau for the purchase of strategic and critical materials in any participating country. Such contracts may provide for deliveries over definite periods, but not to exceed 20 years in any contract, and may provide for payments in advance of deliveries.

Before proceeding to a detailed discussion of the amendment which is now pending, I shall ask the indulgence of Senators in order that I may pass in parade some of the proposals or plans which have been submitted thus far by our advisors, in order to bring to us and to the world permanent peace. It will be recalled that the movement started early in 1945, when 51 nations met at San Francisco to organize the United Nations. Under date of July 28, 1945, the Senate adopted a resolution agreeing to membership in that organization. We were told at that time that other steps were necessary in order to make it possible for us to have a settled world, which in turn would lead to peace. We were told at that time that it was necessary that the Congress agree to the Bretton Woods proposals. It will be recalled that the Bretton Woods proposals are, to a certain extent, part and parcel of the United Nations Charter. As a matter of fact, when the countries were meeting at San Francisco for the purpose of determining what should be included in the charter, there were present representatives from all countries who had met at Bretton Woods, N. H., for the purpose of devising ways and means of rendering assistance to countries that had suffered from the war. As a result of those conferences we agreed to subscribe to the Bretton Woods proposals.

In one of those proposals we agreed to subscribe to the capital stock of the International Bank to the extent of $3,175,000,000. The United Kingdom was to subscribe in the amount of $1,300,000,000. Not long after the International Bank was created, the participating countries were asked to supply a minimum of 2 percent of what they had subscribed. We immediately put up our portion. All other countries put up their 2 percent. Later the directors of the bank made further calls totaling 18 percent on all subscribers. This was to be in the currency of the subscribing nations, and to be banked in those countries. It was also provided that the bank could not use the 18 percent funds of the other countries without the express permission of the respective governments concerned. Up to the present time the bank has succeeded in freeing, of these 18 percent funds of other countries, the sum of approximately $2,000,000 from the United Kingdom, and another $10,000,000 from Belgium and Canada. So that actually, the only country to pay its entire subscription was the United States. In addition to the 2 percent of the subscription we had originally deposited, we put up this additional 18 percent, amounting to $571,500,000. Great Britain's 18 percent amounted to $234,000,000. All she actually put up, in addition to the original 2 percent, which amounted to $26,000,000, was $2,000,000. The total actually put up by other countries as a result of the 18 percent call was $10,000,000.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. JOHNSON of Colorado. Does the Senator recall that when the British loan, which preceded the Marshall plan, was being considered by the Senate, it was repeatedly stated on the floor that one of the purposes of the loan was to enable Great Britain to carry her load in the fund and in the International Bank?

Mr. ELLENDER. Yes, that was one of the purposes, I may say to the Senator, but after she procured our money by way of a loan she did not put up her full share for the International Bank.

Mr. JOHNSON of Colorado. It was one of the arguments, was it not?

Mr. ELLENDER. Yes; but evidently none of the money was used for that purpose, as I have just stated. As a matter of fact, Mr. President, the entire amount of subscribed and paid-in stock of the International Bank aggregates $1,004,326,000, and we have put up every penny of that amount, with the exception of $10,000,000, from Belgium and Canada, $28,000,000 from Great Britain, and the 2 percent originally subscribed by other nations. There were also sold in this country, to our own people, bonds of the International Bank in the amount of $250,000,000. So that, of this entire amount of approximately $1,000,000,000, we in the United States have placed the greater portion at the disposal of the bank.

Let us see how this money was loaned out. Belgium received $16,000,000; France, $250,000,000; The Netherlands, $195,000,000; Denmark, $40,000,000; Luxemburg, $12,000,000; Chile, $16,000,000; the Dutch shipping companies, $12,000,000; Mexico, $34,100,000; Brazil, $75,000,000, making a total to date of $650,100,000. There is still available for lending purposes $370,000,000. Of course, there may be good reasons why the countries which are in need of funds today do not go to the bank which was created for the purpose of making money available for them. In that bank they must put up some kind of security if they wish to borrow, which was agreed to by them as part and parcel of the plan to bring about prosperity and permanent world peace.

Mr. President, the next step which was taken by us, with respect to the Bretton Woods proposal, was to subscribe to the International Monetary Fund, or the so-called stabilization fund. It will be recalled that when the matter was presented to us it was all important that the fund be established so as to be used in order to stabilize the currencies of all participating countries.

Let me point out to the Senate the extent to which we participated in that fund. Our share was $2,750,000,000 which we put up in United States dollars and gold. The United Kingdom put up $300,000,000 in gold and $1,000,000,000 pounds sterling, or a total of $1,300,000,000; all other nations put up in gold the sum of $1,000,000,000.

That makes a total in United States dollars and gold of $4,050,000,000. Not long after Great Britain had put up her $300,000,000 in gold she immediately purchased $300,000,000 of United States dollar currency, by putting up an equal amount in pounds sterling, so that today in effect, all the money which Great Britain has in the fund is sterling. France withdrew $125,000,000 in United States dollars; the Netherlands, $62,500,000; Belgium, $33,000,000; Denmark, $10,200,000; Norway, $5,000,000; Czechoslovakia, $6,000,000; Turkey, $5,000,000, other nations, $135,900,000. The entire amount which has now been withdrawn from that fund aggregates $700,000,000, of which $682,900,000 was in United States dollars. There is still available in United States dollars the difference between that latter sum of $4,050,000,000.

But, again, I wish to point out to the Senate that the United States Government put up the major portion of that $4,000,000,000.

Mr. President, not long after we were told it was necessary that we join hands with other nations in the formation of the International Bank and the stabilization fund, which I have just mentioned, another proposal was made to us. It was

another "must," in order to develop trade among various nations and bring about peace and prosperity.

Mr. KEM. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. KEM. I am very much interested in the enlightening report which the Senator is making. Will the Senator summarize what the experience at Bretton Woods has cost the American people up to this time?

Mr. ELLENDER. I have that information here. I have discussed it. We have subscribed, and we are responsible in those two ventures, for a total sum of more than $6,000,000,000. If the Senator will be patient with me, I shall presently summarize this amount, together with other amounts which we have obligated ourselves to pay.

Another adjunct to this peace proposal which was described as essential was the increase in the lending ability of the Export-Import Bank. The Export-Import Bank is a corporation entirely owned by the Federal Government. The Federal Government owns the stock in it. The bank has a lending capacity of $3,500,000,000. We increased the lending authority to that amount, under date of July 31, 1945, about the same time and in the same period that we joined the United Nations organization and subscribed to the International Bank and the stabilization fund to which I have just referred. Under that plan the United States Government has again made funds available to various nations, not only in Europe, but all over the world. The outstanding loans are as follows:

Latin America	$711,166,866.39
Asia	289,191,099.07
Europe	2,039,392,808.63
Other contributions	200,367,614.28
Total	3,240,118,388.27

Mr. President, that is another obligation we have assumed for assisting foreign nations, in addition to what I have just stated to the Senate.

Let me give a break-down of the European loans:

Sweden	$2,155,000
France	1,200,000,000

The United Kingdom did not borrow from the Export-Import Bank. Subsequently, as I shall point out in a few minutes, we made them a direct loan of $3,750,000,000, almost on her own terms. It will be recalled that at that time the British were very much disappointed that we did not keep on with the lend-lease program whereby they could get all the supplies and materials they needed without having to put up any security or in fact any of her possessions. It was more or less in the nature of a grant of gift.

Other countries receiving loans from the Export-Import Bank are—

Austria	$13,505,000.00
Belgium	132,000,000.00
Czechoslovakia	21,987,000.00
Denmark	20,000,000.00
Finland	125,146,204.68
Poland	46,166,742.52
Germany	23,592,103.00
Italy	134,263,812.33
The Netherlands	209,878,142.50
Norway	50,250,000.00

Mr. President, the grand total of funds the Government of the United States made available to foreign governments by loans, credits, and grants from July 1, 1945, to June 30, 1948, plus the ECA appropriations for the fiscal year ending June 30, 1949, is the stupendous sum of $23,783,000,000.

Mr. JENNER. Mr. President——

The PRESIDING OFFICER (Mr. O'CONOR in the chair). Does the Senator from Louisiana yield to the Senator from Indiana?

Mr. ELLENDER. I yield.

Mr. JENNER. Do the figures the Senator has given include UNRRA?

Mr. ELLENDER. Yes.

Mr. JENNER. Do they include the cost of the army of occupation in Germany?

Mr. ELLENDER. Yes, up to June 30, 1948.

Mr. JENNER. Do they include the cost of the army of occupation in Japan?

Mr. ELLENDER. Yes. These figures were taken from a report made by the National Advisory Council. I shall give a break-down of them for the benefit of Senators.

Insofar as I am aware, the only thing that is not included in this tabulation is the approximately $6,000,000,000 loss we sustained when we sold $6,400,000,000 worth of lend-lease goods in the pipe lines to Great Britain for the sum of $640,000,000.

It will be recalled that soon after the war our Government sold to the government of Great Britain lend-lease goods in the pipe line valued at a sum in excess of $6,000,000,000. For that amount we received an I O U of $640,000,000, or about 10 percent of the value of the goods. When the British pay that debt, if they ever do, we will be obligated to spend every dime of it in the United Kingdom. We cannot spend it anywhere else except in the United Kingdom.

Mr. President, in order to give a picture of how that huge sum was distributed, let me point out to the Senate these facts: The United Kingdom got $5,958,000,000 worth of loans and gifts in addition to twenty-five or thirty billion dollars we have given under lend-lease, and which is not included in these figures.

France got $3,374,000,000. Western Germany got $2,467,000,000. Italy got $1,868,000,000. Greece got $942,000,000. The Netherlands got $759,000,000. Austria got $580,000,000. Belgium and Luxemburg got $356,000,000. Others got $584,000,000. The total to the European nations participating in ECA amounted to $16,888,000,000.

Other European nations received the following: Russia, $465,000,000; Poland, $443,000,000; Yugoslavia, $249,000,000; Czechoslovakia, $213,000,000; all others, $163,000,000, or a total of $1,583,000,000.

Mr. JENNER. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. JENNER. The Senator made reference to $465,000,000 going to Russia.

Mr. ELLENDER. Yes.

Mr. JENNER. When did we send them $465,000,000?

Mr. ELLENDER. That was made available to them soon after the war, when things were going fairly well between us.

Mr. JENNER. Was that in the period from 1945 to the present time, to which the Senator recently referred in his remarks?

Mr. ELLENDER. Yes.

Mr. JENNER. In what form was that money given to them?

Mr. ELLENDER. In the form of goods and supplies and items of that character.

Mr. JENNER. Did it include goods of a strategic nature?

Mr. ELLENDER. I am unable to state as to that.

Mr. JENNER. The Senator does not have the break-down?

Mr. ELLENDER. I do not have the break-down.

Mr. JOHNSON of Colorado. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield for a question.

Mr. JOHNSON of Colorado. I am not clear as to whether the Senator is including in the total the pipe-line lend-lease goods which were on their way to the United Kingdom and to other nations in Europe.

Mr. ELLENDER. The figures I have just quoted cover all the money in the form of loans, credits, and grants that were made available to these countries.

Mr. JOHNSON of Colorado. But not goods?

Mr. ELLENDER. Certainly there were goods, for the reason that, as I have just indicated, the ECA appropriation for the fiscal year ending June 30, 1949, was included.

Mr. JOHNSON of Colorado. That was not quite the question I desired to ask. What I am trying to ascertain is whether or not the lend-lease items in the pipe lines are included in these grants and expenditures and investments.

Mr. ELLENDER. The figures I have given include them, and the only thing left out, as I have just stated, is the huge loss we took on the $640,000,000 sale of lend-lease goods to Great Britain.

Mr. JOHNSON of Colorado. Which was deducted from the pipe line?

Mr. ELLENDER. It should be added to the almost $6,000,000,000 figure.

Mr. JENNER. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield for a question.

Mr. JENNER. I wonder if the Senator in his study of these loans, grants, and gifts which have cost of the American taxpayers since 1945 approximately $23,000,000,000——

Mr. ELLENDER. Twenty-four billion dollars.

Mr. JENNER. I wonder if the Senator has included the following items: As I understand, at the conclusion of World War II, we had several billion dollars' worth of equipment—a great part of which was in the British Isles. Does the Senator know what happened to that several billion dollars' worth of goods, whether or not they are included, or did we just walk off and leave them?

Mr. ELLENDER. A moment ago I stated that in addition to the amount of

$5,958,000,000 that was chargeable to the United Kingdom, we have to add the sum of over $6,000,000,000 of lend-lease supplies which our Government sold to Great Britain for $640,000,000 in the form of an IOU given to us by Great Britain.

Mr. JENNER. What was the total value of that material?

Mr. ELLENDER. Six billion four hundred million dollars.

Mr. JENNER. And we sold it to Great Britain for 10 cents on the dollar?

Mr. ELLENDER. Yes. But the joke of it all is that we received from Great Britain an IOU, and if and when the British pay us the amount due on the IOU we will have to spend the money in Great Britain.

Mr. JENNER. Mr. President, will the Senator yield for a further question?

Mr. ELLENDER. I do.

Mr. JENNER. We know that England has been helping to build up the war potential of Russia by the shipment to Russia of jet planes, and so forth. Day before yesterday, supposedly for nonwar goods, Britain loaned Russia 36,000,000 additional dollars. Does the Senator from Louisiana know whether or not of the $6,000,000,000 worth of war equipment we left in England, for which she gave us an IOU, which amounted to only 10 cents on the dollar, or $640,000,000, which we shall be obliged to spend in the British Isles, England has shipped almost $5,000,000,000 worth of it to Russia and the Russian satellite countries further to develop their war potential?

Mr. ELLENDER. I believe the ECA Administrator should by all means look into that before any more funds are made available to Great Britain. This should apply to all countries receiving our assistance.

Mr. JENNER. Has the Senator received any evidence from the Foreign Relations Committee or anyone else that that matter has been looked into?

Mr. ELLENDER. No; I have not.

I want to make it plain by way of emphasis, because it is important——

Mr. JENNER. It cannot be repeated too often.

Mr. ELLENDER. I want to make it plain that the figure I have just given and with respect to which I now propose to give the details—the figure of $23,783,000,000—does not include the $6,000,000,000 loss in the sale of lend-lease supplies to Great Britain, and it does not include the amounts we are liable for in the International Monetary Fund and the International Bank, which aggregate almost $6,000,000,000. So it would be necessary to add to the figure of almost $24,000,000,000, another $6,000,000,000 representing our loss on the lend-lease sale to Great Britain, plus almost $6,000,000,000 more which we have contracted for in the Bretton Woods proposals. I am making these figures available to the Senate simply to illustrate the extent to which we have already helped our friends, and so that we may determine how long and in what amounts we can continue our help. The amendment I propose is simply to provide that a minimum of one-fourth of this counterpart fund be made available to our country so that we can replenish the millions of tons of our God-given natural resources which we are shipping across the seas.

By my amendment I do not ask that the strategic materials be given us today or tomorrow or next week. My amendment provides that, with the fund mentioned, the Bureau of Supplies, together with the ECA Administrator, may contract over a period of 20 years for the production and furnishing of those materials. These funds so derived can be retained in the Bank of England, in the Bank of France, or in the bank of any other country receiving ECA funds, and if and when the strategic materials are made available that money can be used in order to purchase them for the use of our country. That is all my amendment provides. It does not in any manner reduce the amount of the appropriation. It does not reduce the amount of United States dollars that will be made available next year to the ERP countries. It simply provides that of the amount of money paid over by the receiving country for the goods purchased with our dollars, and which is placed in this counterpart fund, at least 25 percent shall be set aside so that we in turn can contract with the nationals of the various countries to furnish us with strategic materials in the future. That is all the amendment requires, and I cannot for the life of me see any objection to such an amendment.

Mr. JENNER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Indiana?

Mr. ELLENDER. I yield.

Mr. JENNER. Is not the Senator's amendment also in keeping with the policy already established by Congress which authorizes the Government of the United States to go out into the world and accumulate stock piles of strategic materials needed for our national defense and security?

Mr. ELLENDER. That is correct. I shall go into that subject in a little more detail in a few moments.

I have before me a list of all the ECA countries and their colonies where the strategic materials can be found. What I am trying to do is to make possible the use of a minimum of 25 percent of the fund in question so as to purchase strategic materials from those we are assisting. In other words, I propose that we say to the nationals of the countries in question, "We have so much money in your banks. Go out and try to discover strategic materials. We will furnish you the money to build factories, and over a period of time you can repay us when you find the strategic materials." That will help them to rebuild their economy.

Mr. JENNER. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield for a question.

Mr. JENNER. In view of the fact that dignitaries from these countries are now on our shores to sign the North Atlantic Pact, and the North Atlantic Pact, as I understand, is directed toward the security and the defense of these very nations themselves, would it not be reasonable to assume that all the European countries which are now under the Marshall plan, and their colonies, which have strategic materials, would be glad to cooperate in such a program as the Senator's amendment contemplates in order to build up their defense and security?

Mr. ELLENDER. My answer is yes. I propose that we say to them, "We will use at least 25 percent of the counterpart fund in order to help you to develop ways and means to obtain these strategic materials."

Mr. President, I shall continue reading from this table showing the total amount of loans, grants, and credits from our Government to foreign nations. I give the figures for Asia. China $1,898,000,000; Japan, $1,609,000,000; the Philippines, $507,000,000; Southern Korea, $307,000,000; other Asiatic countries, $218,000,000. A total for Asia of $4,539,000,000.

The Western Hemisphere: Latin America and Canada. Latin America, $473,000,000; Canada, $300,000,000. A total of $773,000,000.

Senators, that is the total amount of aid we have so far made available to our friends, as of the dates I mentioned awhile ago.

Mr. President, I ask unanimous consent that the table from which I have quoted be printed in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Authorizations and appropriations for foreign relief (loans, credits, grants, etc.), July 1, 1945, to June 30, 1948

(Includes ECA appropriation for fiscal year ending June 30, 1949)

European nations participating in ERP:	
United Kingdom	$5,958,000,000
France	3,374,000,000
Western Germany	2,467,000,000
Italy	1,868,000,000
Greece	942,000,000
Netherlands	759,000,000
Austria	580,000,000
Belgium-Luxemburg	356,000,000
Other	584,000,000
Total	16,888,000,000
Other European nations:	
U. S. S. R.	465,000,000
Poland	443,000,000
Yugoslavia	299,000,000
Czechoslovakia	213,000,000
Other	163,000,000
Total	1,583,000,000
Asia:	
China	1,898,000,000
Japan	1,609,000,000
Philippines	507,000,000
Southern Korea	307,000,000
Other Asia	218,000,000
Total	4,539,000,000
Western Hemisphere:	
Latin Americas	473,000,000
Canada	300,000,000
Total	773,000,000
Grand total	23,783,000,000

Source: P. 7, Report of National Advisory Council covering activities Apr. 1 to Sept. 30, 1948.

Included in the amounts shown on the foregoing table are the following items:

(a) Interest-bearing credits and loans:	
Loan to United Kingdom, authorized July 1946	$3,750,000,000
Export-Import Bank loans to France	1,200,000,000
Sale of United States surplus property on long-term credit to France and Italy	544,000,000
Loans authorized under ECA program for fiscal year ending June 30, 1949	1,000,000,000
(b) Grants and Relief:	
United States contribution toward UNRRA	2,700,000,000
United States foreign-relief program (authorization of July 1947)	332,000,000
Interim aid to Austria, France, and Italy, enacted December 1947	522,000,000
Greek-Turkish aid	400,000,000
GARIOA (Government and relief in occupied areas)	2,850,000,000
Germany	1,422,000,000
Austria	114,000,000
Japan	1,050,000,000
Korea	264,000,000
ECA appropriation for fiscal year 1948–49	4,000,000,000

Mr. ELLENDER. Let me bring to the attention of the Senate the load we are now carrying in order to help the occupied countries of the world. At first Great Britain made a start in helping. In 1946 our contribution to Germany was $211,000,000. Great Britain's was $250,000,000. In 1947 our contribution was $251,700,000, and Great Britain's was $319,400,000. In 1948 our contribution, including ECA allocations, was $1,079,800,000. Great Britain fell from $319,000,000 to $38,000,000. In 1949, including the proposed ECA appropriation which is pending, we shall have contributed $909,000,000 as against $70,000,000 for Britain.

During this entire period the French did not put up a dime. In other words, in the occupation of Germany for the years 1946 to 1949—that is, the year ending June 30, 1949, and including ECA appropriations—our cost is $2,451,500,000, Great Britain's, $727,000,000, and the French, nothing.

Let us take a look at Austria. In Austria we have put up, for the years 1946, 1947, 1948, and 1949, a total of $526,000,000, including ECA aid; the British and French not a penny. I invite the attention of the Senate to an article published in the Washington Star of Sunday, March 27, 1949, headed "U. S. reported paying expenses of three other armies in Austria." I read one paragraph from the article:

> The American Army pays its own bills for its Austrian household. The British, French, and Russian armies live off the Austrian economy.
>
> And the Austrian economy lives off the American taxpayer.

It costs us today $4,000,000 a week in order to assist Austria.

Mr. President, I ask unanimous consent to have the entire article printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES REPORTED PAYING EXPENSES OF THREE OTHER ARMIES IN AUSTRIA

(By George Weller)

VIENNA, AUSTRIA, March 26.—When if ever you, as an American taxpayer, get a chance to look at your bill for holding Austria, a light like an atomic bomb may dazzle your brain.

No; it's not the size of the bill. It's the items on it that are fantastic.

You have been paying for the upkeep of the American forces in Austria, though the peace treaties do not oblige you to do so.

"All right, I like and want to help Austria," you say.

Wait! Here are some more items:

1. You are paying for the British forces here.

2. You are paying for the French upkeep here.

3. You are paying for the Russian Army here.

4. In the case of the Russians, you are paying for the red-starred army not once, but twice. Your Soviet bill is half again more than the other two.

AUSTRIA IS BRIDGEHEAD

Austria is an invaluable bridgehead to the west, weaker but more necessary than Czechoslovakia to the Communist east. To keep its economy alive you, the American taxpayer, spend $4,000,000 a week.

One of the reasons is that you are acting as host for three armies, none of them your own.

The American Army pays its own bills for its Austrian household. The British, French, and Russian armies live off the Austrian economy.

And the Austrian economy lives off the American taxpayer.

The Russians, under the smartest little blackmail system west of the iron curtain, collect everything with an extra dividend.

The vexed question of how much the Americans, through the Austrian Government, should pay to support everybody else here is almost constantly under discussion between the generals representing the four powers.

COSTS OFTEN DISCUSSED

Sometimes one of the western generals will try to introduce the idea of "occupation costs."

But Col. Gen. L. V. Kurasov shies away. If you start pinning down where American aid, going into Austria, is going, the Russian racket of extra collection for extra troops sticks up like a mountain.

Nearly 3 years ago a low-level committee struggled to hogtie "occupation costs" into a fixed formula to include wages of soldiers and Austrian workers, rentals for premises, and goods supplied by Austria. But when the four-power board tried to outlaw special Soviet charges for running Russian business enterprises, transport, and administration, the board itself disappeared in a puff of polemics.

GENERALS QUIT ARGUING

So now the four generals have given up arguing why the American money is being collected. They just bargain about the amount.

Lt. Gen. Geoffrey Keyes, the American, holds out for the lowest amount possible, usually around 8 percent of the Austrian budget. Col. Gen. Kurasov wants 12 percent or so. The Briton, Lt. Gen. Alexander Galloway, and the Frenchman, Lt. Gen. M. E. Bethousart, usually hover around 9 percent.

Last year they compromised on 10.5 percent. For 1949 they may go down another point.

METHOD CALLED BLACKMAIL

Why do the Americans keep on paying Russian bills?

Well, at least one American official here has an answer.

"We're scared of the Russians," says he. "It's blackmail, but we pay and keep on paying to avoid trouble."

Riding the American gravy train, the Soviets here in Austria up to January 1 had taken 1,956,000,000 schillings (about $200,000,000) through the ever-abnormal Austrian budget.

The French and British had taken about $64,000,000 each. But 20 months ago, when the United States stopped accepting anything more from Austria, the Americans had received $40,000,000 from themselves, of which they returned $30,000,000.

What these figures mean is that the Russian puts his hand in for about 4 percent of the Austrian budget and the Briton and Frenchman each for 2.5 percent, while the American keeps pouring money in.

RED SYSTEM EXPLAINED

The way the Russian gets his extra dividend from the American taxpayer is especially adroit. Here's how it is done:

After the annual percentage figure has been agreed on by the four generals—with Austrian groans audible halfway across Europe—all four powers are supposed to get a quarter share of the pseudo-Austrian pie made of American materials. The facade of allied equality is maintained, but it is only a genteel sham to conceal the Soviet advantage.

The Americans take their $15,000,000 and hand it right back into the Austrian economy, to join the approximate $500,000,000 they have given under ERP. In addition the Americans pay in dollars their household costs of around $13,000,000.

FRENCH GET SHARE

The French take their $15,000,000 and pay their local bills, exclusive of soldiers' pay. Whether they do better than break even, nobody knows.

The British claim their $15,000,000, but for the last 6 months they have let it remain untouched. Without releasing their share, as the Americans have done, they have given the Austrians hope that they will, by paying their current accounts themselves.

The Soviets take their $15,000,000 and use it to meet some expenses. Then they take about half their Austrian bills and send them unpaid to the Austrian Government. And Austria pays them—with American money.

Mr. ELLENDER. Let us switch now to Asia. In Japan the United States contribution for the years 1946, 1947, 1948, and up to June 30, 1949, will be $1,048,200,000; the British contribution, nothing; the French contribution, nothing. In other words, we have borne the entire burden in order to maintain the army of occupation in Japan, and to assist the Japanese.

In Korea our contribution for the years just mentioned is $264,400,000, with no contribution from any other country.

I have before me a summary of the total contributions for all occupied countries. The United States contributions, beginning with 1946 and extending to 1949, including the ECA allocations, were $4,290,300,000; the British, $727,000,000; the French, nothing. So for all occupied countries we have put up 85 percent of the entire cost.

I now wish to give a recapitulation of expenditures in the occupied countries of Europe and Asia. These figures are

exclusive of ECA aid. In Europe alone we have contributed 68 percent, and the British 32 percent. In Asia we have contributed 100 percent. Throughout the world, the United States has paid 80 percent and the British 20 percent. I am citing all these figures simply to emphasize the extent to which our Government is being called upon to dissipate its own resources in order to assist the world.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. JENNER. In connection with the astounding facts he has presented, does the Senator know that the national debt of our country is almost double the national debt of all the countries in the Marshall plan?

Mr. ELLENDER. The Senator is anticipating me. I have the exact figures, and in the course of my remarks I shall present them to the Senate. I shall also present to the Senate a statement showing the area which we occupy and our population, in contrast to the area and population of the ECA countries. It seems that we are being punished because we are a progressive nation. The whole world is now looking to us, and my theory is that if we continue to dish out as we are now doing, we are more than likely to place ourselves on the same level as the countries we are trying to assist. If that ever happens, God pity the world. We should and must remain strong if the lights of freedom are to continue to burn.

Mr. JENNER. What would happen to the peace and security of the world if our economy should go down?

Will the Senator further yield, while we are talking about the figures for Germany, and the amount which the United States has put up, as compared with what the other nations, France and England, are putting up?

Mr. ELLENDER. I yield.

Mr. JENNER. Does the Senator know that while we have been doing that job in western Germany, under the foreign policy leadership of this Nation we have permitted Russia to take out of this very same area $12,000,000,000 in war reparations?

Mr. ELLENDER. I have read about it. I have not verified the amount.

Mr. JENNER. That figure should be included with these figures, should it not?

Mr. ELLENDER. Yes. It required quite a while to obtain the figures which I am now presenting to the Senate. My entire office force was working on the job. I have very competent aid, and under my direction the employees of my office have obtained the information which I have asked for.

Mr. JENNER. They have done a great job.

Mr. ELLENDER. I realize that more could be done. I will say to the distinguished Senator from Indiana that my office force is continuing this work, and when Mr. Hoffman and his aides come before the Appropriations Committee, of which I am a member, I shall be ready to ask them a few questions. I believe that the subject should be explored from every angle. I hope to be in a position to ask them questions to bring out the facts.

When we read the record of the hearings on the European recovery program we do not find much said as to how this program will affect our own economy. Our State Department and Mr. Hoffman have been ambassadors of the countries of western Europe. Western Europe could not have sent any better propagandists than were supplied by the State Department. I am confident that the European representatives themselves could not have made a better case than has been made by the State Department—and all of this without considering how it would affect our own economy.

Those are questions that should be looked into. I should also like to know the extent to which we are to be called upon further in order to attain the millennium to which we have subscribed. If we are to continue to bear almost the entire expense of placing the countries of western Europe in a situation in which they will become our chief competitors, it is bound to register against our own economy.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. JENNER. The Foreign Relations Committee is composed of 13 members, as the Senator from Louisiana knows. It rather reminds me of a ball team where the score is always 13 to 0, because in this instance the American people have not yet had a chance to go to bat.

Mr. ELLENDER. Mr. President, the record is replete with statements from various sources, including the brochure which was sent all over the country, about the Bretton Woods proposals and the proposals to increase the capital or lending authority of the Export-Import Bank, that they would "do the trick." However, it was not long thereafter that President Truman demanded that we loan Great Britain $3,750,000,000. I shall not go into the details of the British loan, for now that loan is water under the bridge. I do not deny that some good came from that loan, but, of course, it did not by any means accomplish what it was supposed to do. The loan was to carry the United Kingdom economy for a period of over 3 years, but in less than 20 months we were again asked for aid.

Now, Mr. President, we come to the ECA Act which was adopted by the Congress during the Eightieth Congress. Let us remember that all the proposals and all the plans our advisers said would do the trick did not work out that way; but in the meantime we continued to put up the money; we spent the amounts I have just stated; and then ECA came into being last year. Under that plan we are being asked to put up, over a period of 4 years, a total of $17,000,000,000. Last year we appropriated $5,000,000,000, plus. We are now being asked to appropriate another $5,500,000,000. With that money the economy of Europe is to be improved.

Mr. President, in my opening remarks I stated briefly how the so-called counterpart fund was created. I now hold in my hand an article appearing in section 2, the editorial section, of the Washington Post of Sunday, March 27, 1949. The article is entitled "The Marshall Plan Delivers a Tractor." To my way of thinking, this article in a very succinct manner states how the Marshall plan is working and how the counterpart fund is created. I ask unanimous consent to have the article printed at this point in the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MARSHALL PLAN DELIVERS A TRACTOR

(A year ago this week, Congress finally passed the Economic Cooperation Act, which put into effect the Marshall plan, or the European recovery program, as it was variously called. The bill was signed by President Truman April 3, 1948. The following story shows how the plan has worked out, and is working, in the life of an individual Frenchman.)

(By Stephen White)

ENTREVIN, FRANCE, March 26.—Le Petit Entrevin is a few houses tucked insignificantly into the rolling landscape of Cher, in almost the geographical center of France. Here M. Albert Jolivet farms 90 acres of fertile land, as his father did before him. Over the years he has not done badly, but this year he expects to do even better, for he has a new tractor, thanks to the Marshall plan.

M. Jolivet would be incensed if he were asked to think of the tractor as a gift. He paid for it in hard cash—well over 500,000 francs. Nevertheless, it is only because the Marshall plan is in operation that M. Jolivet was able to turn his francs into a new American tractor.

For months his name had been on the lists of the company in Wisconsin that manufactures the machines. The trouble was that he could pay only in francs. The American company did not want francs, since it cannot buy its raw materials with francs.

Neither could M. Jolivet convert his francs into dollars. To do this, he would have to find someone with dollars who wanted francs with which to buy French goods. France had few goods to sell, and America was so overflowing with goods that it had no particular desire for French goods. M. Jolivet, in short, was trapped in the dollar famine.

ONE OF 209 TRACTORS

Fortunately for M. Jolivet, the United States and 16 European nations decided to alter the normal course of affairs. The United States asked these nations to itemize their needs, and promised to cooperate by taking care of the dollar program.

France listed the things it needed most for reconstruction. There was nickel and lead and cadmium; steptomycin and cotton. One item was tractors.

The General Confederation of Agriculture—a business organization of French farmers—was told that a certain number of tractors had been approved. The confederation allocated the total number by districts. District meetings allocated the tractors to individuals.

M. Jolivet is a good farmer, with a fine reputation, and his application was one of the oldest. It was decided that he was entitled to a tractor.

He paid the requisite number of francs to the Paris agent of the tractor company. The company turned over the francs to the French Government. The United States Government turned over the corresponding sum, in dollars, to the company.

On January 6, the steamship *Cape Race* reached La Havre with 209 tractors. On January 14 M. Jolivet plowed a furrow—not that it was time to plow furrows just yet, but because a man who has a new tractor likes to try it out.

FRANCS PLOWED BACK

So M. Jolivet got his tractor. But what of the francs lying in a Paris bank, and the dollars that the United States paid out?

That is the heart of the Marshall plan. The dollars come from the pockets of the American taxpayer. They are his contribution to the rebuilding of France and of a peaceful world. He does not get the money back, although there is hope that he will get more than good value for it in stability and peace.

The francs may be used by France for internal reconstruction. M. Jolivet's francs, which already have bought him a tractor, will also buy him electric power, and good roads, and new waterways. These francs—called the counterpart fund—stay in their own country, where they are of value, and build it back to strength.

At Dongere Mondragon, on the Rhone River, these francs are building a great new dam. With luck the job will be done by 1952, and 360,000 kilowatts of electrical capacity will begin feeding power into the French distribution network. The connection with the European recovery program is not so direct as in the case of a shipment of tractors, but it is another part of the story of M. Jolivet and his tractor.

CASH INTO KILOWATTS

M. Jolivet's 500,000 francs were deposited in the Bank of France. In the meantime, the country was in desperate need of more electricity. Hundreds of billions of francs were necessary if the power system was to be brought up to demand. But the Government did not have hundreds of billions of francs.

M. Jolivet's francs supplied the answer—his and billions more from thousands of other M. Jolivets. Every item of goods shipped to private French consumers was represented, francs for dollars, in the counterpart fund.

France is not allowed to spend the counterpart fund for daily governmental running expenses. Since the money represents goods for which the French made no payment, it is almost as if it were newly printed money. Used carelessly, it would be as inflationary in the long run as crisp new bills with nothing to back them up.

Used to reequip and reconstruct, the money becomes capital investment. It is represented by permanent installations that in time can earn the money back and more, directly (like an electrical plant) or indirectly (like a new road).

So far, 140,000,000,000 francs of the counterpart fund have been released, and there is no sign of a runaway inflation. In the electrical-generating industry alone, 100,000,000,000 francs are being spent this year, much of it counterpart money. The dam at Dongere Mondragon is only one of many.

SUIT FROM DOWN UNDER

M. Jolivet has other needs, however. He needs, for example, a suit. France does not produce enough wool, and the United States is not a large exporter of wool. If M. Jolivet is to have a suit, the wool must come from Australia.

To buy wool in Australia, one must have Australian or British pounds. To earn British pounds, France must sell in Britain. Britain, with its austerity program, cannot afford to buy France's wines and quality merchandise.

This is serious to more people than M. Jolivet, who could make his old suit do a little longer. It is serious to France's great textile industry, to the tailors and shopkeepers all through France. It is, in fact, serious enough to cripple the Marshall plan if it were not remedied. But the remedy has been written into the program.

Britain also has a counterpart fund. For every dollar of goods shipped to private interests in Britain by the United States, the equivalent in pounds goes into a British bank. Like the French fund, it may be used for reconstruction. But a certain part of it must be set aside for the use of other Marshall-plan countries.

And now the routine is a familiar one. The textile industry in France, needing wool from Australia, pays for it in francs, which are deposited in the Bank of France. Britain, from its counterpart fund, withdraws pounds and pays the wool grower in Australia. The textile mill gets its wool and goes to work; the tailor makes the suit, the shopkeeper stocks it, and M. Jolivet wears it on Sundays.

France seems to be the winner in this exchange. To a great extent, France is usually the winner—it is a great country that has suffered most under two wars. But France is on the giving side as well.

Some of the francs in its counterpart fund are set aside for the use of other countries which need French goods but have no French money to pay for them.

A SYMPTOM OF DISEASE

The problems of M. Jolivet appear to have revolved completely about the matter of money. His French franc was good nowhere except in France. Consequently, it might appear that the complexities of the Marshall plan are unnecessary; that all the western nations need do is pass a law making money freely convertible from nation to nation.

That it can appear so is a measure of the deceptiveness of money. The difficulty lies not in money but in the goods for which the money stands. To make the franc freely convertible would merely be to make it worthless in purchasing power—not because it is a French franc, but because the French are not producing enough goods for export to balance the amount they must import.

Europe's difficulties are not monetary; the monetary problems are the symptoms and not the disease. The difficulty before the Marshall plan was like the dilemma that faces the aspiring actor. He finds he cannot get a role in a Broadway play until he has had a role in a Broadway play. Similarly, a destroyed Europe was faced with the problem of producing goods with which to buy the materials she needed to produce goods.

The Marshall plan is intended to make this possible. For 4 years the United States will supply the funds to start Europe rolling again. At the end of that time, it is hoped, the machine will be operating under its own power. France, if it needs tractors from the United States, can sell enough goods in the United States to buy the tractors. And the American tractor company will do business in francs—or its bank will—as willingly as in dollars, because the franc will stand for goods actually being produced.

UNITED STATES MUST HAVE SAY

The interim period is an uncomfortable one. It is, for example, expensive for the United States. Hence, the United States, not unreasonably, demands the European economy be made workable as quickly as possible. And this brings up some ugly complications.

Suppose, for example, that Europe were short exactly one steel mill. Belgium, let us say, wanted that steel mill, and so did France. In a normal world, both would build steel mills, and the better steel mill would survive.

That may be fine when private investors are paying for the mill. It is a little hard to defend when the United States is paying. So the United States is in the position of requiring that the European countries decide among themselves which of them will have the steel mill—with the implied threat that if they cannot decide the United States will. Clearly this is American interference in European internal affairs, but who has an alternative?

Also, having made the decision, the countries must enforce it by refusing permission to certain private interests which may wish to build still another steel mill. The necessities of the Marshall plan, in this and other directions, almost require an amount of governmental control in European countries that the United States considers socialistic. In other words, the great defender of free enterprise is coming perilously close to forcing socialism on its friends (most of whom have appeared to indicate, by their votes, that they want it anyway).

AN INVISIBLE TRANSFUSION

Meanwhile, M. Jolivet plows his field with his new tractor and awaits the arrival of his new suit and the increase in cheap electricity, all because of the Marshall plan. But he never gives the Marshall plan a thought. He paid for his tractor and he plans to pay for his electricity and his suit.

"The Marshall plan? It doesn't mean a thing to me. I have received no gifts," he says.

Perhaps the American taxpayer will be a little disappointed to hear M. Jolivet speak this way, and yet it reflects only the fact that the Marshall plan has been feeding its aid into Europe as far back in the veins as possible. The goods go through the normal channels of trade, and by the time they reach M. Jolivet they appear to him as items in the normal course of affairs.

America's reward will be a healthy, strong France that can take its place as an equal in the family of nations—a France that can buy American goods and pay for them in francs that mean something.

Mr. ELLENDER. Mr. President, I come now to a discussion of our ability to perform, our ability to respond to all that we are being asked to do. As was suggested by my good friend the Senator from Indiana [Mr. JENNER], the national debt of the ECA countries, according to the last available figures—which are the figures for 1946—was $148,753,000,000, or $695 per person. I wish to point out that prior to the war the total debt of all ECA countries amounted to $60,110,000,000, or $281 per person. In 1939, before the war, the per capita debt of the United States was $351, whereas at that time the per capita debt of the ERP countries was $281.

In 1946, after the war—and the 1946 figures are the latest available ones for the ERP countries; so, in order to show the contrast, I am using the 1946 figures for the United States debt rather than the figures as of today—the total debt of the United States was $269,900,000,000, or a per capita debt of $1,830. In other words, the per capita debt of the United States increased from $351 per person in 1939, before the war, to $1,830 in 1946, whereas in the case of the European countries which we are assisting under the Marshall plan, their per capita debt increased from $281 in 1939 to $695 in 1946. I submit those figures in response to the questions asked a moment ago by my distinguished friend the Senator from Indiana.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. JENNER. I wish to get the matter clear in my own mind. The Senator referred to the debt of all the countries we are assisting. Does he mean the

total debt of the Marshall-plan countries was approximately $149,000,000,000, as of 1946?

Mr. ELLENDER. Yes; the total debt of the ERP countries in 1946 was $148,753,000,000.

Mr. President, I have attached to the statement of the totals a detailed statement as to each of the ERP countries, showing its total debt and per capita debt in the year 1939 in contrast to its total debt and per capita debt in the year 1946, which is the last year for which figures are available. I ask unanimous consent to have those statements or tabulations printed at this point in the RECORD as a part of my remarks.

There being no objection, the tabulations were ordered to be printed in the RECORD, as follows:

National debt:

	1939		1946	
	Total	Per capita	Total	Per capita
United States	$45,900,000,000	$351	$269,900,000,000	$1,830
ERP countries [1]	60,110,000,000	281	148,753,000,000	695

[1] Excludes Germany. Does not include outside possessions.

Source: Library of Congress, Legislative Reference Section.

	Debt burden, 1939				Debt burden, 1946			
	Internal	External	Total	Per capita	Internal	External	Total	Per capita
	Million dollars	*Million dollars*	*Million dollars*	*Dollars*	*Million dollars*	*Million dollars*	*Million dollars*	*Dollars*
United States			45,900	351			269,900	1,830
ERP countries:								
Austria	303	296	599	89	1,336	90	1,426	204
Belgium	1,374	221	1,595	190	5,561	176	5,737	684
Denmark	106	140	246	64	1,779	158	1,937	472
France	11,307	342	11,649	283	16,257	906	17,163	433
Greece	109	518	627	87	102	599	701	94
Iceland	8	1	9	73	6	1	7	51
Ireland	288	1	289	99	310	1	311	105
Italy	7,670	101	7,771	176	3,202	659	3,861	85
Luxemburg	17	7	24	81	33	20	53	190
Netherlands	2,287		2,287	259	5,460	642	6,102	648
Norway	218	140	358	122	1,313	82	1,395	459
Portugal	146	112	258	33	367	34	401	49
Sweden	634		634	100	3,167		3,167	468
Switzerland	1,421		1,421	338	2,684		2,684	603
Trieste (Free City)								
Turkey	300	170	470	26	391	268	659	35
United Kingdom	31,873		31,873	667	100,052	3,097	103,149	2,095
Total ERP countries			60,110	281			148,753	695

Mr. ELLENDER. Mr. President, I have demonstrated the size of our debt in contrast to the debt of the countries we are trying to assist. I should like to find out what is the yardstick or other means of measurement which would demonstrate that we are in a position to assist our friends, not only to the extent we already have assisted them, but also to the extent proposed for the future. We owe almost twice as much money as the countries we are assisting, and yet we are being asked to do more.

I have here certain figures showing the population and area of our country in contrast to the population and area of the ERP countries. The United States and its possessions have a total population of 142,098,454; the ERP countries and their possessions, a total population of 937,930,450—a ratio of 6½ to 1. The United States and its possessions have an area of 3,619,623 square miles; the ERP countries and their possessions, 23,162,999 square miles—a ratio of 6⅓ to 1. That is the difference. Our country, a small country in contrast to this entire area, is being asked to give disproportionately of its resources in order to sustain ERP. The aid I am talking about now is for western Europe. I am not talking about what we may be called upon to do when the Mediterranean pact comes into being or when the Pacific pact may come into being. None of my figures have either of those areas in contemplation. I do not know what the Atlantic Pact is going to cost us, but according to estimates I have noted recently we are probably going to be called upon to make available to our friends all the guns and munitions, and airplanes and everything else they need for defense, at our cost, while with the money we make available to them, they are going to build up their economy and be in a position to give us a strong competitive race for world trade.

Mr. JENNER. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield to the Senator from Indiana.

Mr. JENNER. Does the Senator recall from the Holy Scripture the story of the feeding of the multitudes?

Mr. ELLENDER. With the loaves of bread——

Mr. JENNER. And the fishes.

Mr. ELLENDER. And the fishes? Yes, I remember that.

Mr. JENNER. The day of miracles is over, as I understand, in regard to modern history. Is that not so?

Mr. ELLENDER. I agree.

Mr. JENNER. Yet from the facts and figures presented by the distinguished Senator from Louisiana, the world is asking this Nation again to perform a miracle. Is not that true?

Mr. ELLENDER. It looks that way, I may say to the Senator.

Mr. President, are we in a position to continue aid at the same rate as in the past? What is becoming of our own economy? As pointed out in debate in the Senate, on many occasions, we today owe $252,000,000,000, which requires us each year to pay in excess of $5,000,000,000 in interest on that loan. Our people must make huge profits, in order to pay the heavy taxes, that must be imposed in sufficient volume to retire Government bonds and keep up to date the payments of interest on the public debt. If those obligations are not met, it may be left to the imagination what is going to become of our economy. Let us default on our debt and see what will happen.

I am sure most Senators are familiar with the economic picture of the United States as of March 30, but let me cite certain facts. It is now April 2. Every day we see in the press that prices are declining. There is a great deal of unemployment, which has an effect on the national income. Income from wages and salaries during the first quarter of 1949 are down approximately $2,000,000,000 from the fourth quarter of 1948. That is $2,000,000,000 less of income upon which taxes can be imposed in order to assist in retiring the public debt and paying other expenses of the Government. Income from other sources has held up pretty well.

With respect to unemployment, the total civilian employment as of February 1949 was 57,200,000 as against 57,100,000 as of February 1948.

Although total civilian employment has held its own, the total labor force has increased since 1948, so that unemployment has increased by 900,000 over February 1948. The total estimated unemployment for March 1949 is 3,500,000. In February 1949 it was 3,200,000 as against 2,600,000 in February 1948.

With respect to prices, wholesale commodity prices in March 1949 were 6 percent below the peak of August 1948. The cost-of-living index shows a drop in consumer prices of 3 percent from peak, or a drop of 5.5 points from August-September 1948. The index for February 1949 showed 169.0 as against 174.5 for August-September 1948.

Mr. President, I ask unanimous consent to place in the RECORD at this point in my remarks an article from the Washington Post of March 30, 1949, entitled "Prices Cut on Costly Items as Buyer Resistance Mounts."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PRICES CUT ON COSTLY ITEMS AS BUYER RESISTANCE MOUNTS

NEW YORK, March 29.—A new series of retail price cuts was laid before the consumer today, further clipping inflation's wings. Most of the reductions were from highly inflated levels and many of them were small.

Automobiles and auto accessories, radios, refrigerators, ranges were among the wide variety of items affected.

The main item common to all the price reduction was an increased resistance on the

part of the buyer. There has been a tendency to wait and see whether prices will come down a bit.

One result was that the Federal Reserve Board, which took some of the controls off installment buying early this month, lowered the margin requirements on stock purchases from 75 percent to 50 percent. It brought quick response in Wall Street. Buying orders poured into the New York Stock Exchange today. Prices moved ahead.

Continued reductions in such basic commodities as lead, zinc, copper, and steel indicated there might be further cuts in manufactured goods.

Radios showed the biggest drop. Westinghouse Electric chopped a lusty 20 to 50 percent off nine home model sets. That's as much as $130 on a cash basis.

Kaiser-Frazer Corp. knocked $198 to $333 off its car prices. Henry Ford 2d, president of the Ford Motor Co., saw a possible reduction in Fords.

Willard Storage Battery Co. clipped $1.50 off its $23.95 automobile battery and up to $2 off large automotive types. Electric storage Battery Co. shaved its prices 8 percent.

Willard said it was the first major battery producer to announce a reduction in 7 years.

Mr. ELLENDER. With respect to industrial production, the Federal Reserve index of industrial production, manufacturing and mining, shows a drop for March 1949 of 5 percent or 10 points from the peak of October–November 1948. It shows 185.0 for March 1949 as against 195.0 for October–November 1948.

With respect to new construction, residential construction showed a drop of $75,000,000 from March 1948. The total amount spent in March 1949 was $400,000,000, as against $475,000,000 in March 1948. Construction started on new residential units dropped 3,600 in February 1949, compared to February 1948. The new residential units started in February 1949 were 46,000 as against 49,600 in February 1948. Commercial construction shows an increase in March 1949 over March 1948 of approximately $15,000,000. March 1949 shows $481,000,000 as against $466,000,000 in March 1948.

With respect to exports, the monthly average has been declining since 1947, whereas the monthly average of imports has been increasing since 1948. The monthly average exports for 1948 were $1,051,000,000; imports, $589,000,000; showing an excess of exports over imports of $461,000,000.

Total United States exports during the calendar year 1948 dropped 17 percent from the total for the calendar year 1947; and total United States imports increased during the calendar year 1948 23 percent over calendar year 1947. The figures, as shown in a bulletin issued by the Department of Commerce in February 1949 entitled "Summary of the United States Foreign Trade, January–December 1948," are as follows:

[In millions of dollars]

	Exports	Imports
Calendar year 1947	15,340	5,733
Calendar year 1948	12,614	7,070
Drop in exports	[1] 2,726	
Increase in imports		[2] 1,337

[1] 17 percent.
[2] 23 percent.

The average weekly earnings in manufacturing industries show a decline of 78 cents in February 1949 as compared to the peak in December 1948. In February 1949 it was $54.25; in December 1948 it was $55.03.

Farm income: Farm income dropped $116,000,000 in February 1949 as compared to February 1948:

February 1949 ---------- $1,746,000,000,000
February 1948 ---------- 1,862,000,000,000

Bank loans: Bank loans increased $3,300,000,000 in February 1949 as compared to February 1948:

February 1949 ---------- $42,000,000,000
February 1948 ---------- 38,700,000,000

Loans and investments decreased $2,100,000,000 in February 1949 as compared to February 1948:

February 1949 ---------- $113,400,000,000
February 1948 ---------- 115,500,000,000

The Federal Reserve Board announced, under date of February 29, 1949, as most of the Senators know, that it had reduced cash down payments for purchase of stocks from 75 percent, as has been required for the past 2 years, to 50 percent. According to the Board, this cut is warranted by the general credit situation.

This was accompanied by a statement by Marriner S. Eccles to the effect that the action indicates "a recognition that a deflation is certainly imminent." He added: "I am sure the American public in its good sense did not expect the boom of the last 3 or 4 years to go on indefinitely."

According to a news item in the Washington Evening Star, March 29, 1949:

The Board's order was issued in the wake of a flow of Government reports showing employment, production, prices, bank loans, and sales of many goods coursing down together in early 1949.

This action by the Board follows a trend started in 1946. In that year, the Board eased the stock-margin requirements by permitting a purchaser to put up only 75 percent cash. Prior to that time the requirement was for 100 percent cash.

In a move some time ago, the Board reduced the cash down payment required on installment purchases on all goods but autos, from the previous 20 percent to a level of 15 percent. The installment period was also increased to 21 months, thus giving an additional 3 to 6 months time to each purchaser, and making possible a reduction in the amount of monthly payments due on each installment purchase.

The action of the Board in again cutting the cash required for purchase of stock is an effort to stimulate the volume of stock trading, which has been unusually light for many weeks. In general, individual stocks are down, and risk capital is scarce.

Mr. President, I quoted a moment ago from an article appearing in the Washington Star in its issue of March 29, 1949. I ask unanimous consent that at this point in my remarks the entire article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CUT IN STOCK MARGINS HAILED AS LESSENING OF INFLATION FEARS—"DEFLATION IS CERTAINLY MORE IMMINENT," ECCLES SAYS IN INTERVIEW

Lessening worry about inflation was apparent today in the Federal Reserve Board's decision to make it easier to invest in stocks.

The Board, which controls the volume of money and credit, already had made it easier to buy automobiles, furniture, etc., on the installment plan.

Then last night, it decreed that stocks may be bought after today with a cash down payment of 50 percent as compared to the 75 percent required for the last 2 years. The cut is warranted, the Board said, by the general credit situation.

ECCLES FINDS IT HEALTHY

Shortly after the announcement, Board Member Marriner S. Eccles said the action indicates a recognition that a deflation is certainly more imminent. Mr. Eccles spoke on a television broadcast.

He said a certain amount of deflation is a healthy thing for the country and added:

"I am sure the American public in its good sense did not expect the boom of the last 3 or 4 years to go on indefinitely."

The Board's order was issued in the wake of a flow of Government reports showing employment, production, prices, bank loans, and sales of many goods coursing down together in early 1949.

Not in 4 years—since the approaching end of the war made the Board in 1945 fearful of an inflationary boom spreading out of the stock markets—had the Board made securities-buying credit so liberal.

TREND BEGAN IN 1946

Throughout 1946, when it was sounding the gong against inflationary fires, the Board banned grant of any credit to stock buyers.

The shift in the Board's views on the economic state were underlined by the fact easier stock margin requirements were authorized on the heels of consumer credit control relaxation March 3.

In the earlier move, installment buyers were given 21 months to finish paying off, thus lengthening payment time by 3 to 6 months for various goods, and consequently making each month's installment smaller.

The cash down payment on all goods but autos also was cut to 15 percent from the previous 20-percent level, although down payments on cars were held at 33 percent.

NO SURE ANSWER SEEN

What easier credit might do to stock prices and the volume of stock trading, which has been unusually light for many weeks, was something for which there was no sure answer in advance.

In New York Wall Streeters greeted the announcement as one that was long overdue. Harold L. Bache of Bache & Co. said: "It should tend to broaden our markets by enlarging buying power. It should aid in stimulating the use of risk capital." However, few brokers expected to see much increase in the volume of business on security exchanges.

The order caught the stock exchanges at a time when credit outstanding for securities purchases was near an all-time low of around $1,150,000,000 on the books of dealers and banks.

The volume has been sliding away from a $4,126,000,000 level in 1946, when the Board put in for a year the ban against any extension of credit for securities purchases.

Mr. ELLENDER. Mr. President, I also ask unanimous consent that an article on the same subject, appearing in the New Orleans Times-Picayune, in its issue of March 23, 1949, entitled "Sharp Drop Seen in Business Field," be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SHARP DROP SEEN IN BUSINESS FIELD—FIRST CLUES INDICATE LOWER SALES AND EARNINGS

NEW YORK, March 22.—A sharp drop in business activity was indicated Tuesday in industrial reports covering the first months of 1949.

The first clues to 1949 business began trickling in and in most cases they showed lower sales, passed or cut dividends, threatened lay-offs, and smaller earnings.

These made a sharp contrast with year-end statements which have been published in the past few weeks on 1948's high volume and profits.

There were a few more hard jolts than usual, but among them, too, was an encouraging earnings statement or an extra check for stockholders.

American Woolen Co., the world's largest manufacturer of wool fabrics, reported orders booked during the first 10 weeks this year were less than one-sixth of the volume a year ago.

GM LAY-OFFS

The Frigidaire division of the big General Motors Corp. said it was considering lay-offs of workers because of cautious buying.

The Southern Pacific transportation system reported its net operating income for January and February was more than $5,000,000 under the first 2 months of 1948.

Gimbel Bros., the big New York department store, cut its quarterly dividend from 50 to 25 cents.

And Dun & Bradstreet, the business reporting service, said 210 businesses went bankrupt last week, the highest total for any week since 1942.

The reports came from all types of industry and while there was a preponderance of softening news, there also were some bright spots.

Worthington Pump & Machinery Corp. reported January and February sales were holding their own with figures of a year ago.

Commonwealth & Southern Corp. said its February net income was a little above last February.

Oliver Corp. noted narrowing profit margins but said sales were running ahead of early 1948.

GUM BUSINESS GOOD

And William Wrigley, Jr., Inc., indicated the chewing-gum business was good with a special dividend of 50 cents a share.

In the main, however, the first reports of 1949 conditions indicate manufacturers aren't selling goods as readily as they did in the opening days of 1948.

The lush earnings of a year ago are being whittled down a little.

Industries are keeping inventories low to keep pace with hand-to-mouth buying, a healthy situation but often one that goes hand in hand with production cut-backs, lay-off, shorter workweeks.

Moses Pendleton, president of American Woolen Co., said his company booked orders totaling about $11,000,000 in the first 10 weeks this year, compared with $68,000,000 in the first 10 weeks of 1948.

And, he said, unfilled orders on March 15 were about $30,000,000 compared with $95,000,000 a year ago and $56,000,000 at the year end.

In announcing the Frigidaire division possible lay-offs, General Manager Mason Roberts said they would be "on a week-to-week basis, until we see where sales level off."

Gimbel treasurer, Samuel Ness, said the company was going ahead with improvements in its stores "in order to increase customer acceptance."

Mr. ELLENDER. Mr. President, in view of what I may say is a slight slump in our own economy, and in connection with the hearings before the Senate Foreign Relations Committee in respect to Senate bill 833, which the committee is now considering, I should like to pose the question, How far are we expected to render further aid to our friends across the sea, so that they may become greater competitors of ours all over the world? I should like to point out, percentage-wise, the industrial production as well as the agricultural production indices in the ECA countries. I shall use 100 as the index for 1937, and try to show the progress which has been made by those countries in revitalizing their economies.

Of course all this shows that the funds we have furnished in the past have, in some way, hit their mark. As was said on the floor of the Senate on two or three occasions, there is little or no unemployment in the countries we are now assisting. They seem to be getting along much better than they did before the war. I should like to point out specifically, with respect to the various countries, the extent to which they have progressed industrially and agriculturally.

Let us first consider Denmark. Using 100 as the starting point or the yardstick, Denmark was in 1937 at 100 percent, and is today 122 percent. In other words, Denmark is now, in industrial production, 22 percent over what it was before the war. Agriculturally it is 113 percent of what it was before the war.

France is 108 percent; that is, 8 percent over what it was before the war.

These figures are taken from the report of the Joint Committee on Foreign Economic Cooperation. As I understand, these figures may have changed a little in the past few months. This report is based on figures gathered in the latter part of 1948. It is my understanding that if a survey were made as of today, these percentages would increase to some extent.

As I have said, France is 108 percent industrially, and its agricultural production is 85 percent.

Ireland, industrially, has increased to 128 percent; agriculturally, 142 percent.

The Netherlands has increased to 108 percent industrially; 83 percent, agriculturally.

Norway, 123 percent industrially, 108 percent agriculturally.

Sweden, 142 percent industrially, 95 percent agriculturally.

United Kingdom, 108 percent industrially, 115 percent agriculturally.

The following countries had not reached the stage of production which existed prior to the war at the time the data was obtained:

Austria, 69.4 percent industrially, 61 percent agriculturally.

Belgium, 92 percent industrially, 90 percent agriculturally.

Bizone Germany, 55 percent industrially, 62 percent agriculturally.

Greece, 69 percent industrially, 85 percent agriculturally.

For the industrial production in Germany, Italy, Turkey, Iceland, Trieste, and Portugal, the figures were not available, but I was able to obtain some figures to show the extent to which four of them had increased their agricultural production. They are as follows:

Italy, 90 percent.

Turkey, 106 percent.

Iceland, 163 percent.

Portugal, 103 percent.

Mr. President, I ask that this entire table be printed in the RECORD at this point for the information of the Senate.

The PRESIDING OFFICER. Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Industrial production index [1] (1937=100)	Proposed allocation of funds authorized by S. 1209 [2]
Industrial production index 100 and over:		
Denmark	122.0	$109,000,000
France	108.0	875,000,000
Ireland	128.0	64,000,000
Netherlands	108.0	355,000,000
Norway	123.0	105,000,000
Sweden	142.0	54,000,000
United Kingdom	108.0	940,000,000
Total		2,502,000,000
Industrial production index below 100:		
Austria	69.4	197,000,000
Belgium	92.0	200,000,000
Bizone Germany	55.0	404,000,000
Greece	69.0	170,000,000
Total		971,000,000
Industrial production index not available:		
Germany (French zone)		115,000,000
Italy		555,000,000
Turkey		30,000,000
Iceland		7,000,000
Trieste		12,000,000
Portugal		10,000,000
Total		729,000,000

[1] Figures obtained from S. Rept. No. 13, 81st Cong.
[2] Figures obtained from S. Rept. No. 100, 81st Cong.

Agricultural production in the countries participating in ECA

	Indigenous production (metric long tons) [1]			Percent of 1948–49 to prewar
	Prewar	1947–48	1948–49 [2]	
Austria	3,967	2,098	2,438	61.0
Belgium-Luxemburg	3,175	2,518	2,872	90.0
Denmark	5,096	4,799	5,768	113.0
France	24,386	14,903	20,722	85.0
Germany, bizone	19,522	10,102	12,055	62.0
Germany, French zone	[3] 1,509	1,622	1,651	
Greece	2,155	1,664	1,844	85.0
Iceland	22	25	36	163.0
Ireland	1,497	1,950	2,127	142.0
Italy	16,955	13,283	15,312	90.0
Netherlands	4,804	3,717	4,004	83.0
Norway	1,429	1,459	1,546	108.0
Portugal	1,256	1,350	1,297	103.0
Sweden	5,480	4,435	5,197	95.0
Switzerland	1,900	2,034	2,171	114.0
Turkey	7,470	6,494	7,915	106.0
United Kingdom	14,587	15,040	16,731	115.0

[1] Comprises the following items: Bread grains, coarse grains, fats and oils, sugar, eggs, dairy products, tobacco, oilcake and meal, cotton.
[2] Preliminary.
[3] Does not include grains.

Source: Report on the Joint Committee on Foreign Economic Cooperation, (S. Rept. No. 13, 81st Cong.).

Mr. ELLENDER. Mr. President, it will be recalled that during the debate on the original ECA program much stress was laid upon the necessity for the countries seeking aid to reestablish their own currencies; in other words, to stabilize their currencies.

Mr. President, what have European countries done to stabilize their currencies and achieve monetary reform?

Both the ECA report and the joint committee report go into great length in discussing the budgetary and currency situation in each of the countries. They fail to draw any positive conclusions or to evaluate the efficacy of the steps taken by the individual countries. The ECA report seems to apologize for prevailing conditions, while the joint committee report seems to point to steps that still must be taken.

However, the reports indicate six countries have taken specific steps toward a program of monetary and budgetary reform, with varying success. Little or no progress is indicated in two countries—Austria and Greece.

The joint committee recognizes that much more must be done in this field and criticizes ECA policy as follows:

> The establishment of sound currencies in Europe would eliminate these retarding influences. The ECA has made what might be described as a commodity approach as distinguished from a monetary approach to the problem of European recovery; that is, it has given primary emphasis to supplying the means of production to Europe, relying on the use of the counterpart funds and moral suasion to bring about currency reform.

It will be recalled that almost two-thirds of the counterpart fund has been used to apply on account of the debts of a number of these countries. I propose to cover that subject in more detail in a moment.

Mr. JENNER. Mr. President——

Mr. ELLENDER. I wish to say to the Senator from Indiana that aside from the pending amendment, I have other amendments which I propose to offer in order to prevent the ECA Administrator from using any of this counterpart fund for the purpose of permitting a country to discharge its debts, or pay interest thereon, or to pay for the current operation of its government.

I am wondering why that was permitted. Why should the money of the taxpayers of this country be used to discharge the debts of ECA countries, when, as a matter of fact, we have been led to believe that it was to be used to build up their economy, to buy machinery, to build roads, and necessities of that character? I hope that when the amendments to which I have referred are presented, they will be adopted. There is no excuse for the ECA Administrator being permitted to use any part of the so-called counterpart fund in order to discharge the national debts of the ECA countries, or to permit the use of any of this money so as to enable them to operate their governments.

I yield to the Senator from Indiana.

Mr. JENNER. The Senator has answered the question I had in mind. I was about to ask what possible justification we, as Members of the United States Senate, could have for asking the American taxpayers, who have a national debt of $250,000,000,000, which is almost twice the debts of all the European countries, to dig into their pockets in order to send money to Europe to enable the countries of Europe to pay off their debts to other foreign countries.

If the Senator will permit, I should like to ask a further question. In view of all the things the Senator has said, and all the things which have been said in regard to the Marshall plan, and the supposed recovery in Europe, is it not admitted by these very countries themselves that when the 4-year period is over, they will still be operating with a trade deficit of from two to three billion dollars each year?

Mr. ELLENDER. They are simply setting the stage, I suppose, to extend the Marshall plan——

Mr. JENNER. Forever and forever?

Mr. ELLENDER. I do not know whether it is to be forever and forever. I suppose if we are foolish enough to continue to offer it, they will be willing to accept.

I quote further from the joint committee's criticism of the ECA policy:

> A higher priority and a more direct approach to currency stabilization might accelerate European recovery. * * * Unless a country balances its budget, taking the necessary steps to increase its revenues and reduce its expenditures, there will be a continued lack of confidence in its currency.
>
> As long as each participating country relies on a currency that is not desired by its own people and by other nations, there will be a continuous drag on the recovery program. ECA in considering the 1949–50 assistance program of participating nations should require that each program lay a foundation for a sound currency.

Mr. President, I have here quotations from the hearings held by the Committee on Foreign Relations on this issue, and I ask unanimous consent that they be inserted in this part of my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

France: From joint committee report, page 42: "During the first 6 months of the year, the French Government attained comparative financial stability through the collection of a capital levy-loan and by limiting the amount of money in circulation through the withdrawal of 5,000-franc notes. * * * After the political interregnum of the summer, the French Government started a new round of reforms including increases of certain tax rates and speeding up of collection of taxes, a submission to the assembly before the end of the year of a bill providing for reform of the tax system, improvements in the administration of nationalized industries, and the imposition of quantitative as well as qualitative controls on credit, a new departure in French financial policy."

In consideration of these reform efforts, ECA in 1948 released 140,000,000,000 francs of counterpart funds, most of which were used for reconstruction of industry and agriculture. Twenty-five billions went toward retirement of debt. In this connection, the joint committee commented: "The French Government has expressed by this action its intention to continue to fight inflation and to restore the purchasing power of the franc."

United Kingdom: The joint committee finds that the United Kingdom has "repressed inflation." From its report, page 48: "The inflated monetary supply is controlled by a series of financial and economic measures, and a relative financial stability has been achieved. The budget, which was brought into balance in the fiscal year which ended a few days before the Economic Cooperation Act was signed, is expected to show a substantial surplus this year."

From ECA report, page 15: In the United Kingdom: "Inflationary pressures are progressively reduced by using the counterpart fund for the retirement of a portion of the national debt held by the Bank of England."

"This has amounted to 82,000,000 pounds, which is the sterling counterpart of $331,000,000 of assistance extended in the form of direct grants. The net effect of these policies has been to control inflationary tendencies so that prices and the cost of living have risen only moderately during the past year" (p. 50).

Italy: Committee report, pages 44–45: "The Italian Government has succeeded in holding prices and incomes relatively stable since Setptember 1947, when strong anti-inflationary action was taken. * * * [After interim aid.] * * * The Italian economy has been undergoing a slow but steady recovery. Following the devaluation of the lira in December 1947, the lira-dollar exchange rate has been stable at approximately 575 lire to the dollar. Exports have increased sharply, in fact, beyond anticipation. Despite these favorable factors there is still a large budget deficit for the fiscal year 1948–49. The deficit is roughly equivalent to the investment portion of the budget, the income practically covering the current expenditures."

ECA has withheld release of counterpart funds until the Italian Government moved toward fiscal reform. During the year, the Italian Government took these steps:

1. Removed political prices and most subsidies.

2. Provided for increased revenues for the current fiscal year.

3. Commitment by legislature to refrain from increasing budgetary expenses without corresponding receipts.

In consideration of these steps, ECA promised release of funds, but is reviewing Italian performance before making actual release.

From ECA report, page 15: "Italy * * * is no longer suffering froom inflation, but it is feared that unless certain monetary and tax reforms are undertaken, recovery might again be retarded by a renewal of the inflationary pressures experienced in 1947. Consequently, the ECA has agreed to the Italian proposal to use counterpart funds for financing the cost of recovery projects while at the same time the ECA has encouraged the Italian Government to undertake needed fiscal reforms."

From Joint Committee Report, page 46: "The Italian Government over the past year has financed the major portion of its budget deficit without recourse to the central bank, and intends to pursue this policy."

Austria: Since currency reform in December 1947, Austrian economy has been a precarious balance between inflation and deflation. ECA has approved expenditure of 338,000,000 schillings for productive investments, the main item of which was reconstruction of railways. ECA has also approved plans of the Austrian Government to use 850,000,000 schillings of counterpart funds to cancel a portion of the national debt.

Denmark: Joint Committee reports: "Among the European countries which have tried to work out of their difficulties through gradual financial reforms, Denmark appears to have had an outstanding measure of success. A significant amount of means of payment has been withdrawn from circulation and price levels have been held down during the process."

Greece: Inflation still rampant, and a further price increase was under way at end of the year. Greek efforts to control it have been largely checked by ever-rising military costs and refugee support.

Netherlands: Joint Committee reports "considerable success in the stabilization of

wages and prices and reduction of the budgetary deficit. Black markets are no longer a problem." The 1948 budget deficit will be cut in two in 1949. Price controls and rationing can probably be lifted in 1949.

Norway: Joint Committee reports: "Since liberation the inflationary pressure has been contained only by rigid and extensive price controls, rationing, heavy taxes, and subsidies. Currently taxes absorb nearly one-third of the national income." Norwegian Government is using heavy tax rate and counterpart funds to reduce money in circulation and retire Government debt.

Mr. ELLENDER. Mr. President, I should like now to touch on what is happening in the United Kingdom, and to indicate how the aid we have so far granted has assisted them, and what we may expect in the future from Great Britain.

A good many Senators feel we should assist the British to the fullest extent possible, because of all the European countries, they are our best customers; they always buy more from us than we buy from them, and therefore we should do all in our power to get their trade.

There is little likelihood that Great Britain will ever recover to the point where she will have a self-sustaining economy. The United Kingdom has never produced enough to support her population. She has survived over the centuries by virtue of the resources she has obtained from her dominions and her colonies, and by investments in all parts of the world. Today her dominions and colonies are swinging farther and farther from her. As more and more of them drift away, the economy of the mother country will worsen.

Mr Thomas K. Finletter, Chief of the ECA Mission to the United Kingdom, presented a very thorough and illuminating picture of Great Britain's difficulties in world trade, in his testimony before the Senate Foreign Relations Committee (pp. 152–180). Mr. Finletter produced charts and tables in support of his testimony which should be studied carefully by all Senators. Remember that Mr. Finletter is an American, and represents the American Government in all these transactions with the United Kingdom. As I shall point out, Mr. Finletter is doubtful that British industry will be stabilized at the end of the Marshall-plan program.

According to Mr. Finletter—page 153:

There is one figure that stands out there rather dramatically, I think, which does point up to the basic trouble of Britain. That is the fact that in the year 1947 Britain had a deficit of $2,700,000,000 with the Western Hemisphere. She was short that amount of money in her trading with the Western Hemisphere. * * *

Being struck with that figure, we tried to find out what caused that, what was the reason for it.

I might say to Mr. Finletter that if he had read the speech I made on the Senate floor in 1946, when the British loan was under consideration, he might have obtained considerable information. I am glad to note from his testimony that he seems to see eye to eye with me in the prognostications I made in 1946 respecting the British loan and what would occur to the British economy as a result of that loan.

Mr. Finletter continued:

The reason for it is, in a word, this: Britain, ever since the beginning of the industrial revolution, since 1820, has had a deficit on her merchandise trade account. She has balanced that deficit on her merchandise trade account by her earnings on her invisible account.

That is to say, her earnings from banking, insurance, shipping, oil, and her income from securities held abroad and her earnings from firms in which she participated abroad.

Britain's position in world trade has worsened since the 1920's. Again quoting Mr. Finletter:

I think that that first chart (chart 3, p. 154–A) will show very dramatically what Britain's basic problem is.

On the left-hand side of that chart we see the story from 1920 to 1938 of Britain's merchandise trade account. I have not carried it back to 1820 because it seemed unnecessary. But it shows there the continuance of the old story of Britain, namely, that her imports on merchandise trade account were bigger than her exports in every single year.

In all those years from 1920 to 1938, roughly speaking, the invisibles do continue the old story of balancing up Britain's merchandise trade deficit.

There was nearly always in the 1920's a surplus on balance of payments. The invisibles were bigger than the trade deficit. But when you get to the thirties, some trouble appears on the scene. You see there is rather a tendency to have a deficit.

Nevertheless, up until the war, the statement, generally speaking, is true that the invisibles did balance the trade deficit.

The next chart (chart 4, p. 154–B) shows, I think, rather dramatically what happened during the war; because in a word what happened was that the invisibles, the old reliables of Britain, were destroyed.

For the year 1938 invisibles were playing their old game. They were £232,000,000 to the good; whereas, when we look at 1946 and 1947, not only has this favorable condition of the invisibles been eliminated but it has been put into red ink, and there are very substantial deficits in 1946 and 1947.

In a word, the problem that the war put upon Britain and the key to the answer as to why this $2,700,000,000 deficit was that now the invisibles were destroyed and we had both a merchandise trade deficit and an invisible deficit; and although it is an oversimplification, it may be said, I think, as a guide that that is in a sense the basic problem of Britain's overseas account today.

The situation is worse than I have already said, because not only is there this deficit of about $2,700,000,000, but it is all in the Western Hemisphere; or, roughly speaking, and good enough for our purposes, in the dollar area.

In the year 1938 we see that Britain has a manageable deficit, about £70,000,000; whereas, when we look at 1946, it is going steadily down, and in 1947 it reaches £630,000,000.

It is all in the Western Hemisphere. In other words, it is a dollar crisis.

If you look at the "Rest of the world" chart, at the top, you will see that Britain has an actual surplus in 1947, with the rest of the world outside the Western Hemisphere.

All of the deficit, in short, on foreign-balance payments was concentrated in the Western Hemisphere and reached the appalling figure of $2,700,000,000.

According to Mr. Finletter's charts, Britain's position has improved in 1948. There will be an over-all deficit of only £280,000,000. He states that since coming to Washington, results indicate that will be reduced to something below £200,000,000. However, there is still a deficit in the Western Hemisphere of almost £400,000,000—$1,600,000,000.

The program as worked out by British officials, in cooperation with the ECA, anticipates an over-all surplus in 1952–53 of £100,000,000; however, there is still a deficit in the Western Hemisphere of £73,000,000, but, according to Mr. Finletter—page 158—the British officials "in their long-term program, state that they expect to be able to eliminate that by gold transfers from South Africa and by ordinary commercial investment by the United States in the Commonwealth area."

The anticipated position of Britain in 1952–53 looks good on paper. But can it be accomplished? I think not. Even Mr. Finletter was reluctant to hazard a guess in that regard. According to his testimony, the outcome hinges on the success of the import and export program which the British envision for the next few years, and on the anticipated improvement in their "invisible account." Quoting Mr. Finletter—pages 163–164:

Another part of this British program is to control her imports and especially the imports from the dollar area, and this raises a difficult question.

The program is to have over-all imports of 1952–53 at 85 percent of prewar, but to cut down especially of imports from the Western Hemisphere and particularly to cut down to 60 percent of prewar.

The CHAIRMAN. They are willing to import our dollars but not our products?

Mr. FINLETTER. Yes, sir; that is correct.

I would like to explain why that is. The overriding objective of this long-term program of the British is to get into dollar balance by 1952–53, and there is only one way they can do it, and that is to increase their exports to the dollar area, to cut down their imports, and to increase their net invisible earnings.

Mr. Finletter, who represents our Government, speaks in that fashion.

The long-term program is very specific, Mr. Chairman, in saying that if they can increase their exports to the Western Hemisphere, they will increase their imports from the Western Hemisphere. This is not a rigid plan. This is only the best judgment that these men can bring to bear as to what they think is possible.

I repeat that that is the key to this problem of imports from the dollar area. They have committed themselves in unmistakable language to increase their imports from this area above the program level if they can increase their dollar earnings during the period.

On exports we run up against a very difficult problem. I have said that their policy must be to increase exports, and here we run up against one very difficult figure. The overall program is to increase exports by 50 percent over prewar; but in the Western Hemisphere, the target is even higher. It is 183 percent. Here is probably the most critical figure of the whole British program of recovery.

Can they make this figure of 183 percent of what they exported to the Western Hemisphere prewar? It is an extremely serious question.

The CHAIRMAN. I do not think they can do it.

That is the Senator from Texas [Mr. CONNALLY], chairman of the committee, speaking; and yet they are willing to risk our resources to assist the British in trying to do the impossible.

I continue to quote from Mr. Finletter:

Mr. FINLETTER. It is one which goes into the question of British costs. It goes into the question of rising competition from other areas and continued and possible rising competition from the United States.

Senator HICKENLOOPER. Is that increase in dollars or volume?

Mr. FINLETTER. That is in volume. Whether or not that figure can be reached is truly the key question of this recovery. If you were to ask me whether I think it can be done or not, I simply cannot answer the question.

All I can say is that the difficulties in the way of it are enormous, but I think it must also be added that the British are determined to try it—

Of course they are determined to try it, with our money—

and that the first year's results so far visibly on the record give one reason to hope that it may be done.

Mr. President, I wish to quote one further paragraph from Mr. Finletter, on page 514 of the hearings:

Senator TYDINGS. And without Marshall-plan aid, as outlined here, for these 3 or 4 years, what would be the probability of increasing those exports so that those British exports to the world, plus whatever invisibles they may have and may recapture, would equal the cost of the imports?

Mr. FINLETTER. I think the chance would be almost zero, Senator.

I want to repeat that I, too, like Mr. Hoffman, have only been willing to recommend to this committee a figure which I considered a rock-bottom one. This $940,000,000 figure, as I have previously testified before this committee, is absolutely rock bottom. I think there is the gravest question as to whether the United Kingdom can meet that figure. I think that nothing but the breaks plus the maintenance of the present drastic austerity program, and the drastic drive of the British people to beat this battle of the dollar gap, can enable them to do it.

Senator TYDINGS. You have anticipated my next question, but I want to ask it of you explicitly. As I read these tables, which go only up to the outbreak of World War II and which show that the invisibles plus British exports from 1931 up to the outbreak of the war were insufficient to pay for her needed imports, the question is in my mind as to whether, even with Marshall-plan money, at the end of that time the British can make the grade and get in balance.

Mr. FINLETTER. I think there is a grave question, Senator, as to whether it can be done.

That language is not mine, but Mr. Finletter's, who is representing the Federal Government in these transactions.

Mr. President, I can appreciate the reluctance of Mr. Finletter to hazard a guess as to the success of the British program. In my humble opinion it is impossible of accomplishment. I so predicted in 1946, when the British loan was up for consideration. If it should be accomplished, then I can assure the Senate that it will be done at the expense of a major disruption of our own foreign-trade balance. It is true that there has been some improvement in Britain's financial position at home, and some decrease in the deficit in her trade balance with the Western Hemisphere. But how has that been done? Mr. Finletter furnished a chart to the committee showing the commodity composition of United Kingdom exports—chart 45, page 164–A. It reveals some very significant facts. It shows, in Mr. Finletter's words on page 164—

The collapse of the old staples of Britain, namely, cotton and coal. * * * The old staples of Britain, cotton and coal, are way down the line and way off compared to prewar.

In other words, according to the chart, Britain's export of cotton is only slightly over 50 percent of the 1938 volume, and export of coal is only slightly over 20 percent of the 1938 volume. On the other hand, the two largest items of export, namely, vehicles—which is made up of a substantial amount of automobiles—and machinery, are up 250 percent and 180 percent, respectively, of the 1938 volume. Other items in the export picture which show a substantial increase over 1938 volume are: Electrical goods and apparatus, 210 percent; nonferrous metals, and so forth, 200 percent; cutlery, hardware, and so forth, 200 percent; pottery, glass, and so forth, 200 per cent.

In other words, Mr. President, if the British are to accomplish their goal and reach a position in 1952–53 where their trade deficit with the Western Hemisphere is only £73,000,000, they will have to make a sharp inroad into world markets that are now enjoyed by American products. I do not believe this can be done, even though the Labor Government is exercising rigid controls in an effort to keep down costs of wages and raw materials, and thereby give its manufacturers an advantage over American manufacturers in the world markets. For instance, according to Mr. Finletter, the British Government will spend in the current fiscal year about £475,000,000 or $2,000,000,000, for food subsidies—page 159. As the total British budget is only $14,000,000,000, the food-subsidy item amounts to approximately one-seventh of the current budget. That, according to Mr. Finletter, "is the keystone of the policy which enables the British Government to resist increases in wages by the labor unions—page 159. Undoubtedly it is the key by which they hope to open the door of foreign markets to British products.

Mr. President, I have mentioned the export and import program of the British Government, and outlined how their plan for recovery hinges on their ability to increase their exports to this country, and at the same time take over other markets now open to our export trade, while at the same time they will reduce to a minimum the amount of goods that will be imported from us. In other words, as the distinguished chairman of the Senate Foreign Relations Committee so aptly phrased it, "They are willing to import our dollars but not our products."

Let us now examine the British program and see how they expect to overcome the deficit which has come about in their invisible account. There we find that the expectation of a balanced foreign-trade account is based on income from earnings in foreign nations rather than from increased productivity in the homeland.

We find that in 1948 the British wiped out the 1947 deficit of almost £200,000,000 in its invisible account and showed a small surplus in that year. In 1952–53, the expectations are that the surplus in the invisible account will amount to over £250,000,000. This anticipated surplus is comprised of: interest, profits, and dividends, slightly over £40,000,000; shipping, approximately £90,000,000, and an item labeled "Other," amounting to £240,000,000. Against these surpluses must be charged deficits in the items of overseas Government expenditures, £90,000,000, and travel, £30,000,000; leaving, as I have just indicated, a net surplus of approximately £250,000,000. These figures are taken from the chart, and are approximate.

Mr. President, I shall withhold comment on the estimate of surplus from interest, profits, and dividends, amounting to approximately £40,000,000. I shall not challenge the estimate of surplus from shipping of approximately £90,000,000. Probably the British Labor Government, by a continuance of its rigid controls over wages and prices, and using American ships acquired during the war through lend-lease, and so forth, can undersell our American shipping and can take away considerable of the business that is now enjoyed by Americans. It is the item of other invisible income amounting to £240,000,000 that interests me. On page 166 Mr. Finletter explains this item in this way:

I must say a word about the other account. "Other items" include earnings from oil. The reason that oil is in the invisibles is it is not produced in the United Kingdom or its colonies; therefore it is included as an invisible item.

I call to your attention that oil is the basis for their contemplated and programed recovery in 1952–53.

Mr. President, it might behoove us to inquire as to the methods by which the British Government expects to increase its earnings from foreign oil by such an enormous amount. Who is financing its operations in these foreign countries? How much are we being asked to put up in order to defend the interests of the British in these foreign countries? The record is silent in that regard.

As I indicated a moment ago, I propose, as a member of the Appropriations Committee, to inquire into the details of this item when the Congress is called upon to make the appropriation for this enormous sum.

Mr. President, as I interpret the testimony of Mr. Finletter, the job which faces the British Government is to cut down on its imports from the Western Hemisphere, while at the same time building up its exports to the Western Hemisphere, so that by 1952 its 1948 trade deficit of $1,466,000,000 will be reduced to the sum of $480,000,000. An anticipated credit balance in her invisible trade account will reduce this deficit to approximately $370,000,000. In other words, between now and 1952, Great Britain will have to readjust her economy so that there will be a net decrease

in the trade-balance deficit between herself and the Western Hemisphere of approximately $1,000,000,000. To do that, she will have to purchase outside of the Western Hemisphere a great deal of the merchandise she now is buying from the Americas, while on the other hand she makes a great inroad on the markets available in the Americas. I presume the officials of the British Government have in mind taking over much of the export trade which we now enjoy with South America and Central America. The British Labor Government expect to do this, as I have heretofore stated, by rigid control of their domestic economy, holding down wages and prices through a system of food subsidies and the like, so that British merchants can undersell competitors from the United States and other nations. In order to enable the British to accomplish this—in order to enable them to take away from American farmers and American firms the markets we now enjoy in the Western Hemisphere—our American taxpayers are being asked to dig into their pocketbooks another time in order to further subsidize the scheme.

Mr. President, what I have just indicated is not all they are asking of us. They are asking us to keep on furnishing the ways and means by which they can better their economy, whereby they can "tool up," so to speak, so as to be better competitors of United States merchants and farmers.

Today we are spending billions of dollars for national defense.

In 1946–47 the United States Government appropriated $14,281,000,000 to that end; Britain, $6,800,000,000.

In 1947–48 we spent $10,924,000,000 for that purpose; Great Britain, $3,415,000,000.

In 1948–49 we are spending $11,715,000,000 for that purpose; Great Britain, $2,871,000,000.

For the coming year, 1949–50, our estimate of expenditures for that purpose is $14,268,000,000; Great Britain, only $2,804,000,000.

In other words, while we are assisting the countries across the Atlantic who are our friends to improve their economies so that, I suppose, they can be better competitors of ours, they are decreasing the amount of funds they spend for national defense, whereas we are increasing ours.

Furthermore, Mr. President, I desire to point out that soon after the North Atlantic Pact is voted on—I suppose it will be voted upon favorably, and I am for it—we shall be asked to lend-lease airplanes, tanks, guns, and ammunition in order to arm the countries of western Europe. We shall be doing that while they, with our resources, will be developing their economy and tuning it up so as to become better competitors of ours. I like to repeat that thought, for it is the truth.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. JOHNSON of Texas in the chair). Does the Senator from Louisiana yield to the Senator from Missouri?

Mr. ELLENDER. I yield for a question.

Mr. DONNELL. Am I correct in the assumption that the Senator from Louisiana agrees with me that if the North Atlantic Pact is ratified, the request which will come for funds to arm Europe will, at least in part be based upon the obligation created by article 3 of that treaty, which reads:

ARTICLE 3

In order more effectively to achieve the objectives of this treaty, the parties, separately and jointly, by means of continuous and effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack.

Mr. ELLENDER. That is correct.

Mr. DONNELL. I thank the Senator.

Mr. ELLENDER. Mr. President, as I said, the initial amount to put the Atlantic Pact into effect is placed at $2,000,000,000. I presume that as the program develops within the next 4 or 5 years there will be—I can see it in contemplation, and I have seen stories to this effect—an expenditure by our Government to assist in arming our western allies to the extent of $20,000,000,000.

Mr. DONNELL. Mr. President, will the Senator yield again?

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). Does the Senator from Louisiana yield to the Senator from Missouri?

Mr. ELLENDER. I yield for a question.

Mr. DONNELL. And at least in part, the huge expenditure the Senator now anticipates will be made in order to comply with article 3 of the North Atlantic Pact. That is correct; is it not?

Mr. ELLENDER. That is correct; there can be no doubt about it.

Mr. DONNELL. I thank the Senator.

Mr. ELLENDER. Mr. President, as I pointed out in the early part of my remarks, in the past we have been dissipating our God-given natural resources in unprecedented amounts. The amendment I am proposing will not reduce the number of dollars which can be appropriated under this authorization, but the amendment simply will increase our minimum share of the counterpart fund which is created by law, so that we may use the amount I am asking for—that is, not less than 25 percent—to purchase strategic materials from those countries. We shall furnish a part of that money to their nationals in order to develop mines in which such materials are found and of which we are in short supply.

I have here, Mr. President, a partial list of strategic materials found in ERP countries, and which are now being stock-piled by the United States. It will be remembered that at the present time the Bureau of Federal Supply is engaged in stock-piling operations. We appropriate cash from our Treasury in order to carry out the program. My amendment simply provides that the 5-percent minimum which must be set aside for strategic materials shall be increased to a minimum of 25 percent. That is what it does. It does not take away the dollars. The dollars we appropriate will be spent for the purpose of buying such materials as are needed by the ECA countries. These materials are turned over to their own nationals who pay for it with their own currency. That currency is placed in an account called the counterpart account. Under existing law, 95 percent of it can be used for any purpose the Administrator and the interested government may agree upon. The Administrator and the Government could decide to buy strategic materials for our account with all of it. But they have not done so. That is where the shoe pinches. The only safeguard the American taxpayers have is the provision that a minimum of 5 percent of the funds shall be used to buy strategic materials and to pay our operating expenses in these ERP countries. I am seeking, by my amendment, to increase that minimum, or safeguard to the American taxpayers, to 25 percent of the total counterpart funds. As I shall point out in a moment, two-thirds of the counterpart funds have been used by Great Britain and other countries to discharge their national debts and to pay interest upon them. Over one-half billion dollars of those funds have been used for debt retirement and debt cancellation, and only $21,000,000 has been used for purchase of strategic materials.

I have before me a table prepared in my office showing the production, percentagewise, of various materials of which we are in short supply in this country, such as antimony, asbestos, bauxite, chrome, and cadmium. It shows where these materials are principally located, and it shows further that all the countries with whom we are doing business under ECA possess large reserves of these strategic materials. Under my amendment, the 25-percent minimum I am asking to have set aside could be advanced to the nationals of those countries for the purposes of development, as I have previously indicated, and when that has been accomplished, they can repay us by way of strategic materials. That is what the plan proposes.

As I have said, the amendment which I propose does not in any manner decrease the volume of dollars that we are authorizing to be appropriated for the purpose of carrying out ECA. I have repeated that statement quite often in the hope that it will well register in the minds of Senators.

Another of my amendments proposes that none of the counterpart funds shall be used in order to discharge the debts or to pay interest on any of the national debts of any of the beneficiary countries. The money is sent abroad by us for the purpose of recovery, not for the purpose of enabling the beneficiary countries to discharge their debts.

At this point in my remarks, I ask unanimous consent to insert in the RECORD the entire statement to which I have referred, showing the location percentagewise of the various strategic materials of which we are in short supply.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Partial list of strategic materials obtainable in ERP countries and possessions

(Source: Publication of Research Department, Crowell-Collier Publishing Co.)

Material and United States production (1940), if any	Country	Percentage of world production (1940)
Antimony (none)	Canada	1.6
	Czechoslovakia	2.4
	Italy	2.2
Asbesto (2.8)	Canada	67.5
	Southern Rhodesia	10.7
	Union of South Africa	5.4
	Cyprus	2.2
Bauxite (8.8)	France	18.5
	Dutch Guiana	11.9
	British Guiana	11.2
	Italy	11.2
	Netherlands	5.5
	Greece	4.3
	British Malaya	2.8
	Norway	----
Celestite (unknown if any).	United Kingdom	----
Chrome (none)	Turkey	16.5
	Union of South Africa	13.8
	Rhodesia	12.0
	Greece	4.9
	New Caledonia	5.2
Cadmium (51.0)	Southwest Africa	18.4
	Canada	7.7
	Norway	5.0
	Australia	4.8
	United Kingdom	3.0
	France	2.8
	Italy	1.4
Cobalt (none)	Rhodesia	54.2
	French Morocco	25.2
	Burma	8.1
	Canada	11.7
Copper (31.6)	Belgian Congo	6.0
	Germany	3.0
	Canada	10.3
	Turkey	----
	Rhodesia	9.7
	Finland	----
	Newfoundland	----
	Union of South Africa	----
	Norway	----
Diamonds (none)	Belgian Congo	77.3
	Union of South Africa	3.7
	British Guiana	----
Graphite (none)	Germany	32.0
	Madagascar	9.6
	Italy	3.8
	Norway	2.7
Lead (23.2)	Australia	15.0
	Germany	10.5
	Belgium	4.7
	Burma	4.5
	Italy	2.2
	France	2.4
	Canada	----
	Newfoundland	----
	Southwest Africa	----
Manganese (none)	Union of South Africa	10.8
	Egypt	3.0
Mercury (12.2)	Italy	45.0
	Czechoslovakia	1.9
	Germany	1.1
Mica (58.5)	Union of South Africa	2.5
	Canada	2.2
	Madagascar	1.7
Nickel (none)	Canada	82.5
	Norway	1.4
	New Caledonia	10.2
	Greece	1.4
	Finland	----
Platinum (7.5)	Canada	53.4
	Union of South Africa	12.1
	Italy	1.5
	Belgian Congo	.3
Rubber (none)	British Malaya, Netherlands Indies, Burma, Anglo Egyptian Sudan, Borneo, Belgian Congo, French Equatorial Africa, Netherlands Guiana, French Guiana	(1)
Tin (none)	British Malaya	30.1
	Netherlands Indies	16.2
	Belgian Congo	5.6
	Burma	2.6
	United Kingdom	1.0
	Portugal	----
	Australia	2.2

[1] Not available.

Partial list of strategic materials obtainable in ERP countries and possessions.—Con.

Material and United States production (1940), if any	Country	Percentage of world production (1940)
Tungsten (8.4)	Burma	15.5
	Portugal	6.3
	British Malaya	4.1
	Australia	2.3
	Southwest Africa	----
Uranium	Germany, Belgian Congo, Canada	(2)
Vanadium (20.2)	Southwest Africa	17.3
	Rhodesia	13.0
Zinc (28.2)	Belgium	11.3
	Canada	9.7
	Australia	4.4
	Newfoundland	----
	Germany	13.0
	France	3.7
	United Kingdom	3.4

[2] Unavailable if any.

Mr. ELLENDER. Mr. President, to my way of thinking, it makes very little difference if we save Europe from communism, if, in the process, we bankrupt our own Government and exhaust our natural resources. What good is it to save Europe, assuming that is possible, if we reduce our own standard of living to that of Europe and lay our own country wide open to communism? Unless we can make democracy a living, breathing institution and responsive to the needs of our own people, we are apt to lose our cherished freedom.

Mr. President, I should like to comment a little more in detail on the amendment I have offered. If we do not earmark a sizable portion of these counterpart funds for purchase of strategic materials, to be spent when the materials are available, the American people will be left holding the bag. Let us not lose sight of the fact that the ECA program will be completed in 1952, according to present plans. The amounts of money appropriated between now and 1952 will be decreased each year. In other words, the amount we appropriated last year, and the amount we appropriate this year, will comprise the bulk of the funds to be furnished under the program.

Already over one-half of the counterpart funds deposited under the program have been withdrawn and dissipated. According to figures submitted to the Senate Foreign Relations Committee, a total of $1,171,000,000 has been deposited in counterpart funds in the participating countries, and $672,000,000 has been withdrawn. The figures show that $41,100,000 of these funds have been used in France for development of strategic materials. The reports also indicate that $21,074,000 has been expended for strategic materials out of the 5 percent counterpart fund. For this $21,074,000, we have obtained 26,000 tons of rubber, 12,000 tons of hemp, and 1,276,000 carats of industrial diamonds, all purchased from the United Kingdom.

Mr. President, the counterpart funds used for purchases of strategic materials, amount to approximately 1.8 percent of the total funds deposited and 3 percent of the funds withdrawn. Two-thirds of the counterpart funds withdrawn have been used to retire the national debt of several of the participating countries. Unless the Congress takes positive action now, I fear that little or nothing will accrue to us in the way of replenishment of our natural resources. The amendments which I propose will not hamper Mr. Hoffman in his administration of the European recovery program. It will strengthen his position in dealing with these European governments for the return of some of the natural resources which we are shipping to them. I maintain that the Congress should take positive action to strengthen the Administrator in his dealings with these governments.

The ECA officials say the reason they have not been able to spend much of the counterpart funds in the purchase of strategic materials is because such materials are not now available. They feel that such materials will have to be obtained through long-term contracts. My amendment will provide them with the means of negotiating such long-term contracts, and fulfilling the obligations of those contracts when the materials are available. I pointed that out in the early part of my remarks.

From the testimony of Mr. Bruce, on page 333 of the hearings, I desire to quote the following statement:

> Generally speaking, I do not think this negotiation is going to result in anything much except generalities until we are in a position to negotiate long-term contracts. When you sit down to negotiate a contract, you can stipulate that 20 or 30 or 40 percent of this material, for a term of years, shall be delivered to us at our wish. In other words, that we should have an option to draw on this production. But we are in a period, particularly in the ECA countries, where the general industrial recovery has run away ahead of the increased production of these strategic materials; so the demands or the shortage of supplies have gone up pretty rapidly.

Mr. President, under the terms of my amendment, a minimum of 25 percent of the counterpart funds can be accumulated in the participating countries, to be kept in reserve by the respective governments and used to purchase strategic materials for our account in later years. Counterpart funds accumulated in this manner can be used to negotiate long-term contracts. In fact, counterpart funds have already been used for this purpose in at least one instance, according to Mr. Bruce, as shown on page 334:

> We negotiated a contract for increased production of lead in north Africa where we put up French francs, 5 percent counterpart; and get our payment in a percentage of production if the development proved successful.

Mr. President, the proposal that I have submitted whereby a sizable proportion of these counterpart funds will be set aside by the participating nations and reserved for the purchase of strategic materials for our account, will fit in squarely with the present program of the ECA Administrator. It will help combat inflation in the participating countries, by taking that amount of currency out of circulation during this emergency period, and later on, when supplies of these strategic materials become plentiful, and the economy of these nations needs rejuvenation, that money will be put back into circulation. Mr. President, the proposal I have

submitted is a much sounder approach to the problem than is the policy of applying these counterpart funds toward the reduction of the national debts of participating nations. The same objective will be accomplished, but it will eliminate the resentment which is bound to arise among our people when they learn their hard-earned money is being used to reduce the national debts of these European nations. There will be created, instead, an atmosphere of cooperation and good will. Our people will feel that, whereas they are now being called upon to deplete our natural resources in order to help our neighbors in distress, later on our neighbors, after they get back on their feet, will return a portion of those resources to us, in the form of strategic materials. That is a form of lend-lease with delayed action that will be overwhelmingly approved by our people, and I doubt that there will be any genuine criticism from the participating European nations.

Mr. Hoffman, in testifying before the committee, as shown at page 37 of the hearings, stated that approximately $446,000,000 of counterpart funds had been withdrawn and used for debt retirement. On pages 40–41 of the hearings appears a table which gives a detailed break-down of the counterpart funds which have been expended through December 31, 1948. According to this table, a total of $540,000,000 has been used for debt retirement and cancellation, as follows:

Austria	$85,000,000
France	103,000,000
United Kingdom	330,000,000
Norway	22,200,000
Total	540,200,000

These funds were applied toward reduction of the debts of the participating countries as a means of combating inflation in those countries, according to Mr. Hoffman's testimony. I read from page 58 of the hearings:

> In the case of the counterpart, we are charged, under the law, among other things, as Senator GEORGE brought out very clearly, with bringing about a financial stability. You can dissipate the value of what we are doing in construction or anything else in recovery if you have inflation in countries, so we figured it was a very appropriate use to make of those counterparts where you had, as you had in Great Britain, more money than you have goods. In other words, it is always a pressure on prices, which was controlled as to prices yet the pressure was a type of pressure that you wanted to relieve if you could, and the best way to relieve that was to retire a certain type of public debt, with the understanding that if the situation reverses they would reborrow that amount and the money would be used for purposes of construction.

Mr. President, I submit that substantially the same result would be accomplished in those countries under the terms of my amendment. A minimum of 25 percent of the counterpart funds would be set aside for strategic materials. That money would not be spent unless and until the materials became available. The ECA Administrator can tie it in with the economic picture of the nation, so that there will be a safeguard against spending the money prematurely and thereby hindering the anti-inflation program. In any event that money would be set aside in the participating country's treasury, out of circulation, and when there is a recession and production of materials exceeded demand, the spending of that money will have a more wholesome effect on the economy of the nation than will Mr. Hoffman's proposal that the government reborrow the money and spend it for construction projects.

Mr. President, I will say nothing further on the subject. I hope that Senators will consider this proposal very seriously. I understand it is not the desire of the majority leader to vote on my amendment today. I understand that the distinguished Senator from Massachusetts [Mr. LODGE] is very much interested in this proposal and would like to be present when the Senate votes on it. I repeat, that I am very hopeful that Senators will study my amendment. I am asking for the return of but a small part of what we are making available to our friends. The appropriation approved last year provided that 20 percent of the funds made available had to be in the form of repayable loans. The loans had to be secured and became the property of the United States Government. The loan provision has been eliminated from the pending bill, and the ECA Administrator is given a free hand in determining whether or not loans should be made. I am not at all impressed with the reasons given by Mr. Hoffman. He states, in effect, that loans should not be made, because they would, in some way, disturb the economies of the nations which we are striving to assist. What about our own economy?

Mr. President, I repeat that the amendment which I am proposing will not in any manner decrease the number of dollars we appropriate to carry on this program. It simply means that at least 25 percent, instead of 5 percent as now provided in the law, will be available to us to purchase strategic materials which we need in this country, and the rest of the counterpart fund, the 75 percent, can be used in order to assist our friends across the seas in such manner as may be mutually agreed between our Government and the country in which the fund is deposited.

Mr. KEM. I should like to ask the Senator whether, in view of the economic recovery which has occurred in several of the nations of western Europe since the ECA program was inaugurated, he does not feel that the 25-percent minimum is a very modest figure.

Mr. ELLENDER. There can be no question about it. Bear in mind that this is only a minimum of 25 percent to be set aside for this purpose. I hope the Administrator will be able to use an even greater portion of the funds for that purpose. But, of course, that is not likely, because the act now provides that the ERP country must agree to the disbursement. As I pointed out in the early part of my remarks, under the so-called Bretton Woods proposal, when we established the stabilization fund, we were not supposed to give our money away. There was supposed to be a fund created to stabilize currencies and exchange dollars for the currencies of other countries. What I am trying to bring about is a kind of a two-way street, to earmark a minimum of 25 percent of the fund, which we may use to pay our expenses in the country involved, and to buy materials which we have dissipated in the past, and which we are going to dissipate still further when we embark on the Atlantic Pact.

There is no doubt in the mind of any Senator, I hope, that if and when we become parties to the Atlantic Pact, as I am sure we will, the next step will be for us to dig down further into our natural resources and use iron ore, copper, and other metals to furnish guns, tanks, airplanes, and other necessary implements of war to the members of the pact. That is what we are going to be called upon to do.

I propose that we say to the ECA nations, "We are going to give you the dollars with which to pay for the program. You put up your francs"—pounds, or whatever the currency is—"put them in the bank. Reserve at least 25 percent of this amount to develop these strategic materials for your use and our use." That is what the funds are to be used for. Then, when the time comes that those materials are available, they will be shipped to us, and we will not have to continue to dig down into our own Treasury. We have reached the bottom and are, as a matter of fact, through the bottom. Frankly speaking, if we continue to increase our debt and continue to impair our natural resources, the time is not far off when our standard of living will be reduced to the same level as that of the people we are trying to help. I repeat, God pity the world if that comes about.

Mr. KEM. I should like to ask the Senator a further question. I am sorry I was called out of the Chamber and was unable to hear all his very fine address. I wonder if the Senator touched on the fact that today every man and woman in the United States is working one day out of three to pay his or her taxes.

Mr. ELLENDER. I did not approach the matter in that manner, but I did point out that every man, woman, and child in the United States today owes $1,830 to the Government. That is their share of the debt burden.

Mr. KEM. Did the Senator point out that the average American family is paying $100 a month in taxes?

Mr. ELLENDER. I have not worked out the figures.

Mr. KEM. In view of that situation, I should like to ask the Senator if it is not his opinion that it is perfectly fair and proper for us to adjust this percentage, as the conditions of the countries which are the beneficiaries of the plan improve as they have been improving?

Mr. ELLENDER. There can be no doubt about that, and if the decision were left to me I would increase the minimum figure above 25 percent. My reason for making it a minimum 25 percent was that when we passed the act last year, 20 percent of the funds appropriated had to be loaned to the participating countries. Since the 20-percent loan feature has been eliminated, I have provided, instead, that at least 25 per-

cent of this counterpart fund shall be reserved and used to help France, England and the other ERP countries to develop the strategic materials which they need and we need. If this proposal shall be adopted, under the act we can make contracts of 20 years' duration in order to obtain these much needed resources.

I agree fully with the distinguished Senator that the amount is a pittance of what it should be, but for fear that if the minimum percentage is raised too high we might not be able to obtain enough votes on the floor to adopt the amendment. I am asking for what I think is rock bottom. I do not see how a Senator can vote against such a proposal as is provided in the pending amendment.

I plead with my colleagues to vote for the amendment and thereby assist our country in obtaining much needed strategic materials.

Mr. CAIN. Mr. President, in his 2 years and 3 months as a Member of the Senate of the United States the junior Senator from Washington has supported in full, sometimes enthusiastically, sometimes with hesitation, sometimes reluctantly, but always with hope, every action the Senate has taken to be of rehabilitation and recovery assistance and aid to Europe and the other areas of the world. Having lived throughout the world, I have a keen sympathy and some little understanding of its trouble, suffering, strife, and turmoil. I have lost none of my sympathy, none of my desire to be of assistance to those in need, none of my respect for the distinguished chairman of the Foreign Relations Committee, the senior Senator from Texas [Mr. CONNALLY] or for the great senior Senator from Michigan [Mr. VANDENBERG] who was the chairman of that committee in the Eightieth Congress, nor have I lost any of my hope for world recovery, yet I voted twice last night in favor of amendments which would have reduced the size of the proposed ECA authorization which is before us.

It can be said by no one that the junior Senator from Washington represents isolationism in any respect, and perhaps, because of this fact, there may be those who will wish to examine the reasons which caused me to partly oppose the program of authorization which is being so ably advanced on the floor by the Foreign Relations Committee. It well might be that others will not consider my reasons of restraint and reduction to be valid or sound, though I think and believe that they are. I wish to submit my thinking and some of the reasons in question to my colleagues, for their thoughtful consideration, while offering at the same time an amendment which I hold to be constructive, well-intentioned, and designed to accomplish nothing less than the best results from our continuing participation in the affairs of other lands. I speak simply as an American citizen who is obviously as patriotic as any other Senator in this body. As I respect the views and the motives of those who sought to bring the prevailing debate on a magnificent question to a close more than a week ago, I trust that my views, however much others may disagree with them, will not be held suspect as to motive or construed to be a dilatory action intended to delay a final vote on the measure which confronts us.

Mr. President, the vote on the Taft-Russell amendment clearly shows that the Senate, despite the deep misgivings of many Senators, is not disposed to accept a horizontal cut in the authorization for ERP extension. One reason for this indisposition is plain: It is impossible through the process of debate closely to examine this enormously complicated proposition.

Individual Senators have devoted many weeks to personal examination of the materials on European aid which they were able to secure. With patient and painstaking care they have brought to the Senate floor the results of their labor. But, despite all their efforts, they have been to a considerable extent frustrated in their hope of analyzing the ERP extension bill.

There are two principal reasons for this frustration. In the first place these individual Senators have not had access to all the information. They have been forced to bridge gaps simply because information either was not forthcoming or because the information given was so confused that it baffled analysis. In the second place, no matter how carefully Senators have set forth their views and matured convictions, the heavy and miscellaneous traffic which duty lays upon the Senate made it impossible for the full strength of the Chamber to be present as this truly vital question was thrown open to debate.

Therefore, since it is clear that horizontal cuts in authorization are out of the question, the burden of the analysis must inescapably be assumed by the Appropriations Committee of the Senate. This will, indeed, be a heavy burden, and I submit, Mr. President, that the committee should not be forced to assume also the burden of an authorization. The technicalities of authorization we well understand, but in the public mind an authorization binds the Appropriations Committee in advance.

In this situation what is our plain responsibility? From my viewpoint it is that we must see to it that the ECA is provided with funds that will carry them along, unimpeded, until the 30th of this coming June. That we may authorize at once. From my point of view, we not only may but we ought to make such an authorization at once in the hope that the Appropriations Committee will promptly act on the authorization. But the sum required for the year ending June 30, 1950, 15 months from now, is another matter. I therefore suggest that the size of this sum be left completely in abeyance until the Appropriations Committee has had an opportunity, and a full opportunity, and a thorough and a searching opportunity, to examine much more closely than anyone has been able to do up to date, the needs of ECA for the coming year.

Mr. President, I send to the desk and ask to have read an amendment on this subject, which I offer for myself and the senior Senator from New Hampshire [Mr. BRIDGES].

The PRESIDING OFFICER (Mr. HOLLAND in the chair). The clerk will state the proposed amendment for information only.

The LEGISLATIVE CLERK. On page 5, line 16, it is proposed to strike out all after "1949" through page 6, line 13.

The PRESIDING OFFICER. Does the Senator desire to have the proposed amendment printed and to have it lie on the table?

Mr. CAIN. Mr. President, the Senator from Washington would appreciate that being done, so that a vote on the proposal may be held in abeyance until the first of next week when the coauthor of the amendment, the Senator from New Hampshire [Mr. BRIDGES] shall have returned to Washington.

The PRESIDING OFFICER. Without objection, that will be done.

Mr. CAIN. Mr. President, I do not know that I am correct, but I have a feeling that our Nation may very shortly be confronted with a deficit fiscal situation. If that assumption shall prove to be correct, there are only two solutions possible. One is, in the future, to resort to deficit financing, as on occasions in the past we have been required to do. That to my mind would be ruinous to the future welfare and the best interests of every man, woman, and child in the United States. The other solution would be to increase taxes in order to enable us to satisfy our obligations and maintain a balanced budget. Again, from my point of view I think additional taxes in the coming months would simply constitute a further burden upon the present burden which in itself, under prevailing tax schedules, is too heavy for the ultimate well-being of the average American. We ought to be as careful as we can not to place the Nation in such a position that it must be financed through deficit means, or by increased taxes in any considerable amount.

Mr. President, it so happened that on the 24th day of February 1947 the junior Senator from Washington made, as he recalls so vividly now, his first speech, or an effort at a speech, on the floor of the United States Senate. At that time there was pending a budget-reduction question. There were those among the Senators—and I belonged to their school of thought—who in 1947, 2 years ago, thought we should do something rather drastic about cutting the budget as it then was before the Senate and the House and the country. I was only one of a number of Senators in that year, 1947, who thought this country would be the more healthy and the more solvent, not only in 1947, but in projected years ahead, if in 1947 we had been able to establish more effective ways by which to reduce our national budget through sacrifice on the part of all Americans.

Mr. President, I do not know that it is important—perhaps it is not—that the junior Senator from Washington in supporting that domestic $6,000,000,000 cut 2 years ago had some very good reasons for his decision.

For the purpose of partly clarifying my own thinking in 1949, I desire to restate some of the reasons which 2 years ago seemed to justify a move in the direction of hard-headed economy. I remember saying, 2 years ago, that I was for the cut in question because I recognized a vast dollar difference between what Government must have to be effective and what it naturally enough, because of its paternalistic character, wants in order to accomplish its myriad activities, purposes, and enterprises.

Mr. President, with reference to that reason I was thinking about our own domestic economy. But I want to suggest that there is very little difference between governments abroad and our Government at home insofar as paternalism is concerned and the desires of the respective governments to get just as much as they can from the people of the world, who pay the bill.

I had another reason for voting for that budget reduction 2 years ago, Mr. President, and I stated it in this way—"because I feel no real or solid assurance that our present high level of national income will long continue." I do not know what our national-income figures for the present fiscal year will be, but I have good reason to believe that they will be less than they were 2 years ago, and because the national income will be less this year, and probably still less in the year to come, it will become increasingly difficult for this country to finance and satisfy its obligations at home and abroad.

My third reason 2 years ago for supporting a reduction in a national domestic budget was this:

> I was one, and am one, of those who conceive that the national debt is, sir, an obligation, and not the figment of anybody's imagination. Our national debt must be either retired or repudiated. Over the long pull there is no middle course. It is freedom on the one hand, or outright feudalism on the other.

The fourth of several more reasons to support an economic proposal 2 years ago was that I believed then, as I now believe, that prevailing tax burdens, if long continued, will further destroy American enthusiasm and incentive, without which we as a nation would become as helpless and futile as other peoples have become who struggle only for the state.

I concluded my remarks on the budget-reduction problem 2 years ago by recommending and urging an equality of sacrifice; and I plead for it now.

With reference to what took place on this floor 2 years ago, I suggested that the junior Senator from Washington was a western Senator, and therefore could more selfishly benefit from the great number of tax dollars which were to be appropriated by his Government, because the development, expansion plans, programs, dreams, and aspirations of the West are far greater, in most instances, than are those of the East. But the suggestion was made by the junior Senator from Washington and by a number of other Senators from all sections of the country that it was about time for us to begin to recognize and share an equality of sacrifice in order that America might live within its means and be healthy and solvent, and bring peace, happiness, and stability not only to itself, but to our friends everywhere in lands across the seas.

I am struck with the phrase "an equality of sacrifice," because to me it means something like this: Only a few short days ago in the great House of Representatives it was thought wise to say to the people west of the Mississippi, with reference to their determination that that section of the country should grow and expand and increase its power facilities—for there are power shortages in this day and year, and most of them exist west of the Mississippi River—"Yes; your programs are desirable; they are needed, and we want to help you; but this year we cannot go beyond the point of 85 percent of what the President has recommended."

As I understand it, with reference to power production, the construction of dams, and reclamation projects, the House of Representatives reduced appropriations for those purposes 15 percent across the board. I am not too familiar with the situation and the reasons which motivated the committees in the House of Representatives, and therefore I am not qualified to say whether they did right or wrong; but I have a right to assume that members of the committees of the House of Representatives having jurisdiction knew exactly what they were doing when they made horizontal reductions of 15 percent, and that those reductions were made because there is a prevailing need for sacrifice and for economy. If that assumption proves to be correct, I raise the question on the floor of the Senate if it is not proper to ask the nations across the seas whom we seek to help if they will not recognize and share an equality of sacrifice. If it is necessary for us to be short at home it might well be necessary for us to be somewhat short with our grants abroad.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. CAIN. I yield for a question.

Mr. JOHNSTON of South Carolina. I gather from the remarks of the Senator from Washington that he believes that we in the Senate should watch the economic table, and try as best we can to find out what is to happen in the future before we launch upon an expenditure so large as this. Is that correct?

Mr. CAIN. I think the Senator from South Carolina understands precisely what I have endeavored to say, that without better knowledge than we have at the present time with reference to how far we ought to go in our commitments abroad we should proceed with caution.

Mr. JOHNSTON of South Carolina. That being so, I should like to ask the Senator a further question. In my State at the present time the great textile industry is operating 3 days a week, whereas only a year ago it was operating 5 or 6 days a week. Moreover, instead of operating with three shifts, a great many of the mills are operating with only two shifts. Does not that mean that in the near future the income of those corporations will be greatly reduced?

Mr. CAIN. I think that is a very logical assumption.

Mr. JOHNSTON of South Carolina. I should like to ask the Senator a further question. In practically every warehouse in my State there are stored great quantities of cloth which cannot be sold at the present time. What effect will that have upon the textile industry of my State?

Mr. CAIN. Although I know nothing about the details of that particular industry, the industry in question might be wrecked. In that case it would add nothing to the national income. It therefore follows that it would be that much more difficult for America to meet its obligations if we assume that the national income will remain at its present level.

Mr. JOHNSTON of South Carolina. I should like to ask the Senator one further question in connection with the aid which we are sending to the countries overseas. Is it not true that last year we shipped overseas approximately 60 percent of our textile machinery, even with conditions existing such as I have pictured to the Senator?

Mr. CAIN. I understand that presently a very large percentage of textile machinery and equipment is going overseas.

Mr. JOHNSTON of South Carolina. Does that seem to be of any help to business in America?

Mr. CAIN. The only thing I can suggest to the Senator from South Carolina is that I share his concern and distress. I am not familiar with his attitude toward the program for aid to Europe. My own attitude is very clear to me. I want to help in bringing about recovery and reestablishing normalcy in Europe to the greatest possible extent. But, first, I desire to make as certain as I can that we remain vigorous and strong at home, in order that, over a long period of years, we shall have an opportunity to be of assistance to others without wrecking the institution to which the entire world now looks for assistance and relief. It is the only place it can look.

Mr. President, on that occasion 2 years ago, when I tried my hand for the first time in a very brief presentation of the budget-reduction problem and question, I concluded by saying this—I think it is still true; and I hope I have reason to believe it will be true for as long a time as I remain in the Senate or in public life:

> Mr. President, the soundness of the American dollar is a prize and goal worth fighting for. The dollar is worth only what it will purchase. That it buys so little today is no compliment to the Congress of the United States. In joining with other Senators who support the proposed $6,000,000,000 budget cut I give evidence of my individual faith in the willingness of the American people to make sacrifices today which will retain for our tomorrows a free and solvent opportunity for all.

The only contribution I can make to the prevailing debate, Mr. President, is to continue to raise the question, first,

whether we are granting our aid to the European countries in the very best possible way; and, second, whether it is possible for us to make substantial cuts in that aid, if similar cuts are necessary and required in this country, to the end that the vigor of our economy will permit us to do more for Europe and the rest of the world in the future, rather than less—for the prospect that we may have to do less frightens me.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CAIN. I am glad to yield.

Mr. LONG. On page 11 of the committee report I notice that Portgual was given no aid by us in the year 1948–49, but for the year 1949–50 Portugal has requested $100,600,000, and is supposed, as I understand from the table used in the ECA report, to get $10,000,000. Will the Senator explain to me on what basis Portugal, a neutral nation during the war and, so far as I know, one which did not suffer during the war, is to receive some of the money we are providing for European recovery; and, if so, why she needs it this year, although she did not need it last year?

Mr. CAIN. Mr. President, I wish I could answer adequately the Senator's question, but I cannot do so. I hope he will pose that question to one of the members of the Foreign Relations Committee, and that I shall have the complementary opportunity to be here at the time when that question is discussed.

Mr. President, I have had occasion to examine briefly the testimony of the various witnesses before the Foreign Relations Committee on the question of the extension of this European aid program. From that examination and from the information which I have been able to obtain otherwise, I do not understand that a clear and precise account has been given us as to what is occurring in Europe. I admit that the subject is terrifyingly complex, with many baffling phases; but I am seriously disturbed by the sharp contradictions which appear in the words and actions of officials connected with the United States and European phases of the program. I submit in all good conscience that we should not be asked to authorize this immense sum without first making a thorough-going examination of the whole proposition, with much more resultant clarification than we have yet received.

In plain terms, Mr. President, one of the most important things which I should like to know is whether the European-aid policy now being pursued by the United States is likely to make a stronger western Europe by 1952. I think every American citizen, wherever he or she may live, wishes to have an adequate answer to that question. Perhaps the answer is available. If it is, I merely wish someone to tell me where it can be obtained, because I have not found, from what is admittedly an abbreviated study of this problem, any assurance whatever that by 1952 we shall have achieved what so many persons presently say will be achieved, namely, full recovery on the Continent of Europe. If it is not going to be achieved by 1952, we likewise should know that, so that we can plan accordingly. Will we by 1952 have helped to accomplish constructive, fundamental changes in Europe, or is our policy liable to leave Europe in 1952, at the termination of the Marshall plan, substantially where it was when we began in 1947?

For example, I wonder whether the Senator from Nebraska, who sits on my right at the moment, has any real conviction as to whether by 1952 Europe will be fundamentally better off or worse off.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. CAIN. I am pleased to yield.

Mr. WHERRY. Before that question is answered, I think I might suggest to the distinguished Senator from Washington that if we assume that Europe will be no better off by 1952 or will be only halfway better off, then I think we should consider what the continuing program will be. Will we then extend the program for another 4 years, or are we to go on continuously, year after year, attempting to remedy the deficit dollar balances of these European countries? That is one of the problems which I think should be considered, and it was considered in connection with the authorization-reduction amendment which was offered.

Although the program is asked to be authorized for only 1 year, in each case, and although we are told by the chairman of the Foreign Relations Committee that there is no obligation beyond the year, yet it is my feeling that the European countries have planned on a 4-year program. So in connection with amendments to reduce the amount of the authorization, such as the amendments offered last night—not only my own amendment but the amendment offered by the Senator from Ohio—I think it is vital that some reduction be made in the authorizations and appropriations under this plan for the countries of Europe, if for no other reason than by a token reduction to let them know that the program will terminate within 4 years, and will be reduced, if possible, so that they will not plan for more and more ECA aid in the future in the event their recovery has not been achieved at the end of the 4-year program.

Mr. KEM. Mr. President, will the Senator yield for a question?

Mr. CAIN. I shall be glad to yield; but first I should like to acknowledge my gratefulness to the Senator from Nebraska for his question; and in brief response to it, I should like to say that I am trying to find out where we are going, if anywhere, beyond 1952. I think it is probably safe to assume—I feel this way, and I believe many other Senators do, too—that if we thought our objectives would be fully achieved by 1952, as Americans we would be delighted to continue our sacrifices so as actually to put the nations of Europe on their feet. But if what we are actually doing is making permanent our operations in Europe, I think now, rather than in 1952, is the time to begin to be worried about that, so that we can accumulate, if possible, the reserves and resources with which we may expect to be able to continue those operations.

I yield now to the Senator from Missouri.

Mr. KEM. Mr. President, I ask the Senator from Washington whether he has in mind that a pertinent answer to the pertinent question he has asked has apparently been furnished by the OEEC, the high council of the participating European countries. In the discussion yesterday the distinguished senior Senator from Michigan [Mr. VANDENBERG] had this to say, as shown on page 3647 of the CONGRESSIONAL RECORD:

> One evening a few months ago I had the privilege of sitting with the high council of the OEEC. The council consisted of the top economic experts from various countries. They very frankly said that evening that in 1952 the participating countries probably would fall $2,000,000,000 or $3,000,000,000 short of the objective—

Does the Senator have that very precise statement in mind?

Mr. CAIN. I am familiar with the preciseness of the actual statement to which the Senator from Missouri has just referred, and I myself wish to reflect upon it a little further.

Mr. KEM. I should like to ask the Senator whether he thinks that the opinion of that high council, the OEEC, is at least very pertinent in connection with the important question the Senator from Washington has raised.

Mr. CAIN. I do, indeed, I may say to the Senator.

Mr. KEM. I should like to ask the Senator further whether it does not appear from the hearings before the committee that such high economic authorities as Prof. Seymour D. Harris, of Harvard University, are of the same opinion?

Mr. CAIN. I may say to the Senator from Missouri, that is my understanding.

Mr. KEM. Is it not also the opinion of hard-headed businessmen, such as the members of the Board of Commerce of Detroit?

Mr. CAIN. Exactly.

Mr. WHERRY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Nebraska?

Mr. CAIN. I yield.

Mr. WHERRY. I listened very attentively to the first part of the presentation by the Senator from Washington. The question propounded to the Members of the Senate is, as I understand—and I ask if this is not the purport of the argument to date—that the budget this year will require an expenditure of from $5,000,000,000 to $6,000,000,000 more than our tax collections from all sources? The Senator from Washington has propounded to the Senate this question, "What are we to do? Are we to increase tax rates, or are we going to resort to deficit financing?" Is that a correct statement?

Mr. CAIN. The Senator has defined my position rather well. I have said that if we continue the course we seem to be following, we shall be faced with

a deficit. We can meet the situation either by deficit financing or by an increase in taxes, and the junior Senator from Washington is opposed to both methods. The junior Senator from Washington is suggesting that we consider whether it is possible to live within our income while at the same time extending a reasonable amount of assistance to the countries overseas, as well as doing a good job domestically.

Mr. WHERRY. Mr. President, will the Senator yield for another question?

Mr. CAIN. The Senator from Washington is glad to yield for any question.

Mr. WHERRY. Does the Senator feel that if the tax schedules are raised so that the $5,000,000,000 or $6,000,000,000 more may be paid as we go, on an annual basis, it will have a depressing influence upon the business of this country? The Senator has raised a question as to whether our national income will remain at the present level.

Mr. CAIN. I have previously mentioned that in my opinion if taxes are to be increased to any substantial degree it will further injure the incentive of American industry and its workers, with a resulting handicap to all business.

Mr. WHERRY. It would result not only in a loss of business but also in a loss of employment; would it not?

Mr. CAIN. That is true, from this Senator's point of view.

Mr. WHERRY. Mr. President, will the Senator yield for another question?

Mr. CAIN. Certainly.

Mr. WHERRY. I am interested in the observations made by the Senator from Washington and also the observations made by the Senator from South Carolina a few moments ago. What effect is the ECA program going to have on the textile industry of this country? I may ask the Senator whether he heard the observations made last night in the colloquy between the Senator from Maine and the Senator from Massachusetts relative to the effect it has already had throughout New England?

Mr. CAIN. I am not an authority on the textile industry, though other Senators have stated in their own time that the industry is in dire straits, with reference particularly, as I understand, to portions of New England and with respect to certain areas in South Carolina.

Mr. WHERRY. The point I wanted to raise with the Senator in the form of a question is that the problem respecting exports is, first, that the purchase of wool itself under the ECA program has given a tremendous advantage to the fabricators in Britain over the textile producers of New England and the southern section of the United States, where so many people are employed and there is such high production at the present time. I wanted to ask the Senator this question: Agreeing that we believe in the objectives of the ECA program, yet if we are to continue the policy under which ECA is presently operated with reference to the purchase by the United Kingdom of wool to be fabricated into textiles and returned to the dollar areas, in addition to the impact as a result of the increase in taxes, what does the Senator think would be the effect on the textile industry of this country?

Mr. CAIN. I may say that from what I know it would be very unfortunate.

Mr. WHERRY. Has the Senator received a copy of the European recovery program report published by the United Kingdom?

Mr. CAIN. Yes.

Mr. WHERRY. I wondered whether the Senator had that in view. I know there is a mass of information contained in that report which we should read, in order to become thoroughly informed on all the problems which may arise in connection with the appropriation. I refer particularly to page 63 of the report. I ask the Senator is not the situation so acute at this moment that the Senator from Massachusetts said it will be necessary to do something about it, and that you will have to do something about it in South Carolina, as well as in New England? I should like to call it to the attention of the Senator from Washington and also the Senator from South Carolina and ask whether they have read in the report what the goal is, not only at present but for the life of the ECA program, so far as exports and imports of the United Kingdom are concerned?

Mr. CAIN. No; I have not as yet. I intend to review the report.

Mr. WHERRY. I may suggest this to the Senator, in the form of a question——

The VICE PRESIDENT. The Chair would like to suggest to Senators that to address a Senator in the second person is a violation of the rules of the Senate. The Chair has tried to emphasize that several times. The Chair realizes it is a habit easy to acquire.

Mr. WHERRY. I thank the Chair. I may say to the President, I was addressing two Senators, the Senator from Washington and the junior Senator from South Carolina, and asking whether they had the report to which reference was made. I believe the report contains information which will not only answer the question raised by the junior Senator from South Carolina, but it should be analyzed by every other Senator. A reading of the report shows that in the British view this is not a short program. They intend to increase their exports 80 percent above the 1939 level. That means exports to the United States will increase approximately 100 percent before they get through with the ECA program, under which we are now contributing in the form of grants, in order to give them free dollars to use in the dollar areas. I suggest to the distinguished Senator from Washington when he has had an opportunity for reflection, he answer the question, will it have an impact upon taxes, with the resultant loss in national income, which will strike at the very stability of our Government? What will the impact be when the imports to which I have referred come back to the United States of America, to be sold in competition with the products of our domestic firms, when their taxes are increased, when business has slumped, and when we are, if you please, at the mercy not only of the textile fabricators who can undersell us because of lower standards of living and because of lower costs? What will happen in the future, for example by 1952, if we lose to other nations the markets we now have?

Mr. CAIN. I think it is a reasonable assumption that if there are imported into the United States huge quantities of goods which undersell the products of our competitive industrial structure, our economy which has brought so much to America and has offered so much to foreign lands can collapse and be wrecked. I think all we are really doing in the course of the debate is to raise seriously questions which concern us, in the hope that the committees having jurisdiction of the subject will make it their business to secure detailed answers, which should be carefully scrutinized, and if necessary preventive measures should be adopted so as to avoid getting ourselves first into serious trouble and then trying to work our way out of it.

Mr. President, I had asked a question, and I should like to repeat it for purposes of continuity:

Is our policy liable to leave Europe in 1952, at the termination of the Marshall plan, substantially where it was in 1947?

What would that mean? We keep on forgetting, I think, this aspect of the subject. It would mean trade balances out of gear, budgets unbalanced, currencies inflated, inter-European trade dammed up, and with social unrest and upheaval threatening on every hand. These are questions to which the Congress must have answers, and they are most certainly questions which the Administration has not, so far, seen fit to answer.

It will be recalled that when General Marshall made his famous offer of aid to Europe in his Harvard speech of June 5, 1947, he said:

> Any assistance which this country may render in the future should provide a cure rather than a palliative.

"A cure rather than a palliative" were the words, and joint action was declared to be essential.

Well, the western European nations—with Iceland, western Germany, and Turkey thrown in—agreed to act jointly, had numerous consultations, and made a lot of plans and finally, in April 1948, Congress passed the Foreign Assistance Act of 1948 and later appropriated $5,055,000,000.

I want it understood, Mr. President, that although I was concerned a year ago, I voted "yea" on the authorization, and then on the appropriation, and certainly today I have no apology to make for either one of those votes. I wonder if we can this year do a much better job than we did a year ago.

This act declared that "mindful of the advantages which the United States has enjoyed through the existence of a large domestic market with no trade barriers, and believing that similar advantages can accrue to the countries of Europe, it is declared to be the policy of the people of the United States to encourage these countries through a joint organization to exert sustained common efforts as set forth in the report of the Committee of European Economic Cooperation signed at Paris on September 22, 1947, which will speedily achieve that economic cooperation in Europe which is essential for lasting peace and prosperity."

I consider those words to be brave and noble, indeed.

The aid having been authorized, the several European countries met in Paris again and on April 16, 1948, signed what was called a Convention for European Economic Cooperation. They there agreed to join together to make the fullest collective use of their individual capacities and to undertake the elaboration and execution of a joint recovery program.

There was some sharp questioning in the Senate last year about the amounts of the aid authorized.

I remember those questions, Mr. President, and how searching they were. But the heartfelt plea was made: "Do not haggle. Grant the money. Give the program a chance. A year hence, when the next installment of aid is asked for, then Congress can make the most searching inquiry." So we granted the aid, passed the bill, and wished the great enterprise good luck and Godspeed.

Mr. President, that year has now gone by. The new installment of aid is being demanded. But where is the searching inquiry of what has been done? It is no place. We have not had any searching inquiry. I propose that we make one, starting here and now. I say this, not as one inimical to the idea of European aid but as one who is determined that the Senate shall know exactly what the score is and what we are doing when we vote on this bill.

What I want to know is, What has been going on down in the subcellars of European recovery? I want to be shown how valid this aid proposition, as it is presently administered, really is. And pending some detailed and forthright information from the administration, which has certainly not been forthcoming so far, I propose to examine the proposition myself, beginning right now.

I do not want at this time to be distracted by such questions as whether or not Britain is being socialized with American dollars. It was certainly disingenuous of Mr. Hoffman to tell the Senate Foreign Relations Committee on February 28, 1949, that they, the British, "should not use our dollars to engage in social experimentation; and speaking largely, there has been none of that done," when, only 5 days before, Christopher Mayhew, speaking for the British, had told the United Nations Economic and Social Council that, "We have not the slightest intention of modifying our economic, our social, or our political plans in order to qualify for aid." When I make this quotation, I want it distinctly understood that I am not referring to what Mr. Mayhew said about British recovery. I know that he spoke about internal recovery and not dollar balance. I am referring to his statement about British social and economic plans.

I do not think that the administration or the ECA has been on the level in what they have said to Congress on this question, but I do not want to turn aside on this phase now. I said I wanted to get down to the bottom of this proposition in which these Marshall-plan countries swore—and if they did not make a moral commitment when they took our money I never want to hear again about moral commitments on our part—in which, as I say, these Marshall-plan countries swore "to join together to make the fullest collective use of their individual capacities" and "to undertake the elaboration of a joint recovery program."

I do not want either to use up time on American suppliers who may have tried to turn the Marshall plan into a gravy train, or on reported ECA embarrassments when it was discovered that American ingot aluminum was going into Europe, via ECA, while the British were shipping aluminum scrap here for dollars, to discuss the bungling messes which resulted in American farm machinery being heaped up in rusting piles in Europe. No. Maybe such reports were garbled; maybe not. Conceivably, I say, conceivably such bungles, if they occurred, might have been made even by an organization superior to that of Mr. Hoffman, and surely we have been told that the caliber and efficiency of his organization surpasses that of any corps of technicians ever assembled. I hope this is so and that the organization will become even more efficient.

Let me try to remove what wrappings I can from this ECA proposition, and let us see what the story appears to be, so far as I can make it out. I want to know much more, and that is why I want more time to find out further.

I shall have to describe, as best I can, what seems to be the way the aid-to-Europe set-up works. I shall have to ask for the Senate's consideration while I attempt this, for I am not an economist and, God knows, the administration has done anything but give clear information, and I can only use what fragmentary materials are available. Mr. Thomas Finletter, the ECA mission head to England, says that he is full of admiration for the energetic way in which the British Government has told its citizens the economic ABC of the Marshall plan.

Mr. Finletter recently made a speech in which he said this:

> Britain is plastered with posters pointing out the economic facts of life.

I wish, Mr. President, that my own Government had been willing to do the same thing. I should like to see our Government, and all its agencies, sell the ECA program in detail to the American people, in order that they might be better aware of what they are being asked to do and the reasons for the requested sacrifices.

When the Marshall-plan countries signed the convention I spoke of, they set up the machinery for what they call the OEEC. Watch this carefully. This OEEC has as members representatives of various countries. It also has a Secretary General and a body of technicians. It works this way: The various governments work up plans of what they want to do. Eventually these plans go to the OEEC, which does the "screening" that is so much talked about. It matches up these plans and whittles them down, gets the O. K. of the various governments, and then turns them over to the ECA. If the ECA approves, then orders for the goods needed are placed with Uncle Sam picking up the check. The ECA, of course, is purely a financing agency, and does no buying whatever.

I have tried to put this description down in the form I have used in order that I might understand the mechanics of this organization, which we did so much to initiate and launch a short year ago.

But wait a minute. The position of this OEEC is very peculiar. It has no authority of its own to make these big decisions. Its members, aided by the organization's technicians' draft reports, make recommendations and urge various pieces of action, but they have no authority to enforce the recommendations. Real authority rests with the individual governments who send representatives to OEEC. It is said that the OEEC is growing in strength and authority, but, if it can make a decisive move without the consent of the constituent governments, I have yet to learn it. I should like to be advised that it has that authority, because it would be very helpful.

When these governments, individually, make decisions on action, the decision of each government is echoed in OEEC and a formal decision by all the governments in Marshall-plan deals is also echoed by OEEC.

Mr. President, this is what worries me a great deal. OEEC technicians can draft plans, but that does not mean by a long shot that the governments will carry out those plans. Remember that fact, because I shall get to it in a minute.

For these countries to get on their feet they were supposed to do a series of things: They were to get going and balance their budgets and stabilize their currencies; they were to do everything they could to jack up their exports; they were to pare down their imports wherever they could; they were to be as economical in every way as they could be with their housekeeping; and, above all, they were to get busy and start breaking down the barricades, the tariffs, the trade restrictions, and the like, that separated them from one another.

The grand result would be that everything would be shipshape and in balance in 1952—as we all hope it will—when European aid comes to an end.

It stood to reason that if these European countries were going to do these things within 4 years they would have to hump themselves and, sure enough, a tremendous racket and noise commenced in Europe and the papers were full of it. There seemed to be a lot of activity going on, but just what it was, was hard to say, at least for me; as a visitor to Europe on two occasions in the last 2 years, it was a little hard to say, but, anyway, Europe was getting our dollars.

In the meantime those OEEC people were very busy, and after a number of months went by we were told that they were working on a plan. This European plan was going to be the great cooperative, long-range scheme that would get Europe economically working as something like a coordinated whole. It was not going to look any more like the different-colored patchwork-quilt affair

that the school geography books showed in our grammar-grade days.

This was indeed hopeful news. That is, we could feel hopeful of something constructive, even if we did not know yet what was in the plan.

In the meantime there was a Friendship Train to Italy, and the French sent us a Gratitude Train and the Marshall-plan wheat and cotton and oil and coal were pouring into Britain and the Continent.

Months went by, and finally on the 30th of December the OEEC published in Paris what they called an "Interim report on the European recovery program." It is one of the most interesting documents one could hope to read, and I recommend it to the Members of the Senate. It acknowledges the efforts that have been made so far, it analyzes the situation as it is now in relation to its background, and then, in subdued but explicit words, utters the most profound warnings. This report does not deprecate European aid. It argues that aid is essential, but it warns Europe of what the countries there have to do, in words that almost say "Now or never," and it warns in a way that makes the reader wonder whether, if pressure is not forthcoming, the warnings will not be heeded. The light this report throws on European recovery is very different from the golden neon glow the Administration gives us.

Perhaps I ought to try to describe that golden neon glow a little further before I go on. It is that light shed by Administration witnesses in their testimony for the extension of ERP. Most of these witnesses were optimistic, with a show of self-restraint. They showed fervent conviction that, by and large, and with due consideration for the difficulties inherent in the proposition, ECA had been a grand success, and that there was every reason for pushing resolutely ahead. Let me quote Mr. Harriman, the United States special representative, as striking this optimistic note:

> The objective of OEEC, everything they are doing, everything ECA is doing, is with the determination to have Europe freed from extraordinary aid by 1952. If you ask me a question as to whether it will be attained or not, I can only say that I believe it can be attained and that I personally believe it will be attained.

That is to say, according to Mr. Harriman, western Europe will be in the clear by 1952.

But when it came to any consideration of just what had been done—and I mean a clear, graphic, factual picture that showed real joint action between the Marshall-plan countries—the story became cloudy, generalized, and evasive.

Now this report, issued in Paris, shows that the technicians of the OEEC, people from all over western Europe, have been very busy and cooperative indeed. Their report might be described as a detailed memorandum of information prepared for an incoming referee in bankruptcy, for that is what Europe is, hopeful, but bankrupt. If that is true, and if the United States is going to the aid of the bankrupt, I submit, Mr. President, that the Senate deserves a bald and unvarnished account of what is going on in Europe and what we are doing there. I say we are not getting such a bald and unvarnished account.

I should like to quote a little from this OEEC interim report:

> Europe is no longer the predominant source of manufactured supplies. Even in 1938 nearly one-half of the world's output of manufactures was produced outside western Europe; now the proportion is much higher. For many years the problem of paying for these supplies has been growing. Between 1913 and 1939 imports from overseas were increasing but exports were declining; exports of manufactures of the main industrial nations fell by one-quarter. The market for some of Europe's manufactures was becoming more and more restricted.
>
> Even if there had been wo world wars, this course of world economic development would sooner or later have forced a change in western Europe's economic structure.

Let me repeat that sentence:

> Even if there had been no world wars, this course of world economic development would sooner or later have forced a change in western Europe's economic structure. The loss of her predominance in manufacturing would have compelled an adaptation in the nature of her exports, and specialization in those types of products where her competitive advantage was greatest. The gradual reduction, in more recently developed continents, of advantages of inexpensive land and labor would have forced Europe to reduce her dependence upon imports of primary products.

The report then goes on. Let me quote a few phrases:

> Reasons have been given for thinking that the forecast of exports and of invisible earnings are unduly optimistic.

And again:

> While the production targets set may be individually possible, it is doubtful whether they can all be achieved in so short a time as three and a half years.

The word used, Mr. President, is "doubtful." If these targets cannot be reached in three and a half years, when can they? That the report does not say and I am not by any means condemning the report when I say this. The authors of the report were a very sober lot. But it does use the words "doubtful" and "unduly optimistic" over and over, and again and again.

Again and again and again the report reiterates such sentences as this:

> In view of the serious difficulties that the participating countries will have in paying for the imports from the outside world, an expansion of intra-European trade (that is, trade inside of western Europe), is most important.

I know that individual countries have made remarkable production records. I know that some countries—Norway, for example—are bending every effort to climb out of the abyss into which they were plunged by the war. But, Mr. President, I wonder how far these individual countries can go, how much strength they can hope for in the future, unless there is some real European consolidation.

Listen to the OEEC again on this production question:

> The exports of many European countries are expected to increase only slowly during the next 18 months. The postwar replacement and restocking boom is coming to an end in many overseas countries and for many products. Increasing sales resistance is being encountered in many markets. Many European products have been out of the markets for nearly 10 years. The world import market for manufactures has hardly expanded at all during the last 35 years. Moreover, in these calculations, no allowance has been made for a possible further deterioration in the terms of trade betwen the primary products imported and the manufactures exported. Terms of trade are assumed to be only 10 percent worse than in 1938, a year in which primary producers were notoriously depressed.

Further, says the report, no matter how hard these countries work to expand their exports to dollar countries—

> It is almost certain that western Europe will be unable to afford the whole of the imports planned * * * increased production in Europe of goods that can no longer be imported from the outside world for lack of means of payment, whether that production is for consumption at home or for sale to one or more of the participants, will go far to minimize the effect of Europe's inadequate purchasing power in the Western Hemisphere.

One of the most important statements in the report is this:

> It was recognized from the first that an intra-European payments agreement was no more than a palliative.

No more than a palliative. I ask Senators to remember that quotation, for it is of importance when this analysis is presently pieced together.

I have said that the OEEC as an organization, of and by itself, cannot enforce anything. The participating governments alone apparently have the authority to do that. This may seem like a contradiction, but in reality it is not. Governments can and do endorse all sorts of laudable plans but do not necessarily carry them out. We all recall the Kellogg Pact to outlaw war.

I was much struck with Mr. Hoffman's reply when the Senator from Georgia [Mr. GEORGE] asked him whether he has a program of pressure to revalue any of the currencies that are away out of line. Mr. Hoffman said:

> I feel very much encouraged about action in that field this year because of the interim report of the OEEC. That report itself contains the statement that 1949 is the year that must ("must" is the word used) bring fiscal stability to Europe. In other words, the Europeans themselves, speaking through OEEC, have recognized the problem. We are now in a position to suggest that they act on their own report wherever action is desirable. In other words, it is now their recommendation, and all we propose to do is to remind them of their recommendation.

That is Mr. Hoffman's statement: "All we propose to do is to remind them of their recommendation." But it is clear as day that unless the European governments have the will and the wit to put that recommendation into effect, or unless pressure is put on them to do it, the recommendation will remain embalmed in the report as a pious statement urging a desirable action that never occurred. And 1949, the year in which it is said that fiscal stability must, the word is "must"—and I would underline the word "must"—be brought to Europe, will pass into history, leaving Europe as much a fiscal cripple as she is today.

The OEEC interim report was published on December 30. A little over a month later the hearings began before the Senate Foreign Relations Committee. In the testimony this OEEC report appears in numerous chameleon forms. I have already quoted Mr. Hoffman's statement wherein he speaks with gratitude of the fact that the OEEC report says that fiscal stability must be reached in 1949. When he says that, the OEEC appears as a beacon light of hope. But if we look at the Senate Foreign Relations committee's report on the bill we will find on page 6 this passage:

A question as to the attainability of this objective has been raised by the publication of an OEEC analysis of the separate participating country 4-year programs which indicated that, on the basis of present plans, these countries would have a dollar deficit of some $3,000,000,000 at the end of the program. The Administrator pointed out that this analysis had been made for the purpose of diagnosing the problems facing western Europe. It is regarded by the OEEC as a warning that far-reaching changes will have to be made if they are to become independent of outside aid by 1952. The necessary action to revise these plans has already been initiated.

What just a minute ago had been a beacon light of hope now becomes a mere diagnosis. The difference is subtle but a difference is there. In almost the same breath the OEEC report can be taken as evidence of glorious promise or as a memorandum to be deprecated and referred to in an obscure passage. And when the Foreign Relations Committee says, "The necessary action to revise these plans has already been initiated," I do not get much help from that. I do not care about the revision of the plans. I want to know about action on the plans when they have been revised. Action is what we ought to have for the good of all of us. Let us hope we get it.

In all the debates last year and in all the earnest arguments made before we even had a bill last year, there was a great deal of talk about the necessity of joint action and how necessary unity was. I have quoted the words from the original Foreign Assistance Act about our age-old enjoyment of a big internal market without trade barriers and how it would be good if Europe did the same as we have done. I have quoted to the Senate how the Marshall plan countries themselves swore to make the fullest collective use of their capacities. I call to the Senate's attention further that the very bill before us now, S. 1209, which calls for the extension of ERP, also provides for the insertion into the original act of the words "to encourage the unification of Europe."

Unity, unity, everybody wants unity, but we will discover if we carefully scan the testimony of the Administration witnesses before the Senate Foreign Relations Committee that "unity" is the word that makes them nervous and jittery. Introduce this subject and we get either nervous and exasperated volubility or we get hesitation, ambiguity, or just plain silence.

I say that to me this phenomenon is very mysterious. If unity is what is desirable, why be so shy about discussing it or giving the facts.

What do we mean by unity? I suppose it means many things to different people. What do we mean by the words "economic integration of western Europe," "unification," and all the rest? I do not know the score here, but I am satisfied of this: That the time when Britain and Europe could be the workshop of the world is forever past. I may be wrong, but I believe that to be true. Europe and England once upon a time were the workshop of the world. That day has gone never to return. That day can never come again, and the problem of getting Europe pulled together in some kind of shape so as to earn her living is made the tougher by the devastation and bankruptcy of the war. I do not know the right prescription for this case. I only judge that somehow some sort of real and fundamental integration must come.

Occasionally I hear the distinguished Senator from Arkansas [Mr. FULBRIGHT] speak to that subject, and I listen to him as carefully and as thoughtfully as I can, for I am not an authority on the subject.

But even if I do not know the whole score, I do not see why it should become such a nervous, hush-hush subject. Is there a body hidden here? After all, our legislation last year asked for it and we are voting the money. All I want right now is the whole story, the true story with the bare bones laid out where we can see them and make up our minds. I think I share the wish of every Senator. I can assure the Senate that the bare bones were not laid out in the testimony on ERP extension.

What we get is two very curious and different kinds of statement.

The first type of statement might be summed up as, "Now this integration or unity, or whatever it is, is coming right along, but it takes time, and you must not jostle people. The desire for integration must spring from the heart of those who would be integrated. It cannot be imposed. We must not meddle. Everything is working out for the best, but I would just as soon not discuss this subject further."

The second type of statement might be summed up this way: "Western Europe is acting in closer cooperation today than it has in 500 years. You would never believe it to see the way those people are revealing each other's trade secrets. It is really wonderful how intimately and confidently they consult with one another. The proof of it is in the remarkable intra-European payments plan and the discussions going on for a customs union between France and Italy and the similar discussion with the Benelux countries."

I can make a few remarks about this line of argument. Take the intra-European payments plan first. What does it amount to? Most of the countries were in a sweat to buy needed goods from one another, but a large number of them were heavily in debt to the rest. As I understand, under this plan deficits arising between the European countries are financed as a part of the recovery program. Under this scheme surplus countries set up deposits of local currencies against which debtor nations may draw. In turn, when the time comes to clear trade balances, the creditor countries will have the assurance that where uncleared balances remain because of unequal trade they will receive conditional grants from ECA equal to their net grants. In a way, it is like taking in each other's washing to get trade moving, wholly within the Marshall plan countries, and backed by ECA.

If a device of this kind helps to break a log jam, it is certainly a good thing to do, but I do not see any reason to imply that this is some triumph of integration that gives a rosy promise for the future. My chief concern is not with what happens between now and 1952, except as it applies to what is likely to happen from 1952 on, for generations in the future. As the OEEC report says, this intra-European payment plan was "recognized from the first as * * * no more than a palliative. What it could do was to provide a breathing space." Our own watchdog committee in Congress says:

This arrangement must be regarded only as an expedient which does little to correct the fundamental difficulties. Its operation does not strengthen weak currencies. It offers no incentive for improvement. The plan makes possible the postponement of monetary reform but does not bring such a reform about.

My recollection is that General Marshall said aid must provide a cure and not a palliative. Yet our own watchdog committee indicates that what we are doing in some instances represents a palliative only, and not a cure.

As for the customs-union discussions, I know that last Saturday, March 26, France and Italy signed an agreement providing for a customs union and also providing for economic union within 6 years' time. Six years is a long time, and I want to know a great deal more right now about what they propose actually to do and their chances of doing it. So far as Benelux is concerned, the head of the ECA mission to the Netherlands said in his testimony that "greater progress has been made than can yet be made known, because delicate diplomatic international negotiations are involved."

That may be true, but only last week the newspapers reported that—

At a meeting in The Hague 2 weeks ago Benelux realization was postponed from January 1 to June 30, 1950.

I do not know the precise meaning of "realization" in this dispatch, but I think that the word "postpone" is clear enough. It is certainly a first-class contradiction.

To sum up, the suspicion arises that unity and integration are heavy on the talk side and very meager on the accomplishment side. Why? That there would be tremendous difficulties, I can well imagine, but that the difficulties could be surmounted, I certainly believe. It will be recalled that in 1940, when France was on the verge of collapse, the British, in the effort to keep France in the war, made the truly revolutionary move of offering to consolidate the two countries and to accept a common citizenship. True, France was too far gone seriously to consider the offer, but the offer was made. I was abroad at the time and I felt that the offer was made in good faith. Are such offers literally and completely impossible today?

I cannot speak with assurance, but the newspapers show little pieces of evidence as to how the wind may be blowing.

I said that the OEEC report was issued December 30. The hearings before the Senate Foreign Relations Committee came in February just past and ran from February 8 to February 28. Within a week after the hearings closed some rather arresting news began coming in.

A new steering committee of the Marshall-plan council consisting of men of Cabinet rank met in Paris under the leadership of Sir Stafford Cripps. Listen to the New York Times for March 4:

The apparently growing opinion among the experts is that the single European "master plan," which ECA Administrator Paul Hoffman urged last summer and which the council undertook to produce, will never materialize. It is expected that there will be numerous adaptations of national plans during the next year or so, but no substantial sacrifice of national interests or aims in favor of European unification.

Let me quote further:

Nobody now expects Britain to resume her former purchases from the Continent, which must find more essential exports to earn its sterling. Strengthened as it is expected to be by the new committee at Cabinet level, the Marshall-plan council is not the international economic authority that some had hoped it would become. The internationally enlisted secretariat of the council had hoped that, under the pressure of United States opinion, it would move steadily toward European unity by approximating, a general European recovery plan.

If this newspaper dispatch tells us anything, it is that a rift in the lute of unity has certainly appeared. Unity is not doing so well.

Two days later comes news of further trouble in the council.

The Times says that the big problem was how "to bridge the sharp differences that arose between the British and the continentals regarding what Europe should do to achieve economic salvation by the end of the Marshall plan."

It seems to me that there is no greater question on the face of the earth.

Further on this same dispatch says that the continentals, in resisting the Cripps proposals—which incidentally called for more strictly national rather than international proposals—maintained, among other things, "that the solution lay in further developing trade within Europe."

If nothing else, these two stories would seem to show that a fissure or split was developing in western Europe.

Hard on the heels of these stories from Paris comes a dispatch from Canada. I quote now from the Christian Science Monitor for March 8, 1949:

Disagreement between the British and Canadian Governments over the future economic policies of the British nations as a whole has been developed for some months and has now broken into the open.

The dispatch goes on to say:

Canada wants British goods to pay for Canada's exports to Britain. It cannot secure anything like the quantity of goods it desires and needs, because Britain is concentrating its trade in an expanding area of barter throughout the sterling zone and even in eastern Europe and Russia. The goods which Canada wants are sucked into this bilateral trading system.

Further, says the dispatch:

Since Canada is by far the United States' best cash customer, the United States cannot be disinterested in any policy which would reduce that market. And the policies now advocated widely in Britain almost inevitably would lead to a sharp reduction in Canada's imports from the United States.

Two weeks later, on the 25th of March—Friday of last week—John Marsh, general manager of the Canadian Exporters Association, made a speech at Toronto. Here is how the New York Times reports his speech:

One-half of the world, led by Sir Stafford Cripps, has moved back the clock of progress by barter trading or state trading * * *. Britain's present fiscal policy will keep the pound and the dollar apart for 10 years. * * * Canada and the United States must make up their minds to what extent in the future they are prepared to subsidize and maintain the United Kingdom's position in Europe.

Mr. President, I take it that is what most of us are trying to determine—namely, what we intend to do in Europe during the years to come.

Mr. President, by no means do I have the full facts at my disposal. I wish I did. I wish every other Senator did. But, Mr. President, if I were asked to make a deduction from these newspaper dispatches, this is what I would deduce without any trouble at all:

That we are witnessing a grotesque revival of the old imperial preference system, undertaken at Ottawa in 1932 in a last vain prewar attempt to bolster Britain's declining position in world trade; that Britain, now weakened and enfeebled in comparison with her former grandeur, seeks to nationalize her industries and use them as a center for a new barter empire. I do not know whether that conclusion is right or wrong, Mr. President; but certainly it is the only conclusion which can safely be drawn from what has recently been described in the press of this country and the press of Canada.

If what I deduce is true or anywhere near truth, we may ask what caused Britain to do this. I do not know. Could it be, to put the best face on the matter, that the British lost patience with the continentals, thought they were too irresolute to undertake austerity and tax themselves out of bondage? Could it be that, since the British themselves were willing to tighten their belts and count only upon potatoes and brussels sprouts as unrationed food, they at last determined that their only hope was to cut loose economically from western Europe, as far as they were able, and set out to put together an imperial barter system?

I do not know; but if that is true, then western Europe is broken indeed. Then Europe is divided not into two parts by an iron curtain, but into three parts, with the iron curtain and the English Channel as dividing walls.

If this be true, then the Brussels compact, the Western Union, signed in March 1948, between Britain, France, Belgium, Luxemburg, and the Netherlands, is just an old-fashioned military alliance, with the participating countries united in nothing but dread of a common enemy, and disunited by fundamental economic clashes. If this is anywhere near true, Mr. President, then I should say that any Atlantic pact would rest upon a very shaky foundation, and that our need for full information was doubly necessary.

Mr. President, I have been critical in this analysis, but I do not propose to stop here. I am not interested simply in arguments. I am not opposed to assisting in the rehabilitation of Europe. To the contrary, I am in favor of it. But I submit, Mr. President, that we can no longer go on as we have been going—appropriating money by the billions of dollars—until we know more clearly where we are and what we should do.

I wish to know more precisely just how constructive the work of ERP in Europe is. The OEEC report says that numerous things must be done—and the word "must" is underlined. What assurance is there that they will be done? I shall never forget the message which President Roosevelt sent to Congress on February 12, 1945, asking for action on Bretton Woods. The Bretton Woods Conference, said President Roosevelt—and I am quoting now—"submitted a plan to create an International Monetary Fund which will put an end to monetary chaos."

Well, Mr. President, we have had the fund for a long time, but monetary chaos is still with us.

In this message—

Said President Roosevelt—

I have recommended for your consideration the immediate adoption of the Bretton Woods agreements. * * * They are all parts of a consistent whole. That whole is our hope for a secure and fruitful world, a world in which plain people in all countries can work at tasks which they do well, exchange in peace the products of their labor, and work out their several destinies in security and peace.

This beautiful dream landscape which President Roosevelt then painted was going to come true with Bretton Woods. We have the Bretton Woods agreements, but all we have to do is to look at the daily papers to see how near we are to a world free from misery and want. With each one of these costly adventures there is always the lavish promise of results which never materialize. And when the results are not achieved, a new adventure is promptly launched.

It is said that ERP has helped to stave off communism in western Europe. That may be true. I do not know. It is possible that we have brought about a revulsion against communism that is only skin deep. It seems to me conceivable that we have been buying off communism on a day-to-day, 24-hour basis.

Mr. President, that is not good enough. We are not imperialists, and we can shout that from the housetops with a clear conscience. No imperialist in God's world has ever given away wealth as we have been doing. I want to know more about this unity that we have been told so skittishly about. I want to know a great deal more about it. We remember that a month or so before General Marshall made his famous offer of aid in June 1947, Dean Acheson made a speech at Cleve-

land, Miss., in which to some extent the idea of the Marshall plan was foreshadowed. In that speech Mr. Acheson—then Under Secretary of State, instead of being Secretary of State, as he is now—said:

> European recovery cannot be complete until the various parts of Europe's economy are working together in a harmonious whole. And the achievement of a coordinated European economy remains a fundamental objective of our foreign policy.

Does it remain so still, Mr. President? If it does, is it just an objective that is piously stated? Do we pay the money without insisting on anything in return? I want to know a lot more about these things. If, in order to get some constructive action, pressure must be applied, I want to know about that, and about where and how pressure should be applied overseas. I want an answer to this question, which troubles me as an individual American, and I wonder whether it troubles others: Are the current developments in Europe such as to bring about an economic cleavage between Britain and the western part of the Continent? If they are, then the story of ERP has been misrepresented to us—although I do not mean it has been intentionally misrepresented. Is there any way in which pressure from us will alter this situation for the better?

Mr. President, I simply am not willing and do not want to vote a dollar to pulmotor a series of separate fundamentally disunited European nations back to the sort of condition in which they were in 1939, when they proved to be, as we all remember, nothing short of a push-over for Adolf Hitler. Unless we get for our money something very real and very substantial and sound, we are throwing the money away, which does not become the representatives of the people of the United States in this and the other body. If we are not getting something solid and substantial for our money, then our whole foreign policy deserves reconsideration. We should not forget that the Atlantic Pact, which other Senators have been discussing in recent days, is to be superimposed—is it not—on ERP Europe. If the ERP foundation is rickety—and serious-minded men in this body are doing their best to determine whether it is, and if it is, how best to improve it—the Atlantic Pact superstructure cannot be secure. We should do something constructively worth while at this time, and we must be conscious of it in terms of ERP; or, to put it another way, should we make mistakes with the ERP, we are foredooming the Atlantic Pact to complete failure before ever a vote is taken on the floor of the Senate.

I have no wish whatever to be either stubborn or uncooperative in the matter before us. But, so far as the rehabilitation of Europe is concerned, it was for that reason that I joined with the distinguished Senator from New Hampshire [Mr. BRIDGES] in an amendment designed to afford us more time to examine and investigate and also to provide additional time for those who are greater specialists on the subject than we are.

For all the reasons which have been given, I have, for myself and for the Senator from New Hampshire, recommended that the Appropriations Committee give serious and continuing consideration over a period of the next several months to what we are doing and what we ought to do for the needs of European recovery in the period of the year beginning July 1, 1949. The amendment seems to us to be reasonable. We should like to think it will prevail. We certainly want more time among ourselves to examine and investigate all the critical questions I have raised without being able to provide the answers, before we are required to vote to authorize greater sums of the American taxpayers' money for the year which lies ahead.

Mr. KEM, Mr. KNOWLAND, and Mr. McFARLAND addressed the Chair.

Mr. KEM. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. The Senator from Washington has yielded the floor.

Mr. KEM. Mr. President, I was on my feet before the Senator yielded the floor. I should like to ask him a question.

The VICE PRESIDENT. If the Senator from Washington wants to resume the floor, in order to yield, the Chair will recognize him.

Mr. CAIN. For the purpose of complying with the Senator's request, I shall be most pleased to resume the floor.

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Missouri?

Mr. CAIN. I yield.

Mr. KEM. I should like to ask the Senator whether he does not feel that the decision he is asking the Senate to make, to postpone consideration of European aid for the fiscal year commencing July 1, 1949, would have a very salutary effect on the nations of western Europe in bringing to their attention in an abrupt way the fact that the American people are expecting them to go forward with the program of political and economic integration which they have so glibly promised to us through the OEEC.

Mr. CAIN. It would be my opinion that a delay would have a salutary effect not only upon the nations whom we seek to assist through the grants and loans in question, but it would be tremendously helpful and healthful for the American people, in bringing to them a far greater knowledge of what they are expected to contribute, than they have possessed up to this time.

Mr. McFARLAND and Mr. BALDWIN addressed the Chair.

The VICE PRESIDENT. The Senator from Arizona.

Mr. BALDWIN. Mr. President, will the Senator from Washington yield for another question?

The VICE PRESIDENT. Has the Senator from Washington yielded the floor?

Mr. CAIN. Mr. President, because of my knowledge that the Senator from Connecticut, who is standing, has been desirous of getting the floor for a long time, he can have it whenever he wants it. If, however, he cares to ask me one more question, if I am permitted to do so, I shall be pleased to answer it.

Mr. BALDWIN. I should merely like an answer to one question, in the light of the question asked by the distinguished Senator from Missouri [Mr. KEM]. Does not the Senator from Washington also think it a possibility that if we were to delay and continue to discuss the matter indefinitely, it might also lend some credence to the communistic propaganda that the people of America were going to let western Europe down?

Mr. CAIN. I take it the Senator from Connecticut and the Senator from Washington would simply disagree as to what the result of a delay might be. I am absolutely convinced it would be healthful and beneficial to all parties concerned. I take it that, in the terms of a calculated risk, the Senator from Connecticut disagrees with my desire for a delay.

Mr. BALDWIN. The Senator is very honest in expressing his view, and I should like to be likewise honest in expressing mine. I do disagree with the Senator most heartily. I thank the Senator for yielding.

Mr. CAIN. It is an honest disagreement between friends.

Mr. BALDWIN. Indeed it is.

VIEWS ON THE STRAUS-BOKE RIDER

Mr. McFARLAND. Mr. President, resolutions, letters, telegrams, and editorials from water and power users' organizations, farm and labor groups, veterans' associations, engineers, religious leaders, engineering and other publications, newspapers and resource-conservation leaders, from coast to coast, urge repeal of the Appropriations Act rider severing Reclamation Commissioner Michael W. Straus and Regional Director Richard Boke from the Reclamation pay roll. I ask unanimous consent that a few excerpts therefrom be placed in the body of the RECORD as a part of my remarks.

The VICE PRESIDENT. Is there objection?

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

> During the time that I served as Commissioner I made considerable effort to find a man of high caliber to succeed me. * * * I wa quite relieved to hear his (Mr. Straus') expression of willingness and very quickly recommended his appointment to the Secretary of the Interior, who, after considerable questioning about appointing a man who was not an engineer to the position, approved my recommendation. Nothing has transpired since to cause me to regret that recommendation. * * * Mr. Straus has discharged his duties honestly and with an enthusiasm and ability that no past Commissioner has exceeded. (Letter from former Commissioner Harry W. Bashore to Secretary Krug, March 11, 1949.)

> *Resolved*, That the Orange Cove Chamber of Commerce does hereby condemn the fight against Reclamation Commissioner Straus and Regional Director Boke. We also condemn the unfair and nasty tactics heretofore and now practiced * * * as being unworthy of consideration by the incumbents of the high office of United States Senator. We commend the entire Reclamation Bureau for its integrity and ability. (Orange Cove, Calif., Chamber of Commerce, March 1, 1949.)

> We deplore the attacks made upon the officials of the project. * * * We believe

such attacks largely grow out of the desire of the land monopolists to break down the acreage limitation. We urge you to sustain the project as it is and its officers who are doing their duty. (Western Cooperative Dairymen's Union, Fresno, Calif., January 5, 1947.)

We * * * do condemn the above action taken by said committee (action of Senate Appropriations Subcommittee to force Straus and Boke off Reclamation pay roll) and pray that the Committee of the Whole and the United States Senate will not support such action. (From resolution passed by board of directors, Southern San Joaquin Municipal Utility District, March 10, 1949.)

This effort to fire these officials is due to their firm stand in favor of the family-size farm. (J. T. Sanders, legislative counsel, the National Grange, June 4, 1948.)

The Straus-Boke rider appears to have grown out of limitations in the law which these men enforced, thereby bringing personalities ahead of the issues involved. We believe good legislation demands that it be killed and urge your support along the lines outlined above. (Telegram from Flathead Valley (Mont.) Citizens' Association, March 18, 1949.)

Whereas Mr. Straus and Mr. Boke have been conscientious officials and the reason for the rider was that they fearlessly insisted on carrying out the provisions of the reclamation law. * * * *Resolved by the California State Grange*, That Congress repeal said rider. (Resolution by California State Grange, October 21, 1948.)

The avowed purpose of this rider is to drive from office two specified officials who are distinguished by their record for giving effect to the very act of Congress which they are sworn to enforce. (From resolution by San Francisco Labor Council, May 28, 1948.)

So far as concerns reclamation in California, may we offer the following points upon which we believe action should be had at an early date? (1) Repeal the Straus-Boke rider to Interior appropriation bill of the Eightieth Congress. These men deserve full support, not condemnation. (California State Federation of Labor in letter to the President, December 18, 1948.)

Veterans are deeply interested in having 160-acre water limitation enforced and object to lynching of public officials by subterfuge in order to defeat it. (M. C. Hermann, California department quartermaster-adjutant, Veterans of Foreign Wars, May 21, 1948.)

I should like to take this opportunity to express to you, gratuitously, my complete confidence in your ability and integrity. (Harold Kramer, general manager, Loup River, Nebr., public power district, June 8, 1948.)

There aren't many who will hew to the line as you have in your fight for what's right. (Kirby Billingsley, member, Washington State Conservation and Development Board, November 5, 1948.)

It is very embarrassing to us that our Democratic Senator, who should be standing firmly on the platform, should be straying off with the big Republican landholders to repeal the provision of the acreage limitation * * * no public servant should be dismissed when he is doing his duty. (Letter to President Truman from S. L. Heisinger, California State assemblyman for 24 years from Fresno County, in the heart of the Central Valley project, January 6, 1948.)

We, undersigned residents of Terrabella irrigation district, affirm our confidence in Boke and Straus and the Bureau. We earnestly protest efforts by Senator DOWNEY to remove them from their positions. (Howard McNeill and nine other members of Terrabella irrigation district, California, February 9, 1949.)

The Humboldt County Central Labor Council declares again its support of public development of Central Valley water resources under reclamation law, its confidence in those officials of the United States Bureau of Reclamation who have been dismissed by congressional rider because of their stanch loyalty to the antimonopoly and antispeculation provisions of the reclamation law. (Resolution of Central Labor Council of Humboldt County, Calif., August 23, 1948.)

I am writing you in protest to any appropriations bill rider which would require that the Reclamation Commissioner or the California reclamation director be engineers. * * * Men who are merely—or should I say primarily—engineers are not always satisfactory as administrators of Federal laws and policies such as those related to reclamation. The type of administrator needed should have an understanding of engineering and its broader aspects; but far more than engineering knowledge, he needs to have an understanding of the social consequences and economic effects of the works or programs that are constructed or pursued by the agency. * * * I have never heard any sentiment expressed by my fellow Californians, including fellow engineers, that the holders of the positions in question should be engineers. (Letter of March 19, 1949, from Robert B. River, Oakland, Calif.; graduate civil engineer, formerly with U. S. Army Corps of Engineers.)

The Senators who have been gunning for Reclamation Commissioner Michael Straus have done the job up brown—or rather red. They have used an unbeatable formula: If logical argument fails to disqualify a man, then question his loyalty. * * * This neat piece of stiletto work must be viewed in the context of the long squabble over reclamation in California. Mr. Straus, as an advocate of public power and a champion of rigorous enforcement of the 160-acre limitation on reclamation lands, has made many enemies, including Senator DOWNEY. (Washington Post, March 24, 1949.)

These men will never get their just due from the Government. Instead, they will be confronted with congressional investigations of their work and preemptory dismissal from the Government service after long years of work. (President Theodore Roosevelt, in 1911, speaking of A. P. Davis, chief engineer of Roosevelt Dam in Arizona, who was later dismissed as Commissioner of Reclamation because Mr. Work, Republican Secretary of the Interior, believed the post should be administered by a businessman and not a qualified engineer.)

These two men—Straus and Boke—are guilty of the heinous crime of having faithfully and honestly implemented the 1902 Reclamation Act signed into law by Republican President Theodore Roosevelt. (Martin Agronsky, radio commentator, July 3, 1948.)

The latest attempt, therefore, to change our national land policy is a challenge which cannot be lightly laid aside by those who have faith in the liberty-loving independent American farmers who cultivate the soil. (Bishop Robert J. Armstrong, of Sacramento, in the Catholic magazine, America, 1947.)

It sounds like some California politician is irked at the Bureau Director because he possibly has declined to take his advice or that of some of his more powerful constituents. (Valley Evening Monitor, McAllen, Tex., May 28, 1948.)

It is a political move designed to get rid of Commissioner Michael Straus and Regional Director Richard Boke by a clever maneuver, unworthy of Congress and not in accordance with the fundamentals of our system of government. (Engineering News-Record, June 24, 1948.)

Why were these desperate, underhanded, and grossly unfair tactics employed by the foes of the Central Valley project? It was to push out of the way two men who have stood resolutely for enforcement of the terms of the United States Reclamation Act in regard to acreage limitation and multiple public development of natural resources in the big California project. It is a monetary and ignoble victory for the forces that have fought the CVP from the beginning. (The San Francisco News, June 2, 1948.)

The Eightieth Congress was hostile to Mr. Straus because he has been active in promoting construction of publicly owner power transmission lines. * * * The requirement of an experienced and qualified engineer for the job might have an apparent shade of reason to back it up were there not a similar case a quarter of a century ago of a government official being punished for his promotion of public power facilities. * * * Mr. A. P. Davis was removed as Commissioner of Reclamation by Mr. Work, Republican Secretary of the Interior, in 1923. The excuse * * * was that Mr. Work believed the post should be administered by a businessman and not a qualified engineer. (Nashville Tennessean, about November 15, 1948.)

Retention of Michael W. Straus as Commissioner of Reclamation was urged Thursday by D. P. Ducy, president of the Water Development Association of Southeastern Colorado, in a letter to President Truman. * * * "Straus is not an engineer but he is a capable administrator," Ducy said. (Pueblo (Colo.) Chieftain, November 5, 1948.)

While covered over by a cloud of general charges, the real case against the two men (Straus and Boke) grows out of the position they take in two matters. One is the policy of giving irrigation-water users the benefit of reclamation power earnings and charging them rates they can afford to pay. The other is their stiff adherence to the 160-acre limitation on farms receiving water. Despite the pressure of the big landowners, no Congress has ever had the nerve to repeal this law. (Lowell Mellett in the Washington Star, June 3, 1948.)

Signed by 24 assemblymen, a telegram was dispatched last night to United States Senator KENNETH MCKELLAR, of Tennessee, chairman of a Subcommittee on the Interior, urging him to support repeal of a rider on an Eightieth Congress bill denying salary to Richard Boke, Sacramento, regional director of the Bureau of Reclamation, and Michael W. Straus, Reclamation Commissioner. (Sacramento Union, March 11, 1949.)

What the battle boils down to is a rider on the Interior bill barring Mike Straus as Reclamation Commissioner and Richard Boke as California regional reclamation director.

Both are honest, able men. But they made the mistake—in the opinion of the lobbyists—of enforcing the 160-acre limitation on reclamation land. (Washington Merry-Go-Round, June 6, 1948.)

The rider was aimed at Straus, who has been active in promoting publicly owned transmission lines. President Truman said the rider was a victory for special interests intent upon stopping the construction of transmission lines for delivery of power from Federal dams. * * * Straus is regarded as a friend of public power projects, and, as such, is opposed by private power interests. (Tampa Tribune, November 13, 1948.)

EXTENSION OF EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 1209) to amend the Economic Cooperation Act of 1948.

Mr. KNOWLAND and Mr. BALDWIN addressed the Chair.

The VICE PRESIDENT. The Senator from California.

Mr. KNOWLAND. Mr. President, I send forward an amendment that I desire to offer at this time, and I ask that it be read.

The VICE PRESIDENT. The Senator cannot offer it at this time, as there is an amendment already pending.

Without objection, the amendment will be read for the information of the Senate.

The CHIEF CLERK. At the end of the bill, it is proposed to insert the following new section:

An amount, equal to any balance, unobligated as of April 2, 1949, or subsequently released from obligation, of funds appropriated by Public Law 793, approved June 28, 1948, for the purposes of the China Aid Act of 1948 is hereby made available to the President for obligation through February 15, 1950, for assistance to areas in China which he may deem to be not under Communist domination, to be furnished in such manner and on such terms and conditions as he may determine without regard to the foregoing provisions of this act.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry. Was not the so-called Ellender amendment laid aside temporarily?

The VICE PRESIDENT. The Chair understands that an agreement was proposed to lay aside temporarily the amendment offered by the Senator from Louisiana [Mr. ELLENDER]. It was spoken of earlier in the day, but the Chair does not recall that it was actually done.

Mr. LUCAS. Mr. President, there was a tentative agreement to do that. It was never done. We had hoped to do it at the conclusion of the speech made by the Senator from Louisiana. I ask unanimous consent that the amendment offered by the Senator from Louisiana be temporarily laid aside, without prejudice, in order that the amendment offered by the Senator from California may be considered at this time.

The VICE PRESIDENT. Is there objection? The Chair hears none; and the question is on agreeing to the amendment offered by the Senator from California [Mr. KNOWLAND].

Mr. KNOWLAND. Mr. President, I may say it will not take me more than 15 minutes, but, before proceeding, I should like the chairman of the Foreign Relations Committee to be present. I understand the amendment is agreeable to him. I should be perfectly willing to postpone my brief remarks until Monday, if the majority leader desires me to do so.

The VICE PRESIDENT. The Chair cannot control that.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. In connection with laying aside the amendment proposed by the distinguished Senator from Louisiana, may I inquire whether that amendment will again become the pending question, after the amendment proposed by the Senator from California is disposed of?

The VICE PRESIDENT. It will automatically return as the pending question.

Mr. LUCAS. Mr. President, I think the Senator from California is correct. I do not see the senior Senator from Texas on the floor. I understand he will return in a moment. I assume it is all right for the Senator from California to proceed with his remarks.

Mr. KNOWLAND. Mr. President, my amendment has to do with funds to be furnished to areas in China which are not under Communist domination, out of the existing appropriation of $275,000,000, at the expiration of the present period of authorization on April 2. It is meant to continue the authorization for those unobligated balances until February 15, 1950, for assistance to areas in China which the President may deem to be not under Communist domination.

I wish to compliment the able chairman of the Foreign Relations Committee and the ranking Republican member of that committee for the presentation they have made of ECA legislation, but it seems to me that at no time has our policy with respect to China been so clear as has our policy toward Europe.

In a recent book written by Claire Chennault, major general, United States Army, retired, he had this to say:

The United States is losing the Pacific war.

Three years after VJ-day this country is facing the loss of everything it won during the four bloody years it took to defeat Japan.

Here are the facts:

Gen. George C. Marshall told Congress in the spring of 1948 that if Manchuria were lost to the Chinese Communists, the United States position in southern Korea would be untenable.

Manchuria has been lost to the Chinese Communists.

General Marshall also told Congress that if the Chinese Communists controlled North China the United States position in Japan would be extremely serious.

North China has been lost to the Chinese Communists.

General Douglas MacArthur warned the Joint Chiefs of Staff in the fall of 1948 that if the Chinese Communists take the lower Yangtze Valley and Shanghai, the American military bastion on Okinawa will be outflanked and his position in Japan will be as exposed and untenable as it was in the Philippines during 1941.

In a recent article, which I shall ask unanimous consent to have printed in the RECORD as a part of my remarks, Prof. Roscoe Pound, who recently returned from China, where he served as adviser to the Ministry of Justice, had this to say:

American policy in the Far East ought to take into account more than China. It should take account of China, Korea, and Japan in one comprehensive and consistent policy—even one comprehensive Asiatic policy.

A little further on he said:

Such has not been the American policy as to China since the war. Our policy has been one of consistent and insistent pressure upon the National Government of China to compromise with the Communists where no compromise was possible.

Further on he says:

If any proof was needed, what has happened in Czechoslovakia is proof that no middle way is possible under Communist domination. It shows no less that the Communists with Russia behind them, will accept nothing short of complete domination. Witness what has been happening in Yugoslavia. Coalition of a constitutional government operating under a bill of rights with Communists is impossible except on the terms in which Mark Twain characterized the Biblical prophecy of the lion and lamb lying down together—the lamb inside.

I now ask unanimous consent that Professor Pound's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ROSCOE POUND'S ANALYSIS OF CHINESE-AMERICAN AFFAIRS—HITS UNITED STATES AIMS FOR COMPROMISE, MISCONCEPTION OF RED ROLE

American policy in the Far East ought to take into account more than China. It should take account of China, Korea, and Japan in one comprehensive and consistent policy—even one comprehensive Asiatic policy. Indeed it should be part of a world-wide policy of at least ranging ourselves with the constitutional governments which are endeavoring to set up democracies operating under law. Economic unification of the world, the bringing of every part of the world to our back door by radio and aerial transportation require that a foreign policy look at the world as a whole. It should look at this land or that with respect to the whole and as to the effect of what we do or leave undone upon the picture of the whole world.

Such has not been the American policy as to China since the war. Our policy has been one of consistent and insistent pressure upon the National Government of China to compromise with the Communists where no compromise was possible. Before the Chinese constitution was adopted, abrogation of the frame of government under which China had been unified in a National Government was demanded and today, while the National Government is functioning under a constitution, summary throwing over of that constitution is a prime item in the Communist demands. If any proof was needed, what has happened in Czechoslovakia is proof that no middle way is possible under Communist domination. It shows no less that Communists with Russia behind them will accept nothing short of complete domination. Witness what has been happening in Yugoslavia. Coalition of a constitutional government operating under a bill of rights with Communists is impossible except on the terms in which Mark Twain characterized the Biblical prophecy of the lion and the lamb lying down together—the lamb inside.

Our policy has been in effect to undermine the morale of an exhausted and war-weary

people by insisting that it could have peace only by yielding to the Communist demands by compromise amounting to abdication. We must remember that recent China has been long and severely afflicted by war. One might begin with the Opium War in 1840 when a western power forced opium on the Chinese Government of that day. Aggression went on for a generation, and in 1885 France sliced off a great territory. There followed continual and increasing extortion of cessions and concessions by European powers and successive insurrections. At the time of the Boxer Rebellion the European powers and the United States intervened. There were no less than 11 insurrections in 25 years before 1911–12 when the monarchy collapsed. Then followed a long struggle from 1912 to 1928 with the war lords. In 1931 the Japanese set up a puppet regime in Manchuria and began a series of aggressions culminating in the invasion in 1937 and 8 years of occupation of a large and richest part of the country. With the expulsion of the Japanese and while reconstruction was going on the Communists set up a civil war. All this weakened the will of the people to resist, and we have made it weaker by persistent calling upon the Government to give in. It must be remembered also that during the war, without the knowledge or consent of the Chinese people, we undertook to give away not a little of Chinese territory.

CHINESE COMMUNISM

I hear it said that Chinese communism is only a mild socialism, distinct in all but name from the Soviet brand. The conclusive answer to this can be seen in emphatic pronouncements from Chinese Communists themselves as to the place of communism in China in the world Communist regime promoted in Russia. Even more an answer is to be found in what has happened in Poland and in Czechoslovakia. What so-called "liberation" by communism means is brought out by Bernard Goldstein, the only leader of the Jewish community in Warsaw at the time of the liberation by Russia. Goldstein was a Socialist. But this was not enough. He tells us that he soon found that the "liberation" was but another destroying tyranny.

What speaks for itself is the flow of refugees by tens and hundreds of thousands from the Communist-occupied areas to national centers where the government has found shelter for them, fed them, and provided work for them. There is no such flow into the "liberated" areas; it is only out of them.

Communist demand for abrogation of the Constitution means abrogation of the bill of rights. The bill of rights in the Chinese constitution is not a mere preachment. It is safeguarded by an independent judicial yuan—an independent coordinate department of government—in which the grand justices have the ultimate power of interpreting the constitution and are authorized to enforce the express provisions of the constitution that executive acts and ordinances and legislative acts in contravention of the constitution are null and void. Demand that this excellent modern constitution, put into effect at the end of 1946, be thrown over before it has had a fair chance to operate, and while the government was in the throes of reconstruction after a long hard war on its own soil, is but an example of what Communists do the world over in setting up despotic military regimes intolerant of individual rights and repressive of all freedom of belief, opinion, writing, and teaching.

AMERICAN PRESSURE ON THE CHINESE NATIONALIST GOVERNMENT

For 3 years in which I served as adviser to the Chinese Ministry of Justice, I saw the effect of constant pressure from America on the Chinese Government while it was struggling with a huge task of reconstruction. It was setting up a constitutional government and putting the constitutional organization in operation thereunder; it was restoring the courts and judicial organization and the administration of justice, disrupted by the Japanese; it was restoring the educational system and rebuilding educational institutions; it was restoring and rebuilding penal and correctional institutions, often torn down and everywhere left seriously impaired by the Japanese occupation; it was reconstructing the process of administration; it was rebuilding bridges, railroads, roads, and lines of communication and transportation destroyed or dislocated by the Japanese during 8 years of holding the greater part of the country. Within a year from the time the national government got back from Chungking the work of reconstruction had made marvelous progress.

I conducted a thorough survey of the administration of justice in three Provinces and six cities, and could report to the Ministry that the courts, the codes, and the correctional institutions were functioning well, and in spite of many difficulties growing out of the Japanese occupation the administration of justice in eastern China would bear comparison with the administration of justice on the Continent of Europe and in America. There has been a tendency in America to be unreasonable in what was expected of the National Government in China. It was impossible to expect 100 percent constitutional democracy and 100 percent perfect administration of justice of a country of continental extent and 400,000,000 population which had never known democratic political institutions nor justice, according to law in the western sense. It was impossible to expect this perfection to be achieved in a generation after the revolution of 1911–12, two-thirds of which was taken up with fighting to establish a national government against the war lords and in standing out against Japanese invasion and occupation, and the remaining time largely taken up in resisting the Communists. When looked at on the background of these difficulties the work of the National Government since 1928 deserves all praise.

We must bear in mind that China had to suffer more and fight longer than any other of the allied countries or German-occupied countries in the last World War. What the Government had to do was to set up a well-organized, modern, constitutional democratic state operating according to law. When this was done it could go about fundamental economic and social reforms. But to try these while endeavoring to set up constitutional government might have defeated both. Chinese popular habits of thought and conduct which had crystallized for ages were not to be remade overnight. As I have put it before, form had to come before reform. Let us not forget that we have serious problems of race prejudice and discrimination and of class relations in this country which we have left unsolved for much more than a generation. We do not consider our policy inefficient or reactionary because we have not solved them.

COMMUNIST CLAIMS AS TO SOCIAL REFORMS

I have heard it said that explanation of the progress made by the Communists in China is to be found in neglect of the national government to take up and push certain fundamental social reforms undertaken and carried forward by the Communists. I have heard it said that these are four: Education of the peasantry, agrarian reform, the youth movement, and the advancement of women.

I suspect that Communist education of the peasantry is simply indoctrination in communism. Over a large part of China the national government has had to do over again much of what it had achieved in the way of popular education. As to education of the peasantry, I have in my possession some charts which I found in more than one place which were used for teaching good agricultural methods and how to read at the same time. One institution in Soochow is devoted to the training of teachers to carry forward this mode of instructing the peasants. It will not do to say that the government has been doing nothing for peasant education.

I have heard it said repeatedly that the Chinese peasant is under a feudal system of land tenure. Nothing could be more mistaken. The difficulties of the Chinese peasant do not arise from feudalism or from large estates that need breaking up. As far back as the third century before Christ, the Chinese abolished feudal tenure and primogeniture. The agrarian problem in China grows out of the very success of that reform which caused the land to be divided and subdivided endlessly. The trouble is not too large estates but minute farms too small to sustain a population sometimes denser in rural areas than in cities of the west. This has been aggravated by the introduction of a western law of inheritance which makes for increased subdivision. Where there had been a household inheritance, a system borrowed from continental Europe has introduced a modern individual inheritance. When an owner of a small tract dies leaving five children, instead of the household succeeding, the inheritance must be divided into five. This makes use of the implements we use, and yet the Chinese farmer gets a larger yield from an acre than cultivators of Europe or America. Next to minute subdivision of the land his troubles arise from the complete dislocation of transportation and so of distribution during the Japanese occupation.

As to the youth movement, it has gone forward in the domain of the Government quite as much as elsewhere in the world. The Communists have no exclusive claim in this respect.

As to the advancement of women, subdivision (7) of article 26 of the constitution provides for election by women's organizations of delegates to the National Assembly or National Peoples Congress, the body which elects the president and vice president and has power of amendment of the constitution. At the session last spring in which the constitutional government was organized, a number of women sat as delegates. Also, a number of women have been elected as members of the legislative yuan, and in the course of the survey of the administration of justice in eastern China I found women judges in many of the courts. In each of the cities which I visited I found a woman judge sitting in domestic relations cases and cases of juvenile delinquency. I doubt very much whether the Communists have done anything comparable to what the Government has achieved in this connection.

I have heard it said that while the Government was carrying on the war, the Communists were reaching the people through a program of social reform. What this really comes to is that while the Government was exerting itself to the utmost to set the country free from the Japanese occupation, and since the war has been exerting itself to the utmost with difficult problems of reconstruction, the Communists have been active in indoctrinating in communism and in destruction.

OBJECTIONS RAISED TO STANDING BY THE NATIONALIST GOVERNMENT

Let me speak briefly of the objections which are raised to our standing by a government which we treated as an ally during the war—a government which is one of the United Nations. It is said frequently that the Chinese officials and public men are reactionary. In my experience what is said to be their reactionary attitude is simply one of inquiry whether measures proposed to be borrowed from the western world are applicable in China. It does not take long for an adviser

of one of the Ministries to learn that much which he has been inclined to urge at first sight needs thorough examination to be assured that it can be made to work under the conditions in which it must be applied. Much is said about corruption of Chinese officials and public men.

I inquired very carefully as to corruption in the administration of justice, conferring with bankers, businessmen, industrialists, members of chambers of commerce, and newspaper men. In no case could I get anything specific. Under the monarchy corruption was notorious. There was a general feeling that under the courts as they are today nothing but a tradition of suspicion could be shown. One newspaperman suggested to me that the pay of the judges was so inadequate that it stood to reason they must be corrupt or they could not live. In fact I found the judges with inadequate salaries eke out their meager salaries by teaching law. This is something which such lights of our American bench as Joseph Story and Thomas McIntyre Cooley did and many other judges have had to do in American judicial history. It is said also that the Chinese officials and public men are ignorant and inefficient. Association with them for 14 years has convinced me that this is quite unfounded. Let me name a few with whom I had especially long and close association. Dr. Wang Chen-hui, head of the Judicial Yuan, is a D. C. L. of Yale and Barrister of Gray's Inn. He is recognized as an outstanding jurist everywhere. His translation of the German civil code into English is regarded as a classic. Dr. Hsieh Kwan-sheng is a docteur en droit of the University of Paris, author of a history of Chinese law in French, published in France. He did signal work in keeping the machinery of justice going during the war and his experimental court at Chungking to try out the draft code of civil procedure was a real contribution to the science of law. Dr. Su, the Minister of Education, a doctor of philosophy of Berlin, is a learned scholar and liberal administrator of great good sense. His judgment as to what is practicable in legal education in China has been of real value for reconstruction. Judge Y. H. Kuo, president of the High Court of Shanghai, would be a notable judge anywhere. Just before leaving I made a report on his draft of a statute on conflict of laws. It is a masterly piece of work much better than the draft prepared for the Pan-American Congress of codification of law for the Western Hemisphere. No American city has a better court than his.

I have heard complaint that the Chinese officials do not take advice. On the contrary, I suspect they sometimes have relied too much upon advice from experts from the Western World unacquainted with the conditions to which their advice was to be applied. At any rate, I have found that the Chinese officials give marked attention to advice so far as money is available to carry it out. Where they do not it is usually because of lack of money to do what ideals indicate. Under the constitution the legislature controls the funds and officials can do no more than appropriations allow.

Complaint has been made in this country that the government ignores minority parties other than the Communists. These minority parties, however, are made up of leaders with few or no followers as it was demonstrated at the time of the first elections under the constitution when the majority party agreed to withdraw its candidates in certain districts and leave a free field for the minority parties. Very generally candidates ran by petition and defeated the candidates of these parties at the election. Moreover, one of the leaders of a minority party which has probably the most following is listed by the Communists as a war criminal along with the leaders of the majority party.

I hear it said also that the Government has been guilty of gross violations of the Constitution. As to this it should be noted that the Constitution was not in force until the end of 1946 and the Government was not fully organized under it until the spring of 1948. Much of what I have read is based on conditions during the war which, of course, were abnormal. In the second place, it must be remembered that civil war is still in progress. We in America have not been too scrupulous to enforce the Bill of Rights or adhere to the strict terms of the Constitution in times of civil war or even of world war. President Lincoln was accused of violation of the Constitution during our Civil War. The action of our Government toward citizens of Japanese birth in California or its setting up of military rule in Hawaii and superseding of the courts there during the last World War serve to remind us that a bill of rights is sometimes embarrassing to a government under the stress of war. But certainly it is not for the Communists to preach adherence to a constitution.

Again, it is complained that the Government employs a secret police. But we maintain a Secret Service and certainly the FBI do not go about in uniform. Moreover, the third degree has had a high development with us even in time of peace. When war is in progress and a fifth column is active, a government cannot confine itself to a uniformed police. Detectives in plain clothes are an everyday matter even in time of peace.

What can the Communists show in the way of constructive achievements even remotely to compare with what the Chinese National Government has done under the greatest of difficulties in the way of building up a constitutional regime and in reconstruction after 8 years of enemy occupation?

WHAT COMMUNIST DOMINATION OF CHINA WILL MEAN

Will Communist domination mean a country with which we in America can have commercial relations such as we have had increasingly for 100 years? Will it mean a country with which we can have the cultural relations which we have maintained increasingly for more than 50 years? One has only to look at the pronouncements of the Chinese Communists as to American relations to answer these questions.

What then are we to do in our relations with a Communist regime? For one thing, I submit we must bear in mind the effect of what we do on Korea, on Japan, and indeed on all Asia if not on Continental Europe. We must remember the effect of what we do on the remnant in China for the situation need not be more despaired of than when the Japanese occupied the best part of the land. If we give continued aid and comfort to the Chinese Communists by our attitude toward even the remnant of the National Government we shall be undoing what we have been striving to do toward maintaining democratic constitutional government in other parts of the world.

Mr. KNOWLAND. Mr. President, only two nights ago a very able speech was delivered by the Honorable Winston Churchill, former Prime Minister of Great Britain, in which he had this to say:

In consequence of the Soviet conduct, relations of Communist Russia with the other great powers of the world are without precedent in history. Measures and counter measures have been taken on many occasions which in any previous period could only have meant armed conflict. The situation has been well described by distinguished Americans as the "cold war." And the question is asked, "Are we winning the cold war?" This cannot be decided by looking at Europe alone. We must also look to Asia. The worst disaster since our victory has been the collapse of China under Communist attack and intrigue. China, in which the United States has always taken a high interest, comprises an immense part of the population of the world. The absorption of China and India into the Kremlin-controlled Communist empire would certainly bring measureless bloodshed and misery to eight or nine hundred million people.

Finally, Mr. President, I should like to ask unanimous consent to have printed at this point in my remarks an article by Mark Sullivan which appeared on January 18, 1949.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CHINESE REDS' TRIUMPHS TRACED TO ROOSEVELT POLICIES AT YALTA—MARK SULLIVAN SAYS 1945 AGREEMENTS WITH STALIN ARE MAIN CAUSE OF CHIANG'S IMMINENT DOWNFALL; MARSHALL MISSION ALSO CITED

(By Mark Sullivan)

WASHINGTON, January 18.—Everywhere in America—St. Louis, Philadelphia, Grand Rapids, Dallas, any city or town, or farm community anywhere—people must ask anxiously about the imminent fall of China to the Communists, what it means to us and to the world.

What is now coming to climax in China had its root in agreements made by President Roosevelt with Premier Stalin of Russia at Yalta in February 1945. These agreements, with other steps by us and a policy followed by us, are the main cause of what is now taking place. We are responsible.

The Yalta agreements were secret at the time. They have since become public, and the accompanying circumstances have in large part come to light, partly through two books, both authoritative, both by intimates of Roosevelt. One is by James F. Byrnes, an official aid to Roosevelt at Yalta, and later Secretary of State under Truman. The other book is based on diaries and notes of Harry Hopkins, likewise with Roosevelt at Yalta and at all times an intimate associate. The Hopkins material is edited and supplemented by Robert Sherwood, also a devoted associate of Roosevelt. (A third book, by a scholar, Dr. David J. Dallin, "Soviet Russia and the Far East," containing authoritative and valuable information, has been consulted in the preparation of this article.)

YALTA PARLEY RECALLED

Roosevelt went to Yalta to arrange for Stalin to take part in the war against Japan. Up to that time Russia had participated only in the war against Germany. Stalin brought to Yalta a set of demands, to be the price of helping to fight Japan. The price was an immense extension of Russian territory and power in Eastern Asia, to be taken at the expense of China—some of it territory belonging to China, some of it territory which had been taken from China by Japan and which China expected to get back.

To Stalin's demands Roosevelt agreed. Stalin, cagey and firm, "insisted"—this word is used by Sherwood—that the agreements be put in writing: "The heads of the three Great Powers have agreed that these claims of the Soviet Union shall be unequivocally fulfilled after Japan has been defeated."

This, Sherwood wrote later, "was the most assailable point in the entire Yalta record, * * * for, if China had refused to agree to any of the Soviet claims, presumably the United States and Britain would have been compelled to join in enforcing them."

That was an appalling demand. But there was another more profoundly offensive to China, more shocking by what it put upon Roosevelt personally: "It is understood that

the agreement * * * referred to above will require concurrence of Generalissimo Chiang Kai-shek. The President will take measures * * * to establish this concurrence on advice from Marshal Stalin."

CHINA SEEN VICTIMIZED

What Roosevelt had done at Yalta included this: He had made secret agreements with Stalin, some remaining secret until Secretary of State Byrnes inquired into them, saying as he wrote later: "I wanted to know how many IOU's were outstanding." The agreements were at the expense of China—China was already fighting alongside us in the war against Japan, but China, by the agreements, must yield territory and make other concessions as a price to get Russia to join in the fight against Japan. If China refused, then under the agreement Roosevelt would "on advice from Marshal Stalin," "take measures" to "establish concurrence."

The territory and other acquisitions, including control of railroads, which Russia got through the demands Roosevelt agreed to, together with further advantages Russia got in the winding up of war against Japan, including arms taken from Japan, these composed leverage and impetus by which the Communists were able to make the drive against China that has now reached the stage of imminent success.

Later we did more than further the drive. In 1946 General Marshall, sent to China by President Truman, publicly called on Chiang Kai-shek to take Chinese Communist leaders into a coalition government. Such a proposal, coming officially from a country that was historically China's friend, undermined Chiang Kai-shek's prestige, strengthened the Communists. About the same time we suspended for 18 months the shipment of arms to the Chiang Kai-shek government which we had been carrying on during the war against Japan. This crippled Chiang Kai-shek's military strength, increased the momentum of the Communist drive.

Mr. KNOWLAND. Mr. President, I should like to give a brief quotation from a recent book by Mr. George Creel entitled "Russia's Race for Asia," in which Mr. Creel has this to say:

It is not only the fate of China that quivers in suspense; the future of all Asia hangs on the outcome of the Communist drive for China's conquest and utter subjugation. The fires of Red insurrection blaze high in Indonesia, Burma, Indochina, and the Malay Archipelago, and flying sparks are falling on timber in India, Siam, and even Japan and the Philippines. If Nationalist resistance collapses in China, it is a whole continent that will be communized, opening the way for Russia's mastery over more than half of the world's population.

Further on he says:

As far back as 1868 the United States proclaimed the "open door" in China as a foreign policy second only in importance to the Monroe Doctrine. It was stoutly reaffirmed in 1899 when Russia, Britain, Japan, France, and Germany planned the virtual dismemberment of China. Again at the Nine-Power Conference in 1922, Secretary of State Charles Evans Hughes forced the adoption of this explicit pledge: "To respect the sovereignty, the independence, and the territorial and administrative integrity of China."

General MacArthur sent a cablegram to the House Foreign Affairs Committee under date of March 4, 1948, in which he said:

The international aspect of the Chinese problem unfortunately has become somewhat beclouded by demands for internal reform. Desirable as such reform may be, its importance is but secondary to the issue of civil strife now engulfing the land, and these two issues are as impossible of synchronization as it would be to alter the structual design of a house while the same was being consumed by flame * * * the maintenance of China's integrity against destructive forces which threaten her engulfment is of infinitely more concern. For with the firm maintenance of such integrity, reform will gradually take place in the evolutionary processes of China's future.

Mr. President, I should like at this time to have printed in the RECORD a copy of a letter which I addressed to General MacArthur, under date of February 18, 1949, and a copy of his reply, dated February 26, 1949.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

FEBRUARY 18, 1949.

Gen. DOUGLAS MACARTHUR,
Headquarters, SCAP.

DEAR GENERAL MACARTHUR: Enclosed is a copy of a letter I have addressed to Senator MILLARD TYDINGS, Chairman of the Armed Services Committee of the Senate, of which I am a member, together with part of the CONGRESSIONAL RECORD of yesterday in which I made some brief remarks on the floor of the Senate in regard to the matter.

Both as a Senator of the United States and as a representative of the Pacific coast State of California, I have been greatly concerned regarding developments in China and in more recent reports concerning policies in Japan and elsewhere in the far Pacific area.

I feel very strongly that the Armed Services Committee of the Senate has a responsibility to itself, to the Congress, and to the people of the country to become fully informed of all the facts regarding these developments and the implications of certain pending policies. I believe that this information must be secured prior to the time that policies get frozen otherwise we may find that while communism has been halted in western Europe we have left our Pacific flank vulnerable.

Next week I intend to formally bring this matter before the entire membership of the Senate Armed Services Committee and urge that you be invited to give us the benefit of your vast first-hand experience in the Pacific area together with such other information you may believe the committee should have in order to help formulate policies for the defense of our country. I sincerely hope that if and when the committee extends such an invitation you will feel that your duties there will permit you to accept.

I cannot help but believe that decisions will be made in the next few months that will have a great bearing on the peace of the world and the security of our country for this generation of Americans and for their children.

With best personal regards, I remain,
Sincerely yours,

WILLIAM F. KNOWLAND,
United States Senator.

GENERAL HEADQUARTERS,
SUPREME COMMANDER FOR THE ALLIED POWERS,
Tokyo, Japan, February 26, 1949.

Hon. WILLIAM F. KNOWLAND,
Armed Services Committee, United States Senate, Washington, D. C.

DEAR SENATOR KNOWLAND: Thank you for your thoughtful note of the 18th. Some measure of your views with respect to the desirability of my appearance before the Congress came to my attention through Washington dispatches of the press associations. Soon thereafter, however, the rumors of a contemplated reversal of American policy with respect to Japan were set at rest by categoric denials by the President, the Secretary of State, and the Secretary of the Army. The reasons for seeking my recall were, therefore, greatly modified. I sent a message to Senator TYDINGS to such effect with an expression of the hope that it would be found unnecessary to request my appearance at this critical time in the Far East and am most grateful for your subsequent action and that of the other members of the committee thereon.

We all recall so pleasantly your short visit here. Much time has since elapsed and the passing of events has witnessed decided progress in fields of effort then just getting under way. You would be interested in an on-the-ground comparative study of conditions now against conditions then and I am hopeful that in the not-too-distant future you will find the time to revisit us. You may be sure of a most hearty welcome when and if you can do so and I am sure that your observations and suggestions would be most helpful.

With cordial regard,
Faithfully yours,

DOUGLAS MACARTHUR.

Mr. KNOWLAND. Mr. President, in conclusion, I merely wish to say my amendment would not do a great deal for China. It provides for no additional funds. It makes available, however, the unobligated balance, and it shows the intent of Congress, while we are giving the President power and discretion, that these funds shall be made available to non-Communist areas of China.

Certainly, I do not believe that the Congress of the United States should leave any doubt whatsoever that in case there should at some future time be a change of policy, it is our intent that none of those funds shall be made available to any Communist region in China.

I should like to ask the able chairman of the Committee on Foreign Relations if the amendment as it has been worked out is agreeable to him.

Mr. CONNALLY. Mr. President, I shall agree to the amendment. However, I personally do not like to pick out certain parties and certain areas and deny any relief to them. I should much prefer merely to turn the money over to the President of the United States and let him, through the State Department, allocate it for use where he thinks it should go. There are plenty of places in China to which he can allocate it without getting into the territories about which the Senator from California is so much concerned.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. CONNALLY. I do not have the floor.

Mr. KNOWLAND. I yield so that the Senator may ask a question.

Mr. WHERRY. If the amendment is to be accepted, let me call the attention of the distinguished Senator from California to the fact that I am in receipt of a communication from the junior Senator from Massachusetts [Mr. LODGE] the fourth paragraph of which reads as follows:

I ask further that today or Monday a quorum be called before we reach a vote on any amendments whatever so that I may know about them.

It seems the amendment is to be accepted, and I imagine it would not make any difference, so far as this particular

request is concerned, because there would be no record vote on it. On the other hand, the end result would be the same. I ask the Senator from California if he knows whether this amendment is acceptable to the junior Senator from Massachusetts.

Mr. KNOWLAND. I cannot answer that question, because I have not discussed this specific amendment with him.

Mr. WHERRY. Mr. President, in bringing the request to the attention of the Senator I am only doing my duty. So far as I am concerned, it is perfectly agreeable to me that the amendment be accepted without the presence of the Senator from Massachusetts on the floor, but inasmuch as he asked that if any amendment to the bill were offered today or Monday, a quorum should be called, I felt I should submit his request.

Mr. KNOWLAND. Is the Senator from Massachusetts available in the city, at his office?

Mr. WHERRY. Unfortunately, the Senator from Massachusetts is unavoidably out of the city. He had to leave on a very important mission last night, and was paired on the vote which was taken on the amendment offered by the senior Senator from Ohio [Mr. TAFT].

I want the distinguished Senator from California to know that, so far as I am concerned, what he suggests is perfectly agreeable. On the other hand, I thought I should make known to the Senator the request which had been made. While this is an amendment which has been accepted by the chairman of the committee, and I imagine that if the Senator from Massachusetts were present he would be in total agreement, I thought I should at least bring the matter to the attention of the Senator from California. Whatever the Senator from California may desire to do is all right with me.

Mr. KNOWLAND. So far as the Senator from California is concerned, he is perfectly willing to continue the debate on the amendment until Monday, but, inasmuch as the language of this amendment had been worked out between the chairman of the Committee on Foreign Relations and the junior Senator from California, I thought there would be no objection to it. But I cannot say with certainty whether the Senator from Massachusetts would be for the amendment or against it if he were present in the Chamber. I do not know the answer to that question.

Mr. WHERRY. If the Senator will yield for one more question, I ask him if he feels now that senatorial courtesy has been complied with and that the record is clear? The chairman of the committee having offered to accept the amendment, if the Senator feels that is clearance, I think he should proceed and press for the acceptance of the amendment. If, on the other hand, he feels that there should be any further extension of courtesy in the circumstances, that is a matter for the Senator to decide. I shall not decide that question.

The VICE PRESIDENT. The Chair might suggest that if the amendment were agreed to, the action could be reconsidered, either by unanimous consent or on motion.

Mr. WHERRY. I felt that I should submit, as I have done, the suggestion made by the Senator from Massachusetts.

The VICE PRESIDENT. What is the position of the Senator from California with regard to his amendment?

Mr. KNOWLAND. Mr. President, so far as the junior Senator from California is concerned, I should like to proceed, because I am trying to expedite the business of the Senate. Since the Senator from Massachusetts would have reserved to him all his parliamentary rights by making a motion to reconsider on Monday if he were so inclined, I think that under the circumstances the business of the Senate might be expedited if the amendment were agreed to or accepted.

Mr. CONNALLY. On the other hand, it might delay the business of the Senate if we should have to go back and reconsider the amendment. This is a very unusual suggestion, that because a Senator is absent for 2 or 3 days——

Mr. WHERRY. Mr. President, I do not care to disagree with the distinguished Senator from Texas, but very often when a Senator who has been so vitally interested in a measure as the Senator from Massachusetts, as a member of the Committee on Foreign Relations, has been in this one, and is unavoidably absent, it is not unusual to comply with such a request.

Mr. CONNALLY. I was going to say that we should comply with the request, but I think it is a very unusual thing that the Senate should stand still until some Senator returns 2 or 3 days from now. I do not approve that kind of procedure. However, the Senator from Massachusetts is a member of the Committee on Foreign Relations, and I shall not object, but as chairman of the committee I should prefer that the amendment be acted on.

Mr. KNOWLAND. Mr. President, I should like to have the understanding that the amendment will be the pending amendment when the Senate meets or Monday.

Mr. CONNALLY. I thought the amendment of the Senator from Louisiana was pending.

Mr. KNOWLAND. No; it was temporarily laid aside in order that the Senate might take up the amendment of the junior Senator from California.

The VICE PRESIDENT. The Knowland amendment is the pending question, but any Senator could bring the Senate back to the consideration of the Ellender amendment by demanding the regular order, which would bring before the Senate the business which had been temporarily laid aside.

Mr. THOMAS of Utah. Mr. President, I suggest that if the matter is to go over—and I think it is wise it should go over—the amendment suggested by the Senator from California needs certain refinement in regard to the provision which has been inserted in it which makes it different from the original amendment the Senator offered.

In acting on such an amendment we should realize the state in which China is at this time. With the hordes of Chinese people needing food, if there is a place where food is available, and we impose certain restraints on the distributor of the food, it is an open invitation to mob violence and stealing and to all the things we are trying to avoid.

Mr. President, there is nothing worse than a horde of hungry persons. They are not thinking of order, and because someone may think the Communists are in control in certain places where they may not be, we may have on our hands at any time a situation which would invite some sort of military action, in a land which is already so overrun with military that no one from one end of it to the other is happy.

Let us consider some of the history of our own country. Consider, for instance, the fall of Richmond, and think of what happened to the stores of food which were on hand there, and how the people acted. Think of how hungry people act in such a situation.

For these reasons, Mr. President, I think it very unwise to insert any provision in the amendment which would allow the President such a type of discretion that there might be an open invitation to mob violence on the part of hungry people.

Let any Senator assume he possesses perhaps tons of food, and children are starving on all sides of him. Is he going to refuse to distribute the food because those children happened to be in a Communist-dominated territory?

If we are to make this money available to China, let it be handled in the normal way. When we attempt to afford aid to certain people, let us not do something which will result in a disorderly situation.

Mr. President, I trust the Senator from California will return to something like his original amendment, or, if action on the amendment shall go over until Monday, that he will meanwhile think through the sentence in regard to Communist domination.

Of course, I realize that simply by reason of what I have just said I may open myself to the criticism, in view of the feelings of the people of the world today, that I am in favor of feeding Communists. Perhaps I am and perhaps I am not. I do not believe that half the people of China who are under Communist domination today know anything about the Communist situation. But, Mr. President, I have been in the midst of such mobs as I spoke of. I know how people feel when they are hungry. I know the responsibility that rests upon one who is charged with keeping and preserving some kind of order. I wish to say to the Senate that if the amendment, as it is now written, is adopted, it will result in laying on the shoulders of the Administrator and on the shoulders of the President of the United States, a problem and a task which it will be utterly impossible for them to fulfill, and the result may be to bring about serious disorder in China.

Mr. KNOWLAND. Mr. President, I will say in answer to the Senator from Utah that I am perfectly willing to let the amendment go over the week end, and to listen to any suggestion which he may care to offer. I think we may have two problems before us. One, the question of food, which the Senator has mentioned. Our Government, over a

long period, has even sent food into Russia, as the Senator knows, at times when there were great famines in that country. But in addition to food, there are various types of equipment involved; and, so far as the junior Senator from California is concerned, apart from the question of food, and thinking of capital investments, fuel, transportation equipment, and so forth, it seems to me that the Senate of the United States and the House should make it perfectly clear to the people of China at the present time that the President of the United States is not going to receive authority to spend the funds of the Government of the United States and of the people of the United States for all types of equipment and send such equipment into the Communist-dominated areas of China. That would be too much authority; it would be a too wide opening of the door, and I do not believe the Congress wants to give that type of authority to the President.

Mr. THOMAS of Utah. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. THOMAS of Utah. We all know that arms which have been given to certain factions in China or to the Nationalist Government, have fallen into the hands of the Communists. They have fallen into the hands of the Communists in various ways, by having been surrendered, by having been captured, by having been sold, by having been handed over. Anything that one can imagine takes place in connection with the transfer of arms in a country when its people are unsettled and hungry. Such wording as the amendment now contains might be an invitation to someone who thought he could chase down, follow through, and try to get back some arms which might have been transferred by third parties.

Mr. President, the Senator from California is trying to do something fine, he is trying to do something the United States probably ought to do, but let us do it in such a way that in the administration of what we authorize we do not invite the type of action which will result in making conditions in China worse than they are; when, in fact, we are really trying to make better conditions in China. Let us see if we cannot change the wording of the amendment so that the one who is in charge of administering the fund will not be holding back when in fact he should go forward, and will not by his actions be inviting disorder in attempting to bring about an orderly process.

Mr. CONNALLY. Mr. President——

The VICE PRESIDENT. Does the Senator from California yield to the Senator from Texas?

Mr. KNOWLAND. Mr. President, the consideration of the amendment is apparently going to require more discussion than I had supposed. I ask unanimous consent to have printed in the RECORD at this point in my remarks a copy of the Yalta agreement, and a copy of Report on Crimea Conference, a report by those who attended the Yalta Conference in behalf of the United States, Great Britain, and Soviet Russia.

The VICE PRESIDENT. Without objection, it is so ordered.

The matters referred to are as follows:

Following is the text of the agreement between the President of the United States, Franklin D. Roosevelt, the Prime Minister of Great Britain, Winston Churchill, and Generalissimo Stalin, signed at Yalta on February 11, 1945:

"The leaders of the three great powers—the Soviet Union, the United States of America, and Great Britain—have agreed that in 2 or 3 months after Germany has surrendered and the war in Europe has terminated the Soviet Union shall enter into the war against Japan on the side of the Allies on condition that:

"1. The status quo in Outer Mongolia (the Mongolian People's Republic) shall be preserved.

"2. The former rights of Russia violated by the treacherous attack of Japan in 1904 shall be restored, viz:

"(a) the southern part of Sakhalin as well as all the islands adjacent to it shall be returned to the Soviet Union;

"(b) the commercial port of Dairen shall be internationalized, the preeminent interests of the Soviet Union in this port being safeguarded and the lease of Port Arthur as a naval base of the U. S. S. R. restored;

"(c) the Chinese-Eastern Railroad and the South-Manchurian Railroad which provides an outlet to Dairen shall be jointly operated by the establishment of a joint Soviet-Chinese company it being understood that the preeminent interests of the Soviet Union shall be safeguarded and that China shall retain full sovereignty in Manchuria.

"3. The Kuril islands shall be handed over to the Soviet Union.

"It is understood, that the agreement concerning Outer Mongolia and the ports and railroads referred to above will require concurrence of Generalissimo Chiang Kai-shek. The President will take measures in order to obtain this concurrence on advice from Marshal Stalin.

"The heads of the three great powers have agreed that these claims of the Soviet Union shall be unquestionably fulfilled after Japan has been defeated.

"For its part the Soviet Union expresses its readiness to conclude with the National Government of China a pact of friendship and alliance between the U. S. S. R. and China in order to render assistance to China with its armed forces for the purpose of liberating China from the Japanese yoke.

"February 11, 1945.

"J. STALIN.
"FRANKLIN D. ROOSEVELT.
"WINSTON S. CHURCHILL."

REPORT ON CRIMEA CONFERENCE

For the past 8 days, Winston S. Churchill, Prime Minister of Great Britain, Franklin D. Roosevelt, President of the United States of America, and Marshal J. V. Stalin, Chairman of the Council of Peoples Commissars of the Union of Soviet Socialist Republics, have met with the Foreign Secretaries, Chiefs of Staff, and other advisers in the Crimea.

In addition to the three heads of government, the following took part in the conference:

For the United States of America:

Edward R. Stettinius, Jr., Secretary of State;

Fleet Adm. William D. Leahy, United States Navy, Chief of Staff to the President;

Harry L. Hopkins, Special Assistant to the President;

Justice James F. Byrnes, Director, Office of War Mobilization and Reconversion;

General of the Army George C. Marshall, United States Army, Chief of Staff, United States Army;

Fleet Adm. Ernest J. King, United States Navy, Chief of Naval Operations and Commander in Chief, United States Fleet;

Lt. Gen. Brehon B. Somervell, commanding general, Army Service Forces;

Vice Adm. Emory S. Land, War Shipping Administrator;

Maj. Gen. L. S. Kuter, United States Army, staff of commanding general, United States Army Air Forces;

W. Averell Harriman, Ambassador to the U. S. S. R.;

H. Freeman Matthews, Director of European Affairs, State Department;

Alger Hiss, Deputy Director, Office of Special Political Affairs, Department of State;

Charles E. Bohlen, Assistant to the Secretary of State, together with political, military, and technical advisers.

For the United Kingdom:

Anthony Eden, Secretary of State for Foreign Affairs.

Lord Leathers, Minister of War Transport;

Sir A. Clark Kerr, H. M. Ambassador at Moscow;

Sir Alexander Cadogan, Permanent Under Secretary of State for Foreign Affairs;

Sir Edward Bridges, Secretary of the War Cabinet;

Field Marshal Sir Alan Brooke, Chief of the Imperial General Staff;

Marshal of the Royal Air Force Sir Charles Portal, Chief of the Air Staff;

Admiral of the Fleet Sir Andrew Cunningham, First Sea Lord;

General Sir Hastings Ismay, Chief of Staff to the Minister of Defense;

together with—

Field Marshal Alexander, Supreme Allied Commander, Mediterranean Theater;

Field Marshal Wilson, head of the British Joint Staff Mission at Washington;

Admiral Somerville, Joint Staff Mission at Washington, together with military and diplomatic advisers.

For the Soviet Union:

V. M. Molotov, Peoples Commissar for Foreign Affairs of the U. S. S. R.;

Admiral Kuznetsov, Peoples Commissar for the Navy;

Army General Antonov, Deputy Chief of the General Staff of the Red Army;

A. Y. Vyshinski, Deputy Peoples Commissar for Foreign Affairs of the U. S. S. R.;

I. M. Maiski, Deputy Peoples Commissar of Foreign Affairs of the U. S. S. R.;

Marshal of Aviation Khudyakov;

F. T. Gusev, Ambassador in Great Britain;

A. A. Gromyko, Ambassador in United States of America.

Mr. CONNALLY. Mr. President, may I ask what those documents have to do with the amendment?

Mr. KNOWLAND. They merely lay a foundation for the general Chinese policy or lack of policy which we have had during the past few years.

Mr. CONNALLY. I think we are magnifying this matter beyond all reason. The Senator goes back to Yalta and back to Potsdam and something else in connection with a little $50,000,000 appropriation.

Mr. President, I largely agree with the Senator from Utah. I said when I first returned to the Chamber that I was willing to appropriate this money, but I dislike to put in the amendment prohibitions concerning how the money shall be used. I am perfectly willing to let the President of the United States exercise discretion, under the guise of the State Department, in saying where and how this money shall be expended. If it is a matter of charity or relief I do not see why we should say, "We are going to relieve these people, but if they are not Democrats we will not give them anything, and if they are not Republicans we will not give them anything."

I am rather ashamed of that sort of attitude. If we are going to relieve people who need relief, very well; I do not care where they reside. They might be temporarily in a Communist area, under the control of Communists; they might be in an area controlled by a warlord. I do not begrudge the Chinese the $54,000,000, but I do not quite agree with the philosophy of the Senator from California in the matter.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield for a question.

Mr. KNOWLAND. Mr. President, I had thought that we had reached mutually agreeable language. Apparently we have not. But, as I understand the able Senator, the chairman of the Foreign Relations Committee, at this time, insofar as he is concerned, if the administration determines that it will put this sum into the Communist-dominated areas of China, it is perfectly agreeable with him. Mr. President, the Senator has a perfect right to take that attitude. It is not agreeable to the Senator from California that such action be taken. I am not referring to a temporary measure that might be necessary to be adopted for the feeding of hungry people, but I am referring to other matters, to various types of supplies, to capital investments, to other things which would build up the strength of a Communist China when this Government, by a lack of policy in the Far East, has done a great deal to undermine the position of the Chinese Nationalist Government, and has contributed mightily to the advance of the Communist forces who now stand on the Yangtze River and are threatening to overwhelm 400,000,000 Chinese and take them behind the iron curtain.

Mr. President, I have supported the able chairman of the Foreign Relations Committee in the ECA program for Europe. I expect to support the North Atlantic Pact because I believe that communism is a threat to the security of free people everywhere, and a threat to the security of the people of the United States. But, for the life of me, I cannot see how we can follow that policy in Europe to keep western Europe from going behind the iron curtain, and apparently be absolutely unconcerned whether 400,000,000 Chinese shall be taken behind the iron curtain. That is not a consistent policy. We have had a foreign policy in Europe. We have had no policy at all in the Far East.

Mr. CONNALLY. Mr. President, the Senator's speech, which he has made after I yielded to him for a question, reveals what is at the bottom of this thing—a partisan political attack. I was perfectly willing to agree to a reasonable appropriation for China, but the Senator wants to bring in Yalta and other things. That shows that at the bottom this is a partisan political attack. I do not appreciate that any more than the Senator seems to appreciate my attitude on the subject.

So far as what the Senator said in reference to having supported the chairman of the Committee on Foreign Relations on the subject of ECA, I should think he is not supporting the chairman, but I would assume he is supporting the bill because he thinks it is a proper bill. I do not support legislation simply because certain Senator's names are on bills as sponsors. I support legislation because I believe it to be proper. I want to relieve hungry Chinese to the extent of $54,000,000. With $54,000,000 nothing is going to be done in respect to changing the political situation in China. Fifty-four million dollars would be nothing more than a drop in the bucket, nothing more than a scratch on the pane. I dislike the thought that some Senators, every time they hear a bush rattle, believe there is a Communist behind it, and so forth, and so on.

That is my attitude on the question. I expressed my willingness to agree to this proposal, but I did not know that it was to be used to make a political attack.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. KNOWLAND. In the first place, the junior Senator from California has not used this proposal to make a political attack.

Mr. CONNALLY. He has.

Mr. KNOWLAND. It rises above partisanship.

Mr. CONNALLY. It ought to. The Senator has stated that we have had no policy in China. He stated that we have had a policy in Europe, but have had no policy in China, which has resulted in giving encouragement to the Communists and undermined the Nationalist Government of China. Did not the Senator say that?

Mr. KNOWLAND. Yes; and I firmly believe that to be a fact.

Mr. CONNALLY. Exactly; and yet the Senator says that he is not injecting politics into this debate.

Mr. KNOWLAND. Mr. President, will the Senator further yield?

Mr. CONNALLY. I yield.

Mr. KNOWLAND. If the Senator from Texas will examine the record of the junior Senator from California on the original ECA bill and on the pending bill, and his statements on the North Atlantic Pact, he will see what my position has been. The statements of the Senator from Texas are certainly not going to change the position of the Senator from California, because I strongly believe that the best interests of my country lie in supporting that program. I recognize the fact that men may honestly differ; but by the same token, I believe that the Government of the United States—and we must all take some of the responsibility—has been derelict in its policy so far as China is concerned. I do not consider that I am raising a partisan question when, as a Member of the United States Senate representing in part the State of California, which looks out over the broad Pacific, I attempt to invite the attention of the Senate to what I believe to be a vital issue. I do not believe it is fair for the Senator from Texas, chairman of the Foreign Relations Committee, to charge me with doing so for the sole purpose of partisan politics, and I very much resent his statement.

Mr. CONNALLY. I am sorry the Senator from California is offended.

The VICE PRESIDENT. This entire debate is out of order and against the rules. A Senator may yield only for a question.

Mr. CONNALLY. Mr. President, I have the floor, have I not?

The VICE PRESIDENT. The Senator from Texas has the floor.

Mr. CONNALLY. I intend to retain it.

I have no feeling in this matter. The Senator from California is entirely in error if he thinks that because I happen to be chairman of the Committee on Foreign Relations my policy is to be influenced by personal considerations. I assume that the Senator's attitude on these measures is sincere. I assume that he is voting for them because he believes in them. Yet he seems to think that because he voted for some of the measures which I supported, I am under some personal obligation to him for doing so. I want every member of my committee and every Member of the Senate to vote his own convictions, regardless of personalities.

The Senator knows that I have been sympathetic with what I thought was his object in offering this amendment. I agreed to it. I surrendered the position of my amendment, which was almost identical with his, in order to give him the opportunity to call it his amendment.

Mr. BALDWIN obtained the floor.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. BALDWIN. I yield to the Senator from Indiana.

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from Indiana for a question?

Mr. BALDWIN. For a question, or for a unanimous-consent request.

Mr. JENNER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. JENNER. Really I cannot put this in the form of a question, but I have noticed that the other debate has not followed the line of questions.

The VICE PRESIDENT. That is true.

Mr. JENNER. I raise the question of a quorum. I think this subject is too important for so few Members of the Senate to be considering, and I ask unanimous consent to suggest the absence of a quorum.

The VICE PRESIDENT. If the Senator from Connecticut yields, he will lose the floor.

Mr. JENNER. I suggest the absence of a quorum.

The VICE PRESIDENT. The Senator from Connecticut has not yielded for that purpose. If the Senator from Connecticut yields for that purpose, he will lose the floor.

Mr. JENNER. He can regain the floor.

Mr. BALDWIN. Mr. President, as I understand, I have yielded the floor to the Senator from Indiana.

The VICE PRESIDENT. If the Senator from Connecticut yields the floor, he does not have the floor.

Mr. JENNER. Mr. President, I have the floor, and I suggest the absence of a quorum.

Mr. LUCAS. Mr. President——

The VICE PRESIDENT. A Senator cannot yield the floor to another Senator. Recognition of a Senator, when another Senator yields the floor, is in the Chair.

Mr. LUCAS. Mr. President——

Mr. JENNER. The Senator from Connecticut has apparently lost the floor. I am addressing the Chair, Mr. President——

The VICE PRESIDENT. The Chair recognizes the Senator from Illinois [Mr. LUCAS].

Mr. LUCAS. Mr. President, let me say to the Senator from Connecticut that I had hoped he would proceed with a 5-minute speech, in accordance with our understanding. I have agreed with a number of Senators that no quorum calls would be made. A great number of Senators are on their way home. There are a number of parties in the city for foreign diplomats——

Mr. BALDWIN. Mr. President, will the Senator yield for a question?

Mr. LUCAS. One moment. Let the Senator from Illinois finish.

There are a number of parties to which Senators have been invited, and I think it is very important that they be present. If we are to have a quorum call, that will mean that I shall have broken faith with Senators who have been told that there would be no quorum calls. Rather than have a quorum call, I would simply move to recess. I have the floor, and that is what I intend to do if there is any question of a quorum call.

Mr. BALDWIN. Mr. President, will the Senator yield to me?

Mr. LUCAS. I yield to the Senator from Connecticut for a question.

Mr. BALDWIN. I should like to make my position clear, if I may do so.

I have been here all afternoon hoping that I might undertake to discuss briefly an amendment which I have to offer. I asked for recognition at the time the junior Senator from California [Mr. KNOWLAND] obtained the floor. When I finally obtained recognition the junior Senator from Indiana [Mr. JENNER] asked me if I would yield to him. I did not know that the junior Senator from Indiana intended to suggest the absence of a quorum. I thought he had a unanimous-consent request to propound, and I yielded for that purpose. Then when he asked me to yield the floor, I yielded the floor, but not particularly to him.

The VICE PRESIDENT. The Senator from Illinois [Mr. LUCAS] has the floor.

RECESS

Mr. LUCAS. Mr. President, I had agreed with the Senator from Connecticut that he might take 5 minutes to discuss an amendment which he proposes to offer. If he does not desire to do so, I shall make a motion that the Senate take a recess until Monday next at 11 o'clock. I so move, Mr. President.

The motion was agreed to; and (at 5 o'clock and 27 minutes p. m.) the Senate took a recess until Monday, April 4, 1949, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate April 2 (legislative day of March 18), 1949:

UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidates for promotion in the Regular Corps of the Public Health Service:

Senior surgeons to be medical directors (equivalent to the Army rank of colonel):

Winfield K. Sharp, Jr.	Frank S. Fellows
Fred T. Foard	Ralph B. Snavely
Estella F. Warner	Richard B. Holt
Lucius F. Badger	Edgar W. Norris
Edwin H. Carnes	Charles Ferguson
Franklin J. Halpin	Bengt L. K. Hamilton
Gregory J. Van Beeck	Jack Masur
Erval R. Coffey	Paul H. Stevenson
Fletcher C. Stewart	Maurice A. Roe
Adolph S. Rumreich	Percival E. Faed
Alfred J. Aselmeyer	Oswald F. Hedley
Raymond A. Vonderlehr	Joseph O. Dean
	Ivan W. Steele
William H. Sebrell, Jr.	Kenneth R. Nelson
Homer L. Skinner	William F. Ossenfort
Alonzo F. Brand	Vane M. Hoge
James A. Crabtree	Frank F. Thweatt, Jr.
William W. Nesbit	Lee C. Watkins
Joseph F. Van Ackeren	Paul A. Neal
John R. Murdock	Gilbert L. Dunnahoo
Anthony P. Rubino	A. William Reggio

IN THE AIR FORCE

The following-named officers for temporary appointment in the Air Force of the United States under the provisions of section 515, Officer Personnel Act of 1947.

To be brigadier generals

Col. Bertrand Ellwood Johnson, AO28920, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Albert Meldrum Kuhfeld, AO38663, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. William Taylor Thurman, AO26374, Air Force of the United States (lieutenant colonel, U. S. Air Force).

APPOINTMENT IN THE NAVY

Vice Adm. Arthur W. Radford, United States Navy, to have the grade, rank, pay, and allowances of an admiral while serving under a Presidential designation as Commander in Chief, Pacific, Commander in Chief, United States Pacific Fleet, and High Commissioner of the Trust Territory of the Pacific Islands.

IN THE NAVY

The following-named officers for permanent appointment to the grade of rear admiral in the line of the Navy:

Charles A. Nicholson, II	Roscoe H. Hillenkoetter
Evander W. Sylvester	Francis P. Old
John R. Redman	Charles C. Hartman
James H. Foskett	

The following-named officers for permanent appointment to the grade of rear admiral in the Supply Corps of the Navy:

John Ball
Frank C. Dunham

The following-named officers for permanent appointment to the grade of captain in the line of the Navy:

Harold J. Pohl	Walter J. Whipple
George G. Crissman	Herald F. Stout
John J. Hourihan	Frederick A. Davisson
Walter B. Davidson	Vilhelm K. Busck
Lynn C. Petross	Herman O. Parish
Alexander MacIntyre	Frank B. Schaede
Virgil F. Gordinier	Henry D. Rozendal
Hugh P. Thomson	Edwin S. Schanze
Graham C. Gill	Douglas V. Gladding
Bennett S. Copping	Warren E. Gladding
William K. Rhodes	William E. Oberholtzer, Jr.
Winthrop E. Terry	
John C. Hammock	Theodore W. Rimer
Daniel J. Sweeney	Erasmus W. Armentrout, Jr.
Orville K. O'Daniel	
George W. Campbell	

The following-named officers for permanent appointment to the grade of captain in the Medical Corps of the Navy:

Clarence L. Blew	William P. Stephens
Herbert G. Shepler	Jack R. George

The following-named officer for permanent appointment to the grade of captain in the Supply Corps of the Navy:

Walter E. Fratzke

The following-named officer for permanent appointment to the grade of captain in the Dental Corps of the Navy:

Clifford C. DeFord

The following-named officers for permanent appointment to the grade of commander in the line of the Navy:

Gilbert E. Boone	Charles E. Gibson
John C. Cheasty	John M. Ballinger
Louis W. Mang	Robert S. Willey
Arthur D. Cook	Parkman B. Moore
John B. McAuliffe	Ralph Kissinger, Jr.
Donald W. Seiler	Newell E. Thomas
Harold V. Wardlow	Ralph A. Smith
Ernest J. Youngjohns, Jr.	Richard P. Nicholson
	William P. Mack
John W. Magan, Jr.	William D. Brinckloe, Jr.
Paul T. Coil	
Alden B. Chace	Lewis A. Rupp
Edward R. Halloran	Walter H. Keen, Jr.
Charles F. Fischer	Paul E. Hartmann
Robert D. Powers, Jr.	Frank N. Shamer
Delwin W. Classman	Charles H. Meigs
Roger F. Miller	Henry A. Rowe
Richard K. Cockey	Terrell H. W. Connor
George M. Winne	Frank W. Taylor
Carl W. Heywood	Carl R. Hirschberger
Ernest W. Humphrey	Warren W. Ford
Ralph W. Arndt	Lawrence V. Julihn
Samuel G. Shilling	Paul K. Taylor
Robert S. Trower III	John L. Kelley, Jr.
George E. Marix	Charles H. A. Rohr
Ned Harrell	Stanley M. Zimny
Julian T. Bollinger	Frank F. Menefee
George W. Ellenburg	Carl R. Doerflinger
James D. Adam	Harry B. Hahn
Robert Feddern	David B. Bell
Thomas H. Hoffman	Saverio Filippone
Warren C. Boles	Falkland M. Lansdowne
Henry H. Fox, Jr.	
Glendon D. Williams	Harvey P. Lanham
Leonard J. Flynn	William M. Stevens
Walter P. Reuland	Hubert B. Reece
Peter Belin	Donald M. White
Henry C. Bridgers, Jr.	Gerald P. Joyce
Chester P. Smith	Edward D. Spruance
Virgil S. Deitrick	Victor H. Wildt
William C. Howes	Thomas M. Adams
James J. Richardson	Archie "H" Soucek
Donald A. Nienstedt	Morton H. Lytle
Raymond A. Kotrla	John G. Hughes
Floyd F. Miller	Harmon B. Sherry
Jack A. Obermeyer	David E. Dressendorfer
Russell H. Wallace	
Emery A. Grantham	Richard A. Waugh
Kenneth W. Patrick	Roger W. Mehle
Roger B. Woodhull	Albert S. Freedman, Jr.
Richard E. Ball	John S. Slaughter

The following-named officers for permanent appointment to the grade of commander in the Medical Corps of the Navy:

Thomas M. Manley	Thomas C. Ryan
Stephen D. Sutliff, Jr.	Paul T. Moore
John C. Traugh	Vinton Hall
Walter M. Weber	Perry W. Gard
John W. Albrittain	Benjamin W. Clark
John G. Feder	Herschel E. Richardson
John W. Thomas	
Vernon W. H. Campbell	Harry F. Lenhardt
	Neville C. Bowers
George M. Davis, Jr.	Melville M. Driskell
Albert G. Gibbs	Frank T. Norris
Broor A. Johnson	Clifford A. Stevenson
George Donabedian	

The following-named officers for permanent appointment to the grade of commander in the Supply Corps of the Navy:

Donnelley S. Embree
Pierre D. Collins
Charles L. LaBonte
Robert F. Lynch
Frederick F. Fallis
William A. Evans
Bernhard H. Bieri, Jr.
Raymond F. Parker
Robert H. Northwood
William J. Held
William M. Porter
Charles Stein, Jr.
John W. Neel
Donald V. Wengrovius

The following named officers for permanent appointment to the grade of commander in the Chaplain Corps of the Navy:

Irving W. Stultz
Walter S. Peck, Jr.

The following-named officers for permanent appointment to the grade of commander in the Civil Engineer Corps of the Navy:

Harold L. Haworth
Harrison F. Thrapp
Earl G. Dobbins
Richard E. Slattery
Lloyd E. Root
William M. Gordon
John H. Cain
Robert S. Stewart
Garland M. Inscoe
Carl H. Plumlee
Loys A. Johnson
Deane E. Carberry
Stephen H. Payson
Palmer W. Roberts
Harry C. Rowe
Joseph C. Luppens
Arthur P. Gardiner
Bernhard O. Roessler
Mark H. Jordan
Herbert J. Hartman
Perry M. Boothe
Harlan F. Winn
William C. Owens
George T. Swiggum

The following-named officers for permanent appointment to the grade of commander in the Dental Corps of the Navy:

Clifford H. Rice
C'yde H. Walsworth
Burnell W. Vincent
John H. McEachren
George C. Rader
William A. Newman
Kenneth L. Longeway
Davis Henderson
William L. Strangman
Donald E. Cooksey

The following-named officers for permanent appointment to the grade of commander in the Medical Service Corps of the Navy:

John J. Engelfried
Allen F. Bigelow

The following-named officers for permanent appointment to the grade of lieutenant commander in the line of the Navy:

Robert L. Thienes
Mayo A. Hadden, Jr.
Eric B. Bower
Willard W. Olson
James C. West
Frederick D. Forger
Helmuth E. Hoerner
Charles C. Aikins
Nathan F. Waters
Landis E. Doner
Martin D. Carmody
Harry A. Haszard
Winfred R. Prescott
Ernest S. Park
William R. Hazlett
Chester L. Dillard
William C. Adler, Jr.
Elwood B. Faust
William N. Janes
Gordon J. Vanderford
Jack Arnold
Winfield S. Munro, Jr.
Aldo A. Cipolat
LeRoy B. Fraser, Jr.
Richard M. McLemore
James W. Fewell
Malcolm C. Friedman
Herman J. Harders
Paul D. Halpin
Eldridge Hord, Jr.
Nils W. Boe
Eugene W. Seitz
Theodore Feuerbach
Paul D. Culver
William B. Troendle
George T. Lillich
James D. Copeland
James W. Smith
Charles C. Stamm
Edward W. Austermuehle, Jr.
Thomas B. Harrison
Raymond L. Ettinger
Harold E. Vita
Archibald W. Curtis
Howard C. Flatau
Hugh R. Everett
James W. Guy
William B. Krause
William F. Krantz
Charles F. Weiss
Edward S. Buchanan
Virgil A. Erwin, Jr.
Vernon E. Scholer
James B. Cain
Robert W. Gillette
Robert R. Sparks
Joseph E. Sheehan
Edward P. Stafford
George Worthington, Jr.
Robert T. Rutzel
Robert E. Merchant
John W. Fair
Richard W. Hyde
Frederick W. Oliver
Eugene R. Hanson
John L. Butts, Jr.
Jonathan Q. Rasmussen
Donald W. MacKiernan
Robert D. Flynn
Armand C. Crossen
Edwin S. Thomas, Jr.
Joseph W. Philippbar, Jr.
Leo W. Nelson
Raymond W. Glasgow
Edgar L. Margolf
Carl B. Irwin
Merlin H. Staring
Edward D. Schrader
William A. Spalding, Jr.
James D. Billo
Gustave "A" Sundquist, Jr.
Max P. Bauersfeld, Jr.
Frank W. Ayers
Orazio Simonelli
Herbert C. Rand
Raymond G. Wyllie
Harold M. Sanderson
Russell L. Reiserer
Richard G. Augenblick
Robert S. Schreiber
Percy E. Kedigh
Frank P. Morrison
Richard P. Howe
William B. Whitehurst
Colin J. Ricketts
George A. Hall
Stanley A. Wood
Edward M. Volz
William K. Wardall
Robert J. Clinton
Harry E. Sorenson
Wade W. Lape
Nathaniel D. McClure III
Edward J. Drozdz
John W. Shong
Roy M. Voris
John H. Pfeil
Marcel N. Piller
Bruce A. McGraw
Donald H. Johnson
Delmar Walker, Jr.
Alfred R. Lyngby
James E. Miller
Lloyd D. Ruth
John Q. Carter
Charles W. Hubbell
William H. Neal III
William H. Bolt, Jr.
Harry R. McRae, Jr.
Harry D. Metke
Charles E. Gainor
Karl H. Imholte
Gaylord B. Lyon
Merle J. Randleman
Richard H. Mills
Robert D. Oakley, Jr.
Robert C. Cochran
Edward A. Arnold, Jr.
Robert J. Daniels, Jr.
John A. H. Torry, Jr.
Millard J. Wooley
William J. Morran
Frank R. West
Harold R. Thompson, Jr.
Michael C. Argento
Leo B. Blocker
Armistead B. Smith, Jr.
Donald M. L. Hager
Donald N. Brown
Jon E. Thomas
Edward C. Monroe
Francis Tofalo
Henry C. Field, Jr.
John W. Crawford, Jr.
Maximilian W. Munk
Frank A. Andrews
Theodore L. Appelquist
William P. Willis, Jr.
William R. Kurtz

The following-named officer for permanent appointment to the grade of lieutenant commander in the Medical Corps of the Navy:

William C. Mulry

The following-named officers for permanent appointment to the grade of lieutenant commander in the Supply Corps of the Navy:

Edward J. Hagen
Ned L. Thomas
Michael Mittrick
John A. Donehoo
Rodney N. Gray
John P. Allen
Edward R. Kingman
Jack E. Nettles
Homer C. Thiele
Robert W. Mullins
Fred I. Mather
Philip Troth
Thomas W. Klinefelter
Rudolph M. Peterson
Frederick D. Harrison
George W. Peterson, Jr.
Theodore S. Stern
Claude A. Clefton
Charles A. Kasdorf, Jr.
Lloyd C. Emerson
John V. Cassidy
Robert B. Edwards

The following-named officers for permanent appointment to the grade of lieutenant commander in the Chaplain Corps of the Navy:

Alden A. Read
Cyril Best
Joseph D. McDonald

The following-named officers for permanent appointment to the grade of lieutenant commander in the Civil Engineer Corps of the Navy:

Charles Allegrone
James C. Castanes
Xavier S. Hutchins
Charles A. Reilly, Jr.

The following-named officers for permanent appointment to the grade of lieutenant commander in the Dental Corps of the Navy:

Edward R. Hildreth
William J. Harrison
Eugene A. Walsh

The following-named officers for permanent appointment to the grade of lieutenant commander in the Medical Service Corps of the Navy:

Charles L. Crawford
Harry F. McCullah

The following-named officer for permanent appointment to the grade of captain in the line of the Navy to correct the spelling of the name as previously nominated and confirmed:

Barron G. Lowrey

The following-named officer for permanent appointment to the grade of captain in the Medical Corps of the Navy to correct the spelling of the name as previously nominated and confirmed:

Paul Vaughan

The following-named officers for permanent appointment to the grade of commander in the line of the Navy to correct the spelling of the names as previously nominated and confirmed:

Malcolm C. McGrath
Brendan J. Moynahan

SENATE

MONDAY, APRIL 4, 1949

(Legislative day of Friday, March 18, 1949)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of the nations, with the hush of reverence upon our spirits, we bow before Thee with the deep gratitude of our hearts that through days of preparation Thou hast brought us by Thy good grace to this day of destiny where again the Liberty Bell which once rang for 13 States is heard this April day by as many imperiled nations around the threatened earth. In this momentous hour when, with a new realization that in union there is strength, the forces of freedom are mobilizing against the fetters and chains of coercion, grant unto all who guide our destiny and shape our public policy, and to the whole body of the Commonwealth, that, having professed with our lips devotion to the cause of libert, and democracy and the welfare of all peoples, we may not fail our own best selves, or our fellow men, or Thee, as we go forward pledged to a better world, fearing Thee and nothing else. Amen.

THE JOURNAL

On request of Mr. CONNALLY, and by unanimous consent, the reading of the Journal of the proceedings of Saturday, April 2, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

COMMITTEE MEETING DURING SENATE SESSION

Mr. CONNALLY. Mr. President, I ask unanimous consent that the Committee on the Judiciary may be permitted to meet during the session of the Senate today.

The VICE PRESIDENT. Without objection, leave is granted.

CALL OF THE ROLL

Mr. CONNALLY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Holland	Mundt
Anderson	Humphrey	O'Conor
Baldwin	Hunt	O'Mahoney
Butler	Ives	Pepper
Chapman	Jenner	Reed
Connally	Johnson, Tex.	Robertson
Cordon	Johnston, S. C.	Saltonstall
Donnell	Kem	Smith, Maine
Douglas	Kerr	Sparkman
Downey	Knowland	Stennis
Ecton	Langer	Taft
Ellender	Lodge	Taylor
Ferguson	Long	Thomas, Utah
Flanders	McClellan	Thye
Frear	McFarland	Vandenberg
Fulbright	McKellar	Watkins
George	McMahon	Wiley
Hayden	Martin	Williams
Hendrickson	Maybank	Withers
Hill	Miller	Young
Hoey	Millikin	

Mr. CONNALLY. I announce that the Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senators from Rhode Island [Mr. GREEN and Mr. MCGRATH], the Senator from Colorado [Mr. JOHNSON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from West Virginia [Mr. KILGORE], the Senator from Washington [Mr. MAGNUSON], the Senator from Nevada [Mr. MCCARRAN], the Senator from Montana [Mr. MURRAY], and the Senator from Oklahoma [Mr. THOMAS] are absent on official committee business.

The Senator from Illinois [Mr. LUCAS] is absent on official business.

The Senator from Iowa [Mr. GILLETTE], the Senator from Pennsylvania [Mr. MYERS], the Senator from West Virginia [Mr. NEELY], the Senator from Georgia [Mr. RUSSELL], and the Senator from Maryland [Mr. TYDINGS] are absent on public business.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

The Senator from New York [Mr. WAGNER] is necessarily absent.

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER] is absent on official state business.

The Senator from Ohio [Mr. BRICKER] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. BRIDGES] is absent because of illness in his family.

The Senator from Indiana [Mr. CAPEHART], the Senator from Kansas [Mr. SCHOEPPEL], and the Senator from New Hampshire [Mr. TOBEY] are absent on official business.

The Senator from New Jersey [Mr. SMITH] is absent because of illness.

The Senator from Iowa [Mr. HICKENLOOPER] is necessarily absent.

The Senator from Washington [Mr. CAIN], the Senator from South Dakota [Mr. GURNEY], the Senator from Nevada [Mr. MALONE], the Senator from Wisconsin [Mr. MCCARTHY], the Senator from Oregon [Mr. MORSE], and the Senator from Nebraska [Mr. WHERRY] are detained on official committee business.

The VICE PRESIDENT. Sixty-two Senators have answered to their names. A quorum is present.

PRIVILEGE OF FLOOR FOR ASSISTANT SECRETARY OF STATE DURING CONSIDERATION OF ECA BILL

Mr. CONNALLY. Mr. President, I ask unanimous consent that Mr. Ernest A. Gross, Assistant Secretary of State and liaison officer of the State Department, may be permitted to be on the floor of the Senate during the consideration of the pending measure.

The VICE PRESIDENT. Without objection, it is so ordered.

LEAVE OF ABSENCE

Mr. MARTIN asked and obtained consent to be absent from the Senate tomorrow.

TRANSACTION OF ROUTINE BUSINESS

The VICE PRESIDENT. Before recognizing the Senator from Connecticut [Mr. BALDWIN], the Chair will, without objection, recognize Senators who wish to present routine matters. The Chair hears no objection.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

Petitions of G. L. Bowman, of Kansas City, Mo., and sundry other citizens of the United States, relating to rent control; ordered to lie on the table:

By Mr. KERR:

A concurrent resolution of the Legislature of the State of Oklahoma, relating to the amendment of the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

(See text of concurrent resolution printed in full when presented by Mr. THOMAS of Oklahoma on March 31, 1949, p. 3549, CONGRESSIONAL RECORD.)

By Mr. THOMAS of Oklahoma:

A concurrent resolution of the Legislature of the State of Oklahoma; to the Committee on Foreign Relations:

"Senate Concurrent Resolution 11

"Concurrent resolution of appreciation to the people of the Republic of France for their kindly expression of friendship as exemplified by their sending to the citizens of Oklahoma the merci car

"Whereas the French merci car transmitted to Oklahoma by the people of France, as a token of appreciation of the gifts of wheat by the farmers and other good citizens of Oklahoma, has been received with appropriate ceremony at the Capitol Building in Oklahoma City, February 18, 1949; and

"Whereas we find in this exhibit remarkable tokens of sacrifice and love of the French people toward the citizens of Oklahoma: Now, therefore, be it

"Resolved by the Senate of the State of Oklahoma (the house of representatives concurring therein), That we express to the French people the gratitude and genuine friendship which Oklahomans have, and will continue to have through all the years, for the people of France, and here record an ardent hope that the faithful and unbroken friendship which has been maintained from the days of the American Revolution to this hour will be continued; be it further

"Resolved, That a true copy of this resolution be sent by the secretary of the senate to the French Ambassador in Washington, D. C., for transmittal to the French Government; a copy be sent to the President of the Senate of the United States; a copy be sent to the Speaker of the House of Representatives, and a copy to each member of the Oklahoma delegation in Congress.

"Adopted by the senate the 3d day of March 1949.

"JAMES E. BERRY,
"President of the Senate.

"Adopted by the house of representatives the 8th day of March 1949.

"WALTER BILLINGSLEY,
"Speaker of the House of Representatives."

THE HARDWOOD LUMBER INDUSTRY

Mr. MCKELLAR. Mr. President, I present for appropriate reference a letter I have received from the Shannon Bros. Lumber Co., of Memphis, Tenn., signed by H. A. Landree, sales manager, together with a resolution adopted by the National Lumber Exporters Association, at Memphis, Tenn., on March 15, 1949, relating to the hardwood lumber industry, and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the letter and resolution were referred to the Committee on Foreign Affairs, and ordered to be printed in the RECORD, as follows:

SHANNON BROS. LUMBER CO., INC.,
Memphis, Tenn., April 1, 1949.

The Honorable KENNETH MCKELLAR,
United States Senate,
Washington, D. C.

DEAR SENATOR MCKELLAR: Attached find copy of resolution adopted on March 15, 1949, by the National Lumber Exporters Association in convention at New Orleans, La., which is self-explanatory.

We would like very much to add our endorsement to this resolution, as we have had no export business during the past year. We have lost our markets completely. We used to do a good business in the Netherlands, and our advice from our agents over there is, no American dollars have been made available for the purchase of American hardwoods, much as they would like to buy them.

These people we know are using hardwoods, but they are not getting them from the United States, which is their favorite source of supply. We cannot understand why the State Department does not make some provision that would at least put the country behind the iron curtain on a competitive basis with us. From our viewpoint, it looks as though they are really reaping the benefit of a harvest from American dollars in Europe.

We would appreciate very much if you would use your influence and effort to see that a change and correction is made in this respect.

Thanking you for your cooperation, we have the honor to remain,

Yours very truly,

H. A. LANDREE,
Sales Manager.

RESOLUTION ADOPTED ON MARCH 15, 1949, BY NATIONAL LUMBER EXPORTERS ASSOCIATION, MEMPHIS, TENN.

Whereas the hardwood industry has, for many decades, exported to England and the United Kingdom and to Europe, a large part of their requirements of hardwood lumber, which exports to England and the United Kingdom alone, during the years from 1935 through 1939, averaged 206,622,000 feet; and

Whereas the lumber exported consisted primarily of items of lumber of which the United States market had not normally used in sufficient volume to consume the output thereof, and many of which items have to be made if the industry is to operate; and

Whereas the supply of hardwood lumber is now sufficient to supply all domestic demands as well as the demands for such items for England and the United Kingdom and of the other export customers; and

Whereas the loss of this market for hardwoods to England and the United Kingdom and other exporting countries will result in a failure to properly utilize, to the best advantage, the hardwood resources of the United States and cause curtailment of operation, thereby causing further loss of employment to labor; and

Whereas the British Government, in the purchase of those requirements for England and the United Kingdom, has nearly abandoned the placing of orders on the American market for such lumber and has spent the funds freed by the ECA program to purchase its requirements of hardwood lumber from such countries as Czechoslovakia, Poland, Rumania, Yugoslavia, and other countries behind the iron curtain; and

Whereas this lumber has been purchased, considering the end use thereof, at prices in excess of those which would have been required to purchase American lumber of a very superior quality and manufacture; and

Whereas this diversion is contributing nothing to the European recovery program and is, in fact, destroying the long-established and much needed market of American hardwoods; and

Whereas the industry does not understand that the ECA is designed to create new markets for American industries, but certainly the intent is not to use ECA funds to destroy an old-established and much needed export market for American products; and

Whereas these results are being obtained through the approval of the Department of Commerce and the State Department through their failure to realize that American dollars are actually being spent to destroy the United States export market to England and the United Kingdom, and to other countries in western Europe receiving European recovery aid: Now, therefore, be it

Resolved by the National Lumber Exporters Association, That the officers of this association be directed to send a copy of this resolution to the Department of Commerce and to the State Department and to all Representatives and Senators in the hardwood producing areas of the United States, to the end that the hardwood lumber industry of America may not be forced to lose its customary market at the expense of the American taxpayer; be it further

Resolved, That the Lumber Branch Office of International Trade be urged and required to carry out the purpose for which it has been formed, namely, the fostering of international trade and not the complete stagnation of American exports of lumber.

FEDERAL SCHOOL AID LEGISLATION—RESOLUTION OF NEW JERSEY STATE BOARD OF EDUCATION

Mr. HENDRICKSON. Mr. President, I present for appropriate reference a resolution adopted by the New Jersey State Board of Education on April 1, 1949, requesting that both Houses of Congress subject all proposed Federal school aid legislation now before it to the most careful, thorough and objective review through adequate public hearings and through committee investigation to determine the ability and willingness of the States and their local subdivisions to pay for public education, and I ask unanimous consent that the resolution be published in the RECORD at this point.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

We, the New Jersey State Board of Education, believe that our American system of public education is vital to the perpetuation of our free society and therefore it is in the national interest that the system be maintained at a high level of efficiency and that adequate public funds be provided for this purpose.

We believe that the responsibility for maintaining good public schools and for providing the necessary funds is the function primarily of our State and local governments.

We believe that financial assistance from the Federal Government should be supplied for public schools only and when it is demonstrated beyond doubt that there are certain States whose people are economically unable to raise sufficient tax funds to support acceptable minimum standards of public education and therefore require assistance from their sister States by means of Federal grants-in-aid.

We do not favor any plan for Federal aid for public schools which contains provisions for any Federal control or supervision whatever over the policies established by State laws or local school ordinances relating to the administration, operation, or financing of public schools. We would insist that constitutional safeguards be set up, if necessary, to insure against any degree of Federal control of public education.

In view of fears publicly expressed against Federal control of education by many State governors, including the Honorable Alfred E. Driscoll, of New Jersey, and by an increasing number of educators, we believe that the Congress should investigate more carefully than it has heretofore the possibilities contained in proposed legislation for subjecting our school systems to unwelcome Federal supervision or control in part or to eventual complete federalization: Be it therefore

Resolved, That this body request both Houses of Congress to subject all proposed Federal school aid legislation now before it to the most careful, thorough, and objective review through adequate public hearings and through committee investigation determine the ability and willingness of the States and their local subdivisions to pay for public education; be it further

Resolved, That copies of this resolution be sent to the Governor of New Jersey, to New Jersey's Representatives in the United States Senate and House of Representatives, and to the chairmen of the Senate Labor and Welfare Committee and the Education and Labor Committee of the House of Representatives.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. WILEY, from the Committee on the Judiciary:

S. 70. A bill to make effective in the District Court for the Territory of Alaska rules promulgated by the Supreme Court of the United States governing pleading, practice, and procedure in the district courts of the United States; without amendment (Rept. No. 211).

By Mr. McCARRAN, from the Committee on the Judiciary:

S. 936. A bill to provide for the care and custody of insane persons charged with or convicted of offenses against the United States, and for other purposes; with an amendment (Rept. No. 209); and

H. J. Res. 160. Joint resolution to authorize completion of the processing of the visa cases, and admission into the United States, of certain alien fiancés and fiancées of members, or of former members, of the armed forces of the United States, as was provided in the so-called GI Fiancées Act (60 Stat. 339), as amended; with amendments (Rept. No. 210).

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS—REPORT OF A COMMITTEE

Mr. McCARRAN. From the Committee on the Judiciary, I report an original concurrent resolution, and I submit a report (No. 208) thereon.

The VICE PRESIDENT. The report will be received, and the concurrent resolution will be placed on the calendar.

The concurrent resolution (S. Con. Res. 27) was placed on the calendar, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months:

A-9743510, Aasmo, Kristian Ingvard.
A-1537001, Anderson, Mary Elvera (nee Soderman, formerly Sjoblom).
A-3734119, Araya, Luis Alberto y Franc, or Luis Alberto Araya.
A-5987595, Arias-Perez, Jose Angel.
A-1901927, Augustatos, Panagis, or Peter Statos.
A-7028110, Ballester, Amparo Teresa Asela (alias Amparo Iturbi Ballester).
A-3172055, Bartkowiak, Peter (alias Hans Halbe).
A-5220001, Bausback, Robert; Robert Hill.
A-9575542, Berkhout, Willem.
A-2588586, Bogdanovic, Savo, or Nicholas Pechar.
A-3793346, Borgwardt, Hans Karl.
A-2890486, Borrell, Teresa Adell (nee Gelma).
A-6451024, Black, Cristeta Bracamonte.
A-4451159, Braxton, Bedena Mae (nee Jackson).
A-5277574, Breed, Lois Hannah (nee Lois Hannah Carson).
A-6010603, Browne, Wolsely, or Woseley Browne.
A-5911494, Bubaris, Gus, or Constantine Bubaris.
A-6635469, Castillo, Margarita de Nino, or Margarita Castillo-Guzman.
A-6645953, Castillo-Nino (Nino-Castillo), Maria Teresa.
A-6732046, Caudillo, Tula Bonnie or Buenaventura.
A-4196469, Chai, Yung Shu, or Ashun Yung.
A-5780020, Chairman, Imre Von Csernyak, or Irving Chairman.
A-5553362, Chiampi, Vincenzo, or James Chiampi.
A-4314275, Chaitowich, Louis, or Louis Kaplan.
A-6244381, Constantinidis, Aristides (alias Aris Contis).
A-6221542, Cooper, Prisca Edrozo.
A-1405762, Dadines, Gustus or Gus or Constantinos.
A-4859572, Dalsass, Vigilio.
A-5696856, De Garcia, Reina Flores, or Reina Flores or Reina V. Florez or Reina Flores Garcia.
A-1319885, Dove, Alec George.
A-4479978, Dumo, Caridad Inigo, or Caridad Inigo.
A-6458415, Fenner, Edward George.
A-6458414, Fenner, Ronald James.
A-2383471, Freitas (de), Robert Montello.
A-4641707, Gabriel, John Riaza, or John Riaza.
A-6289030, Galocky, Peter, or Peter Galocki or Szalaky.
A-6682329, Gallant, Marie Doris.
A-6682330, Gallant, Marie Aline.
A-5078290, Gaug, Elizabeth (nee Bergman).
A-4899082, Gobel, Andrew, or Andreas Hupka.
A-4266209, Goldschmidt, Paul Andrew.
A-2984527, Gonzales, Juan Cruz.
A-5965015, Goster, Anton, or Anton Goester.
A-6339993, Gutierrez-Telleria Joaquin.
A-6057291, Henning, Charlotte (nee Meskewitz or Moskowitz).
A-3622165, Hing, Frank, or Fon Hing.
A-9527867, Hinojosa, Salvador De La Rosa.

A-4740106, Hodge, James Milton.
A-2744180, Horque, Abdul, or Abdul Ali or Michael Banali.
A-5789523, Ippolito, Lorenzo or Lawrence.
A-3009283, Karayiannis, Athanasios Joamis, or Thomas Karras.
A-4790517, Karlsen, Gustave Adolf, or Gus Karlsen.
A-4385826, Khan, Mohammed Yousaf, or Mohammed Khan or Joseph Martin.
A-6163659, King, Socorro Salvador.
A-6537545, Lambert, Peter William.
A-3244422, Larsen, Harry William.
A-5279913, Lazarowitz, Liza, or Liza Pollack or Liza Spector.
A-5341670, Liu. Pin Pin or Lau (nee T'an).
A-5946657, Macris, Demetrios (Demitrios) George, or James Demetrios (Dimitrios Macris or James Morris or James Makeras).
A-1293850, Mair, Esther Julia (nee Arlain formerly Beaubrun).
A-6756642, Martinez-Cuellar, Joel.
A-6342234, Mecham, Elisha James.
A-6199462, Mecham, Peggy Lynn.
A-6199463, Mecham, Eldon James.
A-6290925, Morris Edward Nemiah, or Edward Samuel Morris or Vincent Lawrence.
A-4648305, Moy, Mabel Mary, or Mabel Chung Moy or Mabel Mary Song or Geung Keu Sing.
A-5348214, Munoz-Melendez, Lorenzo.
A-6528174, Nino-Arroyo, Felipe.
A-5670657, Nolfi, Nicola Mario.
A-6069739, Nunez, Nicolas, or Nicolas Nunez Valencia.
A-6516676, O'Dwyer, Elizabeth (nee Semevsky or Elizabeth Semevsky Roberts).
A-6145883, Ortaliz, Jose Montilla.
A-6145884, Ortaliz, June Ann.
A-6145891, Ortaliz, Rosina Lou.
A-6047308, Pedroza, Gilberto.
A-6047309, Pedroza, Francisca.
A-5322856, Phillips, Clarence Daniel.
A-3138310, Pratelli, Gino.
A-6056513, Ramirez-Mendoza, David.
A-6243348, Rebollar, Jesus Garcia, or Jessie Rebollar or Jesus Rebollar y Garcia.
A-5648666, Reno, Mildred Agnes (nee Deneau).
A-6087331, Rivera, Maria Lorenza Gonzalez (nee Mejia).
A-3610681, Rodriguez, Antonio Manuel Ruiz.
A-6581448, Rodriguez, Lucio Socorro, or Lucio Rodriguez-Velo.
A-6187293, Roesler, Norbert Leonhard Hugo.
A-5377064, Rohan, Shelia (nee McLaughlin).
A-5840169, Rose, Frederick Winston, or Winston Rose.
A-9530108, Rubin, Tore Gustaf Borje.
A5290628, Saklias, Stavros, or Steve Saklias.
A-9706709, Schoneveld, Willem.
A-2851871, Shall, Mary Raffaela (nee Zaffino).
A-1748967, Shaher, Armed.
A-1253293, Shifriss, Oved.
A-1521407, Shifriss, Shoshana (nee Shoshana Zelmans).
A-6185203, Soriano, Vera Semenova (nee Doroshenko).
A-6346405, Stocks, Alexander Albert.
A-2593026, Strupp, Adele (nee Eckstein alias Adele Elizabeth Strupp).
A-6378219, Tischner, Kenneth James, formerly Kenneth James Quigly.
A-9607272, Valantasis, Georgios and George Kosti Valantasis, or Valantassis.
A-6249025, Van Dillen, Mathilde Alexandrine (nee Schoorel).
A-6177707, Van Dillen, Paul.
A-6145980, Vasquez, Jose Garcia.
A-6145981, Vasquez, Elizabeth Beedle.
A-5553142, Von Rabenau, Alexander Constantine (alias Alexander Olvera alias Alexander A. Rabenau).
A-4205188, Wang, Hsi, or Harry Wang.
A-4205176, Wang, Djao Szi, or Lily Wang.
A-6099150, Widerynski, Maria Antonietta.
A-6551114, Zerda, Dolores Phyllis.
A-6551115, Zerda, Dale Melford Aldeous.

COMMITTEE SERVICE

On motion of Mr. LUCAS, and by unanimous consent, it was

Ordered, That the Senator from New York [Mr. WAGNER] be excused from further service as a member of the Committee on the Judiciary;

That the Senator from Minnesota [Mr. HUMPHREY] be assigned to service on the Committee on Post Office and Civil Service; and

That the Senator from North Carolina [Mr. GRAHAM] be assigned to service on the Committee on the Judiciary and the Committee on Post Office and Civil Service.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. McCARRAN, from the Committee on the Judiciary:

Warren G. Moore, of Texas, to be United States attorney for the eastern district of Texas, vice Steve M. King, term expired.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HOEY:

S. 1496. A bill for the relief of Marie E. Wright; to the Committee on the Judiciary.

By Mr. LODGE:

S. 1497. A bill for the relief of Charles W. Yuill; to the Committee on the Judiciary.

By Mr. KERR (for himself and Mr. THOMAS of Oklahoma):

S. 1498. A bill to amend the Natural Gas Act, approved June 21, 1938, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. GURNEY:

S. 1499. A bill for the relief of Ernest Christensen and Anna Christensen; to the Committee on the Judiciary.

S. 1500. A bill to vest the Secretaries of the Army, the Navy, and the Air Force with uniform legal authority to provide for the primary and secondary education of dependents of military, naval, and civilian personnel of the Federal Government serving under their jurisdiction, and for other purposes; to the Committee on Armed Services.

By Mr. WILEY:

S. 1501. A bill for the relief of Mr. and Mrs. Ray S. Berrum; to the Committee on the Judiciary.

By Mr. DOWNEY:

S. 1502. A bill to extend pension benefits to persons who served on certain vessels operated by the Army during the war with Spain, the Philippine Insurrection, and the China Relief Expedition; to the Committee on Finance.

S. 1503. A bill for the relief of Vasco Lazzareschi; to the Committee on the Judiciary.

By Mr. MAGNUSON (by request):

S. J. Res. 74. Joint resolution to extend the time for use of construction reserve funds established under section 511 of the Merchant Marine Act, 1936, as amended; to the Committee on Interstate and Foreign Commerce.

AMENDMENT OF PUBLIC HEALTH SERVICE ACT—COSPONSORS OF S. 705

Mr. PEPPER. Mr. President, I ask unanimous consent to add the names of the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Washington [Mr. MAGNUSON] as cosponsors of the bill (S. 705) to amend the Public Health Service Act to support research and training in diseases of arthritis and rheumatism, and to aid the States in the development of community programs for the control of these diseases, and for other purposes.

The VICE PRESIDENT. Without objection, it is so ordered.

EXTENSION OF EUROPEAN RECOVERY PROGRAM—AMENDMENTS

Mr. McCARTHY (for himself and Mr. LANGER) submitted amendments intended to be proposed by them, jointly, to the bill (S. 1209) to amend the Economic Cooperation Act of 1948, which were ordered to lie on the table and to be printed.

Mr. CAIN (for himself and Mr. BRIDGES) submitted an amendment intended to be proposed by them, jointly, to Senate bill 1209, supra, which was ordered to lie on the table and to be printed.

REGULATION OF OLEOMARGARINE—AMENDMENT

Mr. WILEY. Mr. President, on behalf of the junior Senator from Iowa [Mr. GILLETTE], the junior Senator from Idaho [Mr. MILLER], the Senator from Nebraska [Mr. BUTLER], the senior Senator from Minnesota [Mr. THYE], the Senator from Kentucky [Mr. WITHERS], the senior Senator from Washington [Mr. MAGNUSON], the senior Senator from Iowa [Mr. HICKENLOOPER], the senior Senator from Idaho [Mr. TAYLOR], the senior Senator from North Dakota [Mr. LANGER], the junior Senator from North Dakota [Mr. YOUNG], the junior Senator from Oregon [Mr. MORSE], the senior Senator from South Dakota [Mr. GURNEY], the junior Senator from South Dakota [Mr. MUNDT], the senior Senator from Vermont [Mr. AIKEN], the Senator from Montana [Mr. ECTON], the junior Senator from Indiana [Mr. JENNER], the junior Senator from Washington [Mr. CAIN], the junior Senator from Wisconsin [Mr. McCARTHY], the senior Senator from Indiana [Mr. CAPEHART], the Senator from Colorado [Mr. JOHNSON], the senior Senator from Oregon [Mr. CORDON], the junior Senator from Minnesota [Mr. HUMPHREY], the Senator from Missouri [Mr. DONNELL], the junior Senator from Vermont [Mr. FLANDERS], the Senator from Michigan [Mr. FERGUSON], and myself, I submit an amendment in the nature of a substitute, intended to be proposed by us jointly, to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, and I ask unanimous consent that the amendment be referred to the Committee on Finance, and printed in the RECORD.

There being no objection, the amendment was referred to the Committee on

Finance, ordered to be printed, and to be printed in the RECORD, as follows:

Strike out all after the enacting clause and in lieu thereof insert the following:

"DEFINITIONS

"SECTION 1. (a) The term 'oleomargarine' as used in this act includes—

"(1) all substances, mixtures, and compounds known as oleomargarine, margarine, oleo, or butterine;

"(2) all substances, mixtures, and compounds which have a consistency similar to that of butter and which contain any edible oils or fats other than milk fat if (A) made in imitation or semblance of butter, or purporting to be butter or a butter substitute, or (B) commonly used, or intended for common use, in place of or as a substitute for butter, or (C) churned, emulsified, or mixed in cream, milk, skim milk, buttermilk, water, or other liquid and containing moisture in excess of 1 percent and commonly used, or suitable for common use, as a substitute for butter.

"(b) For the purposes of this act 'yellow oleomargarine' is oleomargarine, as defined in subsection (a) of this section, having a tint or shade containing more than 1⁹⁄₁₀° of yellow, or of yellow and red collectively, measured in terms of the Lovibond tintometer scale read under conditions substantially similar to those established by the Bureau of Internal Revenue, or the equivalent of such measurement.

"(c) The term 'commerce' as used in this act means trade, traffic, commerce, transportation, or communication among the several States, or between the District of Columbia or any Territory of the United States and any State or other Territory or between any foreign country and any State, Territory, or the District of Columbia, or within the District of Columbia or any Territory, or between points in the same State but through any other State or any Territory or the District of Columbia or any foreign country.

"PROHIBITED ACTS

"SEC. 2. The manufacture, transportation, handling, possession, sale, use, or serving of yellow oleomargarine in commerce, or after shipment in commerce as yellow oleomargarine, or in connection with the production of yellow oleomargarine for shipment in commerce, is hereby declared unlawful: *Provided, however,* That yellow oleomargarine manufactured or colored within the borders of a State or Territory in which it is to be consumed shall not be subject to the provisions of this act but shall be subject to the laws and regulations of such State or Territory. Nothing contained in this act shall be construed to limit in any way the applicability of the Federal Food, Drug, and Cosmetic Act.

"ENFORCEMENT

"SEC. 3. The Administrator of the Federal Security Agency is authorized and directed to administer and enforce this act and to prescribe and enforce rules and regulations to carry out its purposes and policies. The enforcement provisions of the Federal Food, Drug, and Cosmetic Act, including the provisions relating to injunctions and seizure, shall be available for the enforcement of this act.

"PENALTIES

"SEC. 4. Any person, firm, or corporation violating any of the provisions of this act, or of the rules and regulations issued in connection therewith, and any officer, agent, or employee thereof who directs or knowingly permits such violations, or who aids or assists therein, shall upon conviction thereof be subject to punishment in the same manner and to the same extent as persons who violate the Federal Food, Drug, and Cosmetic Act.

"APPROPRIATIONS

"SEC. 5. There is hereby authorized to be appropriated annually, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for the adequate enforcement of this act.

"REPEAL

"SEC. 6. The following sections of the Internal Revenue Code (relating to taxes on colored and uncolored oleomargarine, to special occupational taxes on manufacturers, wholesalers, and retailers of oleomargarine, and to packaging, reporting, and other regulations of oleomargarine) are hereby repealed: Sections 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2313, 3200, 3201 (26 U. S. C., secs. 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 31313, 3200, 3201)."

Mr. WILEY subsequently said: Mr. President, I send to the desk a statement which I have prepared on the subject of the substitute amendment to H. R. 2023, which was submitted earlier today on behalf of myself and 25 other Senators. This substitute would repeal existing Federal taxes on oleomargarine, but would ban the shipment of yellow-colored oleo in interstate commerce while preserving the right of plants to produce yellow oleo within a State which allows such production. I ask unanimous consent that the text of my statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD as follows:

STATEMENT BY SENATOR WILEY ON SUBSTITUTE FOR H. R. 2023, RELATING TO OLEO-BUTTER ISSUE

Today, 25 Members of the Senate on behalf of the American dairy industry, yes, American agriculture as a whole and our people as a whole, gave the forthright answer to the efforts of the oleo lobby to sabotage American butter production. Our answer came in the form a substitute for H. R. 2023, co-sponsored by many other Senators and myself, and designed to prevent the 24 oleo manufacturers from usurping the natural yellow color of butter. This color question is, of course, the crucial question in the present dispute.

Our substitute represents a perfected version of the Granger-Anderson bill, H. R. 2023, which was reported by the House Agriculture Committee but which the House of Representatives chose, unfortunately, to reject, 162–141, substituting therefor the Poage bill. We feel that the Granger-Anderson bill represents the best interests of the American people as a whole.

Our people recognize that upon the health of the American dairy industry depends to a considerable extent the health of American agriculture and in particular the fertility of American soil. If the Congress were to foolishly allow the oleo lobby to usurp butter's color and to drive butter from the market, then the Congress would be stabbing with a death blow the American dairy industry; it would be reducing by up to 25 percent the income of the dairy farmers; it would be selling out the birthright of the American people who depend upon the milk cow as the greatest fertilizing agent for America's soil. I am certain the Congress will not permit such disasters to occur.

This dispute may be basically between 24 oleo manufacturers and 2,500,000 dairy farmers, 3,500 creameries, 40,000 dairy plants. But it is really larger than that in its vast implications; it is not simply a dairy issue. It is an issue in which every citizen of this land is directly involved—all 148,000,000 of us.

The oleo manufacturers have shown conclusively that they are not interested in the consumer's welfare but rather in their own profits. They know that oleo prices would soar in the event that butter were driven off the market.

I have previously introduced into the CONGRESSIONAL RECORD resolutions sent to me by dairy organizations in my State who have urgently petitioned the Congress to prevent fraud and misrepresentation on the American consumer.

I have faith that the Congress will not allow the American dairy industry to be crucified. I have faith that the American Congress will with vision and judgment, protect this vital segment of American agriculture, and in so doing protect our soil and protect the nutritional standards of our people.

In this substitute, we are following the precedent of the Federal Antifilled Milk Act of 1923. We are following, too, precedents for protection of States' rights. It is my earnest hope that the Congress will therefore adopt the substitute and pass the House bill as so amended.

PROPOSED LEGISLATION AFFECTING OLEOMARGARINE — STATEMENT BY SENATOR THYE

[Mr. THYE asked and obtained leave to have printed in the RECORD a statement prepared by him regarding proposed removal of restrictions relating to the coloring of oleomargarine, which appears in the Appendix.]

TWO HUNDRED AND FIFTIETH ANNIVERSARY OF FIRST EUROPEAN SETTLEMENT IN BILOXI AREA—ARTICLE BY ANTHONY V. RAGUSIN

[Mr. STENNIS asked and obtained leave to have printed in the RECORD an article by Anthony V. Ragusin, of Biloxi, Miss., outlining, in connection with the two hundred and fiftieth anniversary of the first European settlement, the history of the Biloxi Bay area, which appears in the Appendix.]

AMERICAN FOREIGN POLICY—EDITORIAL FROM FORT WAYNE (IND.) NEWS-SENTINEL

[Mr. JENNER asked and obtained leave to have printed in the RECORD an editorial entitled "In Our Lodge," published in the Fort Wayne (Ind.) News-Sentinel of March 31, 1949, which appears in the Appendix.]

REPLY BY TOM HENDERSON TO ATTACK BY HENRY McLEMORE ON DAUGHTERS OF CONFEDERACY

[Mr. HOEY asked and obtained leave to have printed in the RECORD an article entitled "Daughters of Confederacy Defended Against Henry McLemore's Attack," written by Tom Henderson, which appears in the Appendix.]

PUBLIC SAFETY WORK OF THE NATIONAL SAFETY COUNCIL—LETTER FROM W. A. IRVIN

[Mr. MARTIN asked and obtained leave to have printed in the RECORD a letter from W. A. Irvin, chairman, board of trustees, National Safety Council, dated March 24, 1949, dealing with the public safety work of the National Safety Council, which appears in the Appendix.]

PURCHASE BY POST OFFICE DEPARTMENT OF COTTON TWINE AND COTTON GOODS TO REPLACE JUTE PRODUCTS

Mr. MAYBANK. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the National Cotton Council of America, addressed to me as chairman of the Subcommittee on Treasury and Post Office of the Senate

Appropriations Committee, together with an enclosure, in connection with the purchase of cotton twine and cotton goods in place of jute products, showing the necessity at this time of using as much cotton as possible.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL COTTON COUNCIL OF AMERICA,
Washington, D. C., April 2, 1949.

Hon. BURNET R. MAYBANK,
Chairman, Subcommittee on Treasury and Post Office of the Senate Appropriations Committee, United States Capitol Building, Washington, D. C.

DEAR SENATOR MAYBANK: Each year the Post Office Department purchases several million pounds of single-ply twine, which is used for tying up packages of mail. Jute twine is purchased almost exclusively for this purpose.

A few years ago, and specifically in 1941, the appropriations bill for the Post Office Department—namely, H. R. 3205, dated February 14, 1941, page 53, lines 15 through 19—contained the following language: "* * * for wrapping twine and tying devices (not more than three-fourths of the funds herein appropriated for the purchase of twine shall be expended in the purchase of twine manufactured from materials or commodities produced outside the United States) * * *."

Since jute is an imported fiber the obvious intent of this language was to require the Post Office Department to purchase 25 percent of its requirements in a twine made from domestic fibers. Cotton twine was purchased to meet this requirement. Since 1941, however, no such language has appeared in the appropriations measure for the Post Office Department. Presumably the reason is that beginning about that time the cotton textile industry's production was controlled under orders and directives of War Production Board, on a basis of the Board's determination as to what products were required for military purposes and essential civilian uses.

This WPB control remained in effect until the last quarter of 1945. When it ended, the textile industry had large backlog demands for civilian requirements and has until fairly recently operated at near capacity production. However, these conditions do not exist today and the industry is operating on a curtailed basis. It is now in a position to meet the Post Office Department's needs on a production basis at least equal to that required by the appropriations bill of 1941. To illustrate the industry's present position, you may be interested in the facts set forth on the enclosed sheet.

The Post Office Department advises that they have purchased to date 3,400,000 pounds of single-ply jute wrapping twine from moneys appropriated for their use during the fiscal year ending June 30, 1949, but have purchased no comparable wrapping twine made from cotton. They advise, however, that they are anxious to have our mills develop a satisfactory twine, thereby obviating complete dependence on a foreign source of supply.

At present several cotton textile mills are doing exploratory work directed toward a better cotton twine for post-office requirements. However, in submitting bids the cotton mills would not be in position to compete on a per pound basis with jute twine, due to raw material costs, but it is believed that they can compete by providing a twine of sufficiently greater yardage per pound to offset the difference in price.

Cotton has one decided advantage over jute in that it does not lose its strength at the knot. Another advantage is its cleanliness. Further, to the best of our knowledge, the cotton twine used in 1941 was entirely satisfactory.

It is not our desire to impose upon the Post Office Department any unnecessary burden or expenditure. At the same time the cotton industry will greatly appreciate your taking this matter up with the proper representatives of that agency and considering with them the advisability of stimulating their use of cotton twine, either through language in the appropriation bill similar to that of 1941, or otherwise.

This letter has been prepared in collaboration with the Cotton Textile Institute.

Assuring you of our appreciation for your efforts, we are,

Very truly yours,

ROBERT C. JACKSON.

ENCLOSURE

1. During the 7 months ending February 28, 1949, the consumption of cotton totaled 4,848,239 running bales, while for the same period in 1948 the total amounted to 5,431,140 running bales, according to reports of the Bureau of the Census.

2. The same reports show that cotton-consuming spindles in operation on the last working day of February 1949 totaled 20,758,000 and on the last working day of February 1948 totaled 21,485,000.

3. According to the Bureau of Labor Statistics, United States Department of Labor wage earners in the cotton textile industry dropped from 529,400 in March 1948 to 494,900 in January 1949. This reduction would be much greater if it were not for the fact that many mills have reduced their operations by operating only 3 to 4 days a week while maintaining the same number of shifts.

JACKSON-JEFFERSON DAY DINNER ADDRESS BY OSCAR L. CHAPMAN

Mr. O'MAHONEY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD the text of an address delivered by the Honorable Oscar L. Chapman, Under Secretary of the Interior, at the Jackson-Jefferson Day dinner at Des Moines, Iowa, on April 2, 1949.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Toastmaster, ladies and gentlemen, 5 months ago today the people of the United States presented us with the proud reason for holding this meeting tonight.

Five months ago today the people of this State made it possible for me to join with so many fellow Democrats in a victory dinner with real meaning in Iowa.

We have reason to be grateful to the people of the United States and the people of Iowa. They have made this occasion possible by electing a Democratic administration complete with majorities in both Houses of Congress.

They have not only given us quantity but they have also given us quality. Iowa, as a shining example, has given us not just another Democratic Senator but a liberal statesman and leader, an outstanding public servant, my friend GUY GILLETTE.

Americans have been known for their marksmanship since the days of the Pilgrims; but never has the combined acuteness of the voting Americans been shown as fully as in the 1948 election. With keen eye and steady trigger finger, the voters pinpointed their aim and brought to Washington an overwhelmingly progressive Congress to support their selection of President Harry S. Truman.

Our gratitude to the Daniel Boones of the polling booth may be in a measure the old "lively sense of more favors to come." We expect the voters want to and will keep up their aim, bagging further victories for the Democratic Party. We are going to need more men like GUY GILLETTE in the Senate if we are to maintain and extend the Democratic program of a Fair Deal.

It is up to us in the Democratic Party to see to it that the American voter has not done his sharpshooting for us in vain. It is up to us to continue to give that dynamic leadership that has characterized our party from the days of Jefferson and Jackson right down to our recent victories with Roosevelt and Truman.

Election day 1948 was like D-day—it gave us a great chance—it was a bold step forward in the history of our country—but it hasn't settled the issues. We have secured our bridgehead but we've still got the job to do.

Election day was simply an overwhelming reassertion of the people of this country that they intend to keep our Government in the hands of those who know their problems and will do something about them. As President Truman so ably put it, "All we have on our side is the people." Our job is to deserve this support of the American people.

We, Democrats, draw great inspiration from the men in whose names we gather together here tonight—Thomas Jefferson and Andrew Jackson. Not only did they give birth and strength to our party, but they were daring builders of our Nation. Their farsighted and progressive principles and their courageous programs set our country on the path of its present strength and greatness.

Freedom of speech and thought, universal education, and action through the ballot by all the citizens are the fundamental principles of a truly democratic Nation. Jefferson and Jackson perhaps more than any others were responsible for the incorporation of these principles in the very web and foundation of our national life.

Growing up under these principles we have become the greatest Nation in human history. Our democratic ideals and our belief in the dignity and value of the individual have given us the moral leadership of the modern world, and made our Nation the pattern and the inspiration of all the world's struggling peoples.

Our great agricultural and industrial system has made it possible for us to maintain the highest levels of living the world has ever known, and at the same time to feed and to supply machinery and materials to those nations that are recovering from the exhaustion and devastation of the war.

Our strength and our belief in democracy has enabled us to draw together the free nations of the world in an invincible common front for the preservation of human liberty everywhere. We have the conviction, born of our own experience, that the principles of democracy can meet every threat of international communism, fascism, or any other ism, and can provide the basis for the individual well-being necessary to assure peace and progress in the world.

Because our principles have been tried by experience, we know that the American people will never submit to any rule or system except one established by their own free choice. They will never give up their liberties, their rights as individuals to live their own lives in the way that seems best to each of them, their right to education, to work, and through their votes to run their government.

We pay tribute to Thomas Jefferson and Andrew Jackson for their magnificent contributions to the establishment of these fundamental principles. But let us remember that they were leaders because they had the foresight to fight for these principles before they were proved and popular.

It is in this spirit that I suggest that we honor these great men—not to bemoan the passage of the good old days or to suggest that only measures for which they fought are worthy of our advocacy. But, rather like Jefferson and Jackson, to face new challenges

with courage and foresight. To fight, as they fought, against special privilege and for extending the effectiveness of democracy. To accept change as they accepted change. And to formulate new programs just as they devised new methods of carrying forward their principles.

We have little doubt of its wisdom today, but imagine the courage it took for Jefferson to purchase this vast Mississippi Valley for a mere $11,000,000. Today it looks like the smartest real-estate deal in history, and measured against it, the Indians cheated the Dutch when they charged $26 for Manhattan Island.

But to the men who had to make and defend the decision to effect the Louisiana Purchase, the problem was not eased by our 146-year-old hindsight. Only a sense of the dynamic force of American progress could answer the doubters, the fear mongers and voices of special privilege who opposed this bold and courageous undertaking.

The purchase of this vast territory, like the election and like D-day, was not an end in itself. Once accomplished, it required further decisive action to make its promise a reality. It required the initiation of policies and programs that would lead to its development into its present greatness as a source of national strength and of well-being for millions of our citizens.

The policies under which this vast region was developed were as important and far-reaching as the purchase itself. They were based upon the principles of extending democracy, of preventing monopoly, and making widely available to the people the benefits of public expenditures and public property.

This would be a vastly different country if land monopolists, instead of the homesteaders, had been encouraged to take over the lands acquired in the Louisiana Purchase. These rolling prairies would have become feudal land holdings, large haciendas, baronies, instead of sound farm homes for the people who work the land. The balance of industry and agriculture that the policies of Jefferson and Jackson made possible in the great Mississippi Valley could never have been achieved if the Federal Government had not encouraged the development of family-sized farms upon which the prosperity of this region depends. That, too, was not as obvious a 100 years ago as it is today.

The spirit and foresight with which Jefferson and Jackson fought out these issues, and won them for the people of their day and for us, has characterized our party ever since.

Under the leadership and wisdow of Wilson, great strides were made in pushing forward the people's program. How tragic for the world, however, that a willful minority at that time was able to sabotage the establishment of an effective League of Nations. Equally tragic it would be if a second great world war, with its millions of deaths and billions of cost, has not completely convinced the world that the Wilsonian dream of real international cooperation is the only route to permanent peace.

We want to continue the job of developing the West that Jefferson and Jackson knew was the hope of the Nation. Under the leaddership of Franklin D. Roosevelt we undertook vast programs of soil and water conservation, of forest protection, and of industrial decentralization. President Truman has stepped up those programs and the American people have urged him on. But there are those who oppose these programs, or who, if they can't stop them, want to twist them to their own purposes, just as the monopolists tried to grab the benefits of the Louisiana Purchase when they couldn't thwart its consummation.

That fight for western development into a balanced and prosperous region of our country was part and parcel of the 1948 campaign. The issue of whether the West was to remain a colony of the financial center of the East was clearly drawn by the actions of the Eightieth Congress. President Truman took up the challenge, and we tonight celebrate the results.

The issue of whether western development would proceed on the principles of extending the benefits of that development to the people was also drawn by the Eightieth Congress. Efforts were made to overturn the traditional American reclamation laws that, in keeping with the principles of Jefferson and Jackson, provide for the development of family-sized farms for the many, and prevent speculation in Federal developments or the monopolization of their benefits by the few. President Truman took up that challenge, and tonight we celebrate the results.

Efforts were made to turn over all of the power from our great hydroelectric plants to the few corporations who opposed their construction by stopping the transmission lines necessary to deliver that power to the people to whom it belongs. President Truman again took up that challenge and tonight we celebrate the results.

Not only these efforts to expand the frontiers of our economic development but other efforts to spread the benefits of our American system were attacked and picked to pieces. Housing, health, social security, civil rights, labor legislation, all came under the deadening hand of the Eightieth Congress. President Truman kept these issues alive for the American people, and we proudly celebrate the results.

Basically, we must create an economic and social climate where all the people of our Nation can move forward together no matter what their race, creed, color, or point of national origin. And no matter what their economic status.

A vital part of the economic and social climate I speak about is keeping our economy in balance. In seeing to it that each group gets its fair share of the goods we produce.

During the past 16 years the conservation and development of all the Nation's resources have been basic objectives of Democratic administrations.

Specifically, this means conservation of forests and watersheds, and the construction of multiple-purpose projects in order to develop cheaper electric power for farm, home, and industry, to irrigate farm lands, and prevent disastrous floods.

It means stabilized farm prices to increase production and raise living standards on the farms, just as it means credit and other aids given to industry when needed to expand employment and the production of goods.

It means not interference with, but protection of our economic enterprise system. It means safeguarding and equalizing and maintaining an open door of opportunity to which all our people can look forward with confidence. In short, it means helping the people to help themselves.

We do not, for example, think of farm-crop price supports as subsidies or bonuses. They are part of a stabilizing and equalizing program to place agriculture nearer to parity with industry for the benefit of both.

Under the common-sense policies of Democratic administrations, most farmers have prospered. But not all our farmers are sharing in the Nation's prosperity. There are still too many who have shared too little. Despite the progress our farmers have made, the per capita income of persons on farms in 1948 was only $909 as compared with $1,568 for persons not on farms.

Parity means more than stable farm-crop prices. It also means good housing, electricity, better health facilities, improved roads, and better rural schools. It should also mean adequate credit to meet the farmers' basic needs. The people of our farm communities are not only entitled to freedom from want and fear, but they are also entitled to freedom of opportunity.

We can, and we will, push forward President Truman's Fair Deal.

Not only our own people, but the people of the world seek our success. The vitality of our efforts toward bettering the lot of our people are an inspiration to those who still seek freedom and economic development and security.

President Truman, in his inaugural address, proposed a bold new program for the development of the underdeveloped areas of the world to improve the levels of living of the people and to help them to help themselves in providing more food and housing and power.

The President has suggested that we share our abundant knowledge and technology to this end. No program can make a more effective contribution to world peace and security, including our own. As the President pointed out, the best markets for our goods are the developed areas of the world.

As we have demonstrated here at home, prosperity in one area secures the prosperity of the others. * * * The development of the West has, for example, strengthened the economy of the East.

This bold new program will face its share of doubters and dissenters. It faces squarely the issue of world development and world peace. It ushers in, as did Jefferson's Louisiana Purchase, a new era of progress—a new set of goals and of problems. But the results will be similarly effective for the benefit of our Nation, and the future of our children.

We who have worked on the development of our own Nation are particularly interested in this bold new program of point 4. We are aware that as we export our technical knowledge, we will also export those principles of freedom and fair play, or protection of minorities and underprivileged, of democratic concern for the rights of the individual that have been as important to our own growth as have our abundant resources and our technical skills.

In connection with this program, the United Nations is holding a world conference on the conservation and utilization of resources this coming summer here in this country. Experts, scientists, and administrators interested in the development of resources from all over the world will get together to exchange knowledge, and experience. This initial step, long sought by conservationsist, will give us an opportunity to give drive and direction to improving the use and protection of the world's basic resource assets.

This step, and those to follow, in carrying forward the President's program will require our constant attention and intelligent action.

Let me point out again that the election of November 2, 1948, did not settle anything except that President Truman and his team were to stay on the job with a lot better help in the House and Senate than they had before.

In November 1948 the people told the world what they wanted. On that day they chose a program of liberal progressive action.

They refused to be turned back to the 1900's. They asked not for a free ride, nor for a soft touch. They asked for a fair deal. And that's what the Democratic Party proposes to give them.

But to guarantee this Fair Deal takes more than the words of the President of the United States.

It takes more than Democratic Members of the Congress.

It takes the living force of the people of the United States in active support of their President and their Congress.

It calls for active, fighting democracy.

Everyone of us who believes in the program of liberal, progressive action must get into the fight.

I am confident, although there may be some differences of opinion in our own party, on

how best to accomplish the Fair Deal program, that the major and essential features of that program will be adopted.

I am also confident that on the strength of our achievements and the vigor our party possesses that we will move on to further victories and to even greater service to the people of the Nation.

We need only courage and common sense and cooperation.

LOBBY ACTIVITIES TO EXEMPT THE ARMY ENGINEERS FROM PROPOSED REORGANIZATION ACT

Mr. LODGE. Mr. President, some weeks ago I spoke to the Senate about the improper lobbying activities of the Army engineers in connection with the Reorganization bill. I forwarded evidence concerning that subject to the Secretary of the Army, Hon. Kenneth C. Royall, who assured me he would make an investigation. I now have received a reply from the Secretary of the Army regarding the investigation, and in fairness to him and all concerned, I ask unanimous consent that the letter be printed in the body of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE ARMY,
Washington, D. C., April 1, 1949.

Hon. HENRY CABOT LODGE, Jr.,
United States Senate,
Washington, D. C.

DEAR SENATOR LODGE: This letter is in further reply to your letter of March 10, 1949, with reference to the distribution of a release of a political nature by the personnel of the San Francisco district, Corps of Engineers. An interim reply was made to you on March 15, in which it was stated that action had been taken to preclude future activities of this nature and that an investigation would be made of the incident reported by you.

This investigation has been made, and I find that on or about January 27, 1949, at a routine staff conference held by the district engineer, San Francisco, Calif., and attended by the civilian heads of five divisions of his office, the key civilian employees present brought up the matter of the reorganization of the Government and its probable effect on the Corps of Engineers. During the discussion the question of employees presenting their views to their representatives in Congress was raised.

It was brought out in the investigation that the district engineer advised strongly against such action but, when it was argued that civilian employees had that basic right, he felt that he could not deny it to them. As a result, a paper similar to the one you sent me was drafted in the conference with several persons participating in the compilation, and about six copies were made and given to those who attended the conference. The document was not released for general distribution by the district engineer, and if it was given wide circulation it was without his knowledge, and contrary to his intention.

In the face of the assertion by civilian employees of their right to petition Congress, I feel that the district engineer could have furnished better guidance and directed the matter into channels that at least would not have involved his office. Inasmuch as the incident occurred prior to the issuance of my instructions of February 19, 1949, I have decided that an admonition to the district engineer is appropriate in this case.

May I assure you again that it is my firm intention that officers and civilian employees of the Corps of Engineers shall adhere strictly to the policy of the Department of the Army and the law as it applies to political activities on their part designed to influence legislation.

Sincerely yours,

KENNETH C. ROYALL,
Secretary of the Army.

PROGRAM FOR SENATE SESSIONS—SIGNING OF NORTH ATLANTIC PACT

Mr. SALTONSTALL. Mr. President, I should like to ask the majority leader about the program of the Senate for today. I have heard discussions about the Senate taking a recess this afternoon in order that Senators may attend the ceremony of the signing of the North Atlantic Pact. I should appreciate it very much if the Senator would give us some idea of his plans.

Mr. LUCAS. Mr. President, I expect to ask the Senate to take a recess at 3:30 o'clock this afternoon. It is my understanding that the signing of the North Atlantic Pact will take place about 4 o'clock, or shortly thereafter. Any Senator who desires to do so may leave the Senate Chamber before that time. I understand that speeches by the foreign ministers will begin at 3 o'clock. Each foreign minister will be allowed a 5-minute speech, which will take 1 hour. It is my understanding that immediately thereafter the signing of the pact will take place, and that the President of the United States will go on the radio at 4:30. It may be that he will speak previous to the signing of the pact. At any rate, any Senator who desires to leave the Chamber before 3:30 to listen to the speeches may do so; but it seems to me that if we take a recess at 3:30 Senators will be able to get there in plenty of time to see the signing of the pact and hear some of the foreign ministers speak.

Mr. HOLLAND. Mr. President, Senators on this side of the Chamber would like to know whether there are any seating arrangements for Members of the Senate.

Mr. LUCAS. I do not understand that there are. It may be that there are, but I have not been informed about it.

Mr. DONNELL. Mr. President, at what hour does the Senator intend to have the Senate resume its session? Will it be tomorrow?

Mr. LUCAS. Yes. After we take a recess at 3:30, the Senate will not come back today. The recess will be until tomorrow.

Mr. FULBRIGHT. Is the ceremony to understood that it was necessary to have a card to gain admission, because of the limited seating accommodations.

Mr. LUCAS. That may be so. I understood that every Senator and every Member of the House had been invited. I may be mistaken.

Mr. FULBRIGHT. Is the ceremony to be at the Department of Commerce Auditorium?

Mr. LUCAS. It will be at the auditorium in the Department of Labor Building on Constitution Avenue.

Mr. President, I have nothing to do with the arrangements. I do not know who has been invited or who has not been invited, but I was under the impression that all Senators had been invited.

Mr. SALTONSTALL. Mr. President, I should like to ask if at the present time the Senator has any plan for a night session tomorrow night, in order that Senators may make their plans?

Mr. LUCAS. Mr. President, I am very glad the Senator asked that question.

After the Senate takes a recess this afternoon until tomorrow morning at 11 o'clock, it is planned to have a night session tomorrow. I hope that we can get along with the ECA program and complete consideration of the pending bill. We have been debating it for 10 days, and only two amendments have been voted upon. It seems to me that we have explored every possibility in connection with the ECA program, and some things that are not possible. I hope we can move along and reach a vote on the bill.

There is no question that the Senate is behind in its legislative schedule. It is the hope of the Senator from Illinois that we may comply with the Reorganization Act and conclude this session of Congress by July 31. But certainly, if at that time there is still a backlog of legislation on the calendar, it will be necessary for Congress to continue in session after the 31st of July by passing a joint resolution, if that is the proper procedure, or by having the President of the United States call a special session.

I say that in the utmost good faith, with the hope that we can expedite the business of the Senate, to the end that Congress can adjourn by July 31. One of the reasons the Senator from Illinois has been planning sessions beginning at 11 o'clock, and some night sessions, is the hope that we can complete consideration of the ECA bill and other pressing matters which follow it on the calendar. In reality some of them have a deadline. I say that so that Senators may understand exactly what is in the offing in the coming months.

Mr. DONNELL. Mr. President, I should like to ask a question in regard to the arrangements for this afternoon. Perhaps the Senator may have explained the situation, or perhaps I did not hear everything he said. Is there any arrangement by which Senators will attend the ceremony in a body, or by which we can be admitted without tickets, or must we have tickets? Just what are the arrangements for our accommodation?

Mr. LUCAS. I will say to the distinguished Senator from Missouri that I have no information about the details, or how the seating arrangements are to be handled. I do not know whether all Senators are invited. I should think all Senators would have been invited. Whether or not they are, I do not know.

Mr. DONNELL. So far as I know, no invitation has been received by myself. I am not soliciting one, but I should like to get full information on the question.

Mr. LUCAS. I should like to take the Senator with me.

Mr. CONNALLY. Mr. President, my information is that the entire membership of the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs, as well as the chairmen and ranking members of all other committees, are formally invited.

My further information is that probably any Senator can gain admit-

tance if he cares to attend. However, tickets have been issued, and some Senators have already received their tickets. I had nothing to do with the arrangements, and neither did the committee. The capacity of the hall is more or less limited.

That is all the information I can give the Senator at the moment. I understand that the actual signing will probably not take place until about 4:30 o'clock. A certain amount of oratory must first be expended. That is a habit which this body has at times.

EXTENSION OF EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 1209) to amend the Economic Cooperation Act of 1948.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from California [Mr. KNOWLAND], to add at the end of the bill a provision relating to China.

Mr. BALDWIN. Mr. President, it is the purpose of the junior Senator from Connecticut at this time to discuss an amendment submitted by him to the pending bill. The amendment deals with section 111 of the Economic Cooperation Act of 1948, and would add the following language:

No assistance shall be furnished under this act to a participating country during any period with respect to which the Secretary of State determines that such country is violating any treaty with the United States.

Briefly, Mr. President, the amendment would accomplish this: If any nation which has a treaty with the United States, or any nation which has a treaty with any other nation to which the United States is a party, is in violation of such treaty, as determined by the Secretary of State, ECA funds to that nation which is in violation can be withheld so long as the violation continues.

Mr. President, this matter came to the attention of the junior Senator from Connecticut through a representative of the so-called American Trade Association of Morocco. It so happens that the president of that association and, as I understand, some of its members, live within the State of Connecticut. This association was chartered in November 1947. It now has an active membership of 36, 31 of whom are veterans of World War II, and 12 of whom are presently officers on the United States active Reserve list. These facts are mentioned because several of the members of this association served in the Mediterranean area, and during the war years they became familiar with that region and with the trade possibilities there, and so decided that when their service was ended, they would go into the export and import business and would trade with Morocco. Their activities include import and export trade, generally, and trucking, garages, automobile agencies, agencies for machinery, electrical equipment and appliances, insecticides, textile, tires, tin plate, and the general run of business which is covered by export and import activities. That trade includes the products of such companies as Armstrong, Nash, Westinghouse, Remington Rand, and Kelvinator; the products of many of the leading companies manufacturing some of the best-known American products are handled by members of this association. It is estimated that the average annual volume of trade per member is in the neighborhood of $250,000 worth.

Mr. President, this amendment is not offered by the junior Senator from Connecticut to take care of this specific situation. I felt that it was highly probable that if this situation existed there, probably there were or might be similar situations in the future, and that some action should be taken at this time to amend the bill in such a way that our State Department, which handles such matters, and the administration of ECA would know what is the sentiment of the Congress of the United States.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. BALDWIN. I am glad to yield to the Senator from Wisconsin for a question.

Mr. McCARTHY. I ask the Senator whether I am correct when I say that we are now spending $3,000,000 or $4,000,000 of ECA funds in French Morocco each month, but that presently we have no American representative of ECA in French Morocco.

Mr. BALDWIN. I do not know whether that is a fact, but it may very well be.

Mr. McCARTHY. May I ask a further question?

Mr. BALDWIN. I yield for a question.

Mr. McCARTHY. Am I correct in saying that a number of the members of the American Legion Post in French Morocco were active prior to the American landings during the war, and that as of this time some of those men, who at the time of the American landings were jailed by the local officials because of the help they gave to the American forces—or course, they were released after the Americans took over—are now being seriously hampered and limited because the same Vichy officials now are passing on the amount of ECA material which can be obtained by those particular American veterans?

Mr. BALDWIN. I understand that to be the fact, basing my knowledge upon representations which have been made to me; and which I have no reason to doubt, for the men who have made them appear to be honorable American citizens.

Mr. McCARTHY. Will the Senator permit a further question?

Mr. BALDWIN. I yield for a question.

Mr. McCARTHY. I may say first that I have had a great deal of correspondence with the American Legion in French Morocco, particularly with Mr. Rodes, who is the commander of that Legion. Mr. Rodes is now a Reserve officer in the United States Engineers Corps, and was in OSS for about a year and a half, in French Morocco, before our forces landed there. I have had much correspondence with him, and have checked it as closely as possible. I wonder whether the Senator from Connecticut has received the impression I have, namely, that as of today there is much discrimination in French Morocco against the Jews and the Moroccans, and that the Moroccans and the Jews are led to believe that such discrimination occurs because of a mandate from the ECA? Of course, the Senator from Connecticut and I know that is ridiculous; we know that there is no such mandate from the ECA; but such discrimination is doubly vicious when the blame for it is attempted to be placed on the ECA.

I may say that I have before me a telegram from the adjutant of the American Legion post in French Morocco, Herbert Abrams. He is a one-legged World War II veteran. I should like to read the telegram, which is dated March 27, 1949:

Despite stiff consular protest, 500 pounds matzoth to be distributed gratis for imminent Jewish holidays refused release from port.

As the Senator from Connecticut knows, matzoth is the Passover bread which the Jewish people use during the Jewish holidays. This telegram seems to be definite proof of that type of discrimination, in that that bread, imported from the United States, and to be distributed free to the Jewish people there for the Jewish holidays, is not allowed to be distributed; the French Moroccan authorities, despite protests from our consular office, say they will not release that material, which, of course, has been purchased with ECA funds. So I wonder whether the Senator has in mind adding to his amendment any provision which would prevent discrimination because of race or religion in the handling of ECA funds?

Mr. BALDWIN. Let me say that I am not so familiar with some of the details the Senator has mentioned as his remarks indicate he is. However, I am under the impression that the French authorities there are generally discriminating against American citizens, and that they are doing so in violation of treaties by which France is bound. It is for that reason that I have offered this amendment, namely, in order to bring to the attention of the Secretary of State of the United States and also to the French Nation the fact that we Americans do not like that kind of discrimination, and that we are insistent that something be done about it.

Mr. McCARTHY. Let me ask——

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from Wisconsin for another question?

Mr. BALDWIN. I yield for a further question.

Mr. McCARTHY. I ask the Senator whether he is aware of two particular cases of apparent discrimination in French Morocco: One, that of a World War II veteran, an American, who is operating a trucking line there and has invested much of his money in trucks and equipment, but who has found that when repair parts are sent to him, the French Moroccan officials will not release them so that he can use them, but tell him that he has to send them back to the United States; and, second, that this particular

young man is not allowed any ECA materials, which are rationed——

Mr. LUCAS. Mr. President, a parliamentary inquiry——

The VICE PRESIDENT. The Senator from Connecticut cannot yield to another Senator except for a question.

Mr. McCARTHY. Mr. President, I am asking the Senator whether he is aware of this particular case. If I may finish my question, it is a case in which the local French officials say to this young World War II veteran, who has all his life's savings invested in this trucking company, "You cannot get any ECA goods"—even though he wants to pay for them, of course——

The VICE PRESIDENT. The Chair is inclined to enforce the rule that a Senator cannot yield to another Senator except for a question. He hopes Senators will cooperate.

Mr. McCARTHY. Mr. President, I am asking the Senator from Connecticut whether he is aware of a certain situation, if I may ask him that.

The VICE PRESIDENT. If the Senator is asking a question, of course he may continue.

Mr. McCARTHY. I am going to ask the Senator whether he is aware of another documented case. I am asking this specifically as a question, the Senator will understand.

Mr. BALDWIN. Mr. President, if the Senator will pause a moment to let me answer the first question, I may say to the junior Senator from Wisconsin, I am not aware of that particular situation, although I have in my prepared manuscript reference to a similar situation which I want to offer as a typical example of what can happen. It is not my purpose to multiply the number of instances which have occurred. But I am very glad to have the junior Senator from Wisconsin supplement the remarks I am making and ask such questions as are permissible under the rules concerning the situation, because the Senator from Connecticut feels that it is an extremely important one, which ought to be given thorough consideration by the Senate.

Mr. McCARTHY. If I may ask the Senator one further question, it is this: Is the Senator aware of the fact that an official of the Commerce Department was sent to French Morocco to investigate the particular situation referred to? Is the Senator aware of the fact that I, among others, have talked to this Commerce Department official since he returned, and that he made the statement—and I believe this is violating no confidence—that there was considerable discrimination in French Morocco against American nationals who were attempting to do business?

Mr. BALDWIN. I understand that is so.

Mr. LUCAS. Mr. President, I am going to claim the floor in a minute if colloquy of this kind continues.

The VICE PRESIDENT. The Chair is undertaking to the best of his ability to enforce the rules of debate, which permit a Senator to yield only for a question. The Chair cannot enforce the rule unless he has the cooperation of Senators. A Senator who may have the floor knows when a question is being asked and when one is not being asked. The Chair thinks Senators ought to cooperate with the Chair in endeavoring to enforce observance of the rule. The Chair recognizes that frequently in asking a question a Senator may legitimately lay the basis for it by a preliminary observation. But certainly it is not in order for him to make a speech.

Mr. McCARTHY. Mr. President, may I say I am asking a perfectly legitimate and what to me is a very important question. I do not know why the Senator from Illinois objects to having the information brought out. I intend to continue to ask such questions at such time as I think they may properly be asked.

The VICE PRESIDENT. The Chair recognizes the Senator from Wisconsin as being within his rights in laying a foundation for the question.

Mr. McCARTHY. I thank the Chair.

The VICE PRESIDENT. That does not always happen in the Senate.

Mr. BALDWIN. I may say I desire to comply with the rules insofar as I can. But I understood the junior Senator from Wisconsin was asking a question, and it seemed to me proper to let him ask it.

Mr. LANGER rose.

Mr. BALDWIN. I yield for one question to the Senator from North Dakota, and then I shall not yield further.

Mr. LANGER. Mr. President, I desire to ask whether the amendment the Senator is offering is the one that is covered by the resolution adopted by the American Legion of Morocco, Post No. 1.

Mr. BALDWIN. I may say to the Senator from North Dakota it deals with that subject.

Mr. McCARRAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from Nevada?

Mr. BALDWIN. I yield to the Senator from Nevada for a question only.

Mr. McCARRAN. Mr. President, a point of order.

The VICE PRESIDENT. The Senator from Connecticut cannot yield for that purpose.

Mr. McCARRAN. May I say——

The VICE PRESIDENT. Nor can the Senator from Connecticut yield for a parliamentary inquiry.

Mr. McCARRAN. Mr. President, will the Senator yield to me in order that I may suggest the absence of a quorum?

The VICE PRESIDENT. The Senator from Connecticut cannot do that without losing the floor.

Mr. BALDWIN. Mr. President, I should like very much to yield to my good friend from Nevada for that purpose, but I have been on the floor 2 or 3 days trying to get an opportunity to make this speech. The Senator from Connecticut would like the opportunity to continue, if he may.

The VICE PRESIDENT. The Senator from Connecticut has full control of that, himself.

Mr. McCARRAN. Mr. President, will the Senator yield for a question?

Mr. BALDWIN. I am glad to yield for a question.

Mr. McCARRAN. Does the Senator now realize that he is talking to almost entirely empty seats in the Senate, and does he realize that there are many of us who were detained in committee meetings, who by reason of the ruling of the chair are unable to get on the roll or in any way show that we are present in the Senate today?

Mr. BALDWIN. Mr. President, if by unanimous consent I may yield so that a quorum call may be had, with the understanding that I can get the floor after the roll has been called, I shall be glad to yield for that purpose.

Mr. McCARRAN. I ask for such unanimous agreement.

Mr. LUCAS. Mr. President, I am constrained to object.

The VICE PRESIDENT. The Senator can only yield to another Senator for a question. He cannot yield for a quorum call without himself losing the floor. He may regain it if the Chair recognizes him; but under the rules it is so clear that no one can dispute it, that a Senator who has the floor cannot yield for a quorum call without himself losing the floor. Any Senator who has the floor has control of that.

Mr. BALDWIN. Mr. President, the incident that it seemed to the junior Senator from Connecticut warranted the presentation of this particular amendment arose in connection with our trade relations in Morocco. Morocco is not a French territory. It is an autonomous nation ruled over by a Sultan. Under a protectorate agreement passed in 1912, the French agreed to provide certain administrative and security functions for the Sultan of Morocco. All acts of the French Government in Morocco are for and on behalf of the Sultan and cannot legally exceed the authority which the Sultan himself had prior to the establishment of the protectorate. Morally all acts of the protectorate authorities should be in the interest of the people of the protectorate, the Moroccans themselves, and any attempt to subordinate the latter's interest to those of the protector should be repugnant to all fair-minded people. The United States has always had special privileges in Morocco and, except for two or three brief periods, has been on the friendliest of relations with that country and with its Sultans.

Our first treaty of commerce and friendship with the Sultan of Morocco was away back in 1787, and the first piece of real estate owned by our Republic, the Legation at Tangier, was a gift from the Sultan, deeded to the United States in 1820. We have had special privileges and enjoyed most-favored-nation treatment there since 1836.

This most-favored-nation agreement gave us the benefits of a British treaty passed in 1856 and still in force. According to this treaty we may export and import from Morocco without license requirements. We are not subject to local laws unless and until approved by the Department of State, and we are subject to judiciary procedures only when they take place before our own consular court. Our rights under the old treaties were admitted by all nations, including

France, who signed the Act of Algeciras in 1906. This act also assured us and other signatories equal rights with France and rights to free trade in Morocco.

In 1912 France entered into a protectorate agreement with the Sultan of Morocco. Under this agreement she guaranteed security for the Sultan and was to furnish certain administrative services. Another provision was that all foreign relations contacts by the Sultan would be carried out through his French administration. In other words, France took over the administrative direction, subject to the Sultan, of Moroccan foreign affairs.

The arrangement merely provided that certain governmental functions of the Sherifian empire would be carried out by French personnel. The United States recognized this protectorate status after France assured us that all treaties would be respected just as they would have been respected had the protectorate agreement not existed.

Although numerous attempts to nullify these engagements have been made, our State Department has never permitted them, and the basic treaty arrangements at the present time are those outlined in the foregoing. However, we did accept certain economic limitations during the war and as a part of our program to prevent flow of currency and capital between Allied and enemy countries. These, however, are well defined and do not give French officials of the Sultan's Empire any of the rights that they have taken in connection with American property or American business operations.

Among other agreements a very important one contained in the act of Algeciras was that no tax would be placed on incoming merchandise with the exception of two or three specified articles, such as tobacco, other than a straight 12½ percent ad valorem assessment. Arbitrary additional taxes reaching at times as high as 150 percent of the value of the merchandise commenced to be applied by the middle of 1947. These taxes have been protested vigorously and regularly by the consul general at Casablanca, by the Minister at Tangier, and by the State Department No result has been obtained from these protests, and at this time the amounts illegally extorted from Americans before they could clear their imports through customs would run well into seven figures.

Moreover, local laws have been applied to Americans without State Department acceptance. One of them is a decree passed on the 30th of December 1948 which placed embargoes on merchandise coming into Morocco from all sources except France. This decree was not accepted by the State Department but was immediately applied nevertheless, resulting in the seizure in customs of everything that arrived subsequent to January 15, 1949. Protests about this have been made on every diplomatic level but to no avail. The Governor General of Morocco informed our Minister that he had recommended to Paris that the goods be released but that he was powerless to act without instructions from Paris.

Our rights, Mr. President, under the old treaty, were admitted by all nations signing the Act of Algeciras in 1906 for our recognition of the French protectorate agreement. A great many attempts have been made by French officials in the past to abolish our rights and to protect Morocco. Up until now those attempts have been always combated by our diplomatic service. As was stated, some rights were temporarily yielded, under wartime restrictions, but as war emergency conditions became less acute, many of the former rights were reacquired by Americans. There was some reluctance, and there was a great deal of temporizing by the French in the return of these privileges, and many subterfuges were employed to prevent Americans from enjoying the equal treatment which was assured by our treaty. When the European emergency aid started, the treaty violations and the discriminations against us became worse than at any time in the history of our relations there.

Mr. President, I might say that this American Trade Association, representative as it is, and containing in its membership, as it does, many veterans of the last war, who served in that particular area, has made many protests regarding the violations of our treaties. I wish to read from one of those protests to demonstrate the nature of the claim:

American Trade Association, only active American trade group in French Morocco, composed entirely of American citizens doing business here, over 80 percent veterans of World War II, request that as condition of receiving credits, France guarantee desist violations treaty rights of American citizens in French Morocco. Specific violations now being protested by consulate general Casablanca include arbitrary assessment excessive customs duties on our imports and refusals and delays of our import licenses. Also requests immediate action to end above violations and discriminations against American goods and American firms. Previous experience shows very credits United States granted were used to further French business firms over Americans to divert normal American direct trade with Morocco through metropolitan France to promote French nationally owned industries to the detriment of American free enterprise. Further grants of credits should contain full safeguards to prevent recurrence of foregoing and to assure immediate and full return to Americans of rights guaranteed them by existing treaties.

It would seem, Mr. President, from this complaint that what the French authorities are doing is using American taxpayers' money in a way which will discriminate against Americans who are competing in French Morocco, as they have a right to do, under those treaties, and als using it in a way highly detrimental to American businessmen and in violation of the treaties. The junior Senator from Connecticut might say, Mr. President, that he does not desire to prolong the reading of a number of protests which have been directed to Members of the Foreign Relations Committee and the Senate, the State Department, and other officials concerned with this particular situation.

At this time, Mr. President, merchandise accumulated since January 15 belonging to 40 American importers is being illegally held by French custom officials in the port of Casablanca, Morocco. These imports are, principally, the property of American veterans who established businesses in Morocco after demobilization and, in many cases, represent their entire liquid capital. Market changes, deterioration and thefts already have caused heavy losses.

The law under which the property is impounded is admittedly a violation of our treaties which may not be applied to Americans. Several consular and diplomatic protests by United States Foreign Service officers were ignored. The undersigned came to Washington and called the matter to the attention of members of the Senate Foreign Relations Committee. The Senator from Wisconsin [Mr. WILEY] brought it to the personal attention of the Secretary of State, who instructed an assistant secretary to investigate and take appropriate action.

As a result, the United States Minister to Morocco called on the Governor General on March 17. The latter stated that he would not act until instructed to do so by Paris. It is repeated that the holding of this American property is admitted to be entirely illegal and even by the officials holding it.

Other treaty violations have been brought to the attention of the Department of State without result. Prior to the passing of the last ECA Act, the American Trade Association of Morocco suggested to the Chairman of the Foreign Relations Committee that the bill include provisions for withholding funds from nations wilfully violating treaties with the United States.

Both the Economic Cooperation Administrator and the State Department objected. Meanwhile, all other measures have proved ineffective, and the illegal acts against Americans have increased both in frequency and seriousness. The fact that the Governor General of an important protectorate is powerless to accede to a personal request by a United States Minister shows the high level from which this policy now being followed in Morocco by the French officials really stems. It would seem to the junior Senator from Connecticut that this condition is intolerable. It would seem a difficult and an impossible thing for us with equanimity to see American money given to officials of another government who are openly engaged in a systematic campaign to violate American treaties, to the detriment of American businesses in Morocco, in order to favor their own particular nationals.

Mr. President, the junior Senator from Connecticut would like to call the attention of the Senate to a particular item in the situation which illustrates the point which the junior Senator from Connecticut is endeavoring to make, as proving the honesty and the wisdom, indeed, the utter effectiveness and justice, of this type of amendment. One of the men who belongs to this association reported that he had just paid—and this was as of last January—a little over 150 percent custom charges on truck tires which were imported into Morocco, a country which was committed by treaty

to charge no more than 12½ percent. He states that he has assurances from representatives of the State Department that these charges are illegal and in flagrant violation of these treaties.

In September 1948, the chief of the Morocco Diplomatic Cabinet agreed with our Minister, so he claims, that certain taxes which account for 40 percent of the amount paid were illegal, and that he undertook to remedy this situation. It appears that he was powerless to get anywhere against the anti-American factions in the French protectorate.

Back in the summer of 1946 Morocco was virtually without any tires. The only importers were members of a syndicate to whom the Protectorate had given the exclusive right to profit from the tire business. This syndicate is actually one of the groupements established by the Vichy Government as a part of its totalitarian program.

In theory, the syndicate was required to sell 90 percent of its tires to persons holding coupons issued by Government services. Ten percent could be sold on the black market, where, in the summer of 1946, an ordinary passenger-car tire brought over $200, 10 times the price of a tire bought with a coupon. This obviously gave an enormous value to the coupons.

The situation was ended by Americans, especially veterans, who took advantage of their priorities in buying Government surpluses, their export quotas of tires, and their treaty rights to unrestricted imports and sales in Morocco, in putting considerable quantities of tires on the market. This free market soon created a healthy competition that left only reasonable profits and removed virtually all value from tire coupons.

The syndicate and functionaries who sponsored the coupons resented this competition. Every possible obstacle was put in the way of the Americans, although their operations finally enabled thousands of additional trucks to take the road, and made tires more plentiful and less expensive than anywhere else under French jurisdiction. Conditions were so normal that during the latter part of 1947 and the first half of 1948 official dollars were given only for agricultural tires.

With the advent of the Marshall plan, $1,400,000 was allocated to bring tires into Morocco. The entire sum was allotted to the syndicate. The syndicate decided that 10 percent of the funds would be given to newcomers, including the Americans who had ended the tire shortage, and 90 percent to its original members. That is, the syndicate got 90 percent and our people got 10 percent.

Large recipients among such members were firms that are the exclusive representatives of European brands of tires, and whose primary interests are in keeping imports of American tires at a minimum. The inclusion of these firms in an American program is so raw that even members of the syndicate disclaim responsibility for it, stating that it was ordered by the Residency General.

I may say that the junior Senator from Connecticut does not claim to have these facts as of direct knowledge, but claims to have them from American citizens whose honor and integrity he has no reason whatsoever to question, and who have been trying to do business in Morocco under these treaties but have met with all sorts of obstacles and all kinds of difficulties.

To make our position as Americans more difficult, the dollars given to our competitors are charged to them at the official rate. This value is taken as the basis for their customs duty, whereas our imports are appraised at twice as much, or even more. The system has been the subject of a number of official complaints, as only invoice value computed at official rates may be taxed under our treaties. The question whether internal or external values should be the basis for customs charges is beyond the scope of this discussion, but no possible unbiased reasoning can justify different appraisals for identical articles entering the same port at the same time, a differentiation based upon whether it is Americans who are doing the importing, or whether it is Frenchmen or others. Whatever the pretext, the reason is that certain French bureaucrats are more interested in giving a competitive advantage to certain French nationals than in maintaining their treaty obligations and their official integrity.

Mr. MALONE. Mr. President, will the Senator yield for a question?

Mr. BALDWIN. I yield for a question.

Mr. MALONE. I should like to ask the distinguished junior Senator from Connecticut if he would consider a manipulation of currencies by the foreign nations who are recipients of the ECA-plan money in the same category, that is, manipulation of their currencies for trade advantage.

Mr. BALDWIN. There can be no question that the possibilities of avoiding doing the right thing under this program are infinite, and it surely must have come to the attention of Americans that in many instances all sorts of plans are being made to avoid it.

I point out to the junior Senator from Nevada that from the outset I have been a warm supporter of ECA, and that I intend to vote for it this time. It appears to me, however, that the more we go into this matter and the longer we continue it the more careful we must be in its administration, because it is not going to be helpful to the whole program, in the long run, if we stand idly by and see all sorts of exceptions and discriminations and inequities worked, while we merely shrug our shoulders and say, "Nothing much can be done about it." I think most important things can be done in the next year to tighten up the administration of the fund where there are inequities. I am dealing with the Moroccan situation, as no doubt the junior Senator from Nevada knows.

To continue his remarks, the junior Senator from Connecticut recalls that the other day the junior Senator from Nevada was discussing the situation in Indonesia, where it appeared, from what the Senator said, that great injustices were being worked against the Indonesians, and with our money. It is the purpose of the amendment to make it possible for the State Department to shut off ECA funds from any nation that may be in treaty violation with us, as it is the claim of the junior Senator from Connecticut that France is in violation of treaties with us regarding trade opportunities for Americans in Morocco.

Mr. MALONE. Mr. President, will the Senator yield for a further question?

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from Nevada?

Mr. BALDWIN. I am glad to yield.

Mr. MALONE. In regard to the subject of manipulation of currency, it is well known that most of the European nations have their currency overvalued. As an example, the English pound is officially valued at $4.03. I have in my hand a copy of the Wall Street Journal of April 4, that is today, and to clarify my question I wish to read from an article in it:

THE POUND STERLING—EUROPE'S TRADERS GET IT CUT-RATE, SO UNDERSELL AMERICAN IMPORT FIRMS—THE TRICK IS PERFORMED FOR WOOL, HIDES, TEA, RUBBER, TIN, SPICES, DIAMONDS—THE SOVIET IS A SPECIALIST

Many an American importer of commodities is complaining about a new kind of cut-rate competition.

Nub of the trouble is that the pound sterling, officially held at just above $4 by Britain for dealings which United States and other traders have with the British Empire, is unofficially available at about 15 percent discount in many parts of the world. One New York hide importer sums up the problem: The $4 rate is simply an overvaluation of the pound.

Having got hold of this cheaper sterling, Dutch, Belgian and other traders are able to pay high prices for wool, hides, tea, rubber, tin, furs, skins, pepper, spices, diamonds and other British Empire commodities which can be bought with pounds.

To sum up I would say to the Senator from Connecticut that the overvalued pound or the franc or the guilder presents this difficulty. When we deal in the official rate we lose in the first transaction by the amount of the overvaluation. Then if the traders of other countries—unofficially—get it at a cut rate, the situation as has just been outlined, as it appears from the article in the Wall Street Journal, prevails, and then it happens, as the Senator now complains with respect to French Morocco, that the foreign traders get the advantage of the American business men.

While American traders are officially prohibited from trading in the "black" or unofficial foreign currency market—it is nevertheless done to some extent—and such trading is, of course, encouraged by the existence of the artificial and entirely unjustified official rate—it is a form of piracy.

As a matter of fact the pound—official value $4.03—is available as low as $2.25, which is nearer 50 percent black market than 15 percent.

Mr. BALDWIN. Let the junior Senator from Connecticut say that he is not dealing here particularly with the manipulation of the exchange. What the junior Senator from Connecticut is dealing with is the actual violation of trade treaties between Morocco and the United States, which France recognized when

she assumed the protectorate. The purpose of the amendment of the junior Senator from Connecticut is to try to give the State Department some authority and control over that particular situation. It seems to the junior Senator from Connecticut that the State Department and the administration of the ECA funds must have and must exercise like authority over the matters of exchange to try to prevent the inequities and the injustices which can be worked in that highly intricate manner.

Mr. MALONE. Mr. President, will the Senator yield for a question?

Mr. BALDWIN. I yield for a question only.

Mr. MALONE. I understood perfectly that the Senator was dealing, in a very highly efficient manner, I should say, with the inequities that can be imposed and are being imposed on American businessmen. French Morocco happens to be an example of the effect of such manipulation. But let me take the liberty to interrupt the Senator at this point to ask if the inequities brought about by other means—I might add by quotas on imports and by currency manipulation—all directly lead to the same thing, and that is to the disadvantage of the American businessman?

Mr. BALDWIN. I may say to the junior Senator from Nevada that what we are doing with ECA is an unprecedented thing, the like of which the world has never known before. If the people of Europe and the world elsewhere could understand it and would not suspect us, as many of them do, of some ulterior motive, I am sure their hearts would be gladdened. On the other hand, it seems to me that even when we are administering a charity we must do it in an effective, efficient way, not only to make the greatest use of what we have to give, but also to command the respect of the people to whom we are giving it. That seems to the junior Senator from Connecticut to be a very important thing in connection with the administration of this fund.

The junior Senator from Connecticut may say further to his friend the junior Senator from Nevada that he believes by and large, that in the past year the administration of the ECA program has been very good indeed, but the junior Senator from Connecticut believes that is no reason why we should accept it as perfect, and no reason why the Senate should not take such measures as may be necessary to improve the administration and to bring home to the people with whom we are dealing the point that we have some rights and our own nationals have some rights, which must be recognized and respected.

Mr. MALONE. I may say to the junior Senator from Connecticut that I intend to support his amendment. I sincerely believe that amendments should be added to the ECA bill for clarification, but I am reserving my commitment to vote for or against the bill until such time as I see such amendments added which would safeguard the American businessman and producer against such abuses.

Mr. BALDWIN. The junior Senator from Connecticut appreciates the statement and the support of the junior Senator from Nevada.

Mr. TAFT. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. GEORGE in the chair). Does the Senator from Connecticut yield to the Senator from Ohio?

Mr. BALDWIN. I yield.

Mr. TAFT. If European tires are available for shipment to Morocco, I do not quite understand why we should advance money to Morocco to buy tires at all. Why is not that outside the purpose of the ECA? Why can we not cut down the ECA allotment to Morocco and let Morocco buy her tires in Europe?

Mr. BALDWIN. That is certainly within the range of possibility, certainly within the range of probability, and apparently the thing that should be done. The point the junior Senator from Connecticut is trying to make is that so long as we make ECA funds available for tires in Morocco, then our own people who are selling tires should at least have an even break with the people of France who are selling them. That is my point.

Mr. KEM. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Missouri?

Mr. BALDWIN. I am glad to yield for a question.

Mr. KEM. Mr. President, I think the Senator from Connecticut has done a very worth-while thing in bringing to the attention of the Senate the obvious injustice being done through the operation of ECA to Americans who are trading in Morocco. I am sure the Senator from Connecticut must have also given considerable attention to the effect of ECA upon Americans who are manufacturing and trading at home—for instance, in the State of Connecticut. I should like to ask the Senator from Connecticut this question: I noticed in the newspaper a day or so ago that the New Haven Clock Co., an old established clock and watch manufacturing company in New Haven, Conn., had been closed down since February because of inability to meet foreign competition. In this connection the competition, as I understand, happens to be Swiss competition. But I should like to ask the Senator from Connecticut if it is not entirely possible that other Connecticut enterprises and other New England enterprises will not soon be at a serious disadvantage in competing with factories abroad using low-cost foreign labor and built with Marshall plan money?

Mr. BALDWIN. In answer to that question, the junior Senator from Connecticut will say that the people of Connecticut have long recognized the fact that the ECA program was, in effect, building up potential competitors for them in western Europe. As a matter of fact, in the long industrial history of the State of Connecticut, many times in the past our people have been in competition with European manufacturers and European commercial interests. The only thing the people of Connecticut ask is a fair deal and fair play, and an even opportunity in such competition. If we are to maintain a high standard of living in the State of Connecticut, obviously if at the same time we are going to allow the importation into the United States of goods manufactured abroad with very much cheaper labor, to be sold at prices which reflect such cheap labor, we shall be put out of business. That is what is happening to the clock industry. We believe that if there is any import tax to be charged on such articles, it should make up for the differential in cost of production, and no more. We do not ask favored treatment. We ask only for even-handed justice in such matters. We in Connecticut recognize that the effect of the ECA, as the junior Senator from Connecticut has previously said, is to build up potential competitors. We accept that dangerous possibility as being far better than a communistic western Europe, and so we are willing to go along with the program.

The junior Senator from Missouri is absolutely correct when he says that the long-range effect of this program, if continued in an overgenerous fashion, will be to reestablish the industries of western Europe on such a basis of competition that we shall never be able to catch up with them. In the entire program it seems to me that we must be very careful about that situation. Take as an example the Moroccan situation. We have treaties which give our people certain rights. When the treaty provides for an ad valorem tax of 12½ percent, and the French officials in the protectorate impose a tax of 150 percent, and then use our money to bring in goods to be sold there in competition with our own people, certainly that is far from justice. If that sort of thing is continued, it seems to me that American interests, and certainly Connecticut's interests, will wane very rapidly as a result of this sort of program.

Mr. KEM. Mr. President, will the Senator yield for a further question?

Mr. BALDWIN. I am glad to yield.

Mr. KEM. I am sure that the industrial history of Connecticut is one in which every citizen of Connecticut may well take pride. I should like to ask the Senator from Connecticut whether in the long history of industrial development in his State the people of Connecticut have ever before had to face foreign competition subsidized with the money of the American taxpayers.

Mr. BALDWIN. I will say to the Senator from Missouri that we have never had to face that situation before; but we have had to face foreign competition many times. New England in general, and Connecticut in particular, have gone through several evolutions of industrial development. When we have found that a particular product became unprofitable, we have had to use our ingenuity and vigor to shift to another. But we would prefer to meet their competition on a basis which is fair, open, and proper, rather than competition which is subsidized by taxes collected from the pockets of our own people.

Mr. KEM. Have not the people of Connecticut learned, by what I may call rather unfortunate experiences, that when other parts of the world or other parts of the United States enjoy some industrial advantage, industry does not hesitate to leave Connecticut?

Mr. BALDWIN. That is true. That is a problem which we have had to face throughout our history; and many industries have gone to other parts of the country.

Mr. KEM. Is not that the problem facing New England today?

Mr. BALDWIN. That is the problem facing New England today; and the only way we can meet it is with the exceptional skill and ability of Connecticut workers and other New England workers, and the ability and skill of Connecticut and New England management, which have been able to meet the competition. But we want to meet it on a fair basis. We do not want to meet it at a disadvantage. In the game of trade we do not want to spot the other fellow two touchdowns before we are really permitted to have anything we may do count.

Mr. KEM. The other day I noticed an item in the press to the effect that the stockholders of the American Woolen Co., a fine old New England industry, met in annual meeting at Springfield, Mass. They were addressed by the president, who disclosed to them the fact that the unfilled orders this year were, as I recall, 10 percent of what they were a year ago. I ask the Senator from Connecticut if such information as that is not perturbing to the entrepreneurs and industrialists of his State and of New England.

Mr. BALDWIN. Such information as that is very perturbing. Let me explain my position. As I previously stated, I voted for ECA in the first instance, and I intend to vote for it again. We know that with ECA funds we are rebuilding Western Europe. We know that in the past the industries of western Europe have been competitors. They have manufactured goods which have been in competition in world trade with goods manufactured in the State of Connecticut. We know if we continue this program that competition may become keener than it ever has been before. However, we accept the proposition that we would prefer to have western Europe rehabilitated on a fair basis of competition in the trade marts of the world rather than have it overrun by communism, which seems to the Senator from Connecticut to be the only alternative.

This factor must be accepted as a part of the entire program. In helping to rehabilitate western Europe we do not want to put the industries of western Europe in a favored position as compared with those of our own people. We do not want to let them violate treaty rights which we have long had with nations with which we have dealt in the markets of the world for a great many years. We do not want them to take advantage of this, that, and the other thing to improve their situation and place them in a favored position over us in competition in world trade.

I come back to the original proposition, that the industries and workers of Connecticut can take care of themselves in world trade if they have an even and fair chance with the other fellow. But they cannot do it if American funds are to be used by other nations to give their own nationals an advantage by way of tariff regulations, the requirement of all sorts of certificates, the meeting of all sorts of regulations, and the imposition of high taxes which make it possible for those people to discriminate against competitive goods of like kind from the United States. That is the purpose of this amendment.

I thank the Senator for his contribution and for his questions.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. BALDWIN. I am glad to yield for a question.

Mr. MALONE. I am very much interested in the discussion between the junior Senator from Connecticut and the Senator from Missouri, because I think it is pertinent to the events which are happening all around us. As the junior Senator from Connecticut has so aptly and ably said, we in the United States will meet any competition which is not based upon an unfair advantage. I ask the junior Senator from Connecticut if the fabricating and textile industries, the clothes-pin industry, and various other industries of New England have not been built up over a period of years with certain protection through the tariff or import fee, to the workingman of New England, equal approximately to the difference in the living standards, the methods of manufacture, and other factors? I ask the Senator further, if the methods we are following in shipping up-to-date machinery and equipment together with our stream-lined methods of manufacture and production to Scotland, England, and the other countries in Europe will not work to the disadvantage of the New England States, unless the import fees or tariffs are kept at such a level as to equalize the difference between the living standards of New England workmen and the living standards of European workmen?

Mr. BALDWIN. Mr. President, the junior Senator from Connecticut, in response to that question, would say that wherever in other parts of the world the standard of living can be improved and raised, the people of the United States will benefit indirectly, but in a very real way, from such development. However, it seems to me that the Senator from Nevada is absolutely correct in indicating that we have reached a preeminent position, so far as our standard of living is concerned, and that if we now allow the products of cheap labor, using machinery produced with our own money, and given or lent to foreigners, to be used by them, to enter the United States in competition with articles produced by our own workmen, and if at the same time we are forced to compete in foreign markets under conditions under which our people are not treated fairly or are not given the same opportunities foreigners are given, then in time our standard of living will be dragged down to the lower standards of living of other countries. I believe there can be no question about that.

Mr. MALONE. Mr. President, will the Senator yield for another question?

Mr. BALDWIN. I yield.

Mr. MALONE. I follow the Senator from Connecticut perfectly, and I am wholly in accord with what he says. It seems to me that as we help other countries raise their living standards, such import fees or tariffs can be lowered in proportion; and finally, when the standards of living of other countries are raised to approximately the standard of living in the United States, there can be free trade, without damage or injury to anyone. The objective is the same except some favor an abrupt lowering of tariffs or import fees based on the 1934 Trade Agreements Act, while some of us believe that during the interim period while we are assisting the other countries of the world to reach our standard of living that the wage-living standard of the working men of America should be protected by a flexible import fee, which can be progressively lowered as the living standards of the foreign labor is raised, so that when they approximate our own then free trade is immediate and automatic.

Mr. BALDWIN. If the workingmen in England or in any other foreign country were paid exactly the same wages that American workmen are paid, for the same amount of output, the same number of hours, and the same amount of effort, obviously there would be no differentiation; but if we are expected to create wealth with which to help do all the things now in contemplation, obviously we cannot permit the establishment of measures which will tear down our own industrial strength.

Mr. MALONE. Mr. President, will the Senator from Connecticut yield for one more question?

Mr. BALDWIN. I yield.

Mr. MALONE. Then, it seems to me cognizance should be taken of that situation, and our import fees and tariffs should be lowered to that extent, as we are able to raise foreign standards of living while maintaining our own standard of living. Let me say that I agree fully with the Senator from Connecticut that the only way by which we can maintain our position and help ourselves, to say nothing of helping others including the European and Asiatic nations, is by maintaining in our country such a standard of living as we presently have. If we are able to do that, while at the same time the standard of living in European and other nations is raised, then, if and when that happens, free trade, which is the ultimate goal, would be a very ideal situation and under a flexible import fee would automatically result. Does the Senator agree as to that?

Mr. BALDWIN. It would be a very ideal situation, no doubt; but in my opinion it is a long way off.

Mr. President, it seems to me that our problem today is to preserve our own strength and at the same time to help the other nations in every way we can, because helping them is a better alter-

native than war. But the choice between helping them and trying to avoid war and also running the risk of undermining our own economy and weakening our own system is a very difficult one.

Mr. MALONE. I fully agree with the Senator; and that completes my questions. Of course, it will be a long time in coming but they then are the judges of their own living standards.

With the flexible import fee a market is immediately established resulting in a market basis for foreign goods—bringing them in on our basis of costs and living standards.

A principle is established for trade between the 58 member nations of the United Nations having 58 different standards of living without upsetting the economics of any of them while striving for the goal of bringing all of them up to our wage-living standards, instead of our country going down to theirs and trying to all come up together—as will be the case if immediate free trade is adopted as the settled policy of this Nation.

Mr. LUCAS. Mr. President, may I ask the Senator from Connecticut how much longer he will take?

Mr. BALDWIN. I am about through. Perhaps I shall need 3 minutes more.

Mr. LUCAS. I appreciate that information, because I have an announcement to make with respect to the signing of the pact this afternoon.

Mr. BALDWIN. I shall be glad to yield now if the Senator wishes me to do so.

Mr. LUCAS. No; I wish to have a quorum obtained first.

Mr. BALDWIN. Very well.

Mr. President, summing up my remarks, let me say that this amendment would merely make it possible for the Secretary of State, collaborating with the Administrator of ECA, to withhold ECA funds from any ECA country, or any country receiving ECA funds, if that country was in violation of a treaty with the United States.

Mr. President, I recognize that such a provision would be difficult to administer, but I firmly believe that as we go forward with this program—and I believe we should and must go forward with it—we must be more careful than ever in its administration; and we must, above all things, see that our own people and other people who are relying upon our help receive fair and just treatment all the way around.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California [Mr. KNOWLAND].

Mr. LUCAS. I suggest the absence of a quorum.

Mr. CONNALLY. Mr. President, will the Senator withhold that suggestion for a moment?

Mr. LUCAS. Yes; I do.

Mr. CONNALLY. Mr. President, speaking for the committee, in regard to the Knowland amendment, let me say that the committee is not in disagreement regarding it. If we can obtain a vote now, I think we can dispose of the amendment without further discussion.

Mr. KNOWLAND. I have no desire for further discussion, I say to the Senator from Texas.

Mr. CONNALLY. There is not a great deal of difference between the amendment I have offered and the Knowland amendment; but I told the Senator from California that, if he desired to do so, he could push the adoption of his amendment, instead of mine. So the result is that we are not in disagreement.

Mr. LUCAS. I congratulate the Senators.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California. Is the Senate ready to have the question put?

Mr. CONNALLY. Yes.

Mr. KNOWLAND. Yes.

The PRESIDING OFFICER. Then the question is, Shall the amendment be agreed to?

The amendment was agreed to.

Mr. LANGER subsequently said: Mr. President, I should like to have the RECORD show that on the amendment dealing with $54,000,000 aid to China, which was adopted a short time ago by a voice vote, the Senator from North Dakota voted "nay."

The PRESIDING OFFICER. The question now recurs on the amendment of the Senator from Louisiana, which will be stated.

The LEGISLATIVE CLERK. On page 8, in line 3, it is proposed to strike out "5 percent", and insert in lieu thereof "25 percent."

On page 9, line 1, after "materials", it is proposed to insert "plus amounts allocated in accordance with subsection (h)."

Mr. LUCAS obtained the floor.

Mr. MALONE. Mr. President——

Mr. LUCAS. I yield to the Senator from Nevada for a question.

Mr. MALONE. I rise for a parliamentary inquiry, which I should like to explain.

Mr. LUCAS. I shall yield for that purpose, if I may do so under the rules.

Mr. MALONE. During the past several days, Mr. President, a technical rule has been enforced, to the effect that unless a Senator is on the floor when a quorum is called, he is marked as absent. Twice or three times the junior Senator from Nevada has been in committee meeting, as he was this morning, and has been asked to remain, although no permission had been granted by the Senate. Thus I find that I am not marked as present when a quorum call is had under those circumstances, and of course thereafter it is too late to be recorded as present.

So I wonder whether a general statement can be made in regard to how a Senator may in some way obtain official permission to be in attendance at a committee meeting, if that is required, after the session of the Senate begins. If such permission can be granted, then, as usual, all Senators who are required to remain at committee meetings can be marked as present, when a quorum call is had in the Senate.

I rise to make that inquiry because I feel that if a Senator is marked absent on a quorum call, anyone reading the RECORD might think that Senator was away somewhere on a vacation.

The PRESIDING OFFICER. In the judgment of the Chair, the Senate aides can insert in the RECORD each day a list of Senators who are present at committee meetings when quorum calls are had.

Mr. LUCAS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hunt	Millikin
Anderson	Ives	Mundt
Baldwin	Jenner	Murray
Butler	Johnson, Tex.	O'Conor
Cain	Johnston, S. C.	O'Mahoney
Chapman	Kem	Pepper
Connally	Kerr	Robertson
Cordon	Kilgore	Saltonstall
Donnell	Knowland	Smith, Maine
Eastland	Langer	Sparkman
Ellender	Lodge	Stennis
Ferguson	Long	Taylor
Flanders	Lucas	Thomas, Okla.
Frear	McCarran	Thomas, Utah
Fulbright	McCarthy	Thye
George	McClellan	Vandenberg
Hayden	McFarland	Watkins
Hendrickson	McGrath	Wherry
Hill	McKellar	Williams
Hoey	Malone	Young
Holland	Martin	
Humphrey	Maybank	

The PRESIDING OFFICER. Sixty-four Senators having answered to their names, a quorum is present.

CEREMONIES ATTENDING SIGNING OF NORTH ATLANTIC PACT

Mr. LUCAS. Mr. President, there has been a slight misunderstanding with respect to Senators attending the signing of the North Atlantic Pact, this afternoon, in the Labor Department Auditorium on Constitution Avenue. The latest report is that Senators who do not have tickets are invited to attend the ceremony, and they should be there by 2:30 this afternoon. Tickets can be obtained at the information desk in the auditorium. I make that announcement, and announce further, that the invitation includes the wives of Senators as well.

EXTENSION OF EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 1209) to amend the Economic Cooperation Act of 1948.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. Mr. President, do I correctly understand that the pending question is the amendment offered by the Senator from Louisiana [Mr. ELLENDER]?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. ELLENDER].

Mr. ELLENDER. Mr. President, it is not my purpose again to discuss my amendment in detail, but I want to make it crystal clear that it does not in any manner decrease the authorization provided in the pending bill. It simply makes

certain that at least 25 percent of the so-called counterpart fund is to be used by the Administrator, by and with the assistance of the Bureau of Federal Supply, to purchase strategic materials which are in short supply and are required by this Nation in order to assure continued and uninterrupted production at all times.

As Senators are aware, the bill before the Senate provides on page 8, beginning with line 3, that not less than 5 percent of each special local currency account shall be used for that purpose. What I am proposing by my amendment is merely to increase the minimum of 5 percent provided for in the bill by an additional 20 percent as a minimum.

Mr. President, if my amendment is approved, 25 percent of the counterpart fund will be used by the Administrator, in collaboration with the head of the Federal Bureau of Supply, to contract with the nationals of Great Britain, with the nationals of France, or with the nationals of any country in which a counterpart fund is established for the purchase of strategic materials. A contract could be entered into covering a period of not more than 20 years in which ways and means could be agreed upon so as to provide our country with the essential strategic materials. And I desire to repeat that under the terms of the Atlantic Pact those materials will eventually be used for the protection of our friends across the seas.

As I stated in debate last Saturday, I cannot see any reason why any Senator should vote against this proposal. What the nations of western Europe want and desire today are dollars. We are making those dollars available to them, and, as I pointed out, those dollars are used to purchase in this country and elsewhere goods, wares, and merchandise which they need. Those goods, wares, and merchandise, after being paid for with United States dollars, are shipped to the country needing them, and are sold to the nationals of the particular country, for francs in France, or for pounds in Great Britain, in fact, for the currencies of the countries which are entitled to them. Such currencies are placed in banks in the participating countries, and are known and designated as counterpart funds. I hesitate to repeat so often what constitutes the counterpart funds. I wish to make certain that everyone understands that the counterpart funds and the amount of dollars herein authorized are separate and distinct.

Up to March 1949 the ECA made commitments totaling $3,367,000,000 to carry out its obligation under the present law. Of that huge sum only $1,171,000,000 was actually expended. In terms of currencies of the countries which received these goods a total of $1,171,000,000 was placed in the counterpart funds. Of that amount 5 percent was set aside to pay for personal services, travel, transportation, communications, rents, and utilities, printing and binding, contractual services, supplies and materials, equipment, and strategic materials. The strategic materials purchased amounted to only $21,074,400 and consisted of 26,000 tons of rubber, 12,000 tons of hemp, and 1,276,000 carats of industrial diamonds.

The remainder of this counterpart fund, $672,000,000, was released to these countries, and $539,000,000 of this amount was used to retire the debts of the following participating countries, in these amounts:

Austria used $85,000,000; France used $102,000,000; Great Britain used $330,000,000; and Norway used $22,200,000.

Just think Senators, almost two-thirds of the amount withdrawn from this fund has been used to retire debt. I am certain that was never contemplated and I am disappointed that the administrator should have permitted the use of those funds for such a purpose.

If my amendment shall be agreed to, the dollars will continue to flow to the countries entitled thereto in the amounts fixed by the ECA Administrator and his advisers. I repeat, Mr. President, these dollars will be used to purchase in our country and elsewhere the goods which the ERP countries need. The goods when received in the ERP countries will be sold in the regular trade channels for the currencies of those countries. These local currencies will then be deposited, as I have often said, in this counterpart fund, and at least 25 percent will be earmarked to purchase needed materials which we must have in this country and for other local currency requirements of the United States. That is the whole story.

Mr. President, I do not see how in the name of common sense Senators should not vote for the amendment.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have inserted in the body of the RECORD a statement on behalf of myself and the Senator from Iowa [Mr. GILLETTE] in support of an amendment to the pending bill which is now on the desk. I also ask consent that the text of the amendment be printed following the statement.

There being no objection, the statement and amendment were ordered to be printed in the RECORD, as follows:

The purpose of the amendment which has been submitted is to put corn in a similar position to that in which wheat has been placed by the provisions of the bill. The same reasons which motivated the Senate Committee to require that 15 percent of the allocated wheat be shipped in the form of flour ought, it would seem, to be equally applicable to corn, not alone because of the palatability and nutritive value of processed corn products such as corn meal, corn grits, and corn flour, but because our surplus of corn in this country, both present and in prospect, is greater than the surplus of wheat. I want to list several reasons why it seems to me the amendment should be adopted.

First, every contribution that we can make to full employment of our people and the wage level which must be maintained for our country's prosperity ought to be made. During 1948 and to date, in 1949, the 175 dry corn processing mills in the United States employed approximately 35,000 people and are operating at less than 50 percent of capacity. During this period the mills have had to curtail production, reduce working forces and reduce hours of work. Corn has been exported as grain with practically no processed corn included. The capacity of the industry has been reported to me to be 110,000,000 bushels of corn a year, but today, operating at 50 percent of capacity, they will process not more than 55,000,000 bushels. As evidence of the reduced volume in this industry, dollar sales of this industry in 1947 were about $265,000,000; in 1948, about $123,000,000, or considerably less than half; and it is estimated that the 1949 sales will be but little more than $80,000,000.

Second, it is wise from the standpoint of the European recovery program. After World War I under the Hoover recovery program, large quantities of corn meal, corn grits, and corn flour were shipped to Europe with detailed cooking instructions printed in different languages and inserted in each sack. This not only helped greatly to solve their food needs, but also built up a future demand for these corn products of ours, to the advantage of the European consumer, the American labor, and, of course, the American farmer.

Third, these foreign countries have unsuccessfully attempted to mill our corn with wheat-milling equipment, with decidedly unsatisfactory results. They are not in the habit of using our corn as a food and in milling methods render it less palatable and less useful. From their standpoint it not only militates against their present need but against a future market for these wonderful food products which our country produces in surplus and for which it is essential to find a world market.

Fourth, there will be a considerable saving in ocean space for shipping these processed products. Only 64 percent of every bushel of corn milled into corn meal, corn grits, and corn flour, would be exported. Thirty-six percent or about 20 pounds of every bushel of corn would be retained in the United States in the form of hominy feed. This means 20 pounds of ocean space saved for every bushel of corn shipped. In addition to this factor, it should be pointed out that by sending corn abroad in the form of corn products there will be a substantial saving on terminal handling and transportation charges.

Fifth, cotton bags for packing corn meal, corn grits, and corn flour offer clothing material for civilian use and another outlet for the product of our United States cotton industry.

Sixth, it is recognized that with any normal year we will produce more corn than the domestic market can absorb and any action that will help develop a continuing market for this surplus is distinctly to the advantage of American economy.

I revert to the comment I made a few moments ago relative to the milling of our corn with foreign equipment. This was notably apparent in Germany and in Japan. These and other foreign countries have unsuccessfully attempted to mill our corn with wheat-milling equipment. So far from encouraging the use of our corn as food, this had a diametrically opposite effect. In our own Nation, in some of our States, the per person consumption of corn meal, grits, and flour considerably exceeds that of wheat flour. In fact, the average per person consumption throughout the United States is heavy and much above the use in foreign countries, particularly Europe. The use of corn in processed form as food here is certainly an earnest of the possibilities and expansion of use abroad if foreign consumers are made acquainted with properly processed products, with their quality and with the methods for using these wonderful foods.

I am told that our dry corn-milling industry can export approximately 65,000,000 bushels of corn in this processed form of meal, flour, and grits, if our available facilities are utilized. It should also be kept clearly in mind that the residue of the milling in the way of hominy feed and corn oil would be retained in the United States. Thus hominy feed remains and is consumed in our own livestock industry. Likewise, every bushel of corn, if processed on this side,

would yield about one-half pound of valuable and nutritious oil. Foreign milling would not permit this oil extraction and it constitutes a loss. There is never a carryover in our country of hominy feed or corn oil at any time. The entire quantity of these feeds and oils produced by our dry corn-milling industry is consumed each year. I am also assured that shipping facilities are adequate and secondary ports available for the export of these milled products which are not available for the shipment of the whole grain.

We have in this country many thousands of small mills. I was unable to get the exact number but back in the days when we were paying processing tax, it is estimated that some 20,000 mills paid processing tax. While all of these mills are not equipped to make products for export, any program which increases the export of milled corn affects their operation similarly from the standpoint of corn usage and employment of labor. Every one of these small mills would benefit either directly or indirectly from this program.

In the Eightieth Congress, I am advised, the House unanimously passed an amendment to the Foreign Assistance Act of 1948 which appeared in the Federal Register of March 20 and April 1 of last year. This amendment stated:

"The most persuasive argument in behalf of this amendment springs from the fact that in the main European countries do not have good milling facilities for corn. It must be milled in available mills abroad which are adapted to the grinding of wheat and the net result is that a high grade quality of corn meal, corn grits, and corn flour cannot be produced in the mills abroad. This means an inferior product from the standpoint of nutritional and caloric value. That is highly important because the very purpose of the food commodities to be sent abroad is to build up the physical capacity of the people to reconstruct their own industrial economy and this of course requires products where every element of nutrition is carefully preserved."

It is not my purpose to burden the Administrator of this ECA program with additional work and restrictions. But this amendment does not add a new product on the program. It is in the interest of our economy and that of the nations we are aiding and inasmuch as the provision has already been made for wheat, I feel that it is only fair that similar provisions be made for the major crop of the United States, our corn crop, which depends so largely for its maintenance and expansion on a foreign market.

AMENDMENT INTENDED TO BE PROPOSED BY MR. GILLETTE TO THE BILL (S. 1209) TO AMEND THE ECONOMIC COOPERATION ACT OF 1948

On page 4, line 22, strike out the period and insert a semicolon and the following: "and by adding at the end thereof the following new sentence: 'The amounts of corn and corn grits, corn meal, and corn flour produced in the United States to be transferred by grant to the participating countries shall be so determined that the total quantity of United States corn used to produce the corn grits, corn meal, and corn flour procured in the United States for transfer by grant to such countries under this title shall not be less than 15 percent of the aggregate of the unprocessed corn and corn in the form of corn grits, corn meal, and corn flour procured in the United States for transfer by grant to such countries under this title.' "

Mr. PEPPER. Mr. President, I have great sympathy for the objective which the able Senator from Louisiana has in mind in offering this amendment. The record of the Committee on Foreign Relations will show that the Senator from Wisconsin [Mr. WILEY] and I both presented to the committee something of the same point of view which has been expressed here today so ably by the distinguished Senator from Louisiana. But after hearing from Mr. Hoffman and his representative, and after the committee made inquiry into the possibility and the desirability of doing what the Senator from Louisiana has in mind, the Senator from Wisconsin, I think I might say, and I came to the conclusion that a better course was to do what the Senate Committee on Foreign Relations did regarding this matter in its report to the Senate.

The Senator from Louisiana obviously has in mind that these counterpart funds, to the extent of 25 percent or more, could be used for acquiring for our country strategic and critical materials from the beneficiary countries without any detriment to the economies of those countries which we are striving by the pending measure to put upon a recovered basis. Yet the experts who had special knowledge of the subject told us it was not possible. That is to say, they told us that if we used any appreciable amount of counterpart funds for the acquisition of strategic and critical materials, the net and practical effect of such action would be to diminish the aid and assistance we are giving the beneficiary countries in endeavoring to overcome their shortage of dollars, for the reason that they propose to use these strategic and critical materials in acquiring dollars from this country partially to overcome their dollar deficits. So if we acquire these strategic and critical materials with their counterpart funds, their own currencies, they will have that much less effective means by which they may obtain dollars in the ordinary way from us.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. ELLENDER. As I understand the Senator, for all the critical materials the United States needs and which can be furnished by the ECA countries, he is suggesting that we appropriate extra dollars, that is dollars in excess of those we are now making available to those countries we are assisting?

Mr. PEPPER. It comes down substantially to that. To my surprise and, frankly, to my regret, I made the discovery by the inquiry conducted in the committee, that the Senator's amendment amounts, in practical effect, to the reduction of the number of dollars we propose to make available to the beneficiary countries. I am glad, of course, to note that the Senator from Massachusetts [Mr. LODGE] is upon the floor, because in committee we adopted an amendment proposed by the Senator from Massachusetts which makes greater progress in this direction than has been made in the past. He is better qualified to tell just what his amendment will do than am I. So I should like to defer to a statement from the Senator from Massachusetts before concluding my own upon the subject.

Mr. LODGE. Mr. President, will the Senator permit me to ask him a question?

Mr. PEPPER. I yield.

Mr. LODGE. Is it not true that if we increase the amount which has to be earmarked from the counterpart fund we necessitate an increased dollar authorization if the over-all authorization is to have its intended effect?

Mr. PEPPER. Exactly. That is what we discovered in the committee, as I said, to the surprise and to the regret of the Senator from Florida. I had hoped we might be able to acquire, through the use of counterpart funds, a larger quantity of critical and strategic materials, but we were told in the committee that almost exactly to the exent we required the use of counterpart funds for the acquisition of such critical and strategic materials, as a practical matter we would reduce the dollar aid we are giving to the various countries by that amount.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. ELLENDER. The Senator does not mean to say that my amendment would bring about a reduction in dollar aid that is authorized in the pending bill?

Mr. PEPPER. Of course, we propose to acquire strategic and critical materials from the participating countries, and they propose to sell them to us. In fact, such contemplated sales have already entered into their calculation in the advice given us as to the amount of their dollar deficits. So we expect to receive the critical and strategic materials. But if we buy them with the currency in the form of counterpart funds that means the western European countries will receive in the future that much less dollar remuneration from us for such expected sales.

Mr. ELLENDER. The Senator is aware of the fact that under the language of the bill, particularly paragraphs (h) and (i–2) of section 10, the 25 percent minimum could be advanced to the nationals of an ECA country to develop strategic materials for future delivery, and if and when they become available, then the advance as well as any balance remaining could be used to pay for such materials?

Mr. PEPPER. I may point out to the Senator from Louisiana that I am afraid he has not given full weight to the language in the present law which would allow, as I interpret it, the use of any part of the counterpart funds for just such purposes. Let me call the attention of the Senator to the language in the present law. I am reading now from section 115 (b) (6), somewhat down in the subsection. These are the uses to which the counterpart funds may be put—and I am reading from the law:

For the stimulation of productive activity and the exploration for and development of new sources of wealth.

Undoubtedly, under that section the counterpart funds of any beneficiary country could be used to the extent they might deem desirable for the stimulation of productive activity and the exploration for and development of new sources

of wealth, and that would include the exploration for and the development of necessary strategic and critical materials.

Mr. ELLENDER. Mr. President, will the Senator yield further?

Mr. PEPPER. I yield.

Mr. ELLENDER. I am aware of those provisions of the law. The point I am trying to make is that not more than 5 percent of those funds can be used by us to acquire such materials unless we can obtain the consent of the beneficiary nation.

I know that the counterpart funds can be used for development, but the unfortunate thing is that very little of them have been used for that purpose. As I indicated to the Senate Saturday, and as I said today, $672,000,000 of the counterpart funds have been released. And this is the way the money has been used——

Mr. PEPPER. Yes; I heard the Senator make the statement.

Mr. ELLENDER. Four hundred and forty-six million dollars for debt retirement—later figures show $539,000,000 used for debt retirement. One hundred and seventy-two million dollars for reconstruction and rehabilitation. Forty-one million dollars for development of strategic and critical materials.

Mr. PEPPER. Mr. President, I venture to reply to the able Senator from Louisiana that there must have been some reason why a larger part of the counterpart funds was not used for the acquisition of the strategic and critical materials. Let me call the Senator's attention to the fact that it is not the law which limits the amount of the counterpart funds which may be so used. The law says that not less than 5 percent of such counterpart funds may be used. But it does not limit the percentage of the counterpart funds to 5 percent. It is a fact that the Administrator, out of his knowledge of the subject, has entered into bilateral agreements with the beneficiary countries that only 5 percent of the counterpart funds shall be employed for the advantage of the United States, but that is not a limitation in the law. That is a limitation in the agreement entered into between the beneficiary countries and the Administrator, and the Administrator satisfied the committee of the wisdom of his action in entering into those agreements.

Mr. President, as I said, the Senator from Massachusetts has offered an amendment, which is summarized on page 15 of the committee report:

> Paragraph 1 emphasizes the Administrator's obligation to make use of his bargaining power to increase the production of materials, and to assist other agencies of the Government in purchasing materials.
>
> Paragraph 2 authorizes the Administrator, with the approval of the Bureau of Federal Supply, and within the limits of the appropriations available to the Bureau of Federal Supply, to enter into contracts for periods as long as 20 years for the purchase of materials.
>
> Paragraph 3 makes it clear that this authority does not in any way restrict the other agencies of the United States Government from stimulating production or purchasing materials in other parts of the world.

I am sure the able Senator from Massachusetts will perhaps desire to say something further about his own amendment.

About all I can add, Mr. President, is that the subject has been carefully studied and several of us on the committee had the objective in mind. The Senator from Louisiana has presented to the Senate the fact that due inquiry was made of the Administrator and his assistant. Having in mind the objectives of this measure, we became convinced that the Senator's amendment did not provide the best way to accomplish what the able Senator from Louisiana has in mind. The Lodge amendment makes more progress than the others make in that direction. Circumstances in the future, next year or the year after, may lead the Administrator to find and to feel that we can use a larger percentage of the counterpart funds for this purpose than we are presently using. But when he does so conclude, there is ample latitude in the law for him to do that, because he is limited only by the language which says not less than 5 percent; but there is no limitation which forbids him from using more than 5 percent if administratively it is deemed necessary and desirable to do so.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. ELLENDER. Is it not a fact that in order to be able to spend more than the 5-percent minimum of the funds to acquire materials for our country it would be necessary to obtain the consent of the beneficiary country, which has a right to the use of this counterpart fund?

Mr. PEPPER. Of course, this is a mutual transaction. However, our consent is also required to any agreement which may be entered into. This is a matter of negotiation. As I say, there is nothing in the law to prevent the parties, by negotiation and agreement, from accomplishing what the Senator from Louisiana has in mind as soon as our ablest and best-informed representatives may discover it feasible to do so.

Mr. ELLENDER. Provided the beneficiary country agrees to it, and provided there is any money remaining in the counterpart fund.

Mr. PEPPER. I think it would be within the power of the beneficiary country to disagree; but if it could be shown that it was feasible and was not inconsistent with the purposes of the act, it is difficult for me to imagine that there would be any objection on the part of the beneficiary country.

Mr. KEM obtained the floor.

Mr. LODGE. Mr. President, will the Senator yield to me for a brief statement?

Mr. KEM. Mr. President, I ask unanimous consent that I may be permitted to yield to the Senator from Massachusetts for a brief statement, without losing the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LODGE. I thank the Senator from Missouri.

Mr. President, I desire to comment on the amendment of the Senator from Louisiana, and to read into the RECORD three or four excerpts from the hearings which I think will elucidate the subject.

When the committee began considering this subject I was a very strong and enthusiastic partisan of the objective which the Senator from Louisiana suggests, and I still am. I well remember that the Senator from Florida [Mr. PEPPER] was also an enthusiastic advocate of what the Senator from Louisiana is trying to accomplish. However, we discovered as we went into the subject that the method suggested in this amendment is not the practical way to get the result which we all wish to achieve.

I should like to read three excerpts from the hearings. The first is on page 68. I asked Mr. Hoffman a question.

> Senator LODGE. My next question is this: As brought out in the OEEC's interim report, the participating countries stress the importance of manufacturing which includes the use and fabrication of raw materials, largely strategic materials, of which there is a world-wide shortage. Should not emphasis then be placed by ECA on development of new sources of these materials within the participating countries and in their overseas possessions?
>
> Mr. HOFFMAN. There certainly should be, sir, and we intend to put that emphasis on the program this year.
>
> Senator LODGE. In that case would you object, and if so, why, to a requirement that loans made by ECA participating countries be repaid in whole or in part with strategic materials to be obtained from increases over present production?
>
> Mr. HOFFMAN. That question was up and battled over this year. I took the position—and several members of ECA do not agree with me—that that provision would delay our getting strategic materials until we reach that point where the loans were about to be repaid, which is about 4 or 5 years from now. The first payment, I think, is 5 years from the date the loan is made.
>
> I felt the time we most needed our strategic materials was in the immediate future for stock piling. I did not want to see the obligation that I feel these countries have to us and to themselves to help build up their security discharged by that kind of a stipulation, which to my way of thinking we deferred.
>
> As a practical matter I am quite confident that we did get, and will get, much more in the way of delivery of strategic materials in the next 2 or 3 years with that clause out than with that clause in.

I should like to read next a statement by Mr. Bruce, the Deputy Administrator. This statement is found on page 237. He was discussing strategic materials in French colonies.

> We got interested in it first, of course, because of the very wise insistence by Congress on the development and the bringing to the United States of any strategic or other scarce materials which might be available. As you all know, I think, the presence of materials of that nature in the French Union does not amount to any significant amounts nor are they distributed amongst nor are there present a surplus of any so-called strategic materials which are of immediate value to us.

Next I go to page 332. This is also the statement of Mr. Bruce:

> Mr. BRUCE. In the enabling act, you have assigned to us, as I pick them out, five responsibilities. One to see to it that participating countries facilitate the transfer to this country of rtrategic materials for stock

piling and other purposes. At the end of that paragraph, you say:

"After due regard for reasonable requirements for domestic use and commercial export."

Under that paragraph we have purchased some $23,000,000 or $24,000,000 worth of strategic materials, mostly in spot materials.

We are pretty close to closing another, say, $16,000,000 that will bring us up around $40,000,000, all from our counterpart funds, which, incidentally, is about the amount of counterpart accrued to the end of December in the three principal countries concerned.

In these programs, some of the items fade away. On the other hand, I think during the coming year a good many will take their place. I am rather optimistic that our actual purchases out of the 5-percent counterpart fund will increase.

The next assignment is that the participating countries agree to promote increased production and upon request to negotiate a schedule of future minimum availability to this country, for future delivery, in agreed percentages, of production, or absolute quantities. We have opened negotiations on that point. Mr. Harriman expects to have assign in the next few days a man we all think is the most competent fellow for this kind of negotiation we could lay our hands on.

Generally speaking, I do not think this negotiation is going to result in anything much except generalities—

This is the important point—

until we are in a position to negotiate long-term contracts. When you sit down to negotiate a contract, you can stipulate that 20 or 30 or 40 percent of this material for a term of years shall be delivered to us at our wish. In other words, that we should have an option to draw on this production. But we are in a period, particularly in the ECA countries, where the general industrial recovery has run away ahead of the increased production of these strategic materials; so the demands or the shortage of supplies have gone up pretty rapidly.

Mr. ELLENDER. Mr. President, will the Senator yield for a question?

Mr. LODGE. I yield.

Mr. ELLENDER. Under my amendment, is it not a fact that not only is the 25-percent minimum set aside for the purchase for our account of strategic materials and for our local currency requirements, but it is provided in subparagraph 2 of paragraph (i), at the bottom of page 8, that the funds can be used to make advances for the development of such materials? I quote:

In furtherance of such objectives and within the limits of the appropriations and contract authorizations of the Bureau of Federal Supply to procure strategic and critical materials—

And I add at the top of page 9, after the word "materials"—

plus amounts allocated in accordance with subsection (h), the Administrator, with the approval of the Director of such Bureau, shall enter into contracts in the name of the United States, etc.

In other words, the Bureau of Federal Supply can use not only the cash which Congress appropriates, but it can cooperate with the Administrator of ECA, with a view to making contracts over a definite period, but not to exceed 20 years, which is the very thing the Senator is now talking about.

Mr. LODGE. That is correct. I intend to come to that point in a moment.

Mr. ELLENDER. That would be an assistance to the Director of the Bureau of Federal Supply and not a deterrent, would it not?

Mr. LODGE. It would not be any assistance to the Administrator to require him to earmark 25 percent of the counterpart funds unless we increase the authorization for ECA by that amount. If we do that, that has the ultimate effect of appropriating an extra sum of dollars. That is the weakness in the proposal.

Mr. ELLENDER. But the Senator concedes, does he not, that this amendment does not in any manner reduce the amount of dollars which are authorized for the recovery of those countries?

Mr. LODGE. Yes. In effect it sets aside a percentage of the counterpart funds, which, in effect, is setting aside dollars which would be used for other purposes. The money would be used to help those countries close their dollar gap, if it were not used for this purpose.

Mr. ELLENDER. Mr. President, will the Senator further yield?

Mr. LODGE. I should like to place in the RECORD certain excerpts from the hearings, if I may, but I will yield.

Mr. ELLENDER. Does the Senator agree that the counterpart fund should be used to discharge the debts and pay the current expenses of the governments of the beneficiary countries?

Mr. LODGE. I think the counterpart funds should be used in order to get those countries on a healthy financial basis. I am unable to go into details as to the national debt and the currencies of those countries; but certainly they have a bearing on the subject.

I should like to conclude placing in the RECORD this excerpt from Mr. Bruce's statement:

We could not very well go much further than we have gone without destroying what is the major object of the program, without pulling down the economy of these countries.

If I may interpolate, Mr. Bruce makes the statement which I have been trying to make, that if they had gone any further in using counterpart funds for this purpose, it would have pulled down the economy of those countries.

The final outcome of this, of course, is to increase the world-wide production of these materials; and to do that, you simply have to make long-term contracts. We can negotiate with the Government, but when you get down to do business, in the wind up you will be negotiating with some privately owned production; and in many instances our own nationals are stock owners or part owners of it.

Then on page 334:

If we are backed up by somebody with some real money and prepared to make long-time contracts, I think much more can be done. Say that we will be the sales agent, the exploring agent, for such a body. Of course, if you gentlemen say so, we can take it over; but we are a young organization; we are going out of existence in 3½ years.

Then on page 335:

Senator LODGE. Do not answer this if it ought not to be answered on the record, but if you can answer it, I think it would be interesting to the public. Have you made any agreements that extend for a greater period of time than the act?

Mr. BRUCE. I am thinking of one that is not finally signed by the European party to the contract. It has been agreed to at this end. It is one in which we would carry on our option for 10 years, I think.

Senator LODGE. You have not been hampered by lack of legal authority to go ahead and make long-term commitments, have you?

RESTRICTION TO USE OF ONLY COUNTERPART FUNDS

Mr. BRUCE. No; we are hampered by not having the dollars. We are more hampered by that than anything else.

Senator LODGE. As the law now stands, and I want to get it clear, you can use counterpart funds, but you cannot use dollars. Is that it?

Mr. BRUCE. Yes; for purchasing.

In other words, they have the power now which is suggested by the amendment of the Senator from Louisiana.

Then:

Senator LODGE. Could you have made some advantageous deals for the United States if the law had given you the power to pay in dollars? Some deals that you missed that you could have made otherwise.

Mr. BRUCE. I think so.

And then I said to him:

I would appreciate very much if you could have someone in your office draft some language that you could offer as an amendment to this bill, which would make it possible for you to do just that.

Mr. President, the upshot of all that was—and the committee spent a great many hours, extending over seven or eight daily meetings, on this matter—that we came to the conclusion that we did not wish to promote the strategic materials objective at the expense of the economic recovery of the countries, because obviously that would be to defeat the whole purpose of the bill, which is to get them on their feet and off our backs.

On the other hand, we want to get strategic materials for the United States, in order to replenish our own dwindling stocks; and we want to do so without incurring a greater burden upon the Treasury of the United States.

So we ended up with paragraphs (1), (2), and (3) on pages 8 and 9, in which we give the Administrator, Mr. Hoffman, the power to make these contracts in the name of the United States Government, in pursuance of the regularly established list of the Munitions Board, with the right to make contracts for as long as 20 years, using the already appropriated funds for that purpose.

The House of Representatives Appropriations Committee has reported a bill for a large sum of money—I do not have the precise figures now, but it is somewhere around $600,000,000, in appropriations and contract authorizations for strategic materials. We take advantage of the fact that we have an extremely able Administrator in Mr. Hoffman, and that he has an extremely able team of men all over the world; and we also take advantage of the fact that he is in an unusually strategic bargaining position; and we put him behind the already duly enacted strategic materials policy of the Congress, using the appropriations that are being made to carry out the law. It seems to me that is an intelligent, practical way to go at the matter, and it fits

Mr. Hoffman right into the existing structure.

Mr. WHERRY and Mr. ELLENDER addressed the Chair.

Mr. LODGE. I yield first to the Senator from Nebraska, and then to the Senator from Louisiana.

Mr. WHERRY. I thank the distinguished Senator.

Mr. President, I know how interested the Senator is in this particular phase of the ECA bill, which provides for the purchase and production of strategic materials for our own country. I am in total agreement with the statement he has made about the Administrator. If he were continued as the head of ECA, no doubt—at least in the opinion of the Senator from Massachusetts and, I think, in the opinion of most other Senators—the new provisions written into paragragh (i) (1), on page eight, relative to the purchase and production of strategic materials, might be administered in a practical way.

But I wish to submit a question to the distinguished Senator from Massachusetts. Let us say that Mr. Hoffman were no longer the ECA Administrator, for life is uncertain, and we cannot tell what will happen in the future. I wish to ask the distinguished Senator from Massachusetts about the language of paragraph (1), under subsection (i), on page 8, reading as follows:

(1) (1) The Administrator shall, to the greatest extent practicable, without detriment to the European recovery program, initiate projects for and assist the appropriate agencies of the United States Government in procuring and stimulating increased production in participating countries of materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources.

I ask the distinguished Senator from Massachusetts if he believes that under such broad language it would be possible for an administrator to use Government agencies not only to go into the home lands of the participating countries but also into their colonial possessions, and there plow new dirt, so to speak, to bring into production certain projects which had not even been thought of prior to the war; and yet using our own money, to help them do that prospecting to produce the very products which might in the mind of the Administrator constitute potential deficiencies, he could, as a result, have them shipped into dollar areas where they would come into direct competition with commodities being handled by American nationals, who are prohibited from bringing in production from the same fields.

Mr. LODGE. Mr. President, the Senator from Nebraska raises three or four points. I shall attempt to answer them in the order in which he raised them.

In the first place, the present Administrator will continue for only 3 or 4 years more; in other words, he is a temporary official. So there is no question about there being an ECA Administrator with these powers afterward. The Bureau of Federal Supply is a permanent agency of the Government, and is the operating agency for our stock-piling policy. The Senator asks whether this provision will make it possible for projects to be initiated in colonial areas. The answer is "Yes."

Mr. WHERRY. At any place?

Mr. LODGE. At any place which comes within the ECA program, because this provision does not include countries which are not in the ECA program. In my opinion, we should get into the colonies. There are undoubtedly in the Congo, and elsewhere in Africa, strategic materials which are very precious, and which we need very badly; so I think we should get into the colonies.

There is the possibility, as the Senator from Nebraska says—and I am going to meet the question head on—that a shortage might develop in this country of something which is not strategic today, but which obviously might be vital at a later time. The Senator asks whether under this act the Administrator could react in the way indicated in that kind of an emergency. The answer is that he could. Of course, like all powers, in the hands of a bad man it might be unsatisfactory; but I myself think it is wise to have that power in this measure.

Mr. WHERRY. Mr. President, will the Senator yield at that point?

Mr. LODGE. I yield.

Mr. WHERRY. Does this new provision comply with the original objectives of the act, as passed in 1948?

Mr. LODGE. Yes. I have asked Dr. Wilcox to get me a copy of the act.

Mr. WHERRY. I quote from the declaration of policy in the 1948 act:

Provided, That no assistance to the participating countries herein contemplated shall seriously impair the economic stability of the United States.

* * * * *

(b) It is the purpose of this title to effectuate the policy set forth in subsection (a) of this section by furnishing material and financial assistance to the participating countries in such a manner as to aid them, through their own individual and concerted efforts, to become independent of extraordinary outside economic assistance within the period of operations under this title.

And then it sets forth the procedures by which that might be accomplished.

I do not find there one word which would indicate the slightest intention of having this country evolve a financial plan for the development of a world-wide industrial expansion, let us say, in petroleum for the participating countries, or to finance the development of their colonial possessions or the development of new industrial enterprises in foreign countries or in any countries except the participating countries themselves.

Mr. LODGE. Will the Senator ask me one question at a time?

Mr. WHERRY. That is one question.

Mr. LODGE. Very well.

Mr. WHERRY. The first question is, Does not the new section violate the very fundamental objectives of the act?

Mr. LODGE. No.

Mr. WHERRY. Secondly——

Mr. LODGE. The Senator asks me that one question, Does not this violate the act?

Mr. WHERRY. Yes.

Mr. LODGE. I may say to the Senator in reply, no; it is the language of the act. I shall read the language of the act. According to page 17 of the Economic Cooperation Act of 1948, section 115, paragraph (b), section 5, the agreement shall provide for the adherence of any such country, for the purposes of this title, and shall, where applicable, make appropriate provision, among other things—subsection 5—for—

(5) facilitating the transfer to the United States by sale, exchange, barter, or otherwise for stock-piling or other purposes, for such period of time as may be agreed to and upon reasonable terms and in reasonable quantities, of materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources, and which may be available in such participating country after due regard for reasonable requirements for domestic use and commercial export of such country;

Further, on page 17 appears this language about the special account:

Such special account, together with the unencumbered portions of any deposits which may have been made by such country pursuant to section 6 of the joint resolution providing for relief assistance to the people of countries devastated by war * * * shall be held or used within such country for such purposes as may be agreed to between such country and the Administrator in consultation with the National Advisory Council on International Monetary and Financial Problems and the Public Advisory Board provided for in section 107 (a) for purposes of internal monetary and financial stabilization, for the stimulation—

Mr. President, this is the pertinent part—

for the stimulation of productive activity and the exploration for and development of new sources of wealth, or for such other expenditures as may be consistent with the purposes of this title.

The language of the pending bill does not go so far as the act does in that respect. I have been reading from the existing law which was enacted by the Congress. It has been in effect, it has been on the books, for a long time, and does not seem to have done any harm.

Mr. WHERRY. But——

Mr. LODGE. Just a moment. Let me refer to paragraph 117 (a), reading as follows:

SEC. 117. (a) The Administrator, in furtherance of the purposes of section 115 (b) (5), and in agreement with a participating country, shall, whenever practicable, promote, by means of funds made available for the purposes of this title, an increase in the production in such participating country of materials which are required by the United States as a result of deficiencies or potential deficiencies in the resources within the United States.

It seems to me that is a complete answer to the Senator's question.

Mr. WHERRY. But that promotion, which is really confined to purchase or barter trade primarily is done in accordance with the provisions of the particular title of the act. If the word "promotion" means we can depart from promotion within the participating countries, and undertake it in all parts of the world——

Mr. LODGE. No.

Mr. WHERRY. That seems to me to expand the provisions of the act itself.

Mr. LODGE. There is no question of undertaking it in all parts of the world. The language of the bill applies only to

the ECA countries. There is no extension of the area of deliveries in the act.

Mr. WHERRY. Mr. President, will the Senator yield for another question?

Mr. LODGE. I yield.

Mr. WHERRY. The reason I ask the question, and the reason I am primarily interested is because of the report issued by the United Kingdom on the European Recovery Program, released on February 29. At page 76 the report states:

Total investment in petroleum development during 1949–50 will be about $500,000,000, nearly $400,000,000 of which will be for expenditures on overseas production, maintenance, and new construction, and $100,000,000 to $120,000,000 of which will go toward expanding refinery capacity in the United Kingdom itself.

One large new refinery is planned in the South of England, and the capacity of a number of exisiting installations is to be expanded considerably. The substantial overseas investment involves projects—

Please note this particularly—

to increase the production of refineries in the Middle East, the Carribbean, and in Holland—

Mr. President, I cannot have the Senator's attention when he is talking to someone else.

Mr. LODGE. I was obtaining the information for the Senator, so I could give him an intelligent answer.

Mr. WHERRY. I appreciate that.

Mr. LODGE. The Senator from Nebraska knows that is perfectly proper and entirely customary. I was trying not to waste time. I was asking Mr. Wood whether it is not true that this petroleum activity was included under the general provisions of the ECA Act, rather than under the provision relating to strategic materials, and whether it is necessary to have a strategic-materials authorization to do this.

Mr. WHERRY. But if petroleum becomes potentially deficient in the United States, then I say it is a strategic material.

Mr. LODGE. Indeed it would be, and we ought to get it on that basis.

Mr. WHERRY. That is the only reason at all that I can see to justify the Senator in his position.

Mr. LODGE. If we have an oil shortage in this country, does not the Senator think we ought to develop oil somewhere else? Will the Senator answer my question? I have been answering his.

Mr. WHERRY. Yes. I think before we go any place else, the safest place in the world to develop the oil industry, if we are going to develop any, is within the United States.

Mr. LODGE. The Senator has evaded my question.

Mr. WHERRY. I thought I answered it.

Mr. LODGE. The Senator did not answer it at all.

Mr. WHERRY. Wherein did I fail to answer it?

Mr. LODGE. I asked the Senator whether in the event of an oil shortage in America, we should not try to get the oil somewhere else, rather than let it stop there?

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LODGE. Yes. I tried to get an answer.

Mr. WHERRY. I cannot answer the Senator's question, unless he will yield. There is a rule that, unless I obtain unanimous consent——

Mr. LODGE. I always yield. The Senator knows that.

Mr. WHERRY. Mr. President, will the Senator permit me to answer?

Mr. LODGE. Yes. I am trying to get an answer from the Senator.

Mr. WHERRY. Very well, Mr. President, certainly if the oil supply of this country should become deficient and there should be a war, oil would then become a strategic material. There can be no doubt about that. But at this time 600,000 barrels of oil are coming into this country each day, and the price of oil has declined 20 percent within the past few weeks. What I am asking is this: On the theory that oil is a strategic material, in the event of war, if an administrator can say that there is a potential deficiency, does the Senator believe that the bill provides that the United States, in order to obtain the production of oil, may finance wildcatting in the Caribbean or Holland, or in any or all the other beneficiary countries and their possessions and put into the oil business the nationals of other countries in order that they may be able to ship the oil back into the dollar areas where it would come into direct competition with oil developed by the producers of oil in this country?

Mr. LODGE. Frankly, I think the Senator is seeing spooks.

Mr. WHERRY. Well——

Mr. LODGE. Wait a minute, please; let me answer. There is nothing in the language that requires the Administrator to do it. If an emergency situation should arise, and it should be desirable to do that, the Administrator could do it under the existing law, anyway. This bill does not add anything in that respect to that which is in the law already. That is the short answer.

Mr. WHERRY. That is the answer I have been trying to get, because I wanted the RECORD to show.

Mr. LODGE. That is right.

Mr. WHERRY. I wanted the RECORD to show that in the mind of the distinguished Senator from Massachusetts the language found on page 8, section 10, subparagraph (i) does not expand the present objectives of the act now in force.

Mr. LODGE. I may reassure the Senator on that point, speaking as one Senator who is interested in the matter, that that was not the purpose of it. It is not my anticipation that the law would be used that way. It is my anticipation that this language would be used to get the strategic and critical materials in the normal acceptance of the term.

Mr. WHERRY. Mr. President, will the Senator yield, please, for one more question?

Mr. LODGE. Yes, indeed.

Mr. WHERRY. While we can all agree with the Senator's interpretation as to the intent of the bill, could it not be interpreted by an Administrator who did not possess the same practical ability as that of the present Administrator, to include an over-all program whereby the petroleum industry could be developed along the lines I mentioned a moment ago?

Mr. LODGE. I do not think it is necessary to have this new language in order to do it. The Administrator has recently approved the establishment of a watch and clock factory in Scotland. He could just as well approve the establishment of an oil refinery.

Mr. WHERRY. Mr. President, will the Senator yield for a further question?

Mr. LODGE. I yield.

Mr. WHERRY. Why does the Senator want this language if he already has what he wants?

Mr. LODGE. Because I am not interested in refineries or watch and clock factories in connection with this particular language; I am interested in obtaining strategic materials to replenish our depleted resources. The provisions of the existing law have been inadequate in that respect. Therefore we want to put this language in so that we can get those strategic materials. That is the burden of my song.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. LODGE. I yield. I should like to inquire what it is from which the Senator is reading.

Mr. WHERRY. I am reading from a paper. Does the Senator wish to see it?

Mr. LODGE. I was wondering whether it was a study of some development——

Mr. WHERRY. I shall be glad to show the Senator anything I have.

Mr. LODGE. That is good.

Mr. WHERRY. I think the language goes further than the Senator thinks it does.

Mr. LODGE. I should be very much worried if the language should not be enacted into law, because I think it is the best hope we have of getting some of the materials which we shall need if we ever get into an international emergency.

Mr. WHERRY. In this report I find that an authentic trade paper carried an interview with the ECA in which it is stated that United States funds and know-how will be used to expedite the British Government's search for oil and other minerals in British colonial areas in Africa——

Mr. LODGE. Who says that?

Mr. WHERRY. Just a moment. I shall give the Senator the authority. One authority is the Platt's Oilgram News, dated February 24, 1949.

Mr. LODGE. What is that—an oil company?

Mr. WHERRY. It is a paper published in this country.

Mr. LODGE. Is it the organ of a private oil company?

Mr. WHERRY. It is a newspaper published for the benefit of oilmen and other interested citizens of the United States. I do not own any share in it.

Mr. LODGE. I did not think the Senator did. Does the Senator think an oil company would have an entirely disinterested view on a question such as this?

Mr. WHERRY. I think a newspaper, whether owned by the Government, by the oil companies, or disinterested citizens, can raise questions which should be answered.

Mr. LODGE. I do not think it is an utterly dependable guide to the national welfare of the United States, so far as the conservation of vital, strategic materials is concerned.

Mr. WHERRY. It might be a very good guide if this problem should confront us.

Mr. LODGE. Has the Senator seen the statement of Secretary Krug and the statement of former Secretary Ickes to the effect that, as a result of depletion of our oil resources, the United States will never again be able to have the necessary oil to conduct a war in the tragic event that another war should be forced on us?

Mr. WHERRY. I have seen that statement in the Small Business Committee. All sorts of evidence has been produced to show that we shall never get increased oil supplies in this country if we ship our oil all over the world and do not provide any for the United States of America. We need 60,000 oil wells in this country at this particular time.

Mr. LODGE. Does the Senator think that the proper way to conserve the oil of the United States is to pump it all out of the ground and send it all over the world?

Mr. WHERRY. Unless we continue to increase the supply in this country, our source of oil will dry up.

Mr. LODGE. This is a very interesting discussion, but I think it really has practically nothing to do with the amendment. I see that many Senators are beginning to listen to us in this colloquy, and I want to hasten to reassure them that the amendment does not add to or detract from the situation created by existing law insofar as oil is concerned.

Mr. WHERRY. Will the Senator yield further?

Mr. LODGE. I wanted to yield to the Senator from Louisiana [Mr. ELLENDER].

Mr. WHERRY. But the Senator quoted from page 8 of the bill. I agree with much of what the Senator said about strategic materials, but I should like an answer to my question, which is this: Are we justified in going beyond the objectives of the original act to provide money to plow new dirt in new oil fields——

Mr. LODGE. The Senator absolutely refuses to listen to what I tell him. This is not new language. It does not go beyond the law. I have read the language already, and I shall not read it again, because I do not want to waste the time of the Senate. I hope the Senator will read it tomorrow. It is entirely within the purview of the law which has been on the books since last year and to which the Senator has not objected and to which even Platt's Oilgram News has not objected, so far as I know.

Mr. WHERRY. It can be done, according to the Senator's own testimony——

Mr. LODGE. Under existing law.

Mr. WHERRY. And it can be done under the new law?

Mr. LODGE. The proposed new law in this respect is a repetition of the old law. There is no use in going over this weary round of argument again. I have tried to make it clear to the Senator from Nebraska, but I seem to have failed to convince him. I yield to the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I should like to ask a question. In view of the language in paragraph (i), page 8, of the bill, reading partly as follows:

> The Administrator shall to the greatest extent practicable, without detriment to the European recovery program, initiate projects for and assist the appropriate agencies of the United States Government in procuring and stimulating increased production in participating countries of materials which are required by the United States, etc.

Is it the Senator's understanding that the counterpart fund is to be used to expand existing facilities or to establish new facilities to develop strategic materials?

Mr. LODGE. It could be, up to 5 percent.

Mr. ELLENDER. Is that all?

Mr. LODGE. Oh, no.

Mr. ELLENDER. I understand that the 5-percent minimum provided for is to purchase strategic materials for our account and not for development purposes. It is stated very plainly in the bill that—

> Not less than 5 percent of each special local currency account established pursuant to paragraph (6) of subsection (b) of this section shall be allocated to the use of the United States Government for expenditure for materials which are required, etc.

In other words, it is for the purchase of strategic materials that the 5-percent minimum has been earmarked. The act states that not less than 5 percent of the counterpart fund can be used to purchase materials. But, under paragraph (i), as I understand, the Administrator is given authority to expand existing facilities and to create new facilities in order to obtain strategic materials. The counterpart fund is to be used for that purpose, but none of it is to be used to purchase materials for our account except the 5 percent provided for in section 10, page 8, beginning with line 3. Am I correct in that statement?

Mr. LODGE. It is my understanding that 100 percent of the counterpart fund can be used for development.

Mr. ELLENDER. The Senator is in error. Not less than 5 percent is earmarked to make purchases for our account and for other local currency requirements of the United States.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. LODGE. I yield to the Senator from Florida.

Mr. PEPPER. Mr. President, a while ago I called the attention of the able Senator from Louisiana to the fact that the pending bill, reported by the committee, provides that—

> Not less than 5 percent of each special local currency account established pursuant to paragraph (6) of subsection (b) of this section shall be allocated to the use of the United States Government for expenditure for materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources or for other local currency requirements of the United States.

It is not less than 5 percent; but the Administrator is not limited to 5 percent in the amount that might be so employed. It is subject to agreement between the beneficiary country and the United States Government.

Mr. ELLENDER. In answer to the distinguished Senator from Florida [Mr. PEPPER] I understand that the present law states "not less than 5 percent" of the counterpart funds shall be used for the purchase of strategic materials. That is a minimum, a safeguard, which was placed in the original ECA appropriation in order to assure our taxpayers that a very small proportion of these huge sums would be returned to us in the form of strategic materials. All I am seeking is to increase that minimum to 25 percent. The Senator correctly states that the government of the participating country and our Government could, by agreement, increase that percentage. But why should we leave this important matter to future agreement between our Government and the beneficiary government? If the beneficiary government disagrees, what then? Now is the time to increase that minimum, not next year or the year after. I fear that if we do not strengthen the hand of the Administrator in this matter of acquiring strategic materials with some of the counterpart funds, there will be little, if any, counterpart funds left over with which to negotiate judging from the rate they are being expended to reduce the national debts of certain ERP countries.

Mr. President, I shall endeavor to set at rest the fear of the distinguished Senator from Florida [Mr. PEPPER] with regard to the possibility that my amendment would result in less United States dollars being available to the participating countries. My distinguished friend and colleague has in mind, I am sure, that under my amendment this 25 percent of the counterpart funds must be spent this year, or in the immediate future, for strategic materials to be shipped to our country. That is not what my amendment contemplates. I realize that if counterpart funds are used to purchase materials which have been programed for production and sale to the United States Government for United States dollars between now and 1952, it will necessarily mean less United States dollars available in those countries than is now contemplated. But my amendment provides that these counterpart funds can be used over a period of 20 years. It does not interfere with the present program. The purchases now contemplated can be carried out as planned. I am seeking to make it possible for our Government in future years to acquire, with this 25-percent fund, materials resulting from increased production, and as has been pointed out, such increased production could be obtained by expenditure of a portion of the remaining 75 percent of counterpart funds. As I have stated, this production to be acquired from the 25-percent fund need not be acquired immediately, or even within the next year or two. It may be acquired in later years, out of surplus production. Its purchase with counterpart funds would not in any way adversely affect the or-

dinary flow of American dollars to the participating country, or disrupt the internal economy of that country. On the other hand, the expenditure of this local currency will provide an additional internal source of revenue for the country in later years, when the economy of the nation will no doubt require it.

Mr. President, I ask my distinguished friend from Massachusetts to yield further.

Mr. LODGE. I yield.

Mr. ELLENDER. Is it not a fact that as to the development referred to in subparagraph (i) page 8, beginning in line 10 the counterpart fund must be used for development purposes only and not for the purpose of acquiring for our country materials which we may need?

Mr. LODGE. My understanding is that 100 percent of the counterpart funds can be used for development.

Mr. ELLENDER. For development; but both governments must agree to it. Under paragraph (h) 5 percent of that fund is set aside for our Government's use——

Mr. LODGE. For the purchase of materials.

Mr. ELLENDER. That is correct; not less than 5 percent. But, under paragraph (i) the Administrator is given the right to use the counterpart fund to boost the production of materials. In addition to that, under paragraph (i) 2 of section 10, in order that production may be increased, a contract can be entered into through the Bureau of Federal Supply for a period of 20 years, which will require more dollars in order to acquire the materials.

Mr. LODGE. It does not require more dollars than the budget has already authorized.

Mr. ELLENDER. That is correct, but it requires dollars over and above the amount being made available under the pending bill for their acquisition by us.

Mr. LODGE. Exactly. I think that is the cleverness of the whole scheme. It takes the Administrator, with his hard-hitting organization and his bargaining position, and puts him into the existing strategic-material policy of the Government.

Mr. ELLENDER. The cleverness of the whole scheme is that 95 percent of the counterpart fund is going to be used to build factories, if necessary to develop the economy of those nations, and to develop their mines, then we are going to have to use more dollars with which to buy the output of those factories and mines. And later on, under the Atlantic Pact, we will no doubt have to ship it back to them in the form of guns, airplanes, ammunition, and other implements of war.

Mr. LODGE. That possibility is implicit in the whole Marshall plan. This paragraph (i) does not do anything new in that respect. That has been the law ever since the ECA Act first became law. It does not add anything to it.

Mr. ELLENDER. I should like to ask the Senator what is meant by this language:

> In furtherance of such objectives and within the limits of the appropriations and contract authorizations of the Bureau of Federal Supply to procure strategic and critical materials, the Administrator, with the approval of the Director of such Bureau, shall enter into contracts in the name of the United States for the account of such Bureau for the purchase of strategic and critical materials in any participating country.

Mr. LODGE. I can answer that question.

Mr. ELLENDER. Does not that mean that whatever we have now appropriated for account of the Bureau of Federal Supply, or whatever we appropriate in the future, may be used to buy strategic materials?

Mr. LODGE. Yes.

Mr. ELLENDER. As developed——

Mr. LODGE. By the Munitions Board.

Mr. ELLENDER. Not only by the Munitions Board.

Mr. LODGE. Hoffman does not originate the list. It is prepared by the duly constituted authorities of the Government set up by permanent law. He does not have to decide what are strategic materials.

Mr. ELLENDER. I understand that, but under paragraph (i), of section 10, as I have just pointed out, it is provided that the "Administrator shall" do what? That he shall "without detriment to the European recovery program, initiate projects for and assist the appropriate agencies of the United States Government in procuring and stimulating increased production," and so forth.

Is it not a fact that what is meant by that language is that the counterpart fund could be used by Mr. Hoffman with the consent of the beneficiary nation, to develop factories or to develop mines in that country? Then the Bureau of Supply comes into the picture and makes contracts, within its appropriation, for the purchase of strategic materials so developed.

Mr. LODGE. Let me give an illustration to show the purpose of paragraph (i). In a certain ECA country or colony there are tin deposits, let us say. Under paragraph (i) he can prod them and jostle them and get them started.

Mr. ELLENDER. What funds would be used for that purpose?

Mr. LODGE. He could use counterpart funds.

Mr. ELLENDER. Counterpart funds?

Mr. LODGE. He could. Now let me make one remark as a basic statement.

The ECA from the very outset has carried within itself the possibility of building up competition with American industry. There is no question about that. That does not relate to just the oil business, but the watch and clock business, the textile business, all sorts of businesses. It carries within it that possibility. It is my hope that Mr. Hoffman is clever enough, now that these foreign countries are beginning to revive, to steer the revival in such a way that they will concentrate on articles we do not produce, and not try to undercut our American economy, which would be a great mistake from their standpoint as well as from ours. That, as a broad proposition, has always been true, and it is becoming a little more vivid now because the countries of Europe are becoming a little more prosperous. But there is nothing in paragraph (i) which adds anything to the power the Administrator has always had, to develop some economic plan which might be bad for some businesses in Louisiana or in Massachusetts.

Mr. PEPPER. Mr. President, will the Senator from Massachusetts permit a question?

Mr. LODGE. Certainly.

Mr. PEPPER. Should it not be noted, however, that in subparagraph (6) of section 115 (b), any use a beneficiary country might make of these counterpart funds for either of those purposes, that is, the stimulation or exploration of their natural resources, must nevertheless be agreed to by the representatives of the United States?

Mr. LODGE. There is that safeguard, which is a very real safeguard, and then, of course, there is the advisory council to which Mr. Hoffman refers everything, as I understand; so that it is not a question of American industry being shut out. There is a great deal of pressure on Mr. Hoffman all the time to see to it that he does not run the ECA in such a way as to kill the goose that lays the golden eggs.

Mr. President, what I have stated just about explains all I have to say on the amendment. I think it represents the most practical way of achieving the end which I know every Senator has in his heart, that is, building up the strategic material stock piles for this country which have been so badly depleted.

I thank the Senator from Missouri. He has been very courteous, and I apologize to him for taking so much of his time.

Mr. MALONE. Mr. President, will the Senator from Missouri yield so that I may ask the Senator from Massachusetts a question?

Mr. KEM. I yield.

Mr. MALONE. In connection with the strategic materials and minerals which we will get, supposedly, with the 5 percent, it is assumed, in addition to all other aid we should grant a specific country, we should pay directly for the minerals, is it not?

Mr. LODGE. The price is not stipulated.

Mr. MALONE. We will pay for the minerals and materials we receive in addition to any other money we give outright to the country involved, will we not?

Mr. LODGE. No; that is not a payment to be made at the expense of the over-all authorization. There is a strategic material stock-pile appropriation bill which has been reported out by the House Committee on Appropriations, under a separate law.

Mr. MALONE. My question went to the point that we do pay specifically for the minerals, in addition to any other moneys we allot, or give, or lend, or whatever we may choose to call it at the moment, to the respective countries.

Mr. LODGE. The minerals are bought from the man who owns them, and they would be paid for in the currency of his country, it might be from counterpart funds. If so, of course, they would be eventual drains on the United States

Treasury, because the whole counterpart fund represents a drain on the United States Treasury.

Mr. MALONE. We do pay directly for the minerals, in addition to any further money we give to the country for recovery, do we not?

Mr. LODGE. That statement standing by itself would not give a true picture, because if that were the fact, we probably would not get any materials at all, even if we did pay, because many of the countries simply have not the drive and the gumption necessary to promote development.

Mr. MALONE. If the Senator will yield further, of course we have no time to debate the question, but we have been receiving these minerals over a period of 50 years; and I do not agree with the Senator from Massachusetts that we would not get them if we established a principle of integrity of investments in those countries. Then private capital will take the business risks but they cannot take the risk of nationalization and socialization of their capital so the Government must advance the capital.

I will ask one further question, if the Senator will yield.

Mr. LODGE. I yield.

Mr. MALONE. Do we have provision in the Procurement Division of the United States Treasury for the purchase at this time of such materials from any source?

Mr. LODGE. We have. The President's 1950 budget carries an item for strategic materials, as follows:

First. For direct appropriation to the Bureau of Federal Supply, $314,000,000.

Second. For contract authorization, $211,000,000.

Total, $525,000,000.

Mr. MALONE. All that information is very interesting to complete the record, but do we not have, and have we not had for many years, a Procurement Division in the United States Treasury which has full authority to contract for these materials anywhere it may find them, for a stock pile?

Mr. LODGE. I do not know.

Mr. MALONE. I thank the Senator.

Mr. LODGE. My opinion is that there is in the Treasury a Bureau of Federal Supply which is the operating agency to carry out the policies of the Munitions Board. That is my understanding of the way it works.

Mr. MALONE. For the information of the Senator, before we had a Munitions Board we had such a Procurement Division, and it has been active, although sometimes encroached upon by other departments of the Federal Government and other bureaus which we continually set up. But for the information of the Senator, we do have such a division, which can make such contracts with anyone, anywhere, for the materials we need for a stock pile.

Mr. LODGE. I will say to the Senator from Nevada that from all I hear it has not accomplished very much, because we are woefully lacking in a great many strategic materials which will be utterly vital to the welfare of our young manhood in uniform in case we have another conflict.

Mr. HICKENLOOPER. Mr. President, will the Senator yield on the very point the Senator from Nevada is raising?

Mr. MALONE. Mr. President, will the Senator yield to me for one more question?

Mr. HICKENLOOPER. The Senator from Nevada asked a question, and I thought I might suggest what the answer may be.

Mr. MALONE. I withdraw my request.

Mr. HICKENLOOPER. Will the Senator from Missouri yield?

Mr. KEM. I yield.

Mr. HICKENLOOPER. Is it not true that the procurement agency has only a limited period during which it can act? In other words, it must contract practically from appropriation to appropriation, or exhaust its already appropriated funds. It cannot contract on a long-range agreement to buy. The provision in question would encourage and sustain the productive industry in the countries producing strategic materials on a firm contract, because it would enable us to enter into a 20-year contract, so the producer could rely for a period of 20 years upon that contract rather than upon year-to-year appropriations. I think that is at the bottom of the whole business.

Mr. LODGE. I think the Senator places his finger on a very sensitive point. The testimony indicates that if we are really going to secure satisfactory results in the procuring of strategic and critical materials, the matter must be handled in terms of a period of years and a long period of development. If the matter is handled on a hand-to-mouth basis, we cannot accomplish very much. I am not an expert on the subject, but that is the advice I have received.

Mr. HICKENLOOPER. The producers will not rely upon the possibility of future procurement and invest and produce to the extent they will if they have a firm contract over a period of 15 or 20 years. If they have such a firm contract, they will expand their capital investment.

Mr. LODGE. I understand that is fundamental.

Mr. MALONE. Mr. President, will the Senator yield for a question?

Mr. LODGE. Mr. President, the Senator from Missouri has the floor, and has been interrupted to a considerable extent. He has been waiting for a long time for an opportunity to continue his speech. I know how tiring it is to be obliged to wait as long as he has.

Mr. MALONE. Mr. President, will the Senator from Missouri yield for a question?

Mr. KEM. I yield for one question.

Mr. MALONE. As a preface to my question, I will say that there are 500 tons of chromite on the dumps in Rhodesia, and there are large quantities of manganese there, that could and would be gotten out without question by private producers if we were not mixing up in it as we are doing under ECA. The Congress of the United States has appropriated from time to time certain amounts of money, in varying amounts, for the purchase of strategic and critical materials. We can contract for the ores I refer to under the Procurement Division of the Treasury.

Now, if I understand the Senator correctly—and that was the other question I asked—anything we buy in the way of strategic and critical materials we pay for directly, in addition to any money given to the nation in which the critical and strategic materials are located?

Mr. LODGE. Mr. President, the answer to the Senator's question is that the ECA Act does not provide that we shall reduce their dollar exchange by making them give us strategic materials, because if we did that we obviously would have to raise the appropriation. That would defeat the purpose of the law. That is a fair answer to the Senator's question.

Mr. MALONE. It is no answer at all.

Mr. KEM. Mr. President, I should like to invite the attention of the Senate to an amendment which is pending and lying on the desk. The purpose of the amendment is to prevent the money of the American taxpayer being used to finance and implement experiments in socialism. The amendment which is to section 111 of the ECA Act, reads as follows:

> No assistance shall be furnished under this act to any participating country, the government of which shall undertake, after the date of enactment of this subdivision, to acquire and operate, in whole or in part, the iron and steel industry of such country or any other basic industry thereof.

It is inconsistent for the United States to be spending billions of dollars to stop Marxist communism and at the same time investing billions of dollars to subsidize Marxist socialism. Socialism and communism are fruit of the same tree. They are both based on the theories of Karl Marx. Their ideologies are largely the same with one distinction. The Communist, as the term is generally understood today, advocates that nationalization of the means of production be obtained by overthrowing capitalist governments by force and violence; while the Socialist advocates that nationalization of industry be obtained by the so-called democratic methods.

Mr. President, a great Englishman has recently visited our shores. He has been acclaimed on the floor of the Senate as perhaps one of the greatest Englishmen of all times. I quote from Mr. Winston Churchill in a debate in the House of Commons on November 16, 1948:

> Today the Socialists boast that they are the opponents of communism. Socialist Parties in every European country have been found altogether inadequate barriers against it. Indeed, as this bill shows, they are the handmaids and heralds of communism, and prepare the way at every stage and at every step for its further advance. The Communist textbooks are full of this theme; they have been for years. Of the difference between socialism and communism, if I may make another quotation from the past, I said a good many years ago: "A strong dose either of socialism or communism will kill Brittannia stone dead, and at the inquest the only question for the jury will be, 'Did she fall or was she pushed?'"

Those are the words of Winston Churchill.

Communism is the form of Marxism that has developed in Russia, and the adherents of communism are in control of the government of the Union of Soviet Socialist Republics. Socialism is the form of Marxism that has developed in Great Britain and some of the other countries of western Europe, and the British Socialist Party today is in control of the government of Great Britain.

England and France have already socialized many of their industries. A list of these socialized industries has been prepared for me by the Library of Congress. This is the list of the nationalized industries in Great Britain:

First. Coal mines.
Second. Civil aviation.
Third. Cable and radio communications.
Fourth. Inland transport—railroals, motor transport, docks, canals, and so forth.
Fifth. Electricity supply.
Sixth. Steel industry—effective in May 1950 or 18 months after passage of Nationalization Act.
Seventh. Land. Land itself not nationalized but profits accruing from development or improvement of land go to the state.
Eighth. Social welfare—doctors and dentists.
Ninth. Bank of England.
Tenth. Radio broadcasting.

I have here the list of the nationalized or government-controlled industries in France. I believe the majority leader, the Senator from Illinois [Mr. LUCAS] the other day referred to France as the weakest link in the Marshall-plan chain. This is the list of nationalized industries in France:

First. Coal mines.
Second. Railroads.
Third. Civil aviation.
Fourth. Tobacco products.
Fifth. Manufacture of gunpowder.
Sixth. Match industry.
Seventh. Gas industry.
Eighth. Electricity industry.
Ninth. Insurance companies—34 companies.
Tenth. Bank of France.
Eleventh. Four leading deposit banks.
Twelfth. Aircraft industry.
Thirteenth. Renault automobile works.
Fourteenth. Dye companies—assumed German interests.
Fifteenth. South American cables.
Sixteenth. Motion-picture industry.
Seventeenth. Potash mines—Alsace.
Eighteenth. Potash industry—extensive governmental interests, although some portions are still privately owned.
Nineteenth. Telephone.
Twentieth. Telegraph.
Twenty-first. Postal service.
Twenty-second. Porcelain manufactory—Sevres.
Twenty-third. Tapestry manufactories—Gobelins and Beauvais.

This process in both those countries has been accelerated to a great extent by the use directly and indirectly of Marshall-plan money. The most important project now pending is that of England to nationalize the iron and steel industry, which as I understand, under existing law, will be effective in May 1950, or 18 months after the passage of the Nationalization Act.

Let us see what Mr. Churchill, the great Englishman, thought about the iron and steel bill when it was pending before the House of Commons. I quote from Mr. Churchill, in the debate on that bill on November 16, 1948:

> This measure cannot wholly be judged on its merits or demerits, if such there be, except in relation to the general economic life of Britain and our position in the world, and also in relation to the United States on whom the Socialist Government and Socialist policy are living from month to month and from hand to mouth.

Again Mr. Churchill, in the same debate, said:

> When a measure of first-rate importance is presented to the House of Commons it is always necessary for us to ask the question, Is it going to help the country or is it a partisan maneuver? Is it progress that is sought or is it faction? This is certainly the time to apply that test, because on the morrow of our greatest victory we are living on subsidies by loan or gift provided by taxes on the hard-working and heavily burdened people of the United States. I have always thought that we should need their help after the war, but it should be a point of honor with us, irrespective of party nostrums, to regain our full economic independence at the earliest moment, and to do nothing that would put off that event either by hampering our output or wantonly dividing our people.

Along the same line is an editorial from the London Economist of November 20, 1948:

> Even those who have been most reluctant to believe that ministers of the Crown would so far forget their responsibility as to monkey with a major industry for reasons of mere internal party maneuverings are now compelled to agree with Mr. Churchill when he calls the bill "a feature in party tactics intended to keep the Socialist left wing as far as possible in order, and the Government as long as possible in office."

Again, Mr. President, we find this language used by Mr. Churchill in a speech at Blenheim on August 4, 1947:

> Therefore I supported the American loan and I will still support, and justify, further appeals to the United States provided that we are doing our best, that we are making the most of our resources, that we are determined to become a self-supporting nation and system at the earliest moment, and will put aside every impediment, and labor long and hard.
>
> It is when we are not trying our best, not making the most of ourselves and our resources, not pursuing a wise or practical policy, not coming forward as a united nation, not trying to deal with the problems on their merits, that there is humiliation in asking and receiving aid from a mighty and friendly ally.

Mr. President, the most disturbing thing about this process from the standpoint of the average American taxpayer is that he is buying into a blind pool. He does not know how far the thing is going.

The other day the chief of the brain trust of the British Socialist Party was also a visitor to our shores. He came to the city of Washington, and he was interviewed by the Washington Post. I quote from that newspaper of a few days ago:

> LASKI ADMITS SECRET PLAN OF SOCIALIZATION
>
> Harold J. Laski, peppery braintruster of the British Labor Party, said here last night that there are three industries his party plans to nationalize next—but "nothing except force would cause me to reveal what they are."

In other words, the American people are subsidizing an unknown program, and nothing but force would cause Mr. Laski, the head of the brain trust of the Socialist Party, to reveal what it is.

During the first year under the Marshall plan the taxpayers of the United States have contributed $1,319,100,000 to support the experiment in socialism in England. It is proposed that for the entire program as now published we continue to contribute until England shall have received practically $5,000,000,000.

Mr. President, every nationalized industry in England is losing money. Not only is our money being used to accelerate the purchase of private industries and make them operations of the state, but it is being used directly or indirectly to make up a deficit in the operations of the industries which have already been taken over.

I quote again from the same high authority, Mr. Winston Churchill. In the parliamentary debates on November 16, 1948, Winston Churchill said:

> We can now already see that nationalization and state ownership have been a great and costly failure in all the industries to which they have been applied, and this will become more obvious to the public with every day that passes.

Mr. President, let us inquire whether the figures back up that statement by Mr. Churchill. The British Transport Commission announced that for the first financial year there would be a loss of $112,000,000. During the first year after socialization the coal industry lost $94,000,000. Civil aviation lost $100,000,000 in the first 14 months of operation. Electricity, in the first few months it has been socialized, lost $28,000,000.

It is interesting to note the experience of the English in coal production. During 1938, the last year before the war, the British coal industry, then not socialized, produced 227,000,000 tons of coal. The goal for production for the first year after socialization was 211,000,000 tons. The actual production was only 208,500,000 tons, although 8,000 more men were used than in 1938. Compare this with steel: In 1938 the production was 10,500,000 tons. The Socialist Government, which went into power in 1945, called on the steel industry under private ownership to produce 14,500,000 tons. Still under private ownership, the industry actually produced about 14,900,000 tons.

In other words, the coal industry under Government ownership fell far short of its goal, whereas the steel industry under private ownership exceeded its goal by a substantial margin. So, Mr. President, judged by the record, government operations of basic industries in both England and France have not been successful.

They have survived only because the American taxpayer has been footing the bill by putting up money earned by American taxpayers under the American system of free enterprise and private initiative. As an American businessman domiciled in Europe recently said: "We are certainly showing these Europeans that we have a blank lot of money and blank little sense to go with it."

Mr. President, now I wish to direct the attention of the Senate to what I consider to be a very important proposition: Under the ECA plan, privately owned business in the United States is being placed in a position where it will compete in both foreign and domestic markets with government-owned enterprises. American businessmen here at home have had a little experience with competing with government enterprise, and they have found that it is hard going and is very difficult competition. Under the ECA plan, American businessmen are being put in a position where they have to compete, or will have to in the days that lie ahead, with government-owned enterprises, not only in the foreign markets of the world which we generally enter with the citizens of other foreign countries, but also in the markets of the United States. I do not believe this aspect of the ECA plan has received the attention it really deserves.

The plain fact is that the moneys of the American taxpayer are being used to build up industry owned by foreign governments. This will have, as I see it, three serious effects on our economy: First, it will build up foreign competitors capable of sweeping American industry out of foreign markets; second, it will invite American industries to move abroad and team up with foreign governments; and, third, it will progressively cut off American supplies of raw materials which foreign governments will manufacture on their own. It seems to me that the important point to bear in mind in connection with that situation is that with their relatively cheap labor, such government-owned enterprises will be in a position to undersell us in the world markets and in our own.

Mr. BALDWIN. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. MCMAHON in the chair). Does the Senator from Missouri yield to the Senator from Connecticut?

Mr. KEM. I am glad to yield to the Senator from Connecticut.

Mr. BALDWIN. On the point of the differential in labor costs, does the Senator have any figures to show what is being paid to labor in England today, for example, in the coal mines? What does the British coal miner get, as compared to the pay received by the United States coal miner?

Mr. KEM. I am sorry I do not have any figures on that point, but I think I can safely say to the Senator from Connecticut that for many years the compensation of foreign labor has been less than that of American labor; that we have built up in the United States a standard of living which is the envy of all the rest of the world. Certainly, if the past is an indication of the future, I think we can proceed on the theory that if we are to maintain the American standard of living, wages in America will be higher than in many other places in the world.

Mr. BALDWIN. Would the Senator say it is safe to assume that under the socialized government in England, the wages of the miners there are not higher than the wages of miners who are under our free-enterprise system in the United States?

Mr. KEM. Mr. President, I think it is safe to assume that the wages in England are lower. I feel sure of that, although I do not have the figures here. To my notion, no workers anywhere else in the world enjoy the standard of living that the American worker enjoys, and, therefore, it seems to me, no workers elsewhere in the world receive the wages which American workers receive.

Mr. BALDWIN. In other words, does the Senator from Missouri agree that the Socialist government of England has not brought to English wage earners a higher level of wages than they had before?

Mr. KEM. I think perhaps temporarily with the aid of American money the income of English workers has been greatly increased. Mr. President, I think that is the very milk in the coconut: The workers in England are supporting the Socialist Party there because with the aid of the Marshall-plan money they are able to get more money for less work than they have ever had before in their lives.

Does that answer the Senator's question?

Mr. BALDWIN. That answers the question.

Mr. KEM. Mr. President, I am glad the Senator from Connecticut brought up that point, because I think it is very important. I am sorry that I have to deal in generalities, and that I did not bring the figures with me. But I am sure that the assumption upon which he and I are proceeding is correct.

Mr. BALDWIN. Mr. President, will the Senator yield for a further question?

Mr. KEM. I am glad to yield.

Mr. BALDWIN. As I understand the Senator, his point is that the workingmen in any country cannot look forward to higher wages indefinitely under a socialistic system.

Mr. KEM. I feel certain that that is true, Mr. President, because I have just shown how production has fallen off in England under the Socialist regime. In the last analysis, the income of the workers is dependent upon production; and any system which lowers production, rather than increases it, is going to result, in the long run, in lower compensation for the workers, unless there is someone like Uncle Sam standing by, ready and willing to subsidize the enterprise.

There is an industry, Mr. President, about which I have taken the trouble to gather some figures that I think will be interesting to the Senate.

Let us look, for example, at the overseas airlines. It was announced the other day that the British Overseas Airways, which is owned by the Government and which has been losing some ten million pounds a year, had contracted for the purchase of ten Boeing Strato-Cruisers which will be delivered beginning in the fall of 1949. This involves an outlay of some $15,000,000, which can come from no source other than Marshall-plan aid. Hence American taxpayers are, in effect, giving equipment to a foreign overseas air line. Having seen how we are taking care of the British overseas air lines, let us contrast it with the plight of our own overseas lines. American Overseas was recently disposed of by its parent company, American Airlines, Inc. In the annual report of the American Airlines, Inc., for the fiscal year 1948, just published, I find this very significant explanation of the transaction:

> It is evident that American Overseas will in the future require additional capital, and, if so, it must secure most of that from its principal stockholder, American Airlines.

I invite special attention to this:

> American Airlines presently has no additional funds for that purpose and presently has no source from which it can reasonably secure such additional funds.

In other words, the private industries of America have no stomach to compete with a British government-owned enterprise financed with American money. It simply does not look good to them.

The American Overseas Lines' equipment, consisting of Constellations and DC–4's, is, according to the report, obsolete. The history of the lines and of their experience in competing with British government-owned enterprise has been such that, as we have just seen, no risk capital can be secured on reasonable terms. While this is going on, its direct competitor, the British Government, is being financed by ECA.

Under those circumstances, is it any wonder comment is made that American governmental authorities in Europe within the last year have shown that they have "a blank lot of money, but blank little sense"?

Let us look at the situation in Belgium. Sabina, the Belgian air line, has recently received the first of four Convair air liners, which cost $450,000 each.

Mr. LUCAS. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Illinois?

Mr. KEM. I yield for a question only.

Mr. LUCAS. Do I correctly understand the Senator to say that those who are supporting the Marshall plan have little sense? Is that the implication?

Mr. KEM. I say the comment has been made that the Americans in charge of governmental expenditures in Europe within the last year have shown that they had "a blank lot of money and blank little sense." I shall be glad to give the Senator my authority for that if he would care to have it.

Mr. LUCAS. No. Mr. President, will the Senator yield for another question?

Mr. KEM. I think if the Senator will visit Europe he will find that that general opinion is widespread in many countries of western Europe. It is attested recently by many things. Only last night I was reading an article about the operation of the Marshall plan in France, in

which it was stated that the French workman utterly and totally fails to comprehend what is going on. He cannot believe that the American Government is taxing its citizens, sending the money to France, and giving it away, without an ulterior motive.

Mr. LUCAS. Mr. President, will the Senator yield further at that point?

Mr. KEM. I am glad to yield for a question.

Mr. LUCAS. Then I do not understand the Senator to say that Senators on the floor who are favoring the Marshall plan are without sense. Am I correct in that?

Mr. KEM. I do not know what the Senator understands, but I certainly made no such statement. I could make no such statement under the rules. If I were of that opinion, I should not say so.

Mr. LUCAS. I am sure of that.

Mr. KEM. I assure the Senator I have in mind the rules of the Senate. I shall try to adhere to them in every respect. I may say, in passing, that it is my opinion that if more Senators knew how ECA is being operated in Europe, more Senators would oppose it here on the Senate floor.

Mr. LUCAS. The Senator, in speaking about the Marshall plan, indicated that Americans who are in the old country apparently have plenty of money to spend, but apparently have no sense as to the way it should be spent.

Mr. WILLIAMS. Mr. President, that is not a question.

Mr. KEM. I say the comment is frequently made as to American governmental expenditures in Europe, and if the Senator cares for my opinion about it. I do not think it is without justification. I think the comment made here, the other day, by the Senator from Indiana [Mr. JENNER] is exactly correct and exactly in point, when he said that today Uncle Sam is the playboy of the Western World. I appreciate the attention of the Senator from Illinois. I do not often enjoy it.

Mr. LUCAS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Illinois?

Mr. KEM. I yield for a question only.

Mr. LUCAS. I think the Senator will agree with me that I could scarcely come to the floor of the Senate within the last few days without hearing the Senator either debating with someone or discussing this question.

Mr. WILLIAMS. Mr. President——

Mr. KEM. The RECORD, Mr. President, will show to what extent I have monopolized the attention of the Senate.

Mr. WILLIAMS. Mr. President, a point of order.

Mr. KEM. To repeat what I have previously said, I believe that time will show that I have been more successful in prophecy than in persuasion.

Mr. WILLIAMS. Mr. President, I rise to a point of order. The Senator from Illinois is not abiding by the rules of the Senate, in that he is not confining himself to asking a question.

Mr. LUCAS. Mr. President, how does the Senator from Delaware get the floor? That is what I do not understand.

Mr. WILLIAMS. I get it the same way the Senator from Illinois got it.

The PRESIDING OFFICER. The Senator from Missouri has the floor.

Mr. KEM. Mr. President, I should like to look at the situation in Belgium. Sabina, the Belgian air line, has recently received the first of four Convair air liners, which cost $450,000 each. We have many air lines operating out of the cities of our State, particularly out of St. Louis and Kansas City. But none of them, financed by private capital, although carrying mail under Government contract, can afford Convair air liners costing $450,000 each. Air lines running out of St. Louis, for instance, such as the Chicago & Southern, cannot afford Convairs. They operate modest DC–3's and DC–4's. The ECA allotted Belgium $200,000,000 plus $50,000,000 in loans. Belgium, I understand, has a similar allocation for this year. And so it goes.

Mr. President, in concluding my remarks, I want to address myself to an argument which I have frequently heard in the cloakrooms regarding the amendment to which I am referring. Senators have said: "I would favor that, but I do not feel that we should interfere in the internal economy of a foreign country."

That argument, Mr. President, in my judgment, with all due respect to the able Senators who are advancing it, is unsound. In placing the condition which my amendment contemplates, we are not in any sense attempting to dictate to another country how its affairs shall be conducted. We are simply saying: "We wish to know how our money, the money you are asking us to give you, will be used."

The Senator from Ohio [Mr. TAFT] said on last Wednesday——

Mr. BALDWIN. Mr. President, may we have order? The Senator from Missouri has had a difficult time in making his remarks, because, almost constantly, there has been conversation going on on the floor of the Senate. I think we should have order. Senators may not agree with what the Senator says regarding a particular matter, but he is entitled to be heard and is entitled to the attention of those Senators who remain on the floor. I ask for order.

The PRESIDING OFFICER. The Senate will be in order.

Mr. KEM. I thank the Senator from Connecticut for his courtesy.

Mr. President, the Senator from Ohio [Mr. TAFT] said on last Wednesday:

> I do not want to cut Great Britain off because she is adopting a Socialist form of government.

I agree that she can adopt any kind of government she wishes, but it does not follow that American money should be used by England to finance her experiments in socialism.

By adopting my amendment we would not be interfering with her Government. As the Senator from Ohio wants to do, we would be following through and specifying the use to which our money may be put. That is exactly what the Senator from Ohio said, in his very fine address a few days ago, we should do. But that is what we are not doing. The plain fact is that if placing such conditions constitutes interference in the internal economy of another country, we are guilty of many such interferences, and on many fronts. Viewed from that aspect, the entire ECA program constitutes a gigantic interference. We can see that from the terms of the act itself. Section 115, subsection (b) of the law provides:

> In addition to continued mutual cooperation of the participating countries in such a program, each such country shall conclude an agreement with the United States in order for such country to be eligible to receive assistance under this title. Such agreement shall provide for the adherence of such country to the purposes of this title and shall, where applicable, make appropriate provision, among others.

Then the act goes on to specify many things the Administrator can require in bilateral agreements with foreign countries with which he deals. The act also provides that if the recipient country does not comply, it shall not be eligible to receive assistance under the act.

Mr. President, the question is: Is it interference for Congress to lay down a condition with which a recipient country may be required to comply, when it would not be interference for the Administrator to do that? What I am asking Congress to do is nothing more than what the Administrator himself could require in a bilateral agreement. There is no reason for us to throw up our hands in holy horror with regard to making a condition in connection with the handing out of largess under the Marshall plan, because we have been doing that very thing from the very beginning of the plan. The most conspicuous case is that of Spain. We have denied Spain any participation under the act. We have assigned as the reason for that denial the fact that Spain does not have a government of which we approve and of which the ECA countries approve. In other words, we have said to Spain:

> If you want to be eligible to receive assistance under the act, you must make certain changes in the fundamental structure of your government.

The point I am making is that, if it is consistent to make such a requirement of Spain, is it inconsistent, at the same time, to be making a similar requirement in the case of England? Is it unfair or improper or unwise for us to say to England that, in our judgment, it would be wise and in the interest of the United States to discontinue the use of our money in the nationalization of England's means of production?

Mr. MORSE. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. MAGNUSON in the chair). Does the Senator from Missouri yield to the Senator from Oregon?

Mr. KEM. I am happy to yield to the Senator from Oregon.

Mr. MORSE. Am I correct in my inference that the Senator from Missouri has no particular objection to our refusal to include Spain within the Marshall plan countries?

Mr. KEM. That would be a question for another day. I have not looked into it sufficiently to reach a mature and considered judgment. But the point I am

making is that we have done that, and it is now wholly inconsistent for us to say, in handing out money under the Marshall plan, that we do not want to make any conditions which would involve the use of the money in the structure of the government.

Mr. MORSE. If I understand the Senator's thesis correctly, the Senator agrees that we have also used unilateral requirements in our relationships with many countries not only in connection with the Marshall plan but in connection with other international understandings. Is not that correct?

Mr. KEM. We certainly have. The act contemplates it. The act authorizes the Administrator to do that, and the Administrator, in many instances, has done that very thing.

Mr. MORSE. Does the Senator agree with me then that the objection to the laying down of conditions on that basis, that such a requirement would be unilateral in nature, certainly is not a sound objection, based upon the policy we have already followed?

Mr. KEM. It certainly is not. It is a very inconsistent position to take.

Mr. MORSE. I have a series of questions, if the Senator will yield further.

Mr. KEM. I yield for a question.

Mr. MORSE. Would the Senator agree that unilateral requirements are not necessarily inconsistent with the policies we have already followed, and would the Senator agree with me that the withdrawal of the $15,000,000, for example, which had been granted under the Marshall plan for the carrying out by the Dutch of their Indonesian policies, was a unilateral condition?

Mr. KEM. I would say that in my judgment it would clearly be a condition which we are placing on the use of our money.

Mr. MORSE. And therefore would the Senator say it was unilateral?

Mr. KEM. I think the agreements under the Marshall plan, while they are referred to in the enabling act as bilateral contracts, are largely unilateral in their essence because the money all comes from the United States. They are bilateral in the sense that the recipients of our largesse undertake to do certain things.

Mr. MORSE. Would the Senator agree that if it is proper policy, within our existing agreements, to withhold the $15,000,000 from the Dutch in connection with the Indonesian policy, it would likewise be consistent to withhold all the Dutch money under ECA until the Dutch complied with existing findings of authorized agencies of the United Nations in regard to their violations in Indonesia of United Nations principles?

Mr. KEM. I would agree with the Senator to this extent. If we are of the opinion that our money, directly or indirectly, is used to accomplish certain purposes in Indonesia of which we do not approve, it would be entirely proper and entirely consistent to attach a condition to further gifts to Holland, namely, that no further money should be used for that purpose.

Mr. MORSE. I think I understand the answer, and the Senator in his usual forthright way has certainly met the issue I wanted to present, and if he will permit me I should like to put the question in a somewhat different form.

Does the Senator agree with me that if we make a finding of fact that the Dutch Government, by its refusal to date to live up to the principles of the United Nations Charter in respect to its Indonesian policy, would upon receipt of future money under ECA be strengthened in its ability to carry on its exploiting, imperialistic practices in Indonesia, we have the right to say we stand for the protection of human freedom under the United Nations Charter so far as the use of our money is concerned in any part of the world?

Mr. KEM. I agree with the Senator entirely and wholly. I think he has put the case very well. I think for us to do so would be entirely consistent with what we have done in Spain and what we have done in other countries, and particularly what we have done in Italy, as I shall undertake to show in a few minutes.

Mr. MORSE. Would the Senator agree with me that any amendment proposed as a substitute for the Brewster amendment, in connection with denying ECA funds to the Dutch Government which would have the effect of making the grant of money under ECA to the Dutch Government dependent upon the exercise by Russia of a veto of any decision reached by the United Nations Security Council, constitutes playing right into the hands of the Russians, making such an amendment in fact a mere mockery?

Mr. KEM. The question is one a little bit outside of what I am discussing this afternoon. What I am discussing is in line with the question the Senator put just before that, namely, whether it is proper and consistent for us to tag and follow through the use to which our money is put. I say to the Senator that I think it is entirely proper for us to do that, is entirely consistent with what we have heretofore done, and I think what we should continue to do in the future.

So far as arguing questions involving the colonial policy of Holland in its relations to the United Nations is concerned, I should prefer not to do that today.

Mr. MORSE. I think the Senator's criticism of my question is a perfectly fair one. If he will permit me to restate it in terms which I think would be fair, I should like to put it in this way: Does the Senator agree we have the right, when it comes to examining any amendment proposed as a substitute for the Brewster amendment, to determine whether or not the substitute will make it possible for the United States to decide the conditions under which American money shall go to the Dutch Government, rather than transfer that decision to Russia by way of her exercising a veto?

Mr. KEM. I believe it is clearly not only our right, but our duty and our responsibility.

Mr. President, I think probably the most striking instance to support the thesis of the Senator from Oregon that we have a right, as I understand, to lay down a condition as to how our money shall be used is to be found in our relationship with Italy under the ECA.

It is frequently said that one of the most important accomplishments of the Marshall plan is the victory against communism in the Italian elections in April 1948. In the hearings before the Senate committee, Mr. J. D. Zellerbach, the head of our mission to Italy, testified:

> As a matter of fact, I think it is quite clear that the election last April, which resulted in the success of De Gasperi and his party (they obtained just about a 50-percent membership in the House of Deputies), and also the election of many members of other central parties, which give the present coalition government about two-thirds of the membership of the House of Deputies, was very largely the result of the fact of American aid and of the ERP.
>
> The issue of the campaign as between the Communists and the non-Communist parties was the ERP. I do not say that the ERP won the election, because after all there was great support from the non-Communist people of all ranks in Italy for the candidates of non-Communist parties, but the issue in the campaign—it was made the issue—was the question of American aid.

Of course, Mr. President, every effort was made by those in charge of ERP to handle the matter in such a way as to bring about the kind of a result in the Italian election which the vast majority of the American people wanted, in other words a favorable result from our standpoint.

For instance, the second grant of aid for Italy was announced the day before the Italian people went to the polls for the general election on the following day. The total authorized the day before the election, to which wide publicity was given throughout Italy, was $8,102,000.

Hon. James Clement Dunn, the American Ambassador to Italy, took an active part in the campaign. A dispatch from Rome dated April 15, published in the New York Times of April 16, 1948, reads:

> Speaking in Naples today, 3 days before Sunday's crucial general election, United States Ambassador James Clement Dunn let it clearly be understood that he foresaw the defeat of the Communist-dominated Popular Front. The occasion for his speech was the arrival of the six hundredth ship from the United States carrying supplies under the postwar UNRRA relief program.
>
> Mr. Dunn stated that he was reporting to the American Government that American aid to Italy is amply justified by the progress made by the Italian people themselves.
>
> Mr. Dunn's speeches, of which he has delivered several during the electoral campaign, have repeatedly been the object of bitter Communist attacks. * * * Undismayed by Communist rage, Mr. Dunn went quietly ahead, pointing out to the Italians on every possible occasion what American aid has meant to them and to their country.

Hon. Tom C. Clark, the Attorney General of the United States, in a radio broadcast to the Italian people a few days before election, asked for a defeat of the Communist forces. He asked the voters to return a resounding victory for God and freedom.

After the election, Mr. Harriman laid particular emphasis on the effect of American aid. He said, according to the New York Times of April 21, 1948:

> The Italian election was a clear indication that the recovery program had strengthened the democratic parties in all countries.

I do not mean to say that I do not approve of what Mr. Zellerbach, Mr. Dunn, and Mr. Clark did in connection with the Italian election. I do say that in view of the record we cannot now, with any degree of consistency whatever, piously disclaim any intention to interfere in the internal affairs of any country in Europe.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. MORSE. I want to say as a foundation for my question that I think the Senator from Missouri is performing a very important service in clarifying what I think is a great issue.

Mr. KEM. I thank the able Senator from Oregon.

Mr. MORSE. Namely, the right of our Government to lay down conditions, if we shall see fit to lay them down, as a condition precedent to the appropriation of funds. The Senator and I are agreed on the right. I think we are in disagreement on our policy in exercising the right. So I ask the Senator if he will permit me to ask him two or three questions along this line.

Is it not true that, to the extent of our interference, through the Marshall plan, in internal policies in Italy, in that the supplying of the goods and money did have an effect on the electorate, that the freedom of choice as to the economic forms of Italy were left in the Italian people by the American Government? We made no attempt to interfere with the exercise of freedom of choice.

Mr. KEM. Well, except the moral suasion that we exercised in announcing the gift the day before the election, and having our Ambassador urge the Italian people to stand up for God and country, and for the harangue by the Attorney General of the United States over the radio. I think it is hard to say that the Italian people, under those circumstances, under our great moral suasion, were exercising an entirely untrammeled freedom of choice.

Mr. MORSE. It is true, though, is it not, that by use of the ballot they retained the right to decide whether or not they wanted to vote against communism in that election or against the communistic candidates, and support the candidates whose cooperation with the United States they knew was a foregone conclusion if they elected them?

Mr. KEM. The Senator is a very careful and diligent student of the processes of democracy, and I know the Senator will agree with me that many times the form of democracy is retained when the spirit of it is violated utterly. Now, to what extent the Italian people were acting as free agents in this case I do not care to express an opinion. The evidence I have is not sufficient. The reference I made to the situation is for the purpose of demonstrating that we have not hesitated to interfere in the internal affairs of other countries.

Mr. MORSE. I think the Senator has established that fact, but, if he will permit me, I want to point out to him what I think our difference is.

Mr. KEM. Yes.

Mr. MORSE. We have still left to the Italian people in Italy and to the English people in England the choice of deciding for themselves whether they want to use the funds to nationalize an industry or not to nationalize an industry, have we not?

Mr. KEM. Yes; clearly, and I think to the extent that the choice has involved the use of our own money we have not been sound or correct or wise in permitting that.

Mr. MORSE. That is the difference. I hasten to add, as I think the Senator knows, that I would vote against any proposition for the nationalization, for instance, of the transportation system of the United States.

Mr. KEM. I am sure of that.

Mr. MORSE. But did we not leave it up to the British people to decide for themselves whether they wanted to nationalize the transportation system of England, and they decided to nationalize it through their elected representatives in Parliament?

Mr. KEM. Certainly.

Mr. MORSE. One more question. Does the Senator know—and I do not mean this facetiously, because I think there is an important point in it—whether or not even the leaders of the Conservative Party in Great Britain approve of his proposal that we deny to them ECA funds if the funds were to be used to socialize any British industry?

Mr. KEM. I do not think the Senator was in the Chamber at the time I commenced my remarks.

Mr. MORSE. I was not.

Mr. KEM. I quoted in considerable detail from Winston Churchill.

Mr. MORSE. I am sorry I was not present when the Senator did that.

Mr. KEM. I think Mr. Churchill touched on exactly that point. The Reporter has the copy of his statement. But I think the Senator will find that Mr. Winston Churchill, the leader of the Conservative Party in England, has expressed himself in quotations which I read into the RECORD, on that exact proposition.

Mr. MORSE. I shall read the Senator's speech on that point. I simply wish to say that I shall be very much surprised if even Winston Churchill or any other of the Conservative leaders in Great Britain are saying, by any quotation the Senator can find, that they would disapprove of the Senate of the United States approving the granting of ECA funds unless we adopted the Senator's amendment as a condition precedent to the granting of the funds.

Mr. KEM. I do not want to put any unfair or incorrect connotation on what Mr. Churchill has said, and I invite the Senator's attention to Mr. Churchill's language, and to a quotation I inserted in my remarks from the London Economist.

As I understand, the Conservative Party is very unhappy with the present state of affairs, where the American money is being used as a slush fund for the purpose of promoting the interests of the Socialist Party in that country.

Mr. MORSE. Does the Senator from Missouri think that if the Conservative Party were in control in England they would undoubtedly be also asking for funds to carry out the economic policies of that party?

Mr. KEM. It has been said on the floor before, and I think every Senator will agree, that Mr. Churchill is first of all an Englishman.

That brings me, Mr. President, to the last proposition to which I want to address myself. The Marshall plan aid that is now going out is being used to support a Socialist Government in England. The same thing in my judgment that occurred in Italy is occurring in England today. The difference is that in England, instead of supporting the anti-Marxist forces, in England we are supporting the Marxist forces. In other words, our money is being used in England to uphold one branch of the great Marxian Socialist Party.

It is an open secret that ECA funds are being used for the purpose of influencing the approaching election. American aid is, of course, definitely contributing to the popularity of the Socialist government in England. On the surface it appears that British socialism is doing well and that the recovery of Britain is assured. But it is Marshall plan aid which gives this aspect to socialism. As the British election draws near, clothing, thanks to Marshall aid, has been de-rationed. Sugar and candy have been de-rationed—thanks to Marshall-aid sugar from Cuba. New factories are arising all over England. Much of the equipment is coming from the United States, and the requisite dollars are available only because Marshall aid supplies imports which normally consume these dollars.

In other words, as I have said before, Marshall-plan aid is a great political slush fund to assist the Labor Party and socialism in the coming British election.

There are two ways of life competing in the world today. The American way, based upon free enterprise and personal initiative, has given the American people an economy that is the envy of the rest of the world. The second way is the Socialist way, as now being practiced by the Union of Soviet Socialist Republics, and by the Socialist-controlled Government of England. This has been a failure wherever tried. In Russia they have been experimenting with socialism for approximately 30 years. Today we are told by travelers who are able to penetrate the iron curtain that Russia is the poorhouse of Europe. We are told by travelers and observers who have come back from England, and who have observed their figures of production, that production in England has been gradually dropping ever since the Socialist experiment began there.

I believe that it is against the interest of the United States to contribute the hard-earned money of the American taxpayer, earned under the American system of free enterprise and individual initiative, to support and maintain a political ideology totally foreign and repugnant to the American people. I hope the Senate will adopt the amendment.

In closing I wish to make one further quotation. It appears at page A3844 of the Appendix to the CONGRESSIONAL RECORD, 80th Congress, second session. It is a dispatch from the New York Herald Tribune of Sunday, June 13, 1948, and was inserted in the RECORD by a

Member of the House from New York, Hon. ABRAHAM J. MULTER, as an extension of his remarks. The dispatch reads as follows:

LONDON, June 12.—Winston Churchill charged today that Great Britain's Labor government "has become dependent on the generosity of the capitalist system of America."

Nationalization of British industry has been a "complete failure," Mr. Churchill charged, and "nothing less than the complete discrediting and abandonment of the Socialist conceptions about industry can restore our country."

Further in the dispatch I read another quotation from Mr. Churchill:

"In my long experience," he said, "I have never seen such an exhibition of squalid party malice and intrigue or one more cynically divorced from the revival and well-being of our country.

"How the Socialist Ministers can go about bragging on their Socialist program and of the nationalization of industry on party lines, how they can deride the system of free enterprise and capitalism which makes America great and wealthy and then, at the same time, eagerly seek the aid which has hitherto been so generously granted from across the Atlantic—that is a grimace which baffles the limitations of our language to explain."

That is the end of Mr. Churchill's remarks. I continue to read from the dispatch:

"The Conservatives, if elected to power," he said, "would curtail the failure and waste of state planning and state trading," would reduce Government expenditure, would eradicate an inevitable conflict between the interests of employers and the employed, would clear the way for promotion for talent, merit, and fidelity and would bring all firms up to the standard of the best.

Mr. Churchill declared that British youth is in revolt against the folly that it is better that every one should have half-rations rather than that any, by their exertions or ability, should earn a second helping.

"The need of the British nation," he concluded, "is a new Parliament in which the experience of age will be refreshed by the new impulse of youth and the majority of the nation united in an inflexible resolve that our country shall remain a great power in the world—earnest, masterful, vital, self-supporting, valiant, and free."

THE SIGNING OF THE NORTH ATLANTIC PACT

Mr. THOMAS of Oklahoma. Mr. President, at this very hour the eyes and the ears of the world are turned toward and tuned to the city of Washington, where the representatives of 12 nations are now assembled and about to sign a treaty known as the North Atlantic Pact. The names of the representatives and the countries they represent are as follows:

Paul-Henri Spaak, of Belgium; Lester B. Pearson, of Canada; Gustav Rasmussen, of Denmark; Robert Schuman, of France; Bjarni Benediktsson, of Iceland; Count Carlo Sforza, of Italy; Joseph Bech, of Luxemburg; Dirk U. Stikker, of the Netherlands; Halvard M. Lange, of Norway; Jose Caeiro da Matta, of Portugal; Ernest Bevin, of the United Kingdom; and Mr. Acheson, representing the United States.

After the treaty is signed it must be ratified by the countries just mentioned. Of course, this means that our country, the United States, must formally ratify the treaty. According to this afternoon's Washington Star, the treaty, when ratified, will pledge these 12 nations to do four specific things:

First. Strengthen their free institutions, promote conditions of stability and well-being, and encourage economic cooperation.

Second. Maintain and develop their individual and collective capacity to resist armed attack through continuous and effective self-help and mutual aid.

Third. Consult together if the territorial integrity, political independence, or security of any one of them is threatened.

Fourth. Consider an armed attack on any one of the 12 as an attack against all and, consequently, to take such individual and collective action—including the use of armed force—as each party considers necessary to restore and maintain the security of the North Atlantic area.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a copy of the editorial published in this afternoon's edition of the Washington Evening Star. The editorial is entitled "Mr. Truman's Great Role."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MR. TRUMAN'S GREAT ROLE

It would be unbecoming on this historic day of signature of the North Atlantic Security Pact not to take particular notice of the great role which has been played by President Truman in recasting the foreign policy of the United States.

We have come a long way since George Washington admonished a struggling young Nation against permanent alliances, since Thomas Jefferson spoke out against entangling alliances, since James Monroe enunciated the policy which bears his name and which served thereafter for more than a century as the guiding star of our foreign policy. We have seen great powers come and go. Through the processes of age and decay in other parts of the globe rather than through any design of our own, we have seen the United States rise to the pinnacle of world power. Finally came the time when we had to decide what use would be made of our power, whether in the face of a new world aggression we would shackle ourselves with the remnants of the old isolationist tradition, or whether we would move forth boldly in an endeavor to employ our power to prevent another war rather than fight it after it had begun.

The man who had to make that decision was Harry S. Truman, newly come to the White House through the accident of the death of his predecessor. For a man fixed with the ultimate responsibility, it was no easy decision to make. Certainly there were grave risks involved, but Mr. Truman saw very clearly that it was not a question of accepting or avoiding risks, but of choosing between risks. And it is to his everlasting credit that he chose the risk which went along with the assumption of responsibility. He decided that the immense power of the United States should be used affirmatively in the interests of a decent world, and it may very well be that the whole hope of western civilization rides on that decision.

Of course, other men contributed to the grand design. General Marshall and Senator VANDENBERG were conspicuous among them. But in the last analysis it was the President who had the responsibility, who made the decision, and who is entitled to the credit. The Rio Pact, which changed the Monroe Doctrine from a unilateral to a reciprocal undertaking, was followed by the Truman doctrine of extending financial and military aid to Greece and Turkey so that they could resist the threat of communism. Then came the European recovery program, without which western Europe could not have survived as a non-Communist community. Today it is the North Atlantic Pact, which, with the attendant arms agreement, spells the end of American isolation. Ahead, still unformed but rich with promise, lies point four of the inaugural address—a program for applying American skill and American resources to the resuscitation of the backward areas of the world.

What history will say of the man who has fathered this unprecedented undertaking, where he will be ranked among the American Presidents, can best be left to the historians. But if the desired results are achieved, if aggressive communism is turned back, if the peace is saved, if the consummate disaster of another war is averted, we of this generation will at least know that once again, in a time of great need, the American system has produced a President who had the wisdom and the courage to make the right decision and the strength of character to act upon it.

THE SECRET SEVEN—PERSONAL STATEMENT

Mr. MARTIN. Mr. President, on Saturday last one of my colleagues approached me in this Chamber and uttered a jesting remark. He asked, with a smile, "What is your secret number?" The remark conveyed no meaning to me, and I promptly forgot it.

Yesterday, however, I found in the newspapers a Washington dispatch which recalled to my mind the remark made by my colleague the day before. The first paragraph of the article was as follows:

A group of Republican Senators who half-jokingly are known as the Secret Seven apparently have undertaken full-scale warfare on the whole range of President Truman's legislative program.

In the next paragraph the article states:

This group operates independently of the Republican policy committee in swinging its meat ax at Democratic proposals.

The next paragraph listed my name as one of the group referred to as the Secret Seven.

Mr. President, I want you to know, and I want every Member of the Senate to know, that I am not now, nor have I ever been, a member of any group to which the label "Secret Seven" or secret any other number could be truthfully applied.

Furthermore, I am not and have never been associated with any group in the Senate, or elsewhere, that is engaged in full-scale warfare against the whole range of President Truman's legislative program, as the article states.

Obviously, the intimation given in the article was that I had adopted a policy of oppposition to every administration proposal, regardless of merit, and that I had joined with other Senators to wreck the Democratic legislative program.

Mr. President, that is completely false. In considering legislation I have conferred informally with many of my colleagues, Democrats as well as Republicans. I have always considered each bill, as it came before this body, strictly

on its merits. My vote, for or against, every measure, regardless of its source, has been decided by the answers to four questions:

First. Is it right?

Second. Will it work?

Third. Is it for the benefit of all the people?

Fourth. Can we afford it?

That is the yardstick I apply. I have no other yardstick.

I will support President Truman's legislative proposals when the four questions I have listed can be answered in the affirmative.

I will oppose President Truman's program and every other proposal that does not meet these requirements.

In order that there be no misunderstanding of my position, I repudiate as entirely without foundation the statement that I am a member of any Secret Seven or any other group pledged to sabotage the administration program.

RECESS

Mr. SPARKMAN. I move that the Senate take a recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 3 o'clock and 29 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, April 5, 1949, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate April 4 (legislative day of March 18), 1949:

POST OFFICE DEPARTMENT

John W. Askew, of Virginia, to be Comptroller, Post Office Department, vice John J. Haggerty, resigned and retired.

IN THE AIR FORCE

The following-named persons for appointment in the United States Air Force, in the grades indicated, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of section 308, Public Law 625, Eightieth Congress (Women's Armed Services Integration Act of 1948):

To be majors

Millicent Anderson	Edith E. Gintzer
Grace M. Barth	Helen Kulikowska
Marjorie E. Bowman	Kathleen McClure
Edythe S. Cobbe	Margaret L. Miller
Martha L. Cross	Catherine M. Moran
Ruth M. Downey	Margaret J. Steele
Edith G. Eide	Vera E. Von Stein

To be captains

Rachel W. Brinton	Claire J. McDonald
Jane A. Buck	Mary E. McPherson
Bernice D. Coulter	Olive L. Moeckel
Lillian W. Duncan	Theresa C. Mravintz
Leonora E. Embich	Genevieve K. O'Brien
Gladys Foley	Rose E. Panowski
Adeline Franzel	Elizabeth Ray
Elizabeth T. Hickson	Edythe L. Robertson
Rosalia A. Hoffmann	Marguerite L. Roux
Anita E. Johnson	Elizabeth O. Ryland
Anne S. Krizanauskas	Marion L. Watt
Lorna V. Kubli	Olive E. Young

To be first lieutenants

Margaret V. Berry	Helen R. Huyett
Margaret R. Brinson	Marcia A. Levy
Rose J. Coppa	Agnes W. McAmis
Lucille B. Dion	Gloria K. Miller-Potter
Florence R. Ferris	Dorothy A. Porter
Orla L. Geick	Mary L. Porter
Ellen T. Gilbert	Jane Sewell
Sarah Goldin	Barbara S. Smith
Carolyn F. Greenway	Virginia J. Starbuck
Jessie V. Hogan	Gwendolyn J. Watson

To be second lieutenants

Betty B. Coleman
Delores M. Knapik

The following-named persons for appointment in the United States Air Force, in the grade indicated, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of section 506, Public Law 381, Eightieth Congress (Officer Personnel Act of 1947):

To be second lieutenants

Robert S. Barmettler	Joseph F. Olshefski
Axel Bolvig, Jr.	Herbert W. Remington
Leon E. Boswell	
Charles C. Briggs, Jr.	Harold K. Snook
John A. Burdick	Edward G. Sperry
John F. Christopher	Robert C. Storrie
James L. Dennis	Lammie L. Thurmond, Jr.
Michael Fatula	
Jack A. Fowler	Francis M. Wildman
John R. Habicht	Clifford M. Winter, Jr.
Ned D. McDonald, Jr.	Burton Zeiger
Terrence V. McGuire	

IN THE MARINE CORPS

The following-named officer for appointment to the temporary grade of major general in the Marine Corps:

Merwin H. Silverthorn

The following-named officer for appointment to the permanent grade of captain for limited duty in the Marine Corps:

Hubert G. Bozarth

The following-named officer for appointment to the permanent grade of first lieutenant for limited duty in the Marine Corps:

Merle C. Davis

The following-named citizens (civilian college graduates) for appointment to the permanent grade of second lieutenant in the Marine Corps:

Robert F. Maiden, a citizen of Colorado.
James E. Shugart, a citizen of Texas.
Dan C. Walker, a citizen of Virginia.
Henry M. Whitesides, a citizen of North Carolina.

The following-named citizen (contract NROTC student) for appointment to the permanent grade of second lieutenant in the Marine Corps:

Charles D. Fay, a citizen of Massachusetts.

The following-named midshipman for appointment to the permanent grade of second lieutenant in the Marine Corps:

John R. Linnenkamp

The following-named officer for appointment to the permanent grade of commissioned warrant officer in the Marine Corps:

William R. Yingling, Jr.

HOUSE OF REPRESENTATIVES

MONDAY, APRIL 4, 1949

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father in heaven, whose will is supreme and without whom nothing is pure or enduring, hear our prayer. As statesmen gather together today, not for expansion but for mutual aid, grant that their decisions may meet with Thine approval and that of Christian people everywhere.

Blessed Lord, we turn to Thee for the healing of the evils which only Thou canst cure. Let us in Thy holy name make ceaseless effort against injustice, poverty, and ignorance, ever mindful of the problems of each life which must be solved. Bless our Republic and help us ever to guard the sacred realities of the open church, the open school, and the poor man's home. In the name of our Redeemer. Amen.

The Journal of the proceedings of Friday, April 1, 1949, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McBride, its assistant enrolling clerk, announced that the Senate had passed concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. Con. Res. 10. Concurrent resolution to provide additional funds for the Joint Committee on Labor-Management Relations; and

S. Con. Res. 19. Concurrent resolution authorizing the printing of additional copies of prayers offered by the Chaplain, the Reverend Peter Marshall, D. D., at the opening of the daily sessions of the Senate of the United States during the Eightieth and Eighty-first Congresses.

EXTENSION OF REMARKS

Mr. ANDERSON of California asked and was given permission to extend his remarks in the RECORD.

VETERANS' HOUSING

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ANDERSON of California. Mr. Speaker, 10 days ago I called the attention of the House to a nasty situation which has occurred in connection with veterans' housing projects in San Jose, Calif., in my district, because of the failure of sanitary facilities to properly dispose of sewage. At that time I stated that the affected veterans were threatening to strike on their FHA loans. I now have a wire from the American Legion, stating as follows:

Veterans' situation here requires your immediate assistance. Seventy-five veterans struck here Friday on FHA GI loans. Regional Veterans' Administration, San Francisco, not only apathetic, but they seem more interested in protecting lenders than helping veterans.

Mr. Speaker, I have appealed to the Veterans' Administration, the FHA, and the Housing Expediter.

So far, none of those Federal agencies indicates a desire to take cognizance of this situation. I am now appealing to the veterans' committee of the House of Representatives, requesting that they take an interest in this situation and make such investigations as are necessary.

It appears to me that there must be some Federal agency to which these veterans can appeal in cases of this kind. To whom are they to look for redress if the Congress which authorizes the creation of the agencies which approve their loans will not act? I want less "buck passing" and more action.

The SPEAKER. The time of the gentleman from California has expired.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1950

Mr. WHITTEN, from the Committee on Appropriations, reported the bill (H. R. 3997, Rept. No. 384), making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1950, and for other purposes, which was read a first and second time, and, with the accompanying report, referred to the Committee of the Whole House on the State of the Union and ordered printed.

Mr. H. CARL ANDERSEN reserved all points of order on the bill.

EXTENSION OF REMARKS

Mr. O'TOOLE asked and was granted permission to extend his remarks in the RECORD and include an editorial from the Syracuse Herald-Journal commenting on the remarks of Hon. James A. Farley.

Mr. MULTER asked and was granted permission to extend his remarks in the RECORD in two instances and include extraneous matter.

Mr. COFFEY asked and was granted permission to extend his remarks in the RECORD and include an editorial from this morning's Times-Herald.

Mr. O'HARA of Illinois asked and was granted permission to extend his remarks in the RECORD and include a letter from Mr. James K. Allison, director of nuclear studies, University of Chicago, and four other scientists.

Mr. KING asked and was granted permission to extend his remarks in the RECORD and include an editorial from the Los Angeles Daily News.

Mr. HORAN asked and was granted permission to extend his remarks in the RECORD and include an article from the Spokane Spokesman Review.

Mr. ANGELL asked and was granted permission to extend his remarks in the RECORD and include a joint resolution from the Oregon State Legislature.

Mr. DONDERO asked and was granted permission to extend his remarks in the Appendix of the RECORD and include a short article entitled "Where Are They?"

Mr. FARRINGTON asked and was granted permission to extend his remarks in the RECORD in two instances and to include, first, an essay; and, second, excerpts and editorials on statehood for Hawaii.

Mr. CHESNEY asked and was granted permission to extend his remarks in the RECORD and include extraneous matter.

PERMISSION TO ADDRESS THE HOUSE

Mr. CHESNEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

[Mr. CHESNEY addressed the House. His remarks appear in the Appendix.]

ATLANTIC PACT

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. RICH]?

There was no objection.

Mr. RICH. Mr. Speaker, this is a great day for America This is the day when representatives of foreign nations come here to sign the Atlantic Pact. What the results of this day will mean to America no one knows. It was arranged by the State Department to have these representatives of foreign nations come here to sign this pact, with the understanding that when they return they will get a gift of $1,200,000,000 from this great Government of ours to arm them. What for?

It is a sad commentary when this country has to not only take care of all the nations of the world under ECA to the tune of $5,600,000,000 for this year, but now we sign the Atlantic Pact that means $1,200,000,000 more to arm foreign powers. Where are we heading for? War? Uncertainty? Disillusionment—Oh! we should be advocating peace, working for peace. Not preparation for war by arming these countries. We armed Russia to the amount of over $11,000,000,000. Did we do a good thing? Your answer is and should be "No," a big "No." They were supposed to be our friends then. Are they now?

The same thing is liable to happen under this Atlantic Pact being signed today. Arm these countries with our good, hard-earned cash, which we need to pay our national debt and look after our own people. I am afraid to arm any country but our own, if we do, it may be used against us.

This is a great day for America. Let us attend to our own business and stop meddling with everybody else's business. Stay at home and look after America and you will have all you can do.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

EXTENSION OF REMARKS

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks in the Appendix of the RECORD and include an address she delivered at the graduating exercises of the Women's Army Training Corps center, at Camp Lee, Va.

Mr. PRICE asked and was given permission to extend his remarks in the Appendix of the RECORD and include a telegram.

HAPPY BIRTHDAY, MR. SABATH!

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts,

There was no objection.

Mr. McCORMACK. I listened with great interest to the remarks of my friend the gentleman from Pennsylvania [Mr. RICH], to one part of his remarks especially, where he said this was a great day for America. In more ways than one this is a great day for America: This is the birthday anniversary of one of the most unusual characters I have ever met, and I think all of my colleagues who know him or who ever served with him, will agree with me. Born abroad, he came to this country, recognized its great opportunities and grasped them. Many years ago he was elected to the Congress of the United States, to this distinguished body, and he has served in this body for over 42 years, the longest continuous service in the Congress of the United States of any one man in the history of our Government. I know that all of my colleagues join me in extending today our congratulations to this distinguished friend and colleague, and our best wishes that God will bless him and his wife with many, many more years of happiness and many more birthday anniversaries. I refer to our ever-young-minded colleague and friend the gentleman from Illinois, ADOLPH SABATH.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. HALLECK. I am very happy on this occasion, Mr. Speaker, to join with my good friend from Massachusetts, the majority leader, in extending congratulations to the gentleman from Illinois [Mr. SABATH]. Certainly, he is one of the outstanding Members of the House of Representatives.

It was my privilege to serve with him on the Rules Committee under his chairmanship. I need not remind you that on certain problems before the committee he and I have not always agreed, but that means nothing so far as our personal relationships have been concerned. Always has he kept his word to me; always has he done for me what he properly could, not affecting politics but affecting personal friendships. For that I am deeply appreciative, and for that certainly on this occasion I would want to pay my tribute to him together with the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. I thank my friend, and I know that he expresses not only the feeling of the Members on the Republican side, but all Members. All I can say of the gentleman from Illinois is that he is a rare institution, rare in many ways, wholesomely and constructively, other than legislatively, I may say.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I wish to add my "happy birthday" to the gentleman from Illinois, and to express my deep appreciation of his unfailing courtesy whenever I have gone to secure a rule or some other favor. He has given me full, complete, and very sympathetic hearing.

Mr. McCORMACK. I thank the gentlewoman from Massachusetts.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Speaker, it gives me great pleasure to join with the distinguished majority leader and my other colleagues in paying tribute to the dean of the House the gentleman from Illinois [Mr. SABATH], on this, the anniversary of his birthday.

ADOLPH SABATH has not only become the dean of the House, but a national institution as well. Since 1907 he has served in this body, longer than any other person in our Nation's history. For many years he has been chairman of the

important Committee on Rules. We have not always agreed on policies or politics, but nevertheless I have a warm affection for him.

After God made ADOLPH SABATH He shattered the mold. There will never be another like him. ADOLPH SABATH is an individual masterpiece, never to be copied or replaced. May he live to enjoy many more happy birthdays and another 42 years of service in the House, is my wish to him on this anniversary of his birth.

Mr. McCORMACK. I thank the gentleman from Ohio for his remarks.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include certain tables which have been prepared by the Corps of Army Engineers.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix.]

RENT CONTROL

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WILLIAMS. Mr. Speaker, it was a pleasant surprise to me this morning to pick up Capital Comment, the official organ of the Democratic National Committee, wherein that publication discusses the new rent-control measure and said this about it:

> It is also evidence that the Democratic administration wants to place the maximum possible responsibility in the hands of State and local governments.

As author of the local option amendment to the rent-control bill, Mr. Speaker, may I say this is very significant, particularly in view of the fact that every Democratic member of the committee reporting the bill opposed it on record, the majority leader opposed it on the floor and the whip worked all afternoon calling Members over here to vote against it. The President excoriated the amendment before the conference of mayors on the day after the bill passed the House, and it was opposed by both the majority leader, the whip, and committee in the other body.

I am delighted that the administration has apparently undergone a change of heart and am pleased to say to Mr. Truman, who is a good Baptist like I am, that like Baptists we who embrace the tenets of States rights democracy believe it is never too late to be saved. The doors of our political faith are always wide open, and this is an invitation to Mr. Truman and the Democratic administration to repent of their sins against the Constitution, profess their faith in States' rights, and return to the house of Jefferson.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL

Mr. TABER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Speaker, the Department of Agriculture appropriation bill was reported this morning. In the report furnished to the committee, and which I have in front of me, it is indicated that it is $25,798,829 below the budget. According to my figures, taken out of the same report and from the same figures, it is $66,412,071 above the budget.

According to the report statement, it is $70,000,000 and more below this current year. According to my figures, it is $218,953,000 above the appropriations for the current year.

REDS PLEDGE CHINA TO WAR FOR RUSSIA

Mr. HALE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. HALE. Mr. Speaker, the Washington Post this morning carries a news item that the Chinese Communists said amid peace negotiations with the Nationalists tonight that they would unite the people of China to fight for Russia in any war between the Soviet Union and the North Atlantic Treaty nations.

The article further states that a Communist broadcast quoted a statement signed by the No. 1 Communist, Mao Tze-tung, and other leftist leaders, denouncing the western treaty and pledging aid to Russia in event of war.

This ought to dispose of any illusions which the Members of the House may have about the true nature of communism in China and about whether there is actually any connection between them and Moscow. I can only hope that there is someone in the State Department who reads the newspapers Do the editorial writers in the Washington Post read the news items in the same paper?

Is it any wonder that Winston Churchill, speaking in Boston last Thursday, asked:

> Are we winning the cold war? This cannot be decided by looking at Europe alone. We must also look to Asia. The worst disaster since our victory has been the collapse of China under Communist attack and intrigue.

EXTENSION OF REMARKS

Mr. HOFFMAN of Michigan asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. HALLECK asked and was given permission to extend his remarks in the RECORD and include an editorial from the Vidette-Messenger of Valparaiso, Ind.

Mr. TEAGUE asked and was given permission to extend his remarks in the Appendix of the RECORD and include extraneous materials.

THE NORTH ATLANTIC PACT

Mrs. ST. GEORGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mrs. ST. GEORGE. Mr. Speaker, this day, April 4, 1949, will go down in the history of the world as a great day. It is the day on which the United States of America assumed the role of empire officially, and did so by the signing of the North Atlantic Pact.

The Roman Empire was supported and grew on the strength of the Roman legions. The British Empire was supported and grew on the strength of the British Navy. Our empire is supported and will grow on air power. It is to be hoped that this House and the other body will maintain the air supremacy of the United States. Our motto, if we are to be an empire, and if we are to establish and maintain the peace of the world must be "Two planes for one."

Our empire, we know, is to keep the peace. This only the strong can do and so we dedicate our strength, our wealth, and our might to the establishment of peace on earth.

EXPEDITIOUS HANDLING OF LEGISLATION BY EIGHTIETH CONGRESS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, something over a year ago there was presented to the Eightieth Republican Congress a request for expeditious action on the European recovery program. Also, there was presented for expeditious action further aid to China, and to Greece, and to Turkey. We were given a dead line of April 1. We went to work on the request coming down from the executive branch of the Government. We wrapped all of those programs up into one package and passed that measure in the House of Representatives on March 31. The measure became law on April 3. We did this in a great barrage of criticism as to our method of approach and our ability to bring the matter to a determination, one way or the other.

Now in this Congress there is a request for an extension, and a further authorization. The time for which the act was originally passed has expired. I cannot resist calling to the attention of the Members and the people of the country the fact that in the Eightieth Congress we drafted the legislation, initiated the program, got it off on time, and in this Congress, the Eighty-first Democratic-controlled Congress, we have not yet been able to bring about even a simple extension.

EXTENSION OF REMARKS

Mr. CANNON asked and was given permission to extend his remarks in the RECORD and include letters received by the Committee on Appropriations.

Mr. RODINO (at the request of Mr. TAURIELLO) was given permission to extend his remarks in the RECORD.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

MISSISSIPPI RIVER PARKWAY

The Clerk called the bill (H. R. 1997) to authorize the survey of a proposed Mississippi River Parkway for the purpose of determining the feasibility of such a national parkway, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated a sum not exceeding $200,000 to be used by the Department of the Interior through the National Park Service and by the Federal Works Agency through the Public Roads Administration to make a joint survey of a route for a national parkway to be known as the Mississippi River Parkway. The survey shall follow, in general, the route of the Mississippi River. An estimate of cost of construction of the national parkway or any portions thereof found to be practicable by said survey, together with such other data as will be valuable, shall be obtained with the objective of determining the desirability of authorizing the construction of the parkway or any portion thereof. A report of the survey, upon its completion, shall be transmitted to the Congress by the Secretary of the Interior and the Administrator of the Federal Works Agency, together with their recommendations thereon.

With the following committee amendment:

Page 1, line 4, strike out "$200,000" and insert "$250,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WOMEN'S RESERVE AS A BRANCH OF THE COAST GUARD RESERVE

The Clerk called the bill (H. R. 1823) to amend the act of February 19, 1941, as amended, so as to establish a Women's Reserve as a branch of the Coast Guard Reserve.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of February 19, 1941, as amended (U. S. C., title 14, secs. 301–354), is further amended by adding after section 215 thereof additional sections as follows:

"SEC. 216. A Women's Reserve is hereby established which shall be a branch of the Coast Guard Reserve and shall be administered in the same manner as provided for the Coast Guard Reserve in all respects, except as may be necessary to adapt said provisions to the Women's Reserve, or as may be otherwise provided by statute.

"SEC. 217. Members of the Women's Reserve may be commissioned or enlisted in ranks and ratings as prescribed by the Secretary, not above the rank of captain, and there shall be one woman officer only in the rank of captain.

"SEC. 218. Military authority of members of the Women's Reserve may be exercised over other members of the Women's Reserve only.

"SEC. 219. Members of the Women's Reserve shall not be assigned duty on board combat vessels or in combat aircraft. Members of the Women's Reserve shall not be assigned to duty other than in the United States, its Territories, and possessions, and shall not be assigned to duty outside the continental limits of the United States unless they have requested such duty."

With the following committee amendments:

Page 1, line 7, after the words "Coast Guard Reserve and", insert the word "which."

Page 2, line 5, before the words "not above", insert the word "but."

Page 2, line 5, after the word "captain", delete the comma and insert a period.

Page 2, lines 5 and 6, delete the words "and there shall be one woman officer only in the rank of captain."

Page 2, lines 11 and 12, after the word "aircraft", delete the period and insert a comma and add the words "nor shall they be otherwise assigned to combat duty."

Page 2, line 14 before the words "be assigned" delete the words "and shall not", and insert in lieu thereof the words "nor shall they."

The committee amendments were agreed to.

Mr. MARCANTONIO. Mr. Speaker, I offer an amendment.

The Clerk read, as follows:

Amendment offered by Mr. MARCANTONIO: On page 2, line 17, after the period insert a new section as follows:

"SEC. 220. There shall be no segregation or discrimination in the establishing, maintaining, commissioning, and enlisting in the Women's Reserve because of race, color, or creed."

The SPEAKER. Does the gentleman from New York desire to be recognized on his amendment?

Mr. MARCANTONIO. No; I do not, Mr. Speaker.

Mr. DEANE. Mr. Speaker, I am sure the gentleman from New York has the best of intentions in offering this amendment, but as we study past legislation bearing on similar subjects, I am quite sure that the particular branch of the armed services that will administer this legislation will see that there is no discrimination. I ask that the amendment be defeated.

The SPEAKER. The question is on the amendment.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. MARCANTONIO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 193, nays 153, not voting 88, as follows:

[Roll No. 64]

YEAS—193

Addonizio	Angell	Barrett, Wyo.
Allen, Calif.	Auchincloss	Bates, Mass.
Andersen, H. Carl	Bailey	Beall
	Baring	Bishop
Blatnik	Havenner	Nixon
Boggs, Del.	Hays, Ohio	Norblad
Bolling	Hedrick	O'Brien, Ill.
Bosone	Herter	O'Hara, Ill.
Bramblett	Heselton	O'Hara, Minn.
Breen	Hill	O'Konski
Brehm	Hoeven	O'Neill
Brown, Ohio	Holifield	O'Sullivan
Buchanan	Holmes	O'Toole
Buckley, Ill.	Hope	Patterson
Burdick	Horan	Perkins
Burnside	Howell	Pfeifer, Joseph L.
Byrne, N. Y.	Huber	Pfeiffer, William L.
Cannon	Hull	Philbin
Carnahan	Irving	Phillips, Calif.
Carroll	Jackson, Calif.	Polk
Case, N. J.	Jackson, Wash.	Poulson
Cavalcante	James	Price
Celler	Javits	Rabaut
Chesney	Jenkins	Reed, Ill.
Chiperfield	Johnson	Rees
Coffey	Jonas	Rhodes
Cole, Kans.	Judd	Ribicoff
Crook	Karst	Rodino
Crosser	Karsten	Rogers, Mass.
Cunningham	Kearns	Rooney
Curtis	Keating	Sabath
Dague	Kee	Sadlak
Dawson	Keefe	Sadowski
Delaney	Kelley	Sanborn
Denton	Kennedy	Sasscer
D'Ewart	Kirwan	Scott, Hugh D., Jr.
Dolliver	Klein	Scrivner
Donohue	Lemke	Scudder
Douglas	Lesinski	Secrest
Doyle	Lind	Simpson, Ill.
Eberharter	Linehan	Stefan
Elston	Lodge	Sullivan
Engel, Mich.	Lovre	Talle
Engle, Calif.	McCarthy	Tauriello
Fallon	McDonough	Tollefson
Feighan	McGregor	Towe
Fenton	McGuire	Van Zandt
Flood	McKinnon	Veide
Fogarty	McSweeney	Vorys
Forand	Mack, Ill.	Wagner
Ford	Mack, Wash.	Walsh
Fulton	Madden	Walter
Garmatz	Mansfield	Welch, Calif.
Golden	Marcantonio	Wier
Goodwin	Marsalis	Wigglesworth
Gordon	Martin, Iowa	Wilson, Ind.
Gorski, Ill.	Merrow	Withrow
Gorski, N. Y.	Miller, Calif.	Wolcott
Graham	Miller, Md.	Wolverton
Gross	Miller, Nebr.	Woodhouse
Hagen	Mitchell	Yates
Hall, Edwin Arthur	Morgan	Young
Hand	Moulder	Zablocki
Harden	Multer	
Hart	Murray, Wis.	
	Nelson	

NAYS—153

Abernethy	Davis, Wis.	Lanham
Albert	Deane	Larcade
Allen, Ill.	DeGraffenried	LeCompte
Allen, La.	Dondero	Lucas
Anderson, Calif.	Doughton	Lyle
Andresen, August H.	Durham	McMillan, S. C.
	Eaton	McMillen, Ill.
Andrews	Elliott	Macy
Arends	Ellsworth	Magee
Aspinall	Evins	Mahon
Bates, Ky.	Fellows	Marshall
Battle	Fernandez	Mason
Beckworth	Fisher	Meyer
Bennett, Fla.	Frazier	Michener
Bennett, Mich.	Fugate	Miles
Bentsen	Gary	Mills
Blackney	Gathings	Monroney
Bland	Gore	Morris
Boggs, La.	Grant	Morton
Bonner	Gregory	Murdock
Boykin	Gwinn	Murray, Tenn.
Brooks	Hale	Nicholson
Brown, Ga.	Hall, Leonard W.	Noland
Bryson		Pace
Burleson	Halleck	Passman
Burton	Hardy	Patman
Byrnes, Wis.	Hare	Patten
Camp	Harris	Peterson
Carlyle	Harrison	Phillips, Tenn.
Chelf	Harvey	Pickett
Christopher	Hébert	Potter
Church	Herlong	Preston
Clevenger	Hobbs	Priest
Colmer	Hoffman, Mich.	Rains
Combs	Jenison	Rankin
Cooper	Jennings	Reed, N. Y.
Cotton	Jensen	Regan
Cox	Jones, Ala.	Rich
Crawford	Jones, Mo.	Richards
Davis, Ga.	Kilburn	Rivers
Davis, Tenn.	Kilday	Rogers, Fla.

St. George	Stockman	White, Calif.
Short	Taber	Whitten
Sikes	Tackett	Whittington
Sims	Teague	Wickersham
Smathers	Thomas, Tex.	Williams
Smith, Kans.	Thompson	Willis
Smith, Va.	Thornberry	Wilson, Okla.
Smith, Wis.	Trimble	Wilson, Tex.
Spence	Underwood	Winstead
Staggers	Vinson	Worley
Steed	Wheeler	

NOT VOTING—88

Abbitt	Granger	Norton
Barden	Green	O'Brien, Mich.
Barrett, Pa.	Hays, Ark.	Plumley
Biemiller	Heffernan	Poage
Bolton, Md.	Heller	Powell
Bolton, Ohio	Hinshaw	Quinn
Buckley, N. Y.	Hoffman, Ill.	Ramsay
Bulwinkle	Jacobs	Redden
Burke	Jones, N. C.	Riehlman
Canfield	Kean	Scott, Hardie
Case, S. Dak.	Kearney	Shafer
Chatham	Keogh	Sheppard
Chudoff	Kerr	Simpson, Pa.
Clemente	King	Smith, Ohio
Cole, N. Y.	Kruse	Somers
Cooley	Kunkel	Stanley
Corbett	Lane	Stigler
Coudert	Latham	Sutton
Davenport	LeFevre	Taylor
Davies, N. Y.	Lichtenwalter	Thomas, N. J.
Dingell	Lynch	Vursell
Dollinger	McConnell	Wadsworth
Furcolo	McCormack	Weichel
Gamble	McCulloch	Welch, Mo.
Gavin	McGrath	Werdel
Gillette	Martin, Mass.	Whitaker
Gilmer	Morrison	White, Idaho
Gossett	Murphy	Wood
Granahan	Norrell	Woodruff

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Keogh for, with Mr. Wood against.

Mr. Biemiller for, with Mr. Welch of Missouri against.

Mr. Lane for, with Mr. Barden against.

Mr. Dollinger for, with Mr. Abbitt against.

Mr. Corbett for, with Mr. Stanley against.

Mrs. Norton for, with Mr. Gossett against.

Mr. McCulloch for, with Mr. Jones of North Carolina against.

Mr. Heller for, with Mr. Kerr against.

Mr. Weichel for, with Mr. Morrison against.

Mr. Powell for, with Mr. Norrell against.

Mr. Lichtenwalter for, with Mr. Poage against.

Mr. Furcolo for, with Mr. Redden against.

Mr. Simpson of Pennsylvania for, with Mr. Sutton against.

Mr. Gavin for, with Mr. Whittaker against.

Mr. McGrath for, with Mr. Hays of Arkansas against.

Mr. Lynch for, with Mr. Gilmer against.

Mr. Clemente for, with Mr. Stigler against.

Mr. Quinn for, with Mr. Cooley against.

Mr. Heffernan for, with Mr. Bulwinkle against.

General pairs until further notice:

Mr. McCormack with Mr. Martin of Massachusetts.

Mr. Sheppard with Mrs. Bolton of Ohio.

Mr. Chatham with Mr. Canfield.

Mr. King with Mr. Hoffman of Illinois.

Mr. Green with Mr. Wadsworth.

Mr. Granger with Mr. Kean.

Mr. Granahan with Mr. Hardie Scott.

Mr. Barrett of Pennsylvania with Mr. Cole of New York.

Mr. Chudoff with Mr. Kunkel.

Mr. Davenport with Mr. LeFevre.

Mr. Davies of New York with Mr. Riehlman.

Mr. Buckley of New York with Mr. Gamble.

Mr. Kruse with Mr. Gillette.

Mr. Somers with Mr. Kearney.

Mr. Dingell with Mr. Plumley.

Mr. Ramsay with Mr. Coudert.

Mr. O'Brien of Michigan with Mr. Woodruff.

Mr. Burke with Mr. Werdel.

Mr. Bolton of Maryland with Mr. Taylor.

Mr. White of Idaho with Mr. Latham.

Mr. Murphy with Mr. Smith of Ohio.

Mr. GOODWIN, Mr. MERROW, and Mr. AUCHINCLOSS changed their vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

Mr. BONNER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. BONNER moves to recommit the bill to the Committee on Merchant Marine and Fisheries.

The SPEAKER. The question is on the motion to recommit.

Mr. COLMER. Mr. Speaker, on that I demand the yeas and nays.

The SPEAKER. Thirty-four Members have arisen; not a sufficient number.

The yeas and nays were refused.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. Marcantonio) there were—ayes 107, noes 89.

Mr. MARCANTONIO. Mr. Speaker, I ask for tellers.

The SPEAKER. Thirty-seven Members have arisen; not a sufficient number.

Tellers were refused.

The motion to recommit was agreed to.

COPYRIGHTS OF FOREIGN WORKS

The Clerk called the bill (H. R. 2285) to amend title 17 of the United States entitled "Copyrights," with respect to relaxation of provisions governing copyright of foreign works.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 16 of title 17, United States Code, is amended to read as follows:

"SEC. 16. Mechanical work to be done in United States. Of the printed book or periodical specified in section 5, subsections (a) and (b), of this title, except the original text of a book or periodical of foreign origin in a language or languages other than English, the text of all copies accorded protection under this title, except as below provided, shall be printed from type set within the limits of the United States, either by hand or by the aid of any kind of typesetting machine, or from plates made within the limits of the United States from type set therein, or, if the text be produced by lithographic process, or photoengraving process, then by a process wholly performed within the limits of the United States, and the printing of the text and binding of the said book shall be performed within the limits of the United States; which requirements shall extend also to the illustrations within a book consisting of printed text and illustrations produced by lithographic process, or photoengraving process, and also to separate lithographs or photoengravings, except where in either case the subjects represented are located in a foreign country and illustrate a scientific work or reproduce a work of art: *Provided, however*, That said requirements shall not apply to work in raised characters for the use of the blind, or to books or periodicals of foreign origin in a language or languages other than English, or to works printed or produced in the United States by any other process than those above specified in this section, or to copies of books or periodicals, of foreign origin, in the English language, imported into the United States within 5 years after first publication in a foreign state or nation up to the number of 1,500 copies of each such book or periodical in addition to those imported under the exceptions set forth in section 107 of this title, if ad interim copyright in said work shall have been obtained pursuant to section 22 of this title prior to the importation into the United States of any copies except those permitted by the exceptions set forth in section 107 of this title."

SEC. 2. That section 22 of title 17, United States Code, is amended to read as follows:

"SEC. 22. Ad interim protection of book or periodical published abroad. In the case of a book or periodical first published abroad in the English language, the deposit in the Copyright Office, not later than 6 months after its publication abroad, of one complete copy of the foreign edition, with a request for the reservation of the copyright and a statement of the name and nationality of the author and of the copyright proprietor and of the date of publication of the said book or periodical, shall secure to the author or proprietor an ad interim copyright therein, which shall have all the force and effect given to copyright by this title, and shall endure until the expiration of 5 years after the date of first publication abroad."

SEC. 3. That the second paragraph of section 215 of title 17, United States Code, is amended by striking out the period at the end thereof, inserting a colon in lieu thereof, and adding the following new provisions: "*And provided further*, That with respect to works of foreign origin, in lieu of payment of the copyright fee of $4 together with one copy of the work and application, the foreign author or proprietor may at any time within 1 year from the date of first publication abroad deposit in the Copyright Office an application for registration and 2 copies of the work which shall be accompanied by a catalog card in form and content satisfactory to the Register of Copyrights. Any United States author or proprietor may, if he so desires, use the facilities of the Copyright Office to forward to any foreign country with which satisfactory arrangements exist for deposit or registration in conformity with the copyright laws of such country, copies of any United States work produced within the United States by printing, lithography, photography, or other similar process under payment of such sums as the Register of Copyrights may determine from time to time to be sufficient to cover the cost of such services. Upon receipt of such copies and fee the Register of Copyrights shall forward the work for such deposit or registration."

SEC. 4. The analysis of chapter 1 of said title 17, United States Code, is amended by striking out the item reading: "22. Ad interim protection of book published abroad.", and inserting in lieu thereof: "22. Ad interim protection of book or periodical published abroad."

With the following committee amendments:

Page 1, line 5, strike out "SEC." and insert in lieu thereof the symbol "§."

Page 2, line 16, strike out "work" and insert in lieu thereof "works."

Page 2, line 25, strike out "in addition to those imported under."

Page 3, strike out lines 1 through 6, and insert in lieu thereof "if said copies shall contain notice of copyright in accordance with sections 10, 19, and 20 of this title and if ad interim copyright in said work shall have been obtained pursuant to section 22 of this title prior to the importation into the United States of any copy except those permitted by the provisions of section 107 of this title: *Provided further*, That the provisions of this section shall not affect the right of importation under the provisions of section 107 of this title, nor the extension

of time within which to comply with conditions and formalities granted by Presidential proclamation, numbered 2608, of March 14, 1941."

Page 3, line 9, strike out "SEC." and insert in lieu thereof the symbol "§."

Page 3, after line 21 and before line 22, insert a new section as follows:

SEC. 3. That section of title 17, United States Code, is amended to read as follows:

"§ 23. Same; Extension to Full Term.—Whenever within the period of such ad interim protection an authorized edition of such books or periodicals shall be published within the United States, in accordance with the manufacturing provisions specified in section 16 of this title, and whenever the provisions of this title as to deposit of copies, registration, filing of affidavits, and the printing of the copyright notice shall have been duly complied with, the copyright shall be extended to endure in such book or periodical for the term provided in this title."

Page 3, line 22, strike out "3" and insert in lieu thereof "4."

Page 4, line 4, strike out "one year" and insert in lieu thereof "six months."

Page 4, strike out "Any United States" on line 8 and strike lines 9 through 19.

Page 4, line 20, strike out "4" and insert in lieu thereof "5."

The committee amendments were agreed to.

Mr. WILLIS. Mr. Speaker, I offer a committee amendment to the bill H. R. 2285, to make a correction.

The Clerk read as follows:

Amendment offered by Mr. WILLIS: On page 3, line 17, strike out "1941" and insert in lieu thereof "1944."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DEPARTURES FROM SYSTEM OF RECTANGULAR SURVEY

The Clerk called the bill (H. R. 3150) to revise and repeal certain acts relating to rules of survey to permit departures from the system of rectangular survey when necessary on all public lands, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the third paragraph of section 2395, Revised Statutes (43 U. S. C., sec. 751), is amended to read as follows:

"Third. The township shall be subdivided into sections, containing, as nearly as may be, 640 acres each, by running parallel lines through the same from east to west and from south to north at the distance of one mile from each other, and marking corners at the distance of each half mile. The sections shall be numbered, respectively, beginning with the number 1 in the northeast section and proceeding west and east alternately through the township with progressive numbers, until the thirty-six be completed."

SEC. 2. Section 2410, Revised Statutes (43 U. S. C., sec. 770), is amended to read as follows:

"The Secretary of the Interior may, by regulation, provide that departures may be made from the system of rectangular surveys whenever it is not feasible or economical to extend the rectangular surveys in the regular manner or whenever such departure would promote the beneficial use of lands."

SEC. 3. Section 1 of the act of April 13, 1926, entitled "An act to authorize a departure from the rectangular system of surveys of homestead claims in Alaska, and for other purposes" (44 Stat. 243; 48 U. S. C., sec. 379), is hereby amended by deleting the following words: "and the provisions of the act of June 28, 1918 (40 Stat. L. 632), insofar as they require that surveys executed thereunder, without expense to the claimant, must follow the general system of the public land surveys."

SEC. 4. Section 2408, Revised Statutes (43 U. S. C., sec. 768), and section 2409, Revised Statutes (43 U. S. C., sec. 769), are hereby repealed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAYMENTS TO RETIRED OFFICERS OF NAVAL RESERVE

The Clerk called the bill (S. 278) to prevent retroactive checkage of payments erroneously made to certain retired officers of the Naval Reserve, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the term "Reserve components" as used in section 6 of the act approved February 21, 1946 (60 Stat. 27; 34 U. S. C. 410b), shall include officers on the honorary retired list of the Naval Reserve or Marine Corps Reserve established by section 309 of the Naval Reserve Act of 1938, as amended (34 U. S. C. 855h).

SEC. 2. This act shall be effective from February 21, 1946.

With the following committee amendment:

Page 1, line 8, after the parentheses, insert ", and that the term 'Naval and Marine Corps Reserve' as used in subsection (b) of section 301 of Public Law 810 shall include officers and enlisted personnel on the honorary retired list of the Naval Reserve or Marine Corps Reserve established by section 309 of the Naval Reserve Act of 1938, as amended (34 U. S. C. 855h)."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISPOSITION OF CERTAIN LOST, ABANDONED, OR UNCLAIMED PERSONAL PROPERTY IN POSSESSION OF TREASURY DEPARTMENT, ETC.

The Clerk called the bill (S. 629) to authorize the disposition of certain lost, abandoned, or unclaimed personal property coming into the possession of the Treasury Department, the Department of the Army, the Department of the Navy, or the Department of the Air Force, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury, the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force, respectively, are hereby authorized to dispose of, by sale or otherwise, 1 year after date of receipt, all lost, abandoned, or unclaimed personal property which is now or may hereafter come into the possession, custody, or control of the Treasury Department, the Department of the Army, the Department of the Navy, or the Department of the Air Force, as the case may be: *Provided*, That an effort shall be made to determine and locate the owner or owners thereof, or their legal representatives, and that in all cases where the owner thereof, or legal representative, has been determined the property shall not be sold or otherwise disposed of for a period of 90 days after written notice has been sent to his last known address.

SEC. 2. The net proceeds received from the sale of any such property by the Treasury Department, the Department of the Army, the Department of the Navy, or the Department of the Air Force shall be covered into the Treasury as miscellaneous receipts.

SEC. 3. Claims for the net proceeds, if any, of such property so disposed of may be filed with the General Accounting Office by the rightful owners or their legal representatives at any time prior to the expiration of 3 years from the date of the disposal of the property, and, if not so filed, are barred from being acted on by either courts or the accounting officers.

SEC. 4. The Secretary of the Treasury, the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force, respectively, are authorized to prescribe such rules and regulations as may be necessary to carry out the purposes and provisions of this act.

SEC. 5. Any property coming within the provisions of this act which may be delivered to the Soldiers' Home under regulations prescribed by the Secretary of the Army or the Secretary of the Air Force shall be limited to papers of value, sabers, insignia, decorations, medals, watches, trinkets, manuscripts, or other articles valuable chiefly as keepsakes.

SEC. 6. This act shall not be construed as amending or repealing the act of March 29, 1918 (40 Stat. 499); article 112 of section 1, chapter 11, of the act of June 4, 1920 (41 Stat. 809); the act of February 21, 1931 (46 Stat. 1203); the act of December 28, 1945 (59 Stat. 662), as amended; or the act of August 2, 1946 (60 Stat. 846–847), as amended.

With the following committee amendment:

Page 1, strike out all after the enacting clause and insert:

"That the Secretary of the Treasury, the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force, respectively, subject to the provisions of section 5 of this act, are hereby authorized to dispose of by public or private sale or otherwise, not less than 1 year after date of receipt at such storage points as may be designated by the above-mentioned Secretaries, all lost, abandoned, or unclaimed personal property which is now or may hereafter come into the possession, custody, or control of the Treasury Department, the Department of the Army, the Department of the Navy, or the Department of the Air Force, as the case may be: *Provided*, That diligent effort shall be made to determine and locate the owner or owners thereof, his or their heirs or next of kin, or his or their legal representative or representatives, and that in all cases where the owner or owners thereof, or his or their legal representative or representatives, his or their heirs or next of kin, has or have been determined, the property shall not be sold or otherwise disposed of prior to the expiration of a period of 120 days after written notice by registered mail giving time and place of intended sale or other disposition thereof has been sent to his or their last-known address.

"SEC. 2. The net proceeds received from the sale of any such property by the Treasury

Department, the Department of the Army, the Department of the Navy, or the Department of the Air Force shall be covered into the Treasury as miscellaneous receipts.

"SEC. 3. Claims for the net proceeds, if any, of such property so disposed of may be filed with the General Accounting Office by the rightful owners, their heirs or next of kin, or their legal representatives at any time prior to the expiration of 5 years from the date of the disposal of the property and, if so filed, the General Accounting Office shall allow or disallow the claim. If claims are not filed prior to the expiration of 5 years from the date of the disposal of the property, they shall be barred from being acted on by the courts or the General Accounting Office.

"SEC. 4. The Secretary of the Treasury, the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force, respectively, are authorized to prescribe such rules and regulations as may be necessary to carry out the provisions of this act.

"SEC. 5. Any property coming within the provisions of this act which may be delivered to the Soldiers' Home under regulations prescribed by the Secretary of the Army or the Secretary of the Air Force shall be limited to papers of value, sabers, insignia, decorations, medals, watches, trinkets, manuscripts, or other articles valuable chiefly as keepsakes: *Provided*, That if the rightful owners, their heirs, next of kin, or their legal representatives should establish their right to any such property at any time prior to the expiration of 2 years from the date of the receipt thereof by the Soldiers' Home, they shall be granted possession thereof.

"SEC. 6. This act shall not be construed as amending or repealing the act of March 29, 1918 (40 Stat. 499); article 112 of section 1, chapter II, of the act of June 4, 1920 (41 Stat. 809); the act of February 21, 1931 (46 Stat. 1203); the act of December 28, 1945 (59 Stat. 662), as amended; or the act of August 2, 1946 (60 Stat. 846–847), as amended."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ACQUISITION OR USE OF PUBLIC LANDS BY STATES, COUNTIES, OR MUNICIPALITIES FOR RECREATIONAL PURPOSES

The Clerk called the bill (H. R. 2821) to amend the act approved June 14, 1926 (44 Stat. 741; 43 U. S. C., sec. 869), entitled "An act to authorize acquisition or use of public lands by States, counties, or municipalities for recreational purposes," to include other public purposes and to permit nonprofit organizations to lease public lands for certain purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act approved June 14, 1926 (44 Stat. 741; 43 U. S. C., sec. 869), entitled "An act to authorize acquisition or use of public lands by the States, counties, or municipalities for recreational purposes" is hereby amended to read as follows:

"SECTION 1. The Secretary of the Interior may, in the manner prescribed by this act, dispose of any public lands to a State, Territory, county, municipality, or other State, Territorial, or Federal instrumentality or political subdivision for any public purposes, or to a nonprofit corporation or nonprofit association for any recreational or any public purpose consistent with its articles of incorporation or other creating authority before the land may be disposed of under this act for a purpose other than a recreational purpose, it must be shown to the satisfaction of the Secretary that the land is to be used for an established or definitely proposed project.

"SEC. 2. The Secretary of the Interior may (a) sell such land to the State, Territory, county, or other State, Territorial, or Federal instrumentality or political subdivision in which the lands are situated, or to a nearby municipal corporation in the same State or Territory, for the purpose for which the land has been classified, at a price to be fixed by the Secretary, through appraisal or otherwise; (b) lease such land to the State, Territory, county, or other State, Territorial, or Federal instrumentality or political subdivision in which the lands are situated, or to a nearby municipal corporation in the same State or Territory, for the purpose for which the land has been classified, at a reasonable annual rental, for a period up to 20 years, and, at the discretion of the Secretary, with a privilege of renewal for a like period, or (c) lease such land to a nonprofit corporation or nonprofit association at a reasonable annual rental for a period up to 20 years, and, at the discretion of the Secretary, with a privilege of renewal for a like period. Each patent or lease so issued shall contain reservation to the United States of all mineral deposits in the lands conveyed or leased and of the right to mine and remove the same, under regulations to be established by the Secretary. Each lease shall contain a provision for its termination upon a finding by the Secretary that the land has not been used by the lessee for the purpose specified in the lease for such period, not over 5 years, as may be specified in the lease, or that such land or any part thereof is being devoted to another use.

"SEC. 3. All provisions for reversion of title to the United States contained in patents heretofore issued under said act of June 14, 1926, are hereby canceled.

"SEC. 4. The act of September 30, 1890, entitled 'An act to authorize entry of the public lands by incorporated cities and towns for cemetery and park purposes,' and the act of October 17, 1940, entitled 'An act to authorize the Secretary of the Interior to sell or lease for park or recreational purposes, and to sell for cemetery purposes, certain public lands in Alaska,' are hereby repealed."

With the following committee amendments:

Page 2, line 8, strike out the words "authority before" and insert "authority. Before".

Page 3, line 9, after the word "under", insert "applicable laws and".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CIVIL SERVICE RETIREMENT ACT

The Clerk called the bill (H. R. 997) to extend the benefits of section 1 (c) of the Civil Service Retirement Act of May 29, 1930, as amended, to employees who were involuntarily separated during the period from July 1, 1945, to July 1, 1947, after having rendered 25 years of service but prior to attainment of age 55.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa [Mr. CUNNINGHAM]?

There was no objection.

LAC COURTE OREILLES BAND OF LAKE SUPERIOR CHIPPEWA INDIANS

The Clerk called the bill (H. R. 1408) to declare that the United States holds certain lands in trust for the Lac Courte Oreilles Band of Lake Superior Chippewa Indians of the State of Wisconsin.

The SPEAKER pro tempore (Mr. COOPER). Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That title to the lands and interest in lands, together with the improvements thereon and proceeds from rents and sales therefrom, which have been acquired by the United States under authority of title II of the National Industrial Recovery Act of June 16, 1933 (48 Stat. 200), and subsequent acts, lying and situated within the Lac Courte Oreilles Reservation, Wis., administrative jurisdiction over which has heretofore been transferred by the President from the Secretary of Agriculture to the Secretary of the Interior by Executive Order No. 7868, dated April 15, 1938, is hereby declared to be held in trust by the United States of America for the use and benefit of the Lac Courte Oreilles Band of Lake Superior Chippewa Indians of the State of Wisconsin, and the Secretary of the Interior is hereby authorized to proclaim such lands as an addition to the Lac Courte Oreilles Indian Reservation.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. PETERSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD on the bill H. R. 1408.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. PETERSON. The following statement is authorized by the Committee on Public Lands:

The committee is unanimously agreed that favorable action on this bill will not set a precedent with respect to other land held under authority of title II of the National Industrial Recovery Act of June 16, 1933 (48 Stat. 200), the Emergency Relief Appropriation Act of April 8, 1935 (49 Stat. 115).

CIVIL SERVICE RETIREMENT ACT

The Clerk called the bill (H. R. 2944) to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide survivorship benefits for widows or widowers of persons retiring under such act.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 4 (b) of the Civil Service Retirement Act of May 29, 1930, as amended, is amended to read as follows:

"(b) Any officer or employee retiring under the provisions of section 1, 2, or 6 of this act may, at the time of retirement, elect to receive in lieu of the life annuity described herein a reduced annuity and an annuity after death payable to his or her surviving widow or widower designated by such officer or employee at time of retirement equal to 50 percent of such life annuity. The annuity of the officer or employee making such election shall be equal to 90 percent of such

life annuity, reduced by three-fourths of 1 percent of such life annuity for each full year, if any, the designated wife or husband is under the age of 60 at the date of such retirement, but shall in no case be less than 75 percent of such life annuity. The annuity of such widow or widower shall begin on the first day of the month in which the death of the officer or employee occurs or the first day of the month following the widow's or widower's attainment of age 50, whichever is the later, and such annuity or any right thereto shall terminate upon his or her death or remarriage."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONVEYANCE OF CERTAIN HISTORIC PROPERTIES TO THE STATE OF GEORGIA

The Clerk called the bill (H. R. 3274) to provide for the conveyance of certain historic properties to the State of Georgia, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized to convey to the State of Georgia, without consideration, for public use as a part of the park system of that State, and under such terms and conditions as the Secretary may deem advisable, the following described historic properties and improvements thereon:

(a) The Atlanta Campaign National Historic Site comprising the "Ringgold Gap Site," the "Rocky Fact Ridge Site," the "Resaca Site," the "Cassville Site," and the "New Hope Church Site," aggregating a total of approximately 15 acres of land, which are described in the order dated October 13, 1944 (9 F. R. 12868), of the Acting Secretary of the Interior;

(b) The site, comprising approximately 1 acre of land, and improvements thereon, known as the New Echota Marker property, established pursuant to the act of May 28, 1930 (46 Stat. 431).

With the following committee amendment:

Page 1, line 10, strike out the word "Fact" and insert the word "Face."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE FEDERAL TORT CLAIMS ACT

The Clerk called the bill (H. R. 779) to amend the Federal Tort Claims Act to increase the time within which claims under such act may be presented to Federal agencies or prosecuted in the United States district courts.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the first sentence of section 420 of the Federal Tort Claims Act is amended to read as follows:

"Every claim against the United States cognizable under this title shall be forever barred, unless within 2 years after such claim accrued or within 1 year after the date of enactment of this amendatory sentence, whichever is later, it is presented in writing to the Federal agency out of whose activities it arises, if such claim is for a sum not exceeding $1,000; or unless within 2 years after such claim accrued or within 1 year after the date of enactment of this amendatory sentence, whichever is later, an action is begun pursuant to part 3 of this title."

Mr. CELLER. Mr. Speaker, on behalf of the Committee on the Judiciary I offer an amendment which has been approved by the committee.

The Clerk read as follows:

Amendment offered by Mr. CELLER: Strike all after the enacting clause and insert in lieu thereof: "That the first sentence of section 2401 (b) of title 28 of the United States Code is hereby amended to read as follows:

"'A tort claim against the United States shall be forever barred unless action is begun within 2 years after such claim accrues or within 1 year after the date of enactment of this amendatory sentence, whichever is later, or unless, if it is a claim not exceeding $1,000, it is presented in writing to the appropriate Federal agency within 2 years after such claim accrues or within 1 year after the date of enactment of this amendatory sentence, whichever is later.'

"SEC. 2. (a) Section 1346 (b) of title 28 of the United States Code is hereby amended to read as follows:

"'(b) Subject to the provisions of chapter 171 of this title, the district courts, together with the District Court for the Territory of Alaska, the United States District Court for the District of the Canal Zone, and the District Court of the Virgin Islands, shall have exclusive jurisdiction of civil actions on claims against the United States, for money damages, accruing on and after January 1, 1945, for injury or loss of property, or personal injury or death caused by the negligent or wrongful act or omission of any employee of the Government while acting within the scope of his office or employment, under circumstances where the United States, if a private person, would be liable to the claimant in accordance with the law of the place where the act or omission occurred.'

"(b) The first paragraph of section 2672 of title 28 of the United States Code is hereby amended to read as follows:

"'The head of each Federal agency or his designee for the purpose, acting on behalf of the United States, may consider, ascertain, adjust, determine, and settle any claim for money damages of $1,000 or less against the United States accruing on and after January 1, 1945, for injury or loss of property or personal injury or death caused by the negligent or wrongful act or omission of any employee of the Government while acting within the scope of his office or employment, under circumstances where the United States, if a private person, would be liable to the claimant in accordance with the law of the place where the act or omission occurred.'"

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CARSON NATIONAL FOREST, N. MEX.

The Clerk called the bill (H. R. 55) to include certain lands in the Carson National Forest, N. Mex., and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, I wonder if some member of the Committee on Public Lands could give us some estimate of the cost of this bill. I notice that there is no report from the Bureau of the Budget.

Mr. PETERSON. Mr. Speaker, while there is no report from the Bureau of the Budget, the report does show the immediate need for this authority. The area is within the watershed of the presently existing forest, and the area is badly eroded. A portion of this land may be obtained by swapping land within the forest for land outside of the forest. It was not contemplated that there would be any great amount of expense, because 10,000 acres is already public land, and there are about only 2,000 acres of private land.

Mr. BYRNES of Wisconsin. Mr. Speaker, in order to afford the committee an opportunity to advise the House as to the cost, and in order also that the Bureau of the Budget may advise as to the relationship of this proposed legislation with the program of the President, I ask unanimous consent that this bill may be passed over without prejudice.

Mr. PETERSON. Mr. Speaker, reserving the right to object, did the gentleman notice the letter from the Secretary which is in the report showing that it will be clearly an exchange rather than a purchase of land? We had called for a second report from the Secretary. They contemplate swapping lands within the forest for lands outside of the forest.

Mr. BYRNES of Wisconsin. If the gentleman will assure me that there is to be no additional cost to the Government by reason of the passage of this bill, then, of course, I will withdraw my request. I must press it unless there is that assurance.

Mr. PETERSON. No appropriation is contemplated. When the gentleman says, "additional cost" I remind him that we never know when we take on more lands whether there may be some additional cost of administration, but in this case there would be less cost in administering the lands outside the forest. What they intend to do is to swap lands outside of the forest for lands inside the forest; so there may be more cost to administer the forest, but there will be less cost outside. The gentleman from New Mexico [Mr. FERNANDEZ], the author of this bill, is here and can inform the gentleman.

Mr. FERNANDEZ. There will be no cost whatever involved; it is just a matter of swapping one piece of land for another. The forest will have the same number of acres to administer when the swap has been made.

The rush about the matter is that the land is pretty badly eroded. This bill was passed by the Senate last year and reported out by the House committee just 2 days before the adjournment of Congress, too late for the House to take action.

Mr. BYRNES of Wisconsin. Mr. Speaker, with the assurance that this does not involve the expenditure of additional funds I will withdraw my request and reservation of objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the boundaries of the Carson National Forest, New Mexico, are

hereby extended to include fractional township 25 north, range 15 east, New Mexico principal meridian, and, subject to all valid and existing claims, all lands of the United States within said township are hereby made parts of the Carson National Forest and hereafter shall be subject to all laws and regulations applicable thereto.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING THE SALE OF PUBLIC LANDS IN ALASKA

The Clerk called the bill (H. R. 2859) to authorize the sale of public lands in Alaska.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior may sell at private sale or public auction any tract of public land in Alaska other than lands within national parks or monuments, national forests, Indian lands, and military reservations, which he may classify for such disposition: *Provided,* That patent shall not issue until after survey. Withdrawn or reserved lands may be disposed of under this act only with the consent of the department or agency for whose use or in whose interest the lands were withdrawn or reserved, subject to such conditions as that department or agency may prescribe to insure the adequate protection of the lands for the purposes for which the lands were withdrawn or reserved.

SEC. 2. Each sale shall be for an area not in excess of 160 acres unless the Secretary of the Interior determines that a larger area is needed by the applicant for his purposes.

SEC. 3. No sale shall be made for less than the appraised price of the land, or for less than the cost of making any survey to properly describe the land sold, whichever is greater.

SEC. 4. Any patent issued to a purchaser of lands under this act shall contain a reservation to the United States of all minerals in the land patented, together with the right to prospect for, mine, and remove the minerals, and such other reservations as may be necessary and proper.

SEC. 5. This act shall not affect any existing valid rights. The act of May 14, 1898 (48 U. S. C., secs. 371 and 462), as amended, creating shore space reserves, shall not apply to nor limit the operation of this act.

SEC. 6. The Secretary of the Interior may make such rules and regulations as may be necessary and proper to provide for the development of minerals reserved to the United States, to provide appropriate notice of and method of conducting sales, to prevent speculation, to promote the orderly development of lands in Alaska, and to carry out any of the other purposes of this act.

With the following committee amendment:

Page 2, line 23, after the word "development", insert "under applicable law."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ABRAHAM LINCOLN NATIONAL HISTORICAL PARK, KY.

The Clerk called the bill (H. R. 3259) to add to the Abraham Lincoln National Historical Park, Ky., certain land acquired by the United States for that purpose.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the approximately six acres of land described in the following recorded deeds to the United States are hereby added to and made a part of the Abraham Lincoln National Historical Park in the State of Kentucky:

(a) Deed of conveyance to the United States, dated June 15, 1945, made and entered into by and between J. R. Howell and Mattie Johnson Howell, his wife, and W. L. Ferrill and Minnie Ferrill, his wife, of Hodgenville, Larue County, Ky., recorded on June 25, 1946, in deed book No. 58, page 262, in the records of the county of Larue, Ky.; and

(b) Quitclaim deed to the United States, made and entered into by and between Carl J. Howell and Dorothy N. Howell, his wife, of Hodgenville, Larue County, Ky., recorded on April 18, 1947, in deed book No. 59, page 435, in the records of the county of Larue, Ky.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MANASSAS NATIONAL BATTLEFIELD PARK, VA.

The Clerk called the bill (H. R. 3297) to authorize the addition of certain lands to Manassas National Battlefield Park, Va., and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in order to preserve important historic portions of Manassas Battlefield not now included within the Manassas National Battlefield Park, and to round out the boundaries of the park for purposes of administration, the Secretary of the Interior is authorized to acquire, by donation, purchase, or condemnation, not to exceed 2,500 acres of land and interests in land within 2 miles of the intersection of United States Highway 211 and State Highway 234, including not to exceed 10 acres of land on which are situated remaining earthworks in the immediate vicinity of Centerville, Va. All properties that are acquired hereafter pursuant to this act shall become a part of the Manassas National Battlefield Park upon acquisition of title to such properties by the United States. The park and any lands added thereto in accordance with this act shall be administered in accordance with the act, approved August 25, 1916 (39 Stat. 535), as amended and supplemented, relating to establishment of the National Park Service.

SEC. 2. When the public interests will be benefited thereby, the Secretary is authorized to accept, on behalf of the United States, title to any non-Federal land or interests therein situated within the area authorized to be included within Manassas National Battlefield Park, and in exchange therefor to convey not to exceed an equal value of land or interests in land within the park for right-of-way purposes in connection with State and other highways.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TIMBER OPERATIONS ON THE MENOMINEE INDIAN RESERVATION, WIS.

The Clerk called the bill (H. R. 3396) to amend the law relating to timber operations on the Menominee Indian Reservation in Wisconsin.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That section 1 of the act approved March 28, 1908 (35 Stat. 51), entitled "An act to authorize the cutting of timber, the manufacture and sale of lumber, and the preservation of the forests on the Menominee Indian Reservation in the State of Wisconsin," as amended, be, and is hereby, amended by inserting after the words "cut in any 1 year" the following: "except that for each of the fiscal years ending June 30, 1949, June 30, 1950, and June 30, 1951, there may be cut not to exceed an additional 5,000,000 feet of dead, diseased, and/or blown-down timber."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PURCHASE OF PUBLIC LANDS FOR HOME AND OTHER SITES

The Clerk called the bill (H. R. 2820) to amend the act entitled "An act to provide for the purchase of public lands for home and other sites," approved June 1, 1938 (52 Stat. 609), as amended.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. JENSEN. Mr. Speaker, reserving the right to object, will someone explain this bill?

Mr. PETERSON. Mr. Speaker, this refers to public lands for home and other sites. Existing law provides for the lease or sale to qualified citizens of surveyed public lands in tracts of 5 acres or less for home, cabin, camp, health, convalescent, recreational, or business sites. This bill adds community purposes to those which sites may be leased or sold. This would include municipal uses as well as such common public uses as general meetings and educational, civic, and religious activities.

The small-tract act included Alaska but was of little practical application since most of Alaska is unsurveyed. This bill extends the act to unsurveyed lands by authorizing the Secretary of the Interior to lease them for purposes within the act's scope. Sales still would be limited to surveyed land.

In other words, individuals and certain recreational groups or religious institutions could take advantage of this act. Then in addition to that there is a provision that in areas where a survey has not been made you could lease unsurveyed particular lands.

Mr. JENSEN. How many acres might be involved in a transaction?

Mr. PETERSON. Five acres.

Mr. JENSEN. In any one tract?

Mr. PETERSON. Yes, a tract not exceeding 5 acres of any vacant, unreserved public lands. In other words, it is for the purpose of allowing a small acreage to be used.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act to provide for the purchase of public lands for home and other sites," approved June 1, 1938 (52 Stat. 609), as amended by the act approved July 14, 1945 (59 Stat. 467; 43 U. S. C. sec. 682a), is amended to read as follows:

"That the Secretary of the Interior, in his discretion, is authorized to sell or lease to any person or organization described in section 3 of this act a tract of not exceeding 5 acres of any vacant, unreserved public

lands, public lands withdrawn by Executive Orders Nos. 6910 of November 26, 1934, and 6964 of February 5, 1935, for classification, or public lands withdrawn or reserved by the Secretary of the Interior for any purposes, which the Secretary may classify as chiefly valuable for residence, recreation, business, or community site purposes, if he finds that such sale or lease of the lands would not unreasonably interfere with the use of water for grazing purposes nor unduly impair the protection of watershed areas, in reasonably compact form and under such rules and regulations as he may prescribe, at a price to be determined by him, for such use: *Provided*, That no land may be sold hereunder unless it has been surveyed. No person or organization shall be permitted to purchase or lease more than one tract under the provisions of this act, except upon a showing of good faith and reasons satisfactory to the Secretary.

"SEC. 2. No tract shall be sold for less than the cost of making any survey necessary to describe properly the land sold. Patents for all tracts purchased under the provisions of this act shall contain a reservation to the United States of the oil, gas, and all other mineral deposits, together with the right to prospect for, mine, and remove the same under such regulations as the Secretary may prescribe.

"SEC. 3. A lease may be issued or a sale made under this act to any of the following: (a) An individual who is a citizen of the United States, or who has filed his declaration of intention to become a citizen as required by the naturalization laws; (b) a partnership or an association, each of the members of which is a citizen of the United States or has filed a declaration of intention to become a citizen; (c) a corporation, including nonprofit corporations, organized under the laws of the United States, or of any State or Territory thereof, and authorized to do business in the State or Territory in which the land is located; (d) a State, Territory, municipality, or other governmental subdivision.

"SEC. 4. Any employee of the Department of the Interior, stationed in Alaska, notwithstanding such employment, may, in the discretion of the Secretary, purchase or lease under this act one tract for residence purposes in the Territory of Alaska.

"SEC. 5. The authority to lease lands under this act shall extend to the revested Oregon and California Railroad and reconveyed Coos Bay Wagon Road grant lands situated in the State of Oregon and under the jurisdiction of the Department of the Interior."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING GRANTEES OF RECREATIONAL DEMONSTRATION LANDS TO MAKE LAND EXCHANGES RELATING TO SUCH PROPERTIES

The Clerk called the bill (H. R. 3284) to authorize grantees of recreational demonstration project lands to make land exchanges relating to such properties, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in order to facilitate the administration of former recreational demonstration project lands and to consolidate the holdings of the grantees to whom such lands have been or may be granted pursuant to the act of June 6, 1942 (56 Stat. 326), the Secretary of the Interior may authorize any such grantee to exchange or otherwise dispose of any lands or interests in lands conveyed to it in order to acquire other lands or interests therein of approximately equal value.

For the aforesaid purpose, the Secretary is authorized to execute a release, as to the particular lands involved, of any condition providing for a reversion of title to the United States that may be contained in the conveyance by the United States to said grantee. No such release shall be executed, however, unless the grantee shall agree, in form satisfactory to the Secretary, that the lands to be acquired by it shall be subject to the conditions contained in the original conveyance from the United States, except that in lieu of a provision for reversion the grantee shall agree to convey said lands to the United States upon a finding by the Secretary in accordance with the procedure provided in said act of June 6, 1942, that the grantee has not complied with such conditions during a period of more than 3 years. Lands so conveyed to the United States shall be subject to administration or disposition in like manner as recreational demonstration project lands that revert to the United States under the terms of the aforesaid act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING THE EXCHANGE OF CERTAIN FISHERY FACILITIES WITHIN THE STATE OF WASHINGTON

The Clerk called the bill (H. R. 1222) to authorize the exchange of fishery facilities within the State of Washington.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. JENSEN. Mr. Speaker, reserving the right to object, will someone explain this bill?

Mr. THOMPSON. Mr. Speaker, I may say that this is an even exchange of property. There are no funds involved whatever.

Mr. JENSEN. There are no funds involved?

Mr. THOMPSON. No; there are no funds involved. It is an even exchange of property between the State of Washington and the Government.

Mr. JENSEN. Does the gentleman know who made this request of the Congress?

Mr. JACKSON of Washington. I did not hear the gentleman's question.

Mr. JENSEN. Who has made this request for transfer of property?

Mr. JACKSON of Washington. This is a request that has been worked out in connection with the State of Washington and the Fish and Wildlife Service. As I understand, it meets with the wishes of both the State of Washington and the Fish and Wildlife Service. It is an equal exchange to integrate the programs of the two agencies. It does not involve the expenditure of funds, and will work out to the benefit of both the Federal Government and the State government.

Mr. JENSEN. Is it agreeable to the Fish and Wildlife Service?

Mr. JACKSON of Washington. There is no question of it. It has the approval of the Department. They testified for it. In addition, it has the approval of the Bureau of the Budget.

Mr. JENSEN. Is that also true of the next bill?

Mr. JACKSON of Washington. That is correct?

Mr. JENSEN. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized, in his discretion, to accept from the State of Washington on behalf of the United States title to the land and facilities located in Clallam County, Wash., known as the Lake Crescent Hatchery, and in exchange therefor to convey by deed on behalf of the United States to the State of Washington the fish hatchery facilities in Skagit County, Wash., designated as the Birdsview Fish Cultural Station.

SEC. 2. The lands and facilities acquired by the Secretary of the Interior under the terms of this act shall become a part of the Olympic National Park, and shall be administered under the laws and regulations applicable thereto.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING THE EXCHANGE OF WILDLIFE REFUGE LANDS

The Clerk called the bill (H. R. 3420) to authorize the exchange of wildlife-refuge lands in the State of Washington.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized, in his discretion, at any time within 10 years from the date of the approval of this act, to accept from the State of Washington on behalf of the United States title to any lands in the State of Washington which he deems chiefly valuable for wildlife-refuge purposes, and which are equivalent in value to the lands of the United States within the Skagit National Wildlife Refuge, and in exchange therefor to convey by deed on behalf of the United States to the State of Washington the said lands of the United States in the Skagit National Wildlife Refuge.

SEC. 2. Any lands acquired by the Secretary of the Interior under the terms of this act, if located within or adjacent to an existing wildlife refuge or reservation, immediately shall become a part of such refuge or reservation and shall be administered under the laws and regulations applicable thereto, and, if not so located, may be administered as a migratory-waterfowl management area, refuge, reservation, or breeding ground in accordance with the provisions of the act of August 14, 1946 (60 Stat. 1080), and acts supplementary thereto.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SALMON FISHERIES OF ALASKA

The Clerk called the bill (H. R. 1140) to protect and conserve the salmon fisheries of Alaska.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 11 of the act of Congress of June 26, 1906, entitled "An act for the protection and regulation of the fisheries of Alaska," is amended by deleting after the word "killing" the clause ", except with rod, spear, or gaff,".

SEC. 2. That section 4 of the act of Congress of June 26, 1906, entitled "An act for the protection and regulation of the fisheries of Alaska", as amended, is further amended to read as follows:

"SEC. 4. That it shall be unlawful to fish for, take, or kill any salmon of any species or

by any means in any of the creeks, streams, or rivers of Alaska; or within 500 yards of the mouth of any such creek, stream, or river over which the United States has jurisdiction, excepting the Karluk, Ugashik, Yukon, and Kuskokwim Rivers: *Provided,* That nothing herein contained shall prevent the taking of fish for necessary personnel use or for use as feed for personally owned dogs in accordance with regulations of the Secretary of the Interior: *Provided further,* That the exception hereinabove contained with reference to the Kuskokwim and Yukon Rivers shall be solely for the purpose of enabling native Indians and bona fide permanent white inhabitants along the said rivers to take from said rivers for commercial purposes and for export from the Territory of Alaska king salmon in such manner and such quantities, and at such times as the Secretary of the Interior may, by suitable regulations, from time to time permit: *Provided further,* That no person shall be deemed to be a bona fide permanent inhabitant of said rivers who has not resided thereon or within 50 miles thereof for a period of over 1 year, and that the term 'native Indians' as used herein shall be taken to mean members of the aboriginal races inhabitating Alaska when annexed to the United States, and their descendents of the whole or half blood."

SEC. 3. That section 5 of the act of Congress of June 26, 1906, entitled "An act for the protection and regulation of the fisheries of Alaska," as amended, is further amended to read as follows:

"SEC. 5. That it shall be unlawful to fish for, take, or kill any salmon of any species in any manner or by any means, except by trolling for either personal or commercial use, in any of the waters of Alaska over which the United States has jurisdiction from 6 o'clock postmeridian of Saturday of each week until 6 o'clock antemeridian of the Monday following, or during such further closed time as may be declared by authority now or hereafter conferred: *Provided,* That the taking of fish for necessary personal use and feed for personally owned dogs may be permitted in accordance with regulations of the Secretary of the Interior. Whenever the Secretary of the Interior shall find that conditions in any fishing area make such action advisable, he may advance 12 hours both the opening and ending time of the minimum 36-hour closed period herein stipulated. Throughout the weekly closed season herein prescribed the gate, mouth, or tunnel of all stationary and floating traps shall be closed, and 25 feet of the webbing or net of the 'heart' of such traps on each side next to the 'pot' shall be lifted or lowered in such manner as to permit the free passage of salmon and other fishes."

With the following committing amendment:

Page 3, line 23, after the word "manner", insert "as may be prescribed by the Secretary of the Interior."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VIRGIN ISLANDS CORPORATION

The Clerk called the bill (H. R. 2989) to incorporate the Virgin Islands Corporation, and for other purposes.

Mr. CUNNINGHAM. Mr. Speaker, reserving the right to object, I understand a rule is being asked for on this bill; therefore, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

PERMITTING COMPTROLLER GENERAL TO PAY CLAIMS

The Clerk called the bill (H. R. 3549) to permit the Comptroller General to pay claims chargeable against lapsed appropriations and to provide for the return of unexpended balances of such appropriations to the surplus fund.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, except as otherwise provided by law, all balances of appropriations contained in the annual appropriation bills and made specifically for the service of any fiscal year shall only be applied to the payment of expenses properly incurred during that year, or to the fulfillment of contracts properly made within that year.

SEC. 2. Unless a longer period of availability for expenditure is specifically provided in an appropriation or other law, on July 1 in each year the unexpended balances of all appropriations which shall have remained upon the books of the Government for two fiscal years following the fiscal year or years for which appropriated shall lapse and the Secretary of the Treasury shall cause such balances to be transferred to a consolidated appropriation account on the books of the General Accounting Office, to be known as "Payment of certified claims," and such funds shall remain available until expended for the payment of claims, within the limits of and chargeable to the balances of the respective lapsed appropriations so transferred, which may be certified by the Comptroller General of the United States to be lawfully due: *Provided,* That this section shall not apply to permanent specific appropriations or appropriations for rivers and harbors, lighthouses, or public buildings; but the appropriations named in this proviso shall continue available until otherwise ordered by the Congress): *Provided further,* That on July 1 of each year, all funds in the appropriation account "Payment of certified claims," certified by the Comptroller General of the United States as not required for the payment of claims thereunder, shall be carried to the surplus fund of the Treasury.

SEC. 3. This act shall be effective July 1, 1949, and shall supersede the provisions of law codified as sections 712, 713, 714, and 716 of title 31 and section 266 of title 5, United States Code, which, on the effective date of this act, are hereby repealed.

SEC. 4. This act may be cited as the "Surplus Fund—Certified Claims Act of 1949."

With the following committee amendments:

Page 2, line 16, after the semicolon, strike out "but the appropriations named in this proviso."

Page 2, line 18, after the word "Congress", insert, "or to appropriations for the Post Office Department or the postal service."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMEND TITLE 18 AND TITLE 28, UNITED STATES CODE

The Clerk called the bill (H. R. 3762) to amend title 18, entitled, Crimes and Criminal Procedure, and title 28, entitled, Judiciary and Judicial Procedure, of the United States Code, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the analysis of part I of title 18, United States Code, entitled "Crimes and Criminal Procedure," immediately preceding chapter 1 of such title, is amended (1) by striking out of item 21 of such analysis the words "constituting crimes"; and (2) by inserting immediately after and below item "49. Fugitives from justice------1071," a new item as follows: "50. Gambling------1081."

SEC. 2. Section 42 of title 18, United States Code, is amended to read as follows:

"§ 42. Importation of injurious animals and birds; permits; specimens for museums

"(a) The importation into the United States or any Territory or district thereof, of the mongoose, the so-called 'flying foxes' or fruit bats, the English sparrow, the starling, and such other birds and animals as the Secretary of the Interior may declare to be injurious to the interests of agriculture or horticulture, is prohibited; and all such birds and animals shall, upon arrival at any port of the United States, be destroyed or returned at the expense of the owner. Nothing in this subsection shall restrict the importation of natural-history specimens for museums or scientific collections, or of certain cage birds, such as domesticated canaries, parrots, or such other birds as the Secretary of the Interior may designate. The Secretary of the Treasury may make regulations for carrying into effect the provisions of this section.

"(b) Whoever violates this section shall be fined not more than $500 or imprisoned not more than 6 months, or both.

"(c) The Secretary of the Treasury shall prescribe such requirements and issue such permits as he may deem necessary for the transportation of wild animals and birds under humane and healthful conditions, and it shall be unlawful for any person, including any importer, knowingly to cause or permit any wild animal or bird to be transported to the United States, or any Territory, or district thereof, under inhumane or unhealthful conditions or in violation of such requirements. In any criminal prosecution for violation of this subsection and in any administrative proceeding for the suspension of the issuance of further permits—

"(1) the condition of any vessel or conveyance, or the enclosures in which wild animals or birds are confined therein, upon its arrival in the United States, or any Territory or district thereof, shall constitute relevant evidence in determining whether the provisions of this subsection have been violated; and

"(2) the presence in such vessel or conveyance at such time of a substantial ratio of dead, crippled, diseased, or starving wild animals or birds shall be deemed prima facie evidence of the violation of the provisions of this subsection."

SEC. 3. Section 114 of title 18, United States Code, is amended by striking out the word "main", preceding "or disfigure" in the first paragraph, and inserting in lieu thereof the word "maim."

SEC. 4. The first paragraph of section 155 of title 18, United States Code, is amended to read as follows:

"Whoever, being a party in interest, whether as a debtor, creditor, receiver, trustee or representative of any of them, or attorney for any such party in interest, in any receivership, bankruptcy or reorganization proceeding in any United States court or under its supervision, enters into any agreement, express or implied, with another such party in interest or attorney for another such party in interest, for the purpose of fixing the fees or other compensation to be paid to any party in interest or to any attorney for any party in interest for services rendered in

connection therewith, from the assets of the estate; or."

SEC. 5. Section 244 of title 18, United States Code, is amended by striking out the words "the Army, Navy, Coast Guard, or Marine Corps of the United States", and inserting in lieu thereof the words "any of the armed forces of the United States."

SEC. 6. The second paragraph of section 281 of title 18, United States Code, is amended by striking out the words "Army, Navy, Marine Corps, and Coast Guard", and inserting in lieu thereof the words "armed forces."

SEC. 7. Section 284 of title 18, United States Code, is amended by striking out the symbol "(a)."

SEC. 8. (a) The caption of chapter 21 of title 18, United States Code, is amended by striking out the words "constituting crimes."

(b) The analysis of said chapter 21 of such title 18, immediately preceding section 401 of such title, is amended by striking out the item "402. Criminal contempts.", and inserting in lieu thereof the following: "402. Contempts constituting crimes.".

(c) The catchline to section 402 of such title 18 is amended to read as follows:

"§ 402. Contempts constituting crimes."

SEC. 9. The first paragraph following the opening clause of section 591 of title 18, United States Code, is amended by striking out, after "special election,", the words "and, in the case of a Resident Commissioner from the Philippine Islands, an election by the Philippine Legislature,".

SEC. 10. The catchline of section 610 of title 18, United States Code, is amended by inserting, immediately after the word "Contributions", the words "or expenditures."

SEC. 11. Section 657 of title 18, United States Code, is amended by inserting after the words "Farmers' Home Corporation" the following: ", the Secretary of Agriculture acting through the Farmers' Home Administration,".

SEC. 12. Section 658 of title 18, United States Code, is amended by inserting after the words "Farmers' Home Corporation," the following: "the Secretary of Agriculture acting through the Farmers' Home Administration,".

SEC. 13. (a) The second paragraph of section 659 of title 18, United States Code, is amended to read as follows:

"Whoever buys or receives or has in his possession any such goods or chattels, knowing the same to have been embezzled or stolen; or".

(b) The fourth paragraph of section 659 of title 18, United States Code, is amended to read as follows:

"Whoever embezzles, steals, or unlawfully takes by any fraudulent device, scheme, or game, from any railroad car, bus, vehicle, steamboat, vessel, or aircraft operated by any common carrier moving in interstate or foreign commerce or from any passenger thereon any money, baggage, goods, or chattels, or whoever buys, receives, or has in his possession any such money, baggage, goods, or chattels, knowing the same to have been embezzled or stolen——".

SEC. 14. The analysis of chapter 33 of title 18, United States Code, immediately preceding section 701 of such title, is amended by striking out the item "702. Uniform of Army, Navy, Marine Corps, Coast Guard, and Public Health Service.", and inserting in lieu thereof "702. Uniform of armed forces and Public Health Service.".

SEC. 15. (a) Section 702 of title 18, United States Code, is amended to read as follows:

"§ 702. Uniform of armed forces and Public Health Service

"Whoever, in any place within the jurisdiction of the United States, without authority, wears the uniform or a distinctive part thereof or anything similar to a distinctive part of the uniform of any of the armed forces of the United States, Public Health Service or any auxiliary of such, shall be fined not more than $250 or imprisoned not more than 6 months, or both.".

(b) All that part of section 125 of the act of June 3, 1916 (ch. 134, 39 Stat. 216; 10 U. S. C., sec. 1393), as amended, which follows the first paragraph of such section, is amended to read as follows:

"The provisions of this section shall apply to the Canal Zone, Guam, American Samoa, and the Virgin Islands, as well as to all other places within the jurisdiction of the United States.

"Hereafter, upon the discharge or furlough to the reserve of an enlisted man, all uniform outer clothing then in his possession, except such articles as he may be permitted to wear from the place of termination of his active service to his home, as authorized by this section, will be retained for military use: *Provided,* That upon the release from Federal service of an enlisted man of the National Guard called as such into the service of the United States, all uniform outer clothing then in his possession shall be taken up and accounted for as property issued to the National Guard of the State to which the enlisted man belongs, in the manner prescribed by section 67 of this act: *Provided further,* That when an enlisted man is discharged otherwise than honorably, all uniform outer clothing in his possession shall be retained for military use, and, when authorized by regulations prescribed by the Secretary of the Army or the Secretary of the Navy, a suit of citizen's outer clothing to cost not exceeding $15 may be issued to such enlisted man: *And provided further,* That officers and members of any national home for veterans administered by the Veterans' Administration may wear such uniforms as the Secretary of the Army or the Secretary of the Navy may authorize.".

SEC. 16. Section 704 of title 18, United States Code, exclusive of the catchline to such section, is amended to read as follows:

"Whoever knowingly wears, manufactures, or sells any decoration or medal authorized by Congress for the armed forces of the United States, or any of the service medals or badges awarded to the members of such forces, or the ribbon, button, or rosette of any such badge, decoration or medal, or any colorable imitation thereof, except when authorized under regulations made pursuant to law, shall be fined not more than $250 or imprisoned not more than 6 months, or both."

SEC. 17. The second paragraph of section 706 of title 18, United States Code, is amended by striking out "the Army and Navy sanitary and hospital authorities", and inserting in lieu thereof "the sanitary and hospital authorities of the armed forces."

SEC. 18. The analysis of chapter 47 of title 18, United States Code, immediately preceding section 1001 of such title, is amended by striking out the word "Acknowledgement" in item 1016, and inserting in lieu thereof the word "Acknowledgment."

SEC. 19. The analysis of chapter 47 of title 18, United States Code, immediately preceding section 1001 of such title, is further amended by striking out the word "offices" in item 1019, and inserting in lieu thereof the word "officers."

SEC. 20. Section 1006 of title 18, United States Code, is amended by inserting after the words "Farmers' Home Corporation,", the following: "the Secretary of Agriculture acting through the Farmers' Home Administration,".

SEC. 21. Section 1014 of title 18, United States Code, is amended by inserting after the words "Farmers' Home Corporation,", the following: "the Secretary of Agriculture acting through the Farmers' Home Administration,".

SEC. 22. Section 1025 of title 18, United States Code, is amended by striking out, after the word "false", where it first appears near the beginning of such section, the word "presense," and inserting in lieu thereof the word "pretense,".

SEC. 23. Title 18, United States Code, is further amended by inserting immediately following section 1073 thereof, a new chapter, to be composed of sections 1081–1083, as follows:

"CHAPTER 50.—GAMBLING

"Sec.
"1081. Definitions.
"1082. Gambling ships.
"1083. Transportation between shore and ships; penalties.

"§ 1081. Definitions

"As used in this chapter:

"The term 'gambling ship' means a vessel used principally for the operation of one or more gambling establishments.

"The term 'gambling establishment' means any common gaming or gambling establishment operated for the purpose of gaming or gambling, including accepting, recording, or registering bets, or carrying on a policy game or any other lottery, or playing any game of chance, for money or other thing of value.

"The term 'vessel' includes every kind of water and air craft or other contrivance used or capable of being used as a means of transportation on water, or on water and in the air, as well as any ship, boat, barge, or other water craft or any structure capable of floating on the water.

"The term 'American vessel' means any vessel documented or numbered under the laws of the United States; and includes any vessel which is neither documented or numbered under the laws of the United States nor documented under the laws of any foreign country, if such vessel is owned by, chartered to, or otherwise controlled by one or more citizens or residents of the United States or corporations organized under the laws of the United States or of any State.

"§ 1082. Gambling ships

"(a) It shall be unlawful for any citizen or resident of the United States, or any other person who is on an American vessel or is otherwise under or within the jurisdiction of the United States, directly or indirectly—

"(1) to set up, operate, or own or hold any interest in any gambling ship or any gambling establishment on any gambling ship; or

"(2) in pursuance of the operation of any gambling establishment on any gambling ship, to conduct or deal any gambling game, or to conduct or operate any gambling device, or to induce, entice, solicit, or permit any person to bet or play at any such establishment,

if such gambling ship is on the high seas, or is an American vessel or otherwise under or within the jurisdiction of the United States, and is not within the jurisdiction of any State.

"(b) Whoever violates the provisions of subsection (a) of this section shall be fined not more than $10,000 or imprisoned not more than 2 years, or both.

"(c) Whoever, being (1) the owner of an American vessel, or (2) the owner of any vessel under or within the jurisdiction of the United States, or (3) the owner of any vessel and being an American citizen, shall use, or knowingly permit the use of, such vessel in violation of any provision of this section shall, in addition to any other penalties provided by this chapter, forfeit such vessel, together with her tackle, apparel, and furniture, to the United States.

"§ 1083. Transportation between shore and ship; penalties

"(a) It shall be unlawful to operate or use, or to permit the operation or use of, a vessel for the carriage or transportation, or for any part of the carriage or transportation, either directly or indirectly, of any passengers, for hire or otherwise, between a point or place within the United States and a gambling ship which is not within the jurisdiction of any State. This section does

not apply to any carriage or transportation to or from a vessel in case of emergency involving the safety or protection of life or property.

"(b) The Secretary of the Treasury shall prescribe necessary and reasonable rules and regulations to enforce this section and to prevent violations of its provisions.

"For the operation or use of any vessel in violation of this section or of any rule or regulation issued hereunder, the owner or charterer of such vessel shall be subject to a civil penalty of $200 for each passenger carried or transported in violation of such provisions, and the master or other person in charge of such vessel shall be subject to a civil penalty of $300. Such penalty shall constitute a lien on such vessel, and proceedings to enforce such lien may be brought summarily by way of libel in any court of the United States having jurisdiction thereof. The Secretary of the Treasury may mitigate or remit any of the penalties provided by this section on such terms as he deems proper."

SEC. 24. Section 1114 of title 18, United States Code, is amended by striking out, after "correctional institution,", the words "any officer, employee, agent, or other person in the service of the customs or of the internal revenue,", and inserting in lieu thereof the words "any officer, employee or agent of the customs or of the internal revenue or any person assisting him in the execution of his duties."

SEC. 25. Section 1151 of title 18, United States Code, is amended by striking out the word "The" at the beginning of the section, and inserting in lieu thereof the following: "Except as otherwise provided in sections 1154 and 1156 of this title, the."

SEC. 26. Section 1153 of title 18, United States Code, is amended by striking out the second and third paragraphs thereof and inserting in lieu thereof the following:

"As used in this section, the offense of rape shall be defined in accordance with the laws of the State in which the offense was committed, and any Indian who commits the offense of rape upon any female Indian within the Indian country, shall be imprisoned at the discretion of the court.

"As used in this section, the offense of burglary shall be defined and punished in accordance with the laws of the State in which such offense was committed."

SEC. 27. (a) Subsection (b) of section 1154 of title 18, United States Code, is amended by striking out the words "War Department," wherever such words appear in such subsection, and inserting in lieu thereof the words "Department of the Army."

(b) Section 1154 of such title 18 is further amended by adding at the end thereof a new subsection (c), as follows:

"(c) The term 'Indian country' as used in this section does not include fee-patented lands in non-Indian communities, nor does this section apply to such lands in the absence of a treaty or statute extending the Indian liquor laws thereto."

SEC. 28. Section 1156 of title 18, United States Code, is amended by adding a paragraph at the end thereof as follows:

"The term 'Indian country' as used in this section does not include fee-patented lands in non-Indian communities or rights-of-way through such lands, and this section does not apply to such lands or rights-of-way in the absence of a treaty or statute extending the Indian liquor laws thereto."

SEC. 29. The second paragraph of section 1157 of title 18, United States Code, is amended by striking out the words "Secretary of War," and inserting in lieu thereof the words "Secretary of the Army."

SEC. 30. The second paragraph of section 1231 of title 18, United States Code, is amended by striking out the words "in or travels," and inserting in lieu thereof the words "or travels in."

SEC. 31. Section 1261 of title 18, United States Code, is amended by striking out the symbol "(d)", at the beginning of the second subsection of such section, and inserting in lieu thereof the symbol "(b)."

SEC. 32. The last paragraph of section 1262 of title 18, United States Code, is amended by striking out, immediately after "Territories,", the word "District,", and inserting in lieu thereof the word "Districts,".

SEC. 33. The analysis of chapter 61 of title 18, United States Code, immediately preceding section 1301 of such title, is amended by striking out the word "at" in item 1303, and inserting in lieu thereof the word "as."

SEC. 34. Section 1341 of title 18, United States Code, is amended by striking out, after "dispose", the word, "or,", as contained in such section, and inserting in lieu thereof the word, "of,".

SEC. 35. (a) The first paragraph of section 1384 of title 18, United States Code, is amended by striking out all of such paragraph preceding the word "whoever", and inserting in lieu thereof: "Within such reasonable distance of any military or naval camp, station, fort, post, yard, base, cantonment, training or mobilization place as the Secretary of the Army, the Secretary of the Navy, the Secretary of the Air Force, or any two or all of them shall determine to be needful to the efficiency, health, and welfare of the Army, the Navy, or the Air Force, and shall designate and publish in general orders or bulletins,".

(b) The second paragraph of such section 1384 is amended by striking out the words "The Secretaries of the Army and Navy", and inserting in lieu thereof "The Secretaries of the Army, Navy, and Air Force."

(c) The third paragraph of such section 1934 is amended by striking out the words "War or Navy Department", and inserting in lieu thereof: "Departments of the Army, Navy, or Air Force."

SEC. 36. The analysis of chapter 77 of title 18, United State Code, immediately preceding section 1581 of such title, is amended by striking out the comma following the word "Peonage", in item 1581, and inserting in lieu thereof a semicolon.

SEC. 37. (a) Subsection (a) of section 1703 of title 18, United States Code, is amended by striking out, after "Postmaster General; or", the word "secrets,", and inserting in lieu thereof the word "secretes,".

(b) The second paragraph of subsection (b) of such section 1703 is amended by striking out the word "newspaper" and inserting in lieu thereof the word "newspapers."

SEC. 38. Section 1705 of title 18, United States Code, exclusive of the catchline of such section, is amended to read as follows:

"Whoever willfully or maliciously injures, tears down or destroys any letter box or other receptacle intended or used for the receipt or deposit of mail on any mail route, or breaks open the same or willfully or maliciously injures, defaces or destroys any mail deposited therein, shall be fined not more than $1,000 or imprisoned not more than 3 years."

SEC. 39. The third paragraph of section 1708 of title 18, United States Code, is amended by striking out, immediately after "Whoever" at the beginning of such paragraph, the word "buy", and inserting in lieu thereof the word "buys."

SEC. 40. The second sentence of the first paragraph of section 1715 of title 18, United States Code, is amended (1) by inserting, immediately after the word "Navy,", the words "Air Forces,"; and (2) by striking out the word "Officers' ", preceding the words "Reserve Corps", and inserting in lieu thereof the word "Organized."

SEC. 41. (a) The analysis of chapter 91 of title 18, United States Code, immediately preceding section 1851 of such title, is amended by striking out the number "1959.", preceding and on the same line with the words "Surveys interrupted", and inserting in lieu thereof the number 1859."

(b) Such analysis is further amended by inserting, immediately after and underneath item 1862, the following new item:

"1863. Trespass on national forest lands."

SEC. 42. Section 1859 of title 18, United States Code, is amended by striking out the words "Commissioner of the General Land Office", and inserting in lieu thereof the words "Director of the Bureau of Land Management."

SEC. 43. Title 18, United States Code, is further amended by inserting, immediately following section 1862 of such title, a new section, to be designated as section 1863, as follows:

"§ 1863. Trespass on national forest lands

"Whoever, without lawful authority or permission, goes upon any national-forest land while it is closed to the public pursuant to lawful regulation of the Secretary of Agriculture, shall be fined not more than $500 or imprisoned not more than 6 months, or both."

SEC. 44. Section 2117 of title 18, United States Code, is amended by inserting at the end thereof a new paragraph as follows:

"A judgment of conviction or acquittal on the merits under the laws of any State shall be a bar to any prosecution under this section for the same act or acts."

SEC. 45. The first paragraph of section 2314 of title 18, United States Code, is amended to read as follows:

"Whoever transports in interstate or foreign commerce any goods, wares, merchandise, securities or money, of the value of $5,000 or more, knowing the same to have been stolen, converted or taken by fraud; or."

SEC. 46. Subsection (b) of section 2387 of title 18, United States Code, is amended by inserting, immediately after "Navy," and preceding "Marine Corps", the words "Air Force."

SEC. 47. The second paragraph of section 2421 of title 18, United States Code, is amended by striking out, after "such person to", the word "induct,", and inserting in lieu thereof the word "induce."

SEC. 48. Subsection (a) of section 3057 of title 18, United States Code, is amended by striking out, immediately after "bankruptcy laws" in the first sentence of such subsection, the word "or laws", and inserting in lieu thereof the words "or other laws of the United States."

SEC. 49. Subdivisions (2) and 3 of section 3185 of title 18, United States Code, are amended to read as follows:

"(2) Counterfeiting or altering money, or uttering or bringing into circulation counterfeit or altered money;

"(3) Counterfeiting certificates or coupons of public indebtedness, bank notes, or other instruments of public credit, and the utterance of circulation of the same."

SEC. 50. Section 3240 of title 18, United States Code, is amended by striking out the second sentence reading as follows: "The transfer of such prosecutions shall be made in the manner provided in section 119 of title 28."

SEC. 51. Section 3242 of title 18, United States Code, is amended by striking out the words "within any Indian reservation, including rights-of-way running through the reservation", and inserting in lieu thereof the word: "within the Indian country."

SEC. 52. (a) Section 3491 of title 18, United States Code, is amended by striking out the reference "section 695e", immediately preceding "of title 28", in the two places where such reference appears, and inserting in lieu thereof the reference "section 1741."

(b) Such section 3491 is further amended by striking out the reference "section 695", immediately preceding "of title 28", and inserting in lieu thereof the reference "section 1732."

SEC. 53. The first sentence of subsection (a) of section 3492 of title 18, United States

Code, is amended by striking out the reference "section 695", immediately preceding "of title 28", and inserting in lieu thereof the reference "section 1732."

SEC. 54. The first sentence of subsection (a) of section 3495 of title 18, United States Code, is amended by striking out the reference "section 127", immediately preceding "of title 22", and inserting in lieu thereof the reference "section 1201."

SEC. 55. Section 3612 of title 18, United States Code, is amended by striking out the reference "section 852 of title 28" and inserting in lieu thereof the reference "section 2042 of title 28."

SEC. 56. Section 3653 of title 18, United States Code, is amended to read as follows:

"§ 3653. Report of probation officer and arrest of probationer

"When directed by the court, the probation officer shall report to the court, with a statement of the conduct of the probationer while on probation. The court may thereupon discharge the probationer from further supervision and may terminate the proceedings against him, or may extend the probation, as shall seem advisable.

"Whenever during the period of his probation, a probationer heretofore or hereafter placed on probation, goes from the district in which he is being supervised to another district, jurisdiction over him may be transferred, in the discretion of the court, from the court for the district from which he goes to the court for the other district, with the concurrence of the latter court. Thereupon the court for the district to which jurisdiction is transferred shall have all power with respect to the probationer that was previously possessed by the court for the district from which the transfer is made, except that the period of probation shall not be changed without the consent of the sentencing court. This process under the same conditions may be repeated whenever during the period of his probation the probationer goes from the district in which he is being supervised to another district.

"At any time within the probation period, the probation officer may arrest the probationer wherever found, without a warrant. At any time within the probation period, or within the maximum probation period permitted by section 3651 of this title, the court for the district in which the probationer is being supervised or if he is no longer under supervision, the court for the district in which he was last under supervision, may issue a warrant for his arrest for violation of probation occurring during the probation period. Such warrant may be executed in any district by the probation officer or the United States marshal of the district in which the warrant was issued or of any district in which the probationer is found. If the probationer shall be arrested in any district other than that in which he was last supervised, he shall be returned to the district in which the warrant was issued, unless jurisdiction over him is transferred as above provided to the district in which he is found, and in that case he shall be detained pending further proceedings in such district.

"As speedily as possible after arrest the probationer shall be taken before the court for the district having jurisdiction over him. Thereupon the court may revoke the probation and require him to serve the sentence impcsed, or any lesser sentence, and, if imposition of sentence was suspended, may impose any sentence which might originally have been imposed."

SEC. 57. The fifth paragraph of section 3656 of title 18, United States Code, is amended by inserting, immediately after the word "supervision", the words "and direction."

SEC. 58. (a) The second paragraph of section 3731 of title 18, United States Code, is amended by striking out the word "validity", which immediately follows "upon the", and inserting in lieu thereof the word "invalidity."

(b) The fifth paragraph of section 3731 of such title is amended by striking out the words "circuit court of appeals or the United States Court of Appeals for the District of Columbia, as the case may be," and inserting in lieu thereof the words "court of appeals."

(c) The tenth paragraph of such section 3731 is amended to read as follows:

"If an appeal shall be taken, pursuant to this section, to the Supreme Court of the United States which, in the opinion of that Court, should have been taken to a court of appeals, the Supreme Court shall remand the case to the court of appeals, which shall then have jurisdiction to hear and determine the same as if the appeal had been taken to that court in the first instance."

(d) The eleventh paragraph of such section 3731 is amended by striking out the words "circuit court of appeals or to the United States Circuit Court of Appeals for the District of Columbia,", and inserting in lieu thereof the words "court of appeals."

SEC. 59. The first paragraph of section 3771 of title 18, United States Code, is amended by striking out the words "district courts of the United States, including the district courts of Alaska, Hawaii, Puerto Rico, Canal Zone, District of Columbia, and the Virgin Islands,", and inserting in lieu thereof the following: "the United States district courts, in the district courts for the Territory of Alaska, the district of the Canal Zone and the Virgin Islands."

Such paragraph is further amended by striking out the words "Attorney General", and inserting in lieu thereof the words "Chief Justice."

SEC. 60. (a) The first paragraph of section 3772 of title 18, United States Code, is amended by striking out the words "district courts of the United States, including the District Courts of Alaska, Hawaii, Puerto Rico, Canal Zone, District of Columbia, and Virgin Islands, in the Supreme Courts of Hawaii, and Puerto Rico, in the United States Circuit Courts of Appeals, in the United States Court of Appeals for the District of Columbia,", and inserting in lieu thereof the following: "the United States district courts, in the district courts for the Territory of Alaska, the District of the Canal Zone and the Virgin Islands, in the Supreme Courts of Hawaii and Puerto Rico, in the United States courts of appeals,".

(b) Such paragraph is further amended by striking out, immediately after "application" in the second sentence, the word "he", and inserting in lieu thereof the word "be".

SEC. 61. The third paragraph of section 4008 of title 18, United States Code, is amended by striking out, immediately after "State,", the words "War, or the Navy,", and inserting in lieu thereof the words "the Army, Navy, or Air Force,".

SEC. 62. Section 4121 of title 18, United States Code, is amended to read as follows:

"§ 4121. Federal Prison Industries; board of directors

"'Federal Prison Industries', a government corporation of the District of Columbia, shall be administered by a board of six directors, appointed by the President to serve at the will of the President without compensation.

"The directors shall be representatives of (1) industry, (2) labor, (3) agriculture, (4) retailers and consumers, (5) the Secretary of Defense, and (6) the Attorney General, respectively."

SEC. 63. Section 4122 of title 18, United States Code, is amended (1) by inserting the subsection symbol "(a)" at the beginning of the first paragraph thereof; (2) by inserting the subsection symbol "(b)" at the beginning of the second paragraph thereof; and (3) by adding, immediately following subsection (b) of such section as hereby so designated, three new subsections as follows:

"(c) Its board of directors may provide for the vocational training of qualified inmates without regard to their industrial or other assignments.

"(d) The provisions of this chapter shall apply to the industrial employment and training of prisoners convicted by general courts-martial and confined in any institution under the jurisdiction of any department or agency comprising the National Military Establishment, to the extent and under terms and conditions agreed upon by the Secretary of Defense, the Attorney General, and the Board of Directors of Federal Prison Industries.

"(e) Any department or agency of the National Military Establishment may, without exchange of funds, transfer to Federal Prison Industries any property or equipment suitable for use in performing the functions and duties covered by agreement entered into under subsection (c) of this section.".

SEC. 64. The third paragraph of section 4126 of title 18, United States Code, is amended by inserting, immediately following the second semicolon and preceding the words "in paying", the following: "in the vocational training of inmates without regard to their industrial or other assignments;".

SEC. 65. The second sentence of the second paragraph of section 144 of title 28 of the United States Code, entitled, "Judiciary and Judicial Procedure", is amended by striking out the words "as to any judge", and inserting in lieu thereof the words "in any case."

SEC. 66. The third paragraph of section 254 of title 28, United States Code, is amended by inserting the words "to hear or" immediately preceding the words "to hear and determine".

SEC. 67. (a) The first paragraph of section 372 of title 28, United States Code, is amended by striking out the words "may appoint a successor", appearing as the last four words of such paragraph, and inserting in lieu thereof the words "shall, by and with the advice and consent of the Senate, appoint a successor."

(b) The last paragraph of such section 372 is amended to read as follows:

"Each justice or judge retiring under this section after serving 10 years continuously or otherwise shall, during the remainder of his lifetime, receive the salary of the office. A justice or judge retiring under this section who has served less than 10 years in all shall, during the remainder of his lifetime, receive one-half the salary of the office."

SEC. 68. (a) The second paragraph of subsection (a) of section 411 of title 28, United States Code, is amended (1) by inserting, immediately after "Secretary of State;", the words "Secretary of Defense;"; (2) by striking out "Secretary of War" following "Secretary of the Treasury;" and inserting in lieu thereof the words "Secretary of the Army"; (3) by inserting, immediately after "Secretary of the Navy;", the words "Secretary of the Air Force;"; (4) by striking out, immediately after "Chief of Finance,", the words "War Department" and inserting in lieu thereof the words "Department of the Army"; (5) by inserting, immediately after "Judge Advocate General of the Navy;", the words "Judge Advocate General of the Air Force;"; (6) by striking out, immediately after "Commissioner of Indian Affairs;", the words "Commissioner of the General Land Office" and inserting in lieu thereof the words "Director of the Bureau of Land Management"; and (7) by striking out, immediately after "Commissioner of Education;", the words "Chief of the Bureau of Marine Inspection and Navigation" and inserting in lieu thereof the words "Commissioner of Customs; Commandant of the Coast Guard."

(b) The first paragraph of subsection (b) of such section 411 is amended (1) by striking out the words "Secretary of War" and inserting in lieu thereof the words "Secretary of the Army", and (2) by striking out "courtmartial", and inserting in lieu thereof the word "court-martial."

SEC. 69. (a) The third paragraph of section 413 of title 28, United States Code, is amended by striking out the words "Tax Court" and the comma immediately following such words where they appear in such paragraph.

(b) Such section 413 is further amended by adding a sixth paragraph thereto to read as follows:

"The Attorney General and the Director in the procurement of law books, books of reference or periodicals may exchange or sell similar items and apply the allowance or proceeds to payment in whole or in part of the cost of the items procured."

SEC. 70. Section 415 of title 28, United States Code, is amended by striking out the item "(4) Commissioner of the General Land Office," and inserting in lieu thereof the item "(4) Director of the Bureau of Land Management."

SEC. 71. Section 507 of title 28, United States Code, is amended by striking out the word "It" at the beginning of subsection (a) of such section and inserting in lieu thereof the following: "Except as otherwise provided by law, it."

SEC. 72. Subdivision (3) of section 553 of title 28, United States Code, is amended to read as follows: "(3) His expense of travel and subsistence and that of his deputies away from their respective official stations on official business, including a mileage allowance, not to exceed 7 cents per mile for use of privately owned automobiles or airplanes together with the actual cost of ferry fares and bridge, road and tunnel tolls, in lieu of actual expense of transportation whenever such mode of transportation is authorized or approved as more advantageous for the Government."

SEC. 73. The last sentence of subsection (b) of section 631 of title 28, United States Code, is amended (1) by inserting "part-time" immediately preceding "referee", and (2) by inserting immediately after the word "Courts" and preceding the period at the end of such sentence, the words "but the Director may fix the aggregate amount of compensation to be received for performing the duties of Commissioner and clerk or deputy clerk."

SEC. 74. Subsection (a) of section 676 of title 28, United States Code, is amended by inserting immediately after "printers" and preceding "the Court" the word "whom."

SEC. 75. Section 713 of title 28, United States Code, is amended by striking out the symbol "(a)" which precedes the second subsection (paragraph) of such section, and inserting in lieu thereof the symbol "(b)"; and by redesignating present subsections (b) and (c) as subsections "(c)" and "(d)" respectively.

SEC. 76. The third sentence of the second paragraph of section 832 of title 28, United States Code, is amended by striking out the word "Administration" and inserting in lieu thereof the word "Administrative."

SEC. 77. The analysis of chapter 55 of title 28, United States Code, immediately preceding section 871 of such title, is amended by striking out the item "872. Marshal." and inserting in lieu thereof the following: "872. Marshal; appointment."

SEC. 78. The catch line to section 872 of title 28, United States Code, is amended by striking out the words "and tenure."

SEC. 79. Subdivision (1) of section 1333 of title 28, United States Code, is amended to read as follows:

"(1) Any civil case of admiralty or maritime jurisdiction, saving to suitors in all cases all other remedies to which they are otherwise entitled."

SEC. 80. (a) Subdivision (1) of subsection (a) of section 1346 of title 28, United States Code, is amended by striking out the semicolon immediately following the words "internal-revenue laws", and by inserting a comma immediately after "$10,000."

(b) Subsection (b) of such section 1346 is amended by striking out the reference "chapter 173", and inserting in lieu thereof "chapter 171."

SEC. 81. Subsection (a) of section 1406 of title 28, United States Code, is amended by striking out the word "shall", and inserting in lieu thereof the words "may, in the interest of justice."

SEC. 82. Section 1444 of title 28, United States Code, is amended by inserting the word "court" immediately after the word "State" and preceding the word "may", and by striking out the word "divisions", and inserting in lieu thereof the word "division."

SEC. 83. (a) Subsection (b) of section 1446 of title 28, United States Code, title 28, United States Code, is amended to read as follows:

"(b) The petition for removal of a civil action or proceeding shall be filed within 20 days after the receipt by the defendant, through service or otherwise, of a copy of the initial pleading setting forth the claim for relief upon which such action or proceeding is based, or within 20 days after the service of summons upon the defendant if such initial pleading has then been filed in court and is not required to be served on the defendant, whichever period is shorter.

"If the case stated by the initial pleading is not removable, a petition for removal may be filed within 20 days after receipt by the defendant, through service or otherwise, of a copy of an amended pleading, motion, order, or other paper from which it may first be ascertained that the case is one which is or has become removable."

(b) Subsection (e) of such section 1446 is amended to read as follows:

"(e) Promptly after the filing of such petition and bond the defendant or defendants shall give written notice thereof to all adverse parties and shall file a copy of the petition with the clerk of such State court, which shall effect the removal and the State court shall proceed no further unless and until the case is remanded."

SEC. 84. (a) Section 1447 of title 28, Unitel States Code, is amended by striking out subsections (c) and (d), as contained in such section, by renumbering present subsection (e) of such section as subsection "(c)" thereof, and by adding at the end of the first sentence of such subsection (c), as hereby so redesignated, but preceding the period at the end thereof, the following: ", and may order the payment of just costs."

(b) Such section 1447 is further amended by inserting at the end thereof a new subsection (d), as follows:

"(d) An order remanding a case to the State court from which it was removed is not reviewable on appeal or otherwise."

SEC. 85. Section 1449 of title 28, United States Code, is amended to read as follows:

"SEC. 1449. State court record supplied

"Where a party is entitled to copies of the records and proceedings in any suit or prosecution in a State court, to be used in any district court of the United States, and the clerk of such State court, upon demand, and the payment or tender of the legal fees, fails to deliver certified copies, the district court may, on affidavit reciting such facts, direct such record to be supplied by affidavit or otherwise. Thereupon such proceedings, trial, and judgment may be had in such district court, and all such process awarded, as if certified copies had been filed in the district court."

SEC. 86. Chapter 91 of title 28, United States Code, is amended by inserting at the end of the chapter analysis preceding section 1491 of such title, the following new item: "1505. Indian claims."

SEC. 87. The first paragraph of section 1498 of title 28, United States Code, is amended to read as follows:

"Whenever an invention described in and covered by a patent of the United States is used or manufactured by or for the United States without license of the owner thereof or lawful right to use or manufacture the same, the owner's remedy shall be by action against the United States in the Court of Claims for the recovery of his reasonable and entire compensation for such use and manufacture."

SEC. 88. Section 1502 of title 28, United States Code is amended by striking out the words "or with Indian tribes."

SEC. 89. Title 28, United States Code, is further amended by inserting in chapter 91 thereof, immediately following section 1504, a new section, to be designated as section 1505, as follows:

"SEC. 1505. Indian claims

"The Court of Claims shall have jurisdiction of any claim against the United States accruing after August 13, 1946, in favor of any tribe, band, or other identifiable group of American Indians residing within the territorial limits of the United States or Alaska whenever such claim is one arising under the Constitution, laws, or treaties of the United States, or Executive orders of the President, or is one which otherwise would be cognizable in the Court of Claims if the claimant were not an Indian tribe, band, or group."

SEC. 90. Subsection (a) of section 1651 of title 28, United States Code, is amended by inserting immediately after the word "jurisdictions", and before the word "agreeable", the word "and."

SEC. 91. Section 1654 of title 28, United States Code, is amended by striking out the period at the end of such section, and inserting immediately after the word "counsel", the following: "as, by the rules of such courts, respectively, are permitted to manage and conduct causes therein."

SEC. 92. Section 1741 of title 28, United States Code, is amended by striking out, immediately after "shall be", the word "admissable", and inserting in lieu thereof the word "admissible."

SEC. 93. Section 1782 of title 28, United States Code, is amended by striking out "residing", which appears as the sixth word in the first paragraph, and by striking out from the same paragraph the words "civil action" and in lieu thereof inserting "judicial proceeding."

SEC. 94. Section 1821 of title 28, United States Code, is amended by inserting at the end thereof a new paragraph as follows:

"When a witness is detained in prison for want of security for his appearance, he shall be entitled, in addition to his subsistence, to a compensation of $1 per day."

SEC. 95. The second sentence of subsection (a) of section 1823 of title 28, United States Code, is amended by striking out "oppearing", and inserting in lieu thereof the word "appearing."

SEC. 96. Section 1866 of title 28, United States Code, exclusive of the catchline to such section, is amended to read as follows:

"(a) Whenever sufficient petit jurors are not available, the court may require the United States marshal to summon a sufficient number of talesmen from the bystanders.

"(b) When a special jury is ordered by a district court, it shall be returned by the marshal in the same manner and form as is required in such case by the law of the State in which such district court sits."

SEC. 97. The second, third, and fourth paragraphs of section 1871 of title 28, United States Code, are amended to read as follows:

"For actual attendance at the place of trial or hearing and for the time necessarily occupied in going to and from such place at the beginning and end of such service or at any time during the same, $5 per day. Any juror required to attend more than 30 days in hearing one case may be paid in the discretion and upon the certification of the trial judge a per diem fee not exceeding $10 for each day in excess of 30 days he is required to hear such case;

"For the distance necessarily traveled to and from a juror's residence by the shortest practicable route in going to and returning from the place of trial or hearing at the beginning and at the end of the term of service, 5 cents per mile. For additional necessary daily transportation the cost of travel by common carrier not exceeding $2 per day shall be allowed, or if it is not practicable to travel by common carrier 5 cents per mile shall be allowed but not to exceed $2 per day, or if daily travel appears impracticable, subsistence of $2 per day shall be allowed. Whenever in any case the jury is ordered to be kept together and not to separate, the cost of subsistence during such period shall be paid by the marshal upon the order of the court in lieu of the foregoing subsistence allowance.

"Jury fees and travel and subsistence allowances provided by this section shall be paid by the United States marshal on the certificate of the clerk of the court, and in the case of jury fees in excess of $5 per diem, when allowed as hereinabove provided, on the certificate of the trial judge."

SEC. 98. (a) Subsection (b) of section 1915 of title 28, United States Code, is amended by inserting, immediately after the word "if", and preceding the word "required", the words "such printing is."

(b) Subsection (e) of such section 1915 is amended by inserting immediately after the words "stenographic transcript", the words "or printed record."

SEC. 99. The second paragraph of subsection (a) of section 2001 of title 28, United States Code, is amended by striking out "ancillay", immediately preceding the final word in such paragraph, and inserting in lieu thereof the word "ancillary."

SEC. 100. The third paragraph of section 2002 of title 28, United States Code, is amended by striking out the Roman numeral "II", after the word "Title", and inserting in lieu thereof "11."

SEC. 101. The first paragraph of section 2003 of title 28, United States Code, is amended by striking out, immediately after "levying on", the word "reality", and inserting in lieu thereof the word "realty."

SEC. 102. Section 2071 of title 28, United States Code, exclusive of the catchline to such section, is amended to read as follows:

"The Supreme Court and all courts established by act of Congress may from time to time prescribe rules for the conduct of their business. Such rules shall be consistent with acts of Congress and rules of practice and procedure prescribed by the Supreme Court."

SEC. 103. The third paragraph of section 2072 of title 28, United States Code, is amended by striking out the words "Attorney General", and inserting in lieu thereof the words "Chief Justice."

SEC. 104. The third paragraph of section 2073 of title 28, United States Code, is amended by striking out the words "Attorney General" and inserting in lieu thereof the words "Chief Justice."

SEC. 105. The analysis of chapter 133 of title 28, United States Code, immediately preceding section 2101 of such title, is amended by inserting, immediately after and underneath item 2110 in such analysis, a new item, as follows: "2111. Harmless error."

SEC. 106. (a) Subsection (c) of section 2101 of title 28, United States Code, is amended to read as follows:

"(c) Any other appeal or any writ of certiorari intended to bring any judgment or decree in a civil action, suit, or proceeding before the Supreme Court for review shall be taken or applied for within 90 days after the entry of such judgment or decree. A Justice of the Supreme Court, for good cause shown, may extend the time for applying for a writ of certiorari for a period not exceeding 60 days."

(b) Section 2101 of such title is further amended by redesignating present subsections (d) and (e) of such section as subsections "(e)" and "(f)", respectively, and by inserting immediately after and underneath subsection (c) of such section, as amended by subsection (a) of this section, a new subsection (d) to read as follows:

"(d) The time for appeal or application for a writ of certiorari to review the judgment of a State court in a criminal case shall be as prescribed by rules of the Supreme Court."

SEC. 107. The third paragraph of section 2107 of title 28, United States Code, is amended to read as follows:

"In any action, suit, or proceeding in admiralty, the notice of appeal shall be filed within 90 days after the entry of the order, judgment, or decree appealed from, if it is a final decision, and within 15 days after its entry if it is an interlocutory decree."

SEC. 108. The fourth paragraph of section 2107 of title 28, United States Code, is amended by striking out the words "The district court, in any such action, suit, or proceeding, may" and inserting in lieu thereof the words "The district court may."

Such fourth paragraph is further amended by striking out, immediately after "showing of", the word "excusible" and inserting in lieu thereof "excusable."

SEC. 109. Section 2110 of title 28, United States Code, is amended by striking out the words "3 months" and inserting in lieu thereof the words "90 days."

SEC. 110. Title 28, United States Code, is further amended by inserting, immediately after section 2110 thereof, a new section, as follows:

"§ 2111. Harmless error

"On the hearing of any appeal or writ of certiorari in any case, the court shall give judgment after an examination of the record without regard to errors or defects which do not affect the substantial rights of the parties."

SEC. 111. Section 2201 of title 28, United States Code, is amended by striking out "ar decree–" which follows the words "final judgment" in the second sentence, and inserting in lieu thereof the words "or decree."

SEC. 112. Subsection (b) of section 2241 of title 28, United States Code, is amended by inserting a comma after "Supreme Court" and by inserting a comma after "any Justice thereof", near the beginning of such subsection.

SEC. 113. The second paragraph of section 2253 of title 28, United States Code, is amended by striking out "3041", preceding "of Title 18", and inserting in lieu thereof "3042."

SEC. 114. The first paragraph of section 2255 of title 28, United States Code, is amended by striking out the words "court of the United States" and inserting in lieu thereof the words "court established by act of Congress."

SEC. 115. The second paragraph of section 2321 of title 28, United States Code, is amended by striking out "20, 43, and 49 of title 49", after "sections", and inserting in lieu thereof "20, 23, and 43 of title 49."

SEC. 116. The first paragraph of section 2323 of title 28, United States Code, is amended by striking out "20, 43, and 49 of title 49", after "sections", and inserting in lieu thereof "20, 23, and 43 of title 49."

SEC. 117. Section 2361 of title 28, United States Code, is amended by striking out the words "In any interpleader action," and inserting in lieu thereof: "In any civil action of interpleader or in the nature of interpleader under section 1335 of this title."

SEC. 118. The analysis of chapter 161 of title 28, United States Code, immediately preceding section 2401 of such title, is amended by striking out the item "2411. Interest on judgments against United States." and inserting in lieu thereof "2411. Interest."

SEC. 119. Subsection (b) of section 2410 of title 28, United States Code, is amended to read as follows:

"(b) The complaint shall set forth with particularity the nature of the interest or lien of the United States. In actions in the State courts service upon the United States shall be made by serving the process of the court with a copy of the complaint upon the United States attorney for the district in which the action is brought or upon an assistant United States attorney or clerical employee designated by the United States attorney in writing filed with the clerk of the court in which the action is brought and by sending copies of the process and complaint, by registered mail, to the Attorney General of the United States at Washington, D. C. In such actions the United States may appear and answer, plead, or demur within 60 days after such service or such further time as the court may allow.".

SEC. 120. Section 2411 of title 28, United States Code, is amended to read as follows:

"§ 2411. Interest

"(a) In any judgment of any court rendered (whether against the United States, a collector or deputy collector of internal revenue, a former collector or deputy collector, or the personal representative in case of death) for any overpayment in respect of any internal-revenue tax, interest shall be allowed at the rate of 6 percent per annum upon the amount of the overpayment, from the date of the payment or collection thereof to a date preceding the date of the refund check by not more than 30 days, such date to be determined by the Commissioner of Internal Revenue. The Commissioner is authorized to tender by check payment of any such judgment, with interest as herein provided, at any time after such judgment becomes final, whether or not a claim for such payment has been duly filed, and such tender shall stop the running of interest, whether or not such refund check is accepted by the judgment creditor.

"(b) Except as otherwise provided in subsection (a) of this section, on all final judgments rendered against the United States in actions instituted under section 1346 of this title, interest shall be computed at the rate of 4 percent per annum from the date of the judgment up to, but not exceeding, 30 days after the date of approval of any appropriation act providing for payment of the judgment."

SEC. 121. The analysis of chapter 169 of title 28, United States Code, immediately preceding section 2631 of such title, is amended by striking out the item "2642. Disqualification of judge.", and inserting in lieu thereof "2642. Amendment of protests, appeals, and pleadings."

SEC. 122. The second paragraph of section 2631 of title 28, United States Code, is amended by striking out the words "and without regard to any invalidity of the original appraisement" and inserting in lieu thereof the following: "or that the original appraisement for any reason may be held invalid or void."

SEC. 123. Title 28, United States Code, is further amended by inserting, immediately after section 2641, a new section, as follows:

"§ 2642. Amendment of protests, appeals, and pleadings

"The Customs Court under its rules and in its discretion may permit amendment of protests, appeals for reappraisement, applications for review, petitions for remission and pleadings."

SEC. 124. Section 2671 of title 28, United States Code, is amended by striking out "offict", appearing in the quoted words in the third definition contained in such section, and inserting in lieu thereof the word "office."

SEC. 125. The third paragraph of section 2672 of title 28, United States Code, is amended by striking out the figure "2678" and inserting in lieu thereof "2677."

SEC. 126. The second sentence of subsection (b) of section 2675 of title 28, United States Code, is amended by striking out the word

"subsection" appearing therein and inserting in lieu thereof the word "section."

SEC. 127. Section 32 of the act of June 25, 1948, chapter 646, 62 Stat. 991, is amended to read as follows:

"SEC. 32. (a) All laws of the United States in force on September 1, 1948, in which reference is made to a 'circuit court of appeals'; 'senior circuit judge'; 'senior district judge'; 'presiding judge'; 'chief justice', except when reference to the Chief Justice of the United States is intended; or 'justice', except when used with respect to a Justice of the Supreme Court of the United States in his capacity as such or as a circuit justice, are hereby amended by substituting 'court of appeals' for 'circuit court of appeals'; 'chief judge of the circuit' for 'senior circuit judge'; 'chief judge of the district court' for 'senior district judge'; 'chief judge' for 'presiding judge'; 'chief judge' for 'chief justice', except when reference to the Chief Justice of the United States is intended; and 'judge' for 'justice', except when the latter term is used with respect to a Justice of the Supreme Court of the United States in his capacity as such or as a circuit justice.

"(b) All laws of the United States in force on September 1, 1948, in which reference is made to the Supreme Court of the District of Columbia or to the District Court of the United States for the District of Columbia are amended by substituting 'United States District Court for the District of Columbia' for such designations.

"(c) All laws of the United States in force on September 1, 1948, in which reference is made to the 'Conference of Senior Circuit Judges', or to the 'Judicial Conference of Senior Circuit Judges' are amended by substituting 'Judicial Conference of the United States' for such designations.

"(d) This section shall not be construed to amend historical references to courts or judicial offices which have no present or future application to such courts or offices."

SEC. 128. Subsection (a) of section 1141 of the Internal Revenue Code (26 U. S. C., sec. 1141(a)), as amended, is amended by striking out the words "circuit courts of appeals and the United States Court of Appeals for the District of Columbia," appearing in such subsection, and substituting in lieu thereof "courts of appeals."

SEC. 129. (a) The analysis of chapter 4, immediately preceding section 101 of title 4 of the United States Code, entitled, "Flag and Seal, Seat of Government, and the States," is amended by inserting, immediately after and below item 110, the following new item:

"111. Compacts between States for cooperation in prevention of crime; consent of Congress."

(b) Such title 4 of the United States Code is further amended by inserting, immediately following section 110, a new section, as follows:

"§ 111. Compacts between States for cooperation in prevention of crime; consent of Congress.

"The consent of Congress is hereby given to any two or more States to enter into agreements or compacts for cooperative effort and mutual assistance in the prevention of crime and in the enforcement of their respective criminal laws and policies, and to establish such agencies, joint or otherwise, as they may deem desirable for making effective such agreements and compacts."

SEC. 130. Clause (1) of subdivision c of section 14 of the act of July 1, 1898 (ch. 541, 30 Stat. 550; 11 U. S. C., sec. 32, subd. c, cl. (1)), as amended, is amended by striking out the words "this act," and inserting in lieu thereof "title 18, United States Code, section 152."

SEC. 131. Clause (3) of subdivision a of section 64 of the act of July 1, 1898 (ch. 541, 30 Stat. 563; 11 U. S. C. § 104, subd. a, cl. (3)), as amended, is amended by striking out the words "this act," and inserting in lieu thereof: "Chapter 9 of title 18 of the United States Code."

SEC. 132. Subsection (a) of section 402 of the act approved June 19, 1934 (ch. 652, 48 Stat. 1093; 47 U. S. C. 402 (a)), as amended, is amended (1) by striking out the words "the act of October 22, 1913 (38 Stat. 219)," and inserting in lieu thereof "title 28 of the United States Code," and (2) by striking out, at the end of such subsection, the words "that act," and inserting in lieu thereof the words "such title 28."

SEC. 133. Subsection (g) of section 205 of part II of the Interstate Commerce Act, as amended (49 U. S. C. sec. 305 (g)), such subsection having been added to such act as subsection (h) of section 205 thereof by the act approved August 9, 1935, chapter 498, 49 Stat. 548, and redesignated as subsection (g) by the act approved September 18, 1940, chapter 722, title I, section 20 (c), 54 Stat. 922, is amended by striking out "the Urgent Deficiency Appropriation Act, October 22, 1913," and inserting in lieu thereof the following: "section 2284 of title 28 of the United States Code."

SEC. 134. Section 2 of the act of June 13, 1934 (ch. 482, 48 Stat. 948; 40 U. S. C., sec. 276c) is amended to read as follows:

"The Secretary of Labor shall make reasonable regulations for contractors and subcontractors engaged in the construction, prosecution, completion or repair of public buildings, public works or buildings or works financed in whole or in part by loans or grants from the United States, including a provision that each contractor and subcontractor shall furnish weekly a sworn affidavit with respect to the wages paid each employee during the preceding week."

SEC. 135. (a) Section 61 of the act approved March 3, 1901 (ch. 854, 31 Stat. 1199; D. C. Code, 1940 ed., sec. 11–305), which section was repealed by section 39 of the act approved June 25, 1948 (ch. 646, 62 Stat. 992), is hereby reenacted and amended to read as follows:

"SEC. 61. Jurisdiction. The United States District Court for the District of Columbia, in addition to its jurisdiction as a United States district court, shall continue to have and exercise all the jurisdiction possessed and exercised by it on August 31, 1948."

(b) The reenactment and amendment, by subsection (a) of this section, of section 61 of the act approved March 3, 1901 (ch. 854, 31 Stat. 1199; D. C. Code, 1940 ed., sec. 11–305) shall be deemed to be in effect as of September 1, 1948.

SEC. 136. Section 65 of the act approved March 3, 1901 (ch. 854, 31 Stat. 1200; D. C. Code, 1940 ed., sec. 11–312), as amended is amended to read as follows:

"SEC. 65. The United States District Court for the District of Columbia may appoint an auditor and also a messenger for each judge and all other officers of the court necessary for the due administration of justice."

SEC. 137. Section 224 of the act approved March 3, 1901 (ch. 854, 31 Stat. 1224; D. C. Code, 1940 ed., sec. 11–204), as last amended by section 15 of the act approved June 25, 1948 (ch. 646, 62 Stat. 988), is further amended (1) by striking out, immediately after the word "Deputy" in the catchline of such section, the word "clerk," and inserting in lieu thereof the word "clerks," and (2) by striking out immediately after the word "deputy" near the beginning of the first sentence of such section, the word "clerk," and inserting in lieu thereof the word "clerks."

SEC. 138. The first paragraph of section 229 of the act approved March 3, 1901 (ch. 854, 31 Stat. 1226; D. C. Code, 1940 ed., sec. 11–206), as amended, is amended to read as follows:

"SEC. 229. Reporter: The United States Court of Appeals for the District of Columbia is authorized to appoint a reporter, who shall serve during the pleasure of the court and whose duty shall be to report, edit, and publish, in form to be prescribed by the court, its opinions."

SEC. 139. Section 1062 of the act approved March 3, 1901 (ch. 854, 31 Stat. 1357; D. C. Code, 1940 ed., sec. 14–204), as amended which was repealed by section 39 of the Act approved June 25, 1948 (ch. 646, 62 Stat. 992), is hereby reenacted and amended to read as follows:

"When a commission is issued or notice given to take the testimony of any witness found within the District of Columbia, to be used in an action pending in any court of a State, Territory, or possession or place under the jurisdiction of the United States, such testimony may be taken by leave of a judge of the United States district court in like manner and with like effect as other depositions are taken in United States district courts."

SEC. 140. Section 1109 of the act approved March 3, 1901 (ch. 854, 31 Stat. 1363; D. C. Code, 1940 ed., sec. 11–1502), is amended to read as follows:

"SEC. 1109. Attorneys, solicitors, and proctors: Attorney's, solicitor's and proctor's docket fees may be taxed in the amounts fixed by title 28, United States Code, section 1923."

SEC. 141. (a) The Schedule of Laws Repealed, immediately following section 39 of the act of June 25, 1948 (ch. 646, 62 Stat. 992), is hereby amended as follows: (1) in the "Section" column relating to the act of April 19, 1920, chapter 153, 41 Stat. 556 (D. C. Code, 1940 ed., sec. 11–314), insert "1 (only that part which amends sec. 67 of the act of March 3, 1901, ch. 854)"; (2) in the "Chapter" column of the second item listed under "1899—Mar. 3", strike out "42.7" and insert "427"; (3) in the "Page" column relating to the act of May 27, 1908, chapter 205, section 3, strike out "06" and insert "406"; (4) in the "U. S. Code" section column, containing section references corresponding to stipulated sections of the act of March 3, 1911, chapter 231, 36 Statutes at Large, strike out "28,", which immediately follows "227,", and insert "228,"; (5) in the "Date" column relating to the act of 1930, chapter 184, title II (part), strike out "Apr. 18" and insert "Apr. 18", and, in the "Page" column of the same item, strike out "88" and insert '188"; (6) in the "U. S. Code" title column corresponding to the act of April 19, 1930, chapter 200, insert "16", and in the "U. S. Code" section column of the same item, strike out "395a, 395b, 395c, 495f, 395g, 385h, 395li, 385" and insert "395a. 395b, 395e, 395f, 395g, 395h, 395i, 395j"; (7) immediately preceeding, and on the same line with the date, "May 8", presently listed in such schedule under the acts for the year, 1938, insert "1939—", so that such item and the three items following immediately thereunder, will correctly fall under the year, 1939; and (8) in the "Section" column relating to the act of July 31, 1946, chapter 704, strike out the superior number "51a" which now follows "1 (part)", and insert in lieu thereof "51."

(b) The amendments made by subsection (a) of this section shall be deemed to be in effect as of September 1, 1948.

SEC. 142. The sections or parts thereof of the Revised Statutes of the District of Columbia and Statutes at Large enumerated in the following schedule are hereby repealed. Any rights or liabilities now existing under such sections or parts thereof shall not be affected by this repeal.

Schedule of laws repealed

Revised Statutes, District of Columbia (vol. 18, pt. II)	District of Columbia Code, 1940 edition	
	Title	Section
Sec. 764 (on p. 91)	11	11–307
Sec. 771 (on p. 92)	11	11–304

Schedule of laws repealed—Continued

Statutes at Large						District of Columbia Code, 1940 edition	
Date	Chapter	Title	Section	Volume	Page	Title	Section
1901—Mar. 3	854		63, 64, 66	31	1200	11	11-310 11-311 11-313
Mar. 3	854		68, 69, 70	31	1200	11	11-315 11-316 11-317
Mar. 3	854		71, [1] 73, [1] 83	31	1201, 1202	11	11-318 11-320 11-322
Mar. 3	854		84, 85, [2] 185	31	1202, 1220	11	11-324 11-325 11-323
Mar. 3	854		210, 211, 216	31	1223	11	11-1414 11-1415 11-1419
Mar. 3	854		226, 227	31	1225	17	17-101 17-103
Mar. 3	854		230, 231, 232	31	1227	11	11-208 11-209 11-210 11-331
1906—Mar. 19	960		22	34	77	17	17-105
1921—Mar. 3	125		12	41	1312	11 17	11-723 17-101 17-104
1938—June 1	309		38	52	603	11	11-934

Statutes at Large						U. S. Code, 1946 ed.	
Date	Chapter	Title	Section	Volume	Page	Title	Section
1914—Aug. 22	264		2	38	699	16	168
1932—Jan. 22	8		[3] 11			15 (Supp. I)	610
1934—June 6	406			48	909	18	[4] 420
1939—Feb. 10	2		3741, 3744, 3745 (b) (c) (d)	53	460, 461	26	3741, 3744, 3745 (b) (c) (d)
1942—Sept. 16	561	III	[5] 302			50	342
1946—July 5	540		40	60	440	15	1122
Aug. 13	959		24	60	1055	25	70w
1948—Feb. 10	51			62	19	18	[4] 107a
Apr. 15	188			62	172	10	1393
Apr. 27	235			62	200-202	18	[4] 505-508
May 11	276			62	230, 231	18	[4] 744o
June 3	400	II	204	62	321	28	[6] 435
June 19	504			62	484	28	[6] 584 note
June 25	652			62	1016	28	[6] 600
June 25	653			62	1016	18	[4] 725
June 29	716			62	1096	18	[4] 391
June 29	719		1-3	62	1100	18	[4] 744p, 744q, 744r

[1] As amended by act of June 30, 1902, ch. 1329, 32 Stat. 523.
[2] As amended by act June 30, 1902, ch. 1329, 32 Stat. 527.
[3] As so designated sec. 11, and amended by act June 30, 1947, ch. 166, title I, § 1, 61 Stat. 202.
[4] As so classified to the U. S. Code prior to enactment of revised title 18 U. S. C. by act June 25, 1948, ch. 645, 62 Stat. 683.
[5] As added to said act of Sept. 16, 1942, ch. 561, by act Apr. 19, 1946, ch. 142, 60 Stat. 102.
[6] As so classified to the U. S. Code prior to enactment of revised title 28 U. S. C. by act June 25, 1948, ch. 646, 62 Stat. 869.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADDITION OF LANDS TO ROCKY MOUNTAIN NATIONAL PARK.

The Clerk called the bill (H. R. 3440) for addition of certain lands to Rocky Mountain National Park, Colo., and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MILLER of Nebraska. Mr. Speaker, reserving the right to object, I wonder if we could have some information on this bill. What is it going to cost the Government when we finally get through purchasing this additional land in the Rocky Mountain National Park?

Mr. HILL. The only estimate we have is from $200,000 to $500,000. It may not cost that much. I just had a letter this morning from some folks who own property close by, and it is not going to cost as much as we thought it was, because these cabins can be moved back, and it is only a 500-foot right-of-way. This is only a 500-foot right-of-way. It makes is pretty easy for the Department to move the cabins back and not buy additional land.

Mr. MILLER of Nebraska. How big a right-of-way are they asking for?

Mr. HILL. The present right-of-way is close to 100 feet wide. The addition would be 400 feet. They want a 500-foot right-of-way from where the Park Administration buildings are now located. A mile and six-tenths is the total distance.

Mr. MILLER of Nebraska. Mr. Speaker, I am reluctant to object to the consideration of this bill, so I ask unanimous consent that it be passed over without prejudice, until additional information can be obtained.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

MERCHANT MARINE CONSTRUCTION RESERVE FUND

The Clerk called the joint resolution (H. J. Res. 186) to extend the time for use of construction reserve funds established under section 511 of the Merchant Marine Act, 1936, as amended.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That section of an act approved August 8, 1947 (Public Law 384, 80th Cong.), relating to merchant marine construction reserve funds established under section 511 of the Merchant Marine Act, 1936, as amended, is hereby amended by striking out "March 31, 1948" and inserting in lieu thereof "March 31, 1951."

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INVESTIGATING THE DOMESTIC FISHING INDUSTRY

The Clerk called the resolution (H. Res. 147) requesting the Secretary of State to investigate the domestic fishing industry.

The SPEAKER pro tempore. Is there objection to the present consideration of the resolution?

Mr. STEFAN. Reserving the right to object, Mr. Speaker, will the author of the bill explain it? As I understand, this is to set up an investigatory body to investigate domestic fisheries.

Mr. BATES of Massachusetts. The resolution is to request the Department of State to make an investigation of the effect that imports of fish are having upon the domestic industry. With the aid of the Tariff Commission, where all the facts are made known, the Department of State can get the facts and ascertain the situation, as they must ascertain the situation when they negotiate treaties with various countries of the world. Fish are coming in here in such great volume that it is becoming a complete menace to the fishery industry, and something has to be done about it.

Mr. STEFAN. I am not opposing the resolution, but I wonder why it would be the Secretary of State who would make the investigation. Why not some other department of the Government, since this is a domestic matter? How about the Department of Commerce?

Mr. BATES of Massachusetts. The facts are available to the Tariff Commission, but the committee realizes that the most practical thing to do is to ask a report from the Department of State in order to find out what information they have, and the information they must also get from the Tariff Commission, as to just how serious this situation is.

Mr. STEFAN. Will this investigation deal with some treaties in connection with which they will have to have some conferences, as with Canada, for instance, or some other foreign countries?

Mr. BATES of Massachusetts. It will deal with treaties and also the tariff law. The imports are coming in here in great volume.

Mr. STEFAN. There would be no other branch of the Government outside of the Department of State that could deal with these foreign treaties?

Mr. BATES of Massachusetts. No.

Mr. STEFAN. For that reason you want the State Department to make this investigation?

Mr. BATES of Massachusetts. We would like to have a complete explanation from the State Department why we are standing idly by and permitting all these fish to come in here and, in our opinion, destroy the domestic industry.

Mr. STEFAN. Will the State Department have to go into some conferences and dealings with foreign countries in that investigation?

Mr. BATES of Massachusetts. No, I presume they will make a study of the operations of the reciprocal trade agreement, and also consult with the Tariff Commission as to the effect it is having on the domestic production.

Mr. STEFAN. What the gentleman is really worried about is foreign fish coming into the United States in competition with the American fishing industry?

Mr. BATES of Massachusetts. Indeed, we are very much concerned about it.

Mr. STEFAN. Why should the Department of State get into that business? That is not their business.

Mr. BATES of Massachusetts. Except to show in writing to the Members of Congress and to the industry and all concerned just what effect they say the imports of such tremendous volumes of fish are having on the domestic industry, so that we will have more information.

Mr. STEFAN. Why would not the Tariff Commission have that information, or the Department of Commerce? Why should the State Department get into this domestic matter?

Mr. BATES of Massachusetts. If we could get a resolution through asking the Tariff Commission to make such an investigation we will be very pleased about it, but we realize that under the circumstances this is about the only thing we can do.

Mr. STEFAN. Has the State Department approved this resolution?

Mr. BATES of Massachusetts. I do not know whether or not the State Department has approved it. The chairman of the committee can answer that question.

Mr. THOMPSON. We have not submitted it to the State Department for approval. It is a resolution asking them for their opinion of a problem that we unearthed during Nation-wide hearings on the subject.

Mr. STEFAN. It seems to me this idea is foreign entirely to the State Department operation, but if the investigation is to deal with foreign countries and with treaties and conferences with foreign countries in connection with the investigation or the objective you are trying to reach, of course I withdraw my reservation of objection. I really rose to get some information. It seems to me this is absolutely a job for the Tariff Commission or the Department of Commerce.

Mr. THOMPSON. We understand the gentleman's feelings, but we decided after long hearings on the subject and in a very nonpartisan discussion of it within the committee that the place to take the problem was right squarely to the top, and get it as a policy laid down by the Secretary of State.

Mr. STEFAN. As I understand it, all you want is information about fish coming in in competition with the American fishing industry.

Mr. THOMPSON. No; that is not exactly it.

Mr. STEFAN. You have that information there which you can get from the fishing industry itself. But if it is a matter of having conferences with foreign countries, that is different.

Mr. THOMPSON. What we are truly trying to do is to bring to the attention of the State Department exactly what is going on. We know of no way of doing that as effectively as asking them to consider these things and advise us as to what should be done.

Mr. STEFAN. The State Department certainly has plenty to do with other things, besides investigating the domestic fishing industry.

Mr. THOMPSON. It is not the domestic fishing industry alone.

Mr. STEFAN. If it is not, I will withdraw my reservation of objection.

Mr. THOMPSON. I can assure the gentleman it is not.

Mr. STEFAN. Then, Mr. Speaker, I withdraw my reservation of objection.

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, I wonder if the chairman of the committee can give me some information.

Is it correct that the studies your committee have made on this matter reveal that foreign imports are today very seriously jeopardizing the interests of domestic producers?

Mr. THOMPSON. The gentleman is correct.

Mr. BYRNES of Wisconsin. Can the gentleman tell me, then, why the President has not, under authority in present law, taken action to correct the situation?

Mr. THOMPSON. I think, perhaps, if it was brought to his attention, he might do that, but I do not know of any more effective way to bring it to his attention than through the medium of the State Department.

Mr. BYRNES of Wisconsin. To date, has the State Department itself refused to recognize the existence of this problem?

Mr. THOMPSON. They have appointed an Assistant Secretary for the specific purpose of considering the fishing industry.

Mr. BYRNES of Wisconsin. They have taken no action to relieve the situation other than to appoint another employee in the State Department; is that correct?

Mr. THOMPSON. I do not know that I can go that far, but they have not seen fit to give us a solution to this problem. The problem comes from the fishing industry itself.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. RANKIN. I was just wondering. I do not see the consistency of pouring money by the billions of dollars and sending it abroad and then refusing us a few dead fish.

Mr. JENSEN. Of course, if we are going to allow a thing like this to go through for one industry in opposition to the position of the State Department and the Tariff Commission and in violation of the Reciprocal Trade Act, then, of course, we are entitled to have the same consideration for hogs, corn, eggs, and poultry, and automobiles, and everything else.

Mr. BATES of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. BATES of Massachusetts. The fact of the matter, Mr. Speaker, is that the influx of foreign fillet fish has so deluged the American market that they now constitute nearly 50 percent of the entire production in the New England area. Something has to be done about it. The State Department has all the information because through reciprocal arrangements that they made, they have compiled that information as time has passed and the Tariff Commission, working with them, can get the most up-to-date information. That is all we want.

Mr. BYRNES of Wisconsin. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the resolution?

There being no objection, the Clerk read the resolution, as follows:

Whereas the fishing industry is an important part of the economy of the United States; and

Whereas the growing population of the Nation emphasizes the increasing future importance of fish as a food; and

Whereas the men and equipment of the fishing fleets and the shoreworkers engaged in the preparation of the catches, and the food resources thereby made available, have been demonstrated in two world wars to be necessary to the national defense; and

Whereas operations of much of the fishing industry have been seriously curtailed by reason of steadily growing imports of fish and fishery products, particularly of fresh and frozen groundfish fillets, and there is reason to believe that similar conditions are imminent in the tuna industry on the Pacific coast; and

Whereas if the present trend is permitted to continue, the fishing industry will, within a short time, be so impaired as to force out of business a major portion of the fishing fleet of the United States and force out of employment a major portion of the workmen employed in various phases of the industry; and

Whereas the domestic fishing industry has already been adversely affected and is further seriously threatened by the consistently increasing importations of fish and fishery products into the United States; and

Whereas the imported fish are caught by workmen whose wage scale and standard of living are far below those of Americans in like occupations; and

Whereas, notwithstanding the resulting lower cost of fish in their primary foreign market, the finally processed product is sold to the American housewife at the same price as the domestic fish; and

Whereas representatives of the fishing industry and others from many parts of the United States recently appeared before the Committee on Merchant Marine and Fisheries and attested to the facts hereinbefore stated; and

Whereas the foregoing indicates the need for an immediate study and investigation of the cause and effect of a situation that will, if not corrected, result in the serious impairment of the oldest and one of the most important food-producing industries in the United States: Therefore be it

Resolved, That the Secretary of State be, and he hereby is, requested to cause an immediate study to be made of the effect on the domestic fishing industry of increasing imports of fresh and frozen fish, especially groundfish fillets, into the United States; and,

with the advice of and in coordination with appropriate executive departments and independent agencies of the Government to recommend the means by which the United States fishing industry may survive and be saved harmless against the inroads of foreign-caught and foreign-processed fish; and that, because of the urgency of the situation, he be requested to make his report and recommendation to the House of Representatives not later than May 15, 1949.

With the following committee amendments:

Page 1, paragraph 4, after the word "products," delete the words "particularly of fresh and frozen groundfish fillets" and insert the words "including shellfish."

Page 2, paragraph 8, after the word "caught", delete the words "by workmen" and insert in lieu thereof the words "and processed by men and women."

Page 3, line 1, after the word "of", insert the words "freshwater and saltwater."

The committee amendments were agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. That is the last eligible business on the Consent Calendar.

AMENDING IMMIGRATION ACT OF 1917

Mr. WALTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 3875) to amend subsection (c) of section 19 of the Immigration Act of 1917, as amended, with respect to suspension of deportation of aliens.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That subsection (c) of section 19 of the Immigration Act of February 5, 1917, as amended (8 U. S. C. 155 (c)), is further amended to read as follows:

"(c) In the case of any alien (other than one to whom subsection (d) is applicable) who is deportable under any law of the United States and who has proved good moral character for the preceding 5 years, the Attorney General may (1) permit such alien to depart the United States to any country of his choice at his own expense, in lieu of deportation; or (2) suspend deportation of such alien if he is not ineligible for naturalization or if ineligible, such ineligibility is solely by reason of his race, if he finds (a) that such deportation would result in serious economic detriment to a citizen or legally resident alien who is the spouse, parent, or minor child of such deportable alien; or (b) that such alien has resided continuously in the United States for 7 years or more and was residing in the United States on July 1, 1948. If the deportation of any alien is suspended under the provisions of this subsection for more than 6 months, a complete and detailed statement of the facts and pertinent provisions of law in the case shall be reported to the Congress with the reasons for such suspension. These reports shall be submitted on the 1st and 15th day of each calendar month in which Congress is in session. If during the session of the Congress at which a case is reported, or if a case is reported less than 30 days prior to the close of the session, then during the next session of the Congress, either of the two Houses passes a resolution stating in substance that it does not favor the suspension of such deportation, the Attorney General shall thereupon deport such alien in the manner provided by law. If during the session of the Congress at which a case is reported, or if a case is reported less than 30 days prior to the close of the session, then during the next session of the Congress, either of the two Houses does not pass such a resolution, the Attorney General shall cancel deportation proceedings upon the termination of such session, except that such proceedings shall not be canceled in the case of any alien who was not legally admitted for permanent residence at the time of his last entry into the United States, unless such alien pays the Commissioner of Immigration and Naturalization a fee of $18 (which fee shall be deposited in the Treasury of the United States as miscellaneous receipts). Upon the cancellation of such proceedings in any case in which fee has been paid the Commissioner shall record the alien's admission for permanent residence as of the date of his last entry into the United States and the Secretary of State shall, if the alien was a quota immigrant at the time of entry and was not charged to the appropriate quota, reduce by one the immigration quota of the country of the alien's nationality as defined in section 12 of the act of May 26, 1924 (U. S. C., title 8, sec. 212), for the fiscal year then current at the time of cancellation or the next following year in which a quota is available: *Provided*, That no quota shall be reduced by more than 50 percent in any fiscal year."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMISSION ON RENOVATION OF EXECUTIVE MANSION

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 3856) to provide for a Commission on Renovation of the Executive Mansion.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby established a commission to be known as the Commission on Renovation of the Executive Mansion (hereinafter referred to as the "Commission"). It shall be the duty of the Commission (a) to supervise and approve all construction plans and work necessary (1) for remedying the unsafe conditions now existing in the Executive Mansion and (2) for the modernization of such Mansion, in accordance with the provisions of section 3 of this Act and within the limits of funds appropriated by the Congress for those purposes; and (b) to perform the functions vested in the Commission by sections 2 and 4 of this act.

SEC. 2. (a) The Commission shall be composed of six members as follows:

(1) Two Senators appointed by the President of the Senate;

(2) Two Representatives appointed by the Speaker of the House of Representatives;

(3) Two persons appointed by the President of the United States from the executive branch or from private life.

(b) A vacancy in the Commission shall not affect its powers but shall be filled in the same manner as the original appointment was made.

(c) The Commission shall elect a chairman and a vice chairman from among its members.

(d) Commission members appointed from the Congress and the executive branch shall serve without additional compensation. Commission members appointed from private life shall receive $50 per diem when engaged in the performance of Commission duties. All Commission members shall receive reimbursement for necessary traveling and subsistence expenses incurred by them in the performance of Commission duties.

(e) The Commission is authorized to accept and utilize services of voluntary and uncompensated personnel and to pay any such personnel necessary traveling and subsistence expenses when engaged in the work of the Commission.

(f) Within the limits of its appropriations, the Commission is authorized to appoint such personnel, without regard to the civil-service laws and the Classification Act of 1923, as amended, to procure such printing and binding, and to make such expenditures as, in its discretion, it deems necessary.

(g) The Commission is authorized to request and secure the advice or assistance of any Federal agency. Any Federal agency furnishing advice or assistance to the Commission may expend its own funds for this purpose, with or without reimbursement from the Commission as may be agreed upon between the Commission and the agency.

(h) The Commission shall from time to time, but at least once annually, submit to the Congress and the President a report on the progress of the work under its supervision. Upon the conclusion of this work, the Commission shall promptly submit a final report.

(i) Thirty days after the submission of its final report the Commission shall cease to exist.

SEC. 3. In the performance of its duties the Commission shall—

(a) approve all construction plans for the renovation and modernization of the Executive Mansion;

(b) determine the methods for selecting, and approve the selection of, the general contractor and the subcontractors who will perform the construction work, subject to such conditions and limitations as may be contained in appropriations made for such work;

(c) generally supervise the progress of such construction work.

SEC. 4. (a) The Commission shall take measures to assure that all lumber, fixtures, and other materials removed from the Executive Mansion in the course of its renovation and modernization shall be carefully examined by appropriate Federal or other authorities for the purpose of segregating and safeguarding any of such materials which are of such historical importance that they should be permanently preserved.

(b) At the earliest possible date, the Commission shall recommend to the Congress and the President a plan for (1) the preservation of any of such material which is of permanent historical importance, and (2) the sale, donation, destruction, or other disposition of the remainder of such material in the manner most consistent with its symbolical value and without commercial exploitation.

SEC. 5. There are hereby authorized to be appropriated such sums as may be necessary for the expenses of the Commission.

With the following committee amendment:

Page 3, line 19, after the word "of", strike out the word "this" and insert the word "its."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHINA AID ACT

Mr. KEE. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 3830), as amended, a bill to amend the China Aid Act of 1948.

The Clerk read the bill, as follows:

Be it enacted, etc., That the China Aid Act of 1948 is hereby amended by adding thereto a new section 408 which shall read as follows:

"SEC. 408. An amount equal to any balance, unobligated as of April 2, 1949, or subsequently released from obligation of funds appropriated by Public Law 793, approved June 28, 1948, for the purposes of the China Aid Act of 1948 is hereby authorized to be appropriated to the President for economic assistance to China, to be furnished in such manner and on such terms and conditions as he may determine and, to the extent he may from time to time determine, such amount to be available for obligation for the period from April 3, 1949, through February 15, 1950. Notwithstanding the provisions of any other law, until such time as an appropriation is made pursuant to this section, the Reconstruction Finance Corporation is authorized and directed, at any time after April 2, 1949, to make advances not to exceed in the aggregate $50,000,000 to carry out the provisions of this section, including funds for administrative expenses, in such manner, at such times, and in such amounts as the President shall determine. From appropriations authorized under this section there shall be repaid without interest to the Reconstruction Finance Corporation the advances made by it under the authority contained herein. No interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation in implementation of this section."

The SPEAKER. Is a second demanded?

Mr. VORYS. Mr. Speaker, I demand a second.

Mr. MARCANTONIO. A point of order, Mr. Speaker. Is the gentleman from Ohio opposed to the bill?

The SPEAKER. Is the gentleman from Ohio opposed to the bill?

Mr. VORYS. I am opposed to the bill in its present form. I am not opposed to the bill with the amendment.

The SPEAKER. The question before the House is the pending motion. Is the gentleman opposed to the motion to suspend the rules and pass the bill as amended?

Mr. VORYS. I am not, Mr. Speaker.

Mr. MARCANTONIO. Mr. Speaker, I demand a second.

Mr. KEE. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The SPEAKER. The gentleman from West Virginia [Mr. KEE] is recognized for 20 minutes, and the gentleman from New York [Mr. MARCANTONIO] will be recognized for 20 minutes.

Mr. KEE. Mr. Speaker, the measure we have before us is what we may call an interim, stopgap measure. It amends title IV of the European Relief or Foreign Assistance Act of 1948, the title being known and cited as the China Aid Act of 1948.

Under that act, which was a bill reported out of the Foreign Affairs Committee at the last session of Congress, there was authorized an appropriation of $338,000,000 for the economic assistance of China. Of the amount authorized, the Appropriations Committee reported out and the Congress passed a bill appropriating $275,000,000. That money having been made available, the relief proposed in the measure immediately started to flow from this country to China.

We have had quite an organization in China distributing this relief. This organization has been directed by Mr. Roger D. Lapham, former mayor of San Francisco, a man of vast experience, a fine businessman, a man of the very highest integrity who has done and is doing a splendid piece of work.

The purpose of the pending measure is to extend the time within which the balance of these funds can be expended in China. Mr. Lapham appeared before our committee, and by his testimony and that of the men who were associated with him in this operation in China, proved conclusively to the committee that this work in China was not only accomplishing the very purpose for which it was intended, but had proved to be a wonderful thing in preventing, to a large extent, the spread of communism in China, especially in cities along the coast.

Of the $275,000,000 appropriated there remains an unexpended balance of between $53,000,000 and $54,000,000. The bill before us merely extends the time in which this unexpended balance can be used from April 3, 1949, yesterday, until February 15, 1950. We extended the time longer than the original bill provided because conditions in China at the present time are very unsettled and there was no possibility of the committee's going into an examination of the entire situation in the country for the reason that it is in what we might call a fluid state; we cannot tell from one day to the next what will take place, but we do know that there are certain areas in China in which this relief fund is being used to advantage, areas that are not now under the control of the Communists. It is believed that a continuation of the expenditure of these relief funds will, to a large extent, successfully combat the spread of communism in these areas.

In carrying out the purposes of the original act the money so far expended has been paid out for food, for cotton cloth to manufacture clothing necessary to and badly needed by the Chinese people, and to keep their cotton mills running, to furnish employment. It has been spent for an agricultural reconstruction program which has accomplished a wonderful job in the farming sections of China. It has been spent in a program of education of the farmers, getting down to the grass roots, educating the farmers and supplying them not only with modern agricultural implements, but also teaching them modern methods and showing them how to use the facilities that were being supplied them. It has been spent also for an engineering examination of the destroyed and devastated sections of China with the objective in view of in time carrying on, if conditions warrant it, a complete program of rehabilitation of the production plants, the manufacturing facilities of China, in order to make at least some portion of them into instrumentalities of recovery and to give their employees a chance to become self-supporting. It has also been expended in a program of restoring the productive farm areas of China, increasing their production, building dikes, and increasing the area of arable land. There are many things that might be said about how the fund has been expended, and they are all encouraging.

It is necessary to extend the time as provided in the present measure in order that this program can be continued. In stating this I also desire to say that not one dollar of this money has been spent in any area controlled by the Communists in China; not one dollar of the $53,000,000 remaining unexpended, if this bill should pass, will be expended in any area of China under Communist control or domination.

In passing I may say that one of the reasons for extending the time in which this money can be expended until February 15 is to give the necessary authority to continue the program of rural reconstruction for which $8,000,000 of this unexpended balance has been allocated. That program may thus be continued all through the summer months and into the fall.

In addition to that, it will give not only the people of this country but the Congress of the United States time to reexamine the entire China situation, which we hope will be done promptly. We hope that may be done, if possible, during the present session of Congress, but if not, this extension will continue until the 15th of February and it will give time for the next session of the Congress to reexamine the China situation. In that event, the Congress can then formulate and pass legislation necessary to authorize and carry out, if deemed practical and desirable, an entirely different program from that we are carrying on at the present time.

In the meantime, I trust that this measure may be passed and the time in which the amount of money remaining unexpended from the former appropriation for aid to China will be expended according to the provisions of the bill.

Mr. HAND. Mr. Speaker, will the gentleman yield?

Mr. KEE. I yield to the gentleman from New Jersey.

Mr. HAND. Will the gentleman inform us how much money is authorized to be spent under this present interim bill?

Mr. KEE. The unexpended balance is estimated to be not over $54,000,000.

Mr. HAND. Can the gentleman further inform the Members what the President intends doing with this money if we authorize him to spend it?

Mr. KEE. Under the bill he can do no more with it than he could have done under legislation passed a year ago.

Mr. HAND. Is it not true that he could do anything under that legislation and hence can do anything under this legislation? In other words, are there any restrictions on the President's power to expend the money under this bill?

Mr. KEE. He has discretion to spend the money, but he must spend it in accordance with the provisions of the bill for the improvement of the Republic of China as long as it remains a free and independent republic.

Mr. HAND. Will the gentleman agree that we are giving more or less a blank

check to an administration which has not shown any very positive or definite or inspiring program with relation to China?

Mr. KEE. I certainly do not agree with that statement.

Mr. CHIPERFIELD. Mr. Speaker, will the gentleman yield?

Mr. KEE. I yield to the gentleman from Illinois.

Mr. CHIPERFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks at the conclusion of the statement of the gentleman from West Virginia [Mr. KEE].

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SMITH of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. KEE. I yield to the gentleman from Wisconsin.

Mr. SMITH of Wisconsin. Is it not a fact that the adoption of this bill will mean that the aid-to-China program is practically completed by the end of August of this year?

Mr. KEE. I would not say practically completed, because I believe that the continuation of the rural reconstruction part of this program is a matter of very great importance, and the extension will permit that program to be continued up until the latter part of the year.

Mr. SMITH of Wisconsin. But other than the exception the gentleman has stated, it is practically finished?

Mr. KEE. It will be practically finished and our people there will have to be returned home; that is, the people who are carrying on this work will have to be returned home unless further funds are provided by the Congress.

Mr. SMITH of Wisconsin. I thank the gentleman.

Mr. HALE. Mr. Speaker, will the gentleman yield?

Mr. KEE. I yield to the gentleman from Maine.

Mr. HALE. Can the gentleman state what assurance there is in this bill that American moneys will not be used for the benefit of the Communists in China?

Mr. KEE. Just the same assurance that we had in the legislation passed last year. This is merely an amendment to that legislation, and we wrote into the report that this measure is reported out by the committee with the distinct understanding that not one dollar is going into the hands of any Communist-controlled agency.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. KEE. I yield to the gentleman from Iowa.

Mr. GROSS. Can the gentleman tell me how many we now have on the pay roll administering this fund?

Mr. KEE. I would have to look into the hearings.

Mr. JUDD. Mr. Speaker, if the gentleman will yield, less than 100.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. KEE. I yield to the gentleman from New York.

Mr. JAVITS. Is it a fact that this legislation is essential if we are not to allow the remaining morale of the Chinese people to be undermined by the thought that we are abandoning them?

Mr. KEE. I think it is absolutely essential.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. KEE. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I want to compliment the gentleman on his statement, because we all know that aid to the independent part of China is necessary. I believe that it is fair to ask this question. Under this program it could not be given to any dominated Communist group, could it? It is the desire and purpose under this bill to help any independent group that might come up, in addition to the present Nationalist Government, as long as it is not Communist.

Mr. KEE. That would be my personal interpretation, but I would not say that that was actually so. It is a fact, however, that aid will not be given to any Communist-dominated government.

Mr. FULTON. On page 5 of the report the majority have said that it should be made perfectly clear that there is no intention of using this provision to assist any government in China which is dominated by the Chinese Communists. May I ask the gentleman the direct question: It is the intention not to aid any government with a coalition of Communists, whether dominated or not, under this bill?

Mr. KEE. That is the intention, and the language in the report so expresses it as the intention.

Mr. FULTON. Not merely dominated, but against the former Marshall position, that even if it is a coalition, no aid.

Mr. KEE. That is the idea.

Mr. HAND. Mr. Speaker, will the gentleman yield?

Mr. KEE. I yield to the gentleman from New Jersey.

Mr. HAND. I am not questioning at this time the good faith of the gentleman of preventing these funds getting into Communist hands, but can the gentleman give the House any assurance whatever that we will not put them in the hands from whom it may be wrested by Communist forces?

Mr. KEE. That would be impossible to do, sir, under the circumstances.

Mr. HAND. Because we are dealing very uncertainly with that situation, are we not?

Mr. KEE. There may have been some small supply of food and commodities lost to Communists, but the amount was not great.

Mr. CHIPERFIELD. Mr. Speaker, I favor the passage of H. R. 3830 with a committee amendment. I do not feel that this bill, to extend aid to China, should have been presented to the House as a separate measure. I believe we should have a global approach and consider all related measures in a package bill rather than a series of piecemeal proposals.

This is a stopgap measure and it simply extends the time for obligating $54,000,000 already appropriated for economic aid to China. This bill therefore does not require additional appropriations.

While I fully realize the Chinese situation at present is in a fluid state and it is not possible to foretell future developments, yet I strongly believe we should hold hearings to determine what our over-all policy should be in China. Certainly we should not abandon our gallant ally at this crucial hour.

As indicated in our minority report to the ECA bill:

> We are told that the Government of China has collapsed; we are certain that American policy in China has collapsed. We believe there is still time to take steps to protect our own security in Asia, but experience of the past year has shown that Congress cannot do this merely by passing a law and providing funds. The Executive must faithfully and effectively execute the laws that Congress has passed. Instead of excuses for failure there must be the will to succeed.

This afternoon we are signing an Atlantic Pact to go to war, if necessary, to protect the participating countries of western Europe from aggression. Shortly we will enter into a program to arm them and maintain their military strength for a period of 20 years.

I cannot refrain from calling to your attention that the Atlantic Pact provides for no reciprocal assistance for European nations to support us in the Far East. Why this one-sided agreement?

Mr. MARCANTONIO. Mr. Speaker, this bill is another illustration of the insane course which the cold-war policy is making this Congress follow. It represents not aid to China, not aid to the Chinese people, but this bill represents direct interference in a civil war which the overwhelming majority of the people of China are waging to extirpate the last remnants of a Fascist-Nazi regime in China, which is still dominated behind the scenes by the Hitler of China, Chiang Kai-shek. You talk here about relief, you try to sell this bill to the people under the guise of relief. The astounding fact nevertheless remains that you are giving aid to the so-called Nationalist Government of China to wage warfare against the Chinese people. Now, if you really had humanitarian purposes in mind and you were considering feeding the children and preventing starvation in China, then you would not draw any political line as you do in this bill, irrespective of whether the lines drawn are Communist or not.

If your purpose were humanitarian, you would feed all children, you would feed Communist children as well as Nationalist children. This bill specifically prohibits any of this aid going to children in the Communist areas in China. Consequently, you are not concerned with humanitarianism. The fact of the matter is that these funds like all other funds given to the discredited Nationalist Government have not been used to feed children. Chinese children have been permitted to starve while American dollars have been used for war against the people of China and to domicile the Fascist war lords of China.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. Not at this point.

You are not concerned with humanitarianism at all, and you are not concerned with feeding children.

I respect an honest argument. I have very little respect for a hypocritical, dishonest approach on this subject.

Mr. VORYS. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. I am not yielding, Mr. Speaker. The gentleman will have to take his seat. I am proceeding with my argument. He can get time from the proponents of this bill if he wants to speak.

As I was saying, Mr. Speaker, I respect an honest argument. I have no respect for a dishonest and hypocritical approach. The humanitarian argument in support of this bill is a sham and a fraud.

There are those who stand up and say that we must fight for the Nationalist Government of China, that we must fight for it with food, with machinery, with guns, and later on, if we follow the position of some of these pro-Chiang apologists in this House, we must fight for this Government which has been overthrown by the Chinese people with men, too. That is the policy with which I disagree, and with which the overwhelming majority of the American people disagree. That is the contention which is the real motivation behind this bill and the humanitarian argument, which is sanctimoniously offered, is exploding in the face of those who advance it here, by the very limitation that is placed on these funds, by the limitation that these funds are to be used only in that section of China which is still dominated by the Nationalist Government.

I think—and if I am mistaken, I should like to be corrected on this point—we have spent about $3,000,000,000 on this policy of ours in China.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. To correct the figure, I will yield.

Mr. JUDD. I should like to have the gentleman's evidence behind his figure of $3,000,000,000. There is no evidence to that effect, only the claims of the so-called Committee on a Democratic Far Eastern Policy, a propaganda organization loaded with Communists and pro-Communists.

Mr. MARCANTONIO. I will take the figures of the Committee on Appropriations. Whatever those figures reveal, I will stand by.

Mr. JUDD. The gentleman will find that the aid-to-China figures use the cost of procurement of a lot of stuff that was 80 percent deteriorated before it was turned over to the Chinese, stuff we would not have brought home, so it did not cost us a dime to give it to the Chinese—the gentleman will find even the procurement cost was only about $2,000,000,000.

Mr. VORYS. Would the gentleman like to have an answer to his question?

Mr. MARCANTONIO. Yes. How much has come out of the Treasury of the United States for this policy?

Mr. VORYS. The aid proposed to China under this bill is about one-hundredth of the aid proposed to Europe under ERP.

Mr. MARCANTONIO. I am not asking that question, I am asking a very simple question, and so far we have received two circuitous answers.

Mr. JUDD. No; you have not received circuitous answers.

Mr. MARCANTONIO. Yes; you have gone around the corner and beaten around the bush. It is a very simple question: How much has been expended by the Treasury of the United States in implementing our support of Nationalist China, Chiang Kai-shek's China? Let us have an answer to that question.

Mr. RICHARDS. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. Can the gentleman give me an answer to that question?

Mr. RICHARDS. I think I can.

Mr. MARCANTONIO. Then I will yield.

Mr. RICHARDS. We have spent slightly over $2,000,000,000.

Mr. MARCANTONIO. Two billion dollars? I do not know. You gentlemen are on the same committee. Are you going to get together or are you going to disagree? Which is it?

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. I think I will have to decline to yield. I will accept the figure of $2,000,000,000 for the sake of this discussion only.

Mr. JUDD. That is procurement cost, that is not value at time of delivery.

Mr. MARCANTONIO. We are not going to argue about that.

Mr. JUDD. I should think you would not, because the facts will not support you.

Mr. MARCANTONIO. It all came out of the Treasury of the United States. That is simple. It is $2,000,000,000 out of the Treasury of the United States. I am sure the gentleman from Pennsylvania [Mr. RICH] will say $2,000,000,000 is $2,000,000,000; right?

Mr. RICH. I will say $2,000,000,000 is too much. Let me ask the gentleman this question.

Mr. MARCANTONIO. No; just a moment. I want to continue my argument on this bill.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. Not at this time.

Mr. JUDD. I wanted to clarify the facts for the gentleman.

Mr. MARCANTONIO. I cannot yield at this time, Mr. Speaker. We have had too much confusion from those who now offer clarification. This situation here with respect to China is very revealing. We cannot get three members of this committee to agree on how much money has come out of the Treasury of the United States to implement our policy of support to the Fascist Chiang Kai-shek.

We have spent $2,000,000,000, according to the gentleman from South Carolina. What has happened? We have thrown in not only $2,000,000,000 in money, but we have even thrown in training and munitions. This Government that we have been supporting there has been so corrupt and so deeply steeped in a system of landlordism which is the vilest in the history of the world that it has lost the support of the people of China. May I recommend as required reading to the membership of this House the memoirs of a great American general, the Stilwell letters.

No matter how clever are the arguments of the apologists for Chiang, I think we all know that the present Nationalist Government of China does not have the support of the people of China. It has lost, and the day-to-day events in China demonstrate that the people of China want no part of this Government any more than the people of the United States back in 1776 wanted any part of the British Empire. They are fighting a revolution, they are fighting a civil war, they are completing an unfinished revolution started by the people under the leadership of the great Sun Yat-sen and then betrayed by Chiang Kai-shek. Sure it is the Communists who are leading it, but do not think that you are going to change the Chinese people by raising the Red bogey here. They know the issues involved in their revolution. And do not think you are going to stop the march of the Chinese people by spending this additional $54,000,000. I tell you right now you are not going to stop the march of the Chinese people if you spend $500,000,000,000, and you are not going to stop the march of the Chinese people even if you send men over there. Further, the American people are not going to permit you to send men, and the American people are not going to permit you to spend billions and billions of dollars. They now know what the score is in China. You are not going to frighten them into doing it by raising the old Red bogey here, and you are not going to frighten them into doing it by saying you are fighting communism. If the people of China want a Communist government, it is just as much their right to have that government as we here have the right to have our own Government.

Let us go a little bit further into this matter.

What do we find in China today? We find that a great deal of the funds that we have sent over there have been stolen by this racketeering mob in control of the Nationalist Government in China. They have enriched themselves. I just wonder how much money is in the name of Madame Chiang Kai-shek or Gen. Chiang Kai-shek in the United States or in England, or in some of the banks of other countries? I wonder how much of that money is United States Government money? How much of that money is the money of the taxpayers of these United States, How much of that money has been squeezed out of the Chinese peasants and workers. I think that this committee, instead of coming here and asking us to vote this bill under suspension of the rules, would be rendering a great service if it conducted an investigation as to what has happened to the money that has fallen into the hands of the so-called Nationalist leaders of China?

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. I yield.

Mr. RICH. The $2,000,000,000 that we have spent over there is just doing the

very opposite from what we thought it was going to do when we appropriated the money. Now we are spending $50,000,000 more. How do we know that this money is going to do anything, except help the Communist Government over there, the same as the $2,000,000,000 which we gave?

They have taken our $2,000,000,000. They have that now, and we are out $2,000,000,000.

Another thing—today we are signing the Atlantic Pact. We are going to give $1,200,000,000 to arm a lot of other nations and foreign countries. Did we not give Russia $11,000,000,000, and are we not now sorry that we gave them that money?

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. Not now.

Mr. ENGEL of Michigan. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from Michigan.

Mr. ENGEL of Michigan. If the gentleman will examine the RECORD, page 3742, April 2, Senator ELLENDER placed in the RECORD a very complete statement on foreign aid. He gives a grand total of $23,783,000,000, of which China received $1,898,000,000. That is Senator ELLENDER, on page 3742 of the RECORD of April 2.

Mr. MARCANTONIO. Yes; but can anyone give us the cost of the military aid we gave to Chiang in his war against the Chinese people. Despite all this aid and all these billions the Chinese people have repudiated Chiang and his Fascist gangsters. They have demonstrated it beyond doubt. Here we have sent money and munitions to China, planes; we have trained the officers and aviators of the Nationalist Government. Yet before the regiments of the Communist army they just crumbled. They were well trained, well equipped, and despite our billions—the soldiers of the Nationalist army have just crumbled and gone over on the other side.

Now, there must be some reason for that. It seems to me that the only people who are not concerning themselves with the reason are the people in Washington, in the House, and in the committees of the House. The reason is that the people of China want land, peace, independence, and freedom from exploitation from exploiters at home and abroad. For these things they are fighting against the puppets of imperialism and that is why their armies are winning.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. I yield.

Mr. KEEFE. The gentleman has pointed out that in carrying on these various relief programs for China, including, I assume, UNRRA, and the direct-relief programs, about $2,000,000,000 has been expended. Does the gentleman have any idea as to what proportion of that $2,000,000,000 that was intended for the relief of the people of China ever actually got into the hands of the people for whom it was intended?

Mr. MARCANTONIO. I think the answer is very obvious. They got very, very little of it.

Mr. KEEFE. I recall the testimony that was had before appropriations subcommittee handling this proposition last year, that, so far as UNRRA was concerned, it was their opinion that not over 5 percent of that amount of money ever reached the people of China for whom it was intended. The rest of it was all absorbed in claims by various and sundry people who grabbed onto it before it ever got to the people. The testimony further was that the funds which they were then asking, the most optimistic statement as to how much of it would go to the people of China was that it would not be over 15 percent.

Mr. JUDD. But UNRRA was not handled by the Chinese Government. It was under the United Nations, the Chinese cannot be blamed for its mismanagement. The ECA program in operation now handled jointly by the Chinese and ourselves is working without any charge whatsoever as to graft or waste, or inefficiency.

Mr. MARCANTONIO. I do not yield any further.

Mr. KEEFE. I thought that might be of interest to the gentleman.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. I decline to yield any further. The fact is that Chiang would not permit UNRRA to function independently. His gang used even UNRRA to finance corruption. The fact is we are here again financing corruption. We are financing a Fascist dictatorship and, what is more, we are financing a losing cause. The issue in China has been settled. It has been settled by the Chinese people, just as we settled the issue for freedom during the Civil War and just as we settled the issue for independence during the Revolutionary War. If you think that by this interference you are making any friends in China, you are making a mistake. All you will do with this money is to enrich some more grafters and some more Fascist racketeers over there, and incur the enmity of the Chinese people, whose progress toward economic security, freedom, and independence you seek to destroy.

Mr. Speaker, I reserve the balance of my time in order to reply to some of the other speakers.

Mr. KEE. Mr. Speaker, I yield such time as the gentleman may desire to use, the balance of my time, to the gentleman from Ohio [Mr. VORYS].

The SPEAKER. The gentleman has 5 minutes remaining.

Mr. VORYS. Mr. Speaker, this is a most significant coincidence, the same kind we have seen happen repeatedly during the years. The gentleman from New York [Mr. MARCANTONIO], who just left the floor, has argued for the right of the Communists to have their own government in China, and here we have a United Press dispatch, dated April 3, which says:

> The Chinese Communists said amid peace negotiations with the Nationalists tonight that they would unite the people of China to fight for Russia in any war between the Soviet Union and the North Atlantic treaty nations.
>
> The Communist broadcast tonight said that, in event of war between East and West, even if it should start on the other side of the world, the Communists and their associated democratic parties—

To which reference no doubt has been made by the gentleman—

> would unite the people to march forward hand in hand with the ally of China, the Soviet Union.

This legislation provides that the Communist part of China is not going to get any of this miserable tail-end of an aid program. This is merely an interim proposition, but it is made perfectly clear, by the amendment adopted and by the words of our chairman, that while this is a temporary matter it is going to be administered under the China Aid Act of 1948. It was not a relief act, it was designed, and I quote—

> To encourage the Republic of China in its efforts to maintain the genuine independence and the administrative integrity of China.

No doubt because that was the policy, that is the policy that is to be carried out by this legislation, we have one man in the House who opposes taking this action today.

This bill should be passed in its present amended form.

As introduced, this bill added a new section 408, to the China Aid Act and provided that the President should administer it "without regard to the foregoing provisions of this act." This meant delegating to the President repeal of all of the policy and provisions of the China Aid Act of 1948. The agreed amendment, striking out the quoted words, means that the President must administer these funds in accordance with the 1948 act.

We are doing little enough in this bill as amended. All we are doing is to extend the time for spending about $50,000,000 for aid to China which Congress has already appropriated. It is just about one one-hundredth of what we are planning to do for western Europe. At least, we are not repudiating the Chinese policy laid down by Congress and approved by the President in the act of 1948. Our policy is still "to encourage the Republic of China in its efforts to maintain the genuine independence and the administrative integrity of China"—section 402 of the China Aid Act of 1948.

The psychological effect of encouragement, rather than discouragement, at this crucial moment may be of far-reaching importance.

Then years ago in minority views of Republicans on the House Foreign Affairs Committee on the so-called neutrality legislation, we said:

> THE PACIFIC SITUATION
>
> We have attempted, without success, to secure consideration and action by our committee on the situation in the Orient. We feel certain that if we had solved this immediate far-eastern problem first it would have gone far toward solving the rest of our international problems.

We were first attacked in World War II, not in Europe, but at Pearl Harbor.

China stood alone against our enemy Japan from 1931 to 1941. Is history repeating itself?

In our minority views on the extension of ERP this year we said:

> We Republicans on the Foreign Affairs Committee believe that our historic policy of maintaining the Open Door in a genuinely

independent China is as important to American security and world peace now as it ever was. Recovery in Europe is in no small degree dependent upon keeping Asia free so that its vast resources, both human and material, may be available on a mutually beneficial basis to the forces of freedom and denied to Communist forces directed from the Kremlin. As General MacArthur put it in a message to our committee a year ago during our hearings on foreign assistance:

"If we embark upon a general policy to bulwark the frontiers of freedom against the assaults of political despotism, one major frontier is no less important than another, and a decisive breach of any will inevitably threaten to engulf all."

Therefore, despite administration reluctance and indecision, we have been insisting since VJ-day upon a policy of effective military and economic assistance to China to enable her to recover from her long war of resistance, put down a determined Communist rebellion, and regain her crucial place as "the fundamental keystone to the Pacific arch." (General MacArthur in same message.) We therefore provided legislation to implement this strategic concept, expressed to us not only by General MacArthur, but by Generals Wedemeyer and Chennault and many other witnesses, that our own security was involved in the future of China. In view of the administration's lack of policy, we incorporated in the provisions for military and economic aid for China a strong and definite reaffirmation of our historic policy, which was approved by the President himself when he signed the Foreign Assistance Act. We recognized then what events have since demonstrated, that the longer vigorous action in support of such a policy is postponed, the greater the difficulties of successful execution are certain to be.

Nevertheless, this policy was not followed in carrying out the military aspects of the program. Only one four-hundredth of the amount we authorized was spent in the critical first 3 month after the act became law. Still another month elapsed before the directive was issued, setting in motion the military-aid program. No arms or ammunition from the program reached the Chinese forces until December 1948, 8 months after the law was passed. Still more serious, the administration has never permitted our American advisory group in China to give active military advice and training to Chinese forces at all levels, as it has in Greece under precisely similar circumstances. No aid to China, any more than to Greece, could be expected to be effective without this type of military assistance. Most serious of all has been our Government's failure to give forthright moral support to China as it has given to other nations striving to resist subjugation by armed Communist minorities. Instead of sympathetic assistance in meeting overwhelming problems, the administration has issued various official public denunciations of China's legitimate government, our wartime ally. No country, gravely weakened by war, invasion, and rebellion, could undergo such treatment without a break in morale.

ECA Administrator Paul Hoffman and the mission he sent to China to handle economic aid have done a commendable job, demonstrating that a cooperative assistance program can be successfully administered in China. Unfortunately, in the absence of sufficiently vigorous military aid to gain security for development projects, economic assistance has had to consist largely of relief measures instead of recovery. The administration forces have refused to include in the pending bill even a simple provision to extend the period during which the unexpended appropriations may be used. Without such extension the whole China program expires on April 3. It is most unlikely that a separate bill can go through the legislative process before that date; furthermore the separate bill for China, which the administration has caused to be introduced, authorizes changes in our fundamental policies in China which are certain to provoke opposition and involve costly and dangerous delay.

We are told that the Government of China has collapsed; we are certain that American policy in China has collapsed. We believe there is still time to take steps to protect our own security in Asia, but experience of the past year has shown that Congress cannot do this merely by passing a law and providing funds. The Executive must faithfully and effectively execute the laws that Congress has passed. Instead of excuses for failure there must be the will to succeed.

Mr. Speaker, this present bill is very little and is late, but in spite of the taunts of the gentleman from New York and those for whom he speaks, it is not too late. We can still protect our own security in Asia.

I yield to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Speaker, last week, Mr. Churchill truly said that "the worst disaster since our victory has been the collapse of China under Communist attack and intrigue." Just how great a disaster is revealed in the official broadcast by the Chinese Communists yesterday from which the gentleman from Ohio has read. Along with Communists in Italy, France, the United States, they have admitted their primary allegiance is to the Soviet Union. At long last they make it perfectly clear even to the blindest that their purpose in China has not been to "liberate" the allegedly oppressed peasants and bring them genuine democracy; their purpose all along has been to unite, first the Chinese and then the billion people in east Asia to work and fight against the United States of America and the other free nations. I am shocked to hear the gentleman from New York urge us to discontinue all assistance to those who though exhausted still have the will to resist Communist efforts to mobilize all of Asia against our country.

Their history told the Chinese and it should have told us that loss of Manchuria—de facto control of which we gave to the Russians at Yalta—means the loss of China; loss of China means loss of east Asia; and loss of east Asia means loss of Japan and the Philippines unless we are willing to pay a terrific price to hold them. Some day there must be full and complete investigation to determine who in our Governmet sponsored the policies in China which have led to this worst disaster—and why. It goes back much further than General Marshall and Secretary Acheson. Their mistake was to carry on policies they inherited; policies we have constantly warned would inevitably lead to Communist conquest of China—a defeat for America far more serious than Pearl Harbor.

But what shall we do now? Is all lost? Possibly, but not necessarily. Letters from China within the week from responsible Americans—including leading businessmen—report that hope is rising, partly because news is leaking out of Communist-conquered areas and people in China, as here, are finding out that things are worse, not better, under Red control.

The immediate thing to do is to pass this bill. I want to make two things clear. First, this is not a program for the next fiscal year. It is authorization to finish this fiscal year's program by extending the time during which $54,000,000 of unexpended funds can be used. The money is already appropriated. It is left over because the long-term development programs planned were suspended due to uncertain conditions in China. It also will allow to operate, at least until next February 15, the longer range program of rural reconstruction, which is the most fundamental attack on basic troubles that is being carried on by us in China.

This bill prevents sudden cessation of the program by the expiration yesterday of its authorization, and buys us a few months of time in which, as the committee report states—

> It is hoped that conditions will permit a full review of the situation in China and American interests therein before the end of the present session of Congress and a program for the next fiscal year enacted, if deemed desirable and practicable.

Negotiations between the Government of China and the Communists are just beginning. Spring is the time when wars begin in China, as elsewhere. By June 1 or 15 events may have taken place which will clarify the situation considerably. If the Government is forced to accept a coalition with the Communists, which has control over all China, then it may be impossible or unwise to attempt anything more. But if the Chinese Government is able to prevent a coalition, and retains control of south China, or even a portion of it, I am convinced our interests are so great we must make every possible effort to keep going such an independent, legitimate Chinese Government. We must find a practical program by which we can begin to stay this colossal disaster to our own interests in the Pacific. One hundred and eight thousand American boys gave their lives to keep the western shores of the Pacific free and in the hands of friends, not avowed enemies. The American people are not used to accepting defeat; but here, within 4 years after the end of the war, we have lost that for which those men died; and some in our Government seem resigned to it. Our primary concern must be, not recrimination as to the past, no matter how inexcusable the blunders, but the finding of means by which we can retrieve the situation and start winning the future.

This is only an interim stopgap program, and I plead with the administration and the leadership of the Committee on Foreign Affairs to give us a chance to have a full review before the next fiscal year begins so we can come up, if possible, with a feasible and practicable program for next year.

The second point I want to emphasize is that this bill with the committee amendment does not free the President of the United States to use this money without regard to the basic purposes, methods, limitations, and standards laid down in the China Aid Act we passed last year. You will recall it required

the setting up of an ECA mission for China similar to the pattern adopted for each country being aided in Europe. It required that the mission enter into an agreement with the Government of China defining what each country would do. It required that the United States encourage the Republic of Chira in its efforts to maintain the genuine independence and administrative integrity of China, and other provisions along that line. The State Department or ECA originally presented a bill which would have allowed the President to furnish aid to and through the Chinese Government or to "such other beneficiaries as the President may authorize." Our committee rejected such blanket authority, so they came back with language which said the same thing but in less blunt words. It provided, as in this bill, H. R. 3330, that the aid should be furnished "in such manner and on such terms and conditions as he—the President—may determine, and to the extent he may from time to time determine, without regard to the foregoing provisions of this act." Many of us could never vote for such a bill. The President could take the program out of the hands of ECA, which has done such a superlative job, dispensing over $200,000,000 worth of commodities in the last 6 months or so without any serious criticism from either Chinese or Americans. It has carried on rationing in a city of 6,000,000 with almost no black market, less than we had in New York City. That is the definite answer to those who say no program can be successful in China.

Under the original language, the President could put the program under the State Department, which has failed in China as conspicuously as ECA has succeeded. He could give aid to Communist areas rather than to free China. I would have had to fight such a bill. It would have been an official stab in the back of an ally just as it goes into crucial peace negotiations. So the committee has moved to pass the bill today with an amendment striking out "without regard to the foregoing provisions of the act." The ECA counsel told us the President would not have adequate leeway and flexibility with this clause removed. Well, we do not want him to have such leeway, and the amendment removing the clause makes that clear. If worst comes to worst and the Chinese Government should have to surrender, requiring changes in procedure, Congress will be in session during the active life of this program—except the rural reconstruction program—and any changes in authorization or limitation that appear necessary can promptly be made.

If an attempt should be made to use the committee report as an interpretation of the bill in this respect, it must be made clear that the report is an interpretation of H. R. 3330 as originally reported out. It does not apply to the bill as now amended and as we will pass it today.

China is at the moment of supreme crisis. Her best friend—the United States—cannot walk out on her, especially at this moment. It would be a mistake to try to fit China into a rigid pattern and accept defeat as a certain fact. The stakes are so great for our own security in the Pacific and for the success of the European recovery program and the Atlantic Pact that we must make every possible effort, no matter how late it is. We must not foreclose on China. The very fact that this may be the last hope is all the more reason why we must keep it alive.

The SPEAKER. The time of the gentleman from Minnesota has expired.

Mr. VORYS. Mr. Speaker, I ask unanimous consent that I may extend the remarks I made and that in view of the situation other Members may extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, how much time do I have remaining?

The SPEAKER. The gentleman has 5 minutes remaining.

Mr. MARCANTONIO. Mr. Speaker, the gentleman from Minnesota [Mr. JUDD] stood in the well of this House last year and the year before last, and as long as he has been here, and he has repeatedly told us: Spend this, send this money over there, send these arms over there, and you are going to save China for democracy.

Mr. JUDD. Will the gentleman yield? The gentleman has never heard me say that, not once.

Mr. MARCANTONIO. I have and the other Members will bear me out. The gentleman has pleaded the cause of Chiang Kai-shek. He is the outstanding apologist for Chiang Kai-shek, and I say that statement the gentleman cannot challenge.

Mr. JUDD. I have been an apologist for the interests of the United States, and I am for an independent Chinese government, because that is of vital concern for our country. And I have said repeatedly that without forthright moral support instead of denunciations, and without American advice and training of Chinese military forces at all levels, mere economic aid would not and could not succeed.

Mr. MARCANTONIO. That is what you say, but I repeat, the gentleman has been an apologist for Chiang Kai-shek and the Members of this House can bear testimony as to whether I am correct or not.

Mr. JUDD. I believe the greatness of Chiang Kai-shek far outweighs his mistakes. His leadership in resisting Japan saved thousands of American lives. Many of his mistakes arose from his placing too great trust in us. But let history deal with him. I am interested in helping my own country by keeping an independent and friendly China. Its President, Li Tsung-jen, is doing exceedingly well under almost insuperable obstacles. He needs, desperately, the moral support of this country. I want us to give it.

Mr. MARCANTONIO. I do not yield further. It is rare that I am given so much time on the floor of this House and I think I should be permitted to utilize it.

Despite the gentleman's qualifying statements now, I again assert that he has time and time again been the outstanding apologist for Chiang Kai-shek and that remains in his record. The people in this country will judge him on his record on that score. I say that that has not been in the interest of the United States, it has not been in the interest of the people of China, and it never has been in the interest of either the people of the United States nor the people anywhere in the world.

Mr. Speaker, the defense of tyranny, the apology for tyrants is always against the best interests of the common people of these United States, and even though certain gentlemen may continue to advance the theory that in this cold war we must continue to ally ourselves with tyranny, such a policy will bring only havoc and catastrophe and defeat to the people of this country. We are seeing illustrations of it right here in this Congress. You take, for example, the defeat of the people on the basic domestic issues and you can tie these defeats directly with the policy of cold war. The first major piece of legislation that this Congress has sent to the President has been a defeat for the people. I refer to the rent-control bill. Note and see the ganging up against labor legislation here. What has happened to civil rights? All of these defeats are tied up to the imperialist cold war. These defeats of the people's aspirations are an integral part of the cold-war policy. You cannot escape it.

An imperialistic policy abroad leads to imperialism and retrogression at home. That is historically inexorable. Support reaction abroad under the Truman doctrine, support the Marshall plan for Wall Street's expropriation of the people of Europe and the result is unemployment, the lowering of the standards of the people at home and the curtailment of their freedoms. That has always been the course of imperialism.

A very honest statement was made here this morning by the gentlewoman from New York [Mrs. ST. GEORGE]. She stood up here and very honestly stated that with the signing of the Atlantic Pact, America becomes an empire and we advance on the course of empire. She hailed it. We cannot hail it. It is tragic. We know that along with empire comes disaster, we know that the burden of empire is on the backs of the working people and on the backs of the farmers of a country. You cannot get away from that. I know that no matter how much you may try to sell this program under the guise of stopping communism, what you are really doing is advancing the monopoly capital plan of world domination, which includes domination over the very lives and future of the American people.

I pity some of my so-called liberal friends who cry over the defeats the people have sustained in this House. They say, how can that happen after the people have spoken so loudly and so bravely in the November elections? The answer is simple. It is found in the imperialist foreign policy which these alleged liberals support. Yes, the mandate

of the people is being negated and it is being negated because here in this Chamber you are giving your support to that foreign policy of cold war, Truman doctrine, ECA, and the Atlantic Pact. You support imperialism abroad and you expect progress at home. You can't have both. Imperialism abroad only strengthens the imperialism of monopoly capital here at home. Here, today, again you now seek to aid the defeated, bankrupt Chiang Kai-shek, and once again you support the cold-war policy which negates the people's mandate. You help thwart the desires of the people all over the world for real freedom. There can be no real freedom unless it is implemented with economic security. Freedom remains only on paper, unless there is economic implementation of freedom; unless there is security guaranteed to the people. As against that new day for which the people of the world are striving, you are now legislating. However, you are facing defeat.

The SPEAKER. The time of the gentleman from New York has expired. All time has expired.

Mrs. ST. GEORGE. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mrs. ST. GEORGE moves to strike out the enacting clause of H. R. 3830.

The SPEAKER. The Chair will state that that motion is not in order.

The question is on suspending the rules and passing the bill.

The question was taken; and the Speaker announced that two-thirds had voted in favor thereof.

Mr. MARCANTONIO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

Mr. HALLECK. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 279, nays 70, answered "present" 1, not voting 83, as follows:

[Roll No. 65]

YEAS—279

Albert	Buckley, Ill.	Delaney
Allen, Calif.	Burke	Denton
Allen, Ill.	Burnside	D'Ewart
Andersen, H. Carl	Burton	Dolliver
Anderson, Calif.	Byrne, N. Y.	Dondero
Andresen, August H.	Byrnes, Wis.	Donohue
Andrews	Carlyle	Douglas
Angell	Carnahan	Doyle
Arends	Carroll	Eaton
Aspinall	Case, N. J.	Eberharter
Auchincloss	Cavalcante	Elliott
Bailey	Celler	Elston
Baring	Chelf	Engle, Calif.
Barrett, Wyo.	Chiperfield	Evins
Bates, Ky.	Christopher	Fallon
Bates, Mass.	Church	Feighan
Battle	Clevenger	Fellows
Beckworth	Cole, Kans.	Fenton
Bennett, Fla.	Colmer	Fernandez
Blackney	Combs	Flood
Boggs, La.	Cooper	Fogarty
Bolling	Cotton	Forand
Bolton, Md.	Cox	Ford
Bolton, Ohio	Crawford	Frazier
Bosone	Crook	Fugate
Boykin	Crosser	Fulton
Bramblett	Cunningham	Garmatz
Brehm	Curtis	Gary
Brooks	Dague	Gathings
Brown, Ga.	Davis, Tenn.	Golden
Brown, Ohio	Davis, Wis.	Goodwin
Bryson	Dawson	Gordon
	Deane	Gore
	DeGraffenried	Gorski, Ill.
Graham	Lovre	Reed, Ill.
Grant	Lyle	Rees
Gregory	McCarthy	Ribicoff
Gwinn	McConnell	Richards
Hagen	McCormack	Rivers
Hale	McDonough	Rodino
Hall, Edwin Arthur	McGregor	Rogers, Mass.
Hall, Leonard W.	McGuire	Rooney
Halleck	McMillen, Ill.	Sabath
Harden	McSweeney	Sadlak
Hardy	Mack, Ill.	St. George
Hare	Mack, Wash.	Sanborn
Harris	Macy	Sasscer
Hart	Madden	Scott, Hugh D., Jr.
Harvey	Mahon	Scrivner
Havenner	Mansfield	Scudder
Hays, Ohio	Marsalis	Shafer
Hébert	Marshall	Sheppard
Hedrick	Martin, Iowa	Short
Herter	Merrow	Sikes
Heselton	Meyer	Simpson, Pa.
Hill	Michener	Sims
Hinshaw	Miles	Smathers
Hobbs	Miller, Calif.	Smith, Va.
Hoeven	Miller, Md.	Smith, Wis.
Holmes	Mills	Spence
Hope	Mitchell	Staggers
Horan	Monroney	Steed
Howell	Morgan	Stefan
Irving	Morton	Stigler
Jackson, Calif.	Moulder	Sullivan
Jackson, Wash.	Murdock	Taber
Jacobs	Murray, Tenn.	Talle
James	Nelson	Thomas, Tex.
Javits	Nixon	Thompson
Jenison	Noland	Thornberry
Jenkins	O'Brien, Ill.	Tollefson
Jennings	O'Neill	Trimble
Jensen	O'Sullivan	Underwood
Johnson	Patman	Velde
Jones, Ala.	Patten	Vinson
Jones, Mo.	Patterson	Vorys
Judd	Perkins	Vursell
Karsten	Peterson	Wagner
Kearns	Pfeifer, Joseph L.	Walsh
Keating	Pfeiffer, William L.	Walter
Kee	Philbin	Welch, Calif.
Kennedy	Phillips, Calif.	Werdel
Kilburn	Phillips, Tenn.	White, Calif.
Kilday	Plumley	Whittington
King	Polk	Wigglesworth
Kirwan	Potter	Wilson, Okla.
Kruse	Poulson	Wolcott
Lanham	Preston	Wolverton
Larcade	Price	Woodhouse
LeCompte	Priest	Worley
Lesinski	Quinn	Yates
Lind	Rabaut	Young
Linehan	Rains	Zablocki
Lodge		

NAYS—70

Abernethy	Hoffman, Mich.	Pickett
Allen, La.	Holifield	Rankin
Bennett, Mich.	Huber	Reed, N. Y.
Bentsen	Hull	Regan
Bishop	Jonas	Rhodes
Blatnik	Keefe	Rich
Boggs, Del.	Kelley	Sadowski
Bonner	Kerr	Secrest
Burdick	Klein	Simpson, Ill.
Burleson	Lemke	Smith, Kans.
Camp	Lucas	Stockman
Cannon	McKinnon	Tackett
Coudert	McMillan, S. C.	Towe
Davis, Ga.	Magee	Van Zandt
Doughton	Marcantonio	Wheeler
Durham	Mason	Wier
Ellsworth	Miller, Nebr.	Williams
Engel, Mich.	Morris	Willis
Fisher	Murray, Wis.	Wilson, Ind.
Furcolo	Nicholson	Wilson, Tex.
Gross	O'Hara, Minn.	Winstead
Hand	O'Konski	Withrow
Harrison	O'Toole	
Herlong	Passman	

ANSWERED "PRESENT"—1

O'Hara, Ill.

NOT VOTING—83

Abbitt	Canfield	Davies, N. Y.
Addonizio	Case, S. Dak.	Dingell
Barden	Chatham	Dollinger
Barrett, Pa.	Chesney	Gamble
Beall	Chudoff	Gavin
Biemiller	Clemente	Gillette
Bland	Coffey	Gilmer
Breen	Cole, N. Y.	Gorski, N. Y.
Buchanan	Cooley	Gossett
Buckley, N. Y.	Corbett	Granahan
Bulwinkle	Davenport	Granger
Green	McGrath	Somers
Hays, Ark.	Martin, Mass.	Stanley
Heffernan	Morrison	Sutton
Heller	Murphy	Tauriello
Hoffman, Ill.	Norblad	Taylor
Jones, N. C.	Norrell	Teague
Karst	Norton	Thomas, N. J.
Kean	O'Brien, Mich.	Wadsworth
Kearney	Pace	Weichel
Keogh	Poage	Welch, Mo.
Kunkel	Powell	Whitaker
Lane	Ramsay	White, Idaho
Latham	Redden	Whitten
LeFevre	Riehlman	Wickersham
Lichtenwalter	Rogers, Fla.	Wood
Lynch	Scott, Hardie	Woodruff
McCulloch	Smith, Ohio	

So (two-thirds voting in favor thereof) the rules were suspended, and the bill was passed.

Additional general pairs:

Mr. Davies of New York with Mr. Canfield.

Mr. Lynch with Mr. Martin of Massachusetts.

Mr. Lane with Mr. Hardie Scott.

Mr. Gorski of New York with Mr. Woodruff.

Mr. Tauriello with Mr. Norblad.

Mr. Addonizio with Mr. Cole of New York.

Mr. Chesney with Mr. Gillette.

Mr. Granahan with Mr. Kearney.

Mr. Hays of Arkansas with Mr. Taylor.

Mr. Wood with Mr. Gavin.

Mr. Gilmer with Mr. McCulloch.

Mr. Welch of Missouri with Mr. Kunkel.

Mr. Murphy with Mr. Latham.

Mr. Morrison with Mr. Beall.

Mrs. Norton with Mr. Corbett.

Mr. Stanley with Mr. Gamble.

Mr. Whitaker with Mr. Hoffman of Illinois.

Mr. Wickersham with Mr. Wadsworth.

Mr. Dingell with Mr. Lichtenwalter.

Mr. Buckley of New York with Mr. LeFevre.

Mr. Buchanan with Mr. Riehlman.

Mr. Barrett of Pennsylvania with Mr. Weichel.

Mr. Davenport with Mr. Case of South Dakota.

Mr. Chudoff with Mr. Smith of Ohio.

Mr. ALLEN of Louisiana changed his vote from "present" to "nay."

Mr. RIVERS and Mr. BATTLE changed their vote from "nay" to "yea."

Mr. VAN ZANDT changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. AUGUST H. ANDRESEN, Mr. HARDY, Mr. POULSON, and Mr. KLEIN asked and were given permission to extend their remarks in the RECORD and include editorials.

Mr. SHAFER asked and was given permission to extend his remarks in the RECORD and include statements.

Mr. SHORT asked and was given permission to extend his remarks in the RECORD in two instances and include articles.

Mr. HARVEY (at the request of Mr. HALLECK) was given permission to extend his remarks in the RECORD and include an editorial.

Mr. BYRNE of New York asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the New York Times.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. GILLETTE (at the request of Mr. GRAHAM), for today, on account of illness in his family.

To Mr. MCCULLOCH (at the request of Mr. MCGREGOR), for today, on account of official business.

SENATE CONCURRENT RESOLUTIONS REFERRED

Concurrent resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 10. Concurrent resolution to provide additional funds for the Joint Committee on Labor-Management Relations; to the Committee on House Administration.

S. Con. Res. 19. Concurrent resolution authorizing the printing of additional copies of prayers offered by the Chaplain, the Reverend Peter Marshall, doctor of divinity, at the opening of the daily sessions of the Senate of the United States during the Eightieth and Eighty-first Congresses; to the Committee on House Administration.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 52 minutes p. m.) the House adjourned until tomorrow, Tuesday, April 5, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

496. A letter from the Secretary of the Navy, transmitting a list of organizations, nonprofit and eligible, which have requested either a loan or donation of material from the Navy Department under the provisions of section 2 of Public Law 649 (79th Cong., 2d sess.), approved August 7, 1946; to the Committee on Armed Services.

497. A letter from the Chairman, Interstate Commerce Commission, transmitting a statement of facts covering an exception taken by the Comptroller General of the United States to the payment of $67.32 as traveling expenses incident to the change of station from Fort Worth, Tex., to Salt Lake City, Utah, January 11 to 13, 1943, by Milford M. Tinsley, together with a copy of a draft of proposed bill for the relief of W. P. Bartel, as certifying officer, of financial liability by reason of erroneous payment; to the Committee on the Judiciary.

498. A letter from the Acting Secretary of the Interior, transmitting a draft of a proposed bill to cancel drainage charges against certain lands within the Uintah Indian irrigation project, Utah; to the Committee on Public Lands.

499. A letter from the Acting Secretary of the Interior, transmitting a draft of a proposed bill to reserve certain public-domain land within the exterior boundaries of the Summit Lake Indian Reservation, Nev., for addition to that reservation; to the Committee on Public Lands.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WHITTEN: Committee on Appropriations. H. R. 3997. A bill making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1950, and for other purposes; without amendment (Rept. No. 384). Referred to the Committee of the Whole House on the State of the Union.

Mr. REDDEN: Committee on Public Lands. H. R. 173. A bill to amend the Hawaiian Organic Act to prevent the loss of nationality, by reason of continuous residence for 5 years in a foreign state, of certain persons declared to be citizens of the United States under such act; with amendments (Rept. No. 385). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARRETT of Wyoming:

H. R. 3998. A bill to provide recognition as veterans of the Indian wars for persons who took part in the capture of the Ute Indians in 1906, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. BOGGS of Delaware:

H. R. 3999. A bill to exempt from the additional estate tax the estates of certain deceased members of the armed forces; to the Committee on Ways and Means.

By Mr. FARRINGTON:

H. R. 4000. A bill to amend section 16 of the Hawaiian Organic Act relative to disqualification of legislators; to the Committee on Public Lands.

By Mr. LEONARD W. HALL:

H. R. 4001. A bill to amend the Natural Gas Act approved June 21, 1938, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. KARST:

H. R. 4002. A bill to provide a fidelity trust fund in the Post Office Department, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. O'TOOLE:

H. R. 4003. A bill to amend section 1 of the act entitled "An act to protect trade and commerce against unlawful restraints and monopolies," approved July 2, 1890, as amended; to the Committee on the Judiciary.

By Mr. RAMSAY:

H. R. 4004. A bill to limit the power of radio broadcast stations; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS:

H. R. 4005. A bill to create a Department of Peace; to the Committee on Expenditures in the Executive Departments.

H. R. 4006. A bill for the allowance of certain claims, not heretofore paid, for indemnity for spoliations by the French prior to July 31, 1801, as reported by the Court of Claims; to the Committee on the Judiciary.

By Mr. BROOKS:

H. R. 4007. A bill to amend the act entitled "An act to authorize the construction of experimental submarines, and for other purposes," approved May 16, 1947; to the Committee on Armed Services.

By Mr. KEATING:

H. R. 4008. A bill to preserve seniority rights of 10-point preference eligibles in the postal service transferring from the position of letter carrier to clerk or from the position of clerk to letter carrier, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SPENCE:

H. R. 4009. A bill to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes; to the Committee on Banking and Currency.

By Mr. WELCH of Missouri:

H. R. 4010. A bill authorizing preliminary examination and survey of the Missouri River from the vicinity of the Iowa-Nebraska line, near Watson, Mo., to the vicinity of Leavenworth, Kans.; to the Committee on Public Works.

By Mr. COX:

H. Res. 177. Resolution to amend the rules of the House to provide for an officer to be known as the Historian of the House of Representatives; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Colorado, memorializing the President and the Congress of the United States to support the passage of the Local Public Health Service Act of 1949, and that the appropriation of $10,808,000, "Assistance to States, general public health," which was deleted from the appropriation bill, H. R. 3333, for the Public Health Service, passed March 9, 1949, by the House of Representatives, be restored so that adequate financial assistance will be available, and public health in Colorado may continue to go forward; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of Kentucky, condemning the trial and conviction of George R. Jones, of Owensboro, Ky., and Clarence R. Hill, of Jackson, Miss.; to the Committee on Foreign Affairs.

Also, memorial of the Legislature of the State of Oklahoma, expressing appreciation to the people of France for their kindly expression of friendship as exemplified by their sending to the citizens of Oklahoma the "merci car"; to the Committee on Foreign Affairs.

Also, memorial of the Legislature of the Territory of Hawaii, requesting the erection with Federal funds of an appropriate memorial at Pearl Harbor to perpetuate the memory of those brave men who died that America may remain free; to the Committee on House Administration.

Also, memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States to amend section 16 of the Hawaiian Organic Act; to the Committee on Public Lands.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. EBERHARTER:

H. R. 4011. A bill for the relief of Stavros Matheos (also known as Steve Matheos or Matheou); to the Committee on the Judiciary.

By Mr. FARRINGTON:

H. R. 4012. A bill for the relief of Lum Mon Sing; to the Committee on the Judiciary.

By Mr. LESINSKI:

H. R. 4013. A bill for the relief of Gasper Piazza; to the Committee on the Judiciary.

By Mr. McCARTHY:

H. R. 4014. A bill for the relief of Maria Hoffman; to the Committee on the Judiciary.

By Mr. MACK of Washington:

H. R. 4015. A bill for the relief of Kate Laursen; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

456. By the SPEAKER: Petition of J. W. Yopp and others, New Smyrna Beach, Fla., requesting passage of H. R. 2135 and 2136 known as the Townsend plan; to the Committee on Ways and Means.

457. Also, petition of John A. Wall and others, St. Petersburg, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

458. Also, petition of Mrs. J. J. Matson and others, Jasomine Beach, Orlando, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

459. Also, petition of Genevieve McGowin and others, Tampa, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

460. Also, petition of Manuel Navarro and others, Tampa, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

461. Also, petition of Mrs. Louise Mosier and others, West Palm Beach, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

462. Also, petition of J. P. Jackson and others, Miami, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

463. Also, petition of Mrs. J. J. Matson and others, Orlando, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

464. Also, petition of Grace Helen Matson and others, Orlando, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

465. Also, petition of Daniel N. Norton and others, St. Petersburg, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

466. Also, petition of J. W. Chastum and others, St. Petersburg, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

467. Also, petition of T. S. Kinney and others, Orlando, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

468. Also, petition of Frank A. Wood and others, Hialeah, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

469. Also, petition of Joseph William and others, Tampa, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

470. Also, petition of Mrs. Thomas Heid and others, Miami, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

471. Also, petition of O. S. Heaton and others, Boynton Beach, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

472. By Mr. BOGGS of Delaware: Petition of Woman's Christian Temperance Union of Sussex County, Del., containing 28 signatures, in support of H. R. 2428, a bill to prohibit the transportation in interstate commerce of advertisements of alcoholic beverages, and for other purposes; to the Committee on Interstate and Foreign Commerce.

473. Also, petition of Woman's Christian Temperance Union of Kent County, Del., containing 181 signatures, in support of H. R. 2428, a bill to prohibit the transportation in interstate commerce of advertisements of alcoholic beverages, and for other purposes; to the Committee on Interstate and Foreign Commerce.

474. By Mr. HALLECK: Petition of citizens of Valparaiso, Ind., favoring repeal of the wartime excise tax on cosmetics and toiletries; to the Committee on Ways and Means.

475. Also, petition of citizens of Valparaiso, Ind., favoring repeal of the wartime excise tax on cosmetics and toiletries; to the Committee on Ways and Means.

476. By Mr. RICH: Petition of Dr. E. Paul Miller and other citizens of Montgomery, Pa., for repeal of the 20-percent Federal excise tax on toilet goods; to the Committee on Ways and Means.

SENATE

TUESDAY, APRIL 5, 1949

(Legislative day of Friday, March 18, 1949)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Rev. Ralph Candler John, S. T. M., assistant minister, Foundry Methodist Church, offered the following prayer:

Eternal God, Thou didst lead our fathers forth into a wealthy place, even into this our blessed land, and the heritage which we know from Thee and from them is laden with priceless privilege and plenty. Our most earnest supplication is that in these years of our stewardship, when we both use and guard the treasures which Thou hast committed unto us, we may commend ourselves in Thy sight as good and faithful servants. We ask no other prize than Thy "Well done."

Guide our deliberations. Give us strength each day for the tasks thereof. And, above all, redeem us unto the highest. Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Monday, April 4, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills of the Senate, each with an amendment in which it requested the concurrence of the Senate:

S. 278. An act to prevent retroactive checkage of payments erroneously made to certain retired officers of the Naval Reserve, and for other purposes; and

S. 629. An act to authorize the disposition of certain lost, abandoned, or unclaimed personal property coming into the possession of the Treasury Department, the Department of the Army, the Department of the Navy, or the Department of the Air Force, and for other purposes.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 55. An act to include certain lands in the Carson National Forest, N. Mex., and for other purposes;

H. R. 779. An act to amend the Federal Tort Claims Act to increase the time within which claims under such act may be presented to Federal agencies or prosecuted in the United States district courts;

H. R. 1140. An act to protect and conserve the salmon fisheries of Alaska;

H. R. 1222. An act to authorize the exchange of certain fishery facilities within the State of Washington;

H. R. 1408. An act to declare that the United States holds certain lands in trust for the Lac Courte Oreilles Band of Lake Superior Chippewa Indians of the State of Wisconsin;

H. R. 1997. An act to authorize the survey of a proposed Mississippi River Parkway for the purpose of determining the feasibility of such a national parkway, and for other purposes;

H. R. 2285. An act to amend title 17 of the United States Code entitled "Copyrights," with respect to relaxation of provisions governing copyright of foreign works;

H. R. 2820. An act to amend the act entitled "An act to provide for the purchase of public lands for home and other sites," approved June 1, 1938 (52 Stat. 609), as amended;

H. R. 2821. An act to amend the act approved June 14, 1926 (44 Stat. 741; 43 U. S. C., sec. 869), entitled "An act to authorize acquisition or use of public lands by States, counties, or municipalities for recreational purposes," to include other public purposes and to permit nonprofit organizations to lease public lands for certain purposes;

H. R. 2859. An act to authorize the sale of public lands in Alaska;

H. R. 2944. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide survivorship benefits for widows or widowers of persons retiring under such act;

H. R. 3150. An act to revise and repeal certain acts relating to rules of survey to permit departures from the system of rectangular survey when necessary on all public lands, and for other purposes;

H. R. 3259. An act to add to the Abraham Lincoln National Historical Park, Ky., certain land acquired by the United States for that purpose;

H. R. 3274. An act to provide for the conveyance of certain historic properties to the State of Georgia, and for other purposes;

H. R. 3284. An act to authorize grantees of recreational demonstration project lands to make land exchanges relating to such properties, and for other purposes;

H. R. 3297. An act to authorize the addition of certain lands to Manassas National Battlefield Park, Va., and for other purposes;

H. R. 3396. An act to amend the law relating to timber operations on the Menominee Indian Reservation in Wisconsin;

H. R. 3420. An act to authorize the exchange of wildlife refuge lands within the State of Washington;

H. R. 3549. An act to permit the Comptroller General to pay claims chargeable against lapsed appropriations and to provide for the return of unexpended balances of such appropriations to the surplus fund;

H. R. 3762. An act to amend title 18, entitled "Crimes and Criminal Procedure," and title 28, entitled "Judiciary and Judicial Procedure," of the United States Code, and for other purposes;

H. R. 3830. An act to amend the China Aid Act of 1948;

H. R. 3856. An act to provide for a Commission on Renovation of the Executive Mansion;

H. R. 3875. An act to amend subsection (c) of section 19 of the Immigration Act of 1917, as amended, with respect to suspension of deportation of aliens; and

H. J. Res. 186. Joint resolution to extend the time for use of construction reserve funds established under section 511 of the Merchant Marine Act, 1936, as amended.

REPORT OF NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Armed Services:

To the Congress of the United States:

In compliance with the provisions of the act of March 3, 1915, as amended, establishing the National Advisory Committee for Aeronautics, I transmit herewith the Thirty-fourth Annual Report of the Committee covering the fiscal year 1948.

HARRY S. TRUMAN.

THE WHITE HOUSE, *April 5, 1949.*

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communications and letters, which were referred as indicated:

SUPPLEMENTAL ESTIMATE, DEPARTMENT OF AGRICULTURE (S. DOC. NO. 36)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation, amounting to $85,000, for the Department of Agriculture, fiscal year 1950, in the form of an amendment to the budget (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, DEPARTMENT OF THE ARMY (S. DOC. NO. 37)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of the Army, amounting to $1,300,000, for the fiscal year 1950, in the form of an amendment to the budget (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

RELIEF OF CERTAIN OFFICERS AND EMPLOYEES OF FOREIGN SERVICE

A letter from the Under Secretary of State, transmitting a draft of proposed legislation for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of war conditions (with accompanying papers); to the Committee on the Judiciary.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the committee on the part of the Senate.

COMMITTEE MEETING DURING SENATE SESSION

Mr. DONNELL asked and obtained consent that a subcommittee of the Committee on the Judiciary be permitted to meet during the session of the Senate today.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll and the following Senators answered to their names:

Aiken	Jenner	Murray
Anderson	Johnson, Tex.	Neely
Butler	Johnston, S. C.	O'Conor
Cain	Kefauver	Pepper
Cordon	Kem	Reed
Donnell	Kerr	Robertson
Ecton	Langer	Schoeppel
Ellender	Lodge	Smith, Maine
Ferguson	Long	Sparkman
Frear	Lucas	Stennis
Fulbright	McCarran	Taft
George	McCarthy	Taylor
Green	McClellan	Thomas, Okla.
Hayden	McFarland	Thomas, Utah
Hendrickson	McGrath	Thye
Hickenlooper	McKellar	Vandenberg
Hill	McMahon	Watkins
Hoey	Malone	Wherry
Holland	Maybank	Williams
Hunt	Millikin	Withers
Ives	Mundt	Young

Mr. LUCAS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Kentucky [Mr. CHAPMAN], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Texas [Mr. CONNALLY], the Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Colorado [Mr. JOHNSON], the Senator from West Virginia [Mr. KILGORE], the Senator from Washington [Mr. MAGNUSON], the Senator from Idaho [Mr. MILLER], the Senator from Pennsylvania [Mr. MYERS], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Maryland [Mr. TYDINGS] are detained on official business at meetings of Senate committees.

The Senator from Iowa [Mr. GILLETTE] the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Georgia [Mr. RUSSELL] are absent on public business.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

The Senator from California [Mr. DOWNEY] and the Senator from New York [Mr. WAGNER] are necessarily absent.

Mr. WHERRY. I announce that the Senator from Maine [Mr. BREWSTER] is absent on official state business.

The Senator from New Hampshire [Mr. BRIDGES] is absent because of illness in his family.

The Senator from Indiana [Mr. CAPEHART] is absent on official business.

The Senator from Pennsylvania [Mr. MARTIN] is absent by leave of the Senate.

The Senator from New Jersey [Mr. SMITH] is absent because of illness.

The Senator from Connecticut [Mr. BALDWIN], the Senator from Ohio [Mr. BRICKER], the Senator from Vermont [Mr. FLANDERS], the Senator from South Dakota [Mr. GURNEY], the Senator from California [Mr. KNOWLAND], the Senator from Oregon [Mr. MORSE], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Wisconsin [Mr. WILEY] are absent on official committee business.

The VICE PRESIDENT. Sixty-three Senators having answered to their names, a quorum is present.

PROCEDURE ON QUORUM CALLS

Mr. LUCAS. Mr. President——

The VICE PRESIDENT. Before recognizing any Senator the Chair would like to make an observation in regard to quorum calls. The Chair would like to have the attention of Senators, because some confusion has arisen over the observation and ruling by the Chair last week growing out of the question of putting the names of Senators on the roll on quorum calls when they are not actually present. The Chair was prompted to make that observation because of the difficulty of obtaining a quorum.

Last Thursday there was a quorum call and 49 Senators answered to their names and the Chair announced that 49 Senators answered to their names. The next morning, when the RECORD was printed, it showed that 89 Senators answered to their names, and that the Chair had said that 89 Senators had answered to their names. That was not true. The Chair did not say there were 89 Senators who answered to their names, because it was not true, and the Chair authorized nobody to change the RECORD to make the Chair say there were 89 Senators present when there were only 49 Senators present.

The Chair realizes that the habit has grown up of placing the names of Senators on the roll call and the clerks at the desk tell the Chair that sometimes the sheet is kept at the desk 2 or 3 hours after the roll call in order that Senators who come in later may have their names recorded.

The Chair has no desire to embarrass any Senator or to be arbitrary about this matter, but the Chair also objects to having his announcements changed by whoever makes up the RECORD, without his knowledge or consent.

The Reorganization Act itself, recognizing that it is frequently difficult to obtain quorums because Senators are in committees, provides against the holding of committee meetings while the Senate is in session, except by special leave of the Senate. When the Senate has given its consent for a committee to meet while the Senate itself is in session, there is some moral right on the part of Senators who are members of such a committee to have their names recorded as present, because, in a sense, they are present for the Senate, working on a committee, although the Chair doubts whether that ought to be done to make up the 49 Senators necessary for a quorum. When a Senator makes a point of no quorum, presumably he wishes 49 Senators to be present; and if at least that many are not present, there is not a quorum.

If agreeable to the Senate, the Chair would like to modify his ruling to the extent that when a committee is in session by the consent of the Senate—and it has no right to meet otherwise—either the clerk of the committee or the chairman of the committee may send to the Secretary of the Senate the names of Senators who are present in the committee, actually at work on committee matters, so that their names may be recorded as being present, though the Chair doubts that that ought to be done to make up the 49 necessary for a quo-

rum. The Chair feels that 49 Senators ought really to answer to their names to make a quorum.

The Chair would like to make a further observation. If every Senator were in his seat, and all 96 Senators were present, if a Senator should make the point of no quorum the rule requires that the roll must be called to ascertain if there is a quorum present. In the House of Representatives whenever the point of no quorum is made the Presiding Officer may count the Members of the House present, and if there are 218 in their seats he announces that a quorum is present and a roll call is not necessary. It would take much less time to count 49 Senators than to count 218 Members of the House to make a quorum.

This is purely a gratuitous suggestion. The Chair feels that the Committee on Rules and Administration might well give consideration to amending the rule in regard to quorums so that the Presiding Officer might count the Members present to determine whether there is actually a quorum, and if not, to have the roll called.

The Chair will undertake to accommodate Senators who are at work in committees which are meeting by the consent of the Senate if either the chairman or the clerk of the committee will advise the Chair or the Secretary of the Senate of the fact. Strictly speaking, that is not in accordance with the rule, because the rule requires Senators to be present in order that they may be announced as being present on a roll call. It may work an injustice, because the other day, when 89 Senators were announced as being present on a quorum call when they were not, on the next yea-and-nay vote, on the amendment offered by the Senator from Ohio [Mr. TAFT] and the Senator from Georgia [Mr. RUSSELL], only 77 Senators voted. If a roll call for a quorum is had immediately before a yea-and-nay vote, and the RECORD shows that 89 or 90 Senators have answered to the roll call for a quorum, and only 75 or 80 Senators vote in a yea-and-nay vote, anyone reading the RECORD might draw the conclusion that there were present 10 or 12 Senators who were not willing to vote.

The situation is in some confusion, and it may work unfairness to some Senators, but the Chair wishes to accommodate his views to the convenience of the Senate, especially with respect to committees which are in session with the consent of the Senate.

With that understanding and that modification, the Chair will undertake to carry out that viewpoint.

Mr. LUCAS. Mr. President, I take this opportunity to compliment the distinguished Vice President for attempting to enforce the rules of the Senate. It seems to me that as we go along from day to day we are having less respect for the rules of this parliamentary body. The only way orderly debate can be carried on, and the only way business can be expedited in the Senate is for Senators to attempt to follow the rules as closely as possible. All Senators violate the rules occasionally, perhaps at times when they should not. I myself have been guilty of doing so. But I believe that the more the Senate studies the rules and the more we strictly adhere to the rules, the better parliamentary body we shall have, and the more business we shall accomplish.

I also wish to commend the distinguished Vice President upon the modification of his ruling with respect to marking Senators present on a quorum call. It seems to me absolutely just and right, when Senators have been excused by the Senate to meet in committee on important business, and a quorum call is had, for the clerk of the committee or the chairman of the committee to send to the desk the names of Senators who are in attendance. I think that is perfectly proper, and that it will avoid a great deal of confusion which now exists. I congratulate the Chair on modifying his ruling to that extent.

Mr. DONNELL. Mr. President, I fully appreciate the very fine spirit which the Vice President has exhibited in his desire to accommodate the Senate. I realize also the fact that to refuse to place upon the roll the name of a Senator who is in a committee meeting when such committee has been authorized to sit by the Senate works a hardship. I think it illustrates a defect in our rules.

I am one of those Senators who in the past, generally speaking, have not permitted their names to go on the roll unless they were present, with one exception, namely, that if I were in a committee meeting I have permitted my name to go on the roll although I was not physically present.

Regardless of the considerations I have mentioned, I think it is very unfortunate for the Chair, by a ruling, to undertake to make a change in the rules of the Senate. I do not in any sense wish to appear disrespectful or unappreciative of the fine spirit of the distinguished Vice President, for whom, as he knows, I have the highest regard. To my mind, however, we are making a very great mistake if we sit silently here and consent to a change in the rules being made by an utterance of the Vice President.

If the Vice President will not take offense, may I say very respectfully that I think the Vice President is likewise making a mistake in undertaking to change the rule by common consent. As I see it, the rule can be changed in only one way, and that is by the method prescribed in the rules for the amendment of the rules.

I should like to make two final observations. One is that as a Member of the Senate I object to the modification made by the Chair. In the second place, I respectfully suggest that this matter be given immediate attention by the appropriate committee, which I take it is the Committee on Rules and Administration, with a view to bringing before the Senate such modification as may conduce to the convenience and efficiency of the Senate.

While I am on my feet, let me say that, pursuant to the request of the senior Senator from Mississippi [Mr. EASTLAND], who is not on the floor of the Senate because he is in the Senate Judiciary Committee headquarters, where a meeting of the subcommittee considering Senate bill 595 has been in progress, I ask unanimous consent that the subcommittee meeting be permitted by the Senate to continue.

First, I most respectfully make the objection which I do to the modification made by the Chair.

Secondly, I make the suggestion that the Rules Committee give immediate attention to the very great inconvenience which is caused by strict adherence to the rules.

The VICE PRESIDENT. The Chair understands that the Senator from Missouri objects to the modification announced by the Chair in regard to members of committees which are in session with the consent of the Senate.

Mr. DONNELL. That is correct.

The VICE PRESIDENT. The Chair announced that technically that is not in accordance with the rules; and it is not. The Chair appreciates the good faith of the Senator from Missouri.

But in view of the comments and the situations which have occurred since the Chair made his ruling last week, on the part of Senators who were in committees at the time of quorum calls, even that modification is such an improvement over what has occurred here since time immemorial, when any Senator could call on the telephone and get his name placed on the roll, without even appearing in the Senate Chamber that day, that the Chair felt justified in making the modification, although the Chair admits that it is not in accordance with the rule, and the Chair thinks that the Committee on Rules and Administration might very well give consideration to the matter.

Mr. CONNALLY. Mr. President, I was not in the Chamber when this discussion began. Today is the regular meeting day of the Committee on Foreign Relations, and the committee was meeting in its room beneath this Chamber, from which it is convenient for the members of the committee to come to the Senate Chamber when necessary. We anticipated a call, but we had one or two little matters which we were on the point of disposing of.

I wish to advise the Chair of the members of the committee who were present at that meeting: The Senator from Georgia [Mr. GEORGE], the Senator from Utah [Mr. THOMAS], the Senator from Rhode Island [Mr. GREEN], the Senator from Connecticut [Mr. MCMAHON], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Michigan [Mr. VANDENBERG], the Senator from Massachusetts [Mr. LODGE], and the chairman of the committee, the senior Senator from Texas [Mr. CONNALLY].

Under the ruling of the Chair we think we should be recorded as being present. Certainly it is just a few steps from that committee room to this Chamber.

Mr. CORDON. Mr. President, I am a little disturbed about the situation which may arise here increasingly often, because we are behind in our legislative schedule, and it is perfectly apparent to everyone, I am sure, that we are going to have to have legislative committee meetings during sessions of the Senate if we

are to make any dent whatever in the legislative backlog.

In order that we may continue to have uninterrupted committee meetings during the sessions of the Senate, when unanimous consent to that effect is granted, I now ask unanimous consent that when legislative committees are sitting during sessions of the Senate, pursuant to consent which has been given, and when quorum calls are had, the chairman or Senator presiding at the committee hearing or meeting may send to the Senate Chamber a list of the names of the Senators present at such meeting, and those Senators may be shown in the RECORD as being present at the time of such quorum calls.

The VICE PRESIDENT. Is there objection to the request of the Senator from Oregon?

Mr. DONNELL. Mr. President, reserving the right to object, I wish to propound a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. DONNELL. I wish to ask whether I correctly understand that under the existing rules no Senator can be counted as present in the Senate when he is not actually here.

The VICE PRESIDENT. Under the existing rules, which have not been observed, the Chair will say, for many years, no Senator has a right to be recorded as being present and answering to his name unless he was actually present and answered to his name.

Mr. DONNELL. Mr. President, in view of that fact, and notwithstanding my full realization of the inconvenience which is caused by the observance of the rule to the letter, it appears to me that I should object, and in a moment I shall object. In the meantime, I should like to say that it seems to me that the unanimous-consent agreement proposed by the distinguished Senator from Oregon [Mr. CORDON] amounts, in effect, as I understand the situation, to an amendment to the rule. I think it would be a very unfortunate precedent for us by general waiver or by a general unanimous-consent agreement to amend the rules. It seems to me that what we should do is to consider the matter, have the Committee on Rules and Administration consider it, and have it make its recommendations to the Senate; and then if we think the rule should be amended—and in my own judgment I think it should be—we should follow that course.

Therefore, I object to the request made by the Senator from Oregon.

Mr. MAYBANK. Mr. President, I do not desire to get into a discussion of the ruling which has been made by the Chair; but I may say that the Appropriations Committee, under its able chairman, the Senator from Tennessee [Mr. MCKELLAR], is now sitting, holding hearings on the appropriations bill for the civil functions of the War Department, the functions under the Army engineers. I wish to make that statement for the RECORD, because some Senators are in attendance at that committee meeting now. I trust that meets with the ruling of the Chair.

The VICE PRESIDENT. The Chair in his observation did not mean that he thought absent Senators, even though in attendance at a committee, should be counted among the 49 necessary to constitute a quorum. When a Senator makes the point of the absence of a quorum, the Chair thinks that both the Senate and the Chair have the right to assume that that means that the Senator who suggests the absence of a quorum wishes to have 49 Senators present, in order to constitute a quorum.

The injustice which may result to Members of the Senate who are then in attendance at committee meetings grows out of the fact that they are shown in the RECORD as absent, as not here at all, although their presence may not have been necessary to make up the 49 Senators who constitute a quorum.

Mr. MAYBANK. Therefore, Mr. President, I ask unanimous consent that we may continue our hearing.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. FULBRIGHT. I object.

The VICE PRESIDENT. The Senator from Arkansas objects to the request that the Committee on Appropriations may meet during the session of the Senate; is that what the Senator has in mind?

Mr. FULBRIGHT. Yes.

Mr. MAYBANK. Mr. President, we asked to be recorded; we came up here and were recorded. The Senator from Arkansas does not object, does he, to permitting the members of the committee to continue to attend its meeting, after they came here and were recorded?

Mr. FULBRIGHT. Yes; I object.

The VICE PRESIDENT. The Chair still does not know just what the Senator from Arkansas objected to.

Mr. FULBRIGHT. I objected to unanimous consent for the committee to meet while the Senate is in session.

The VICE PRESIDENT. Such request has previously been granted, so far as today is concerned.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. Is the Senate to understand that from now on we are to operate under the modification which the distinguished Vice President has announced to the Senate, namely, that in the case of legislative committees which have obtained consent to meet during the session of the Senate, the members of those committees, if present at the committee meeting, will be marked present on a quorum call of the Senate if one is had?

The VICE PRESIDENT. That was the feeling of the Chair, although the Chair is left in somewhat of an embarrassing position, because of the fact that the request of the Senator from Oregon that that be done was objected to by the Senator from Missouri—and of course the Senator from Missouri had a right to do so.

But the Chair hopes that some workable arrangement may be brought about so as to make the RECORD a correct and true one, and not one that is not true.

Mr. WHERRY. Let me make a suggestion, Mr. President. I feel that the Committee on Rules and Administration probably is the committee which should immediately take this matter under advisement, and then should recommend to the Senate, at as early a date as possible, a solution of the problem. I agree with the Vice President that it is a problem.

Of course, I am not the majority leader and I am not suggesting that the majority leader adopt my suggestion by any means; but could it not be agreed, by unanimous consent, at the beginning of each session that until the rule is changed in such a way as to eliminate any difficulty of this sort, the members of committees which are granted consent to meet during the session of the Senate may have their names placed on the quorum call? In other words, then at each session such unanimous consent would be requested by the majority leader.

The VICE PRESIDENT. Of course, it would not be difficult for the chairman or the secretary of a committee to send to the Senate Chamber a list of the Senators who are present at the committee meeting, and have announcement made in the Senate Chamber that those Senators are attending the meeting of the committee, and that that is the reason why they are not present and answering to their names during the roll call in the Senate Chamber. That would of course make the RECORD perfectly clear as to all Senators in that situation.

Mr. WHERRY. My suggestion to the distinguished Senator from Missouri is that such procedure be followed and unanimous consent asked at each session of the Senate until the Rules Committee reports, if possible, a change in the rule which will meet the situation now confronting the Senate.

The VICE PRESIDENT. That would be subject to an objection each day.

Mr. VANDENBERG and Mr. DONNELL addressed the Chair.

The VICE PRESIDENT. Does the Senator from Nebraska yield, and if so, to whom?

Mr. WHERRY. I yield first to the Senator from Michigan.

Mr. VANDENBERG. Mr. President, in undertaking to summarize the situation, the Chair just agreed with the statement made by the Senator from Nebraska. I wonder if the Senator from Nebraska did not inadvertently omit the fact that the Chair will require in the first instance 49 present Senators before the other practice proceeds.

The VICE PRESIDENT. Oh, yes; the Chair undertook to make that plain from the start, that 49 Senators must actually answer to their names in the Chamber in order to make a quorum.

Mr. DONNELL. Mr. President——

The VICE PRESIDENT. The Senator from Missouri.

Mr. DONNELL. Notwithstanding the point so ably presented by the Senator from Nebraska, I shall feel constrained to make objection at the opening of each session of the Senate, if that practice is sought to be indulged in. I make that announcement, not because of any feeling that we should not change the rules. I think we have a very striking illustration at the present moment of the unfortunate situation under which the Sen-

ate labors by reason of the ruling which was made by the Vice President a few days ago. I think the Vice President was correct in the ruling which he made. I feel that there should be a change in the rules, but I regard it as extremely unfortunate and unwise, by a series of unanimous consents, day after day, for an indeterminate period, to undertake to set aside a rule of the Senate. I reiterate that I shall continue to object, not because of any objection to the ultimate result sought, but because of the fact that I think it establishes a highly unfortunate precedent in the Senate. I do not consent to the suggestion made by the Senator from Nebraska.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. DONNELL. If I may, I should like to add, Mr. President, that my attention was called to the fact—and I should like the RECORD to show—that I myself was in violation of the rules a few moments ago when I stood near the desk of the distinguished Senator from Texas [Mr. CONNALLY] and made the objection. I do not think I should have been there. I had gone there by reason of the fact that I had spoken a moment before, to the distinguished majority leader and, rather than come back to my own desk, I stood there. But I still think I was in error in being where I was.

But, nevertheless, it is unwise for the Vice President to attempt to set aside a rule of the Senate by a statement such as the Vice President has so well and carefully phrased this morning, and I regard it as equally unwise, if not more so—strike "if not more so"—I regard it as equally unwise—strike the word "equally"—I am going to say "unwise," for the Senate itself to establish a precedent for the violation of rules as suggested by the Senator from Nebraska. I reiterate the suggestion that the Rules Committee give immediate attention to this problem and report to the Senate its views.

Mr. WHERRY. Mr. President——

The VICE PRESIDENT. The Senator from Nebraska.

Mr. WHERRY. Whether it is "equally" or "more so" or "unwise," I was simply suggesting as I thought a temporary solution of a situation that might become permanent if the unanimous consent requested by the Senator from Oregon were given at this time. I agree with the distinguished Senator from Missouri that if the condition is to be permanently remedied, it should be done by a change in the rule. But I also call attention to the fact that I think the Vice President's suggested modification was a very good solution of a difficulty which has arisen.

I may say further that I have had several Members on this side of the aisle come to me and request me to suggest the absence of a quorum, because they failed to get on the previous quorum call. It seems to me that that is what the Senate is going to be confronted with. Yesterday I made an appointment down town at 11 o'clock not knowing that the distinguished majority leader would have the Senate meet at 11 o'clock a. m. I made the appointment several weeks ago. I kept the appointment, and I missed the morning roll call. If there had not been a roll call again that day, I should very likely have asked for a quorum call, because I wanted the good people of Nebraska to know that I was in attendance in the Senate yesterday, and if I cannot get on one roll call, I want to get on a subsequent one just as early as I can. So we are confronted with that proposition.

I should like to say, as minority leader, that we on this side of the Chamber want to cooperate fully in furthering the business of the Senate, we do not want to cause any delay. But if the modification of his ruling announced by the Chair is objected to, as I understand it has been, on the ground that the only way the rules can be changed is by a vote of the Senate it seems to me we shall have to operate under the present situation until the rule is changed; and if it results in a little delay, we simply cannot help it.

The VICE PRESIDENT. The Chair would like to say to the Senator from Missouri [Mr. DONNELL] that the Chair would have called him to order a while ago when he was out of his place, except for the fact that the Senator from Missouri is always welcome on the Democratic side.

Mr. DONNELL. I may say to the Vice President that technically I am inclined to think that at one point in my remarks I stepped over on the Republican side of the aisle.

Mr. LUCAS and Mr. HOEY addressed the Chair.

The VICE PRESIDENT. The Senator from Illinois.

Mr. LUCAS. Mr. President, I should like to ask my good friend, the junior Senator from Arkansas, whether he would not condescend to withdraw his request with respect to the Appropriations Committee meeting on the civil-functions bill. The Armed Services Committee has received unanimous consent to sit today.

The VICE PRESIDENT. The Chair would like to state that the Committee on Appropriations already has consent to meet. The objection of the Senator from Arkansas came too late for that, if that is what he was objecting to.

Mr. LUCAS. I did not so understand, Mr. President. I am sorry.

The VICE PRESIDENT. The RECORD shows the Committee on Appropriations has consent to meet.

COMMITTEE MEETING DURING SENATE SESSION

Mr. TYDINGS. Mr. President, in view of the fact that the three Secretaries of Army, Navy, and Air and the three Chiefs of Staff will be before the Armed Services Committee tomorrow morning and perhaps a little while in the afternoon, and in view of the fact that their time is very valuable, I ask unanimous consent that the Committee on Armed Services may hold meetings while the Senate is in session, so as not to tie up those men, whose services are required there.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. DONNELL. Mr. President, let me inquire whether under the consent just given at the request of the Senator from Maryland, it is in any sense either stated or implied that Senators who are present at the committee meeting shall be counted as present in the Senate Chamber if a quorum call is had during the time when they are in attendance at the committee.

The VICE PRESIDENT. The request had no reference to that subject.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

WITHDRAWAL OF AMERICAN MEMBERSHIP FROM INTERNATIONAL LABOR ORGANIZATION—RESOLUTION OF RETAIL AUTOMOTIVE INDUSTRY, OF ONTARIO, OREG.

Mr. MORSE. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD a resolution adopted by the Retail Automotive Industry, of Ontario, Oreg., on the 9th day of March 1949, favoring the withdrawal of American membership from the International Labor Organization.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

ONTARIO, OREG., *March 9, 1949.*

To the President of the United States of America and to the Senate and House of Representatives of the United States in the Eighty-first Congress assembled:

The following resolution adopted by the Retail Automotive Industry, of Ontario, Oreg., by unanimous vote at a meeting of the employers and employees of the industry on the 9th day of March 1949, is herewith respectively submitted.

L. W. CABLES,
Cables Chevrolet Co.
W. J. JACKSON,
Jackson Motors.
EARL BOPP,
Malheur Motors, Inc.
THOMAS T. ENNOR,
Tom Ennor Garage.
PAUL A. ROBERTS,
W. M. HOLLOWAY,
Holloway Motor Co.
LOUIS SCHAFFER,
Schaffer Motors.

Attest:

LORETTA CABLES,
Secretary.

"Whereas in the year 1934, the Congress of the United States authorized our Government to take membership in the International Labor Organization, which membership was subsequently taken; and,

"Whereas said International Labor Organization has a program of socialization of the nations of the earth, in line with the teachings and doctrines of Karl Marx and followers, and has been active in the introduction of bills and enactment of laws to accomplish socialization of these United States: Now, therefore, be it

"Resolved by the Retail Automotive Industry, of Ontario, Oreg.—

"1. That the President of the United States and the Eighty-first Congress be and hereby is requested to withdraw the membership of our country from said International Labor Organization.

"2. That copies of this resolution be transmitted by the secretary of the industry to the President of the United States, the presiding officers of the United States Senate and United States House of Representatives, and to each Senator and Congressman from Oregon."

(Copies to Senator WAYNE MORSE, Senator GUY CORDON, Representative LOWELL STOCKMAN, Representative WALTER NORBLAD, Representative HOMER ANGELL, and Representative HARRIS ELLSWORTH.)

COLUMBIA VALLEY AUTHORITY—RESOLUTIONS OF OREGON STATE GRANGES

Mr. MORSE. Mr. President, I am in receipt of a letter from Morton Tompkins, master of the Oregon State Grange, of Portland, Oreg., dated March 30, 1949, enclosing resolutions adopted by Nashville Grange, No. 903; Sparta Grange, No. 764; Rockwall Grange, No. 679; Mapleton Grange, No. 584; Warner Grange, No. 117; Reed Creek Grange, No. 851; Yamhill County Pomona Grange; and Crowfoot Grange, No. 314; all in the State of Oregon, relating to the Columbia Valley Authority. I ask unanimous consent that the letter and resolutions be appropriately referred and printed in the RECORD.

There being no objection, the letter and resolutions were referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

OREGON STATE GRANGE,
Portland, Oreg., March 30, 1949.

Senator WAYNE MORSE,,
Senate, Washington, D. C.

DEAR SENATOR MORSE: I am enclosing copies of original resolutions favoring the Columbia Valley Authority which were sent to the President today.

This office is in daily receipt of similar resolutions endorsing the principles of a Columbia Valley Authority, and copies of these resolutions will be forwarded to you as they are received.

We hope that when the Columbia Valley Authority legislation is introduced, it will receive your most earnest and serious consideration.

Sincerely,

MORTON TOMPKINS,
Master, Oregon State Grange.

To the President and Congress of the United States:

Whereas the President of the United States has recommended to the Eighty-first Congress the establishment of a Columbia Valley Authority, taking into account the needs of the region, and in view of the further development and conservation of our natural resources; and

Whereas to protect the people of the Columbia Valley from future disaster from flood and needless loss of life and property; and

Whereas great industrial development and employment opportunities are being denied: Now be it

Resolved, That the Congress of the United States enact legislation for the establishment of a Columbia Valley Authority to coordinate the full development of the Columbia Valley for cheaper navigation, flood control, development of conservation of natural resources beneficial to the Pacific Northwest.

Adopted by Nashville Grange, No. 903, at a regular meeting of its members this 11th day of March 1949.

MARGARET HAMARY,
Secretary.
CHAS. HINSHAW,
Master.
A. R. WHITE,
Chairman, Executive Committee.

(Nashville Grange, No. 903, Nashville, Oreg.; number of members, 43.)

To the President and Congress of the United States:

Whereas we have no electric power and see no prospect of getting any; and

Whereas our forests are rapidly diminishing and we are greatly in need of a reforestation program; and

Whereas the soil in this region is in need of more and better fertilizer; and

Whereas we are in need of better marketing facilities; and

Whereas mineral sources in this vicinity would be more adequately developed with more and cheaper electric power: Therefore be it

Resolved, That the Congress of the United States enact legislation of a Columbia Valley Authority.

HILDA MCCUMBER,
Secretary.
F. A. MCCUMBER,
Master.
I. D. BINNS,
H. A. GRAVES,
Executive Committee.

(Sparta Grange, No. 764, Baker County; number of members, 29.)

To the President and Congress of the United States:

Whereas the President of the United States has recommended to the Eighty-first Congress the establishment of a Columbia Valley Authority taking into account the characteristics and needs of the region, and the interests of all parts of the executive branch; and

Whereas the Columbia Valley is experiencing a very critical power shortage because of the lack of a coordinated river development plan; and

Whereas a Columbia Valley Authority would make more employment opportunities; and

Whereas flood control is daily becoming more pressing and needful; Now, therefore, be it

Resolved, That the Congress of the United States enact legislation for the establishment of a Columbia Valley Authority to coordinate the full development of the water and other resources of the Columbia Valley, including such benefits as flood control, navigation, irrigation, industrial and domestic water supply, and electric power.

Adopted at Rockwall Grange, No. 679, at a regular meeting of its members this 25th day of March 1949.

INA TOWNSEND,
Secretary.
RONALD CRUICKSHANK,
Master.
WALLACE GROGHAN,
Executive Committee.

(Rockwall Grange, No. 679, Union County; number of members, 69.)

To the President and Congress of the United States:

We the members of Mapleton Grange, No. 584, of Mapleton, Oreg., wish to go on record as favoring any move you may make to further the development of Columbia Valley Authority projects here in the Northwest. We need all the help you can give us.

ARCHIE O. KNOWLES,
Master.
MARGIE I. KNOWLES,
Secretary.
PETER S. RICE,
A. W. CAMP,
L. J. PLOWMAN,
Executive Committee.

To the President and Congress of the United States:

Whereas the President of the United States has recommended to the Eighty-first Congress the establishment of a Columbia Valley Authority taking into account the characteristics and needs of the region, and the interests of all parts of the executive branch: Therefore be it

Resolved, That Warner Grange, 117, in regular session this 10th day of March, go on record as favoring a CVA.

J. F. DRESSER,
Secretary.

To the President and Congress of the United States:

Whereas we consider development of a Columbia Valley Authority essential to the welfare of the State of Oregon to give the people more electric power which is badly needed and to lower freight rates by providing more water transportation; and

Whereas the need for flood control is very urgent and would be provided for by a Columbia Valley Authority: Therefore, be it

Resolved, That the Congress of the United States enact legislation to establish a Columbia Valley Authority and provide these and other benefits for the people of this region.

Adopted by Reed Creek Grange, No. 851, at a regular meeting of its members March 4, 1949.

EDWARD V. KETOLA,
Secretary.
RACHEL STROME,
Master.
CHARLES W. PARKER,
ALVAH STROME,
J. D. STEERE,
Executive Committee.

(Reed Creek Grange, No. 851, Lincoln County; 40 members.)

Whereas the development of the Columbia River watershed both for power and for irrigation is too great an undertaking for State or political subdivision; and

Whereas the development of this great waterway is necessary to complete the economic fulfillment of the Northwest; and

Whereas there are too many facets to the problem of developing this great natural resource to permit its being entrusted to the service departments of Government or the States adjacent: Therefore be it

Resolved, That the Congress of the United States enact and cause to be implemented a Columbia Valley Authority which shall be charged with the development and administration of the herein mentioned activities; be it further

Resolved, That in establishing this authority the Congress be enjoined to convey to the several States adjacent to the Columbia River as much of the administration of the Columbia Valley Authority as is feasible.

YAMHILL COUNTY
POMONA GRANGE,
GUY SHUMWAY,
Master.
HAZEL SCHREIBER,
Secretary.

LEBANON, OREG., *March 15, 1949.*

MORTON TOMPKINS,
Master, Oregon State Grange,
Portland, Oreg.

DEAR MR. TOMPKINS: At our regular business meeting last Saturday night Crowfoot Grange, No. 314, made, seconded, and passed a motion that the secretary be instructed to write and tell you that we endorse the CVA.

By this letter, I am carrying out those instructions, and letting you know that Crowfoot Grange, No. 314, is backing the CVA program.

Yours very truly,

WENONAH WILEY,
Secretary.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

S. 166. A bill to amend the act entitled "An act to provide for the conveyance to Pinellas County, State of Florida, of certain public lands herein described," approved June 17, 1948 (Public Law 666, 80th Cong.), for the purpose of correcting a land description therein; without amendment (Rept. No. 212); and

S. 493. A bill to extend the benefits of the Vocational Education Act of 1946 to the Virgin Islands; without amendment (Rept. No. 213).

By Mr. BUTLER, from the Committee on Interior and Insular Affairs:

S. 270. A bill to change the name of Culbertson Dam on the Republican River in the State of Nebraska to Trenton Dam; with amendments (Rept. No. 214).

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting several nominations, and withdrawing a nomination, which nominating messages were referred to the Committee on the Judiciary.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. CONNALLY, from the Committee on Foreign Relations:

John J. Muccio, of Rhode Island, a Foreign Service officer of the class of career minister, now special representative of the President of the United States to Korea, to be Ambassador Extraordinary and Plenipotentiary to the Republic of Korea; and

Karl L. Rankin, and sundry other Foreign Service officers to be consuls general and secretaries in the diplomatic service.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KILGORE:

S. 1504. A bill to provide for the issuance of a special postage stamp in commemoration of the establishment of the Great Kanawha River Basin flood-control plan; to the Committee on Post Office and Civil Service.

By Mr. TYDINGS:

S. 1505. A bill to amend the act entitled "An act to authorize the construction of experimental submarines, and for other purposes," approved May 16, 1947; to the Committee on Armed Services.

By Mr. IVES:

S. 1506. A bill for the relief of Andre Lan; to the Committee on the Judiciary.

By Mr. SALTONSTALL:

S. 1507. A bill to amend section 10 of the act of August 2, 1946, relating to the receipt of pay, allowances, travel, or other expenses while drawing a pension, disability allowance, disability compensation, or retired pay, and for other purposes; to the Committee on Armed Services.

By Mr. McKELLAR:

S. 1508. A bill for the relief of J. L. Hitt; to the Committee on the Judiciary.

By Mr. LANGER:

S. 1509. A bill for the relief of Abdul Latif; to the Committee on the Judiciary.

By Mr. TYDINGS:

S. J. Res. 75. Joint resolution to authorize the issuance of a special series of stamps commemorative of the three hundredth anniversary of the passage of the Religious Tolerance Act of Maryland; to the Committee on Post Office and Civil Service.

ADMINISTRATIVE COURT OF THE UNITED STATES—AMENDMENT

Mr. McCARRAN submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (S. 684) to improve the administration of justice by the creation of an Administrative Court of the United States, which was referred to the Committee on the Judiciary and ordered to be printed.

TEMPORARY ASSISTANTS FOR COMMITTEE ON BANKING AND CURRENCY

Mr. MAYBANK submitted the following resolution (S. Res. 101), which was referred to the Committee on Banking and Currency:

Resolved, That in holding hearings, reporting such hearings, and making investigations as authorized by section 134 of the Legislative Reorganization Act of 1946, the Committee on Banking and Currency, or any duly authorized subcommittee thereof, is authorized during the period ending February 15, 1950, to make such expenditures, and to employ upon a temporary basis such investigators, and such technical, clerical, and other assistants as it deems advisable.

SEC. 2. The expenses of the committee under this resolution, which shall not exceed $50,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee or subcommittee, as the case may be.

HOUSE BILLS AND JOINT RESOLUTION REFERRED OR PLACED ON CALENDAR

The following bills and joint resolution were severally read twice by their titles and referred, or ordered to be placed on the calendar, as indicated:

H. R. 55. An act to include certain lands in the Carson National Forest, N. Mex., and for other purposes;

H. R. 1408. An act to declare that the United States holds certain lands in trust for the Lac Courte Oreilles Band of Lake Superior Chippewa Indians of the State of Wisconsin;

H. R. 1997. An act to authorize the survey of a proposed Mississippi River parkway for the purpose of determining the feasibility of such a national parkway, and for other purposes;

H. R. 2820. An act to amend the act entitled "An act to provide for the purchase of public lands for home and other sites," approved June 1, 1938 (52 Stat. 609), as amended;

H. R. 2821. An act to amend the act approved June 14, 1926 (44 Stat. 741; 43 U. S. C., sec. 869), entitled "An act to authorize acquisition or use of public lands by States, counties, or municipalities for recreational purposes," to include other public purposes and to permit nonprofit organizations to lease public lands for certain purposes;

H. R. 2859. An act to authorize the sale of public lands in Alaska;

H. R. 3150. An act to revise and repeal certain acts relating to rules of survey to permit departures from the system of rectangular survey when necessary on all public lands, and for other purposes;

H. R. 3259. An act to add to the Abraham Lincoln National Historical Park, Ky., certain land acquired by the United States for that purpose;

H. R. 3274. An act to provide for the conveyance of certain historic properties to the State of Georgia, and for other purposes;

H. R. 3284. An act to authorize grantees of recreational demonstration-project lands to make land exchanges relating to such properties, and for other purposes;

H. R. 3297. An act to authorize the addition of certain lands to Manassas National Battlefield Park, Va., and for other purposes; and

H. R. 3396. An act to amend the law relating to timber operations on the Menominee Indian Reservation in Wisconsin; to the Committee on Interior and Insular Affairs.

H. R. 779. An act to amend the Federal Tort Claims Act to increase the time within which claims under such act may be presented to Federal agencies or prosecuted in the United States district courts; and

H. R. 3856. An act to provide for a Commission on Renovation of the Executive Mansion; ordered to be placed on the calendar.

H. R. 1140. An act to protect and conserve the salmon fisheries of Alaska;

H. R. 1222. An act to authorize the exchange of certain fishery facilities within the State of Washington;

H. R. 3420. An act to authorize the exchange of wildlife refuge lands within the State of Washington; and

H. J. Res. 186. Joint resolution to extend the time for use of construction reserve funds established under section 511 of the Merchant Marine Act, 1936, as amended; to the Committee on Interstate and Foreign Commerce.

H. R. 2285. An act to amend title 17 of the United States Code entitled "Copyrights," with respect to relaxation of provisions governing copyright of foreign works;

H. R. 3762. An act to amend title 18, entitled "Crimes and Criminal Procedure," and title 28, entitled, "Judiciary and Judicial Procedure," of the United States Code, and for other purposes; and

H. R. 3875. An act to amend subsection (c) of section 19 of the Immigration Act of 1917, as amended, with respect to suspension of deportation of aliens; to the Committee on the Judiciary.

H. R. 2944. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide survivorship benefits for widows or widowers of persons retiring under such act; to the Committee on Post Office and Civil Service.

H. R. 3549. An act to permit the Comptroller General to pay claims chargeable against lapsed appropriations and to provide for the return of unexpended balances of such appropriations to the surplus fund; to the Committee on Expenditures in the Executive Departments.

H. R. 3830. An act to amend the China Aid Act of 1948; to the Committee on Foreign Relations.

PAYMENTS ERRONEOUSLY MADE TO CERTAIN RETIRED OFFICERS OF NAVAL RESERVE

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 278) to prevent retroactive checkage of payments erroneously made to certain retired officers of the Naval Reserve, and for other purposes, which was, in line 8, after "855h)" to insert a comma and "and that the term 'Naval and Marine Corps Reserve' as used in subsection (b) of section 301 of Public Law 810 shall include officers and enlisted personnel on the honorary retired list of the Naval Reserve or Marine Corps Reserve established by section 309 of the Naval Reserve Act of 1938, as amended (34 U. S. C. 855h)."

Mr. TYDINGS. Mr. President, this is a bill which passed the Senate on February 8, and the House passed it on yesterday, April 4, with an amendment. The amendment is a minor one, and simply clarifies language. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

DISPOSITION OF CERTAIN PERSONAL PROPERTY

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 629) to authorize the disposition of certain lost, abandoned, or unclaimed personal property coming into the possession of the Treasury Department, the Department of the Army, the Department of the Navy, or the Department of the Air Force, and for other purposes, which was to strike out all after the enacting clause and insert:

That the Secretary of the Treasury, the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force, respectively, subject to the provisions of section 5 of this act, are hereby authorized to dispose of by public or private sale or otherwise, not less than 1 year after date of receipt at such storage points as may be designated by the above-mentioned Secretaries, all lost, abandoned, or unclaimed personal property which is now or may hereafter come into the possession, custody, or control of the Treasury Department, the Department of the Army, the Department of the Navy, or the Department of the Air Force, as the case may be: *Provided*, That diligent effort shall be made to determine and locate the owner or owners thereof, his or their heirs or next of kin, or his or their legal representative or representatives, and that in all cases where the owner or owners thereof, or his or their legal representative or representatives, his or their heirs or next of kin, has or have been determined, the property shall not be sold or otherwise disposed of prior to the expiration of a period of 120 days after written notice by registered mail giving time and place of intended sale or other disposition thereof has been sent to his or their last-known address.

SEC. 2. The net proceeds received from the sale of any such property by the Treasury Department, the Department of the Army, the Department of the Navy, or the Department of the Air Force shall be covered into the Treasury as miscellaneous receipts.

SEC. 3. Claims for the net proceeds, if any, of such property so disposed of may be filed with the General Accounting Office by the rightful owners, their heirs or next of kin, or their legal representatives at any time prior to the expiration of 5 years from the date of the disposal of the property and, if so filed, the General Accounting Office shall allow or disallow the claim. If claims are not filed prior to the expiration of 5 years from the date of the disposal of the property, they shall be barred from being acted on by the Courts or the General Accounting Office.

SEC. 4. The Secretary of the Treasury, the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force, respectively, are authorized to prescribe such rules and regulations as may be necessary to carry out the provisions of this act.

SEC. 5. Any property coming within the provisions of this act which may be delivered to the Soldiers' Home under regulations prescribed by the Secretary of the Army or the Secretary of the Air Force shall be limited to papers of value, sabers, insignia, decorations, medals, watches, trinkets, manuscripts, or other articles valuable chiefly as keepsakes: *Provided*, That if the rightful owners, their heirs, next of kin, or their legal representatives should establish their right to any such property at any time prior to the expiration of 2 years from the date of the receipt thereof by the Soldiers' Home, they shall be granted possession thereof.

SEC. 6. This act shall not be construed as amending or repealing the act of March 29, 1918 (40 Stat. 499); article 112 of section 1, chapter II, of the act of June 4, 1920 (41 Stat. 809); the act of February 21, 1931 (46 Stat. 1203); the act of December 28, 1945 (59 Stat. 662), as amended; or the act of August 2, 1946 (60 Stat. 846–847), as amended.

Mr. TYDINGS. Mr. President, the statement just made on the previous bill applies to this bill. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

THESE DIS-UNITED NATIONS: AN HISTORICAL PARALLEL—ARTICLE BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an article entitled "These Dis-United Nations: An Historical Parallel," prepared by him and published in the United Nations World for April 1949, which appears in the Appendix.]

BEWARE THE IDES OF MARCH—EDITORIAL FROM SERVICE MAGAZINE

[Mr. KEM asked and obtained leave to have printed in the RECORD an editorial entitled "Beware the Ides of March," published in the April 1949 issue of the magazine Service, which appears in the Appendix.]

SOUTHERN FREIGHT RATES—ADDRESS BY HON. J. ROY JONES

[Mr. JOHNSTON of South Carolina asked and obtained leave to have printed in the RECORD an address entitled "The Eleven Fiddlers," delivered before the Kiwanis Club of Anderson, S. C., on March 31, 1949, by Hon. J. Roy Jones, commissioner of agriculture for the State of South Carolina, which appears in the Appendix.]

STRICTLY A GUESS—EDITORIAL FROM THE EL DORADO (KANS.) TIMES

[Mr. REED asked and obtained leave to have printed in the RECORD an editorial entitled "Strictly a Guess," published in the El Dorado (Kans.) Times, commenting upon an editorial entitled "Where, Oh Where?" from the Pittsburg (Kans.) Headlight, heretofore published in the RECORD, which appears in the Appendix.]

PROPOSED CONSTITUTIONAL AMENDMENT TO ABOLISH THE ELECTORAL COLLEGE

Mr. LODGE. Mr. President, there is now pending before a subcommittee of the Committee on the Judiciary, consisting of the distinguished Senator from Idaho [Mr. MILLER] and the distinguished Senator from Missouri [Mr. DONNELL], a resolution known as Senate Joint Resolution 2, which is a proposed constitutional amendment to abolish the electoral college and count the vote for President and Vice President in proportion to the popular vote.

One criticism which has been made of this proposal is utterly without foundation. It is that the proposal would encourage so-called splinter parties. An excellent editorial was published in the Washington Post today entitled "Splinter Bogey," which completely and decisively refutes the notion that this proposal could have any such effect. I ask unanimous consent that the editorial be printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SPLINTER BOGEY

A strange complaint against Senator LODGE's plan to abolish the electoral college is being widely aired. In place of the individual electors now chosen by each State to cast its electoral votes for a presidential candidate, the Lodge resolution would have the electoral votes of each State automatically divided among the candidates in proportion to the number of popular votes received. This plan, the critics are saying, is based on the principle of proportional representation and would give rise to a multiplicity of splinter parties.

That argument cropped out in the 13 questions that Senator FERGUSON recently asked Senator LODGE. It appeared in a letter by J. Harvie Williams on this page yesterday which takes us to task for expressing preference for the Lodge resolution over Congressman COUDERT's proposal of having each State choose its presidential electors in the same manner as its senators and representatives are chosen. Mr. Williams fears that once the proportional principle has been dignified with the cloak of constitutional respectability the next logical step will be the election of Representatives in Congress on that same basis, rather than by geographical districts.

As a matter of fact, the Lodge resolution has no real similarity to proportional representation. "P. R." is a means of reflecting every shade of opinion in a legislative body. It does encourage splinter parties and thus makes it more difficult for any dominant group to carry out a consistent policy. If there were any danger that the Lodge resolution might encourage such a break-up in our two-party system, we should oppose it. But proportional representation is obviously inapplicable to the election of a single official to one position. "Even the cleverest surgeon," as Senator LODGE replied to Senator FERGUSON, "cannot divide one man up—proportionally or otherwise—and expect him to live." It is nonsense, therefore, to confuse the plan to give each presidential candidate his rightful share of the electoral vote with proportional representation.

Actually, the effect of the Lodge resolution would be to minimize the influence of minority groups. Mr. LODGE points out that in the 1948 election the Wallace vote, though meager by comparison to the total vote cast, threw two States to Governor Dewey. Small groups in the large pivotal States now hold an enormous bargaining power because they may add enough votes to either party, or withhold enough votes from either party, to swing 47 electoral votes in New York, or 35 in Pennsylvania, one way or the other. If the electoral votes of these and all other States were divided among the candidates in accord with their relative standing at the polls, the influence of minority groups would be measured by their numbers or the merits of their case instead of by their bargaining power. Against this deflation of the splinter groups the fact that under the Lodge plan each would get a small fraction equivalent to its fraction of the popular vote seems utterly insignificant. The country needs the Lodge amendment because it would trim the influence of small factions in our national politics down to their actual size and save presidential candidates from having to cater to organized pressure groups.

THE INDONESIAN DISPUTE—STATEMENT BY SENATOR GRAHAM

Mr. HOEY. Mr. President, my colleague [Mr. GRAHAM] served on the Good Offices Committee of the United Nations, in settlement of the Netherlands-Indonesian dispute. He went into the mat-

ter very thoroughly. He is very much interested in it. He is sick in a hospital now, but he has prepared a very full statement. I ask unanimous consent that the statement may be inserted in the body of the RECORD. He deals typically with the subject, with reference to the proposed amendment and other matters connected with it. I ask that the statement may be inserted in the body of the RECORD.

The VICE PRESIDENT. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR GRAHAM ON THE INDONESIAN SITUATION

INTRODUCTION

The violation of the Renville agreement by the Government of the Netherlands, the violation of the still standing cease-fire order passed by the Security Council on August 1, 1947, the disregard of the functions of the United Nations Committee of Good Offices, the renunciation of the procedures of peace for a recourse to force of arms and the continuing defiance this winter of two separate orders of the Security Council, constitute a challenge to the United Nations of grave import for the whole world. This challenge will continue until the democratic principles of the Renville agreement, signed by the representatives of the Kingdom of the Netherlands and the Republic of Indonesia under the auspices of the United Nations, are fulfilled. Unfulfilled, the Renville agreement remains a soundingboard for propaganda against the western democracies all over the Eastern World. Fulfilled, the Renville agreement, with its foundation on the Linggadjati agreement, can become, to the greatness of the Dutch and the Indonesians, a charter of freedom for the colonial peoples of the world.

The two main sources of opposition to the democratic principles of the Renville agreement are two small but powerful combinations: (1) The Dutch financial-imperialistic-militaristic-paternalistic combination which first misleads and then misrepresents the great Dutch people; and (2) the Soviet dictators, who first mislead and then misrepresent the great Russian people. Both the Dutch imperialists and the Russian imperialists are opposed to the basic principles of the Renville agreement such as: Civil liberties at all times, unhampered communication, transportation, and exchange, plebiscites or free elections after full discussion, and a free constitutional convention organized by democratic procedure with representation in proportion to the population. The Dutch imperialists do not intend that these principles of freedom be available to all the leaders of Indonesia for free appeals to the Indonesian people. Free leadership in fair and open discussion would insure that the guiding principle of the United States of Indonesia would not be Dutch domination but Indonesian self-determination. The combination of Soviet dictators not only does not want these principles applied in Korea, Poland, Rumania, Bulgaria, Hungary, Yugoslavia, Czechoslovakia, and Germany, but also does not want them publicized within the Soviet Union itself. Neither imperialism nor dictatorship can long exist with the morally enduring Renville principles of freedom and self-determination. Imperialists, in their case, and dictators, in their situation, will violate agreements by which such principles might get high international sanction for application by peoples in colonies, in satellite states, or in the vast dominions behind the iron curtain.

There will be much talk, some of it partly true, (1) about Republican incapacity to prevent atrocious incidents caused largely, however, by the nonimplementation of the agreement; (2) about former collaboration by a few of the present Republican leaders with the Japanese; and (3) about Communst infiltration in some of the political parties and some of the labor unions in the Republic. It should be recalled in this connection that atrocities have not all been confined to one side; that some of the Indonesian Republican leaders fought underground in Holland against the Germans, and that more fought underground in Indonesia against the Japanese. More revealing still was the decisive crushing of the Communist revolt by the moderate Republican Government. There will also be much talk by the Soviet imperialists about American and British imperialism seeking at one and the same time to uphold and to supplant Dutch imperialism. The propaganda about American and British imperialism, Japanese collaboration, and Communist infiltration should not obscure for the United Nations the basic simple fact that Republican aspirations have their main source in Indonesian self-determination.

The committee condemned by both extremes: The members of the first Committee of Good Offices, which included Mr. Justice Richard C. Kirby, of Australia; Dr. Paul van Zeeland, of Belgium; and myself, as the American representative, were accused by some of the Dutch imperialists of being in league with the Republic of Indonesia against the Kingdom of the Netherlands. At the same time I was repeatedly accused by the Moscow radio of being a tool of American capitalism and of intimidating the Republicans into accepting the Renville agreement with threats of atomic bombs and American power.

With a position of balance between being an alleged conspirator against the Dutch and being an alleged intimidator of the Indonesians, I have some sense of balance shared by my highly esteemed former colleagues of the committee. Beholden neither to the imperialists of the right nor to the imperialists of the left, but beholden to the principles of the Charter of the United Nations, I make the present analysis of some of the basic factors and issues involved. Having been in the Senate less than a week, I will not make a statement at length here, but will put it in the RECORD for any value it may have for the Members of the Senate.

Part of this analysis is based on our report to the Security Council, February a year ago, and part of it is based on unrestricted documents and on developments publicly reported since our able successors took over from us February a year ago. I hope in this analysis to give one person's glimpse of (1) the two great peoples and their spirit; (2) the international position of Indonesia; (3) the Indonesian nationalist movement; (4) the formation of the Republic of Indonesia; (5) the efforts of British diplomats to help the Netherlands and the Republic settle their dispute, resulting in the Linggadjati agreement; (6) the break-down in negotiations and the Dutch "police action" of July 21, 1946; (7) the intervention of the United Nations with a cease-fire resolution and a Committee of Good Offices; (8) the function, limitations, and work of the committee; (9) the negotiations of the representatives of the two governments; (10) the Renville agreement; (11) the opportunity for good will and early implementation; (12) an analysis of the controversial issues of sovereignty, separate states, and the provisional government; (13) the du Bois Chritchley plan; (14) the Cochran plan; (15) the policy patterns of delays and rejections; (16) incidents and atrocities; (17) the crushing of the Communist revolt by the Republic; (18) the breaking of the truce by the Dutch and the second "police action"; (19) the Renville principles and the obligations of the United Nations; and (20) the opportunities of two great peoples through the fulfillment of the Linggadjati and Renville agreements in cooperation with the United Nations to salvage a terrible situation destructive to both peoples and critical for mankind.

I. THE TWO GREAT PEOPLES

It was our opportunity in Batavia and Djokjakarta to broadcast from the opposing capitals and to seek to interpret to the two peoples, deeply distrustful to each other, the best of the traditions and hopes of the Dutch to the Indonesians, and the best of the traditions and hopes of the Indonesians to the Dutch.

A. The Dutch

For centuries the Netherlands has been the home of the humane and fine arts and the fountainhead of freedom and international law. Erasmus, of Rotterdam, was one of the three or four greatest minds and noblest spirits of the age of the Renaissance and the Reformation. Hugo Grotius and The Hague have given the Netherlands a preeminent position in maritime and international law, as have Rembrandt and the Dutch school in painting, Leeuwenhoek in the invention of the microscope, and Huygens in science and mathematics, whose fundamental work prepared the way for the great synthesis of Sir Isaac Newton in his theory of gravitation.

The rise of the Dutch Republic has long been an inspiration to the United States and other republics. William the Silent and the House of Nassau through the centuries are among the great names in the democratic history of the west. William of Orange as William III, with Mary, was the first of the long line of the British kings who have signed the Bill of Rights, which was the constitutional collective bargain of the people with their king, and since 1689 has been the charter of British liberties. Long the haven of the refugees from tyranny anywhere, Holland has been the dauntless champion of freedom and tolerance in critical times of tension and conflict. The Pilgrims, refugees from old England, received a fresh transfusion of liberty in Holland on their way to America, where they made Plymouth Rock one of the cornerstones of self-government in the modern world. The Dutch were the founders of New York, among the leaders of the revolt against the British Empire and the builders of the American Republic. The Dutch have given America in the Vanderbilts and Rockefellers the builders of mighty structures of commerce and industry. The Dutch have given America and the world in Roosevelt one of the great names in history—Theodore, the father of the square deal and the new nationalism; Franklin, the father of the New Deal and forgotten millions, one of the authors of the Atlantic Charter, which affirms the right of every people to choose their own form of government, and one of the architects of the United Nations whose Charter commits 58 nations to the principle that nations with dependent areas are responsible to the world community; and Eleanor, one of the framers of the international bill of rights. The pledge of the noble Queen Wilhelmina in 1942 is a fundamental document which will find its fulfillment in the implementation of the Linggadjati and Renville agreements.

The people of the Netherlands, with their stubborn dykes and generous blood, have written some of the most heroic chapters in the history of liberty—a little land but a great people.

B. The Indonesians

The history and people of Indonesia are interwoven with the history and people of Malaya, India, China, Melanesia, Polynesia, Australia, Europe, and America. In Indonesia are some of the earliest relics of man from the Pleistocene age. In Indonesia were majestic monuments, noble shrines, and an

advanced civilization before western men discovered America or rounded Africa to the Spice Islands. The old empires, whether based on Sumatra, such as Atjeh, or based on Java and Sumatra, such as Bantam, had their times of power astride the channels between the seas. Java, the granary of many islands through the ages, was often the central base of the empire of the islands, whether the wide and elaborate Madjapahit of the Indian heyday or Mataram of nostalgic glory.

The Spice Islands of the Indies were the luring motive force which, added to the spirit of exploration, helped to cause the discovery of America, the rounding of Africa, a redirection of commerce, and the commercial revolution.

The East Indies became the eastern pivot upon which in the Western World the medieval turned to the modern age.

With the crossing of early southern Pacific stocks and their persisting polyglot dialects have evolved a basic Malayan language, persistent mores, and traditions, and a common Indonesian consciousness. The Island of Java, perhaps the most densely populated area in the world, which has been the base of the Republican movement, has three distinct groups: The Sundanese in west Java, the Javanese in central Java, and the Madurese in east Java. The leaders of the Indonesians in the islands east of Java who have cooperated with the Dutch were much disturbed by the Dutch attack on the Republic. These various regional groups, whether in Java, Sumatra, and Madura, the areas of republican activity, or in Dutch Borneo or in east Indonesia, are all parts of the Indonesian nationalist movement. The most militant leadership is in the area of the Republic. A good number of nonrepublican Indonesian former civil servants have chosen to cooperate with the Dutch. Moreover, a number of genuine nationalists have risen to leadership in the nonrepublican Indonesian states. It is significant that the governments of the two most important of these nonrepublican states resigned immediately following the Dutch resort to force in December.

Indonesia, because of its history, location, and values, is a vital subject in the study of anthropology, archeology, the botanical sciences, tropical medicine, and the history of ancient, medieval, and modern times. The peoples of Indonesia have an imposing indigenous tradition of local self-government rooted in the communal village. They preserve a stubborn body of laws and customs handed down in their adats, a stable tradition of irrigation and agriculture, handicrafts, music, dancing, and fine arts. Despite a wide illiteracy, they have a notable intelligence, a high capacity for languages and culture measured by the opportunities available to the few. With all the many high values added by the Dutch in science, technology, economic production, medicine, public health, and civil administration, the Netherlands have not effectively promoted the general education of the youth of Indonesia. It has been estimated that 40 percent of the people in the American Philippines were literate as compared with the 7 percent of the people in the Dutch East Indies. This is one of the sources of the deep sense of grievance for their people on the part of the Indonesian republican leaders who are themselves the products of the excellent training and democratic influences of the historic Dutch universities. The Dutch policy seems to have been to encourage the education of a few leaders but not to promote the education of the great body of the people.

General among the Indonesian people are a natural intelligence, friendliness, innate courtesy, beautiful rhythm, grace, and human dignity. The 70,000,000 Indonesian people have in common the national aspiration for freedom, independence, and cooperation.

II. THE INTERNATIONAL POSITION OF INDONESIA

A. Geography

The national aspiration of the Indonesian people is of special concern to the world because of the strategic international position of their islands. These islands are geographically the landways between two great continents, Asia and Australia, and the seaways between two great oceans, the Indian and the vast Pacific. The Straits of Malacca, which divide Indonesia and Asia and connect the Indian and Pacific Oceans, is the quickest water route between the largest masses of the earth's people in India and China. It is part of the chief international water route between Europe and Asia and between the two hemispheres. These islands are also a strategic part of some of the world's major air routes which will increase in international importance as the air lines multiply their travel around the earth.

B. Economic values

Indonesia is economically a region of the potential production of some of the most important foods, medicines, minerals, and the sources of motive power for industrial production and commercial transportation on land, sea, and in the air. Because of the long blockade many people almost naked desperately need textiles, sick people need medicines, and youth need books. Hungry people in the world need the rice, corn, tapioca, fruits, fats, and sugar of Indonesia. The malarial need quinine. Hungry engines need the oil; the automobiles and planes need the rubber of Java and Sumatra. Indonesian products are required for the body and work of man in both hemispheres. Real peace and maximum production are terribly needed in all the continents and all the islands to house and feed the bodies, minds, and souls of hungry and fearful peoples all over the earth. Relentless and cooperative efforts for peace and productivity are still required by the United Nations.

C. Religious and political repercussions in the world

Not only is Indonesia geographically strategic in place and economically strategic in time, but also the Indonesian people are religiously a part of the three great religious groups of the world: The Moslem, the Hindu, and the Christian. Ninety percent of the people are Mohammedans. Indonesia has religious relations which transcend national boundaries in the interhemispheric connections of a dynamic Islam. The events in their islands have definite repercussions in the Netherlands, Belgium, France, Britain, Australia, Egypt, the Near East, Pakistan, India, Malaya, China, Russia, the Philippines, the United States, and in the United Nations with economic, political, and moral reverberations on all the continents of the earth. The United Nations cannot let go the Indonesian case as one of the hot spots of the earth with a high potential for conflict which may transcend the tension of a region and threaten the peace of the world. There is no island isolation from the seas around, the air above, or the continents beyond. The dynamic interdependent economic framework which embraces the earth and holds up the structure of the modern world may most unexpectedly catch up a local high tension or a regional conflict anywhere and involve peoples everywhere.

The United Nations is organizing around this earth a correspondingly interdependent political framework of conciliation, good offices, mediation, and arbitration for the peaceful settlement of disputes and the insulation of the high potentials of the dynamic society of our modern world. The United Nations cannot in good faith withdraw from Indonesia.

Indonesia is not in the private backyard of Holland; with its 70,000,000 people, with its location athwart the international crossways, and with its significance for human freedom, peace, and production, Indonesia is in the front yard of the world. Justice, freedom, and peace in Indonesia are a continuing responsibility and opportunity of the United Nations. To shirk this obligation is to renounce the Charter of the United Nations, and the moral foundations upon which the United Nations must stand to survive as an effective force for peace in the world.

III. THE INDONESIAN NATIONALIST MOVEMENT

Back of the present crisis is the Indonesian nationalist movement which has been gathering momentum for over 40 years. This movement must be viewed against a background of over four centuries of colonialism. European nations fought maritime and commercial wars for the control of the Indies.

The Portuguese Empire and the Dutch Empire, with outposts on four continents in two hemispheres, were both based on the East Indies. The Portuguese period included the sixteenth century with a relic today in Portuguese Timor. The period of the Dutch East India Co. included the seventeenth and eighteenth centuries. The period of direct responsibility of the sovereign government of the Netherlands included the nineteenth and twentieth centuries which was to have been ended, according to recent promise, if possible, on January 1, 1949.

After the interlude of the French Revolution and the consequent brief period of English control under Raffles, the founder of Singapore, the century of direct control by the Netherlands divides into three historical Dutch periods. The period from 1800–70 is called by the Dutch historians the Culture Period, with its forced labor, taxes in produce, monopole consignments to Holland and state profits. The score of years from 1870 to 1890 was called the liberal period with free enterprise, private production, and private profits. At the turn of the century, came the ethical period with increasing Dutch concern for the welfare of the Indonesian people. During the last 40 years has been the period of the Indonesian nationalist movement.

Among the early influences and continuing developments making for an Indonesian national consciousness were the letters of the charming young Indonesian woman, Adjeng Kartini, to her friends in Holland. These were published early in the century after her untimely death as beautiful expression of the Indonesian spirit and gave rise to schools for girls and an Indonesian women's movement. Widespread among the people was the Glorious Endeavor (the Boedi Oetomi), with its indigenous Indonesian program of enlightenment and social well-being under Oesada and Soetomo. With a religious dynamic arose the Sarekat Islam, under Hadji Salim and Tjodro, with its revival of a truer Mohammedanism and its intellectual and economic development of the Indonesian people. The Volksraad, an embryo parliament, founded by enlightened Dutch statesmanship, sometimes used as a delaying tactic, became, according to its real purpose, increasingly Indonesian. The Dutch have in many ways been the world's best colonial administrators. Tragically for themselves, the combination in present power has not caught up with the trends of the age.

The religious, economic, and cultural movements indigenous among the people themselves were provided with able leadership by Indonesian students upon their return from those excellent, historic, and creative centers of culture, skills, freedom, and democracy, the University of Leyden and the other colleges and universities of the Netherlands. Giving further impetus to the nationalist movement were the labor movement, the

youth movement, and the political parties, the parties of the right led by Soekiman, Roem, and others, and the National Indonesian Party led by Ali Sastroamidjojo and others; the parties of the left once led by Sjahrir, Sjarifoeddin, Sediadjit, and others; the Communist Party formerly led by Aliman and Moeso; the Christian Party led by Lemeina. Leaders without party ties but possessed of eminent ability, stanchness of purpose, and magnetic powers of leadership are President Soekarno and Prime Minister Hatta. All these movements and organizations were expressions of the Indonesian nationalism which would not only be satisfied with the Dutch-Indonesian transition from the government of the Indonesians by the Dutch for the Dutch to the government of the Indonesians by the Dutch for the Dutch and the Indonesian, but which would roll on in gathering power as part of the irresistible trend of the age until there would be established the government of the Indonesians for the Indonesians and by the Indonesians in a union with the Kingdom of the Netherlands.

Contributing also to the Asiatic and Pacific self-consciousness of the Indonesian people were the rise of Japan; the Chinese Revolution; the economic isolation and self-dependence of Indonesia caused by two world wars and a world depression; the reorientation of the economy of Indonesia as a gradually increasing part of the economy of the Pacific; and the liberation of Egypt, India, Pakistan, Ceylon, Burma, and the Philippines, oceanic neighbors of Indonesia. Two other influences from opposite sources added to the dynamics of the gathering revolutionary movements in Indonesia, the Russian Revolution which spread abroad after the First World War and the Japanese conquests which were a spectacular part of the Second World War. Japan took the most strategic parts of Indonesia from the Netherlands with decisive blows to the damage of the prestige of the western nations and with a new impetus to the eastern consciousness expressed in its slogan "Asia for the Asiatics."

IV. THE DECLARATION OF INDEPENDENCE BY THE REPUBLIC OF INDONESIA

With the juncture of all these movements, forces, currents, and undercurrents, the most militant leaders of the Indonesian nationalism, some of whom had been imprisoned, at one time or another, before the Second World War by the Dutch, and during the war by the Japanese, seized the hour of the Allied liberation of Indonesia from the Japanese for the liberation of Indonesia from the Dutch. They set up a provisional congress and issued the Declaration of Independence of the Republic of Indonesia with its plans for the inclusion of all the Indonesian people. While acknowledging the sovereignty of the Netherlands throughout the Indies, the Allied commanders dealt with the leaders of the Republic of Indonesia on the basis of the fact that the Republic exercised de facto authority.

Some of the most militant leaders of the Republican movement had fought in the Indonesian underground against the Japanese, some had fought in the Dutch underground against the Germans, and others had collaborated with the Japanese and remained above ground. Whether of the parties of the right, right center, center, left center, or left; whether underground fighters or above-ground collaborators, all had in common the Nationalist movement for the freedom and independence of the 70,000,000 Indonesian people.

V. BRITISH DIPLOMATS PRESIDE OVER LINGGADJATI NEGOTIATIONS

Enlisted to help the Kingdom of the Netherlands and the Republic of Indonesia to end hostilities, effectuate a truce and frame principles for the settlement of their political dispute, were two of the most eminent British career diplomats, Sir Archibald Clark-Kerr, now Lord Inverchapel, and Lord Killearn stationed at Singapore. The two governments were represented by some of their ablest men. Dr. Schemerhorn, Chairman of the Dutch Commission-General, and former Prime Minister Dr. Hubertus J. van Mook, Lt. Governor General, and the Republican delegation headed by Prime Minister Sutan Sjahrir, chairman of the Republican delegation, and Hadji Salim, both of whom, with Soekarno and Hatta, were recently held as prisoners. The result was the justly famous Linggadjati Agreement.

In this agreement the representatives of the Netherlands, while always holding to the theory of the over-all Dutch sovereignty throughout the Dutch East Indies, (1) recognized the Republic as exercising de facto authority in Java, Sumatra, and Madura. The two governments agreed to cooperate: (2) for the establishment of a sovereign, democratic state on a federal basis, to be known as the United States of Indonesia; (3) for the framing of the Constitution of the United States of Indonesia by a national constituent assembly chosen by democratic procedures; (4) for the formation of the Netherlands-Indonesian Union under the King of the Netherlands with organs of their own to promote the joint interests of both countries; (5) for setting up a joint commission to effectuate the restoration and restitution of rights and properties of all non-Indonesians; (6) for the recognition that the component states of the United States of Indonesia shall be the Republic, Borneo and the great east, without prejudice to the right of the population of any territory to decide by a democratic procedure that its position in the United States of Indonesia shall be otherwise defined; (7) for the establishment of the United States of Indonesia and the Netherlands Indonesian Union before January 1, 1949; (8) for the reduction of the armed forces directly after the conclusion of this agreement; (9) and for resort to arbitration of any dispute arising from this agreement which cannot be solved by joint consultation. These are 9 of the 17 provisions and contain most of the basic principles of the justly famous Linggadjati Agreement.

VI. THE BREAK-DOWN IN NEGOTIATIONS FOR IMPLEMENTATION AND THE DUTCH POLICE ACTION OF JULY 21, 1947

The Linggadjati agreement was initialed on November 15, 1946, and was signed by the governments on March 25, 1947. The negotiations for the implementation of the agreement broke down. The Republicans charged the Netherlands: (1) With making unilateral interpretations contrary to the provisions of the agreement; and (2) with a failure to have recourse to an arbitration provision in the agreement. The Netherlands charged the Republic with both the refusal and the incapacity to carry out the provisions of the agreement. On the night of July 20, 1947, the Netherlands ordered the police action. This police action was undertaken, according to views and assertions of the Dutch, to restore law and order, to punish lawless bands, to prevent massacres of Chinese and others by irregular forces, to stop sabotage, and to step up production in a time of desperate need. According to the assertions of republicans the police action was a military action taken, when the army had been mustered in full force, to prevent the implementation of the Linggadjati agreement, to take over large economic resources and assets in republican areas, to organize new states in former republican territories behind Dutch military lines, to carry out a policy of economic strangling and political splintering of the Republic, and to insure the Dutch control of the proposed United States of Indonesia. The well-trained and mechanized Dutch military forces quickly took over large parts of Java and Sumatra.

VII. THE UNITED NATIONS INTERVENES

On the initiative of India and Australia, the Security Council acted to stop the fighting in Indonesia as a threat to world peace. The cease-fire resolution was passed August 1, 1947. August 25 the Council requested that consular representatives of Council members in Batavia to prepare jointly reports on the observance of the cease-fire order and the situation in the Republic and in areas under military occupation; the Council also tendered its good offices to the parties through three members of the Council. November 1, the Council noting from the report of the Consular Commission that the cessation of hostilities was not fully effective, called upon the parties (1) to consult with each other or through the Committee of Good Offices as to the means to be employed in order to give effect to the cease-fire resolution of August 1, and, pending agreement, to cease any activities or incitements of activities which contravene that resolution, and to take appropriate measures for safeguarding life and property; (2) requested the Committee of Good Offices to assist the parties in reaching an agreement on an arrangement which will assure observance of the cease-fire resolution, requested the Consular Commission, together with its military assistants, to make its services available to the Committee of Good Offices; and (3) advised the parties concerned, the Committee, and the Commission that its resolution of August 1 should be interpreted as meaning that the use of armed forces of either party by hostile action to extend its control over territory not occupied by it on August 4, 1947, as inconsistent with the Council resolution of the 1st of August.

VIII. THE UNITED NATIONS COMMITTEE OF GOOD OFFICES

In accordance with the Security Council resolution, the Committee of Good Offices was composed of three nations: Australia, chosen by the Republic of Indonesia; Belgium, chosen by the Kingdom of the Netherlands; and the United States, chosen by Belgium and Australia. Dr. Paul van Zeeland, former Prime Minister of Belgium and one time President of the Assembly of the League of Nations, was chosen to represent Belgium. Mr. Justice Richard C. Kirby, of the Australian Court of Arbitration, was chosen to represent Australia. These two eminently able representatives and the American representative worked cooperatively and relentlessly as representatives of the United Nations with emphasis always on the responsibilities of the parties to work out an agreement.

The republicans had hoped for a board of arbitration or at least a board of mediation. The Security Council provided a Committee of Good Offices.

The committee at all times was up against such realities as: (1) Not only the lack of power to act as arbitrators but also the lack of power even to mediate the dispute, and, therefore, (2) the lack of power to make public its suggestions to the parties; (3) the necessity for the committee to be unanimous in order for its confidential suggestions to the parties to have some moral power; (4) the power of either one of the parties to continue to veto any suggestion of the committee even when unanimous; (5) the possibility of the political overthrow of either cabinet on the realinement of the political parties on the basis of the negotiations in the Indonesian dispute; (6) the possibility of negative action on recommendations of the committee in the Security Council by one veto or a combination of negative votes or abstentions from voting; (7) the lack of

instant public consideration by the Assembly; (8) the lack of any original jurisdiction of the World Court over individuals who commit crimes against the Charter of the United Nations; and (9) the lack of an effective international police force to enforce the decisions of the United Nations.

There were several additional barriers obstructing a settlement. One was the original plan of the Republic to be the over-all government rather than to be a part of the federal government of the promised new United States of Indonesia. In view of the adamant position of the Netherlands and the wisdom of the federal principle, the leaders of the Republic wisely gave up the plan for one centralized government over all Indonesia. Another republican factor was the bitter memories of the police action by which the Dutch armies overran republican territories and held many large economic assets and many millions of people formerly in republican territories behind Dutch military lines entirely cut off from the Republic. A factor common to both governments was the long and bitter distrust of each government by the other government regarding its ability or will to keep agreements when made. A strong obstructing Dutch factor was the underlying and not always submerged determination of some powerful economic and political interests in the Netherlands not really to use the Committee of Good Offices and to eliminate the Republic from any real part in the preparation for and the organization of the promised United States of Indonesia. It was for these many reasons our committee was warned by officials of several nations that the committee was embarked on an almost hopeless mission. With awareness of the difficulties and without illusions as to its own powers, but because of its faith in the Dutch and Indonesian peoples and out of a real devotion to the great purposes of the United Nations, the committee entered the plane bound for Indonesia with determination and hope.

The meeting place for negotiations

The stubborn, reciprocal distrust and the two governments immediately confronted the committee in the strong position of the Republic not to have the negotiations in Indonesia, because Dutch-controlled, and in the strong preference of the Dutch for meeting in Indonesia, as the location of the dispute. After many set-backs during several weeks, the committee, on the petition of the Australian and Belgian representatives, induced the United States Government, reluctant because of possible misrepresentation, to provide the ably administered United States naval transport *Renville* as a meeting place acceptable to both parties.

Before the coming of the *Renville*, the committee, by flying constantly between the two capitals with informal suggestions to the representatives of the two governments, sought to prepare the way for later joint conferences. Technical committees, organized by the two governments in cooperation with special representatives of the committee, composed of Glenn Abbey, United States chairman; Alfred Brooks, Australia; and F. K. Clayes-Bouvert, Belgium, undertook to work out a joint program for a truce. Procedures were considered for negotiations regarding political principles. The Netherlands insisted the truce should come first to develop a more favorable atmosphere for the political settlement. The Republic emphasized that the consideration of the truce and the political principles should be concurrent because of their potentially reciprocal contributions to the success of both.

The committee, with their three delegations and the UN Secretariat, of which T. G. Narayanan was executive secretary, had the continuingly deep sense of appreciation of the faithful work of the two technical committees and the special representatives, of the ability and devotion of the Australian, Belgian, and American Army, Naval and Marine assistants, the skill and daring of the American and Australian fliers to whom mountains and fogs were a constant challenge, the cooperation of the chief consuls of the interested governments in Batavia, and the captain, officers, and seamen of the United States transport *Renville* who gave over their cabins and quarters to the two delegations and devoted this historic ship to the maximum service of its United Nations mission.

The coming of the "Renville"

The *Renville* had carried the United States marines ashore on Okinawa, where, with the Army, the Navy, and the Air Force, they together captured from brave men the last mighty stronghold guarding the gateways to Japan. The *Renville*, commanded by the efficient commander and gracioust host, Capt. David Tyres, arrived at Batavia December 2. All of the countless ships, which for centuries have come to the shores of Java, no ship ever came with more good will or a higher spirit of service for two great peoples than the United States naval transport *Renville*.

IX. THE NEGOTIATIONS LEADING TO THE "RENVILLE" AGREEMENT

The Committee, through its special representative with the two technical committees, made two major efforts to arrange the basis for a truce. Directly on its own behalf the Committee also made two major efforts to provide a balanced combination of proposals for a truce and proposals for political principles. In the first effort for the truce, the Committee suggested an eight-point program. The Republic accepted in principle all eight points in the program. The Netherlands accepted five points of the program and insisted on their separate adoption. The Republicans insisted that the eight points constituted a balanced program. An impasse resulted. During a brief absence of Dr. Paul van Zeeland, Mr. Raymond Herremanns served as his able deputy and later successor; as did Mr. T. K. Critchley for Mr. Justice Richard C. Kirby.

In the face of this failure, the Committee sought to accelerate the procedures for a truce with a new plan which went far, it thought, to take into reasonable account the points of the Dutch regarding topography, administrative areas, and the welfare of local populations in the determination of the lines of August 4. The Republic accepted the new plan. The Netherlands accepted it as a working paper for discussion. Protracted discussions did not result in its acceptance.

Instead of reporting this failure to the Security Council, except as a part of its regular reports, the Committee again chose rather with stubborn hope to make still another new approach to the parties. Realizing that delays were working against successful negotiations and that Christmas was at hand, the Committee, on the eve of the birth of the Child and of a new hope for the children of men, prepared a combination of proposals for a truce and proposals of political principles. The proposals for the truce were based substantially on the Van Mook line.

The Christmas message

The Van Mook line was based substantially on lines drawn on August 29, 1947, between the forward points of the Dutch lines. The issue was not between the lines of July 20 and the August 4 line but between the Dutch and Indonesian conception of the lines of August 4 envisaged in the Council resolution of November 1. Since by either conception the August 4 line was to be provisional the most basic consideration was to get an agreement on both a truce and political principles under which the democratic lines would advance according to the self-determination of peoples and the military lines would recede under their provisional nature. The proposals for political principles provided:

1. That the assistance of the Committee of Good Offices be used in the working out and signing of an agreement on the U. S. S. *Renville* for settlement of the political dispute, in the islands of Java, Sumatra, and Madura between the Government of the Republic and the Government of the Netherlands under the auspices of the Committee.

2. That there be, meanwhile, a cessation of all activities by either Government relating directly or indirectly to the organization of states or to the determination of political relationship to the United States of Indonesia of territories in Java, Sumatra, and Madura which comprise the area involved in the dispute between the Government of the Netherlands and the Government of the Republic.

3. That on the signing of the political agreement on civil administration which was functioning on July 20, 1947, be restored within a period of not more than 3 months and that within a similar period Netherlands armed forces be withdrawn to territories occupied by them on July 20, 1947.

4. That on the signing of the political agreement provision be made for the gradual reduction of the armed forces of both parties.

5. That after the signing of the agreement, free economic activity, trade, transportation, and communications be completely restored.

6. That provision be made for a suitable period of not less than 6 months not more than 1 year after the signing of the agreement, during which time uncoerced and free discussion and consideration of vital issues will proceed. At the end of this period, free elections will be held for self-determination by the people of their political relationship to the Republic and to the United States of Indonesia.

7. That a constitutional convention be chosen according to democratic procedure to draft a constitution for the United States of Indonesia.

8. That an agency of the United Nations be asked to observe the conditions during this period and the final formation of the United States of Indonesia.

On Christmas Day, our committee unanimously adopted this draft plan including truce proposals and democratic political principles and submitted them informally to the parties on December 26 as an integrated and balanced whole. The Republic, though disappointed in the truce along the van Mook line, accepted the plan as a whole for its political principles of freedom and democracy, independence and union.

Dutch counterproposals in 12 principles

The Netherlands held the Christmas message on an informal basis, and then, as 12 counterproposals, accepted most of the suggestions, rejected parts, and accepted other parts with considerable modifications. The Netherlands then made these proposals formal with indications that, if not accepted unconditionally by the Republic, it would not be bound by the 12 political principles and liberty of action would be resumed. These 12 principles provided, among other things, for the continuance of the assistance of the Committee of Good Offices in the working out of the settlement of the political dispute in Java, Sumatra, and Madura based on the principles underlying the Linggadjati Agreement; for civil and political liberties; that there be no interference with the expression of popular movements looking toward the formation of states in accordance with the principles of the Linggadjati Agreement; that changes in the administration of territory are to be made only with the full and free consent of the population of the territory at a time of security and freedom from coercion; that, on the signing of the political agreement, there would be gradual reduction of the armed forces of both parties; that, on the signing of the truce agreement, there would

be resumption of trade, transportation, and communication through the cooperation of the parties; that there be a period of not less than 6 months nor more than 1 year after the signing of the agreement during which uncoerced and free discussion of vital issues should proceed and that at the end of such period free elections would be held for self-determination by the people of their political relations to the United States of Indonesia; provision for serious consideration by one party of the request of the other party for an agency of the United Nations to observe conditions between the signing of the agreement and the transfer of sovereignty from the Netherlands to the United States of Indonesia; provision for the independence of the Indonesian people; cooperation between the peoples of the Netherlands and Indonesia; provision for a sovereign state on a federal basis under a constitution to be arrived at by democratic procedures; and provision for the union of the United States of Indonesia and the other parts of the Kingdom of the Netherlands under the King of the Netherlands.

A grave situation

While deeply appreciative of the fact that the 12 political principles contained many basic provisions for freedom, democracy, independence, and cooperation, the Republic was most deeply concerned that there was no guarantee of international observation between the signing of the agreement and the transfer of sovereignty; there was no provision for the representation of the Republic in an interim government; and that there was no mention of the Republic by name in any of the 12 principles.

Aware of its own limitations and in the desperate circumstances of the probable break-down of negotiations, the Committee decided to make still another new approach to the parties. The Committee suggested for the informal consideration of the parties six additional political principles in addition to or in reinforcement of the 12. Pending consideration of the six principles by both parties, the Republic was pondering the accepting or rejection of the status quo military line and the democratic political principles in which were missing several guarantees of deep concern to the Republic.

X. THE TRUCE PLUS 12 PRINCIPLES PLUS 6 PRINCIPLES EQUALS "RENVILLE" AGREEMENT

It soon appeared that the content of the six additional principles, if accepted by the Netherlands, would be decisive as to the acceptance by the Republic of the combined plans as an integrated and balanced whole. The six principles follow:

1. Sovereignty throughout the Netherlands Indies is and shall remain with the Kingdom of the Netherlands until, after a stated interval, the Kingdom of the Netherlands transfers its sovereignty to the United States of Indonesia. Prior to the termination of such stated interval the Kingdom of the Netherlands may confer appropriate rights, duties, and responsibilities on a provisional federal government of the territories of the future United States of Indonesia. The United States of Indonesia, when created, will be a sovereign and independent state in equal partnership with the Kingdom of the Netherlands in a Netherlands-Indonesian Union at the head of which shall be the King of the Netherlands. The status of the Republic of Indonesia will be that of a state within the United States of Indonesia.

2. In any provisional federal government created prior to the ratification of the constitution of the future United States of Indonesia, all states will be offered fair representation.

3. Prior to the dissolution of the Committee of Good Offices, either party may request that the services of the committee be continued to assist in adjusting differences between the parties which relate to the political agreement and which may arise during the interim period. The other party will interpose no objection to such a request: This request would be brought to the attention of the Security Council of the United Nations by the Government of the Netherlands.

4. Within a period of not less than 6 months or more than 1 year from the signing of this agreement, a plebiscite will be held to determine whether the populations of the various territories of Java, Madura, and Sumatra wish their territory to form part of the Republic of Indonesia or of another state within the United States of Indonesia, such plebiscite to be conducted under observation by the Committee of Good Offices should either party, in accordance with the procedure set forth in paragraph 3 above, request the services of the committee in this capacity. The parties may agree that another method for ascertaining the will of the populations may be employed in place of a plebiscite.

5. Following the delineation of the states in accordance with the procedure set forth in paragraph 4 above, a constitutional convention will be convened, through democratic procedures, to draft a constitution for the United States of Indonesia. The representation of the various states in the convention will be in proportion to their populations.

6. Should any state decide not to ratify the constitution and desire, in accordance with the principles of articles 3 and 4 of the Linggadjati agreement, to negotiate a special relationship with the United States of Indonesia and the Kingdom of the Netherlands, neither party will object.

In the six principles were the three things of deep concern to the republic: Specific references to the Republic of Indonesia by name as one of the states in the United States of Indonesia, fair representation of all states in the interim government, and guaranty of international observation in the period between the signing of the political agreement and the transfer of the recognized historic sovereignty of the Netherlands to the United States of Indonesia. In addition were two new political principles. One of these provisions was that not sooner than 6 months and not later than 1 year after the signing of the agreement, plebiscites would be held under international observation for the self-determination of the people of the various territories of Java, Sumatra, and Madura as to whether they would form a part of the Republic of Indonesia or another state of the United States of Indonesia. The other additional basically democratic provision was that the representation in the constitutional convention would be in proportion to population which should mean that the new united states of Indonesia would not only be free and independent, but would also be democratic in structure, leadership, function, and services of, for, and by the people of Indonesia.

To reject would mean, according to the Dutch, not only the withdrawal of the 12 principles and the 6 principles of freedom, democracy, and cooperation, but would also mean the resumption by the Dutch of "liberty of action." To accept, it was envisaged, would transfer the struggle from a provisional military demarcation line, which would disappear, to a democratic political line which would endure. The underground struggle of bitterness and hatred, killings and destruction, it was conceived, would be brought above ground for good will, production, the utilization of military budgets for long-range productive programs for the education, health, and the welfare of all the people of Indonesia. Acceptance would mean the cooperation of the Netherlands, the republican, and the nonrepublicans in the formation of the sovereign, free, and independent United States of Indonesia in the Union of equal nations in the United States.

In consideration of these things, the Netherlands and the republic accepted unconditionally the truce, the 12 principles and the 6. Members of the committee expressed their personal faith to the representatives of the Netherlands that the republic would, with increasing effectiveness, keep the truce in good faith and good will, and furthermore, that a considerable proportion of the able and dedicated Indonesian leaders were in the republic. They also expressed to representatives of the republic their personal faith that the sovereignty of the Netherlands in the interim period would not be used to fix in the new clothes of freedom the old body of colonialism, that the republic would not lose its existing status emphasized as one of the two parties in the Indonesian question on the agenda of the Security Council of the United Nations. Members of the committee advised both parties to subordinate all claims and issues, which would soon disappear or be absorbed in the permanent settlement, to the three main objectives of keeping the truce, restoring economic production and trade through mutual cooperation, and, not the least important of all, the negotiation of the political settlement for freedom, independence, and cooperation.

The Committee previously had hoped for the acceptance of its proposals set forth in the Christmas message, which was rejected by the Dutch as indicated. However, the Renville agreement is as fair and balanced as the circumstances and the required agreement of the two governments would permit. Necessarily basic and general in nature, together with the Linggadjati principles on which it was based, the Renville agreement provided the balanced foundation, on which, and the basic principles, with which, the parties themselves, with the guidance and assistance of the United Nations, could negotiate a great settlement for two great peoples. The status quo military lines were provisional and would gradually disappear; the democratic lines would advance and endure. Such was our faith. The one thing required was the good faith, good will, and initiative of both parties in seeking ways to make it work rather than little faith, ill will, and resourcefulness in seizing ways to make it fail. Both parties, with good faith and good will, could implement and make effective an incomplete agreement on the basis of great principles. One party can, with determination make even a perfect agreement fail.

Basis for good will and early implementation

Upon the signing of the Renville agreement many circumstances were propitious for peace and an early implementation. The armies stood peacefully on the status quo line as accepted by the Republic. The Republic had again accepted the federal principle for the formation of the United States of Indonesia. A moderate Republican Government had come into power and withstood severe tests. Approximately 35,000 combatant republicans had been successfully evacuated from behind Dutch lines, and Colonel Rigers, United States Army; Captain McCallum, United States Navy; and other military, naval, and marine assistants of the several nations were most enthusiastic about the Republican achievement. On the eve of the signing of the Renville agreement, the spokesman for the Netherlands at The Hague had given public assurance of the opportunity for the activity of the United Nations Committee of Good Offices in the event of the consideration again of extreme measures. Since the Netherlands Government could not repeal and the committee could not sanction the violation of the standing cease-fire resolution of the Security Council, a denunciation of a particular truce would immediately place upon the two governments responsibility to find, with the assistance of the committee, some other way of implementing the standing cease-fire resolution of the Security Council. In addition to these safeguards of the peace, the Queen of the Netherlands, in the highest tradition of

a humane people, gave her pronouncement from the throne: "Colonialism is dead." The early implementation in negotiation of this noble declaration would strengthen the continued implementation of the truce.

There was no break in the presence, hard work, availability, and ability of the committee on the ground. After the departure of the American representative and his chosen first assistant, Prof. Henry P. Brandis, the functions of the American representative were taken over by Mr. Joseph W. Scott and Mr. Charlton Ogburn, Jr., of the original American delegation. Mr. Glenn Abbey, of the American Consulate in Batavia, a member of the United States delegation, continued as the chairman of the Truce Committee; Colonel Myers, United States Army, in cooperation with Brigadier Neylan, of Australia, and Colonel Servais, of Belgium, and their allied colleagues and associates, observed the setting up of demilitarized zones and the evacuation of combatants. Unfortunately, the parties themselves did not accelerate by agreement the opening up of communication, trade, and transportation to make available some of the goods desperately needed in the long-blockaded republic to provide necessities of life, health, and decency for the people, to allay the suspicions and unrest of extremists, and to provide tokens of cooperation between the Netherlands and the moderate republican government. There was also no real fulfillment of the freedom of assembly, speech, and publication at all times promised in the Renville agreement. With the growth of suspicion and unrest, the young revolutionary government, without the traditions of a strong stable government, could not always be sure of its own stability especially in the face of many delays and sudden breaks in negotiations.

XII. ANALYSIS OF THREE CONTROVERSIAL ISSUES

The lag in negotiations was due to a number of circumstances, such as the debates in the Security Council preceding its approval of the Renville agreement, the change in the composition of the Netherlands Government, the differences in the interpretations of some of the provisions of the Renville agreement, and the constant rejection by the Netherlands of the informal suggestions of the Committee of Good Offices. Three of the controversial issues involved sovereignty, separate organization of states, and the provisional government.

A. Sovereignty

The sovereignty of the Netherlands throughout the Netherlands East Indies, acknowledged in the first of the six principles, has never been questioned by the United Nations or by the member nations of the Committee of Good Offices or their representatives. In acknowledging this sovereignty the committee made clear its views, expressed to representatives of both Governments before the signing, with binding force on itself along, but nevertheless as the unanimous opinion of the Committee of Good Offices: That none of the principles could or were intended to alter the status of the Governments as the two parties to the Indonesian dispute on the agenda of the United Nations.

Neither the Dutch, in their over-all sovereignty, nor the Indonesian Republic in the exercise of their de facto authority, quite realize, that, except for the power of the United Nations in general, including the Chinese, the British-Indian and Russian forces in Asia; except for the gigantic American war production for the Pacific fighting; and except for the resistless vast assaults of the American armies, navies, air forces, and marines from Midway to the Solomons to the Philippines to Okinawa with the heroic cooperation of the Australians and New Zealanders, there would now be no over-all sovereignty of the Netherlands in the Dutch East Indies and no exercise of de facto authority by the republic within the republican areas of Java, Sumatra, and Madura. The Dutch Indies today would be the Japanese East Indies. Japanese totalitarian sovereignty would be now exercised over all Indonesia.

The legal sovereignty of the Netherlands in the Dutch East Indies is derived from history and international law but the actual exercise of sovereignty by the Netherlands in the East Indies proceeds now from the existence and the rights of the United Nations and their victorious armies. But for these, the Netherlands itself would be under the over-all sovereignty and tyranny of the Nazi totalitarian dictatorship. It is one of the ironies of history that the Netherlands should flout the orders of the United Nations from whose victories in World War II it derives not only its present sovereignty but its existence as a free nation.

After the surrender of the Japanese in the Netherlands East Indies to the representative of the allied command, the British general commanding the British forces and the Dutch units, fully aware of the historic over-all sovereignty of the Netherlands, yet confronted with the existence of the young republic, chose to deal with the republic as exercising de facto authority. This balancing of recognized sovereignty and actual equities was carried forward in the chairmanships of two British diplomats and in the continuing responsibilities of the Security Council which holds both the Kingdom of the Netherlands and the Republic of Indonesia as the two parties to the Indonesian dispute on the agenda of the United Nations.

Within the limits of the republic, reduced not by negotiation or self-determination of peoples but by the arbitrary conquests of the "police action" of July 21, 1947, the republic continued to exercise de facto authority. The Renville agreement, formally adopted under the flags of Belgium, Australia, and the United States, on a public ship of the United States, under the auspices of the United Nations, was signed by the chairman of the Dutch delegation, on behalf of the Kingdom of the Netherlands, and by the chairman of the Republican delegation on behalf of the Republic of Indonesia.

Both before and after the signing of the Renville agreement, the Republic, in its rightful exercise of de facto authority, had its own civil administration, revenues, currency, fiscal system, police, army, public works, public health, and public welfare agencies, radio and public information, schools and university, political parties, provisional assembly, cabinet, prime minister, and president.

After the signing of the truce, the Government of the Republic of Indonesia, in its exercise of de facto authority evacuated 35,000 Republican combatants from behind Dutch military lines. More recently the Republic, in its exercise of de facto authority, with its own army unaided, crushed the Communist revolt against the Soekarno-Hatta moderate government. The very terms of the Renville agreement impose upon the Republic the duty of exercising de facto authority in the implementation of the agreement.

By solemn agreement of the Government of the Republic with the Government of the Netherlands, the United Nations is committed before the world by principle I of the Renville agreement: "That the assistance of the committee on good offices be continued in the working out and signing of an agreement for the settlement of the political dispute in the islands of Java, Sumatra, and Madura, based upon the principles underlying the Linggadjati agreement." One of the principles underlying the Linggadjati agreement is stated in article I of the agreement as follows: "The Netherlands Government recognizes the Government of the Republic of Indonesia as exercising de facto authority over Java, Sumatra, and Madura."

Unless the United Nations is to renounce the force of agreements for the force of arms, that pledge is still binding on the two governments. To renounce that obligation is to sanction defiance of its own orders, is to violate its own charter, and is to undermine its own foundations in the conscience of mankind. Even if renounced by the Kingdom of the Netherlands and the United Nations, the agreements, made in their name, will be upheld by a moral sovereignty which will yet prevail over the broken pledges of a kingdom, the combination of colonial powers, and the resulting frustration of the United Nations.

The second Dutch police action, which violated the Security Council resolutions of August 1, 1947, has shocked the conscience of mankind. This tragic action will yet serve to strengthen, in world opinion, the responsibility of the United Nations for the continuance of the dispute between the Kingdom of the Netherlands and the Republic of Indonesia on the agenda of the United Nations until the final settlement of the political dispute is made in accordance with the principles of civil liberties and self-determination of peoples to which both Governments are specifically pledged in the Linggadjati and the Renville agreements.

B. The separate states

A persisting issue between the Government of the Netherlands and the Government of the Republic is the status of the separate nonrepublican states. The Republican Declaration of Independence was for all the Indonesian peoples to be in one consolidated centralized government of the Republic of Indonesia. Under Dutch sponsorship separate Indonesian states were organized in the Great East or East Indonesia, which included the peoples on the many islands east of Java. Separatist movements likewise were organized in Borneo.

In article 4 of the Linggadjati agreement, the Republic agreed: "The component states of the United States of Indonesia shall be the Republic, Borneo, and the Great East, without prejudice to the right of the population of any territory to decide by a democratic procedure that its position in the United States of Indonesia shall be otherwise defined." Article I provided: "The Netherlands Government recognizes the Government of the Republic of Indonesia as exercising the de facto authority over Java, Madura, and Sumatra. The areas, occuppied by Allied or Netherlands forces shall be gradually incorporated, through mutual cooperation in the Republican Territory. To this end the necessary measures shall at once be taken in order that the incorporation shall be completed at the latest, on the date mentioned in article 12 (January 1, 1949).

The Dutch police action of July 20, 1947, overran much of Java, Sumatra, and Madura. Behind the Dutch military lines large areas of territory and many millions of Indonesian people in Java, Sumatra, and Madura have since been held cut off from the Republic. Behind those lines in the former Republican territories Dutch-sponsored separatist movements have been under way in Java, Sumatra, and Madura. In the Christmas message informally presented to the parties on December 26, 1947, our unanimous committee recommended (in provision 2), pending the settlement of the political dispute, "that there be meanwhile a cessation of all activities by either Government relating directly or indirectly to the organization of states or to the determination of political relationship to the United States of Indonesia of territories in Java, Sumatra, and Madura which comprise the area involved in the dispute between the Government of the Netherlands and the Government of the Republic."

In provision 3 of the Christmas message, the unanimous committee recommended: "That on the signing of the political agreement the civil administration which was functioning on July 30, 1947, be restored within a period of not more than 3 months and that within a similar period Netherlands armed forces be withdrawn to territories occupied by them on July 20, 1947."

The Republic accepted the Christmas message with these provisions. The Netherlands rejected these provisions among others.

In the counterproposal of the 12 principles the Netherlands suggested in Principle I: "That the assistance of the Committee of Good Offices be continued in the working out and signing of an agreement for the settlement of the political dispute in the islands of Java, Sumatra, and Madura, based upon the principles underlying the Linggadjati agreement;" and in principle 2: "It is understood that neither party has the right to prevent the free expression of popular movements looking toward political organization which are in accord with the principles of the Linggadjati agreement. It is further understood that each party will guarantee the freedom of assembly, speech and publication at all times provided that this guarantee is not construed so as to include advocacy of violence or reprisals"; and in principle 8: "It is understood that decisions concerning changes in administration of territory should be made only with full and free consent of the population of those territories and at a time when the security and freedom from coercion of such populations will have been ensured."

Accordingly the organization of autonomous states are not prohibited pending the settlement of the political dispute. The committee's suggestion for prohibition meantime of such activities was rejected by the Netherlands. But the Renville agreement does not provide with regard to such activities (1) that the right that the free expression of popular movements shall not be prevented by either party; (2) that each party guarantee freedom of assembly, speech, and publication at all times; and (3) that decisions concerning changes in administration of territory should be made with the full and free consent of the populations of those territories; and in principle 4 of the six principles, that plebiscites (or another method by agreement of the parties) will be held, to determine whether the populations of the various territories of Java, Madura, and Sumatra wish their territory to form part of the Republic of Indonesia or another state within the United States of Indonesia, such plebiscite to be conducted under observation by the Committee of Good Offices should either party request such services.

The delineation of the territories in which plebiscites (or elections) were to be held naturally was left for the negotiations of the parties. Geography, history, traditions, administrative values, and the general sentiments of the population would doubtless be among the factors considered in the delineation of a territory. One of the basic principles of the Linggadjati agreement is that the composition of the United States of Indonesia shall be without prejudice of the right of the populations of any territory in a component state to decide by a democratic procedure that its position in the United States of Indonesia shall be otherwise defined. Both parties are not only committed to the four principles taken from the Linggadjati agreement and listed among the 12 principles, but are also committed to the working out and signing of an agreement based on the principles underlying the Linggadjati agreement. It would therefore be the right of any appropriate territory in the republic as well as any appropriate territory in any other component state to have the opportunity of self-determination of its relation to the republic or its relation to the United States of Indonesia or a special relation to the Kingdom of the Netherlands. The people themselves in the appropriate territories are to decide. If both the parties involved wish to use some method other than plebiscites they may agree upon the democratic procedures to be used for such self-determination of the people. The republic by the Linggadjati principle is no exception to this procedure.

C. The provisional government

As pointed out in our report to the Security Council one of the obstacles in the way of acceptance by the republic of the 12 principles, which were the Dutch counterproposals to the committee's Christmas message, was the fact that they contained no mention of the republic. In the additional six principles proposed by the committee it was provided in principle 2 that: In any provisional government created prior to the ratification of the constitution of the new United States of Indonesia all states will be offered fair representation. The Netherlands proposed and the republic accepted the reservation: That point 2 (principle 2 of the six) will become operative after the signing of the political agreement envisaged in this document.

Postponing the operation of principle 2 until after the signing of the political agreement did not make a change in the substance of the principle of fair representation. Principle 2, with the reservation, requires that, in any provisional government created prior to the ratification of the constitution and after the signing of the political agreement, all states will be offered fair representation. It is presumed that, if for any remotely possible reason overlooked by the constitutional convention, a provisional government were created after the ratification of the constitution and before the transfer of sovereignty, the parties would, as a matter of common sense, agree on the basis of the established precedent, that, in such a provisional government, all states would be offered fair representation. The change in the time of its operability does not cause principle 2 to read that, in any provisional government set up at any other time, all states will be offered fair representation except the Republic of Indonesia.

Under the Netherlands right in principle 1 to confer "appropriate rights, duties, and responsibilities upon a provisional Federal Government" prior to the transfer of sovereignty the language does not read "what the Netherlands Government deems to be appropriate rights, duties, and responsibilities."

Moreover, even by unilateral decision it would not be a conferring of appropriate rights on a provisional government—if one should be set up after the ratification of the constitution and before the transfer of sovereignty or if one should be set up before the signing of the political agreement—to grant the right of fair representation in the provisional government to all states except the Republic of Indonesia.

To arrogate to sovereignty such arbitrarily discriminatory power or to confer upon any provisional government the right to exclude a particular one of the states from fair representation would not only not be appropriate, it would, by any interpretation, be most inappropriate and destructive of reasonable negotiations by its unfair discrimination against this particular state.

Such a position cannot be deduced from the common language of the agreement, or from common sense or from common fairness that only the states which were or are sponsored by the Dutch, no one of which was given a hearing before the United Nations, are the only Indonesian states which will be offered fair representation in a provisional government set up before the signing of the political agreement. To hold that the Republic of Indonesia, the only Indonesian state, which in its continuing exercise of de facto authority, has been and still is a party to the dispute on the agenda of the United Nations and which is the only Indonesian state which has been and still is given hearings by the Security Council, is to be the only Indonesian state denied fair representation in such a provisional government is, by a simple analysis, a clearly inappropriate and unjust use of arbitrary power characteristic of the sovereignty of a totalitarian state rather than the sovereignty of a democratic nation.

Negotiations for the implementation of the "Renville" agreement

Before the last remaining members of the original Committee of Good Offices at Batavia boarded the plane late in January for Lake Success, four committees representing the two governments were set up on (1) security and the truce; (2) political provision; (3) economics and finance; and (4) repatriation, movement of persons, and other such social and administrative matters. Clearly unprepared for the remarkably successful evacuation of approximately 35,000 Republican combatants from behind Dutch military lines, the Netherlands did not bring forward a plan for political discussions until about the middle of March. The series of working papers then submitted by the two governments were so widely at variance that they resulted only in impasse. To provide a basis for discussions, the du Bois-Critchley plan was informally submitted to the parties.

XIII. THE DU BOIS-CRITCHLEY PLAN

The du Bois-Critchley plan provided a wide solution of the vexing problem of the delineation of state boundaries prior to plebiscites or elections. One or more electors in proportion to the population were to be elected from all the smallest administrative units throughout Indonesia. These chosen electors would then get together on the next highest administrative level and elect delegates to the Constituent Assembly which would be both the provisional legislative assembly and the constitutional convention.

This provisional parliament (1) would, on the basis of geography, ethnography, history, tradition, and sentiment of peoples, delineate the states of the new United States of Indonesia; (2) would elect the President who would appoint the Prime Minister who would, in turn, form a Cabinet responsible to the provisional parliament; (3) and would have full powers of self-government including the command of all Indonesian armed forces. The Netherlands High Commissioner would retain certain veto rights and have power to declare an emergency in a situation beyond the control of the provisional government in which case he would have the power to command the armed forces.

The Constituent Assembly, as the provisional parliament, would, with the Netherlands, frame a statute of the Netherlands-Indonesian Union which would safeguard legitimate economic, cultural, and military interests of each country in the other and provide the framework for cooperation of the two governments in all fields of common interest. As the constitutional convention, the Constituent Assembly would write the Constitution of the United States of Indonesia. When the constitution and the statutes of the union be ratified, the Netherlands would transfer sovereignty to the United States of Indonesia.

The Republic accepted the principles of the plan for negotiations. The Netherlands refused to discuss the plan, alleging that the committee had violated its own rules of procedure even in submitting the plan confidentially without being requested to do so by both parties. On June 16 the Netherlands, alleging that the committee was guilty

of leaking the plan to the press, broke off negotiations. This allegation was vigorously denied and was never established.

In view of the fact that for 6 weeks afterward the Netherlands would neither discuss the du Bois-Critchley plan nor submit a counterplan, the representatives of the Republic withdrew from what they considered an empty situation. All these matters were faithfully reported to the Security Council. On July 4, Mr. Coert du Bois, an able public servant of the United States and the United Nations, who had damaged his health with devoted and arduous work, returned to America with the deep appreciation of those who knew him best. His American colleagues and their Australian and Belgian associates, meanwhile, continued available for the assistance of the parties when they again might feel the obligation to keep the promise made in the first of the 12 principles of the Renville agreement.

Mr. Merle Cochran, the able American career diplomat, was appointed the successor of du Bois. Finding that all negotiations were still off, with no promise of resumption Cochran submitted an American plan.

XIV. THE COCHRAN PLAN

The Cochran plan for the implementation of the Renville agreement was presented by the new American representative who came with a fresh view and a sincere purpose to submit a fair and balanced proposal. After a thorough study of the situation he submitted an American plan based largely on the du Bois-Critchley plan with the sympathetic approval of the stanch and able Critchley. The original American-Australian plan was composed of recommendations of what the main provisions of the political agreement should be. The American plan is a draft agreement itself, definite and precise. One of the few important differences is that the Netherlands High Commissioner, to declare an emergency in the interim period must have the consent of the Indonesian President or Prime Minister. It is considered by neutral observers to be a fair, reasonable, and practical implementation of the basic principles of the Renville agreement.

The American plan was submitted informally to the parties on September 10 as a committee working paper. The Republic fairly promptly accepted it as a basis for negotiations. The Netherlands in the middle of October accepted it as a basis for negotiations with such drastic amendments as to change the whole nature of the plan, with another dead end in negotiations.

XV. PATTERN OF REJECTIONS AND DELAYS

Time worked most heavily against the weaker government. In the summary record of the negotiations with the Republic, or lack of negotiations, and of the use of the assistance of the Committee of Good Offices, or lack of use, is revealed a Dutch policy pattern of delay and attrition. In the negotiations for the implementation of the Renville agreement the Dutch rejected the major proposals of the Committee of Good Offices, broke off negotiations over a long period, and refused or failed to use the committee in violation of the first principle of the Renville agreement. The Netherlands Government used the policy of delay to carry on what the Republicans considered a program of economic strangulation instead of the opening of trade as provided for in the agreement and a policy of political fragmentations which were more Dutch-sponsored than the free expressions of popular movements promised in the Renville agreement.

These delays did not help the moderate Hatta government in its need of tokens of progress in negotiations and in need of strength against extremist elements. The policy pattern of delay and broken negotiations had caused unrest and a major incident in the Republic. The Communists seized the opportunity thus presented by the Dutch to stir up an insurrection against the moderate Hatta government. President Soekarno and Prime Minister Hatta used the Republican Army, with the backing of the whole Government and all the major political parties, to crush decisively the Communist revolt. This was a real demonstration of stability and strength by this moderate government caught between the Dutch delays and the Communist insurrection. While other governments with aid from the democracies failed to stop the Communist march, the blockaded Republic of Indonesia, without aid from any source, crushed the Communist uprising.

XVI. INCIDENTS

In any situation involving the complex relation of human beings and the more complicated relation of governments, no one side is apt to be without blame. There have been atrocities on both sides. A young revolutionary Republic, with the responsibilities of exercising de facto authority in the effectuation of a truce and in negotiation for the implementation of an agreement, is not able to achieve conditions of law and order as completely as itself desires. The long-established Netherlands East Indies Government with its longer administrative authority and experience, its superior resources, its military conquests, its mechanized forces, and its stakes in the status quo, is in a stronger position to maintain law and order more completely within its territories. The very fact of the military conquests of July 21, 1947, and the nonimplementation of the two agreements, created a sense of injustice which cruelly makes for incidents and atrocities deplored by all decent people. The military conquest of July 21, 1947, in the eyes of the conquered, was itself a major atrocity.

It is tragically in the nature of revolutionary movement that even the greatest revolutions are accompanied by incidents and atrocities. The great American and French Revolutions were not exceptions to atrocious accomplishments, especially in the irregular fighting of Tories and Revolutionists in America and in the conflicts of the forgotten millions and the privileged groups in France. The actions of lawless bands or the atrocious incitements of a few irresponsible military leaders are not to be excused. They do not have the approval of the humane people of the Republic and merit the condemnation of us all. Almost all the incidents cited against the Republic occurred behind the Dutch lines in territories under Dutch control. The Dutch had the authority and responsibility under the truce to punish any such offenders against the truce and any such perpetrators of wrongs against the property and lives of people.

The best way to have stopped incidents, so far as their source was from within the Republic, was, not by military conquest of a moderate government, but was through progress in negotiations with a moderate government whose leaders include some of the noble spirits of our time.

XVII. THE COMMUNIST REVOLT CRUSHED

This moderate Republican Government immediately showed its good faith and strength by evacuating an estimated 35,000 Republican combatants from behind the Dutch lines without major incidents. In spite of the fact that time itself, with its blockage and splinter movements, was working against the Republic, in spite of the suspicion and unrest caused by delays in negotiations, and in spite even of long periods of broken negotiations, this moderate Republican Government only a few months ago decisively met head-on a major incident in its own territories, crushed the Communist insurrection, and reasserted its de facto authority to carry on negotiations to implement the Renville agreement.

XVIII. THE BREAKING OF THE TRUCE

Instead of resuming on the basis of either the American-Australian plan, or on the basis of its later modification in the American plan, under the auspices and with the ready assistance of the Committee of Good Offices, composed of fair and able men devoted to the purposes of the United Nations, the Government of the Netherlands refused to carry out the first principle of the Renville agreement in which it promised: "That the assistance of the Committee of Good Offices be continued in the working out and signing of an agreement for the settlement of the political dispute in the islands of Java, Sumatra, and Madura based upon the principles underlying the Linggadjati agreement."

Instead of using the ways of peace and negotiation, the present Government of the Netherlands, in the face of one of the most conciliatory attitudes ever expressed by the prime minister of one government to another, demanded the unreserved surrender of the Republic on all main points of difference within 48 hours. With possibilities of an agreement with the assistance of the Committee of Good Offices by no means exhausted, the Netherlands Government reduced its 48-hour ultimatum to 24 hours. With such a 24-hour ultimatum the truce was broken. No effective notice was given either to the committee or to the Republican Government. Facilities were denied to the American representative in Batavia to notify the committee then meeting at Kaliwrang 13 miles from the Republican capital. Facilities were denied to the Republican representatives in Batavia to notify his Government at Djokjakarta. The attack was suddenly launched. The leaders of the Republican Government, only 13 miles distant from the Committee of Good Offices of the United Nations, were taken completely by surprise. The whole Cabinet was captured.

The breaking of the truce violated the Renville agreement. The launching of the attack violated the Security Council's resolution of August 1, 1947. Mr. Philip Jessup, the United States representative on the Security Council, has made clear that the attack was unwarranted, that it violated the Renville agreement, and that it violated the Security Council cease-fire resolution of August 1, 1947. Mr. Merle Cochran in his reports to the Security Council made it explicitly clear that the breaking of the truce was without effective notice and violated the terms of the Renville agreement. The fundamental balance of the Renville agreement was also broken. The democratic lines, which were promised to advance, receded before the attacker; and the military line, which were promised soon gradually to recede in peace, advanced in military conquest. Instead of ballots being substituted for bullets, in fulfillment of solemn declarations, bullets were substituted for ballots in violation of the two agreements.

As clearly as the breaking of the truce was and is a violation of the Renville agreement, it also is clear that the launching of the attack was and is a violation of the Security Council's cease-fire resolution of August 1, 1947. That the attack was a violation of the resolution of August the first is made clear beyond any possible question in its resolution of November the first, in which the Council "advises the parties concerned, the Committee of Good Offices, and the Consular Commission that its resolution of August 1 should be interpreted as meaning that the use of armed forces by either party by hostile action to extend its control over territory not occupied by it on August 4, 1947, is inconsistent with the Council's resolution of August 1, 1947." The Government of the Netherlands has used its armed forces by hostile action to extend its own control beyond the August lines of 1947.

The breaking of the truce violated the Renville agreement. The attack violated the

Security Council resolution of August 1. The terms of the ultimatum violated the most elemental sense of human decency. The reduction of the Dutch ultimatum to 24 hours was in simple, human terms, in effect, a demand that the Prime Minister of the Republic get out of a sickbed in Kaliwrang, where the Committee of Good Offices was in session, travel in the evening over a difficult, partly mountainous road to the Republican capital, convene his Cabinet and parliamentary working committee, and have an unconditional surrender on all main points of differences in Dutch hands in Batavia by 10 o'clock next morning. The first that the majority of the members of the United Nations Committee of Good Offices at Kaliwrang knew of the attack was when they saw the bombs falling on the capitol of the Republic of Indonesia. The committee was at that time denied facilities to notify the Security Council for an emergency meeting.

The heroic heights of the historic traditions of liberty and honor and the noble heights of the humane spirit of the Dutch people over the centuries will forever measure the depths to which some responsible Dutch officials dragged down the good name of a great people. The people of the Netherlands will yet repudiate these officials who misrepresented their noble name before the world. The peoples of the western European democracies will repudiate the votes of their governments in the Security Council which supported for a time the crushing of the Republic of Indonesia and buried for a time the principles and procedures of the Charter of the United Nations. The ghosts of Ethiopia and Manchuria from the tomb of the old League of Nations haunt today the chambers of the United Nations. The Assembly of the United Nations will yet call to the judgment bar of mankind all those who, with force of arms, defy the orders of the United Nations to cease fire and resume the procedures of peace. The United Nations, in the face of a threat to the peace of the world, cannot by drift or default, escape the obligations of its great Charter which holds that nations with dependent territories are accountable to the world community.

The officials of the Netherlands Government disregarded the United Nations Committee of Good Offices, broke the Renville agreement, violated the Security Council resolution of August 1, 1947, attacked without effective warning the Republic of Indonesia and defied the United Nations, because all these, in fulfillment of international obligations, stood across the road of an unwarranted attack on the Government of the Republic in the islands where cross the roads of freedom and peace in the world.

This violation of the United Nations order stands out in the perspective of two attacks. The Communists failed to break the stanch ranks of the moderate Republican Government. Taking advantage of the Dutch rejections, delays, and broken negotiations, the Communists sought to undermine and overthrow the Republican Government. Word came from Moeso, a Moscow-trained Indonesian, for the Communist uprising against the moderate Republican Government. The Republican Government, without outside aid, crushed the Communist revolt.

The Dutch failed by rejection of neutral proposals, delays, broken negotiations, economic strangulation, and political fragmentation, to break down the moderate but stanch Republican Government as it tried to hold the line for the principles of the Charter of the United Nations. Word came from The Hague for a sudden attack against the Republican Government. The Republic was crushed in the field but will rise again in the power of the moral opinion of mankind.

XIX. THE RENVILLE AGREEMENT AND THE OBLIGATIONS OF THE UNITED NATIONS

The procedures of the United Nations and the principles of the Linggadjati and Renville agreements will rise again in this desperate but still hopeful world, which, under God, is patiently in the making.

Word from The Hague indicates that the Netherlands Government is at long last considering the resumption of negotiations. It is the responsibility of the United Nations to make sure that in such negotiations the President and the Prime Minister of the Republic and their associates are restored to their capital and have equal freedom of negotiations under the auspices and according to the principles and the procedures of the United Nations Committee on Indonesia.

The Vandenberg amendment to the ECA bill proposes to tie the ECA to the Charter of the United Nations by incorporating in this amendment section 5 of article 2 of the Charter which provides that: "All members shall give the United Nations every assistance in any action it takes in accordance with the present Charter, and shall refrain from giving assistance to any state against which the United Nations is taking preventive or enforcement action." We thus, as far as possible, keep our procedures within the framework of the United Nations in the exact language of the Charter. This amendment will serve to support and strengthen the United Nations in its heavy responsibility in dealing with the complex Indonesian question.

The Indonesian story is not a one-sided story, all black or all white on either side. Though the Indonesian story has its hopeful lights and tragic shadows on both sides, it is yet written in the record of the United Nations that it has been mainly the Dutch representatives who have delayed and delayed in the negotiations, rejected and rejected suggestions made by representatives of the United Nations, and defied and defied orders of the Security Council. It is our faith that increasingly large groups of forward-looking and humane people of the Netherlands, with its noble and heroic traditions, are yearning for an early and fair settlement of this increasingly tragic and destructive dispute. We look to both Governments now to follow through in good faith for a decent compliance with the procedures of the United Nations. In case the Kingdom of the Netherlands and the Republic of Indonesia fail to fulfill the hopeful promises within a reasonable time, it is the sense of a large body in the United States Senate that the Security Council should so report to the world, and that the American representative should, along with his colleagues in the Security Council, take the lead for the adoption of enforcement procedures.

The adoption of enforcement procedures by the Security Council in accordance with this amendment, expressed in the identical language of the Charter, would then obligate the United States and other member nations to withdraw any assistance from a government against which the measures of enforcement were proceeding. In this way there would be brought to bear against a defiant member nation not the unilateral action of one nation but the united action of all nations in the United Nations. If any colonial power, in the face of the moral opinion of the world, should veto the resolution for enforcement procedures, then both the nation which defies and the nation which vetoes should be brought to the moral judgment bar of that great forum of world opinion, the General Assembly of the United Nations. If it should develop that the present fair words should become a cover for more delay, rejection, and defiance, and if the United Nations fails after the exhaustion of its procedures to secure compliance, we believe the Administrator of the ECA would be in moral position to use his executive power with regard to ECA funds in a way made appropriate by such failures.

Senator BREWSTER has performed a public service in bringing the Indonesian question to the floor of the Senate. I am strongly in favor of his position but do not consider this the proper time for his amendment. It now appears, on the assurances of the Secretary of State, that representatives of the two governments are to resume negotiations at an early date.

At the time of the shameful attack by the Netherlands on the Republic of Indonesia, in violation both of the Renville agreement and the cease-fire order August 1, 1947, and the subsequent defiance of the United Nations, I thought that ECA aid should have been cut off, not only to the East Indies, but to the Kingdom of the Netherlands.

Since the ECA aid was not cut off to the Kingdom of the Netherlands, during the period of Dutch defiance, it is not now appropriate to cut off such aid when this defiance seems to be coming to an end and negotiations between the two governments are in the process of being resumed. Now that the officials at whose instance this most reprehensible attack was made are being replaced by men of more understanding and good will, the timing of the amendment might have consequences that would not now best serve the purpose for which it is intended. Furthermore, we have time to consider, for all practical purposes, the substance of this amendment after the negotiating officials have had time to prove the real intent and substance of the fair assurances now given in press dispatches from the Netherlands and from Indonesia. In the present circumstances we should trust the good faith of these dispatches. In case our faith in their good faith proves to be unjustified, we have time in the later consideration of the appropriation for ECA to effectuate the intent of this amendment without now appearing to doubt the good faith of these latest assurances.

In this complex situation in which so much depends on good faith, let us build on good faith and fair hopes wherever we can find them. The Secretary of State has expressed his confidence in the good faith of the present assurances and his hope for the real resumption of negotiations for a peaceful settlement of this protracted and tragic dispute. In the light of developments, we can return to the purpose of the Brewster amendment with more timeliness and no less effectiveness.

By the blood of the sons of the Netherlands, by the blood of the sons of Indonesia who struggled and died in the heroic Dutch underground for the freedom of the Netherlands, by the proclamations of the beloved Queen and the commitments of the Ministers of the Netherlands, by the struggles and brave hopes of the Republic, by the national aspirations of the people of Indonesia, and by the needs of the world and the responsibility of the Security Council, the truce must be restored and the political principles must be fulfilled in the freedom, independence, and cooperation of these two great peoples in one of the great commonwealths of free and equal nations of our modern world.

A. Larger destiny

In the restoration of the peace and the Renville principles, the people of the Netherlands, the people of the Republic, and all the people of Indonesia have, under God, a rendezvous with a larger destiny of creative cooperation in a time and in a world in need of the best which these historic peoples can give together. May they not fail mankind in this desperate hour. Rather may they rise to the responsibility of their power and the opportunity for their greatness to give

fresh hopes of food and freedom to the hungry and fearful people of the earth who, looking to the east, would lift their eyes in prayer toward the morning of their hopes for a freer and fairer world.

EXTENSION OF EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 1209) to amend the Economic Cooperation Act of 1948.

Mr. CONNALLY. Mr. President——

The VICE PRESIDENT. The Senator from Texas.

Mr. CONNALLY. I want to say just a word to all Senators. We are very anxious to speed along the pending bill and dispose of amendments as rapidly as possible. We hope Senators will remain on the floor as far as possible today, so that we can get action on amendments that are pending, of which there is a large number, many of them of small import, but still the amendments are here. I hope the Senate will vote immediately on the pending amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. ELLENDER].

Mr. ELLENDER. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

The Senator from California [Mr. DOWNEY] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Iowa [Mr. GILLETTE], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Georgia [Mr. RUSSELL] are absent on public business.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

The Senator from Montana [Mr. MURRAY], the Senator from West Virginia [Mr. NEELY], the Senator from Florida [Mr. PEPPER], and the Senator from Utah [Mr. THOMAS], are absent on official business at the White House, and if present would vote "nay" on this amendment.

I announce further that if present the Senator from Iowa [Mr. GILLETTE], the Senator from North Carolina [Mr. GRAHAM], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from New York [Mr. WAGNER] would vote "nay" on this amendment.

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER] is absent on official State business, and is paired with the Senator from New Jersey [Mr. SMITH] who is absent because of illness. If present and voting, the Senator from Maine would vote "yea," and the Senator from New Jersey would vote "nay."

The Senator from Indiana [Mr. CAPEHART] is absent on official business.

The Senator from Pennsylvania [Mr. MARTIN] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. BRIDGES] is absent because of illness in his family.

The result was announced—yeas 22, nays 56, as follows:

YEAS—22

Bricker	Johnson, Colo.	Mundt
Butler	Johnston, S. C.	Taft
Cordon	Kem	Taylor
Eastland	Langer	Wherry
Ecton	Long	Williams
Ellender	McClellan	Young
Frear	Malone	
Jenner	Millikin	

NAYS—56

Aiken	Holland	Morse
Anderson	Hunt	Myers
Baldwin	Ives	O'Conor
Cain	Johnson, Tex.	Reed
Chapman	Kefauver	Robertson
Connally	Kerr	Saltonstall
Donnell	Kilgore	Schoeppel
Douglas	Knowland	Smith, Maine
Ferguson	Lodge	Sparkman
Flanders	Lucas	Stennis
Fulbright	McCarran	Thomas, Okla.
George	McCarthy	Thye
Green	McFarland	Tobey
Gurney	McGrath	Tydings
Hayden	McKellar	Vandenberg
Hendrickson	McMahon	Watkins
Hickenlooper	Magnuson	Wiley
Hill	Maybank	Withers
Hoey	Miller	

NOT VOTING—18

Brewster	Gillette	O'Mahoney
Bridges	Graham	Pepper
Byrd	Humphrey	Russell
Capehart	Martin	Smith, N. J.
Chavez	Murray	Thomas, Utah
Downey	Neely	Wagner

So Mr. ELLENDER's amendment was rejected.

Mr. ELLENDER. Mr. President, I send to the desk an amendment which I offer.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 7, befor the period in line 24, it is proposed to insert a comma and the following: "and by inserting before the semicolon at the end thereof a comma and the following: 'but such special account shall not be used for administrative expenditures of the government of such country or for payment of interest on or retirement of the national debt of such country.'"

Mr. ELLENDER. Mr. President, I do not desire to discuss this amendment at length for the reason that it was discussed by me Saturday, as well as yesterday. The amendment speaks for itself. Its purpose is to prevent the Administrator from using any portion of the counterpart funds to retire the national debts, or to pay the interest thereon, or to pay the administrative expenditures of the governments of the beneficiary countries.

As I pointed out during the debate, of the $1,171,000,000 which has been placed to March 1949 in the counterpart fund, represented by deposits in the various banks of the beneficiary countries, $672,000,000 has been withdrawn. Of that amount, $539,200,000 has been used to retire debts.

In Austria $85,000,000 were used from the counterpart funds to retire national debts of that country.

In France $102,000,000 of counterpart funds were used to reduce their national debt.

In the United Kingdom the sum of $330,000,000 of counterpart funds were used for reduction of the national debt.

In Norway the sum of $22,200,000 of counterpart funds were so used.

Mr. McCLELLAN. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield for a question.

Mr. McCLELLAN. Was any part of that money used to reduce the debts of any of these countries owed to the United States?

Mr. ELLENDER. Insofar as I have been able to ascertain, no part of it was used for that purpose.

Mr. TAFT. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Ohio?

Mr. ELLENDER. I yield.

Mr. TAFT. What troubles me about the amendment is that in certain cases representatives of the ECA have made agreements with these countries for the calendar year 1949. I do not like to go to the extent of repudiating such agreements. I entirely agree with the Senator's policy as it would apply to the future.

Mr. ELLENDER. My amendment applies only to future appropriations. According to the testimony presented to the committee by Mr. Hoffman, a total of $4,000,000,000 in counterpart funds will be established under the previous appropriation, and he stated that only $672,000,000 had been withdrawn to date. That leaves more than $3,250,000,000 of counterpart funds which would not be affected by my amendment. The Administrator ought to be able to carry out any commitments he has made with that huge sum of money.

Mr. TAFT. The obligations entered into, I think, apply to the entire calendar year 1949. In the case of France, for instance, the French budget has been balanced by agreement on our part that during the calendar year 1949 they may take some part of the counterpart fund to help them balance their budget. I do not like to go back on that agreement. I agree with the principle the Senator seeks to put into force. I think he is entirely correct. I do not see why from now on we should be balancing the budgets of these countries or paying off their national debts, but I think it would be well if the Senator could in some way except obligations already entered into.

Mr. ELLENDER. I am willing to accept any suggestion the Senator may make along that line, although I do not think my amendment would affect any commitments previously made. My object is to affect only the appropriations which are to be made under the pending authorization. I am not seeking to include the past appropriation.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. HICKENLOOPER. I am very much inclined to support the Senator's

amendment, but I agree with the Senator from Ohio that if under existing law ECA has made any firm commitments, we probably are morally and perhaps legally bound, if there is such a term in this program, to accommodate those commitments. I wonder if the Senator could modify his amendment by recognizing the exemption of agreements which were made, let us say, by March 1 last, or April 1, providing that any agreement made prior to such date would not be affected.

Mr. ELLENDER. I am willing to modify my amendment to that extent. The distinguished Senator from Iowa is a member of the Committee on Foreign Relations, and I am not. I have no knowledge of such commitments and agreements. The hearings are silent in that regard. I will gladly modify my amendment in order to make certain it will apply only to future appropriations or to a specific date, say April 1, 1949.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. HICKENLOOPER. I wish to say to the Senator from Louisiana that I am in sympathy with what I believe the Senator wants to do and proposes to do by the amendment. My only question is, along the line raised by the Senator from Ohio [Mr. TAFT], that if we have existing commitments we should honor them.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. TAFT. I suggest a modification of the amendment. At the end of the Senator's amendment I suggest the insertion of the words, "except as the Administrator prior to April 1, 1949, may have agreed to such use during the calendar year 1949."

Mr. ELLENDER. Mr. President, I modify my amendment by adding the language suggested by the distinguished Senator from Ohio [Mr. TAFT].

The VICE PRESIDENT. The Senator modifies his amendment, which he has a right to do.

Mr. WHERRY. Mr. President, I ask that the amendment as modified be read.

The CHIEF CLERK. Mr. ELLENDER'S amendment, as modified, is as follows:

On page 7, before the period in line 24, insert a comma and the following: "and by inserting before the semicolon at the end thereof a comma and the following: 'but such special account shall not be used for administrative expenditures of the government of such country or for payment of interest on or retirement of the national debt of such country,'" except as the Administrator prior to April 1, 1949, may have agreed to such use during the calendar year 1949.

Mr. TAFT. Mr. President, I ask to delete the words "during the calendar year 1949."

The VICE PRESIDENT. The clerk will read the language as it now appears.

The LEGISLATIVE CLERK. "Except as the Administrator prior to April 1, 1949, may have agreed to such use."

Mr. TAFT. Yes; "may have agreed to such use."

Mr. ELLENDER. I accept that modification.

The VICE PRESIDENT. The amendment has been modified accordingly.

Mr. CONNALLY. Mr. President, the committee gave very careful consideration to this matter. There is involved not only the question of the agreements which have been made between the Administrator and several countries, but there is also involved the very important question of the employment of the money in a campaign against inflation. None of us like to have our money go for the purposes suggested by the Senator from Louisiana, but it is going to go for some purpose when the bill is put into operation.

The amendment, Mr. President, would in the future prevent any arrangements of this kind. They might be in some instances of the highest value, of the highest consideration. It seems to me that this is a matter which should be left to the Administrator, because he has a wide field of operation, and he has to use one employment for this purpose and another employment for that purpose. The committee considered this matter very carefully and rejected the amendment.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. TAFT. My only point is this: We have sent these countries a large amount of food. The government gets the food for nothing from us. The government then turns around and sells it to——

Mr. CONNALLY. No; it pays in counterpart funds.

Mr. TAFT. I mean we receive no dollars for it.

Mr. CONNALLY. No.

Mr. TAFT. The government then turns around and sells the food to its citizens, and collects cash, which is a free gift to that government so far as it is concerned, in these counterpart funds. To provide that at least 25 percent of those funds shall not be used for the ordinary expenses of the government or the payment of its debts, but shall be preserved so that we can later use that money to buy strategic materials in that country, is, I think, certainly a very mild limitation. They can use the other 75 percent, which is a free gift, gratis, for nothing, to enable them to balance their budgets. It does not seem to me that when we insist on 25 percent for our own use we are being in any way unreasonable. In effect, it is tantamount to saying that we are giving 75 percent of all this stuff free, but 25 percent has to be paid for sooner or later. I cannot believe that it would be a serious embarrassment in any way to the Administrator.

Mr. CONNALLY. Mr. President, the foreign countries do pay us for all the stuff we send them. They do not pay us dollars, but they pay us in what is called the counterpart funds, with which the Senator, of course, is fully familiar.

Mr. TAFT. If they use it to pay their own debts they do not pay us.

Mr. CONNALLY. Does this cover the 25 percent only?

Mr. ELLENDER. No. It applies to all counterpart funds which may be established under the pending authorization.

Mr. CONNALLY. That is what I have in mind.

Mr. ELLENDER. In other words, my amendment prevents——

Mr. CONNALLY. This amendment I have in my hand, amendment E?

Mr. ELLENDER. The amendment would prevent the use of any portion of the counterpart funds, to pay the national debts, and interest thereon, and the administrative expenses of any beneficiary country.

Mr. CONNALLY. Mr. President, the Senator from Ohio——

Mr. TAFT. Mr. President, I was mistaken. I confused the pending amendment with the previous amendment.

Mr. CONNALLY. The other amendment was defeated.

Mr. TAFT. Yes.

Mr. ELLENDER. I may state to the distinguished Senator from Ohio that the amendment which was just defeated provided that not less than 25 percent of the counterpart funds, shall be used to purchase strategic materials for our account. It did not relate to debt retirement.

Mr. CONNALLY. It was limited to strategic materials. There is in the bill another clause dealing with strategic materials which was very carefully prepared. The Senator from Massachusetts [Mr. LODGE] took a special interest in it, and will no doubt discuss it when it shall be reached.

Mr. WHERRY. The Senator from Massachusetts discussed it yesterday.

Mr. CONNALLY. The Senator from Massachusetts discussed it yesterday and may probably do so again. So Senators need not worry about strategic materials. They are cared for. They have been cared for, not in hasty debate on the floor, during which Senators frequently make errors in a general way, but have been given careful consideration in the Committee on Foreign Relations.

The adoption of the amendment proposed by the Senator from Louisiana will simply complicate the operations of the Administrator in administering the act. I hope very much that the Senate will defeat the amendment, because the Administrator is a prudent and a wise man. He has a grasp of this situation such as none of us can acquire. I very much hope that the amendment will not be adopted.

The VICE PRESIDENT. The question is on agreeing to the amendment lettered E, as modified, offered by the Senator from Louisiana [Mr. ELLENDER].

Mr. ELLENDER. On this amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. GEORGE. Mr. President, before the Senate votes on the amendment, I wish to say a few words. The purposes of the ECA Act will be found on page 2, title 1 thereof. Among the purposes, as they are stated in order, are:

(1) Promoting industrial and agricultural production in the participating countries;

(2) Furthering the restoration or maintenance of the soundness of European currencies, production, and finances; and

(3) Facilitating and stimulating the growth of international trade—

And so forth. Mr. President, if we had put first things first we would have placed No. 2 in the first place, because basically there cannot be any recovery in Europe unless the soundness of the currency of the participating countries is maintained, and unless they have balanced budgets, or budgets at least that can be brought into balance, and unless their fiscal affairs are properly cared for.

That is in the basic act. Undoubtedly it was the primary purpose of the act to bring about the recovery of western Europe. Not only is that provision in the basic act, but when we came to the counterpart fund we intentionally permitted the placing of currencies paid on account of anything furnished to European countries in the so-called counterpart fund. That was not to be our money. Only 5 percent of it now, by agreement, is used for our benefit. The total deposit is for the benefit of the countries participating in the Marshall-plan program. That was a double generosity upon our part, so to speak.

We could have saved ourselves a great deal of money had we set up a revolving fund of $5,000,000,000, and pledged the Congress to maintain the integrity of that fund, and to convert the currencies of all the countries in that fund into dollars for use again by the various countries. Obviously we could have got by with a program of about $5,000,000,000, plus the annual appropriations to protect the integrity of the fund; but we did not do that. That would have slowed down the process of European recovery. I think it would have taken a much longer time, and the revolving fund alone might have been inadequate to have brought about recovery. We said to those countries, "You may establish this counterpart fund," and under the law which we then wrote we said we would exercise only this control over it. In effect we said, "We will countersign the check, to see that it goes for constructive purposes." Manifestly we cannot say that this is not for a constructive purpose, when it is directly for the purpose of aiding and assisting and bringing about the soundness of the budgets and finances of the western European countries. With respect to the counterpart fund itself we enumerated this purpose:

For the purpose of internal monetary and financial stabilization, for the stimulation of productive capacity and the exploration for and development of new sources of wealth—

And so forth. That is a specific purpose. We said that the participating countries would be privileged to use the money for that specific purpose, that is, to draw on the counterpart fund for that purpose. This amendment limits and changes the entire philosophy. It seems to me that it changes it to the detriment of the purposes which we had in mind.

When it comes to the appropriation for the next fiscal year, 1951, we may well say that that is to be a revolving fund for that year and the following year, the last year of the program, and that we will maintain the integrity of the fund; but we would not then, I hope, claim that the fund belonged to us as an asset which we might take over. Much as I stand for economy, it seems to me that it would be short-sighted economy to launch a program such as the Marshall plan and then limit the use of local currencies that were exacted by the respective governments, and which have been placed in the counterpart fund. We would certainly cut our entire contribution to European recovery in half.

Mr. CONNALLY. Mr. President, I thank the distinguished senior Senator from Georgia, who is so well acquainted with finance and business. He states the case exactly. It seems to me that the basis of all recovery is a sound financial system. That is why we have adopted this plan. We have allocated the money to particular countries, and they are the ones which will expend the counterpart fund. If we do not allow them to exercise any discretion or judgment, we shall not be carrying out the original purposes of the ECA.

Mr. President, I hope that we may have an immediate vote.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. ELLENDER], as modified. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD] and the Senator from Oklahoma [Mr. THOMAS] are absent on official business.

The Senator from California [Mr. DOWNEY] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Iowa [Mr. GILLETTE], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Georgia [Mr. RUSSELL] are absent on public business.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

I announce further that if present the Senator from Iowa [Mr. GILLETTE], the Senator from North Carolina [Mr. GRAHAM], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Oklahoma [Mr. THOMAS], and the Senator from New York [Mr. WAGNER] would vote "nay" on this amendment.

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER] is absent on official State business, and is paired with the Senator from New Jersey [Mr. SMITH], who is absent because of illness. If present and voting the Senator from Maine would vote "yea," and the Senator from New Jersey would vote "nay."

The Senator from Indiana [Mr. CAPEHART] is absent on official business.

The Senator from Pennsylvania [Mr. MARTIN] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. BRIDGES] is absent because of illness in his family.

The Senator from Kansas [Mr. REED] is detained on official business.

The result was announced—yeas 27, nays 55, as follows:

YEAS—27

Butler	Johnston, S. C.	Schoeppel
Cordon	Kem	Stennis
Donnell	Langer	Taft
Ellender	Long	Taylor
Ferguson	McCarthy	Tobey
Frear	McClellan	Watkins
Hickenlooper	Malone	Wherry
Jenner	Millikin	Williams
Johnson, Colo.	Mundt	Young

NAYS—55

Aiken	Hoey	Morse
Anderson	Holland	Murray
Baldwin	Hunt	Myers
Bricker	Ives	Neely
Cain	Johnson, Tex.	O'Conor
Chapman	Kefauver	O'Mahoney
Chavez	Kerr	Pepper
Connally	Kilgore	Robertson
Douglas	Knowland	Saltonstall
Eastland	Lodge	Smith, Maine
Ecton	Lucas	Sparkman
Flanders	McCarran	Thomas, Utah
Fulbright	McFarland	Thye
George	McGrath	Tydings
Green	McKellar	Vandenberg
Gurney	McMahon	Wiley
Hayden	Magnuson	Withers
Hendrickson	Maybank	
Hill	Miller	

NOT VOTING—14

Brewster	Gillette	Russell
Bridges	Graham	Smith, N. J.
Byrd	Humphrey	Thomas, Okla.
Capehart	Martin	Wagner
Downey	Reed	

So Mr. ELLENDER's amendment "E" as modified, was rejected.

Mr. JENNER. Mr. President, I call up my amendment "B," dated March 9, 1949. I offer it, and ask that it be stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 4, line 22, it is proposed to insert the following:

(b) So much of section 112 (d) of such act as precedes paragraph (1) thereof is amended to read as follows:

"(d) The term 'surplus agricultural commodity' as used in this section is defined as any agricultural commodity, or product thereof, produced in the United States which is in excess of domestic requirements. Any agricultural commodity, or product thereof, shall be deemed to be in excess of domestic requirements (A) if so determined by the Secretary of Agriculture, or (B) if, in the case of an agricultural commodity, such commodity is selling at less than its parity or comparable price, or (C) if, in the case of a product of an agricultural commodity, such product is selling at less than a price sufficient to reflect to producers of such commodity the parity or comparable price of such commodity. The comparable price for any agricultural commodity shall be determined by the Secretary of Agriculture and used in lieu of its parity price for the purposes of this subsection if the production or consumption of such commodity has so changed in extent or character since the base period as to result in a price out of line with parity prices for the basic commodities cotton, wheat, corn, tobacco, rice, and peanuts. In providing for the procurement of any such surplus agricultural commodity for transfer to any participating country in accordance with the requirements of such country, the Administrator shall, insofar as practicable and where in furtherance of the purposes of this title, give effect to the following:."

On page 4, in line 23, it is proposed to strike out "(b)" and insert in lieu thereof "(c)."

Mr. JENNER. Mr. President, the necessity for such an amendment as this is demonstrated by the fact that ECA, during the last year, spent $618,000,000 for food purchases abroad, at a time when our own country was producing huge surpluses of grain and cotton, and at a time when the Federal Government was allocating hundreds of millions of dollars to support farm prices domestically. Of course, not all the $618,000,000 total was expended on foods which are grown in the United States.

My amendment would not affect future purchases of such commodities by ECA. It would, however, prevent repetition of the vast wheat-buying program which ECA financed in Canada last year.

Testimony before the Senate Agriculture Committee in February revealed that ECA spent $354,000,000 for Canadian wheat and flour last year, a year in which the United States produced the second largest wheat crop in its history, and at a time when this commodity had been declared surplus by the Secretary of Agriculture.

The last Congress apparently thought it had written into ECA legislation safeguards against transactions of this nature. It specifically prohibited offshore purchases of commodities which had been declared surplus by the Secretary of Agriculture. Administrators of ECA discovered a loophole, however. They decided that United States transportation and loading facilities were overtaxed, and that it would have been impossible to ship from this country what they had already programed in the way of wheat, plus the equivalent of what was later shipped from Canada. They decided that, although wheat was in surplus here, it was not available. The testimony of Secretary Brannan and Dr. Fitzgerald, of ECA, revealed that both Agriculture and ECA took this attitude. Both of these gentlemen admitted that no actual survey had been undertaken to determine whether additional United States wheat might not have been shipped. Both asserted that no investigation had been made to determine whether Canadian ports and loading facilities might not have been used to handle United States wheat.

Frankly, I am very skeptical of the contention that more United States wheat could not have been shipped. Certainly such a finding should never have been made without a more extensive study of the problem than either the Department of Agriculture or ECA undertook.

Today wheat is selling in the United States below the so-called parity price. More than 360,000,000 bushels of this commodity are under Federal loans and purchase agreements. I do not believe there can be any question that had ECA done all its wheat buying in the domestic market wheat would today be selling at least at parity levels, and there would have been no necessity to place such huge quantities under loan. How much the Government will eventually lose on the 360,000,000 bushels which it now seems certain to acquire under the loan program only time will tell.

But in the face of a declining market and in the face of another huge domestic wheat crop, the loss could well mount to $100,000,000 or more.

Mr. McCARTHY. Mr. President, will the Senator yield for a question?

Mr. JENNER. Just a moment. I have but a very short statement. When I have completed my presentation of it, I shall be glad to yield.

It must be remembered that the dollars which we appropriate for ECA and for the Department of Agriculture's price-support program come from the same source—the pockets of American taxpayers. Certainly it is poor economy to permit ECA to expend its funds in such a way as to increase the need for additional price-support operations in our domestic market. The Canadian wheat deal, while it ostensibly saved ECA a few million dollars, may cost American taxpayers $100,000,000 or more in farm price-support operations.

With mountainous surpluses of American grains glutting the markets today and with another huge crop in prospect, farm price-support losses during the next year or two may well mount into billions of dollars if we give ECA a free hand to buy offshore those commodities which we have in abundance in the American market.

The evasion of the spirit, and I believe the letter of the law, by ECA in the Canadian wheat deal places upon us an obligation to write into new ECA legislation language which will be plain enough for bureaucrats to understand. We must spell out what they may do and what they may not do in matters which vitally affect the welfare of this Nation and which involve expenditures of such vast sums of money.

The amendment which I have offered has just one purpose—to prevent ECA from making further costly mistakes such as the Canadian wheat deal.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks an editorial from the Indianapolis Star on this subject.

The PRESIDING OFFICER (Mr. MAGNUSON in the chair). Is there objection?

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A NEEDED ECA AMENDMENT

Senator WILLIAM E. JENNER, of Indiana, is absolutely right in one thing regarding the Economic Cooperation Administration. American money should not be used to purchase ECA goods off the shores of the United States when the commodities are surplus in this country. That simply is putting a double burden on the American people.

The present ECA law provides there shall be no offshore purchases of commodities declared surplus in the United States by the Department of Agriculture. But to date the Department has made no such declarations. Mr. JENNER feels the spirit of the law has been violated by recent ECA wheat purchases in Canada in the face of a declining United States wheat market. This proposed amendment to the law would specifically require that the ECA use its American money to buy needed farm goods in the U. S. A. which are priced below parity.

The ECA is paying off in the struggle against the inroads of communism. The American people are behind it. But it is crazy to add the cost of Government support of below-parity farm commodities to the burden ECA puts on the American taxpayer when it is unnecessary to do so. In helping Europe to its feet let's not deliberately beat ourselves over the head.

To use the ECA as a dumping ground for unneeded American industrial and agricultural surpluses would violate the purposes of the program and confirm Communist charges. But that is not what Mr. JENNER proposes. He simply contends that when there is surplus wheat in this country and American money is being used to buy wheat for Europe, the ECA should buy our surplus wheat, not Canada's or Argentina's. Congress should swiftly enact this safeguard against the stupidity of some of our bureaucrats.

Mr. JENNER. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. McCARTHY and Mr. ANDERSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana still has the floor. Does the Senator yield, and if so, to whom?

Mr. JENNER. I yield first to the Senator from Wisconsin.

Mr. McCARTHY. Mr. President, I have two questions. First, I should like to ask the Senator, in what way would his amendment affect the right of ECA to purchase, for example, foreign wheat or rye after it has been imported into this country?

Mr. JENNER. The amendment would simply say to ECA, using the Senator's example, that so long as wheat and rye are in surplus in this country, and so long as they are selling below parity, the ECA must purchase those crops in America and must not buy the Canadian crops.

Mr. McCARTHY. I am afraid the Senator did not understand my question. What about the Canadian crop which has been previously imported into this country? Let us say we have imported three or four or five million bushels of rye. In what way will the amendment offered by the Senator from Indiana affect the right of ECA to purchase that rye?

Mr. JENNER. I do not think anything that has been done will be affected by my amendment. It spells out the policy which I have just stated, and it prohibits the purchase of agricultural commodities or their products so long as they are in surplus in this country and so long as they are selling below parity. The Senator refers to rye which has been brought into this country and intermingled with American rye. Was that the Senator's question?

Mr. McCARTHY. I hope the Senator will pay very close attention, and I also hope that the Senator from New Mexico [Mr. ANDERSON] will pay close attention. I wonder in what way the amendment offered by the Senator from Indiana will affect the situation in which we allowed the importation of 4,000,000 bushels of Canadian rye during the past year. Another two or three million bushels will be coming in shortly. This rye has been intermingled with five or six or seven million bushels of American rye. At this

time the farmers have in their bins approximately 10,000,000 bushels of rye. That is particularly important to my State of Wisconsin, in that we have approximately 5,000 or 6,000 farmers who raise rye as a cash crop. ECA has been boycotting a total of approximately 10,000,000 bushels of rye which is presently in this country. The Commodity Credit Corporation has been boycotting that rye. It is said that because it is in part Canadian rye and in part American rye they will not buy it. The Commodity Credit Corporation is the purchasing agent for the Army. Because of the situation existing, the Army has purchased in Argentina four or five cargoes of rye, which is a tremendous amount. Because of this boycott on the part of CCC the farmers in Wisconsin and in Indiana, if they want to sell that commodity, must sell it far below parity. Moreover, because of the boycott, the Army is purchasing rye outside this country.

I am wondering if the Senator's amendment will not merely aggravate the situation and make it worse. If the Senator can show me how the amendment will actually cure the situation and will prevent a boycott of the huge amount of rye which is causing a depression of the market, I should like to support his amendment. But frankly, I think it will not cure the situation.

I should like to ask the Senator this question: In view of the fact that the farmers of Indiana and the farmers of Wisconsin raise a good grade of hard rye, which is peculiarly adapted for the milling of flour, and that the price is far below parity, and the taxpayers will pay a great deal of money to purchase the rye, I am curious to know in what conceivable way the Senator's amendment can cure the situation.

Have I made myself clear?

Mr. JENNER. I think the Senator has made himself clear. The situation will be cured by my amendment in this respect: If rye is in surplus in this country and is also selling below parity, then ECA cannot purchase Canadian rye and bring it into this country.

Mr. McCARTHY. Let me interrupt the Senator at that point. In view of the fact that the Department of Agriculture, which has the authority to determine whether a certain commodity is in surplus, has not declared rye in surplus, but has allowed the huge importation to which I have referred, which has resulted in depressing the price of rye for our farmers, and since the ECA must maintain its contracts, in what way can the amendment correct that situation?

Mr. JENNER. Of course my amendment cannot tell the Secretary of Agriculture anything. I have to rely upon the honesty and integrity of the Department fairly to ascertain the facts. If there is a surplus of rye, and the Department says there is no surplus, my amendment would not correct it at all. But I assume a department of the Government will act honestly and fairly, and if wheat or cotton or rye or corn or any other crop is in surplus, the ECA Administrator cannot go to some other country and spend $340,000,000 of the American taxpayers' money, as was done last year in the wheat deal. The excuse which was offered was that wheat was in surplus. All I am doing in my amendment is to spell out the procedure when a commodity is in surplus. It was said they did not have the facilities to ship the grain, but no study was made to ascertain whether there were any facilities to ship through Canadian ports.

Mr. McCARTHY. Will the Senator yield for a further question?

Mr. JENNER. I yield.

Mr. McCARTHY. Would the Senator consider an amendment to his amendment, which would provide that once the Agricultural Department allows—of course the President works through the Agricultural Department—once the Agricultural Department allows the importation of wheat, rye, corn, and so forth, and once the grain is in this country depressing the local market, then ECA would treat it the same as local grain?

Mr. JENNER. I think the Senator is dealing with an entirely different problem. I would not want my amendment to have added to it the amendment suggested by the Senator from Wisconsin, because I am dealing with a situation which involves a surplus of grain which is selling below parity, and the taxpayers have to support the price. It prohibits the ECA Administrator from taking the taxpayers' dollars and purchasing the commodity in Canada, Australia, or South America, to ship to the ECA countries. I think the Senator has a different problem, and I would not want to consider his amendment in connection with my amendment. My amendment has been lying on the desk for almost 2 or 3 weeks. I shall be glad to support an amendment offered by the Senator from Wisconsin, but I would not want my amendment amended in the respect he suggests.

Mr. McCARTHY. Mr. President, will the Senator yield further?

Mr. JENNER. I yield for a question.

Mr. McCARTHY. Is not the Senator confusing an actual surplus with a declared surplus? In the rye situation we have an actual physical surplus, to the extent that the farmers of Indiana and the farmers of Wisconsin are taking a financial beating. The taxpayers' money is being spent to bring the price of rye up to the support level. There is no declared surplus. If the Senator's amendment would take care of a situation in which there was an actual surplus as contrasted with a declared surplus, I would be glad to support it. If the Senator's amendment were to legitimitize the present boycott of 6,000,000 or 8,000,000 bushels——

Mr. JENNER. I do not think it does that.

Mr. YOUNG. Mr. President, will the Senator yield for a question?

Mr. JENNER. I yield.

Mr. YOUNG. Is it not true that under section 22 of the Aiken-Hope Act the Secretary of Agriculture can stop the importation of rye or of any other farm commodity which is interfering with the price-support program, and the Secretary can either increase ad valorem taxes or place quantitative limitations on the amount of farm commodities which are imported? The Secretary of Agriculture failed to act on this question, and we now have several million bushels of Canadian rye in the United States, together with a larger carry-over than we had either last year or the year before which has caused a depressed rye market. The Government is spending millions of dollars in supporting rye when it is selling at about 15 cents a bushel below support prices and more than 30 cents a bushel below parity.

Mr. JENNER. I think the Senator has answered his own question. I think that situation can be cured. As a matter of fact, I do not believe my amendment actually does anything which is not already in the ECA law, except that I am definitely spelling out the fact that the Secretary of Agriculture and the ECA Administrator cannot purchase abroad while there is a surplus in this country, and we do not have the facilities with which to ship the grain to the ports from which it is to be sent to European countries.

In other words, where there is a surplus they must find ways and means to take that surplus crop of the United States and use it under the ECA program—if that crop is in surplus and if it is selling at below parity.

I might further say that already under the law the Secretary of Agriculture has authority to prevent the very situation the Senator has been discussing, and I do not think that problem applies. I cannot speak for the Secretary of Agriculture; he will have to perform his duty under the law. What the amendment does is simply this: Whenever there is a crop in surplus in this country and that crop is selling for below parity, the ECA Administrator is prohibited from making off-shore purchases. The Secretary of Agriculture already has the law, and if he wishes to enforce it he can. As a matter of fact, the Secretary of Agriculture declared wheat in surplus last year, and then said the farmers did not have to sell wheat in order to get it transported. I am just spelling out letter by letter that the ECA Administrator and the Department of Agriculture must comply with the law.

Mr. McCARTHY. Mr. President, will the Senator yield for a further question?

Mr. JENNER. I yield for a question.

Mr. McCARTHY. The Senator says he is spelling this out so that it will provide that when a grain is below support level there will be no off-shore purchases. If he will do that, I shall be happy to support it.

Mr. ANDERSON. Mr. President, I am very much interested in the amendment, which is suggested in an effort to accomplish something in connection with the problem we are discussing, but I think it will not do that, and I think that can easily be proved by anyone who understands the situation.

We are dealing with a situation which does not suggest to us that the present regulation shall be continued; we are dealing with a transportation problem. The question has been raised as to buying

wheat in Canada. There is no loophole in the law. The Secretary of Agriculture always planned to export as much American wheat as could be exported from the record crop in this country. When the facilities of transportation were fully utilized, it was planned to go to Canada and take a part of the surplus Canadian wheat off the market, and to prevent that wheat doing the very thing the Senator from Wisconsin is worrying about rye having done.

There was set up in the United States not many years ago a special coordinator in order to move the wheat, possibly to countries outside the United States, where hunger existed and where aid was being given. There was brought down from New York the president of a steamship company, Captain Conway, who had had a most distinguished record during the war in the transportation of commodities. He was given wide powers by the President to move all the wheat he could move from this country, and yet he did not succeed in moving more wheat in those years than was contemplated would be exported this crop year from the huge supply in this country. So there was not a loophole. This country was trying to move all it possibly could move, and its current goal is 500,000,000 bushels of wheat plus 200,000,000 bushels of coarse grains.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. ANDERSON. I yield.

Mr. WHERRY. I am intensely interested in the statement of the Senator from New Mexico, because, if I remember correctly, during the last year I was with a group of Senators who attempted to ease the situation, and the United States bought in Canada approximately 55,000,000 bushels or $55,000,000 worth of wheat, I have forgotten whether it was dollars or bushels. The question I wish to ask is, Was it because we did not have enough bottoms to take the wheat across the water, or was it because there were not a sufficient number of boxcars to take the wheat from the interior to the seaboard?

Mr. ANDERSON. It happened to be a combination. There was a failure to have the boxcars at the right place when the harvest was ready in the particular locality. There was a clogging of facilities around a terminal elevator in Kansas City. Suddenly, the next day, there came a clogging in Omaha, and it was impossible to move wheat. So the difficulty coincides with the harvest in every part of the country.

With the best possible brains and with the finest planning, and with powers which the Department of Agriculture does not now possess, it was not able to move more grain to the port and actually load the grain than was contemplated in this year's delivery. The shipping schedules are behind already.

Mr. WHERRY. Mr. President, I realize the difficulty the Senator mentions, which is also experienced when the shipment of grain is the heaviest, when the grain is being harvested. But this question arose primarily in the last quarter of last year, did it not?

Mr. ANDERSON. No. The contract for the purchase of the grain in Canada was made in the last quarter of 1948, the last quarter of the fiscal year, not the calendar year. It was started during May, June, and July 1948.

The point I was making was that the matter came up in the Senate Committee on Agriculture not too long ago, in an attempt to check on the powers of the Commodity Credit Corporation. At that time the representative of the European Recovery Administration, Dr. FitzGerald, presented a complete story as to why it was necessary from his standpoint. The Department of Agriculture also made its explanation. The only controversy we had was as to whether or not there had been a special survey made from day to day. The only answer that could be given was that the Department of Agriculture has long had, since the first crisis developed in the shipment of grain, specialists who follow it from day to day and who are in steady contact with the shipping facilities and with the markets, and their statement was that it had been impossible to ship more grain from this country. In fact, right now shipments are behind schedule. I say now that while we would all have liked to see more grain shipped, and while it is desirable now to ship all the grain it is possible to ship and not dip into the Canadian market, there are physical limitations as to how much grain we can get to the seaboard, and we have found that out many times during the last year.

Mr. THYE. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. THYE. Is there provision in the ECA Act under which we are now operating, and as written without this amendment, that covers the question?

Mr. ANDERSON. Yes, it covers it; but I want to point out the difference, and I should be glad to do so in just a minute. There is a difference between what is now in the act and what is being proposed by the Senator from Indiana. There is a prohibition now against the Department of Agriculture buying grain in other places when there is a surplus above domestic needs in the United States. This amendment changes the definition of a surplus in what I think is a very serious fashion, and it is that with which I seek to deal.

Mr. THYE. Mr. President, I was present at the Senate Agricultural Committee hearings at the time this question was given a complete airing, and I was possibly one of the most critical of all critics because we had purchased 151,000,000 bushels of wheat in Canada when we were already supporting the prices of wheat, and putting a huge quantity of wheat into storage here under the support-price program. The explanation which was given us at that particular time, of course, was the transportation problem, and that seems to have been answered completely.

The other question was: What would they do in the future? Would they ever in the future go to sources off-shore and buy a quantity of a product of which we had a surplus and which was in a sense softening our own markets and constituting a problem which it was beyond the possibility of our economy to solve or our administrators to solve. That is the question we must clear up here. The amendment of the junior Senator from Indiana is a proper amendment, unless we can clarify the question definitely as to the future conduct of the administrators of the ECA program.

Mr. ANDERSON. I only want to say that what the Senator from Minnesota has said about his interest in this matter and about the vigor with which he went after these figures is entirely correct. He was joined by the Senator from North Dakota [Mr. YOUNG] and other Senators who were very anxious to question the Department of Agriculture officials and the officials of ECA, and I think they did develop, as far as was humanly possible, the true facts in connection with this matter. The Senator from Minnesota, as always, was defending his people as vigorously as he knew how, but I think he reached the point, with the rest of us, when he felt that the question of shipping more American wheat was a matter of transportation.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. McCARTHY. The Army has actually been begging for rye to be used in the occupied area of Germany. As the Senator and I know, many people in that area prefer rye to wheat, so the Army, in Austria and in Germany, has, as I said, been literally begging for rye. The Commodity Credit Corporation is the purchasing agent for the Army and has in effect said, "There is plenty of rye in this country, but it is a mixture of Canadian rye and America rye." It amounts to, roughly, eight or nine million bushels; I do not recall the exact figure. The Corporation says, therefore, that the rye is here, that it is available, it is depressing the market, and it is costing the farmers money, "but we will not purchase the rye for you." That has forced the Army to go to the Argentine, and up to this time buy either four or five cargoes of rye.

In view of the fact that as of today the price of rye to the farmer is far below parity, in view of the fact that the contracts with the farmer which the Commodity Credit Corporation must fulfill will soon become due; in other words, the Corporation will have to take the rye off the farmer's hands at prices far above today's prices, will the Senator agree with me that there is something radically wrong somewhere in the situation, either because of ECA's rules or the Commodity Credit Corporation's rules, something which is costing us a tremendous amount of money?

Mr. ANDERSON. I am glad the Senator has raised that point. I agree with him that there is something radically wrong. I am glad to say that I have joined the movement he and other Senators have promoted and have tried to get purchase of this rye made by the Commodity Credit Corporation and the ECA,

and my information is that they are proceeding to the purchase of some of this rye, which I think we should have done some time ago.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. JENNER. But the point of the Senator from Wisconsin is not well taken when he refers to my amendment, because it deals with an entirely different situation. Does not the Senator from New Mexico agree with me that all my amendment does is to provide for action to spell out what is already implied in the present ECA law?

Mr. ANDERSON. No, I do not, and I will try to explain why I do not. I admit it spells out, but I want him to know what it spells. The amendment, in line 10 as it is printed, provides:

> If, in the case of an agricultural commodity, such commodity is selling at less than its parity or comparable price—

I will drop the question of comparable price for the moment.

> If * * * such commodity is selling at less than * * * parity.

Now it so happens that in 1950, unless there is a change by the Congress, the parity definition carried in the Hope-Aiken bill will become operative. I am not criticizing the Hope-Aiken bill or the provisions of it, because I suggested to the Congress the desirability of a sliding scale when I was in a different position. I am not going to shift my ground in the slightest. But we now recognize that unless there is affirmative action taken by the Congress prior to July 1 next, let us say, that agricultural supports will be dropped. Support prices will then range from 60 percent to 90 percent of parity. This amendment does not require such products to be carried in surplus when it is necessary to support them. It declares them in surplus any time they are below parity, and parity is 100 percent. But remember that the support price does not come in until the price ranges from 60 percent to 90 percent of parity.

I will say to the Senator in all seriousness that those of us who have struggled a long time with the agricultural problem are bound to feel it is going to be dangerous to introduce a new concept of supporting prices into the present already troubled situation. There are men on this floor who are not happy over the change from 90 percent of parity—92½ percent in the case of cotton—to a sliding scale that now is from 60 percent to 90 percent, and it is likely to involve, for cotton, next year in the neighborhood of 75 percent. But to say that a product is in surplus the minute it falls below 100 percent is a concept that I think is very bad for the whole agricultural picture.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. JENNER. Of course, this program comes up each year, and all I am trying to do by my amendment is to spell out and prohibit the Government from spending $354,000,000 for Canadian wheat and flour at a time when the American farmer has a bumper crop, and when we have granted him less support prices on his crop.

So far as the Aiken-Hope measure is concerned, I voted for the Aiken-Hope measure, but I have been giving it considerable thought. I do not believe we can maintain the American standard of life and American economy on a 60-percent-to-90-percent sliding scale. So I think it will have to be increased before that measure comes into effect, because, after all, 60 percent of parity on some agricultural commodity is only a few cents more a bushel than the present price.

Mr. ANDERSON. Mr. President, I do not wish to start into a debate of that measure, because I am sure the distinguished Senator from Vermont [Mr. AIKEN] and I will be most happy to participate in it when the time comes.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. AIKEN. Will the Senator from New Mexico please tell the Senator from Indiana that the 60 percent simply cannot apply, and that 72 percent is the minimum which can be applied when quotas are in effect, and that the highest support ever given wheat before the war was 57 percent.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. ANDERSON. Mr. President, I wish to——

The PRESIDING OFFICER (Mr. MAYBANK in the chair). The Senator from New Mexico has the floor.

Mr. ANDERSON. It may satisfy the situation for the present to say that the schedule of support prices in the Hope-Aiken bill represents the highest support prices ever given to the American farmer in time of peace. Before we abandon that program, we had better bear that fact in mind.

Mr. THYE. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. THYE. In order to keep the RECORD perfectly clear and not confuse what is before the Senate at this particular time, let us avoid discussing the long-range agricultural program, because we do an injustice not only to the farm population, but to the legislation itself if we pick it up here and involve it in the world problem of recovery. There is much about the sliding-scale provision in the long-range farm program which must not now become confused in the public mind while we are discussing European recovery. The only question we must clarify here is the provision of the amendment offered by the junior Senator from Indiana. The question is, Will the administrators of the ECA go offshore to buy commodities or products to supply the European recovery program if we are confronted with a surplus at home with which we do not know what to do? If we have such a surplus as we had last year, and the ECA goes offshore to buy commodities and products, it will find me criticizing it, as I did last fall, and as the majority of members of the Senate Committee on Agriculture and Forestry criticized it.

I venture to make the prediction that the ECA officials will not go offshore again to buy wheat when we have here 300,000,000 bushels of surplus wheat. So I again say to the Senator from Indiana that I believe the act covers specifically what his amendment proposes to do. I think the question was given a sufficient airing before the Senate Committee on Agriculture and Forestry this winter, in February, so that the ECA officials, including Dr. FitzGerald, will never make the same mistake again. He was told in no uncertain terms that it was the United States taxpayers' dollars which purchased the wheat from Canada. When he talked about a saving to the ECA being involved, it did not set well with us, because it was the taxpayers' money which was supporting the price under our surplus wheat, as well as financing ECA in its operations.

I am sure that in the future ECA will function without the amendment, for the benefit of the welfare of the agricultural producers of America.

Mr. ANDERSON. Mr. President, I think that with that very fine statement by the Senator from Minnesota I could well rest my case, because he has stated my position very well. The present law provides that the definition of a surplus agricultural commodity, as used in this section, is—

> any agricultural commodity or product thereof produced in the United States which is determined by the Secretary of Agriculture to be in excess of domestic requirements.

I think we are safest if we leave it with that definition, as the Senator from Minnesota has so well stated.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. WHERRY. I wish to return to the first question I asked the distinguished Senator from New Mexico. Granting that the authority exists, and that there has been a sufficient airing of the question, and that from now on the program will be handled satisfactorily to all concerned, do we not again get back to the transportation problem? Are we not still confronted with the transportation problem?

Mr. ANDERSON. Precisely; and my only suggestion to the distinguished Senator is this: I believe that next year, as the work of procuring grain progresses, both the ECA and the Department of Agriculture will make such a careful study of how much grain is to be shipped and what the maximum transportation limits are that the question will not arise again.

Mr. WHERRY. Mr. President, will the Senator yield for a further question?

The PRESIDING OFFICER (Mr. JOHNSON of Texas in the chair). Does the Senator from New Mexico yield to the Senator from Nebraska?

Mr. ANDERSON. I yield.

Mr. WHERRY. If it is a question of boxcars, cannot the supply of boxcars be controlled by the Office of Defense Transportation, or whatever agency has supervision of that matter? I cannot see how the rye was ever imported into

the United States in the first place, if there was a question of shortage of transportation, and if the Administrator seriously wanted to carry out the provisions of the act. So I suggest to the distinguished Senator from New Mexico that if it is a question of boxcars, before grain is ever shipped in boxcars from Canada to the United States we should give consideration to the question of transportation of our own grain to the seaboard, and then across the water.

Mr. ANDERSON. I quite agree with the Senator from Nebraska.

Mr. YOUNG. Mr. President, I rise to support the amendment offered by the distinguished Senator from Indiana [Mr. JENNER] which provides that ECA funds cannot be used to purchase agricultural commodities when the same is selling for less than parity in the United States of America. It is not very often that I disagree with my good friend from New Mexico [Mr. ANDERSON] on any agricultural matter, but I do so in this instance.

The Agricultural Department and the ECA, at long last, in hearings before the Committee on Agriculture and Forestry, as well as before the Committee on Foreign Relations, have finally alleged a shortage of boxcars and shipping facilities in the United States as their reason for buying $354,000,000 worth of wheat in Canada. This was not the real reason.

First, I wish to say a word about the availability of shipping. There have been empty boxcars sitting on the sidings of every railroad in the wheat-raising section of the country since last fall. True, there was a small strike on the west coast last fall, which was referred to in the hearing before the Foreign Relations Committee, but most of the wheat does not go in that direction. There have been boxcars available. There were shipping facilities available to take Canadian wheat to Europe. Surely those shipping facilities could and should have been made available for American wheat.

The real reason why Canadian wheat was purchased was set forth in a letter from Mr. Paul G. Hoffman to me, dated February 1, 1949. I ask unanimous consent that the letter be printed in the RECORD at the conclusion of my statement, as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ECONOMIC COOPERATION ADMINISTRATION,
Washington, D. C., February 1, 1949.

Hon. MILTON R. YOUNG,
United States Senate,
Washington, D. C.

DEAR SENATOR YOUNG: This is in reply to your letter of January 25, expressing concern about the purchase by the United Kingdom of $55,000,000 worth of Canadian wheat with funds made available to the United Kingdom by ECA.

From April 3 through December 31, 1948, ECA has authorized the purchase of food and agricultural commodities valued at $1,799,000,000. Of this total, $1,184,400,000 have been authorized for purchases in the United States, $354,200,000, for purchases in Canada and Newfoundland, $164,800,000 for purchases in Latin America, and $95,700,000 for purchases in other parts of the world. Total authorizations for this period amounted to $4,044,800,000, including $336,700,000 for ocean freight. Of the authorizations for purchase of food and agricultural products in Canada and Newfoundland, $256,400,000 have been for purchase of breadgrains.

During the earlier part of the 9 months ending December 31, 1948, purchases of bread grains in Canada were necessitated by the lack of availabilities from the United States. More recently, authorizations for purchase in Canada have been limited to purchases by the United Kingdom where, because of the existence of an agreement between these two countries, prices paid have been $2 a bushel, in store, Fort William. Currently, participating countries are paying about $2.43 a bushel for hard red winter wheat at the Gulf and higher prices for spring wheat at Atlantic ports. Prior to August 1, 1948, the price United Kingdom had been paying for Canadian wheat was $1.55 a bushel, in store, Fort William, whereas hard wheat at the Gulf was costing from $2.50 to $2.75 a bushel. During the 9 months ending December 31, the wheat purchased by United Kingdom from Canada and paid for with ECA funds, has cost at least $50,000,000 less than it would have cost if purchased in the United States.

However, this saving has not been the sole, or even the main, reason for authorizing the use of ECA funds for these purchases; nor have these purchases been made in disregard of the provisions of the Economic Cooperation Act. The act provides that the Administrator shall not authorize the use of ECA funds for offshore procurement for commodities for which supplies available in the United States are sufficient to meet the requirements of the participating countries. To date, we have not felt that the supplies of wheat available in the United States were sufficient to meet the requirements of the participating countries as well as all of the requirements of nonparticipating countries. As a consequence, it appeared to us to be most desirable to authorize the use of ECA funds for the purchase of low-priced wheat under the Canadian-United Kingdom Wheat Agreement, thus saving the American taxpayers' money, rather than to require all purchases of wheat for the participating countries to be made from the United States when prices are uniformly substantially above $2 a bushel and thus forcing the nonparticipating countries to shift at least a major portion of their purchases to Canada.

The assistance which Canada has obtained under the Marshall plan is, as I am sure you realize, wholly indirect. This indirect assistance has been, I believe, considered to be a major incidental advantage of the entire program. ECA's responsibility is to furnish recovery assistance to the United Kingdom. This assistance is given when it allots funds for the purchase of the wheat needed to maintain bread distribution in that country. When these funds are spent in a country other than the United States, as for example, Canada, that country is thereby benefited. It should be pointed out, however, that the American dollars which the United Kingdom pays to Canada are in turn spent by Canada in the United States so that the United States ultimately gets the benefit of the increased production and employment of labor that grows out of the expenditure of funds authorized by Congress for European recovery even though some of the dollars thus expended return to the United States via a third country. Incidentally, the expenditure by the participating countries with ECA funds in Canada has sufficiently improved the dollar position of that country to permit it to relax many of its restrictions on imports from the United States. These restrictions formerly applied to a long list of agricultural commodities.

I am enclosing a copy of a letter that the Director of our Food and Agriculture Division recently wrote to Mr. Charles Dewey on this same subject which contains additional information thereon. We recognize that a potential development of agricultural surpluses in the United States may create many problems for all of us and we shall, of course, want to do everything possible to contribute to a solution of these problems, consistent with the specific responsibilities assigned to us by Congress of encouraging and assisting European economic recovery. Perhaps you would like to discuss this matter, particularly as it affects wheat, with Dr. FitzGerald. If so, he will be delighted to make himself available at your convenience.

Sincerely yours,
PAUL G. HOFFMAN, *Administrator.*

Mr. YOUNG. The first reason given by Mr. Hoffman for the purchase of $354,000,000 worth of wheat in Canada was that they made a saving of approximately $50,000,000. That is quite true. But while they were making that saving in Canada we were spending millions of dollars in support of wheat prices here. At the present time the Commodity Credit Corporation has more than $500,000,000 committed to the support of wheat prices alone. It is estimated by the Comptroller of the Commodity Credit Corporation that by July 1 this year they will have committed $2,500,000,000 in support of farm commodity prices. Secretary Brannan's statement later was to the effect that if this crop comes through, we may have the total amount made available for price supports committed in support of the 1949 crop. That amount is $4,750,000,000.

Nowhere in the letter does Mr. Hoffman mention lack of available shipping facilities. He states in his letter with reference to purchases in Canada:

> However, this saving has not been the sole or even the main reason for authorizing the use of ECA funds for these purchases; nor have these purchases been made in disregard of the provisions of the Economic Cooperation Act. The act provides that the Administrator shall not authorize the use of ECA funds for offshore procurement for commodities for which supplies available in the United States are sufficient to meet the requirements of the participating countries. To date, we have not felt that the supplies of wheat available in the United States were sufficient to meet the requirements of the participating countries as well as all of the requirements of nonparticipating countries.

That statement was made by Mr. Paul G. Hoffman on February 1.

Today we have a carry-over which threatens the entire price structure of wheat. It threatens to cost the Government many millions in support of wheat prices alone. Yet, on February 1 Mr. Hoffman states that there is not enough wheat to go around. On the other hand, the Department of Agriculture had declared wheat to be surplus. There will be a carry-over of at least 300,000,000 bushels. In my judgment the Secretary of Agriculture was not properly exercising the functions of his Department when he made no objection to those purchases in Canada.

As I have stated, Mr. Hoffman nowhere in the letter mentions the lack of availability of shipping. He mentions the need of supplying Canada with dollars.

He points out how that would help the economy of the United States. If Canada were an ECA country, it might be a different story; but I do not believe she is. She has recently reduced her excise taxes, and probably eliminated them completely. She has reduced income taxes. In my opinion Canada is a good neighbor, and if she were in need of help we should help her; but our financial condition is worse than hers.

Mr. AIKEN. Mr. President, while I concur in the purpose of the amendment, I believe that what we need is not more amendments, but to keep watch of the Administrator to see that he carries out the intent of the Congress. All the amendments in the world would do us no good in regard to the disposal of surplus agricultural commodities if we simply adopted the amendments and let the Administrator go his own merry way and do as he pleased about observing the intent of the Congress. So it seems to me that this amendment is superfluous. It would perhaps only confuse the issue, and it is unnecessary.

But I shall be glad to join with its authors or with any other Members of the Senate in attempting to see to it that the Administrator carries out the congressional intent.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. AIKEN. I yield.

Mr. WHERRY. I should like to ask the Senator one or two questions. First of all, in what way would the amendment hurt the present authorization?

Mr. AIKEN. It is completely unnecessary.

Mr. WHERRY. Assume that it is; would it hurt in any way if it were adopted?

Mr. AIKEN. I would leave it to the Department of Agriculture to determine the surplus.

Mr. WHERRY. But if the amendment is adopted, will it hurt the present authorization?

Mr. AIKEN. I would regard the amendment as a gratuitous slap at the Administrator. Perhaps he needs a slap, but the Committee on Agriculture has given him one slap this winter.

Mr. WHERRY. Then the Senator from Vermont has answered the second question I had in mind.

Mr. AIKEN. I may say probably he needed it.

Mr. WHERRY. That is the point I was going to make. The Senator from Vermont suggests that it might confuse the Department, but it seems to me that the Department is already in a state of utter confusion; so perhaps this amendment might help clear up the situation or iron out the difficulties.

Mr. AIKEN. No; I do not think so.

Mr. THYE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. THYE. It seems to me that at the hearings before the committee last winter there was no question in the mind of the Senator from Vermont or in the mind of any other member of the committee that the ECA Administrator or Dr. FitzGerald felt that they should be criticized by us for having made purchases offshore when we ourselves had surpluses of wheat. My question is this: Does the act spell it out now?

Mr. WHERRY. No.

Mr. THYE. If the act spells it out now, then if we adopt the amendment, will it cause confusion in our minds, as well as in the mind of the Administrator of ECA?

Mr. AIKEN. I do not have a copy of the act before me, but I believe the Senator from New Mexico [Mr. ANDERSON] has a copy of it in his hand. I ask him if he will read that provision of the law.

Mr. ANDERSON. It reads as follows:

> The term "surplus agricultural commodity" as used in this section is defined as any agricultural commodity or product thereof produced in the United States which is determined by the Secretary of Agriculture to be in excess of domestic requirements.

Mr. THYE. That spells it out; but if there is any doubt in the mind of anyone, I shall address this question to the chairman of the Foreign Relations Committee, the Senator from Texas [Mr. CONNALLY]: Does the act give us any assurance, or is there any doubt in the mind of the Senator from Texas, as chairman of the committee, whether if we ever found the ECA making offshore purchases of any commodity which was at the time recognized as in surplus supply in the United States, he, as chairman of the committee, would criticize that functioning of ECA and the administrators of ECA, under such circumstances?

Mr. CONNALLY. Mr. President, will the Senator yield to me?

Mr. AIKEN. I yield, if there is no objection.

Mr. CONNALLY. I wish to make this general statement: Agricultural commodities have been given special consideration by the law and by the ECA, in that they are the only kind of commodities which the ECA itself undertakes to purchase. All other commodities are purchased by the participating countries through their agents here or through their purchasing commissions.

It is the earnest desire of the Committee on Foreign Relations, as I take it also to be the desire of Senators who have spoken on this matter, to see to it that agricultural products receive the highest and best consideration.

I say to the Senator from Minnesota that if in the course of events it comes to the attention of our committee, by the action of a Senator not on the committee or by the action of a member of the Foreign Relations Committee, that the law is not being carried out in its spirit, as well as in its letter, the Committee on Foreign Relations will not hesitate to bring the matter to the attention of the Administrator and the proper authorities, to see to it that such action is corrected, and that the act is administered in the way in which the Congress determined it should be administered, at the time when the act was enacted.

Mr. THYE. I thank the Senator.

Mr. CONNALLY. Does that clear up the situation?

Mr. THYE. It answers the question; and it clarifies it, I am certain, in the minds of everyone.

Mr. AIKEN. Mr. President, in conclusion let me say that after the Senate Committee on Agriculture had the ECA administrators, particularly Mr. FitzGerald, before the committee and, as we might say, took them to task somewhat, conditions have improved. I know that to be a fact, because I received from the director, or whatever his title may be, in one of the ECA countries a cablegram in which he stated that they were unable to buy the type of wheat they wanted to buy with ECA funds. I took up that matter with the Department of Agriculture. It seems that they wanted to buy Manitoba wheat, but that we had a surplus of wheat of exactly the same quality, grown either in Montana or in the Dakotas or in that general area, so that this country refused to let ECA money be used to buy the wheat from Manitoba, inasmuch as wheat of the same grade or quality, but grown in this country, was available. I know that the Department of Agriculture has been keeping a close watch on the situation.

I do not feel too keenly about this amendment, one way or the other. I simply say it is unnecessary. I do not think it is vital whether the amendment is adopted or rejected.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. JENNER. In other words, the intent is already specified in the law; is it?

Mr. AIKEN. Yes.

Mr. JENNER. But last year a $354,000,000 mistake was made, apparently because the administrators did not follow the intent of the law.

All this amendment would do would be to make sure that that does not happen this year.

Mr. AIKEN. Unfortunately, when Congress passes laws, the Congress seems to have to follow them up in order to see that they are complied with, or else take the chance of having some evasions of the laws occur.

The PRESIDING OFFICER. The question is on agreeing to the amendment lettered "B" of the Senator from Indiana.

On this question the yeas and nays have been demanded and ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Wyoming [Mr. HUNT], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Oklahoma [Mr. THOMAS] are absent on official business.

The Senator from California [Mr. DOWNEY] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Iowa [Mr. GILLETTE], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Georgia [Mr. RUSSELL] are absent on public business.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

If present and voting, the Senator from Iowa [Mr. GILLETTE], the Senator from North Carolina [Mr. GRAHAM], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Alabama [Mr. SPARKMAN], the Senator from Oklahoma [Mr. THOMAS], and the Senator from New York [Mr. WAGNER] would vote "nay" on this amendment.

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER] is absent on official State business, and is paired with the Senator from New Jersey [Mr. SMITH], who is absent because of illness. If present and voting, the Senator from Maine would vote "yea," and the Senator from New Jersey would vote "nay."

The Senator from Indiana [Mr. CAPEHART] is absent on official business.

The Senator from Pennsylvania [Mr. MARTIN] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. BRIDGES] is absent because of illness in his family.

The Senator from New Hampshire [Mr. TOBEY] is detained on official business.

The result was announced—yeas 32, nays 48, as follows:

YEAS—32

Baldwin	Hickenlooper	Mundt
Bricker	Jenner	Reed
Butler	Johnson, Colo.	Schoeppel
Cain	Johnston, S. C.	Taft
Cordon	Kem	Taylor
Eastland	Knowland	Thye
Ecton	Langer	Watkins
Ellender	McCarthy	Wherry
Ferguson	Malone	Williams
Frear	Millikin	Young
Gurney	Morse	

NAYS—48

Aiken	Ives	Miller
Anderson	Johnson, Tex.	Murray
Chapman	Kefauver	Myers
Chavez	Kerr	Neely
Connally	Kilgore	O'Conor
Donnell	Lodge	O'Mahoney
Douglas	Long	Pepper
Flanders	Lucas	Robertson
Fulbright	McCarran	Saltonstall
George	McClellan	Smith, Maine
Green	McFarland	Stennis
Hayden	McGrath	Thomas, Utah
Hendrickson	McKellar	Tydings
Hill	McMahon	Vandenberg
Hoey	Magnuson	Wiley
Holland	Maybank	Withers

NOT VOTING—16

Brewster	Graham	Sparkman
Bridges	Humphrey	Thomas, Okla.
Byrd	Hunt	Tobey
Capehart	Martin	Wagner
Downey	Russell	
Gillette	Smith, N. J.	

So Mr. JENNER's amendment was rejected.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 26. An act for the relief of Jose Babace;

S. 27. An act for the relief of certain Basque aliens;

S. 208. An act for the relief of Ella L. Browning; and

S. 748. An act for the relief of Charles L. Bishop.

MEETING OF APPROPRIATIONS COMMITTEE OR SUBCOMMITTEES DURING SESSIONS OF THE SENATE

Mr. McKELLAR. Mr. President, on behalf of the Appropriations Committee, I ask unanimous consent that the committee or any subcommittee thereof may meet during the sessions of the Senate until further notice.

The PRESIDING OFFICER. Without objection——

Mr. DONNELL. Mr. President, will the Senator from Tennessee be kind enough to state his request again?

Mr. McKELLAR. I merely request that the Appropriations Committee or any subcommittee thereof may meet during the sessions of the Senate.

Mr. DONNELL. Let me ask whether that request means that there would be any counting as "present" in the Senate Chamber, in connection with a quorum call, any Senators who were in attendance at such committee meetings, unless they were actually physically here in the Senate Chamber.

Mr. McKELLAR. Oh, no; the request has nothing to do with that situation.

Mr. DONNELL. I thank the Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 1209) to amend the Economic Cooperation Act of 1948.

Mr. MAGNUSON. Mr. President, I have two amendments which I send to the desk. They involve the maritime provisions in connection with ECA policy. Both amendments have been discussed with the chairman of the committee and probably will be accepted by the committee. I ask that they be read.

The PRESIDING OFFICER. Which amendment does the Senator desire to have first stated?

Mr. MAGNUSON. My amendment A. I think we can save time if we can get them into the bill now.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Washington.

The LEGISLATIVE CLERK. It is proposed to insert at the end of the bill a new section, as follows:

The Administrator shall, in providing for the procurement of commodities under authority of this title, take such steps as may be necessary to assure, as far as is practicable, that at least 50 percent of the gross tonnage of commodities procured out of funds made available under this title and transported to or from the United States on ocean vessels, computed separately for dry-bulk carriers, dry-cargo liner and tanker services, is so transported on United States flag vessels to the extent such vessels are available at market rates for United States flag vessels; and, in the administration of this provision, the Administrator shall, insofar as practicable and consistent with the purposes of this title, endeavor to secure a fair and reasonable participation by United States flagships in cargoes by geographic area.

Mr. MAGNUSON. Mr. President, I wish to make a very brief explanation of the amendment. To the ECA bill last year there was submitted an amendment by former Senator White and myself which provided that 50 percent of the cargoes in control of the ECA Administrator should be shipped in American bottoms. The purpose of the amendment was, of course, very obvious to the Members of the Senate and of the House, because we were confronted with the same situation then, and are even at this time, as that which confronted us after World War I, namely, the prospect of the American flag disappearing from the seas. The possibility of keeping the American merchant marine alive revolves around the ECA program. The Administrator later placed a different interpretation upon the intent of Congress as expressed in that amendment, and decided, for reasons of his own, that he need not follow it. There were several conferences between shippers, the Senate Commerce Committee, the House Committee on Merchant Marine and Fisheries, and many others, including the Maritime Commission. An understanding was evolved whereby Mr. Hoffman would agree—he first made such agreement informally—to make every attempt to see that at least 50 percent of the goods were shipped in American bottoms.

Some difficulty was encountered, so that the chairman of the House Merchant Marine and Fisheries Committee offered an amendment in the House, and I offered one in the Senate, which made it mandatory on the Administrator that he do this. I want it clearly understood that unless the flexible provisions of this amendment are carried out, we shall have to ask the Senate and the House to pass a mandatory bill requiring the Administrator to ship in American bottoms at least 50 percent of the goods over which the Administrator has control, in offshore trade, in coastwise trade, and in crosswise trade, on all categories of vessels.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. CONNALLY. Mr. President, as originally drawn, the committee did not agree to the amendment because it required percentages for each particular country. The ECA found it unworkable and impracticable. The committee has no objection to this new version, which simply makes a global computation and divides it only as to the kind of ships. It does not try to require that each country have a percentage separate and apart from the others. Is that correct?

Mr. MAGNUSON. That is correct, in part. Of course, the Administrator, under the provisions of the amendment, has flexible authority. The House bill and my bill made it a mandatory 50 percent, country by country. Many of us feel that this should be done. But the Administrator can do that, or he can make it an over-all 50 percent, under the amendment.

Mr. CONNALLY. It is not now compulsory, as it was under the provisions of the original amendment. Is that correct?

Mr. MAGNUSON. That is correct.

Mr. CONNALLY. Even under this amendment the Administrator is given certain discretion, because the language provides that the Administrator shall, insofar as practicable and consistent with the purpose of the title, endeavor to secure a fair and reasonable participation by United States-flag ships in cargoes by geographical areas. In other words, he is empowered to do it and, insofar as practicable, he is commanded to do it. So the committee has no objection to the adoption of the amendment offered by the Senator from Washington.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. MAGNUSON].

The amendment was agreed to.

Mr. MAGNUSON. Mr. President, I ask unanimous consent at this time to insert at this point in the RECORD the preliminary statement on the ninth report for the Public Advisory Committee of ECA.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The ninth report for the Public Advisory Committee (ECA) will be released tomorrow. It will show—

1. 47.2 percent United States participation: The trend has been (by reference to prior reports)—

	Percent
April through October	49.4
November	48.9
December	48.4
January	48.0
February	47.2

2. United States participation since November has been 43 percent.

3. Eliminate Bizone, Greece, Austria, and Trieste (where shipments are largely United States-controlled) and the April-February percentage is 41.8 percent.

4. Eliminate Bizone, Greece, Austria, and Trieste and the November-February percentage is 35.8 percent.

5. 1949 participation of France (the biggest recipient), 16.7 percent; United Kingdom, 10.9 percent.

6. Principal offenders, cumulative April to February:

United Kingdom	17.6
Denmark	17.7
Belgium (7.5 liner)	38.7
Netherlands	29.8
Norway	30.7

The PRESIDING OFFICER. The clerk will state the next amendment offered by the Senator from Washington [Mr. MAGNUSON].

The LEGISLATIVE CLERK. At the end of the bill it is proposed to insert a new section, as follows:

(c) Section 112 of such act is hereby amended by adding at the end thereof the following new subsection:

"(j) No funds authorized for the purposes of this title shall be used for the payment of charges incurred after 60 days after the effective date of this amendment for charter hire, freight or passenger charges, or for any other purpose, to, on behalf of, or for the account of any vessel documented under the laws of any foreign country not a participating country unless, in the case of individuals the owner or owners of such vessel is a national of the country, and in the case of a corporation a majority of the voting power or controlling interest is vested in nationals of the country, under whose laws such vessel is documented. In administering this provision the Administrator may rely on the certificate of the owner of any vessel as to the nationality of such owner if an individual and as to the nationality of the controlling interest or majority stock ownership in the case of a corporation."

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. CONNALLY. Mr. President, the committee has no objection to this amendment. It is a modification of a former amendment.

The PRESIDING OFFICER (putting the question). The amendment is adopted.

Mr. DONNELL. Mr. President, I respectfully object to the action just taken, for the reason that no adequate opportunity was given any Senator to vote either for or against the amendment. The Chair put the question with such rapid-fire action that it was impossible for any Senator to vote. I realize that the printed RECORD will not show it, but that is the fact. While I am not going to vote against the amendment, I certainly protest against any action by the Chair by which Senators are precluded from voting. I respectfully request that the Members of the Senate be given an opportunity to vote, and I therefore move that the action just taken be set aside.

The PRESIDING OFFICER. The Chair certainly did not intend to preclude any Senators from voting.

As many as favor the adoption of the amendment offered by the Senator from Washington will say "Aye." Opposed "No." The ayes appear to have it; the ayes have it, and the amendment is agreed to.

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have placed in the body of the RECORD an explanation of the amendment at this point.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

Mr. President, the purpose of this amendment is to prohibit the use of Panamanian and Honduran vessels and other vessels being operated under "runaway" flags for the transportation of ECA commodities. The amendment is phrased so as not to discriminate against any legitimate maritime flag and would not discriminate against Panamanian flag vessels owned by Panamanian citizens. The amendment would however prohibit the use of some 2,500,000 tons of shipping placed under the Panamanian and Honduran flags by Greeks, Americans, British, Swedish, Norwegian, Portuguese, and Venezuelan citizens.

For the period April to November 1948, inclusive, there were 959 sailings in the movement of coal and grain in Italy and France from the United States. Forty-two of these voyages were made by Panamanian flag vessels and 28 were made by Honduran flag vessels. The payment of freight was made in dollars. The shipowners operating these vessels made no contribution to the economy of the United States or to the economy of the participating nations since they paid no taxes. The shipowners operating these vessels made no contribution in terms of making dollar exchange available to the participating nations. These shipowners threatened the economic revival of western Europe by undermining the stability of the maritime industry which is essential to the ERP nations. These vessels were deliberately registered under Panamanian and Honduran flags to evade minimum world-wide safety at sea standards, and to evade income taxes and currency exchange regulations prevalent under the legitimate maritime flags.

I am informed that the Economic Cooperation Administration at the present time prohibits the use of Panamanian and Honduran flag vessels for successive charters under the ECA program and insofar as is possible gives preference to United States flag vessels and to the vessels of the participating nations over those flying the Panamanian and Honduran flags. The ECA, however, does not have a legislative mandate to ban these vessels which drain dollars from the productive circle compassing the ECA program. During recent hearings before the House Merchant Marine and Fisheries Committee, Congressman HART, specifically inquired of Mr. Syran, Director of Transportation for ECA, whether ECA would have any objection "to a provision being written into the measure that Panamanian and Honduran vessels should be excluded entirely from the operation of this program." Mr. Syran's answer was "I would not have any objection."

The American Federation of Labor and the Congress of Industrial Organizations are on record in favor of this amendment. The International Transport Workers Federation, an affiliated body of transport workers' unions from virtually all of the participating countries, recently held a special meeting in London to discuss the threat to maritime labor standards and to the stability of the maritime industry from these runaway flags and unanimously petitioned Administrator Paul Hoffman to ban the use of these vessels. Incidentally the ITF is one of the strongest supporters of the ECA among trade-union groups.

The amendment proposed will require no great administrative difficulties. The legitimate maritime nations of the world will gladly and can simply supply certificates to each of their vessels certifying the citizenship of the controlling interests.

This amendment would further the aims of the European recovery program by providing additional taxes and currency exchange for the participating nations, additional taxes for the United States, and by providing a healthier atmosphere for the important maritime industry.

Mr. MAGNUSON. Mr. President, I have a third amendment which will take only a few minutes of the time of the Senate—5 minutes, at the most. It relates to the same subject, the future of the American merchant marine, if any. The amendment has been printed and has been lying on the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 10, beginning with line 3 and ending with line 20, it is proposed to strike out section 11 (b).

Mr. MAGNUSON. Mr. President, the bill before the Senate provides for the transfer from the Maritime Commission to Italy of 10 passenger ships. These ships are owned by the United States Maritime Commission, and they are to be transferred to Italy without charge for a period up to 3 years.

As I understand, the purpose of that provision in the bill, and the purpose of the amendment, is to permit the Italian Government to transport immigrants from the mainland of Italy to Argentina, Australia, and possibly north African colonies. I understand the final disposition of the colonies is subject to great dispute in the United Nations, as to whether they should go back to Italy, or Italy should have a trusteeship, or what should be done with them.

I have no objection to Italy transporting as many people as she wishes in order to develop a colonial empire or colonial economy which might help rehabilitate Italy herself. But I do have great objection to inclusion in the bill of a provision taking 10 passenger ships

from the United States Maritime Commission and turning them over to the Italian Government for this purpose.

If we had a great many passenger ships that would be one story. If we had a surplus of passenger ships, that would be another story. The truth of the matter is that one of the most serious drawbacks in the American merchant marine today, one of the main reasons why we are unable to participate in world passenger trade, is the fact that there are practically no passenger ships on the seas flying the United States flag.

Mr. President, I am about to leave the Chamber, when I conclude what I have to say, to go upstairs to a meeting of the Senate Committee on Interstate and Foreign Commerce. We are discussing a bill in that committee which will provide that if the Army has ships to be converted they may be used to transport back and forth in the student season students who may desire to go to Europe, in an exchange of students.

There is a complete lack of passenger ships on the Pacific under the American flag. Most Americans who travel by water today must attempt to secure passage on foreign lines. We have here another attempt to whittle away at the American merchant marine, a merchant marine which today is fast disappearing from the seas, a merchant marine which should be the strongest in passenger and cargo ships in the entire world, and the strongest operating merchant marine.

It seems to me that Italy herself, as part of her rehabilitation, could well find ways and means, which I am sure she can, to transport the number of people she wants to transport. I may be incorrect, and should like to be corrected if I am, but I understand the matter of whether or not Italy is to control these colonies is still in dispute, and has not yet been decided.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. VANDENBERG. I say most respectfully that the Senator is totally mistaken regarding the destination of this immigration movement. It has nothing to do with north Africa or Italian colonies whatever. This affects a removal of surplus population into areas, particularly in South America and in Australia. It is a population movement; it is not a colony movement. It has nothing whatever to do with the Italian colony question.

Mr. MAGNUSON. I stand corrected about where these people are intended to go, but I think there is a great deal of question as to that, and the application will be made for the transfer of ships for use any place. Much has been said in Italy, and a great deal has been said by the Italian-speaking newspapers of the United States, to the effect that if Italy could get some ships, most of the movement might take place in the Mediterranean. There is no restriction in the provision as to where the ships are to go. But that is beside the point. My objection to the provision still stands; it is a movement of Italians out of Italy on American ships that will be given to Italy without charge, when there is a great dearth of passenger ships on the high seas flying the American flag. That is why I oppose this portion of the bill, and ask that it be stricken out.

Mr. VANDENBERG. Mr. President, I think the explanation of the provision in the bill is very simple, and to my way of thinking it is one of the highly constructive sections. One of Italy's fundamental economic problems is overpopulation, and any constructive answer to overpopulation in Italy is a fundamental contribution toward putting Italy in a sound economic position.

The Senator from Washington need not worry about the destination of these ship movements, because he may refer to the committee report, and he can rely upon what the committee report says in this connection. The committee report points out that these vessels are to operate between Italy and South America and Australia.

Only 10 vessels are involved. My understanding is that they are Liberty ships. They are to be loaned to Italy for this purpose. They are to be operated by Italy, at their own expense, manned by Italians, and paid for out of Italian funds. The movement seems to have the complete and enthusiastic approval of all departments of the Government, and in the view of the Committee on Foreign Relations this is one of the completely constructive undertakings that is involved in the program.

Mr. IVES. Mr. President——

Mr. VANDENBERG. I yield to the Senator from New York.

Mr. IVES. I do not desire to ask a question of the Senator from Michigan; I wish to make a statement regarding the amendment.

Mr. CORDON. Mr. President, will the Senator from Michigan yield?

Mr. VANDENBERG. I yield to the Senator from Oregon.

Mr. CORDON. The Senator from Oregon is interested in ascertaining whether the committee had information from the Maritime Commission with reference to the availability of Liberty-type ships for passenger service, whether there is a requirement that they be available for passenger service, or whether they are to turn over the ships and have them remodeled.

Mr. MAGNUSON. There is no restriction in the amendment. I have been reading on many occasions that they intend to use them for any immigration purposes they wish. The feeling on the part of most of the newspapers which presume to speak for the Italian people is that a great many of the ships are to be used in the Mediterranean trade.

Mr. VANDENBERG. Mr. President, let me answer the Senator from Oregon first, although I wish to come back to the Senator from Washington, who seems to be relying upon something other than official information in connection with the programing of these ships.

Mr. MAGNUSON. That is correct.

Mr. VANDENBERG. If the Senator from Oregon will permit me, I shall conclude my comment to the Senator from Washington. I assert to the Senator from Washington that he may read in the committee report a definition of the objective of this portion of the bill. It is clearly and specifically asserted that this is a movement to South America and Australia, and the Senator from Washington can rely upon that.

Mr. MAGNUSON. I hope I can rely on it, but I still state that my objection, regardless of where the ships are going, is a basic one, due to the lack of American passenger ships flying our flag on the high seas, and the value of 10 of those ships to our Government.

Mr. VANDENBERG. Of course, this is only a temporary transfer.

Mr. MAGNUSON. For 3 years.

Mr. VANDENBERG. In answer to the Senator from Oregon, the Senator from Michigan is advised that the following information on this subject originates with the Maritime Commission:

> The use of C–4's is contemplated under this provision insofar as they are available. The question of their availability, however, is not of material significance because there are 232 Victory ships in the stand-by fleet.

The ships here involved will be taken from the stand-by fleet.

Mr. CORDON. If that means a transfer of the laid-up, moth-balled Victory ships, as is, to Italy, I can see no objection whatever. If it means the very few which have been reconverted to passenger purposes, then I find myself in line with the Senator from Washington.

Mr. MAGNUSON. Mr. President——

Mr. VANDENBERG. The Senator from Michigan has the floor, Mr. President. If the Senator from Washington will permit him to reply.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. WITHERS in the chair). The Senator will state it.

Mr. MORSE. I ask, Who has the floor?

The PRESIDING OFFICER. The Senator from Michigan has the floor.

Mr. VANDENBERG. Mr. President, it does not make much difference. I shall be happy to conclude, or to yield to any Senator.

Mr. MORSE. Mr. President, it makes very much difference to the junior Senator from Oregon, if we are going to have rules in the Senate and operate under them. I rose to say that the Senator from Washington [Mr. MAGNUSON] has the floor and that he can yield only for questions.

Mr. VANDENBERG. The Senator from Michigan yields the floor.

Mr. CONNALLY. Mr. President, I rise to a point of privilege.

The PRESIDING OFFICER. The Senator will state it.

Mr. CONNALLY. Recognition is entirely in the hands of the Chair. The observations of the Senator from Oregon are beside the point. He cannot, for this body, determine who is recognized. That is up to the Chair. And when the Chair stated that the Senator from Michigan had the floor, the Senator from Michigan has the floor.

The PRESIDING OFFICER. That is the way the Chair ruled.

Mr. MORSE. That ruling is subject to appeal. I will say to the Senator

from Texas that if that is the particular kind of contest he wants to indulge in this afternoon, so long as I am on the floor I am going to do what I can to protect the rights of Members who have the floor; and the Senator from Washington had the floor, and he did not yield the floor.

Mr. IVES. Mr. President——

The PRESIDING OFFICER. The Senator from New York.

Mr. IVES. Does the Senator from New York have the floor?

The PRESIDING OFFICER. The Senator from New York has the floor.

Mr. IVES. I do not want to spend much of the Senate's time this afternoon, because of the large number of amendments which are before us which will require action. But I do want to emphasize as emphatically as I can the forepart of the remarks made by the able Senator from Michigan when he referred to the economic plight of Italy and the need for action such as is contemplated through the use of these particular vessels. I think it is becoming more and more recognized that the Italian problem itself, from the standpoint of economics, is almost entirely a problem of overpopulation. At the present time there are something more than 10,000,000 people in Italy above and beyond the number of people who can be accommodated by the Italian economy, and unless and until this particular problem can be at least rationalized, the problem of Italy itself, so far as communism and the inroads of Soviet Russia in the direction of Italy are concerned, will not have been solved.

I think that what is asked for in the bill is a very slight matter, insofar as our American merchant marine is concerned, when we consider its over-all importance to the European recovery program, and to our efforts to combat the extension of Communist Russia in the world. I well recognize the point made by the Senator from Washington [Mr. MAGNUSON] regarding the American merchant marine, and I wholeheartedly concur in what he has had to say in connection with his previous amendment, but in spite of that, I hope the amendment offered by the Senator from Washington in the present instance will be defeated, because the importance of these vessels in helping to meet the particular problem involved, as I see it, far transcends any other consideration.

Mr. VANDENBERG. Mr. President, I should now like to conclude my response to the able Senator from Oregon [Mr. CORDON], because it seems to me that my answer to him throws light upon the problem as it seems to disturb the able Senator from Washington.

The Senator from Oregon wants to know whether these ships are available. I inadvertently referred to them in the first instance as Liberty ships. That was my error. I meant Victory ships. I repeat that the information received from the Maritime Commission—and I read literally—is as follows:

> The use of C–4's is contemplated under this provision insofar as they are available. The question of their availability, however, is not of material significance because there are 232 Victory ships in the stand-by fleet.

In other words, the problem does not arise which disturbs the able Senator from Washington, that any of the converted ships are to be used. On the contrary, the only ships to be used are Victory ships which will be reconverted by the Italian Government itself in order to make them eligible for the 3 years of temporary loan. There need be none of the fears which the able Senator from Washington expresses either in respect to the character of the ships or the character of the journeys which they will take. He need have no further anxiety about that.

I should like to yield to the Senator from Washington if there is anything he wants to ask me.

Mr. MAGNUSON. Of course, Mr. President, there are different types of Victory ships. We have a few in the stand-by fleet which can be readily converted to semipassenger ships for the passenger uses required by the Italian Government. Of course, the Italian Government, in asking for these ships, will ask the American merchant marine for the type of ships which are best able to be converted into passenger ships. My fears are based somewhat on experience. We have transferred other ships to European countries for similar purposes. We have transferred ships to Italy. The transfer to Italy was made on the basis of the broad request that she wanted to use them for dealing with her immigration problem, because of the overpopulation of her country. We have found those ships ending up in competition with American trade.

I shall not take the time of the Senate to recite the details, but I wish to place in the RECORD a statement dealing with the subject. We have found that there has been a shifting of the registers. We have found the Italian Government to acquiesce in the shifting of the registers. The Government must allow the ships to be registered. Such ships have wound up, not in carrying immigrants, but in competition with American steamship lines. It is fears of that kind that beset me.

Mr. President, I realize that the purpose sought to be attained is laudable, but what is now proposed is another thing that whittles away at the American merchant marine. We transferred a very famous ship to Italy on the same basis. We transferred the *Matsonia*, which is one of the best passenger liners we had prior to World War II, to the Pan American Line, and then it was transferred to Italy for immigration purposes. We find then the *Matsonia* plying into New York in direct competition with the American merchant marine. The transfer, for that purpose, was acquiesced in by the Italian Government, which had previously asked that the ship be given to it to be used only for passenger purposes. There are three or four other ships in the same category.

The experience of the operators of ships of the American merchant marine respecting the transfer of ships was that the transfer had gone to such an extent that we almost passed a bill providing for a firm policy in the American merchant marine. If I could rely upon the assurance that no transfer shall be made, even from our mothball fleet, then I would feel better satisfied. But I am fearful that we will again have a similar experience to that which we had before, and that these 10 ships will be used for other purposes.

Mr. President, I ask unanimous consent, without interrupting the Senator from Michigan, to place in the RECORD at this point the statement regarding some of the ships which have been transferred.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

ELIMINATION OF PROPOSAL TO TRANSFER 10 PASSENGER SHIPS TO ITALY

Section 11 (b) (lines 3 through 20, p. 10) of S. 1209 would permit the transfer of 10 passenger vessels, owned by the United States Maritime Commission, to Italy without charge for a period up to 3 years. Section 11 (b) of S. 1209 should be stricken from the bill for the following reasons:

1. The Congress, on two previous occasions, has considered the question of charter of United States tonnage to ERP nations and twice rejected it. This proposal is a revival of the ship-charter proposal contained in the original ECA bill, which after serious consideration by both the Senate and House was rejected. The large-scale launchings of ships in participating countries during the last year and the resulting rapid decline in the American merchant marine have reinforced the arguments against charter of American-owned tonnage to other nations.

2. No showing has been made for the need for such vessels or of the present availability of ships under the Italian flag, or of the present availability of ships to the International Refugee Organization under various flags. Senate Report 100 suggests that since the vessels presumably would be operated between Italy and South America and Australia they would offer no competition to the American merchant marine. However, the charter of these vessels to Italy without charge would permit the diversion of the existing Italian passenger fleet to the Atlantic passenger trade. The American merchant marine is already under a serious handicap in this trade. The United States Government has returned the two large passenger vessels, the *Vulcania* and the *Saturnia*, to the Italian Government, and these vessels are available for the Italian emigration program. The Italians, however, choose to run them in the Atlantic trade.

According to the British shipping journal, the Shipping World, of November 17, 1948, the Italian Minister of Merchant Marine on October 27 last stated that the last touches were being placed on plans which will result in the acquisition of 700,000 tons of new shipping for the Italian merchant marine in the course of the next 4 years. The magazine states "a large part of the Government shipbuilding scheme is to be devoted to the building of passenger vessels." The Italians should be expected to help themselves by utilizing their own tonnage in this program before coming to the United States for help.

The United States Government recently sold the large vessel, the *Matsonia*, to the Panamanian Lines, Inc. This line also owns the steamship *Argentina* (formerly the Norwegian liner *Bergensfjord*, with a passenger capacity of approximately 1,000) and the steamship *Protea* (formerly the American vessel *American Banker*, with accommodations for approximately 500 displaced persons). This line is controlled by a Greek citizen residing in Switzerland and two British citizens residing in Buenos Aires, but operates under the Panamanian flag from Italian ports

and with Italian crews. The line is also connected with the Home Line, which now operates the *Italia* (formerly the American troop transport, the *John Ericson*) and the *Brasil* (formerly the *Drottningholm*). The Home Line is controlled by the Swedish-American Line and by interlocking directorates tied up with the Panamanian Line. Although some of these vessels, and the *Matsonia* in particular, were sold by the United States Government in the belief that the vessels would be used primarily in the Italian emigration program, we now find that the bulk of these vessels will be operated in the trans-Atlantic trades to our shore. These vessels could and should be made available to the Italian emigration program before any further ship transfers by the United States Government are requested.

4. Under the European recovery program the participating nations are committed to helping each other. Accordingly the Italian Government should first seek assistance from the other European participating nations. The British, in contrast to our situation, have made a magnificent recovery in regard to the availability of passenger vessels and are demobilizing large troop transports one after another. The French are putting the *Ile de France* back into trans-Atlantic service, and shortly they will have the former *Europa* in such service. The French have recently bought the American liner, the *George Washington*. Good recovery in passenger tonnage has also been made by the Low Countries and the Scandinavian countries. On the other hand, our passenger fleet is still seriously depleted even from its inadequate prewar level. Tonnage for the Italian emigration program should be made available by Italy herself and by other participating European nations.

Mr. VANDENBERG. Mr. President, I think I have concluded my statement. I suggest to the able Senator from Washington that all the precedents he recites are somewhat beside the point, because this operation is proceeding under the responsibility of the ECA. I think the Senator can rely upon the assurances which have been given him that these ships will be used exclusively for the indicated purposes, and that they will be returned when the indicated purposes are completed.

Mr. CORDON. Mr. President, will the Senator yield for a question?

Mr. VANDENBERG. I yield.

Mr. CORDON. Perhaps it might satisfy some who fear that the ships might be misused, if on page 10, line 13, at the end of the line, there be inserted between the word "the" and the "pur", the first syllable of the word "purpose", the word "sole" which would indicate that there was no other purpose or use for the ships excepting the handling of passengers.

Mr. VANDENBERG. The objection to that is that the movement of emigrants going to South America and Australia is a one-way traffic. If there is a standby cargo to help bring the vessel back other than in ballast, the committee feels that there should not be a complete prohibition against it.

Mr. CORDON. I am not offering the amendment. However, I indicate that there will be a competitive element.

Mr. MAGNUSON. If one of these ships does go to Australia, I hope it will not come back through the Panama Canal with a cargo which normally might be carried by an American ship. That is what will probably happen in the case of some of these ships.

Mr. VANDENBERG. I very much doubt it; and I share the Senator's hope that it will not happen.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. MAGNUSON].

The amendment was rejected.

Mr. McCARTHY. Mr. President, on behalf of the Senator from North Dakota [Mr. LANGER] and myself, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Wisconsin will be stated.

The LEGISLATIVE CLERK. On page 1, line 3, after the word "That" it is proposed to insert "(a)" and between lines 6 and 7, to insert a new subsection, as follows:

(b) The proviso in such section is amended to read as follows: *"Provided,* That no assistance to the participating countries herein contemplated shall seriously impair the economic stability of the United States or the competitive position of American enterprise within such countries."

On page 10, line 4, it is proposed to strike out "a new subsection as follows" and insert in lieu thereof "the following new subsections."

On page 10, it is proposed to strike out the quotation marks at the end of line 20, and between lines 20 and 21, to insert the following:

(f) In order to prevent impairment of the competitive position of American enterprise in participating countries, the Administrator shall—

(1) appoint and assign to duty in each participating country and in each dependent area under its administration with respect to which at least $5,000,000 per annum is expended in providing assistance under this title a liaison officer who shall have the duty of determining whether American enterprise in such country or area is being discriminated against in the provision of such assistance and of reporting any such discrimination to the Administrator;

(2) provide for the withholding of assistance under this title from any cartel, syndicate, organization, or group in any participating country if such cartel, syndicate, organization, or group has caused American enterprise in such country to be discriminated against in the provision of such assistance;

(3) provide for consultation with American business organizations or trade groups representing American enterprise in participating countries, prior to approval of programs or projects affecting such enterprise, in any case in which business organizations or trade groups representing nationals of such countries have been consulted in the planning of such programs or projects.

(g) Commodities and materials procured under this title in the United States for consumption or use in overseas dependent areas of participating countries shall to the greatest extent practicable be transported from the United States directly to such areas.

At the end of the bill it is proposed to add a new section, as follows:

SEC. 13. Section 118 is amended by inserting before the period at the end of the second sentence thereof the following: "or (3) such country, or a major political subdivision or dependent area thereof, is discriminating in the distribution of commodities or materials provided as assistance under this title on grounds of race or religion."

Mr. McCARTHY. Mr. President, this amendment had its inception when the commander of the American Legion post in French Morocco, a Mr. Rodes, a Reserve officer in the United States Corps of Engineers in business in French Morocco, contacted my office sometime ago. He is one of 34 or 35 World War II veterans doing business in French Morocco.

They called my attention to a very unusual situation, one which I frankly could not believe until I had checked it to some extent with ECA. I have not gone into the question in as much detail as I should like to have done. It deals with what appears to be very deliberate discrimination against American businessmen in French Morocco, not discrimination in favor of the native Moors, but discrimination in favor of Europeans, principally the French, doing business in French Morocco.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. VANDENBERG. I should like to identify the amendment about which the Senator is speaking. Will he indicate to me whether or not it differs in any respect from the amendment submitted by the Senator from Connecticut [Mr. BALDWIN]?

Mr. McCARTHY. It differs very much.

Mr. VANDENBERG. May I ask the Senator whether it deals with the same general subject as that to which the amendment of the Senator from Connecticut is addressed?

Mr. McCARTHY. It is the same general subject, but I believe I have gone into it in more detail. One further feature is added.

If the Senator will refer to the bottom of page 3 of my amendment, to section 13, amending section 118, he will find that in that respect it differs from the amendment of the Senator from Connecticut in its purpose.

Senators will realize that in giving this information I have had to rely upon correspondence from veterans in French Morocco, and upon Mr. Rodes, who is here. It has been impossible for me to check the veracity of all the statements which have been made. However, I did call upon Mr. Wilson, of the Department of Commerce, who apparently had been in French Morocco for the purpose of investigating this particular situation. I shall try to quote him as nearly verbatim as I can.

I asked him whether there was any evidence of discrimination against Americans doing business in French Morocco. I am not referring to discrimination in favor of the natives of Morocco. I am referring to discrimination against Americans, in favor of European nationals. Mr. Wilson told me that he thought Mr. Rodes was stretching the point, and perhaps exaggerating, but he stated very definitely that there was discrimination against Americans doing business in French Morocco.

I asked him whether he had any evidence of discrimination in French Morocco because of race or religion. We

had obtained a picture of very definite discrimination against the Moslems and the Jews in the rationing of ECA food and material. I asked Mr. Wilson if he had made any investigation of that subject. I gathered that he did not care to be quoted upon that particular subject.

Mr. President, my amendment would do a number of things. In the first place, it would provide that in any area receiving more than $5,000,000 of ECA funds a year a representative of ECA should be present in the area as a liaison officer. Incidentally, the original program for French Morocco called for $3,200,000 a month, or a little less than $40,000,000 a year. Presently there is no one in Morocco representing ECA.

Secondly, the amendment would provide that there should be no further discrimination against Americans doing business in French Morocco.

Third, section 118 of the act would be amended by the addition of the following new section:

SEC. 13. Section 118 is amended by inserting before the period at the end of the second sentence thereof the following: "or (3) such country, or a major political subdivision or dependent area thereof, is discriminating in the distribution of commodities or materials provided as assistance under this title on grounds of race or religion."

The purpose of this provision is to protect Jews and Moslems in French Morocco. Normally it might occur to us that we in the United States should not be too much concerned with what is being done in French Morocco by way of discrimination or lack of discrimination. However, all the evidence I have indicates that those who are responsible for this discrimination against Jews and Moslems have done everything possible to make it appear that this was a mandate of ECA. As I stated yesterday, this is obviously completely ridiculous. ECA has not issued any mandate to discriminate against anyone because of race or religion. But if the people in that area can convince the Jews and Moslems that they are being discriminated against because of a mandate from ECA, to all intents and purposes that is nearly as bad as though ECA had issued such a mandate.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. HICKENLOOPER. The Senator's amendment was placed on my desk only a short time ago, and I have read it only hurriedly.

I ask the Senator whether or not the provisions on page 2 of his amendment would apply to countries which have established quotas against the importation of American goods and services?

Mr. McCARTHY. It would apply to any country which is discriminating against American nationals. In view of the fact that it is American money and American goods which are used to promote this program, I feel very strongly that we should not, of course, use them to give Americans doing business in French Morocco or any other place an advantage; nor do I believe that they should be wrecked and run out of business by the use of American money.

Mr. HICKENLOOPER. At the moment I am not disputing with the Senator the merits of his amendment. I am sympathetic with the general principles which he expresses. Whether the Senator's purpose can properly be attained in this bill, I am not prepared to say; but I am concerned to know what his amendment is designed to reach.

Let me give an illustration. Country A has established a quota against the importation or purchase in that country of certain types of American goods or services. For example, take the motion-picture industry. There are some countries in Europe which have established quotas against the importation of more than a certain percentage or a certain number of American motion pictures. Perhaps the same restriction applies to American magazines in certain countries. Such restrictions apply to other American services and goods. In the event a country does establish a rigid quota over which imports of American goods and services will not be permitted, does the Senator feel that his amendment touches that point?

Mr. McCARTHY. No. Unfortunately, my amendment does not go that far. I think the Senator has a very worthy thought in mind, but my amendment is not intended to cure that particular situation. I have gone over the amendment very carefully with the representatives of our drafting service. I have tried merely to provide that there shall be no discrimination against, and no favors given to, American nationals doing business in foreign nations. There is an additional provision with respect to discrimination on grounds of race or religion.

Mr. HICKENLOOPER. I invite the attention of the Senator to the language on page 2 of his amendment, beginning in line 3:

(f) In order to prevent impairment of the competitive position of American enterprise in participating countries, the Administrator shall—

It seems to me that the language "in order to prevent impairment of the competitive position of American enterprise" goes directly to the heart of the provision in some countries of Europe against the importation of certain American goods and services over a stated amount, if we are prepared to sell and business wants to buy them.

Then, dropping down in the amendment to line 15, for instance, leaving out (1) and beginning with (2), in line 15:

(2) provide for the withholding of assistance under this title from any cartel, syndicate, organization, or group in any participating country if such cartel, syndicate, organization, or group has caused American enterprise in such country to be discriminated against in the provision of such assistance.

Mr. McCARTHY. That is to say, ECA assistance.

Mr. HICKENLOOPER. The Senator interprets that as applying only to the securing of ECA assistance, does he?

Mr. McCARTHY. I call attention to line 20, where the words "of such assistance" appear. They refer, of course, to ECA assistance.

Let me make myself clear, Mr. President. If the foreign nation wishes to discriminate against an American businessman on its own account, with its own money, my amendment would not touch that situation in any manner, at this time. My amendment merely refers to the use of ECA funds to put Americans out of business.

Mr. HICKENLOOPER. Then, as I understand the amendment, it does not apply to matters outside the economic activities of the country, except as ECA funds are used to stimulate the particular economic activity, and in that case American enterprise should not be discriminated against by the use of ECA funds; is that correct?

Mr. McCARTHY. That is the intent of the amendment.

Let me say now, in case the Senator from Iowa did not hear me relate this matter before, that Mr. Wilson, of the Department of Commerce, together with another gentleman was sent to French Morocco. Upon his return to this country he said, "Although Mr. Rodes may be exaggerating his story somewhat, there is discrimination."

Perhaps the Senator from Iowa recalls that story.

Mr. HICKENLOOPER. Yes; I do.

Mr. McCARTHY. In other words, the Department of Commerce sent two men to French Morocco to investigate the claim that American nationals were being discriminated against. Mr. Wilson, upon his return, said, "There definitely is discrimination against Americans."

Of course, Mr. President, I am not speaking of discrimination against Americans in favor of the natives of French Morocco, but I refer to discrimination against Americans in favor of European nationals, principally the French.

I am not sure that I have answered the Senator's question.

Mr. HICKENLOOPER. I think the Senator has answered it.

I was attempting to probe the meaning of the amendment, to see exactly to what it referred, and whether it would apply to the entire economic situation in those countries, private as well as public, or whether it merely would apply to the use of ECA funds in a discriminating way against Americans in the countries that are participating.

I should like to ask the Senator a further question.

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Iowa?

Mr. McCARTHY. I yield.

Mr. HICKENLOOPER. Does the Senator have evidence that such discrimination as he has been informed occurs in French Morocco exists in any of the other ECA countries?

Mr. McCARTHY. Mr. President, as perhaps the Senator from Iowa knows, I have not been taking as active a part in this matter as have many of the members of the Foreign Relations Committee. Frankly, I have not gone out of my way to make investigation in regard to discrimination in other nations. If there is such discrimination, of course, the

amendment would apply equally to discrimination of that sort in any other nation.

Mr. HICKENLOOPER. I thank the Senator.

Mr. McCARTHY. I may say for the benefit of the Senator that this amendment is not identical to the one which was submitted and approved by the American Trade Association of Morocco and the American Legion. They submitted an amendment to me and asked that it be submitted to the Senate. I went over the amendment with a number of those who have been closer to this legislation than have I. I was convinced that the amendment as submitted by them was too restrictive and went too far. So I tried to make the amendment as easy as possible from the standpoint of administration by the ECA, and at the same time have it accomplish the desired purpose.

At this point I should like to read a cablegram which was sent by Herbert Abrams, who is adjutant of the American Legion post in Morocco. He is a one-legged veteran of World War II. I think I should read this cablegram so as to round out the picture. It was sent on the 27th of March of this year:

Despite stiff consular protest, 500 pounds matzoth to be distributed gratis for imminent Jewish holidays refused release from port.

Yesterday I said that the material referred to in the cablegram, which is Jewish Passover bread, I believe, was purchased with ECA funds. However, I wish to correct that statement, for I find that it was not purchased with ECA funds, but was sent there absolutely gratis. It was a gift—from whom, I do not know, but apparently from some group in the United States—to be distributed to the Jewish people in that area absolutely free. But the French in that area say, "No; we are going to pile this up and let it spoil; we will not release it, or at least we will not release it until after the Jewish holidays."

Mr. HICKENLOOPER. Then, as I interpret the Senator's amendment, it would not reach that situation at all, because ECA funds did not participate in the purchase of that particular article.

Mr. McCARTHY. It would not touch that particular situation; but it would say to those who are administering these matters in French Morocco, "You shall no longer continue to discriminate, as you are today, against the Jews and the Moslems in that area."

Let me add that in that area the officials who now are in charge of allocating ECA funds are, in many cases, the Vichy officials who were in charge there prior to the American landings during the war. For example, one of the officials of the American Legion post was active in giving the Americans aid and in collecting information for them before our landings in Morocco. At the time of the landings by the Americans there, he was jailed. When the Americans took control, he was set free, of course. If the Americans had not been successful there, I assume he would have been executed. The Vichy official who apprehended him in and insisted that he be jailed is now passing upon his requests for ECA dollars.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for a further question?

Mr. McCARTHY. I yield for a question.

Mr. HICKENLOOPER. I wonder whether the Senator has given consideration to this phase of his amendment: Generally speaking, throughout the cooperating countries there has been very little, if any, complaint of this kind. This is the first and only country as to which such discrimination has been suggested, and I have not heard of it with regard to this particular country until recently. I wonder whether the Senator from Wisconsin has considered that perhaps by the amendment he would be setting up countless areas of irritation in the administration of this fund, and would be creating a forum where persons, either justifiedly or unjustifiedly, could raise numerous issues, perhaps petty, perhaps without grounds, perhaps with grounds, on occasion; in short, that the amendment would, as we sometimes say in the practice of law, set up an area for a multiplicity of lawsuits. Has the Senator considered that phase of the matter?

Mr. McCARTHY. Mr. President, in answer, I may say that no matter how hard it is to administer a law properly, no matter how hard it is to do right, I think we should attempt to do it. I agree heartily with the Senator that if we amend the act so as to say that Americans shall no longer be put out of business through the use of American money, I know it will create certain administrative difficulties; there can be no doubt about that; but the mere fact that it may be difficult to administer the law, in my opinion in no way justifies our simply relaxing and saying, "Well, we will not do right by these boys, because it would be a bit difficult." While it may be difficult, keep in mind that we are talking here about boys who were in the American service 4 or 5 years, who went to a foreign country to establish a business, as they were entitled to do, and who went over on the invitation of the nationals of the foreign country. Let me now cite an example. One boy, a veteran, has two busses. He organizes a bus line. Another boy organizes a truck line, a perfectly legitimate type of business. They have repairs shipped in from this country. What happens? The repairs are held at the port of entry. They beg the French officials to release them, but the officials say "No." They go to the American consular office. The consul makes a protest. The French say, "No, the remedy which we give you is to ship them back to the United States." The same thing is true with respect to gasoline. The French authorities put completely out of business a bus line a young American veteran has struggled for some time to organize and operate. They put it out of business by saying, "You will get no gasoline"—referring to ECA gasoline, of course. I say it is wrong. It is so completely wrong that when such things are going on we should to some extent try to remedy the situation.

Let me make my position clear. I am not one who would attempt to rise on the floor of the Senate and condemn Mr. Hoffman for the administration of ECA. I think Paul Hoffman, with the equipment which he has at hand, has done perhaps a better job than any other man I could conceivably suggest for that important office. I know he was loaded down with a great deal of debris in the matter of personnel when he took over. Some of them he could not get rid of. So I want to make it perfectly clear that while I am suggesting these amendments and pointing out what is wrong in certain areas, it is not intended as a criticism of Paul Hoffman. The program is vast——

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. McCARTHY. If I may finish this sentence. The program is vast and tremendous. No matter how good the administration is, there will be found some things to criticize. So again I wish to make it very clear, that I admire Mr. Hoffman tremendously. I think he has done a better job than ony other man I can conceive of could have done.

Mr. HICKENLOOPER. Mr. President, may I ask just one more question, to complete what I was endeavoring to develop?

Mr. McCARTHY. Certainly.

Mr. HICKENLOOPER. Will the Senator tell me how his amendment is to reach the situation of the importation of automobile parts to the African port, when they were presumably purchased with the money of the American veterans to whom the Senator has referred, and when ECA money was not used in the purchase? How would the Senator's amendment ever apply to the use of ECA funds, and how would it touch for instance such transactions as the automobile parts importation?

Mr. McCARTHY. I shall try to explain it. Senators will understand I am not an authority on the administration of ECA; I do not claim to be; but as I understand the situation, it is roughly this: Assuming an American national living in French Morocco has in his possession local currency. He applies to the ECA, or to whoever is administering it. He says, "I want to buy $1,000 worth of material, or $5,000 worth." The only way in which he can obtain that material from the United States is to get American dollars from ECA in return for the local currency. Let us assume that he get it. With that money he orders repair parts for the bus line or the truck line.

By the time the parts arrive at the port, a European living in the locality who happens to have a bus line or a truck line contacts the proper people. He says, "Shut them off. Do not let that American get these repair parts for his trucks or for use in his business." The parts arrive, but the American veteran is told, "No, they will not be released to you." Let us understand that the material is in the port. It is American material. It is being obtained for the buses or trucks of the American boy, and he is told, "No, you cannot get it. Send it back to the United States."

The Senator inquires how my amendment would take care of such a situation

as that. It provides that if discrimination is practiced against American nationals doing business ECA funds for that area shall be cut off. I may say to the Senator I think they should be cut off. I am not worried for fear they will ever have to be cut off.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. Mr. President, will the Senator yield for one more question on that point?

Mr. McCARTHY. I shall be glad to yield next to the Senator from Florida, but I may say I am not disturbed about the ECA funds ever being cut off, because if the French officials and the officials of French Morocco know that unless discrimination is ended the funds will be cut off and they will get no more American dollars, then, so certainly as we stand here today, discrimination will be ended.

I have said, and I repeat, we should keep in mind that I am not referring to discriminations against Americans in favor of the nationals of French Morocco. I am referring to discriminations against Americans in favor of European nationals doing business with French Morocco.

I should like first to yield to the Senator from Florida. He has been asking me to yield for some time. After that, I shall be glad to yield further to the Senator from Iowa.

Mr. PEPPER. I thank the able Senator. I shall be off the floor in a few moments. I ask the Senator if he does not consider that, under the law as it went into effect in the first place, the Administrator has authority to cut off ECA funds whenever it may appear to be to the interest of this country to do so; or, to put it in another way, when it may appear contrary to the interests of this country to continue to make ECA funds available? I ask the Senator also whether he has overlooked the fact that Morocco is a dependency of the French Republic, and that we have in existence with the French Republic treaties of friendship and amity, under which our trade is conducted, and whether we do not have other agreements such as the reciprocal-trade agreement in effect with the French Republic?

Mr. McCARTHY. May I interrupt to answer that part of the Senator's question, upon that point?

Mr. PEPPER. If the Senator will let me finish the question, let me ask him further whether he is not also aware that there is in the bilateral agreement itself—that is, the ECA agreement between our Administrator and the representative of the French Republic—the following language, found at page 61 of a supplement to the first report to the Congress of the Economic Administration:

> The Government of France will take the measures it deems appropriate, and will cooperate with other participating countries, to prevent, on the part of private or public commercial enterprises, business practices or business arrangements affecting international trade which restrain competition, limit access to markets or foster monopolistic control, whenever such practices or arrangements have the effect of interfering with the achievement of the joint program of European recovery.

Finally, I ask whether the Senator does not consider that any alleged discrimination against American nationals by the French Republic or its dependencies would be the appropriate subject of negotiation and friendly adjustment between the two countries, rather than for Congress to legislate that, upon a technical discrimination of the sort the Senator has in mind, or a relatively negligible one, the whole ECA program shall come to an end?

Mr. McCARTHY. If I may answer the Senator's last question first, the question whether the discrimination should not be brought to an end by means of friendly negotiation rather than by legislation, let me say that our consul in French Morocco apparently has been trying to use his influence in order to bring discrimination to an end, in a friendly fashion. His efforts have not been successful. American nationals have been put out of business in French Morocco. My answer to the Senator's question is, Yes, we should definitely do it by legislation. We should say, "Starting tomorrow or the next day, you people in French Morocco will not be able to use American money to put American nationals out of business and to route all their business to European nationals."

Now, if I may answer the first part of the Senator's question, I shall be glad to do so.

Mr. PEPPER. Mr. President, will the Senator let me include a few words I neglected to include in the question?

In order that the Senator may have all the facts before him in answering the question, I shall be glad to add that, in addition to the section I read from the ECA agreement now in effect with the French Republic, I should have added that in an annex to the agreement there occurs the following:

> Discriminating against particular enterprises.

That also is forbidden on the part of the beneficiary country. The other question I was going to ask the able Senator was, If we are going to legislate, who is to determine when the breach occurs?

Mr. McCARTHY. May I answer the first question first? The question was in regard to any treaties had with French Morocco——

Mr. BALDWIN. Mr. President, will the Senator yield at that point?

Mr. McCARTHY. I shall be glad to yield to the Senator from Connecticut.

Mr. BALDWIN. Has the Senator received a telegram similar to the one which I now read?

> Despite strong demands by Plitt 10 days ago, authorities refuse release merchandise. Air mailing written proof of threatened auctions. State intend enforce decisions. Answer.

I may say, in explanation of my question and of this telegram, that it concerns some goods shipped to Morocco by the persons about whom the distinguished Senator from Wisconsin is talking. The goods are being held by the Moroccan authorities in violation of our understanding with Morocco and with our understanding with France. The situation has existed for a great many years. Can the Senator think of any more specific cases in which there has been a direct violation and in which the Department has taken no action?

Mr. McCARTHY. The Senator's question is whether I have any other information such as is referred to in the telegram. My answer is "Yes." Keep in mind that I have been depending upon letters, telegrams, and contacts with the American Legion post, but so far I have not been able to get to the bottom and to check each one of these matters. According the the stories coming to me, the instance can be multiplied a hundredfold. In fact, the French officials go even further. An American boy, a veteran, has material shipped to him which is piled on the dock. The Moroccan authorities will not release it. The American consul gets in touch with the French authorities and says, "Release these goods. You are violating treaty rights." But the French authorities say, "No; we will not." Then they go a step further and auction off the goods. I wish the Senator from Florida would listen to this, because it concerns him. The French officials go a step further and had the American material impounded. Then they say, "We will auction off these goods." Many times they conduct an auction without even notifying the young man who has paid for the materials which are to be auctioned.

If I may further answer the question of the Senator from Florida, who asked concerning dealings we have with French Morocco, I will say that at the time we recognized French Morocco as a protectorate of the French, it was done with the express provision that the recognition was only on condition that French nationals would under no circumstances be favored over American nationals in French Morocco. For some 35 years we have had absolutely free trade between French Morocco and the United States, to the benefit not only of this country, but also of French Morocco.

In 1944, because of the fact that the French had lost much control in French Morocco, which was, in effect, almost an enemy territory, that agreement was held in abeyance, and we very closely scrutinized any material being sent into French Morocco.

Early in 1948 free trade was again restored between the United States and French Morocco. However, it was found that some trade was being diverted from France to the United States. I should like to read from the testimony of the head of the American Legion, who testified before the House committee on that question:

> An edict just published by the authorities of the French protectorate of Morocco has reinstituted a system of import licensing that was abandoned in March 1948, with additional provisions and drastic embargoes which will destroy most business between Morocco and the United States.

I call attention particularly to this:

> In a report of interviews with French authorities, the local economic weekly states frankly that the decree was aimed against Americans.

Let me repeat that:

> "In a report of interviews with French authorities, the local economic weekly states frankly that the decree was aimed against

Americans." The editorial also states that the action was taken as a result of pressure by the United States in connection with the Marshall plan.

The new edict is for the purpose of discriminating against American nationals. Furthermore, they are using propaganda to show that all this discrimination against Americans, Jews, and Moslems is a result of the ECA mandate, which I think makes it doubly vicious.

Mr. BALDWIN. Mr. President, will the Senator yield further?

Mr. McCARTHY. I yield.

Mr. BALDWIN. I desire to ask the Senator a further question. Did I correctly understand him to say, in referring to one incident, that at least one of the officials with whom our own people had to deal was a former Vichyite official in Morocco?

Mr. McCARTHY. One of the young men who is presently being discriminated against and whose business is being ruined must go to the identical Vichyite official who caused him to be jailed because of aid he was giving to Americans. What success attends his efforts we can easily imagine. The result is that he is being forced out of business by the use of American money.

Mr. BALDWIN. I should like to ask the Senator whether, in his investigation of the matter, or from information which has been brought to him, there were claims that customs duties and taxes were required on imports at rates higher than those fixed by treaties and at rates far in excess of the rates charged to French nationals who were bringing imports into Morocco.

Mr. McCARTHY. In connection with that, let me go very briefly over the testimony of Robert Rodes, who is the commander of the American Legion and is also head of the American trade organization involved. He gave this testimony before the House committee:

> Americans with their treaty rights always have been a hindrance to the aims of this clique whose resentful acts against us have caused hundreds of official protests.
>
> Recent examples are: Requiring American importers to cede part of their imports, at a loss, to a Government agency so that the latter can turn it over to merchants of its choosing for prices that assure them successful competition with the original importers; giving regional monopolies to political favorites with whom Americans have competed for years; requiring Americans to pay customs charges that are as much as 500 percent in excess of legal rates. Repeated consular protests have failed to stop this or to obtain reimbursement of millions of francs paid under protest——

Mr. BALDWIN. Mr. President, will the Senator yield for a further question?

Mr. McCARTHY. I yield.

Mr. BALDWIN. When these goods are seized at the place of import and their passage into the hands of the importer has been denied to the importer, what happens to the goods?

Mr. McCARTHY. This is a phenomenal part of the picture. The goods are at some later date auctioned off, but one of the unusual things about these auctions is that in many instances, according to the information I receive, the young man, the American, who owns the goods, is never even notified that his own goods are to be auctioned. In other words, suppose a World War veteran in Morocco asks for ECA funds to get some materials such as tires. They are piled up on the dock, and a French official arbitrarily says, "We will not release them to you." The American consul goes to the French official and says, "You are violating treaty rights." He says, "All right. Do something about it. Your Army and your Navy are not here." So the young veteran does not get his material. Then at some subsequent date, without notice, the goods are auctioned off to one of the local political favorites.

Mr. BALDWIN. So, would the Senator say that a local importer, such as the one the Senator has described, has the choice either of paying the exorbitant fees demanded, or having his goods shipped back to the United States at a great loss?

Mr. McCARTHY. That is true, and even the payment of the exorbitant fee at times will not bring about a release of the goods.

I should like to quote further from the testimony of Mr. Rodes before the House committee. He said:

> Unfriendly acts too petty to provoke official complaints would fill volumes. Examples in the experience of this post follow.

I shall give two of those examples.

> In October 1947 a shipment of American flags was arbitrarily and illegally held by customs authorities in the port for approximately 6 weeks. Authority to release it was given only in December 1947, preventing their appearance in the city on the fifth anniversary of the American landings the eighth of November.

I hope the Senators follow that. In other words, the local American Legion post was putting on a celebration commemorating the fifth anniversary of the landing at Casablanca. The local Vichy officials who were in charge of all imports said, "The American flags you are going to use in your celebration, in your parade, will not be released to you until after your celebration has ended."

Let me quote the second illustration.

> When this post decided to have a Christmas party for inmates of three orphanages in Casablanca, the French authorities disparaged the idea stating that it was "just American propaganda."

In other words, the French authorities say it is bad propaganda for the American Legion to feed the orphans in the orphanage. I continue reading:

> When we went ahead with our plans they forbade the orphanages to permit their charges to attend.

Mr. President, I do not desire to take the time of the Senate further, as we have very important legislation before us, which I hope will finally be passed upon today, but let me say that I feel there should be an end to the two types of discrimination being carried on in French Morocco, with the use of American dollars and, in the eyes of the local people, with American support, first, the discrimination against American nationals, and, second, what is equally and perhaps doubly vicious, the discrimination against the Jewish and Moslem people in the rationing of American food and materials.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. HICKENLOOPER. Does the Senator feel that the ECA officials now have any authority to act with respect to ECA funds in these circumstances?

Mr. McCARTHY. If they have not now any authority they will have such authority after this amendment is agreed to. They now have authority, for example, to send an American to French Morocco to administer the disbursement of ECA funds. The original program was for $3,200,000 of ECA funds a month, about $36,000,000 a year. I believe that would justify sending one man over there at a salary of three or four or five hundred dollars a month to make sure that the funds were properly administered.

To answer the Senator's question further, the ECA does have the authority to send a liaison officer to French Morocco to make sure that the funds are being properly administered. That they have not done, and in view of the fact that they have not done it, I think we should make them do it, as we would under this amendment.

Mr. HICKENLOOPER. Does the Senator believe that the ECA authorities have the right now to give or withhold ECA aid in French Morocco?

Mr. McCARTHY. If ECA does not have the right today to deny funds to an area, or territory, or protectorate, or nation, that is badly misusing the funds, to the detriment not only of American prestige but also to the detriment of the nation itself, from the economic standpoint—if ECA does not have that power, we should give it to them, and they would be given the power under this amendment.

Mr. HICKENLOOPER. I think I am in agreement with the spirit of the Senator's statement, but I am of opinion that the ECA authorities have the right——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield for more than a question?

Mr. McCARTHY. I understand the Senator is asking a question.

Mr. HICKENLOOPER. I am attempting to ask a question of the Senator. I have to make a statement in order to preface my question. I shall try to ask a question.

Mr. McCARTHY. I understand the Senator is asking me a question.

Mr. HICKENLOOPER. In order to preface the question I am expected to ask the Senator, and which I intend to ask, I will suggest to him that it is my impression that the ECA authorities have the right to allocate funds to the countries and determine how much they will allocate to various countries.

Now my question: Does not the Senator believe that if the ECA has the right to grant or withhold funds to French Morocco, and if the ECA has been granting funds in French Morocco with an awareness of the discrimination to which the Senator has referred, should not

someone check up on ECA, or the administration that is permitting such things under the ECA in French Morocco? Cannot the matter be reached through ECA; and if it is not reached by them, should we not see what changes in ECA would be indicated?

Mr. McCARTHY. In fairness to ECA, I believe the funds are allocated on the basis of whether the economy of the country will be benefited by the funds. I doubt very much that Mr. Hoffman, under the authority we have given him, has a right to cut the funds if, for example, there is discrimination because of race or religion, or if there is discrimination against American nationals. I may be wrong; as I have said, I am not an authority on the ECA workings; but as I understand the law passed last year, it in effect said to Mr. Hoffman, "You shall determine how much money is to be used to bolster the economy of this area." So long as the funds are bolstering the economy, even though they may completely wreck certain nationals, even though they may discriminate against people because of race or religion, I doubt very much, without my amendment, that he does have authority, in effect, to use a big club. What I want to give him is a club which he can use and say, "No more shall there be discrimination, or your funds will be cut off." As I have said, I do not think he would have to cut the funds off. The mere threat would be sufficient.

Mr. BALDWIN. Mr. President, will the Senator yield for a question?

Mr. McCARTHY. I yield.

Mr. BALDWIN. Is it in the Senator's knowledge of this situation that protest after protest after protest has been made by our State Department representatives in Morocco to the French protectorate authorities, and without result?

Mr. McCARTHY. All the information I have indicates that the local consular office has protested time after time, and I call attention again to the testimony of Mr. Rodes, in whom I have a great deal of confidence. He is a reserve officer in the Corps of Engineers and a very high type of individual. I hope the Senator from Iowa will remain in the Chamber, as this partially answers his question. Mr. Rodes tells me that when the local consul protests this unfair treatment, or when the members of the American Legion protest, then the local officials—the Vichy officials, and I use the term advisedly—say, "What are you going to do? Your Army is not here, your Navy is not here." So they continue to use American funds to continue this unfair discrimination. In effect they say, "We are boss now, because you have no force here."

Mr. BALDWIN. Mr. President, will the Senator yield for a further question?

Mr. McCARTHY. I yield.

Mr. BALDWIN. Is it the Senator's purpose, by his amendment, to arm our people with plain but additional authority to bring home to the French officials, whomever we might have to deal with in the future, when a similar situation may arise, that it is the intention of the Congress, as expressed in the legislation, that ECA funds shall not be continued to a country which persists in that type of discriminatory activity?

Mr. McCARTHY. Yes. In effect, that is what we will be doing. We will say to our consular or ECA official, if we put one there—and I think we should—that when he goes to the local French port authority and says, "I want you to release this material to these American businessmen, these veterans," and the local Vichy officials says, "No, I will not; your Army and your Navy are not here; try to make me do it," then our representative can say, "All right, we will make you do it. Unless you release them, all the ECA funds which you are using to perpetuate yourselves in power will be shut off." He will then change his tune quite quickly.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. CORDON. Does the Senator expect to offer his amendment immediately?

Mr. McCARTHY. I have already offered it, and hope to have a vote on it. However, if any Senators desire to give the matter further thought or discuss the matter with ECA or the Department of Commerce, or the State Department, I shall be glad to withhold my amendment so far as an immediate vote on it is concerned, keeping in mind, of course, that I shall be forced to call it up for a vote before final action on the bill.

Mr. CORDON. If the Senator feels like giving us a little time to study the amendment, I should appreciate it. There is a portion of the amendment that is very valuable, and should be retained. I should like to have an opportunity to discuss the matter with the Senator from Wisconsin, and perhaps he will agree that certain portions might be deleted and others retained.

Mr. McCARTHY. That might be well. I think the Senator from Connecticut [Mr. BALDWIN] has an excellent amendment designed to accomplish the same purpose; but I do not think his amendment goes quite far enough. He does not cover race and religion. The Senator from North Dakota [Mr. LANGER] has a very fine amendment. In view of the fact that the Senator from Oregon wishes to discuss the matter further, I shall be glad to refrain from calling up my amendment for a vote at this time, if I may do so.

The PRESIDING OFFICER. Without objection, the amendment will be temporarily withdrawn.

Mr. BALDWIN. Mr. President, at this time I call up an amendment submitted by the junior Senator from Connecticut, which is lettered "A." I ask that the amendment may be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 4, between lines 19 and 20, it is proposed to insert the following:

(c) Section 111 of such act is further amended by adding at the end thereof a new subsection as follows:

"(d) No assistance shall be furnished under this act to a participating country during any period with respect to which the Secretary of State determines that such country is violating any treaty with the United States."

Mr. BALDWIN. Mr. President, the junior Senator from Connecticut yesterday discussed this amendment at some length.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. BALDWIN. I yield.

Mr. McCARTHY. Do I understand the Senator is now calling up his amendment for action?

Mr. BALDWIN. Yes; the junior Senator from Connecticut is calling up his amendment for action.

Mr. McCARTHY. May I ask the Senator if he would consider the proposal I shall make? I think very much of the Senator's amendment. I intend to support it. However, some Senators have indicated that they would like to have time to study my amendment, the amendment of the Senator from Connecticut, and an amendment the Senator from North Dakota [Mr. LANGER] has against discrimination because of race or religion, and see if we cannot perhaps agree on a provision the committee might accept and that would perhaps meet with at least partial approval from ECA. I personally very much dislike adopting any amendment which may tie the hands of ECA officials unduly. I think our amendments are in perfect shape. I think they will accomplish what they are designed to accomplish. In view of the fact that some Members of the Senate want to study the amendments further and see if we cannot arrive at something acceptable to the committee, I should like to ask of the Senator to lay aside the amendment temporarily so we can discuss the matter.

Mr. BALDWIN. Mr. President, the Senator from Connecticut will say to the Senator from Wisconsin that he does not want to have the pressing of his amendment at this time interfere in any way with the amendment which the Senator from Wisconsin is offering. However, it seems to me it is perfectly proper to say at this time that the amendment offered by the Senator from Connecticut would accomplish almost the same thing that I believe would be accomplished by the amendment offered by the Senator from Wisconsin. The Senator from Connecticut is anxious to secure a vote upon his amendment, but would be glad to withhold requesting action on it until later, if that is desired by the Senator from Wisconsin, because it seems to me that in these two particular amendments there is much virtue, and that they deal with a problem which is a very real one and a very fundamental one.

I may say to my friend from Wisconsin that the Senator from Connecticut has made some effort, has tried to arrive at some change of language that would be acceptable to the committee. I may say, further, that the committee has itself been most cooperative. But it seems to me we have arrived at a point when it is a little bit difficult to go any further. I mean we have arrived at an issue that is fundamental to the whole problem. The Senator from Connecticut thinks

that probably the only way to resolve the question is to have a vote on the subject, which will settle the matter.

The amendment offered by the Senator from Connecticut, he claims, does give wide discretion to the Secretary of State in determining whether or not any particular nation is in violation of any treaty, and leaves to the Secretary of State to determine that particular fact.

The Senator from Connecticut recognizes that in our governmental relations there are innumerable treaties with many nations across the face of the globe that might be directly or indirectly involved in this matter. It is his purpose that the Secretary of State need not be required to go over all those treaties to check each one, but is entitled to act in a situation when a protest is made for a plain violation of one of these treaties, and, then, under those circumstances he can determine whether or not the protest is made in good faith, whether or not it is of vital concern to the interests of the United States, or to any of her citizens, and whether or not the claimed violation does in fact constitute a violation of a treaty.

Mr. DONNELL. Mr. President, will the Senator yield for an inquiry?

Mr. BALDWIN. I am glad to yield to the Senator from Missouri.

Mr. DONNELL. I observe that the Senator's amendment uses this language:

> No assistance shall be furnished under this act to a participating country during any period with respect to which the Secretary of State determines that such country is violating any treaty with the United States.

The question I ask the Senator is this: Is it his idea that the amendment refers only to continuing violations, or would it apply to a situation, for illustration, in which a gross violation of a treaty occurred, we will say, on January 1? Would it prevent the giving of assistance thereafter, because of that one violation?

Mr. BALDWIN. I will say to the distinguished Senator from Missouri that the purpose of the amendment is to require the withholding of funds from a participating country which is in violation of a treaty, until such time as the violation is remedied, or until such time as some reciprocal agreement or arrangement is made to take care of it.

Mr. DONNELL. Mr. President, will the Senator further yield?

Mr. BALDWIN. I yield.

Mr. DONNELL. The particular point I had in mind was this: The Administor, looking at this amendment—if the amendment should be adopted—and finding a situation in which, 10 days before he looks at the amendment, a violation has occurred, may say to himself, "What is my duty? There is no continuing violation. There was a gross violation 10 days ago, after this amendment went into effect, but there is no continuing violation." Would it be his duty to refrain from furnishing assistance thereafter, or, by the reason of the fact that only one violation had occurred, would he be not prohibited from giving assistance thereafter?

Mr. BALDWIN. In view of the fact that only one violation had occurred, he would be in a position to say, "There has been a violation. Apparently there has been no complaint. No protest has been made to me. The situation is apparently being remedied. Our own people are satisfied. I will not withhold the funds." I have tried to use language which applies to withholding only so long as a violation continues to exist. The language is—

> determines that such country is violating any treaty with the United States.

The language is not "has violated" or "proposes to violate," but "is violating"—is in the process of violating a treaty with the United States.

The purpose of that particular type of language is to make it possible for the ECA Administrator or his representative, whoever may be in charge, to deal with a present situation, and not be required to go into the past and dig up past violations, or anticipate some which may occur in the future. The purpose is to enable him to say to those people, "We have looked into the situation as a result of the protest of our own people. We have determined that there is a violation. Unless you remedy the violation or come to some satisfactory agreement about it, we shall have to ask that ECA funds be withheld." That is the modus operandi of the amendment.

Mr. DONNELL. Mr. President, will the Senator further yield?

Mr. BALDWIN. I yield.

Mr. DONNELL. I was wondering whether the language would possibly permit something which the Senator would not want to permit. Would it free the Administrator from the obligation to cease to furnish assistance after the act had been committed? The Senator would probably want to make it obligatory upon the Administrator to cancel further assistance.

Let me illustrate. Suppose this amendment goes into effect on the 15th day of April of this year. Then let us say that one of the participating countries, on the 1st day of July of this year, after the act has gone into effect, and with the full knowledge of the Administrator, the public, and the press, commits some gross, egregious act of violation of an existing treaty between the United States and that country, but it does not continue. It simply commits that one gross act, which may injure this country to the extent of millions of dollars, to take an extreme case. What would be the duty of the Administrator thereafter under this language? Would he be permitted to continue to furnish assistance, or would he be precluded from doing so? Would he not be faced by a very difficult alternative, as to whether he should cease further assistance, or whether he should continue it after that one gross violation, known to him, known to the public, and known to the press, had occurred? I should like to have the Senator's opinion in regard to that illustration.

Mr. BALDWIN. The opinion of the Senator from Connecticut is that his amendment is not sufficiently broad to take care of that particular situation—and I think purposely so, because it seems to me that that type of thing would happen only rarely, and that if it did happen, there certainly would be other provisions in the treaty which would adequately deal with the situation.

The purpose of this amendment is to give to the Department of State and the ECA a working arrangement, a working tool. I cannot conceive of a violation of a treaty such as was suggested by the Senator from Missouri, which would not have a continuing effect. The ECA Administrator and the Secretary of State would be in a position to say, "You have violated the treaty. It has had the following effect. Until you make recompense or cure the situation in some way, we shall withhold ECA funds."

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. BALDWIN. I yield.

Mr. DONNELL. Take as an illustration the case I am about to cite. I am not criticizing the amendment. I am wondering if it goes as far as the Senator would logically desire it to go.

Suppose there were a treaty between this country and one of the participating countries, country A, under which it was provided that every ship bearing the American flag should be permitted to dock at a certain particular port in country A. Suppose a ship goes to country A, to that particular port, on the first day of August of this year, after this amendment shall have gone into effect; and suppose that the customs officials and the port authorities refuse permission for that ship to dock at that particular port. Suppose the ship goes on its way and no further attempt is made to dock. It goes to some other country and then returns to America. The Administrator of ECA says to himself, "What is my duty? There has been a gross violation of a treaty, in a specific case involving grave injury to shippers, but it is not continuing. Is it my duty to cut off further participation, or is it my duty to permit further participation?" I should like to ask the Senator, without any criticism of his amendment, whether he thinks possibly that case ought to be covered, rather than merely the case of a continuing series of violations?

Mr. BALDWIN. I may say to the Senator from Missouri that that violation in itself has a continuing nature, so long as the particular nation which has prevented the entry and docking of the ship continues in that frame of mind to the point where the ship goes on. There is a continuing violation of the treaty then and there, because it could always be anticipated that the ship might come back with the same cargo, or with a different cargo. As I previously stated to the Senator, it is difficult to conceive any violation of a treaty or agreement which is not in and of itself a continuing one, or which does not carry with it consequences of the violation which are continuing. It seems to the Senator from Connecticut that his amendment is broad enough to cover that particular situation.

Mr. DONNELL. Mr. President, will the Senator yield for a final question?

Mr. BALDWIN. I yield.

Mr. DONNELL. It seems to me that in the case which I have cited there was

only one actual violation of the treaty, namely, when the ship sailed away. But since the Senator seems to think there would be a continuing violation, I ask the Senator whether, in the case which I have cited, in which the ship comes to the dock and is refused permission to dock, and goes on its way, never to return, the Senator thinks that under the terms of his amendment the Administrator would be required to refuse further assistance, or whether it would be the duty of the Administrator to grant further assistance to country A?

Mr. BALDWIN. The amendment says "with respect to which the Secretary of State determines that such country is violating any treaty with the United States."

It seems to me that under those circumstances it would be up to the Secretary of State to decide whether or not that violation constituted a continuing violation in contravention of this provision of the law, or whether the situation was sufficiently serious, under all the circumstances which the Senator details, to warrant his shutting off ECA funds.

The Senator from Connecticut realizes that great discretion and wide latitude must be left in the hands of the ECA authorities and in the hands of the Secretary of State, and that is the purpose of this particular language. It does not seem to me that we should draw up language detailing the circumstances and conditions under which the funds would have to be withheld. We must leave considerable discretion in the Secretary of State and the Department of State and the ECA. It seems to me that this particular amendment does exactly that, and that it meets almost every particular situation which could be conceived of. I am willing to concede that it does not, perhaps, fully meet the situation the Senator from Wisconsin has presented; but if it does not, experience will demonstrate that, and then we can amend the provision.

Mr. DONNELL. One final question, if the Senator please: In the case I have cited, the Secretary of State would have the legal right to determine that a continuing violation of the treaty is occurring, even though there has been only one incident, namely, the one I recited; is that correct?

Mr. BALDWIN. It seems to me that he would, because the effect of the violation would be continuing. In other words, the damage the shipper would sustain under those circumstances would be damage which would accrue the moment the ship turned her prow around and started back to the United States or went to another port, at which there would be a transshipment, or something of the sort. The effect of that violation would be a continuing one; and it seems to me that the Secretary of State could then say, "You violated the treaty. Here are the damages that are entailed; and until such time as recompense is made by some agreement with this individual, working through the Department of State, we are going to withhold the ECA funds"—or he would take some other action in connection therewith which would not be altogether agreeable to the participating country. It seems to me that such authority must be granted, in order to protect our own interests and really to accomplish the effective working of this entire program.

Mr. DONNELL. I thank the Senator from Connecticut for his courtesy.

Mr. McCARTHY. Mr. President, will the Senator yield for a question in regard to the interpretation of subsection (d)?

Mr. BALDWIN. I yield.

Mr. McCARTHY. I also call the attention of the senior Senator from Missouri to this matter, in view of the fact that I consider him to be one of the most competent lawyers in the Senate, as well as one of the most detailed, at times.

Mr. DONNELL. I thank the Senator for both remarks. [Laughter.]

Mr. McCARTHY. In line 4, in connection with the phrase "participating country," the question which interests me is whether that phrase would include a protectorate. In that connection, I wish the Senator would keep in mind that the French officials in Morocco, theoretically at least, obtain their power only from the Sultan of Morocco; they are working as the agents of the Sultan of Morocco, not as agents of the French Government.

Would the Senator from Connecticut consider that a protectorate would come under the phrase "participating country"?

Mr. BALDWIN. It is my understanding that the situation in Morocco is essentially this: Our people are relying upon a series of treaties which we have made with Morocco over the years, going back a long time; and when the French Government took over the protectorate of Morocco—I think it was in 1912—the French Government recognized those treaties, and the agreement or protectorate is such that it constitutes a ratification by the French Government of those treaties. In other words, the French Government moved into a status quo which it recognized and agreed to be bound by.

So although this treaty is one directly between the United States and Morocco, nevertheless, as the Senator from Connecticut understands, it is one to which the French Government is bound by virtue of the provisions of the protectorate.

Mr. McCARTHY. Let me ask whether I am correct in saying that from 1912 until 1944 we had free trade with Morocco, which was the result of a treaty which we made at the time when we recognized the French protectorate. In fact, I understand that one of the conditions of our so recognizing French Morocco as a protectorate of the French was that in French Morocco, American nationals would be treated as nationals in the same way French nationals were treated. The current discrimination against American nationals in French Morocco is not the result of any action on the part of the French Government, but it is the result of the French administrators in French Morocco, who are working in French Morocco under the Sultan.

A short time ago they issued a new edict providing for some unusual and tremendously high import duties which they apply only against Americans. If that discrimination is continued, under the terms of the Senator's amendment—and I ask this question of him particularly because as I understand the situation, his interpretation of his own amendment is more or less binding on the Administrator in connection with the application of the law, if anyone questions it—would such a discrimination be considered a violation on the part of French Morocco, so that ECA aid to it would be cut off; or would the Senator consider it a violation by the French, so that ECA aid to France would be cut off?

Mr. BALDWIN. It seems to me that those French officials are serving two sovereignties. First of all, they are French officials of the French Government, and are residing in Morocco and are exercising the authority of the protectorate which France has over Morocco. So in that respect they are representatives of the French Government. But, in addition, they are serving under the protectorate, by virtue of which they can exercise such power as the Moroccan Government could exercise in respect to these treaties. In other words, France by taking over this protectorate subscribed to and is bound by the treaty which Morocco has with the United States. Consequently, when her officials, representing her, in the exercise of whatever authority they have in connection with the carrying on of the protectorate, violate this treaty, it seems to me that they are in violation of a treaty which is adequately covered under the terms of this amendment.

Mr. McCARTHY. Mr. President, will the Senator yield for a further question?

Mr. BALDWIN. I yield.

Mr. McCARTHY. Would the Senator from Connecticut consider adding in line 4, after the word "country", the words "or protectorate"? I make that suggestion for the reason that I personally do not think the French Government in France has any more control over the officials administering this law in French Morocco than we have. Our consular officials have repeatedly protested to these Vichy officials. I have had no indication whatsoever that the French Government in France could be any more effective in protesting than we have been. So I would question the wisdom of interpreting the amendment as meaning that we should cut off aid to France if French Morocco continued to violate her treaties with us.

Whether the addition I have suggested to the amendment would cure the defect, I do not know. But, in view of the fact that we have a great constitutional lawyer here at our right, in the person of the distinguished senior Senator from Missouri [Mr. DONNELL], if we can have him express an opinion on that matter, without causing the Senator from Connecticut to lose the floor, I should like to have that done; and I ask unanimous consent for that purpose.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. BALDWIN. Mr. President, who is to propound the question?

Mr. McCARTHY. It has already been propounded.

Mr. DONNELL. Mr. President, without the Senator losing the floor, I may say I do not desire at this time, if

I may exercise that option, to undertake to answer the question which has been presented. I am not familiar with the legal situation as between Morocco and France, and I have made no study of it. It would be thoroughly an offhand opinion, and I do not feel that I should answer it. I should, however, like to call attention to the fact that section 103 (a) of the Economic Cooperation Act of 1948 defines the term "participating country." I do not know whether that would enter at all into the discussion between the Senator from Wisconsin and the Senator from Connecticut, but I should like to ask the Senator from Connecticut whether I may read that definition into the RECORD at this point.

Mr. BALDWIN. I shall be very glad to have the Senator do so.

Mr. DONNELL. It reads as follows:

SEC. 103. (a) As used in this title, the term "participating country" means—

(1) any country, together with dependent areas under its administration, which signed the report of the Commitee of European Economic Cooperation at Paris on September 22, 1947; and

(2) any other country (including any of the zones of occupation of Germany, any areas under international administration or control, and the Free Territory of Trieste or either of its zones) wholly or partly in Europe, together with dependent areas under its administration;

provided such country adheres to, and for so long as it remains an adherent to, a joint program for European recovery designed to accomplish the purposes of this title.

Mr. BALDWIN. The Senator from Connecticut would say that in his humble judgment, that description of "participating country" is sufficiently broad to cover the Moroccan situation, because under the protectorate the French are administering Morocco. It is a zone over which they have the power of administration. It certainly was the intention in drafting the amendment to cover that particular situation. I may say for the benefit of the record and for the benefit of the Senator from Wisconsin that the particular situation which inspired the amendment is the Moroccan situation, although it was the purpose of the Senator from Connecticut to draft an amendment which would be sufficiently broad under the ECA Act itself and the definitions contained therein, to cover other subjects of like kind that might arise anywhere.

Mr. McCARTHY. Just one final question, if the Senator will yield again. Would the Senator have any serious objection, I wonder, to having added after the word "country" in line 4, the words "or protectorate"? I may say the reason I ask the question of the Senator from Connecticut is that in drafting my amendment I went into the situation in very great detail, with whatever legal authorities were available. We felt that merely naming a participating country was insufficient. So my amendment reads as follows:

Each participating country, and in each dependent area—

I fear that if the amendment of the Senator from Connecticut were to be adopted in its present form it would require that the ECA Administrator cut off all aid to the protecting country if he found that a protectorate was violating a treaty. If the Senator would add the words "or protectorate" between the words "country" and "during," that would cure that which otherwise might be a fatal defect in his amendment.

Mr. BALDWIN. Mr. President, I modify my amendment by inserting as suggested by the Senator from Wisconsin, in line 4, after the words "participating country", the words "or protectorate", and likewise, in line 5, after the word "country", at the end of the line, by inserting the words "or protectorate."

The PRESIDING OFFICER. The amendment will be modified as indicated.

Mr. BALDWIN. I thank the Senator from Wisconsin for his suggestion. Mr. President, in closing my remarks on this question, I may say again it does seem to me that in this particular situation, regarding the material——

Mr. CONNALLY. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Texas for a question?

Mr. BALDWIN. I am glad to yield for a question.

Mr. CONNALLY. Is the Senator aware of the fact that the regular old-line firms doing business in Morocco, who have been there for a long time, living under these conditions—for instance, the Socony Vacuum Oil Co., the Armstrong Cork Co., the Coca-Cola Export Co., the International Business Machines Corp., the Newmont Mining Co., and a long list of others—are making no complaints that they are being discriminated against although they are American concerns that have been doing business there for a long while? I wonder whether the Senator can tell me why it is that such companies are not complaining, whereas the people of whom the Senator is speaking are complaining.

Mr. BALDWIN. Mr. President, I may answer that question by saying it is a very pertinent one and a very good one. I am glad the distinguished chairman of the Foreign Relations Committee asked it, because it is the very question, I might say to my distinguished friend, that I myself asked of the persons who were making the complaint. To one of them I said, "There must be other business interests in Morocco who are equally concerned about this situation. Does this apply to everybody?" He replied "No, it does not. These other concerns have no trouble." I said, "Why is that so?" He said, "The reason is that the other concerns are all represented by French citizens, so that French citizens in Morocco dealing with French administrators in Morocco and with French nationals in France, are able to obviate the difficulty." Those whom we want to protect by this amendment are the small-business men. They are just starting their enterprises. They realized from their experiences during the war the great responsibilities there are in that part of Africa, and so they have gone there personally to try to engage in business. They have no French representatives. They are trying to conduct the business themselves. That accounts, I think, for the fact that the older concerns have no difficulty, because of their French representation, and that the new concerns do have difficulty because they are still American citizens trying to make a livelihood and bring a new service and a new product to a new land.

MEETING OF COMMITTEE DURING SENATE SESSION

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. BALDWIN. I am glad to yield.

Mr. O'MAHONEY. The committee on Interior and Insular Affairs has been finding it extremely difficult to transact business, owing to the long hours during which the Senate has held its sessions. We have a very important subject involving the waters of the Colorado River, affecting a great many States in the West. I ask unanimous consent that during the sessions of the Senate, at least tomorrow, the committee may be permitted to continue its hearings.

The PRESIDING OFFICER (Mr. WITHERS in the chair). Is there objection?

Mr. CONNALLY. Mr. President, reserving the right to object, I shall not object to the Senator's request, but I wish to say there is no more important bill pending before the Senate than the one now under consideration. It is impossible to get Senators to remain in the Senate Chamber long enough to attend to the business of this particular bill. I have difficulty, I may say, getting a Democratic Senator now and then into the Senate Chamber to take my place for a little while. Senators on the other side do not seem to have quite so much difficulty in that regard. But I beg Senators to wait. Let us pass the pending bill. We can get through tonight, if Senators will stay here and attend to this business. If they do not, we shall have to meet again tomorrow and probably tomorrow night. I certainly hope Senators will realize that the meetings of the Senate are just as important as the meetings of a committee. A committee is only a part of the Senate; it is only an agency of the Senate. I hope Senators will stay here on the floor until we can pass this important bill. When we get it out of the way, there will be more opportunity for Senators to indulge their hobbies, their desires, and to hold hearings before committees. I shall not object, but I hope the Senator will understand our position.

Mr. O'MAHONEY. I will say to the Senator that I understand the position of the chairman of the Foreign Relations Committee, and I sympathize with him, I assure him.

Mr. CONNALLY. The Senator cannot sympathize with me by walking off the Senate floor and leaving us.

Mr. O'MAHONEY. I assure the Senator that I shall be within easy call. When there is a signal for a vote, the members of the committee will be present.

Mr. CONNALLY. Can the Senator from Wyoming give assurance that when the Senators vote they will vote right?

Mr. O'MAHONEY. I can speak only for myself, not for the other members of the committee.

The PRESIDING OFFICER. Without objection, the request of the Senator from Wyoming is granted.

EXTENSION OF EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 1209) to amend the Economic Cooperation Act of 1948.

Mr. BALDWIN. Mr. President, I should like to say, in conclusion, that I hope this amendment will prevail.

I ask for the yeas and nays on my amendment, and suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hoey	Mundt
Anderson	Holland	Murray
Baldwin	Hunt	Myers
Bricker	Ives	Neely
Butler	Jenner	O'Conor
Cain	Johnston, S. C.	O'Mahoney
Chapman	Kefauver	Robertson
Chavez	Kem	Saltonstall
Connally	Kerr	Schoeppel
Cordon	Kilgore	Smith, Maine
Donnell	Knowland	Sparkman
Douglas	Langer	Stennis
Ecton	Long	Taft
Ellender	Lucas	Taylor
Ferguson	McCarran	Thomas, Okla.
Flanders	McCarthy	Thomas, Utah
Frear	McClellan	Thye
Fulbright	McGrath	Tobey
George	McKellar	Vandenberg
Green	Magnuson	Watkins
Gurney	Malone	Wherry
Hayden	Maybank	Wiley
Hendrickson	Miller	Williams
Hickenlooper	Millikin	Withers
Hill	Morse	Young

The PRESIDING OFFICER. Seventy-five Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment of the Senator from Connecticut [Mr. BALDWIN].

Mr. BALDWIN. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. CONNALLY. Mr. President, I hope the Senate will not adopt the amendment. The ECA has been giving attention to this matter of so-called complaints. They have had many complaints, but only one complaint as to which any basis of fact or proof was submitted. That was on the part of a small group of so-called importers in Morocco. The ECA will correct that situation.

Mr. President, we have been in touch with our representative in Paris, who is sending an agent to Morocco now to go into all the details respecting this matter.

This amendment is a radical one. It provides that we shall cut off all aid, all help, to Morocco, provided someone has violated some one little clause of some obscure treaty that has been in existence 100 years, but has become obsolete, and no one is paying any attention to it. The State Department has power and authority to handle all the matters in violation of any treaty, an old one or a new one.

I wish to call attention to one significant thing about this situation. The complainants in this case are not the only Americans in Morocco doing business. Some of the complainants were soldiers who remained in Morocco after World War II. They took a fancy to the country, or the country took a fancy to them, I do not know which, but some of them remained there and went into business.

It is a significant fact that, although many old American interests are there, and have been there for many years, they are not complaining. No one is complaining on behalf of the regularly organized American merchants and importers who have been in Morocco for many years.

The ECA is prepared to handle this matter in a sensible and logical way. But the language of this amendment is very broad. It reads:

No assistance shall be furnished under this act—

None whatever—

to a participating country or protectorate during any period with respect to which the Secretary of State determines that such country or protectorate is violating any treaty with the United States.

Mr. President, as I stated a moment ago, we are sending a top man from Paris to Morocco, who is on his way now, to investigate all these cases, and if there is any discrimination, or any violation of the fundamental rights of Americans, they will be corrected, and corrected promptly. But under the proposed amendment it would not be very practical in all cases for the ECA to send out inspectors, GI men, and the like, to try to regulate every transaction in Morocco.

The ECA has asked for details in this particular case so that an investigation can be made. In only one case have they been furnished any proof or data. That will be investigated, and any other case like it will be investigated.

Mr. President, I hope very much that the Senate will vote the amendment down.

Mr. BALDWIN. Mr. President, let me read the amendment again and then discuss it, only briefly. It is not my purpose to prolong the discussion. The amendment merely provides:

No assistance shall be furnished under this act—

That is, the ECA Act—

to a participating country or protectorate during any period in respect to which the Secretary of State determines that such country is violating any treaty with the United States.

I think the point made by the distinguished Senator from Texas, the chairman of the Committee on Foreign Relations, is a good one, that the United States has treaties with many other foreign powers, and we do not want to impose upon the Secretary of State of the United States the necessity of examining all those treaties.

The only thing the amendment does is to provide that where there is a treaty, if one of our own citizens who is trying to do business in a country under the terms of the treaty finds that he is discriminated against, and that the treaty is violated, he can make a protest to the Secretary of State, and then the Secretary of State can determine whether there is a violation of the treaty, and, I submit, incidental to that, whether the violation is of sufficient consequence to warrant him in shutting off ECA funds. This amendment, Mr. President, simply provides a working tool in the hands of our own people to see to it that there is not any discrimination against our own nationals, to see to it that our commitments with foreign powers and their commitments with us are respected.

Now as to the point that there are other companies doing business in Morocco which are finding no fault with the situation there. That is true, Mr. President. But in every single instance—and I have taken occasion to look into this particular point—in every single instance, with one exception, those companies are represented in Morocco by Frenchmen, by French nationals, by French citizens. They are companies which are long-established and consequently the French representatives of those companies know how to deal with the French officials there, and know how to deal with their own countrymen who come to Morocco from France. The persons in Morocco we are seeking to protect by my amendment—and incidentally other persons might need the same protection all around the world as our business expands with the ending of the war and with a reasonable degree of peace—are small-business men. They are veterans in this particular case who have gone over there to establish a small export or import business, to operate a truck line, or a bus line, because they seemed to think that there was a possibility for them to find employment there after the war was over.

Mr. President, it seems to me that those persons are entitled to the protection of the State Department. They are entitled to be certain that the State Department has in its hands a better weapon than it apparently now has, because protest after protest after protest has received attention, and courteous attention, and earnest attention, and sympathetic attention, but such attention as the protests have received has not been successful in protecting the interests of these particular individuals.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. BALDWIN. I yield.

Mr. McCARTHY. I wish to ask the Senator a question, in view of the statement made by the Senator from Texas [Mr. CONNALLY] that there had been only one complaint. Have there not been an unlimited number of complaints to the effect that when material has been shipped to French Morocco, material bought with ECA funds, of course, repeatedly the material has been piled up on the dock and that the local Vichy officials have refused to release it to the American veterans who have bought it; that even after the local consular officer has filed protest they have refused to release it, and then in many cases have proceeded to auction off the material belonging to American veterans, without even notifying the veterans that the material belonging to them would be auctioned off?

Mr. BALDWIN. I will say that that has happened. I am glad the Senator has asked the question, because I should like to detail briefly the type of infringement these people have been up against.

Customs duties and taxes on imports, when applied to Americans, are many times the rates fixed by treaties. Oftentimes they are many times those charged to French nationals bringing in the same goods.

American importers are often required to turn over 40 or 50 percent of their cargoes, at a substantial loss, to government agencies who in turn sell it to local merchants of their own choosing at prices which give the latter a competitive advantage over our own people.

American trucking firms who have licenses for country-wide operation have been informed that exclusive regional monopolies have been given for about half the area of Morocco, and that these territories may no longer be served by others.

At the same time, Mr. President, an embargo, in effect, was placed upon all American goods shipped in by members of this importing association, which is made up of some 37 different individual American citizens, most of them veterans.

Mr. McCARTHY. Mr. President, will the Senator yield further?

Mr. BALDWIN. I yield.

Mr. McCARTHY. Is it not true that the veterans of this Legion Post in Morocco who are urging the adoption of such an amendment are largely men who served very effectively, many of them in the Corps of Army Engineers, in preparing for the landing at Casablanca? Is it not also true that at least one of these veterans is a young man who was jailed by the local Vichy official because of the help he gave to the American forces in preparing the landing? Of course, he was freed when the American landing was successful. Is it not also true that today this young man who was jailed because of the help he gave the Americans must go to the identical Vichy official who had him jailed, in order to request ECA funds? And is it not true that that young man, among many others, is being put out of business?

Mr. BALDWIN. I understand that to be the fact. It has been so represented to me, and I have no reason to doubt it.

Mr. DONNELL. Mr. President, will the Senator yield for an inquiry?

Mr. BALDWIN. I yield.

Mr. DONNELL. The Senator from Connecticut, due to the suggestion made by the Senator from Wisconsin, inserted in two places in the proposed amendment the word "protectorate." I want to ask the Senator from Connecticut, if I may, in what sense he uses the word "protectorate." I call his attention in that connection to this fact. Webster's Dictionary, in defining the word "protectorate", defines it only as a government or as a nation. It defines it as—

1. Government by a protector; also, the rank or office of a protector, or the period of his rule.

In the second place it defines the term "protectorate" as—

2. A relation of superior authority assumed by one power or state over an inferior or a dependent one, whereby the former protects the latter from domestic or foreign disturbance or dictation (usually having exclusive control of its foreign relations) and shares in the management of its affairs; also the authority so assumed, or the period of its exercise—

And I had overlooked this, but I find it in here—

or the country so protected.

I observe, Mr. President, that in the Funk and Wagnall's College Dictionary the term "protectorate" is defined in three ways, one of which is—

A country or region under the protection of another.

I assume, Mr. President, and I ask the Senator if I am correct in understanding, that the sense in which he uses the word "protectorate" as it has been inserted in the amendment, is the latter, namely, "a country or region under the protection of another."

Am I correct?

Mr. BALDWIN. I will say to the Senator from Missouri that that is the meaning I understand the term has in connection with the use of the term in this particular amendment.

Mr. DONNELL. I thank the Senator.

Mr. BALDWIN. In other words, the Moroccans asked the French to come in, and surrendered to them a part of their sovereignty, and the French now have a protectorate over them. It certainly is the intention of the Senator from Connecticut in drafting the amendment and inserting this language, to leave no doubt of the fact that not only is a country such as France for example, being included, but also a protectorate which that country is exercising in another country is likewise to be included.

Mr. DONNELL. Mr. President, will the Senator again yield?

Mr. BALDWIN. I yield.

Mr. DONNELL. I take it by the last portion of the Senator's statement that he means that the word "protectorate" as used by him is in the sense of a country or region under the protection of another?

Mr. BALDWIN. That is correct.

Mr. CONNALLY. Mr. President, I should like to take about 2 minutes of the Senator's time. I have a list of the old companies that have been in Morocco doing business for years, who are not complaining about this matter at all. The list is as follows:

Socony-Vacuum Oil Co., Armstrong Cork Co., Coca Cola Export Co., International Business Machines Corp., Newmont Mining Co., St. Joseph Lead Co., Atlantic Refining Co., Singer Sewing Machine Co., Companie Continentale du Maroc, International Harvester Co., Republic Enterprises, Inc., and Standard Oil Company of New Jersey.

These are well established companies that have been doing business there for years. They are not making any complaint of discrimination.

Mr. BALDWIN. Mr. President, will the Senator yield for a question?

Mr. CONNALLY. I yield.

Mr. BALDWIN. Do I understand from the Senator's statement and from the list he has read of these big companies, that the ECA is willing to protect the big interests that are doing business in Morocco, but is unwilling to do anything for the little, ordinary individual who wants the protection of his Government and is not able to employ French representation?

Mr. CONNALLY. Mr. President, I am surprised that a man of the dignity, learning, and stature of the former Governor of Connecticut should make such an appeal to the Senator from Texas. Of course we want to give every American the right to protection. But what does the Senator propose to do? Here is his amendment:

No assistance shall be furnished under this act to a participating country or protectorate during any period with respect to which the Secretary of State determines that such country is violating any treaty with the United States.

That is the function of the State Department. We want the State Department to handle those matters. We have offered to investigate this case. There are many complaints, but there has been only one case in which any proof was offered. Now on the way to Morocco from the Paris office is a special representative who is going there to investigate this situation.

Do Senators think it is just that all assistance to the entire country of Morocco should be cut off because on some insignificant occasion some discrimination in one particular may have been found? Shall we cut off the entire country? The theory is, if a man has the toothache, we should pull out all his teeth, and not merely the one which is aching. If he has an injury to is foot, cut his whole leg off. Do not amputate one or two toes. Cut his leg off so that he will not be troubled again.

Mr. President, this is not the way to reach or solve this problem.

Mr. BALDWIN. Mr. President, will the Senator yield for a question?

Mr. CONNALLY. In a moment. We are undertaking to use sanctions under the ECA, with regard to questions within the jurisdiction of the State Department. The State Department has many methods of providing sanctions and putting pressure on the offenders, if there be any offenders. But let us not interrupt the work of the ECA simply because some individual may find a single complaint involving one little incident. The chief difficulty complained of is in connection with the sale of automobile tires. I do not know the details, but apparently the complaint is that the agents for some of the automobile manufacturers cannot sell as many tires as they would like to sell.

I now yield to the Senator from Connecticut.

Mr. BALDWIN. Mr. President, we are a long way past the remark of the Senator from Texas concerning teeth. The question I want to ask my distinguished friend from Texas, for whom I have the highest admiration, is this: Does he not believe that turn-about is fair play? The reason for the amendment is that the Moroccan and French officials have been pulling the teeth of our people long enough, and we want to put a pair of tweezers in the hands of the Department of State, so that there can be some tooth pulling in the other direction.

Mr. CONNALLY. A pair of tweezers cannot pull anything but a hair. The Senator is adopting a clumsy method. We are trying to do what he wants done. The ECA is investigating. It will continue to investigate, and the Secretary of State will investigate. He will continue to investigate. But let us not throw road blocks in front of the ECA and the State Department. Give them a chance. Because of one or two little incidents in North Africa the Senator from Connecticut would cut off all aid to Morocco. We do not execute a man for shooting crap. We simply fine him. But the Senator would cut the head off Morocco if there were found one case of a man being unable to buy an automobile tire on terms which he thought were just and proper.

Mr. President, I hope the Senate will reject this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the junior Senator from Connecticut [Mr. BALDWIN], as modified. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HAYDEN. I announce that my colleague the junior Senator from Arizona [Mr. MCFARLAND] is attending a meeting of the House Committee on the Judiciary by invitation, and is therefore necessarily absent. If present and voting he would vote "nay."

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD] is absent on official business.

The Senator from California [Mr. DOWNEY], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Iowa [Mr. GILLETTE], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Georgia [Mr. RUSSELL] are absent on public business.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

The Senator from Connecticut [Mr. MCMAHON] is absent on official business fulfilling an important engagement of long standing at the Department of National Defense.

I announce further that if present and voting, the Senator from California [Mr. DOWNEY], the Senator from Iowa [Mr. GILLETTE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Connecticut [Mr. MCMAHON], and the Senator from New York [Mr. WAGNER] would vote "nay" on this amendment.

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER] is absent on official State business, and is paired with the Senator from New Jersey [Mr. SMITH] who is absent because of illness. If present and voting, the Senator from Maine would vote "yea," and the Senator from New Jersey would vote "nay."

The Senator from Indiana [Mr. CAPEHART] is absent on official business.

The Senator from Pennsylvania [Mr. MARTIN] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. BRIDGES] is absent because of illness in his family.

The Senator from Kansas [Mr. REED] is detained on official committee business.

The result was announced—yeas 22, nays 59, as follows:

YEAS—22

Baldwin	Hendrickson	Schoeppel
Bricker	Ives	Taylor
Butler	Kem	Watkins
Cain	Knowland	Wherry
Donnell	Langer	Wiley
Ecton	McCarthy	Williams
Ferguson	Malone	
Flanders	Mundt	

NAYS—59

Aiken	Jenner	Myers
Anderson	Johnson, Colo.	Neely
Chapman	Johnson, Tex.	O'Conor
Chavez	Johnston, S. C.	O'Mahoney
Connally	Kefauver	Pepper
Cordon	Kerr	Robertson
Douglas	Kilgore	Saltonstall
Eastland	Lodge	Smith, Maine
Ellender	Long	Sparkman
Frear	Lucas	Stennis
Fulbright	McCarran	Taft
George	McClellan	Thomas, Okla.
Green	McGrath	Thomas, Utah
Gurney	McKellar	Thye
Hayden	Magnuson	Tobey
Hickenlooper	Maybank	Tydings
Hill	Miller	Vandenberg
Hoey	Millikin	Withers
Holland	Morse	Young
Hunt	Murray	

NOT VOTING—15

Brewster	Gillette	Martin
Bridges	Graham	Reed
Byrd	Humphrey	Russell
Capehart	McFarland	Smith, N. J.
Downey	McMahon	Wagner

So Mr. BALDWIN'S amendment, as modified, was rejected.

Mr. MCCARTHY. Mr. President, I desire to call up the amendment which we have previously been discussing. At that time, I was asked to lay it aside temporarily, so that some Senators might have time to study it. That has been done. Some suggestions which I believe to be well taken have been made. I understand that some Senators wished to contact the ECA, to find out what their attitude is. My understanding is that the ECA takes a rather dim view of this amendment.

However, I believe that some of the suggestions which have been made in regard to the amendment have considerable merit. In line with those suggestions, I am now striking out a substantial part of the amendment. I ask all Senators who have copies of the amendment before them to strike out the portions I shall now indicate:

Beginning in line 1, on page 1, strike out everything from line 1 to line 8, inclusive.

On page 2, beginning in line 21, strike out the balance of that page.

On page 3, beginning in line 1, strike out everything to and including line 8.

Those changes make the amendment much simpler and much less inclusive; and as thus modified, the amendment now provides merely, first, that the ECA Administrator shall assign to any country or subdivision thereof which is receiving more than $5,000,000 a year in ECA funds, a liaison officer to report to ECA, in connection with the administration in that area, any discrimination against American nationals, and so forth.

In the second place, the amendment as now modified provides that ECA funds shall be withheld from any cartel, syndicate, organization, or group in any participating country if such cartel, syndicate, organization, or group is causing American enterprise in such country to be discriminated against.

Mr. President, I have overlooked another change in the amendment, namely, on page 2 in line 18, strike out the words "has caused," and insert "is causing."

As thus changed or modified, the amendment still includes a provision which I consider of the utmost importance, namely, one for the withholding of ECA funds from any country or major political subdivision or dependent area thereof if it is found that such country or subdivision or area is discriminating because of race or religion in meting out ECA food or material. I have particularly in mind the extreme racial and religious discrimination currently being carried on in French Morocco.

At first glance, as I have said before, it might seem that perhaps we here in the Senate of the United States should not be too much concerned with racial discrimination in a place so far away as French Morocco. However, the people of French Morocco who are responsible for such racial discrimination are doing an outstanding job of convincing the Jews and Moors that that discrimination is the result of an ECA mandate. In other words, when they ration their food—for there is strict rationing in French Morocco, as perhaps all of us realize—and when they thus discriminate against the Jews and Moslems, they say they do so because of a mandate by the ECA.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

Mr. MCCARTHY. Certainly.

Mr. DONNELL. As a matter of administering this amendment, if it be adopted, let me refer to the language on page 2, in line 5 and following:

> The Administrator shall—
> (1) appoint and assign to duty in each participating country and in each dependent area under its administration with respect to which at least $5,000,000 per annum is expended—

And so forth. Does the Senator from Wisconsin mean by that language that it will be necessary for the Administrator to wait until $5,000,000 has been expended in 1 year, before he shall determine whether he is to appoint such a liaison officer; or is he to estimate in advance whether $5,000,000 or more will be expended in that country or dependent area per annum?

I am sure the Senator from Wisconsin appreciates the problem with which the Administrator would be confronted in connection with determining whether to appoint such an officer.

Mr. MCCARTHY. I understand the question. In connection with the allocation of ECA funds to a certain nation or a certain area, this amendment assumes that if the ECA Administrator decides that more than $5,000,000 will be spent in 1 year in any protectorate or in any country, he will assign a liaison officer to the protectorate or country. For instance, the original program was for $3,200,000 a month in French Morocco, or roughly $36,000,000 a year. This

amendment means that when the Administrator makes that allocation, if he decides that more than $5,000,000 will be spent there in a year, he will say, "This is important enough so I will have one of my own men in that spot, to take care of the administration."

Two things concern me very greatly in the matter of discrimination. The first is the use of American funds to put American boys out of business. The Senator from Texas, in questioning the Senator from Connecticut, brought out the point that the owners of monopolies now in existence are not complaining. The syndicates and monopolies are perfectly satisfied with the way the plan is being administered. It is the little fellow, the small-business man, who cannot pay off by hiring a Vichy official, and making him the president or vice president of his organization. They are the ones who are dissatisfied. I wonder whether the Senate realizes that as of today we are spending roughly $36,000,000 a year in French Morocco. We do not have a single representative there supervising the disbursement of funds for ECA. Who is handling ECA funds in French Morocco? The men in charge are the old Vichy officials who opposed the American landing at Casablanca. They today are doling out the funds.

I shall run the risk of boring Senators who were here a short time ago, by repeating very briefly an illustration of what happened. A young man who served in the Corps of Engineers, as I recall, at least, in the American Army—most of the Americans there were in the Army Corps of Engineers—was very active in helping plan the landings in Africa; so much so, that the local Vichy official, when the landings started, arrested him and put him in jail. Of course, had we been unsuccessful, the young man would undoubtedly have been shot. He was a member of the American Army. What happened? Our landings were, of course, successful. The young man was released. To whom does he have to go now in order to make application for ECA dollars? None other than the identical Vichy official, who said, "Let us jail this man, and, if the landings do not become successful, we will shoot him." The young man must go to the same Vichy official, for he is the man who is handling the ECA money. The result, of course, has been that there has been not merely one complaint, as the Senator from Texas suggests, but an unlimited chain of complaints.

I have before me two letters on the letterhead of the Foreign Service of the United States of America. One is signed by Mr. Paul Fletcher, American consul general in French Morocco. It was written to Mr. Robert E. Rodes, Reserve officer in the American Army engineers, a man who served under the Office of Strategic Services in French Morocco for a year and a half, and a man who is obviously very much disliked by the Vichy officials who were opposing him at that time and who today can pass upon his requests for ECA funds.

The first letter is addressed to Mr. Rodes by our own consul general. I shall not take the time of the Senate to read the entire letter. It is available, if Senators care to have it. I read from the letter as follows:

> As you are already fully aware, this office fully reports such matters to the Department of State, and, when pertinent, makes recommendations regarding possible action which the Department may desire to take. These problems have not only been under continued study, but most of them, notably the question of import duties, import licenses, and discrimination against American business interests, have given rise to representations to the protectorate authorities by this office and by the American Legation in Tangier, the result of which has been a partial, if not complete, improvement of the situation.
>
> Regarding the question of import duties, you undoubtedly know that this office, the Legation in Tangier, and the consul at Rabat, have made the most energetic representations to the protectorate authorities. The whole matter is now before the Department of State.

This is not the picture of an individual or isolated complaint, but of a whole chain of complaints, which the local consul general has found it impossible to remedy. Mr. Rodes, a commander of the legion, is in town. I have tried to check his background. So far as I know he is a very truthful and a very honest individual. He tells me—and this is an unusual picture, which I want particularly to call to the attention of Senators—when an American veteran has material shipped into the area—material, it will be understood, purchased with ECA funds—the material is piled on the dock and the local Vichy official—in this particular case, the same individual who was energetic in getting the young men jailed when they were helping during the landings—the Vichy official says, "No, sir. The material will not be released to you. It will be piled here on the dock." When the local consul protests, when he goes to the official and says, "You are violating all the treaty rights of these American boys," what do Senators think the answer of the local port authority is, the answer that is, of the Vichy official? He says, "Protest as much as you want to. We are running the show now. Your Army and your Navy are not here."

All we propose to do in this instance is to give ECA a power which they do not now have. We propose to give to ECA a big club which they can use, so when the American consul goes to the port and says, "Will you release this material?" and the port authority replies, "No, we won't; your Army is not here; your Navy is not here; we are running the show," then the consul can say, "Yes, you are running it. But unless you release this material, then you are running it without American funds."

I should like to read very briefly from another letter from the consul general, Mr. Fletcher. I think I shall merely read a portion of it:

> With reference to the numbered list of alleged "illegal or unfair actions by officials of the French Protectorate at Morocco, or actions contrary to United States policy," that you enclose in your letter of January 10, 1949, you will recall that you have been informed on several occasions that actions of the protectorate government which infringe upon American treaty rights, or which discriminate against Americans, have been protested, in some cases repeatedly, by this office.

If I may repeat, I am reading from a letter written by Mr. Fletcher, the Consul General. He says:

> Such actions have been protested, in some cases repeatedly, by this office. Needless to say, all such matters are reported to the Department of State.

I am going to again run the risk of repeating something which I said several hours ago when some of the Senators who are now on the floor were not present. Here is a picture which I do not think it is conceivable that any Member of the Senate can stomach.

A veteran, we will say John Jones, who has been in the American service for 3, 4, or 5 years, has material which he purchased with money he had saved over a period of years. He is using ECA funds. The material is piled up on the dock. He is told, "We will not release this to you." There is nothing he can do. The consul protests. He inquires, "Will you release the material?" The reply is, "No. Your Army and Navy are not here." Then what happens? They proceed to auction off the material, and in most cases at a private auction without even notice being sent to the young man whose material is being sold.

As I have said, the amendment does not tie the hands of the ECA in the slightest degree. It merely gives ECA a power which it does not have today, and, furthermore, it provides that a representative shall be sent to the locality to keep track of this situation. It seems to me that if we are spending $3,200,000 in French Morocco, then we should add so much, perhaps another $300, $350, or $400 a month, to send an American there to report back to Paul Hoffman as to what is being done.

There is another phase of the situation which I consider to be quite important, namely, the religious and racial discrimination which has reached a new high, under the guise of American approval. It is a discrimination against the Moslems and Jews.

I have before me a cablegram which I have read before, sent by Herbert Abrams, a crippled World War II veteran, adjutant of the local Legion post:

> Despite stiff consular protest, 500 pounds matzoth to be distributed gratis for imminent Jewish holidays refused release from port.

As I understand, matzoth is the so-called Passover bread which the Jewish people eat during that holiday. It was sent to Morocco free to be distributed gratis to the Jewish people, but the local authority says, "No; it must be piled up until it spoils, or at least until after the Jewish holiday is over."

Perhaps we should not be disturbed with religious discrimination which occurs so far away. We have some in this country which should be taken care of; but if this religious and racial discrimination is being indulged in with American approval, I see no reason why we should not say that it shall be stopped.

In closing, Mr. President, I desire to refer very briefly to testimony given before the House committee. I do not have it before me at the moment, but it disclosed a long chain of petty abuses and

violations of the rights of Americans. I am speaking of discrimination against American nationals. I should like to give a few examples from a long list of discriminations against American nationals.

The American Legion post in Morocco planned a celebration in connection with the fifth anniversary of our landings at Casablanca. A number of sizable American flags had been ordered for the occasion. Those flags reached the port. The port-control officer who was in charge was one of the Vichy officials who fought our landings, and, naturally, he said, "They shall not be released until after your celebration is over." The man handling American money said, "You shall not have these American flags with which to celebrate the American landings."

The American Legion post decided to have a party for orphans in French Morocco, to give them some of the food which they needed. The local officers said, "Oh, no; you cannot do it, because it is American propaganda."

In other words, if the American Legion Post should attempt to feed the starving children of French Morocco they would be prevented from doing it, because it was American propaganda and might make the local residents feel a little more kindly toward the American people.

In view of the complete picture, Mr. President, this illegal discrimination against American nationals in French Morocco, against young men there who were largely responsible for the success of our landings in north Africa; in view of the fact that ECA funds are being distributed by men who were our enemies, and, seemingly, are still our enemies—I am speaking only of the local officials—in view of the unwarranted discrimination against Jews and Moslems, claiming that it is the result of a mandate of the ECA, I very seriously urge that the Senate agree to my amendment, which will give ECA the club necessary to use to correct the situation in Morocco.

I ask for the yeas and nays on my amendment.

Mr. CONNALLY. Mr. President, I do not want to debate the issue. It is the same issue which was voted down a while ago, except that it is worse. So I am asking for a negative vote with reference to this amendment.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield to the Senator from Wisconsin.

Mr. McCARTHY. Does the Senator think it is bad to protect the young men who fought the war in north Africa? Does the Senator think it is bad to protect them against the Vichy officials who are using American money to ruin the business of those young men in French Morocco? Does the Senator think it is bad to say that in French Morocco there shall be no more racial and religious discrimination?

Mr. CONNALLY. The Senator's question is so involved and drags in so many issues that, in order to answer it, we would have to go over to Morocco and investigate the Jews, the Moslems, and, perhaps, Hottentots who might come up to Morocco from farther south. We have an Administrator in charge of the work, and he is a good one. We have a man in Paris who supervises it, and he is a good man. The charges which hav been brought here are infinitesimal, but the Senator from Wisconsin would cut off all aid to Morocco and north Africa if one person is found who the Senator says has violated some provision of the act.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. CONNALLY. The Senator's question is a multilateral question; it is not a unilateral question. It is a whole flock of questions thrown into one question which asks whether I want to protect American citizens.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. CONNALLY. Wait a moment. I have not yet yielded. When I yield, you can interrupt.

The VICE PRESIDENT. Senators will observe the rule not to address other Senators in debate in the second person.

Mr. CONNALLY. Mr. President, so far as I have violated the rule, I apologize.

The VICE PRESIDENT. Both Senators have violated it.

Mr. CONNALLY. I apologize for my violation. When I yield, I shall yield to the distinguished Senator from Wisconsin.

Mr. President, the Senator propounds to me a question which asks whether I think it is wrong to protect American citizens. No; I do not. Then he says: "Do you think it is wrong to try to see that religious minorities are properly looked after?" I am very busy at home looking after racial minorities, whom my opponents on this floor are constantly trying to gather to their bosoms.

Mr. President, the Senator's amendment is merely another fly in the ointment, another little pin-prick of the administration of the ECA. The ECA is doing a grand job, and, if it is let alone, it will do what we intend it to do, namely, to try to help broken economies and shattered business enterprises and enable them to stand on their own feet. But they cannot do it if there are to be all these complaints about some official over there. The money is turned over to the governments of the recipient countries. We can not administer it with the many appointees the Senator wants. He wants a whole flock of officials of the United States to go smelling around, peeking behind the door, and looking through the keyhole. The Senator has been asking me questions. Let me ask him a question. Does he want to cut off all aid to Morocco?

Mr. McCARTHY. Will the Senator yield so that I may answer his question?

Mr. CONNALLY. I yield.

Mr. McCARTHY. The Senator has not read my amendment, or he would not have made the statement that it provides for cutting off all aid to Morocco.

Mr. CONNALLY. I did not say the Senator's amendment did that. I asked the Senator if that is what he wants. I have read his amendment half a dozen times. He offered an amendment, withdrew it, a similar amendment was voted down awhile ago, and now he offers still another amendment. If the Senator has in mind what he intends to do, maybe the Senator from Texas might understand; I do not know.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. McCARTHY. I call the Senator's attention to the fact that nothing in my amendment provides that all aid be cut off over the area, but only in cases in which it is found that there is discrimination against an American national.

If the Senator will turn to page 2, he will find that there are two principal provisions. One says that the ECA Administrator shall appoint a man to represent him. Mr. Hoffman will send a man to Morocco. If we are spending over $5,000,000 a year in French Morocco—in other words, if we are spending it on the Hottentots—we will send a man over to see how it is being spent.

Second, the Administrator shall "provide for the withholding of assistance under this title from any cartel, syndicate, organization," and so forth.

In other words, that refers to the type of monopoly we are preventing from receiving our money in north Africa—to see that no ECA funds will go to such a monopoly if it is found they are causing American enterprise there to be discriminated against.

The amendment does not tie the hands of ECA. It says to Mr. Hoffman, "We are giving you a good-sized club without which you cannot administer funds under ECA."

On page 2 of the amendment it is provided that if it is found, in the distribution of assistance, that there is discrimination on the ground of race or religion the assistance shall be cut off.

In answer to the Senator's question as to whether I would cut off all aid to French Morocco, my answer is, yes; if Vichy officials there are to administer it, and wreck American business in French Morocco. If we see that they are discriminating against Jews and Moslems, then I say we should cut off the assistance.

The VICE PRESIDENT. The Senator is not asking a question of the Senator from Texas.

Mr. McCARTHY. The Senator from Texas asked me a question.

The VICE PRESIDENT. That does not authorize the Senator to violate the rule. Does the Senator from Texas yield for a question?

Mr. CONNALLY. No; I did not yield. The Senator is through, and has sat down.

The Senator's amendment is very simple. It is a perfectly little, simple, harmless, dovelike amendment. He is going over into Morocco to tell them how to run their church and their religious affairs. He will put on the high cap of a religious functionary, and pass on all questions of religion.

Away with it. That is not the business of ECA. The Senator wants to have a job holder appointed in every locality to investigate the companies and their books. He wants to provide for withholding assistance from any "cartel, syndicate, organization, or group"—any group. He goes forth and sees a group standing on the street, and he says,

"Wait a minute. Are you Jews, or Arabs, or what are you? We want to know. ECA wants to know. We are going to regulate you. We are going to make you live up to the catechism and the doctrines of some particular religion or church."

He wants to regulate every "cartel, syndicate, organization, or group"—everybody. He wants to regulate everybody in North Africa under this little amendment, holding out or withdrawing their funds if they do not do as the Senator from Wisconsin thinks they should do.

If this amendment shall be agreed to, I hope the ECA will ask the Senator from Wisconsin to go over and be the head man. I should like to see his examination of these religious groups. I should like to see him prying into these cartels. Of course, he would have to have an assistant, a good one, if he was able to do anything along those lines.

Mr. President, I hope the amendment will be rejected.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. McCARTHY. I wish to ask the Senator whether he realizes that this amendment does not suggest that we regulate any group? It merely says that where American money is being used to finance these cartels, these organizations of which the Senator is aware, I am sure—the assistance shall cease, if it is found that American nationals are being discriminated against.

Mr. CONNALLY. I have read the amendment half a dozen times.

Mr. McCARTHY. The amendment does not suggest that we regulate anyone or anything. It suggests that where American funds are being used, they shall not be used to wreck American business, and that American funds shall not be used to promote religious and racial discrimination.

Mr. BALDWIN. Mr. President, a point of order.

The VICE PRESIDENT. The Senator cannot make a point of order unless the Senator who has the floor is violating a rule.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. CONNALLY. The Senator cannot yield, because he has not the floor.

The VICE PRESIDENT. The Senator from Texas has the floor. He yielded to the Senator from Wisconsin for a question.

Mr. CONNALLY. Mr. President, I think I have been pretty patient with the Senator from Wisconsin. I have answered many of his questions which have no really vital relation to the amendment.

Mr. FLANDERS. Mr. President——

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from Vermont for a question?

Mr. CONNALLY. I yield for a question.

Mr. FLANDERS. I should like to ask the Senator from Texas this question: Has the Senator from Texas studied the amendment, or has he read it? It seems to me the Senator has either completely misunderstood it or has given a false impression of it, and I do not care to accuse him of the latter.

Mr. CONNALLY. Mr. President, the keen mind of the Senator from Vermont never overlooks anything, either in the motives of other Senators, or information of other Senators. I will not argue with him. He can draw his own conclusions. I have not been biased. I doubt if the Senator ever read this amendment until a few minutes ago. We have read it in the committee, and I have read it here on the floor, and read the changes in it, new amendments, and substitutes.

Mr. President, I will state what the amendment would do—at least it would have that tendency, though I cannot say it would do it—under the sponsorship of the Senator from Wisconsin and the Senator from Vermont. Russia is making a campaign, a propaganda campaign, all over the world, that the ECA and our Marshall plan, and our sponsorship of these measures, are intended to go inside the countries of Europe, and, wherever possible, use the power of the ECA to influence those countries in their domestic affairs. Does anyone doubt that? It is carried in the newspapers every day from Moscow that the United States is undertaking to use this great contribution to the welfare of broken and shattered countries to enforce the American will. That is what the Senator's amendment would do; it would affect the most sensitive thing in the lives of the people, their religious questions. It would touch their business organizations.

Mr. President, the objective of the Marshall plan was the opposite of that, the objective was to let every country handle the funds, let every country regulate its own economy, and let every country pursue its own way of life. So, Mr. President, I urge that we let this amendment die, and let the ECA go on with the great work it is doing under the able management of men who know what they are talking about.

As I have said before, there has already been sent to Morocco from the Paris office a man to investigate these matters. Do not my colleagues think he will be met with concern? I hope he will be met with concern by the officials of those governments.

If we let the ECA alone it will work these questions out. If we interfere with it, disturb it, annoy and badger it, and punch it around by amendments of this character, we will destroy its good influence, and will hamper its operations.

Mr. President, I ask the Senate to vote the amendment down.

Mr. BALDWIN. Mr. President, I do not wish to detain the Senate long, because I have already expressed my own views with reference to the amendment which was offered by the junior Senator from Connecticut, but I should like to say a word about the amendment offered by the Senator from Wisconsin.

The Chairman of the Committee on Foreign Relations, who is an able and sincere Senator, has made the claim that the violations of the rights of our people, which have been responsible for the amendments offered by the Senator from Connecticut and the Senator from Wisconsin, are of a very minor nature. I should like to address myself to that point.

It appears to be the fact that in Morocco local laws have been applied to Americans without State Department acceptance. That is a direct violation of a treaty of long standing between Morocco and the United States, to which the French Government agreed when it took over the protectorate.

One of the acts complained of, Mr. President, is a decree passed on the 30th of December 1948, which placed embargoes on merchandise coming into Morocco from all sources excepting France. This decree was not accepted by our State Department, but was immediately applied, nevertheless, resulting in the seizure in customs of everything that arrived subsequent to January 15, 1949.

As the Senator from Connecticut understands, as a result of this decree all the goods shipped into Morocco which the officials there claimed were in violation of the decree, were held and impounded, and whether they were of a perishable nature, or of whatever nature they were, and whatever effect the detention might have upon their value, was of no consequence to the French officials in Morocco whatsoever.

Protests about this were made on every diplomatic level, but to no avail, and the Governor General of Morocco himself informed the American Minister in Morocco, so I am given to understand, and reliably so, that the Governor General of Morocco had recommended to Paris that the goods be released, but that he, the Governor General of Morocco, was powerless to act without instructions from Paris.

Mr. President, the junior Senator from Connecticut can wax just as sentimental and just as earnest about the ECA program as can his distinguished friend, the Senator from Texas. The Senator from Connecticut may say, Mr. President, that he was one of the early Senators in this body to speak in behalf of this whole program, and that he has supported it vigorously throughout his career in the United States Senate. He does not say that in any boastful way. He merely says it to indicate that his early adherence to the principles of ECA, his early belief in its efficacy, continues uninterrupted until now.

The junior Senator from Connecticut, however, is alive to the fact that millions upon millions of dollars taken out of the pockets of American taxpayers are going into this program, and it was anticipated by all of us who voted for it that such would be the case. But the junior Senator from Connecticut is also aware of the fact that these American dollars are being used all over the world to build up economies that eventually will be in competition with us. We know that is so. We anticipate that it will be so. We expect that it will be so.

All we ask, Mr. President, in return is that when the time comes that these nations are in direct and able and competent competition with us, our own people shall be able to meet them in a fair field and with no favor, and that all our trade routes, all our trade connections, all our business dealings throughout the world

built up over a long period of years shall not be torn down, but shall be continued.

Mr. President, it is conceivable that in this Moroccan situation the reason why these French officials are taking the position they do is to tear down the possibility of future American business in that part of the world.

What is true of Morocco, Mr. President, can be true as well of any other part of the world where American citizens for years have done business, and ask for the future only a fair and full and equal opportunity to continue doing business. They ask, Mr. President, only a fair and equal opportunity to compete with their own money against industries and businesses and economies which have been reestablished with their own money, too, as competent competitors.

Mr. President, I yield to no one in feeling most sincerely and deeply that the United States in this program is undertaking something that is new and novel in the entire world, something that is so generous in its concept that today there are millions of people in the world who suspect us of some improper, ulterior, unjust motive of future aggrandizement for ourselves which, Mr. President, certainly is not the case. But it seems to me that when we put into the hands of the men who have the difficult, the trying, and almost impossible task of administering this undertaking, the weapon which they need to deal with other people around the world, some of whom are extremely shrewd and extremely sharp, and who do not govern their conduct by the same rules of morality by which we have always governed ours—when we put into their hands, as this amendment does, Mr. President, an additional weapon to help them, then we are helping this program, we are making it more effective, since we are making its administrators more competent to do the vitally important job they have to do.

I may say, Mr. President, to the chairman of the committee, and the distinguished members of the Committee on Foreign Relations and to the staff, that the junior Senator from Connecticut is extremely grateful to the committee for the interest it has shown in this matter, in having sent special representatives to Morocco and for showing a real, genuine interest in this whole situation, which is so important to these veterans who thought that they had, in Morocco, for days and years to come, the opportunity of reestablishing their businesses and their lives, of building their futures and of developing their opportunities which were denied to them or laid aside when many of them donned the uniform of the armed forces of the United States to fight in this very area.

Mr. President, it is not the purpose of the pending amendment, nor was it the purpose of the amendment offered by the junior Senator from Connecticut, to impede the administration of the program. What we are trying to do is to lend it help and assistance, and make it more effective than we think it otherwise can be.

Mr. President, I am not one who has found fault with the administration of ECA during the past year and a half. I think it has been most effective. I shall vote for the bill, without any hesitation. But it seems to me that when Senators who have interest in the effectiveness of the legislation offer suggestions as to making it stronger, they should not be charged with trying to undermine the whole program. They should be given some credit for their own thoughts and their own energy in trying to lend strength to it and to the machinery through which it must be accomplished.

Mr. McCARTHY. Mr. President, will the Senator yield for a question?

Mr. BALDWIN. I yield.

Mr. McCARTHY. In view of the statement made by the very able senior Senator from Texas to the effect that he did not believe we should worry about regulating "The Hottentots" in Africa, and in view of the fact that we are spending roughly $3,200,000 a month on what he calls "The Hottentots" of Africa; in view of the fact that we are spending that many American dollars, it seems only logical and sensible that we should do a little regulation when it comes to the spending of that money.

Mr. BALDWIN. As I understand the Senator's question it is to the effect that what we are trying to do——

Mr. McCARTHY. If I may restate the question, the Senator from Texas made a very eloquent argument that we should not concern ourselves with regulating what he called "The Hottentots" to whom we are contributing this money. I do not think they are Hottentots. I believe they are normal people like you and me, Mr. President, though among them are Jews, Moslems, and Frenchmen. In view of the fact that we have already committed ourselves to spend roughly $36,000,000 a year on what the able Senator from Texas refers to as "Hottentots," perhaps we should see to it that the money is properly spent, and that a dollar's worth of value is obtained for every dollar spent. Does the Senator agree with me in that?

Mr. BALDWIN. I agree heartily. In other words, if we do not attach to the administration of the fund and of the whole program conditions which make it effective, and which give our people power and authority to deal with its disbursement, it seems to me we will be discredited in the eyes of many of these people. It must have a weakening effect on the whole program in some parts of the world to see American money thrown out willy-nilly, and to see the local people take advantage of it to the detriment of the citizens of the country which is furnishing the money in the first place. It seems to me it would lend great strength and additional prestige to the United States in Morocco, for example, or in any other place where a circumstance such as detailed here took place, if the Administration were given wide, broad, effective powers to deal with the proper conduct of the program, and to see that the money goes to the right place, at the right time, and that there is no discrimination against the nationals of our own country.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. BALDWIN. I yield.

Mr. McCARTHY. Has the Senator seen a letter written to the able chairman of the Foreign Relations Committee on March 24, 1949, by a Mr. A. M. Vardas, who was a captain in the Corps of Engineers?

Mr. BALDWIN. I do not know.

Mr. McCARTHY. Captain Vardas calls the attention of the Senator from Texas to the fact that he was active with the Corps of Engineers in planning the invasion of North Africa; that he was imprisoned and, as he says, probably would have been shot if the invasion had not been successful. He states that the Deputy Prefect who ordered his arrest is still on the job and active in deciding whether he, an American veteran, or any other American veteran shall get American ECA funds, or whether they shall be diverted from them to wreck their business. If the Senator has not seen the letter, I should like to bring it to his attention.

Mr. BALDWIN. I may say to the Senator from Wisconsin that I had not seen the letter. I had heard some reference to it, but had not actually seen the letter.

Mr. McCARTHY. Mr. President, will the Senator yield for another question?

Mr. BALDWIN. I yield.

Mr. McCARTHY. Is the Senator aware of the fact that the port authorities in French Morocco impounded American flags and would not allow them to be released until after the celebration which the Legion was conducting to celebrate the fifth anniversary of our landing in French Morocco?

Mr. BALDWIN. That was detailed to me as one of a large number of incidents of a similar kind. Let me say that while I am primarily concerned with the situation in Morocco, and while it is the development of affairs there which has inspired the amendment which the Senator from Connecticut offered, the Senator from Connecticut also sees the possibility of a like thing happening in many other parts of the world. He is impelled to support this amendment in the vote to come, as he was impelled to offer an amendment on his own behalf, in order that the ECA might have the proper authority, in black and white in the statutes of the Congress, with which to deal with that particular situation.

Mr. McCARTHY. Mr. President, will the Senator yield for a final question?

Mr. BALDWIN. I yield for one more question.

Mr. McCARTHY. Does the Senator agree with me that the amendment which I am proposing would in no way weaken the hand of ECA, but on the contrary, would strengthen the hand of ECA, so that if the amendment were adopted, Paul Hoffman would have the power to see that the money is properly used, a power which he does not now have?

Mr. BALDWIN. That is my opinion. That was my purpose in offering the amendment in my own behalf, and is my purpose in supporting this amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. McCARTHY], as modified.

Mr. CORDON. Mr. President, I rise in support of the amendment of the

junior Senator from Wisconsin as he has now perfected it. The junior Senator from Wisconsin is, of course, very much interested in the situation to which he has called attention, and which has developed in Morocco. Until I heard the statements on the floor I knew nothing of that situation.

My interest in the amendment springs from its broad aspects, rather than its application to the Moroccan situation or any other specific situation. When we embarked upon the European recovery program and it was presented to us as a new and great adventure in European recovery, we had in mind that it was our duty, both from the standpoint of self-interest and from the standpoint of simple equity to those countries which had borne the physical burden of combat, to do what we could to re-create for them a self-sustaining economy.

It is heartening to note from the reports that ECA has made that our efforts have so far been successful, and that those countries, with the aid we have been able to furnish them, have gone far on the road to recovery. Mr. President, we want to do all we can not only to help them reach their prewar economic status, but to go beyond that point, in order that there may be something more of hope in the future than they had in the years before World War II.

If, however, we indulge ourselves with the hope that with our aid the thing we seek to accomplish can be accomplished, and that there can arise in the beneficiary countries a sound and productive economy on a higher level than those countries have heretofore known, then we must recognize that when that day comes there will be a greatly increased production in the world. There must of necessity be a greatly increased international trade.

The coming of an increased international trade will in the future, as it has in the past, cause trends toward monopolistic practices and toward trade agreements the sole purpose of which is to benefit those who make the specific and particular agreements. We have had those in the past. So long as human nature lives and men are selfish, the same thing must be expected. I do not ascribe to the countries which we seek to put on their feet motives any different from the ones which subsist in this country today. We are all alike in that respect.

At the end of a year and a half we see production in the European countries, the beneficiary countries under ECA, now at a level substantially equal to the prewar level, with every hope of going above it. We must realize that on some tomorrow we shall be faced with competitive trade in all those countries. It seems to me that we should be realistic enough and practical enough at least to take a look at where our own foreign trade will be on that day.

Mr. President, we know that at least while we are furnishing the funds with which this recovery is going forward this country must of necessity be the importing recipient of most of the exports from other countries. They are getting dollars. They will spend those dollars where the dollars came from. That means that if trade is, as it must be, a two-way street, there must also be somewhere in the future an opportunity for our people, independent of ECA, to have their trade outlets.

Because purchases with ECA funds are limited in character, consisting chiefly of a few major staples in food a very few of the major raw products, and a very few of the major heavy industrial machinery items, they represent trade with only a handful of the producers of this country who historically had outlets in Europe for their surplus products. Unless that other great number of producers in the United States can at least maintain during the reconstruction and recovery period some contacts in the areas across the sea where, prior to the war, they had export outlets, so that the people in those areas will at least remember that there is such a thing as a producing America in other fields than this handful, then we shall be in a position, when recovery has been achieved, of having to start from scratch to create new markets, although we might have saved the ones we had yesterday by giving a little attention now to this matter of at least requiring that our competitive position be defended and saved in those areas.

That is what this amendment in its broad aspects seeks to do. It does not seek to give to any American producer any competitive advantage whatever. It seeks only to maintain for him a fair competitive position in those areas.

Mr. President, I do not agree that the inclusion of this amendment in the ECA Act will have the effects that are contended for, with reference to its being a new weapon for Russia in the propaganda battle with Russia. After all, Mr. President, Russia needs no weapon for her propaganda, for she creates her weapons as she goes along. She is in the position of not being bound either by truth or by fact. So the inclusion of this amendment will not change the Russian approach one iota; and certainly those with whom we deal, who surely by now can understand what we seek to do, cannot complain if we ask only that a fair competitive position be maintained during the recovery period, so that in the minds of our former customers—when the time comes, if it ever comes, when we can have free bilateral trade throughout the world—there will at least be a memory that the United States can produce efficiently in many other fields.

Mr. President, because I believe that a fair evaluation of the amendment must convince us that it would do that, and only that, and because I believe that the administration of such provisions by the ECA Administrator, having in mind sound administrative practices, can be most helpful in maintaining for the United States only a fair chance in this new competitive world, I believe the amendment should be adopted.

I recognize that there will at least be temptations in the European countries who are the beneficiaries under the ECA Act to attempt, at least, to institute the constrictive and restrictive trade practices and agreements which we are told led in great part to World War II.

However, Mr. President, I believe that the very fact that the amendment is adopted will of itself in all probability go much further toward achieving the result we wish to have achieved than even the enforcement of the act without the amendment in wise hands could take it. I believe that if we adopt the amendment, we shall be saying to those with whom we deal, "We are going to do everything for you we can do in helping you move down the road to recovery. We only ask that you give us a fair "break"; and because we believe we deserve it, we intend to insist upon it."

The VICE PRESIDENT. The question is on agreeing to the amendment lettered "B", as modified, offered by the Senator from Wisconsin [Mr. McCARTHY].

Mr. McCARTHY. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Idaho [Mr. MILLER], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Virginia [Mr. ROBERTSON], the Senator from Mississippi [Mr. STENNIS], and the Senator from Oklahoma [Mr. THOMAS] are unavoidably detained.

The Senator from Virginia [Mr. BYRD] is absent on official business.

The Senator from California [Mr. DOWNEY] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Iowa [Mr. GILLETTE], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Georgia [Mr. RUSSELL] are absent on public business.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

I announce further that if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Virginia [Mr. ROBERTSON], the Senator from Oklahoma [Mr. THOMAS], and the Senator from New York [Mr. WAGNER] would vote "nay" on this amendment.

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER] is absent on official state business, and is paired with the Senator from New Jersey [Mr. SMITH], who is absent because of illness. If present and voting, the Senator from Maine would vote "yea," and the Senator from New Jersey would vote "nay."

The Senator from New Hampshire [Mr. BRIDGES] is absent because of illness in his family.

The Senator from Indiana [Mr. CAPEHART] is absent on official business.

The Senator from Pennsylvania [Mr. MARTIN] is absent by leave of the Senate.

The result was announced—yeas 33, nays 45, as follows:

YEAS—33

Baldwin	Flanders	Langer
Bricker	Hendrickson	Lodge
Butler	Hickenlooper	McCarthy
Cain	Hunt	McClellan
Cordon	Ives	Malone
Donnell	Jenner	Millikin
Douglas	Johnson, Colo.	Morse
Ecton	Kem	Mundt
Ferguson	Knowland	Schoeppel

Taylor	Wherry	Williams
Watkins	Wiley	Young

NAYS—45

Aiken	Johnson, Tex.	Myers
Chapman	Johnston, S. C.	Neely
Chavez	Kefauver	O'Conor
Connally	Kerr	Pepper
Eastland	Kilgore	Reed
Ellender	Long	Saltonstall
Frear	Lucas	Smith, Maine
Fulbright	McCarran	Sparkman
George	McFarland	Taft
Green	McGrath	Thomas, Utah
Gurney	McKellar	Thye
Hayden	McMahon	Tobey
Hill	Magnuson	Tydings
Hoey	Maybank	Vandenberg
Holland	Murray	Withers

NOT VOTING—18

Anderson	Gillette	Robertson
Brewster	Graham	Russell
Bridges	Humphrey	Smith, N. J.
Byrd	Martin	Stennis
Capehart	Miller	Thomas, Okla.
Downey	O'Mahoney	Wagner

So Mr. MCCARTHY'S amendment, as modified, was rejected.

Mr. FULBRIGHT, Mr. MALONE, and Mr. MAGNUSON addressed the Chair.

The VICE PRESIDENT. The Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, I desire to call up my amendment lettered "C", which I offered on March 25.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 6, between lines 13 and 14, it is proposed to insert a new subsection, as follows:

(c) Section 114 (c) is further amended by adding at the end thereof the following: "The Administrator is authorized and directed to set aside not less than 5 percent of the funds hereby authorized to be appropriated as a positive incentive fund, and to make additional allocations out of such fund to finance the transfer of commodities and services required to carry out specific measures of mutual assistance taken by two or more participating countries looking toward the union of such countries."

Mr. FULBRIGHT. Mr. President, as the senior Senator from Georgia, speaking on an earlier amendment, pointed out very forcefully, two of the purposes set forth in title I of the original act were, as follows:

(2) furthering the restoration or maintenance of the soundness of European currencies, budgets, and finances; and

(3) facilitating and stimulating the growth of international trade of participating countries with one another and with other countries by appropriate measures including reduction of barriers which may hamper such trade.

This amendment is designed to further those two objectives.

What I have in mind specifically—and I think this will make it clearer than a general description at the moment—is that in a proposition such as has been made between Belgium and the Netherlands for bringing about the economic union of those countries—it also includes Luxemburg—the primary problem is the unification, not the political union, but the economic union of those two countries.

They have already undertaken that project, but they have had considerable difficulty. Only a few days ago there was an announcement in the newspapers that because of those difficulties they have postponed for 6 months the projected convertibility of their currencies. In other words, they have announced that, whereas they intended to make their currencies convertible as of January 1950, they have postponed it until the 1st of July, which means a 6-month delay.

The purpose of my amendment is to authorize the ECA to assist in the specific project of bringing about a common currency between those two countries, or any other two countries. The Belgian and Netherlands Governments have already committed themselves on that subject. Within the past few days, according to the press, the Italian and French Governments have signed a treaty undertaking to do the same thing. That treaty has not been made public, but I think it is generally agreed that it involves very much the same thing between Italy and France that Belgium and the Netherlands are undertaking, namely, looking toward the elimination of all tariff barriers. I think the first step is to eliminate any tariffs between the two countries, later all quotas, and so forth. At a later stage they intend to remove all barriers, and within approximately 6 years they intend to have a complete union, which means, as I understand, freedom of movement of goods, persons, and capital. That will enable them to have a common currency and to conduct their economic system in a manner very similar to that which we employ in this country. I think that is the real purpose of the ECA and the one which has the greatest hope of enabling those nations to stand on their own feet.

In contrast to that, the present approach is largely to look at each country and see what the needs are, to help them pay deficits in their balance of trade, and then to help them build plants and, of course, supply raw materials, or whatever may be necessary. I discussed last week how they have built up and are in the process of building up largely increased facilities in petroleum refining, in the textile business, and in other businesses, so that they are creating a condition which, in a sense, will make it more difficult, I think, to bring about economic union after this program has been more fully developed than it is today.

Taking as an example Italy and France, the kind of problem with which they are confronted and with which they will be confronted for the whole period of 6 years, is how to enable those two economies to get together without creating great difficulties and losses in some industries. It is much the same problem which we encounter in this country when we abolish tariffs. Someone will be injured. I think a good illustration of it would be to consider the two great motor manufacturers of those two countries.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield for a question.

Mr. DONNELL. The Senator refers to looking toward a union of such countries. Does the Senator refer solely to an economic union, or also to a political union?

Mr. FULBRIGHT. In this amendment I am talking about economic union. That is the sort of project that is visualized. But I would not want to exclude any kind of union. The Benelux countries have progressed further than has France and Italy. So I intentionally omitted the word "political" because that is not the primary purpose. The two will be closely interwoven, I think. When two or more countries have brought about an economic union, we hope it will later progress into a political union. I do not want to make it exclusive.

Mr. MILLIKIN. Mr. President, will the Senator yield for a question?

Mr. FULBRIGHT. I yield.

Mr. MILLIKIN. Will the Senator give us some examples of the use of the money in the manner contemplated?

Mr. FULBRIGHT. That is what I was hoping to do. Taking Italy and France as a good example, this amendment is not an effort to impose upon them and to say, "You must do it." They have already agreed to do it. It is simply designed to assist them in getting over the hump, so to speak. The Netherlands and Belgium have already agreed to do it. They have committed themselves in a treaty. I am reliably informed, and I am positive it is true, although the treaty has not yet been published, that the Italians and French have signed such a treaty. They stated some months ago that they were considering such a treaty. The exact terms of it have not been published, but will be within a very short time, I believe.

The kind of problem which arises is best illustrated, perhaps, by considering the two major companies, the two leading industrial enterprises, of Italy and France, the Citroen in France and the Fiat in Italy. They are competing firms. They manufacture very similar motorcars.

Obviously, doing away with all barriers, including tariffs, will involve some dislocation of their trade. For purposes of illustration, I think probably what might happen is that the Citroen company, if the market in Italy is thrown open to it, might be able to undersell the Fiat Co. Either they should be merged or they should specialize. Let us say that the firms would make cars and the other manufacture trucks, perhaps. There is likely to be some unemployment and some financial loss.

I use that as an illustration of two companies which obviously compete.

The purpose of the fund is to enable the ECA to say to these countries, "In order to achieve this object and have you relax restrictions sooner than you otherwise would, we will establish an additional incentive fund for that purpose."

They have suggested 6 years, but perhaps it can be done in 2 or 3 years.

I am not proposing to increase the appropriation. It is to be done within the funds which will be appropriated. A certain amount of them can be used for this specific purpose, to further this specific undertaking, rather than to look at each country and say, "You need an oil refinery or a steel plant, and we will help you build it in order for you to build up your exports and, as an individual country, to balance your trade."

Mr. TAFT. Mr. President will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from Ohio for a question.

Mr. TAFT. When the Senator speaks of a union of such countries, does he mean a political union, or is the phrase broad enough to cover an economic union?

Mr. FULBRIGHT. I intended economic unions. I just explained that to the Senator from Missouri [Mr. DONNELL]. I did not want to exclude in the future political unions in the Benelux countries. What I had in mind, in the first instance, was an economic union, because the purpose of the funds is to assist in this specific kind of an undertaking which I have mentioned. Two of them are already under way. Two of them have already been undertaken by the countries involved.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. TAFT. Do I understand this type of assistance is to be taken out of the authorization money, or taken away from the countries which were not looking toward union with other countries, and put in a special fund, to make additional payments to those looking toward a union?

Mr. FULBRIGHT. Exactly. That is what I mean by the word "incentive." That is an incentive, because it is additional funds to those who undertake it, as opposed to those who wish to build up their own individual nationalistic economies. I think the incentive is warranted to those who seek to undertake to bring their two countries into harmony, to adjust their fiscal policies. There will be involved, of course, in an undertaking such as the Italian-French or the Belgian-Netherlands association, an adjustment of their domestic fiscal policies. They must be brought into line before their currencies can be made convertible, or a common currency adopted. I am not saying we should tell them they should do it. They have already undertaken it.

Mr. TAFT. If this 5 percent were set aside, and the Administrator could not find any project answering the conditions of this amendment, would we save the 5 percent?

Mr. FULBRIGHT. No; I did not anticipate that. Actually 5 percent would not go nearly far enough in the case of both the countries I have cited, namely, Italy and France.

I may say that the amendment, to my mind, would determine a policy for the Administrator to follow. I think he could probably do what is provided without the amendment. However, I think he is not doing it, so that the 5 percent, or not less than that, is rather a token amount. What I am trying to do is to impress upon the administration of the ECA that this is a very important objective, and that the final success of the whole ECA is in bringing about the economic union, if not of all, certainly of a major part of the countries. In the case of the four countries I have mentioned, which have already said they want to do it, we would save money in the long run if we hastened the process and made it easier for them, and helped them along the road, rather than looking at each one individually and saying, "What do you need? We will give it to you."

Mr. DONNELL and Mr. MILLIKIN addressed the Chair.

The VICE PRESIDENT. Does the Senator from Arkansas yield, and if so, to whom?

Mr. FULBRIGHT. I yield to the Senator from Missouri, who was on his feet first.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. DONNELL. As I understand, the Senator uses the term "positive incentive fund" as applicable to the further language of the amendment, "toward the union of such countries." In other words, this money is to be used as an incentive, or a sort of a premium to encourage these countries, either in the first instance to make an economic union, or ultimately a political union, toward which the Senator hopes their efforts will be directed. Am I correct in that?

Mr. FULBRIGHT. What I have in mind in this amendment is the economic union. As I have said, if that bothers any Senator, I have no objection to saying "economic union," but I thought it preferable to leave it as a union which they might choose.

Mr. DONNELL. I take it that the Senator by his answers indicates that this money is to be used as an incentive, or premium, toward encouraging these countries to the union, whatever the type may be, either economic or political. The question I wish to ask the Senator is this: Does he think it is wise or proper, to any of the business of this country, to be using premiums or incentives, in the way of our money, to encourage other nations to be forming unions between themselves? Is not that a matter in which our country should not take any part whatsoever?

Mr. FULBRIGHT. I do not anticipate that we should direct them to do it, but in the case of these four very important countries, they have already undertaken, by treaties, to commit themselves to do it, and it seems to me very wise, under those circumstances, for us to help them achieve the purpose they have already accepted.

Mr. DONNELL. And to offer a premium to that effect?

Mr. FULBRIGHT. I am assuming that it is a proper and desirable objective. I realize there is a very strong sentiment in this country which does not want to see these countries get together for fear it will mean competition with us. We hear complaints of them going into markets which we have and taking them over. I have already been taxed with the fact that last year our trade with Egypt was down about 50 percent below what it was the year before, and that what we are doing is building up strong competitors. If that is the view to be accepted, we should not carry on ECA at all. It seemed to me a fundamental objective was to put these countries in such a condition that they could compete, and that is necessarily going to cause our business some difficulties. Otherwise, however, the whole objective of this matter seems to me negative. I have to make assumptions on the theory that, in spite of this possible competition, we have to try to make these countries self-sufficient.

Mr. DONNELL. Will the Senator yield for a final question along that line?

Mr. FULBRIGHT. I yield.

Mr. DONNELL. I understand the Senator to indicate that he is personally hopeful that both an economic and political union will result.

Mr. FULBRIGHT. That is correct.

Mr. DONNELL. And I understand the purpose of the Senator's amendment is to provide an incentive or a premium to those countries to induce them to go forward in the effort to perfect such a union. The question I wish to ask the Senator is, Does he think that is a matter in which this country should take sides? Is it any business of our country to be offering premiums and incentives to other countries to join together, between themselves, in either a political or economic union?

Mr. FULBRIGHT. I have assumed that in appropriating and spending five or six billion dollars a year we had an objective, and that that objective was to make these countries sufficiently strong economically so that they could stand on their own feet, and could defend themselves physically. If economic union contributes to that, it seems to me we have a great interest in it. If they are to remain isolated, as they are now, and one believes that they will not be self-sufficient and able to defend themselves at the end of 4 years, I see no reason for carrying on the ECA.

As I said, however, I do not anticipate and have never anticipated that we must make a condition precedent and say, "You will not get any money unless you do so and so," but when these countries have undertaken to do it, and are in the process of doing it, and we believe it would promote their stability, I think we should assist them. I call the Senator's attention to two objectives which are entirely in accord with this, that is, in the original law of last year, title 1, page 2 of the original law, not in anything that has been brought up in connection with the pending legislation. In the middle of the page I find this language: "facilitating and stimulating the growth of international trade of participating countries with one another and with other countries by appropriate measures including reduction of barriers which may hamper such trade."

To me that seems exactly what the amendment does.

Mr. DONNELL. May I ask the Senator another question?

Mr. FULBRIGHT. I yield.

Mr. DONNELL. Does the Senator find anything in title 1 of the Economic Cooperation Act of 1948, in either section 102 (a) or section 102 (b), which states the "Findings and declaration of policy" and "Purposes of the title"—does he find anything in that language, which covers possibly a printed page, which refers to the union of the countries, either political or economic?

Mr. FULBRIGHT. I do not know what "union" means to the Senator. An economic union to me means an absence of

barriers to trade. I put it the other way. To me it means "free movement of goods, persons, and capital." That is what union is. If the Senator prefers to put it in the other terms, I have no objection. I have stated what I mean by union.

Mr. DONNELL. I ask the Senator again whether in any portion of the "Findings and declaration of policy," or the "Purposes of the title," in the Economic Cooperation Act of 1948, he finds a declaration in favor of or specifying in terms that the act is for the purpose of favoring the union of any of the countries which are beneficiaries under the act.

Mr. FULBRIGHT. I would say that the greater part of section 102 (a), and specifically the part I have just read, is exactly that, that that is just what it means. I know of no other way to remove the barriers to trade except by union. There are two ways of saying the same thing. What does the Senator mean by "an economic union"?

Mr. DONNELL. I will answer that in a moment. I say that economic union might be occasioned by some sort of a treaty by which two countries were made into one economic entity. I think that might be an economic union. But the question I want the Senator to answer if he will—I am sure he is quite willing to do so—is, Does he find anywhere, either in section 102 (a) or in section 102 (b), any mention in terms of the union of the countries which are beneficiaries of the act?

Mr. FULBRIGHT. Yes. There is a good deal of language. I will read this part, which has the same result as the other. I read from section 102 (a):

> The accomplishment of these objectives calls for a plan of European recovery, open to all such nations which cooperate in such plan, based upon a strong production effort, the expansion of foreign trade, the creation and maintenance of internal financial stability, and the development of economic cooperation, including all possible steps to establish and maintain equitable rates of exchange and to bring about the progressive elimination of trade barriers.

I say that the only purpose of the economic union, as I see it, is the elimination of all restraints on the free movement of persons, capital, and goods. That is another way, a short way, of saying "an economic union," as distinguished from a political union.

Mr. DONNELL. Finally, Mr. President—and I do not want to monopolize the time of the Senator from Arkansas or the other Senators—the Senator from Arkansas does not find, however, does he, in section 102 (a) or section 102 (b) from beginning to end the word "union" of the countries which are participants in the benefits of the act?

Mr. FULBRIGHT. No. If it really were significant I would have no objection to substituting in place of the word "union" the words "the free movement of goods, persons, and capital," which to me means exactly the same thing. But I used that kind of expression in the interest of economy of words and space. That is all it means.

Mr. DONNELL. I thank the Senator.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. VANDENBERG. I should like to submit a question to the Senator from Arkansas, sympathetically, because I think there is a fundamental idea which might be served by an amendment of this character. Inasmuch as the ECA plan as thus far authorized, deals usually with individual programs for individual countries, and does not deal with joint programs, although joint programs obviously are contemplated and encouraged, I wonder whether the Senator would remove from his amendment the things which I think make it objectionable, and yet leave that objective in it. I will make these suggestions to the Senator, without commitment, however.

First. The Senator's amendment says: "The Administrator is authorized and directed." I would suggest that "and directed" be eliminated, because it might prove that there is no feasibility for the program which the Senator contemplates, and if the direction were to remain, then, as the able Senator from Ohio indicates, there has been set aside a fund which would be sterile and the balances would be reduced by that amount.

Mr. FULBRIGHT. Why——

Mr. VANDENBERG. Let me finish, and then the Senator will see what I have in mind.

Then I would suggest the elimination of the phrase "not less than 5 percent," because I am sure neither the Senator nor anyone else can estimate at the moment what practical use and opportunity may evolve in respect to his suggestion.

Then to meet the viewpoint of the able Senator from Missouri [Mr. DONNELL], which I somewhat share, I suggest that it is unnecessary for the Senator to retain the phrase "as a positive incentive fund," so long as the remainder of the language describes the net result; and also that the phrase "economic cooperation" is the equivalent of the word "union" in the final line.

Now let me pull the whole suggestion together, which I am afraid has been rather incoherent, and to ask the Senator for his reaction to the amendment in the following language:

> The Administrator is authorized to set aside any such portion of the funds hereby authorized to be appropriated, and to make allocations out of such fund when deemed practicable by the Administrator to finance the transfer of commodities and services required to carry out specific measures and mutual assistance taken by two or more participating countries looking toward the economic cooperation of such countries.

Mr. HOLLAND. Mr. President——

Mr. FULBRIGHT. Just a moment. I do not see any objection at all to most of that language suggested by the Senator from Michigan. The 5 percent, for example, I threw in on the thought that it is purely a token amount. If the Administrator undertakes the matter at all, it will require much more than 5 percent, so I see no objection to the Senator's suggestion.

I wonder what the Senator from Michigan would think about the words "economic union" in place of the words "economic cooperation" suggested by him. In both illustrations he gave he himself called it an economic union. The word "economic" would qualify the word "union," and it would, at least to some extent, meet the objection of the Senator from Missouri that it was not intended to suggest a political union.

Mr. VANDENBERG. If I may respond to the Senator, I would say that my own notion would be that the word "union" is a highly limiting word in respect to the type of relationship which is contemplated. I am sure I do not know what the word "union" means in all its implications. I do not believe we could call the customs arrangement contemplated between France and Italy a union, even though we find it in its own title.

Mr. FULBRIGHT. What would the Senator think of this phrase: "Looking toward the free movement of goods, persons and commodities among the aforesaid countries?"

Mr. VANDENBERG. I think that enters the area of controversy, and again is a definition of methods rather than objectives. It seems to me the words "economic cooperation," which are the first two words in the title of the act itself, are controlling words upon which the Senator might well rely.

Mr. FULBRIGHT. If this were the first time I was considering the matter I might, but it seems to me that that very element—although this is known as the Economic Cooperation Act—has not been a great and very important part of it. That is, we have looked entirely too much to the rehabilitation of each individual country. I admit I may be quibbling with words. "Economic cooperation" in a more definite sense at least than it has been incorporated in the first year's activity of the act, is what I have in mind. It is a matter of degree only, at least in my mind, between what those words mean and what the word "union" means. I was trying to approach, or to express exactly, what I think Italy and France and Belgium and the Netherlands are seeking to undertake. It may be that those words mean that. To me they do not mean much of anything. I was seeking something a little more positive as a statement of policy to the administrator; that this kind of an undertaking in which these people have engaged is worthy of our special assistance. That is all I was trying to get at. It is more a statement of policy than anything else.

Mr. VANDENBERG. Mr. President, will the Senator yield for one further statement?

Mr. FULBRIGHT. Yes.

Mr. VANDENBERG. I want the Senator to understand that I am not pushing this language upon him at all. I was simply trying to see if it was possible to put what I believe to be a good idea in terms which, at least so far as the senior Senator from Michigan is concerned, I would not have too much objection to, although, of course, I would not undertake to speak for the committee.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. FULBRIGHT. The Senator from Colorado [Mr. MILLIKIN] has been on his feet for several minutes.

Before I yield, let me say that I appreciate very much the suggestions of the Senator from Michigan. I should like to think them over for a moment. I think the first two suggestions are entirely acceptable. The only comment about economic cooperation is that I have the feeling that it weakens the amendment so that it does not mean very much. If I could find a suitable word to give it a little more positive character, I am sure I would be willing to accept it.

Mr. MILLIKIN. Mr. President, a while ago I requested the Senator to give an example of the type of action which is contemplated, which is to receive the benefit of this incentive fund. The Senator from Arkansas mentioned that the Citroen Automobile Co. is in France, and another automobile company is in Italy, and that if there were a customs union or some kind of an economic union between those two countries one or the other of the plants might be in difficulties. What do we propose to do about that?

Mr. FULBRIGHT. There would be a period of adjustment.

Let me give one or two other aspects of the same problem. There is a surplus of population in Italy——

Mr. MILLIKIN. Will the Senator forgive me for pressing the question I have asked? This amendment seems entirely amorphous to me. I cannot picture the type of aid which the Senator has in mind. That is why I took the liberty of asking the Senator to give some specific examples.

Mr. FULBRIGHT. This would be an over-all aid to the countries which undertook it. I did not intend that this should be a specific payment to one or the other of the countries; but there would arise problems of unemployment, transport of people, and probably problems in the marketing field. I would visualize like the Commodity Credit Corporation which might have to be resorted to to smooth out the situation with regard to agricultural products, although Italy and France are fairly complementary. What they could do would be to bring a number of Italians into southern France and increase the production of wheat and other agricultural commodities in France, which would immediately tend, I think, to lower the cost of production and balance their trade better than it is now being balanced. The Italians cannot come in freely now. For example, they are unable to remit their earnings back to Italy. They are unable to bring their families over there. If there were a free movement of persons and convertibility of currency, I am told that a great many more Italians would come in. It is in the financing of that kind of thing that a program would be established, and this money would be used for that purpose rather than for the erection of petroleum plants, refineries, textile factories, and all that sort of thing on a national scale.

Mr. MILLIKIN. Have any of those countries—Italy, France, or the Benelux countries—indicated any specific measures of mutual assistance as to which they would like help?

Mr. FULBRIGHT. As I have said, the Italian treaty has just been signed. Let us go to the Benelux countries. I am told that this is the situation as between the Netherlands and Belgium: At the moment the Netherlands is a country with great restrictions, heavy rationing and restrictions of all kinds, such as we had during the war. They have quotas for all kinds of consumer goods. In Belgium there is a very strong economy, with a strong core of hard currency—gold—in their reserves. They have an industrial productive capacity which is beyond their own needs. Unemployment is already appearing in Belgium. I was told that it was estimated that it would cost the Belgian economy approximately $100,000,000 if next week, we will say, they undertook to make the currencies convertible between the two countries, for the reason that there is a great demand in the Netherlands for durable goods manufactured in Belgium which are not manufactured in Holland. Holland today does not have the Belgian currency to purchase such commodities, because she is not exporting enough. I was told that in that case it would cost the Belgian economy between $75,000,000 and $100,000,000 to enable the Belgians to absorb the immediate shock which would take place within a year or two, but mostly the first year, in order to supply the market in the Netherlands and have the currencies convertible.

What it amounts to is that Belgium is unable to make the currency of the Netherlands convertible today because of the extent of the demands upon her economy. I say that it would be much more beneficial in the long run if, instead of using the $100,000,000 to build plants in each country, it were used to enable them to put their economies together, by abolition of restrictions and by making their currencies convertible. Then they could draw upon the plants already built in Belgium, which I think are probably more economical than the plants being built in the Netherlands.

Mr. MILLIKIN. Have any of those countries asked for this type of aid?

Mr. FULBRIGHT. I do not think the ECA has ever tried to give it, and I do not believe those countries would be recognized as being eligible for such aid. All this amendment would do would be to make them eligible for aid to accomplish that purpose.

The Belgian authorities have evidenced great interest in trying to bring about such a condition. The other day there was a delay of 6 months in the negotiations because of the difficulties which were encountered.

Mr. MILLIKIN. Does the Senator mean that Belgium has made some request to this country or to ECA to the effect that it would like to have the aid of an amendment of this character?

Mr. FULBRIGHT. I do not know whether it has made requests to ECA. Some very responsible persons have told me that they thought it would prove very beneficial in bringing about a union.

Mr. MILLIKIN. I see no standards in the amendment governing the expenditure of the money.

Mr. FULBRIGHT. Does the Senator see any standard in the act itself for spending any of this money?

Mr. MILLIKIN. That does not make this proposal smell any better.

Mr. FULBRIGHT. Does that mean that the Senator believes that the entire program should be thrown out?

Mr. MILLIKIN. I did not say that, and I would not say that. I am inviting the attention of the Senator to the fact that he is talking about 5 percent of more than $5,000,000,000 to finance entirely amorphous and unspecified objectives.

Mr. FULBRIGHT. Does the Senator think that is any different from giving them complete discretion as to the $5,000,000,000?

Mr. MILLIKIN. Let us assume it is no different. I am trying to find the content of this amendment. May I assume that there are no standards in it?

Mr. FULBRIGHT. I think the standards are quite as precise as the standards in the original act.

Mr. MILLIKIN. Let us assume that to be true. I ask if there are any standards in the amendment?

Mr. FULBRIGHT. The language is "specific measures of mutual assistance."

Mr. MILLIKIN. Which specific measures, and under what standards?

Mr. FULBRIGHT. I mentioned two specific measures.

Mr. MILLIKIN. Has Belgium, the Netherlands, Italy, or France made a request for help along the line of those measures, or are they measures which the Senator is suggesting?

Mr. FULBRIGHT. Belgium and the Netherlands have already announced that they are in the process, in a specific manner, of achieving this aim. What I should like to do would be to give authority to ECA to assist in the achievement of that aim, rather than build up their individual economies.

Mr. MILLIKIN. Mr. President, will the Senator yield for a further question?

Mr. FULBRIGHT. I yield.

Mr. MILLIKIN. Does the Senator believe in the objective of our own State Department in trying to break down preferences?

Mr. FULBRIGHT. Does the Senator means under the reciprocal-trade agreements?

Mr. MILLIKIN. Yes.

Mr. FULBRIGHT. Yes; I think that is a very good policy.

Mr. MILLIKIN. Does not the Senator understand that a customs union is the imposition of a 100 percent preference?

Mr. FULBRIGHT. As between those two countries?

Mr. MILLIKIN. No; as between those countries and the rest of the world.

Mr. FULBRIGHT. Under an economic union we would treat those two countries as though they were one.

Mr. MILLIKIN. Mr. President, will the Senator further yield?

Mr. FULBRIGHT. I yield.

Mr. MILLIKIN. Does not the Senator know that such a union would break down the barriers between those two countries and remove the tariffs as between those two countries?

Mr. FULBRIGHT. That is correct.

Mr. MILLIKIN. But it would retain tariffs against the rest of the world.

Mr. FULBRIGHT. That is correct.

Mr. MILLIKIN. That would have the effect of a new 100-percent preference in our world economy.

Mr. FULBRIGHT. I see what the Senator is driving at. As I stated a moment ago, there is a well-developed view that in permitting the unification of Europe we are building up a competitor and a situation which will be hard on our economy. I see no escape from that. That seems to me to be inherently involved in the entire program of getting Europe on her feet again. Let us assume, for illustration, that all 16 countries break down their barriers and enter into an economic union. Then, as between the United States and those 16 countries, the union of which we might call country X, we would have, of course, the relationship which exists between Great Britain and ourselves today. But they would have eliminated, as among themselves, all barriers. In that sense they would have achieved, I suppose, 100 percent discrimination; but they would then be regarded as one economic union.

Mr. MILLIKIN. Mr. President, will the Senator yield for a further question?

Mr. FULBRIGHT. I yield.

Mr. MILLIKIN. The Senator is aware, is he not, that prior to the formation of a customs union an American exporter had to get over a tariff wall to get in to, let us say, one of the two countries which later made up the union. But so did the competing businessmen of one of the two countries which later made up that union. However, when the customs union is established that type of competition goes out of the picture, and the American exporter has to bear the tariff all by himself, without the equalizing effect of a tariff between the two countries.

Mr. FULBRIGHT. I do not deny at all that this amendment would cause a movement to make Europe——

Mr. MILLIKIN. I am not challenging the customs-union movement; I am merely trying to develop that it is serious business, and that perhaps we should go a little slowly and not try to deal with it "off the cuff."

Mr. FULBRIGHT. There is no doubt that the ECA program is creating competition for the United States. In other words, we are building tremendous textile plants, for instance, in many of these countries. There already have been complaints about that. We are giving these countries new modern machinery for such factories, and cloth will be made in them, and that cloth will compete with cloth manufactured in the United States. Even if it does not compete here in the United States, it will compete in South American markets and in other markets. There is no getting around that fact.

But otherwise Europe will not be able to balance its payments. So we are faced with the necessity of choosing between hitting the rock or hitting the reef.

In other words, the motive behind this program is not fundamentally an economic one, but is one based on stopping the spread of communism; for if communism spreads, we shall be in a much more difficult economic situation. There is no question about that. Accordingly, we shall be in a more difficult economic situation either if the people of Europe form a union or if they do not, because we are building up their economic strength. Today we already are becoming aware of some of the effects of such a program. I think the Senator is aware of it. We frequently see in the newspapers articles in reference to how the products of such foreign factories are capturing the trade in Egypt or in India, and that is being done with the products of foreign factories which we are building.

Some persons may say, "Let us be rid of the whole thing." The reason we do not do so is, fundamentally, for fear of the likelihood that those countries would be forced to become Communist countries, and then their economic power would be turned against us in a much more direct and effective way.

Mr. MILLIKIN. I understand, I believe, the theory of the approach here. My difficulty comes from the complete lack of any sort of standards to govern the Administrator, and from what I think are the rather indefinite notions of the distinguished Senator from Arkansas about it.

Mr. FULBRIGHT. I do not think they are any more indefinite than is the original act which states the purpose. I read to the Senator the purpose as stated there. I do not know how the language of the original act can be made any more specific. That act was passed last year, and I know it is not a whit more specific than is this amendment.

Of course, this entire matter gives very broad discretion to the ECA. There is practically no limitation on what the Administrator of the ECA may do in this matter. In fact, he already has done almost anything he has cared to do about it; and we rely entirely upon the integrity and judgment of the Administrator.

In that regard, I do not wish to be in the position of criticizing the Administrator. He has a great reputation. He is a great businessman. However, I feel that the administration has leaned over backwards in trying to avoid bringing about economic cooperation or union, as well as political cooperation or union, of these countries. I think the Administrator follows the broad approach of a businessman who feels that the Government as a whole is rather a nuisance—as our own businessmen generally feel—and that the world in general and the United States in particular, would be much better off if there were no politicians and no laws bothering them all the time; that if these matters would only be left up to the businessmen, everything would be fine. I think that is the natural feeling of many successful businessmen. However, I do not think it is amiss for the Congress to suggest that in order to make this program more effective, these countries should abolish their tariffs and trade barriers, and should bring about a free movement of persons and goods and capital.

Mr. MILLIKIN. Mr. President, will the Senator yield for a further question?

Mr. FULBRIGHT. I yield.

Mr. MILLIKIN. Does not the Senator think it would be sound for Congress, before adopting an amendment of this type, to determine exactly what type of unions it wishes to encourage? We have political unions, we have economic unions of the type the Senator from Arkansas has discussed, we have customs unions, and I do not know how many other kinds of unions. Before we put money into them, should not we know exactly what they are, so as to be able to determine whether we approve of the particular kind of union for which we are spending our money?

Mr. FULBRIGHT. I do not think at all that the Administrator or the Congress should say, "This is the kind of union we want, and you must follow that." My position is that when two countries undertake to bring about such a union—as has been done in the case of Belgium and the Netherlands—and when they are having difficulties, as they have been, it would be the better part of wisdom, and would save us money, and would make the whole operation more efficient, if we were to assist them in doing it. I would not approve of having the Congress say, "You must follow this kind of union, and no other kind." I think that certainly would be going beyond our proper function.

But when they are undertaking to do a good job and are struggling under great difficulties, if we try to help them, it seems to me that will be a very efficient and proper thing to do.

Mr. MILLIKIN. Mr. President, will the Senator yield further?

Mr. FULBRIGHT. I yield.

Mr. MILLIKIN. Would not it be a sounder procedure if we had before us the terms of the union to which the Senator from Arkansas is referring?

Mr. FULBRIGHT. It did not occur to me to bring in here the agreement of the Benelux countries. It was entered into a year or so ago, as the Senator from Colorado knows. Those countries are making progress, but they are having a very difficult time because of the weakness of the economy in the Netherlands.

Does the Senator from Colorado mean that he would like to examine that agreement; and that if he does not approve of it, he would say, "That is not the kind we want to encourage"?

Mr. MILLIKIN. Mr. President, will the Senator yield for a question?

Mr. FULBRIGHT. I yield.

Mr. MILLIKIN. Does not the difficulty they are having suggest that perhaps the union is not as feasible as it seemed in the first instance? That is not my suggestion; I am wondering whether the difficulties to which the Senator from Arkansas refers carry that suggestion.

Would not the Senator from Arkansas agree with me that there is no magic in

a customs union applied indiscriminately between groups of nations? It might be a fatal thing to combine some countries into an economic or customs union.

Mr. FULBRIGHT. Yes; I think that is true; but I doubt whether the Senate should undertake to make that judgment. I think the countries involved should make that judgment. It seems to me that in undertaking to judge whether those countries would benefit by a union, and should pursue it, the Senator is going much further than we seek to go in this amendment or in the amendment which I propose with regard to political union.

I do not think that is a proper function of the Senate at all. I may say we do not undertake to judge the validity of the economic undertakings under the bill, either. The Administrator does that. For example, a new steel plant is being built in Norway, an industry they did not have before. I personally have great doubt that that is an economic undertaking under normal circumstances, or they would have had one before the war. But since the war, given the money, they think they would like a steel plant, and they are having one built. That is the tendency of the program. Instead of bringing the countries together, the tendency is to build up their nationalism and their national self-sufficiency. As a result of the program, I think we shall have 16 countries much more nationalistic than they were before the war. Judging from the Senator's remarks, I think he approves of that, because they will be weak little countries who can present no strong competition to our business. The only trouble with that is, they are also weak with regard to Russia, and they also will continue to be as they were before the last war, a ready market for a new war, either among themselves or with regard to Russia.

Mr. MILLIKIN. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Colorado?

Mr. FULBRIGHT. I yield.

Mr. MILLIKIN. Can the Senator point to anything in my remarks which would indicate that I am for or against nationalism, or that I am in any way discussing the basic reason for our ECA organization? If the Senator cannot point to that, will he not concede that I have been driving to the single point, would it not be wise for us to know the particular kind of union we are talking about, before we commence to spend money on it?

Mr. FULBRIGHT. Before the Administrator——

Mr. MILLIKIN. Mr. President, will the Senator yield for a question?

Mr. FULBRIGHT. If the Senator will permit me to answer the question, before the Administrator approves any project I am quite sure he will know what kind of union it is and what kind of project it is, in every respect, just as he does in the case of the projects he now finances. We do not know; the Congress does not know; and it seems very odd to me the Senator is so curious about that, when he has evinced no particular interest in the kind of projects we are financing, for example, in England now, with $940,000,000. Nothing has been said in the debate about the specific programs, and we do not approve of them or disapprove of them.

Mr. MILLIKIN. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Colorado?

Mr. FULBRIGHT. I yield.

Mr. MILLIKIN. Will the Senator point to anything in the RECORD that indicates I have shown no interest in what he is speaking of?

Mr. FULBRIGHT. No. In the absence of it, I had not heard the Senator——

Mr. MILLIKIN. Is it necessary to engage in unlimited garrulity in order to demonstrate that one is interested in something?

Mr. FULBRIGHT. I had assumed, because the Senator had not inquired about it, that he was not interested. That may be an improper assumption. If it is, I apologize to the Senator.

Mr. MILLIKIN. I ask the Senator whether he would not consider that to be an improper assumption?

Mr. FULBRIGHT. It is the same as with the assumption respecting the Senator's attitude about the effect of tariffs. The Senator did not in so many words, I am quite free to admit, say he would approve of that. But the implication, I thought, from the way the Senator posed the question, was that he thought that might be a very dangerous thing; and that being so, then he would oppose it as dangerous to our economy.

Mr. MILLIKIN. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Colorado?

Mr. FULBRIGHT. I yield.

Mr. MILLIKIN. Does not the distinguished Senator think the junior Senator from Colorado would put his point bluntly and straight without requiring the junior Senator from Arkansas to draw implications?

Mr. FULBRIGHT. The Senator is so much more versed in matters of this kind, and I thought perhaps he assumed I knew more than I do about it, and that would be the implication, very clearly. To me it was fairly clear.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Missouri?

Mr. FULBRIGHT. I yield.

Mr. DONNELL. Does not the Senator from Arkansas think it is a very long step from the objectives of the Economic Cooperation Act of 1948, which, as I understand, was for the rehabilitation of the European countries, and for the purposes set forth in the act itself? Does he not think it is a very long step from that to our country interfering, by giving premiums to countries in Europe to encourage them to form either political or economic unions among themselves? And does not the Senator think the United States might with perfect propriety decide that, instead of trying to offer premiums to other countries as to what kind of unions they should make one with another, we had better confine our efforts, after we rehabilitate these countries, to the development of our own Nation, rather than interpose in foreign countries?

Mr. FULBRIGHT. I think the answer to that question depends upon whether the Senator from Missouri or any other Senator, may think they can be rehabilitated and become self-sufficient, stand upon their own feet, and pay their bills, without some form of freedom of trade or economic union or economic cooperation. I happen to believe that these countries cannot, as I use the word become "rehabilitated" without some kind of union, for this reason: Before the war, even before the great destruction, these countries were not paying their way. There was an adverse balance of trade, in other words, a deficit in their international payments. There now is put on top of that, of course, the destruction resulting from the war, which has made conditions even worse. But it is my belief that after we have rehabilitated them physically—and that is what I think the Senator meant; I mean, rehabilitating their factories, giving them new factories, they are still going to have a deficit in their balances and they will still be in a position where either we must give them money or lend them money, or they are going to have to look to somebody else, if we do not do it; in which event, they will of course have to turn to the east—to prevent which is the whole objective of this program.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Missouri?

Mr. FULBRIGHT. I yield.

Mr. DONNELL. The Senator agrees, does he not, that under the Marshall plan thus far, the nations have made an amazing recovery in many instances, and in some of them, their production is even greater than it was before the war? That is a fact, is it not?

Mr. FULBRIGHT. I may say to the Senator, there are some very significant facts in regard to that matter. Some of them have made a greater production of physical goods. On the other hand, a very significant fact which is very little mentioned here, is that their trade among themselves is less than two-thirds of what it was before the war, in spite of the great increase in production. Of course we are still paying, as the Senator well knows; we are proposing to pay more than $5,000,000,000 this year, to make up the deficit in their balances. Under their own estimates—and they, I think, would naturally be more optimistic probably than the facts warrant—they estimated in 1952 there would still be a deficit of $3,000,000,000, which to me suggests that the deficit is permanent, unless something is done to change the nationalism of 16 separate entities, existing as they have for many years.

Mr. DONNELL. Mr. President, will the Senator yield for another question?

Mr. FULBRIGHT. I yield.

Mr. DONNELL. Does not the Senator think the primary function of this Nation after we have assisted in rehabilitating the European countries and carried forward our program for 2 years more, is for our Nation to carry on its own development without undertaking to encourage particular types of economic union or political union in other nations than our own? Is not that the primary and proper purpose to which our national effort should be confined?

Mr. FULBRIGHT. No; it seems to me that our proper purpose is to see that the effort is successful. I could see no excuse, I may say to the Senator from Missouri, for the ECA, even today, if it did not look toward, and if there were not some possibility of, a situation being created there that will mean a substantial, economically prosperous, and self-sufficient area in the world. Otherwise, ECA would be merely a charitable undertaking. I could not even defend this year's appropriation, or last year's appropriation, if I assumed the Senator's conclusion that we are just to run off and leave it within 2 or 3 years, and that that is all there is to it. I do not think the countries can stand upon their own feet, individually, any more than they did before the war.

Mr. DONNELL. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Does the Senator from Arkansas yield to the Senator from Missouri?

Mr. FULBRIGHT. I yield for a question.

Mr. DONNELL. Does the Senator think that if, in our judgment, it would be advisable for any one of the foreign countries involved to change its form of government, let us say, from that of a duchy or a kingdom, or whatever it might be, to some other form, it would be appropriate for our Government to give incentive gifts or premiums to enable that country to carry forward the project of changing its form of government?

Mr. FULBRIGHT. The Senator well knows that because a certain country does not have the kind of government of which we approve, we do not give it gifts. We have already exercised that kind of judgment. We have exercised it in the case of Spain because some of us do not like Spain. We have not only excluded her from ECA aid, but from membership in the United Nations. In that sense we are already exercising our judgment. I have no doubt that if, tomorrow morning, we should wake up and find that the Communists had, in some manner, taken over the government of Italy, we would discontinue aid to Italy. All of the nations in the program are nations which we call democratic countries, western civilized countries. I think that what I have described is exactly what we are doing in approving this legislation.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. FULBRIGHT. I yield for a question.

Mr. DONNELL. If our country should deem that England would be better off as a republic than she is as a kingdom, at least in name, does the Senator think it would be appropriate or wise for our Government to appropriate money as a premium or incentive to be given to England to change her form of government from the constitutional monarchy it now is, without a written constitution, I agree, to a republic? Does the Senator think a gift of money by our Government to England to encourage her as an incentive or premium to make that change would be advisable or appropriate?

Mr. FULBRIGHT. I think it would be highly unwise, certainly.

Mr. DONNELL. Will the Senator yield for a further question?

Mr. FULBRIGHT. I yield.

Mr. DONNELL. Does the Senator think it is appropriate or wise or proper for us to be giving premiums or incentive to countries to encourage them to join together into either political or economic unions?

Mr. FULBRIGHT. Yes, when they have undertaken to do it. We are not imposing it on them. They are already in the process of it, and we are helping them to do it.

Mr. DONNELL. Mr. President, will the Senator yield for a further inquiry?

Mr. FULBRIGHT. I yield.

Mr. DONNELL. Is the amendment designed to apply to situations which have already developed?

Mr. FULBRIGHT. I certainly do not intend that the Administrator of ECA should try to force countries to do something they do not want to do. I cannot assume that he would be so stupid as to attempt that. The amendment does not say that the Administrator cannot gamble with the money at Monte Carlo. It assumes he is not going to do that. But we do not have to put a provision in it saying that he cannot do it. He might do it, for all the Senator knows.

Mr. DONNELL. Mr. President, will the Senator further yield?

Mr. FULBRIGHT. I yield for a further question.

Mr. DONNELL. Will the Senator agree that there is certainly nothing either express or implied in the Economic Cooperation Act of 1948 which authorizes the Economic Administrator to go to Monte Carlo and gamble with the money, and will he agree that there is nothing in the act which prohibits him from doing that?

Mr. FULBRIGHT. It is not expressly provided.

Mr. DONNELL. Mr. President, will the Senator yield for a further inquiry?

Mr. FULBRIGHT. I yield.

Mr. DONNELL. Does not the Senator agree that the tenor of the whole bill is entirely opposed to that, and contemplates that the Economic Administrator shall use the money, instead of going to Monte Carlo to gamble with it, for the economic rehabilitation of Europe?

Mr. FULBRIGHT. The tenor of the legislation is that the Administrator will use common sense in administering the act and will use the money only in those cases in which it is justified. That is obviously the tenor of my amendment. We always assume that a man will not do something perfectly ridiculous.

Mr. DONNELL. Mr. President, I have one final question, if the Senator will yield further.

Mr. FULBRIGHT. I yield.

Mr. DONNELL. The Senator thinks, as I understand, that it is appropriate that our country look over the European countries and say that it would be better that country A, country B, and country C shall join together in either an economic or a political union. Does the Senator think it is appropriate for this country to appropriate money as an incentive or as a premium to encourage those countries to form such a union, either political or economic? Am I correct in so understanding the Senator?

Mr. FULBRIGHT. No. The Senator from Missouri keeps assuming that we ought to look over them and tell them to do it.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. FULBRIGHT. I yield.

Mr. DONNELL. Should we encourage them to go on with it?

Mr. FULBRIGHT. In two instances, Belgium and the Netherlands, Italy, and France, they have already undertaken to bring about a free movement of goods, persons, and capital. Since they have undertaken it, I think it would contribute greatly to the rapid rehabilitation of those countries and to their ability to pay their way and enable them to get along without the extraordinary aid which we are giving them. Therefore I think it would be a very sensible, efficient, and economical way to promote what I assume is the objective, namely, to increase the economic strength and stability of those countries. That is what this amendment would do.

Mr. DONNELL. Mr. President, will the Senator yield further?

Mr. FULBRIGHT. I yield.

Mr. DONNELL. I ask the Senator's pardon for asking a further question after having announced that the other question was my final one.

Does the Senator feel that there is any merit whatsoever to the view that our country should confine itself to the purposes of the Economic Cooperation Act, which is to bring about the rehabilitation of those countries, and should not undertake to give premiums and incentives to those countries to form unions, or to continue, if they are in process of so doing, that which we think would be best suited to our interests.

Mr. FULBRIGHT. It was very difficult to follow all of the question asked by the Senator. I will say that the Economic Cooperation Act contemplates exactly this. I read to the Senator three times the section which provides that one of the purposes is to remove barriers to trade. I think one way to do that is to do just what the Netherlands and Belgium are doing and what France and Italy are intending to do. I think it is entirely consistent with the original act which was passed last year.

Mr. DONNELL. Mr. President, will the Senator yield further?

Mr. FULBRIGHT. I yield.

Mr. DONNELL. Did not the Senator concede a few moments ago that the word "union" is not used anywhere in the sections——

Mr. FULBRIGHT. The words which are used as descriptive of the situation amount to union. The committee adopted an amendment using the words "unification of Europe." I believe the Senator knows that. I call the Senator's attention to page 1, line 6, of Senate bill 1209. This amendment was adopted unanimously by the committee. It provides that it is to encourage the unification of Europe. I should think the Senator would have a great deal more objection to that language than he would have to the language which I am proposing.

I should like to add that the House of Representatives added the words "federation of Europe." So it is not an idea which has been suddenly brought forward.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. FULBRIGHT. I yield.

Mr. DONNELL. Will the Senator tell us whether he thinks the unification of Europe means a union of the various countries of Europe which we are trying to encourage by the act?

Mr. FULBRIGHT. I have not looked up the word "unification" in Funk and Wagnall's dictionary in the past few minutes, but I should think it meant economic as well as political unification.

Mr. DONNELL. Has the Senator's amendment been presented to the Committee on Foreign Relations?

Mr. FULBRIGHT. Not this one. The other one was presented. I offered this amendment last week, and it has been brought to the attention of the committee. The committee itself did not consider it prior to the reporting of the bill. Frankly, the idea of how to promote it did not crystallize until subsequent to that time, and after considerable discussion with various persons.

Mr. DONNELL. Is it not a fact that the amendment offered by the Senator was filed on March 25?

Mr. FULBRIGHT. That is correct.

Mr. DONNELL. I thank the Senator.

Mr. FULBRIGHT. There was one statement I wanted to read from the testimony of Mr. Hoffman just to show that this idea is not so strange. I think Mr. Hoffman and the ECA have not pursued this particular kind of project for various reasons. One is that the Italians and the French had not made progress in the first instance; that is, so that there was no opportunity for the ECA to know about it, and last year saw the beginning of the Belgian and Netherlands effort to bring about an economic union between them. I doubt if they had presented it to the ECA.

As I have said, the amendment is purely permissive, especially after eliminating the word "directed," as suggested by the senior Senator from Michigan. This is what Mr. Hoffman said:

They—

Referring to the OEEC countries—

must make a much greater effort to develop intra-European trade. This objective will require drastic changes from traditional patterns. It is going to require European governments to agree on plans to break down tariff barriers, to build customs unions, and to modify immigration barriers to permit the sensible deployment of labor.

That is what Mr. Hoffman thought should be done in order to achieve the purpose of the whole program, which is the economic rehabilitation of Europe; that is, putting the countries of Europe on their feet.

He mentions the main thing I have in mind, that is, to build the customs unions, modification of immigration barriers, free movement of persons, which is hindered now between Italy and France, which is not only hindered by immigration quotas, but because the laborers cannot remit the funds they earn in France back to their families in Italy, because their currencies are not convertible, and they cannot get a reasonable exchange for the francs they earn in France to send in lira to their families. I am told that is the principal reason why Italian laborers are not moving into France, where they are needed very badly, especially in the agricultural areas in southern France. They could make a great contribution to the increased production of agricultural products in that area.

Mr. President, if Senators will consider the situation in France and Italy, I think they would see that those two economies are fairly complementary, and that the difficulty should not be too great, that there would be a much larger market for industrial products, and therefore, according to our own experience, a reduction in the cost of production of those products, which would make them competitive in international trade, which would enable them to balance their payments.

It seems to me that those who fear the building up of a strong economic union in Europe are taking exactly the same attitude the Russians assumed toward a union in eastern Europe. There is a certain similarity. I do not mean to inject entirely the question of communism, but just keep it on the economic level.

The Senate will recall that a little more than a year ago the Balkan countries, the satellite countries, I think under the leadership of Tito in Yugoslavia and Dimitrov in Bulgaria started to form a union. They suggested it would be advisable to form a Balkan union, to get together to reduce their tariffs among themselves, and try to generate more trade. The Russian reaction was violently against that, and that was one of the first times when Tito fell out with the Kremlin. That was a variation from the accepted party line in Moscow.

The Russians do not want any union of those countries at all because that would confront them with a strong united area which could resist their pressures much more readily than is possible now. Now they have their relations, as Senators know, the bilateral agreements the Russians have made, I think, twenty-odd, with each country, and they like to treat separately with each country, because then Russia exercises its great power on each individual country, and obviously that puts Russia in a much more advantageous position.

I think we should clarify our attitude. Do we want a strong union, or do we not? If we agree with the Russians that it would be dangerous to our future economy to build up a strong union, we should not be indulging in the folly of an ECA, but should cut it off and let the countries go their own way. Then we would be in a much stronger position to go over and sell what we produced. At least we would not have competitors. Whatever they got they would have to buy from us. I suppose they cannot produce things like cotton and other articles which we might sell to them.

I assume that our objective is to create a strong Europe, and the only way I can see of creating a strong Europe is to have one unified economically. I do not think we should dictate the union; it should grow in accordance with the tastes of the countries. But I do not think there can be any doubt about the weakness of those countries economically before the war, much more after the war. They have lost the foreign investments which they relied on to balance their trade. They are gone, and I think they are gone forever. I do not think that for 50 years, or longer, they have balanced their actual exports and imports of goods.

The British had very large foreign investments, as did other countries, Belgium and France, for instance, which balanced their trade. But now they have lost them, and I do not think there is the slightest chance of their getting a balance of their payments. So I wonder what our attitude will be in 1952 when the ECA is supposed to end. If we followed the idea we now entertain, we would keep on giving these countries assistance, whatever it took. I think it would be a very poor policy to assume we would permanently support them. It would be much better to have them manufacture goods or raise commodities we could use. At least we would get some goods which would contribute toward our standard of living.

I do not see any end to what we are doing unless the countries are made strong economically, and to me that means they must be united. I do not see any other way.

I think it is a rather interesting coincidence that Russia opposes a federation so violently. I think that is one of the most persuasive reasons, when we see Russia, with Lenin in power, in the twenties, and now with the present regime, violently opposing a union, either of the western countries or the eastern countries. That is very persuasive to me that we are right.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

Mr. FULBRIGHT. I yield.

Mr. DONNELL. The Senator did not understand, did he, that I was opposing a European union? Did he not understand that my point was that this country has the business of attending to its own affairs, after it shall have contributed its money through the ECA, and that thereafter it has no function to go

about encouraging and giving incentive agreements and premiums to European countries to form either political or economic unions which we may think they should form? The Senator did not understand I was opposing a union, did he?

Mr. FULBRIGHT. I do not think as little about the money as the Senator does. It seems to me that when we raise this money from the taxpayers and give it away, we have an obligation to see that it is spent for some useful and profitable purpose. It does not seem to me we should take the money of the taxpayers and throw it away, and say, "We do not care what you do with it; whether it results in anything good or not is no affair of ours." I cannot accept that at all. There is a very deep obligation on us, if we are to give the money, to see that the money accomplishes something. That is the only difference between us.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. DONNELL. The Senator did not understand that I was advocating throwing our money away, did he?

Mr. FULBRIGHT. The Senator very plainly stated we should have no concern with what they do about it, or anything of the sort, that we should just give them the money and then leave them alone, and should not be concerned with whether they had a union or not, or whether it was effective or not. It seems to me the obligation to see that something beneficial for the long-time future comes out of it, is part and parcel of the undertaking.

Mr. DONNELL. Does not the Senator understand that my position is not at all hostile to the continuance of the ECA for the coming 2 years? Does he not further understand that my point was that after we shall have completed this particular task of rehabilitation it is not the proper function of our Nation to go over to Europe and by premiums or incentives seek to bring about political or economic unions which we think proper in foreign countries? Does not the Senator understand that to be my position?

Mr. FULBRIGHT. I understand the Senator's view. I just simply do not agree with him.

Mr. DONNELL. I understand that.

Mr. FULBRIGHT. I think it is a very shortsighted view that we should not do everything we can within reason to see that the program is a success, and that it results in a strong democratic group of nations which can, I think, make a more profitable and a more prosperous world economically, and a more secure world from the point of view of war. The ECA is one aspect of the same problem with which the Atlantic Pact is concerned.

I understood the Senator to say on Sunday last that he is opposed to the *Atlantic Pact* also. Well, all I can say is that I disagree with the Senator. The Senator is quite entitled to his view. But that is the military aspect of the problem. The matter we are now concerned with is the economic aspect of it. I think there is a political aspect in order to make a strong western world. All I can say is that the Senator and I just do not agree, and that is perfectly proper. The Senator from Missouri may well be correct, but it seems to me that in this program the least we can do is to encourage these people to take whatever steps they are willing to take that will contribute to a strong Europe. I do not know any better way to express the matter than that.

Mr. DONNELL. Will the Senator yield for one further question?

Mr. FULBRIGHT. Yes.

Mr. DONNELL. The Senator mentioned my statement of last Sunday. I assume the Senator referred to my statement made last Sunday afternoon on a radio program?

Mr. FULBRIGHT. The Senator from Missouri told me what I just said, in person. I did not have to rely on the radio program. The Senator told it to me directly.

Mr. DONNELL. What I said to the Senator personally is entirely consistent with what I said on the radio. What I said was, if I may put it in the form of a question, as follows: Does not the Senator know that the position taken by the Senator from Missouri is that the Senator from Missouri is endeavoring to keep his mind open, and to hear the arguments, to hear the views upon the question of the Atlantic Pact, and to vote, when the time to vote comes, as he then thinks proper? Second, however, that if the Senator from Missouri were required to vote at this time on the Atlantic Pact he would, as he has twice previously stated on the floor of the Senate, vote "nay." The Senator understands that to be the position of the Senator from Missouri, does he not?

Mr. FULBRIGHT. Yes.

Mr. DONNELL. I thank the Senator.

Mr. FULBRIGHT. I congratulate the Senator from Missouri. He always makes his position very clear, and that is perfectly proper. I am not quarreling with that position, except insofar as I just do not subscribe to it. It is a case of a basic difference as to the effect of our two experiences in two wars. I have the feeling about Europe, that after all, both those wars were generated there among these quarreling individual nation-states, and we had to get into them.

If I could forget about them and if I thought that we could, by having nothing to do with them, forward the cause of peace, I would join the Senator. I simply do not think it is a reasonable attitude in view of our experience. If they have another war I think we will have to be in it. I think if they remain as individual states, as they now are, and have been, they are very likely to have a war, either among themselves, or as a result of Russian attack. After all, both of these former wars did not arise from attack by Russia. They were generated by the frictions of these little countries themselves—that is, relatively speaking little countries. So it is quite possible that the frictions which arise out of these nation-states, without Russia, will generate another war, and if we build them up strong enough to make war, and leave them there in the same state they were before, I see no reason why the Senator would doubt that they are very likely to have war again, having had war twice in 25 years.

Even if there were not this great danger of Russia, I believe that once they get back on their feet, and the rivalry begins all over, they might very well end up in another war. It is too great an attraction. The existence of these small nations, feeble and unable to defend themselves, and struggling over the limited trade there, is just too great an attraction to an ambitious state, whether it be Russia or Germany to fish in those troubled waters. There is no doubt in my mind that if there is to be any salvation to Europe itself, or to ourselves in the sense that we are to avoid involvement in another war, or avoid another war, for that matter, something of this kind should be done.

Mr. DONNELL. Mr. President, will the Senator yield for one further question?

Mr. FULBRIGHT. Yes.

Mr. DONNELL. The Senator has been very frank and very honest, as he always is in his discussion. May I ask the Senator a question? Does he think it is advisable when the Atlantic Pact comes before the Senate that there shall be the fullest opportunity for investigation and study and examination by every Member of the Senate of that pact before the Senate shall act upon ratification?

Mr. McMAHON. Mr. President, will the Senator yield? I should like to answer the Senator from Missouri, if the Senator from Arkansas will permit.

Mr. FULBRIGHT. I will answer, and then I shall yield for the Senator from Connecticut to answer.

Mr. President, I think the fullest examination, under the usual procedures of the Senate, certainly is warranted. Now, if the Senator refers to the suggestion which he made that every Senator be given the right of cross-examination of every witness, to me that is a wholly unrealistic, impossible method by which to proceed. On the other hand I should like to say to the Senator from Missouri, because I assume that he himself is interested in doing some questioning, that I would be in favor of the Senator from Missouri having an opportunity to question any specific witnesses for a reasonably limited period. I do not think that either the Senator from Missouri or any other Senator outside the committee should be turned loose without restraint. But if he has a request which he should like to submit, to be permitted to ask questions of the Secretary of State, or someone else for a reasonable period, I think we could arrive at an agreement. When I say "we" I mean the committee and the Senator. I would have no objection to such a request. It is purely a matter of holding the examination to within what I call reasonable bounds as to time.

Mr. DONNELL. Mr. President, will the Senator permit another question?

Mr. FULBRIGHT. May I yield to the Senator from Connecticut first?

Mr. McMAHON. Mr. President, I should like to make the contribution, if that is what it might be called, that

if the performance in the last 2 weeks is any criterion of what we are going to face when the Atlantic Pact comes along, the Senator from Missouri need have no fears or apprehensions, for every opportunity will be given to ventilating every possible aspect of that treaty. I think the Senator is needlessly alarmed about that so long as he possesses the strength—and I am glad he has it—to appear here daily on the floor and to attack each and every aspect of the treaty or the matter in hand that he thinks should be attacked. I make that not by way of any criticism whatsoever.

Mr. DONNELL. I thank the Senator from Connecticut for his remarks.

Mr. FULBRIGHT. There is one little item I think the Senator from Missouri might be interested in which illustrates the kind of problem confronting Europe now that production in Europe is picking up. I read an AP dispatch from Geneva, Switzerland, dated March 17, as follows:

Nearly 2,000,000 metric tons of European coal and coke will find no market in the second quarter of 1949 despite a continuing fuel shortage, the United Nations Economic Commission for Europe said today.

Much coal, produced mainly in Poland, Belgium, and the United Kingdom, during April, May, and June, will remain unsold because of technical difficulties or because other European countries cannot pay for it. At the same time the United States will be called on to fill coal and coke deficits in western Europe totaling more than 5,000,000 metric tons. (The metric ton is 2,204.6 pounds.)

Officials of the Commission's coal committee, which allocates coal and coke to European countries, have been working on the problem for months. Despite their efforts, the apparent surplus for the second quarter of this year is greater than at any time since the end of the war while the European deficit, though gradually declining as Europe's production increases, is estimated at 5,220,000 tons.

That illustrates what a ridiculous economic situation exists over there, where currencies are not convertible. In one little country there is a surplus of coal which they would like to sell, but in the adjoining country, because they have none of the currency of that country, they cannot buy it. So we ship it from the United States at a cost of $21 a ton, $10 or $11 more expensive because of the freight. Yet there are 2,000,000 tons there that cannot be used.

I am not a real expert on these matters, but to me it seems a little silly to have that sort of condition. It is the type of thing that I hope we can solve by enabling those countries to have common currencies and abolish barriers to the free movement of goods, capital, and persons.

Mr. DONNELL. I thank the Senator.

Mr. FULBRIGHT. One reason for the delay in accomplishing the economic union instead of talking about it is that the embers of nationalism are still burning in many countries. British manufacturers and workers are very much like American manufacturers and workers in their reluctance to compete with goods from abroad. But another and even more important reason is that nations willing to take the risks of economic union do not have the financial means to bear the brunt of the initial dislocations that will be caused when customs unions or convertibility of currencies first take effect. For example, I am informed that in the opinion of European financial experts the initial impact of absolute convertibility of currency between Belgium and the Netherlands would result in immediate Dutch purchases from Belgium amounting to perhaps $100,000,000. This immediate strain on the Benelux financial structure is more than the countries concerned can support, and the date for putting convertibility into effect has therefore been put off.

Similarly, there have been recent reports that the Benelux nations are thinking of extending their proposed economic union by inviting France and Italy to participate. The Scandinavian nations are discussing similar arrangements. In each case one of the major difficulties will be to find the financing needed to meet the initial impact of union. After the initial impact has been withstood those nations should be able to carry the rest of the program by themselves and to share in the great benefits that economic union is bound to produce in Europe, as it has in the United States.

Mr. President, this is a field in which I believe the Economic Cooperation Administration can and should play a part. Because the European nations willing to try economic union cannot withstand the initial financial impact of measures such as customs unions and currency convertibility, ECA is spending additional hundreds of millions of dollars every year to finance the economic isolation of these countries.

How much better it would be if ECA used at least a part of its funds to help those European nations who are willing to help themselves by financing the initial impact of currency convertibility and customs unions for the countries which are willing to risk them. In my opinion, such a program would be a major contribution to the achievement of economic recovery in Europe.

The possibilities inherent in such an ECA incentive policy are tremendous. For example, with the chance of obtaining additional ECA assistance needed to make the program work, the Scandinavian nations might be encouraged to conclude their current discussions by forming a customs union and adopting free convertibility of currency, and France and Italy might in time do likewise. Once these combined trading areas have been formed and have developed some working experience, the possibilities of merging two or more combined trading areas into larger trading areas and eventually into a single European trading area will be enormously increased.

Such an ECA incentive program might substantially alter the present distribution of ECA allocations among the participating countries, but any such shift could only be a healthy one. Moreover, it is far more likely that after a brief period the shift would cancel itself out because each country would necessarily have to take those measures toward the single trading area necessary to increase or restore its own allocation. The cancellation of shifts along these lines will be far from negative in effect. On the contrary, it is likely that the present number of dollars allocated to each nation would be many times more effective and useful once all nations had taken concrete steps toward economic union. When and if this development should come to pass, it will follow that less dollars, rather than more, will be needed by Europe as a whole.

Mr. President, we have heard much about Europe's balance-of-payments deficit with the rest of the world. I do not wish to minimize that deficit, and I agree that Marshall-plan funds must be used to eliminate it. But I do not think we should ignore the relationship between Europe's deficit versus the rest of the world and the unnecessary and wasteful balance-of-payments problems that have arisen in Europe itself because of the policies of economic isolation practiced by many European nations and the lack of any sustained drive toward economic union. If Europe were a single trading area—as the United States is a single trading area—that fact alone would probably increase Europe's productivity so much that its balance-of-payments deficit with the rest of the world would be reduced by half.

Mr. President, we have heard much talk about pouring our money down European rat holes. I do not believe such talk, and I believe that we are using our money in Europe for a very good purpose. But I am not convinced that we are using our money as efficiently as we might. I am not convinced that we are doing enough to assist and encourage the measures for economic union which all countries talk about and which most countries hesitate to put into effect. The only way to begin is to begin. Let us experiment with a small part, say, 5 percent of the authorized ECA appropriation. Let us use this 5 percent to help European nations who are willing to take a chance—those who are willing to risk the temporary dislocation of economic union in order to obtain its long-range benefits. Let us help those who are courageous enough to start walking now along the road which this Congress believes is the only true road to recovery—the road toward the unification of Europe.

I say that in view of the amendment which has already been approved by the committee.

Mr. President, in line with the suggestion made by the senior Senator from Michigan, I should like to modify my amendment to read as follows:

(c) Section 114 (c) is further amended by adding at the end thereof the following: "The Administrator is authorized and directed to set aside a portion of the funds hereby authorized to be appropriated when deemed practicable by the Administrator, and to make additional allocations out of such fund to finance the transfer of commodities and services required to carry out specific measures of mutual assistance taken by two or more participating countries looking toward the closer economic cooperation of such countries."

Mr. President, I intend to yield the floor very soon. I simply wish to clarify the language.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. FULBRIGHT] as modified.

Mr. MAYBANK and Mr. LODGE addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina is recognized, inasmuch as he first addressed the Chair.

Mr. MAYBANK. I suggest the absence of a quorum, Mr. President.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

Mr. LODGE. I point out to the Senator that for several hours I have been trying to obtain the floor.

Mr. MAYBANK. Then, Mr. President, in justice to the Senator from Massachusetts, I withdraw the suggestion of the absence of a quorum, if he desires me to do so. I wish to point out, however, that there are only a handful of Senators on the floor at this time. The Senator from Arkansas [Mr. FULBRIGHT] has raised some very important questions and I know the Senator from Massachusetts will do likewise. Therefore, I would suggest the absence of a quorum, because although it is now only 7:30 p. m., there are only a handful of Senators to listen to the debate. I suggest the absence of a quorum only in justice to the Senator from Masachusetts, of course.

Mr. LODGE. Mr. President, it is very courteous of the Senator from South Carolina, and I appreciate it. But I have very little pride of authorship in anything I shall say. I have been waiting for such a long time to obtain recognition, that I do not ask for a quorum call. However, I appreciate the courtesy of the Senator from South Carolina in suggesting it.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. LODGE. I yield,

Mr. MAYBANK. My only purpose in suggesting the absence of a quorum was to have a larger attendance of Senators to hear the remarks of the Senator, because at the present time, at 7:30 in the evening, there are only a few Senators on the floor. However, Mr. President, if the Senator from Masachusetts desires that I do so, I withdraw the suggestion of the absence of a quorum.

The PRESIDING OFFICER. The Senator from South Carolina withdraws his suggestion.

Mr. LODGE. Mr. President, that is very courteous of the Senator from South Carolina, and I appreciate his kindness.

I shall make only a few remarks about this matter. If other Senators are interested, I imagine that they will enter the Chamber and will hear me. But I do not wish to disturb any of them.

Mr. President, although I disagree with what the Senator from Arkansas is proposing, I wish to begin by commending him for the zeal with which he has for years been propagating the doctrine of an integrated Europe. I remember the Fulbright resolution, of which he was the author in the House of Representatives; and I think he has had a stimulating and educational effect on public opinion.

I regard him as quite a master in the use of words and the fact that he has been unable to find words to express what he wishes to do in this instance, is to me a strong indication of the fact that his amendment really lacks substantial merit.

The Senator from Arkansas says there are two classes of people or two schools of thought in the United States, insofar as this amendment is concerned: First, those who are opposed to an integrated Europe because they are afraid of commercial competition, and wish to continue with a so-called "Balkanized" Europe; and, second, the group of people, such as the Senator from Arkansas who favor an integrated Europe. However, I suggest that there is a third category, namely, those who favor an integrated Europe, but oppose the method proposed by the Senator from Arkansas for achieving it. That is the group to which I belong.

Mr. President, I favor his objectives, I think it would be a wonderful thing if we were to see an integrated Europe in which the standard of living was higher, in which the capacity to resist military aggression was greater, which would mean that the world no longer confronted a power-politics division between two great powers, such as we see today. Then there would be a world in which we would have what is called a third force, a European complex in which there would be some degree of economic, military, and political unification. In fact, I go even further: I think it would be a crying shame if the Marshall plan came to an end and found Europe still the same old row of tenement houses and fire-traps which have been there in the past and have been the immediate cause of two world conflagrations.

As a citizen of the United States and as a Senator, I favor the unification of Europe, and I never lose a chance to agitate for it. I have tried to encourage our own officials to do what they could, through the power of personal influence and suggestion, to encourage it; and many times I have said to some of the people of Europe that if they do not make some real progress toward achieving a unified Europe, the American people and the Congress of the United States will have a strong sense of disillusionment and will feel that one of the fundamental underlying purposes of this whole project will have failed of realization.

The present law on this subject has some good things to say about economic cooperation in Europe; and now we are proposing to amend the law, by means of this bill, as shown in line 6, on page 1, where we would add the words "to encourage the unification of Europe." Also something has been accomplished toward unification, although not as much as we would hope for. However, the Office of European Economic Cooperation has made some progress; it has taken some steps which, although very small when viewed from the United States, nevertheless are quite significant when viewed from the European standpoint. For example, until the Office of European Economic Cooperation was set up, it was practically impossible for a truck load of merchandise to go from Holland to Italy without being completely unloaded and then reloaded at every frontier. But after a tremendous amount of pulling and hauling, the Office of European Economic Cooperation has ended that practice, and now a loaded truck can be sent from Holland to Italy without having to be unloaded and reloaded at the frontiers; now it can traverse that route in much the same way that we can send a truck from Boston to Philadelphia. That may not seem like a great deal to us, but it is a great deal over there.

I think the progress which has been made has been disappointing, and I hope they do much better. I certainly do not wish the refusal of the Senate to adopt the amendment of the Senator from Arkansas to be interpreted in any way as an indication on our part that we would not welcome the unification of Europe. If we do reject the amendment—and I hope we do—it must be understood that we do so, not because we disapprove of its purpose, but because we think the method it proposes is not what it should be—and would defeat its stated purpose.

I believe that Mr. Hoffman is deeply impressed with the desirability of European integration. I deny the accuracy of the description of the Senator from Arkansas that the program at the present time is "financing economic isolation," to quote his words. I think that is a totally erroneous description. I think as much encouragement as can be given is given by the language of the law. But, Mr. President, there are some things which it is just as well not to spell out. There are some things by which we stand to lose more than we stand to gain if we begin to spell them out. If we say that we desire to set up a premium to be paid as a reward for union, then I think we lay ourselves open to the charge that we are trying to buy unification; that Uncle Sam, or Uncle Shylock, or whatever the Communists choose to call us, is simply going into the market and is crudely putting down the almighty dollar, to get these people together.

Mr. President, if history teaches us anything, it teaches us that attempts to unify Europe by external compulsion have never worked. We can go back in history as far as the time of Atilla, the Hun; or Genghis Khan; or Charlemagne; or Napoleon; or Hitler, and doubtless there are a great many more like them—those who have tried to unify Europe by external compulsion. But it simply has not worked. Such unification must be a process of growth; it must come from over there. Slow as it is—and we can say we think it is terribly slow, and that we are disappointed in the progress—yet I think we would defeat our own purpose if we were to undertake to write into this law a premium for unification. In my judgment, such a procedure on our part would play directly into the hands of the Communists. It is not hard for us to imagine the "line" the Communists would adopt if we were to embark upon such a policy. It would look like bribery. They would make it look like an exercise of improper influence.

For these reasons, Mr. President, and not because I am not in favor of European unification—which I am—but be-

cause I think the amendment will defeat its own purpose, I have risen in opposition to the amendment.

Mr. PEPPER. Mr. President, if I may say just a word, I feel about this matter largely as the way the Senator from Massachusetts has just expressed himself. I should like to add however, I seem to sense that there is altogether too much disillusionment about what may become possible through the United Nations. It is a name so little mentioned, and so seldom mentioned with favor, that sometimes I suppose it is shocking for one to say that he still relies upon it with considerable faith. But I had certainly been one of those to hope that the United Nations might be a home where all nations and peoples might find happy residence and accord. I have not abandoned that hope yet. We had in the United Nations organization the instrument by which peoples might be brought together more closely economically, culturally, politically, and spiritually. When I say the United Nations, I mean the organization and its subsidiary and affiliated associations and instrumentalities.

It seems to me, Mr. President, when we speak of social and economic cooperation, that the Economic and Social Council is a medium through which both those aspirations might well be achieved. Certainly through the instrumentalities and subsidiary associations of the United Nations it is possible to lower trade barriers, to stabilize currencies and even to make them convertible, to make possible the free interchange of goods and services and travel, and to bring great nations and hosts of people together into such intimacy and harmony that they can truly be said to be living in union one with another. But, Mr. President, the idea that there must be some kind of amalgamation of the several nations into some sort of entity seems to me to be more than we have any reason to expect.

I recall the dramatic gesture Prime Minister Churchill made to France on the verge of France's fall, when he offered to the French Republic actual union with the United Kingdom. I suppose that is the kind of union which some of the advocates of union have in mind. I am not at all sure that that kind of union is the thing that we may expect in the future. I have heard it suggested that there should be a union of the United States and Canada. When I recall the difficulty our friends, the Canadians, have had in having a perfect union of some of the divergent elements of Canada itself, I have not thought the situation could be made any more perfect by adding us to the number, or them to us.

I am willing to go a considerable distance in the admission of new States into the Union, although, the further afield we go, the greater the difficulties and problems encountered, when there is a lack of geographic propinquity, continuity, proximity, or contiguousness. Then, when there are different backgrounds and other conditions, it makes actual union a little more difficult than might appear upon the surface.

I do not know whether it would be a good thing for Europe to have the kind of union we have; I mean the sort of union that would make one nation out of them all, or out of more than one of them.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. PEPPER. Excuse me, please. It might be that would be giving up something that might be worth preserving, and I foresee it is unlikely that in the predictable future the whole number can become a single political entity—or perhaps any more than one—able and willing to merge their distinct features into a single political organism. I now yield to the Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, does the Senator feel that the Benelux movement is a bad thing?

Mr. PEPPER. On the contrary, I think it is an excellent thing. But it is the kind of thing I foresee as the course of the future rather than breaking down the lines that demark the boundaries of a country, breaking down the unity of nationality which they possess, and trying to telescope several peoples in several countries into a single nation. Perhaps I am in error, but I had not understood that the Benelux association makes those countries a single nation. Am I in error in that surmise?

Mr. FULBRIGHT. No; but the purpose of the amendment—I do not know whether the Senator was here when it was presented——

Mr. PEPPER. Yes, I heard a good deal of the debate.

Mr. FULBRIGHT. The purpose of the amendment is to assist specifically two of the principal countries. There is not much difficulty with Luxemburg, but it is to assist Belgium and the Netherlands, for example, to achieve the objective of Benelux a little more quickly and easier. They have already undertaken it. That is the only purpose of the amendment. The amendment very carefully is not advocating political unity. I have another amendment that pertains to that. The Italians and French are undertaking a very similar trek.

Mr. PEPPER. Yes; I heard the Senator give the illustration relative to the automobile companies.

Mr. FULBRIGHT. The purpose is to help them. If we are opposed to it, that is one thing. If we are in favor of it and think it is a beneficial thing, that is another. A part of the money, as determined by the Administrator, can help them solve certain of their problems in that connection. That is all in the world the amendment proposes.

Mr. PEPPER. Mr. President, there are two distinct things. One is the idea of unity and union, about which I have heard a great deal, and to which I was addressing myself. The other is the amendment. I am perfectly agreeable to the modified amendment, because I do not think it proposes to do anything, or to authorize the Administrator to do anything that could not have been done without it. I do not know of any new power or authority it gives the Administrator that he did not possess or could not have exercised without it. However, if the Senator thinks it clarifies the authority of the Administrator a little bit, or puts a little further emphasis upon the purpose, I certainly see no objection, because what is in the amendment is obviously what we are trying to achieve.

Mr. FULBRIGHT. Mr. President, will the Senator yield for a question?

Mr. PEPPER. I yield.

Mr. FULBRIGHT. I stated practically what the Senator from Florida had said, in the beginning of my remarks. I think the Administrator has authority to do it, but I think he has not done it at all. That may be due to his interpretation of the objective. The amendment contains rather a statement of policy than anything else, that this is the sort of thing we would like to see done, and we authorize him to do it. I agree with the Senator, he may do it now, if he wants to; but I know of no instance of his attempting to do it.

Mr. PEPPER. Mr. President, I want to see the greatest possible cooperation among the participating countries. That is what we made a condition of the ECA plan when it was initiated. We said they not only had to do all they could to help themselves, but they had to work cooperatively with one another. It is marvelous the cooperation they have achieved in working out and blending their needs and submerging their differences and in presenting their requests, which have had such harmony and accord, as the requests exhibited.

I am in favor of that to the limit. But, Mr. President, so far as I am concerned, I do not want to be associated with any declaration of policy that seems to contemplate more than the most intimate cooperation, the most cordial and sensible working together of those nations and peoples. I do not myself want to be associated with any sentiment—and there is a good bit of it in the country, and some in the Congress—that seems to be pressing upon Europe in an effort to squeeze it into a compact single entity. I am not in favor of that. That is the reason I felt that if the amendment should be adopted, it might be well for those who care to do so to express themselves as clearly as might be possible.

I think the ECA has achieved wonders in bringing together the nations of western Europe into cooperation one with another, and I am hopeful that when ECA comes to an end they will continue to cooperate, because they will see what a valuable lesson they have learned by such cooperation. As a matter of fact, I asked when the hearings were in progress, "Is it not to be hoped that the example of cooperation which Europe has set under the ECA may move all the nations and peoples of the world into some similar cooperation in the vast institution of the United Nations itself?" I still look forward to that; but I do not want to be understood as trying to coerce or to telescope all these nations into one by any sort of pressure from this country.

Mr. WATKINS. Mr. President, will the Senator yield for a question?

Mr. PEPPER. I yield.

Mr. WATKINS. Does the Senator agree with me that probably the incentive to get together as one group and to work as one group must come from within, rather than from any reward from the outside?

Mr. PEPPER. I think that is the only way it can be done upon a satisfactory basis.

Mr. WATKINS. In other words, if their necessity is so great that they cannot do business, in producing coal, for instance, the necessity itself will force them to get together and will hold them together better than will any financial reward we might offer them in the way of an incentive. Is that correct?

Mr. PEPPER. The Senator is entirely correct. As a matter of fact, the economy of the earth—not merely the economy of a few nations—has taken on a singleness of pattern, so that there is no part of the globe which can live and progress distinct and severed from the rest of the globe. Even America cannot be prosperous unless our economy is a part of a prosperous world pattern. So it seems to me that the inevitable and remorseless pressure of circumstances is forcing a sort of unity between many regions and among all the nations of the earth. That is what I hope will show itself in the United Nations organization.

Mr. WATKINS. Mr. President, will the Senator yield for a further question?

Mr. PEPPER. I yield.

Mr. WATKINS. Is it not a fact that it was the force of necessity which brought together, the 13 colonies, rather than the hope of any reward?

Mr. PEPPER. I have no doubt about that.

Mr. WATKINS. Necessity brought them together so they could live and maintain themselves.

Mr. PEPPER. I have no doubt about that at all.

Mr. FULBRIGHT. Mr. President, I should like to refer to the point which the Senator from Utah made. In the case of the original states there was no outside entity removing the necessity. One thing the Senator ought to consider, I think, is the fact that we are supplying, through ECA, many of the necessities, and paying the deficits of some nations. I think the Senator from Utah heard the statement I made a moment ago regarding surplus coal in Europe. Because those countries lack exchange, we are sending coal over there, although there is, in some countries, more than they can use. We are removing the necessity to which the Senator has referred. If those nations do not do any more in the next year than they have done, I do not intend to vote for an extension of ECA, because, instead of uniting, they are building up their national economies as individual and separate nations. I think the Senator's idea that necessity will do the job is a very good one, although our program is not encouraging that very natural motive to play its part.

Mr. WATKINS. Mr. President, may I say that I agree with the Senator from Arkansas in his observation, that probably what we are doing in furnishing them coal from the United States, when they have coal, is taking away the necessity which would force them to get together so that they would get the coal for themselves. I am wondering if, in the administration of ECA, our Administrator should take that into consideration and say, "You are producing more coal than you have markets for. Do not depend entirely on us."

Mr. FULBRIGHT. That is what I have been talking about. Countries must have the currency with which to purchase it, or else we must give it to them.

Mr. WATKINS. Can they not agree on their currency?

Mr. FULBRIGHT. They have. The purpose of my amendment is to enable them to do that very thing. It requires more than an agreement out of thin air. They have got to accomplish it by actual economic adjustments in their economy.

Mr. WATKINS. Mr. President, will the Senator yield further?

Mr. FULBRIGHT. I yield.

Mr. WATKINS. I am very much in the position of the Senator from Colorado [Mr. MILLIKIN]. Will the Senator point out in a practical way how his amendment will bring about the desired condition?

Mr. FULBRIGHT. I do not know how to be any more practical than to say, as an example, that the Netherlands and Belgium have agreed to work toward an economic union.

Mr. WATKINS. Have they adopted a common currency?

Mr. FULBRIGHT. No.

Mr. WATKINS. What is to prevent their doing that? We are not stopping them, are we?

Mr. FULBRIGHT. I tried to make that clear. I hate to delay the Senate any longer. There are great difficulties in making a currency convertible or in making a common currency. There would be very great dislocation, for the reason that the currency in Holland is a very weak currency, supported by domestic requirements, rationing, and so forth. Their currency does not have a value to it, such as our currency has, or as has the Belgian franc. If it were said tomorrow that the currency was convertible, there would be an immediate demand for the products of Belgium. It has been estimated by quite good authority that it would amount to $100,000,000. That is an estimate, but there would be a very great demand upon the Belgian economy which it could not stand.

The only purpose of my amendment is to enable them to stand it. I mean that if the Netherlands were given the right to do so, it would purchase all kinds of goods which are not obtainable in Holland. That is what it would amount to. It would put a great strain upon the Belgian economy. It would mean that Belgium alone would practically guarantee the currency of the Netherlands and her balance of payments. It seems to me to be just as legitimate and proper an objective for us to use the funds which we are going to spend any way. My amendment does not require any additional funds, merely the funds we already have. Instead of building new plants in Norway and new textile factories in Great Britain, we say, "You are already in the process of doing this." What we do in that case is to give more money to Belgium to enable her to furnish products to the Netherlands so she can absorb the shock of the demand upon her economy. It is believed that once that initial demand for durable goods is satisfied, a sort of saturation point will be reached, just as in our own economy, in many lines. The currency should remain convertible, because their economies are more or less complementary.

Mr. WATKINS. As I understand, the Senator would make the currencies convertible through the use of United States dollars. Is that correct?

Mr. FULBRIGHT. What we do in that case is to reimburse the Belgians for the demands by the Dutch, whose currency is not worth what the Belgian currency is.

Mr. WATKINS. That is practically what I said a moment ago, that we would make our currency the common currency between them.

Mr. FULBRIGHT. That is another way to put it, but it seems to me that is a much more beneficial way than to proceed to build these plants in each country. It is not a question of "you do this or nothing at all." It is merely a shifting from one activity they are now pursuing to this one. If this called for an additional appropriation, or was a case of our projecting ourselves into a situation we were not now in, it would be an entirely different thing. I do not know that I would ever think of bringing it up in that case. But all we are doing is shifting from the program which calls for building all sorts of industrial undertakings. They even are contemplating the electrification of all railroads in Europe, assuming this program goes through.

Mr. WATKINS. Does the Senator mean under ECA?

Mr. FULBRIGHT. Certainly. That was in the report. They have not done it yet, but it was intimated in one of the reports that if everything went well in Congress, and so on, they might electrify all Europe. That conserves coal. They forget that coal is one of the things of which they have a large supply. But there are all kinds of projects like that contemplated, the steel plant in Norway, and various other things. What is suggested is a more efficient way of spending the money. That is the point I hope I have impressed on the Senate.

Mr. WATKINS. What I desire to find out is whether there is any practical way to accomplish that under the program. I agree with the Senator from Massachusetts that the objective is desirable, but I have not been able yet to see in the Senator's program a practical way to make it work.

Mr. FULBRIGHT. How practical is it when we pay the deficit of Great Britain? We have tentatively agreed to give them $940,000,000. What is practical about that? It is a very impractical thing to hand over $940,000,000.

Mr. WATKINS. It is from my viewpoint.

Mr. FULBRIGHT. All we do is hand them the money, and they will use it to

purchase goods they sell to their people. What is practical about it? This whole thing is not practical in that sense.

Mr. WATKINS. It is not on a business basis.

Mr. FULBRIGHT. I do not see how we can apply the ordinary concept of practicality and economy to this whole program. The Administrator looks at these things and decides which one he thinks is the most beneficial, and follows it.

I have no great criticism of it, as long as it is under the program which has been followed, that is, looking at each economy, trying to build up that economy, paying for the necessary food, and so on. I merely think that at this late date, especially when two of the major segments, these two pairs of the great countries, wish to pursue this other policy, it would be more economical; and I stress "more" because it is more practical, if you please, than the other approach. That is all there is to this.

I think that in the long run it would probably result in a saving of money, because these two countries, once they are together, would be more likely to balance their payments, and therefore make necessary smaller payments next year and the next and the next. Really no reasonable person, in my opinion, honestly believes the countries' payments are going to be balanced in 1952. I asked that question of nearly everyone, from Mr. Hoffman on down, and they would not say, "Yes; I believe they will be in balance." They did say, "That is our assumption." In other words, "We hope it will be and assume it will be." None of them say, "Yes; I firmly believe they will be in balance." The implication is very clear that this program will go on for an indefinite period. The more quickly we make the countries efficient, the more likely we are to quit paying out this annual dole. That is the only purpose of the amendment. It is not anything very radical or strange at all.

I admit that I think Mr. Hoffman could do what is proposed without the amendment, but I think it would be a very beneficial suggestion as to policy if the Senate adopted it. That is about its principal significance. It is a suggestion of policy.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hill	McFarland
Baldwin	Hoey	McKellar
Butler	Holland	McMahon
Cain	Hunt	Magnuson
Chapman	Ives	Millikin
Connally	Jenner	Mundt
Cordon	Johnson, Colo.	Murray
Donnell	Johnston, S. C.	Myers
Douglas	Kefauver	Neely
Ellender	Kem	O'Conor
Ferguson	Kerr	Reed
Flanders	Kilgore	Robertson
Frear	Knowland	Saltonstall
Fulbright	Langer	Schoeppel
George	Lodge	Smith, Maine
Green	Long	Sparkman
Gurney	Lucas	Stennis
Hayden	McCarran	Taft
Hendrickson	McCarthy	Taylor
Hickenlooper	McClellan	Thomas, Utah
Thye	Watkins	Williams
Tydings	Wherry	Young
Vandenberg	Wiley	

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Sixty-eight Senators having answered to their names, a quorum is present.

Mr. LUCAS. Mr. President, it seems to me we ought to be able to secure some agreement as to limitation on debate on the amendments. We have been debating the bill and the amendments now for some 12 or 13 days, and I hope there will be no objection to the unanimous consent request I am about to submit.

Mr. President, I ask unanimous consent that no Senator be permitted to speak longer than 20 minutes on any amendment or motion that may be pending, or on any amendment or motion that may be proposed to the pending measure.

Mr. LANGER. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. LUCAS. Mr. President, may I ask, what is the pending amendment before the Senate?

The PRESIDING OFFICER. The question is on the amendment lettered "C," as heretofore modified, offered by the Senator from Arkansas [Mr. FULBRIGHT].

Mr. LUCAS. Mr. President, I ask unanimous consent that the following committees be permitted to hold meetings tomorrow during the session of the Senate: The Committee on Banking and Currency, the Committee on Expenditures in the Executive Departments, the Committee on Interstate and Foreign Commerce, the Committee on the Judiciary, and the Committee on Post Office and Civil Service.

The PRESIDING OFFICER. Is there objection?

Mr. TAFT. I object. I think any such wholesale performance is not justified.

The PRESIDING OFFICER. Objection is heard.

Mr. LUCAS. Mr. President, I hope we can finish this bill tonight. I think most of the Members on this side of the aisle are willing to stay here until we finish it.

Mr. WHERRY. Mr. President, may I inquire of the majority leader how long he intends to keep the Senate in session tonight?

Mr. LUCAS. Until we finish the amendments, if we cannot get a limitation of debate. We are very anxious to finish the bill, and we feel that sufficient time has been spent on the bill. We feel that the remaining amendments are not too important, perhaps—they may be important to some Senators—and we would like to finish tonight. I think we can stay here and probably finish by midnight.

Mr. WHERRY. Is it the intention of the majority leader to stay here if it takes all night?

Mr. LUCAS. That is correct.

Mr. LANGER. Mr. President, I wish to make it plain that I have not taken any time at all in the discussion of the $5,000,000,000 bill. I intend to offer an amendment; and so long as I now have the floor, I might as well do it now.

Mr. President, I invite the attention of the Senate to the report of the Joint Committee on Foreign Economic Cooperation, printed for the use of the Joint Committee. I call attention to page 5. I invite the attention of the Senate to the fact that the President requested the Secretaries of the Army, State, Agriculture, Interior, and Commerce to nominate representatives to make representations as to the possible retention of plant schedules for dismantling in the three western zones of Germany. Part of this report, on page 5, reads as follows:

> These facts suggest that after the beginning of ECA the presumption should be that plants remaining in Germany should be left there unless it can be shown that (1) they are war plants or (2) that they would make a demonstrably greater contribution to production in some other country than Germany.

I ask every Senator to mark this recommendation by the President's own appointees.

> The significance of our past commitments to other countries should be appraised in the light of present conditions. If our agreements alone are considered, the United States "owes" the liberated countries reparations from Germany. The United States does not, however, owe both reparations and Marshall plan aid.

If this bill goes through they will be getting both. The President's own advisers said that that should not take place.

> In any future appropriations for the ECA a portion could be set aside to buy the claims of the participating countries for German reparations; that is, the European countries require a given amount for dollar aid. In return for a part or all of these dollars the United States asks these countries to surrender their reparations claims. It would then be up to each country to decide whether it would rather have the dollars or the reparations. We could then make whatever disposition of the plants involved seemed desirable to us.

On page 2 is given a list of the plants in Germany. They are given by zones, for the United States zone, the British zone, and the French zone. At that time there were 186 plants in the American zone, and the destruction of 81 percent of them had been completed. In the British zone there were 405 plants, and one-third of them had been torn down. In the French zone there were 233, and 30 percent of those had been torn down.

Mr. President, on June 4, 1946, I delivered a speech in this Senate Chamber entitled "Is America today a peace-seeking nation?" At that time, I called attention to the confusion and double-talk which marked the "Statesmanship" of our times by saying:

> There has been so much said about America's new obligations in international affairs, and such a terrible misrepresentation of what is actually happening to America in the process of meeting those obligations, that I cannot permit another moment to go by without challenging again the completely false doctrine and the false philosophy which is destroying America, both from without, and from within.
>
> Until our foreign policies, our dealings with other people, and our external relations with all the other nations of the world are firmly rerooted and reestablished in traditional American concepts and practices, America as we have known it is doomed.

Mr. President, today we are confronted with a request for additional funds to extend American aid under the Economic Cooperation Act of 1948 to western European countries.

This administration has no hesitancy about making public its requests for continued American grants and gifts to other nations. And it has no hesitancy in continually assuring us, not only that our vital American principles and interests are to be secured with these funds, but also that each expenditure constitutes another progressive step in the process of an overall strengthening of our vital interests and security. It is alleged that we must spend this money for the security of the United States.

Yet, Mr. President, it is obvious that this administration strategy is increasingly less convincing to those who are now terribly concerned as to what has really been going on in our international affairs.

Is it not alarming to discover that this request for additional ECA funds is only another request for deficiency appropriations to bail out this Administration from the terrifying consequences of a long series of secret agreements, which the United States Senate has never even had a chance to discuss, much less, to ratify, amend, or repudiate?

For 2 years I have asked that those agreements be made public. I have asked that the Senate be allowed to see them, but up to the present time we have not seen them. I doubt very much whether more than one or two members of the Committee on Foreign Relations of the Senate have ever seen them.

Mr. President, I wish to repeat my statement that this request for additional ERP funds is only one of a long continuing series of administrative requests for deficiency appropriations to bail out of bankruptcy its foreign policies to date. Again, let me say that each one of these requests has been made against the background of the most outrageous secret diplomacy in American history.

Mr. President, I want at this time to put this new request for ECA funds in its proper setting. I am quoting from a report of the Committee on Foreign Relations, S. 2202, of February 26, 1948, entitled the "European Recovery Program," which reveals that since the end of the Second World War the following American grants, gifts, loans, and credit have been extended just to Europe:

Credits and loans: Interest-bearing credits and loans include (1) the loan to the United Kingdom of $3,750,000,000, authorized by Congress in July 1946; (2) two Export-Import Bank reconstruction loans to France, one of $550,000,000 in September 1945, the second of $650,000,000 in June 1946; (3) sale of United States surplus property abroad and surplus merchant vessels on long-term credit, to France at a credit of $300,000,000, and to Italy at a credit of $160,000,000 for purchase of surplus property in Europe, and $42,000,000 to each for the purchase of merchant vessels; (4) lend-lease settlements and pipe-line credits. In the period from July 1, 1945, to June 30, 1947, the United States Government authorized repayable loans and credits to the Paris Conference countries of $7,353,000,000 in all.

Grants and relief: Grants and relief include (1) UNRRA, toward which the United States contributed $2,700,000,000; (2) United States foreign-relief program, including an authorization of $332,000,000 in July 1947, and a donation of $15,000,000 to the International Children's Emergency Fund; (3) interim aid to Austria, France, and Italy, in the amount of $522,000,000, enacted in December 1947; (4) Greek-Turkish aid, to the amount of $400,000,000; (5) relief of occupied areas; (6) lend-lease aid not repayable. In the period from July 1, 1945, to June 30, 1947, the United States Government authorized assistance under the programs listed above of some $1,943,000,000, allocable to certain of the Paris Conference countries. A further $767,000,000 allocable to German relief, and $481,000,000 not allocable to specific countries in Europe but intended almost entirely for the Paris Conference countries, were authorized, making a total of $3,191,000,000, to which interim aid should be added, making the total as of December 31, 1947, $3,788,000,000.

Thus loans, credits, grants, and relief to the Paris Conference countries and Germany authorized in the period July 1, 1945, to December 31, 1947, totaled a little over $11,000,000,000.

To this must be added, Mr. President, the additional billions which have been furnished under the first year's operation of the Marshall plan.

Mr. President, today three of the leading bankers of North Dakota, three of the top bankers of my State, happened to be in Washington attending a bankers' conference. They came to the Capitol, and I chatted with them. I said to them, "I just want you three gentlemen to guess the share of Fargo, N. Dak.—the place of residence of one of the bankers, and a city of 32,000—"in the cost of the Marshall plan plus the cost of the other aid we have been giving Europe."

Mr. President, do you know what the highest guess was? The highest guess was half a million dollars, when as a matter of fact the share of Fargo, N. Dak., has been figured by the Library of Congress as being over $10,000,000.

I say in all sincerity, Mr. President, let the people of the United States figure out what all this foreign aid and all these foreign grants and gifts mean to their particular localities. Then let some of the Senators who are in favor of shoveling out this money with scoop shovels go home and face their constituents, and let them stand for reelection.

Mr. President, let me tell you further that I happen to be in the very, very fortunate position of not having the least objection to mailing—and I intend to—to every county in the United States and every county seat of every county in the United States a statement of exactly what the share of those poor people in all these foreign gifts and grants amount to. Then let the ones who voted for that go home and face those people, as in my judgment they should face them.

How well I remember when after World War I—and we have only to read the RECORD about it—after Mr. McAdoo sent several million dollars across the water, three years later Senator after Senator rose on this floor and apologized for having voted to have that money sent there. They apologized to the people of America.

Mr. MALONE rose.

Mr. LANGER. Mr. President, I shall not yield until I complete my remarks.

I am perfectly willing to take my stand, as I am taking it tonight, and let the responsibility for this matter be cast, first of all, on the Democratic Party, and then upon those Republicans who wish to join in giving away the substance of America.

Mr. President, is it not a cause for alarm that these continuing requests for American grants and aid continue to be projected on the basis of secret agreements, when not even the Members of the Senate Foreign Relations Committee know what they are, and cannot get them? Mr. President, I should like to be on that committee. If I were, I would never vote to report to the Senate a bill of this sort, unless the Department of State made public the secret agreements, at least to the Senate of the United States. I say that the administration does not dare bring out these secret agreements for action by the Senate.

It is little wonder, then, Mr. President, that the administration's hope for a successful peaceful solution to the world's perplexing problems continues to deteriorate, in direct proportion to these increasing requests for American financial, economic, and military aid.

Something has gone terribly wrong when out of one side of their mouths our American statesman pour optimistic assurances about how this continuing aid is leading to a peaceful solution of the terrifying problems into which they have gotten us, while out of the other side of their mouths they clamor for a tremendous increase in armaments to secure the peace, which, they say, their peaceful attempts cannot achieve. Nowhere in this double-talk, Mr. President, so clearly revealed as in the fact that while, on January 16, 1948, Secretary Royall told the House Foreign Affairs Committee that the American people had to choose between the Marshall plan, or a return to selective service and military preparedness, yet now we are told we have to have both.

Underlying this appeal for new Marshall-plan funds, Mr. President, is a violent contradiction between the administration's words and its acts—a contradiction which has been in existence for years, and which, if it is not resolved, will prove to be a curse not only to us but to generations of Americans yet unborn.

Mr. President, time does not permit a complete over-all analysis of every aspect of this dilemma. Therefore, I wish to limit myself to a discussion and analysis of just one aspect, namely, that of the role which our policy-makers have assigned to Germany in this whole question of the reorganization and reconstruction of the European economy. We have plenty of assurances, Mr. President, plenty of solemn promises, plenty of administration statements of objectives concerning an agreed-upon policy toward Germany's future. Not the latest of these is incorporated in the Economic

Cooperation Act of 1948, which in section 115 (f) instructed the Administrator—

To request the Secretary of State to obtain the agreement of those countries concerned that such capital equipment as is scheduled for removal as reparations from the three western zones of Germany—

And note these next words—

be retained in Germany if such retention will most effectively serve the purposes of the European recovery program.

Mr. President, that is incorporated in section 115 (f) of the Economic Cooperation Act of 1948.

On February 14, 1949, Mr. N. H. Collisson, Deputy Chief of the ECA Mission to the United States, United Kingdom, Occupied Areas of Western Germany, told the Foreign Relations Committee that—

The Economic Cooperation Administration recognizes that the recovery of western Germany is essential to the peaceful recovery and rehabilitation of those countries in western Europe participating in the European recovery program. It is generally accepted that this community of nations pledged to mutual aid cannot achieve recovery without the help which Germany can and must contribute.

Yet what are the facts underlying these assurances by the ECA staff? If we turn to page 32 of the hearings on the extension of the European recovery program, we find that the ECA recommendations of appropriations for Germany's recovery are based on the level-of-industry agreement of October 1947, which was reached by the joint United States and British occupation authorities, without any reference whatever to the new ECA recovery program. This was plainly stated by Mr. Hoffman, when he said:

As I say, you simply have to have recovery in western Germany, but I do want to make this point, that it is not for ECA to determine the levels of production in Germany. It is for ECA to help achieve that level as soon as possible.

This means that ECA is only rubber-stamping the Morgenthau plan for the de-industrialization of Germany, which has been twice revised, namely on March 26, 1946, and in October 1947. Yet in neither revision has there been any discussion of the function Germany has to play in the over-all European recovery program.

Actually, Mr. President, the whole matter of dismantlement of German industry continues to be such a secret that the members of the Foreign Relations Committee themselves were told that the United States policy could not be publicly revealed. I do not believe there is any member of the Foreign Relations Committee left on the floor, but I hope I may be pardoned for saying that if they are not doing anything, as they apparently are not, to get these secret agreements so that Senators can see them, they might just as well not be on the committee. Apparently the whole matter of dismantling German industry continues to be such a secret that the members of the Foreign Relations Committee themselves were told that the United States policy could not be publicly revealed.

I ask you, Mr. President, how we are justified, as Members of the Senate, in underwriting ECA's request either for Germany, or for Europe as a whole, when to this very moment we have not the slightest notion of what our basic policy towards the recovery of the German economy actually is. Not a Senator upon this floor can tell, because it is secret.

Mr. President, I am quoting from page 31 of the ECA hearings:

Mr. HOFFMAN. As I say, I think it is a matter of great importance that we have recovery in Germany up to the limit agreed to as fast as we can get it, and we are putting every pressure we know to bring that about. There is no thought, and I do not see how ECA can be questioned on this matter, of rebuilding the German war potential, because we are operating within the limits that our governments have all set and other foreign governments have agreed to.

Senator WILEY. Will the Senator yield?

Senator VANDENBERG. Yes.

Senator WILEY. Do I understand that the number of plants that had originally been determined to be taken out amounted to some 300-something?

Mr. HOFFMAN. No, sir. I may have that history here for you.

Senator WILEY. Approximately?

Mr. HOFFMAN. At the time we got into the picture there were something over 900 plants—this was in May. About 500-some-odd had already been partly dismantled, and there was not much to talk about. They were gone. So it got down to a point where, again—and this material is classified, but I am allowed to say we did consider plant by plant considerably over 300 plants.

Senator WILEY. How much of what was remaining, that could still be dismantled and taken out, should remain in Germany now?

Mr. HOFFMAN. That information is still classified.

The CHAIRMAN. You mean by that that it is not to be publicly divulged?

Mr. HOFFMAN. That is right.

They come forward to ask us for $5,000,000,000, but they do not trust even the Foreign Relations Committee enough to tell them how many plants they have dismantled.

Additional evidence to prove this point, Mr. President, is found in the contradiction between Mr. Hoffman's insistence that he had received magnificent cooperation from the French and the British in dealing with this whole dismantlement problem. On December 31, 1948, the Joint Committee on Foreign Economic Cooperation issued a report on German reparations. This is the President's own committee, appointed by the President of the United States. What did they say, the very people who are going to spend $5,000,000,000? In the report it is stated:

The British and French Governments have resisted every major step in the work of the Humphrey Committee. Delay was encountered in getting permission for the committee to visit the British and French zones of Germany. Agreement was never obtained to suspend all dismantling pending completion of the survey, although after long negotiation it was agreed that dismantlement of most of the plants on the list would be held up until December 14, 1948.

I want now to call the attention of my colleagues and the American people to what has been going on behind this propaganda smoke screen.

On March 29, 1949, an Associated Press dispatch from London stated:

Responsible diplomats have revealed that Britain and France have agreed to most of an American plan to save a list of west German industries from dismantling.

The informants said the agreement provides for 150 plants to be removed from the list of installations to be torn down for reparations. The Humphrey Committee, a group of industrialists headed by George Humphrey, of Cleveland, had recommended that 167 plants be saved. The committee made a survey at the request of Paul G. Hoffman, Economic Cooperation Administrator, to see how many of the plants could contribute to the European Recovery Program.

Yet even the news story hides this basic contradiction, upon which the ECA appropriation for Germany is based.

The fact of the matter is that under the report of the Collisson Committee, of the Wolfe Committee, and of the Humphrey Committee, dealing with the ECA recommendations for removal of plants from the dismantling list, it is still an administrative secret. Behind the secret lies the fact that for months Ambassador Douglas has been negotiating with British and French representatives to remove 167 plants from the dismantling list of over 300 that still were scheduled to be dismantled. We have been given every encouragement to believe that neither the State Department nor ECA would back down in the request for the retention of the 167 plants.

In spite of this Associated Press dispatch of March 29, which states that an agreement has been reached to save 150 plants scheduled for dismantlement, we find in the same story that—

The accord still is subject to confirmation by the British, American, and French Governments.

Mr. President, I feel it my duty now to state that I have been reliably informed that dismantlement has already started on 66 of these plants. While this information has not been officially confirmed, and while the administration maintains a strict secrecy on these matters, this information certainly is at least in keeping with the double-dealing that has been going on behind the administration double-talking on this whole over-all German and European problem. Mr. President, this double-talking and double-dealing is covering up far graver issues that are at stake than the issue of dismantlement itself.

On March 29, 1949, Dorothy Thompson, one of America's greatest authorities on German and central European problems, stated in her article:

Berlin dispatches during the last 10 days have reported a sudden sharp drop in hopes for the early establishment of a west German state. The fault does not lie with the German politicians, but with the western military governments who have failed to make good their promises of an occupation statute to limit precisely the powers and responsibilities of the occupation forces and the powers and responsibilities of the German Government.

Mr. President, on March 12, 1947, President Truman called for an all-out

offensive against communism, and declared in his Truman doctrine that we were going to take every possible step to end the confusion and suffering in Europe, which were providing such a fertile ground for the spread of Soviet influence. My opposition to the Truman doctrine was based entirely on its double-dealing implications, which are now borne out by the fact that the President continues to implement these outrageous policies of destroying the German industrial potential upon which the whole of Europe is dependent, both for goods and markets, and for economic, social, and political stability.

Mr. President, the American people are only slowly awakening to the realization of how they have been betrayed by the Morgenthau plan.

It is like the bankers who never dreamed that the share of one county in North Dakota was $10,000,000, or that the share of Cass County was $16,000,000. When those little towns of 2,000 population find out that their share is half a million dollars, I would not care to be running for reelection in a campaign when I had voted for this expenditure.

No more savage or Carthaginian treatment of a vanquished nation has ever occurred than is the one which the American people have been committed to, and which they are continuing to underwrite.

Mr. President, in The Progressive of October 1948, Mr. Lewis Coser, able interpreter of European politics, wrote in his article entitled "Germany: Insanity Fair":

> On September 15, 1944, the two most powerful men of the western world, Franklin D. Roosevelt and Winston Churchill, sat down together in Quebec. Before they parted that night they had signed the death warrant of Europe.
>
> Curiously enough, Mr. Roosevelt had left behind in Washington both the Secretary of State and the Secretary of War. Present, however, was the Secretary of the Treasury, Henry Morgenthau, Jr., and it was this surprise participant who had prepared and brought the basic document of the conference. The President and the Prime Minister signed it, doubtless without suspecting how terrible a price the world would pay for their signatures. For it was this Quebec Agreement which provided:
>
> "The industries in the Ruhr and the Saar would therefore be necessarily put out of action, closed down. * * * This program looks forward to converting Germany into a country principally agricultural and pastoral."
>
> The document was never made public officially.

Mr. President, it would be idiotic if now we permitted anything, any crisis, or any emergency, to distract us from following through on the imperative need for a complete reorientation of our policies toward the German people. For, as William Henry Chamberlain wrote in the April 16, 1947, issue of Human Events:

> In diplomatic struggle as well as in military warfare, there are primary and secondary fronts. President Truman's proposal to extend what amounts to peacetime lend-lease aid to Greece and Turkey has aroused Nation-wide and world-wide excitement.

Mr. President, I pause to say that Senators, especially those on the Democratic side of the Chamber, remember that when the loan to Greece was being debated the question was asked as to how many Communists there were in Greece, and the answer from the distinguished Senator from Michigan [Mr. VANDENBERG] was that the number was 17,000. We all remember the President's statement, which was to the effect that there were 5,000 more Communists than there were before we spent $150,000,000.

> But these economically undeveloped Balkan countries do not represent the truly decisive area of the American-Soviet duel. That area, in Europe, is Germany. * * * The Soviet Government could easily resign itself to a temporary check at the Dardanelles if it could anticipate the absorption of the whole of Germany into its sphere of influence. Such an absorption might be expected to produce the same consequences that would probably have occurred if Hitler had achieved a knock-out victory over Russia. A mighty totalitarian empire would stretch from the Pacific to the Rhine. This empire would be so large in population, so vast in resources, so deep in terms of space and distance, that it would be largely impervious to seapower. It would be a tremendous base such as no conqueror ever possessed in the past.

It is strange for President Truman to seek to get out from under his own responsibility and to cover up his own betrayals of principles by charging Russia with being a threat to the world peace, while at the same time he continues to be responsible for policies toward Germany which are forcing both Germany and Europe down the throat of the Russian bear.

Mr. President, the record plainly reveals that this administration has played the role of Stalin's left hand in Europe. Furthermore, up until this moment, the record shows that neither the American people nor their elected Representatives in either House of Congress have had one single word to say about the inhuman pro-Communist policies which this administration has imposed on the German people. "Unconditional surrender," the slogan which Senator Wheeler ridiculed on the floor of the Senate in a 3-hour, unanswerable speech.

From the time the slogan "Unconditional surrender" was announced to the world in the Moscow declaration of November 1, 1943, until this very moment, the American people have been completely ignored by those who have directed the implementation of our policies of hatred and vengeance toward the German people.

The very term "Unconditional surrender" met with the almost universal repudiation of the American people, yet they could not force this administration to abandon that brutal, empty, self-defeating slogan for a constructive American statement of peace aims. As a consequence, Mr. President, the record now shows that this very slogan itself constitutes one of the major criminal blunders in the history of American statesmanship.

In the first place, the "Unconditional surrender" slogan destroyed the American principles contained in the Atlantic Charter. In the Saturday Evening Post of March 1945, one of our most informed authorities on international affairs, Mr. Demaree Bess, wrote:

> If we reread the Atlantic Charter carefully, we can see that when it was published in August 1941, it seemed possible to us then that the war in Europe need not become a continental revolution. Its comparatively mild provisions, drawn up by President Roosevelt, still pictured the war in limited terms. All during the ensuing year, our discussion about postwar Europe generally foresaw some kind of acceptable place for Germany, with no sweeping territorial change in Europe once Hitler and his Nazi system were overthrown. * * *
>
> Those critics who have been complaining that Stalin and Churchill killed the Atlantic Charter by their action in Poland and Greece had failed to observe that the Atlantic Charter was killed from the day when the three greatest powers accepted unconditional surrender in its place.

In the second place, Mr. President, there is now no longer any question but that this slogan indefinitely prolonged the war. On March 13, 1945, David Lawrence wrote:

> Actually few men in Washington know what's ahead. Again and again the German will to fight has been underestimated by official Washington. The slogan demanding "Unconditional surrender" and the announcement from Yalta that portends economic strangulation for the German people for many years to come are two factors which are constantly ignored here for the simple reason that to give weight to them is to criticize the administration here and the Allied spokesmen abroad for a blundering policy that prolongs the war.

In the third place, Mr. President, there can no longer be any question but that this slogan, "Unconditional surrender," turned loose the Soviets in eastern Europe to loot, rape, plunder, and impose their system on the nations of eastern Europe, at the cost of terrible sacrifices of American blood and treasure, following our second front in Normandy. In December 1944 issue of the Stars and Stripes a leading editorial charged:

> British and Russian preoccupation with objectives other than the defeat of Germany was responsible for Allied failure to achieve expectations in the United States that the war in Europe would be over by now. Since D-day in France, greater preoccupation has been shown by Russia in her Balkan and Baltic campaigns, intended to insure her security, and by Great Britain in Italy, Greece, and Albania, to protect her lifeline through the Mediterranean to India than in achievement of the prime objective of our American armies—prompt defeat of Germany.

On January 3, 1945, Dorothy Thompson also charged:

> We have been unable to transform the political coalition into an entity to deal with Germany. * * * The Allied approach to the German problem has been to try to find a compromise between opposite interests, instead of creating a new common interest, by creating a new world. We are unable to draft a program for a defeated Germany, because the accession of any part of Germany to any one of the Allied powers means an extension of the power of one ally at the cost of another. At the bottom of our dilemma over Germany is the fear of the Allied powers of each other.

How prophetic those words were in the light of what has happened since 1945. Who is to blame? The administration, Mr. President, those who are

now here seeking this new $5,000,000,000 loan to be made at the expense of the taxpayers of this country. Who is to blame? The administration, for not disclosing secret agreements to the Senate of the United States, and in my judgment making them public to the people of the United States of America, who furnished the boys, the cannon fodder, who furnished the money, but who cannot be told what is in those secret agreements.

Mr. President, it is all right to draft the boys, to line them up and kill them by the hundreds of thousands, but not to make public what Stalin, Roosevelt, and Churchill agreed to. That is a top secret. Mr. Hoffman says in his testimony, do not make public even how many of these factories we are going to dismantle.

In the fourth place, Mr. President, because of the fact that the fears of these allies of each other—back in 1945, when the allies were not trusting each other, when all those nations were afraid of each other because we were the only country that did not want anything—were the prime motivating factor in our treatment of the German problem, we actually abandoned the German underground, and thus made all hope of an internal uprising or revolution impossible, thus making impossible the emergence of any German Government with which we could deal.

In the Washington Daily News of April 22, 1947, Frederick Woltman wrote that Allan Dulles, the brother of John Foster Dulles, and the Chief of the Office of Strategic Services in Switzerland during the war, had charged:

> With encouragement from the United States and Britain, leading members of the German high command stood ready to liquidate the Nazis and end the European war. Instead, Roosevelt-Churchill high strategy ignored official reports of an organized revolt against Hitler by the German generals and important civilians and missed the boat.
>
> As a result, the war was prolonged 10 months, with heavy casualties, especially at the Battle of the Bulge, and with an added cost of billions.

Mr. Dulles further stated:

> More and more evidence is accumulating that we should have driven a wedge between the German Army and the Nazi gang and ended the war in the summer of 1944. * * * But we were hamstrung by the Casablanca formula for unconditional surrender, and by the fear that Russia would run out on us if we gave encouragement to the German underground.
>
> Both Washington and London were fully informed on what the conspirators were attempting to do, but it sometimes seemed that those who determined policy in America and England were making the task as difficult as possible by uniting all Germans to resist to the bitter end.

Actually, Mr. President, this formula, "Unconditional surrender," now appears to have been designed specifically to make it impossible for Germany to surrender at all.

On December 29, 1944, Dorothy Thompson made just such a charge against this administration when she wrote:

> The circumstances of the war make it impossible—exactly impossible to fulfill this demand. (For unconditional surrender.) Surrender is an act from the enemy toward ourselves. It is not surrender if we beat him flat on the ground, army by army, and city by city. That is step by step conquest, but not surrender. There are preconditions to unconditional surrender. In the German case, it involves giving up the nation, not merely the armies, to something. From the side of the United Nations, it involves creating something to which the nation as such can surrender. She cannot surrender as a whole to a whole. She must surrender herself in parts to other parts. Surrender therefore involves the denial and destruction of her own existence by herself.

Thus, Mr. President, as a consequence of this slogan, we find ourselves confronted with a situation in Europe which would be frightening enough had this administration heeded the warnings and protests against "unconditional surrender" of the American people, and had the President found some constructive policy for correcting the tragic mistakes which followed "the military annihilation of Germany as a nation." Instead, as with the war, so with the armistice and the peace, Mr. Morgenthau and his coterie of "bloody bitter-enders" had concocted a scheme designed to make the annihilation and the extermination of the German nation and of the German people complete.

The record shows that over 3 years ago I entered into the RECORD a documentary account of the universal protest of the American people against the savage policies which this administration was following toward the German people in a speech entitled "America's Choice—Peace or the Morgenthau Plan." That record included protests from leading churchmen, businessmen, and labor leaders and organizations clear across this country.

That record of hate and vengeance against which I protested included the refusal by this administration to make any attempt to distinguish between the guilty and innocent; the imposition of mass starvation on 20,000,000 Germans under the American flag; the singling out of Germany for special vindictive treatment; the refusal of UNRRA aid to German children while both Austria and Italy were granted UNRRA supplies; the refusal on the part of this administration to permit the American Red Cross to succor the helpless and the dying, if they were of German extraction; the refusal to permit even the Christian churches to minister relief in the name of Christ, for many long months following the end of the war; and general betrayal of American and Christian principles which resulted in such revolting consequences that representatives of our leading newspapers did not even dare to report the truth, even when they were granted permission to see for themselves. Even to this moment, this particularized hatred of the German people was even incorporated into the constitution of the International Refugee Organization, which denies any aid to any Germans of ethnic origin although no such restriction applies to any other nationality or race or people.

I should like to remind Senators that there are 33,000,000 people in America of German ethnic origin. Yet the German people of Europe were singled out by the International Refugee Organization, which said, "Any child on this earth except a child of German ethnic origin can be fed by this Organization."

How well I remember President Roosevelt's speech in October 1943 when he said, "We are not fighting the children, we are not fighting the women, we are not fighting the old men of Germany. We are fighting Hitler, and when we defeat Mr. Hitler we are going to take care of the women, the children, and the people over there." They were not very well taken care of, were they, Mr. President, when we formed the International Refugee Organization and said to them, "You can feed everybody over there, but you cannot feed a starving little German baby."

The Red Cross can go anywhere, but it cannot help the people of Germany. When Christian churches tried to help they were not permitted to help. That is the policy of the administration, Mr. President.

The Morgenthau plan, which had been incorporated into the Potsdam Declaration, had produced such chaos in Germany, even during the first 6 months following the war, that President Truman asked Byron Price, on August 30, 1945, to investigate conditions in Germany. On November 9, Byron Price reported to the President that—

> There can be no question that the vengeance of nature's God lies heavily on the German people. They are paying in kind for the unparalleled misery and cruelties for which they are responsible. There is plenty of evidence that the Germans are nursing old and new hatreds with mounting bitterness as their situation becomes more desperate.

As a consequence of Byron Price's warnings and urgent recommendations, on November 28, 1945, President Truman sent a request to the Secretaries of War and of the Navy, asking for their earliest consideration of the Price recommendations. I am informed that when this request of the President's was passed on to the military government in Germany, our advisers let it be known they wanted no change in the Morgenthau directives, and word came back from headquarters to the President that everything was going well.

Yet, when American protests continued to mount, on March 28, 1946, the Allied Control Council issued their 3-year plan for the "level of German industry." This was at least the beginning of a modification of the colossally stupid Morgenthau recommendation which was released to the world on September 15, 1944, in Quebec. Lest we forget, this plan would have flooded the Ruhr mines, and would have put the entire Ruhr and Saar industrial centers out of action for years to come.

Yet, because of this completely inadequate so-called agreement among the Big Four, conditions continued steadily to deteriorate in Germany and central Europe at such an alarming rate that 5 months later Secretary Byrnes made his now famous Stuttgart speech in which he called for a reversal of past American policies and promised new hope to the German people.

When on December 2, 1946, the bizonal agreement between the British and Americans was entered into we were encouraged to believe that we had turned the corner and were implementing Byrnes' Stuttgart speech, thus reversing the trends in Germany. Yet, instead, Mr. President, from our highest levels of Government down, there came belated admissions that the catastrophe brewing in Germany threatened to drag the whole of Europe into chaos and communism.

The list of those who protested what was taking place in Europe has now become a long and very respectable one.

Some did not protest at first, Mr. President, but, oh, how that list is growing now.

As far back as March 30, 1946, George Fielding Eliot, a former member of the infamous Society for the Prevention of World War III, who has never been known for his softness toward the German people, wrote:

It is perfectly clear that the British taxpayer cannot and the American taxpayer will not continue much longer to support the German population or the population in the Anglo-American zones, in idleness and misery. Nor is it conceivable that we could maintain an army of occupation and continue to accept political responsibility in a country whose population we are permitting to starve to death. Therefore, we are faced with a perfectly clear alternative: Either to withdraw altogether, in which case either the Russians will move in and take over, or a new German dictator will appear and take over, or take the necessary steps to revive the German economy on the only practicable basis which will enable the German people to earn their bread—that is, by manufacturing for export.

Those who wanted to do the best job of work, namely, the people of Germany, were not permitted by our administration to work.

On September 10, 1946, my distinguished colleague the Senator from Ohio [Mr. TAFT] charged this administration with unprincipled appeasement of Russia, and especially in our policies toward Germany, when he said:

Not only has our policy in Germany been wrong: it has been wrong; it has been futile and impossible. We have pursued contradictory policies which have only created contempt as well as hatred for America.

That is what the distinguished chairman of the Republican policy committee of the Senate said on September 10, 1946.

On October 19, 1946, the senior Senator from Texas [Mr. CONNALLY] urged a complete change in this administration's policies toward Germany, when he said:

The industrial rebirth of Germany is necessary for Europe and the United States doesn't want to destroy that vanquished nation.

On November 3, 1946, Gen. Lucius D. Clay warned this administration, and the American people, over the Columbia Broadcasting System, that—

The minimum German economy must be restored if we are to have any lasting success in reeducating the German people to a peaceful philosophy of life and in implanting permanently the democratic processes in which we believe.

On November 22, 1946, George Meader, chief counsel for the Special Senate Committee Investigating the National Defense Program, stated in this report:

Our policy needs to be spelled out in more specific terms than it now is. * * * We may be creating more problems than we solve. After the program of the "level of industry plan" has been accomplished, we may be further from peace, stability, and a high level of civilization in Europe than before the program was formulated. This is the field in which Congress was not consulted, but for which it will have to pay the bill.

On November 22, 1946, Congress was not consulted, but today they are asking us for the money. Here they are, the whole kit and kaboodle of them, from 12 different countries, with tin cups in their hands.

Mr. Meader, chief counsel for the Special Senate Committee Investigating the National Defense Program, continued:

In justice to Congress and the American people, they both should be fully and accurately informed. The committee ought to explore thoroughly, and in a continuing investigation, the conduct of government in occupied areas on the part of the United States agencies. Considerable opposition has developed to the committee's investigation. In my opinion, the facts obtained in the preliminary investigation indicate clearly the need of a thorough study by the committee. Efforts which have been recently made to block this inquiry fortify that conclusion, by raising the suspicion that there is something to hide which the committee might uncover if it did conduct the investigation.

The Saturday Evening Post of January 18, 1947, stated in its leading editorial:

The lag between the time when Americans sense that something is wrong and the time when they decide to do something about it is usually wide. True to form we have taken almost 2 years to demand that the mess in Germany be cleared up, insofar as we are responsible for it. Disquiet, first aroused by stories of looting in Germany and the persuasive ways of American soldiers with fraulein, is now felt for the whole structure of American prestige abroad and for the permanence of any contribution we may make for the pacification of the world. The popular demand is for reform.

On January 21, 1947, General McNarney called for the immediate revision of the wartime blacklist of foreign companies to permit the swift revival of German export trade, and called further for the immediate abolition of the Trading With the Enemy Act.

On January 24, according to the Washington Post of January 25, 1947, the Union of South Africa joined with Australia in demanding "A quick revision of the Potsdam agreement to improve Germany's war-blighted economy," which it described as a dangerous potential menace to peace.

On February 21, 1947, General McNarney called for an immediate end to the Army's rule of the American Military Government, saying:

The Army, which isn't organized or trained for governmental procedure, is not the proper instrument.

On February 24, 1947, Mr. Joseph E. Evans, the Wall Street Journal's staff correspondent in Berlin, wrote, as the Moscow conference on the German treaty opened:

Germany on the eve of the conference, which is intended finally to concern itself with her problems, is a frozen chaos of disillusionment, cynicism, and despair. In the March issue of the United Nations News, correspondents cabled from Europe: After 20 months of occupation, western Germany still lies buried in social, political, and moral rubble.

On February 27, 1947, General McNarney reiterated his demand by saying:

Military officers are not equipped for military government, and the military should be a police force for the civil governor.

At the same time, General McNarney warned that the allies had failed in their four-power rule of Germany.

On February 28, 1947, former President Herbert Hoover, after being requested by President Truman to undertake the difficult assignment of investigating economic conditions in Germany, reported:

Those who believe in vengeance and the punishment of the great mass of Germans, not concerned in the Nazi conspiracy, can now have no misgivings, for all of them, in food, warmth, and shelter, have been sunk to the lowest level known in a hundred years of western history. If western civilization is to survive in Europe, it must survive in Germany. After all, our flag flies over these people. That flag means something more than miltary power.

On March 2, 1947, Hanson Baldwin, one of the ablest military analysts, wrote in the New York Times:

Germany is divided and broken, slowly starving, a cancerous growth in the heart of western Europe, a breeding place for the dark philosophy of Nietsche. There festers in her ruins the poison of fascism, the virus of communism; either totalitarianism flourishes in decadence and destruction.

On March 3, 1947, Mrs. Roosevelt, who has been one of the foremost champions of the Morgenthau plan, wrote:

All thinking people have long known that Germany has to return to a self-supporting basis. We must help Germany to build such industries as she needs for exports, since it is self-evident that we cannot expect to create in the heart of Europe a happy and democratic people unless they have hope for the future.

Again on March 24, 1947, former President Herbert Hoover reinforced his warning of the gravity of the German problem when he stated in his third economic report to the President:

At the present time the taxpayers of Great Britain and the United States are contributing nearly $600,000,000 a year to prevent starvation of the Germans in the British and American zones alone. The drain is likely to be even greater after peace unless the policies now in action are changed. We desperately need recovery in all of Europe; we need it not only for economic reasons, but as the first necessity of peace. There is only one path to recovery in Europe—that is production. The productivity of Europe cannot be restored without the restoration of Germany as a contributor to that productivity.

Again on April 12, 1947, Gen. Joseph McNarney warned this administration:

This concentrated population of nearly 70,000,000 must be offered an early hope for economic and political stability; if they are forced to live without hope, the inevitable

consequence will be chaos in Europe followed by a rebirth of totalitarianism.

On April 28, 1947, Secretary of State Marshall confirmed all of these terrifying reports when he said:

The recovery of Europe has been far slower than was expected. Disintegrating forces are becoming evident. The patient is sinking while the doctors deliberate.

The then Secretary of State went on to say that conditions were so alarming that the United States had determined to take its own independent course of action in a last-ditch fight to prevent collapse, when he said:

I believe that action cannot await compromise through exhaustion. New issues arise daily. Whatever action is possible to meet these pressing problems must be taken without delay.

On April 29, 1947, Walter Lippmann warned the United States Chamber of Commerce that—

We stand virtually alone, in respect to money and military power confronting Russia in Europe and Asia. The British weakness, compelling her to withdraw from the Middle East will soon compel her to relinquish to the United States her commitments in Germany. There has been a steady deterioration in the world, which, if not reversed, must inexorably lead—and at no distant date—to the economic collapse of western Europe, including Britain, France, Italy, and western Germany.

On April 29, John Foster Dulles backed up Secretary Marshall's statement that this administration had determined that we not permit our independence of action to be paralyzed while the "patient sinks." Mr. Dulles stated in a radio broadcast that—

It is imperative that our two-zone merger be a success. Our joint area includes the Ruhr, which is the economic heartbeat of Europe. Today that heart is barely beating. We should, of course, invoke the aid of the United Nations whenever it can do the job. But we cannot let ourselves be stymied, merely because we cannot get agreement, or because the United Nations is not yet able to take over the full task of maintaining freedom in the world.

Then on May 8, 1947, former Under Secretary Dean Acheson declared that—

Failure of the Moscow Conference means America must push ahead with reconstruction of those two great workshops of Europe and Asia.

Mr. President, it is at this point that the American people will now be able to see the hydra-headed contradictions of this administration concerning its policies toward Germany in the form of double talk at its worst. We had been told that the time had come to change our policies. We had been assured that that change was in the process of realization. We had been told by our highest Government officials, from Secretary Marshall down, that because we would no longer compromise American principles we could not reach any agreement with Russia at that Moscow Conference.

Yet, Mr. President, we discover that on April 28, 1947, while President Truman was shouting against communism the foreign ministers in Moscow actually signed five agreements which, in effect, pledged America's continued implementation of the very German policies which had created such chaos in Europe. Nowhere, and at no point, did our representatives at Moscow stand on, or fight for, a return to basic American principles. According to the directive of April 28, 1947, agreement was reached to continue our policies toward the German people in the following five categories: 1, Demilitarization; 2, denazification; 3, democratization; 4, population transfers; 5, prisoners of war.

Mr. President, it is unbelievable that the American people should have been led to believe that the President intended to oppose the extension of communism by taking unilateral steps to insure success in reviving Germany and Europe, while, at the same time, we were being forced to continue to underwrite policies of further destruction and degradation in Germany. Yet those secret agreements continued as the basis of our outrageous policies.

Mr. President, the secret agreements continued. When any Senator goes home, if a neighbor or friend asks him why the Congress passed this $5,000,000,000 Marshall plan, and whether there were any secret agreements, even if that Senator is a member of the Foreign Relations Committee, he is forced to say, "I think there were some secret agreements, but I do not know; I have no idea."

That taxpayer, who has to pay the money for all these plans, then will say, "Do you mean to say that you voted for $5,000,000,000 a year ago and $5,000,000,000 now, and have morally committed us for roughly $10,000,000,000 more, and yet you don't even know what the secret agreements are?"

Mr. President, what kind of representation is that in view of the secret agreements which were made long after the war?

The whole question of deindustrialization was dealt with in the Hoover report. Oh, Mr. Hoover is a great man. In a few days, Mr. President, we are going to see the majority leader rise in the Senate and say "Adopt the Hoover report." Oh, he will tell us what a great man Herbert Hoover is. We have heard that three or four times. We have heard the distinguished Senator from Massachusetts [Mr. LODGE] tell us the Hoover report must be adopted. When a few Army engineers dared criticize some portions of it they were vilely abused.

Mr. TOBEY. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. Does the Senator from North Dakota yield for a point of order by the Senator from New Hampshire?

Mr. LANGER. I do not yield.

Mr. TOBEY. Mr. President, the chairman of the board of directors of the society——

Mr. LANGER. I do not yield to the Senator from New Hampshire.

Mr. TOBEY. Mr. President, will the Senator not do me the courtesy of yielding?

Mr. LANGER. I do not yield to the Senator at this point, I am very sorry to say to my very dear friend. I announced when I began that I would yield to no one. If I yielded to anyone, I should rather yield to the Senator from New Hampshire than to anyone else, because I like him so well. I made that statement in the beginning, and I hate to break my word. I like to keep it.

The whole question of deindustrialization was dealt with in the Hoover report, at the request of the President, and the recommendation was made that—

We adopt at once a new economic concept in peace with Germany. We should free German industry, subject to a control commission. The removal and destruction of plants (except direct arms plants) should stop.

Yet this administration even now is continuing to destroy these industrial plants.

Certainly a continuation of these senseless policies in central Europe cannot help but drag Europe down further into the misery and want and starvation on which communism feeds.

Mr. President, in the fact of President Truman's charge that Russia is now a dangerous threat to the world and an aggressor and his demand that we must jump headfirst into an all-out offensive against communism, it is incredible that this administration should have also agreed to continue to follow out a second of the most pro-Communist policies ever devised, namely, that of denazification. I think the average Senator upon the floor will remember that upon three different occasions I rose to denounce the policy of denazification in Germany. There is no quicker way to destroy our last hope for a democratic Germany than to continue our denazification policies of the past.

In the first place, this denazification process has been based on a concept of law that is wholly alien to our own. We have proceeded on the brutal and dangerous thesis of collective guilt, and we have fastened it on the German people as a whole. For instance, in part 2 of Directive 38 of the Allied Control Council we find the following categories into which the whole German population has been divided:

1. Major offenders.
2. Offenders (activists, militarists, and profiteers).
3. Lesser offenders (probationers).
4. Followers.
5. Persons exonerated (those included in the above categories who can prove themselves not guilty before a tribunal).

Mr. President, is there a single Senator on the Senate floor today who will rise to defend any such perversion of American justice as this? Is there anyone who would champion such a system of law for the United States? In our way of life, a person is innocent until he has been proved guilty. But under our denazification procedure, every German is guilty until he or she can prove himself innocent. It is little wonder that the Meader report recommended that this whole question of denazification be fully explored by a congressional investigating committee.

Certainly, the American people do not know that this denazification process, by destroying what remains of German law and jurisprudence, by repeating the

Gestapo techniques which completely destroy all security and makes personal liberties in Germany impossible of realization, by wiping out the middle classes, and by eliminating their potential tremendous contribution of skills and knowledge which are so desperately needed for reconstruction, has been playing directly into the hands of the Communists.

Mr. President, I desire to quote directly from another letter written within recent months by one of our highest-ranking officials in Germany:

It is unbelievable how much havoc the denazification policies are still causing.

I remember once, Mr. President, when I spoke upon the floor of the Senate, a Senator on the other side of the aisle said, "We are almost through with denazification; there are only 2,000,000 left"—only 2,000,000 left to be denazified.

Continuing, the letter says:

In some cases our best German people who have already been working for us, many, many months have been processed and reprocessed a half dozen times. Naturally, Germans hesitate to subject themselves to this kind of treatment. Furthermore, why should they move from established positions in one land to a headquarters in a strange land where they are viewed by suspicion by the local Germans and have great trouble obtaining proper living and food accommodations? A tremendous number of the most efficient Germans are still damned for having gotten on the Nazi bandwagon at some time or another.

Mr. President, the third directive in this secret agreement of April 28, 1947, was just as ominous as the two preceding.

The fourth directive which was agreed upon concerns one of the greatest crimes against humanity in all of history, a crime to which we have directly been made a party. Mr. President, under the directive titled "Population Transfers" we read:

D. The Control Council shall study further the whole question of transfers of population into Germany with a view to directing to areas best able to receive them, those populations whose transfer to Germany may be decided in the future.

It is unbelievable that American representatives should have continued to be parties to these forced mass migrations which incriminated the whole American people as accomplices in mass crimes against humanity.

Nowhere in recorded history, has such a grim chapter of brutality been written than in the account of what has already taken place in eastern Europe. Already, from fifteen to twenty million people have been uprooted bodily from their ancestral homes of a thousand years and thrown into the torment of a living hell, to perish, or to be driven like cattle across the wastes of eastern Europe. Women and children, the old and the helpless, the innocent and the guilty alike have been subjected to cruelties which have never been surpassed, even by the Nazis themselves. Yet, we are now committed to a continuation of these same inhuamn policies in the future, although the conscience of the American people cries out against such bestial practices.

At this point, it is well to remind ourselves of the charge against the Nazis, entered into the Nuremberg indictments. Count 3, section J, of the Nuremberg indictments, reads:

In certain occupied territories, purportedly annexed to Germany, the defendants methodically and pursuant to plan endeavored to assimilate those territories, politically, culturally, socially, and economically, into the German Reich, and the defendants endeavored to obliterate the former national character of these territories. In pursuance of these plans and endeavors, the defendants forcibly deported inhabitants, who were predominantly non-German and introduced thousands of German colonists.

Mr. President, as far back as November 17, 1944, President Roosevelt agreed in principle to the very procedure which is now listed as a war crime by the Nuremberg tribunal, when, in a letter to Mr. Mikolajczk, he stated:

If the Polish Government and people desire in connection with the new frontiers of the Polish state to bring about the transfer to and from territory of Poland of national minorities, the United States Government will raise no objection, and as far as practicable, will facilitate such transfer.

Certainly, the late President knew full well what he was doing, for only a few weeks later, Churchill stated in the House of Commons, on December 15, 1944:

The transference of several millions of people would have to be effected from the east to the west or north, as well as the expulsion of the Germans, because that is what is proposed—the total expulsion of the Germans from the area to be acquired by Poland in the west and the south. For expulsion is the method which, so far as we can see, will be the most satisfactory and lasting. I am not alarmed by the prospect of the disentanglement of populations, nor even by these large transferences, which are more possible in modern conditions than ever before.

Yet, Mr. President, it was the sight of the hideous suffering and brutality inflicted on helpless millions, under these arrangements, that caused Mr. Bevin to cry out during his visit to Berlin, "My God, it was the worst sight one possibly could see."

Mr. President, of those 15,000,000 persons 5,000,000 are dead.

Yet, according to the directives of April 28, 1947, we formally agreed to underwrite more inhuman brutality, misery, and death. Mr. President, is it not time that this administration should give an accounting of its policies, and answer to this further charge of betraying American principles?

Mr. President, it is high time that we also knew what arrangements were then reached to deal with the prisoners-of-war question at Moscow. This is mentioned in name only. We still do not have any clue as to what the agreement is.

But again, Mr. President, this administration has been a party to criminal betrayals of American principle, by sanctioning the revival and extension of human slavery of the white race.

We now know that at Yalta, President Roosevelt agreed to the use of German prisoners of war as human slaves under the innocuous phrase "reparations in kind," which included "use of German labor."

The New York Herald Tribune of August 8, 1945, stated editorially:

The Big Three deal on slave labor was indicated to be the outgrowth of a secret and tentative agreement at Yalta which might explain its omission from the Potsdam communiqué. * * * When the Big Three opened their session at Potsdam, the British and American representatives found that the Russians, operating on the theory that the use of German slave labor had been sanctioned at Yalta, had made plans to ship German workers to Russia for reconstruction purposes. * * * Prime Minister Churchill and President Truman, recognizing a fait accompli when they saw one agreed to such Russian use of slave labor.

Thus, Mr. President, two American Presidents have been parties to this betrayal of American principles. This, perhaps, might be condoned, by some who wanted to stretch their consciences all out of recognition, but the added fact that this administration has been a party to the imposition of human slavery, not only on prisoners of war, but on civilian populations as well, is an outrage which America must now repudiate, both in word and deed.

It is hard to believe that General Eisenhower himself attached his name to such a document in the name of the American Government. Yet, the record now shows that on September 20, 1945, General Eisenhower signed the following agreement:

The German authorities will carry out for the benefit of the United Nations, such measures of restitution, reinstatement, restoration, reparation, and reconstruction, relief and rehabilitation, as the Allied representatives may prescribe. For these purposes the German authorities will provide such * * * labor and personnel and specialists and other services, for use in Germany or elsewhere, as the Allied representatives may prescribe.

Mr. President, I have gone into this whole matter because the question of European recovery depends so completely on what our American policy seeks to make out of what is left of the German economy. This whole record of double talking and double dealing has continued up until this present hour, and the whole question of an ultimate determination of just what our German policy shall be continues to be completely divorced from any consideration by the Congress of the United States, and from any jurisdiction whatever by the legislative branch of Government.

In spite of the fact that the record is replete with protests of good intentions by the administration, with assurances that our German policy is directed toward constructive ends, and in spite of the tremendous protest against what is actually being done, a protest that has come from every walk of life in these United States, we are continuing to finance and to compel the re-creation of totalitarian tyranny, bureaucratic control, and centralization of power in central Europe, in the perfect image of the very totalitarian evils we fought this war to destroy.

Mr. President, I want now to read into the RECORD a keen and unbiased analysis of exactly what our policies are making inevitable, from one of the leading financial magazines, the Commercial and Fi-

nancial Chronicle of April 29, 1948, from which I quote:

For 15 years the real curse of the German economy has been autarchy, exchange control, and state monopoly of foreign trade. To make an end of this system and to let in the fresh air of the outside world into the stuffy German parlor is a goal to be set on top of any program of economic recovery and political education in Germany. Free trade, free exchange markets, private foreign trade liberated from the fetters of bureaucracy, free travel abroad for the German businessman—I know nothing which would be more desirable and more urgent in western Germany, nothing which would, at the same time, work more favorably on the German mind and to win it definitely for the West. It is all the more regrettable that just the opposite is happening. Instead of applying the principle of free enterprise and economic liberty to foreign trade, the Joint Export and Import Agency (JEIA) at Frankfort is growing into the most formidable bureaucracy one can imagine and developing a system of state monopoly of foreign trade which far exceeds the National Socialist model and which, in scope and thoroughness seems to be surpassed only by the Russian system of state trading.

It is most regrettable of all that this is happening under American leadership. Anybody knowing and appreciating the ideals for which the United States, true to their great tradition, stand today in the world must be extremely puzzled by the fact, much commented on in Europe, that precisely in that part of Europe where they are practically the rulers, i. e., in western Germany the Americans are, by a formidable bureaucracy, keeping and even further developing a collectivist system which is surpassed only by the Russian. Those in Europe who share the American ideals refuse to believe that this paradox will be tolerated much longer.

So, Mr. President, I conclude as I began, with a plea for action now by the United States Senate that will lead to a restoration of basic American principles and a complete reorientation of our policies toward the German-speaking peoples. I believe the time has come for the United States Senate to take its rightful part in changing these outrageous policies, and reasserting our own right to determine for ourselves what policies we believe offer the greatest promise of realizing our hopes for a solution of the German problem, as a part of an over-all genuine European recovery, which will lead to a just and lasting peace.

Therefore I urge, Mr. President, that my colleagues support the amendment, which I send to the desk and ask to have read.

The PRESIDING OFFICER. The amendment will be read for the information of the Senate.

The CHIEF CLERK. It is proposed to add at the end of the bill a new section, to read as follows:

SEC. 10. Section 118 of such act is hereby amended by adding at the end thereof a new sentence as follows: "The Administrator shall also terminate the provision of assistance under this title to any participating country which hereafter engages in the dismantling of peacetime industries in Germany, or in removing any such industries or facilities thereof from Germany, or which hereafter receives any such plant or facility which shall have been removed from Germany."

The PRESIDING OFFICER. The amendment will be printed and will lie on the table.

RECESS

Mr. LUCAS. Mr. President, earlier in the day I announced that we would continue the session after 10 o'clock tonight. In the meantime a number of Senators on this side of the aisle and some on the other side with whom I have conferred requested that I stand by the original statement I made yesterday, that there would be a night session tonight which would probably run along until 10 o'clock. In view of my statement, I shall accede to the request which these Senators have made, and I now move that the Senate take a recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 10 o'clock and 5 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, April 6, 1949, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate April 5 (legislative day of March 18), 1949:

UNITED STATES DISTRICT JUDGES

Robert E. Tehan, of Wisconsin, to be United States district judge for the eastern district of Wisconsin vice Hon. F. Ryan Duffy, elevated.

William D. Murray, of Montana, to be United States district judge for the district of Montana, vice Hon. Robert L. Brown, deceased.

WITHDRAWAL

Executive nomination withdrawn from the Senate April 5 (legislative day of March 18), 1949:

POSTMASTER

Leo B. Francisco, to be postmaster at East Lansing, in the State of Michigan.

HOUSE OF REPRESENTATIVES

TUESDAY, APRIL 5, 1949

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Saviour of the world, who dost belong to all mankind and to each individual, consider and hear us. Thou hast done for us exceeding abundantly, more than we ask or think; blessed be Thy holy name.

This day deliver us from all narrow hopes and narrow faiths that fetter our spirit; open our eyes that we may see the best in heart and mind. O breathe Thy life-giving power into us that service may be our souls' immortal purpose and our richest achievement. No life is useless, nor its labor in vain, that lightens the burden of another, for the glory of life is to give and not to get, to serve and not to be served. In the name of the Christ, who went about doing good. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On March 26, 1949:

H. R. 1870. An act for the relief of Doris Marie Richard.

On March 29, 1949:

H. R. 128. An act to provide that acreage planted to cotton in 1949 shall not be used in computing cotton-acreage allotments for any subsequent year; and

H. R. 253. An act to amend the act of June 25, 1938, relating to the appointment of postmasters under civil service.

On March 30, 1949:

H. R. 1731. An act to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes; and

H. R. 2546. An act to authorize the Secretary of the Air Force to establish land-based air warning and control installations for the national security, and for other purposes.

On March 31, 1949:

H. R. 2313. An act to suspend certain import taxes on copper;

H. R. 3910. An act to extend for a temporary period the provisions of the District of Columbia Emergency Rent Act; and

H. J. Res. 203. Joint resolution to maintain the status quo with respect to the exemption from the tax on transportation of persons of foreign travel via Newfoundland.

On April 2, 1949:

H. R. 2216. An act to amend the National Security Act of 1947 to provide for an Under Secretary of Defense.

COMMITTEE ON THE JUDICIARY

Mr. DENTON. Mr. Speaker, I ask unanimous consent that Subcommittee No. 3 of the Committee on the Judiciary may be permitted to sit during the session of the House today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENSION OF REMARKS

Mr. RAINS asked and was given permission to extend his remarks in the RECORD and include an article from the New York Times.

Mr. BLAND asked and was given permission to extend his remarks in the RECORD and include an article on the sea-level Panama Canal.

Mr. CARNAHAN asked and was given permission to extend his remarks in the RECORD and include an editorial from the Washington Evening Star of Monday, April 4, 1949.

SPECIAL ORDER GRANTED

Mr. YOUNG. Mr. Speaker, I ask unanimous consent that, after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted, I may address the House for 10 minutes today.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

THE GASOLINE PRICE INCREASE

Mr. YATES. Mr. Speaker, I ask unanimous consent to address the House

for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. YATES. Mr. Speaker, an item appeared in last night's newspaper which seems to me to be a perfect invitation for an investigation by either the Federal Trade Commission or the Antimonopoly Division of the Department of Justice. The Socony-Vacuum Oil Co. announced that it proposes to increase the price of gasoline for the New York and New England area. If its action in the past is any guide, this rise will spread across the country within a week.

The action of this company is most reprehensible. At this time when prices of most products are coming down, when gasoline is being produced in such quantities that it is almost a glut on the market, when the profits of the industry and of this company have been enormous, there can only be one conclusion—that a monopoly does exist in the oil industry which does not permit the operation of the law of supply and demand and that this company is a participant.

This is the fantastic record of earnings for Socony-Vacuum for the last 3 years:

Year:	*Before taxes*
1946	$75,000,000
1947	130,000,000
1948	181,000,000
	After taxes
1946	$58,000,000
1947	98,000,000
1948	133,000,000
Earnings per share:	
1946	$1.87
1947	3.13
1948	4.18

For the entire petroleum industry, earnings increased 60 percent in 1947 over 1946, earnings increased 67 percent in 1948 over 1947. Thus, the earnings in 1948 were 2½ and 3 times more than they were in 1946.

With these facts, how, by the wildest stretch of the imagination, can additional increases in the price of gasoline be justified at this time? When will the greediness of this company be satiated?

This unwarranted and piratical flouting of the public interest must be checked. I shall call the activities of this company and the oil industry to the attention of the Federal Trade Commission and demand that an investigation be made.

The SPEAKER. The time of the gentleman from Illinois has expired.

APPROPRIATIONS FOR DEPARTMENTS OF STATE, JUSTICE, COMMERCE, AND THE JUDICIARY, 1950

Mr. ROONEY, from the Committee on Appropriations, reported the bill (H. R. 4016) making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1950, and for other purposes. (Rept. No. 386), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. STEFAN reserved all points of order on the bill.

EXTENSION OF REMARKS

Mr. FURCOLO asked and was given permission to extend his remarks in the RECORD and include an address by Paul Super.

Mr. CANNON asked and was given permission to extend his remarks in the RECORD and include letters and excerpts received by the Committee on Appropriations.

Mr. ABERNETHY asked and was given permission to extend his remarks in the RECORD and include an address which he made before the Mississippi Farm Bureau Federation convention.

Mr. WALTER asked and was given permission to extend his remarks in the RECORD in two instances: In one, to include an address delivered by a representative of the State Department and, in the other, a press release giving a definition of the term "German ethnic origin."

Mr. MULTER asked and was given permission to extend his remarks in the RECORD in three instances and include extraneous matter.

Mr. ROONEY asked and was given permission to extend his remarks in the RECORD and include an editorial from yesterday's Washington Evening Star.

PROVIDING FOR CRIPPLED CHILDREN

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 212, authorizing appropriations to the Federal Security Administrator in addition to those authorized under title V, part 2, of the Social Security Act, as amended, to provide for meeting emergency needs of crippled children during fiscal year ending June 30, 1949.

The Clerk read the resolution, as follows:

Resolved, etc., That, in order to enable the States to provide necessary services and care for additional numbers of crippled children, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1949, the sum of $1,500,000 for payments to States having plans approved under title V, part 2, of the Social Security Act, in addition to the amounts provided in part 2 of such title.

SEC. 2. The Federal Security Administrator shall allot one-half the sum appropriated pursuant to section 1 hereof in the same manner as is provided for allotments under section 512 (a) of the Social Security Act (except that there shall be no uniform initial allotment), and one-half in the same manner as is provided for allotments under section 512 (b) of that act. Amounts allotted to the States pursuant to this section shall be paid in accordance with the provisions of section 514 of the Social Security Act, except that the estimate of the amount to be paid to a State may be made at any time prior to July 1, 1949, and amounts so paid shall for all purposes be regarded as though paid pursuant to such section.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. REED of New York. Reserving the right to object, will the gentleman from North Carolina make a brief statement about the resolution?

Mr. DOUGHTON. Mr. Speaker, the purpose of the House joint resolution is to increase the Federal appropriation by $1,500,000 for the remainder of the fiscal year ending June 30, 1949, for the aid and care of crippled children.

Under title V of the Social Security Act, part 2, there is authorized to be appropriated $7,500,000 for this purpose. Our committee held hearings and reported this bill favorably. We were informed there are some 31,000 crippled children who cannot be cared for on account of lack of funds. This money is allocated to the States. One-half of it is matched and the other half is not.

Mr. REED of New York. Mr. Speaker, there is no objection on this side. I ask unanimous consent to extend my remarks on this resolution.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Speaker, I trust that because of the emergency character of House Joint Resolution 212 it may be passed by unanimous consent as requested by the distinguished chairman of the Ways and Means Committee [Mr. DOUGHTON]. The purpose is to authorize an appropriation of $1,500,000 for assistance to the States for the care of crippled children during the remainder of the fiscal year ending June 30, 1949. This authorization for an additional appropriation of $1,500,000 for the care of crippled children in excess of the $7,500,000 heretofore appropriated for the fiscal year ending June 30, 1949, has been made necessary by an epidemic of polio and the lack of hospital facilities for these and other afflicted children. The request for this additional authorization is most meritorious. House Joint Resolution 212 has the unanimous support of the members of the Ways and Means Committee. I trust there will be no opposition to the prompt approval of House Joint Resolution 212 by the House.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. RAMSAY asked and was granted permission to extend his remarks in the RECORD and include an editorial from the Charleston Gazette.

Mr. DAVIS of Georgia asked and was granted permission to extend his remarks in the RECORD and include a newspaper article.

Mr. HULL asked and was granted permission to extend his remarks in the RECORD and include a statement.

Mr. GOLDEN asked and was granted permission to extend his remarks in the RECORD and include a concurrent resolution of the Legislature of Kentucky, condemning the action of the Czechoslovakian Government in convicting two American soldiers, and calling on this Government to give those soldiers proper protection.

PERMISSION TO ADDRESS THE HOUSE

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent to proceed for 1

minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

[Mr. ALLEN of Illinois addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. KEATING asked and was given permission to extend his remarks in the Appendix regarding a bill he is today introducing.

Mr. COUDERT asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article.

Mr. JAVITS asked and was given permission to extend his remarks in the Appendix of the RECORD in two separate instances and in each to include newspaper articles.

Mr. SANBORN asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. BATTLE asked and was given permission to extend his remarks in the Appendix of the RECORD and include a poem by Mr. Carlisle on the late Sol Bloom.

Mr. CHELF asked and was given permission to extend his remarks in the Appendix of the RECORD and include several newspaper articles.

Mr. BOGGS of Louisiana asked and was given permission to extend his remarks in the Appendix of the RECORD and include extraneous matter.

Mr. RODINO asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

SPECIAL ORDER GRANTED

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent that on tomorrow I may address the House for 15 minutes following the legislative business of the day.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

UNFAIR PRACTICES

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, I hold in my hand a United Press dispatch which states that Hicks Griffiths, chairman of the Michigan State Democratic Committee, issued a statement in Detroit in which he said that I was guilty of unfair practices when I sent out copies of a talk made on the floor of the House.

Mr. Griffiths admits there was nothing illegal about sending the speeches out, but he contends that sending them out violated "every American standard of decency and fair play."

Tomorrow I will take 15 minutes to describe what he calls a practice which "violates every American standard of decency and fair play," and to express the hope that Republicans at least will do more of it.

PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

[Mrs. ROGERS of Massachusetts addressed the House on the subject of free automobiles for blind veterans. Her remarks appear in the Appendix.]

Mr. McDONOUGH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[Mr. McDONOUGH addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. FORAND asked and was given permission to extend his remarks in the RECORD and include a resolution.

Mr. BOGGS of Delaware asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. RANKIN asked and was given permission to extend his remarks in the RECORD and include a resolution adopted by the American Legion of the State of Wisconsin.

MEMBERS OF THE NATIONAL CAPITAL SESQUICENTENNIAL COMMISSION

The SPEAKER. Pursuant to the provisions of Public Law 203, Eightieth Congress, the Chair appoints as members of the National Capital Sesquicentennial Commission the following Members on the part of the House to fill existing vacancies: Mrs. NORTON, of New Jersey; Mr. McMILLAN of South Carolina.

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Armed Services and Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

In compliance with the provisions of the act of March 3, 1915, as amended, establishing the National Advisory Committee for Aeronautics, I transmit herewith the Thirty-fourth Annual Report of the Committee covering the fiscal year 1948.

HARRY S. TRUMAN.

THE WHITE HOUSE, *April 5, 1949.*

EXTENSION OF REMARKS

Mr. SMITH of Kansas asked and was given permission to extend his remarks in the RECORD.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first bill on the Private Calendar.

L. J. HOUZE CONVEX GLASS CO.

The Clerk called the first bill on the Private Calendar, H. R. 1461, for the relief of the L. J. Houze Convex Glass Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the L. J. Houze Convex Glass Co., of Point Marion, Fayette County, Pa., the sum of $7,868.38, for flood damages to their gas well field property located in Monongalia County, W. Va., such damage caused to their property by the construction by the Government of lock and dam No. 8 on the Monongahela River. The construction of such new lock and dam No. 8 has caused the permanent overflow and submergence of the land adjacent to the gas well leased by the L. J. Houze Convex Glass Co., thereby causing damage in the above-named sum to their company.

With the following committee amendment:

Page 2, after line 5, insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATE OF MRS. MINERVA C. DAVIS

The Clerk called the bill (H. R. 738) for the relief of the estate of Mrs. Minerva C. Davis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Mrs. Minerva C. Davis, the sum of $1,654.30, in full settlement of all claims against the United States for the amount of check No. 308977, which was made payable to Mrs. Minerva C. Davis on account of pension due, but arrived at the post office of the addressee after her death and was returned to the Treasury for cancellation: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADOLPHUS M. HOLMAN

The Clerk called the bill (H. R. 1121) to confer jurisdiction upon the United States District Court for the District of New Mexico to hear, determine, and render judgment upon the claim of Adolphus M. Holman.

Mr. LICHTENWALTER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

AL W. HOSINSKI

The Clerk called the bill (H. R. 2249) for the relief of Al W. Hosinski.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $10,000, to Al W. Hosinski, of South Bend, Ind., in full settlement of all claims against the United States for personal injuries sustained while transferring a prisoner from Lake County Jail, Crown Point, Ind., to the National Training School for Boys, Washington, D. C. Such injuries were sustained when his automobile skidded and wrecked between Upper Sandusky and Bucyrus, Ohio, on October 28, 1947. Claimant has no remedy under the Federal Tort Claims Act or the Employees' Compensation Act: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike out "$10,000" and insert "$4,493.98."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOEL W. ATKINSON

The Clerk called the bill (H. R. 2353) for the relief of Joel W. Atkinson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Joel W. Atkinson, Wildwood, Fla., the sum of $10,000. The payment of such sum shall be in full settlement of all claims of the said Joel W. Atkinson against the United States for personal injuries sustained by him on January 19, 1944, while acting as head brakeman on the Seaboard Air Line Railway train designated extra 822 south, West Palm Beach-Hialeah local, as the result of a collision between such train and a United States Navy tractor and two gasoline tank trailers attached thereto on the Seaboard Air Line Railway crossing at One Hundred and Sixty-seventh Street, Miami, Fla.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereto shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

On page 1, line 6, strike out "$10,000" and insert "$2,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSE BABACE

The Clerk called the bill (S. 26) for the relief of Jose Babace.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General of the United States is hereby authorized and directed to cancel any deportation proceedings which might arise in the case of Jose Babace (Irigoyen), Minden, Nev., legally admitted but who has remained in the United States longer than permitted by law and regulations, and that this alien shall be considered as having been admitted for permanent entry as of the date of his actual entry on the payment of the visa fee of $10 and the head tax of $8.

Upon enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Spanish quota for the first year that the said Spanish quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CERTAIN BASQUE ALIENS

The Clerk called the bill (S. 27) for the relief of certain Basque aliens.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws the Attorney General be, and he is hereby, authorized and directed to record the lawful admission for permanent residence of Jose S. Algarra de Carlos, Domingo Asiain Hualde, Patricio Asiain Hualde, Cipriano Aznarren Udi, Gracian Azparren Gazcue, Pedro Aspiroz Echechuri, Anastasio Barbarena Elizegaray, Melchor Burusco Domench, Pedro C. Cemborain Garmendia, Angel Dufur Iturri, Bernardo Dufur Iturri, Primitivo Egozcue Seminario, Modesto Elgorriaga Exposito, Felipe Erra Huarte, Esteban Erro Inda, Ambrosio Esnoz Recalde, Lino Goicoa Arozerena, Alberto Ibarregui Iriberri, Pablo Inda Sagardoy, Felipe Itturri Castilla, Francisco Jorajuria Andiaarena, Joaquin Juanarena Dufur, Francisco Larrea Ibarrola, Manuel Lecumberri Barber, Silvestro Martinex Exposito, Serpio Mendiguia Lerumbe, Jose Moulian Mendia, Jose Narvarez Berendiain, Antonio B. Nuin Exposito, Jose Ochandorena Petricorena, Jose M. Ochandorena Petricorena, Primitivo Olondriz Echeverria, Mateo Pedroarena Barberena, Leandro Urrutia Villanueva, Pedro Valencia Llorente, Prisco Villanueva Montoya, Marcelina Villanueva Urrutia, Salvador Viscar Oroz, Demetrio Zubiri Uriz, Pedro M. Recaide Iribarren, Celestino Arozarena Elizagaray, Jose Betelu Zubiriaga, Dionisio Betelu Zubiriaga, Fermin Jorajuria Andiaarena, Tomas Iriarte Lerindegui, Miguel Redin Equiza, Miguel Inda Juandeaburre, and Jose Zubiri Coni, as of the respective dates of their lawful temporary entry into the United States in 1944, if they are found to be admissible under the provisions of the immigration laws other than those relating to quotas: *Provided*, That if the Attorney General finds that Cipriano Aznarren Udi is otherwise entitled to the benefits of this act, he is authorized and directed to accord him such benefits, notwithstanding the provisions of section 3 of the Immigration Act of 1917, insofar as it relates to illiteracy. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number for each alien named herein from the quota of the appropriate country of the first year that the said quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN F. GALVIN

The Clerk called the bill (H. R. 766) for the relief of John F. Galvin.

Mr. LICHTENWALTER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

NEVADA COUNTY, CALIF.

The Clerk called the bill (H. R. 52) for the relief of Nevada County, Calif.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Nevada County, Calif., the sum of $10,341. The payment of such sum shall be in full settlement of all claims against the United States on account of damage to roads in such county by reason of heavy military traffic upon such roads during the period when the Thirteenth Armored Division was stationed at Camp Beale, Calif.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

C. M. SMART

The Clerk called the bill (H. R. 589) for the relief of C. M. Smart.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $10,000, to C. M. Smart, of Tyler, Tex., in full settlement of all claims against the United States for personal injuries, medical and hospital expenses, and loss of earnings sustained as a result of an accident involving a United States Army vehicle near Terrell, Tex., on May 1, 1944: *Provided*, That no part of the amount appropriated in this act in

excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike out "$10,000" and insert "$5,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PEERLESS OIL CO.

The Clerk called the bill (H. R. 656) for the relief of the Peerless Oil Co., of Brooklyn, N. Y.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

JOHN P. REILLY

The Clerk called the bill (H. R. 688) for the relief of John P. Reilly.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John P. Reilly, Revere, Mass., the sum of $5,000, in full settlement of all claims against the United States for personal injuries, medical and hospital expenses, and loss in salary sustained when claimant was injured at or near the Boardman Street Bridge, East Boston, Mass., when workmen employed by the United States Navy negligently allowed steel rods to drop from the bridge to the railroad tracks beneath, upon which the claimant was operating a railroad motorcar on April 1, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$5,000" and insert "$2,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPH THOMPSON

The Clerk called the bill (H. R. 692) for the relief of Joseph Thompson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Joseph Thompson, Oberlin, Allen Parish, La., the sum of $7,499.80. The payment of such sum shall be in full settlement of all claims of the said Joseph Thompson against the United States for injuries sustained as a result of an accident involving a United States Army truck on December 26, 1944, in Oberlin, La., at a gasoline-service station located near Highway 165 where he was employed: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$7,499.80" and insert "$6,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SAM PATTERSON

The Clerk called the bill (H. R. 737) for the relief of Sam Patterson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Sam Patterson, Pidcoke Route, Gatesville, Tex., the sum of $300. The payment of such sum shall be in full settlement of all claims of the said Sam Patterson against the United States for the damage to real property and loss of personal property as a result of the negligence of two soldiers driving an Army vehicle which ran off the road and damaged a section of fence allowing a number of sheep to escape, of which 22 were never recovered, on or about July 4, 1946. This claim does not come within the purview of the Federal Tort Claims Act of 1946 as the soldiers were not acting within the scope of their employment.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHATTOOGA COUNTY, GA.

The Clerk called the bill (H. R. 807) for the relief of Chattooga County, Ga.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Chattooga County, Ga., the sum of $55,000. The payment of such sum shall be in full settlement of all claims of the said Chattooga County against the United States for the destruction by fire of the Summerville High School building on February 26, 1943, the second day of a two-day period during which such high school was being used exclusively for conducting a registration for ration books issued by the Federal Government: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agency or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$55,000" and insert "$44,637.50."

The committee amendment was agreed to.

The bill was ordered to be engrossd and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SAMUEL ENSLER AND LOUIS PUCCINELLI

The Clerk called the bill (H. R. 1037) for the relief of of Samuel Ensler and Louis Puccinelli.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Samuel Ensler and Louis Puccinelli, jointly, of San Francisco, Calif., the sum of $2,500. Such sum represents reimbursement for the loss sustained by the said Samuel Ensler and Louis Puccinelli on account of the forfeiture to the United States of a bond conditioned upon the delivery in court of one William H. Hutcheson. By reason of the nonappearance of the said William H. Hutcheson, such bond was declared forfeited in the United States District Court for the Northern District of California, and the amount was paid by the said Samuel Ensler and Louis Puccinelli on November 25, 1946. The said William H. Hutcheson was apprehended within a very short time after such payment through the efforts of the said Samuel Ensler and Louis Puccinelli; and on October 21, 1947, the United States District Court for the Northern District of California vacated such forfeiture: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRESTON L. WATSON

The Clerk called the bill (H. R. 1056) to confer jurisdiction on the Court of Claims to hear and determine the claim of Preston L. Watson as administrator of the goods and chattels, rights, and credits which were of Robert A. Watson, deceased.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

JAMES A. STAPLETON, RUTH BURK, AND MILDRED OVREN

The Clerk called the bill (H. R. 1113) for the relief of James A. Stapleton, Ruth Burk, and Mildred Ovren, copartners doing business under the name and style of Stapleton Lumber & Piling Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That James A. Stapleton, Ruth Burk, and Mildred Ovren, copartners doing business under the name and style of Stapleton Lumber & Piling Co. be, and they are hereby, released of and from all liability and responsibility to the United States of America under a certain renegotiation agreement, dated May 14, 1943 (W. 3460-eng-PAS 42), between them and the Secretary of War (now the Secretary of the Army), in the amount of $20,187.40 with any accrued interest thereon, which is the unpaid portion of the amount named in said renegotiation agreement; and the United States of America shall forthwith release from impound or attachment all funds or credits due and payable to Stapleton Lumber & Piling Co. by its customers which said funds or credits were and are impounded and withheld by said customers upon orders of the United States of America issued in connection with said renegotiation agreement: *Provided*, That no part of the amount remitted by this act in excess of 10 percent shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OFFICERS AND MEMBERS OF CREW OF STEAMSHIP "TAIYUAN"

The Clerk called the bill (H. R. 1288) for the relief of certain officers and members of the crew of the steamship *Taiyuan*.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the following-named persons or their estates, in full compensation for service aboard the steamship *Taiyuan* and for their subsequent restraint and detention by the Japanese, the amounts set opposite the names of such persons:

John W. E. Warrior, care of Mrs. E. Picton, 10 Cavan Road, Maesteg, England, the sum of $18,900;

John Reid, care of Mrs. K. Coughlin, 28 Main Street, Ayr, Scotland, the sum of $13,230;

T. G. Terjersen, care of Mrs. Terjersen, Drammeuseveien 37, Oslo, Norway, the sum of $11,970;

Carl O. Young, of Bellingham, Wash., the sum of $18,900;

Clifford L. Godfrey, of Seattle, Wash., the sum of $5,250;

R. A. Horn, Everett, Wash., the sum of $4,305;

T. A. Fox, care of Barnet Weinstein, 1239 Avenue S, Brooklyn, N. Y., the sum of $11,500;

Joseph Civic, care of Mrs. Michael Civic, address unknown, the sum of $3,675;

Frank Foster, care of Mrs. H. Glick, 1237 Avenue S, Brooklyn, N. Y., the sum of $2,625;

K. A. Olafssan, care of Mrs. Elin Olsen, Odsbey, Munkedal, Sweden, the sum of $3,150; and

Gus Arne Fallgren, care of Mrs. Anna Fallgren, Box 204, Hallefors, Sweden, the sum of $3,675:

Provided, That no part of the amounts appropriated in this act in excess of 10 percent of any claim shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with such claim, any contract to the contrary notwithstanding. Any person violating any of the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 11, strike out "$11,500" and insert "$11,550."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

THOMAS O. TROTH

The Clerk called the bill (H. R. 1467) for the relief of Thomas O. Troth.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Thomas O. Troth, of North Wildwood, N. J., the sum of $9,950. The payment of such sum shall be in full settlement of all claims of the said Thomas O. Troth against the United States on account of loss suffered by him when a building known as Troth Garage on North Third Street, Millville, N. J., was partially destroyed by fire on April 14, 1943, at a time when it was used and occupied by the United States Army.

With the following committee amendment:

Page 1, line 6, after "the sum of" strike out the remainder of the bill and insert the following: "$9,950, in full settlement of all claims against the United States for losses sustained by him as a result of the destruction by fire of a building owned by him and known as the Troth Garage on North Third Street, Millville, N. J., with its contents, on April 14, 1943, at a time when said building was used and occupied by the United States Army: *Provided*, That no part of the amount appropriated in this act shall be paid to any subrogee: *And provided further*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ANNA SMOLOWITZ

The Clerk called the bill (H. R. 1468) for the relief of Mrs. Anna Smolowitz.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $2,500 to Mrs. Anna Smolowitz, of Absecon Highlands, N. J., in full settlement of all claims against the United States for damages sustained by her as the result of an accident which occurred in her home when a P-47 Thunderbolt Army fighter plane crashed into her home at Second Avenue, Absecon Highlands, N. J., on April 8, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, strike out lines 7 to 11, inclusive, and insert the following: "and the sum of $2,500 to Mrs. Sylvia D'Arpe, of Absecon Highlands, N. J., in full settlement of all claims against the United States arising out of personal injuries sustained by the said Mrs. Anna Smolowitz and Mrs. Sylvia D'Arpe as the result of the crash of an Army airplane into their home on Second Avenue, Absecon Highlands, N. J., on April 8, 1944."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Mrs. Anna Smolowitz and Mrs. Sylvia D'Arpe."

A motion to reconsider was laid on the table.

JOHN W. MAHONEY AND OTHERS

The Clerk called the bill (H. R. 1874) for the relief of John W. Mahoney, Charles Sorenson, Charles A. Stewart, and Stanley Thiffault.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to each of the following-named persons the amount specified in the case of such person, in full satisfaction of his claim against the United States, for the damage indicated in his case, resulting from a collision, on February 1, 1941, involving two automobiles owned, respectively, by the claimant Charles Stewart and the claimant Stanley Thiffault, and a United States Army truck, on Route No. 110, at or near Minot Corner, Ayer, Mass.:

(1) John W. Mahoney, Burlington, Mass., for personal injuries and loss of wages, the sum of $600;

(2) Charles Sorenson, Burlington, Mass., for personal injuries and loss of wages, the sum of $400:

(3) Charles A. Stewart, Lowell, Mass., for damage to automobile, the sum of $300; and

(4) Stanley Thiffault, Burlington, Mass., for personal injuries, loss of wages, and damage to automobile, the sum of $1,200: *Provided*, That no part of any sum appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with the claim satisfied by the payment of such sum, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PETER E. KOLESNIKOFF

The Clerk called the bill (H. R. 1875) for the relief of Peter E. Kolesnikoff.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Peter E. Kolesnikoff, Chelmsford, Mass., the sum of $1,000, in full satisfaction of his claim against the United States for the damage resulting from a collision, on February 1, 1941, involving automobiles owned by the claimant Peter E. Kolesnikoff and a United States Army truck, on Route No. 110, at Westford, Mass.: *Provided*, That no part of any sum appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with the claim satisfied by the payment of such sum, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CARMEN MORALES

The Clerk called the bill (H. R. 3311) for the relief of Carmen Morales.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to Carmen Morales, who was injured on June 11, 1944, when a United States Army truck overturned on Insular Highway No. 25, between Cataño and Santurce, Puerto Rico. The payment of such sum shall be in full settlement of all claims against the United States on account of such accident: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, strike out "$5,000" and insert "$750."

Page 1, line 5, after "Carmen", strike out the remainder of line 5 and down to and including the word "accident" in line 10, and insert the following: "Morales; to pay the sum of $1,500 to Aida Morales (Sanches); to pay the sum of $5,000 to Lydia Cortes, in full settlement of all claims against the United States for personal injuries, medical and hospital expenses sustained as a result of an accident involving a United States Army vehicle on Insular Highway No. 25, between Cataño and Santurce, Puerto Rico, on June 11, 1944."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Carmen Morales, Aida Morales, and Lydia Cortes."

A motion to reconsider was laid on the table.

ESTATE OF MANUEL GRAULAU VÉLEZ

The Clerk called the bill (H. R. 3313) for the relief of the estate of Manuel Graulau Vélez.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to the administrator of the estate of the late Manuel Graulau Vélez, who was fatally injured on February 19, 1943, when struck in Carolina, Puerto Rico, by a United States truck. The payment of such sum shall be in full settlement of all claims against the United States on account of such accident: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATE OF RAFAEL REBOLLO

The Clerk called the bill (H. R. 3323) for the relief of the estate of Rafael Rebollo.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to the administrator of the estate of the late Rafael Rebollo, who was killed on August 17, 1943, when struck in Guaynabo, Puerto Rico, by a Works Projects Administration truck. The payment of such sum shall be in full settlement of all claims against the United States on account of such accident: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 8, strike out "Works Project Administration truck" and insert "Government truck operated by a project employee on the work-relief program in Puerto Rico under the Federal Works Agency."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANASTACIO ACOSTA

The Clerk called the bill (H. R. 3324) for the relief of the estate of the late Anastacio Acosta.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated the sum of $5,000 to the administrator of the estate of the late Anastacio Acosta, who was fatally injured on March 18, 1940, when a bomb dropped by the United States Naval Air Forces exploded in the island of Vieques, P. R. The payment of such sum shall be in full settlement of all claims against the United States on account of such accident: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, after the "$", strike out the bill down to the colon in line 11, page 1, and insert in lieu thereof "3,000 to the estate of Anastacio Acosta, and the estate of Domingo Acosta Arizmendi the sum of $1,500, in full settlement of all claims against the United States for their deaths sustained as a result of a bomb dropped by the naval air forces which exploded in the island of Vieques, P. R., on March 19, 1940."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of the estate of Anastacio Acosta, and the estate of Domingo Acosta Arizmendi."

A motion to reconsider was laid on the table.

MRS. SIRVART ARSENIAN

The Clerk called the bill (H. R. 3532) for the relief of Mrs. Sirvart Arsenian.

Mr. LICHTENWALTER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania

There was no objection.

ELEANOR P. SIMMONDS

The Clerk called the bill (H. R. 3534) for the relief of Eleanor P. Simmonds.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $424 to Eleanor P. Simmonds, of Needham, Mass., in full settlement of all claims against the United States as reimbursement for storage for automobile placed in commercial storage by the War Department from January 23, 1942, to November 12, 1946, in San Francisco, Calif.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction

thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, after the name "Simmonds", insert "as administratrix of the estate of Norman B. Simmonds, deceased."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Eleanor P. Simmonds, as administratrix of the estate of Norman B. Simmonds, deceased."

A motion to reconsider was laid on the table.

CATHERINE S. TREMAYNE

The Clerk called the bill (H. R. 761) for the relief of Catherine S. Tremayne.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Catherine S. Tremayne, of Merriam, Kans., out of any money in the Treasury not otherwise appropriated, the sum of $2,000, in full settlement of all claims against the United States for personal injuries and medical expenses sustained as the result of an accident involving a United States Army plane, when it crashed into a suburban residential area near Merriam, Kans., on July 26, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 4, after the word "pay", strike out the remainder of the bill down through the word "accident" in line 8 and insert in lieu thereof ", out of any money in the Treasury not otherwise appropriated, the sum of $500 to Catherine S. Tremayne, of Merriam, Kans., and to pay the sum of $2,500 to A. I. Lang, of Merriam, Kans., in full settlement of all claims against the United States for personal injuries, medical and hospital expenses sustained as a result of an accident."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read a third time, and passed.

The title was amended so as to read: "A bill for the relief of Catherine S. Tremayne and A. I. Lang."

A motion to reconsider was laid on the table.

JEPTHA R. MACFARLANE

The Clerk called the bill (H. R. 603) for the relief of Jeptha R. Macfarlane.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and is directed to pay, out of any money not otherwise appropriated, to Jeptha R. Macfarlane, formerly a lieutenant in the Medical Corps of the United States Navy, the sum of $1,050. The payment of such sum shall be in full settlement of all claims of Jeptha R. Macfarlane against the United States for per diem alleged to have been due while he was on temporary additional duty at New York, N. Y., from September 9, 1944, to May 23, 1945. Provision for payment of this per diem was omitted from orders issued to him on September 8, 1944, because of clerical error in the writing thereof: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 7, strike out "$1,050" and insert "420."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MICHAEL PALAZOTTA

The Clerk called the bill (H. R. 3603) for the relief of Michael Palazotta.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Michael Palazotta, of Bethpage, N. Y., the sum of $10,000, in full satisfaction of all claims against the United States as compensation for his permanent disability, as the result of an accident involving a United States armed car tank, on April 21, 1944, at Babylon, N. Y.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$10,000" and insert "$7,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LESLIE A. HARBER

The Clerk called the bill (H. R. 3620) for the relief of Leslie A. Harber.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,800, to Leslie A. Harber, of Indian Head, Md., in full settlement of all claims against the United States for personal injuries and loss of earnings sustained as a result of an accident in the city of Port of Spain, Trinidad, British West Indies, on March 12, 1942. Said accident occurred while on official duty with the War Department as a civilian employee: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELLA L. BROWNING

The Clerk called the bill (S. 208) for the relief of Ella L. Browning.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ella L. Browning, Bar Harbor, Maine, the sum of $3,552.50, in full satisfaction of her claim against the United States for compensation for damages to a swimming pool and stone terrace wall situated at Pointe d'Acadie, on Mount Desert Island, in connection with experimental work with ordnance materials conducted by the United States Navy at Bald Porcupine Island, Hancock County, Maine, in and after 1943, while such Bald Porcupine Island was occupied by the Naval Establishment under lease (NOy (R)-33877) executed by said Ella L. Browning, on September 15, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES L. BISHOP

The Clerk called the bill (S. 748) for the relief of Charles L. Bishop.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Postmaster General is authorized and directed (1) to cancel all claims against Charles L. Bishop for payment of the sum of $350 representing the aggregate amount of money orders erroneously paid by the said Charles L. Bishop in 1944 while acting as assistant Navy mail clerk at the Naval Air Station, Alameda, Calif., to a person then in the armed forces of the United States who had stolen such money orders and fraudulently endorsed them in his own favor; and (2) to pay to the said Charles L. Bishop, out of any money available for the pay of employees in the postal service, an amount equal to any portion of such sum heretofore paid by him pursuant to such claims.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. DOROTHY VICENCIO

The Clerk called the bill (H. R. 631) for the relief of Mrs. Dorothy Vicencio.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Dorothy Vicencio, Loomis, Calif., the sum of $5,456.51. Such sum is paid to her both for her benefit and for the benefit of her minor child and such payment shall be in full settlement of all claims of the said Mrs. Dorothy Vicencio, and all claims of her minor child, against the United States on account of the death of Raymond Vicencio, husband of the said Mrs. Dorothy Vicencio and father of such child, as a result of a collision on August 8, 1944, on the San Francisco-Oakland Bay Bridge between a truck operated by the said Raymond Vicencio and a United States Navy truck. No part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

B. G. JONES

The Clerk called the bill (H. R. 636) for the relief of B. G. Jones.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated to Mr. B. G. Jones, of Walnut Ridge, Ark., the sum of $8,058, such sum representing the damages sustained by the said Mr. B. G. Jones to 1943 rice crops as a result of malaria-control dusting of rice fields by the United States Public Health Service.

With the following committee amendments:

Page 1, line 6, strike out "$8,058" and insert "$2,686."

Page 1, line 10, insert "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EMPLOYEES OF POST OFFICE DEPARTMENT

The Clerk called the bill (H. R. 639) for the relief of certain employees of the Post Office Department.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to each of the following employees of the Post Office Department the sum specified with respect to such employee, such sum to be in reimbursement for the payment of an equal amount by such employee to the Post Office Department on account of the payment of the post-office money order or orders stolen on July 5, 1946, from the United States post office at Kedron, Ark., and specified with respect to such employee:

(1) Mark B. Craig, United States post office, Russellville, Ark., post-office money order No. 25985 in the amount of $100, the sum of $100;

(2) Earl Fitzgerald, United States post office, Fort Smith, Ark., post-office money order No. — in the amount of $100, the sum of $100;

(3) Bernice G. Hogan, United States post office, Conway, Ark., post-office money orders Nos. 25995 and 25996, each in the amount of $100, the sum of $200;

(4) Alex J. Howard, United States post office, Morrilton, Ark., post-office money order No. 25988 in the amount of $100, the sum of $100;

(5) Narious A. McHughes, United States post office, Little Rock, Ark., post-office money orders Nos. 25000, 25993, and 25994, each in the amount of $100, the sum of $300;

(6) Marion E. Martin, United States post office, Van Buren, Ark., post-office money order No. 25981 in the amount of $100, the sum of $100;

(7) Earl H. Neely, United States post office, Benton, Ark., post-office money order No. 25983 in the amount of $100, the sum of $100;

(8) Jeff D. Newkirk, United States post office, Hot Springs National Park, post office money order No. 25997 in the amount of $100 the sum of $100; and

(9) David P. Wood, United States post office, North Little Rock, Ark., post-office money orders Nos. 25980, 25986, and 25987, each in the amount of $100, the sum of $300:

Provided, That no part of any sum appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with the claim satisfied by the payment of such sum, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 6, strike out "Earl" and insert "William E."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Mark B. Craig and others."

A motion to reconsider was laid on the table.

GERTRUDE O. YERXA ET AL.

The Clerk called the bill (H. R. 718) for the relief of Gertrude O. Yerxa, Mrs. G. Olive Yerxa, and Dr. Charles W. Yerxa.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Gertrude O. Yerxa, Arcadia, Calif., the sum of $1,175.39; to Mrs. G. Olive Yerxa, Arcadia, Calif., the sum of $500; and to Dr. Charles W. Yerxa, Arcadia, Calif., the sum of $500. The payment of such sums shall be in full settlement of all claims of the said Gertrude O. Yerxa, the said Mrs. G. Olive Yerxa, and the said Dr. Charles W. Yerxa, respectively, against the United States for personal injuries and property damage sustained, and medical and hospital expenses incurred, as a result of a collision on May 30, 1945, on Riverside Drive, Los Angeles, Calif., involving an automobile owned and operated by the said Gertrude O. Yerxa and a United States Army vehicle, the driver of which was operating such vehicle in a manner not within the course and scope of his employment: *Provided*, That no part of any sum appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with the claim satisfied by the payment of such sum, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PEARL ASSURANCE CO., LTD.

The Clerk called the bill (H. R. 1011) for the relief of the Pearl Assurance Co., Ltd., and the Bankers & Shippers Insurance Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Pearl Assurance Co., Ltd., San Francisco, Calif., the sum of $2,000, and to the Bankers & Shippers Insurance Co., San Francisco, Calif., the sum of $2,000. Such sums represent reimbursement for two like amounts of $2,000 paid by the said Pearl Assurance Co., Ltd., and the said Bankers & Shippers Insurance Co., respectively, as insurers, to cover property damage sustained by Arthur E. Jacobsen and Mrs. Mattie C. Jacobsen, husband and wife, of Oakland, Calif., insured, when an Army transport plane crashed into the house owned by them at Oakland, Calif., on January 18, 1944: *Provided*, That no part of either of the sums appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with the claim settled by the payment of such sum, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANK O. WARD

The Clerk called the bill (H. R. 1053) for the relief of Frank O. Ward.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Frank O. Ward, of White City, Ga., the sum of $20,000. The payment of such sum shall be in full settlement of all claims of the said Frank O. Ward against the United States for the infringement of personal liberty, damage to business,

loss of profits, damage to personal reputation, impairment of health, and medical and personal expense which resulted from his arrest on January 31, 1947, and his subsequent imprisonment at Fort McClellan until February 11, 1947, on the false charge of desertion. Said Frank O. Ward served honorably in the United States Army from June 26, 1944, until his honorable discharge on May 1, 1946: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$20,000" and insert "$3,500."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LORRAYNE E. GRAUS

The Clerk called the bill (H. R. 1062) for the relief of Lorrayne E. Graus.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lorrayne E. Graus, the sum of $4,500, in full settlement of all claims against the United States for personal injuries, medical and other expenses, and losses sustained by her as a result of a Navy ambulance striking the automobile in which she was riding at the intersection of Thirtieth Street and Figueroa Street in the city of Los Angeles, Calif., on December 23, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not to exceed $1,000.

With the following committee amendments:

Page 1, line 6, insert "of 1128 West Twenty-eighth Street, Los Angeles, Calif."

Page 1, line 7, strike out "$4,500" and insert "$750."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FREDERICK W. LASS

The Clerk called the bill (H. R. 1058) for the relief of Frederick W. Lass.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Frederick W. Lass, Los Angeles, Calif., the sum of $114.70. Such sum represents the loss sustained by Mr. Lass on December 8, 1947, when articles of clothing were stolen while he was working as a substitute clerk for the railway mail service in the Terminal Annex Station in Los Angeles. Such loss could not have been incurred had the Post Office Department made provision for extra help to place belongings in lockers or in cribs provided for this purpose.

With the following committee amendments:

Page 1, line 5, after the word "Lass", insert "3766½ West Fifty-fourth Street."

Page 2, line 2, insert "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAMES FRED GIRDLEY

The Clerk called the bill (H. R. 1131) for the relief of James Fred Girdley.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $150, to James Fred Girdley, of Midland, Tex., in full settlement of all claims against the United States as reimbursement of employees' social-security tax erroneously collected for the period from January 1, 1937, through June 30, 1941, through the collector of internal revenue, Pittsburgh, Pennsylvania, by the Gulf Oil Corp.: *Provided*, That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out the word "Girdley" and insert "Girdley and Percy Bridgewater, both."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of James Fred Girdley and Percy Bridgewater."

A motion to reconsider was laid on the table.

RALPH A. WOOD

The Clerk called the bill (H. R. 1497) for the relief of Ralph A. Wood.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ralph A. Wood, substitute carrier in the United States post office at Oakland, Calif., the sum of $681.33. Such sum represents the amount for which the said Ralph A. Wood was held liable to the United States on account of the loss on October 7, 1942, of a registered letter placed in his custody and containing currency and coin in the amount of $681.33, which loss occurred while the said Ralph A. Wood was rendering first aid to a wounded man on Seventh Street, Oakland, Calif. Such sum shall be paid only on condition that the said Ralph A. Wood shall use such sum, or such part thereof as may be necessary, to make full reimbursement to the Fidelity and Casualty Co., of New York, for the amount which such company, as surety on the bond of the said Ralph A. Wood, was required to pay to the United States on account of such loss.

With the following committee amendment:

Page 2, line 9, after the word "loss," insert "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALTON BRAMER

The Clerk called the bill (H. R. 2069) for the relief of Alton Bramer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Alton Bramer, Grand Portage, Minn., a forest guard in the employ of the Bureau of Indian Affairs, Consolidated Chippewa Agency, Cass Lake, Minn., the sum of $2,768.90. Such sum represents the value of certain personal property owned by the said Alton Bramer and lost on February 5, 1947, when the Grand Portage ranger cottage and office, Grand Portage, Minn., occupied by the said Alton Bramer was destroyed by fire originating from an undetermined cause: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WINSTON A. BROWNIE

The Clerk called the bill (H. R. 2078) for the relief of Winston A. Brownie.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Winston A.

Brownie, White Plains, N. Y., the sum of $95. Such sum represents reimbursement to the said Winston A. Brownie for paying out of his own funds a judgment, together with court costs, arising out of an accident occurring on December 19, 1945, when the said Winston A. Brownie was operating a United States mail truck: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EMMA ARMSTRONG

The Clerk called the bill (H. R. 2710) for the relief of Emma Armstrong.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to credit the accounts of Emma Armstrong, acting postmaster at Maple Shade, N. J., from any liability to refund or pay to the United States the sum of $1,472.41, such sum being postal and money-order funds lost in a burglary of the Maple Shade, N. J., post office, between closing time on Saturday, October 30, and opening time Monday morning, November 1, 1943.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the Comptroller General of the United States is hereby authorized and directed to credit the account of Emma Armstrong, former acting postmaster at Maple Shade, N. J., in the amount of $1,473.86, such sum being postal and money-order funds lost in a burglary of the Maple Shade, N. J., post office, between closing time on Saturday, October 30, and opening time Monday morning, November 1, 1943, and she is hereby relieved from any liability therefor."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. BENJAMIN BETTS

The Clerk called the bill (H. R. 2935) for the relief of Mrs. Benjamin Betts.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $50 to Mrs. Benjamin Betts, of 1164 South Thomas Street, Arlington, Va., in full settlement of all claims against the United States for the loss of a portable Royal typewriter, No. 0734638, which was left with an attendant in the Government publication reading room and not returned: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed and a motion to reconsider was laid on the table.

LAWRENCE REVES

The Clerk called the bill (H. R. 3553) for the relief of Lawrence Reves.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $129.48 to Lawrence Reves, of Duck Hill, Miss., in full settlement of all claims against the United States for damages sustained by the said Lawrence Reves on the 20th day of May 1946 as the result of the negligent and wrongful operation of a United States Army vehicle at Camp McCain, Miss., by a member of the armed forces of the United States who was not then and there acting within the scope of his office and employment: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed and a motion to reconsider was laid on the table.

MARDEN CONSTRUCTION CO., INC.

The Clerk called the bill (H. R. 3727) for the relief of the Marden Construction Co., Inc.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Marden Construction Co., Inc., of Boston, Mass., the sum of $11,109.89 in full settlement of all claims against the United States as the result of increased cost occasioned by excavation of hard rock not shown in the specifications and for increased cost of material due to the National Recovery Administration, all increased cost growing out of a contract awarded on March 20, 1934, Federal project No. 93 (hangar), Coast Guard air station, Winter Island, Salem, Mass.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MILO JURISEVIC ET AL.

The Clerk called the bill (S. 32) for the relief of Milo Jurisevic, Mrs. Jelena Jurisevic, Svetozar Jurisevic, and Radmila Jurisevic.

Mr. LICHTENWALTER. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. WALTER. Mr. Speaker, I object.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. LICHTENWALTER and Mr. DOLLIVER objected; and, under the rule, the bill was recommitted to the Committee on the Judiciary.

LEE F. BERTUCCIOLI

The Clerk called the bill (H. R. 750) for the relief of Lee F. Bertuccioli.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding any provision of the immigration and naturalization laws, the alien Lee F. Bertuccioli, Farnborough, Kent, England, who served in the armed forces of the United States during World War II under the name of Lee F. Johnson, and who, because of a physical disability arising out of such service, is unable to obtain an immigration visa, shall be admitted to the United States for permanent residence.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THEODORE PAPACHRISTOPOULOS

The Clerk called the bill (H. R. 2360) for the relief of Theodore Papachristopoulos.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General be, and he is hereby, authorized to admit to the United States for permanent residence Theodore Papachristopoulos, a native and citizen of Greece born January 29, 1944.

SEC. 2. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for Greece for the first year that such quota number is available.

With the following committee amendments:

On line 3, before the words "Attorney General" insert the words Secretary of State and the."

On the same line, after the comma as it appears after the word "be", strike out the words "and he is" and insert in lieu thereof the words "and they are."

On line 4, strike out the words "to admit" and insert in lieu thereof the words "and directed to provide for the admission"; and on the same line after the word "residence" add the word "of."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FLATHEAD INDIAN RESERVATION, MONT.

The Clerk called the bill (H. R. 1976) to authorize the sale of certain allotted inherited lands on the Flathead Indian Reservation, Mont.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed

to sell 80 acres of the trust allotment of Angelic Michel, deceased Flathead allottee No. 894, described as the west half of the northeast quarter of section 13, township 24 north, range 21 west, Montana principal meridian, now owned through inheritance by Joseph Finley and Joseph Martin Finley, to Albert Lloyd Helmer for a consideration of $1,487.50, conveyance to be made by the issuance of a patent in fee to the purchaser.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LESLIE PAUL SCHROEDER

The Clerk called the bill (H. R. 1281) authorizing the Secretary of the Interior to issue a patent in fee to Leslie Paul Schroeder.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to issue to Leslie Paul Schroeder, of Lodge Grass, Mont., a patent in fee to the following-described lands allotted to him on the Crow Indian Reservation, Mont.: The west half of the northwest quarter and the northwest quarter of the southwest quarter of section 16; the northeast quarter of the southeast quarter and the south half of the southeast quarter of section 17; and the north half of the northeast quarter of section 20, township 9 south, range 34 east, Montana principal meridian; and the southwest quarter of section 15 and the southeast quarter of section 16, township 6 south, range 33 east, Montana principal meridian, containing six hundred and forty acres.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A PATENT IN FEE TO PHENA M. ANDERSON

The Clerk called the bill (H. R. 1109) authorizing the Secretary of the Interior to issue a patent in fee to Phena M. Anderson.

There being no objection, the Clerk read the bill, as follows:)

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to issue to Phena M. Anderson, of Spokane, Wash., a patent in fee to the following-described lands allotted to her on the Blackfeet Indian Reservation, Mont.: The east half of the northeast quarter of section 30, township 37 north, range 10 west, Montana principal meridian, containing eighty acres.

With the following committee amendment:

Page 1, after line 9, insert a new section as follows:

"SEC. 2. Said patent in fee when issued shall contain a reservation to the United States of the oil, gas, and all other mineral deposits as provided in the act of June 30, 1919 (41 Stat. 16)."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A PATENT IN FEE TO FRANCIS HOWE

The Clerk called the bill (H. R. 1030) authorizing the Secretary of the Interior to issue a patent in fee to Francis Howe.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to issue to Francis Howe, of Hardin, Mont., a patent in fee to the following-described lands allotted to him on the Crow Indian Reservation, Mont.: The north half, the southwest quarter, and the west half of the west half of the southeast quarter, of section 20, township 8 south, range 38 east, Montana principal meridian, and the northwest quarter, section 29, township 8 south, range 38 east, Montana principal meridian, containing six hundred and eighty acres.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A PATENT IN FEE TO HOWARD C. HECKENLIVELY

The Clerk called the bill (H. R. 1029) authorizing the Secretary of the Interior to issue a patent in fee to Howard C. Heckenlively.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to issue to Howard C. Heckenlively, of Livingston, Mont., a patent in fee to the following-described lands on the Crow Indian Reservation, Mont.: The south half of the southwest quarter of section 1; the south half of the southeast quarter of section 2; the north half of the northwest quarter of section 12; and the west half of the northeast quarter of section 11, township 9 south, range 36 east, Montana principal meridian, containing 320 acres.

With the following committee amendment:

Page 1, line 9, strike out "west" and insert "north."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McBride, its assistant enrolling clerk, announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 278. An act to prevent retroactive checkage of payments erroneously made to certain retired officers of the Naval Reserve, and for other purposes; and

S. 629. An act to authorize the disposition of certain lost, abandoned, or unclaimed personal property coming into the possession of the Treasury Department, the Department of the Army, the Department of the Navy, or the Department of the Air Force, and for other purposes.

The message also announced that the Vice President had appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An Act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States No. 49–9.

EXTENSION OF REMARKS

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1950

Mr. WHITTEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3997), making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1950, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 3 hours, the time to be equally divided and controlled by the gentleman from Minnesota [Mr. H. CARL ANDERSEN] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Mississippi.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 3997, with Mr. FORAND in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. WHITTEN. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, we have up for consideration at this time the Department of Agriculture appropriation bill for the fiscal year 1950. At the outset I would like to express appreciation to the members of the committee who have served diligently and worked hard in the preparation of this bill. There have been few disagreements and in fully 99 percent of the bill there has been unanimity of opinion.

This bill carries a total appropriation of $701,122,079, which is an increase over the directly appropriated funds of last year. It is a reduction, however, of in excess of $25,000,000 below the estimate submitted by the Bureau of the Budget.

Practically all of the increases over the appropriated funds made available last year comes from the fact that in 1947 the triple-A program was reduced to $150,000,000—cut approximately in half. Last year the bill had to carry only enough funds to pay for the reduced program of the year before, while at the same time an increased program was announced. This year, therefore, we must pay for the increased program which was announced last year. That is the contribution of the Federal Government toward the cost of soil-conservation improvement. Thus this $127,000,000 over last year was committed last year.

The bill carries a number of things in which several of us on this committee have been very much interested.

It is the desire of all Members of Congress that the rural electrification program be expanded to serve all the people

of the United States as soon as is practicable and as soon as it may be done on a reasonably workable basis, on a sound basis where the money will be repaid to the Treasury. To this point the program has been handled in that way. Collections have been excellent, and there have been practically no cases where the money has not been repaid to the Federal Treasury, and I do not know of any program that has the wonderful record that this agency has with regard to repayment. Since we all favor the rural electrification program, and since all of us wish to expand this program, we have felt from time to time that various Members wanted to show that they had this interest at heart every year when this bill came to the floor. We have had the problem of different Members wanting to increase the funds of this agency, sometimes to charge the agency with funds which it said it could not use. For the first time in this bill we provide that the budget estimate of $350,000,000 shall be available for the REA. That is the budget estimate. We do not want the REA chargeable with any more funds than it actually can use. On the other hand, we want the REA to be able to meet its needs. So, in addition to the budget estimate of $350,000,000 we have provided that in the event those funds are used and they run out that, for approved projects where the applicants meet the requirements of the law, the Secretary of Agriculture may increase the funds available for an additional $150,000,000, as they become necessary. That, I think, is an improvement.

With regard to the Soil Conservation Service, the committee has seen fit to make a substantial increase in excess of $3,800,000. Now, that becomes necessary because this Congress and the country is committed to a soil conservation program. We have provided, under law, for the organization of new districts. All of the old districts have technical aides. They have employees who are well able to carry out the work. During the last year and a half there have been approximately 171 new districts formed for which there was no personnel, and at the request of practically all Members of Congress from agricultural areas the committee has seen fit to provide funds for giving this technical assistance to these newly organized districts, as the country is obligated to do.

With regard to the triple-A program the committee has provided funds for meeting the payment of the program announced last year. However, it was provided that the funds for the triple-A program should not be mixed with the funds for the control of the marketing-quota program. It was felt by the committee that those should be separated, and they are separated in this bill. There is no change in the amount of funds, but the control of expense items is in one category, under one listing, and the funds for the program in another.

Announced for next year is a triple-A program of $262,500,000. This is in line with an agreement reached by some of us, at least, last year, when we had this bitter fight on the soil-conservation program. It was agreed by some, at least, that they felt it was better to have a consistent year-to-year program than to have it $300,000,000 1 year and $150,000,000 another year, and no way for those in charge to orderly operate and to run this program.

We have raised the limit payable in Federal contributions to any one individual from $750 to $2,500, because the committee felt that the primary object was to obtain expenditures for soil conservation. As many of you are aware, we have had a continuous fight for the last several years in an effort to save section 32 funds. Section 32 of the Agricultural Adjustment Act provides that 30 percent of the customs' receipts shall be set aside for the promotion of new uses of surplus agricultural products, and to help in the export of such agricultural products. It has become the practice through the past few years to recapture funds provided by that law so that less than 50 percent of the funds set up in the law are available for the purposes of the act.

The bill that came to us this year provided that the school-lunch program should be paid from section 32 funds. We had a twofold problem facing us this year. The school-lunch program started out as a program for the use of surplus agricultural products. It has gone far beyond that. It used to be that it was set up secondary to the handling of the agricultural problem. Now it is set up as a school-lunch program. It has as its strongest supporters organizations of citizens. The chief support comes from the cities and municipalities of the country. The whole Nation seems to have gone into the school-lunch program and to be solidly behind it in many, many areas.

The fund set up by the budget was $75,000,000. That is a large amount of money. On the other hand, in view of the number of schools that have come into the school-lunch program, the amount of the Federal contribution in some areas has gone down to 4.5 cents per lunch. In view of the fact that there is a real need in this day of agricultural surplus to retain all of section 32 funds for the purposes of the act, and in view of the fact that there was a real need for the school-lunch program to have additional funds or additional commodities, in view of the number of schools that are in this program, the committee has seen fit to handle the school-lunch program by direct appropriation. The $75,000,000 is directly appropriated. It leaves the entire total of section 32 funds available for the purposes of the act.

The way that helps the school-lunch program is this: Section 32 funds will be used to support commodity prices, and any commodities that they have on hand which are usable—and nearly all of them are usable by the school-lunch program—will be available to the school-lunch program without expense, and will be in addition to the $75,000,000 that is appropriated here.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Georgia.

Mr. PACE. I feel that I should say, in behalf of the school children of the Nation and the farmers of the Nation, that the chairman and his committee should be highly commended for the action they have taken in providing a direct appropriation for the school-lunch program, to be supplemented by surplus purchases out of section 32 funds. I think it is timely and necessary. Notwithstanding the fact—and I want to get this clear—that the appropriation for school lunches is under the general head of section 32 funds, on page 29 of the bill, it does not mean that they are to come out of those funds but are to be a general appropriation.

Mr. WHITTEN. That is true. I deeply appreciate the statement of my friend from Georgia, who has rendered such outstanding service to agriculture and to the Nation as a whole. We do feel that this greatly strengthens and implements the school-lunch program, and at the same time retains the provisions of the law governing section 32 funds.

There is another thing in connection with the soil-conservation program and the triple-A program. It has been the feeling of many Members of Congress from some areas of the country that perhaps there is not enough attention given to planning and to the use of soil-conservation forces. For the first time this bill carries a provision that would permit—and this authority is entirely permissive; nothing requires it—local triple-A committees to use not to exceed 10 percent of the funds allocated to that county for the use of the Soil Conservation Service in preparing plans. It is an effort to make the two services use the best that is available from the other service. While there is nothing compulsory about it, we are a little hopeful that the provision will be used and that it will result in more real service.

Mr. PACE. If the gentleman will yield further, and I dislike to interrupt him twice in succession, as I understand, that is entirely permissive.

Mr. WHITTEN. It is.

Mr. PACE. It is intended to provide the services needed to carry on the balance of the appropriation?

Mr. WHITTEN. That is true.

Mr. PACE. And if the gentleman will permit me, I would like to again commend the gentleman and the committee for that action.

Mr. WHITTEN. I thank the gentleman. I do appreciate that. Again, since it is permissive, they will not be required in those areas where it is not needed, or where it is not desirable, but it makes available in those areas where they do need it, and where they wish to do it. I think there are areas in the country where that will be true.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. VURSELL. I wonder if this legislation affects the problem which was suggested to me by the AAA office of my town. They thought the soil conservation group which goes out surveying the soil and so forth would be more efficient if they had offices with and were a part

of the AAA. They thought there would also be a great deal less expense than if they had offices in different places and were working under different commands. Does this proposed legislation make any provision, or can it make any provision for that situation?

Mr. WHITTEN. This bill does not cure that evil, and I do think it is an evil the way it has to be handled in some places, and the way it is handled, perhaps, in others.

Certainly, if we could have all these people in the same building, and if we could have some coordination, it would be very, very helpful. This bill does not try to bring that about, but it tries to make it to the interest of each to fully utilize the services of the other. We point out in our report that the conservation practices group should have a set plan and should fit its practices into the plan with the soil conservation program in a given area. The Legislative Committee, I am sure, does have that problem under consideration, which the gentleman mentioned, and the committee perhaps will bring such legislation out.

Mr. Chairman, with regard to the Extension Service: Last year the Congress made available three-fourths of the last Bankhead-Flannagan authorization. This year the committee went into that question, and we provided $1,000,000, which was not made available last year. I do not know how many Members from other than rural regions have had occasion to work with the 4–H Clubs. But it is one of the finest programs that American youth has participated in. The training, not only in agriculture and in homemaking, but in citizenship, is one of the finest things that I have ever seen. The committee has seen fit to add this last increment of $1,000,000. We have stressed in our committe report that it is for the purpose of strengthening 4–H Club work and providing additional assistance to 4–H Clubs in many of the counties of the country who wish to have this service for which funds have not been heretofore available.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WHITTEN. Mr. Chairman, I yield myself five additional minutes.

Mr. Chairman, with regard to the Research and Marketing Act of 1946, the committee has gone along with this agency for 2 years without a full and detailed justification as to that project. This year they said that they could not get up these estimates. The committee felt, however, that in view of the lapse of time we had reached the point where the Congress should insist upon it.

That was in the early part of our hearings, and we gave them until the latter days of our hearings to come before the committee and justify these projects, item by item. That has been done in this bill. As you know, under the Research and Marketing Act of 1946, much of the work can be done by contract. The projects are selected largely by commodity committees from the trade, and it was because they had not had the final decisions from these committees, that we had to give them a little leeway so that the projects in this bill are about 90 percent firm and we have seen fit, in view of the situation facing us, to give them a 10-percent leeway at this time.

Mr. FARRINGTON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. FARRINGTON. In that connection, I noted with great interest the extent to which you inquired about the funds used under the Research and Marketing Act during the current year, to combat the oriental fruit fly of Hawaii.

Can the gentleman tell me just what amount is being allowed for the current year?

Mr. WHITTEN. I am sorry, I cannot. May I say to the gentleman, that the remarks which he read, were directed to the over-all problem. I hope the gentleman understands that it is not in any way to belittle the problem with which we all know you are faced, but those remarks were directed to the over-all problem with which we are faced here.

I understand that adequate provision will be made for the continuation of the work for the Oriental fruitfly. As to the dollars and cents, I am not in a position to tell the gentleman. I have no objection to trying to find out the exact amount, but I do not have that knowledge in that detail. However, I want to say that the attitude of the committee was not with reference to ignoring the problem or belittling it in any way. It is a serious problem, and therefore should have the attention of the research and marketing people.

With regard to the Farmers Home Administration, the committee has made a change. The Farmers Home Administration handles the Fontana purchase law. It provides for a reduction in loans with which to make crops. It has certain water facility loans. It has the guaranteed mortgage provision for farmers. That has heretofore been carried as an annual appropriation. The committee felt that was improperly charged as an annual appropriation or as an annual charge to agriculture. Each year the borrowers from that program pay back more to the Federal Government than is appropriated. In this bill we have provided that this fund shall provide in the same way that the REA funds are. It is a loan authorization. The funds have been increased from $75,000,000 to $85,000,000; and with regard to water facilities from $1,750,000 to $3,000,000. The increase for the loan program while it is an increase of $10,000,000 over the budget, it is the same amount of funds that they have had for this year. They had last year's appropriation and $10,000,000 from the old Resettlement Corporation.

Mr. SHEPPARD. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. SHEPPARD. I want to extend my appreciation to the gentleman for the manner in which he has handled that situation, because of the applicability to the difficulty we have in Los Angeles. I want to compliment the chairman at this time for the manner in which he has handled this matter with the committee.

Mr. WHITTEN. I deeply appreciate the gentleman's remarks. The gentleman spent a great many years in handling this matter and the problems of this committee and we appreciate his statement. The gentleman has worked many years in connection with this bill and is one of the finest and ablest friends of agriculture in the Congress.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. MURRAY of Wisconsin. The funds in the Bankhead-Jones fund are pretty well confined to furnishing loans to veterans, are they not?

Mr. WHITTEN. Practically all of it.

Mr. MURRAY of Wisconsin. And the guaranty can be for both veterans and nonveterans?

Mr. WHITTEN. Yes. There is nothing in the law prohibiting their being nonveterans, but as a matter of fact practically all of it is going to veterans.

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. WHITTEN] has again expired.

Mr. WHITTEN. Mr. Chairman, I yield myself 10 additional minutes.

Mr. O'KONSKI. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. O'KONSKI. I am deeply interested in the work of the Farmers Home Administration. I compliment the committee for supplying them with sufficient funds. However, there is one question I want to ask. Despite the fact that we are giving them more money to loan out, and despite the fact they are going to take on some work from the $44,000,000 relief appropriation, still the appropriation bill gives them a cut of over a million dollars in administrative expenses. What justification can the committee give for that?

Mr. WHITTEN. Insofar as the reduction is concerned, the only reduction is for the pay-raise increases which they have had to absorb. There may be some basis for the gentleman's contention. There were places in this bill where more money could be used. There is a limit on how much money there is available. In fact, we have many complaints that this bill goes too far. Certainly there are many places in the bill where additional funds could be used. The problem is to allocate the funds which you have, however. Certainly it is our desire not to restrict or curtail the activities of the people in the Farmers Home Administration. We hope they can do the job with this amount. If not, they will probably have time to present it to the committee in the Senate.

Mr. O'KONSKI. I thank the gentleman for his presentation.

Mr. WHITTEN. And I thank the gentleman for his comments.

I will take just a minute to say that I am indeed grateful for the splendid support we have had on this committee. We have five members of the committee who not only are interested in the Nation and in agriculture but five members who know something about agriculture. We were pleased to have join our committee this year the gentleman from Oklahoma [Mr. STIGLER], a gentleman of some years service here, a gentleman who has a thorough knowledge of agriculture. Then one of the new Members, the gentleman from Indiana [Mr. KRUSE] was appointed to our committee from the

Democratic side. He has given consistent study to the problems of agriculture and I look for the gentleman from Indiana to have a long and worth-while service in the Congress; certainly he is rendering excellent service on the committee. There is no need, perhaps, for me to make comment on the Republican members of the committee. The gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] has been a member for a long time and has made a record not only in the Congress but also in the Nation in agricultural matters. Then the gentleman from Washington [Mr. HORAN] another one of the Republican members has a thorough knowledge of agriculture; and, believe me, although they are interested in agriculture primarily and although the whole committee is interested in solving this problem, at the same time it insists on a dollar's worth for eevry dollar spent in trying to meet the problems of the Department, of the American farmer, and of the American people.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. REES. I notice that the appropriation bills that have been coming before the House thus far provide for an increased number of employees in the various departments. One of the bills the other day I believe provided for an increase of somewhere around 6,000 or 8,000 employees. What is the situation with respect to this particular measure? Do you provide for more employees?

Mr. WHITTEN. I have not checked the bill, I may say to the gentleman from Kansas, with reference to trying to tie down the exact number, but I am satisfied the bill provides for a reduction in personnel. About $6,000,000 of increased cost as a result of a bill which came from the gentleman's committee last year raising salaries has necessitated a subtantial reduction in personnel.

Mr. REES. I understand that.

Mr. WHITTEN. There are about a thousand additional personnel here, but I am sure the gentleman will agree with me that it is necessary. For instance, we establish 171 new soil conservation districts authorized under the law, and we have to man these districts. We extended the benefits of the law as required to the old districts. With this exception I believe the gentleman will find there are reductions throughout the bill.

Mr. REES. Does it take a thousand more employees to handle soil conservation?

Mr. WHITTEN. I would not say a thousand more; I really am quoting somebody else as to the total number; but I do know that we provided the funds for supplying the usual personnel for those 171 districts.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. GRANGER. I know this is a peculiarly difficult time in satisfying all Members of the House either as to whether it is too much or too little; but it is a fact, is it not, Mr. Chairman, that in the appropriations for the Forest Service the committee did an unusual thing, especially to this one agency in that in raising the salaries under the salary increase bill the committee charged it against the regular appropriation, did it not?

Mr. WHITTEN. That is true throughout the department; practically every bureau has had to absorb some of the cut, had to absorb a definite percentage under the budget estimate.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. HORAN. I wish to point out that in the hearings we took down a list of the increases. This we have placed in the hearings. I am sorry to have to report from my observation of how they apply to various bureaus of the Department of Agriculture that the absorptions are not uniform and that the Forest Service was by far the greatest absorber of this Pay-Act increase. The total departmental absorption is somewhere in the neighborhood of $15,000,000; of that the Forest Service absorbed about $2,000,000.

Mr. GRANGER. What was the reason for that? May I ask the gentleman?

Mr. HORAN. I asked that question of the department and they said the budget gave them no reason.

Mr. TACKETT. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Arkansas.

Mr. TACKETT. Is it not a fact that the Forest Department has a cut, taking into consideration the Pay Act, of $2,200,000 under the appropriation of last year?

Mr. WHITTEN. It is not so listed.

Mr. HORAN. That is correct.

Mr. WHITTEN. My understanding was different as to that, but I have not compared it with the absorptions, so it may be that the gentleman is correct. It does have a substantial decrease in this bill.

Mr. HORAN. The gentleman from Arkansas has detected the very thing that is true. You will find that the tabulation there indicates a million and a half cut for the national forests; add to that a half-million dollars in Pay Act increases that they were asked to absorb within that appropriation, and the cut runs over $2,000,000.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Georgia.

Mr. PACE. The gentleman from Washington made a statement that interests me. Is the gentleman's committee or is this House obligated to give any consideration to a budget recommendation that is not supported by sound, logical reasons?

Mr. HORAN. I certainly do not think so.

Mr. PACE. I certainly want to say for my part that if the Budget is not in position to justify its recommendation, I do not assume any obligation to pay much respect to it.

Mr. HORAN. If the gentleman will read the hearings, he will find that I expressed that very same philosophy while we were having the hearings.

Mr. WHITTEN. Insofar as the Budget controlling, of course it does not, but the Department is limited in its presentation to the Congress to those things which the Budget has approved unless, of course, they are requested by the committee to go into the matter further. So far as my own actions are concerned and the actions of other members of the committe, we have never hesitated to ask the Department to put its best foot forward. We never try to hide behind the Budget. We have tried to consider these matters very thoroughly. As a matter of fact, we were in session for about 9 weeks and we have not found anybody yet who could get by on the money they had last year. So you have got to have just about all the withstanding power that you can muster from all places in order to withstand the pressure you have for these appropriation requests. While it may look like we are shielding ourselves behind the Bureau of the Budget, I assure you we have tried to do this on a fair basis and with the best knowledge that we could obtain.

Mr. HORAN. I had intended to pay tribute to my chairman when I took the floor later on, but at this time I want the committee to know that the gentleman from Mississippi has done an excellent job as chairman of this subcommittee. He has been infinitely fair, he has been courteous to every witness who came before our committee and he has sought to ferret out the truth in every case. He has done a very excellent, able job. I have not agreed with him in every particular but our disagreements were of the head and not of the heart, I can assure you of that.

Mr. WHITTEN. I thank the gentleman very much for his comment.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Michigan.

Mr. CRAWFORD. The chairman of the subcommittee has stated that there were 9 weeks of hearings and, as I understood him, he said that every department has very strongly indicated they needed more money than they had last year.

Mr. WHITTEN. If the gentleman will permit me, I would like to say that from my observations as a member of the Appropriations Committee and from other Members, this is in no way limited to the Department of Agriculture. It is a common situation with which we are faced as we try to hold down appropriations in line with available funds.

Mr. CRAWFORD. Could the gentlemen give us in 15 or 20 words why he thinks it is necessary to give them so much money?

Mr. WHITTEN. I will try to do so.

Mr. CRAWFORD. Of course, it is natural they will ask for it. I have served on appropriation committees for big industries for 15 or 20 years. I know exactly all of the arguments, I know how they operate, and I do not think it is much different in the Government. But there comes a time when the policy makers must say: "You are going to have to get along with this, you are not going to get an increase." Why can we not do that with the Government?

Mr. WHITTEN. The committee has tried to do just that, but we have as a Congress committed ourselves to many programs like soil conservation and improvement. You cannot give technical services for that program as announced one year, then have 171 new ones come along and tell them "We are not going to do that for you." You will find places where of necessity you have to expand the program in order to treat all alike. But the committee has consistently tried to hold down these appropriations.

I may say to the gentleman that the Department was a whole lot easier and its figures were much lower than figures submitted to us by Members of Congress and by outside witnesses, which were far beyond the Department's. I mention this to show some of the difficulties we had.

The CHAIRMAN. The time of the gentleman from Mississippi has again expired.

Mr. WHITTEN. Mr. Chairman, I yield myself four additional minutes.

I am sorry to take so much of your time, but there are one or two other items in here that I think I should discuss.

In regard to Alaska, we have had several problems in Alaska during the years. It was felt 2 years ago, I believe, that they were not properly making full use of funds allocated to them under the various acts of Congress, so the operation of their experiment station and their research program was taken away from the Territory and was handed to the Department of Agriculture. All of those matters have been cleared up. They have had a working agreement which will work, apparently, and this year the committee has seen fit to turn loose from the restrictions of the past 2 years, and the funds are made available to them the same way as to the other States and Territories.

With reference to the Commodity Credit Corporation, last year many of the loan programs were needlessly restricted because of inadequate funds for classifying cotton and other commodities. We set up a corporation so that it can have the freedom to handle this terrific problem, but then we restrict it by providing limited funds for the classification of commodities. Under the terms of this bill we provide by appropriation for the handling and grading of commodities where the Government, under the law, gives it free, but under the loan program we permit the Commodity Credit Corporation to use its corporate funds to pay for that classing so that they can increase the funds that go into it as the amount of commodities handled increase and so that they will not spend the money as the amount of commodities falls off. We think that is worth while.

I cannot close without saying that the agricultural situation is somewhat serious. The Commodity Credit Corporation that finances your crop support program has approximately two-thirds of its entire borrowing capacity tied up in commodities today. We feel that we must insist—and the record shows—that in any future legislation or action by the Congress, that due attention be given for retaining to the American farmer a fair share of foreign markets.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Iowa.

Mr. JENSEN. The gentleman knows, of course, that the corn section of which Iowa is a big part has quite an infection of corn borer. I see there is no item in here earmarking an amount for the eradication of the corn borer.

Mr. WHITTEN. I cannot answer the gentleman right here, but I will do so before we complete the debate. It is not set up in the report in a separate item. It is earmarked in that the request for funds is justified under that heading, and I am sure I can show that to the gentleman, though I do not have it right here.

The CHAIRMAN. The time of the gentleman from Mississippi has again expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, may I first pay tribute to four of the most splendid gentlemen in this House, my colleagues upon the Appropriations Subcommittee on Agriculture. We have in the gentleman from Mississippi, JAMIE WHITTEN, as fair a chairman as you might wish to have; as courteous a man who has ever presided over the affairs of a committee. We have in the gentleman from Washington [Mr. HORAN], a man who probably knows forestry and the problems of the West as well as any man in the Congress of the United States. I cannot say too much for his ability along those lines and his work in behalf of agriculture is outstanding.

The gentleman from Oklahoma [Mr. STIGLER] and the gentleman from Indiana [Mr. KRUSE] have aided us considerably in deciding the many questions put before us by this appropriation measure. They are proving to be splendid additions to our group.

The five members of our subcommittee may be justly accused of being partial to agriculture, but if we are, it is because we have the conviction that if agriculture prospers and forges ahead so will all segments of our economy. We have accomplished the huge task of writing this bill after holding hearings 5 days a week from January 26 through March 11. A continuous parade of witnesses, including nearly a quorum of the House, testified to the great interest there is in this particular measure. This is the eleventh year that I have addressed the House on the subject of the agriculture appropriation bill. I have always approached this from the viewpoint that whatever benefited agriculture reflected in the well being of the economy of our entire Nation.

There is one basic problem, Mr. Chairman, which we in the House must keep in mind when considering the agriculture picture. That problem is: How shall we assure parity to the farmer for what he produces—that problem was not so difficult in a period of high prices brought on by the greatest war in all history. A statement which has proven correct—time and time again—is that the farmer is the last person to get the benefit of a rising economy and he is the first to feel the sharp cutting edge of the ax of deflation. The President still speaks—yes, even this past week—of the dangers of inflation. Last summer in July and August the farmers of the Midwest knew that deflation was on the way. The farmers of my district, the Seventh of Minnesota, sold their good malting barley for $1.30 per bushel whereas 12 months before they had received $2.40 a bushel. They sold their rye for $1.26 a bushel in comparison with $2.50 received 11 months previously. We have seen huge quantities of corn sold for less than $1 per bushel because of a little too much moisture preventing that corn being sealed at $1.35 a bushel.

Mr. Chairman, deflation has set in as far as the farmer is concerned. Our State of Minnesota will show a drop in agricultural income for 1949 of over $200,000,000. Our butter is sinking rapidly toward the support level. Just the other day the Government purchased 25,000 pounds of good creamery butter at 59 cents per pound. This may spell good news to the consumers—yes; they will save a few pennies on their grocery bills but the laboring man and business are fast losing their best customer—the farmer.

We farmers cannot buy the products of the laboring man's toil and of industry unless we receive a parity price for that which we produce. We cannot pay the men on the farms the wages they should have when butterfat sells under 70 cents per pound and butter sells at 59 cents—and grade A eggs sell at 37 cents.

Right today we see the price of hogs sliding down toward the price-support level. It is anticipated that by the time this spring's crop of pigs is on the market next November, the Department of Agriculture will have a big job on its hands holding light hogs on the support level of a little over $16. Heavy hogs will sell at $12 or below.

I repeat, Mr. Chairman, the big job ahead of this Congress is to prevent agricultural commodity prices from crashing below the parity level. Break that parity level to any great degree and you destroy—first, the income of the farmer—and automatically the income of the rest of the Nation—remember that if you take away $1 gross from agriculture—you take away $6 more from the rest of the Nation. Take away $4,000,000,000—as we did in 1948—from the farmer—and you thereby reduce the national gross income by $24,000,000,000. The two are inseparable—they go hand in hand—but unfortunately the farmer gets the ax first.

The propaganda mill has commenced operating. On Sunday, March 27, an article in the Washington Post, by John W. Ball, painted a dire picture of the potato-price-support program and contained the following statement: "Government price supports for potatoes have cost the staggering sum of one-third of a billion dollars in the last 3 years." That is the headline—the memory of which the Washington Post seems to wish to impress on the minds of consumers.

Let us assume that over a 3-year period the loss on supporting potatoes was $331,000,000. There was no question that the Department of Agriculture was a year late in recognizing the difficulties

the potato problem was presenting. Certainly there was over production and the Department should have seen the handwriting on the wall, but articles such as the one carried in the Post are unfair in that they present only a small part of the true picture.

First, only potatoes and eggs were in a serious condition in 1948 as far as price supports were concerned. Shall we forget the $1,000,000,000 additional value of our great corn crop in 1948 because of the 90 percent floor which has kept that commodity from smashing in price? Where would agricultural products for 1948 have been without the present existing price supports? We would have been lucky to have had a twenty-billion gross instead of the nearly thirty billions we did have.

I know, Mr. Chairman, from personal experience that without the protecting loans my corn, barley, rye, and oats would have returned me at least one-third less than I received.

People writing articles like the one in the Post look for sensationalism and unthinkingly do the cause of the consuming public—the laboring man—and the rest of the Nation as well a great disservice when they fail to present the picture in full.

Suppose the potato support price program—the weakest link in the chain in 1948—did cost $200,000,000. So what. How much in additional income tax did Uncle Sam collect because our potato farmers secured parity? I estimate that at least one-third of that $200,000,000 came back into the Treasury. Are we to stop supporting the commodity prices just because we have a little difficulty—as will have each year with some crop or other—because of a bountiful nature giving us more than we need?

Do you want to discourage production and repeat the scarcities of the war period? Do you want meat out of the reach of the poor people of this Nation? If you do—follow the example of the Washington Post and shout from the housetops about the cost of the support program and at the same time do not even whisper about the benefits of the program.

Mr. Chairman, agriculture has trying days ahead. We are either going to have a price-support program—or we are not. We must recognize that it is good business, if it is necessary, for our Government to spend $2,000,000,000 rather than have our price-support program collapse.

We are not dealing with a trivial matter—we are dealing with the basic economy of our Nation. Crush this vital segment of our national income and we will again revert to 34-cent butterfat, which we had in 1939, and you will also have 8,000,000 people unable to get work, just as we had in that year.

The farmers of the Nation pay at least $5,000,000,000 in income taxes to our Government. Is it not good business to spend over a billion dollars if necessary and continue this income to the Treasury of $5,000,000,000? Let us keep our sense of balance. Let us remember the basic truth that unless agriculture prospers the Nation cannot prosper. Let us remember that we must prevent the collapse of agricultural prices and thereby assure our laboring men that they will not have to walk the streets looking for work.

Finally, remember that a prosperous agriculture will produce the food your children need at a price you can afford to pay.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. H. CARL ANDERSEN] has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield myself seven additional minutes.

I yield to the distinguished gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. I wish to compliment the gentleman for the wonderful presentation of the facts and figures which he has given to the House. Is it not a fact that in the years 1932, 1933, and 1934 the farmers received 66 percent of parity on the average?

Mr. H. CARL ANDERSEN. They received that at the most. The great depression followed along with low farm prices.

Mr. JENSEN. We know what the condition of the farmer and the Nation was at that time. Now we are today talking about carrying on the 60–90 percent of parity flexible program which was foisted on this Congress last year.

Mr. H. CARL ANDERSEN. It was foisted on us in the waning hours of the night, in fact about 5:20 o'clock in the morning the last day of the session last June. I think it was lamentable that we should have taken up such an important piece of legislation at that time. Unfortunately, the House conferees were forced to agree with those of the other body in order to get any agreement at all. At least, we did receive, as you know, a continuance of the 90 percent support feature for this year 1949. I hope that 90 percent support will be reenacted upon our storables. The farmers are entitled to at least that.

Mr. JENSEN. That is a fact. The gentleman from Kansas [Mr. HOPE] fought untiringly, day in and day out, to maintain the 90 percent of parity support price.

Mr. H. CARL ANDERSEN. He certainly did.

Mr. JENSEN. And we all know that, and he is to be complimented for it. But, of course, we wanted a bill and we could not afford to see no price support at all enacted.

I wish to compliment the committee for adding the $3,750,000 to put into operation the 171 new soil conservation districts, soil conservation being so important to the future of America.

Mr. H. CARL ANDERSEN. I am glad to hear the gentleman say that. Last year, if the gentleman will recall, my amendment to increase the budget request so that the new districts could be put to work, received the approval of Congress. I have always fought hard for this very necessary program and I hope the day will come when all agricultural areas in the United States belong to such a program. We must preserve this heritage for coming generations.

Mr. JENSEN. I do not think anyone has to apologize for making appropriations of the nature of those contained in this bill, generally speaking, because unless the agricultural people of America are prosperous, all of the people of America will suffer accordingly.

Mr. H. CARL ANDERSEN. The gentleman from Iowa well knows that if we do not take care of this Nation's productive soils of today it will not be many years before it will become extremely difficult to feed the people of the United States, let alone helping other nations.

Mr. JENSEN. That is right.

Mr. H. CARL ANDERSEN. We on the committee try to look ahead in this work and do something about it before it becomes too late. We do not want another China here.

Mr. JENSEN. Also the loans which we make to REA are important. That money will all come back into the Federal Treasury. Out of that one program it has been possible for the farmers to bring about a finer life and achieve greater production from their soil.

Mr. H. CARL ANDERSEN. The gentleman from Iowa will recall also that the subject of REA has always been very dear to me personally. My amendment last year added $100,000,000 to the loan authorization. I am very much pleased by the action of the subcommittee in making available, if needed, the entire $500,000,000 for rural-electrification loans. After all, these are loans, not gifts; and the record of the 1,000 or more REA cooperatives in repayments is unexcelled. If the average bank could do business on the same scale of loss as the REA, the banks would have nothing to fear about their stability.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield.

Mr. CRAWFORD. I wish to get the gentleman's reaction to this kind of question: I hold in my hand a letter from a very prominent lawyer, a college graduate, who resides in my district. To my certain knowledge his grandfather and his father, and this young man himself were and are registered Republicans and voted the Republican ticket. He questions with all the sincerity and aggressiveness that a young legal-minded man can, the policy of supporting farm prices; and I wish to submit this question for the benefit of the House and for the two parties, and for this whole economy of ours. I should like the ranking member of the Committee on Agriculture to give us his observations on it: If the Congress of the United States is continually to support legislation such as the Wagner Act, the Taft-Hartley Act, the Walsh-Healey Act, and other acts of that nature designed specifically for maintaining a high wage level to industrial workers under all conditions through bargaining contracts and agreements made before the industrial worker produces the goods in the factory, then on what grounds can the Congress of the United States escape the responsibility of providing measures so that the farm people will have a reasonable wage for the effort they put into producing primary foodstuffs?

Mr. H. CARL ANDERSEN. My answer to that, I may say to the gentleman from Michigan, is that the Congress of the United States would be extremely derelict in its duty if it failed to prevent the crashing down of agricultural prices;

and, furthermore, it is simply in line with what it has been doing for labor and for industry for a great many years. Nobody can conscientiously criticize price-support measures, because they do only justice for the farmer as other legislation in years gone by has protected the interests of the laboring man and other segments of our population.

Mr. CRAWFORD. And would the Congress not absolutely destroy the economy of the country if it did not keep the thing reasonably balanced?

Mr. H. CARL ANDERSEN. There is no question about it; it would be absolutely destructive to our economy to permit farm commodity prices to go down to the levels we were unfortunate to have in the thirties.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield to the gentleman from Iowa [Mr. JENSEN] such time as he may desire.

Mr. JENSEN. Mr. Chairman, the bill now before the House is by far the most important, far-reaching, and basic to the continued welfare of our Nation than any of the other appropriation bills that Congress has to deal with in this session.

It is these agriculture appropriations which support the laws of our land with dollars to insure the fertility of our priceless soil and timber resources and to eradicate pests, insects, and disease so destructive to our food, feed, fiber, and lumber, so that the producers of all these necessary commodities may produce sufficient goods for our ever increasing population and for many other peoples of the world. The money we spend for soil, water, and woodland conservation will be returned tenfold to all our people in a very short time and a hundredfold over a long period of time. In short the survival of our American standard of living and of our cherished liberties depends on how well we conserve our national resources, our good earth being the most important. Knowing that to be true, on February 7, I introduced H. R. 2368, a bill which will, if enacted into law, do much to conserve these all-important resources for us and for posterity.

The funds requested in this bill for those purposes are entirely justified, as are the funds for commodity loans to farmers which makes it possible for the grower of crops to profit by holding his surplus crop for a better market than is generally paid at harvesttime, and for an ever-normal granary.

We must bear in mind that the national income is always almost exactly seven times the farm income, hence labor, business, industry, and every segment of our population has a responsibility in seeing to it that the farmers' income is maintained at a high level. That, Mr. Chairman, is the reason for my objection to a support program for basic storable farm crops below 90 percent of parity, for should our farm income fall to an unsafe low level, the purchasing power of our farmers will fall to that degree and in turn employment will fall proportionately, business will suffer and our whole economy will hit the rocks.

This bill is fair, just, and necessary, and I trust it will pass unanimously.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Oklahoma [Mr. STIGLER].

Mr. STIGLER. Mr. Chairman, I consider myself most fortunate that I have been privileged to serve as a member of the Committee on Agriculture Appropriations. I am one of the freshmen members of this great committee. Never before have I had such an opportunity to render service to people as a whole and for that I am humbly grateful. My experience taught me much more about the fiscal affairs of our Government. I hope our conclusions will meet with the approval of our colleagues.

I cannot let this opportunity go by without paying tribute to a great chairman, the distinguished gentleman from Mississippi [Mr. WHITTEN]. During my legislative experience I have had considerable opportunity to serve under various chairmen on different committees, but never before have I seen a man who visualizes the need of a strong agricultural program and one who deeply appreciates the great importance that agriculture plays in our domestic economy as he. As we sat on this committee in our daily hearings for many weeks, I marveled at my colleague in his dealing with all of the subjects incorporated in this bill. I fully believe it was through his wisdom that we were able to solve many difficult problems placed before us in fairness to all.

Like myself, my distinguished colleague the gentleman from Indiana [Mr. KRUSE] is serving his first time on this committee. Not withstanding this, I always found him with a deep sense of understanding and most helpful at all times in our discussions and final decisions.

I too would pay tribute to the two outstanding minority members of our committee, the gentleman from Minnesota [Mr. H. CARL ANDERSEN] and the gentleman from Washington [Mr. HORAN]. With their wealth of experience and intimate knowledge of the problem facing agriculture our tasks were made much easier and more approachable from a nonpartisan viewpoint. It was a genuine pleasure to serve with all of these gentlemen and I shall always cherish my association with them.

As we take up consideration of this bill, I need not remind anyone of the tremendous importance of our agricultural economy to our personal and our national lives. I am reminded of an incident that happened not long ago when a well-known radio commentator presented to his listeners a humorous report on the economic well-being of our Nation. In substance, he said that his economy experts had found out that the food we ate and the clothing we wore originally came from the crops planted on the farms. That the crops came from the kernels or seeds planted by the farmer and that therefore the seed or kernel was of vital importance to us. Jokingly he concluded his dissertation by saying that the economic crisis before the Nation was whether a gopher is going to eat that kernel of corn before it comes up out of the ground.

Of course, Mr. Chairman, our agricultural economy is much more complex than that but he struck at the heart of the importance of agriculture when he conjectured that our entire national well-being depended upon the fruition of the kernel or seed planted by the farmer. His symbolism was most accurate, if we think of his kernel of corn as representing the wheat, oats, cotton, soybeans, peanuts, and the horde of other farm products. The gopher he complained about symbolizes the floods, droughts, insects, soil erosion, soil depletion, and the countless other hazards confronting the farmer and the crops he has planted.

This great country of ours is a land of paradoxes. The envious eyes of the world have looked upon us for generations as a land of plenty. Immigrants have stormed our shores since the beginning of history and they would come in ever increasing numbers if we would but admit them. They look longingly at us from the far-reaching corners of the world because for years they have thought of America as a land of paradise on earth, where every family has all the good things that make life more pleasant and enjoyable than they ever dreamed imaginable.

Notwithstanding this concept, I would like to point out that there has not been a great expansion in our crop acreage in many years. But on the other hand, there has been a serious depletion of our soil, which I consider our greatest national asset, and at the same time we have seen a tremendous increase in our population. During the war, many of us viewed with amazement what the American farmer accomplished in the way of food products. The farm family labored long and uncomplainingly to produce the food that subsisted us as well as the goodly portion of the world. It is therefore with understandable pride that I speak of the average farmer and his life that he lives. Denied what those in the city would consider the minimum comforts and conveniences he has never failed to meet in full measure the demands we have made of him. He met every food quota and accepted every challenge hurled at him and through his efforts surpassed all production records.

As we consider this measure, we therefore should keep the farmer uppermost in our minds. We must not forget that he exemplifies all that we know in our complex economy. He is a composite of a businessman, a manager, economist, worker, and producer; a distributor or salesman, a consumer, and last but not least one of our greatest optimists.

Unlike the average businessman, he does not enjoy many of the conveniences of urban life, but he is also faced with the stark reality that weather, soil, crop, and insect conditions, over which he has practically no control, may destroy in one fell swoop all that he has worked for a year to produce. Unlike the average worker and producer in a factory, shop, office, or mill, until he began to receive 90 percent parity on basic crops, he had no real assurance that he would receive a fair return for each hour he worked. He has no 40-hour week at a guaranteed minimum wage with time and a half for overtime and I am not objecting to that. Unlike the average salesman, he cannot fix his prices so as

to guarantee for himself and family a fair return on their investment and labor. If he sells, he must do so at a price fixed by others and over which he has no control. The same is true when he buys on the open market.

These are but a few reasons, Mr. Chairman, why we should approach with objective fairness the appropriations of money for the Department of Agriculture. Since our Nation's prosperity is largely dependent upon the prosperity of the American farmer, we cannot escape our responsibility in appropriating sufficient funds to insure a well-balanced domestic economy and tranquillity for this segment of our people.

Every appropriation item contained in this bill is important to agriculture as a whole but, for lack of time, I shall make reference only to those which carry large appropriations and affect more of our people than others.

OFFICE OF INFORMATION

First I would like to call attention to the Office of Information. We appropriated a total of $1,248,728 for this function which is $79,728 above the budget request. I do not favor this program for many of our governmental agencies and departments, as I think in many instances it is used for propaganda purposes and wholly unnecessary. But in this instance, it is somewhat different. I am convinced that it serves a most useful purpose in the best interest of our people. When an agency fails to render this service, their activities should be entirely eliminated.

The money appropriated herein is chiefly used for the publication, indexing, illustration, and distribution of farmers' bulletins, documents, and reports.

BUREAU OF AGRICULTURAL ECONOMICS

A small reduction was made in this item, but it is believed that the Department will have sufficient funds to adequately pursue its regular functions. This agency is used for gathering, analyzing, and publishing agriculture statistics and conducting research on the economic problems of agriculture. It also furnishes periodic situation and outlook reports which serve to keep farmers and others informed of changing conditions and trends.

For instance, a study of major land uses, recently published reports that of the land area of the United States, 21 percent is now used as crop acreage; 37 percent is nonforested pasture; 32 percent is woodland and forest, about half of which is grazed; and 10 percent is in urban areas, parks, other special uses, and waste. About one-third of the grazing and forest land is publicly owned. A study was also made and completed of farm ownership in the United States. It shows that of the 1,142,000,000 acres of land in farms, individuals held 85 percent, corporations 6 percent, and 9 percent was in public ownership—including unallocated Indian lands. About 65 percent of the owners were active farmers, 8 percent were retired farmers, 3 percent were housewives, and the remaining 24 percent were employed in businesses or professions. About 68 percent of the farm land acreage was owned by people who lived on farms.

An interesting report was made on the current changes in farm tenure, which indicated that about 27 percent of the Nation's farms in 1948 were operated by tenants in comparison with 32 percent in 1945, 39 percent in 1940, and 42 percent in 1930. The percentage of land under lease was about 38 percent in 1948, 39 percent in 1945, 44 percent in 1940, and 44 percent in 1930.

In 1948 the balance sheet of agriculture shows that agricultural assets increased in 1947 from $110,000,000,000 to $122,000,000,000. The value of farm real estate increased from $59,000,000,000 to $63,000,000,000; other physical assets from $31,000,000,000 to $37,000,000,000. These changes were caused mostly by higher prices.

Farm population studies showed that the postwar upward trend in farm population was halted during 1947. The number of people living on farms in January 1948 was 27,440,000, not appreciably different from the number a year earlier. Births to farm residents in 1947 exceeded deaths in farm population by nearly a half million—the highest annual natural increase recorded since 1925, when the farm population was about a tenth larger than the present.

The net migration of civilians from farms to nonfarms amounted to 640,000 in 1947. Nearly a million persons are estimated to have moved onto farms from cities, towns, and villages during the year, whereas more than a million and a half moved away from farms. The population loss from civilian migration was offset to only a small extent by the net increase of 47,000, resulting from the excess of returning veterans over the number of farmers who entered the armed forces in 1947.

EXTENSION SERVICE

Let me now direct your attention to the appropriation for the Extension Service. The bill carries an item of $26,966,950, plus a permanent appropriation of $4,704,710, principally for distribution among the States. The first item is an increase of $1,000,000 because of the great need to give adequate support to the 4–H Club activities, which I consider very important.

The operations of this Service have an avenue into practically every farm home in America, and throughout the years, from an over-all standpoint, this Service has done a truly magnificent job.

To those who are interested in statistics let me say there are 2,982 county agricultural agents and 1,557 assistants; 354 Negro agricultural agents; 2,363 county home demonstration agents and 658 assistant home demonstration agents; 369 Negro home demonstration agents and 539 county 4–H Club agents employed in the counties. Unfortunately there are 800 counties without the services of a home demonstration agent; 600 of the larger farm counties without an assistant county agent or 4–H Club agent; and 50 counties of large Negro farm population without a Negro agent.

The work of these agents is most important but I would like to emphasize the great importance of the 4–H Club work. It is near and dear to my heart. I dare say there is not a Member of Congress who has not seen the effects of the constructive work done by these clubs. In my judgment, they have done more to build good citizenship and improve the lot of the young farmer than can ever be told. Therefore, it is pleasing to me to know that last year enrollment in 4–H Clubs increased 9 percent over the preceding year to a new high of 1,760,000 rural boys and girls. I want to see every encouragement given to extending and amplifying their work. Their slogan for this year of "Creating better homes today for a more responsible citizenship tomorrow" is one that should receive the hearty and enthusiastic cooperation of all.

I only wish that all the money appropriated by the Congress was as well spent in espousing a great cause as this is. This is only one phase of the importance of the Extension Service. It can be said that as a direct influence of the work of extension workers an estimated total of more than 6,640,000 families were reported to have made some change in farm or home practices in 1947. Of this number, more than 4,603,000 were farm families and 2,037,000 were nonfarm families. Of the 68,494 communities reported in counties conducting extension work, 57,702 or 84 percent had an extension program planned cooperatively by the extension agents and local committees.

AGRICULTURAL RESEARCH ADMINISTRATION

The next subject which I would like to discuss for a few moments is the Agricultural Research Administration. It is responsible for the direction and integration of activities conducted by the Bureau of Agricultural and Industrial Chemistry, the Bureau of Animal Industry, Dairy Industry, the Bureau of Entomology and Plant Quarantine, Human Nutrition and Home Economics, the Bureau of Plant Industry, Soils, and Agricultural Engineering, and the Office of Experiment Stations. In addition, the Secretary has given the Administrator the task of coordinating all research activities of the Department other than economic research.

It would appear that the sum of $414,400 which we appropriated for this Service is somewhat high, but if the Secretary will see that the purpose of this appropriation is carried into effect during this coming year and further organizational improvements are brought about, it will be money well spent. I am hoping that we shall see more consolidation and coordination of activities throughout the Department which will result in greater efficiency and economy. What I have said applies to all fields of governmental activity and the fact that I have chosen this particular point to make this emphasis is not necessarily any reflection on this particular administration. Quite the contrary is true as a good job seems to have been done to date in coordinating the various research activities.

RESEARCH ON AGRICULTURAL PROBLEMS OF ALASKA

We increased the appropriation for this Agency to $675,000.

This increase to some may seem unjustified, but as one member of the committee, I feel that full recognition of this

country's great potential economic value to the United States is long overdue. Personally, I feel and believe that we must do all that we can reasonably do to develop this important Territory from an agricultural standpoint and also because of its particular value from a military standpoint.

BUREAU OF AGRICULTURAL AND INDUSTRIAL CHEMISTRY

I would like next to mention the Bureau of Agricultural and Industrial Chemistry. In my judgment far too little attention has been given to the importance of this Bureau. It is through its investigations, experiments, and research that new industrial uses of our principal farm commodities are expanded.

Tremendous strides have been made in developing new and improved uses of our farm products. I consider the work of this Bureau not only beneficial to the farmer but to the general public as well.

BUREAU OF HUMAN NUTRITION AND HOME ECONOMICS

The sum of $853,200, the same as last year, was allowed for this Bureau. The operation of this Bureau covers research in, first, food and nutrition; second, housing and household equipment; third, clothing and textiles; and fourth, family economics.

The Bureau also provides technical services to the school-lunch program which in my opinion would of itself, if no other reason, justify the Bureau's existence.

FOREST SERVICE

Too much emphasis cannot be placed on the importance of the Forest Service. Many reasons could be furnished as to the economic importance of our national forests but I shall only mention a few. Nearly 4,000,000 people who live in and near the national forests are supported in whole or in part through the management and utilization of the forests and their resources. Range for some 10,000,000 head of domestic livestock is provided. A cash income to the Federal Treasury estimated in the fiscal year 1949 will produce in excess of $30,000,000. Last, but certainly not least, they provide flood protection to thousands of acres of rich valley lands and prevent the siltation of reservoirs and stream channels.

SOIL CONSERVATION SERVICE

One of the greatest monuments that could ever be erected to man, in my opinion, is the soil-conservation program inaugurated by President Franklin D. Roosevelt under the Soil Conservation Act of 1935. Believing that soil is our greatest national asset, it is my opinion that if his administration had produced nothing else of lasting value than this legislation, it will make a great mark on our history.

Because of the many demands made upon our committee by other services, it was impossible to appropriate all the money this Service could profitably use, but at that we increased the appropriation from previous years and gave it $50,773,800; the new money being allowed to take care of new operations.

Soil and water conservation and proper land use are fast gaining recognition as being problems concerning more people than just farmers and ranchers in conservation districts. Banks, railroads, equipment companies, schools, civic and other organizations are realizing the importance of preserving our soil and have been very active in urging participation in this great program.

PRODUCTION AND MARKETING ADMINISTRATION

This is one of the largest administrative units in the Department of Agriculture. Our committee allowed the budget request of $290,000,000 for this part of our farm program. We also raised the amount from $750 to $2,500 which participants can receive in a crop year for soil building and conservation practices.

In an effort to coordinate into a single unit the functions of 12 former offices, agencies, and establishments, the Secretary of Agriculture established the Production and Marketing Administration in August 1945.

Its functions are to administer the Department's production and marketing programs, including agricultural conservation; production goals; acreage allotments; marketing quotas; price support through loans, purchases and other means; sugar program; requirements and allocations; foreign and other supply; marketing research, service and regulatory activities, including grading, standardization, inspection and market news; marketing agreements and orders; the school-lunch program; and development of new and expanded markets and uses.

In connection with this appropriation, I would like to point out and accentuate an obvious fact not generally recognized by those not in touch with the farmer, or if recognized, then ignored by those with other interests. For many years, I have heard some groups tell us that we are an industrial Nation and that our economy is predicated entirely upon industrial production and industrial activity. With the latter I cannot agree, Mr. Chairman. As I have said before, I believe the farmer is the backbone of our economy and all the industrial production that we could muster would not keep us prosperous if our farmers were allowed to fall back into an economic slump. I will even go further by saying that the prosperity of our city dwellers is immediately dependent upon the prosperity of the farmer and if we would continue to prosper that inevitable fact must be kept before us.

NATIONAL SCHOOL-LUNCH ACT

I know there are many who will disagree with me when I say that the National School-Lunch Act of June 4, 1946, is, in my opinion, one of the finest things ever conceived by men in government. Many reasons could be furnished in support of this statement.

One of the most appalling things that has come to my attention is to learn from selective-service reports that the bulk of rejections from military service was directly attributable to improper and inadequate diet. No nation and no race can long survive if it fails to give adequate care to its children and that is one of the main purposes of this act, to improve the health and well-being of the Nation's children as well as to broaden the market for agricultural food commodities. Long before I came to Congress I was deeply interested in this program and my hope is that it shall be continued.

This year instead of allocating from section 32 of the Agricultural Adjustment Act of August 24, 1935, and receiving a certain percentage of customs receipts for the school-lunch program, our committee chose to make a direct appropriation. I think this is well because section 32 funds will then be relieved from this burden so that the entire fund may be used for the purpose therein mentioned, and substantial quantities of surplus products acquired under section 32 will be available to enlarge the school-lunch program.

FARMERS HOME ADMINISTRATION

I may be just a little prejudiced when I come to think about the operations of the Farmers Home Administration, which was the old Farm Security Administration—which name I still like because I think it is indicative and significant—because I have seen so many actual cases in my own area where many of my people changed their status from a tenant farmer to a home owner. It is therefore only natural that I want to see this Administration continue the great work in which it is engaged.

While this organization was known as the Farm Security Administration many mistakes were made and there seemed to be much uncertainty as to the real purpose of the creation of this organization among some of those who directed its operations. However, that situation is now changed.

Briefly, this agency makes direct farm ownership—farm tenant—loans to farm tenants, farm laborers, sharecroppers, and other individuals for the purchase, enlargement, or development of family-size farms; makes production and subsistence loans to farmers and stockmen for farm operation expenses and for other farm needs including the refinancing of indebtedness and family subsistence. Loans are also made for the construction, repair, or improvement of water facilities in the arid and semiarid areas in the 17 Western States.

The budget estimates for this agency are for direct appropriations from the Treasury. In former years, the farm tenant loans were authorizations to borrow from the Reconstruction Finance Corporation. Since the money was to be repaid to the Treasury, our committee eliminated the direct appropriations and included loan authorizations; the money to be borrowed from the Secretary of the Treasury, as is now the case with REA loans.

Our committee increased the loan authorizations for production and subsistence loans from $75,000,000 to $85,000,000 and the appropriation for water-facility loans from $1,750,000 to $3,000,000.

Supervisory assistance in planning and carrying out sound farm and home operations is provided all borrowers on the basis of their individual problems and needs. No loans are made to anyone who can secure adequate credit from other

sources at reasonable rates. A local committee is required to approve each applicant and each loan, and in the case of farm-ownership loans, they certify to the reasonable value of the farm based on its normal earning capacity. This agency maintains its central office in Washington with its program activity decentralized to 40 State offices, a few of which service two or more States, 1,586 county offices and 4 area finance offices. On December 31, 1948, it had 5,782 full-time employees and 9,346 part-time employees, primarily State and county committeemen employed a few days during the month.

I would like to call your attention to the repayment record of farm-ownership borrowers because I think it is impressive. From the beginning of the program in 1938 to March 31, 1948, more than 57,000 loans totaling approximately $323,000,000 were made. During this period, borrowers paid $135,908,772 principal and approximately $34,000,000 interest. Total loses through June 30, 1948 amounted to only $102,913 or about three one-hundredths of 1 percent of the amount loaned. Any financial institution in the country would be proud of such a record.

For several years, receipts of the Farmers Home Administration have exceeded expenditures, including salaries and expenses by some $50,000,000.

Previous loan authorizations have not been great enough to meet the demand. As a matter of fact, by last December all of the funds for this current fiscal year had been committed to approved loans. The backlog of applications is tremendous.

I want to commend the present Administrator and his staff for the manner in which this agency is operating at the present time. In all the fabric of our Government I have never found more able or conscientious men.

RURAL ELECTRIFICATION ADMINISTRATION

I want next to direct your attention to an agency of our Government which undoubtedly has meant more to the everyday life of our rural people than any other agency of our Government. One given to orating could talk all day about the wonderful things this program has accomplished and still leave much unsaid. It is difficult for me to see how anyone could ever honestly raise his voice against this good work if he had the slightest conception of its benefits. It has not only been a profitable venture to the Government because it is self-liquidating, but it has meant so much to our people that I think a debt of gratitude is due those who had the vision and foresight to initiate this great undertaking. Not too far distant, I am hoping the slogan "Every farm home electrified" becomes a reality. It is a great source of personal pride and satisfaction to me today to add my voice in support of this splendid program.

The Rural Electrification Administration maintains no field offices. Its Washington office supervises the activities of its staff field employees who give technical assistance to the borrowers. The agency on December 31, 1948, had 1,089 employees.

Our committee was told that borrowers are applying to REA for money at the rate of $38,000,000 a month. As of November 31, 1948, REA had applications on hand or in the field totaling about $422,000,000—the highest record, notwithstanding the fact that loans made during the fiscal year 1948 only totaled $313,000,000, also the largest on record.

Last year Congress appropriated $400,000,000 for this agency. This year the budget only carried a request for $350,000,000. Many witnesses appeared before our committee urging that the appropriation be increased as high as $500,000,000, but our committee provided that after $350,000,000 was used application could be made for additional money up to $150,000,000, if needed, without further action on the part of the Congress. Therefore, it is thought that this agency can meet the demands made upon it.

COMMODITY CREDIT CORPORATION

The sum of $12,000,000 was asked for the administrative expenses of this Corporation and it was allowed.

As most of us know, this Corporation has an authorized capital stock of $100,000,000, all of which is held by the United States. It is also authorized to borrow $4,750,000,000 on the credit of the United States. In addition to the capital stock and borrowing authorization, the act of February 8, 1946, made $500,000,000 available to be used for the postwar support of agricultural commodities. A Federal charter was granted to the Corporation by the Commodity Credit Corporation Charter Act, Public Law 806, approved June 29, 1948. The Corporation endeavors to conduct its operations on a self-sustaining basis. In the event of losses, however, the capital impairment is restored by an appropriation or cancellation of Corporation notes held by the Treasury. It administers the price-support program, supply program, and commodity-export program.

The primary purpose of this Corporation is that of stabilizing, supporting, and protecting farm income and prices, of assisting in the maintenance of adequate supplies of agricultural commodities and of facilitating the orderly distribution thereof.

There has been considerable criticism directed at its price-support program, but I think, on the whole, that the money spent for this purpose is more than justified. It stabilizes the farm price of agricultural commodities by assuring farmers a minimum price or by removing and disposing of burdensome surpluses. Thus far, it is the only feasible solution which our Government has wrought to insure the farmer some degree of security by the stabilization of prices for the products he sells.

CONCLUSION

No doubt there are some who will be disappointed in the amount given for some of the items contained in this bill. It is needless for me to say, however, that they are the result of many weeks of hearings and careful study by the committee and it is thought on the whole it is a well-balanced bill. It carries a total of $701,122,079 in direct appropriations. This sum is offset by a reduction of appropriations provided in the bill totaling $189,000,000. The Pay Act increase obligation for 1949 is yet to be appropriated. Deficiency estimates totaling $9,017,440 are pending. The two latter sums, when taken into account, bring the total of the accompanying bill for 1950 under the net amount for 1949 by $70,814,314. The bill is $25,798,829 below the budget estimate for direct appropriations for 1950.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. KRUSE].

Mr. KRUSE. Mr. Chairman, it has been with a deep sense of responsibility that I participated as a member of the Appropriations Agricultural Subcommittee in its consideration and formulation of the appropriation bill for the Department of Agriculture, for the fiscal year ending June 30, 1950. As a new Member of the Congress, I wish to express my gratitude and appreciation for the opportunity of serving as a member of the fine Appropriations Committee. I wish to also express my appreciation to my colleagues on the Agricultural Subcommittee for the assistance and counsel which they have given to me at all times.

I should like to say at the outset that I have been particularly impressed with the splendid manner in which the members of our subcommittee worked together at all times. I have no hesitation in expressing my admiration and respect for the interest and efforts displayed by my colleagues who served on the subcommittee. I know that their interest and knowledge of agriculture was exceeded only by their devotion to the cause of the American farmer and his relationship to our over-all economy. I wish to pay particular tribute to our fine and outstanding chairman, the gentleman from Mississippi, Congressman JAMIE L. WHITTEN, who brought to our committee not only his own intense interest and ability but also his spendid sense of direction and leadership, without which our efforts might not have produced as satisfactory a bill as the one which we are presenting today.

Obviously the work of our subcommittee is of extreme importance to the entire Nation. The position of agriculture in our Nation today is the result of many factors and trends developed and established over a period of many years. It is, of course, vitally important that we, at all times, give serious consideration and deserving attention to the agricultural phase of our economy. Our committee is fully aware of this fact, and I should like to call your attention to the fact that we have held hearings daily for a period of some 10 weeks. In addition to receiving testimony from many members of the Department of Agriculture, it was our good fortune to have received statements from many Members of Congress and persons from all over the United States. We have at all times recognized the fact that it would be impossible and inadvisable at this time for us to appropriate sums of money sufficient to provide for all the many projects which need attention. It was, therefore, necessary for us in our deliberations to direct our efforts and attention to those matters which are of paramount importance to a sound agricultural economy. At the same time we

well recognize the fact that deserving attention and proper financing must be provided at some time in the future for projects which could not be considered at this time.

It is not my intention to speak in detail concerning our bill, but I should like to mention a few of those matters which I believe will prove of particular interest to you. Our committee has been fully aware of the fact that we must at all times demand and require full value for each dollar expended. Throughout our hearings, we constantly urged a review by the bureau and agency heads of their plans and program to the end that full utilization and maximum results be obtained from the funds carried in this bill. There is every reason to believe that in some cases the answer is not necessarily more funds, but that we should survey existing problems and the funds already being expended. Such a procedure should be followed with a revision of present plans toward the end that better results be obtained from available funds. Our committee recommends a study of the various acts under which the Department of Agriculture operates and a codification of these acts with consolidation where needed. It is believed that such a study would result in better work by the Department at less expense.

I should like to call your attention to the fact that our bill proposes an authorization of the budget estimate of $350,000,000 in REA loans to be borrowed in connection with projects under the REA program. Our committee is well aware of the unusual interest by all Members of Congress in the progress of this particular program and we recognize the fact that the program might develop at a far more rapid rate than is now contemplated by the budget. In order to provide against this contingency, our bill contains language authorizing the use of an additional sum not to exceed $150,000,000. This additional amount is not to be used unless the $350,000,000 authorization shall prove insufficient, and then only in such amounts as the Secretary may certify is necessary to implement approved projects.

The Members of Congress are all well aware of the value of the 4-H Club activities. This program should be and is of paramount interest to all citizens of the United States. The members of our 4-H Clubs are the future farmers of America, and there is no question but what many of our outstanding citizens have received their early training through this medium. Our committee has approved an increase of $1,000,000 over the budget estimate for the Extension Service because of the need to give adequate support to the 4-H Club activities. Any expenditure in this regard is unquestionably a sound investment in the future of America.

It is altogether likely that some parties will not be fully satisfied with the contents of our bill, and I should like to again say that our committee certainly recognizes the fact that we must devote our attention as soon as possible to many additional worthy projects. I should like to say that our committee has approached the problem from the standpoint of what is best for our country in view of all circumstances at this time. We cannot spend indiscriminately while at the same time we certainly cannot neglect our natural resources or the proper needs of agriculture. We have examined the question thoroughly and we are presenting herewith for your consideration our conclusions.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY of Wisconsin. Mr. Chairman, I would be the last one to voice a discordant note on this pleasant day, however I presume you will be rather tolerant with me, realizing what happened on the floor on April Fool's Day or last Friday in connection with an industry that is quite important in the State and district which I have the honor to represent. It would take me more than 10 minutes to go into all the details involved not only in this bill but in the whole agricultural picture. Anything that I may say, however, will not reflect upon this committee because I have always had a very high regard, not only for the committee but also for its distinguished chairman, the gentleman from Mississippi [Mr. WHITTEN].

But, Mr. Chairman, things have happened. When we spend so much time saying what we are doing for the American farmer I wonder sometimes why someone does not get up and say what we are doing to him instead of what we are doing for him. I say that for the reason that right in this bill we are trying to go two different directions at the same time.

During the past few years under the leadership of Mr. Dillard B. Lasseter we have the Cooley bill, known as the Farmers Home Administration bill, passed by the Seventy-ninth Congress. The Farmers Home Administration under Mr. Lasseter's guidance has taken a Government bureau that was spending a large part of the appropriation telling about the wonders it was doing, and converted it into a bureau that is doing things for the farmer. Perhaps 25 percent of the appropriation went to overhead expenses. Now Mr. Lasseter has taken out the dreamers—I will not call them anything more than dreamers—and has replaced them with rural people. He has created an agency during the last 3 years that I believe every Member of Congress thinks is doing a wonderful service for American agriculture.

Mr. Lasseter's program is based upon the family-sized farm, it is based upon doing something for the average man. Yet right in this bill we are considering today we are taking a step backward. We are going through the whole process again. Under the guise of soil conservation we are going to increase the amount of money that goes to any one particular farmer from $750 and lift it up to $2,500. I realize that that could go up to $10,000 and even as high as $100,000. I realize that Tom Campbell has already had a quarter of a million dollars for raising wheat or not raising wheat. I realize a cotton grower down in Mississippi has received over three-fourths of a million for either raising or not raising cotton. But it seems to me we cannot go both directions at the same time.

We should support the theory of American agriculture as represented by Mr. Lasseter or we have to take the other philosophy. So far as I am concerned, I know that Mr. Lasseter's program is the one that will result in the greatest good for the greatest number and I do not think there is any Member of this Congress or any person in the United States who can successfully refute that statement. Let every American have an opportunity to own a piece of America.

There is just one other thing I would like to bring out in connection with this, because I am glad to see that there is not going to be the cheap politics injected into this issue like there was last year. You know we have a lot of things to answer for in this agricultural world, and one of them is at election time. I know the value of REA which in my 10 years here I have not heard anyone criticize, but it is kind of irritating to me to hear politics injected into it at campaign time; people going around, even at high levels, putting up a straw man as if those bad, black Republicans were trying to do something to the REA. You might be interested in knowing that so far as rural electrification is concerned, that we used to have a Member here by the name of Clyde Ellis, from Arkansas. Mr. Ellis—I do not know what his title is, but he is with the cooperative of the cooperatives. That is a cooperative of cooperatives and is not a Government agency. There is nothing in the law to prevent them, under the Hatch Act or any other act, going into politics if they want to, and which they have done. Mr. Ellis is at the head of it. But, Mr. Ellis and his organization—I am not saying this about Mr. Wickard, because I do not think Mr. Wickard has anything to do with it—sent out a publication. I was only 25 percent for the farmers. During the campaign last year I was against the farmers; you gentlemen may find it difficult to believe that, but that is true. I was only for big business. Of course, I surely was for big business in that district, and that was the dairy business. But, what did they say in that publication? Why, we were all bad; all of us were bad Republicans in Wisconsin. They only gave me a 25-percent rating. I was only right 25 percent. But, to some of my colleagues they gave a zero. Imagine such silliness in connection with agriculture. I just do not like that, and I want to tell you the reason why. They can talk about the Eightieth Congress all they want to, but I just want to tell you the reason why they probably did not have the wire or the material to get the lights in the farm homes of this country—and I will read it to you from official figures here, not only from the Congressional Library, but also from the REA itself and other Government agencies, including the Tariff Commission—do you know why they did not have the wire to take care of the situation for farm wiring? Do you know why? Did you ever check it up? Well, you just check it up and you will find that during those years millions and millions of dollars worth of electrical goods were sent—to whom? To Uncle Joe. They sent it to Joe. Twenty-four percent of all the exports

of electrical goods went to Russia one of the years. When I saw that, I thought maybe they wanted it to go to Joe so that he could send it to the slave-labor camps. They did not need it during the day, but when they returned to camp at night, they probably had to have a little light. Not only did they send copper wire, but insulated copper wire representing, as I said, as much as $30,000,000.

Even in 1948 someone was still able to ship over $4,000,000 worth of electrical goods to Russia. So the answer to that is that if they had left out the cheap politics involved and had really been interested in playing ball for the welfare of the American farmer one-tenth as much as they tried to do it vocally, this REA situation would never have been injected into the picture.

There is another item I should like to call your attention to when you are telling of the great things that are going to happen to the American farmer. This is probably one reason why I was a little bit interested in the bill we had up here last Friday. The triple-A payments, using your own figures, give the average farmer in the United States between $35 and $40. This committee has brought in a bill to give the big operators $2,500. You can see how much is going to be left to the average farmer after you yass around enough of those $2,500 payments, because if you gave it on an average basis today it would be only between $35 and $40.

In my district I happened to note a paper, which stated that last Thursday they were having a soil-conservation clinic out in Wisconsin but "We sure had a soil-destruction clinic today over in the Congress."

What has happened? The Wisconsin farm dollar now has the lowest purchasing power shown at any time since 1941. In other words, they have lost half their purchasing power since election day. I have lived through these things before. I saw the time in the thirties when the county boards, that are cooperating with the county agents now, and the people did not even want to have a county agent. They did not want anyone in the county to tell them how to make two blades of grass grow where one grew before. They wanted someone who was smart enough to tell them how they could get something for the blade of grass they knew how to raise themselves.

In conclusion, then this bill first appropriates funds to foster the family sized farm, then this bill turns around and passes out $2,500 checks to the large operators. In addition this bill appropriates millions of dollars that give the American farmer very intangible benefits. It is one more step toward subsidizing soil depleting crops, and it does not give legislative consideration to soil conserving crops.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, I had occasion to appear before the subcommittee handling this bill, and I can testify to the courteous treatment and to the intense interest with which the members applied themselves to the problems before them. I think they have brought out a very good bill. It appeals to me in almost every section of its provisions. Particularly do I appreciate and favor that provision with reference to REA, which not only provides for an appropriation of $350,000,000, but has a proviso in there that the Administrator of REA, Mr. Wickard, if he finds he is short of funds may go to the Secretary of Agriculture and borrow in amounts of $50,000,000, if he can so justify, until an additional $150,000,000 has been exhausted.

While the $350,000,000 is about $50,000,000 less than was appropriated for REA last year, I feel that is a sufficient fund. I am glad this provision is worded so that the Administrator does not have to come back to Congress if it needs more funds for the year 1949. The Congress by this provision has given REA full opportunity for the extension of its services, so much needed by the people of the Nation.

I was also interested in the provision with reference to soil conservation. The greatest contribution we can make to the posterity of this country, as well as for the immediate future is that we try to leave the soil in a better condition than we found it, more fertile, and more productive, for those who follow after us. If we have done that, then we have really rendered a service to the country not only for the present and the near future, but for the many years to come.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield.

Mr. RANKIN. This bill appropriates $350,000,000 for rural electrification, and makes $150,000,000 additional available if necessary. That is right, is it not?

Mr. VURSELL. Yes.

Mr. RANKIN. That would mean $500,000,000 would be available.

Mr. VURSELL. That is correct, as I understand it.

I am also glad to note that sufficient moneys have been appropriated for the Commodity Credit Corporation so that the 90-percent parity may be kept in force in order to prevent farm prices from going too low during the coming year. I think that is extremely important, because it has been well said in debate by other Members of the House today that the prosperity of our country—yes, and the opportunity for this Congress to help prevent another disastrous depression in this country—rests largely upon the support prices that have been fixed—the floor under agriculture—through the wisdom of the Members of Congress. With a prosperous agriculture, a depression is almost impossible.

Certainly, along with the greatest achievements that have been written into legislation, in connection with agriculture, such as soil conservation and soil restoration, the support-price program which prevents disaster in times of overproduction on the farm, is one of the greatest.

I think generally this is a very good bill. I am happy to support it.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. CHRISTOPHER].

Mr. CHRISTOPHER. Mr. Chairman, soil is the beginning and ending of all life. Soil is finely powdered stone, mixed with certain minerals and dead and decayed plant and animal life. All life springs from death and feeds on that which has died and decayed. Nature consumes thousands of years in the manufacture of a topsoil that can be completely destroyed in the memory of one generation.

Man is not generally speaking and never has been conscious of the rate at which his misuse has depleted the very thing that gave him life and in the absence of which he cannot hope to exist. He lives on the land, draws his substance from the land and goes on through life, in many cases blissfully unconscious of the consequence of his own folly.

When our Nation first really became a nation, when the original colonies bound themselves together and formed the nucleus of what is now the United States of America, the Appalachian Mountains was the frontier. To the west of those mountains flowed the Wabash, the Ohio, the Tennessee, the Cumberland, the Mississippi, the Missouri, the Arkansas and the Red bounded on each side by their virgin valleys. Plains covered with grass, virgin forests full of wild game, deep clear streams abounding with fish, wild pigeon by the millions, water fowl, innumerable buffalo and deer, antelope and elk.

That vast land of natural resources remained a safety valve for pent-up forces in the eastern part of our country for years. When a man's soil grew so poor along the eastern seaboard that it no longer rewarded him for his efforts he could cross the mountains and find virgin soil to plow, untouched forests to fall before the ax and saw, a place where he could expand with his children and grandchildren in a new and virgin land. But, gentlemen, we have now explored our last frontier. We have despoiled our last river valley. We are beginning to learn there is a limit to the natural resources of even so great country as these United States of America.

No nation of people since the dawn of history has ever despoiled as beautiful and wonderful a country as ours in so short a time. Of course, history is repeating itself. We are traveling the same road that the great nations of antiquity traveled before us, but at a much faster rate. We are destroying in decades what it took them centuries to devastate. They had only the ox, the burrow, the ax and the hoe. We have tractors, modern plows, discs and tillage implements. Sources of power that will operate day and night if need be and we are going forward in our mad rush of depletion and devastation. We rip it off the hills and tear it out of the valleys. We attempt to feed the world because perchance it is profitable to do so, while we give no thought to the tomorrow.

Only a very few of our people seem to be alarmed or concerned when they are told that one-half of our original topsoil is already gone and that we will probably lose the second half in much less time than it took to lose the first half. Sixty percent of our people live in cities, many

of them do not realize that the toast and bacon, milk, eggs, and orange juice that they have for breakfast comes from any place except the grocery store. I fear that they will not realize that the store was only the last stop these things made between the soil and their breakfast table.

New York is a great city, but how long would it live without soil? If the products of the soil should be cut off from New York for 1 week, it would be in dire distress. And in 1 year it would be a ghost town in ruin.

The soil is not only the farmer's business but it is everybody's business. "Oh," you say, "there is no danger; plant breeders and scientists are continually developing improved strains of grain and livestock." Look, you say, how hybrids have increased the yields, even on soils so farmed down and impoverished as to be no longer considered good corn land. I want to say to you that hybrid corn is the corn that has bred into it the ability to take out of the land on which it is planted the last vestige of fertility. The corn that will impoverish and deplete the soil on which it is grown faster and to a greater degree than any corn that has ever been planted before.

Our land is sick and our livestock are beginning to be sick because they eat grain and grasses that grow on sick soils. Rickets, pigs hairless at birth, Bang's disease, mastitis, and nutritional disorders that all the veterinarians and all the drugs in the world will not cure. The livestock are sick because the soil is sick and we are sick because the grain and animal products we consume do not contain the food elements that nature placed in the soil of this land. If you do not believe me check your drug store, the office of your local doctor and listen to your radio. If our foods are not short in the necessary elements supposed to give us health and strength, why do you suppose we in the United States alone last year bought 2,000,000 pounds of vitamins? Why do you suppose we of the United States used last year 7,000,000 pounds of aspirin to relieve the pains in our aching joints and throbbing heads. Any physician who prescribes vitamins for his patients will tell you that you should get these elements naturally from your regular diet, and that you would be more healthy if you did.

In the State of Missouri we have 3,600 farms signed up with soil conservation. About 14,000 more are attempting to work out a balanced farming program. Missouri is far ahead of the national average in soil conservation and nutritional research and while it is not my intention to minimize the progress that has been made in my home State I still want to call your attention to the fact that there are 225,000 more farms in Missouri besides the ones previously mentioned and on these latter farms the ACP program is the only hope for any measure of soil conservation. Hundreds of tons of agricultural lime is being spread on lands so steep and extensively eroded that it should have been terraced before liming. But terracing costs from $15 to $20 per acre and the worse a farm needs terracing the less likely the owner is to be financially able to do it.

These are all problems that deserve the attention of the Federal Government, the Soil Conservation Service, our Extension Service, the ACP, our commercial clubs, our chambers of commerce, our bankers' association and every farmer in the land as well.

Now the need of soil conservation, the greatest need that there is in this land today unless it is the need for Christianity and patriotism, and I think these three stand side by side. I want to quote Mr. H. H. Bennett, chief of the Soil Conservation Service. He says, and I quote, "3,000 acres of United States topsoil is lost every day in the year in the United States." I had no idea it was that great. But Mr. Bennett is the man who says that that is true. All right, how many acres of good top soil that is fit to produce food are there in the United States? I mean land exclusive of forest land, exclusive of desert land, exclusive of absolute waste land, how many acres is there in the United States per capita. The Department of Agriculture says three and a half acres. All right, if there are 3½ acres apiece for us, and we lose 8,000 acres a day, 2,285 men, women, and children lose their productive stake in the ability of the United States to produce food every 24 hours. Therefore, the most important job in the United States today is soil conservation.

Take Japan, Korea, China, Manchuria, Formosa, the Philippine Islands, Burma, Siam, Indochina, Netherlands Indies, Indonesia, Saloam. I added up the acreage of agricultural land in those countries and divided it by the population and I got four-tenths of an acre per capita—two and one-half people live off of every acre of agricultural land in those countries. What does that mean? It not only means that those people are on the verge of starvation and will remain on the verge of starvation during any foreseeable period of time, but it also means that if we refuse to see the handwriting on the wall, and if we lose 8,000 acres of land a day in the United States while our population is increasing, we are approaching the place where that four-tenths will represent each of our share in the productive ability of this United States of America. It is a lesson in history. We have more good land per capita than any country in the world, and there never was a country in the world that was wasting its natural agricultural resources at the rate that we are wasting ours. I want to stand before you today and warn you. I want to say to you gentlemen that on the land I own in Bates County, Mo., at the present time there is 20 miles of standard terraces. I was afraid, I am still afraid. I wrote from Washington to my boys and said for God's sake keep on terracing and terrace the last acre of that Bates County land because this United States is going to need every acre of productive farm land that it has got, and it is going to need it soon. We are spreading lime, we are sowing sweet clover to plow under. We are doing all those things as fast as we can possibly do them. We are using every soil conservation service that the Federal Government is offering, and spending every dollar of our own money that we can possibly afford to spend for soil conservation and it not only pays in restored fertility and retained fertility but over a term of years it pays with dollars in the bank.

The farmers in the United States have been called upon during the past 30 years to produce food to win two wars and food for civilian population of foreign countries, both allies and conquered, and had it not been for our soil-conservation program we could not have met our goal in World War II. I am of the opinion that every dollar of the taxpayers' money that has been used in the triple-A program has been returned to the Federal Government in the payment of income tax that would not have been paid without the soil-conservation benefits of this program.

The price-support program carried on by the Commodity Credit Corporation has shown a net over-all profit on its operations in maintaining the support program. In other words the profits on wheat and cotton has offset the losses on potatoes, fruit, and vegetables.

The Committee on Agriculture is to be commended for its untiring work on this bill and I hope that this House will pass the measure promptly.

Mr. WHITTEN. Mr. Chairman, I yield 5 minutes to the gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Chairman, I want to pay tribute to the members of the subcommittee and to their able chairman for the splendid manner in which the hearings were conducted and for the uniform courtesy which was shown to all witnesses. I extend that compliment to the staff which works with the subcommittee.

Mr. Chairman, I want to talk principally about forestry.

Before I do so, however, may I call to the attention of the House the fact that for years many Members of Congress—not just a few, but scores—have appeared before this subcommittee to fight the battle for improved forestry in this Nation. They have realized the important place that forestry holds. It is one of the Nation's three or four most important industries. In some States it is the most important industry. Forestry deals with a crop, the value of which, on the stump, is $2,500,000,000 annually. The value of timber, after being processed, is $10,000,000,000 per year. That is a lot of money. Yet, Mr. Chairman, I wonder how many Members of the House have stopped to realize how fast we are depleting, how rapidly we are destroying this major industry. Once we had in this country 8,000 billion feet of timber. Now we have only 20 percent of that stand. Each year we are using or we are wasting or we are allowing fire, insects, and disease to destroy 50 percent more timber than we are growing.

Each year the Nation is using more timber than it used the year before. It should be easy enough to see where we are going. Within a lifetime, if that trend continues, we can destroy this great basic industry. That is why I have sought additional funds for forestry year after year.

I want to say for this subcommittee that for a few of the more important aspects of forestry it has given additional

funds for the coming fiscal year. For instance, in farm forestry there is nearly $200,000 in additional money, making the total appropriation for farm forestry about a million dollars for fiscal 1950. Now, let us see what that means. There are 4,000,000 small timberland owners in this country. By "small" I mean people who are unable to afford the services of technical foresters. By far the majority of those 4,000,000 timberland owners do not know the basic principles of planting, caring for, and harvesting trees. The farm forestry program is to provide for them that information; to help protect, conserve, and expand our forestry resources. We have today fewer than 200 farm foresters trying to do a job for which 2,000 are needed. The additional money will not go very far toward meeting the over-all needs for farm forestry but it will help.

Mr. McSWEENEY. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Ohio. I know of his long-time interest in and contribution to forestry.

Mr. McSWEENEY. I like to agree with you in your tribute to the subcommittee that is bringing in this bill and that has done such a fine job, but, at the same time, I would like the House to know the valuable contribution you are making through your present legislation and through your driving interest to make the people of America realize this great need.

Mr. SIKES. I thank the gentleman very much.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. WHITTEN. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Arizona, who has always been a hard worker for forestry.

Mr. MURDOCK. I wanted to corroborate the statement just made, that the committee has done well in certain respects, but I want to pay particular tribute to the gentleman from Florida for his untiring effort in presenting this matter year after year to the Appropriations Committee. I fear some of us other Members would have been a little negligent in getting around to expressing our interest in forestry if the gentleman from Florida [Mr. SIKES], who occupies the floor now, had not spurred us on and encouraged us to unite with him in these requests. I wanted to express that by way of appreciation.

Mr. SIKES. May I say we are all going in the same direction in this important work.

Mr. O'KONSKI. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Wisconsin.

Mr. O'KONSKI. I want to second the remarks of the gentleman from Arizona [Mr. MURDOCK]. In the 6 years I have been here the gentleman from Florida has always led the group that has been interested in the preservation and continuation of our forests and has always done a splendid job. I want to commend him for the statement he has made, and I want to second each and every statement the gentleman has made regarding forestry in the United States.

Mr. SIKES. I appreciate the gentleman's comments.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the distinguished gentleman from Washington.

Mr. HORAN. I want the gentleman to realize my deep interest in this subject matter. I have taken reservation on all forestry items in this bill. I know they will not stand up either in Congress or in any consideration of the future of the sustained-yield program that we must have for a prosperous and well-resourced America.

Mr. SIKES. The gentleman is thoroughly familiar with this great and important field.

Mr. GOLDEN. Mr. Chairman, I may say to the members of the committee on each side of the aisle that to the gentleman from Florida [Mr. SIKES] I believe is due the major portion of credit for bringing out the many good features pertaining to our forests in America. Insofar as I am concerned, being a new Member of this House, I look to him for guidance insofar as my State of Kentucky is concerned. I found that he was ready to help me, and I wish to express my gratitude and appreciation and also that of the people whom I represent.

Mr. DEANE. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to one who has always been in the forefront of the battle for forestry, my friend, the gentleman from North Carolina.

Mr. DEANE. I wish to join with the gentleman from Florida [Mr. SIKES] and my colleagues in the House in expressing to the members of this excellent committee our very sincere appreciation for the painstaking work and the cheerful consideration that they have given to the various items. As we look over the report, of course, there are certain minus signs following particular items in which some of us are vitally interested. I am sure that the committee has given very serious thought to these particular items, and if it is possible to adjust these items before the legislation finally becomes law, I hope this body or the other body will attempt to round out what I conceive to be, and as the gentleman from Florida has indicated, is, a great program of forestry for our Nation.

Mr. SIKES. Now, may I touch on another phase of the forestry appropriation items? I want to talk about tree planting. There has been provided prior to this year an item of $124,600, for tree planting. I believe we have approximately 100,000,000 acres of forest land in this Nation where tree stands are completely or largely denuded. These barren and wasted acres can no longer reseed themselves.

Tree planting is needed. And we had only $124,600 with which to do the job.

For the coming fiscal year the committee proposes to increase this amount by $100,000. This is a highly meritorious step and one that I welcome. Yet, the appropriation now proposed will make available only one tree for each of the hundred million acres needing reforestation; one tree per acre for an area which would cover many whole States, from which the country will sadly need trees in the years to come.

May I say for the committee that it appropriated all of the money that could be appropriated under the present authorization act for fire control. There, again, is one of the great needs of the day, and there is a job that we in Congress must stay behind and finish. We must increase the authorization for funds for fire control, for fire is one of the great destroyers of timber.

Let me say to the committee that it has rendered a valuable service by providing additional funds for insect and disease control. There have been instances in which insect and disease pests were almost out of hand. New threats have recently arisen. Additional funds will be of help. All in all, Mr. Chairman, I feel that the committee has done a good job. Yet I must point out I had hoped additional funds would be provided in some instances; that cuts would be eliminated in others. I believe that forestry is more important to the Nation than the present appropriations indicate. And it is my hope that needed additional emphasis on forestry can yet be achieved.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Tennessee [Mr. EVINS].

Mr. EVINS. Mr. Chairman, I should like to commend the work which the Appropriations Committee has performed in getting this measure to the floor of the House for our consideration. I should also like to say that their commendable attitude toward the farmers of this country will be gratefully received everywhere that the agriculture economy is of principal importance.

In particular, I want to say that the practical foresight shown by the committee in increasing the allotment for soil conservation purposes will certainly bring great encouragement to our farmers who struggle constantly in the never-ending fight to maintain the productivity of the soil. We could wish in this connection that the amount of $300,000,000 might have been made available for this use, but in recalling the drastic—and expensive—economies practiced in the not so distant past, we can certainly be grateful for the $257,000,000 that is asked here today.

Increasing the individual payment possible under this bill from $750 to $2,500 will have a salutary effect on the farmers engaged in conservation practices. Under the tight-fisted policy that has governed individual payments in recent months, a farmer was never able to plan for more than a small percentage of conservation work which was needed on his farm. In some cases, the amount was so small as to discourage him altogether in his conservation practices. This was certainly not a situation to be desired. By giving the farmer a higher margin in this connection you thereby increase the efficiency of the entire program, broaden individual participation and save a lot of land. We cannot afford a patch-work conservation program in this country. It is too big. We must have a stable continuing program

which will do some good. A few acres here and there under conservation practice will not even begin to dent the surface of our needs. The most we could hope for would be a small bit of success in holding on to what we have; we could never hope to reclaim the land that is already wasting away.

There is so much more to consider in this bill, Mr. Chairman, than the cold figures which are laid before us. We have just witnessed in this country only yesterday one of the most significant steps ever taken in the field of international affairs. The United States, in placing its signature on the Atlantic Pact, signified its willingness to join the family of nations, participating as a good neighbor for the mutual protection of all parties. How much the workability of that treaty will depend upon the continued ability of this country to be of assistance and helpfulness to other countries is certainly no secret. We know, and the participating nations no doubt realize, that the backbone of the treaty will be the economic stability of the United States. The same goes for our efforts under the Economic Cooperation Administration.

We can count on our continued ability in these fields just so long as our domestic economy is in a strong position of stability with promise of continued expansion and progress. Our farms and tillable agriculture soil constitute the basic wealth of this country. Should American agriculture fail or decline through the lack of support or coordination, all our dreams of future prosperity and international peace will dissolve. I am truly grateful for the fair treatment which the farmers of our country have received at the hands of the committee. I trust that the action of the House here today will uphold this constructive and progressive action.

I am also appreciative, Mr. Chairman, for the attitude expressed in connection with the operation of the Rural Electrification Administration in approving an increase of the borrowing authority of this agency from $400,000,000 to $500,000,000.

The farmer who may be separated by many miles from the lights of the city or town has no one to whom he can turn for assistance in his electric-power problem except his Government. Under such circumstances, the Government is morally obligated to make power lines available to as many farmers as desire and need them and I am happy to see this authority increased. This program is and has been always a business proposition between the rural power user and his Government. Let us keep it that way, but let us keep the money handy when the farmer needs it.

In this connection, I want also to express the hope that our school-lunch programs will be continued unhampered for lack of funds. No one who has seen this program in operation can fail to grasp its dual significance. The health of our school children and the absorption of surplus commodities are joined in this program for the most beneficial results. While the budget did not mark any particular amount for this purpose, I am glad to see the committee wisely inserted a specific allocation for use in this connection in addition to other usable sources of income. This is a most commendable action and a wise course which I hope the House will see fit to approve.

Mr. Chairman, we need economy in Government—but not economy at the expense of our farmers and American agriculture. I think there are many places where we could and should cut and trim funds. I do want to say, however, that I do not approve of false economy or any penny-wise and pound-foolish practices. It is not economy, to my mind, if it does not serve a constructive purpose. We do not want to be surgeons so fascinated with our knife that we do not leave the patient anything to go on.

We cannot afford in the name of economy to let soil conservation slip back into a haphazard and floundering condition that is contrary to the best interests, welfare, and well-being of the present and future America. The same situation, in general, applies in respect to the other progressive agriculture programs—the Production and Marketing Administration, the Federal crop insurance, which assures the farmer's investment in his crop, the triple A, the Commodity Credit price supports, and the REA.

All of these, Mr. Chairman, aid in striking a balance in our farm economy. We want to maintain this balance and to stabilize it in every way possible. To do less is not economy; it would be destructiveness striking at every segment of our national life. I hope that the House will here today provide for continued strong and successful agriculture in America.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 15 minutes to the gentleman from Washington [Mr. HORAN].

Mr. HORAN. Mr. Chairman, I suppose it is an oversimplification, or a platitude, to say that if we preserve our soils, if we protect our forests and watersheds, and if we contain and develop our rivers this Nation can survive any peril, yet I believe that that fact, as I speak to the general purpose of this bill, which is before you, is one that we should hold in mind as we consider the items contained in this bill. I believe it is the duty of this committee to try to point out and to clarify the implications of the various items and the sums that we have here in the bill before us, and to talk to you in terms of what their influence will be upon American agriculture; and, of course, through agriculture upon our Nation as an entity. First of all, let us remember one other very, very simple little fact: That the whole purpose of production in consumption. Price supports—and I am one who favors them—mean nothing and can be very troublesome unless that which is produced by the American farmer is consumed in due and proper time by Americans and others around the globe. Today we are facing the possibility of a falling off of consumption, believe it or not, the possibility of surplus. I wish at this time to point out some thing that we may have before us in a very, very short time: We maintain some of our price supports through the implementation and the funding of the Commodity Credit Corporation, which has a total loan fund of $4,750,000,000. As we entered the present fiscal year the total amount of obligated funds of that total amount of four and three-quarter billions was $1,712,351,879.56. As of March 1, this year, the total amount of obligated funds in the Commodity Credit Corporation was $3,312,760,899.63.

Now please keep in mind that this is something that this Congress alone can take care of, and those of us who want to support the whole principle of support prices must give serious consideration, first, to the end that this fund is not impaired and, second, that we encourage and we protect those things that can be done by the Department of Agriculture to increase the consumption of that which the farmer produces. It is to that end that I want to speak today, because not for long can we continue with a fiscal policy that is erratic and unsound. In the end there will be disaster if we merely pile up surplus after surplus. It is not good for the farmer. It is not good for the Nation, and certainly if we persist in it every seat in this Congress should be changed because it is our job to be alert and to take those actions which will anticipate trouble in the future and correct them beforehand.

We can, of course, in addition to supporting prices, which I support, supplement the farmer's income. Sometimes we regard the $300,000,000 contained in this bill for soil conservation payments as a supplementation of the farmer's income. It can be considered that. I am not opposed to it. But, let me point out that if we are to remain fiscally sound under today's economy in this country we must maintain a national income of $200,000,000,000. It has been worked out on a formula that I think stands up, that seven times the farmer's income should give you in a sound nation the total national income. In reverse, it means that we do not dare to allow the farmer's income to be reduced below $30,000,000,000. Compare that with the $300,000,000 contained in this bill, and you can see it is a rather hopeless thing to offer to the American farmer, the grand producer that he is, and to say to him that we are going to implement his national income that should be $30,000,000,000 to him by giving him a handout of $300,000,000. On the basis of simple arithmetic and a little division, it means on an average of about $35 to $40 to every farmer in America.

With my subcommittee chairman—and you will find it in the hearings—I agree that as a means of encouraging farmers to indulge in soil conservation practices, that it undoubtedly serves a useful purpose, but by no stretch of the imagination let us fool ourselves that it is a supplement to the good old American farmer's income. It is simply inadequate. I contend that if we are to be wise, if we want the support price program to prosper, if we want to give that assurance to the farmer and see that that promise remains untarnished, then we must do those things which will increase the flow of traffic from the farms to the tables of America. We must increase those things that will enable people to buy and to use farm products

wisely. We must also make sure that the income of every American remains stable and sound so that he can buy the products of the American farmer.

At this point I would like to say that I am not opposed to research. I am in support of the basic research that is contained in this bill. I believe in it. It increases production; it protects crops and plants; it cuts costs. I have many friends in the Department of Agriculture who have been there for years, who have done things of noble service to this Nation of ours, in the Bureau of Plant Industry, in the Bureau of Entomology, Plant Quarantine, and the many other bureaus in the Department. And, also in REA, which we have treated very liberally here, because we believe the electrical hired hand is something that the farmer ought to have. But we must be careful that he is assured he is going to get it. When we extend lines and call for electricity, do not forget that we may have to occasionally build a steam plant in order to get juice on that line at all times. You will find in the hearings that our supply of electricity and the demand today are almost two-blocked—that is, they are even, in balance, and in some cases we, now, have electricity shortages. We cannot extend these REA lines, which we provide for in here, without the implication that we will have to agree to some form of generation, call it what you wish. I leave that with you. I would be willing to debate it with anyone, but there it is—the fact.

Now, what are the items in this bill that give hope for the future for sound agriculture, for a proper place for the farmer in his home market and in the world markets? I should like to recite a few of them. We have made a few increases here. We wanted to point out, for one thing, that freight rates, which rose 80 percent after World War I, and then subsided to a 60-percent increase and stayed there, raised an additional 50 percent after this war. We have had six or seven rate increases since the war that have affected the farmer tremendously, and they have not helped the railroads either, because trucking and other means of transportation have bitten into the railroad revenues.

Down in the Department, in the Production and Marketing Administration, we have a division that works on freight rates. We want to encourage them to present the farmer's case before the ICC and see that any freight-rate increase that is allowed is sound. We are not only fighting for the farmer there, we are fighting for the American housewife, because any freight rate increase increases the cost of that market basket, and do not delude yourselves that it is any other way. We gave them a $50,000 increase over the budget amount.

Then there is another little item. I wonder if you realize that in the operation of ECA and in the peculiar way that Winthrop Brown down in the State Department dictates our reciprocal trade-treaty system, we are losing historical markets that have been held for years not only by American industrialists but by American farmers all over this Nation. Certainly that thing needs to be looked into. We found down in the Department a division that has been there quite a while, the Office of Foreign Agricultural Relations. Today it has no head because Dr. Fitzgerald, who was its head, is with the International Food Administration, and Secretary Brannan is now looking for a new head for that division. We believe that they ought to be encouraged by this Congress. We think that they ought to reorganize and go about the world and find out what our agricultural attachés are doing in the interest of American agriculture and in the interest of the intelligence of the Department, the Secretary, and all of us, as to what is going on that will affect adversely American agriculture. So we increased that item over the budget another $50,000, to provide a visitation service so that the work in all of these outposts all over the world can be coordinated and can be investigated to see that they are doing the job that we need to have done today.

Do not forget this: By the peculiar way that ECA funds are allowed, by permitting other countries who are receiving our dollars to initiate the requests for the things they want from America, we are losing markets. My own home town is losing to Yugoslavia a historical market in Rotterdam, Holland, that we have had for apples for years, simply through the way that ECA funds are operated. So, the only thing we could do when they came before us, and we understood the problem, was to say, "We are going to increase the item for OFAR in this bill, because it means much for the future.

I also call your attention to the fact that this committee has been honest with the Congress and the American farmer in withdrawing the school-lunch money from section 32 funds. We made it a direct appropriation, as it should be. It began in this way. Section 32 simply provides that 30 percent of the import duties on agricultural products coming into this country will be set aside and named section 32 funds, to be used to help cushion the impact of imported agricultural products that compete with American agricultural products. This means that they will be used to dispose of surpluses in America that are in distress. At the time the school lunch program was instituted we had surpluses, so we said, "We can use these funds to buy foods for school lunches, and it will help to remove surpluses." Through the years this program has changed from one of getting rid of agricultural surpluses until today it is a program of diet for our school children. There is a question in my mind whether this should not be in the appropriation bill which the gentleman from Rhode Island [Mr. FOGARTY] and the gentleman from Wisconsin [Mr. KEEFE] handle—that of labor and social security, instead of our own. I say this advisedly and honestly, because it is a matter of diet and belongs there. It is no longer a matter of surpluses. But the honest thing to do was to uncloud these section 32 funds and leave that $125,000,000 available for application wherever any farm product in the United States became distressed.

We have allowed $19,000,000 for research and marketing administration. This was instituted by the Congress 3 years ago, designed to increase the merchandising of American production from the farms. We have gradually worked up a program. The chairman spoke at length about the difficulty we had with these funds. However, we recognized that research and marketing administration funds to build up the movement of farm products in commerce and aid the consumption of distressed products in America were necessary. So we have given $19,000,000 for that purpose. That should be hopeful for the future. We have allowed the Farm Home Administration additional funds because we recognize that here is the place that good Americans are getting out on the farms of America. They need a program of this kind. I believe Mr. Dillard Lasseter, the Administrator of this agency, is doing a good job.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield five additional minutes to the gentleman.

Mr. BARRETT of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. BARRETT of Wyoming. I would like to ask the gentleman about the reduction in the item for the national forest protection and management found on page 51 of the report. As I read the figures, the reduction over the budget request is $1,518,500, and, in addition to that, the Forest Service has been required to absorb a pay increase of $500,000, on that particular item alone. That reduction is unwarranted, in my opinion.

Mr. HORAN. I have anticipated what the gentleman is talking about and am coming to that in just a moment.

Mr. Chairman, I maintain that the best economy in the world is an economy where you have both efficient producers and financially able consumers, but also where that economy has a maximum of people in the middle who are moving these goods in commerce. That is what I believe. I believe the most unsound thing we could do would be to reduce the number of handlers and retailers that we have in America. I want to point out now that we must be careful—those of us who believe in the American farmer—we must read these danger signals when we see them. That is something that the Committee on Agriculture could look into with a good deal of profit at this time. In the last fiscal year the total of Government buying for ECA was $2,088,000,000—obligated through loans and commodity credit—that does not necessarily mean outright purchase, although it can—almost $3,500,000. In addition to that, some fifty million or sixty million dollars of school-lunch money goes for the outright purchase of American farm products. In addition to that, our military, with all of its branches, buys through their procurement divisions millions and millions of dollars' worth of American farm goods. I have no objection to that. I do not want to be misquoted, but I do see there a danger signal. That is why I have tried to spell out here, if I can, the things that this bill does and which, if wisely administered, could bring the American farmer and the

American housewife and consumer closer together. Those things are in the bill.

Mr. Chairman, I want to talk about soil conservation. We have been most liberal with the Soil Conservation Service. We have been good to them. We have not even asked them to absorb a pay increase this year. The budget did not ask them to, and we agree with the budget on that item. But something I did not agree to with the budget, or anybody else, was the treatment in this bill, through the budget office, and not through the chairman of this subcommittee, nor of the subcommittee itself—although they went along with the budget, and I did not—the treatment they have accorded the Forest Service. I said in the beginning that if we would protect our watersheds and our forests, and preserve our soil, and contain and develop our rivers, this Nation need not fear any evil or peril.

But in this bill we have taken a backward step with regard to forestry in all of its elements. We have been told for years by every candidate who mounts a soap box that we are overcutting our forests. They have even gone so far as to spell out the amount of overcutting by saying that we are cutting two trees, where we should only be cutting one. Having said that, and done nothing, is worse than having kept quiet. If we are to have a real sustained-yield program in America we have to get out in these great national forests of ours and build access roads to the areas where trees are falling over because of age, insect infestation, and other causes, and laying there rotting. If we build access roads into these billions of board-feet of lumber we can harvest that crop before it goes to waste.

The CHAIRMAN. The time of the gentleman has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. HORAN. In addition to this, particularly in the East, we need to encourage and implement farm forestry. That is true in the South; it is true in the middle East; it is true in Indiana and Michigan. To do that we have to educate those people how to properly have farm forestry. It is a science. It does require direction. But this is what we did in this bill: If you will look at page 1005 of the hearings, you will see that the budget gave the equivalent of over a $2,000,000 cut below even the 1949 bill, due to the pay-cut absorption. The committee action brings that to an equivalent of just under $3,000,000. Page 51 of the committee report shows a cut of a million and a half dollars below the budget. If you add the pay-cut absorptions to that, you have got to absorb $2,000,000 right in the national-forests item alone. Contrast that with what has been said for this present fiscal year, which we will complete on June 30. The receipts of the national forests this year were in excess of $30,000,000. Yet we have cut the national forests below $25,000,000. Does that make good sense? If you want a sustained yield on one hand, if you are an idealist, you certainly cannot agree to that. If you are a businessman, on the other hand, and you have something that is income-producing, you cannot agree to that. I personally will offer no amendments, but I shall certainly hope that the Senate will restore these items to where they should be. If amendments are offered, I shall support them, because this does not make sense, and the fault lies with the Bureau of the Budget.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. COUDERT. I heard with great interest the gentleman's explanation of the bill. I am very much interested to realize that the bill is intended to secure a minimum income for the farmers. I happen to represent a metropolitan district. I would like to ask the gentleman what there is in this bill to secure a minimum income to the office workers and the businessmen in my metropolitan district.

Mr. HORAN. I am glad the gentleman asked that question, because one of the principal markets for what I produce in the State of Washington is the gentleman's city of New York.

The CHAIRMAN. The time of the gentleman from Washington [Mr. HORAN] has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield the gentleman one additional minute.

May I inject also that it will assure to the gentleman's constituents an ample supply of food at a reasonable price.

Mr. HORAN. Definitely. In the matter of freight rates alone, the apples which I send to New York cost the gentleman 2 cents additional per pound because of transportation costs. On some other items the costs run even higher than that. If we want to protect the people in our cities, let us remember we have got to protect the farmers. Let us also remember this: That when the people eat, the farmer lives.

The CHAIRMAN. The time of the gentleman from Washington has again expired.

Mr. RANKIN. Mr. Chairman, I wish to thank the subcommittee, and, in fact, the Committee on Appropriations as a whole, for complying with my request to provide $500,000,000 for rural electrification for the coming fiscal year.

They have included $350,000,000 as an outright appropriation, and then provided another $150,000,000, in case it is needed—which adds up to $500,000,000, the amount I asked them to provide when I appeared before the subcommittee some weeks ago.

This rural electrification program is one of the greatest—in fact, it is the very greatest program ever instituted for the benefit of the American farmers.

In 1936 they held the International Power Conference here in Washington. They found that in the United States we had a little more than 10 percent of our farms electrified, while Japan had 90 percent of her farms electrified. Germany had 90 percent, Italy had 94 percent, and France had 94 percent of their farms electrified. Even New Zealand, a new and sparsely settled country, had 65 percent of her farms electrified, while we had only about 10 percent, and many of our States were down to 1 or 2 percent.

I started this drive for rural electrification in the Tennessee Valley area in 1934—the year the TVA began its electrification program. That is when and where our rural-electrification program began. Later, when Congress passed the bill creating the Rural Electrification Administration, they placed a ceiling of $40,000,000 a year on the amount that could be provided. At that rate we could not have electrified the farm homes of America in 100 years.

In 1938 I broke through one of those spending bills against which points of order had been waived, and got an extra $100,000,000 appropriated, which made $140,000,000 for rural electrification for the fiscal year 1939.

That is when rural electrification really began to spread. Today between 75 and 80 percent of our farms are electrified; and if I had my way we would build a power line to every farmhouse that you can reach with the draft in time of war, or that the tax collector can find in times of peace.

We finally got the law amended so that Congress can now appropriate whatever funds are needed for rural electrification.

We had only 743,954 farms electrified in 1934 out of 6,812,350. At that time we had only 10.9 percent of our farms electrified. On June 30, 1948, we had 4,019,476 farms electrified, or 68.6 percent of all the farms in the United States.

We are now electrifying the farm homes of America at the rate of 40,000 a month; and I predict that within a few years we will be able to reach every farmhouse in America with an electric power line.

At this point I am inserting a table showing the number of farms in existence and the number electrified, and the percentage electrified in December 1934, and also in 1948.

The table referred to follows:

Number and percentage of farms electrified with central station service, by States, 1934 and 1948

Area	Number [1]	Farms receiving central station electric service Dec. 31, 1934		Farms receiving central station electric service June 30, 1948	
		Number [2]	Percent	Number [3]	Percent
United States	6,812,350	743,954	10.9	4,019,476	68.6
Alabama	273,455	11,053	4.0	135,782	60.8
Arizona	18,824	5,577	29.6	10,577	80.5
Arkansas	253,013	2,943	1.2	108,051	54.4
California	150,360	81,093	53.9	131,602	94.7
Colorado	63,644	7,145	11.2	38,009	79.8
Connecticut	32,157	10,138	31.5	21,420	96.3
Delaware	10,381	1,791	17.3	7,874	84.7
Florida	72,857	5,700	7.8	39,975	65.4
Georgia	250,544	6,956	2.8	153,813	68.1
Idaho	45,113	13,433	29.8	39,296	94.7
Illinois	231,312	28,379	12.3	171,941	84.2
Indiana	200,835	23,476	11.7	169,051	96.1
Iowa	221,986	32,047	14.4	167,356	80.1
Kansas	174,589	13,224	7.6	71,161	50.4
Kentucky	278,298	8,480	3.0	117,701	49.4
Louisiana	170,216	2,826	1.7	71,558	55.3
Maine	41,907	13,959	33.3	32,573	77.2
Maryland	44,501	6,791	15.3	35,415	85.7
Massachusetts	35,094	14,494	41.3	35,520	96.0
Michigan	196,517	42,152	21.4	169,427	96.7
Minnesota	203,302	13,783	6.8	130,378	69.0
Mississippi	311,683	2,802	.9	99,120	37.6

[1] United States Census of Agriculture, 1935 and 1945.
[2] Edison Electric Institute.
[3] REA estimate.

Number and percentage of farms electrified with central station service, by States, 1934 and 1948—Continued

Area	Number	Farms receiving central station electric service Dec. 31, 1934		Farms receiving central station electric service June 30, 1948	
		Number	Percent	Number	Percent
Missouri	278,454	17,893	6.4	129,706	53.4
Montana	50,564	2,768	5.5	18,837	49.9
Nebraska	133,616	9,544	7.1	48,946	43.8
Nevada	3,696	946	25.6	2,022	59.0
New Hampshire	17,695	9,495	53.7	17,093	91.0
New Jersey	29,375	15,162	51.6	25,473	97.1
New Mexico	41,369	1,350	3.3	13,994	47.1
New York	177,025	57,825	32.7	140,279	93.8
North Carolina	300,967	9,672	3.2	196,445	68.3
North Dakota	84,606	1,968	2.3	15,879	22.8
Ohio	255,146	48,048	18.8	215,379	97.6
Oklahoma	213,325	5,648	2.6	72,669	44.1
Oregon	64,826	17,839	27.5	60,094	95.2
Pennsylvania	191,284	45,182	23.6	154,152	89.7
Rhode Island	4,327	1,975	45.6	3,504	97.3
South Carolina	165,504	3,796	2.3	96,818	65.5
South Dakota	83,303	2,939	3.5	16,405	23.9
Tennessee	273,783	9,727	3.6	119,323	50.9
Texas	501,017	11,466	2.3	257,431	66.9
Utah	30,695	16,130	52.5	21,151	80.4
Vermont	27,061	7,945	29.4	21,759	82.1
Virginia	197,632	14,954	7.6	126,727	73.2
Washington	84,381	40,060	47.5	74,715	93.5
West Virginia	104,747	3,647	3.5	54,856	56.2
Wisconsin	199,877	39,206	19.6	151,348	85.1
Wyoming	17,487	527	3.0	6,871	52.5

You will ncte that this table brought the figures down to June 30, 1948, at which time we had 4,019,476 farms, or 68.6 percent of all the farms in the United States electrified.

By this time we have between 75 and 80 percent of our farms electrified; and, as I said, it is my hope that within a short time we can reach every farm home in America with an electric-power line, and make this the richest and most prosperous country in all the world.

We should develop the water power of this Nation and distribute it to the farmers of this country, and to all other people who need it, at rates, based upon the cost of generation, transmission, and distribution.

When I first came to Congress we were trying to get the Muscle Shoals Dam finished. Oh, the power interests yelled that we had all the power we needed, that we had a surplus. That year the people of the United States used 37,000,000,000 kilowatt-hours of electric energy.

Last year, 1948, we used 282,000,000,000 kilowatt-hours that were supplied by public and private utilities, besides 54,000,000,000 kilowatt-hours that were generated by private industries that produce power for their own plants, making a total of 336,000,000,000 kilowatt-hours of electric energy used last year—almost 10 times as much as we used in 1921, when the power trust was carrying on about the same kind of propaganda that it is now, to the effect that we had a surplus and did not need any more.

There are 394,000,000,000 kilowatt-hours of hydroelectric power now going to waste every year in our navigable streams and their tributaries. That power could be firmed up to the peak of the average year with 116,000,000,000 kilowatt-hours of steam power, making a total of 510,000,000,000 kilowatt-hours, which added to the 336,000,000,000 we are using now would give us over 800,000,000,000 kilowatt-hours of electric energy a year.

That would run every factory in America, run every business establishment, light every house, and heat every home from the Canadian border to the Gulf, and from ocean to ocean.

It is the greatest wealth America has outside of the soil from which we live; and I am willing to develop all that water power and provide it to the American people during this generation and at rates they can afford to pay.

Thank God it cannot be exported, even under the so-called Marshall plan.

It must be used by and for the benefit of the American people, including the heretofore forgotten man, the American farmer.

All that money comes back; we are not losing anything on rural electrification; we are not losing anything on the Columbia River, the Tennessee River, or any of these other streams where we are building those great dams to provide cheap electricity to the American people, who were overcharged last year $1,800,000,000 for their electric lights and power.

Besides, the Government is not interfering in private business. This is not private business. The power business is public business. Electricity has become a necessity of our modern life; it must be supplied through a monopoly. Four or five concerns supplying electricity to one community would pile the overhead charges so high the people could not pay them. It is a public business. Any monopoly of a necessity of life is public business; and, besides, the water power already belongs to the American people. That was decided by the Supreme Court in both the Ashwander case and also in the Appalachian Power case.

The great cities of America, the city of Columbus, capital of Ohio; Lansing, the capital of Michigan; Austin, the capital of Texas; and other great cities such as Cleveland, Ohio, and Los Angeles, Calif., own their own distribution systems as well as their own generating plants. Is that socialism? No; it is simply a public business.

When private enterprise barges in and attempts to monopolize a public business, then it is time for Congress to step in and protect the American people.

For that reason I think the Securities and Exchange Commission, which seems to be as sound asleep as King Tut, should wake up and enforce the law we passed years ago to trim down these great holding companies that are overcharging the American people $1,800,000,000 a year for their electric lights and power.

I probably get more consolation out of this program than any other man alive; because I started from scratch, and today I have one of the best electrified districts in America. We are driving forward all the time, as I said, taking to the people in the rural districts everything that they have in the towns and cities, except the noise and the city taxes.

Do you know what it means to the farmer to light his home?

Do you know what it means to his wife to have a washing machine where, for a dollar's worth of electricity a year, she can do the washing for a family of five people?

Do you know what it means to have an electric refrigerator, an attic fan, a quick-freeze unit, or cold-storage facilities to preserve their food?

Do you know what it means to have a milking machine to milk 40 to 50 cows, and to have electric feed grinders and hay driers?

If not, you had better go out on the farm and see for yourself. And when you do, I want you to find out what those farmers are paying for their electricity. I dare say there are many Members listening to me now who could not tell me how much 50 kilowatt-hours of electricity a month costs a consumer in his home district. You had better investigate this question; because the farmers are not only going to demand that they get this power, but they are going to demand that they get it at reasonable rates based upon the cost of generation, transmission, and distribution.

I asked for $500,000,000, which was $100,000,000 more than the Rural Electrification Administration demanded and $50,000,000 more than the REA Co-ops were asking for, because I realized what we were going to have to do. We are not only going to have to extend these electric lines to every farm home that you can reach with a draft in time of war, or that the tax collector must find in time of peace, but we are going to have to rephase many of the existing lines for those communities that want to operate their own machinery.

Again, you are going to have to build additional transmission lines as well as some steam plants.

We had some men in here the other day from south Mississippi who want a steam plant to generate power for a cooperative power association serving a vast area. They have natural gas right at their back door. I consulted an engineer in whom I have complete confidence and he said they could generate that power, with an 80-percent load factor, at 2 mills per kilowatt-hour. Power can be transmitted for four-tenths of a mill a kilowatt-hour for every 100 miles. Therefore this power can be generated with that natural gas and distributed to the farmers of that area at very low rates.

There is no reason on earth why we cannot bring the power rates down to the farmers in every State of this Union; electrify every farm house, and provide them with those stand-by facilities necessary to enable them to have a sufficient amount of electricity for all purposes at all times of the year.

As I said, this is the greatest program ever instituted for the benefit of the American farmers. It has done more for them to date than everything else we have attempted since I have been a Member of Congress. It is doing more today; it is making farm life attractive and pleasant, lifting the burdens of drudgery and making a new life for those untold millions of people for whom agriculture is a way of life. Instead of rushing through school to get away from

home as they formerly did, the country students are now rushing through school to get back home. It is the most wholesome condition that could have been created so far as the American farmers are concerned.

As I said, I am glad the committee has provided this $500,000,000 for the next fiscal year, in order that we may carry this program forward in every State of the Union. Get rid of that three-to-the-mile program so that we can serve those sparsely settled areas, not only in our section of the country, but in the Northwest where they have been unable to meet the requirements laid down by the Rural Electrification Administration.

Let us take this power to every farm house in America, make this country strong and great, and then, when the recession comes, or when a depression comes, if you please, at least the farmers of the Nation will be able to live out of the soil they cultivate and to live with comforts and conveniences the like of which their forebears never dreamed.

The CHAIRMAN. The time of the gentleman from Mississippi has again expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, this bill in its over-all picture, including loans, calls for an expenditure out of the Treasury which would total between 1,100 and 1,200 million dollars. How much of those loans will be repaid no one knows. But that is not all of the picture with reference to agriculture. The losses the Commodity Credit Corporation incurred prior to the 1st of July will come in here in the certification from the Treasury after the Treasury makes its audit. What those figures will be I would not want to say at the moment. Next year there will be a bigger figure, because there are many crops on which there will be losses in the price-support program in which the Commodity Credit Corporation is involved. Some of those situations are very acute. The support prices upon grain and eggs and potatoes and that sort of thing are bound to result in very substantial losses. Some of them, like the support price upon eggs, will result in there being no eggs placed in storage, so that the consumers could have a chance to get them next winter. Some of them are running into enormous sums of money.

There is no acreage control such as we had in the early days of the price-support program. In other words, any one can raise corn, wheat, cotton, and any other item without any control whatever, and the result is going to be a tremendous crop this coming year.

Our Government is running into enormous new expenditures. These expenditures in the ECA are going to require out of the Treasury probably $4,000,000,000 in the coming fiscal year, as against perhaps $3,500,000,000 in this year. Many other foreign relief programs are going to be proposed. The expenditures of the Government are going up, partly as a result of wage increases and partly as a result of new activities. The operations of the Army and the Navy are costing and are going to cost more money.

At the present time it is going to be difficult to keep the expenditures for this fiscal year down to $42,000,000,000. It is going to be a serious question whether or not we are able to balance our budget. Although the March 15 tax returns were much larger than the Treasury anticipated, and probably we can show that the same thing will apply to the June 15 returns, we are nevertheless going to have a very serious situation.

What the gentleman from Minnesota said here a little while ago, that we must begin to take stock of that situation and try to keep our expenditures down within some reasonable limit, needed to be said. What he said needs to be heeded. I hope the day will come when we can reduce the bureaucratic operations in the Department of Agriculture and get them down to earth.

The following are the increases in this bill above the budget estimates:

Secretary's Office	$79,728
Extension Service	1,000,000
Office Foreign Agricultural Relations	50,000
Production and marketing	67,271,213
Soil conservation	3,088,000
REA	150,000,000
Total increases	221,488,941

The following are the reductions below the budget:

Library	$265,100
Animal industry	657,000
Plant industry	573,520
Bureau of Entomology	27,600
Agricultural chemistry	215,950
Forest pests	939,700
Flood control	1,025,000
Farm Home Administration	3,000
Land utilization	203,000
Total deductions	5,250,870

Total increases	221,488,941
Total deductions	5,250,870
Net increase above the budget	216,238,071

The report of the committee states that the increase above last year's total is $127,233,126.

Add to this the added amounts in loan authorizations, $191,715,000.

Total above last year, $318,948,126.

The committee failed to include in its tables the sums which will flow out of the Treasury as a result of so-called loans. I have included all these because the money all comes out of the Treasury and the pocket of the taxpayer.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to insert a table which I shall prepare showing what this bill does with reference to dollars and the Treasury.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WHITTEN. Mr. Chairman, I yield 2 minutes to the gentleman from Arkansas [Mr. TACKETT].

Mr. TACKETT. Mr. Chairman, I want to use this time for the purpose of making one observation. I notice on page 18, in the third paragraph, of the report that the committee disfavors construction and maintenance of facilities in recreational areas of our national forests. I think it would be false economy if that program were adopted, for the simple reason that we all recall that during the depression the CCC boys and the WPA built millions of dollars' worth of roads in recreational areas in the forests of this country. They are deteriorating and falling to pieces for lack of just a little money to keep them up. In the Ozarks and the Ouachita National Forest areas, within the State of Arkansas, for instance, there were millions of dollars' worth of roads built, amphitheaters provided, and other recreational facilities constructed for the people in that vicinity and others who care to visit there in the forest areas of our State.

Those projects are now practically worthless. The roads that were once used by automobiles can hardly be traveled by mules. I cannot understand how it would be a saving of one single, solitary penny to flush away all of the moneys which were expended back during the depression by just merely failing to pay moneys out now, which we can afford to pay. The Forest Service seems to suffer more than any other agency of the Agriculture Department. I cannot understand why, knowing that forestry plays a great big part in the economy of this country.

Yet, forestry is to receive $2,200,000 less money this year than last year. I am indeed hopeful that some amendments will be offered.

The CHAIRMAN. The time of the gentleman has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 5 minutes to the Delegate from Hawaii [Mr. FARRINGTON].

Mr. FARRINGTON. Mr. Chairman, I rise to express the hope that adequate provisions will be made in this bill to combat the Oriental fruitfly.

The introduction of this pest to Hawaii during the period of the war has been attended with devastating results. It is regarded by us in Hawaii as the most serious menace of its kind ever to confront our agriculture.

Its presence in Hawaii constitutes a threat to the fruit and vegetable growing industries of the West, Southwest, and southern parts of this country that is viewed with the utmost alarm by every scientist who has explored its potentialities.

The importation from Hawaii of fresh fruit and vegetables has been prohibited for several years, and now this quarantine has been placed on the importation of Vanda orchids.

The shipment of these orchids from Hawaii to all parts of this country has developed so rapidly during recent years that it promises to develop into an industry that would yield four to five millions of dollars annually.

The quarantine that was placed only a few weeks ago on the importation of these flowers threatens to eradicate this industry completely.

The situation is regarded now with such seriousness by those immediately combating it that a committee of leading businessmen in Honolulu has now

under consideration a plan to ask an appropriation of $2,000,000 from the Federal Government to fight this pest.

The Legislature of the Territory in the meantime is expected to act on legislation providing at least $200,000 to explore methods for sterilizing products raised in Hawaii for shipment to the States.

This is far from being a local problem alone.

The west coast is already alert to its seriousness and recognizes the need for broadening the field of research into methods for properly dealing with it.

I am grateful indeed to learn from the hearings that the committee devoted careful attention to this problem and hope that as a result of this inquiry a means will be found to expand research in this field.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. FARRINGTON. I yield.

Mr. H. CARL ANDERSEN. May I say to the Delegate from Hawaii that the committee is very much interested in this serious problem which faces your people.

Mr. FARRINGTON. I thank the gentleman.

Mr. Chairman, in the Department of Agriculture appropriation bill for 1949, the sum of $50,000 in the appropriation for the Bureau of Entomology and Plant Quarantine was earmarked for expenditure in the fight against this fly. This fund has been devoted to developing means of biological control. At least two of the natural enemies of this pest have already been introduced into Hawaii with what promises to be reasonably good results.

This is the outcome of three exploratory expeditions: one into the Philippines and Formosa, another into South Africa, and the third to India.

This does not begin to cope with the problem particularly in its relationship to the possibilities that the insect pest will be introduced to the mainland of the country. This is the prospect which in the opinion of those who have studied this problem must be faced.

It appears to be only a question of time when this pest will find its way to the coast. With airplanes flying between Hawaii and the coast in increasing numbers and on some days as many as 12, the likelihood that this pest will be introduced into the States increases daily, despite all precautions that are being taken to prevent it.

This means that from a practical standpoint it is imperative to develop as promptly as possible means of chemical control that may be used to promptly combat this pest once it makes its appearance in the States.

It also makes it important that further experimentation be carried on promptly to devise means for sterilizing products raised in infested areas so they may not be denied other markets as has been the case of Hawaii's pineapples and bananas.

It might be said in passing that it is fortunate indeed for us that our $60,000,000 pineapple crop comes to this country in cans rather than in the fresh form. Otherwise it would face complete destruction.

The necessity for funds in the field of research has been brought to the attention of the committee.

I am sure that all of you have noted with interest the program outlined for this purpose by the president of the Chamber of Commerce of Honolulu in a letter to E. A. Meyer, Administrator of the Research and Marketing Act.

It was proposed in this program, which was formulated earlier in the year, that the amount to be expended for this work be increased this year to $220,900. This seems to me, in light of what has since happened, as a very modest sum indeed.

I have the utmost confidence in the good judgment of the committee handling this legislation to deal with this subject adequately, although I would feel remiss in my duty if I did not use this opportunity to sound a warning of what may come to this country if the correct measure is not taken of this problem at the present time.

We of Hawaii have been in the forefront of this fight. As in the war we have been the first to be hit.

This does not come to us as a new problem. We have been accustomed to dealing with such problems over a period of years.

I say this by way of suggesting that our approach is a conservative one and we cannot be accused of being unduly alarmed when we view this situation with grave apprehension.

I feel that all of the fruit and vegetable producing areas of this country, particularly those of the west coast and the southwest, the south and the southeast should be appraised of this great menace that confronts their future.

Mr. WHITTEN. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, I am greatly concerned with a matter that appears on page 19 of the report, pertaining to that division of the Forestry Service that has to do with the protection of our wildlife resources, and the implications that occur in the report.

Let me point out to you that the fish and game of our forests, our wildlife herds of deer, elk, and other ruminants, are of vast importance to this country. They are the basis for a big industry, if you care to approach it from that angle. They are the heritage of the people of this country, and a part of our American way of life.

There has long been a conflict between the Government agency charged with protecting the deer and game herds and some of the cattle people. This has reflected itself in a contest for the usage of the range lands of the forests.

The report points up the damage that has been done and suggests a control of these wildlife herds that would amount, in my estimation, to their liquidation. The wildlife herds of this country are important to us. Recreation is something that we cannot treat too lightly.

As a former executive officer of the California Division of Fish and Game, I know of these conflicts, and I know of some of the background that enters into it. This report goes so far as to suggest the issuance of licenses to take wildlife in the national forests by the Forest Service itself, in direct conflict with the authority now vested in the States. It was not too long ago that this very problem was thrashed out in the courts of this country. The States, as a whole, through their conservation departments, rose up to challenge the right of the Forest Service to do this particular thing, and the States were sustained by the courts. The case arose on the question of the control of the deer in one of the forests in the Carolinas.

I know that the problem is a vexatious one. I know it will cost some money to restore the range lands for the wildlife of the country. But it is worth it. We have waited too long—time is running out on us. It is a good investment.

We should take immediate steps to authorize an extensive examination of this matter to determine upon a plan that will care for it.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. WHITTEN. Mr. Chairman, I yield 3 minutes to the gentlewoman from Utah [Mrs. BOSONE].

Mrs. BOSONE. Surely we appreciate what the committee has gone through on this bill, or what the Committee on Appropriations goes through on any bill. I know the long and strenuous hours they put in and appreciate the generosity the committee members have signified in the various items in the bill. But there is one part of this report that I do not understand. I suppose I am in the position of the gentleman from Oklahoma. It is in the form of a question and appears at the botom of page 18 of the report:

> At Salt Lake City, Utah, the need for additional facilities is acute and has resulted in the development of unsanitary conditions endangering the health of communities in the valley and have been called to the attention of the committee with a view to securing increased appropriations.

Those of you who have been out in the State of Utah and in Salt Lake County Valley will remember having seen the many canyons surrounding that valley. We use those canyons just as we use the main streets in Salt Lake City. It has been proposed, as will appear from page 19 of the report, that perhaps a fee be charged in those canyons in order to defray expenses for keeping up recreational sanitation facilities. Can you imagine what would happen when you try to charge a fee of those thousands of people who drive daily to and through the canyons? Believe me, those of you who live on the eastern seaboard, we do have thousands of people in the West who travel those canyons that are within 5 and 10 minutes of the streets of Salt Lake City. Those canyon roads are driven as frequently as city streets. We drive to those canyons frequently and eat breakfast there as one of the forms of our city's recreation. Those canyons have helped make Salt Lake County one of the recreational counties of the whole

intermountain West. To put a fee on those Utah people, on the husbands, and those mothers who go into those canyons with their families, is unthinkable. It seems to me that is something we would not want to experiment with, because it would not be accepted. Trouble would ensue.

The Allegheny Mountains in the East is the most visited national park in the United States. Next to that is the Wasatch National Park outside of Salt Lake City, and we are going to be in a dilemma beginning the first week in May unless something can be done about this. I understand the appropriation has been cut. It must be restored if we want the sanitary conditions to be relieved at all and to prevent the closing of recreational areas. If the funds are not restored then a fee must be charged. This is impractical. I hope something can be done about this situation before the bill finally becomes law.

The CHAIRMAN. The time of the gentlewoman from Utah has expired.

Mr. WHITTEN. Mr. Chairman, I yield myself 1 minute to say a word with regard to the matter that has been called to our attention. It is a problem that exists locally, as has been pointed out, but it is a national problem also because there are thousands and thousands of such facilities throughout the United States. Such facilities were established, both in Soil Conservation Service and in the Forest Service during the WPA days, when these thousands of recreation units were built. Since that time it has been virtually impossible in view of the other claims for Federal funds to properly support and maintain these facilities. If we set out to do it today it would add tremendously to the funds expended, and the committee has merely suggested to the legislative committee that thought be given to a proper way of dealing with these facilities locally, if it be true that we cannot support them as we would like to from Federal funds.

The intention of the committee was to direct the Department to make some move to correct health hazard at Salt Lake City, if they will, to permit the Forest Service facilities to be used as they are now being used. The whole attitude of the committee was one of trying to be helpful. We think that it can be worked out. This bill is not operative until the first of July, and in the meantime we can take a "look-see" as to just what may follow from the committee's suggestion.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 3 minutes to the gentleman from Montana [Mr. D'EWART].

Mr. D'EWART. Mr. Chairman, I wish to address my remarks to the same subject matter that concerned the gentleman from California, found on page 19 of the report. It is possible that legislation if enacted would permit the Forest Service to issue hunting licenses, to fix bag limits, and so forth, within the boundaries of the national forest to an extent that would bring this situation under control, but I do not think it is the right answer.

In my State of Montana we have some 24,000,000 acres of national forest land. I served for 8 years as a forest ranger in one of the great game areas of the United States, that adjoining the Yellowstone National Park. The last few years I have been chairman of a game committee that is seeking to coordinate the activities in game management of the Park Service, the Forest Service, and Fish and Wildlife Service, the State Fish and Game Commission, the Rod and Gun Clubs, and the farmers and ranchers. We have had considerable success in coordinating those activities for better management of game and I am sure the solution to the game problem is not in giving the Federal Government the right to issue licenses and to fix bag limits—that is a State function, the problem can be worked out much better through cooperation of these agencies and the State with the local people. I know that from personal experience, having had years of work along this line.

Mr. BARRETT of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. D'EWART. I yield to the gentleman from Wyoming.

Mr. BARRETT of Wyoming. I want to compliment the gentleman on his statement and I want to say that Wyoming also would violently oppose the issuance of game hunting licenses by the Forest Service. The State of Wyoming, as well as the State of Montana, and other States in the West contend that they should have the exclusive control and dominion over the wild game within their confines.

Mr. D'EWART. We recognize the problem, Mr. Chairman, but we think that the better way to solve it is not giving the Federal Government this authority, but working it out on the State level.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. D'EWART. I yield to the gentleman from California.

Mr. MILLER of California. Out of the gentleman's experience would he care to make an estimate of the value of those game herds and their preservation, both in dollars and cents and the value as regards recreational facilities?

Mr. D'EWART. That is almost impossible to do. The value is beyond imagination, not only as to the meat that they furnish, but the recreation and the pleasure they give to the people of the country. I am sure that this problem of game management can be worked out on a cooperative basis with the State Fish and Game Commissions of the States.

Mr. BARRETT of Wyoming. Mr. Chairman, if the gentleman will yield further: Is it not a fact that wild game is not a competitor with livestock for the same forage during most of the year?

Mr. D'EWART. That is true during the summer season. There is some competition in the winter, but not during the summer season.

The CHAIRMAN. The time of the gentleman from Montana has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 2 minutes to the gentleman from Kentucky [Mr. GOLDEN].

Mr. GOLDEN. Mr. Chairman, my great State of Kentucky has 46 percent of its land covered by forests, and you can understand my concern when I find that this great committee has made appropriations for the preservation of the forests of America. I appeared before this committee. I was afforded a very kind and courteous hearing and I wish to compliment it for appropriating this money for the preservation of the forests of this Nation.

In Kentucky we have a very efficient commission that will work in harmony and work in cooperation with the Federal authorities, and while I stand for economy in America, and I think it is something that we should all concern ourselves with, this appropriation for the conservation of the timberlands of this great country will return many, many times the amount contained in this bill, for forestry.

I was also gratified to find that this great committee has seen fit to continue the school-lunch program. I think that will contribute not only to the education of our youth, but it will contribute much to the health of the school pupils of America.

I think that we have to at this stage in our economy continue to support farm prices, and by doing that I think we will make a direct contribution to the welfare of all our people.

I was, however, greatly impressed with the remarks made by the gentleman from Washington. I think this great committee should note well what he said. He pointed out a long-range view of our soil conservation and other great natural resources of this country.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana [Mr. HARVEY].

Mr. HARVEY. Mr. Chairman, it was my pleasure to appear before the Subcommittee on Agricultural Appropriations and to voice my sentiments, not only as a Member of Congress but as a farmer. May I say to the committee that it has done a very commendable job and one that was performed under great difficulties. I have a great appreciation for the tasks that they had before them. I think they have come through in fine fashion.

I want to say briefly that in following up my appearance before the committee I at that time touched on four particular subjects—first of all, forestry. Although Indiana is not a forestry State, as are many of the other States that have testified here, in my connection with the Government at the State level, it was brought to my attention that great sections even of our own State have not been self-sustaining for years simply because we have lacked the foresight to encourage and develop reforestation there. That represents not only a drain upon the more productive parts of the State, but it also represents a drain upon the people themselves, because their standard of living has fallen and many of them have even been forced to evacuate and leave their communities. If a little management and encouragement at the Federal level had been exercised years ago, that would still be a rich and

productive area in terms of timber resources.

I mentioned briefly also the Extension Service and said that during the course of my testimony to the committee I could think of no other service, particularly with reference to the 4–H Club work, that has given greater service and proved more worth while to the people of our country in the development not only of technical ability but citizenship as well. I commend the committee on their expansion of the budget at that particular point so that the 4–H Clubs would be given greater impetus.

I also touched upon soil conservation. I think that, too, represents a field wherein we have lagged and where the country as a whole will be called upon at some time to account for the great visible assets of our empire that have been allowed to be washed away.

When the bill is read for amendment under the 5-minute rule, I shall take a little time to develop the marketing and research phase of this bill.

Mr. WHITTEN. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. CARNAHAN].

Mr. CARNAHAN. Mr. Chairman, I first want to express my appreciation for the fine work the committee has done. Having taught school several years, I especially appreciate their handling of the school-lunch fund.

Let me read for the record a portion of the committee report, beginning at page 20:

Forest and range-management investigations: A very large number of the Members of the House, as well as State foresters and other non-Government witnesses, appeared before the committee urging increases in this item for the establishment of new, or the strengthening of the work in old, forest experimental areas which have been established out of previous appropriations. The testimony indicated that two of the primary needs in this connection are for the encouragement of, and the provision of more nursery stock for, distribution by the States to private landowners for restocking cut-over timberlands and for cooperation with timberland owners under the Cooperative Farm Forestry Act. The committee has therefore appropriated the budget amount under this item less a reduction of $4,000 for purchase of cars and has provided substantial increases for the other items mentioned, which are explained below under the paragraph for "Farm and other private forestry cooperation."

In recent years there has been a very strong demand from Members of the House and from State foresters and others for the creation of these forest and range experimental areas. A very substantial number of new ones have been provided by Congress in the recent appropriations carried in this bill. There are still many requests for new stations, but much of the current demand is for expansion of the work at existing stations. The committee is convinced of the importance of the researches carried on at these experimental forests, but most of them relate to problems which are local in character, which bear to non-Federal forestry a similar relation to that of the State agricultural experiment stations to other agricultural crops. The committee believes it would be better for the experimental forests to be operated in the several States by such State agency as the legislature of each State may designate under a plan whereby the Federal Government would make annual appropriations of a fixed sum of money, as it does under the Hatch, Adams, Purnell, and Bankhead-Jones Acts for State agricultural experiment stations. The money so appropriated would be allotted to the several States, which would be required to match the Federal contribution from sources within the State. Stations already in existence would be turned over to the States for operation, and these could be increased in size or in number to the extent the particular State involved wished to make increased State contributions therefor.

Forestry, we have been told, is just another agricultural crop and it is believed that research on forestry questions can, with as much justification as in the case of other farm crops, be carried on by the States.

It is recognized, of course, that a very substantial amount of forestry research would still have to be carried on at the Federal level by the Forest Service, because of the immensity of the Federal domain in forest lands. The committee is having explored with the Department the possibility of setting up a plan along the lines here discussed. Should a workable plan eventuate, a bill effectuating the plan can be introduced for consideration and study by the appropriate legislative committeee.

It is believed that such a bill, if enacted, will make for a more orderly and more effective expansion of research on forestry problems. It is hoped that next year's estimates for forest experimental areas may be predicated upon legislation of the kind here discussed.

I regret very much that forest and range experimental work is being considered in the light of returning such work to the several States. I do not agree with the idea. The fact that so many Members of Congress and others appeared in support of increased Federal funds for forest experimetal work is evidence of the importance of such work and shows a growing need for more Federal attention to the problem.

I cannot agree that the growing and marketing of forest products is just another ordinary farm crop. Forest products are, of course, classed as a farm crop, but certainly the production of lumber or railroad ties is not comparable to the production of corn, cotton, or wheat. The production and conservation of forest products is a long-range program and lends itself to exploitation. To expect individuals, or even the several States, to properly cope with this problem is wishful thinking. The problem, rather than being comparable to the production of regular farm crops is much more comparable to our No. 1 problem of soil conservation. While I favor encouraging the several States to give reasonable assistance in the problem of conserving our forest resources, the Federal Government has a responsibility which should be met adequately.

Now, just what would placing on the several States the problem of forest experimentation and conservation really do? It would create a great number of small administrative units which would perhaps be able to maintain little more than a feeble program of duplication. The committee report states:

It is recognized, of course, that a very substantial amount of forestry research would still have to be carried on at the Federal level by the Forest Service because of the immensity of the Federal domain in forest lands.

This would mean still further duplication and would result in a very high administrative cost.

I certainly hope the idea of returning this problem to the States will be given very careful consideration.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. HOEVEN].

Mr. WHITTEN. Mr. Chairman, I yield the gentleman a minute.

Mr. HOEVEN. Mr. Chairman, I want to compliment the Subcommittee on Agriculture Appropriations for bringing in this most comprehensive bill. It is the first time in my recollection that we have not been engaged in a knockout fight about some major item.

I am happy to find that the appropriations for the Extension Service have been increased in the sum of $1,000,000. This gives splendid recognition to the very fine work being done by our 4–H Clubs. The additional appropriation will be for the expansion of this great program. The development of our farm boys and girls is one of the most important pursuits in which we can become engaged.

I may say that I regret that the appropriations for flood control have been decreased $1,025,000 under the budget estimate for flood control. This decrease will, of course, affect the work being done on the Little Sioux River project which happens to be in my congressional district. This project is a model for the entire United States. The work is going forward in fine shape and I express the hope that the Committee on Appropriations will not at any time so reduce the appropriation for this project as to jeopardize its completion on schedule.

Early in this session I introduced a bill to grant the Commodity Credit Corporation additional authority for the acquisition of grain-storage facilities. I assume that the authority given the CCC in this bill to borrow $4,750,000,000 on the credit of the United States, will provide the necessary funds to take care of the situation in my bill or similar legislation as enacted into law at this session of Congress.

Needless to say, I am also immensely pleased to find that ample provisions are made in this bill for the REA. I have been a loyal supporter of this program throughout the years. Not only does this bill provide a specific loan authorization of $350,000,000, but grants additional authority to loan an additional $150,000,000 if needed. This will make available the total sum of $500,000,000. I am sure the farmers of the Eighth Congressional District of Iowa are grateful for the action of the committee in this respect.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 3 minutes to the gentleman from South Dakota [Mr. LOVRE].

Mr. LOVRE. Mr. Chairman, it is with a great deal of personal satisfaction that I take the floor today, as a Representative of one of the great agricultural States, in general support of the recommendations of the Appropriations Committee for funds for the Department of Agriculture.

When we stop to consider that this appropriations bill affects directly 20 percent of our entire population, and indirectly every man, woman, and child in this country, I am sure that you agree with me that this bill really is one of the

most important bills to come before the Eighty-first Congress.

The welfare of the farmers, not only of the First District of South Dakota but of the Nation, is of great concern to me. I have consistently pledged my support to legislation which would further the welfare, prosperity, and happiness of the American farmer, which in turn will be reflected in a prosperous economy for all.

Being a native of South Dakota, and having started my profession in that State in the late twenties, I witnessed first-hand the plight of the farmer in the early thirties. I saw our farmers go broke by the hundreds, in spite of the fact that they labored 12 to 18 hours per day, every day in the week and every week in the year. I saw farm after farm, representing life savings, foreclosed, and many of our farm owners rendered homeless.

I saw the devastating effect upon my business as a result of the plight of the farmer, and the over-all effect upon our entire economy.

The plight of our farmers in the early thirties was not due to overproduction of food, as some would have us believe, but lack of purchasing power. It is always to be remembered that every time grain or livestock drops in price, the farmer is going to have just that much less to spend for machines, autos, repairs, and hundreds of other items he needs, which in turn leads to unemployment and ruination of people in every walk of life.

This situation emphasizes the fact that a healthy national economy depends upon maintaining the purchasing power not only of the family-sized farmer but of all people. This being true, we cannot permit one group to prosper at the expense of another, such as was the case of the farmer in the early thirties.

It is significant that the report of the Businessmen's Commission on Agriculture, sponsored by the National Industrial Conference Board and the United States Chamber of Commerce, in 1927 came out with the strong statement that—

> Our national policy of providing special Government support for commercial and industrial enterprises has left agriculture in an unprotected position to the detriment of our entire economy.

Unless all groups make corresponding progress, we will witness a break-down in our national economy such as we have hereto witnessed. All segments of our economy must recognize this fact if we are to achieve a stable economy.

That is why I believe the Government should do everything possible to assist the farmer and encourage him in his endeavors. The Federal Government has this obligation because it is in the national interest and is for the general welfare of all of the people of this country. It is also in the interest of the general welfare of people all over the world because they are looking to us for leadership and assistance in warding off the insidious advances of aggressor nations.

We have been called upon to assist western Europe to stem the tide of communism, financially and militarily. Food is an important element of both phases of this assistance. In fact, food is the most powerful weapon we have against all phony political philosophies because starving men, women and babies are easy marks for smart organizers. We have already seen what can happen when people do not get enough to eat.

I am bringing up these points merely to point out the vital necessity of the Government offering encouragement to American agriculture.

The United States Department of Agriculture, with its many farm programs and the many activities which it carries on, is simply doing that—encouraging the farmer. It has done a fine job so far. That is why I stand here in support of these funds for this agency. Money appropriated for this purpose is not spent. It is invested. It is invested in the future health, prosperity, and welfare of this great Nation. It is an investment which will yield dividends. That is why Members of Congress, economy-minded businessmen from all walks of life interested in promoting the welfare of this Nation, should offer every encouragement to the farmer through the Department of Agriculture.

We have been considering the welfare of the farmer and the battle which this country now faces. Let us take a look at another aspect of this over-all picture.

It is generally agreed that farm prices are a good barometer of national welfare—of the health or sickness of the Nation's economy. Prices of most farm goods have dropped sharply since last fall. I do not believe we are in any real danger of an economic upset at this time, but I do believe that it is a good idea to take a look around and see what we can do to keep the Nation's economy healthy.

We all know from past experience that when the family-sized farmer prospers, so does the rest of the country. When he is in bad shape financially, then the rest of the country is usually in the same boat. That is why I believe it is of the utmost importance that farm prices be kept at a reasonable level.

Furthermore, we must have a good farm income if we are to keep the Nation in sound financial condition to meet the drain placed on our Treasury through our defense projects and other programs.

That is why it is so important to have a program of price supports for farm commodities. This is not a subsidy. It is merely an assurance to the farmer that he will receive what is considered to be a fair return on his money and efforts and a program to assure the Nation of adequate food supplies. At what level these prices are to be supported will be determined in other legislation being presented to Congress. I will not go into that now, except to say that I believe that the family-sized farmer should be assured of full parity of income, just the same as other segments of our society.

May I urge the House to give favorable consideration to items in this bill which provides funds to the Commodity Credit Corporation for its support programs. The orderly conduct of this program is of vital importance to the economic and dietary stability of the entire Nation.

Let me repeat, that a fair price floor for farm products is the first essential of a prosperous nation. A drop of only a few cents in the price of wheat or corn would cost the farmers of the First District of South Dakota hundreds of dollars individually and millions of dollars collectively. Farmers must have a good income if they are to pay the high prices being charged for machinery, supplies, and labor.

PMA COMMITTEES

In order for the support program which I have mentioned to work, there must be administrative machinery to carry it on. The PMA committees, commonly known as triple A committees, are the backbone of this program and keep the wheels rolling. It is important that these committees have adequate funds for administration so that they can reach the individual farmer and work with him in carrying on the support and payment programs of the Production and Marketing Administration. Without these men, who devote their time and effort to the program, and without the full-time employees of the committee and State organization, we could not successfully operate the farm program. That is why I urge you to accept the committee's recommendations for $25,846,439 for this activity. This amount represents an increase of $1,000,000 over the budget estimate, and is earmarked for expenses of PMA committees on the county level.

SOIL CONSERVATION SERVICE

Another important item is the appropriation of funds for the Soil Conservation Service. This is the service which provides the farmer with technical advice relative to the preservation of the fertility of his soil.

Conservation of our productive farm land is, in my opinion, one of the most essential, most important tasks facing us today. South Dakota is a great farm State and I know how erosion can damage the land. I have seen it on my own farm and on the farms of my neighbors. It is not encouraging, and it is not a temporary damage. It leaves its mark on the land for years and generations. It means reduced production and poor production. People cannot live and prosper on eroded land.

Fourteen years ago Congress called soil erosion a national menace and nothing has happened since to change that fact. Erosion is still a national menace and perhaps even more of a menace than it was some years ago because our land is suffering from the hard use we made of it during the war.

Half of the productive farm land in the United States has already been damaged by soil erosion, and constructive steps must be taken to stop that damage and reverse the process so that the soil is built up.

There is only one way of doing this job, and that is through scientific analysis of the land and scientific application of the right combination of conservation measures. This is provided by the Soil Conservation Service. Because of the interest in this matter, the committee increased the appropriation for the Soil Conservation Service to $50,773,800, or by $3,800,000 over the amount requested in the budget. This was because of the rapid expansion of the program through

the formation of new soil conservation districts. I believe the action of the committee was wise and I subscribe to it.

PRODUCTION AND MARKETING ADMINISTRATION

The Production and Marketing Administration of the Department of Agriculture handles the action programs upon which the farmers rely and to which they lend their cooperation. These action programs are vital to the over-all conservation program. Farmers need this encouragement by the Government to carry out soil-saving practices. They need crop payments worse now than they needed them last year because of the decline in commodity prices. Farmers are not in a position to finance conservation practices unassisted. Now you may say: "The land belongs to the farmer. Therefore, he should take care of it himself. Why should the rest of the Nation foot the bill to pay for a program on an individual farmer's land?" To that, I only say that the soil is a national heritage and our most valuable natural resource. The individual farmer has only a lifetime interest in his farm land. The Nation as a whole has an interest in the continued productive value of the soil. It is a heritage of future generations. To neglect it is to break faith with posterity. Therefore, conservation is a national obligation rather than an individual matter. I am happy to note that the committee recommended that $262,500,000 be authorized for this activity for the 1950 crop year, and that none of this money will have to be used to conduct the marketing quota and production control program contemplated by the Secretary of Agriculture. I believe all of this money should be used to carry on the PMA action program. It is essential to the welfare of the farmer and to the country to adequately finance these activities.

RURAL ELECTRIFICATION ADMINISTRATION

My State is next to the bottom of the list in percentage of electrified farms. Because only about one-fourth of the farms in South Dakota have central-station electric service, I am naturally interested in the program being carried on by the Rural Electrification Administration. The 28 REA cooperatives in South Dakota have done a magnificent job of extending lines to farms which otherwise might never have received electrical energy. The entire national REA program is a good one and one which I believe deserves the support of every Member of Congress. Rapid strides have been made in raising the national average of electrified farms. I think we Members of Congress should give this worthy endeavor every possible encouragement. I am happy to note that the committee recommended an appriation of $350,000,000 for the coming fiscal year for REA with the recommendation that if more funds are needed they should be allowed. The Eightieth Congress is to be congratulated for its foresight in making possible the strides we have witnessed in rural electrification in the past 2 years.

It seems to me that it is of the utmost importance to carry on this program as rapidly as possible. Because of material shortages and other conditions over which we have little control, electrification has not progressed as rapidly as we should like to see it accomplished. Indications are that 1949 will be the brightest year in the history of REA. With this loan authorization and authority to obtain additional funds, I am hopeful that 1950 will be even better. I cannot overemphasize the need for adequate funds for REA. We must have concerted, concentrated action if we are to attain our goal of a light in every farm home. Nothing can be allowed to happen to impede the progress which is being made. I implore you to allow the money recommended by the committee for REA and entertain its recommendations for additional funds if they are needed.

THE FARMERS HOME ADMINISTRATION

The committee recommended that $101,750,000 be allowed for the several loan programs carried on by the Farmers Home Administration. I believe that it is necessary to make credit easily available to all deserving people who wish to continue farming operations and to those who wish to enter farming for the first time. There is also a need for funds for improvement of land and facilities which are included in this item.

Many veterans have returned to their homes and have used the time since their discharge to determine what they want to do. Many of these veterans are ready to enter farming on their own. I believe every possible encouragement should be given these young people and veterans to stay on the farm. Money invested in helping these young people get started is truly an investment in America and in our future.

EXTENSION AND 4–H CLUBS

An increase of $1,000,000 over budget estimates for expansion of 4–H Club activities is heartening to everyone who has seen our young boys and girls in 4–H activities. Our 4–H Clubbers are our farmers of tomorrow and certainly we must bend over backward to see that they are properly prepared to face the future. I have seen no young group which is more interested, energetic, and active in their work than the members of our 4–H Clubs and we should lend every effort to expand and further this outstanding worthy project.

RESEARCH AND MARKETING

These days when we hear of surpluses and when the margin of profit for the individual farmer is growing smaller, we feel a need for research into new uses for agricultural products and new production techniques. That is why the program carried on under the Research and Marketing Act of 1946 is so important. State experiment stations come under this heading. I believe that money expended to improve methods and make for more efficient farm operation is money well spent.

FOOT-AND-MOUTH DISEASE

There has been a great deal said and lots of words written concerning the battle the United States is waging to fight foot-and-mouth disease in Mexico before it reaches our border. I believe the program being carried on down there is now operating quite efficiently and I earnestly believe that this Nation should support the eradication program.

To do otherwise would be fatal. Let the highly contagious disease enter this country and you have wrecked the entire livestock business. Not only that, but you will have disrupted transportation and marketing enterprise and thrown all of the industries related to agriculture out of kilter. Adequate financing of the foot-and-mouth program is of critical importance to us at this time. It is imperative that the disease be stamped out before it reaches our borders.

CONCLUSION

There are many items in this bill which I have not touched upon specifically. This does not mean that I am not interested in these other projects. I have merely picked out a few which I believe are important to farmers everywhere.

Mr. Chairman, I believe the American farmer must be given encouragement from his Government to fulfill the critical obligation to feed this Nation and the rest of the world. I must repeat that nothing should ever be allowed to impede the progress of one group as against another. We must progress together to make this Nation a happy and pleasant and prosperous place in which to live.

We, here in this body, who are charged with the responsibility of directing the course of the Nation must not forget this important element of our population.

Agriculture is our basic industry and upon it depends the prosperity of the Nation. It is our obligation to look to these important people. We must contribute to their welfare and we must do everything we possibly can to assure the continued prosperity of the individual family-sized farmer. That man and his family on the farm back in South Dakota and in all farming States are the most important individuals in the world and upon whom we are relying. I want to do everything possible to make their lives pleasant and to assure them economic stability. I want this because when they are economically healthy so are the people everywhere.

The welfare of the economy of this Nation revolves around this man on the farm in South Dakota and in Nebraska, Iowa, Minnesota, North Dakota, and in all the other farm States. Keep him and his family on a sound economic footing and we keep the United States solvent, progressive and strong to resist the forces which seek to infiltrate and destroy us. Fail, and we open the door to depression, strife, and discontent.

We must not fail. To allow funds for the successful execution of the various Government programs affecting agriculture is one way we can show our faith in the man on the farm—and in doing this we can show our faith in the future of America.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 1 minute to the gentleman from Wyoming [Mr. BARRETT].

Mr. WHITTEN. I yield the gentleman one additional minute, Mr. Chairman.

Mr. BARRETT of Wyoming. Mr. Chairman, I take this time to inquire about an item on page 49 of the report, for the control of emergency outbreaks

of insects and plant diseases. The budget request was for $1,750,000, which was cut by $5,000. But under note 8, it states that this appropriation includes control of emergency outbreaks of forest pests and diseases.

On page 50 of the report I note that the budget request for forest-pest control, including surveys, is $1,000,000, and it was decreased by $727,700.

Now, the question I would like to have answered is this: In the item for control of emergency outbreaks of insects and plant diseases is an item of $860,000 for the control of grasshoppers. As the gentleman knows, the grasshopper infestation is worse in my State than in many years. I would like to know if the committee has decreased that item for grasshopper control.

Mr. WHITTEN. I will say to the gentleman there is no intention of decreasing or failing to take care of these emergency outbreaks, whether in the forestry items or in the grasshopper item. The practice has been to keep the funds which would set up the program, into whichever field it might fall, and then, by making appropriation, pay whatever it actually cost to handle the problem. It was felt that $1,750,000 was an ample emergency fund to take care of an emergency outbreak wherever it might occur, pending the time when additional funds could be made available to actually prosecute and carry out the work. So there is no intention to curtail any of it.

Mr. BARRETT of Wyoming. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS. Mr. Chairman, there are a great many items in this appropriation bill for the Department of Agriculture in which I am interested, and I want to commend the committee for the fine work they have done. Time will not permit me to speak on very many of these programs.

I am very happy that the Congress is providing a program of $500,000,000 for rural electrification. It was a keen disappointment to me that President Truman reduced the budget request for rural electrification and recommended a figure $50,000,000 below what was appropriated last year. The House is to be congratulated in overruling the President on this item. It is a sound program and the money will be paid back to the Treasury.

Another item that I want to discuss has to do with soil saving and flood control. The Nation is well aware of the continuing flood problem that we have in the Missouri River Basin. I wholeheartedly support the authorized program being carried on by the Army engineers and the Bureau of Reclamation. There is a job, however, to do by the Department of Agriculture in connection with our soil-saving programs.

The Eightieth Congress provided funds and directed the Secretary of Agriculture to bring in an agricultural flood-control program for the Eighty-first Congress to consider. The objective that we were seeking was a program to stop floods at their source—to hold the water right on the field where it falls and thus save soil at the same time.

Mr. Chairman, the Secretary of Agriculture has not transmitted this program as directed by the Eightieth Congress to the Congress. I am indebted to the ranking Republic member of the committee, the gentleman from Minnesota [Mr. H. CARL ANDERSEN], for propounding some questions in the hearings about this Missouri River Basin program which I submitted to him. I would like to extend my remarks at this point and include that testimony taken from the hearings:

PROGRESS OF SURVEYS IN MISSOURI RIVER BASIN

Mr. ANDERSEN. The Eightieth Congress gave to the Department of Agriculture, in the 1949 budget, approximately $500,000 for flood-control surveys in the Missouri River Basin. The Department was directed to return to this Eighty-first Congress with a program of action, based on this survey, if feasible projects were developed.

What happened to this program?

Mr. DYKES. The Soil Conservation Service and the Forest Service have almost completed the flood-control survey on the Missouri Basin. It is one of the reports that I mentioned as being in the 90-percent-complete category. We hope to submit the report to the Secretary in March.

Mr. ANDERSEN. The President said, in his budget message to the Congress in January 1949, that the Department of Agriculture was expected to bring to Congress a report of its flood-control studies, and, if Congress agreed to such a program, the President would ask the Congress to appropriate $5,000,000 for fiscal 1950 with which to get under way those projects which were seen as feasible.

What has happened to hold up such a program? Has the President changed his position, or has the Department of Agriculture changed its program?

Mr. DYKES. The Missouri is a large and complex watershed and while we have done our best to finish the report, there are certain points on which we are not satisfied as yet. Our field staff submitted a tentative draft to our office and just a week or so ago we had the survey party leaders in Washington to discuss some of the items as well as the form in which to best present the information. The field staff is hard at work on the suggested changes at present and the schedule calls for the revised draft to be returned to us about March 6. We hope to present it to the Secretary before the end of March. I would say, in answer to the second part of your question, that there has been no change of position.

The flood-control survey report for the Missouri will be presented to the Congress during this session if it is completed to the satisfaction of the Secretary in time. Due to the special need for a comprehensive multiple-purpose agricultural program in the Missouri Basin, it is the announced intention of the Secretary to present the flood-control survey report to the Congress as an integral part of the Department of Agriculture's comprehensive plan which is being rushed to completion at this time. Mr. Will testified here at some length on the need for that type of an over-all agricultural program in major river basins on February 1, 1949.

Mr. ANDERSEN. The Department did bring before this committee an omnibus program for the Missouri River Basin. The Congress has not directed the Department to prepare this program. But Congress had authorized the flood studies.

What assurance have we that the flood-control program will not be lost in the over-all program of the Department of Agriculture, and not given desired emphasis?

Mr. DYKES. Personnel of the Soil Conservation Service and the Forest Service are working with the personnel of other agencies of the Department in the preparation of the comprehensive program for the Missouri Basin. We believe that flood-control activities of the Department that have been assigned to us will be given proper emphasis in the over-all program. As I understand the form in which the Department's comprehensive program will be presented, it will be easy to isolate the various appropriation items. I feel that Congress will be in a position to give the desired emphasis through the appropriations process.

Mr. ANDERSEN. An unprecedented flood threat exists in many parts of the Missouri Basin this spring. Congress may be asked to appropriate substantial emergency funds to relieve flood suffering.

Is it practical to continue emergency appropriations, year after year, rather than moving to correct perennial flood threats, especially after studies have progressed so far that the Department should be able to advise this Congress where actual construction can be undertaken in 1949 which will carry permanent benefits?

Mr. DYKES. We will do our best to finish the report and I'm sure the Department will do its best to finish the comprehensive program in time for the Congress to consider it during this session. If Congress approves the program, I hope that the $5,000,000 mentioned by the President in his budget message can be made available for the 1950 fiscal year and that we can get started on permanent works of improvement.

Mr. Chairman, I do hope that before this Congress adjourns something can be done that will implement this program. It is my information that the technical men in the Department of Agriculture have completed their work and the Congress should have the benefit of their recommendations.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. ANDERSON].

Mr. WHITTEN. Mr. Chairman, I yield the gentleman from California one additional minute.

Mr. ANDERSON of California. Mr. Chairman, the natural rubber research program is not a continuation of the emergency rubber project of World War II. The purposes and the objectives of the two are as different as black and white. The wartime project was an endeavor to grow natural rubber in volume in the shortest possible time. Nothing like it had ever been tried before and no one wishes such an undertaking to be had again. That project ran into many trials and tribulations. In final analysis, this project produced only one major asset: had the war continued another year, there would have been available as a result of even this curtailed project, 15,000 long tons more of natural rubber to assist synthetic rubber do the job of keeping our armies on the offensive and making it possible for our factories to keep them supplied. In the spring of 1945, this country's supply of natural rubber, regardless of our efforts in South and Central America to increase production, was rapidly approaching the bottom of the barrel; that extra 15,000 long tons was vital.

The purpose and objective of the natural rubber research program is to in-

crease our knowledge and improve our plants and techniques, so that in any future emergency, we will know what we can do and how to do it efficiently and cheaply. Recent progress and developments will be dealt with later.

Many people who have not followed closely our achievements in synthetic rubber assume and conclude that that industry is all we need in this country to do an adequate job in supplying materials to produce millions of tires, tubes, and thousands of essential rubber products. No one denies that our synthetic rubber production is remarkable and that it has gone a long way toward supplying our rubber material needs. Today, 3½ years after VJ-day, our synthetic rubber is so good that it can do 75 percent of the job well, but that other 25 percent has to be natural rubber. We are building a stock pile of natural rubber as rapidly as funds are appropriated for natural rubber that is available in the Far East. However, in an emergency, our requirements for tires and rubber goods are tremendous to support our armed forces and our essential domestic economy. Ninety percent of all natural rubber is produced 15,000 miles away. We cannot be sure of getting any of this is an emergency. We may plan for a 3-year, 4-year or 5-year emergency. We can, if we have the time and the money, stock-pile what we require for any one of these emergencies, but what if we figure on a 3-year emergency and it lasts 4? What, if we plan for 4 years and it is still going on at the end of that period?

We must have our own sources of natural rubber until our chemists have turned out types of synthetic rubber that will do an adequate job in every rubber product needed by our armies and at home. That is why our natural rubber research program, though small and costing little—under $400,000 a year—is so vital. The National Military Establishment and the National Security Resources Board recognize the importance of this program. The Bureau of the Budget has approved this very modest expenditure for this essential research. Compared to the total defense budget of $15,000,000,000, this program costs less than $400,000 or three one-hundred-thousandths percent a year.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of California. I gladly yield to my colleague from California.

Mr. PHILLIPS of California. Am I right in saying that this project was originally recommended some 15 years or more ago by General Eisenhower, at that time Major Eisenhower, and that he still feels that a supply of this kind is necessary in time of war?

Mr. ANDERSON of California. The then Major Eisenhower originally requested this experimental research, as the gentleman suggests; and as recently as a couple of years ago it was his opinion that it was one of the most valuable research projects in the United States and he hoped it would be continued. I am sorry to see that the Subcommittee on Agriculture Appropriations has reduced this year the modest request by $173,000.

REFUSAL OF FUNDS FOR 60 ACRES

Yet the Appropriations Committee has seen fit to refuse to allow the expenditure of $20,000—5 percent of the $400,000 for the research program—for 60 acres of land in Texas and a shed to protect equipment so that experimental plantings can be tried in an area of cheap land that is available without competing with food crops. Actually, this acquisition of 60 acres will not cost the taxpayer one cent, because the program, if permitted to get that land, will dispose of acreage in California that will bring into the Treasury more than enough money to cover the cost. Under such circumstances it is most difficult to understand the exception that has been taken to this item which is so small and yet so important to a constructive progressive research program.

Recent progress in the natural-rubber research program reveals—

First. Development of new varieties of guayule that appear to be capable of producing 50 percent more rubber than the best strains of World War II.

Second. Success in cross-breeding and hybridizing with other plants that give indications of even greater increases than 50 percent.

Third. Successful seeding on unprepared land from the air. This opens up a vast new horizon that may mean that great areas of barren land in the Southwest could become a domestic natural rubber reserve supply. It could develop to be a cover crop against soil erosion as well.

Fourth. Progress with miscellaneous Russian dandelion seeds—kok-saghyz—flown to us during the war. Seed selection and strain development is still in its infancy, but it has been proven that these plants mature in from 9 to 18 months and that they will grow almost anywhere in the United States.

Fifth. Progress on a new process of abstracting rubber from guayule that will result in pure rubber at less processing cost, because the various resins now being segregated and determined appear to be of value to other industries.

Sixth. Progress in determining the biochemistry of rubber, i. e., the precursor of rubber—what makes rubber in one plant, but not in another; how to force more rubber into the plant that has it.

Agricultural research takes time, seeds have to be selected, planted, and plants have to grow.

This natural-rubber research program is a small basic national security measure that has accomplished much in its short 2 years of existence. Many of these and other developments will progress with increasing rapidity if not handicapped by trivial curtailments of funds.

As long as it is vital for national security, which it is right now and will be until man-made rubber is satisfactory in every rubber product, this program must be allowed to go forward. The program is soundly planned. Achievement of objectives as rapidly as possible is important to our national security. It costs comparatively little. It should have available to it the funds required to carry on its small but highly essential work.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. WHITTEN. Mr. Chairman, I yield to my friend, the gentleman from Vermont [Mr. PLUMLEY] 3 minutes, a former member of this committee, a member who rendered yeoman service on the committee for many years.

Mr. PLUMLEY. Mr. Chairman, as a former and long-time member of this subcommittee which presently is responsible for the bill before us, I may be permitted to congratulate JAMIE WHITTEN, CARL ANDERSEN, and WALT HORAN, and the new members; and I take it upon myself to say that I have contributed very much in an endeavor to educate them in order that they might be enabled to present such a bill as they have today.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. PLUMLEY. I yield.

Mr. WHITTEN. May I interrupt the gentleman to say that while we may not have accepted his teaching, the gentleman's teaching was excellent, and I know that we learned a great deal, perhaps not half as much as we should, from the efforts of the distinguished gentleman from Vermont.

Mr. PLUMLEY. Well, I did not ask for it, but I almost begged for it; nevertheless, I award my diploma to the committee for service well done beyond the call of duty.

I could criticize some items, but as to the policy and program they have formulated, no man can sanely or safely criticize it.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. PLUMLEY. I yield; but no more flowers, please.

Mr. H. CARL ANDERSEN. I do want to compliment the gentleman from Vermont. I wish to say that the subcommittee has regretted often that the gentleman from Vermont is not still with us, because he was an invaluable asset to us in giving the correct insight into the problems of Northeastern United States. He has performed yeoman service upon this subcommittee.

Mr. PLUMLEY. I appreciate the hours the gentlemen have spent in an effort to bring to us for our consideration so well-rounded a bill, on such a controversial subject, as well-rounded a bill as has ever been brought before this House since I have been a Member. It may be a tribute, and if so, it is well deserved. This bill meets and should meet with general approval. These men have submerged their differences. The East and the West and the North and the South have met and the bill should pass without anybody questioning it.

Mr. FORD. Mr. Chairman, I take this time to compliment the subcommittee charged with the responsibility of handling the appropriation bill for the Department of Agriculture. This subcommittee has realistically appraised the needs of our agricultural areas and has recommended needed appropriations to the best of their ability within our fiscal limits.

I am especially pleased to find a $7,273,800 increase over the previous year in soil conservation operation funds. The appropriation for fiscal 1950 is

properly $3,745,000 more than that recommended by the Bureau of the Budget. In Ottawa and Kent Counties in the State of Michigan, we are proud of our soil-conservation districts. The West Ottawa Soil Conservation District was one of the forerunners in this work and we now have two such districts in north Kent County. With the additional funds, we can expand the valuable soil conservation service work throughout the two counties.

It is most encouraging to see that additional administrative funds have been approved for AAA committee work. By allowing more money for this work, the program can be carried on more efficiently and more effectively.

Unless we carry on the soil-conservation work in a comprehensive manner this Nation will face inevitable bankruptcy. No nation can be prosperous without a rich and stable soil. I hope we continue to support sound conservation practices in order to avert disaster.

The CHAIRMAN. All time has expired.

The Clerk will read the bill for amendment.

Mr. WHITTEN. Mr. Chairman, I ask unanimous consent that the bill be considered as read and be open to amendment at any point thereof, as well as points of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. STEFAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Page 38, line 1, after the word "watershed", insert the word "shelterbelts."

Mr. STEFAN. Mr. Chairman, as you know, the shelterbelt program of the thirties was a huge success. The belts of trees have, as a whole, made wonderful growth. Their summertime benefits of stopping soil blowing and protecting crops are just short of miraculous.

However, it took the blizzards of 1949 to really prove the wintertime value of these windbreaks of trees. During the recurring storms from November through February, the belts gave protection to livestock, homes, highways, wildlife, and otherwise eased the terrific blasts of 60- to 70-mile winds.

On the first of this month, March 1, the shelterbelts of northern Nebraska were holding snowdrifts from 5 to 9 feet deep. Tests made in these drifts showed that for every 2½ inches of snow there was 1 inch of moisture. It has been estimated that in Nebraska alone there are approximately 160,000 acre-feet of water stored in about 6,000 miles of shelterbelts. Under these snowdrifts there was no frost in the ground. The drifts melted slowly and most of the water seeped into the ground.

Mr. Chairman, it is my sincere belief that we will have another shelterbelt planting program especially if we are again faced with unemployment. The program of the thirties is now considered as the most worth-while public-works project undertaken in the Great Plains.

For this reason I feel that we should be studying those shelterbelts. They need to be examined to determine what mistakes were made; what trees do the best on certain soils; what spacing in the row and between the rows has proved most effective; whether thinning is desirable; what is causing some of the trees to die—can these losses be prevented; the actual benefits of the belts in increased crop yields, soil conservation, flood control, to wildlife, and many other problems of care and maintenance and related matters need to be studied.

This information is urgently needed now for the guidance of the soil-conservation service, extension service, farm foresters, and others who assist the farmers in their tree-planting problems. Millions of trees are being planted in the Plains States each year. The opening paragraph of a recent news item in the Omaha World-Herald stated that all the nurseries in Nebraska could not furnish the trees wanted by farmers in Holt County. The farmers—the tree planters of the Plains—want and deserve the best possible advice on their planting problems.

A study of the shelterbelts while they are young and while the records and men who planted them are still available will provide the answers now wanted by the farmers. Such studies, also, will provide fundamental information for use and guidance in future tree-planting programs.

Authorization for such experimental and research work already exists. It is provided in the McSweeney-McNary law of 1928 as amended.

I strongly urge that the House Subcommittee on Agricultural Appropriations provide for shelterbelt research. The funds to be provided to the Forest Service in the budget item, "Forest and range-management investigations." The Forest Service has a forestry research center headquartered at Ames, Iowa, and the shelterbelt research could be logically assigned to that center and thus hold administration cost to a minimum.

Mr. WHITTEN. Mr. Chairman, I have discussed this matter with the gentleman from Nebraska. The committee has no objection and therefore accepts the amendment.

Mr. STEFAN. Mr. Chairman, I deeply appreciate the fact that the chairman and members of this committee have accepted my amendment to include the shelterbelt research in this bill. This will be of great value. I have been informed that although the amount for this item $2,805,500 is not to be increased it is the intention of the committee that the Service absorb the necessary funds to establish this service. I had intended increasing the amount by $20,000 for this purpose but have been told that will not be necessary and that the amount allowed, namely $2,805,500, will be sufficient to include the shelterbelt research work.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska.

The amendment was agreed to.

Mr. JOHNSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to call your attention to the fact that during the month of April the California wine industry is celebrating its spring wine fair. This is a large industry, much larger than most of you realize. In our State 111,000 families are dependent on the wine industry. The annual crush of grapes that goes into wine is over a million tons a year. As all of you know, wine making is a very historic industry. It has been known as long as the recorded history of man. It is referred to in the Bible. Our industry in California was started about a century before California became a State. The Franciscan Fathers, who built a great string of missions in California from San Diego to San Rafael, are the ones that started the wine industry in our State.

Many of our wineries in California are owned exclusively by the people who grow the grapes; in other words, the wine is a direct product of the land and the grape growers manufacture wine as one of their outlets for their grapes.

Wine is used in cooking as well as a beverage with and without meals. I was pleased to hear from one of my colleagues to whom I gave a bottle of wine one time that he had this comment to make: "Your wine makes an ordinary meal taste good, and a good meal taste excellent." All good chefs and cooks now use wines in some of their favorite recipes. Wine is a drink of moderation, distinction, and dignity. We all know that in countries where people drink wine, there is no excessive drunkenness. It is distinctly a drink of moderation.

I also want to record here that the best American wines—and, incidentally, 90 percent of the wine manufactured in the United States comes from California—are as good as the best wines made in any country in the world.

Many of the present wine makers and their predecessors in California have spent over 75 years in this industry. We have some of the finest vintners and the best connoisseurs of good wines in the entire world. Our wine makers are doing their level best to produce the finest wine it is possible to make. They are constantly improving it by hiring wonderful chemists, great vintners, and great wine connoisseurs to make suggestions for improvements. I think our wine should be, and perhaps it is, being used in every American Embassy throughout the world.

The consumption of wine in America is gradually rising. By putting out good wine, as the California vintners do, we are confident that the production, use, and understanding of wine will continue to grow. We have literally hundreds of kinds of wine grapes in our State. Every year produces new kinds, and each makes a special kind of wine.

I rise merely to call your attention to the fact that wine making in California is a very important industry and is con-

tributing a great deal to the economic health not only of California but of the entire Nation.

We are not today asking for anything, except that you increase your knowledge of wines and its uses. Wine contributes much to the physical health of the Nation through its many medical and therapeutic uses, its ability to relieve the strain and tension of modern life and provide relaxation graciously and gracefully and through its value as an ingredient that improves most cooking.

The Spring Wine Fair will spread educational information about wine throughout the entire country. It will promote good cheer and a better understanding of the use of a beverage that has brought so much happiness to the human race.

Mr. KEEFE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, now that the debate seems to have entered that stage where we are supposed to advertise the respective merits of the agricultural production of the various States and communities of the Nation, I suppose I might profitably spend some time telling of the wonderful production of the dairy industry of the State of Wisconsin. I shall forego that this afternoon, however. I should like to discuss for just a moment a matter that I think is of exceeding importance to the agricultural industry of this Nation.

This bill provides funds for agriculture. Some of you will recall that on March 2 the gentleman who is now addressing you was privileged to speak in the House of Representatives on the subject of chemical food substitutes and the possible effect of those substitutes upon the health of the people of this country and the implications that were involved in their prospective use as affecting agriculture.

Additional facts have since been represented to me concerning the threat that these chemical emulsifiers offer to dairying, livestock, soybean, and cotton production. These facts are contained in an address delivered on Wednesday, March 30, before the Soybean Processors Conference at Urbana, Ill., by Mr. George L. Prichard, Director, Fats and Oils Branch, Production and Marketing Administration, United States Department of Agriculture. He spoke to this group on the subject The Fats and Oils Outlook. That part of Mr. Prichard's address pertaining to the use of chemicals in the baking industry I desire to quote for the benefit of this RECORD. It is an important contribution that ought to be known to every agriculturist in every field in this Nation, because I say to you that if the trend continues that is now in operation you will see the greatest impact on agriculture that you have ever seen.

This is what Mr. Prichard, an authority on the subject said:

> There is one adverse factor which should be mentioned. That is the so-called chemical emulsifier or bread softener. These softeners are now being used to some extent in the baking industry. Incidentally, fats and oils are not the only farm commodities which would be affected by their use. Advertisements have stated that in one bakery mix 1 pound of the chemical compound, plus 5 pounds of water, will replace 6 pounds of shortening. In addition, it is alleged that eggs can be reduced from 15 to 4 pounds per mix and that in some cases milk may be entirely eliminated.
>
> The baking industry's consumption amounts to about 40 percent of the lard and shortening production. It is estimated that if these softeners come into widespread use in the baking industry, 600 to 700 million pounds of shortening, lard, butter, and oils would be eliminated from the baking industry's annual consumption of fat. This is equivalent to the production of soybeans from approximately 3,500,000 acres.
>
> Hearings are now being conducted by the Pure Food and Drug Administration regarding the use of these emulsifiers. Indications are that it may be quite some time before a decision is made. No sizable expansion is likely in the use of these chemicals until Pure Food and Drug has rendered a decision.

There is the warning from the chief of this division of the Department of Agriculture, taken almost word for word from the speech which I made on the floor of the House on March 2.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KEEFE. Mr. Chairman, I ask unanimous consent to proceed for another 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KEEFE. Mr Chairman, here is a threat to agriculture which is a real threat, believe it or not. In the testimony just given the other day before the Pure Food and Drug Administration, representatives of the Atlas Powder Co. testified that last year they sold 8,000,000 pounds of this chemical to the food trade, and the bulk of it was sold during the calendar year 1948. A Mr. C. J. Peterson of the C. J. Peterson Co., of Kansas City, testified last Tuesday that he sold 2,000,000 pounds of this softener to the baking industry. That accounts for 10,000,000 pounds just from those two concerns, and the thing is just getting on the market now. Multiply that by 6, replacing 1 pound of this chemical for 6 pounds of vegetable fats and oils, just taking into consideration the beginning sales of these two companies which are engaged in this business, and you have an elimination of 48,000,000 pounds of vegetable oils and fats.

Take that into consideration with the figures that you get from the du Pont Co. and from the Dow Chemical Co. and other companies which are producing these synthetics to be injected into the food supply of the Nation and you have one of the most severe threats to the agricultural interests of this Nation that the country has ever seen. Not only that, but you have a product being introduced into the food supplies of the people of this Nation when no one can say, as a result of scientific examination, or clinical experience, what the nutritive effect and what the clinical effect is going to be on human beings through the constant and everyday ingestion of these things into the human system. You had better begin to think about it, my friends. You had better begin to get something into the hands of the Pure Food and Drug Administration by law which will enable them to make a real investigation. Do you know that under existing law today, the Pure Food and Drug Administration does not have the power of subpena? Do you know that the Administration cannot compel the production of any books or records and they cannot compel any person to come before them to give them the facts, and that all of the testimony now being offered in these important hearings which are now going on, is purely voluntary in character? The head of the Pure Food and Drug Administration, with whom I have spent many hours on this problem, confesses their inability to get the facts because they do not have the power to go out and bring witnesses in to give testimony as to the effect that this thing is going to have upon the entire American economy.

Mr. Chairman, I am going to offer some legislation to implement this situation in a few days which will strengthen the power of the Pure Food and Drug Administration in the hopes that we may get some immediate action, something that the Administration has been contending for for years, so that their hands may be strengthened in order that they may get the facts to protect you, your children, and your families against this constant pressure to debase the food supplies of the Nation through the introduction of synthetics to take the place of nature's products.

Mr. WHITE of California. Will the gentleman yield for a question?

Mr. KEEFE. I yield.

Mr. WHITE of California. What is the source of the raw material from which this emulsion is made?

Mr. KEEFE. This material has its genesis in brown coal, in natural gas and petroleum, and is being manufactured as a result of discoveries made by the I. G. Farben & Co. in Germany, when they were pressed for supplies over there, and devised substitutes during the war. These chemical companies have taken over these patents under license from the Alien Property Custodian and now propose that, because it can be made cheaply, without the necessary scientific investigation having been made, to put those items upon the market and inject them into the diet of the American people. They want to do that because it is so cheap.

Mr. BARRETT of Wyoming. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. BARRETT of Wyoming: On page 37, line 7, strike out the figure "$24,971,000" and insert in lieu thereof "$26,489,500."

Mr. BARRETT of Wyoming. Mr. Chairman, the purpose of this amendment is to increase the appropriation for the item "National forest protection and management" to $26,489,500 being the amount requested by the budget.

Mr. Chairman, it seems to me that this is one of the few items in the entire bill

that has been materially cut by this committee.

At the outset I want to compliment the committee on the splendid job it has done in connection with this bill. I believe this amendment deserves the serious consideration of the committee and should be adopted.

Over 400,000,000 acres in the 11 Western States belong to the Federal Government. That's in excess of one-half of all the lands in those States. The Forest Service alone controls 83,000,000 acres of our best lands. Along with the control of these lands is the obligation to manage and protect them in a satisfactory fashion. By and large, these lands are of paramount importance to the Nation in order to protect our timber resources and our watersheds.

Last year the income to the Government from these lands was over $30,000,000. The total appropriation for this item is only $26,000,000, if the Budget request is granted.

Mr. HOLMES. Mr. Chairman, will gentleman yield?

Mr. BARRETT of Wyoming. I yield to the gentleman from Washington.

Mr. HOLMES. Is it not true that in face of the terrific winter we have had throughout the various areas of the United States, and especially in the western part of our great country, this money is more badly needed this coming year than it has been for several years?

Mr. BARRETT of Wyoming. The gentleman is entirely correct, and I thank him for his contribution.

The chief crop to be harvested, other than timber, from about 90 percent of the area of the West is grass. In order to properly protect these lands, we need appropriations for widespread water development. New sources of water can be secured by developing springs and constructing reservoirs that will store the floodwater and in this manner large areas of new grazing can be opened. The fences on our forest lands are in a dilapidated condition. In addition, there should be appropriations for fencing so that the Forest Service can manage and control these lands by means of rotation grazing. The appropriations available to control rodents and predators are wholly inadequate.

Mr. ELLSWORTH. Mr. Chairman, will the gentleman yield?

Mr. BARRETT of Wyoming. I yield to the gentleman from Oregon.

Mr. ELLSWORTH. I believe the gentleman pointed out that the Forest Service has been receiving a rapidly increasing amount of income each year from the sale of forest timber. I believe the total was $30,000,000 during the past year, which is about a 20-percent increase over former years. I would like to point out in line with what the gentleman is saying that, as the forests of the West and other places where we have national forests, are developed for the benefit of the country the very fact that the sale of forest timber increases requires considerably more money for administration. I know of cases where there is not sufficient Forest Service personnel to do the proper cruising and sale management. So I endorse the gentleman's amendment.

Mr. BARRETT of Wyoming. I thank the gentleman.

The gentleman is entirely correct. It is true that costs are substantially higher today than in years gone by. I may say to the gentleman that the grazing fees on the national forests are higher today than ever in history. The grazing fee this year for cattle is 50 cents per animal-unit month and 11 cents for sheep. It is estimated that approximately 4,000,000 acres of our national forests should be reseeded. The Forest Service has demonstrated that these lands can be restored to production within 3 years and made to support up to 10 times the number of livestock presently grazed thereon. In my judgment, the cut in this item is against sound public policy.

Now, it seems to me that, in view of the fact that this committee a year ago required the Forest Service to absorb its pay increases, the committee should have given more generous treatment to the Forest Service rather than to have decreased this appropriation by $233,175 under last year's appropriation. This cut represents a reduction of $733,175, taking the pay increase into consideration.

I hope the amendment will be adopted. It is in the public interest of the people of the entire country.

The CHAIRMAN. The time of the gentleman from Wyoming [Mr. BARRETT] has expired.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it has been said on occasion that we need help to protect us from our friends, but that we can look after our enemies. Certainly, the committee is friendly to the Forest Service. A study of this bill will show that reductions have been made in the operating expenses of the various bureaus of the Department. Increases were made for farm forestry. About three-quarters of the forest lands of this country are in the hands of private farm owners. Increases were made in the supply of trees for planting in our forests. As has been pointed out for the Forest Service the amount of money in this bill is only $233,000 less than last year.

I wish there were some way that we could have all the money needed for all the various good causes that are presented to this committee, and there are many, many of them and all of them are worthy, and good money could be spent on them with good results in practically every instance.

In 1940 the total appropriation for the Forest Service was $11,900,000; in 1941 it was only $10,000,000; in 1942, $11,000,000; in 1943, $12,000,000; and in 1946 it was less than $20,000,000. In this bill there is a total of almost $25,000,000 for the Forest Service, this fine group of Federal employees who are busy looking after the Federal forests. In addition to that we have spent millions and millions of dollars, an average of around $20,000,000 for the past 5 or 6 years for roads into the forests, to move timber. They could sell timber for a little less and require the timber purchaser to build his own roads, but they argued that the Federal Government should build these roads so we could build them where we could use them from year to year. If that program be sound, we have got in excess of $100,000,000 worth of roads that have been built in the last few years. I say to you that when in 1946 the Forest Service had less than $20,000,000, but in the last 3 years has gone up to $25,000,000 practically, that the committee has been very fair to the Forest Service; certainly we are the friends of the Service and not its enemies.

I think the amendment should be defeated.

Mr. HORAN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Washington is recognized for 5 minutes.

Mr. HORAN. Mr. Chairman, I am a little bit perturbed about offering any individual amendment to the details of the forestry appropriations contained in the pending bill. Certainly those of us who recognize the need of the watershed and the importance of the forest on those watersheds, will recognize the importance of preserving our national resources in our national forests and preserving a continuous supply of forest products throughout the years. We also recognize that we cannot cheat any part of our national timber resources individually whether it be in my beloved West or in the South where farm forestry is an item of great importance. I had hoped myself that we could have a balanced set of amendments at this time; I had otherwise trusted that when this bill went over to the Senate that this matter could be reviewed and what I think is the almost blind action of the Bureau of the Budget in this case remedied and the bill properly amended in the Senate. This amendment has been offered, however. Let me say to my colleague, the gentleman from Mississippi, that if we are properly to husband this bill through the House of Representatives we cannot whip the Forest Service by requiring them to absorb $2,000,000 and not make the Soil Conservation Service also absorb an equal amount. Each bureau of the Department of Agriculture should absorb its proportionate share of the Pay Act increases which this Congress voted, and which accounts for the increase in appropriations just recited by the chairman of the subcommittee, the increase of the last year or two.

Estimated costs, absorptions, and allowances for Pay Act increases, fiscal years 1949 and 1950

[Figures in brackets [ ] not included in totals]

Bureau or item	1949			1950			Increase (+) or decrease (−), budget allowance, 1950, compared with anticipated supplemental, 1949
	Total cost [1]	Estimated absorption	Anticipated supplemental	Total cost [1]	Estimated absorption	Budget estimate	
Office of the Secretary (salaries and expenses)	$129,145	$22,145	$107,000	$126,748	$31,751	$94,997	−$12,003
Working capital fund	[62,220]	[62,220]		[62,928]	[62,928]		
Research and Marketing Act of 1946	484,765	484,765		650,000		650,000	+650,000
Office of Solicitor (salaries and expenses)	142,010	5,010	137,000	145,480	8,480	137,000	
Office of Information (salaries and expenses)	43,049	14,799	28,250	41,770	41,770		−28,250
Library (salaries and expenses)	56,750		56,750	58,650	1,900	56,750	
Bureau of Agricultural Economics	327,067	42,067	285,000	321,095	154,995	166,100	−118,900
Office of Foreign Agricultural Relations (salaries and expenses)	37,000		37,000	35,318	27,318	8,000	−29,000
Extension Service (salaries and expenses)	54,350	10,350	44,000	51,000	28,200	22,800	−21,200
Agricultural Research Administration:							
Office of Administrator (salaries and expenses)	29,600	6,000	23,600	29,000	12,000	17,000	−6,600
Special research fund	74,240	24,240	50,000	71,900	71,900		−50,000
Research on strategic and critical agricultural materials	19,000	6,300	12,700	25,700	25,700		−12,700
Research on agricultural problems of Alaska	6,300	6,300		12,000	12,000		
Office of Experiment Stations (salaries and expenses)	31,612	5,612	26,000	29,990	9,140	20,850	−5,150
Bureau of Animal Industry (salaries and expenses)	1,612,548	312,548	1,300,000	1,609,875	456,575	1,153,300	−146,700
Marketing agreements, hog cholera virus and serum	[4,038]		[4,038]	[4,521]	[21]	[4,500]	[+462]
Bureau of Dairy Industry (salaries and expenses)	86,000	16,000	70,000	79,400	40,400	39,000	−31,000
Bureau of Plant Industry, Soils, and Agricultural Engineering (salaries and expenses)	[2] 537,500	93,500	444,000	[2] 544,020	247,430	296,590	−147,410
Bureau of Entomology and Plant Quarantine:							
Salaries and expenses	495,000	95,000	400,000	519,100	229,300	289,800	−110,200
Control of emergency outbreaks of insects and plant diseases	74,800	74,800		21,400	21,400		
Total	569,800	169,800	400,000	540,500	250,700	289,800	−110,200
Bureau of Agricultural and Industrial Chemistry (salaries and expenses)	415,200	75,200	340,000	400,950	185,000	215,950	−124,050
Bureau of Human Nutrition and Home Economics (salaries and expenses)	55,620	10,620	45,000	54,520	54,520		−45,000
Control of forest pests	191,100	191,100		199,743	199,743		
Forest Service:							
Salaries and expenses	2,264,566	464,566	1,800,000	2,236,352	1,308,884	927,468	−872,532
Forest development, roads and trails	405,397	405,397		399,957	399,957		
Forest-fire cooperation	23,437	23,437		24,083	24,083		
Farm and other private forestry cooperation	13,927	13,927		14,500	14,500		
Acquisition of lands for national forests	5,996	5,996		6,763	6,763		
Acquisition of lands from national forest receipts	1,096	1,096		1,126	1,126		
Roads and trails for States, national forest fund (permanent)	71,212	71,212		73,160	73,160		
Total	2,785,631	985,631	1,800,000	2,755,941	1,828,473	927,468	−872,532
Flood control	320,034	320,034		387,865	387,865		
Soil Conservation Service	3,601,000		3,601,000	3,657,300	85,300	3,572,000	−29,000
Land utilization and retirement of submarginal land (title III, Farm Tenant Act)	75,900	11,900	64,000	90,000	26,000	64,000	
Production and Marketing Administration:							
Conservation and use of agricultural land resources	432,924	432,924		804,696	804,696		
Sugar Act	68,295	68,295		72,546	72,546		
Exportation and domestic consumption of agricultural commodities (sec. 32 funds)	161,254	161,254		117,133	117,133		
National School Lunch Act	101,384	101,384		100,537	100,537		
Marketing Services	658,272	88,272	570,000	676,425	284,480	391,945	−178,055
Commodity Exchange Authority	35,000		35,000	33,400	13,400	20,000	−15,000
Farmers' Home Administration (salaries and expenses)	1,762,097	332,097	1,430,000	1,749,935	759,935	990,000	−440,000
Rural Electrification Administration (administrative expenses)	351,780	70,780	281,000	364,728	83,728	281,000	
Farm Credit Administration (salaries and expenses)	168,100	126,000	[3] 42,100	164,400	4,400	160,000	+117,900
Federal Crop Insurance Corporation (salaries and expenses)	211,935	43,935	168,000	183,775	15,775	168,000	
Total, appropriated funds	15,636,262	4,238,862	11,397,400	16,186,340	6,443,790	9,742,550	−1,654,850
CORPORATE ADMINISTRATIVE EXPENSE LIMITATIONS							
Commodity Credit Corporation	537,935		537,935	910,960		910,960	+373,025
Federal intermediate credit banks	91,500		91,500	94,070	2,570	91,500	
Production credit corporations	67,100		67,100	60,275	203	60,072	−7,028
Regional Agricultural Credit Corporation	3,000	3,000		4,200	4,200		
Total, corporate administrative expense limitations	699,535	3,000	696,535	1,069,505	6,973	1,062,532	+365,997

[1] Individual items exclude Pay Act costs applicable to reimbursable obligations.
[2] Includes Pay Act costs reflected under objective classification "07, Other contractual services," as follows: 1949, $48,700; 1950, $42,870.
[3] Includes $15,600 provided by increase in corporate administrative expense limitations, as follows: Federal intermediate credit banks, $6,500; production credit corporations, $9,100.

This Congress voted the 40-hour week. We have voted Pay Act increases; we have voted for a lot of things that have made these budgets soar through the years. The Forest Service has not increased its program tremendously. It has been increased where necessary to provide housing for veterans, to get this lumber out of the woods, to provide ties for our railroads and thus help serve transportation, to do a lot of things like that. I trust that this committee will in simple justice accept the pending amendment, for if we fail to do so we will be giving the stamp of approval and endorsement to an action on the part of the Bureau of the Budget which certainly is unjust. The Bureau of the Budget is supposed to be a creature of this Congress and not its master. The Bureau of the Budget is the one that has created the inequity in this bill in connection with its treatment of the Forest Service, and this committee in simple justice should not accept it.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Washington.

Mr. HOLMES. Is it not true that the money used for the facilities to properly handle the forests and its management contributes more heavily to the recreational facilities of the forests, plus the sustained-yield program of the forests of this country, than money used for any other service by any other department of the Government?

Mr. HORAN. That is true. It is more than self-sustaining, because the revenues derived from this item last year amounted to over $30,000,000. Why should we quibble by refusing to give back to the forests of this Nation $26,000,000 of the $30,000,000?

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Tennessee.

Mr. JENNINGS. I take it that your problem and the situation existing in your part of the country is the same as it is in mine. I have seen mountainsides denuded of timber which, when the

timber was there, were sponges for taking up the rainfall. There were no floods in the valleys below the mountain. I have seen those mountainsides denuded of all timber of a merchantable quality; then they were like the roof of a house; floods not only swept all of the soil off the side of the mountains but covered the bottom lands with debris and rock, as a result of which all of the land in that section has been destroyed. I heartily agree with the gentleman.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. How is this $1,500,000 to be used in the over-all program?

Mr. HORAN. They were cut a million and a half, and, in addition to that, they were required to absorb the Pay Act increases of about a half-million dollars.

Mr. GAVIN. This million and a half then is merely the restoration of the cut that has been made?

Mr. HORAN. Exactly.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. GAVIN. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GAVIN. I wonder if the gentleman could enlighten me as to how much of an appropriation is in this bill for seedlings.

Mr. HORAN. I cannot give the gentleman that break-down right now; it is a detail I would have to check.

Mr. GAVIN. May I ask the gentleman from Mississippi how much is in this bill for seedlings?

Mr. WHITTEN. The original bill carried $120,000 which has been increased by $100,000, making a total of $220,000. Now, I could be in error about that, but that is my recollection.

Mr. GAVIN. With millions of acres of available land for planting trees we appropriate but $220,000 for seedlings?

Mr. WHITTEN. That is under your State program. In addition to that, the forestry department is authorized to use a part of this appropriation for that purpose. I do not think there is any limitation on what they can use of this fund for that purpose in addition thereto.

Mr. GAVIN. It is my observation that all branches of the forestry department have been somewhat curtailed over the past several years. Certainly we should not curtail any appropriation for any branch such as the Forest Service that is making such an outstanding contribution to the economic life of the Nation, providing for the future development of our country and the protection of our natural resources and which will furnish our young men an opportunity in making a livelihood in the future by developing this great natural resource, timber. This million and a half, in my estimation, is a wise investment, and this amendment should pass.

The CHAIRMAN. The time of the gentleman from Washington has again expired.

Mr. WHITTEN. Mr. Chairman, I move to strike out the last word.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I would say that passing this amendment to grant an additional $1,500,000 to our Forest Service would be a wise investment of the taxpayers' money of America. During the past several days we passed bill after bill, appropriation after appropriation, for relief and rehabilitation programs all over the world, and here we come down to the Forest Service, one of the great departments of agriculture, and we are questioning the advisability of $1,500,000 additional to carry on a great work. I think that the amendment offered by the gentleman from Wyoming should be adopted overwhelmingly.

Mr. WHITTEN. If the gentleman will bear with me, this bill carries additional funds for farm forestry and for tree planting. The reduction made in the Forest Service is in line with the reductions that have been made elsewhere. It is about $5,000,000 more than they had in 1946, 3 years ago. There is almost $10,000,000 in this bill for forest roads and trails, and the point of it is, in my judgment, that the committee has tried to take into consideration the very thing that the gentleman mentions, and I think the amendment should be defeated.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. GAVIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I trust that the House membership will recognize the importance of this forestry-service program. For 35 or 40 years ago we ruthlessly slaughtered the forests all over our Nation. Little thought and little attention was given to conservation and rehabilitation and protection of these great forest areas. Now we come to the time in the economic life of our country where we are engaged in a program to protect the natural resources that we have left, and timber is one of our great resources. We have millions of acres of land available for replanting of trees. We have millions of acres in our forest preserves that need protection, conservation, and development, and I say to the Members that we should restore this cut that has been made of $1,500,000 for the Forest Service program. I think it is a wise investment of the taxpayers' money, this program of the Forest Service, and will enable generations that are to come after us to have natural resources and timber as one of them, in order that they may be able to carry on. It is about time that we take a more generous attitude toward the protection and rehabilitation of those resources that we still have left. This Forest Service is a great Service, they have turned in a magnificent performance, and I heartily agree with the gentleman from Wyoming that this $1,500,000 should be restored, and I certainly hope that the House will vote favorably on his amendment.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. JENNINGS. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I am glad to commend the able members of this committee for their devoted work in preparing this bill. They have done a splendid job for the farmers of this country, for their wives and their children, and for all of our people—those who live on farms and those who live in towns and cities. My able friend, Representative FRANK B. KEEFE, of Wisconsin, has forcefully pointed out the dangerous threat to the health of the people of this country and to the economy of our farmers in the use of synthetic oils as substitutes for animal fats and vegetable oils. Nobody will ever make me believe that a chemist in anybody's laboratory can produce from coal or from natural gas or any other mineral substance a substitute that will take the place of nature's products such as butter, lard, vegetable oil or for the vegetables without which we cannot live.

I was brought up in the country, and from my youth I became imbued with the truth and the firm conviction that a man is like a horse—to be healthy, he must eat plenty of roughage and plenty of leaf vegetables such as lettuce, spinach, turnip greens, mustard, and cabbage.

This bill carries a total of $701,122,079 in appropriations for the Department of Agriculture for the fiscal year ending June 30, 1950. It makes the following appropriations of great interest and benefit to the people of our section of the country.

Flood control, $10,000,000; soil conservation and soil research, $1,019,000; for Production and Marketing Administration, $262,500,000; national school lunch program, $75,000,000; for carrying out the tobacco program, $1,602,000; for rural electrification loans, $500,000,000. These loans will be repaid because they are made to farmers and to associations that serve rural areas with electric current.

It has been suggested by Representative KEEFE that we need money and somebody to investigate this substitution of synthetic products, which, in my opinion, is impairing the health of the people of this country. Perhaps an act requiring that any company which offers a synthetic, artificial substitute for the products of nature must prove beyond a reasonable doubt at its own expense that the substitute is the equal of the natural food produced by the soil, water, and sunshine in nature's laboratory, which it displaces.

Let me say this other thing: Our civilization was built in the first place upon a topsoil of 9 inches. We have lost 282,000,000 acres of the best land in this country. We have lost by erosion 3 inches of that 9 inches of topsoil. It takes nature from 300 to 1,000 years to produce an inch of topsoil. Unless we take affirmative steps, and steps now, to preserve the soil of this country, to prevent soil erosion, and to reforest our land, we will become a nation of paupers. We are mining our soil. We are the arsenal, so to speak, the storehouse, the commissary of all the world. Unless we conserve every inch of our topsoil, every acre of our land, all of our productive capacity, we in time may get to the point

where we need bread and meat and all the other foods which sustain life. If we are reduced to that necessity, in my opinion, there is no land in all the world that will come to our relief.

I shall take great pleasure in voting for this bill. The appropriations it carries will mean much to the people of my district.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wyoming [Mr. BARRETT].

The amendment was rejected.

Mr. WORLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WORLEY: On page 45, line 2, strike out the sum "$1,124,000" and insert "$5,234,300."

Mr. WORLEY. Mr. Chairman, I join my colleagues in complimenting the members of the Agriculture Subcommittee on Appropriations for, in general, a very good bill. There is, however, one item which I feel certainly justifies consideration of the committee at this time. My amendment calls for the appropriation of $4,100,000 to maintain and repair approximately 16 land utilization lakes. These projects were built under the Bankhead-Jones Land Utilization Act, and were constructed during the 1930's. They were located in 31 States of the Union, some of which are in the following States: Arkansas, Delaware, Georgia, Kentucky, Louisiana, Maryland, Mississippi, New York, Oklahoma, South Carolina, South Dakota, and Texas.

During the war, of course, no money was appropriated either for the purpose of maintaining or repairing any of these projects. The Federal Government has at this time an investment in these forty-odd projects of many millions of dollars. It is obvious that unless money is appropriated to repair and maintain those dams, then the entire investment Congress has heretofore appropriated will literally go down the stream.

It seems to me, in accordance with sound business economy and practice, that when you have an investment of this nature you ought to spend enough money to protect it. As I say, Congress has consistently refused to make the necessary appropriation. I understand the Bureau of the Budget has not brought this matter to the attention of the Appropriations Committee, but I definitely disagree with the wisdom of this lack of action. I think they are definitely wrong in failing to ask for such appropriations.

I yield to the gentleman from Kansas [Mr. REES].

Mr. REES. I wonder what effort the States have made to keep these dams in repair and to utilize them.

Mr. WORLEY. The Federal Government has retained title to these projects. All of this is Federal and the States, consequently, if my information is correct, have made little, if any, appropriation for that purpose. The Soil Conservation Department tells me it is their duty and function to keep the dams in repair, but they have no money for such work.

Mr. REES. I was under the impression that the States would have the right to take them over, if they saw fit to do so, and to keep them in repair, although I am not too sure about that.

Mr. WORLEY. So far as I know, that is not correct. As a matter of fact, I have already introduced a bill providing that unless Congress does make the necessary appropriation, then these projects shall be given to the States—lock, stock, and barrel.

Mr. REES. I think that should be done.

Mr. WORLEY. Congress either ought to take action to protect its investment or else tell the States that it is completely through with them.

Mr. REES. I think they should be turned over to the States.

Mr. WORLEY. I trust the committee will accept the amendment.

Mr. WHITTEN. I know of no one we would like more to help. However, there are just too many such places and too little money. The gentleman does have a bill before his committee which would make some change in the handling of this matter?

Mr. WORLEY. I do. There are six of these projects in the Texas Panhandle. One is already completely destroyed because of lack of attention and funds for repair. The original investment of the Government on that project is gone and cost of reconstruction is estimated at $425,000. This incident points up my statement that unless immediate funds are made available the same thing will happen to other lakes all over the country.

Under leave to extend my remarks, I submit a rather detailed report covering much of this subject.

Data regarding land-utilization projects administered by or under the custodianship of the Soil Conservation Service which include significant recreational developments

State and project	Symbol	Location (county)	Acres in project	Acres in recreational area	Major recreational facilities	Cost to reconstruct dam	Net revenue from recreational use for 1948	Total revenue from all uses for 1948
Arkansas:								
Northwest Arkansas	AK-LU-2	Benton, Washington	7,500	640	125-acre lake, lodge, boathouse, bathhouse, and cabins.	$67,600	$1,946	$5,644
Marianna-Helena	AK-LU-3	Lee, Phillips	20,616	1,800	506-acre lake and a 560-acre lake, boathouse, bathhouse, and cabins.	303,900	3,963	11,253
Eureka Springs	AK-LU-21	Carroll	[1] 1,610	[1] 1,610	86-acre lake, boathouse, bathhouse			
Delaware: Delaware Forest	DL-LU-1	Kent, Sussex	[1] 5,073	230	125-acre lake, bathhouse		126	257
Georgia:								
Piedmont	GA-LU-3	Jasper, Jones, Putnam	[1] 84,026	600	100-acre lake and a 15-acre lake, a bathhouse at 1 lake.	65,000	1,954	33,802
Coastal flatwoods	GA-LU-8	Ware	[1] 35,880	[1] 250	125-acre lake, lodge, bathhouse, cabins			
Kentucky: Princeton	KY-LU-2	Caldwell	[1] 14,772	[1] 200	56-acre lake, lodge, bathhouse, and cabins			
Louisiana:								
Northwest Louisiana	LA-LU-1	Claiborne, Webster	12,624	1,180	500-acre lake, lodge, bathhouse, cabins	370,100	1,413	8,695
Claiborne Parish	LA-LU-2	Claiborne	18,533	2,100	1,900-acre lake, cabins	[2] 900,000	1,396	16,757
Maryland: Garrett County	MD-LU-2	Garrett	[1] 1,800	[1] 1,800	20-acre lake, group camp			
Mississippi:								
Northeast Mississippi	MS-LU-8	Choctaw, Oktibbeha, Winston	[1] 48,278	150	90-acre lake, lodge, dining hall, bathhouse, boathouse, group camp, cabins.		1,102	13,665
Natchez Trace	MS-LU-9	Chickasaw, Pontotoc	27,939	290	181-acre lake, boathouse, cabins	18,000	1,090	10,933
New York: New York land	NY-LU-4	Tompkins	3,804	510	10-acre lake, group camp			20
Oklahoma:								
Central Oklahoma	OK-LU-1	Noble, Payne	[1] 19,321	[1] 4,500	3,264-acre lake, cabins, boathouse, group camp.	(3)		974
Eastern Oklahoma	OK-LU-2	Muskogee	28,041	1,800	900-acre lake, lodge, bathhouse, cabins	[2] 250,000		
South Carolina:								
Clemson College	SC-LU-3	Anderson, Oconee, Pickens	[1] 27,464	[1] 400	120-acre lake, bathhouse			320
Poinsett	SC-LU-5	Sumter	[1] 28,507	[1] 300	24-acre lake and a 12-acre lake, 2 group camps			
South Dakota: Little Moreau	SD-LU-4	Dewey	3,155	3,155	48-acre lake, bathhouse			
Texas:								
Northeast Texas	TX-LU-7	Fannin	15,172	1,600	3 lakes of 53, 350, and 545 surface acres, 2 lodges, 2 bathhouses, boathouse, cabins.	481,400	2,601	7,911
Tierra Blanca	TX-LU-21	Randall	7,677	7,677	1,870-acre lake, lodge, bathhouse, boathouse, cabins.	302,100	7,273	10,798
Boggy Creek	TX-LU-22	Hemphill	576	576	71-acre lake, bathhouse, cabins		271	717
McClellan Creek	TX-LU-24	Gray	1,449	1,449	375-acre lake, lodge, bathhouse, and cabins	378,300	1,994	2,363
Rita Blanca	TX-LU-26	Hartley	2,076	2,076	488-acre lake, bathhouse, boat house	357,900	283	953
Tule Creek	TX-LU-27	Swisher	647	647	67-acre lake, bathhouse, boathouse	191,000	395	800
Wolf Creek	TX-LU-28	Ochiltree	653	653	50-acre lake before dam washed out; lodge	[3] 425,000	249	549

[1] All or part administered by a State agency college, or city under a 50- to 99-year lease.
[2] Preliminary estimates. The detailed engineering investigations and plans needed to determine accurate estimates of cost have not been made.
[3] Reconstructed in 1948.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am in thorough accord with the gentleman from Texas that some change needs to be brought about. We have literally hundreds of these recreational activities throughout the United States which, as I said earlier, were built in WPA days. If you had sat through the hearings, as this committee did for 9 weeks, hearing requests for worth-while expenditures of Federal funds for projects that needed the money, where the money would be well used, you would have seen many places, and I am sure you see it anyway, where we could spend $4,000,000 perhaps better than on this. At the same time, these facilities should be used. And since the gentleman has this bill before his own Committee on Agriculture, and since he is trying to provide that these facilities be used, I think we owe it to him to defeat the request for an appropriation here, and thereby strengthen the bill before his own committee.

Mr. WORLEY. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. WORLEY. For the information of the gentleman and his committee and the House, it is my understanding that the Department of Agriculture will return an adverse report on my bill. If that is done, then all of these projects are still where they were. On the one hand, the Congress refuses to appropriate enough money to take care of them, and at the same time the Department says, "Don't turn them back to the States."

Now, will the gentleman from Mississippi tell me just what should be done?

Mr. WHITTEN. I would not presume to advise the distinguished gentleman from Texas. With his experience on this floor he does a most excellent job in handling any legislation. But my suggestion would be that your committee and other committees should not let the Department determine what you should pass out. An adverse report from the Department of Agriculture would not influence me 1 minute, were I a member of your committee.

Mr. WORLEY. It does not influence me.

Mr. WHITTEN. We do not ask the committee for an adverse report or for approval.

Mr. WORLEY. Will the gentleman suggest what should be done? I am going to try to report my bill out. I do not intend to follow their adverse report.

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. WHITTEN] has expired.

Mr. WHITTEN. Mr. Chairman, I ask unanimous consent for one additional minute.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. WHITTEN. I take this time to say that the committee has given attention to this. In our bill is a recommendation that the legislative committee give consideration to working out this problem. I do not know the answer to it. I hope the amendment will be rejected.

Mr. WORLEY. And I trust the amendment will be agreed to.

The CHAIRMAN. The time of the gentleman from Mississippi has again expired.

Mr. GATHINGS. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I want to say that this committee has worked tirelessly to bring to this floor a good bill. The committee held hearings for several weeks and listened tirelessly to witnesses on both sides of issues. I appreciate the fact that they permitted me to come before the committee on a land-utilization project which is in my district. Not only that, but they permitted representatives from the Chamber of Commerce of the city of Marianna, Ark., and other citizens, to come before it in the interest of improvements on that particular project.

I have in my hand a map showing a project of 22,000 acres. That is a recreational facility located in Lee and Phillips Counties, Ark. It is submarginal land that was acquired in the middle thirties. To maintain that project there was earmarked for the current fiscal year $17,000, of which $15,000 was used for the salaries of four employees and also to contribute a portion to pay the salaries of the regional employees who inspect and supervise this project. They have $2,000 left to maintain the boundary lines of 22,000 acres of land, 26 miles long; to look after the fire protection of all that area; to keep up nine old pieces of equipment that is of an average age of 12 years, and to buy gasoline for the truck and tractor. Two thousand dollars is all that is provided to do all that maintenance work, to protect and keep up a road 26 miles long. That is what you find in these projects throughout America. Of course, the committee does not want to come in here suggesting the spending of a lot of money, but here is a project that is bringing in thousands of dollars every year because sportsmen from the city of Memphis, with a population of 300,000, come over there to fish and relax. It is being used more each year by residents of an area of some 100 miles in radius. Also, it brings in quite a lot of revenue from the sale of timber and from the sale of cane, and from grazing permits. The project almost pays the $17,000. In one year it paid $19,000. That was 2 years ago.

I say to you that local interests have gone in there and spent $187,000 of their own money to develop these facilities. Under a contract they have with the Government the road to the recreational area, which is a distance of 5 miles, was to be maintained by the Government agency.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield.

Mr. WHITTEN. I feel sympathetic toward the gentleman and his problem, but I seriously ask if the correct answer to this problem would not be legislation which would permit the use of part of the proceeds of such a project for maintenance? It strikes me that is the answer, not just to throw it on to the Federal Government. There are projects like this and problems like this all over the country, and to take care of them all would cost the Government millions and millions of dollars. The answer to it would seem to be legislation which would permit the use of part of the receipts to meet these problems.

Mr. GATHINGS. I realize that the gentleman must consider projects in 31 States. The Federal Government has acquired this land, however, and has made these recreational facilities available. But what about the $187,000 my people have spent? Does the gentleman realize that if these dams are not completed it might be that that money would be wiped out completely? I say that we ought to complete these projects. I think it is our duty to complete these projects and offer these recreational facilities to the people of this Nation.

I hope the amendment will be agreed to.

Mr. BROOKS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment and corroborate much of what has already been said. I do know that down in my area, there is a land utilization project, the land of which was purchased for about $4 an acre in the depth of the depression. That land now has real value and if the Government decided to sell out, it could dispose of it at a handsome profit at this very moment. There is timber on the project. The timber cut from it last year alone yielded over $20,000. That money has not been returned to the project although the project was built in that area because of the poor condition of the soil from the farming standpoint. That land, year by year, is being stripped of the timber and other resources; and that money is going into the Treasury of the United States. I think it becomes proper that this Government should return to the project at least part of the money taken from it. The local people have made heavy investments in some of these areas. I think the amendment is an excellent amendment, and I hope it is adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. WORLEY].

The question was taken; and on a division (demanded by Mr. WORLEY) there were—ayes 23, noes 91.

So the amendment was rejected.

Mr. MILLER of Nebraska. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Nebraska: On page 19, line 12, strike out "$50,000" and insert "$150,000" and in line 22 strike out "1949" and insert "1950."

Mr. MILLER of Nebraska. Mr. Chairman, I have offered this amendment in the hopes that the Remount Service could be continued for at least another year during which time we may review, in more detail, the advisability of continuing such a program. I would like to review, briefly, just what has taken place,

and how Fort Robinson came into existence.

Under chapter 83, of the Nebraska Laws of 1887, you will find the following act recorded:

An act ceding jurisdiction to the United States over the Military Reservations known as Fort Niobrara and Fort Robinson

Be it enacted by the Legislature of the State of Nebraska:

MILITARY RESERVATIONS

SECTION 1. That the jurisdiction of the State of Nebraska in and over the military reservations known as Fort Niobrara and Fort Robinson be and the same are hereby ceded to the United States.

CONTINUANCE OF JURISDICTION

Provided, That the jurisdiction hereby ceded shall continue no longer than the United States shall own and occupy said military reservations.

CURRENT JURISDICTION

SEC. 2. The said jurisdiction is ceded upon the express condition that the State of Nebraska shall retain concurrent jurisdiction with the United States in and over the said military reservations so far as that all civil process in all cases, and such criminal or other process may issue under the laws or authority of the State of Nebraska against any person or persons charged with crime or misdemeanors committed within said State, may be executed therein in the same way and manner as if such jurisdiction had not been ceded except so far as such process may affect the real and personal property of the United States;

PUBLIC HIGHWAYS THROUGH MILITARY RESERVATIONS

Provided, That nothing in the foregoing act shall be construed as to prevent the opening and keeping in repair public roads and highways across and over said reservations.

EMERGENCY CLAUSE

SEC. 3. Whereas, an emergency exists this act shall take effect and be in force from and after its passage.

Approved March 29, 1887.

It is to be noted by the above, that when the United States shall no longer own and occupy the military reservation the title to it shall revert to Nebraska.

Now, Mr. Chairman, when the Remount Service was transferred to the Agriculture Department, it was certainly done with the understanding that this service was to be continued by the Agriculture Department. If not, there was no reason why the Army could not have liquidated the program a year ago. Certainly the Appropriations Committee, the Agriculture Committee, and other Members interested in the Remount program were under the definite impression that the Agriculture Department would continue this program.

It is my understanding that the sum of $425,000 was requested to continue the program, but the budget saw fit to eliminate this figure. We now find, in the appropriation bill, the sum of $50,000 to liquidate the program by December 31, 1949.

At a meeting this morning with Secretary of Agriculture Brannan and Colonel Ireland, of the Remount Service, it was definitely decided that unless some money was made available, the present program would be folded up by July 1 of this year.

Mr. Chairman, there are about 400 stallions, under this program, that are in the hands of agents throughout the country. There are some 500 other mares and fillies throughout the country. It is my understanding that there are about 8,000 foals each year, and that these foals are worth on an average of $100 apiece. This means that the country is realizing $800,000 on an expenditure of $425,000. At the same time, we are rendering a great service to the cattle industry and the individuals who use this type of horse.

Secretary Brannan had in mind shipping most of these horses to three or four depots for the purpose of selling them. I feel that such a program would be expensive. The freight in some cases would be more than some of these horses are worth. I understand that at least 25 percent of the horses will average 17 years of age.

If the program is to be liquidated, then the agent who presently has the animal, and who, in some instances, has spent several hundred dollars for a paddock, should have first priority on buying the animal. In other cases, it might be well to dispose of them either by sealed bids or at public auction so that the animals could still stay in the territory where they are now located. It would certainly be a waste of money to ship them all over the country where they would probably fall into the hands of a few speculators. I would also point out, Mr. Chairman, that the agents having these stallions have in all cases entered into contracts for service this year, and these contracts ought to be recognized. If any individual should break a contract, he would be subject to legal action.

It does not seem right that the Secretary of Agriculture should decide this question in such an arbitrary manner. The Congress ought to set up the policy. The Secretary should not be permitted, by simple decree, to discontinue the program. I can see his position if Congress does not appropriate money for the program, but it does seem to me that the Congress ought to appropriate enough money to carry the program for at least another year, so that the individuals having these horses can be properly notified of the discontinuance of the program.

I am also strongly of the opinion that areas like Fort Robinson, if it is discontined as a Remount Station ought to be continued as a research and breeding station for all types of livestock. There is just too much money and land involved to do nothing about this important problem.

I trust the Members of the Congress will see the wisdom of the proposed amendment and will join with me in continuing this important part of our economy.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. I yield to the gentleman from Nebraska.

Mr. CURTIS. I think it can be safely said that the rapid liquidation of this Remount Service will not be in the public interest, it will not be a matter of economy and that the correct thing to do here would be to adopt the gentleman's amendment.

Mr. MILLER of Nebraska. It does seem to me that the Secretary of Agriculture should not do this in an arbitrary manner. The Congress could decide the policy and we should continue it for another year so that we will have time to decide the policy as it relates to these remount stations.

Mr. O'SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. I yield to the gentleman from Nebraska.

Mr. O'SULLIVAN. The gentleman is correct in his statement. I cannot understand a policy which would deny such a worth-while project sufficient appropriation and I hope the members of the committee will support the gentleman's amendment, as I intend to do.

Mr. MILLER of Nebraska. I thank the gentleman. This remount project returns more to the general Treasury than is expended. Between 7 and 8 thousand colts are sold each year. It is worth while.

Just one other thought. The present intention of the Secretary of Agriculture is to ship these horses out and sell them. He said that 25 percent of the horses were 17 years old or older. You ship these horses all over the United States, and the amount received on them would be far less than the animals are worth. They ought to be sold where they are located. Sold by sealed bid—by public auction. I hope this committee will permit an additional $100,000 to continue this service for another year so that Congress can determine the policy of this service.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would like to explain the situation on this amendment. You know, we all hate to see the end of an era, and the end of the Remount Service and the use of it by the Army was accepted with regret by every old cavalryman and others who have been in this service. I have tried to reason with them and tried to work out a plan for doing just what the gentleman from Nebraska would do here, according to his statement, and that is to have an orderly liquidation of it. But, you could not talk to those people with that in mind; everything had to be on a continuation of the Remount Service.

Here is what the bill does. If the Secretary of Agriculture has any intention of shipping these horses to central places for sale he is violating the intention of the committee and the provisions of this act. The Secretary of Agriculture had issued orders to sell these horses by April 1 and close this station. The committee has provided in the bill that that not be done. We were advised that outstanding contracts for the use of these horses were in existence where they were. We provided that the horses be sold by negotiated contracts or by auction and that preference be given to the community in which they now are and, if possible, to individuals who now have the use of the horses, and we gave them from now until next January to do that. So, I think that we have done everything possible to keep these stallions in the area where they are to carry out any contracts that the

Federal Government has got. The more money you give the department, the longer they will wait before they go ahead and sell these horses in the area where they are now being kept.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. I appreciate what the committee tried to do. In our meeting with Secretary Brannan this morning he said that he expected to go ahead and ship these horses to three or four different points. It is being done now, in fact, because this bill will not go through in time, and he proposes to liquidate them by the first of April. If we leave in the $50,000 it will only run to the first of July. The colonel with him did admit that if they had $150,000 that they could carry it over, perhaps, a year later and do it on an orderly basis. I will say to the gentleman there are 8,000 foals that will come out of the breeding program worth $100 apiece, and that is $800,000 that should not be overlooked in this program, besides the great service extended.

Mr. WHITTEN. I cannot understand the Secretary taking that attitude. If he will read the report he will see that he is going directly contrary to the provisions, and I believe he will change his mind when he reads the report.

Mr. UNDERWOOD. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Kentucky.

Mr. UNDERWOOD. Is it not true that the Remount Service is now receiving returns at a much larger rate than the appropriation made for it, these receipts going to the Treasury?

Mr. WHITTEN. As to that I am not certain. I cannot advise the gentleman.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. I wish to back up my chairman on his statement that this subcommittee has done its very best to try to get a very difficult problem worked out. I hope the amendment is defeated, with all due courtesy to my very good friend from Nebraska [Mr. MILLER].

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska [Mr. MILLER].

The amendment was rejected.

Mr. STAGGERS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STAGGERS:

On page 36, line 6, after "administration" insert the following: "including additional facilities at Camp Horseshoe in the Monongahela National Park, Parsons, W. Va., not to exceed $40,000."

On page 37, line 7, strike out "$24,971,000" and insert "$25,011,000."

Mr. STAGGERS. Mr. Chairman, it is with some trepidation that I rise here today to offer an amendment, being a freshman Member of this House. If I did not think it was really worth while I would not be on my feet now to talk about it or to take the time of this Congress, so I hope you will bear with me for a few minutes and give this subject your consideration.

I did not get to talk to the committee concerning this project. However, I now feel that it is my duty and my responsibility to the people of my district to bring this amendment to your attention.

The amendment asks for $40,000 to build a recreation hall at Camp Horseshoe in the Monongahela National Forest. In this recreation hall will be a craft study room, a nature museum, offices for the staff personnel at the camp, and other facilities which may be needed. This camp is for underprivileged and crippled children as well as many other civic groups. I do not think there is one item in this bill that is more worth while than the amendment I offer. We spend millions and millions for things that are far less worthy every year.

This camp was started in 1940 and the building of it was discontinued on account of the war. Hundreds of thousands of dollars have been spent on it, and we are asking only $40,000 for this hall. It is now leased by the YMCA in my State, and there are several different groups that are already scheduled to use it during the coming year. Among them are two high school leadership groups, Girl Scout groups from several cities, the West Virginia Society for Crippled Children and Adults, several high-school bands, and in addition several Hi-Y and Tri-Hi-Y training-camp groups. I understand it is used by the people not only of West Virginia but the surrounding States of Virginia, Maryland, and Pennsylvania, for their crippled and underprivileged children as well as different civic groups.

If the committee can tell me one item in this bill that is more commendable, I will withdraw the amendment.

The secretary of the State YMCA directs this camp during the summer months. They have put over $7,000 worth of equipment in it. This will be only one appropriation and will not cost the Government anything more for upkeep. The YMCA maintains the buildings and grounds and keeps them in repair. As I say, they lease it and use it mostly for the underprivileged.

You are the jury to decide whether more than 1,000 children per year will have a decent recreation and meeting hall. I would appreciate your support of this amendment.

I wish to assure the Members of this Congress that if this fight is lost here this evening, that I will ask permission from the proper committee in the United States Senate to appear before them to request that this project be allowed for in their appropriations.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the plea that the gentleman makes here in representing the people of this area is a splendid one, and points up one of the hardships that we have in trying to stay within the bounds of reason on our appropriation bills. I think it is a sound argument that some change should be made in our policy. At a time when we have thousands of similar units with inadequate funds, even to maintain them, I do not see any way of justifying putting up a new building at this point.

Mr. Chairman, I hope and trust that the amendment will be defeated.

Mr. BAILEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have asked for this time to support the amendment offered by my colleague, the gentleman from West Virginia [Mr. STAGGERS]. I think this is a worth-while project. Mr. STAGGERS' district parallels mine, and I am thoroughly familiar with the situation in the national forests of West Virginia. This was established years ago. It occupies better than 35 percent of the total area of nine of the counties of his district. It is valuable in that there is an almost completely growing second stand of timber. I want the committee to realize that this is not asking for anything in the way of governmental appropriations in the way of Federal taxes. As State director of the budget, it was my business to distribute school funds of the State. Under present Federal law 25 percent of the net earnings of that forest is distributed back to the county for school purposes. Four years ago there was as much as $71,000 representing 25 percent of the net earnings of the forests. So the Government must receive net, after operating the forest, better than $200,000 annually. They can very well afford to spend $40,000 for completing these facilities at this camp. It is near the city of Parsons, W. Va., in the Monongahela National Forest. If there is one worth-while project that has come to the attention of the Congress, this is that project.

I have some score or more of letters and telegrams coming from judges of the juvenile court, ministers of the Gospel, and groups of various kinds engaged in looking after the welfare of this people. I think if the Government has millions and billions of dollars to rehabilitate nations throughout the world, they certainly can spare $40,000, especially when the forest has already earned this money and no Government tax is being asked for that purpose. I trust the gentleman's amendment will be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia [Mr. STAGGERS].

The question was taken, and on a division (demanded by Mr. WHITTEN) there were—ayes 57, noes 60.

Mr. BAILEY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed Mr. WHITTEN and Mr. STAGGERS to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 55, noes 77.

So the amendment was rejected.

Mr. HESELTON. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. HESELTON. Mr. Chairman, I have taken this time to make certain that I understand the purpose and intention of the committee in terms of the

item for research in connection with the Dutch elm disease.

I refer particularly to the testimony of the Assistant Chief of the Bureau of Entomology and Plant Quarantine, on page 799 of part I, in which he reports on the Dutch elm disease. I call your attention to the following testimony taken from page 799 of part I of the hearings:

Mr. ROHWER. You recall the 1949 act had under the appropriation for the control of forest pests, an item for Dutch elm disease. That item was $51,800. The work that is done with those funds is basically experimental work to determine ways whereby we could live with the Dutch elm disease. The current estimates provide that money be transferred over and made a part of this research appropriation, and it be subtracted from and is not included in the other appropriation.

Mr. WHITTEN. That was because of a realization on the part of this committee that the control program was not working very successfully, was it not?

Mr. ROHWER. The Dutch elm disease is definitely out of hand from the standpoint of an eradication program.

That is a most depressing report to those of us who know that this disease is growing worse steadily in many areas of the country. But, of course, we are in no position to dispute the opinions of the experts in this field. Mr. Rohwer continued:

From the standpoint of a cooperative, general control program, the same is true. On the other hand, the Dutch elm disease is killing great numbers of trees in various parts of the United States. There have been large numbers of trees killed in the New England States, Boston area, Connecticut area, Vermont area. It is now out in the Cleveland, Ohio area, and causing considerable death of trees out there.

Mr. WHITTEN. Which points up the need for carrying on further research.

Mr. ROHWER. And we need to find ways of doing it. Basically the job we are working on is to try to kill the insect that carries the disease from tree to tree. That is the means by which the elm tree is infected. A beetle or two or three beetles carry the disease over.

I am glad to have this ray of hope that the bureau is engaged in a determined effort to develop a means of killing the insect carrying the disease. Certainly, if we are not able to meet this threat, if we lose these trees in any substantial degree in those areas where the elms are a most beautiful portion of our countryside, it is something money can never replace.

I hope and believe that it is the clear purpose of this committee in transferring this money to general research to emphasize to the Bureau that it wishes the Bureau to continue vigorously its efforts along the lines indicated and make every possible effort to find a method of eliminating this threat to the elms of America.

Mr. WHITTEN. May I say to the gentleman from Massachusetts that the bill carries forward the same work that has been done during the present year, that is, research work, trying to find a cure, something to kill the insect or the carrier of the disease. In addition they are procuring disease-resistant trees, and it is believed that in the next year some of those trees can be used.

Mr. HESELTON. I thought that was the mandate of the committee, but I wanted to have it clear on the record. I am confident that with the explanation of the chairman of the subcommittee, the Bureau will allocate to this project funds completely sufficient to bring about this declared objective at the earliest possible moment. I am equally confident that the officials of the Bureau are as anxious as anyone that it solve the problem. I have every reason to believe that they understand the great anxiety of the residents of communities threatened by the disease and know that those communities are struggling with all their resources to prevent its spread. I cannot agree fully with the statement that from the standpoint of eradication the program is out of hand, if it is meant by that that it is hopeless. Certainly we in Massachusetts, and I suspect others in similarly affected areas, have not given up hope. At any rate we there, in cooperation with our State and county governments, are doing all within our power to locate diseased trees and then destroying them. By the same token, in view of what we are doing I cannot agree fully with the statement that from the standpoint of a cooperative, general control program, this disease is out of hand. I am certain I can say with accuracy that in Massachusetts just the opposite is true.

But I submit that this highlights the very grave, real, and immediate responsibility of the Federal Government and the Bureau, having withdrawn from the field of eradication and a cooperative, general control program, to intensify its effort with adequate allocations from the research appropriation to discover a means of killing the insect carrying the disease. And I am sure that the committee and this body expect the Bureau to extend every measure of possible cooperation to State, county, and municipal governments in the struggle to combat the effects of this disease.

I understand that the bill carries $550,000 for control of gypsy and brown-tail moths and $3,595,000 for control of white-pine blister rust, both valuable projects. I mention that to reemphasize my reason for making this specific inquiry as to the committee's purpose and intention with references to continuing efforts in the general research program as to the necessity of a vigorous attack on the Federal responsibility in controlling the Dutch elm disease.

May I add that I am informed that this disease is not localized in New England, but has been discovered and is present in practically all of the States from New England west to Missouri and south to Louisiana. In June of 1948 the Bureau reported it to be present throughout New England, in New York, New Jersey, Pennsylvania, Maryland, Delaware, Virginia, West Virginia, Kentucky, Tennessee, Ohio, Indiana, Colorado, Illinois, Missouri, Iowa, Nebraska, Kansas, Oklahoma, Arkansas, Mississippi, and the District of Columbia.

An extremely interesting report was made on April 30, 1948, by the Arnold Arboretum, connected with Harvard University, in which it was pointed out that the disease had come to stay and would be with us a long time. It was emphasized that it would continue to be an ever-present menace for a number of years.

On November 7, 1947, the New England Council called a general meeting of scientists working on the control of the pest in New England at the Statler Hotel, Boston. Able representatives from all of the New England State experiment stations, as well as from New Jersey and Maryland, attended. There were, also, representatives from the United States Department of Agriculture and a number of Canadian experiment stations. The whole problem was discussed exhaustively, and the results were a general realistic, but not hysterical, attitude toward this matter.

I am glad to advise the House that one community within the First Congressional District in Massachusetts, Williamstown, was even then reported to have taken vigorous measures and to have developed an excellent local solution. There a local committee of civic leaders, combining both experts and individual citizens, worked out a program with the objective of cleaning up all of the dead and dying elm wood in the town. With the excellent cooperation of the local newspapers, several civic organizations obtained volunteers to donate their trucks and men to man them. With the school students and the local garden club coordinating, the individual property owners searched for all dead elm wood and removed it. The town itself provided funds so that an experienced investigator was able to make an exhaustive check for such wood. This one thoroughly aroused Massachusetts town, with an active and intelligent committee, recognizing the tragic possibilities, took constructive action even at that early date. I can report that many other communities within my congressional district have taken equally vigorous and effective measures and that they would be the last to agree to what seems to me to be a rather unfortunate note of defeatism in the opinion that a cooperative control program is not feasible and that they certainly would not admit that they were going to give up their elms without the hardest kind of a battle. I mention this solely because I believe so sincerely that the Federal Government, with all its technicians and well-qualified experts and with its tremendous resources, including laboratory facilities available to it, should certainly match those efforts with some kind of constructive, vigorous, and active program on its part.

Mr. GARY. Mr. Chairman, I move to strike out the last word simply for the purpose of asking the Chairman of the Committee a question. I appeared before the subcommittee with reference to the laboratory in Richmond, Va., established by the Department of Agriculture to study methods of destroying insects in tobacco. Some suggestion was made that the Department intended to close that laboratory. It means a great deal to the tobacco interests.

Mr. WHITTEN. I believe that if the gentleman will refer to page 4 of the report he will see that the Committee directed the Department of Agriculture to carry on its work. There are a number of small laboratories engaged in the work. It is the belief of the committee that any reduction should be absorbed where work can be curtailed and not at a place where the laboratory will be closed, and it was the direction of the committee that this work be carried on at this laboratory.

Mr. GARY. Mr. Chairman, I thank the gentleman from Mississippi.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. AUGUST H. ANDRESEN: Page 47, line 1, strike out the figure "$2,500" and insert "$750."

Mr. WHITTEN. Mr. Chairman, I ask unanimous consent that all debate on this amendment be limited to 30 minutes, the last 5 to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. AUGUST H. ANDRESEN. I regret the amendment I have offered will start a controversy in an otherwise harmonious afternoon. But I have offered similar amendments to other appropriation bills in previous years and I therefore feel I would be derelict in my duty as a Member if I did not reoffer the amendment that I have previously presented to this section of the bill.

A great deal of lip service has been paid the family-sized farm in this country. We are spending a lot of money to rehabilitate people in the United States on family-sized farms. The payment allowed under soil conservation here has been increased from $750 per farm to $2,500, which means that more money will be taken away from the small farmer and given to the big commercial operators in the farming areas throughout the country.

Mr. Chairman, I still feel that the security of our country, as far as agriculture is concerned, lies in the family-sized farm and that when it comes to giving out money for soil conservation practice on the part of the Government we should try and stretch that money as far as possible in order to encourage the greatest number of farmers to pursue these practices on their farms. The average small farmer under the triple-A program receives less than $100 a year, most of them around $40 a year; but by increasing the amount of $750 to $2,500 you are taking away money from the small farmer, who is now receiving $40, and giving more to the large commercial farmers throughout the country.

I suppose it will be said that this discriminates against the big commercial farmers of the country when we hold them down to $750 as the maximum payment. I do not think we will injure the large farmer because he is engaged in a large farming operation, with mechanized equipment; he produces a large crop, a great deal of which goes into commercial channels; while, on the other hand, the small farmer sustains himself on his farm and what little he has left over he puts into commercial channels to get some cash in order to operate and support his family.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Washington.

Mr. HORAN. I understand that some of our farm-organization leaders have already protested the removal of this restriction?

Mr. AUGUST H. ANDRESEN. I have not heard of any protest, but I was surprised when I came here and found this bill provided for an increase of the $750 to $2,500. I could not understand why after several years here when we had limited the payment to $1,000 or $750 it should now be suddenly increased to $2,500.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Tennessee.

Mr. JENNINGS. The gentleman is absolutely right. This matter of undertaking to give a benefit of $2,500 to some corporation that has bought up a lot of land is indefensible. You are not only robbing Peter to pay Paul but you are robbing the little fellow for the big fellow. It is just not right.

Mr. AUGUST H. ANDRESEN. That is the way it turns out to be. I have nothing against the big cotton planter or the big corn and wheat producers; but if we have a certain amount of money to distribute it seems to me we should make that go to the largest group in agriculture so that they will have the benefit of any payments the Government might make in sustaining soil conservation.

I hope the committee will support my amendment and retain existing provisions of law as approved by the Congress on several occasions.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Michigan.

Mr. CRAWFORD. What was the amount in the bill last year?

Mr. AUGUST H. ANDRESEN. Seven hundred and fifty dollars.

Mr. CRAWFORD. This bill has raised that to $2,500?

Mr. AUGUST H. ANDRESEN. Yes.

Mr. CRAWFORD. And the gentleman by his amendment proposes to cut it back to last year?

Mr. AUGUST H. ANDRESEN. I propose to leave it as it is now, $750 instead of the $2,500 which is authorized in the bill.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

The Chair recognizes the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. Mr. Chairman, I do want to back up my colleague the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] in his amendment. I personally had reservations upon this particular action on the part of the subcommittee, and I feel, ladies and gentlemen, that it is absolutely wrong not to limit the amount of these soil-conservation payments so that those with small farms can have the most in proportion. I hope that the amendment offered by the gentleman from Minnesota will be adopted, and decisively so.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Tennessee.

Mr. JENNINGS. I want to back up the gentleman on that proposition, because most of my farmers are little farmers. I have two mountainous counties, and this soil-conservation program has transformed their land by the use of lime, phosphates, and fertilizers. They are raising grass and clover and lespedeza and alfalfa. They never thought about doing it before. If you take this money and give it to some big farmers, you are inevitably denying the fellows back there in the mountains who have transformed the land they are cultivating. The gentleman is absolutely right about it, and this other matter is indefensible.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY of Wisconsin. Mr. Chairman, all the Members that have been here for some time realize what this controversy is about. I remember when I was a freshman Congressman, I kind of got my fingers in the buzz saw on this one; as a matter of fact, I do not think I will ever forget it, because someone called me a Socialist. That really did not make me angry, because I was appreciative of the fact that he did not say Communist.

The gentleman from Minnesota is surely so right. There are two philosophies of agriculture involved here and I tried to touch on that question once before today. What is the use of trying to make believe that we are interested in the old saying "the greatest good to the greatest number" and then turn around and make a step backward and pass out these big $2,500 checks? If you are going to give the average farmer in the United States the $257,000,000—between 6,000,000 and 7,000,000 farmers—it would work out about $40 or $50 apiece. This is a rather insignificant amount when you take the average. At this particular hour, in many sections of our country the farmers have already had their purchasing power reduced by half. Are you really going to subsidize corporation farming? Are you going to give $2,500 Christmas presents to the landed aristocracy? Is this Fair Deal really interested in the average American or is it only interested in the big landowners.

So, I say to you today, if you believe in a family-sized farm, and if you believe in giving the people of this country an opportunity to buy and own a little piece of America, you should make quite a different rearrangement of the funds in this bill.

A rearrangement of the funds in this bill could really accomplish a much more constructive approach for the benefit of American agriculture.

All this talk about the average man or the forgotten man is ridiculous, if this administration wishes to foster such unfair legislation. You have the votes and

you also have the responsibility. You pass out these $2,500 Christmas presents, and tax people earning $600 per year to get the money, and then call it a Fair Deal.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. Does not the gentleman feel that if we are to change this $750 limitation to any degree that they really should come before the great Committee on Agriculture and let them determine as to what is the best policy? I am referring to the gentleman's committee, and I do consider it a great committee.

Mr. MURRAY of Wisconsin. I just think it unwise for any committee to bring out such an unfair proposal. It is not for the best interest of the American people.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. I think this approaches legislation, though technically it is properly here, but I do think it is a matter for the gentleman's committee to decide.

Mr. MURRAY of Wisconsin. It is for the Congress to decide today as to which road they want to go, whether they want a family-size farm or whether they just want that during campaign time. There is so much difference between what happens here and what happens during the campaigns that it is pretty difficult to keep track of it. I like to be consistent about it, because I like the family-type farm and think we should keep that as a formula to follow. There is no use going around with a lot of crocodile tears saying, "I believe in the little fellow and my heart bleeds for him," and then coming on the floor and forgetting that he is on the face of the earth at all. History shows what happens in any country where the few own the land. With as much land as we have in the United States, I repeat that we should make it possible for every American to own a piece of America, and not be subsidizing the few.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Would it be reasonable to say that the big farmer as a general rule, more so than the little farmer, grows the protective crops that are subject to crop loans under the Commodity Credit Corporation and therefore have a support price? Is that not more true of the big farmer than the little fellow?

Mr. MURRAY of Wisconsin. It assuredly is, because he capitalizes on that kind of crop. The family-sized farmer has always had a rather nebulous support program.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. REES].

Mr. REES. Mr. Chairman, I rise in support of the amendment of the gentleman from Minnesota [Mr. ANDRESEN] to limit AAA payments to $750. The bill provides for $2,500.

This is a matter that has been debated a number of times on the floor of the House. If we are interested in giving a little more attention and assistance to the smaller farmer to what is described as the family-size farm, then we should support this amendment.

Do not forget this is a separate thing from the soil-conservation program, in which everyone participates if he wants to do so. The AAA program also gives everyone a chance to take part. In substance it pays a farmer for following certain practices laid down by the Department of Agriculture to help conserve the soil on his own farm.

I think this House should know that the average amount a farmer has received in the last 15 years is less than $75. In fact, 80 percent of the money paid out by the AAA to the farmers of this country went to less than 20 percent of those who took part in the program. In other words, the big operators got most of the money.

I will put it another way. You may be surprised to know that 80 percent of those who have participated in this program in the last 10 years got an average of less than $250. What we seek to do in this amendment is to give the little fellow a fair share of these funds. We believe that the big operator who handles thousands of acres of land and who has all kinds of farm equipment ought not to expect payments from the Government for protecting his own soil. Do not forget he always has a right to participate in the great soil-conservation program under what is known as the Soil Conservation Service, for which this country is rightfully spending hundreds of millions of dollars each year.

I hope the amendment offered by the gentleman from Minnesota is adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, judging from what has been said on this amendment up to now, one would imagine we are getting ready to hand out a lot of money to farmers just for doing nothing. If I thought we were going to do that, I would move to strike the provision out of the bill. But that is not the case. There is no controversy involved here between small farmers and large farmers. The sole issue is whether or not we are going to make soil-conservation payments to farmers for carrying out certain soil-conservation practices. The purpose of it is to save the soil of this country. It is to maintain and improve our soil for the benefit of future generations. Big farmers are having their soil washed away just as the little farmers are, and the potential damage to soil on the big farms today is as great as on the small farms.

If this money is paid out, it will be paid out in exactly the same way, and for exactly the same purposes, for work done on large farms as that done on smaller farms, and just as much soil per dollar will be saved as a result of the payments made to larger farmers as will be saved as a result of the payments made to smaller farmers.

Something has been said here today about getting away from the amendment that we adopted previously for a $750 limitation. We adopted that amendment, as I recall, in the last Congress, because the amount of money which was appropriated was cut down to $150,000,000. It was argued that this was not enough money to make substantial payments per acre on some of our farm land and that a limitation of $750 was necessary. That is not the case now. We have $262,000,000 in this bill. We have a sufficient amount of money to carry out a full program. It is all the budget asks. It is all the Department asks. The committee gave just what was asked, to carry out that program. The farmers who go into it are all going to do the same work, that is carry out the required practices and all will be paid on the same basis. Nobody is going to make any profit out of this. Farmers who carry out these practices will spend at least twice as much of their own money as they receive from Government payments. I think the same rule should apply to everybody as long as they are all doing the same thing in saving the soil of this country. If they are not doing that, then there is no justification to pay out this money at all.

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas [Mr. GATHINGS].

Mr. GATHINGS. Mr. Chairman, I rise in opposition to the amendment, and to sustain the committee in the committee's position. Let us look at the history. When these soil practices were first written into the law, there was no limitation whatever—none whatever. Then later $10,000 was agreed on, and for many, many years $10,000 was the limit on soil conservation payments to any one farmer. As the former chairman of the Committee on Agriculture, the gentleman from Kansas [Mr. HOPE] just said, because of the fact that only $150,000,000 was provided in the Eightieth Congress for these practices, the payments were limited to $750 per farmer. That was done in the last Congress. Now the committee comes here with $2,500, which is only one-fourth of what these payments have been all along the line. What are we going to do if we permit our lands to wash away? I say to you these farmers engaging in these practices doing such things as ditching, and such things as planting vetch, put up about $2 to $3 in labor and in money for seed and the like for every dollar that they get back from the Government.

Now, a large farm is nothing but an aggregation of small farms. If the farmer who had 2 or 3 or 4 or 5 tenants does not come into the program, then the tenants and share croppers would not share in these payments. So the tenant angle should be considered by this committee because they, too, share in these payments, and they would not do so on that 15, 20, 30, or 40 acres of land that they farm, which is just a small part of a two or three hundred acre block, unless the landlord comes into the program.

What we should consider is the need to provide food and fiber for the American people. In 1975, it is believed, our population will reach 175,000,000 people. We cannot do it, if we are going to limit these payments because the payments were intended to conserve the soil—the land itself.

I have all types of farmers in my district.

I have the big, the middle size, and the small farmer. I want to say to you that they will come into this program, a great many of them, if they are given the same assurance that the Government will put up at least a part of what they contribute in soil-conservation practices. If the amendment of the gentleman from Minnesota is agreed to, the share cropper and tenant in a large number of instances will not be able to participate in the program.

I do hope that this Committee will sustain the subcommittee and keep this figure at $2,500.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WHITTEN. Mr. Chairman, this committee has worked arduously in an effort to be fair in the handling of this bill. The basic law provides that $10,000 shall be the limit of the Federal Government's contribution to the cost of soil-conservation practices. The committee cut that to one-fourth in this case. If this program was as the proponent of this amendment would have you believe, simply the making out of checks by the Federal Government, it should be abolished. In recognition of the fact that the soils of this nation are being depleted rapidly and that our very standard of living is dependent upon the soil of this Nation; in other words, we have to keep it where a few of us can make the food and fiber for the rest of us, so that the rest can make automobiles and radios and other things we need —in recognition of the fact that our soil is rapidly getting away from us, this program was passed, and we said to the American landowner, not that we will give him a Government check, but we say, "If out of your pockets you will spend $3 in soil conservation to save these great natural resources of ours, the Federal Government, and posterity, which has an interest in it, will spend $1." Not "give you a dollar," but "for each $3 that you spend we will spend one, because the Nation and those that follow us have an interest in it." I say to you, if you say that to the farmer, the more land he spends that money on to save for the United States of America, the more money he spends, the more the Federal Government should pay in its share of the cost of soil conservation practices.

I want to point out another thing. This thing has always been suggested in the name of the little fellow, in the name of the small farmer. I come from such a section, a small red hill community, but I say to you you are ill-advised when you try to help the small farmer in this way, because the large landowner who rents his land to small renters will not come under this program, and the very small renter is eliminated from it if the gentleman's amendment were adopted. What you need to do is to leave it where the large landowner can come in and spend his $3 and the Federal Government spend its dollar. As a result, the land of this Nation will be saved and the small farmer who will rent that land will benefit by these worth-while improvements which will save the land and improve his yield each year.

I think this amendment is ill-advised. I have tried to be reasonable in fixing this amount at $2,500. I think $2,500 is a reasonable amount, and I ask that you support the committee in its position. I feel we are entitled to it.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

The question is on the amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

The question was taken; and on a division (demanded by Mr. AUGUST H. ANDRESEN) there were—ayes 40, noes 95.

So the amendment was rejected.

Mr. TACKETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TACKETT: On page 39, line 13, insert the following paragraph:

"Forest recreational purposes: Ten percent of all moneys received from timber sales by each national forest during each fiscal year shall be available at the end thereof to be expended by the Secretary of Agriculture for recreational purposes within such national forest."

Mr. WHITTEN. Mr. Chairman, I regret to have to make a point of order against the amendment, but I must do so. I make the point of order that the amendment is legislation on an appropriation bill.

I think the approach the gentleman is making is sound, but I believe it should be considered by the appropriate legislative committee.

Mr. TACKETT. Will the gentleman reserve his point of order until I can be heard?

Mr. WHITTEN. Everybody is trying to get through.

Mr. TACKETT. I am in a hurry myself.

Mr. WHITTEN. I may say to my friend from Arkansas that I believe I shall have to insist on the point of order. I regret very much to do so. I am, however, going to ask that all Members have five legislative days within which to extend their remarks, so the RECORD will carry any statement the gentleman cares to make.

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. TACKETT. I yield.

Mr. MARTIN of Massachusetts. I should like to inquire how much longer we are going to run tonight. There are several amendments. I do not see how it will be possible to finish the bill.

Mr. TACKETT. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentleman briefly.

Mr. TACKETT. I do not believe this is legislation on an appropriation.

The amendment is germane to the bill.

Mr. WHITTEN. It is an amendment which clearly gives legislative authority. I do not want to preclude the gentleman from making his statement. I wonder if he would not extend his remarks in the RECORD at this point.

Mr. TACKETT. No; I am not writing any story for back home; I am actually interested in this thing.

The whole thing in a nutshell is that this amendment is an expenditure of appropriations on roads and trails within the forest areas of the various districts. That is all I am asking; an additional appropriation. I am not asking for any legislation except for the same purpose that the bill seeks to make an appropriation.

The CHAIRMAN. The Chair is ready to rule.

The Chair considers the amendment to be strictly legislation on an appropriation bill by virtue of the fact that it does not call for money to be appropriated out of the Treasury but directs that certain things be done with the receipts from the sale of timber.

For that reason the Chair sustains the point of order.

Mr. WHITTEN. Mr. Chairman, may I ask how many amendments are pending at the desk?

The CHAIRMAN. The Clerk advises the Chair that two amendments are pending.

Mr. WHITTEN. Mr. Chairman, I ask unanimous consent that all debate on these amendments close in 10 minutes, the last 5 to be reserved to the committee.

Mr. MARTIN of Massachusetts. Mr. Chairman, reserving the right to object, I think we must know what the amendments are. We are not going to preclude ourselves from talking on an amendment.

Mr. WHITTEN. Mr. Chairman, I ask unanimous consent that both amendments may be read for information at this time.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. BLATNIK: Page 41, line 19, after the figure "$142,000" strike out the period, insert a semicolon, and add the following: "in acquisition of forest lands, Superior National Forest, Minn., $100,000."

Amendment offered by Mr. POTTER: Page 38, line 5, after the comma, strike out "$2,808,500" and insert "$3,808,500."

Mr. MARTIN of Massachusetts. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MARTIN of Massachusetts. Does the gentleman's request for a 10-minute limit on debate apply to each amendment or to both amendments?

Mr. WHITTEN. My original request was 10 minutes on the two.

Mr. MARTIN of Massachusetts. Certainly a Member is entitled to 5 minutes on his amendment.

Mr. WHITTEN. Mr. Chairman, I modify my request and ask unanimous consent that debate on these two amendments close in 20 minutes, 5 minutes on each amendment to be reserved to the committee.

Mr. MARTIN of Massachusetts. Mr. Chairman, reserving the right to object, before we enter into such an agreement, I wish to know if there are any other amendments not at the desk?

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi [Mr. WHITTEN]?

There was no objection.

Mr. BLATNIK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BLATNIK: Page 41, line 19, after the figure "$142,000" strike out the period, insert a semicolon, and add the following: "in acquisition of forest lands, Superior National Forest, Minn., $100,000."

Mr. BLATNIK. Mr. Chairman, this appropriation bill, representing the 1950 budget for the Department of Agriculture, is a source of deep disappointment to me.

An examination of the various appropriation items in the bill shows that while some bureaus have been given adequate funds, many functions of the Department of Agriculture will suffer for lack of money unless budget cuts that have been recommended in the bill are restored.

It must be admitted that the Rural Electrification Administration is being liberally provided for in this bill—the $350,000,000 in new loan authorization plus the additional $150,000,000 already available should be sufficient to carry on this worthy program during the next fiscal year, and this item has my full support. The increase in funds for soil conservation is commendable, and should make it possible to carry on this worth-while program.

On the other hand, funds for the important school-lunch program remain at $75,000,000 for the next fiscal year. This amount is totally inadequate to continue this program which means so much to the health and well-being of America's children. Without an additional appropriation, many schools that have applied to participate in the school-lunch program must be turned down, and I am convinced at least another $10,000,000 is necessary to do the job here.

The bill reduces the funds for the Agricultural Research Administration and the Bureau of Agricultural Economics, both valuable agencies. No additional funds over last year's $15,000,000 for the farm tenant purchase program have been provided, although a real need has been demonstrated in this field.

FOREST SERVICE CUT

I want to call to the attention of the House a drastic budget cut in the funds for a most important agency, the United States Forest Service. It goes without saying that the Forest Service is extremely important to my own State of Minnesota. There are some 20,000,000 acres of forest land in Minnesota, of which some 5,000,000 acres are within the boundaries of the national forests and the national forest purchase units. On the average the income received from the various forest industries in Minnesota is $90,000,000 per year.

Inasmuch as forestry is a $90,000,000 industry, it is natural that we from Minnesota are interested in seeing adequate funds furnished to the United States Forest Service. This bill ignores our needs. It has reduced the $52,300,000 budget estimate for the Forest Service by nearly $1,500,000. This means real cuts in certain important functions.

Funds for national forest protection and management are reduced more than $1,500,000 for last year. It is difficult to see how that cut can be justified. America's forests are among our most important source of renewable wealth, and one of our most precious natural reserves. We must conserve, protect, develop, and rebuild our forests and we cannot do this by destroying the protection and management work of the United States Forest Service.

Mr. Chairman, I protest against these budget slashes in funds for the Forest Service. This agency has already had to absorb some $2,000,000 in the form of pay increases granted to its employees last year. This bill slashes its budget to the level of the 1949 fiscal year, although the functions and responsibilities of the Forest Service have been increased. I hope that amendments providing additional funds for this agency will be favorably considered by the House this afternoon.

ROADLESS AREA

Mr. Chairman, I am asking for an appropriation of $100,000 which was approved by the Bureau of the Budget and which you will find listed on page 51 of the committee report toward the bottom of the page under "Acquisition of forest land, Superior National Forest, Minnesota." I make this request for two reasons. First, in the interest of economy, which I share with the Appropriations Committee that has done such a thorough and painstaking job; and, second, in the interest of good forestry management.

If you will turn to page 22 of the committee report under the title "Acquisition of forest land, Superior National Forest, Minnesota," you will find this statement:

The budget estimate in the amount of $100,000 for this new appropriation has been deleted by the committee because it is only of recreational and esthetic importance and is an expenditure which may well be deferred.

Mr. Chairman, it cannot be deferred for the reason that last year the Eightieth Congress enacted by unanimous consent Public Law 733 which consolidated a vast area of the Superior National Forest into a wilderness, roadless area and we authorized the sum of $500,000 to purchase little bits of private lands that are sprinkled like raisins throughout this vast Federal forest area.

The reason for this action by the Eightieth Congress was that there were being built resorts, lodges, and quite elaborate and expensive resorts, on these lake-shore properties. Many of them accessible only by float planes, which has made it impossible to maintain this as a wilderness and canoe area.

The bill to which I referred, Public Law 733, was passed by unanimous consents last year, and it authorized a $500,000 appropriation to purchase private properties and lands in order to consolidate the wilderness area. The appropriation, or at least this $100,000 start, cannot be deferred for this reason: for the past year these resort owners have refrained from any further construction. Now they will begin again to fly in enormous amounts of building material, including refrigerators, construction materials and furnishings for these resorts. If we do not appropriate this $100,000 they are going to continue to build. Why should they not do so? They have nothing to lose. If the Government next year or the year after, or at any time in the future does appropriate the money, we will have to pay them what they have invested plus a profit. If you wait 1 or 2 years we may spend the entire $500,000 buying out the new resorts which have been built and we will then be right back where we started, and still not have a wilderness area.

It was intended that this Superior National Forest wilderness area be joined with the Quetico wilderness area of Canada which joins us to the north and be dedicated as a living international memorial to the war dead of both Canada and America.

I seriously ask the committee to give this amendment favorable consideration.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield to the gentleman from California.

Mr. HOLIFIELD. As I understand it, the appropriation that the gentleman seeks to restore to the bill has been approved by the Budget?

Mr. BLATNIK. This has been carefully gone into and has been approved by the Bureau of the Budget.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the committee felt that this request for buying lake lands in some of the undeveloped areas of northern Minnesota on the Canadian border——

Mr. BLATNIK. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Minnesota.

Mr. BLATNIK. I am sorry to differ with the gentleman, but that is not the fact. You are not buying undeveloped land. You are buying land which has already been developed and in which these resorts have been set up, and the resort owners are willing to get out of it now. But if we allow them to stay in and they feel we do not mean business, they are going to expand and start other resorts where they have undeveloped private lands scattered like raisins in this vast area of Federal holdings.

Mr. WHITTEN. I can only say to the gentleman that after having heard so many requests for funds, personally I think there are many places in this bill that money could well be used as against the purchase of this type of land. It may be that we do not have full information on it. It may be that it can be properly developed, but the fact that the bill authorizing it passed by unanimous consent would indicate that at least it did not have a whole lot of debate on the floor of the House, and the committee did feel in view of the demands on the Federal Treasury today that this was something that could be deferred, and

that is the reason for the committee's action.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. BLATNIK].

The question was taken; and on a division (demanded by Mr. BLATNIK) there were—ayes 30, noes 89.

So the amendment was rejected.

Mr. TEAGUE. Mr. Chairman, I wish to compliment the Appropriations Committee on the work they have done in agriculture appropriations. I believe that the amount of $25,000 which they have made available for a study of soil-conservation districts will be of much benefit to our soil-conservation program which is so very important to our country today. The committee also allowed an increase of $1,000,000 for the Extension Service which completes the final increment of the Bankhead-Flannagan Act and this increase was approved to give adequate support to the 4–H Club activities. The value of 4–H Club work is definitely proven. I was also very much pleased to see that the committee had allowed a $10,000,000 increase in the loan funds for the FHA.

Last summer I visited a number of farms in my district in Texas and I obtained first-hand information on the work being done on the farms by our governmental agencies, especially the work of the Farmers Home Administration. Farmers who are not able to borrow from banks or other private or cooperative credit sources may receive a loan from the FHA to help operate their farms, to purchase a family-sized farm unit, or to make improvements on their farm.

An additional service has been added by the Farmers Home Administration which I believe will prove to be of great help to our farm economy. Banks and other private lenders can make certain approved loans to farmers and the FHA will guarantee the repayments. The new mortgage-insurance program offers a greatly needed service to supplement the program of farm-operating loans, farm-ownership loans, and the farm-improvement and water-facilities loans now being made.

Loans and insured mortgages made by the Farmers Home Administration have proven to be very sound investments from the financial standpoint as well as from the necessity of helping our operators of small farms to help themselves. Sufficient funds should be made available to the Farmers Home Administration to encourage more tenant farmers to become owners, and to provide financial assistance to owners of small farms to make necessary improvements to operate more efficiently.

Mr. Chairman, one of the most important things in our country today is our agricultural program. No country will progress further than the agriculture of that country progresses. We have made progress in conserving our natural resources, but we still have far to go. Again, I wish to compliment the Appropriations Committee for the work they have done on the agriculture appropriations bill for 1950.

Mr. WINSTEAD. Mr. Chairman, I have asked for this time because I feel that I should compliment this committee and its chairman for the splendid work they have done on this bill.

The provision with regard to the Rural Electrification Administration could not be improved. It gives to the REA the amount approved by the budget, $350,000,000, but in the report the committee asks that the agency aid in speeding up the expansion on the part of the local cooperatives and provides that if $350,000,000 is not sufficient that additional funds shall be made available. As one of the firmest friends of rural electrification I am proud of this action.

I have long advocated a strong soil-conservation program. The bill makes adequate provision for the Soil Conservation Service. We must give to the 171 new districts personnel as is provided for the old districts. I hope that all our farmers will make full use of this technical advice and planning. Our prosperity is tied to the fertility of the soil.

The provision for the AAA program is in line with that which I urged when I appeared before the committee. I realize that many, many others sponsored this provision of funds, but I am glad to note that the committee has gone along with those of us who are really interested in agriculture.

Mr. Chairman, during the time I have been a Member of Congress I have joined with others in an effort to save section 32 funds, wherein 30 percent of the customs receipts are set aside to promote new uses of surplus agricultural products and to move them into world trade. In the past, particularly the last 2 years under Republican control, we have been able to save only about half these funds. It is a signal victory for the total amount of such funds to be saved for the purposes of the act under the terms of this bill.

The change in the handling of the Farmers Home Administration program is wholesome. Why should this program be listed as an annual appropriation? It is repaid. The record of repayment is one of the finest ever seen, excelled perhaps only by the REA. The funds did run out this year in many areas and the increase is needed particularly in view of the number of veterans who are going into farming.

The provision for the use of Commodity Credit Corporation funds in classing cotton is sound. Last year in many areas the loan program was held up because there were insufficient funds for cotton classing. Under this provision the classers can be many if the work load justifies and they can be cut off when not needed.

Again, Mr. Chairman, I wish to say that I deeply appreciate the additional funds made available for farm forestry and for trees to be planted. I am disappointed that the reductions were made in other forestry appropriations for the Forest Service proper. I can see that with the multitude of programs to cover that perhaps one difference is not much. Perhaps on reconsideration that can be taken care of.

Again I wish to say that since I have been a Member of this body I have not seen as good an agricultural appropriations bill come before this body. It meets with the approval of practically all the Members of the body. Perhaps the finest thing that could be said is what one of my agricultural friends said about it, "I don't believe I could have written a better one myself." It is a tribute to my friend and colleague, the chairman, JAMIE L. WHITTEN, of Mississippi, and shows not only his interest in agriculture but his knowledge of the subject.

We must join with this committee in their efforts to support sound agriculture. As the farmers go so goes the Nation. We must have a prosperous agriculture with adequate prices to make it prosperous.

The CHAIRMAN. Are there any further amendments?

Mr. WHITTEN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. PRIEST, having resumed the Chair, Mr. FORAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3997) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1950, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. WHITTEN. Mr. Speaker, I move the previous question on the bill and the amendment thereto to final passage.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

MINISTER OF GOD ABSENT AT THE SIGNING OF THE NORTH ATLANTIC DEFENSE PACT

Mr. ROGERS of Florida. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, on yesterday, April 4, 1949, I attended

the ceremonies and the signing of the North Atlantic defense pact by the Foreign Ministers of the countries which, together with the United States, formed the North Atlantic community of nations. This pact was signed in the Departmental Auditorium on Constitution Avenue in the city of Washington and District of Columbia at approximately 5 p. m. Preceding the signing of the North Atlantic defense pact, which might appropriately be called a peace pact between the 12 nations, I listened to the addresses of the Foreign Ministers of Affairs of the respective governments represented. I listened to the concluding address by President Truman on this historic occasion. All Ministers, together with the President, lauded the high purpose of this gathering and denominated it an agreement to safeguard the peace and prosperity of not only this community of nations but as a means to maintain, preserve, and protect the peace of the world.

This was a momentous gathering, marking a historic milestone in the history of our Nation. The sovereignty of 12 nations had gathered together pledging themselves each one to the other to abide by the peaceful principle of United Nations, maintain friendly relations and economic cooperation, to consult together whenever the territory or independence of anyone of them is threatened and to come to the aid of anyone of them which may be attacked. It was a solemn pledge to work for and guarantee a lasting and abiding peace insofar as human instrumentality might so do.

The ceremonies together with the signing of the mutual pact was most impressive and there was harmony and a note of peace that resounded throughout this gathering, but there was lacking one other minister, the minister of God, to invoke divine guidance and spiritual blessing of Almighty God, who in time and eternity is the Judge of all nations.

No prayer opened this historic ceremony as is the usual custom of our Nation. Only two Ministers referred to Deity in their addresses. One was Foreign Minister Dirk Stikker of the Netherlands, and the other was Foreign Minister Carlo Sforza of Italy, both of whom recognized and expressed the moving hand of God in and among nations.

I was both disturbed and disappointed that whoever arranged this program blundered in that they forgot the minister of God. Was it the lack of spiritual courage or the lack of faith and devotion in neglecting to invoke divine guidance and the ultimate success of this peace pact?

This omission of a prayer is but a duplication of what happened at the United Nations Organization at San Francisco and there was no prayer at the opening of that great gathering, and it might possibly be that the history of this organization could have been different had divine guidance been invoked upon the proceedings there. Let us hope that it will not be a stumbling block to the ultimate success of this North Atlantic defense pact, otherwise known as the peace pact, signed here. May the prayers and dedication of millions and millions of people in our own and sister nations provide the real consecration for a pact which at the signing seems to me at least to have missed its deepest significance.

That this world shall have a new birth of freedom, of peace, and of brotherhood, and that the governments shall not perish from the earth, there must be born in the hearts of men a universal belief and faith in God.

Let us exclaim with Kipling:

> Lord God of hosts, be with us yet
> Lest we forget, lest we forget.

EXTENSION OF REMARKS

Mr. COLMER (at the request of Mr. WHITTEN) was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. HULL asked and was given permission to extend his remarks in the RECORD.

Mr. HORAN asked and was given permission to include a table in his remarks made in the Committee of the Whole today.

Mr. JOHNSON (at the request of Mr. HORAN) was given permission to extend his remarks in the RECORD and include a newspaper article and an editorial.

Mr. BEALL (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks in the RECORD.

Mr. SCUDDER asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. McCULLOCH asked and was given permission to extend his remarks in the RECORD and include an editorial from the Columbus (Ohio) Evening Dispatch.

Mr. RANKIN asked and was given permission to revise and extend the remarks he made in Committee of the Whole today and include certain tables and statistics on rural electrification.

Mr. MITCHELL asked and was given permission to extend his remarks in the RECORD and include extraneous material.

Mr. DOYLE asked and was given permission to extend his remarks in the RECORD.

Mr. RABAUT asked and was given permission to extend his remarks in the RECORD and include an address by Raymond M. Foley, Administrator of the Housing and Home Finance Agency.

DEPARTMENTS OF STATE, JUSTICE, COMMERCE, AND THE JUDICIARY APPROPRIATION BILL, 1950

Mr. DELANEY, from the Committee on Rules, reported the following privileged resolution (H. Res. 180, Rept. No. 400), which was referred to the House Calendar and ordered to be printed:

Resolved, that notwithstanding any rule to the contrary, it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4016) making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1950, and for other purposes, and all points of order against the bill or any of the provisions contained therein are hereby waived. That after general debate which shall be confined to the bill and continue not to exceed 3 hours, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Appropriations, the bill shall be read for amendment under the five-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

SPECIAL ORDER GRANTED

Mr. VURSELL asked and was given permission to address the House for 25 minutes on Friday next following any special orders heretofore granted.

EXTENSION OF REMARKS

Mr. COX. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article by Mr. Carroll appearing in today's Washington Daily News in which he sets forth a statement recently made by one of the world's great right-visioned and right-motived industrial statesman, Bill Clayton.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. LANE] be permitted to extend his remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, and I am not going to object, may I inquire of the majority leader the program for the rest of the week?

Mr. McCORMACK. Tomorrow the State, Justice, Commerce, and Judiciary appropriation bill will come up. If there is time, we will bring up a bill I had on the calendar, H. R. 165, relating to the American River Basin development. If there is not time, it will not be brought up.

Last week I announced that the independent offices appropriation bill would come up some time this week. I am informed now that it will not be ready until Tuesday next. Instead of that, the second deficiency bill will, I am informed, be in order for consideration this week.

If the Senate passes the ECA bill, which it is hoped and expected it will do if not today, then tomorrow, it will follow the State, Justice, Commerce, and Judiciary appropriation bill.

I want to particularly inform the House of the substitution of the second deficiency appropriation bill to be taken up this week instead of the independent offices appropriation bill.

The SPEAKER pro tempore (Mr. PRIEST). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of this week be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. MCCORMACK asked and was given permission to extend his remarks in the RECORD and include a resolution recently adopted by the General Court of Massachusetts on the question of a liberalized Displaced Persons Act.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Ohio [Mr. YOUNG] is recognized for 10 minutes.

THE FIFTH ARMY

Mr. YOUNG. Mr. Speaker, next June 5 is a date of great significance to democratic peoples the world over. On this date the Fifth Army, an American army commanded by a great American, General Mark W. Clark, liberated Rome. Let us hope that in the democratic nations of the world people will hold appropriate celebrations on June 5, 1949, and that in Rome many thousands will meet in celebration of the fifth anniversary of an event which future Italians may well consider as marking the end of an era and advent of another.

It appears to me today following the signing of the North Atlantic treaty is an appropriate time to advert to an American army which fought in a cruel mountain terrain on a forgotten front. Hundreds of years from now in far places, people will read of the Fifth Army's campaigns and offensives and give thanks. What that great army did will be understood, will be appreciated, will be remembered and will become a part of the heritage of our people, of the legends and of the history of our country.

The 24-hour period ending in the afternoon of June 5, 1944, will ever be remembered by the weary and dust-covered American soldiers as the climax of a drive that commenced with the soggy agony of Salerno and continued unceasingly until all the German armies in Italy had surrendered unconditionally.

Rome was not conquered in June of 1944. It was liberated. Soldiers who fought in Italy, acclaimed on that day by frenzied crowds of Italian civilians, will never forget the huge masses of hysterical, shouting, weeping, laughing, joyous men, women, and children throwing flowers and breaking into massed lines of dust-covered men and climbing on jeeps embracing and kissing soldiers who had overcome almost insurmountable obstacles and experienced every conceivable horror and terror of war in their drive against the Axis forces.

The Fifth Army, with which I served in a humble capacity, was one of the greatest armies ever gathered together under the bending sky of the Almighty. It was an American army under an American leader, Gen. Mark W. Clark, and components in it were soldiers of other nations, brave New Zealanders, for example, who suffered tremendous losses at Cassino; soldiers of our other allies as well.

In the Fifth Army there were British and French units, and Polish troops of the Fifth Army, who under General Anders were the first to enter Cassino. These Polish soldiers who fought so bravely for the Allied cause in the war, though victorious, are now cut off, due to political changes, from returning to their native land.

The Fifth Army was the first army in World War II to make a beachhead on the Continent of Europe. The Fifth Army's landing under heavy fire at Salerno was the first invasion of the Continent by Allied troops in World War II. It was the first army in the history of the world to fight on a front without any rear area. In the Anzio beachhead von Kesselring and his Panzer divisions were in the mountains in front and only the open sea behind. The Fifth Army was the first army in the history of the world to evacuate on a large scale civilians trapped within the zone of fighting. From the Anzio beachhead military government components of the Fifth Army evacuated 20,000 civilians, frequently under shell fire, and in this work of humanity not one civilian was lost.

The Fifth Army was the first Allied army in World War II to capture an Axis capital.

In the long history of the world Rome has been captured many, many times. It has been taken by Goth, Vandals, Greeks, Germans, Spaniards, French and Italians, but every time from the north.

The Fifth Army was the first army ever to capture Rome from the south. Those who struggled over the cruel mountain terrain from Salerno, Naples, north to the Po Valley, realized why the Eternal City was never captured from the south prior to the time the Fifth Army entered the city and liberated it from Fascists and their German allies.

Hannibal, one of the greatest masters of surprise attack and maneuver the world has ever known, attempted to capture Rome from the south and failed. It was 217 years before the birth of Christ that Hannibal with his victorious army from North Africa battered at the gates of Rome and then retreated.

Incidentally, let it be mentioned that every time Rome has been captured, the political order of the Western world has been rocked even to its foundations.

On October 30, 1932, Fascist black shirts, led by Balbo and de Bono, poured into Rome from the north and Mussolini came from Milan in a sleeping car. From that capture dates a sickening epoch of Fascist violence stifling the lives of the Italian people. That was ended and a new era dawned in June of 1944 when Gen. Mark W. Clark and his army drove through the suburbs into Rome and out again pursuing the army of von Kesselring. The Italian campaign continued in bitterness and terror for nearly 11 months longer. The Fifth Army was the first Allied army in World War II to force the unconditional surrender of all the German armies opposing it. Gen. Lucian K. Truscott, Jr., then commanding the Fifth Army following General Clark's assignment to command the Fifteenth Army group, accepted for the the Allies the unconditional surrender of all German armies in Italy.

Immediately upon the liberation of Rome by the Fifth Army, officers and soldiers of that army in the military government section—G–5—took over supervision of the government. This marked a new departure in the ways of men. Never before in history had a conquering army permitted an occupied nation to have a voice in the management of its own territory while the war was still raging. We went into Italy and after bringing order out of chaos, helped the Italian people to govern themselves. All the time military government officers and soldiers worked effectively and tirelessly to keep clear the supply lines of the fighting soldiers, to keep civilians out of the way of our fighting men, and to maintain order behind the fighting front.

General Clark stated that such was his confidence in the military government section of the Fifth Army that he never had to give the administration of the civilian population of Italy a thought. Furthermore, more than 5 years later, most of the Italians selected as sindici, or mayors, prefects, or governors, rectors of universities, and the like are still in office. This is all the more noteworthy since the country has changed from a monarchy to a republic and has been through three general elections. Italian people, themselves, have repeatedly approved the choices we made, although nothing would have been more easy than to replace our appointees.

Mussolini, during the invasion, abolished the Italian police system—the Carabinieri. American officers of the Fifth Army, in charge of civilian affairs in Italy, trained these men according to American police methods, took these former Carabinieri into Rome on the day of liberation and they now form the backbone of the police force of Rome and other Italian cities.

In addition throughout the period that the Fifth Army was liberating Italy from Fascist dictatorship, American officers worked with and had the complete support of all religious authorities in Italy. Good will and friendship was created in general for the Allies and for the United States in particular.

Allied military government, or G–5 of the Army of the United States, to speak in technical terms, is one of our political and social contributions to the advance of civilization. It laid the foundation by which free Italy rose to take her place in the family of nations and to assume her responsibility in the making of a better tomorrow. If the foundation was placed firmly on the rock of decency, fair-dealing, tolerance, and justice, as we know it was, the chances will be good that our children will not have to go to Europe with guns in their hands and anger in their hearts. Almighty God knows we Americans never wanted to be involved in this terrible war, and bitter life and death struggle. Furthermore, that we were not motivated by desires for personal or national aggrandizement cannot be disputed. Japan attacked us. Fascist Italy and Nazi Germany, the day after we had suffered a disaster at Pearl Harbor, declared war against us.

You will note that I have referred to Rome having been conquered in the past by other armies and having been liberated on June 5, 1944, by the Fifth Army. Everywhere in Italy as the Fifth Army drove on from one mountain top to another in the bitter fighting on that forgotten front, Italians welcomed American soldiers as liberators.

President Roosevelt announced directly after the commencement of World

War II that Italians in this country would not be interned as enemy aliens. Our Commander in Chief recognized the fact that, although Italy, through its king and Mussolini, had declared war upon this Nation, the Italian people were in reality not our enemies. Later Italians became our cobelligerents and allies.

Military government officers and soldiers moved in with the infantry as communes were captured. Sometimes they went in with the leading patrols. It is important that civilians help rather than hinder the advance of our armies. Refugees clogging highways needed by the military have caused defeats on occasion. Combat soldiers must not be interfered with by hungry civilians clamoring for food. Combat soldiers should not be required to look behind, over their shoulders, fearful that order is not being maintained in the rear areas. Military government, or G–5 of the Army, through its officers and soldiers had a mission to help restore the normal life of a country. In Italy this mission was performed with intelligence, foresight, and zeal. The task was complicated and made difficult by the demolition and ruin left behind by the Germans and by the lingering diseases of Fascist corruption. In Italy the sense of civic responsibility had been corroded by 20 years of Mussolini. Greedy demagogs had schemed for personal power, glory, aggrandizement, and wealth at public expense. The sense of public morality and civic responsibility had been destroyed by the corruption, follies, and crimes of fascism.

Yet Americans found that the problems of a democratic government anywhere in the world are about the same. The principles of sane public administration apply equally as well in Rome, Italy, as in Rome, Ga.; in Ravenna, Italy, as in Ravenna, Ohio.

Can you picture how difficult and complicated would be the job of being mayor of a city if all food had been taken away, if many citizens, including women and children, had been killed and injured, if there were no medical supplies, no vehicles, if there were unburied dead in the street, if the electric-light plant, water works, and the gas works had been destroyed, if public services and factories had been ruined, if public buildings and many homes had been demolished, if jails and prisons had been opened and prisoners freed, if there were thousands of refugees to be housed, and if the people had lost faith in themselves and their government? That was the situation we found in many Italian cities.

It was the duty of Fifth Army military government officers and soldiers to feed the hungry, restore public utilities, manage governmental affairs, protect the supply lines of the Army, restore industry and maintain order. We had to deal squarely with the problems of Fascists, Nazis, and food. All of the time the main job was to aid the Army as it fought on the beachhead and in the cursed mountain terrain.

Gen. Edgar Erskine Hume throughout all the Italian campaigns was Chief of the Military Government Section of the Fifth Army and earned the respect and affection of our soldiers and the Italian people.

Following the invasion of north Africa, civil affairs officers, many of whom graduated from the famed School of Military Government in Charlottesville, Va., put their training into practice, first in Sicily and then in Italy. Mussolini and other Fascists ran out. We went into Italy by reason of the necessity of war. We went there with a great and victorious army. We governed Italy according to democratic processes and the American way of life.

Throughout all of the campaigns in Italy those serving with the Fifth Army never failed to give the Italians daily bread, as was promised before the Fifth Army landed, and, although the German armies in their retreat perpetrated a well-planned scheme of demolition, American officers and soldiers of the Allied military government worked unceasingly in protecting the museums and works of art and returned to Italian cities many works of art of great value removed by the Fascists. Some of these treasures were recovered at the very frontiers of the country and given back to joyful Italians with the statement that they belonged not to Italy but to civilization.

The Fifth Army, from Gen. Mark W. Clark and his successor, Gen. Lucian K. Truscott, Jr., to the humblest private, throughout the conflict in Italy from the beachhead near Salerno to the final surrender of the German armies in Italy, wrote a chapter of epic proportions in the history of America. The Fifth Army, by its conduct throughout 2 years, demonstrated that a great, triumphant and victorious people can deal tolerantly and fairly with a degraded, though inherently decent people. In fact, the Fifth Army throughout its struggle in Italy gave abundant proof that a democracy can deal justly and fairly with all peoples everywhere in the world. Americans in Italy with the Fifth Army established a governmental structure that will outlive the millions of Americans who left comfortable homes and loved ones in response to a grave national duty, became engulfed in the dirty, heart-breaking maelstrom of war and lived through days and nights when it appeared that the last vestige of decency, kindness, and sanity had disappeared altogether from the face of the earth.

The perils encountered, our unselfish conduct, just dealings, efforts to feed the hungry, to restore essential governmental and utility services in Italian communes, to bring self-respect and confidence to a betrayed, disillusioned, and defeated people—these are all things that Italian people understand and remember. They will not forget.

When the organization of the United Nations is thoroughly functioning to guide the destinies of humanity and to maintain the peace of the world, the good will created by American officers and soldiers of the Fifth Army in Italy will not be the least of its cornerstones. It is a cornerstone of democracy that will endure forever.

Rome was liberated the day before D-day in Normandy. What a 48-hour period in the history of the world.

President Roosevelt, in his State of the Union address delivered on January 6, 1944, said:

> Extensive operations in western Europe have overshadowed in the public mind the less spectcular but important Italian front. Its place in the strategic conduct of the war in Europe has been obscured and, by some people, unfortunately underrated. It is important that any misconception on that score be corrected—now.
>
> What the Allied forces in Italy are doing is a well-considered part of our strategy in Europe now aimed at only one objective—the total defeat of Germany.
>
> These valiant forces in Italy are continuing to keep a substantial portion of the German Army under constant pressure, including some 20 first-line German divisions and necessary supply and transport and replacement troops—all of which our enemy needs so badly elsewhere.
>
> Over difficult terrain, through adverse weather conditions, our Fifth Army reinforced by units from other of the United Nations, have in the past year pushed north through bloody Cassino, the Anzio beachhead and through Rome until they occupy the heights overlooking the Po Valley.
>
> The greatest tribute which can be paid to the courage and fighting ability of these splendid soldiers in Italy is to point out that although their strength is about equal to that of the Germans they oppose, the Allies have been continuously on the offensive. That pressure and that offensive by our troops in Italy will continue. The American people and every soldier now fighting in the Apennines should remember that the Italian front has not lost any of the importance which it had in the days when it was the only Allied front in Europe.

It is of interest to note that Members of this Congress made distinguished records in Italy with the Fifth Army. I refer in particular to my colleague from Ohio, Congressman JOHN MCSWEENEY, my colleague from Colorado, Congressman JOHN A. CARROLL, both of whom served with distinction in World War I, and to Senators ROBERT C. HENDRICKSON, of New Jersey, and Senator HARRY P. CAIN, of Washington.

June 5, 1949, marking the fifth anniversary of the entry of the Fifth Army into Rome, should be celebrated fittingly by a huge outpouring of people, by the public appearance in Rome of American officials, and by appropriate ceremonies not only in Rome but also here in America to bring home to the peoples of the world that the power, intelligence, and leadership of America now, as in 1944, is dedicated to liberate oppressed peoples and to restore to them contentment, security, peace, and simple dignity as creatures of God.

World War II left us the most powerful nation on earth and with that power goes a responsibility we will not ignore.

Mr. McSWEENEY. Mr. Speaker, will the gentleman yield?

Mr. YOUNG. I yield to the distinguished gentleman from Ohio [Mr. McSWEENEY], who not only served in Italy, first as a major and later as a lieutenant colonel of the Fifth Army, but who also served overseas in France in World War I, and who was wounded in combat in that war.

Mr. McSWEENEY. I thank the gentleman. I merely wanted to say to my colleagues and comrades here that I thought it was well for you who also served in both wars, to call attention to

the fact that the Italian campaign has been in many ways forgotten. We, who had the honor of serving with you, during your distinguished service over there, are glad that you have brought this to the attention of the House. I thank the gentleman again for yielding to me.

Mr. YOUNG. I thank my colleague for his contribution.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. LOVRE (at the request of Mr. HALLECK), for an indefinite time, on account of illness in family.

ADJOURNMENT

Mr. MORRIS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 3 minutes p. m.) the House adjourned until tomorrow, Wednesday, April 6, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

500. Under clause 2 of rule XXIV, a letter from the Archivist of the United States, transmitting a report of the Archivist of the United States on records proposed for disposal in accordance with the provisions of the act approved July 7, 1943 (57 Stat. 380), as amended by the act approved July 6, 1945 (59 Stat. 434), was taken from the Speaker's table and referred to the Committee on House Administration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ROONEY: Committee on Appropriations. H. R. 4016. A bill making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1950, and for other purposes; without amendment (Rept. No. 386). Referred to the Committee of the Whole House on the State of the Union.

Mr. ABERNETHY: Committee on the District of Columbia. H. R. 2886. A bill to provide for the killing of starlings in the District of Columbia; without amendment (Rept. No. 387). Referred to the House Calendar.

Mr. MORRIS: Committee on Public Lands. H. R. 1753. A bill to authorize the sale of certain Indian lands situated in Duchesne and Randlett, Utah, and in and adjacent to Myton, Utah; with amendments (Rept. No. 388). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Expenditures in the Executive Departments. H. R. 3005. A bill to regulate subsistence expenses and mileage allowances of civilian officers and employees of the Government; with an amendment (Rept. No. 389). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H. R. 3615. A bill to promote the settlement and development of the Territory of Alaska by facilitating the construction of necessary housing therein, and for other purposes; with amendments (Rept. No. 396). Referred to the Committee of the Whole House on the State of the Union.

Mr. ABERNETHY: Committee on the District of Columbia. H. R. 3967. A bill to continue a system of nurseries and nursery schools for the day care of school-age and under-school-age children in the District of Columbia through June 30, 1950; without amendment (Rept. No. 397). Referred to the Committee of the Whole House on the State of the Union.

Mr. ABERNETHY: Committee on the District of Columbia. H. R. 2056. A bill to amend the act entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia," approved February 27, 1929; without amendment (Rept. No. 398). Referred to the House Calendar.

Mr. KENNEDY: Committee on the District of Columbia. H. R. 2104. A bill relating to orders to banks doing business in the District of Columbia to stop payment on negotiable instruments payable from deposits in, or payable at, such banks; without amendment (Rept. No. 399). Referred to the Committee of the Whole House on the State of the Union.

Mr. DELANEY: Committee on Rules. House Resolution 180. Resolution waving point of order on H. R. 4016, a bill making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1950, and for other purposes; without amendment (Rept. No. 400). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FRAZIER: Committee on the Judiciary. H. R. 691. A bill for the relief of Lawrence Fontenot; with an amendment (Rept. No. 390). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 1025. A bill for the relief of Waymon H. Massey; with an amendment (Rept. No. 391). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 1472. A bill for the relief of the Olympic Hotel; without amendment (Rept. No. 392). Referred to the Committee of the Whole House.

Mr. KEATING: Committee on the Judiciary. H. R. 1858. A bill for the relief of John Waipa Wilson; with amendments (Rept. No. 393). Referred to the Committee of the Whole House.

Mr. PETERSON: Committee on Public Lands. H. R. 2931. A bill to provide for the conveyance by the United States to Frank C. Wilson of certain lands formerly owned by him; without amendment (Rept. No. 394). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 3812. A bill for the relief of Myrtle Ruth Osborne, Marion Walts, and Jessie A. Walts; without amendment (Rept. No. 395). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. POULSON:

H. R. 4017. A bill to authorize the upper Marias unit as a part of the Marias division of the Missouri River Basin project, Montana, all-American tunnel route, for irrigation and reclamation, and for other purposes; to the Committee on Public Lands.

By Mr. MILLS:

H. R. 4018. A bill to amend section 313 of the Communications Act of 1934, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. HERLONG:

H. R. 4019. A bill to amend section 313 of the Communications Act of 1934, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. ALLEN of California:

H. R. 4020. A bill repealing the tax on cabarets; to the Committee on Ways and Means.

By Mr. BATTLE:

H. R. 4021. A bill to exempt baby oil and baby powder from the retailers' excise tax on toilet preparations; to the Committee on Ways and Means.

By Mr. BENTSEN:

H. R. 4022. A bill to extend the time for commencing the construction of a toll bridge across the Rio Grande at or near Rio Grande City, Tex., to July 31, 1950; to the Committee on Foreign Affairs.

By Mr. BURKE:

H. R. 4023. A bill to amend the Classification Act of 1923, as amended; to the Committee on Post Office and Civil Service.

By Mr. CURTIS:

H. R. 4024. A bill to ratify and confirm active-duty orders issued by the Army and the Air Force in the case of hospitalized officers, and for other purposes; to the Committee on Armed Services.

By Mr. D'EWART:

H. R. 4025. A bill to transfer control over Indian tribal funds to the Indian tribes; to the Committee on Public Lands.

By Mr. FELLOWS:

H. R. 4026. A bill relating to the exchange of certain private and Federal properties within the authorized boundaries of Arcadia National Park, in the State of Maine, and for other purposes; to the Committee on Public Lands.

By Mr. FURCOLO:

H. R. 4027. A bill for the relief of the city of Chicopee, Mass.; to the Committee on the Judiciary.

By Mr. McSWEENEY:

H. R. 4028. A bill to amend the Natural Gas Act approved June 21, 1938, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. PETERSON:

H. R. 4029. A bill to authorize the Secretary of the Interior to procure for the Everglades National Park with available funds, including those made available by the State of Florida, the remaining lands and interest in lands within the boundary agreed upon between the State of Florida and the Secretary of the Interior, within and a part of that authorized by the act of May 30, 1934 (48 Stat. 816), and within which the State has already donated its lands, and for other purposes; to the Committee on Public Lands.

H. R. 4030. A bill to amend the Public Health Service Act to improve the leprosy situation in the United States, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RANKIN:

H. R. 4031. A bill to authorize the construction of a new post office at Tupelo, Miss.; to the Committee on Public Works.

H. R. 4032. A bill to authorize the construction of a new post office at Iuka, Miss.; to the Committee on Public Works.

By Mr. WILSON of Texas (by request):

H. R. 4033. A bill to amend section 5211 of the Revised Statutes to provide that reports of bank examinations shall detail the interest of the bank in the premises it occupies; to the Committee on Banking and Currency.

By Mr. KEATING:

H. R. 4034. A bill to provide books and sound-reproduction records for certain physically incapacitated persons, and for other purposes; to the Committee on House Administration.

By Mr. KEOGH:

H. R. 4035. A bill to authorize members and certain former members of the armed forces to accept and wear certain decorations tendered them by foreign governments; to the Committee on Armed Services.

By Mr. McCARTHY:

H. R. 4036. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide for payment of annuities to widows of retired employees without reduction in annuities of such employees; to the Committee on Post Office and Civil Service.

By Mr. PETERSON:

H. R. 4037. A bill to extend the time for filing claims under the provisions of Public Law 575, Seventy-ninth Congress (ch. 712, 2d sess.); to the Committee on the Judiciary.

By Mr. TEAGUE:

H. R. 4038. A bill exempting admissions to activities of elementary and secondary schools from the tax on admissions; to the Committee on Ways and Means.

By Mr. PHILBIN:

H. J. Res. 215. Joint resolution to authorize the issuance of a special series of stamps commemorative of the one hundredth anniversary of the settling in New England of the first French-Canadian immigrants; to the Committee on Post Office and Civil Service.

By Mr. CRAWFORD:

H. Res. 178. Resolution to investigate trading in onions; to the Committee on Rules.

By Mrs. NORTON:

H. Res. 179. Resolution providing for the employment of an additional clerk for any Member, Delegate, or the Resident Commissioner from Puerto Rico; to the Committee on House Administration.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Kentucky, memorializing the President and the Congress of the United States to make provision for payment of the exact equivalent of taxes to the State of Kentucky, its counties, and other political subdivisions thereof, whenever the tax base of such taxing units is depleted by withdrawals of lands for the use of Federal agencies; to the Committee on Public Lands.

Also, memorial of the Legislature of the State of Oregon, memorializing the President and the Congress of the United States to enact suitable legislation for the purpose of acknowledging and affirming ownership of submerged lands and resources thereof to the respective States in accordance with the heretofore long-recognized constitutional rights of the States; to the Committee on the Judiciary.

Also, memorial of the Legislature of the Territory of Hawaii, requesting the initiation of a survey of the possibilities of the construction of a breakwater at Keauhou Bay, North Kona, County of Hawaii, T. H.; to the Committee on Public Works.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CELLER:

H. R. 4039. A bill for the relief of Michael Loiacono; to the Committee on the Judiciary.

By Mr. CHESNEY:

H. R. 4040. A bill for the relief of Agnes Tarjani; to the Committee on the Judiciary.

By Mr. JOHNSON:

H. R. 4041. A bill for the relief of Parish Bros.; to the Committee on the Judiciary.

By Mr. KEOGH:

H. R. 4042. A bill for the relief of Konstantinos Yannopoulos; to the Committee on the Judiciary.

By Mr. LOVRE:

H. R. 4043. A bill for the relief of Ernest Christensen and Anna Christensen; to the Committee on the Judiciary.

By Mr. MITCHELL:

H. R. 4044. A bill for the relief of Maj. Don B. Conley; to the Committee on the Judiciary.

By Mr. STEFAN:

H. R. 4045. A bill for the relief of Katherine L. Anderson, a civil-service employee, permanently injured through negligent treatment at the Army Advisory Group Station Hospital in Nanking, China; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

477. By Mr. ELSTON: Petition of Edward E. Tessel and other residents of Cincinnati, Ohio, urging Congress to repeal the 20-percent excise tax on toilet goods; to the Committee on Ways and Means.

478. Also, petition of R. L. Puls and other residents of Norwood, Ohio, urging Congress to repeal the 20-percent excise tax on toilet goods; to the Committee on Ways and Means.

479. By Mr. HART: Petition adopted by Sigmund Szczylinski Post, No. 7123, Veterans of Foreign Wars of the United States, memorializing the Congress of the United States to pass and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in Congress; to the Committee on the Judiciary.

480. By Mr. HORAN: Petition of H. A. Mackenstadt and 39 other residents of Spokane, Wash., urging repeal of the 20-percent excise tax on toilet goods; to the committee on Ways and Means.

481. Also, petition of Mr. and Mrs. H. L. James and 38 other residents of Spokane, Wash., urging repeal of the 20-percent excise tax on toilet goods; to the Committee on Ways and Means.

482. By Mr. NORBLAD: Memorial of the Forty-fifth Legislative Assembly of the State of Oregon, urging the Congress to further consider and enact suitable legislation for the purpose of acknowledging and affirming ownership of submerged lands and resources thereof to the respective States in accordance with the heretofore long-recognized constitutional rights of the States; to the Committee on the Judiciary.

483. By the SPEAKER: Petition of LaVerne H. Brucker, president, Eighth District Dental Society, Buffalo, N. Y., stating opposition to the enactment of any legislation containing the principle of compulsory health insurance; to the Committee on Interstate and Foreign Commerce.

484. Also, petition of A. Vander Veer 2d, M. D., Medical Society of the County of Albany, Albany, N. Y., stating that members of the Albany County Medical Society and members of the doctors of medicine in Albany County hereby renew their pledge to protect and improve the health of that area and making known their opposition to any attempt to impose socialized medicine upon the people; to the Committee on Interstate and Foreign Commerce.

485. Also, petition of Leo W. Crowder, secretary-treasurer, Fort Worth District Dental Society, Fort Worth, Tex., stating opposition to the enactment of any legislation containing the principle of compulsory health insurance; to the Committee on Interstate and Foreign Commerce.

486. Also, petition of Herbert D. Beck, Association of Municipalities of Palm Beach County, Belle Glade, Fla., requesting the reduction or abolition of the Federal tax on amusement admissions; to the Committee on Ways and Means.

487. Also, petition of Buddy Hays and others, Orlando, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

488. Also, petition of Horace M. Lewis and others, Tampa, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

489. Also, petition of Mrs. Jane M. Winter and others, Orlando, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

490. Also, petition of Mrs. Nettie R. Austin and others, Miami, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

491. Also, petition of T. G. Kinney, and others, Orlando, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

492. Also, petition of C. V. Decker and others, Longwood, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

493. Also, petition of F. G. Newhart and others, Orlando, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

494. Also, petition of C. F. Bloodworth and others, Wauchula, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

495. Also, petition of W. Kroll and others, Orlando, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

496. Also, petition of Mrs. F. J. Langford and others, Orlando, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

497. Also, petition of Flora H. Newton and others, Tampa, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

498. Also, petition of Charles Gonzalez and others, Tampa, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

499. Also, petition of G. K. Andeen and others, Miami, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

500. Also, petition of Mrs. C. M. Cartledge and others, West Palm Beach, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

501. Also, petition of Ella Adams and others, Boynton Beach, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

502. Also, petition of Frances Carey and others, Miami, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

SENATE

WEDNESDAY, APRIL 6, 1949

(Legislative day of Friday, March 18, 1949)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Rev. Bernard Braskamp, D. D., pastor of the Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Almighty God, we are again coming unto Thee with many needs. We have one special petition. We pray that Thou wilt grant unto us a clear vision and a vivid sense of the noble things which are possible for us to achieve. We feel that these are the marks of statesmanship.

May we believe that it is possible to find the right solution to our most difficult problems; that it is possible for the members of the human family to live together as brothers; that it is possible, even in our day, to have peace and good will among men.

Help us to lay hold of the glorious assurance that with God all things are possible. May we know that the prospects for the achievement of the possible are as bright as the promises of God. When we are frustrated and baffled may we not allow our spirit to surrender to despair and defeatism. May we ponder the inspired words of warning:

"The sin I impute to each frustrate ghost is the unlit lamp and the ungirt loin."

Hear us in Christ's name. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, April 5, 1949, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 52. An act for the relief of Nevada County, Calif.;

H. R. 569. An act for the relief of C. M. Smart;

H. R. 603. An act for the relief of Jeptha R. Macfarlane;

H. R. 631. An act for the relief of Mrs. Dorothy Vicencio;

H. R. 636. An act for the relief of B. G. Jones;

H. R. 639. An act for the relief of Mark B. Craig and others;

H. R. 688. An act for the relief of John P. Reilly;

H. R. 692. An act for the relief of Joseph Thompson;

H. R. 718. An act for the relief of Gertrude O. Yerxa, Mrs. G. Olive Yerxa, and Dr. Charles W. Yerxa;

H. R. 737. An act for the relief of Sam Patterson;

H. R. 738. An act for the relief of the estate of Mrs. Minerva C. Davis;

H. R. 750. An act for the relief of Lee F. Bertuccioli;

H. R. 761. An act for the relief of Catherine S. Tremayne and A. I. Lang;

H. R. 807. An act for the relief of Chattooga County, Ga.;

H. R. 1011. An act for the relief of the Pearl Assurance Co., Ltd., and the Bankers & Shippers Insurance Co.;

H. R. 1029. An act authorizing the Secretary of the Interior to issue a patent in fee to Howard C. Heckenlively;

H. R. 1030. An act authorizing the Secretary of the Interior to issue a patent in fee to Francis Howe;

H. R. 1037. An act for the relief of Samuel Ensler and Louis Puccinelli;

H. R. 1053. An act for the relief of Frank O. Ward;

H. R. 1058. An act for the relief of Frederick W. Lass;

H. R. 1062. An act for the relief of Lorrayne E. Graus;

H. R. 1109. An act authorizing the Secretary of the Interior to issue a patent in fee to Phena M. Anderson;

H. R. 1113. An act for the relief of James A. Stapleton, Ruth Burk, and Mildred Ovren, copartners doing business under the name and style of Stapleton Lumber & Piling Co.;

H. R. 1131. An act for the relief of James Fred Girdley and Percy Bridgewater;

H. R. 1281. An act authorizing the Secretary of the Interior to issue a patent in fee to Leslie Paul Schroeder;

H. R. 1288. An act for the relief of certain officers and members of the crew of the steamship *Taiyuan*;

H. R. 1461. An act for the relief of the L. J. Houze Convex Glass Co.;

H. R. 1467. An act for the relief of Thomas O. Troth;

H. R. 1468. An act for the relief of Mrs. Anna Smolowitz and Mrs. Sylvia D'Arpe;

H. R. 1497. An act for the relief of Ralph A. Wood;

H. R. 1874. An act for the relief of John W. Mahoney, Charles Sorenson, Charles A. Stewart, and Stanley Thiffault;

H. R. 1875. An act for the relief of Peter E. Koiesnikoff;

H. R. 1976. An act to authorize the sale of certain allotted inherited land on the Flathead Indian Reservation, Mont.;

H. R. 2069. An act for the relief of Alton Bramer;

H. R. 2078. An act for the relief of Winston A. Brownie;

H. R. 2249. An act for the relief of Al W. Hosinski;

H. R. 2353. An act for the relief of Joel W. Atkinson;

H. R. 2360. An act for the relief of Theodore Papachristopoulos;

H. R. 2710. An act for the relief of Emma Armstrong;

H. R. 2935. An act for the relief of Mrs. Benjamin Betts;

H. R. 3311. An act for the relief of Carmen Morales, Aida Morales, and Lydia Cortes;

H. R. 3313. An act for the relief of the estate of the late Manuel Graulau Velez;

H. R. 3323. An act for the relief of the estate of Rafael Rebollo;

H. R. 3324. An act for the relief of the estate of the late Anastacio Acosta, and the estate of Domingo Acosta Arizmendi;

H. R. 3534. An act for the relief of Eleanor P. Simmonds, as administratrix of the estate of Norman B. Simmonds, deceased;

H. R. 3603. An act for the relief of Michael Palazotta;

H. R. 3620. An act for the relief of Leslie A. Harber;

H. R. 3663. An act for the relief of Lawrence Reves;

H. R. 3727. An act for the relief of the Marden Construction Co., Inc.;

H. R. 3997. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1950, and for other purposes; and

H. J. Res. 212. Joint resolution authorizing appropriations to the Federal Security Administrator in addition to those authorized under title V, part 2, of the Social Security Act, as amended, to provide for meeting emergency needs of crippled children during the fiscal year ending June 30, 1949.

REQUEST FOR COMMITTEE MEETING DURING SENATE SESSION

Mr. LUCAS. Mr. President, I am about to make another request at this time, and I will say to the minority leader, or any other Senator, that if no objection is raised now, and objection is raised later, after the quorum call, I shall be glad to have the request reconsidered and permit the objection to apply.

A subcommittee of the Committee on the Judiciary is having a very important meeting, and the members are very anxious to continue the hearings they are now holding, I ask unanimous consent that the subcommittee of the Committee on the Judiciary be permitted to sit during the session of the Senate today.

Mr. DONNELL. Mr. President——

The VICE PRESIDENT. Is there objection?

Mr. WHERRY. Mr. President——

The VICE PRESIDENT. Is the Senator from Missouri reserving the right to object?

Mr. WHERRY. Will the Senator from Illinois yield to me?

Mr. LUCAS. I yield to the Senator from Nebraska.

Mr. WHERRY. I ask the majority leader if he will not again make the request after a quorum call has been had. I believe that would be the time to raise the question, because after the quorum call, each Senator would have a right to express his opinion if he did not want to give unanimous consent.

Mr. LUCAS. My only reason for making the request now is that if it is granted the Senators involved will be able to be counted on the quorum call.

Mr. WHERRY. I understand the purpose, and I am in complete sympathy with having a quorum call. On the other hand, two or three Senators have asked me not to grant unanimous consent unless a quorum call has been had. So I respectfully submit to the majority leader that if he will make the request after the quorum call has been had, he may get the unanimous consent. Otherwise I shall be forced to object.

Mr. LUCAS. If the Senator is going to interpose an objection, there is nothing I can do about it.

Mr. WHERRY. I should be forced to object at this time.

Mr. DONNELL. Mr. President——

Mr. LUCAS. I yield to the Senator from Missouri.

Mr. DONNELL. Mr. President, is it the present intention of the Senator, before the request is made or acted upon, to ask for a quorum call?

Mr. LUCAS. I am going to do that in view of the statement by the Senator from Nebraska.

Mr. DONNELL. Then, I reserve any statement I may wish to make until the quorum call is had.

Mr. LUCAS. I suggest the absence of a quorum.

PROCEDURE ON QUORUM CALLS

The VICE PRESIDENT. Before the quorum call is had, the Chair would like to state that yesterday he suggested a

modification of the previous ruling in regard to Members of the Senate who are attending committee meetings, where the consent of the Senate has been granted for such meetings, having their names put on the roll, not to make a quorum, but as being present. I think the Chair failed to qualify the statement by adding that that cannot be retroactive, and it cannot apply to committees which are in session without the consent of the Senate. It can apply only to those cases where the Senate has given its consent, and after the consent is given, and not before.

Mr. DONNELL. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. DONNELL. Is it the intention of the Chair to rule, or does he now rule, that if a quorum is present and Senators over and above a sufficient number to make a quorum are in attendance upon committee meetings, they are to be placed upon the roll notwithstanding their absence physically from this Chamber?

The VICE PRESIDENT. The Chair felt that that was a reasonable proposition, where the Senate had itself given the committees authority to meet while the Senate was in session. The Chair does not contend that that is in accordance with the rule, because it is not. However, in view of the practice and habit that has grown up over a period of years, when the rule was violated in regard to the matter of Senators being on the roll, the Chair felt that was a reasonable modification of the rigidity of his original observation on the subject. The Chair is not contending for a moment that it is in accordance with the rule, for it is not.

Mr. DONNELL. I understood the Chair took the view which he has mentioned, but the particular question to which I should like to have the Chair's response, if possible at this moment, is whether or not it is his intention to rule, and is he now ruling, that if a quorum is present physically, other Senators, in addition to those on the quorum call, who are in attendance upon a committee, may have their names upon the roll, even though they are not physically present.

The VICE PRESIDENT. That was the intention of the Chair's ruling, although the Chair himself thinks that the appropriate method would be for the chairman of such a committee, or its clerk, to send a list of the Senators in attendance at such committee meeting, and have announcement made that they are in attendance, and for that reason are not in the Chamber and answering to their names.

There seems to be among Senators some virtue, in their own opinions, at least, in getting their names on the list before instead of having their names announced immediately after the roll call is over. This is all tentative. The Chair does not know how it is going to work out. It is, in a way, a matter of trial and error, and the Chair is afraid it is mostly error.

Mr. DONNELL. So that there may be no misapprehension as to whether I am consenting or waiving my point, I desire to make it clear at this time that I object to any ruling by which any Senator shall be noted as present unless he is physically in the Chamber at the time of the roll call.

The VICE PRESIDENT. The Chair may have to reach a conclusion that an objection would prevent that from happening, because it is something that comes about more or less by unanimous consent, and the Chair doubts whether the Senate by a motion could authorize that that be done. It does not take unanimous consent to give the Senate's approval to committee meetings while it is in session; that may be done by motion, by majority vote.

Mr. DONNELL. I agree.

The VICE PRESIDENT. But it has been done so far by unanimous consent of the Senate.

Mr. LUCAS. Mr. President, of course what the distinguished Vice President is doing is really getting away from a long-time precedent of the Senate according to which Senators who subsequently come into the Chamber, whether they have been in attendance on a committee or not, have their names placed upon the roll call. Up to this time since I have been a Member of the Senate, I have heard no objection to that practice. But now when the distinguished Vice President is attempting to live up to the letter of the rule, but makes a slight modification of his previous ruling in order to accommodate Senators, we find Senators objecting. We find them wanting to live up to the letter and the spirit of the rule which exists at the present time.

I might say to my friend from Missouri that we are now attempting to work out and have presented for the consideration of the Senate a rule which will take care of the slight confusion which has risen as the result of the strict, rigid enforcement by the Vice President of the present rule. In the meantime, the only thing the Senator from Illinois has been attempting to do with respect to unanimous-consent requests is to enable committees to proceed with the business which is before them, and at the same time give the members of such committees who are in attendance upon the business of the committees, the opportunity and the right, to which I think they are entitled, at least to have it shown in the RECORD that they are attending committee meetings. The RECORD should show that they are in attendance at a committee meeting, whether their names appear on the quorum call or not.

Mr. FLANDERS. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Vermont?

Mr. LUCAS. I yield.

Mr. FLANDERS. With respect to Senators who are absent by permission of the Senate I should like to inquire of the Senator from Missouri whether it might not be perfectly proper, not to list them as present, but immediately after the record of the roll call is made to announce that such and such Senators are absent by permission of the Senate? It would seem as though that simple entry in the RECORD would serve the purpose, without placing the names of such absent Senators on the roll call.

Mr. LUCAS. Mr. President, in view of the fact that objection is going to be made continuously to the ruling of the Vice President upon this matter, it seems to me the only way we can handle it is to bring in a new rule, a subject to which we are now giving serious consideration, and probably such a rule would be adopted by the Senate. The only thing the Senator from Illinois is trying to do in the meantime is to permit the usual course to be followed until such a rule can be adopted by the Senate. I do not think it is a very serious breach of the rule to follow the Vice President's ruling, in view of the fact that all these years we have permitted Senators by the score to have their names added to the roll call, and no one has ever made any objection to it.

Mr. WHERRY. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. Yes. I am glad to yield to the Senator from Nebraska.

Mr. WHERRY. I want the distinguished majority leader to know that, prior to a quorum call, I would be forced to make objection to unanimous-consent requests for permission for committees to meet during the session of the Senate. I suggest the Senator wait until after we have a quorum call, and then if he will present his request for unanimous consent that the subcommittee of the Committee on the Judiciary may sit during the session of the Senate, so far as I am concerned I shall make no objection. I will not be a bit surprised if such a request is granted.

So far as the rules are concerned, I attempted yesterday to state that we might well proceed on a temporary basis until the rules can be changed. I agree with the distinguished Senator that we have arrived at an impasse in the Senate, and we should cooperate to expedite the work of the Senate. But I think a proper effort is now being made to bring about a necessary change in the rules.

The VICE PRESIDENT. The Chair dislikes to bring this matter up every time the Senate convenes, in connection with the calling of the roll, but the Chair feels that it is essential that some understanding be reached about the matter. The Chair, of course, wishes to carry out the will of the Senate in this matter and at the same time comply with the rules. The Chair hopes a rule can be brought forward and adopted which will clarify the matter and protect the rights of all Senators. Undoubtedly a Senator who is attending a committee which is in session by order of or with the consent of the Senate has a greater moral right to be recorded as present than a Senator who is in his office or downtown at a Government department, or elsewhere. There should be some way to work out that problem.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Holland	Miller
Brewster	Humphrey	Mundt
Bricker	Ives	Murray
Bridges	Jenner	Myers
Cain	Johnson, Colo.	O'Conor
Capehart	Johnson, Tex.	Pepper
Chavez	Kefauver	Reed
Connally	Kem	Robertson
Donnell	Kilgore	Schoeppel
Ellender	Langer	Smith, Maine
Ferguson	Long	Sparkman
Flanders	Lucas	Stennis
Frear	McCarran	Taft
Fulbright	McClellan	Taylor
George	McFarland	Thomas, Okla.
Green	McGrath	Thye
Gurney	McKellar	Tobey
Hayden	McMahon	Vandenberg
Hendrickson	Magnuson	Wherry
Hickenlooper	Malone	Williams
Hill	Martin	Withers
Hoey	Maybank	Young

Mr. MYERS. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Virginia [Mr. BYRD], the Senator from Kentucky [Mr. CHAPMAN], the Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND], the Senators from Wyoming [Mr. HUNT and Mr. O'MAHONEY], the Senator from Oklahoma [Mr. KERR], the Senator from West Virginia [Mr. NEELY], the Senator from Utah [Mr. THOMAS], and the Senator from Maryland [Mr. TYDINGS] are detained on official business in meetings of committees of the Senate.

The Senator from California [Mr. DOWNEY], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Iowa [Mr. GILLETTE], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Georgia [Mr. RUSSELL] are absent on public business.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

Mr. WHERRY. I announce that the Senator from New Jersey [Mr. SMITH] is absent because of illness.

The Senator from Connecticut [Mr. BALDWIN], the Senator from California [Mr. KNOWLAND], and the Senator from Massachusetts [Mr. SALTONSTALL] are in attendance at a meeting of the Committee on Armed Services.

The Senator from Nebraska [Mr. BUTLER], the Senator from Oregon [Mr. CORDON], the Senator from Colorado [Mr. MILLIKIN], and the Senator from Utah [Mr. WATKINS] are in attendance at a meeting of the Subcommittee on Interior and Insular Affairs considering the nomination of Governor Gruening.

The Senator from Montana [Mr. ECTON], the Senator from Massachusetts [Mr. LODGE], the junior Senator from Wisconsin [Mr. MCCARTHY], the Senator from Oregon [Mr. MORSE], the senior Senator from Wisconsin [Mr. WILEY] are detained on official committee business.

Subsequently, during the delivery of Mr. MAGNUSON'S speech,

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. O'MAHONEY. Mr. President, when the quorum call was had at the beginning of the session today, the Committee on Interior and Insular Affairs, by unanimous consent of the Senate, was in session. The following members of the committee were in attendance: The Senator from New Mexico [Mr. ANDERSON], the Senator from Oklahoma [Mr. KERR], the Senator from Nebraska [Mr. BUTLER], the Senator from Colorado [Mr. MILLIKIN], the Senator from Oregon [Mr. CORDON], the Senator from Montana [Mr. ECTON], the Senator from Utah [Mr. WATKINS], and the Senator from Wyoming [Mr. O'MAHONEY]. I ask unanimous consent that this announcement may be printed in the RECORD immediately following the quorum call.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. DONNELL. Mr. President, reserving the right to object, let me inquire of the Senator from Wyoming whether he asks that the names of the Senators he has just read be placed upon the quorum call.

Mr. O'MAHONEY. I do not. I merely ask that the announcement I have just made of their presence at the committee meeting, which was held by unanimous consent of the Senate, may be printed in the RECORD immediately following the quorum call.

Mr. DONNELL. Mr. President, not only do I have no objection, but I think it is very commendable that the Senator from Wyoming requests to have that done.

Mr. TYDINGS. Mr. President, reserving the right to object, I should like to ask the Senator from Wyoming if he would object to having added to his unanimous-consent request a statement that the Committee on Armed Services was meeting during the quorum call, and that we had present at that meeting the Senator from Virginia [Mr. BYRD], the Senator from Kentucky [Mr. CHAPMAN], the Senator from Wyoming [Mr. HUNT], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Connecticut [Mr. BALDWIN], the Senator from California [Mr. KNOWLAND], and the Senator from Maryland [Mr. TYDINGS]. That committee was meeting by leave of the Senate. I ask only that the same announcement be made as to them as is encompassed in the request of the Senator from Wyoming.

Mr. DONNELL. Mr. President, reserving the right to object, let me ask the Senator from Maryland whether he is requesting that the names he has stated be included in the quorum call as if those Senators were actually present at that time.

Mr. TYDINGS. No; I read the names of the Senators who were present at that committee meeting, only in connection with the request which has been made by the Senator from Wyoming.

Mr. DONNELL. Then, Mr. President, I have no objection.

The VICE PRESIDENT. Without objection, the names which have been stated will be printed in the RECORD immediately following the quorum call, as requested by the Senator from Wyoming and the Senator from Maryland.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. MAGNUSON. Mr. President, I have the floor, I believe.

Mr. BRIDGES. I merely wish to ask what committees now are meeting by unanimous consent of the Senate.

Mr. MAGNUSON. I yield for that purpose.

The VICE PRESIDENT. The Chair would state to the Senator from Washington that he cannot yield for that purpose. As a matter of fact, under the rules, he did not have a right to yield to either of the two other Senators, for the purpose of permitting them to make the announcements they made. Certainly we must draw the line somewhere in the matter of yielding. The question the Senator from New Hampshire has in mind should be presented later.

However, if the Senator from Washington will permit, the Chair will state that, following inquiry of the clerk, the Chair is informed that the Appropriations Committee and a subcommittee of the Committee on the Judiciary are the two committees which, by unanimous consent of the Senate, have the right to meet today during the session of the Senate.

Mr. DONNELL. Mr. President, let me inquire whether the subcommittee of the Judiciary Committee to which the Chair has referred is the subcommittee which is considering Senate bill 595.

The VICE PRESIDENT. It is.

A quorum of Senators being present, the Senate will proceed to the consideration of the pending question, which is the amendment offered by the Senator from Arkansas [Mr. FULBRIGHT], as modified.

COMMITTEE MEETINGS DURING SESSION OF THE SENATE

Mr. MCCARRAN. Mr. President, I ask unanimous consent that the Judiciary Committee, or any subcommittee thereof, may meet this afternoon while the Senate is in session.

The VICE PRESIDENT. Is there objection?

Mr. DONNELL. Mr. President, reserving the right to object, will the Senator yield for a question?

Mr. MCCARRAN. I yield.

Mr. DONNELL. Does that request involve a request that any member of the subcommittee or of the full committee who is not physically present in the Senate Chamber be counted as being present in the event of a roll call?

Mr. MCCARRAN. I have arranged that the meetings shall be held in the Appropriations Committee rooms, so that when, as, and if there may be a call of any kind, any member of the committee may respond to the call.

Mr. DONNELL. Further reserving the right to object, may I ask the Senator if I am correct in understanding that the request which the Senator has just made of the Senate for permission to meet this afternoon, both as to the subcommittee and the committee, does not involve or contain any request that any member of the committee or subcommittee shall be counted upon a roll call as present in the Senate unless he is physically present?

Mr. MCCARRAN. I do not make such a request.

The VICE PRESIDENT. Is there objection to the request of the Senator from Nevada? The Chair hears none, and it is so ordered.

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Members of the Senate be permitted to insert in the RECORD routine matters without debate, as though we were in the morning hour, and without jeopardizing the parliamentary situation.

The VICE PRESIDENT. Is there objection to the request of the Senator from Illinois that Senators be permitted to present routine matters without debate, and without jeopardizing the parliamentary situation? The Chair hears none, and it is so ordered.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the General Assembly of the Commonwealth of Kentucky; to the Committee on Labor and Public Welfare:

"Senate Resolution 9

"Joint resolution memorializing the Congress of the United States to extend the expiration date of the Servicemen's Readjustment Act of 1944 insofar as it applies to unemployment readjustment allowances

"Whereas title V of the Servicemen's Readjustment Act of 1944, making provision for unemployment readjustment allowances for war veterans, will expire on July 1, 1949; and

"Whereas by virtue of the fact that war veterans have little or no seniority credit in employment, they are the first to be laid off and the last to be reemployed; and

"Whereas during the time the readjustment allowances have been available, there has been a period of high productivity and full employment such as to remove any material need for the readjustment allowances, but it appears that the economy of our Nation is now entering into a period of regression, lower productivity, and substantial unemployment: Now, therefore, be it

"Resolved by the General Assembly of the Commonwealth of Kentucky:

"1. That the Congress of the United States be and it hereby is urged and solicited to enact such legislation as may be necessary to extend to July 1, 1950, the expiration date of title V of the Servicemen's Readjustment Act of 1944.

"2. The clerk of the Senate of the Kentucky General Assembly is hereby directed to forward copies of this resolution forthwith to the clerks of the respective Houses of the Congress of the United States, and to each Senator and Representative in Congress from Kentucky."

By Mr. MAGNUSON:

A joint resolution of the Legislature of the State of Washington; to the Committee on Interior and Insular Affairs:

"House Joint Memorial 7

"To the Honorable Harry S. Truman, President of the United States, and to the Senate and House of Representatives of the United States of America in Congress assembled:

"We, your memorialists, the Senate and the House of Representatives of the State of Washington, in legislative session assembled, most respectfully petition as follows:

"Whereas the United States of America has acquired, is now acquiring, and plans to acquire, large areas of land within the State of Washington; and

"Whereas present laws do not enable the various acquiring agencies of the United States of America to pay to public bodies and political subdivisions of the State of Washington compensation for the damages indirectly resulting from such acquisition; and

"Whereas large acquisitions of land within the State have reduced the tax base for real property taxes in some areas in the State to such an extent that it is no longer possible for such areas to adequately finance their operations; and

"Whereas portions of some irrigation districts are being acquired, with the result that such districts are being reduced in size and being made uneconomic by reason thereof: Now, therefore, be it

"Resolved, That we, the Senate and House of Representatives of the State of Washington, do hereby respectfully memorialize and petition the President of the United States and the Congress of the United States to enact and approve at the earliest moment legislation enabling and authorizing acquiring agencies of the United States of America to pay to political subdivisions of the State of Washington and other States in the United States compensation for damages indirectly occasioned by the acquisition of real estate within the boundaries of such local political subdivisions, including authorization for payments in lieu of taxes and payments in lieu of assessments, and authorizing lump-sum payments to such political subdivisions, in lieu of annual payments, in lieu of taxes or assessments; and be it further

"Resolved, That copies of this memorial be immediately transmitted to the Honorable Harry S. Truman, President of the United States, and the Secretary of the United States Senate, and the Clerk of the United States House of Representatives, and to each Member of the Congress from the State of Washington.

"Passed the house January 21, 1949.

"CHAS. W. HODDE,
"Speaker of the House.

"Passed the senate February 16, 1949.

"VICTOR A. MEYERS,
"President of the Senate."

GENERAL PULASKI'S MEMORIAL DAY—RESOLUTION OF COMMON COUNCIL OF YONKERS, N. Y.

Mr. McGRATH. Mr. President, at the request of the Senator from New York [Mr. WAGNER], I present for appropriate reference and ask unanimous consent to have printed in the RECORD a resolution adopted by the Common Council of the City of Yonkers, N. Y., memorializing the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution designating October 11 of each year as General Pulaski's Memorial Day.

There being no objection, the resolution was referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Resolution 117

Resolution memorializing the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in Congress

Whereas a resolution providing for the President of the United States of America to proclaim October 11 of each year as General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski is now pending in the present session of the United States Congress; and

Whereas the 11th day of October 1779 is the date in American history of the heroic death of Brig. Gen. Casimir Pulaski, who died from wounds received on October 9, 1779, at the siege of Savannah, Ga.; and

Whereas the States of Arkansas, California, Connecticut, Delaware, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, Nevada, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, West Virginia, Wisconsin, and other States of the Union, through legislative enactment designated October 11 of each year as General Pulaski's Memorial Day; and

Whereas it is fitting that the recurring anniversary of this day be commemorated with suitable patriotic and public exercises in observing and commemorating the heroic death of this great American hero of the Revolutionary War; and

Whereas the Congress of the United States of America has by legislative enactment designated from October 11, 1929, to October 11, 1946, to be General Pulaski's Memorial Day in United States of America: Now, therefore, be it

Resolved by the Common Council of the City of Yonkers, and State of New York:

SECTION 1. That we hereby memorialize and petition the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in the United States Congress.

SEC. 2. That certified copies of this resolution, properly authenticated, be sent forthwith to the President of the United States, the Vice President of the United States, and each of the United States Senators and Representatives from New York.

REIMBURSEMENT IN LIEU OF TAXES TO CERTAIN GOVERNMENTAL SUBDIVISIONS—RESOLUTIONS OF BOARD OF COMMISSIONERS OF RAMSEY COUNTY, MINN.

Mr. HUMPHREY. Mr. President, I present for appropriate reference resolutions adopted by the Board of County Commissoners of Ramsey County, Minn., on March 28, 1949, favoring the enactment of House bill 1356, requiring that the Federal Government make payments in lieu of taxes to governmental subdivisions, within which there is located Federal property now exempt from taxes, and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the resolutions were referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

BOARD OF RAMSEY COUNTY COMMISSIONERS, STATE OF MINNESOTA,
St. Paul, Minn.

OFFICE OF COUNTY AUDITOR,
Ramsey County, Minn., ss:

I, James D. Swan, Jr., duly appointed and qualified deputy county auditor in and for Ramsey County, Minn., do hereby certify that the following is a true and correct excerpt from the minutes of the meeting of the board of county commissioners held on March 28, 1949:

"Consideration was given to a notice from H. T. O'Connell, city clerk, that the city council had adopted a resolution approving a bill known as the Engle bill (H. R. 1356), which would require that the Federal Government make payments in lieu of taxes to governmental subdivisions within which there is located Federal property now exempt from taxes. Also enclosed was a letter to the council from Hilary J. Flynn, director of the council investigation and research bureau, pointing out that the assesor's records show

that the true and full value of Federal-owned property in St. Paul is $4,984,025, whereas the true and full value of taxable property is $346,779,298; and in rural Ramsey County the United States of America owns property having a full and true value of $25,657,945, whereas the true and full value of taxable property is $37,935,946.

"Commissioner Burke moved, seconded by Commissioner Jansen, that the Board of Ramsey County Commisioners approve the passage of the Engle bill (H. R. 1356), which would require the Federal Government to make payments in lieu of taxes to governmental subdivisions within which there is located Federal property now exempt from taxation, and that the Senators and Representatives from this district be notified of this action; further, that the board authorize the payment of $25 to the National Association of County Officials to cover the cost of providing the board with a legislative reporting service of information on all actions in Congress affecting county interests. Roll call: Ayes 6, nays 0. (1222.)"

Dated at St. Paul, Minn., this 30th day of March 1949.

JAMES D. SWAN, Jr.,
Deputy County Auditor.

RESOLUTIONS OF UNITED STATES CONFERENCE OF MAYORS

Mr. HUMPHREY. Mr. President, I present for appropriate reference resolutions adopted by the 1949 meeting of the United States Conference of Mayors, in Washington, D. C., on March 23, and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the resolutions were referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

1949 ANNUAL CONFERENCE RESOLUTIONS

JOINT CONGRESSIONAL TAX COMMISSION

Resolved, That the 1949 Annual Conference of the United States Conference of Mayors petitioned the Congress to establish a Joint Congressional Tax Commission, the membership of which would consist of Members of the House and Senate, and official representatives of Federal departments, the States, and the cities, for the purpose of making a Nation-wide survey of the existing Federal, State, and local tax structure as a basis for the formulation of recommendations for eliminations of tax conflicts, coordination of revenues, division of tax revenues, and allocation of proceeds as between the Federal Government, the 48 States and the cities.

HOUSING AND SLUM CLEARANCE

Resolved, That the 1949 Annual Conference of the United States Conference of Mayors urge prompt congressional enactment of the pending slum clearance and housing bill along the lines of the measure approved by the Senate Committee on Banking and Currency. The conference will urge the sponsors to support certain specific amendments on the floor designed to perfect the pending bill.

STREETS AND HIGHWAY PROGRAM

Resolved by the 1949 Annual Conference of the United States Conference of Mayors, That since the major national highway problem is that resulting from congestion within the larger cities this annual conference petition the Congress to amend the 1944 Federal Aid Highway Act to provide that at least 50 percent of the Federal program, instead of 25 percent, be devoted to meeting the situation in urban areas.

SCHOOL-CONSTRUCTION PROGRAM

Resolved by the 1949 Annual Conference of the United States Conference of Mayors, That (1) since the lack of adequate school buildings is severely hampering the education of our children; and (2) since the so-called Federal aid to education program neglects the very important matter of school facilities, this conference petition the Congress to enact legislation providing for direct low-interest-bearing loans and grants to public agencies for school construction—without any intermediary State agencies involved.

CIVILIAN DEFENSE

Resolved, That the 1949 Annual Conference of the United States Conference of Mayors urge the appropriate Federal departments and agencies to formulate a statement of policy as to just what, if anything American cities should do in organizing civilian defense.

PAYMENT IN LIEU OF TAXES ON FEDERAL PROPERTY

Resolved, That the 1949 Annual Conference of the United States Conference of Mayors petition the Congress to enact legislation, at the earliest possible moment, authorizing Federal payments to cities in lieu of taxes on Federal properties.

FEDERAL ADMISSIONS TAX

Resolved, That the 1949 Annual Conference of the United States Conference of Mayors petition the Congress to enact legislation repealing the present Federal admissions tax—thus leaving this source of revenue to the local governments.

THE NATIONAL AIRPORT PROGRAM

Resolved, That the 1949 Annual Conference of the United States Conference of Mayors petition the Congress urging the following points in the carrying out of the provisions of the Federal Airport Act and other aviation legislation:

1. Continuation of Federal responsibility for airport traffic control tower operation.

2. Appropriation of the maximum amount permissible annually under the Federal Airport Act so that the total of funds authorized may be made available within the period specified in the law.

3. Amend the Federal Airport Act so as to authorize the CAA to make commitments to sponsors of airport projects for the entire remaining balance of the time the act is in effect.

4. Amend the act to authorize either the CAA, Federal Works Agency, or Reconstruction Finance Corporation to make loans to public agencies for construction of revenue-producing airport structures and buildings—such loans to bear the going Federal rate.

5. That all provisions in the present Sponsors Assurance Agreement which attempts to set business policy be deleted except a single, straighforward assurance of nondiscriminatory use.

ADVANCE PLANNING

Resolved, That the 1949 Annual Conference of the United States Conference of Mayors petition the Congress of the United States to authorize continuation of the public works advance planning program so as to enable completion of an adequate reserve of fully planned projects which can quickly be put into the construction stage should such action become necessary by reason of economic conditions; and be it further

Resolved, That existing legislation be amended so as to prevent funds already allocated for project planning from reverting to the Federal Treasury on June 30, 1949, if unspent by that date; and be it further

Resolved, That appropriate legislative action be taken to permit repayment of planning advances in installments as construction progresses.

STREAM POLLUTION

Resolved, That since there is grave doubt that the Stream Pollution Control Act of 1948 will provide an adequate stimulus for an effective Nation-wide program of pollution control, the 1949 Annual Conference of the United States Conference of Mayors petition the Congress of the United States to amend the act by eliminating or liberalizing the loan and grant restrictions to the extent necessary to encourage widespread participation by State and local governmental agencies concerned with problem; and be it further

Resolved, That the annual appropriations authorized by the act be promptly provided so as to assure financial assistance by the Federal Government to municipalities or public agencies affected.

SOCIAL SECURITY

Resolved, That the 1949 Annual Conference of the United States Conference of Mayors petition the Congress of the United States to amend the Social Security Act so as to permit voluntary retirement coverage of municipal employees not now protected by any State or local retirement plan.

REAPPORTIONMENT

Resolved, That the 1949 Annual Conference of the United States Conference of Mayors again urge the legislatures of the several States to initiate reapportionment to the end that our urban people may be given equal representation on the basis of population.

INTERNATIONAL COOPERATION

Resolved, That the 1949 Annual Conference of the United States Conference of Mayors call upon all member cities to give interest and support to the work of the International Union of Cities; and be it further

Resolved, That a committee from the Conference of Mayors be designated to attend the forthcoming Geneva meeting of the International Union.

ECONOMIC AND PUBLIC WORKS PLANNING

Whereas the ability of cities to meet their needs for public works is profoundly affected and influenced by national economic policy;

Resolved, That the 1949 Annual Conference of the United States Conference of Mayors request the President's Council on Economic Advisers to set national goals for the construction of needed public works.

RENTAL HOUSING

Resolved, That the 1949 Annual Conference of the United States Conference of Mayors petition the Congress for enactment of legislation extending the authority of the Federal Housing Administration under section 608 of the National Housing Act to insure mortgages on rental housing.

FEDERAL HIGHWAY PROGRAM

Resolved, That Congress require the State governments account periodically for the expenditure of Federal funds under Federal highway aid program within the various cities of the State; and be it further

Resolved, That the State governments be prohibited from imposing restrictions and conditions upon eligibility regulations for expenditures within cities which are inconsistent with the intent of Federal highway aid program; and be it further

Resolved, That in each State projects in urban and rural areas be on an equal basis insofar as matching of State highway funds is concerned.

RENT CONTROL

Resolved, That the 1949 Annual Conference of the United States Conference of Mayors petition the Congress of the United

States to extend, strengthen, and improve existing rent-control legislation until the present housing shortage is alleviated. The attention of the Congress is particularly invited to the fact that State and municipal governments are ill-equipped to administer rent controls in a form which would give adequate protection to the people of our cities, and any such provisions should be eliminated from the bill.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce:

H. J. Res. 186. Joint resolution to extend the time for use of construction reserve funds established under section 511 of the Merchant Marine Act, 1936, as amended; without amendment (Rept. No. 215).

By Mr. TYDINGS, from the Committee on Armed Services:

H. R. 1741. A bill to authorize the establishment of a joint long-range proving ground for guided missiles, and for other purposes; with amendments (Rept. No. 216).

By Mr. MAYBANK, from the Committee on Banking and Currency:

S. Con. Res. 26. Concurrent resolution to investigate certain economic problems; without amendment (Rept. No. 217), and, under the rule, referred to the Committee on Rules and Administration.

S. Res. 101. Resolution authorizing the Committee on Banking and Currency to employ temporary assistants and make additional expenditures; without amendment (Rept. No. 218), and, under the rule, referred to the Committee on Rules and Administration.

By Mr. McCARRAN, from the Committee on the Judiciary:

S. Res. 18. Resolution authorizing an investigation of the administration of martial law in the Territory of Hawaii subsequent to December 7, 1941; with an amendment (Rept. No. 219), and, under the rule, referred to the Committee on Rules and Administration.

PERSECUTION OF CERTAIN CLERGYMEN IN HUNGARY, YUGOSLAVIA, AND BULGARIA—REPORT OF A COMMITTEE

Mr. CONNALLY. Mr. President, from the Committee on Foreign Relations I report an original resolution, Senate Resolution 102, favoring the protest in the United Nations of the persecution of certain clergymen in Hungary, Yugoslavia, and Bulgaria, in lieu of Senate Resolution 9, Senate Concurrent Resolution 20, Senate Resolution 57, Senate Resolution 75, and House Concurrent Resolution 19, heretofore referred to that committee, and I submit a report (No. 220) thereon.

The VICE PRESIDENT. The report will be received, and the resolution will be placed on the calendar.

The resolution (S. Res. 102) was placed on the calendar, as follows:

Whereas the persecution of Cardinal Mindszenty and Bishop Ordass in Hungary, of Archbishop Stepinac in Yugoslavia, and of Protestant clergymen in Bulgaria, evidences the abridgment and violation of fundamental human freedoms guaranteed in the treaties of peace and reaffirmed in the United Nations Charter: Now, therefore, be it

Resolved, That it is the sense of the Senate that these actions should be strongly protested in the United Nations or by whatever other means may be appropriate.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HOEY:

S. 1510. A bill conferring jurisdiction upon the United States District Court for the Middle District of North Carolina to hear, determine, and render judgment upon the claim of James I. Bartley; to the Committee on the Judiciary.

By Mr. McMAHON:

S. 1511. A bill to extend the educational and training benefits of the Servicemen's Readjustment Act of 1944, as amended, to certain widows and children of deceased veterans, and to extend the loan benefits of such act to certain widows of deceased veterans; to the Committee on Labor and Public Welfare.

By Mr. JOHNSON of Colorado (for himself and Mr. MILLIKIN):

S. 1512. A bill authorizing modifications of the provisions of certain special contracts for the carriage of water through the facilities of the Uncompahgre project, Colorado; to the Committee on Interior and Insular Affairs.

By Mr. BALDWIN:

S. 1513. A bill for the relief of 84 Estonians; to the Committee on the Judiciary.

S. 1514. A bill to extend certain benefits of the Civil Service Retirement Act of May 29, 1930, as amended, to the widows and orphans of employees and retired employees dying during the period from February 17, 1948, to February 28, 1948; to the Committee on Post Office and Civil Service.

By Mr. HUMPHREY:

S. 1515. A bill to provide assistance to certain local school agencies overburdened with war-incurred enrollments where such agencies received similar assistance during any prior fiscal year; to the Committee on Labor and Public Welfare.

By Mr. BUTLER:

S. 1516. A bill to amend title III of the Bankhead-Jones Farm Tenant Act, as amended, to authorize the Secretary of Agriculture to sell as expeditiously as possible lands acquired or being administered under the provisions of said title III to private persons for purposes not inconsistent with the provisions of the said title III, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. MUNDT:

S. 1517. A bill to authorize and direct the Secretary of the Interior to issue to Robert J. Glenn and Edison Glenn a patent in fee to certain land; to the Committee on Interior and Insular Affairs.

By Mr. DOWNEY:

S. 1518. A bill to amend the Classification Act of 1923, as amended; to the Committee on Post Office and Civil Service.

By Mr. O'MAHONEY (by request):

S. 1519. A bill to repeal certain obsolete laws and parts of laws relating to the sale of public lands;

S. 1520. A bill relating to the development of tourist and other public facilities in conjunction with the Alaska Highway, and for other purposes;

S. 1521. A bill to authorize appropriations for roads, trails, and other aids to transportation serving lands and facilities under the jurisdiction of the Bureau of Indian Affairs in Alaska; and

S. 1522. A bill to revise and repeal certain acts relating to rules of survey to permit departures from the system of rectangular survey when necessary on all public lands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. LANGER:

S. 1523. A bill for the relief of Frank Hellman; to the Committee on the Judiciary.

INTERIOR DEPARTMENT APPROPRIATIONS—AMENDMENT

Mr. YOUNG submitted an amendment intended to be proposed by him to the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes, which was referred to the Committee on Appropriations, and ordered to be printed, as follows:

On page 47, line 7, before the period insert a colon and the following: "*Provided further*, That $1,200,000 of this appropriation, together with $287,500 designated therefor in the Interior appropriations for 1949 shall be used to begin construction on the diversion dam unit, Missouri-Souris Division, Missouri Basin project; and said Missouri River diversion dam unit is hereby placed in phase A of the Missouri River Basin plan."

HOUSE BILLS AND JOINT RESOLUTION REFERRED OR PLACED ON THE CALENDAR

The following bills and joint resolution were severally read twice by their titles, and referred, or ordered to be placed on the calendar, as indicated:

H. R. 52. An act for the relief of Nevada County, Calif.;

H. R. 589. An act for the relief of C. M. Smart;

H. R. 603. An act for the relief of Jeptha R. Macfarlane;

H. R. 631. An act for the relief of Mrs. Dorothy Vicencio;

H. R. 636. An act for the relief of B. G. Jones;

H. R. 639. An act for the relief of Mark B. Craig and others;

H. R. 688. An act for the relief of John P. Reilly;

H. R. 692. An act for the relief of Joseph Thompson;

H. R. 718. An act for the relief of Gertrude O. Yerxa, Mrs. G. Olive Yerxa, and Dr. Charles W. Yerxa;

H. R. 737. An act for the relief of Sam Patterson;

H. R. 738. An act for the relief of the estate of Mrs. Minerva C. Davis;

H. R. 750. An act for the relief of Lee F. Bertuccioli;

H. R. 761. An act for the relief of Catherine S. Tremayne and A. I. Lang;

H. R. 807. An act for the relief of Chattooga County, Ga.;

H. R. 1011. An act for the relief of the Pearl Assurance Co., Ltd., and the Bankers and Shippers Insurance Co.;

H. R. 1037. An act for the relief of Samuel Ensler and Louis Puccinelli;

H. R. 1053. An act for the relief of Frank O. Ward;

H. R. 1058. An act for the relief of Frederick W. Lass;

H. R. 1062. An act for the relief of Lorrayne E. Graus;

H. R. 1131. An act for the relief of James Fred Girdley and Percy Bridgewater;

H. R. 1288. An act for the relief of certain officers and members of the crew of the steamship *Taiyuan;*

H. R. 1461. An act for the relief of the L. J. Houze Convex Glass Co.;

H. R. 1467. An act for the relief of Thomas O. Troth;

H. R. 1468. An act for the relief of Mrs. Anna Smolowitz and Mrs. Sylvia D'Arpe;

H. R. 1497. An act for the relief of Ralph A. Wood;

H. R. 1874. An act for the relief of John W. Mahoney, Charles Sorenson, Charles A. Stewart, and Stanley Thiffault;

H. R. 1875. An act for the relief of Peter E. Kolesnikoff;

H. R. 2069. An act for the relief of Alton Bramer;

H. R. 2078. An act for the relief of Winston A. Brownie;

H. R. 2249. An act for the relief of Al W. Hosinski;

H. R. 2353. An act for the relief of Joel W. Atkinson;

H. R. 2360. An act for the relief of Theodore Papachristopoulos;

H. R. 2710. An act for the relief of Emma Armstrong;

H. R. 2935. An act for the relief of Mrs. Benjamin Betts;

H. R. 3311. An act for the relief of Carmen Morales, Aida Morales, and Lydia Cortes;

H. R. 3313. An act for the relief of the estate of the late Manuel Graulau Velez;

H. R. 3323. An act for the relief of the estate of Rafael Rebollo;

H. R. 3324. An act for the relief of the estate of the late Anastacio Acosta, and the estate of Domingo Acosta Arizmendi;

H. R. 3534. An act for the relief of Eleanor P. Simmonds, as administratrix of the estate of Norman B. Simmonds, deceased;

H. R. 3603. An act for the relief of Michael Palazotta;

H. R. 3620. An act for the relief of Leslie A. Harber;

H. R. 3663. An act for the relief of Lawrence Reves; and

H. R. 3727. An act for the relief of the Marden Construction Co., Inc., to the Committee on the Judiciary.

H. R. 1029. An act authorizing the Secretary of the Interior to issue a patent in fee to Howard C. Heckenlively;

H. R. 1030. An act authorizing the Secretary of the Interior to issue a patent in fee to Francis Howe;

H. R. 1109. An act authorizing the Secretary of the Interior to issue a patent in fee to Phena M. Anderson;

H. R. 1281. An act authorizing the Secretary of the Interior to issue a patent in fee to Leslie Paul Schroeder; and

H. R. 1976. An act to authorize the sale of certain allotted inherited land on the Flathead Indian Reservation, Mont.; to the Committee on Interior and Insular Affairs.

H. R. 1113. An act for the relief of James A. Stapleton, Ruth Burk, and Mildred Ovren, copartners doing business under the name and style of Stapleton Lumber & Piling Co.; ordered to be placed on the calendar.

H. R. 3997. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1950, and for other purposes; to the Committee on Appropriations.

H. J. Res. 212. Joint resolution authorizing appropriations to the Federal Security Administrator in addition to those authorized under title V, part 2, of the Social Security Act, as amended, to provide for meeting emergency needs of crippled children during the fiscal year ending June 30, 1949; to the Committee on Finance.

LEAVES OF ABSENCE

Mr. BALDWIN asked and obtained consent to be absent from the Senate on Thursday and Friday of this week and Monday and Tuesday of next week.

Mr. CAIN asked and obtained consent to be absent from the session of the Senate today, beginning at 1 o'clock.

Mr. MARTIN asked and obtained consent to be absent from the Senate for the remainder of the week, beginning at 3:30 o'clock this afternoon.

NOTICE OF HEARING ON NOMINATION OF WILLIAM D. MURRAY TO BE UNITED STATES DISTRICT JUDGE, DISTRICT OF MONTANA

Mr. McCARRAN. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Wednesday, April 13, 1949, at 11:30 a. m. in room 424, Senate Office Building, upon the nomination of William D. Murray, of Montana, to be United States district judge for the district of Montana, vice Hon. Robert L. Brown, deceased. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. McCARRAN], chairman, the Senator from West Virginia [Mr. KILGORE], and the Senator from Wisconsin [Mr. WILEY].

NOTICE OF HEARING ON NOMINATION OF ROBERT E. TEHAN TO BE UNITED STATES DISTRICT JUDGE, EASTERN DISTRICT OF WISCONSIN

Mr. McCARRAN. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Wednesday, April 13, 1949, at 11:30 a. m. in room 424, Senate Office Building, upon the nomination of Robert E. Tehan, of Wisconsin, to be United States district judge for the eastern district of Wisconsin, vice Hon. F. Ryan Duffy, elevated. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. McCARRAN], chairman, the Senator from Mississippi [Mr. EASTLAND], and the Senator from North Dakota [Mr. LANGER].

NECESSITY FOR SMALL BUSINESS COMMITTEE—BROADCAST BY SENATOR WHERRY

[Mr. WHERRY asked and obtained leave to have printed in the RECORD a radio broadcast entitled "Halt the Three Bigs," given by him on March 26, 1949, which appears in the Appendix.]

WHY RISK ANOTHER DEPRESSION?—ADDRESS BY SENATOR O'MAHONEY

[Mr. O'MAHONEY asked and obtained leave to have printed in the RECORD an address on the subject Why Risk Another Depression? delivered by him at a dinner of the National Retail Furniture Association at the Shoreham Hotel, Washington, D. C., April 5, 1949, which appears in the Appendix.]

THE AMERICAN CANCER SOCIETY—ARTICLE BY SENATOR MAGNUSON

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD an article written by him dealing with the American Cancer Society's annual drive for funds, which appears in the Appendix.]

THE DANGERS OF COMMUNISM—ARTICLE BY HON. HUGH C. TODD

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD an article entitled "A Jurist's Warning," written by Hon. Hugh C. Todd, and published in the Seattle Post-Intelligencer of March 28, 1949, which appears in the Appendix.]

WHAT THE MISSOURI VALLEY AUTHORITY MEANS TO THE ENTIRE COUNTRY—ARTICLE BY SENATOR HUMPHREY

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an article entitled "What the Missouri Valley Authority Means to the Entire Country," written by him for publication in the Business Review of the City College of New York, which appears in the Appendix.]

THE EUROPEAN RECOVERY PROGRAM—ADDRESS BY HAROLD G. STAGG

[Mr. BALDWIN asked and obtained leave to have printed in the RECORD an address on the European Recovery Program and the Economic Cooperation Administration, delivered by Harold G. Stagg, editor of the Marshall Plan Letter, before the Export Managers' Club, at the Hotel Statler, New York, on March 23, 1949, which appears in the Appendix.]

THE NORTH ATLANTIC PACT—EDITORIAL COMMENT

[Mr. WILEY asked and obtained leave to have printed in the RECORD two editorials relating to the North Atlantic Pact, one from the Milwaukee Journal of March 18, 1949, entitled "It's a Peace, Not War, Pact," and the other entitled "The Atlantic Pact," published in the Living Church, of Milwaukee, Wis., which appear in the Appendix.]

PROCEDURE ON QUORUM CALLS

Mr. DONNELL. Mr. President, prior to the quorum call there was under discussion the matter of whether a Senator who is not physically present in the Chamber at the time of a quorum call shall be counted as actually present if he be present at a committee meeting or subcommittee meeting duly authorized by the Senate to proceed with its meeting during the session of the Senate.

At this point I rise, not to argue that question, but to inquire of the distinguished Senator from Illinois whether that matter is again to be presented on the floor of the Senate. I should like to return to the Senate Judiciary Subcommittee which is in the process of deliberating on Senate bill 595; but I do not wish to be absent in the event that this question again comes before the Senate. I desire to be heard upon it and to interpose objection, which I now interpose, to any ruling or action which would recognize a Senator as being present for a quorum call if he is not actually in the Chamber at the time of the call.

Mr. LUCAS. Mr. President, I cannot say exactly what will happen during the course of the afternoon. A number of requests were made last night for unanimous consent for certain committees to meet during the afternoon. I cannot say now whether such requests will be made again. If they are, I shall endeavor to get in touch with the Senator from Missouri, so as to let him present his objections to each and every one of the requests.

But, Mr. President, it seems to me somewhat strange that the committees are to be denied the right to meet to consider important business which now is pending before them. I distinctly recall that last year the Committee on Labor and Public Welfare met day in and day out, for weeks, and obtained unanimous consent to meet at such times, without any question whatsoever. The committee met both in the mornings and in the afternoons.

So it was in the case of the Finance Committee, when the reciprocal trade agreements program legislation was before it; the committee obtained unanimous consent to meet in the afternoons when the Senate was in session, and no Senator on this side of the aisle ever raised objection to that. We were glad to cooperate in order to have the business of the Senate expedited.

So it was that the Committee on Agriculture, when it was considering the long-range farm program, held meetings in the mornings and in the afternoons.

Witnesses who come here from practically every section of the land to testify on important matters are being held up as a result of objection being made to committees sitting in the afternoons to consider and determine upon the important business which is before them.

This morning, merely because we meet at 11 o'clock in an effort to dispose of an important piece of legislation, the deadline of which now has passed, we find that we cannot obtain consent to have certain of the committees meet.

The VICE PRESIDENT. The Chair does not understand that any objection has been made to the meeting of committees.

Mr. LUCAS. Such objection was made last night when I requested unanimous consent for certain committees to meet today. The able Senator from Ohio [Mr. TAFT] then rose and objected to the unanimous-consent request that certain committees might meet today during the session of the Senate.

The VICE PRESIDENT. The Chair apologizes to the Senator from Illinois. The present occupant of the Chair was not in the chair at that time.

Mr. LUCAS. I merely say that what is being done in response to such requests seems to be an attempt in some way or other to deny the committees the privilige of meeting and functioning properly in an orderly way, as they should. I do not understand why objection is made to requests to give important committees the right to meet at 11 o'clock this morning and also this afternoon, if necessary.

Mr. TAFT. Mr. President——

Mr. DONNELL. Mr. President, I believe I have the floor.

The VICE PRESIDENT. The Senator from Missouri has the floor. He has yielded to the Senator from Illinois.

Mr. DONNELL. Yes; I yielded to the Senator from Illinois, to permit him to make a statement.

Mr. LUCAS. All of us know, Mr. President, that in the afternoon very often there are not a dozen Senators on the floor of the Senate listening to the discussion of amendments, but most Senators are in committee meetings, or will be, if we give them a chance to operate and to work.

I seriously doubt whether anything will be gained by refusing to give them permission to do so, for when they know how they will vote on the amendments, they will not sit in the Senate Chamber all afternoon and listen to the discussion, but will be working in committees, where they should be.

Mr. DONNELL. Mr. President——

Mr. TAFT. Mr. President, will the Senator yield to me?

Mr. DONNELL. I ask the Senator to defer his request for a moment, please.

Mr. President, the Senator from Illinois certainly could not have been referring to me in regard to any attempt to prevent a committee from meeting. I may say to him that I not only have not objected to requests for the meetings of committees or subcommittees during the sessions of the Senate, but a few moments ago, when the distinguished senior Senator from Nevada [Mr. MCCARRAN], the chairman of the Judiciary Committee, requested such permission for the Judiciary Committee or a subcommittee of it, I made no objection whatsoever.

Indeed, I may say that I came to the Senate today from a meeting of the Judiciary Subcommittee, which is considering Senate bill 595, and I am anxious to return to it. I have interposed no objection.

Mr. President, I make no criticism of any Senator who does object. I think any Senator has a perfect right to object, and I have no doubt that the Senator from Ohio had what he considered perfectly adequate grounds for his objection.

At any rate, Mr. President, I certainly am making no criticism of any Senator who does object; but I wish the RECORD to be absolutely clear that I have not objected to any request for a meeting of a committee or a subcommittee during a session of the Senate, since this question arose several days ago.

Mr. President, the situation, as I see it, is decidedly not what the Senator from Illinois would indicate—that there is an attempt here in some way to prevent the committees of the Senate from functioning. The fact is, that on April 1 the distinguished Vice President of the United States, then presiding and now presiding, ruled—and I think perfectly correctly ruled—as shown on page 3638 of the RECORD, as follows:

> From now on, no Senator's name will be placed on the roll as having been present after the completion of the call unless he actually is present and answers to his name when called. So if a Senator does not actually answer to his name in accordance with the rule, his name will not go on the roll call as being present.

I may say in that connection I am not entirely certain as to the function or power of the Presiding Officer to determine who shall be placed upon the roll, and whether he has a right to direct the clerk as to who shall be placed upon it, but certainly I thoroughly concur with the views of the Vice President that no Senator's name should be placed on the roll as having been present after the completion of the call, unless he actually is present and answers to his name when called.

Mr. President, yesterday when the Vice President announced his intention to modify somewhat the position which he had taken a few days ago, the modification to be in the interests of effectiveness and promptness and expedition of business in the Senate, I objected. Preceding, however, the conclusion of the colloquy, this exchange occurred between the Vice President and myself, as shown at page 3834 of the RECORD:

> Mr. DONNELL. I wish to ask whether I correctly understand that under the existing rules no Senator can be counted as present in the Senate when he is not actually here.
>
> The VICE PRESIDENT. Under the existing rules, which have not been observed, the Chair will say, for many years, no Senator has a right to be recorded as being present and answering to his name unless he was actually present and answered to his name.

Mr. President, in regard to the Vice President's tentative ruling yesterday, I objected, not that I desire to interfere with the efficiency, the effectiveness, or the promptness of the action of the Senate, but because I believe that the proper body by which an amendment to the rules can be made is the Senate itself, and not the present distinguished occupant of the chair, or any other occupant of the chair. Therefore it appeared to me, and it still appears to me, that it is unwise and improper for the rule of the Senate, which the Vice President announced in what I have just read, to be set aside by a statement of the Chair.

So, Mr. President, to my mind what should be done is precisely what the Senator from Illinois a little while ago indicated is in process or about to be in process; that is, that the Committee on Rules and Administration shall take up this question. I think it should take it up very promptly indeed, in the interests of expedition and efficiency in the Senate.

The Senator from Vermont [Mr. FLANDERS] raised a question a while ago as to whether it would be advisable that the RECORD should show, in the event of a quorum call, those who are actually present and those who are in attendance upon a committee or a subcommittee, pursuant, I take it he meant, to leave of the Senate having been first had and obtained for the committee meeting.

My tentative thought is that that suggestion has a great deal of merit, and if the distinguished Senator from Illinois has no objection, I may say that in conversation with him yesterday I at least received the impression that some such plan receives at least the tentative approval of the Senator from Illinois.

But, Mr. President, my point is, first, I am not attempting to interfere with the process, with the work, with the expedition, with the efficiency of the Senate; second, that all I am doing is to object, which I desire to continue to do, to any change in the rules, or attempted change in the rules, by a mere observation or ruling of the Chair.

The Senator from Michigan quoted in the Senate some weeks ago from the remarks of Washington's Farewell Address, in which, in substance, he stated that so long as the Constitution is in force it should be followed. I think the same injunction applies with respect to the rules of the Senate, unless the Senate shall itself declare otherwise, or unless the Senate shall change the rules.

With respect to the suggestion of the Senator from Oregon [Mr. CORDON] yesterday that there be consent agreements by which, pending the action of the committee, Members who are not physically present may be permitted to have their names counted upon the roll, I object, and shall continue to object, to that course of procedure, because I think the wholesome and proper way to handle the matter is by an appropriate amendment to the rules.

So I desire to make it clear that, in the first place, if any ruling shall be made by the Chair in my absence I do here and now object to the ruling, and I should like very much to have the courtesy extended, which I am sure it will be, by the Senator who shall suggest such action, of being notified, in order that I

may appear here and present my objections in person.

Mr. TAFT rose.

Mr. DONNELL. I yield to the Senator from Ohio for a question.

Mr. TAFT. Mr. President, I wish to do more than ask a question.

Mr. DONNELL. I yield the floor, then, if the Senator from Ohio desires to do more than ask a question.

The VICE PRESIDENT. The Senator from Ohio.

Mr. TAFT. Mr. President, the distinguished majority leader has criticised me because, last night, I objected when he made a request for unanimous consent for certain committees to hold meetings. He said at the time he made the request that permission had already been granted to the Appropriations Committee and the Armed Services Committee to meet during this session of the Senate. He asked unanious consent that the following committees be permitted to hold meetings tomorrow during the session of the Senate: The Committee on Banking and Currency, the Committee on Expenditures in the Executive Departments, the Committee on Interstate and Foreign Commerce, the Committee on the Judiciary, and the Comittee on Post Office and Civil Service. No reason was stated for those requests. The result of the granting of the requests would have been that 111 Members of the Senate would be excused from attendance upon the session of the Senate. Certainly it is reasonable for me to make an objection to any such complete setting aside of the importance of the action of the sessions of the Senate.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Illinois.

Mr. LUCAS. Did I correctly understand the Senator to say 111 Senators?

Mr. TAFT. One hundred and eleven Senators. Of course, there were many duplications, but it resulted in that. Two years ago, in the Seventy-ninth Congress, which was a Democratic Congress, we passed the Legislative Reorganization Act, requiring that no committee shall sit during sessions of the Senate, except by unanimous consent of the Senate. The purpose of it was clear.

The VICE PRESIDENT. If the Senator will permit, the Chair would suggest it does not require unanimous consent.

Mr. TAFT. It may not be done, except by permission of the Senate.

The VICE PRESIDENT. The Reorganization Act provides it may be permitted by the Senate; which permission may be granted by majority vote.

Mr. TAFT. Yes. However, the reason of it was clear. If Senators do not attend sessions of the Senate, the arguments advanced by Senators are not considered; Senators are not present to listen to them. I myself think the Senate can make much less progress under such circumstances than it can when Senators *are present*, listening to the arguments, trying to reach a conclusion, and not having the same arguments presented again after a quorum call by Senators who have previously debated a given question.

At the present time we have on the calendar measures reported by our committees which will take, so far as I can see, at least 3 months' consideration of the Senate. At the present moment it is far more important that the Senate dispose of the business before it, than that we have from committees of the Senate more reports on measures which in all probability we shall have no time to consider during the year 1949.

I suggest that Senators attend the Senate sessions, and that sessions of committees be permitted only when there are to be considered by the committees particularly important matters, which the Senate recognizes as important, and that we adhere to the spirit of the rule requiring attendance upon the Senate when the Senate is in session, rather than attendance upon committees.

So, Mr. President, I have no reason to object; I do not object; I never have objected, to any meeting of a committee when the chairman of the committee shows that there is pending an important matter which can only be disposed of by such a meeting. But the wholesale dispensation of the rule, the complete nullification of the rule by any such request as the one made last night by the Senator from Illinois, I certainly shall object to.

The VICE PRESIDENT. The question is on agreeing to the amendment, as modified, offered by the Senator from Arkansas [Mr. FULBRIGHT].

Mr. MORSE obtained the floor.

Mr. CONNALLY. Mr. President, will the Senator yield for a question?

Mr. MORSE. I yield.

Mr. CONNALLY. Will the Senator suspend until we vote on the amendment offered by the Senator from Arkansas?

Mr. MORSE. I am sorry, but I wish to make some remarks with regard to the subject under consideration, in the interests of continuity, as they bear upon the comments of the Senator from Missouri [Mr. DONNELL], the Senator from Ohio [Mr. TAFT], and the Senator from Illinois [Mr. LUCAS].

Mr. President, I am very glad the Chair has called the particular attention of the Senate to the fact that a request to hold a meeting of a committee while the Senate is in session does not require unanimous consent. Certainly the impression that unanimous consent is required has existed on the floor of the Senate for a long time.

I wish the Senator from Illinois would remain in the Chamber for a moment, because he probably will want to reply to something I shall say.

Mr. LUCAS. I shall be delighted.

Mr. MORSE. The Senator from Oregon certainly was laboring under the impression, for a long time, that a request to hold a committee meeting while the Senate was in session required unanimous consent. I went to the rules, and I discussed the matter with the Parliamentarian, and I am satisfied that the Presiding Officer is completely correct, that it does not require unanimous consent.

Mr. President, I think it bears repeating that the Reorganization Act itself, a copy of which the Senator from Missouri [Mr. DONNELL] has been so kind as to hand me, provides in section 134 (c) as follows:

> No standing committee of the Senate or the House, except the Committee on Rules of the House, shall sit, without special leave, while the Senate or the House, as the case may be, is in session.

It requires our consent. It does not say that there shall be consent granted by unanimous consent. I think it means by a majority vote.

I have this parliamentary inquiry to put to the Presiding Officer: In case the majority leader or the chairman of any committee requests unanimous consent for a committee to meet while the Senate is in session, and some Senator objects thereto, and there is, at the time, a pending motion before the Senate, it requires, does it not, that the pending motion be set aside temporarily while the Senator making the request moves that the Senate give its consent? It is also time is it not that such a motion would itself be debatable. Is not that correct?

The VICE PRESIDENT. The motion would undoubtedly be debatable; but the Chair is inclined to the opinion, without having looked into the matter, that such a motion would be a privileged matter and would, therefore, take precedence over the pending question. But that is not a final decision of the Chair.

Mr. MORSE. I hope the Chair is correct, because, in the interest of expediting the business of the Senate, I trust that our existing rules make such a motion privileged. But I call attention to the fact that this is one of the questions that should be taken up by the Committee on Rules and Administration for early determination, because if the rules do not permit such a motion to be privileged, I hope the committee will bring in a rule that will make it privileged.

I make that statement as a Member of the Senate who deplores, as the Presiding Officer well knows, the practice which has developed in the Senate of ignoring, and treating almost as a matter of form, section 134 (c) of the Reorganization Act. I think, if we are honest with ourselves, each one of us has to confess to himself the fact that we are violating the spirit of the Reorganization Act by our failure to adopt a schedule for Senate meetings which will make it possible to conform with the spirit and the intent of the Reorganization Act. I think it is very unfortunate that we have not, as a body, done what I think we should do in the interests of efficient operation of the Senate, and that is to have, except because of really exceptional circumstances, regular meetings of the Senate on Monday, Tuesday, and Wednesday, or on Monday, Wednesday, and Friday, with committee meetings definitely scheduled for those periods of time when the Senate is not meeting.

I do not share the view of many who seem to think that it is not important for Senators to be in a position in which they can attend debates on the floor of the Senate. I hold the view that Senators' opinions and decisions are changed on the floor of the Senate as arguments and facts are presented. I can speak

only from my own experience. Time and time again I have found my opinion changed on the floor of the Senate because of debates and arguments presented on the floor. I think, if we are carrying out our trust, we should serve in this body with our minds open until the last word of debate has been uttered on great, controversial issues. The idea of Senators being committed in advance of Senate debates, no matter what is brought out on the floor of the Senate, is, in my judgment, undermining the very purpose of deliberation in the Senate.

I now come to the only other point I wanted to make, to which, perhaps, the Senator from Illinois may want to make comment or take exception. As a personal friend of the Senator from Illinois I say this as one who has a great deal of respect for him. I also say it critically, but within the rules. I think we may as well face the fact that criticisms in the cloakrooms should be expressed on the floor of the Senate with regard to policies that have been carried out in recent weeks by the majority leader concerning meetings of the Senate. There is no doubt about the fact that there is a great deal of criticism in the cloakrooms regarding the matter. There is a feeling that the Democratic forces at this session of Congress are cracking the whip in a spirit of saying to us on the Republican side, "You are going to comply with the rules that we lay down as to holding sessions of the Senate, or take the discipline we impose."

I say, most respectfully, to the Senator from Illinois, the distinguished majority leader, if he is not aware of it, that the time has come for someone to tell him that it is true that there is a growing resentment in the Senate because of our being told by the majority leader that the Senate is going to sit in night sessions as long as is necessary in order to put through what the majority thinks it wants to put through on its own terms. That is not going to advance the cooperative spirit which I think should prevail in the Senate on the great issues which are presented. It happens to be my view that we probably would have been through with the ECA debate if there had been a more reasonable session schedule in the Senate. I refer to the incident of last Friday night. The Senator from Illinois asked for a unanimous-consent agreement to vote on the pending bill as of Monday, and because he did not get it, he immediately moved to recess the Senate until Saturday morning at 11 o'clock. That does not produce cooperation in the Senate. Senators had made plans for that week end. It was unfair to call them into a Saturday session under the circumstances. All I can say to the Senator from Illinois is that even though the interpretation may be wrong, the truth of the matter is that there were many Senators who walked off the floor last Friday night with the feeling that the Senator from Illinois had cracked a whip over their shoulders and said, "If you do not accept the schedule which the majority leadership is laying down, I will make it tough for you by calling you back for a Saturday session."

I think the RECORD will show that we might just as well have dispensed with the Saturday session so far as progressing toward the final vote on ECA is concerned.

I shall refer to one other incident which occurred last night. I had no intention, and I think the Senator from North Dakota [Mr. LANGER] had no intention, of indulging in a lengthy debate last night; but I say most respectfully to the Senator from Illinois that he left the impression that, if his time schedule was not complied with, he would keep us here far into the night.

We are not going to be treated as kindergarten children, Mr. President, even by so distinguished a Senator as is the Senator from Illinois. If that is to be the course of action which the Senator from Illinois wants to follow, discipline can work on both side of the aisle of the Senate. My reaction was, "Well, if I have to take such commands by the majority leader, I will accommodate the Senator from Illinois and will speak far into the night." Thus, as the Presiding Officer and some of my colleagues know, I was prepared to speak at some length if we were compelled to take the sort of orders which the majority leader threatened to impose upon us.

I make the plea here today that we try to find some basis on which to bring about some cooperation between the two sides of the aisle in the Senate. Let us go back to what I think is a reasonable schedule for holding meetings of the Senate. Let us recognize that if the Senator from Illinois takes the position that he is going to hold this body of men night after night in night sessions unless he can have his way as to a vote schedule for the Senate, he is likely to run into trouble, because there are some of us who happen to be prima donnas enough in this body to object to his commands. We are not going to be treated as grade-school children by a strong schoolmaster in the person of the majority leader who says, "If you don't do what we tell you to do we are going to take you out into the woodshed." I wish to say that parliamentary spankings can be administered in a variety of ways by both sides of the aisle.

Mr. LUCAS. Mr. President, I am very happy to hear my distinguished friend on the other side of the aisle talk about prima donnas. This is the first time I have heard him admit he was one.

Mr. MORSE. Will the Senator yield for a comment?

Mr. LUCAS. Yes.

Mr. MORSE. I think that, in the interest of accuracy, 95 other Senators should make the same admission.

Mr. LUCAS. The Senator can have his own opinion about that, but he is the first Senator I have heard say he was a prima donna. Of course we have all known that ever since the able Senator has been a Member of the Senate.

The Senator from Illinois has a pretty difficult job on this side of the aisle, as I think perhaps the Senator from Oregon might admit. So far as cracking the whip is concerned, I wish I were able to do it, but I have never been able to do that in all my life, whether it was in the Senate or anywhere else.

Let me state the situation, briefly. Everyone knew that ECA had a deadline, on April 3, and when the distinguished chairman of the Committee on Foreign Relations brought in the bill and we took it up, I propounded the inquiry to the Senator from Texas [Mr. CONNALLY] and the Senator from Michigan [Mr. VANDENBERG] as to how long they thought it would take to pass the ECA bill on the floor of the Senate. They were of the opinion we could dispose of the bill in 3 days, and so did I. But instead of 3 days I think we are in the thirteenth day of consideration since we started debate on the bill.

The only reason the Senator from Illinois had for calling the Senate into session at 11 o'clock in the morning, and trying to hold a night session or two now and then, was that we might speed up the passage of this important bill. I believe it is the most important measure we will consider during this session, unless it may be the Atlantic Pact. I really am of that opinion because I know that in the ECA is wrapped up all the hopes of mankind for the peaceful solution of the problems of the world, and if I have been perhaps just a little overzealous in attempting to get the bill through the Senate, I think perhaps I may have had a good reason.

So far as cooperating with the minority party is concerned, the Senator from Illinois has always been able to get along with Senators on both sides of the aisle, and I shall continue to endeavor to do so. Any time the Senator from Oregon desires to criticize the Senator from Illinois for the way in which he is handling his duties in the Senate, that is his perfect right. I am not the first individual the Senator from Oregon has chastised on the floor of the Senate. That is one of the best things he does, and he does it very well. It is the Senator from Ohio one day, the Senator from Indiana the next, and some other Senator on this side the next day, and it will be some other Senator tomorrow, because the Senator from Oregon has such omniscience that he understands exactly how the Senate should be run. The Senator from Oregon is the one individual who can tell every other Senator on the floor of the Senate, whether it is on his side of the aisle or on the Democratic side, just the type and kind of schedule we should follow. The Senator from Oregon has all the answers to every question that comes before the Senate—there is no doubt about that—in his own mind. That is why he admitted he was a prima donna a moment ago in the statement he made.

Mr. President, this is my first attempt to lead a great body like the Senate. I think my patience and forebearance as majority leader have not been too bad. I have attempted in the best way I knew how, with difficult issues, to get along as fast and as expeditiously as possible, and I think it is safe to say that probably no

Senate, at least since I have been a Member of the body, has had so many controversial and world-shaking problems before it as the present Senate will meet this year and next year.

Mr. President, with 15 or 20 measures on the calendar, and others to come, which involve the safety and security of the Nation, I do not believe we can continue to go along with horse and buggy speed in the Senate and expect to meet the problems which are and will be before us, both national and international. We stand before the world as the leaders of all mankind in every line of human endeavor today, and I do not believe we can afford to say that we are bound to stay here for weeks and weeks considering extraneous issues. It seems to me that some day the Senate of the United States will reach the point of amending its rules so that at least we will have a rule of germaneness, if nothing else. We must speed up the program if we are to accomplish in the eyes of America and of the world what it is necessary we should do.

Mr. President, perhaps we cannot accomplish what we desire, but so long as I am in the position I now occupy I shall labor to that end, and if at times I seem to become a little out of humor, I know the Senator from North Dakota [Mr. LANGER] will not mind it, and other Senators will not mind it. But I shall try to restrain myself so far as possible.

Mr. MORSE rose.

Mr. LUCAS. I welcome the criticism of my friend the Senator from Oregon at any time, at any place, because he is the one individual in the United States Senate who can criticize. He has that reputation among us all. The Senator spoke about what goes on in the cloakrooms. I wish the Senator from Oregon could hear what goes on in the cloakrooms about him sometimes. It would not be well for me to tell it on the floor of the Senate, because I would be violating the rules of the Senate. I could not repeat what is said about the Senator. I have defended him time and again in the cloakrooms, and almost fell out with two or three of my friends on this side of the aisle in attempting to defend him.

I yield to the Senator from Oregon.

Mr. MORSE. I appreciate the courtesy of the Senator in yielding. I wish to say I think the Senator from Illinois is right regarding one rule he mentioned, namely, a rule of germaneness, and I should be glad to join with him in securing the adoption of such a rule.

As to the general nature of his comment, let me say to the Senator from Illinois that I hope he knows that resort to rebuttal by personal ridicule never proved any point, so far as the merits of an issue pending before the Senate is concerned. The suggestion I made to the Senator from Illinois was a friendly one, in the interest of trying to work out a timetable which would make it possible for us to transact the people's business in orderly fashion during reasonable hours.

The Senator from Illinois is quite right when he says that probably no piece of legislation we will have in the Eighty-first Congress can compare in importance with the ECA legislation. But the ECA legislation has brought to our desks some 20 amendments—some 20 amendments, Mr. President. I have found myself in disagreement, as the record of the votes will show to date, with most of those amendments. However, they were offered by Members of this body whose sincerity is as great and deep as that of the Senator from Illinois or the Senator from Oregon, and they deserve thorough consideration.

Mr. President, the time when the Foreign Relations Committee of the Senate can bring a major piece of legislation onto the floor, lay it down and ask to have it passed in 2 or 3 days has, in my judgment, gone. From now on I think we can expect that major legislation proposed by the Foreign Relations Committee is going to be thoroughly debated.

The Senator from Illinois can resort to any sort of personal ridicule he wants to in evading the issues I have raised. I am used to it. It is the tactics of my enemies. I shall never resort to invoking the rule of order of the Senate respecting anything the Senator from Illinois or any other Senator may want to say against me. He is welcome to bring onto the floor any cloakroom discussion of me he wants to. I may say that the more of it he brings on the floor the greater assurance he will give me that in 1950 the voters of my State will send me back here to oppose the type of tactics I find the Senator from Illinois so frequently supporting.

Mr. LUCAS. I am sorry——

Mr. DONNELL. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Missouri?

Mr. LUCAS. Let me take just a minute. The Senator from Missouri is rising to make a few desultory remarks, but before he does so, let me say a word in reply to my good friend from Oregon. I hope he did not think I was making any personal attack on him. The only thing I was attempting to do, let me say to my friend, was to answer him as to what he had heard about me in the cloakroom with respect to how I am running the United States Senate. If that was not, by inference or implication at least, some kind of personal attack, then I could not quite understand it. The Senator from Oregon was telling me about it, and said the time had come when the cloakroom conversation should be told on the floor of the Senate. I merely replied to him as to some cloakroom conversations I had heard about the Senator from Oregon. That is all I did. I can tell more if necessary.

So far as the election of the Senator from Oregon in 1950 goes, that does not concern me at all. I am interested in my own election, not in the election of the Senator from Oregon in 1950. Let the Senator take care of his State and I shall try to take care of mine. I do not want to make any boast concerning what I may do in 1950, such as the Senator from Oregon has made, because I have always found the game of politics to be rather hazardous. I always run scared. I think perhaps the Senator from Oregon had better take on a little bit of the same feeling, so far as his own election in 1950 in his own State is concerned.

Mr. President, I do not know whether I shall even be a candidate. But if I am I shall take nothing for granted, regardless of what the situation is. I am not making any prophecies now as to what I am going to do in 1950. I shall leave such prophecies to the Senator from Oregon, because the Senator from Oregon, my good friend, is, from his own viewpoint, a most understanding fellow. He knows exactly what is going to happen in 1950, and he can probably tell us what is going to happen in 1952 and in 1954. I do not know why more Republicans do not confer with the Senator from Oregon on the election and other important matters.

I now yield to the Senator from Missouri.

Mr. DONNELL. I wanted to say something, which is not in the form of a question, and perhaps I had better wait and secure the floor in my own right.

Mr. MORSE rose.

Mr. LUCAS. I yield to my gracious and magnanimous friend, the Senator from Oregon.

Mr. FULBRIGHT. Mr. President, will the Senator from Illinois yield for a parliamentary inquiry?

The VICE PRESIDENT. The Senator cannot yield for that purpose.

Mr. LUCAS. The Chair rules that I cannot yield for that purpose. I must respect the ruling. I regret I cannot yield for that purpose.

Mr. FULBRIGHT. Mr. President, will the Senator yield for a question?

Mr. LUCAS. Yes.

The VICE PRESIDENT. The whole debate has been out of order and against the rules, because it has been a colloquy back and forth. The procedure prescribed by the rules with respect to Senators yielding for questions has not been followed.

Mr. FULBRIGHT. Will the Senator yield to me for a question?

Mr. LUCAS. I yield for a question.

Mr. FULBRIGHT. The three Senators who have just been speaking have expressed their interest in the rule of germaneness. So, since we are in agreement with respect to the subject of germaneness, I suggest that we proceed to the business before the Senate, which is my pending amendment, as modified, and defer the discussion of the cloakroom gossip until after disposition of the amendment.

Mr. LUCAS. I had the same feeling yesterday when the Senator from Arkansas took 3½ hours upon his amendment.

Mr. FULBRIGHT. That time was consumed in a discussion of the pending amendment.

Mr. MORSE. If the Senator from Arkansas will permit us to present a horrible enough example to show the need for a stricter rule on the subject of germaneness. maybe he will join with me in an effort to have such a rule adopted.

With respect to my comments on the 1950 election campaign I will say to the Senator from Illinois that if I can only get him to come to my State and make a speech or two against me there will be no

doubt that I shall be elected. He would thereby make it unnecessary for me to run like a scared rabbit.

Mr. LUCAS. The Senator from Illinois seldom goes out of his own State. I have enough trouble in taking care of the political situation there.

Mr. FULBRIGHT and Mr. DONNELL addressed the Chair.

The VICE PRESIDENT. The question before the Senate is on the amendment offered by the Senator from Arkansas [Mr. FULBRIGHT], as modified. The Chair recognizes the Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, I do hope we can get on with my amendment.

Mr. DONNELL. Mr. President, will the Senator from Arkansas permit me to interrupt him so I may ask unanimous consent to speak for 1 minute in regard to a reference to my esteemed friend, the Senator from Oregon [Mr. MORSE]?

Mr. FULBRIGHT. If the Senator will speak for only 1 minute, yes.

Mr. DONNELL. Mr. President, I ask unanimous consent that the Senator from Missouri may be permitted to speak for 1 minute for the purpose suggested.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will keep the time. [Laughter.]

Mr. DONNELL. Mr. President, I assume that the time has not yet started to run.

Mr. President, the Senator from Illinois referred to cloakroom remarks about the Senator from Oregon. I am not going to speak about cloakroom remarks. But I want to put in the RECORD just one word of my personal knowledge from my observation of the work of the Senator from Oregon. While on many occasions I have disagreed with him, my observation is that he is one of the outstanding men in the United States Senate. He is a man of courage, ability, integrity, forthrightness, and industry. I take great pleasure in expressing not only my friendship for him but the deepest admiration for him.

The VICE PRESIDENT. The Senator from Missouri has 3 seconds left. [Laughter.] The Chair recognizes the Senator from Arkansas.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, communicated to the Senate the intelligence of the death of Hon. ANDREW L. SOMERS, late a Representative from the State of New York, and transmitted the resolutions of the House thereon.

EXTENSION OF EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 1209) to amend the Economic Cooperation Act of 1948.

Mr. FULBRIGHT. Mr. President, I do not wish to delay the Senate long. I merely want to call attention to the fact that the amendment I presented yesterday has been modified in accordance with suggestions made by certain Members of the Senate, especially the senior Senator from Michigan [Mr. VANDENBERG], and that the new draft has been put on every Member's desk. The draft can be identified as being the April 5 draft. I hope that Senators will consider the amendment favorably.

Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. CONNALLY. Mr. President, I trust the Senate will not vote for the amendment, even with the sponsorship it has. I am entirely in sympathy with the purpose of the Senator from Arkansas, which is that all the countries of western Europe unify, but I do not think it is our business to coerce them to unify, or to put up our money to make it attractive for them to unify.

The committee considered the amendment carefully. While the committee did not have before it the present amendment as modified, I will say I do not think it is in the public interest to begin the sort of policy proposed by the amendment, because it will spread to other nations, and we will be called upon to make contributions from time to time to bring about the unity of certain nations. I hope that the Senate will vote against the amendment.

The VICE PRESIDENT. The question is on the modified amendment of the Senator from Arkansas [Mr. FULBRIGHT]. The clerk will call the roll.

Mr. CONNALLY. Mr. President, were the yeas and nays ordered?

The VICE PRESIDENT. The yeas and nays were ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. EASTLAND (when his name was called). On this question I have a pair with the junior Senator from South Carolina [Mr. JOHNSTON]. If the Senator from South Carolina were present he would vote "yea." If I were at liberty to vote I would vote "nay." I withhold my vote.

The roll call was concluded.

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD] and the Senator from Nevada [Mr. MCCARRAN] are absent on official business.

The Senator from Kentucky [Mr. CHAPMAN] is absent on official business at one of the Government departments.

The Senator from New Mexico [Mr. CHAVEZ] is unavoidably detained.

The Senator from California [Mr. DOWNEY] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Iowa [Mr. GILLETTE], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Georgia [Mr. RUSSELL] are absent on public business.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

I announce further that if present the Senator from Kentucky [Mr. CHAPMAN], the Senator from Iowa [Mr. GILLETTE], and the Senator from New York [Mr. WAGNER] would vote "nay" on this amendment.

Mr. SALTONSTALL. I announce that the Senator from New Jersey [Mr. SMITH] is absent because of illness. If present and voting, the Senator from New Jersey would vote "nay."

The Senator from South Dakota [Mr. GURNEY] and the Senator from New Hampshire [Mr. TOBEY] are unavoidably detained. If present and voting, the Senator from New Hampshire [Mr. TOBEY] would vote "nay."

The result was announced—yeas 23, nays 59, as follows:

YEAS—23

Brewster	Fulbright	Mundt
Bricker	Humphrey	Schoeppel
Butler	Jenner	Sparkman
Cain	Kefauver	Taft
Douglas	Knowland	Taylor
Ecton	Langer	Thye
Ferguson	McClellan	Vandenberg
Frear	Martin	

NAYS—59

Aiken	Johnson, Colo.	Myers
Anderson	Johnson, Tex.	Neely
Baldwin	Kem	O'Conor
Bridges	Kerr	O'Mahoney
Capehart	Kilgore	Pepper
Connally	Lodge	Reed
Cordon	Long	Robertson
Donnell	Lucas	Saltonstall
Ellender	McCarthy	Smith, Maine
Flanders	McFarland	Stennis
George	McGrath	Thomas, Okla.
Green	McKellar	Thomas, Utah
Hayden	McMahon	Tydings
Hendrickson	Magnuson	Watkins
Hickenlooper	Malone	Wherry
Hill	Maybank	Wiley
Hoey	Miller	Williams
Holland	Millikin	Withers
Hunt	Morse	Young
Ives	Murray	

NOT VOTING—14

Byrd	Gillette	Russell
Chapman	Graham	Smith, N. J.
Chavez	Gurney	Tobey
Downey	Johnston, S. C.	Wagner
Eastland	McCarran	

So Mr. FULBRIGHT's amendment, as modified, was rejected.

Mr. MAGNUSON. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 5, after section 7 (b) (i), it is proposed to insert the following new subsection:

(c) Section 112 (d) of such act is hereby amended by adding after the words "any agricultural commodity, or product thereof" the following: "or class, type, or specification thereof."

Mr. MAGNUSON. Mr. President, the amendment just submitted is proposed by me on behalf of myself, the Senator from Vermont [Mr. AIKEN], the Senator from Oregon [Mr. CORDON], the Senator from Oregon [Mr. MORSE], the Senator from Idaho [Mr. MILLER], the Senator from Idaho [Mr. TAYLOR], the Senator from Washington [Mr. CAIN], the Senator from California [Mr. DOWNEY], the Senator from California [Mr. KNOWLAND], and the Senator from Florida [Mr. PEPPER]. I may say that this group of Senators have been vitally interested in the problems relating to the citrus and deciduous fruit industries. Most of us come from the great States which have a large portion of their agricultural products involved in either or both the citrus and deciduous fruits. We have submitted two amendments to this bill, and have appeared before the Foreign Relations Committee in behalf of their adoption. Our appearance before the committee was preceded by several conferences not only with the ECA Administrator but also with the Department of Agriculture and others interested in this unique problem.

At the time, the committee decided to turn down the original amendment proposed, because it included a second section which would provide an authorization of approximately $100,000,000 for the purpose of taking care, in the ECA program, of the plight of these two industries, as well as of the dried-fruit industry.

But since then, we have had conferences with members of the committee, with the Department of Agriculture, and with the ECA Administrator; and so we have broken up our proposed original amendment into two parts. The amendment just read by the clerk merely provides that under the present ECA law, the Department of Agriculture can declare and report to the ECA Administrator any domestic production in surplus, and the ECA Administrator then, consistent with the terms of the act, will make the best attempt he can, in dealing with other countries, to have that item on the list, whether it be tobacco, wheat, or some of the other items declared in surplus.

The citrus and deciduous fruit industries are in a very unique position. The Administrator himself has so declared; and in a letter to all the Senators who have joined in the submission of this amendment, he has also stated that he feels that this industry should have some special treatment—he himself used the words "special treatment"—for the simple reason that both these industries have relied and have had historical reliance upon exports, prior to the war.

The winter pear industry, for instance, historically relied on exports to the extent of 44 percent of its production. The apple industry relied on exports to the extent of from 17 to 20 percent, and the citrus fruits industry, in some cases, relied on exports to the extent of well up to 20 percent. During the war, of course, the domestic market was good, and it was possible to take care of production. The Military Establishment was buying citrus and deciduous fruits in vast quantities. But since the war, and despite historical reliance on exports, the industry has been unable, with very rare exceptions in respect to some fruit juices which were sent abroad this year in small amount, to make contacts with the historical foreign market.

There are many reasons for that; but the trouble is that these industries themselves, unlike the wheat industry, the cotton industry, and industrial production, cannot limit production from year to year. God and nature take care of the trees, and the only way production could be limited during the shrinking market, due to the fact that the foreign trade had disappeared, would be to tear up the trees. If the trees were torn up, then there would be a 10- or 12-year period before they could produce again. It is not like curtailing a wheat crop; it is not like curtailing industrial production. Even under the laws of the States represented by other Senators and myself who proposed the amendment, though they are good laws, the trees cannot be left idle, lest, in the absence of the application of insecticides, a spread of insects and pests should occur.

Mr. TOBEY. Mr. President, will the Senator yield for a question?

Mr. MAGNUSON. I yield to the Senator from New Hampshire.

Mr. TOBEY. As one interested in horticulture I wonder whether it is not the practice to reduce the size of the crop by thinning. I thought that practice was universally accepted.

Mr. MAGNUSON. The producers of these fruits do what they can, I may say to the Senator from New Hampshire. But, in the case of citrus fruits in my State, and in the State of Oregon, it is most difficult to curtail production. Moreover, during the war we learned new methods of controlling pests, with the result that production has been greatly increased, beyond the capacity of the domestic market to absorb. But they do what they can, realizing that their foreign market is not what it was before the war, and that it will be some time before exports will again be up to the former level which in the case of winter pears was 44 percent. That is why the Administrator himself said they should require some special treatment, and that an effort should be made—and he said he would make it—to see that contracts with the foreign markets, particularly in Europe, were maintained, to the best of his ability. There was some feeling among horticultural people——

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. CONNALLY. With respect to the amendments, the Senator from Texas was agreeable to accepting the amendment dated March 18, 1949.

Mr. MAGNUSON. Yes. That is the one I am speaking about.

Mr. CONNALLY. But now the Senator has another amendment, is that correct?

Mr. MAGNUSON. No, I do not have another amendment. I said we had intended to propose another amendment.

Mr. CONNALLY. But the Senator is not going to propose it? Is that correct?

Mr. MAGNUSON. I am not going to propose it.

Mr. CONNALLY. That is satisfactory. I have no objection to the Senator's amendment.

Mr. MAGNUSON. I appreciate, and we all appreciate the courtesy and the understanding the Senator from Texas and other members of the Foreign Relations Committee have shown about this matter. I merely want to take this opportunity briefly to explain why we are asking this kind of special treatment, which the Administrator himself admitted we should have.

Mr. President, before the vote is taken, I ask unanimous consent to have printed in the body of the RECORD a further explanation of the amendment.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

STATEMENT BY SENATOR MAGNUSON IN SUPPORT OF SO-CALLED HORTICULTURAL AMENDMENTS TO THE ECONOMIC COOPERATION ACT OF 1948

I have two amendments to the pending bill, lying on the table, which I wish to call up at this time. Senators AIKEN, MORSE, CORDON, PEPPER, MILLER, TAYLOR, CAIN, KNOWLAND and DOWNEY have joined me in sponsoring these proposals.

The first of these amendments affects section 112 (d) of the 1948 Economic Cooperation Act; the second section 112 (f). Senators will recall that sections 112 (d), 112 (e), and 112 (f) of the 1948 act deal with agricultural commodities and were adopted last year, by the Senate as a whole, as amendments to the committee bill.

I will explain the amendments, then present the facts which justify their adoption. Both deal with problems confronted by the Nation's horticultural industry, and are prompted by the unique circumstances it faces.

As now written, section 112 (d) of the 1948 act reads: "The term surplus agricultural commodity as used in this section is defined as an agricultural commodity, or product thereof, produced in the United States, which is determined by the Secretary of Agriculture to be in excess of domestic requirements. In providing for procurement for transfer by grant to any participating country in accordance with requirements of such country, the Administrator shall, insofar as practicable and where in furtherance of the purposes of this title, give effect to the following:" The section then goes on to say that the Administrator shall give "due consideration to the excess of any such commodity over domestic requirements and to the historic reliance of United States producers of any surplus agricultural commodity upon markets in the participating countries.

Our first amendment is designed to give the Secretary additional and more refined authority in deciding when an agricultural commodity is in excess of domestic requirements. As the section now reads, the Secretary must find that a particular crop, taken as a whole, is in surplus before this section becomes operative.

Historically the horticultural industry has produced certain varieties and types of fruit for the export market. These varieties, classes, and types of fruit may be in excess of domestic requirements even though the crop as a whole may be below normal—or to put it another way, not in surplus. Let me illustrate with an example.

Prewar the apple producers, particularly in the Northwest, produced varieties especially suited for the export trade. Generally speaking, these varieties and types were not suitable for the domestic market. This year the industry has on hand approximately 2,000,000 boxes of these export specifications, even though domestic types and sizes, and in fact, the crop as a whole was 30,000,000 boxes below normal. In a normal year, producers would have on hand eight to ten million boxes under existing circumstances.

If our amendment is adopted, the Secretary could declare that these classes, types, or specifications are in excess of domestic requirements. Upon such declaration ECA would be required, to the extent consistent with the purposes of the act and the requirements of participating countries, to cooperate with the Secretary of Agriculture and the industry in devising practical steps for moving these varieties and specifications into the historic foreign markets of the industry. Adoption of this amendment will not give the horticultural industry any advantage not extended to other agricultural products. It will, as I said before, give the Secretary a more refined and realistic authority to deal with the problem.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. MAGNUSON] for himself and other Senators.

The amendment was agreed to.

Mr. MAGNUSON. Mr. President, I should like to present and have printed in the body of the RECORD a further amendment proposed by myself, the junior Senator from Vermont [Mr. AIKEN], the senior Senator from Oregon

[Mr. CORDON], the junior Senator from Florida [Mr. HOLLAND], the Senator from Arizona [Mr. MCFARLAND], the junior Senator from Oregon [Mr. MORSE], the junior Senator from Idaho [Mr. MILLER], the senior Senator from Idaho [Mr. TAYLOR], the Senator from Washington [Mr. CAIN], the senior Senator from California [Mr. DOWNEY], the junior Senator from California [Mr. KNOWLAND], and the senior Senator from Florida [Mr. PEPPER], to the ECA Act, together with an explanation as to why we had hoped to obtain the extra money. I ask that the amendment be printed in the body of the RECORD at this time, together with the explanatory statement.

The VICE PRESIDENT. Is there objection?

There being no objection, the amendment and statement were ordered to be printed in the RECORD, as follows:

AMENDMENT

On page 5, after line 7, insert the following new subsection:

"(c) Section 112 (d) of such act is hereby amended by adding after the words 'any agricultural commodity, or product thereof' the following: 'or class, type, or specification thereof.'"

STATEMENT BY SENATOR MAGNUSON

Our second amendment affects Section 112 (f) of the act. This section authorizes the Secretary of Agriculture, in carrying out the purposes of ECA and clause 1 of section 32, (Public Law 320) to make payments, including payments to any government agency procuring or selling surplus agricultural commodities, in an amount not to exceed 50 percent of the sales price, as determined by the Secretary of Agriculture. In other words, suppose a particular commodity, eligible for section 32 assistance, has been declared in surplus. The Secretary, under section 112 (f) as now written, can go to the ECA Administrator and offer to pay 50 percent of the sales price of that commodity out of agriculture funds. ECA would put up the difference between the funds the Secretary provides and the sales price. This provision was written into the act last year to encourage the use of ECA countries of agricultural commodities declared by the Secretary to be in excess of our domestic requirements.

Because of the unique problem confronted by producers of horticultural commodities—apples, pears, plums, citrus, etc.—we propose to amend this section by giving the Secretary authority to make such matching payments in such amounts and in such manner as the Secretary may deem appropriate for the purposes of this section. If the amendment is adopted the Secretary could, if his judgment so dictates, pay more than the 50 percent now authorized in the act when a perennial horticultural commodity is involved. Whether the Secretary would pay more than the 50 percent will depend upon the circumstances obtaining at the particular time.

In addition, we propose to authorize an appropriation of $100,000,000 for use by the Secretary in encouraging export of perennial horticultural commodities to the ECA countries, when and if certain classes, types, or specifications of these commodities are declared by the Secretary to be in excess of domestic requirements.

It is important to note that this authorization is for use of the Secretary of Agriculture. Any funds appropriated under the authorization will be contained in the Agriculture appropriation bill. The authorization and any appropriation under it in no way affects the funds of ECA.

Before I outline the compelling reasons for adoption of these amendments, let me give you a brief account of what has happened to date, legislatively, on this problem.

On February 25, the cosponsors of the amendments I am discussing, introduced a related amendment which was referred to the Senate Foreign Relations Committee. The committee rejected that amendment. However, when Senator CORDON and I appeared before the committee to explain and support the amendment, we came away with the justifiable impression that most committee members recognized and were sympathetic to the problem the horticultural industry confronts. I believe the amendment was disapproved chiefly because, as then drawn, our proposal would have authorized an additional $100,000,000 for ECA. The ECA Administrator and the committee took the position that this was an agricultural problem and should be handled within the policy and framework of existing agricultural legislation. Too, they were concerned over the possibility that acceptance of the amendment would open the door for other demands on ECA. Later in my remarks I'll demonstrate that what we now propose eliminates this basis for concern.

On Tuesday, March 8, the very day the Foreign Relations Committee was considering our previous proposals, the cosponsors and representatives of the industry met with Administrator Hoffman and Under Secretary Loveland to discuss this question. At that meeting the Administrator and the Under Secretary agreed that the problems of the horiticultural industry are unique, but reaffirmed their conviction that the solution should be sought through the Department of Agriculture.

As a direct result of that meeting, our previous amendments were revised and, as I stated a moment ago, our proposal now involves an amendment to section 112 (f), which is a section in the act adopted last year—a section which deals with agricultural legislation. We have submitted the present amendments to Administrator Hoffman and the Secretary of Agriculture. I have a letter from the Administrator, saying he has no objection to the amendments in their present form, and I believe the Secretary of Agriculture will favor the amendments. I have discussed the problem with him, but he has not had time to clear a formal response.

I will now proceed with some of the facts and circumstances which warrant adoption of these amendments. We are talking here about perennial tree fruits and vine crops and their products. The latter include among others, deciduous fruits: Apples, pears, grapes; citrus fruits and the products of each. Production of these perennial horticultural crops is on a national basis. Thirty-six States are involved—all of them are interested in the national industry's export problems.

The entire perennial horticultural industry has by industry-wide deliberation and resolution considered the export problem and informs me it supports the amendments which we have introduced and believe they offer the best solution.

The prewar dependence of the industry upon export markets is a factor which cannot be conscientiously overlooked by the Congress. All United States perennial horticultural products are affected directly or indirectly by the availability of foreign markets. Some segments, prewar, exported between 40 and 50 percent of their average annual production. The loss or severe restriction of the opportunity to trade abroad has, therefore, under normal crop conditions created a corresponding oversupply within the United States, which is not surplus production as the term "surplus" is generally applied.

Before the war, exports of United States horticultural products ranked first in all United States food exports and third in all agricultural exports. Exportation was exceeded only by cotton and tobacco. In fourth place came wheat and flour. Tobacco, cotton, and wheat and flour are under existing compulsory price-support programs, pursuant to the mandate of Congress—horticultural products are not. I have no criticism of the fact that the other three products enjoy compulsory price support—as a matter of fact I have consistently supported legislation to give them this stability.

May I reemphasize? Prewar the horticultural products covered by the amendments we are proposing ranked first in all United States food exports and third in all agricultural exports—exceeded only by cotton and tobacco and followed in fourth place by wheat and flour. With this in mind, let's see how compulsory support programs have affected each of these top four agricultural commodities on the export list. I find the situation as follows with respect to support commitments which have been made by the United States Department of Agriculture, and the Commodity Credit Corporation for the fiscal year 1949, up to and including February 1, 1949. These commitments include nonrecourse loans, purchase agreements, and direct purchases. Commitments for cotton, first on the prewar export list, totals $684,067,084, for tobacco, second on the export list, $89,539,509; for perennial horticultural crops and products, third on the list, none; for wheat, fourth on the list, $687,227,050. Thus the vast national perennial horticultural industry stands alone in the notable absence of compulsory price support assistance.

Now let me present to you the participation of these four commodities in the ECA program between the dates April 3, 1948 and February 28, 1949. Cotton has participated to the extent of $358,300,000; tobacco, $116,700,000; horticultural crops and products, plus edible nuts, $14,500,000; wheat and flour, $490,400,000. Most of the $14,500,000 for horticultural products represents purchases of dried fruits or concentrates. As a practical matter, not one dollar of this $14,500,000 has been used for the purchase of fresh fruits. Yet, prewar the Marshall plan countries provided a yearly market of over $85,000,000 for crops we are discussing—a yearly market for 40 percent of our total dried fruit production; 44 percent of our fall and winter pears; and 28 percent of our apple production.

Here then is an industry, affecting 36 States of the Union, which stood third on the prewar list of Agricultural exports; yet has had no direct price-support assistance and insignificant participation in the ECA program.

The United States horticultural industry generally has not sought direct price-support classification. It contends to do so only if less costly programs fail to solve its problems. As I have said, these problems largely arise from the unavailablity of historic export markets and the lack of opportunity further to develop foreign business during the current period of dollar shortage abroad. The industry feels that the opportunity to recapture its foreign business will go a long way toward attaining the results it so sorely needs. Therefore, from this point of view also, we are not dealing with the problem of ordinary "surplus" disposition.

The industry wants to settle its difficulty by itself, to the greatest extent possible. However, since United States international trade has temporarily yielded to direction from governments, it has no alternative but to come to the Congress. The industry comes to us with these three requests:

First. A request for financial assistance which must seem modest in the light of figures I have already quoted.

Second. A request which is designed to preserve the industry's foreign markets in

the interim, so that when world trade improves and the dollar shortage eases, the industry can remove itself from dependence upon Government funds.

Third. A request which conforms precisely to the legislative pattern already established for assistance to agricultural exports by the Congress.

It seems to me eminently clear that if we supply a helping hand promptly to this industry—which is of such great importance to the national economy, which is well-deserving, and which cherishes an attitude of self-dependence—our assistance will be far less costly than would be the case if help should be withheld now, and the industry were forced later to come to us after irreparable damage has been done to its capital structure.

The sum we seek to authorize is comparatively modest. It is for the specific purpose of assisting the industry to maintain its foreign business. This authorization is small compared to what may be required should the industry be forced to request mandatory price-support classification for its entire production. In the latter instance, we could not consistently withhold our approval, as long as other agricultural commodities are so supported. Thus it seems to the sponsors of these amendments that in the long run substantial sums of money will be saved for the Government by timely action now.

I mentioned earlier, that in regard to our previous amendment, the Foreign Relations Committee expressed the fear that adoption might open the door to a flood of demands by other producers for inclusion of their products in the ECA program. I do not share this fear, first, because the amendment now before us places primary responsibility in the Department of Agriculture and second, because there are five separate characteristics of the perennial horticultural industry which definitely set it apart from the other prospective claimants. These five characteristics do not exist in combination in any other agricultural or manufacturing industry. The horticultural industry position, therefore, is unique.

Here are these five distinguishing characteristics:

First. The export market is a normal market, painstakingly developed over the better part of a century as an integral part of a domestic and world-wide distribution system. The populous markets of Europe; for instance London, Paris, Rotterdam, Stockholm, etc., have been as equally depended upon as have been the markets of New York, Chicago, Detroit, Houston, Los Angeles, and San Francisco, etc. In short, foreign distribution is the industry's bread and butter. Varieties and acreages were set out exclusively for the export market. The production of export specifications, therefore, is unavoidable.

Second. The horticultural industry cannot possibly control production short of destroying its capital investment beyond repair. Production can be reduced only by destroying trees which take 8 to 14 years to replace. Therefore, uninterrupted distribution in normal world markets is essential. Perennial production is a constant procedure. Trees cannot be untended; for untended orchards become sources of infestation and, as such, must be destroyed under State regulations. Annual producers can reduce acreage or shift to other crops. Manufacturers can shift to other products or cut down overhead. Perennial crop producers can do neither—actually they are required to think in terms of decades.

Third. There is a known demand and need in world markets—Europe and elsewhere—for United States horticultural products. In the break-down of the initial requests of the countries which are now participating in OEEC, those countries indicated their requirements for 337,000 metric tons of United States fresh fruits and 121,000 metric tons of United States dried fruits during the first year of ECA operation. Commercial sources confirm this demand and need—yet actual participation in the first year of ECA fell far short of the industry's export need—some perennial horticultural products having been eliminated entirely.

Fourth. The industry is in danger of losing its export market permanently if assistance is not forthcoming. The products can ultimately be supplied from other world sources which cannot ordinarily compete. Such producers will take over the markets irretrievably if United States producers of perennial horticultural crops and products are frozen out for long. Official reports show that a series of bilateral agreements have already been concluded for the export of apples to other European countries by Switzerland—a hard currency country—and even by Yugoslavia, which is outside the OEEC structure.

Fifth. Being nonmandatory for price support, the industry has no other place to go for adequate export assistance, except to Congress, under today's international trading conditions and during this period of dollar stringency abroad.

The foregoing five combined criteria establish clearly the uniqueness of this industry's position and define clearly the need for special handling which is the purpose of the two amendments which my colleagues and I have introduced. These amendments, as I have said, are drawn to conform to the accepted legislative pattern for assistance of agricultural commodities needing help in foreign markets.

The question may be raised: "Is it appropriate to include these two amendments in S. 1209?" That question can be answered in the affirmative for the following reasons:

First. The amendments do not alter the basic character of the act. On the contrary, they fall squarely within the present purposes and tenor of section 112 of the act. Section 112 (f) already provides for export subsidies from agricultural funds and even legislates concerning these funds. All these amendments seek to do is clarify the position of the national perennial horticultural industry within this established framework.

Second. The amendments do not require the ECA Administrator to finance any additional payments not directly related to European recovery. The authorization of $100,000,000 is for the use of the Secretary of Agriculture. It will not even be considered in the ECA appropriation bill and, therefore, cannot dilute ECA budgeted funds or interfere with ECA policy.

Third. Although the proposed funds will come from agricultural sources, it is still essential ECA handle the mechanics. ECA is the dominating factor in United States foreign trade and ECA already has the facilities for dealing with the problem. The Department of Agriculture is not equipped to handle the operation of export payments to the extent required and, even if the Department could be so equipped, it would not be desirable to have another Department duplicating the functions of ECA in the area where ECA is predominant.

Fourth. The use of private channels of trade is essential for the most efficient handling of the export trade of the perennial horticultural industry. ECA has a congressional mandate to use such private channels of trade to the maximum possible extent. On the other hand, the Department of Agriculture has no mandate of this type and no machinery to use private channels of trade.

Fifth. Like the present section 112, the amendments do not require the Administrator to use any commodities. Funds, however, will be in the hands of the Secretary of Agriculture, for use if the participating countries request these products.

Sixth. The furnishing of these commodities can only assist the recovery of Europe. Fruit is an extremely valuable article in the diet, and of particular importance as an incentive product.

To summarize: The first amendment permits the Secretary of Agriculture to differentiate between typically domestic and typically export varieties, classes, and specifications of agricultural products in deciding whether the supply is in excess of domestic requirements. The second amendment authorizes an appropriation to the Secretary of Agriculture of $100,000,000 for use in carrying out the purposes of section 112 of the Economic Cooperation Act; section 32, Public Law 320, and other pertinent agricultural legislation as applied to perennial horticultural commodities.

If adopted, these amendments will be of tremendous assistance to this industry which has had a very heavy historical dependence on foreign markets. Unless the industry is enabled to reenter the foreign markets it consciously and systematically developed in prewar years, it faces the grim prospect of seeing its outlets preempted by other producing nations, with consequent irreparable damage to its capital investment.

I reiterate that the ECA Administrator agrees that the problem of this industry is unique. that the Under Secretary of Agriculture at our March 8 meeting shared that view—ECA interposes no objection to the amendments and I believe the Secretary of Agriculture would favor their enactment.

Although they are related, the amendments should be acted upon separately. I urge the adoption of both proposals.

Mr. MAGNUSON. I yield to my distinguished colleague the junior Senator from Washington [Mr. CAIN].

The VICE PRESIDENT. The junior Senator from Washington desires recognition in his own right.

Mr. MAGNUSON. Mr. President, I wonder if the junior Senator from Washington will yield to me for a unanimous consent request, without losing the floor.

Mr. CAIN. I understand I am not permitted to yield for that purpose, except by unanimous consent.

The VICE PRESIDENT. Unanimous consent is requested. Is there objection? The Chair hears none.

Mr. MAGNUSON. Through inadvertence, the name of the junior Senator from Florida [Mr. HOLLAND], was not included in the amendment I offered. Also, the name of the junior Senator from Arizona [Mr. MCFARLAND] was inadvertently omitted. Both Senators have been very much interested in the matter. The amendment was prepared hastily. I ask unanimous consent that the names of the junior Senator from Florida [Mr. HOLLAND], and the junior Senator from Arizona [Mr. MCFARLAND], be included with myself as the proposers of the amendment.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. CAIN. Mr. President, on behalf of the Senator from New Hampshire [Mr. BRIDGES] and myself, I send to the desk an amendment dated April 4, 1949, lettered "A," and ask for its immediate consideration.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 5, line 16, it is proposed to strike out all after "1949", through page 6, line 13, and insert in lieu thereof the following: "together with such sums as the appropriations committees of Congress shall rec-

ommend, and the Congress appropriate, for the fiscal year ending June 30, 1950."

Mr. CAIN. Mr. President, I wish to make a brief statement concerning the amendment to S. 1209 which I offered last Saturday, April 2, for the Senator from New Hampshire [Mr. BRIDGES] and myself. Since it was offered the amendment has been perfected.

Mr. President, what this amendment does is this: It leaves untouched the amount authorized to carry the ECA up to June 30 of this year, 1949, but it strikes out the authorization for the coming fiscal year leaving to the Appropriations Committee the task of naming the exact sum.

Mr. President, the necessity for this amendment has been brought out sharply by two very striking developments during the course of debate on this bill.

Mr. CONNALLY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Texas for a question?

Mr. CAIN. I am glad to yield.

Mr. CONNALLY. The matter is left to the Appropriations Committee, not the Committee on Foreign Relations, is it not?

Mr. CAIN. It is, indeed.

Mr. CONNALLY. I thought the Senator spoke of the Foreign Relations Committee.

Mr. CAIN. The senior Senator from Texas has made it very clear that the authorization now before the Senate is not binding upon the Appropriations Committee.

Mr. CONNALLY. That is very true. It is merely a ceiling.

Mr. CAIN. The Senator has made that clear on many occasions.

The first development is this: The chairman of the Foreign Relations Committee has reiterated that the Appropriations Committee is free to alter the figures, to cut down the sum asked for below the authorization ceiling—page 3258 CONGRESSIONAL RECORD, March 28—the Senator from Michigan has repeatedly said the same thing:

> The Foreign Relations Committee very frankly said that it felt that some readjustment in the ECA figures might prove to be justified by changed conditions as demonstrated by intervening events since the estimates were originally prepared. We held open the ultimate appropriation and urged a new and independent scrutiny by the Appropriations Committee as a basis for ultimate and final Senate action. (CONGRESSIONAL RECORD, April 1, p. 3662).

Other Senators have emphasized this fact. The authorization figures are not sacred. They are not sacrosanct. In a word, Mr. President, the sum to be appropriated is subject to alteration. There is no dispute on this point by anyone who has participated in the debate.

Mr. President, if the sum is not sacred, why name the sum needed for the next fiscal year at all? Why not leave the matter entirely to the Appropriations Committee? To bring that about is exactly what the amendment offered by the Senator from New Hampshire [Mr. BRIDGES] and myself proposes to do.

The importance of this amendment, the necessity for it has been reinforced by the second development of this debate. It is this: Ample data have been submitted on the floor of the Senate to show that aid to Europe is desirable and that the administration has told a very confused and contradictory story about what is actually being done in Europe.

Last Saturday, Mr. President, Mr. Hoffman, the ECA Administrator, issued a statement saying, "Complacency at this point in the program would be disastrous."

Complacency, Mr. President? No complacency has been exhibited on this floor. On the contrary, Senators on both sides of the aisle, Senators who support European aid, have bitterly complained about the lack of clear and coherent information. In my remarks last Saturday I went into great detail about the contradictions between the interim report of the OEEC and the testimony offered by many of the administration witnesses in committee hearings.

Mr. President, I am not opposed to European aid. I am in favor of it. Many of the bitter complaints come from Senators who are as much in favor of European aid as I.

As one who supports the general proposition of European aid—and my votes on the issue prove it—I submit that the questions we have asked have got to be answered and that the only place where we shall get the answers is in the Appropriations Committee. This is a very critical business and I think it would be outrageous if the Senate were to so act as to hobble the Appropriations Committee in any way. The Senator from Ohio has offered more than enough evidence to show that last year a public storm was raised and the Appropriations Committee was placed in a hopelessly unjust position when it came to examine the amounts requested. Mr. President, if the authorizations are not sacred—and numerous members of the Foreign Relations Committee have said again and again and again that they are not sacred—why should we be a party to misleading the public again? Let us say clearly and bluntly to the public: "Yes, we favor European aid. Yes, the Appropriations Committee must decide, and we propose to leave it to them, without any hindering action on our part."

That is exactly what this amendment will accomplish, and I earnestly urge Senators on both sides of the aisle who feel as I do, that we must continue European aid and that we must also have much more information than we now have, to support the amendment.

The amendment safeguards the proposition of European aid itself and simultaneously safeguards the Appropriations Committee in the burdensome task that awaits it. Surely, Mr. President, we owe this duty both to ourselves and to European recipients of our help. With this amendment no harm whatever is done to the great project upon which we have embarked; it is, if anything, strengthened immeasurably by the support and confidence which we give the Appropriations Committee.

Mr. President, I hope that the amendment will be adopted.

Mr. BRIDGES. Mr. President, more than 10 days have gone by in discussion of the bill for the extension of the European aid program, Senate bill 1209. I do not wish needlessly to prolong this discussion, but there are a number of points which should be emphasized, for they involve considerations of paramount importance.

The Senator from Washington, in his address following the offering of the amendment offered for himself and the senior Senator from New Hampshire, discussed in detail the sharp contradictions between the statements of the Europeans themselves—as presented in the OEEC interim report—and the testimony of numerous witnesses before the Foreign Relations Committee. I do not intend to retrace the Senator's analysis. I will simply say that the drafters of the European report seemed frankly skeptical that the Marshall plan countries could, within 4 years, reach the goals they had set for themselves without unparalleled resolution and determination. Further, the OEEC report implied, though it did not say, that it was doubtful if such resolution and determination would be forthcoming. No such picture was presented before the Senate Foreign Relations Committee. I do not want to overdo this matter of anxiety on the part of the drafters of the OEEC interim report. I do say that no disinterested person could read that report without coming to the conclusion I have stated.

I was much struck by some remarks made by the senior Senator from Michigan [Mr. VANDENBERG] during the course of the debate. He said:

> One evening a few months ago I had the privilege of sitting with the high council of the OEEC. The council consisted of the top economic experts from various countries. They very frankly said that evening that in 1952 the participating countries probably would fall $2,000,000,000 or $3,000,000,000 short of the objective—almost the same figure the Senator is quoting. Therefore, I think the figures probably are sound.
>
> The thing of great interest to me that evening was, first, that the figures were being frankly produced by the beneficiary countries themselves; secondly, that they were being frankly recognized by the beneficiary countries; and, third, but most impressive of all to me, that the figures were being developed, not for the purpose of substantiating any supplementary claims for additional current aid or subsequent aid after the conclusion of the plan, but for the purpose of bringing home to the cooperating countries themselves the fact that they were not yet sufficiently in self-help gear to reach the target. I think it was greatly to their credit that they produced the figures, and even more to their credit that the purpose of their production was to inspire a still further effort of self-help in the direction of reaching the target.

Mr. President, with all due respect to the Senator from Michigan, I think that the revelation of these figures by the OEEC technicians is of much less importance than he implies. Does the fact that the OEEC people revealed the figures necessarily mean that the governments of western Europe are determined to carry out the good advice their own technicians in the OEEC have given

them? I do not think so. So far as I have been able to discover in my examination of the materials, the technical body of the OEEC is in a very strange fix. It appears to consist of able men. I might say able men who see clearly what their governments ought to do and have a distinct foreboding that those governments are not going to do it. As I look through this OEEC report I get the impression that in a sort of indirect way the OEEC technical people are saying to us: "For God's sake, America, put on the pressure. Put the pressure on Europe, for if you do not, this Marshall plan scheme is going to fail."

Now, Mr. President, we are in this position: We have undertaken a program for the rehabilitation of western Europe, and we are uncertain of just what the score is after the first year's operation. Yet we are committed to the enterprise. This is hard, Mr. President. We have undertaken the program and simultaneously we have an unsatisfactory annual report. I am aware that the ECA speaks in glowing terms of its accomplishments, but the real underlying facts are unsatisfactory in respect to information on long-range plans, economic integration, and joint action.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. VANDENBERG. Mr. President, before the Senator leaves that portion of his speech in which he has referred to my observations regarding the consultants of OEEC, I ask him to allow me to reiterate my own conclusion as to the figures submitted by them with candor, that they impressed me with their anxiety to see to it that their own countries still further tighten their belts, still further submit themselves to the necessary austerities in order to reach the objective in 1952. I ask the Senator to let me leave that emphasis upon the quotation, because otherwise I think it would be very unfair to those gentlemen who impressed me with their determination to live up to the prospectus we have written.

Mr. BRIDGES. I thank the Senator.

Under these circumstances, Mr. President, we have only one recourse, and that is to see to it that the Appropriations Committee be given every advantage and assistance when they come to take up the problem of European aid for the next fiscal year. I say that the committee will be seriously hindered and not helped if a predetermined figure for the coming fiscal year is fixed in the bill.

The Senator from Washington has pointed out how the Senator from Texas and the Senator from Michigan, both members of the Foreign Relations Committee, have reiterated during the past few days that under no circumstances are members of the Appropriations Committee bound by authorization figures.

They are not the only ones who have stated this. Three members of the Appropriations Committee have said the same.

Listen to this exchange between the Senator from Virginia [Mr. ROBERTSON] and the Senator from Massachusetts [Mr. SALTONSTALL] on April 1, that is, last Friday, as it appears in the RECORD of April 1 at page 3643:

Mr. SALTONSTALL. The Senator from Virginia is a member of the Appropriations Committee, as am I. I do not understand that by voting for this authorization—whether we vote for it in the full amount or in the amount provided by any of the amendments—we shall be binding ourselves in any way when this question comes before us in the Appropriations Committee, as to the final amount which we shall then, as members of that committee, vote to have the Senate appropriate. Is that a correct statement?

Mr. ROBERTSON. That is absolutely correct.

Let me repeat one other statement made on the floor by a member of the Appropriations Committee. The witness in this case is the Senator from Michigan [Mr. FERGUSON]:

Mr. FERGUSON. As a member of the Appropriations Committee, I am glad that the chairman of the Foreign Relations Committee and my colleague from Michigan, the ranking Republican member of that committee, have stated upon the floor that the amount set forth in the bill as a ceiling is only for the purpose of authorization, and that in their opinion the Appropriations Committee has full authority—which we all know it has under the rules of the Senate—to pass upon the items in the appropriation bill * * * As a member of the Senate Committee on Appropriations, I believe that that committee will perform its duties fully when the appropriation bill comes before it. I am satisfied that the burden of proof should be upon those who ask for the appropriation, and that the amount fixed as a ceiling in the authorization bill is not necessarily the amount which must be in the appropriation bill which will be reported to the Senate.

Identical sentiments by other Senators have been expressed during the debate, but I shall not quote further.

All hands agree that the Appropriations Committee is not bound. Very good. Why, then, insist upon an authorization for the fiscal year ending June 30, 1950? Far from insisting upon this authorization figure, there are two very powerful reasons why such an authorization figure should not be included.

The first reason is that many of us feel that the full and clear story has not been told, and that to set an authorization figure on a cloudy and befogged proposition is a serious mistake. The great doubt that has assailed many of us is that the program may turn out in the end to approximate a relief program. We want this doubt resolved and changes made if necessary.

The second reason is that we know from bitter experience what happens when the Appropriations Committee undertakes appropriate action. Senators on both sides of the aisle, Senators who have been given the heat and high-pressure treatment, can testify to what happened last year.

As the Senator from Georgia [Mr. RUSSELL] said last Friday, quoting from the RECORD for April 1, at page 3672:

Senators have been beguiled with the argument that we should pass this just as it is, and then submit the matter to the Committee on Appropriations, that an authorization is not final, that the Committee on Appropriations will scrutinze the program, and that they will then make reductions, but that reductions should not be made now. Mr. President, as one who has served on the Committee on Appropriations during the entire time these huge sums have been voted for these foreign aid programs, I wish to say that those who make that statement can tell that to the marines, but they need not undertake to tell it to me * * *. When it was proposed to touch the appropriations and reduce them in any amount, a veritable avalanche of protests and abuse was leveled at the Committee on Appropriations.

Mr. President, it has been suggested in a sort of way that the Appropriations Committee should, with sublime fortitude, ignore all clamor and do its duty. I would say that that sentiment also may be told to the marines but not to me. Where is the sense in it? From a practical point of view it amounts to tying the committee hand and foot ahead of time and then saying, "Now, if you are really intelligent and ingenious, you can get yourself untied and then go ahead with your appointed task."

That is nonsense, Mr. President. The job of the Senate is to aid the Appropriations Committee, not to cripple it.

Mr. President, I want to point out as forcibly as I can that the purpose of the amendment offered by the Senator from Washington [Mr. CAIN] for himself and the Senator from New Hampshire—the purpose is not to force cuts in the appropriation.

The reason for the amendment is the clear doubt which has been raised about what is really being accomplished in carrying out the program. I say here and now that what is desperately needed is a thorough overhauling of the entire program by the Appropriations Committee, and the demonstration beyond a shadow of doubt that we are financing fundamental reconstruction and not wholly relief.

I think the Senator from New Jersey [Mr. SMITH] earlier said that the program to date had been about 80 percent relief. I voted for this program, I supported it, as a rehabilitation program, and I should like to know if the program, which has been 80 percent relief to date, is being molded into a rehabilitation program.

I might say at this point that I should think the Senator from Arkansas would support me in this plea with enthusiasm and vigor. The Senator from Arkansas has publicly stated that he is disturbed about the program, that he fears it may turn out to be a relief program and not a step toward the unification of Europe. I will say to the Senator that if the Appropriations Committee makes the investigation I propose, his doubts will be dissipated. He will know, for better or worse, exactly what the present program does promise.

An examination of the amendment may raise the question as to why the authorization for the interim period—that is, from now to June 30 of this year—is left untouched. The reason for that is simple. There is not time to deal with the matter. We do not want to halt European aid; we do not want to see this enterprise brought to a dead stop. But the authorization for the coming fiscal year is another matter. We want to see this European project pro-

ceed, but we are determined to get the facts before we vote appropriations for the coming year.

I have spoken of the outburst against the Appropriations Committee last year. A quick survey of the reporting of the ERP this year reveals that the same sort of situation is building up. There is a very strange side to this, Mr. President. There is a widespread feeling in the country that we ought to give aid to Europe. But in many quarters there seems to be likewise an idea that once we decide to give aid, it does not matter very much what the aid is. The publicity releases of the ECA seem to be regarded as statements of fact, issued from on high.

Mr. President, I think it matters very much what sort of aid we give. I am for this European aid program. I was for it last year; I am for it today. But I do not propose to accept ECA releases as though they were Holy Scripture. I say, Mr. President, that the ECA has given us reason to probe into the story as it has been presented, and to get the full picture, which is so desperately needed.

One would never guess from the papers during the past 2 weeks that there were Senators trying to get light on a befogged issue. No. What we get are statements that the debate is droning along, that the administration is somewhat upset because of the delay. We get implications that obstructions are being put in the way. In no circumstances, Mr. President, do we get an inkling that there may be something wrong with the European recovery program itself, or that it should be further examined and thoroughly scrutinized.

The Senator from Connecticut [Mr. BALDWIN] said on April 4 during the course of debate, as appears in the RECORD for April 4, page 3784:

> It appears to me that the more we go into this matter and the longer we continue it the more careful we must be in its administration, because it is not going to be helpful to the whole program, in the long run, if we stand idly by and see all sorts of exceptions and discriminations and inequities worked, while we merely shrug our shoulders and say, "Nothing much can be done about it."

I can certainly say "Amen" to those sentiments.

Mr. President, I do not see how, considering the mass of contradictory testimony that we have heard, the Senate can vote intelligently on this bill.

I wish very explicitly to state that I am not satisfied with the reports I have examined, the testimony before the Committee on Foreign Relations, and I know many others who are not satisfied. I want the Committee on Appropriations to have a completely open road in the matter of appropriations.

I realize that the distinguished Senator from Texas [Mr. CONNALLY] and the distinguished Senator from Michigan [Mr. VANDENBERG] have made very clear in this debate that the amount mentioned is a ceiling, not a mandate to appropriate the specific amount, but I am familiar with the processes of the Committee on Appropriations, having seen the terrific pressure that is placed upon the members of that committee to appropriate up to authorization acts.

For instance, last year one of the items in the general bill which I remember particularly was the International Children's Emergency Fund. The objective of the fund was certainly a fine one. But the money was largely spent in countries beyond the iron curtain. Information had come to us that the money was being used in some cases by the Communist governments to maintain themselves in control, and that the boys and girls and the little babies of men and women who had the love of freedom in their hearts and the instinct and inclination to protest against dictatorship and Communist rule were being discriminated against.

I took the leadership in the committee, of which I was then chairman, to cut down the amount. As the result of my action on the floor of the Senate I took some of the worst abuse to which anyone has been subjected here. I did not attempt to kill the provision. In conference we compromised on $35,000,000. Nevertheless, because the amount of $60,000,000 had been authorized, the pressure was terrific on members of the Appropriations Committee, and the abuse we received was terrific.

Similar experience has been had in connection with other items. For instance, last year in connection with this subject, the Appropriations Committee cut the authorized amount from $4,245,000,000 to $4,000,000,000, or a cut of $245,000,000. In the bill we appropriated $20,000,000 to Trieste. We cut the International Children's Emergency Fund from $60,000,000 to $35,000,000. That figure was arrived at in conference. We cut the assistance to Greece and Turkey from $275,000,000 to $225,000,000. We cut the assistance to China from $463,000,000 to $400,000,000. Those were the final figures arrived at in conference. Then for the armed services, for relief in the occupied territory, an item which was contained in the bill, we cut the amount from $1,400,000,000 to $1,300,000,000, or a cut of $100,000,000. In that sum of $503,000,000, $245,000,000 was strictly for ECA. I do not think the cuts we made hurt anyone.

I might say that was done after several weeks of very, very long-drawn-out hearings. Let me point out that in order not to hold up action on ECA we began the hearings long before the bill was passed by the House. Appropriation bills, as the distinguished Presiding Officer knows, originate in the House of Representatives. Before the House of Representatives had more than barely started their hearings, I, as chairman of the Senate Committee on Appropriations, began our hearings. We sat week after week. We went into many, many details. Then, after having sat week after week, and examining the situation very thoroughly, great pressure was brought to bear upon the individual members of the Appropriations Committee to place in the bill the full amount authorized, to disregard our weeks and weeks of hearings, during which we had sat for almost countless hours. In other words, pressure was brought upon us to throw all that into the discard. The vote in the committee, as the result of that pressure, was very close. At one time the committee had actually voted to report the full amount. Then, as the result of reconsideration, an intelligent job was done in working out the requested amounts.

The amendment proposed by the Senator from Washington [Mr. CAIN] and myself is not aimed at arbitrary cuts. It is aimed at giving the widest latitude possible to the Appropriations Committee of the United States Senate when it goes into this matter in full-dress examination. Its purpose is to provide that we shall not be bound or handicapped by the top figure which the distinguished Senator from Texas [Mr. CONNALLY] and the distinguished Senator from Michigan [Mr. VANDENBERG] say is the ceiling. I recognize that as the ceiling, and I am very glad they have gone as far as they have in pointing out very emphatically to the Senate that it is a ceiling. But in turn, what I want to say is that regardless of whether it is a ceiling, many people accept it as a mandatory figure. Therefore we propose to give the Appropriations Committee full determination of the amount, after a very careful survey is made. It will require, in my judgment, several weeks to make the survey and to hold the hearings. Thus, the only plausible, the only sound, thing to do is to adopt the amendment proposed by the Senator from Washington and myself to the bill. I hope that may be done, Mr. President.

Mr. MALONE. Mr. President, first I want to give my approval to what the distinguished Senator from New Hampshire [Mr. BRIDGES] has said that once projects are authorized by Congress it is taken for granted by the people who are to benefit from the projects that the money so authorized will be appropriated. In other words, they believe the appropriation following the authorization is simply a matter of form. I want to say that I approve the amendment.

First, Mr. President, evidently either the Foreign Relations Committee did not have full information respecting the 88 individual trade pacts and agreements the beneficiary nations have made from time to time with Russia and with the countries behind the iron curtain, or they have not made such information available to the Senate. They evidently also have not had full information as to the disposition of the moneys given to those countries under the ECA, and are not aware, or at least the information has not been made available to the Senate through any reports of the Foreign Relations Committee, of the disposition or the payment of such moneys by the individual nations to other countries, including countries of Asia, the Near East, the South Seas, and Africa. That is where the principal payments have been made, in the sterling-bloc area, in the franc area, and in the guilder area, by the empire-minded nations.

Mr. President, there seems to have been some reluctance in the last few days on the part of the proponents of the legislation to allow full debate. They are very impatient, but I want to say that if

full information respecting every country which is a beneficiary of ECA should ever reach the Senate of the United States, as such information has reached the Senate respecting French Morocco—and it seems that several Senators have taken it upon themselves really to investigate what was going on in French Morocco—if such information ever reaches the floor of the Senate respecting every country which is a beneficiary of the ECA, there will be a radical change made in the legislation. I had an opportunity to inspect the countries and entities in Europe and in Asia which are beneficiaries of this fund indirectly through the colonial system. Every nation is using ECA money similar to the way it is being used in French Morocco; it is only a matter of degree.

The amendment I offered to the ECA bill, when I took the floor on March 30, and completed my argument on the thirty-first, dealing with the three-phased free-trade program of the administration, provides that any money loaned to the European countries for rehabilitation of industry or the construction of new industrial plants shall be loaned on the same approximate basis as money is loaned to American citizens for the same purpose.

Mr. President, I ask that the amendment be read.

The PRESIDING OFFICER (Mr. WITHERS in the chair). The amendment will be read.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to insert the following new section:

SEC. —. (a) Notwithstanding any other provision of the Economic Cooperation Act of 1948, as amended, assistance rendered under such act to any participating country after the date of enactment of this act shall be on the basis of loans only; except that this subsection shall not apply to assistance rendered in the form of food or medicines for the relief of human suffering in a participating country if the Administrator finds, and the President approves such finding, that due to temporary conditions an emergency exists in such country which the government thereof is unable to meet.

(b) All such loans shall be fully and adequately secured. The Administrator, under such terms and conditions as he shall prescribe, may take over or provide for the administration and liquidation of any collateral accepted by him as security for such loans. Such loans may be made directly upon promissory notes or by way of discount or rediscount of obligations tendered for the purpose, or otherwise, in such form and in such amount and at such interest or discount rates as the Administrator may approve. Each such loan may be made for a period not exceeding 3 years, and the Administrator may from time to time extend the time of payment of any such loan, through renewal, substitution of new obligations, or otherwise, but the time for such payment shall not be extended beyond 10 years from the date upon which such loan was made originally. Such loans may be made either directly or in cooperation with banks or other lending institutions through agreements to participate or by the purchase of participations, or otherwise.

Mr. MALONE. Mr. President, when the junior Senator from Nevada presented the amendment which will shortly be considered by this body, I stated that I would show that we were arming Russia and the iron curtain countries through the money furnished the 16 European countries through the medium of 88 trade treaties. The State Department intimated that there might be other treaties about which the Department did not know; but of the 88 trade treaties of which the Department had a record, 40 were restricted and not allowed to be published. In addition to the 40, 3 were of a very confidential nature, according to the State Department. Many of the treaties were written in foreign languages, and for that reason the chairman of the Joint Committee on Printing thought it was impossible to print them in the RECORD, since they were not translated. I wish to show again that in my opinion either the Foreign Relations Committee did not have this information, or did not make the necessary information available to the Senate.

I stated that the money of the taxpayers was being used to send everything from jet engines and locomotives to Russia and the countries behind the iron curtain, including tool steel, ball bearings, electric equipment, and so forth.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a clipping from the Washington Evening Star of April 2, 1949.

There being no objection, the clipping was ordered to be printed in the RECORD, as follows:

JOHNSON LETTER PRODUCED IN SENATE DEBATE; LUCAS SEEKS FINAL VOTE ON BILL MONDAY

(By J. A. O'Leary)

The denial that England has sent Russia any jet engines recently came in a letter from Defense Secretary Johnson to Senator MCCARRAN, Democrat, of Nevada, who had asked the Secretary to look into published reports on the subject.

Senator MCCARRAN called Mr. Johnson's letter a complete refutation of the reports. Senator HICKENLOOPER, Republican, of Iowa, said he was unable to agree the letter is a complete refutation.

RECENT REQUESTS REJECTED

Secretary Johnson wrote, in part, as follows:

"Some jet engines were sold and delivered to the U. S. S. R. after the end of the war, but no deliveries have been made since December 1947, and additional requests have been rejected."

Senator HICKENLOOPER said he wanted to reserve the right to question later the attitude of the British on this question prior to January 1, 1948.

Mr. MALONE. Mr. President, this clipping shows, by the admission of Secretary Johnson, that England did ship jet engines to Russia, as late as a few days before January 1, 1948, using the part of the three-and-three-quarter-billion-dollar gift to that nation, and a part of the 7,000,000 tons of steel which this Nation furnished to Europe during 1947 was undoubtedly utilized for that purpose. That was the time the Marshall plan was being suggested, and was being built up with the help of England. The action of England in shipping such engines to Russia was in line with the nonaggression treaty between England and Russia, dated December 10, 1944, which was and is still in full force and effect.

Mr. KEM. Mr. President, will the Senator yield for a question?

Mr. MALONE. I am glad to yield to the Senator from Missouri.

Mr. KEM. The Senator will recall that a few days ago a letter was read in the Senate from the Secretary of Defense, stating that during a certain period which he had had under investigation no jet engines were shipped by England to Russia. I take it, in order to reconcile what the Senator from Nevada has just said with the letter from the Secretary of Defense, we must take into consideration the fact that England did ship jet engines to Russia over a period of time, and that that practice was discontinued; also that the period of investigation covered by the letter of the Secretary of Defense covered the period during which the practice had been discontinued. Is that correct?

Mr. MALONE. I will say in answer to the Senator from Missouri that that is exactly right. I invite the attention of the Senate particularly to the fact that it is admitted that England sent such equipment to Russia during 1947, and up until 1948. That was during the period when England was using the three-and-three-quarter-billion-dollar gift-loan, and during the period we were sending large amounts of steel, aluminum, and other equipment to Europe. It was also during the period when England itself was helping to organize the Marshall-plan countries for the ECA loan, and also during and following the time that Russia had, through her veto in the United Nations, stymied any agreements.

Mr. KEM. Mr. President, will the Senator further yield?

Mr. MALONE. I yield for a question.

Mr. KEM. The letter from the Secretary of Defense was widely publicized. I cannot help wondering if the facts which the Senator from Nevada is now bringing out will be given equal publicity. I should like to ask the Senator from Nevada to read into the RECORD, for the information of the Senate, the admission to which he refers, as to the shipment by England of jet planes.

Mr. MALONE. I will read a part of the clipping:

The subheading is "Recent requests rejected."

Secretary Johnson wrote, in part, as follows:

"Some jet engines were sold and delivered to the U. S. S. R. after the end of the war, but no deliveries have been made since December 1947."

Some jet engines were sold and delivered. No number is given. We have no documentary evidence that shipments of such equipment have actually been stopped, but I am taking it for granted that the Secretary knows what he is talking about, and that on January 1, 1948, they did stop sending jet engines to Russia.

However, I call attention to the fact that by the admission in the Secretary's letter, jet engines were shipped to Russia by England during the time that we were financing her operations and furnishing Europe large amounts of steel and other materials, and that we were and still are, as I have shown, arming Russia for a third world war.

Mr. KEM. Mr. President, will the Senator further yield?

Mr. MALONE. I yield.

Mr. KEM. Has the Senator any other evidence as to shipment of jet engines by England to Russia?

Mr. MALONE. I have no further documentary evidence. Also, we have no further documentary evidence as to the number of engines that were shipped. I am not in possession of the documentary evidence that such shipments have actually been stopped.

I should like to read further from the RECORD to show that we are arming Russia for a third world war. On page 3479 of the CONGRESSIONAL RECORD for March 30, 1949, there is a table under the heading "Sweden's Exports to Finland, February 1, 1948, to January 31, 1949." That was during the period when they were benefiting through the ECA funds. I shall not attempt to read all of this table into the RECORD, but I should like to read some of the principal items. The table was made a part of my remarks on March 30, 1949, and the complete trade treaty between Sweden and Finland for that period is also included in the RECORD of that time.

Let me say at this point that the reason many more trade treaties did not appear in the RECORD was that 40 of the treaties were restricted. The State Department denied a Senator the privilege of making the treaties public. Three of the 88 treaties were highly confidential, in the opinion of the Department. Of the 45 which the junior Senator from Nevada presented to the Senate for printing, many were in foreign languages. I do not know the exact number, but perhaps half of them were in foreign languages. The Chairman of the Joint Committee on Printing stated that it was not in accordance with the Senate rules to print such treaties.

Apparently the State Department has never translated the treaties. So far as the Senate is concerned, they remain an entire and complete secret.

Now, Mr. President, I shall read, in connection with the treaty between Sweden and Finland, which has been mentioned, some of the items appearing in "List I." I leave it to the Senate to judge whether these items would be suitable for arming a country for war:

Ferro-alloys—

Everyone knows that ferro-tungsten, ferro-manganese, and similar ferro-alloys are war materials, and it is impossible for any country to fight a war if it does not have them.

I read further from the list:

Hot-rolled and wrought iron and steel, including saw-blade plate.
High-speed steel.
Rustproof and acidproof steel.
Electric resistance supplies.
Cold-drawn and cold-drawn steel.
Drawn wires and wire ropes of acid quality.
Hot-rolled and cold-drawn high-quality pipes and tubes.
Other iron and steel.

IV. IRON AND STEEL PRODUCTS

Cylinders for compressed gases, also if filled.
Chains.
Agricultural hand implements.
Plane knives for machine and other planes, etc.
Raw blades for safety-razor blades.
Razor blades, safety-razor blades, and safety blades.
Saws, saw blades.
Pliers, vises, and file vises.
Drills, reamers milling cutters, and thread tools.
Files and rasps.
Iron bolts and nuts.
Ball- and roller-bearings and parts.
Sickroom equipment of rustproof steel.
Lock and oil packing rings.
Annealed pipe sections.
Other iron and steel products.

V. PRODUCTS OF OTHER BASE METALS

Hard metals and products, including rock drills.

VI. MACHINERY AND APPARATUSES (NOT ELECTRICAL)

Machine tools for metals and parts.
Woodworking machine tools and parts.
Cog gears and clutches and parts.
Machines and apparatuses for wood-pulp and paper industries and parts.
Steam and water turbines and parts.
Pumps and parts.
Compressors, fans, and parts.
Pneumatic machinery and parts.
Office machines, including addressing machines and parts and cash-register parts.
Fittings, including gas-welding fittings.

VII. ELECTRICAL MACHINERY AND APPARATUSES

Electromechanical combination units, including electrical household pumps.
Storage batteries and parts.
Graphite electrodes.
Electrical switching apparatuses (connectors, relays, motor cases, etc.).
Electrical ovens and parts.
Telephone and telegraph supplies and parts.
Radios and parts.
X-ray equipment and parts.
Welding equipment and parts.
Telesignal supplies, including centralographs, fire-alarm switchboards, railway signal supplies, and time-control equipment.
Other electrical machinery and electrical and apparatus supplies, including electric bulbs.
Synthetic resins, pulp, and sheets of synthetic rosin (mainly on melamine basis).
Iron ore.
Machine felts.
Grinder stones, grinding, abrasive, and polishing discs, and abrasive paper.
Refractory and acidproof bricks.
Bus and truck chassis.
Automobile spare parts.

Mr. President, as we learned from sad experience in World War II, storage batteries use strategic and critical materials.

I read further:

Developed films.
Tanning extracts and synthetic tanning materials.
Black gunpowder.
Sundry chemicals.

III. IRON AND STEEL

Charcoal pig iron.
Ferro-alloys.
Hot-rolled and wrought iron and steel, including sawblade plate.
High-speed steel.
Rustproof and acidproof steel.

Mr. President, I shall not read further from the list. It is for the most part a repetition of the trade treaties I submitted for the RECORD March 30. As I have said before, the State Department man was right there in my office when I examined the treaties, and did not leave until he could take those secret treaties back with him. He did leave 45 of the treaties with me, but a large part of them are in foreign languages, as I have previously stated.

SECRET USE OF ECA FUNDS FOR TRADE ADVANTAGE

Mr. President, I showed that the European nations which are the recipients of ECA funds are using those funds in Asiatic and Near East and South Sea and African countries, in the sterling-bloc areas and in the franc and guilder areas, including the colonial areas of the world, and that our Treasury Department has said that this information is a secret of the Bank of England, and that such information as the bank has seen fit to give it is confidential.

In other words, Mr. President, it was impossible for a Senator of the United States to find out what payments had been made from a recipient of the ECA funds to its colonies and to the members of the sterling bloc to hold them under domination, so that we might know exactly what was happening to this money and what it was being used for.

Mr. President, I have visited most of those countries, but at that time I made little attempt to keep detailed information, because it never occurred to me that a Senator of the United States could not get as much information from his own country as he could get from a foreign country. So at the time of my visit with the officials of India, for instance, in New Delhi, and particularly with Mr. Nehru, who is a very fine gentleman and has great influence with his people, and apparently held back nothing in our conversation, which lasted several hours, I obtained information not only from him but later also from his financial assistants, and I learned that they had credit with England in the amount of approximately seven hundred million or eight hundred million pounds sterling; that England was allowing India to trade to the extent of approximately 10 percent of that amount of money each year; in other words, India could buy seventy million or eighty million pounds sterling worth of goods annually against such credit; and that out of that seventy million or eighty million pounds sterling credit, England had given them £15,000,000 in dollars. Presumably that was approximately $60,000,000 out of ECA funds. Of course, like Holland and other countries, England may say that those funds did not come out of ECA money. However, that is a good deal like a man who has $100 and borrows $500 more from a bank, and then buys himself a $100 suit of clothes; it is easy for him to say that he bought the suit of clothes with his own money, and not with the money he borrowed from the bank. However, in this case it is likely that the dollars would not have been available to India if England had not received ECA funds.

Mr. President, India is still in the sterling bloc, and the export and import fees are still slanted toward the sterling bloc. In other words, such arrangements make it advantageous for a businessman in India to trade with the members of the sterling bloc, instead of with the United States or any of the hard-currency countries. So it is to India's advantage to have the price of the sterling-bloc money—the pound sterling—held up. It has been well shown

here—the distinguished Senator from Missouri and other Senators have made it very plain, and I myself covered the subject on March 30 and 31—that the $4.03 value placed on the pound sterling is simply an artificial value anywhere from 25 to 50 percent in excess of its actual value or the actual price for which the pound may be purchased. The actual purchase price—black market—is from a little over $2 up to $2.50 or $2.75, differing only in degree throughout the world.

So the money we give England under ECA makes it possible for England to hold the pound sterling to this fictitious value. Thus it is to the great interest of India, Pakistan, Burma, Egypt, and the other countries in the sterling-bloc areas that the price of the pound sterling be held up; because if it were to drop to $2—as it very well could do without our support and without the support of these colonial areas in trading with the sterling-bloc countries—then the debt which England owes to any of those countries would be cut practically in half. In other words, in that case, instead of the 700,000,000 or 800,000,000 pounds sterling, England would only owe one half or slightly more in dollars—the value of the debt would be cut in two. Therefore the debt itself becomes an asset to England in holding the sterling bloc together. I merely mention Burma, India, Pakistan, and Egypt because they have drawn away from the Commonwealth, and are no longer an official part of it; but they are a part of the sterling bloc, and that in effect is exactly the same.

Mr. President, I have before me a letter from the Treasury Department of the United States, signed by William McC. Martin, Jr., Assistant Secretary. I ask unanimous consent to have it included at this point in the RECORD, to support what I have just said, namely, that this information is confidential. I read directly from the letter the following:

> I feel sure that you will understand the concern of the British Government over the confidential character of this information. It relates not only to the transactions of the United Kingdom but also to those of other sovereign nations.

Of course, Mr. President, India and Pakistan would be considered sovereign nations.

I read further:

> This information is known to the Bank of England, because that bank acts as banker and agent for the central banks of the sterling-area countries. Just as a commercial bank handles the financial affairs of its clients in confidence, so the Bank of England must respect the confidence and trust placed in it by other central banks.

Mr. President, I submit the entire letter for the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TREASURY DEPARTMENT,
Washington, March 28, 1949.

Hon. GEORGE W. MALONE,
United States Senate,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: I understand that, in recent telephone conversations with officials in the Office of International Finance, you reiterated your interest in obtaining information concerning the amount of dollars sold by the Government of the United Kingdom to each country in the sterling area during the postwar period.

As I indicated in my letter of March 25, information on the dollars sold to each sterling-area country is not available for release. The net amount sold to all of the sterling-area countries as a group is available, and these figures were given in the March 25 letter. The information on net dollar sales by the United Kingdom to the major countries of the serling area available to the United States Government has been furnished by the British Government on the understanding that it will be held in the strictest confidence. I feel sure that you will understand the concern of the British Government over the confidential character of this information. It relates not only to the transactions of the United Kingdom but also to those of other sovereign nations. This information is known to the Bank of England, because that bank acts as banker and agent for the central banks of the sterling-area countries. Just as a commercial bank handles the financial affairs of its clients in confidence, so the Bank of England must respect the confidence and trust placed in it by other central banks.

In response to your request for copies of published agreements, the Office of International Finance has furnished you with copies of those which were available from its own files on short notice. However, we have asked the British Treasury delegation here in Washington to obtain for you a complete set of these agreements. The principal ones are with India, Pakistan, and the Union of South Africa.

In a formal agreement concluded late in 1947, the Union of South Africa agreed to finance its own requirements for foreign currencies after January 1, 1948. Consequently, the United Kingdom has been reimbursed in gold for dollars sold to the Union since that date. India, as you know, concluded an agreement with the United Kingdom limiting its purchases of dollars in the period from July 1948 to June 1949 to $60,000,000. Pakistan, in a similar agreement, pledged itself to buy no more than $20,000,000 in this period.

Altogether, in the 12 months from July 1948 to June 1949 the British expected to make net sales of dollars to the rest of the sterling area of $2,000,000, net earnings of the dependent territories approximately offsetting the net purchases of the self-governing areas. This figure was exclusive of drawings by India from the International Monetary Fund and took into consideration the fact that Ireland was receiving ERP assistance and had agreed to make no net dollar purchases from the United Kingdom during the ERP period.

Very truly yours,

WM. MCC. MARTIN, Jr.

Mr. MALONE. Mr. President, that is an example of what I am trying to say, that we on the Senate floor do not have full information, simply because ECA money going to England and into the Bank of England is distributed in a manner and for a purpose that the Senate of the United States is not allowed to investigate. I want to say further in that connection that the soft-currency countries extend around the world; that is, the sterling-bloc countries. The guilder and the French blocs contain several countries.

The people of Canada are alarmed about the effect of the wall which we are helping to build between the soft- and the hard-currency nations. The list of the sterling-bloc nations includes 59 such nations, or soft-currency countries. That is an imposing list. I ask unanimous consent that there may be printed in the RECORD at this point a copy of the sterling bloc area nations, approximating 59 nations, with the colonial areas of the Netherlands, France, and Belgium.

The PRESIDING OFFICER. Is there objection?

There being no objection, the list was ordered to be printed in the RECORD, as follows:

I. BRITISH COMMONWEALTH AND EMPIRE COUNTRIES

(a) Any dominion: Australia, New Zealand, South Africa.

(b) Any other part of His Britannic Majesty's dominions: India, Burma, Southern Rhodesia, Ceylon.

Principal colonial territories: Aden (colony and protectorate), Bahamas, Barbados, Basutoland, Bermuda, British Guiana, British Honduras, Cyprus, Falkland Islands and dependencies, Fiji, Gambia (colony and protectorate), Gibraltar, Gilbert and Ellice Islands colony, Gold Coast (1) Colony, (2) Ashant, (3) Northern Territories, Hong Kong, Jamaica (including Turks and Caicos Islands and the Cayman Islands), Kenya (colony and protectorate), Leeward Islands, Antigua, Montserrat, St. Christopher and Nevis, Virgin Islands, Malta, Mauritius, Nigeria: (1) Colony, (2) Protectorate, St. Helena and dependencies, Seychelles, Sierra Leone (colony and protectorate), Straits Settlements, Trinidad and Tobago, Windward Islands: Dominica Grenada, St. Lucia, St. Vincent.

(c) Any territory in respect of which a mandate on behalf of the League of Nations has been accepted by His Britannic Majesty and is being exercised by His Britannic Majesty's Government in the United Kingdom or in any Dominion: Cameroons (British), Tanganyika, Togoland (British), South West Africa, Western Samoa, Nauru.

(d) Any British protectorate or protected state: Bechuanaland protectorate; British Solomon Islands protectorate; Malay States (1) Federated Malay States: Negri Sembilan, Pahang, Perak, Selangor; (2) Unfederated Malay States: Johore, Kedah, Kelantan, Perlis, Tregganu, Brunei; State of North Borneo, Northern Rhodesia, Nyasaland protectorate, Sarawak, Somaliland protectorate, Swaziland, Tonga, Uganda protectorate, Zanzibar protectorate.

II. INDEPENDENT COUNTRIES

(a) Iraq.
(b) Iceland.
(c) Ireland.

Colonial areas of the empire countries (Netherlands, France, Belgium)

	Area	Population
NETHERLANDS EAST INDIES	*Square miles*	
Riau-Lingga Archipelago	12,506.0	298,329
Banka	4,549.0	205,433
Billiton	1,873.0	73,429
Borneo, Netherlands	208,286.0	2,169,000
West district	56,664.0	827,898
South and East districts	151,622.0	1,366,635
Celebes	72,986.0	4,232,000
Island of Celebes	38,786.0	3,092,749
Manado	34,200.0	1,139,251
Molucca Islands (including Dutch New Guinea)	191,682.0	894,000
Timor Archipelago: Netherlands	24,450.0	1,657,000
Bali and Lombok	5,231.0	2,402,227
Indonesian Republic:		
Java and Madura	50,745.0	47,456,000
Sumatra	163,557.0	7,563,499
Surinam (South America)	55,143.0	189,484
Curacao	381.1	105,617

Colonial areas of the empire countries (Netherlands, France, Belgium)—Con.

	Area	Population
FRENCH COLONIAL EMPIRE		
	Square miles	
In Asia:		
French India	196.0	323,500
French Indochina	286,000.0	25,000,000
Total in Asia	286,196.0	25,323,500
In America:		
St. Pierre and Miquelon	93.0	4,175
Guadeloupe	583.0	304,209
Martinique	380.0	252,000
French Guiana and Inini	65,041.0	36,975
Total in America	66,097.0	597,359
In Oceania:		
New Caledonia, etc	8,548.0	59,889
Society Islands (Tahiti, etc.)	1,520.0	39,920
Total in Oceania	10,068.0	99,809
In Africa:		
Algeria	847,552.0	7,234,684
Morocco (protectorate)	172,104.0	7,390,428
Tunisia	48,313.0	3,015,170
French West Africa	1,815,768.0	15,943,000
Togoland (trusteeship)	21,893.0	780,497
Cameroons (trusteeship)	166,489.0	2,516,623
French Equatorial Africa	959,256.0	4,003,733
Reunion	969.0	220,955
Madagascar	241,094.0	4,227,381
Comoro	790.0	
French Somaliland	9,071.0	49,685
Total in Africa	4,283,299.0	45,382,156
Grand total in colonies	4,645,660.0	71,402,824
BELGIUM		
Belgian Congo	902,082.0	10,425,235
Ruanda and Urundi	20,535.0	3,767,002

Mr. MALONE. Mr. President, that list is offered to show the Senate the extent of the money manipulations which are based upon our own funds, and such manipulations are not allowed to become a matter of record in the Senate at this time, when we are voting further ECA appropriations, and cannot, according to the Secretary of the Treasury, be made available to a Member of this body.

Sir Ben Smith, who happened to be in charge of coal production in England when I was inspecting the coal mines there late in 1947, stated to me in December of that year that England controlled three-fourths of the strategic and critical materials of the world, and that if necessary they would prevent access to them. This was apropos of the conversation I had had with him previously. I took no issue with Sir Ben Smith, but it showed the attitude. We were talking about the proposed Marshall plan, and I had said I was there to investigate the steel industries and the coal mines. This was in Birmingham, England, about 56 or 58 miles outside London. They seemed not only to resent the fact that we were investigating, with a view perhaps to modifying the program to the extent that the money would be paid back. He finally said to me not only that they could exclude us from the area where three-fourths of the strategic and critical minerals of the world were located, and would do so if it became necessary, but he said we should merely adopt the lend-lease attitude, we should continue lend-lease, and have no thought of payment in return.

Mr. President, Sir Ben Smith was a very important cog in the machine at that time, in the operation of the industries of Great Britain. I have no doubt that he voiced, perhaps inopportunely, the European sentiment, that as a matter of fact there is never any thought of paying any money back, that it is not a loan, it is a gift, and that we should not expect it to be repaid; it ought to be continued as gifts rather than loans.

I said also at that time, that I would show that the administration was giving labor lip service on proposed labor legislation—and selling the workingmen down the river, through the long-range, three-part, free-trade program. While I shall not review at any length my argument made on March 30 and 31, which appears in the RECORD as of those dates, I merely want to say the ECA is admittedly making up the trade-balance deficits of all the nations in Europe each year with the hard-currency countries, and that in the Trade Agreements Extension Act, which will be brought to the floor of the Senate almost immediately following the vote on ECA, the State Department has adopted a selective free-trade policy based on the 1934 Trade Agreements Act, and is lowering the import fees and tariffs below the critical point of the differential of cost between the manufacture or production of an article in this country and in any certain competitive country, which means that the products of cheap labor will come into this country at will; that they are working on the theory that the more they divide the markets of the United States with the countries of the world, the less their trade-balance deficits will be.

Furthermore, after the trade agreements extension bill comes before the Senate, with the idea of extending it for 3 years, and if it is done, then will come the International Trade Organization agreement. That will be a treaty, unless it is believed by the administration there would not be two-thirds of the Senate in favor of passing it. Then it will probably be an agreement, like other documents that come to the Senate. But if it comes before the Senate as a treaty, it is an International Trade Organization treaty, and if adopted will become the law of this land. In other words, it will make free trade a permanent and irrevocable policy and principle of this country.

What is the effect? What is the International Trade Organization? It consists of 58 nations. The last we knew, 54 nations had signed the treaty. All of them will sign it, of course, because they have nothing to lose and everything to gain, because we have the only market worth dividing. So what is it? It will be 58 nations, with 58 votes, and we shall have the same vote as Siam or Lithuania. There will be 58 votes, and we shall be 1 against 57. They will sit down once each year and divide the remaining markets and production of the world among the nations of the world, presumably, and the trend will be on a basis of population. Therefore the products of the low-cost labor and of the slave labor of the world can come into the United States to divide up the domestic markets.

Mr. President, I want to say again at this moment that I see no difference in allowing the products of cheap labor from Asiatic and European countries to come into this country, I see no difference in that method of leveling the standards of living, and in allowing unlimited immigration. As a matter of fact, I make the statement, and I shall be ready to debate it with any Member of the Senate, that a Member that would vote for free trade in this country, in leveling the living standards to the living standards of the world, would have a hard time justifying a vote against free immigration.

Mr. President, I have here, in support of the argument of the manipulation of the foreign currencies of the world for trade advantage, a clipping from the Wall Street Journal of April 4, 1949. I ask unanimous consent to have it printed in the RECORD at this point.

The PRESIDING OFFICER. Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE POUND STERLING—EUROPE'S TRADERS GET IT CUT-RATE, SO UNDERSELL AMERICAN IMPORT FIRMS—THE TRICK IS PERFORMED FOR WOOL, HIDES, TEA, RUBBER, TIN, SPICES, DIAMONDS—THE SOVIET IS A SPECIALIST

Many an American importer of commodities is complaining about a new kind of cut-rate competition.

Nub of the trouble is that the pound sterling, officially held at just above $4 by Britain for dealings which United States and other traders have with the British Empire, is unofficially available at about 15-percent discount in many parts of the world. One New York hide importer sums up the problem: The $4 rate is "simply an overvaluation of the pound."

Having got hold of this cheaper sterling, Dutch, Belgian, and other traders are able to pay high prices for wool, hides, tea, rubber, tin, furs, skins, pepper, spices, diamonds, and other British Empire commodities which can be bought with pounds. Then these goods are sold in the United States for less than similar commodities imported by Americans who use the expensive $4 pounds. Sometimes the goods bought with cheap pounds move through European countries; sometimes they are shipped directly here.

HUSH-HUSH TRANSACTIONS

That such trade is going on can be learned from almost any importer. Trying to track down details of transactions is far more difficult. Although many traders and some Government folk say there's nothing illegal about this commerce, it is carried on in a sort of hush-hush atmosphere.

Repercussions are heard around the world. Boston wool men have protested to Australia and New Zealand. American businessmen have held a series of conferences in Washington with State, Treasury, Commerce, and Economic Cooperation Administration officials on the subject. The State Department has relayed these protests to London.

The British Government is worried about it, too; dollars paid in America for these commodities get into the hands of other European countries instead of Britain, which badly wants them.

The subject came up recently in the British House of Commons. Sir Stafford Cripps, Chancelor of the Exchequer and Britain's economic czar, said such a transaction, "which twists trade out of its normal channels, is damaging the position of sterling, and the Government is approaching members of the transferable account area as the opportunity offers with a view to stopping it."

TRANSFERABLE ACCOUNT AREA

This trade is directed largely from what is known as the transferable account area. This includes 15 countries: Britain pays them

sterling for the goods they ship her and permits them to transfer it among themselves. Britain's theory was that the total trade of these countries with her was about in balance and the sterling they obtained from selling to the British would be used in buying from them. But traders have found a way to make more money by purchasing commodities where sterling is usable and selling them in the United States where they can get much-sought dollars.

British Treasury and foreign exchange control authorities deny these three-way transactions are done with discount sterling. They say traders pay the equivalent of $4 for pounds, buy the commodities with this currency and sell them in the United States. They may even take a loss. But with the resulting dollars they purchase such American goods as machinery or autos. These are shipped to some country such as Egypt where they are scarce and where premium prices can be had in sterling.

Many Egyptians are willing to pay premiums because they regard the British pound as not worth $4 but perhaps $3.20 or $3.30. The trade in autos to Egypt has become so large that special, higher prices on cars imported in this irregular way are approved by the Egyptian Government. British officials, well aware of what's going on, refer to this traffic as "Packards for Pashas."

In any event, the trader ends up with more sterling than he started with and is ready to launch another round of this international commerce.

American importers say both kinds of trading goes on—that with $4 sterling and that with cut-rate pounds. It all adds up, they contend, to the fact that the pound is overvalued.

BRITISH BLAME LAX CONTROLS

British monetary officials have steadfastly maintained that the pound must be held at the $4 rate despite their country's big excess of imports over exports. They say the reason for the cut-rate trade lies in too lax controls over currencies by other European countries. So they've been nudging other nations to tighten up.

United States State Department officials who have been listening to protests are pessimistic about stopping the practice. Says one: "It's too complicated and there's too much to watch."

Another official in Washington explains that Australia tried to solve part of the problem by getting middlemen countries to promise not to reexport raw Australian wool. Now, some of these nations semiprocess the wool, then send it on to America to be offered at cut prices. This is even harder on the American businessman. It takes a part of his manufacturing job from him.

About a month ago the Government of New Zealand tightened its export regulations because of the possibility that dollar earnings which should accrue to New Zealand from the supply of hides and skins, pelts, rabbit skins and opossum skins to the United States may be lost as a result of such products being sent through intermediary soft currency continental countries.

From now on, applications for permission to export from New Zealand to many countries must be accompanied by information on what kind of sterling is being used and certificates that the goods being purchased are to be consumed in the buying countries.

COMPETITION COUNTS NOW

American importers of commodities are feeling the bite of this cheaper sterling trade because it comes on top of a general world pressure toward lower commodity prices. A year or so ago when almost everyone could sell almost anything at almost any price, it was no great problem. Now the goods bought with cheap pounds can undersell rival wares.

One New York hide importer says: "Our inability to buy leather raw materials in South America and in sterling area countries is clearly the result of overvalued sterling and there is apparently nothing being done about it by responsible authorities on either side of the Atlantic."

This hide importer says his firm has not as yet engaged in any of these special exchange transactions. He explains that the banks he deals with (two of New York's biggest) have complied with the Bank of England's request not to exchange dollars for low-priced transferable sterling. Now this importer warns: "I've gone along with them but I'm fed up. My competitors, through smaller banks, have bought hides with low-priced sterling—and from my own agents in Australia. They've even sold the hides to my customers here in the United States."

WOOL MEN PROTEST

Resentment among wool importers has reached the point of protests to the wool-exporting countries.

John G. Wright, president of the Boston Wool Trade Association, recently dispatched letters to the trade commissioners of Australia, New Zealand, and the Union of South Africa. He urged that American importers be allowed to buy wool with pounds purchased at the rate in the transferable area.

"At present," says Mr. Wright, "trading in wools from these countries is practically at a standstill along Summer Street (Boston's wool center), while American mills also have greatly reduced their direct purchases of wool."

Mr. Wright added this complaint: "Russia is the one that hurts the most. In the first 9 months of 1948 that country sold $35,000,000 more goods to this country than it bought here, and had that amount of dollars to spend hunting for transferable sterling at $3.20. (It's now about $3.30 to $3.40.) This it could use to buy wool in Australia for shipment to mills in Russia or in satellite countries like Czechoslovakia which can make goods for export here."

This Summer Street expert warns: "Not only is some raw wool now being reshipped from transferable sterling countries to the United States, but soon wool tops (semiprocessed yarns), yarn and woolen and worsted goods made from these lower cost wools will be shipped here, and our American mills will suffer frightfully."

Mr. Wright contends that the Economic Cooperation Administration's aid-to-Europe program tends to intensify the cut-rate sterling problem. Normally, he explains, the European countries would use dollars from their exports to the United States to pay for imports. But with ECA dollars going to Europe, some countries can use their export dollars to shop around for cheaper sterling. The 15 transferable sterling area countries are: Chile, Czechoslovakia, Egypt, Ethiopia, Finland, Iran, Italy, Norway, Netherlands monetary areas, Poland, Siam, Spanish monetary area, Anglo-Egyptian Sudan, Sweden, and the U. S. S. R.

Mr. MALONE. Mr. President, the manipulation of their currency, assisted by the foreign nations, for trade advantage, has been an established practice in Europe for generations. The statement in the Wall Street Journal explains the 15-percent advantage of buying the pound sterling on the black market, instead of at the official rate of $4.03; that is, by the European countries making these purchases, and then competing unfairly with the American businessmen who are prohibited by law from dealing with other than the official market.

Mr. President, instead of 15 percent, as a matter of fact it is nearer 50 percent in many cases. American businessmen, as outlined in this article, are up against severe, unfair competition and will, without any doubt, lose most of the markets in the long run. One of our plans is to pay technicians and to guarantee investments of our individual firms and corporations abroad to overcome the threat of nationalization and socialization of capital within European countries and Asiatic nations which we ourselves are fostering through ECA financing.

Mr. President, I ask unanimous consent that a clipping from the Wall Street Journal be printed in the RECORD at this point.

There being no objection, the clipping was ordered to be printed in the RECORD, as follows:

LOWER TAX ON INCOME EARNED ABROAD STUDIED AS SPUR TO CO-OP PLAN—EXPERTS CONSIDER CUT TO GET UNITED STATES INVESTORS TO BACK TRUMAN FOREIGN DEVELOPMENT PROGRAM

WASHINGTON.—The Government is studying the possibility of lowering taxes on income earned by Americans from foreign investments as one way to remove obstacles to President Truman's world co-op plan.

Assistant Secretary of State Willard S. Thorp said a tax-relief plan is being considered as one way of getting Americans to invest in underdeveloped areas abroad.

Mr. Thorp, the State Department's economic chief, told about it in discussing the co-op plan with Secretary of Agriculture Charles F. Brannan and World Bank President John J. McCloy over the air.

He said that American reluctance to risk private capital in foreign lands was a sore spot in the whole plan. But, with several hundred Government experts doing spade work, he added, the bold new program sketched by the President in his inaugural address is beginning to take shape. He said the President would be ready to unveil the program soon, perhaps this month, and certainly before Congress adjourns for the summer.

Mr. Truman's co-op idea calls for the United States and other nations to help peoples in underdeveloped lands raise their living standards by furnishing them technical assistance, or "show-how," and by fostering capital investment in those countries.

For technical assistance, Thorp predicted the amount Congress will be asked to provide probably will be well below $1,000,000 for the first year.

As for investment, he said, "no one can give you a figure" as to how much the Government itself may have to lend abroad. But, he said, with the World Bank and the Export-Import Bank already operating, we hope no new Government funds will be needed.

The big problem, Thorp said, is how far should the Government go in reducing foreign investment risks so that enough private capital may flow abroad to meet the need.

Mr. MALONE. Mr. President, if, instead of having a grandiose plan of paying technicians and guaranteeing investments of businessmen abroad, we should bend our efforts, through the Senate and the House of Representatives, the Executive Department, the State Department, and the United Nations, to establish the integrity of investments in those areas, there is plenty of private capital throughout the world which would take the business risk. But businessmen cannot take the risk of nationalization and socialization of their capital.

We are furnishing the latest equipment and machinery to Europe for industrial

production, knowing that with our technical know-how and assembly-line methods, such goods manufactured there with low-cost labor can be shipped to the United States displacing our own production and lower our high-wage living standards.

That is in support of the statement I have made more than once on the floor of the Senate, that we are giving the workingmen of America lip service through promised labor legislation, and pulling the jobs right out from under their feet, through the three-phase free-trade program.

Mr. President, I ask unanimous consent to have placed in the RECORD at this point in my remarks a clipping from the Wall Street Journal which will explain in greater detail what this particular method means.

There being no objection, the clipping was ordered to be printed in the RECORD, as follows:

COTTON MANUFACTURERS URGE ECA TO PREVENT "TEXTILE IMPORT FLOOD"—POLICY OF PROVIDING EQUIPMENT TO FOREIGN INDUSTRIES CALLED THREAT TO UNITED STATES EMPLOYMENT

PALM BEACH, FLA.—Steps to prevent what it called "a flood of imported textile products" were urged upon the Economic Cooperation Administration by the American Cotton Manufacturers Association.

The association said in a resolution adopted at its fifty-third annual convention: "The apparent policy of providing modern equipment to the low-wage foreign industries is a direct threat to the employment of hundreds of thousands of American textile workers."

It pointed out that textiles are the main manufacturing employment in the South and that rehabilitation of foreign industries at the expense of the American taxpayer would gravely affect southern economy.

A sharp decline in United States textile exports during recent months also was cited. The association said our trade policy would tend to make domestic markets more readily accessible to foreign textiles.

Dr. Claudius T. Murchison, president of the Cotton Textile Institute, Inc., stressed the necessity of protecting American industry against imports where necessary in an "intelligent and constructive" approach to the problem.

Merger of the American Cotton Manufacturers Association and the Cotton Textile Institute was proposed at the association's convention.

Committees representing both groups have been considering the proposal for many months and will recommend merger of these two organizations serving the cotton industry, it was learned.

Broadly, the American Cotton Manufacturers Association represents the southern industry. Similarly, New England manufacturers have their own association, the National Association of Cotton Manufacturers.

Headquarters of the Cotton Textile Institute is in New York and of the American Cotton Manufacturers Association at Charlotte, N. C.

Mr. MALONE. Mr. President, we are dividing the world into two great spheres of influence, in a military way. I think every Member of the Senate would agree that that is exactly what we are doing. I attended the initial meeting at San Francisco which was called to organize the United Nations in 1945. I was at that time special consultant of the Senate Committee on Military Affairs. I watched the meeting rather closely and wrote several articles in connection with it. One of them was to the effect that each of the 49 nations whose representatives attended the meeting was giving lip service to the organization and maneuvering for trade advantage on every hand. They wanted to divide the markets of the United States. Mr. President, that fact is coming to light. I said at that time, and no one has disputed it, that we said there were five major nations. They included the United States, the Soviet Union, France, England, and China. I said very emphatically at that time, Mr. President, that there were not five major nations in the world, there were not four major nations, and there were not three major nations. There were two—the United States and Soviet Russia, and that the result would be the division of the world into two spheres of influence.

That has become very plain in the past 2 or 3 years, particularly in recent months. What are we doing through the proposed North Atlantic Pact? We are dividing the world into two military spheres of influence; we are establishing such spheres of influence, through military might. Mr. President, one more division is slowly taking form. I want to call the attention of Members of the Senate to the fact that while we are dividing the world into spheres of influence in a military manner, we are also dividing our own sphere of influence into two financial worlds, a soft-currency area, or a pound-sterling bloc, and the dollar areas, located for the most part in the Western Hemisphere. I want to say in that connection, Mr. President, with reference to the sterling bloc, or any kind of a monetary bloc which blocks certain nations in and blocks other nations out, that there are approximately 59 nations and entities included in the sterling bloc which extends around the world. They are practically prohibited economically from trading with anyone else without special permission. They are sometimes allowed to convert some of the pounds sterling into dollars, as will be found in India, Egypt, or any of those countries which are entirely controlled by the sterling area.

So, Mr. President, it is my earnest opinion at this moment that military division is not the only cause of war, but that the division of our part of the world, our sphere of influence, into financial blocs is another cause of war. In other words, we have trade wars. They start with a division, through monetary influence, through the sterling bloc, the Netherlands guilder bloc, and so forth.

Mr. President, I have here an excerpt, in line with what I have just stated, from a book written by Mr. Elliott Roosevelt. The book is entitled "As He Saw It." I read from page 71 of that book a statement by the late President Roosevelt:

The English mean to maintain their hold on their colonies. They mean to help the French maintain their hold on their colonies. Winnie is a great man for the status quo. He even looks like the status quo, doesn't he?

That is a direct quotation from the then President of the United States.

Mr. President, I quote this with all the seriousness at my command, because I think it is a correct statement.

Reading on from Mr. Elliott Roosevelt's book, again quoting his father:

The thing is, the colonial system means war. Exploit the resources of an India, a Burma, a Java; take all the wealth out of those countries, but never put anything back into them, things like education, decent standards of living, minimum health requirements—all you're doing is storing up the kind of trouble that leads to war. All you're doing is negating the value of any kind of organizational structure for peace before it begins.

Mr. President, the then President quoted a great Englishman, Mr. Winston Churchill. Mr. Churchill said something else that will bear repeating here when the then President suggested that England give up Hong Kong in China which is and has been for generations a source of irritation to China and other friendly trading nations.

Mr. Churchill said "that he did not become the King's first Minister to liquidate the British Empire."

Mr. President, I want to say at this point that I did not come to the Senate of the United States to distribute the wealth of the United States throughout the world and to sell the American workingman down the river.

Mr. President, that statement of former President Roosevelt coincides exactly with what I believe in connection with this situation.

I have had the honor and the opportunity of visiting most of those nations, and have particularly inspected the colonial systems, where colonies are farmed by the empire-minded nations exactly as one would operate a farm in Kansas. It is not a question of helping the people at all. It has never occurred to the officials of an empire-minded nation to help the people of one of their possessions. The serious thing may be that in order to get away from this system the people would fly into the arms of any other nation or system which promised them relief from the yoke—this could be communism, Mr. President.

Mr. President, in support of the statement I have just made, that the world is being divided into two great financial systems, the soft currency and the dollar areas, I submit for the RECORD and ask that it be printed at this point an excerpt from the Financial Post, of Toronto, Canada, for March 26, 1949.

The PRESIDING OFFICER. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

MARSHALL PLAN BOOMERANGS—WORLD TRADE DRYING UP BEFORE OUR EYES — GRAVE TROUBLE AHEAD FOR CANADA AS BRITAIN, SOFT-CURRENCY NATIONS DRAW CLOSER TOGETHER IN BARTER DEALS, WHICH SLAM DOOR ON CANADA, UNITED STATES

(By Kenneth R. Wilson)

OTTAWA.—In the capital cities of Canada and the United States, small groups of men are gripped with a new and chilling fear.

The harsh facts of economics are splitting the democratic world into two. As the United States, Canada, and their western European partners move closer together politically in the contract of the North Atlantic

Pact, there is an ever widening economic gulf separating America and western Europe, creating new perils and problems.

These two worlds are the dollar world led by the United States and the soft-currency world led by Britain.

Russia has her iron curtain splitting the Western World, blocking commerce and creating new political problems.

But the currency curtain rising between America and her allies over the Atlantic is equally serious now and portentous for the future.

Paradoxically, this dilemma is created indirectly by the United States' magnificent Marshall plan.

The Marshall plan was to do two things:

(a) Give Europe relief regardless of the fact that Europe didn't have enough dollar currency to pay for it.

(b) Help the countries over the Atlantic get their financial and trade affairs in order, to put them and the whole democratic world back on its feet by letting international trade resume its traditional flow and to restore conditions, which would again make sterling and dollars freely convertible.

HOW CRISIS SHAPES UP

It's on the second point that things are going wrong, dangerously and desperately wrong.

How?

Very properly, Marshall aid demanded European self-help. "We'll help" said Uncle Sam, "but you've got to do things and pursue policies which will get you back on your feet."

And, for one thing, this meant that Britain and western Europe, must handle their affairs so that by 1952 their dollar-deficit problem would be licked.

So the friends across the Atlantic have been encouraged, if not indeed coerced, into minimizing their purchases for dollars and into increasing trade with each other.

They're doing so well at enlarging trade among themselves and their respective empires that they've built a picket fence around themselves; pulled down a currency curtain over the Atlantic.

The danger is that, by 1952 when the Marshall plan is supposed to end, the division will be so sharp and so deep-rooted that the dollar and sterling worlds won't get together again for decades. And that's good news only for Russia.

Really frightening, especially for Canada which has such a gigantic stake in the restoration of multilateralism and convertibility, is the growing threat that the picket fence around the soft-currency world is being strengthened and heightened.

THE SCHACT PLAN AGAIN

Between themselves the Marshall-aid countries have made nearly 300 bilateral barter deals for the exchange of each other's goods.

In most cases, those deals are at prices considerably higher than the prices at which similar goods could be bought in the dollar world if they had the dollars.

This network of high-priced arrangements has at least three serious results:

1. It raises costs within the nondollar area.

2. It cuts off supply which might otherwise be available to dollar countries, thus in turn reducing their dollar-earning power.

3. It inevitably involves the perpetuation of controls, licensing, embargoes, and other restrictions.

WHERE PLEASE?

Speaking to a group of Vancouver businessmen last week, Graham Towers, governor of the Bank of Canada, said:

"These deals in their modern pattern are not normally operated on the basis of bartering one commodity for another. It is customary to name a number of things which one country will sell to the other. In some cases, target figures are set, both in respect of quantities of specific articles and the over-all value of trade which it is hoped will be done. The actual results, however, depend in the main on purchases and sales through normal commercial channels, except in the case of the totalitarian states.

"But the vital features of these arrangements is that the parties to them, by restricting or even prohibiting importations from other countries—or at least from countries outside the group—make it more likely that they will achieve the targets set for trade between each other. The element of outside competition is removed or lessened. Price and quality are no longer the final determinants of the course of trade. The policies followed are such as to make classical economists turn in their graves.

"Importers in the countries concerned buy from nondollar countries, even when they have to pay higher prices, because they are not allowed access to cheaper sources of supply, or that access is strictly limited as to quantity. Conversely, exporters can often get higher prices by exporting to others in the group than by exporting to dollar countries. The effect of trade within the protected area taking place at higher prices means that the normal tests of competitive capacity are suspended. This inevitably tends to distort the normal channels of trade, and may very well impair the true productivity of the countries forming the area, as well as their competitive ability to earn dollars. The division of the Western World into two trading blocs has possible political and economic consequences which are not pleasant to contemplate."

HERE ARE EXAMPLES

Governor Towers in a report for Parliament said:

"Canadian trade has already been adversely affected by the creation of this protected currency and trading area and it is not possible at this moment to foresee how serious these developments will be from our point of view during the next few years."

Here are some examples:

Cottons: British yarn prices at Liverpool are currently 20 percent to 30 percent higher than those reported at New York.

Fertilizer: Prices being quoted in sterling-area markets are $20 a ton above comparable Canadian quotations. Canada loses the business because countries behind the picket fence can't afford dollars. In turn their costs are boosted by at least a third on this item, thus further postponing the day when they can again sell competitively.

Steel products: New Zealand is reported having to pay three times Canadian prices for essential steel items for building, etc. Shortage of dollars forces them to pay higher sterling prices thus boosting costs and making it harder for them to earn dollars by marketing their goods in North America.

Hides: Britain reported paying 32 to 34 cents a pound in sterling for Argentine hides, against a United States price of 24 cents.

Fats and oils: Canada is being forced to buy United States oil because of exorbitant premium on nondollar supplies. Sterling prices quoted at 20 and 24 cents a pound against 14 and 16 cents in United States. The price of Norwegian tallow was recently quoted at 20 cents against 9 cents United States.

Calfskins: Britain is reported buying almost half the New Zealand output of calfskins at 30 percent over the New York market. Again, this creates an artificially high price structure in the sterling area and robs New Zealand of the chance to earn dollars in North America.

Newsprint: Australia, which used to be Canada's third largest outlet for newsprint, is now required to buy Scandinavian products at a price $60 to $70 a ton above comparable Canadian prices.

Coffee: Two-thirds of Canadian supply came from sterling-area sources before the war. Now only a trickle is being bought, due largely to price differentials in favor of dollar-area coffees.

It is not easy to document many of the serious and alarming items which go to make this disturbing "two worlds" trade picture.

Great Britain herself has nearly 40 individual bilateral or financial arrangements with other countries, almost without exception with countries outside the dollar world.

The total number of such special arrangements, many of them out-and-out barter deals, now exceeds 275.

As well, many of the glaring differences are only now beginning to appear as North America gets into a surplus position on many items formerly in world-wide short supply.

This is the nub of the problem: In the basic commodities which make up perhaps four-fifths of world trade, the nondollar countries now find themselves on a price plateau far above the competitive range of dollar-country prices. Once these higher raw-material costs find their way into production and living costs, the price differential will increase, not lessen.

The Economist (London) in a recent issue said:

"Prices may be falling on the world's markets, but the price of British imports continues to rise because British purchases have been concentrated, for currency reasons, on the dearer markets. And because many basic imports are bought on long-term contracts or bulk-purchase arrangements which are very slow to reflect a fall in prices.

"Britain, in fact, is in danger of becoming a permanent high-cost importer. * * * Even if domestic subsidies play some part in checking the rise in wage costs—which is extremely doubtful—this country is becoming permanently burdened with high export costs.

"The position of Britain in the world's export markets when demand begins to fall and when competition begins once again to exert its effects throws a portentous question mark over the country's economic prospects in the early fifties. Yet the country behaves as if there were no question of a challenge to its present habits of spending or to its present standard of living."

At the moment the problem as between Canada and the United Kingdom has been eased by the sincere, if belated, United Kingdom attempts to boost exports to this country.

British exports to Canada in 1948 reached a new record figure of $300,000,000, an increase of $110,000,000, or 58 percent, over the previous year. Top-flight missions, sponsored by the British Board of Trade and by private business, have recently made first-hand studies of the Canadian market with a view to further sales.

TRADE DRYING UP

For the present, the chief effect in Canada of the "two worlds" picket-fence policy is being felt in a drying up of trade with other nondollar countries and especially sterling areas where Canada before the war was a traditional trader. But if, as is feared, this spiral of rising costs and restrictive trade barriers continues to mount, it cannot be long before Britain's own ability to export to North America is seriously curtailed, if not entirely undermined.

A case in point would be British coal, traditionally an important source of earnings for the United Kingdom in Canada.

Sir Stafford Cripps recently paid some attention to Britain's coal problem. He stated that the chief trouble was the decline in production in South Wales, and that last year, despite this difficulty, Britain sent

Canada 70 percent of her total exports in the special sizes we require. He indicated that we would be in line for a larger share this year provided mutually satisfactory arrangements can be made about price.

But it's price, of course, that is the rub.

Despite a British subsidy on coal production, United Kingdom anthracite is selling at several dollars a ton higher than comparable grades of United States anthracite. It is reported that some of the coal which Britain sent Canada last year is still unsold because of the high prices.

PROBLEM OF UNITED KINGDOM COAL

Coal used to be a big source of earnings for Britain in Canada. In 1938 we bought a million and a quarter tons of Welsh anthracite. Last year the United Kingdom hoped to send us 200,000 tons; actually shipped 160,000 tons. This year, it's said the United Kingdom would like to double that amount. The Government is sending an expert here to negotiate new sales for 1949–50.

But Canadians won't pay unduly high prices. Many thousands have already changed their equipment so that they can burn oil instead of coal. And fuel-oil prices are dropping.

Yet there are fears that Britain may actually have to charge more for her 1949 shipments.

Again, a quotation from Mr. Towers:

"If efforts on the part of the sterling area and ERP countries in the direction of greater exports to dollar countries are inadequate or fail to solve their dollar problem, then it may be expected that these countries will continue to place special restrictions on imports from dollar countries.

"The countries whose exports are affected by these restrictions will be confronted with the choice of finding some alternative use, at home or in other foreign markets, for the goods previously exported to the dollar-short countries or making special arrangements in an effort to retain these markets.

"These arrangements could involve the provision of the exports without payment in foreign exchange, through the extension of grants or credits, or special deals in which the exporting country agreed to use the proceeds of its exports to take more goods from its dollar-short customers even though these goods were higher in price than had to be paid elsewhere. To make room for these relatively high-priced imports it would be necessary to impose discriminatory import restrictions."

For Canada, of course, such an outcome would be almost catastrophic. We have a foot in both these worlds. As well, we have a far greater stake, proportionately, in world trade than any other country on earth.

To illustrate: Last year, Canada, Britain, and the United States all reported new high levels of national income and production. In each country, foreign trade was at or near record peaks. Yet, in the United States, the country with by far the largest foreign trade of all three nations, exports represented only 5 percent of the national income.

Even in Britain, where trade lifelines are desperately important to the national well-being, exports represented only 15 percent of national income last year.

But in Canada, our exports in 1948 represented 23 percent of national income.

Furthermore, three quarters of Canada's overseas trade is with Britain or with United States. These are the two big baskets where our trade hopes—and troubles—now rest.

So long as the currencies of these two nations—the dollar and the pound—were freely convertible, Canada had few trade worries or fears.

OUTLOOK NOT ALL BLACK

Fortunately, the outlook is not all black.

There has been considerable satisfaction at Britain's recent decision to purchase 90,000,000 board feet of spruce in eastern Canada. This is half as much again as Britain bought last year when she obtained substantial supplies from nondollar sources. Prices are lower than they were a year ago, but are still satisfactory to Canadian suppliers.

In this instance, Britain is returning to a traditional source of supply.

Perhaps the lumber deal is a hint of better things to come. But at the moment the overwhelming weight of evidence points in the other direction.

What can we do about this?

Do we in Canada try to sit it out; watch our trade dry up before our eyes?

Mr. Towers, in his Vancouver speech last week said "There is no easy financial device by which the difficulties can be overcome." He suggested that a country whose traditional customers can no longer make purchases in their accustomed volume can—

1. Try to find alternative markets for its goods;

2. Try to employ in domestic activities the labor and materials which the export trade can no longer use;

3. Help its traditional customers to obtain their supplies by extending loans or making gifts. (Even if loans are a sensible policy in a period of reconstruction, they can hardly be regarded as a permanent solution);

4. Encourage the maximum amount of imports from nondollar countries;

5. Adopt bilateral trade deals ourselves.

WHY CANADA SHUNS BARTER

So far, Canada has avoided direct bilateral trade agreements with other countries. The single exception is the Canada-United Kingdom wheat deal and the yearly agreements to supply United Kingdom with bacon, cheese, and other foodstuffs.

One argument for avoiding such deals is that Canada is in a surplus position with most nondollar countries, but most bilateral deals in the end even out trade between the two parties so we would lose out. We're afraid, therefore, that the end result of large-scale bilateral trading would be to bring our trade in balance—but at the disastrous cost of loading Canada with millions of dollars of nondollar purchases at prices far out of line with those of our own economy.

The end result of such a policy would likely be one of two alternatives: (a) Huge Government subsidies to enable these high-priced goods to be sold at competitive prices to Canadian consumers;

(b) A system of embargoes and controls aimed to isolate us from lower priced American goods and which sooner or later might put us, in part at least, behind the high-cost nondollar "picket fence."

As indicated recently in the FECB annual report, the Government is presently encouraging private barter deals wherever private business can find an opening behind the nondollar trade curtain. But there's a fine and firm distinction between these deals and those in which the Government would get itself officially involved.

One final alternative, not mentioned by Governor Towers or indeed by any officials either in Ottawa or Washington, is currency revaluation.

One political party in Canada is urging that Canada revalue its currency.

As Mr. Abbott pointed out during the Parliamentary debate last week, a lower price for the Canadian dollar in terms of the United States dollar would make it still harder for Britain and other nondollar nations to sell to us. A British manufactured article which now costs $100 would, after a 10-percent revaluation, cost $110. And that is just the opposite of what we need to do at this juncture.

DEVALUE POUND, FRANC?

What would, for Canada, be helpful is nondollar currencies, devaluation of the pound, the French franc, and so forth. This would help smash down the barriers which are splitting the democratic world into two, each with its own price plateau.

Why does Britain wish to hold the present level of the pound?

For one thing, she has been able to market all her exportable surplus either in dollar or nondollar markets. At the same time, she's getting what raw materials and other imports she requires from dollar sources, at prices which are lower than those she would have to pay if she devalued the pound.

Devaluation of the pound, under such circumstances, is the last thing United Kingdom wants.

How long can Britain and other nondollar countries continue to hold their present currency levels?

Nobody knows.

But the fear that is properly held in Ottawa and Washington is that the network of bilateral deals now in force may permit the United Kingdom and other nondollar countries to isolate themselves almost indefinitely from the normal consequences of an overvalued currency.

This then is the boomerang of Marshall aid—the economic "feet of clay" to present high hopes for Anglo-Saxon political partnership.

The best efforts and intentions of North America to achieve European recovery and eventual convertibility of dollar and nondollar currencies are not going to be, it seems good enough.

The stimulus of Marshall aid is driving Europe into its own trade shell—not out of it.

Right now only a few are acutely conscious of this danger and its fatal implications to multilateral world trade.

Very soon, the implications of this situation will dawn in the minds of milions of people in North America whose livelihood and well-being depend upon the outcome.

Mr. MALONE. Mr. President, further in connection with what is happening in this country, and what is likely to happen in the next few months or, at most, a year or two, I ask unanimous consent to have printed in the RECORD at this point an excerpt from the United States News and World Report for April 8, 1949, entitled "World Commerce—Industry, Washington, Ottawa, London, Paris."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WORLD COMMERCE, INDUSTRY—WASHINGTON, OTTAWA, LONDON, PARIS

As the Marshall plan moves into its second year, there's growing concern on both sides of the Atlantic about where it is heading, what it leads to.

Cost of the Marshall plan looks heavier, as United States business slows down.

European capitals worry less about dollar appropriations for the plan than about subtler costs of European recovery to the American businessman. Increasingly, United States business will feel pressure of competition from western Europe.

This competition already is showing up in unexpected quarters. As it grows, Marshall plan popularity in United States may wane. That worries western Europe.

Oddest result of the Marshall plan is the price plateau it's building up.

United States and Canadian prices for many commodities are well below prices for similar products in western European and colonial trade.

Washington pressure seems to be responsible for this situation.

Marshall-plan countries are urged by Washington to buy more and more from neighbors and dependent areas, less and less from dollar sources.

So Marshall-plan countries are building up a web of bilateral trade deals. There are nearly 300 of these agreements now. Prices of commodities being passed around are high, reflecting inflated costs, overvalued currencies.

A premium has to be paid to avoid buying from dollar countries. Price, quality, no longer are so important. The currency involved is more important.

Britain is paying $167 a ton for Scandinavian newsprint, although Canadian newsprint could be had for $112. Denmark sells neighbors butter at higher prices than it could be bought for in the Western Hemisphere. Belgium steel is sold in Europe for very fancy prices. But none of these transactions requires dollars. That is the criterion. Result: United States and Canadian exporters lose out.

Also, over the longer term, American and Canadian exporters face a shrinking European market, as the Marshall plan goes on. Marshall-plan countries aim at reducing their imports from North America about a third by 1953.

Biggest declines in shipments to Europe will be in farm products, coal, textiles, machine tools. Fall-off in exports to Europe will be hard to take if business in the United States dips considerably. Then the pressure will be on Washington to bolster exports, in order to make up for declining domestic demand.

Selling the Marshall plan to the United States Congress, thus, may get progressively harder. It's been comparatively easy so far. But more and more toes will be stepped on from now on. Western Europe is off the ropes, bouncing back. Dollar help is battening up a heavyweight contender for world trade. You will be hearing a lot more of that kind of talk as the months go by.

Dollar shortage gives exporters of western European countries an unusual advantage right now. They are bound to exploit that advantage.

Buyers in most countries prefer not to give up dollars for goods. Dollars are usually reserved for purchases of scarce steel or machinery available only from the United States. Where there is any choice, other sellers get the call.

Argentina, for example, is cutting down on purchases of cheap United States coal, buying more British coal to save dollar exchange.

Price tags on European products are not so important for this reason.

As larger supplies of European goods can be exported, competitive pressure on American exporters mounts. This sort of pressure is very widespread. Almost all important countries except Switzerland, Venezuela, and Cuba are short of dollars. Most other countries restrict imports from dollar areas.

Again, dollar aid in Europe is helping to build up competition for the United States.

But a major aim of the Marshall-plan countries is to build up their exports to the United States. Here comparative prices are important.

Price downtrend in the United States and abundance of goods make United States buyers wary.

To sell more in the United States, western Europeans must meet local competition. That is not going to be easy.

Europe's wage and material costs are high. Productivity is not up to prewar levels in many instances. Methods and machinery can't match those in United States. Sales promotion, advertising, packaging of European goods are often antiquated.

Selling on the basis of quality alone won't work during a United States downturn.

Cutting prices by ordinary means presents many difficulties. Labor would object to wage cuts; businessmen to profits cuts. Waiting for material costs to drift lower or for productivity to work higher would take too long.

Easiest way out seems to be devaluation of European currencies. Officials in many European capitals are becoming convinced of this.

Devaluing the British pound, say, by 25 percent would have this effect: Three dollars would then buy a pound, instead of $4 as now. A British car selling for the equivalent of £400 in New York then would cost $1,200 instead of $1,600. That would give British cars a big price advantage over the most popular American cars. Of course, the British would earn fewer dollars per car, but would expect to make up for it by selling more cars.

French, Dutch, Swedish products could be made cheaper in the same way by devaluing the franc, guilder, or krona.

The French have devalued the franc twice since the war's end, but each time internal prices rose so much that exports were not long at bargain prices. But, now, inflationary forces in France and most of western Europe seem definitely on the wane. So chances of successful devaluation are much better.

Imports cost more after a country devalues. But United States aid already is paying for many of the imports of western Europe anyway. What's more, prices of food and raw materials, needed most by western Europe, are declining.

Signs point to currency devaluation in several European countries if United States prices continue to weaken and if western Europe finds exports lagging.

This is not to suggest that devaluations are just around the corner or that they might be as large as 25 percent. Each country will have to figure what is best. And the International Monetary Fund will try to mesh the devaluations together so that no important currency will be far out of line. It may be months before anything happens. But clearly the stage is now being set.

Mr. MALONE. Mr. President, I wish to quote briefly from this excerpt I have just had printed in the RECORD:

European capitals worry less about dollar appropriations for the plan than about subtler costs of European recovery to the American businessman. Increasingly, United States business will feel pressure of competition from western Europe. * * *

So Marshall plan countries are building up a web of bilateral trade deals. There are nearly 300 of these agreements now.

These are not unilateral. They are treaties we make with some nations, and every other nation has the advantage of this lowering of import duties or some other advantage. But these are bilateral, they are made one country with another, and no other country gets any advantage whatever. I read further:

Prices of commodities being passed around are high, reflecting inflated costs, overvalued currencies.

A premium has to be paid to avoid buying from dollar countries. Price and quality are no longer so important. The currency involved is more important.

Britain is paying $167 a ton for Scandinavian newsprint, although Canadian newsprint could be had for $112.

Denmark sells neighbors butter at higher prices than it could be bought for in the Western Hemisphere. Belgian steel is sold in Europe for very fancy prices. But none of these transactions require dollars. That is the criterion. Result: United States and Canadian exporters lose out.

At another point the excerpt says:

Biggest declines in shipments to Europe will be in farm products, coal, textiles, machine tools. Fall-off in exports to Europe will be hard to take if business in the United States dips considerably. Then the pressure will be on Washington to bolster exports, in order to make up for declining domestic demand.

Mr. President, I wish to quote from one other place in the clipping submitted for the RECORD:

Easiest way out seems to be devaluation of European currencies. Officials in many European capitals are becoming convinced of this.

Devaluing the British pound, say, by 25 percent would have this effect.

Mr. President, it will be remembered that on the floor of the Senate on March 30 and 31 I outlined how, when the nations of Europe wish to expand their trade by devaluing the currency or allowing it to reach more nearly the actual value, they can come under any kind of competition to this country.

Three dollars would then buy a pound, instead of four dollars as now. A British car selling for the equivalent of 400 pounds in New York—

Which would be $1,600 at the old prices of $4.03—

then would cost $1,200 instead of $1,600. That would give British cars a big price advantage over the most popular American cars. Of course, the British would earn fewer dollars per car, but would expect to make up for it by selling more cars.

In other words, they would meet the competition in that way, in the same manner as the same countries defeat any trade agreement made with this country under the 1934 Trade Agreements Act through the simple expedient of devaluing their currencies. At one other point it says:

The French have devalued the franc twice since war's end, but each time internal prices rose so much that exports were not long at bargain prices. But, now, inflationary forces in France and most of Western Europe seem definitely on the wane. So chances of successful devaluation are much better.

In other words, they would do the same thing, simply devalue their currency, and come into greater competition with American products.

Mr. President, I ask unanimous consent to have placed in the RECORD at this point a table showing the recovery of the Marshall plan countries for 1946 and 1947 and 1948. It will be seen from an inspection of the table that the recovery of these 16 nations, with the exception of Germany and Austria, was greater during the period 1946 to 1947 than during 1947 to 1948. In other words, these countries, so far as industrial recovery was concerned, were on their way to recovery, and some of them have not recovered as fast during the second year, or the year when the ECA money was available to them, as they had recovered during the previous year.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE I.—*Trend of industrial production* [1] *in 12 Marshall plan countries since the war, based on index numbers for a given prewar year*

	Base year=100	1946	1947	1948
Austria	1937	--------	48	[2] 72
Belgium	1939	83	100	108
Denmark	1937	101	116	129
France	1938	79	95	108
French Morocco	1938	152	170	[3] 190
Germany	1936	34	40	60
Greece	1939	53	67	73
Ireland	1937	107	113	[3] 129
Italy	1947	--------	100	107
Netherlands	1937	75	95	113
Norway	1937	100	115	125
Sweden	1937	137	139	144
United Kingdom [4]	1935	100	109	121

[1] Monthly Bulletin of Statistics, Statistical Office of United Nations, March 1949.
[2] First 10 months.
[3] First 8 months.
[4] London and Cambridge Economic Service, bull. II, vol. XXVI, p. 51, and bull. I, vol. XXVII, p. 12, May 19, 1948.

Mr. MALONE. Mr. President, I have here a current copy of the American magazine for April 1949. There are some very interesting things in this magazine, as usual.

I note a half-page advertisement in the Wall Street Journal for Monday, April 4, 1949, where a picture of Mr. Hoffman appears, and a bonfire of hundred-dollar bills is shown rather spectacularly in the picture, to advertise the American magazine article.

It is said of Mr. Hoffman in this advertisement that he will explain the efficiency and the great help ECA has been, and what the taxpayer has gotten for his money, in the April number of the American magazine. It is a very interesting advertisement.

Let us see what he did say in this article. I shall not attempt to read it all, and I will not ask that it be included in the RECORD, because this magazine is available on the news stands, but I shall quote from some of the more interesting parts of the article. One of them is:

> Strictly as a business proposition then, it's in our own interest to help the free nations of western Europe regain their prosperity and become again good cash customers for our goods. Your tax dollars are also achieving this result.

Another quotation a little further on in the article says:

> In the Netherlands, factory output today is 22 percent above the prewar high. France is turning out more coal, steel, and electric power than in any previous year. Britain's output of motor trucks and railway freight cars is up 50 percent from 1938; and British power plants are generating twice as many kilowatts of electric energy as they did before the war.

Now let me read another paragraph a little further on in the article:

> I wish it were possible for me to take you on a personally conducted tour of the 16 ERP countries—

They are called here ERP countries; the plan is variously known as the Marshall plan, ERP, ECA, and under various names—

> and show you some of the tangible things your dollars have bought. I'd start, I think, with a British textile plant in Manchester, where thousands of skilled workers are turning out millions of yards of fine new cloth made from American cotton.

That, Mr. President, is going to be very interesting information, I think, to the New England and Southern States textile industries.

Mr. KEM. Mr. President, will the Senator yield for a question?

Mr. MALONE. I am happy to yield to the Senator from Missouri.

Mr. KEM. We hear it said on the floor of the Senate and elsewhere that we realize that the competition of these plants and factories built abroad with American Marshall plan money, equipped, under the Marshall plan, with the latest American machines and technology, will be difficult competition for American producers in years ahead. What we hear said is that it is necessary to do this, to submit our own industry to this particularly difficult and perhaps unequal competition in order to save the world against communism, to stop the spread of communism. I want to ask the Senator if Mr. Hoffman in this article deals with what will happen in the world if the American economy becomes undermined to such extent it cannot stand as it does today as a great bulwark against communism in all the world?

Mr. MALONE. Mr. President, unfortunately he does not seem to have touched that interesting subject. Of course, we are already on the way down, and considering the fact that there are nearly 4,000,000 unemployed totally in the United States today, and approximately 9,500,000 partially unemployed which, as I previously said, does not include the men on the railroads on the extra board waiting for the call boy, I think it is a very interesting and opportune comment.

Mr. KEM. Mr. President, will the Senator yield again?

Mr. MALONE. I yield to the Senator from Missouri.

Mr. KEM. Does the sentiment expressed by Mr. Hoffman in the article the Senator is reading comport with the view expressed by him before the Senate committee to the effect that, "I cannot tell you how little concerned I am about European competition"?

Mr. MALONE. Mr. President, in answer to the question of the Senator from Missouri, I will say that Mr. Hoffman apparently has not used that exact language in the article, but there are paragraphs in the article that mean practically the same thing.

As a matter of fact, as the Senator from Missouri so aptly said a few days ago on the Senate floor, we are promised that, by building up this great industrial machine of Europe, we will establish a market for our goods. Whereas what Mr. Hoffman, even in this article, and apparently with all the emphasis at his command, said before the Foreign Relations Committee was that the exact opposite was what they wanted to do. In this matter we are a good deal like we are in other matters—we have a tough time selling our people that one effect is going to be had, whereas we must then, in order to make it effective, sell the European nations that exactly the opposite is going to happen.

INCREASING EXPORTS TO AMERICA

Mr. President, a little further along in the article, in telling the American people the effect, Mr. Hoffman said:

> To help pay for the aid they're receiving the Marshall plan countries are holding down consumption and increasing their exports to America.

I would ask the Senator from Missouri whether that is what he had in mind?

Mr. KEM. Yes; it is. And while Mr. Hoffman said when he was before the Senate committee that he was not going to worry about American manufacturers who could not compete, or words to that effect, I wonder if there is anything in the article that indicates any concern about the position of employees of manufacturers who cannot compete, and who find shut-down notices in their pay envelopes?

Mr. MALONE. Mr. President, unfortunately I find nothing in the article that mentions the workingman of America at all.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. MALONE. I yield for a question.

Mr. CONNALLY. Does the Senator mind indicating about how long he will occupy the floor?

Mr. MALONE. I think it probably will be 15 or 20 minutes, not including any debate that might ensue.

Mr. President, I continue to quote from Mr. Hoffman:

> To help pay for the aid they are receiving, the Marshall-plan countries are holding down consumption and increasing their exports to America. The Dutch, for example, who love cheese and chocolate, are exporting practically all they produce. From the Netherlands we are also getting garden bulbs and Holland gin—as well as rubber, palm oil, and quinine from the Netherlands Indies, and aluminum ore from Dutch Guiana.

I imagine the fact that cheese is coming from the Netherlands to the United States in increasing quantities will be great news for the citizens of Wisconsin, and the fact that chocolate is coming in ought to be great news to some of the States which have within their borders chocolate factories.

Mr. GREEN. Mr. President, will the Senator yield?

Mr. MALONE. I yield to the Senator from Rhode Island.

Mr. GREEN. The Senator from Rhode Island has listened attentively and with interest for about an hour to the Senator from Nevada, but since the discourse has been rather more discursive than usual, he would like to ask the Senator from Nevada whether he is in favor of or opposed to European recovery?

Mr. MALONE. Mr. President, I suppose I will have to read again, as I did to another Senator who had not been on

the floor very much, from what I have previously stated on that subject.

Mr. GREEN. I will say to the Senator from Nevada that I have been here practically all the time the Senator has spoken today, except about 2 minutes.

Mr. MALONE. I think the best thing to do is for me to read what I have previously stated.

Mr. GREEN. Can the question be answered "Yes" or "No"? I have heard a great many explanations about many subjects allied to this subject; but the question I ask is: Is the Senator from Nevada in favor or opposed to European recovery?

Mr. MALONE. Of course I am in favor of European recovery. I will read to the Senator an excerpt from a statement I made on March 4, last year on the Senate floor and it was made a part of the RECORD in the debate on March 31 of this year. I believe the Senator from Rhode Island will be glad to hear it.

In answer to the Senator, of whom I am very fond, and who I know is a student of these matters, and whose question is directed right to the point, and who has not read my statement of March 4, 1948, and which was placed in the CONGRESSIONAL RECORD, appearing on page 2123, which reads as follows:

PEACE AND SAFETY OF THE UNITED STATES

The peace and safety of this Nation is seriously threatened, through the complete absence of a definite foreign policy, telling our own people and the nations of the world what we consider will threaten our ultimate peace and safety, and the complete absence of a military organization spearheaded by an air corps to enforce our pronouncement.

The basic subject of foreign policy has never been discussed with the American people, through two world wars, and now the Marshall plan is in the same category. The basic subject at issue (as it was in 1823 when the Monroe Doctrine was established to protect South America and the Western Hemisphere from encroachment from the European empire-minded nations) is what areas—and naming the nations in the Europeans and Middle East countries, including Asia and the South Seas—is it necessary for us to currently protect for our own ultimate safety? Until this decision is made no plan to make it effective can be intelligently discussed.

I may say to the distinguished Senator from Rhode Island that I said last year that what we wanted to do under the Marshall plan was to feed hungry people, to rehabilitate industry, and to stop communism. I continue to read:

HUNGRY PEOPLE—COMMUNISM—REHABILITATION OF INDUSTRY

It is impossible to consider the feeding of hungry people—the stopping of communism—and the rehabilitation of industry as one subject. We only confuse ourselves.

As a result we mix our emotions with the facts and become unwilling victims of the greatest propaganda machine ever established in Washington; let us take them one at a time:

FEEDING HUNGRY PEOPLE

Feeding emergency hungry people of Europe or of any other area is a matter of charity and must be so considered apart from other considerations.

Departing from the text for a moment, the amendment which I have just been discussing, which was submitted on Wednesday of last week, was to exclude medicines and food, and then lend money on the same basis on which we lend it to American citizens for the rehabilitation of industry.

I continue the quotation:

FEEDING HUNGRY PEOPLE

Feeding emergency hungry people of Europe or of any other area is a matter of charity and must be so considered apart from other considerations. The Congress of the United States has appropriated nearly $1,500,000,000 during the last 12 months for that purpose alone, and has appropriated $24,000,000,000 and handed it to the nations of the world without hope of repayment since the close of World War II in 1945.

We have given them the money. None of it will ever come back. I know that the Senator from Rhode Island is not naive enough to think that any of it will ever be repaid.

INDUSTRIAL REHABILITATION

The rehabilitation of the industries of the 16 Marshall plan European countries, entirely separate from feeding hungry people, can then be accomplished as a purely business transaction in the same manner as such industrial plants were financed in this country by the Reconstruction Finance Corporation during depression and World War II years.

A reasonable amount of money, say $1,000,000,000 could be appropriated and made available to the RFC or to the World Bank for that specific purpose, simply providing that the RFC rules and regulations be applied to any foreign-business loans.

The only difference between that suggestion and the one made in my amendment is that, so long as we have created the ECA, we should let the ECA do it under our RFC rules. What are those rules?

Their rules provide for an investigation of the feasibility of such an industry by an experienced investigator in the respective field, with an estimate of cost, together with a list of the needed machinery and supplies. They further provide for a lien or mortgage to be taken on such equipment—the stock or shares of the existing organization to be hypothecated as additional security for such loan, and then the signature of the applicant is required.

In other words, it is a loan, exactly the same as a loan which might be made to a citizen of Rhode Island.

I continue reading:

It will prove a pleasant surprise to both the Congress and to the State Department the relatively small amount of funds that the European nations will require for industrial plant refinancing, if such loans must be secured on a business basis.

The entire thesis and point of my argument is that the feeding of hungry people, whether located in this or any other nation—the international policy of protecting the integrity of foreign areas in the interest of our own ultimate safety—and the rehabilitation of industrial plants in such foreign nations, must be considered separately to make sense and to be understood by our own people.

The extent that we can and should feed the hungry people of the world—and the amount of money we may loan for rehabilitation of industrial plants on a business basis throughout the world—is the particular business and responsibility of the Congress of the United States—while the international policy, the determination of the areas and nations of the world that we must currently protect for our own ultimate safety is a State Department matter.

COMMUNISM—INTEGRITY OF NATIONS

Stopping communism through protecting the integrity of the nations of the world that we decide, after full discussion and study, we must currently protect for our own ultimate safety, is a matter of our own integrity and frankness with our own citizens—and with the nations of the world.

If we should decide, after full consideration of our experience through two world wars—and our improved methods of defense and offense—that a threat to the integrity of any member nation of the United Nations Organization, by any other nation would constitute a threat to our ultimate safety—then President Monroe's exact words could be utilized in announcing an extension of the established Monroe Doctrine, leaving out any reference to the Western Hemisphere, and say, in effect, to the world and to the American people that:

"We owe it therefore to candor, and to the amicable relations existing between the United States and those powers, to declare that we should consider any attempt on their part to extend their system, as dangerous to our peace and safety."

We should then build at once a military force, spearheaded by an air corps that would bear silent evidence to all concerned that we were ready and able to enforce the extended doctrine, just as we have enforced the original Monroe Doctrine covering the Western Hemisphere for more than 125 years, and which kept us out of a major war for more than 75 years.

The Congressional Air Policy Board has recommended a long-range military plane purchase program, which would provide a 35,000-plane striking force costing $16,800,000,000 over a 5-year program. The President's air policy board's recent report closely parallels this document.

The reports were made at almost the same time.

The Armed Services Committees of Congress should immediately check these reports and if found correct recommend their adoption and the appropriation of the necessary funds by the Congress of the United States for the entire 5-year program.

Congress could apply the Marshall plan 4-year funds of $17,000,000,000 to the $16,800,000,000 5-year plane purchase program and have approximately enough left to continue the necessary European nations' feeding program until they raise a third crop and to furnish the necessary funds to the RFC or the World Bank for the rehabilitation of the European nations' industry under the Reconstruction Finance Corporation rules, as applied to American citizens.

Under the 125-year-old Monroe Doctrine we would only declare war when we judged that our own ultimate safety was threatened, and we were the sole judge in that event.

I will ask the Senator from Rhode Island if it would seem from that statement that I do not want to help the European nations.

Mr. GREEN. I was seeking enlightenment, but I am sorry to say that I received very little. If I correctly understand—and I think I do—the Senator from Nevada, my good friend to whom I listen with interest, is opposed to the Marshall plan. I believe he is opposed to the present legislation. My question is: Is he opposed to any plan to help the restoration of the European economic situation?

Mr. MALONE. Of course, Mr. President, no one could listen to what I have just read and seriously ask that question. I said on the floor of the Senate last year, and repeated for the RECORD this

year that—let us feed the emergency hungry people—not all the hungry people of the world, because some of them have been hungry for 2,000 years. We cannot feed all of them with our resources. Let us feed the emergency hungry people, who can recover and feed themselves after a reasonable time. If there were a bad fire in the Senator's town, we would send money and food, not to reelect the mayor, but to feed the hungry people. Let us lend money to rehabilitate the industry of Europe on the same basis on which we would lend it, through the Reconstruction Finance Corporation, to rehabilitate industry in Rhode Island, Illinois, or any other State in this Nation. Then let us have a foreign policy, which we have never had.

Mr. GREEN. Some parts of the Senator's argument seem to be against any recovery plan.

Mr. MALONE. I do not see it that way. I want America to feed emergency hungry people, loan money for the rehabilitation of European industry in the same manner as we loan it to American citizens, and name the nations in Europe and Asia whose integrity is important to our ultimate safety. I believe that is as far as we should go.

Mr. GREEN. The argument seems to be that if Europe recovers she will be a dangerous rival to American industry. Is not that a part of the Senator's argument?

Mr. MALONE. Mr. President, we are ready to meet competition, but we should not finance additional competition after the nations have recovered. After a recovery of 190 percent, such as has taken place in French Morocco, or 121 percent in England at this time—the Senator can read the table which I submitted for the RECORD—we should not finance competition, except on a business basis, after prewar recovery is complete. Let us not become the permanent support of the European nations to the detriment of American taxpayers.

Mr. GREEN. Does the Senator believe that Europe has recovered?

Mr. MALONE. The record shows that there has been a recovery beyond the 1938 industrial index. If the goal is 200 percent or 300 percent, it should be made clear on the floor of the Senate. The nations of Europe have recovered beyond the prewar index, as I have pointed out. There are three exceptions, namely, Austria, Germany, and Greece. That is another subject, and lack of recovery is for an entirely different reason. Germany has been deliberately held down by England and France, partly through fear of the future, and partly to secure for themselves industry which Germany formerly had. After a nation has made a 107 to 190 percent recovery, which is the range of such recovery of the ECA nations, with the exceptions noted above, then any further assistance to put them in a more competitive position with our own people should certainly be on a business basis, or on no easier terms than we would lend such funds to the people of Rhode Island, Nevada, or Illinois. Let us keep on helping them, yes; but let us do it on a business basis beyond that point.

Mr. GREEN. As I understood the amendment of the Senator from Nevada, to which he is supposed to be addressing his remarks, it does not provide for recovery at all.

Mr. MALONE. My amendment simply provides that we do exactly as I suggested a year ago, namely, loan the money for the rehabilitation of industry and for the construction of new industry in just the same way we would make a loan to the Union Pacific Railroad or to a branch of the steel industry in Pittsburgh, or any American citizen, and do it on no better terms or no harsher terms. Certainly it is asking a good deal not to obtain the same security for a foreign loan which we would obtain for a domestic loan, for in making a domestic loan the RFC certainly obtains the best security it can get.

Mr. GREEN. But the amendment does not say "the best security which can be obtained." It says "full security."

Of course, any bank would make a loan on full security. So what help would the Senator give European recovery by offering to have the United States Government make loans on the same terms on which any bank would make a loan?

Mr. MALONE. American banks will not make such loans at all on account of the risks of nationalization and socialization of capital. Let me point out to the Senator that I visited a number of the steel mills in Birmingham, England, and in the Ruhr, in Germany, and talked to the owners and managers of such mills. In one case I talked to a man named Jones, manager of a Birmingham steel plant. He received his training in Pittsburgh, and managed one of the plants. He took great pride in showing me the improvements being made in the plant, and stated that those improvements would cost perhaps £3,000,000, or $12,000,000. I said to him, "Where do you get the money? Do you get it from the Bank of England?"

"No," he said, "just from the local banks."

I said, "Do you mean to say that you do not want the Marshall plan money?"

He said, "We just want you to keep out of our hair." We are afraid of nationalization, if we borrow Government money.

Mr. GREEN. Is it the Senator's argument that they do not want recovery and that no one wants recovery?

Mr. MALONE. I do not see how anyone can listen to my statements and then say I do not want them to achieve recovery. If we offer to loan them money to modernize their plants, offer to feed them while the plant is being so modernized and then offer to protect the integrity of the nation, it seems to me we are going beyond anything that they could reasonably expect. Certainly no one would then be justified in saying that we did not wish them to recover.

Mr. GREEN. But is it the Senator's point that Europe has recovered, so it does not need any further help from us in the way of recovery? After all, all the best authorities say that Europe has not achieved recovery. We are told that Europe is well on the road to recovery, thanks to our help, but that we should give more help in order to help Europe achieve recovery.

Mr. MALONE. Perhaps I have not, even yet, made myself clear. The money is being appropriated to feed them. The money is being appropriated to rehabilitate their industries—I suggest on a business basis. And I further suggest that the executive department, whose responsibility it is to fix foreign policy—name the nations in Europe and Asia whose integrity we must currently protect for our own ultimate safety and then get ready to do it—how can anyone ask more.

Mr. GREEN. Feeding them is not recovery; it is simply charity.

Mr. MALONE. Of course, it is charity any way you wrap it up—then lend the money for rehabilitation of industry.

Mr. GREEN. That is not recovery. Too many loans can destroy a business. Both the Secretary of the Treasury and Mr. Hoffman say it would not assist recovery if those countries were to ask for too many loans.

Mr. MALONE. Naturally they should expend the loans prudently—as American businessmen are required to do—of course you no longer hear of a United States of Europe as was long advocated by Mr. Churchill and others. This suggestion has long since been forgotten in the wake of our tremendous gift loans.

Mr. GREEN. Then I take it that the Senator from Nevada believes he has a better plan than Mr. Hoffman does and a better plan than General Marshall had.

Mr. MALONE. I believe it is a better plan to arrange our activities in line with the best interests of the United States of America, and hold our wage living standards while we are helping Europe.

Mr. GREEN. But lending money can destroy, rather than aid in recovery; too many loans can destroy industry. Also, feeding people is only a temporary alleviation; it does not make for recovery.

Mr. MALONE. I am very glad to know that the Senator believes that lending money to industry simply ruins it. We have done very well using that system in this country for 150 years—well enough to support most of Europe at least in addition to ourselves.

Mr. GREEN. I say that lending money to Europe now amounts to the same thing, for the European countries have taken all the loans they can afford to pay, even after they have recovered.

Mr. MALONE. The Senator from Rhode Island does not mean that they are going to pay any of it, does he?

Mr. GREEN. Then why not give them a grant?

Mr. MALONE. We have done that. I say that now we should continue our assistance in a businesslike manner.

Mr. CONNALLY. Mr. President, the Senator from Nevada told me a while ago that he would need only about 15 minutes.

Mr. MALONE. I told the distinguished senior Senator from Texas that I would

need about 15 minutes in addition to any debate which might ensue.

Mr. President, I continue to quote from the article by Mr. Hoffman, appearing in the April issue of the American magazine:

From Belgium we're obtaining blankets, linens, glassware, leather goods, musical instruments. Britain is sending us cutlery, woolens, industrial diamonds, and Scotch whisky.

Mr. President, all that is very interesting, and I am very much interested to know that Mr. Hoffman is advocating that those materials—such as woolens, linens, glassware, leather goods, and blankets—be shipped into the United States and marketed here at the lower price made by the cheap labor of Europe, and with no protection for the workingmen of America.

I read further from the article:

But Europe needs to step up her exports to the United States still further.

I should like it to be well understood by the Senate that Mr. Hoffman advocates that that be done—through policies established by the administration which I call the three-phase free-trade policy, under which the tariff or import fees are lowered to the point that they do not represent the differential in the cost of production, which means that products of cheap labor will compete in the United States with the products of our own workingmen. Mr. Hoffman says in that connection:

If the 16 Marshall-plan countries could increase their sales to America by merely 1 percent of our present national income, they would be able to pay for all their imports from this country without any further help from us. To this end, we are encouraging European manufacturers to restyle their products to attract American customers. For example, we suggested to one Dutch chocolate manufacturer that he could increase his United States sales by packaging his product in 10-cent bars instead of the present bars that sell for 50 cents. Another way Europeans can increase their sales to us is by letting us see exactly what they do offer. Perhaps a "fair train" touring the country with displays of European merchandise and taking orders from wholesalers and department stores would help.

Mr. President, I have no doubt that it would help greatly to promote sales of European goods produced by cheap labor—to have a "fair train" financed by ECA funds touring the country—and I am very glad to know that Mr. Hoffman is undertaking to bring that about.

Quoting further:

The overseas territories of five Marshall-plan countries—Britain, France, Belgium, the Netherlands, and Portugal—are rich in undeveloped resources. By developing those resources they can make themselves less dependent on food and raw materials from the Western Hemisphere. We are working with them to that end. For example, Britain has asked us to help in opening up a vast territory in northern Rhodesia. The area, virtually uninhabited, is known to contain great mineral wealth and to possess enormous potentials for agriculture.

Mr. President, I have seen many of those areas in Africa. I flew the full length of the Nile. I stopped in the Sudan country, where the English are doing a great work. One little matter between the English and Egypt has to do with areas in Sudan and Egypt. The Egyptians are afraid that with our money the English will build too many dams on the Nile in the upper Sudan country and not allow the water necessary for Egyptian agriculture to come down the river. That is one place that our money may cause some trouble. Then I proceeded through the Victoria Lake country, Rhodesia, South Africa, the Belgian Congo, the Gold Coast, the Ivory Coast, Dakar in French West Africa, and so forth. As Mr. Hoffman has said, there are not many white people in certain of these areas. But there are other races there, and the areas are being utilized.

In that connection I should like to say, as I have said before here, that twice in my lifetime we have left bloody tracks all over the Pacific in two world wars in order to get the colonial systems back for the colonial-minded nations. I want to say again as I said last Thursday on the floor of the Senate that in my opinion, when it is perfectly evident that the empire-minded nations cannot protect these colonial areas in Asia, the Near East, the Far East, the Middle East, and South Africa, and we must protect them for them, then we should be entitled to equal access to the markets of the areas we are committed to protect. In other words, so long as they could protect their colonial interests and finance their operations themselves prior to World War I, little attention was paid to these nations by us and to the protection of these empire-minded nations.

Now we are not only doing their fighting but their financing, so I conclude that we should be entitled to equal access to the markets of the areas that we are committed to defend. We should be entitled to equal access to the markets of Indonesia, the Malayan States, Indochina, and the area in Africa, including Rhodesia, that Mr. Hoffman mentioned. Those nations could then impose a tariff or import fee on any imports into their countries, for their own welfare, in order to build up industries; but they should not be forced by any colonial nation to impose import and export fees that would have the effect of denying them the privilege of trading with our country on an even basis.

In other words, we should not be made to pay through the nose through empire preferential rates forced on these countries.

Mr. President, I should like to read one further excerpt from Mr. Hoffman's article:

Merely to become self-supporting western Europe must have a further increase of at least 25 percent in industrial production, 30 percent in agricultural output, and 65 percent in exports to the outside world. A tough assignment, but it can be done. In fact, it must be done.

He further says:

Secondly, we must go out of our way consciously to encourage imports from Europe. We must, in certain instances, be ready to reduce tariffs to make it possible for them to trade with us. The Danes, for example, would like to send us more of their good butter in exchange for United States goods; but an inordinate tariff of 14 cents a pound prevents them from doing so.

In other words, we are to reduce our tariffs on the products of Europe, and we have already, I may say, in almost every instance, cut import fees or tariffs below the critical point that makes up the differential between the cost of production of an item here and the cost of its production in Europe, due mostly to the difference in wages and standards of living, because they now have access and are receiving our best, most up-to-date machinery, in each particular industry. Our technical know-how goes with the machinery.

In American Affairs, of January 1947, there is a very interesting article written in part by the Eastern Economist at New Delhi, and then commented upon by the editor. I submit, Mr. President, a marked excerpt from this magazine, which I ask unanimous consent to have printed in the RECORD at this point.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The one brilliant solution that has been offered is that we shall regularly and in a systematic manner give our surplus away instead of lending it and expecting ever to receive it back. This suggestion comes from the Eastern Economist, New Delhi:

"The United States lend-lease plan of helping the Allies in the recent war has been acclaimed as an act of unparalleled generosity, and so it was. But it was also a brilliant and ingenious way of solving what would otherwise have been an intractable problem resulting in a world malaise.

"The productive power of America has multiplied itself so fast that it is now admitted that she cannot continue to give 60,000,000 jobs unless she is able to have a large export trade. But in the long run—not so long as even a decade—exports cannot continue unless imports are allowed to flow in. But United States economic organization is such that the possibilities of her being paid in imports are not very bright. Lending her surplus would mean only a postponement of the day of reckoning and accounting. Sooner or later imports should enter America in a flood. But imports will or at least might create unemployment. In such circumstances it would not be such a foolish thing (as some might imagine) to give away goods to other countries, for on balance it would be better to part with surplus goods than to create unemployment.

"It is not to be assumed that America has reached that stage today or will do so in a year or two. But it is not far off. A new economic policy based on the new conditions and circumstances will have to be devised. What is needed is a peacetime machinery on a semipermanent basis by which the ideas underlying lend-lease and UNRRA may be made the basis of an orderly scheme of transfer of goods and equipment from America to the rest of the world.

"We suggest that from now onward, besides loans to countries through the International Bank which would have to be on the usual commercial basis, a machinery should be set up by America whose purpose would be to provide gifts of loans to countries on certain conditions. These loans, euphemistically, so-called, would be granted both for consumption needs of the poorer communities in the world and for development. In the case of the former, it should be an essential condition of such grant that the goods bought with such money should be used by public development departments for specified purposes. For example, if President Roosevelt's famous freedom from want is not to be a pious wish and a slogan empty of content, it should be the duty of America to organize systematically the outflow of goods

to the poorer countries so that the consumption of the poorer sections of the people may reach a certain basic minimum. Of course, this does not mean that any individual American who parts with his goods will not get the full price therefor. The United States Government will buy the goods, give them as gifts and reimburse itself by additional internal taxation.

"The second type of free loan is for the development of the regions now inhabitated by the poorer races. Such gifts should be made to governments for specified purposes which may compendiously be termed public works. Those industries which would not compete directly with American products but which would only improve the general economic well-being of the country as a whole should be entitled to receive them. It should also be made a condition that the proceeds of such gifts would not be used to benefit any private capitalist in any country. There may be other safeguards necessary and several other details requiring to be filled in. But the main outlines should be clear to all."

Here you see, raised to an international dimension, the original Communist doctrine paraphrased thus: From each nation according to its ability; to each nation according to its need.

And yet, this is not to be treated lightly. Whether we so intend it or not, that is what will happen in fact to a great part of the surplus we have loaned to foreign countries. We shall find in the end that we did give it away. Moreover, this idea points the shortest way to arrive at the two principal ends of the complex American proposals, namely, that the American power of competition shall be laid under restraint of the Golden Rule and that the American power of surplus shall be devoted to the common good of mankind with an international economic authority, exercising governmental powers, to see that we do not falter.

Mr. MALONE. I also ask unanimous consent to have printed in the RECORD at this point an article from the New York Daily News of April 1, 1949, entitled "Capitol Stuff," by John O'Donnell.

The PRESIDING OFFICER. Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CAPITOL STUFF

(By John O'Donnell)

WASHINGTON, D. C., March 31.—For the second time in this reporter's life we settled our carcass comfortably before the global movie and after 10 minutes snorted with reasonable irriation as we left:

"This is where I came in. I've seen the picture before under another title. Now I want my money back or at least a rain check for a fresh release."

Last time we growled the observation was in London, on a lovely September morning, Sunday, the 3d, in 1939.

That was the day when Great Britain, under the late Prime Minister Chamberlain, declared war against Germany.

That was World War I all over again—20 years later, 10 years ago.

A REPEAT ON LEAGUE OF NATIONS SHOW

And it was 30 years ago, in the winter of '19, that this reporter, fresh from his war discharge at Camp Grant, entered the galleries of the Capitol for the first time in his life and heard those great Americans, California's Hi Johnson, Idaho's eloquent Borah, Massachusetts' Henry Cabot Lodge, tear apart the fundamental phonies and hypocrisy of Woodrow Wilson's League of Nations.

Late yesterday and again today, in Senate and House, the same movie was put on again. There were different characters, but the theme was identical. Thirty years ago, in the early spring of 1919, all the betting was odds on that the world-saving Wilson would jam through his Treaty of Versailles and the League of Nations. Then the Congress started to rear up—may the lords that watch over this Republic be praised.

A fortnight ago we would have been willing to bet that United States military aid for the nations of western Europe would bang through the Senate with a whoop and a bellow.

Well, it just ain't true. It won't. What's happening today is the old "This is where I came in" release, dated back 30 years. Truman, the White House palace guard, and the State Department that has figured out it can run the world with British brains and United States cash, are running into heavy going.

All you have to do is shift the actors. Instead of old-time Woodrow Wilson League of Nations foes from the West—Borah and Hi Johnson, for example—just stick in the present actors, Senators GEORGE (Molly) MALONE, of Nevada, or DONNELL, of Missouri, or WHERRY, of Nebraska, JENNER, of Indiana, KEM, of Missouri, and some of the others now getting in their fighting.

THE IDEA BEHIND FOES OF ALLIANCE

The idea seems to be this: O. K. with the so-called Atlantic military alliance if you boys in the White House and State want to kick it through. But to hell with sending money, arms, munitions, tanks, aircraft, and what have we to these nations in Europe that may turn commie or be taken over by commies and so find that we Americans are going to fight against military equipment turned out in New England, Illinois, or California plants.

Now we might point out that Woodrow Wilson, with much pompous whoop-dee-do, signed the Versailles Treaty June 28, 1919, submitted it to the Senate July 10, and then suffered the humiliation and disgrace that were coming to him when the Senate booted it out the window the following November.

Same treatment, as we estimate the way the winds blow, is in store for any measure that makes the Atlantic military alliance mean anything, that is, United States money, munitions, manpower, and military brains. And this is all for the best.

A week ago, we were quite certain that the Congress would O. K. $1,800,000,000 (just for a 1-year starter) to rearm western Europe and so make the Atlantic pact mean something. And we also figured that the internationalists and global thinkers here in Washington would high-pressure through Capitol Hill the shocking betrayal of the Republic by turning over $5,400,000,000 to foreigners who were playing economic footsie wootsie with the Kremlin.

POINTS TO AID FUNDS STOLEN IN CHINA

In the House, which supposedly controls the purse strings, Representative CLARENCE BROWN (Republican, Ohio) set the boys back on their heels when he placed in the RECORD the statement that between 75 percent and 80 percent of the $275,000,000 worth of aid that we've poured into China was either stolen by the thieving Chinese leaders we dealt with or was sold directly to the Kremlin-controlled Chinese Communists.

And at the same time, Nevada's Senator MALONE was laying it on the line that Britain, whose socialistic economy is being supported by American dollars under the Marshall plan, is aiding Russia with a commercial treaty, impossible without United States financial assistance. And, as MALONE noted, the same goes for France.

What touched off the storm in the Senate was MALONE's assertion that the United States State Department was withholding from the lawmakers as top secret details of treaties which Marshall-plan nations had entered into with Pal Joey and his satellite nations and even between the satellites themselves.

There was applause when MALONE observed:

"Our United States is getting the greatest economic pushing around that any major nation has received in the last 2,000 years of recorded history."

It increased when he told about the State Department's insistence that 45 of the 88 trade treaties involving Russia and American-aided nations in Europe are restricted and so secret that the State Department can't permit the Senate of the United States to discuss them publicly. And a shout went up when MALONE declared:

"The Members of Congress don't know anything about a loan. All they know is how to give it away."

Yes, we think that getting United States cash out of this Congress for the defense of western Europe is going to be much tougher than the boys thought it would be only a fortnight ago.

Mr. MALONE. Mr. President, it will be remembered that over a long period of time we have advocated in this country siphoning off wages and incomes, through taxes, so it was said, to prevent inflation. Obviously it did not prevent inflation. But what it did prevent, Mr. President, was the supply of money formerly available for new capital investment. The president of the New York Stock Exchange, who was formerly the head of the Securities and Exchange Commission of the Government, made a statement not so long ago that new investment capital, the money that formerly had been available from wages and incomes, had through taxes been siphoned off to such an extent that the money was no longer available in amounts that were necessary. Let us see what happens when this money is not available through such wages and incomes. Let us see what happened in England when they did that very thing. It finally came to the point where there was little or no money for capital investment, so then the money was appropriated and collected from the taxpayers of England for new capital investment. Finally, the taxes got to the point where the law of diminishing returns took over. Most of the Senators are entirely familiar with the expression, "the law of diminishing returns." Taxes reached a point where, the higher the taxes, the smaller the receipts; so, what happened? They immediately were attached to our budget. I only wonder, Mr. President, whose budget we can find to attach our Government needs to when we reach that point, when we get the taxes up to the point where the law of diminishing returns takes over.

One more thing. We have for some time, through the United States Treasury, made money available to the Federal Reserve Board to furnish a 100-percent market for the low-interest bonds of the United States.

Many people of my acquaintance, bankers and economists, believe that if we withdrew that support, the bonds would immediately go down to 85 or 80 percent, or even lower, as they did after the first war. Any time they go below 90 percent, it is very well understood that the banks of America are mostly broke. As a matter of fact, many believe they would all be broke.

So, Mr. President, I submit that the amendment to the ECA bill I have submitted and described is necessary, as a

next step in the European recovery plan. It does not interfere with the money available to furnish food for Europe, for emergency use among hungry people, or to provide medicine for the people; it does not in any way interfere with any international policy that may be adopted to protect the integrity of nations within the areas of Europe and Asia that we think it necessary for us to defend for our own ultimate safety. The effect of the amendment is simply that money extended through loans by the ECA for new industrial development, or to rehabilitate old industries, shall be loaned to those nations or individuals on the same basis as that upon which we would loan money to an American business enterprise.

The PRESIDING OFFICER (Mr. WITHERS in the chair). The question is on agreeing to the amendment offered by the junior Senator from Washington [Mr. CAIN], for himself and the Senator from New Hampshire [Mr. BRIDGES].

Mr. MORSE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Anderson	Hill	Morse
Baldwin	Hoey	Mundt
Brewster	Holland	Murray
Bricker	Humphrey	Myers
Byrd	Ives	Neely
Chapman	Johnson, Tex.	Robertson
Connally	Kefauver	Saltonstall
Cordon	Kem	Schoeppel
Donnell	Kerr	Smith, Maine
Douglas	Knowland	Sparkman
Ecton	Long	Stennis
Ellender	Lucas	Taft
Ferguson	McClellan	Taylor
Flanders	McFarland	Thomas, Utah
Frear	McKellar	Thye
George	Magnuson	Vandenberg
Green	Malone	Wherry
Gurney	Martin	Williams
Hendrickson	Maybank	Withers
Hickenlooper	Millikin	Young

The PRESIDING OFFICER. Sixty Senators having answered to their names, a quorum is present.

Mr. FERGUSON. Mr. President, the Committee on the Judiciary is in session, and the following Senators are personally present at the meeting: The Senator from Washington [Mr. MAGNUSON], the Senator from Rhode Island [Mr. MCGRATH], the Senator from Idaho [Mr. MILLER], the Senator from Maryland [Mr. O'CONOR], the Senator from Wisconsin [Mr. WILEY], the Senator from North Dakota [Mr. LANGER], the Senator from Indiana [Mr. JENNER], and the chairman of the committee, the Senator from Nevada [Mr. MCCARRAN].

The PRESIDING OFFICER. The RECORD will so show.

Mr. CONNALLY. Mr. President, I hope we can get a vote on the pending amendment. I wish to say a very few words on it.

The PRESIDING OFFICER. The question before the Senate is on agreeing to the amendment offered by the Senator from Washington [Mr. CAIN] for himself and the Senator from New Hampshire [Mr. BRIDGES].

Mr. WHERRY. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. CONNALLY. Mr. President, I wish to take only 2 or 3 minutes of the time of the Senate.

The pending amendment is one offered by the Senator from Washington [Mr. CAIN], who does not appear to be present. I do not like to have a vote on his amendment in his absence, but if he does not think enough of it to be here, that is all right. However, I see present the Senator from New Hampshire [Mr. BRIDGES].

Mr. BRIDGES. The Senator from New Hampshire joined with the Senator from Washington in offering this amendment, and I shall be glad to answer any question the Senator may have in mind.

Mr. CONNALLY. Very well. I thank the Senator, but for the present I do not care to ask him any questions.

The effect of the amendment is to leave the authorization for the first 3 months intact, but after the first 3 months and for the entire next fiscal year the authorization is to be completely cut out and this language inserted, "together with such sums as the Appropriations Committees of Congress shall recommend and the Congress appropriate for the fiscal year ending June 30, 1950."

Mr. President, that means—and this is important—that the ceiling on the amount which may be appropriated and carried in the bill would be removed. Under this amendment the House Committee on Appropriations could not only reduce the amount, but, if it should see fit, it could increase the amount, and if the Congress approved, that would be the law.

It also would strike out the provision of the bill for $150,000,000 for advanced contract authorizations. That provision would not increase permanently the amount of the expenditures, but it would give the Administrator opportunity to look ahead and make the necessary contracts.

Mr. President, I think the Senate would make a great mistake if it agreed to this amendment and removed the ceiling, making it an unlimited charge on the Treasury if the Committees on Appropriations should see fit to recommend an increase.

The Senator from New Hampshire was formerly chairman of the great Committee on Appropriations, but he is not chairman now, yet his caution and his care in holding down appropriations might not be effective if we removed the ceiling. So I hope the Senate will vote against the amendment.

Mr. BRIDGES. Mr. President, let me say to the Senator from Texas that the idea of this amendment certainly is not along the line he has indicated. He indicated that the ceiling might be raised and the door be wide open.

The objective of the amendment was to allow the Committee on Appropriations to proceed with a searching inquiry into the whole subject of ECA for the full fiscal year, so that after such inquiry into not only what has been accomplished, but the methods of administration, and the proposals for the coming year, the Committee on Appropriations would have freedom of action, and would not be handicapped, either directly or indirectly, by an exact amount being fixed in the authorization.

As I said earlier, I recognize that the distinguished Senator from Texas [Mr. CONNALLY] and the distinguished Senator from Michigan [Mr. VANDENBERG] have stated that this is the ceiling in the original bill, and that the Committee on Appropriations is not bound by the ceiling. Nevertheless, I point out to these two distinguished Senators that when a definite figure is put in a bill, the Appropriations Committee is, in a way, under wraps, and the history has been that the members of the committee are subjected to terrific pressure to grant the full authorization amount.

No one by the greatest stretch of the imagination could say that this amendment as proposed has for its purpose the killing of ECA. I personally supported ECA; I am for it today; but I believe the information at hand, some of which I quoted earlier, such as the preliminary report of the European recovery officials abroad, in which they point out the dangers and the trials which they have encountered, should be taken into consideration. Before the Committee on Foreign Relations the testimony was more of one kind, presented by our own officials of the ECA and other distinguished individuals in this country, but I think the whole thing should be balanced, and I think there is no such question as the Senator from Texas indicates. I have not any thought in the world that the Senate is going to appropriate money for the coming year above the figure fixed in the authorization act, but I believe this amendment would give the Committee on Appropriations greater latitude in action, by providing a general authorization, with no exact figure fixed. I realize that ordinarily some dangers are involved in a general authorization, but in this particular instance I think it would give the committee a wider latitude.

I may say to the distinguished Senator from Texas that the present chairman of the Committee on Appropriations, the distinguished Senator from Tennessee [Mr. MCKELLAR], is a very able and discerning Senator, and I believe that he and the other members of the committee of both political parties are going to consider with a great deal of care the requests before the appropriations are made. So I think we can be sure that there will be no danger that the appropriations will go over the authorization figure fixed in the bill, which I am attempting, with the junior Senator from Washington, to amend.

Mr. KEM. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. WITHERS in the chair). Does the Senator from New Hampshire yield to the Senator from Missouri?

Mr. BRIDGES. I yield.

Mr. KEM. I should like to ask the Senator from New Hampshire if it is not true that the countries participating in the Marshall plan have made certain promises or agreements that they will

take steps looking toward either economic or political union in western Europe? I should like to ask him further if he believes if the Senate were to take today the action he is asking it to take it would have a very salutary effect in abruptly bringing to the attention of these countries the fact that the American people expect them to do something, and do it soon, to carry out the agreements and understandings we have with them?

Mr. BRIDGES. I think it would; yes.

Mr. CONNALLY. Mr. President, I always enjoy speeches made by the Senator from New Hampshire, and I always enjoy his company. With respect to the matter before us, the Senate must first make an authorization, which means it must place a ceiling. That means the Senate can appropriate so much money, but cannot appropriate a dollar more. The Senator from New Hampshire, however, says he wants to remove that ceiling provision, and permit the Appropriations Committee to appropriate all it wants to. Under the present system the Senate must first screen the proposal, look it over, place limitations on it, and then it goes to the Committee on Appropriations. The Committee on Appropriaitons has the freedom to cut down the amount, to cut it down further and cut it down still more if it wants to. But the Senator from New Hampshire would say, "Let us take this freedom away from the Committee on Appropriations. That committee cannot resist the pressure which may be put upon it."

The Senator says the committee will have pressure placed upon it to appropriate all we authorize, so he says, "Do not give us, the Members of the Appropriations Committee, this power, but give us all the power." That is what the amendment provides. The Senator would have the committee given entire power. Think of the pressures that will be placed upon the Committee on Appropriations, which the Senator from New Hampshire says cannot resist pressures, if no limitation is placed upon the committee, if no ceiling is provided. Will there be any money left in the Treasury if we leave open such a gate as that? Let us make the authorization, with the limitation that is thereby imposed, and if the Committee on Appropriations desires to make a cut below that figure, very well.

Mr. President, I ask for a vote on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. CAIN] on behalf of himself and the Senator from New Hampshire [Mr. BRIDGES]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BRICKER (when his name was called). On this vote I have a pair with the junior Senator from Wisconsin [Mr. MCCARTHY]. If he were present he would vote "nay." If I were at liberty to vote I would vote "yea." Therefore I refrain from voting.

The roll call was concluded.

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Iowa [Mr. GILLETTE], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Georgia [Mr. RUSSELL] are absent on public business.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

The Senator from Mississippi [Mr. EASTLAND] and the Senator from Oklahoma [Mr. THOMAS] are absent on official business.

I announce that on this vote the Senator from Mississippi [Mr. EASTLAND] is paired with the Senator from South Carolina [Mr. JOHNSTON]. If present, the Senator from Mississippi would vote "nay," and the Senator from South Carolina would vote "yea."

I announce further that if present the Senator from California [Mr. DOWNEY], the Senator from Iowa [Mr. GILLETTE], the Senator from North Carolina [Mr. GRAHAM], the Senator from Oklahoma [Mr. THOMAS], and the Senator from New York [Mr. WAGNER] would vote "nay" on this amendment.

Mr. SALTONSTALL. I announce that the Senator from New Jersey [Mr. SMITH], who is absent because of illness, is paired with the Senator from Washington [Mr. CAIN], who is absent by leave of the Senate. If present and voting, the Senator from New Jersey [Mr. SMITH] would vote "nay," and the Senator from Washington [Mr. CAIN] would vote "yea."

The Senator from Wisconsin [Mr. MCCARTHY] is detained on official business, and his pair has been previously announced by the Senator from Ohio [Mr. BRICKER].

The Senator from Indiana [Mr. CAPEHART] and the Senator from Kansas [Mr. REED] are unavoidably detained.

The result was announced—yeas 15, nays 67, as follows:

YEAS—15

Bridges	Jenner	Taylor
Butler	Kem	Watkins
Byrd	Langer	Wherry
Ecton	Malone	Williams
Ellender	Taft	Young

NAYS—67

Aiken	Humphrey	Morse
Anderson	Hunt	Mundt
Baldwin	Ives	Murray
Brewster	Johnson, Colo.	Myers
Chapman	Johnson, Tex	Neely
Chavez	Kefauver	O'Conor
Connally	Kerr	O'Mahoney
Cordon	Kilgore	Pepper
Donnell	Knowland	Robertson
Douglas	Lodge	Saltonstall
Ferguson	Long	Schoeppel
Flanders	Lucas	Smith, Maine
Frear	McCarran	Sparkman
Fulbright	McClellan	Stennis
George	McFarland	Thomas, Utah
Green	McGrath	Thye
Gurney	McKellar	Tobey
Hayden	McMahon	Tydings
Hendrickson	Magnuson	Vandenberg
Hickenlooper	Martin	Wiley
Hill	Maybank	Withers
Hoey	Miller	
Holland	Millikin	

NOT VOTING—14

Bricker	Gillette	Russell
Cain	Graham	Smith, N. J.
Capehart	Johnston, S. C.	Thomas, Okla.
Downey	McCarthy	Wagner
Eastland	Reed	

So the amendment offered by Mr. CAIN for himself and Mr. BRIDGES was rejected.

Mr. WHERRY. Mr. President, I offer the amendment which I send to the desk and ask to have stated. It is an amendment relative to participation of small business in the ECA appropriations.

The PRESIDING OFFICER. The amendment offered by the Senator from Nebraska will be stated.

The LEGISLATIVE CLERK. On page 1, line 7, after "Sec. 2", it is proposed to insert "(a)", and, after line 10, to insert the following:

(b) Section 104 of such act is amended by adding at the end thereof a new subsection, as follows:

"(g) There shall be in the Administration a special assistant to the Administrator. It shall be the duty of such special assistant to formulate methods to assist American small business in securing equitable participation, insofar as practicable, in the furnishing of commodities and services for the procurement with funds appropriated pursuant to this act.

"Such special assistant shall receive his instructions from the Administrator and shall report to the Administrator quarterly on the performance of the duties assigned to him."

Mr. CONNALLY. Mr. President, the committee has considered this amendment, and we have no objection, provided it does not provoke debate.

Mr. WHERRY. Mr. President, I accept the suggestion from the distinguished chairman, and I appreciate the fact that he has seen fit to accept the amendment.

Mr. MORSE. Mr. President, I did not understand the condition under which the acceptance was made.

Mr. WHERRY. I suggest to the Senator from Oregon that the time to trade mules is when one has the opportunity to trade.

Mr. MORSE. Unless they are afflicted with spavin.

Mr. President, I think this amendment is closely related to my amendment.

Mr. WHERRY. It is.

Mr. MORSE. I should like to make a few comments, if I may, on my amendment. I do not know what the chairman of the Foreign Relations Committee thinks of my amendment, but I should like to join in the amendment of the Senator from Nebraska if it can be shown me that the principle of my amendment is covered by his amendment.

Mr. WHERRY. Mr. President, I should like very much, indeed, to have the distinguished Senator from Oregon join with me in the amendment. Until a few moments ago I did not know that there was another amendment relating to small business. I had not read all the amendments.

I have taken this amendment up with the chairman of the committee. The amendment is not all I would like to have had so far as small business is concerned. The amendment, which has been accepted by the chairman of the committee, provides for an assistant to the Administrator, whose sole purpose it will be to attempt to assist small business in procuring a part of the business which ECA does in this country.

It also provides that he shall make a report quarterly to the Administrator. My understanding is that under the present law the Administrator makes his report quarterly to the President, and in

turn the President reports to the Congress. In that quarterly report no doubt will be included the activities of the Administrator in his efforts to obtain business for small business in competition with big business in the procurement of materials and the transactions connected therewith.

There is a long list of amendments, and we cannot always be present in the Chamber because of committee meetings, but several days ago I made quite a detailed argument in favor of the amendment. It is the result of the research which has been conducted in the Small Business Committee relative to procuring contracts.

Although it is true that the participating countries to a large degree do their own purchasing in the United States, which makes it all the more difficult to have a provision of the sort I have in mind carried out, yet I believe that a special assistant assigned to the Administrator will be most helpful in attempting to assist the small-business men of this country to get some of the procurements to which they are entitled under ECA.

Mr. MORSE. Mr. President, let me say to the Senator from Nebraska and the Senator from Texas, the chairman of the committee, that I think in 4 or 5 minutes I can cover this matter in conjunction with the Senator's amendment, although I believe I would be out of order at the present time.

The PRESIDING OFFICER. The Senator would be out of order.

Mr. WHERRY. Mr. President, I am satisfied that the chairman of the committee would not object to having the Senator from Oregon express his approval or disapproval of the amendment in the short period of time he has suggested. Therefore, I ask unanimous consent that he may reply in 5 minutes, to explain the amendment and also to state whether it covers the objects of his amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MORSE. Mr. President, I am very sorry, but I have never talked under a time limitation on the floor of the Senate, and I do not intend to establish a precedent in that respect this afternoon.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nebraska [Mr. WHERRY].

The amendment was agreed to.

Mr. BREWSTER. Mr. President, I call up my amendment A, which I submitted some time ago, and which is on the desk. I offer it at this time, and ask that it be read. It deals with the termination of the allocation of funds to a foreign government which fails to comply with the orders or requests of the Security Council of the United Nations.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the proper place in the bill it is proposed to insert the following:

No funds authorized for the purpose of this act shall be allocated to or expended for any foreign government which fails to comply with the orders or requests of the Security Council of the United Nations until such times as the Administrator is advised, in writing, by the President of the Security Council that such compliance has been effected.

Mr. BREWSTER. Mr. President, I now offer a substitute for that amendment, and I wish to explain briefly the occasion for it. Perhaps it will be in order now to send the proposed substitute to the desk and have it read.

The PRESIDING OFFICER. The substitute for the amendment will be stated.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to insert the following new section:

SEC. 113. The second sentence of section 118 of such act is amended by inserting before the period at the end thereof: "or (3) the provision of such assistance would be inconsistent with the obligations of the United States under the Charter of the United Nations to refrain from giving assistance to any state against which the United Nations is taking preventative or enforcement action."

Mr. BREWSTER. Mr. President, this substitute is a result of very considerable discussion of this matter by all concerned. As I understand, the substitute is acceptable in this form to the members of the Foreign Relations Committee—of course, they will state their own position—and to many other Senators who have been concerned.

I should not want the substitute to be regarded as one which would completely accomplish the ends originally proposed to be accomplished by the amendment which I submitted in cooperation with several other Members of the Senate and as a result of discussions with many Members on both sides of the aisle, inasmuch as the amendment originally offered would definitely have cut off the aid now being extended and aid now proposed to be extended to the Netherlands Government, so long as they fail to comply with the orders or directives of the Security Council of the United Nations.

Under the proposed substitute, that matter would be subject to the action hereafter of the Security Council in taking so-called preventative or enforcement action, which is the technical language of the Charter of the United Nations; and the substitute is perhaps, from a purely technical standpoint, more desirable on that account.

The substitute amendment would fit in to the original ECA Act, known as the Foreign Assistance Act of 1948, at page 20, in section 118, where there are provisions regarding the termination of assistance. That act says, in section 118, to which this substitute would be an amendment:

TERMINATION OF ASSISTANCE

SEC. 118. The Administrator, in determining the form and measure of assistance provided under this title to any particiapting country, shall take into account the extent to which such country is complying with its undertakings embodied in its pledges to other participating countries and in its agreement concluded with the United States under section 115. The Administrator shall terminate the provision of assistance under this title to any participating country whenever he determines that (1) such country is not adhering to its agreement concluded under section 115, or is diverting from the purposes of this title assistance provided hereunder, and that in the circumstances remedial action other than termination will not more effectively promote the purposes of this title; or (2) because of changed conditions, assistance is no longer consistent with the national interest of the United States.

Mr. President, I may say that is, of course, a very broad limitation. The substitute, however, would add a third section, known as "(3)," which would provide that aid shall be terminated if "the provision of such assistance would be inconsistent with the obligations of the United States under the Charter of the United Nations to refrain from giving assistance to any state against which the United Nations is taking preventative or enforcement action."

Of course, that would further tie in the European relief program with the Charter of the United Nations, which is altogether a desirable objective.

However, the substitute would not altogether result in the immediate termination of aid, inasmuch as technically, I believe, the Security Council has not yet taken what may be termed enforcement action; and it is understood that the taking of enforcement action would be subject to the veto of the five major members of the United Nations Council, and that such veto might be interposed not only by the nation which frequently has interposed vetoes thus far—the Soviet Union, which is the nation which has most consistently used the veto—but also by one or another of the other major powers which, because they have colonial interests, have interests somewhat parallel with those of the Dutch in Indonesia. In fact, the French already have interposed one veto, and it might be that China, which has Asiatic interests peculiar to itself, might also be inclined to interpose a veto. I say this in justice to those who have been most desirous of immediately terminating aid in such cases, so that we may act with the full knowledge of the consequences.

Nor am I impressed with the suggestion that the action we had proposed would be unilateral action, inasmuch as it seems to me that not only the action we here propose may come under that classification, since in certain instances it would result in the termination of aid by unilateral action by the United States in determining that the continuation of such aid was not in our interest, but we also have a precedent for this in the two clauses which I already have read, which are parts of the European Cooperation Act, and which provide for the termination of aid under certain circumstances. I am also impressed with the fact that we have taken unilateral action already in cutting off aid in the amount of $15,000,000 to Dutch Indonesia because of the conditions which prevail.

Certainly we have taken unilateral action independently of the United Nations in respect to our original action in Greece and Turkey. We were also more or less involved in unilateral action in Palestine. I think we must consider the entire Marshall plan as unilateral, in a sense, in that it is a plan proposed by

us without regard to the necessary action of the United Nations.

However, having said all that, I myself still have reached the conclusion—and I trust that it is shared by many others who are associated in advocating this solution—that after taking all the factors into account, the cause which we have commonly in mind will best be advanced by accepting the compromise solution which has been proposed. It is for that reason that I am offering this amendment as a substitute.

A part of the considerations which led me to that view was the fact that it seemed likely that the amendment in this form would have the almost complete support of the Senate; and I think that unanimous or almost unanimous action of that character would exercise a most beneficial influence not only on this situation but on others which might arise.

Moreover, I think the fact that those with whom this matter was discussed, representing the point of view of those primarily responsible for the program, were ready to accept the proposition, the defeat of the amendment which had been originally proposed by the Senator from Maine would have very unfortunate consequences, in seeming to give a green light in many cases, with which, so far as I know, no Member of the Senate is in accord, with respect to the action of the Dutch in Indonesia.

Finally, I was influenced also by the fact that many of those who share a very great concern as to the unfortunate consequences of the Dutch action in Indonesia, if it shall go unrebuked and uncorrected by the continuing inaction of the Security Council, would feel very strongly, to put it no more bluntly, that the Netherlands Government, if they still continue in violation, will present a major hurdle to the Senate and to the country in their subscribing to the so-called Atlantic Pact, when, as, and if that comes before the Senate for ratification. That consideration, hanging perhaps as a sword of Damocles over the situation, it seems to me should exercise a very persuasive influence. At least that was the feeling of many of those in the Senate who are earnestly interested in giving major support to the development of the prestige and influence of the United Nations and its Security Council. I pointed this out in my original discussion of the question when I read the language of the Atlantic Pact, which says very bluntly, in so many words—and I quote from article I of the pact:

> The parties undertake, as set forth in the Charter of the United Nations, to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security, and justice, are not endangered, and to refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations.

I quite realize that the Dutch Government do not consider this a matter of international peace and security or an international dispute, so that they justify their action in the situation by taking it from under the operation of this clause. However, I think it is the feeling of very many others that the interest and concern which the Security Council of the United Nations, as they feel, properly have manifested in this matter justifies the differentiation of this situation from one that does not come within the purview of the Security Council of the United Nations. Certainly, the action of the Security Council in going to the extent they have in their Committee of Good Offices is a rather persuasive argument that those members at least feel in their unanimous action that this does come within their purview, and the failure to reach a solution of the Indonesian dispute while we are still considering the matter of appropriations, and while we shall in all likelihood be considering the Atlantic Pact, is something which I assume every Member of the Senate and everyone in the country interested will necessarily and properly take into some account. It seems to me inevitable that this will exercise a very persuasive influence on the members of the Dutch Government to take some action calculated to achieve a settlement.

I have read with profound interest the very extended statement of the new Senator from North Carolina [Mr. GRAHAM]. It is unfortunate that he is not able to be present and participate, because of his illness. But his discussion of this matter in the 67-page statement that yesterday was inserted in the RECORD I can commend very cordially to every Member of the Senate, because of the som what unique relationship he has occupied as chairman, the supposedly neutral chairman, of the original Committee on Good Offices in the matter of the Indonesians, when he went to Indonesia and spent a very considerable time in studying this problem. It is certainly to be noted that the conclusions of that committee and of the subsequent committees and of the Security Council have, so far as I know, been unanimous. As members of the committee on Indonesia, a citizen of Australia was named by Indonesia, a citizen of Belgium was named by the Netherlands, and the two joined in the nomination of a citizen of the United States as the third member of the committee. The Senator from North Carolina [Mr. GRAHAM] was selected as the chairman by those two countries, Australia and Belgium.

This means that we have a very serious question presented in dealing with a country which thus far in 3 months, since the attack in December, has apparently not found it expedient to comply with the orders and directives of the Security Council, and if this sort of thing should be permitted to continue I think everyone concerned with the United Nations can recognize the extent to which it would be calculated to undermine the prestige and the authority of the United Nations and its Security Council. That was the objective which I think almost everyone here had in mind in considering the matter, and it is because, in the judgment of the Senator from Maine, that objective will be advanced by acceptance of the substitute that I have been moved to offer it as a substitute here today. Many Senators undoubtedly will not find time to read the very extended statement of the Senator from North Carolina. For that reason, I shall take the liberty of reading one or two of the passages which seem to me to have a very important bearing on our action in this matter.

Mr. LANGER. Mr. President, will the Senator yield for a question before he does that?

Mr. BREWSTER. I yield.

Mr. LANGER. I was called out of the Chamber for a few moments and I am curious how this compromise differs from the original amendment.

Mr. BREWSTER. In the original amendment I proposed the aid to the Netherlands would have been immediately cut off, because I think it is agreed they have refused to comply with an order or directive of the Security Council. Under the substitute, that will not happen until the Security Council has taken so-called preventive or enforcement action, and that would be subject to the veto of any one of the major powers which might in all likelihood be interposed.

Mr. LANGER. I thank the Senator from Maine.

Mr. BREWSTER. The Senator from North Carolina, in his opening statement, says:

> The violation of the Renville agreement—

That was the second of the two agreements arrived at in this situation, and it was executed on a United States warship which was at that time in the Dutch East Indies—

> The violation of the Renville agreement by the Government of the Netherlands, the violation of the still standing cease-fire order passed by the Security Council on August 1, 1947, the disregard of the functions of the United Nations Committee of Good Offices, the renunciation of the procedures of peace for a recourse to force of arms and continuing defiance this winter of two separate orders of the Security Council, constitute a challenge to the United Nations of grave import for the whole world.

That is the opening statement of the Senator from North Carolina, and the Senator from Maine would completely associate himself with that language, which, it seems to me, is well warranted under the circumstances as they exist.

He goes on further to say:

> Justice, freedom, and peace in Indonesia are a continuing responsibility and opportunity of the United Nations. To shirk this obligation is to renounce the Charter of the United Nations, and the moral foundations upon which the United Nations must stand to survive as an effective force for peace in the world.

That is found on page 15 of his statement. Again, I think that is not an overstatement of the problem with which we are faced. He goes on, on page 42, to outline how it happens that, while the sovereignty of the Dutch before the war was still recognized, they had dealt with the Republic of Indonesia as a de facto government. It does remove them somewhat from the status of a merely colonial possession. It is in that de facto status that apparently the United Nations has dealt with it as a de facto national problem. I have not heard that particular phraseology before, but it seemed to me

it must be on such a theory that the Security Council justified its approach in dealing with the problem.

The Senator from North Carolina goes on further to show the extent to which not only the United Nations and the Security Council, but the British Government itself, recognized the Republic of Indonesia as the de facto authority, since the Dutch had not been able at that time to restore their authority in the islands.

The Senator from North Carolina then goes on to state that the activities of the Dutch in taking police action, both in 1947 and in December 1948, presented a very clear challenge to the entire responsibility of the United Nations and the activities which had to be assumed. Near the close of his statement, on page 59, he goes on to discuss the action of the Dutch in, as he terms it, clearly violating both the Linggadjati agreement and the Renville agreement in the very peremptory action which they took in serving ultimatums and going forward without any real opportunity for any of the authorities concerned in the Indonesian Republic or in the Good Offices Committee of the United Nations of the Security Council to observe what was going on or to arrange for some possibly amicable adjustment. He makes clear, also, the very effective way in which the Indonesian Republic authorities had disposed of a Communist uprising in the past year, disposing of the argument that there might be some measure of sympathy for communism in their activities in Indonesia. On page 65, in his closing paragraph, he says:

> In case the Kingdom of the Netherlands and the Republic of Indonesia fail to fulfill the hopeful promises within a reasonable time, it is the sense of a large body in the United States Senate that the Security Council should so report to the world, and that the American representative should, along with his colleagues in the Security Council, take the lead for the adoption of enforcement procedures.

That statement, Mr. President, by a Senator from North Carolina, in view of his past association with the subject, in view of his recognized profound sympathy for the aspirations of the people of Indonesia to establish their republic, will carry considerable weight, and I believe he is well warranted in his suggestion that it is the sense of a large number of Senators that we should be entitled to expect compliance in the very near future by the Netherlands Government and by the Indonesian Republic if there is any question regarding their cooperation with the solutions which have been proposed.

The Senator concludes as follows:

> If any colonial power, in the face of the moral opinion of the world, should veto the resolution for enforcement procedures, then both the nation which defies and the nation which vetoes should be brought to the moral judgment bar of that great forum of world opinion, the General Assembly of the United Nations. If it should develop that the present fair words should become a cover for more delay, rejection, and defiance, and if the United Nations fails after the exhaustion of its procedures to secure compliance, we believe the Administrator of the ECA would be in moral position to use his executive power with regard to ECA funds in a way made appropriate by such failures.

He goes on to commend the activity of those who have brought this to attention, stating that the Senator from Maine has performed a public service in bringing the Indonesian question to the floor of the Senate; and then he says:

> I am strongly in favor of his position but do not consider this the proper time for his amendment. It now appears, on the assurances of the Secretary of State, that representatives of the two governments are to resume negotiations at an early date.

These are the reasons why it seemed to me we might be warranted, in spite of the tragic record of the past 2 years in the repeated failure to observe the terms of the agreements referred to, in further extending the time to observe the good faith with which the governments concerned shall accept the guidance of the Security Council in trying to work out this affair, not only because of its significance to the peoples immediately involved, but because of the possible profound impact it might have upon the future development of the prestige and authority of the United Nations.

I trust I am not overemphasizing the suggestion that the tragic experience of Ethiopia and Manchuria in the League of Nations laid a foundation for what later developed into the loss of authority of the League. It is the earnest hope of many persons that no similar failures on the part of the United Nations shall contribute to undermine the very foundations of the structure to which the thought of mankind has been so earnestly devoted.

So, Mr. President, I urge the adoption of the substitute amendment, with the high hope that within the next few weeks we shall see a solution of this problem.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. VANDENBERG. Inasmuch as the able Senator from Maine and I are now in complete agreement upon this subject—and in this connection I am speaking for the Committee on Foreign Relations—I am sure it is needless for me to add anything except very briefly to complete the record. But before I do so, I want to contribute my own personal testimony in complete agreement with those who complain about the activities and procedures of the Dutch Government, not only in Indonesia, but also particularly before the United Nations, and especially in connection with the Renville agreement. I think the protests made upon the floor are already having their effect. I share the hope of the Senator from Maine that the negotiations which are now to proceed at The Hague will produce an effective and highly salutary result in the very near future. I am very sure that the wellnigh unanimous action of the Senate—I hope it will be that—in here registering this very definite opinion on the subject is calculated to be of immense and highly timely importance in connection with the result.

Mr. President, the thing I want simply to indicate for the RECORD is why it seemed so necessary to some of us that the language as originally contained in the amendment submitted by the able Senator from Maine had to be changed in order to be acceptable. As the original amendment was written the Senator from Maine proposed to invoke what would essentially be American unilateral sanctions, although I am not arguing that phase of the matter at the moment, whenever any foreign government "fails to comply with the orders or requests of the Security Council of the United Nations." In other words, the language in the original amendment was undertaking to gear our direction, in respect to ECA funds, to the sanctions section of the Charter of the United Nations.

The difficulty which arose was that the Charter of the United Nations looks upon "orders or requests of the Security Council" in the first instance as being merely the joining of an issue, or the creation of an issue, rather than the adjudication of an issue, and the Charter is very clear about it throughout chapter 6, which provides the methods which shall be followed when such an issue is joined. They are all pacific methods of settlement.

When, however, we come to article 41 of chapter 7, we finally reach the point where the question of adjudicating and enforcing the order or request commences to arise. I quote article 41:

> The Security Council may decide what measures not involving the use of armed force are to be employed to give effect to its decisions, and it may call upon the members of the United Nations to apply such measures.

Then a number of the measures are set out serially.

Since the pending amendment, while intended primarily for the Indonesian situation, nevertheless, is written in general language so that it would have to apply to any similar question which might arise, it seemed to the Senate Committee on Foreign Relations that it was necessary to write it very definitely within the terms of the Charter of the United Nations itself.

In connection with the statement made yesterday by the Senator from North Carolina [Mr. GRAHAM], to which the Senator from Maine has referred, I think it is particularly interesting to know that, in addition to the other quotation, the distinguished Senator from North Carolina, who is such a profound authority on this subject, himself said, speaking of the substitute language:

> We thus, as far as possible, keep our procedures within the framework of the United Nations in the exact language of the Charter. This amendment will serve to support and strengthen the United Nations in its heavy responsibility in dealing with the complex Indonesian question.

I lay great stress upon that opinion from the able Senator from North Carolina. The moment he arrived in the Senate, the day he was sworn in, I hastened to discuss this whole question with him, and not only was profoundly impressed by his grasp of it, but also by his willingness to discuss the proposed amendment in realistic terms, and I found him most cooperative.

Mr. President, I think that is about all I need say. I have made it plain why the Senate Committee on Foreign Relations found it impossible to agree with the original language, and why it has no objection, so far as I know, to the substitute language. I think the substitute language accomplishes everything which can be accomplished, and I am very hopeful that if it may have the heavy and preponderant endorsement of the membership of the Senate it may invoke a moral authority, even before it may ever invoke any physical authority.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. BREWSTER. It seems to me very useful that we in this body give increasing attention to the provisions of the Charter, and with that in mind, so that we may determine exactly how we are proceeding, I have been quite interested to note the language of articles 38 and 40, and I should be interested to know whether or not the Senator from Michigan, who certainly is recognized as an authority—I think this Charter is almost his Bible—believes that the action of the Security Council up to the present time comes under article 38, where the Security Council, it is provided, "may make recommendations to the parties with a view to a pacific settlement to the dispute," or under article 40, under which it is provided that they may "call upon the parties concerned to comply with such provisional measures as it deems necessary or desirable. Such provisional measures shall be without prejudice to the rights, claims, or position of the parties concerned. The Security Council shall duly take account of failure to comply with such provisional measures." Does the Senator know under which article the Security Council considers its present action comes?

Mr. VANDENBERG. I am afraid I cannot be that specific in my identification to the Senator, but I think their action starts under chapter 6, generally.

Mr. BREWSTER. Yes.

Mr. VANDENBERG. And I think it proceeds progressively, just as chapter 6 proceeds progressively to an ultimate result.

Then, when we reach article 37, we find this provision:

2. If the Security Council deems that the continuance of the dispute is in fact likely to endanger the maintenance of international peace and security, it shall decide whether to take action under article 36 or to recommend such terms of settlement as it may consider appropriate.

We are finally approaching the focus. Then chapter 38 provides:

Without prejudice to the provisions of articles 33 to 37, the Security Council may, if all parties to any dispute so request, make recommendations.

We are in a constant progression toward a net result, and when we finally come down to article 40, which, it seems to the Senator from Michigan, is just about the point where the Indonesian dispute now rests, we find ourselves confronting this language, which I shall read again:

In order to prevent an aggravation of the situation, the Security Council may, before making the recommendations or deciding upon the measures provided for in article 39—

And those are the actions starting to look in the direction of sanctions—

call upon the parties concerned to comply with such provisional measures as it deems necessary or desirable. Such provisional measures shall be without prejudice to the rights, claims, or position of the parties concerned. The Security Council shall duly take account of failure to comply with such provisional measures.

It seems to me that that is just about the point where we are at the present time in connection with the Indonesian dispute.

Mr. BREWSTER. The Senator will recognize that that is somewhat of a problem. Would he say that we may be clear, that they have not yet proceeded into article 41?

Mr. VANDENBERG. That is correct.

Mr. BREWSTER. That article 41 would be the point where they take preventive or enforcement measures?

Mr. VANDENBERG. That is correct.

Mr. BREWSTER. Whether they are acting with a provisional measure or whether they are actually recommending a settlement, they have not yet moved to implement that by preventive or enforcement action, as contemplated in article 41?

Mr. VANDENBERG. That is correct.

Mr. BREWSTER. If they should move into article 41, am I clear that the Senator from Michigan feels that at that point they would come within the purview of the substitute amendment which is here proposed?

Mr. VANDENBERG. That is the viewpoint of the Senator from Michigan.

Mr. President, I yield the floor.

Mr. PEPPER. Mr. President, I naturally have followed with acute interest, as all who will read these utterances will, the significant remarks of the Senator from Michigan. I am sure there is no Member of this body who has a greater fidelity to the United Nations and is more concerned that it succeed, than is the Senator from Michigan, who had a large part in its establishment. Am I correct in that assumption?

Mr. VANDENBERG. The Senator is correct in his assumption of the interest of the Senator from Michigan. The Senator from Michigan is unable to underwrite the statement as to the extent of his activity in starting the institution.

Mr. PEPPER. I think if the Senator cares to make any general statement as to his feeling with respect to the necessity of member states to the United Nations Charter in good faith trying to carry out the orders of the Security Council and observing the requirements of that agency, naturally they would be listened to with great interest, not only by his colleagues but by people everywhere who feel that there is a covenant on the part of member states to observe the decisions of the Security Council.

Mr. VANDENBERG. Mr. President, I do not know whether under the existing method of interpreting the rules of the Senate I am entitled to respond to the Senator, but until I am stopped I shall at least make this brief reply.

Of course, I totally agree with the Senator from Florida that whatever obligations a member nation assumes, the member nation should scrupulously undertake to live up to any such obligations, and I think the Government of the United States is setting and will continue to set an exemplary point of procedure in that regard.

But I think the Senator from Florida must also recognize the fact that mere issuance of a request by the Security Council or the issuance of a preliminary order by the Security Council is not the adjudication of an issue, and does not necessarily create the kind of an obligation which I think the Senator is now undertaking to discuss. When that finally adjudicated obligation arises it is at that point where I shall cordially join the Senator from Florida in his position. Up to that point I think member nations have a right to exhaust whatever rights accrue to them before the issue is adjudicated.

Mr. PEPPER. I am correct, am I not, in assuming that the Senator agrees that there is a deep-rooted sentiment in the Congress and in the country that this conflict between the Netherlands and Indonesia should be amicably resolved in the way that may be established and suggested, if necessary, by the United Nations Organization?

Mr. VANDENBERG. The Senator from Michigan made that categorical statement when he began his brief statement a few moments ago.

Mr. PEPPER. I thank the Senator.

Mr. BREWSTER. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield.

Mr. BREWSTER. It would be very interesting to know whether the Senator from Florida and the Senator from Michigan would consider that the action of the Security Council heretofore in any instance constitutes a decision. I do not want to mislead. That is the technical language of article 25 to which I have attached considerable importance. I read the paragraph:

ART. 25. The members of the United Nations agree to accept and carry out the decisions of the Security Council in accordance with the present Charter.

I have been quite interested to know, leaving out the words "order" or "request" or "direction" or "enforcing action," whether heretofore we have had a decision of the Security Council.

Mr. VANDENBERG. I am unable to identify specifically, I will say in answer to the Senator's question. I think we have had decisions. In fact, I know we have had decisions. But I do not recall them in detail at the moment.

Mr. BREWSTER. The Senator means in regard to the Dutch situation.

Mr. VANDENBERG. No; in general.

Mr. BREWSTER. But I mean regarding the Indonesian situation.

Mr. VANDENBERG. No; I think not. We have not had the use of the word "decision" in a final sense.

Mr. BREWSTER. I think that is the point to which we are addressing ourselves.

Mr. CONNALLY. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield.

Mr. CONNALLY. Decisions may be a progressive matter. The Security Council does not have to cover the whole field. It may decide, for instance, to ask the people of a country to lay down their arms. That is a decision up to that point.

Mr. BREWSTER. Of course, if that is correct, and I certainly would not challenge the authority with which the Senator from Texas speaks, it would obviously be impossible for the Netherlands Government to become a party to the Atlantic Pact because they are clearly refusing to be bound by the decision, if we so term it, of the Security Council.

Mr. CONNALLY. I only meant it in a general form. I do not mean to be technical about it. There may be a dozen steps in finally determining a question, but I assume the decision here in question is a final decision of the main issue.

Mr. BREWSTER. That is not the language of article 25. Article 25 uses the words "carry out the decisions." Apparently the article contemplates a multiplicity of decisions by the Security Council. I think perhaps the Senator from Michigan was wise in holding it to the very technical significance which it may have as a word in connection with the other provisions of the Charter. But I assume the matter is still open to possible discussion.

Mr. CONNALLY. I probably was a little expansive in my view. As a lawyer I know, and the Senator from Maine knows, that we come to these questions progressively, and we may have a half a dozen decisions before we have a final decision. In view of the discussion here I assumed that probably what is in mind here is the final determination on some particular sharp-cut issue.

Mr. BREWSTER. It is a very interesting question.

Mr. VANDENBERG. If the Senator from Florida will permit me to add a postscript let me say that when any parties in interest are pursuing any of the procedures outlined in chapter 6, which is the chapter dealing with pacific settlements of disputes, I think they are carrying out the spirit of article 25. In other words, as the Senator from Texas says, and as I said previously, this is a serial process, and it was very carefully put together on the theory that negotiation, conciliation, and arbitration are exhausted before even pacific sanctions such as the withdrawal of Ambassadors, or the creation of economic sanctions, or the suspension of postal communications, are reached; and it is only after all these recourses are exhausted that there is finally reached even a preliminary discussion of the use of force.

Mr. PEPPER. Mr. President, I wish to have incorporated at this point in the RECORD the original Brewster amendment, and immediately following that I ask unanimous consent to have inserted in the RECORD the modified amendment of the Senator from Maine, which is the matter immediately pending before the Senate.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

ORIGINAL BREWSTER AMENDMENT

At the proper place in the bill insert the following:

"No funds authorized for the purposes of this act shall be allocated to or expended for any foreign government which fails to comply with the orders or requests of the Security Council of the United Nations until such times as the Administrator is advised, in writing, by the president of the Security Council that such compliance has been effected."

MODIFIED BREWSTER AMENDMENT

At the end of the bill insert the following new section:

"SEC. 13. The second sentence of section 118 of such act is amended by inserting before the period at the end thereof 'or (3) the provision of such assistance would be inconsistent with the obligations of the United States under the Charter of the United Nations to refrain from giving assistance to any State against which the United Nations is taking preventative or enforcement action'."

Mr. PEPPER. Mr. President, the modified amendment would follow the authority which is contained in section 118 of the present law for the Administrator to discontinue the aid provided in the act to beneficiary countries. The two conditions under which the Administrator may at present bring about the discontinuation of aid under the act is:

(1) such country—

That is the beneficiary country—

is not adhering to its agreement concluded under section 115, or is diverting from the purposes of this title assistance provided hereunder, and that in the circumstances remedial action other than termination will not more effectively promote the purposes of this title or (2) because of changed conditions, assistance is no longer consistent with the national interest of the United States. Termination of assistance to any country under this section shall include the termination of deliveries of all supplies scheduled under the aid program for such country and not yet delivered.

Mr. President, I favor the modified amendment. I favor the objective which the original amendment sought to achieve, but I agree with the able Senator from Michigan [Mr. VANDENBERG] that under all the circumstances, for the present, at least, the better approach to the matter, the more salutary way of achieving what we seek to obtain, is the modified amendment which the Senator from Maine [Mr. BREWSTER] has offered on his own behalf.

The issue of United States News and World Report of March 25 contains an article under the title "What World Thinks of United States: Report on a 3-Year Tour—An Interview With Joseph Fromm, Far Eastern Editor."

The article has the following to say:

At the end of the war, I was flabbergasted at the amount of American prestige. In Malaya, in Indonesia, people would pick me up and throw their arms around me. In Indochina it was the same thing. They expected America to be the champion of nationalist movements.

You can imagine the terrific let-down of these people when they decided America was on the side of the colonial powers. For instance, the first Prime Minister of the Indonesian Republic told me: "America has betrayed us. America is supporting the Dutch." I ran into the same thing in Indochina, where the people are fighting the French.

Mr. President, I am sorry that the people in Indonesia and in Indochina have a misapprehension of the sentiment and purpose of the Government and people of the United States. Whatever may appear to be temporarily to the contrary, the American Government and the American people are not on the side of the colonial powers. The American Government and the American people are not trying to keep any people in continued oppression and subjugation. The American people have not forgotten that at one time they themselves were revolutionaries, seeking their own independence, and that they were able to draw upon the moral opinion of the people all over the earth for great succor and support. The American Government and the American people, when their motives and purposes are properly understood, are not thrusting their fist in the face of any people seeking to gain independence and freedom.

On its face the original Brewster amendment makes an appealing case. It does seem inconsistent with the purposes of ECA and with the position of this Government, so repeatedly announced, and with the action taken by the representatives of this Government in the United Nations, that we should continue to give aid and succor to those who are using it, partially, at least, to exert armed force against others whose right to freedom and independence has been recognized by so high an authority as the Security Council of the United Nations.

However, I think it should be said that the Administrator of ECA, Mr. Hoffman, in reply to a direct inquiry which I addressed to him in the committee, stated that our ECA funds were not being used to wage war against the people of Indonesia. He made it clear, if he did not say so in so many words, that if he found that to be true, under the authority he already has, he would immediately discontinue the provision of such funds to the Netherlands Government. It is well known that the Administrator, on his own initiative, took such action in respect to such funds as were going directly to Indonesia, because obviously the connection could be established there between the funds and the expenditures on the part of the government benefited.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BREWSTER. The Senator need have no illusions as to the $350,000,000 a year going to the support of the economy of the Netherlands, as is contemplated under this proposal. That is the amount expected to be allocated to them. Curiously enough, that is almost the exact cost, as it has been estimated, of keeping 125,000 Dutch troops operating in Indonesia. While it may be quite correct that the money we contribute is not going directly to the support of troops in Indonesia, for all practical purposes, without

the contribution of these funds it would be utterly impossible for the Netherlands Government to continue to function.

Mr. PEPPER. I always like to take the observations of the able Senator from Maine at face value, but I am not sure that he is absolutely correct. This is a peculiar situation, in which the principal deficit is the dollar, not the exchange of the country we benefit. A little while ago there was a great deal of misunderstanding about the statement of Mr. Mayhew, representing the United Kingdom. A great many people thought that Mr. Mayhew was saying that their budget was balanced, that their economy had recovered, and that they were again in good shape. Therefore, the inference was that they did not need any more ECA funds.

What Mr. Mayhew meant to say, of course, was that their over-all imports and exports were in a state of substantial balance; but he did not mean to say, and he did not say, that they did not need to supply the dollar deficit. Unhappily, most of their exports were going to countries in the nondollar area. So, when Mr. Hoffman was called back before the Foreign Relations Committee to shed further light on the question, so as to leave no doubt whatever about Britain's need for further American funds, he made it perfectly clear that what I have just stated was true. So it does not necessarily follow that the Dutch would not have currency and wealth of their own which they could employ in this area, where they are not paying out dollars. What we are supplying, of course, is the dollar deficit of the Netherlands Government.

Mr. BREWSTER. Mr. President, will the Senator further yield?

Mr. PEPPER. I yield.

Mr. BREWSTER. I think the English analogy is most excellent. I believe that all those who study the situation understand that we were supplying approximately a billion United States dollars to help support the United Kingdom economy, and that, in turn, enabled the United Kingdom to advance approximately $1,000,000,000, measured in American dollars, in credits to the sterling countries. So the two factors are intimately related, exactly as in the Dutch situation. If we had withdrawn the billion American dollars, there can be little doubt that the United Kingdom would not have been able to advance $1,000,000,000 to the other countries in sterling. Does not the Senator agree?

Mr. PEPPER. Of course, if there were a case in which a beneficiary country were taking American dollars and passing them on to some other country, that would be easily discoverable, and to that extent it could be said that they were directly using our funds for their own purposes.

Mr. BREWSTER. I do not mean directly. I mean indirectly.

Mr. PEPPER. Whatever the facts and inferences to be drawn from a particular case are, that situation is not suggested as having occurred with respect to the Netherlands Government.

I am coming to the next point, which is a very distinct and strong disapproval on my part of what the Netherlands Government is doing in Indonesia. But I thought, in defense of the Administrator, it should be made clear that they are not using American ECA dollars with which to wage war, or whatever they are doing in Indonesia.

Mr. President, my attention has just been called to some data which have recently been obtained with respect to the expenditures incurred by the Netherlands Government in connection with the Indonesian army operation. The advice is that Indonesian army expenditures during 1948 aggregated 815,000,000 guilders, or approximately $307,507,000. Of this total, 55,300 guilders, or $20,800,000, less than 7 percent, was spent in foreign currency, while 67,500,000 guilders, approximately equivalent to $28,500,000, or less than 8½ percent, was spent in Netherlands currency, whereas the balance was spent in Indonesia itself, and in Indonesian currency.

I am also informed from what I believe to be responsible sources that none of the foreign currency expended was American money.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. MORSE. Can the Senator from Florida tell me the sources of the figures he has just cited?

Mr. PEPPER. They came to me from representatives of ECA, at my request.

Mr. MORSE. Can the Senator tell me where ECA got them?

Mr. PEPPER. I do not know where ECA got them. I suppose it got them from its offices in the Netherlands or in Europe.

Mr. President, I wish to make a correction. I am in error in the first statement I made, to the effect that none of the fund was United States dollars. The expenditure in the Netherlands exchange and in other foreign exchange, expressed in United States dollars, is $13,700,000. I was in error in saying that according to these data there was no expenditure of American dollars, although Mr. Hoffman distinctly made the statement, upon my inquiry in the committee, that he was not able to trace definitely and directly any American ECA aid to the Netherlands' effort in Indonesia.

Mr. MORSE. Does the Senator from Florida think it is fair to assume that Mr. Hoffman got the figures from the Dutch Government?

Mr. PEPPER. I do not know where ECA got the figures. I am not at present in position to state that to the Senator from Oregon.

Mr. President, the figures were simply handed to me by the representative of ECA who has been aiding the chairman of the Foreign Relations Committee upon the floor during the discussion of this matter. However, I would assume that ECA has access to sources of information which are reliable and responsible, and I think ECA knows enough of the distinction between the Dutch and the Indonesian Governments so as not to be taken in by either one or the other.

Mr. MORSE. As a very able lawyer, which the Senator from Florida is, would he agree that figures are without meaning until we know their basic source?

Mr. PEPPER. The Senator from Oregon has had some indication of the basic source of the data, so far as I have given it. However, I am not at all asking the Senator from Oregon to accept the data. I am simply asking that it be given whatever credence Senators think it should receive.

Mr. MORSE. That is how I am taking it, and I do not think it is worth much.

Mr. PEPPER. That is the opinion of the Senator from Oregon, of course.

However, let us go beyond this matter, to the broader issue.

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mr. PEPPER. I yield.

Mr. MORSE. I wish to ask about the relationship of the Dutch Government to the larger issue. It is true, is it not, that since the violation of the Renville agreement——

Mr. PEPPER. That is what I was about to address myself to.

Mr. MORSE. It is true, is it not, that ever since such violations have occurred, the Dutch Government has by way of force been seeking to beat down the independence of the Indonesian Republic?

Mr. PEPPER. I know only what I have read in the press. There does seem to have been a violation of the action taken—whether it be a decision or not, yet I think it is, and I shall address myself to that—by the Security Council; and there does seem to have been action taken by the Netherlands Government against the members of the Indonesian Government and against the forces of the Indonesian Government. That also is what I hope to address myself to when my friend the Senator of Oregon will permit me to proceed.

Mr. MORSE. Will the Senator from Florida permit several other questions?

Mr. PEPPER. I yield.

Mr. MORSE. It is true, is it not, that during this period of violation on the part of the Dutch Government, in whatever action may have been taken in Indonesia to carry out that violation, the Dutch have had to rely upon the Dutch economy? In other words, is it not true that their carrying out of the violation was made possible because of their own Dutch resources?

Mr. PEPPER. I should suppose so; I do not know of other resources upon which they are relying to carry out their missions.

Mr. MORSE. It is true, is it not, that during the past year or more the Dutch economy has been augmented with ECA dollars?

Mr. PEPPER. I would say "benefited," if not augmented.

Mr. MORSE. Very well; I accept the use of the word "benefited."

Does not the Senator from Florida think that it is the inescapable conclusion that to the extent that we have benefited the Dutch economy, we have indirectly helped the Dutch to hold down the Indonesians?

Mr. PEPPER. Mr. President, that conclusion does not necessarily follow, as I pointed out a moment ago.

However, if I may proceed to the matter about which both the Senator from Oregon and I are concerned, let me say that I put this matter upon a much higher plane than a mere question of dollars and cents.

As I said a moment ago, it is my opinion that under article 25 of the United Nations Charter, the action taken by the Security Council in thrice ordering action on the part of the Netherlands Government constitutes three separate decisions by the Security Council. Article 25 obligates the members of the United Nations to accept and to carry out the decisions of the Security Council in accordance with the present Charter. When, therefore, each of those decisions was made by the Security Council with respect to the Netherlands Government, in my opinion it became the duty of the Netherlands Government, under article 25, to observe and carry out and comply with those decisions thus rendered. In failing to do so, I cannot escape the conclusion that the Netherlands Government has failed to live up to the obligations it solemnly assumed when it became a member of the United Nations Organization.

Mr. President, I believe in the United Nations Organization as being the only hope for peace on earth. If that hope fails, I know of nothing that stands between us and the brink and abyss of war. Therefore, I not only believe it is our bounden duty, after having accepted the obligations of the United Nations Charter, to support those obligations; but I believe it is the duty of every person who wants and prays for peace to try to make the United Nations Organization succeed. I know of no way by which we can inculcate respect for authority except by giving what aid we can to bring about observance of the action which appropriate authority may take and may seek to get others, duly subservient to it, to take.

So it seems to me that it is our moral duty, if not our obligation under the Charter, to do what we can to get the Netherlands Government to to comply with the three decisions of the Security Council and with any others which the Security Council may appropriately and duly make; and that when the Netherlands Government does not do so, it is our duty, first in the Security Council of the United Nations, and, failing there, in the Assembly of the United Nations, and, failing there, wherever else we can appropriately exercise our effort, to seek to see to it that the decisions of the Security Council are observed.

However, Mr. President, I agree with what the Senator from Michigan has said, namely, that if we were to adopt the Brewster amendment as originally proposed, it would amount to our assuming the obligations of a unilateral enforcement officer of the decision of the United Nations Security Council.

As the Senator has properly pointed out, article 41 contemplates that the Security Council shall determine what measures, not involving the use of armed force, are to be employed to give effect to its decisions. Then follow, in article 41, the steps which may be taken by the Security Council's order—that is, "complete or partial interruptions of economic relations and of rail, sea, air, postal, telegraphic, radio, and other means of communication, and the severance of diplomatic relations."

However, when one of those steps may be taken, or, if continual disobedience on the part of the Netherlands Government continues, shall be taken, in the future, then this amendment, if we adopt it as modified, would come into play, as the Senator from Michigan has already so clearly said. Then it would be within the power, and I believe it would be the duty, of the Administrator of ECA to discontinue ECA aid to the Netherlands Government. That means when the Security Council makes a decision to do either one of the things enumerated in article 41; I am not so sure that the Senator from Maine was not correct a bit ago when he referred to the provisional action which the Security Council may take prior to an enforcement decision being preventive, because the Charter says that provisional action may be taken to prevent an aggravation of the situation. If the Security Council should issue an order, or if it should make a decision requiring the Netherlands Government to take a certain step, to refrain from action, or to take affirmative action, and that decision was predicated upon the decision of the Security Council that that was in the direction of preventing an aggravation of the situation, I am rather inclined to believe that would constitute preventive action within the meaning of article 2, section 5, of the Charter, which reads:

> All members shall give the United Nations every assistance in any action it takes in accordance with the provisions of the present Charter, and shall refrain from giving assistance to any state against which the United Nations is taking preventive or enforcement action.

Mr. President, it seems to me quite logical that a provisional decision aimed at preventing an aggravation of the situation is preventive action within the meaning of section 5 of article 2, which I have just read.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. VANDENBERG. I think it would be very unfortunate if we left any doubt as to the precise meaning which attaches to this situation. I am sure it is the viewpoint of the Senator from Maine, as it is mine, that the latest interpretation given by the Senator from Florida does not apply. I hope we can avoid straining at additional interpretations, because the very purpose of the substitute is to nail things down to the point where there can be no disagreement.

Mr. PEPPER. Mr. President, I am of course glad to have that observation from the Senator from Michigan. I made the statement only as a first impression on my part. I have not made any study of that particular section of the Charter. I have no authority to substantiate the impression I disclosed. However, I want to make it clear that I am not calling the modified amendment to the side of that interpretation, because we all understand that in adopting the modified amendment we mean for it to take effect when the first step toward enforcement of its decision and order shall be taken by the Security Council of the United Nations. I think we are all clear about that.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. PEPPER. I am glad to yield.

Mr. BREWSTER. I think if the Senator reads it somewhat more carefully he will see that the possible use of the word "prevent" is not in the sense of preventive action, because it is to prevent an aggravation of the situation. Before making the recommendations or deciding upon the measures provided for in article 39, the Security Council may call upon the parties concerned to comply with such provisional measures as the Council may deem necessary or desirable. It then goes on to say that such provisional measures shall be without prejudice to the rights, claims, or position of the parties concerned. All those things would seem to be intended to suggest that it is of a preliminary character. It would seem to me that the more pressing words are in article 25, on decisions. I am not at all clear that we have not already had decisions—that when the Netherlands Government or any other government comes into the North Atlantic Pact, it must come with clean hands; and if they come subscribing to that charter and show a violation of decisions of the Security Council, it is a very questionable matter whether they could be recognized as eligible.

Mr. PEPPER. That is the point to which I was coming.

Mr. President, I think however it is clear that the Appropriations Committees of the Senate and House will still have authority to condition their appropriation, and there is no question whatever that they may exercise such power. If they find that by the time this matter comes before them for action, the hopeful prospect of a settlement of this dispute between the Netherlands Government and the Indonesian Government has not materialized, or that substantial and satisfactory progress has not been made toward such a settlement, it will be within the authority of the Appropriations Committee to condition their appropriations in such manner as they see fit; and if they want to withhold the whole or any part of the appropriation under this act which might go to the Netherlands Government, they have the power unquestionably to do so.

Mr. BREWSTER. Mr. President, will the Senator yield at that point?

Mr. PEPPER. I yield.

Mr. BREWSTER. Since the Senator began talking, I have had a request from the Senator from North Carolina [Mr. GRAHAM], who unfortunately could not be here, to read one paragraph of his statement, which has an immediate application to what the Senator is now saying. If permitted, I should like to interpolate it at this point.

Mr. PEPPER. Very well. I yield.

Mr. BREWSTER. The administrative assistant of the Senator from North Carolina just came in. The Senator from North Carolina asked very particularly that I call attention to a paragraph in his statement, which was so extended

that the press necessarily did not have an opportunity to print it all. He states:

In this complex situation in which so much depends on good faith, let us build on good faith and fair hopes wherever we can find them. The Secretary of State has expressed his confidence in the good faith of the present assurances and his hope for the real resumption of negotiations for a peaceful settlement of this protracted and tragic dispute. In the light of developments—

I understand by that he means the future developments.

In the light of developments, we can return to the purpose of the Brewster amendment with more timeliness and no less effectiveness.

I take it that applies directly to the comments of the Senator from Florida.

Mr. PEPPER. I thank the Senator, and I share that view. I wish to join in the tribute which was paid by the Senator from Michigan to the distinguished junior Senator from North Carolina, who was painfully disappointed that he was not able to be present and at least to answer the questions of his colleague, if he did not feel, because of his short tenure in the Senate, he should have the temerity to address the Senate on this subject. It is very close to his heart. With others, I conferred with the Senator late into one night, when the question first arose here, and, having been one of the three arbitrators who studied the matter and worked out the agreement, he was extremely sensitive to his obligation to try to further the observance of what he recommended and which came to be the decision of the United Nations Security Council. What he has already, through his distinguished colleague, contributed to this discussion in the RECORD is of invaluable aid to all of us in the study of the question.

Mr. President, if, however, this settlement should not be concluded satisfactorily by the time the Appropriations Committees of the Senate and House act on this appropriation, if it should still be unsettled at the time when the North Atlantic Pact shall come before the Senate and the Foreign Relations Committee, if I remain a Member of this distinguished body and of that eminent committee, I shall certainly feel that I have the right to make inquiry as to whether a nation which itself is appearing as a signatory power in that attempt against aggression stands itself condemned by the Security Council of the United Nations as having been the perpetrator of aggression against a weak and struggling people.

Mr. President, the sentiment which I have expressed I dare say will not be expressed by the Senator from Florida alone; I am sure it is the sentiment of the Senate, of the House of Representatives, and of the country that we do not favor armed aggression by any nation in any part of the world. The American people are against armed aggression. They expect every nation signatory to the United Nations Charter to keep its pledged word. Any nation, Mr. President, which violates that sentiment of the American people will find indignation and resistance in this country and a painful withdrawal of our confidence and our cooperation from them, because we ourselves are trying to live up to our solemn covenant and, naturally, we expect other nations to do the same in their respective spheres.

So, Mr. President, it is my sincere hope that reason, wisdom, good judgment, high purpose, and noble instinct will prevail; that the favorable prospects of settlement of this dispute will soon come into reality, and we shall have no further necessity of reexamining this question, either in the Appropriations Committee or when the Atlantic Pact shall come to us for consideration.

Mr. President, it is not temerity nor presumption on my part to suggest that the American people will not be disposed to promise their blood and their treasure to defend against armed attack those who may be adjudicated by the high tribunal of the Security Council to be offenders against that same principle. Our affections for the people of the Netherlands are very deep. We do not mean to make an example of them in this matter. What we say about the Netherlands applies equally to any other nation, and to ourselves as well.

I am very confident that the amicable discussion now in progress will fortuitously and favorably eventuate, so that in the very near future a new star will burst into its full glory in the galaxy of nations, and there shall be independent people in Indonesia and other parts of the Far East and amongst the other backward areas of the earth. Let them know that their aspirations for independence and freedom can be held with the assurance that they have the sympathetic interest of the people of the United States, who have not forgotten, in their greatness, their own struggles in the past.

Mr. MORSE. Mr. President, I do not intend to speak at great length in opposition to the compromise amendment, but I do think it is important, because of the significance of this issue to our future international relations, that at least someone who believes that the compromise amendment is a mistake should make a record against it. Believe it or not, I rise in great humility for fear that my speaking might be interpreted by the majority leader, if he were present, as an attempt to impose my views upon him or upon some other Member of the Senate. But I want only to say, quite goodnaturedly, as I hope I made clear earlier today, that I intend, so long as I am in the Senate, to continue to make the record for the principles in which I believe. If making that record does not meet with the pleasure of the majority leader or other colleagues, I shall personally regret it, but I shall make it, because I am satisfied that I shall not fulfill the trust that I owe to those who sent me to the Senate if I do not do so. I wish to keep my trust to a much larger percentage, I am sure, of the American population than of the population of the Senate, who share my views on most of the liberal issues for which I fight in the Senate.

So, this afternoon, Mr. President, I am simply raising my voice in defense of human freedom. I think that is a rather important interest in the world today. I think it is very regrettable, Mr. President, that my Government is even considering appropriating money under the ECA plan to any nation in violation of the United Nations. At this particular instance it happens to be the Dutch Government, but my view would be the same no matter what nation it might be——

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. MORSE. When I finish this sentence. I say, Mr. President, it is most regrettable that my Government is even thinking of appropriating any money, under ECA, to any country, I care not what the country is—in this instance it happens to be the Dutch Government—while that country stands in violation of the principles of the United Nations Charter, which principles we solemnly adopted and pledged ourselves to support. In this instance our obligation is to protect freedom in Indonesia.

I now yield to the Senator from Florida.

Mr. PEPPER. Mr. President, in the colloquy with the able Senator from Oregon a moment ago, when I was addressing myself to this question, I was not able to say positively that none of the $13,700,000 reported to have been used by the Netherlands Government in Indonesia had come from the ECA program. Since then an agent of the ECA has confirmed the information I had from the Washington office, and has given the positive advice that those dollars were obtained in some other way by the Netherlands Government and were not acquired as a part of the ECA program.

Mr. President, I ask unanimous consent that that statement may appear at the end of my previous remarks, so that I shall not interrupt the continuity of thought of the Senator from Oregon.

Mr. MORSE. Mr. President, I have no objection, but I should prefer to have the Senator's remarks at this point of the RECORD, because I now want to answer them.

The PRESIDING OFFICER. Does the Senator from Florida desire to have his remarks appear at the end of his address, or at this point in the RECORD?

Mr. PEPPER. I think it would be a little more logical if they appeared at the end of my remarks, although if the Senator from Oregon does not think——

Mr. MORSE. Mr. President, I think it would not be quite logical to have my remarks appear without the remarks of the Senator from Florida immediately preceding them. I had preferred to discuss the matter at a later time, but I think I shall do it now.

I raised a question as to the source of the figures which the Senator from Florida read into the RECORD regarding the expenditures of the Dutch Government in connection with the Indonesian matter.

He suggested, as I think the RECORD will show, that he got the figures from the ECA, and he assumed that the ECA had ways and means of getting very reliable figures on such matters in the Netherlands.

My attention has been called to the hearings before the committee on Senate bill 833, page 320, where the following

questions and answers were given when Dr. Valentine was speaking for the ECA:

Senator GEORGE. What does the Netherlands budget carry now for Indonesia?

Dr. VALENTINE. The Netherlands Government states officially that the only direct or indirect war charges which the Netherlands Government cover are part of the costs of administration of its war department in The Hague.

Senator GEORGE. It does not give the amount?

Dr. VALENTINE. No.

Senator GEORGE. You cannot tell the committee what their budget shows is collected for that trouble in Indonesia?

Dr. VALENTINE. No, sir. We have studied in great detail the Netherlands budget, which is divided into three parts. This is the continental Netherlands budget; the ordinary budget and two extraordinary budgets, both of the two latter being for reconstruction purposes.

We do not find on that budget any large sum which looks as though it could be used, or planned to be used, for military operations in Indonesia. I can only say to you, sir, that our only source of information on such things is from the Netherlands Continental Government.

I merely wish to say in passing, Mr. President, that the spokesman for the ECA himself, as far as I am concerned, proves my observation to be correct, namely, that ECA has been relying entirely upon the Dutch Government as a source for its information as to what the Indonesian affair has cost the Dutch Government.

I merely wish to say as a lawyer that when I have before me a witness whose record shows the type of unreliability and violation of principle which the Dutch Government's record has shown in connection with the Indonesian affair, I am going to reserve my judgment, at least, as to the reliability of any information that witness gives me in respect to anything.

I make no further comment on the colloquy with the Senator from Florida. I simply wish to reiterate my position, that I do not see how we can escape the conclusion that to whatever extent we have been helpful to the Dutch economy under the Marshall plan, we necessarily thereby have been helpful to the Dutch Government in carrying out its violations of what I consider to be one of the most basic principles of our pledges under the United Nations Charter, the pledge that we would seek at least to protect the interests of people in the world who sought to make a fight for freedom as we believe in freedom.

I am not going to labor the point. I simply want to say that as a matter of principle and as a matter of right, on the basis of my view as to the distinction between right and wrong, we should not adopt the compromise amendment. We are dealing with great moral and ethical issues, and I do not think it is right to sanction here, in the adoption of the ECA bill, even for a moment, the giving of approval for the expenditure of American dollars in the Netherlands under ECA, while the Netherlands stands in open defiance on the record of its obligations under the United Nations Charter. I say it has been found guilty of trampling freedom in Indonesia.

I shall let the record speak for itself, because we have the record before us today in a document which has been inserted in the CONGRESSIONAL RECORD, which I believe is a great historic document. I do not use the phrase "great historic document" except advisedly. I think the document which the distinguished junior Senator from North Carolina [Mr. GRAHAM] sent to us for insertion in the RECORD on the Indonesian question is a document which every Senator should read very carefully if he really wants to form a judgment on the facts, which I think are set out in the Graham report in such indisputable logic that we cannot escape the finding that the Dutch Government has not kept faith with the United Nations Charter.

Mr. President, I wish I could engage in the hopeful aspirations of the proponents of the compromise amendment, because they certainly believe, to a degree at least equal to mine, as the Senator from Florida just said, and as I think the Senator from Michigan clearly implied in his language, that the only hope left for peace in the world is through the operation of the machinery and the procedures of the United Nations. But I differ with the distinguished gentlemen just mentioned in respect to this particular incident, because I think the time has now arrived to make clear to one signatory to the United Nations Charter that it cannot follow the course of action which the Dutch Government has followed in regard to Indonesia and at the same time get economic aid and assistance from us, or even a promise of economic aid and assistance from us, until it actually changes its course of action.

Mr. President, I merely say that in these matters nations must be judged by the actions they take. If I have followed the speeches this afternoon correctly, I find no indication that anyone questions the wrongdoing of the Dutch Government in this matter, and if I am correct in that assumption, then I say that I think it is wrong for us to proceed even temporarily to promise any assistance to the Dutch Government under ECA.

That is the only difference I have with the distinguished Senator from Maine, the distinguished Senator from Michigan, the distinguished Senator from Florida, and the distinguished Senator from North Carolina, in regard to this matter. I think it narrows down to the issue as to whether or not now is the time to call the halt as far as our economic relations with the Dutch Government, through the Marshall plan, are concerned, until the Dutch Government ceases its defiant course of action, or whether we should follow the suggestion of the compromise amendment, and play for more time, for more persuasion to be imposed upon the Dutch representatives, in the hope that they may come to the realization that the course of action which they have been following in Indonesia is wrong.

I say that is the narrow difference now between us, but it is a vital difference. I point out that every day the Dutch Government is permitted to continue with its violation of the Renville agreement and with the findings of the Security Council, the hope of independence for the republican Indonesians fades farther and farther into the distance. I say that because if I am correctly informed—and some of the excerpts I shall read from the Graham report I think bear out my thesis—as the days pass, the independence group in Indonesia is becoming weaker and weaker and weaker under the police-state methods being imposed upon them by the Dutch Government.

Mr. President, if there is any Member of the Senate who thinks that peace reigns in Indonesia today he is mistaken. I want to say that the order that is being kept in Indonesia this very hour, to the degree that it is being kept, is being kept by the force of Dutch might and Dutch police and Dutch arms.

Mr. President, I think it is going to be very difficult to make a satisfactory explanation to those Indonesian people who by nature anyway are inclined to be suspicious, or to make a satisfactory explanation to the people in that part of the world who do not hold an occidental point of view which is ours in regard to international relations that our action in adopting the compromise amendment is in keeping with good faith. As the result of decades and decades of exploitation by European powers they are suspicious of our professed idealism. They are waiting to be shown that we are willing to practice our idealism in respect to protecting people who are making a fight for their independence and for the guaranties of freedom which are ours. I say, Mr. President, it will be very difficult to make a satisfactory explanation to them and get them to place much hope in some possible future action by the Dutch Government in recognition of their rights when they are confronted at this very hour with the force of Dutch arms and police which are subjugating and trampling down those people in Indonesia who are endeavoring to make a heroic fight for freedom.

It is my honest conviction, which obviously is not shared by many in the Senate, that by not insisting upon action now on the part of the Dutch Government for a correction of the wrongdoing in Indonesia, we are going to be charged wrongly because of the suspicions of the Indonesians that we are aiding the Dutch against them with ECA dollars. They are going to think, I fear, that further discussions with the Dutch through the Security Council is not a good-faith proposal. We know now that the Dutch are in violation of their international commitments under the Charter and therefore we should shut off ECA funds to them.

So I say, Mr. President, it is important that we stand for the abstract principle of right versus wrong in this instance, just as I think it is essential that we continue to be a beaconlight and symbol to the world that this great Republic of ours will not compromise guaranties of freedom under the United Nations Charter.

I hold to the view, Mr. President, that so long as we permit the Dutch to get by with the course of defiant action which has been theirs since the violation of the Renville agreement, we are going to be

misunderstood in Indonesia, we are going to be misunderstood elsewhere in the world where weak people are looking to us to take a dominant role in protecting freedom.

We cannot read the report of the junior Senator from North Carolina without recognizing that the course of action the United States Government has followed to date in regard to the Indonesian affair conforms completely with our obligations under the United Nations Charter. We have made a beautiful record to date with the exception of granting ECA funds. It seems to me the report of the junior Senator from North Carolina makes perfectly clear that within the terms of the United Nations Charter we have followed a proper course of action. But I say, Mr. President, that the authorizing in this bill of further funds to the Dutch Government, in view of the action we have taken to date in connection with the Indonesian affair, creates the only inconsistency in our position, because I say that even by a vote here in the Senate authorizing the fund, we are inconsistent with the steps we have already taken in regard to Indonesia.

I deeply regret the illness of the Senator from North Carolina which prevents him from being here this afternoon to make comment on the floor of the Senate concerning the point I now make, and which I have made to him personally, but with the greatest of respect to the Senator from North Carolina, I shall do my very best, in complete fairness, to state his own rebuttal to the point that I now make. I said to the Senator from North Carolina, "I am afraid that your own position in the matter, your own record in the matter, the report you yourself have written, all are inconsistent with your final conclusion, namely, that we ought to accept the so-called compromise amendment." His reply is that he does not think there is any inconsistency in it, because he thinks the passage of a little more time and the further opportunity on the part of the State Department to try to get the Dutch Government by persuasion to see the error of its ways, may result in a change in the course of action of the Dutch Government.

The Senator from North Carolina also holds to the view, as his report points out, but as he said to me personally, that he does not believe the Dutch people as yet understand this issue. He does not believe that the Dutch people have been fully apprised as to the nature of the dispute which has arisen between their Government and those governments in the United Nations which are protesting the Dutch course of action.

Mr. President, I think there are certain passages in this great historic document filed with us by the Senator from North Carolina which for the purpose of emphasis ought to go into the RECORD again, and I want to read a few of them and comment on them. In his introduction he says:

> The violation of the Renville agreement by the Government of the Netherlands, the violation of the still standing cease-fire order passed by the Security Council on August 1, 1947, the disregard of the functions of the United Nations Committee of Good Offices, the renunciation of the procedures of peace for a recourse to force of arms and the continuing defiance this winter of two separate orders of the Security Council, constitute a challenge to the United Nations of grave import for the whole world.

Mr. President, what a sweeping indictment that first sentence of the Graham report is against the Dutch Government. I submit that the evidence advanced in the report establishes the indictment beyond question of doubt. There we have it, Mr. President:

> The violation of the Renville agreement by the Government of the Netherlands, the violation of the still standing cease-fire order passed by the Security Council on August 1, 1947, the disregard of the functions of the United Nations Committee of Good Offices, the renunciation of the procedures of peace for a recourse to force of arms and the continuing defiance this winter of two separate orders of the Security Council, constitute a challenge to the United Nations of grave import for the whole world.

They certainly do. It is such a grave challenge, Mr. President, that I cannot see my way clear, even for a day or an hour, to taking the course of action by way of the compromise amendment, which would be subject to the possibility—and I think the clear probability—of misunderstanding in Indonesia as to the course of action we intend to follow. I know that the Senator from Maine [Mr. BREWSTER], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Florida [Mr. PEPPER] intend to do all within their power to take whatever steps can be taken under the United Nations, in the event that the Dutch continue in their defiance. I shall be there, shoulder to shoulder with them, helping in my small way to the extent I can help, in having whatever sanctions the United Nations may in the future impose upon the Dutch carried out so far as support from our Government is concerned. I shall help to whatever extent my vote in the Senate will be of help.

But, Mr. President, I think we have an obligation right now to take no step which can possibly give ground for suspicion on the part of the Indonesians that we are going to countenance any further defiance on the part of the Dutch Government. In my judgment, as clear evidence as we could give to the Indonesians this afternoon would be to vote for the original Brewster amendment, which says, in effect, that we are not going to grant any funds, in view of the defiance. I know that such a course of action is likely to raise a great many complications, and that it has attached to it a great many serious implications; but I think we ought to be willing to face them.

I know, as I stated the other afternoon, that it may be looked upon as unilateral action; but I want to stress the point that, after all, our obligations under the United Nations Charter are quite separate and distinct from the course of action that we are following under the Mashall plan. The Marshall plan itself is unilateral action on the part of the United States. The Marshall plan itself is in effect an economic understanding or agreement reached with certain recipient countries in accordance with the terms of the Marshall plan, not in accordance with the terms of the United Nations Charter. In that sense the United Nations Charter has nothing to do with the Marshall plan.

When we find the evidence so overwhelming against the Dutch Government—and I think the Graham report makes it perfectly clear that the evidence against the Dutch Government is overwhelming—then I do not believe that it is a matter of right principle for us even temporarily, under the substitute amendment, in effect to say to the Dutch, "We want you to know that we will reconsider this authorization and any possible future appropriation if you do not at some time in the future, and soon, comply with what we recognize, and what you should recognize, to be your obligations under the United Nations Charter."

I do not think it is right principle even to allow that temporary period of time to elapse. We are now being asked, within the terms of the compromise amendment, to put through the ECA program with an authorization for the Dutch. I am opposed to that because I cannot reconcile doing that with the course of conduct which the Dutch Government has followed in Indonesia. I cannot escape the conclusion—although my good friend from Florida [Mr. PEPPER] does not think it is necessarily a logical conclusion—that to whatever extent we have aided and benefited the economy of the Dutch during the past year we have indirectly, at least, injured the Indonesians in their fight for freedom.

I repeat my opening observation. I wish again to raise my voice this afternoon in support of the fight for freedom which is being made in Indonesia, and which we are going to see made in other countries in the world as men seek to shake off from themselves the shackles of colonial empires and imperialistic exploitation.

I return for a moment to the Graham report, still reading from the introduction:

> This challenge will continue until the democratic principle of the Renville agreement, signed by the representatives of the Kingdom of the Netherlands and the Republic of Indonesia under the auspices of the United Nations are fulfilled. Unfulfilled, the Renville agreement remains a sounding board for propaganda against the Western democracies all over the Eastern World. Fulfilled, the Renville agreement, with its foundation on the Linggadjati agreement, can become, to the greatness of the Dutch and the Indonesians, a charter of freedom for the colonial peoples of the world.

This is the Senator from North Carolina speaking, through manuscript, in a report to the United States Senate. This is the Senator from North Carolina, who was the American representative on the Committee of Good Offices. This is the American representative who, through long days and weeks on the ship *Renville*, meeting with the representatives of the Dutch and the Indonesians, made the findings of fact which have been found to be sound, as I understand the situation, by our State Department, as

to the causes and nature of the Indonesian controversy. Listen to his language, Mr. President:

The two main sources of opposition to the democratic principles of the Renville agreement are two small but powerful combinations: (1) The Dutch financial-imperialistic-militaristic-paternalistic combination which first misleads and then misrepresents the great Dutch people; and (2) the Soviet dictators, who first mislead and then misrepresent the great Russian people.

That is the American representative on the Good Offices Committee speaking in a written report. I say that language, strong as it is, is backed up by the Senator from North Carolina with detailed particulars which he sets forth in the historic document which he has filed with the Senate.

In view of that indictment, I must say here this afternoon that I cannot agree to go along with any proposal short of one which says we must stop now any aid to the Dutch Government.

Returning to the Graham report, we find that he says:

And (2) the Soviet dictators, who first mislead and then misrepresent the great Russian people.

Mr. President, let us not forget that the Soviet Government is represented on the Security Council. I may be mistaken; but as I read the compromise proposal, I do not see in it anything which escapes the possibility and, I think, the real probability, judging from past action of the Soviet representatives on the Security Council, that through the compromise amendment we may be walking right into a Russian veto, when we actually get down to the point, within the negotiations of the Security Council, of calling for the imposition of sanctions. I express that fear because the Graham report itself shows that the heroic Indonesians who have been making their fight for freedom happen to be the only native group in that part of the world which today at least have waged a successful opposition to communistic attempts to take over their land. I assume—and I wonder whether in fact I am illogical in making this assumption—that the success of the Indonesians against the attempt of the Communists to take them over was not exactly welcome news in Moscow, and is not today a very welcome bit of history in Moscow. Therefore, I express now the fear that even if we go ahead with the compromise amendment, we may find ourselves, at that last step, in a position where the Russian representative on the Security Council will "throw" a veto. After all, that is almost a matter of habit with the Russian representative on the Security Council.

I hasten to add that if that course of action is followed either by the Russian representative or the French representative or the British representative on the Security Council, then of course we can take action, insofar as ECA is concerned, by withdrawing funds or by refusing to grant additional funds. But I fear that at that point, if those circumstances should develop in that way—although I hope they will not—we might then find ourselves in such further complications over this matter that a withdrawal of funds by us at that time, after once seeking to carry this matter through the United Nations Security Council, might open us up to the charge—wrong though it would be—that we were then, because we did not like the action of the Security Council, following unilateral action.

Mr. President, at the present time we are in a position, as I view this problem, at least, where our taking the action which I propose to have us take against the Dutch Government would not subject us to any justified criticism for withholding ECA funds, because we would then be acting on the basis of an agreement collateral to the United Nations Charter. But if we seek to process this matter further through the Security Council, and if then a veto is "thrown" by Russia, and if then we seek to take further action in respect to the Netherlands, I am afraid—even though I think Russia's position would be wrong in the premises—that the position would be taken that we were then seeking to take unilateral action independent of the United Nations Security Council. I should like to avoid that, because I simply cannot imagine, in the last analysis, that the Russian representative on the Security Council would join with us in seeking, under the appropriate sections of the United Nations Charter from which the Senator from Michigan read this afternoon, to exercise sanctions against a government which is putting down a people which carried on a successful fight against the Communists' attempt to take over Indonesia. Somehow—I hope wrongly, but I fear not—I hold to the view that if the Russians had to make a choice between supporting the United States or supporting the Dutch under such circumstances, the Russians would support the Dutch.

Mr. GRAHAM goes on to say:

Both the Dutch imperialists and the Russian imperialists are opposed to the basic principles of the Renville agreement such as: Civil liberties at all times, unhampered communication, transportation, and exchange, plebiscites or free elections after full discussion, and a free constitutional convention organized by democratic procedure with representation in proportion to the population. The Dutch imperialists do not intend that these principles of freedom be available to all the leaders of Indonesia for free appeals to the Indonesian people. Free leadership in fair and open discussion would insure that the guiding principle of the United States of Indonesia would not be Dutch domination but Indonesian self-determination.

Incidentally, Mr. President, that is the Senator from North Carolina writing, in this report, his views of Russian policies and principles and ideology in respect to Indonesia. Let me say parenthetically that if anyone ever had a question as to the position of the Senator from North Carolina in regard to American principles of government, in contrast to Russian principles of government, he need only read this historic document to be completely reassured of the great patriotism of the Senator from North Carolina. Mark his language in this report in regard to Russian ideology. He says:

The combination of Soviet dictators not only does not want these principles applied in Korea, Poland, Rumania, Bulgaria, Hungary, Yugoslavia, Czechoslovakia, and Germany, but also does not want them publicized within the Soviet Union itself.

That is a penetrating and piercing comment by the Senator from North Carolina in expressing his views of the Russian iron curtain.

I read further from the report:

Neither imperialism nor dictatorship can long exist with the morally enduring Renville principles of freedom and self-determination. Imperialists, in their case, and dictators, in their situation, will violate agreements by which such principles might get high international sanction for application by peoples in colonies, in satellite states, or in the vast dominions behind the iron curtain.

There will be much talk—

Says the Senator from North Carolina—

some of it partly true, (1) about Republican incapacity to prevent atrocious incidents caused largely, however, by the nonimplementation of the agreement—

Obviously, of course, he is referring there to the guerrilla attempts in Indonesia to fight the Dutch refusal to live up to their obligations under the Renville agreement. Of course, the Indonesians are resisting. And, of course, when people are resisting the aggression of imperialism, it is no tea party, Mr. President; there is blood-letting.

Mr. President, without reading it, I ask to have inserted at this point in my remarks the remaining language of the section in the Graham report dealing with the claims as to the weaknesses of the Indonesian Republic.

There being no objection, the remaining language of the section was ordered to be printed in the RECORD, as follows:

There will be much talk, some of it partly true, (1) about Republican incapacity to prevent atrocious incidents caused largely, however, by the nonimplementation of the agreement; (2) about former collaboration by a few of the present Republican leaders with the Japanese; and (3) about Communist infiltration in some of the political parties and some of the labor unions in the Republic. It should be recalled in this connection that atrocities have not all been confined to one side; that some of the Indonesian Republican leaders fought underground in Holland against the Germans, and that more fought underground in Indonesia against the Japanese. More revealing still was the decisive crushing of the Communist revolt by the moderate Republican Government. There will also be much talk by the Soviet imperialists about American and British imperialism seeking at one and the same time to uphold and to supplant Dutch imperialism. The propaganda about American and British imperialism, Japanese collaboration, and Communist infiltration should not obscure for the United Nations the basic simple fact that Republican aspirations have their main source in Indonesian self-determination.

Mr. MORSE. I shall ask also, Mr. President, to have incorporated as a part of my remarks that part of the Graham report under the subject "The Committee Condemned by Both Extremes."

There being no objection, the portion of the report referred to was ordered to be printed in the RECORD, as follows:

The committee condemned by both extremes: The members of the first Committee

of Good Offices, which included Mr. Justice Richard C. Kirby, of Australia; Dr. Paul van Zeeland, of Belgium; and myself, as the American representative, were accused by some of the Dutch imperialists of being in league with the Republic of Indonesia against the Kingdom of the Netherlands. At the same time I was repeatedly accused by the Moscow radio of being a tool of American capitalism and of intimidating the Republicans into accepting the Renville agreement with threats of atomic bombs and American power.

With a position of balance between being an alleged conspirator against the Dutch and being an alleged intimidator of the Indonesians, I have some sense of balance shared by my highly esteemed former colleagues of the committee. Beholden neither to the imperialists of the right nor to the imperialists of the left, but beholden to the principles of the Charter of the United Nations, I make the present analysis of some of the basic factors and issues involved. Having been in the Senate less than a week, I will not make a statement at length here, but will put it in the RECORD for any value it may have for the Members of the Senate.

Part of this analysis is based on our report to the Security Council, February a year ago, and part of it is based on unrestricted documents and on developments publicly reported since our able successors took over from us February a year ago. I hope in this analysis to give one person's glimpse of (1) the two great peoples and their spirit; (2) the international position of Indonesia; (3) the Indonesian nationalist movement; (4) the formation of the Republic of Indonesia; (5) the efforts of British diplomats to help the Netherlands and the Republic settle their dispute, resulting in the Linggadjati agreement; (6) the break-down in negotiations and the Dutch "police action" of July 21, 1946; (7) the intervention of the United Nations with a cease-fire resolution and a Committee of Good Offices; (8) the function, limitations, and work of the committee; (9) the negotiations of the representatives of the two governments; (10) the Renville agreements; (11) the opportunity for good will and early implementation; (12) an analysis of the controversial issues of sovereignty, separate states, and the provisional government; (13) the du Bois Critchley plan; (14) the Cochran plan; (15) the policy patterns of delays and rejections; (16) incidents and atrocities; (17) the crushing of the Communist revolt by the Republic; (18) the breaking of the truce by the Dutch and the second "police action"; (19) the Renville principles and the obligations of the United Nations; and (20) the opportunities of two great peoples through the fulfillment of the Linggadjati and Renville agreements in cooperation with the United Nations to salvage a terrible situation destructive to both peoples and critical for mankind.

Mr. MORSE. Mr. President, I also ask to have incorporated at this point in my remarks the section of the Graham report starting on page 7, dealing with the heading, "The Indonesians."

There being no objection, the section was ordered to be printed in the RECORD, as follows:

THE INDONESIANS

The history and people of Indonesia are interwoven with the history and people of Malaya, India, China, Melanesia, Polynesia, Australia, Europe, and America. In Indonesia are some of the earliest relics of man from the Pleistocene age. In Indonesia were majestic monuments, noble shrines, and an advanced civilization before western men discovered America or rounded Africa to the Spice Islands. The old empires, whether based on Sumatra, such as Atjeh, or based on Java and Sumatra, such as Bantam, had their times of power astride the channels between the seas. Java, the granary of many islands through the ages, was often the central base of the empire of the islands, whether the wide and elaborate Madjapahit of the Indian heyday or Mataram of nostalgic glory.

The Spice Islands of the Indies were the luring motive force which, added to the spirit of exploration, helped to cause the discovery of America, the rounding of Africa, a redirection of commerce, and the commercial revolution.

The East Indies became the eastern pivot upon which in the Western World the medieval turned to the modern age.

With the crossing of early southern Pacific stocks and their persisting polyglot dialects have evolved a basic Malayan language, persistent mores, and traditions, and a common Indonesian consciousness. The island of Java, perhaps the most densely populated area in the world, which has been the base of the Republican movement, has three distinct groups: The Sundaneese in west Java, the Javanese in central Java, and the Madurese in east Java. The leaders of the Indonesians in the islands east of Java who have cooperated with the Dutch were much disturbed by the Dutch attack on the Republic. These various regional groups, whether in Java, Sumatra, and Madura, the areas of Republican activity, or in Dutch Borneo or in east Indonesia, are all parts of the Indonesian nationalist movement. The most militant leadership is in the area of the Republic. A good number of non-Republican Indonesian former civil servants have chosen to cooperate with the Dutch. Moreover, a number of genuine nationalists have risen to leadership in the non-Republican Indonesian states. It is significant that the governments of the two most important of these non-Republican states resigned immediately following the Dutch resort to force in December.

Indonesia, because of its history, location, and values, is a vital subject in the study of anthropology, archeology, the botanical sciences, tropical medicine, and the history of ancient, medieval, and modern times. The peoples of Indonesia have an imposing indigenous tradition of local self-government rooted in the communal village. They preserve a stubborn body of laws and customs handed down in their adats, a stable tradition of irrigation and agriculture, handicrafts, music, dancing, and fine arts. Despite a wide illiteracy, they have a notable intelligence, a high capacity for languages and culture measured by the opportunities available to the few. With all the many high values added by the Dutch in science, technology, economic production, medicine, public health, and civil administration, the Netherlands have not effectively promoted the general education of the youth of Indonesia. It has been estimated that 40 percent of the people in the American Philippines were literate as compared with the 7 percent of the people in the Dutch East Indies. This is one of the sources of the deep sense of grievance for their people on the part of the Indonesian Republican leaders who are themselves the products of the excellent training and democratic influences of the historic Dutch universities. The Dutch policy seems to have been to encourage the education of a few leaders, but not to promote the education of the great body of the people.

General among the Indonesian people are a natural intelligence, friendliness, innate courtesy, beautiful rhythm, grace, and human dignity. The 70,000,000 Indonesian people have in common the national aspiration for freedom, independence, and cooperation.

Mr. MORSE. In this section, Dr. GRAHAM proceeds to discuss the Indonesians, their background, and the nature of the fight they are making against Dutch imperialism; and also the nature of the fight they made during the war in an attempt to check the advance of Japanese imperialistic aggression.

We are dealing in this issue with the Indonesian people, Mr. President. We are dealing with a people, as the Graham report points out, who are on our side in the fight to preserve freedom in the world. I say this afternoon in the Senate of the United States they ought to have a clear demonstration from us that we are not going to countenance even temporarily, for a period of further negotiations, Dutch conduct in Indonesia. We should not authorize any funds to the Dutch to carry on their aggression against these people who are making the fight for freedom, and whose history, as the Senator from North Carolina [Mr. GRAHAM] points out in his report, shows that they have been on our side in this battle for freedom.

I also ask to have incorporated in the RECORD at this point, because I want it reemphasized, that part of the Graham report starting on page 16, under the heading "The declaration of independence by the Republic of Indonesia."

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

THE DECLARATION OF INDEPENDENCE BY THE REPUBLIC OF INDONESIA

With the juncture of all those movements, forces, currents, and undercurrents, the most militant leaders of the Indonesian nationalism, some of whom had been imprisoned, at one time or another, before the Second World War by the Dutch, and during the war by the Japanese, seized the hour of the Allied liberation of Indonesia from the Japanese for the liberation of Indonesia from the Dutch. They set up a provisional congress and issued the Declaration of Independence of the Republic of Indonesia with its plans for the inclusion of all the Indonesian people. While acknowledging the sovereignty of the Netherlands throughout the Indies, the Allied commanders dealt with the leaders of the Republic of Indonesia on the basis of the fact that the Republic exercised de facto authority.

Some of the most militant leaders of the Republican movement had fought in the Indonesian underground against the Japanese, some had fought in the Dutch underground against the Germans, and others had collaborated with the Japanese and remained above ground. Whether of the parties of the right, right center, center, left center, or left; whether underground fighters or aboveground collaborators, all had in common the nationalist movement for the freedom and independence of the 70,000,000 Indonesian people.

Mr. MORSE. Mr. President, one cannot read that declaration, one cannot read Graham's inspiring account in chronological form of the history of the Indonesian affair, without being deeply moved by the record of the Indonesians. And, having been moved by it, Mr. President, but having first satisfied myself that the facts are on their side, I think we ought to take steps here this afternoon to make perfectly clear to them that we are not even temporarily going to authorize an appropriation which, unless in the future we change our course of action, will result in funds under ECA continuing to go to the Dutch Government; to be used at least indirectly, and I suspect also directly, against the Indonesians.

I ask to have incorporated, again for purpose of reemphasis, the section of the Graham report labeled section VI, "The break-down in negotiations for implementation and the Dutch police action of July 21, 1947."

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

VI. THE BREAK-DOWN IN NEGOTIATIONS FOR IMPLEMENTATION AND THE DUTCH POLICE ACTION OF JULY 21, 1947

The Linggadjati agreement was initiated on November 15, 1946, and was signed by the governments on March 25, 1947. The negotiations for the implementation of the agreement broke down. The Republicans charged the Netherlands: (1) With making unilateral interpretations contrary to the provisions of the agreement; and (2) with a failure to have recourse to an arbitration provision in the agreement. The Netherlands charged the Republic with both the refusal and the incapacity to carry out the provisions of the agreement. On the night of July 20, 1947, the Netherlands ordered the police action. This police action was undertaken, according to views and assertions of the Dutch, to restore law and order, to punish lawless bands, to prevent massacres of Chinese and others by irregular forces, to stop sabotage, and to step up production in a time of desperate need. According to the assertions of Republicans the police action was a military action taken, when the army had been mustered in full force, to prevent the implementation of the Linggadjati agreement, to take over large economic resources and assets in Republican areas, to organize new states in former Republican territories behind Dutch military lines, to carry out a policy of economic strangling and political splintering of the Republic, and to insure the Dutch control of the proposed United States of Indonesia. The well-trained and mechanized Dutch military forces quickly took over large parts of Java and Sumatra.

Mr. MORSE. It is in this section that again we have clear evidence of the type of police force the Dutch have been using in the past months to trample under Dutch might these Indonesians who have been seeking to resist Dutch imperialism and exploitation. It is not pleasant reading, Mr. President, and I regret that during the period of time while the Dutch have been conducting themselves so ruthlessly in Indonesia we, under ECA, have been giving them a single penny for whatever expenditure their own financial reports may show they have put it to. I do not think our record in that respect is going to read very well in world history.

Mr. President, I ask unanimous consent, for purposes of reemphasis, to have incorporated at this point in my remarks that section of the Graham report beginning on page 30 and headed "A grave situation." If Senators will only read it, I am sure they will appreciate more fully how grave the situation is in respect to standing for differences between right and wrong in international relations, and for not doing anything which could possibly be interpreted as aiding the wrong side of a great international moral issue.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

A GRAVE SITUATION

While deeply appreciative of the fact that the 12 political principles contained many basic provisions for freedom, democracy, independence, and cooperation, the Republic was most deeply concerned that there was no guaranty of international observation between the signing of the agreement and the transfer of sovereignty; there was no provision for the representation of the Republic in an interim government; and that there was no mention of the Republic by name in any of the 12 principles.

Aware of its own limitations and in the desperate circumstances of the probable break-down of negotiations, the committee decided to make still another new approach to the parties. The committee suggested for the informal consideration of the parties 6 additional political principles in addition to or in reinforcement of the 12. Pending consideration of the 6 principles by both parties, the Republic was pondering the acceptance or rejection of the status quo military line and the democratic political principles in which were missing several guaranties of deep concern to the Republic.

Mr. MORSE. Mr. President, I ask unanimous consent to have incorporated at this point in my remarks section 12 of the Graham report, beginning on page 40, in which he discusses the problem under the heading "Analysis of three controversial issues," those issues being the issue of sovereignty, the issue of the separate states, and the issue of the provisional government.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

ANALYSIS OF THREE CONTROVERSIAL ISSUES

The lag in negotiations was due to a number of circumstances such as the debates in the Security Council preceding its approval of the Renville agreement, the change in the composition of the Netherlands Government, the differences in the interpretations of some of the provisions of the Renville agreement, and the constant rejection by the Netherlands of the informal suggestions of the Committee of Good Offices. Three of the controversial issues involved sovereignty, separate organization of states, and the provisional government.

A. SOVEREIGNTY

The sovereignty of the Netherlands throughout the Netherlands East Indies, acknowledged in the first of the six principles, has never been questioned by the United Nations or by the member nations of the Committee of Good Offices or their representatives. In acknowledging this sovereignty the committee made clear its views, expressed to representatives of both governments before the signing, with binding force on itself alone, but nevertheless as the unanimous opinion of the Committee of Good Offices: that none of the principles could or were intended to alter the status of the governments as the two parties to the Indonesian dispute on the agenda of the United Nations.

Neither the Dutch, in their over-all sovereignty, nor the Indonesian Republic in the exercise of their de facto authority, quite realize that, except for the power of the United Nations in general, including the Chinese, the British-Indian, and Russian forces in Asia; except for the gigantic American war production for the Pacific fighting; and except for the resistless vast assaults of the American armies, navies, air forces, and marines from Midway to the Solomons to the Philippines to Okinawa, with the heroic cooperation of the Australians and New Zealanders, there would now be no over-all sovereignty of the Netherlands in the Dutch East Indies and no exercise of de facto authority by the Republic within the Republican areas of Java, Sumatra, and Madura. The Dutch Indies today would be the Japanese East Indies. Japanese totalitarian sovereignty would be now exercised over all Indonesia.

The legal sovereignty of the Netherlands in the Dutch East Indies is derived from history and international law but the actual exercise of sovereignty by the Netherlands in the East Indies proceeds now from the existence and the rights of the United Nations and their victorious armies. But for these, the Netherlands itself would be under the over-all sovereignty and tyranny of the Nazi totalitarian dictatorship. It is one of the ironies of history that the Netherlands should flout the orders of the United Nations from whose victories in World War II it derives not only its present sovereignty but its existence as a free nation.

After the surrender of the Japanese in the Netherlands East Indies to the representative of the Allied command, the British general commanding the British forces and the Dutch units, fully aware of the historic overall sovereignty of the Netherlands, yet confronted with the existence of the young Republic, chose to deal with the Republic as exercising de facto authority. This balancing of recognized sovereignty and actual equities was carried forward in the chairmanships of two British diplomats and in the continuing responsibilities of the Security Council, which holds both the Kingdom of the Netherlands and the Republic of Indonesia as the two parties to the Indonesian dispute on the agenda of the United Nations.

Within the limits of the Republic, reduced not by negotiation or self-determination of peoples but by the arbitrary conquests of the police action of July 21, 1947, the Republic continued to exercise de facto authority. The Renville agreement, formally adopted under the flags of Belgium, Australia, and the United States, on a public ship of the United States, under the auspices of the United Nations, was signed by the chairman of the Dutch delegation, on behalf of the Kingdom of the Netherlands, and by the chairman of the Republican delegation on behalf of the Republic of Indonesia.

Both before and after the signing of the Renville agreement, the Republic, in its rightful exercise of de facto authority, had its own civil administration, revenues, currency, fiscal system, police, army, public-works, public-health, and public-welfare agencies, radio and public information, schools and university, political parties, Provisional Assembly, Cabinet, Prime Minister, and President.

After the signing of the truce, the Government of the Republic of Indonesia, in its exercise of de facto authority, evacuated 35,000 Republican combatants from behind Dutch military lines. More recently the Republic, in its exercise of de facto authority, with its own army, unaided, crushed the Communist revolt against the Soekarno-Hatta moderate government. The very terms of the Renville agreement impose upon the Republic the duty of exercising de facto authority in the implementation of the agreement.

By solemn agreement of the Government of the Republic with the Government of the Netherlands, the United Nations is committed before the world by principle 1 of the Renville agreement: "That the assistance of the Committee of Good Offices be continued in the working out and signing of an agreement for the settlement of the political dispute in the islands of Java, Sumatra, and Madura, based upon the principles underlying the Linggadjati agreement." One of the principles underlying the Linggadjati agreement is stated in article I of the agreement as follows: "The Netherlands Government recognize the Government of the Republic of Indonesia as exercising de facto authority over Java, Sumatra, and Madura."

Unless the United Nations is to renounce the force of agreements for the force of arms,

that pledge is still binding on the two Governments. To renounce that obligation is to sanction defiance of its own orders, is to violate its own Charter, and is to undermine its own foundations in the conscience of mankind. Even if renounced by the Kingdom of the Netherlands and the United Nations, the agreements, made in their name, will be upheld by a moral sovereignty which will yet prevail over the broken pledges of a kingdom, the combination of colonial powers, and the resulting frustration of the United Nations.

The second Dutch police action which violated the Security Council resolutions of August 1, 1947, has shocked the conscience of mankind. This tragic action will yet serve to strengthen in world opinion the responsibility of the United Nations for the continuance of the dispute between the Kingdom of the Netherlands and the Republic of Indonesia on the agenda of the United Nations until the final settlement of the political dispute is made in accordance with the principles of civil liberties and self-determination of peoples to which both Governments are specifically pledged in the Linggadjati and the Renville agreements.

B. THE SEPARATE STATES

A persisting issue between the Government of the Netherlands and the Government of the Republic is the status of the separate non-Republican states. The Republican declaration of independence was for all the Indonesian peoples to be in one consolidated centralized Government of the Republic of Indonesia. Under Dutch sponsorship separate Indonesian states were organized in the Great East or East Indonesia which included the peoples on the many islands east of Java. Separatist movements, likewise, were organized in Borneo.

In article 4 of the Linggadjati agreement the Republic agreed: "The component states of the United States of Indonesia shall be the Republic, Borneo, and the Great East, without prejudice to the right of the population of any territory to decide by a democratic procedure that its position in the United States of Indonesia shall be otherwise defined." Article I provided: "The Netherlands Government recognizes the Government of the Republic of Indonesia as exercising the de facto authority over Java, Madura, and Sumatra. The areas occupied by Allied or Netherlands forces shall be gradually incorporated, through mutual cooperation in the Republican territory. To this end the necessary measures shall at once be taken in order that the incorporation shall be completed at the latest, on the date mentioned in article 12 (January 1, 1949).

The Dutch police action of July 20, 1947, overran much of Java, Sumatra, and Madura. Behind the Dutch military lines large areas of territory and many millions of Indonesian people in Java, Sumatra, and Madura have since been held cut off from the Republic. Behind those lines in the former Republican territories Dutch-sponsored separatist movements have been under way in Java, Sumatra, and Madura. In the Christmas message informally presented to the parties on December 26, 1947, our unanimous Committee recommended (in provision 2), pending the settlement of the political dispute, "that there be meanwhile a cessation of all activities by either government relating directly or indirectly to the organization of states or to the determination of political relationship to the United States of Indonesia of territories in Java, Sumatra, and Madura, which comprise the area involved in the dispute between the Government of the Netherlands and the Government of the Republic."

In provision 3 of the Christmas message the unanimous Committee recommended: "That on the signing of the political agreement the civil administration which was functioning on July 20, 1947, be restored within a period of not more than 3 months and that within a similar period Netherlands armed forces be withdrawn to territories occupied by them on July 20, 1947."

The Republic accepted the Christmas message with these provisions. The Netherlands rejected these provisions among others.

In the counterproposal of the 12 principles, the Netherlands suggested in principle 1: "That the assistance of the Committee of Good Offices be continued in the working out and signing of an agreement for the settlement of the political dispute in the islands of Java, Sumatra, and Madura, based upon the principles underlying the Linggadjati agreement; and in principle 2: "It is understood that neither party has the right to prevent the free expression of popular movements looking toward political organization which are in accord with the principles of the Linggadjati agreement. It is further understood that each party will guarantee the freedom of assembly, speech, and publication at all times, provided that this guaranty is not construed so as to include advocacy of violences or reprisals"; and in principle 3: "It is understood that decisions concerning changes in administration of territory should be made only with full and free consent of the population of those territories and at a time when the security and freedom from coercion of such population will have been insured."

Accordingly the organization of autonomous states is not prohibited pending the settlement of the political dispute. The Committee's suggestion for prohibition meantime of such activities was rejected by the Netherlands. But the Renville agreement does not provide with regard to such activities (1) that the right of the free expression of popular movements shall not be prevented by either party; (2) that each party guarantee freedom of assembly, speech, and publication at all times; and (3) that decisions concerning changes in administration of territory should be made with the full and free consent of the populations of those territories; and in principle four of the six principles, that plebiscites (or another method by agreement of the parties) will be held to determine whether the populations of the various territories of Java, Madura, and Sumatra wish their territory to form part of the Republic of Indonesia or another state within the United States of Indonesia, such plebiscite to be conducted under observation by the Committee of Good Offices should either party request such services.

The delineation of the territories in which plebiscites (or elections) were to be held naturally was left for the negotiations of the parties. Geography, history, traditions, administrative values, and the general sentiments of the population would doubtless be among the factors considered in the delineation of a territory. One of the basic principles of the Linggadjati agreement is that the composition of the United States of Indonesia shall be without prejudice of the right of the populations of any territory in a component state to decide by a democratic procedure that its position in the United States of Indonesia shall be otherwise defined. Both parties are not only committed to the four principles taken from the Linggadjati agreement and listed among the 12 principles, but are also committed to the working out and signing of an agreement "based on the principles underlying the Linggadjati agreement." It would therefore be the right of any appropriate territory in the Republic as well as any appropriate territory in any other component state to have the opportunity of self-determination of its relation to the Republic or its relation to the United States of Indonesia or a special relation to the Kingdom of the Netherlands. The people themselves in the appropriate territories are to decide. If both the parties involved wish to use some method other than plebiscites, they may agree upon the democratic procedures to be used for such self-determination of the people. The Republic by the Linggadjati principle is no exception to this procedure.

C. THE PROVISIONAL GOVERNMENT

As pointed out in our report to the Security Council, one of the obstacles in the way of acceptance by the Republic of the 12 principles, which were the Dutch counterproposal to the Committee's Christmas message, was the fact that they contained no mention of the Republic. In the additional six principles proposed by the Committee, it was provided in principle 2 that: "In any provisional government created prior to the ratification of the constitution of the new United States of Indonesia all states will be offered fair representation." The Netherlands proposed and the Republic accepted the reservation: "That point 2 (principal 2 of the 6) will become operative after the signing of the political agreement envisaged in this document."

Postponing the operation of principle 2 until after the signing of the political agreement did not make a change in the substance of the principle of fair representation. Principle 2, with the reservation, requires that, in any provisional government created prior to the ratification of the constitution and after the signing of the political agreement, all states will be offered fair representation. It is presumed that, if for any remotely possible reason overlooked by the constitutional convention, a provisional government were created after the ratification of the constitution and before the transfer of sovereignty, the parties would, as a matter of common sense, agree on the basis of the established precedent, that, in such a provisional government, all states would be offered fair representation. The change in the time of its operability does not cause principle 2 to read that, in any provisional government set up at any other time, all states will be offered fair representation except the Republic of Indonesia.

Under the Netherlands right in principle 1 to confer "appropriate rights, duties, and responsibilities upon a provisional federal government" prior to the transfer of sovereignty the language does not read "what the Netherlands Government deems to be appropriate rights, duties, and responsibilities."

Moreover, even by unilateral decision it would not be a conferring of "appropriate rights" on a provisional government—if one should be set up after the ratification of the constitution and before the transfer of sovereignty or if one should be set up before the signing of the political agreement—to grant the right of fair representation in the provisional government to all states except the Republic of Indonesia.

To arrogate to sovereignty such arbitrarily discriminatory power or to confer upon any provisional government the right to exclude a particular one of the states from fair representation would not only not be "appropriate," it would, by any interpretation, be most inappropriate and destructive of reasonable negotiations by its unfair discrimination against this particular state.

Such a position cannot be deduced from the common language of the agreement, or from common sense or from common fairness that only the states which were or are sponsored by the Dutch, no one of which was given a hearing before the United Nations, are the only Indonesian states which will be offered fair representation in a provisional government set up before the signing of the political agreement. To hold that the Republic of Indonesia, the only Indonesian state which in its continuing exercise of de facto authority has been and still is a party to the dispute on the agenda of the United Nations and which is the only Indonesian state which

has been and still is given hearings by the Security Council, is to be the only Indonesian state denied fair depresentation in such a provisional government is, by a simple analysis, a clearly inappropraite and unjust use of arbitrary power characteristic of the sovereignty of a totalitarian state rather than the sovereignty of a democratic nation.

Mr. MORSE. Mr. President, I say, again, that if one will read the account of those issues given by the Senator from North Carolina he cannot escape the fact that the Dutch conduct cannot be justified by anyone who believes that the principles of the United Nations Charter should be carried out. If that be true, and I believe it to be true, then I say it is a mistake, and it is aiding the wrong side in this issue for us even to take temporary action which might be looked upon by the Indonesians as aiding the Dutch.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. MORSE. I yield for a question.

Mr. LANGER. I regret that the members of the Judiciary Committee had to leave. Perhaps the Senator from Oregon has already discussed this matter, but I should like to know whether it is a fact that the Dutch used American airplanes when they bombed Indonesia.

Mr. MORSE. I do not know the answer to that question.

Mr. President, I ask unanimous consent to have incorporated as a part of my remarks, and for purposes of reemphasis, section XV of the Graham report, headed "Pattern of rejections and delays."

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

XV. PATTERN OF REJECTIONS AND DELAYS

Time worked most heavily against the weaker government. In the summary record of the negotiations with the Republic, or lack of negotiations, and of the use of the assistance of the Committee of Good Offices, or lack of use, is revealed a Dutch policy pattern of delay and attrition. In the negotiations for the implementation of the Renville agreement the Dutch rejected the major proposals of the Committee of Good Offices, broke off negotiations over a long period, and refused or failed to use the committee in violation of the first principle of the Renville agreement. The Netherlands Government used the policy of delay to carry on what the Republicans considered a program of economic strangulation instead of the opening of trade as provided for in the agreement and a policy of political fragmentations which were more Dutch-sponsored than the free expressions of popular movements promised in the Renville agreement.

These delays did not help the moderate Hatta government in its need of tokens of progress in negotiations and in need of strength against extremist elements. The policy pattern of delay and broken negotiations had caused unrest and a major incident in the Republic. The Communists seized the opportunity thus presented by the Dutch to stir up an insurrection against the moderate Hatta Government. President Soekarno and Prime Minister Hatta used the Republican Army, with the backing of the whole Government and all the major political parties, to crush decisively the Communist revolt. This was a real demonstration of stability and strength by this moderate government caught between the Dutch delays and the Communist insurrection. While other governments with aid from the democracies failed to stop the Communist march, the blockaded Republic of Indonesia, without aid from any source, crushed the Communist uprising.

Mr. MORSE. Mr. President, I should like to read from page 59 of the report, which is entitled "The Communist Revolt Crushed":

THE COMMUNIST REVOLT CRUSHED

This moderate republican government immediately showed its good faith and strength by evacuating an estimated 35,000 republican combatants from behind the Dutch lines without major incidents. In spite of the fact that time itself, with its blockades and splinter movements, was working against the Republic, in spite of the suspicion and unrest caused by delays in negotiations, and in spite even of long periods of broken negotiation, this moderate republican government only a few months ago decisively met head-on a major incident in its own territories, crushed the Communist insurrection, and reasserted its de facto authority to carry on negotiations to implement the Renville agreement.

Mr. President, not only my heart, but my sober judgment, tells me that I should follow no course of action this afternoon in the Senate which might be even subject to the suspicion on the part of the Indonesians that we are not taking every possible step we can take to make perfectly clear to the Dutch Government that we are not going to stand by and see a people who have made the only successful resistance to communism in that section of the world exposed to the danger of continued subjugation by the imperialistic Dutch Government. That section of the Graham report alone, Mr. President, is sufficient for me to reach the conclusion that I cannot support even any temporary delay in determining here and now whether we should withdraw from the Dutch Government any ECA funds. I say, as a matter of principle, judged from the standpoint of international morality, as those principles are set forth in the United Nations Charter, we cannot justify further financial aid to the Dutch Government. I say that, Mr. President, based upon the Graham report itself, as well as upon other evidence which I have studied in connection with the Dutch conduct in Indonesia. Having made such extensive use of the evidence supplied by the Senator from North Carolina, it is, of course, only fair to have the record perfectly clear that he does not share my final conclusion. My final conclusion is that now is the time to stop any aid to the Dutch until they proceed to change their course of action in Indonesia.

The distinguished Senator from North Carolina, as was brought out by the Senator from Maine earlier in this discussion, says, in the concluding pages of his report:

The Vandenberg amendment to the ECA bill proposes to tie the ECA to the Charter of the United Nations by incorporating in this amendment section 5 of article 2 of the Charter, which provides that: "All members shall give the United Nations every assistance in any action it takes in accordance with the present Charter, and shall refrain from giving assistance to any state against which the United Nations is taking preventive or enforcement action." We thus, as far as possible, keep our procedures within the framework of the United Nations in the exact language of the Charter. This amendment will serve to support and strengthen the United Nations in its heavy responsibility in dealing with the complex Indonesian question.

The Indonesian story is not a one-sided story, all black or all white on either side. Though the Indonesian story has its hopeful light and tragic shadows on both sides, it is yet written in the record of the United Nations that it has been mainly the Dutch representatives who have delayed and delayed in the negotiations, rejected and rejected suggestions made by representatives of the United Nations, and defied and defied orders of the Security Council. It is our faith that increasingly large groups of forward-looking and humane people of the Netherlands, with its noble and heroic traditions, are yearning for an early and fair settlement of this increasingly tragic and destructive dispute. We look to both the governments now to follow through in good faith for a decent compliance with the procedures of the United Nations.

Mr. President, I certainly share the hope of the Senator from North Carolina [Mr. GRAHAM], the hopes of the Senator from Maine [Mr. BREWSTER], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Florida [Mr. PEPPER], who in his discussion have expressed opposing views to mine. To each one of the four Senators let me say that I respect most highly the decision they have reached as to what they think is the best course of action to follow in connection with the Indonesian incident in its relationship to the ECA bill. I hope—and this is all I can hope for, because I know that the action will be favorable to the so-called compromise amendment—I hope that at least in some very small way, Mr. President, the protest which I have raised here this afternoon, the points which I have made in opposition to the adoption of the compromise amendment, and the appeal which I have made for the record will make it clear that our Government should always at the first opportunity, as these incidents arise, make it perfectly clear that it cannot be counted on the side of those who transgress and trample upon freedom. I hope my words of protest will help make clear to the Dutch that we will not aid and abet them, directly or indirectly, in their design to destroy Indonesian freedom.

Mr. President, in the hope that the words I have spoken this afternoon may at least be recalled by some in future international negotiations over Indonesia, I have taken the liberty of imposing these comments upon the Senate.

I close by saying that I join with the Senator from Florida in his expression that the United Nations is our only hope for peace, and I regret that so early in its life and history one of the signatories to its charter, the Dutch Government, stands so thoroughly convicted before the world as being a violator of the moral principles of the United Nations Charter which seek to preserve and protect the freedom of independent peoples.

The VICE PRESIDENT. The question is on agreeing to the amendment, as modified, offered by the Senator from Maine [Mr. BREWSTER].

The amendment, as modified, was agreed to.

Mr. MALONE. Mr. President, I wish to call up my amendment.

The VICE PRESIDENT. The amendment has been read.

Mr. MALONE. I shall make just a brief statement regarding the amendment.

Mr. LUCAS. May I inquire of the able Senator how long he will debate the amendment?

Mr. MALONE. I merely wish to explain the amendment to Senators who have not been on the floor while I was discussing it. I would suggest that a quorum call would be in order.

Mr. LUCAS. If the Senator contemplates suggesting the absence of a quorum, I should like to move a recess until tomorrow at 11 o'clock, because some Senators have left, and there are other amendments to be considered. I doubt if we could finish the consideration of the bill tonight under those circumstances. Will the Senator yield for that purpose?

Mr. MALONE. I will.

The VICE PRESIDENT. The pending matter tomorrow will be the amendment offered by the Senator from Nevada.

EXECUTIVE SESSION

Mr. LUCAS. I move that the Senate proceed to consider executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. FREAR, from the Committee on Banking and Currency:

Hawthorne Arey, of Nebraska, to be a member of the Board of Directors of the Export-Import Bank of Washington, D. C., for the remainder of the term expiring June 30, 1950, vice William McChesney Martin, Jr., resigned.

By Mr. CAPEHART, from the Committee on Interstate and Foreign Commerce:

Oswald Ryan, of Indiana, to be a member of the Civil Aeronautics Board for the term of 6 years expiring December 31, 1954, to which office he was appointed during the last recess of the Senate.

By Mr. JOHNSON of Colorado, from the Committee on Interstate and Foreign Commerce:

Cornelius Vanderbilt Whitney, of New York, to the position of Under Secretary of Commerce;

Thomas C. Blaisdell, Jr., of the District of Columbia, to the position of Assistant Secretary of Commerce; and

Hugh W. Cross, of Illinois, to be an Interstate Commerce Commissioner for the remainder of the term expiring December 31, 1950.

By Mr. McCARRAN, from the Committee on the Judiciary:

John Brown, of Tennessee, to be United States attorney for the western district of Tennessee, vice William McClanahan, resigned; and

Larry M. Morphis, of Tennessee, to be United States marshal for the middle district of Tennessee, vice Reed Sharp, term expired.

The VICE PRESIDENT. If there be no further reports of committees, the clerk will proceed to state the nominations on the Executive Calendar.

UNITED STATES ATTORNEY

The legislative clerk read the nomination of Warren G. Moore to be United States attorney for the eastern district of Texas.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk proceeded to read sundry nominations in the Diplomatic and Foreign Service.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc, and, without objection, the President will be immediately notified of all confirmations.

THE JUDICIARY

Mr. McKELLAR. Mr. President, two nominations have been reported from the Committee on the Judiciary favorably today by the Senator from Nevada [Mr. McCARRAN], and I ask unanimous consent that the nominations be confirmed. One is the nomination of a district attorney in Memphis, and another a marshal in Nashville, Tenn. The cases have been pending a long time.

Mr. WHERRY. Mr. President, reserving the right to object, were the nominations reported unanimously from the committee?

Mr. McKELLAR. That is my information. The junior Senator from Michigan [Mr. FERGUSON] is in the Chamber, and he can state whether there was a unanimous report.

Mr. WHERRY. I do not wish to interpose an objection, but of course the Senator well knows what the procedure is in such cases. Is there need for immediate confirmation?

Mr. McKELLAR. The only reason for the request for confirmation today is that the appointments have been pending for some time. There has been a controversy, but the controversy has been settled.

Mr. FERGUSON. Mr. President, I may say that I attended the meeting of the Judiciary Committee this afternoon when these nominations were ordered reported favorably. It is true they have been held up for some time, but the committee voted unanimously to report them, and I have no objection to their present consideration now.

Mr. WHERRY. Mr. President, I shall not object, since I wish to accommodate my distinguished colleague from Tennessee, but I feel, especially in the case of judges, that the usual procedure should be followed of having the nominations go to the calendar and lie over for a day.

Mr. McKELLAR. These are not nominations of judges.

Mr. WHERRY. I shall not object, because of the statement made by the distinguished Senator from Tennessee and the statement by the distinguished junior Senator from Michigan.

Mr. McKELLAR. I thank the Senator.

The VICE PRESIDENT. The nominations will be stated.

The legislative clerk read the nomination of John Brown to be United States attorney for the western district of Tennessee.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Larry M. Morphis to be United States marshal for the middle district of Tennessee.

The VICE PRESIDENT. Without objection, the nomination is confirmed, and the President will be notified in both cases.

DEATH OF REPRESENTATIVE SOMERS, OF NEW YORK

The Senate resumed the consideration of legislative business.

The VICE PRESIDENT. The Chair lays before the Senate a resolution from the House of Representatives, which will be read.

The resolution (H. Res. 181) was read, as follows:

Resolved, That the House has heard with profound sorrow of the death of Hon. ANDREW L. SOMERS, a Representative from the State of New York.

Resolved, That a committee of 12 Members of the House with such Members of the Senate as may be joined be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provision of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect the House do now adjourn.

Mr. IVES. Mr. President, I send to the desk a resolution, which I ask to have read and immediately considered.

The resolution (S. Res. 103) was read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. ANDREW L. SOMERS, late a Representative from the State of New York.

Resolved, That a committee of two Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

The VICE PRESIDENT. The Chair appoints the senior Senator from New York [Mr. WAGNER] and the junior Senator from New York [Mr. IVES] as the committee on the part of the Senate to attend the funeral of the deceased Representative.

RECESS

Mr. IVES. Mr. President, as a further mark of respect to the memory of the deceased Representative, I move that the Senate do now take a recess until tomorrow at 11 o'clock a. m.

The motion was unanimously agreed to; and (at 6 o'clock and 9 minutes p. m.) the Senate took a recess until tomorrow, Thursday, April 7, 1949, at 11 o'clock a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 6 (legislative day of March 18), 1949.

DIPLOMATIC AND FOREIGN SERVICE

John J. Muccio to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Korea.

CONSULS GENERAL OF THE UNITED STATES OF AMERICA

Karl L. Rankin
Laurence W. Taylor
Edward T. Wailes
Thomas A. Hickok
Horace H. Smith

CONSULS OF THE UNITED STATES OF AMERICA

Sheldon B. Vance
Gilbert E. Clark

SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

James L. Stewart
Robert P. Terrill

UNITED STATES ATTORNEYS

John Brown to be United States attorney for the western district of Tennessee.

Warren G. Moore to be United States attorney for the eastern district of Texas.

UNITED STATES MARSHAL

Larry M. Morphis to be United States marshal for the middle district of Tennessee.

HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 6, 1949

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, Thou art not only our Father in heaven, but our Father upon earth; merciful and gracious, slow to anger, and plenteous in mercy.

On this day, when we honor the Army, hold our people to the realization that defending our country is the duty of everyone; to this end help us to indicate around the world that our armed forces in their labors are for the peace and security of our great land. Grant, Heavenly Father, that the affirmations of loyalty, in the pulpit, in the schoolroom, and in the market place, may be blessed, and inspire our people. Thus, we would indicate to the world that the institutions of our Republic are the sanctities of our citizenship, and to preserve them we would symbolize the flag with all our virtues, and pledge fidelity to its perpetuity under all circumstances.

Heavenly Father, we tarry a moment; a distinguished and a faithful Member has left us. We are firmly reminded that earth is not man's dwelling place. We beseech Thy presence with love and mercy to abide with the devoted family and remain with them throughout the coming years. Through Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

SECOND DEFICIENCY APPROPRIATION BILL, 1949

Mr. KERR, from the Committee on Appropriations, reported the bill (H. R. 4046) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes (Rept. No. 401), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. TABER reserved all points of order on the bill.

ANNOUNCEMENT

The SPEAKER. The Chair will not recognize anyone today except the gentleman from Massachusetts [Mr. McCORMACK] and the gentleman from New York [Mr. CELLER].

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock a. m. tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

COMMITTEE ON RULES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight to file a report.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

BILL PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on April 1, 1949, present to the President, for his approval, a bill of the House of the following title:

H. R. 2101. An act to abolish the Regional Agricultural Credit Corporation of Washington, D. C., and transfer its functions to the Secretary of Agriculture, to authorize the Secretary of Agriculture to make disaster loans, and for other purposes.

The SPEAKER. The Chair recognizes the gentleman from New York [Mr. CELLER].

THE LATE HONORABLE ANDREW L. SOMERS

Mr. CELLER. Mr. Speaker, it is with genuine sorrow that I announce the demise of our beloved colleague, ANDREW L. SOMERS. It is reported that he died this morning at 8:40 a. m. in the Naval Hospital at St. Albans, Long Island, N. Y.

He was chairman of the Public Lands Committee and had served formerly as chairman of the Committee on Coinage, Weights, and Measures. He always distinguished himself by his splendid public service as a Member of this body.

I feel rather emotional this morning in announcing the death of our late colleague because I had known ANDREW for over three decades. We were always friends.

He is now in the iron sleep of death.

Mr. Speaker, in life we fret and worry. The days come and the days go; we watch them pass, sometimes with joy and sometimes with sadness. And then we are concerned for the morrow. We query, What will the morrow bring?

But ANDREW need no longer worry or be concerned or be constrained, for death keeps no calendar.

It is said that death is a punishment to some, to some a gift, to many a favor. ANDREW suffered much in the last few years. It was not pleasant to see his pain. The good Lord wished to end his woe and bestowed upon him the favor of death.

Early in his career, ANDREW as a public servant earned the respect and affection not only of his fellows here but of the citizenry of the great community of Brooklyn and the great State of New York. Ever kindly, ever soft-spoken, always slow to anger, ever benign, of uttermost integrity; we shall keenly miss his presence.

He served here with honor and distinction despite his physical disabilities, which he bore unflinchingly and uncomplainingly.

I know of my own knowledge with what affection his constituents held him. We were part of the same neighborhood. His district adjoined mine. He served his constituents well and they ever showed their appreciation by returning him to office 13 consecutive times, from the Sixty-ninth to the Eighty-first Congress. This is indeed a glowing tribute to him.

Examine his record and mark ye well that that record betokened a man with the courage of his convictions.

He was a loving father and a devoted husband. He walked in the paths hewed out by his father, a revered citizen of Brooklyn. Indeed, we might well say the apple did not fall far from the tree—like father, like son. Both have left indelibly upon the tablets of history marks of men, good and true. ANDREW abided by his faith and adhered solemnly to its tenets. He was a veteran of World War I where he displayed intrepidity and patriotism that marked his work and service.

Our condolences go to his widow and his dear children.

Finally, might I echo the words of Alexander Pope, who, on a similar occasion at the bier of a friend, said:

Weep not, ye mourners for the dead.
But in this hope your spirits soar,
That ye can say of those ye mourn,
They are not lost, but gone before.

I now yield to the gentleman from New York [Mr. O'TOOLE].

Mr. O'TOOLE. Mr. Speaker, it is indeed true that our late colleague, ANDREW L. SOMERS, came from a family that had a great sense of duty and a great desire for public service.

His father, Arthur Somers, was one of the most beloved men in the old city of Brooklyn, having served that community as its superintendent of education for many years.

ANDREW, with whom we all served, enlisted as a young man in the United States Marine Corps at the start of the First World War and was one of our first wartime aviators. That was back in the days when aviation was perhaps the most hazardous of all occupations. In that conflict he served with distinction. In the last war two of his boys were marine aviators and both were decorated for bravery so that the spirit and tradition of the Somers family was carried on.

I knew ANDREW and his father long before I ever came into this House. I was fortunate to have the friendship of both of these splendid men. Arriving in these halls to serve alongside of ANDREW I found our friendship was strengthened by his constant willingness to help and to

cooperate with me as a younger and more inexperienced Member.

ANDREW was never an extrovert. He was never one who paraded his knowledge, nor his virtues. He was intensely philosophical by nature. Our former colleague was extremely well-educated and well-read. He was a great student and authority on the United States Constitution, its origin and its interpretation. He was perhaps the greatest authority in this House on the world monetary situation. President Roosevelt recognized his knowledge and ability by appointing him just before the last war as a delegate to the International Monetary Conference that was held in London. Yet, unless ANDREW was faced with a situation that forced him to disclose his immense fund of information and knowledge, no one would ever know it. He served the people of his district in the same manner, without display or ostentation. He knew their needs and their wants, having resided within its confines from the time of his birth. He was kind and tolerant in all of his dealings with his constituents and his first consideration was their wants.

He lived a life of quiet patriotism engendered by an intense desire to serve his Nation and to make this world a place of peace. To his family whom he loved dearly and deeply I offer my utmost sympathy for I know they have suffered a great loss. They, even more than we, will miss his affection, his kindliness, his gentleness, and his strong counsel. The people of the State of New York as well as the people of the United States have lost one who has served them well for a quarter of a century. We who have sat by his side know the full measure of this loss and we bow our heads and say, "May his soul rest in peace."

Mr. CELLER. Mr. Speaker, I yield to the gentleman from New York [Mr. LYNCH].

Mr. LYNCH. Mr. Speaker, I learned with deep sorrow and regret a few moments ago of the death of our distinguished colleague, and my friend, ANDREW L. SOMERS, of Brooklyn. To my mind he was the exemplar of a man in public life; kindly, courteous, always thoughtful of those with whom he came in contact. He has, during his 13 terms in the Congress of the United States, rendered a distinguished service to his country and to the people of his district. Born in Brooklyn, he was educated in New York where he attended Manhattan College and New York University. He later went into World War I where he distinguished himself, and in after years became an enthusiastic aviator. During his term here he served as chairman of the Committee on Mines and Mining, and subsequently and presently as chairman of the Committee on Public Lands. In his death the country has lost a distinguished citizen and the people of his district have lost a noted Representative. I express to his family my sincerest and deepest sympathy.

Mr. CELLER. Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Speaker, I thoroughly agree with the statement made by our distinguished colleague the gentleman from New York [Mr. LYNCH] that our late beloved colleague, ANDY SOMERS, "rendered outstanding and distinguished service to his people and to his country during his many terms of service in this body."

ANDY SOMERS was one of the most serious Members of the House. He devoted himself untiringly to his duties as a Member of this body, and with a quiet effectiveness produced results that made marked contributions to the enactment of legislation in this body and to the progress of American society during his lifetime.

I remember well the courage he displayed in the days before Pearl Harbor and the devoted support he gave during the war to all war measures. Also, his support of the great humanitarian measures proposed by the late Franklin D. Roosevelt and later recommended by President Truman.

To his loved ones I extend my deepest sympathy in their bereavement. To the New York delegation I also extend my deepest sympathy. In the loss of ANDY SOMERS the House has lost a valuable Member, and the country a valuable citizen.

Life is but a means to an end for those of us who believe in the way of life that comes from God Himself. I know that the devotion ANDY SOMERS had to the spiritual truths he believed in, to the faith he had, which he so clearly evidenced to all who knew him during his journey through life, will bring him to that end we all hope to obtain someday, everlasting life with God Himself.

Mr. CELLER. Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Speaker, the price we pay for living is to see our beloved friends pass away. ANDY SOMERS and I came to Congress together 25 years ago. For many years we had suites side by side in the Old House Office Building. During these many years I have come to know him as a true friend, an able legislator, and a fine, patriotic American citizen.

In these troublesome days, when men of character and ability are so essential, the passing of ANDY SOMERS is a great loss not only to the State of New York but to our Nation as well. He was a man of conviction who was devoted to his high public service. I join with the delegation from New York in expressing deep regret at the passing of a great American citizen, a devoted Congressman, and I sincerely extend my deepest sympathy to his family in their hour of sorrow.

Mr. CELLER. Mr. Speaker, I yield to the gentleman from New York [Mr. ROONEY].

Mr. ROONEY. Mr. Speaker, it was with a deep and profound sense of shock that I learned this morning of the passing of our colleague, ANDY SOMERS. He was a close friend, whom I had known for a great many years, in fact many years before I became a Member of this body. I remember well his good and distinguished father who was president of the Board of Education of the City of New York for many years. ANDY, like his father possessed great personal charm and was noted for his accomplishments. ANDY'S record in the Congress is filled with great achievement, and he leaves the imprint of his sterling character upon this Nation in scores of deeds that he has fought for and seen take their place as a foundation of a part of our Government. His sense of justice and his keen intellect endeared him to the entire membership of this House. We all shall miss him greatly. This Congress has lost one of its outstanding Members, the State of New York has lost one of its ablest and best-loved sons, the Nation has lost a great legislator, and I have lost a good friend.

I know all my colleagues on both sides of the aisle join with me in expressing to his dear loved ones our profound feelings of sympathy in their great loss and sorrow. May God have mercy on his soul.

Mr. CELLER. Mr. Speaker, I yield to the gentleman from New York [Mr. KEOGH].

Mr. KEOGH. Mr. Speaker, the hand of the Lord has lain heavily on the people of Brooklyn within the last 6 months, and especially so this morning, in calling to his eternal reward our most distinguished, capable, and kindly colleague, ANDREW L. SOMERS, who has served his country so faithfully and well over so long a period. Mr. Speaker, he has gone, but he will live. He will live with the greatness that comes with humility. He will live with the distinction that comes of serving and serving well. Yes, the country is a loser. This House is the poorer, and the people of Brooklyn have been deprived of a distinguished son of a distinguished father, the scion of a great family—a man kindly in nature, learned in intellect, genteel in action—a father, a man, a friend.

Mr. Speaker, his soul rests in eternal peace because he lived a good life. My profound sympathy goes to his fine wife and family.

Mr. CELLER. Mr. Speaker, I yield to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Speaker, the good Lord in His wisdom has called to eternal rest another of his untiring servants. ANDREW SOMERS has left behind him a monument that is built upon service to the community, a monument of a reputation for loyalty, honesty, and integrity. He labored with the courage of his convictions to do that which is right for his country and his people. We, who worked with him closely through the years, will miss a good friend, a kindly man who could always be called upon to help us. He did not wait for the call. He always extended his hand, even before we, ourselves, knew there was need for help. A gentleman who daily practiced true Christian doctrine, he was among the first to raise his voice in the halls of Congress for a Jewish state in Palestine. He fought vigorously to support those convictions, as he did for every cause in which he believed.

Those who disagreed with his opinions always paid tribute, nevertheless, to his infinite sincerity.

He was a brave soul, who never thought of himself, except as a means of doing good.

He sacrificed himself on the altar of public service. His family will miss him. We will miss him.

I offer these inadequate words of consolation to those he leaves behind:

And ever near us, though unseen,
The dear immortal spirits tread,
For all the boundless universe
Is life—there are no dead!

FAREWELL TO A BELOVED COLLEAGUE

Mr. CELLER. Mr. Speaker, I yield to the gentleman from New York [Mr. KLEIN].

Mr. KLEIN. Mr. Speaker, this is the second occasion in a very short period of time on which the Members of this House, and in particular the members of the New York delegation, have had the sad duty of rising to say a final farewell to one of our departed colleagues and friends.

I did not know ANDY SOMERS before I came to Congress. I knew of him. I knew, too, of his distinguished father, who was at one time president of the New York City Board of Education.

Then, after I had taken my seat in Congress, it was my good fortune to become friendly with this grand gentleman, and to know well this kindly soul who is with us no more. ANDY SOMERS exemplified, in my view, everything that a statesman should be—his kindliness, his solicitude for those who were less fortunate than he, and the smooth capability and efficiency with which he represented the people of his district and ministered to their needs, stand now as an enduring lesson to all. He treated all people alike, without regard to race, color, or creed. He was a real Democrat, a real American, and his passing has left a great void in the splendid delegation from the great State of New York.

In the name of the people of the city and State of New York, and, indeed, of the people of this whole vast country, I extend our sympathy and our deep sense of loss to ANDREW SOMERS' family, to his children, and to the grandchildren, of whom he was so proud and so fond.

May his soul rest in peace.

Mr. CELLER. Mr. Speaker, I yield to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, I have known our late colleague, Mr. SOMERS, from the day he was sworn in as a Member of Congress, approximately 26 years ago. On that day and several days thereafter I received a great many communications from my friends residing in his district urging me to assist him in his legislative work because of their confidence in him and believing that he could render greater service in their behalf as well as in the interests of the country.

I became extremely friendly with him and got to know him intimately. He was unassuming, capable, honest, and loyal to his constituents and to the country's greatest welfare.

After his second term I was invited to visit his district, when his constituents accorded him a fine reception. Although I have attended many, many such functions, I have never seen such devotion and love for a man as was displayed by the people of his district toward our friend and colleague.

Time does not permit me to speak further and at length at this time, except to say that I deeply regret his passing. He was indeed a lovable man and deeply and intelligently interested in his work. Several times weekly we would sit together and discuss matters of general import and mutual interest. He would often inquire of me whether there was anything I might suggest to him for improving the conditions in our country and of our people.

I take this opportunity to express to the constituents of his district and his city, of the State and the Nation, my deep and profound regret at his untimely passing and at the same time extend my profound sympathy to his bereaved family.

Mr. CELLER. Mr. Speaker, I yield to the gentleman from Texas [Mr. GOSSETT].

Mr. GOSSETT. Mr. Speaker, I wish to join with others this morning in expressing the grief which we all feel over the departure of our good friend and colleague, ANDREW SOMERS. I have known him rather well for some 10 years. Here in this body where we sometimes suffer from frayed tempers, I have never heard anyone say an unkind or derogatory thing of ANDREW SOMERS. He was a gentleman. He was a man of patience, a man of loyalty, a man of courage, and a most distinguished Member of this body.

I join with others in expressing our deep sympathy to his family.

Mr. CELLER. Mr. Speaker, I yield to the gentleman from California [Mr. WELCH].

Mr. WELCH of California. Mr. Speaker, the Honorable ANDREW L. SOMERS passed to his reward this morning at an early hour.

Mr. SOMERS was chairman of the Committee on Public Lands of this House. He had served longer on that committee than any other Member of the Congress and was regarded as an authority on the problems coming within the scope of this committee. Illness deprived him of constant service on the committee and its members were deprived of his store of knowledge and the counsel we otherwise would have had. The committee adjourned this morning out of respect to his memory. Congressman SOMERS was a kindly soul and was respected by all who knew him. He was generous almost to a fault and many were made happier because of the warmth of his friendship. I sincerely regret his passing.

To Mrs. Somers, and his family, I extend my heartfelt sympathy.

Mr. CELLER. Mr. Speaker, I yield to the gentleman from Florida [Mr. PETERSON].

Mr. PETERSON. Mr. Speaker, I join with my other colleagues in paying tribute to a man I loved dearly, a man with whom it was my privilege to serve on two committees, to be closely associated with him. One of the attributes of ANDY SOMERS was his ability to beget loyalty and friendship. Those who served with him felt privileged to associate with him because of his kindness, his generosity, and the interest he took in humanity.

There is not much that can be adequately said at a time like this; words but inadequately express what we try to say. In my own humble way, though, I wish to express the appreciation of the Nation for a great American and a great Member of this House of Representatives, and for a kindly and able chairman who, throughout the years, was kind to me and helped me in my problems. He has a long, distinguished record of able service and successful public career.

I extend my sympathy to each and every member of his family, and to his friends and to the friends of those who knew him. Everyone who knew ANDY SOMERS felt that he was his friend.

Mr. CELLER. Mr. Speaker, I yield to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, another Representative from New York, who has given of himself more than a quarter of a century to service in this House, is gone.

I knew ANDY SOMERS ever since he came here. At one time he and I lived in adjoining apartments in an apartment house, and at another time we had adjoining offices. I came to know him quite well. He was a fine citizen, loyal and devoted, and always considerate of the feelings of others. It is too bad that we have to lose men of his caliber.

Mr. CELLER. Mr. Speaker, I yield to the gentlewoman from Utah [Mrs. BOSONE].

Mrs. BOSONE. Mr. Speaker, a shadow has been cast upon the House today. It is darkest on the Public Lands Committee, for Congressman ANDREW SOMERS was our distinguished chairman.

I would be ungrateful if I did not express what is in my heart today to my colleagues.

This is my first term as a Congressman; every courtesy and consideration that has been shown me I have deeply appreciated.

I asked for the Public Lands Committee assignment. I knew this was a committee dealing with tremendous engineering projects—dams, waterworks, and among other projects—power.

Chairman SOMERS came to my office—mind you, I was a freshman Congressman—came to my office on three occasions. I thought this was indeed a gracious and generous gesture, and I find with his friends of long standing that this gesture was typical of the man. Congressman SOMERS told me that he was very glad I was on his committee and said he would do everything to make my association on the committee very pleasant. He meant what he said, for he executed his words. Realizing that the Public Lands Committee is traditionally a committee dealing with projects in which men are generally interested, our chairman nevertheless assured me that he felt it was also a committee on which a woman could render service.

I feel I owe a debt of gratitude to Congressman ANDREW SOMERS of the State of New York. He was my friend. I feel

the heaviness of part of that dark cloud today.

Mr. CELLER. Mr. Speaker, I yield to the Delegate from Alaska [Mr. BARTLETT].

Mr. BARTLETT. Mr. Speaker, the sad news this morning of the passing of ANDREW SOMERS came with almost the force of a blow. In his death the people of Brooklyn, the people of New York, and the people of the Nation have lost a good and faithful publice servant.

ANDREW SOMERS was a kind man; he was a considerate man; he was an able man. He had time for the little matters of little people as well as for the larger affairs of state.

To Mrs. Somers and their five children, on behalf of all the people of Alaska, I express our deepest sympathy.

Mr. CELLER. Mr. Speaker, I yield to the gentleman from New Jersey [Mr. CANFIELD].

Mr. CANFIELD. Mr. Speaker, a mighty tree has fallen in Brooklyn.

I am a New Jerseyite. ANDREW SOMERS was a New Yorker. We had been commuting together, New York to Washington and return, for the last 26 years, the last 10 of which have certainly been turbulent. He had fought and fought bravely the many battles of life and I was inspired and aided both as a congressional secretary and afterwards as a Member by his friendly advice and the story of his own experiences. Yes, there have been times in recent months when it was hard for him to smile but he did smile and to the very last he sought to add to the sum of human happiness, detract from the sum of human misery.

A visitor to Anton Lang's pottery shop expressed regret that he had retired from playing the Christus. Said the old potter, "I still feel I'm playing God if I shape things well."

It may be said here today that ANDY SOMERS shaped things well.

My heart goes out to his loved ones, my sympathy is extended to the thousands of his constituency he was so glad to serve.

Mr. CELLER. Mr. Speaker, I yield to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Speaker, the news of the death today of ANDREW SOMERS, chairman of the Public Lands Committee, struck me a hard blow, as it did all of you. I remember him well and his many kindnesses through the years. When I first came here he seemed so appreciative of any act of kindness or helpfulness one did for him. Perhaps that is why he did so many things for us. That spirit of helpfulness works both ways.

I recall an incident 10 years ago when an important bill was before this body. I threw my little influence in favor of the bill and thought I was simply doing my duty, but much to my surprise and pleasure shortly after its passage I had a long, courteous letter from ANDREW SOMERS praising me for the small part I had played and thanking me for that help rendered him in charge of the legislation.

When he became chairman of the Public Lands Committee in the Eighty-first Congress, I went to him and I said, "Mr. Chairman, there is much to be done all through the West. I want to work with you."

But he anticipated my thought, and he said, "I want you to do the work that I would like to do. I see great possibilities in western development and I want to give it my best efforts. I may not be able to attend many committee hearings, but my heart is going to be with you."

I was delighted—I will not say I was surprised—to note the breadth of his vision. What noble thoughts he expressed. What great desires he had in the development of this great country of ours.

The Committee on Public Lands has lost a great chairman. This body has lost a most valuable Member from our council. My sympathy goes to his loved ones. May his soul rest in peace.

Mr. CELLER. Mr. Chairman, I yield to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, I suppose it is only natural when we learn of the passing of a close friend or associate, that we immediately begin to reflect upon his life and his character. That is what happened to me this morning when I first learned of the passing of our friend and our colleague, ANDREW SOMERS. As I reflected upon my associations with him, his service here among us, and upon my personal contacts with him, certain things ran through my mind as to his life and character. May I say that the things that have been said of him here today by those of us who have served with him echo the feelings that arose in my heart as I reflected upon his passing.

To sum it up, it has been said that he was able, courageous, learned, strong in conviction and principle, but with it all he was humble, friendly, kindly and solicitous for the welfare of all who served with him. May I only say in conclusion that I hope so to live and so to serve in this great legislative body with you, my colleagues, that eventually the same fine things can be said of me that have been said here today of ANDREW SOMERS. May God bless his memory.

Mr. CELLER. Mr. Speaker, I yield to the gentleman from Missouri [Mr. SHORT].

Mr. SHORT. Mr. Speaker, no greater tribute could be paid to any person than to be elected to the Congress of the United States for 13 consecutive terms. In a quarter of a century the people back home whom we represent get to know us pretty well. ANDREW SOMERS was courteous, kind, and always helpful. His modesty was matched only by his generosity. He was quiet and unassuming; in fact, I was here two or three terms before I became well acquainted with him. He did not force himself upon people. He had good taste. His quietness or shyness was not a sign of weakness, but rather of strength. His tongue remained silent long enough for his brain to function. He thought more than he spoke. A good example which we would do well to emulate.

I know that during the past few years he had experienced great physical pain, but he carried his cross without whimpering. He bore his burden without complaining. At long last, as was so beautifully and forcibly expressed by the distinguished chairman of the Committee on the Judiciary, his colleague the senior Member from the State of New York [Mr. CELLER], "the good Lord saw fit to end his woe by granting him the favor of death."

Let me live out my years in heat of blood!
Let me die drunken with the dreamer's wine!
Let me not see this soul-house built of mud
Go toppling to the dust—a vacant shrine!
Let me go quickly like a candlelight
Snuffed out just at the heyday of its glow.
Give me high noon—and let it then be night!
Thus would I go;
And grant me, when I face the grisly Thing,
One haughty cry to pierce the gray Perhaps!
O let me be a tune-swept fiddlestring
That feels the Master Melody—and snaps!

ANDY SOMERS snapped like a tune-swept fiddlestring. He died in the harness.

Strange as it may seem, ANDY SOMERS, who represented a city district in Brooklyn, N. Y., was chairman of the Public Lands Committee. There are no wheat fields or much livestock to be found in Brooklyn, but this man was so broad-minded and generous-hearted that he was interested in all the problems of the American people—in even the remotest spot of America. More of us should have the broad, national point of view of ANDREW SOMERS. He knew that the success of one section of our country depended pretty much upon the success of every other part. Management, labor, industry, agriculture, and business are all wrapped up in one package and the economic health of our country rests upon not one isolated spot or segregated section, but upon the economic health of the whole.

I am the resurrection and the life; he that believeth in me, though he were dead, yet shall he live.
And whosoever liveth, and believeth in me, shall never die.

ANDY SOMERS, who had a sublime and unshakable faith, still is. He is not dead. He lives. "Oh death, where is thy sting? Oh grave, where is thy victory?" He has gone to his just reward. His "soul-house built of mud" has not gone "toppling to the dust a vacant shrine."

Thou wilt not leave us in the dust.
Thou madest man, he knows not why.
He thinks he was not made to die,
And Thou hast made him; Thou art just.

Mr. CELLER. Mr. Speaker, I yield to the gentleman from Michigan [Mr. RABAUT].

Mr. RABAUT. Mr. Speaker, when we gather in the House on an occasion such as this and hear the words of eulogy concerning a fallen companion, gone, gone to meet his Maker, we are reminded of those words that apply to each of us:

What doth it profit a man if he gain the whole world and suffer the loss of his eternal soul?

ANDY SOMERS so lived that he seemed to preach quietly that doctrine in this House every day. He set a splendid example for each of us, for just as truly as

he passed on this day the same fate shall be ours.

I am reminded and take courage in the eternal words:

No eye has seen, nor ear heard
Nor has it entered into the heart of man
The things that God has prepared for those
That love Him.

And again we are reminded in the words of the song, One Sweetly Solemn Thought:

Father, take care when my feet
Are slipping o'er the brink
For it may be I am nearer home,
Nearer now than I think.

Mr. CELLER. Mr. Speaker, I ask unanimous consent that at this point in the RECORD all Members may have permission to extend their remarks in memory of our departed colleague.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RAYBURN. Mr. Speaker, in the passing of ANDREW SOMERS this House has lost a diligent, an intelligent, and a patriotic Member. He was a good soul. To his dear wife and children I extend my deepest sympathy, and trust that in the years to come they may carry on as ANDY, who so dearly loved them, would have them carry on.

Mr. LEFEVRE. Mr. Speaker, it was with deep regret that we Members of the House Committee on Public Lands learned this morning of the death of our chairman, the Honorable ANDREW L. SOMERS.

Mr. SOMERS was serving his thirteenth consecutive term here in the House of Representatives, and this fact alone is a great tribute to any man. Surely the people of the Tenth Congressional District of New York State have recognized his untiring efforts toward their interests and for the benefit of his country.

The members of the House Committee on Public Lands had known that Mr. SOMERS had been in poor health, and for this reason those of us who have been serving on the committee only a short time regret that we did not have the opportunity to know him better.

I understand that his widow and five children survive. My sincere sympathy is extended to them in their hour of bereavement.

Mr. MORRIS. Mr. Speaker, it has not been my privilege to have had a long acquaintance with our colleague, ANDREW L. SOMERS, who this date, passed away. He was chairman of the Public Lands Committee, as, of course, you know and it had been my privilege to serve on that committee under his leadership. I have been on the committee only a little while and, of course, this is only the beginning of my second term in Congress and I just have not had the time nor the opportunity to know him as intimately as a great many of you did. However, I did have a sufficient acquaintance with him to know that what so many of you have said in eulogy of him, is true.

He was indeed a kindly person; there is no doubt in my mind but what he truly and sincerely loved his fellow man. In addition to being a kindly person he was very cooperative by nature. He was always anxious, as I observed, to help others and to help straighten out entanglements of all kinds. He seemed to be willing to make great sacrifices along this line. That is to say, he seemed to be content not just to do what ordinarily would be done in furtherance of cooperation and smooth functioning on the committee, of which he was the head, but he seemed to be perfectly willing to work overtime at the job. It was a marvel to me to realize that he was enduring intense pain so much of the time and yet, was carrying on so heroically with such heavy duties. In addition to his being a kindly man and a cooperative person, he was also intensely loyal to his community, his State, and his Nation, at all times, as well as also intensely loyal to his friendships. These qualities, I know that you observed and know existed in his personality even more than I, because of your long friendship and acquaintance with him, but I just wanted you to know that as somewhat of a newcomer here, I observed these qualites, also. In other words, these virtues that we have all mentioned, were constant. You observed them beginning years ago and I observed them up to the present time. So I would say that these virtues were such a part of his personality that they could not be construed to be assumed but were inherent in his very nature.

May God rest his soul and bless his loved ones who are left to mourn his passing.

Mr. POULSON. Mr. Speaker, it was indeed a shock to us members of the Public Lands Committee to hear of the death of our esteemed chairman, ANDREW L. SOMERS, of New York.

ANDY, as he was known to all of us, had all of the attributes of a real gentleman and a leader. While it is true that we can repeat many incidents to exemplify that statement, I will refer to a statement that he made to me at the start of the session. He stated: "While I am a resident of the great city of New York, I am just as interested in helping the forgotten Indian of the great Southwest as much as I am in helping the underprivileged in New York City." We shall miss ANDY.

Mr. REED of Illinois. Mr. Speaker, eloquent tributes have this day been paid to the life, character, and public service of our late friend and colleague, ANDY SOMERS. There is little that one can add. Words cannot bring him back. They probably accomplish little to assuage the sorrow of those of his immediate family who most deeply mourn his passing. In the days that are to come, however, they will convey not sympathy alone, but also comfort and satisfaction. One cannot serve for a quarter of a century in a body such as this, without exposing his inner self to those with whom he is so intimately associated. My colleagues who have today so sincerely expressed their admiration of this man and their grief at his passing, reflected the sentiment of the entire membership of this House. Although I concur in all of the fine tributes that have been accorded, I will not reiterate them.

It was my privilege, when I first became a Member of Congress, to serve on the Committee on Coinage, Weights, and Measures of which he was the chairman. We became good friends and that friendship increased day by day. We were both delegates to the Bretton Woods Monetary Conference. We were, at one time, both patients at the same hospital. ANDY SOMERS has suffered for many months. Like a Spartan, he suffered in silence, and few realized his real condition. It was not a part of his character to share his pains or troubles with others. Courteous, accommodating, generous, and cooperative, we shall miss him in this forum. A loyal, patriotic gentleman has left us forever.

Mr. PLUMLEY. Mr. Speaker, so ANDREW SOMERS is dead, they say. To me that means a shot in the heart, for that is where the news of his death vitally affects me.

When I came to Congress ANDREW SOMERS was one of the first men, as a Democrat, to come to my office, a Republican, to welcome me to Congress.

In his district we had mutual friends who asked him to welcome me, which he did.

The intimate friendship growing out of that welcome covered the years of very close association enjoyed by both of us until today.

Despite the divergent partisan-political road of his and mine, over which we traveled, often diametrically opposed, the personal friendship, out of respect for each other's opinions, developed and grew, only to be ended by his death.

I shall miss him, as one of my best friends over the years.

The death change comes,
Death is another life. We bow our heads
At going out, we think, and enter straight
Another golden chamber of the king's,
Larger than this we leave, and lovelier.
And then in shadowy glimpses disconnect,
The story, flowerlike, closes thus its leaves.
The will of God is all in all.

God rest the soul of my very good friend, ANDREW SOMERS. He was a noble man.

Mr. CELLER. Mr. Speaker, I offer a resolution (H. Res. 181).

The Clerk read the resolution, as follows:

Resolved, That the House has heard with profound sorrow of the death of Hon. ANDREW L. SOMERS, a Representative from the State of New York.

Resolved, That a committee of 12 Members of the House with such Members of the Senate as may be joined be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provision of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolution was agreed to.

The SPEAKER. The Chair appoints as members of the funeral committee, on

the part of the House: Messrs. CELLER, JOSEPH L. PFEIFER, KEOGH, O'TOOLE, LYNCH, HEFFERNAN, ROONEY, MULTER, DELANEY, HELLER, COUDERT, and JAVITS.

The Clerk will report the remainder of the resolution.

The Clerk read as follows:

Resolved, That as a further mark of respect the House do now adjourn.

The resolution was agreed to.

ADJOURNMENT

Accordingly (at 12 o'clock and 53 minutes p. m.) the House, under its previous order, adjourned until tomorrow, Thursday, April 7, 1949, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

501. A letter from the Secretary of Defense, transmitting a letter by the Acting Secretary of the Navy, recommending the enactment of a proposed draft of legislation to authorize advances in pay to personnel of the Army, Navy, Air Force, and Marine Corps upon permanent change of station, and for other purposes; to the Committee on Armed Services.

502. A letter from the Under Secretary of State, transmitting a draft of a bill for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of war conditions; to the Committee on Foreign Affairs.

503. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation for the relief of Herbert L. Hunter; to the Committee on the Judiciary.

504. A letter from the Chairman, Atomic Energy Commission, transmitting a report of claims paid by the United States Atomic Energy Commission during the period January 1 to December 31, 1948, pursuant to the Federal Tort Claims Act; to the Committee on the Judiciary.

505. A letter from the Attorney General, transmitting copies of orders of the Commissioner of the Immigration and Naturalization Service suspending deportation, as well as a list of the persons involved; to the Committee on the Judiciary.

506. A letter from the Chairman, United States Tariff Commission, transmitting the Commission's report, Effects of the Trade Agreements Program on United States Trade, which is part V of the First Annual Report of the Tariff Commission on the Operation of the Trade Agreements Program, June 1934 to April 1948; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KERR: Committee on Appropriations. H. R. 4046. A bill making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes; without amendment (Rept. No. 401). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H. R. 2440. A bill to authorize the Public Housing Commissioner to sell the suburban resettlement projects known as Greenbelt, Md.; Greendale, Wis.; and Greenhills, Ohio, without regard to provisions of law requiring competitive bidding or public advertising; with amendments (Rept. No. 402). Referred to the Committee of the Whole House on the State of the Union.

Mr. McSWEENEY: Committee on Rules. H. Res. 182. Resolution waiving certain points of order on H. R. 4046, a bill making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes; without amendment (Rept. No. 403). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CAMP:

H. R. 4047. A bill to amend section 23 (q) of the Internal Revenue Code, relating to charitable contributions by corporations; to the Committee on Ways and Means.

By Mr. CLEMENTE:

H. R. 4048. A bill to amend section 605 of the Communications Act of 1934 to prohibit the interception of communications and the possession of intercepting devices, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 4049. A bill to reduce the number of quarters of coverage required in order to become a fully insured individual under the Federal old-age and survivors insurance system, to provide for lump-sum payments to estates of individuals who are not insured under such system at the time of death, and for other purposes; to the Committee on Ways and Means.

By Mr. KILDAY:

H. R. 4050. A bill to authorize advances in pay to personnel of the Army, Navy, Air Force, and Marine Corps upon permanent change of station, and for other purposes; to the Committee on Armed Services.

By Mr. LANE:

H. R. 4051. A bill to extend the time limit within which certain suits in admiralty may be brought against the United States; to the Committee on the Judiciary.

By Mr. MORRISON:

H. R. 4052. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide for retirement on full annuity at age 55 after 30 years' service, and for payment of annuities to widows of retired employees without reduction in the annuities of such employees; to the Committee on Post Office and Civil Service.

H. R. 4053. A bill to establish uniform procedures for computing compensation and to reclassify the salaries of postmasters, officers, and employees of the postal field service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. NORBLAD:

H. R. 4054. A bill to exempt admissions to religious, educational, and charitable entertainments and to certain concerts from the tax on admissions; to the Committee on Ways and Means.

By Mr. O'HARA of Minnesota:

H. R. 4055. A bill to correct inequities by providing additional service credit for promotion purposes to certain Army and Air Force officers; to the Committee on Armed Services.

By Mr. RIVERS:

H. R. 4056. A bill to amend the National Security Act of 1947 to provide for an Under Secretary of Defense for Reserve Affairs; to the Committee on Armed Services.

By Mr. STEED:

H. R. 4057. A bill to prohibit utilization of the facilities of interstate or foreign commerce in connection with the desertion or abandonment of dependent children, and for other purposes; to the Committee on Ways and Means.

By Mr. SUTTON:

H. R. 4058. A bill to amend the Soil Conservation and Domestic Allotment Act to provide for the election of State committees by county committeemen; to the Committee on Agriculture.

By Mr. WADSWORTH:

H. R. 4059. A bill to clarify exemption from taxation of certain property of the National Society of the Sons of the American Revolution; to the Committee on the District of Columbia.

By Mr. GAVIN:

H. R. 4060. A bill to provide for a preliminary examination and survey of Allegheny River and tributaries, Pennsylvania and New York, and Genesee River and tributaries, New York and Pennsylvania; to the Committee on Public Works.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Kentucky, memorializing the President and the Congress of the United States to extend the expiration date of the Servicemen's Readjustment Act of 1944 insofar as it applies to unemployment readjustment allowances; to the Committee on Veterans' Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. JONAS:

H. R. 4061. A bill for the relief of Rudolf Meinhard and Irene Hallinger; to the Committee on the Judiciary.

H. R. 4062. A bill for the relief of Michael Pfeifer; to the Committee on the Judiciary.

By Mr. MARTIN of Massachusetts:

H. R. 4063. A bill for the relief of Jose Augusto Pereira; to the Committee on the Judiciary.

By Mr. WALTER (by request):

H. R. 4064. A bill conferring jurisdiction upon the Court of Claims of the United States to render judgment on certain claims of George A. Carden and Anderson T. Herd against the United States; to the Committee on the Judiciary.

By Mr. WILLIS:

H. R. 4065. A bill to provide for the relinquishment of mineral reservations in the land patent of Thomas Stephens; to the Committee on Public Lands.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

503. By the SPEAKER: Petition of R. G. Garcia and others, Tampa, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

504. Also, petition of T. G. Kinney and others, Orlando, Fla., requesting passage of H. R. 2135, and 2136, known as the Townsend plan; to the Committee on Ways and Means.

505. Also, petition of R. H. Cox and others, Fort Meade, Fla., requesting passage of H. R. 2135, and 2136, known as the Townsend plan; to the Committee on Ways and Means.

506. Also, petition of N. F. Rosen and others, Miami, Fla., requesting passage of H. R. 2135, and 2136, known as the Townsend plan; to the Committee on Ways and Means.

SENATE

THURSDAY, APRIL 7, 1949

(Legislative day of Friday, March 18, 1949)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou eternal God, we pray that the chosen representatives of our beloved country may meet the duties and responsibilities of their high vocation with loyal and steadfast devotion.

May they daily dedicate themselves humbly and heroically to the glorious task of building a social order in which the spirit of the Prince of Peace shall prevail.

Grant that they may accept the challenge of every noble adventure and lofty endeavor with a resolute faith in the guiding and sustaining presence of Thy spirit.

May they be inspired with the courageous mind which welcomes new revelations of knowledge and truth and the warm heart which is sensitive and responsive to the needs of struggling humanity.

To Thy name we ascribe the praise. Amen.

THE JOURNAL

On request of Mr. MYERS, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, April 6, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on April 7, 1949, the President had approved and signed the act (S. 790) to grant the consent of the United States to the Upper Colorado River Basin Compact.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 26. An act for the relief of Jose Babace;

S. 27. An act for the relief of certain Basque aliens;

S. 208. An act for the relief of Ella L. Browning;

S. 278. An act to prevent retroactive checkage of payments erroneously made to certain retired officers of the Naval Reserve, and for other purposes;

S. 629. An act to authorize the disposition of certain lost, abandoned, or unclaimed personal property coming into the possession of the Treasury Department, the Department of the Army, the Department of the Navy, or the Department of the Air Force, and for other purposes; and

S. 748. An act for the relief of Charles L. Bishop.

TRANSACTION OF ROUTINE BUSINESS—CALL OF THE ROLL

Mr. MYERS. Mr. President, I ask unanimous consent that Members of the Senate be permitted, without debate, to present routine matters, including insertions in the RECORD, as though we were in the morning hour, without jeopardizing the parliamentary situation.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. WHERRY. Mr. President, reserving the right to object, I suggest to the able acting majority leader that we have a quorum call.

Mr. MYERS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Brewster	Hoey	Morse
Butler	Humphrey	Mundt
Cain	Ives	Myers
Connally	Jenner	Neely
Donnell	Johnson, Colo.	O'Conor
Downey	Kefauver	Reed
Eastland	Kerr	Robertson
Ecton	Kilgore	Schoeppel
Ellender	Langer	Smith, Maine
Ferguson	McCarthy	Stennis
Flanders	McClellan	Taylor
Frear	McFarland	Thomas, Utah
Fulbright	McGrath	Vandenberg
George	McKellar	Watkins
Green	McMahon	Wherry
Gurney	Malone	Wiley
Hayden	Maybank	Williams
Hendrickson	Miller	Withers
Hill	Millikin	

Mr. MYERS. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Virginia [Mr. BYRD], the Senator from Kentucky [Mr. CHAPMAN], the Senator from Illinois [Mr. DOUGLAS], the Senators from Florida [Mr. HOLLAND and Mr. PEPPER], the Senators from Wyoming [Mr. HUNT and Mr. O'MAHONEY], the Senator from Texas [Mr. JOHNSON], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Nevada [Mr. MCCARRAN], the Senator from Montana [Mr. MURRAY], the Senator from Georgia [Mr. RUSSELL], the Senator from Alabama [Mr. SPARKMAN], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Maryland [Mr. TYDINGS] are detained on official business in meetings of committees of the Senate.

The Senator from New Mexico [Mr. CHAVEZ] and the Senator from Illinois [Mr. LUCAS] are absent on official business.

The Senator from Iowa [Mr. GILLETTE] and the Senator from South Carolina [Mr. JOHNSTON] are absent on public business.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

The Senator from New York [Mr. WAGNER] is necessarily absent.

Mr. WHERRY. I announce that the Senator from Connecticut [Mr. BALDWIN] and the Senator from Pennsylvania [Mr. MARTIN] are absent by leave of the Senate.

The Senator from New Jersey [Mr. SMITH] is absent because of illness.

The Senator from Vermont [Mr. AIKEN], the junior Senator from Ohio [Mr. BRICKER], the senior Senator from New Hampshire [Mr. BRIDGES], the Senator from Indiana [Mr. CAPEHART], the Senator from Oregon [Mr. CORDON], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Missouri [Mr. KEM], the Senator from California [Mr. KNOWLAND], the junior Senator from Massachusetts [Mr. LODGE], the senior Senator from Massachusetts [Mr. SALTONSTALL], the senior Senator from Ohio [Mr. TAFT], the Senator from Minnesota [Mr. THYE], the junior Senator from New Hampshire [Mr. TOBEY], and the Senator from North Dakota [Mr. YOUNG] are detained on official committee business.

The VICE PRESIDENT. A quorum is present.

ATTENDANCE OF SENATORS AT COMMITTEE MEETINGS

Mr. THOMAS of Oklahoma subsequently said: Mr. President, at the roll call this morning certain Senators were absent by reason of the fact that they were in attendance on a joint session of the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry in the House Office Building. The Senators who are members of the Senate Committee on Agriculture and Forestry, and who attended the joint session, are the Senator from New Mexico [Mr. ANDERSON], the Senator from North Carolina [Mr. HOEY], the Senator from Minnesota [Mr. THYE], the Senator from Florida [Mr. HOLLAND], the Senator from Missouri [Mr. KEM], the Senator from Vermont [Mr. AIKEN], the Senator from North Dakota [Mr. YOUNG], the Senator from Iowa [Mr. HICKENLOOPER], and myself, as chairman.

I ask unanimous consent that the official reporters be permitted to insert my statement immediately following the roll call which was had this morning.

Mr. DONNELL. Mr. President, reserving the right to object, I desire to ask the Senator from Oklahoma if the request which he has made either expressly or by any implication includes a request that the names of the Senators mentioned by him shall be included as being on the roll call this morning.

Mr. THOMAS of Oklahoma. I tried to make it perfectly plain. I asked that, immediately following the roll call, the official reporters be authorized to insert in the RECORD a statement showing the reason why the Senators were absent was that they were in attendance at a joint session of the Agriculture Committees of the two Houses. My statement had no reference to the roll call itself.

Mr. DONNELL. Reserving the right to object, am I correct, then, in understanding that the Senator is not asking that the names of those Senators be included in the roll of those who were present this morning

Mr. THOMAS of Oklahoma. The Senator is entirely correct.

The PRESIDING OFFICER (Mr. HOEY in the chair). Without objection, the statement will be printed in the RECORD as requested.

Mr. TYDINGS subsequently said: Mr. President, I have two matters which will take only half a minute. First, I should

like the RECORD to show, immediately following the quorum call this morning, but not as a part of the quorum call, that the Senator from Maryland [Mr. TYDINGS], the Senator from Virginia [Mr. BYRD], the Senator from Kentucky [Mr. CHAPMAN], the Senator from Texas [Mr. JOHNSON], the Senator from Wyoming [Mr. HUNT], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from California [Mr. KNOWLAND] were in a meeting of the Armed Services Committee of the Senate and were there from 10 o'clock this morning until 12:30 o'clock this afternoon, at which meeting there appeared the Secretary for Air, Mr. Symington, the three Chiefs of Staff—Denfeld, Bradley, and Vandenberg—and General Gates, of the Marine Corps.

The reason why we did not leave the meeting was that we felt that these were all busy men, and we did not want to take the time to come over and answer to the roll call and return, thus delaying them and keeping them away from their desks.

I should like to have this explanation appear, not as a part of the quorum call, but immediately following, so that our absence from the roll call will be properly noted in the Journal and the RECORD.

Mr. DONNELL. Mr. President, reserving the right to object, I assume that not only does the Senator mean that the explanation is not to be included as a part of the roll call, but that he is not asking that the names of these Senators be included in the roll of those who were present in the Senate this morning?

Mr. TYDINGS. The names of the Senators I have named will not be included in the roll call, and obviously the explanation could not be included in the roll call, but the explanation is to come immediately after it, so that when the absentees are noted, those who read the RECORD may know what detained them, as they were on more important business for the moment than if they had come over to the Senate Chamber and answered a mere roll call at the morning session.

Mr. DONNELL. Mr. President, reserving the right to object, in order that the RECORD may be absolutely clear, even to my mind, I ask the Senator if I am correct in my understanding that he is not, either expressly or impliedly, requesting that the names of these Senators be included in the roll of those who were present this morning at the roll call.

Mr. TYDINGS. Without using the exact words, the Senator from Maryland, in answer to the interrogatory of the Senator from Missouri, would say that in no manner, shape, or form, directly or indirectly, high or low, broad or narrow, large or small, is it conceived that the request of the Senator from Maryland in any way includes the insertion of the names of the eminent Senators he has referred to in the quorum call held earlier on this floor in this Chamber today.

Mr. DONNELL. Mr. President, reserving the right to object, by the use of the word "eminent" the Senator is including all the Senators on the list. Is that correct?

Mr. TYDINGS. With the exception of the chairman.

Mr. DONNELL. He is not asking that he himself be included in the roll call?

Mr. TYDINGS. That is correct.

Mr. DONNELL. I have no objection.

The PRESIDING OFFICER. Without objection, the statement will be printed in the RECORD, as requested.

TRANSACTION OF ROUTINE BUSINESS

The VICE PRESIDENT. By unanimous consent, the Chair will recognize Senators for routine matters, without debate, and without interfering with the parliamentary situation.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

HERBERT L. HUNTER

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation for the relief of Herbert L. Hunter (with an accompanying paper); to the Committee on the Judiciary.

DONATIONS BY NAVY DEPARTMENT TO NONPROFIT INSTITUTIONS AND ORGANIZATIONS

A letter from the Secretary of the Navy, reporting, pursuant to law, a list of institutions and organizations, all nonprofit and eligible, which have requested donations from the Navy Department; to the Committee on Armed Services.

SUSPENSION OF DEPORTATION OF ALIENS

A letter from the Attorney General, transmitting, pursuant to law, copies of orders of the Commissioner of the Immigration and Naturalization Service, suspending deportation as well as a list of the persons involved, together with a complete and detailed statement of the facts and pertinent provisions of law as to each alien and the reason for ordering suspension of deportation (with accompanying papers); to the Committee on the Judiciary.

REPORT OF BOARD OF TRUSTEES OF FEDERAL OLD-AGE AND SURVIVORS INSURANCE FUND (S. DOC. NO. 41)

A letter from the Secretary of the Treasury, the Secretary of Labor, and the Federal Security Administrator, members of the Board of Trustees of the Federal Old-Age and Survivors Insurance Trust Fund, transmitting, pursuant to law, the ninth annual report of that Board, for the fiscal year ended June 30, 1948 (with an accompanying report); to the Committee on Finance and ordered to be printed with illustrations.

REPORT ON TORT CLAIMS PAID BY UNITED STATES ATOMIC ENERGY COMMISSION

A letter from the Chairman of the United States Atomic Energy Commission, transmitting, pursuant to law, a report of claims paid by that Commission during the calendar year 1948, under the Federal Tort Claims Act (with an accompanying report); to the Committee on the Judiciary.

COMPACT BETWEEN STATES OF WYOMING AND SOUTH DAKOTA

A letter from the representative of the United States, Cheyenne River Compact Commission, Department of the Interior, transmitting a copy of a compact entered into between the States of Wyoming and South Dakota to provide for the most efficient use of the waters of the Cheyenne River Basin for multiple purposes, together with a copy of his report and recommendation (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT OF BOARD OF ACTUARIES OF CIVIL SERVICE RETIREMENT AND DISABILITY FUND

A letter from the President of the United States Civil Service Commission, transmitting, pursuant to law, the twenty-seventh annual report of the Board of Actuaries of the Civil Service Retirement and Disability Fund, for the fiscal year ended June 30, 1947 (with an accompanying report); to the Committee on Post Office and Civil Service.

EFFECTS OF TRADE AGREEMENTS PROGRAM ON UNITED STATES TRADE

A letter from the Chairman of the United States Tariff Commission, transmitting, pursuant to Executive Order 10004, a report entitled "Effects of the Trade Agreements Program on United States Trade," being part V of the first annual report of the Tariff Commission on the Operation of the Trade Agreements Program, June 1934 to April 1948 (with an accompanying report); to the Committee on Finance.

W. P. BARTEL

A letter from the Chairman of the Interstate Commerce Commission, transmitting a statement of facts covering an exception taken by the Comptroller General of the United States to the payment of a claim, together with a draft of proposed legislation for the relief of W. P. Bartel, certifying officer (with accompanying papers); to the Committee on Expenditures in the Executive Departments.

EDUCATION OF CERTAIN CHILDREN

A letter from the Acting Administrator of the Federal Security Agency, transmitting a draft of proposed legislation to provide for the education of children residing on certain nonsupporting federally owned property, and children residing in localities overburdened with increased school enrollments resulting from Federal activities in the area, and for other purposes (with an accompanying paper); to the Committee on Labor and Public Welfare.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the VICE PRESIDENT:

A concurrent resolution of the General Assembly of the Commonwealth of Kentucky; to the Committee on Agriculture and Forestry:

"Senate Resolution 14

"Concurrent resolution protesting and remonstrating against certain provisions contained in a bill introduced in the Senate of the United States under date of February 25, 1949, by Senator THOMAS of Oklahoma, entitled 'A bill to foster the cooperative agriculture education work of the extension services; to free the extension services from the performance of nongovernmental functions and political activity; and to promote economy in the expenditure of public funds for the conduct of cooperative agricultural extension work; and for other purposes'

"Whereas it is necessary and essential that the Agricultural Extension Service be permitted to work with and to assist organizations of farmers, cooperative corporations and associations in order to accomplish the object and purposes of the agricultural extension program; and

"Whereas in the carrying on of the agricultural extension program in Kentucky no funds or other assistance have been accepted from farmers' organizations or other private interests in Kentucky with any conditions attached which would in any way impair or compromise extension agents in the conduct of their work as public servants; and

"Whereas no relationships or activities not proper to the performance of their duties as

public servants have been established or performed by cooperative extension agents in Kentucky; and

"Whereas the bill introduced by Senator THOMAS carries implications of improper activities which in fact have not occurred in Kentucky; and

"Whereas certain of the provisions of the bill introduced by Senator THOMAS would curtail and hamper many of the legitimate and proper functions of the Agricultural Extension Service as conducted in Kentucky; and

"Whereas the effectiveness and usefulness of the Agricultural Extension Service would be seriously impaired and the agricultural economy of Kentucky would be jeopardized if the bill proposed by Senator THOMAS should become law; Now, therefore, be it

"Resolved by the Senate of the Commonwealth of Kentucky (the House of Representatives concurring therein):

"That the bill identified and described in the title of this resolution be and it hereby is condemned and denounced as an unwarranted and unacceptable obstruction of and interference with the proper and advantageous operation of the agricultural extension program.

"That the Senators and Representatives in Congress from Kentucky be and they hereby are requested and urged to oppose by all means at their command the passage of said bill.

"That the chief clerk of the Senate of the Commonwealth of Kentucky be and he hereby is directed to forward copies of this resolution, forthwith, to the President of the United States, the Vice-President of the United States, the Secretary of Agriculture of the United States, the United States Senators from Kentucky, and the Representatives in Congress from Kentucky.

"LAWRENCE W. WETHERBY,
"President of the Senate.
"T. HERBERT TINSLEY,
"Speaker, House of Representatives.
"EARLE C. CLEMENTS,
"Governor."

A concurrent resolution of the General Assembly of the Commonwealth of Kentucky; to the Committee on Foreign Relations:

"Senate Resolution 20

"Concurrent resolution condemning the trial and conviction of George R. Jones, of Owensboro, Ky., and Clarence R. Hill, of Jackson, Miss., and calling upon the President of the United States and the Secretary of State of the United States of America to use all of the means at their command, including the full power and resources of our National Government and economy, to effect their immediate release

"Whereas shocking news has been received that George R. Jones, of Owensboro, Ky., and Clarence R. Hill, of Jackson, Miss., recruits in the United States Army, were tried in secrecy by the Czechoslovak Government and, without regard for the rights of the accused or without the protection of the normal safeguards provided by free and independent governments for the protection of those accused of law violations, were sentenced to 10 and 12 years, respectively, in prison at hard labor; and

"Whereas the youth of the Commonwealth of Kentucky and from every other State of the Union had given their lives and of their safety, security, and fortunes in order to establish orderly procedure and due process of law all over the world, and for which a terribly horrible and shocking war had just been fought; and

"Whereas the safety and welfare of our form of government demands the full and complete protection of the members of our armed forces, wherever they may be or whatever duty they may be given, so that we at home and those other freedom-loving people throughout the world may be able to enjoy the blessings of life, liberty, and the pursuit of happiness: Be it

"Resolved by the Senate of the General Assembly of the Commonwealth of Kentucky (the House of Representatives concurring therein):

"1. That the Commonwealth of Kentucky, as a free and sovereign State, but as a part of the Union of States comprising the United States of America, does hereby condemn as vicious, cruel, inhuman, and unjust the arrest, secret trial, conviction, and sentences of Recruits George R. Jones, of Owensboro, Ky., and Clarence R. Hill, of Jackson, Miss., by the Czechoslovak Government;

"2. That it is necessary in order to insure the welfare and security of our form of government and the maintenance of the armed forces thereof that the security of our citizens, and especially those members of our armed forces, who have been sent abroad be protected and secured at all costs;

"3. That the President of the United States and the Secretary of State of the United States are hereby called upon to use all of the means at their command and at the command of the National Go ernment to effect the immediate and unconditional release of these two members of our armed forces, and to this end, and by this resolution, the Commonwealth of Kentucky pledges its aid, assistance, power, and resources; and

"4. That the clerk of the house of representatives certify sufficient copies of this resolution and that he forward same, via United States registered mail, air-mail special delivery, to the President of the United States, the Secretary of State of the United States, to each Member representing Kentucky in the Congress of the United States, to the family of each of the men affected, and that suitable copies be furnished the press with the request that same be published to the end that all free-thinking and loving people may be informed hereof."

A joint resolution of the Legislature of the State of Oregon; to the Committee on Interior and Insular Affairs:

"Senate Joint Memorial 3

"To the honorable Senate and the House of Representatives of the United States of America, in Congress assembled:

"We, your memorialists, the forty-fifth legislative assembly of the State of Oregon, in regular session, respectfully represent, as follows:

"Whereas since the founding of our Nation, the States have exercised sovereignty over the tidelands, the submerged lands, including the soil under navigable inland waters, and soils under all navigable waters within their territorial jurisdiction, whether inland or not; and

"Whereas under the common law and civil law the States' sovereignty and authority over and title to said lands has been long acknowledged, affirmed and respected by the Federal Government whose only powers were expressly delegated to it by the States at the time of the formation of our Government; and

"Whereas the States did not delegate unto the Federal Government authority or power over or title to said lands but retained same to and for the States; and

"Whereas the recent decision of the United States Supreme Court in the case of United States against California, while not deciding the question of ownership of the tidewater lands of California, casts a cloud on that State's title to said lands and the minerals and other natural resources beneath; and

"Whereas this decision of the Supreme Court recognizes that the matter of ownership of said tidewater lands is still a question for the Congress to decide; and

"Whereas the title to the tidelands and submerged lands of the States is clouded by this decision and the language therein is so broad as to be extendible to the soil under navigable inland waters and soils under the navigable waters within the territorial jurisdiction of the States, and even to the minerals and other natural resources or important elements on or beneath the soil of the States; and

"Whereas this cloud of uncertainty affects minerals, fisheries, and all other natural resources and should be removed by the Congress, thereby acknowledging and reaffirming ownership to the States; and

"Whereas the House of Representatives of the Eightieth Congress passed a bill, reaffirming and acknowledging ownership in the submerged lands and resources of the respective States and quitclaiming all right and title thereto to the respective States reserving only a paramount right to the Government in case of national defense, by a vote of 198 for to 26 against, but the measure died in the Senate by the adjournment of the Eightieth Congress: Now, therefore, be it

"Resolved, by the Senate of the State of Oregon (the House of Representatives jointly concurring therein), That the Eighty-first Congress of the United States be and the same hereby is memorialized to further consider and enact suitable legislation for the purpose of acknowledging and affirming ownership of submerged lands and resources thereof to the respective States in accordance with the heretofore long recognized constitutional rights of the States; be it further

"Resolved, That a copy of this memorial be forwarded to each House of the Congress and to each Member of the House of Representatives from the State of Oregon and to each of the United States Senators from this State, and urge that they individually and collectively give wholehearted support to bring about the enactment of such legislation.

"Adopted by senate March 7, 1949.
"WM. E. WALSH,
"President of Senate.
"Concurred in by house March 28, 1949.
"FRANK J. VAN DYKE,
"Speaker of House."

A joint resolution of the Legislature of the State of New York; to the Committee on the Judiciary:

"Resolution 89

"Whereas there is now pending in the Congress of the United States a joint resolution, bearing number House Joint Resolution 29, which contains the following title, recitals, and resolve:

"'Joint resolution designating the fourth Sunday in September of each year as "Interfaith Day"

"'Whereas the United States of America was founded on the firm basis of freedom of thought and conscience; and

"'Whereas the fomenting of antagonism between Americans on a basis of sectarian creed is contrary to American traditions and to the spirit of the guaranties of freedom of worship embodied in the Constitution of the United States; and

"'Whereas it ought to be, and is hereby declared to be, the policy of Congress to encourage the mutual understanding of all people of good will; and

"'Whereas the program of the interfaith movement offers a practicable means for encouraging such mutual understanding: Therefore be it

"'*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the fourth Sunday in September of each year is hereby designated as "Interfaith Day," and the Pres-

ident of the United States is authorized and requested to issue annually a proclamation calling on the people of the United States to observe such day, and urging the participation of all Americans and all religious groups in the United States, regardless of sect or creed, to participate in the observance of such day by such means as they may deem appropriate'; and

"Whereas the great State of New York, as well as the entire Nation, draws its strength and inspiration from all races and creeds and should by its example set a standard for the entire world: Now, therefore, be it

"Resolved (if the senate concur), That the Congress of the United States be and it is hereby respectfully memorialized to enact with all convenient speed House Joint Resolution 29; and it is further

"Resolved (if the senate concur), That His Excellency, the Governor of the State of New York, shall issue, publish, and declare an appropriate proclamation to the people of the State of New York designating and setting aside annually the fourth Sunday of September to be known as 'Interfaith Day' and inviting the people of the State of New York to observe this day in churches and other suitable places with appropriate ceremonies designed to remind all people that the Fatherhood of God is best exemplified by living in brotherhood with all mankind; and it is further

"Resolved (if the senate concur), That copies of this resolution be transmitted to the Secretary of the Senate of the United States, the Clerk of the House of Representatives of the United States, and to each Member of Congress duly elected from the State of New York.

"By order of the assembly.

"ANSLEY B. BORKOWSKI,
"Clerk.

"In senate, March 30, 1949, concurred in without amendment.

"By order of the senate.

"WILLIAM S. KING,
"Clerk."

A resolution of the Senate of the State of Washington; to the Committee on Finance:

"Whereas certain real property in the heart of the business district in Seattle, familiarly known as the Metropolitan Tract, has for many years been owned by the University of Washington; and

"Whereas said tract has long been held under lease by the Metropolitan Building Company, a private corporation, and occupied by several large office and other buildings; and

"Whereas, said Metropolitan Building Company has paid tremendous amounts to the Federal Government by way of income taxes; and

"Whereas the aforesaid lease will expire by its terms on November 1, 1954; and

"Whereas public controversy has arisen on the question whether such lease should be renewed by the University or not, such controversy stemming from the fact that the operation of the buildings aforesaid by the University, rather than by a private corporation, would obviate the payment of Federal income taxes, and to such extent would result in greater income to the University; and

"Whereas the welfare of the State of Washington in this critical period would be materially advanced by a Federal grant to said University in the amount of the income taxes above mentioned; and

"Whereas such a grant, while tending to abate the public controversy within the State of Washington, would unquestionably conduce to a promotion of the Federal weal by providing additional revenue for higher education: now, therefore, be it

"Resolved, by the Senate of the State of Washington in the thirty-first regular legislative session assembled, That the Congress of the United States be requested by appropriate legislation to provide for a grant to the University of Washington for university purposes in the amount of the Federal income taxes heretofore paid to the National Government by the Metropolitan Building Company, aforesaid, and for the payment to said University for the same purposes of such amounts as may in future be received by the National Government by way of income taxes from said Metropolitan Building Company; and be it further

"Resolved, That copies of this Resolution be immediately transmitted to the Honorable, the President of the United States, the Secretary of the United States Senate, the Clerk of the United States House of Representatives and to each Member of the Washington Congressional delegation."

A resolution of the Senate of the State of Washington; to the Committee on Interior and Insular Affairs:

"Whereas there is deep concern about the intention of the Atomic Energy Commission of the United States to condemn the Wahluke slope, which is situated in Grant and Franklin Counties, in the State of Washington, and constitutes some of the best farm land in the entire Columbia River Basin; and

"Whereas the land sought to be condemned represents about 20 percent of the potential productivity of the entire Columbia River project and has the longest-growing season of any land in the State of Washington; and

"Whereas if this land is taken the State will lose about $30,000,000 annually in new wealth, which will entail a loss of many millions of dollars in taxes badly needed by the State; and

"Whereas the reason given for condemnation of this property is to protect the health of the farmers residing and to reside on this property; and

"Whereas this does not make sense for the reason that under the law and regulations of the Columbia Basin project, there will be only about 2,000 farms on the Wahluke slope to be occupied and used by about 2,000 families, or about 10,000 people, whose health would be involved; and

"Whereas the cities of Pasco and Richland, Wash., and the 20,000 people now employed at the atomic-energy plant near Richland, or an approximate total of 100,000 people, will be as close or closer to the plant than will the residents of the land in question; and

"Whereas the Atomic Energy Commission, upon hiring people to work in the plant, assures them that working in or near the plant will not be injurious to their health; and

"Whereas the taking of this land will also deprive approximately 2,000 war veterans of an opportunity for a farm and being able to make a good living on some of the richest farm land in the United States: Now, therefore, be it

"Resolved by the Senate of the State of Washington in thirty-first legislative session assembled, That this highly important matter to the people of the State of Washington and the Wahluke Slope Landowners' Association receive immediate attention and that the effort to condemn this property be stopped in order that the Bureau of Reclamation may proceed with canals and ditches now in process of construction to bring this property in a proper state of productivity as soon as possible as heretofore planned; and be it further

"Resolved, That copies of this resolution be immediately transmitted to the honorable, the President of the United States, the Secretary of the United States Senate, the Clerk of the United States House of Representatives, and to each member of the Washington congressional delegation."

A concurrent resolution of the Legislature of the Territory of Hawaii; to the Committee on Appropriations:

"Senate Concurrent Resolution 29

"Concurrent resolution endorsing the project for a harbor at Kawaihae, Island of Hawaii, and requesting the Congress of the United States of America to appropriate Federal funds for said project

"Whereas the port of Hilo is the only port of the island of Hawaii, Territory of Hawaii, where deep sea vessels can dock; and

"Whereas because of the possibility of tidal waves and other circumstances there is need of another such port on the said island; and

"Whereas the Corps of Engineers, United States Army, pursuant to Public Law 525, Seventy-ninth Congress, has reported favorably upon and recommended such a port and harbor at Kawaihae, island of Hawaii, at an initial cost to the United States Government of $5,525,500 and to the Territory of Hawaii, for local cooperation, of $1,478,000; and

"Whereas by Act 95 of the Session Laws of Hawaii 1947, the board of harbor commissioners of said Territory was authorized to issue revenue bonds and the sum of $1,000,000 was appropriated out of proceeds from the issuance of said bonds 'for overseas terminal, Kawaihae Harbor, Hawaii, including plans, land acquisition, improvements to land and other necessary expenses,' subject to the proviso that no expenditures, except for surveys and design work, should be made for such project until the United States engineer department approved the project and agreed to cooperate through the development of said Kawaihae Harbor: Now, therefore, be it

"Resolved by the Senate of the Twenty-fifth Legislature of the Territory of Hawaii (the House of Representatives concurring), That the project for a harbor at Kawaihae, island of Hawaii, as planned and recommended by the Corps of Engineers, United States Army, be, and it is hereby endorsed; and be it further

"Resolved, That the Congress of the United States of America be, and it is hereby requested to appropriate the aforesaid Federal funds for the said project; and be it further

"Resolved, That certified copies of this concurrent resolution be transmitted to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States of America, to the Secretary of the Interior, to the Delegate to Congress from Hawaii, and to the Board of Engineers for Rivers and Harbors."

A concurrent resolution of the Legislature of the State of Oklahoma, expressing appreciation to the people of France for sending to the people of Oklahoma the Merci Car; to the Committee on Foreign Relations.

(See context of concurrent resolution printed in full when presented by Mr. THOMAS of Oklahoma on April 4, 1949, p. 3852, CONGRESSIONAL RECORD.)

A resolution adopted by the Long Beach (Calif.) Chamber of Commerce, favoring the enactment of legislation to curtail Federal expenditures; to the Committee on Appropriations.

A letter in the nature of a petition, signed by A. Santacaterina, president, Italian Women's Community Hour Club, of Chicago, Ill., relating to the return of former colonies of Italy (with an accompanying paper); to the Committee on Foreign Relations.

A resolution adopted by the James Wallace Costigan Post No. 11, the American Legion, Department of Kentucky, of New Port, Ky., favoring the enactment of legislation to prohibit communism in America; to the Committee on the Judiciary.

A telegram in the nature of a petition, signed by W. E. Peik, president, American Association of Colleges for Teacher Education, and dean of the College of Education, University of Minnesota, of Minneapolis,

Minn., and sundry other officials of colleges of the United States, relating to Federal aid to public elementary and secondary schools; to the Committee on Labor and Public Welfare.

Resolutions adopted by the Weiser (Idaho) Chamber of Commerce; the Medical Society of the County of Albany, N. Y.; the Eighth District Dental Society, of New York, and the Fort Worth District Dental Society, of Fort Worth, Tex., protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

A letter in the nature of a petition, signed by Mrs. Walter Carroll Anderson, State president, and Mrs. Claude Palmer Stephens, State recording secretary, Kentucky Society, United States Daughters of 1812, of Lexington, Ky., together with a resolution adopted by that society, relating to the Freedom Train; to the Committee on Post Office and Civil Service.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCARRAN, from the Committee on the Judiciary:

S. 42. A bill for the relief of Ellen Hudson, as administratrix of the estate of Walter R. Hudson; with amendments (Rept. No. 229);

S. 408. A bill for the relief of Barbara O'Brien Farquer; with amendments (Rept. No. 230);

H. R. 594. A bill for the relief of Mamie L. Hurley; with an amendment (Rept. No. 227);

H. R. 595. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon a certain claim of Harry W. Sharpley, his heirs, administrators, or assigns, against the United States; with an amendment (Rept. No. 234);

H. R. 1094. A bill for the relief of Nellie M. Clark; without amendment (Rept. No. 222);

H. R. 1164. A bill for the relief of the estate of H. M. McCorvey; without amendment (Rept. No. 223);

H. R. 1169. A bill for the relief of Mrs. Marion T. Schwartz; with an amendment (Rept. No. 228);

H. R. 1176. A bill for the relief of Mr. and Mrs. Leroy Hahn; without amendment (Rept. No. 224);

H. R. 1271. A bill for the relief of Carl E. Lawson and Fireman's Fund Indemnity Co.; with amendments (Rept. No. 235);

H. R. 1280. A bill for the relief of Mrs. Judge E. Estes; without amendment (Rept. No. 225);

H. R. 1286. A bill for the relief of Elizabeth Rowland; without amendment (Rept. No. 226); and

S. J. Res. 18. Joint resolution for the relief of the First Citizens Bank & Trust Co., administrator of the estate of C. A. Ragland, Sr.; with amendments (Rept. No. 231).

By Mr. GEORGE, from the Committee on Finance:

H. J. Res. 212. Joint resolution authorizing appropriations to the Federal Security Administrator in addition to those authorized under title V, part 2, of the Social Security Act, as amended, to provide for meeting emergency needs of crippled children during the fiscal year ending June 30, 1949; without amendment (Rept. No. 233).

By Mr. McCLELLAN, from the Committee on Expenditures in the Executive Departments:

S. 526. A bill to provide for the reorganization of Government agencies, and for other purposes; with amendments (Rept. No. 232).

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

S. 576. A bill to authorize the sale of certain Indian lands situated in Duchesne and Randlett, Utah, and in and adjacent to Myton, Utah; with amedments (Rept. No. 238);

H. R. 220. A bill to amend section 3 of the act entitled "An act to revise the Alaska game law," approved July 1, 1943, as amended (57 Stat. 301); without amendment (Rept. No. 236); and

H. R. 1998. A bill to amend the act entitled "An act to provide for the conveyance to Pinellas County, State of Florida, of certain public lands herein described," approved June 17, 1948 (Public Law 666, 80th Cong.), for the purpose of correcting a land description therein; without amendment (Rept. No. 237).

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS—REPORT OF A COMMITTEE

Mr. McCARRAN. Mr. President, from the Committee on the Judiciary, I report an original concurrent resolution, and I submit a report (No. 221) thereon.

The VICE PRESIDENT. The report will be received, and the concurrent resolution will be placed on the calendar.

The concurrent resolution (S. Con. Res. 28) was placed on the calendar, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months.

A-7793367, Acevedo, Ramona nee Diaz Galetty.

A-6683184, Adam, Emmanuel Konstantinos or Emanuel Constantinos Adam.

A-5880692, Altmann, Anton Frederick (Friedrich).

A-6758166, Alves, Domingos Esteves.

A-6115712, Anguiano-Alcazar, Felix alias Agustin Valencia alias Agustín Valencia Anguiano alias Felix Anguiano alias Felix Anguaino.

A-3224363, Andersen, Knud Kaspar.

A-2940833, Anderson, Axel Hjalmar alias Axel Hjalmar Carlsson.

A-9577267, Apessos, Ioannis Pndelis alias John P. Apessos.

A-6679669, Appelthaler, Katerina.

A-6679668, Appelthaler, Kurt Robert.

A-2211955, Arellano, Domingos Ramos.

A-1393347, Arellano, Soledad Valadez or Soledad Maria Valadez.

A-6071241, Arellano, Innocencio.

A-6071239, Arellano, Domingo, Jr., or Dominic Arellano.

A-6071240, Arellano, Juan or John Arellano.

A-3779214, Arlt, Hans Erich Lothar.

A-1153452, Arrighi, Alessandro or Alexander or Alessandro Arrigo.

A-6301280, Bagniewski, Wanda Stanislawa or Wanda Stanislawa Kiernik.

A-6321666, Bastide, Genevive Marcelle.

A-2118744, Bau, Siu-Tsung or Marguerite Janet Bau Chang.

A-3419857, Baum, Betty.

A-3151534, Baumann, Henrik Chaskiel or Henry Baumann.

A-6026888, Beitelstein, Anton, Anton Stein, Tony Stein or Anton Beidelstein, Anton Beitelsten.

A-7765476, Berard, Jorge Vandesmet.

A-5920168, Berkle, Ivera Romalia.

A-6434078, Bernheimer, Ludwig.

A-5153633, Bianchi, Luigi.

A-5932160, Blake, Eulalie Constancia or Eulalie Constancia Turnbull.

A-6760216, Blake, Helena Ketruda or Helena Ketruda Powell.

A-3113337, Bober, Maria Theresia Gerber.

A-6466991, Borraccia, Lorenzo.

A-6288235, Bronner, Eugenia Michael formerly Eugenia Gavriloff, nee Losseff.

A-6288068, Bronner, Helen Tamara Marianna formerly Helen Tamara Marianna Gavriloff.

A-6316110, Brouwer, Frans Hieronimus Borgman.

A-6625552, Brown, Doris nee Singh.

A-2673048, Brown, Morris Simon alias Movsa Braunreit.

A-6701608, Burgers, Willem Adolph Johan.

A-6645933, Butterick, Janet Barry or Janet Barry Mack.

A-7651629, Candia, Jose alias Jose Candia Urguidi or Jose Urguidi or Joe.

A-9769688, Carro, Alfredo or Alfred Carro.

A-3299176, Castillo, Geronimo or Giro Castillo.

A-6336616, Chalmers, Bromley Russell Scott.

A-6336617, Chalmers, Jill.

A-7041842, Chin, Yuen Chew or Chin Yuen Chew or Chew Yuen Chinn.

A-5138325, Chui, Wan; Chui Wan; Hang Kin Chui; Hankin Hunt.

A-1581731, Ciesla, Ludwik.

A-5179937, Valdes, Maria Hortensia Clemente y Sanchez McDonald; or Hortensia Clemente Y Sanchez McDonald Valdes nee Hortensia Clemente Y Sanchez; Maria Hortensia Clemente Sanchez or Maria Hortensia Clementa McDonald.

A-5611302, Cohen, Joseph.

A-4860986, Cohen, Gertie Gertrude.

A-2554813, Conradt, Ernst Heinrich Wilhelm or Ernst Henry Conradt.

A-6262074, Cucullu, Francesca R.

A-2113086, DaGoutis, Louise Emilie nee Masse.

A-6404432, Davis, Diane May.

A-6404433, Davis, Eileen Marie.

A-6404431, Davis, Philip Bennet.

A-2945357, Dawson, Harriet Mae or Hattie Mae Lloyd or Harriet Mae Gibson.

A-4746398, De Escalante, Alicia Adriana Vara or Alicia Adriana Vara-Solis DeCordero.

A-3197506, De Gomez, Rita Avena alias Rita Avena.

A-6079055, Dimakos, Christos alias Christos Demakos.

A-4665465, DiPietro, Sebastiano or Pietro Petrillo or Grido Cardella.

A-9836789, Drioli, Salvatore.

A-9671716, Elvir, Cesar Augusto.

A-4785369, Engles, Elsie Violet nee Elsie Violet Huffman.

A-5906567, Fahie, Adeline nee Nibbs.

A-3481412, Fahie, Joseph Alfred.

A-5832029, Fahie, Rebecca.

A-3193626, Fekete, Agnes Elizabeth nee Pauza now Kourcosk or Korscak.

A-6774677, Frank, Annie or Ann Frank or Ann Burtnik Frank or Annie Burtnik Frank.

A-6716135, Frazer, Joseph Wellington.

A-6464484, Frenkel, Mayer.

A-6020425, Gabriel, Manuel Gimenez.

A-6405609, Gallegos, Manuel or Manuel Medina.

A-3750703, Garcia, Juan or John Garcia.

A-6063595, Garcia, William Joseph.

A-5140522, Garlipp, Franz Hermann or Frank Herman Garlipp.

A-5048436, Ghinelli, Germano or Jerry Ghinelli.

A-6051631, Gobb, Marguerite Elinor nee Aaron also known as Marguerite Elinor Aaron.

A-6500830, Gomez, Maria Pilar alias Olivia Gomez alias Maria Olivia Gomez Pedroza or Maria Pilas Gomez Quesada.

A-6288439, Greaves, Anne Marie nee Anne Marie Erneste Pierre Monlouis-Eugene.

A-6630058, Gson-Niebling, Goesta Bertil.

A-3053878, Hanko, Joseph Ewald or Joseph or Jozef Hanko.

A-6413603, Harvie, Meryl Lorraine or Meryl Lorraine Grayson.

A-6369265, Hernandez-Gutierrez, Jose Maria.

A-4463931, Haimburger, Rudolf Gustave or Rudolf Haimburger.

A-6590997, Huggins, William Archibald.

A-6425288, Jacobs, Olive Jane.

A-6446194, Joanta, Florence nee Florence Antonescu.
A-9505156, Johansen, Kristian Rudolf.
A-4624493, Kimbell, Ofelia Aycardi nee Aycardi.
A-9706894, Kokolis, Jonnes Peter; or Kokolis, John Peter alias John Nicholas Kokolis or Ioannis Kokolis or Ioanis Giannaris or Ioannis Panagiotis Kokolis or Ioanis Koukalis.
A-6489767, Kostrzak, Lita Foerster, nee Lita Foerster.
A-6440727, Kovar, Anton or Anton Joseph Kovar.
A-6208118, Kromhout, Arie Jan.
A-4549342, Laeske, Hedwig Anna, formerly Browne nee Bardeleben.
A-6484122, Lansford, Ethel Matilda, formerly Ethel Matilda Molohon, nee MacDonald.
A-2773539, Lee, Ruth Mo or Ruth Lo-Tak Mo.
56122/739, Lencovich, Joseph Peter.
A-1304739, Lepore, Salvatore, alias Samuel or Sam Lepore alias Samuel Le Poce.
A-4769421, Lettsome, Edward, or Edward Letsome.
A-1424552, Levitsky, Thomas.
A-6261599, Longos, Katina.
A-1322447, Lopez-Martinez, Juan.
A-2365797, de Lopez, Maria Valadez-Romero.
A-4388670, Lo Surdo, Sebastiano.
A-2145986, Lucas, Lieselotte, or Lieselotte Muenzer or Lotte Muenzer or Munzer.
A-6706960, Luschnig, Klaus Oswald or Klaus Carnival.
A-4584463, Mac Clymont, David, or Thomas Wood.
A-5777765, Mahlman, Bruno William, or Bruno William Dietrich Mahlman.
A-4052648, Malerba, Domenico, or Domenick Malerba.
A-6095324, Mantzuranis, Evagelia, or Evagelia Mantzurani or Evagelia Stratigakis.
A-6645782, Mar, Judy, alias Judy Muck.
A-6645783, Mar, James, alias James Muck.
A-6566614, Mariades, Helene Agouras, formerly Helene Andrea Agouras.
A-6612108, Marquez, Arturo.
A-6612107, Marquez, Maria Del Carmen.
A-6694634, Martinez, Cruz.
A-6689502, McDougall, Joseph Ignatius.
A-3024922, McGill, John Joseph.
A-6603045, Mendoza, Julio.
A-6608918, Mendoza, Jose Salome.
A-9578104, Montgomery, Clem.
A-5694677, Muller, Mathias, or Mathew Muller.
A-5694675, Muller, Barbara, nee Messner.
A-3869778, Munoz, Maria Amparo Gegunde Gomez, nee Maria Gegunde.
A-2481845, Munroe, Harold Bruce.
A-9801088, Newton, Arthur.
A-4026037, Nimeneh, Thomas Kun, or Thomas Nimeneh or Thomas Nimeneh-Bey or Thomas Kun Nemerea or Keen Nimeneh or Sam Nimeneh or Keen Nimeh.
A-4651936, O'Dwyer, Elizabeth nee Ahern alias Elizabeth Organ.
A-6611843, Ottley, Robyn Josephine.
A-9836874, Paiceira, Vicente or Vicente Paiceira Perez.
A-2201575, Palermo, Rosario or Richard Ross Palermo or Ross Palermo.
A-3140422, Palermo, Salvatore or Samuel Palermo.
A-3236433, Palermo, Vincenzo or James Palermo.
A-3140520, Palermo, Anna.
A-9769360, Pane, Antonino or Anthony Pane or Antonio Pane.
A-6256122, Papadakis, Georgia N.
A-4642742, Parasiliti, Nicola Sebastiano Collazzo or Nicola Sebastiano Parasiliti Colazzo or Nicholas Parasi or Benny Pernite or Nicholas Benny Pernite.
A-6374752, Paul, Alvin Colton Thomas Theophilus.
A-6321342, Piekarz, Hersz.
A-6633957, Pilostomos, Christos Antonios.
A-7598205, Questel, Francois Marie Edourd, or Edouard Questel.
A-5369159, Ramos, Anastacio.
A-3586557, Ramos, Anacleta.
A-5711339, Rando, Bartolo.
A-4798904, de Rangel, Rita Morales or Rita Arroyo.
A-7703612, Rehen, Estrid Viola Margareta or Estrid Viola Margareta Tengwall nee Sundberg.
A-9582529, Reinsma, Otte or Otto Reinsma.
A-6290531, Reiter, Fanny nee Diamond or Fany Reiter.
A-4030409, Resch, Frank or Frank Reck or Franz Resch.
A-6608814, Reynolds, Bernard Douglas.
A-5917858, Robles, Isidro.
A-6001963, Roberts, Norma Elizabeth or Norma E. Roberts or Norma Roberts.
A-7757524, Roders, Naomi Elizabeth.
A-6113669, Roman-Rodriguez, Antonio.
A-3680851, Rostar, Victor.
A-6373974, Rothstein, Izydor.
A-6373973, Rothstein, Helena.
A-6611826, Rudd, James Sidney.
A-3667351, Ruiz-Carillo De Quintero, Maria or Dolores Cardenas-Soto.
A-2548950, Rullo, Hazel Ann nee DeLisie.
A-9776541, Russo, Salvatore.
A-5155756, Sagert, Clarence James.
A-5573562, Schenk, Otto alias Otto Lehman.
A-5151143, Schneider, Richard Georg.
A-4728863, Schoenberg, Wilhelm Heinrich August or William Schoenberg.
A-6376906, Semega, Maria nee Maria Palovcik.
A-5314309, Shee, Ong Kwok or Ong Kwock Shee or Roy Ong.
A-6378078, Shumis, Artemis Troyannou or Artenoula Trogiannou or Artemis Troiannou or Artemis Troyannou.
A-1963646, Sirianos, George or Georgios Theodore Sirianos.
A-6446698, Smedley, Shane Karen Douglas.
A-4699538, Sommer, Oscar Felix or Oskar Felix Sommer or Felix Sommer.
A-5465763, Stevens, Annie Isabella.
A-6772017, Sturmer, Gerlinde Maria.
A-4433087, Tackolander, Leonard Helge, alias Leonard Quire.
A-5880975, Tatem, Edmund Adolphus.
A-7539649, Tomas-Morelly, Jose or Jose Tomas, Jr.
A-5357499, Tornow, Marie nee Wejnis or Marie Fischer.
A-6345256, Trapatsa, Chryssoula.
A-9836782, Ullah, Anfar.
A-6346062, Vafides, Olga nee Rafaeledes.
A-9727432, Valjas, Artemi.
A-6459280, Vasquez, Jorge Carrion alias Robert Franco.
A-1114647, Vestes, Stratos or Ernest Vestes alias Efstiatios Vestis.
A-6690309, Villegas, Ramon, alias Ramon Villegas-Ortiz.
A-6785838, Wallace, Ezra.
A-1052865, Wasserman, Benjamin or Bernard Wasserman or Benjamin Waserman.
A-5750607, Wayditch, Julia alias Julia Bornyaszi Oroszy.
A-4392874, Whearty, James Patrick or James Wheatley.
A-6431871, Willman, Philip John Archibald.
A-4777885, Wilson, Arthur Rutherford.
A-7799625, Wilson, Walter Allen.
A-6078139, Wright, Lourdes Dizon.
A-6757818, Yang, Chao-Chen.
A-6739338, Yang, Dzing-Tsch Shun.
A-2963680, Yuelling, Joseph or Yoesef.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, April 7, 1949, he presented to the President of the United States the following enrolled bills:

S. 26. An act for the relief of Jose Babace;
S. 27. An act for the relief of certain Basque aliens;
S. 208. An act for the relief of Ella L. Browning;
S. 278. An act to prevent retroactive checkage of payments erroneously made to certain retired officers of the Naval Reserve, and for other purposes;
S. 629. An act to authorize the disposition of certain lost, abandoned, or unclaimed personal property coming into possession of the Treasury Department, the Department of the Army, the Department of the Navy, or the Department of the Air Force, and for other purposes; and
S. 748. An act for the relief of Charles L. Bishop.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred, as follows:

By Mr. MYERS:

S. 1524. A bill for the relief of Edith Scheiber; to the Committee on the Judiciary.

By Mr. McGRATH (by request):

S. 1525. A bill to provide for the appointment of a deputy disbursing officer and assistant disbursing officers for the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. IVES:

S. 1526. A bill for the relief of Helena Vieira de Sa; to the Committee on the Judiciary.

By Mr. KEFAUVER (for himself, Mr. HENDRICKSON, Mr. HUNT, Mr. McCARTHY, Mr. McGRATH, Mr. MILLER, Mr. NEELY, Mr. SCHOEPPEL, and Mrs. SMITH of Maine):

S. 1527. A bill to provide for home rule and reorganization in the District of Columbia; to the Committee on the District of Columbia.

By Mr. HENDRICKSON (for Mr. SMITH of New Jersey):

S. 1528. A bill for the relief of Elmer Beller; to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. 1529. A bill for the relief of Amy L. Hefington; and
S. 1530. A bill for the relief of public utility district No. 1, of Cowlitz County, Wash.; to the Committee on the Judiciary.

By Mr. McCARRAN:

S. 1531. A bill for the relief of Mayer Minikes; and
S. 1532. A bill for the relief of Alfred F. Bosche; to the Committee on the Judiciary.

JOHN D. MAGRATH MEMORIAL VETERANS' HOSPITAL, WEST HAVEN, CONN.

Mr. McMAHON. Mr. President, on March 24, 1949, I had the pleasure of introducing a bill, S. 1387, which provides that the proposed Veterans' Administration hospital in West Haven, Conn., be officially designated on the public records as the John D. Magrath Memorial Veterans Hospital, a fitting tribute to Connecticut's great American, who was killed in action just 4 years ago today. I have a statement in connection with that bill which I would like to have printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

On the field of battle in Italy on April 14, 1945, John D. Magrath, then in his twentieth year of age, gave his life for his country in an action that has since been designated to be "gallantry and intrepidity above and beyond the call of duty."

John D. Magrath was one of Connecticut's many great and illustrious sons who went forth to do battle for those ideals which all of us who are true Americans believe in.

This young Connecticut youth, in the action which resulted in his death, captured

an enemy machine gun, killed eight enemies and wounded six others before making the supreme sacrifice. His individual action and bravery resulted in his being awarded posthumously the Medal of Honor.

The citation, as signed by President Harry S. Truman, and which now reposes on the mantel of the Magrath home in East Norwalk, Conn., overlooking the beautiful blue waters of Long Island Sound, where John Magrath went swimming and played as a boy, reads as follows:

"Magrath, John D.: Rank and organization: Private, first class, Company G, Eighty-fifth Infantry, Tenth Mountain Division. Place and date: Near Castel d'Aiano, Italy, April 14, 1945. Entered service at East Norwalk, Conn., G. O. No. 71, July 17, 1946. Citation: He displayed conspicuous gallantry and intrepidity above and beyond the call of duty when his company was pinned down by heavy artillery, mortar, and small-arms fire near Castel d'Aiano, Italy. Volunteering to act as a scout, armed only with a rifle, he charged headlong into withering fire, killing two Germans and wounding three in order to capture a machine gun. Carrying this enemy weapon across an open field through heavy fire, he neutralized two more machine-gun nests; he then circled behind four other Germans, killing them with a burst as they were firing on his company. Spotting another dangerous enemy position to his right, he kneeled with the machine gun in his arms and exchanged fire with the Germans until he had killed two and wounded three. The enemy now poured increased mortar and artillery fire on the company's newly won position. Private Magrath fearlessly volunteered again to brave the shelling in order to collect a report of casualties. Heroically carrying out this task, he made the supreme sacrifice—a climax to the valor and courage that are in keeping with the highest tradition of the military service."

FEDERAL AID TO CERTAIN SCHOOL DISTRICTS—AMENDMENT

Mr. MAGNUSON (for himself, Mr. KERR, Mr. DOWNEY, Mr. HILL, Mr. CHAVEZ, Mr. MCFARLAND, Mr. TAYLOR, Mr. MORSE, and Mr. MCCLELLAN) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 834) to authorize Federal aid to school districts overburdened with war-incurred or defense-incurred school enrollments for the construction of additional school facilities, which was referred to the Committee on Public Works, ordered to be printed, and printed in the RECORD, as follows:

On page 2, line 8, after the word "Administrator." insert the following sentence: "No loan or grant shall be made hereunder unless the school facilities proposed to be provided therewith shall have been approved by such State educational authority as may have jurisdiction or control of such school facilities."

EXTENSION OF RECIPROCAL TRADE AGREEMENTS ACT—AMENDMENTS

Mr. KNOWLAND submitted amendments intended to be proposed by him to the bill (H. R. 1211) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes, which was ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

On page 2, between lines 6 and 7, insert a new section, as follows:

"SEC. 5. Section 350 (a) (2) of the Tariff Act of 1930, as amended, is amended (1) by striking out so much of the proviso as precedes the semicolon and inserting in lieu thereof the following:

"'*Provided*, That—

"'(A) the President shall suspend the application to articles the growth, produce, or manufacture of any country which, through restrictive quotas, discriminatory taxation, or other restrictive trade practices, discriminates against articles the growth, produce, or manufacture of the United States, its Territories or possessions; and

"'(B) the President may suspend the application to articles the growth, produce, or manufacture of any country because of any other discriminatory treatment by it of American commerce or because of other acts (including the operation of international cartels) or policies which in his opinion tend to defeat the purposes set forth in this section.'

"(2) By adding at the end thereof the following:

"'Any suspension pursuant to subparagraph (A) of the preceding paragraph shall continue in effect so long as the country to which it applies continues such discriminatory practices. During such period no agreement pursuant to this section shall be entered into or renewed with the government of such country or any instrumentality thereof, and any such agreement then outstanding with such government or instrumentality shall be terminated as soon as may be possible under its terms.'

"On page 2, lines 7 and 18, redesignate sections 5 and 6 as sections 6 and 7, respectively."

MISSOURI RIVER BASIN

Mr. REED. Mr. President, on behalf of the junior Senator from Missouri [Mr. KEM] and myself I submit a resolution dealing with the Missouri River Basin, which I ask to have appropriately referred and printed in the RECORD together with a statement which I had expected to deliver on the floor of the Senate; but in order to save the time of the Senate, I am willing to have the statement printed in the RECORD.

The VICE PRESIDENT. The resolution will be received and appropriately referred, and, without objection, the resolution and statement by the Senator from Kansas will be printed in the RECORD.

The resolution (S. Res. 104) was referred to the Committee on Interior and Insular Affairs, as follows:

Whereas there is now before Congress large requests for appropriations for projects in the Missouri River Basin for flood control, irrigation, navigation, domestic and industrial water supply, power development, and other purposes; and

Whereas the Commission on Organization of the Executive Branch of the Government has filed with Congress reports declaring there is wholly inadequate assurance that the projects undertaken are feasible, and that the objective of maximum benefits at the lowest cost is being obtained; and

Whereas we are told that it would be foolhardy to undertake a further expenditure of billions of dollars without revision of both policy and organizational arrangements and the task force further recommends at least a partial moratorium on further projects; and

Whereas the task force report and the report of the Commission constitute a warning to Congress that enormous amounts of money are being expended on the Missouri River Basin notwithstanding the fact that there is no coordinated plan in existence to justify such expenditures; and

Whereas the economic feasibility of many existing and proposed projects in the Missouri River Basin have been seriously questioned in the report of the Commission on Organization of the Executive Branch of the Government and by other engineering authority; and

Whereas there is not now before Congress an over-all study to enable Congress to determine the impact of one program upon the other in the Missouri River Basin; and

Whereas a unified, independent and competent study and investigation of the total needs of the basin is necessary before Congress can properly pass upon pending and future requests for appropriations: Now, therefore, be it

Resolved, That the President is hereby requested to appoint a committee of independent, competent, and experienced persons, including competent engineers, to make a survery and investigation of the needs of the Missouri River Basin, taking into consideration present and proposed programs for flood control, irrigation, navigation, domestic and industrial water supply, power development, and all other matters pertinent thereto; and be it further

Resolved, That such committee is hereby directed to make its report together with its recommendations to the President and Congress on or before the 30th day of September 1949.

For the purposes of this resolution, the committee should be authorized to hold hearings, to sit and act at such times and places as it deems necessary, to employ upon a temporary basis such technical, clerical, and other assistants, to request the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to take such testimony, and to make such expenditures, as it deems advisable. The committee is authorized to utilize the service, information, records, data, and facilities of any of the departments or agencies of the Government. It is suggested that the sum of $250,000 for the purpose of carrying out the provisions of this resolution be made available.

The statement by Mr. REED is as follows:

COMMENT OF SENATOR REED, OF KANSAS, ON HOOVER COMMISSION REPORT AND RECOMMENDATIONS AS TO THE PICK-SLOAN PLAN FOR MISSOURI RIVER BASIN

Kansas is nearly equally divided, territorially, between the Missouri River Basin and the Arkansas River Basin. The population of Kansas is also nearly equally divided between these two basins. I have lived all my life in Kansas. My children were born in Kansas and grew up in that State. Everything I own is in Kansas. I am tremendously concerned with the fullest possible development of the Missouri River Basin. Along with many others who view this situation objectively, but with deep interest, I have had growing doubts as to the adequacy of what is known as the Pick-Sloan plan for development of this basin. There seems to be an almost utter lack of actual coordination between the Army engineers, who are responsible for flood control and navigation, and the Bureau of Reclamation which is responsible for irrigation. Power development is divided between these two agencies. Neither pays any attention to soil conservation. When representatives of each of these agencies appeared before the Senate committees of which I am a member, I failed to find anyone who had an adequate conception of the whole Missouri Basin policy and development.

Along with the people of the country, generally, I welcomed the recent report of the Commission on Organization of the Executive Branch of the Government, known as the Hoover Commission, and the report of its task force on natural resources. Among the people, I find universal approval of the purpose of that report in the way of greater efficiency and less cost, including extravagance of Government. I have not heard dissent from

the objectives set out in the Hoover Commission report from a single citizen, whether from Kansas or any other part of the United States.

After having given much thought and study to the Missouri Basin general picture. I was not surprised to find on page 30 of the Hoover task force report this comment:

"The result (the combined Pick and Sloan plans) is in no sense an integrated development plan for the basin, and there is serious question whether agreement between the two agencies (the Army engineers and the Bureau of Reclamation) is not more costly to the public than disagreement."

Much has been, and is being, said from time to time, about how adequately the so-called interagency has met, and can continue to meet, the various problems. My own observation has been that the interagency committee is not really effective. It is made up of governors and representatives of the various States which meets from time to time and generally accepts conditions laid down by Army engineers and the Bureau of Reclamation. There has been scant consideration by the interagency committee of the economic soundness of many, perhaps most, of the projects that have been listed by these two agencies. I have conversed with representatives from some of the various States and find them without adequate conception of the whole problem. They are mostly concerned in the amount of money to be spent in their respective States.

Therefore, I was not surprised to find this comment by the Hoover Commission task force.

"The committees have failed to solve any important aspect of the problem of interagency coordination because the dominant members, the corps and the Bureau, have been unwilling to permit interagency committees to settle their differences. * * * It has been demonstrated time and again that neither by voluntary cooperation nor by executive coordination can the major conflicts be ironed out."

The task force, without any recorded opposition, ordered published as a part of its report a study of the Missouri Basin operations of the Army and the Bureau as an example of present bureaucratic mismanagement and waste.

On page 119 of the task force report we are told that in July 1948 the estimated cost of the then planned Missouri basin projects was set at $6,359,711,399. This is a huge sum of money even in these times of Government extravagance and reckless spending. Beginning at page 136 of the report I am discussing, the task force states cogent reasons why the Pick-Sloan plan should not be used as a pattern for river basin developments. I am quoting briefly from that report:

"1. The program as a whole has not been properly evaluated in terms of the national interest. As far as can be determined, the relative merits of extensive subhumid irrigation development as compared to other means of increasing agricultural production have not been considered. * * *

"2. The program has been planned very nearly backward. * * *

"(a) The programs started with the big dams and other engineering structures of some size. They were planned without reference to multiple demands for the same water, and without knowledge of the likely over-all pattern of social and economic development. * * *

"(c) Probably most serious is the fact that the programs were planned in many of their phases without adequate data on soil fertility, irrigability, water amount and quality, consumer acceptance of irrigation, and other basic economic data. * * *

"3. A corollary of the lack of basic data is the fact that planning has been undertaken, and construction started in the face of fundamental uncertainties which may lead to a waste of public funds. * * *

"4. The organization for administering the program for the basin as a whole lacks flexibility. Twenty-four Federal agencies are already concerned, and a few more should be. Each of these is administratively responsible to Washington, and only a few of them are so organized that the basin falls under a single management for them. * * * The result is lack of "cross-fertilization," even at higher administrative levels, lack of consultation on day-to-day decisions, a tendency to consider plans crystallized once they have been authorized. * * *

"6. After mention of the complicated organization now concerned with Missouri Valley development it perhaps is superfluous to say again that there is no program for the valley as a whole."

Every Member of this Senate should study this task force report, and the special report on the Missouri Basin with a view to an investigation of the agencies and some of the men who have come before committees of Congress and represented to us that they sought appropriations for a unified, coordinated Missouri Basin development plan. This report shows that they knew better.

The task-force study tells us, at page 130, that personnel in the Bureau of Reclamation at one time warned Congress against certain projects, but after negotiating a compromise—a deal—out in Omaha, Nebr., they took the cynical view that they had no obligation to the people who employ them to warn against continuation of the plans for those wasteful, unnecessary projects.

One engineer bluntly stated:

"When the Bureau opposed the Garrison and Gavin's Point Dams there was no complete program. When we reached an agreement we withdrew from the fields of flood control and navigation. We shall be the sole judge of requirements for reclamation. If the Army engineers say those dams are required for their functions, we have no opinion."

That is the attitude, Mr. President, of men upon whom this Congress is forced to rely for engineering guidance, for sound engineering, for honesty, and for facts upon which to base our judgments in the appropriation of hundreds of millions—yes, billions—of dollars of money. They were ready to shut their eyes to waste, to maintain silence while hundreds of milions were poured into projects which were of little or no value. They stood ready to have no opinion while this went on.

This report shows we have been misled; this Congress was not told the whole truth; enormous appropriations were made while the men who should have warned Congress stood aside deliberately silent to protect their own bureaucratic prerogatives in the Missouri Basin. For a time they warned about wasteful proposals, but later they made a deal to keep mum about each other's extravagances and waste.

The chairman of this task force was Leslie A. Miller, a former Governor of Wyoming, who is known to many of us as a man of great ability and integrity. Next is Horace M. Albright, former director of the National Park Service. There are two more former governors—one from each party—former Governor John Dempsey, of New Mexico, and former Governor Ralph Carr, of Colorado.

The other men are also eminent citizens. They are Donald H. McLaughlin, president of Homestake Mining Corp.; Dr. Isaiah Bowman, president of Johns Hopkins University; Dr. Gilbert White, president of Haverford College, and Prof. Samuel T. Dana, dean of the school of forestry and conservation at the University of Michigan.

These eminent men tell us that this Congress has appropriated hundreds of millions of dollars on the advice and testimony of administrators who failed to give us the true picture of their operations.

The full implications of this report, Mr. President, actually add up to a scandalous episode in the history of our Government. I believe we should call before an appropriate committee the men who have been telling us that this was a unified, coordinated plan to get appropriations and see what they say now. I think that we might start with that publicity release which Senator GILLETTE recently quoted to the Senate, when the Pick-Sloan scheme was first floated, and bring out into the open the motivations—the complete cynicism of men in high places about use of the people's money—which a rereading of that press release now reveals.

Let me repeat the excerpt which Senator GILLETTE read to us. The Army and the Bureau had 2 days of discussions at Omaha and on November 8, 1944, told us that they had developed:

"The best practical plan for the Missouri River Basin for navigation, flood control, irrigation, reclamation, power, and all other beneficial uses of the water of the Missouri River and its tributaries."

Today we are told by the eminent men I have named that it was no plan at all, and that the participants were moving forward to obtain from the Congress and expend more than $6,300,000,000 in pursuance of their scheme.

What has happened to standards of public service? What sort of political morality is it that men, entrusted by the people to protect their interests, can permit themselves to make deals to close their eyes to gigantic waste? They propose to spend $6,300,000,000 without any plan except an inside agreement not to expose each other's stories before the public and this Congress.

I direct your attention to the fact, Mr. President, that in the Department of Interior report of the Hoover Commission, the conclusions of the task force are quoted with approval. Some of the passages I have read to you were picked up by Mr. Hoover and his associates. The report finds that Pick-Sloan was not a plan, and the interagency committee was not solving the conflicts which really existed, although the public had been told that there were none.

There were dissents about a proper reorganization, but I do not find any member of the Hoover Commission contradicted any of the statements which I have quoted.

There is a growing criticism of, and lack of confidence in the work of the Army engineers and the Bureau of Reclamation. The country can fairly hold the Army engineers to the highest standard of professional morality and accuracy. They are lifetime servants of their country, most of whom were educated at the country's expense. They are very proud of themselves and have no hesitation in promoting their own interests. Certainly they are entitled to severe criticism in this situation.

From matters that have recently come to the attention of the Senate committees, of which I am a member, conditions in the Bureau of Reclamation are actually scandalous. There are charges of corruption, incompetence, waste, and extravagance to a degree that makes one wonder if the Bureau set-up should not be completely overhauled and revised.

The Senate has not been without warning as to the actual situation with regard to the Pick-Sloan plan failing to answer the whole problem in the Missouri River Basin. There is no Senator with whom I more frequently disagree than Senator MURRAY, of Montana. I do, however, want to give Senator MURRAY credit for standing on the floor of the Senate and utter repeated warnings very much along the lines that the Hoover Commission report finds justified—that the Pick-Sloan plan is not a

coordinated or unified program of development. Senator MURRAY has not yet convinced me that his MVA plan is the answer, but the Hoover Commission report has certainly made valid all of the criticism that he has uttered. That report also makes crystal clear the absolute necessity for immediate consideration, by objective and competent engineering judgment, of the economic feasibility of many of these Pick-Sloan projects. Some of them are fantastic and apparently are completely lacking in justification. Time is of the essence in stopping a wholesale waste of taxpayers' money.

In view of the disclosures made, it must be obvious that there must be a complete, thorough, and searching investigation so the people may know the huge expenditures have a justifiable basis. I call your attention to another statement made by the Hoover Commission task force. On page 18 of their report is found the following:

"It would be foolhardy to undertake a further expenditure of billions of dollars without thorough revision of both policy and organizational arrangements; and unless and until such revision is forthcoming, the committee recommends to both Congress and the Executive at least a partial moratorium on further projects."

I have clung to the hope the Interagency arrangement would work out the conflicts and confusion of the rival Pick and Sloan plans. But it has not done so. Appropriation requests are before Congress now asking for more tens of millions which do not reflect an iota of correction. Witnesses are telling the same old story, which has now been exposed as false.

Mr. President, above all things the people out in the Missouri Basin must not be punished for the mistakes that have been made. They have been abused enough by floods and pestilence and bureaucrats. But this Congress should not whip the people of the Missouri Basin—punish them further—for mistakes which were not theirs.

Congressman ALBERT COLE, of Kansas, sensing the truth about Pick-Sloan, a month ago proposed over in the House that there be a 3-year investigation of the Pick-Sloan plan by a joint committee of 27. The Hoover Commission advises us of projects about which the Army and the Bureau were sharply critical before they made their deal.

There should be an investigation of the most searching sort.

The Missouri Basin is rich in resources. It has millions of acres of rich, irrigable lands, waiting to produce an abundance of food for the Nation when it is watered. The basin has mineral resources awaiting development including materials now in critical shortage. The basin can prosper and be a stronghold for the Nation.

Today, except for the State of Kansas, the basin is losing its population, its young people move away, it is fearful of floods and drought, its resources are underdeveloped or not developed at all.

These requests for funds are before us now in a dozen different items. They are not submitted in one package but are to be found in Interior appropriations, Army appropriations, Agriculture, and probably others.

I want to see proper development of the Missouri Basin as much as anyone in the Senate. It becomes obvious, however, as demonstrated by the Hoover Report, we cannot permit the Pick-Sloan plan to continue if we are to honestly and sincerely represent the citizens of this country and especially those living in the Missouri River Basin.

I, therefore, propose to the Members of this Senate what I consider necessary steps to permit us to arrive at an honest appraisal of the needs of the Missouri River Basin. I suggest the following:

1. The appointment, by the President, of a board of competent, independent engineers, to make a comprehensive study, investigation, and survey of the Missouri River Basin.

2. The Board to make its report and recommendations to the President and Congress on or before September 30, 1949.

3. That Congress restrict appropriations for the Missouri River Basin until such report is received by the President and Congress. I earnestly believe, in light of the findings of the task force of the Hoover Commission, and of the existing circumstances, that this is the only practical solution of the problems of the Missouri River Basin.

ADDRESS BY SENATOR WHERRY TO THE SENTRY CLUB OF PHILADELPHIA

[Mr. CAIN asked and obtained leave to have printed in the RECORD an address delivered by Senator WHERRY before the Sentry Club of Philadelphia, April 6, 1949, which appears in the Appendix.]

INTERVIEW WITH SENATOR HOLLAND ON THE PROGRAM MEET THE PRESS

[Mr. RUSSELL asked and obtained leave to have printed in the RECORD an interview with Senator HOLLAND by newspaper reporters, on the radio program, Meet the Press, on March 4, 1949, which appears in the Appendix.]

POLITICS HAS A PART IN INTERNATIONAL OIL—ARTICLE FROM LIFE MAGAZINE

[Mr. BREWSTER asked and obtained leave to have printed in the RECORD an article entitled "Politics Has a Part in International Oil," published in Life magazine, which appears in the Appendix.]

SENATOR WILEY'S LEGISLATIVE RECORD

[Mr. WILEY asked and obtained leave to have printed in the RECORD a list of bills introduced by him in the first session of the Eighty-first Congress, which appears in the Appendix.]

COMMENTS ON LABOR LEGISLATION BY REPRESENTATIVE WERDEL, OF CALIFORNIA

[Mr. CAIN asked and obtained leave to have printed in the RECORD comments on labor legislation recently made by Hon. THOMAS H. WERDEL, a Representative in Congress from the State of California, which appear in the Appendix.]

PROPOSED CONSTITUTIONAL AMENDMENT TO ABOLISH THE ELECTORAL COLLEGE

Mr. LODGE. Mr. President, I hold in my hand a copy of a letter which was published in this morning's Washington Post, and which refutes in a very wise, and I believe accurate and authoritative manner, the complete misconception which exists in a few quarters regarding the operation of Senate Joint Resolution 2, which is the proposed constitutional amendment to abolish the electoral college and count the electoral vote in proportion to the popular vote. The letter is very brief; and because it relates to a constitutional amendment which I hope will soon be before the Senate, I ask unanimous consent that it be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ELECTORAL-VOTE REFORM

The April 4 letter from Mr. J. Harvie Williams criticizes the constitutional amendment which abolishes the office of presidential elector and provides for an automatic counting of electoral votes in direct proportion to the popular vote on the grounds that it is "based squarely on the principle of proportional representation" and would encourage, therefore, a "multiplicity of parties."

There is actually no resemblance at all between proportional representation as applied to the election of a group (such as a legislature or board of aldermen) and electing a single officeholder as proposed in the pending constitutional amendment. Electing a legislature by proportional representation gives a voice to so many shades of opinion that it often becomes impossible to find a common meeting ground on any course of action. We have seen this weaken government in many of the parliamentary democracies of Europe. But in the case of a single officeholder that reasoning does not apply. Even the cleverest surgeon cannot divide one man up—proportionally or otherwise—and expect him to live.

The reform we propose does not, of course, seek to do that. It seeks, as the Washington Post has often pointed out, simply to reflect more accurately the will of the people in counting the electoral votes. If we were electing three Presidents to hold office concurrently as a sort of modern triumvirate, Mr. Williams' criticism would have some validity. But the reform proposed in the pending constitutional amendment is no precedent for that sort of election at all.

The Brookings Institution very ably summarized the often-heard and wholly unsound contention that this amendment would foster multiple parties. In a letter to me last year, it was said of this proposal that—

"It will practically remove the chance that small minority groups can attain and exercise great power over Presidents, presidential candidates, and political parties because they hold the balance of power in pivotal States. These minority groups will have no power beyond that justified by their number of voters in a presidential election."

The proposed amendment would strip splinter parties of their bargaining power (so evident in the 1948 elections, as for example, in New York) and would oblige them to seek popular support on the basis of their real appeal rather than on their ability to shift so-called pivotal States to one or the other of the major parties under the present all-or-nothing system. This reform would, therefore, definitely discourage rather than encourage a multiplicity of splinter parties. Their future success cannot conceivably depend on the very slight advertising value which might accrue from their being credited with an unimportant number of electoral votes.

HENRY CABOT LODGE, Jr.,
United States Senator from Massachusetts.
WASHINGTON.

ARMED FORCES DAY

Mr. LODGE. Mr. President, I note that the new Secretary of Defense, Hon. Louis Johnson, has announced that next year Army Day, Navy Day, Marine Corps Day, and Air Force Day are all to be merged into one Armed Forces Day. I feel this is a step in the right direction, that it gives moral support and prestige to the new loyalty which must develop if we are to have real national security, and I therefore applaud Secretary Johnson for taking this forthright stand. In this connection, I ask unanimous consent to have printed in the RECORD an editorial from the Washington Post entitled "Armed Forces Day."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ARMED FORCES DAY

Gen. Omar N. Bradley said many things of significance in his Army Day speech Tuesday night, but none was of more importance nor more quickly realized than his proposal to

end the separate service commemoration days in favor of a single day for all the armed services. Within 24 hours it came to pass. Secretary of Defense Louis Johnson, to whom unification means unification, has made calendar history by merging four days into one. No more Army Day, Navy Day, Marine Day, or Air Force Day, but henceforth only Armed Forces Day. This is a significant contribution to unity. Why not go further and, we tremble to write it, abolish the Army-Navy game? Is it not time to recognize in all these symbolic ways that the real mission of the three services is to be part of a larger entity—the defense of the United States?

EXTENSION OF EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 1209) to amend the Economic Cooperation Act of 1948.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Nevada [Mr. MALONE].

Mr. MALONE. Mr. President, I wish to speak briefly on the amendment. The amendment which I have proposed, would simply provide that loans to the ECA countries for rehabilitation and construction of industry would be placed on a basis comparable to loans to American citizens through the Reconstruction Finance Corporation for the same purpose.

CRIPPS AND FREE TRADE

In that connection, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an excerpt from a statement by Sir Stafford Cripps, of England as contained in an article entitled, "'Enlightened' United States Tariff Held Vital by Cripps," called in the body of the article an enlightened policy of importation by the countries of the Western Hemisphere, published in the New York Journal of Commerce of April 7, 1949.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ENLIGHTENED UNITED STATES TARIFF HELD VITAL BY CRIPPS

LONDON, April 6.—Sir Stafford Cripps told the House of Commons today that Britain's ability to earn enough dollars to exist was dependent on an enlightened policy of importation by the countries of the Western Hemisphere.

The Chancelor of the Exchequer made this statement in the course of presenting his 1949–50 budget in which he disappointed most hopes for reduced taxes.

MEANING DEBATED

Whether his reference to imports, by Western Hemisphere countries, was to be regarded as a bid for further tariff concessions by the United States or a warning that Britain might have to take further cuts in purchases in the United States and Canada if imports fell off was a matter of conjecture here.

"In broad terms," Sir Stafford said, "We have succeeded in carrying out the policy of restricting our dollar expenditure to what can be covered by our dollar earnings together with the aid at our disposal, and we intend to continue that policy for the rest of the ERP period."

SECOND STEP—FREE TRADE PROGRAM

Mr. MALONE. Mr. President, this statement of Sir Stafford Cripps leads directly to the consideration by this body of the second step of the three-part free-trade program—the 3-year extension of the 1934 Trade Agreements Act—under which the State Department has adopted a selective free-trade principle upon the theory that the more they divide our markets with the countries of the world, the less their trade-balance deficits will be—then Mr. President the next rivet is to be driven into the coffin of jobless men—the International Trade Organization.

ECONOMIC EQUALITY—LEVELING

I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article entitled "ERP Goal Shifted to Economic Union," published in the New York Times of April 7, 1949.

This article points the way to an economic union of which we would eventually be an integral part, through the three-part free-trade program, which would bring into this country the products of low-wage living standard labor of Asia and Europe, unhampered by any tariff or import fee, equalizing the standards of living.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ERP GOAL SHIFTED TO ECONOMIC UNION—WESTERN NATIONS, WITH TOP UNITED STATES BLESSING, CONSIDER UNIFORM MONEY AS A FIRST STEP

(By Michael L. Hoffman)

GENEVA, April 6.—The ground work is being laid for a complete revamping of the Marshall plan soon after Congress completes action on next year's appropriation.

Separate strands of the ideas growing in Europe and in top Government circles in the United States are being pulled together in preparation for a drastic new action to make European economic integration a reality instead of just so many words. One big idea for 1950 already deeply implanted in the convictions of top United States and European officials responsible for directing the recovery program is that the time has come for both Europeans and North Americans to take some risks on creating a permanent economic union in western Europe.

On the European side, it is now recognized that the United States Congress is unlikely to appropriate huge amounts for a third year of the Marshall plan on the basis of a dated-up version of the same recovery story. To come back again with nothing more to report than greater output, improved exports, better balanced budgets and frustrated Communists, the Europeans realize, will fail to impress either Congress or the United States public. That story is true and important, but it has been told too often.

PRESSURE OF CONGRESS IS FELT

Straws in the wind are the reactions during this year's hearings on the Marshall plan of individual Congressmen who are favorable to aid to Europe but nervous about the lack of progress toward what looks like something durable in the way of a more viable economic system. At least as important is the pressure from continental countries, particularly Belgium, for some progress toward the goals of freer trade, greater convertibility of currencies and the opening up of long-barricaded market avenues.

On the United States side, the feeling is that, having made irrevocable commitments in the military sphere, it is time for western Europe to make irrevocable commitments in the economic sphere. It is felt that little more can be gained from more planning, more committee meetings, more long-term projects. This feeling is shared by the highest officials of the Organization for European Economic Cooperation, who see the workings of European cooperation from the inside.

One such unity measure now in high favor is to establish now, while United States aid is still available, a complete currency union in western Europe. This means not just removing exchange controls and restoring the prewar freedom of convertibility, but literally having the same colored paper, bearing the same pictures, circulating throughout the area. This is the kind of step that brings a host of the other measures of coordination in its train, not as a matter of mere good intentions but as a matter of inherent necessity from which national governments cannot escape.

RISKS ENTAILED FOR UNITED STATES

To establish a uniform currency now would entail great risks for all the participating countries. Some would suffer unemployment in industries now protected by exchange control regulations; others would have to impose new taxes or forego popular social progress.

The step would also entail risks for the United States. Instead of allocating dollars, the United States role would become that of underwriting the dollar deficit of the participating countries. For some time the whole area would have to adopt some controls to keep dollar expenditure within bounds.

The immense advantage over the present system, however, would be that European business could at last begin the painful process of adapting itself to competitive conditions. Ultimately, continental experts feel, this would bring about such an improvement in productivity that Europe's inferiority to United States industry would be reduced to unimportant differentials.

Some of the keenest European observers of United States congressional and public opinion believe that it is in the nature of the North American character to be prepared to take a considerable risk in exchange for certain achievements of a broad political ideal—and Europe has finally recognized that the United States desire for European unity is a basic American urge.

The Benelux countries already have begun to plan for the inclusion of western Germany in a western European economic union. The logic of incorporating west Germany in any such plan is that it is better to have a rapidly growing German industry under the same roof than to deal with it as foreign competition.

Continental economists do not believe that Britain can or should join any tight European economic union: the complications of Britain's position as the center of a worldwide currency system of her own are too great. What they hope is that Britain at least will not seek to prevent some risky experiments in unity on the Continent. The British record in the European economic organization does not give them much hope that this will be the case.

BRITISH OIL—AMERICAN MARKETS

Mr. MALONE. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article entitled "British Oil Due Soon To Invade Dollar Markets," published in the New York Journal of Commerce of April 6, 1949.

The purport of this article is that the British Government expects, through the free-trade policy to bring into this country the petroleum and petroleum products produced in the low-wage living standard countries—without any import fee or tariff to equalize the high-wage living standards of this country with the low-wage living standards of the European, Middle East and Asiatic areas.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BRITISH OIL DUE SOON TO INVADE DOLLAR MARKETS

A British Government agency made it clear yesterday that the United Kingdom was planning to increase its oil-refining capacity in order to export oil products not only to sterling-area countries but also to invade dollar oil markets.

Declaring that Britain was pushing ahead on an eightfold increase in its petroleum refining capacity, the British Information Service, which identifies itself as an agency of the British Governmnt, said: "One objective is to cut down imports from dollar sources," and added:

CAN SUPPLY STERLING AREA

"At the same time British oil companies will be able to play an increasing part in supplying sterling-area countries, western Europe, and other parts of the world with petroleum products which can be paid for in sterling, and not dollars."

"Britain's oil expansion program is not confined to multiplying here home refining capacity," the agency added. "Plans are underway," it said, "to increase foreign oil production of British companies by 1953 to double the 1947 rate, and to increase overseas refining capacity 40 percent during the same period.

"The plans now in hand for increasing overseas resources include a new refinery in Venezuela, and the enlargement of existing refineries in the Middle East and East Indies. Increasing output from the Middle East will entail additions to existing pipe lines and the laying of new ones. Including current maintenance, all the various plans will call for 3,500,000 tons of steel between now and 1953."

UNITED STATES GAP SEEN FILLED

Describing the gradual shift of the United States from a net exporter to a net importer of oil as a significant development in world markets, the agency said: "British oil concerns are taking a big share in filling the gap which this has created."

UNEMPLOYMENT RESULT FREE TRADE

Mr. MALONE. I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article entitled "Connecticut Jobless Found at 11-Year Peak," published in the New York Journal of Commerce of April 6, 1949.

This article outlines in some detail the unemployment situation in one of the 48 States of this Union, and is a part of the present nearly 4,000,000 jobless and of the 9,500,000 part-time presently unemployed of this Nation, brought on through the administration's three-part free-trade program.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONNECTICUT JOBLESS FOUND AT 11-YEAR PEAK

HARTFORD, CONN., April 5.—Unemployment has reached an 11-year peak in Connecticut.

The State labor department reported today that for the week which ended Saturday, a total of 67,974 claims for unemployment compensation were filed.

Lay-offs because of lack of work in all fields of manufacturing in Connecticut were blamed.

New claims stood at a 7,888 total as compared with 6,919 for the previous week. Such claims have averaged about 7,000 a week since the first of the year, the department said.

The total number of claims filed for the same week a year ago was 24,383, of which 2,582 were new claims.

Idle pay allowances for the past week amounted to $1,122,967.

Mr. CONNALLY. Mr. President, I am very hopeful that Senators will aid us in speeding the bill along today. We have been considering this measure for 2 weeks. The debate has been rather ample. We do not desire to shut off any Senator. However, there has been a great deal of debate on matters not directly related to the bill. I hope Senators will help us to speed along and get this bill out of the way. A number of other important measures await action. We cannot proceed with the legislative program, in which many Senators on both sides of the aisle are interested, until we dispose of the pending bill.

I appeal to every Senator to be as brief as possible in his discussions. It is not difficult to form a conception of these problems without long and extended debate. I very much hope that Senators will bear these things in mind and aid us in speeding along.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

Mr. CONNALLY. I yield.

Mr. DONNELL. I am fully in sympathy with the sentiments expressed by the Senator. I should like to ask him a question.

This morning I received over the telephone some information which is not official or verified, but I should like to ask the Senator whether he has received information of a similar character. The information was to this general effect:

A young man who has just recently returned from Italy is of the opinion that the ECA is not doing any substantial good for the people of Italy in the southern area of that country. He mentions that in the city of Naples alone there are 40,000 people out of work. He made the statement, in substance, that today the price of labor, generally speaking, in Italy—I am not sure whether this applies throughout the country, but in some parts—is between 400 and 500 lira a day, which I understand is about a dollar a day. He also states that a small-sized loaf of bread, the weight of which I do not know, but which was described to me as a small-sized loaf, sells at 150 lira, which would mean that if a man were working for 450 lira a day, or a dollar a day, he must spend, for one small loaf of bread, about a third of his daily wage. I wonder if the Senator has any information along that line, and if he can tell the Senate what, in his opinion, is the actual operation of the ECA.

I ask this question with the utmost earnestness, and without any desire to impede the progress of the bill.

Mr. CONNALLY. The Senator from Texas has no detailed information at the moment, but many American visitors who go abroad for a few days seem to think that they have all the answers.

Mr. DONNELL. As I understand, this young man has been there for about 2 years. He is with one of the Government commissions, so I do not believe that he has the inadequate basis of knowledge to which the Senator refers.

Mr. CONNALLY. Did he lose his job?

Mr. DONNELL. I do not know. I think he went there for a 2-year period, and has now returned at the end of that period.

Mr. CONNALLY. I do not want to undertake to discredit the young man, but I have received a great many letters and have talked with a great many persons about conditions here and there. I find that some American visitors can spend two days in a country and tell more about conditions than one could accumulate in a year of intensive study.

I was in Italy last year. I saw Mr. Zellerbach, our representative in Italy, in Rome. He had just returned from a trip to southern Italy. I know that he is giving attention to the conditions there.

No organization can merely wave a wand and restore everyone to a job, and give everyone all he wants to eat and wear. Such a thing is not possible. The theory of this bill is to provide for the people, not by giving them doles of bread from day to day, but by providing instrumentalities and industries which will give them employment so that with their earnings they can buy the things in which they are interested and which they need.

Mr. DONNELL. Mr. President, will the Senator permit an interruption at this point? My question included a recital of the information which came from the young man to whom I referred. It was not he who spoke to me, but his mother. She had been informed by him that in Naples there are 40,000 persons out of work at this time. The Senator spoke about the purpose of providing opportunities for work.

Mr. CONNALLY. The unemployment problem in Italy is bad, and has been bad, because of the fact that the country has a surplus of population. There are not sufficient jobs to go around. The bill carries a provision, which was adopted a few days ago, for ships for Italy in which to send their surplus population to South America and Central America. We are doing all that is humanly possible to relieve that situation, but it cannot be done by writing a line or two in a bill. It cannot be done by eloquent speeches. We have to solve the problem by reasonable, sensible means, and that is what we are trying to do. Mr. Zellerbach, who is in charge of the American program in Italy, was here two or three weeks ago. We conferred with him. We stimulated him. I think he is doing everything humanly possible with the resources at his command.

Mr. DONNELL. I thank the Senator.

Mr. IVES. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. IVES. Does not the able Senator from Texas think it is appropriate in this instance to point out that as between northern and southern Italy there is a vast difference in the economy? From the standpoint of pure economics, it might be said that they are two entirely separate countries. Whereas constant improvement is being shown in the condition in northern Italy, the problem in southern Italy has not yet been solved.

I should like to point out in that connection, and as a part of this question,

that every effort is being made to solve the problem in southern Italy, which is primarily an agrarian problem. I think progress has been made. Does not the able Senator from Texas believe that that fact should be made clear?

Mr. CONNALLY. I agree with the Senator, and I thank him very much for his interruption.

Everyone knows that northern Italy is the industrial section of Italy. The main factories and industrial plants are located in northern Italy. In southern Italy the economy is quite different, as suggested by the able Senator from New York. There it is largely an agrarian economy. We are working on it and the ECA is working on it. We are doing all we possibly can, with the resources at hand and with the machinery which has been set up, to solve that problem.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. WHERRY. Does the Senator from Texas mean to imply that ECA does not work as well in agricultural and agrarian areas as it does in industrial areas and centers?

Mr. IVES. Mr. President, will the Senator yield on that point?

Mr. CONNALLY. I yield.

Mr. WHERRY. Just a moment, please; I have not finished my question.

Mr. CONNALLY. I thought the Senator had finished; it seemed to me it was a good, long question.

Mr. WHERRY. It is a double-barreled question, and I hope it will be listened to by the Senator from Texas, for whom I have the most profound respect.

Mr. CONNALLY. I hope that will be printed in the RECORD.

Mr. WHERRY. I hope so, too.

Mr. President, there seem to be some difficulties in respect to southern Italy. because if ECA can help only in industrial centers, but not in agricultural areas, that fact, if it be one, would prove conclusively that the question before us is only one of financing foreign trade to help industrial centers, rather than to help the whole economy.

Mr. IVES. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. IVES. In that connection, I should like to emphasize what I previously stated in the question I posed to the able Senator from Texas, namely, that the problem in southern Italy is primarily agrarian. But that does not mean that the ECA undertaking is restricted primarily to industrial projects and foreign trade applicable only to industrial projects and industrial undertakings. For the most part, the land in southern Italy is a very poor type of soil. The mountains are not conducive to very much production of agricultural commodities or to very much agricultural activity. The soil there must be built up.

Under the ECA program, measures are being taken to build up the soil, so as to put southern Italy into such a condition that, from an agrarian standpoint, it will be able to take care of itself.

Furthermore, I wish to point out that the great population problem in Italy is peculiarly acute in southern Italy, and that also bears on this matter.

But let it not be understood that the ECA is not interested in this type of effort or is not doing anything in this field. I, myself, happen to have had some direct contacts in southern Italy in recent months, and I know that a particular effort is being directed in that area of Italy, all under ECA.

Mr. CONNALLY. I thank the Senator.

Mr. President, I hope the Members of the Senate will recall the plea I made a little while ago to help speed the bill along today and be as brief as possible in the discussions and debates, so that we may obtain some action, because this bill and the disposal of it are affecting the entire legislative program of the Senate.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Nevada [Mr. MALONE].

Mr. MALONE. Mr. President, in connection with the remarks made by the distinguished Senator from Texas, I should like to say that I have made it a point to listen carefully to the debate on the floor of the Senate for the past 2 weeks. I have heard no Senator depart from the economic subject that so vitally affects our Nation. I have listened carefully to the Senator from Utah [Mr. WATKINS], for example, the Senator from Missouri [Mr. DONNELL], the Senator from Nebraska [Mr. WHERRY], the Senator from Missouri [Mr. KEM], the Senator from Indiana [Mr. JENNER], and other Senators; and I wish to say for the RECORD that none of the Senators have departed from the debate on the economics of our Nation as this bill affects them.

THREE PART FREE TRADE PROGRAM

Mr. President, this measure is the first of a three-part or three-phase program for free trade for the American people, and it strikes at the heart of the workingman of America. The next thing we shall have before us will be the 1934 Trade Agreements Act extension bill. That is the act under which the State Department has adopted a selective free-trade policy over a period of 10 or 12 years, on the theory that the more the markets of the United States are divided with the nations of Europe and of the rest of the world, the less will be their trade-balance deficits; and it is well known and acknowledged that the purpose of the ECA is to make up their trade-balance deficits with the hard-money countries each year in cash—our chief export is cash.

Mr. President, with 4,000,000 persons out of work in this country, and with nine and one-half million of our people on part-time work, and with 67,974 claims for unemployment compensation in 1 week at Hartford, Conn., as shown by a dispatch coming from there, it ill behooves this Nation to worry too much about the 40,000 jobless in Italy, while our own people are being forced out of their jobs through our own actions here in fostering the importation of the low-wage living standard labor of Europe.

I wish to emphasize again, Mr. President, that the bill, presently before the Senate, is but one part of the three-part free-trade program, and that many other bills which are or will be before the Congress will shove us further along the road of economic equality with Europe and Asia—forgetting that we broke our economic ties with Europe in 1776 because of the treatment we were then receiving as a colonial possession of Great Britain. The pending measure is No. 1 of that group; the 1934 Trade Agreements Act extension bill will be No. 2; the International Trade Organization bill will be No. 3; and after it there will be many more, which can be named. All of them constitute one large over-all program to level the wage-living standards of this Nation with the low-wage living standards of Europe, Asia, the South Seas, and Africa; and Mr. President, it will not be long before the people of the United States will realize that fact.

Mr. MORSE. Mr. President, I wish to take a minute or two to join in the comments of the Senator from Nevada in regard to the importance of this issue and the other great issues which are about to come before the Senate, and also to add my word in emphasizing the importance of subjecting them to full debate. I think we may just as well face the reality that the Senators who have been speaking in opposition to ECA in this debate—and as the voting record shows, I do not share their opposition—have nevertheless been representing what I consider to be a growing sentiment in the United States in regard to United States foreign policy. I think it is well and wise that they present their point of view on the floor of the Senate and that those who entertain an opposing point of view answer them, because I think that unless they are answered and unless we can have a full and lengthy debate on this subject, we may discover in the not-too-distant future that increasing numbers of the American people will be asking for the answers. I know of no better place to give the answers than here on the floor of the Senate. I join with the Senator from Nevada in saying that I think the record of this debate on these issues speaks for itself. The debate thus far has been on the merits of the issues.

It was not so long ago, Mr. President—and if Senators on the Democratic side are so anxious to make haste in the Senate on this issue, they should reflect upon this—that the entire program of the Senate was bogged down as the result of a prolonged extraneous discussion which certainly had nothing to do with the need of efficiently and effectively transacting the business of the Senate. We saw the spectacle of a large number of Democratic Senators, on the Democratic side of the aisle including the Senator from Texas [Mr. CONNALLY] engaging the Senate for days in what constituted a filibuster. The Democrats who participated in that filibuster were not heard to cry for speed in considering civil-rights legislation.

We have had approximately 2 weeks of debate on the ECA subject which involves the expenditure of several billion dollars of the taxpayers' money. Yet we on this side of the aisle are frequently almost constantly, being needled by Democratic Senators to make haste. I

say the type of haste they are asking for will make for a great deal of waste, too, if we do not have a full and lengthy discussion of these issues.

Mr. President, I repeat now, and I shall say it again in the future, that so long as the Democrats seek to steam roll issues through the Senate, there will be resistance from the Senators on this side of the aisle.

DR. EDWIN G. NOURSE'S COMMENTS ON ECONOMIC SITUATION

Mr. KEM. Mr. President, I think the statement just made by the eminent chairman of the Foreign Relations Committee, the Senator from Texas, is most surprising, in view of the article that appeared in the newspapers this morning giving an account of the address made by the Chairman of the Council of Economic Advisers, Dr. Edwin G. Nourse. I hold in my hand a copy of the account of the meeting at which he spoke, taken from the Washington Post of this morning. I am sure it must have caught the eye of the Senator from Texas, if he read the Washington Post this morning. The headline is, "Cost of arming Europe may curtail defense and ECA spending." Under it is the subheading, "Economic chief's warning serves to complicate security set-up." I read from the article:

America's current security programs—defense and ECA—should be trimmed to offset at least part of the cost of sending arms to Europe, President Truman's chief economic adviser declares.

This warning from Dr. Edwin G. Nourse, Chairman of the Council of Economic Advisers—delivered at the Pentagon with Mr. Truman's advance approval—had immediate repercussions throughout Washington.

It certainly would influence the forthcoming Senate fight over ratification of the North Atlantic Pact, as Members had already been asking questions about the cost of implementing it with arms.

So, Mr. President, I do not think any Senator who asks such a question on the floor of the Senate need apologize. The article continues:

CERTAIN TO AFFECT ECA BILL

The ECA appropriation authorization bill, now before the Senate, was certain to be affected.

Further, the job of whipping the administration's military aid bill into shape for presentation to Congress and the course of that legislation on Capitol Hill was further complicated.

And, Nourse's suggestion of further cuts in America's armed forces caused not only concern at the Pentagon, but promised to affect plans of the House Appropriations and Armed Services Committees.

The former was reported early this week to be ready to boost Air Force appropriations by some 800 million dollars, through trimming Army and Navy funds. Many members of the House Armed Services Committee plan amendments to increase the latter outlays also when the armed forces spending bill reaches the floor next week.

The article then recounts certain statements made yesterday, on the occasion of Army Day, with reference to the necessity of maintaining the armed strength of America throughout the world.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Nebraska for a question?

Mr. KEM. I am glad to yield.

Mr. WHERRY. I read that article, and I ask the Senator, does he interpret Dr. Nourse's statement to mean that if we were to ratify the North Atlantic Pact and pass the implementing legislation, a review should be made with the idea of taking money from ECA funds and placing it in the fund to implement the North Atlantic Pact so far as arms are concerned? Did the Senator from Missouri get that interpretation from Dr. Nourse's remarks?

Mr. KEM. I can answer that in the direct words of Dr. Nourse, as quoted in the article.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. KEM. I prefer not to yield now.

The VICE PRESIDENT. The Senator from Missouri declines to yield.

Mr. KEM. Dr. Nourse is quoted in the article as follows:

"It would be wrong to conclude," Dr Nourse said in alluding to this plan, "that we can, without concern, add these expenditures, whatever they are, to the present budget items for national security."

Does that answer the question of the Senator from Nebraska?

Mr. WHERRY. In other words, if I understand correctly—and I ask the Senator if this coincides with his interpretation—a review should be made, with the idea of examining the complete set-up and taking funds here and funds there, adding them together, and not going beyond the danger point suggested by Dr. Nourse as being recognized by him.

Mr. KEM. There can be no other conclusion. The article continues:

Additional taxes or deficit financing would follow such a budget increase, he said. Nourse added—

I ask the Senate to attend particularly to this language——

The VICE PRESIDENT. The Senate will be in order. Did the Senator make a request?

Mr. KEM. No. I saw the attention of the Presiding Officer was engaged, and I waited as a matter of courtesy until he was free.

The VICE PRESIDENT. I thank the Senator. The Chair was engaged momentarily, but he should not have been. The Chair sometimes is engaged in fighting off Senators who want to engage the attention of the Chair.

Mr. KEM. The article continues:

Nourse added that the basic issue is—

"Does the North Atlantic Pact increase our national danger and therefore require us to make additional outlays to restore the proper measure of military security? Or do we propose, by joining in a plan of mutual assurance, to lessen the danger to each of the parties, and particularly to ourselves as a prime target of possible aggression?"

Nourse agreed with the latter and went on to say:

"Under this integration we expect to buy better security at the same cost or even, in due time, at lower cost than would otherwise be required."

Nourse also said that Marshall-plan funds must be regarded as an integral part of the plan of American security. He continued:

"The relative parts to be played by military and by industrial preparedness in each of the participating countries, and the relative roles to be played by each arm of the military service at the most effective points must be reexamined in the light of the new strategic concept and with no dangerous backward look at traditional positions of prestige, historical rolls, or impressive trappings.

"We cannot afford to make the costs of its implementation a simple addition to other military plans as they stood before the new alignment."

So, Mr. President, it seems that what has been said on the floor of the Senate, perhaps in some detail and perhaps with some repetition, in regard to the ECA program, by those who are seeking to have the present appropriations reduced, is not without recognition in the very highest councils of the administration.

Mr. CONNALLY. Vote!

Mr. KEM. Mr. President——

Mr. CONNALLY. I beg the Senator's pardon.

Mr. KEM. I thank the Senator for his courtesy, but I shall continue to speak until I have expressed my view in much more detail than may be agreeable to the Senator from Texas.

Mr. CONNALLY. Mr. President, I want to say to the Senator I thought he had concluded. I meant no discourtesy whatever.

Mr. KEM. I shall make it clear to the Senator from Texas, by resuming my seat, when I have completed my remarks.

Mr. CONNALLY. Of course. I do not deny the Senator's right to do that. I meant no discourtesy. I thought the Senator had concluded his remarks. I apologize if he took any offense. It was not so intended.

Mr. KEM. I should like to say to the Senator from Texas, if he thinks by performances of that kind he can in any way intimidate the Senator from Missouri or curtail the remarks he otherwise may make, he is very much mistaken.

Mr. CONNALLY. I thank the Senator for the cordial way in which he accepted my apology and my explanation.

Mr. KEM. Mr. President, I do accept the apology of the Senator from Texas. But may I indulge in the hope that during the course of the debate he will not repeat the practice which he has started.

In addition to repercussions felt here in Washington, it is apparent that the effect of what has been said on the Senate floor has been felt abroad. On the first page of the New York Times this morning there is a very interesting dispatch from Geneva. I quote:

GENEVA, April 6.—The ground work is being laid for a complete revamping of the Marshall plan soon after Congress completes action on next year's appropriations.

Separate strands of the ideas growing in Europe and in top Government circles in the United States are being pulled together in preparation for a drastic new action to make European economic integration a reality instead of just so many words. One big idea for 1950 already deeply implanted in the convictions of top United States and European officials responsible for directing the recovery program is that the time has come for both Europeans and North Americans to take some risks on creating a permanent economic union in western Europe.

On the European side it is now recognized that the United States Congress is unlikely to

appropriate huge amounts for a third year of the Marshall plan on the basis of a dated-up version of the same recovery story. To come back again with nothing more to report than greater output, improved exports, better balanced budgets, and frustrated Communists, the Europeans realize, will fail to impress either Congress or the United States public. That story is true and important, but it has been told too often.

Straws in the wind are reactions during this year's hearings on the Marshall plan of individual Congressmen who are favorable to aid to Europe but nervous about the lack of progress toward what looks like something durable in the way of a more viable economic system. At least as important is the pressure from continental countries, particularly Belgium, for some progress toward the goals of freer trade, greater convertibility of currencies, and the opening up of long-barricaded market avenues.

The article concludes with this interesting statement:

Continental economists do not believe that Britain can or should join any tight European economic union; complications of Britain's position as the center of a world-wide currency system of her own are too great. What they hope is that Britain at least will not seek to prevent some risky experiments in unity on the Continent. The British record in the European economic organization does not give them much hope that this will be the case.

Mr. President, I ask unanimous consent that the two articles from which I have read, one from the Washington Post and the other from the New York Times, be incorporated in the RECORD as part of my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post of April 7, 1949]

COST OF ARMING EUROPE MAY CURTAIL DEFENSE AND ECA SPENDING—ECONOMIC CHIEF'S WARNING SERVES TO COMPLICATE SECURITY SET-UP

(By John G. Norris)

America's current security programs—defense and ECA—should be trimmed to offset at least part of the cost of sending arms to Europe, President Truman's chief economic adviser declares.

This warning from Dr. Edwin G. Nourse, Chairman of the Council of Economic Advisers—delivered at the Pentagon with Mr. Truman's advance approval—had immediate repercussions throughout Washington.

It certainly would influence the forthcoming Senate fight over ratification of the North Atlantic Pact, as Members had already been asking questions about the cost of implementing it with arms.

CERTAIN TO AFFECT ECA BILL

The ECA appropriation authorization bill, now before the Senate, was certain to be affected.

Further, the job of whipping the administration's military aid bill into shape for presentation to Congress and the course of that legislation on Capitol Hill was further complicated.

And Nourse's suggestion of further cuts in America's armed forces caused not only concern at the Pentagon, but promised to affect plans of the House Appropriations and Armed Services Committees.

The former was reported early this week to be ready to boost Air Force appropriations by some $800,000,000, through trimming Army and Navy funds. Many members of the House Armed Services Committee plan amendments to increase the latter outlays also when the armed forces spending bill reaches the floor next week.

MORE TAXES OR DEFICIT

Dr. Nourse's warning that an arms-for-Europe program "would contribute to the need for additional taxes or to the making of a budget deficit" was made Tuesday. He spoke before a closed session of top defense officials and prominent civilian guests attending the Second Joint Civilian Orientation Conference. Nourse made the statement public yesterday.

The impact of his address was particularly felt, as officials previously had indicated that the military-aid program could be piled on top of the President's defense budget and ECA spending plans without economic trouble.

The Nourse statement came as military leaders delivered a series of Army Day addresses, emphasizing that America must prepare to hold western Europe in the event of war, and not count on defeating an aggressor in Europe by atomic attack from the air.

Army Secretary Kenneth Royall said that if an aggressor is allowed to overrun Europe, the war will last 10 to 20 years or even longer. Former Under Secretary of the Army, William H. Draper, declared that American strategy must contemplate indefinitely a retention of strength on the continent of Europe.

Gen. Omar N. Bradley, Army Chief of Staff, set the pace for the Army Day speeches in an address in New York Tuesday night. He firmly backed arms aid to western Europe, declaring that we would be foolish to follow any strategy of letting an enemy overrun the Continent and attempting to come back later.

Their statements were regarded as the opening guns of the administration drive to ratify the Atlantic Pact and back it up with arms assistance. Legislation now being readied for Congress is reported to total $1,800,000,000 for arms shipments—including continuation of Greek-Turkey aid and the value of supplies sent to western Europe from current American stocks.

"It would be wrong to conclude," Dr. Nourse said in alluding to this plan, "that we can, without concern, add these expenditures, whatever they are, to the present budget items for national security."

Additional taxes or deficit financing would follow such a budget increase, he said. Nourse added that the basic issue is:

"Does the North Atlantic Pact increase our national danger and therefore require us to make additional outlays to restore the proper measure of military security? Or do we propose, by joining in a plan of mutual assurance, to lessen the danger to each of the parties, and particularly to ourselves as a prime target of possible aggression?"

Nourse agreed with the latter and went on to say:

"Under this integration we expect to buy better security at the same cost or even, in due time, at lower cost than would otherwise be required."

Nourse also said that Marshall-plan funds must be regarded as an integral part of the plan of American security. He continued:

"The relative parts to be played by military and by industrial preparedness in each of the participating countries, and the relative roles to be played by each arm of the military service at the most effective points must be reexamined in the light of the new strategic concept and with no dangerous backward look at traditional positions of prestige, historical rolls, or impressive trappings.

"We cannot afford to make the costs of its implementation a simple addition to other military plans as they stood before the new alinement."

[From the New York Times of April 7, 1949]

ERP GOAL SHIFTED TO ECONOMIC UNION—WESTERN NATIONS, WITH TOP UNITED STATES BLESSING, CONSIDER UNIFORM MONEY AS A FIRST STEP

(By Michael L. Hoffman)

GENEVA, April 6.—The ground work is being laid for a complete revamping of the Marshall plan soon after Congress completes action on next year's appropriation.

Separate strands of the ideas growing in Europe and in top Government circles in the United States are being pulled together in preparation for a drastic new action to make European economic integration a reality instead of just so many words. One big idea for 1950 already deeply implanted in the convictions of top United States and European officials responsible for directing the recovery program is that the time has come for both Europeans and North Americans to take some risks on creating a permanent economic union in western Europe.

On the European side, it is now recognized that the United States Congress is unlikely to appropriate huge amounts for a third year of the Marshall plan on the basis of a dated-up version of the same recovery story. To come back again with nothing more to report than greater output, improved exports, better balanced budgets, and frustrated Communists, the Europeans realize, will fail to impress either Congress or the United States public. That story is true and important, but it has been told too often.

PRESSURE OF CONGRESS IS FELT

Straws in the wind are the reactions during this year's hearings on the Marshall plan of individual Congressmen who are favorable to aid to Europe but nervous about the lack of progress toward what looks like something durable in the way of a more viable economic system. At least as important is the pressure from Continental countries, particularly Belgium, for some progress toward the goals of freer trade, greater convertibility of currencies, and the opening up of long-barricaded market avenues.

On the United States side, the feeling is that, having made irrevocable commitments in the military sphere, it is time for western Europe to make irrevocable commitments in the economic sphere. It is felt that little more can be gained from more planning, more committee meetings, more long-term projects. This feeling is shared by the highest officials of the Organization for European Economic Cooperation, who see the workings of European cooperation from the inside.

One such unity measure now in high favor is to establish now, while United States aid is still available, a complete currency union in western Europe. This means not just removing exchange controls and restoring the prewar freedom of convertibility but literally having the same colored paper, bearing the same pictures, circulating throughout the area. This is the kind of step that brings a host of the other measures of coordination in its train, not as a matter of mere good intentions but as a matter of inherent necessity from which national governments cannot escape.

RISKS ENTAILED FOR UNITED STATES

To establish a uniform currency now would entail great risks for all the participating countries. Some would suffer unemployment in industries now protected by exchange control regulations; others would have to impose new taxes or forego popular social progress.

The step would also entail risks for the United States. Instead of allocating dollars, the United States role would become that of underwriting the dollar deficit of the participating countries. For some time the

whole area would have to adopt some controls to keep dollar expenditure within bounds.

The immense advantage over the present system, however, would be that European business could at last begin the painful process of adapting itself to competitive conditions. Ultimately, continental experts feel, this would bring about such an improvement in productivity that Europe's inferiority to United States industry would be reduced to unimportant differentials.

Some of the keenest European observers of United States congressional and public opinion believe that it is in the nature of the North American character to be prepared to take a considerable risk in exchange for certain achievements of a broad political ideal—and Europe has finally recognized that the United States desire for European unity is a basic American urge.

The Benelux countries already have begun to plan for the inclusion of western Germany in a western European economic union. The logic of incorporating west Germany in any such plan is that it is better to have a rapidly growing German industry under the same roof than to deal with it as foreign competition.

Continental economists do not believe that Britain can or should join any tight European economic union: the complications of Britain's position as the center of a world-wide currency system of her own are too great. What they hope is that Britain at least will not seek to prevent some risky experiments in unity on the Continent. The British record in the European Economic Organization does not give them much hope that this will be the case.

Mr. JENNER. Mr. President, we have been admonished and criticized rather consistently, supposedly for delaying tactics in connection with the Marshall plan. It has been stated several times that many extraneous matters have been injected into the debate. I rise for a moment to explain my position. I did make one extended speech on the subject in the past 2 weeks. I think I took approximately 2½ hours of the Senate's time. During the 2 years and 3 months in which I have been a Member of the Senate, I have used very little of the Senate's time. I thought I made my position clear. I admit that in my remarks I talked about the North Atlantic Pact and other projected pacts; I talked about our domestic problems; I talked about our great national debt; I talked about our taxes and the proposed increase in taxation.

It is my sincere belief that because the Marshall plan is a piece of legislation to be considered at this time, we cannot completely isolate it and separate it from the other great problems which confront us, both in connection with our foreign policies and in connection with our domestic policies.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. JENNER. I yield for a question.

Mr. MALONE. Then the Senator does not agree with the tactics which have been employed in the past few years with reference to each one of these matters, the Marshall plan, the ERP, the ECA, all one plan, referring to them as legislation to meet a great emergency; and he does not agree that the trade agreements extension bill is to meet a great emergency, or that the International Trade Organization matter, which will level the living standards of this country with those of Europe, is a great emergency, standing by itself. Or does he believe, in view of Sir Stafford Cripps' remarks this morning in a newspaper interview, that America must be educated along the lines of lower tariffs and import fees so that British products can more easily enter the United States, that there should be some general plan of operation?

Mr. JENNER. That is what I was trying to make plain to my colleagues. I do not think we can consider any one of these programs and isolate it, and say we will talk about the ECA program, then we will talk about reciprocal-trade agreements, then about the North Atlantic Pact, then about the labor bill, then education for the people of the United States, then about reclamation for the benefit of the people of the Nation, and then about taxes, as isolated matters. I do not think that can be done. I have tried to make my position plain.

I am not trying to delay the business of the Senate. It is my honest belief that we cannot accomplish all the things we need to accomplish at home, and all the things which may be necessary in the world at large, and still remain an economically and militarily strong Nation. The Marshall plan itself may be fine; the North Atlantic Pact may be fine; I think all these things may be necessary, but if the ultimate end means bankruptcy for the Nation, then we shall have destroyed the last stronghold of freedom in the world.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. JENNER. I yield to the Senator from Missouri.

Mr. DONNELL. I take it the Senator is not implying that the North Atlantic Pact is a necessity or that it is advisable. Is that correct?

Mr. JENNER. I am not. All I am trying to do is to make my position clear. It is not easy for a Senator to take the position which I take in the Senate. He is lost in a hopeless minority. A Senator who takes the stand which I take is branded as a know-nothing, an isolationist, and a reactionary. It is not easy to be in a hopeless minority, as has been evidenced by the vote on my amendment. I offered an amendment to the bill, and it was rejected. Knowing that agriculture is one of the basic industries of this Nation, knowing that we had had approximately 7 years of bumper crops, and that another bumper crop was in prospect, I offered an amendment which merely provided that when the American farmers have raised a surplus of key crops, such as cotton, wheat, corn, rye, soy beans, and so forth, the Administrator of ECA should not be permitted to take the American taxpayers' dollars and purchase such products in a foreign country, such as Canada, as was done last year. The Administrator purchased $354,000,000 worth of Canadian wheat at a time when we had 360,000,000 bushels of surplus wheat. On the 360,000,000 bushels of surplus wheat a subsidy equivalent to the parity price had to be paid. My amendment received 32 votes out of a possible 96 votes.

What I am trying to say, Mr. President is that it is not easy to fight for what one honestly believes in, when he is in a hopeless minority, and when all these various proposals are put together and coupled up with the other problems confronting our economy. The propaganda has already started on the North Atlantic Pact, and it is a 100-to-1 bet that it will be ratified by this body.

The pact itself, standing by itself, might be all right; I am personally inclined to think it is; but when we put the price tag along with the pact, we must reflect that we are going to assume to rearm Europe, that we are to commit ourselves to arm for a ground war in Europe, at a probable cost of around $20,000,000,000. Certainly we start with $1,800,000,000, but that is merely the ante in the poker game. Twenty billion dollars is a truer figure than $1,800,000,000.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. JENNER. I yield for a question.

Mr. DONNELL. Am I correct in my impression, however, that notwithstanding the Senator's remarks about the Atlantic Pact as a separate entity, he is holding his mind open to hear all the arguments on the Atlantic Pact before he arrives at a final conclusion?

Mr. JENNER. That is true.

Mr. DONNELL. He is not intending to state to the Senate that he has arrived at the conclusion that the Atlantic Pact is either necessary or desirable, is he?

Mr. JENNER. No; I have not arrived at any final decision. I merely say that the pact itself, just a piece of paper with the 12 names written on it, probably means that the American taxpayer will have to spend a tremendous amount of money.

Mr. DONNELL. It may mean, however, may it not, that the American Government is obligating this country to go to war in the event of certain contingencies, and without requiring the approval of the Congress of the United States?

Mr. JENNER. It may mean that, but my personal reasoning is that we have gone to war in Europe twice when there was no pact in existence. As a matter of fact there were neutrality laws in which we took the exact opposite view from that reflected in the pact. Therefore I would assume, the American people being what they are, wanting liberty and freedom preserved throughout the world if possible, that they would probably go to war a third time pact or no pact. What I am trying to show, and I think what the debate has brought out, is that when we take a 42 or 45 billion dollar budget for the costs of the Federal Government; then include five or six billion dollars, the cost of the Marshall plan; include another billion dollars for the cost of the occupation of Germany and Japan; include, in addition, probably $600,000,000, or perhaps more, for Greece and Turkey; include, to begin with, a $1,800,000,000 for the North Atlantic Pact, with a projected figure of probably nearly $20,000,000,000; and when we include the possibility of lend-lease with which to do the same thing we are doing in the North Atlantic; then include a Pacific pact; then bring in all the domestic problems, and

consider that we now need $12,000,000,000 to rebuild and bring up to par our national defense and strategic materials; and when we think of the fact that there are 6,000,000 children in this country who have to go to school in the next five years, and there are not sufficient physical facilities to enable them to attend school, which will mean the expenditure of a billion or two billion dollars to bring the school facilities up to what they should be, unless we are to raise a Nation of hoodlums; when we think of the old people in this country, with whom we play politics in each election, who are getting the miserable pittance of $21 a month; and when we think of the old age group increasing in number all the time; when we think of the problems of power and reclamation; when we think of the problems of conservation; when we think of the fixed obligations of the Government—when we consider all these things, I say we can not isolate the Marshall plan and talk about it exclusively.

When we couple with all this the projected Fair Deal of Mr. Truman, which it is estimated will take another ten to twenty billion dollars a year, I say we cannot take seventy or eighty billion dollars out of the American economy and continue as a strong, solvent, free Nation. That is why I oppose the New Deal and Fair Deal. I do not think it is the sincere purpose of their proponents to preserve a free and strong economy in this country. I think they are gradually, step by step, through hopping from one emergency to another emergency, from one crisis to another crisis, deliberately leading this great free Nation into socialism.

Mr. President, I hold in my hand a document which is being circulated among Government employees, not down on Pennsylvania Avenue, but here in this very Capitol, here in the very shadow of the Senate Chamber. Let me read parts of it; it is too long to take up the time of the Senate to read it all, and I do not care to be accused of delaying tactics, but I am fearful we are being led to overextend ourselves, as the Senator from Georgia [Mr. GEORGE] has said, and when we overextend ourselves and head into bankruptcy, then we are going to lose our liberties, we are going to lose freedom in this country, and then who is going to be the great leader we are now supposed to be in the world?

I ask Senators to listen to this. It refers to an ADA study trip to Britain in the summer of 1949. This has been circulated among Government employees here in the shadow of the Senate Chamber. Worse than that, it has been circulated to young boys, 15, 16, and 17 years old, here within the shadow of this very Senate Chamber. Do we hear talk about preserving freedom and liberty? Listen to this:

> This is a summer trip of 1949 under the auspices of the Americans for Democratic Action.

Oh, Mr. President, how the word "democratic" has been abused and perverted. One would think we were a democracy. If you want to sell a program to the American people, call it democratic.

Mr. President, we are not a democracy. We never were intended to be a democracy. This Nation is a Republic, a representative Republic, and there is no reference in the Preamble, in the Constitution, in any of the debates at the Convention which framed the Constitution, or in any of the sacred documents of this great Nation, which calls us a democracy. But we are fast getting to be a democracy, because we are becoming a government of organized gangs.

Here, circulated in this building, is this pamphlet from the Americans for Democratic Action." The address of this organization is 1740 K Street NW., Washington 6, D. C. The telephone number is Executive 8160. The officers are listed, headed by one of our distingushed colleagues from Minnesota, Mr. HUBERT H. HUMPHREY. He is the national chairman of this organization, and the other officers are listed. I do not care to read all this, but let me read portions of it so that Senators may see what is going on.

> ADA has a deep and sympathetic interest in the program of Britain's Labor Government. ADA has held that what Britain is accomplishing may be one answer to the challenge of communism. For here freedom and planning—

Both those words are underlined, Mr. President—

> are essentials of a mature and vigorous democracy.

There is that word again.

> Britain has lost none of her democratic practices with the planning she has had to do to rebuild. In fact she has added new privileges of citizenship with the broadened participation required by her health, housing, town and country planning, and other social welfare legislation.

Let us stop right there. Britain has lost none of her freedoms. Those who prepared this document are writing to our young men, employees, if you please, of this very Senate, urging them to go to England and study the great British Labor government, when we are today spending billions of dollars to keep that great British Labor government on its feet.

They have lost no freedoms over there. My wife was born in that country. Her relatives are still in that country. I know from first hand information that if a man is a coal miner and wants to quit his job and go into some other industry he cannot do so without receiving permission. He must go to the bureaucrats to receive permission.

By the way, there are more bureaucrats in England today than there are in this great country, but there are only 45,000,000 people in that country, whereas there are 145,000,000 people in our country.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Missouri for a question?

Mr. JENNER. I yield for a question.

Mr. DONNELL. I ask the Senator from Indiana if the language which he has quoted in regard to Great Britain has a very striking similarity to the language which occurs in the speech of Christopher Mayhew, Member of Parliament, to the United Nations Economic and Social Council on Wednesday, February 23, as follows:

> The years since the war have seen a great ferment of ideas and social experiment in Britain. We have set in train a great expansion of education—including technical education—a unique system of national insurance, linked with a comprehensive system of industrial injury insurance and a complete national health service, great plans for town and country planning—

I pause to ask the Senator: Is not that a program for town and country planning contained in the document which the Senator has just read?

Mr. JENNER. Yes; of course.

Mr. DONNELL. I continue reading from Mr. Mayhew's statement:

> And the reorganization of our key industries and services under public ownership. Some have asked if we can afford all this. They have missed the point that these developments are an integral part of our great economic expansion.

Does not the Senator think that the language and the sentiment expressed both in the document he has read and the statement of Mr. Mayhew are strikingly similar?

Mr. JENNER. They are very similar. This thing, Mr. President, is going on in the shadow of the Capitol. From my background I suppose I should be one of the great give-away boys, because my generation has not been a very happy one. We came through one great world war, and then we lived through an economic catastrophe in this country for about 10 years, and then our generation ended up in the middle of a second world war. So it would be easy enough for people of my age and my understanding to be numbered among the great give-away boys.

But think of men circulating in this very Senate Chamber to young boys like the page to whom I referred telling 15-year-old boys to try to go to England to look over the great privileges offered by that great Labor Government, under which a man cannot work where he pleases, under which he must obtain government permission to get a job, or to change from one job to another—a country the government of which tells a man where he shall live, how much he shall pay for his quarters, what he may buy, where he must line up to obtain almost everything he needs and which issues a man a $50 toupee paid for by the taxpayers of the United States, and when it is found that a $50 toupee is not good enough, says "We will call back the $50 toupee and give you another one." And we in this country suffer heavy taxes to pay for such damn foolishness.

Of course, Mr. President, I shall take all the time I want to talk about these things.

Mr. HUMPHREY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Minnesota for a question?

Mr. JENNER. I yield for a question.

Mr. HUMPHREY. Inasmuch as an organization with which I am affiliated

and of which I serve as the active national chairman, has been brought up for discussion on the floor of the Senate I should like to ask a few questions pertaining to the remarks of the distinguished Senator from Indiana. Did I understand you to say that democracy was nothing more or less than an organization of gangs?

Mr. JENNER. I said the type of government we are getting in this country is organized gang rule. If you have the biggest gang if you wield the biggest political club, you are going to have the biggest power. I say we are intended to be and always were intended to be a representative republic, and I hope and pray to God that we do not degenerate into having gang war and being dominated by organized gangs. This organized gang situation weighs on my mind. They do not care what happens to America. It is time somebody stood on the floor of the Senate and denounced all gangs. It is time somebody stood on the floor of the Senate and stood for America regardless of his political future. What will anyone's political future amount to in this body if we lose our freedom, if we lose our liberty and if we lose the greatest country under God's sun. I am not going to have a part in bringing about such loss.

Mr. HUMPHREY. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Indiana yield further to the Senator from Minnesota for a question?

Mr. JENNER. I yield for a question.

Mr. HUMPHREY. I was wondering whether the Senator in discussing what he calls the rule of gangs was again trying to identify the rule of gangs with the concept or principle of democracy. I gathered that from his remarks.

Mr. JENNER. If you want to get into what I think is a true definition of democracy, I will say true democracy exists when the people themselves actually run the government. That is not the intention of our Government. We did not become this great Nation under a democracy. We became this great Nation as a Republic in which the people exercise the right of a free ballot, in which the people of a district elect a Representative to Congress who speaks for them. If the people do not like their Representative they can recall him. But the idea of the people, the gangs, dictating the laws and the legislation is what I am objecting to.

Mr. HUMPHREY. Am I to understand——

The VICE PRESIDENT. Does the Senator from Indiana yield for a further question?

Mr. JENNER. I yield to the Senator from Minnesota for a question.

Mr. HUMPHREY. Am I to understand that you are opposed to the people dictating—using your words—the laws of this country?

Mr. JENNER. I do not want the people as a gang dictating the laws. I want the people to elect their representatives and then let their representatives in Congress speak and represent them as they honestly think is best. If the people do not agree with the thoughts of their representatives they have the right, in the case of a Representative in Congress, to recall him within 2 years; yes, even sooner than that, because the primary comes earlier in the year; and if the individual is a Senator the people can recall him at the end of his term.

Mr. HUMPHREY. Mr. President, will the Senator yield for a further question?

The VICE PRESIDENT. Does the Senator from Indiana yield for a further question?

Mr. JENNER. Yes.

Mr. HUMPHREY. I wonder whether the Senator will find within his understanding of the term "democracy" such basic freedoms as freedom of speech, freedom of the press, freedom of religion, freedom of assembly? Would you find those factors——

Mr. JENNER. I find all those factors incorporated under the Republic of this country.

Mr. HUMPHREY. Does the Senator find all those within his understanding of the concept of democracy?

Mr. JENNER. I find all those incorporated, I answer the Senator again, under the Constitution of the United States, which created the Republic:

> We, the people of the United States, in order to form a more perfect—

Not democracy, but a more perfect republic.

Mr. HUMPHREY. Will the Senator yield for another question?

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Minnesota for another question?

Mr. JENNER. Yes.

Mr. HUMPHREY. Is it not true that the Constitution says "in order to form a more perfect union?"

Mr. JENNER. That is correct.

Mr. HUMPHREY. Not a republic; a more perfect union.

Mr. JENNER. In order to form a more perfect union and in order to establish and retain this Republic.

Mr. HUMPHREY. Is it not possible for us to have a republic which is a structure and a form of government which utilizes the procedures and the strucural organization of government within the spirit, within the concept of what we call democracy?

Mr. JENNER. Not if organizations such as the ADA, of which the distinguished Senator from Minnesota is the national chairman, go around trying to get young men 15 or 16 years old to go to London, England, this summer and study the great progress of the British Labor Government. No; we will not stand for that.

Mr. HUMPHREY. Mr. President, will the Senator yield for a further question?

The VICE PRESIDENT. Does the Senator yield for a question?

Mr. JENNER. I yield.

Mr. HUMPHREY. Am I to interpret from the Senator's remarks that he does not believe that people ought to have the privilege or ought to enjoy, let me say, the opportunity to study forms of government and political organization by visiting our neighboring countries, our allies?

Mr. JENNER. Let me read again the purpose ADA has:

> ADA has held that what Britain is accomplishing may be one answer to the challenge of communism. For here freedom and planning are essentials of a mature and vigorous democracy. Britain has lost none of her democratic practices with the planning she has had to do to rebuild. In fact, she has added new privileges of citizenship with the broadened participation required by her health, housing, town and country planning, and other social-welfare legislation.

I do not know what town and country planning means, but I was over there. I visited some friends, a man and his wife, who had a son and a daughter. It came time to go to bed. There was one bedroom. The little girl was about 15 years old. I said to my friends, "Where do we sleep?" They said, "Well, if you do not mind, you will have to sleep with the children." I, a grown man, slept with a little girl 15 years old and her brother. The mother and the father slept in the other bed.

I said, "Why does this situation exist?" They said, "Well, the city of Kirkcaldy, Scotland owns this housing project, and we have to live in a one-bedroom apartment until Mary is 16 years of age. Then the government will give us an additional bedroom."

Mr. President, I do not want that kind of a government, and I do not think it is a good idea for the boys and girls of this country to be spending their money to go to England to see what broad additional privileges the great socialistic experiment has given the people of England.

Mr. HUMPHREY. Mr. President, will the Senator yield for a further question?

Mr. JENNER. I yield for a question.

Mr. HUMPHREY. Is the Senator of the mind that any government which may be termed a labor government is ipso facto undesirable and unworthy of our consideration, our study, and our concern?

Mr. JENNER. What are you trying to do, put me on the political spot? Are you playing to the gangs again, young man?

Mr. HUMPHREY. Mr. President, may I ask a further question?

Mr. McMAHON. Mr. President, I ask that the rules of the Senate be observed.

Mr. WHERRY. Mr. President, I ask for the regular order.

The VICE PRESIDENT. The Chair must admonish all Senators that they are prohibited by the rules and by immemorial practice from addressing one another in the second person.

Mr. WHERRY. I ask for the regular order.

The VICE PRESIDENT. The regular order is that the Senator from Indiana has the floor, and he has yielded to the Senator from Minnesota for a question.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

Mr. JENNER. I yield to the Senator from Missouri for a question only.

Mr. DONNELL. Would the Senator be kind enough to read us the names, one by one, of the other officers of ADA, which he says are on the document?

Mr. JENNER. I shall be glad to do so. I read the name of the Senator from

Minnesota [Mr. HUMPHREY], the national chairman. The other names are: Joseph L. Rauh, Jr., chairman of the executive committee; George Edwards; Hugh Ernst; Paul A. Porter; Emil Rieve; Franklin D. Roosevelt, Jr., vice chairman; Louis H. Harris, treasurer; David Ginsburg, Secretary, National Board; James Loeb, Jr., national executive secretary; Mrs. Frances Adams, study-trip director, 3720 Thirty-ninth St. NW., Washington, D. C., Woodley 1754; Fritz Mondale, executive secretary, Students for Democratic Action; and David Williams, director of the London office.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. JENNER. I yield for a question.

Mr. DONNELL. I am wondering if the Senator has any information as to whether or not the David Williams mentioned is the labor member of Parliament from the Neath Division of Glamorgan.

Mr. JENNER. It may appear in this mimeograph circular. The circular was handed to me by one of the pages this morning. It enraged me to think that here in the Chamber of the United States Senate, in this great free country, organizations are stimulating young men and women to go abroad to see the progress of the socialistic experiment in England which we as taxpayers are paying for through the legislation which is before us at this very moment.

Mr. DONNELL and Mr. HUMPHREY addressed the Chair.

The VICE PRESIDENT. Does the Senator from Indiana yield, and if so, to whom?

Mr. JENNER. I yield to the Senator from Missouri.

Mr. DONNELL. Does the Senator know if Paul A. Porter, to whom reference is made, is the same Paul A. Porter who was formerly Deputy Administrator in charge of the Rent Division of the Office of Price Administration?

Mr. JENNER. I am not sure, but it would be a natural connection, I should say.

Mr. DONNELL. Mr. President, will the Senator yield for a further inquiry?

Mr. JENNER. I am glad to yield for a question.

Mr. DONNELL. Can the Senator tell me whether or not the name as it appears on his document is "Paul A. Porter"?

Mr. JENNER. It is "Paul A. Porter."

Mr. DONNELL. I thank the Senator.

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Minnesota?

Mr. JENNER. I have read only the first short paragraph, and I should like to proceed and read some more of this very interesting circular:

ADA's purpose in organizing a group of its active members from all parts of the United States for summer study in Britain is to forge a stronger link between our two great English-speaking democracies—

There is that word again—

as well as to give the participants an opportunity to study at first hand just what have been the accomplishments of the Labor Government since 1945.

Mr. DONNELL. Mr. President, will the Senator yield for a further inquiry?

Mr. JENNER. I yield for a question. I should like to read a little more of this, so that we may know what we are discussing. I yield for one further question.

Mr. DONNELL. Does the Senator know that Paul Aldermandt Porter, whose name is listed in Who's Who in America, was the campaign publicity director of the Democratic National Committee in 1944?

Mr. JENNER. No; but I would surmise it.

I read further from the circular:

We believe that this summer will be particularly interesting in view of the planning which will be going on for the general elections of 1950.

Transportation will be via planes which have been procured at special student rates by Youth Argosy, Inc., "an educational, philanthropic, nonprofit making and tax-exempt organization cooperating with mutually interested groups and individuals which exists for the following purpose: To provide safe and inexpensive transportation for all worthy young people to the ends that they may find friendships that will link youth with youth the world over; may enjoy the educational and cultural benefits of travel; and may come to have a greater knowledge, understanding and love of the world." Departure date will probably be some time around the second week in July. You will be advised as soon as we have definite confirmation, as to date, time, and point of departure.

The group will be composed of undergraduate and graduate students who are affiliated with SDA and persons past college years who are active in civil, labor, religious, political, and other community activities. All members will be carefully selected and will be required to present a written report on the summer program when they return in September.

The group will be provided with reading lists and will be expected to study this source material before they come to Washington or New York for orientation. The orientation program will be given during 2 or 3 days preceding the date of embarkation.

The orientation program will tackle the dual job of (1) preparing the group for England to help each member get the most out of the experience, and (2) to help each person be a more effective ambassador of good will for the United States. To this end, the group will meet with British people from the Embassy, the British Information Service, British newspaper offices, and others. On point (2) the group will meet with ADA and SDA officials as well as representatives from the labor movement, from the ECA and from Government agencies such as the Department of State and the Department of Labor, which are particularly concerned with projects of this nature. The students will be expected to focus their own projects and aims during this period of orientation, and a syllabus containing the kind of questions to which the summer should provide the answers will be prepared. The 8 weeks in England will be spent at summer sessions of the Labor Party, Fabian Society, Workers Education Association, and Trade Unions Congress.

Mr. President, I believe the Fabian Society was originally organized by George Bernard Shaw.

I read further:

In addition, there will be trips to industrial and rural areas.

On arrival in England, there will be further preparation and orientation before the students go out to the summer sessions. ADA's London representative will work out several seminar sessions where the group will meet Government, labor, and educational officials who will help to guide them in their studies. The group will be housed in London on a low-cost basis, and headquarters will be maintained during the 8-week period so that those who are not out at sessions will have a home base in London.

Following is an estimated cost for the project.

Then it goes on to tell about the program in England and about the Fabian schools that will help them study, and about the Labor Party schools, the League of Youth Rally, the Workers Education Association, and the Trade Unions Conference. Mr. President, I should like to have this circular printed at this point in the RECORD, as a part of my remarks.

There being no objection, the circular was ordered to be printed in the RECORD, as follows:

ADA has a deep and sympathetic interest in the program of Britain's Labor Government. ADA has held that what Britain is accomplishing may be one answer to the challenge of communism. For here freedom and planning are essentials of a mature and vigorous democracy. Britain has lost none of her democratic practices with the planning she has had to do to rebuild. In fact she has added new privileges of citizenship with the broadened participation required by her health, housing, town, and country planning and other social welfare legislation.

ADA's purpose in organizing a group of its active members from all parts of the United States for summer study in Britain is to forge a stronger link between our two great English-speaking democracies as well as to give the participants an opportunity to study at first hand just what have been the accomplishments of the Labor Government since 1945. We believe that this summer will be particularly interesting in view of the planning which will be going on for the general elections of 1950.

Transportation will be via planes which have been procured at special student rates by Youth Argosy, Inc., an educational, philanthropic, nonprofit making and tax-exempt organization cooperating with mutually interested groups and individuals which exists for the following purpose: to provide safe and inexpensive transportation for all worthy young people to the ends that they may find friendships that will link youth with youth the world over; may enjoy the educational and cultural benefits of travel; and may come to have a greater knowledge, understanding and love of the world. Departure date will probably be sometime around the second week in July. You will be advised as soon as we have definite confirmation, as to date, time, and point of departure.

The group will be composed of undergraduate and graduate students who are affiliated with SDA and persons past college years who are active in civic, labor, religious, political, and other community activities. All members will be carefully selected and will be required to present a written report on the summer program when they return in September.

The group will be provided with reading lists and will be expected to study this source material before they come to Washington or New York for orientation. The orientation program will be given during 2 or 3 days preceding the date of embarkation.

The orientation program will tackle the dual job of (1) preparing the group for England to help each member get the most out of the experience, and (2) to help each person be a more effective ambassador of goodwill for the United States. To this end, the group will meet with British people from the Embassy, the British Information Service, British newspaper offices and others. On

point (2), the group will meet with ADA and SDA officials as well as representatives from the labor movement, from the ECA and from Government agencies such as the Department of State and the Department of Labor, which are particularly concerned with projects of this nature. The students will be expected to focus their own projects and aims during this period of orientation, and a syllabus containing the kind of questions to which the summer should provide the answers will be prepared.

The 8 weeks in England will be spent at summer sessions of the Labor Party, Fabian Society, Workers Education Association and Trade Unions Congress. In addition, there will be trips to industrial and rural areas.

On arrival in England, there will be further preparation and orientation before the students go out to the summer sessions. ADA's London representative will work out several seminar sessions where the group will meet government, labor, and educational officials who will help to guide them in their studies. The group will be housed in London on a low cost basis, and headquarters will be maintained during the 8-week period so that those who are not out at sessions will have a home base in London.

Following is an estimated budget for the project. It is understood that this represents the most accurate estimate possible, but should living costs in England exceed the amount, members of the group will be required to pay any additional costs. On the other hand, should costs be lower than estimated (and we have tried to make maximum allowance for all items) the saving will be refunded at the end of the trip.

Each member of the group will be required to pay $640 before leaving the United States. This will cover the following budget:

Round trip flight via Youth Argosy planes	$379
8 weeks' lodging (this will include board, room, and tuition at school sessions, and board and room in London and visits to other parts of England)	240
Registration and leadership fee (not returnable in case of cancellation for reasons beyond our control)	21
Total	640

To be noted:

1. This does not include train fares in England and other out-of-pocket expenses. These will vary depending on the program selected by student.

2. A small number of students may defray a portion of their expenses as much as $50 weekly by electing a week of work in harvest camps.

3. Persons who wish to spend 1 or 2 weeks of the time on the continent will be refunded the amount which is not used for board and room in England.

4. Low-cost accommodations will be arranged for the 2- or 3-day Washington or New York orientation period and are not included in this budget.

5. Each person making the trip will be required to make his own arrangements for the following:

(a) Trip to orientation headquarters.
(b) Passport and visas.
(c) Vaccination and innoculation.
(d) Insurance.

PROGRAM IN ENGLAND

Each member of the group has the opportunity to make his own program insofar as is practical. Sometimes he will have to accept his second and third choices, but his wishes will be our guide in planning his summer program. He may elect the number and type of summer sessions, amount of time to be spent in London, or in the field, or any combination thereof. He may also elect harvest camps, visits to Birmingham, Manchester, mining, and rural areas.

LONDON

London will be headquarters, and there will be a program including visits to Government ministries, the Parliament (insofar as circumstances permit) conferences, housing projects, communty centers, and other activities including a recreational and cultural program.

FABIAN SCHOOLS (FROM THE FABIAN APPLICATION FOLDER FOR 1949)

Ever since the early days of Bernard Shaw and Sidney Webb, the annual summer schools of the Fabian Society have been a special feature in the calendar of the British labor movement. What happens at a Fabian summer school? You will find a hundred or so Fabians in a large house in the country, at Cirencester in Gloucestershire, or Beatrice Webb House, near Dorking, in Surrey. At the Beatrice Webb House there will be a lecture each morning by some clebrity, such as a Member of Parliament. After lunch you can swim, play tennis, walk, talk, or sleep. After tea there are discussion groups which you can join or not, according to your fancy. After supper there may be a debate or brains trust or dancing or a visit to the local pub. At Cirencester the program will be similar, but there will be more study-group periods instead of lectures. There is great value in the informal discussions which are encouraged by the free and friendly atmosphere of the schools. You could not find a better introduction to the British labor movement than a week spent at a Fabian summer school. If you would like to spend one or more weeks at a Fabian summer school you would be made very welcome.

The Fabian Society will be holding five schools in 1949. Three weeks will be spent at the Beatrice Webb House, Pasture Wood, near Dorking, Surrey, in lovely wooded country. At the first week (July 23–30) the lectures will deal mainly with the Labor Party election program for 1950; at the second (July 30–August 6) the lectures will cover a variety of home and international subjects; and the third (August 6–13) will be devoted to international, including commonwealth, affairs.

Two weeks will be spent at the Royal Agricultural College, Cirencester, in the famous Cotswold country. Here the study-group method will be applied first to Labor's Election Program (August 13–20) and then to the problems of Socialism and the Individual (August 20–27).

LABOR PARTY SCHOOLS (FROM 1949 FOLDER)

The 1949 series of national summer schools, the last before the general election, will be held at the centers:

Oulton Hall Hotel, Clacton-on-Sea, from June 11 to 25; at St. John's College, University of Durham, from July 2 to 16; and at Beatrice Webb House, Leith Hill, Surrey, from August 27 to September 17.

Key workers are given valuable training and experience to fit them for competent and responsible leadership in their local parties and trade-union branches. This year the approach of the general election lends a new perspective to our educational activities and makes it more vital than ever for the party to have as many active and well-informed members as possible.

The educational program: At each of the schools there will be a number of general lectures by authoritative speakers including members of the Government and the national executive committee. In addition, students will be divided into groups to make a more detailed study of particular subjects under the guidance of expert tutors.

At Durham and Beatrice Webb House, there will be courses in local government as well as the general-election program, and electoral organization and publicity.

A fourth subject, International Policy, will be available at Beatrice Webb House during the 2 weeks beginning August 27 and September 3.

Social and recreational activities: These activities are a most important feature of the summer-school program, and full advantage will be taken of the excellent facilities provided at the various centers. Students are encouraged to make their own program of entertainment during the week and are asked to come prepared with suggestions and to take active part in the social arrangements.

LEAGUE OF YOUTH RALLY (FROM 1949 FOLDER)

This will be a get-together for the youth division of the Labor Party. Classes will be arranged on home policy, international affairs, and local government as well as individual lectures on topical subjects. There will be classes in public speaking, as well as the finals of the national contest.

This will be the first annual rally of the Labor League of Youth at Butlin's holiday camp at Filey, Yorkshire, for 1 week, from September 17–24, 1949.

WORKERS EDUCATION ASSOCIATION

A joint committee representing labor and academic thinking have made plans for a series of summer sessions to be held at several universities. WEA courses deal with a variety of subjects, some aimed directly at labor education, others of a cultural nature, and others with emphasis on contemporary affairs.

TRADE-UNIONS CONFERENCE

TUC schools are particularly concerned with labor problems, labor law, and other areas of particular interest to the trade-union member. This summer's sessions will also take up organized labor's part in the election program for 1950.

HARVEST CAMPS

The British have organized camps where participants help with the harvest. There is opportunity to see life in rural areas, as well as to earn something toward the trip.

INDEPENDENT PROJECTS

To provide for persons who would like to make other plans for housing and study in England but whose general purposes are in keeping with those of the group, a limited number of students with their own project plans will be permitted to join the group. Each of these students will be required to submit a detailed project plan which must be approved by the selections committee. Cost for these students will be air fare plus registration fee.

ABOUT THE DIRECTOR

The project director attended summer schools in Britain last year and was so enthusiastic about them and about the Labor Government's program, that she proposed making such a trip possible for other ADA members at as low a cost as possible.

Mrs. Adams is a graduate of the University of Minnesota. After a stint as director of research for a Chicago advertising agency, she and her husband went to Mexico. Later they worked in Ecuador where Mrs. Adams was radio representative for Nelson Rockefeller's Office of Inter-American Affairs. As consultant to the Inter-American Institute of Education, she organized special educational projects, and was also active on the coordination committee which was charged with responsibility for inter-American cultural exchange including exchange of persons. She is particularly interested in the exchange of peoples between nations as a means of building international understanding, and as a member of ADA believes that there should be more exchange of like-minded liberals throughout the world.

At present, she is active in the Washington chapter of Americans for Democratic Action as well as in other community activities.

Last summer she was recreation director (also assisting with orientation and evaluation) on the Tabinta and Volendam student ships.

ADA study trip to Britain, summer 1949, auspices of Americans for Democratic Action, Washington, D. C., Hubert H. Humphrey, national chairman; Joseph L. Rauh, Jr., chairman, executive committee; George Edwards; Hugo Ernst; Paul A. Porter; Emil Rieve; Franklin D. Roosevelt, Jr., vice chairman; Louis H. Harris, treasurer; David Ginsburg, secretary, national board; James Loeb, Jr., national executive secretary; Mrs. Frances Adams, study trip director; Fritz Mondale, executive secretary, Students for Democratic Action; David Williams, director, London Office.

Mr. JENNER. Mr. President, again I wish to apologize. I did not intend to take more than a moment of the time of the Senate. But when this matter came to my attention this morning, I thought it sufficiently important to be presented to the Senate so that every Member of the Senate could know what is going on.

Mr. President, when we take all these proposals and add them together, the total is staggering. So I come back to my original proposition. I do not think it is possible to separate the Marshall plan from the North Atlantic Pact, from the other proposed pacts, from our great domestic problems, from the projected Fair Deal, from our already-existing cost of government. In other words, regardless of how beneficial or how good all these proposals may be, we come back to the one question which we must ask ourselves, namely, Can America afford it?

It is my belief that when we connect the programs of the ADA with the forthcoming agricultural program and the other proposals, we shall be staggered by the total. Apropos of the forthcoming agricultural program, Mr. President, let me say that I understand from a news article in regard to Secretary of Agriculture Brannan that today or perhaps tomorrow the story is to break about the forthcoming agricultural program. At the present time we do not know what it will be; it is very "hush-hush." But I am sure that when it comes to us there will be a great deal of favorable propaganda about it, both in the columns of the press and over the airwaves, and America will be "sold" overnight on the proposition that "This is it."

However, Mr. President, I venture to hazard the guess that, in line with the ideas of Socialist-minded persons who now are connected with our Government, the new agricultural program, as it is to be proposed, will tell the American farmer, "We will give you perhaps 100 percent of parity; but in exchange for that you are going to let the planners and the bureaucrats in Washington tell you how much you will plant, where you will plant, how much you will sell your crops for, and what you can grow on your own farm."

I say again that all such proposals cannot be separated from the consideration of the measure now before us, because the quicker we drag down our economy the easier it will be for the Socialists and Communists, if we wish to say so, to fish in our troubled waters.

Mr. President, we have had troubled waters before, and we shall have them again. Dr. Nourse has told us now that there is a limit to the aid we can give. The distinguished Senator from Georgia [Mr. GEORGE] has told us that there is a limit to what we can do. The time I have taken on the floor of the Senate, Mr. President, I have taken knowing that I would be laughed at and ridiculed and knowing that I was in a hopeless minority, but I have taken it because I know in the bottom of my heart that the future hope and future peace of the world are based only on the possibility of the preservation of a solid, strong, free America, not on any British labor socialism or any socialism anywhere or fascism or nazism or communism or anything else.

In closing, Mr. President, I wish to say that the newspapers reported that at the signing of the North Atlantic Pact—this item strikes me as rather humorous—the Marine Band played I Got Plenty of Nothing, and that the great Marine Band also selected for another one of its numbers a piece entitled "It Ain't Necessarily So." Mr. President, I should like to know whether the playing of those numbers had some subtle connection with the bill now pending before us—the bill for the extension of European aid. Is the significance of those selections by the Marine Band on that occasion clear? It is not clear to me. Does the playing of the number I Got Plenty of Nothing mean that we are getting nothing in return for our aid to Europe, or does the playing of It Ain't Necessarily So refer to the jumbled information and double-talk we have received from the administration when we have asked for clarification and enlightenment?

In regard to the particular piece of legislation now before the Senate, Mr. President, if anyone could give us the assurance that at the end of its projected period it would have accomplished the things which it has been intended to accomplish; namely, the feeding of hungry people, the stopping of the spread of Communism, and the aiding of world peace, and if we could be assured that at the end of the 4-year projected period we would not have to continue to finance the deficit budgets of the countries of Europe and to finance socialistic experiments in England, we might feel differently about the requests which are being made of us. But after all, Mr. President, we have many people in our own country who need free hearing aids and free false teeth and free babies, and who would like to have free hospitalization; and some of them who happen to be unfortunate enough to have bald heads, no doubt, would like to have good toupees to keep them warm. Certainly the American people would like to have those things. We also have a school problem which we must face. We have the problem of the depletion of our own natural resources, which we must face. Secretary Krug says we are now a have-not Nation in respect to zinc, lead, copper, and oil; and he recommends the immediate expenditure of $12,000,000,000 to bring our natural resources up, in order to preserve our position in regard to national defense.

Mr. President, I honestly do not think we can do all these things all over the world and do all the things which are required here at home and not destroy the freedoms of liberties of our great Nation and not black out for 100 years to come the peace and the hope of the world, which must be maintained if we are to live in peace and be a prosperous and happy people.

THE FARM PRICE-SUPPORT PROGRAM

Mr. AIKEN. Mr. President, this morning Secretary of Agriculture Brannan appeared before a joint meeting of the Senate and House Agricultural Committees and set forth the Department of Agriculture's recommendations for a farm price-support program.

Mr. President, before I go further, I wish to say that I regard Secretary Brannan as a sincere, conscientious public servant. I do not in any way regard him as socialistic, and I would resent any implication that he falls within that category, any more than a good many persons who sometimes disagree with the great corporate interests of America should be classified as such. But this morning I find that I have to be critical of some of the recommendations which he made before the joint meeting of the Committees on Agriculture; and in doing so I am critical not only of a public servant who performs his duty as he thinks it should be performed, but of a personal friend, as well.

The recommendations of the Secretary merit the careful study of the Congress. With the objectives outlined in the recommended program there can be little dissent. We all want to prevent depression. We all want to maintain a farm production that will build markets and maintain employment. We all want stable high-level farm prices and reasonable prices to consumers. We all want to maintain our agricultural resources. We all want to maintain adequate reserves of goods which will protect the national security in event of crop failure; and we all want to safeguard our rural economic strength and stabilize the rural community.

No, it is not the objectives announced by the Secretary, with which we may dissent. It is the means which the Secretary proposes for attaining these objectives that should be carefully studied.

Most of the recommendations of the Secretary appear to be simply the provisions of the Agricultural Act of 1948 in a new dress. Stated briefly, the Secretary's proposals contain four radical departures from the provisions of the Agricultural Act of 1948.

One is the requirement that each farmer adopt minimum and sound soil-conservation practices in order to qualify for supports.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. AIKEN. I would rather yield when I get through. I shall take only about 10 minutes in the presentation of my speech.

The second radical departure from the 1948 act is that supports are limited to the production of approximately $20,000

worth of commodities on each farm, and will not apply to commodities produced in excess of that amount.

The third departure is that the new recommendations provide for what amounts to 100 percent of parity support for 10 major commodities. The fourth is that the income support standard formula veers somewhat from the parity concept as we have known it, but comes out with about the same commodity price figures as under the parity formula in the 1948 act. Therefore it may or may not prove to be a considerable departure from the standards which have already been approved by the Congress.

The direct effect of these four recommendations, if they are adopted, would be far-reaching Government control over the Nation's agriculture.

The recommendation for making payments to farmers as an alternative for purchasing or loaning on the crop is already contained in the 1948 act. This method of supporting prices, if used carefully, will permit consumers to benefit from bountiful crops and low prices without unduly penalizing the producer or the taxpayer.

The encouragement which the Secretary gives to an increased animal industry as a means of raising dietary levels and disposing of surplus grain meets with my full approval. This, too, simply accords with the provisions of the Agricultural Act of 1948.

The proposal to put supports on an income rather than a commodity pricing basis also is set forth in the 1948 act.

This means for determining what parity of income for farmers should be was not available at the time the 1948 law was written. There was incorporated in the 1948 law a definition of parity income.

Although this definition had no substantive value at the time, it was intended as a directive to the Bureau of Agricultural Economics to seek a method by which parity of farm income might be determined.

The Secretary has now recommended such a formula to the Congress.

I have had time to give this proposed formula only cursory study. Certainly, we need to get away completely from the old type parity formula which gave definite advantages to the producers of certain commodities while keeping others at a disadvantage.

While I believe that the modernized parity formula provided in the 1948 act goes a long way in overcoming that difficulty, yet it is possible that the formula now proposed by the Secretary will not only provide a means for arriving at an equitable determination of parity income but also a fair determination of commodity prices as well.

I want to point out, however, that the income-support standard embodied in the formula proposed by the Secretary varies but little from the parity prices as figured under the modernized parity formula in the Agricultural Act of 1948. I shall give a few examples: The "income support standard," as the Secretary calls it, for corn, is $1.46 a bushel; under the Agricultural Act of 1948, the parity price would be $1.45 a bushel. The income-support standard for cotton would be 27.99 cents a pound; the parity price under the 1948 act would be 27.3 cents a pound. And so on. There is almost no difference at all. Barley comes out the same, $1.22 a bushel, no matter how it is figured. So it may be that this new proposal of the Secretary will be found to be an improvement, or it may be that it will not be found to be an improvement.

But the basic difference of opinion between those who believe in high rigid support prices coupled with Government controls, and those who believe in more moderate support prices and freedom of action for the farmer has not been cleared away by the Secretary's recommendations.

In spite of all the camouflage and avoidance of customary phrases and wording, the fact is that the recommendations of Secretary Brannan in the final analysis follow closely the high rigid support levels for the more important agricultural commodities and provide for far more rigid Federal controls over our farms than we have ever had up to this time.

The Secretary proposes 100 percent support for wheat, corn, cotton, tobacco, milk, hogs, eggs, chickens, beef cattle, and lambs.

I agree with this regrouping of commodities in accordance with their importance, but I cannot agree with the recommendation that the Government guarantee what amounts to a fully satisfactory income to the producers of these commodities.

The proposal incorporated in the 1948 act that a support price guarantee should be such as to insure the farmer against disastrous price declines, while leaving him as free as possible to exercise his own initiative, would be done away with if the Secretary's recommendations are approved and put into effect.

Under the proposals of the Secretary, the farmer is required to comply with certain stringent conditions in order to receive the guaranteed income support.

These conditions would convey to the Federal Government much more complete control over the Nation's 6,000,000 farms than there has ever been before.

The Agricultural Act of 1948 permits the Secretary to require farmers to comply with acreage allotments and marketing methods and even marketing quotas as a last resort when voted by the farmers themselves.

The new proposals, made this morning, go much further than this and require the farmer to comply with the observance of—and I quote from the Secretary's statement—"minimum and sound soil-conservation practices." This means not only compliance with marketing regulations, but also requires him to use all his land in such a manner as may be approved by Federal officials.

This is a very high price to pay for a guaranteed income.

Furthermore, the requirement that the farmer must observe minimum and sound soil-conservation practices, as defined by Federal officials, might mean that while government undertakes to guarantee a farm income, it also assumes authority for directing how part of such income shall be spent.

The immediate effect of the approval of the Secretary's support-price program would be to put wheat, cotton, tobacco, corn, and small grains under complete and continuing controls; also the land which is taken out of production of such commodities.

After the program has been in effect a short time, controls would have to be extended to hogs, chickens, beef, lamb, pork, and dairy products. It would be a controlled economy with a vengeance.

We may have to come to it some day, but the fact remains that America today is far and away the greatest food-producing nation on earth and this enviable position has been reached through freedom to think and act on the part of the American farmer.

One weakness of the Secretary's recommendations is also found in the Agricultural Act of 1948.

Comprehensive means of supporting perishable and most of the nonbasic commodities are lacking in the new proposals.

The Secretary's recommendations, like the 1948 act, leave it optional to the Secretary, with such means as may be provided him by the Congress to support the price of these nonbasic commodities, from nothing at all up to 90 percent of parity or 100 percent of the income-support level—whichever you choose to call it.

Finally, we are confronted with the stark reality that the level at which support prices of agricultural commodities or farm income is fixed is a fundamental issue not only of economics, but of philosophy of government as well.

The level of support is a powerful force which can be used either to weaken or encourage farm initiative and individual resourcefulness.

A program to assure a high fixed standard of income could not stop on the farm.

If government undertakes to guarantee a satisfactory income to the producers of farm commodities, can we, with a clear conscience, deny the same guarantee of satisfactory income to other groups of our population? Where can we stop?

Admitting a definite and serious trend toward state controls throughout the world, it is, nevertheless, unmistakably clear that those nations which have resisted centralized government control are the most prosperous and happiest nations.

As I have stated, I agree with the major objectives for American agriculture as set forth by the Secretary, but I cannot agree that such objectives should be obtained at the price of a governmental guardianship over the 6,000,000 farm families of America.

Mr. CAIN. Mr. President, will the Senator yield for a question?

Mr. AIKEN. I yield for a question.

Mr. CAIN. Is it true that the Secretary's recommendations cannot become effective unless they are approved by legislation of the Congress?

Mr. AIKEN. That is true; they cannot.

Mr. President, I ask unanimous consent to have printed in the RECORD a copy of an address which I delivered at a

farm forum in Minneapolis on March 10, 1949, which develops considerably further my reason for being critical of certain points in the recommendations made by the Secretary of Agriculture.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Although I will discuss primarily the farm support price program today I do not want you to get the idea that I think a support-price program in itself constitutes a complete or well-rounded farm program for America.

Our aim should be to work out such a program that will minimize the need for price supports. Continuous research particularly in the field of distribution and marketing is needed. The development of marketing agreements and cooperative management, coordination of soil-conservation and soil-building programs, promotion of congenial surroundings for the farm home, a high level of diet among consumers, and fitting American agriculture into the world picture are all factors that enter into the programing of a healthy agricultural economy.

Rather than look upon price supports as a means of providing a Government market for farm commodities and the return of perfectly satisfactory prices to the producer I prefer to consider the support program as a means of providing consumers and industrial processors of an adequate supply of food and fiber, while insuring the farmer that he will not be courting disaster if he meets the needs of his country and a little bit more.

Our goal should be a fair price in the market place with a maximum degree of independence for the farmer in achieving this goal.

During the war and the years that have elapsed since the surrender of Japan in August 1945 our farmers have literally performed miracles of production. Under wellnigh perfect growing conditions farm prices and incomes have reached an all-time high. Industrial profits and the earnings of labor have also set new records. So has our national debt.

It was with the realization that wartime prices and incomes could not go on forever that in July 1947 both Houses of Congress authorized their Committees on Agriculture to make a study of the trends and needs of agriculture. The result of this study was the enactment of the Agricultural Act of 1948.

Frankly the House and Senate committees did not see eye to eye and it was only in the closing hours of the Eightieth Congress that a compromise agreement was reached which permitted a permanent price-support program to be placed on the statutes.

The House part of the act provides for a 90 percent of parity support for the six basic and a few selected nonbasic commodities for the year 1949. The Senate bill is to go into effect on January 1, 1950, and is based on the major provisions of a new parity formula and a flexible range of price supports for all commodities. The Senate bill was supported by the three major farm organizations and the United States Department of Agriculture. Since the enactment of the law the Farmers Union has officially shifted its position in favor of higher levels of support.

Since at the present time a strong effort is being made to discredit the long-range provisions of the act, I welcome the opportunity to speak here and hope I may clear up some of the misunderstanding in regard to it.

There are some people who are opposed to any farm support program at all.

Those who believe in support prices are divided into two schools of thought. One group wants high, rigid supports. This group is making its principal appeal to the producers of cotton, tobacco, peanuts, and wheat. They express a willingness to accept controls if necessary in order to get these high prices.

The other group endorses a flexible support-price program and is generally opposed to Government controls.

I am willing to assume whatever responsibility goes with identifying myself with the flexible-support school of thought. I am unalterably opposed to Government production controls, except in emergencies, for reasons which I will soon make clear.

I have no quarrel with those who advocate a 100-percent Government-guaranteed income for farmers, but personally I do not want to obtain such income at the price which their proposal would require us to pay. Allotments, quotas, controls, and penalties should be exercised only as a last resort and not be permitted to become the regular order.

If 100-percent-of-parity income guaranteed by the Government is the objective, then those who want this signed, sealed, and delivered guaranty should no longer beat around the bush, but should come right out in the open for a Government-controlled agricultural economy. In no other way can a 100-percent guaranty of price to farmers be made to work.

I, for one, do not want to see a controlled agricultural economy in which our responsibilities and our destiny as farmers are surrendered to the Federal Government. I want our people—and particularly our farmers—to have the fullest opportunity to exercise their initiative, manage their farms, and think and plan for themselves.

That is the reason I am opposed to a fixed, rigid guaranty of price for agricultural commodities in peacetime.

Above all else, I cannot believe it wise nor democratic to put the farmer in the position where his work is laid out for him and his efforts are directed by agents of the Federal Government, except on an emergency basis.

To presume that equality of income can be satisfactorily achieved by a federally controlled economy is to presume that all men holding positions in Government are capable, fair, and honest. Unfortunately, men in Government are subject to the same weaknesses as men out of Government.

The power to direct American agriculture also carries the power to dominate, and, in spite of the esteem in which I hold most of the officials of the Department of Agriculture today, I would rather trust the future to the combined judgment and cooperative effort of the 6,000,000 farm families of America than to a few men who might some day yield to the desire for more power or personal glory.

We are confronted with the stark reality that the level at which support prices of agricultural commodities is fixed is a fundamental issue today not only of economics but of philosophy of government. The level of price support is a powerful force which can be used either to weaken or encourage farm initiative and individual resourcefulness.

From this fulcrum of price support, the lever of control can operate to sway the destiny of our farm people.

It has been my belief, and it still is, that the support level for farm commodities should be just below a fair market price, thereby providing incentives for the development of new uses and markets, and for the conversion of crop production which will prevent the accumulation of burdensome surpluses or undesirable shortages. That is the reason I insisted upon giving to the Secretary of Agriculture a flexible range within which he can fix support levels.

One of the major provisions of the Agricultural Act of 1948 is a new parity formula. This formula is intended to correct inequities in the price relationship between agricultural commodities.

The original formula has become so badly outmoded that it is used for only about 40 out of 150 farm commodities today.

For instance, wheat growers know that there is a nice profit in producing wheat at 90 percent of parity, while dairymen know that 90 percent as computed under the old formula scarcely represents the break-even point in the production of dairy products.

By using a new formula which reflects conditions which have prevailed during the latest 10 years, each commodity is put more nearly in the proper relationship to all others.

The parity value of all agricultural commodities combined remains the same under the new formula as it was under the old formula which will go out of use on January 1, 1950. It is only the relationship between commodities that changes.

As a result of using this modernized formula which was endorsed by the major farm organizations and the United States Department of Agriculture, there will be a drop in the parity price of grain and an increase in the parity prices of dairy products, meat products, wool, poultry products, flax, soybeans, and others.

The end result of this change in the parity formula should be to encourage the marketing of a greater part of our grain crop in the form of animal products.

The effect of this will be to place the American consumer on a higher dietary level, to provide greater employment both on and off the farm, to encourage a greater production of soil-building commodities and to provide a far wider market for grain than would be the case if it were marketed in the form of cereal rather than animal products.

The time has come when the grain producer must look to expanding his market in the United States rather than to foreign countries as an outlet for his surplus production.

The framers of the Agricultural Act of 1948 believed that an increased animal industry in America would definitely improve not only our entire national and agricultural economy but would expand the grain market faster than any other means except, of course, the delivery of our surplus to foreign countries at our own expense.

I now wish to discuss the reports that the new law will reduce price support to 60 percent of parity.

The Agricultural Act of 1948 provides minimum levels at which the six basic crops—corn, wheat, cotton, peanuts, rice, and tobacco must be supported. These minimums are based on the total supply of the commodity according to a formula incorporated in the act. Theoretically, supports might have a 60- to 90-percent range. Actually, this could not happen.

Although the act puts full emphasis on the avoidance of controls it does require that quotas must be voted upon whenever the total supply of a basic commodity reaches a certain percentage above a normal supply. In the case of wheat this is 120 percent. Whenever quotas are in effect a 20-percent premium is added to the support price.

If the producers of wheat vote for quotas when the supply reaches 120 percent of normal, the minimum support level would be 78 percent. The Secretary must then fix the actual support level somewhere between 78 and 90 percent unless the national security needs make a higher level necessary to get production.

In no case could the minimum support price of a basic commodity drop below 72 percent when quotas are in effect.

This is quite different from the 60-percent figure which has been so freely reported as the support level which would prevail. To assume even a 72-percent support is to assume that the Secretary would give the farmer the worst possible deal under the act.

The Secretary at all times has full authority to maintain a support level of 90 percent if in his opinion circumstances warrant it.

I have a great deal of confidence in our present Secretary of Agriculture, Mr. Brannan. I feel that he will use the discretionary powers of this act wisely, nor can I conceive any future Secretary using this act to give farmers the lowest permissible income.

The law does not fix a minimum support level for the 150 nonbasic commodities, but it was made clear on the floor of the Senate that the Secretary of Agriculture is expected to support the price of those nonbasic commodities which correspond closely to the so-called Steagall commodities such as dairy products, poultry, hogs, beef, and soybeans, at approximately the same level as the basic commodities are supported. For other more perishable crops the Secretary is authorized to support the price from nothing up to 90 percent.

After all, why should we put all emphasis on supporting the prices of a few basic crops when several nonbasic commodities are even more important in terms of farm and national income?

An amendment adopted on the floor of the Senate provides that potatoes shall be supported at from 60 to 90 percent of parity.

Another amendment provides that wool shall be supported at a level that will induce the production of 360,000,000 pounds of shorn wool annually. This will doubtless mean 90 percent support for a few years at least.

Let us look now at the theory that high price supports and controls mean high incomes. This theory is untenable. High support levels involving reduced acreage do not necessarily increase or even maintain farm income. In fact, the result of quotas and controls will more likely be reduced incomes.

As acreage is reduced, the cost of producing a bushel of wheat or corn or other grains increases in proportion to the acreage taken out of production.

In this age of mechanized farming, with its high investment in tractors, harvesters, combines, storage bins, and other equipment and facilities, a large part of the cost of production is represented by fixed costs such as interest, taxes, repairs, depreciation, etc. These costs remain about the same regardless of the acreage planted.

The United States Department of Agriculture has worked out some very significant cost and income figures showing that on a farm of 605 acres, of which 276 is normally planted to wheat, that when acreage is cut 25 percent, the operating costs of the farm are reduced only 10 percent.

These Department figures show that a normal planting of wheat, selling for $1.55 per bushel, will return a greater farm income than if the acreage planted is reduced 25 percent and the crop sold at $2 per bushel.

This year's experience with high, rigid price supports is going to be costly.

There are heavy overplantings this year of certain commodities purely because of the 90 percent of parity guarantee for such commodities.

I make the prediction that should 1949 prove to be a good crop year, the total borrowing authority of the Commodity Credit Corporation, which is fixed by Congress at $4,750,000,000, will be pretty well exhausted by January 1, 1950. This situation will not make the farm-support programs more popular with either consumers, taxpayers, or the Congress.

Less than 20 percent of the people in the United States live on farms today.

Over 80 percent are employed in other occupations.

There is already increasing unemployment.

Too high guarantees to farmers will result in increasing dissatisfaction in the cities.

The public will stand for a fairly high level of farm supports, but it will not tolerate cost-plus guarantees for farmers when other people are down and out. It is not the small percentage of industrialists that always seem to make good profits that we have to think about, it is the great bulk of our population that will rebel.

Should the advocates of 100-percent support for farm commodities prevail with their views, I predict that the entire farm-support price program will collapse within a few years. I do not anticipate that their views will prevail, however.

I anticipate that the major provisions of the Agricultural Act of 1948 will remain largely undisturbed in spite of political and group pressures which would overthrow them. I further predict that the Secretary of Agriculture will use the power vested in him by this bill to prevent agriculture from leading the way to another depression.

The support levels provided for in this act guarantee the producers against precipitous declines in prices.

Barring major calamities, such as drought, the act will serve to keep the farmer from losing his shirt or undergoing losses such as prevailed during the depression of the thirties. This, of course, is quite different from guaranteeing him what he considers to be a perfectly satisfactory price and income.

I have heard many comments to the effect that we ought to have a law which provides for forward-pricing of farm commodities so that farmers can plan ahead.

The fact is, the Agricultural Act of 1948 does permit forward-pricing and the Department of Agriculture has so interpreted it.

The Secretary of Agriculture may announce in advance of planting the minimum level at which commodities will be supported. He has only recently used this provision of the long-range Farm Act to guarantee a 90-percent support price for hogs until April 1, 1950.

In return for support of nonbasic commodities, the Secretary of Agriculture may require compliance with production and marketing goals or even conformity to marketing agreements.

It would seem unreasonable to expect the Secretary to deal with thousands of widely scattered, unorganized producers of a perishable or semiperishable commodity.

When the bill was under consideration the question arose as to how the Secretary could bring about compliance with production goals.

This prompted the committee which sponsored the bill to write into it a provision that the Secretary could support prices through loans, purchases, or payments.

The provision for supporting prices through payments is new. It means that if producers fail to comply with the Secretary's request for reduced production or reduced marketing, he may direct all or part of the commodity concerned to be put upon the open market and reimburse those who do cooperate for the difference between the price received in the market and the support price.

Those who fail to cooperate would receive only the open-market price for what they produce. Cooperation in a support program is not compulsory. It will be up to each producer to decide whether to cooperate or not, but if he does not, he cannot be assured of the support price.

Had this provision of the law been in effect this year, the Secretary could have directed all or part of the huge potato crop to be put upon the market so that the consumer could have received the benefit of lower prices and better potatoes.

As it is, potatoes have been priced off the table in so many instances that we are actually consuming a smaller quantity than we did in prewar days, in spite of the large increase in population.

Government has in many instances bought No. 1 potatoes for use as cattle feed, while the low grades have been put upon the open market for human consumption. The costly debacle of the potato program brought on purely by a 90-percent price guaranty would be multiplied many times over by a flat guaranty of 90 percent or more for all important farm crops.

In determining the amount of assistance which government should give to any class or group, let us remember this—government is not an institution possessing unlimited resources to be expended for our benefit.

When we get from government we must first put into government or else go in debt for it, as we have already done to some extent.

Government is an agency set up by the wise founders of our Nation which we as individuals or groups can use for the mutual welfare and protection of us all.

Government is no better than the men who hold positions in it. Therefore, let us think long and wisely before turning our personal destinies over to them.

There are good men and poor men in government.

There are men who make rash promises to get into government and thus put themselves in a position to exercise power.

There are men who today are advocating a largess for farmers far beyond our power to permanently sustain and, while they promise farmers high prices and high incomes, some of them also weep for the plight of the consumer whom they say pays too much for food and other living costs.

We must not be deceived by these protestations of concern—protestations of high prices for farmers and low costs for consumers.

Farmers cannot get high prices for what they produce unless city people pay well for what they buy. Unless farmers receive good prices for what they sell, city people will find themselves without a market for the industrial goods which they produce.

Very few of us in this world get something for nothing. Let us not be deluded now by the promises of those who offer high inducements to farmers to part with the most precious of all assets, their independence.

I reiterate—a rigid 90 to 100 percent price-support program must be accompanied by strict controls.

Once we start to apply controls and penalties in the Grain Belt, for example, there will be no end.

The acreage taken out of production will also have to be controlled or it will be used to produce other crops which in turn will create excess production of other commodities.

We may expect that such a process would go on and on until a fully controlled agriculture results.

The question is whether, for the sake of illusionary increased incomes for a short time, American farmers are willing to surrender those rights for which their forefathers endured hardships—that we might know the meaning of freedom.

I do not mean to imply that government should remain aloof or indifferent to the needs of the people.

We need an efficient, democratically run government in this day of big business and a world made small by modern methods of communication and travel.

We need a government that lays down the rules of the game and enforces fair play; we need a government that protects the welfare of the needy and afflicted; we need a government that sees to it that our natural resources are developed and used wisely in the interest of the people, and a government that safeguards and maintains the Nation's security.

The thirty-odd-million persons who live on the farms of America constitute the very backbone of our democracy and of our free-enterprise system.

They are rooted in the traditions of self-reliance, honest work, and democratic processes. They are inheritors of the pioneer, progressive spirit of our forefathers.

The challenge now is to keep alive that spirit, and not let it be broken or weakened by false prophets or short-sighted promises, born of expediency and nurtured by illusionary gains. Our Nation was not built on paternalism; and it cannot endure on paternalism.

An agriculture under governmental guardianship cannot be a strong agriculture. A nation whose people are not free cannot be a happy nation.

I want to see agriculture and the Nation prosper on a sound and secure basis.

I want to see farm people and city people remain free—free from economic and political domination.

I want to see our country go forward in such a way that Americans can be masters of their own destiny.

We have shown to the world what a freedom-loving nation can accomplish.

We must demonstrate to ourselves and to the world that the torch of freedom is still alive and that we can keep our economic system of free enterprise in balance without jeopardizing our liberty.

To do this is the responsibility of all of us—farm and city people alike.

I have confidence that we will meet that responsibility through farsighted, united action.

Mr. AIKEN. Mr. President, in order that the remarks which I have just made may be more clearly understood by those who read them, I ask unanimous consent that the recommendations of the Secretary of Agriculture be printed in the RECORD in full at the close of my remarks.

Mr. THOMAS of Oklahoma. Mr. President, I intended to make the same request.

There being no objection, the recommendations of the Secretary of Agriculture were ordered to be printed in the RECORD, as follows:

STATEMENT BY SECRETARY OF AGRICULTURE CHARLES F. BRANNAN AT A JOINT HEARING OF THE HOUSE COMMITTEE ON AGRICULTURE AND THE SENATE COMMITTEE ON AGRICULTURE AND FORESTRY, THURSDAY, APRIL 7, 1949

This hearing deals with the heart of our farm policy.

The proposition with which I begin is that we are mutually devoted to the task of making our farm program the soundest, strongest and best that we can design.

We have already been dealing this year with a number of important items of legislation relating to agriculture: The Commodity Credit Corporation charter, some acreage allotment and marketing quota legislation, and the international wheat agreement, among others. And now we come to one which touches directly or indirectly upon all the rest.

It concerns our effort to assist farmers to maintain a reasonably stable income at a fair level—a level which is equitable to farmers and in the best interest of the other economic groups within our population.

The principal device authorized by the Congress for this purpose is commonly referred to as agricultural price support. It is, in my opinion, the most effective method yet suggested and must remain an integral part of our national economy until and unless a better method is suggested.

Some differences of opinion have developed about the exact formula and manner under which agricultural price supports should be made available. This is healthy and can only result in improvement if we all apply ourselves forthrightly to a solution of the issues.

One issue has been popularized as a simple clash over rigid support of prices at 90 percent of parity versus flexible supports ranging from 60 to 90 percent. That is an oversimplification.

The issue was not simple in the first place, and recent events have not made it simpler. In the last several months we have seen some of the effects of the bumper crops of 1948, and witnessed the planting of another gigantic winter wheat acreage. We have put into effect a new and lower support level for potatoes, yet find the Government still buying considerable quantities of surplus potatoes. We have come closer to the point where we seriously need some shifts in farm production if we are to avoid surpluses. We can now see some important economic trends that were not evident last summer.

Specifically, prices received by farmers have been coming down much faster than the prices they pay. In March of this year farm prices were 15 percent lower than they were at the beginning of last year, while prices paid by farmers were down only 2 percent from the peak reached last summer. In this period some industrial prices continued to rise. Farm purchasing power turned downward in 1948 and is now at the lowest level since 1942.

In short, some additional problems have come out of the realm of theory into the here and now. Hence the preparation of my first recommendations to the Congress on the important matter of price supports has required me to make a rather complete review of objectives, legislation, and alternative programs. In addition to considering simple revisions in present legislation we have taken a new look at various ways of measuring parity and just about all of the program suggestions that have been seriously considered in the past—two-price and multiple-price systems, forward pricing, automatic pricing formulas, compensatory payments, cost-reduction programs, and combinations of these alternatives.

The result of all this study is not likely to startle anyone. I have no revolutionary ideas to present to you. But I do have some definite recommendations for your consideration.

These recommendations are not advanced as the final and exclusive answers to our farm problems. I would much rather have a program that will work well in the immediate future than one which will partly do the job for 20 years. And frankly, I doubt our ability to provide so well for the future that future Congresses and administrations will have no changes to offer. We need to be clear about policy objectives, which apply to the long-time future as well as the present. At the very least our program must cope with problems now in sight. We proceed from where we are, not from a theoretical time and place. And the present economic situation is somewhat less favorable to farmers than at any time in recent years.

In view of the problems we face I am thankful that we have had a great deal of excellent legislation and much good experience on which to base an effective farm program. We can learn much of great value from the farm legislation and experience of the past two decades.

The programs we have had are the firm foundation on which we can build. We have learned in depression, in a defense period, in war, and in the initial phase of a new postwar period. Throughout this experience we have seen that the measures dealing with the selling prices of farm products and the incomes of producers are the keys to a successful program.

WHAT IS REQUIRED OF A PROGRAM

From our experience we can set up realistic criteria by which to judge and by which to guide our program. Prominent among the criteria and requirements will be the following:

First, the program must effectively serve the farmer and his family. As an isolated individual the farmer has no control over the prices he will receive and no adequate way of adjusting the total market volume of his commodities to changing demand. After he has planted a crop he is at the mercy of weather, price, and many other forces with which he is powerless to cope. On many occasions in the past he has labored all season and produced a good crop only to find that, because of circumstances beyond his control, his labor would go uncompensated and sometimes his cash investment in seed, fertilizer, and other operating costs would be only partially recovered. A program to help him meet those basic difficulties is the very minimum for which we should strive.

Second, in serving the farmer the program must not discriminate unfairly against any group. It should be fair to consumers and to processors, shippers, wholesalers, retailers, and others in the distribution system. There is no real conflict between farmers and either consumers or business people. The customers of agriculture want plentiful and steady supplies, and they have a right to expect that a program supported by the public will help meet this need. Farmers want to furnish plentiful supplies regularly.

Third, the program must be efficiently operated and the cost must be commensurate with the benefits to the Nation.

Fourth, it must serve general policy objectives, including national security, the maintenance of high-level employment, and cooperation with other nations in the interests of peace and prosperity. It can do this by conserving and strengthening our basic productive resources, providing reserves against national emergencies, and encouraging free-flowing world trade by reasonably assuring sufficient products for export.

In short, the farm program must serve the best interests of all our people, and, in my opinion, that is the only kind of program the farm people want or expect.

Unfortunately, too many people still think of a farm program as some kind of class legislation. There is too little appreciation of the direct and definite ways in which it can benefit all the people and can help make this the kind of a country they want it to be.

Therefore, I want to list several ways in which we can expect an effective farm-production and price-stabilization program to serve the interests of all the people.

1. It can help prevent depression: Most depressions have been farm-led and farm-fed. Farm prices traditionally go down before, faster, and farther than other prices. On the downswing of the business cycle, farm people are the major early victims of a squeeze. As their income and, therefore, purchasing power is cut by low prices or production failure, industrial producers find a contracting market for their production. This throws workers out of jobs. They in turn spend less for farm products, which in turn further forces down farm prices, and farm purchasing power is further cut.

I don't mean to say that declines in farm prices are the sole cause of depressions, but they certainly contribute greatly and would do so more now than in the past because agriculture has become a bigger customer of industry.

Farm price supports cannot substitute for good markets that come with full employment and foreign demand, and, I believe, almost every farmer now understands the importance and relationship to farm prosperity of good wages for city and industrial workers. Supports are no substitute for city markets, but they can at least slow down declines in farm prices and provide stopping points so as to keep our fluid farm

prices from going rapidly into a worse and worse relationship with nonfarm prices.

2. A farm-production and price-adjustment program can help build markets for industrial goods and help maintain employment for labor: Industry today is dependent on the farm market to a far greater degree than it has ever been.

Let me illustrate this fact by listing some of the manufactured equipment that is in use on one particular farm today and which has been purchased since the last depression. This happens to be a Michigan farm—not fancy—just a good family farm. Here's the list: A combine, a corn picker, a portable elevator, one additional tractor with equipment to go with it (including a disk, drill, and corn planter), a feed grinder, a pick-up truck, motor and pump assembly for pumping stock water, an electric pump and pressure tank for running water in the house, electric refrigerator, electric stove, and electric hot-water heater. Think of almost any good farm, and you can make a similar list.

Back in 1929 there were only 827,000 tractors on American farms. At this time last year there were 3,250,000. In 1929 we had about 37,000 combines. Last year we had 540,000. The number of corn pickers has jumped from less than 9,000 to more than 800,000. These are only a few examples.

In 1929 less than 600,000 farms were electrified. Today the figure is more than 4,000,000.

Altogether the American farmer has lately been a $30,000,000,000 customer of American business.

Even so, rural people represent a vast, untapped market for all sorts of goods. For example, half of the commercial family farms in this country are small, and in this group only 22 out of 100 homes have running water. For most of the other family farms, the comparable rate is 38 per 100, and in the top group, 58 per 100 have running water.

Farm people want to buy industrial goods, but when their prices go down in relation to the prices they have to pay, they have to cut their buying. Again let me illustrate.

A farmer on route 2, Defiance, Ohio, ordered a tractor last year priced at $1,550. When it arrived at his dealer's, the price was $1,950. His soybeans went down from $3.47 in September to $2.18 in March, and his corn went down in the same months from $2 to $1.23. He canceled his tractor order.

A farmer who lives on route 1, Crane Hill, Ala., ordered a tractor in 1945 at a price of $1,500. It arrived last summer, priced at $2,450. He felt uncertain at that time about the future of cotton prices and so, for the combination of reasons, turned down the tractor.

A farmer on route 1, Gettysburg, Pa., fed 40 steers for 157 days and lost $3,000. He gave up buying a hay baler worth $2,150 and building a machine shed on which he had planned to spend $1,000.

It is important to all of us to maintain balance between farm and industrial prices. A program that helps to stabilize farm prices and incomes will help to stabilize markets for factory goods and will keep thousands and thousands of main streets busy.

3. Stable farm prices and incomes encourage high-level production with the greatest assurance of reasonable prices to consumers. This is one of the most significant lessons from our wartime experience. Without the cost-plus contracts and guaranties enjoyed by many industries, and with only reasonable price protection, farmers quickly made great shifts in the use of their productive resources to meet war needs. They supplied civilians with a fourth to a third more milk and a fifth more meat than prewar while they were meeting the needs of the armed forces and also sending large amounts of food to our allies. Farmers, like manufacturers, want to produce what their customers want. But usually it is only with advance knowledge of minimum price that small individual producers, planning separately, can unify their efforts efficiently to increase the total supply of a particular commodity.

Furthermore, we know that American business depends on agriculture for raw materials, and business is starved if farm production goes down. About half of all the business done with United States consumers last year was based in one way or another on American farm commodities.

Price supports should be available at all times to assure the maintenance of this supply. If prices are allowed to remain too low too long farmers are unable to buy the machininery, fertilizer, and other materials which they must have to maintain high-level production.

4. A program that helps maintain farm incomes helps to maintain agricultural resources: City people, just as much as farm people, are concerned with the problem of conservation. Our soil, water, and forest resources must support a population that is still growing, and our objective is a higher standard of living for the people as a whole. Yet we are still losing productivity on hundreds of thousands of acres every year. Half of all our cropland is still subject to erosion. Obviously, conservation depends on something more than good farm prices. On the other hand, resources can be conserved and improved only if they are used profitably.

The depression taught us that hard times make poor farmers and poor land. Low prices force farmers to abandon their land-conservation practices in an attempt to make up for lower price by increasing acreage to get a greater volume. For the short pull, they will be able to pile up bigger production with less outlay. But only a few seasons need pass before even production will be decreased. The low wheat prices of the depression brought increased plantings, at great cost in resources. The dust storms in the Great Plains, as well as gullies and floods elsewhere, gave dramatic evidence that surpluses and low prices can lead a nation to ruin.

Price supports can aid conservation in at least two ways: (a) By bringing additional stability into the farm business so that farm people can enjoy a good standard of living without mining their resources and (b) by directly encouraging types of farming which naturally conserve resources.

It is generally believed that for the sake of keeping our resources permanently productive as well as to meet consumer needs, livestock production should be made a more important part of our agriculture. I agree with this. I also think the shift is not likely to take place as promptly and fully as necessary without the assistance of a well-adapted production and price-adjustment program.

5. An effective farm program is essential to our national security, will provide a reservoir of goods which protects the Nation against crop failure, and will assure supplies for an even flow of world trade: Reserve supplies above ground and their counterpart—reserve strength in the soil—are essentials of national defense. A large livestock population is also reserve strength. Before the last war, when we had to convert our Nation quickly into an arsenal of democracy, we were extremely fortunate in having large reserves of grain and cotton. Without having to wait for another harvest, we were able to start converting grain into the high-protein foods that were sorely needed by our friends abroad. Plenty of cotton was available for war uses. Several years of intensive soil-conservation effort had improved many acres of land which had suffered abuse.

Agriculture justly takes pride in the speed with which it converted to defense and war production. But agriculture is glad to share the credit with the people as a whole, for the storage and soil-conservation programs were made possible by the general public—by a sharing of responsibility by farmers and the whole people. In terms of dollars alone, our prewar stocks proved to be a great investment.

Reserves also provide security against dangers other than those of war. Although we have never had a drought or other disaster that threatened us with famine or anything close to it, we have had shortages which severely disrupted our economy and caused a great deal of personal hardship. The results of the droughts of 1934 and 1936 are examples. Forced liquidation of livestock temporarily increased meat production and reduced prices, but in 1935 beef and veal production dropped 20 percent and pork production dropped 30 percent. There were further reductions in 1937. It was not until 1942 that cattle numbers came back to the 1934 level.

A more recent example was the short corn crop of 1947. Farmers had already been selling meat animals faster than they were replacing them. The short crop speeded up the trend, resulting in shorter supplies and higher prices of meat. We are still feeling the effects. Reserves will help us maintain livestock production from year to year and help prevent extreme fluctuations in price.

Adequate reserves are essential for still other reasons. We believe that free-flowing world trade is necessary to world peace. To the extent that we can, we want to discourage the tendency of some of our sister nations and traditional customers to return to nationalistic self-sufficiency with its artificial trade barriers and economic welfare. One means of doing so is to assure importing nations that they will have access to supplies they need year after year. That assurance on one commodity can be given through the pending international wheat agreement, and at the same time we and other exporters assure ourselves of regular markets. Wheat reserves will enable us to guarantee our commitments under the wheat agreement. Steady supplies of other export commodities can also be assured to importing nations by means of reserves.

It should also be remembered that a democracy with reserves and great productive power is a great comfort to nations fearing either famine or foreign aggression. Our practical ability to serve as a friend in need will determine how well we can meet our responsibilities of leadership—how well we can serve the cause of world peace and democracy.

Reserves of storable commodities are a natural adjunct of price supports. They are an aim as well as a result of the farm program. They represent an important part of the insurance which the public buys with the funds it invests in maintaining a healthy agriculture.

6. A price-support program which safeguards our rural economic strength can help stabilize the rural community and help maintain individual opportunity in our free-enterprise system: One bulwark of democracy may be found in the prosperous rural community mainly composed of economically strong families farming in the traditional American pattern. It is an ever present answer to communism.

We should be aware that for many years there has been a steady increase in the number of large-scale, industrialized type of farming unit. Many of these are absentee- and corporate-owned. According to the 1945 census about 100,000 of the largest units—fewer than 2 percent of all farms—are selling products valued at nearly one-fourth of all the farm products marketed in this country. This is more than is sold in total by two-thirds of all our farms, including half of our family farms.

If we are to have stable and prosperous rural communities with schools, churches, health, and other facilities, it is plain that

many farm people need greater economic security and opportunity.

Price supports are the farmer's equivalent of the laboring man's minimum-wage, social-security, and collective-bargaining arrangements.

Of course, the price support does not meet the fundamental problem of the operator who cannot produce a large enough volume to make a good return at any price. But it does help on the price side of the farm-income equation. There are a great many farmers on the economic border line—they can make a fairly good living when prices are in reasonable balance, but a small drop cuts sharply into the income they have available for living expense and leaves only operating expenses or less. These people are a very considerable percentage of all the independent producers in our entire free-enterprise system. While price supports alone will not solve their problem, I see no reason to think it can be solved without some kind of a sound and effective program for maintaining stable and reasonable prices for the goods they produce.

MEASURING RESULTS

I have listed six ways in which a good farm income and price-support program can serve the interests of all the people. It can help do these things: Prevent depression, build bigger industrial markets and employment, maintain high-level production of farm commodities, conserve natural resources, maintain reserves for national security, and strengthen the rural community.

A program that will meet the test I have outlined will cost money, and the returns will have to justify the cost. We may not be able to set up a balance sheet in terms of dollars and balance it every year. But then, that is not the way we have measured the public cost and the returns from the tariffs with which we have protected various industries, the value of less-than-cost postal rates, the public investment and returns from the railroads, merchant marine and air lines, and the public cost and returns from the minimum-wage law and social security.

We do know that agriculture is a basic segment of the economy. It must be highly productive, and permanently so. It must contribute to the prosperity of the Nation, and in turn those engaged in agriculture must be able to share equitably in that prosperity.

I believe we can have that kind of an agriculture if we really want it. We won't get it easily or automatically. We won't get it all of a sudden. But we have already made great progress toward it, and if we will work together we can make more progress.

In my opinion, production and price adjustment with a definite income objective must be the core of our united effort, and although I will mention other measures I am concentrating at this time on the core.

RECOMMENDATIONS

Condensed into the fewest possible words, here are the proposals, each of which will be explained afterwards in detail.

Objective: The recommended program is intended to assure a volume of farm income and purchasing power which it is in the public interest to maintain for the reasons which have just been discussed.

The standard of support has been established with reference to income criteria rather than price criteria. A recent 10-year period has been selected as the base. Simplicity of computation and application has been a constant aim.

The recommended price support standard for any specific commodity does not represent a parity price nor does the composite average represent parity income as those terms are now statutorily defined or commonly understood. This income standard simply represents a realistic minimum below which it is not in the interest of farmers or consumers to allow farm prices to fall and above which I would hope to find most farm prices most of the time. It is the minimum level from which we would be working toward narrowing, and eventually closing, the historical gap between farm and nonfarm income.

Formulas: As the start for our moving base, we have taken the average annual purchasing power of cash receipts from farm marketings for the years 1939 through 1948. From that, with the aid of the old parity index, we have moved first to an income support standard and then to a specific price support standard for the individual commodities.

Application of support: Loans, purchase agreements, production payments, and direct purchases should be available for use. These several methods would be used singly or in combination as experience and prevailing circumstances warrant.

Commodity loans and purchase agreements are probably the most effective and efficient methods for the commodities which do not appreciably deteriorate in storage and for those which should be held in reserve in appreciable quantities for production stability or against national emergencies.

Production payments, on the other hand, seem more adaptable as a method for supporting highly perishable commodities and those for which storage is too costly.

In the case of both perishables and storables, it may sometimes be desirable to remove surpluses or to obtain supplies for storage or collateral programs by purchasing directly from producers or intermediate processors.

Conditions of support: The availability of price support cannot be separated from the acceptance by farmers of reasonable undertakings to advance or accomplish the over-all objectives of a sound farm program in the interests of the public and of their fellow farmers, such as—

(a) The observance of minimum and sound soil-conservation practices.

(b) Compliance with or adoption of whatever programs are found necessary to curtail wasteful production or disorderly marketing (such measures as acreage allotments, marketing quotas, and marketing agreements which may be adopted from time to time through referendums or by the authority of the Secretary under terms of specific legislation such as is now on the statute books).

(c) The limitation of eligibility for price support to a defined volume of production on each farm—a volume high enough to benefit most farms but one which will not encourage the development of extremely large, industrialized farming.

Those are my recommendations in brief. I have left out many significant details and comparisons which we can go back to, now that you have the over-all picture.

The income and price-support standards: If there is anything new in what is here proposed, it is the recommendation that we actually start our computations with an income criterion as the base on which price supports are determined. We have had income criteria in our laws—so-called parity income definitions—but, so far, we have not used them. Since income is what finally counts, I think it is time to start relating support prices to an income standard.

The factor which has discouraged real use of the parity income definition in the past has been the gap between farm and nonfarm income. This is so wide that a program based on real dollar equality looks unrealistic as an immediate objective. Under the old definition, for example, farmers last year received 160 percent of the theoretical parity income. But, actually, the average net income of farm people from all sources was only $909 per capita, including the value of home-produced food and income from nonfarm sources, compared with the nonfarm average of $1,569. This puts the average farmer's income at less than 60 percent of his urban brother's income. Such a definition of parity seems to me indefensible.

The new definition in the Agricultural Act of 1948 defines parity income as that income which will provide farm people with standards of living afforded persons in other gainful occupation. This is undoubtedly valid as a concept and as a long-range objective which we accept as such.

In developing an income-support standard which can be translated into a price schedule, I start from the firm conviction that the particular formula or formulas should be based on recent experience and not related or chained back to some distant base period. Any such formula should reflect as far as possible the advancements in agricultural knowledge, facilities, and skills.

It is recommended that the income support standard for any year be defined as that level of cash returns from farm products which is equivalent in purchasing power to the average annual purchasing power of cash receipts from farm marketings during the 10 calendar years, 1939 through 1948.

As formulas go, this is quite simple. As the starting base, it takes the average annual purchasing power of cash receipts for the years 1939 through 1948, which figures we already have. This purchasing power is determined by dividing cash receipts for each year by the same year's index of prices paid by farmers for goods and services, including allowances for interest and taxes—that is, the "parity index" as we now know it. In terms of average 1939–48 farm-purchasing-power dollars, this base is $18,218,000,000.

To calculate the income support standard, this base is multiplied by the current parity index. For example, parity as of March 15 was equal to an index of 144 (base 1939–48=100). Such an index would indicate an income support standard of $26,234,000,000 (18,218,000,000 times 1.44).

Before going on to a discussion of the corresponding price-support standard, let me say a word about this income measure. It is not a parity income figure, but rather what I believe to be a minimum level which we should do our best to hold with the expectation that actual income would usually run higher. It is a level of income which I believe we can all agree should be maintained not only in the interest of farm people, but equally in the interest of all our people. It is calculated from a recent and fair base. True, 1939–48 does include some high-income years, but it also includes some low-income years starting with the very low year 1939. Furthermore, farm purchasing power has been above this suggested support level for six successive years.

Some people may object on the grounds that this formula relates to cash receipts rather than to net farm income. However, this has two advantages. The first is simplicity. As you will soon see, it is a very simple step from cash farm receipts to the support-price standard. Secondly, both the farmer and the American businessman are interested in the farmer's total purchasing power. Farm marketings must return enough to cover not only the farm family items but production expenses as well.

I am aware that this standard does not close the gap between average per-capita farm and nonfarm incomes. However, as I indicated earlier, one of our problems is to get something which will work here and now.

We contemplate that the base used for determining the income standard should move forward. I am proposing that this 1939–48 income base be used for 1950 and that thereafter the base should be the first 10 out of the last 12 years. In other words, there should be a 2-year lag between the base period and the year of actual operation so as to allow administrative preparation well in advance of operations and so that the

Congress may become aware of the effects of the moving standard before new calculations are put to use.

After determining the aggregate income standard for a year, the next step is the determination of a corresponding schedule of commodity prices. In doing this, average farm prices for the 10 immediately preceding years (or marketing season)s would be multiplied by the ratio of (a) the current income support standard to (b) the actual average level of cash receipts from farm marketings during the 10 immediately preceding years. This formula will keep price relationships among commodities on a moving, up-to-date basis.

For example, the average cash receipts for the 10 years 1940–49 (using an estimate for 1949 in this illustration) is $20,980,000,000, while the estimated minimum income standard for 1950 is $26,234,000,000, assuming the parity index remains at its current level.

Since the support standard is 1.25 times the average cash receipts, the support price schedule would be determined by simply multiplying the 1940–49 average farm price for each of the several commodities by 1.25.

Now let us see how these formulas compare with the familiar parity price formula. So far as income and prices are concerned, the standards are about equal to what current marketings would bring if farm prices were to average the present parity level for 1949, but with the prices for the three great staples—corn, cotton, and wheat—averaging only about 90 percent of the old parity level. At the same time it follows that prices for a number of the other commodities, especially livestock and livestock products, would average above the current parity level. The method of calculating the income and price standards, as well as a number of price comparisons, are shown in detail in the accompanying tables (exhibits A, B, and C.)

Application to specific commodities: Our ultimate ability to assure these minimum income and price-support standards is of course dependent upon the availability of funds and specific authorization.

I recommend that the Congress designate those commodities which should have first priority on the funds available for price-support purposes. This list should include the agricultural commodities of prime importance, both from the standpoint of their contribution to farm income and their importance to the American consumer family.

This list should include, at least, the following commodities: Corn, cotton, wheat, tobacco, whole milk, eggs, farm chickens, and the meat animals—hogs, beef cattle, and lambs.

I recommend that the prices or returns of these first priority, group 1, commodities be maintained at not less than the full support price standard. It should be clearly understood that the support price standard is not a ceiling.

Those commodities not included in the group 1 or priority list should be supported in line with or in relation to group 1 commodities, taking into account the available funds and authorities, the ability of producers to keep supplies in line with demand and other relevant factors. There will also need to be discretionary authority available for adjusting supports for these commodities in order to maintain desirable commodity relationships, especially in order to maintain normal feeding ratios or feed value relationships.

It may also on occasion, be necessary to recommend to the Congress certain adjustments in support prices for one or more of the group 1 commodities in order to maintain feed ratios or feed-value relationships.

The authority should be available to support any commodity at whatever level is required to increase supplies or meet national emergencies.

Price support methods: Commodity loans and purchase agreements are methods well adapted to the support of storable commodities which can be carried over without processing for a number of marketing years if necessary. Storables account for roughly 25 percent of our annual cash receipts from farm marketings and include cotton, corn, wheat, and other grains, tobacco, the oilseed crops, dry beans and peas, wool, and peanuts. These are not all equally storable, but experience has shown that loans and purchase agreements are effective for all the commodities on this list. Nevertheless, it would be desirable to have available, as a supplementary method, the authority to make production payments under certain circumstances.

The nonstorables—products which are either highly perishable or which can be stored only at heavy expense—include fruits, vegetables, meat animals, milk, butterfat, poultry and eggs, and account for roughly 75 percent of cash farm receipts. Production of these commodities is geared largely to domestic demand, and this demand fluctuates with employment, wages and other factors which change mass purchasing power. We can hope to increase per capita consumption of all or most of these products in a healthy economic climate.

When it is necessary to apply supports to any of these nonstorable commodities, I recommend that we rely mainly upon production payments.

The term "production payment" means exactly what it says—a payment to the farmer to go on producing to meet genuine consumer need, rather than restricting output short of that need.

Under this system the farmer would be paid in cash the difference between the support standard for commodities which he produced and the average selling price for those commodities in the market place. Because the payment would go directly to the farmer it would be an efficient support operation.

Another big advantage is that the system would induce efficient production and marketing, because any farmer who could exceed the average market price by quality of product or good bargaining would benefit to the extent that his selling price exceeded the average market price.

A third advantage of this system is that it would allow farm income to remain at a high enough level to sustain abundant production while retail prices sought their supply-and-demand level in the market place. This level is bound to be reasonable for consumers because of the larger supplies brought out.

It is obvious, of course, that the use of production payments must be qualified in such a manner as to avoid extremely depressed prices in the market place or a wasteful use of soil resources.

The payment method is not new. It has been used for various purposes before and during the war and we know it is administratively feasible. We know it is a method which not only protects farmers but gives consumers a real break.

I want to make it clear that I believe production payments should be used to encourage increased consumption as well as to support farm returns. Let me illustrate. In some of our larger cities, milk consumption per capita was much higher in 1947 than in 1940. The increases ranged from 15 percent to nearly 50 percent. Since 1947, in some of these same cities, the average person has been using less and less milk. Consumers have not simply decided they want or need less milk. The decision to buy less was forced upon them for the most part by the rising cost of the commodity. The result is bad for both consumer and producer.

Through production payments, we can keep the market price within reach of more people and maintain returns to the dairy farmers at a level which will bring forth the necessary production. As we indicated in our long-range testimony in 1947, we should be producing and consuming 150,000,000,000 pounds of milk by now instead of something less than 120,000,000,000. If it is necessary to get milk down to the area of 15 cents a quart at retail in order to have maximum consumption, and use production payments to assure farmers of fair returns, I think both farmers and consumers will want to do it.

I believe the production payment authority should be so written as to allow it to be used as a supplement to our milk marketing agreements and orders.

The same principle should apply to other commodities to which marketing agreements and orders are adapted.

Parenthetically, I believe authority to support hog and milk prices through direct payments should be available before January 1, 1950. If it becomes necessary to support prices of hogs and milk this year as now required by law, authority to make payments will facilitate the job.

Another price-support method which should be available for use on perishable commodities is the direct Government purchase program. One of the biggest obstacles that fruit and vegetable producers encounter is a seasonal glut in markets. It may be local and temporary. Or it may be general and prolonged. There are times when marketing agreements and merchandising programs will not wholly meet the situation. On those occasions, it is necessary for the Government to make direct purchases and divert supplies from normal trade channels.

In preparing for this testimony, I gave considerable study to the possibility of using a "food stamp" or "food allotment" program as a price-support method. The attractiveness of such a program lies in the fact that it encourages increased food consumption and aids those consumers who are most in need. On the other hand, as we now see it, such a program would be administratively expensive, difficult, and would provide only an indirect aid to agriculture.

The use of an equal amount of funds in production payments or the other price-support methods would give farmers far more aid and at the same time benefit a wider group of consumers—in fact, all consumers of the commodity involved.

Conditions and limits: Now let us consider the practical conditions and limits for price supports.

Farmers consider themselves to be partners with each other and with other people in operating a program for the benefit of all. I believe they expect to and should accept responsibility. I do not believe that full benefits, if any, should be extended to producers who operate without regard to the welfare of the general public or of their fellow farmers.

As a result of increased yields, American farmers in 1948 produced the largest corn crop in history on the second smallest number of acres in 50 years. They produced the second largest crop of potatoes in history on the smallest number of acres in the past 70 years. Cotton, tobacco, wheat, and oats are among other major crops for which yields have been increasing.

There is good reason to believe that high-level production will tend to continue and that yields may continue to increase.

Even though economic activity in the United States continues at near-record levels and foreign demand for the products of our soil may remain large for some time to come, production of most agricultural commodities may easily out-run current high-level demand. Our experience in this country shows that full employment and high-level economic activity do not automatically provide a good market for everything our farms may produce. For example, with substantially full employment in 1923, our wheat prices were abnormally low because of for-

eign surplus production. In 1926, we had substantially full employment and a domestic surplus of cotton. In 1929, we had substantially full employment and were struggling to get rid of our large 1928 wheat crop.

Thus farmers have to prepare to moderate production of some items to less than maximum capacity.

Failure to provide for adjustments in production may result in burdensome surpluses as well as continued unwise use of much of our soil resources.

In view of the significant changes that have taken place in the total volume and in the pattern of agricultural production, there is a need to reexamine our adjustment policies and programs in order to insure that they realistically meet the problems that lie ahead. In making this reexamination, careful consideration must be given to providing a combination of production and marketing adjustment measures to balance supplies with demand, give producers an opportunity to contribute to farm income stabilization, and provide reasonable limits to the Government's financial assistance. My suggestions regarding these, by commodity groups, are outlined below:

Marketing quotas and acreage allotments should continue to be available or be provided for commodities such as tobacco, cotton, wheat, rice, corn, and peanuts, with improvements based on experience.

Whenever acreage allotments or marketing quotas are in effect on corn, acreage allotments and marketing quotas should be available for use on other feed grains and possibly rye. Such authorities are needed for additional commodities, such as soybeans, flaxseed, and dry edible beans.

The legislation should provide for acreage allotments, marketing quotas and marketing agreements, and orders for fruits, vegetables, and tree nuts. Producers of any one of these commodities should be provided with adequate tools to develop a program which would maintain or establish balance between supplies and demand, thereby providing a basis for price and income stabilization.

The time may come when marketing quotas or similar feasible devices may be desirable for meat animals, dairy products, poultry and eggs, although the need for improving the diets of consumers and for encouraging conservation farming would not so dictate at this time. For fluid milk, marketing agreements and orders should be continued.

Eligibility of a producer for participation in the benefits of any price-support program should be conditioned upon compliance with or adoption of applicable programs of production adjustment, marketing quotas or agreements, and the carrying out of reasonable conservation practice requirements.

Present legislation provides that the Secretary of Agriculture may invoke acreage allotments and marketing quotas in most instances on the basis of supply in relation to demand, and that producers determine in a referendum whether they will regulate themselves by approving the use of these devices. With respect to such storable agricultural commodities as soybeans, flaxseed, dry edible beans, and dry field peas, as well as the nonstorable crops, it is recommended that acreage allotments or marketing quotas should not be declared necessary until producers have been given an opportunity by the Secretary to vote on the question of invoking such measures in order to bring supplies in line with demand and to qualify for the price support requested.

A further limit on the extent of support is necessary if the public is not to provide financial encouragement for the continued development of extremely large-scale, industrialized farming.

The program I have presented is designed to raise the efficiency with which resources are used in agriculture. But our emphasis upon efficiency must not be followed in disregard of maintaining a strong and self-reliant rural population in America. In my opinion, we would be wrong to allow our programs to operate in such a way as to encourage the concentration of our farm land into fewer and fewer hands.

As one means of implementing this conclusion, I suggest that the production of a farm in excess of a predetermined amount be not eligible for price support.

To determine the amount of commodities per farm eligible for support, it is suggested that we establish a common unit of measurement applicable to all agricultural commodities on which price supports may reasonably be expected at some time. I am suggesting a comparative unit, which would be equal to 10 bushels of corn, almost 8 bushels of wheat, or a little more than 50 pounds of cotton. The equivalent in other crops or commodities may be quickly computed by relating their value to the value of corn according to prices used in the price-support standard. This is elaborated upon in the attached table, exhibit D.

It is then suggested that not more than 1,800 comparative units per farm be eligible for support. The effect would be about as follows: The operators of all farms, no matter how large, would receive benefits of the price-support program to the extent of 1,800 units of the commodities grown on that farm. Farms which produce in excess of 1,800 units would not enjoy support on the excess. This would exclude part of the production on approximately 2 percent of the farms of the Nation.

I have arrived at this recommendation with considerable caution. If we are to encourage the initiative of individual farm enterprisers we must not set the eligibility point too low. As a matter of fact, we need to place it as high as possible and still preserve the essential rural values I have mentioned. The dividing point I am recommending has been determined on the basis of Census material relating to farms. This dividing point will provide support for just about the amount of production available for sale from our largest family farms. Such a large family farm would be a modern, mechanized, efficiently operated farm with some hired labor, particularly during peak work periods, but still a farm on which the farmer accepted full responsibility for the management and on which the farmer and his family did a great deal, if not the bulk, of the farm work.

CONCLUDING OBSERVATIONS

Summarizing the suggested program methods, I would like to call your particular attention to these points:

1. We would base price supports on a realistic income standard, which is a more fundamental base than price alone, and yet we would continue operations in the price field. The economy would continue to have the same price-stabilizing benefits which have been important contributions of past programs.

2. This would not be just a support-and-control program. It would directly encourage the movement of greater volume of commodities for which demand is elastic in relation to price, as well as hold down the production of surpluses. This will enable the public to realize more direct benefits.

3. The recommended program makes definite provisions for support of nonstorable commodities, which represent about three-fourths of cash farm receipts and which have not been adequately covered before. Some of these nonstorables would be eligible for the same preferential treatment that storable basics have received. This enables the program to work more directly toward the development of a production pattern in line with people's needs and market demands.

4. The recommended program permits plenty of leeway for enlarging farms in the interest of efficiency and better living standards, but it does not encourage the concentration of production on extremely large farms.

5. This program provides a closer tie between price supports and other parts of the farm program and increases the responsibility of farmers for carrying out the objectives of national farm policy.

6. The suggested methods of operation are not new in principle, and few are new in practice.

So much for the program methods.

In the final analysis, a program cannot be judged by its aims and methods alone, but by actual results. I believe the recommended program will measure up to the standards I mentioned in the beginning. It provides farm people with price and income supports and the general economy with a large measure of stability. It provides for ample reserves of storable commodities needed for national security and for carrying out our foreign policy. It is reasonably simple and thereby subject to efficient administration. It seeks not only in general but in certain specific ways to assure the general public with abundant food at reasonable prices and thereby offers them direct and tangible returns for money spent.

Having pointed out certain advantages of the program, I also want to call attention to some of its shortcomings.

In the first place, this program does not close the gap between farm and nonfarm income. It offers a realistic beginning.

In the second place, the price and income supports I have suggested, in common with all other price-support systems, falls short of meeting the needs of those operators who lack enough good land and enough capital to produce the necessary volume with the necessary efficiency for a good standard of living. For those operators and their families, an expanded Farmers Home Administration program is a basic need. We should also remember that opportunities in agriculture are becoming more limited in number, both for operators and labor.

We need a program of job training and placement and some definite means of encouraging the development of industries in underdeveloped areas if we are to avoid a long-time problem of relief for those who are crowded out or only partially employed.

I also call your attention to the fact that neither a price-support system nor prosperity itself will assure the conservation of agricultural resources on which we as a people depend for our very lives. With the best possible price-support system, we still need an expanded soil-conservation program.

Price supports, of course, do not take care of the problems of community services such as electrical and telephone services and health and education facilities. They do not affect our need for research and education in agriculture and home economics, for cooperative credit, or for various regulatory and service functions.

The school-lunch program is also a continuing need. This program is somewhat related to the price-support program. As long as it appears necessary to make direct purchases of commodities for the purpose of maintaining farm returns, we should plan to dispose of what we acquire in constructive ways, which certainly include school lunches. Only about 6,900,000 children—approximately a fourth of those now in school—are now benefiting from the program, and on a fourth of the lunches the program provides for milk only.

These are the facts we should keep in mind when we are considering outlets for farm production, as well as when we consider the primary purpose of the lunch program—the welfare of the children.

Another program very important to maintaining farm income and a continuity of

production is crop insurance. Price supports are of no immediate importance to a farmer who, because of natural hazards, is unable to produce anything to sell. The crop-insurance program is designed to help the farmer get back his seed, at least, enabling him to get by until his next crop can be harvested and sold. Without protection of his investment the farmer who suffers a crop disaster loses not only the benefit of the current price support, but also a part of his previous profits.

I am glad to note a few days ago that the House Committee on Agriculture reported favorably on the Department's recommendation to expand this program. I also share the committee's enthusiasm for extension of the multiple-crop-insurance system by which a producer of diversified crops can buy a simple policy to cover at least part of his investment. The multiple-crop system fits right into our aims for price support and other programs. I hope that the sound operating experience of the Federal Crop Insurance Corporation in recent years will allow it to grow until crop insurance is available to every farmer.

In general, I would reemphasize the recommendations made by the Department of Agriculture in 1947 with regard to the programs needed in addition to price supports.

All of these matters have their individual places in our total agricultural policy of abundance. Price support is not the only matter that requires our attention. However, it is the most immediate, pressing problem. And I would say, further, that it must be the heart of our policy, for it will determine to quite an extent how successful the rest of our programs can be. One thing is certain: It would do little good to have a power line to the farmstead or a hospital in the community if the crop produced will not return enough money to enable the farmer to use the available services.

In the final analysis, of course, the best basic economic aid for agriculture is a fully employed labor force at good wages. But labor is not likely to be fully employed and industry is not likely to be expanding production when agriculture is in economic trouble. Agriculture is not merely a recipient of good fortune but a partner in the making of prosperity.

I am confident that by working together we can develop a production and price-adjustment program that will actively and positively serve the best interests of all the people.

EXHIBIT A

PROVISIONAL DEFINITION OF INCOME-SUPPORT STANDARD

The income-support standard in any year shall be that level of total cash returns from farm marketings which is equivalent in purchasing power to the average purchasing power of cash receipts from farm marketings during the 10 calendar years 1939 through 1948. Purchasing power in any year shall be measured in terms of an index of prices paid by farmers for goods and services, including interest and taxes.

The following table and calculations show how 1939–48 average purchasing power would be calculated and adjusted to give an income figure for 1950:

TABLE 1.—*Cash receipts from farm marketings: Calculations of average purchasing power, 1939–48, and of income-support level for 1950*

Year	Cash receipts from farm marketings [1] (1)	Parity index (1939–48 average=100) (2)	Purchasing power of cash receipts in millions of 1939–48 dollars (column (1)÷column (2)) (3)
	Millions of dollars		
1939	7,877	73	10,790
1940	8,364	73	11,458
1941	11,181	77	14,521
1942	15,372	88	17,468
1943	19,434	95	20,457
1944	20,360	99	20,566
1945	21,520	101	21,307
1946	24,864	113	22,004
1947	30,186	135	22,360
1948	31,019	146	21,246
1939–48 average	19,018	100	18,218

[1] Excluding Government payments. Cash receipts for 1949 were estimated at $27,500,000,000.

1. 1939–48 average purchasing power, in millions of 1939–48 dollars ... 18,218
2. Prices paid by farmers including interest and taxes, basis parity index for March 15, 1949 (1939–48=100) ... 144
3. Equivalent 1939–48 purchasing power at March 15, 1949 prices ... 26,234

The support-price standard, or prices corresponding to the income-support standard, would be calculated by multiplying average farm prices for the 10 immediately preceding years by the ratio of the income standard to the average level of cash receipts from farm marketings during the 10 immediately preceding years, as follows:

4. Income-support level (at March 15, 1949, prices) ... 26,234
5. Estimated average cash receipts from farm marketings, 1940–49 ... 20,980
6. Ratio of income-support level to 1940–49 average cash receipts ... 1.25

At the March 15, 1949, level of prices paid by farmers, the adjustment factor to be applied to 1940–49 average prices would be $1.25.

EXHIBIT B

(Work table: Illustrative calculations only; shows probable relative differences for 1950)

Specified commodities: Illustration of calculation of price-support standards for 1950 based on parity index for Mar. 15, 1949, and estimated average prices received by farmers, 1940–49

Commodity (grouped according to present legislation)	Unit	Income support standard 1950 [1] (1)	Average cash receipts from farm marketings 1940–49 [2] (2)	Adjustment factor, column (1) ÷ (2) (3)	Average prices received by farmers 1940–49 [3] (4)	Price support standard, column (4) × (3) (5)
Basic commodities:		*Million dollars*	*Million dollars*		*Dollars*	*Dollars*
Wheat	Bushel	26,234	20,980	1.25	1.50	1.88
Corn	do	26,234	20,980	1.25	1.17	1.46
Cotton	Pound	26,234	20,980	1.25	.2239	.2799
Rice	Bushel	26,234	20,980	1.25	1.81	2.26
Peanuts	Pound	26,234	20,980	1.25	.0756	.0945
Tobacco:						
Flue-cured	do	26,234	20,980	1.25	.394	.492
Burley	do	26,234	20,980	1.25	.397	.496
Specified Steagall commodities: [4]						
Butterfat	do	26,234	20,980	1.25	.535	.669
Milk, wholesale	Hundredweight	26,234	20,980	1.25	3.38	4.22
Hogs	do	26,234	20,980	1.25	15.20	19.00
Eggs	Dozen	26,234	20,980	1.25	.366	.458
Chickens	Pound	26,234	20,980	1.25	.232	.290
Flaxseed	Bushel	26,234	20,980	1.25	3.44	4.30
Soybeans	do	26,234	20,980	1.25	2.03	2.54
Beans, dry edible	Hundredweight	26,234	20,980	1.25	6.76	8.45
Potatoes	Bushel	26,234	20,980	1.25	1.27	1.59
Other commodities:						
Cattle, beef	Hundredweight	26,234	20,980	1.25	13.50	16.90
Lambs	do	26,234	20,980	1.25	14.70	18.40
Oats	Bushel	26,234	20,980	1.25	.66	.825
Barley	do	26,234	20,980	1.25	.975	1.22
Apples	do	26,234	20,980	1.25	2.09	2.61
Wool	Pound	26,234	20,980	1.25	.398	.498
Oranges	Box	26,234	20,980	1.25	1.57	1.96

[1] Estimated.
[2] Cash receipts from farm marketings for 1949 estimated at $27,500,000,000.
[3] Prices for 1949 estimated basis current prices and announced or mandatory support levels for 1949.
[4] Sweetpotatoes, dry field peas, American-Egyptian cotton, and turkeys are also Steagall commodities.

EXHIBIT C

(Work table: Illustrative calculations only; shows probable relative differences for 1950)

Specified commodities: Estimated alternative support standards for 1950 based on parity index for Mar. 15, 1949, and estimated average prices received by farmers, 1940–49

Commodity (grouped according to present legislation)	Unit	Income-support standard [1]	90 percent current parity	Support range, title II, Agricultural Act of 1948 [2]		
				60 percent	72 percent	90 percent
		(1)	(2)	(3)	(4)	(5)
Basic commodities:		*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*
Wheat	Bushel	1.88	1.95	1.24	1.48	1.85
Corn	do	1.46	1.42	.90	1.08	1.35
Cotton	Pound	.2799	.2745	.1739	.2087	.2603
Rice	Bushel	2.26	1.80	1.31	1.58	1.97
Peanuts	Pound	.0945	.106	.0672	.0806	.101
Tobacco:						
Flue-cured	do	.492	.403			.429
Burley	do	.496	.393			.434
Specified Steagall commodities: [3]						
Butterfat	do	.669	.582			[4] .584
Milk, wholesale	Hundredweight	4.22	3.55			[4] 3.70
Hogs	do	19.00	16.10			[4] 16.60
Eggs	Dozen	.458	.476			[4] .453
Chickens	Pound	.290	.252			[4] .252
Flaxseed	Bushel	4.30	3.74			[4] 3.74
Soybeans	do	2.54	2.12			[4] 2.21
Beans, dry edible	Hundredweight	8.45	7.46			[4] 7.37
Potatoes	Bushel	1.59	1.62	1.16		1.74
Other commodities:						
Beef cattle	Hundredweight	16.90	12.00			[4] 14.80
Lambs	do	18.40	13.00			[4] 16.00
Oats	Bushel	.825	.884			[4] .840
Barley	do	1.22	1.37			[4] 1.30
Apples	do	2.61	2.12			[4] 2.28
Wool	Pound	.498	.405	.289		.434
Oranges	Box	1.96	3.32			[4] 3.16

[1] 1940-49 average prices times 1.25. Prices for 1949 estimated basis current prices and announced or mandatory support levels for 1949.
[2] Based on parity revisions title II, Agricultural Act of 1948, including transitional parity prices which are 95 percent of present parity. Transitional parity prices are for wheat, corn, cotton, peanuts, eggs, oats, barley, and oranges.
[3] Sweetpotatoes, dry field peas, American-Egyptian cotton, and turkeys are also Steagall commodities.
[4] Not more than.

EXHIBIT D

Selected list of commodities showing quantity equivalent to 1 unit (10 bushels corn) valued at income-support standard prices

Commodity:	*Quantity equivalent to 1 unit*
Wheat (bushels)	7.77
Corn (bushels)	10.00
Cotton (pounds)	52.16
Rice (bushels)	6.46
Peanuts (pounds)	154.97
Tobacco:	
Flue-cured (pounds)	29.68
Burley (pounds)	29.44
Butterfat (pounds)	21.82
Milk, whole (hundredweight)	3.46
Hogs (hundredweight)	.76
Eggs (dozen)	31.88
Chickens (pounds)	50.34
Flaxseed (bushels)	3.40
Soybeans (bushels)	5.75
Beans, dry edible (hundredweight)	1.73
Potatoes (bushels)	9.18
Beef cattle (hundredweight)	0.86
Lambs (hundredweight)	.79
Oats (bushels)	17.70
Barley (bushels)	11.97
Apples (bushels)	5.59
Wool (pounds)	29.32
Oranges (boxes)	7.45

Mr. THOMAS of Oklahoma. Mr. President, I wish to say a word regarding the importance of our present price-support program. It has laid a good foundation for a fuller and a more modern support program. A modern price-support program, which provides for adequate reserves, is as essential to our defense as are modern airplanes, tanks, guns, bombs, and a stock pile of strategic materials.

The income-support standard, as recommended by the Secretary of Agriculture, is a compromise between supporters of prices at 90 percent of parity versus supporters of the flexible supports ranging from 60 to 90 percent.

I have reviewed the recommendations of Secretary Brannan during the past 2 days and am in full accord with his objective. I agree with Secretary Brannan that—

> We need a realistic minimum below which it is not in the interest of farmers or consumers to allow farm prices to fall and above which I would hope to find most farm prices most of the time. It is the minimum level from which we would be working toward narrowing, and eventually closing, the historic gap between farm and nonfarm income.

I am wholeheartedly in favor of such an objective.

The Secretary proposes a more modern and simplified formula than is the parity formula heretofore used. The application and administration of supports can be effected more easily and promptly. The farmer will know the minimum support level and will not have to guess whether his crop is supported at 60 percent, 72 percent, or 90 percent of parity.

As soon as a bill is presented, incorporating the recommendations of Secretary Brannan, I shall ask the Senate Committee on Agriculture and Forestry to hold hearings, giving all interested parties full opportunity to present their views. We do not want this bill rushed through the Congress in the heat of an election or just before adjournment, as happened last year. I shall do everything in my power to see that it receives careful and deliberate consideration and passage through the Senate during this session of the Congress.

Mr. President, I understand that the full report to the Secretary of Agriculture has now been made a part of the RECORD.

CONFIRMATION OF ARMED SERVICES NOMINATIONS

Mr. TYDINGS. Mr. President, as in executive session, I ask unanimous consent that the Senate now consider various nominations for promotion in the armed services, which I have today reported. I ask that the nominations be confirmed and the President immediately notified. These are all routine nominations, and there is no objection to any of them from any source whatsoever. They come from the committee with a unanimous report.

Mr. FULBRIGHT. Reserving the right to object, I take it that the Senator does not intend that these names be included on the roll call of this morning. [Laughter.]

Mr. TYDINGS. These gentlemen will take their places in that illustrious roll call which includes the names of men who wear the uniform of our country and on occasion defend it from enemies who attack.

The PRESIDING OFFICER (Mr. HOEY in the chair). Is there objection to the request of the Senator from Maryland? The Chair hears none, and, without objection, the nominations are confirmed en bloc, and the President will be notified at once.

AMERICANS FOR DEMOCRATIC ACTION

Mr. HUMPHREY. Mr. President, I should like to have an opportunity to make a few remarks in reply to the comments of the Senator from Indiana [Mr. JENNER] in his reference to the organization known as the Americans for Democratic Action and his reference to the affiliation of the junior Senator from Minnesota with that organization, as well as his reference to a project which the

organization has undertaken for the encouragement of travel on the part of young Americans to Great Britain.

Just so that we may have it clear in the RECORD, I wish to read from the program of the Americans for Democratic Action as adopted on March 29 and 30, 1947, in the first organizational conference in the city of Washington, D. C. I read:

GENERAL PURPOSES

As Americans for Democratic Action, we hold with the Declaration of Independence that the purpose of government is to secure to men the rights to life, liberty, and the pursuit of happiness. We fight today in the spirit of those who, through the course of American history, have fought to enlarge and vindicate these rights. Our objective is to raise again the banner of progressivism in America, the only banner under which the free peoples of the world can be rallied against totalitarianism.

It is our conviction that bread and freedom are ultimately interdependent. Our program is directed toward this one goal: a society in which each individual enjoys the highest degree of liberty compatible with justice and economic security for his fellows.

By liberty we mean the fullest assurance of those traditional rights which are based on a profound belief in the dignity of the individual: equality before the law and freedom for all persons to speak, to write, to worship, to vote, and to assemble as they choose, without regard to race, creed, color, national origin, or economic status.

By economic security we mean freedom from want and a fair distribution of the fruits of labor. More concretely, we mean the guaranty of full and steady production and employment; the protection of labor's right to organize democratically and bargain collectively; fair levels of income and security for the farmer; assurance to genuinely competitive business of fair opportunities for efficient production and expansion; protection of the people's inheritance in natural resources against waste and monopolistic exploitation; and a system of minimum wages and social insurance broad enough to maintain adequate standards of nutrition, education, medical care, and housing.

Mr. President, I put this into the RECORD because I do not hesitate to say that the Americans for Democratic Action represent some of the finest traditions, the hopes and aspirations for political freedom and economic security, by the American people.

There may be Senators, there may be those in the House of Representatives, and others throughout the country, who are in disagreement with many of the programs and objectives of Americans for Democratic Action. We in this country always reserve for ourselves the right to disagree, to have honest differences of opinion. But I want no one to feel, because of the remarks which have been made on this floor, that this organization is anything but a deeply sincere, patriotic, liberal, American, freedom-loving organization of people who are by their own talents and their own achievements fine representatives of this Nation. I will exclude from that group the acting national chairman [Mr. HUMPHREY].

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DONNELL. This is not in any sense designed as a reflection, but merely as a matter of identification. Will the Senator be kind enough to tell us, if he will, whether David Williams, director of the London office, is the same David Williams who is listed in the British Who's Who as David James Williams, member of Parliament, Liberal Neath division of Glamorgan, since May 1945?

Mr. HUMPHREY. I do not know, but I shall be more than happy to afford the Senator the information, and it shall be presented to him in his office.

Mr. DONNELL. Would the Senator be kind enough, as I read the names, if he can, to tell us who these gentlemen are?

Joseph L. Rauh, Jr., chairman of the executive committee.

Mr. HUMPHREY. Mr. President, I shall go into the matter of the personnel, without being too extensive in my remarks, in order to give some idea of the leadership and the affiliation of the individuals connected with the Americans for Democratic Action. I should like to continue my remarks, and I am sure that in what I say I shall be able to answer the penetrating and sincere questions of the Senator from Missouri [Mr. DONNELL].

The first national chairman was Wilson W. Wyatt, the distinguished ex-mayor of the city of Louisville, Ky., who was a distinguished servant of his Government as the National Housing Expediter.

The chairman of the executive committee in the early days of this organization was a well-known and eminent economist, one who performed distinguished service for his Government during the period of the war, Leon Henderson.

The secretary of the national board, about whom the Senator from Missouri has inquired, is a young attorney in the city of Washington, D. C., who at one time I believe worked in the Office of Price Administration, and also with one of the housing programs of the National Government.

The gentleman who is known as the national executive secretary has for many years been affiliated with liberal and progressive organizations, such as the Union for Democratic Action, which preceded this organization. His name is Mr. James Loeb, Jr.

I should like to call to the attention of Senators some of the distinguished members of this body and of the House of Representatives who are proud to affiliate with the Americans for Democratic Action.

I first refer to the new Senator from North Carolina [Mr. GRAHAM], the former president of the great University of North Carolina, the man who was so eloquently, and, let me say, so righteously defended on the floor of the Senate by the senior Senator from the State of North Carolina [Mr. HOEY], is a vice chairman of the Americans for Democratic Action.

Mr. JENNER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from Minnesota yield to the Senator from Indiana?

Mr. HUMPHREY. I am happy to yield.

Mr. JENNER. Is not the gentleman the Senator just referred to also a member of 18 Communist-front organizations?

Mr. HUMPHREY. I shall reply to the question from the Senator from Indiana by saying that I know of no man in the United States of America who has a more distinguished, a more honored, and a more desirable and worthy record for public service and for devotion to democratic principles and to the highest ideals of this Republic and of this Nation than the junior Senator from the State of North Carolina. I am honored to serve in the same body with him.

Mr. JENNER. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield for a question.

Mr. JENNER. Does the Senator think it is highly desirable and patriotic to lend one's name to organizations that are known in this country and classified by the FBI and the Department of Justice as Communist-front organizations?

Mr. HUMPHREY. I would reply to the Senator's question that I am not going to involve myself in connection with a further attack, such as has been conducted on the floor of the Senate, upon the splendid reputation, the noble character, the fine mind, and the excellent person known as the junior Senator from North Carolina. I think it is beneath the dignity of this honorable body to engage in such debate. His service to his country is so outstanding that we should stand here and give thanks to Divine Providence that the distinguished Governor of that State saw fit to appoint him to this body to fill the vacancy which occurred because of the passing of our late lamented friend, Senator Broughton, of that fine State.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I continue with my remarks.

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Missouri for a question?

Mr. DONNELL. Mr. President, I ask if the Senator will yield for a further question?

Mr. HUMPHREY. I yield to my friend from Missouri, yes.

Mr. DONNELL. My inquiry is this: I understood the Senator to say that the first president of the organization was Mr. Wilson Wyatt?

Mr. HUMPHREY. That is correct.

Mr. DONNELL. And that Mr. Leon Henderson was connected with this organization.

Mr. HUMPHREY. Yes, indeed.

Mr. DONNELL. Mr. Leon Henderson was the OPA Administrator?

Mr. HUMPHREY. Yes, he was.

Mr. DONNELL. And I believe the Senator said that Mr. Joseph L. Rauh, the chairman of the executive committee, has also been connected with the Office of Price Administration?

Mr. HUMPHREY. I am not certain of that.

Mr. DONNELL. I thought the Senator so stated.

Mr. HUMPHREY. He is a capable attorney in the city of Washington, and it is my understanding that he had at one time an affiliation with that Administration.

I will now proceed, Mr. President.

Mr. DONNELL. I am sure the Senator would not object for another inquiry if he knew the object of the inquiry.

Mr. HUMPHREY. I yield.

Mr. DONNELL. I also ask if Mr. Paul Porter was not connected with the Office of Price Administration?

Mr. HUMPHREY. He was, as I understand, appointed by the late President Franklin D. Roosevelt, and served with the Office of Price Administration, and, as reported on the floor of the Senate a few moments ago, he did serve as publicity director for the Democratic National Committee, and did serve likewise as Special Ambassador to the Greek Government following the action of the Congress of the United States on the Greek-Turkish loan. He has served in many distinguished capacities, and we feel highly honored to have him as a member of our organization.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. HUMPHREY. Yes.

Mr. DONNELL. That is the same Paul Porter who served on OPA, and in other governmental organizations, and is now a member of the board of Americans for Democratic Action?

Mr. HUMPHREY. Yes, indeed.

Mr. DONNELL. Will the Senator permit the question as to whether or not Mr. David Ginsburg, the secretary of the National Board of Americans for Democratic Action, is the same Charles David Ginsburg who is listed in Who's Who in America as having been assistant to Commissioner Leon Henderson? Am I correct in that?

Mr. HUMPHREY. I believe he was.

Mr. DONNELL. Are there any other members of the board who are connected with either Mr. Leon Henderson or the OPA, of whom the Senator knows?

Mr. HUMPHREY. I do not know, except I would point out that the distinguished Governor of the State of Connecticut, the Honorable Chester Bowles, is a member of Americans for Democratic Action, and, of course, lest anyone have any doubt that the list of individuals was composed of none but Government officials, I would point out that the very distinguished and honored clergyman, from, I believe, the State of Missouri, if I am not mistaken, Bishop Scarlett——

Mr. DONNELL. Yes; indeed he is.

Mr. HUMPHREY. Served with distinction as a member of the board of Americans for Democratic Action. I would point out that the able theologian of world renown, Dr. Reinhold Niebuhr, serves on the board. I would point out that the able junior Senator from the State of Illinois [Mr. DOUGLAS] is a member of this organization. I would point out that not only——

Mr. DONNELL. Mr. President——

Mr. HUMPHREY. Not only is the junior Senator from Illinois a member, but let us go to the other side of the Capitol.

Mr. DONNELL. Just a moment. Mr. President, will the Senator yield?

Mr. HUMPHREY. I do not yield.

The PRESIDING OFFICER. The Senator from Minnesota declines to yield.

Mr. DONNELL. Will not the Senator from Minnesota yield for just one question?

Mr. HUMPHREY. I do not yield. Continuing my remarks——

Mr. DONNELL. Mr. President, will not the Senator yield for one question?

Mr. HUMPHREY. No; I do not yield, Mr. President.

Mr. DONNELL. Mr. President, may I ask if the Senator will not yield for just one question?

The PRESIDING OFFICER. The Senator from Minnesota declines to yield.

Mr. DONNELL. I think the Senator will be kind enough to yield if he understands the object of the question.

Mr. HUMPHREY. No; I shall not yield for questions for the moment. I should like to point out——

Mr. DONNELL. Mr. President——

The PRESIDING OFFICER. The Chair repeats that the Senator from Minnesota declines to yield.

Mr. DONNELL. Will not the Senator yield so I may ask him a question?

The PRESIDING OFFICER. The Senator has declined to yield.

Mr. DONNELL. I am asking the Senator from Minnesota if he will yield for one further question. I do not think he will have any objection to yielding if he knows the purport of the question.

The PRESIDING OFFICER. The Senator has declined to yield. The Senator from Minnesota has the floor.

Mr. HUMPHREY. Mr. President, I shall be very happy to yield at a later moment. I do not want to deny my friend the distinguished Senator from Missouri the opportunity to interrogate me, but I want to continue because there has been some reflection cast upon this organization.

I point out that the distinguished and able Congresswoman from California, HELEN GAHAGAN DOUGLAS, is a member of the Americans for Democratic Action. The able Representative from Wisconsin, ANDREW J. BIEMILLER, and the able Representative from Kansas City, Mo., Mr. RICHARD BOLLING, are members of this organization. Representative YATES, of Illinois, and Representative HOLIFIELD, of California are members of this organization. These are, to mention but a few, individuals who are dedicated to what? Who are dedicated to the principle of political liberty for the American people, with the hope of being able to assist the rest of the world in the securing of political freedom and some semblance of economic security.

Now, without any further remarks as to the nature of the organization, of which I am very proud to be the acting national chairman. It is an organization which includes some of the distinguished labor leaders of this country, men of character and above reproach. It is an organization which includes members of the clergy, of the business community, outstanding educators, professional people. It is an organization which has dedicated itself to one thing—to ally itself with groups of independent people in this country, progressive liberal-minded people who are unalterably opposed to any kind of totalitarianism, whether from the left or from the right. It is an organization which sees communism and fascism as twin brothers, as equal evils. It is an organization which recognizes that we do not fight communism and fascism just by saying we are against it; an organization that recognizes that communism and fascism are the end products of a decadent, degenerate, and broken-down political and economic society.

The Americans for Democratic Action is determined to do its little part—and I say little part because it is a small organization—to bolster up in this Nation and in other nations those democratic forces which believe in human liberty so that they can withstand the onslaughts of the viciousness and the villiany of totalitarian forces within our own country as well as totalitarian forces outside our country.

Mr. BRIDGES. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from New Hampshire?

Mr. HUMPHREY. I decline to yield at this time, Mr. President.

I listened today to the remarks of the distinguished Senator from Indiana [Mr. JENNER] in which he said that he was perturbed and disturbed because here was an organization which was suggesting to young people, young Americans, that they take a trip, that they go to England and that when there in England they study the Labor Party, which is the majority party in England; that they study the Workers' Education Association, which has had a long history in Great Britain, an organization which has had a longer history in Norway, Sweden, and Denmark; that these young people when they go to England should view and study and be brought into contact with the Trade Union Congress. This is nothing more or less than the great labor movement of Great Britain. It is suggested that they should be brought into contact with and should have the opportunity to learn about the Fabian Society.

Mr. President, I submit that the best way we can build international good will and the greatest means we can use to build peace and understanding in this world is to know each other.

Not only do I encourage young Americans to go to England; not only do I encourage them to study the Labor Government of England, but I encourage them to study the Conservative Party and the Liberal Party. I encourage them to go to Norway, Sweden, Denmark, Holland, Belgium, France, western Germany, and Italy. I encourage them to become citizens of the world. They can become citizens of the world only if they have an opportunity to learn about the world in which they live. If it is wrong to encourage young men and women to inform themselves, to open up their minds, to see how other people live, and to form judgments on the basis of their own experience, I stand eternally condemned as being consistently and perpetually wrong.

In my judgment, commerce between the nations promotes peace. Cultural interchange among the nations promotes peace and understanding. I only wish that every young American could come to Washington and study his Government. I wish we could recognize that we are living in one world, and that sooner or later every young American should have the opportunity to study the kind of world in which he lives, the world which will affect the future course of his life.

Why is it considered that there may be danger in the program of sending young men and women to England? Because the Labor Government is in power. Lest anyone misunderstand my remarks, let me make my position clear. I do not believe in socialism. I do not believe in any type of collectivism. I believe in free enterprise. That is the kind of life in which I was brought up. That is the kind of background from whence I came. However, I believe that the purpose of economic institutions is to serve the people. Not long ago I heard the senior Senator from Indiana [Mr. CAPEHART] state on the floor of the Senate that the reason some countries were turning to socialism was that the old systems were not meeting the needs of the people. I point out that perhaps one of the reasons they are turning to socialism is that the old systems simply do not give the answer to the human needs. In the so-called good old days, the coal miners of England did not have their needs met. The people of England did not have opportunity for health services, educational services, and the other things they needed. They turned to a different economic system.

I remind my distinguished colleagues that we ought to get down on our knees and thank God that Great Britain today is a nation which has dedicated herself to the continuance and preservation of the great traditions for which she is so well known.

What traditions? Free speech, for one. Remember that out of Britain came the Magna Carta. Another tradition is freedom of the press. Others are freedom of religion, freedom to worship, freedom to assemble, freedom to petition, and freedom of political action and participation. In every newspaper we hear about Britain and her new experiment. We read that an election is coming on. The British pioneered democratic processes.

I have been reminded by the junior Senator from Indiana that democracy is apparently something that we do not have; not only is it something we do not have, but that there is danger of democracy degenerating into gang rule. I do not wish to misrepresent the remarks which have been made on the floor of the Senate today, but I ask Senators to look at them in the RECORD.

I admit that democracy is not a form of government. Democracy is a spirit of government. Democracy is the spirit of human personality. It is something which may be classified as intangible. It is a basic, fundamental belief that every human being is worthy of respect and of dignified treatment. It is a basic realization that we are created in the image of our Maker, and that there is something very precious about human life, the human soul, the human mind, the human body. That is what we mean when we talk about the spirit of democracy. It means the dignity of the individual, and respect for his personality. It means the freedom of conscience to seek the truth, so that the truth may make us free.

We who believe in the democratic spirit also believe that there is a fraternity of mankind, and that all men are equal under the law and in the eyes of their Maker.

In the spirit of democracy we have many forms of government. We have a republic with a federal system, such as exists in the United States. A republic is a structure of government; but I submit that a republic without a democratic philosophy could be tyrannical. It is the spirit of democracy which gives to it the kindly touch, the human element of understanding, and the characteristic of decency. England is living within the democratic tradition, yet her form of government is that of a king and parliament. Norway is a kingdom, as is Sweden; but I ask my colleagues, Would any Member of the Senate rise and say that Norway is not democratic, or that Sweden or Denmark have not aspired to the highest traditions of democracy? Yet they are not republics.

How do they live? They live in the spirit of mutual respect for fellow citizens. They recognize that the only justification of any kind of institution is what it does to promote the welfare of the people, and to enrich the lives and enlighten the mind of every human being. That is what we mean when we talk about democracy.

I submit that Britain stands today just as she stood in 1940 after the terrible disaster at Dunkerque. Britain stood her ground then and now as one of the main bulwarks against the forces of darkness in Europe. Even as we were making up our own minds about our foreign policy she did not turn to communism. She did not turn to fascism. She turned back into the richness of her own experience and her own understanding of her own problems. Out of that decision came a Labor government. I am proud to say that it is one of the greatest tributes to working men and women that they could provide for Britian a government of their own—a free government for a free people.

The Labor Party includes professors, doctors, lawyers, bankers, and businessmen. The Labor Party of Great Britain is not made up solely of members of labor unions.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. HUMPHREY. I decline to yield at this time.

The Labor Party of Britain is made up of a broad cross section of its people, as is the Labor Party of Norway, Denmark, and Sweden. Even kings have learned to work with and to admire, respect, and pay tribute to the great leadership which comes from the Labor Party ranks. Since when did we become so fearful of free labor? When did we become such highbrows? This country is made up of decendants of the embattled farmers who stood at Lexington and Concord, and of the workers. Practically every Member of the Senate points with pride to the days when he worked for a living. We still work for a living—lest anyone misunderstands my remarks. We point with justifiable pride to the fact that we came up the hard way. There were no silver spoons in our mouths. But while we talk about the dignity of labor, we are unwilling to recognize it when the name of labor is attached to some political organization which may be successful.

Mr. President, it would be a good thing for thousands of Americans, both young and old, to visit Britain. Perhaps it is not our youth who should take the trip. Possibly the trip should be taken by adults, so that we may better understand what is happening in that great country.

Mr. President, I did not intend to say a word in this debate over the continuance of the authorization for the Economic Cooperation Administration. I recognize that possibly I am a little out of line in even rising at this point; but I felt that there was involved a question of personal privilege. I cannot sit silently in my seat and hear an organization with which I am closely affiliated brought under attack. I must rise to its defense.

I do not say that it has all the answers. It is attempting, in the democratic American way, to find the answers through political education and understanding.

I stated that I did not intend to interject any of my personal opinions with respect to the continuation of ECA, but I shall do so. I believe in it. I believed in the Marshall plan when it was first enunciated by General Marshall. I believed in it when the Eightieth Congress passed an authorization and passed an appropriation. The debate in this Chamber has indicated, without the shadow of a doubt, its success. Those who attack Britain for her weaknesses and her failures when young Americans plan to go there and learn about the British Labor Government are the same ones who a short time ago were showing how Britain had increased her production under the Labor Government. They are the same Senators who said no longer do the great British people need any American help, because, as has been said, the British economy had recovered. They say coal production has increased, they point out that steel production has increased. These same gentlemen say the British are doing very well.

I should think that young Americans would like to see such genius at work and see such great ability pouring out the treasures of the earth in the form of the finest products of the British factories.

Oh, no, Mr. President; ECA is working, but it is now at its critical point. Just as war appropriations were made, so it is that peace appropriations need to be made. This great body appropriated $450,000,000,000 in 5 years for the prosecution of the world's greatest war—and for its successful prosecution. I submit to you, Mr. President, that when victory was within our grasp in 1944,

when the enemy was on the retreat, when the Nazis had been stopped on the cold plains before Stalingrad and when the Japanese were being pushed out of their strongholds in the South Pacific, when victory seemed in our grasp, did the Congress of the United States say, "Let us cut down the appropriations now; it looks as if we will win the war, let us take it easy and go slow on the spending of money"? No, Mr. President, not at all, not on your life, because that was a fight to the death; it was the battle of the century. I submit to you that at that time the Congress continued to appropriate vast sums of money to win the war. The action of the Congress was wise then—it will be equally wise to authorize the peace program of ECA.

Mr. President, we have a war on our hands, and it will not be won by false economy. It is a cold war, and it can be won only by the warmth of democratic ideas and performance coming from this Nation—the ideas of democratic living, backed up by the substance for which this Nation is so well known—backed up by its money, its diplomatic pledges, its political genius, its industry and scientific accomplishment. I submit that we would be making a tragic mistake if in any way we were seriously to amend the proposal of the Foreign Relations Committee of the United States Senate which provides that we should go ahead. Yes, Mr. President, go ahead with the renewal of authorization for ECA. We must understand the kind of world we live in as we expend this money. We must understand that the hope for freedom in the world does not lie in the debunked, bankrupt, morally degenerate leadership of the past in Europe or in Asia. Nor does it lie in any type of streamlined brutality such as communism. The hope for freedom and peace in the future lies in people such as those in the British Labor Party. It rests with people in the Social Democratic forces of western Germany, not in the cartelists or the monopolists or the old aristocrats of privilege who were the "big shots" of the pre-Hitler or Hitler days. The hope for freedom rests with the untapped resources of young men and women rising above the miseries of World War II. It rests with the labor and cooperative organizations of Europe and Asia. It is to be found in the natives in colonial areas who are aspiring for the freedom which I heard the distinguished Senators from Oregon and Maine [Mr. MORSE and Mr. BREWSTER] speak for so eloquently.

Yes, Mr. President, the junior Senator from Minnesota holds those same beliefs. He does not believe there can be nobility of democratic purpose in Europe and at the same time an underwriting of the most miserable type of imperialism and colonialism in Asia. It is about time that we made our position clear, Mr. President. We cannot be for freedom in Europe and colonialism and enslavement in Asia. This it one world. It requires one foreign policy.

Yes, we may be winning the war for recovery in Europe, but we are losing the minds and souls and hearts of millions and millions of backward peoples who are aspiring to be free men and women, on the continent of Asia and in many other areas of the world.

So I wish to have the ECA authorization provided; yes, indeed, I do, Mr. President; but I also want full appropriations made for it; and then I want the kind of humanitarian administration and policy not only from ECA, but from our State Department and from this Congress, so that the people of the world will understand, as they may read the CONGRESSIONAL RECORD, if they do, or as their leaders may read it, that here there is no spirit of denial of opportunity. Here in America we believe that the little people should have an opportunity to become big people, that we would like to see opportunity provided for every person in the world to make something out of his life. I want our policy to carry forward the democratic hopes and aims of our people.

A utopian dream, you say? I agree, Mr. President; but it is about time that we realized the crucial situation that faces us. It is about time that we realized how important a man Pandit Nehru is, in India—a great believer in freedom; and we cannot afford to wait until we have another conflagration on our hands, before we come to the rescue. Mr. President, we have had fire-department tactics for far too long—tactics by which we wait until there is a conflagration, and then send for the foreign-policy fire department.

I think it is time that we move on the offensive—the moral, political, and economic offensive. The Marshall plan was an important step on that offensive. It was a step in the right direction; and it has worked. Now we need, not less of it, but more of it. Every dollar we spend will come back to us a hundredfold—back to us in good will, in security, in peace and freedom.

Mr. President, there are still some truths that need to be enunciated; there are still some things that need to be said. It is still better to give than to receive. It is more noble to serve than to be served. Those are basic truths that every one of us was taught, and I think it is about time that we applied them in our politics, in particular, international politics. It is in the field of our foreign policy that it will count most. Whether we have peace or war, freedom or enslavement, does not depend just on what we do in our domestic policy, although that has its effect. It depends in a great part upon what we do in our foreign policy.

Mr. President, I commend the Members of this body and of the House of Representatives who in the past voted in the affirmative, and will do it in the future, for the continuance and extension and broadening of the purposes and objectives of the Economic Cooperation Administration.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DONNELL. First of all, I wish to ask the Senator's pardon for my persistence a few minutes ago in asking him to yield. I thought the question I wished to ask him then was appropriate at that time, although of course it was entirely proper for the Senator to ask me to postpone my inquiry.

I wish to say now that in addition to Mr. Leon Henderson, who was OPA Administrator and is connected with Americans for Democratic Action; and in addition to Mr. Joseph L. Rauh, whom the Senator from Minnesota thinks probably was with Mr. Henderson in OPA; and in addition to Mr. Paul Porter, who was connected with the OPA, I wish to ask the Senator whether Mr. Chester Bowles, whom I also mentioned as having been connected with Americans for Democratic Action, was also connected with the OPA?

Mr. HUMPHREY. Yes, indeed; he was.

Mr. DONNELL. I ask further whether the David Ginsburg who is listed in the pamphlet as secretary of the national board of Americans for Democratic Action is not only the same Charles David Ginsburg who was, as I said a moment ago, assistant to Leon Henderson—who was then, I may add, on the Securities and Exchange Commission—but is also the same Charles David Ginsburg who was general counsel of the Office of Price Administration and Civilian Supply?

Mr. HUMPHREY. That is his very distinguished record, but only in part, let me say. His record is quite distinguished.

Mr. DONNELL. Mr. President, will the Senator yield for a further question in reference to the personnel listed in this document?

Mr. HUMPHREY. I yield.

Mr. DONNELL. Does the Senator know who George Edwards is?

Mr. HUMPHREY. I certainly do, and I am very happy to reply to the question of the able Senator from Missouri. George Edwards is president of the city council of the great city of Detroit, Mich. He is without doubt, in my opinion, one of the ablest young men in America, and I am sure he will be heard from in the not-too-distant future; in fact, if I may be permitted to say so, he may well aspire to a higher office in that great and beloved State.

Mr. DONNELL. Mr President, will the Senator yield for a further inquiry?

Mr. HUMPHREY. I yield.

Mr. DONNELL. Does the Senator from Minnesota know who Hugo Ernst is?

Mr. HUMPHREY. I certainly do. I shall reply by saying that Hugo Ernst is one of the members and officers of the American Federation of Labor, a vital part of the greatest free labor movement in the world, and one of which we can justifiably be proud. Hugo Ernst is at the present time president of the International Hotel and Restaurant Workers, and he has an enviable reputation for sincere and constructive labor relations.

Mr. DONNELL. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I yield.

Mr. DONNELL. I further note in the list of officers of Americans for Democratic Action, the name of Mr. Emil Rieve. I ask the Senator whether he is the same Emil Rieve who has been president, and perhaps still is, of the Textile Workers of America, and vice president of the Congress of Industrial Organizations?

Mr. HUMPHREY. I was going to save the time of the Senator from Missouri by giving him a thumbnail character sketch of Mr. Emil Rieve, who is International President of the Textile Workers of America, CIO, and is well known in some of the New England States and some of the Southern States. I am quite sure that many of our colleagues hold him in the highest respect. He is, to my mind, one of the outstanding labor leaders in the free labor movement in America.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. HUMPHREY. I yield.

Mr. DONNELL. I do not think I asked the Senator about Louis H. Harris, who is listed on this publication as treasurer.

Mr. HUMPHREY. He is an outstanding businessman in the city of New York who, I understand, has done very well in this free economy of ours. He has continued on in the liberal tradition and with his liberal spirit has served very capably for more than 2 years as treasurer of Americans for Democratic Action.

Mr. DONNELL. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I yield.

Mr. DONNELL. Let me say that inadvertently I overlooked in the list the name of Franklin D. Roosevelt, Jr., whom all of us know, and whose reputation stands without any comment of my own.

Mr. HUMPHREY. I should like to make a comment. Mr. President, I think his reputation is of the very highest. Franklin D. Roosevelt, Jr., as all of us know, is the son of a very distinguished father. I think he will equally distinguish himself, and I am looking forward to the day in the not-too-distant future when he will serve as a Member of the House of Representatives of the United States Congress.

Mr. DONNELL. Mr. President, will the Senator yield for a further inquiry?

Mr. HUMPHREY. I yield.

Mr. DONNELL. I believe the Senator said that he does not know whether David Williams, the director of the London office is the same David Williams who is a member of the British Parliament, and whose name I gave a few moments ago from the British list.

Mr. HUMPHREY. I must reply to the Senator from Missouri that I do not know, but I may say I shall be more than happy to provide the Senator with that information. I hope that he is a member of Parliament because if he is a member, it would add greater stature to our organization.

Mr. DONNELL. Mr. President, will the Senator yield for the names of two other individuals listed on this document?

Mr. HUMPHREY. I yield.

Mr. DONNELL. Will the Senator be kind enough to tell us who they are, if he knows? One is Mrs. Frances Adams, State trip director, and Mr. Fritz Mondale, executive secretary?

Mr. HUMPHREY. Mrs. Frances Adams, as I understand is a resident of the city of Washington, D. C., and her title is exactly as it is stated on the bulletin. She has worked with the local chapter of the Washington, D. C., committee of the Americans for Democratic Action. In reference to Mr. Fritz Mondale, I may speak with a certain amount of State pride. Mr. Mondale comes from a very distinguished family residing in the southern part of Minnesota, a family residing on one of our fine Minnesota farms, in the richest farmland in the world. He was a student at Macalester College in St. Paul, one of the finest institutions of the arts and sciences in the Nation. He was a student at the time the junior Senator from Minnesota was professor of political science at Macalester College. I am happy to know I was sufficiently able to inspire him to enter into such political activity as that which he is now engaged. He is a field representative of the Students for Democratic Action—an affiliate of the Americans for Democratic Action.

Mr. DONNELL. Mr. President, I very much appreciate the Senator's courtesy in answering the question. I hope the Senator again will pardon me for the interruption.

Mr. HUMPHREY. I thank the Senator.

Mr. KEM. Mr. President, before the Senator yields the floor, I should like to ask him a question. But I will wait.

Mr. HUMPHREY. I shall be more than happy to receive the Senator's question.

Mr. KEM. I merely wanted to say I have listened to the interesting and intelligent remarks of the Senator from Minnesota, and I should like to ask him, in order to keep the RECORD clear, whether during the period in which he held the attention of the Senate, he was disturbed by any calls for a vote, or other manifestations of impatience on the part of any of those who happen to hold views contrary to his, on some of the features of the pending legislation.

Mr. HUMPHREY. I am happy to reply to the Senator's question by saying I have always been treated with the utmost courtesy by Members of the United States Senate. But I feel that the Senators who serve as members of the Foreign Relations Committee and those who are anxious to have this legislation voted upon could well have chastised the junior Senator from Minnesota for taking up this time, and I have noticed that some of them have become a bit restless, and well they may. I may say to them that the only reason the junior Senator from Minnesota rose to his feet today was to defend the reputation and the character of a splendid organiztion. I urge, and then I shall take my seat, that we carry on with the debate, come to a vote, and finally authorize the full amount for the Economic Cooperation Administration.

Mr. KEM. Mr. President, will the Senator yield for a further question?

The PRESIDING OFFICER. Does the Senator from Minnesota yield further to the Senator from Missouri?

Mr. HUMPHREY. On the Senator's time, yes. I shall be happy to yield.

Mr. KEM. I should like to ask the Senator whether he feels that the Senator from Texas or any other of the senior Members of this body are exempt from either the rules of the Senate or the ordinary considerations of courtesy between gentlemen?

Mr. HUMPHREY. I surely do not, Mr. President. I believe that every Member of the Senate is worthy of the utmost courtesy and fullest opportunity of extended debate.

Mr. BRIDGES and Mr. LODGE addressed the chair.

The PRESIDING OFFICER. Does the Senator from Minnesota yield; if so, to whom?

Mr. HUMPHREY. I yield first to the Senator from New Hampshire.

Mr. BRIDGES. The Senator made two or three statements which particularly interested me. In a general sort of way, with respect to his general objective, I, of course, agree. But the Senator made the statement that the Marshall plan so-called, or ECA, was the first move and contribution this country had made toward world freedom and democracy. I wonder whether the Senator wants that statement to stand. Had we not taken other steps, prior to that, such as aid to Greece and Turkey, our action with respect to Bretton Woods, the United Nations, and many other things which were milestones in their day?

Mr. HUMPHREY. I appreciate, Mr. President, the opportunity which has been afforded me by the distinguished Senator to correct my statement. I should like to say that this Nation, since the time of World War II, has been in the forefront for the promotion of world understanding and world cooperation. I thoroughly concur in the leadership this Nation gave to the establishment of the United Nations, the World Bank, and the Bretton Woods Agreement. I believe we have done great things in the good-neighbor policy, and I believe we have done wonderful work in the establishment and promotion of world understanding through aiding in the establishment of many United Nations organizations. We made great progress in the case of the British loan. But I say the Marshall plan, the program for economic cooperation, has been the most successful and most brilliant chapter in American aid for world recovery and for the maintenance of the hope of freedom and security in the world. I think it has been our most brilliant chapter.

Mr. BRIDGES. The impression the Senator wanted to leave was that it is the most successful, rather than the only one, was it not?

Mr. HUMPHREY. I certainly do, and I appreciate the correction.

Mr. BRIDGES. I should like to suggest two other questions, if I may. The Senator referred to totalitarian forces in our country who were trying to destroy it. The Senator did not identify them. Would the Senator identify them?

Mr. HUMPHREY. I am more than happy to identify totalitarian forces, because I think the only way we can do away with them is by way of accurate identification, by the kind of identification whereby we really put the label on people who deserve the label, and not promiscuously use a general plastering of labels which are so easily kicked

around. The Communist Party and its membership constitutes a subversive force in the United States of America, and the best way to thwart their activities or to demonstrate their ineffectiveness is by strengthening the American economy. The Communist part is but one of the subversive forces.

I should like to point out that I think there have been other forces that have been subversive, such as the Silver Shirts, the Ku Klux Klan, the Christian Fronters—Fascist organizations—and to me it makes no difference whether it be a dictatorship of the proletariat or a dictatorship of the elite, it is still a dictatorship. Whether elite or proletarian, they soon acquire the same beastlike habits once they obtain omnipotent power.

Mr. BRIDGES. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I yield.

Mr. BRIDGES. In that case, what does the Senator say about some of the people who are affiliated with his organization, if they are, who are members of Communist-front organizations, and so designated by the Department of Justice? The Senator just said the Communist Party is the greatest totalitarian threat to this country. What does the Senator say about some of the people who are associated with his movement if they are affiliated with Communistic forces? I am not charging they are, but I say, if they are.

Mr. HUMPHREY. I imagine that every American has made some political mistakes in his life. I imagine that every citizen and every man, woman, and child has not always lived a life without sin, and as is repeated so often, "There is more rejoicing in heaven over one sinner that repents," than there is sometimes over the 99 who have remained true and faithful. There have been people, innocent people, who have been sucked into Communist-front organizations by clever front operators, but I am happy to say that the Americans for Democratic Action more than any other single political group in this country has exposed the them for what they are. When a man front organizations and has exposed has at some time or another found himself affiliated with an organization which he later found to be unworthy of his support, and to be undemocratic and un-American and thereupon disassociated himself, he has exemplified great courage. He has admitted that it is possible to make mistakes. But he has braved the storm of rebuke and criticism and admitted his errors. He should be welcomed back. I should hesitate to go through the political, economic, social, and personal record of every person who belongs to the Republican Party or to the Democratic Party or is a Member of the House of Representatives, the Senate, or any other honorable body. I am sure all of us would find a few skeletons in our closet. What is important is, Where do people stand now? What are they thinking and doing today? Have they made up their minds that there is an irreconcilable ideological conflict in the world? Do they know their position? I know of no man who is a member of the board of the Americans for Democratic Action who does not know what his position is, and I may say to the Senator that I surmise the members of that organization could detect a "commie" so much faster than some of the people who do all the talking about "commies" that it would be almost ridiculous.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield for a question.

Mr. BRIDGES. I noticed in the Senator's speech he did not refer to communism as being a threat. I am glad to have him identify it now as such.

Mr. HUMPHREY. Then, Mr. President, I think I should correct the RECORD. The junior Senator from Minnesota not only referred to communism as a threat, but he referred to all forms of totalitarianism as a threat to freedom, to peace, and to security. Let there be no doubt about that.

Mr. BRIDGES. If the Senator will yield further, he has just now stated it, but I did not notice that in the main body of his speech he mentioned them specifically.

Mr. HUMPHREY. The Senator from Minnesota mentioned them specifically. He has done so not only by speech, but as one person in the great ferment of American politics, he has urged that all of us make our contribution—and I have made mine—toward the exposure and the defeat of those who would ensnare people into the front organizations, and other organizations which would try to discourage and deceive the liberal democratic movement in this country. We have had some success, and if we can receive the cooperation of those who so willingly use the label and the brush of communism, and make sure they understand the identification, so they know of whom they are talking, I do not think we will have much trouble. The real problem is that communism can hide behind a great smoke screen, because too many unthinking people call other persons Communists without any appreciation or understanding of the term or the philosophy.

Mr. BRIDGES. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I yield.

Mr. BRIDGES. The Senator said, in effect, that persons who have been sinners may dissociate themselves from a Communist organization, and he sees no harm in it, because it is better to have those persons back in the fold and to go along with those who are living a pure life. But if such persons do not dissociate themselves from Communist organizations, what does the Senator say about that?

Mr. HUMPHREY. What he has always said. It is time for the American people to make their choice; it is time to come clean. We cannot have half-baked ideas about being able to cooperate and work with those who do not believe in democratic principles. I mean the democratic way of life. I believe that people should stand up and be counted. I have said that a number of times. I believe that persons who are challenged as Communists should say one thing or the other, "I am not" or "I am." That is all that is necessary. But I caution those who make the accusation, that when we steal a man's character we steal something which is very important; and before we start to defile character we should be extremely certain of our facts. We must recognize that while there may be an organization which has a taint about it, it does not mean that everyone within the organization is tainted. It may mean that someone has been led into a false path. It is our job to lead them out. I would solicit support for the organization of which I speak, Americans for Democratic Action. Let me point out that the only way we can deal with Fascists and Communists is realize their objectives and their tactics. The best way to answer them is to build a dynamic healthy society, which does not leave any potential converts for them.

Mr. BRIDGES. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I yield.

Mr. BRIDGES. If a man becomes associated with or a member of a Communist-front organization, who has the burden to dissociate himself? Is the burden not on the individual, and if the individual fails to dissociate himself, is it not reasonable to assume that there may be some tendencies in the man's character which would bear watching?

Mr. HUMPHREY. I do not care to read into anyone's character what may not be in it. I know the position I would take, and I think I am right. I believe the promiscuous calling of names and the use of labels in America has done more to foster the growth of communism in this country than has any other one single factor. I think the willingness to put the tag of Communist or Fascist on anyone with whom we do not agree has been a protective screen behind which the real Fascists and Communists can hide.

It is not very fashionable to talk about Fascists any more, but I should like to remind the Senate that there are Fascists who are just as dangerous as are Communists. It was the Fascists who precipitated the war and almost destroyed the world. Out of their folly and misery arose the threat of communism which we face today. I want people to dissociate themselves from any antidemocratic group, but I cannot tell a man that he has to dissociate himself from an organization to which he belongs. He has to live with his own soul and with his own conscience. I believe that every person in America has a right to live according to his own conscience. He has a right to join any church or any political party he may want to join. All I want him to do is to stand up and proclaim his affiliation.

Mr. BRIDGES. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I yield.

Mr. BRIDGES. Can the Senator condemn communism, the Communist Party, and Communist-front organizations, and then attempt to close his eyes to a man's not dissociating himself from such an organization when the character of the organization becomes known to him?

Mr. HUMPHREY. I say to the distinguished Senator from New Hampshire that what may be known to the Senator sometimes is not known to others. I do not wish to use the personal reference. What may be known to one person may not be so clearly known to someone else. Sometimes it takes some persons a good deal longer to know. It takes some children a longer time to get out of the fourth or fifth grade than it takes others. It takes some persons a little longer to accumulate sufficient information to make them believe that a certain thing is true. I think we should weigh it on the side of toleration and give every man the opportunity to uphold his own dignity. I am sure the Senator and I both agree that we do not like Communists and Fascists, but I am wondering if we agree on what kind of society it is that can do away with the menace of totalitarianism. It is the opinion of the junior Senator from Minnesota that it is in unemployment, in lack of opportunity, in discrimination, in prejudice, in an economic society that is disintegrating and degenerating, that the Communist threat is really found.

I do not want America to try to reestablish in Europe some kind of a nineteenth century democracy saying all that is needed is free speech. No; we must have freedom of trade also. We must have economic security. That is why we not only have to carry our political message to the world but we should extend our technical know-how, our economical aid, to help them to raise themselves by their own boot straps. That is part of the answer to communism and fascism.

Mr. BRIDGES. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I yield. I do not want to continue to take the time of the Senate, but I do not want to deny others the opportunity to ask a question.

Mr. BRIDGES. The Senator is proposing, through his organization, to send a group of young people from this country to England. He has said he admires the Labor Party of Great Britain and its accomplishments. Does not the Senator agree that the thing for which the Labor Party of Great Britain is most noted is the fact that its outstanding accomplishment, that which they brag about, is the socialization of the industries of Great Britain?

Mr. HUMPHREY. I would say to the distinguished Senator that what the members of the Labor Party most brag about, as the Senator puts it, is that they have begun to meet human needs; and it is on the floor of the United States Senate that we hear about socialism. It is in Great Britain that we hear about meeting human needs. I said I have admiration for the Labor Party, although I do not always agree with all its program, philosophy, and methods. Apparently, according to the adversaries of the ECA authorization, ECA has worked very well. It has worked so well that they want to cut down the authorization.

I point out that the immediate accomplishment of the Labor Party of England is the preservation of those basic, fundamental freedoms which are vital to the democratic philosophy—free speech, free press, freedom of assembly, freedom of political participation. Get those things, and there is a chance for free men and a free world.

Mr. BRIDGES. We have all those freedoms in this country, have we not?

Mr. HUMPHREY. Indeed, we have.

Mr. BRIDGES. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I yield.

Mr. BRIDGES. We are sending young people from this country over there, and we have in this country all those things of which the Senator speaks. What do they have in Great Britain that we do not have here?

Mr. HUMPHREY. Westminster Abbey. [Laughter.]

Mr. BRIDGES. The Senator is perfectly correct, but there is also a socialistic program which has taken over one by one the industries of Great Britain. That is one of the fundamental distinctions, if not the great distinction, between this country and Great Britain. I am trying to find for what purpose the organization of which the Senator is the head is sending these young men to England. Is it to make them experts so that eventually they may come back and help socialize our own country?

Mr. HUMPHREY. I point out to the Senator that the junior Senator from Minnesota is not sending anyone to Great Britain. As a matter of fact, the junior Senator from Minnesota was even having a difficult time arranging for a short vacation for members of his own family. Americans for Democratic Action are arranging for a tour for young people, to study the economic, the political, and the cultural institutions of Great Britain.

The only fear I have, I must say, is a fear that has been brought about because of what I have heard from the opponents of the full authorization for ECA. I fear that these young people will find out of the great accomplishments of the British Labor Government. I was uncertain as to this achievement until I heard the senior Senator from Indiana and the junior Senator from Indiana, the junior Senator from Missouri and the senior Senator from Missouri, state the British had greatly increased production and they were doing very well. Yes, doing so well that it is now proposed that we should curtail the aid. Yes, according to the critics of ECA, the British socialistic ideas have increased production so much, that it might be something that would arouse the imagination of the young people, and they might come back with some ideas with which the Senators and I would not agree.

These young men and women study economics in the colleges and high schools, they study different philosophies of politics. The best way to be able to resist something is to know about it. The best way to be able to resist a disease is to know the full impact of it, and the best way to understand something that is good and wholesome is to witness it in operation.

I do not intend to make any prejudgment as to what these young men and women may find. I know they will find Westminister Abbey, as I said a moment ago. They will find the city of London, and will see the shambles and the wreckage caused by war. I know they will find a Britain that is struggling hard to rehabilitate itself. I know they will find a proud people. I know that if they look through the London Museum they will find some of the great symbols of political liberty. I know that if they stay in England 2 or 3 weeks they will come back with a greater appreciation of the need for international cooperation and what should be the bonds of fellowship.

I have heard it said on the floor of the Senate that the free peoples should get closer together. I have heard those who attack the Atlantic Pact say that what we need is more United Nations cooperation, more interchange. I have heard criticism of the ECA because it did not promote unity. Yet, I think it was Aristotle who said that the way to bring about infiltration of ideas from one country to another was by commerce, the free flow of trade.

The first argument of those who are against ECA is that it is working. They are unhappy because Britain is producing. They say that if Britain is producing we should not give it any ECA aid. The fact is that ECA aid is why Britain is producing. ECA is working. So these gentlemen are not sure what program we should have.

The final blow comes in finding that things are so good, that ECA is working so well, that the Labor Government in Britain is doing so well, that we never should have our imaginative young Americans go over there and see what is happening.

I predict that they will come back and say, "God bless America." They will look at the Declaration of Independence, and look at our private enterprise, and say, "Give us America. It is still the best Nation in the world." And that is how I feel. But I want them to see what the people of the rest of the world are doing, and I want them to become acquainted with the British.

Mr. KEM. Mr. President, will the Senator from Minnesota yield for a question?

Mr. HUMPHREY. I yield for a question.

Mr. KEM. I should like to ask the Senator whether he understood the junior Senator from Missouri to say that he was unhappy because England was producing goods in large quantities.

Mr. HUMPHREY. I understood the junior Senator from Missouri to say that we could well afford to reduce the authorization for ECA because Great Britain was doing so well—that the production was even above prewar levels.

Mr. KEM. Did not the Senator understand the junior Senator from Missouri to say that he was very much concerned about foreign competition because it was unequal competition; that when the American producer and the American workingman were in competition with foreign industry subsidized by Marshall-plan money, and operated by the governments of these foreign countries themselves, it was an unequal competition, in

which the American workingman was very apt to lose in the end?

Mr. HUMPHREY. Mr. President, why is it that on the floor of the Senate, where, on the one hand, we brag and beat our chests about Americans and American industry, which we have every right to do, and talk about the genius of our people, the skill of our labor, and the administrative ability of our management, all at once we become so frightened because we are going to have a little competition somewhere?

I submit that competition has never been able to destroy our markets. The only harm we have suffered in terms of our trade has been when the flow of commerce and the interchange of goods was diminished, not when it was accelerated.

I would point out also that we should not for a single moment think that the amount of production which may take place in any one of the numerous countries which are being aided under the ECA is nearly equivalent to what we can produce in this country. I stand forthrightly on the premise that American industry is capable of outproducing and outmatching, in terms of quality or quantity, any country or industry in the world, and we should not be fearful of competition.

Mr. KEM. Does the Senator recall anywhere, at any time, in the long history of American industry, that American workingmen have been in competition with foreign-owned, foreign-operated, state-controlled industries subsidized with the money of American taxpayers?

Mr. HUMPHREY. I surely have made no such observation. I should like to make a further comment now. The American workingman was led to believe for years that a high protective tariff was his friend. He learned, however, that it was in the interest of big business in this country.

Mr. KEM. Will the Senator yield for a question?

Mr. HUMPHREY. Let me make one further observation. For every single American worker who has suffered, because of unfair competition from foreign industry, and has been exploited by foreign industry, I can find a much larger number of American workers who have suffered from exploitation in the past days of this Republic from manufacturers and industry within America. It was not the American worker in the forest who was paid 50 cents a day who suffered from foreign imports. He suffered because the barons of the lumber industry were unwilling to pay him a living wage. It was not the American workers in the coal mines of this country who in 1927 were receiving less than $5 a day, and whose wages went down to as low as $3.25 a day who were suffering from the importation of coal from abroad. They were suffering by reason of lack of organization in the mines, by reason of the exploitation of the mine owners.

Mr. President, we will not be fooled by any kind of economic argument that a little competition from Great Britain, from France, from Belgium, from Holland, is going to exploit the widows and orphans and the American workers. The only ones troubled by any such competition are the monopolies which, as a result of such competition, will be obliged to produce with more efficiency and sell at reasonable prices.

Mr. President, I believe in competition. I do not believe in monopoly. I believe in competition for this country and I believe in competition between the countries. And I shall stand for that which is so American—the competitive enterprise system. I am amazed to hear people talk so much about competition who never want it when it really happens. I want to see it.

Mr. KEM. Mr. President, will the Senator yield for a further question?

Mr. HUMPHREY. I yield.

Mr. KEM. I should like to invite the Senator's attention to the question I asked him, which was whether he knows of any time in the history of American industry in which the American workingman has been in competition with foreign state-owned industry financed or subsidized with the money furnished by the American taxpayers.

Mr. HUMPHREY. I do not know of such fact.

Mr. KEM. I should now like to ask the Senator a further question. Does he think that such competition is the kind of equal competition which is in keeping with the American tradition?

Mr. HUMPHREY. I certainly do believe that the Economic Cooperation Administration, and the money it expends for recovery in the free nations of the world, are 100 percent in the American tradition. I think nothing can be worse for American industry than to have a monopoly in the world markets. I think nothing could be worse for the American people than to find ourselves without any competition.

Mr. KEM. Mr. President, will the Senator yield again?

Mr. HUMPHREY. I yield.

Mr. KEM. Does the Senator look with equanimity and satisfaction to a period in which the American workingmen will be competing with industries employing low-cost labor, built with Marshall-plan money, and equipped through the Marshall plan with American technique and technology?

Mr. HUMPHREY. I should like to submit to the Senator from Missouri that since he has such deep concern over low-cost labor, I want him to join with me and the British Trade and Labor Congress to promote better wages in Great Britain. I want him to join with me to help raise the wages of the unorganized people in America. American workers in this country are up against unfair competition from their own underpaid unorganized brothers. There are areas in this country that could give adequate testimony to that effect. I say to the Senator that if we are going to argue about the ECA because it is going to hurt America, then we have surely arrived at an argument that is without one basis in fact. One can argue that it does not work, that it is a foolish expenditure of money because it will not work in the long run. That is a matter of judgment. But to argue that it is working so well that it ought to be limited and checked is an argument that the purposes of ECA have been and will be fulfilled. Recovery is being accomplished.

I yield the floor because the debate has continued too long, and I look forward to the opportunity of voting.

Mr. KEM. Mr. President, will the Senator yield for one more question?

The PRESIDING OFFICER. The Senator from Minnesota has yielded the floor.

COMMITTEE MEETING AND TEMPORARY LEAVE OF ABSENCE

Mr. MAGNUSON. Mr. President, I ask unanimous consent that a subcommittee of the Committee on the Judiciary may sit at 2 o'clock. The subcommittee is composed of the Senator from West Virginia [Mr. KILGORE], the Senator from North Dakota [Mr. LANGER], the Senator from Maryland [Mr. O'CONOR], and myself.

The PRESIDING OFFICER. Without objection, the leave is granted.

Mr. MAGNUSON. Mr. President, I further ask unanimous consent that I may be excused from attending the session of the Senate at 3 o'clock, in order that I may attend the International Joint Commission Conference.

The PRESIDING OFFICER. Without objection, consent is granted.

Mr. BRIDGES. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BRIDGES. What committees now have permission from the Senate to meet? I want to know how many Senators may be absent.

The PRESIDING OFFICER. The Appropriations Committee and any subcommittee thereof.

Mr. BRIDGES. Any others?

The PRESIDING OFFICER. None others except as permission was just granted the Senator from Washington [Mr. MAGNUSON].

EXTENSION OF EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 1209) to amend the Economic Cooperation Act of 1948.

Mr. HENDRICKSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HENDRICKSON. May we have the pending question stated?

The PRESIDING OFFICER. The question is the amendment of the Senator from Nevada [Mr. MALONE].

Mr. MALONE. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MYERS. I suggest the absence of a quorum.

Mr. MALONE. I suggest the absence of a quorum.

Mr. MYERS. My reason for suggesting the absence of a quorum is that I believe it is fair to Senators who are absent to be given an opportunity to come to the floor of the Senate for the vote.

Mr. WHERRY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Pennsylvania withhold his suggestion of the absence of a quorum for a moment?

Mr. MYERS. Yes.

Mr. WHERRY. I wish to know whether the yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays were ordered.

Mr. MYERS. Mr. President, I withdraw my suggestion of the absence of a quorum.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hendrickson	Miller
Anderson	Hickenlooper	Millikin
Brewster	Hoey	Mundt
Bricker	Holland	Murray
Butler	Humphrey	Myers
Cain	Ives	Neely
Capehart	Jenner	O'Conor
Chapman	Johnson, Colo.	Pepper
Chavez	Johnson, Tex.	Reed
Connally	Kem	Russell
Cordon	Kerr	Schoeppel
Donnell	Knowland	Smith, Maine
Eastland	Langer	Sparkman
Ecton	Lodge	Taft
Ellender	McCarthy	Taylor
Ferguson	McClellan	Thye
Flanders	McFarland	Tobey
Frear	McGrath	Tydings
Fulbright	McKellar	Vandenberg
George	McMahon	Wherry
Green	Magnuson	Williams
Gurney	Malone	Withers

The PRESIDING OFFICER. Sixty-six Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Nevada [Mr. MALONE].

Mr. LODGE. Mr. President, I should like to make one or two observations in connection with the statement made this morning by my friend the junior Senator from Missouri [Mr. KEM] in connection with a newspaper story purporting to attribute to Dr. Nourse a statement to the general effect that the program of military aid to Europe would necessitate alterations in the Marshall plan. I think that fairly sums up what Dr. Nourse said. I do not know what the motive was for making that statement, nor do I grasp entirely what Dr. Nourse's qualifications are for passing on a matter which is as complex and as fast-changing as this subject is.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. FLANDERS. Is the Senator aware that the report which appeared in the Post was incorrect, and that Dr. Nourse's remarks were correctly reported in the Times-Herald? He did not bring the Marshall plan into the discussion.

Mr. LODGE. I was not aware of that. I am grateful to the Senator from Vermont for calling my attention to it. The story which I read did not make sense in terms of what I believe to be the prospect with regard to military aid.

It is my understanding that it is not planned for the first year to encourage the development of armed forces in Europe which will take any more manpower away from industry and agriculture in Europe than is being taken away at the present time. Of course, we do not begin fundamentally to change the economic situation in a country until the national defense establishment gets to the point where it does take manpower away from peacetime pursuits. When that time comes, if it does come 2 or 3 or 4 years from now, then unquestionably it will be necessary to make an adjustment so far as the Marshall plan is concerned. But I cannot see any justification for making an adjustment now based on assumption of change in occupation. I merely wished to make that observation in the light of what the Senator from Missouri said.

Mr. KEM. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. KEM. I ask the Senator from Massachusetts if he believes that the appropriation for the Marshall plan proposed in the authorization, together with the other necessary and reasonable items in the current budget, can be made without an increase in the present taxes on the American people.

Mr. LODGE. Oh, yes. I am opposed, I say to the Senator, to levying any more taxes on the American people. In fact, I think one of the most effective steps we can take toward getting some real economy is to refuse to levy any more taxes until some economies have been put into effect.

I note in the report of the Commission on the Organization of the Executive Branch, commonly known as the Hoover Commission, an estimate that $3,000,000,000 can be saved. I also believe that if we get real unification of the armed services we can save a great deal of money. Certainly I am opposed to voting for the imposition of more taxes.

Mr. KEM. Mr. President, is the Senator equally opposed to deficit financing?

Mr. LODGE. I am, in the sense that I think we should begin to cut down on the national debt. But if it were possible to eliminate the whole national debt tomorrow, I do not know that I would favor doing that, because, if my recollection of history is correct, I believe I remember that the British piled up a large national debt after the Napoleonic Wars, and kept it all the way through, and the belief was expressed at that time that if the British had suddenly abolished their entire national debt, it would have created a severe national and international financial panic. But I am not at all an expert on that matter; the Senator from Vermont is an expert on it.

Mr. KEM. Does the Senator from Massachusetts wish to increase the national debt?

Mr. LODGE. No. I have just said that I think it should be reduced. How far it should be reduced or what the rate of reduction should be, are matters on which I am not an expert.

Mr. KEM. Very well. The Senator from Massachusetts will agree, will he not, that the item now proposed—a billion and a half dollars—to arm the nations of western Europe who become signatories to the North Atlantic Pact, is not contained in the President's budget and is not allowed for by the anticipated revenues of the United States for the present fiscal year?

Mr. LODGE. No; I would not agree to that, because I do not know how much of that figure represents existing stocks of materials which we have already bought and paid for, and I do not know how much of that figure represents rather arbitrary estimates which may be made on the value of a tank destroyer, for instance, which was bought and paid for 4 or 5 years ago. So I cannot tell about that.

Mr. KEM. Will the Senator from Massachusetts agree that whatever may be the figure of the expenditure that is necessary for arming the nations of western Europe under the provisions of the North Atlantic Pact, it is not contained in the President's budget.

Mr. LODGE. I do not want the Senator to think that I am doing any petty-fogging or quibbling, but I point out that we do not arm the nations of western Europe under the North Atlantic Pact. We can arm them without the North Atlantic Pact if we wish to do so. But so far as I know, the estimate is not contained in the President's budget.

Mr. KEM. Will the Senator from Massachusetts tell us where he proposes to find this billion and a half dollars, if we neither increase the national debt nor increase the present tax burden on the American people?

Mr. LODGE. I have tried to indicate that. First of all, I think there are a great many very large economies which can be effected in the operations of our Government, and which should be effected. Then I think we should ascertain whether the figure of a billion and a half dollars is the correct figure. At the present time we do not have any definite figure before us. I think we should ascertain to what extent that figure represents items which have been bought and paid for already, and to what extent it indicates or would require new orders.

I think we must make up our minds about how much we can afford to spend on Government in general without ruining our economy. Certainly I think nothing would be more disastrous, not only to the United States, but also to the nations of western Europe, if you please, who are so dependent on us, than to have the American economy break down; and I hope while the foreign ministers are here in Washington this week, that some one will tell them that, and will point out to them that they have just as great a stake in the American economy as we have.

The National Security Resources Board, as I understand, passes on the effect of all these programs on the American economy, so far as scarcities are concerned, and also passes on the question of whether these programs will require and consume too much of our supplies of aluminum, steel, and so forth, and whether they will involve or require priorities or rationing. But I do not know of anyone, either in the executive branch or in the Congress, who has arrived at a definite formula or a definite set of principles in regard to how far we can go in Government spending before we run the risk of bankrupting our country. Certainly I do not think we should do that.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. CAPEHART. Let me say that I think that formula is very simple.

The VICE PRESIDENT. The Senator can yield only for a question, without losing the floor.

Mr. LODGE. I am willing to yield the floor, so far as that is concerned.

Mr. JENNER. Mr. President, will the Senator yield for a question?

Mr. LODGE. I yield.

Mr. JENNER. Is it not possible that if we declare certain war equipment which we now have, surplus, and send it to Europe on the basis of a valuation of 10 cents on the dollar, the replacement cost to us, in our own defense program, will be much more than the anticipated billion and a half or billion eight hundred million dollars which we propose to spend in the next year on armaments?

Mr. LODGE. That is one of the possibilities which must be worked out. Another is the extent to which the nations of Europe can manufacture their own weapons. All those are things which, so far as I know, have not been settled.

Mr. JENNER. Mr. President, will the Senator yield for a further question?

Mr. LODGE. I yield.

Mr. JENNER. Does the Senator know that at the conclusion of World War II, we left with Great Britain approximately $6,400,000,000 worth of tanks, jeeps, trucks, antiaircraft guns, and other war equipment, and that we settled with Great Britain for that $6,400,000,000 worth of strategic war materials for an I O U of $640,000,000?

Mr. LODGE. I did not know those particular figures; but let me say that I do not doubt that the general tenor of the question of the Senator from Indiana can be answered emphatically in the affirmative, because, as I have said many times before on this floor, and I repeat it now, I think the civilian branch of our Government was totally unprepared for the end of hostilities, when that time came; and that is one of the tragic episodes in our history. Due to that, we had the total demobilization of of all branches of our armed services, the Army, the Navy, and the Air Force, as fast as demobilization could be had, and we got rid of all that equipment as carelessly as we did. I think that is just too bad; and when we have made a mistake of that sort, I think we should learn from experience, and not repeat the mistake.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. TAFT. Does not the Senator from Massachusetts believe that the addition of a proposed plan of sending arms to Europe is inextricably confused or involved with the ECA plan; and does not the Senator from Massachusetts believe that when the other plan comes to us, it must be coordinated and worked out together with the ECA plan and program?

Mr. LODGE. I said, perhaps before the Senator from Ohio appeared in his seat, that when the military establishments of Europe reach a size where they are taking manpower from the normal peacetime pursuits of Europe, in both industry and agriculture—something which is not anticipated or planned, as I understand it, for the next year—then of course the military-aid plan will have a very direct impact on the whole plan for the economic recovery of Europe, and the Marshall-plan figures will have to be readjusted.

But for the coming year I think it is not planned to increase the size of the manpower complement of the European military establishment, so I do not think what the Senator from Ohio has suggested will be true as of this year.

Mr. TAFT. Mr. President, will the Senator yield further?

Mr. LODGE. I yield.

Mr. TAFT. If we are going to try to build up in the western European countries the military units which now exist, building them up with money and arms from the United States, does it not follow that Europe also will have to do a part of that job and will have to turn a part of its productive enterprises into the task of completely rearming its military units? Is not that inevitable? Therefore, are we to put up 100 percent of the materials and funds needed for that purpose?

Mr. LODGE. Let us talk about the first period, to June 1950. For that period of time I do not envisage any increased demands on the civilian population of military age in Europe at all. Nor do I think the production of weapons or the manufacture of weapons by the nations of Europe will that first year attain proportions which will be significant in terms of the economy of those countries. I think for the year after that the military program would have a very definite impact on the Marshall plan, because I think undoubtedly it will be thought generally desirable to have them manufacture part of this equipment. But there is yet another decision which we have got to make, let me say to the Senator from Ohio. We can take the view that we want to preserve our own resources, we want to keep our own manufacturing potentials here for civilian goods, for radios and ice boxes and so forth, or if we have a depression in this country, and we have unemployment, we may decide we want to fabricate the whole arms program here. Those are decisions we have not made yet, that we have to think over. On the basis of military efficiency, it is certainly desirable for the nations of Europe to make many of the things that they can make themselves, subject, of course, to as great a production of standard types as possible.

Mr. TAFT. Mr. President, I wonder whether the Senator will permit me to read briefly from the statement made by the Chairman of the Council of Economic Advisers, Dr. Nourse, as it appears in the New York Times, and see whether the Senator agrees with the conclusion there stated.

Dr. Nourse is quoted as saying:

> In line with what I said earlier about the intermeshing of the military machine and the industrial plant and labor force, it is evident that ECA (the Economic Cooperation Administration) funds and administration must be regarded as an integral part of the plan of American security and sustained prosperity within the setting of the world economy—that is, the international economy of the free nations.
>
> The relative parts to be played by military and by industrial preparedness in each of the participating countries, and the relative roles to be played by each arm of the military service at the most effective points must be reexamined in the light of the new strategic concept and with no dangerous backward look at traditional positions of prestige, historic roles, or impressive trappings.
>
> We cannot afford to make the costs of its implementation a simple addition to other military plans as they stood before the new alinement. Rather must we rework the whole operation and financial plan so as to gain maximum security with minimum strain on our economy.

That I think is the essence of Dr. Nourse's speech. I wonder whether the Senator from Massachusetts agrees with that?

Mr. LODGE. On the whole, yes. I think the whole program will have to be reexamined. We must not shrink from reexamining the whole program. I think the whole program ought to be subject to continuous reexamination and analysis. I agree with Dr. Nourse that it is not a question of making a simple addition, and I think we must be prepared to rework the whole operation when it becomes necessary to do so. I was simply expressing my guess, just as one humble student of the problem, and I am not on the inside, and I have no secrets at all, that the program will not drastically affect the operation of the Marshall plan for this first year.

Mr. TAFT. I thank the Senator.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. FLANDERS. I should like to inquire, in the form of a question, whether the Senator from Massachusetts would like to have me read another section of Dr. Nourse's address.

Mr. LODGE. I always like to hear the Senator from Vermont, whether he is using his own words or those of somebody else.

Mr. FLANDERS. I wanted to make sure that I was asking a question. Earlier in Dr. Nourse's remarks occurs a passage which I think throws light on the last passage read by the senior Senator from Ohio. Dr. Nourse said:

> Legislation now being readied for Congress is reported to total $1,800,000,000 for arms shipments—including continuation of Greek-Turkey aid and the value of supplies sent to western Europe from current American stocks.
>
> "It would be wrong to conclude," Dr. Nourse said in alluding to this plan, "that we can, without concern, add these expenditures, whatever they are, to the present budget items for national security."

His plea as I read this statement, and as I am informed from his office, particularly related to the two items of military expenditure, and throughout his talk he was making the plea that the Atlantic Pact should in net result make it less expensive for America to maintain its defense than if we were doing the whole thing alone, and he supplements that conclusion by suggesting that the military appropriations should be made inclusive of European aid instead of having European aid added to it.

Mr. LODGE. Let me say in response to the Senator from Vermont that I think

of course this military-aid program is going to save us a great deal in the long run. I think it ought to cost us much less to do it this way than to try to do the equivalent all by ourselves. When I make that statement, I not only include weapons and munitions, which I do include, but of course I also include something that is even more precious and more fundamental to the welfare of the country, and that is our young manhood. I yield the floor.

Mr. WHERRY. Mr. President, before the Senator yields the floor, will he yield for a question?

Mr. LODGE. Yes.

Mr. WHERRY. There has been some question about who Dr. Nourse is, and what authority he had. As I read the report—and I wonder whether the Senator read it—the observations of Dr. Nourse were made, were they not, with the full approval of the President?

Mr. LODGE. If the Senator from Nebraska asks me whether the President approves Dr. Nourse's statement——

Mr. WHERRY. I merely inquire, does the Senator know?

Mr. LODGE. I do not have the President's confidence, and he has not told me whether he approves it or not.

Mr. WHERRY. I thought the Senator was giving his interpretation of what Dr. Nourse said. I read the same article. I think it was placed in the RECORD, and I suppose it is the statement other Senators have read. I understood it was stated somewhere in the newspaper article that his remarks and observations were made with the full approval of the President of the United States.

Mr. LODGE. I do not know.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. LODGE. I think I still have the floor. I want to respond first to the Senator from Nebraska.

The VICE PRESIDENT. The Senator from Massachusetts has the floor, and has been asked a question by the Senator from Nebraska.

Mr. LODGE. I should like to respond to the Senator from Nebraska in my own way. I do not know whether Dr. Nourse's statement was approved by the President or not. I was drawing merely my own personal conclusions on the subject, which I reached by myself, without talking to anybody, I may say.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. TAFT. Dr. Nourse made the express statement that the President had seen the speech, but that the President had neither approved nor disapproved any of the features of the speech.

Mr. LODGE. I yield the floor.

Mr. MILLIKIN and Mr. WILEY addressed the Chair.

The VICE PRESIDENT. The Senator from Colorado.

Mr. MILLIKIN. Mr. President, I believe that especially under the present turn of our economy, and at all times, we have two overriding objectives to which all our programs must defer. One is to keep this country safe; the other is to keep it solvent. The two are interdependent. I agree entirely with the warning given us the other day by the distinguished chairman of the Committee on Finance, that an increase in taxes at this time, or going into deficit financing at this time, might very well deliver a blow to the economy of this country that would be catastrophic. Either of these courses might very well plunge us out of our present recession or deflation or whatever we care to call our present economic condition into ruinous depression.

I supported the original full authorization for ECA, and I shall support this one in full. But from the very beginning it has been understood that the operation of ECA and the cost of it would not be allowed to jeopardize the economy of this Nation. Therefore I earnestly hope that the Appropriations Committee, if we are to have a North Atlantic Pact—and I suppose we shall have it—and if we are to implement it, and we may implement it, will offset against the appropriations under this authorization the amount of the implementation. I go further, Mr. President, and say that I hope it will make such further adjustments under this authorization and others before it that may be necessary to prevent increasing taxes or putting this country into deficit financing.

Mr. WILEY and Mr. CAPEHART addressed the Chair.

The VICE PRESIDENT. The Senator from Wisconsin is recognized.

Mr. WILEY. Mr. President, on the 30th day of March I had a few words to say on this subject, and I shall be very brief at this time.

One of the significant things with which I am impressed is the silent voice of the American citizen in this constitutional Republic on the issues which we are debating in the Senate. To me, it is a good omen. When I say that there has been silence, I mean that there has been scarcely a murmur of American opposition to the Marshall plan; and one can say that is substantially true in relation to the discussion of the Atlantic Pact, so far as it has been discussed. I am judging from my own mail, and I am trying to find the answer, because I still receive approximately 700 letters a day.

Why is the voice of the American people silent? I diagnose the situation to be as follows: There runs through the mixed strain of blood, which has made America, a strong ingredient of common sense. Lincoln thanked God for the common man, the man who had to work for his living, not the man who is the creature of synthetic education, or the beneficiary of mental and physical idleness, but the ordinary man who possesses common sense. So I think, contrary to the condition before we got into the Second World War when we received thousands of letters, the common sense of the American citizen has cut through all the maze, the haze, and the confusion; and what does he see? He sees that the world has turned a corner and that every nation is in every other nation's backyard, speaking literally and not figuratively. American invention and ingenuity have brought about that situation.

Readers of history realize that it was the small nations, such as Israel, Athens, Florence, Elizabethan England, which placed their stamp upon history and put mankind in their debt. The big nations could not stand bigness. The big nations of the past were like Russia is today. They became autocratic. They stifled freedom and individual initiative; they rubbed out the advances of the race which the small nations had wrought; they crushed out the principles of justice and freedom. The American Nation has grown big, but it is not crushing out freedom. It is not asking; it is giving. Freedom and justice obtain in this Nation, and we are endeavoring to give them to others. Of course we are not trying to get for other nations anything but what we ourselves have. We are trying to extend freedom and peace to all peoples.

As I analyze the situation, Mr. President, we are living in a great time in the history of the world. It is worth while to be a part of this great adventure. The common man is not forgetting that we got into two world wars without any arrangements, without any treaties or pacts. We got into them after we had outlawed war in the Kellogg Pact and after placing an embargo on arms. We got into the Second World War after we had talked about peace and great principles. Somehow or other, the common man realizes that talk is not sufficient. I believe he realizes that talk is very cheap. He realizes, much more than do some leaders, that men must create circumstances. The common man realizes that, while circumstances alter cases, our job is to see that we make circumstances that do not alter our case so that we lose our freedom. I believe the common man realizes that the Atlantic Pact and the American commitments constitute a deterrent to Communist aggression.

I desire to speak a few words on a question which has been discussed freely and the economic principles which are involved. I refer to the obligation of the Appropriations Committee. We have the President's budget. That is not sacrosanct. There is not an item in it that should be so held. We have commitments under the Marshall plan. They are not sacrosanct, either. I want to repeat, in substance, what I said when I spoke on the 30th of March. I think this kind of repetition is wholesome, or I should not take the time of the Senate with it.

Mr. President, I want to say that authorization should never be the equivalent of appropriation. Under the circumstances in which America finds itself today, in which some persons say unemployment is steadily increasing and may mount into the millions, we are about to enter into a pact which will operate as a deterrent. This fact, together with the other circumstances I have mentioned, must be considered by the Appropriations Committee. I am not saying that going into the "red" will mean disaster. We have had to go into the "red" before. I am saying that the Appropriations Committee cannot "pass the buck" in this case, because every Member of the Senate who has spoken has been emphatic to the effect that that is his conviction. Personally, if given an opportunity when the time comes, not to consider the matter piecemeal, but to consider the over-all economic implications

of this vast program upon which we are entering, I shall be very happy to appear before the committee and give my own judgment. I realize it is not very significant, and yet, Mr. President, I represent 3,300,000 persons who know how to build a State, men and women who have made out of forests and prairies a State, which is 50 percent industrial and 50 percent agricultural, men who have never discounted the fundamental principle of Franklin that they should save, that a stitch in time saves nine. Yet those people, many of whom have Germanic background, according to the FBI, provided the cleanest State in the Union from the standpoint of saboteurs, and so forth. That is my State.

Representing those people, Mr. President, I repeat that I think the Appropriations Committee must consider a number of things:

First, fluctuations in cost and the value of the dollar. I am talking now about the time that has elapsed between last November, and June and July, when we will get the final figure as to what we are going to spend.

Second, the possibility or likelihood of fluctuations in respect to the needs of the recipient countries. It is strange, Mr. President, but I happened to open today one of the reports from Washington which just came in, and I ask Senators to listen to this:

Top financial men of the American ECA missions abroad are being ordered to Paris to discuss the proposed revision of the European payments plan and other fiscal matters. It has already been publicly announced that Tasca, who is alternate American Executive Director of the monetary fund, will also be in attendance.

Mr. President, I believe the discussion here, if it shall accomplish else, will have impressed upon all of us the seriousness of the economic situation as it appears now, and as it will continue to appear.

Another proposition I suggest is the fluctuation in American revenues. A man with a big balance can afford to be liberal. A man without a balance in the bank has to think about himself and his obligations to his own. I say this is a tremendously important item.

Another item is fluctuations in the revenues within the recipient countries. We do not know what those countries are going to do within 6 months. We do not know what their revenues will be. We note that in the sterling area they are doing a good business, and that England particularly has a balance in her favor in dealing in the sterling area.

Another item which we must consider, and which was so graphically pictured this morning by the junior Senator from Indiana [Mr. JENNER], is America's need. That is an element in determining how much we can spend. We have a multitude of needs which must be considered. I shall not delineate them. Senators will remember that he who does not look after his own is unworthy.

Another item which must be considered in the whole economic problem is the world picture. What do I mean by that? Suppose conditions in Europe become worse; are we going to say that we cannot afford to aid her economically? Of course not. We never did that; but we know that the political situation in the world tomorrow will be one of the great imponderables in determining the course we shall take, not only politically but economically.

Another factor is the North Atlantic Pact, which has been discussed in the Senate. As I entered the Chamber today I heard some comment in relation to Mr. Nourse's statement. How much can we afford to appropriate in view of the political situations as they exist when we appropriate the money? We might ask, Will the signing of the pact, the continuing of ECA, operate as a deterrent? If it does, that is an element to consider when we are asking how much we shall appropriate in June or July, considering our own economic needs and our own wants.

Mr. President, I shall not go into another problem which I think we should ask the Senator from Georgia [Mr. GEORGE] to discuss at some time when we are considering the pact, namely, the currency problem in Europe. The exchange of currency is one of the basic factors.

Much is being said as to devaluation. In reading one of the reports today I found that it was stated that our own businessmen, who were trying to do business in Europe, were very much concerned about devaluation. Washington is flooded with protests from American businessmen to the effect that currency valuations in Europe, with their various restrictions, are operating as a discrimination against them. So long as there is a world sellers' market, this does not matter much, but the discriminations become a factor of vital importance in a buyers' market.

Mr. President, all those factors must be considered in determining what we are to do in respect to the amount of money we are going to spend. I repeat, we are the masters of what we spend, not the President in his budget, and we must not get into the habit of passing the buck to the President, and especially now, if we are going into a little tailspin economically, we must consider how much of the money that is going to Europe, whether it be in preparation for defense or in relation to contributions under the Marshall plan, is to be spent to create jobs and to promote production in America.

I covered that subject in my previous remarks, and I shall not repeat, except to say that last year, in November, that was not so significant as it is now. Therefore I only say to the Administrator, "This imposes an additional burden on you and your associates, Mr. Hoffman, because now the call is coming from America." Yet we do not want to enter upon another WPA program, creating useless jobs. If we are going further into a tailspin, we want to build constructively, we want to build values, we want to construct things like the St. Lawrence waterway, in connection with which we are asked to make a loan, and not spend money which we will not get back, but which will produce wealth, jobs, and income, and increase and strengthen the economy of the country.

The PRESIDING OFFICER (Mr. KERR in the chair). The question is on agreeing to the amendment offered by the Senator from Nevada [Mr. MALONE]. The yeas and nays have been ordered.

Mr. McCARTHY. Mr. President, I should like very briefly to discuss something which occurred on the Senate floor yesterday. I particularly call the attention of the Senator from Texas to this.

I might say, first, that last year we developed a very healthy habit of depending to a great extent upon the Committee on Foreign Relations. We knew that when we submitted an amendment to any legislation which was before that committee, the then chairman of the committee, the able Senator from Michigan [Mr. VANDENBERG], would carefully scrutinize the amendment, that he would submit it to the very able staff which he had, and we knew that if he then opposed the amendment his opposition was based strictly on the merits, and on nothing else.

Unfortunately, this year we cannot indulge in the same assumption. Yesterday, for example, we were discussing an amendment designed to prevent discriminations against American nationals in French Morocco, discriminations not in favor of the natives of French Morocco, but in favor of European nationals, and the able Senator from Texas said:

Mr. President, I should like to take about two minutes of the Senator's time. I have a list of the old companies that have been in Morocco doing business for years, who are not complaining about this matter at all. The list is as follows.

Of course, all of us who were listening to the Senator from Texas, knowing that he has been working on this matter for months, assumed that he was referring to American companies. We had no reason to assume that he would list for our benefit a group of French companies. He read this list. I have in my hand a statement handed to me by Mr. Robert E. Rodes, who was commander of the American Legion in French Morocco. Mr. Rodes is also a reserve officer in the Corps of Army Engineers. He is a man who did a great deal of work, as the Senate knows, in preparing for the American landings in French North Africa. This is what Mr. Rodes has to say:

The undersigned heard a list read of American firms who were engaged in business in Morocco and who had not complained of treatment there. Most of the names read are well known to the undersigned. They are not American firms but French firms or Moroccan corporations of French ownership who represent American products. Several of them have strong French political backing. Even if they wished to complain the reprisals to which they would be exposed would render this unwise.

To the best of the undersigned's knowledge only two companies in the list would be eligible for membership in the American Trade Association. These are the Socony-Vacuum Oil Co. and the Texas Co.

I may say that I do not think the Senator from Texas was attempting deliberately to deceive the Senate. I am sure he was not. I am sure that it was not an attempt to deceive the Senate, but was the result of a bad memory, because these letters have all been brought to his attention previously. I have the letters before me, letters which were written to the Committee on Foreign Relations.

I continue to read from the letter:

While these companies are too dependent on their relationship with the petroleum control authorities to make strong official protests, the undersigned knows that when he left Casablanca paint badly needed for maintenance by the Socony-Vacuum Oil Co. was being illegally held by custom authorities in Casablanca and that the Socony-Vacuum Oil Co. lodged a complaint about this. The Socony-Vacuum Co. has paid under protest taxes which their legal advisers and United States diplomatic authorities consider illegal.

This is referring to one of the companies which the Senator from Texas told us was perfectly satisfied and had no complaint.

To the best of the undersigned's knowledge and belief, with the exception of these two oil companies, there is only one other eligible concern in Casablanca that is not a member of the American Trade Association. It is repeated that American firms represented or managed by foreigners are not eligible.

The inclusion of Coca-Cola in the list is particularly ironical. Coca-Cola is produced and distributed by a Moroccan corporation, largely financed with French capital and with strong political backing from Paris. Arrangements are being made even to furnish the sirup from France. This company was able to receive official exchange for many articles that were merely incidental to its operation and large rations of dollar value sugar while the undersigned was denied exchange for rock bits needed for mining. When an American veteran wanted to start a Coca-Cola plant in the city of Fez he was told that he would have to have 75-percent French ownership.

I call this to the attention of the Senator from Texas with the hope that he may tell the Senate that he was mistaken yesterday when he gave us a long list of French companies and mistakenly represented to the Senate that they were American companies.

I should also like to refer briefly to a statement made by the Senator from Texas as it appears on page 4054 of the CONGRESSIONAL RECORD. We were speaking of the discrimination against American veterans of World War II in French Morocco. We were referring to the practice of the local Vichy officials to try and put Americans out of business with American dollars. I quote the Senator from Texas:

But let us not interrupt the work of the ECA simply because some individual may find a single complaint involving one little incident. The chief difficulty complained of is in connection with the sale of automobile tires. I do not know the details, but apparently the complaint is that the agents for some of the automobile manufacturers cannot sell as many tires as they would like to sell.

I shall repeat that, in view of the letter which the Senator from Texas had in his possession at that time. I repeat the statement he made:

I do not know the details, but apparently the complaint is that the agents for some of the automobile manufacturers cannot sell as many tires as they would like to sell.

At the time the Senator from Texas made that statement he had in his possession, or at least had received—and again I say I am sure he was not deliberately trying to deceive the Senate; I am sure it was merely the result of a bad memory—he had in his possession a letter setting forth in detail the situation in regard to the sale of tires in French Morocco, a situation which had been brought to the attention of the State Department, a situation which the State Department recognized was very, very bad, a situation set forth in the letter of January 5, 1949, in which the Senator was notified that the French customs officials—and I again call that fact to the attention of the Senators—the French customs officials, the port-control authorities, are in many cases the identical Vichy authorities who were in charge at the time we made our landings at Casablanca.

For the benefit of Senators who were not present yesterday, I will say that in that particular case one of the officers of our American Legion post in French Morocco, a World War II veteran, had been jailed by a French official at the time we were making our landings, jailed because he was active in the preparation of those landings. Of course, he would have been shot had we been unsuccessful. Our landings were successful and he was released. This young veteran now must go to that Vichy official who had him jailed while we were making our landings, and try to get some satisfaction from him.

As I told Senators the other day, when our consul goes down and says to this man, "Release this material which you are holding illegally; you cannot charge a 'take' of 150 percent," he will say, "Well, try and do something about it. Your Army is not here now and your Navy is not here now."

I call attention to the fact that this was all brought to the attention of the Senator from Texas in a letter written on the 5th of January 1949, in connection with the statement he made on the floor. Senators will understand that what I say is not intended to be a criticism of the Senator from Texas, but I think it is highly important for the reason that the Senate must be able to depend upon the word of the chairman of the committee. When the chairman of the committee rises on the floor of the Senate and tells the Senate that a certain fact is true, even though the Senator does not intend to deceive the Senate, and if it is the result of bad memory, the end result is that it is just as bad as though he were deliberately trying to deceive us.

I am going to read another letter in connection with the Senator's statement that he knew of only one minor incident resulting in complaint. I read a letter, a copy of which was sent to the chairman of the Senate Committee on Foreign Relations, on February 17, 1949.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. McCARTHY. I will not yield until I finish reading the letter.

Further to my letter of today concerning the new and illegal sanctions which are being applied to Americans in the empire of Morocco by the French protectorate government, I wish to bring to your attention my personal difficulties that are a result of this situation, and which are very typical of the difficulties experienced by all the Americans in business in Morocco today.

I am a resident of the city of Rochester, N. Y., a veteran of 5 years in the United States Air Forces during the war, 2 years of which were spent overseas, and after my discharge I came here to Casablanca, Morocco, to build my own business. For the last 2 years I have worked hard to create something for myself that I could call my own and be justified in the normal pride that I feel in the results of these efforts.

During this period I have succeeded in setting up an excellent bus line between the cities of Casablanca and Agadir which runs approximately the full length of Morocco in the French zone along the coastline. These busses are GMC coaches, which are exactly the same models used by the Greyhound Lines in the United States. Obviously, with material and equipment of this sort, my bus line is the very finest that can be seen anywhere in Europe, and especially north Africa. It is not possible to exaggerate the service that these busses render the Moroccan public, and certainly so, when any kind of comparison is made between my own line, Les Pullman du Sud, and the ancient, creaking firetraps of the French government-owned vehicles of the CTM (Compagnie des Transports au Maroc), of which there is an absolute government monopoly (as everything is nationalized and government-owned), which has set out to sweep any other existing lines off the Moroccan highways.

Now that this bus line is running smoothly and with every trip in itself meaning excellent publicity for American technique and know-how, and with the complete approval and appreciation that the Moroccan public has granted it, this new French coup d'état has fallen on my own and other American businesses, setting off confusion and chaos.

My busses are American built; therefore, this means that I must maintain spare-parts supplies from the factories in the United States. Recently I ordered certain spare parts that I needed most urgently, requesting that they be forwarded to me by air. This was done, but in the meantime, upon arrival at the airport in Casablanca, the French customs officials refused to deliver me these goods on the grounds that the protectorate government has stopped all importations, especially from the United States, and that all I need do is to "send them back to the United States." Upon this flat refusal and definitely unfriendly and belligerent attitude of the protectorate government, I sent the following cable to the Senate Foreign Relations Committee in Washington requesting their aid and investigation in this matter:

"Spare parts for bus line operated by undersigned veteran arrived by air being held illegally by French. Please have State Department cable instructions and please answer American Legion's reply paid cable of January 29.

"CARL HUMPHREY,
"Usamo Casablanca."

Obviously, if this illegal blockade of American goods and capital continues, my large and long-term financial investment in this country and my bus line are doomed to crumble into dust, just as the rest of the American interests which are caught in the same impossible straits as my own.

I cite my own case; however, this is representative of the same situation for every American in business in Morocco, and our Government must not ignore our appeals for their help in this time when the French are throwing all agreements and treaty rights that we have enjoyed for over a century in this country right out of the window.

The letter continues, citing other instances.

Mr. President, while I am not at this time asking for reconsideration of the vote yesterday on the amendment re-

lating to this subject, I strongly feel that had the Chairman of the Senate Foreign Relations Committee taken the time to study this amendment, had he refreshed his memory on the situation, had he, instead of telling us yesterday that a list of French companies which he read were American companies, that they had not objected, and therefore we should not adopt the amendment, gone into the subject in detail and found that the French Vichy officials are using American dollars to put Americans out of business in Morocco, I do not believe he would have made the mistake he made yesterday. Had he not made that mistake, I feel that the amendment would have passed.

Mr. President, I feel that it is extremely unfortunate that we must write legislation on the floor of the Senate. When we attempt to do so without being able to depend on the chairman of the committee, we get bad legislation. I know that last year we went along with the idea that we had a very competent Foreign Relations Committee. I know from personal experience during the Eightieth Congress that we could submit any amendment to the chairman of the committee, and the amendments were accepted or rejected solely upon their merits. Much as I dislike to bring up this question today, I think it should be brought to the attention of the Senate. Because of the bad memory of the Senator from Texas, or for some other reason—and I wish to emphasize that I am sure that he did not try deliberately to deceive us—we have an end result which is the same as though he were trying deliberately to deceive us.

Mr. CONNALLY. Mr. President, I do not care to reply in kind to the remarks of the Senator for Wisconsin. He accuses the Senator from Texas either of ignorance or misrepresentation, neither of which happens to be the fact in this case.

The Committee on Foreign Relations went out of its way to give attention to the complaints about which the Senator from Wisconsin is talking. I talked with Mr. Rodes, to whom reference has been made, and who has been haunting the galleries and the committee rooms for a long time. We took him into the committee room after the hearings were concluded and introduced him to the Secretary of State and the Assistant Secretary of State. He told them about this complaint. They took him to the State Department, and he talked with a number of persons in the State Department.

The facts which I stated are taken from a printed House committee report. The companies which I mentioned are American companies. Of course they have some French employees, just as other concerns have French employees.

Mr. President, I do not care to pursue the subject further. The Senator from Wisconsin has had his day in court. He had the opportunity to debate this question endlessly, and the Senate rejected his two amendments overwhelmingly.

With that I rest the case.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. CONNALLY. No; I will not yield. The Senator would not yield to me. I decline to yield.

The PRESIDING OFFICER. The Senator from Texas declines to yield.

The question is on agreeing to the amendment offered by the Senator from Nevada [Mr. MALONE].

Mr. McCARTHY. Mr. President, in view of the fact that the Senator from Texas would not yield to me, I claim the floor in my own right.

I suggest to the Senator from Texas that in fairness to the Senate, if he is not convinced at this time that the list of companies which he gave us yesterday, allegedly as American companies, are operated with French capital by French boards of directors and presidents, he should at least check into the situation and come back and tell the Senate what the situation is.

Yesterday the Senator from Texas told the Senate that he knew of only one complaint from French Morocco. Those of us who have been checking into this question know that there is a whole series of complaints, extending over a year or a year and a half. As of today, the French in French Morocco are putting Americans out of business with American dollars. If they want to wreck American businessmen by using their own money to do it, that is all right; but I believe that when they are using American ECA funds to wreck American businessmen, especially World War II veterans, and when we have a chain of documented cases, it is unfair to the Senate for the Senator from Texas to say that he knows of only one minor case. If as of this time he does not know of the chain of circumstances, in view of the important position which he holds in the Senate, I urge that he go into the subject and tell the Senate exactly what the situation is. If he will do that, then I shall move for reconsideration of the vote on my amendment, and I am sure that it will be adopted unanimously once the Senate knows the extent to which we are going in French Morocco, using roughly $3,200,000 a month to wreck American business.

Mr. CONNALLY. Mr. President, the Senator from Texas will undertake to guide his conduct by what he thinks is right. The Senator from Texas has no commission from the Senator from Wisconsin.

Mr. President, not only have we referred this question to the State Department, but the facts which we have cited are based upon a committee report from the House of Representatives and upon information which we obtained from the State Department. If any additional information comes to my attention, I have no disposition to withhold it from the committee.

Mr. President, this question has been disposed of. We had a day's debate on it. Two amendments were offered, and the Senate overwhelmingly rejected them both.

I do not care to give any more of my time or attention to the subject at this time.

Mr. DONNELL. Mr. President, I take this opportunity to state that I have been informed by the junior Senator from Indiana [Mr. JENNER] that he, in turn, has today been informed by some London newspaperman or representative of a London newspaper that the Mr. David Williams mentioned on the document from which the junior Senator from Indiana read earlier in the day is not the Labor Member of Parliament to whom I referred. The Who's Who applicable to Great Britain indicated a David Williams, with an initial which did not appear on the document. The question which I asked, both of the Senator from Indiana and of the Senator from Minnesota [Mr. HUMPHREY] as to whether the two names represented the same person was based upon the similarity of names.

I wanted that information to go into the RECORD as soon as I learned it from the Senator from Indiana, which was only a few minutes ago.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nevada [Mr. MALONE]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

Mr. MALONE. I suggest the absence of a quorum.

Mr. CONNALLY. Mr. President, we have already had a quorum call.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. What was the decision of the Chair on the request of the Senator from Nevada?

Mr. MYERS. Mr. President, I inquire if any business has been transacted since the previous quorum call?

The PRESIDING OFFICER. No business has intervened since the previous quorum call.

The question is on agreeing to the amendment offered by the Senator from Nevada [Mr. MALONE]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. EASTLAND (when his name was called). On this vote I am paired with the junior Senator from South Carolina [Mr. JOHNSTON], who is absent on public business. If the Senator from South Carolina were present, he would vote "yea." If I were permitted to vote, I would vote "nay." I withhold my vote.

The roll call was concluded.

Mr. MYERS. Mr. President, the senior Senator from Illinois [Mr. LUCAS] is necessarily absent and is paired on this vote with the senior Senator from Idaho [Mr. TAYLOR], who is detained on official business at one of the Government departments. If present and voting, the Senator from Illinois would vote "nay," and the Senator from Idaho would vote "yea."

I also announce that the Senator from Virginia [Mr. BYRD] is absent on official business.

The Senator from Iowa [Mr. GILLETTE] is absent on public business.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

The Senator from Washington [Mr. MAGNUSON] and the Senator from Maryland [Mr. TYDINGS] are detained on official business at Government departments.

The Senator from New York [Mr. WAGNER] is necessarily absent.

I announce further that if present and voting, the Senator from Iowa [Mr. GILLETTE], the Senator from North Carolina [Mr. GRAHAM], the Senator from Washington [Mr. MAGNUSON], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] would vote "nay" on this amendment.

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN] and the Senator from Pennsylvania [Mr. MARTIN] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. BRIDGES] is unavoidably detained.

The Senator from New Jersey [Mr. SMITH] is absent because of illness. If present and voting, the Senator from New Jersey would vote "nay."

The result was announced—yeas 10, nays 72, as follows:

YEAS—10

Bricker	Jenner	Wherry
Butler	Kem	Williams
Capehart	Langer	
Ecton	Malone	

NAYS—72

Aiken	Holland	Murray
Anderson	Humphrey	Myers
Brewster	Hunt	Neely
Cain	Ives	O'Conor
Chapman	Johnson, Colo.	O'Mahoney
Chavez	Johnson, Tex.	Pepper
Connally	Kefauver	Reed
Cordon	Kerr	Robertson
Donnell	Kilgore	Russell
Douglas	Knowland	Saltonstall
Downey	Lodge	Schoeppel
Ellender	Long	Smith, Maine
Ferguson	McCarran	Sparkman
Flanders	McCarthy	Stennis
Frear	McClellan	Taft
Fulbright	McFarland	Thomas, Okla.
George	McGrath	Thomas, Utah
Green	McKellar	Thye
Gurney	McMahon	Tobey
Hayden	Maybank	Vandenberg
Hendrickson	Miller	Watkins
Hickenlooper	Millikin	Wiley
Hill	Morse	Withers
Hoey	Mundt	Young

NOT VOTING—14

Baldwin	Graham	Smith, N. J.
Bridges	Johnston, S. C.	Taylor
Byrd	Lucas	Tydings
Eastland	Magnuson	Wagner
Gillette	Martin	

So Mr. MALONE's amendment was rejected.

Mr. KEM, Mr. BREWSTER, and Mr. DONNELL addressed the Chair.

The VICE PRESIDENT. The junior Senator from Missouri.

Mr. KEM. Mr. President, I shall be glad to yield to the senior Senator from Missouri, if I may do so without losing the floor.

The VICE PRESIDENT. The Senator may yield the floor.

Mr. KEM. I do not want to yield the floor. I ask unanimous consent that I may without prejudice yield to the senior Senator from Missouri for the purpose of making a short statement.

The VICE PRESIDENT. Is there objection to the request? The Chair hears none.

Mr. DONNELL. I merely desire to make a correction.

Mr. KEM. I yield to the senior Senator from Missouri.

Mr. DONNELL. Mr. President, I desire, with reference to the David Williams to whom I referred a few moments ago on the floor as a member of Parliament, to state that the full name of Mr. Williams, as it appears in the British Who's Who for 1948, is David James Williams. I thank the Senator.

NATIONALIZATION OF INDUSTRY

Mr. KEM. Mr. President, I call up my amendment G to the pending measure, and ask that it be read.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 4, between lines 19 and 20, it is proposed to insert the following:

(c) Section 111 of such act is further amended by adding at the end thereof a new subsection as follows:

"(d) No assistance shall be furnished under this act to any participating country, the government of which shall undertake, after the date of enactment of this subsection, to acquire and operate, in whole or in part, the iron and steel industry of such country or any other basic industry thereof."

Mr. KEM. Mr. President, the purpose of the amendment is to prevent the money of American taxpayers being used to finance and implement the experiments in socialism in Europe. I explained the amendment in some detail last week, but a number of the Senators who are now present were not on the floor at that time. I should like to summarize briefly what I had to say at that time.

INCONSISTENT TO SPEND BILLIONS TO STOP COMMUNISM AND AT THE SAME TIME TO SPEND BILLIONS TO SUBSIDIZE SOCIALISM

It is inconsistent for the United States to be spending billions of dollars in order to stop the spread of communism in Europe, and at the same time to spend billions of dollars to subsidize socialism in Europe. Communism and socialism are the fruit of the same tree, and the tree has its roots in the theories of Karl Marx. Their ideologies are the same with one distinction. The Communist seeks to reach his goal, which is the abolition of private property and the nationalization of the means of production, if necessary, by revolution and violence. The Socialist, or national Socialist, as he is sometimes called, seeks to reach the same goal, the same identical objective, by so-called democratic methods.

The other day I quoted Mr. Churchill in regard to the objective of these Socialist Parties on the continent of Europe and in the British Isles. Mr. Churchill said in effect that the Socialist Parties in Europe, are the handmaids and heralds of communism and prepare the way at every stage and at every step for its further advance. Communism is the form of Marxism developed in Russia. The Government of the U. S. S. R. is controlled by members of the Communist Party. Socialism, or national socialism, is the form of Marxism developed in England, and the Government of England is controlled by members of the Socialist Party in that country. They have made a great deal of headway in England. The other day I set out in my remarks a list of 10 of the principal industries of England that have already been nationalized, that are already owned and operated by the Socialist government. I also at that time set out in my remarks a list of 23 of the basic industries of France that are now owned and operated by the Government of France. The majority leader referred the other day to France as the weakest link in the Marshall plan chain.

Mr. President, the process of nationalization or socialization has been accelerated by the use of Marshall plan money. The latest project pending in England is the seizure by the Government of the basic iron and steel industry. But that is not the only industry the Socialist Party in England has in mind taking over and operating. The other day one of the leaders of the English Socialist Party was a visitor in Washington, Prof. Harold J. Laski, reputed to be the head of the Brain Trust of the English Socialist Party. Mr. Laski said the Socialist Party had in mind taking over three of the principal industries, adding very significantly, "Nothing but force will make me tell what they are."

So, Mr. President, the American taxpayer is not only buying into a pool of socialism, but, to a large extent, he is buying into a blind pool. He knows not what he does.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. KEM. I shall be glad to yield.

Mr. DONNELL. Did Mr. Laski indicate why he was so secretive with reference to these particular industries? The statement is so interesting and challenging that I would like to have some amplification of it.

Mr. KEM. He did not say. But he is a very intelligent man, and he undoubtedly knew the present measure was pending in this body at the time of his remarks.

Mr. President, all these industries which have been nationalized or socialized in England, I think, without exception, have been unsuccessful from a financial standpoint in their operations. The British Transport Commission announced that for the first fiscal year there would be a loss of $112,000,000. That is the dollar shortage which I suppose will be made up by Marshall Plan money, if the pending amendment is rejected.

During the first year after socialization, the coal industry lost $94,000,000. That is another dollar shortage.

Civil aviation—and I shall have more to say regarding that in a moment—lost $100,000,000 in the first 14 months of operation.

Electricity, in the first few months after it had been socialized, lost $28,000,000.

It is interesting to note particularly the experience of the British Government in coal production. During 1938, the last year before the war, the British coal industry, which was not then socialized, produced 227,000,000 tons. The first year after socialization, production dropped down to 208,500,000 tons. So it goes——

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. KEM. I yield for a question.

Mr. LANGER. Will the Senator give us the amount of production last year?

Mr. KEM. The actual production, as I understand, was 208,500,000 tons, although 8,000 more men were employed than were employed in 1938 under private operation.

There is an interesting comparison between that record and the record of the steel industry, which has remained under private ownership. During the period in which the coal industry was losing ground the steel industry was gaining ground. The steel industry was called on by the British Government, under their plan, to produce 14,500,000 tons. Under private ownership they actually produced 14,900,000 tons.

What we are being asked to do, Mr. President, is to send to England, to be used in financing these experiments in socialism, money of the American taxpayer, earned under a system of free enterprise and personal initiative.

I quoted a day or two ago an American businessman who is now domiciled in Europe. He had this to say:

> We are showing these Europeans that we have a h—— of a lot of money and d—— little sense to go with it.

PRIVATELY OWNED BUSINESS WILL COMPETE WITH GOVERNMENT-OWNED ENTERPRISE

Mr. President, I want to invite the attention of the Senate to what are some of the most serious aspects of this subject, namely, that we are taking the money of the American taxpayers and building up government-owned industry in Europe which will compete with American industry in the markets of the world and also in many of our own markets in the United States. The American businessman has always prided himself on his ability to compete. Our standard of living is higher; our wages are higher. American industry had some tariff protection in the past, but, generally speaking, the American businessman feels that with an even break he can hold his own with producers anywhere. But, Mr. President, there is no even break when he is called upon to compete with a government cartel, a government operation which enjoys freedom from taxes, a government operation which enjoys innumerable special advantages, and, beyond all, has been financed with money gathered by the tax collector in part from American producers themselves. The plain fact is that the moneys of the American taxpayers are being used for that exact purpose. It will have three serious effects on our economy, in my judgment. In the first place, it will put the American producer at a distinct disadvantage, as I have said. In the second place, it will progressively cut off the flow of raw materials from foreign countries and their colonies into American enterprise. In the third place, as we have already seen this process taking place, it will invite American companies to establish factories in those foreign countries where they can enjoy the relatively cheap labor enjoyed by government-owned enterprises.

I shall not take the time of the Senate in discussing this subject in great detail. I set it out in some detail in my remarks last week. But I want to invite the attention of the Senators who are present to one situation in connection with civil aviation.

The British Overseas Lines, which is rendering service between the British Isles and America, is owned by the British Government. It recently announced that it was purchasing a considerable number of Boeing Stratospheres at a cost of $15,000,000. Of course, it is perfectly obvious that the $15,000,000 for that government enterprise comes from American taxpayers. There is no other place from which the money can be had, if we are to judge from the figures given us here. The American company, which is privately owned, and which is engaged in the same business, flying from New York to London, is required to compete with the government-owned industry. What about the financing of our American competing company? It is called American Overseas. Until recently it was a subsidiary of the American Air Lines, Inc. American Air Lines, Inc., announced recently that it had disposed of its overseas subsidiary, and it gave this very striking reason, which appears in the annual report of the American Airlines recently published. I read from the report the other day, but I shall read it again:

> American Airlines has no additional funds for the purpose of investment in Overseas Airlines, and presently has no source from which it can secure such additional capital.

In other words, the experience of the private line in competition with these government-owned lines has been bad. They have shown deficits instead of profits which does not induce private investors to risk their money in competing with these government-owned lines.

To the same effect we see that the Belgian line has announced the purchase of some great Convairs, the very latest ships, which as I understand cost $450,000 apiece, the kind of ships which the lines operating in my State as a rule cannot afford. The Belgian line is a beneficiary under the Marshall plan.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. KEM. I am glad to yield.

Mr. BREWSTER. Does the Senator realize that the British Government has thought it prudent not only to provide the assistance, as the Senator said, covering an annual deficit of around $40,000,000, and approximately $15,000,000 more required to purchase these 10 stratocruisers from Boeing, but has also allocated $600,000,000 to establish the supremacy of British commercial aviation around the world, in direct competition with our own air lines, which are struggling vainly to meet that competition with the limited Government aid which we have found it possible thus far to provide?

Mr. KEM. I did not know that. The situation is worse from the standpoint of an American than I had anticipated.

Mr. BREWSTER. If the Senator will read the British white paper of 2 years ago, he will find the plan and the commitments outlined and a very similar analogy prevails in the expansion of the British merchant marine to a point considerably in excess of its prewar scope.

Mr. KEM. Mr. President, I hope those figures will be brought to the attention of the Administrator of ECA. Surely, he does not know of them. It would seem that we have had less sense than I thought.

THE INTERFERING IN THE INTERNAL ECONOMY OF ANOTHER COUNTRY ARGUMENT

I now wish to address myself to the argument which has been used against my amendment by several of the proponents of the ECA program with whom I have discussed it. They have said, "Of course we believe in free enterprise, we believe in private initiative and the American way of life, but we do not feel that we should interfere in the internal economy of another country."

Mr. President, with all due respect to the Senators who have made it, I think that argument is wholly unsound. The whole ECA program is an interference, on a gigantic scale, with the internal economy of 16 countries in western Europe.

(A) THE ECA ACT AUTHORIZES THE ADMINISTRATOR TO PLACE CONDITIONS ON THE GRANTS OF AID

The bill itself provides that the Administrator may make bilateral contracts with the countries with which he deals, in which he may lay down certain conditions with which they must comply in order to get funds under the ECA plan.

Mr. President, I wish to ask this question. If it is not interfering with the internal economy of a country for the ECA administrator to lay down a condition, why does it become an interference with the internal economy of that country for the Congress itself to attach a condition as to how our funds are to be used?

A few days ago the senior Senator from Ohio, in a very fine address, in effect said that he thought we could carry through and find out what was being done with our money. He said:

> I do not want to cut Great Britain off because she is adopting a Socialist form of government.

Mr. President, I do not want to do that either.

I agree that she can adopt any kind of government she wishes, but it does not follow that American money should be used by the English to finance their experiment in socialism.

It would be one thing if this were a case, as the lawyers say, of first impression, and for us to adopt, from this point on, a program of noninterference in the internal economy of other countries. That is not the case. But from the very inception of the program we have been interfering in the internal economy of other countries.

(B) WE HAVE INTERFERED IN THE ELECTIONS OF ITALY

Let me point out just a few instances. One of the great accomplishments of the Marshall plan is generally considered to be the carrying of the Italian elections last April. In the campaign leading up to the elections the American Ambassador made a number of speeches

in which he urged the Italian people to stand against communism, and urged the ECA program as a reason why they should do that.

The Attorney General of the United States, Mr. Tom C. Clark, a few days before the election addressed the Italian people over the radio, and made very strong representations to them that they should vote as he thought they should vote.

Mr. Zellerbach, in his testimony before the committee, laid particular emphasis on the fact that the use of ECA funds had resulted in what he regarded as a favorable vote in the election.

Mr. President, I do not want to say for a minute that I criticize what Mr. Zellerbach did, what Mr. Clark did, or what Mr. Dunn did, but I do desire to say that it is entirely too late for us to hold up our hands in pious horror and say, "Of course, we will not interfere in the internal affairs of any nation."

(c) OUR AID IS SUPPORTING A SOCIALIST GOVERNMENT IN ENGLAND

Mr. President, there is just one more case of interference which I wish to point out, namely, that the Marshall-plan money is being used as a great slush fund to influence the next election in the British Isles. We are told that the Socialist government is paying in Great Britain today benefit payments to the old people and the needy considerably in excess of what our Government feels it can afford to pay to the old people of our country. Clothing has been derationed by the use of Marshall-plan money. Sugar has been derationed by the use of Marshall-plan money. And so it goes.

We have Mr. Churchill's word that the Socialist government in England "is living from month to month and from hand to mouth" on the United States. As I have said, Mr. President, there are two ways of life competing in the world today. There is the American way, based on free enterprise and individual initiative. There is the Marxist way, which has as its objective the abolition of private property in the means of production.

What the ECA is doing now is taking money of American taxpayers, earned under the American way, and using it to subsidize the socialist way. I believe that to do so is against the interests of the United States. I believe it is contrary to the interests of Americans to take their hard-earned money to support and maintain a political ideology totally foreign and repugnant to their way of thinking.

Mr. President, I hope the Senate will adopt the amendment.

Mr. LANGER. Mr. President——

The PRESIDING OFFICER (Mr. DONNELL in the chair). Does the Senator from Missouri yield to the Senator from North Dakota?

Mr. KEM. I yield.

Mr. LANGER. I have been somewhat confused by what the Senator has just stated. Did I understand him correctly to say that Mr. Churchill said that the money we send over there is being used for the farmer-labor party of England in the election?

Mr. KEM. I believe there were numerous quotations in my remarks a few days ago to that effect. Let me see if I can locate them.

This is what Mr. Churchill said in the debate on the bill to nationalize or socialize iron and steel:

> This measure cannot wholly be judged on its merits or demerits, if such there be, except in relation to the general economic life of Britain and our position in the world, and also in relation to the United States on whom the Socialist Government and Socialist policy are living from month to month and from hand to mouth.

Again in the same debate, Mr. Churchill said:

> When a measure of first-rate importance is presented to the House of Commons it is always necessary for us to ask the question, Is it going to help the country or is it a partisan maneuver? Is it progress that is sought or is it faction? This is certainly the time to apply that test, because on the morrow of our greatest victory we are living on subsidies by loan or gift provided by taxes on the hard-working and heavily burdened people of the United States. I have always thought that we should need their help after the war, but it should be a point of honor with us, irrespective of party nostrums, to regain our full economic independence at the earliest moment, and to do nothing that would put off that event either by hampering our output or wantonly dividing our people.

Along that same line is an editorial from the London Economist of November 20, 1948, and I read as follows:

> Even those who have been most reluctant to believe that ministers of the Crown would so far forget their responsibility as to monkey with a major industry for reasons of mere internal party maneuverings are now compelled to agree with Mr. Churchill when he calls the bill "a feature in party tactics intended to keep the Socialist left wing as far as possible in order, and the Government as long as possible in office."

Again at Blenheim, in a speech on August 4, 1947, Mr. Churchill had this to say:

> Therefore I supported the American loan and I will still support, and justify, further appeals to the United States provided that we are doing our best, that we are making the most of our resources, that we are determined to become a self-supporting nation and system at the earliest moment, and will put aside every impediment, and labor long and hard.
>
> It is when we are not trying our best, not making the most of ourselves and our resources, not pursuing a wise or practical policy, not coming forward as a united nation, not trying to deal with the problems on their merits, that there is humiliation in asking and receiving aid from a mighty and friendly ally.

Mr. LANGER. Mr. President, will the Senator yield further?

Mr. KEM. Yes; I gladly yield.

Mr. LANGER. What puzzled me was that I understood from what the Senator from Missouri said that Mr. Churchill claimed this money was being used for the Labor Party of England, but yet he is in favor of the United States turning over this money. Is that correct?

Mr. KEM. I think Mr. Churchill is first and foremost an Englishman, and if I may interpret what he has said, I think he thought as many of us here did, at the outset that England needed money, needed help from America. But he stands aghast when he sees that money being used to nationalize and socialize the industries of the British Isles.

Mr. LANGER. Mr. President, will the Senator yield for a further question?

Mr. KEM. I am glad to yield.

Mr. LANGER. Nevertheless the Senator from Missouri knows, does he not, that Mr. Churchill does want the Marshall plan continued, and wants England to get her share under the Marshall plan?

Mr. KEM. I was asked that question in the debate last week by the Senator from Oregon. I do not know that Mr. Churchill has said definitely or specifically that he opposes gifts or grants or so-called loans to Great Britain provided they are put to proper use. As I understand, what Mr. Churchill criticizes is the perversion of these grants and gifts, the misuses to which they are being put.

Mr. LANGER. Mr. President, will the Senator yield further?

The PRESIDING OFFICER (Mr. DONNELL in the chair). Does the Senator from Missouri yield to the Senator from North Dakota?

Mr. KEM. I yield.

Mr. LANGER. From one of the quotations the Senator read I gained the impression that Mr. Churchill was in favor of ECA.

Mr. KEM. As I said, I think he believes that, in general, certain aid from America is justified. I may say in passing that many of us who oppose the amount provided in the pending bill have the same thought. I may say that the Senator from Missouri so believes. But what the Senator from Missouri does not believe, what he is opposing here and shall continue to oppose so long as he is a Member of this body is the use of the money of the American taxpayers to nationalize—to socialize—the basic industries of England or in any other European country.

Mr. LANGER. I thank the Senator.

Mr. MCMAHON rose.

Mr. KEM. Mr. President, I shall be glad to yield to the Senator from Connecticut for a question or yield the floor, as the Senator desires.

Mr. MCMAHON. I would prefer to address myself to the amendment.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. MCMAHON. Mr. President, the chairman of the Foreign Relations Committee [Mr. CONNALLY] suggested to me a few moments ago that it might not be amiss to have somehing said on the amendment by a member of the committee. In accordance with that suggestion I shall very briefly address the Senate concerning the objectives sought in the amendment offered by the Senator from Missouri.

I might begin by saying that I would not favor the nationalization of the steel industry of this country. If I were a citizen of Great Britain I doubt very much whether I would favor it there. However, that is not the question in issue.

When 2 years ago and more Gen. George Marshall delivered his speech at Harvard in which he outlined the conditions of western Europe and of the

world, and when he suggested that he believed this country would be willing to assist Europe if European countries would combine to assist themselves, the Foreign Minister of Great Britain, Mr. Ernest Bevin, lost no time in seizing on the suggestion, and an invitation went to every country in western Europe, including, although we tend to forget it, the Soviet Union, for a meeting to be held in Paris, as I remember, about 3 days later. In this country we waited with a good deal of interest to see whether the Soviet Union was willing at least to start in a cooperative effort to rebuild the war-torn economy of those countries, including her own. We did not approach the question, nor did the countries of Europe approach it from an ideological standpoint. Of course, Senators all remember that after the meeting had progressed for a couple of days, and after Mr. Molotov had showered insults and hurled his imprecations upon General Marshall and upon the United States of America for daring to suggest that we would be willing to try to rebuild western Europe, he, with his train of followers and assistants, departed behind the iron curtain.

It was that event more than any other, I think, which made us realize that there existed an irreconcilable difference of viewpoint, an irreconcilable intention as to the future of the world, and that there was definitely to be pitched a contest of freemen against slave states, a contest which all of us pray and hope shall never result in a conflict of arms.

Immediately the Soviet Union, with all the art of which it is capable—and it is extremely proficient along this line—began to propagandize everywhere to the effect that the United States of America had become a great imperialistic power; that it was bent upon controlling not only nations, but colonies and men everywhere, and was determined to be the master of the earth.

Of course, Mr. President, those of us who have had some part in forming our policy, those of us who know, or believe we know, what the American people are thinking realize that the last thing in the world this country wants or that its people want is to rule other countries of the earth. What we want is cooperation in building a free society of free states so that men and women can work out their destiny under God.

Mr. President, I can conceive of no action this Congress could take which would be more designed to prove the case sought to be made by Molotov and company than the adoption of this amendment. The purpose of the ECA has been to bind together free countries and free men. It has not been to dictate from Washington the nature of the economy under which the people in other countries should live. I think we would defeat the very objective which we are seeking to accomplish if we tried to do so. I hold no particular brief for the Socialist Government of Great Britain. Strangely enough, they seem to be making handsome progress, according to the figures which have been given to us by the Senator from Missouri.

Mr. KEM. Mr. President, will the Senator yield?

Mr. McMAHON. Not at the moment. I shall be glad to yield in a few minutes.

As has been pointed out before, apparently the success which this plan has had has become one of the great arguments against its perpetuation. It seems to me that we have short memories indeed. A year ago many of us stayed up all night in order to get the results of the Italian election, because we knew, if we knew nothing else, that if Italy went Communist in that election, France was bound to follow, and that if France followed, the whole of western Europe would crumble into communism and decay.

The Italian election was won by the forces opposed to communism because, more than anything else, of the fact that this country had announced that we were willing and able to go to their assistance. It is easy to forget now that terrible winter of 1946, when it seemed that the hand of palsy was laid upon all Europe, and when Senators in this Chamber were debating very seriously what we would do when all Europe collapsed into communism. We seem to have been successful in pushing that day back. We have made great progress. We have done it, it seems to me, by realizing sensibly that we cannot dictate to the countries of Europe exactly what kind of governments they shall operate.

We can insist on one thing. We can insist—and I suspect will ever insist—that any government which receives aid from us shall maintain the basic civil liberties and rights which freemen get not from the state, but from God. They are natural rights—the right of freedom of religion, the right of freedom of speech, the right of freedom of press, the right in criminal cases to be charged openly, and then given a fair trial. Does anyone allege that those rights have been impaired or impinged upon in even the slightest degree by the present government of Great Britain?

Let us remember that we did not approach this venture in a spirit of pure idealism. It is not pure charity. We approached it on the basis of intelligent self-interest. We approached it on the basis that we have a great stake in the success of the economy of the countries which we are helping. I doubt if we would have any constitutional right to take money from the taxpayers of the United States and, purely as a matter of largesse, distribute it over the face of the earth. It is because it has the most direct relationship to the peace of the world, in which we have everything at stake, that we have decided to go forward under the present plan and the present policy of the Government.

Mr. President, we cannot amend the tariffs in Great Britain. We cannot suggest to the French that their budget shall be 1,000,000 francs more or 1,000,000 francs less, or that they shall discharge so many civil servants or hire so many others.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. McMAHON. In a moment. If we were to do so, we would prove the allegation which is made against us, and we would defeat the very objectives for which we are striving.

Mr. TAFT. Mr. President, is the Senator familiar with the fact that Mr. Bruce——

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Ohio?

Mr. McMAHON. I yield to the Senator from Ohio for a question.

Mr. TAFT. Does the Senator realize that that is exactly what we have done? Mr. Bruce made a speech and served notice on the French Government that unless they balanced their budget we could not proceed with ECA. Does the Senator realize that that is exactly the course we have taken in France? We have told the French that if necessary they should discharge some of their 1,300,000 government employees.

Mr. KEM. Mr. President——

Mr. McMAHON. I do not yield at the moment.

Let me say to the Senator from Ohio that we have a right to advise; and I certainly would not be opposed to giving advice. We have that right; but to impose conditions is quite a different thing.

Mr. KEM. Mr. President, will the Senator yield?

Mr. McMAHON. I will not yield at the moment.

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Missouri for a question?

Mr. McMAHON. I have advised the Presiding Officer two or three times that for the moment I do not yield.

The PRESIDING OFFICER. The Chair did not hear the advice from the Senator from Connecticut. The question is answered. The Senator from Connecticut declines to yield for the moment to the Senator from Missouri. The Senator from Connecticut has the floor.

Mr. McMAHON. I should like to quote from Mr. Harriman, our roving Ambassador, who said:

> If you refer to conditions, I think you are treading in a very dangerous field. These are mature and sovereign nations with widely different types of organization, economic organizations, and systems, and I do not believe we could accomplish what ought to be accomplished if there are any conditions to our aid in this field. Suggestions, advice; yes. Discussions and arguments, yes; but not conditions. There must be a will on the part of the nations and the people of the nations, and progress must be based on conviction that each step that they take is wise and sound.

I now yield to the Senator from Missouri.

Mr. KEM. The Senator from Connecticut comes from one of the greatest industrial States in the Union. The industries of Connecticut have long supplied many of the wants of the western area of the country, from which I come. I should like to ask the Senator from Connecticut if, as a representative of that State, he looks with satisfaction and equanimity upon a condition under which the manufacturers, producers, and working people of Connecticut will be in direct competition with foreign government-owned and government-operated industry financed with Marshall-plan money?

Mr. McMAHON. I will say in answer to the Senator from Missouri that he

rightfully terms the State from which I come one of the great industrial States of the country. Small in area, it has been known, particularly during the war years, as a great and efficient producer. It has been my observation that we in Connecticut can compete with the rest of the world because of the efficiency of our machinery and the intelligence and skill of our working men.

Mr. KEM. Mr. President, will the Senator yield for a question?

Mr. McMAHON. Not at the moment.

The PRESIDING OFFICER. The Senator declines to yield for the moment.

Mr. McMAHON. Our State has grown great meeting the competition of the world and overcoming it. I say to the Senator from Missouri that I have greater fears for the people of my State on grounds other than the one which he suggests. I saw what happened in 1930, when we enacted the highest tariffs the world has ever known. A thousand economists addressed a communication to the then President of the United States, Mr. Herbert Hoover, and warned him that the imposition of such tariffs would plunge the economy not only of this country, but of the countries of the world, into despair. That is exactly what happened.

Mr. President, I am also aware——

Mr. KEM. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Missouri?

Mr. McMAHON. Mr. President, I refuse to yield for the moment. I shall tell the Senator from Missouri when I am ready to yield.

Let me say that I am also aware of the fact that a greater danger could come to my people and to all the other people of the United States, namely, the orientation of western Europe, with its 270,000,000 people and its machine-tool plants, into the orbit of the Soviet Union. It was because we knew that Hitler's Germany combined with Tojo's Japan would monopolize practically two-thirds of the skilled manpower and over 60 percent of the machinery of the earth, that the fight we have since finished was won, and it was essential that it be won if we were to continue to exist as a free people. But let such a condition come about again, this time under the domination of an even more ruthless tyranny, equip that tyranny with a stock pile of atomic weapons, equip it with jet airplanes, and equip it—nay, it is already so equipped—with its ruthless will, and then I say, Mr. President, I shall be concerned for the state of the people of Connecticut, yea, for the welfare of all the people of the United States and the people of all the world.

Mr. KEM. Mr. President, will the Senator yield at this time?

Mr. McMAHON. I yield.

Mr. KEM. The Senator from Connecticut spoke with feeling and assurance about the ability of the producers of Connecticut to compete with the world. I could not help but recall that a few days ago I read in the Washington Post that the New Haven Clock Co., a long-established industry in the Senator's State, had shut down, putting 600 persons out of work; and that the reason assigned by the president of that industry was the difficulty or inability to meet foreign competition.

The PRESIDING OFFICER. The Chair calls attention to the fact that Senators can yield only for questions.

Mr. KEM. My question is this: Is the Senator from Connecticut familiar with that incident?

Mr. McMAHON. I say to the Senator from Missouri that I am thoroughly familiar with the incident, and I have made a complete study of it. I do not intend to discuss that company's affairs, in relation to this amendment, on the floor of the Senate at this time. We are to have debate on the reciprocal trade agreements extension bill, and I shall reserve until that time my comment on the example the Senator from Missouri has given. Since I propose to speak when that issue comes to the floor of the Senate, I shall then welcome a further investigation of the attitude of the Senator from Connecticut on that question or on any other question pertaining to reciprocal trade agreements.

Mr. KEM. Mr. President, will the Senator yield at this point for a further question?

Mr. McMAHON. I yield.

Mr. KEM. The Senator from Connecticut spoke with feeling about the necessity of the United States preventing the overrunning of western Europe by the forces of communism. I should like to ask the Senator whether in his opinion there is any greater danger facing the people of the world today than the danger which would come from undermining the economy of the United States, the last and greatest and finest bulwark of democracy?

Mr. McMAHON. Of course, Mr. President, the answer to the Senator's question is perfectly apparent. The economy and the strength of the United States must be maintained as the keystone and cornerstone of the union of free peoples which we are trying to erect to combat the ideological tide, the ideological state, which is moving all over the world against freemen and free institutions.

I say to the Senator from Missouri that just as it is desperately necessary that we do what the Senator wants—and with which I agree—it is likewise essential that we maintain as our allies the countries of western Europe and its 270,000,000 people.

If the Senator from Missouri believes that Communist Russia is no threat to us; if he believes that if we had not undertaken to assist western Europe, Russia could have gone in there with impunity and it would have made no difference to us; if he is not at all concerned about her armament situation; if he is not concerned with the fact that Russia has enslaved 10 countries in the past 2 years—if he is not concerned about any of those things—then I say he has no right to vote for the authorization or expenditure of a single dollar under the Marshall plan or under any other plan which would take a dollar from the United States for expenditure in England or France. Regardless of what I might think about the Senator's judgment in such case, nevertheless he has a right to his judgment; and if he believes that, it is his duty, I presume, to vote against such authorizations or expenditures.

Mr. KEM. Mr. President, will the Senator yield again?

Mr. McMAHON. I yield.

Mr. KEM. I am sure the able and fair-minded Senator from Connecticut does not mean that those of us who favor the pending amendment are alined with the forces of communism.

I should like to ask the able Senator if he feels that it would be fair for me to make this argument against certain measures which the Senator from Connecticut is advocating with reference to the secrets of the atomic bomb: As I understand the situation, the Senator from Connecticut feels that those secrets should be made, in part at least, the property of the world. That idea certainly is in accord with the ideas held in the Kremlin. Because of that fact, does the Senator from Connecticut feel that it would be fair for me to indicate that the Senator from Connecticut is in any way sympathetic with the forces of communism, or that in taking the position which he does take he is alining himself with those forces?

Mr. McMAHON. Mr. President, in answer to the Senator's observation, let me say that I suppose it is somewhat difficult for any of us to have our position understood, no matter how plainly we may state it. Although I do not like to take a great deal of time now, yet this might be a good opportunity for me to restate my position as plainly as I can: No one has been more zealous or more insistent than I have been that the vital secrets of our atomic program not be disclosed to any nonauthorized person. About 3 months ago I made a speech, which, in part, I repeated on the floor of the Senate on one occasion when the matter was brought up here. The speech I mention was made at Detroit, and in it I pointed out that it was time for this Nation to consider seriously whether we could safely divulge the size of the stock pile of atomic bombs—not, mind you, how to make them; I wish the Senator to understand that point clearly—but the number that we had on hand. The Senator from Connecticut, realizing that that was a most important question, very carefully listed the arguments which could be made for that position, and also the arguments or reasons which could be urged against it. I suggested that it was high time we made a study, but I said that at that juncture I was unable to come to a conclusion. That was my position then, and it is my position now.

Mr. KEM. Mr. President, I should like to ask the Senator from Connecticut a further question: I ask him if he joins me in the thought that an argument ad hominem in either case would be wholly unfair and out of place.

Mr. McMAHON. I may say to the Senator from Missouri that I was entirely unaware of any attempt to make an ad hominem argument here. I was trying to point out to the Senator from

Missouri the main objective of the program in which we are engaged.

The main objective of this program is to maintain the freedom and security of the United States of America. The main objective of the program is to see to it that the tide of communism does not sweep over 270,000,000 people, with their resources to be drained off, and to be joined with a ruthless state for the purpose of conquest. I have pointed out to the Senator, not in any effort to make an ad hominem argument, that if we were in the bill to insist upon conditions with respect to the type of government the recipient countries should have, we would be at the same time entering a plea of guilty to the claim that has been made all over the earth by the Kremlin that we are seeking to imperialize the earth and to dominate the lives of men, women, and children everywhere. That is all I have been trying to point out to the Senator.

Mr. KEM. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Missouri for a question?

Mr. McMAHON. I yield.

Mr. KEM. Was not the statement, in effect, that the ideas behind the amendment would be received with great satisfaction by Mr. Molotov and his associates?

Mr. McMAHON. I am afraid they would be. I know they would be. I can see Pravda, if the Senator will permit me, and I can hear the Red radio, saying, "See, we told you so. We told you in Paris that if you went into this thing you were going to lose your liberty. We told you that edicts would come forth from the United States which would dictate how you should conduct your Government. We told you so, and now it has been proved, because they have said to the British Government, 'the action which you propose to take with regard to your internal affairs, as to how you will operate your steel industry, shall not take place'."

Mr. KEM. Mr. President, will the Senator yield for a question?

Mr. McMAHON. I yield.

Mr. KEM. I should like to ask the Senator whether he does not believe that the release in whole or in part of information regarding the atomic bomb would be received with satisfaction by Mr. Molotov and his associates in the Kremlin?

Mr. McMAHON. The Senator from Connecticut cannot quite see the pertinency of the question. I may say to the Senator from Missouri, I have tried to tell him what my position is in that regard. I doubt very much whether Mr. Molotov would receive information, as to the size of the stock pile, with any satisfaction whatever. The Senator from Connecticut is not aware that that would be good news for Mr. Molotov. I should certainly think it would not be good news. Some secrets as to how we do the thing and put it together, I presume would be received by them with satisfaction. So long as I have anything to do with it, I am going to make it as difficult as possible for them to obtain that information.

Mr. KEM. I should like to ask the Senator whether any news would not be good news to Mr. Molotov?

Mr. McMAHON. No. I may say to the Senator it would not be good news to him that the pending bill had been passed, or that the North Atlantic Pact had been ratified, or that we had provided for its implementation from a military standpoint, if that shall be necessary. That would not be good news to Russia and her satellites. The determination we have shown in our leadership of the nations to keep ourselves free and to maintain civil rights and civil liberties, to maintain the ordinary decencies among men, to recognize mankind as the creatures of God, not as creatures of the state, to recognize men as being endowed with certain natural rights and our willingness to act to defend those rights—that is the kind of news Russia does not like.

Mr. KEM. Mr. President, will the Senator yield for a further question?

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Missouri?

Mr. McMAHON. I yield.

Mr. KEM. Did the Senator understand my question about news to relate to the passage of the pending bill, or to the divulging of information in regard to the atomic bomb?

Mr. McMAHON. I have stated to the Senator what my position is in that respect, and I am trying to point out that the Senator from Connecticut is not in favor of giving Molotov a scintilla of information that will enable him to make this fearsome weapon. I may say to the Senator I probably am in agreement with him on that; I take it I am, but I do not wish to become involved in a discussion of the atomic question, for it brings up many other things which, while they could be profitably discussed, and which should be discussed in the Senate in the near future, are not appropriate at this time.

Mr. KEM. I think perhaps the Senator is correct about that.

Mr. McMAHON. The Senator and I do not agree—although I am not sure of it—but, in my opinion, the United States, when it made the offer to Russia and the world to furnish information on atomic energy in exchange for effective security from its misuse, wrote the most glorious page that has ever been written in the diplomatic record of any country at any time. I may say further to the Senator that, in my opinion, had that offer, magnanimous as it was, been accepted—and I have regarded it personally as the acid test of Russia's intentions—I dare say the Senator and I would not be here today debating an ECA authorization. Nor would we have to debate the North Atlantic Pact, because if that offer had been accepted, peace would have been well on its way to every corner of the earth.

Mr. KEM. Mr. President, will the Senator yield for a further question?

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Missouri?

Mr. McMAHON. I yield.

Mr. KEM. I should like to say by way of a preliminary that I agree with the Senator from Connecticut on many things, and I have not the slightest doubt either of his ability or of his patriotism.

Mr. McMAHON. I thank the Senator.

Mr. KEM. But I should like to ask the Senator, is it not generally understood that the approach of Mr. Molotov and the Kremlin is to wait until the American economy is weakened by unsound measures taken in this country, and then to move in for the kill?

Mr. McMAHON. I may say to the Senator that I am as much concerned as any sensible American must be, about $50,000,000,000 budgets. I know the drain such expenditures impose upon any free-enterprise economy. I should be very happy indeed if we could now take about $25,000,000,000 or $30,000,000,000 and wipe it off the books. There is no one who would like to do it more than I. I share the fervor of the Senator from Missouri with respect to reduction of Government expenditures, but I have to make my estimate of the danger which faces this country, and of the wisdom of the methods and of the means we are taking to meet it.

Mr. KEM. Mr. President, will the Senator yield for a further question?

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Missouri?

Mr. McMAHON. I yield.

Mr. KEM. I should like to inquire whether the Senator anticipates being able to activate his fervor at any time during the present session.

Mr. McMAHON. I may say to the Senator that I have some doubt. I must be entirely honest with the Senator. I look at the expenditures for the veterans, and I see no chance of cutting them. I see the expenditures for arms, and I see no chance of reducing them. I look at ECA, and I do not see much opportunity of reducing the expenditures for that undertaking. I look at the interest on the national debt, and I see no chance of reducing that by so much as a penny. Adding up all those expenditures, they amount to about two-thirds, I think, of the national budget, and there is left $10,000,000,000 or $11,000,000,000 with respect to which, in the opinion of the Senator from Connecticut, economies may possibly be made. Of course, the Senator from Missouri may say there is an opportunity to make reductions by wiping out ECA; but I cannot go along with the Senator on that, because I am afraid, if we were to take that method of reducing expenditures, it would be the most costly economy ever known in the history of the world. If we were to reduce or wipe out this expenditure, it might well be that we would spend ten, twenty, or a hundredfold more in an effort to stave off the very thing which we would invite by producing a state of weakness, where there now exists a state of increasing strength and recovery.

Mr. WHERRY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Nebraska?

Mr. McMAHON. I yield.

Mr. WHERRY. Does the Senator believe that the authorization of this money is sacrosanct, and would he, for the RECORD, give us his opinion as to whether it is the responsibility and the duty of the members of the Appropriations Committee—because I understood the Senator to say that he did not feel that the appropriation for ECA would be very much reduced—to go over the appropriation and recommend to the Senate a figure which is justified by the projects which are listed?

Mr. McMAHON. It is, as I see it, an obligation upon the part of the Appropriations Committee, another agency of the Senate, to scrutinize the program and the estimates with the greatest of care. It strikes me that if the estimates can be shown to have been made up on November 30 to one scale of prices, and there has since been a 5 or 6 percent decline in prices, certainly the Appropriations Committee has a right to take that fact into account.

Mr. President, while I am on that subject, I may say that, so far as the Senator from Connecticut is concerned, he does not view the assurances given by the committee as binding him to simply any kind of a reduction the committee shall choose to bring forward. I am not prejudging the committee in any way, manner, or form, but I say that if, in my judgment, the appropriation is cut to such a point that it might jeopardize the success of the program, I shall be found on my feet seeking to increase the appropriation and to upset the Appropriations Committee in that respect.

I shall do it from the deepest conviction, instinct, and impulse to which any man could be subject, because the world is marching to a climax which can be avoided, in the opinion of the Senator from Connecticut, only by the marshalling of force, so that the desperate men who would hurl humanity into the abyss will retreat and give way. Let them get the idea that we are not serious in our efforts and that we are willing to permit Europe to retreat into confusion and chaos—once give them the idea that they are free to marshal the peoples of those countries into their camp, and the United States will be fighting the most desperate battle for its existence mankind has ever conceived, a battle which, if we win, I say once again, we shall lose. A third world war about which we have been talking—some of us too lightly—we had better talk about preventing, and we had better be thinking solely in those terms, because, in my opinion, we could not fight such a war and, at the same time, preserve the kind of government we have maintained in the United States.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. McMAHON. I yield.

Mr. WHERRY. Let me ask the Senator this question: If the receipts which are anticipated, from all sources, for the fiscal year do not exceed $42,000,000,000 and the appropriations which we are about to make for ECA, the implementation of the Atlantic Pact, for defense, for the integrated programs, and domestic appropriations for our own economy, exceed $50,000,000,000, would the Senator feel we were justified in making a straight cut right through all appropriations in order to avoid increasing taxes or engaging in deficit spending?

Mr. McMAHON. Frankly, I do not want to answer that question at this time. I do not wish now to tie my hands for the rest of the session, because the question which the Senator asks implies a commitment over a period of time to which I do not think I want to bind myself. So, with all due deference to the Senator's question and its propriety, I still say that I refuse to be bound at this time.

Mr. KEM. Mr. President, will the Senator yield?

Mr. McMAHON. I yield for a question.

Mr. KEM. The Senator has spoken very feelingly and forcefully regarding the use of ECA money for national defense. I should like to ask him if he believes the ECA is an adequate substitute, in whole or in part, for national defense?

Mr. McMAHON. Oh, no; certainly not. I regard it as being supplementary to our national defense budget. I agree with what Dr. Nourse said, as quoted in the newspapers today, that it is all one picture—ECA, defense, implementation. It is all for the defense and security of our own people.

Mr. KEM. Mr. President, will the Senator further yield?

Mr. McMAHON. I yield.

Mr. KEM. Do I correctly understand the Senator's position when I understand it to be that ECA is supplementary to national defense, that national defense should be our first consideration, and then, after we have adequately armed ourselves, if we have funds for ECA, we should devote so much as we can to that purpose?

Mr. McMAHON. No; I do not think I would come to that conclusion, because I regard our policy as an integrated whole. I will say to the Senator that I am not so sure that perhaps some economies cannot be made in the national defense budget. The Senator from Connecticut has certain ideas about that which he will express when the appropriation bills reach the floor of the Senate. However, it seems to me we make a mistake in regarding the size of our national defense budget, the ECA, and the North Atlantic Pact as being anything except a part of the national defense of the United States. If it is not that, we have no right to undertake these things.

Mr. KEM. Mr. President, will the Senator yield for a further question?

Mr. McMAHON. I yield.

Mr. KEM. Did I correctly understand the Senator from Connecticut to refer to ECA as being supplementary to the national defense?

Mr. McMAHON. Call it complementary, if the Senator will. It is all a part of the whole. That is what I am trying to tell the Senator.

Mr. KEM. Mr. President, will the Senator yield for a further question?

Mr. McMAHON. I yield.

Mr. KEM. The Senator seems to have great faith in our financing the British Isles and the continent of Europe as being a part of our defense against communism. I will ask the Senator if he agrees with Mr. Winston Churchill when he says that the Socialist Parties of Europe are handmaidens and heralds of communism.

Mr. McMAHON. I will say that we have been through an election campaign recently, and I heard far worse things than that said about the party of which I have the honor to be a member. Such things are still being said. That does not prove that they are true. I have the greatest respect for Mr. Churchill. I think he is one of the great statesmen of our time or of any other time, but, at the same time, I know that Mr. Churchill is human and that he was confronting a constituency in an election.

Mr. KEM. Will the Senator from Connecticut permit me to suggest to him that he has been led into error, that the statements made by Mr. Churchill were made by him in the House of Commons on the bill to nationalize the iron and steel industry of Great Britain, and were not in any sense a part of a campaign speech?

Mr. McMAHON. In one sense every speech members of the legislature make is a campaign speech in a democratic country, because it is upon the basis of what we say and do here that we must defend ourselves before the electorate. As the Senator from Connecticut understands, the iron and steel question in Great Britain is going to be determined in the 1950 election. The people of Great Britain will have the opportunity, in the same way we have the opportunity, to pass upon national policies, to go to the polls and cast secret ballots to determine what they as a people shall do. The right of a free ballot is one of the best evidences of the exercise and workings of democracy of which I know. That is the way the people of Great Britain are going to determine this question in the election of 1950.

Mr. KEM. Will the Senator permit me the observation that the decision as to whether Great Britain shall nationalize the iron and steel industry of Great Britain should not be made by the British people at the election in 1950, but should be made by the Congress of the United States at the present session?

Mr. McMAHON. The Senator from Connecticut has already expressed his ideas about that, and there is no use reiterating them.

Mr. President, I am anxious to take my seat, but I should like to say just one word before I conclude. When the Government of Great Britain nationalized its banks and nationalized its railways, it paid its own people with British notes and British pounds, not dollars. I can anticipate the Senator rising and saying, "Yes, but it is the Marshall-plan aid that sustains the whole economy, and gives their money some worth." That, I grant, is true, and no sensible man can deny it. At the same time, we must also admit that the pound notes which are

handed over to the owners of the securities of the British industries are not acceptable for dollars, but are really tradable only in the sterling area.

Mr. KEM. Mr. President, I should like to ask the Senator if the losses in the nationalized industries in Great Britain are not a part of the deficit in the British budget which we are called upon to make up under the Marshall plan?

Mr. McMAHON. No, I do not think so. I do not believe they are.

Mr. KEM. I should like to ask the Senator if he would be kind enough to elucidate that point a little further, and explain to the Senate, and for the RECORD, in what way the losses incurred by the nationalized industries of Great Britain are not a part of the deficit in the British budget which we are called upon to make up under the Marshall plan.

Mr. McMAHON. The Senator from Connecticut is now at the end of his argument on the amendment of the Senator from Missouri. I do not feel that I should prolong the discussion. I have given the Senator my opinion, and I shall now take my seat.

Mr. HICKENLOOPER. Mr. President, I should prefer to make such suggestions as I shall present in a colloquy with the Senator from Missouri, but under the existing stringency of the rules under which the Senate is operating, I presume I should occupy the floor in my own right, and attempt to speak to the Senator from Missouri in that capacity. I shall invite his questions to me, and in advance, without going through too much detail, I assure the Senator from Missouri that I shall yield, while I have the floor, at any time he may wish to ask me a question.

The PRESIDING OFFICER. If the Senator will indulge the Chair a moment, the Chair observed the phrase in the Senator's remarks "the existing stringency of the rules." The present occupant of the Chair does not consider that there is a present stringency of the rules. The present occupant of the Chair regards the rules as stated, clear and definite, and so long as he remains the occupant of the Chair, the rules will be enforced without fear or favor.

Mr. HICKENLOOPER. Mr. President, I find myself in some disagreement with the amendment offered by the Senator from Missouri. Without taking the time of the Senate to any great extent, I shall say that I am not satisfied to support the Senator's amendment as it now reads because of its reference to a specific industry, such as the iron and steel industry, and because of certain other verbiage which is used in the amendment. I have been giving it considerable thought, because I am definitely sympathetic with the point the Senator from Missouri is trying to make.

I wish to call the attention of the Senate to certain basic assumptions I make. In the first place, we have heard of the "do not touch" philosophy so far as the operation of the internal affairs of other governments under ECA are concerned. I have supported the theory that we probably should not attempt to dictate the internal social and political operations of the governments we are trying to aid, and the peoples we are trying to aid, but I submit that we are in every act of the ECA dictating the terms under which ECA will be used within those countries.

I submit that it has been made abundantly clear repeatedly by officials of the State Department, and on the floor of the Senate and of the House of Representatives, that if a country is a Communist-controlled country we will extend no ECA aid to it at all. That is a determination as to the use of ECA aid based upon a social and political philosophy entertained in the particular country.

Mr. KEM. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Missouri for a question? The Chair is not attempting to be unduly stringent, but acting in accordance with the rules of the Senate.

Mr. HICKENLOOPER. As I stated, I shall be glad to yield to the Senator from Missouri at any time for any question he may care to propound.

Mr. KEM. I should like to ask the Senator whether at the outset of the Marshall plan program it was not indicated, at the OEEC meeting, that Spain did not have a government which met with the approval of the conferees there, and that as a result throughout the Marshall plan we have declined any aid to Spain.

Mr. HICKENLOOPER. Mr. President, I am happy the Senator asked the question, because I was going over to the other side of the political and social fence to call attention to the fact that in Fascist Spain we have adopted the policy of not extending Marshall plan aid, because we do not like or approve, apparently, the type of government operating there. So in the Marshall plan we have undertaken to circumscribe the use of the funds, both for Communist countries on the one hand and for Fascist countries on the other, a direct program to determine the philosophy of government which we will elect to support with ECA money.

Mr. President, we hear much said repeatedly to the effect that we must not touch nationalism of industries or anything of the kind because we would be violating the freedom of self-determination in the participating countries. I think that argument falls when we consider the Communist philosophy on the one hand and the Fascist philosophy on the other, both of which we have said we would not aid with ECA money.

Mr. President, I may disagree, indeed I do disagree with the Socialist philosophy of nationalization, but, by the same token, I agree that the people of Great Britain have an inherent right of self-determination, and if they want socialism and nationalization, and if it is accomplished on a voluntary and free basis, that is their business. I shall not attempt to change or alter their form of government or their attitude toward their social or political forms so far as that is concerned; but I believe I have some right to say in advance how a portion of my tax dollar shall be spent in connection with the social and political activities of other countries. Without attempting to change their forms I ought to have some right to place a limitation upon how the American taxpayer's dollar is to be spent abroad.

We are against communism, we are against fascism, and certainly I hope that the overwhelming majority of the people in the United States are against socialism and against nationalization. But eliminating the blood purge and a few things like that, I hope we see in it the same evils to a free and competitive society that we see in communism or in fascism.

If we go further into the operations of ECA, it becomes apparent that every dollar spent by ECA in countries abroad is a dollar spent with a limitation placed upon it by the Administrator. He even examines every private-business venture which ECA dollars are supposed to support, and he says "No, this is not good for your economy," or "This is good for your economy." "I will advance and authorize ECA dollars in this project," or "I will withhold them in that project." Those are private-enterprise projects. So in effect we control every dollar of money that is spent under the ECA program. If we did not so control our money, if we did not so use our money in the ECA countries, there would be no restrictions in the bill, and we might as well make a flat appropriation in dollars to each country, and say, "Use the money as you please."

While I do not like the Senator's amendment as such because I think there are certain restrictions in it which I feel I could not support, I should like to suggest to the Senator an amendment to or a substitute for his amendment to see what he thinks about it. In place of the language he has in his amendment I should like to suggest language something like this, to be inserted at the proper place:

> The Administrator shall not authorize assistance under this act within any participating country when such assistance will provide dollars or dollar credits which may be used by such participating country directly or indirectly to acquire and operate, in whole or in part, any basic industry as a nationalized industry.

Mr. President, I call attention to the language of that proposal and its effect. My amendment does not attempt to dictate how countries shall conduct their internal affairs so far as nationalization is concerned. It does not say to any country, "You shall not nationalize your industry." But it does say that no American dollars or dollar credits shall be used to aid in the nationalization of their industries or to support such nationalization. They can proceed to nationalize if they want to. We place no prohibition on them. But if they do hereafter, they have to do it completely under their own power and without the aid of American dollars or dollar credits either in the acquisition of or the operation of such nationalized basic industries.

In my judgment, Mr. President, that preserves the principle of not dictating to a country whether it shall or shall not nationalize. It does not dictate what the people shall do under their own power within their country if they have the

means and will to do it. It only provides—and I will read it again:

The Administrator shall not authorize assistance under this act within any participating country when such assistance will provide dollars or dollar credits which may be used by such participating country directly or indirectly to acquire and operate, in whole or in part, any basic industry as a nationalized industry.

Mr. President, if we do not believe that nationalization of industries is good for a free economy and for the type of government and economy in the world in which we want to live; if we believe in leaving the other fellow still free, however, to do as he pleases within his own country with his own political and social forms, then I cannot see any objection to this prohibition. It only says that American dollars or dollar credits shall not be used hereafter by any country to nationalize or operate its nationalized basic industries.

I believe we have a perfect right to make reservations on the use of American dollars. I believe we not only have the right to do it, but we are doing it every day and in every transaction under the ECA. We evaluate projects. We say we will give money or withhold money based upon our judgment on the projects over there. We do not give money to Communist countries because we do not like the Communist philosophy. We do not give money to Fascist countries because we do not like the Fascist philosophy. If we do not believe in nationalization, I think we have a basic responsibility to put some kind of a string, not upon whether the British people or other people can nationalize their industries, not upon that, but we have a right to put some kind of a string on how American dollars and American credits shall be used in going forward with socialistic experiments of nationalization among peoples we are trying to help.

I am happy to help them even if they are Socialists. That makes not too much difference. I believe they have a peaceful method of attempting to accomplish their reforms. There is a difference between the National Socialists of Europe and the Communists. The objectives socially and economically are the same. The methods of attaining them and the methods of enforcing them are different, as the Senator from Missouri has pointed out. The National Socialists believe in an orderly procedure in attaining their nationalization and control. The Communists believe in the blood purge and revolution as the basic method of accomplishing their end. But respecting our American dollars, which have been obtained through the sacrifices of the American taxpayers, I believe we must think and act clearly and wisely in preventing their use and the use of credits for nationalization purposes, in which I believe the overwhelming number of Americans disbelieve.

I simply wish to say again to the Senator from Missouri that I have made my suggestion to him, I hope, in a spirit of cooperation and purpose which I believe we have in common. I do not mean to be offensive, and I hope he will forgive my criticism of his original amendment.

Mr. KEM. Mr. President, may I say very briefly——

The PRESIDING OFFICER. The Senator from Missouri is recognized in his own right.

Mr. FERGUSON. Mr. President——

The PRESIDING OFFICER. The Senator from Missouri addressed the Chair first.

Mr. KEM. Mr. President, I will yield the floor to the Senator from Michigan.

The PRESIDING OFFICER. The Senator from Missouri cannot yield the floor to another Senator.

Mr. FERGUSON. Mr. President, I ask for the floor in my own right.

The PRESIDING OFFICER. The Senator from Michigan now addresses the Chair and asks for the floor in his own right. The Chair recognizes the Senator from Michigan.

Mr. MYERS. Mr. President, do I correctly understand that the Senator from Missouri is recognized?

The PRESIDING OFFICER. The Senator from Missouri has resigned the floor, and the Senator from Michigan has been recognized.

Mr. FERGUSON. Mr. President, I hope the junior Senator from Missouri [Mr. KEM] will accept the substitute which has been suggested. I have not had much to say on the floor of the Senate in relation to the ECA, but I wish to say a few words on the pending amendment, and particularly on the substitute suggested by the Senator from Iowa [Mr. HICKENLOOPER].

I was greatly impressed by the argument of the able Senator from Iowa when he stated that we have something to say as to the use to which our dollars shall be put. He indicated—and it is clear—that we said we would not extend aid to Spain because in the opinion of the American people Spain is a Fascist dictatorship. We had something to say when it came to giving ECA aid to Russia, which is a proletariat dictatorship. We have something to say, in the amendment which was offered by the able Senator from California [Mr. KNOWLAND] in connection with aid to China. We have restricted the President. We have said that he shall not extend aid in areas in China which are dominated by the Communists. So we do have the right to say what American dollars shall be used for. Every dollar that is spent will be raised by taxation, and the sweat and tears of the American people will pay for these appropriations. Quite properly, America should say what the money shall be used for.

We talk about socialism and about communism; but I believe that anyone who understands the fundamentals of communism, of socialism, and of Marxism will say that they are so similar the difference is only a matter of degree. We think of Britain as being an outstanding nation in the preservation of freedom. We think of Britain in connection with our judicial system. We who are trained in the law go back to the days when we studied the judicial system of Britain. We know that in this country we have adopted many of the British legal principles. The great common law of America is the common law of the British Empire.

We cannot imagine that America could ever go socialistic or communistic. We cannot understand how the great British Empire, with its traditions, could ever go socialistic or communistic; but I say that it can happen there, and it can happen here. That is the question with which we are concerned today.

Anyone who read the article, Stalin on Revolution, published in the Foreign Affairs Quarterly for January of this year, has a better understanding of the subject. If one will read the Manifesto of 1848 by Marx and Engels he will understand how close socialism is to communism. Communism is able to move with the ebb and flow of the tide. It retreats here and advances there.

Let me bring to the attention of the Senate something which I received in the mail only yesterday. This pamphlet is being distributed at the University of Michigan. A few years ago the then Attorney General of the United States, Mr. Biddle, made a finding that the Communist Party in America stood for the overthrow of Government by force and violence. Does our present Government feel that is the principle of the Communist Party? It must, because it has indicted and is now trying in the District Court of the United States in New York City the heads of the American Communist Party for conspiring to overthrow the American Government by force and violence. Will the Communists retreat and try to advance upon some other front?

Mr. Foster, in his book published in 1931 or 1932, stated that the Red Army would help to establish communism in America.

Let us find out what is said in the pamphlet which is being distributed to students of the University of Michigan. I am sure that it is being distributed at other universities. At the end of the pamphlet we find the following:

Write to the National Youth Commission or Council of Student Clubs, Communist Party, 35 East Twelfth Street, New York City.

Then there is this line:

I would like more information on the Communist Party—
Name_____
Address_____
City _____
State_____

Mr. BRIDGES. Will the Senator yield?

The PRESIDING OFFICER. The present occupant of the Chair will enforce the rule requiring the Chair to be addressed.

Mr. BRIDGES. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from New Hampshire?

Mr. FERGUSON. I am glad to yield to the Senator from New Hampshire.

Mr. BRIDGES. I entered the Chamber after the Senator had started his address. Who issued this pamphlet?

Mr. FERGUSON. The National Youth Commission or Council of Student Clubs, Communist Party, 35 East Twelfth Street, New York City.

Mr. President, I wish to read a portion of the pamphlet, and then I shall

place all of it in the RECORD. It is very cleverly written. On page 5 we find the following:

Now we will tell you what the Communist Party stands for.

On another page there is the following language:

The Communist Party does not now and never has advocated the overthrow of the Government by force and violence. Its constitution specifically calls for the expulsion of any member who conspires to overthrow any or all institutions of American democracy.

That is the retreat, because they know that there is a law in the United States, the Smith Act, which makes it a criminal offense to conspire to overthrow the United States Government by force or violence.

Mr. KEM. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Missouri?

Mr. FERGUSON. I am glad to yield to the Senator from Missouri.

Mr. KEM. I should like to ask the Senator from Michigan if the Youth Commission or Council of Student Clubs of the Communist Party, the platform of which the Senator is reading, has not brought its platform exactly in line with the platform of the Socialist Parties of Great Britain, France, and other countries of western Europe.

Mr. FERGUSON. I am of the opinion that it is very similar.

On page 5 it is said:

Now we will tell you what the Communist Party stands for.

I now read what it is said the Communist Party in America stands for:

Peace, the Bill of Rights, full equality for the Negro people, the right to work, the right to strike, the right to social security, the right to advocate socialism to end the wars and depressions which capitalism breeds.

There is the secret of the whole thing; we find it in the last line of this publication, I say to the Senator from Missouri. All of us will agree to the first principles mentioned in the pamphlet, as I have just read them; they are humanitarian principles.

But then it is said in this pamphlet:

the right to advocate socialism to end the wars and depressions which capitalism breeds.

Incidentally, Mr. President, I shall ask to have all of this pamphlet printed in the RECORD, but I wish to refer now to what it states. Mr. Foster says:

"In fighting against all these monstrous evils, in working for a Socialist America, I am performing the profoundest patriotic duty."

Then on page 6 they say to the students of the University of Michigan and, I am sure, to other university students—and now I read further from this pamphlet:

And * * * we'll tell you what the Communist Party demands for young people:

Mr. President, what do they demand for young people? I am reading from a statement made by the party which, so it says, has no tie to Russia. Oh, no; they do not believe in revolution, they do not believe in what the Communist Party of Russia stands for, so they say; but here is what they say in this pamphlet; here is what the Communist Party demands for the young people:

First. Repeal the draft.

Mr. President, there are many persons who do not believe in the Communist Party, but who do believe in repealing the Draft Act, of course.

I read further from the pamphlet:

We stand for the defense of the United States against all its real enemies. But America is in no danger of attack from anyone. We are the most powerful Nation in the world today. The draft was engineered in order to create a war scare so that Wall Street could send American boys to China and Greece and the rest of Europe. Not to defend America * * * but to multiply Wall Street profits. To gobble the world.

Second. End Jim Crow in the armed forces. Discrimination, segregation, Jim Crow—these are the real subversives.

Third. Give 18-year-olds the right to vote. If they are old enough to be drafted they are certainly old enough to cast the ballot.

Fourth. Give youth a real job-training program; teach them skills; get them jobs.

Fifth. A public-housing program which will give young people homes—not promises.

Sixth. An end to quota system and all discrimination in education.

Seventh. Pass Federal aid to education bill.

Eighth. Full academic freedom for students and teachers. An end to thought control.

Senators will notice that the Communists apparently have retreated, and seem to be arguing now for humanitarian principles. Imagine, Mr. President. The Communist Party, which is part and parcel of the dictatorship of Russia, now wants an end put to thought control, so they say; and they expect the American people to believe that.

At Oregon State College, or at the University of Washington, not long ago, a professor was discharged, supposedly because of his Communistic tendencies or his beliefs in communism or his connection with it. Quite a case was made of it, but actually he was discharged on the ground that if a person is a Communist, he does not have the independence of thought necessary to a free academic mind. His thoughts are controlled—and that is exactly the truth. But in this pamphlet the Communists advocate to the youth of America, "An end to thought control."

Mr. President, I ask unanimous consent to have the entire pamphlet printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

Mr. MORSE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Oregon?

Mr. FERGUSON. I yield.

Mr. MORSE. Did I correctly understand the Senator from Michigan to make reference to the recent Oregon State College and University of Washington cases?

Mr. FERGUSON. Yes. I wish the Senator from Oregon would give us a little more light on that.

Mr. MORSE. I shall do so by way of asking a question.

Mr. FERGUSON. Very well; I yield to the Senator from Oregon, to permit him to ask a question.

Mr. MORSE. Does the Senator from Michigan know that the dismissals at the University of Washington were the result of hearings in which it was found, in the opinion of the persons who conducted the hearings, that the members of the faculty who were dismissed were or are avowed Communists?

Mr. FERGUSON. I was not certain that it was brought out at a hearing, but I had the other information.

Mr. MORSE. The Senator from Michigan was of the understanding that a finding was made that those persons were Communists?

The PRESIDING OFFICER. Is the Senator from Oregon propounding a question to the Senator from Michigan?

Mr. MORSE. Yes.

The PRESIDING OFFICER. Very well.

Mr. FERGUSON. And the Senator from Michigan understands the question.

The PRESIDING OFFICER. Very well.

Mr. FERGUSON. I say that I understand that a finding was made that they were Communists.

Mr. MORSE. Mr. President, will the Senator yield for a further question?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Oregon?

Mr. FERGUSON. I yield.

Mr. MORSE. Does the Senator from Michigan agree with the Senator from Oregon that no principle of academic freedom is violated whenever an institution of learning in this country takes the position that persons who are avowed Communists should not have the right to teach in American institutions of learning?

Mr. FERGUSON. I would say that is absolutely true, because the moment a man adopts the Communistic philosophy, he closes his mind to everything except the things which are agreeable to the communistic line, and therefore he has no freedom of thought.

Mr. MORSE. Mr. President, will the Senator yield for a further question?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Oregon?

Mr. FERGUSON. I am glad to yield to the Senator from Oregon.

Mr. MORSE. Does the Senator from Michigan agree with the Senator from Oregon that there is a great deal of difference, and that the difference should be recognized, between academic freedom to search for the truth, no matter where the path of search may lead, and license to infiltrate into our educational system the indoctrination of the Russian ideology?

Mr. FERGUSON. I recognize that, and that is the real distinction. The people of America generally should understand that that is the real distinction between the two propositions, as the Senator has stated it.

Mr. MORSE. Mr. President, will the Senator yield for a further question?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Oregon for a question?

Mr. FERGUSON. I yield to the Senator from Oregon, to permit him to ask a question.

Mr. MORSE. Will the Senator from Michigan permit me to call his attention—and I say this most humbly, for fear the majority leader may think I am again demonstrating that I think I know the answer to a great many questions, although I hope I know the answer to a few, but certainly not too many—will the Senator from Michigan permit me to ask him whether he is familiar with a piece of writing which I inserted in the CONGRESSIONAL RECORD the other day in regard to the differences, as I see them, between academic freedom and the lack of right on the part of any teacher to hold his job when he is proved to be a Communist and uses his teaching position to infiltrate, by way of indoctrination, Russian propaganda into our schools?

Mr. FERGUSON. I must apologize to the Senator from Oregon when I say that I did not see that in the RECORD and I was not on the floor at the time when it was inserted. But I understand what the Senator from Oregon has in mind, and I recognize the difference.

Mr. MORSE. Mr. President, if I may be permitted to state one sentence at this point, I wish to say to the Senator from Michigan that I desire to associate myself with his comments on the danger of permitting our school system to be used as a source for the indoctrination of communism.

Mr. FERGUSON. Mr. President, sometimes such matters make me feel that those who would have Communists, with their closed, arbitrary minds, teach our youth communism, should think about whether we would tolerate for a moment having a criminal teach criminal law, for instance, in our schools. The situation is quite similar, because it is a violation of our institutions and of our laws to permit crime to be taught in our schools; and, of course, after a declaration of war, some of the acts we have been referring to here would be treason.

Mr. President, returning now to the original subject. The Senator from Michigan believes that socialism of industries, if carried to a certain point, necessitates dictatorship for their operation, and the minute England or any other nation proceeds to socialize, to have the state become the owner of its institutions, of its industry, and, thereby, of labor, they must go then to dictatorship.

Mr. MAYBANK. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from South Carolina for a question?

Mr. FERGUSON. I yield.

Mr. MAYBANK. I wanted to ask the Senator from Michigan whether the man to whom he was referring was a teacher in the State schools of Michigan or was employed by the Federal Government.

Mr. FERGUSON. If the able Senator will bear with me, I was quoting from a folder which was mailed or delivered to a student at the University of Michigan. It was mailed to me yesterday, with a letter.

Mr. MAYBANK. Mr. President, will the Senator yield for a further question?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from South Carolina?

Mr. FERGUSON. I yield.

Mr. MAYBANK. Did the Federal Government, or any of the agencies of the Federal Government, have any part in it?

Mr. FERGUSON. No. It is a pamphlet. And, by the way, this is one of the few times a document of this kind has been labeled as being Communist literature. It is stated on the pamphlet: Write to National Youth Commission or Council of Student Clubs, Communist Party.

Mr. MAYBANK. Mr. President, will the Senator yield further?

The PRESIDING OFFICER. Does the Senator from Michigan yield further to the Senator from South Carolina for a question?

Mr. FERGUSON. I yield.

Mr. MAYBANK. Where was the pamphlet sent from?

Mr. FERGUSON. From New York City.

Mr. MAYBANK. What has that to do with the Federal Government? I am as much opposed to communism as is the distinguished Senator from Michigan. We have none of that in the schools of South Carolina, I may assure the Senator.

Mr. FERGUSON. If the able Senator will bear with me, I do not claim it has anything to do with the Federal Government. I am trying to develop the argument that in the opinion of the Senator from Michigan socialism and communism are so near together that the Communist Party in America has retreated from its open and avowed principles, although the Senator from Michigan believes that they still have in their hearts principles of force and violence so far as wishing to overthrow the Government is concerned. Those who are familiar with the doctrines of Marx know that communism and socialism are close together. Both of them, I may say advisedly, hate capitalism.

America is founded upon the idea of free institutions, of individual liberty—yes, on the Bill of Rights as we understand it, not as communism understands it. I say the American people have a right to say that their dollar shall not be used directly or indirectly to acquire and to operate in whole or in part any basic industry as a nationalized industry.

As I said before, Mr. President, when a government passes beyond a certain point in socializing its industry, it must ultimately resort to a dictatorship for the enforcement of rules and regulations. Therefore, if we are sure to have a free world, we have a right to say that our dollars shall not be used to do that which can ultimately result in a dictatorship, at which time the country would not be entitled to any aid according to standards we have already prescribed. We say today that we will not give aid to Russia, we will not give it to Spain, we will not give it to China, except in areas which are not dominated by Communists.

If the conscience of any Senator tells him that through socialization a country can step over into totalitarianism, then he should not vote to give one dollar of the taxpayers' money to any nation which, in his opinion, by the use of it, could become a dictatorship, and therefore not a real ally with America in the cause of furthering world peace.

So I say that if the able Senator from Missouri will accept the substitute of the Senator from Iowa, I think we shall have squarely presented to us the question: Do we believe in the socialization of major basic industries? Do we believe that by socializing them, sooner or later it will be necessary to have a dictatorship to operate them? If a dictatorship is required to operate them, a nation in such circumstances cannot be an ally of the United States under the North Atlantic Pact or the ECA. I think the issue is presented to us fairly, and I hope Senators will see fit to vote for the substitute. Its adoption will tell the world where we stand on this great question involving the differences between ideologies—between America and her institutions, on the one hand, and the ideology of the other extreme, as exemplified by Russian institutions.

EXHIBIT A

SOMEBODY'S GOING TO INVESTIGATE YOU IF YOU DON'T WATCH OUT!

You don't believe it, eh?

Who's that guy working with you?

Who's that student you're rooming with this year?

Who's that new kid on your team?

Sure, we know his name is Joe. We know his father works in a hardware store and his brother is a mechanic at the plant downtown. But did you know his third cousin by marriage has an uncle who is known to have signed a petition to place a Communist candidate on the ballot in Pennsylvania in the year 1940? You didn't, eh? Well, how do you feel about it now—associating with an American whose third cousin's uncle believes everybody, including Communists, have constitutional rights?

Boy, wait till the un-American Committee gets you on the stand. Suppose they ask you what you were doing on December 26, 1947?

You don't remember that night; do you? But the committee does.

That was the night someone persuaded you to go to a peace rally. There were maybe 7,000 people there, but the boys were able to pick you out because you're a big guy and because you've got red hair. Red! Get it? And do you remember who spoke at that rally? VITO MARCANTONIO—the United States Congressman from New York.

'Nuff said!

ONCE UPON A TIME

Once upon a time we had gremlins.

Now we have Communists instead.

If the people get mad about high prices, if you want more pay in your envelope, if you think every young person is entitled to a job regardless of the color of his skin, if students ask for education instead of UMT, if vets are getting worked up about no housing and exorbitant rents, if the voters get disgusted with the old parties, if Wallace's Progressive Party campaigns for peace, then this is what the big boys of Wall Street do:

They yell Communist loud and strong.

If they yell it loud enough and strong enough and long enough they hope you'll forget that Congress hasn't done anything to bring prices down or give the Nation housing or guarantee them peace. (Because the GOP and the Democrats are both in hock to big business.)

And the papers will be full of nice fat, scare headlines which are aimed to scare anybody who wants to vote for Wallace.

And to keep the fat headlines rolling, the un-American Committee cooks up a big fake spy scare.

And Harry says to Tom Clark: "Investigate the Reds! Call a grand jury! Make a big noise! Or they'll vote for Henry and we'll both be out of a job come November 4."

THEY DREAM UP FORCE AND VIOLENCE

So they call a grand jury. It's supposed to be a big hush-hush. But they let it leak out to the press that startling revelations are coming: big spy story—tie-up of Communist espionage in high places.

And when the grand jury finally emerges, does it say anything about Communist spies? It does not. Because there are no Communist spies. The jury admits it has absolutely no proof.

So lacking a bona fide spy scare they drag out an old lemon known as force and violence. On this charge they indict 12 leaders of the Communist Party. They plot to outlaw the Communist Party. This is the way the indictment goes: The Communists are "a society * * * of persons who teach and advocate the overthrow and destruction of the Government of the United States by force and violence."

That charge is a lie.

This is the truth: The Communist Party does not now—and never has—advocated the overthrow of the Government by force and violence. Its constitution specifically calls for the expulsion of any member who "conspires to overthrow any or all institutions of American democracy."

The Supreme Court of the United States, in the Schneiderman case, in 1943, stated that the Communist Party "desired to achieve its purpose by peaceful and democratic means."

Now, we'll tell you what the Communist Party really stands for:

Peace, the Bill of Rights, full equality for the Negro people, the right to work, and to strike, to social security, the right to advocate socialism to end the wars and depressions which capitalism breeds.

What we believe in was never said better than by William Z. Foster in answer to the Herald Tribune. He said:

"As an American I love our broad and beautiful land, its liberty-loving people, its wonderful industrial achievements, its glorious democratic traditions. But I do not love its capitalist system. All my adult life I have rebelled against an order of society which permits individuals to grab and hold as their private property the great natural resources and industries of our country, and which allows them to exploit for personal profit the masses of our people. I refuse to accept a social system under which a vast disproportion of the national wealth is owned by a few, and which forces one-third of our people to remain ill-clad, ill-fed and ill-housed, while armies of useless, parasitic capitalist idlers revel in luxury; a society which permits the barbaric lynching of Negroes to go unpunished; which inflicts our country periodically with devastating economic crisis and gigantic mass unemployment, and which is now deliberately organizing to plunge the world into another still more terrible war. In fighting against all these monstrous evils, in working for a Socialist America, I am performing the profoundest patriotic duty."

It is this kind of belief and the right to hold these beliefs that the Government is trying to stifle by indicting the 12 Communist leaders. The grand jury could charge no specific actions; it indicts the Communists for holding ideas. "Dangerous thoughts!" Of peace, security, democracy. If the Communist Party is outlawed—which is the purpose of the indictment—the gates are open to Fascism. Exactly as it started in Germany.

And we'll tell you what the Communist Party demands for young people:

First. Repeal the draft. We stand for the defense of the United States against all its real enemies. But America is in no danger of attack from anyone. We are the most powerful nation in the world today. The draft was engineered in order to create a war scare so that Wall Street could send American boys to China and Greece and the rest of Europe. Not to defend America * * * but to multiply Wall Street profits. To gobble the world.

Second. End Jim Crow in the armed forces. Discrimination, segregation, Jim Crow—these are the real subversives.

Third. Give 18-year-olds the right to vote. If they are old enough to be drafted they are certainly old enough to cast the ballot.

Fourth. Give youth a real job-training program; teach them skills; get them jobs.

Fifth. A public-housing program which will give young people homes—not promises.

Sixth. An end to quota systems and all discrimination in education.

Seventh. Pass Federal aid to education bill.

Eighth. Full academic freedom for students and teachers. An end to "thought control."

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the junior Senator from Missouri [Mr. KEM].

Mr. KEM. Mr. President, I accept the amendment offered by the Senator from Iowa to my amendment.

The PRESIDING OFFICER. Will the Senator be so kind as to send it to the desk? And does the Senator mean, by accepting it, that he is modifying his own amendment to read as it shall now be read by the clerk? Is that the meaning of the Senator from Missouri?

Mr. KEM. That is correct.

The PRESIDING OFFICER. The Senator from Missouri modifies his own amendment. The clerk will state the amendment as modified.

The LEGISLATIVE CLERK. On page 4, between lines 19 and 20, it is proposed to insert the following:

(c) Section 111 of such act is further amended by adding at the end thereof a new subsection as follows:

"(d) The Administrator shall not authorize assistance, under this act, within any participating country when such assistance will provide dollars or dollar credits which may be used by such participating country directly or indirectly, to acquire and operate in whole or in part any basic industry as a nationalized industry."

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Missouri as modified.

Mr. CONNALLY. Mr. President, under all the circumstances, I think the Senate ought to recess now. I move the Senate stand in recess until tomorrow——

Mr. MYERS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas withhold his motion?

Mr. MYERS. Mr. President——

The PRESIDING OFFICER. The Senator from Texas has the floor. Does the Senator from Texas yield the floor?

Mr. CONNALLY. I yield to the Senator from Pennsylvania.

The PRESIDING OFFICER. Generally speaking, a Senator can yield only for a question, in line with the policy laid down by the Vice President, but since the Senator from Pennsylvania is the acting majority leader, he may make a statement.

Mr. MYERS. Mr. President, it is our intention that when the Senate takes a recess, it recess until 12 o'clock noon tomorrow. We hope that we may then be able to finish the consideration of the bill sometime tomorrow. I am sure that most of the Members of the Senate would like to avoid a Saturday session, and in order to accommodate the membership, it is our hope to remain in session tomorrow until we conclude consideration of the bill. But before we recess——

Mr. WHERRY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator from Texas has the floor. Does he yield to the Senator from Nebraska?

Mr. CONNALLY. I yield.

Mr. WHERRY. Mr. President, may I ask the acting majority leader if his statement means—and I agree that we should try to press for a conclusion of the bill—we will stay in session with the idea of finishing the bill tomorrow or tomorrow night?

Mr. MYERS. That is correct. We have fixed no definite time. It is our hope that we can finish tomorrow. I say that only because I think most of the Members of the Senate desire to avoid a Saturday session.

Mr. KNOWLAND. Mr. President, will the Senator yield for an insertion in the RECORD?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from California?

Mr. CONNALLY. I yield.

The PRESIDING OFFICER. Without objection, the Senator from California is recognized for that purpose, as any other Senators will who wish to offer insertions for the RECORD.

ALLEGED DISCRIMINATIONS AGAINST AMERICAN INDUSTRY

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have inserted in the RECORD a letter dated March 24, which I addressed to Honorable Dean Acheson, regarding quota restrictions which discriminate against American industry and agriculture, the reply of the Secretary of State, dated March 30, 1949, and a letter from Under Secretary Webb dated April 1, 1949.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

MARCH 24, 1949.

Hon. DEAN ACHESON,
Secretary of State,
Department of State,
Washington, D. C.

DEAR MR. SECRETARY: We would be very much interested to know what steps have been taken by this Government to have the British Government materially reduce or

eliminate quota restrictions which discriminate against American industry and agriculture. At a time when the Congress is being urged to contribute to the opening up of the channels of trade it seems to us to be inconsistent for the British Government to establish economic iron curtains against American industrial and agricultural products, whether such restrictions be in the nature of quota arrangements, discriminatory taxation, or currency restrictions.

Any information you could furnish relative to this situation would be appreciated.

Sincerely yours,

WILLIAM F. KNOWLAND,
California.
STYLES BRIDGES,
New Hampshire.
ROBERT A. TAFT,
Ohio.
EDWARD MARTIN,
Pennsylvania.
OWEN BREWSTER,
Maine.

DEPARTMENT OF STATE,
Washington, March 30, 1949.

The Honorable WILLIAM F. KNOWLAND,
United States Senate.

MY DEAR SENATOR KNOWLAND: I have received the letter of March 24, 1949, signed by you and Senators BRIDGES, TAFT, MARTIN, and BREWSTER asking for information about the steps which this Government has taken to have the British Government eliminate quota restrictions.

I have asked officers in the Department to look into this matter carefully and will write to you again on the subject in the near future.

Sincerely yours,

DEAN ACHESON.

DEPARTMENT OF STATE,
Washington, April 1, 1949.

The Honorable WILLIAM F. KNOWLAND,
United States Senate.

MY DEAR SENATOR KNOWLAND: I refer to the letter of March 24, 1949, in which you and Senators BRIDGES, TAFT, MARTIN, and BREWSTER ask for information relative to certain discriminations by the British Government against American industry and agriculture and in which you state that the existence of such discrimination seems to be inconsistent with the objective of opening up the channels of trade.

Such discriminations against American industry and agriculture as are now in effect among European countries are part of a pattern whereby such countries are seeking to derive maximum benefit toward European recovery from their inadequate supply of dollars. In the main, these restrictions limit the import of products requiring dollar expenditure which the countries can do without or can obtain from their respective domestic economies or from soft currency sources. By conserving their dollars in this fashion, European countries are in a position to make the most of the assistance which they receive under the European Recovery Program and thereby to insure that European recovery will progress at the speediest practicable rate and at a minimum cost to the American taxpayer.

Current policies, which have been developed jointly with the Economic Cooperation Administration and with other interested agencies, have been framed with a full recognition of the desirability of returning at the earliest possible date to a pattern of nondiscriminatory multilateral trade. In order for such a pattern to be established on a sound and lasting basis, European recovery must have progressed to a point where not only the over-all balance of payments of the European countries can practicably be brought into balance, but also their balance of payments with the dollar area.

It is the aim of the ERP to achieve such a situation as rapidly as practicable. Progress toward this objective during the last year has been real, but a point has not yet been reached where it would be possible for European countries to achieve a balance in their dollar payments without careful conservation of their dollar earnings supplemented by assistance from the United States.

As you no doubt know, the relaxation of existing restrictions upon trade and currency convertibility involve questions of timing which are of the utmost complexity. You will recall the unfortunate experience which the British suffered when, in the summer of 1947, under the terms of the loan agreement, they reestablished limited sterling convertibility. You will recall that the British Government was compelled to abandon such convertibility within a few weeks, but only after serious inroads had been made upon her dollar reserves. In its participation in the development of policies in this field, the Department is earnestly endeavoring to avoid such premature measures in the future, which would only result in an increased burden on United States taxpayers, while at the same time moving toward the earliest reattainment of multilateral, nondiscriminatory world trading. The Department shares with you the conviction that such a pattern of world trading is the only lasting basis upon which economic relationships with Europe can be built.

I am enclosing extra copies of this letter and I should appreciate your giving one to each of the Senators who joined you in signing the letter.

Sincerely yours,

JAMES E. WEBB

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have inserted immediately following that correspondence a copy of an article which appeared in the London Times under date of March 31, 1949, relating to film quota.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REDUCTION IN FILM QUOTA—OPPOSITION URGES UNDERSTANDING WITH AMERICA

WESTMINSTER.—In the House of Commons this evening Mr. H. Wilson, President of the Board of Trade, moved the approval of an order to reduce the film quota for first feature films from 45 percent to 40 percent.

He explained that the order did not represent an uncontroversial proposal. No quota in this unhappy and divided industry could be uncontroversial. He had received no representations, official or unofficial, from Hollywood or any other part of America. The quota was fixed by the Board of Trade, conscientiously and fearlessly, in relation to the available facts.

He had departed from the figure recommended by one-half of the film council. Producers and renters were in favor of accepting the 45 percent, and were supported by one-half the trade-union representation. The exhibitors and the other half of the trade-union representation supported a proposal to reduce the quota to 33⅓ percent. Apart from the chairman the voting was exactly equal, and the chairman cast his vote in favor of a reduction, but said he did not favor a reduction as low as 33⅓ percent. In those circumstances he did not think it could be represented that he had flouted the advice of the film council since that advice was divided.

INCENTIVE TO INDUSTRY

There were two main considerations to be borne in mind in fixing a quota. One was the paramount necessity of building up a sound and healthy production industry in this country. Last year's quota was meant to be an encouragement and incentive to the industry. During the passage of the recent act he undertook to fix the quota at such a level as would provide a distribution outlet for all British films of a reasonable quality. They had to have in mind supplying to exhibitors a reasonable choice of films for their patrons. It would therefore be wrong to fix a quota merely in the interests of encouraging British production.

From the discussions in the film council it seemed reasonable to assume that new British first-feature films this year would number between 70 and 80. The 40-percent quota would mean that a town with three cinemas having a change of program no more than once a week would satisfy its obligation with 63 British films. The quota of 45 percent would require a total of 72 British films, and thus the new order gave a slightly larger margin between the number of films available and those required.

It was a great disappointment to him to have to reduce the quota. He did not want to sound too discouraging about it. The industry was going through difficult times, and if he thought that the reduction was more than temporary he would feel a good deal more concerned about the position than he did. He approached the reduction with the idea of reculer pour mieux sauter.

THE BIG COMPANIES

It was a fact that the big companies in the industry had been drawing in their horns for financial reasons. The films required to honor the reduced quota would have to come to a greater extent than hitherto from independent producers, who would require to be financed from sources other than the traditional ones in the industry, particularly from the new Film Finance Corp. Recent Hollywood film awards had shown that the quality of the best British films was still the best in the world.

Apprehension had been expressed that the quota was too high for the noncircuit exhibitor. The board of trade was empowered to award reduced quota percentages or in some cases total exemption from quotas to exhibitors who applied for relief and fulfilled certain prescribed conditions. It was too early to say to what extent relief would be given in the coming period but, in relation to the current year, they had granted relief of varying amounts to 1,471 cinemas, besides awarding total exemption to a further 307. In most cases it would be possible to award relief to those exhibitors who required them.

He was certain it was right to reduce the quota. It would have been an unfair burden on exhibitors in the light of the number of films expected to come forward to have required them to show 45 percent of their screen time through British films. That might have led to a break-down of the act if a large number of cinemas could not fulfill the quota set; nor would it have been in the best interests of British film production. On the other hand, to have reduced the quota further to 33⅓ or 25 percent would have dealt a grievous blow to British film production in this country.

He could understand why exhibitors in general were pressing for a lower quota, but they must realize that the short-term direct financial interest of the cinema exhibitor did not coincide with either the short-term or the long-term economic interest of the country as a whole. However true it might be that exhibitors' profits would have increased if they had been allowed to show a higher proportion of imported films, it was true that the economic condition of the country would have been gravely prejudiced by such a course, and, indeed, it would have dealt such a serious blow at the film production industry that it might have endangered the supply of films to the exhibitors.

UNEXPECTED RESULTS FROM QUOTA—MORE FINANCE NEEDED

Mr. E. Fletcher (Islington, E., Labor) said that if the object of the quota was to give the maximum assistance to British film production, it followed that no unnecessary or unjustified relief from the quota should be given. Those cinemas which had had quota relief were able to show more American films and draw off revenue from the cinemas showing a higher quota, and he estimated that as a result there was a net loss of £1m. to British film production.

In the current year the quota of 45 percent, while it had been fulfilled by and large, had had the unexpected result that instead of being a stimulus to British production the reverse had happened. Studios were empty, there had been redundancy and loss of employment. The reason for this was the difficulty in getting finance from private sources, and sooner or later it would be necessary for the Government to give increased financial assistance to British producers, just as it would also be necessary to work out a concordat with the Americans for quality films to be made in both countries on a basis of reciprocal showing.

Sir I. Fraser said that in a laudable attempt to encourage the making of British films and the saving of dollars the president of the board of trade had fixed the quota too high for all practical purposes.

Mr. N. Maclean (Glasgow, Govan, Labor) said that in suggesting a quota of 40 percent the president of the board of trade was acting in defiance of the Cinematograph Films Council, set up by himself, which recommended a quota of 33⅓ percent.

Mr. Granville (Eye, Labor) said we were losing the celluloid cold war with the United States. The cut of 5 percent in the quota and the fact that there was a great deal of redundancy in British studios proved that either the advisers to the president of the board of trade were wrong or there was something fundamentally wrong in the industry itself. The industry could not be safeguarded by quota qualifications. It needed an international agreement which would give the production side of the industry in this country the first real opportunity it had had for years.

ARTIFICIAL PROPS

Mr. T. O'Brien (Nottingham, W., Labor) said that the film industry, buttressed as it had been with a quota for the past 20 years, had now failed to stand up to the Americans. It was a source of considerable disquiet. He was not convinced that the finance was or would be available to meet the 40-percent quota. The quota would not put into employment one man who was now unemployed but would lead to further unemployment. The problem could only be solved by taking away the artificial props which this government and previous governments had put up to bolster the industry. The more props there were the more disagreement there would be among the interests in the industry. The time had come to tell the industry that it could no longer expect any government permanently to assist it.

Mr. McCallum (Argyll, Conservative) asked what consideration had been given to the position of independent Scottish exhibitors.

Mr. Levy (Eton and Slough, Labor) said that no amount of money tendered as gift or loan to the production side of the industry would be of any use in alleviating existing difficulties unless there was fairer distribution of box-office earnings.

Mr. W. G. Shepherd (Bucklow, Conservative) said that the basic difficulty was the lack of necessary cooperation by the American industrialists whose backs had been put up unnecessarily by Mr. Dalton. It was also essential that there should be some sort of unity in the British industry.

AMERICAN PRODUCTIONS

Mr. Wilson said he had warned the American negotiators last year that he would fix the highest possible quota figure. He could not have discussed with them, or even indicated to them, the figure he had in mind at that time, because he had no specific figure in mind, and by statute he was required to consult the new films council which could not be set up until the act was passed.

With regard to the present quota, no representations had been received from American interests. He would welcome much greater American film production in this country. The American industry was facing possible changes as a result of a legal decision which made it difficult for them to negotiate either with the British Government, or the British film industry.

It was completely wrong to suggest that the present situation was due to the 45-percent quota. If it was the opposition's argument that the falling off in the box-office receipts was due to the low quality of the films produced under the quota, they must realize that this quota was only announced in the middle of June and did not come into effect until October. It would have been almost impossible to get the films produced to have an effect on attendance and the finances of the industry.

BANK ADVANCES—MR. LYTTELTON'S CRITICISM

Mr. Lyttelton (Aldershot, Conservative) said the effect of fixing a 45-percent quota had undoubtedly been to give some substance to the fears about the quality of British production, which he thought had been falling. Producers admittedly were finding finance difficult. The advances which one joint-stock bank had made to one large film concern were greatly in excess of £10,000,000 and the security which the bank had against the advances largely consisted of canned films. It was not the type of banker's advance which was particularly popular either in Lombard Street or Threadneedle Street.

He could not congratulate the government on the history of the negotiations with the American film industry. We could not afford the unrestricted importation of American films, but the opposition had said that every effort should be made to gain not only an agreement with the Americans but also their cooperation. A great mistake was made at that time because immediately after the agreement with Mr. Eric Johnston had been concluded the quota was fixed at 45 percent without any previous consultation with the Americans. That was an immature piece of negotiation. It had led to a number of unpleasant consequences for us.

He noted from reports which he had received from America that the reduction of the quota to 40 percent had done nothing whatever to relieve the bitterness of the American film industry at the size of the quota generally. The Americans were extremely obstructive to British films being shown in the United States. Rightly or wrongly, they felt they had been treated in rather a smart way by the British Government.

WORST OF ALL WORLDS

Another consequence was that there was something like a sit-down strike by American producers in this country concerning the use of the blocked sterling they had accumulated here. They were sullen and uncooperative and were not using that blocked sterling to produce films here. Exhibitors were short of third-feature films and the public were definitely put off attendance at cinemas by the quality of the films. The consequence was that unemployment was beginning to be rife.

Taking it all together, the rather maladroit way in which the Government conducted their negotiations had resulted in the industry as a whole getting the worst of all worlds. The Government's action, so far as the Government had interfered, was done in a way which would lead one to suppose that the industry was already nationalized. [Laughter.] It gave one very little confidence about the future.

He hoped that the lessons of this mess would be borne in on the Government. A certain amount of face-losing on their part had to be recognized and we should try to gain the cooperation of the Americans. It was clear that the industry was in great jeopardy. The necessary first steps were to reopen the subject with the American producers, to release some of the British film earnings abroad, and to consider at an early date some remission of the purchase tax.

This order represented a set-back to all who were hoping for a continually expanding production, but provided that the industry could settle its other problems, financial, distribution, and all the rest, he would hope not only that this quota could be realized without hardship to anyone, but, further, that they could look forward to a reversion to a higher quota in the reasonably near future and see a firmly established film industry in this country.

Mr. Blackburn (Birmingham, King's Norton, Labor) said that on the last occasion when he addressed the House, he repeated information he had incorrectly received as a member of the committee of inspection in the liquidation of the Royal Mail Steam Packet Company that Lord Baldwin had intervened in relation to the prosecution of Lord Kylsant. He wished to withdraw that statement. He now knew that it was incorrect.

We had in this country, he continued, the resources and the men to fulfill the 45-percent film quota and no valid reason had been given why it should not be fulfilled. The government should requisition the studio space and see that we produced the films for the quota. We did not want the American film industry being built up in this country. We should be fighting to have our own industry. The whole of the producers and renters were unanimous that they wanted to retain the 45-percent quota.

Mr. Gallacher (Fife, W., Communist) said that Mr. Rank and company laid the foundations of the ruin of the industry and the mass unemployment through the enormous expenditure on films in the attempt to get the American market. The 45-percent quota could easily be fulfilled. Mr. Wilson should take over control of the studios and set the people to work.

The order was approved.

EXTENSION OF EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 1209) to amend the Economic Cooperation Act of 1948.

Mr. MAYBANK. Mr. President, I desire to inquire if there will be an executive session this evening.

Mr. MYERS. Yes, Mr. President.

The PRESIDING OFFICER. The Chair is advised that there will be an executive session.

Mr. TYDINGS. Mr. President, will the Senator from Texas yield?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Maryland?

Mr. CONNALLY. I yield.

Mr. TYDINGS. I should like to ask the Senator from Texas, in view of the fact that the debate has been continuing for approximately 3 weeks and that all phases of the subject have been covered, if it would not be possible to get a unanimous-consent agreement that at 2 o'clock tomorrow afternoon the Senate

begin voting on the bill and all amendments thereto. It seems to me that 3 weeks is a pretty long time.

Mr. CONNALLY. I think it is feasible and sensible; but I do not know whether it is practicable.

Mr. TYDINGS. Mr. President, I should like to ask the Senator from Texas whether he will put that proposition to the test. I do not mean to be captious in asking this, but I myself think that after 3 weeks of debate we ought to dispose of the matter and proceed with something else.

Mr. CONNALLY. I will yield to the Senator from Maryland so that he may propound the request.

The PRESIDING OFFICER. The Senator cannot yield for that purpose. What is the pleasure of the Senator from Texas?

Mr. CONNALLY. Mr. President, I ask unanimous consent that, beginning tomorrow at 2 o'clock, the Senate proceed to vote upon all pending amendments, to be followed by a vote on the bill.

The PRESIDING OFFICER. Is there objection?

Mr. MORSE. Mr. President, reserving the right to object, I wish to say that I do not share the view that the debate on this important issue before the Senate has been too prolonged. I am perfectly willing to let the record speak for itself. As a proponent of the pending legislation, I take the position that it is of the utmost importance that the point of view of Senators who are in disagreement with the legislation be made a matter of record, so that the people of the Nation—and there are hundreds of them writing to their representatives, raising objections to the pending bill—can know as a fact that we have considered all possible objections and criticisms to the proposed legislation.

Further, I want to say, Mr. President, that in view of the parliamentary situation which has developed in the Senate, in view of the course of action which has been followed by the majority leader in the handling of the business of the Senate, it will be a long time indeed before the Democratic side of the aisle will be able to transact business by way of unanimous consent. It will transact business by motion only.

The junior Senator from Oregon objects.

The PRESIDING OFFICER. Objection is heard.

Mr. CONNALLY. Mr. President, I yield the floor.

Mr. MYERS. Mr. President, I move that the Senate——

Mr. TYDINGS. Mr. President, will the Senator yield for a moment?

Mr. MYERS. I shall be very happy to yield to the Senator from Maryland.

Mr. TYDINGS. I should like to ask the Senator from Pennsylvania why not proceed with the session. Why should the Senate recess at this time?

Mr MYERS. There was a general understanding or agreement that a recess would be taken at approximately 6 or 6:30 o'clock unless there seemed to be an opportunity to complete debate on the bill by 8 or 9 o'clock. There are a number of pending amendments, and it seems to me there is no possibility of finishing before 12 o'clock tonight. Therefore we thought it would be better to go over until tomorrow, in the hope that we might remain in session tomorrow until a reasonable hour and get a vote on the passage of the bill.

Mr. TOBEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from New Hampshire?

Mr. MYERS. I yield.

Mr. TOBEY. Mr. President, do I correctly understand that the acting majority leader says he hopes we can get through tomorrow?

Mr. MYERS. The best I can say is hope.

Mr. TOBEY. Mr. President, will the Senator yield further?

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from New Hampshire for a question?

Mr. MYERS. I yield.

Mr. TOBEY. Is the Senator familiar with the biblical statement that hope deferred maketh the heart sick?

The PRESIDING OFFICER. Long deferred, is it not?

Mr. TOBEY. Mr. President, the Senator from New Hampshire would question the authenticity of the quotation as given by the occupant of the Chair.

Mr. TYDINGS. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. TYDINGS. The Presiding Officer has no right to engage in conversation with Senators on the floor.

The PRESIDING OFFICER. The Senator is quite correct, and if it is the desire of the Senator from Maryland, the remark will be expunged.

Mr. TOBEY. Mr. President, will the Senator yield further?

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from New Hampshire?

Mr. MYERS. I yield.

Mr. TOBEY. Does the Senator from Pennsylvania have valid reasons for his hope that the Senate can finish tomorrow?

Mr. MYERS. I do. The Senate now seems to be in good humor, and I am hopeful we can finish tomorrow. I think it is probably advisable to take a recess this afternoon, because every Member seems to be in good humor at this time.

Mr. TOBEY. Mr. President, will the Senator yield further?

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from New Hampshire for a question?

Mr. MYERS. I yield.

Mr. TOBEY. I suppose the Senator thinks that sufficient unto the day is the evil thereof. Is that correct?

The PRESIDING OFFICER. The Chair makes no observations in connection with that statement.

EXECUTIVE SESSION

Mr. MYERS. I move the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. DONNELL in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. GEORGE, from the Committee on Finance:

Sam D. W. Low, of Houston, Tex., to be collector of customs for customs collection district No. 22, with headquarters at Galveston, Tex., to fill an existing vacancy; and

Victor Russell, of Port Arthur, Tex., to be collector of customs for customs collection district No. 21, with headquarters at Port Arthur, Tex. (reappointment).

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

Ernest Gruening, of Alaska, to be Governor of the Territory of Alaska (reappointment).

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will proceed to state the nominations on Executive Calendar.

EXPORT-IMPORT BANK OF WASHINGTON

The legislative clerk read the nomination of Hawthorne Arey to be a member of the Board of Directors of the Export-Import Bank of Washington.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DEPARTMENT OF COMMERCE

The legislative clerk read the nomination of Cornelius Vanderbilt Whitney to be Under Secretary of Commerce.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

NOMINATION PASSED OVER

The legislative clerk read the nomination of Thomas C. Blaisdell, Jr., to be Assistant Secretary of Commerce.

Mr. WHERRY. Mr. President, I respectfully ask that the nomination go over at this time. I want the RECORD to show that I am making the suggestion in behalf of a Senator who is not on the floor.

The PRESIDING OFFICER. The nomination will go over, in accordance with the request.

INTERSTATE COMMERCE COMMISSION

The legislative clerk read the nomination of Hugh W. Cross to be an Interstate Commerce Commissioner.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

CIVIL AERONAUTICS BOARD

The legislative clerk read the nomination of Oswald Ryan to be a member of the Civil Aeronautics Board.

Mr. MAGNUSON. Mr. President, without taking the time of the Senate to make a few remarks I had intended to make on this nomination, I ask unanimous consent that the statement I have

prepared be printed in the body of the RECORD at this point.

The PRESIDING OFFICER. The Senator understands that under the rule the statement will be printed in small type, not in the regular type, does he?

Mr. MAGNUSON. I understand that.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Washington?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WARREN G. MAGNUSON

Oswald Ryan is an original member of the Civil Aeronautics Board, appointed by President Roosevelt in 1938. He had previously served 6½ years as general counsel of the Federal Power Commission under the Hoover and the Roosevelt administrations, during which time he had argued important public-utility cases to the Supreme Court and other Federal courts.

Mr. Ryan was the only lawyer on the Board during its early years and the only member that had had previous experience in public regulation. Accordingly he took leadership in developing the technique of the new regulation. Thus, he urged, and the Board adopted years ago, an administrative procedure which separated the judicial from the prosecuting functions and provided for a fair hearing for all interested parties in both judicial and legislative cases. In this connection, it is a significant fact that when the Administrative Procedure Act was adopted by the Congress a few years ago, the Civil Aeronautics Board was the only quasi-judicial commission of the Government which found it unnecessary to make basic changes in its procedure to conform to the new law. That was because the basic reforms provided by the new act had been adopted years before by the Board on its own motion.

Another contribution which is credited to Mr. Ryan was the establishment of prudent investment as the basis of rate making. Mr. Ryan, before coming to the Civil Aeronautics Board, had appeared before the Supreme Court and argued as a "friend of the Court" in favor of the prudent-investment method of public-utility rate making as against the old reproduction-cost method. He successfully urged this rate-making reform upon the Board.

Mr. Ryan has also led in the past 10 years in bringing about a cooperative relation between the Civil Aeronautics Board and the various State aviation agencies which have frequently been in conflict. In 1945 he offered to the representatives of the States assembled at St. Louis a solution to the problem which contemplated congressional action which would give to State aviation agencies and courts concurrent jurisdiction to enforce Federal aviation laws and regulations. Within the past few days the State aviation commissions, the Civil Aeronautics Administration, and the Civil Aeronautics Board have reached common agreement upon this plan which the Congress will be asked to incorporate in legislation.

[From the CONGRESSIONAL RECORD, Senate, December 16, 1942]

CIVIL AERONAUTICS BOARD

Mr. BARKLEY. Mr. President, yesterday the President sent to the Senate two nominations to the Civil Aeronautics Board, one being that of Oswald Ryan, of Indiana, to be a member of the Civil Aeronautics Board, for the term expiring December 31, 1948, which is a reappointment, and the other the nomination of our colleague the Senator from Oklahoma [Mr. LEE] to be a member of the Civil Aeronautics Board. It was not intended that the nomination of the Senator from Oklahoma should come up for consideration at this session. By some mistake of the clerical force at the White House his nomination was included. The Senator from Oklahoma is not eligible to appointment to that Board until after his term as Senator expires, because the Board was created during the term of the Senator from Oklahoma which is now expiring. Therefore, I do not expect any action to be taken upon that nomination, now. The other nomination, however, of Mr. Ryan is a reappointment, and I ask unanimous consent that that nomination be confirmed without reference to committee.

Mr. MCNARY. Mr. President, this matter was called to my attention yesterday. I am acquainted with Mr. Ryan and familiar with his work on the Board, and so far as I am personally concerned, I have no objection to the confirmation of the nomination of Mr. Ryan at this time. It is a reappointment, and, of course, otherwise would have to go over until the next session.

Mr. BARKLEY. I make the request, Mr. President, with the approval of the Senator from North Carolina [Mr. BAILEY], the chairman of the Committee on Commerce.

Mr. MCCARRAN. Mr. President, I desire to make one or two remarks as to Mr. Oswald Ryan, in furtherance of the request made by the majority leader. As the author of the act under which Mr. Oswald Ryan is serving, I wish to pay the very highest possible compliment to him for his very able, efficient, and progressive administration while he has been in his present position. I think there is no man in the United States who could better fill the position than Mr. Oswald Ryan, and I am glad to join in the request that his nomination be immediately confirmed.

The PRESIDING OFFICER. The nomination will be stated.

The legislative clerk read the nomination of Oswald Ryan, of Indiana, to be a member of the Civil Aeronautics Board, for the term expiring December 31, 1948 (reappointment).

The VICE PRESIDENT. Is there objection to the present consideration of the nomination? The Chair hears none, and, without objection, the nomination is confirmed, and the President will be immediately notified.

The PRESIDING OFFICER. Without objection, the nomination of Oswald Ryan is confirmed, and the President will be notified.

Mr. MYERS. Mr. President, I ask unanimous consent that the order be withdrawn, because I understand the Senator from South Carolina desires to direct some remarks to the nomination.

The PRESIDING OFFICER. Without objection, the order made by the Chair a moment ago will be set aside. Is there objection? The Chair hears none, and it is set aside.

Mr. MAYBANK. Mr. President, I wish to say that Mr. Oswald Ryan, a distinguished member of the Civil Aeronautics Board, who has been nominated for a 6-year term, served ably and long on the Federal Power Commission, and in the dark days in South Carolina we were fortunate in having Mr. Ryan serve in that position. He rendered great service to the State of South Carolina in connection with the development of the Santee River. He defended us in the circuit courts and in the local courts. The State went on record, by the adoption in the legislature of a long resolution, in appreciation of his great service as a member of the Federal Power Commission, originally appointed, I believe, by President Hoover. He served ably and long, and I am happy to be in the Senate to cast my vote for the confirmation of his nomination. He is an outstanding American, and has been of great assistance to South Carolina and to the United States in general.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Oswald Ryan, of Indiana, to be a member of the Civil Aeronautics Board? Objection was made by the Senator from Pennsylvania [Mr. MYERS] for the purpose of allowing the Senator from South Carolina to speak on the nomination.

Mr. MYERS. I withdraw the objection.

The PRESIDING OFFICER. The objection is withdrawn.

Mr. MYERS. Mr. President, I wish to have the RECORD show that my only purpose in objecting—and perhaps I should have reserved the right to object—was to give the Senator from South Carolina an opportunity to speak in reference to this nomination.

The PRESIDING OFFICER. The question is on the nomination.

The nomination was confirmed.

The PRESIDING OFFICER. The President will be immediately notified of all confirmations of today.

RECESS

Mr. MYERS. I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 5 minutes p. m.) the Senate took a recess until tomorrow, Friday, April 8, 1949, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 7 (legislative day of March 18), 1949:

DEPARTMENT OF DEFENSE

Stephen T. Early, of Virginia, to be Under Secretary of Defense.

FEDERAL TRADE COMMISSION

John Carson, of Michigan, to be a Federal Trade Commissioner for the unexpired term of 7 years from September 26, 1945.

UNITED STATES MARSHAL

John J. Wein, of Ohio, to be United States marshal for the northern district of Ohio. He is now serving in this office under an appointment which expires April 7, 1949.

IN THE NAVY

The following-named officers for temporary appointment to the grade of rear admiral in the line of the Navy:

Lyman A. Thackrey	Herbert S. Duckworth
Carl F. Espe	Frank Akers

The following-named officers for temporary appointment to the grade of rear admiral in the Supply Corps of the Navy:

Samuel E. McCarty
George W. Bauernschmidt

IN THE NAVY

The following-named officers of the Navy for temporary appointment to the grade of captain subject to qualification therefor as provided by law.

The following-named officers for temporary appointment in the line of the Navy:

Carlton R. Adams	Burrell C. Allen, Jr.
Scarritt Adams	Robert A. Allen
James A. Adkins	William Y Allen, Jr.
John W. Alles III	Charles H Andrews

John B. Azer
Harry P. Badger
James O. Banks, Jr.
Rudolph C. Bauer
Paul P. Blackburn, Jr.
Everett M. Block
John B. Bowen, Jr.
Alston M. Boyd, Jr.
Parke H. Brady
John M. Bristol
Douglas B. Brokenshire
Thomas M. Brown
Edward Brumby
Harvey P. Burden
Norwood A. Campbell
Joseph P. Canty
Edward S. Carmick
Albert S. Carter
Francis M. Carter
George M. Chambers
Wreford G. Chapple
Robert N. S. Clark
Joseph C. Clifton
Doyle M. Coffee
Victor B. Cole
Edward E. Colestock
John B. Colwell
Richard J. H. Conn
Ray R. Conner
John Corbus
Howard G. Corey
Robert R. Craighill
Dana B. Cushing
James W. Davis
Edward M. Day
Harry E. Day
Walter S. Denham
Jefferson R. Dennis
Paul L. deVos
John B. Dimmick
Joseph E. Dodson
Jack S. Dorsey
William T. Doyle, Jr.
William M. Drane
Charles G. Duffy
Elmer J. Dunn
Harold E. Duryea
Otis J. Earle
Walter G. Ebert
Ian C. Eddy
Hal K. Edwards
John E. Edwards
William E. Ellis
Christian L. Engleman
Lot Ensey
Robert J. Esslinger
William S. Estabrook, Jr.
Charles T. Fitzgerald
Andrew M. R. Fitzsimmons
John F. Flynn
Robert S. Ford
Dennis L. Francis
Bernhart A. Fuetsch
Robert E. Gadrow
Edmund E. Garcia
Kenneth M. Gentry
Frank D. Giambattista
George O. Gjoerloff
Charles R. Gilliam
Marvin H. Gluntz
John B. Gragg
James D. L. Grant
Elonzo B. Grantham, Jr.
George M. Greene
William M. Gullett
Elvin Hahn
Thomas B. Haley
Mervin Halstead
Henry O. Hansen
Burton S. Hanson, Jr.
Chesley M. Hardison
William L. Harmon
David A. Harris
James W. Haviland III
David D. Hawkins
George L. Heap
Harold M. Heming
Charles R. Herms
Alexander S. Heyward, Jr.
George M. Holley
Herschel A. House
John G. Howell
Charles C. Howerton
John Hulme
Hayes E. Irons
Alexander Jackson, Jr.
Andrew McB. Jackson, Jr.
Walter T. Jenkins
Lafayette J. Jones
John H. Keatley
Harold W. Keopka
John O. Kinert
William H. Kirvan
Denys W. Knoll
Lyle L. Koepke
George F. Kosco
Donald F. Krick
Keith M. Krieger
Thomas R. Kurtz, Jr.
Frederick W. Laing
James G. Lang
Rowland C. Lawver
James T. Lay
John E. Lee
Nicholas A. Lidstone
Horatio A. Lincoln
Charles W. Lord
Vernon L. Lowrance
Frederic C. Lucas, Jr.
Frank P. Luongo, Jr.
Oliver D. T. Lynch
Edgar J. MacGregor III
Hugh T. MacKay
Elwood C. Madsen
Joseph B. Maher
Ray E. Malpass
Herbert H. Marable
Edmund S. L. Marshall
Henry M. Marshall
Kleber S. Masterson
Laurance O. Mathews Jr.
Leo G. May
Charles T. Mauro, Jr.
Albert S. Miller
Frank B. Miller
Theodore T. Miller
Ray A. Mitchell
William A. Moffett, Jr.
Robert R. Moore
John A. Moreno
Elias B. Mott II
Warren H. McClain
Charles E. McCombs
George T. McCready, Jr.
Montgomery L. McCullough, Jr.
Francis C. B. McCune
Robert D. McGinnis
Louis D. McGregor, Jr.
John R. McKnight, Jr.
Bowen F. McLeod
Ira E. McMillian
Roscoe L. Newman
James H. Newsome
Roy A. Newton
Kelvin L. Nutting
Emmet O'Beirne
Davis W. Olney
Arthur E. Owen
George G. Palmer
Alex M. Patterson
Harold Payson, Jr.
Herman A. Pieczentkowski
William S. Post, Jr.
Lynne C. Quiggle
Samuel M. Randall
Allen L. Reed
Edward C. Renfro
Everet O. Rigsbee, Jr.
Horacio Rivero, Jr.
Josephus A. Robbins
Norman K. Roberts
Allan B. Roby
Bernard F. Roeder
Joseph A. Ruddy, Jr.
Lawrence E. Ruff
Royal L. Rutter
Henry G. Sanchez
Eddie R. Sanders
William H. Sanders, Jr.
Eugene T. Sands
Gifford Scull
George C. Seay
Raymond N. Sharp
Frank T. Sleat
Harry Smith
William O. Snead, Jr.
Arthur F. Spring
Clyde B. Stevens, Jr.
James E. Stevens
Francis S. Stich
Robert J. Stroh
Walter W. Strohbehn
Robert T. Sutherland, Jr.
John F. Tatom
Robert H. Taylor
Robert L. Taylor
Olin P. Thomas, Jr.
Thaddeus J. Van Metre
Alexander C. Veasey
Harry J. Verhoye
James O. Vosseller
Edwin O. Wagner
Ellis K. Wakefield
Thomas S. Webb
Samuel P. Weller, Jr.
Charles L. Westhofen
James D. Whitfield, Jr.
Edson H. Whitehurst
William W. Wilbourne
Macpherson B. Williams
Thomas L. Wogan
Royal A. Wolverton
Henry P. Wright, Jr.
Thomas K. Wright
Wesley A. Wright
William N. Wylie
Ray F. Yager
Joseph B. H. Young

The following-named officers for temporary appointment in the Medical Corps of the Navy:

Lawrence L. Bean
Sam C. Bostic
Byron F. Brown
George G. Burkley
Herman F. Burkwall
Charles L. Denton
Archibald M. Ecklund
Richard H. Fletcher
Roland H. Fogel
James E. Fulghum
Percy B. Gallegos
Charles Gartenlaub
John A. C. Gray
John K. Hawes
Harold Hirshland
Peter E. Huth
Spencer Johnson
Louis P. Kirkpatrick
Ernest S. V. Laub
Jerome P. Long, Jr.
John A. Lund
Leslie L. MacClatchie
Ralph R. Myers
Ira C. Nichols
Paul G. Richards
Nathan L. Robbin
Thomas P. Rogers
William M. Russell
Shelton P. Sanford
Robert V. Schultz
David W. Sherwood
Walter J. Shudde
Leonard E. Skilling
Fred B. Smith
Charles C. Terry, Jr.
Leslie L. Veseen
Ross W. Weisiger
James N. Williams
Michael Wishengrad

The following-named officers for temporary appointment in the Supply Corps of the Navy:

Clark T. Abbott
Thomas L. Becknell, Jr.
James W. Boundy
Aubrey J. Bourgeois
Carlos M. Charneco
George W. Foott
Hugh C. Haynsworth, Jr.
Willard C. Johnson
Albert P. Kohlhas, Jr.
William M. Landau
Onnie P. Lattu
Lionel C. Peppell
Walter F. Prien

The following-named officers for temporary appointment in the Civil Engineer Corps of the Navy:

Henry G. Clark
Arthur I. Flaherty
Pinckney M. Jeffords
James C. Tily
Alexander S. C. Wadsworth
William F. Wesanen

The following-named officers for temporary appointment in the Dental Corps of the Navy:

Robert E. Blair
Jesse B. Bancroft
Donald M. Coughlin
Thaddeus V. Joseph
George H. Mills
Max A. Moon
Edwin A. Thomas
Lauro J. Turbini

The following-named officers of the Naval Reserve for temporary appointment to the grade of captain in the line of the Naval Reserve subject to qualification therefor as provided by law:

Lenus F. Adams
Benjamin B. Dowell
Arthur F. Morash
Charles E. Smith
Wilson Starbuck
Frederick R. L. Tuthill

CONFIRMATIONS

Executive nominations confirmed by the Senate April 7 (legislative day of March 18), 1949:

EXPORT-IMPORT BANK OF WASHINGTON

Hawthorne Arey to be a member of the Board of Directors of the Export-Import Bank of Washington, D. C., for the remainder of the term expiring June 30, 1950.

DEPARTMENT OF COMMERCE

Cornelius Vanderbilt Whitney to be Under Secretary of Commerce.

INTERSTATE COMMERCE COMMISSION

Hugh W. Cross to be an Interstate Commerce Commissioner for the remainder of the term expiring December 31, 1950.

CIVIL AERONAUTICS BOARD

Oswald Ryan to be a member of the Civil Aeronautics Board for the term of 6 years expiring December 31, 1954.

IN THE ARMY

The nominations of Earl R. Adams et al., for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), effective June 15, 1949, subject to physical qualification, and with the dates of rank to be determined by the Secretary of the Army, and the nominations of John R. Cross et al., for appointment in the Regular Army of the United States in the grade of second lieutenant in the Medical Service Corps, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), effective June 15, 1949, subject to physical qualification, and with dates of rank to be determined by the Secretary of the Army, which were confirmed today, were received by the Senate on March 31, 1949, and appear in full in the Senate Proceedings of the CONGRESSIONAL RECORD for that day, under the caption "Nominations," beginning with the name of Earl R. Adams, which name is shown on page 3597, and ending with the name of Dale E. Wykoff, which is shown on page 3598.

IN THE NAVY

APPOINTMENTS

Rear Adm. John W. Reeves, Jr., United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving under a designation in accordance with section 413 of the Officer Personnel Act of 1947.

Vice Adm. Arthur W. Radford, United States Navy, to have the grade, rank, pay, and allowances of an admiral while serving under a Presidential designation as Commander in Chief, Pacific, Commander in Chief, United States Pacific Fleet, and High Commissioner of the Trust Territory of the Pacific Islands.

The following-named (Naval Reserve Officers' Training Corps) to be ensigns in the Navy, from the 3d day of June 1949:

Orlie G. Baird
Leo P. Bauerlein
Robert "C" Brown, Jr.
Edward R. Day, Jr.
Dean C. DuBois, Jr.
Jimmie "C" Hendricks
Charles B. House, Jr.
Alvin Rush
Ralph G. Spencer
Louis R. Tevell
Jeremy F. Worden

The following-named (Naval Reserve Officers' Training Corps) to be ensigns in the Supply Corps of the Navy, from the 3d day of June 1949:

Robert C. Austin
Lee R. Balderston
John F. Rawls, Jr.

Robert L. Herman (Naval Reserve Officers' Training Corps) to be an ensign in the Civil Engineer Corps of the Navy, from the 3d day of June 1949.

The following-named (Naval Reserve aviators) to be ensigns in the Navy:

George E. Allison
William F. Beatty
Harry L. Benson
Victor D. Brockmann
Alva D. Burkett
James E. Cahill
Charles E. Cantrell, Jr.
Warren E. Carman
Richard E. Case
William A. Cody
Jack C. Coggins
Robert T. Darcy
Howard M. Davenport, Jr.
George D. Edwards, Jr.
Lester H. Finger
Frederick L. Foxton
Jack D. Fuller
Robert W. Hargarten
Harry J. Hinden
David B. Holcombe
Jack I. Holmes, Jr.
Robert T. Holmes
William C. Hoyman
Glenn D. Jordan
Herbert L. Joss
Frank C. Kolda
Andrew F. Kruzich
Joseph R. Laubach, Jr.
Edward F. Lebiedz
Walter R. Lewison
Robert P. McArdle
Carey P. McMurray
James G. Measel
Albert J. Monger
Richard D. Murray
William G. Nealon
Norman J. Neiss
William E. Nowers
Phil G. Olsen
Delbert A. Olson
Joseph E. Puccini, Jr.
Howard M. Puckett
Robert N. Radtke
David R. Reilly
Wallace Rich
Daniel P. Riley
Paul E. Russell
Wallace L. Russell
William McC. Shaver
James R. Stohl
Glenn E. Trewet, Jr.
Bruce W. VanAtta
Joseph M. Verlander
Robert S. Vermilya
Cecil R. Vollmer
Gerald A. Warnke
Douglas A. Washburn
Eugene F. Witkowski
Robert H. Witten
John L. Zent

The following-named (civilian college graduates) to be ensigns in the Navy, from the 3d day of June 1949:

Edward Auerswald
William E. Biro
Albert T. Buckmaster
William H. Diana, Jr.
Charles F. Jesson
Wade C. Kemerer
Alfred G. Kreinberg
William T Morgan
Wehrle D. Richmond
James H. Rogers
Francis M. Simmons
Wayne F. Smith
John H. Thayer

The following-named (civilian college graduates) to be ensigns in the Supply Corps of the Navy, from the 3d day of June 1949.

Andrew M. Durham
Joseph L. Forehand
Robert L. McClintock
William F. Reiser

William T. H. Barton (civilian college graduate) to be a lieutenant (junior grade) in the Dental Corps of the Navy.

The following-named to be ensigns in the Nurse Corps of the Navy:

Mary A. Ayars
Jennie Binkiewicz
Irene L. Bryant
Elizabeth M. Dobos
Jessie R. Franklin
Edna P. Gordon
Bobbie L. Henley
Annette A. Kalista
Margaret A. Kane
Elizabeth L. Kotch
Bertha A. Krumming
Margaret H. Lester
Elizabeth F. Metcalf
Janet R. Mullen
May L. Reid
Jean A. Replogle
Mary Stefanick
Dannelle Westbrook

John M. Whalen to be a commander in the Medical Corps of the Navy, in lieu of lieutenant commander in the Medical Corps of the Navy, as previously nominated and confirmed.

The following-named officers to the grades indicated in the Dental Corps of the Navy:

LIEUTENANT COMMANDERS

Lloyd A. Bohaker
Arthur D. Eastman
Harold W. Feder
Howard H. Fischer
James C. Reader

LIEUTENANTS

William E. Hutson
Charles E. Rudolph, Jr.
John H. Smith

LIEUTENANT (JUNIOR GRADE)

Wayne A. Nelson

The following-named midshipmen (Naval Academy) to be ensigns in the Navy, from the 3d day of June 1949:

Emile W. Achee
Francis McK. Adams, Jr.
Richard D. Adams
Edward C. Adkins
Richard S. Agnew
Hugh W. Albers
Edward L. Alderman
Robert B. Aljoe
David S. Allen
Milton N. Allen
John H. Alvis
Ted M. Annenberg
Robert H. Ardinger
"A" "J" M. Atkins
Wilfred A. Bacchus
Allan F. Bacon
John A. Bacon, Jr.
Herman M. Bading
Gilliam M. Bailey
Richard T. Bailey
John C. Bajus
Robert F. Baker
Allen H. Balch
William J. Balko
Jack E. Baltar
Robert Barden
Henry B. Barkley, Jr.
John C. Barrow
John F. Barrow
Joseph J. Barrow
Byron S. Bartholomew, Jr.
Bernard E. Bassing
Charles J. Baumann, Jr.
Fred G. Baur
Reaves H. Baysinger, Jr.
Raymond W. Bean
Reynolds Beckwith
James W. Beeler
George M. Benas, Jr.
Cedric E. Bennett
John E. Benoit
Francis W. Benson, Jr.
John S. McK. Benson
Richard H. Benson
Manuel S. Bentin
Richard H. Berby
Melvin Berngard
Karl J. Bernstein
Frederick J. Blodgett
Thomas E. Bloom
Paul R. Boggs, Jr.
Roger M. Boh, Jr.
Donald B. Bosley
Alfred C. Boughton III
William DeW. Bourne
Rhodes Boykin, Jr.
Robert E. Brady
Walter J. Brajdich
William W. Brandfon
Carl R. Brandt
Charles B. Breaux, Jr.
Edward S. Briggs
William R. Boughton, Jr.
Coleman "T" Brown, Jr.
Ernest B. Brown
Frank P. Brown, Jr.
James B. Brown
Robert A. Brown
Gerald F. Brummitt
William L. Bryan
Harry F. Bryant, Jr.
Winfred L. Buckingham
Robert W. Bulmer
Gerald L. Burk
John F. Burke
Barksdale A. Bush, Jr.
Herman J. Bushman Jr.
Dempsey Butler, Jr.
James D. Butler
Kenneth LeR. Butler
Thomas O. Butler, Jr.
William McC. Callaghan, Jr.
John J. Campanile
David O. Campbell
Donald H. Campbell
Lucien Capone, Jr.
James A. Carmack, Jr.
Bruce A. Carpenter
James W. Carpenter
Andrew R. Carr
Kenneth M. Carr
Robert H. Cartmill
John P. Cartwright
Edward S. Carver
Albert L. Cecchini
James H. L. Chambers, Jr.
Samuel R. Chessman
Edmond A. Chevalier
Raymond G. Chote
Louis G. Churchill, Jr.
Glenwood Clark, Jr.
Robert S. Clark
Willard H. Clark, Jr.
Horace D. Clarke, Jr.
Wade E. Clarke
Richard A. Claytor
Richard C. Clinite
David G. Cluett
Warrington C. Cobb
Albert G. Cohen
William M. Coldwell
Leonor L. Collins
William D. Collins, Jr.
Oliver D. Colvin, Jr.
Richard R. Colvin
Robert N. Congdon
Robert W. Conklin
Harvey Conover, Jr.
Karl F. Cook
Robert J. Coontz
Alan B. Cooper
Stanley G. Cooper
Francis E. Cornett
Stanley T. Counts
Sidney S. Cox
Billy H. Craig
Donald E. Craig
Edgar A. Cruise, Jr.
John B. Culp, Jr.
George W. Cummings
Theodore A. Curtin
Stanley W. Curtis, Jr.
Donald A. Dahlman
John M. Dalrymple
John F. Danis
Chester G. Davis
Whittier G. Davis
Jules H. Demyttenaere
Edwin L. Dennis, Jr.
Lawrence H. Derby, Jr.
James D. Dickson
Joe A. Dickson
Edward O. Dietrich
Louis W. Dillman
Horace E. Dismukes
John C. Dixon, Jr.
Stephen A. Dobbins
John F. Dobson
William C. Doby
John F. Docherty, Jr.
Harry J. Donahue
John M. Donlon
James A. Donovan
Kurt F. Dorenkamp
William C. Dotson
Robert McI. Douglass
Barton M. Downes
John E. Draim
Royce C. Dreyer
James R. Dughi
William E. Duke, Jr.
Valerio "M" Duronio
Gordon G. Duvall
Behrend J. DuWaldt
Gerald W. Dyer
William T. Eaton
James E. Edmundson
John R. Edson
Howard R. Edwards, Jr.
Henry W. Egan
Montraville W. Egerton, Jr.
John J. Ekelund
Richard M. Ellis
Presley E. Ellsworth III
Scott Emerson
Jack L. English
Robert J. Eustace
Merton R. Fallon
Robert L. Faricy
Robert E. Fellowes
Leslie K. Fenlon, Jr.
Eric N. Fenno
James V. Ferrero, Jr.
Stanley S. Fine
William A. Finlay, Jr.
John E. Fishburn III
George D. Florence
Philip F. Florence
Henry P. Forbes
Sydney E. Foscato, Jr.
James R. Foster
John B. Foster
Joyce M. Frazee
Warren J. Fredericks
Richard A. Frost
Peter L. Fullinwider
James L. Furrh, Jr.
Donald A. Gairing
Channing Gardner
Paul A. Garrison
John P. Gartland
David E. Gates
Matthew J. Gauss, Jr.
Bernard S. Gewirz
Ralph McD. Ghormley
Beaumont Glass, Jr.
Stephen S. Glass
Frank S. Glendinning
William I. Goewey
Milton D. Goldberg
Roy E. Goldman
Joseph H. Gollner
Russell F. Goodacre, Jr.
Robert W. Goodman
Franklin P. Goulburn, Jr.
William C. Grant, Jr.
Roy R. Grayson
James H. Green
John W. Green
John L. Greene
Richard G. Greenwood
Stanley "J" Greif
Michael B. Guild
Davis L. Gunckel
Milton Gussow
Douglas B. Guthe
William S. Guthrie
James V. Haley
William H. Hamilton, Jr.
Theodore J. Hammer, Jr.
James W. Hanson
Norton D. Harding, Jr.
William N. Harkness, Jr.
Donald M. Harlan
John F. Harper, Jr.
William L. Harris, Jr.
Charles P. Hary, Jr.
William C. Haskell
Dale A. Hawley
George A. P. Haynes
Walter L. Helbig, Jr.
Dale P. Helmer
John W. Hemann
Donald Henderson
Robert C. Hendrickson, Jr.
Robert C. Hennekens
Harvey S. Henning, Jr.
Frederick W. Herbine, Jr.
Frederick DeL. Hesley, Jr.
Francis R. Hibbard
Charles F. Hickey
Robert W. Hiebert
Jackson D. Hill
Joseph E. Hodder, Jr.
William E. Hoff
John L. Hofford
John H. Hoganson
Lloyd N. Hoover
Frederick G. Horan
Robert E. Horne, Jr.
Charles A. Hotchkiss II
Charles M. Howe
James C. Hughes, Jr.
Eugene St. C. Ince, Jr.
James E. Inskeep, Jr.
Robert C. James
Rodney R. James
Albert L. Jenks, Jr.
Shepherd M. Jenks
Whitney Jennison
John E. Jensen
John A. Jepson
Theodore N. Johnsen, Jr.
Dallas DeS. Johnson
Gerald R. Jones
Herman W. Jones
John V. Josephson
Daniel H. Kahn
Joseph N. Kanevsky
Thomas M. Kastner
Keatinge Keays
James K. Keihner
Richard W. Kelly
David S. Kendrick
Richard A. Kennedy, Jr.
Robert W. Kennedy
William R. Kent III
Thomas J. Kilcline
Herbert J. Kindl
Archer E. King III
William C. King
Clark M. Kinney, Jr.
John R. Kint
Gilbert J. Kirk, Jr.
Joseph O. Kirkbride, Jr.
Peter F. Klein
Vernon P. Klemm
George M. Kling
James E. Kneale
Wallace J. Knetz, Jr.
Arthur K. Knoizen
John H. Koach
Philip J. Koehler
Walter J. Kraus
Stephen R. Krause
William S. Kremidas
Otto E. Krueger
Robert G. Kuhne
Michael K. Lake
William G. Lalor, Jr.
Chris W. Lamb
John G. Landers
John S. Lansill, Jr.
Paul H. Laric
David C. Larish
Norman O. Larson
Theodore J. Larson
Lloyd K. Lauderdale
Robert L. Lawler, Jr.
William G. Lawler, Jr.
Mark B. Lechleiter, Jr.
Thomas F. Lechner
Jack R. Leisure
John F. Leyerle
Theodore E. Lide, Jr.
James B. Linder
Wesley E. Lindsey, Jr.
Thomas D. Linton, Jr.
Donald Lister
Hiram P. F. Llewellyn
Joseph H. Logomasini
Hugh E. Longino, Jr.
Donald J. Loudon
John D. Lund
William H. Lynch
Robert M. McAnulty, Jr.
Kenneth V. McArthur
Ralph W. McArthur
Jeremiah R. McBride
Gerry M. McCabe
Elbert J. McCoy
John C. McCoy
Major I. McCreight
Carlos d'A. McCullough
Ewing R. McDonald, Jr.

Thomas E. McDonald
William D. McFarlane, Jr.
John S. McFeaters, Jr.
Thomas P. McGinnis
William C. McMurray
James A. McQuilling
Edward I. McQuiston, Jr.
John A. McTammany
James L. McVoy
Clinton D. MacDonald
Reginald M. Machell
Jack E. Magee
Edward J. Maguire, Jr.
Timothy R. Mahoney
Charles W. Maier, Jr.
John E. Majesky
John B. Mallard, Jr.
Halford E. Maninger
Robert G. Manseau
William F. Marr
Charles E. Martin
William L. Martin III
James W. Matheney
Stanwix G. Mayfield III
William H. Meanix, Jr.
Gilbert D. Mello
Charles F. Meloy
Richard Mergl
Warren H. Merrill
Frank Messenger III
Edward J. Messere
John T. Metcalf, Jr.
Harry B. Meyer
Charles W. Meyrick
John D. Middleton
Arthur H. Miksovsky
Conrad C. Miller, Jr.
Edmund A. Miller
Gerlous G. Miller, Jr.
John R. Miller
Raymond L. Miller
Robert O. Minter, Jr.
George L. Moffett, Jr.
Robair F. Mohrhardt
Oliver S. Mollison
Lundi A. Moore
Robert S. Moore
Alfred J. Morency
George E. Morgan, Jr.
Hal McN. Morgan
Harry W. Morgan, Jr.
James F. Murphy
James D. Murray, Jr.
William A. Myers III
Donald A. Nadig
Guy M. Neely, Jr.
Andrew G. Nelson
Philip S. Nelson
Robert H. Nelson
Meredith W. Nicholson
Lionel MacL. Noel
Calvin C. Norman
George L. Norman, Jr.
William J. Norris
Curtis R. Norton, Jr.
John A. Oesterreicher
William A. O'Flaherty
Patrick G. O'Keefe
Oscar E. Olsen
Robert B. Ooghe
John C. Ostlund
Edward J. Otth, Jr.
Dean T. Ousterhout
Andrew J. Owens
Edward W. Page
James R. Page
Anthony L. Palazzolo
Courtland A. Palmer, Jr.
Howard B. Parker, Jr.
Warren S. Parr, Jr.
James E. Patton
Milton O. Paul
John H. Perkins, Jr.
Richard J. Peterson
Willard S. Peterson
Malcolm E. Phares
Thomas J. Piazza
Richard B. Plank
Kenneth A. Porter
Robert S. Potteiger
William W. Potter
Bobby L. Potts
Edwin S. Pratt
Lee S. Pyles
Calvin E. Rakes
Shirley McC. Ramsey
William M. Ratliff
Edgar A. Rawsthorne
William G. Read, Jr.
William L. Read
James P. Reddick, Jr.
Charles E. Reid, Jr.
Eugene J. Reiher
David R. Rice
John T. Rigsbee
Robert K. Ripley
James B. Risser
Gerald G. Roberts
Thomas M. Rogers
Paul D. Roman
Richard M. Romley
Robert E. Rowe
Jack W. Rupe
William H. Russ III
William N. Rutledge
Merwin Sacarob
Frithiof N. Sagerholm, Jr.
Frank C. Sain
Robert J. Salomon
Wilbur H. Sample
Ernest D. Sanders
William C. Sandlin, Jr.
Peter J. Saraceni
Peter J. Sarris
William J. Sawtelle
Valentine H. Schaeffer, Jr.
Albert A. Schaufelberger, Jr.
Frank P. Schlosser
Donald R. Schmidt
Bernard Schnieboik
Paul L. Schoos
Walter A. Schriefer
George S. Schuchart
Elliott P. Schuman
James H. Scott
Jack Scoville
Carl H. Sebenius, Jr.
Thomas T. Seelye, Jr.
Angelo P. Semeraro
Louis M. Serrille
Richard H. Seth
Harry E. Shacklett
William M. Shanhouse
Sumner Shapiro
Lewis A. Shea, Jr.
Oscar C. Shealy, Jr.
Byron M. Shepard
Frank E. Sherman
Eugene F. Shine, Jr.
Earl R. Short
Rodric M. Singleton, Jr.
George L. Siri, Jr.
Robert E. Sivinski
Stephen A. Skomsky
Carl R. Smith, Jr.
Charles R. Smith, Jr.
Donald A. Smith
Earl W. Smith, Jr.
Frederic W. Smith
Gerald F. Smith
Homer L. Smith
James H. B. Smith
Paul E. Smith
Robert F. Smith, Jr.
Robert L. Smith
Robert McK. Smith
Wayne D. Smith
Cornelius S. Snodgrass, Jr.
William H. Somerville
Felix S. Spielmann
David H. Sprague
Edgerton T. E. Sprague
Dennis C. Stanfill
Walter D. Stapleton
Leland R. Stegemerten
Robert E. Stewart
Charles L. Stiles
Donnell M. Still
Clarence W. Stoddard, Jr.
George B. Stone
Reid Stringfellow
Herman A. Stromberg, Jr.
James A. Stubstad
William C. Stutt
Phillip B. Suhr
John H. Sullivan
George W. Sumner, Jr.
Charles O. Swanson
Peter S. Swanson
Claude E. Swecker, Jr.
Harry F. Sweitzer, Jr.
Gerald E. Synhorst
Richard W. Taylor
Malcolm H. Thiele
Philip H. Thom, Jr.
Wallace J. Thomas
Alexander D. Thomson
Harry R. Thurber, Jr.
John A. Tinkham
Harold F. Tipton, Jr.
Robert W. Titus
Robert R. Tolbert
Harry DeP. Train II
Fred Troescher, Jr.
John K. Twilla
Clinton R. Vail
Wallace Valencia
Jack D. Venable
Elias Venning, Jr.
Phillip Vladessa
William A. Vogele
Leonard F. Vogt, Jr.
Robert L. Volz
Warren P. Vosseler
John R. Walker
Joseph K. Walker
Edward C. Waller III
Robert L. Walters
Thomas J. Walters
John A. Wamsley
Frank W. Ward III
Frank T. Watkins, Jr.
James D. Watkins
James H. Webber
William D. Weir
Henry C. White
Richard E. Whiteside
Barry D. Whittlesey
Eugene J. Wielki
Fred J. Wilder
Edwin E. Williams
Ralph P. Williams
Carl B. Wilson
James C. Wilson
Ralph E. Wilson, Jr.
Russell F. Wilson
Richard S. Wolford
Barkley T. Wood, Jr.
George P. Wood, Jr.
David J. Woodard
Edwin E. Woods, Jr.
William W. Wright
James H. Wynn III
Abdiel R. Yingling, Jr.
Duane C. Young, Jr.
Randall W. Young.
Charles J. Youngblade
Charles J. Zekan
Marcus A. Zettel
Edward F. Zimmerman, Jr.

The following-named midshipmen (Naval Academy) to be ensigns in the Supply Corps of the Navy, from the 3d day of June 1949:

Norman Altman
William "B" Anderson, Jr.
William A. Armstrong
Erling O. Barsness
William W. Bennett
Richard B. Blackwell
Glenn S. Brooks
Robert M. Brown
Herbert F. Butler, Jr.
Danforth Clement
Anthony B. Coburn
Rex S. Coryell
Charles L. Culwell
Dorsey W. Daniel
Jimmy P. Dearing
Charles DiBenedetto
Holton C. Dickson, Jr.
Chester L. Ditto
Thomas J. Donoher
James E. Durham, Jr.
Henry D. Elichalt
William T. Emery
George D. Fisher, Jr.
Horace P. Fishman
James J. Garibaldi
William L. Gary
Thomas M. Gill
Ephraim P. Glassman
Richard Glickman
Jack H. Haberthier
Don C. Haeske
Richard W. Haley
William G. Hall
Robert P. Hausold
Everett C. Higgins
Bernard C. Hogan
John C. Huenerberg, Jr.
John F. Ivers
James R. Juncker
George H. Kapp
Robert D. Keppler
John F. Knudson
Edward M. Kocher
Roy W. Lankenau
Alan Y. Levine
John E. McEnearney
Robert W. Maxwell
Burton J. Miller
Ralph F. Murphy, Jr.
Donald C. Pantle
Sumner Parker
Eugene H. Pillsbury
Joel Rabinowitz
Robert R. Reiss
Lee O. Rensberger
Richard W. Ridenour
Robert J. Riger
Philip T. Riley
Calvin W. Roberts
Ivan L. Roenigk
William T. Roos
William Sandkuhler, Jr.
Alfred F. Simcich
Charles McK. Smith
Howard M. Stuart, Jr.
James G. Tapp
Thomas W. Tift, Jr.
John H. Vice
James B. Way, Jr.
John C. Wilson

The following-named midshipmen (Naval Academy) to be ensigns in the Civil Engineer Corps of the Navy, from the 3d day of June 1949:

Irving Bobrick
Warren F. Brown
Wesley A. Brown
Neal W. Clements
William L. Collins
Rudolph F. D'Ambra
Stephen A. Giles
William C. Hall
Gordon W. Hamilton
Louis E. V. Jackson
Lemon DeK. Lang
Paul G. LeGros
Walter E. Marquardt, Jr.
Claude J. Quillen, Jr.
Donald R. Trueblood
Roger G. Tweel
Donald W. Wittschiebe
William E. Wynne

The following-named midshipmen (Naval Academy) to be second lieutenants in the Marine Corps, from the 3d day of June 1949:

William D. Bassett, Jr.
James D. Beeler
William A. Black
Kenneth A. Bott
Philip C. Brannon
Ralph H. Brown
William J. Budge
James J. Connors, Jr.
Kelly J. Davis, Jr.
Lewis H. Devine
Richard C. Ebel
Richard H. Francis
James R. Gober
Fred Grabowsky
Thomas I. Gunning
Wayne L. Hall
Robert T. Hardeman
Thomas P. Hensler, Jr.
Carlton H. Hershner
Irven A. Hissom
Henry Hoppe III
Robert G. Hunt, Jr.
John M. Johnson, Jr.
Charles M. C. Jones, Jr.
MacLean Kelley
Calhoun J. Killeen
Robert H. Krider
Randlett T. Lawrence
Charles P. McCallum, Jr.
Robert L. McElroy
Charles H. Mays
Robert C. Needham
Edward J. O'Connell, Jr.
Lawrence G. O'Connell, Jr.
William C. Peterson
Tom D. Parsons
Roger W. Peard, Jr.
Theophil P. Riegert
Thomas E. Ringwood, Jr.
Archie R. Ruggieri, Jr.
Kenneth W. Schiweck
Merlin F. Schneider, Jr.
Richard W. Sheppe
Eugene O. Speckart
Carl M. Stalnecker
Paul F. Stephenson
Allan MacL. Stewart
Joseph Z. Taylor
Jack E. Townsend
Kenneth E. Turner
Littleton W. T. Waller II
William Wentworth
Richard H. West
Charles S. Whiting
Harry D. Woods

The following-named (civilian college graduates) to be ensigns in the Navy, from the 3d day of June 1949:

Robert E. Allard
Ralph G. Dalton
Albert S. Douglass
Henry E. Hohn
Bertie G. Homan
LeRoy Klein
Donald O. Modeen
James S. Orloff
Glenn E. Skinner, Jr.
Chandler G. Smith
Charles M. Walker

The following-named to be ensigns in the Nurse Corps of the Navy:

Lucille R. Kroupa
Lolita D. Surprenant
Frances M. Tibbetts
Barbara J. Vines

The following-named officer to the grade indicated in the line of the Navy:

LIEUTENANT

"J" V. Hart

The following-named officer to the grade indicated in the Dental Corps of the Navy:

LIEUTENANT

Ralph H. S. Scott

IN THE MARINE CORPS

APPOINTMENTS

Appointment to the temporary grade of major general in the Marine Corps

Merwin H. Silverthorn

Appointment to the permanent grade of captain for limited duty in the Marine Corps

Hubert G. Bozarth

Appointment to the permanent grade of first lieutenant for limited duty in the Marine Corps

Merle C. Davis

Appointment to the permanent grade of second lieutenant in the Marine Corps

Robert F. Maiden	Henry M. Whitesides
James E. Shugart	Charles D. Fay
Dan C. Walker	John R. Linnenkamp

Appointment to the permanent grade of commissioned warrant officer in the Marine Corps

William R. Yingling, Jr.

HOUSE OF REPRESENTATIVES

THURSDAY, APRIL 7, 1949

The House met at 11 o'clock a. m.

Msgr. Martin Higgins, of Catholic University, offered the following prayer:

Let us lift up our hearts to God.

We thank Thee, O God, our Father, who by making all and redeeming all hast shown us that all in Thine eyes are equal, and who from among the nations hast singled out us to be the heralds of that truth and its champions. Thou didst state the dignity of the individual in the Great Book spread wide by the nailed hands on Calvary. In Thy timeless patience Thou didst abide while man haltingly read and the law of slavery gave place to the law of serfdom and the law of serfdom to the law of privilege. But the law of equality—that Thou didst keep by Thee for a people predestined. Thou didst inspire our forefathers to dare a glorious and new thing, to write the dignity and worth of the individual into the Constitution, and upon that sacred truth to found a Nation. Through the intervening years Thou hast vouchsafed us an ever deepening insight into the meaning of that principle, through blood to know that slavery cannot be, through want to realize that economic serfdom must not be. Thou hast now exalted us, and in this hour we stand the world's hope and faith.

Therefore, O mighty Father, we, Thy lowly suppliants yet Thy children, humbly beg and beseech Thee to keep us true to the high responsibility and trust that Thy providence hath reposed in us. Send forth Thy light upon our lawmakers that they may guide us with unfaltering front in the way that Thou hast marked out for us.

In Thy power strengthen and nerve them courageously to assert the dignity, the rights, of man at home and abroad against every foe. Help them and us to the end that the glory fade not from the upturned faces of humanity and that in our land and in all lands freedom prevail ever. Through Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McBride, its assistant enrolling clerk, announced that the Senate had adopted the following resolution (S. Res. 103):

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. ANDREW L. SOMERS, late a Representative from the State of New York.

Resolved, That a committee of two Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased the Senate do now take a recess until 11 o'clock a. m. tomorrow.

The message also announced that pursuant to the provisions of the above resolution the Vice President had appointed Mr. WAGNER and Mr. IVES members of said committee on the part of the Senate.

COMMITTEE ON BANKING AND CURRENCY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

COMMITTEE ON AGRICULTURE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. McGUIRE asked and was granted permission to extend his remarks in the RECORD and include an editorial appearing in the Bristol Press March 2, 1949.

Mr. IRVING asked and was granted permission to extend his remarks in the RECORD in reference to a statement that was made by the President of the United States in regard to rent control.

Mr. STEED asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. ELLIOTT asked and was given permission to extend his remarks in the Appendix of the RECORD and include extraneous matter.

Mr. MULTER asked and was given permission to extend his remarks in the Appendix of the RECORD in three separate instances and in each to include extraneous matter.

Mr. ZABLOCKI asked and was given permission to extend his remarks in the Appendix of the RECORD in two separate instances, in one to include a resolution by the Common Council of the City of Cudahy, Wis., relative to the observance of General Pulaski's Memorial Day and in the other a resolution commemorating the thirty-first anniversary of the Lithuanian nation, adopted by a group of Americans of Lithuanian descent in Milwaukee, Wis.

Mr. POULSON asked and was given permission to revise and extend his remarks and include an article.

Mr. JENNINGS asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. BROWN of Ohio asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article from the Springfield Sun, relative to the establishment in 1902 of the first club which later became the 4-H Club movement in the United States.

Mr. PRESTON asked and was given permission to revise and extend the remarks he expects to make in the Committee of the Whole today and include therein extraneous matter.

Mr. MARTIN of Massachusetts asked and was given permission to extend his remarks in the Appendix of the RECORD and include a speech made by Hon. Clare Boothe Luce at the Philadelphia Forum, despite the fact the Public Printer estimates it will cost $175.

Mr. BIEMILLER asked and was given permission to extend his remarks in the Appendix of the RECORD and to include extraneous matter.

DEMOCRATIC TREND IN WISCONSIN

Mr. BIEMILLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BIEMILLER. Mr. Speaker, it is my pleasure to report to the Congress that the people of Wisconsin have again risen to the support of the President and the Democratic Party. In a special election to fill vacancies in three State senatorial districts three Democrats were elected.

This victory was particularly significant in the Twenty-ninth District, which is a northern rural area never before represented by a Democrat. The successful Democratic candidate is John Olson, a well-known farm co-op leader in that area.

It has become quite clear to Wisconsin farmers that the fine progressive spirit which has long been their outstanding characteristic must find political expression through the Democratic Party. All over the State they are breaking with the Republican stalwarts, who have absolutely nothing to offer the farmer, the city worker, or the small-business man, and are turning to the party of real progress under President Truman's leadership.

The action of the farmers and small-business people in Wisconsin's twenty-ninth senatorial district, and of the city workers and businessmen in the third and seventh districts, is of political significance all over the country. The Republican Party stands repudiated on its record of obstruction and futility. The program and leadership of the Democratic Party is endorsed, even in areas where it has never had strength before. Those who think they can win votes away from the Democrats by a record of black, blind reaction are due for a big awakening next election.

REPUBLICAN TREND IN MICHIGAN

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, the gentleman from Wisconsin [Mr. BIEMILLER] evidently belongs to that class who having eyes see not, and having ears, hear not. His attention seems to have been centered on some one little spot in Wisconsin. If he would just look toward the east, across the lake there, and get the returns from Michigan which came in not on April 1, but April 4 it was, he would learn something. In Michigan, you know, the Democratic Party has been taken over lock, stock, and barrel, hook line and sinker by the CIO, and that party seems altogether too complacent; having been kidnaped and captured they go right along with the CIO without protest from the Democratic Governor. But the farmers and others in Michigan had a different idea about it. They just turned out and voted a straight Republican ticket. The Democratic Governor, G. Mennen Williams, was repudiated. All Republicans on the ticket were elected by overwhelming majorities. Last fall it was only 45,000 majority we had; this time the majority was over a hundred thousand, and that after only 3 months of a CIO Governor in the statehouse. I suggest that the gentleman from Wisconsin—his effort seems to have exhausted him; he probably went out to see a doctor. No; there he is back there, he is over there leaning on the table with both elbows, all tired out from his effort. I say to him: Take a look at the Michigan returns.

COMMITTEE ON PUBLIC LANDS

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent that the Subcommittee on Irrigation and Reclamation of the Committee on Public Lands may sit during general debate during the session of the House today.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the Petroleum Subcommittee of the Committee on Interstate and Foreign Commerce may sit during general debate during the sessions of the House today but only during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. PASSMAN, for 4 days, on account of official business in the State of Louisiana, from April 18 to April 21, inclusive.

SPECIAL ORDER CHANGED

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent that the talk I would have made yesterday under the special order granted me by the House may be printed in the RECORD after the first legislative bill today.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXTENSION OF REMARKS

Mr. RICH asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article from the Dallas Morning News entitled "This, That, and the Other."

GOVERNMENT EXTRAVAGANCE

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, lots of good things come out of the West. I desire at this time to read the beginning of a resolution adopted by the Independence Lions Club of Independence, Oreg., as follows:

> Whereas the lavish, reckless, wasteful, and profligate spending of public money by our Federal and State Governments and their multitude of agencies, bureaus, and departments, has reached staggering, extravagant, and unbelievable proportions, even approaching dissipation and destruction of the country's wealth and resources.

Under present conditions I like that whereas. It is a fact.

Mr. Speaker, in my opinion if the Members of the House of Representatives would weigh and consider thoroughly some of the things they are doing when appropriation bills are brought on the floor here for consideration the situation would be vastly improved. Deficiency bills are continually being brought in here. Now, when we appropriate a certain sum of money for a department of government let us stop these deficiency requests from coming in from every department of government. When we make the original appropriation to the department it should be an ultimatum to that department that we intended to give it so much money and no more to run it for the year. However, they spend beyond their allotment, then come in here and ask for a deficiency and you help them out by digging down into the taxpayer's pocket and giving them more money just by a request in the name of our American solvency of our children's future welfare and good—stop the extravagance of government—stop the many unnecessary functions of government. Let us get some real common sense and the best common sense we can put in effect is to strike hard at this government extravagance and cut down on all appropriations. It is imperative and it is necessary. A word to the wise should be headed—Stop! Stop! Stop extravagant spending!

PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

[Mrs. ROGERS of Massachusetts addressed the House. Her remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. MERROW asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances, in each to include an editorial.

Mr. WILLIAM L. PFEIFFER asked and was given permission to extend his remarks in the Appendix of the RECORD and include a resolution.

Mr. MACK of Washington asked and was given permission to extend his remarks in the Appendix of the RECORD and include extraneous material.

Mr. CHIPERFIELD asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. CANNON asked and was given permission to extend his remarks in the RECORD and include certain excerpts from communications received by the Committee on Appropriations.

RENDERING PLANTS

Mr. KEEFE. I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection?

Mr. KEEFE. Mr. Speaker, I wonder if any or many Members of Congress have in their districts rendering plants. Do you know what is happening to the rendering business in America? It is going out of business, and plants are being closed up all over America, with a very decided influence upon the livestock industry and the price of food. Why? Because they cannot sell their products in America any longer to the soap manufacturers who are using a chemical detergent, synthetically produced, that does not require in the making of soap any longer the use of inedible fats and oils. The agricultural industry of America is gradually being pushed into a defensive position, and if you are interested in the welfare of your people and the people of America you better begin to get yourselves familiar with the tremendous strides that are now being made in the development of the synthetic chemicals to replace Nature's products that have long been upon the American market.

EXTENSION OF REMARKS

Mr. KEEFE asked and was given permission to extend his remarks in the RECORD and include an article entitled "Inside Soviet Russia."

Mr. RIVERS asked and was given permission to extend his remarks in the RECORD and include an address by Undersecretary of the Navy W. John Kenney.

ST. LOUIS ELECTION

Mr. KARSTEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. KARSTEN. Mr. Speaker, I was rather amused at the remarks made by the gentleman from Michigan when he said, "Cast your eyes over across the Michigan border." I say that you should cast your eyes a little further than that and look at the St. Louis results. We

had a mayoralty election in St. Louis day before yesterday, and elected a Democratic mayor by 18,000 votes. In addition we elected a Democratic comptroller. That office had been Republican for the last 30 years. We have a majority on the board of aldermen in the city of St. Louis now solidly in the Democratic column. It is interesting to note that this campaign was conducted along the line of President Truman's Fair Deal program. It is not slipping. It is gaining and gaining, and will continue to gain.

Mr. YOUNG. Mr. Speaker, will the gentleman yield?

Mr. KARSTEN. I yield to the gentleman from Ohio.

Mr. YOUNG. Since April 1 is usually termed April Fools' Day, and that Michigan went Republican again, is it not a fact, in the gentleman's judgment, that any one getting any satisfaction out of that is simply fooling himself?

Mr. KARSTEN. I think that may have had something to do with the Michigan election.

AGRICULTURAL APPROPRIATION BILL

Mr. HAYS of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HAYS of Ohio. Mr. Speaker, I wish to take this opportunity to congratulate the Committee on Agriculture of the House of Representatives for passing the kind of agriculture appropriation bill which this body considered on Tuesday.

I want to direct special congratulations toward the appropriation for the Extension Service which is an increase of $1,000,000 to give adequate support for the 4–H Club activities.

I consider one of the outstanding achievements of my 4 years as commissioner of Belmont County, Ohio, the fact that I was able to make an appropriation of $10,000 to build a 4–H building in Belmont County. I made the statement at that time, which I repeat today, that I have never seen a 4–H Club member in a juvenile court.

I am also happy to see that this Congress restored to its proper place the Soil Conservation Service and made adequate appropriation for it to function properly. Also I am pleased to see in this bill a substantial appropriation for rural electrification with a $150,000,000 additional increase provided for, if it becomes neecssary.

I feel sure that the farmers of my district, as well as of my State and the Nation, will have reason to know that the Eighty-first Congress, by its action in passing this bill, has the interest of agriculture very close in its heart.

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the subcommittee of the Committee on Expenditures in the Executive Departments of which the gentleman from Virginia [Mr. HARDY] is chairman may be permitted to sit during the session of the House today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. STEFAN asked and was given permission to include a newspaper article in the remarks he expects to make later today on the Departments of State, Justice, Commerce, and the Judiciary appropriation bill.

Mr. RANKIN asked and was given permission to extend his remarks in the RECORD on the question of restoring the Panama Canal toll exemptions for coastwise trade and include a statement.

Mr. HULL asked and was given permission to extend his remarks in the RECORD and include certain resolutions.

STATE, JUSTICE, COMMERCE, AND THE JUDICIARY APPROPRIATION BILL, FISCAL YEAR 1950

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 180 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That, notwithstanding any rule to the contrary, it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4016) making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1950, and for other purposes, and all points of order against the bill or any of the provisions contained therein are hereby waived. That after general debate which shall be confined to the bill and continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. DELANEY. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN]. I now yield myself 2 minutes.

Mr. Speaker, House Resolution 180 makes in order consideration of the bill (H. R. 4016) making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1950, and for other purposes.

Ordinarily the Committee on Appropriations would not come to the Committee on Rules seeking a rule. However, in this bill we find seven items upon which points of order could be raised. I understand there is no objection to five of them, but in two instances the opposition raises objection. I call your attention to the sections to which objections will be made.

On page 20, lines 7 to 10, having to do with the operation of agricultural stations in foreign lands. One of the objections, is that this should come under the Department of Agriculture rather than under the section of the bill in which it now appears, namely the international information and educational activities. This is part of that program. The purpose is to exchange ideas with our South American neighbors on advances made in agricultural developments and to demonstrate to these people our improved methods.

Another objection, will be raised to the language on page 25, lines 12 to 15, which states:

Provided, That, notwithstanding the proviso under this head in title I of the Government Corporations Appropriation Act, 1949, any funds heretofore made available to the corporation shall remain available until expended.

Ordinarily these funds would lapse. The reason a rule has been requested in this instance is that the South American countries have contributed a greater amount than we have, and it has not been possible up to this date for all countries to agree on the proper methods of procedure.

Therefore, we ask that you go along with the rule, which grants 3 hours of general debate and waives all points of order.

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, as is usual in these appropriation bills, there are a very large number of items, many of them largely in the nature of limitations and contract authorizations which seldom, if ever, have a point of order raised to them.

There are in the bill, which it is proposed to take up following the debate on this rule, two items of a very unusual character. The first one is on page 20 of the bill. It is as follows:

Advance of funds notwithstanding section 3648 of the revised statutes, as amended; the establishment and operation of agricultural and other experiment and demonstration in other American countries, on land acquired by gift or lease, and construction of necessary buildings thereon—

There is a little more language than I have read, but not anything of a serious nature. That language is found in the provisions for international information and educational activities, the broadcasting activities in the State Department where they are supposed to put forth the Voice of America. Now, what has that to do with developing agricultural experiment stations in foreign countries? It is beyond me. We set up the Department of Agriculture for that purpose. If we are going to have that activity spread out through every single department of the Government, we are not going to have any coordination or proper control over the way things are done. We will have duplicating activities in all directions. It is about time that we stopped this tendency to go in that direction. Why we would have to have experimental stations in foreign countries is beyond me. I hope that we will not waive points of order on any such item as that.

The next item appears to be of a very unusual character. In the appropriation

bill for Government corporations last year, this provision was inserted in a very proper way:

Provided, That funds available to the Corporation by this act and under prior appropriations, and not obligated by the Corporation on or before June 30, 1949, shall not be available for obligation after that date, and shall lapse pursuant to section 3690 of the Revised Statutes of the act of June 20, 1874, as amended.

This bill, on page 25, lines 12 through 15, provides this:

Provided, That, notwithstanding the proviso under this head in title I of the Government Corporations Appropriation Act, 1949, any funds heretofore made available to the Corporation shall remain available until expended.

That relates to this Corporation that has been set up under the control of Dillon Myer, as appears on page 25 of this bill. Dillon Myer has an unbroken record of failure. He was first prominently in the public gaze but he was given charge of the operation of the Japanese concentration camps. There he made an awful mess of it, and finally had to be taken out of it because of the way he was doing the job. Then he was put in charge of the public housing setup. There he made another failure. He came before the committee time after time and did not know what he was talking about. He came before the committee this time and he did not know what he was going to do.

This bill proposes that we amend the law so that the funds that are available to him to spend—and we know he will make another failure of the job down in South America—will be available until expended, the Congress leaving no brake at all upon the foolish way that he can waste the money of the American people.

It does not seem to me as though we should go into that kind of an operation.

I hope that this rule will not be adopted. I may say that as far as I am concerned there are no other points of order that I would raise to the bill.

Mr. DELANEY. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. ROONEY].

Mr. ROONEY. Mr. Speaker, I cannot understand the opposition of the gentleman from New York [Mr. TABER] to the passage of this rule, unless it is that there is some sort of personal feud between him and Mr. Dillon Myer, the president of the Institute of Inter-American Affairs.

As to the first provision in the bill (H. R. 4016) to which the gentleman referred, on page 20, beginning at line 7, the gentleman seems to be utterly misinformed concerning the purpose of this appropriation and the reason for the insertion of this language. It is not the intent of this committee that any of the funds which will be transferred to the Department of Agriculture will be used for radio broadcasting. The question of radio broadcasting and the Voice of America does not enter into this particular item of appropriation at all. The gentleman from New York [Mr. TABER] said, "Why we have to have experimental stations in foreign countries is beyond me." I must point out to the gentleman from New York that the Eightieth Congress, during the time that he was chairman of the great Committee on Appropriations, passed a bill known as the Smith-Mundt bill. This appropriation is for the purpose of implementing the terms of that very bill which was passed by the Eightieth Congress. There is nothing very unusual about the character of the two items to which the gentleman from New York referred, or to any other of the few items of legislation contained in the bill. None of these few items of legislation contained in the bill originated in the mind of any member of the committee either on the majority or minority side; this language was suggested by the Bureau of the Budget in order to effectuate proper disposition of the appropriated funds. The Committee on Appropriations in this instance does not in any manner desire to usurp the authority of the Legislative Committee which might be concerned with this proposed language.

With regard to the first item mentioned which appears on page 20 and which reads: "Establishment and operation of agricultural and other experiment and demonstration stations in other American countries, on land acquired by gift of lease, and construction of necessary buildings thereon"; I suggest that a fair explanation of that provision is contained in the following colloquy with Mr. William O. Hall, the budget officer of the Department of State:

Mr. HALL. That is right. The third provision there is "establishment and operation of agricultural and other experiment and demonstration stations in other American countries," etc.

Mr. STEFAN. Is that a new activity?

Mr. HALL. This is "Cooperation with American Republics," too, but this is needed to supplement the existing authority in the Department of Agriculture.

Mr. STEFAN. New activities not authorized by law?

Mr. HALL. No, sir. These activities are authorized by the basic statute, but the Department of Agriculture believes this language is required to supplement their existing authority in carrying out technical agricultural cooperative projects previously authorized in the CAR language.

Mr. ROONEY. What is the citation for that?

Mr. LYERLY. The citation for that is the basic law establishing the Department of Agriculture, as I understand it. We have talked with them several times on it, and the reason it is in here and the reason it has been in our CAR program before is that it is one of those things that they do not know whether they have authority for or not. It is one of those broad basic authorities establishing the Department of Agriculture which, by stretching the construction of the language, might be construed as sufficient authority.

As to the second item of proposed language, and Mr. Dillon Myer, President of the Government corporation known as the Institute of Inter-American Affairs, I may say to the gentleman from New York that we are here today to rescind the language and legislation, if you please, which was inserted in this appropriation bill last year by the gentleman from Iowa [Mr. JENSEN], who was then a member of the Subcommittee on Government Corporations, and his colleagues on that committee. They inserted language which now prohibits the carrying of the corporation's funds into the succeeding fiscal year. We now find that this corporation, the life of which extends only over a 3-year period, I believe, from the 7th of August 1947 to the 7th of August 1950 will not have any funds beyond the fiscal year unless the damage which was done by the gentleman from Iowa and his colleague a year ago is undone today by this House.

This Government corporation has made a number of agreements with South American countries pursuant to the power and authority given it by this Congress. In the program with which it is concerned, South American countries who are members and participate in that program contribute many more dollars to it than does the United States.

Mr. Speaker, I now will refer to one or two of the other provisions contained in the bill, as the result of which your committee found it necessary to apply to the Rules Committee for a rule and as the result of which the Rules Committee granted the rule which is now pending before you.

Let me first refer to page 12 of the bill, lines 12 to 15, and to this language: "not to exceed $15 per diem in lieu of subsistence for persons serving without compensation in an advisory capacity while away from their homes or regular places of business."

Many prominent businessmen want to help their Government but do not want their names on the Government pay roll, so they serve without compensation. This language concerns only such persons who serve their Government without compensation.

They go, we will say, to Europe. Unless this language is changed, as requested by the committee, they may be paid only a per diem of $10 per day, whereas employees on the Government pay roll, being paid for their day's work, are allowed as high as $18 per diem. The committee agreed that in fairness, and in order to enable the departments to obtain the services of such patriotic men, it would be a very, very sensible thing to increase their per diem, their actual living charge, from $10 to $15 per day.

On page 58 of the bill, there is an appropriation for radio propagation and standards, and certain language to which objection has been made just the same as to other language in the bill. This particular legislative language is inserted in view of the difficulty of employing personnel for assignment to duty in the Arctic region. The Bureau of the Budget claimed it is desirable that authority be obtained for the appointment of personnel without regard to the civil-service laws and the Classification Act and titles II and III of the Federal Employees Pay Act of 1945.

With regard to the language appearing on the same page reading as follows: "and the departments of the Army, Navy, and Air Force are authorized, subject to the aproval of the Bureau of the Budget, to transfer without charge to the National Bureau of Standards materials, equipment, and supplies, surplus to their needs and necessary for the

establishment, maintenance, and operation of ionosphere observation stations," it appears that because of the difficulty and expense of transporting materials and supplies to the Arctic, it is desirable to have authority for the Departments of the Army, Navy, and Air Force, to transfer to the National Bureau of Standards without charge the materials, equipment, and supplies which they may have available in the Arctic and which are necessary to the establishment, maintenance, and operation of Arctic ionosphere observation stations.

Mr. Speaker, I respectfully urge that the pending rule be adopted so that the committee may proceed with the proper consideration of the bill, H. R. 4016, which makes appropriations for the Departments of Commerce, State, and Justice and the Judiciary for the coming fiscal year.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Speaker, when this bill is considered I hope that some of the Members on the majority side will give more consideration to the facts and figures involved than apparently they did when they were discussing election returns.

The gentleman from Missouri [Mr. KARSTEN] called attention to the fact that in St. Louis the Democrats won a victory by a majority of 18,000. That, of course, sounds pretty good if you do not remember that last fall the Democratic plurality was somewhere around 100,000. We can take that kind of a victory, but if the Republicans keep on cutting down the majority, as we did in this Missouri election you over on the majority side will find yourselves on the minority side when the next general election comes along.

Another gentleman spoke about the folks in Michigan fooling themselves by the wonderful victory Republicans achieved on April 4—just 3 days ago. The gentleman evidently thought that election day in Michigan was April 1, April Fools' Day. That is not so. Nor did Republicans fool themselves by not contesting the issue. The election was later. It was on the 4th of April, after the people had gotten over their foolishness, after the farmers had discovered that all of those fine promises made in the last campaign as to what the President was going to do with his Fair Deal program just were not being carried out. The farmers are begining to realize they were double-crossed. They have discovered that this Eighty-first Congress is worse—think of it—worse even in the President's opinion than the Eightieth Congress, which no one thought could ever be, and the eighty-first is in the President's opinion going to be worse yet. You fellows in the majority are just on slippery ground; you are sliding and slipping all the time. Even though you are sitting still, you are going to wear the seat of your pants out sliding down the political hill if you do not get on your feet pretty quick and at least make an attempt to carry out the Fair Deal, in reality, the spend-and-bust program.

Mr. KARSTEN. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Missouri.

Mr. KARSTEN. We won by 18,000 majority in the city of St. Louis.

Mr. HOFFMAN of Michigan. Is that the old Pendergast machine?

Mr. KARSTEN. No; we have no connection with the Pendergast machine. I would also like to say that, in addition to this 18,000 majority, we elected a Democratic comptroller. That office had been Republican for over 30 years.

Mr. HOFFMAN of Michigan. Well, a change is sometimes a good thing. But 18,000 is not 100,000. If an 82,000 loss is a victory, may we have more of them. The necessity of a change is one reason why I advocate that we should get rid of the New Deal, and I am sure when the people get another chance they will do just that. Of course, it is not permissible under the rules to refer to a certain other body by name, but I wish some of these energetic gentlemen on my right would step over to the other end of the Capitol some time and see if they cannot get that immovable body going, but with discretion.

Mr. DELANEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Utah [Mr. GRANGER].

Mr. GRANGER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. DELANEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 51, noes 30.

Mr. TABER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 246, nays 137, not voting 49, as follows:

[Roll No. 66]

YEAS—246

Abbitt	Bonner	Christopher
Abernethy	Bosone	Chudoff
Addonizio	Boykin	Coffey
Albert	Breen	Colmer
Allen, La.	Brehm	Combs
Andrews	Brooks	Cooley
Aspinall	Brown, Ga.	Cooper
Bailey	Brown, Ohio	Crook
Barden	Bryson	Crosser
Baring	Buchanan	Dague
Barrett, Pa.	Buckley, Ill.	Davies, N. Y.
Bates, Ky.	Burke	Davis, Ga.
Battle	Burleson	Dawson
Beckworth	Burnside	Deane
Bennett, Fla.	Burton	DeGraffenried
Bentsen	Byrne, N. Y.	Delaney
Biemiller	Camp	Denton
Blackney	Cannon	Dollinger
Blatnik	Carnahan	Donohue
Boggs, Del.	Carroll	Doughton
Boggs, La.	Cavalcante	Doyle
Bolling	Celler	Durham
Bolton, Md.	Chelf	Eberharter
Elliott	Kelley	Poage
Engle, Calif.	Kennedy	Polk
Evins	Keogh	Potter
Fallon	Kerr	Preston
Feighan	Kilday	Price
Fenton	King	Priest
Fisher	Klein	Rabaut
Flood	Kruse	Rains
Fogarty	Lanham	Ramsay
Forand	Larcade	Regan
Frazier	Lesinski	Rhodes
Fugate	Lind	Ribicoff
Fulton	Linehan	Richards
Furcolo	Lucas	Rivers
Garmatz	Lynch	Rodino
Gary	McCarthy	Rogers, Fla.
Gathings	McCormack	Rooney
Gavin	McGrath	Sabath
Gordon	McGuire	Sadowski
Gore	McKinnon	Sasscer
Gorski, Ill.	McMillan, S. C.	Secrest
Gorski, N. Y.	McSweeney	Sikes
Gossett	Mack, Ill.	Sims
Graham	Madden	Smathers
Granger	Magee	Smith, Va.
Grant	Mahon	Spence
Green	Mansfield	Staggers
Gregory	Marcantonio	Stanley
Hardy	Marsalis	Steed
Hare	Merrow	Stefan
Harris	Miller, Calif.	Sullivan
Harrison	Mills	Sutton
Hart	Mitchell	Tackett
Havenner	Monroney	Tauriello
Hays, Ark.	Morgan	Teague
Hays, Ohio	Morris	Thomas, Tex.
Hébert	Morrison	Thompson
Hedrick	Moulder	Thornberry
Heffernan	Multer	Trimble
Heller	Murdock	Underwood
Herlong	Murphy	Vinson
Hinshaw	Murray, Tenn.	Wagner
Hobbs	Noland	Walter
Holifield	Norrell	Wheeler
Holmes	Norton	White, Calif.
Horan	O'Brien, Ill.	Whitten
Howell	O'Hara, Ill.	Whittington
Huber	O'Neill	Wickersham
Irving	O'Sullivan	Wier
Jackson, Wash.	O'Toole	Williams
Jacobs	Pace	Willis
Javits	Passman	Wilson, Okla.
Johnson	Patman	Wilson, Tex.
Jones, Ala.	Patten	Winstead
Jones, Mo.	Perkins	Woodhouse
Jones, N. C.	Peterson	Worley
Karst	Philbin	Yates
Karsten	Phillips, Tenn.	Young
Keefe	Pickett	Zablocki

NAYS—137

Allen, Calif.	Gamble	McGregor
Allen, Ill.	Gillette	McMillen, Ill.
Andersen, H. Carl	Golden	Mack, Wash.
	Goodwin	Martin, Iowa
Anderson, Calif.	Gross	Martin, Mass.
Andresen, August H.	Gwinn	Mason
	Hagen	Meyer
Angell	Hale	Michener
Arends	Hall, Edwin Arthur	Miller, Md.
Auchincloss	Halleck	Miller, Nebr.
Barrett, Wyo.	Hand	Murray, Wis.
Bates, Mass.	Harden	Nelson
Beall	Harvey	Nicholson
Bennett, Mich.	Herter	Nixon
Bishop	Heselton	Norblad
Bolton, Ohio	Hill	O'Hara, Minn.
Bramblett	Hoeven	O'Konski
Burdick	Hoffman, Mich.	Patterson
Byrnes, Wis.	Hope	Pfeiffer, William L.
Canfield	Hull	Phillips, Calif.
Case, N. J.	Jackson, Calif.	Poulson
Chiperfield	Jenison	Rankin
Church	Jenkins	Reed, Ill.
Clevenger	Jennings	Reed, N. Y.
Cole, Kans.	Jensen	Rees
Cole, N. Y.	Jonas	Rich
Corbett	Judd	Riehlman
Cotton	Kean	Rogers, Mass.
Coudert	Kearney	Sadlak
Crawford	Kearns	St. George
Cunningham	Keating	Sanborn
Curtis	Kilburn	Scott, Hugh D., Jr.
Davis, Wis.	Kunkel	
D'Ewart	LeCompte	Scrivner
Dolliver	LeFevre	Scudder
Dondero	Lemke	Shafer
Eaton	Lichtenwalter	Simpson, Ill.
Ellsworth	Lodge	Smith, Kans.
Elston	McConnell	Smith, Wis.
Engel, Mich.	McCulloch	Stockman
Fellows	McDonough	Taber
Ford		

Talle	Wadsworth	Withrow
Tollefson	Weichel	Wolcott
Van Zandt	Welch, Calif.	Wolverton
Velde	Werdel	Woodruff
Vorys	Wigglesworth	
Vursell	Wilson, Ind.	

NOT VOTING—49

Bland	Hoffman, Ill.	Redden
Buckley, N. Y.	James	Scott, Hardie
Bulwinkle	Kee	Sheppard
Carlyle	Kirwan	Short
Case, S. Dak.	Lane	Simpson, Pa.
Chatham	Latham	Smith, Ohio
Chesney	Lovre	Stigler
Clemente	Lyle	Taylor
Cox	Macy	Thomas, N. J.
Davenport	Marshall	Towe
Davis, Tenn.	Miles	Walsh
Dingell	Morton	Welch, Mo.
Douglas	O'Brien, Mich.	Whitaker
Fernandez	Pfeifer,	White, Idaho
Gilmer	Joseph L.	Wood
Granahan	Plumley	
Hall,	Powell	
Leonard W.	Quinn	

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Gilmer for, with Mr. Towe against.

Mr. Welch of Missouri for, with Mr. Macy against.

Mr. Cox for, with Mr. Leonard W. Hall against.

Mr. Wood for, with Mr. Short against.

Mr. Quinn for, with Mr. James against.

Mr. Clemente for, with Mr. Simpson of Pennsylvania against.

Mrs. Douglas for, with Mr. Taylor against.

Mr. Chesney for, with Mr. Latham against.

Mr. Joseph L. Pfeifer for, with Mr. Morton against.

Mr. Lane for, with Mr. Hardie Scott against.

Mr. Whitaker for, with Mr. Hoffman of Illinois against.

Mr. Granahan for, with Mr. Plumley against.

General pairs until further notice:

Mr. Davenport with Mr. Smith of Ohio.

Mr. Chatham with Mr. Case of South Dakota.

Mr. Kirwan with Mr. Lovre.

Mr. LODGE, Mr. JENNINGS, and Mr. WELCH of California changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

Mr. ROONEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4016) making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1950, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 4016, with Mr. TRIMBLE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. ROONEY. Mr. Chairman, at the outset I yield myself 15 minutes and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Mr. Chairman, before discussing the pending bill, H. R. 4016, making appropriations for the Departments of State, Justice, and Commerce and the Federal Judiciary, for the fiscal year 1950, and for other purposes, I wish to commend my fellow members of the subcommittee. They are hard-working, industrious Members of the House who sat and diligently heard the long testimony on this bill for over eight weeks. When I say for over eight weeks I mean for each day from Monday to the end of each week, beginning at 10 o'clock every morning.

The services rendered the committee by the new members on the majority side, the distinguished gentleman from Pennsylvania [Mr. FLOOD] and the distinguished gentleman from Georgia [Mr. PRESTON] have been of tremendous importance. It has been a real personal pleasure for me to sit again on this committee with the former chairman, the present ranking minority member of the subcommittee, the learned gentleman from Nebraska [Mr. STEFAN]. He has the high respect and real admiration of every one of his fellow committee members, as he has of every Member of this House. It is indeed a pleasure to again serve with the distinguished and capable gentleman from Ohio [Mr. CLEVENGER].

I also wish to say a word of commendation for our executive secretary, Mr. Jay Howe, who worked long and hard in bringing to the floor of this House the bill which is now before you for consideration.

This bill not only makes appropriations for the Departments of State, Justice, Commerce, and the Federal Judiciary, it also authorizes the expenditures of corporate funds of two Government corporations, namely, the Federal Prison Industries, Incorporated, and the Institute of Inter-American Affairs.

The amounts recommended in the bill for the coming fiscal year are as follows: State Department, $271,405,656; Department of Justice, $132,579,141; Department of Commerce, $259,927,605; and for the Federal Judiciary, $20,703,700, making a total of appropriations of $684,616,102.

In addition to these regular annual appropriations for these four items, there is an estimated $761,400 for permanent and $8,811,800 in trust-account appropriations. Further, and in addition to the regular annual appropriations for the Departments of State, Justice, Commerce, and the Federal Judiciary, this bill carries $62,600,000 in contract authority, or a total in direct appropriations and contract authority of $747,216,102.

Your committee has recommended very substantial reductions of $5,407,354 in direct appropriations and $5,400,000 in contract authority.

The total direct appropriations are $84,911,712 in excess of those for the current fiscal year. But, of this amount, $43,000,000 covers the taking of the Seventeenth Decennial Census, which is required under the terms of the Constitution and which has been taken every 10 years since the year 1790, and $39,700,000 is for the liquidation of contract authority granted by the Congress in prior years.

The budget estimates for the fiscal year 1950 contain approximately $24,000,000 for increased personnel costs resulting from the passage of the Federal Employees Salary Act of 1948, passed by the Eightieth Congress. If we add the amount of $43,000,000 allowed by the committee for the taking of the Seventeenth Decennial Census, to the amount $39,700,000 required for liquidation of contract authority granted in prior years, we have a total of $82,700,000.

I shall first direct my attention to the State Department, for which we have budget estimates for the coming fiscal year in the amount of $285,313,756. The amount recommended by the committee for this Department is $271,405,656, a reduction of $13,908,100 from the amount requested.

This is a decrease of $11,538,434 under the current fiscal year appropriation of $282,944,090.

The so-called Hoover Commission, the Commission on the Organization of the Executive Branch of the Government, made certain recommendations with regard to reorganization of the State Department. This committee has concurred in such recommendations and has agreed that there shall be a reorganization along the lines now suggested by the Hoover Commission, which had previously, and for a number of years, been suggested by this subcommittee. In order to fully cooperate in the proposed plan of reorganization, the committee has amalgamated five appropriations for the foreign service and departmental activities into one direct appropriation on a tentative basis for 1 year. The committee has gone along on this on the theory that it would grant greater flexibility in the use of these funds for the Foreign Service and departmental civil-service personnel in the department and field assignments. There has been no cut whatever in the personal services requested in the budget estimates.

In the report of this committee on page 5, you will find a recommendation with regard to the number of publications which are put out by the Department of State. I would like to read to you, if I may, the exact language in our report which deals with this:

> The committee has observed the number of publications dealing with the affairs of the Department of State being printed at the present time. It is suggested that all public-relations work of whatever nature be centralized under one head and, in conjunction therewith, the Department make some effort to reduce the number of publications presently being printed and to initiate the printing of a publication that tells the story of the foreign policies of the Government in a simple and concise form. The day is past when information concerning the foreign policies of this Government is sought only by scholars and professors. The country as a whole is steadily becoming more international minded. In addition, there is at present a total of approximately 14,000,000 veterans of World War II who are decidedly interested in the foreign policies of this country and what our Nation is striving for in its relations with the rest of the world. The average American does not have the time to devote to the reading of a tome written in technical and legalistic terms but needs this information currently and in simple, easily readable form.

Insofar as the subdivision of appropriations for the State Department entitled, "Salaries and Expenses, Department of State," is concerned, the only cuts made by this committee have been in the item for equipment for the Foreign Service, to the extent of $200,000, and in "Supplies and Materials" for that service to the extent of $100,000, or a total decrease of $300,000.

There has been reduced from the amount requested by the Bureau of the Budget for the buildings fund of the Department of State the amount $5,000,000, which leaves a total of $20,000,000 for the purchase and acquisition of buildings and sites in cities throughout the world, for use by our Foreign Service. None of this money actually passes out of the possession or control of the United States. In the acquisition of these buildings and sites which are taken over on credits due from Lend-Lease et cetera, there is merely a bookkeeping transaction. The committee has found fault with the director of the buildings fund for having acquired a property in Bermuda and another in Prague, Czechoslovakia, which have turned out to be white elephants, insofar as the members of this committee are concerned.

In Bermuda, where we had a consul's residence, which cost approximately—and I am relying on memory now—$2,500 a year in rent, we find we have taken over a very beautiful multi-millionaire's residence, known as the Wier estate. While it does not cost us very much in dollars, we shall find in the future that the operation and maintenance of such an elaborate estate will be far in excess of the money it cost the taxpayers for the consul's residence previous to its acquisition.

Insofar as the United States' participation in international organizations is concerned, the committee has had to allow the full amount of the budget estimates for this purpose. This is the item under which the United States of America pays its dues to the various international organizations beginning with the United Nations. the committee's report gives a list of these organizations and the amounts that it costs the United States to participate in each of them.

We find that in practically all instances the share which the United States is called upon to contribute is far in excess of a reasonable and proper amount for our membership in these organizations. It is true that insofar as some of these international organizations are concerned, efforts have been made by the State Department to reduce the percentage share of our participation in them. However, we are still paying entirely too much money as our share to many of them. Among such organizations, besides the United Nations are UNESCO and IRO. The committee has severely criticized the management of the International Refugee Organization. The repatriation and resettlement services have been permitted to lag woefully.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. ROONEY. Mr. Chairman, I yield myself 10 additional minutes.

Mr. Chairman, we find that instead of clearing out these IRO camps and getting these displaced persons to countries where they may retire and live a normal life and have some future ahead of them, IRO has forced them to wait an unusual length of time. The time IRO takes to clear them once they have been approved by the Displaced Persons Commission is utterly unreasonable.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the distinguished gentleman from New York.

Mr. JAVITS. Would the gentleman say that the failure to clear or the lag in clearing the camps by IRO is somewhat attributable to the unfortunate and discriminatory displaced-persons law adopted by the United States and which it is now sought so diligently to be amended by so many people who are interested?

Mr. ROONEY. There is not a question of doubt about that being so. We further find that although we expected that the International Refugee Organization would have screened the people in these camps by now as to their tendencies or possible tendencies toward communism or fascism, nothing whatever in this regard has been done. We found that practically no investigation whatever takes place until such time as the displaced persons are actually called out of the camp for shipment to the United States or some other country.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I shall be pleased to yield to the distinguished gentleman from Pennsylvania.

Mr. WALTER. Is not the gentleman overlooking the fact that the Army very carefully screens all of these people after the assurances are sent to Europe?

Mr. ROONEY. That is not my understanding.

The committee was utterly amazed to find that some of these people who had been in these camps for 3 or 4 years, when taken out of the camps and placed on a boat bound for the country to which they were being sent for resettlement, were found to be Communists, Fascists, or other people who did not believe in decent, orderly government.

When we were called upon to make appropriations for the International Refugee Organizaton for the coming fiscal year we found that their budget estimates were made almost a year before the matter came to us, and we found that in those budget estimates no allowance had been made for reduction in food costs or reductions in the price of other commodites; so, in our report we pointed out that we do not expect to have to make any further appropriation in the next fiscal year after the coming one for the purposes of the International Refugee Organizaton. We trust that by that time all of these people will have been cleared out of these camps, and further, that the amount of money which they may need will be on hand at the end of the fiscal year for which we are now appropriating, and will be sufficient to cover any short period of time beyond that until the camps are finally cleared.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I gladly yield to the learned gentleman from Pennsylvania.

Mr. WALTER. From that statement do I understand the gentleman to mean that the displaced persons commission has been allocated the amount of money that they feel is necessary in order to carry out the work up to July 1, 1950?

Mr. ROONEY. This appropriation, I must say to the gentleman from Pennsylvania, has nothing to do with the Displaced Persons Commission; that is another appropriation. This appropriation is only for our share of the International Refugee Organization which maintains these people in these camps overseas.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from New York.

Mr. JAVITS. I would appreciate it if the gentleman from New York [Mr. ROONEY] would be good enough to enlighten us on one point. Is it not a fact that whether or not this problem can be materially wound up or reduced—this is now the third year in which we have had an appropriation of roughly the same amount of $70,000,000—will depend to a very large extent on whether or not the Congress and our whole machinery of government brings about an amendment to the displaced persons law, in which the number of 200,000 for admission into the United States is low considering our ability to absorb these people and in which such discrimination has been practiced that only a mere fraction of those we provided for have found their way to the United States so far although the law has been in effect for close to a year.

Mr. ROONEY. The displaced persons law should be amended so as to prevent any discrimination.

With regard to the appropriation for the International Boundary and Water Commission, United States and Mexico, the committee has allowed the full amount requested by the Bureau of the Budget, except it has allowed this amount by way of contract authority instead of in cash. The committee did this because of the fact that there will be an approximate balance of $7,917,700 available at the beginning of the new fiscal year on July 1, 1949. The action of the committee will in no way retard the construction of a very worth-while project known as the Falcon Dam.

I may say that the committee has allowed the full amount, $15,000, for the Rio Grande emergency flood protection item, for which only the sum of $100 was allowed last year.

The Bureau of the Budget requested $36,000,000 for the international information and educational activities item, but the committee saw fit to cut this appropriation to the extent of $2,000,000. There is now included in this appropriation for the international information and educational activities a program which was previously financed from an

appropriation entitled "Cooperation of the American Republics," which has been consolidated with this appropriation as the result of the passage of Public Law 402 of the Eightieth Congress, known as the Smith-Mundt bill, which I referred to previously in the debate on the rule under which we are now considering this bill. The actual increase for the information and educational activities item is approximately $5,500,000.

Mr. Chairman, it is amazing to learn the desire of people in European countries, particularly those behind the iron curtain, to learn the true facts of what is going on in the rest of the world, particularly here in America. I have found this to be true in each of my visits to Europe. It has again been forcefully brought to my attention during the course of our hearings when the able Assistant Secretary of State in charge of this program, Mr. George Allen, testified. I would like to quote what Mr. Allen had to say from page 719 of the hearings of this committee:

I shall give you an illustration of how we try to tell foreigners what Americans are like. We had a report recently from our Embassy in Belgrade, Yugoslavia, regarding a Sears, Roebuck catalog which was put on the table of the American Information Library in Belgrade. The librarian had no idea of the result that would come from that incident. Before 10 days had gone by people were forming lines going all around the block, waiting to see this catalog. It upset the whole operation of the library.

The librarian and his assistants had to spend their whole time showing Yugoslavian women how to measure for dresses they wanted to order from Sears, Roebuck, or explaining the relative value of this and that material, and so on.

It turned out that the financial regulations of Yugoslavia contained a provision in fine print that anybody who wanted to make a small personal order abroad, for his own use, could buy a dollar draft up to a maximum of $6. The news spread around that there was this loophole in the foreign-exchange regulations, and when the people of Yugoslavia found the Sears, Roebuck catalog, they were so anxious to order things in the catalog that the national bank was suddenly called on to issue 150 drafts every day of $6 and below. It swamped the bank and the library and everything else.

We did not know what to do about it. The catalog was disrupting every other activity of the library. The bank solved the problem by removing the permission to buy the dollar drafts.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. ROONEY. Mr. Chairman, I yield myself 10 additional minutes.

For the program of the international information and educational activities, the committee has been very generous and recommends to you approval of the amount of $34,000,000 for this purpose for the coming fiscal year. In a number of the countries behind the iron curtain most of the folks are not satisfied with their Red Fascist government. Most of them want to be free, most of them do not want totalitarianism. In Poland 90 percent of the people are strongly opposed to the present government. The same situation prevails in Hungary, in Yugoslavia, in Bulgaria, and particularly in Czechoslovakia. It is only by the use of such a program as the one for which appropriations are now being requested that we can arouse these good people to an understanding of what is right and what is wrong, when they should sit supinely by, and when they should become really active in the cause of true liberty.

There are 44 important radio transmitters in the Soviet Union. As the result of our broadcast of the Voice of America program the Soviet Union has had to use as many as 18 of their transmitters at a time in order to attempt to jam the Voice of America, with the result that 18 of their vicious, lying propaganda transmitters were dead, so to speak, insofar as getting their foul messages over to the people.

As to the activities of the Department of Justice, the Bureau of the Budget requested the amount of $132,402,000. This committee has allowed in the bill $132,579,141, or an increase of $177,141. This is the only increase for the four general items contained in this bill. This increase, mind you, is only $177,141 after the committee increased for the activities of the Federal Bureau of Investigation the amount requested by $1,598,141, and the Antitrust Division of the Department of Justice by $100,000. Approximately $8,550,000 has been an added expense over the amount appropriated for the Department of Justice for the current fiscal year for the employees' pay raise under the provisions of Public Law 900.

In connection with the activities of the Department of Justice this committee has taken a step which may to some employees seem quite revolutionary. I have discussed this with the gentleman from New York [Mr. QUINN], who was, before becoming a Member of this House, the head of one of the great divisions of the Department of Justice, the Criminal Division.

In previous years, each of the divisions of the Justice Department was a separate, autonomous outfit. There was the Tax Division, the Criminal Division, the Claims Division, the Land Division, and the Customs Division. Then there were funds for what are known as special attorneys. Up to now, under the system under which their appropriations were made, if there was a peak case load in the Criminal Division it was illegal, appropriation-wise, to transfer from the Claims Division two or three lawyers or half a dozen clerical employees to help out with that peak load in the Criminal Division. Your committee has now grouped together these six items under one appropriation entitled "Legal Activities Not Otherwise Provided For," so that lawyers and clerical help and appropriations for other objects may be transferred within these amalgamated six divisions so as to bring about an increase in efficiency and in time saved.

The only cuts the committee made for these divisions have been $15,000 in the Tax Division, $30,000 in the Claims Division, and $46,000 in the Lands Division.

There is a new item in this bill inserted because of Public Law 886 of the Eightieth Congress, entitled "Claims of Persons of Japanese Ancestry," for which the amount $1,300,000 was asked. The committee allowed the full amount estimated as an advance on the sums which may have to be paid out in claims, to wit, $1,000,000, but reduced from $300,000 to $200,000 the money asked for administrative expenses. These claims result from the evacuation of persons of Japanese ancestry under military orders.

The next item to which I shall refer is for the Antitrust Division of the Department of Justice. The committee saw fit to increase their appropriation by $100,000. The full amount allowed by the committee is $3,750,000, an increase of $338,300 over the current year appropriation. The committee unanimously felt that one of the most important things with which we should be concerned is the protection of the over-all economy of this Nation.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the distinguished gentleman from New York, the chairman of the Committee on the Judiciary.

Mr. CELLER. I am very happy to note that your committee has seen fit to increase the appropriation for the Antitrust Division. Heretofore that committee has been stymied in its prosecutions and antitrust suits. I have in mind, for example, a suit that was brought in the United States District Court for the Southern District of New York against quite a number of investment houses, in which a number of insurance companies were likewise involved. Because of lack of appropriations, that highly important litigation had to be stopped. I hope that with the increase the gentleman and his colleagues have seen fit to provide the Antitrust Division will no longer be stymied. I offer my congratulations to you gentlemen for your foresight and wisdom in increasing the appropriation.

Mr. ROONEY. The congratulations of the gentleman go, I am sure, not only to the members of the committee on the majority side but to the gentleman from Nebraska [Mr. STEFAN] and the gentleman from Ohio [Mr. CLEVENGER] on the minority side.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I am glad to yield to my distinguished friend, the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. I am very much disturbed, I may say to my friend from New York, who made the statement that the Antitrust Division was stymied because of lack of appropriations last year. When I was chairman of this committee last year this committee increased the funds for the Antitrust Division over $1,000,000 above the President's budget. It was not the lack of appropriations that caused some stymieing of the Antitrust Division. If you will read the record and read the report, you will find that the bottleneck, according to the testimony, is not the bottleneck of appropriations, but a bottleneck in your committee, because the Antitrust Division officials say they need legislation in order to become more effective. I recommend that your committee take some action.

Mr. CELLER. I assure the gentleman that as far as the present chairman is concerned every effort has been made and will be made to strengthen the arm of the Antitrust Division. Only recently the head of the Antitrust Division, the very distinguished public servant, Mr. Bergson in conference with me said he felt that the antitrust laws were ample, as they are now written, to take care of getting after monopolies and trusts. I am rather startled by the statement made by the gentleman from Nebraska that the Committee on the Judiciary is to blame.

Mr. ROONEY. If I may have the floor, since this is my time, I must say that I agree thoroughly with the gentleman from Nebraska [Mr. STEFAN]. This committee at no time curtailed funds for the Antitrust Division. Last year and the year before the Democratic members of this committee went along wholeheartedly with the Republican majority in increasing the appropriations for the Antitrust Division by approximately $1,000,000.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. ROONEY. Mr. Chairman, I yield myself 10 additional minutes.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I gladly yield.

Mr. YATES. I, too, want to congratulate the committee on its appropriation for the Antimonopoly Division of the Department of Justice. I think it is in line with the previous action of the Committee on Appropriations in appropriating money for the physical health of the people of this country. I think this will do much to increase the economic health of the country as well.

On April 5 I invited the attention of the House to the increased price of one-half cent per gallon on gasoline sold by the Socony-Vacuum Oil Co. This increase has taken place in spite of the fantastic record of earnings of the company for the last 3 years, which are as follows:

	Before taxes	After taxes
1946	$75,000,000	$58,000,000
1947	130,000,000	98,000,000
1948	181,000,000	133,000,000

Earnings per share after taxes, common stock:

1946	$1.87
1947	3.13
1948	4.18

I noticed in yesterday's newspaper that Esso Standard had followed suit and was increasing the price of gasoline along the Atlantic seaboard by one-half cent per gallon. There appears to be something wrong in this industry when such increases take place at a time when prices for most products are coming down and when there is no shortage of gasoline upon the market. I believe that these increases may well represent the predatory practice of monopolists and on April 5 I wrote a letter to Mr. Lowell B. Mason, Chairman of the Federal Trade Commission, asking that he investigate to determine whether a monopoly does in fact exist in the oil industry, and requesting that he take appropriate action.

I take pride in being a member of the Appropriations Committee which has shown its concern for the economic welfare of the people of this country by recognizing that monopolists are at work in this country and by voting a sum of $3,750,000 for the Antitrust Division of the Department of Justice, an appropriation which exceeds by $100,000 the amount recommended by the Bureau of the Budget. I certainly believe it will be money well spent.

Mr. ROONEY. The gentleman is absolutely correct.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I gladly yield to my distinguished colleague.

Mr. RABAUT. What was done, or what testimony was developed before your committee concerning the small-loan sharks and their vulturing upon the people?

Mr. ROONEY. I do not know that any direct mention was made on that. I was just going to refer, when the gentleman asked me to yield, to the fact that 40 new antitrust cases were instituted in the first 6 months of the fiscal year 1949 under the ample appropriation allowed by the committee when the gentleman from Nebraska [Mr. STEFAN] was the chairman, compared with 18 new cases in the same period in the previous fiscal year.

In the first half of the current fiscal year, 124 major investigations were started, compared with 127 new investigations in the entire preceding fiscal year. This committee is very much concerned with investigation and successful prosecution of monopolistic practices in regard to food, clothing, and housing. We have directed the Antitrust Division, insofar as we have power to do so, to concentrate their efforts in the fields of food, clothing, and housing. We are concerned with the alleged monopolistic practices of the corporation known as International Business Machines.

I am sure that the Antitrust Division will immediately concern itself with the recent half-a-cent-a-gallon increase in gasoline in the East. When all the companies can get together and raise the price of gasoline a half a cent a gallon, there certainly is something wrong in Denmark.

So far as the Federal Bureau of Investigation, which is the organization which safeguards our internal security, is concerned, this committee allowed not only the $50,987,000 request of the Bureau of the Budget, but increased this amount by $1,598,141 to the total sum of $52,585,141. This increase is a comparatively small sum compared with the many billions of dollars being spent overseas allegedly to protect us against the ravages of communism. The committee showed no reluctance whatever in going along with the proposal to increase the money for the FBI by over $1,500,000 when they realized, as they did, the amount of money we spend on our internal security is one of the most important items in this bill. For the sake of a mere $1,500,000 we would not hesitate to insure our internal security as much as we can.

In connection with the FBI, in the year 1948 alone, seven new laws were passed by the Eightieth Congress which specifically increased their work load. It might be interesting to note at this time that of the hundreds of thousands of Government employees who have been examined under the loyalty program by the FBI, it has been found that in 99.65 percent of the cases Government employees have no record of subversive activities. This speaks well for the rank-and-file employees of the United States Government, throughout this land.

I realize that I am taking a considerable length of time. I do not want my fellow committee members to be apprehensive. I want them to have ample time to speak on this bill. But this bill covers four huge subdivisions of our Government, and there are many, many items in it which are of great interest to this Congress and to the people of America.

For the Department of Commerce there was requested by the Bureau of the Budget $301,073,500. This committee saw fit to cut that amount by $41,145,895 to the amount $259,927,605. While this is an increase of $80,175,105 over the current year's appropriation, over $12,000,000 of this increase is necessary as the result of the passage in the Eightieth Congress of Public Law 900. Twenty-five million three hundred thousand dollars is necessary to liquidate contract authorities granted by the Congress in previous years; and $43,000,000 of it is for the taking of the Seventeenth Decennial Census.

In the Office of the Secretary of Commerce the committee has made an actual decrease of $158,000. The Civil Aeronautics Administration has been allowed $139,073,605, as well as contract authority in the amount of $58,800,000.

Insofar as the Civil Aeronautics Administration is concerned, the committee finds that they are engaged in a lot of boondoggling; that they are engaged in projects which, to the committee, seem utterly ridiculous. Why it is necessary for Civil Aeronautics Administration to maintain an office in Washington for men who are sent throughout the country, and the taxpayers have to pay the cost of the travel and pay them salaries, to go down to Roanoke, Va., or to some point on the west coast to tell the local manager of an airport how to run his restaurant business, how better to cook his hot dogs, is utterly beyond the imagination of the members of the committee.

Further, why these employees have to travel to see local airport managers for the purpose of suggesting they grow wheat on a part of the land adjacent to airport facilities, at the expense of the taxpayer, when such a program could be carried on by mail by the use of a 3-cent stamp, instead of paying some seven or eight thousand dollars a year employee to travel throughout the country and pay his traveling expense as well, is beyond the committee's comprehension.

The committee has deducted from the amount requested by the Bureau of the Budget for the activities of CAA $900,000 in equipment and $500,000 in supply material, on the theory that they have been maintaining an inventory fully a year in advance, which in these days is

utterly ridiculous—in these days when prices are expected to fall.

The committee has reduced the amount of this bill by $1,434,895 by taking from the Bureau of the Budget estimates that amount normally included for personnel in communications control stations, class 1 and class 2. In at least most of these stations there are six employees, five of whom work a trick, the sixth of whom is the chief communicator, or the boss. The committee feels that the chief communicator could just as well take a trick and thus reduce this appropriation by $1,434,895.

The committee has reduced the appropriation for administrative Washington personnel of Civil Aeronautics Administration by $200,000. I should say that the committee has been unanimous in protesting the manner by which many employees have been added to the pay roll. I will give you an example of this, if I may. On page 708 of the Department of Commerce hearings you will find the following colloquy with the budget officer of the Department of Commerce with regard to putting 19 new employees on their payroll for a division known as Technical and Scientific Services.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. ROONEY. Mr. Chairman, I yield myself ten additional minutes.

Mr. Chairman, the Bureau of the Budget and the Department asked for an appropriation of $80,000 in order to put 19 people to work in connection with a worth-while activity. In order to add the 19 employees to the pay roll the Department of Commerce, Secretary's Office, deducted the amount of $3,000 for their bookkeeping occasioned, as they say, by addition of 19 people to the pay roll. The following colloquy ensued:

Mr. ROONEY. Mr. Cawley, in this supplemental request for an increase in appropriation, there are 19 employees. Why do we have to transfer as much as $3,000 to the Office of the Secretary, salaries and expenses?

Mr. CAWLEY. That is an estimate which we were required to form to continue the service and permit additional service. That may appear disproportionate.

Mr. ROONEY. It surely does; merely to take care of 19 additional employees as far as the Secretary's Office is concerned, $3,000.

Mr. CAWLEY. That is the amount that was requested and approved. I may say that we have tried in the Office of the Secretary to provide as many of these services without charge as we could and we have succeeded to date in providing free-of-charge service to the American Coordinating Committee.

Mr. ROONEY. How do you arrive at $3,000?

Mr. CAWLEY. Three thousand dollars is the additional amount we estimated to be required here. It is not directly proportionate. It is an offset to meet the free-of-cost rendered service.

The committee frowns upon this practice and has served notice on the Department that it does not intend to countenance such action in the future.

As to the item entitled "Establishment of Air Navigation Facilities" the committee has reduced the budget request therefor by $5,000,000 in cash and $8,200,000 in contract authority. It may be of interest to note from the testimony at page 306 of the hearings that for a number of years the committee has appropriated, unwittingly appropriated, money with which to purchase gasoline and oil for operation of airplanes which are not going to be operated until the fiscal year 1952—practically 3 years away. Why and how such an item could be included in the bill I do not know. Two or three years from now gasoline may not be the fuel used in airplanes, and goodness knows what the price of gasoline may be.

This same outfit made a request for an appropriation of $111,430 for a very high-frequency link with overseas communications stations to be installed at Barnegat, N. J. They have been paying around $67,000 per year in rent to a private company and stated that if we would allow them the $111,000 they would be able to save the $67,000 a year rent being paid to a private communications company.

When they were asked how long this had been going on, how long they had been paying rent, they stated that it had been going on for some 6 or 8 years. They were then asked whether or not this very high-frequency link is a new invention. They answered that it was not, that there was nothing new to it by way of invention, that it is at least 4 years old. The committee then wanted to know why it took at least 4 years to find out that, by spending $111,000, 4 years' rent at $67,000 a year could be saved?

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from California.

Mr. HINSHAW. I take it the gentleman is complimenting the new Administrator for finding ways to save money?

Mr. ROONEY. I have no fault to find with the new Administrator. Mr. Rentzel has not been there long enough to find fault with him. I expect he might do a good job if he is let alone by a lot of people, including your favorite air lines.

I would be remiss in my duties if I did not make a comment with reference to a very beneficient organization that we have in this Government known as the Civil Aeronautics Board. I would like to read to you from page 22 of the committee report, which shows in no uncertain terms what the committee thinks of some of the actions of the Civil Aeronautics Board:

Although the committee has suggested year after year that the air lines should pay part of the cost of maintaining the Federal airways, both Civil Aeronautics Board and Civil Aeronautics Administration make annual fervent pleas in behalf of the companies, insisting that they are not self-supporting. Since many of the executives of these air lines are paid six-figure salaries for directing companies which are subsidized to the great extent they are by the Federal Government, the committee strongly feels that the day has arrived when steps must be taken to more carefully scrutinize the finances of these companies.

In this connection, the members of the committee were utterly amazed to learn of the decision of Civil Aeronautics Board on Friday, February 25, 1949, granting an $8,000,000 gift of the taxpayers' money to the "Big Four" air lines for transportation of air mail, a single pound of which they never actually carried. In making such decision under the guise of air-mail subsidy, it would seem an expensive gesture of sympathy to these air lines for supposititious business lost due to the grounding of a number of their Constellations and DC-6's which they had previously been operating with defective and dangerous equipment.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from California.

Mr. HINSHAW. I have also read the language that the gentleman placed in the RECORD, and while, of course, I do not criticize the gentleman's report at all, I would like to call attention to the fact that the mail pay rates established by the Civil Aeronautics Board to which the gentleman refers were what is called temporary rates and were established in the hope that the transportation might be furnished at that price. It was found, however, it could not be furnished at that price; hence, in establishing the permanent rates for the same period of time, I believe the gentleman will find that the Civil Aeronautics Board increased the temporary rate by the amount necessary to that figure he has stated.

Mr. ROONEY. The testimony before the committee, I must say to the gentleman from California, is quite clear that the only reason they allowed this $8,000,000 under the guise of air-mail rates was to recompense these companies for the period of time when their Lockheed Constellations and DC-6's were grounded. Why had they been grounded? Because they were manufactured with a defective smoke-detective device, and when these planes were in operation there were a couple of serious accidents as a result of fire due to the defective smoke-detective device. CAA came along and said, "We ground these planes; we revoke your certificate of airworthiness." Now the planes are on the ground for about 6 weeks while the smoke-detective devices are being taken out of them or disconnected. What do you think CAB did? They gave them $8,000,000 of the taxpayers' money for the period of time the airplanes were grounded so as to be put in safe condition so that the public could ride in them.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the distinguished gentleman from California.

Mr. MILLER of California. I am concerned with the fact that this $8,000,000 the gentleman speaks of is funneled into them through the medium of the Post Office Department, and then they come in here and say they have a big postal deficit.

Mr. ROONEY. The gentleman is absolutely correct.

Mr. KENNEDY. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I gladly yield to the gentleman from Massachusetts.

Mr. KENNEDY. The gentleman from New York knows that I have before the Committee on Interstate and Foreign Commerce a bill separating subsidy from compensation for carrying mail. Does the gentleman not think that if we do separate them, that the situation that he just mentioned would not happen?

Mr. ROONEY. I certainly think it would be a step in the right direction.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I gladly yield to the gentleman from California.

Mr. HINSHAW. I would like to point out that the airplanes which were grounded had been approved and certificated by the Civil Aeronautics Administration, and nobody could find anything wrong with them at the time they were certificated. The fact that they were grounded was deplored by the Administration as having been unnecessary in certain instances.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. ROONEY. Mr. Chairman, I yield myself 5 additional minutes.

Well, that may have been so, but you cannot fool with airplanes; you cannot take chances with airplanes, and the gentleman from California, who is very well versed in aviation, knows that.

Mr. HINSHAW. I know that, and they tried to make them as best they could, but it is not infrequent that even in military aircraft they find something wrong with them after they have been in the air a while.

Mr. ROONEY. I posed the question to the Chairman of the Civil Aeronautics Board why it was that the Lockheed Company, the manufacturer of the Constellations, should not reimburse these air lines such as TWA and the others for their loss of business during the time they were grounded. Incidentally the gentleman from Louisiana [Mr. HÉBERT] spoke to me this morning and stated that he had a communication from the president of Eastern Air Lines, Mr. Rickenbacker. There seems to be a question of who are the Big Four. The committee in its report mentions that this $8,000,000 was paid to the Big Four. Mr. Rickenbacker insists that his company did not and is not to receive any part of this money. But he further insists that they are one of the Big Four. I have before me a paper, summary of orders issued to implement Civil Aeronautic Board's statement of policy, February 25, 1949, mail-rate section, and its says: "America, United, and TWA (Big Four). I do not know the answer, but this committee in its report had no desire to include Eastern Air Lines if they did not or are not to receive any part of that huge air-mail subsidy payment.

Mr HINSHAW. Mr Chairman, will the gentleman yield further?

Mr. ROONEY. I yield.

Mr. HINSHAW. Only TWA, among those air lines mentioned, have flown Constellations; the other ones fly DC–6's. Of course, the subject of whether or not they were grounded is a very important one. In the case of the DC–6's, they were grounded voluntarily by the air lines themselves. If the gentleman will read the Civil Aeronautics Act of 1938, he will find that it is the duty of the Board to foster a sound aeronautics system in the United States and to pay rates compensatory as well as subsidizing for that purpose.

Mr. ROONEY. Does not the gentleman think the time has arrived when these air lines should start to pay for the use of the huge concrete strips built with Uncle Sam's money, for the use of the huge Federal airways, communications, weather, signals, beacons——

Mr. HINSHAW. My dear friend, they do.

Mr. ROONEY. Landing aids, lights, and everything else? Does not the gentleman think the time has arrived for that?

Mr. HINSHAW. They pay every airport in the United States a landing fee.

Mr. ROONEY. Sure, they pay a landing fee, which comparatively is just like dropping a nickel in the slot in the subway.

Mr. HINSHAW. The gentleman ought to look over the list of fees they pay.

Mr. ROONEY. I am thoroughly familiar with them, I may say to the gentleman. I think we know a little bit about this subject, too.

Mr. HINSHAW. Does the gentleman realize how much the Congress appropriates for the inland waterways and the rivers and harbors every year without any gripe at all?

Mr. ROONEY. I understand all that. I have heard that argument before, I may say to the gentleman from California, and, if I am not mistaken, from him.

I have just one further observation to make. In the Eightieth Congress a gentleman named Colonel Oxholm came around to most of the Members of the House, and I suppose later to the Members of the Senate, and told how his heart bled for the people of the Virgin Islands. Many of you may remember the colonel. He was a very convincing speaker. He told us that the one hope for the good people of the Virgin Islands was an economic survey so that they would be able to change their economy and make progress. As a result of traveling to many of the offices in the House Office Buildings, the colonel prevailed upon a Member in the first session of the Eightieth Congress to offer an amendment from the floor to this very bill, and the amendment carried. As the result, there was appropriated to the Bureau of Foreign and Domestic Commerce without any request whatever from them, the amount of $15,000 for such a survey. Taxpayers' money to the tune of $30,000 has since been paid for such a survey; and, lo and behold, who has been making that survey for the past 2 years but our friend, Colonel Oxholm.

The following colloquy took place during the hearings of the committee. The committee asked whether or not any money was requested for this purpose for another year, and Mr. Hayward, the Director of the Bureau of Foreign and Domestic Commerce, said:

I do not believe that any further study is necessary.

Mr. ROONEY. Who made the study? Incidentally, Colonel Oxholm didn't have anything to do with it, did he?

Mr. HAYWARD. Yes, sir; he is the man who is still down there.

Mr. ROONEY. On the pay roll of the Government?

Mr. HAYWARD. On the pay roll of the Department of Commerce.

Mr. ROONEY. How did that come about?

Mr. HAYWARD. We were pretty well pressured into that one, I guess.

Mr. ROONEY. What concrete results have been achieved as a result of the expenditure of this $30,000?

Mr. HAYWARD. I think you can boil that down to a few words, Mr. Chairman. It is the consensus, I think, of Mr. Oxholm's last annual report and the interim reports we have gotten since, that the only way to get the Virgin Islands on a proper economic basis is for the people to go to work and to stop sending money down there from the United States for them to live on relief. That is the sum and substance of all of his reports.

Mr. ROONEY. And you spent $30,000 to find that out at the direction of the Eightieth Congress?

Mr. HAYWARD. That is true.

Mr. YATES. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at the point in his remarks where the gentleman from New York yielded to me.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. STEFAN. Mr. Chairman, I yield myself such time as I may desire.

Mr. Chairman, again we bring to you a very important bill making the annual appropriations for the Department of State, the Department of Commerce, the Department of Justice, and the Federal judiciary.

Before I go into the bill proper, I want to take this opportunity to commend the other four members of this committee, especially Mr. JOHN ROONEY, of New York, the chairman, for his unusual courtesy and consideration and his ability and knowledge of the many items contained in this bill. I commend Mr. CLEVENGER, of Ohio, who is a great economist, a merchant, and farmer. He has traveled extensively over the world, and also has knowledge of the items contained in this bill. Also I wish to commend Mr. DANIEL FLOOD, an attorney with a wide knowledge of foreign affairs. He contributed much to our deliberations. I commend Mr. PRESTON, of Georgia, also an eminent lawyer who is also widely traveled, and whose unusual knowledge of many of the items in this bill helped us to come to fair decisions. I commend Mr. Jay B. Howe, executive secretary of the committee. Those of you who have had anything to do with the Committee on Appropriations know what the job of executive secretary really is.

You have just listened to about an hour's discusssion on this bill by the very distinguished chairman. I wish to again congratulate him on the excellent job he has just done in explaining in detail the many important items in this bill. We were able to cut the number of pages of hearings down somewhat as compared with previous years. But there are approximately 2,000 pages of hearings in these four volumes. There are approximately 104 items affecting foreign relations and domestic affairs; matters having to do with the State Department and the Foreign Service; the fast-growing Department of Commerce; the Department of Justice; and our Federal courts.

Few Members of the Congress realize how many items must be handled before a bill is brought to you in finished form. As stated by the chairman, we have been working since early last January. We only recently completed the hearings. Then we marked up the bill, which is a tremendous task. Then we wrote up our report and then presented it to the full committee. We now present it to you as a finished product. What are some of these 100 or more items which call for an expenditure of nearly $700,000,000? In the Department of State alone some of the items include salaries and expenses of the Office of the Secretary; legal adviser; geographical offices; Assistant Secretary for occupied areas; economic officers; research intelligence officers; office of the United Nations; public affairs officers; administrative officers, Passport Division, Visa Division, Division of Directive Services; Divison of Security; Division of Foreign Service; buildings fund; our participation in many international organizations. These are too numerous to enumerate here. All appear in the printed hearings which are available to all Members.

In the Justice Department we have salaries of the Attorney General and his activities, Administration Division, Tax Division, Criminal Division, Claims Division, Federal Court of Claims, Customs Division, Antitrust Division, Examiner of Judicial Offices, Land Division, district attorneys, special attorneys, marshals, Alien Custodian, Immigration and Naturalization, and many other activities.

The Department of Commerce includes the export control; Weather Bureau; technical and scientific services; the Census Bureau and its various divisions, foreign-census service, Seventeenth Decennial Census, for which we are appropriating now and which will go into effect July 1, 1950, which involves more than $70,000,000. We are already going into the census of manufactures.

Then we have the Civil Aeronautics, which takes up most of the appropriation in the Department of Commerce. Air navigation facilities, technical development, Federal airport program. The Washington Airport, which is the only civilian airport paid for and operated by the United States Government; the field officers; the Bureau of Standards, the administration of it: research, testing, radio propagation, and many activities which are done by the Testing Division of the Bureau of Standards.

In our Federal courts we have the Supreme Court of the United States; the Hawaiian courts; the salaries of the judges there; the salaries of our judges; the probation system; fees of jurors; Supreme Court reports, court reporters, Supreme Court referees in bankruptcy.

This committee only a year ago took the referees in bankruptcy out of the commission basis and put them on a salary; made them officials of the court. I am happy to report to you that the operation is about self-sustaining.

Mr. Chairman, I will now go into many of the other details of this bill detailing more especially some outstanding matters in the Departments of State and Commerce.

THE STATE DEPARTMENT

Our hearings on the 1950 appropriations for the Department of State have indicated to me that there is a noticeable effort in progress within the Department to promote efficiency, economy, and improved public service. I have in mind especially the forthright testimony of Assistant Secretary of State for Administration John E. Peurifoy, wherein he advised the committee of his efforts toward the consolidation and streamlining of functions under his supervision which are resulting in the elimination of certain overlapping and duplication scored so bitterly by this committee in the Eightieth Congress.

Many of Mr. Peurifoy's suggestions have been incorporated in the Hoover Commission's recommendations for the reorganization of the Department; and while undoubtedly there remains unlimited room for improvement, I have the feeling that at long last we are making some headway toward correcting the maladministration which so deteriorated the Department's effectiveness and reputation.

Last year we held extensive hearings on the functions and administration of the Department of State. With the assistance of a professional investigative staff, which was promptly eliminated this year by the Democratic leadership, we uncovered appalling extravagance and waste in personnel, supplies, and services, protected by a raft of red tape which only a Houdini could untangle. We pulled no punches. We itemized our findings and made some specific and sound recommendations. But, more important, we called public attention to criminal laxness and inefficiency in the handling of our international affairs. Do not underestimate the value of last year's exposure of suspicious and undesirable employees. Our subsequent demand for a complete overhauling of the Department has had a direct bearing on such changed attitudes as expressed by Secretary of State Dean Acheson when he recently testified that "in the coming year we plan to cooperate in simplifying the structure of international organizations through improving working relations among the various organizations and by eliminating those individual agencies whose programs can be absorbed by larger organizations." That is precisely what we recommended last year.

It is no accident that Mr. Peurifoy, in whom every member of this committee has the utmost confidence and great respect, states that "all doubts in a security case should be resolved in favor of the Government." He further assures us that he believes it to be "a privilege to work for the Government of the United States and not a right." My reaction is that Department officials are beginning to see the light and to interpret their jobs and the policy of the Department in terms of service to and protection of the American people, instead of indulging in some theoretical double talk which straddles every issue, including that of loyalty to this country.

Mr. CLEVENGER. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Ohio.

Mr. CLEVENGER. As I recall, last year the Appropriations Committee investigative staff produced the employment histories of 108 individuals who were either employed by the State Department or were prospective employees. A large percentage of these were obviously poor security risks because of their associations and activities.

I am curious to know what, if anything, has been done to boot these individuals off the Federal pay roll.

Mr. STEFAN. I am glad to answer that question, which was discussed in our recent hearings. Our committee was informed by Mr. Samuel Boykin, who is Director of the Office of Controls—and he is an outstanding and efficient official—that there had been a number of resignations, 12, in the loyalty-case group and, I believe, about 14 among the security cases.

QUESTION NO. 2

Mr. CLEVENGER. Undoubtedly there were other resignations for reasons which do not fit into those categories. It is my understanding that, after due investigation, 62 other cases were dismissed or asked to resign. What protection is there against them getting onto the Federal pay roll via another agency?

Mr. STEFAN. Theoretically their records are flagged at the Civil Service Commission as well as in the employment office of the State Department. But there is no guaranty that another department will make a thorough check of an individual's past history. Some of these characters we exposed are apparently part of a network which reaches into the administration's left-wing core, because an invisible hand seems to guide them from one strategic job to another. It is a fact that certain individuals on the now famous list of 108 which we exposed last year are at this moment employed by other Government agencies.

For instance, one former State Department employee whose record revealed an overwhelming amount of derogatory information as a security risk was eased out of a policy-making position only to be hired, according to the Civil Service Commission, for a similar post with the War Department.

Another former State Department employee whose record was flagged because of numerous affiliations with fellow travelers and Communist-front organizations is now in a policy-making position with the United States Army in Germany.

It was recently revealed that UNESCO has become a haven for Communists and their sympathizers booted out of United States Government jobs. Apparently, they are received with open arms into that international agency which American taxpayers are supporting to the tune of $2,928,773 annually.

The Federal Bureau of Investigation has investigated over 13,000 employees in the Department's domestic and foreign service, and there is now in effect a program of continuing investigation which would seem to assure a certain amount of vigilance within the agency. Let me say, here and now, that despite all the irre-

sponsible abuse heaped upon the Eightieth Congress, if it had done nothing else but bring about this salutary housecleaning in the Department of State, it performed a public service of immeasurable magnitude.

I am more than happy to applaud the improvements which have been made; however, I do wish to call attention to what I consider a gross lack of judgment in the Department's appointment of an employee to its selection board, which reviews and determines the selection of Foreign Service officers. Specifically, I have in mind the appointment of a Foreign Service officer, who, after intensive investigation by the FBI, was arrested and charged with transmitting classified official documents to unauthorized persons. The FBI does not charge and arrest persons without due cause. Despite the fact that a grand jury did not indict this individual, it is difficult to condone the Department's appointment of him to an important post on its selection board. If for no other reason than that of public and employee relations, this was a misguided and unfortunate appointment.

The security of our country is not to be trifled with, and it would be the better part of valor to err on the side of national security than to bend over backward to vindicate a wearer of the old school tie.

The continuing investigation of State Department personnel is essential. I was not amused several months ago when a romance between an Embassy code clerk and Russian girl culminated in the clerk's resignation and tirade against this Government. The code clerk left the Embassy, but apparently so did the code books and other official documents. Just how can this sort of thing happen if we have the high-caliber surveillance for which we annually appropriate substantial funds? Is it too much to ask in these serious and fateful days that the State Department personnel be selected with the same care and inspection used on defense supplies and war materials?

Vigilant as we must be respecting the patriotic dependability of departmental employees in all positions of trust and critical as we should be of those—fortunately of relatively small number—that betray that trust, let it not be doubted that the great preponderance of people in the Department are honest, trustworthy, industrious, and loyal. This is all the more reason why the good work of so many should not be polluted by the machinations of so few.

At this point, Mr. Chairman, I include a newspaper article which I earlier today was granted permission to include in my remarks:

PROBE OF UN UNIT AS HAVEN FOR FIRED REDS WILL BE ASKED

(By Edward K. Nellor)

A congressional investigation of UNESCO as a dumping ground for Communists booted out of the State Department and other Federal agencies will be demanded soon in the Senate, this newspaper learned last night.

Proof is in the hands of at least two Senators confirming reports the United Nations cultural set-up functions as a haven for security-tagged Kremlinites.

Two red-hot espionage suspects, in fact, are on the UNESCO pay roll at the present time. Especially galling to United States officials is the fact that this Government can do nothing about getting rid of the reds.

Under the UN charter, a quota of employees was set up for each member country. There was a clause added to the charter, however, which gave the Assistant Secretary General authority to select personnel.

The assistant secretary generalship of UN is rotated. At present a Muscovite, A. Sobolev, holds the post. Sobolev hired most of the domestic Reds for the UN after they had been eased out of the State Department one jump ahead of an FBI or House Un-American Activities Committee expose.

Senator MUNDT (Republican), of South Dakota, has data ready for Senate delivery which will reveal details of the Reds hired for UNESCO.

MUNDT is irked about the job placement clause in the General Assembly and Charter regulations. When the time arrives for an American to rotate into the Assistant Secretary General's job MUNDT suggests that prominent anti-Communists be appointed to vacancies in the United States quota. He added:

"We appreciate Sobolev's hiring American Communists for the UN about as much as the Russians would appreciate it if we hired Whittaker Chambers, Elizabeth Bentley, Louis Budenz, Victor Krevchensko, and other known anti-Communists for UN jobs where they had to come into contact with Soviet officials."

Senator MCCARRAN (Democrat), of Nevada, also is disturbed over the UNESCO situation and is about ready to air his discoveries about the Red nest in the global organization.

One $8,000-a-year UNESCO woman aide hired by Sobolev is listed in almost every Government security agency as a Communist. The House Un-American Activities Committee is about to lower the boom on her. She was one of the busiest Reds in the State Department at one time. She is credited, in fact, with having persuaded more Government girls to run more espionage errands than any other Kremlin courier on the Federal pay roll.

Mr. LODGE. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Connecticut.

Mr. LODGE. May I ask the gentleman a few questions with respect to the UNESCO program? Surely most of us are in deep sympathy with the stated objectives of UNESCO, with the aim to promote world peace by educational activities and cultural, scientific, and social exchange. Surely also we want to maintain a watchful eye over these activities to make sure that these objectives are being conscientiously and effectively implemented.

I notice that among the members of UNESCO are Czechoslovakia, which contributes 1.8 percent to the budget of UNESCO; Hungary, which contributes seventeen one-hundredths of 1 percent; and Poland, which contributes 1.13 percent. The United States contributes 38.47 percent.

My question is this: These three countries are known to be satellites of the Soviet Union. Have they expressed their approval of the manner in which the educational, social, scientific, and cultural aspects of this program are developing?

Mr. STEFAN. In answer to that question, the gentleman from Connecticut knows as well as I do what happened to the great republic of Czechoslovakia, which was founded by the late Thomas Masaryk. The gentleman knows what happened to his son, Jan Masaryk. The gentleman knows as well as I do that that republic, fashioned after our own, is no more. It is entirely a Communist-controlled country, in which people are living in fear, and from which over 10,000 patriots, followers of Thomas Masaryk, have escaped from their Russian-controlled masters. Naturally the Czechoslovakian Government today would approve of UNESCO, if the statement contained in this newspaper article is true, that it is infested with Communists and Communist-controlled employees.

Mr. LODGE. Mr. Chairman, I think that is very disturbing information because, if that is shown to be true, then UNESCO is attempting to accomplish precisely the opposite of what it is dedicated to accomplish. It would be assisting the forces of slavery which are our self-made enemies rather than the freedom which we are resolved to protect. It seems to me, Mr. Chairman, that there might be some difficulty in reconciling the point of view—the ideology—of the United States, which contributes 38.47 percent, with the point of view—the ideology—of Hungary, which contributes 0.17 percent, and which has been guilty of the heinous crime against Cardinal Mindszenty which has shocked the entire civilized world. I should like to know how those two nations, our own Nation and Communist-dominated Hungary, are able to reach an understanding on cultural, scientific, educational, and social matters.

Mr. STEFAN. The gentleman is a member of the Committee on Foreign Affairs. If the gentleman will read the record, he will find that the gentleman from Nebraska who is now addressing him fought against all legislation which would give Communists control of American taxpayer money. Bills passed out of the committee of which the gentleman is a member—the Committee on Foreign Affairs—call for appropriations, and that committee is duty bound to implement with funds the authorization legislation passed by Congress.

Mr. LODGE. Mr. Chairman, will the gentleman yield further?

Mr. STEFAN. I yield.

Mr. LODGE. I was not a member of the Foreign Affairs Committee at the time that the authorizing legislation was considered. Furthermore, one can agree with an objective without finding that that objective is being pursued.

As the gentleman from Nebraska knows, Czechoslovakia, Hungary, and Poland were also represented at the Communist-controlled Congress of World Intellectuals which recently held a meeting at the Waldorf-Astoria. Has the gentleman any information as to what was the attitude of the UNESCO, of which these countries are members, toward this meeting in New York City?

Mr. STEFAN. I do not have information about that. Our duty is to appropriate money to implement the laws. That information certainly could

be obtained in your committee, which authorized this kind of legislation.

Mr. LODGE. Does it not seem to the gentleman that it is important to know what the attitude of UNESCO is toward such matters?

Mr. STEFAN. Yes; and I should think that your committee, which reported out these bills, which eventually became laws, should make that investigation. I call your attention to page 628 of the hearings. You will find that UNESCO has on its pay roll about 700 employees, and, strange as it may seem, among them there are only 48 Americans.

Mr. LODGE. Mr. Chairman, will the gentleman yield for one more question?

Mr. STEFAN. I yield.

Mr. LODGE. With respect to what the gentleman has just said, I notice that of the 427 who are not internationally recruited there are no Americans at all, and that there are only 48 Americans among the internationally recruited employees, which number 262.

Mr. STEFAN. You will find that the committee not only this year, but last year, went into these matters very carefully and called attention to and pointed with alarm at the small percentage of Americans employed in this international organization and other international organizations to which we contribute the lion's share of the expense.

Mr. LODGE. I thank the gentleman for his courtesy.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. HOLMES. On page 277 of the hearings on the Department of Commerce there is a list at the bottom of the page of 38 instrument-landing systems in the continental United States. As I understand it, the committee has authorized these instrument-landing stations?

Mr. STEFAN. That is right.

Mr. HOLMES. Does that mean that money will be provided for these 38 instrument-landing systems?

Mr. STEFAN. So far as the money allowed to the Department would go; yes.

Mr. HOLMES. Who has the final determination as to the actual positions? Does the Department have that authority?

Mr. STEFAN. Yes, indeed. These are similar to the cases of the control towers. We have about 151 control towers now in operation. Eighteen new ones are to be put into operation during the present fiscal year, and beginning July 1 of the next fiscal year about 15 additional control towers will be put into operation.

Mr. HOLMES. They are authorized by the committee?

Mr. STEFAN. These are decided upon by the CAA Administrator. The funds for them are provided by the Congress.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. CURTIS. In that category of control towers, is it your understanding that the control tower in Lincoln, Nebr., is continued?

Mr. STEFAN. That is continued, with some improvements.

Mr. CURTIS. There is an appropriation made for the building and improving of airports; is there not?

Mr. STEFAN. Yes. As I said before, the gentleman from Nebraska [Mr. CURTIS] has been very diligent about the continuation and development of landing areas in his district. He has three or four projects included in the tentative list. This is the result of the gentleman's diligence and also the result of the progress in aviation in his district.

Mr. CURTIS. In other words, in receiving this money that the Congress appropriates, the Civil Aeronautics Administration has had to make justification as to what they would use it for, and those on the list are their justification?

Mr. STEFAN. Yes, but the list is tentative. It all depends on the appropriation that will finally come out of this bill. But the money for Federal airport development, which is in cooperation with the funds raised by communities and States, is included in the bill.

Mr. FARRINGTON. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the distinguished Delegate from Hawaii.

Mr. FARRINGTON. Insofar as the question of control towers is concerned, I would like to call attention to the fact that on page 296 of the hearings for the Department of Commerce you raised some question concerning the operation of the control tower at Hilo, Hawaii.

Mr. STEFAN. Yes.

Mr. FARRINGTON. I wish to thank the gentleman for his interest in that particular control tower. I note, however, that no funds are appropriated for the operation of that tower, and I want to point out that that was recommended by the Ninth Region of the CAA, in view of the fact that towers on the island of Maui and those on the island of Hawaii, at Hilo, were designated as long-range international civil alternate airports, by the Provisional International Civil Aviation Conference held at Melbourne, Australia. I do not see in the hearings any information that that was brought to the attention of the committee. The Territory of Hawaii is at present financing the operation of that airport, and we feel very strongly, in view of this commitment, that its operation should be financed by the Federal Government. I would appreciate any comment the gentleman would care to make on that subject.

Mr. STEFAN. The gentleman from Hawaii has spoken to me about various CAA installations and activities in the Hawaiian Islands many, many times, and I know of his concern about it. I know the gentleman has talked to me many times about it and we have discussed it. It was for that reason that I interrogated the Administration in connection with the operation of the control tower at Hilo. Something will perhaps have to be done eventually to decide whether or not the operation of the Hilo tower will have similar status as the towers in the United States. Perhaps when the Hawaiian Islands receive statehood for which the gentleman has battled so long, we can clear that up.

Mr. FARRINGTON. Mr. Chairman, I ask unanimous consent, with the gentleman's permission, that I may extend my remarks at this point in the RECORD.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. FARRINGTON. Mr. Chairman, the United States Government entered into an agreement at the Provisional International Civil Aviation Organization Conference at Melbourne, Australia in February 1947, designating the Hilo, Hawaii and Maui airports as long-range international civil alternate airports.

These two airports are situated on the north shore of the Island of Hawaii, some 200 miles southeast of Honolulu, and on the Island of Maui slightly less than 100 miles from Honolulu.

The importance of maintaining these two ports as alternate landings in the long flight necessary to reach Honolulu is apparent to anyone who will examine a map of the Hawaiian Islands.

According to figures supplied by the Civil Aeronautics Commission, there occurred at Hilo, for the period January 1 to October 1, 1948, a total of 35,640 operations. Based on a 12-hour day, this gives 130.8 operations per day or a take-off or landing every 5.5 minutes. For Maui, the Civil Aeronautics Administration figures show for the same period a total of 20,416 operations, or on the basis of a 12-hour day, a take-off or landing every 9.6 minutes. Based on the type and volume of operations conducted at the Hilo and Maui airports, the local CAA office has classified both Hilo and Maui as class II airports on the scale used to determine whether or not the activity at a given airport justifies the operation of a control tower. There are three classes of airports which justify towers, namely, class I, II, and III, so that the Hilo and Maui airports are well above the minimum requirements and exceed a number of mainland airports where traffic towers are operated by the Civil Aeronautics Administration.

Despite the international agreement covering the Hilo and Maui airports, the operation of the former is now being sustained by funds allocated by the Hawaii Aeronautics Commission for the period November 1, 1948 until June 30, 1949, the towers being operated by personnel of the Civil Aeronautics Administration.

The Hawaii Aeronautics Commission should not be expected to allocate funds for the operation of this tower beyond this period. It is our view that not only is it the function of the Civil Aeronautics Commission to operate control towers with Federal funds at locations where control towers are considered necessary but mandatory that the Federal Government make funds available for the operation of facilities endorsed at an international conference.

The inclusion, therefore, of funds for the operation of these airports is important to the protection of the traveling public and in fulfillment of our international obligations as well.

The Ninth Regional Office of the Civil Aeronautics Administration at Honolulu recommended CAA operation of the control towers at Hilo and Kahului during fiscal year 1950. Due to fiscal limitations imposed by the Budget Bureau, this program was curtailed and neither Hilo,

Kahului nor numerous other proposed locations appeared in the final tower program submitted for approval.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. PHILLIPS of California. I cannot find a statement in the bill, but the gentleman will recognize it. I noticed somewhere it said that we could spend this money for agricultural experiment stations in other countries.

Mr. STEFAN. I believe the gentleman is referring to the item: Institute of American Affairs.

Mr. PHILLIPS of California. Could the gentleman explain it briefly? Because some of us in the rural areas have had a great deal of difficulty in getting money for experiment stations in the United States.

Mr. STEFAN. There are many many items dealt in by the Institute of American Affairs. Agriculture, education, commerce, public health, city improvements, and many other things. I should like to say to my colleague from California that this agency is launching upon an ambitious program of constructing hospitals, increasing the number of beds in hospitals in Central and South America, and this at a time when we here in the United States refuse appropriations for the Veterans' Administration to build 20 additional hospitals in this country and provide additional beds for our own veterans. The agriculture item is just one item in the entire program. I have always been against the duplication of effort. We have today in Central and South America this Institute of American Affairs. In this bill money is appropriated for the cultural program for Central America, the cultural Latin-American program. We also have extended the information service to Latin-America. These three agencies have duplicating functions, and should be eventually brought under one head.

Mr. PHILLIPS of California. Could the gentleman tell me about how much money is involved in that? I do not want to trespass too far on the gentleman's time, but if he has it handy I should appreciate it.

Mr. STEFAN. I believe it is over a million for agriculture and over four million for our share of the program.

Mr. PHILLIPS of California. I thank the gentleman from Nebraska.

FBI APPROPRIATIONS

Mr. STEFAN. Mr. Chairman, I wish to address my colleagues briefly concerning certain portions of the appropriation bill presently before us for consideration. I am hopeful that you will all be able to carefully read and digest the testimony given to your committee during its hearings in connection with the bill in question. I particularly commend to your attention the testimony given your committee by the Director of the Federal Bureau of Investigation, Mr. J. Edgar Hoover, covering the work of that Bureau.

I was very much concerned during the hearings to learn that Mr. Hoover's original request for funds for the fiscal year 1950 had been cut by an amount of $1,598,141. Mr. Hoover's original request for the fiscal year 1949 totaled $52,585,141, the Bureau of the Budget approving an amount of $50,987,000 for the next fiscal year for this Bureau. Your committee felt, and decided unanimously, after hearing the testimony of Mr. Hoover, that the full amount originally requested by him, over and above the budget estimates, should be approved for his agency's activities during the coming fiscal year. The internal security of the United States must be preserved. The period in which we now live is too volcanic to allow the crippling of the FBI. We cannot afford to be remiss in our unrelenting efforts aimed at the dissipation of our internal enemies. I know my colleagues are aware of those to whom I refer; the spies, the saboteurs, and other groups whose desires are aimed at the subversion of our Government. Neither can we forget the dangers so inherent in the artifices of the Communist Party and its fellow travelers, a most despicable group. An organization which through its sinister deceit has profited from its years of boring from within. An organization which has spread its cancerous growth to the very heart of the Nation.

In considering the appropriation of the FBI, we, of course, fully appreciate the record of accomplishments of this organization under Mr. Hoover's able and efficient leadership. It has been particularly reassuring to the members of the committee and to the Congress to observe that Mr. Hoover, through careful administration, has repeatedly effected savings in his appropriations. During three of the last peak war years, when Government expenditures were unparalleled in the history of this country, an amount of approximately $10,000,000 was voluntarily returned to the Treasury by this Bureau. I know that we can be assured in the future, as we have in the past, that through such efficient management the expenditures of the FBI will be maintained at an absolute minimum.

During the critical war period, the FBI shouldered heavy responsibilities. Contrary to popular belief, the cessation of hostilities has not curtailed such heavy investigative burdens during the postwar period. Investigative operations of the FBI reached an all-time high during 1948, attaining an unprecedented volume in excess of one-half million investigative matters—the highest ever recorded in the history of the Federal Bureau of Investigation. This unparalleled growth exceeds all workloads experienced during any of the peak war years.

We must remember that during the past decade, succeeding sessions of Congress, through legislation, have greatly augmented the investigative jurisdiction of this agency. Originally, FBI jurisdiction encompassed some 20 or 30 Federal statutes. Today, this jurisdiction has expanded to such an extent that it now embraces approximately 120 major Federal statutes. During the past year alone, the Congress has seen fit to place in the statute books no less than seven new public laws vesting increased responsibilities in this organization.

In addition, under presidential directives, the Federal Bureau of Investigation has been designated as the agency of the Federal Government charged with the coordination of all internal security matters affecting the civilian population. During September of 1939, and again on January 8, 1943, the President directed the attention of all law enforcement officers to FBI jurisdiction in the field of espionage, sabotage, treason, and related security violations. These directives are still in full force and effect.

The printed testimony will reveal, further, that the FBI had pending more than 63,000 investigative matters on January 1, 1949—a volume approaching three times that experienced during 1939, the last normal prewar year. Today, each special agent in the field is carrying an average work-load of 16 cases—yet 10 is regarded as the maximum for efficient productive capacity.

Although the workweek has now been reduced, the investigative staff of the FBI must continue to perform duties far in excess of a minimum 40-hour week. The exigencies of the service require prolonged and extended periods of application. They demand the availability of FBI personnel 24 hours daily, 7 days a week. Security investigations, and serious crimes such as kidnaping and bank robbery, cannot be successfully concluded on a time schedule.

The FBI has demonstrated it is equal to the task at hand. The prestige and traditions of the organization rest in a large measure on the sympathy and understanding with which this challenge has been met. During the 1948 fiscal year, 12,915 days' annual leave was forfeited. Voluntary overtime in excess of 1,000,000 hours—for which no compensation was received—was performed by FBI agents. This represented the equivalent investigative work of 527 men on a full year basis—or a salary savings to the Government, and its taxpayers, of $3,186,431. I believe this is most significant, since I feel we need have no fear concerning the efficacy of Mr. Hoover's administration and the esprit de corps of its members.

Mr. Hoover advised your committee, during the hearings on this bill, that the backlog of work is increasing rather than decreasing. I inquired of him at that time as to whether the budget cut in the 1950 appropriation estimate would handicap the Bureau in its work. I was advised that the cut suffered by this Bureau in its appropriation estimate would handicap it in its work since the original request as submitted by Mr. Hoover had been reduced to the lowest possible figure which would permit the Bureau to properly discharge its obligations. I was very much disturbed by this cut since I feel that the FBI, in the trying days ahead, must have a sufficient appropriation to handle its work as it is received and to reduce the backlog of work which presently exists.

At the present time Mr. Hoover finds it necessary to take his special agents off regular investigative work, which includes investigation of bank robbery, kidnaping, antitrust cases, and many other such activities, and place them on

special investigations which necessarily must be completed within a set number of days. This is highly undesirable and this fact, which is brought about by continued increased responsibility, has, as your committee was advised during the hearings, increased the present backlog rather than decreased it. This backlog must be given continued attention and reduced at the earliest possible date. So long as it is necessary for Mr. Hoover to take his men off regular investigative work to handle these specialized investigations, this cannot be accomplished. The backlog in work is also reflected in the Bureau's Identification Division, which has received great numbers of fingerprint records under the loyalty and atomic-energy programs. Every effort is being made by the Bureau to bring this work up to date. I feel that by allowing the FBI the funds requested by it for the next fiscal year, Mr. Hoover will be able to materially reduce the backlogs which are present in pending work at this time.

Director Hoover testified at length before the committee of the many diverse problems confronting his organization. Problems which, in many instances, directly affect the security of the Nation. Problems that are symptomatic of the high-level and ever-broadening investigative scope of operations encountered during the postwar readjustment period.

Many of the reasons for these problems are apparent: The tense international crisis; the militant aggressive foreign policy of the Soviet Union, the intensification of espionage activities on the part of Soviet Russia and its satellites; the exploitation of every conceivable sphere of endeavor through the guise of Communist-front organizations; and the awakening of public opinion toward a full realization of the Communist menace.

Through unremitting efforts, the FBI has discharged its investigative operations with momentous success. The prestige it now enjoys, and rightfully so, has no equal in the annals of law enforcement. Nevertheless, a changing world, and the turn of events in international relationships, has encouraged increased recognition of the need for comprehensive and affirmative domestic intelligence coverage. A coverage that will render ineffectual the fiendish proclivities of such individuals and organizations which aim at the subversion of our Government. This need is manifestly paramount in controlling the sinister tactics of the Communist Party, so readily apparent during the postwar period. Its strategy, deceit, and trickery have taxed the facilities and FBI personnel to a degree unprecedented in law enforcement—far beyond that inherent in the fifth-column menace of Nazism and the now defunct German-American Bund.

The Communist Party is today organized in some 600 cities, towns, and rural communities of the United States. In 1917, when the Communists overthrew the Russian Government, there was one Communist for every 2,277 inhabitants of Russia. In the United States today, there is 1 Communist for every 2,463 inhabitants. And what is more significant are the avowed assurances of the Communists themselves: That for every party member there are 10 others—ready, willing, and able to do the party's work. What are its implications? Just this: The cancerous growth of a potential fifth-column strength in excess of 590,000, operating under the control of the party itself.

During the last war, the Communists, ostensibly, were devoting their efforts toward winning the war. But the American Communist, like the leopard, cannot change his spots. Since the fall of Germany, they have, with increased fury, sought to convert the party into a more revolutionary exponent of the basic principles of Marxism-Leninism. As such, it stands for the destruction of American democracy and for ultimate world revolution. Through years of expedient maneuvering, calculated to further intensify party objectives, they have profited by this boring from within. Disastrous consequences, both real and potential, would have been inevitable had it not been for the overwhelming effectiveness of our Federal Bureau of Investigation in properly controlling such dangers.

Let us not forget, also, that a growing antipathy of the public toward communism has, likewise, awakened a spirit of civic consciousness and public alertness. That this vigilance has not descended into vigilantism bespeaks of public confidence and esteem for the FBI. There has developed, in consequence, a highly efficient and thoroughly integrated law enforcement and counter-intelligence program which stands in happy contrast to the diffusion of investigative activity that characterized a comparable period some 30 years ago. The results have been all the more encouraging, since such investigative aims are being achieved by Mr. Hoover coincident with the absence of vigilante tactics and the mob hysteria so prevalent during World War I.

This enthusiastic response in reporting alleged acts of subversion and threats to our security has been most helpful, indeed. But it, too, has been productive of sharp increases in work. Increases that are notably pronounced in the field of foreign-inspired espionage. Such complaints must, of necessity, be handled with dispatch—and in the American way.

As public opinion responds to this menace, fifth columnists in our midst exercise increased caution. Espionage operations become increasingly complex. And untapped sources of information, having worked themselves into positions of seeming respect, are enlisted as the wanton tools of those designed to further the foreign-inspired espionage apparatus.

Nor must we judge the effectiveness of security objectives in terms of arrests and convictions. In any intelligence operation, security of information must be our prime concern. I recall in the prewar years that the FBI was criticized on the ill-founded premise that nothing was being done to meet the Nazi-Fascist-Japanism challenge to our internal security. The real facts are now a matter of record. What was being done, and done successfully, could not then be publicized. Investigative accomplishments are not evident until and unless an acute emergency arises. It is at that time, and that time only, that the cumulative endeavors—hitherto conspicuously dormant—are fully realized and appreciated. It is at that time, also, that our enemies are made fully cognizant of the tremendous impact of the investigating arm of the FBI. An arm, which, through its relentless and inexhaustible labors, has rendered ineffectual the diabolical machinations of the saboteur and spy.

In other words, the preventive aspect is of paramount importance. The most effective way of counteracting espionage is counter-espionage—spying on the spy. But this is no simple accomplishment. It demands extended and heavy assignments of investigative personnel. It is productive of fruitful results only when foreign agents are placed under prolonged surveillance; their contacts identified; their methods of communication established; and, through such fortuitous efforts, gradually encircling their every movement.

Nevertheless, I have always regarded the consummation of an adequate security program, a program designed to control the ever-present dangers inherent in the widening duplicity of the foreign inspired espionage networks, as one of sound financial expedience. It is none the less warranted, since investigative energies expended in this direction will be remunerative of untold dividends in the event the trend of international relationships is further deteriorated.

The great bulk of high-priority commitments being experienced in the internal security field, while of the utmost importance, represents but a single phase of FBI operations. Mr. Hoover, in his testimony before our committee, furnished alarming statistics evidencing dangerous increases in general criminal activities. They are but a continued reflection of the high crime rates prevailing during the postwar readjustment period. During 1948 more than a million and a half major crimes were committed in the United States. Of all arrest records examined by the FBI, 58 percent represented criminal repeaters. Can we, through callous indifference and utter disregard for our responsibilities of citizenship, allow this menace to flourish? The criminal element must be served with notice that we, the Members of Congress, intend to insure a continued virile law enforcement aimed at the dissipation of its heinous proclivities. It is in this way only that we can afford our children, and our children's children, the heritage of a free and unfettered life.

I earnestly recommend that my colleagues carefully review the hearings on this appropriation, in order that they may, individually, evaluate the outstanding accomplishments of this Bureau, and the heavy responsibilities being encountered, in the discharge of its duties under this broad over-all criminal program. The record speaks for itself. It will reveal, for example, that during 1948 the Federal Bureau of Investigation returned to the taxpayers in fines, savings,

recoveries, and claims adjusted in favor of the Government, an amount of $54,327,283—or nearly $5,000,000 in excess of the total cost of operations. It will reveal, further, that there were 9,966 convictions in FBI cases—representing 97.1 percent of all persons brought before court—with the imposition of sentences totaling 24,671 years, and others involving 6 death and 10 life sentences. Through the efforts of its investigative staff, 5,250 dangerous fugitives were located—criminal parasites who, otherwise, would have been free to continue their depredations upon an innocent and unsuspecting law-abiding public.

In deliberating this appropriation, I feel that the Members of this body should be apprised, briefly, of the increases in certain types of Federal criminal activities. The list is not all-inclusive. But we have been informed by Mr. Hoover that crimes of violence, such as kidnaping and bank robbery, are on the increase. There has been a corresponding upward surge in major criminal violations pertaining to desertion, Veterans' Administration matters, thefts from interstate shipments, crimes on Government reservations, unlawful flight cases, and a host of others.

Activities of organized white-slave rings, interstate hijacking gangs, professional jewel thieves, and confidence men—operating under efficiently directed supervision and on a Nation-wide basis—have become predominantly promiscuous.

Consequently, I feel we would be remiss were we to relax our energies in the criminal field. You will recall that during the early and middle thirties this country experienced a criminal impasse of utmost gravity. In many communities, the underworld, glaring in its drunken power, openly succeeded in its defiance of organized law enforcement.

The Congress, recognizing this threat, passed legislation designed to curb the notorious interstate activities of such mobsters. During this period of transition, the Federal Government was thus enabled to bulwark the efforts of municipal, county, and State law-enforcement authorities. As a result, organized gangs were broken up. Their criminal operations were no longer profitable. And the inexorable wheels of justice brought to an inglorious and ignominious close the infamous deeds of its members. We cannot afford to lose what strides we have made in the suppression of crime. But such gains can only be maintained coincident with the application of vigorous and unremitting investigative labors. Therefore, a sufficient staff of investigators must be made available to handle such responsibilities as they arise.

Mr. Hoover, in his administration of the FBI, has had an enviable career. A career which, through the years, has been synonymous with the progress made in the field of law enforcement. A career that has merited the confidence, respect, and esteem of the public. And a career that has been instrumental in bringing our country through one of its most perilous periods on the home front. Through his efforts, the FBI, with its rigorously maintained standards of proficiency, has continued its preeminence as a model of efficient and sound financial administration. His capacity for achievement has provided the firm foundation upon which a country-wide, harmonious, and cooperative law-enforcement structure rests. A law enforcement which, in its establishment of a united front against the law violator, has been ever alert to avoid the stigmatism of a national police.

THE LIGHT AIRPLANE AND THE BLIZZARD OF 1949

Mr. Chairman, a large portion of the funds called for in this appropriation bill are for the Civil Aeronautics Administration. The hearings will disclose that the committee gave unusual consideration to this very important bureau. The hearings on the airport-construction program will disclose that the larger airports are being given considerable consideration. It appears to me that the small airports, the training of pilots and mechanics in small communities are very important and should not be entirely forgotten when we appropriate huge funds for large airports, technical developments, and so forth.

I have frequently taken the floor to discuss the importance of further development of the light airplane and the importance of pilot training. The value of the light airplane and of the operators of small airports and their students was brought out graphically in the Nebraska blizzard of 1949. The story of this blizzard and the service and heroism of the small-airport operators and their students and graduates should never be forgotten. To them we owe a great debt of gratitude.

The snow rolled into Nebraska and surrounding States like a soft, thick, cotton blanket. Strong gales laid it in long windrows, behind every fillet and windbreak, closing roads and halting trains. There was not a lot of snow at first—only about 4 inches—but after 4 days it amounted in most sections to more than 8 inches and in many places was piled 10 times that deep.

This was the situation in Nebraska as early as November 18, 1948. It was the real beginning of the blizzard of '49 for the eastern part of Nebraska—the beginning of the fight waged by man and his machines against the elements. This also was to be a test for the light airplane to prove its usefulness and its practicability. When all roads became blocked, trains stalled, and travel on foot was almost impossible, the light airplane flew serenely above it all, bringing food, medicine, fuel oil and coal to farmers and ranchers. Stranded motorists were rescued from their stalled cars, lost ranchers were found, doctors were flown in and patients brought out. Had it not been for the light plane, more than 200 persons would have perished in the storms and thousands more would have suffered untold hardships, because the rancher or farmer of today does not lay in a 3-month supply of food and fuel as his father or grandfather did.

Many stories have been written extolling the accomplishments of the "haylift," the Red Cross, the Army and its equipment during the past winter, and all of these agencies, of course, deserve all the credit given them. The light plane, however, was in the air relieving human suffering long before the gravity of the situation was fully realized, and before outside assistance could be brought in to help the overburdened pilot and his light plane.

The November 18 storm was only the beginning of one of the worst winters ever experienced in Nebraska. On December 5, the weather station at Norfolk, Nebr., recorded 2.7 inches of snow; on the 8th, 1.6 inches; the 23d, 4.6 inches; the 24th, 2.5 inches; and the 28th, 2.2 inches. All this time the temperature remained cold so that very little of the snow melted. The weather station listed a total of 11 inches remaining on December 31. The big snow of January 1 in the western part of the State came to northeast Nebraska in the form of 1.27 inches of rain in the immediate vicinity of Norfolk with snow on top. This meant there now was ice to be moved along with the snow.

All winter there were extremely high winds which not only added to everyone's discomfort but also made it impossible to keep any road or railroad track open. In January, Norfolk had various small amounts of snow, but the final straw came on January 27 when a total of 4 inches fell, followed by another 1.3 inches on the 28th. Now everything was tied up, the temperature was falling and the wind whistled across the mounds of snow, moving them first to one place and then to another. Ground blizzards which cut visibility to zero were an almost everyday occurrence.

The total snowfall in this immediate area amounted to 33.9 inches. Farther west as much as 70 inches was reported. By itself, the snow would not have been such a problem, but the almost daily high winds kept all manner of ground travel at a standstill. Road-opening crews finally were brought face to face with the futility of their job. Each time a cut was blown shut it became packed that much tighter and that much deeper than before.

For 22 consecutive nights the temperature ranged from 1 to 17 degrees below zero, with the exception of a single night when it reached 9 above. The cries for help began to come in. Fuel was running low, food supplies gone, and the need for medical aid was great.

It was then that the operators of small airplanes again demonstrated what they could do. The utility of the light plane was remarkable, surprising even the most optimistic. It was landed in every kind of field, cross wind if the snow lay in rivulets which were against it, on ridges if the terrain was rough. It carried food, fuel oil, coal, and even brought in the sick for medical attention. Regular patrols were flown daily over miles of territory where all telephone lines were down. The farmer and the rancher knew they were not forgotten in all this white mass. Signals to be used were broadcast at daily intervals by radio stations, but it proved simpler just to wave the airship down in many cases.

In parts of Antelope, Wheeler, and Holt Counties, light planes were used almost from the very beginning of the storms in November because ranch roads

were not opened, and they continued to be used there throughout the winter.

Here is a story which was told me by Mr. John Younghein, an exceptionally fine pilot and operator of the Norfolk Municipal Airport, regarding his experiences as the pilot of a light plane:

Two boys working for the Nebraska Game Commission in and around the old Jules Sandoz ranch, about 35 miles south of Gordon, had not been heard from for 3 weeks and their folks here were frantic. The father of one of the boys engaged me to fly him up to locate them. Much to the relief of their parents, we found both boys safe and happy at the Sandoz ranch. Stopping at Gordon, I found the people there also in need of help. There had not been a train or a truck into Gordon for 3 weeks. The light plane had been transporting mail and the sick in and out of Gordon. The town was running out of bread because of a shortage of yeast, there was no baby food and medical supplies were very low. After making two attempts and flying through freezing rain, I finally delivered about 600 pounds of emergency supplies on January 12, including yeast, baby food, penicillin, and newspapers. The next day trucks got into town—thank God.

As we had the largest ship in this territory on skis and it was quite easily converted to handle a stretcher, we made many calls for emergency cases when weather conditions were at their very worst. One day at 7 a. m., with the thermometer reading 20 below zero, I took off for Meadow Grove to pick up a girl with a ruptured appendix. The field in which I had to land was very small and was bounded by 30- to 40-foot poles for lighting a football field on one side, by trees on another, with a few steel-fence posts sticking up in the center of the field, although the wire was gone. Both the inside and outside of my windshield were frosted over and I could see only by slipping. I shuddered when I recalled that I had almost been persuaded to land there after dark the night before.

It took 4 husky men about 20 minutes to carry the patient 200 yards to the airplane. A few minutes later the young girl and her doctor were entering a hospital in Norfolk. Forty to 50 men had shoveled most of the night to open a half-mile of road in a wasteful effort to get the girl's parents into town from their farm home about 5 miles south, as the doctor was concerned about the girl's chances unless they could get her to a hospital. I went right back to that community, landed on their farm and had the parents at the hospital 45 minutes after we had brought the girl there.

This was to be the beginning—

Mr. Younghein continues—

of many emergency flights I made in winds up to 65 miles per hour with the visibility practically zero. When the wind blew over 25 miles per hour we had a ground blizzard. One day I was sent out by the Red Cross to pick up a stretcher case at Meadow Grove. About 2 miles from the farm where I was supposed to stop, I saw a man waving. I landed and he told me about a terrible pain in his side. I suggested he get in the plane and I would take him to a doctor in Meadow Grove. He refused, so later in the afternoon I took Dr. Robert Barr out to see him. It did not take the doctor long to convince him that he should get in the plane. Dr. Barr had him in surgery that night and he recovered nicely.

I shall never forget the look on the face of one old gentleman and the tears in his eyes as I brought him oil, nor the people who were burning the dining room furniture to keep warm, nor the lady who had both legs badly frozen and whose little boy insisted on putting his dog and cats in the airplane. I told him we'd have to leave the cats.

During the height of our emergency here, I repeatedly had been called to bring the large ship to Atkinson where it was badly needed. After the situation had eased somewhat here, I went on up to try to help the folks in the Atkinson vicinity and was sent on to O'Neill where I did some rescue work. From there I took Mr. Glenn Custer, Red Cross representative, on a tour of various county headquarters throughout the north and western parts of the State.

Many would be the interesting stories coming out of this storm if they all were available—

Mr. Younghein noted. He concluded:

The flying was among the roughest that pilots have ever been called upon to do. As Andy Risser said: "It was not Fourth of July flying."

Andy Risser, of the Risser Flying Service at Norfolk, Nebr., is one of the oldest pilots in years of service in my part of the country. He is known as the grandfather of flying in the Middle West. He was one of the first pilots in the United States to cross the mountains to the Pacific coast in a light plane from a cow pasture at Wisner, Nebr., making many landings by lantern light.

During the blizzard emergency, Mr. Risser alone carried coal, food, and medicine to isolated, snowbound citizens. He transported numerous expectant mothers to and from hospitals in the teeth of 50 to 70 mile-per-hour gales, landing and taking off in hazardous locations.

The Clinch Flying Service, of North Dakota, Nebr., flew throughout most of the western part of the State, with a total of 237 emergency flights. Private pilots who did an outstanding job in that area during the emergency include Everett Beber, Gus Powers, Bill Albin, John Marks, Harold Griffis, and Earl Broeder.

The Orr Flying Service, of Rushville, Nebr., flew in Sheridan County and parts of Cherry and Box Butte Counties, making a total of 232 missions.

The Doran Flying Service, of Elgin, Nebr., operated throughout Antelope, Boone, Wheeler, Garfield, and Holt Counties.

The Crete Flying Service, of Crete, Nebr., went to Ord, Ericson, and Bartlett to aid in the emergency.

The Wayne Flying Service, of Wayne, Nebr., operated in Wayne, Cedar, Dixon, Cuming, and Dakota Counties, flying approximately 62 missions. Private pilots in that area who aided to a great extent were Lloyd Hugleman, Milfred Barelman, and Roy Sultzer.

The Taylor Flying Service, of Bridgeport, Nebr., flew approximately 175 missions and operated two planes. Its operators report several interesting experiences, including the finding and feeding of 20 Indians for several days, flying out a 75-year-old rancher who was snowbound for 26 days, and taking a sick girl from a snow-buried ranch.

The Van-Jensen Flying Service, of Creighton, Nebr., reported flying 160 missions in Holt County. The emergency did not arise there until January 28. Private pilots assisting there were Aage Neilsen, George Thompson, Quentin York, John Scrivner, and Ed. Butterfield.

The Turner Flying Service, of Broken Bow, Nebr., made 50 flights and was aided there by two private pilots whose names were not mentioned.

The Antelope Flying Service, of Neligh, Nebr., flew 350 missions, starting during the first storm in November. Only one ship was used. During one very high wind and ground blizzard, the pilot was called to rush insulin to a critical case. He was forced to fly around for fully 30 minutes before being able to spot the place and had some difficulty bringing his ship back in for a landing because of the high winds. Cloyd Kilpatrick, of Neligh helped to a great extent during the emergency.

Central Aircraft, Inc., of Grand Island, Nebr., flew approximately 90 hours in the O'Neill area, using two aircraft.

Central States Aircraft, Inc., of Ogallala, Nebr., flew missions at Ogallala, Grant, Brandon, Arthur, Paxton, Hyannis, and Gordon, using five aircraft and making 234 missions. This firm cites two interesting stories. A call was received at night to pick up a baby that had swallowed a safety pin, the family living in the sand-hill area north of Keystone. The landing was made with the aid of a lantern. This meant taking quite a chance as the fellow who set out the lantern had no idea how much room was necessary for a plane to land or what condition the field should be in. The pick-up, however, was safely made.

The other incident concerns a rather elderly man who went to this airport to inquire about flying out to see his mother who was 85 years old, as he was quite anxious regarding her welfare. Just as he was about to get into the plane, he said to the pilot: "Son, I have never ridden in one of these things before and never want to again. Scare me if you have to, but for God's sake, don't do it on purpose."

Private pilots in that area who did an outstanding job were Frank Peters and Shirley Frankin, of Roscoe, Max Schelburne and John Berry, of Ogallala.

The Beran Flying Service, of Lexington, Nebr., made a few missions but was south of the real emergency area.

The Blair Flying Service, of Blair, Nebr., flew in Rock County, making approximately 300 missions and using four aircraft. These pilots headquartered at Bassett during the emergency.

Undoubtedly there are many other pilots of small planes whose exploits I have not enumerated here and who should be given full credit for their humanitarian efforts during this emergency. These exploits of pilots of small aircraft are sufficient reasons why more importance should be attached to the development of small airplanes and small airports.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from New York.

Mr. TABER. In connection with the International Refugee Organization, I am wondering if the gentleman went into any details on that subject as to what their actual expenditures have been, say down to the first of January, so that we

might get a check on what they are doing.

Mr. STEFAN. Yes, we did. There are about 100 pages in references to the International Refugee Organization in the hearings. We are not entirely satisfied with their operation. Our share toward that organization is approximately $70,000,000.

After my interrogation of witnesses in committee and in my investigation of the IRO in Europe I have come to the conclusion that many of the employees of IRO are institutionalized and are not anxious to liquidate the program which should be liquidated by the end of the next fiscal year.

Mr. TABER. Is it not a fact there seems to be in the evidence that the gentleman had before him a spirit more of prolonging the agony rather than getting the camps cleaned out and getting the people out of there?

Mr. STEFAN. I may say to the gentleman from New York that as a result of the work of this committee we have been able to break at least one bottleneck which will result, I feel, in bringing people who are entitled to come under the law into the United States or to other countries at a more rapid rate. The bottleneck was in interrogations and investigations, which lasted from 20 days to several months, in processing one disabled person. This committee was able to get assurances this bottleneck was going to be cut down to a minimum.

Then there is section 12 of the Displaced Persons Act where you had a certain percentage of people of German ethnic origin in the 202,000 entitled to come in, but it seemed that the various agencies were unable to define the words "German ethnic origin." After many days of interrogation we finally learn they have now decided upon a definition of what a person of "German ethnic" origin is. We hope the situation will be corrected.

Mr. Chairman, I now yield 10 minutes to the gentleman from Ohio [Mr. CLEVENGER].

Mr. CLEVENGER. Mr. Chairman and members of the Committee, I am not going to go into a lot of detail on this bill. I want to add my word of praise to the chairman of this committee, the gentleman from New York [Mr. ROONEY], who on many occasions, to exact a little information of some of these people, had to pretty near turn himself into Mr. District Attorney. I remember after 2 hours of pursuit with one fellow he finally said to him, just to put a little humor into this tragedy, "It would take a bird dog to figure out his activities and just what he was not doing." The gentleman from Pennsylvania [Mr. FLOOD] is pretty good, too, especially if you get him aroused, and I recommend to all of you that do not know that Georgia peach, Mr. PRESTON, to get acquainted with him. He is a wonderful fellow. As to the gentleman from Nebraska [Mr. STEFAN], words from me are just a waste of time.

I want to leave just a little thought with you, because after all, many people have an exaggerated idea of the power of the Committee on Appropriations and what they may do. Our troubles are made in this Committee of the Whole House, and we have no choice but to activate and appropriate for the many activities that this House authorizes. There is considerable concern on the part of the head of our Committee on Appropriations as to the great strain on the national economy, and on the credit of Government itself, and I want to say that I share it with him.

I want to lower my sights on a single target for a few minutes with the hope that I may direct your attention toward the great sprawling supergovernment which has been superimposed upon the Federal Government of the United States. I want to analyze briefly the Department of State and its ever-widening, ever-growing activities which today costs the American taxpayer 16 times as much as they did in 1930 and 12 times as much as they did in 1940. The Department's capacity for consuming tax dollars has grown and grown and grown, until it threatens the financial solvency of the Treasury itself. It is in the way of undermining the standard of living in America. It has spread out until it projected itself into every international activity of almost every country in the world. It makes the troubles of the world our troubles and the problems of world politics and politicians our problems.

The State Department is operating in more than 250 international boards and commissions, overlapping and duplicating each other, manned by a species of hyperthyroid internationalists who are intent upon keeping us embroiled in every conceivable foreign situation. So far this year over 150 of these international commissions have scheduled meetings at a cost of $3,600,000 and this is just the beginning. International obligations have increased from $5,018,505 in 1940 to $100,810,498 in 1950. We are up to our necks in conferences on dairies, grass, the cinema; on insects, pulp, rice; on physical education, police, penal systems; mine safety, neurology, sanitation, roads, seed testing, tariffs, sugar, tin—well you name it—and we are in it.

The cost of these international gab fests has gone completely out of hand. The total annual legislative costs of the Capitol—and I cite these official figures—the Senate costs $11,033,275; the House costs $17,943,665; half the cost of the Government Printing Office—and I might say that is more than a generous proportion for the printing of the CONGRESSIONAL RECORD—comes to $8,303,500 plus miscellaneous legislative costs of $239,800; and the Library of Congress—which has also been flexing its muscles in the past few years—now costs $6,888,171. Thus the annual legislative costs of the Government of the United States comes to about $44,500,000—or less than half the cost of the State Department's international adventuring.

It is sad, but true, that every time the State Department negotiates on behalf of the American people, it comes back home not only minus its shirt but sans striped pants as well. For example, in exchange for billions of American lend-lease dollars, the Department has acquired a collection of oversized white-elephant structures all over the world which other nations have disregarded as impractical.

We have a palace in Rome, another in Munich; castles in Prague and Vienna; a sumptuous estate in Bermuda; Shangri-las all over South America; a 16-story air-conditioned office building in Rio. Ordinarily our diplomats would rattle around in such spaciousness, but never underestimate the ability of the State Department to expand without the slightest provocation. In no time flat these structures will be filled to overflowing. Appropriations for the upkeep of Foreign Service buildings increased from $750,000 in 1940 to $25,000,000 in 1950.

Here at home the Department asks for $46,900,000 for the expansion of a structure which is practically new—not yet broken in properly as far as buildings go. What an outsize Pandora's box such expansion would create.

Practically every item in the State Department's budget calls for an increase. Printing, binding, contractual services, travel, communications, equipment, supplies, materials—even the emergency fund—that confidential kitty which in 1940 amounted to $675,000 has grown to $11,500,000 in 1950.

A statement of these increases follows:

Department of State

Appropriations, 1930	$15,528,902
Appropriations, 1940	22,923,038
Estimates submitted to Congress in the 1950 budget	281,453,196
1950 estimates are increased over 1940 appropriations by	258,530,158

This increase may be analyzed as follows:

Department and Foreign Service operations (Pay-increase laws, the act reorganizing the Foreign Service, matters dealing with security, the absorption of certain residual functions of war agencies, backstopping for certain international organizations in which United States participation has been approved by Congress, such as UN and UNESCO, are all factors which contribute to this increase.)	$63,309,567
Foreign Service buildings (increased from $750,000 in 1940 to $25,000,000 in 1950)	24,250,000
Emergency fund (increased from $675,000 in 1940 to $11,500,000 in 1950 for confidential purposes)	10,825,000
International obligations (increased from $5,018,505 in 1940 to $100,810,498 in 1950, main items of increase being for UN, UNESCO, and IRO)	$103,979,193
Philippine rehabilitation (a program authorized by Congress subsequent to 1940)	20,166,398
International information and educational activities (authorized by Congress subse- to 1940)	36,000,000
Total	258,530,158

And it is not only the State Department. I use it today as a convenient example of the pattern of government. Consider the Department of Commerce.

The 1940 appropriations totaled $43,264,499. In 1945 this increased to $88,246,151. And in 1949 it spent $229,940,000, and for 1950 it requests $295,373,500.

And you can break this down any way you wish and the pattern is the same. In 1940 the Office of the Secretary received $617,230, and for 1950 it requests $1,019,000. The Civil Aeronautics Board got $100,000 in 1940, and asks for $3,600,000 for 1950. The Bureau of Foreign and Domestic Commerce got along on $2,188,744 in 1940, and now needs $5,000,000. The Weather Bureau received $6,880,900 in 1941, went up to $13,120,000 in 1945, and now it wants $24,000,000.

And that is the story of uncontrolled spending. I say "uncontrolled" advisedly, because there are just a handful of men in Government today who are sincere advocates of economy. The administration depends on public lethargy, lack of understanding, and lack of facilities to get at the facts. The administration's publicity agents, costing the taxpayers over $75,000,000 per year in salaries alone, whoop up the programs and projects and experiments, and that is the sort of reading matter that clutters up most of the newspaper offices today.

Let us once and for all realize that the Appropriations Committee can only manicure these outlays once the Congress authorizes an activity. Let us have the courage to defeat them before they reach the authorization stage. Last year there were many instances where the Appropriations Committee made salutary cuts but supplementals wiped them out. In some instances the total outlay was increased. As a member of the House Appropriations Committee, I have sat through many hours of testimony by bureaucrats who have used every conceivable trick and argument to justify the spending of huge sums of money on expansion, experiments, on impractical projects of every kind and description, on inexcusable waste and inefficiency.

Sometimes we trip them up with questions designed to expose the true character of their operations. Sometimes we even manage to get lip service toward economy and efficiency. But in the final analysis the departments and agencies appearing before us, year after year, have increased their spending, increased their scope of activities, loaded up their pay rolls, and resorted to confusing the public with such double-talk and propaganda that we, who are sickened at the wanton waste of the taxpayers' money, are left talking to ourselves or to that very, very small minority of citizens who are aware of the financial chaos ahead of us.

These days the reward for patriotic alertness and concern for our national welfare is abuse and ridicule. Frankly, I have passed the stage of pounding desks, trying to alert my colleagues to the significance of the fantastic and unrestrained spending of the Federal bureaucrats.

I personally experience a sense of guilt at being a part—albeit unwilling, opposed, and highly critical—of that relentless machinery which today is forging the shackles and chains which will keep future Americans forever tax-ridden and oppressed by a tyrannical Federal bureaucracy.

Mr. ROONEY. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. FLOOD].

Mr. FLOOD. Mr. Chairman, the appropriation bill that is before us today is undoubtedly a very important one. Before I proceed to discuss the provisions and the merits of the legislation itself, I wish to take this opportunity to pay a tribute to the members of this subcommittee with whom I have had the honor and the pleasure of serving during this session of the Congress. I want to take this opportunity as well to express to them my thanks and appreciation for the cooperation they have extended to me, to the chairman, and to each other, and for the assistance each member of the subcommittee has given to me in my attempts to understand and to be of assistance to them and to the great work this subcommittee has been called upon to do.

I say without any reservation whatsoever, Mr. Chairman, that I have never worked with a group of men more sincere, more earnest, more capable to do a task than these gentlemen of the subcommittee. Not only do I make this statement with reference to my service in the Congress, but in other walks of life as well. I repeat, I have never served with such a capable, distinguished, and understanding group of men. Another significant factor about these gentlemen was the manner in which they continued in their attendance at the daily meetings of this subcommittee all during the many long weeks of these important hearings. I have never served on any kind of a committee, in any organization any place, where the attendance was so faithful as exhibited by the members of the subcommittee. Mr. Chairman, I refer to the distinguished chairman of the subcommittee, Representative JOHN ROONEY, of New York. Mr. Chairman, I refer to the distinguished Representative from the State of Georgia, PRINCE PRESTON. Mr. Chairman, I refer to the distinguished gentleman from Nebraska, formerly chairman of this subcommittee and now the ranking minority member, Representative KARL STEFAN. Mr. Chairman, I refer to the distinguished Representative from the State of Ohio, Mr. CLIFF CLEVENGER.

I must take this moment to especially present my compliments and to pay a tribute to Representative JOHN ROONEY, of New York, the chairman of this vitally important subcommittee of the Committee on Appropriations. The gentleman from New York, Representative ROONEY, is as fair and as impartial a chairman as it would be possible to discover, a courteous gentleman at every moment during his presiding over the affairs of the committee. His long experience as a member of the Committee on Appropriations, especially his service during the last session when he gained special and particular knowledge of the widespread and ramified jurisdiction of this subcommittee stood us all on this committee in good stead during this session of the Congress. No only do I congratulate the gentleman from New York, Representative ROONEY, upon the brilliant job he has done as chairman of this subcommittee, but I congratulate the full committee and the House of Representatives upon being so fortunate as to have the distinguished gentleman from New York acting in the capacity of chairman of this subcommittee. I wish as well to compliment the secretary of the committee, Mr. Howe, for his great service and efficient aid to the committee.

In the few minutes left there is not much point in my attempting to "paint the lily" of the provisions of this bill, after listening to the careful analysis by our chairman, the gentleman from New York [Mr. ROONEY]. There is little left to be said, and it would be largely repetitious. Certainly, when the gentleman from Nebraska [Mr. STEFAN] added his words in analyzing the various sections of the four subdivisions of our bill, I need not burden the committee much longer with particularizing the law and the appropriations based upon the authorizations sent to us.

There are perhaps three or four generalities that I would like to observe. I feel in talking to the other members of the full Committee on Appropriations, and probably these observations as well might apply to members of all committees, I feel I speak the feelings of my subcommittee when I make these remarks: First of all, I object most vehemently when administrative officials of any branch of this Government send back to the committee transcripts of the testimony taken before that committee at official hearings and have the transcripts changed completely out of content. I consider that a deliberate fraud, not only upon the Committee on Appropriations but upon this House. It constitutes a deliberate subterfuge and fraud. Neither this committee nor the House itself should permit any administrative official to so mark up transcripts and send them back to committees of this House as to destroy in many cases the entire purpose and meaning.

In this testimony coming back to us from some of the departments I have seen questions which, before the committee after searching examination were answered "Yes" deliberately marked "No." If that is not a crime it should be made one.

In addition to that, we found time and time again various bureau and departmental chiefs would appear for the purpose of testifying before our subcommittee, and they would come in with a battery of advisers and and array of talent which, if it were not for the support of my colleagues, I think I would be overawed by this majesty when they were ready to present their justifications.

Let me assure you that I was not overawed and neither was the committee. In addition to that, we would be presented with a lengthy narrative style of justification; and in many cases O. Henry at his best could not provide the punch lines that we saw in some of these written justifications. I believe, speaking for the Appropriations Committee, that we are not interested in all of these why's and wherefore's that in many

cases are important only to the legislative committee; we want simply to know the facts; we want these things boiled right down to the very essence; we want the facts, the figures: How much is it going to cost? Do you need that many, and why? Period. We need no orations and no prepared documents.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I yield to the distinguished gentleman from Kansas.

Mr. SCRIVNER. I may add to the gentleman's observations about the changes in answers made in the testimony before his Subcommittee on Appropriations that we had the same experience on ours. Did the gentleman's subcommittee permit those changes to remain in the record?

Mr. FLOOD. I will yield for the answer to the distinguished chairman of our committee, the gentleman from New York [Mr. ROONEY].

Mr. ROONEY. The answer is that I have read every word of the testimony given before the committee. I spent many, many nights until midnight and 1 o'clock in the morning, and used dozens and dozens of erasers and lead pencils in order to put it back the way it was originally.

Mr. SCRIVNER. We had the same experience.

Mr. FLOOD. I repeat, for the purpose of emphasis, that the report of this committee and the testimony taken before this subcommittee is exactly the testimony that was given before the subcommittee.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Pennsylvania.

Mr. WALTER. I notice in the appropriations for the Attorney General's office the amount of $845,000, and the statement in the report that this will provide for the salaries of two additional members of the Parole Board.

Mr. FLOOD. That is correct.

Mr. WALTER. Is it contemplated that a part of that appropriation may be used for the payment of the salaries of secretaries for the new members of the board?

Mr. FLOOD. If the Department of Justice from the general appropriations in an administrative way can take that up, the committee, of course, has no objection, as far as I know; that would be an entirely administrative function. It is inconceivable that the Department would not provide by assignment sufficient secretarial help. But we made no direct appropriation for the salaries of those secretaries, I may say to the gentleman from Pennsylvania, who is an authority on the Parole Board and the entire Department of Justice.

My final observation as a generality has to do, if I may use a vulgarism or a slang phrase, with "my pet gripe." During the course of these hearings, after we had been sitting for hours, and days, and months in these sessions, we would go out on the plaza in front of the Capitol Building and find there extending two blocks long shiny Government limousines with chauffeurs, and in some cases footmen, waiting to take back these "brain trusters" to whom we had been listening, take them back to their various offices or country estates, or wherever these people go to at the end of a day's work.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. ROONEY. Mr. Chairman, I yield two additional minutes to the gentleman from Pennsylvania.

Mr. FLOOD. I thank the gentleman from New York.

Mr. Chairman, the worst offenders, of course, were from the armed services, but they are not the only offenders. I know of no bureau or agency appearing here that was not an offender 1 day this week. After a roll-call vote the members of my subcommittee, six of us—like in a Mack Sennett comedy—jumped into a taxi to go down to witness the great historic signing of the North Atlantic Pact. Arriving at the hall, we waited in line 10 minutes while this long array of Government limousines, while these bureaucrats and their gracious ladies got out to go to this ceremony, and the peasants from the House of Representatives stood around trying to get out of the cab. I do not think we should have limousines here. I have been using shanks' mare for a long time. I use cabs or somebody else's automobile, busses, and streetcars, and I am sure my colleagues will do the same as we have been doing happily.

I have no objection to dignity and protocol and to the representatives of our great Government being in proper decorum at all these meetings at all times. I would be the first to hold a brief for them, to see that they are properly accoutred and that their entourage is the equal, if not greater than, of any country in the world. I come here only to protest the abuses, because many times I have gone with my colleagues to Government affairs and receptions or what have you, and the Senators and we Members of the House have had to jump behind poles or behind trees or up on the curbstone so that some bureau chief with his limousine and chauffeur would not knock our heads off throwing dust and gravel in our eyes.

I am not presuming to be facetious in this very sacred forum, but enough is enough. Let me assure you that my subcommittee refused day after day and dozen after dozen of requests for replacement of motor vehicles and for new cars.

The bill before us makes appropriations for the Departments of State, Commerce, and the Federal Judiciary for the fiscal year 1950.

The amount recommended in the bill for 1950 for the State Department is $271,405,656; for the Justice Department, $132,579,141; for the Commerce Department, $259,927,605; and for the Federal judiciary, $20,703,700. This is a total of $684,616,102.

There is as well contract authorizations in the following amounts: For the Department of State, $2,900,000; for the Department of Justice, $900,000; for the Department of Commerce, $58,800,000. This is a total for contract authorizations of $62,600,000. This gives us a total in appropriations and contract authority of $747,216,102. I have always felt that it is a good practice for the Appropriations Committee, in dealing with particular departments, and perhaps more so in dealing with the so-called old-line departments, to grant contract authority in lieu of outright appropriations, because I feel this practice will result eventually in considerable savings. I say this because of the fact that when actual cash is available for expenditure the chances are it can be expended much more readily. This is true, by all means, if the moneys present and at hand are to be utilized for the purchase of equipment and matériel.

The State Department, during these troubled times, occupies an important position in the Government service with relation not only to our own economy, but with relation to all the Nations of the world. The duty of maintaining the prestige and to point the leadership of our Nation in world affairs to a great extent depends upon the manner in which the Department of State functions. There is no doubt that the activities of this Department have been greatly increased during the war years and since, and this is the result as well of marked changes in our foreign policy. I think it is especially important to observe the manner in which a nonpartisan foreign policy has been maintained during these troubled times, and I trust that this great Nation will ever be able to keep our foreign affairs free of political strife. While it is true that I concur in a policy of economy with reference to expenditures in the Federal Government, it is important to observe that caution must be the watchword when we have in mind reducing appropriations of the State Department during these troubled times. Just this week there took place in the Capital City of Washington, and say what you will, Washington, D. C., today is not only the Capital of the United States of America, but it is the capital of the world, and here in this city the dramatic and historic event—the signing of the Atlantic Pact was an event marked importantly in the consideration of this committee. Because once more an aggressor nation is moving. The cast of characters may be a little different. Their philosophy of government and the way of life may change, but the object and the goal of world domination is clearly identical.

With the ideas of force and fear and terror as the weapons of dictatorship, we must remain on guard and aware of these problems. The State Department today is facing the most complicated and difficult of international problems. Perhaps the most diversified and complicated in the history of our country.

We are indeed fortunate that at the helm of the Department of State during these times is that distinguished American statesman, the Honorable Dean Acheson. May God spare him and may God be with him as he speaks for the United States of America.

Year after year the Congress has before it discussions having to do with the reorganization of the Department of State. We now hope that with the reorganization that is now taking place, and a great

deal of which has been put into effect, that we are confronted with a reorganization to end all reorganizations.

Certainly I am convinced the action of this committee in providing the ways and means for the Secretary of State to work with greater flexibility insofar as jurisdiction over and the administration of both the Foreign Service and the Civil Service personnel of the State Department is concerned in both departmental and field assignments will work for the greatest good of the greatest number of all the personnel and undoubtedly for a more efficient service.

The policy decision in the Department of State, operating very effectively now, that we should try to release foreign-service officers and staff employees for duty in the field, wherever possible, rather than using them in departmental jobs is a change with great efficiency and great merit, and it is important as well to bring these people back to the United States for re-Americanization and we should there try to give them not only experience in the Department of State, but experience out in the country as well. It is necessary to keep in mind when we bring back these foreign-service officers, who, say, come back 3 years out of their first 15 years of service, as provided in the Foreign Service Act, that these people do not have the proper chance to become fully reacquainted with the customs and traditions of what is now America, if they only serve in the Department in the Capital City—America is also out among the people of the separate States—North, South, East, and West.

One problem dealing with the State Department which, of course, has been of some concern to the members of the committee is that of security.

But I believe that the Department is doing everything possible to maintain proper security, and I believe that careful examination is being made of these security cases. Because of the fact that the members of the Foreign Service are separated from the Department and from this country by great distances, the Department has indicated that it is working on a constructive program for indoctrinating the employees on the importance of security in both the civil service with the Department and the Foreign Service.

It is clear in the past several months that the Department is doing an excellent job and I think they can be well proud of the fact that of the 19,000 employees in the Department of State, only a fractional percentage had any information whatsoever develop against them by these security checks. As of February 1, 1949, the names and the personal histories of 13,149 employees of the civil-service lists of the Department of State and of the Foreign Service lists had been submitted to the FBI for security checking in accordance with the provisions in the loyalty program. Practically all of these cases in which any questions had been raised were fully investigated by the FBI, and processed by the Department of State Loyalty and Security Board. Within the last 7 months, a most intensive reindoctrination program of the security officers and of all employees of the Department have been completed. The purpose of this program was to promote the security consciousness among the departmental employees. Security inspections and surveys are being continually conducted in the most difficult areas and the most sensitive offices in the Department, so that the highest degree of security can be maintained and insured at all times. I must mention the large program under the heading "Buildings fund," where a recommendation of $20,000,000 is discovered. I emphasize this fact to make it clear that this is not an actual appropriation, but is merely a bookkeeping transaction reflecting the value of foreign credits which the State Department has utilized by the acquisition of real estate and improvements for the Foreign Service. The chief problem as has been indicated is not so much in the actual acquisition of land and buildings for the proper functioning of this section of the Department, but rather because of the facility in which we have now been able to acquire these establishments, we are confronted with the considerable problem of future costs and maintenance and the upkeep of these properties. For that reason we are repeating the admonition of caution that we have directed to this section of the Department dealing with that phase of work.

One of the best known and current activities of the Department of State has to do with the participation of the United States in the various international organizations. Many of us have felt that there were too many such organizations in which the United States was participating, and in this opinion the State Department itself, at the hearings, indicated its agreement. We also feel that one of the important factors with reference to this phase of the State Department work is the determining factor in the allocation of amounts which the United States is expected to pay or contribute to the maintenance and operation of these various international organizations. Certainly it was the unanimous opinion of this committee that these percentages, in some instances, were much too high and that the United States of America has been called upon to contribute in excess of what the circumstances might warrant. We are certain, however, that the Department is in agreement with this opinion of the committee and that substantial reductions in such percentages are to be made and in the future this phase of allocation of United States contributions is to receive much closer attention.

It must be remembered that in these allocations of funds and these appropriations for the Department of State that we are concerned not only with the functions of the Department in one building in the city of Washington, or alone with the wide-spread jurisdiction of the great Foreign Service, but there are many other bureaus and missions and organizations coming within the purview of the Department of State, and included under this appropriation bill. I refer, for instance, to the United Nations, to that part of the United Nations which is the educational, scientific, and cultural organization of such vast importance to our whole theory of life among the nations of the world. Then there is as well the International Refugee Organization, and we must not forget that part of the work of this vast Department which deals with the Philippine rehabilitation program, and with the various international boundary and water commissions, with Canada and with the United States, and as well the large field of international relations dealing with inter-American affairs.

I wish to take this opportunity of emphasizing that, as a member of this committee, and I feel it is the opinion of the committee itself, I do not voice any disapproval of the purposes and the objectives of the international information and educational program. We speak only under the circumstances of the necessity for too rapid an expansion of the organization, which by that mere fact alone might produce waste and inefficiency. The history of this organization and of similar organizations in the past indicate that whatever loss results can be traced in most instances to rapid growth. Of the many activities and one which is considered of importance in this field is that activity in the overseas theater calling for an extension of the exchange of educational and technical information.

I am satisfied, Mr. Chairman, that in dealing with the Department of State the committee has been aware at all times of the importance of this great arm of our Government, and we felt that we have dealt with this appropriation, keeping in mind the taxpayer of the United States, and we have so dealt without injuring the efficiency of this Department or its various divisions and agencies.

Mr. Chairman, in our consideration of the appropriation for the Department of Justice you will discover that there is an increase of $14,923,441 over the current year appropriation. You will find however, Mr. Chairman, that nearly $9,000,000 of this amount is for the employees' pay increases in accordance with Public Law 900.

The committee as well was unanimous in its conclusion that increases should be allowed to the Federal Bureau of Investigation and to the Antitrust Division of the Justice Department, and we, therefore, authorized additional increases of $1,598,141 and $100,000, respectively, and in this way met the reductions made by the Bureau of the Budget in those two items. I am satisfied from listening to the testimony as presented to our committee by the Antitrust Division that the committee can be satisfied this very important provision will speed its already advanced work in the field of antitrust investigations and prosecutions, and I emphasize here, as was pointed out in the testimony of the committee and by my fellow members of the committee, the particular interest of the committee in the antitrust work in the fields of food and clothing and housing. It is entirely possible that there are other phases of the antitrust work that some of my colleagues feel should receive attention, perhaps because of flagrant examples of

violation of the various antitrust statutes, and I am sure the Division with this increased appropriation and its fine work in the whole field of antitrust investigations and prosecutions will now be able to give attention to these other fields in the broad program. However, we do emphasize the importance, first, of the food and clothing and housing problems.

Mr. Chairman, there is not too much need at this time, after what has been said, for me to take the time of the committee in dealing with the appropriations for the Department of Justice and for the Federal judiciary. It is evident that these appropriations should not and cannot otherwise, as has been indicated by the chairman, be cut further, even with the Ramspeck promotions and the statutory increases that are mandatory, certain increases were necessary, but other than the FBI and the Antitrust Section, this committee did not exceed the budget allocations and allowances in any case.

The record of the highly respected Director of the Federal Bureau of Investigation, in dealing with appropriations and the confidence of the Congress, is well established for expending only such funds as he feels are absolutely needed, and I have every confidence that this would be his practice again. There is no evidence that the FBI spends money merely for the purpose of spending money, and their policy seems to always be to use only those funds necessary to cover their operations and only the absolutely essential requirements, and the unexpended funds being returned to the Treasury.

Under no circumstances, however, Mr. Chairman, am I willing to jeopardize the internal security of this country by substituting my judgment for the FBI where I feel there has been no abuse of judgment one way or the other. If I err in this case in agreeing to the substantial increase over the budget estimate for the appropriation for the FBI as part of the Department of Justice, then I prefer to err with a margin of safety in favor of the national security of my Nation.

Mr. Chairman, with reference to the Department of Commerce and the appropriations of this subcommittee dealing with that Department, there is not too much that I wish to add at this time to what has been set forth in considerable detail in the report filed on behalf of the subcommittee in connection with the presentation of this bill to the House.

While some comment may be made on the fact that there is an increase in the appropriation this year over that of the fiscal year of 1949, the important thing to note is that of this increase, $43,000,000 is for taking of the very important seventeenth decennial census. There is no doubt in my mind that the Director and his staff of this constitutional function do this job as expeditiously and as economically as the circumstances will permit. I am convinced they will do the job certainly to the satisfaction of this committee and of the House. It is important to keep in mind that this is a constitutional provision, and therefore, other than the determination of the funds by dollars itself, there is no question as to the allocation of funds and the appropriation of dollars for this purpose. We are anxious that there be no delay in the work of taking and compiling of the census, and we are anxious to indicate that, in no way, do we anticipate any increase in the over-all cost of the seventeenth decennial census. Personally, I am satisfied that every possible effort will be made, and of course, should be made to work any savings in order to reduce the estimated total cost that was presented by the budget and by the Bureau people to this subcommittee. In the current census statistics, which has to do with the compilation of the business-industrial census, I am of the opinion that the service that will be rendered for the appropriation made is necessary and of vital importance to the economy and its proper administration. Certainly the small-business man stands to gain a great deal by the abundant information that will be made available to him for his business purposes—a vast storehouse and library of important and vital material, which the average small-business man could not afford to obtain in any other way than through this Government business census.

Keeping in mind that 62 percent of the total appropriation for the Department of Commerce is included in the bill for the Civil Aeronautics Administration, and having before me the comprehensive report of the subcommittee filed with the bill dealing with the entire Department of Commerce, as well as the CAA, I can repeat only for the purpose of emphasis my concern, in which I join with the committee, over the rapidly pyramiding costs in this particular agency, resulting largely from the manner in which these services are being supplied to the private air lines, and the failure on our part to be able to discover why the Federal Government must be called upon repeatedly to continue to furnish additional service upon additional service in this area of operation with little in return being supplied of the same nature by the air lines who seem to be the chief beneficiaries. By the same token, as a member of the subcommittee, I was shocked when the Civil Aeronautics Board, on Friday, February 25, 1949, granted an $8,000,000 gift of the taxpayers' funds to the Big Four private air lines for the transportation of their air mail, in which case not a single pound had ever as a matter of fact been carried. This was an outright gratuity because of the grounding of the Constellations and the DC–6's, both of which aircraft had been operating with defective and dangerous equipment; clearly the result of faulty construction and in no way could the Government or any agency of the Government be remotely held responsible. The committee has no reason to believe that the great backlog of work before the CAB is going to be solved by merely increasing the appropriation. The fault obviously lies with the supervision and the administration within the Board itself, and until this evil is corrected, increased appropriations are in no way going to solve anything. The same thing seems to be true of the major air lines themselves. Certainly if one of these air lines can operate at a profit, and the others cannot, all things being equal with the exception of a change in routing here or there, which is not a material differential, then the fault with the lines that are not making a profit lies within the faulty administration or supervision of the nonprofit-making lines, and I cannot see sensibly whether it could be any other reason.

Mr. Chairman, it has been a privilege to be permitted to make these observations as a member of the subcommittee dealing with this very important appropriation bill.

There are two general comments that I would like to make. The first has to do with the manner in which various Government administrators—the heads of various Government bureaus and Government departments—make use of limousines and liveried chauffeurs for the purpose of having themselves conducted hither and yon, not always, I am sorry to relate, on Government service. Now, I am, as well as I am sure are all of my colleagues, concerned that proper dignity and decorum and protocol be observed by the official representatives of the Government of the United States, and no one is more anxious than I am to see that the dignity of the representatives of my Nation is of the highest standard. However, department after department, bureau after bureau, came before this subcommittee and, almost without exception, requested appropriations for the purchase of new motor vehicles or the supplanting of used motor vehicles. In most of these cases these cars had not been run a sufficient number of miles to merit the purchase of another car in its place, and certainly the services being rendered by many of these bureau chiefs and department heads did not merit or warrant the purchasing of additional new motorcars. I have walked outside of this Capitol day after day during the several weeks these Appropriations Committee hearings have been going on, and out there on that plaza I see a line of Government limousines a block or two long with chauffeurs and footmen standing there waiting to take the witnesses who have just appeared before my committee back to their offices or to their homes, or to wherever they are going. I would think that in general principles these Government officials would have more sense than to parade this exhibition of their opulence and success before the committee. Certainly the armed forces are flagrant in their exhibitions of limousines, chauffeurs, footmen, and so forth, but the other agencies are just as bad.

In my opinion, I do not think one is any worse than the other. They are all to blame, at least the ones with which I have any acquaintance. I went to the signing of the Atlantic Pact the other day and there were five Congressmen from these important committees who were invited to this great, historic ceremony, piled into one cab—dashed madly down there from a roll call in order to be present at this great event in world history, and we had to wait in line at least 10 or 15 minutes while rows of sleek, shiny limousines, bearing United States Government license tags, driven by chauffeurs, pulled

up and unloaded its group of bureaucrats and their ladies. Now certainly I have no objection to riding busses and streetcars and taxicabs or using shanks' mare. I have been doing it all my life, and certainly I do not think for a moment that the Government of the United States should provide Congressmen or Senators with limousines and chauffeurs and footmen, but I merely wish to place upon the record my strenuous objection to the manner in which these Government officials abuse the use of Government motorcars.

The second general observation I have to make, Mr. Chairman, has to do with the manner in which the transcripts of the testimony of the hearings before this subcommittee have been returned by the various agencies and departments for correction before printing. In my judgment, it constitutes contempt of the committee when some agent of one of the Government departments or bureaus that appeared before this committee to give testimony is impertinent and presumptuous enough to change that testimony in such a manner as to convey an entirely different impression and to distort it completely out of context. That constitutes a deliberate subterfuge and that constitutes an absolute fraud upon the Appropriations Committee and upon this Congress, and in my judgment, some action should be taken by the committee as a whole or by the Congress itself to make it absolutely an offense for any witness to change in any way testimony which he gives before one of our hearings. Perhaps, at the very most, the mere changing or correcting for the purpose of rectifying obvious errors or grammatical construction might be permitted, but under no circumstances should any other kind of insertions, corrections, or changes be allowed.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. STEFAN. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. MARTIN].

Mr. MARTIN of Iowa. Mr. Chairman, in looking over the list of projects, I find one in here for the airport at Moline. In order to get a proper understanding of the matter with the committee, you will recall I had some discussion with the gentleman from Nebraska [Mr. STEFAN] a year ago when he was chairman of the subcommittee having jurisdiction of this matter.

At that time we reached an agreement between the CAA officials and all parties concerned for Moline and the Mount Joy airport site at Davenport. The appearance of the item in this year's appropriation causes me to renew my inquiry, as we came to an understanding last year.

I have asked for this time to review briefly the procedure with reference to the funds included in the appropriation bill, H. R. 4016, now under consideration with special reference to the item for Federal-aid airport program on page 49.

It is my understanding that the appropriation of $14,500,000 and the contract authorization of $36,500,000 is intended to provide enough funds to cover the CAA tentative Federal airport program for the fiscal year 1950, dated February 1, 1949, and submitted by CAA to the Committee on Appropriations for their information. I have carefully read the hearings and the committee report, House Report 386, to accompany H. R. 4016, and nowhere do I find any discussion of the individual projects listed in the CAA tentative Federal airport program.

The CAA tentative Federal airport program includes a Federal allocation of $160,000 for the Moline-Quad Cities airport and this airport is listed as a class 3 airport to be enlarged to a class 4 airport. There was considerable controversy over the use of Federal funds for the expansion of the Moline airport to class 4 size, which controversy last year resulted in the statement by Mr. William C. Foster, Acting Secretary of Commerce, to Hon. Joseph H. Ball, February 2, 1948, as follows:

THE SECRETARY OF COMMERCE,
Washington, February 2, 1948.

The Honorable JOSEPH H. BALL,
United States Senate,
Washington, D. C.

MY DEAR SENATOR BALL: I have discussed with the Administrator of Civil Aeronautics the matter of a class 4 airport to serve the Quad Cities area of Davenport, Iowa, and Moline, Rock Island, and East Moline, Ill. As you state in your letter of January 13, 1948, Federal funds would not be available to expand the Moline airport from its present class 3 dimensions to class 4 proportions. The national airport plan does not contemplate expansion of the Moline airport beyond class 3 and, since section 9 (a) of the Federal Airport Act states: "No project application shall propose airport development other than that included in the then current revision of the national airport plan formulated by the Administrator under this act," we could not participate in expansion to class 4 proportions.

As you have stated, it is the judgment of the Civil Aeronautics Administration that the best interests of aviation would be served if the class 4 airport to serve the Quad Cities area were to be located at the Mount Joy site in Iowa. Furthermore, it is the considered opinion of the Civil Aeronautics Administration that two class 4 airports will not be needed in that metropolitan area within the next 10 years, although there is a foreseeable need for one class 4 airport, one class 3 airport, and several smaller airports.

If the State of Illinois and the Illinois cities concerned do actually convert the Moline airport to a class 4 airport with their own funds, the Civil Aeronautics Administration would advise the city of Davenport against providing a second class 4 airport at the Mount Joy site now. The city of Davenport does, however, have a demonstrated need for an airport to augment the virtually saturated facilities at the existing class 1 (Cram) airport, and the Civil Aeronautics Administration would advise the city of Davenport to proceed with construction of a class 2 (perhaps even a class 3) airport at Mount Joy and would allocate Federal funds to share the costs of such construction.

Sincerely yours,
WILLIAM C. FOSTER,
Acting Secretary of Commerce.

Mr. Foster's letter was accepted by all parties interested as the established policy of CAA. Now the listing of this Moline Airport leads me to inquire again whether or not the Committee on Appropriations considers the making of this appropriation as a mandate to CAA to earmark the funds for the specific project and to expend them on this project whether or not the terms of Mr. Foster's letter of February 2 are complied with.

From my discussion during general debate with the gentleman from Nebraska [Mr. STEFAN] March 4, 1948, I understood that the Appropriations Committee does not exercise any jurisdiction over the allocation of the funds appropriated for the Federal-aid program to the extent of directing CAA as to what specific projects CAA shall allocate the funds. While I understand that the Committee on Appropriations takes great interest in the pattern that is being followed by CAA in order that the funds appropriated by Congress are spent judiciously and properly but that the location and selection of airports is a matter between the Administrator of CAA and the municipal locality or the State or the group that is planning to build airports. My purpose in discussing this matter further is to make sure that the inclusion of this item for the Moline Airport in the funds provided in this bill now before us is not in any way to be considered as a congressional mandate overriding the understanding and agreement made between CAA officials and the parties interested in the Moline and Mount Joy, Iowa, airports, and that at most the inclusion of this item gives the CAA officials stand-by funds for their use only when and if the terms set out in Mr. Foster's letter of February 2, 1948, are complied with and then only if the CAA officials determine that such expenditure of these funds is a justifiable and proper expenditure of Federal funds entrusted to their care.

That, I believe, is a résumé of our discussion, and I ask the gentleman from Nebraska if that conforms with his views.

Mr. STEFAN. That conforms with the program of the CAA, of course. This committee cannot take responsibility as to where an airport is to be built. That is absolutely a contract responsibility between the CAA and the local communities of the State. This is only a tentative list. Moline is in the program for $160,000 of Federal funds, and the sponsor's matching share is $180,000. While I cannot find anything for Davenport here, I understand they were given some funds last year.

Mr. MARTIN of Iowa. Yes, Davenport has funds.

Mr. STEFAN. So the position of the committee is, of course, that we cannot administer this airport program, which is all-inclusive, and covers every State in the Union and many, many communities. It is a matter of administrative function. We have nothing to do with that at all.

Mr. MARTIN of Iowa. That is the point I wanted to make. I did not want the appropriation made in this bill considered as a congressional mandate overriding any agreement or discussions we have had with the CAA officials.

Mr. STEFAN. That is entirely up to the CAA and the municipalities.

Mr. MARTIN of Iowa. Exactly, and we will continue our negotiations with them.

Mr. DOYLE. Mr. Chairman and colleagues: Having listened intently and throughout this important debate, I find reason to find pleasure in complimenting the distinguished chairman of this Subcommittee on Appropriations, and all of the members thereof, on what appears to me as a pretty thorough-going consideration and report. I take pleasure in complimenting the committee. It is refreshing to have a unanimous report on such important matters. It is good to hear the members state that they have met every day for 8 weeks, from 10 until noon, on this important matter, for such matters as the appropriations for the Department of State, Justice Department, Commerce Department and the judiciary of our Nation are as important as any departments under our form of government, except possibly the executive and legislative departments.

In the reading of the hearings, of over 2,000 pages, there is revealed a determination by the committee of ascertaining the facts, and we cannot legislate intelligently unless we know the facts. It is good to read the thoroughness of the cross-examination of the witnesses by the committee members.

Regarding the committee's treatment of the United Nations program, I note that it is treated without criticism and that the funds needed have been given as our share of the total costs. This world-wide cooperative organization continues to be our first hope for enduring peace, and we must keep it strong and virile.

UNESCO is likewise treated soundly, and I am glad to see that it is. For to the extent that the peoples of the nations of the world come closer together in matters of common understanding on educational, scientific, and cultural subjects and problems, is an earlier assurance of enduring world peace.

In the fair treatment of the Department of Justice, I am pleased to note that the Antitrust Division thereof is again made stronger by necessary appropriation of funds, for, Mr. Chairman, if we are to perpetuate promptly, adequately, and fully, our free competitive-enterprise system—and I believe that we must—there must be prompt, adequate, but always fair prosecution of antitrust violation. Corporations or individuals must not be allowed to cripple or choke free competitive enterprise.

Violation of law is never to be respected, and it is clear that violation of law, when it results in choking the life out of free competitive enterprise, is most destructive of human welfare, the economic security of millions of people, and the very fundamentals of our democracy. The security of small busines means the security of big business and vice versa. It is good to know that prompt investigation and prosecution of violations of our antitrust or antimonopoly statutory provisions will now be purposed.

The FBI is also strengthened. That is good. It is always essential that we keep strong and able to hit home runs amongst those who would destroy our American way of life. It is good to feel increasingly the improvement we are making in the detection of crime and its prompt prosecution in the interest of the great American program. We must never let down on the need of protecting our form of Government, nor permit spies to destroy our American freedom.

The Civil Aeronautics Board will also keep strong with the recognition of the needs of prompt, adequate functioning and the Federal aid to airport program, under the Federal Airport Act, is duly recognized as worthy.

However, the statement by the distinguished committee chairman, with reference to what the committee report says on page 22 thereof to the effect that the committee was utterly amazed to learn that on February 25, 1949, there was a grant of $8,000,000 to the "Big Four" airlines, for transportation of air mail, but which the committee says, not a single pound of which mail they actually carried. This worries me—it more than worries me, because from the distinguished chairman's statement, I understand that this amount was virtually given to cover up losses of these air lines How soon will big business understand that it cannot continue to ask that taxpayers of the Nation cover up operating losses, unless big business expects to have increases in Federal taxes and in Federal bureaus. It is mighty inconsistent, in my judgment, for businesses having capitalization of millions of dollars, to be the ones who chiefly complain against the activities of the Federal Government, and then they themselves come to the taxpayers of the nation and ask that we pay their operating losses in forms of fictitious mail-carrying subsidies. I grant that we must keep the air lines strong and we must keep the shipping lines strong.

It is not good, in my judgment, that indirectly the taxpayers of the Nation are asked to see that they get an operating profit by reason of the payment to them of alleged mail subsidies, or of any other subsidies. It might be a far better policy if we were to face the fact that it is essential that the privately operated air lines and that the privately operated manufacturers of airplanes be taken care of, and that it is absolutely necessary in the interest of national defense and the taxpayers of the Nation, that the ships of the air and the ships of the sea be kept in good condition, both adequately and sufficiently, in the event of a national emergency involving aggression against world peace.

I strongly feel that the justification of keeping air lines and airplane factories, together with our shipping lines, occupied with proficient functioning know-how and material, is that America will never be an aggressor but that we must keep strong enough to protect and preserve world peace until the world settle down to settle up and to come to its knees with the realization that there must not be another world conflagration in terms of tests between military arms. God forbid that this volcanic eruption shall ever again occur. You and I must do our fullest duty to see that it never does.

Mr. STEFAN. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, when the rule was under discussion, the gentleman from New York [Mr. ROONEY] thought I must have had a pet peeve against Dillon Myer. I got my inspiration from the gentleman from New York [Mr. ROONEY]. On page 960 of the hearings on this bill, after listening to Mr. Myer for 55 pages, the gentleman from New York said:

> Doctor, you can imagine how much impression that must make over here on this side. We hear general statements such as that about the adoption of new procedures, but are given no information whatever as to what they are. We do not know how many schools are visited; we do not get any other information. I am not going to take any more time on this at the moment.

I just want to call attention to one or two things in connection with this bill. If the chairman will turn to pages 23 and 24 of the hearings on the State Department he will see that the present number of employees in the State Department is 4,726, and that the number that the committee allowed them in the Department is 5,129. It does not seem as though it is necessary to have an increase of 400 employees in the State Department. From what I know of the operations of the State Department, they are overstaffed at present rather than understaffed. I wonder why they could not cut from the bill 400 employees, at an average rate of pay of say $3,000, or $1,200,000.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. ROONEY. The gentleman is speaking only of domestic positions, not of positions for aliens in foreign countries in connection with information and educational program?

Mr. TABER. That is just what I am talking about.

Mr. ROONEY. The gentleman is incorrect when he says there is to be an increase of 400 employees in the State Department.

Mr. TABER. Does not the table show that?

Mr. ROONEY. The table can be considered misleading because it is not set up in man-years. The figures come out the way they do, as the gentleman should know, because, due to the Ramspeck Act within-grade promotions, under Public Law 900, the employees' salary increases have to be taken into consideration.

Mr. TABER. Yes, but there are 4,726 employees now and the estimated positions in the department are 5,129. That is a difference of 403, according to the arithmetic I was brought up on, and that indicates that increase. There is a reduction, I will admit, in the number overseas that the Department and the Budget have set up, but it would seem as if there really should be a reduction in this appropriation of that $1,200,000, and $3,000 a head is a very low average.

Mr. ROONEY. The figure in man-years is not 400 but 268.6.

Mr. TABER. I know, but that would mean a difference of only a small number. The number of positions at the present time is 4,726 and the number

authorized is 4,847, so that they really have 121 less than the number authorized. It would seem as if the number that has been allowed is excessive, and that we ought to be able to save money. I hope that when we get to reading the bill for amendment we take advantage of that saving.

Mr. STEFAN. Mr. Chairman, I yield 5 minutes to the gentleman from Nebraska [Mr. MILLER].

WEATHER STATION, SCOTTSBLUFF, NEBR.

Mr. MILLER of Nebraska. Mr. Chairman, I offer the following amendment:

On page 59, line 8, after the words, 24 million, strike the semicolon and insert "*Provided*, That not to exceed $35,000 to establish a first-class weather station in western Nebraska."

Mr. Chairman, I offer this amendment because at the present time western Nebraska and eastern Wyoming are without adequate first-class weather forecasting.

The storms this past winter have focused attention upon the need for adequate weather-forecasting facilities for this area. This last winter, due to inadequate weather reporting in this area, 17 human lives were lost, plus six or seven thousand head of livestock, and agricultural products of undetermined value. The loss was large. The civic, farming, and ranching interests in this region have been urging the establishment of adequate weather-forecasting facilities for several years.

The hearings before this committee will show that Dr. Reichelderfer, Chief of the United States Weather Bureau, has indicated that the Scottsbluff area is among the top 10 areas that need additional weather-forecasting facilities. The hearings further indicate that a request was in last year's budget to establish such a station in western Nebraska.

At the present time this area is served out of Kansas City, Mo., which is about 512 air miles to the southeast. It does not seem possible that a station this far away could give adequate weather reporting to an area so close to the mountain regions. The weather forecasts out of Kansas City have not been accurate. There seems to be definitely a blind spot in the area around Scottsbluff of approximately 100 miles, which is not being properly served. This is an irrigation area. There are approximately 140,000 people living in this area. There is no local weather-bureau station within the radius of about 100 miles from Scottsbluff. Severe storms frequently strike, for which no previous warning has been given. This great agricultural and stock-raising country is without any accurate or dependable weather-forecasting facilities.

I have before me three letters, which I desire to quote briefly, in part.

One from the Nebraska-Wyoming Potato Shippers Association, refers to the storm of January 2, as follows:

Had our growers known of the severity, we could have prepared our storage houses to withstand the blizzards. However, as we all know, none of us were fully informed.

Another letter from the American Red Cross Chapter at Scottsbluff, dated January 17, 1949, reads as follows:

This chapter feels that if more accurate and up-to-date weather information had been available, the people of this community and those living in ranching areas surrounding this community, would have had opportunity to prepare for the recent blizzard in this area. No advance information was received as to the intensity of this storm.

A letter from the Great Western Sugar Co., reads as follows:

This area seems to be a blind spot to which forecasts from neither Denver, nor Kansas City, apply. There are so many faulty predictions that people lose confidence in all of them, with the result that the service as now set up is not of much value to us.

I have been in consultation with the Chief of the Weather Bureau and I believe the hearings will indicate that he does not feel that the area can be properly served from Kansas City, more than 500 miles away.

The cost involved in the construction of a first-class weather station is moderate when compared to the losses during this last winter.

I trust that the committee will give this amendment favorable attention. The money saved to the farming and ranching interests will be far more than the cost of the station.

Mr. STEFAN. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, during the debate on the rule, the gentleman from New York [Mr. ROONEY] mentioned my name in connection with the inter-American affairs item in this bill. An explanation must be made in order to keep the record straight. I have before me Public Law 268, covering the Government corporations appropriation bill for the first session of the Eightieth Congress, and also Public Law 860, for the second session of the Eightieth Congress.

In the first session of the Eightieth Congress, I was chairman of the Subcommittee on Government Corporation Appropriations. The budget request for the fiscal year 1948 for the Institute of Inter-American Affairs in that session was $7,000,000, which was the balance left of the authorization which was made originally. The committee appropriated the full amount, the Senate concurred, and it was made public law. That exhausted all the funds which had originally been authorized by the Congress for this purpose.

The administrative expense requested by the budget was $788,000. This was reduced by the committee and by the Congress to $550,000. The Inter-American Affairs Educational Foundation Corporation asked that year for $1,115,000. The committee gave them the full amount and the Congress approved. For that purpose the budget asked administrative expenses in the amount of $400,000. The committee recommended $250,000, Congress agreed, and it became law.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. ROONEY. What is the purpose of the gentleman's presentation? Is it to show that the committee of which the gentleman was chairman in the Eightieth Congress gave more money for this purpose than this committee reports today?

Mr. JENSEN. Oh, no. The gentleman knows that is not the purpose. I simply want to keep the record straight.

Mr. ROONEY. Is it not the fact that more money was appropriated last year and the year before than the amount appropriated this year by this committee?

Mr. JENSEN. Sure, for the simple reason that this program was to be liquidated when the charter ran out.

Mr. ROONEY. The gentleman knows that the charter does not run out until August 5, 1950.

Mr. JENSEN. The charter did run out and we extended it.

Mr. ROONEY. It does not run out until August 5, 1950.

Mr. JENSEN. The gentleman knows that the original charter ran out on June 30, 1947. It was extended August 5, 1947, for 3 years. I want to bring the gentleman up to date if he will only listen.

Mr. ROONEY. The period was 3 years from August 7, 1947. That is August 7, 1950.

Mr. JENSEN. Will the gentleman sit down and let me educate him on this subject at least.

Mr. ROONEY. You are biting off more than you can chew. The difficulty is that nobody understands the gentleman's explanation.

Mr. JENSEN. If you will just listen, I will give you an explanation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ROONEY. I shall give the gentleman 1 minute additional time if he can explain it any better than he has up to now.

Mr. JENSEN. I am trying to straighten the gentleman out so he will know what is going on. If the gentleman will just sit down and listen to me the minute he gave me I will try to enlighten him.

Mr. ROONEY. Would not my good and distinguished friend from Iowa give me one-quarter of the minute which I just gave him so as to ask a question which he might be able to answer?

Mr. JENSEN. All right; Mr. Chairman please hold the watch on my good friend.

Mr. ROONEY. Is it not the fact that this Corporation's life having been extended to August 7, 1950, that the time of expiration comes within a fiscal year which is beyond the fiscal year for which appropriations are being made in this bill?

Mr. JENSEN. And that is exactly what I was trying to explain.

Mr. ROONEY. Oh, now, now.

Mr. JENSEN. The gentleman's time is surely up. We extended this act on August 5, 1947, for the period of 3 years, and a supplemental estimate was requested at that time in the sum of $3,848,500. The committee allowed $2,500,000. That amount was allowed by the

Congress and is public law. I am sorry the gentleman did not see fit to let me explain this in full, but I think the other Members listening will understand, but I will read the figures:

	Budget estimate	Committee recommendation	Law
FISCAL 1948			
Institute of Inter-American Affairs:			
Appropriation	$7,000,000	$7,000,000	$7,000,000
Administrative expenses	788,000	550,000	550,000
Inter-American Educational Foundation, Inc.:			
Appropriation	1,115,000	1,115,000	1,115,000
Administrative expenses	400,000	250,000	250,000
FISCAL 1949			
Institute of Inter-American Affairs:			
Appropriation	[1] 3,848,500	2,500,000	2,500,000
Administrative expenses	980,000	490,000	490,000

[1] Represents estimate submitted as a 1948 supplemental (H. Doc. 502) for program authorized by Public Law 369 of Aug. 5, 1947, but since the funds are intended for use principally in 1949 the committee has considered the amount as a 1949 estimate. Also, budget requested contract authorization for 1949 in amount of $5,000,000. This was not approved by the committee and was not enacted.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. STEFAN. Mr. Chairman, I yield the balance of my time to the gentleman from California [Mr. HINSHAW].

The CHAIRMAN. The gentleman from California is recognized for 6 minutes.

Mr. HINSHAW. Mr. Chairman, I am, to a considerable degree, gratified by the treatment that the members of this committee have given to two of the agencies with which my own legislative committee deals. One of these agencies with which we deal in a legislative way is the Department of Commerce and its agency, the Civil Aeronautics Administration. But I note on page 22 of the committee's report on this bill two paragraphs which were quoted by the distinguished chairman, my good friend the chairman of the subcommittee of the full Committee on Appropriations, in which he makes some statements which I believe he might perhaps like to retract. In the first place, on page 22 the committee report states:

Although the committee has suggested year after year that the air lines should pay part of the cost of maintaining the Federal airways, both Civil Aeronautics Board and Civil Aeronautics Administration make annual fervent pleas in behalf of the companies, insisting that they are not self-supporting. Since many of the executives of these air lines are paid six-figure salaries for directing companies which are subsidized to the great extent they are by the Federal Government, the committee strongly feels that the day has arrived when steps must be taken to more carefully scrutinize the finances of these companies.

I should like to know from the gentleman from New York why he has not included the Committee on Interstate and Foreign Commerce in his request. The item concerns the Civil Aeronautics Board and the Civil Aeronautics Administration. We have legislative jurisdiction of the subject in our committee, and if we had thought it was the right thing to do we unquestionably would have brought in a bill to the House of Representatives that had to do with this subject.

The next thing I should like to know from the chairman of the subcommittee is where he gets the idea that air-line presidents are paid six-figure salaries.

Mr. ROONEY. Does the gentleman want to reduce it to five?

Mr. HINSHAW. I just want to know.

Mr. ROONEY. The committee does not have any factual information on that. Evidently making it six instead of five makes it more forceful so far as the air lines are concerned.

Mr. HINSHAW. It makes it more forceful to the ignorant but more untrue. Actually, the gentleman himself and the other Members of the Congress receive a five-figure salary, and it is my understanding, having inquired into this matter after reading his report that there is no air-line president who has a six-figure salary; that the highest salary paid to any air-line president is about the same salary as the Alien Property Custodian allows to be paid to the president of the General Aniline Chemical and Dye Corp.

Mr. ROONEY. Mr. Chairman, will the learned gentleman yield at that point?

Mr. HINSHAW. I yield.

Mr. ROONEY. I wonder whether or not that is so, and I also wonder——

Mr. HINSHAW. Just look up the record.

Mr. ROONEY. When we take into consideration the amount of expenses, the amount that is allowed by way of such expenses to the presidents of these Big Four air lines, whether or not the gentleman is correct.

Mr. HINSHAW. By way of observation, a little while ago we allowed $50,000 as an expense account to the President in addition to $165,000 for maintenance of the White House and grounds. All things considered, I do not think there is any kick coming.

Mr. ROONEY. If the gentleman has some real information I should like the gentleman to give it to us.

Mr. HINSHAW. Yield me the extra time needed in which to do it.

Mr. ROONEY. I shall gladly give the gentleman the time taken by this colloquy.

There are today at least 15 air-line officials who receive in salary more than $25,000 a year and one goes as high as $68,000 a year.

Mr. HINSHAW. That is probably more correct.

Mr. ROONEY. When you add the amount for expenses to that, you will get over $100,000.

Mr. HINSHAW. Oh, I think that probably is a little exaggerated. Of course, the gentleman from New York and the gentleman from California and all the rest of the gentlemen here are also allowed some funds for expenses, and, on committee work we all are allowed a full expense account, so I do not know that we can holler too loud about that.

Mr. ROONEY. I would gladly change my expense account with the presidents of the air lines.

Mr. HINSHAW. I hope the gentleman gets one of those jobs. He will be a very capable executive I am sure.

Mr. ROONEY. I accept the nomination.

Mr. HINSHAW. The gentleman was going to yield me the time consumed in this colloquy.

Mr. ROONEY. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. HINSHAW. Mr. Chairman, all of these statements should be factual. I hate to see any unfactual statements used to put over an argument, because that is not the right way to win arguments. The way to win arguments is first to find out the facts, and then base your arguments on those facts.

Insofar as the Federal Airways and Civil Aeronautics Board and Civil Aeronautics Administration are concerned, I would like to know how many Members of the House would start out and make charges for the use of our rivers and harbors and inland waterways in the United States. Yet just the other day, I may say to the gentleman from New York, we appropriated approximately $150,000,000 without a quibble, for the operation, maintenance and construction of inland waterway projects and rivers and harbors, except flood-control work, which ran into several hundred million dollars more. In other words, here is an institution which has been in existence in the United States so long that $4,000,000,000 of Federal money have been invested in the inland waterway system and the rivers and harbors of the United States without a question raised on the part of anyone here as to repayment through charges for their use in commerce; yet they start talking about repayment immediately on the airway systems of the United States. Actually the airway systems of the United States are built not solely for the benefit of commercial air lines or even private flyers but, as every man here knows who knows anything about the flying business, they are built by the Government principally so that they will be in position and ready to serve the armed forces of the United States in the event of war. If they had not been so built prior to this last war we would have been in a very sorry position in the United States because aids to air navigation and landing and airports are essential to the national defense. During that war period approximately 90 percent of all of the flights made on instruments and otherwise in the United States were made either by the air arms of the national defense forces themselves or subject to priorities and the control of the Air Force. Everybody ought to know that and to know why we do these things.

In conjunction with the Federal Airway Service we are working out a system of communications and a radar air traffic aid system which will cooperate with and become a part of the national defense system of our country in the event

of war. Aviation is one of the most potent defense weapons we have in the United States, as everyone knows, and I refer to our air arms, both military and civil, and any time we start to think about why we are appropriating this money, let us take a look at the value of it to our country. There is a great deal more defense value in it right now than there is in rivers and harbors work, I can assure you, because while that serves a useful purpose, and I am not one to complain about it, nevertheless this serves a vital aspect of the defense of our country against air attack and I am sure that the gentleman would not want to quibble on that subject.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. ROONEY. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. PRESTON].

Mr. PRESTON. Mr. Chairman, I am most grateful for the complimentary remarks that have been said about me as member of this subcommittee, and I can certainly return them to the other members twicefold with equal sincerity.

It has been very enlightening to serve on this committee. I think it would be wonderful if every Member of Congress could serve one term on the Committee on Appropriations and become more familiar with the fiscal affairs of this Nation, and then I think they could legislate more intelligently on all matters. I have enjoyed the fellowship and the friendship of the members, and I have been particularly impressed with the sincerity of the chairman and his sincere desire to cut down these appropriations, to make them realistic and sensible. And, I believe we have done so. In almost every instance we have been able to reduce the budget estimate about 10 percent, except in the two instances previously mentioned here in the course of debate.

Obviously at this late hour and with the short length of time allotted me I could not discuss the bill in its broad phases at all. It has been well presented to you by the other members of the committee, but I would like to discuss one feature of the bill or perhaps, I should say, one matter that came before our committee during the hearings which should concern us all, and I am sure that it will concern one of our legislative committees. The gentleman from California [Mr. HINSHAW] has indicated that he has an interest in it. That concern takes us back to the subject of the Civil Aeronautics Board.

On Friday, before the Civil Aeronautics Board appeared before our subcommittee, a press release was handed out by the CAB. In this release a new policy was established by the Civil Aeronautics Board, a policy never heretofore considered by the Board. This policy, according to the press release, said in effect that from now on when any plane is grounded for any cause, and the company does not have the use of that plane for any number of days with which to bring in revenue into the treasury of the company, it shall be the policy of the Civil Aeronautics Board to take funds from the Post Office Department and place them in the treasury of the air lines. Now then, they issued orders contemporaneous with the press release and donated to three air lines over $6,000,000. They said in this press release that this money is being given, or it is justified as part of the development cost of aircraft. But, when they testified before the committee and they were questioned about this, they charged this donation of $6,000,000 to the air mail pay and specifically said that it was air mail pay. Now, I happen to know that National Air Lines was paid $337,000, or they were awarded that much to be paid over a period of years, and these people have not even asked for the money. Yet right out of a clear sky they were awarded $337,000. In that connection I would like to make it crystal clear here today that it was not the intention of the committee in using the language in the report "The Big Four" to include the Eastern Air Lines. The press release to which I have referred mentioned American, United, and TWA, and then in parentheses put "Big Four," and that is how the language got in the report. It is generally known that Eastern Air Lines operates without any subsidy from the United States Government. It receives absolutely none.

I would like to call the attention of the committee to a communication which was sent, I suppose, to the membership of this House—at least, I received one—addressed to the stockholders of their company, in which they complain about the air-mail subsidy and the competition that they have to face in trying to operate in the black. It is a most enlightening document. I shall include it in the RECORD along with my remarks, having obtained permission previously in the House to do so:

EASTERN AIR LINES, INC.,
New York, N. Y., April 4, 1949.

COMMENTS ON AIR-MAIL SUBSIDY AND COMPETITION

To the Stockholders of Our Company:

Many of you have asked me to explain why Eastern Air Lines is the one certificated air carrier which operates without subsidy while the more than 20 others receive substantial subsidies from the taxpayers' pocketbooks.

You are entitled to an answer. Since it is impossible to reply separately to each inquiry, I am using this form letter to give the requested information.

The explanation is that Eastern conducts its business at the highest level of efficiency and economy. This has been achieved over a period of 20 years through intelligent teamwork by Eastern's management and employees.

Subsidy is supposed to be granted only where there is financial need.

A fine brand of pride has been developed in Eastern Air Lines—pride that drives all 8,000 of us to high endeavor out on the line—pride that would not tolerate the suggestion that the easiest way to make money is to be subsidized by the Public Treasury at the taxpayers' expense.

In a recent order the Civil Aeronautics Board explained that Eastern's route pattern and location probably provide less opportunity for profitable operation than do the route patterns and locations of other large air carriers. Eastern has succeeded in spite of natural handicaps.

Some of you have also asked how the economic regulation of air transportation has been administered, whether aviation is being promoted on the basis of efficiency and economy, and whether achievement has been rewarded and failure penalized or eliminated.

The attached copy of an editorial appearing in the Wall Street Journal of March 7, 1949, is in point.

The air carriers which have done the best jobs have received relatively the least from the CAB in grants of new routes and mail pay—and the air carriers demonstrating least ability have been recipients of generous grants of new routes and subsidy. Carriers showing deficits have been in favorable positions in new-route and mail-pay proceedings, and Eastern, which has insisted upon conducting its operations on a business-like basis, has been at a distinct disadvantage. The Civil Aeronautics Act of 1938 stresses public needs in new-route proceedings, but the CAB often has lost sight of public needs and has stressed carrier needs instead—even though such carrier needs have resulted from wasteful and inefficient operations and management. The parable of the talents has often been overruled and reversed in the economic regulation of air transportation.

As a result of Eastern's hard-earned success, Eastern has had imposed on its routes and services the most sweeping network of competitive duplication of any air carrier in this country. This has been damaging to Eastern and discouraging to Eastern's personnel—and it generally has been harmful to the carriers whose applications have been granted, because operating deficits necessarily are increased when uneconomical carriers are permitted to establish duplicative competition over the routes of an efficient and economical carrier.

Had Eastern been an operator showing a large deficit, much of the competition which has been imposed upon Eastern would not have been authorized and Eastern itself would have been the recipient of subsidy.

You will be interested in some comparative revenue and expense figures for the year 1947 (the latest calendar year for which figures are available).

The following table compares the actual operating losses or profits of the domestic trunk-line carriers with the $41,000,000 favorable change in operating results which they would have achieved if they had operated at Eastern's level of costs:

	Total 1947 operating expense in cents per revenue ton-mile	Reported operating (loss) or profit in 1947 before subsequent mail subsidy adjustments	Net operating profit or (loss) for 1947 if each carrier had operated at Eastern Air Lines' cost per revenue ton-mile
Eastern Air Lines	48.19	$2,859,703	$2,859,703
American	51.05	(4,159,124)	455,624
Braniff	57.05	(1,177,795)	725,303
Chicago & Southern	63.04	(726,193)	1,124,296
Colonial	94.32	(778,916)	1,050,393
Continental	69.80	118,988	1,458,135
Delta	53.87	(707,758)	539,318
Inland	71.13	50,500	715,657
Mid-Continent	63.48	151,578	1,456,595
National	59.71	(1,028,271)	1,004,990
Northeast	94.87	(1,285,038)	1,445,123
Northwest	56.13	(1,627,374)	1,394,461
PCA-Capital	65.16	(1,951,239)	3,563,775
Transcontinental & Western Air	55.32	(4,747,098)	2,215,044
United	51.04	(5,203,699)	(1,214,810)
Western	60.93	(688,366)	1,603,536
Total excluding Eastern Air Lines		(23,759,805)	17,537,440

Figures in parentheses indicate losses.

The above comparison is incomplete unless the picture is presented in reverse. In the following table are listed the operating losses which Eastern would have sustained if Eastern had operated its system in 1947 at the cost level of each of the carriers listed:

If Eastern had operated at the same cost level as American, Eastern's 1947 (losses) would have been $20,763.

If Eastern had operated at the same cost level as Braniff, Eastern's 1947 (losses) would have been $6,062,676.

If Eastern had operated at the same cost level as C. & S., Eastern's 1947 (losses) would have been $12,094,520.

If Eastern had operated at the same cost level as Colonial, Eastern's 1947 (losses) would have been $43,593,030.

If Eastern had operated at the same cost level as Continental, Eastern's 1947 (losses) would have been $18,901,743.

If Eastern had operated at the same cost level as Delta, Eastern's 1947 (losses) would have been $2,860,462.

If Eastern had operated at the same cost level as Inland, Eastern's 1947 (losses) would have been $20,241,034.

If Eastern had operated at the same cost level as Mid-Continent, Eastern's 1947 (losses) would have been $12,537,594.

If Eastern had operated at the same cost level as National, Eastern's 1947 (losses) would have been $8,741,258.

If Eastern had operated at the same cost level as Northeast, Eastern's 1947 (losses) would have been $44,146,872.

If Eastern had operated at the same cost level as Northwest, Eastern's 1947 (losses) would have been $5,136,250.

If Eastern had operated at the same cost level as PCA-Capital, Eastern's 1947 (losses) would have been $14,229,330.

If Eastern had operated at the same cost level as TWA, Eastern's 1947 (losses) would have been $4,320,591.

If Eastern had operated at the same cost level as United, Eastern's 1947 (losses) would have been $10,693.

If Eastern had operated at the same cost level as Western, Eastern's 1947 (losses) would have been $9,969,781.

Eastern's achievement as an efficient and economical operator ironically has constituted a serious handicap for Eastern in new-route and mail-pay proceedings before the CAB.

As a result of CAB indulgence of so-called needy applicants, over 95 percent of Eastern's services now have been subjected to duplicative competition by other carriers. In some instances two or three additional carriers have been franchised to come in and appropriate the traffic which Eastern pioneered and developed over the years.

All of the newcomers which have been franchised to take away Eastern's business have been highly subsidized to do so—while Eastern continues to keep its books balanced without drawing on the taxpayers.

Eastern receives mail pay at a minimum nonsubsidy rate that amounts to about 6 cents per plane-mile, and Eastern has at all times been ready, able, and willing to carry all the mail on its routes at the nonsubsidy rate. Despite Eastern's frequent schedules and ample space available, the CAB in many instances has certificated new applicants between points already served by Eastern and has diverted part of the mail from Eastern to the newly authorized competitor, with the result that Government cost for transportation of the identical mail has been multiplied. This has injured the taxpayers and Eastern Air Lines and likewise the newly authorized carriers which usually have experienced increasing deficits (before subsidy) in their duplication of Eastern's efficiently operated services.

The CAB is, among other things, the Government's purchasing agent for air-mail transportation. I have always understood that purchasing agents are expected to buy the best products at the lowest cost.

Eastern's stockholders are entitled to the facts on this.

The following tabulation will illustrate:

Subsidy mail rates being paid domestic carriers recently certificated to compete directly with Eastern Air Lines over Eastern's pioneer routes	Competitive segments	Eastern's nonsubsidy mail rate per plane mile
		Cents
National: 18 cents	New York-Miami	6
Delta: Approximately 18 cents	Chicago-Atlanta-Miami-New Orleans-Atlanta	6
Capital (PCA): 18 cents	New York-Atlanta-New York-Birmingham-New Orleans.	6
	Other segments:	
All-American: 54.7 cents	Philadelphia-Washington.	6
Piedmont: 50 cents	Various segments.	6
Trans-Texas: 55 cents	Houston-San Antonio.	6
	Houston-Beaumont.	

In my opinion, competition which requires subsidy is wholly unjustified. Subsidized competition is unfair to the unsubsidized pioneer. It violates the principles of private enterprise because in effect it puts the Government in competition with the individual. And it is unfair to the taxpayers who must foot the bill to cover the waste.

The tax Eastern Air Lines pays on its business profitably conducted on the basis of efficiency and economy is turned over to Eastern's newly authorized competitors to help them take away Eastern's business.

Not only have uneconomical applicants been permitted to come in and appropriate Eastern's unsubsidized business and receive Government subsidy in doing so, but in numerous instances where service over a new route was needed and the only question was the selection of the carrier which best measured up to the statutory requirement of fitness, willingness, and ability, the CAB has chosen the uneconomical carrier, rather than Eastern, to provide the service on the mistaken assumption that it was more important to consider the need of the applicant than the public need.

The following are examples:

Subsidy mail rates being paid domestic carriers chosen to provide service in preference to Eastern Air Lines

Carrier chosen in preference to Eastern	Currently effective subsidy mail rate per plane-mile	Route awarded
	Cents	
National	18	Miami-New Orleans.
Chicago & Southern	[1] 21	Memphis-Kansas City. Memphis-Detroit.
Piedmont	50	Cincinnati-Norfolk.
Colonial	35	Washington-Montreal and Quebec.

[1] Approximate.

Eastern offered to provide all these services at the nonsubsidy mail rate which now averages 6 cents per plane-mile.

The foregoing tabulations indicate that frequently the efficient and economical carrier has not been recognized and rewarded in new route and mail pay proceedings, and that the taxpayers have suffered the burdens of underwriting the large susidies reflected in the above-charted rate differentials.

This is indeed a gloomy and discouraging picture. But there are some hopeful signs.

The President is said to be making inquiry into air-line economy; the Senate Committee on Interstate and Foreign Commerce is instituting an investigation; the Postmaster General has expressed his desire to see better business principles applied to the transportation of air mail; the CAB lately has instituted investigations designed to develop essential information regarding air-line efficiency and economy; measures have been introduced in the Congress calling for a clearly stated separation of compensation and subsidy in respect to air transportation of mail, and providing that as between two identical points a new competitor may not receive air-mail pay at a higher rate than that received by the existing carrier.

The chairman of the CAB in an address on March 23 soberly observed: "I might say that my chief concern over mail pay is whether or not it leads air-line management to behave like businessmen and to make their decisions as businessmen normally do." He continued: "Let us take the case of routes—another instance of the effect of subsidy on air-line management. Under the act and our present concept of establishing mail rates, a carrier is virtually assured that the Government will make up any losses involved in operating a given route pattern, provided there is not flagrant overscheduling. My question is: What incentives are provided either in the act or by the mail-rate action which would lead the carrier now and in the future to be sure that its routes were laid out in the best possible manner, that highly uneconomical points were eliminated, and that its operations over a given route make good economic or business sense? So far as I know, there are no such incentives." He added: "In large part * * * incentive has been removed because the present act tends to operate as a shield between the air carriers and the ultimate in economic penalties—bankruptcy."

The chairman on the same occasion also made this timely statement: "I believe that the advantages of separating the subsidy outweigh the disadvantages and dangers. From the standpoint of a sound air-transportation system these advantages would be to hold constantly before the carriers and the Board the dollar amount of the subsidy. This would provide a considerable incentive to the carriers to put themselves in a sound economic position and it would make it far easier for the Board to determine those areas where service being performed by the carriers was uneconomic."

Correcting errors made in the granting of permanent new route certificates will not be an easy task. A start should be made by withdrawing subsidy from routes which the CAB was persuaded to grant without economic justification. Certainly the innocent pioneer should not be called upon to curtail its service in order to make room for the newcomer.

But there is nothing wrong with air transportation which straight thinking and hard work cannot cure.

I would sincerely appreciate receiving your comment.

Respectfully yours,

EDDIE V. RICKENBACKER.

[From the Wall Street Journal of March 7, 1949]

REVISING AIR POLICY

The Civil Aeronautics Board has awarded an additional $8,500,000 to seven airlines to make good all or part of their losses in 1948.

This award, like previous mail pay increases to offset airline deficits, was based on the Board's interpretation of the Civil Aeronautics Act of 1938. This act requires that air carriers be kept sufficiently strong to maintain adequate service.

But let us look at what has happened. The carriers with the poorest records as business enterprises have received the most mail pay from the Federal Government. Those with the best records get the least pay.

Now part of this logical anomaly stems from mistakes by the Board itself in awarding too many competing routes, from a leveling off in traffic, and from increases in costs and other circumstances beyond the control of management.

Nevertheless, there has been in the Board's mail awards a curious treatment of the efficient. The size of an airline's deficit seems to be a major factor in the size of the subsidy.

The Board awarded a total of $5,750,000 to two air lines because they had great needs. Another, which is in the midst of a cost-cutting program to reduce its deficit, got very little. A fourth, which has no deficit, got nothing.

Under the law's interpretation this fourth is not eligible for a second helping of pie simply because it has made money right along.

The end product of this philosophy is discouragement of initiative and efficiency. Further, this approach is obstructing the Board's own announced objective of fostering mergers between carriers. As long as a manaagement expects its deficits, from whatever cause, to be made good by the Government, why should it be interested in a merger?

Chairman JOHNSON, of the Senate Interstate Commerce Committee, is sponsoring a bill to separate money paid air lines for mail service from the money paid as subsidies for national defense reasons. Whether this method will better the situation can only be gaged by further examination. But it can be a useful bill if it serves as a wedge to reopen congressional study of the whole airline situation in relation to the taxpayer's pocketbook.

Ten years ago, when the present law was passed, air transportation was still experimental, a little unsure of its footing. Today it is an established industry. Measures suitable for an expansion era may now need retailoring.

I would like to refer to the schedules set up in this document where it says that Eastern Air Lines is competing with National, Delta, Capital, All-American, Piedmont, and Trans-Texas on the same routes, carrying air mail, Eastern receiving 6 cents per plane-mile, while the other companies, for instance National from New York to Miami, receive 18 cents.

Eastern is having to compete with this unjust situation while the taxpayers pay the bill. Their complaint needs our careful consideration.

I think it is about time we should look into the functioning of the Civil Aeronautics Board. When an agency of Government uses Treasury funds to establish policy in the civilian field, we should have greater control over it. I have always said that the Department of Commerce should have control over the Civil Aeronautics Board. The only appeal from these people is to the President. The Secretary of Commerce has no say-so over this board, but they are using millions of dollars—I believe the sum for the last year was $55,000,000 given to the air companies to establish civilian air policy.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. PRESTON. I yield to the gentleman from South Carolina.

Mr. RIVERS. With regard to the air lines, irrespective of what subsidy is being given to the lines that compete with Eastern, for instance, I do not know whether the gentleman is familiar with the fact but Eastern Air Lines has the most choice routes on the entire eastern seaboard of the United States. There is no air line in the United States that has had the consideration from its inception to date that Eastern Air Lines has had. I honestly believe that no other air line can make that statement.

Mr. PRESTON. That question was raised in our committee. The gentleman from Pennsylvania [Mr. FLOOD] quizzed one of the witnesses on that very point. The Assistant Secretary for Air, Mr. Alison, mentioned the fact that they might have a preference in the routes, but he did admit it was only a contributory factor in their operation and he conceded that Eastern Air Lines operates with a greater degree of efficiency than any other line.

Mr. RIVERS. That may be well, but there is no air line in the Nation that can compete with Eastern today for that very reason. I honestly believe that.

Mr. PRESTON. There is another air line whose gross passenger receipts are larger than those of Eastern Air Lines. I do not think it is fair, and it is not right. I hold no brief for Eastern Air Lines, I never have, and I hold no stock in that company. I am not familiar with any of the officers. I have never met Captain Rickenbacker, a man whom I admire greatly from what I have read and heard about him. But I do not think it is fair for us to use Government funds in this manner to compete with a company which has proven its ability and who is eager to operate efficiently and economically. I suspect that they keep their salaries down more in line with what they should be.

There are many things in this bill in addition to the CAB that I wish I had time to talk about.

We took special pride in the fact that we gave the Federal Bureau of Investigation $1,598,000 above the budget request. The committee felt that the money spent by our Government in this field was better spent than in any other field. This country has become a sanctuary, through legitimate and illegitimate methods of entry, for many peoples of the world, and they have gathered here in organizations of intrigue and deception. It is only through the Federal Bureau of Investigation that we can expect to keep account of them, to ferret them out, and ultimately to deport them when we catch those who have entered in an illegal manner. The action of the committee in giving J. Edgar Hoover this larger amount, more than the budget estimate, is a tribute to him. I think it will encourage him to do an even still better job. Mr. Hoover has the respect and admiration of every right-thinking Member of this body. He has organized the most efficient investigative agency in the world.

Mr. ROONEY. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE I—DEPARTMENT OF STATE

SALARIES AND EXPENSES

For necessary expenses of the Department of State not otherwise provided for, including personal services in the District of Columbia; salary of the Under Secretary of State, $12,000; expenses authorized by the Foreign Service Act of 1946 (22 U. S. C. 801–1158) not otherwise provided for; expenses of the National Commission on Educational, Scientific, and Cultural Cooperation as authorized by sections 3, 5, and 6 of the act of July 30, 1946 (22 U. S. C. 287o, 287q, 287r); expenses of attendance at meetings concerned with activities provided for under this appropriation; purchase (two for Chiefs of Missions at not to exceed $3,000 each) and hire of passenger motor vehicles; maintenance and operation of aircraft outside the continental United States; printing and binding, including printing and binding outside the continental United States without regard to section 11 of the act of March 1, 1919 (44 U. S. C. 111); newspapers for departmental use (not to exceed $15,000); services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55 a); not to exceed $1,000 for payment of claims pursuant to law (28 U. S. C. 2672); health service program as authorized by law; purchase of uniforms; insurance of official motor vehicles in foreign countries when required by law of such countries; dues for library membership in organizations which issue publications to members only, or to members at a price lower than to others; rental of tie lines and teletype equipment; employment of aliens, by contract, for services abroad; refund of fees erroneously charged and paid for passports; establishment, maintenance, and operation of passport and despatch agencies; examination of estimates of appropriations in the field; ice and drinking water for use abroad; excise taxes on negotiable instruments abroad; loss by exchange; radio communications; payment in advance for subscriptions to commercial information, telephone and similar services abroad; relief, protection, and burial of American seamen, and alien seamen in foreign countries and in the United States territories and possessions; expenses incurred in acknowledging services of officers and crews of foreign vessels and aircraft in rescuing American seamen, airmen, or citizens from shipwreck or other catastrophe abroad; rent and expenses of maintaining in Egypt, Ethiopia, Morocco, and Muscat, institutions for American convicts and persons declared insane by any consular court, and care and transportation of prisoners and persons declared insane; expenses, as authorized by law (18 U. S. C. 659), of bringing to the United States from foreign countries persons charged with crime; and procurement by contract or otherwise, without regard to section 3709, Revised Statutes, as amended (41 U. S. C. 5), of services, supplies, and facilities, as follows: (1) stenographic reporting, (2) translating, (3) analysis and tabulation of technical information, (4) preparation of special maps, globes, and geographic aids, (5) maintenance, improvement, and repair of diplomatic and consular properties in foreign countries, including minor construction on Government-owned properties, (6) not to exceed $200,000 for maintenance and operation of commissary and mess services, (7) fuel and utilities for Government-owned or leased property abroad, (8) rental or lease, for periods not exceeding 10 years, of offices, buildings, grounds, and living quarters for the use of

the Foreign Service, for which payments may be made in advance, (9) electrical appliances, motor-driven equipment (other than motor vehicles), and household furniture and furnishings not otherwise provided for, for use abroad, and (10) household equipment to be loaned pursuant to law (22 U. S. C. 1137); $76,652,100: *Provided*, That pursuant to section 8 of the act of August 2, 1946 (5 U. S. C. 118d–1), passenger motor vehicles in possession of the Foreign Service abroad may be exchanged or sold and the exchange allowances or proceeds of such sales shall be available without fiscal year limitation for replacement of an equal number of such vehicles and the cost, including the exchange allowance, of each such replacement shall not exceed $3,000 in the case of the Chief of Mission automobile at each diplomatic mission and $1,400 in the case of all other such vehicles except station wagons, and such replacements shall not be charged against the numerical limitation hereinbefore set forth: *Provided further*, That of the amount appropriated herein, not to exceed $30,000 shall be expended for carrying out the provisions of the Act of July 31, 1945 (5 U. S. C. 168d).

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 4, line 17, strike out the sum "$76,652,100" and insert "$75,452,100."

Mr. TABER. Mr. Chairman, I am rather of the opinion that this appropriation would take a larger cut than the figure that I have suggested. I have aimed only at the domestic service, and that appears in tabular form on pages 23 and 24 of the hearings for the Department of State. The estimated number of positions is 5,129, and the present employment is 4,726, or 400 above the present employment. We all know that this local office of the State Department is overstaffed, rather than understaffed, and it would seem they could take this very moderate cut which I based upon a salary roll of $3,000, when the actual figure in the estimate is somewhere around $4,000. The increase from the number allowed for this year is 282. On the other hand, the increase in the number of positions that are actually filled is 403. I really think the other items would show a figure where anyone could reduce this appropriation a great deal more, but it would seem as if it would be possible at this time to cut off $1,200,000. There has been no cut on the personnel items, and only some of the small expense items have been cut in this appropriation. I hope this amendment will be agreed to, and that we will be permitted to save $1,200,000.

Mr. ROONEY. Mr. Chairman, I must rise in opposition to the pending amendment.

Mr. Chairman, this is the very matter which I discussed a while ago with the gentleman from New York [Mr. TABER]. It concerns the gentleman's reading of a table which is in the committee hearings and from which one does not get an accurate picture of the number of department employees. The gentleman from New York insists that the number is over 400. This committee insists that the proper figure is 257.4 man-years.

Insofar as this particular item of the bill is concerned, the entire membership of this subcommittee is in agreement on the amount allowed. We are now having a reorganization of the State Department. We are abiding by the recommendations of the so-called Hoover Commission. It is the considered judgment of the committee that we have cut sufficient from these funds to enable them to proceed with their reorganization, so that they will come back and convince us a year from now that they have saved so much money for the taxpayers.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I gladly yield.

Mr. TABER. Is it not a fact that the Hoover report estimates that they can save a very large sum of money in this connection?

Mr. ROONEY. That is so, but only after the reorganization plan has been put into effect. That is the reason this committee is proceeding as it is in this regard. I respectfully suggest that the gentleman from New York discuss this matter with the able gentleman from Nebraska [Mr. STEFAN] who has served on this committee for a great many years and who has very, very mature and competent judgment with regard to these appropriations. There is nobody in this House who knows more about this bill than the gentleman from Nebraska [Mr. STEFAN]. The gentleman from Nebraska is certainly not a Member who goes along with extravagance in considering appropriation bills. I feel that if this matter is left to the members of the subcommittee it will turn out to the better advantage, in the end, to the American taxpayer.

I respectfully urge that the Committee vote down the pending amendment.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from New York [Mr. TABER].

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 27, noes 37.

So the amendment was rejected.

Mr. TABER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Seventy-seven Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 67]

Arends	Doughton	O'Brien, Mich.
Auchincloss	Douglas	Pace
Bailey	Fernandez	Pfeifer,
Barden	Gathings	Joseph L.
Bentsen	Gilmer	Powell
Bland	Gross	Price
Blatnik	Hall,	Quinn
Bonner	Leonard W.	Ramsay
Buckley, N. Y.	Harrison	Rankin
Bulwinkle	Havenner	Redden
Burdick	Heffernan	Scott, Hardie
Burnside	Kirwan	Shafer
Byrne, N. Y.	Klein	Simpson, Pa.
Carlyle	Lane	Smith, Ohio
Case, S. Dak.	Latham	Stockman
Celler	Lovre	Taylor
Clemente	Lyle	Thomas, N. J.
Cooley	Lynch	Towe
Coudert	McConnell	Walsh
Crosser	Macy	Welch, Calif.
Davenport	Madden	Whitaker
Davis, Tenn.	Marshall	White, Idaho
Dawson	Morton	Wood
Dingell	Murphy	Zablocki

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. TRIMBLE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 4016, and finding itself without a quorum, he had directed the roll to be called, when 361 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Clerk will read.

Mr. ROONEY. Mr. Chairman, I ask unanimous consent that the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York [Mr. ROONEY]?

There was no objection.

Mr. PHILLIPS of California. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. PHILLIPS of California: On page 20, line 7, after the word "appropriation" strike out the balance of line 7, all of lines 8 and 9, and the first five words in line 10.

Mr. PHILLIPS of California. Mr. Chairman, in order that you may understand the amendment, it strikes out of the bill those words which would permit the spending of money for agricultural experiment stations in other countries.

I do not yet say that I am opposed to the spending of money for them, but I am quoting you my authority for this amendment, which is no less than the distinguished Member of the House the gentleman from New York [Mr. ROONEY] who said, at page 756 of the hearings:

I think the record should contain some details of this item.

That is my entire argument. I contend that the gentleman from New York knew exactly what he was saying when he said that in the hearings, that there should be some details of this great expenditure in the record, or he will have put every Representative of an agricultural district in the House of Representatives on the spot today. This should be stricken out in our House and should be sent to the Senate with the request that further information be obtained regarding the expenditure of the money, and that if we are to spend $2,000,000 for agricultural experimental work in other countries, and I quote the gentleman from Nebraska [Mr. STEFAN], that the amount involved is $2,000,000, we should certainly know what we are spending it for. As I look around the room I see the distinguished gentleman from Missouri, who unquestionably has an experiment station in his district. He will be asked when he goes home how he authorized $2,000,000 for experiment stations in South America when there were inadequate funds for those in his district. Or the distinguished gentleman from California [Mr. MCKINNON], who has in his district at La Jolla a little experiment station. It will be given $18,000 for its operation expenses next year, which is hardly enough to pay the salaries of the

men who are employed there, and will allow nothing whatever for the necessary improvements of the building nor for the work itself. Or the distinguished gentleman from Wisconsin [Mr. DAVIS], who represents the district in which Madison is located, which has the great laboratory there for wood fiber and wood-products experiments and which was cut down about one-third under the budget request as I recall.

In my own district the farmers gathered $100,000 together and bought land for an experiment station. The Appropriations Committee was splendid about the matter and put into the bill $100,000 which will build about two-thirds of the laboratory building. So when you see a place in my district with two-thirds of a building built, that will be the sea-level experiment station. My farmers would ask me how I came to vote for $2,000,000 for experiment stations in South America and not for the other one-third of this building.

Or the distinguished gentleman from California [Mr. WHITE] who represents the city of Fresno, who has a very fine grape-experiment station in his district: I think his grape growers will ask him how he came to vote for $2,000,000 for experiment stations in agriculture in South America and not for the necessary funds for the experiment station in his district.

So my question is simply, Why can we not, in the words of the gentleman from New York [Mr. ROONEY], say, "I think the record should contain some details of this item"?

I ask that it be stricken out until it can be taken to the Senate and those details inserted.

Mr. HERTER. Mr. Chairman, will the gentleman tell us whether this item is to be transferred to some other division of the State Department? I notice further down on that same page the statement that $2,700,000 can be transferred to some other division. It certainly is not an appropriate item under the Informational Service.

Mr. PHILLIPS of California. The gentleman has expressed what I am thinking. The record is not clear on it. It does not indicate whether or not the money is to be transferred. If we are going to vote $2,000,000 for experimental stations in South America in the field of agriculture, let us not have the money transferred to some other section and used for some other purpose. So I hope the gentleman from New York, my friend from Brooklyn, will accept the amendment and let the Senate put in the information which was not put in in the House.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. ROONEY. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from New York is recognized.

Mr. ROONEY. Mr. Chairman, I respectfully suggest that the distinguished gentleman from California, who originally came from the coal-mine area of Pennsylvania and is now an educated farmer in California, and the gentleman from Massachusetts [Mr. HERTER] get together and read these hearings. They would then find that the reason this appropriation is in this bill and at this particular point of the bill is because of the action of their Congress, the Eightieth Congress, in passing what is known as the Smith-Mundt bill. They would learn, furthermore, if they were to read the hearings, that the Information and Educational Activities Division of the Department of State does not actually use these funds at all; they are turned over to the Department of Agriculture by transfer. The gentlemen would also learn that the actual amount of money transferred for this purpose is not the sum mentioned by the gentleman from California [Mr. PHILLIPS]. I am very sorry to hear him make such an inaccurate statement as he made today, because he is usually much better informed.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. This very matter has already been considered by the House today. It was one of the two arguments offered by the gentleman from New York [Mr. TABER] against the rule which was granted this morning on a roll-call vote. This language was not proposed by the committee. This did not originate in the mind of any single member of this committee. I may say further to the gentleman that if he would read the questions and answers appearing in the hearings——

Mr. PHILLIPS of California. At what page?

Mr. ROONEY. He would read the following:

> Mr. ROONEY. What have you to say about insertion of the language "advance of funds notwithstanding section 3648 of the revised statutes as amended"?
>
> Mr. HALL. This proviso permits advances to exchange grantees such as students, teachers, and trainees, and to permit advances under contract to private nonprofit organizations and rental advances in areas where required and travel advances to alien operators of mobile motion-picture units overseas.

This new language is included in the International Information and Educational Activities appropriation this year as the result of the consolidation in that appropriation of the separate appropriation for cooperation with the American Republics made in previous years. Since similar language was contained in the Appropriation Act for Cooperation with the American Republics, with which I am sure the gentleman from California is familiar as a member of the great Committee on Appropriations, this new language in the appropriation for International Information and Educational Activities does not contemplate any new authorities.

The provision authorizing advance of funds is necessary for the purpose of allowing advances to students, professors, and other technical personnel participating in the Educational Exchange Program. The provision relative to the establishment and operation of agricultural and other experimental stations is necessary to enable the Department of Agriculture to establish and operate such stations. There is some question as to whether or not the general authority of the Department of Agriculture is sufficiently broad to cover this type of activity which is essential to the cooperation program.

Now I shall be pleased to yield to the gentleman from California.

Mr. PHILLIPS of California. My figure was given to me by the gentleman from Nebraska [Mr. STEFAN] and the gentleman has not given us a different figure.

Mr. ROONEY. If the gentleman will refer to page 755 of the hearings under the title "Activities under the scientific and technical cooperation program for 1950" he will find the very first item there is "Agriculture—American Republics—$771,490."

That money is not only to establish experimental stations in South America but also for the program of bringing trainees to this country and educating them in our know-how with regard to agriculture.

Mr. O'TOOLE. The gentleman from California is using the book of 10 years ago.

Mr. PHILLIPS of California. What page?

Mr. ROONEY. It may not appear so but the gentleman from California has a book more recent than that. I refer to page 755.

Mr. PHILLIPS of California. I appreciate the gentleman's commendation of the last Congress.

Mr. ROONEY. Mr. Chairman, I respectfully urge that the amendment offered by the gentleman from California be defeated.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TABER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we have had a lot of confusing statements made here this afternoon in connection with this matter. Does anyone imagine it would be necessary to have a rule waiving points of order on this if the Smith-Mundt bill had authorized it? It would not be necessary.

As the gentleman from California very aptly stated, this is a proposal to set up experimental stations throughout the American Republics without giving any detail or anything of that kind on which anyone can base an opinion. The authority to transfer funds of this character runs to another appropriation in the State Department and not to other departments, so there would be naturally no authority to transfer it to the Agricultural Department. As the gentleman from California so well stated, it is absolutely ridiculous for us to carry this fund and expect that anything such as the gentleman from New York has suggested would happen.

Let us throw this thing out, as the gentleman from California suggests, then let somebody consider it so that we will know what it is and what we are doing.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from California.

Mr. PHILLIPS of California. I have found the figures to which the gentleman from New York referred and they show that the amount intended for agri-

culture is $1,376,456, which would be quite a bit in the districts in this country which need more money for their experimental stations.

Mr. TABER. That is true. We do not know where we are on this.

Mr. HERTER. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mr. HERTER. Just as a matter of explanation, is not the work in connection with the development of the agricultural stations and progress through technological assistance a job for the Institute for Inter-American Affairs, for which an appropriation is made on page 25?

Mr. TABER. That is true and if they were going to have anything of that kind that is the place that it should be.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. PHILLIPS].

The question was taken; and on a division (demanded by Mr. PHILLIPS of California) there were—ayes 88, noes 116.

So the amendment was rejected.

Mr. PHILLIPS of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PHILLIPS of California: Page 20, line 10, after the word "thereon" and the semicolon, insert *"Provided,* That no money shall be spent on agricultural stations or experiments in other countries until the Secretary of Agriculture certifies that such expenditure is a necessity and that experimental work of a similar nature in the United States is adequately financed."

Mr. ROONEY. Mr. Chairman, I make a point of order against the proposed amendment on the ground that it is legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from California desire to be heard on the point of order?

Mr. PHILLIPS of California. Mr. Chairman, I contend that it is a limitation upon the expenditure of funds because it requires that the necessity for them and the limitation for them be provided and certified to before the money is expended.

The CHAIRMAN. Does the gentleman from New York desire further to be heard?

Mr. ROONEY. The statement that no money shall be spent is clearly legislation; and it imposes additional duties on the Department, which makes it legislation.

The CHAIRMAN. The Chair is ready to rule.

The gentleman from California [Mr. PHILLIPS] introduces certain language requiring the Secretary of Agriculture to make certain findings. The Chair construes that language to be legislation on an appropriation bill in that it imposes additional duties upon the agency involved. So, the point of order is sustained.

Mr. VORYS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I desire some information from the committee. I was here during general debate and heard the comment of practically all members of the committee, which is summarized in the words on page 3 of their fine report, in which they say:

The agencies represented in the bill should take steps to improve the justifications submitted to the committee.

In the next paragraph, they say:

The committee is dissatisfied with the condition of much of the transcript of the hearings upon its return by the departments.

On further, they say:

Some of the testimony when returned contained statements so changed that they bore little resemblance to the actual testimony given.

I have the highest regard for the members of this subcommittee. I know how diligent they are. I am amazed that they should find it necessary to make these criticisms. However, I also note that in their zeal to have the hearings accurate they took 2,223 pages of testimony, and with the best of good will and diligence the rest of us are unable to follow through all of these cross-examinations.

This is the question I wanted to ask: How much of a staff does this subcommittee have? Can the chairman tell me?

Mr. ROONEY. The subcommittee has an executive secretary, Mr. Howe, the chairman has a clerk, Miss Caddigan, and we have the assistance of all the clerks of the full Committee on Appropriations. During the course of the hearings, so as to be able to get people up here from the departments downtown in a hurry, a man is assigned by the particular department to contact these people for us more expeditiously. We have not at all had the difficulty the gentleman from Ohio experiences from reading page 3 of this committee's report. This matter was quite fully discussed previously today during general debate on the bill.

Mr. VORYS. I was present when it was discussed.

Mr. ROONEY. The reporter makes a transcript of the testimony and that testimony is then forwarded to the witnesses from the departments, presumably to make editorial and grammatical corrections. We have found many changes in their answers. We will not stand for them and we did not stand for them. We found a number of instances, which caused the particular language to be inserted in the report as a warning to these departments, where answers which were given "Yes" read "No" when the transcript came back from downtown. None of such changes were permitted to stand in the volumes of testimony the gentleman now has. The printed testimony is correct as originally given by the witnesses.

Mr. VORYS. I thoroughly understand, and I commend the gentleman and his committee in bringing to us accurate statements, but the gentleman's subcommittee points out that the justifications need improvement and the testimony needs improvement. This is my point: A committee of Congress does more than conduct a judicial proceeding. They have to get information not only through cross-examination of the battery of witnesses sent up here but they have to have their own staff to do some digging in order to get the narrative and generality on behalf of the committee. It is completely insufficient to have some department that wants money lend that committee a staff member for liaison during hearings.

What I want to know is this: What staff does the Committee on Appropriations have now compared with the staff it had last year? Can someone give me those numbers?

Mr. ROONEY. I believe that there is one man more than there was last year in the Eightieth Congress. We now have a more efficient and intelligent staff, interested in facts and not in politics.

Mr. VORYS. How many do they have this year?

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Massachusetts.

Mr. WIGGLESWORTH. May I point out to the gentleman that the entire expert investigating staff of the Committee on Appropriations, which was so effective during the past 2 years, was abolished at the beginnng of this year by a vote of the majority members of the committee.

Mr. VORYS. How many did that involve?

Mr. TABER. Last year we had as high as 50 people, including clerks. Of course, we had temporary people. We had the ablest public accountants in America working for us.

Mr. VORYS. How many were fired this year?

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. CRAWFORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, prior to the last quorum call, there was a colloquy on the floor between the gentleman from Georgia [Mr. PRESTON] and the gentleman from South Carolina [Mr. RIVERS], I believe, with respect to the activities of the Civil Aeronautics Administration, which has an item in this bill for $139,073,000. The discussion affected the Eastern Air Lines, Inc. Last evening I spent quite a bit of time analyzing the last annual report of the Eastern Air Lines Co., and I found this statement from Eddie Rickenbacker, president of the company. He says:

Many of you have asked me to explain why Eastern Air Lines is the one certificated air carrier which operates without subsidy while the more than 20 others receive substantial subsidies from the taxpayers' pocketbooks. * * * The explanation is that Eastern conducts its business at the highest level of efficiency and economy. * * * In a recent order the Civil Aeronautics Board explained that Eastern's route pattern and location probably provide less opportunity for profitable operation than do the route patterns and locations of other large air carriers. Eastern has succeeded in spite of natural handicaps. * * * The air carriers which have done the best jobs have received relatively the least from the CAB in grants of new routes and mail pay—and the air carriers demonstrating least ability have been recipients of generous grants of new routes and subsidy. * * * The Civil Aeronautics Act of 1938 stresses public needs in new route proceedings, but the CAB often has lost sight of public needs and has stressed

carrier needs instead—even though such carrier needs have resulted from wasteful and inefficient operations and management. * * * Had Eastern been an operator showing a large deficit, much of the competition which has been imposed upon Eastern would not have been authorized, and Eastern itself would have been the recipient of subsidy.

Then Mr. Rickenbacker continues:

The CAB is, among other things, the Government's purchasing agent for airmail transportation. I have always understood that purchasing agents are expected to buy the best products at the lowest cost.

Eastern's stockholders are entitled to the facts on this.

Then he sets forth a table showing that National receives 18 cents; Delta, 18 cents; Capital, 18 cents; All-American, 54.7 cents; Piedmont, 50 cents; Trans Texas, 55 cents. That is on the New York-Miami runs, and the Philadelphia-Washington runs, and the Houston-San Antonio runs.

It also shows a table where National receives 18 cents for the Miami-New Orleans run; Chicago & Southern 21 cents; Piedmont, 50 cents; Colonial, 35 cents, where the tonnage was taken away from Eastern, which proposed and offered and stood ready to carry the cargo at 6 cents per plane mile. That gives you an illustration of what the CAB is doing under the 1938 act approved by the Congress. It also shows how utterly fantastic the CAB penalizes efficient companies, and how the taxpayers of this country subsidize, through appropriations, which we approve from time to time, inefficiency, and poor management, and subsidize those who do not operate except to get more money from the taxpayer.

I hope that the Committee on Appropriations of the House will deal more effectively in the future to see that the taxpayers are relieved from some of the burdens which they now have in paying these unjustified mail subsidies.

Mr. REES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REES: On page 5, line 11, strike out "$650,000" and insert "$300,000."

Mr. REES. Mr. Chairman, the amendment I have offered strikes out $650,000 for representation allowance and inserts $300,000. Even with this reduction, the amount remaining is too much, but I thought members of this committee might go along with me on a comparative small reduction. It does give you a chance to save $350,000 that in my opinion would be otherwise wasted.

I think the Members of the House and the people of this country would be amazed to know how much of taxpayers' funds are being used to buy liquor of various kinds to entertain representatives in foreign countries. I think it is conceded and will not be denied that this item to which I have referred, almost all of it is spent for champagne and other kinds of drinks used by our representatives to entertain foreigners of other countries.

Do not forget that these representatives have hundreds of thousands of dollars in other allowances. This is in addition to pretty liberal allowances already granted in this legislation.

This is not a question of whether you believe in the use of liquor. That is entirely beside the question. It is whether you think it is for the best interests of our country to use the money of the people of this country in this manner.

I should also add that this item of $650,000 is not all of the money appropriated in this bill for entertainment and representation allowance. I understand the amount in this bill alone is more than $1,000,000.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. REES. In just a moment I will yield. I am quite sure the gentleman will tell us that there may be other items included in this expense, but I am sure he will also tell you that almost all of this expenditure amounting to more than $1,000,000 in this bill will be used to pay for various kinds of liquor to be used by our representatives to entertain foreigners abroad.

You did not take the trouble to show the items in the hearings. You simply call it representation allowance. Representation of what? That you do not tell us. Last year and two years ago, the committee had supplementary items for which the funds were used. This year you say "representation allowance" and let it go at that.

As I said a moment ago, not only is there this item of $650,000, but you have another item in another place in the bill for $100,000 for the same purpose, and so, if you go through the bill, I think the committee will admit there is more than $1,000,000 appropriated out of taxpayers' funds for this purpose. I am asking you to save about a third of it.

The gentleman from Nebraska [Mr. STEFAN] spoke a few minutes ago on this subject matter. I would like to ask him, for the record, how much money in this bill is being spent for so-called representation allowance.

Mr. STEFAN. For Foreign Service alone, for representation allowance, $650,000 is being requested in this bill. The same amount was provided last year. There are other agencies, of course. The Information Service have their special allowance. I assume that outside of the Marshall plan, around $1,000,000 for representation allowances for all agencies is in this bill.

Mr. REES. The Marshall plan, or ECA, you know, has representation allowances in addition to these in the present bill. I realize you are in the habit of spending this money, but can we not save a part of the million dollars in this bill. This amendment will save $350,000. I think it is fair. I yield now to the distinguished gentleman from New York to explain why he deems it necessary to spend $650,000 of the taxpayers' funds, along with other items in this bill, for this purpose.

Mr. ROONEY. That is an invitation to make a speech, but I want to ask the gentleman one or two questions. Does the gentleman from Kansas realize that the amount requested of this committee for representation-allowance money was in the amount of $700,000, and it was cut by the committee to $650,000. Does the gentleman realize that?

Mr. REES. Well, so far so good. But that is only a small part of it. I notice in your hearings where something over a million dollars was mentioned.

Mr. ROONEY. I am talking to the gentleman now about Foreign Service. My second question is this: If the Foreign Service has a diplomatic luncheon, does the gentleman object to the serving of a Martini or an old-fashioned with that luncheon?

Mr. REES. But is it going to take a million dollars to take care of those Martinis?

Mr. ROONEY. Well, the gentleman does not object; is that the point?

Mr. REES. I do not object to serving luncheons and dinners where necessary, but I think it is wholly unnecessary to serve high-powered liquor and then charge it up to the Federal Treasury. What you do with your own money is a different matter.

Mr. ROONEY. Does the gentleman object to the Martini?

Mr. REES. I am serious with the gentleman from New York, who thinks that this ought to be done. We ought not to use the money of the taxpayers of this country for that sort of thing. It is manifestly unfair. We ought not to do it.

Now, I see the distinguished gentleman from Michigan [Mr. RABAUT] rise. He has always opposed my amendments on other occasions. Whether he believes in the use of liquor or not is beside the question. I hope he will explain to this House why he thinks it is for the best interests of this country that we appropriate approximately a million dollars of the taxpayers' money, almost all of which will be used to buy liquor of various kinds to entertain foreigners of other countries. This is not a question as to whether you believe in the use of liquor; not at all. It is a question of whether you think there is justification in using the people's money in this manner. No one yet on the floor of this House has ever been able to tell us of any good that has been accomplished by reason of the spending of the millions of taxpayers' money in this manner during the past few years.

How you use your own money is your business, but how you use the taxpayers' money of this country is a different question.

Mr. Chairman, in my judgment we are falling into a rather low ebb when this Congress deems it necessary to spend the people's funds in this manner in order to get along with representatives of other countries.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. RABAUT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, every year, for many years, the gentleman from Kansas who has just left this well, has made a similar request to the committee. I wonder when the gentleman from Kansas is going to realize the situation in his own State, and come to the conclusion that these addresses are no longer popular.

It remained for Time magazine, in its issue of September 9, 1946, to drag the

prohibition ghost out of the Kansas closet.

Kansas and a bone-dry liquor law had its ghost brought from the closet by this alert publication.

The article states:

Good whisky is easier to get in Topeka than in wet Kansas City, Mo., 67 miles away.

The article lambasts Kansas prohibition as a farce and calls enforcement officers shadows in a bootlegger's forest.

The voters themselves became disgusted with the hypocritical dry law and the unrest, finally gained the attention of the Republican-dominated machine, and leaders hurried to a Kansas hotel only to leave a job, and leaving, left a job for the cleaning crew the next morning—to remove a near truckload of empty whisky bottles from the bedrooms of the building. Bellhops rested after a strenuous day and night of toting sparkling water and ice and the Topeka bootleggers happily tallied up the receipts.

United States Treasury which takes revenue from legal and illegal liquor sellers alike reported 570 Kansans holding retail liquor licenses, and 17 more as holding wholesale licenses.

Why all this talk year in and year out? Take the ghost out of the closet and keep it off the floor of Congress.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. No. I cannot yield.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Michigan is recognized.

Mr. HOFFMAN of Michigan. Mr. Chairman——

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. Very briefly; yes.

Mr. REES. I may say to the distinguished gentleman from Michigan [Mr. RABAUT], who would not yield, that he has not said anything with respect to using the taxpayers' money for buying liquor for foreigners abroad, and has not indicated wherein that expenditure would help to cultivate our friendly relations with people abroad. All he is doing is talking from a magazine that is filled with advertisements of liquor concerns.

Mr. HOFFMAN of Michigan. Why, sure. Do they not have to have that advertising money to run their publications? They are financially interested in the liquor business. The gentleman from Michigan [Mr. RABAUT] mistakes the issue entirely. Apparently some folks think it is necessary to get these people down there in South America a little bit under the influence of liquor because you can get along with certain people better when they are a little bit intoxicated and, why, runs their argument, should we not let them get a little bit under the influence so they may be more willing to take our money? That argument—the appropriation of tax money to accomplish that does not make sense. What drinking in Kansas has to do with the use of farmers' and other taxpayers' money to purchase liquor in South America, I do not know. There seems to be no connection.

Here is what I want to call to your attention, and it is along the lines suggested by the gentleman from Ohio [Mr. VORYS]. I read from page 3 of the committee report, and I would like to have the chairman of the committee answer me. I read:

The committee is dissatisfied with the condition of much of the transcript of the hearings upon its return by the departments. Instructions were attached to each day's testimony when submitted to the departments, stating specifically that editorial changes by witnesses were to be held to a minimum and limited to corrections of grammatical and other obvious errors. The instructions notwithstanding, some of the testimony when returned contained statements so changed that they bore little resemblance to the actual testimony given.

Mr. Chairman, everyone knows that the purpose of having witnesses come before committees to testify is to advise the committees and the Congress through the committees of the facts on which a bill is based. The printed hearings purport to give us the facts. The testimony of witnesses should not be accepted except as they yield to cross-examination, because then only will the testimony of the witness disclose the whole truth. How in the wide, wide world can anyone weigh the testimony of a witness or discover how much of it is conclusion or conjecture, or opinion, or fact if you send the testimony down to a department and then, according to the committee, have it changed? Who knows what the witnesses really meant or how much they really know?

I would like to ask the chairman of the subcommittee, what is the use of taking the testimony, having a witness cross-examined or examined by members of the committee, then sending the testimony down to a department and, as is said in the report, getting something back that the committee does not recognize?

Mr. ROONEY. I must say to the distinguished gentleman from Michigan that is exactly the committee's point, that is the reason we mentioned it in our report. This committee will not stand for such procedure.

Mr. HOFFMAN of Michigan. Did not the gentleman do it?

Mr. ROONEY. Most certainly not.

Mr. HOFFMAN of Michigan. What is the gentleman squawking about then?

Mr. ROONEY. If the gentleman had been here during general debate on this bill he would know that the changes which were made in the witnesses' testimony required many, many hours of work by myself and other members of the committee in order to get it back into its original state when taken down by the reporters.

Mr. HOFFMAN of Michigan. I know, but the witnesses who made these changes and sent back the statements were not subsequently cross examined.

Mr. ROONEY. We will get to that in due time, I assure the gentleman. I thoroughly agree with him. I do not think a congressional committee should permit any witness or witnesses to change their testimony at all, and, as far as I am personally concerned, in next year's hearings none of these witnesses will be permitted to correct even their grammatical errors.

Mr. HOFFMAN of Michigan. What the gentleman did in this case apparently was to pile error upon error, because he sent the testimony down there, then the witnesses changed it and when they sent it back changed, the gentleman substituted his version of what he thought they said the first time.

Mr. ROONEY. Does not the very learned gentleman understand that this very procedure was carried on by the gentleman from New York [Mr. TABER] when he was chairman of the full committee, and that we followed the same practice in this regard with the departments which has been followed for the past 2 years?

Mr. HOFFMAN of Michigan. Who instituted the procedure is not the issue—the practice is unsound and misleading. The gentleman is squawking about it, if I may use such a word, and calls attention in his report to the fact they did change their testimony. Now, how does one who reads the record know whether the testimony in these hearings is the witness' testimony or the gentleman's version of their testimony?

Mr. ROONEY. Does not the gentleman understand that the original transcript was returned to us?

Mr. HOFFMAN of Michigan. Oh, sure.

Mr. ROONEY. And that we readily saw the corrections which were made on it?

Mr. HOFFMAN of Michigan. And the gentleman just wiped out all of those changes?

Mr. ROONEY. We certainly did.

Mr. HOFFMAN of Michigan. Then we have a record of what the gentleman thought was the witness' testimony as reported by the reporter. That is what you have.

Mr. ROONEY. Amen.

Mr. HOFFMAN of Michigan. Right.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. REES].

The amendment was rejected.

Mr. MILLER of Nebraska. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Nebraska: Page 59, line 8, after the semicolon, insert *"Provided,* That not more than $35,000 be used for a first-class weather station in western Nebraska."

Mr. MILLER of Nebraska. Mr. Chairman, this does not call for additional appropriations. The Weather Bureau now has $24,000,000 for use in weather reporting. I am suggesting in this amendment that $35,000 be earmarked for a station in western Nebraska. Attention is focused upon this because of the storm of last year when 17 lives were lost in this area, as well as 6,000 to 7,000 head of livestock and untold amounts of vegetables were lost. This area, in a radius of 100 miles, serves about 150,000 people. They get their weather reports from Kansas City, 512 air-line miles away. The weather reporting just has not been accurate, and for that reason

I feel that a weather station should be established in this area.

If the committee will read the testimony on pages 552 to 563 relating to the Department of Commerce appropriations, they will find that the Chief of the Weather Bureau recognizes that this is a blind spot and in the past has recommended that a weather station be established in this area. By this amendment I am suggesting that the appropriation not be increased but that the Weather Bureau be instructed to establish a first-class station in Scottsbluff, Nebr.

Mr. ROONEY. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, I feel that it is not proper to legislate from the floor of this House on an appropriation bill in the manner proposed. There is some merit and need for some kind of a weather station, whether class 1, or whatever class is adequate, at Scottsbluff, Nebr. However, this committee does not legislate station by station in the installation of these weather stations. That is administrative and is left for the Department of Commerce to determine where they are most needed. If it becomes necessary and proper to install a separate station at Scottsbluff, there is money contained in this bill sufficient to cover the cost of such a station. For these reasons, Mr. Chairman, I respectfully urge that the pending amendment be defeated by the Committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska [Mr. MILLER].

The amendment was rejected.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: Page 25, lines 12 to 15, strike out the entire proviso.

Mr. TABER. Mr. Chairman, this amendment knocks out the language repealing the provision of the appropriation act a couple of years ago which said that all of the funds which were appropriated to the Institute of Inter-American Affairs should expire on the 30th of June. Now this would make them continuously available and available until expended. The fellow who is running the Institute of Inter-American Affairs is Dillon Myer. After they finished the hearings on this bill, or practically finished them, on Mr. Meyer, on page 968, the gentleman from New York [Mr. ROONEY] said:

Well, I must say that up to now the presentation of this agency has been quite below the standard expected of the other agencies that have appeared before the committee. I would say it is the worst we have had since we started these hearings about a month ago.

And here we have them inserting language which would make available to this agency $700,000 or more of funds that would expire on the 30th of June, after they have made that kind of a justification. I wonder if the House of Representatives wants to go along with providing additional funds for an outfit that the chairman of the subcommittee himself has that opinion of, after having listened to their justifications for 63 pages.

Mr. Chairman, I hope this amendment will be adopted.

Mr. ROONEY. Mr. Chairman, I rise in opposition to the pending amendment, and at this time ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Mr. Chairman, this is the very same matter which was discussed earlier today just previous to the vote on the rule. It was thoroughly explored at that time. The same presentation, word for word, now made by the gentleman from New York [Mr. TABER] was made by him at that time, and nevertheless the House adopted the rule.

What is the situation? The Institute of Inter-American Affairs, to which this language refers, is a Government corporation whose life was extended from the 5th of August 1947 to the 5th of August 1950. The termination of the life of this corporation, therefore, will come not in the fiscal year for which appropriation is being made but in the fiscal year 1951.

The corporation has made a number of agreements with South American countries which must be met. The sole purpose of the gentleman from New York [Mr. TABER] in offering this amendment is to defeat the carry-over of moneys which will be available at the end of the fiscal year. To do so now would result in a black eye insofar as the United States is concerned because we pay for merely a share of the activities of this program, much more is contributed by South American countries. This is exactly the same reply I made this morning in answer to the exact same presentation made then by the gentleman from New York [Mr. TABER]. I know that the judgment of this Committee on this matter will be exactly the same as the expressed judgment of the House earlier today, and that the pending amendment will be defeated.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I gladly yield to the distinguished gentleman from New York.

Mr. JAVITS. Do we correctly understand that this bill was reported out unanimously by the subcommittee?

Mr. ROONEY. That is correct.

Mr. JAVITS. This provision was in the bill when it was reported out?

Mr. ROONEY. It certainly was.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 57, noes 123.

So the amendment was rejected.

Mr. WIGGLESWORTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WIGGLESWORTH: On page 54, line 11, strike out "$5,000,000" and insert "$4,000,000."

Mr. WIGGLESWORTH. Mr. Chairman, the amendment which I offer would reduce the appropriation for export control from the sum recommended by the committee of $5,000,000 to the sum of $4,000,000, which is the identical amount made available originally for this activity during the current fiscal year.

We went into the operation of this activity in the deficiency subcommittee very carefully late last spring, during the month of June, I think, and as a result of the investigation which we made at that time, recommended an appropriation of $4,000,000 for the activity.

At that time the activity had some 750 items to control, while at this time, if I am correctly advised, the number of items has decreased from 750 to 300.

I realize the importance of this work, but it seems to me, in the light of the decrease referred to, that the amount of $4,000,000, which was made available originally for the current fiscal year, should suffice for the fiscal year 1950.

I hope the amendment will be adopted.

Mr. ROONEY. Mr. Chairman, I rise in opposition to the proposed amendment.

Mr. Chairman, the gentleman from Massachusetts [Mr. WIGGLESWORTH] should know when he makes the statement that $4,000,000 is sufficient for export control this year, that he is not making a statement which is entirely accurate, because not only did the Committee on Appropriations allow $4,000,000 a year ago for that purpose, but the gentleman and the gentleman's subcommittee on deficiencies only a few weeks ago reported to the House a deficiency bill, which the House passed, allowing an additional $1,115,000 for that purpose. At that time, when the gentleman's committee allowed $1,115,000 over the $4,000,000 appropriation in order to continue export control for the remainder of the present fiscal year, he knew that there were a number of items decontrolled. That was all fully brought out in the testimony before the gentleman's committee.

This committee, in the pending instance, is very much concerned with proper enforcement of export control. We do not want to again hear statements about certain goods getting into the hands of countries behind the iron curtain. We do not again want to find that a quantity of steel or copper or something else has been transshipped so as to get into the hands of the Soviet Union, or Communist-dominated countries. For that reason this committee proceeds on the theory that the control of exports from this country should be as strong as it is possible to make it. For that reason, and also for the further reason that here again we have another item in this bill on which the committee has acted unanimously, I ask that the pending amendment be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. WIGGLESWORTH].

The amendment was rejected.

The CHAIRMAN. Are there any further amendments? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. TRIMBLE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4016) making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1950, and for other purposes, pursuant to House Resolution 180, he reported the bill back to the House without amendment.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. PHILLIPS of California. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. PHILLIPS of California. I am, like all rural Congressmen should be, in its present form.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. PHILLIPS of California moves to recommit the bill to the Committee on Appropriations with instructions to report the bill back forthwith with the following amendment:

Page 20, line 7, after the semicolon, strike out all down to and including the word "thereon" on line 10.

Mr. ROONEY. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. PHILLIPS of California) there were—ayes 62, noes 143.

Mr. PHILLIPS of California. Mr. Speaker, I ask for the yeas and nays.

The SPEAKER. Thirty-nine Members have risen; not a sufficient number.

The yeas and nays were refused.

Mr. PHILLIPS of California. Mr. Speaker, I object to the vote on the ground there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and forty-nine Members are present, a quorum.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. ROONEY. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

MICHIGAN DEMOCRATIC STATE CENTRAL COMMITTEE MIGHT DO A LITTLE HOUSECLEANING

Mr. HOFFMAN of Michigan. Mr. Speaker, in the olden days, springtime always meant housecleaning time and, in many of the smaller communities of Michigan, it still means a raking of the lawn, a picking up and a piling at the curb of the rubbish which has collected since the preceding fall. Then around come the city collectors and haul it away to the dump.

Last year, in the national city cleanup contest, South Haven, Van Buren County, Fourth Congressional District of Michigan, won second place in its class, a New Jersey city winning first.

Evidently Hicks Griffiths, chairman of the Democratic State central committee of Michigan, has forgotten that it is springtime and that the Democratic Party of Michigan needs a little renovating and face-lifting, for, neglecting his home work, he criticizes my attempt to do a little political renovating and disinfecting by sending out copies of a speech I made on the floor of the House on March 17, 1949—CONGRESSIONAL RECORD, page 2729.

Under date of April 2, the United Press quotes him as follows:

Representative HOFFMAN has flooded Michigan in the last few days with a Republican campaign leaflet privately reprinted from the CONGRESSIONAL RECORD and mailed at Government expense.

This leaflet, for the distribution of which the taxpayers of the Nation must pay, bluntly calls on Michigan voters to vote Republican.

To use your money and mine to finance this sort of campaign may be legal, but it violates every American standard of decency and fair play.

Some Republicans remember with regret that, in last fall's campaign, a few corporations violated a Federal statute by making political contributions to a Republican political committee. Some individuals and some corporations were indicted by the Democratic law-enforcement officers. Some were acquitted. A few, I understand, entered pleas of guilty and paid the penalty.

Later, it was learned that one Franco, then chairman of the Democratic State central committee, had solicited and, if memory serves correctly, received political contributions from postmasters or postal employees in Michigan, such solicitations having been made to two postal officials in the Fourth Congressional District of Michigan.

Franco, it later appeared, worked with a relative who received a percentage of the collections, which were made for the Democratic political campaign in Michigan.

Although a committee of the House held hearings and obtained evidence indicating a violation of the Hatch Act, to date I have been unable to learn of any criminal prosecutions.

I am wondering why it is that Mr. Griffiths, whom I do not know personally and who admits that my sending out of a speech made on the floor of the House and printed in the CONGRESSIONAL RECORD was not a violation of any law, is so concerned and charges that the franking out of that speech violates every American standard of decency and fair play, and, at the same time, overlooks the obviously and admittedly illegal acts of soliciting of campaign funds from postmasters by Democratic officials during the 1948 campaign.

I assume Mr. Griffiths has undoubtedly read that bit of Scripture which inquires:

And why beholdest thou the mote that is in thy brother's eye, but considerest not the beam that is in thine own eye?

Thou hypocrite, first cast out the beam out of thine own eye; and then shalt thou see clearly to cast out the mote out of thy brother's eye.

No charge, direct or indirect, is made that Mr. Griffiths is a hypocrite, for I have no knowledge of his activities except this one reported press statement.

But, as a matter of fact, the mote which he assumes to find in my procedure does not exist, for he admits that it was not illegal. In his opinion, it just violated the "American standard of decency and fair play."

But Democratic Congressmen from Michigan and the administration have for years been following the methods I used.

But what about the Democratic political allies in Michigan—the CIO, the UAW-CIO, the UE-CIO? August Scholle, president of the Michigan State CIO, recently publicly announced, according to the press:

Never again will the CIO support a Republican, regardless of his liberalism, ability, or honesty.

The UE-CIO has many officers who have refused, and still refuse, to deny under oath that they are affiliated with the Communist Party or with an organization which advocates the overthrow of this Government by force, but, during the spring campaign in Michigan, which involved the election of at least six State officials, the control of the State administrative board, the CIO organizations, according to Scholle, their State president, were political bedfellows of the Democratic State organization.

It may be that the Democratic organization in Michigan was not a voluntary bedfellow of the labor union officials who refused to deny that they were Communists. Let us be charitable and assume that it was not. Let us admit that it was just kidnaped. But, if so, during the campaign it remained a complacent captive.

It is matter of common report that some of the appointments of the Democratic Governor, "Soapy" Williams, elected last fall, have been dictated by the CIO. Some of those appointments were refused confirmation by a Republican senate, which may or may not mean something.

However, as to one appointment, the nine Democratic members of the Michigan State senate refused to confirm and, Republicans remaining silent, the appointment was rejected.

Democratic Governor Williams charged that the Democratic senators

refused to confirm the appointment because of some disagreement over patronage. This was denied by the Democratic senators and impartial observers seem to be justified in their conclusion that the Democratic Governor, "Soapy" Williams, in making his appointments, has listened to the CIO rather than to the tried and true members of his own party.

It was matter of common knowledge last fall that the CIO took over the organization and dictated the policies of the Democratic State convention. The CIO, without any very serious contradiction, claimed credit last fall for the election of the Democratic candidate for governor and for those on the Democratic ticket who were elected to State office.

Knowing, as I do, that the overwhelming majority of the rank and file of the CIO are patriotic, loyal, honest, sincere Americans, but realizing also that the Communists, as predicted by John L. Lewis away back in 1924, were attempting to take over the American labor movement and that a few had infiltrated into the CIO, and that many of the officers of that organization refused to sign anti-Communist affidavits, is it strange that I view with alarm and with apprehension the seizure of the Democratic organization in Michigan, which, whatever may have been its political philosophy, was always an organization working toward what its members believed was for the good of the State and the Nation?

To see the organization of the Democratic Party of Michigan, as has been the organization of the national Democratic Party, captured and prostituted by the CIO, which, until last fall, never officially denounced the Communists within its ranks, was heartbreaking.

Hence it was that I felt, and now feel, that it was my duty to the people of my State and to the Nation to do everything within my power to bring home to the people of Michigan the fact, for fact it was, that the CIO, forsaking the legitimate purposes of a labor union, was attempting, under the banner of the Democratic Party, to obtain political control of the State of Michigan.

My only regret is that I lacked the time, the ability and the funds to cover the State of Michigan with arguments which would defeat the CIO's program, the program of its officers who refuse to deny that they are Communists.

Mr. Griffiths, chairman of the Michigan State Democratic Committee, finding himself in the company he is, might well hang his head in shame, sit in sackcloth and ashes, instead of charging that my small contribution, which I hope helped the Republicans of Michigan win the April 4 election, violated any "American standard of decency and fair play."

I wonder if Mr. Griffiths has forgotten the December 1 raid of the CIO goon squads on the peaceful city of Kalamazoo. Surely he has read the papers. Surely he knows something of the facts.

Certainly he knows that, in that raid, big, strong men, in groups, unmercifully beat not only men but women. He knows that they maliciously destroyed personal property, injured real estate, defied police officers, drove needy workers from their jobs, so depriving them of their pay checks.

Does he contend that those rioters—and there have been many other similar incidents in Michigan—were not violating "every American standard of decency and fair play"?

Yet, during the campaign preceding the April 4 election, he was working shoulder to shoulder, hand in glove, with the officers of an organization whose members were guilty of the most cowardly, reprehensible, and unlawful conduct.

During the 14 years which I have served in Congress, I have sat by and watched the Democratic administration send out tons of propaganda, spend millions of dollars, to influence elections. Yes; according to the report of two Senate committees—committees controlled by the Democratic organization itself—the administration spent money appropriated for relief to buy votes.

Only recently in the Capitol, I saw a room where was piled a part of the 83,000 separate and distinct publications put out by the Federal Government with the taxpayers' money, and many of them apparently having no legitimate purpose, except to perpetuate the administration in power.

I am all through sitting idly by, watching the Democratic administration use the taxpayers' money to perpetuate itself in office without any attempt on my part to meet that propaganda by every means which may be lawfully employed.

It is regrettable that so many Republicans have not waged a vigorous, persistent battle against the flood of propaganda, the tons of printed matter, written, printed, and sent out with the taxpayers' money, the main purpose of which was to perpetuate themselves in office and saddle upon the American people a socialistic program, as, for example, socialized medicine or the taking over of the steel industry by the Federal Government.

To my colleagues I say, "Let's be up and at 'em"; let us give those who have seized control of the Democratic Party a dose of their own medicine. Let us expose their hypocrisy, the unsoundness of their program, and the disaster at the end of the road which they are now following.

If we are to avoid state socialism, not only must Republicans, but Democrats as well, fight those who, under whatever banner, seek to change the form of government which has made us what we are, given to the individual here in the United States of America the prosperity, happiness, and freedom which he now enjoys, which he should cherish, and for which he should be willing to make a fight.

I am printing herewith a newspaper article, showing some of the tactics of the United Steel Workers, CIO, the present political ally of Mr. Griffiths' Democratic organization:

LOSS IS FIXED IN "GOON" RAID—WELL OVER MINIMUM FOR FELONY CHARGE

(By Merle Oliver)

KALAMAZOO, MICH., March 31.—Testimony at the examination of eight officials of the United Steelworkers (USW-CIO) charged with conspiracy to incite a riot at the Shakespear Co. plants here was completed at 12:30 a. m. today before Circuit Judge James R. Breakey, Jr., of Ann Arbor.

Arguments of attorneys will be heard next Wednesday.

Judge Breakey held a night session at the request of prosecution and defense counsel. Most of Wednesday evening was taken up with bickering as to whether "goon" raiders did more than $50 damage to the Shakespeare buildings during the riot December 1, and whether personal-property damage exceeded that amount.

FIFTY DOLLARS MEANS FELONY

Among the 11 counts in the warrant are charges of conspiracy to damage personal property and conspiracy to damage the buildings. Loss of more than $50 must be shown to constitute a felony.

After sending to the plants several times for cost-production records, Judge Breakey finally ruled that the company lost more than $225 on 750 fishing-reel spool assemblies which, witnesses said, were damaged beyond repair by the raiders.

Company witnesses said 385 windows were broken, and a glazier testified that loss was more than $50.

VIOLENCE IS TOLD

A truck burned during the riot, but it belonged to a dairy and the warrant refers only to Shakespeare Co. damage.

The testimony regarding financial losses followed accounts by victims of mob violence in the two plants during the riots.

Bernard E. Taffee, plant guard, testified that 15 men rushed through the main entrance hollering and yelling like animals.

"I heard them yell 'get the hell out of here, or we'll kill every damn one of you,'" he said. "Four of them jumped on James Norris, an employee who was sitting on a bench in the entrance hall."

He pointed to Harry Stefanick, a defendant, and said:

RETREATED FROM GUN

"I saw Stefanick pick up Norris and throw him down, striking his head on the floor. When I went to his assistance and pushed them away from him, the four ran on into the plant."

A crowd had gathered in front of the door and tried to burst in, Taffee related. He said he drew his gun and ordered them to stay out. The crowd retreated.

"After I'd driven them out they threw bricks, stones, coal, a box, and a shovel through the door," Taffee continued. "They tried to tear the door off its hinges. Behind me in the plant I could hear trays of fishing reel and auto parts being dumped on the floor.

HAD LIVE COALS

"I could hear the crowd outside shouting, 'Let's set the plant on fire and burn the damn thing down.' William Hall (of Kalamazoo), came to the door with a scoop shovel full of live coals. He shouted, 'We'll set it on fire.' A woman striker was egging them on, shouting at them to burn the building.

"William Bush, another former employee (strikers are described as former employees in court because the company claims the strike ended), came running with a can of oil. So many things were being thrown at me that I could not tell who did it."

Mrs. Judy Anne Smalley, of Bloomingdale, appeared in court with her right eye still discolored 4 months after the riot, and testified that one of the men who broke into the plant grabbed her hair and held her head back against the wall while a second struck her face, inflicting a cut over her eye. She said she still requires treatment for a nervous condition resulting from her experience.

POLICE STOOD BY

Virgil Sanford, assistant foreman, testified that members of the mob kicked him in the groin, slapped him and pushed him along the street away from the plant. He identified Glen E. Sigman, international representative, as one of the persons at Gate 3, where he tried to enter.

Patrolman Argylle Growder, of the Kalamazoo police, admitted under questioning by Judge Breakey and Special Prosecutor Clair S. Beebe that police merely stood and watched while the "goons" overturned automobiles and mauled plant employees.

"I was warned that I would find myself in the gutter if I interfered," Growder said.

He testified that while a truck burned, a "goon" told the policemen: "If you have any idea of using that fire hose, you had better change your mind." A policeman assured the raider "that is not our job," Growder said.

SECOND DEFICIENCY APPROPRIATION BILL, 1949

Mr. McSWEENEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 132, providing for the consideration of and waiving certain points of order on H. R. 4046, a bill making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes.

Mr. MARTIN of Massachusetts. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER. The Chair will count again. [After counting.] Two hundred and five Members are present, not a quorum.

Mr. MARTIN of Massachusetts. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER. The question is on the motion of the gentleman from Massachusetts.

The question was taken; and the Chair announced that the noes appeared to have it.

Mr. MARTIN of Massachusetts. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The Clerk called the roll and there were—yeas 145, nays 212, answered "present" 1, not voting 74, as follows:

[Roll No. 68]

YEAS—145

Allen, Calif.	Cunningham	Hoeven
Allen, Ill.	Curtis	Hoffman, Ill.
Andersen, H. Carl	Dague	Hoffman, Mich.
	Davis, Wis.	Holmes
Anderson, Calif.	D'Ewart	Hope
Andresen, August H.	Dolliver	Horan
	Dondero	Hull
Angell	Ellsworth	Jackson, Calif.
Barrett, Wyo.	Engel, Mich.	James
Bates, Mass.	Fenton	Javits
Beall	Ford	Jenkins
Bennett, Mich.	Fulton	Jennings
Bishop	Gamble	Jensen
Blackney	Gavin	Johnson
Boggs, Del.	Golden	Jonas
Bolton, Ohio	Goodwin	Judd
Bramblett	Graham	Kean
Brehm	Gross	Kearns
Brown, Ohio	Gwinn	Keating
Burdick	Hagen	Keefe
Byrnes, Wis.	Hale	Kilburn
Canfield	Hall, Edwin Arthur	Kunkel
Case, N. J.		LeCompte
Chiperfield	Halleck	LeFevre
Church	Hand	Lemke
Clevenger	Harden	Lichtenwalter
Cole, Kans.	Harvey	Lodge
Cole, N. Y.	Herter	McCulloch
Corbett	Heselton	McDonough
Cotton	Hill	McGregor
Crawford	Hinshaw	McMillen, Ill.
Mack, Wash.	Phillips, Tenn.	Smith, Kans.
Martin, Iowa	Plumley	Smith, Wis.
Martin, Mass.	Potter	Stefan
Mason	Poulson	Stockman
Merrow	Rankin	Taber
Meyer	Reed, Ill.	Talle
Michener	Reed, N. Y.	Van Zandt
Miller, Md.	Rees	Velde
Miller, Nebr.	Rich	Vorys
Murray, Wis.	Richlman	Vursell
Nelson	Rogers, Mass.	Wadsworth
Nicholson	Sadlak	Welchel
Nixon	St. George	Welch, Calif.
Norblad	Sanborn	Werdel
O'Hara, Minn.	Scott, Hugh D., Jr.	Wigglesworth
Patterson		Wilson, Ind.
Pfeiffer, William L.	Scrivner	Withrow
	Scudder	Wolcott
Phillips, Calif.	Simpson, Ill.	Wolverton

NAYS—212

Abbitt	Garmatz	O'Hara, Ill.
Abernethy	Gary	O'Konski
Addonizio	Gordon	O'Neill
Albert	Gorski, Ill.	O'Sullivan
Allen, La.	Gorski, N. Y.	O'Toole
Andrews	Gossett	Pace
Aspinall	Granahan	Passman
Barden	Granger	Patman
Baring	Grant	Patten
Barrett, Pa.	Green	Perkins
Bates, Ky.	Gregory	Peterson
Battle	Hardy	Philbin
Beckworth	Hare	Pickett
Bennett, Fla.	Hart	Poage
Bentsen	Hays, Ark.	Polk
Biemiller	Hays, Ohio	Powell
Blatnik	Hébert	Preston
Boggs, La.	Hedrick	Priest
Bolling	Herlong	Rabaut
Bolton, Md.	Hobbs	Rains
Bosone	Holifield	Ramsay
Boykin	Howell	Regan
Breen	Huber	Rhodes
Brown, Ga.	Irving	Ribicoff
Bryson	Jackson, Wash.	Richards
Buckley, Ill.	Jacobs	Rivers
Burke	Jones, Ala.	Rodino
Burleson	Jones, Mo.	Rogers, Fla.
Burnside	Jones, N. C.	Rooney
Burton	Karst	Sabath
Camp	Karsten	Sadowski
Cannon	Kee	Sasscer
Carnahan	Kelley	Secrest
Carroll	Kennedy	Sikes
Cavalcante	Kerr	Sims
Chatham	Kilday	Smathers
Chelf	King	Smith, Va.
Chesney	Kruse	Spence
Christopher	Lanham	Staggers
Chudoff	Larcade	Stanley
Colmer	Lesinski	Steed
Combs	Lind	Stigler
Cooley	Linehan	Sullivan
Cooper	Lucas	Sutton
Crook	Lynch	Tackett
Crosser	McCarthy	Tauriello
Davies, N. Y.	McCormack	Teague
Dawson	McGrath	Thomas, Tex.
Deane	McGuire	Thompson
DeGraffenried	McKinnon	Thornberry
Delaney	McSweeney	Trimble
Denton	Mack, Ill.	Underwood
Dollinger	Magee	Wagner
Donohue	Mahon	Walter
Doughton	Mansfield	Welch, Mo.
Douglas	Marsalis	Wheeler
Doyle	Miles	White, Calif.
Durham	Miller, Calif.	Whitten
Eberharter	Mills	Whittington
Elliott	Mitchell	Wickersham
Engle, Calif.	Monroney	Wier
Evins	Morgan	Williams
Fallon	Morris	Willis
Feighan	Morrison	Wilson, Okla.
Fernandez	Moulder	Winstead
Fisher	Multer	Woodhouse
Flood	Murdock	Worley
Fogarty	Murray, Tenn.	Yates
Forand	Noland	Young
Frazier	Norton	Zablocki
Fugate	O'Brien, Ill.	

ANSWERED "PRESENT"—1

Marcantonio

NOT VOTING—74

Arends	Buckley, N. Y.	Coffey
Auchincloss	Bulwinkle	Coudert
Bailey	Byrne, N. Y.	Cox
Bland	Carlyle	Davenport
Bonner	Case, S. Dak.	Davis, Ga.
Brooks	Celler	Davis, Tenn.
Buchanan	Clemente	Dingell
Eaton	Klein	Scott, Hardie
Elston	Lane	Shafer
Fellows	Latham	Sheppard
Furcolo	Lovre	Short
Gathings	Lyle	Simpson, Pa.
Gillette	McConnell	Smith, Ohio
Gilmer	McMillan, S. C.	Taylor
Gore	Macy	Thomas, N. J.
Hall, Leonard W.	Madden	Tollefson
	Marshall	Towe
Harris	Morton	Vinson
Harrison	Murphy	Walsh
Havenner	Norrell	Whitaker
Heffernan	O'Brien, Mich.	White, Idaho
Heller	Pfeifer, Joseph L.	Wilson, Tex.
Jenison		Wood
Kearney	Price	Woodruff
Keogh	Quinn	
Kirwan	Redden	

So the motion to adjourn was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Eaton for, with Mr. Wood against.

Mr. Towe for, with Mr. Harrison against.

Mr. Macy for, with Mr. Gilmer against.

Mr. Hall, Leonard W., for, with Mr. Heller against.

Mr. Simpson of Pennsylvania for, with Mr. Klein against.

Mr. Auchincloss for, with Mr. Murphy against.

Mr. Arends for, with Mr. Brooks against.

Mr. McConnell for, with Mr. Vinson against.

Mr. Coudert for, with Mr. Walsh against.

Mr. Kearney for, with Mr. Madden against.

Mr. Scott Hardie for, with Mr. Cox against

Mr. Latham for, with Mr. Clemente against.

Mr. Gillette for, with Mr. Quinn against.

Mr. Short for, with Mr. Furcolo against.

Mr. Shafer for, with Mr. Whitaker against.

Mr. Taylor for, with Mr. Wilson of Texas against.

Mr. Jenison for, with Mr. McMillan of South Carolina against.

Mr. Morton for, with Mr. Lane against.

Mr. Woodruff for, with Mr. Havenner against.

Mr. Fellows for, with Mr. Buchanan against.

Mr. Tolefson for, with Mr. Bonner against.

Mr. Elston for, with Mr. Davenport against.

The result of the vote was announced as above recorded.

SECOND DEFICIENCY APPROPRIATION BILL, 1949

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution, notwithstanding any rule of the House to the contrary, it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4046) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes, and all points of order against the bill or any of the provisions contained therein are hereby waived excepting the provision appearing on page 19, lines 18 to 21, inclusive, in the paragraph under the heading "General Provisions." That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. McSWEENEY. Mr. Speaker, we have before us for consideration House Resolution 182 from the Committee on Rules. I retain one-half hour for my own consumption and yield to the gentleman from New York [Mr. WADSWORTH] one-half hour.

Mr. Speaker, I shall say only one thing with regard to the bill this rule makes in order: It is a bill making appropriations to cover deficiencies in departments in which the membership is deeply interested.

This appropriation expires with the end of the fiscal year, June 30, 1949.

This appropriation touches almost all phases of our activities and I know the Members of the House will give it consideration.

Mr. Speaker, I reserve the remainder of my time. I am not going to detain the House longer, because I know the Members wish to consider this resolution immediately.

Mr. WADSWORTH. Mr. Speaker, I yield myself 6 minutes.

The SPEAKER. The gentleman from New York is recognized for 6 minutes.

Mr. WADSWORTH. Mr. Speaker, the gentleman from Ohio has informed the House as to the legislation which this rule, if adopted, would bring before the House. I believe, however, it is my duty to point out to the House a certain provision in the rule itself which, if I am not mistaken, has not appeared in rules heretofore granted by the Rules Committee, at least not for a considerable period of time. It will be found in line 9 of the rule, that feature providing for the waiving of points of order. An exception is made excepting the provision appearing on page 19, lines 18 to 21 inclusive, in that paragraph under the heading "General Provisions." If this rule is adopted that in effect means that a point of order would lie against that particular provision specifically mentioned in the rule.

May I say just a few words about the situation which impelled the Committee on Rules to insert a special provision of this kind? I wish to say in explaining the situation that I am not criticizing the Committee on Appropriations. We all know it is a very hard-worked committee and has terrific demands made upon it, but as time has gone along and the Committee on Rules has received requests from the Committee on Appropriations from time to time we have noticed that an ever-increasing number of requests are made for the waiving of points of order on appropriation bills, those requests being impelled by the Chairman or other members of the Appropriations Committee in their desire to repeal or alter existing law with respect to appropriations. The first appropriation bill in this Congress was a deficiency appropriation bill. In it there were something like eight or twelve changes in existing law—in a bill reported from the Committee on Appropriations. The Committee on Rules granted a rule waiving all points of order, which meant that no point of order could be raised against those provisions which are legislation upon an appropriation bill in conflict with the standard rules of the House. The same thing has occurred on other appropriation bills; and in this bill you will find half a dozen legislative provisions. In the hearing before the Committee on Rules it was ascertained that all but one of these legislative provisions were essentially not objectionable; they dealt with minor things, although they did deal with present law. But one of these provisions, which is legislative in character, actually repeals a statute completely; that is the one referred to in this rule. I do not know whether I am reflecting accurately the opinion of the Committee on Rules or not, although I know I am reflecting the opinion of a good many members of that committee regardless of party affiliation when I say that we are reaching the belief that some caution should be used hereafter in conceding to the Committee on Appropriations the power to legislate, for every time it is done that power is taken away from the standing committee which drafted the original authorization act. The standing committees have thoroughly studied such matters when they report legislation and if there are any changes in existing law that are needed, those are the committees that should consider that matter.

We also note—I think I am telling the truth—that in a considerable majority of requests for suspension of this rule, as it were, waiving points of order, the provisions which are sought to be freed from the ordinary rules of the House are provisions withdrawing certain restrictions heretofore imposed by law upon the executive departments in the spending of money. In nearly all cases the restrictions are urged to be withdrawn. It is a tendency which many of us think should attract our attention because, after all, if restrictions are to be withdrawn the withdrawal should emanate from the standing committee that originally imposed them by law.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Michigan.

Mr. MICHENER. It seems to me that after all we should revert to what has been the policy of the House. The Rules Committee lately, apparently, is granting all kinds of closed rules. We have heard a lot about closed rules recently. This is an extensive rule. This rule takes away from the legislative committee the right to consider whether or not an important law should be repealed. I was a member of the Rules Committee for years. I am not a member this year. But we established a rule when the Appropriations Committee came in each year asking for permission to violate the law by rule of the committee, and we said: "You can have it this year, but do not come back next year with the same thing. Go to the legislative committee that considered it in the first place."

The SPEAKER. The time of the gentleman from New York has expired.

Mr. WADSWORTH. Mr. Speaker, I yield myself two additional minutes.

Mr. Speaker, the gentleman from Michigan has accentuated the very thing I have been trying to explain. In this particular case the Rules Committee has declined to recommend a rule with reference to this particular provision in the appropriation bill which in effect repeals existing law.

I hope this rule is adopted, but I hope also that in the future the Rules Committee, and I can speak only for myself, will become a little more strict with respect to the granting of any rules waiving points of order, because otherwise the habit grows and grows and the Appropriations Committee will step by step take over the legislative functions of standing committees.

Mr. McSWEENEY. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I do not feel that the Rules Committee is making any effort in any way to punish legislative committees, but it is merely to try to have our laws conform to the rules of the House that this special arrangement is made.

Mr. Speaker, I take pleasure now in yielding to the distinguished chairman of the Rules Committee, the gentleman from Illinois [Mr. SABATH], such time as he may desire.

Mr. SABATH. Mr. Speaker, for years I have called attention to the fact that the Committee on Appropriations from time to time has deprived the legislative committees of their functions and their right to bring in legislation. As most of the older Members know, I have served notice on the Committee on Appropriations that it must desist in its endeavor to take over the power of legislative committees.

During the present session I think the Committee on Appropriations has acted in a manner which has expedited the business of the House. It has not called upon the Committee on Rules and asked for rules that were unreasonable, and consequently they were granted. This rule is not a closed rule. It is an open rule waiving points of order on some provisions against which a point of order would lie. Now, waiving points of order means that the membership will have the right to vote upon those provisions that would be stricken out on a point of order. We are not depriving the Members of any rights. In this instance an exception has been made, and that is the reason I am taking the floor. We brought in a rule waiving points of order with the exception of one provision, as has been stated, on page 19, lines 18 to 21, inclusive, where the last Congress unfortunately, I think, and I think for political reasons, restricted the Department in spending certain moneys or limiting the expenditure of certain moneys. I thought that the Committee on Appropriations, as it explained its position, was justified in embodying that repeal in the appropriation bill, though it was legislation. It was merely aiming to eliminate the unfair restriction placed upon them by the Republican majority. But, to enable us to report a rule granting the request of the Committee on Appropriations waiving points of order on all the others, we were obliged to make that exception in this case. But, in the future, may I say to the chairman and the members of the Committee on Appropriations, they must refrain from including legislation in their appropriation bills unless it is absolutely necessary for

immediate consideration, or for the purpose of expediting business. I hope that they will take my advice and warning and will not do so in the future unless, as I have said, it is absolutely necessary for orderly procedure to bring about early consideration of legislation that is actually urgent.

In view of the fact that the ranking minority member of the Committee on Appropriations, the gentleman from New York [Mr. TABER], stated that all the other eight or nine provisions that would have been subject to a point of order are satisfactory to the Republicans and to the members of that committee, I feel that the Committee on Appropriations and the subcommittee have acted wisely and prudently and have not really done anything which would be considered unfair or unjustified. In view of conditions, I think the rule should be adopted, and I hope that the Committee on Appropriations will be careful in the future not to bring in legislation on their appropriation bills that would deprive legislative committees of their power and their function.

Mr. McSWEENEY. Mr. Speaker, I yield 10 minutes to the chairman of the Committee on Appropriations, the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Speaker, it had not been my intention to debate this resolution, and I apologize to the House for taking time at this late hour.

But the impression which has been given by all who have spoken today is so erroneous that in justice to the House, which has listened to these strictures, and to those who will read the CONGRESSIONAL RECORD—and especially in justice to the Committee on Appropriations, which has been so grossly maligned—I desire to give you briefly the facts as they are.

The rules of the House of Representatives are, not only the product of 150 years of trial and experience in the American House of Representatives, but they also embody the centuries of practice and procedure in the English House of Commons, which constituted the foundation on which Jefferson predicated his first legislative rules of order. As a result they constitute the most perfect system of parliamentary procedure to be found in the world today.

But even so perfect a system of procedure cannot without adjustment meet every parliamentary situation. The business with which the Congress deals—the business of the United States—is the greatest business in the world. It covers so wide a field and involves such vast expenditures that no set of rigid rules could possibly be expected to meet every emergency. For this reason it is provided that where the rules do not meet the requirements of a specific situation the Committee on Rules may by special resolution take care of the specific needs of the moment.

In such instances, and this is such an instance, the Committee on Appropriations or any other committee of the House may apply to the committee for a special order. That is why this resolution is before the House.

The rules very wisely divide the field of jurisdiction between the appropriation and legislative committees. No legislative committee may report a bill carrying an appropriation. And conversely no appropriation bill may carry legislation. This rule is and should be strictly enforced. And yet I do not recall any general appropriation bill reported to the House in the last 12 years which did not carry from 1 to 25 or more legislative provisions. The explanation is that they are of such a minor nature and so necessarily incident to the purpose of the bill that no legislative committee would think of putting in motion the ponderous machinery of the House to authorize them. That is true of every item subject to a point of order in the pending bill. No legislative committee would go to the trouble of drafting and reporting a bill to authorize any of these items.

On the other hand, no appropriation bill reported out in recent years has carried any major legislation encroaching on the jurisdiction of any other committee of the House and no legislative committee of the House has ever protested any item in the thousands of minor legislative provisions, of which the pending bill is a fair example, carried by the many bills reported out by the Committee on Appropriations.

None of these legislative provisions about which such a tempest in a teapot has been raised here on the floor in the last half hour originated in the Committee on Appropriations. We did not write a single one of them. They are incorporated in the budget estimates sent to the President by the Bureau of the Budget and by the President transmitted to the Speaker, who refers them to the committee. They are administrative recommendations and all that is asked is that they be laid before the House and the House given an opportunity to vote on them. So the Committee on Appropriations does not have the slightest personal interest in them. And when these gentlemen go to kicking them around here on the floor you are not merely slamming the committee. You are slamming the administration. You are slamming the Bureau of the Budget and the President and the Speaker as well as the committee.

But why slam them around at all? Why all this sudden turmoil? They are items which no legislative committee of the House would take the trouble to authorize. And all that is asked is that the House be given a chance to vote on them—and vote them up or vote them down as determined by their merit or demerit. The Bureau of the Budget asks that the House be allowed to vote on them. The President asks that the House be allowed to vote on them. The Democratic members of the subcommittee unanimously ask that the House be allowed to vote on them. The Democratic members of the Committee on Appropriations unanimously ask that the House be allowed to vote on them. But these gentlemen refuse to allow the House to vote on them. That means that all which are knocked out of the bill on points of order will be put in over on the other side of the Capitol. And the House of Representatives, which is closest to the people and which has first hold on the purse strings of the Nation and which ought to be the ranking body of the legislative branch of the Government, becomes to that degree subordinate to the Senate.

The only question raised by this rule is whether the House will be allowed to vote on one particular item in the bill. So let us look at the merits of this particular item. It is not a law, as has been intimated here, which was sponsored by a legislative committee. It was put in an appropriation bill in the last Congress on recommendation from the Committee on Appropriations.

Incidentally, it is a freak in the legislative museum. No provision like this has ever been passed by any Congress in the last 150 years. This is the first time it has ever been used. And it is the last time it will ever be used, because no such provision is carried in the 1950 appropriation bill. The objection is that it is absolutely unworkable. The Department has been unable to enforce it. And the General Accounting Office is unable to say whether it has been enforced or not. It is a legislative monstrosity.

It purports to impose a limitation of $875,000 on expenditures for personnel work. As a matter of fact, there are 252 separate appropriations to which the limitation presumably attaches. It would seem to be very easy to determine how much of the $875,000 should be applied to each of these appropriations, but some of the appropriations—by far the largest amount of money involved—were appropriations for construction which are continuing from year to year and which lose their identity when necessarily intermingled on the books of the Department with previous appropriations for the same projects. Furthermore, there are nearly 2,000 separate offices and establishments, scattered from the Atlantic to the Pacific, from the Canadian border to the Rio Grande, and in Alaska and the island possessions, supported by the various appropriations, each of which must be allocated a portion of the $875,000. There is no Solomon alive who could intelligently distribute the fund, and there is no auditor who could ever prove that the allocations had been respected.

It is very easy to say that the Department of the Interior shall not expend more than $875,000 for the various activities properly chargeable as personnel work. It is far from simple to administer such a far-reaching limitation when the practical facts are taken into account—that is, allocation of the limitation among 252 appropriations and 2,000 offices and establishments, involving a distribution which the Committee on Appropriations and the Comptroller General of the United States could never expect to audit and prove the compliance or noncompliance of the Department.

The recommendation of the Committee on Appropriations was to repeal this

unworkable and impracticable limitation. The committee, and the House, have already recognized its impracticability in striking it out of the appropriation bill for 1950. The Department cannot adminster it, and the General Accounting Office can never prove whether they were right or wrong.

Now I ask anyone here, What legislative committee of the House would take the time and the trouble to bring in a bill authorizing this provision of the pending bill? It was originally enacted on a recommendation from the Committee on Appropriations. It has proven impracticable and has already been taken out of the 1950 appropriation bill on recommendation of the Committee on Appropriations. Only the money in the original bill is affected. No legislative committee would consider a bill to authorize this one isolated item. Why do these gentleman protest so vociferously when the committee proposes to follow the time-honored procedure—and the only procedure which will repeal the provision before the Senate repeals it?

May I say in conclusion, Mr. Speaker, that nothwithstanding statements made on the floor here this afternoon, the Committee on Appropriations has been exemplary in its observance of the rules of the House. Even during those years of stress when we were reporting out the largest war appropriations of all time, and when routine sometimes yielded to expediency, the Committee on Appropriations scrupulously avoided reporting major legislation of any character. Never has any legislative committee of the House been given reason to protest encroachment on its jurisdiction by any appropriation bill.

I want to reiterate, Mr. Speaker, most emphatically that contrary to any statements made in this debate, the Committee on Appropriations has not at any time and will not at any time in the future encroach or infringe on the jurisdiction of any other committee of the House.

Mr. WADSWORTH. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, I regret exceedingly that any attempt has been made to make this a partisan issue or question. I can assure you that it is not. This rule was reported as it is by the unanimous vote of the Committee on Rules, which is controlled by the majority party, by a two-to-one majority.

This rule is here because the great Committee on Appropriations came before the Rules Committee and asked for a special rule. I am sure you all understand that an appropriation bill can be called up at any time and considered under an open rule, subject to amendment, and to points of order, without obtaining a rule of any kind from the Rules Committee. It is only when the Committee on Appropriations wishes a special rule, either a closed or a gag rule, to prevent amendments, or one to waive points of order on items within an appropriation bill, that the Committee on Appropriations comes before the Rules Committee.

In my opinion it is often necessary—though it may be something to be regretted—for the Appropriations Committee to come before the Rules Committee and ask for a rule waiving points of order on some measure, simply because it saves legislative time, especially where there is no controversy or conflict over that which they want to do. But in this instance the application for this rule contained in it a request to waive a point of order on a section of standing or existing law that had been written into the statutes of the United States by the direct, affirmative action of the Congress. On all of the other items on which the waiver of points of order was requested on this bill, the provisions were limitations. But on this particular provision, lines 17 to 21 on page 19, the waiving of a point of order would permit the repealing of a limitation that had been previously enacted by the Congress. So that you will know what it is, the limitation was to limit the amount of money that could be spent by one department of the Government on personnel employees. This limitation had been written into the law, in the wisdom of the full Congress, because of certain bad practices which had been found in this one particular department, to wit, that they had just been having too many personnel employees. I do not think the Congress acted unwisely at all when it put that limitation into the law, because, during my service as a member of the Commission on the Reorganization of the Executive Branch of the Government, we had a task force made up of very distinguished Americans, a bipartisan or a nonpartisan task force, which made a study of the personnel problem and learned that we had some 43,000 employees in the Government who devoted all of their time to personnel problems, in addition to the Civil Service Commission and all of its employees. In other words, we have one personnel employee to every 50 other employees in the Federal Government, which is just a little more than we need.

I presume that the great Committee on Appropriations, when they brought in this original law, found that there were just too many personnel employees in this particular department in comparison with the number found necessary in the other departments of the Government. Therefore it wrote the limitation into the law.

Now, since that limitation was written into the law by the Congress, this present committee, under the leadership of the distinguished gentleman from Missouri [Mr. CANNON], has already passed one deficiency appropriation bill.

The SPEAKER. The time of the gentleman from Ohio [Mr. BROWN] has expired.

Mr. WADSWORTH. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. BROWN of Ohio. There was no attempt, no provision made in any way, to repeal this section of law by any provision in the first deficiency appropriation bill or any other appropriation bill which came from the Appropriations Committee after the original limitation had been written into the law of the land. But now this provision is brought in in this bill, and we are asked to give a rule to waive points of order on it.

The Rules Committee went into the matter rather thoroughly. The Committee on Rules is your representative to see that we do not grant rules that will waive points of order and thereby take away from the Members their right to object to some legislative matter unless it is absolutely necessary and wise to do so and will help in the conduct of the business of the House and aid orderly procedure.

Mr. CANNON. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. Mr. Speaker, I am sorry, but I cannot yield.

So we inquired into this particular matter upon which we were requested to waive the point of order, just as we inquired into every other section. In the opinion of every member of the Committee on Rules each request the great Committee on Appropriations made that points of order be waived on different items in this bill was justified with the exception of this one. The testimony before the Committee on Rules was that no evidence whatsoever had been submitted to the subcommittee of the Committee on Appropriations, or to the Committee on Appropriations as a whole, justifying this action. No information as to why it was done was given except that it had been requested. There was no testimony taken by the Appropriations Committee on it at all. The Rules Committee, therefore, in the exercise of its judgment and discretion, came to the conclusion that it would be wrong to grant a rule to waive points of order on this particular item inasmuch as it had not been justified before the Committee on Rules. We were simply acting as your servant.

Mr. CANNON. Mr. Speaker, will the gentleman yield?

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. McSWEENEY. Mr. Speaker, I will yield the gentleman one additional minute if he will yield for a question from the gentleman from Missouri and one by myself. Will the gentleman answer his question?

Mr. BROWN of Ohio. Yes, I shall be pleased to answer.

Mr. McSWEENEY. I wish to correct the gentleman from Ohio. The vote in the Committee on Rules on this proposition was not unanimous; there were two dissenting votes, if I may correct the gentleman.

Mr. BROWN of Ohio. If that be so, then I stand corrected. I knew the chairman of the committee brought up the question here on the floor, but if there was anyone else who voted against it I did not recall it. Although, perhaps, one member did vote against granting the rule because he was opposed to waiving any points of order.

Mr. McSWEENEY. Will the gentleman accept the time and answer the question of the gentleman from Missouri?

Mr. BROWN of Ohio. Certainly.

Mr. CANNON. Mr. Speaker, the gentleman said that the rule made it possible for anyone to object. Let me ask him: Does it make it possible for any one in this House to vote on this question?

Mr. BROWN of Ohio. Oh, the gentleman understands that the general rules of the House give to every individual Member of this House the right to object to any item in an appropriation bill which has not been authorized by law, and when we pass a special rule waiving points of order we are taking away from individual Members of the House that right. In this case it should not be taken away.

Mr. CANNON. It is also taking away the right to vote.

The SPEAKER. The time of the gentleman from Ohio has again expired.

Mr. McSWEENEY. Mr. Speaker, I yield 1 minute to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Speaker, I did not intend saying anything on this rule. I was one of those who voted against this rule in committee. But I do not like this idea that every time we call up a rule somebody gets up and lambastes the Committee on Rules about this or that type of rule. If it is not proper to grant a rule of this type, why give the committee that authority at all? If the House does not want the Committee on Rules to have that authority, then the House can change the rules of procedure.

The Rules Committee is the servant of the House. It tries to carry out its duties to the best of its ability.

Mr. CANNON. Mr. Speaker, will the gentleman yield?

Mr. COLMER. Yes; I yield to the distinguished chairman of the Committee on Appropriations.

Mr. CANNON. No one has lambasted the Committee on Rules. I merely rose to protest the unwarranted and unprovoked castigation of the Committee on Appropriations. I object, and I am certain every member of the Committee on Appropriations objects, to unsupported statements made here this afternoon to the effect that the Committee on Appropriations habitually violates the rules of the House.

I wish to say again that the Committee on Appropriations has never included in any bill which has been offered in the last half dozen years any major legislation which deprived any legislative committee of its rights.

The SPEAKER. The time of the gentleman from Mississippi has expired.

Mr. McSWEENEY. Mr. Speaker, I yield the gentleman one additional minute.

Mr. COLMER. Mr. Speaker, I want to ask the distinguished Chairman of the Appropriations Committee, who is an authority upon the rules of procedure and certainly a great parliamentarian, if this House does not want the Rules Committee to have this type of authority, can it not change the rules of procedure to so correct the situation?

Mr. CANNON. That question has not been raised. Certainly I have not raised it here this afternoon.

Mr. COLMER. I am raising it now.

Mr. CANNON. The gentleman is the only one to raise it. But, on the contrary, every member of the Committee on Rules who has spoken on this resolution has charged the Committee on Appropriations with violating the rules when it has not been violating the rules.

Mr. COLMER. I am asking the gentleman if the House cannot change the rules.

Mr. CANNON. Certainly it can change the rules. And I shall vote for this resolution. But its right to change the rules does not give anyone the right to abuse any committee of the House.

The SPEAKER. The time of the gentleman from Mississippi has again expired.

Mr. McSWEENEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. VELDE asked and was given permission to extend his remarks in the RECORD and include an excerpt from a letter received from a union laboring man in his district.

Mr. DAGUE asked and was given permission to extend his remarks in the RECORD and include an article from Pathfinder Magazine.

Mr. REED of New York asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. GWINN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include a series of studies on the Taft-Hartley Act by Phelps Adams. I am informed by the Public Printer that this will exceed 2 pages of the RECORD and will cost $281.25, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. McCULLOCH asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Washington Evening Star.

Mr. HINSHAW asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article by Dr. I. I. Rabi.

Mr. JUDD asked and was given permission to extend his remarks in the Appendix of the RECORD and to include an article.

Mr. LODGE asked and was given permission to extend his remarks in the Appendix of the RECORD and include extraneous matter.

Mr. CANFIELD asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article by the Senator from Maine, Mrs. MARGARET CHASE SMITH, appearing in the Philadelphia Bulletin.

Mr. BURDICK asked and was given permission to extend his remarks in the RECORD and include the statement of a former Member of Congress in regard to the pay of enlisted men.

Mr. WILSON of Oklahoma asked and was given permission to extend his remarks in the Appendix of the RECORD and include a resolution from the State Legislature of Oklahoma.

Mr. BURNSIDE asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. MITCHELL asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and include extraneous material.

Mr. SADOWSKI asked and was given permission to extend his remarks in the Appendix of the RECORD in five instances and include excerpts.

Mr. CARNAHAN asked and was given permission to extend his remarks in the RECORD and include a letter from a constituent.

Mr. KEE asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. FURCOLO (at the request of Mr. RODINO) was given permission to extend his remarks in the RECORD.

Mr. ALBERT asked and was given permission to extend his remarks in the RECORD and include an address by a 4–H Club winner.

Mrs. WOODHOUSE asked and was given permission to extend her remarks in the RECORD and include a resolution adopted by the Assembly of the State of Connecticut.

Mr. HOLIFIELD asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. PATMAN asked and was given permission to extend his remarks in the RECORD in three instances and include statements and excerpts.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. CARLYLE (at the request of Mr. KERR), for the balance of the week, on account of official business.

To Mr. WALSH (at the request of Mr. DENTON), for an indefinite period, on account of illness.

To Mr. KIRWAN (at the request of Mr. MANSFIELD), for 10 days, on account of illness requiring his confinement in the naval hospital.

PRESENTATION OF BUST OF BENJAMIN FRANKLIN

Mr. McSWEENEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. McSWEENEY. Mr. Speaker, on Tuesday of this week a very inspiring ceremony was held on the east steps of the Capitol at which Mr. JOHN W. McCORMACK, the distinguished leader of this House, was the principal speaker. I was very much impressed by the ceremony itself which consisted of the presentation of a bust of Benjamin Franklin to Benjamin Franklin University of Washington, D. C. The presentation was made by the French Ambassador to the United States, M. Henri Bonnet, who made an excellent address, which is also included. My colleague the gentleman from Pennsylvania, Mr. HARRY P. O'NEILL, was among the distinguished guests of honor.

I feel that the high lights of Mr. McCORMACK's address should be made a

permanent record of the annals of the House.

For the benefit of House Members who were unable to attend the presentation I want to say that the United States Navy Band, with Lt. Comdr. Charles Brendler conducting, added dignity and color to the occasion. The Most Reverend John M. McNamara, auxiliary bishop of Washington, made the invocation. The benediction was said by the Reverend Pierre Toureille, pastor of the French Protestant Church.

Unfortunately, the Vice President of the United States was unable to be present as he had planned. The Senate met that morning at 11 o'clock and Mr. BARKLEY just could not leave the floor and his regrets were conveyed to the gathering by Mr. MCCORMACK.

The bust of Benjamin Franklin was brought to this country on the French Gratitude Train which, as you know, was a spontaneous answer of the French people to the Friendship Train which was conceived by Mr. Drew Pearson, the well-known columnist and radio commentator. Mr. Pearson addressed the group, at the suggestion of the gentleman from Massachusetts [Mr. MCCORMACK], and I am sorry that space does not permit me to quote excerpts from his remarks.

I was particularly impressed by the very fine address made by Mr. John T. Kennedy in accepting the presentation of the bust from Mr. Bonnet. Mr. Kennedy is the president of Benjamin Franklin University.

Here are the high lights of Mr. MCCORMACK'S address:

Mr. MCCORMACK: We are gathered here this morning to witness the presentation of a gift from the French people to the Benjamin Franklin University of this city, a professional school of accountancy and financial administration. It is one of the few remaining professional schools of its type where free men and women in a free country, without great wealth, can receive a thorough academic background for the business world.

In its present form the Benjamin Franklin University was set up in 1925, so that by next year it will have contributed 25 years to public service. The university, reorganized in 1925, was the outgrowth of the former Pace Institute, which was established in 1907. So that in this sense the Benjamin Franklin University has rounded out nearly half a century of service to men and women and to country, and to men and women who otherwise would not have had the opportunity of receiving a professional education.

This occasion, the presence today of our distinguished guests, is a great tribute to the university and to Dr. John T. Kennedy, the president of Benjamin Franklin University; but I think today's occasion far transcends the presentation of a gift to this University. It is concrete evidence to the whole world of the close relationship between the French and the American people, a close friendship that has continued for decades and generations, and we hope and pray will continue for countless generations to come. It is a further manifestation of a long and enduring friendship between these two sovereign democratic countries and these two free peoples.

This occasion is, in a sense, democracy in action. We are showing by our actions today that free peoples can get along well through the exchange of gifts and not guns, and if guns are necessary to preserve our way of life—this is my feeling; that we do not need planes poised for action to bully one another, but just like two neighbors, can help each other in moments of despair.

It was Benjamin Franklin who, when he was envoy to France, negotiated a loan from the French people totaling about $60,000,000, a tremendous sum in those days, at almost the very hour of the birth of our own Government under constitutional form. The loan was made to us when we found ourselves in a most desperate situation.

We find ourselves this morning the recipient of another gift from France, a bust of Benjamin Franklin, which was executed during one of the trips to France of the great American patriot.

And now the bust, which the French people have so thoughtfully sent to this country, will be accepted by the Benjamin Franklin University. I want to introduce the university's president, a great educator, a man who has unselfishly served his fellowman, a distinguished Washingtonian—I wish he were a son of Massachusetts, we would welcome him—but a great American, which transcends all State lines, who has inspired thousands of men and women throughout his years as the head of the university. I am particularly pleased to present to you ladies and gentlemen, Dr. John T. Kennedy, president of the Benjamin Franklin University.

Following is the address by Dr. Kennedy:

Mr. Chairman, distinguished guests, and friends of Benjamin Franklin University and France, on behalf of the trustees, faculty and students of Benjamin Franklin University, I have the honor to accept this bust of Benjamin Franklin, which is one of the many tokens of friendship which have passed between the French people and our people.

We also accept the responsibility for keeping this bust on permanent display as one means of fostering that fellowship.

Particularly do we express our appreciation to Ambassador Bonnet, to Vice President Barkley, to Representative John McCormack, to the distinguished guests who are present, and to Mr. Olson and the District committee of the French Gratitude Train. Their efforts to promote good will between the two countries has received the wholehearted support of the American press, and one of our well-known commentators, Drew Pearson, has made notable contributions to this movement.

Benjamin Franklin was our pioneer in creating this spirit of friendship. He was the first diplomat to recognize that the relations between the two nations should be more than formal negotiations between governments and should represent the feelings of the people themselves.

To this end, on his mission to France he sought the support both of the French Government and of the French people. This support of the French people could never have been obtained as the result of any deliberate plan. It was obtained only because Franklin loved France and France loved Franklin.

The affection of the French people for Franklin was shown only in the way that the French can express their emotions. Everywhere Franklin went he was received with acclaim. There were numerous busts and statuettes of Franklin, and his portrait appeared on cards, on posters, on various souvenirs, and even on chinaware. Concerning these symbols one biographer writes that probably no man before Franklin ever had his likeness so widely current in so many forms.

Here it is to be noted that the French did not portray Franklin as being handsome or as being heroic. Rather, they portrayed him as a sage, as a wise old man, and a counselor. Thus, their love for Franklin was shown to arise not from glamor but from the soul.

On his part Franklin expressed his affection for the French people in the warmest of terms. His feelings were summarized in a single sentence, which has been a household saying in France down to this very day. That sentence was: "Every man has two countries, his own and France."

Following Dr. Kennedy's address the gentleman from Massachusetts [Mr. MCCORMACK] returned to the stand and made one of the most dramatic condensations of a world problem that I have ever heard. His remarks were extemporaneous and I am sure after you have read them that you will agree with me that they will outlive the man. It was a speech delivered in truly heroic prose. Here it is:

What is the impression that this ceremony, this occasion, makes upon me, upon my mind, from the angle of deeper implications involving the minds of each and every one of us and the countless millions of people who believe in the dignity of man? The dignity of man cannot exist where belief in God is denied.

As a result of belief in God, the dignity of man and the rights of man necessarily follow.

As I sat here trying to get a thought, develop a thought, just to express it briefly so that I might fill in in the capacity of one making an address and yet not bore you, my mind went to pages of history and I saw down through the ages the time-honored struggle indicating that where law ceases tyranny starts. It is only under a government of laws, with many of which some of us may not be satisfied, but it is only under a government of laws that men and women can be free, free within the law, not free outside of the law. Today that great struggle of the countless ages of the past and for which unknown millions have given up their lives or have made sacrifices, the onward journey of mankind, today that great struggle and that great issue is again joined in probably the most direct way and direct manner in the known history of man.

The way of life that you and I stand for—and essentially it is the dignity of man, your dignity and my dignity, our home is our castle, our right to freedom some place under the law—is being challenged. Yesterday's pact (the Atlantic Pact) is the answer, not negatively but affirmatively. It is only as a result of pain and suffering that mankind makes progress, not only within a nation but from an international angle, and it is only as a result of great pain and suffering existing in the world today, in the free world of today, that nationalism and its restrictiveness could be thrust aside yesterday and the North Atlantic Pact signed by the 12 participating nations.

We know that that will be extended.

That is not only a defensive pact, but also a pact of an affirmative nature, if necessary, brought about as a result of the realization that governments of law are threatened unless they get together and that the dignity of man and woman is imperiled unless international action along the lines taken yesterday was taken by the remaining free nations of the world and other free nations joining in that pact or other pacts in the future.

With the right leadership in church—and thank God we have it in all religions—with the right leadership in government, forward-looking leadership, leadership which recognizes its trust in God and its people, whether in the United States, France, or any other country, forward-looking leadership which

serves the people and receives the confidence of the people, we need not approach the present world situation with fear or pessimism, but we can approach it with confidence and with optimism.

The following is the address of Ambassador Bonnet:

Your Excellency, ladies and gentlemen, if the United States is justly proud of the greatness of Benjamin Franklin, Frenchmen also have the feeling that the old sage, who did so much to shape the destinies of America and France, belongs to the history of their country. Every French child learns about him at school, about the negotiations he so ably conducted in Paris. With Lafayette he is considered to be the instigator of the understanding and friendship, which at the end of the eighteenth century united our two countries, developing into deep and everlasting friendship between the French and the American people themselves.

Like our own great men of that century, Franklin was foremost in every field of human endeavor. Our writers and philosophers, struggling for the democratic ideals which were to be entered in your Declaration of Independence and our Declaration of the Rights of Man, considered him to be one of their guides. Between them there existed that kind of friendship which Thomas Jefferson also enjoyed in France and which rests upon the faith in the same principles of civilization, upon the same conventions and the same ideals of freedom and progress.

In both our countries these ideals are still alive, they are stronger than ever. They have united us in the days of danger as well as in the days of glory. They are, indeed, the very foundation of the Atlantic Pact, which was signed yesterday in Washington, in order to preserve peace, freedom, and happiness for the people.

It is a great pleasure for me to present to the Benjamin Franklin University this bust executed by Monsieur Caffieri and brought to this country. It is one of the most striking masterpieces of that artist. It is through it that this great citizen of the United States continues to live among us, an enlightened symbol of wisdom and foresight, a noble example of the leadership of free men.

SENATE ENROLLED BILLS SIGNED

The Speaker announced his signature to enrolled bills of the Senate of the following titles:

S. 26. An act for the relief of Jose Babac;

S. 27. An act for the relief of certain Basque aliens;

S. 208. An act for the relief of Ella L. Browning;

S. 278. An act to prevent retroactive checkage of payments erroneously made to certain retired officers of the Naval Reserve, and for other purposes;

S. 629. An act to authorize the disposition of certain lost, abandoned, or unclaimed personal property coming into the possession of the Treasury Department, the Department of the Army, the Department of the Navy, or the Department of the Air Force, and for other purposes; and

S. 748. An act for the relief of Charles L. Bishop.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 18 minutes p. m.) the House adjourned until tomorrow, Friday, April 8, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

507. A letter from the Acting Administrator, Federal Security Agency, transmitting a draft of a proposed bill to provide for the education of children residing on certain nonsupporting federally owned property, and children residing in localities overburdened with increased school enrollments resulting from Federal activities in the area, and for other purposes; to the Committee on Education and Labor.

508. A letter from the Under Secretary of the Interior, transmitting a draft of a bill to reserve certain land on the public domain in Utah for addition to the Goshute Indian Reservation; to the Committee on Public Lands.

509. A letter from the assistant to the Attorney General, transmitting a draft of a proposed bill to amend title 18, United States Code, section 220, relating to receipt of commissions or gifts for procuring loans; to the Committee on the Judiciary.

510. A letter from the Chairman, Federal Communications Commission, transmitting a recommended amendment to section 4 (g) of the Communications Act of 1934 (47 U. S. C. 154 (g)); to the Committee on Interstate and Foreign Commerce.

511. A letter from the Board of Trustees of the Federal Old-Age and Survivors Insurance Trust Fund, transmitting the Ninth Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance Trust Fund; to the Committee on Ways and Means.

512. A letter from the Postmaster General, transmitting a draft of a proposed bill to authorize the Postmaster General to enter into special agreements for certain switching service by railway common carriers, and for other purposes; to the Committee on Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BRYSON: Committee on the Judiciary. House Joint Resolution 91. Joint resolution to authorize the cancellation and release of an agreement dated December 31, 1923, entered into between the port of Seattle and the United States of America, represented by the United States Shipping Board acting through the United States Shipping Board Emergency Fleet Corporation; without amendment (Rept. No. 406). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Expenditures in the Executive Departments. H. R. 1158. A bill to provide for the conveyance by the United States to the city of Marfa, Tex., of certain lands formerly owned by that city; with an amendment (Rept. No. 407). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Expenditures in the Executive Departments. H. R. 1338. A bill authorizing the transfer to the United States section, International Boundary and Water Commission, by the War Assets Administration of a portion of Fort Brown at Brownsville, Tex., and adjacent borrow area, without exchange of funds or reimbursement; without amendment (Rept. No. 408). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Expenditures in the Executive Departments. H. R. 3851. A bill to amend Public Law 289, Eightieth Congress, with respect to surplus airport property and to provide for the transfer of compliance functions with relation to such property; without amendment (Rept. No. 409). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 3966. A bill for the relief of the Yellow Cab Transit Co., of Oklahoma City; without amendment (Rept. No. 404). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 3992. A bill for the relief of J. L. Hitt; without amendment (Rept. No. 405). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASPINALL:

H. R. 4066. A bill authorizing modifications of the provisions of certain special contracts for the carriage of water through the facilities of the Uncompahgre project, Colorado; to the Committee on Public Lands.

By Mr. BROOKS:

H. R. 4067. A bill to authorize the issuance of a stamp commemorative of the one hundred and twenty-fifth anniversary of Centenary College, Shreveport, La.; to the Committee on Post Office and Civil Service.

By Mr. JONAS:

H. R. 4068. A bill to amend sections 3108 and 3250 of the Internal Revenue Code, and for other purposes; to the Committee on Ways and Means.

By Mr. MORRIS:

H. R. 4069. A bill to reserve certain land on the public domain in Nevada for addition to the Summit Lake Indian Reservation; to the Committee on Public Lands.

By Mr. MURDOCK:

H. R. 4070. A bill to cancel drainage charges against certain lands within the Uintah Indian irrigation project, Utah; to the Committee on Public Lands.

By Mr. O'HARA of Minnesota:

H. R. 4071. A bill providing for the extension of the time limitations under which patents were issued in the case of persons who served in the military or naval forces of the United States during World War II; to the Committee on the Judiciary.

By Mr. PATTEN:

H. R. 4072. A bill to encourage construction of rental housing at or in areas adjacent to military and naval installations; to the Committee on Banking and Currency.

By Mr. WILLIAM L. PFEIFFER:

H. R. 4073. A bill to provide for the conveyance to the State of New York of certain historic property situated within Fort Niagara State Park, and for other purposes; to the Committee on Public Lands.

By Mr. RANKIN (by request):

H. R. 4074. A bill to provide greater security for veterans of the Spanish-American War, including the Boxer Rebellion and Philippine Insurrection, in the granting of

hospitalization by the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. BAILEY:

H. R. 4075. A bill to provide for assistance to State agencies administering labor laws in their efforts to promote, establish, and maintain safe workplaces and practices in industry, thereby reducing human suffering and financial loss and increasing production through safeguarding available manpower; to the Committee on Education and Labor.

H. R. 4076. A bill providing for the construction of Federal buildings at Mount Hope, W. Va., and Wilkes-Barre, Pa.; to the Committee on Public Works.

By Mr. COUDERT:

H. R. 4077. A bill to amend the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended; to the Committee on Banking and Currency.

By Mr. FLOOD:

H. R. 4078. A bill providing for the construction of Federal buildings at Mount Hope, W. Va., and Wilkes-Barre, Pa.; to the Committee on Public Works.

By Mr. JOHNSON:

H. R. 4079. A bill to authorize the conveyance to the State of California of easements for the construction, operation, and maintenance of a toll highway crossing and approaches thereto over and across lands of the United States in the vicinity of San Francisco Bay, Calif., and for other purposes; to the Committee on Armed Services.

By Mr. BROOKS:

H. R. 4080. A bill to unify, consolidate, revise, and codify the Articles of War, the Articles for the Government of the Navy, and the disciplinary laws of the Coast Guard and to enact and establish a Uniform Code of Military Justice; to the Committee on Armed Services.

By Mr. PACE:

H. R. 4081. A bill to amend section 359 of the Agricultural Adjustment Act of 1948, as amended, in order to permit the delivery of excess peanuts to agencies designated by the Secretary of Agriculture and to define the term "cooperator" with respect to price support for peanuts, and for other purposes; to the Committee on Agriculture.

By Mr. BECKWORTH:

H. R. 4082. A bill to improve the administration of the Civil Aeronautics Act of 1938, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MULTER:

H. R. 4083. A bill to provide for appeals to the Civil Service Commission in cases of employees improperly removed from the classified civil service, and for other purposes; to the Committee on Post Office and Civil Service.

H. R. 4084. A bill to provide for the payment by the United States of premiums on bonds of Government officers or employees; to the Committee on Expenditures in the Executive Departments.

By Mr. HAGEN:

H. R. 4085. A bill to authorize a preliminary examination and a survey of Mud River, Thief River, Moose River, and Lost River, as tributaries of the Red River of the North, for flood-control, for run-off and water-flow retardation, and soil-erosion prevention; to the Committee on Public Works.

By Mr. JENNINGS:

H. R. 4086. A bill to prohibit the Home Loan Bank Board from revising its regulations so as to change the essential character of Federal savings and loan associations, and for other purposes; to the Committee on Banking and Currency.

By Mrs. WOODHOUSE:

H. R. 4087. A bill to extend the educational benefits of the Servicemen's Readjustment Act of 1944 to the widows and children of certain deceased veterans of World War II and to the spouses and children of certain totally disabled veterans of World War II; to the Committee on Veterans' Affairs.

By Mr. YOUNG:

H. R. 4088. A bill to amend the Federal-Aid Highway Act of 1944 to permit the United States to bear three-fourths of the cost of constructing certain highways; to the Committee on Public Works.

By Mr. BIEMILLER:

H. R. 4089. A bill to provide for the general welfare by enabling the several States to make more adequate provision for the health of school children through the development of school health services for the prevention, diagnosis, and treatment of physical and mental defects and conditions; to the Committee on Interstate and Foreign Commerce.

By Mr. FERNÓS-ISERN:

H. R. 4090. A bill to extend the benefits of section 23 of the Bankhead-Jones Act to Puerto Rico; to the Committee on Agriculture.

By Mr. FISHER:

H. R. 4091. A bill to provide for salary increases for employees of the field service of the Post Office Department; to the Committee on Post Office and Civil Service.

By Mr. GWINN (by request):

H. R. 4092. A bill to authorize pay for persons who were subject to service in the Navy for training under the supervision of the Civil Aeronautics Administration; to the Committee on Interstate and Foreign Commerce.

By Mr. LEMKE:

H. R. 4093. A bill for the relief of owners of crops damaged or destroyed by migratory birds; to the Committee on the Judiciary.

By Mr. NICHOLSON:

H. J. Res. 216. Joint resolution to authorize the issuance of a special commemorative stamp to mark the one hundredth anniversary of the cranberry industry; to the Committee on Post Office and Civil Service.

By Mr. KEATING:

H. J. Res. 217. Joint resolution designating the fourth Sunday in September of each year as Interfaith Day; to the Committee on the Judiciary.

By Mr. LESINSKI:

H. Res. 183. Resolution for the consideration of H. R. 3190, to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Washington, requesting appropriate legislation to provide for a grant to the University of Washington for university purposes in the amount of the Federal income taxes heretofore paid to the National Government by the Metropolitan Building Co.; to the Committee on Education and Labor.

Also, memorial of the Legislature of the State of New York, memorializing the President and the Congress of the United States to designate the fourth Sunday in September of each year as "Interfaith Day"; to the Committee on the Judiciary.

Also, memorial of the Legislature of the Territory of Hawaii, relative to endorsing the project for a harbor at Kawaihae, island of Hawaii, and requesting the Congress of the United States to appropriate Federal funds for said project; to the Committee on Public Works.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BYRNE of New York:

H. R. 4094. A bill for the relief of Bunge North-American Grain Corp., the Corporacion Argentina de Productores de Carnes, Herman M. Gidden, and the Overseas Metal & Ore Corp.; to the Committee on the Judiciary.

By Mr. CELLER:

H. R. 4095. A bill for the relief of W. P. Bartel; to the Committee on the Judiciary.

By Mr. COLE of Kansas:

H. R. 4096. A bill to award a posthumous rating of T/4 to Richard J. Van Winkle; to the Committee on Armed Services.

By Mr. COLMER:

H. R. 4097. A bill for the relief of George M. Beesley, Edward D. Sexton, and Herman J. Williams; to the Committee on the Judiciary.

By Mr. GREEN:

H. R. 4098. A bill for the relief of Mary Keavney; to the Committee on Veterans' Affairs.

By Mr. HAVENNER:

H. R. 4099. A bill for the relief of Quock Quai Kue and Quock Quai Gee; to the Committee on the Judiciary.

By Mr. HAYS of Arkansas:

H. R. 4100. A bill for the relief of Calvin E. Cranford; to the Committee on the Judiciary.

By Mr. KEE:

H. R. 4101. A bill for the relief of Salim Mahomed El Masri; to the Committee on the Judiciary.

By Mr. LEMKE:

H. R. 4102. A bill for the relief of Marjorie Maloy; to the Committee on the Judiciary.

By Mr. LODGE:

H. R. 4103. A bill to provide for the advancement on the retired list of Brig. Gen. Wilber E. Wilder; to the Committee on Armed Services.

By Mr. MADDEN:

H. R. 4104. A bill for the relief of Cornel A. Leahu; to the Committee on the Judiciary.

By Mr. MORRISON:

H. R. 4105. A bill for the relief of Michael Christos Lemos; to the Committee on the Judiciary.

By Mr. RICHARDS:

H. R. 4106. A bill for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of war conditions; to the Committee on Foreign Affairs.

By Mr. SMITH of Kansas:

H. R. 4107. A bill for the relief of Mr. and Mrs. J. M. McElderry; to the Committee on the Judiciary.

By Mr. SMITH of Virginia:

H. R. 4108. A bill for the relief of Ladislas E. Hudec, Gisella Hudec, Alessa E. Hudec, who entered the United States on June 25, 1948, at New York City; to the Committee on the Judiciary.

H. R. 4109. A bill for the relief of Kenneth McKelvie, who entered the United States in November 1946 at San Pedro, Calif., and Mrs. Emily Ellen McKelvie, and daughter, Audrey Mallett, and granddaughter, Aimee June Mallett, who entered the United States in September 1946 at San Francisco, Calif.; to the Committee on the Judiciary.

By Mr. ZABLOCKI:

H. R. 4110. A bill for the relief of William C. Krumnow; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

507. By Mr. GRAHAM: Petition of 23 members of the ladies' bible class of Memorial Church, of Saxonburg, Pa., opposing the proposed compulsory health insurance bill or any form of Government medicine known to many as socialized medicine; to the Committee on Interstate and Foreign Commerce.

503. By Mr. HINSHAW: Resolution of the Council of the City of Glendale, memorializ-

ing the Congress of the United States to pass and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in Congress; to the Committee on the Judiciary.

509. By Mr. WOLCOTT: Petition signed by more than 1,000 citizens of the city of Vassar and Tuscola County, Mich., urging the enactment of H. R. 3985, which would authorize the issuance of a postage stamp in commemoration of the centennial of the cutting of the world-famous Cass River cork pine at Vassar, Mich.; to the Committee on Post Office and Civil Service.

510. By the SPEAKER: Petition of T. S. Kinney and others, Orlando, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

511. Also, petition of S. B. Perkins and others, Pine Castle, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

512. Also, petition of Charles H. Nutting and others, Daytona Beach, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

513. Also, petition of E. A. Streling and others, Jacksonville, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

514. Also, petition of Walter Preston and others, Titusville, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

515. Also, petition of M. W. Manning and others, Miami, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

516. Also, petition of F. C. Van de Sande and others, New Smyrna Beach, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

517. Also, petition of Mrs. Albina Bibeau and others, St. Petersburg, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

518. Also, petition of Jose Miranda and others, Tampa, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

519. Also, petition of E. E. Saxton and others, Lakeland, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

520. Also, petition of Frederick A. Winchell and others, Miami, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

521. Also, petition of Victor Wiechmann and others, New Smyrna Beach, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

SENATE

FRIDAY, APRIL 8, 1949

(Legislative day of Friday, March 18, 1949)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, we would turn from this tragic, troubled world without to the inner kingdom of our hearts, knowing that there are the issues of life and that as a man thinketh in his own heart so is he. So relentlessly are we driven by the pressure of demanding days that our very souls become jaded and drained. We come with feverish spirits and anxious cares to the healing balm of Thy presence seeking the perfect peace of those who stay their minds on Thee.

May Thy renewing grace restore our depleted life as this noontide we turn our faces to Thy shining, O Thou sun of our help and strength. In the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. MYERS, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, April 7, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 4016) making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1950, and for other purposes, in which it requested the concurrence of the Senate.

LEAVES OF ABSENCE

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the senior Senator from Arkansas [Mr. MCCLELLAN] be excused from attendance on the Senate today and tomorrow. He is president of the National Rivers and Harbors Congress, and must officiate at its meeting, which is in session in Washington.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. WILEY. Mr. President, I have had a speaking engagement for a matter of 2 months which necessitates my being absent tomorrow. I ask unanimous consent that I may be excused from attending the session of the Senate tomorrow.

The VICE PRESIDENT. Without objection, it is so ordered.

CALL OF THE ROLL

Mr. MYERS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Fulbright	Johnston, S. C.
Anderson	George	Kefauver
Brewster	Gillette	Kem
Bricker	Green	Kerr
Cain	Gurney	Knowland
Capehart	Hayden	Langer
Chapman	Hendrickson	Lodge
Connally	Hickenlooper	Long
Cordon	Hill	McCarthy
Donnell	Hoey	McFarland
Douglas	Holland	McGrath
Ecton	Humphrey	McKellar
Ellender	Hunt	McMahon
Ferguson	Ives	Maybank
Flanders	Jenner	Miller
Frear	Johnson, Tex.	Morse
Murray	Schoeppel	Tobey
Myers	Smith, Maine	Tydings
Neely	Sparkman	Vandenberg
O'Conor	Stennis	Wherry
Pepper	Taylor	Wiley
Robertson	Thomas, Okla.	Williams
Russell	Thomas, Utah	Withers
Saltonstall	Thye	Young

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], the Senator from Mississippi [Mr. EASTLAND], the Senator from Colorado [Mr. JOHNSON], the Senator from West Virginia [Mr. KILGORE], the Senator from Washington [Mr. MAGNUSON], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Wyoming [Mr. O'MAHONEY] are detained on official business in meetings of committees of the Senate.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

The Senator from Illinois [Mr. LUCAS] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Arkansas [Mr. MCCLELLAN] is absent by leave of the Senate, presiding as president of the National Rivers and Harbors Congress, which is holding its annual meeting in Washington today.

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN] and the Senator from Pennsylvania [Mr. MARTIN] are absent by leave of the Senate.

The Senator from New Jersey [Mr. SMITH] is absent because of illness.

The Senator from South Dakota [Mr. MUNDT] and the Senator from Ohio [Mr. TAFT] are absent on official business.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Nebraska [Mr. BUTLER], the Senator from Nevada [Mr. MALONE], the Senator from Colorado [Mr. MILLIKIN], the Senator from Kansas [Mr. REED], and the Senator from Utah [Mr. WATKINS] are detained on official committee business.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. MYERS. Mr. President, I ask unanimous consent that Members of the Senate be permitted to present routine matters, including insertions in the RECORD, as though we were in the morning hour, without jeopardizing the parliamentary situation.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communications and letters, which were referred as indicated:

PROPOSED PROVISION PERTAINING TO APPROPRIATION FOR DEPARTMENT OF STATE (S. DOC. NO. 40)

A communication from the President of the United States, transmitting a proposed provision pertaining to an existing appropriation for the Department of State, fiscal year 1949 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED PROVISION PERTAINING TO APPROPRIATION FOR TREASURY DEPARTMENT (S. DOC. No. 39)

A communication from the President of the United States, transmitting a proposed provision pertaining to an existing appropriation for the Treasury Department (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, NATIONAL MEDIATION BOARD (S. DOC. No. 38)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the National Mediation Board, amounting to $33,900, fiscal year 1949 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SPECIAL AGREEMENTS FOR CERTAIN SWITCHING SERVICE BY RAILWAY COMMON CARRIERS

A letter from the Postmaster General, transmitting a draft of proposed legislation to authorize the Postmaster General to enter into special agreements for certain switching service by railway common carriers, and for other purposes (with an accompanying paper); to the Committee on Post Office and Civil Service.

RESERVATION OF CERTAIN LAND FOR ADDITION TO GOSHUTE INDIAN RESERVATION, UTAH

A letter from the Under Secretary of the Interior, transmitting a draft of proposed legislation to reserve certain land on the public domain in Utah for addition to the Goshute Indian Reservation (with an accompanying paper); to the Committee on Interior and Insular Affairs.

LAWS PASSED BY MUNICIPAL COUNCILS OF ST. THOMAS AND ST. JOHN AND ST. CROIX, V. I.

A letter from the Under Secretary of the Interior, transmitting, pursuant to law, copies of laws passed by the Municipal Council of St. Thomas and St. John and the Municipal Council of St. Croix, V. I. (with accompanying papers); to the Committee on Interior and Insular Affairs.

AMENDMENT OF COMMUNICATIONS ACT OF 1934, RELATING TO RADIO MONITORING ACTIVITIES

A letter from the Chairman of the Federal Communications Commission, recommending an amendment to section 4 (g) of the Communications Act of 1934; relating to radio monitoring activities; to the Committee on Interstate and Foreign Commerce.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A concurrent resolution of the Legislature of Puerto Rico; to the Committee on Labor and Public Welfare:

"CÁMARA DE REPRESENTANTES,
"San Juan, P. R.

"I, Jose Berrios Berdecia, secretary of the House of Representatives of Puerto Rico, certify that house concurrent resolution No. 1, entitled 'Concurrent resolution to urge the Congress of the United States to enact a Federal aid-to-education bill granting Puerto Rico parity with the States of the Union,' was adopted by the House of Representatives and the Senate of Puerto Rico, in the course of the first session of the seventeenth legislature.

"That a true copy of said concurrent resolution is the following:

" 'Whereas the Organic Act of Puerto Rico, approved March 2, 1917, made the citizens of Puerto Rico into citizens of the United States of America;

" 'Whereas section 7 of Public Law 362 of the Eightieth Congress, amending the Organic Act of Puerto Rico states that: "The rights, privileges, and immunities of citizens of the United States shall be respected in Puerto Rico to the same extent as though Puerto Rico were a State of the Union and subject to the provisions of paragraph 1 of section 2 of article IV of the Constitution of the United States;"

" 'Whereas the people of Puerto Rico are loyal American citizens and as such deserve adequate educational opportunities;

" 'Whereas all Federal funds appropriated for the purpose of leveling inequalities of educational opportunities throughout the United States should be apportioned to Puerto Rico on the same basis as to the several States;

" 'Whereas despite the fact that quite one-third of the total insular revenue derived from taxation is appropriated annually to support its educational system, almost half of the school-age population of Puerto Rico cannot be placed in the schools;

" 'Whereas 71.3 percent of the present enrollment must attend school on a half-day basis owing to the existing lack of educational facilities; and actually only 15 out of every 100 grammar-school pupils in the 6 to 12 age-group attend classes a full day and remain in school until they pass the sixth grade;

"Whereas less than 5 percent of the children of high-school age (16–18) now attend the senior high schools;

" 'Whereas the Insular Government is making a determined effort to reduce illiteracy in Puerto Rico and this drive will be greatly speeded if Federal education-aid funds become available;

" 'Whereas the present program of the department of education to intensify the teaching of English in Puerto Rico will be greatly expanded if Federal funds are apportioned to the commissioner of education under an education-aid measure;

" 'Whereas Puerto Rico's role as interpreter of American ideals and culture to Latin America and vice versa will be greatly strengthened if better educational opportunities are offered to the youth of the island;

" 'Whereas Puerto Rico needs all possible Federal aid to prepare it to participate fully in international efforts to insure world peace;

" 'Whereas S. 246, the Federal aid-to-education bill now pending consideration by the Committee on Labor and Public Welfare of the United States Senate, would apportion to Puerto Rico, Hawaii, Alaska, the Canal Zone, the District of Columbia, American Samoa, the Virgin Islands and Guam but 2 percent of the funds appropriated, which would apportion to these areas a sum disproportionately small;

" 'Whereas in accordance with fully reliable statistical data, the sum required for the Territories, if they are to be on a same plane with the States, has to be 9 percent: Now, therefore, be it

" '*Resolved by the House of Representatives of Puerto Rico (the Senate of Puerto Rico concurring):*

" 'First. To request of the Congress of the United States to appropriate to Puerto Rico, under the educational-aid plan for a public grammar- and high-school program, a sum equal to that appropriated to the States of the Union.

" 'Second. To request of the Congress of the United States to apportion to the Territories, 9 percent of the Federal appropriation proposed for educational aid, on a par with the States of the Union, in place of 2 percent proposed to be apportioned.

" 'Third. That a certified copy of this resolution be transmitted to the President of the United States, to Senator ELBERT D. THOMAS, to the Secretary of the Interior, to the Vice President of the United States, to the Speaker of the House of Representatives of the United States, to the chairman of the Committee on Labor and Public Welfare, to Congressman JOHN LESINSKI, chairman of the Committee on Education and Labor, to the chairman of the Committee on Interior and Insular Affairs of the Senate, to the chairman of the Committee on Public Lands of the House, to the chairman of the Subcommittee on Territories of the House, and to the Resident Commissioner for Puerto Rico in Washington.'

"And for transmittal to His Excellency, the Honorable Vice President of United States of America, in compliance with section third of the aforesaid resolution, I issue these presents in the House of Representatives of Puerto Rico, San Juan, Puerto Rico, this 1st day of April 1949.

"[SEAL] JOSE BERRIOS BERDECIA,
"Secretary, House of Representatives of Puerto Rico."

A resolution adopted by the City Council of the City of Uniontown, Pa., favoring the enactment of legislation proclaiming October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

By Mr. HUMPHREY:

A concurrent resolution of the legislature of the State of Minnesota; to the Committee on Armed Services:

"A concurrent resolution memorializing the Congress of the United States to enact legislation securing to all citizens, and particularly to its Negro citizens, the right to serve in the National Guard of the United States without segregation in separate units

"Whereas equality of opportunity, responsibility, and privilege of all its people is a matter of vital importance to the people of the State of Minnesota; and

"Whereas it is the policy of the State of Minnesota that there shall be no discrimination between its people by reason of race, color, religion or national origin; and

"Whereas the regulations prescribed by the Department of the Army require that all Negro manpower subject to its authority except Negro manpower with special skills or qualifications be employed in Negro units which will conform in general to other units of the Army; and

"Whereas these regulations control the employment of Negro manpower in the National Guard of the United States; and

"Whereas these regulations of the Department of the Army, in denying to Negro citizens of this State equality of opportunity and service in the National Guard, are in derogation of the public policy of the State of Minnesota; Now, therefore, be it

"Resolved by the Senate of the State of Minnesota (the house of representatives concurring therein), That the Congress of the United States, at its present sitting be and is urgently petitioned and requested to enact such legislation as will secure to all citizens of the United States, and particularly to its Negro citizens, the right to serve in the National Guard of the United States in the same units with all other members without segregation of Negro manpower or any other manpower by reason of race, color, religion, or national origin; and be it further

"Resolved, that a duly authenticated copy of this resolution be transmitted to the President of the United States, to the presiding officers of the Senate and the House of Representatives of the Congress of the United States, and to each of the Senators and Representatives from the State of Minnesota in the Congress of the United States.

"C. ELMER ANDERSON,
"President of the Senate.
"JOHN A. HARTLE,
"Speaker of the House of Representatives.

"Approved April 2, 1949.

"LUTHER W. YOUNGDAHL,
"Governor of the State of Minnesota."

By Mr. MCCARRAN:

A joint resolution of the Legislature of the State of Nevada; to the Committee on Finance:

"Assembly Joint Resolution 8

"Joint resolution memorializing the Congress of the United States to repeal the tax on transportation

"Whereas the Congress of the United States enacted an excise tax on the transportation of persons and property for the purpose of meeting a war emergency; and

"Whereas the primary object of such tax was to discourage travel and unnecessary shipping during a period of wartime emergency; and

"Whereas it is the opinion of the Legislature of the State of Nevada that the need for such tax no longer exists and that the collection of such tax imposes an unwarranted and unnecessary burden on residents of the far West; and

"Whereas the cost of transportation is an integral factor in preserving eastern markets for goods and merchandise produced and manufactured in the West, and every effort should be made to reduce said cost of transportation to the absolute minimum; and

"Whereas the State of Nevada desires to develop its industries and to develop its vacation and tourist travel on an equal basis with other more populated areas in the United States, without the imposition of unequal or artificial tax barriers; and

"Whereas it is the opinion of the Legislature of the State of Nevada that the transportation tax discriminates against the people of Nevada and the people of other Western States: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of Nevada (jointly), That the Congress of the United States be, and it is hereby, memorialized to repeal the tax on transportation of persons, being section 3469, title 26, United States Code, and the tax on transportation of property, being section 3475, title 26, United States Code; and be it further

"Resolved, That duly certified copies of this resolution be transmitted by the secretary of state of the State of Nevada to the President and Vice President of the United States, and to each Senator and Representative of the State of Nevada in the Congress of the United States.

"CLIFF JONES,
"President of the Senate.
"PETER BURKE,
"Speaker of the Assembly.

"Approved March 22, 1949.

"VAIL PITTMAN,
"Governor."

A joint resolution of the Legislature of the State of Nevada; to the Committee on Interstate and Foreign Commerce:

"Senate Joint Resolution 9

"Joint resolution memoralizing the President of the United States and the congressional delegation of Nevada to assist Bonanza Air Lines to obtain a certificate of public convenience and necessity from the Civil Aeronautics Board of the United States

"Whereas the State of Nevada is the sixth largest State of the Union, consisting of approximately 110,992 square miles of territory, with widely separated communities which depend in large part for their economic stability upon interstate relations with States contiguous to Nevada; and

"Whereas there is no direct rail connection or railroad service between Medford, Oreg.; Reno, Nev.; Las Vegas, Nev.; and Phoenix, Ariz.; to serve the vast area between these points; and

"Whereas there is no direct air-line connection or air-line service between Reno, Nev., and Phoenix, Ariz., and there are no air-feeder lines between Las Vegas, Nev., and Phoenix, Ariz.; and

"Whereas Bonanza Air Lines has served the people of the State of Nevada with intrastate scheduled air-line service for 3 years, and has rendered a most commendable service without fatality or serious accident, and with but two canceled scheduled flights during all of said period due to inclement weather; and

"Whereas the said Bonanza Air Lines has made application to the Civil Aeronautics Board of the United States for a certificate of convenience and necessity whereby its operations would extend service from Phoenix, Ariz., through Las Vegas and Reno, connecting with Medford, Oreg.; and

"Whereas the Legislature of the State of Nevada is of the opinion that the public convenience and necessity warrants, and in fact compels, the granting of the said certificate of public convenience and necessity; and

"Whereas all of the people of the West will be benefited directly and indirectly by the granting of said certificate and will be afforded fast, safe, and dependable interstate air service traversing Nevada from north to south, and connecting the great Northwest with the rapidly developing Southwest; and

"Whereas the State of Nevada would thereby be placed on an equal par with other States by means of an interstate air service connecting with major interstate air carriers, so that the air-line-feeder service envisioned and contemplated by the Civil Aeronautics Act of 1938 might at long last become a reality in Nevada; and

"Whereas all traffic from the south and southwestern part of the United States, terminating at Phoenix, Ariz., and bound for the Northwest, would be greatly facilitated and encouraged by an all-year, clear-weather air route between Phoenix, Ariz., and Medford, Oreg., as aforesaid; and

"Whereas connecting the vacation areas of Oregon, Nevada, and Arizona with speedy air travel will make available to countless thousands such scenic wonders as Klamath Falls in Oregon, Lake Tahoe and [Boulder Dam (sometimes known as Hoover Dam)] Hoover Dam (sometimes known as Boulder Dam) in Nevada, and the Grand Canyon and Painted Desert in Arizona, thereby affording ready access to recreation areas unequaled in beauty and splendor over the vacation route of the far West; and

"Whereas it is imperative that Bonanza Air Lines be certificated for interstate commerce by air, as aforesaid, so that the State of Nevada will be assured of intrastate air service, making available to Nevada world markets for her products and natural resources, and assuring to the State of Nevada the right to compete on an equal basis with other States for world commerce: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of Nevada (jointly), That the President of the United States and the Representatives of the State of Nevada in the Congress of the United States be memorialized to lend their support to the granting of a certificate of public convenience and necessity by the Civil Aeronautics Board to the Bonanza Air Lines whereby its operations would be extended from Phoenix, Ariz., through Las Vegas and Reno, to Medford, Oreg.; and be it further

"Resolved, That the secretary of state of the State of Nevada be authorized and directed to transmit properly certified copies of this resolution to the President of the United States, and to the Representatives of the State of Nevada in the Congress of the United States.

"PETER A. BURKE,
"Speaker of the Assembly.
"CLIFF JONES,
"President of the Senate.

"Approved March 22, 1949.

"VAIL PITTMAN,
"Governor."

A concurrent resolution of the Legislature of the State of Nevada; to the Committee on Post Office and Civil Service:

"Assembly Concurrent Resolution 4

"Whereas during the American Revolutionary War the Thirteen United Colonies were imperiled by the armed forces of a powerful adversary; and

"Whereas it was then that a great Frenchman, a young nobleman, by the name of Marquis de Lafayette, being enthusiastic over the American Declaration of Independence, left his native land and offered his services to Gen. George Washington, in the Colonies' struggle for freedom; and

"Whereas his valor and devotion to the cause of freedom played a vital part in the destiny of our country, and his name will forever be inscribed on the hearts of all Americans and revered by liberty-loving people throughout the world; and

"Whereas in 1917 it fell to the lot of a great American, Gen. John J. Pershing, at the head of the First Division of the American Expeditionary Forces, to, in some measure, repay our debt of gratitude to Lafayette and the great nation of France, when he landed on her shores and made that historic and dramatic declaration, 'Lafayette, we are here'; and

"Whereas again on June 6, 1944, it fell to the destiny of history that another great American, Gen. Dwight D. Eisenhower, leading the forces of another great expeditionary force in World War II, scaled the ramparts of the enemy in landing on the coast of Normandy, in delivery of our comrades in arms from the heels of a ruthless enemy, and thus again demonstrating to the world and to the beloved French people that we would not let them down in the hour of their travail; and

"Whereas after the routing of the enemy with the aid of the valiant French and our combined allied forces from the confines of her country, her people were left in great straits of distress, want, and need; and

"Whereas, a great and popular American newspaper columnist, by the name of Drew Pearson, conceived the idea of forming a Friendship Train to converge at various cities of the United States, and collecting various food supplies, clothing, etc., to be shipped to our friends in France to alleviate their distress; and

"Whereas the collection of these trains and their contents was a great surprise to every American, and on their arrival in France was greeted by the French people with great appreciation and acclaim; and

"Whereas the great French people have now seen fit to reciprocate, and in a spirit of gratitude they have organized what is known as the Gratitude Train, composed of 50 boxcars known as '40 Hommes et 8 Chevaux,' all of which are filled with many items of intrinsic value donated by the French people, and many of which have been donated by the children of France: Now, therefore, be it

"Resolved by the Assembly of the State of Nevada (the senate concurring), That the forty-fourth session of the Nevada Legislature extend to the representatives of the great French people who are accompanying this Gratitude Train, and through them to the great nation of France, our deepest gratitude and appreciation for this token of remembrance by her valiant people, and that it be our great desire that our people who compose these two great Republics shall henceforth continue to march arm in arm down the road of time throughout eternity, holding aloft the torch of freedom, liberty, and justice to all mankind; and be it further

"Resolved, That the secretary of state of the State of Nevada be authorized and directed to transmit properly certified copies of this resolution to the French Embassy at Washington, D. C., to the French Consulate at San Francisco, Calif., to Monsieur Isidore

Lapuyade, Consular Agent of France for the State of Nevada, at Reno, Nev., to Mr. Drew Pearson at New York City, and to the Representatives of the State of Nevada in the Congress of the United States, with the request that this resolution be entered in the CONGRESSIONAL RECORD.

"PETER A. BURKE,
"Speaker of the Assembly.
"CHARLES JONES,
"President of the Senate."

GENERAL PULASKI'S MEMORIAL DAY—RESOLUTION OF CITY COUNCIL OF UNIONTOWN, PA.

Mr. MYERS. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD a resolution adopted April 4, 1949, by the City Council of the City of Uniontown, Pa., endorsing legislation to proclaim October 11 of each year as General Pulaski Memorial Day, for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski.

There being no objection, the resolution was referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Resolution 60

Be it resolved by the City Council of the City of Uniontown:

Whereas a resolution providing for the President of the United States of America to proclaim October 11 of each year as General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski is now pending in the present session of the United States Congress; and

Whereas the 11th day of October 1779, is the date in American history of the heroic death of Brig. Gen. Casimir Pulaski, who died from wounds received on October 9, 1779, at the siege of Savannah, Ga.; and

Whereas the States of Arkansas, California, Connecticut, Delaware, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, Nevada, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, West Virginia, Wisconsin, and other States of the Union, through legislative enactment designated October 11, of each year as General Pulaski's Memorial Day; and

Whereas it is fitting that the recurring anniversary of this day be commemorated with suitable patriotic and public exercises in observing and commemorating the heroic death of this great American hero of the Revolutionary War; and

Whereas the Congress of the United States of American has by legislative enactment designated from October 11, 1929, to October 11, 1946, to be General Pulaski's Memorial Day in the United States of America: Now, therefore be it

Resolved by the City Council of the City of Uniontown, in the State of Pennsylvania:

SECTION 1. That we hereby memorialize and petition the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in the United States Congress.

SEC. 2. That certified copies of this resolution, properly authenticated, be sent forthwith to the President of the United States, the Vice President of the United States, and each of the United States Senators and Representatives from Pennsylvania.

RESOLUTIONS OF SENATE OF WASHINGTON

Mr. CAIN. Mr. President, I present for appropriate reference and for the information of the Senate two resolutions recently adopted by the Washington State Senate and I ask that they be printed at this point in the RECORD.

The first resolution concerns the attempt by the Atomic Energy Commission to acquire additional land near the Hanford, Wash., atomic plant, and the second concerns the acquisition of a foot-and-mouth-disease laboratory by the Department of Agriculture.

The VICE PRESIDENT. The resolutions will be received and appropriately referred, and, under the rule, printed in the RECORD.

A resolution of the Senate of the State of Washington, relating to the attempt by the Atomic Energy Commission to acquire additional land near the Hanford, Wash., atomic plant; to the Committee on Interior and Insular Affairs.

(See text of resolution printed in full when presented by the Vice President on April 7, 1949, p. 4015, CONGRESSIONAL RECORD.)

To the Committee on Agriculture and Forestry:

"Be it resolved by the Senate of the State of Washington, in legislative session assembled:

"Whereas foot-and-mouth disease has been diagnosed in Mexico and threatens the livestock industry of the United States directly as well as by its secondary effects upon the national economy; and

"Whereas the Federal Government in cooperation with the Mexican Government is desperately trying to control and eradicate the aforesaid disease; and

"Whereas it is planned to establish an animal disease research laboratory in compliance with the laws of the United States; and

"Whereas such a laboratory could be located on one of the many islands of Puget Sound in the State of Washington, where the availability of water supply, low-cost electric power, farm labor market, transportation, material and supplies, and scientific schools make such a location desirable: Now, therefore, be it

"Resolved by the Senate of the State of Washington, in legislative session assembled, That we resepctfully petition the Honorable Charles F. Brannan, Secretary of Agriculture of the United States, and the Honorable B. T. Simms, Chief of the Bureau of Animal Industry in the Department of Agriculture of the United States, that they cause to be established, operated, and maintained an animal disease research laboratory on a suitable island in Puget Sound in the State of Washington; and be it further

"*Resolved,* That copies of this resolution be immediately transmitted to the Honorable Charles F. Brannan, and the Honorable B. T. Simms, and to the members of the congressional delegation from the State of Washington, by the secretary of the senate."

HOSPITAL EXPANSION PROGRAM OF VETERANS' ADMINISTRATION—RESOLUTION OF JOHN R. WEBB POST, NO. 3285, VETERANS OF FOREIGN WARS, FREDERICK, MD.

Mr. O'CONOR. Mr. President, the John R. Webb Post, No. 3285, Veterans of Foreign Wars of the United States, Department of Maryland, has gone on record to voice its concern over changes in the hospital expansion program of the Veterans' Administration. I ask unanimous consent that the resolution be appropriately referred and printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Whereas there has recently been a marked change in the hospital expansion program of the Veterans' Administration which in the opinion of the John R. Webb Post, No. 3285, Veterans of Foreign Wars of Frederick, Md., is detrimental to the best interests of our veterans and contrary to laws passed by the Congress of the United States; and

Whereas the recent order of the Administration reduces the number of beds by 16,000 which are needed at this time and will be in greater demand in the immediate future, and this is being done in spite of the fact that of 30 hospitals, authorized and under contract, only two have been completed since the close of the war, though the veteran population has increased some fifteen million, and

Whereas powerful organizations and the Baltimore Sun are working to retard, if not to destroy, the accepted hospital program of the Veterans' Administration, as authorized by Congress, and the Hoover Commission in its report of Congress recommends the merger of the veterans hospital program with other agencies which will mean the complete destruction of the Veterans' Administration hospital program as a veteran project; and

Whereas a Nation-wide survey of the hospital situation has been conducted by the Veterans of Foreign Wars which discloses that the hospital construction program which existed prior to the ordered reduction of 16,000 beds was in itself inadequate and will not meet the hospital needs of American war veterans: Now, therefore, be it

Resolved, That the John R. Webb Post, No. 3285, Veterans of Foreign Wars of Frederick, Md., protests most vigorously this proposed reduction of the hospital beds as contrary to the express wishes and desires of Congress and against the pressing needs of American war veterans who also oppose the merger of the Veterans' Administration hospitals with other agencies as recommended by the Hoover Commission, believing that such a merger is nothing less than a breach of faith between the Government and its wartime defenders.

Unanimously adopted by the John R. Webb Post, No. 3285, Veterans of Foreign Wars, Frederick, Md., this 5th day of April, 1949.

JAMES MCLAREN, *Commander.*

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McGRATH, from the Committee on the District of Columbia:

S. 1418. A bill to amend an act entitled "An act to incorporate the Washington Gas Light Co.," and for other purposes; without amendment (Rept. No. 240).

By Mr. McCARTHY, from the Committee on the District of Columbia:

S. 1122. A bill relating to children born out of wedlock; with amendments (Rept. No. 239).

By Mr. McFARLAND, from the Committee on Interior and Insular Affairs:

S. 690. A bill to authorize the furnishing of water to the Yuma auxiliary project, Arizona, through the works of the Gila project, Arizona, and for other purposes; with an amendment (Rept. No. 241).

BILLS INTRODUCED

Bills were introduced, read the first time, and by unanimous consent, the second time, and referred as follows:

By Mr. CAIN:

S. 1533. A bill authorizing the naturalization of Maria Pellegrini Massoni; and

S. 1534. A bill for the relief of Harry Comber; to the Committee on the Judiciary.

S. 1535. A bill to amend the Housing and Rent Act of 1947, as amended, with respect to housing accommodations in hotels; to the Committee on Banking and Currency.

By Mr. TYDINGS:

S. 1536. A bill to authorize advances in pay to personnel of the Army, Navy, Air Force, and Marine Corps upon permanent change of station, and for other purposes; to the Committee on Armed Services.

By Mr. FULBRIGHT:

S. 1537. A bill to establish a Tax Settlement Board; to the Committee on Finance.

By Mr. NEELY:

S. 1538. A bill to amend the Public Health Service Act to provide for research and investigation with respect to the cause, prevention, and treatment of cerebral palsy, and for other purposes; to the Committee on Labor and Public Welfare.

By Mr. MILLER:

S. 1539. A bill for the relief of the Elmore Cooperative Hatchery; to the Committee on the Judiciary.

By Mr. DOUGLAS:

S. 1540. A bill for the relief of Emery and Eleanor Nussbaum; to the Committee on the Judiciary.

By Mr. YOUNG:

S. 1541. A bill to promote the rehabilitation of the Standing Rock Sioux Tribe of Indians and better utilization of the resources of the Standing Rock Indian Reservation, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HAYDEN (for himself and Mr. MCFARLAND):

S. 1542. A bill to authorize the withdrawal of public notices in the Yuma reclamation project, and for other purposes; and

S. 1543. A bill to authorize the disposal of withdrawn public tracts too small to be classed as a farm unit under the Reclamation Act; to the Committee on Interior and Insular Affairs.

By Mr. MCCARRAN:

S. 1544. A bill to amend title 18, United States Code, section 220, relating to receipt of commissions or gifts for procuring loans; to the Committee on the Judiciary.

(Mr. MCCARRAN (for himself and Mr. BALDWIN, Mr. BRICKER, Mr. BUTLER, Mr. BYRD, Mr. CAIN, Mr. CAPEHART, Mr. CONNALLY, Mr. CORDON, Mr. DOWNEY, Mr. EASTLAND, Mr. ELLENDER, Mr. FREAR, Mr. GURNEY, Mr. HICKENLOOPER, Mr. HOLLAND, Mr. JENNER, Mr. JOHNSON of Texas, Mr. JOHNSTON of South Carolina, Mr. KNOWLAND, Mr. LONG, Mr. MALONE, Mr. MARTIN, Mr. MUNDT, Mr. O'CONOR, Mr. REED, Mr. ROBERTSON, Mr. SALTONSTALL, Mr. SCHOEPPEL, Mr. STENNIS, and Mr. THYE) introduced Senate bill 1545, to confirm and establish the titles of the States to lands beneath navigable waters within State boundaries and natural resources within such lands and waters and to provide for the use and control of said lands and resources, which was referred to the Committee on Interior and Insular Affairs, and appears under a separate heading.)

HOUSE BILL REFERRED

The bill (H. R. 4016) making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1950, and for other purposes, was read twice by its title, and referred to the Committee on Appropriations.

FRANK HELLMAN—INDEFINITE POSTPONEMENT OF BILL

Mr. LANGER. Mr. President, I ask unanimous consent that the Committee on the Judiciary be discharged from the further consideration of Senate bill 1523, for the relief of Frank Hellman, and that the bill be indefinitely postponed.

The VICE PRESIDENT. Without objection, it is so ordered.

INVESTIGATION OF OPERATION OF BUREAU OF RECLAMATION

Mr. DOWNEY submitted the following resolution (S. Res. 105), which was referred to the Committee on Expenditures in the Executive Departments:

Resolved, That the Committee on Expenditures in the Executive Departments, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study of the operation of the Bureau of Reclamation at all levels with a view to determining its economy and efficiency. The committee shall report to the Senate at the earliest practicable date the results of its study and investigation, together with such recommendations as it may deem desirable concerning additional legislation, or such other action as it believes the Congress should adopt.

TERCENTENARY OBSERVANCE OF THE MARYLAND ACT OF RELIGIOUS TOLERANCE

Mr. O'CONOR. Mr. President, with the tragic object lesson before our eyes, in other portions of the world, of persecutions of religious groups which strike at the very foundation of religion itself, it is appropriate, I believe, to call attention to an observance in the State of Maryland which offers a welcome contrast to today's world situation.

Three hundred years ago, on April 21, 1649, the legislators of the infant colony of Maryland decided to embody in words and in law the principles of toleration upon which their colony had been founded. The resulting enactment, known as an act concerning religion, is widely credited with being the first attempt of a sovereign State to safeguard the consciences of all citizens, without regard to creed.

The beneficent influence of this notice to the world has leavened the life of Maryland's citizens throughout these three centuries. Today, with the world in turmoil, and with the seeds of strife and intolerance being sown among our people and throughout the world by self-seeking groups, we in Maryland believe that the example set by our valiant forebears is one that today can help to convince our people of the benefits of tolerance in everyday living.

I have prepared a resolution on behalf of the senior Senator from Maryland [Mr. TYDINGS] and myself which I send to the desk for appropriate reference.

The resolution (S. Res. 106) was referred to the Committee on the Judiciary, as follows:

Whereas on April 21, 1649, the General Assembly of Maryland, by enacting the statute known as an act concerning religion, pioneered in efforts to embody in American law the principle of religious toleration—a principle which had prevailed by custom since the foundation of the colony; and

Whereas the experience of 300 years has vindicated the far-seeing wisdom of that principle in that it has delivered both the members of all faiths and the State from the ills and strife of religious conflict; and

Whereas in many lands men and women still suffer under law for conscience' sake, it is both appropriate and timely for those who enjoy the fruits of freedom of worship to consider well their previous privilege, to value it, and ever be alert to preserve, practice, and defend it: Therefore be it

Resolved, That the Senate of the United States in 1949, reaffirm its devotion to the principle of religious freedom as embodied in and developed from the Maryland act of 1649; and urge upon the people of our Nation that they keep ever in mind the benefits in good will and good citizenship resulting from the general practice of toleration among the many religious, racial, and other groups whose combined contributions have made the United States the mighty leader of the freedom-loving peoples of the world.

MARCH 18, 1949—ADDRESS BY SENATOR THOMAS OF UTAH

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD a radio address entitled "March 18, 1949," delivered by him on April 6, 1949, which appears in the Appendix.]

HAVE WE A RESERVE SHELF OF PUBLIC WORKS?—ADDRESS BY GENERAL FLEMING, WITH A FOREWORD BY SENATOR DOUGLAS

[Mr. DOUGLAS asked and obtained leave to have printed in the RECORD an address entitled "Have We a Reserve Shelf of Public Works?" delivered by Maj. Gen. Philip B. Fleming, Administrator, Federal Public Works Agency, before the annual meeting of the Chicago Building Congress, Chicago, March 10, 1949, together with a foreword by himself, which appears in the Appendix.]

THE AMERICAN FARM BUREAU FEDERATION—EDITORIAL FROM THE OMAHA EVENING WORLD-HERALD

[Mr. WHERRY asked and obtained leave to have printed in the RECORD an editorial entitled "A Bow to the Bureau," relating to the American Farm Bureau Federation, published in the Omaha Evening World-Herald of April 5, 1949, which appears in the Appendix.]

COMPARISON OF POTENTIAL VOTERS AND ACTUAL VOTES CAST IN 1944 AND 1948

[Mr. BREWSTER asked and obtained leave to have printed in the RECORD a tabulation giving a comparison of potential voters and actual voters in 1944 and 1948, which appears in the Appendix.]

AMERICAN CONTRIBUTIONS TO EUROPEAN AID—EDITORIAL FROM THE BEDFORD DAILY TIMES-MAIL

[Mr. JENNER asked and obtained leave to have printed in the RECORD an editorial entitled "ECA Is Building Formidable Competitors," from the Bedford (Ind.) Daily Times-Mail, which appears in the Appendix.]

SOCIALIZED MEDICINE IN GREAT BRITAIN—EDITORIAL FROM THE BEDFORD DAILY TIMES-MAIL

[Mr. JENNER asked and obtained leave to have printed in the RECORD an editorial entitled "A British Doctor Discusses Socialized Medicine," from the Bedford (Ind.) Daily Times-Mail, which appears in the Appendix.]

EXTENSION OF EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 1209) to amend the Economic Cooperation Act of 1948.

Mr. MYERS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MYERS. I inquire what is the pending amendment?

The VICE PRESIDENT. The pending amendment is that offered by the Senator from Missouri [Mr. KEM], as modified. The question is on the amendment.

Mr. CONNALLY. Mr. President, I desire to speak for only a minute. I very much hope the Senate will vote down the amendment. Mr. Hoffman consulted me this morning, and he was in great distress over the amendment. He said it would be impossible for him to administer assistance if he is obliged to determine whether or not such assistance would indirectly enable participating countries "to acquire and operate in whole or in part any basic industry as a nationalized industry." Under the general terms of the bill he has complete authority to discontinue assistance in any country where he finds that it is not to the interest of the United States. When he supplies funds, it is extremely difficult to trace them and determine the indirect effects upon some of the plans of the recipient countries.

Very briefly, Mr. Hoffman says that although this amendment is directed toward nationalization in Europe, it would in fact undermine the entire recovery program, and that it would be a propaganda weapon given the Communists to claim that the Marshall plan is a device to control Europe.

Mr. President, I ask for a vote.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Missouri [Mr. KEM], as modified.

Mr. WHERRY. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. KEM. Mr. President, when one reads the newspapers, he can appreciate the ardent desire of the proponents of the bill to take it from the Senate floor. Yesterday there was quoted the statement of Dr. Edwin G. Nourse, Chairman of the Council of Economic Advisers to the President of the United States. This morning I read in the Washington Post the following:

> Later in the day Chairman CONNALLY, Democrat, of Texas, of the Senate Foreign Relations Committee, and Assistant Secretary of State Ernest A. Gross had a heated exchange over a report that the State Department intended to make public the arms-aid plan today. CONNALLY declared that publication of the plan would further delay Senate action on the ECA extension plan.

I ask this question: If the plan is ready, why should it not be made public? Are we to have only so much information as is good for us, or are we to have all the information which is relevant and material to this very important measure pending before the Senate today?

Mr. President, the press of England, with the characteristic British sense of fair play, has apparently given both sides of this debate. They have apparently proceeded on the theory that not only are the British people interested in what is said in favor of the pending measure, but that they have a legitimate and proper interest in what is said against it.

This morning I received in the mail a very interesting letter from Mrs. E. C. Clifford, of Halsdon Close, Exmouth, Devon, dated April 4, 1949. She says:

> I read with great interest enclosed cutting.

I now read the clipping enclosed in her letter, taken from an unidentified newspaper:

> Up sprang another Republican, Senator JAMES KEM, of Missouri, to complain that aid dollars are being used as slush fund to build up Britain's socialized industries and to popularize her Government for next year's general election.

I resume the reading of Mrs. Clifford's letter:

> How right you are. It's tragic that more of your Senators and people of the United States are not aware of the position in Britain—the Socialist Government is squandering the Marshall aid for their own ends—private enterprise killed—people frustrated and half starved. It's beyond my comprehension that Washington does not see what's going on—they seem blinded by false figures and soft talk of our Socialist leaders. Russia has had thousands of guns, hundreds of planes, etc., etc., sold to her by Britain—why? We shouldn't have needed the Marshall aid had the first loan been spent on production and giving the people freedom—today workers won't pull their weight for the reason of overtaxation—and no incentive. Luxury buildings going up all over the country as offices for Laborites, whilst thousands have no homes—and so it goes on—and Marshall aid is going to eventually ruin our country—helping on Socialist and dictator rule.

The statement of this lady in Devon is reminiscent of the statement of Mr. Winston Churchill, which was quoted here yesterday, that socialism is the handmaiden and the herald of communism.

Mr. President, I am perfectly willing that Members of the Senate vote on the pending amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Missouri [Mr. KEM], as modified. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Virginia [Mr. BYRD], the Senator from Washington [Mr. MAGNUSON], and the Senator from Nevada [Mr. MCCARRAN] are detained on official business.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

The Senator from Illinois [Mr. LUCAS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Arkansas [Mr. MCCLELLAN] is absent by leave of the Senate, presiding as president of the National Rivers and Harbors Congress, which is holding its annual meeting in Washington today.

If present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from North Carolina [Mr. GRAHAM], the Senator from Illinois [Mr. LUCAS], the Senator from Washington [Mr. MAGNUSON], and the Senator from New York [Mr. WAGNER] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN] and the Senator from Pennsylvania [Mr. MARTIN] are absent by leave of the Senate.

The Senator from Wisconsin [Mr. MCCARTHY] and the Senator from South Dakota [Mr. MUNDT] are absent on official business. If present and voting, the Senator from South Dakota [Mr. MUNDT] would vote "nay."

The Senator from New Jersey [Mr. SMITH] is absent because of illness. If present and voting, the Senator from New Jersey would vote "nay."

The Senator from Ohio [Mr. TAFT] is absent on official business. If present and voting, the Senator from Ohio would vote "nay."

The result was announced—yeas 20, nays 62, as follows:

YEAS—20

Brewster	Ellender	Malone
Bricker	Ferguson	Schoeppel
Bridges	Frear	Watkins
Butler	Hickenlooper	Wherry
Capehart	Jenner	Williams
Cordon	Kem	Young
Ecton	Knowland	

NAYS—62

Aiken	Hunt	Neely
Cain	Ives	O'Conor
Chapman	Johnson, Colo.	O'Mahoney
Chavez	Johnson, Tex.	Pepper
Connally	Johnston, S. C.	Reed
Donnell	Kefauver	Robertson
Douglas	Kerr	Russell
Downey	Kilgore	Saltonstall
Eastland	Langer	Smith, Maine
Flanders	Lodge	Sparkman
Fulbright	Long	Stennis
George	McFarland	Taylor
Gillette	McGrath	Thomas, Okla.
Green	McKellar	Thomas, Utah
Gurney	McMahon	Thye
Hayden	Maybank	Tobey
Hendrickson	Miller	Tydings
Hill	Millikin	Vandenberg
Hoey	Morse	Wiley
Holland	Murray	Withers
Humphrey	Myers	

NOT VOTING—14

Anderson	McCarran	Mundt
Baldwin	McCarthy	Smith, N. J.
Byrd	McClellan	Taft
Graham	Magnuson	Wagner
Lucas	Martin	

So Mr. KEM's amendment, as modified, was rejected.

Mr. BREWSTER. Mr. President, I call up my amendment B, which I have previously presented. It deals with advertising expenditures.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. At the proper place in the bill, it is proposed to insert the following:

> No funds authorized for the purposes of this act shall be allocated to or expended for any foreign government for the purpose of expenditures for the advertising of foreign products in this country nor for advertising foreign travel in this country.

Mr. CONNALLY. Mr. President, will the Senator from Maine be satisfied if I tell him that I will take his amendment to conference?

Mr. BREWSTER. I will be.

Mr. CONNALLY. I will do that.

Mr. BREWSTER. Is that on condition that I do not say anything about it?

Mr. CONNALLY. I am not insisting on that, but I would not complain if the Senator did not.

Mr. BREWSTER. Suppose I agree not to speak over 5 minutes.

Mr. CONNALLY. Of course, I may not give the amendment 5 minutes' attention in the conference. [Laughter.]

Mr. BREWSTER. Of course, I hope there may not be a problem about it in the conference, as a result of what I hope will be favorable action in the House of Representatives. However, aside from that, I very much appreciate the courtesy and consideration of the chairman of the Foreign Relations Committee in agreeing to take the amendment to conference. I should like to explain, as I have said, in less than 5 minutes what the amendment is all about.

The amendment simply deals with the expenditure of ECA funds for advertising in the United States of foreign products and foreign travel.

During the past year, this subject has been covered by what I would term a gentlemen's agreement that such advertising would not be done, and that agreement has been rigorously enforced. However, there is contemplation of a change, and that has given me great concern, as I am sure it has also given concern to the representatives of other areas of the United States which depend to a great extent upon recreation and tourist travel, whether in California, Florida, Texas, the State of Maine, or in New England generally.

My own State derives about $100,000,000 a year from tourist travel, and it is one of the principal factors in our economy. New England as a whole receives about $500,000,000 from the same source, and it is of great significance. Logically there is no reason, if tourist travel is one of the most effective means of restoring the balance of trade with Europe, why this should not be done; and the logic of it I think has led to its consideration; but when it comes to the use of ECA dollars in this way in direct competition with our own agencies in this country, both public and private, that are seeking to stimulate travel in our national parks and other places, it seems to be the consensus of many that it would be wiser to put a limitation of this character on advertisements concerning foreign travel. The advertising of foreign travel would logically be followed by the advertising of foreign products. I am sure that all the industries in this country that are seeking the consumer's dollar would have a just cause for complaint if ECA dollars were used directly in advertising the distribution of foreign products in this country, however much it might contribute to the rehabilitation of exchange. That is all I have to say.

Mr. TOBEY. Mr. President, will the Senator yield for a question?

Mr. BREWSTER. I am glad to yield.

Mr. TOBEY. It is merely a question I have as to the practicality of this action. Let us assume that England, or any other country, is receiving financial benefits from this country, and she has a certain amount of funds in her own budget to be used. The funds we give her might well release her own funds to use for this purpose, so that the net result would be nil, would it not, so far as the effect of the amendment is concerned?

Mr. BREWSTER. That is quite correct; that they could use any of what we call their free dollars.

Mr. TOBEY. Yes.

Mr. BREWSTER. But they have a good many uses for those free dollars.

Mr. TOBEY. There is no doubt of that.

Mr. BREWSTER. Mr. Hoffman is holding the matter down, and I think England will be far less liberal with her free dollars than with ECA dollars, so that I think this amendment will have a salutary effect. But, above all, it will have the effect that at least our great recreational areas will not feel that their own tax dollars are being used directly to stimulate travel in foreign countries.

Mr. TOBEY. But the Senator will agree with me, will he not, that there is a variable there?

Mr. BREWSTER. Yes.

Mr. CONNALLY. Mr. President, I accept the amendment, to go to conference. I make no hard and fast promise, but the committee is quite sympathetic with the Senator's view. I think he can safely trust to our good offices.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Maine [Mr. BREWSTER].

The amendment was agreed to.

Mr. BRIDGES. Mr. President, I send to the desk an amendment, which I ask to have read and immediately considered.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 4, between lines 19 and 20, it is proposed to insert the following:

(d) Section 115 (d) of such act is amended to read as follows:

"(d) The Administrator shall encourage each participating country to insure, by an effective follow-up system, that efficient use is made of the commodities, facilities, and services furnished under this title. In order further to insure that each participating country makes efficient use of such commodities, facilities, and services, and of its own resources, the Administrator shall encourage the joint organization of the participating countries referred to in subsection (b) of this section to observe and review the operation of such follow-up systems."

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. CONNALLY. The Senator from Texas, as chairman of the committee, is willing to accept the amendment under the same conditions he proposed with respect to the amendment of the Senator from Maine [Mr. BREWSTER], to take it to conference.

Mr. BRIDGES. I am very happy that the Senator will accept it, but I do not want to make a bargain here that may permit it to be thrown out.

Mr. CONNALLY. No; I am acting in good faith. I will take it to conference and give it a chance. There is a good deal of sympathy in the committee for the Senator's view. So I accept the amendment.

Mr. BRIDGES. Very well.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New Hampshire.

The amendment was agreed to.

Mr. BRIDGES. Mr. President, I now send to the desk another amendment offered on behalf of the distinguished Senator from Nevada [Mr. MCCARRAN] and myself, and ask that it be read.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 4, between lines 19 and 20, it is proposed to insert the following:

(c) Section 111 is further amended by adding at the end thereof a new subsection as follows:

"(d) In providing for the procurement of commodities under authority of this title, the Administrator shall take such steps as may be necessary to assure that such commodities or the containers thereof (including inner containers as well as outer packaging) are plainly, indelibly, and appropriately labeled by the supplier thereof in such manner as to indicate, by emblem and wording in the language of the recipient country, that the commodities have been supplied by the United States for European recovery. No payment shall be made by the Administrator under letters of commitment or other financial arrangements made with respect to the procurement of commodities under this title except upon receipt of an affidavit of the supplier, whether within or without the United States, that the requirements of this subsection have been complied with in the case of such commodities. The Administrator shall immediately commence negotiations with the several participating countries with a view to the inclusion in the respective bilateral agreements entered into with such countries in accordance with section 115 (b) of this title of provisions designed to insure the continuation of such labeling within each such country, of bulk raw materials including coal, grain, petroleum, oil lubricants, fibers packaged in bales, and metal and lumber-mill products of a semifinished nature."

Mr. BRIDGES. Mr. President, I want to say a few words on this amendment. The amendment, as the Senate can plainly see, has for its objective a more adequate labeling of American products sent under relief.

The lack of adequate labeling on products we have thus far delivered to Europe is shocking. Surely all of us are in agreement after our experience with UNRRA and other earlier foreign-aid programs that we should adopt the most practicable methods of gaining for this country the good will which we hope will come to us from the substantial sacrifices we are making in our efforts to bring economic stability to the remaining free countries of western Europe.

It seems to me that one of the best ways of accomplishing this in an inoffensive and yet effective manner is to require that our goods be so labeled as to carry the message of United States aid all the way to the great masses of people in Europe. This can be accomplished by appropriately labeling those agricultural commodities we give which these people eat, as well as the industrial goods and raw materials with which they have the means to work, and as a result of which their livelihood is assured and their recreation made possible.

Unfortunately, this matter of labeling has not been adequately handled so far.

In October 1948 the ECA established by regulation certain marking requirements for commodities furnished under the act. These marking requirements were made as a part of the revised regulation, which reads as follows:

SEC. 1111.13. Marking requirements: Commodities furnished under the act will be stamped, branded, tagged, stenciled, or labeled with the official ECA emblem, samples of which may be obtained from ECA, Washington, D. C. If it is not practicable to mark the commodities themselves in such manner, the containers in which the commodities are packaged will be so marked. The shipping containers, whether boxes, cases, barrels drums, hogsheads, or of other types, will also bear the official ECA emblem. The size of the ECA emblem may vary, depending upon the size of the commodity, package, or shipping container to be marked. In addition, the shipping containers will be stamped, branded, stenciled, or labeled, as follows:

"ECA----------
"(Procurement authorization No.)
"----------
"(Participating country)
"----------
"(Shipper's marks)"

The procurement authorized number and name of the participating country shall be in characters at least equal in height to the shipper's marks. The height of the ECA emblem on the shipping container should, wherever possible, be at least twice the height of the lettering used in the shipper's marks.

Any raw materials (including coal, grain, and petroleum, oil, and lubricants) not shipped in containers; fibers packaged in bales; and metal and lumber-mill products of a semifinished nature which are not packaged or crated are excepted from those marking requirements. If compliance with the provisions of this section is found to be impracticable with respect to other commodities, the participating country will promptly request ECA, Washington, D. C., for an exemption from the requirements of this section.

I think it is of some importance to note that throughout these requirements the words "practicable" and "impracticable" occur and reoccur, and that bulk materials, baled materials, and metal and lumber-mill products of a semifinished nature have been excepted from the marking requirements.

In addition to this, ECA's report on recovery progress of February 14, 1949, in discussing the question of labeling, at page 185, pointedly states that the responsibility of arranging for labeling has been placed on the importers in participating countries. The report further states that foreign representatives in Washington and abroad promised cooperation and that the ECA emblem appears on the goods themselves whenever practicable and on the containers in which they are shipped.

Furthermore, in many cases which have come to my attention it has not been considered practicable to label ECA goods because of the methods of procurement which have been authorized by ECA, particularly where ECA has financed procurement through Federal channels, such as the Department of Agriculture and, to a lesser extent, the Department of the Army.

It is my belief that we are losing a splendid opportunity to gain good will for this Nation through ERP in failing so far to require permanent, indelible, and adequate labeling of products which are being financed by our foreign-assistance funds.

When this country is furnishing money, when our people are going without certain articles which they need, and when they are making sacrifices to help countries abroad, I think it is very essential properly to mark the goods, and I think we are derelict in our duty if we do not adequately mark each product so that the recipients will know whence they came and who gave them.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield to the Senator from Utah.

Mr. WATKINS. Is there anything to identify the goods as coming from the United States of America?

Mr. BRIDGES. No.

Mr. WATKINS. Mr. President, will the Senator yield for a further question?

Mr. BRIDGES. I yield.

Mr. WATKINS. Why not add, following "ECA," the words "United States of America?" How many Europeans know what "ECA" means? I find thousands of Americans do not know what it means.

Mr. BRIDGES. That is what I am trying to make clear. We should identify these things. As I proceed, the Senator will see some of the cases which have come to our attention in which goods have been deliberately stripped of such tagging as they bore when they started out.

Mr. WATKINS. Mr. President, will the Senator yield further?

Mr. BRIDGES. I yield.

Mr. WATKINS. Does the Senator think it would be wise to have the words "United States of America" immediately following "ECA," so that the recipients will know what "ECA" means?

Mr. BRIDGES. I think that is an excellent suggestion.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. BRIDGES. I yield.

Mr. WHERRY. I should like to make a query of the distinguished Senator from New Hampshire. I would suppose, inasmuch as the goods are going to participating countries, that they would be fair about the labeling; but does the Senator recall the report made by those who investigated the situation in connection with the distribution of UNRRA food and other commodities which were distributed in Russian-occupied Austria? In that instance it was disclosed that on thousands of boxes of meat the English language had been painted out and the Russian language had been substituted? Does the Senator recall that in Russian-occupied Austria biscuits were distributed three or four at a time, so that the identification was lost and the United States got no credit at all?

Mr. BRIDGES. I do. That is a very interesting point. One of the most horrifying things to me, in going around Europe a year ago, was the fact that so many persons failed to understand whence this aid was secured. Having heard the stories of UNRRA and how American emblems and markings were removed and other markings substituted so the goods could be used to promote Communist dictatorship in those countries, it makes me all the more convinced that we should consider this matter in a practical way. I do not see how any Senator who has taken his oath of office can object to seeing his country receive proper credit for the things we are giving as a result of our own sacrifice, both in money and in substance. I cannot imagine how any Senator could rise and try to put a quietus on a proposal to provide proper labeling of American products. We are giving without stint. We are putting no qualifications upon the gifts. We are asking only that they be marked properly and adequately so that the people to whom the goods are going may know whence they come and who is making the contribution.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. BRIDGES. I yield.

Mr. WHERRY. Did the Senator interrogate anyone in the area I have mentioned—I was in Russian-occupied Austria—to ascertain whether those who distributed the food and other commodities knew whence they came?

Mr. BRIDGES. That is one of the things which I am glad the Senator has brought out. It was difficult to understand. Not only were the recipients of the food and other supplies ignorant of their source, but the people who distributed them either did not know or did not want to know whence they came. That is a terrible condition. It shows a complete break-down of our ability to make the people understand from whom the goods come. We appropriate millions of dollars for the Voice of America to tell other nations what we are doing, and we appropriate billions of dollars under ECA, but do not adequately label the goods. The people get something tangible to eat, something tangible to wear, and that is much more effective than an intangible, vague word from the Voice of America. I think the Voice of America is doing a good job, but I think that here is a place where something tangible can be done directly, and I think it is one of the things we should consider. I cannot imagine why anyone should object to having America get the benefit of the good will of the recipients of these goods.

Mr. WHERRY. Mr. President, will the Senator yield for one more question?

Mr. BRIDGES. I certainly will.

Mr. WHERRY. What language would be used to carry out the purpose suggested by the distinguished Senator? Would the language of the recipient country be used?

Mr. BRIDGES. I would use both languages. I think, in order to be effective, we should use not only the English language, but the language of the recipient country, and we should use, perhaps, as an emblem, the American Flag. Certainly we should use the words "United States of America." Even "U. S. A." might bring about the desired result.

Under the constant surveillance of ECA's mission personnel and investigators of the joint committee on foreign economic cooperation, labels describ-

ing by emblem and wording in the language of the recipient country should be affixed to the products delivered in such a way as to prevent either removal, painting out, or substitution. Tags and painted shields are not enough.

Cans and metal products should be impressed with ERP shields, with descriptions in appropriate foreign languages. Likewise, grain, coal, and other bulk commodities delivered to participating countries by way of gift or loan should have not only the ship delivering them plainly marked, but also the freight cars which carry the products from dockside to consuming points should have the source of their contents indicated perhaps by removable metal shields on the outside of the cars. In the case of further storage within participating countries, the storage points themselves should be equally well marked.

Whatever added expense is necessary to accomplish an effective and indelible labeling program is surely justifiable in the interest of insuring that the people who receive our goods know their source. And as the goods continue to be used in their economy, they should know from day to day that the machines they work with or the raw materials they process are supplied by the United States of America for their own recovery.

Let me give a few examples of weaknesses in this labeling program. Great quantities of flour bags and other commodities have gone to Europe with no labels at all, and where labels have been used, in many cases removable tags in English have been fastened to flour and peanut bags. These tags are easily torn off; in fact, a shipment of peanuts that arrived in a certain European country recently—and this our investigator personally checked—was unloaded at dockside without labels, and when an investigator went on board the ship to look into the situation, he found all the labels in the bottom of the hold. They had been torn off the bags in transit, probably by members of the crew who were pro-Communist, and unsympathetic to our efforts to help this country. That is a condition which we must face.

A large number of freight cars arrived at another port in one of the ERP countries without labels on them, and considerable difficulty was encountered in attempting to have the freight cars properly labeled within the participating country because of threats of sabotage and general resistance to steps to advertise the United States foreign-aid program.

It does little good to label outer packaging without also labeling the inner containers. The outer packaging is soon thrown away or in too many cases is seen only by wholesalers or freight forwarders. Likewise it is ineffective to label in the English language when the great mass of people within the European countries cannot read English, or to contend that shipping symbols on commodities without the shield and without sales appeal furnish adequate labeling.

The message of our aid should be carried to the ultimate consumer in an attractive, appealing way. Placing the labeling responsibility on foreign importers within participating countries is an absurd way of insuring effective labeling. The primary concern of seeing that the people know the truth about our help is our own, and the responsibility should be that of the administrator, and not be passed on to foreign representatives.

I, for one, am a person who believes in economy. No Member of this body over the years has fought harder for economy than have I, but I do not know of an expenditure which could be made more appropriately than to use some money for the proper labeling of American goods which we are pouring into the participating countries. I think it could be one of the most worthwhile things we could do.

The bilateral agreements with each of the participating countries contain provisions in which participating countries agree to give full publicity to the objectives and progress of ERP, and to actions taken in furtherance of ERP. Information which has come to several of us from many sources indicates a disappointing lack of cooperation on the part of participating governments under these terms of the bilateral agreements, particularly with regard to labeling.

The language of the bilateral agreements on publicity is quite general. I quote from the provisions of the bilateral agreement with France on this point:

ARTICLE VIII. PUBLICITY

1. The Governments of the United States of America and France recognize that it is in their mutual interest that full publicity be given to the objectives and progress of the joint program for European recovery and of the actions taken in furtherance of that program. It is recognized that wide dissemination of information on the progress of the program is desirable in order to develop the sense of common effort and mutual aid which are essential to the accomplishment of the objectives of the program.

2. The Government of the United States of America will encourage the dissemination of such information and will make it available to the media of public information.

3. The Government of France will encourage the dissemination of such information both directly and in cooperation with the organization for European economic cooperation. It will make such information available to the media of public information and take all practicable steps to ensure that appropriate facilities are provided for such dissemination. It will further provide other participating countries and the organization for European economic cooperation with full information on the progress of the program for economic recovery.

4. The Government of France will make public in France in each calendar quarter, full statements of operations under this agreement, including information as to the use of funds, commodities and services received.

Mr. President, in the face of reports from responsible sources indicating that substantial quantities, and in some cases 90 percent, of all our goods have been moved to Europe unlabeled, or improperly or inadequately labeled, I believe that the amendment which is proposed by the distinguished Senator from Nevada [Mr. McCARRAN] and myself is essential.

The Congress of the United States bears some responsibility in this matter. When the Congress votes to give away our substance and our money—and I have joined in it because I believed in the objectives and the purposes of the ECA Act—if the Congress is to bear its full responsibility it must see to it, as a part of its obligation, that the supplies and the equipment are adequately marked.

Mr. President, the proposed legislation should make certain to the maximum extent possible that the message of American good will flows from the little people of America to the little people of Europe. We know that over there the press and radio do not reach a large part of the great mass of people. We know that the sooner a businesslike basis is achieved in this operation the sooner we will gain the respect of our partners across the sea, as well as the establishment of a European recovery operation which more nearly approaches the basic congressional intent.

The workers in a large European country are being told day after day by the Communists that all this activity by the United States is leading up to a day when the United States will take their country over. As ridiculous as it sounds, the susceptibility of these workers is such that this type of argument needs rebuttal by something more than an occasional printed manuscript, colored circular, or radio broadcast. The things these men and women receive to make their own living more endurable, the things which go into their factories or on their farms, the raw materials on which they work for their living—all these should be labeled to show where the goods and materials come from. They should be labeled so brightly, so vividly, so plainly, so legibly, and so indelibly in their own language that our message cannot be misinterpreted or destroyed.

As the European recovery program moves on into the second year of operation an increasing amount of industrial machinery, motor vehicles, engines, turbines, and agricultural equipment, as well as industrial raw materials, are moving to Europe. These heavy items should be dye-stamped with our message. They should be so prepared at source as to prevent the removal or destruction of the label without also wrecking the equipment.

If some retooling or an additional assembly line step is needed to accomplish this, such a course should be taken now. If the Economic Cooperation Administration is utilizing methods of procurement which preclude the possibility of adequate labeling, these methods should be modified to permit compliance with these essential objectives.

Therefore, Mr. President, I offer an amendment to the Foreign Assistance Act which is designed to shift the responsibility for labeling from the importers in participating countries to the suppliers of the goods financed by ECA. The amendment provides that these suppliers may obtain payment under letters of commitment or other financial arrangements only by giving an affidavit that the labeling requirements set forth have been complied with. Since this is an affidavit used in connection with procuring payment from the Federal Government, the penalties of perjury apply

and violation will be a very serious matter indeed.

The amendment provides also that inner containers, as well as outer packaging, shall be plainly, indelibly, and appropriately labeled by suppliers so as adequately to show, by emblem and wording in the language of the recipient country, that the goods and commodities have been supplied by the United States for European recovery. It also directs the Administrator to start immediately negotiations with the several participating countries with a view to insuring the continuation of appropriate labeling in the receipt, storage, and distribution of bulk raw materials after their arrival within these countries.

I cannot overstress the importance of this matter. I can think of nothing more essential to an effective spreading of the message of American aid within European countries than an intelligent, effective, and widespread labeling program. If it requires a larger administrative expense, and for this reason something less in the dollar program for participating countries, I submit that it is worth it to help sell our American foreign policy in this way. If we fail to get the credit for this program with the great masses of people in Europe who are peculiarly susceptible to the Communist propaganda of American imperialism—if we do not built up a reservoir of good will with these great masses of good people—it seems very doubtful as to whether the record of our European recovery effort will have overcome the "calculated risk" of failure to get the truth to cur European friends.

Mr. President, we now come to a very simple matter, namely, do we want the goods our country sends abroad adequately labeled so that we can get the reciprocal good will which the pouring out of our sacrifices deserves from the recipients? On that issue I think the Senate can make only one answer.

Mr. PEPPER. Mr. President, the able chairman of the Committee on Foreign Relations, the Senator from Texas [Mr. CONNALLY], had to absent himself from the Chamber for a little while, and he asked that I say a few words about the pending amendment in behalf of the Committee on Foreign Relations.

All of us are sympathetic with what the Senator from New Hampshire has in mind, and the objective, of course, is certainly an excellent one, that the peoples in Europe should know that the ECA supplies are being sent by the United States. However, the Senator from New Hampshire, I am advised by the ECA officials, would, by his amendment, impose certainly the impracticable, if not the impossible, administratively, upon the ECA authorities.

The Senator from New Hampshire has already read the labeling requirements which are in force and effect by order of the ECA authorities, but let me read them again for the information of the Senate. This is headed "Marking requirements," and reads:

Commodities furnished under the act will be stamped, branded, tagged, stenciled, or labeled with the ECA emblem, samples of which may be obtained from ECA, Washington D. C.

I interpolate to say that if Senators have on their desks copies of the European recovery progress report they will see the ECA symbol. It is a striking symbol. There appear on it in large letters the words:

For European recovery.

Under which also in large letters are the words:

Supplied by United States of America.

That symbol is attached by the ECA authorities under regulations now in effect to every article to which it is practicable and possible to attach that emblem.

I read further from the regulations of ECA:

If it is not practicable to mark the commodities themselves in such manner, the containers in which the commodities are packaged will be so marked.

I may interpolate again and say that wherever it is practicable and possible to do so this emblem itself is imprinted upon the article. When it is impracticable to imprint the emblem upon the article then the emblem is imposed upon the container of the article.

Again I repeat the words appearing on the emblem:

For European recovery.
Supplied by United States of America.

Those words appear on the striking ECA emblem.

I read further from the ECA regulations:

The shipping containers, whether boxes, cases, barrels, drums, hogsheads, or of other type, will also bear the official ECA emblem.

That is the one to which I have just referred.

The size of the ECA emblem may vary depending upon the size of the commodity, package, or shipping container, to be marked. In addition, the shipping containers will be stamped, branded, stenciled, or labeled as follows.

Mr. President, that is in addition to the ECA emblem which is affixed either to the article or to the container of the article.

In addition, the shipping containers will be stamped, branded, stenciled, or labeled as follows:

ECA ----------
(Procurement authorization No.)

(Participating country.)

(Shipper's marks.)

The procurement authorization number and name of the participating country shall be in characters at least equal in height to the shipper's marks. The height of the ECA emblem on the shipping container should, wherever possible, be at least twice the height of the lettering used in the shipper's marks.

Then it proceeds to provide with respect to raw materials, Mr. President:

Any raw materials (including coal, grain, and petroleum; oil and lubricants) not shipped in containers; fibers packaged in bales; and metal and lumber mill products of a semifinished nature which are not packaged or crated are excepted from these marking requirements.

I interrupt the reading to say that obviously we cannot put labels on oil and lubricants. We cannot put a label on each piece of coal which is sent over there. Whenever the foods are placed in containers, of course, the emblem is attached. But when they are not in containers, when they are shipped in bulk, how in the world is the emblem or the identification to be placed upon the material shipped?

Mr. WHERRY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. TYDINGS in the chair). Does the Senator from Florida yield to the Senator from Nebraska?

Mr. PEPPER. I yield.

Mr. WHERRY. May I ask the distinguished Senator from Florida if it would not be possible to place emblems on box cars or on tank cars, or any other conveyance? I know that the first train load of UNRRA supplies delivered into Wienerneustadt had on the engine the flag of a certain country, and on the box cars were pictures of the dictator of that country, and his name, and other statements. Inasmuch as the train came from the East it gave the impression that the supplies came from that country, and not from UNRRA.

Mr. PEPPER. Mr. President, I am informed that the practice of placing the emblem on conveyances is observed administratively in many instances. Wherever practical the emblem is placed on boxcars and other shipping containers. In other words, the ECA thoroughly agrees with the objective the Senator from New Hampshire has in mind, and in every way practicable and possible that objective is being carried out.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. PEPPER. I yield.

Mr. WHERRY. The last statement made by the Senator from Florida is a general statement. I have read the report from which the Senator is reading. I know what the ECA emblem is. If we believe we are receiving full value from the money we are spending on the Voice of America it seems to me we could go much further than we have done in labeling or accomplishing the purposes for which the Senator from New Hampshire has offered his amendment. Conditions now are perhaps much better than when ECA was originally organized. But I may say to the distinguished Senator from Florida, that aside from the ECA emblem I did not see anything to identify ECA products being distributed in Europe. I ask the Senator from Florida if he does not feel it would be possible and practicable to make definite identification of the products being distributed by ECA, in connection with shipments of grain, boatloads of oil, tankers of oil, boxcars of coal, and so forth? I agree that the small emblem is placed on containers. Even the boxcars have the small emblem on them. But the amendment calls for a different form of publicity which I feel is practicable, and I believe it certainly would carry with it a message which has not been carried unless the practice has been changed in the last few months.

Mr. PEPPER. Mr. President, there is no fundamental difference between the

Foreign Relations Committee and the Senator from New Hampshire or the Senator from Nebraska. The difficulty about the amendment is that it is utterly impracticable in many cases, and in other cases it would have a very obstructive effect upon the program. Let me point out some such cases. The amendment of the Senator from New Hampshire provides:

In providing for the procurement of commodities under authority of this title, the Administrator shall take such steps as may be necessary to assure that such commodities or the containers thereof (including inner containers as well as outer packaging) are plainly, indelibly, and appropriately labeled—

And so on. The Senator from New Hampshire does not take into account the utter impossibility or impracticability of complying with that provision of his amendment. That is the weakness of the amendment. The regulations provide the same thing. I read again from the regulations:

Commodities furnished under the act will be stamped, branded, tagged, stenciled, or labled with the official ECA emblem, samples of which may be obtained from ECA, Washington, D. C.

That is a flat requirement, but the matter of practicability is recognized in the following sentence:

If it is not practicable to mark the commodities themselves in such a manner, the containers in which the commodities are packaged will be so marked.

Then it provides further on:

Any raw materials (including coal, grain, and petroleum; oil and lubricants) not shipped in containers; fibers packaged in bales; and metal and lumber mill products of a semi-finished nature which are not packaged or crated are excepted from these marking requirements.

But, Mr. President, the matter of practicability, of course, has to be taken into account when a great program such as this is being carried forward. I said the adoption of the amendment would also have the effect of obstructing the carrying out of the program. The amendment of the able Senator from New Hampshire provides that there must be an affidavit showing compliance with his amendment before payment can be made by the recipients of the commodities. I read from page 2 of the amendment, line 2, as follows:

No payment shall be made by the Administrator under letters of commitment or other financial arrangement made with respect to the procurement of commodities under this title except upon receipt of an affidavit of the supplier, whether within or without the United States, that the requirements of this subsection have been complied with in the case of such commodities.

Mr. President, many manufacturers of commodities which go into the program, when they manufactured the commodities did not know they were going into the program for Europe. They did not place on the container, upon the little can, for example, these markings; and to pull the various receptacles and containers back out of the channels of delivery in which they might already be moving, and place these labels on them, as the Senator from New Hampshire would have them do, would be an utterly impracticable and a very expensive process. Or if such procedure should take place when the goods reach the other side, or if an endeavor should be made to catch them wherever they are in transit and put them through the process of labeling them as the Senator's amendment makes mandatory, whether practicable or not, that again, Mr. President, would delay the delivery of these articles and commodities and at the same time would be a matter of great expense in the administration of the program.

I have before me several photographs showing the emblem and markings as they appear on box cars. These are photographs of railroad box cars which are moving ECA commodities. Senators will see the large ECA emblem. I am sure that they can see, even from a distance, the ECA emblem on the outside of those box cars. That is simply an enlargement of the ECA emblem which appears on all ECA literature. Here is one on the back of the European recovery program progress report:

For European Recovery: Supplied by the United States of America.

This is all being done without the amendment of the Senator from New Hampshire, but to carry out the same objective which the able Senator from New Hampshire hopes to achieve. So everything practicable and possible which the Senator would like to have done, and everything which can be done without inordinate delay or expense, is already being done by the ECA authorities.

The same thing applies to commodities. One of the photographs before me is from the New York Times of Tuesday, November 9, 1948. Underneath the picture there is printed the following:

Maj. Gen. Charles P. Gross, Deputy Chief of the Bipartite Control Office, Transport Group, addressing gathering of Germans at Furth im Wald, near the Czechoslovak border, where 75 freight cars, the first consignment of 3,400 to be purchased from Czechoslovakia for western Germany, were delivered. Some of the cars can be seen at the station. The sign reads, "America Is Helping to Build up Europe. These freight cars supplied by the Marshall plan."

That is what the Senator from New Hampshire has in mind. That is what is already being done over there. I am sure that scrutiny and close inspection would not disclose a single case in which the ECA is not, by every practicable and feasible method, attempting to carry out the program of identification which the Senator from New Hampshire has in mind.

Another photograph in the group of exhibits which I have before me shows an American steam shovel in Germany. It has an American flag on it. Also upon the steam shovel is a marking showing that it is being supplied by the United States under the Marshall plan.

The amendment of the Senator from New Hampshire would provide as follows:

The Administrator shall immediately commence negotiations with the several participating countries with a view to the inclusion in the respective bilateral agreements entered into with such countries in accordance with section 115 (b) of this title of provisions designed to insure the continuation of such labeling within each such country, of bulk raw materials including coal, grain, petroleum, oil, lubricants, fibers packaged in bales, and metal and lumber-mill products of a semifinished nature.

In the first place, under the law it is not the ECA Administrator, but the Secretary of State, who negotiates such bilateral agreements. I am sure the Senator would not want to change the basic law, under which these agreements are negotiated by the Secretary of State, and not by the ECA Administrator.

In the second place, the provisions of the Senator's amendment in that respect would simply be impracticable, if not impossible of performance. I wish it were possible for the Senator to be satisfied with the regulation which is already in effect, because ECA feels that it has gone as far as is feasible and practicable in identifying all these products as having been supplied by the United States for the recovery of Europe under the Marshall plan. We are all agreed in the objective, but ECA feels very strongly—and it is the sentiment of the committee that they are right—that the Senator's amendment would impose upon them burdens and difficulties which would delay consumation of the delivery of these commodities and make the handling of them in literal compliance with the Senator's amendment more expensive than the present system. For example, he would require an affidavit to be supplied before payment could be made. That would impose a mass of red tape and bookkeeping which would very much obstruct and delay the carrying out of the of the program.

I therefore hope, on behalf of the committee, that the amendment of the Senator from New Hampshire will not be adopted.

Mr. BRIDGES. Mr. President, I should like to say just a word in reply to the remarks of the Senator from Florida.

This is a very simple amendment. It has to do with the question whether or not we want to have the goods, supplies, and equipment which we are furnishing to people in other lands at a sacrifice to ourselves properly labeled. If a Senator objects to proper labeling, to be consistent he should oppose all appropriations for the Voice of America, or any other agency which spreads the goodwill message of America. If there is any way in which good will can be spread in a tangible way, it is when we are giving something to someone else. That is a great deal more effective than the intangible results of radio broadcasts. I am for the Voice of America. I am for the European recovery program; but I want my country protected first. Second, I want my country to get the benefit of the good will which will come as a result of this program.

Mr. President, if we do not make such labeling mandatory, I think we are taking a very stupid position. I cannot understand why a Senator, representing his country as against the other countries on the face of the earth, would not take great pride in making it mandatory, when his country gives of its substance

to people in other lands, that the goods and commodities be properly labeled, so that the recipients will know where they come from.

Mr. MALONE. Mr. President, will the Senator yield for a question?

Mr. BRIDGES. I yield.

Mr. MALONE. I ask the distinguished Senator from New Hampshire if there is at this time any mandatory provision, either implied or actual, in the bill or in the act, which requires such marking?

Mr. BRIDGES. There is a labeling provision in the act, but it is not effective. The amendment which I propose would make labeling mandatory and effective. Under the present provision the requirements are so indefinite that it is possible to avoid compliance with the law.

Mr. MALONE. Mr. President, will the Senator further yield?

Mr. BRIDGES. I yield.

Mr. MALONE. As I understand the Senator, there is no mandatory provision in the act on this subject?

Mr. BRIDGES. That is correct. There is the following provision in the regulations:

> Commodities furnished under the act will be stamped, branded, tagged, stenciled, or labeled with the official ECA emblem, samples of which may be obtained from ECA, Washington, D. C. If it is not practicable to mark the commodities themselves in such manner, the containers in which the commodities are packaged will be so marked.

The language "If it is not practicable" allows opportunity for avoiding the requirement. The burden is placed on the importers. I think the distinguished Senator from Nevada will agree with me that when we are spending many billion dollars on this program we can make no more effective use of a portion of the funds than by properly labeling the goods and commodities which we send to the people of other lands.

Mr. MALONE. Mr. President, will the Senator further yield?

Mr. BRIDGES. I yield.

Mr. MALONE. Is it not true that during lend-lease days there was considerable complaint because lend-lease equipment was relabeled in Russia, England, and elsewhere, to make it appear that the recipient nations were being furnished such equipment from sources other than the United States?

I ask the distinguished Senator whether this amendment would simply follow through, so that in the case of any help or assistance rendered in peacetime, the same complaint could be overcome with some definiteness.

Mr. BRIDGES. That is correct; the Senator is correct in that assumption.

Mr. KEM. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MURRAY in the chair). Does the Senator from New Hampshire yield to the Senator from Missouri?

Mr. BRIDGES. I yield.

Mr. KEM. Would the distinguished Senator from New Hampshire permit me to say that at the last session, when the ERP bill was under consideration in the Senate, I submitted an amendment not unlike that of the Senator from New Hampshire. The purpose of my amendment was to have all the goods and materials which went to foreign countries under the Marshall plan labeled so as to show that they came from America and were the free gifts of the American people.

Would the Senator further permit me to say that my amendment was accepted by the committee and was adopted by the Senate, but was eliminated in the conference; and would the Senator further permit me to say that I indulge in the hope that his amendment will have better luck than mine.

Mr. BRIDGES. I thank the Senator. Mr. President, the point which I wish to stress is this: The Senator from Florida has stated that it will be a hardship to carry out the provisions of my amendment, but that, speaking for the Foreign Relations Committee, he agrees with the objective of the amendment. Mr. President, even though the Senator from Florida says it would be a hardship to carry out the provisions of the amendment, and even admitting for the moment that it would be a hardship—although I do not believe it would be—what if it were a hardship and what if it did add a little burden on the ECA? Why should not we place on the ECA that slight extra burden, which perhaps might involve a little cost, so that we in America who are making this great contribution of our money, the proceeds of the taxes we pay, this great contribution of our goods and the production of our labor, will receive a little credit for that contribution when those goods go all over the world? That is why I propose my amendment, so that the people of other lands which receive our goods under the ECA plan will have some idea of what we do for them.

Mr. President, as I stand here on the floor of the Senate, I say to you that those of us who, for a while—up until last November, at least—were chairmen of some of the Senate committees and who aided in putting through these programs, thought we were going to make an adequate attempt to label American contributions and see to it that we in America received credit when credit was due. But it has simply been shocking to me to receive reports that a large percentage of these goods go to foreign persons who have no idea in the world where the goods come from; and then we spent millions of dollars on The Voice of America, in an effort to spread good will for the United States, whereas we are passing up the opportunity of producing, in a very practical and very tangible way, good will for the United States on the part of some of the persons, at least, who will receive our contributions. At least they will be thankful for what we do for them, if my amendment is adopted; and my amendment would convey that information directly to them, rather than by reliance upon words scattered over the air waves.

Mr. KEM. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. KEM. I should like to ask the Senator whether an article entitled "ECA and France," or bearing some such title, appearing in the current issue of the magazine Fortune, has come to his attention.

Mr. BRIDGES. I have not read it, but I have heard of it. I would be very much interested in knowing what it says.

Mr. KEM. I do not happen to have the article with me; but as I recall, the writer tells of an investigation he made among the rank and file of the people of France, the common people there, as to their opinion of Uncle Sam and the Marshall plan. He found that the great majority of the people there were in utter and abysmal ignorance of that fact that a vast amount of goods and commodities of many kinds were coming to the people of France as the free gift of the American people. He said that a typical French farmer said, "I buy what I get. I pay for everything I get. Why do you say this is a gift from the American people?"

For instance, one farmer said to him, "I bought an American tractor, but I paid 300,000 francs for it"—or whatever the exact figure may have been; I do not recall it exactly. "So why do you say it is a gift from America?"

Obviously, Mr. President, if that tractor carried on it a label stating that it was a gift of the American people, then the people of France would not be envious of America and would not have the feeling of ill-will toward America and Americans which the writer of the article reports.

Mr. BRIDGES. Certainly.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hoey	Murray
Anderson	Holland	Myers
Brewster	Humphrey	Neely
Bridges	Ives	O'Conor
Butler	Johnson, Colo.	Pepper
Cain	Johnson, Tex.	Robertson
Capehart	Johnston, S. C.	Russell
Chapman	Kefauver	Saltonstall
Connally	Kem	Smith, Maine
Donnell	Kerr	Sparkman
Douglas	Knowland	Stennis
Eastland	Langer	Taylor
Ellender	Lodge	Thomas, Okla.
Flanders	Long	Thomas, Utah
Frear	McCarran	Thye
Fulbright	McFarland	Tobey
George	McKellar	Tydings
Gillette	McMahon	Vandenberg
Green	Maybank	Wherry
Gurney	Miller	Williams
Hickenlooper	Millikin	Withers
Hill	Morse	Young

The PRESIDING OFFICER (Mr. THOMAS of Oklahoma in the chair). Sixty-six Senators having answered to their names, a quorum is present.

Mr. HILL subsequently said: Mr. President, I failed to state on the previous quorum call that the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Kansas [Mr. SCHOEPPEL], and myself were attending an important meeting of a subcommittee of the Senate Committee on Appropriations. That is the reason we did not answer the quorum call. I ask that this statement may appear immediately following the quorum call.

Mr. DONNELL. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. DONNELL. I wish to reserve the right to object. I inquire whether or not the Senator from Alabama is asking that, either directly or impliedly, the names of the Senators whom he has listed should be included as having been present at the roll call, or whether or not the statement was to be appended, as I understood him to say, after the roll call, without any intimation or request that they be included in such call.

Mr. HILL. Mr. President, it was not the intention of the Senator from Alabama, directly, impliedly, by innuendo, implication, or otherwise, to request in any way, shape, fashion, manner, or form, that the names of the Senators referred to by the Senator from Alabama be placed on the roll.

Mr. DONNELL. There is no objection, Mr. President.

The PRESIDING OFFICER. Without objection, the request of the Senator from Alabama will be complied with.

The question is on agreeing to the amendment offered by the Senator from New Hampshire [Mr. BRIDGES], on behalf of himself and the Senator from Nevada [Mr. MCCARRAN].

Mr. BRIDGES. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BRICKER (when his name was called). On this vote I have a pair with the junior Senator from Wisconsin [Mr. MCCARTHY]. If he were present he would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote.

The roll call was concluded.

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD] is absent on official business.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

The Senator from Illinois [Mr. LUCAS] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Arkansas [Mr. MCCLELLAN] is absent by leave of the Senate, presiding as President of the National Rivers and Harbors Congress, which is holding its annual meeting in Washington today.

If present and voting, the Senator from North Carolina [Mr. GRAHAM], the Senator from Illinois [Mr. LUCAS], and the Senator from New York [Mr. WAGNER] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN] and the Senator from Pennsylvania [Mr. MARTIN] are absent by leave of the Senate.

The Senator from Kansas [Mr. REED] is unavoidably detained.

The Senator from New Jersey [Mr. SMITH] is absent because of illness. If present and voting, the Senator from New Jersey would vote "nay."

The Senator from Ohio [Mr. TAFT] is absent on official business. If present and voting, the Senator from Ohio would vote "nay."

The Senator from Wisconsin [Mr. MCCARTHY] is detained on official business, and his pair has been formerly announced by the Senator from Ohio [Mr. BRICKER].

The Senator from South Dakota [Mr. MUNDT] is absent on official business. If present and voting, the Senator from South Dakota [Mr. MUNDT] would vote "nay."

The result was announced—yeas 26, nays 57, as follows:

YEAS—26

Brewster	Jenner	Millikin
Bridges	Johnson, Colo.	Russell
Butler	Kem	Schoeppel
Cain	Knowland	Tobey
Capehart	Langer	Watkins
Ecton	McCarran	Wherry
Ferguson	McFarland	Williams
Hendrickson	Malone	Young
Hickenlooper	Maybank	

NAYS—57

Aiken	Hill	Murray
Anderson	Hoey	Myers
Chapman	Holland	Neely
Chavez	Humphrey	O'Conor
Connally	Hunt	O'Mahoney
Cordon	Ives	Pepper
Donnell	Johnson, Tex.	Robertson
Douglas	Johnston, S. C.	Saltonstall
Downey	Kefauver	Smith, Maine
Eastland	Kerr	Sparkman
Ellender	Kilgore	Stennis
Flanders	Lodge	Taylor
Frear	Long	Thomas, Okla.
Fulbright	McGrath	Thomas, Utah
George	McKellar	Thye
Gillette	McMahon	Tydings
Green	Magnuson	Vandenberg
Gurney	Miller	Wiley
Hayden	Morse	Withers

NOT VOTING—13

Baldwin	McCarthy	Smith, N. J.
Bricker	McClellan	Taft
Byrd	Martin	Wagner
Graham	Mundt	
Lucas	Reed	

So the amendment offered by Mr. BRIDGES (for himself and Mr. MCCARRAN) was rejected.

Mr. KEM. Mr. President, I offer the amendment, which I send to the desk and ask to have stated, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Missouri.

The CHIEF CLERK. On page 4, between lines 19 and 20, it is proposed to insert the following:

(c) Section 111 of such act is further amended by adding at the end thereof a new subsection as follows:

"(d) No assistance shall be furnished under this act to any participating country until such country has eliminated any currency controls imposed by it that prevent its currency from reflecting its actual purchasing power in terms of the United States dollar on the free monetary market of the world."

CONTROL OF CURRENCIES IN EUROPE

Mr. KEM. Mr. President I think there is a proposition on which we can generally agree:

All of the dollars in the world cannot of themselves cure the economic ills of the 16 Marshall-plan countries. Until European countries permit their currencies to seek their true value, as expressed in terms of goods and services, the demand for our sound dollars will remain unabated.

This was said in the debate on the ERP measure when it was pending in the Senate about a year ago.

It is a truism that the most important basic difficulty confronting western Europe was then, and still is, the refusal of the countries now participating in the Marshall plan to permit their currencies to seek their true value with respect to the American dollar and other currencies in the free monetary markets of the world. Last year the Congress, at the time it approved the Economic Cooperation Act of 1948, made known its belief that the participating countries should put their financial houses in order. Section 102, subsection (b), of the act stresses that the participating countries should make individual and concerted efforts to become independent of extraordinary outside economic assistance within the period of the operations under the law by "furthering the restoration or maintenance of the soundness of European currencies, budgets, and finances."

Section 115 (b) of the same law provides:

In addition to continued mutual cooperation of the participating countries in such a program, each such country shall conclude an agreement with the United States in order for such country to be eligible to receive assistance under this title. Such agreement shall provide for the adherence of such country to the purposes of this title and shall, where applicable, make appropriate provision, among others, for—

* * * * *

(2) taking financial and monetary measures necessary to stabilize its currency, establish or maintain a valid rate of exchange.

Mr. President, in spite of these two seemingly mandatory provisions of the law, the countries of western Europe have not yet permitted their currencies to seek their true value in the world market. ECA officials have made it clear that this problem is one of the most serious and important with which they have to contend.

What is more important, they have made it clear that the deadline for action is near at hand. Richard M. Bissell, Jr., Assistant Deputy Administrator of ECA, testified before the Senate Committee on Foreign Relations on February 14 last. Mr. Bissell stated, with reference to the necessity of stabilizing the currencies of the participating countries:

I think we should set that as our goal to have by the end of fiscal 1950 at the very latest, because after currency stabilization has been achieved, and quite probably some changes in exchange rates have been carried through, after those things have been done there is still a job of promoting expanding European exports that has to be done before these countries can financially stand on their own feet. I think, unless we achieve these financial objectives in the next year, we will achieve them too late to come out at the end of the ERP period with a self-supporting western Europe.

So, Mr. President, the officials charged with the duty and responsibility of implementing and carrying out the ERA program have put the Congress on notice that unless something is done about the problem of stabilizing the currencies of western Europe, and done now, we cannot reasonably expect that the ERP program will be accomplished within the 4-year period which we have set for ourselves.

Not only have the officials of the ECA put us on notice, but the Secretary of the Treasury has put us on notice. In his testimony before the Senate committee on February 16, the Honorable John W. Snyder, Secretary of the Treasury, bluntly stated:

> Without financial stability, participating countries will be unable in 1952 to balance their accounts without dependence upon extraordinary United States assistance.

Mr. President, calling this a 4-year plan should not be just a device of those who favor it to catch votes. If we are in earnest about reaching our objective in a period of 4 years, then we must do something about the problem of stabilizing the currencies of the various countries of western Europe.

We have the Joint Congressional Committee on Foreign Economic Cooperation, the so-called "watch-dog committee," which is watching the operations of ECA for us. This committee has investigated this matter, and has given the Senate the benefit of its conclusions. I quote from the report submitted by the joint committee on January 27, 1949:

> The following conditions prevail in most of the countries which participate in United States aid: There is a tendency to prefer commodities to money, which results in withholding materials from production. There is a tendency for production to go into domestic consumption rather than into exports. Foreign trade is conducted on a bilateral barter basis. Each of these trends is contrary to the objectives of European recovery.
>
> All of these conditions can be attributed primarily to lack of confidence in the national currency. Manufacturer and consumer alike are afraid to hold money so they convert money into goods as quickly as possible and hold the goods against the uncertainties of the future. The exporting firm, even when selling for currency better than its own, must surrender its foreign exchange to the exchange control agency of the Government in return for local currency which it does not want. Domestic trade has the same result but with additional benefits of internal barter for supplies and more rapid turn-over. Nations insist that trade must balance out in goods since money is unacceptable as a settlement.
>
> The establishment of sound currencies in Europe would eliminate these retarding influences.
>
> The ECA has made what might be described as a commodity approach as distinguished from a monetary approach to the problem of European recovery; that is, it has given primary emphasis to supplying the means of production to Europe, relying on the use of the counterpart funds and moral suasion to bring about currency reform.
>
> As long as each participating country relies on a currency that is not desired by its own people and by other nations, there will be a continuous drag on the recovery program. ECA in considering the 1949–50 assistance program of participating nations should require that each program lay a foundation for a sound currency.

We are told that in addition to general recovery or reconstruction the ERP has other objectives. To date much of the money sent to Europe has been used for WPA or relief purposes. More money is needed for relief when the currencies are controlled than would otherwise be required.

I believe the senior Senator from New Jersey [Mr. SMITH] in speaking on the bill early in the debate estimated that to date 80 percent of the money sent to Europe had been used for relief purposes as against 20 percent for recovery purposes. I should say as a matter of fairness the Senator added that he thought that percentage was clearly not true as of the current operation. Of course it is perfectly apparent that more money is needed for relief when the currencies are controlled than would otherwise be required.

Finally, we are told that the final objectives is the reintegration of the European economies into the world economy. Here again currency controls are blocking the way. They tend to make each national economy self-sufficient, and to prevent the achievement of an internationally valid price level.

So, Mr. President, if we do not do something about this it will not be because we have not had ample notice. We have been told by officials of the ECA that the matter is pressing. We have been told by the Secretary of the Treasury that the matter is pressing. We have been told by our own watch-dog committee that it demands immediate action. So, in effect, they dump the problem on our lap, and it is squarely up to the Congress.

I want to say a few words about the so-called dollar shortage. We are frequently told that because of the dollar shortage, we cannot do anything about this pressing problem. Well, Mr. President, I have experienced a dollar shortage all my life, and I have observed many individuals who have experienced the same shortage. I have noticed that the dollar shortage occurs particularly under certain conditions, and that is when a person is living beyond his means, when he undertakes to buy more than he can pay for, and on the first of the month or at every settlement period he experiences a dollar shortage. There is no reason for it to be assumed that men of the experience of the Members of the Senate do not know something about dollar shortages. I am free to say that the dollar shortage which occurs in the experience of a country in my opinion is for all practical purposes exactly the same as the dollar shortage which occurs in the usual and ordinary experience of most of us.

Mr. MALONE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Nevada?

Mr. KEM. I yield.

Mr. MALONE. In the opinion of the distinguished Senator from Missouri, would the reason for the dollar shortage be in any way connected with promises candidates for office may make in the matter of socialization and nationalization of industry, or any other promises which obviously could not be fulfilled with the current production of the country concerned?

Mr. KEM. I think that has a great deal to do with it. I believe, for instance, the people of Great Britain for some years past have been living beyond their means. They have been spending more than they have been taking in. Quite naturally, a deficit occurred, and in order to make the request palatable to us they labeled their situation a dollar shortage and asked us to send them money to make up the difference.

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. KEM. I am glad to yield.

Mr. MALONE. Some reference has been made to this subject heretofore, but I have in my hand a newspaper which carries the announcement of a British loan to Russia. It is the Evening Star, of Washington, D. C., of March 31, 1949. It comes at a very opportune time, following the disclosure of 88 trade treaties made by the nations of Europe, the 16 Marshall-plan or ECA nations, 40 of which treaties were held as restricted and not allowed to be made public by a United States Senator, and 3 of which were held to be highly confidential, and were watched very carefully while they were in my office. I was allowed to keep 45 of those treaties, and I offered them for printing in the CONGRESSIONAL RECORD. However, many of them were in foreign languages, not understandable to me certainly, and, of course, I suppose had never been translated by the State Department, because the Department made no offer to furnish translated copies.

I also noted and at that time offered for the RECORD, and they were printed, the two nonaggression treaties between France and Russia, and England and Russia, signed in the early 1940's, in 1941 or 1942.

Mr. President, I noticed in the newspaper an Associated Press dispatch, as follows:

> LONDON, March 31.—Britain disclosed today that it plans to loan Russia £9,000,000 pounds ($36,000,000) for purchase of nonmilitary supplies from Britain in the next 12 months.

I read the last two paragraphs of the dispatch, as follows:

> Treasury officials of England said that the Russian loan was made under a 1941 credit agreement.
>
> The Russian figure was listed in the budget estimates under the general heading of "Supplies, food, and miscellaneous services."

That nonaggression pact provided that each country would help the other economically during the recovery period, and guaranteed that they would enter into no alliances which would in any way conflict with the agreement.

I ask the distinguished Senator from Missouri if in his opinion action such as this might affect the dollar shortage.

Mr. KEM. Mr. President, I do not think there can be any question about it. If England sends out of her substance to Russia she does not have it to pay the United States. If she sends $36,000,000 in loans to Russia, then she is $36,000,000 short when she settles her credit balance with the people of the United States.

Of course, I was interested, and I must confess, perturbed, when the Senator from Nevada disclosed the fact that Great Britain is under a treaty of alliance with Russia; that the Socialist-controlled Government in England is in alliance with the Socialist-controlled Government of the Union of Soviet So-

cialist Republics. I was further concerned when I saw that under the provisions of that treaty the British Treasury recently advanced the sum of $34,000,000 to Russia.

Mr. MALONE. Mr. President, will the Senator further yield?

Mr. KEM. I yield.

Mr. MALONE. The Senator is aware, of course, that the wording of two or three paragraphs in the nonaggression pact with Russia is very similar to that in certain paragraphs of the North Atlantic Pact. Is the Senator aware that there is a considerable resemblance between the North Atlantic Pact recently signed by the United States and the nonaggression pact which was signed between Great Britain and Russia?

Mr. KEM. I was not aware of that fact. I thank the Senator for his contribution.

THE DOLLAR SHORTAGE IS CREATED BY THE CONTROL OF CURRENCIES

It is argued that the European countries cannot pay with dollars for the items they would like to obtain from the United States, and so it is necessary for us either to give them dollars or to send dollars to them disguised as loans. Actually the dollar shortage is a myth which has persisted despite the fact that it is contrary to basic economic principles, whether one approaches the problem from a practical standpoint, as I did a few moments ago, or from a theoretical standpoint. The alleged shortage of dollars results not from any production deficiencies, but rather from the insistence of foreign countries on maintaining an excessive valuation for their currencies by the totalitarian device of pegging the rate of exchange for their currency far above its actual value.

For example, France has pegged the franc at 214 francs to the dollar. If this were the actual value, the French could buy in this country and pay in francs, and the person receiving the francs could convert them at his bank to the equivalent amount of dollars. However, this is not the value of the franc. It is a fictitious value; and no United States exporter will take francs for his product when he cannot get for the francs the amount of dollars equal to the sales price. France and the other countries therefore say that they do not have the dollars with which to buy, and so need our aid. They do not have dollars because they have placed an artificial value on their currency; and so long as we are going to give them their dollars free, why should they not continue forever this out-of-balance ratio so that there will always be this magical genie, the dollar shortage?

Prof. Walter Sulzbach, noted economist, recently had this to say about this situation in the Commercial and Financial Chronicle:

> There should have been good reason to regard the European dollar shortage with critical eyes. For though the world had always known about frontiers, the multiplicity of currencies, international trade, and destitution as the aftermath of wars, no one had ever heard in the past of such a thing as a dollar shortage or, for that matter, a shortage of pounds sterling or Swiss francs.
>
> There is one fact which should give pause even to the most ardent supporters of the theory that the dollar scarcity is something that has overcome the world otherwise than through avoidable human actions: The Latin Americans and the Swedes are also short of dollars. If the dollar shortage were the result of the expenses of the late war and the devastation caused by it, the former neutrals should have stronger currencies than the United States. For the latter has spent hundreds of billions of dollars for its war effort and has seriously depleted some of its natural resources. There should then not be dollar scarcity in Mexico and Buenos Aires, but rather peso scarcity in New York.

The shortage here consists of people who are willing to sell an American dollar for 50 cents.

I think it is apparent from the authorities I have read that the shortage with which we are dealing is simply a shortage of people who are willing to sell an American dollar for 50 cents, or for less than its real value in the markets of the world. The theory of my amendment is that we should make a free currency a condition to granting further relief to any country.

The Marshall plan is the third occasion in 4 years when we have adopted measures having as their objective stabilizing European currencies. It is about the tenth occasion on which we have poured forth money for the purpose of European recovery. I should like to detail those ten occasions briefly as I recall them:

First. The first UNRRA; cost, $2,700,000,000.

Second. The second UNRRA; cost, approximately $400,000,000.

Third. The International Monetary Fund; cost $2,175,000,000.

Fourth. The International Bank; cost, $3,750,000,000.

Fifth. The so-called interim-aid bill; cost, $432,000,000.

Sixth. The Greek-Turkish loan; cost, $400,000,000.

Seventh. The International Refugee Organization; cost, $150,000,000.

Eighth. Children's welfare operation; cost, $15,000,000.

Ninth. The first Marshall plan bill; cost, $5,200,000,000.

Tenth. The second Marshall plan bill, the pending measure, which will cost, if the recommendation of the Senate committee is adhered to, $5,580,000,000.

Mr. President, of these 10 programs for European recovery, at least 4 had currency stabilization as their prime objective. In each case the program failed, and we had to realize that we had failed to accomplish what we set out to do.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. KEM. I yield to the Senator from Nevada.

Mr. MALONE. Does the Senator recall the loan to Great Britain of $3,750,000,000? By the way, I do not recall that loan was included in the 10 specifications which the Senator outlined. It was one of the steps in the effort to stabilize currencies. Does the Senator recall that the bill included a provision that the Empire preferential rates and other manipulations should not be effective in the expenditure of that fund, and that almost immediately after Congress adjourned the authorities of Great Britain waited on the State Department and obtained relief from that requirement on some pretext to the effect that it was impossible to eliminate the manipulations under the Empire preferential rates and comply with the recovery anticipated under the loan?

Mr. KEM. I think the Senator is quite correct. The Senator refers to paragraph 7 of the financial agreement between the Government of the United States and the United Kingdom, dated December 6, 1945. That paragraph is headed "Sterling area exchange arrangements." I think it provides substantially as the Senator has said.

The Senator from Nevada has also been good enough to call my attention to the fact that in the list of recovery programs which I have given I did not include the so-called British loan. I do not know how I happened to omit it. I wrote the list from memory, and my memory played me a trick. I appreciate the suggestion of the Senator. Therefore the number of our efforts to date at European recovery is not 10. The total is 11. As Mr. Churchill would say, "11 is a lot."

Mr. MALONE. Mr. President, will the Senator yield further at this point?

Mr. KEM. I am glad to yield.

Mr. MALONE. Does the amendment proposed by the distinguished Senator from Missouri provide that such manipulations of currency as have been occurring for generations among the empire-minded nations of Europe and other European nations cannot be continued under ECA funds?

Mr. KEM. Exactly. Earlier in my remarks, Mr. President, I read the provisions, which would seem to be mandatory in character, requiring the participating countries to put their financial houses in order and free their currencies in the markets of the world. But, Mr. President, the results to date are, I may say, nil.

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. KEM. I am glad to yield.

Mr. MALONE. I wish to state as a preface to my next question that it has always seemed to me that the manipulation by a nation of its currency so as to get away from a trade compact which had been made in regard to tariffs or import fee rates, or such matters, was a form of piracy. In other words, if at this time England were to see fit to lower the value of the pound from $4.03—which, of course, is a fictitious value; anywhere from $1 to $2 of that amount is fictitious, depending on where one happens to be when he tries to buy the pound—to $3.00, let us say, then an automobile normally valued at $1,600, and going to England from New York, would be valued at $1,200, and all other imports would have a similar decrease in value. In other words, any trade agreement would be null and void on its face, under such circumstances. Therefore, as I have said, it seems to me that such action would be a form of piracy.

So I ask the Senator why, in his opinion, we do not require the stabilization of currency or why we do not allow for a sliding scale of value when we make

our trade agreements under the selective free-trade policy which the State Department has adopted, based on the 1934 Trade Agreements Act. In other words, why do not we allow, on a sliding scale, for any devaluation, so that it would not nullify the trade agreements, so far as they are concerned? Can the Senator give me any reason for not doing that?

Mr. KEM. Of course, Mr. President, that is the purpose of this amendment.

Why we have not done it before is more than I can understand. I can only say that my opinion is that it is due to a lack of realism on the Part of the Congress of the United States in its approach to the problem of European recovery. We have had a sort of Pollyanna point of view about the problem; in other words, we have felt that we should simply send our money to the European countries, and hope that things will be better and better. We are promised that the European currencies will be stabilized tomorrow. Mr. President, it is always tomorrow, mañana—but not today. But when tomorrow comes, we find that we are just where we were the day before.

Of course, the Senator from Nevada is correct when he says that the British loan had, as one of its major objectives, stabilization in the sterling area. The Senator from Nevada is also quite correct when he suggests that that money was frittered away, largely for consumer goods. That means that the British loan became a plain relief-program fund, a glorified WPA fund, under which we sent the great sum of $3,750,000,000 to Britain. It was used by Britain largely for relief purposes for the benefit of the people of Great Britain and its dependencies.

Mr. MALONE. Mr. President, will the Senator yield for a further question?

Mr. KEM. I am glad to yield.

Mr. MALONE. Does the distinguished Senator from Missouri intend to say that a large proportion of the so-called prior gifts and loans, made under the various headings which have been outlined by the distinguished Senator from Missouri and also under the Marshall plan or ECA of 1948, and now under the gift loan presently before us, probably have been utilized and are to be utilized as more or less of a current living fund, and not altogether for the rehabilitation of industry, the feeding of hungry people, and the meeting of other emergencies resulting from the war, as previously stated to be the purpose?

Mr. KEM. I cannot estimate with any degree of accuracy the proportion of the money we are sending to Europe which is being used for relief and the proportion which is being used for recovery. I can only refer again to the estimate made previously in the debate by the distinguished senior Senator from New Jersey [Mr. SMITH], who estimated that 80 percent has been used for relief and 20 percent has been used for recovery. Of course, the Senator from New Jersey said that in his opinion that proportion does not apply to present operations, and that he believes that a large proportion now is being used for recovery purposes.

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. KEM. I am glad to yield.

Mr. MALONE. What the distinguished Senator from Missouri says fits in very largely with what I have found to be the case in various Asiatic and European countries, namely, that almost every country in the world is living over its head, and is simply expecting us to bail it out before the crash comes. In other words, the distinguished Senator from Missouri has already very ably stated that a large amount of the ECA money is being used for current purposes, not for recovery; and also that the loan now proposed would be used for similar purposes. In short, even though the European countries have more than recovered on the basis of the 1938 index, there is still nothing in the act which would prevent, if I correctly understood the Senator's statement, a continuation at this time of the trend toward a crash.

Mr. KEM. I think that is a very safe assumption, because we know they are still controlling their currencies. We have been sending the money to them in the hope or with the wish that they will stop controlling their currencies, but they continue to control them. So I am sure I am safe in saying that their currencies will continue to be controlled.

Mr. President, the European countries realize, just as we do, that they must approach this subject from a realistic point of view. The Organization for European Economic Recovery, or the OEEC, comprised of representatives of all the participating countries, has said in its interim report for the current year that 1949 is the year which must bring fiscal stability to Europe. That report was made in 1948. As I have said before, all the promises the European countries make are in terms of tomorrow, "mañana"—not this year, but next year. But by my amendment I propose that we say to them, "Very well, it may be next year; but please do it before you get any more Marshall plan money."

Mr. Hoffman, the able Administrator of ECA, testified before the Senate Foreign Relations Committee, as follows:

> It is now their own recommendation—

The reference is to the OEEC countries—

> It is now their own recommendation, and all we propose to do is to remind them of their recommendation.

All the Administrator of the ECA proposes to do is to remind participating countries of their recommendation. I have another suggestion to offer. My suggestion proceeds on the theory that a gentle reminder such as the Administrator proposes, or a polite exhortation such as has been made on the floor of the Senate, is not sufficient. My amendment proceeds on the theory, the good old American doctrine of Patrick Henry, that we may judge the future by the lamp of experience only. I may say in passing that we have had a good deal of experience with European countries in the past 3 or 4 years. It is my view that the American doctrines and American principles which have guided the American people in the development of our own continent have yet to be demonstrated to be unsound. They are still worthy of our adherence.

My amendment says that we shall go further than we have gone in the recent past. If we are wise we shall make it clear to all participating countries that if they expect to receive further aid from the United States they must take the necessary steps, however painful, to achieve fiscal stability. Fiscal stability so necessary for the welfare of the world is what my amendment is designed to accomplish. Further aid to a participating country would be granted only on condition that the country take immediate steps to eliminate exchange controls, so that the rate of exchange on the currencies of foreign countries may be determined in a free, open, world market.

I have previously quoted from the testimony of the Secretary of the Treasury, given upon his appearance before the Senate committee. I wish to quote further from the testimony of Secretary Snyder on the same occasion, as follows:

> In years gone by, the United States Government generally took the position that the rate at which a country bought and sold dollars was primarily its own concern. Now, however, when we are contributing billions of dollars to build up European economies, it becomes a matter of very grave, direct concern to us insofar as the exchange policies which a country may be pursuing tend to retard its exports or misdirect its trade and increase its Western Hemispheric deficit, and thus indirectly increase its calls upon the United States for assistance.

So, again, from a high official of the administration we have received sound economic advice. Yesterday we read in the newspapers that Dr. Nourse, Chairman of the Council of Economic Advisers, had in plain language told the President and the American people that we must get down to brass tacks; that, if we must spend money on European armament, then we must cut down the amounts to be authorized for other purposes. We now find the Secretary of the Treasury telling the people that it is a matter of grave, direct concern to us here in America how the exchange policies of the European countries are carried out.

The American people are making great sacrifices in order to aid the countries of western Europe. As has often been said on the floor of the Senate, there is nothing similar to it in all recorded history. Certainly we do not wish to interfere with the internal economy of any country, unless it becomes necessary to do so in our own interest. But under the circumstances, in view of the burdens and sacrifices the American people are making in order to send relief and recovery funds to Europe, is there any reasonable answer to the proposition that we should attach to those gifts such conditions as shall make it necessary that the recipients do what they themselves have said is required in order to achieve the objectives we have in mind?

I know it is said that certain of the Marshall plan countries would prefer to decline further aid if we require them to eliminate exchange controls as proposed under the amendment. That may be so; but all we can say is, "We have spoken, we have saved our soul. America has offered her support, but her offer has been refused."

Mr. McMAHON. Mr. President, I shall take but a few moments to discuss the amendment. It was considered in the committee at great length. The objective sought by the amendment is something to be devoutly wished by everyone, namely, the complete freedom of the interchange of the currencies of the world. If the amendment, however, could be adopted safely at this time, we should have no need for the program as a whole. If the currencies of the countries of the world could be freely interchanged it would mean that their fiscal condition would be such that they would not need the bolstering they are getting from the dollars of the Marshall plan.

All European countries today have controlled currencies. They have them because they must have them, not because they want them. They have them because they must see that proper use is made of the dollars earned by their exports. That they must do and that is what we want them to do, because it is to our interest as much as it is to theirs to see that the dollars they earn through their exports shall not be used by the nationals of France, Belgium, or of any other country, in order to buy, for example, Cadillacs instead of tractors. The situation is not such that the French Government can permit its nationals to take their francs, come to America, and translate them into dollars with which to purchase, for example, homes in California, or as I stated a moment ago, for the purpose of buying Cadillacs. The Government must for the time being, by reason of the internal situation, see to it that the dollars earned by exports of their nationals are used to purchase the things which, basically, they desperately need in order to put their economy in order.

A further, and I think overwhelming, objection to the adoption of the amendment lies in the fact that we were the originators of the International Monetary Fund and of the International Bank. The purpose of those institutions, more particularly the fund, is to bring about exactly what the Senator from Missouri wishes to bring about, namely, free interchange, as soon as possible. We have plighted our troth, we have made an agreement with the other nations who are members of the fund, that we will at the earliest possible moment bring about a revaluation of currency. At this time the question is being studied by officers of the International Bank. As the Senator from Missouri says, we put up in excess of $2,000,000,000 in order to make revaluation possible at the very earliest practicable moment.

I think, Mr. President, that that pretty well sums up the reasons why the committee was unanimously opposed to the plan which has been proposed by the Senator from Missouri.

I shall close by saying that if we were to adopt the amendment, there is no question in my mind that we might as well abandon the entire Marshall plan.

CHICAGO SPEECH OF SENATOR LUCAS

Mr. WHERRY. Mr. President, I do not like to inject an extraneous matter into the consideration of the pending ECA bill, but the senior Senator from Illinois [Mr. LUCAS], the majority leader, is reported by the press to have made a speech in Chicago last night in which he raked over the recent contest in respect to the Wherry cloture rule. Ordinarily, I would not take the time of the Senate on a matter such as this. I have cooperated to the best of my ability to bring the debate on the ECA bill to a close. I am reluctant to speak at this time, since the senior Senator from Illinois is not present. However, his speech has been printed across the land——

Mr. MORSE. Mr. President, will the Senator yield?

Mr. WHERRY. I yield for a question.

Mr. MORSE. Was the Senator present in Chicago last night when the majority leader spoke?

Mr. WHERRY. I certainly was not. I wish I had been, even though it was a Jefferson Day-Jackson Day dinner.

I should like to say, Mr. President, that the charges made by the senior Senator from Illinois are a misrepresentation of the facts.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. WHERRY. I yield for a question.

Mr. BREWSTER. Would the Senator from Nebraska be willing to yield so that I might suggest the absence of a quorum?

Mr. WHERRY. No; I do not want to delay the debate on the pending measure.

Obviously, I would have to consume many hours of the Senate's time if I were to correct all the misleading statements that have been made by the majority leader and others, on this cloture issue. But I shall not now detain the Senate long.

The United Press dispatch from Chicago today says:

> Senate Majority Leader LUCAS criticized Republican Senators last night for "failure to stop filibusters in the Senate once and for all."
>
> LUCAS, in a speech at the Jefferson-Jackson Day dinner, particularly blamed the gentleman from Michigan, Mr. ARTHUR VANDENBERG, who "made an impassioned speech" against the antifilibuster measure, and the gentleman from Ohio, Mr. ROBERT TAFT.
>
> TAFT remained inactive and quiet, although he had said he would vote to support the Barkley ruling, LUCAS said.

Mr. President, that is the kind of propaganda that is being circulated by the majority leader with regard to the cloture matter, speaking at a Democratic rally in Chicago last night.

Mr. BREWSTER and Mr. MORSE addressed the Chair.

The PRESIDING OFFICER (Mr. THOMAS of Oklahoma in the chair). Does the Senator from Nebraska yield; and if so, to whom?

Mr. WHERRY. I yield to the Senator from Maine.

Mr. BREWSTER. Did I correctly understand the Senator from Nebraska to say that the Senator from Illinois [Mr. LUCAS] stated that the Senator from Ohio [Mr. TAFT] had kept quiet?

Mr. WHERRY. Yes. He criticized him for remaining quiet. Believe me, it is the first time in all my experience that the Senator from Ohio has ever been criticized for being quiet. He is usually criticized for talking too much.

Mr. KEM. Mr. President, will the Senator yield?

Mr. WHERRY. I yield for a question.

Mr. KEM. Will the Senator permit me to make the observation that if a Senator is a Republican, it is a case of damned if you do and damned if you do not? He is criticized if he speaks, and criticized if he remains silent.

Mr. WHERRY. That is correct.

That is the way the story begins; that is the kind of propaganda that is being circulated by the majority leader on this cloture matter.

Everyone familiar with the official record knows that it was the senior Senator from Illinois who tried to strike a dagger at the heart of our efforts to obtain a workable cloture rule.

Everyone familiar with the official record knows that it was the majority leader who sought to adjourn the Senate and thereby displace the Hayden-Wherry resolution.

Everyone familiar with the official record knows that it was the Republican leadership that insisted upon the Senate recessing so that further opportunity would be given for development of an effective cloture rule.

Every Senator remembers that the Senator from Illinois asked if the Senator from Louisiana [Mr. ELLENDER] would yield, and said, "I am about to make a motion to adjourn the Senate." I ask, Who put up the white flag? Who killed the attempt to amend the cloture rule? Who killed civil rights?

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. McMAHON. I suggest that the Senator will get his answers to those rhetorical questions at the next election.

Mr. WHERRY. No one more than I would like to have those questions answered, in Illinois or in Nebraska, when I meet the Senator from Illinois in the campaign, for putting out that sort of a misrepresentation of what happened on the Senate floor.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. WHERRY. I yield to the Senator from Oregon.

Mr. MORSE. Is it not true that it was the great statesman from Illinois, the distinguished senior Senator, the majority leader, who was the first on the Democratic side to announce to the people of the Nation that he could not follow his chief in the White House, the President of the United States, Mr. Truman, on the President's own plan for invoking cloture by way of a majority vote of the Senate?

Mr. WHERRY. Certainly. I thank the Senator from Oregon for that statement. The Senator from Illinois said he could not go along with the President on a simple majority cloture rule, and that he hated to part company with the Chief Executive on that question. Of course, that is not all the Senator from Illinois said, but it is very interesting to note that, when we were getting along very well, he injected himself into the

cloture debate, advocating a simple majority rule. It is interesting to note that on the vote the suggestion of the President received only 7 votes, and 80 Senators voted against it. Every American should be told the story over and over again.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. WHERRY. I want to be fair; I want to be entirely fair to the acting majority leader.

Mr. MYERS. Has the Senator finished his introduction?

Mr. WHERRY. If the Senator does not want to ask me a question, I shall not yield.

Mr. MYERS. I am about to ask one.

Mr. WHERRY. Then I shall yield.

Mr. MYERS. The Senator apparently did not think the Senate was in a good humor when he started this morning.

Mr. WHERRY. If the majority leader will permit the Senate to do its work instead of his running daggers through Senators who try to cooperate, we will get through all the proposed legislation.

Mr. MYERS. Mr. President, will the Senator yield further?

Mr. WHERRY. I yield.

Mr. MYERS. If I should tell the Senator from Nebraska that the senior Senator from Illinois will be on the floor at 4 o'clock, would the Senator be willing to withhold his remarks?

Mr. WHERRY. I wish the Senator from Pennsylvania had told me that before. I shall finish my speech, and the Senator from Illinois can say what he pleases at 4 o'clock this afternoon.

Mr. President, that was the decisive action of the majority leader. That was the accomplishment of this abject surrender to the Senators who had prolonged debate on the Hayden-Wherry resolution.

That is the official record, and no amount of double-talk, or efforts to cover the tracks, can erase the official record.

The official record also shows that it was the minority floor leader who protested against the scuttle-and-run program mapped by the majority leader.

The fact is, that if the so-called Wherry cloture rule had not been adpoted, the Senate today would not have an effective cloture rule.

If the Senate had followed the course proposed by the majority leader, we would still have the old cloture rule, with its loopholes through which filibusters could be waged against motions to consider measures; and filibusters against provisions in the Senate Journal.

The majority leader, in his speech, is reported to have said that the senior Senator from Michigan [Mr. VANDENBERG] made an impassioned speech against the antifilibuster measure.

The dispatch goes on to quote the majority leader as saying Senator TAFT voted to overrule the so-called Barkley ruling after saying he would vote to sustain it.

Of course, Senator VANDENBERG and Senator TAFT are quite capable of taking care of themselves.

I simply cite these statements by the senior Senator from Illinois, as samples of the tissue of misleading statements that he presented to his political rally.

Obviously, the misrepresentation will be passed along by these unwitting campaigners.

The fact is, Senator VANDENBERG did not make any speech against the antifilibuster measure. We all know the senior Senator from Michigan is wholeheartedly in favor of limiting debate by Senate rule.

Perhaps the dispatch is incorrect, perhaps the Senator was misquoted. I am telling what came in on the ticker. The dispatch proceeds to quote the majority leader as saying:

> Senator TAFT voted to overrule the so-called Barkley ruling after saying he would vote to sustain it.

Of course, Mr. President, the Senator from Michigan and the Senator from Ohio are quite capable of taking care of themselves. I merely cite these statements by the senior Senator from Illinois as samples of the tissue of misleading statements which he repeated at his political rally.

Mr. BREWSTER. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I am glad to yield.

Mr. BREWSTER. Am I to understand the Senator from Illinois was quoted as saying that the senior Senator from Ohio [Mr. TAFT] voted to overrule the Barkley ruling? Was that the statement?

Mr. WHERRY. In answer to the Senator's question, this is what is on the ticker:

> TAFT remained inactive and quiet—

I have already commented on that—

> although he had said he would vote to support the Barkley ruling.

Mr. BREWSTER. Did it later say he voted to overrule it?

Mr. WHERRY. In another portion of what is on the typewritten sheet I do not have with me I understand the interpretation was that way.

Mr. BREWSTER. That, of course, is not in accordance with the fact or the record.

Mr. WHERRY. The fact is that the Senator from Michigan [Mr. VANDENBERG], if I recall correctly—and I did not scan the RECORD completely—did not make any speech against the antifilibuster measure.

Mr. VANDENBERG. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I yield.

Mr. VANDENBERG. Will the Senator read to me what the distinguished Senator from Illinois said about me?

Mr. BREWSTER. I have the quotation here, if the Senator from Nebraska will permit me.

Mr. WHERRY. Wait a moment.

Mr. VANDENBERG. I merely desire to keep the record straight.

Mr. BREWSTER. I have the quotation here.

Mr. WHERRY. I yield to the Senator from Maine.

Mr. BREWSTER. This is from the ticker:

> LUCAS, in a speech at the Jefferson-Jackson Day dinner, particularly blamed Senator ARTHUR VANDENBERG, Republican, Michigan, who "made an impassioned speech" against the antifilibuster measure.

Mr. VANDENBERG. If the Senator from Nebraska will permit me, he is quite right; I made no speech, impassioned or otherwise, against the antifilibuster measure.

Mr. WHERRY. That is correct.

Mr. VANDENBERG. I supported the antifilibuster measure from start to finish. I did make a speech, whether impassioned or otherwise, in favor of due process of law in the Senate, as well as in the American way of life everywhere.

Mr. WHERRY. I wish to thank the Senator for his contribution. The statement comes with more force than if anyone else attempted to answer such a charge as that made by the majority leader.

Mr. CAPEHART. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I am glad to yield to the Senator from Indiana.

Mr. CAPEHART. Who controls the United States Senate, Democrats or Republicans?

Mr. WHERRY. There seems to be some question about that. [Laughter.]

Mr. CAPEHART. Why is it that when the Republicans controlled the Eightieth Congress the President of the United States and the leading Democrats blamed them for everything that happened, and now that the Democrats control the United States Senate, we get blamed for everything that happens?

I should like to offer this suggestion to the able Senator from Nebraska, that perhaps we should not be too critical of the majority leader, the Senator from Illinois, who is back in his own town, who is running for election next year, who is possibly having a lot of trouble there, and wants to be reelected. Possibly he has a right to go out there and play a little politics, and blame the boys who are 1,000 miles away. He will possibly return and simply say, "Well, you know how it is. I just had to go out and play a little politics and had to blame somebody. We have been picking on the Republicans for years, and we thought we would just continue to do so."

Mr. WHERRY. I thank the Senator for his statement.

Mr. President, I do not like to have such misrepresentations made, certainly they should not be made maliciously, and I do not make any such charge against the Senator from Illinois, but we must keep the record straight. I wish to apologize to the chairman of the Committee on Foreign Relations for even taking these few minutes out of the time of the debate. I am trying my level best to cooperate with him, and will do so, but if he will pardon me another 5 minutes, I should like to continue, because I think the record has to be made straight. I think this statement of the majority leader has to be answered now.

The fact is that the Senator from Ohio [Mr. TAFT] voted to sustain the ruling of the Vice President. The majority leader is quoted as saying the senior Senator from Ohio "remained inactive and quiet." But I leave that to the senior Senator from Ohio.

The dispatch goes on to say:

> LUCAS also criticized minority leader, Senator KENNETH WHERRY, Republican, of Ne-

braska, for giving the civil-rights program the final death blow.

"WHERRY called for the imposition of debate limitation by so-called constitutional two-thirds majority," LUCAS said.

The Illinois Senator said this meant that 64 of the Senate's 96 Members must always be present and vote for cloture if filibusters are to be stopped.

I see no profit in rehashing the whole record. What is the use? Every time one answers a misrepresentation, two more are fabricated to take its place.

The majority leader charges that I gave the civil-rights program the final death blow.

I ask, are we now to infer that the majority leader is not going to present anti-poll-tax and antilynching legislation to the Senate? Is this the final, indirect way of saying there will be no effort by the administration forces to deliver on their pledges, and offer antipoll tax and antilynching legislation?

Repeatedly, I have challenged the majority leader to bring an anti-poll-tax bill on the Senate floor, but he has not seen fit to do so. He has indulged in much talk about civil-rights legislation being dead, blaming others for his failure. He has branded the new cloture rule as being unworkable. He has led many people to believe that the Senate now has no effective rule to limit debate, and he has said the cloture rule we now have sets the country back years and years. That is what he has said about our effective, bulletproof, holeproof cloture rule. I submit that any reasonable person, any fair person, must conclude that the present rule is better than the one we had before, because the old rule was full of loopholes that permitted filibusters to be waged.

There is a good way to test the new rule, namely, by calling up an anti-poll-tax bill. If the debate developed into a full-fledged filibuster, we could invoke the new cloture rule. Now, for the first time in history, we have a rule under which Senators can go on record.

It is my belief that we can muster a two-thirds of the Senators duly chosen and sworn to break any filibuster that might possibly develop on a bill to outlaw the poll tax, or even an antilynching bill, so let us give it a trial. I believe we can produce on this side of the aisle. Can those on the other side? That is a question for them to decide.

So, Mr. President, I repeat my challenge to the majority leader to call up an anti-poll-tax bill, and then we can see whether the new cloture rule will work. At any rate, we will be able to go on record on the issue—something that has not been possible in the past. Until the majority leader presents a bill to the Senate to outlaw poll taxes in elections of Federal officers, or an antilynching bill, his efforts to blame the Republicans for lack of civil-rights legislation will have a hollow sound.

For those of us who have succeeded in causing the adoption of the new cloture rule—a step toward civil-rights legislation—the speech by the majority leader in Chicago is discouraging, because it leaves an impression that he prefers to blame others for his failure, rather than take the practical action of bringing up an anti-poll-tax bill, that we might have it before us for consideration.

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mr. WHERRY. I yield to the Senator from Oregon.

Mr. MORSE. Am I to understand from the sentence just spoken by the distinguished minority leader that the speech made last night by the great statesman of Illinois, the majority leader, at Chicago, is going to make it more difficult for the majority leader to carry out what after all is the real test of leadership of a majority leader, namely, the ability to obtain cooperation on both sides of the aisle?

Mr. WHERRY. The Senator well knows that in order to get legislation passed there must be cooperation on both sides of the aisle. While I agree the responsibility of course is with the administration, yet in order to get the full cooperation, the thing to do, it seems to me, is for the majority leader himself to make an impassioned plea on the floor of the Senate, make a motion to consider a bill, plead with Members on both sides of the aisle to get behind him in the effort to have it taken up, and see if we can invoke a cloture rule which will limit debate on the motion.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. WHERRY. I am glad to yield.

Mr. MORSE. Does the Senator from Nebraska agree with me that one of the tests of the quality of a majority leader's leadership is his ability so to win the confidence of the Members on both sides of the aisle that he can elicit the cooperation of both sides in obtaining unanimous-consent agreements to proceed with the business of the Senate?

Mr. WHERRY. I will say it is. A majority leader certainly must have the confidence of Members of the Senate in order to secure agreement to unanimous-consent requests. I think I know something about that matter. I do not want in any way to question the fine leadership of the Senator from Illinois—we all wish him well—but I do feel that if we are to proceed down the road of action and pass proposed legislation expeditiously we must have the full cooperation of all Senators. If we expect unanimous-consent requests to be agreed to, certainly Senators must have confidence in the majority leader, or such requests will not receive Senate approval.

Mr. MORSE. Mr. President, will the Senator yield for one more question?

Mr. WHERRY. I should like to finish my statement.

Mr. MORSE. I ask the Senator to yield for only one more question.

Mr. WHERRY. I yield.

Mr. MORSE. As minority leader, has the Senator from Nebraska, on the basis of his experience in recent days, reached the conclusion that the great statesman from Illinois, the majority leader, is going to have difficulty in obtaining cooperation on the Republican side of the aisle, in view of such a speech as he made last night in Illinois, and in view of certain speeches he has also made on the floor of the Senate in recent days?

Mr. WHERRY. My answer to that question, which I think is very pertinent, is that such speeches will not help the majority leader in securing the cooperation needed. I want to be fair in my statement. As minority leader, I make the statement now that whenever legislation is brought before the Senate I will do everything in my power to see that it is expedited and passed as quickly as possible. I think I have a record for having done so in the past, and I think every Senator knows it to be true.

The solid fact is that there are not a sufficient number of Truman Democrats in the Senate, along with the Republicans, to pass any civil-rights legislation. I am going to be perfectly frank about that. When they promised the people last year they would deliver on civil rights, I think they were talking through their hats.

I thank Senators for having listened to me. I am now glad to yield to any Senator.

Mr. CAPEHART. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Indiana?

Mr. WHERRY. I yield.

Mr. CAPEHART. The Democrats controlled the Congress for 15 years, and during the 15 years why did they not pass civil-rights legislation? At one time during their control there were only 16 Republican Senators. If the Democrats have been sincere and conscientious about it, why did they not pass civil-rights legislation back in the days when they controlled both Houses of Congress?

Mr. WHERRY. Mr. President, I thank the Senator from Indiana for his contribution.

I am speaking from the bottom of my heart. Let us keep the record straight. After all, we are all Members of the United States Senate. We vote on legislation which comes before the Senate. Anyone has a right to attack our record. Anyone has a right to go any place, at home or abroad, and talk about the record one makes in the United States Senate; but in view of the representations made by the Senator from Illinois last night, I think it is the duty and responsibility of Senators to see to it that the statement is corrected, that the record is kept straight, and that the people get the facts. The people are no longer fooled with respect to who killed civil rights. The record speaks for itself.

EXTENSION OF EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 1209) to amend the Economic Cooperation Act of 1948.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Missouri [Mr. KEM].

Mr. CAPEHART. Mr. President, I think I am justified in saying a few words, because the issue we are now considering is the authorization to spend $5,580,000,000. The able junior Senator from Massachusetts [Mr. LODGE] yesterday, I believe it was, made a statement, and he spoke no truer words in his life than when he said the time had arrived when someone within the Government should decide how much money this Nation should and could spend, and how

large a national debt it could stand. I agree with the able Senator from Massachusetts that that should be done. But my opinion is that the proper authority to do so is the Congress of the United States.

The able junior Senator from Massachusetts yesterday, I believe, if I am quoting him correctly, and I intend to do so, asked if anyone had a formula. Mr. President, I say that business in America is falling. Unemployment in America is increasing. Anyone who can read and write, anyone who can add, knows that our national income for the fiscal year ending June 30, 1950, is going to be smaller than it will be for the year ending June 30, 1949.

I should like to offer a formula to the Members of the United States Senate. It is very simple. It is understandable. It is a formula we can all follow immediately. It is not a formula which requires the use of a great many figures. It is not a formula which requires months and months of study. It is the very simple formula that we cannot remain solvent and spend more money each day and each month and each year than we take in.

I recommend most seriously to the Senate of the United States that at this moment we adopt this formula, which is, that we first admit that our revenues for the year ending June 30, 1950, are going to be less than for the previous year, and that we appropriate not one penny for expenditures above a reasonable, sane anticipation of Federal revenues. That is a formula anyone can understand. It is a formula which is very simple and very easy for this body to follow. It is a formula which is in the best interests of the people of the United States. It is a formula which is in the best interests of our friends abroad. It is the only practical formula for us to follow. It is an easy formula to follow. I recommend that we follow that formula.

Mr. LANGER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from North Dakota?

Mr. CAPEHART. I yield.

Mr. LANGER. Does not the Senator from Indiana believe that we ought to figure out first how much we are going to need in our own country before we go ahead and appropriate $5,000,000,000 for other countries.

Mr. CAPEHART. I agree with the able Senator from North Dakota that we should do that, but at the moment I am talking about an over-all budget, I am talking about over-all revenues, and I am trying to sell the United States Senate and the United States House of Representatives on the proposition that we should not appropriate a single penny above the anticipated revenue, because I can think of nothing worse, I can think of no greater calamity, than for the United States in peacetime, with a $252,000,000,000 debt, to run in the red several billion dollars.

It is time we began to think about that. I recommend—and I repeat—that we use common horse sense in anticipating the revenues for next year. If there is a single Senator who does not believe that revenues are going to drop, that business is going to decline, that prices are going to fall, he had better go out into the country and take a look at what is going on.

I have said before on the floor of the Senate that I think our revenues are going to fall anywhere from $5,000,000,000 to $8,000,000,000, and perhaps more. I do not care how sincerely any of us may think we should appropriate money for this project or that project or some other project, I say to the Senate, that we must have the courage during this session of Congress not to appropriate a dollar more than we reasonably expect in national income or national revenue.

Mr. LANGER. Mr. President, will the Senator yield further?

Mr. CAPEHART. I am happy to yield.

Mr. LANGER. The Senator has me puzzled. Does not the Senator believe we ought to appropriate money for the United States Government first?

Mr. CAPEHART. There is no question about that. I thought I made that perfectly clear. This morning I received a petition from unemployed people in Fort Wayne, Ind., asking me to do something about getting jobs for them; asking Congress to appropriate money for unemployment purposes.

The other day I made a speech over the radio introducing a young lady who came from Indiana to be a princess at the cherry blossom festival here. This morning I received a letter from a man who said that he had listened to the broadcast, but that he was out of a job, that he could not eat cherry blossoms, and that he wished I would please help him to get a job. I am warning the United States Senate and the Congress that there will be a big drop in business. We shall have unemployment, and before this session of Congress is over we shall be called upon to appropriate many millions of dollars to help our own people.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Missouri [Mr. KEM].

CONTROL OF EUROPEAN CURRENCIES

Mr. KEM. Mr. President, as I understand, two objections are made to this amendment. In the first place, it is said that we have had some unfortunate experience in trying to free the currencies of the countries of western Europe from currency controls. Reference is made to the British loan. Under the terms of the British loan we loaned the people of Great Britain the sum of $3,750,000,000, as I recall. The articles of agreement entered into with Great Britain at that time provided that one of the principal objectives should be to free the currencies in the so-called sterling area countries. Section 7 of the agreement provided as follows:

> 7. Sterling area exchange arrangements. * * * The sterling receipts from current transactions of all sterling area countries * * * will be freely available for current transactions in any currency area without discrimination; with the result that any discrimination arising from the so-called sterling area dollar pool will be entirely removed and that each member of the sterling area will have its current sterling and dollar receipts at its free disposition for current transactions anywhere.

As is well known, that did not work. Of course, hindsight is always better than foresight; but it is perfectly apparent now why it did not work. It did not work because the currencies of western Europe were part free and part controlled. Of course it was impossible for the plan to work when some countries were controlled and other countries were free. Our experience in the past, as indicated by the British loan transaction, shows us beyond any question that we cannot enter into arrangements with one or two or three European countries and undertake to cut their currencies free from currency controls and put them into a free market, while at the same time keeping the others under wraps.

The other argument, and the one which was advanced by the Senator from Connecticut [Mr. MCMAHON] at the close of his remarks, as I understand, is this: He says that the United States is a member of the International Monetary Fund, and that that fund undertakes to peg the currencies of the western European countries. The Senator argues that so long as we are a member of the fund we cannot insist that the currencies be cut free. That seems to be a perfectly plausible argument; but I ask the Senator from Connecticut, if we cannot expect the countries of western Europe to decontrol their currencies, why do we insist on their doing it under the terms of the ECA Act? Why do we represent to the American public and to others that we are insisting that that be done? That is the first question which I wish to ask him.

The second question I wish to ask him is whether he is familiar with section 1 of article XV of the International Monetary fund agreement. That provision reads as follows:

> Right of members to withdraw.—Any member may withdraw from the fund at any time by transmitting a notice in writing to the fund at its principal office. Withdrawal shall become effective on the date such notice is received.

Mr. Fresident, this fund is the child of Bretton Woods. The other day the Senator from Indiana [Mr. JENNER] was addressing himself to the subject of the amount of money we had spent on international relief, he was asked whether he had in mind the Bretton Woods Agreement. He replied that he had Bretton Woods in mind, but that he would like to forget it. So far as I am concerned, I should like to forget the International Monetary Fund. I should like to liquidate it, and to draw out our proportionate share of the assets of that fund. It is a pretty good rule, when one sees that one has made a bad deal, to liquidate it as soon as one conveniently can. I do not see any reason why we should not liquidate the International Monetary Fund so far as the United States is concerned. I do not see any reason why we should not say to the members and to the world, "We have tried that device. We have weighed it in the balance and have found it wanting, so we are going

to try something else." And then in my judgment we should say to the participating countries under the Marshall plan, "You must decontrol your currencies as a condition to further Marshall-plan aid."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Missouri [Mr. KEM].

Mr. LANGER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Millikin
Brewster	Hayden	Morse
Bricker	Hendrickson	Murray
Bridges	Hickenlooper	Myers
Butler	Hoey	Pepper
Cain	Holland	Reed
Capehart	Hunt	Robertson
Chapman	Ives	Russell
Chavez	Jenner	Smith, Maine
Connally	Johnson, Tex.	Sparkman
Cordon	Johnston, S. C.	Taylor
Donnell	Kem	Thomas, Okla.
Douglas	Kerr	Thomas, Utah
Eastland	Knowland	Tobey
Ecton	Langer	Tydings
Ellender	McFarland	Vandenberg
Ferguson	McMahon	Wherry
Flanders	Magnuson	Wiley
Frear	Malone	Williams
George	Maybank	Withers
Gillette	Miller	Young

The PRESIDING OFFICER. A quorum is present.

Mr. TAYLOR. Mr. President, I have not spoken on the pending subject. I wish to address myself to the bill, not to the pending amendment. Lest any of my colleagues become uneasy in the thought that I am embarking on a long speech, I want to make it clear that I intend to speak for only a few minutes. I simply want to state why I intend to vote against the pending measure.

I was elected to the United States Senate upon my promise to the voters of Idaho that I would support an organization to maintain peace in the world. As it turned out, that organization was the United Nations. I have determined, and up to this point I have carried through on the determination, to oppose everything that seems to me to have the effect of weakening the United Nations. I opposed the Truman Doctrine as exemplified by our interference in Greece, because I felt the United Nations should have handled the matter. Up to that time the United Nations had done pretty well. Without firing a shot actually, or even verbally for that matter, the Iran incident was settled. Russian troops went home, simply because the matter was called to the attention of the United Nations. Because the United Nations enjoyed a certain degree of prestige, I believe a considerable prestige at the time, the Russians went home.

A little later there arose the matter of Syria and Lebanon, where the British and French who were in those protectorates had not gone home on schedule. Simply because the matter was brought to the attention of the United Nations, the British and French returned home, and the United Nations scored two other notable victories. I think the United Nations was well on its way at that time toward becoming the great organization to keep peace in the world which I believe it was envisaged to be by President Roosevelt.

Then came the Truman Doctrine, with our interference in Greece. That has been very nearly a debacle, of course, and I think I am being fully justified in having voted against our interfering in Greece. I know from talking to high United Nations officials that they desperately wanted to handle the Greek situation, but the opportunity was denied them. I believe that was the beginning of the decline of the United Nations.

At the time the Marshall plan was presented to the Senate, I voted against it, but not because I do not want to feed hungry people, not because I do not want to rehabilitate the economies of the nations that were devastated by the war. At the time, I offered an amendment to channel the aid through the United Nations. The amendment was rejected, and then, in keeping with my determination to support the United Nations and to oppose anything that I felt would weaken the United Nations, I voted against the Marshall plan. I intend to vote against the present measure for the same reason.

I refuse to accept something which I feel is hurting the United Nations, even though it may accomplish some good. I admit good has been accomplished by the Marshall plan. Hungry people have been fed. Economies have been rehabilitated. But I do not feel that the good which has been accomplished can anywhere near off-set the harm which has been done the United Nations and the cause of world peace by our taking the ball unilaterally, so to speak, and running with it. I believe that our whole foreign policy is ill-conceived and eventually will be proved to have been a very poor course of action for us to follow.

I believe we are becoming a militaristic Nation. I remember, when Mr. Hitler was coming into power in Germany, many Americans would become very indignant and berate the German people because they did not rise up in opposition to him. But frankly, Mr. President, I do not blame the German people any more. I can begin to understand the predicament they were in. We are moving along toward militarism in this country, and it is getting so it is almost a traitorous act to criticize any of the policies which are taking us down the road toward militarism. I believe we are getting a superman complex in this country. We can read in the newspapers very often lately about our soldiers becoming involved in very unsavory incidents in many countries of the world. I think it is simply because they are getting the idea that we are above and beyond, that we are a law unto ourselves.

In today's Washington News there is an article about military justice as administered in Germany. It seems that the authorities can try a civilian employee of the Army in Germany. The army denies a civilian the right of counsel. Even if he has committed a minor misdeed, they can trail him to the United States and yank him back to Germany and throw him in jail without trial or benefit of civilian counsel. Certainly when I see such things happening I have to agree with the Hoover Commission in the statement that the military, to use a quaint American expression, is getting too big for its breeches in this day and age in our country.

There is another thing I deplore, Mr. President. It seems to me that in our great anxiety to fight communism we are succumbing to totalitarian practices in our own country. I can see no profit in that. If I am going to have to live under totalitarianism, it makes very little difference to me whether it is our own brand or some other brand. I do not like totalitarianism—period.

A case in point is that of Dorothy Bailey, a Government employee who was tried, if it may be called that, by a loyalty board. She appealed her case through all the various channels available to her. Nevertheless, she was dismissed from the Government service. She held a rather important post. It was brought out that as an official of a union of government employees she very often, most generally as I gather, voted against the extreme left wing in her union. But nevertheless, because at some time, many years ago, she had attended a Communist meeting, she was deprived of her job. She stands, for all practical purposes, convicted of treason, Mr. President. Her life, her career is ended, really. She cannot get another responsible job.

I deplore such things, Mr. President, and I think they are all coming upon us as part of the anti-Russian hysteria. I do not believe that it is the fear of Russian aggression that is causing these things. I believe rather it is the unreasoning hatred of the economics of communism. There are those who fear and hate communism. They are determined to rid the world of what they consider to be a menace to capitalism. I do not believe communism would be a menace to a benevolent capitalism which had at heart the interests of the people. But every time we try to bring up measures on this floor to make the lives of our people more enjoyable, and give them more freedom from want and fear, such measures are attacked by the very same people who are the most forward in supporting any measure against communism. I do not believe, Mr. President, we are going to defeat communism by force.

I deplore what has happened in Indonesia, the Dutch using our funds, or using their own funds which were freed because they had our funds, to murder the young Indonesian Republic. I believe, Mr. President, that one act has done more to make Communists in this world than has all the efforts put forth by Russia. There are many people in Asia. They are just beginning to awaken, and when they see the Dutch using our implements and our money to murder a young republic, it is inexplicable, and will result in making a great many Communists.

I think our foreign policy is leading right down the same road we traveled between World War I and II. Recently I read an article by Walter Lippmann in

which he said that responsible political leaders of western Germany had been holding conferences behind the iron curtain with political leaders of eastern Germany. Yes, Mr. President, I predicted that that would probably happen. We are building up western Germany. I believe that has come about because friends of German cartelists, persons in this country who are in league with the cartelists and occupying important positions in our Government—I shall not name names—are endeavoring to build up cartels for personal gain in western Germany, using the same excuse which Hitler used, that we are in mortal danger of being attacked by Russia. We now find that the western German political leaders and the political leaders of eastern Germany are conferring. If it ever comes to a show-down, I believe that all Germany will go with Russia, for the simple reason that we would be a much richer prize to conquer than would Russia. If the Germans join with the Russians, I imagine they figure they would have a very good chance of taking over, and the amount of loot would be beyond calculation, in all probability.

Mr. President, since I am on my feet, I may as well say that I expect to vote against the North Atlantic Pact. I think it is very much like sending scrap iron to Japan. We cannot hope to arm Europe sufficiently to withstand the gigantic Russian land armies available for an attack. I think that all the industries we are building up in Germany, all the armaments we may send to Europe, would fall to the Russians, if the worst came to the worst, and we should become involved in a conflict with the Russians. I do not recall any incident in history in which armed alliances have prevented war or even assured victory for those who allied themselves together in such an alliance. So, Mr. President, I shall have to vote against the North Atlantic Pact.

I suppose I am the only Member of this body who will vote against the ECA bill. I shall vote against it because I stand foursquare behind the United Nations, even though it has come to a sorry state, and largely, I believe, Mr. President, because we have bypassed it and undercut it and have not given it our full support. I am for the United Nations. I do not believe our foreign policy is calculated to help the United Nations.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. TAYLOR. I yield for a question.

Mr. RUSSELL. The Senator states that he thinks the policy of the United States has demoralized the United Nations. Would not the Senator be willing to admit that the abuse of the veto power by Russia has contributed more to the impotence of the United Nations than has any other single factor?

Mr. TAYLOR. No; I cannot agree with the Senator from Georgia on that. When we discussed the Marshall plan on the floor of the Senate—I believe I remember the occasion—I made a rather long speech in which I went over the vetoes, one by one, and told why they had occurred.

It seems to me most of the matters vetoed were deliberately put up to the Russians with the hope in mind of securing a veto so it could be used for propaganda purposes. As I pointed out at that time, I may say to the very able Senator from Georgia, we made the Russians veto the same identical issue three or four times when we knew there would be a veto by Russia. So it would seem to me we have tried to use that as a propaganda weapon against the Russians. I think they have used the veto needlessly at times, but I do not believe it has been so devastating to the United Nations as have our outside activities, such as taking over the situation in Greece, instead of turning it over to the United Nations, and handling the Marshall plan unilaterally instead of putting it through the United Nations; also our military alliances, which can only appear to be aimed at the Russians and which cannot make for peace.

Mr. RUSSELL. Mr. President, will the Senator yield further?

Mr. TAYLOR. I am happy to yield to the Senator from Georgia.

Mr. RUSSELL. Does not the Senator know that when we had in operation UNRRA, to which all the nations, including Russia, were parties, though we were footing most of the bills, as has been the case in most of our international activities, it was on that policy that the breach first developed between the United States and Russia and the cold feelings between those two nations began?

Mr. TAYLOR. As I remember, Mr. President, we went into Greece on our own while UNRRA was still in existence.

Mr. RUSSELL. That is correct.

Mr. TAYLOR. As I say, when we went into Greece, 2 or 3 years ago, I believe, I asked, How would we feel if the Russians came into Mexico or into Canada and started to do some of the things we have done in Greece and in Iran? I am rather gratified to see that Walter Lippmann recently has used the same comparison, asking how we would feel if Russians came into Mexico, only he was speaking about our moving into Norway, which is contiguous to Russia.

I am not saying that the Russians are blameless, but I believe we are equally to blame. I am terribly sorry that we did not stay within the United Nations. With the great prestige we had at the end of World War II, I believe we could have built up the United Nations, if we had put the money and the energy into building it up that we have applied to projects which bypassed and weakened the United Nations. We could have forced the Russians, then, to have agreed to a just program of disarmament, and we would not be faced with the situation in which we are going from bad to worse.

For the reasons stated, I shall vote against the pending bill.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Missouri [Mr. KEM].

The amendment was rejected.

Mr. MYERS. Mr. President, many Senators have inquired how late the Senate will remain in session today. Last night I stated that it was our hope to finish the bill today. I believe the Senate should remain in session this evening in an endeavor to conclude the pending bill. So we shall carry on and endeavor to reach a final vote.

Mr. LANGER. Mr. President, I now call up my amendment B to the pending measure, and I ask that it be read.

The VICE PRESIDENT. The clerk will state the amendment offered by the Senator from North Dakota.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add a new section as follows:

SEC. 10. Section 118 of such act is hereby amended by adding at the end thereof a new sentence as follows: "The Administrator shall also terminate the provision of assistance under this title to any participating country which hereafter engages in the dismantling of peacetime industries in Germany, or in removing any such industries or facilities thereof from Germany, or which hereafter receives any such plant or facility which shall have been removed from Germany."

Mr. LANGER. Mr. President, I spoke on the bill and this amendment at some length 2 nights ago. I went into great detail at that time, and I do not see any use going over the same matter again.

The amendment deals entirely with the matter of dismantling factories in Germany. I merely wish to call the attention of the Senate once more to the fact that the President's own committee, selected by President Truman, made the recommendations which I discussed, and stated that the United States was paying for the reparations mentioned, and that they did not think it was right to have the United States pay for them without taking the amount out of the money provided for in the Marshall plan. I may say also, Mr. President, that the Herter committee of the House unanimously recommended along the line followed by the President's committee.

I hope that I may have the courtesy of a yea-and-nay vote.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from North Dakota, on which he asks for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], and the Senator from Tennessee [Mr. KEFAUVER] are unavoidably detained.

The Senator from Illinois [Mr. LUCAS] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

I announce further that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], the Senator from Illinois [Mr. LUCAS], and the Senator from New York [Mr. WAGNER] would vote "nay" on this amendment.

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN] and the Senator from Pennsylvania [Mr. MARTIN] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Kansas [Mr. SCHOEPPEL], and the Senator from Wisconsin [Mr. WILEY] are unavoidably detained. If present and voting, the Senator from Wisconsin [Mr. WILEY] would vote "nay."

The Senator from New Jersey [Mr. SMITH] is absent because of illness.

The Senator from Ohio [Mr. TAFT] is absent on official business.

The Senator from Ohio [Mr. BRICKER] is unavoidably detained and is paired with the Senator from Wisconsin [Mr. MCCARTHY], who is detained on official business. If present and voting, the the Senator from Ohio [Mr. BRICKER] would vote "yea" and the Senator from Wisconsin [Mr. MCCARTHY] would vote "nay."

The Senator from South Dakota [Mr. MUNDT] is absent on official business. If present and voting the Senator from South Dakota would vote "nay."

The result was announced—yeas 13, nays 66, as follows:

YEAS—13

Butler	Johnson, Colo.	Maybank
Cain	Johnston, S. C.	Russell
Eastland	Langer	Wherry
Ecton	McFarland	
Jenner	Malone	

NAYS—66

Aiken	Hoey	Myers
Anderson	Holland	Neely
Brewster	Humphrey	O'Conor
Capehart	Hunt	O'Mahoney
Chapman	Ives	Pepper
Connally	Johnson, Tex.	Reed
Cordon	Kem	Robertson
Donnell	Kerr	Saltonstall
Douglas	Kilgore	Smith, Maine
Ellender	Knowland	Sparkman
Ferguson	Lodge	Stennis
Flanders	Long	Taylor
Frear	McCarran	Thomas, Okla.
Fulbright	McClellan	Thomas, Utah
George	McGrath	Thye
Gillette	McKellar	Tobey
Green	McMahon	Tydings
Gurney	Magnuson	Vandenberg
Hayden	Miller	Watkins
Hendrickson	Millikin	Williams
Hickenlooper	Morse	Withers
Hill	Murray	Young

NOT VOTING—17

Baldwin	Graham	Schoeppel
Bricker	Kefauver	Smith, N. J.
Bridges	Lucas	Taft
Byrd	McCarthy	Wagner
Chavez	Martin	Wiley
Downey	Mundt	

So Mr. LANGER'S amendment was rejected.

Mr. MCCARRAN. Mr. President, I send forward an amendment and ask to have it stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 11, line 15, it is proposed to insert the following:

(c) That section 112 is hereby amended by adding at the end thereof the following new subsection:

"(j) The Administrator shall, in providing assistance in the procurement of commodities in the United States, make available United States dollars for marine insurance on such commodities where such insurance is placed on a competitive basis in accordance with normal trade practices prevailing prior to the outbreak of World War II. In the event any participating country directly or indirectly prevents United States companies from competing for marine insurance on commodities procured in the United States with funds from the Economic Cooperation Administration, the Administrator shall require that all marine insurance on such commodities procured with such funds and shipped to such countries shall be insured with companies authorized to do a marine insurance business in the United States."

Mr. MCCARRAN. Mr. President, the joint committee known as the watchdog committee held hearings growing out of a series of complaints from the marine-insurance industry of America, that they, the marine-insurance group, were being discriminated against by the attitude and rulings of the Administrator of ECA. The hearings developed that in the judgment of some members of the committee, at least, there was effective discrimination. The chairman of the watchdog committee requested that the ECA authorities and the marine-insurance industry get together for the purpose of working out a plan whereby the rulings of the Administrator might be modified. That was done, and I had hoped that the rulings of the Administrator would be so modified that there would be no complaint from the marine-insurance industry. But, Mr. President, as the ruling now stands, the marine-insurance industry of America is very definitely being discriminated against.

All the amendment would do would be to require that where there is competition, the marine-insurance industry of America shall have a fair opportunity to compete as against other countries which also have marine-insurance industries, and thus not destroy an industry in this country.

The reply made by Mr. Hoffman to some of these complaints was that ECA was not set up for the purpose of building industry in America, but rather for the purpose of rehabilitating Europe.

As I see it, the answer to that is that ECA was not set up to destroy American industry either. So if it cannot build up American industry, it can at least so modify its orders as not to destroy American industry.

Today the marine-insurance industry of America is being put at a decided disadvantage as against marine-insurance companies in France, England, and other countries abroad.

All the amendment would do—and it seems to me in fairness and in justice it should be adopted—is to see to it that the American marine-insurance industry shall have a chance to bid for business in their line of industry.

Mr. President, on this amendment I ask for a yea-and-nay vote, unless the Senator from Texas will accept the amendment.

Mr. CONNALLY. Mr. President, the Senator from Texas is very much in sympathy with the amendment, but, on the other hand, the committee rejected it. The Senator from Nevada is no doubt familiar with the letter Mr. Hoffman wrote concerning the matter. If the Senator from Nevada could so amend his amendment as not to make it too compulsory, I should be very glad to take it to conference and see what can be worked out.

Mr. MCCARRAN. I thought that if there was anything too compulsory in the amendment, it could be adjusted in conference. I had hoped that might be the decision of the able Senator from Texas, who is in charge of the bill.

Mr. CONNALLY. The reason I suggested that the Senator from Nevada amend or modify his amendment was so that there could be something before the conferees. If the House should pass the bill in its present form there would be nothing in conference.

Mr. MCCARRAN. I understand the House has not acted on the bill in the form in which it is now; at least I am not so advised.

Mr. CONNALLY. The House will not take it up until the Senate passes it.

Mr. MCCARRAN. That is what I thought.

The VICE PRESIDENT. The Chair suggests that this is a Senate bill; and unless the House should disagree to the provision, there would be no conference.

Mr. MCCARRAN. Mr. President, unless the Senator from Texas can accept the amendment, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from Illinois [Mr. LUCAS] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from New Mexico [Mr. CHAVEZ] and the Senator from California [Mr. DOWNEY] are unavoidably detained.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN] and the Senator from Pennsylvania [Mr. MARTIN] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Missouri [Mr. KEM], and the Senator from Kansas [Mr. REED] are unavoidably detained.

The Senator from New Jersey [Mr. SMITH] is absent because of illness. If present and voting, the Senator from New Jersey would vote "nay".

The Senator from Ohio [Mr. TAFT] is absent on official business, and is paired with the Senator from South Dakota [Mr. MUNDT] who is also absent on official business. If present and voting, the Senator from Ohio would vote "nay", and the Senator from South Dakota [Mr. MUNDT] would vote "yea".

The Senator from Wisconsin [Mr. MCCARTHY] is detained on official business.

The result was announced—yeas 59, nays 22, as follows:

YEAS—59

Brewster	Hunt	Malone
Bricker	Jenner	Maybank
Butler	Johnson, Colo.	Millikin
Cain	Johnston, S. C.	Morse
Capehart	Kefauver	Myers
Chapman	Kerr	Neely
Cordon	Kilgore	O'Conor
Donnell	Knowland	O'Mahoney
Eastland	Langer	Pepper
Ecton	Lodge	Russell
Ellender	Long	Saltonstall
Ferguson	McCarran	Schoeppel
Gillette	McClellan	Sparkman
Gurney	McFarland	Stennis
Hendrickson	McGrath	Taylor
Holland	McKellar	Thomas, Okla.
Humphrey	Magnuson	Thomas, Utah

Thye	Watkins	Withers
Tobey	Wherry	Young
Tydings	Williams	

NAYS—22

Aiken	Green	Miller
Anderson	Hayden	Murray
Connally	Hickenlooper	Robertson
Douglas	Hill	Smith, Maine
Flanders	Hoey	Vandenberg
Frear	Ives	Wiley
Fulbright	Johnson, Tex.	
George	McMahon	

NOT VOTING—15

Baldwin	Graham	Mundt
Bridges	Kem	Reed
Byrd	Lucas	Smith, N. J.
Chavez	McCarthy	Taft
Downey	Martin	Wagner

So Mr. MCCARRAN'S amendment was agreed to.

Mr. FULBRIGHT. Mr. President, I call up my amendment lettered "D," marked "3–25–49."

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 1, in line 6, after the word "the", it is proposed to insert "political."

Mr. FULBRIGHT. Mr. President, I do not intend to delay the Senate. From even a casual examination of the amendment, it is quite evident that it is very simple. It merely calls for the insertion of one word. I think it is really in the nature of a clarifying amendment, because it achieves what I am sure most, if not all, of the Members of the Senate desire this legislation to achieve. The amendment simply makes specific what is inherent, I think, in this whole legislation.

I have previously spoken on the amendment at length, and I do not intend to delay the Senate now.

In view of the mood the Senate has exhibited by just now accepting another beneficial amendment, I hope my amendment will be accepted.

I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. CONNALLY. Mr. President, this amendment provides for the insertion of the word "political." We already have voted down a similar amendment on the question of having this legislation specify that there shall be economic union in Europe.

The committee considered this amendment very carefully, and was almost unanimously against either undertaking to coerce Europe or to pay Europe to achieve union. If Europe wishes to have union, let her have it; but we will not do anything to discourage her or to coerce her or induce her to do anything which she does not wish to do.

We think the amendment should be voted down, and we ask the Senate to vote it down.

The VICE PRESIDENT. The question is on agreeing to the amendment lettered "D," of the Senator from Arkansas. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from New Mexico [Mr. CHAVEZ] and the Senator from California [Mr. DOWNEY] are unavoidably detained.

The Senator from Illinois [Mr. LUCAS] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

I announce further that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], the Senator from Illinois [Mr. LUCAS], and the Senator from New York [Mr. WAGNER] would vote "nay" on this amendment.

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN] and the Senator from Pennsylvania [Mr. MARTIN] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Kansas [Mr. REED] are unavoidably detained.

The Senator from New Jersey [Mr. SMITH] is absent because of illness. If present and voting, the Senator from New Jersey would vote "nay."

The Senator from Ohio [Mr. TAFT] is absent on official business. If present and voting, the Senator from Ohio would vote "nay."

The Senator from Wisconsin [Mr. MCCARTHY] is detained on official business.

The Senator from South Dakota [Mr. MUNDT] is absent on official business. If present and voting, the Senator from South Dakota would vote "nay."

The result was announced—yeas 15, nays 67, as follows:

YEAS—15

Bricker	Ecton	Malone
Butler	Fulbright	Russell
Cain	Humphrey	Sparkman
Capehart	Jenner	Taylor
Douglas	Kefauver	Thomas, Utah

NAYS—67

Aiken	Ives	Myers
Anderson	Johnson, Colo.	Neely
Brewster	Johnson, Tex.	O'Conor
Chapman	Johnston, S. C.	O'Mahoney
Connally	Kem	Pepper
Cordon	Kerr	Robertson
Donnell	Kilgore	Saltonstall
Eastland	Knowland	Schoeppel
Ellender	Langer	Smith, Maine
Ferguson	Lodge	Stennis
Flanders	Long	Thomas, Okla.
Frear	McCarran	Thye
George	McClellan	Tobey
Gillette	McFarland	Tydings
Green	McGrath	Vandenberg
Gurney	McKellar	Watkins
Hayden	McMahon	Wherry
Hendrickson	Magnuson	Wiley
Hickenlooper	Maybank	Williams
Hill	Miller	Withers
Hoey	Millikin	Young
Holland	Morse	
Hunt	Murray	

NOT VOTING—14

Baldwin	Graham	Reed
Bridges	Lucas	Smith, N. J.
Byrd	McCarthy	Taft
Chavez	Martin	Wagner
Downey	Mundt	

So Mr. FULBRIGHT'S amendment was rejected.

Mr. GILLETTE. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The VICE PRESIDENT. The clerk will read the amendment.

The CHIEF CLERK. On page 4, line 22, it is proposed to strike out the period and insert a semicolon and the following:

And by adding at the end thereof the following new sentence: "The amounts of corn and corn grits, corn meal, and corn flour produced in the United States to be transferred by grant to the participating countries shall be so determined that the total quantity of United States corn used to produce the corn grits, corn meal, and corn flour procured in the United States for transfer by grant to such countries under this title shall not be less than 15 percent of the aggregate of the unprocessed corn and corn in the form of corn grits, corn meal, and corn flour procured in the United States for transfer by grant to such countries under this title."

Mr. GILLETTE. Mr. President, during my absence, some of my colleagues were kind enough to put in the RECORD a statement with reference to the amendment, and I think Senators are familiar with it. It is a very simple proposal, and I am hopeful that the committee will accept it. It does not require the shipment of any additional product. It does not require the shipment any particular amount of corn. It simply requires that of the amount of corn shipped abroad under the program not less than 15 percent shall be in the form of processed, dry-milled corn. There are a dozen reasons why the amendment should be adopted; none that I know of, why it should not. May I have the attention of the chairman of the committee?

Mr. CONNALLY. The chairman of the committee is listening to the Senator, and has the Senator's statement in his hand.

Mr. GILLETTE. I hope the chairman will edify himself by reading the statement.

I am merely repeating what was in the statement, that some 35,000 people are now employed in the dry-milling of corn in this country, and there are 175 plants. The plants at the present time are operating at less than 50 percent of capacity. In addition to furnishing additional employment by requiring that 15 percent be milled, there is another very cogent reason in that our neighbors abroad do not have facilities for milling corn. Corn that has been sent to them is milled on wheat-milling machinery and is unpalatable. In addition to that, there is a loss of the residue, the stock feed, the oil. In addition to that, it saves about one-third of the shipping expense. It also saves the expense of handling. It may be shipped in cotton bags which are readily utilizable in Europe.

I may say, without taking any more of the Senate's time, I am unable to conceive of any reason why the amendment should not be adopted. I am still hopeful that, notwithstanding the attitude the committee has taken with reference to various amendments, the committee will either accept it or will agree to take it to conference.

Mr. RUSSELL. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Georgia?

Mr. GILLETTE. I am glad to yield.

Mr. RUSSELL. As the Senator knows, I come from the very center of the hominy-grits area of the United States, where people are taught to eat it from infancy. I understand that in the Senator's State they manufacture it, but that

they do not eat it with the regularity they do down in the Southeast. I have sought in vain to buy hominy grits for breakfast ever since I have been in Washington, but have been unable to do so. I wonder whether the adoption of the amendment is likely to cause any shortage in hominy grits in this country. If it does, it would certainly strike a body blow at the diet of the South, if we did not have the grits with which to eat our gravy—when we have gravy.

Mr. GILLETTE. I am glad to answer the Senator that I am convinced the amendment will not do what he suggested. I have the figures, if the Senator cares to hear them, as to the utilization. I want to apologize to the Senator for the fact that the people of the State of Iowa have not used the processed corn product. I am speaking of dry milling, not of wet milling. We have not used the dry milling to the extent we should. That, I may say, is a further very urgent reason why the amendment should be adopted. If we could educate the people of Europe as the people of the South have been educated to know the nutritious value and palatability of these products we would have a market for any surplus corn in the future.

Mr. RUSSELL. If the Senator could educate the people of the rest of the United States to the delectable eating qualities of hominy grits he would certainly confer a great benefit on those of us from the South who were reared on it as a regular daily article of diet, when we are away from home.

Mr. GILLETTE. Even at the risk of taking some of the Senator's supply, may I ask?

Mr. RUSSELL. Of course, we would not want to see that done, but we certainly would want to open up new manufacturing plants to manufacture more hominy grits. During the war we had a great deal of difficulty getting hominy grits in the South, and I hope the adoption of the Senator's amendment will not deny the people of the South their hominy grits.

Mr. GILLETTE. I may add that the committee has already accepted an amendment of this kind requiring 15 percent of milled wheat. I may encourage the Senator by stating that we have at this time the greatest surplus of corn the country has had in years, and with the anticipated crop in 1949 there will be no shortage of hominy grits in the South.

Mr. RUSSELL. Can the Senator assure me that my constituents will not suffer for lack of hominy grits in the event the amendment is adopted?

Mr. GILLETTE. I give the Senator my earnest assurance.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield to the Senator from Florida.

Mr. PEPPER. Mr. President, I ask the Senator from Iowa if there is any possible inference that his amendment, if adopted, may include gravy. [Laughter.]

Mr. GILLETTE. Mr. President, I move the adoption of my amendment.

Mr. CONNALLY. Mr. President, I myself am a user of corn products in a small way. The difficulty with the amendment of the Senator from Iowa is that it will not bring about what the Senator wants to accomplish. I have a statement from Mr. Hoffman who says that to date ECA has approved for financing all the corn-flour, grits, and meal for which requests have been submitted by the participating countries. He says that such quantities, however, have been far less than 15 percent of the total quantities of corn approved for financing. In other words, under this amendment we would have to send as much as 15 percent abroad, and the people of Europe do not want so large a quantity.

The committee considered the amendment very carefully. While I deeply sympathize with the Senator from Iowa and think there is a good deal in what the Senator from Georgia has observed, that the people of the North and East will not eat cornbread, hominy grits, or many of the other products of corn, I think we should better spend the money in this country, trying to educate the people to use grits, hominy, cornbread, and foods of that kind, to much greater advantage to the economy of the United States than would be the case if we shipped them to Europe where they are not wanted.

The Administrator points out that since October 1948, when corn became plentiful in the United States, more than 80 percent of the ECA's financed exports of corn have been used by the recipient countries for livestock feeding. There is no sense in sending them meal for livestock feeding. That is economically unsound. Instead of trying to educate European animals to eat a little more corn in a different form, we had better educate some of our people to eat a little more corn in forms that are wholesome and nourishing, but not fattening.

The committee voted down the amendment. I sympathize with the Senator from Iowa.

Mr. GILLETTE. Mr. President, I should like to say just a word before the vote.

Of course I appreciate the Senator's sympathy, and I value it very highly. The Senator has alluded to the very reason why the amendment should be adopted—the fact that the people of Europe, with no facilities for milling the whole corn and having no way of milling it except on a wheat basis, do not know the processed corn as the people of the southern United States know it.

In the Eightieth Congress the House of Representatives unanimously adopted this same amendment to the Foreign Assistance Act, and in connection with it this statement was made:

> The most persuasive argument in behalf of this amendment springs from the fact that in the main European countries do not have good milling facilities for corn. It must be milled in available mills abroad which are adapted to the grinding of wheat and the net result is that a high-grade quality of corn meal, corn grits, and corn flour cannot be produced in the mills abroad. This means an inferior product from the standpoint of nutritional and caloric value. That is highly important because the very purpose of the food commodities to be sent abroad is to build up the physical capacity of the people to reconstruct their own industrial economy and this, of course, requires products where every element of nutrition is carefully preserved.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Iowa. [Putting the question.] The Chair is in doubt.

Mr. VANDENBERG. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered; and the Chief Clerk proceeded to call the roll.

Mr. MYERS. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ] and the Senator from California [Mr. DOWNEY] are unavoidably detained.

The Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from Illinois [Mr. LUCAS], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

I announce further that the Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN] and the Senator from Pennsylvania [Mr. MARTIN] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Vermont [Mr. FLANDERS], and the Senator from Kansas [Mr. REED] are unavoidably detained.

The Senator from New Jersey [Mr. SMITH] is absent because of illness. If present and voting, the Senator from New Jersey would vote "nay."

The Senator from Ohio [Mr. TAFT] is absent on official business, and is paired with the Senator from South Dakota [Mr. MUNDT], who is also absent on official business. If present and voting, the Senator from Ohio would vote "yea," and the Senator from South Dakota [Mr. MUNDT] would vote "nay."

The Senator from Wisconsin [Mr. MCCARTHY] is detained on official business.

The result was announced—yeas 44, nays 35, as follows:

YEAS—44

Aiken	Ives	Maybank
Bricker	Jenner	Millikin
Butler	Johnson, Colo.	Murray
Cain	Johnston, S. C.	Neely
Capehart	Kem	O'Conor
Chapman	Kerr	Schoeppel
Ecton	Kilgore	Stennis
Ferguson	Knowland	Thomas, Okla.
Frear	Langer	Thye
Gillette	Long	Watkins
Hendrickson	McCarran	Wherry
Hickenlooper	McClellan	Wiley
Holland	McFarland	Withers
Humphrey	Magnuson	Young
Hunt	Malone	

NAYS—35

Brewster	Hill	Pepper
Connally	Hoey	Robertson
Cordon	Johnson, Tex.	Russell
Donnell	Kefauver	Saltonstall
Douglas	Lodge	Smith, Maine
Eastland	McGrath	Sparkman
Ellender	McKellar	Taylor
Fulbright	McMahon	Thomas, Utah
George	Miller	Tobey
Green	Morse	Vandenberg
Gurney	Myers	Williams
Hayden	O'Mahoney	

NOT VOTING—17

Anderson	Bridges	Chavez
Baldwin	Byrd	Downey

Flanders	Martin	Taft
Graham	Mundt	Tydings
Lucas	Reed	Wagner
McCarthy	Smith, N. J.	

So Mr. GILLETTE'S amendment was agreed to.

Mr. MORSE. Mr. President, I advise my colleagues that I do not intend to speak at any length, so I think they should stay within the precincts of the Senate so that they may be here for a final vote on the pending measure, which I hope will take place in a very few minutes.

Mr. MAYBANK. Mr. President, will not the Senator speak a little louder? Senators on this side cannot hear him.

The VICE PRESIDENT. Senators can hear better if they will cease conversation.

Mr. MORSE. Mr. President, I send to the desk an amendment and ask to have it read.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 5, after line 7, it is proposed to insert the following new subsection:

(j) To the maximum extent consistent with the accomplishment of the purposes of this title, the Administrator shall provide that the procurement of machinery and other commodities in the United States will be made on a fair competitive basis to enable small business to compete with big business, and shall issue regulations to provide for compliance.

Mr. MORSE. Mr. President, I sought to discuss this amendment in connection with the amendment of the Senator from Nebraska [Mr. WHERRY] concerning small business a couple of days ago, but we became involved in the discussion of a little parliamentary problem and I thought a very bad precedent would have been set if I had discussed the matter at that time, because the suggestion was made, believe it or not, that the junior Senator from Oregon should agree to talk for 5 minutes. I thought that would be a very bad precedent to establish, so I declined, and said that I would speak at a later hour. I now for the first time have the opportunity.

Mr. President, I wish to go back to the amendment of the Senator from Nebraska on small business which the chairman of the Committee on Foreign Relations so graciously and cooperatively agreed to take to conference. The amendment reads:

(b) Section 104 of such act is amended by adding at the end thereof a new subsection as follows:

"(g) There shall be in the Administration a Special Assistant to the Administrator in Charge of Small Business Liaison who shall be appointed by the Administrator. It shall be the duty of such Special Assistant to formulate methods whereby American small business will be assured equitable participation insofar as practicable in the furnishing of commodities and services for procurement with funds appropriated pursuant to this act. Such Special Assistant shall receive his instructions from the Administrator and shall report to the Administrator quarterly on the performance of the duties assigned to him."

Mr. President, I was hopeful the other day, while the colloquy to which I referred between the distinguished Senator from Nebraska and the distinguished Senator from Texas was proceeding, that the three of us could work out an arrangement whereby at least a part of the principle of my amendment might have been incorporated in the amendment which the Senator from Nebraska was successful in having taken to conference. That was the only purpose I had in mind, to save the time it would take to present my amendment independently; but I was not successful. I am not, however, going to speak about it at any great length.

Mr. President, the underlying principle of my amendment is no different from the underlying principle of the McCarran amendment on which the Senate voted a few moments ago, which was adopted by an overwhelming vote of the Senate. In the course of his discussion of his own amendment the Senator from Nevada pointed out that in conference with Mr. Hoffman, Mr. Hoffman had pointed out to him that the primary function of ECA is to build up industry in the recipient countries. We all understand that, but I thought the Senator from Nevada [Mr. MCCARRAN] put it very well when he said that his reply to Mr. Hoffman was that ECA, however, should not be turned into an instrumentality for tearing down American business. I paraphrase the Senator, but I think that was the essence of his remarks. I add to that comment, Mr. President, that neither do I think ECA should become an instrumentality for making American big business bigger. I think small business in America should have a break in connection with the administration of ECA insofar as the letting of contracts is concerned.

Now, I know what Mr. Hoffman's answer will be, Mr. President. His answer will be that after all it is the purchasing commissions of the recipient countries which do the purchasing. That is true, Mr. President, but it is possible for the Congress to lay down the terms and conditions under which the purchases shall be made as a condition precedent to the granting of funds.

I simply state it as a matter of fact—and I want to emphasize it—that the evidence is overwhelming in support of the contention of American small business that the result of the purchasing practices which have developed under ECA in respect to goods purchased with ECA money is that American small business is being discriminated against. I desire to read a letter dealing with that subject. I can produce a great many such letters. But I have said to the Senator from Texas [Mr. CONNALLY]—I trust he has not left the Chamber—I hoped I could be able to do a little mule-trading with him before I got through.

Mr. WHERRY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Nebraska for a question?

Mr. MORSE. I yield.

Mr. WHERRY. I am certain the Senator from Texas will be on the floor in a moment. He was called off the floor. I am satisfied that when he comes back the Senator from Oregon will at least be able to make him a satisfactory proposition, and I hope that as the result of the trade the Senator from Oregon has mentioned there will not be any spavins on his amendment when he gets through.

Mr. MORSE. There is not a blemish on my amendment. I do not even have to offer a caveat emptor at this time. I can vouch for my amendment, I will say to the Senator from Nebraska. It is not necessary for Senators to look at it even through colored glasses.

In the absence of the Senator from Texas, I shall put a little bit of evidence in the RECORD in support of the major contention I am making in behalf of my amendment. That contention is that American small business is being discriminated against so far as the purchasing practices which have developed under ECA are concerned.

I read, Mr. President, from a letter which I received from one small manufacturer.

Mr. CONNALLY. Mr. President, I stepped out of the Chamber for a moment. Does the Senator from Oregon wish to address a question to me?

Mr. MORSE. Yes. I will address some questions, if I may, to the Senator from Texas as soon as I finish reading the letter, which is as follows:

DEAR SENATOR: In reference to my visit to your office, I made a complaint on the inability of the small-business men to get orders on the machinery sold through ECA channels.

My corporation represents a number of small manufacturers in the States of Washington, Oregon, and California, and we find that over 90 percent of the orders go directly to big business. The present methods employed by ECA of dealing directly through commercial channels gives opportunity only to the firms that have been well established in Europe for many years.

There are many complaints that you will find in the digest of the Small-Business Committee reports (the hearings were held during the last several months). The only salvation for small business is to have the purchases of machinery made through a governmental agency, where this governmental agency will invite bids from competitive manufacturers.

Such an agency is the Bureau of Federal Supply, which had a great deal of experience in purchasing various machinery during the war and postwar period. In the opinion of small business, as well as my own, the Bureau of Federal Supply had been inviting a large number of competitive manufacturers to bid on different machinery, and the final award in most cases was made to the lowest bidder. This system provided a fair chance for small business to participate in the orders sponsored by the United States Government and paid by the taxpayers.

As a taxpayer and businessman, I feel that the distribution of orders for the machinery and commodities purchased in the United States through ECA channels should be made on a fair competitive basis, where small business can compete with big business and receive their just awards.

Mr. President, the problem in regard to purchases with Government funds not only through ECA, but in respect to other Government funds, is a matter the Senate should go into. In my judgment, we should establish the principle, which I think is a perfectly fair one if we are going to protect equally all business concerns, that competitive bidding should be recognized. I think it is most unfortunate that we find our small manufac-

turers and small merchants in such a position that it is almost impossible for them to make sales through ECA funds because, as the manufacturer who wrote me the letter points out, the foreign purchasers once removed from ECA, are doing the purchasing only through the large, well-established American concerns with French offices in Europe, which have been there for a great many years.

What I should like to call the attention of the Senator from Texas to is this: Agreeing as I do with the Wherry amendment, which the Senator from Texas has agreed to take to conference, I wonder if it would be possible for the two of us to agree on the floor here and now that when the Senator from Texas takes the Wherry amendment to conference he will be willing, without it being formally adopted on the floor of the Senate, to raise the question in conference whether the Wherry amendment can be modified, if it meets with the consent of the conferees, in respect to setting up some system whereby American small-business men can get a chance at some of these contracts through competitive bidding. I think that is the only fair and equitable principle we should follow. I want to be cooperative in regard to this matter. If I could have the assurance of the Senator from Texas that that matter will be taken up in conference without the formal adoption of my amendment, I shall be satisfied.

Mr. CONNALLY. Mr. President, I will say to the Senator from Oregon that I am entirely agreeable to his suggestion. The Wherry amendment, however, was adopted. We did not merely agree to take it to conference; it was adopted. But it will furnish the basis for negotiations around the idea presented by the Senator from Oregon. But there are difficulties in this matter, as the Senator no doubt is advised. The ECA does not make these purchases itself. They are made by agents of the foreign governments. But I shall undertake to do what I can to incorporate some of the Senator's ideas into the Wherry amendment. I am sure the Senator from Nebraska would not be hostile to that view.

Mr. MORSE. In order to be sure that I understand the situation, let me say to the Senator from Texas that, as I understand, the Wherry amendment will be used as a basis for discussion in conference as to the advisability, if the conferees so decide, of trying to work out some system through the special administrator or special assistant the bill provides for, whereby small business may get a chance at some of these contracts through competitive bidding.

Mr. CONNALLY. That is what I said, and that is what I mean.

Mr. MORSE. That is perfectly satisfactory to me. You see, Mr. President, how easy it is to do business with the junior Senator from Oregon if Senators will only try. I withdraw my amendment. I thank the Senator from Texas.

The VICE PRESIDENT. The bill is still open to amendment. If there be no further amendments to be offered, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The VICE PRESIDENT. The question is, Shall the bill pass?

Mr. CONNALLY. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. WHERRY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hoey	Millikin
Anderson	Holland	Morse
Brewster	Humphrey	Murray
Bricker	Hunt	Myers
Butler	Ives	Neely
Cain	Jenner	O'Conor
Capehart	Johnson, Colo.	O'Mahoney
Chapman	Johnson, Tex.	Pepper
Connally	Johnston, S. C.	Reed
Cordon	Kefauver	Robertson
Donnell	Kem	Russell
Douglas	Kerr	Saltonstall
Eastland	Kilgore	Schoeppel
Ecton	Knowland	Smith, Maine
Ellender	Langer	Sparkman
Ferguson	Lodge	Stennis
Flanders	Long	Taylor
Frear	McCarran	Thomas, Okla.
Fulbright	McClellan	Thomas, Utah
George	McFarland	Thye
Gillette	McGrath	Tobey
Green	McKellar	Vandenberg
Gurney	McMahon	Watkins
Hayden	Magnuson	Wherry
Hendrickson	Malone	Williams
Hickenlooper	Maybank	Withers
Hill	Miller	Young

The VICE PRESIDENT. A quorum is present.

The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSTON of South Carolina (when his name was called). On this question I have a pair with the senior Senator from Maryland [Mr. TYDINGS], who is necessarily absent. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I therefore withhold my vote.

Mr. MALONE (when his name was called). On this question I have a pair with the senior Senator from Ohio [Mr. TAFT]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I therefore withhold my vote.

Mr. TAYLOR (when his name was called). On this question I have a pair with the distinguished majority leader, the senior Senator from Illinois [Mr. LUCAS], who is necessarily absent. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I therefore withhold my vote.

Mr. WILLIAMS (when his name was called). On this question I have a pair with the Senator from South Dakota [Mr. MUNDT]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I therefore withhold my vote.

The roll call was concluded.

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD], who is absent because of illness in his family, is paired on this vote with the Senator from California [Mr. DOWNEY], who is unavoidably detained. If present and voting, the Senator from Virginia would vote "nay," and the Senator from California would vote "yea."

The Senator from New Mexico [Mr. CHAVEZ] is unavoidably detained. If present, he would vote "yea."

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness. If present, he would vote "yea."

I announce further that the Senator from New York [Mr. WAGNER] is necessarily absent. If present, he would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN] and the Senator from Pennsylvania [Mr. MARTIN] are absent by leave of the Senate. If present and voting, the Senator from Connecticut [Mr. BALDWIN] and the Senator from Pennsylvania [Mr. MARTIN] would vote "yea."

The Senator from New Hampshire [Mr. BRIDGES], the junior Senator from Wisconsin [Mr. MCCARTHY], and the senior Senator from Wisconsin [Mr. WILEY] are unavoidably detained on official business. If present and voting, the Senator from New Hampshire [Mr. BRIDGES], the junior Senator from Wisconsin [Mr. MCCARTHY], and the senior Senator from Wisconsin [Mr. WILEY] would vote "yea."

The Senator from New Jersey [Mr. SMITH] is absent because of illness. If present and voting, the Senator from New Jersey [Mr. SMITH] would vote "yea."

The Senator from South Dakota [Mr. MUNDT] is absent on official business, and his pair has been previously announced by the Senator from Delaware [Mr. WILLIAMS].

The Senator from Ohio [Mr. TAFT] is absent on official business, and his pair has been previously announced by the Senator from Nevada [Mr. MALONE].

The result was announced—yeas 70, nays 7, as follows:

YEAS—70

Aiken	Hoey	Murray
Anderson	Holland	Myers
Brewster	Humphrey	Neely
Bricker	Hunt	O'Conor
Cain	Ives	O'Mahoney
Chapman	Johnson, Colo.	Pepper
Connally	Johnson, Tex.	Reed
Cordon	Kefauver	Robertson
Donnell	Kerr	Russell
Douglas	Kilgore	Saltonstall
Eastland	Knowland	Schoeppel
Ecton	Lodge	Smith, Maine
Ferguson	Long	Sparkman
Flanders	McCarran	Stennis
Frear	McClellan	Thomas, Okla.
Fulbright	McFarland	Thomas, Utah
George	McGrath	Thye
Gillette	McKellar	Tobey
Green	McMahon	Vandenberg
Gurney	Magnuson	Watkins
Hayden	Maybank	Withers
Hendrickson	Miller	Young
Hickenlooper	Millikin	
Hill	Morse	

NAYS—7

Butler	Jenner	Wherry
Capehart	Kem	
Ellender	Langer	

NOT VOTING—19

Baldwin	Chavez	Johnston, S. C.
Bridges	Downey	Lucas
Byrd	Graham	McCarthy

Malone	Taft	Wiley
Martin	Taylor	Williams
Mundt	Tydings	
Smith, N. J.	Wagner	

So the bill S. 1209 was passed.

The bill as passed is as follows:

Be it enacted, etc., That the fifth sentence of section 102 (a) of the Economic Cooperation Act of 1948 is amended by inserting after "United States" where is appears therein the first time "to encourage the unification of Europe, and."

SEC. 2. (a) The second sentence of section 104 (e) of the Economic Cooperation Act of 1948 is hereby amended by striking out "$10,000 per annum" and inserting in lieu thereof "the highest rate authorized by such act."

(b) Section 104 of such act is amended by adding at the end thereof a new subsection as follows:

"(g) There shall be in the Administration a Special Assistant to the Administrator. It shall be the duty of such Special Assistant to formulate methods to assist American small business in securing equitable participation, insofar as practicable, in the furnishing of commodities and services for the procurement with funds appropriated pursuant to this act. Such Special Assistant shall receive his instructions from the Administrator and shall report to the Administrator quarterly on the performance of the duties assigned to him."

SEC. 3. Section 108 of such act is hereby amended by adding at the end thereof the following new paragraph:

"There shall be a Deputy United States Special Representative in Europe who shall (a) be appointed by the President, by and with the advice and consent of the Senate, (b) be entitled to receive the same compensation and allowances as a chief of mission, class 3, within the meaning of the act of August 13, 1946 (60 Stat. 999), and (c) have the rank of ambassador extraordinary and plenipotentiary. The Deputy United States Special Representative shall perform such functions as the United States Special Representative shall designate, and shall be Acting United States Special Representative during the absence or disability of the United States Special Representative or in the event of a vacancy in the office of the United States Special Representative."

SEC. 4. The last sentence of section 109 (a) of such act is hereby amended by striking out the period and inserting in lieu thereof a semicolon and the following: "and the chief of the special mission shall be entitled to receive the same compensation and allowances as a chief of mission, class 4, within the meaning of the act of August 13, 1946 (60 Stat. 999), or compensation and allowances in accordance with section 110 (a) of this title, as the Administrator shall determine to be necessary or appropriate."

SEC. 5. Section 111 (a) (2) of such act is amended by inserting before the period at the end thereof "for United States flag vessels."

SEC. 6. (a) The first proviso of section 111 (b) (3) of such act is hereby amended by striking out "in the first year after the date of the enactment of this act does not exceed $15,000,000" and insert in lieu thereof "made in any fiscal year does not exceed $10,000,000."

(b) The last two sentences of such section 111 (b) (3) are hereby amended to read as follows: "The total amount of the guaranties made under this paragraph (3) shall not exceed $300,000,000, and as such guaranties are made the authority to realize funds from the sale of notes for the purpose of extending assistance on credit terms through allocating funds to the Export-Import Bank of Washington under paragraph (2) of subsection (c) of this section shall be accordingly reduced. After the amount of notes sold for the purpose of extending assistance on credit terms through allocation of funds to the Export-Import Bank of Washington under paragraph (2) of subsection (c) of this section and the amount of guaranties made reach in the aggregate $1,000,000,000, any further guaranty made by the Administrator shall create an obligation against funds appropriated under authority of this title and the Administrator shall notify the Secretary of the Treasury of the issuance of such guaranty and of the maximum liability thereunder, and the Secretary of the Treasury shall then set aside on the books of the Treasury from the funds appropriated under this title an amount equal to the maximum liability under such guaranty as stated in such notification, which amount shall be available for expenditure to discharge liability under such guaranty, by the Administrator or by an agency designated by him, until such time as the liability under such guaranty shall have been discharged or shall expire. Any payments made to discharge liabilities under guaranties issued under paragraph (3) of this subsection shall be paid out of fees collected under subparagraph (ii) of paragraph (3) of this subsection as long as such fees are available, and thereafter shall be paid either out of funds realized from the sale of notes which shall be issued under authority of paragraph (2) of subsection (c) of this section or out of funds appropriated under authority of this title and set aside on the books of the Treasury as hereinabove provided."

SEC. 7. (a) Section 112 (c) of such act is amended by striking out "25 percent" and inserting in lieu thereof "15 percent"; and by adding at the end thereof the following new sentence: "The amounts of corn and corn grits, corn meal, and corn flour produced in the United States to be transferred by grant to the participating countries shall be so determined that the total quantity of United States corn used to produce the corn grits, corn meal, and corn flour procured in the United States for transfer by grant to such countries under this title shall not be less than 15 percent of the aggregate of the unprocessed corn and corn in the form of corn grits, corn meal, and corn flour procured in the United States for transfer by grant to such countries under this title."

(b) Section 112 of such act is hereby amended by adding at the end thereof the following new subsection:

"(i) No funds authorized for the purposes of this title shall be used for the purchase in bulk of any commodities (other than commodities procured by or in the possession of the Commodity Credit Corporation pursuant to price-support programs required by law) at prices higher than the market price prevailing in the United States at the time of the purchase adjusted for differences in the cost of transportation to destination, quality, and terms of payment."

(c) Section 112 (d) of such act is hereby amended by adding after the words "any agricultural commodity, or product thereof" the following: "or class, type, or specification thereof."

SEC. 8. (a) The first sentence of section 114 (c) of such act is hereby amended by striking out the period and inserting in lieu thereof a colon and the following: "*Provided further,* That in addition to the amount heretofore authorized and appropriated there are hereby authorized to be appropriated for carrying out the provisions and accomplishing the purposes of this title not to exceed $1,150,000,000 for the period April 3, 1949, through June 30, 1949, and not to exceed $4,280,000,000 for the fiscal year ending June 30, 1950: *Provided further,* That in addition to the foregoing any balance, unobligated as of June 30, 1949, or subsequently released from obligation, of funds appropriated for carrying out and accomplishing the purposes of this title for any period ending on or prior to that date is hereby authorized to be made available for obligation through the fiscal year ending June 30, 1950, and to be transferred to and consolidated with any appropriations for carrying out and accomplishing the purposes of this title for said fiscal year. To enable the Administrator to finance such transfers of capital goods items, or of commodities and services allocated to projects, as may not be made by June 30, 1950, the Administrator is authorized prior to such date to obligate the United States to make expenditures after such date in an aggregate amount not to exceed $150,000,000, which amount shall be in addition to the amounts above authorized."

(b) The last sentence of such section 114 (c) is hereby amended to read as follows: "The authorizations in this title are limited to the periods indicated in order that the Congress may pass on any subsequent authorizations."

SEC. 9. Section 114 of such act is hereby amended by adding at the end thereof the following new subsection:

"(g) Notwithstanding the provisions of any other law, until such time as an appropriation additional to that made by title I of the Foreign Aid Appropriation Act, 1949 (Public Law 793, 80th Cong.), shall be made pursuant to subsection (c) of this section for the period April 3, 1949, through June 30, 1949, the Reconstruction Finance Corporation is authorized and directed to make advances not to exceed in the aggregate $750,000,000 to carry out the provisions of this title, in such manner, at such times, and in such amounts as the Administrator shall request, and no interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for this purpose. The Reconstruction Finance Corporation shall be repaid without interest for advances made by it hereunder from funds made available for the purposes of this title."

SEC. 10. (a) Section 115 (b) (6) of such act is hereby amended by striking out the period following the words "grant basis" and inserting in lieu thereof a colon and the following: *"Provided,* That the obligation to make such deposits may be waived, in the discretion of the Administrator, with respect to technical information or assistance furnished under section 111 (a) (3) of this title and with respect to ocean transportation furnished on United States flag vessels under section 111 of this title in an amount not exceeding the amount, as determined by the Administrator, by which the charges for such transportation exceed the cost of such transportation at world market rates."

(b) Such section 115 (b) (6) is further amended by inserting after "or for such other expenditures as may be consistent with" the words "the declaration of policy contained in section 102 and."

(c) Section 115 of such act is hereby amended by adding at the end thereof the following new subsections:

"(h) Not less than 5 percent of each special local currency account established pursuant to paragraph (6) of subsection (b) of this section shall be allocated to the use of the United States Government for expenditure for materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources or for other local currency requirements of the United States.

"(i) (1) The Administrator shall, to the greatest extent practicable, without detriment to the European recovery program, initiate projects for and assist the appropriate agencies of the United States Government in procuring and stimulating increased production in participating countries of materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources; and in furtherance of

those objectives the Administrator shall, in addition to the local currency allocated pursuant to subsection (h), use such other means available to him under this title as he may deem appropriate.

"(2) In furtherance of such objectives and within the limits of the appropriations and contract authorizations of the Bureau of Federal Supply to procure strategic and critical materials, the Administrator, with the approval of the Director of such Bureau, shall enter into contracts in the name of the United States for the account of such Bureau for the purchase of strategic and critical materials in any participating country. Such contracts may provide for deliveries over definite periods, but not to exceed 20 years in any contract, and may provide for payments in advance of deliveries.

"(3) Nothing in this subsection shall be deemed to restrict or limit in any manner the authority now held by any agency of the United States Government in procuring or stimulating increased production of the materials referred to in paragraphs (1) and (2) in countries other than participating countries."

(d) Section 115 (d) of such act is amended to read as follows:

"(d) The Administrator shall encourage each participating country to insure, by an effective follow-up system, that efficient use is made of the commodities, facilities, and services furnished under this title. In order further to insure that each participating country makes efficient use of such commodities, facilities, and services, and of its own resources, the Administrator shall encourage the joint organization of the participating countries referred to in subsection (b) of this section to observe and review the operation of such follow-up systems."

SEC. 11. (a) The first sentence of section 117 (c) of such act is hereby amended by striking out the period at the end thereof and inserting a colon and the following: "*Provided*, That the Administrator shall fix and pay a uniform rate per pound for the ocean transportation of all relief packages of food or other general classification of commodities shipped to any participating foreign country, regardless of methods of shipment and higher rates charged by particular agencies of transportation, but this proviso shall not apply to shipments made by individuals to individuals through the mails."

(b) Section 117 of such act is amended by adding at the end thereof a new subsection as follows:

"(e) Whenever the Administrator shall determine that the shipping capacity available to Italy is inadequate for such emigration from Italy as may be desirable to further the purposes of this title, the United States Maritime Commission shall, notwithstanding any other provision of law and without reimbursement by the Administrator, make available to Italy, under such terms and conditions as may be determined by the Administrator, not more than 10 vessels capable of engaging in such service, for the purpose of transporting emigrants from Italy to parts of the world other than the United States: *Provided*, That title to any such vessels which are owned by the United States Government shall remain in the United States, and any or all of such vessels shall be returned forthwith upon demand of the President, and in any event not later than June 30, 1952."

SEC. 12. (a) Sections 105 (c) and 117 (d) of such act are amended by striking out "section 6 of the act of July 2, 1940 (54 Stat. 714), as amended" and inserting in lieu thereof "the Export Control Act of 1949."

(b) Section 112 (g) of such act is amended by striking out "section 6 of the act of July 2, 1940 (54 Stat. 714), including any amendment thereto" and inserting in lieu thereof "the Export Control Act of 1949."

(c) That section 112 is hereby amended by adding at the end thereof the following new subsection:

"(j) The Administrator shall, in providing assistance in the procurement of commodities in the United States, make available United States dollars for marine insurance on such commodities where such insurance is placed on a competitive basis in accordance with normal trade practices prevailing prior to the outbreak of World War II. In the event any participating country directly or indirectly prevents United States companies from competing for marine insurance on commodities procured in the United States with funds from the Economic Cooperation Administration, the Administrator shall require that all marine insurance on such commodities procured with such funds and shipped to such countries shall be insured with companies authorized to do a marine insurance business in the United States."

SEC. 13. An amount, equal to any balance, unobligated as of April 2, 1949, or subsequently released from obligation, of funds appropriated by Public Law 793, approved June 28, 1948, for the purposes of the China Aid Act of 1948 is hereby made available to the President for obligation through February 15, 1950, for assistance to areas in China which he may deem to be not under Communist domination, to be furnished in such manner and on such terms and conditions as he may determine without regard to the foregoing provisions of this act.

SEC. 14. The Administrator shall, in providing for the procurement of commodities under authority of this title, take such steps as may be necessary to assure, as far as is practicable, that at least 50 percent of the gross tonnage of commodities procured out of funds made available under this title and transported to or from the United States on ocean vessels, computed separately for dry bulk carriers, dry cargo liner, and tanker services, is so transported on United States flag vessels to the extent such vessels are available at market rates for United States flag vessels; and, in the administration of this provision, the Administrator shall, insofar as practicable and consistent with the purposes of this title, endeavor to secure a fair and reasonable participation by United States flag ships in cargoes by geographic area.

SEC. 15. Section 112 of such act is hereby amended by adding at the end thereof the following new subsection:

"(j) No funds authorized for the purposes of this title shall be used for the payment of charges incurred after 60 days after the effective date of this amendment for charter hire, freight or passenger charges, or for any other purpose, to, on behalf of, or for the account of any vessel documented under the laws of any foreign country not a participating country unless, in the case of individuals the owner or owners of such vessel is a national of the country, and in the case of a corporation a majority of the voting power or controlling interest is vested in nationals of the country, under whose laws such vessel is documented. In administering this provision the Administrator may rely on the certificate of the owner of any vessel as to the nationality of such owner if an individual and as to the nationality of the controlling interest or majority stock ownership in the case of a corporation."

SEC. 16. The second sentence of section 118 of such act is amended by inserting before the period at the end thereof "or (3) the provision of such assistance would be inconsistent with the obligations of the United States under the Charter of the United Nations to refrain from giving assistance to any state against which the United Nations is taking preventative or enforcement action."

No funds authorized for the purposes of this act shall be allocated to or expended for any foreign government for the purpose of expenditures for the advertising of foreign products in this country nor for advertising foreign travel in this country.

Mr. CONNALLY. Mr. President, I wish to express my deep sense of appreciation for the action of the Senate and its courtesy and consideration during the time we have had this bill before us. This is the second chapter, as it were, in an act more generous and more far-reaching than any other in the history of all the centuries which have rolled around. Under this act we are expending billions of dollars, not for destruction, not for vengeance, but to rebuild and reconstruct the economy of the countries of western Europe and other countries which may become participants in this program. We do this, Mr. President, with two motives: A desire to see the economy of western Europe rehabilitated, but in another sense, a desire to preserve and maintain and strengthen the peace of the world to which the United States is devoted.

I thank every Senator for his cooperation.

SIGNIFICANCE OF EXPORT TRADE WITH MARSHALL-PLAN COUNTRIES

Mr. PEPPER. Mr. President, I have prepared a brief statement showing the significance to the export trade of the United States to the Marshall-plan countries, and some accompanying tables. I withheld the statement until after the vote, because I did not want to delay the vote. I ask unanimous consent that the statement may appear in full in the body of the RECORD.

The VICE PRESIDENT. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Table 1: Before the war the United States exported about $500,000,000 worth of goods more than it imported. Most of this surplus went to the ERP countries, which paid for these goods with earnings on investments (many of which have since been liquidated) or earnings from shipping and other services. Our trade with the rest of the world was about in balance (so far as grand totals are concerned).

United States exports rose from about $3,000,000,000 in 1936–38 to $15,300,000,000 in 1947. Partly this reflects higher prices, but for the most part it occurred because only the United States could supply the goods the world needed to repair war damage and undermaintenance.

The surplus of exports in 1947 amounted to $9,600,000,000. In other words barely one-third of our exports were paid for with imports. The balance was financed by various means: Primarily by the liquidation of the foreign nations and by United States assistance in the form of loans and grants.

In 1948, United States exports declined to about $12,600,000,000 while imports rose from $5,700,000,000 in 1947 to $7,100,000,000 in 1948. This was the trend both for our dealings with ERP countries and with the rest of the world. The decrease of exports reflects the fact that throughout the world dollar assets were largely used up in 1947. The increase in imports reflects both the strong demand for goods in the United States and the recovery of production abroad.

Table 2: This level of United States exports could not have been maintained in 1948 without United States assistance. By loan and grant the United States Government

made $4,300,000,000 available to ERP countries in 1948 and $1,300,000,000 to the rest of the world.

Table 3: The programs of the ERP countries (excluding their dependent overseas territories) as reviewed and revised by the OEEC and ECA indicate that merchandise trade with the United States will increase in 1949–50. Both exports and imports are expected to raise.

Table 4: The merchandise deficit of the ERP countries will be slightly larger in 1949–50 than it was in 1948–49, due to a somewhat greater increase in imports from the United States than in exports to the United States.

On the other hand, the dollar deficits of the ERP countries on invisible account and on merchandise account with other Western Hemisphere and nonparticipating countries will decline.

The future (no table): This dollar deficit of the ERP countries cannot continue indefinitely. Indeed it is the job of ECA to help these countries help themselves to get over the need for extraordinary assistance by 1952–53. If they are to balance their accounts, we must assume some decrease of exports from the Western Hemisphere to them. Chiefly we must expect them to export more to the Western Hemisphere. This means building up European production so that the ERP countries will be able to spare more goods for export as well as to reduce somewhat their requirement for imports.

The level of exports from the United States will depend in considerable measure upon the degree of prosperity in Europe. One way or another they must close the gap of nearly $5,000,000,000 in their current account. Given time—and help—they hope to do this by increasing their production and exports. Without such help, they would still have to close the gap, but they could do it only by struggling violently to cut down imports from the United States to a level that would bring depression and misery everywhere.

No one can tell what the level of exports from the United States would be under these circumstances. Common sense tells us that bankrupt businesses and unemployed workers are poor customers. United States exporters need a prosperous Europe. United States importers want to be sure that this highly industrialized area never has to compete for survival on a cut-throat basis. Both United States importers and exporters want to insure the building up of a prosperous Europe.

TABLE 1.—*United States merchandise trade*

[In billion dollars]

	Exports including reexports [1]			General imports			Balance of United States trade (not covered by imports)		
	ERP countries	Rest of world [2]	Total	ERP countries	Rest of world [2]	Total	ERP countries	Rest of world [2]	Total
1936–38 average, 38 percent	1.13	1.84	2.97	0.61	1.88	2.49	0.52	−0.04	0.48
1946 average, 32 percent	3.28	6.91	10.19	.68	4.23	4.91	2.60	2.68	5.28
1947 average, 34.5 percent	5.29	10.05	15.34	.70	5.03	5.73	4.59	5.02	9.61
1948 average, 33 percent	4.18	8.43	12.61	.95	6.12	7.07	3.23	2.31	5.54

[1] Includes aid and relief shipments and shipments to United States armed forces for distribution to civilian population in occupied countries beginning with 1947, but excludes surplus property and other goods not shipped from or into the United States customs area.

[2] Includes ERP dependencies.

Sources: Totals (recorded goods, 1936–47), Economic Report of the President, January 1949, p. 132 (1948); Survey of Current Business, March 1949, p. 16; ERP countries (1936–47), Department of Commerce, International Reference Service, vol. VI, No. 5, February 1949 (1948), ECA; Ninth Report to Public Advisory Board, pp. 86, 89.

TABLE 2.—*Total United States exports and Government financing, 1948 and projected for 1949*

[Billions of dollars]

	Calendar 1948	Calendar 1949
ALL AREAS		
Merchandise exports	[1] 12.61	13.0
U. S. Government financing (gross)	[2] 5.66	6.9
ERP	1.87	(4.4)
Civilian supplies for occupied areas	1.26	
Interim aid	.56	
Greek-Turkey assistance	.35	[3]
Export-Import Bank	.45	[3]
Surplus-property credits (including ships)	.25	
United Kingdom loan	.30	
All other	[4] .62	[3]
ERP COUNTRIES		
Merchandise exports	[1] 4.18	4.6
U. S. Government financing (gross)	[2] 4.34	5.4
ERP	1.87	[3]
Civilian supplies for occupied areas	.78	[3]

[1] Department of Commerce: Recorded goods, excludes sales of United States goods outside United States customs area.

[2] Department of Commerce.

[3] Not available.

[4] Includes China aid, International Refugee Organization, war-damage payments and other transfers to the Philippine Republic, International Children's Emergency Fund, other unilateral transfers and loans including in 1948 post-UNRRA and in 1949 the loan for the UN Building.

TABLE 2.—*Total United States exports and Government financing, 1948 and projected for 1949*—Continued

[Billions of dollars]

	Calendar 1948	Calendar 1949
ERP COUNTRIES—continued		
U. S. Government financing—Con.		
Interim aid	.56	
Greek-Turkey assistance	.35	[3]
Export-Import Bank	.17	[3]
Surplus-property credits (including ships)	.18	[3]
United Kingdom loan	.30	
All other	.13	[3]
REST OF WORLD		
Merchandise exports	[1] 8.43	8.4
U. S. Government financing (gross)	[2] 1.32	1.4
Civilian supplies for occupied areas	.48	[3]
Surplus-property credits (including ships)	.07	
Export-Import Bank	.28	[3]
All other	.49	[3]

Note below: Financing is total aid extended including aid used to finance surplus property and other goods purchased outside the United States customs area and to finance freight and other services purchased from the United States and elsewhere.

[1] Department of Commerce; Recorded goods excludes sales of United States goods outside United States customs area.

[2] Department of Commerce.

[3] Not available.

TABLE 3.—*Projected trade of 15 participating countries [1] with the United States*

[In millions of dollars]

	Imports from United States	Exports to United States	Merchandise balance
1948–49	4,089	765	−3,324
1949–50	4,222	852	−3,370

[1] Excludes dependent overseas territories, Portugal, Switzerland, Trieste, and Turkey.

Source: ECA estimates of balance of payments (Mar. 9 and Mar. 24).

TABLE 4.—*Projected dollar requirements of 15 participating countries [1]*

	1948-49	1949-50
United States merchandise deficit	3,324.4	3,370.3
Other dollar merchandise deficit	964.2	742.5
Invisibles (dollar deficit)	708.0	459.9
Net current dollar deficit DOT's	238.2	192.8
Total	5,234.8	4,765.5

[1] Excludes Indonesia, Portugal, Switzerland, Trieste and Turkey.

Source: ECA estimates of balance of payments (Mar. 9 and Mar. 24).

INDIA—A BULWARK OF DEMOCRACY

Mr. HUMPHREY subsequently said: Mr. President, I ask unanimous consent to have printed in the body of the RECORD following the vote on the passage of the bill and after the statement submitted by the Senator from Florida [Mr. PEPPER] a statement I have prepared concerning American foreign policy in the Near East and in the Far East.

The VICE PRESIDENT. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. HUMPHREY. Mr. President, the past weeks we have had our eyes on Europe. The only time we have turned around to look at the other side of the world—what we might term our rear, in cold-war terminology—came Tuesday, April 5, when this body voted aid to China.

I do not choose to talk about the wisdom of aiding China today. But I do want to turn our thinking back in that direction. We have many reasons for helping Europe. One is their great need, a serious shortage of what they need for life, partly caused by our common war effort. Another is the encouragement we seek to give toward a world of greater cooperation and unity, at least of the democratic countries. The third reason is the threat of totalitarianism which often steps in where men and women lack the necessities of decent living.

All of these same reasons for aiding Europe apply to another country—to India. India has need. India fought beside us in the great Second World War. India should be brought into the councils of democratic world organization we are forming around the framework of the Atlantic Pact. Not only is India a nation of ever increasing democracy, but her leaders today are among the great and wise men of our time. Finally, the threat of communism and the military threat of the Soviet Union has and may in the future press sharply down on the 300,000,000 people living in the rich peninsula.

China is an enigma. No one is sure what is happening—what we ought to do about it or what will happen if we do nothing. There is no question in India. She is a great and rich country, worthy of our help and needing it sorely.

Eighty-five percent of her people are poverty stricken and illiterate. India's national income was only $13,636,300,000 for her 337,000,000 people as compared to our approximately $224,000,000,000 income in 1948 for only 140,000,000 people. Her per capita income, then, was about one-fortieth of ours.

But India is making strides ahead and needs only investment and help to become a wealthy nation. She reclaimed 32,306 acres of wasteland for agriculture in the fiscal year 1947–48 and is now working to reclaim 100,000 acres more. The United Nations Food and Agriculture Organization director, Norris Dodd, praised her plans for increased food production and said that if the plans succeed, India can become self-sufficient in food.

Industrial production is increasing, too. Production of electrical supplies, Diesel engines, bicycles, superphosphates, caustic soda, soda ash, bicycle tires, sugar, hydrogenated oils, and soap are at new peaks in India in 1948.

India needs supplies to feed her expanding economy. Yet she has been forced by a dollar shortage to cut down her imports from hard-money countries. Her deficit balance of trade with hard-currency countries was $93,000,000 in the last 9 months of 1948. She will have to make this up through the International Monetary Fund. Her deficit in trade with this country in 1947 was $147,000,000. Our imports from India have dropped, causing this unfavorable trade balance between us, in spite of the fact that India's world-wide trade balance is favorable by $100,000,000.

Now for that small gap between what India sells us and what we sell her, India has been forced to cut needed imports from dollar areas. But her imports were not luxury goods that could readily be cut. What India wanted to buy from us were basic needs—food and industrial equipment which are absolutely essential if India's 300,000,000 are ever to rise above their poverty and illiteracy.

Because we are closing one eye and keeping the other focused on Europe we have overlooked our good friends in India, in Asia where the real struggle for men's minds is taking place. Seven European nations have received more ECA funds than India would need to continue importing according to plan from dollar areas. And whereas each of the 7 nations have received substantially more than India would need, the combined population of those countries is scarcely greater than the total population of India.

There are practical reasons to help India. She is the second largest producer of vital manganese—and the first is the Soviet Union. She has 20,000,000,000 tons of unexploited iron ore and 60,000,000,000 tons of coal. Her steel production is seventh in the world and she produces nearly all of the world's mica, much of the tungsten, thorium (needed in atomic energy production), and lac (the basic ingredient of shellac).

In the alliance of free, democratic peoples, India deserves an important position. While she has looked at herself as a neutral between the great world blocs, she has found it necessary to put down Communist riots and strikes and she is working toward fuller democracy. More important, India represents the free people of southeast Asia and represents, too, the colored peoples of the world.

Militarily, her position is on the front line against the Soviet Union. She has a volunteer army of 300,000 men, an air force of 8,700 men, 6 fighter squadrons, 1 transport squadron. Her navy has one cruiser, four sloops, and a dozen mine sweepers.

In maintaining Asian stability, India is essential. As her Ambassador to the United States (Sir Bengal Rama Rau) said last October in New York, "It is no exaggeration to say that on the economic and political stability of India depends the prospect of maintenance of peace in Asia during the next decade, and consequently the maintenance of peace throughout the world." He went on to say that while communism was still weak in India, receiving only a handful of votes, "there is, however, one danger to be guarded against. The Indian Union will have a completely democratic system on the basis of adult suffrage. You can easily realize the significance of this in a country, the vast majority of the population of which is on a low standard of living if not on the margin of starvation. All of these men and women will now exercise their vote, and it is obvious that they will not tolerate the democratic system unless in the immediate future the Government elected under this system can improve their economic status and rid them of the fear of starvation and misery. If the standard of living is not raised, there is every danger of India falling under the influence of some other system, whether it is communism, or fascism or some other ism. The agriculture and industrial development of the country is, therefore, a matter of great urgency both from the political and the economic points of view."

India is not a question mark. In every way she belongs in the family of free nations. Her needs are no secret; they are all too evident. What must we do to help her and to encourage India's participation with the rest of the free world?

We must first recognize her needs as equally crucial as Europe's needs. Secondly, we must recognize India's legitimate interests and her grievances against us. We must recognize the self-government aspirations of southeast Asia colonies and avoid aid or comfort to European nations now putting down revolts and attempts at self-government. They will not trust us until we take that step. Nor will they trust us until our attitude right here at home toward our own colored citizens has changed to one of friendship and equality.

No one will be free and prosperous in this interdependent world until all are free and prosperous. Our Atlantic Pact and European recovery program are only half of the fight. Let us turn around and face our other friends and bring them into the councils of the free and help them to a standard of living that can truly make them free.

The people rising to greatness and strength are there, in Asia and Africa. We should be their friends, and they will be our friends. Let us act in every way like friends, in our aid to them to start on the road to more prosperous life, in our immigration laws, and in our attitude toward their nationals in this country and toward our own citizens of their race.

The future lies across the Pacific. We are letting the future escape us until we recognize the fact.

Let us help India and work to cement friendships with the other Asian democracies. Free peoples everywhere must get together in friendship and cooperation.

FIRST DEFICIENCY APPROPRIATION BILL, 1949

Mr. McKELLAR. Mr. President, I move that the Senate proceed to the consideration of House bill 2632, Calendar No. 120, making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes.

The motion was agreed to, and the Senate proceeded to consider the bill (H. R. 2632) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

JURISDICTION OVER LANDS BENEATH NAVIGABLE WATERS WITHIN THE STATES—BILL INTRODUCED

Mr. McCARRAN. Mr. President, on behalf of myself and 30 of my colleagues from all sections of the Nation, I ask unanimous consent to introduce a bill to confirm and establish the right of the States to lands beneath navigable waters within their original boundaries.

Mr. President, the policy which Congress should follow in this matter was clearly set forth in the report of the Senate Judiciary Committee in 1948 on Senate bill 1988, as follows:

* * * We consider it against the public interest for the Federal Government to commence a series of vexatious lawsuits against the sovereign States to recover submerged lands within the boundaries of the States, traditionally looked upon as the property of the States under a century of pronouncements by the Supreme Court reflecting its belief that the States owned these lands.

The report also said:

* * * The committee is of the opinion that not only will the public interest be best served by confirming the rights of the States but that common justice and equity require such action.

So, Mr. President, I ask unanimous consent to introduce the bill, and I also ask unanimous consent that my statement accompanying the bill be printed in the RECORD at this point.

The VICE PRESIDENT. Without objection, the bill will be received, and the statement will be printed; and in view of the fact that the reference of this bill may be a matter of some controversy, the Chair will withhold the reference until Monday.

The statement submitted by Mr. McCARRAN is as follows:

The bill is identical with H. R. 5992, approved by the House last year by a vote of 257 to 29, and substantially the same as S. 1988, both of which were pending on the Senate Calendar at adjournment of the Eightieth Congress. It was prepared by the National Association of Attorneys General and is supported by them, the Council of State Governments, and the Governors' Conference.

In the past this legislation has been mistakenly labeled as the tidelands bill. Actually, it is far more than that. It covers lands beneath all rivers, lakes, bays, and tidewaters of both the inland and coastal States. I am attaching to this statement for insertion in the RECORD a list of the States showing the submerged-land area within the boundaries of each State. I wish every Member of the Senate would note that his State has at least some property which has been clouded by recent Federal claims. Note that inland waters cover a greater area than the tidelands, and the Great Lakes cover almost as much area as both of these put together.

State officials from 45 States testified or submitted statements during an extended hearing on this question last year that in their opinion the Supreme Court decision in the California case (*U. S.* v. *California* (332 U. S. 19)) has clouded the long-asserted titles of every inland, coastal, and Great Lakes State to lands and resources in and beneath navigable waters within their boundaries. This was confirmed by resolutions of the American Title Association and American Bar Association. It was agreed that all State ownership of submerged lands, whether inland or coastal, is based upon the same rule of law announced in 1845 by the

Supreme Court in *Pollard* v. *Hagan* (3 How. 212, 230), as follows:

"First. The shores of navigable waters, and the soils under them, were not granted by the Constitution to the United States, but were reserved to the States, respectively. Second. The new States have the same rights, sovereignty, and jurisdiction over this subject as the Original States."

This rule and the good-faith claim of the States for over 100 years was recognized by the present Supreme Court in its California decision (*U. S.* v. *California* (332 U. S. 19)):

"As previously stated this Court has followed and reasserted the basic doctrine of the Pollard case many times. And in doing so it has used language strong enough to indicate that the Court then believed that States not only owned tidelands and soil under navigable inland waters, but also owned soils under all navigable waters within their territorial jurisdiction, whether inland or not."

Title to these lands was not decided or settled by the California case. Only paramount rights and powers over them for such purposes as national defense and navigation was decreed in the Federal Government, and these powers are admitted and properly protected in the bill which I offer. Continued State ownership cannot and will not interfere with exercise of these Federal powers. On the other hand, if the mere exercise of these Federal powers is allowed to automatically divest the States of their property, it would be a doctrine of nationalization which no State should permit to be foisted upon another lest it be extended in due time to all.

I want the Senate to know that private development of oil on these lands is no longer an issue. The Federal control bill recommended by the interested Federal agencies would validate existing leases and authorize future leasing to private concerns just as the States are now doing. The only difference is that the States are receiving far greater lease revenues than the Federal Government now receives on similar leases. In any event, both bills are alike in protecting the right of the Federal Government to get all of such property when necessary for national defense.

More important than oil to three States are the beaches, lakes, water, fish, sand, gravel, kelp, iron ore, coal, and other resources produced from submerged lands by the other States. And above all is the principle of dual sovereignty and the respect which our Nation owes the right of property ownership reserved to the States in trust for their citizens.

This issue and this bill are nonpartisan. The coauthors are from both major political parties. In the 1948 elections only one political party adopted a platform plank advocating Federal control of any of these lands. That was the Progressive Party. A similar plank for "Federal control of the development of the natural resources of the Continental Shelf" was defeated in the Democratic platform and resolutions committee, and no minority report was made. Both the Republican and States Rights Parties adopted planks in favor of continued State control of these lands.

This legislation has the written endorsement and support of the following national organizations: The Council of State Governments, the Governors' Conference, National Association of Attorneys General, the American Bar Association, American Title Association, National Conference of Mayors, American Association of Port Authorities, National Reclamation Association, National Water Conservation Association, National Institute of Municipal Law Officers (representing 503 cities).

The Supreme Court, in the California case, recognized the authority of Congress to act in this "congressional area of national power" and added that it would not assume that Congress "will execute its powers in such a way as to bring about injustices to States, their subdivisions, or persons acting pursuant to their permission."

The policy which Congress should follow was clearly set forth in the report of the Senate Judiciary Committee in 1948 on S. 1988, as follows:

"* * * We consider it against the public interest for the Federal Government to commence a series of vexatious lawsuits against the sovereign States to recover submerged lands within the boundaries of the States, traditionally looked upon as the property of the States under a century of pronouncements by the Supreme Court reflecting its beliefs that the States owned these lands."

The report also said:

"* * * The committee is of the opinion that not only will the public interest be best served by confirming the rights of the States but that common justice and equity require such action."

Approximate areas of submerged lands within State boundaries

[Expressed in square miles]

State	Inland waters [1]	Great Lakes [2]	Marginal sea [2]
	Square miles	*Square miles*	*Square miles*
Alabama	531	----------	159
Arizona	329	----------	----------
Arkansas	377	----------	----------
California	1,890	----------	3,970
Colorado	280	----------	----------
Connecticut	110	----------	600
Delaware	79	----------	84
Florida	4,298	----------	7,340
Georgia	358	----------	300
Idaho	749	----------	----------
Illinois	453	1,526	----------
Indiana	86	228	----------
Iowa	294	----------	----------
Kansas	163	----------	----------
Kentucky	286	----------	----------
Louisiana	3,346	----------	4,109
Maine	2,175	----------	1,187
Maryland	690	----------	93
Massachusetts	350	----------	576
Michigan	1,194	38,459	----------
Minnesota	4,059	2,212	----------
Mississippi	296	----------	213
Missouri	404	----------	----------
Montana	822	----------	----------
Nebraska	584	----------	----------
Nevada	738	----------	----------
New Hampshire	280	----------	14
New Jersey	314	----------	390
New Mexico	155	----------	----------
New York	1,647	3,627	381
North Carolina	3,570	----------	903
North Dakota	611	----------	----------
Ohio	100	3,457	----------
Oklahoma	636	----------	----------
Oregon	631	----------	888
Pennsylvania	288	735	----------
Rhode Island	156	----------	120
South Carolina	461	----------	561
South Dakota	511	----------	----------
Tennessee	285	----------	----------
Texas	3,695	----------	3,854
Utah	2,570	----------	----------
Vermont	331	----------	----------
Virginia	916	----------	336
Washington	1,215	----------	470
West Virginia	91	----------	----------
Wisconsin	1,439	10,062	----------
Wyoming	408	----------	----------
Total	45,251	60,306	26,608

[1] Areas of the United States, 1940, Sixteenth Census of the United States (Government Printing Office, 1942) pp. 2, et seq. These figures are very approximate but are absolute minimums, since they do not include some 74,364 square miles of lands under water, which consists of deeply indented embayments and sounds, and other waters lying between the outer limits set for inland water and behind or sheltered by headlands or islands separated by less than 10 nautical miles of water. Ibid.

[2] World Almanac and Book of Facts for 1947; published by the New York World Telegram (1947) p. 138; serial No. 22, Department of Commerce, U. S. Coast and Geodetic Survey, November 1915. In figuring marginal sea area, only original State boundaries have been used. These coincide with the 3-mile limit for all States except Texas, Louisiana, and the Florida Gulf coast. In the latter cases, the 3-league limit as established before or at the time of entry into the Union has been used.

Mr. McCARRAN. Mr. President, if I may be permitted to express my view on the matter, I think the bill should go to the Committee on Interior and Insular Affairs.

The VICE PRESIDENT. That is in accordance with the situation now; but since the title to these lands has vested in the Federal Government and they have become public lands, if it is agreeable to the Senator from Nevada, the chairman of the Judiciary Committee, the Chair will refer the bill to the Committee on Interior and Insular Affairs.

Mr. CONNALLY. I inquire what bill it is, Mr. President?

Mr. McCARRAN. If I may answer the Senator from Texas, it is a bill, just introduced by me on behalf of myself and 29 other Senators, to determine the title to lands beneath the tidewaters of the respective States.

Mr. CONNALLY. Did not a similar bill go to the Committee on the Judiciary last year?

Mr. McCARRAN. It went to the Committee on the Judiciary before the Reorganization Act came into effect.

However, it is my judgment that now, under the Reorganization Act, it should go to the Committee on Interior and Insular Affairs.

Mr. CONNALLY. I think it should go to the Judiciary Committee, for the bill would determine the title.

The VICE PRESIDENT. The Chair might suggest to the Senator from Texas that, in the judgment of the Chair, the question of title was determined by the Supreme Court. The bill introduced by the Senator from Nevada is to convey the title of the lands within the States to the States. The question of title presumably has been settled; so the bill would seem properly to be referred to the Committee on Interior and Insular Affairs, because since that decision, the lands covered by the bill are now a part of the public domain, and therefore the bill would be within the jurisdiction of the Committee on Interior and Insular Affairs.

Mr. CONNALLY. Mr. President, I venture to say that those who will studiously read the decision of the Supreme Court may not be able to find any declaration there as to the title, in the sense that we used the word "title" in the law.

Mr. McCARRAN. The Senator is correct, so far as my judgment goes.

Mr. TOBEY. Mr. President, am I correct in my understanding—and I trust this is a parliamentary question—that should the bill become a law it would nullify completely the decision of the Federal Supreme Court which held that the title to these lands was in the Nation as a whole? Is that correct?

The VICE PRESIDENT. That is hardly a parliamentary question. The Chair has not read the bill introduced by the Senator from Nevada, but as it was read, the Chair understood that it conveyed to the States such title as the Federal Government may have in these lands.

Mr. TOBEY. Mr. President, will the Senator from Nevada yield for a further question?

Mr. McCARRAN. I yield.

Mr. TOBEY. Assuming the bill the Senator has introduced became a law, would the effect of its enactment be to nullify the Supreme Court's decision which decreed that the title to these lands belonged to the Federal Government?

Mr. McCARRAN. I may say that in my judgment the Supreme Court did not so decide.

Mr. TOBEY. If the Senator from Nevada will be good enough to answer one more question, what is the distinction between what I said and what the Supreme Court said?

Mr. McCARRAN. In my judgment, there is quite a wide latitude of distinction.

Mr. TOBEY. The Senator is not definite at all. That is a general remark.

Mr. McCARRAN. I am as definite as I can be.

Mr. TOBEY. Then we shall have to wait and thresh it out here on the floor, which I promise we shall do with great earnestness and sincerity, and with all the power we can muster to defeat the bill in the interest of all the people of the United States.

Mr. McCARRAN. We shall thresh it out on the floor of the Senate. I yield the floor.

Mr. DONNELL. Mr. President, will the Senator yield for a further inquiry?

The VICE PRESIDENT. The Senator from Nevada has yielded the floor.

Mr. DONNELL. Mr. President, do I have the floor, then?

The VICE PRESIDENT. If the Senator from Missouri wants the floor, he has it.

Mr. DONNELL. I should like the floor for a moment. I understood the Senator from Nevada to say that the bill relating to the matter of submerged tidelands, frequently if not generally so-called, was referred to the Judiciary Committee before the Legislative Reorganization Act went into effect. I have not seen the bill just presented, but I should like to point out to the chair, and to the Senator, that last year a bill relating to the submerged tidelands and the title thereto, designed to bring about a similar effect, was before the Judiciary Committee, long after the Legislative Reorganization bill had been passed, and the present distinguished chairman of the Judiciary Committee, together with the Senator from Oklahoma [Mr. MOORE] and myself, constituted a subcommittee of the Committee on the Judiciary which held very extensive hearings on the bill, involving hundreds upon hundreds of pages of testimony.

The bill (S. 1545) to confirm and establish the titles of the States to lands beneath navigable waters within State boundaries and natural resources within such lands and waters and to provide for the use and control of said lands and resources, introduced by Mr. McCARRAN (for himself and Mr. BALDWIN, Mr. BRICKER, Mr. BUTLER, Mr. BYRD, Mr. CAIN, Mr. CAPEHART, Mr. CONNALLY, Mr. CORDON, Mr. DOWNEY, Mr. EASTLAND, Mr. ELLENDER, Mr. FREAR, Mr. GURNEY, Mr. HICKENLOOPER, Mr. HOLLAND, Mr. JENNER, Mr. JOHNSON of Texas, Mr. JOHNSTON of South Carolina, Mr. KNOWLAND, Mr. LONG, Mr. MALONE, Mr. MARTIN, Mr. MUNDT, Mr. O'CONOR, Mr. REED, Mr. ROBERTSON, Mr. SALTONSTALL, Mr. SCHOEPPEL, Mr. STENNIS, and Mr. THYE), was read twice by its title and referred to the Committee on Interior and Insular Affairs.

Mr. DONNELL subsequently said: Mr. President, I desire to make a parliamentary inquiry about a matter which I assume my friend, the Senator from New Hampshire [Mr. TOBEY] has asked of the Presiding Officer in private, but which I now desire to ask for the RECORD. I should like to inquire whether the bill introduced by the distinguished Senator from Nevada has been referred?

The VICE PRESIDENT. It has been referred to the Committee on Interior and Insular Affairs.

HOPE DEFERRED MAKETH THE HEART SICK

Mr. DONNELL. Mr. President, on an entirely different subject, a comment made yesterday by my good friend, the Senator from New Hampshire [Mr. TOBEY], who spoke but a moment ago, I should like to concede that a statement which he made yesterday evening, namely, that the Biblical quotation is, "Hope deferred maketh the heart sick," is correct, and that my suggestion that "Hope long deferred maketh the heart sick," is incorrect. But may I say, Mr. President, I think that hope, long deferred, probably maketh the heart sicker.

LEGISLATIVE PROGRAM

Mr. MYERS. Mr. President, before an adjournment is taken, it is desired to have a brief executive session. In the meantime, I wish to make this announcement: House bill 2632 has been made the unfinished business for Monday.

Mr. WHERRY. Mr. President, if the Senator will yield, Is that the deficiency appropriation bill?

Mr. MYERS. That is the deficiency appropriation bill. It is my purpose to have the calendar called when the Senate convenes on Monday, and if the consideration of the calendar should run beyond the morning hour, I am sure the Senator from Tennessee might be willing to withhold consideration of the appropriation bill until we finish with the calendar.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. MYERS. I yield to the Senator from South Carolina.

Mr. MAYBANK. I should like to ask whether the Senator has any idea as to what bill may be considered when the deficiency bill shall have been acted on.

Mr. MYERS. I may say when the deficiency bill is completed, we hope to bring up the housing bill.

Mr. MAYBANK. I thank the Senator.

EXECUTIVE SESSION

Mr. MYERS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The Vice President laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The VICE PRESIDENT. Reports of committees are in order. If there be no reports, the clerk will proceed to state the nominations on the Executive Calendar.

DEPARTMENT OF COMMERCE—NOMINATION PASSED OVER

The Chief Clerk read the nomination of Thomas C. Blaisdell, Jr., to be Assistant Secretary of Commerce.

Mr. WHERRY. Mr. President, I ask unanimous consent that the nomination of Mr. Blaisdell go over again until at least the next call of the Executive Calendar.

The VICE PRESIDENT. Without objection, the nomination will be passed over.

GOVERNOR OF ALASKA

The Chief Clerk read the nomination of Ernest Gruening to be Governor of the Territory of Alaska.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

COLLECTORS OF CUSTOMS

The Chief Clerk read the nomination of Victor Russell to be collector of customs for customs collection district No. 21.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Sam D. W. Low to be collector of customs for customs collection district No. 22.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. CONNALLY. Mr. President, the two new collectors of customs in Texas, Mr. Victor Russell, of Port Arthur, and Mr. Sam D. W. Low, of Houston, Tex., are men of outstanding ability. Mr. Russell has been serving as collector and was reappointed. I am very happy the Senate has confirmed these nominations.

The VICE PRESIDENT. The President will be notified immediately of all confirmations of today.

ADJOURNMENT TO MONDAY

Mr. MYERS. As in legislative session, I move that the Senate adjourn until Monday next at 12 o'clock noon.

The motion was agreed to; and (at 5 o'clock and 48 minutes p. m.) the Senate adjourned until Monday, April 11, 1949, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 8 (legislative day of March 18, 1949:

DIPLOMATIC AND FOREIGN SERVICE

Louis G. Dreyfus, Jr., of California, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Afghanistan.

JUDGE OF THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

Philip J. Finnegan, of Illinois, to be judge of the United States Court of Appeals for the Seventh Circuit, vice Hon. William M. Sparks, retired.

CONFIRMATIONS

Executive nominations received by the Senate April 8 (legislative day of March 18), 1949:

ALASKA

Ernest Gruening to be Governor of the Territory of Alaska.

COLLECTORS OF CUSTOMS

Victor Russell to be collector of customs for customs collection district No. 21, with headquarters at Port Arthur, Tex.

Sam D. W. Low to be collector of customs for customs collection district No. 22, with headquarters at Galveston, Tex.

HOUSE OF REPRESENTATIVES

FRIDAY, APRIL 8, 1949

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Blessed is the man that walketh not in the counsel of the ungodly, nor standeth in the way of sinners, nor sitteth in the seat of the scornful. But his delight is in the law of the Lord, and in His law doth he meditate day and night.

Heavenly Father, this day we are reminded of Him who steadfastly set His face toward Jerusalem. In His breast throbbed a purpose that had been beating through the eternities. As we near the day of His triumphal entry into the Holy City, grant unto us such a spirit of courage and devotion that we too may set our hearts toward the Holy City of consecration to Thy purpose of redemption, and stewardship of sacrificial service. In the holy name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following resignation from a committee:

APRIL 6, 1949.

The honorable the SPEAKER,
House of Representatives.

DEAR MR. SPEAKER: I hereby tender my resignation as a member of the Select Committee on Small Business.

Sincerely yours,

PORTER HARDY, JR.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

APPOINTMENT TO COMMITTEE

The SPEAKER. Pursuant to the provisions of House Resolution 22, Eighty-first Congress, the Chair appoints as a member of the Select Committee To Conduct a Study and Investigation of the Problems of Small Business, to fill the existing vacancy thereon, the gentleman from Virginia [Mr. BURTON].

EXTENSION OF REMARKS

Mr. GORSKI of New York asked and was given permission to extend his remarks in the RECORD and include a resolution of the Town Council of the Town of Lancaster.

Mr. WAGNER asked and was given permission to extend his remarks in the RECORD and include an address by Dr. Joseph F. Thorning.

Mr. RIVERS asked and was given permission to extend his remarks in the RECORD and include an address by William P. Baskin.

Mr. GRANGER asked and was given permission to extend his remarks in the RECORD and include a broadcast by the American Broadcasting Co. on health insurance in Great Britain.

Mr. LUCAS asked and was given permission to extend his remarks in the RECORD and include a statement by Charles D. Willis, a young veteran, in answer to a Veterans' Administration rebuttal of his statement in Collier's magazine.

LEAVE OF ABSENCE

Mr. PASSMAN. Mr. Speaker, on yesterday I was granted leave of absence to attend to official business in Louisiana, but was mistaken as to the dates. I now ask unanimous consent that I may be granted a leave of absence for 4 days, April 11, 12, 13, and 14.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

EXTENSION OF REMARKS

Mr. SABATH asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

Mr. RIBICOFF asked and was given permission to extend his remarks in the RECORD and include extraneous matter in two instances.

Mr. HARRIS asked and was given permission to extend his remarks in the RECORD and include a letter by Hon. Edward Brown Williams, former assistant general counsel of the Federal Security Agency, to the editor of the Washington Post, of Washington, D. C., which was in the Washington Post issue of Monday, April 4, 1949, on the subject Why Food-Drug Checks Cannot Be Divided.

Mr. MULTER asked and was granted permission to extend his remarks in the RECORD in three instances and to include extraneous matter.

Mr. PHILBIN asked and was granted permission to extend his remarks in the RECORD and include an article from the Worcester Telegram.

Mr. HOPE asked and was granted permission to extend his remarks in the RECORD in two instances and include extraneous matter.

Mr. SMITH of Wisconsin asked and was granted permission to extend his remarks in the RECORD in two instances and to include extraneous matter.

Mr. KEATING asked and was granted permission to extend his remarks in the Appendix of the RECORD regarding a bill he is introducing today.

Mr. LECOMPTE asked and was granted permission to extend his remarks in the RECORD and include a letter from the head of the FHA in Iowa.

Mr. CRAWFORD asked and was granted permission to extend his remarks in the RECORD and include a brief article on the Atlantic Pact.

Mr. MEYER asked and was granted permission to extend his remarks in the RECORD and include a radio address by him on the Economic Cooperation Administration.

Mr. COLE of Kansas. Mr. Speaker, I ask unanimous consent to extend my remarks by including an article, Why We Behave Like Inhuman Beings. I am advised that the printing cost of this is $168.75. Notwithstanding the additional cost, I ask that the matter be printed.

The SPEAKER. Notwithstanding and without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a portion of a radio address.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

[Mr. SMITH of Wisconsin addressed the House. His remarks appear in the Appendix.]

HIGH PRICES FOR THE PRODUCERS AND LOW PRICES FOR THE CONSUMERS

Mr. KEATING. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Speaker, we heard much in the last campaign about raising prices for everybody that produces, and lowering prices for everybody who consumes. We thought that could not be done, but, lo and behold, the administration has come out with a bill that is supposed to do that very thing. This feat of legerdemain is the fantastic brain child of Secretary of Agriculture Brannan, and we are told it has the blessing of the President. We are told that by the President himself.

Under this bill the farmers are to get higher prices, and the people who consume those goods are to benefit from lower prices. The taxpayers, incidentally, of course, those same farmers and consumers, are to pay the difference out of their pay envelopes.

Well, we have heard a lot about that kind of economics from across the water, but this is the zenith in this direction on this side of the water.

SUBSIDIZED FARM PRICES

Whenever the Government begins to play openly with the idea of introducing a two-price system in any area of the economy it is time for the public to be on its guard. For two-price systems are in most cases merely a political device for making producers happy by guaranteeing them high prices while at the same time retaining the good will of consumers by promising them the benefits of low prices. It is plain common sense that there must be a "catch" somewhere in any scheme which thus professes to make it possible for people to have their cake and eat it too. That catch almost invariably takes the form of a Government subsidy. And since the only money that the Government

has with which to pay subsidies is money extracted from the public, what such sleight-of-hand proposals come down to is that the producer and consumer turn back in the form of higher taxes the illusory gains they have reaped during the dual system of prices.

The central feature of the Administration's proposed new farm program, pulled like a rabbit out of a hat yesterday by Secretary of Agriculture Brannan, is the economically insidious two-price formula. Under this plan if the Government decided the farmer was entitled to 35 cents a dozen for his eggs and the price fell to 25 cents, the Government (meaning the taxpayer) would make up the difference. The subsidy program would apply in the case of meat animals, milk, eggs, poultry, fruit, vegetables, butterfat, and other items, the list representing, all told, the source of three-fourths of all farm income. The basic principle of price supports in effect under Democratic administration since the mid-thirties would, in short, be scrapped overnight in favor of this new and dubious policy with respect to all except a half dozen basic commodities.

As for the old parity that would be supplanted by a new and startling concept of normality, the administration would set as its target a minimum income goal designed to assure agriculture as much buying power as it had in the "first 10 years of the previous 12-year period." Put more nakedly the target for 1950 would be the average farm income for the wholly abnormal war and postwar years, 1939–48, when both production and prices were the highest in the Nation's history. The average farm income for that decade was $26,234,000,000, compared with $7,877,000,000 for 1939.

Only one logical explanation suggests itself for the sudden emergence out of nowhere of this proposed new adventure in agricultural planning with its economic legerdemain and its promise of unprecedented largess to the farmer. It has all the earmarks of a heavy-handed attempt to repair the political damage sustained by the administration as a result of the recent decline in farm prices, and at the same time to top the Republican bid for agriculture's favor represented by the comparatively conservative Aiken law.

The SPEAKER. The time of the gentleman from New York has expired.

EXTENSION OF REMARKS

Mrs. BOLTON of Ohio. Mr. Speaker, two exceedingly worth-while editorials have recently appeared in our Cleveland papers, one in the Plain Dealer, one in the Press, that reflect the attitude of the intelligent and informed public they represent.

I therefore ask unanimous consent to extend my remarks in the Appendix of the RECORD, including these editorials.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mr. FARRINGTON asked and was given permission to extend his remarks in the Appendix of the RECORD and include excerpts from debates on the Hawaii Organic Act.

Mr. JAVITS asked and was given permission to extend his remarks in the Appendix of the RECORD in two separate instances and in each to include newspaper articles and resolutions.

Mr. SMITH of Kansas asked and was given permission to extend his remarks in the Appendix of the RECORD and include two editorials.

Mr. JENKINS asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. SMATHERS asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and in each to include extraneous matter.

Mr. McCORMACK asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter received from the Acting Commissioner of Public Buildings together with its enclosure.

SOCIAL SECURITY

Mr. JENKINS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. JENKINS. Mr. Speaker, I take this time to make the statement that about 2 months ago the President sent to the Hill a couple of bills he wanted introduced in the Congress. They were introduced, and were referred to the Committee on Ways and Means. These bills dealt with social security.

Social security has come to be a wonderful organization from the standpoint of strength of numbers; more than 50,000,000 people now are under social security, and if these two bills should pass this would add nearly 25,000,000 more. Then more than half of the people of the Nation will be under social security and to that extent dependent upon the Government. One of these two bills that was sent up, should it pass this Congress, would, under the guise of public assistance, put the Government into the great open field of public charity; and the Government would thereby take upon itself the responsibility of doing charity to everybody in the Nation, of supplanting charity work of the churches and similar organizations if carried out to the limit.

This legislation is dangerous, and serious, and tremendously expensive. I shall continue a discussion of these bills in the remarks I expect to insert in the CONGRESSIONAL RECORD of today. I hope this 1-minute discussion will be of some benefit to those interested in this great and important subject, and will beguile you into a perusal of the speech that I shall include in the Appendix of the CONGRESSIONAL RECORD.

CALL OF THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I make the point of order that no quorum is present.

The SPEAKER. Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 69]

Auchincloss	Buckley, N. Y.	Christopher
Bailey	Bulwinkle	Chudoff
Barrett, Pa.	Burnside	Clemente
Bentsen	Byrne, N. Y.	Coudert
Bonner	Carlyle	Dague
Brooks	Celler	Davis, Tenn.
Dingell	Lane	Simpson, Ill.
Elston	Latham	Simpson, Pa.
Fellows	Lichtenwalter	Smith, Ohio
Gilmer	Lovre	Staggers
Golden	Lyle	Stockman
Gore	Macy	Taylor
Granahan	Morton	Thomas, N. J.
Harvey	Murphy	Vinson
Heffernan	Patterson	Walsh
Heller	Pfeifer, Joseph L.	Whitaker
Hoffman, Ill.	Poulson	White, Idaho
Howell	Quinn	Whittington
James	Redden	Wilson, Tex.
Karst	Scott, Hardie	Withrow
Kennedy	Scott, Hugh D., Jr.	Wood
Keogh	Short	Zablocki
Kirwan		
Klein		

The SPEAKER. On this roll call 357 Members have answered to their names; a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

ANNOUNCEMENT

Mr. RANKIN. Mr. Speaker, I wish to make a statement to the members of the Committee on Veterans' Legislation. We had expected to meet at 2 o'clock, but owing to the situation in the House we have decided to postpone it until Tuesday morning at 10 o'clock.

EXTENSION OF REMARKS

Mr. LODGE asked and was granted permission to extend his remarks in the RECORD and include extraneous material.

Mr. ANDREWS asked and was granted permission to extend his remarks in the RECORD and include a speech delivered by Hon. SAM HOBBS before the Canadian Council of Laymen at Toronto, Canada.

Mr. YATES asked and was granted permission to extend his remarks in the RECORD and include a letter from the American Legion in the State of Illinois.

Mr. FULTON asked and was granted permission to extend his remarks in the RECORD and include testimony before a Senate subcommittee.

Mr. PATTERSON (at the request of Mr. SADLAK) was granted permission to extend his remarks in the RECORD and include an article.

Mr. HAND asked and was granted permission to extend his remarks in the RECORD and include an editorial.

SECOND DEFICIENCY APPROPRIATION BILL

Mr. KERR. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4046) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 4046, with Mr. PATMAN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule 2 hours are allowed for general debate. The gentleman from North Carolina is recognized for 1 hour and the gentleman from New York for 1 hour.

Mr. KERR. Mr. Chairman, I yield myself such time as I may desire.

The CHAIRMAN. The gentleman from North Carolina is recognized.

Mr. KERR. Mr. Chairman and gentlemen of the Committee, I present for your consideration the second deficiency appropriation bill for the fiscal year 1949, in the approximate amount of $671,000,000 against a budget estimate of $698,000,000, or a reduction of nearly $27,000,000.

Of the total amount in the bill, nearly $128,000,000 is for liquidation of existing contract authority—$110,000,000 being for the Atomic Energy Commission and $17,600,000 for increase and replacement of naval vessels. Smaller amounts are contained in other parts of the bill. This $128,000,000 represents no new authority but is merely an obligation to which the Congress has already committed itself.

The bill includes $43,000,000 for the Berlin air lift. For the information of the committee, I might say that the total cost of the air lift in fiscal year 1949 will be about $157,000,000. The Air Force is absorbing $114,000,000 of this cost from its current appropriation and the $43,000,000 is necessary to continue this vital operation on the present scale.

The bill includes $40,000,000 for strategic and critical materials. Also included for this same purpose is an amount of $270,000,000 in additional contract authority, authorized by law.

The largest single category provided for in the bill is the amount of $283,000,000 for increased pay costs as a result of Public Law 900, Eightieth Congress. A little over $191,000,000 is scattered throughout the bill and is included in individual appropriations for the specific items. The remainder of something over $92,000,000 was transmitted in a separate document of the Bureau of the Budget and is included under title II of this bill.

I wish to summarize at this time the entire situation with respect to this law and the total requirements and appropriations therefor.

The total cost in the fiscal year 1949 of the increase in pay of Federal employees provided for by Public Law 900 of the Eightieth Congress is $527,581,880. At the direction of the committee, the Bureau of the Budget examined the budget of each agency with a view to meeting this cost out of current appropriations without additional funds insofar as possible. This resulted in absorption of $237,350,732. The National Military Establishment absorbed the full cost, $115,457,769. On account of the increased volume of mail, the postal service absorbed only $4,381,682 out of a total of $220,599,312. In the remaining agencies the total cost is $191,524,799, out of which $117,511,281 is being absorbed, leaving a total of $74,013,518 to be appropriated for agencies other than the National Military Establishment and the Post Office Department.

In addition to amounts provided in the first deficiency bill, the accompanying bill appropriates $283,543,665, of which $191,098,777 is carried in title I in connection with items for which other deficiencies were required and $92,444,888 is carried in title II.

The appropriations in this bill clear up the entire matter of salary increases under this law for the current fiscal year.

Detailed explanations of the action of the committee with respect to the items in the bill are to be found in the report. I believe the committee has done an excellent job and I am grateful to the rest of the members of the subcommittee for their diligence in going through the many items that are contained in this bill.

Mr. Chairman, I want to call attention to some of the major items provided in the bill because they are most interesting. Of course, this is not all of them, but they are the items which carry the largest amount of money.

There is in this bill for the Government Printing Office, $775,000; for the Atomic Energy Commission, $110,000,000; for vocational rehabilitation, $700,000; for unemployment benefits for seamen, $500,000; for Public Buildings Administration, $3,600,000; for the Railroad Retirement Board, $500,000; for St. Elizabeths Hospital, $816,000; for forest-pest control, $500,000; for forest fires, $3,165,000.

I can think of nothing more beneficial to this country than our determination to destroy the pests which infest our forests and the protection of our forests. When this Nation was discovered it had the most magnificent forests that ever grew on any continent in the world, but these forests have been decimated by carelessness and in other ways and also by insects. I hope that the Nation has come to realize the necessity of making provision as far as the law is concerned and as far as human effort is concerned to preserve the great forests of the United States and of our hemisphere.

Then there is an item of $1,500,000 to maintain the bridges and the roads with which to protect our forests. There is a Weather Bureau item in here of $1,450,000 which is largely due to the increased salaries of the employees of the Bureau.

The Bureau of Indian Affairs gets $1,446,000; the Bureau of Mines gets $5,135,000; the Bureau of Reclamation, $1,000,000; the Department of Justice gets $407,000; the Air Force, as I called attention to before, gets $43,000,000; the Department of the Navy gets $62,100,000; the Post Office Department gets $205,000,000 of the total amount in this bill; the Department of State gets $65,000,000; the Treasury Department gets $61,696,000, and additional for Public Law 900, $92,444,000.

I wish to call to the attention of the Members of the House the comprehensive report made on practically each item of this bill. The facts involved in the report are the basis upon which this bill was constructed and the bill, in our opinion, deserves the approval of the House.

Mr. TABER. Mr. Chairman, I yield myself such time as I may desire.

Mr. Chairman, this appropriation bill involves appropriations totaling $671,000,000, in addition to a very large contract authorization for the Bureau of Federal Supply in the Treasury Department for the purpose of purchasing strategic and critical materials amounting to $270,000,000. The direct appropriation for this program is $40,000,000 and the total amount made available to that agency is $310,000,000. To what extent they may be able properly and efficiently and effectively purchase that quantity of materials, frankly I do not know, but in any event the money is available, and, with the world as it is, perhaps we cannot do anything else. Most of those items, if they are properly handled in the purchase, should prevent the terrifically excessive costs which generally flow as a result of war, if that should come.

The other biggest item is $110,000,000 for the Atomic Energy Commission to meet obligations which they have incurred. There are enormous items for the Post Office Department totaling right around $205,000,000, really more than that, in new cash, and a transfer of authority of about $6,800,000. We had a great many interesting things come up during the progress of the hearings on this bill. For instance, there were a large number of power plants built under the PWA in central Nebraska; Loup River, Platte Valley, Santee-Cooper, and Grand River Dam, Okla.

Guandola, C1227 X 4183 (grant not to exceed 45 percent of cost)

	Grant allotments	Loans
Bessemer, Ala., No. 7177	$578,000	$532,000
Tarrant City, Ala., No. 7512	147,424	[1] 61,000
Central Nebraska	19,363,500	23,988,000
Loup River, No. 665	4,463,836	10,916,041
Platte Valley, No. 573	2,899,269	10,351,865
Santee-Cooper, S. C., No. 4329	24,131,000	29,014,000
Grand River Dam, Okla., No. 1097	[2] 11,113,636	13,800,000

[1] These 2 loans have been paid off to some extent.
[2] The actual cash grant was $8,933,000 and the balance of over 2 mills was by way of property that was built by Federal Government after they took it over.

The Federal Government altogether granted for the dams over $60,000,000, and took in PWA bonds from these power authorities totaling $88,000,000. The interest rate on those bonds has been reduced to 2½ percent from 4 percent, which it was originally. In spite of that, and in spite of grants which nearly equal in each case the amount of the bonds, that is, practically half of the cost, these power projects are not able to pay the interest on the bonds in such shape as to make the bonds marketable. They are having a lot of trouble in the PWA trying to reorganize and set up these bonds so that they may be salable. This indicates that there should be greater care on the part of agencies in getting into these projects, especially in fixing the rates so that there might be a reasonable return.

I am going to place in the RECORD as part of my remarks the figures I have obtained upon this subject in a table I have prepared myself.

In this Congress we are appropriating more money than was made available last year or the year before. Part of that is due to the pay increases that have been allowed to Federal employees. Part of it is due to branching out in other directions.

As we approach these problems, one is more and more impressed with the neces-

sity for keeping the Federal Government's expenses down to a minimum and of seeing that the Federal Government receives the revenue to which it is entitled and should receive.

Take the Post Office Department at the present time. It is running a terrific deficit. There is an enormous deficit for the railway mail, that is, the payment to the railroads for space on trains. That is caused by the fact that there has been no change in these rates. In other words, the express companies have practically been run out of business by the parcel post and the parcel post is being operated in such a way that the revenues collected, in my opinion, do not exceed 50 percent of the cost of handling the parcels. The Postmaster General himself has the authority to increase the rates on these parcel post items. There is not any question in the world but what we should go ahead and make such increases in the postal rates as would put the Post Office Department on a very close to sustaining basis. How we can go on and have a deficit in every single agency, with a subsidy from the taxpayers, is beyond me. The people are already taking out of their own pockets on State, local, and national tax levies upward of 37 percent of their disposable income, and it is about time that the Congress of the United States woke up and began to plug the loopholes. That is a serious matter, and it is one that should be corrected at once. The things in the Post Office rates that cannot be corrected by the Department should be taken care of by the Congress. I hope that the committee having jurisdiction of postal rates will soon bring in a bill which will meet our obligations to the people of the United States along that line.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. CASE of South Dakota. Would the gentleman make some statement about the action of the committee with reference to the proposed funds for the laboratory to control foot-and-mouth disease among cattle?

Mr. TABER. Yes. A request was made of the committee for a $5,000,000 appropriation and I think a $30,000,000 contract authorization. That latter might have been $25,000,000. The committee heard that request. Frankly, it involved an enormous expenditure. I think I can give the figures. It called for the building of a barn of the most elaborate character, something just as fancy as some old-style German, Austrian, or French palace of the Middle Ages, which would be capable of housing 2,000 cattle. Frankly, the whole thing sounded ridiculous. Besides that, there is no part of the country which seems to want this particular laboratory. I cannot understand why it is that we do not make arrangements with Mexico to go down there and build a moderate-priced concrete-block building which would house two or three hundred cattle and go ahead with a laboratory there on a very reasonable scale, instead of wading into something that we all know and can see is ridiculous and not well-considered.

Mr. CASE of South Dakota. In other words, the gentleman does not think this disease ought to be introduced to a section of the country where it does not now exist?

Mr. TABER. I certainly do not, but I do feel that the Department has had delusions of grandeur, and that instead of meeting its obligations to the people of the United States in trying to get rid of the disease down below, by moving in and taking advantage of the opportunity that presents itself in Mexico of gathering together a place where a reasonable number of cattle can be had, and developing the proper serum and that sort of thing that is necessary to counteract this disease, they are proposing this ridiculous situation. I would go along with them if they would do as I have just mentioned nd they would be performing a great service, but I do not see any sense in their doing things that would not be constructive or satisfactory to the people of the United States.

Mr. CASE of South Dakota. Did the committee have any report on the progress that is being made on the outbreak now in Mexico?

Mr. TABER. Well, they told us that the quarantine was still effective below the line which has been established. They also told us that the territory that was affected was being reduced somewhat—not the way I would like to see it, however.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. WIGGLESWORTH. I think the record shows that out of 15,000 cattle 6,000 have been vaccinated, leaving 9,000 to be given their first treatment.

Mr. TABER. I think that is correct.

Mr. BARRETT of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. BARRETT of Wyoming. I agree with the position the gentleman has taken in this matter, but if I remember correctly, when the legislation was before the House a year ago, under the legislation which is now Public Law 496, the proposal was that this research laboratory would be constructed on an island off the mainland of the United States. As I understand the situation, the cattle used in these research laboratories must be clean or noninfected cattle and consequently there would be no point in locating this laboratory in the infected area of Mexico.

Mr. TABER. Not to get the vaccine, and that is a good part of the job that they have to do.

Mr. BARRETT of Wyoming. But they do not use infected cattle to carry on the research. They must have free cattle.

Mr. TABER. I think that is so, for research, but no such quantity as they want.

Mr. BARRETT of Wyoming. I agree with the gentleman in that respect.

Mr. TABER. I have here a picture which shows the elaborate set-up of barns that they intended to build. It is so elaborate that it is absolutely ridiculous.

Mr. BARRETT of Wyoming. Where did they propose to build it?

Mr. TABER. On an island in the Narragansett Bay, right handy to Newport, where everybody who was employed there could have the advantage of the large social atmosphere that exists in that place.

Mr. BARRETT of Wyoming. I quite agree with the gentleman that it should not be on the mainland of the United States under any circumstances, and preferably on an island off the mainland entirely. I think that was provided by law.

Mr. TABER. It was.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. FORAND. I did not quite get the reference the gentleman made to Newport. What did the gentleman say about the employees having social life?

Mr. TABFR. Where the folks employed in the laboratory could take advantage of that enlarged social life that exists there.

Mr. FORAND. I think the gentleman ought to come down there sometime this summer and see just how much social life there is there. He would not be casting aspersions on the employees of Newport County.

Mr. TABER. Well, I have been there and I have seen how the people live, and it is a delightful spot and I enjoyed being there very much.

Mr. FORAND. I hope the gentleman comes there again but does not use that as an alibi for not appropriating funds for the laboratory.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. KEATING. I might suggest that perhaps the Secretary of Agriculture is hoping to have more diseased cattle in this country so that he can pay the farmers more money, in line with his other program that has just come out recently which provides for writing a Government check to every farmer each year for the difference between the price of his farm products as fixed by the Government and the amount he gets for them in a free market. Presumably such annual checks would be distributed just before election time. This political possibility of largesse to the farmers may be the motivating factor against the Secretary of Agriculture wanting to build this laboratory down in Mexico, or to build it in some isolated place where it should be.

May I ask the gentleman a question about these items on page 26 of the report?

Mr. TABER. Yes.

Mr. KEATING. I refer to the italicized items which are mentioned on page 26 of the committee report to which footnote 11 applies, which reads: "Transfer recommended in lieu of appropriation." Will the gentleman explain what that means?

Mr. TABER. That means that there were two or three appropriations called to our attention—I have not the figures in my head—where the Post Office Department stated to us that they were going to have available at the end of the

current year a surplus of funds out of those that had been appropriated for this current year. We thought that instead of appropriating for those particular items we should transfer funds to the items that needed it rather than making new appropriations.

Mr. KEATING. Let me ask the gentleman a question which may appear to have a rather obvious answer, but which is not entirely clear to me as one not entirely familiar with the complicated intricacies of appropriations. I notice in this item for strategic and critical war materials which, I am sure we all agree, is a very necessary item within proper limits; $40,000,000 is appropriated and $270,000,000 of contract authority is granted. That $270,000,000 of contract authority means, does it not, that the Treasury Department is authorized actually to incur expenditures up to the total of forty plus two hundred and seventy, or three hundred and ten millions?

Mr. TABER. A part of the forty will probably have to be used to take care of contracts already let under contract authority heretofore granted, under contract authority that already exists and on which the bills are coming due. This is the way they operate under contract authority: Many of the items for which they contract are not delivered for months, and sometimes years, after the contract is let; sometimes they are never able to let the contracts for what they think would be a fair price. On items of this character, therefore, it has been customary for many years to give the agency contract authority and then when the bills come in to provide the funds to meet them rather than to appropriate a large sum of money that will not be used for a long time and perhaps never if they should not be able to let the contracts.

Mr. KEATING. But if they do let the contract the taxpayers are paying that money just the same as though it were a part of the appropriation bill.

Mr. TABER. Yes.

Mr. KEATING. The other day we had under consideration the bill making appropriations for the Department of Agriculture. As I recall, it was the first bill we took up this session where the appropriations for a department, looking at the summary at the end of the bill, were less than they were for the same department last year; but when you examine the bill you find that in addition about half as much as the total appropriation is allowed to be incurred under contract authority.

Mr. TABER. Or loan funds.

Mr. KEATING. Or loan funds. Are we not kidding ourselves unless in appraising what the Government is spending we give consideration to this contract authority, this loan authority, as part of the expenditures?

Mr. TABER. It will not be expenditures in the same way that those items that were transferred to loan authority would be expenditures, and there is a certain contingency about the delivery of these items that makes the question of expenditure doubtful; whereas, in these other items there was not.

Mr. KEATING. That is in Agriculture; there is not any doubt in that case but that when you consider the total of the loan authority plus the appropriations themselves we are way beyond what the bill was last year. Is that right?

Mr. TABER. That is right.

Mr. D'EWART. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Montana.

Mr. D'EWART. I would like to refer to the item on page 544 of the hearings, which has to do with the building of an Indian tuberculosis hospital at Galen, Mont. It will be remembered that a year ago we voted an appropriation of $750,000 as the first installment on that hospital, the total of which appropriation was to be $1,500,000. Pursuant to that act, the State appropriated $950,000 for the hospital.

The need for the hospital was recognized when the Congress passed the original appropriation. We would like to go ahead with the letting of the contract for this hospital, which will cost approximately $3,000,000, partly Federal funds, one-half of which was provided last year by the Congress, the other half of which should be provided this year by the Congress in addition to the $950,000 that was appropriated by the State.

We cannot go ahead, as we see it in Montana, with the use of those funds until the whole $3,000,000 is available or we have contract authorization. Would the gentleman explain that to me? We would like to proceed with the construction.

Mr. TABER. We allowed $750,000 for that item.

Mr. RABAUT. That is the budget request.

Mr. TABER. That is what the budget requested and the testimony given by the Department supported that figure. We felt if there was anything further than that desired it should be developed with the Department and not by us on outside evidence.

Mr. D'EWART. The $750,000 has been included in this deficiency bill?

Mr. TABER. Yes.

Mr. D'EWART. What item is that under?

Mr. TABER. It is under "Construction, Bureau of Indian Affairs," on page 20 of the report.

Mr. D'EWART. I thank the gentleman very much. I appreciate the action of the committee in making these funds available for this Indian tuberculosis hospital, at Galen, Mont. It will go a long way in helping to control among Indians this dreadful disease. The committee is to be commended.

(Mr. TABER asked and was given permission to revise and extend his remarks and include a table prepared by himself.)

Mr. TABER. Mr. Chairman, I yield 12 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

APPROPRIATIONS—SUMMARY TO DATE

Mr. WIGGLESWORTH. Mr. Chairman, yesterday the House of Representatives passed an appropriation bill for the Departments of State, Justice, Commerce and for the judiciary. This was the seventh of nine regular appropriation bills. Two other bills providing funds for the armed services and the independent offices may be disposed of before the recess. This will complete the initial action on appropriations by the House except for foreign aid, for the legislative branch, and for further deficiency items.

Now, what is the situation today, Mr. Chairman, with respect to these seven regular bills, exclusive of the deficiencies?

The budget recommendations for these bills have totaled about $8,362,000,000. Cuts recommended by the Committee on Appropriations, which have not been materially altered on the floor, have amounted to about $228,000,000, or roughly 2.7 percent.

Compared with the same seven bills passed last year by the Eightieth Congress, the total recommended this year by the committee reflects a staggering over-all increase of $1,241,384,242.

The bases for these figures, Mr. Chairman, appear in the seven subcommittee reports, with corrections, in the badly juggled figures for the Department of Agriculture, to include increased loan authorizations for the Farmers Home Administration and Rural Electrification Administration.

Specifically, Mr. Chairman, the administration's economic record to date is as follows:

District of Columbia bill, decrease	$995,862
Civil-functions bill, decrease	61,813,666
Treasury-Post Office bill, increase	419,598,223
Labor-Federal Security bill, increase	353,838,775
Interior bill, increase	126,821,934
Agriculture bill, increase, with corrections	318,983,126
State, Justice, Commerce, and judiciary bill, increase	84,911,712

I repeat, Mr. Chairman, that the seven regular appropriation bills referred to reflect an over-all increase of over $1,241,000,000, as compared to the appropriations allowed for the same departments and agencies last year.

In comparison, this year's savings to date of 2.7 percent below the recommendations of the Bureau of the Budget are infinitesimal and, furthermore, they are subject to material reductions, if the 15-percent cut imposed on construction estimates proves to be excessive. In such an event, the agencies concerned have already been invited by the majority members of the Committee on Appropriations to request additional funds.

This, Mr. Chairman, is a discouraging picture in these times of shrinking national income. It gives cause for concern to all those who believe that it is imperative to the Nation as a whole to maintain a balanced budget and to avoid increased taxation and high costs of living.

Two months ago, on February 15, 1949, to be exact, I called the attention of the House to certain steps taken by the majority members of the Committee on Appropriations over the protests of its minority members.

In fact, Mr. Chairman, as the Members will recall, the minority was not

even granted the courtesy of any discussion whatsoever in respect to arbitrary action, which included the abolition of the committee's expert nonpolitical investigative staff, secured only after years of effort by Members on both sides of the aisle through the medium of the Reorganization Act.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. PHILLIPS of California. Is it not a fact that under the Reorganization Act we had assured all these experts that they were protected from political fluctuations?

Mr. WIGGLESWORTH. As far as I know, every member of the permanent staff, as distinguished from the very able consultants from private enterprise, had that definite understanding.

Mr. Chairman, the facts, figures, and information reported to us by that staff made it possible during the 2 years of the Eightieth Congress to effect savings and rescissions detailed in the pages of the CONGRESSIONAL RECORD amounting to about $9,800,000,000.

The majority members of the Appropriations Committee, Mr. Chairman, have further hampered the effectiveness of the committee by reducing the size of all subcommittees to five members, thereby imposing, in my opinion, a burden unfair to committee members, unfair to the Congress, and unfair to the American people.

I believe, Mr. Chairman, that these steps have contributed directly to superficial action by subcommittees and to the current failure to effect greater savings and greater efficiency in the interest of those who pay the taxes and carry the burdens of high living costs, resulting from a spendthrift administration.

It is to be hoped that the remaining bills carrying enormous over-all appropriations will present a different picture from the standpoint of a hard-pressed national economy.

THE SECOND DEFICIENCY BILL

Mr. Chairman, the bill under consideration carries a total of about $671,000,000, some $27,000,000 below the recommendations of the Bureau of the Budget.

I think one or two items that have been deleted perhaps should not have been deleted. In general, however, I think the committee has been very liberal. If I were responsible for the bill it would carry less money.

The Public Buildings Administration, the Office of Education, and the Lands Division of the Department of Justice are examples of liberality, in my judgment, on the part of this committee.

The Flathead Tubercular Hospital, already referred to, has received the full budgetary request although, Mr. Chairman, the committee has seen no plans or specifications for the hospital in question, and although the record indicates that the cost involved will amount to from $38,000 to $42,000 for each of the 100 beds to be placed in the hospital.

The Panama Canal has been given $600,000 because of the danger of yellow fever. It is, of course, vital to deal with the threat of this disease. But again, Mr. Chairman, the action by the committee has been taken with literally little or no informed testimony as to the amount of money required to do the job.

These and other items could be mentioned.

I want to congratulate the Committee on Rules on bringing in a rule which will make it possible, through a point of order, to eliminate legislation proposed by the majority which would remove any limitation whatsoever on the amount of personnel that can be employed to do personnel work in the Department of the Interior.

The Federal Government has been notorious in its lavish expenditure in this particular field in recent years. A year ago I developed the fact that Federal workers engaged in personnel work had increased in number from 4,197 in the year 1938 to 25,191 in the year 1948, or an increase of over 600 percent.

I do not know how many people the Department of the Interior has on its pay roll in this connection, but I do know that if we take an average of $4,000 per employee and divide it into the established limitation of $875,000, there is enough money to employ about 220 people for this work, or about 1 personnel worker for every 225 people on the rolls of the Department of the Interior.

Inquiries a year or so ago, which I made of railroads, steel companies, and manufacturing and business-machine establishments, indicated that these business concerns employed personnel workers in the ratio of from 1 to 200 workers to 1 to 3,500 workers. There is no justification in my judgment for the elimination of the existing ceiling. In fact some limitation should be applied to all agencies in this and other respects.

Mr. Chairman, I call attention also to page 5 of the committee's report referring to the bombardment of the committee by letters and telegrams over a matter of a small deletion by the Bureau of the Budget in the request of the Office of Education in an amount of $13,000.

The testimony given made it appear that the origin of these telgrams and letters was within the Office of Education itself. If that be true, some person or persons there are presumably guilty of a criminal offense under the applicable law forbidding Government personnel to join in any attempt to bring pressure on the Congress.

This is not the first example of this kind that we have had in recent years. It must cease.

The bill makes provision, Mr. Chairman, for continuing the Navy shipbuilding program; $17,600,000 is provided for this purpose.

It removes the limit of dollars and cents on Army housing construction and leaves in effect the limitation in terms of square footage which is now permanent law.

It makes additional funds available for the acquisition of strategic and critical materials and for the development of synthetic liquid fuels.

It provides some $43,000,000 for the Berlin air lift.

The testimony, in reference to the Berlin air lift, is of particular interest. I commend it to the attention of the Members.

Starting on June 26, 1948, less than a year ago; involving some 20,000 persons, and several hundred planes; working 24 hours a day, 7 days a week in all types of weather the Berlin airlift, a joint effort by the United States of America and Great Britain, is depositing on the average 5,620 tons a day in the city of Berlin. The total to date has been over 926,000 tons through the medium of over 103,000 flights.

It has been a tremendous accomplishfunds, the airlift can, if necessary, contribution, actually and psychologically, to the situation in western Europe.

The committee has been assured, and it is to be assumed that the Russian Government now knows that, given sufficient funds, the airlift can, if necessary, continue to operate successfully indefinitely.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. WIGGLESWORTH] has again expired.

Mr. WIGGLESWORTH. I yield myself two additional minutes, Mr. Chairman.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. REES. First I want to commend the gentleman from Massachusetts who has just spoken for the effort he has made, not only during the present session but other sessions, trying to arrive at the amount that ought to be expended for the various purposes for which we appropriate funds.

I want to ask the gentleman how we can expect to reduce these appropriations when we include such items as an item of $2,000,000 for agricultural experiment stations in foreign countries, when we expand our programs, as we have been doing not only in these bills but in other bills Is it not going to be most difficult to begin to cut down the expenses that we charge against the Federal Government?

Mr. WIGGLESWORTH. The only way I know to reduce is to reduce. I think the item to which the gentleman refers in yesterday's bill is an excellent example of the type of item that should be stricken from bills when presented to the Congress for its consideration.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. WIGGLESWORTH] has again expired.

Mr. KERR. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. HORAN].

(Mr. HORAN asked and was granted permission to revise and extend his remarks.)

Mr. HORAN. Mr. Chairman, during the Eightieth Congress we authorized Federal participation in the celebration to be held in the United States Capital beginning a year from now, to be known as the National Capital Sesquicentennial Celebration.

It is planned to have pageantries and displays to show the growth of this great Nation of ours since the founding of the National Capital on the banks of the Potomac in 1800. The celebration will last several months.

It is expected we will then review the growth of our society, the growth of

movements in America, and that we will show to the world something of the pageantry and the sound character that has made this today the greatest nation on the face of the globe.

Certainly, if we are to do that we will have to be about it. I hate to say it, but we are at the place where we will either have to fish, cut bait, or go ashore. Mr. Carter Barron, chairman of the National Capital Sesquicentennial, appeared before the committee and made a request for Federal participation in this event of $1,500,000. This is not without precedent. Let me review to you at this time the Federal participation in other celebrations, not nearly as broad or as national as this one would be, as follows:

George Rogers Clark Sesquicentennial Commission	$1,796,000
Yorktown Sesquicentennial Celebration	475,000
Chicago World's Fair	1,375,000
Celebrating Seventy-fifth Anniversary of the Battle of Gettysburg	900,000
George Washington Bicentennial Commission	1,360,710
United States Constitutional Sesquicentennial Commission	485,000
Texas Centennial Celebrations	3,000,000
New York World's Fair	3,275,000
Golden Gate Exposition	1,700,000
Arkansas Centennial	75,000
Celebrating One Thousandth Anniversary of Government of Iceland	75,000

The request here is for $1,500,000 to help participate in the celebration of the growth of the founding of this Nation of ours.

Yesterday word came to us that the State of New York had appropriated $150,000 for their part in this national observance; and today Mr. Stuart Smith, of New York State, who is here, called up the sesquicentennial office and advanced the hope that the publicity we are getting because it is not included in this bill will not kill the celebration.

Let me say also that in addition to New York we have firm assurance that the States of Rhode Island, West Virginia, Alabama, Oklahoma, Louisiana, Washington, Nevada, Oregon, South Dakota, Missouri, Delaware, Maine, New Hampshire, Iowa, Kansas, Texas, Florida, South Carolina, Virginia, Pennsylvania, Wisconsin, Maryland, and Tennessee have all given definite assurance that they want to have this celebration and wish to participate in it. The two Territories, Hawaii and Alaska, are also in this list.

We have affirmative replies but no definite answer so far from California, Illinois, Nebraska, Arkansas, Ohio, Colorado, Vermont, and Massachusetts.

Negotiations are now under way with Connecticut, Montana, Idaho, New Mexico, and Arizona.

We have no assurance from, nor have any negotiations been had with, New Jersey, Wyoming, Indiana, North Carolina, North Dakota, and Mississippi.

I suggest that since the eyes of the Nation are beginning to focus upon the possibilities in this day of the value of such a celebration that this Congress which authorized this matter in the Eighteith Congress should now take definite steps either to deny or to affirm our participation in the National Sesquicentennial Celebration.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. TABER. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. CANFIELD].

Mr. CANFIELD. Mr. Chairman, the Appropriations Committees of the Congress have a thankless task in many respects, and their work is sometimes attacked by the executive branch of the Government when they try to save the taxpayers' money. The members of the Treasury-Post Office Appropriations Subcommittee in the Eightieth Congress, of which I had the privilege of being chairman, tried not only to save the taxpayers' money, but also tried to provide more efficient and improved service to the people. Under the able leadership of the gentleman from Virginia [Mr. GARY], this subcommittee, I am happy to state, is continuing that policy in this Congress.

But during the life of the Eightieth Congress this subcommittee seemed to be singled out for special criticism by the President of the United States as well as by the heads of executive agencies, by the bureaucrats, and by their pressure groups. We were accused of everything from costing the taxpayers hundreds of millions of dollars in lost revenues by the President down to making drug addicts of minor children by the Hearst press. The charges, of course, were unjust and unfounded.

It was a real pleasure to me to have officials of the Treasury and Post Office Departments come before this subcommittee this year and bear testimony how helpful the subcommittee had been in the past 2 years, how things had worked out as the subcommittee had said they would, how money had been saved and service improved. The hearings on the 1950 Treasury-Post Office bill constitute a most glowing endorsement of the subcommittee's work in the past 2 years by those who had previously been detractors. In part it is an admission by some segment of the executive branch that the record of the Eightieth Congress was not so bad, after all.

I would like to place some of this testimony bearing on improved service in the RECORD. I have not listed here all the points at which the committee insisted on economies, and which the executive branch said were impossible of achievement at the time they were made and later came back and reported that they had been able to carry on, sometimes in better fashion, with the reduced funds we allowed them. I have previously addressed the House on the record of the Bureau of Customs on that score, and I will make but passing reference to the fact that although President Truman charged in 1947 that reduced appropriations for 1948 for the Bureau of Internal Revenue would cost the country hundreds of millions of dollars, the actual record shows that collections for 1948 increased $2,750,000,000, and that the work of enforcement agents, which he charged we were hampering, produced $89,000,000 more in 1948 than they had in 1947.

The Treasury-Post Office Subcommittee in the Eightieth Congress ordered management surveys of the Bureau of Customs and the Coast Guard, and had its own investigators make a survey of the Bureau of Internal Revenue. Secretary of the Treasury Snyder referred to those surveys on page 22 of our hearings this year, and said:

> It is a matter of considerable gratification to me and to the members of my staff that we can place before you today a record of solid accomplishment as a result of the surveys and management studies which have been made and which are currently being carried on in the Treasury Department.

You can see that the surveys were not only helpful, but were so good that the Treasury is continuing them. I asked Secretary Snyder this direct question about these surveys, "You still feel that they were very wholesome and very helpful to the Department, do you not, Mr. Secretary?" and he answered, "That is definitely true." Referring in particular to the management survey of the Bureau of Customs—which you will recall is the Bureau which thought at that time that Congress could not take one penny from its estimated expenditures—Secretary Snyder said, on page 12 of the hearings this year:

> There were 172 recommendations in the report, and to date over two-thirds of the total number of recommendations have been studied and reported on by these subcommittees. Nearly 100 of the recommendations evaluated have been approved, indicating the constructive way in which the program is being carried out.

This indicates that Customs found nearly 100 ways it could improve itself after this subcommittee went to work. The Secretary continued:

> It is not possible at this time to make a very accurate estimate of the money savings which will result from the adoption of the recommendations already approved; however, preliminary estimates indicate that the savings may approach $500,000 per year after the recommendations are fully developed.

While quoting Secretary Snyder on Customs, we might turn to the insistence of this subcommittee on improving the public relations of the Bureau with the public, during which it was recommended that books of Customs Hints might be distributed to the public. On page 7 of this year's hearings, Secretary Snyder said:

> I should like to cite two excellent examples of better service to the public which were recorded during the year 1948. The Bureau of Customs issued a brochure entitled "Customs Hints."

In 1947, this subcommittee of the Eightieth Congress thought Customs was wasting money on border patrols. We reduced the funds and the patrols were eliminated along the Canadian border. You will remember the hue and cry which resulted. Collectors of customs predicted swarms of smugglers sweeping down from Canada. One collector in New York predicted that the border would be wide open to smugglers of all types of illegal contraband and illegal entry of aliens. The Louisiana Legisla-

ture passed a memorial against our cuts, and the Maritime Association of New York saw the reductions as a serious if not a fatal blow to that port. After the then Commissioner of Customs left his position, Customs officials went to work. They found that it was costing the Government $1,000,000 a year to maintain the patrols on the Canadian border, and that the maximum amount of smuggling there was only between $50,000 and $75,000 per year. It did not increase. The abolition worked so well that last year Customs itself eliminated its patrols on the Mexican border, substituting a more economical but more efficient check. Savings have been great, and efficiency improved, and the Acting Commissioner of Customs has come before the subcommittee and said: "I think the credit for that can go to this committee." The Eightieth Congress did a job there for the people.

When we cut the Customs estimates 2 years ago the press of the country charged that we would become a Nation of drug addicts. The Hearst papers published cartoons showing school children suffering from drug addiction as the result of Congress' penury. Parent-teachers associations took up the cry. Even chiefs of police deplored the action. What was the actual result of that action by the Eightieth Congress in behalf of the taxpayers? The answer is on page 153 of this year's hearings. During the year 1948, which was the year in which the great evil was to befall, Customs seizures of narcotics reached a record high, and the number of ounces of illegal narcotics seized in 1948 was two and one-half times greater than in 1946. I asked the budget officer of Customs at our hearings this year if "the changes you have effected in your controls, adding to that central agency which you call the Customs Agency, has been more effective than the prior set-ups" the reference being to changes in controls against smuggling which were required by the action of that subcommittee. The answer was, "We think so."

Another step which the subcommittee recommended in its reports during the Eightieth Congress was the establishment of a revolving fund to make special payments required by law. Last year Customs said it could not be done. Although they admitted such a change would be advantageous, they thought it impossible. We urged them to investigate further. This year they have found that such a revolving fund is possible and will be helpful, and requested that it be established, which we have done. It is often amazing how executive agencies think things are impossible until Congress prods them into making them possible.

You will remember how last year we released the report of the investigators of the Committee on Appropriations into the Bureau of Internal Revenue, and you will recall how the charges were denied and the uproar that resulted, with Congress being accused of taking partisan advantage of that Bureau and submitting a biased and untrue report. I have already cited Secretary Snyder's statement of the value received from all these surveys. I now refer you to page 63 of this year's hearings. I asked this question of Internal Revenue Commissioner George J. Schoeneman, who a year ago had assailed our report most bitterly:

Mr. Commissioner, has the Bureau completely analyzed the study made by the House Appropriations Committee staff and achieved any benefit therefrom?

Commissioner Schoeneman replied:

We have completely analyzed the statement, Congressman CANFIELD, and we have received benefits.

Many Members of Congress took us to task on the floor of this House for that report, and I would like to again emphasize the Commissioner's phrase: "and we have received benefits."

Two years ago, this subcommittee of the Eightieth Congress criticized the Coast Guard. No sooner did we issue that report than the usual attacks on us started, including charges on the floor of this House. We ordered a management survey. I read to you earlier in this statement the Secretary of the Treasury's endorsement of that and other surveys. The entire testimony of Coast Guard officials in this year's hearing is in the way of an endorsement of the value of that survey. It has improved the service of the Coast Guard. It has been helpful to the Congress. As a result of it, the Coast Guard, District of Alaska—that area so terribly vital to our national defense—has been reestablished. I asked this question of Captain Richmond, Chief of the Planning and Control Staff of Coast Guard, on page 106 of this year's hearings:

Do you feel, Captain, that the security of the United States is improved by the additional Coast Guard activities in Alaska?

His answer was:

I would say "Yes."

The Eightieth Congress gave authorization, and this subcommittee granted funds, for additional ocean weather stations and for extended aids to navigation through Loran. Captain Richmond admitted the helpfulness of these measures and he said on page 106 of the hearings this year:

Both of those bills were enacted by the Eightieth Congress.

You see, that Congress did do some things. Through the efforts of this subcommittee in the Eightieth Congress, as page 106 of the hearings shows, the Treasury, acting for the Coast Guard, now has permanent representation on the Air Coordinating Committee. Page 93 covers a very important action of the Coast Guard in getting its fiscal house in order. Captain Richmond testified there that the Coast Guard "very happily accepted the recommendation of this committee" to get an outstanding accountant to set up a more efficient accounting system for the service. Such action is accomplishing a great deal for the good of the Coast Guard.

The Commissioner of Public Debt indirectly paid a tribute to the Eightieth Congress when he testified:

The public debt in February 1946 was at a peak of $279,000,000,000; so that of today a net reduction of $27,000,000,000 has been accomplished in the outstanding debt.

There was a major accomplishment of the Eightieth Congress—a $27,000,000,000 reduction in the debt. It is a tribute to both the economy program and the tax policies of that Congress. Along those lines, page 166 of this year's hearing points out that there is a statutory requirement concerning annual payments on the public debt. Payments under that law were suspended in 1942. Things changed under the Eightieth Congress, for Mr. Kilby, the Public Debt Commissioner testified on page 166:

There was an application of the sinking fund in 1948 of about $758,000,000.

We did not have deficit financing when the Eightieth Congress was in existence.

This subcommittee of the Eightieth Congress did its part to promote the sale of United States savings bonds. We did not allow the full amount the Treasury requested for this work, but we allowed enough. I asked the Commissioner of the Public Debt if this action by the subcommittee last year had been helpful, and he replied:

I believe the Secretary has felt that the additional amount which was made available to the United States Savings Bond Division for 1949 has proved to be very worthwhile.

In the Bureau of Accounts of the Treasury there is much testimony bearing on the good done by the subcommittee in the Eightieth Congress.

On page 184 it is revealed how the Treasury is taking steps to improve its accounting set-up, which was criticized in the report of this subcommittee last year. That report also criticized the make-up of the daily Treasury report and the composition of the justifications. Both have been corrected according to pages 210 and 4 of the hearings, respectively.

The Bureau of Accounts, this committee learned last year, was lax in collecting lend-lease billing accounts, and many were 2 or 3 years behind schedule. We criticized that practice in the 1949 report, and in talks with the officials of the Bureau we urged corrections. As a result, Commissioner Maxwell stated in the hearings this year, page 175:

After we had the hearing last year we contacted all the agencies and indicated this committee's views on the subject, and all agencies took steps to get the information to us.

Because this subcommittee acted as it did, there has been a big improvement in this matter.

When the Secret Service came before the Eightieth Congress, we urged that a new Know Your Money booklet be issued to combat counterfeiting. Secret Service testified this year that such had been done, and that the new edition was of great value to merchants and was also being used in many schools.

When I was discussing Customs, I mentioned narcotic seizures. This subcommittee in the Eightieth Congress did something else about narcotics which generally went unnoticed by the press and public. When we heard the very able Commissioner of Narcotics present the

estimates which the President's Bureau of the Budget permitted him to place before us, we asked if any good could be accomplished by sending a few men abroad to attack the illegal narcotics traffic at its source. He told us that such a step would be most helpful, and the subcommittee granted him more money than the Bureau of the Budget allowed, so he could do this. Page 272 of this year's hearings recounts some of the good this money did, and on page 281 you will find where I asked Commissioner Anslinger whether the extra money we granted last year had produced results. He replied, "That was a Godsend and it is producing results right today." He also said, "Without that money we could not have done what we have." There is a case where the Eightieth Congress acting on its own initiative did a tremendous amount of good.

Back in 1947 your subcommittee ordered consolidations of some offices in Treasury, particularly that of combining the office of general counsel and the tax legislative counsel. The Treasury protested strongly that we had made a great mistake, that the new combination could not work. But the general counsel came before us this year and on page 316 stated of the consolidation, "I think it is an improvement, a distinct improvement, in organization," and he went on to say also: "The combination, I think, is a very happy one."

The recommendations of this subcommittee were most helpful in connection with the problems of the Bureau of Federal Supply. Legislative authority has been clarified, a Federal cataloging program has been undertaken, and arrangements for advance payments, which the Bureau thought impossible last year, have been made. After the subcommittee last year sharply criticized the poor credit of the Bureau, those officials this year came back and reported, on page 376 of the hearings, "We meet all our bills promptly," which is a big improvement over the 6 weeks' delay common a year ago.

The subcommittee was subject to considerable attack for its prohibition on the general purchase of typewriters. In fact, the typewriter lobby is still on the march but the Director of the Bureau of Federal Supply has found that the plan worked well, and on page 339 of the hearings this year he said:

> As a result of our experience to date in the operation of this program we believe that it should be continued during the next fiscal year.

After pointing out to us that only 424 of the 4,804 new typewriters requested by Government agencies were justified in the past year, the Director repeated:

> We think the law should be extended into next year.

One of the most important items considered by the Treasury-Post Office Subcommittee is the stock piling of critical and strategic materials. The Eightieth Congress, when it took office, found this program in poor condition. It was getting little or no help from the executive branch of the Government, for the President's 1949 budget message made a 50-percent slash in the funds requested for stock piling. The Appropriations Committee of the Eightieth Congress granted a full hearing to the officials of the Munitions Board, and granted their requests. This year the Chairman of the Munitions Board testified—page 391 of our hearings:

> Not until the present fiscal year was the stock-pile program supported at a rate commensurate with our objective.

I may say that again this year, for 1950, the subcommittee approved large appropriations for this program, but I emphasize, in the words of the Munitions Board chairman, that it was the Eightieth Congress which actually put the program on its feet.

I will not take the time to go into detail on the many similar endorsements which appear in the hearings on the Post Office bill. To cite a few at random, Post Office officials testified that by direction of this committee the Department was able to secure and maintain better service at a savings on the Detroit River. The Second Assistant Postmaster General, asked about the revolving fund for the payment of air carriers which the committee established last year, said, "I think the answer is that it has proved to be most helpful to the Department."

After a Nation-wide furor over a shortage of clean towels in Federal buildings last year, for which the committee was blamed until we proved otherwise, Department officials testified: "We learned our lesson with reference to towels." The committee early in the Eightieth Congress expressed its concern over the reports of vandalism in Federal buildings, and directed the Department to take steps to curb this. The Post Office Department followed the suggestion, issued a circular to all offices, and secured the cooperation of the newspapers. It was testified they did this right after discussion by the committee. This year, they reported that as a result of our recommendation and their action that they have not had a report in 18 months on any type of vandalism.

The record speaks for itself. The Eightieth Congress is now being given credit by those in the executive departments for having been a "do-something" Congress.

Mr. CHURCH. Mr. Chairman, this is the ninth appropriation bill to come before us since the opening of the Eighty-first Congress. According to our official House Calendar, we have passed to date only two major legislative bills, but we are today acting on the ninth appropriation bill.

This much at least can be said for President Truman's Eighty-first Congress: It knows how to spend money. It may have failed in all other regards, but in the field of Government expenditures it excels. In that field it is clearly demonstrating a remarkable ability to act both expeditiously and generously. On the record, President Truman will at least be able to say that the Eighty-first Congress was the most generous in history.

If the measure of whether a Congress is good, better, or best is its generosity with the taxpayers' money, then this Eighty-first Congress will doubtless be the very best in history and the economy-minded Eightieth Congress was, indeed, the worst. Let me remind you that 3 months after the opening of the Eightieth Congress we had passed a resolution in accordance with the Reorganization Act fixing the expenditures ceiling, and this House had sent to the Senate a bill giving the American people a much-needed tax reduction. But this generous Eighty-first Congress refused to comply with the Reorganization Act requirement for an expenditure ceiling.

The bill before us is the second deficiency appropriation bill. Before the Eighty-first Congress has completed its record of spending generosity, there will be many more deficiency appropriation bills and there will be supplemental appropriation bills. As someone has well said, The American people are being deluded into believing that every day is Christmas and the United States Government is Santa Claus.

Except possibly for the District of Columbia appropriation bill, not one single bill has been presented to this House by the Committee on Appropriations and not one single appropriation bill has been passed by this House that has realized any substantial savings. To be sure, there have been some reductions made which are below the budget estimate, but they have not been of much consequence, and a very important fact to bear in mind is that the President's budget submitted to Congress in January does not represent all the expenditures contemplated by the administration in 1950. He has submitted a legislative program which, if adopted, will involve additional appropriations, and doubtless some legislative bills will be passed by the Congress itself on its own initiative which will require additional expenditures.

It has been said that everyone talks about the weather, but no one does anything about it. It might be said that everyone talks about economy, the great need for economy, but there are all too few who are willing to do anything about it. The American taxpayer is the forgotten man.

Consider for a moment what the situation will be should we happen to become involved in a war. I pray that day will never come. We must at all costs avoid it, for another war may mean the end of civilization. Nonetheless, it is a possibility that there will be armed conflict between the countries who represent two different philosophies of government. If there were not that possibility, we would not be making the large expenditures we are making for the armed services. We would not be signing such documents as the Atlantic Pact. We would not be engaged in an extensive foreign-aid program and we would not be proposing a program for the arming of Europe.

How would we finance another war? We now have the largest public debt in history and we now have the heaviest taxes in history. Yet we continue to spend and spend, with no thought whatever, it seems to me, of what we may be called upon to do in the future. If we want this country strong, we must first of all see that it is on a sound fiscal basis. We may be increasing the size of

our Army, Navy, and Air Force, but in the event of actual conflict we would never be able to supply our fighting forces with productive strength necessary in these days of modern warfare.

Consider for a moment what the situation will be should we happen to experience a severe economic depression. That is in the realm of possibility. Should that day come, the Federal Government will again be called upon to increase its spending in order to stimulate production, to provide employment, and to create a consumer demand. With the national debt we now carry and the heavy taxes our people now pay, how would we be able to meet financially the depression difficulties?

My purpose in rising at this time, however, is not primarily to discuss the general budget picture. But I could not allow this opportunity to pass to raise my voice again against this spending and spending practice. I shall continue to do so, although I shall frankly admit that it seems without avail.

My primary purpose is to say a few words about the provision of this bill, to be found on page 19, lines 17 to 21, inclusive, which repeals section 1 of the Interior Department Appropriation Act we passed last year. That was when the Eightieth Congress was earnestly endeavoring to eliminate the waste and extravagance in government and to get rid of the thousands of bureaucrats who are on the backs of the American people.

This limitation provided that only a limited number of people could be employed in personnel work by placing a limitation on the funds available for such purpose. There is good reason for that limitation, and it should be placed in every appropriation bill. I do not believe the Department of the Interior is the worst offender in the use of an excess number of people in personnel work.

Let me call your attention to a report issued by our Committee on Post Office and Civil Service. In the Eightieth Congress we passed a resolution authorizing that committee to make an investigation of the number and salary costs of personnel-office employees. On March 22, 1948, the committee filed its preliminary report—House Report No. 1593—and on June 4, 1948, it filed another report—House Report No. 2198. We authorized this particular investigation because anyone who has had any intimate contact with the Federal Government recognized that personnel activities and costs had greatly increased.

I have only the time to call your special attention to some of the over-all findings of the committee, as set forth in the reports I have just mentioned. Listen to this; it is the finding of our Civil Service Committee:

> The survey and study demonstrated that with reasonable efficiency and economy departmental and agency personnel offices of the executive branch could reduce their salary costs to well below $53,000,000 a year—a potential annual saving of $25,000,000 or more.

The costs of management and administrative expense as found by the committee varied widely from department to department, and agency to agency. In the case of the Interstate Commerce Commission, for example, that function represented 56 percent of the total personnel salaries, and in the case of the Department of Interior, which is involved in the bill before us today, that function represented 26 percent of the total personnel salaries.

I wonder if the Members appreciate that since 1940 there has been a sharp increase in the ratio of full-time personnel employees to the total civilian employees. In 1940 there was 1 full-time personnel employee for every 139 Federal employees. Last year the ratio was 1 to every 83, whereas the ratio for private industry and commerce was only 1 to every 226.

Obviously, Mr. Chairman, there has been a great waste in the operations of our Government merely in the maintenance of personnel offices. Obviously, there has been much duplication, much unnecessary red tape, and all the inefficiency that inevitably comes with excess employees for a given job. Among some of the abuses is deliberate effort to raise the salaries of employees by job reclassifications, the creation of jobs and political favoritism.

In the Department of Interior appropriation bill last year we endeavored to deal with this matter by the limitation on the amount of money that could be used for that purpose. In the bill before us today the Eighty-first Congress seeks to remove that limitation. I might add that this particular repeal provision is, under the rules of the House, legislation on an appropriation bill.

Mr. Chairman, we are never, never in this world going to be able to meet this problem of bureaucracy unless we take every opportunity to reduce the number of employees. That can be done without impairing a single function or operation of the Government. To reduce the cost of Government and to make it more efficient we must remove the excess baggage.

In the most recent report of the so-called Byrd committee, under the able chairmanship of the distinguished Senator from Virginia, it was pointed out that we have, as of February of this year, 2,104,979 Government employees. The number continues to increase, even allowing for the month-by-month fluctuations.

It is time we call a halt. That time is long overdue. Indeed, it is time we retrench and we begin to deal realistically with this great sprawling bureaucracy which is robbing our people of their sustenance.

The limitation which we wrote into the Interior Department appropriation bill last year, dealing only with personnel offices for that particular department, is a very small item in the total picture. But it is one item and it is the accumulation of such items that run up the total costs. I urge Members of both the House and the other body not to vote to allow the proposed repeal of this limitation. I urge the House to write many more such limitations in the appropriation bills.

The mere fact that the committee would recommend to the House in this deficiency bill the repeal of the limitation on a department as to the amount of money that can be spent for personnel offices indicates to me that there is no real desire to economize. If this attitude continues, I fear for the future of this great country of ours, for if there is no wish to economize even on the little things, there would certainly be no wish to economize on the big things.

The forgotten man, Mr. Chairman, is the American taxpayer. It may be more popular to spend than to save; but, for my part, I intend to remember the thousands and thousands of people who, with their own toil and sweat and self-sacrifice, have to pay the cost.

Mr. TABER. Mr. Chairman, I yield the balance of the time on this side to the gentleman from Connecticut [Mr. SADLAK].

Mr. SADLAK. Mr. Chairman, I thank the genial gentleman from New York [Mr. TABER] for this opportunity, inasmuch as I had planned to take up the time under the 5-minute rule when we started, to read the measure.

I am fully cognizant of the fact that we are now considering the second deficiency appropriation bill for 1949, but I recall that not so long ago we also had before this committee the first deficiency bill for 1949. As a matter of fact, it passed the House on February 16, and I note that it has been reported in the Senate as of March 22. The particular report which emanated from the Senate Committee on Appropriations, report No. 128, interests me very much, because on page 30 of that document under the charts and under title I of general appropriations, grants to States for unemployment compensation and employment service administration, the amount of the budget estimate was $14,000,000. The amount recommended in the House bill was $10,000,000. You will recall that my amendment in the House was to restore the full amount requested by the Bureau of the Budget, namely, $14,000,000, but this House did not see fit to approve it. I am so very pleased to note the other body agreed with the facts which had been submitted and has now seen fit to restore the full amount for which I appealed, namely, a total of $14,000,000, because they believe that the increased work loads demand that additional appropriation. However, I have a great deal of concern as to when that will be passed in the other body and returned to this House for final action.

Because eventually that procedure may be followed, I desire at this time to call to the attention of the Committee that there has not been a decrease in the unemployment rolls in my particular State of Connecticut and in New England, but that there is daily an increase in unemployment, and therefore, the necessity for a greater number of personnel to handle these increased claims. The facts on February 16, I was convinced, evidenced the demand for a larger return to the States of the moneys that had been assessed and collected—there were in Connecticut at that time only 52,451 unemployed. The facts I present to you, today, my colleagues, most emphatically confirm the need to send an increased

amount over that approved by this House on February 16 in order to provide the personnel to wait upon the unemployed in filing their claims for benefits. These claims in Connecticut as of the past week end have grown to 67,734.

Further confirmation of my previous contention is contained in the several newspaper excerpts from which I shall quote briefly during this allotment of time but I entreat you to read them in their entirety as I shall request their inclusion when we are again in the House having completed general debate on H. R. 4046 in the Committee of the Whole House.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. SADLAK. I yield to the gentleman from New Jersey.

Mr. CANFIELD. Will the gentleman be good enough to tell the House whether there was a record vote made on the proposition after he had proposed the amendment in the Committee of the Whole?

Mr. SADLAK. There was a record vote; in fact, there was a teller vote by which we lost the amendment by a vote of 132 to 101, and then there was a record vote in the House because my amendment had been added to the motion to recommit. The motion failed to carry by a vote of 148 yeas and 237 nays.

Mr. CANFIELD. May I say to the gentleman that time has borne out his position. I am inclined to think if a record vote were taken in the House today, it would be unanimous for the Sadlak motion to recommit.

Mr. SADLAK. I am most grateful for that comment.

One item I have before me now is a press release. This is from the State Labor Department of Hartford, Conn., released to the papers April 5, 1949, and I shall read just a little of this because, as I mentioned a while ago, I shall ask for the entire inclusion in the RECORD when we go back in the House:

UNEMPLOYMENT INSURANCE CLAIMANTS AT 11-YEAR PEAK

Reaching the highest total in 11 years, the number of claimants to unemployment benefits in Connecticut rose to 67,974 during the week ended April 2 from 66,680 for the previous week. A year ago there were 24,383 applying for jobless benefits. The amount paid out during the week under the Connecticut law and veterans' readjustment allowances totaled $1,122,967.

Initial claims, which represent new unemployment, rose to 7,888 from 6,919 for the previous week. During the same week a year ago there were 2,582 initial claims. Since the beginning of 1949 initial claims have averaged approximately 7,000 weekly.

Hardest hit in the State of Connecticut is Bridgeport, which leads in the number of jobless claimants with 11,242; followed by New Haven with 9,012; Waterbury 7,828; and Hartford 7,803.

Mr. CANFIELD. If the gentleman will yield further, is the gentleman discussing the situation concerning which Governor Bowles is so excited at the present time?

Mr. SADLAK. There has been considerable talk about the comments made by Morgan Beatty up there in Hartford on Tuesday, April 5. I was not in the Chamber at the time, but I understand that my good friend, the gentleman from Wisconsin [Mr. SMITH], made some comments earlier today on that broadcast which quoted Governor Bowles in several instances. Because that will appear in the RECORD for today under Mr. SMITH'S remarks I shall desist from reading that entire statement of Morgan Beatty. However, Mr. Beatty quotes Governor Bowles as alleging that there are 90,000 unemployed in a total work force of nearly a million. I recommend the reading of the complete item.

In addition to that statement, the Governor makes a remarkably frank admission. He tells what a difference there is between the situation before one is elected to an office to which he aspires and the situation, with the facts as he must face them, when he actually is elected to that office. I think the committee will find that most interesting.

I have also some excerpts from Massachusetts papers giving the over-all picture in Massachusetts. One is from the Greenfield Recorder-Gazette of Friday, March 25, entitled "Unemployment Storm Clouds Looming Over New England." I shall read one short paragraph from it:

During last week approximately 287,000 persons sought unemployment compensation in the six New England States. This compares with about 163,000 for the same week in 1948—an increase of some 124,000.

The article goes on to itemize the unemployed in each of the New England States:

UNEMPLOYMENT STORM CLOUDS LOOMING OVER NEW ENGLAND

BOSTON.—The storm clouds of unemployment are hanging heavier over industrial New England.

The number of idle workers is estimated to have increased 75 percent over a year ago.

During last week approximately 287,000 persons sought unemployment compensation in the six New England States. This compares with about 163,000 for the same week in 1948—an increase of some 124,000.

State officials expect the figures to continue climbing.

Hardest hit on a strictly numerical basis is Massachusetts.

There were 136,807 claims for GI and State compensation during the week ending March 16. For the same week last year there were 84,583 claims. New claims for the week totaled 16,189.

The State employment security division said this is the highest comparable March total since 1946 and the highest of any week since that ending July 2, 1947.

Connecticut is hardest hit on a percentage basis.

For the same week there were 62,537 claims. A year ago the figure was 24,888—an increase of 154 percent. The week's new claims totaled 7,241.

Most new lay-offs were in textile, brass, and metalworking industries.

Here's the picture in the other four States:

Maine: There were 26,418 claims for the week—a 54 percent boost over the 17,262 claims a year ago. The figure rose 2,187 from the week ending February 19.

Largest lay-offs were in metal products and textiles, the Maine Unemployment Commission reported, with some new employment in the lumber, wood, and leather industries.

New Hampshire: Mid-March unemployment was estimated at 21,500—or an 84 percent increase over the 11,700 idle at the same time a year ago. Approximately 3,000 persons have joined the ranks since mid-February.

The State unemployment division viewed the decline as largely seasonal. It is heaviest in the shoe and textile industries.

Rhode Island: Latest figures available indicated 31,700 unemployed during February. There were about 20,250 idle in February, 1948—a 56 percent increase. The figure rose about 8,300 over last January's mark.

Vermont: Claims during the week ending March 19 totaled 8,578, as compared with 4,835 for the same time last year—a 77 percent boost. The total increased by 433 during the week.

The next newspaper item from the Springfield Union, Springfield, Mass., of Tuesday, March 29, 1949, stressing the fact that a new benefit year began on April 1, when they who have exhausted their unemployment benefits will be reapplying for the benefits—obviously increasing the demands on the personnel handling the claims. The article is as follows:

UNEMPLOYMENT BENEFITS TO SET NEW PEAK SOON—HIGHEST JOBLESS PAY LOAD IN STATE'S HISTORY IS PREDICTED

BOSTON, March 28.—Cost of unemployment compensation benefits in Massachusetts will soon be $3,000,000 a week, or about $1,000,000 more weekly than is being currently paid to 87,000 claimants.

This information comes from the legislative recess commission on employment security, which is filing its report of study this week. The commission made tentative prediction that if Bay State unemployment conditions remain at present levels, or rise in April, May, or June the Commonwealth will soon be carrying far and away the highest jobless benefit payment load in its history.

NEW BENEFIT YEAR

Major reason for the anticipated $1,000,000 jump in jobless payments will be the beginning of a new benefit year on April 1, when many who have exhausted their unemployment benefits in the previous benefit year will again apply for such doles. Only a decided decrease in unemployment can forestall boost in benefits, if the benefit-year patterns of prior years are repeated, it was stated. It was pointed out that the highest total of jobless benefits ever paid in Massachusetts was reached this month. For the week ending March 1, a total of 87,258 compensation checks was paid out for an aggregate of $1,967,420—the largest ever in experience of the State division of employment security. Under the unemployment compensation system a person can draw up to $25 a week, plus $2 for each dependent child, for a period of 23 weeks.

If jobless benefit payments continue to increase, the commission believes experience rating features of the system may automatically be wiped out in a relatively short period. Experience rate is the term used to cover the taxing system under which employers are taxed from 0.5 to 2.7 percent of their total annual pay roll in proportion to number of lay-offs at their plants or in their businesses. If payments attain the $3,000,000 mark with the next 3 months, they will exceed amounts paid out in benefits during the full years 1943 and 1944, peak employment years during World War II, when $2,370,196 and $2,770,135, respectively, were paid out, not for a single week, but for a full year of benefits.

Two reasons are ascribed for the anticipated $1,000,000 hike in the benefit load:

The increasing degree of unemployment, with a new peak of idle workers reached in Bay State for the week ending on March 16, when 136,807 workers were unemployed; and during a period of the year when employment has usually been on the upswing. And the fact that the new benefit year starts on April 1. If the claim-load pattern follows that of prior years, there will be a sharp increase right after April 1 in the claims load at the employment security division, the commission points out.

[From the Boston (Mass.) Daily Globe of April 5, 1949]

HEAVY PAYMENTS

In the year 1943 the total payments to the unemployed in this Commonwealth were $2,370,196. Last week, for the entire week, they were $2,439,415. The difference is staggering.

The final excerpt is from the Hartford Courant, of Wednesday, March 30, 1949, entitled "Prompt Steps Urged To End Job Lay-Offs." Much of the item reiterates to a large extent what I have already said but I do want to include a very significant statement that was made at a meeting of State CIO leaders at the State capitol.

PROMPT STEPS URGED TO END JOB LAY-OFFS—CIO LEADERS PRESS FIVE POINTS, CLAIM 70,000 IDLE IN STATE

State CIO leaders met at the State capitol Tuesday to press their demands for immediate action to halt "snowballing" unemployment.

About 150 union representatives attended the meeting. It was held in the old senate chamber as the general assembly carried on its normal business in adjacent chambers.

Mitchell Sviridoff of Bridgeport, State CIO council president, told the delegates:

"We are not alarmists. We do not say that we are in a depression or that necessarily a depression lies ahead."

He cited figures of unemployment and said:

"This represents a problem not only for those who are out of work and their families, but to the whole community. Some businessmen say their places are beginning to look like ghost establishments, at shopping times when they should be busiest."

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

LIBRARY OF CONGRESS

LEGISLATIVE REFERENCE SERVICE

Salaries and expenses

For an additional amount for "Salaries and expenses," $39,700, and the limitation under this head in the Legislative Branch Appropriation Act, 1949, on preparation and reproduction of copies of the Digest of General Public Bills, is increased from "$25,000" to "$32,000."

Mr. KERR. Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with and that the bill be open to amendment at any point.

Mr. TABER. Mr. Chairman, I think we should read the bill. I object.

Mr. KEEFE. I object, Mr. Chairman.

The Clerk read as follows:

EXPORT-IMPORT BANK OF WASHINGTON

The amount made available under this head in the Government Corporations Appropriation Act, 1949, for administrative expenses of the bank, is increased from "$800,000" to "$864,000."

Mr. HINSHAW. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HINSHAW: On page 4, after line 5, insert the following:

"WAR CLAIMS COMMISSION

"ADMINISTRATIVE EXPENSES

"For expenses necessary for the War Claims Commission, including personal services in the District of Columbia; travel expenses: printing and binding; services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a); and advances or reimbursements to other Government agencies for use of their facilities and services in carrying out the functions of the Commission; $100,000, to be derived from the war claims fund created by section 13 (a) of the War Claims Act of 1948 (Public Law 896, approved July 3, 1948): *Provided*, That the date fixed by section 8 (a) of the War Claims Act of 1948 for submission of the report required by said section is changed from "March 31, 1949", to "December 31, 1949."

"PAYMENT OF CLAIMS

"For payment of claims, as authorized by the War Claims Act of 1948, from funds deposited in the Treasury to the credit of the war claims fund created by section 13 (a) of said act, such sums as may be necessary, to be available to the Secretary of the Treasury for payment of claims under sections 4 (a), 4 (b) (2), 5 (e), 6 (b), and 7 of said act to the payees named and in the amounts stated in certifications by the War Claims Commission and the Federal Security Administrator or their duly authorized representatives, which certifications shall be in lieu of any vouchers which might otherwise be required: *Provided*, That this appropriation shall not be available for administrative expenses."

Mr. HINSHAW. Mr. Chairman, the Eightieth Congress passed what is known as Public Law 896, which provided for the relief of American citizen internees and prisoners of war of the Japanese. In the statement by the President when he signed the bill, he said he was in entire accord with the purposes of that act. In conclusion of the statement of the President, he said—and I quote:

I hope that the Congress at the earliest opportunity will act to make sufficient funds available to carry out the purposes of this act.

The only reason I can see why funds were not made available in the Eightieth Congress was because the conference report and the House version, as well as the Senate version, of this bill came so close to the date of adjournment of the Congress that it was not possible to get through an appropriation bill at that time.

The House has had before it the first deficiency appropriation bill, which came here on February 14. But on January 25, the President had sent to the House of Representatives a document known as House Document No. 44, in which this recommendation was made to the Committee on Appropriations. That recommendation still lies with the Committee on Appropriations.

Today we have before us the second deficiency appropriation bill, and still, in this second deficiency appropriation bill for the Eighty-first Congress, the recommendation and hope of the President, that the Congress might act at its earliest opportunity to make sufficient funds available and carry out the purposes of this act, have not yet been included in a House appropriations bill.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. VAN ZANDT. I understand that the independent offices appropriations bill has been perfected and it is not contained there either.

Mr. HINSHAW. I am frank to say I cannot understand the action of the Committee on Appropriations in not including the recommendation of the President in this respect in any of the deficiency appropriations, or in, as the gentleman has mentioned, this other bill which is coming before us soon. The Commission will require appropriations for the year 1950.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. WIGGLESWORTH. Do I understand that this is the law which provides some recompense for the suffering of American prisoners of war during World War II?

Mr. HINSHAW. Yes.

Mr. WIGGLESWORTH. It is now 9 months since the law was passed. It is now 3 months since the Budget Bureau approved this necessary appreciation. The payments come entirely out of the proceeds of captured enemy property. I think the Congress should make the necessary funds available immediately.

Mr. HINSHAW. That is correct. The bill which became law covers into the Treasury of the United States the assets of the Germans and Japanese which are in the possession of the United States, and directs the liquidation where necessary of any assets, and then sets up those funds in what is known as the War Claims Fund. Not a dime of this appropriation comes out of the taxpayers of the United States. It comes out of the assets of the Germans and Japanese, held by our Government through the Alien Property Custodian.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. CURTIS. The prisoners of war to whom you refer are civilians, are they not?

Mr. HINSHAW. Both civilians and military prisoners included in this bill.

Mr. CURTIS. I meant to state they include civilians?

Mr. HINSHAW. They include civilians. They include the workers on Guam and other places where the Japanese took those American workers prisoners. It includes the veterans of Bataan, and everybody who was captured by the Japanese and so horribly mistreated that now they are dying by the hundreds from the effects of malnutrition and other related diseases.

I would like to call attention to the fact that in the bill passed yesterday we made additional provision for the Filipinos, who are not even citizens of the United States. We made a big appropriation for them in the Eightieth Congress. We have taken full care of the Filipinos, but we have not yet taken care of our own people. We are about to vote billions for the relief of Europeans through ECA, and not yet have we taken care of our own. To me that is a shame

which this Congress should no longer submit itself to.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. KEATING. I have letters from several GI's who were on Bataan and suffered so horribly. In response to that I have written, asking the status of this thing, and I have been told by the administrative agency involved that they are waiting for Congress to act.

Mr. HINSHAW. That is correct.

Mr. KEATING. Now, this is an opportunity for the Congress to act?

Mr. HINSHAW. This is an opportunity for the House to act.

The CHAIRMAN. The time of the gentleman from California [Mr. HINSHAW] has expired.

Mr. HINSHAW. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HINSHAW. I would like to say to the Members of the House that on the other side of the Capitol the Appropriations Committee there has taken House Document No. 44 and extracted this language which I have offered and have added it to the first deficiency appropriation bill now in that body. Of course, if that is done eventually, if not deleted in the Senate, it may come back to the House for approval in a conference report if the House conferees do not get them to agree to a cut. But I can see no reason whatsoever why the House of Representatives, where this bill originated, should not only have the responsibility but indeed, if there is any, the credit for having placed this appropriation in the bill. I cannot understand the action of the Appropriations Committee in not putting it in the first deficiency, not putting it in the second deficiency, and not including it in what I understand to be the forthcoming independent offices appropriation bill. It requires an act of Congress. This is an act of Congress. This House is where appropriations are intended to originate. I earnestly recommend to the House and to the subcommittee handling this bill that they accept this amendment. If the first deficiency appropriations bill passes the Senate including the same language, then this language may be stricken when it reaches the Senate in this second deficiency appropriation bill but in the meantime why run that risk? Why not send it over there so that we will not have to watch in the Senate to be sure that the Senate does something that the House should have done in the first place.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. RABAUT. Mr. Chairman, I rise in opposition to the amendment.

In the first place, I would like to inform my colleague the gentleman from California [Mr. HINSHAW] that this very matter is now being considered by the Appropriations Committee, the subcommittee on independent offices, where it belongs. It is not denied. Over and above that, it is in the first deficiency bill and has been placed there by the Senate. That bill will be in conference with this committee, and it is not the usual procedure of this House to put something in several bills to be sure that it comes out some place, so we can stand by and say, "Strike this now, because we have taken care of it once before."

I hope the House will proceed in this matter in an orderly fashion. It has not been done up to the present time. It is being considered by the proper authority at the present time. We are informed it is in the bill to be proposed to the Senate. So why all the rush just for these few days?

The chances are, too, that the first deficiency bill will become a law before this bill. This is the second deficiency bill; so I ask again: Why the sudden rush about this matter? It is a very worthy project. Everybody in the House is more or less favorable to it; it will get proper consideration in the appropriate place, and in due course will come to the House for consideration.

Mr. Chairman, I ask for a vote.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I yield to the distinguished gentleman from New York.

Mr. TABER. If this item goes into this bill and is adopted in the Senate bill it will be in both bills; it will be a duplication.

Mr. RABAUT. The gentleman is right.

Mr. VAN ZANDT. Mr. Chairman, I move to strike out the last word.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield.

Mr. RABAUT. Mr. Chairman, I ask unaninmous consent that all debate on this amendment end with the conclusion of the gentleman's remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. VAN ZANDT. Mr. Chairman, the gentleman from California [Mr. HINSHAW] conveyed to you the action taken by the Eightieth Congress when they approved H. R. 4044, which is now Public Law 896. After the adjournment of the Eightieth Congress the President of the United States was asked by letter to advise when the intent of Public Law 896 would be carried out. He was asked especially about the Commission to be appointed for the purpose of adjudicating claims of those Americans who were prisoners during World War II. The President replied through his administrative assistant on September 20, 1948 by saying:

> I am sorry to have to advise that the conclusion reached is that nothing can be done about setting up the Commission or carrying out its work due to the fact that the Congress did not appropriate funds.

When the Eighty-first Congress convened, the President's budget of January 24, 1949, carried a request for necessary funds. Several days later, among the many justifications of estimates received by the House Committee on Appropriations was a justification for the necessary funds to permit the President to set up the War Claims Commission. Beginning late in January I have been in touch weekly with the House Committee on Appropriations. First they told me the item had been taken out of the first deficiency bill but would be placed in the second; then I was told it would be considered by the Subcommittee on Appropriations for Independent Offices; then they told me it would not be part of that bill. So, here we are today trying to get action on the item and thus stop this game of what appears to be deliberate delay.

What is the background of this request of funds? During World War II I was ordered by the commander in chief of the forces in the far Pacific, General MacArthur, to leave my ship then in Leyte Gulf and report to the Tydings Commission in Manila, P. I. Senator TYDINGS, of Maryland, and other Senators, including several employees of the various departments of the Government, were in Manila at the direction of the President. With that Commission it was my privilege to visit many hospitals and see with my own eyes the results of the treatment accorded to our boys by the Japanese. I have seen the results of a lot of torture in my time, having been through two wars, but never did I see anything to compare with the treatment handed to our military personnel taken prisoners by the Japs. Boys suffering from malaria, malnutrition, arms gone at the wrist, ears cut off, parts of the neck gone, where the Japs tried to cut off the head and took a gash out of the neck, were found in these hospitals.

It was during our contact with these victims of Jap torture that several of us with the Commission decided the Japanese should pay for this treatment out of Japanese property confiscated by our Government and upon my return to Congress necessary legislation was introduced.

Mr. Chairman, the taxpayers of this country will not pay 1 penny. The Alien Property Custodian tells us the over-all value of German and Japanese property now held by them amounts to $353,000,000, of which $168,000,000 is in cash. The over-all cost of this act will be somewhere between $65,000,000 and $85,000,000, and I repeat again the American taxpayers will not pay 1 penny.

Every moment of delay holds up the appointment of the Commission. You are denying the President the privilege of appointing the Commission and the Commission's right to accept war claims and to process them. Above all, you are holding up payment to those soldiers of $1 per day to those veterans of our armed forces for every day they were held prisoners either by the Germans or Japanese.

Mr. Chairman, I hope the Members present will support the Hinshaw amendment and in doing so recognize the great sacrifice made by those soldiers, sailors, and marines, prisoners of the Germans and Japanese during this last war.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HINSHAW].

The question was taken; and on a division (demanded by Mr. HINSHAW) there were—ayes 48, noes 62.

So the amendment was rejected.

The Clerk read as follows:

For an additional amount for "Payments to States (including Alaska, Hawaii, and Puerto Rico)," $700,000.

Mr. KEEFE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time in order to solicit a little information with respect to this particular item, $700,000 additional amount for payments to States for vocational rehabilitation.

The committee will recall that there was made available for the Office of Vocational Rehabilitation last year $18,648,416. They have an unlimited authorization under which the Office of Vocational Rehabilitation pays 100 percent of the administrative cost of the approved state programs in the states; it pays 100 percent of the vocational guidance activities, and one or two other activities, and 50 percent of the cost of hospitalization, doctor bills, medical care, prosthetic appliances, and so on.

Now, I raised the question last year as to how far the Congress of the United States wanted to go in this program. The basic authorization legislation is unlimited, and it is a good program, properly administered, in most of the States. However, there is absolutely no limit to the expenditure of funds under this program, because under their own testimony they are merely scratching the surface of the rehabilitation that is necessary in the country if you carried out the program and rehabilitated everyone. Congress decided to place a limitation on the Federal estimate of appropriations of eighteen-million-six-hundred-and-forty-eight-thousand-odd dollars. Let me say to you that when that was done every State and every State administrator knew just exactly how much money they were to get from the Federal Government. They knew in advance when the allocations were made that they would not receive in the fiscal year 1949 any more money than was provided for by that appropriation. I may say that it has been the idea of those who were interested in this program when it first started, that the States would continuously assume a greater and greater responsibility, that after the Federal Government initiated the program and approved the State programs and got it started, the States would carry on. And they are doing a very good job; they are spending more money than we are. Now, there is no limit to the amount that you may be called upon to appropriate under this program unless the Congress decides on a definite policy.

Now, we did so this year. They asked for a greatly expanded amount at the Federal level in the regular appropriation bill which passed here some time ago. We gave them the amount of the budget estimate, which was far below what they asked the Bureau of the Budget for. They can come in and build up and justify any amount under this program. After mature consideration, and almost unanimous action of the Congress last year, we said to them, "You are not going to run into a deficiency. This is the amount of money that is going to be made available to you, and the States must understand it, so that you will not come back here and ask for a deficiency."

Now they are here. They ask for a deficiency estimate of appropriations of a million and some seven or eight hundred thousand dollars.

Mr. RABAUT. $1,300,000.

Mr. KEEFE. And the committee gave them $700,000. Why? I do not know. If there was any justification made at all, the justification was that they were entitled to the amount that they asked for and that the Bureau of the Budget set up, namely, that due to pay raises in the States passed recently by legislatures in the various States they would have to exceed the amount of the estimate—do you not see—in order to pay 100 percent of the administrative cost and give to those State employees the amount of the pay raises provided for by the legislatures.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. KEEFE. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KEEFE. Now, what the committee has done is what the Deficiency Committee and other committees frequently do. They just said, "Well, they asked for $1,300,000; we will cut it in two and give them $700,000." The point I am making is that you read the justifications in this hearing. There is not a single word of justification that would justify this estimate of $700,000. There is justification for $1,300,000. But just to cut it in two is without rhyme or reason, in my opinion.

I think the gentleman from Michigan [Mr. RABAUT] stated the case, if you will read the hearings, when he called attention to these continuing and incessant demands for deficiency appropriations that are threatening the very solvency of our Treasury, and said they have to stop. He said it in so many words. Now, here we are faced with this situation: Your regular committee last year by unanimous act said to this agency of Government, in effect, "You are not to run into a deficiency, this is all the money that is going to be made available to you." Still they come in here and by this deficiency—and I shall have something more to say with respect to a number of other items in this bill—carry this deficiency situation to the point where it is becoming the most obnoxious thing in Government I have ever seen. You might just as well do away with the regular committees of the Appropriations Committee. What is the use of a committee's working its heart out in order to try to save a few dollars, as we did last year, and have every one of these agencies, practically, come up here and, in these deficiency bills, get back the money the Congress unanimously took from them? It is the most ridiculous procedure I have ever heard of. The people of the country are becoming alarmed, and the Congress ought to become alarmed.

I shall point out before we get through, if I can get the time, item after item in this bill where they are simply restoring funds that the Congress refused to make available to them for expenditure. Most of these items cannot by any touch of the imagination be considered deficiency items. Unless we bear down on these agencies of Government, what is the use of having a Bureau of the Budget? Why not just say, "Gentlemen, come up here and ask for whatever you want, and we will give it to you, whatever you say is necessary."

Mr. KERR. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from North Carolina.

Mr. KERR. When this act was passed it was contemplated that the State and Federal governments should contribute equal amounts to this item.

Mr. KEEFE. For certain items. The law provides that the administrative expenses shall be paid 100 percent by the Federal Government, that we shall have matching funds on the basis of 50 percent for the prosthetic appliances, hospitalization, medical care and treatment, and 100 percent for the guidance program and the advice program. The basis of their estimate here was on the administration of the program, that we pay 100 percent of it. You have no control over that at the Federal level. The States run that show, and they say, "Because of the States having increased the pay of the personnel we need $1,300,000 to take care of them." You give them $700,000. I say there is no rhyme or reason in that.

Mr. KERR. I understood the gentleman to say that the States are paying more of this rehabilitation item than the Government is paying.

Mr. KEEFE. I say they are, yes; that is the testimony.

Mr. KERR. How much more?

Mr. KEEFE. I do not have the figures. There is a table in the hearings before the deficiency committee about that.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. TABER. Mr. Chairman, I think this point ought to be brought out, so I ask unanimous consent that the gentleman from Wisconsin be permitted to proceed for 10 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEEFE. I want to make this perfectly clear. I think there is a lack of understanding about this program. So far as the Deficiency Committee is concerned, I can readily understand it. I can see that lack of understanding from the questions that were asked. I say to you now that that is one of the dangers of this whole method of appropriating by deficiencies. You have a regular subcommittee that has devoted its entire time to the consideration of this program, and this program alone. Here is the Deficiency Committee, of which I was a member for 2 years, which is charged with the responsibility of passing

on deficiency estimates for every department of government. It is not within the range of human possibility for any man sitting upon that Deficiency Committee to have the necessary knowledge and information in order to intelligently pass judgment upon the multitudinous and voluminous requests for deficiencies that come to them. This is another such case. Members of the subcommittee charged with this appropriation were not called in. They were not asked for any expression of opinion on this. They were not given an opportunity to be heard. We had no knowledge that you were going to appropriate this money. The trouble is, when you make an appropriation under a deficiency of this kind, you put the regular appropriation that we have just passed out of balance and out of line. They will be here again next year for another deficiency appropriation for next year because by the action that you take now you will throw that appropriation out of line. I do not know what the answer is, my colleagues, but I do know this, that either these people are entitled to what they ask for, or they are not. To give them $700,000 unintelligently and without any ability to explain why you make it $700,000—and you cannot read it out of this record—is to deal unintelligently with the request for an appropriation for a very effective agency of government.

They base their request for this money on the fact that they said the States, by State action, had increased the pay of the employees handling this program. We, being responsible to pay 100 percent of that cost, must either meet these increased pay raises in the States, or else we are going to have State employees in this function working on a salary schedule which is all out of line with other State employees. If you give them $700,000, that is just giving them half a drink instead of what they need. This is not a case of a half a loaf being better than none. My own humble opinion is that we have to face this issue squarely, or you are going to be plagued by this in the future. The members of the subcommittee tried to call your attention to it when the regular bill was under consideration. I am not going to move to strike this out, and I am not going to try to offer an amendment. I think the committee itself ought to either eliminate this item from the bill, or give them the amount of money necessary to make this program function—either one or the other. To do anything else is to cast discredit upon the intelligence of the Congress in dealing with this very important function of government.

That is what you are up against on these contributory programs in these various matching funds programs in the States.

I believe this to be a good program. I believe it is a program which is in the public interest. I think the action of the committee in cutting this down to $700,000 is absolutely a poor exercise of the discretion of a deficiency subcommittee. You either ought to cut it out entirely, or give them the amount of money which will enable this program to function properly in the States on the wage scale set up by the States to administer the program. Whether it is wise for the Federal Government to pay 100 percent of these costs, I cannot challenge. That is the law. Either we comply with it or we do not. If we do not make available the funds necessary to administer the program 100 percent, then we are in effect saying, "Oh, you have got a beautiful program. Yes. We love your program, but you must administer it the best way you can. We are not going to give you the money."

I would like to hear from the committee itself as to the justification for the cut that was made in this item. I think it ought to be the action of the committee itself, in view of the very clear record that was made before the deficiency committee.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. KEEFE] has expired.

Mr. RABAUT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the distinguished gentleman from Wisconsin [Mr. KEEFE] made quite an animated speech. I do not know yet whether he is for leaving the amount in the bill or taking it out of the bill or if he is for the amount that the committee has allowed or if he is for the whole amount. I am so confused that I have come to the conclusion that at least the subcommittee decided to do something about it, which seemed to be more than the distinguished gentleman from Wisconsin could do.

Over and above that, of course, there must be a whipping boy in every location, and on this particular occasion and on several other occasions, it is the deficiency committee that has about as much work as any committee in this House. The gentleman further chastises the committee because his committee was not called in while we took this matter up, this one single item or one or two other items that are in his regular bill.

I would like to remind the gentleman and the Members of the House that there are 80 different items in this bill. I think instead of being criticized we ought to be praised for doing the best we could with the material at hand and with the ability we have to try to bring these items before the Congress in the manner in which we do.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. In just a moment. Now they came before the committee for $1,342,000. The gentleman from Wisconsin [Mr. KEEFE] says that the sky is the limit for their appropriation. I suppose it would be, were it not for the curtailment of funds, in which we call to their attention, as we say in the report that some expenditures must be stopped some place.

Now, before I go on with that——

Mr. KEEFE. May I call the gentleman's attention to the fact that on page 494 Mr. Shortly, who is director of this division, very clearly and plainly testified that the request for these funds was necessary in part to match State funds that have become available since the appropriation was granted, and he went on to describe——

Mr. RABAUT. Just a part of it.

Mr. KEEFE. Well, the major part of it, because of increases in State salary levels. It is already in there.

Mr. RABAUT. It is new increased salaries that they establish.

Mr. KEEFE. Now the gentleman says he is confused. Will the gentleman permit me to answer that?

Mr. RABAUT. Yes.

Mr. KEEFE. I thought I was clear when I stated that the committee ought to either give them the full amount or it ought to cut it out entirely. I leave it to the committee now on the basis of the information that has been disclosed to determine what should be done. I am not attempting to tell the committee.

Mr. RABAUT. Now, will the gentleman yield back my time to me? This is open to amendment. The gentleman is well versed in this item. If the gentleman feels it is wrong, it is open to amendment, and he has his rights. Does the gentleman want to offer an amendment to cut the amount, or does the gentleman want to offer an amendment to put in the full amount? He has his rights. That is a different thing than just finding fault.

This is said on page 4 of the report:

> These programs should be scrutinized more closely, especially in view of the fact that the Federal Government defrays 100 percent of the cost of State administration; and also there should be a complete understanding with the States that programs must be conditioned on availability of appropriations.

We are in an age of shrinking returns. There is an old Latin saying, when translated means, "You cannot give what you have not."

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. RABAUT. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I will yield to the gentleman in a minute.

This is a most worthy project; it deals with vocational rehabilitation. This touches the heartstrings of any man, and we want to be helpful, and the gentleman's Commission has been very helpful; but the Agency has run into a deficiency and have come before us with a budget estimate. In the wisdom of the committee, the first rung of the ladder in the appropriations activity, we have allowed a certain sum. If it is proved satisfactorily to another body that the sum should be greater, they have a chance to prove it by setting forth their condition. I think we have done the best we could under the situation. The committee sat down and thought it through, the gentlemen of the minority and the three members of the majority. This is the decision they arrived at, and it is now before the committee for action.

I now yield to the gentleman from Wisconsin to offer his amendment if he wishes to.

Mr. KEEFE. Would the gentleman support an amendment to restore the budget estimate?

Mr. RABAUT. The gentleman has the right to offer an amendment.

Mr. KEEFE. Would the gentleman support an amendment to restore the budget estimate? I am a member of the Committee on Appropriations, and I do not offer amendments of this kind unless it meets with the will of the Committee.

Mr. RABAUT. That is why I am rather surprised, the gentleman being a member of the Committee on Appropriations.

Mr. KEEFE. I am asking the gentleman a plain question: Will he support an amendment to restore the budget estimate? That is a plain question.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I yield to the gentleman from New York.

Mr. TABER. I call attention to page 498 of the hearings, for the colloquy that I shall quote and the testimony there given are the things that influenced the committee in arriving at its figure. The gentleman from Massachusetts [Mr. WIGGLESWORTH] asked:

Mr. WIGGLESWORTH. That is expenditure on a matching basis. My inquiry is directed to the administrative expenditures which Uncle Sam is compelled to meet 100 percent under the terms of the law.

Mr. BURNS. That is made up of three items; $528,281 for salaries; $52,070 for travel; $152,934 for special situations in seven States where it is necessary to retain their staff to provide continuity of service, to keep from closing down district offices.

That is supposed to be the basis of their request. They do total $733,000. The committee gave them $700,000, which the committee thought would do the job. There is nothing in the hearings anywhere from either Mr. Burns or Mr. Sharpley that would dissipate that impression.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. BECKWORTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BECKWORTH: Page 5, line 16, insert the following:

"WAR CLAIMS COMMISSION

"ADMINISTRATIVE EXPENSES

"For expenses necessary for the War Claims Commission, including personal services in the District of Columbia; travel expenses; printing and binding; services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a); and advances or reimbursements to other Government agencies for use of their facilities and services in carrying out the functions of the Commission, $90,000, to be derived from the war claims fund created by section 13 (a) of the War Claims Act of 1948 (Public Law 896, approved July 3, 1948): *Provided*, That the date fixed by section 8 (a) of the War Claims Act of 1948 for submission of the report required by said section is changed from 'March 31, 1949' to 'December 31, 1949.'

"PAYMENT OF CLAIMS

"For payment of claims, as authorized by the War Claims Act of 1948, from funds deposited in the Treasury to the credit of the war claims fund created by section 13 (a) of said act, such sums as may be necessary, to be available to the Secretary of the Treasury for payment of claims under sections 4 (a), 4 (b) (2), 5 (e), 6 (b), and 7 of said act to the payees named and in the amounts stated in certifications by the War Claims Commission and the Federal Security Administrator or their duly authorized representatives, which certifications shall be in lieu of any vouchers which might otherwise be required: *Provided*, That this appropriation shall not be available for administrative expenses."

Mr. RABAUT. Mr. Chairman, I make a point of order against the amendment. It has already been acted on by the committee.

The CHAIRMAN. Does the gentleman from Texas [Mr. BECKWORTH] desire to be heard on the point of order?

Mr. BECKWORTH. Mr. Chairman, I submit this is not the identical amendment that has already been considered and voted on by the committee. The amount is different. We have changed the original sum from $100,000 to $90,000.

The CHAIRMAN. Will the gentleman from Michigan [Mr. RABAUT] state his point of order again?

Mr. RABAUT. Mr. Chairman, I did not hear all of the amendment read, but I presumed it was the same language that we had before us previously. I made a point of order against the entire amendment originally because it had already been submitted to the committee and acted upon. If the gentleman has changed the amount in the first part of the amendment, that is one thing. However, the second portion is subject to the point of order that it is legislation on an appropriation bill. I also insist that the amendment has already been acted upon.

The CHAIRMAN. Does the gentleman from Texas desire to be heard further?

Mr. BECKWORTH. No.

Mr. RABAUT. Mr. Chairman, would the gentleman from Texas wish me to withhold the point of order?

Mr. BECKWORTH. I would appreciate it if the gentleman would.

Mr. RABAUT. Mr. Chairman, I reserve the point of order.

Mr. BECKWORTH. Mr. Chairman, the Committee on Interstate and Foreign Commerce of the House has given much time and attention to the question of war claims. We have had hearings lasting for several days in the Eightieth Congress. The question of war claims was a very difficult subject to consider; however, after the most thorough and painstaking consideration it was the opinion of the members of the Committee on Interstate and Foreign Commerce, later concurred in by the House of Representatives, and, of course, by the Senate, that a War Claims Commission should be set up. We authorized the legislation.

Mr. Chairman, I have never been able to understand why we have not been able to breathe the breath of life into this War Claims Commission. The President of the United States, it is my understanding, requested at least $100,000 to set up this Commission when we had a special session of the Congress last summer. Furthermore, it is my understanding that the President requested at the beginning of this session a similar amount of money, yet in spite of that the House of Representatives, as I understand it, up to this very day has not gone on record as favoring the appropriation of this sum of money in order to breathe the breath of life into a commission which has already been authorized by the Congress. It seems to me that we should set up this Commission. Already some $10,000,000 of war claims property has been returned to people whose property was taken over by the Alien Property Custodian at the beginning of World War II. Enemy property has made an interesting picture in two world wars. At the beginning of World War I we took over a considerable amount of enemy property. Within a relatively short time it was got back by those from whom it was taken.

A peculiar thing, ladies and gentlemen of the House, is this, that when World War II came along we took over property from some of the same people who had had their property taken over when World War I began. At the conclusion of World War II there were many American citizens who felt that they should be privileged to look to this enemy property to get their claims satisfied, among them some of those valiant soldiers who were on the Bataan march. There are many soldiers today who suffered in prison camps in both war theaters, Europe and Asia, who are looking to this War Claims Commission for an opportunity to have their claims satisfied. How this Congress can continue to refuse to set up a commission that was authorized last July to adjudicate the claims of American citizens, including American soldiers, and when the President twice has requested it, I do not understand. Whether this amendment is in order or not, I say that it is time that the House of Representatives go on record to show these people, many of whom are dying from day to day because of injury and affliction that they received as the result of the war that we mean to adjudicate their claims. Yes, I say it is time for the House to go on record and provide for the money needed to get the War Claims Commission in operation, and I hope that when the opportunity is given to make this money available that it will be made available.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield to the gentleman from California.

Mr. HINSHAW. I hope the gentleman will refer to the fact that this bill was passed unanimously out of our Committee on Interstate and Foreign Commerce, and that it was passed unanimously in the House, and unanimously in the Senate; that there is no disagreement whatsoever as to the bill, and the only disagreement is as to whether or not we should have an appropriation and set up the commission now.

Mr. BECKWORTH. In that connection I want to say that while the commission is not operating because of the lack of funds, the people who have just and meritorious claims are devoid of that which they need to live on and are dying constantly. The facts will bear this out.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Does the gentleman from Michigan insist on his point of order?

Mr. RABAUT. Yes, Mr. Chairman.

The CHAIRMAN. The gentleman from Michigan [Mr. RABAUT] makes a point of order against the amendment on the ground that it contains legislation on an appropriation bill.

The point of order is sustained.

The Clerk read as follows:

For an additional amount for "Salaries and expenses, public buildings and grounds in the District of Columbia and adjacent area", $3,600,000.

Mr. WIGGLESWORTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WIGGLESWORTH: On page 6, line 21, strike out "$3,600,000" and insert "$3,200,000."

Mr. WIGGLESWORTH. Mr. Chairman, the request in this instance from the Bureau of the Budget was for a deficiency appropriation of $4,000,000. The committee recommendation is for $3,600,000. The amendment I offer would reduce the amount to $3,200,000, thereby saving a further $400,000.

The majority Members will no doubt tell you that the increase of $4,000,000 was justified to the extent of $3,150,000 for increased salaries under Public Law 900, and, as to the balance of the $4,000,000, to the extent of $400,000 for increased coal prices, to the extent of $390,000 for the increased cost of electricity, and to the extent of $60,000 for the increased cost of leased space.

That is, in fact, the justification that was attempted to be made in respect to the request for $4,000,000.

But, Mr. Chairman, the facts of the matter in terms of simple arithmetic are these:

The Congress made available to this agency for salaries and expenses for the current fiscal year an appropriation of $30,115,000.

The record shows that as of February 28, 1949, that is, at the end of 8 months, the first two-thirds of the fiscal year, there had been expended only $22,212,000.

That is at the rate for the full 12 months of the fiscal year of $33,318,000, or about $3,200,000 in excess of the funds which had already been made available. My amendment would provide exactly $3,200,000 by way of a supplementary appropriation.

May I add in conclusion, Mr. Chairman, that there has been no reduction in the estimate for coal to be used despite the extremely warm weather in the present fiscal year, and that it is unfair to take into account the increase in costs because those costs, I am advised, have been in effect throughout the entire fiscal year.

It is for this reason, on the basis of simple mathematics, that I offer this amendment, which will reduce the recommendation of the committee by $400,000. I hope the amendment will be adopted.

Mr. RABAUT. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 10 minutes, the last 5 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, here is an opportunity to save $400,000. You might think that $400,000 is only chicken feed, but it is chicken feed that I am interested in, if we are going to save this country. You are not going to be able to go on and on and on and on with the program of spending that has been started by this administration and keep it up. You have about reached the limit. Just look at the statements that were put in the Appendix of the RECORD, at page A2035 by the chairman of the Committee on Appropriations, the gentleman from Missouri, CLARENCE CANNON, the other day. There are about 30 or 40 items and letters which he received from people in his district. Let me just read a couple of them to refresh your minds.

One of them reads as follows:

It seems that today the good old-fashioned American idea of thrift, of living within your income, has been discarded. Such a course could only lead to a bankrupt socialism.

Here is another one:

I feel we should immediately curtail our huge Government spending, get the budget balanced, and make every effort to maintain our present prosperity.

Here is another one:

I feel that the spiraling cost of government is as serious a threat to our country's future as the rapid depletion of our natural resources.

I could go on and on and read more and more and more of these letters sent to the chairman of the Committee on Appropriations. He saw fit to put them in the RECORD. But the chairman of the committee and the Democratic administration, for the last 15 years, have been doing nothing but voting huge sums of money and putting this country in the worst position that it has ever been in in its history.

All you think about is spend, spend, spend and squander, squander, squander, until you have the country with the greatest debt that has ever been known. We are $252,000,000,000 in debt now. Where are you going? You are leading us into bankruptcy, as these letters received by the chairman of the committee point out.

There goes the chairman, trying to get away from this. There he is, going out. He talks economy, but he is not trying to practice economy and is not voting for economy. It seems to me it is about time that the chairman of the Committee on Appropriations on that side of the aisle should use the big stick, or the country is going to the dogs.

Let me say here that you can save $400,000 by this amendment. Let me call to your attention just what is happening. At the other end of the Capitol they have been debating the ECA for weeks and weeks. There are $6,000,000,000 involved there—money of our good taxpayers being given to these foreign countries for the most ridiculous things you have ever heard of. Never did I ever think that Americans would go out and spend money and squander it as they are on all these foreign countries and not taking care of our own people—leading us to insolvency. You brought the Atlantic Pact on, and you are going to be asked to spend $1,200,000,000 to help these countries build up their armies and navies and air corps—to militarize a great number of other countries. It is time to stop it. We should not arm any nation but America.

I do not want the taxpayers of this country to pay any more to arm any nation but our own. We have paid too much as it is. We and they are in trouble. The taxpayers want relief. What I want to do here and do now is to stop this spending. That is the thing—stop spending, stop spending. Stop spending, not tax and tax and tax. The chairman of the Committee on Appropriations—why do you not do something? You put these letters in the RECORD the other day. Every one of them tells you to stop spending. But you do not take advantage of your position and do not use your influence to stop spending. You say you are for economy, but you are spending and spending and spending. Why do you not have these Members cut this appropriation down?

Mr. WHITE of California. Mr. Chairman, will the gentleman yield for a question?

Mr. RICH. I yield to see what we are going to get from that side.

Mr. WHITE of California. The other day when the gentleman from Pennsylvania wanted something in his own district, he did not want to stop spending then, did he?

Mr. RICH. I want to protect the American people. I do not want to take care of all these foreign countries. I am in favor of doing what we can for the American people that we should do. Even in that, we cannot do all that everybody wants—that certainly is certain. I want to spend just the necessary amount—cut down on everything to the very actual need. Cut the cost of government to the core. Reduce spending and cut down on our taxes. Attend to our own business. Let other nations run their own affairs. That will mean happiness and contentment to the American people.

I think it is about time you do take care of the people in my district and in your district and in every other district, instead of branching out all over the world, trying to take care of everybody in the world, to the detriment of our own people. I do not believe in that. I was elected to take care of the people of the Fifteenth District of Pennsylvania, and I am going to try to do that.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. RICH] has expired.

Mr. RABAUT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am beginning to feel that some Members of Congress read the report and then get up and make a speech along the lines of criticism that are contained therein.

The committee in this particular instance cut $400,000 out of this bill. Not

bad. We cut $400,000 off of this item. The sum $3,150,000 is for Public Law 900, over which we had no control, because the Congress voted the pay-increase bill. So that is $3,150,000.

This amendment would give them $50,000 more to take care of all other increases of cost. It just does not add up. The committee cut as deep as it could. You can read it if you want to on page 5 of the report, under the caption "Public Buildings Administration."

There is a saving in the coal, due to the mild winter. However, you know Washington is almost entirely air-conditioned. You have had an increase in electric rates, and if you want to stay honest with the people that you do business with you must pay your bills. We must pay the increase in the electric rates which, incidentally, are not only up in price but also in quantity because of the air-conditioning season.

I hope the committee will be sustained, and I ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. WIGGLESWORTH].

The question was taken; and on a division (demanded by Mr. CRAWFORD) there were—ayes 47, noes 72.

Mr. WIGGLESWORTH. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed Mr. RABAUT and Mr. WIGGLESWORTH to act as tellers.

The Committee again divided; and the tellers reported that there were—ayes 67, noes 90.

So the amendment was rejected.

The Clerk read as follows:

For an additional amount for "St. Elizabeths Hospital," $816,000.

Mr. KEEFE. Mr. Chairman, I move to strike out the last word to make an inquiry.

Will some member of the committee explain the item of $816,000 for St. Elizabeths Hospital?

Mr. RABAUT. That is an amount to take care of District of Columbia patients. We have no control over the amount. The District authorities bring it in and tell us what it is.

Mr. KEEFE. Do I understand that that is an amount that is necessary to appropriate to the District of Columbia in order that they may meet their per diem patient cost load to St. Elizabeths? Is that what it is?

Mr. RABAUT. That is correct.

Mr. KEEFE. Then it is due to the increased per diem cost based upon the patient population?

Mr. RABAUT. That is correct.

The Clerk read as follows:

For the construction or replacement of roads, trails, bridges, telephone lines, and other facilities and improvements under the jurisdiction of the Forest Service, damaged or destroyed by floods, $1,500,000, to remain available until June 30, 1950.

Mr. HESELTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to ask the committee if in connection with the deficiency appropriation for forest-pest control there is any item for the control of the elm-tree disease?

Mr. RABAUT. I may say to my colleague that was not considered in this bill.

Mr. HESELTON. No request was made?

Mr. RABAUT. No request was made concerning it.

Mr. HESELTON. Mr. Chairman, during consideration of a recent appropriation bill there was an indication made by Mr. Rohwer that it was felt they could concentrate to better effect through the transfer of the item for elm-tree-disease control to general research. At that time I made inquiry of the chairman of the committee and he said that it was not the purpose or intention of the committee to indicate any lessening interest in an attempt to locate the insect which carries this disease but, rather, to indicate to the Bureau that the committee did want it to continue vigorously its research effort and try to develop a method of control. Is that a fair statement of the purpose and intention here? I know there is nothing in this bill on this point, but I do not want any inference left that by reason of the fact there is nothing in here the committee is losing any interest in the effort to try to control this disease.

Mr. RABAUT. The gentleman is absolutely correct and I will refer the gentleman to page 7 of the report to the statement on control of infestations of the mountain pine beetle, the bark beetle, and the spruce budworm.

Mr. HESELTON. I have seen that. I appreciate very much the gentleman's willingness to state that by not considering any such item there is any lessening of interest in a solution of the problem to elm-tree-disease control.

Mr. RABAUT. No request was made by the budget.

Mr. REED of New York. Mr. Chairman, I move to strike out the last word and ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Chairman, a very serious situation has arisen with reference to the Canadian-United States transportation tax. I have a wire here which I will read into the RECORD, as follows:

NEW YORK, N. Y., *March 30, 1949.*

Hon. DANIEL A. REED,
House Office Building,
Washington, D. C.:

Canada's elimination of 15-percent transportation tax underlines critical need for United States to take similar action. American travel agents have been shouldering burden of discriminatory levy and daily suffering untold business losses as more and more United States travelers evaded tax by purchasing transportation in Bermuda and Latin America. Now Canadian repeal brings thousands of small United States businessmen face to face with disaster. They are forced to sit by helplessly and watch increasing stream of Americans cross border into Canada to buy tax-free air, rail, bus, and ship transportation or arrange purchases by mail through Canadian friends 15 percent below what law-abiding United States travel agencies must charge regardless of whether transportation is for use within the United States or in Canada. Annulment of transportation tax, long overdue, now becomes matter of life and death for our nearly 600 active member firms located in 240 cities in 44 States. Earnestly request immediate attention to this crisis. Pending repeal urge that ways and means be considered to plug existing loopholes.

NEWELL GRINNELL,
President, American Society of Travel Agents.

There is about $200,000,000 involved in our transportation tax. Of course, we know what expenditures are going on and we know that a request has been made for an increase in taxes amounting to $4,000,000,000. To eliminate $200,000,000 at one swoop, without taking into consideration other excise-tax reductions, creates quite a problem. But, what I want to bring out is this, that some years ago when the Canadian officials were here and the question of the transportation tax in Canada was being considered as well as our own transportation tax, it was my understanding that Canada agreed not to reduce or to eliminate the transportation tax without consultation with the officials of the American Government. So far as I know, the Committee on Ways and Means has had no word from Canada prior to the elimination of the tax. So I think that the committee that handles the State Department appropriation bill might well inquire of the State Department to find out if the Canadian officials have kept good faith with our Government with reference to this tax. It creates a very serious problem, especially as the need for revenue is involved. I introduced a bill to reduce our transportation tax somewhat, but nothing like losing $200,000,000 in revenue.

The Clerk read as follows:

The provision under this head in the Interior Department Appropriation Act, 1949, which reads "payments (not to exceed the average per pupil cost in the State where construction is in progress) to school districts as reimbursement, while projects are actually under construction, for the instruction of dependents of employees of the Bureau of Reclamation and of contractors engaged on such projects: *Provided*, That a tuition charge of $25 per semester shall be charged and collected by the Bureau of Reclamation for each such dependent attending such schools;" is hereby repealed and in lieu thereof the following provision is hereby inserted: "payments to school districts in accordance with the act of June 29, 1948 (Public Law 835);".

Mr. CURTIS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. CURTIS. Mr. Chairman, I am very glad that this bill strikes out the language inserted in the Interior Department Appropriation Act of 1949 with respect to aid to schools whose enrollmen has been increased because of the construction program of the Bureau of Reclamation. This makes this previous appropriation available under the terms of Public Law 835, which was introduced by me in the Eightieth Congress.

It was not our intention that the Federal Government assist school districts in educating the children of employees of

the Bureau of Reclamation engaged in ordinary maintenance work, but rather to take care of the extra load placed on schools by reason of increased enrollment due to construction work.

Mr. Chairman, I would like to include in my remarks the statement I made before the Appropriations Committee in respect to this matter as part of my remarks. That statement is as follows:

MARCH 30, 1949.

STATEMENT OF HON. CARL CURTIS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEBRASKA

TUITION OF CHILDREN OF EMPLOYEES AND CONTRACTORS OF BUREAU OF RECLAMATION

Mr. KERR. We will hear Congressman CURTIS, now.

Mr. CURTIS. Mr. Chairman, as the patron of H. R. 6028, which became Public Law 835, I urge the committee to adopt the recommendation of the President and the Budget Bureau for repeal of the language under "Administrative provisions," which reads: "payments (not to exceed the average per pupil cost in the State where construction is in progress) to school districts as reimbursement, while projects are actually under construction, for the instruction of dependents of employees of the Bureau of Reclamation and of contractors engaged on such projects: *Provided*, That a tuition charge of $25 per semester shall be charged and collected by the Bureau of Reclamation for each such dependent attending such schools;" and in lieu thereof insert "payments to school districts in accordance with the act of June 29, 1948 (Public Law 835)."

The provision in the appropriation act conflicts with Public Law 835 in that it requires certain tuition charges to be charged and collected by the Bureau of Reclamation. The Comptroller General has ruled that the Bureau of Reclamation has no authority to collect tuition charges from its employees or employees of contractors to reimburse school districts. Therefore, the requirement complicates the problem of aiding school districts where construction activities of the Bureau of Reclamation have added to the burden on the local schools by reason of the increased number of pupils. Further, the parents of these pupils are not subject to local taxation.

The second reason for repeal of the provision is that it conflicts with State laws which provide for free tuition and discriminates against the children of Bureau of Reclamation and contractors' employees.

The Congress in enacting Public Law 835 intended to give the Secretary of the Interior broad authority to assist local school districts which are temporarily overburdened by an influx of children of school age who are dependents of Bureau of Reclamation or contractors' employees. It was intended to place the Bureau of Reclamation on the same footing as the Army Corps of Engineers engaged in the same type of construction work.

For instance, the Bureau of Reclamation is engaged in extensive dam-construction work of the Missouri Basin project in the Republican River Valley in my State of Nebraska. The Corps of Engineers is similarly engaged in construction of Harlan County Dam and Reservoir on the same river. The corps has the authority to assist local school districts there and elsewhere without any requirement for the corps to collect any part of the tuition from its civilian employees or those of contractors.

The Bureau of Reclamation is constructing certain phases of the Missouri River Basin project, which extends through seven States. Instead of having its design, administrative, and other forces at each dam or other unit of the project, it had headquarters or district offices at certain points where these forces are concentrated, such as at Indianola, Nebr. Therefore, it was the intention of Public Law 835 to give the Secretary of the Interior authority to assist school districts wherever the children of employees engaged in any form of work in connection with the Missouri Basin project resided or attended school. This understanding is especially important at Indianola, Nebr., where the Government owns the land on which the camp or district headquarters is located. While no actual construction is done at Indianaola, where nearly 100 Bureau families are located, the force there supervises construction activities in Colorado, Nebraska, and Kansas. It was clearly the intent of the Congress to give the Secretary authority to aid the school districts in the vicinity of Indianola and in similar situations at Coulee Dam and Ephrata, Wash., in connection with the Columbia Basin project; Estes Park, Colo., in connection with the Colorado-Big Thompson project; and elsewhere under like conditions as well as in the case of employees' dependents actually at the site of construction work.

The amount of the payments to be made to the local school districts will, of course, be the subject of negotiations between the districts and the Bureau of Reclamation. The average per pupil cost for a State or an area might be a criterion, but not necessarily binding. Contractors, in my opinion, should assist in making arrangements with local school districts for the instruction of dependents of their employees, but the Bureau of Reclamation, as a matter of good public relations, has the responsibility for working out the problems.

I submit this statement so that the legislative background of Public Law 835 will be available in one place and so that there may be a clear understanding of the intent and desire of the Congress in enacting and the President in approving this legislation.

The Clerk read as follows:

GENERAL PROVISIONS

Section 10 of the Interior Department Appropriation Act, 1949, imposing a limitation on the amount available for compensation of employees engaged in personnel work, is hereby repealed.

Mr. TABER. Mr. Chairman, I make the point of order against the paragraph in lines 17 to 21, inclusive, that it is legislation on an appropriation bill, and repeals existing law.

Mr. RABAUT. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is sustained.

The Clerk read as follows:

For an additional amount for "Salaries and expenses, Lands Division," $250,000.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 20, line 5, strike out "$250,000."

Mr. TABER. Mr. Chairman, the facts with reference to this appropriation are these: There was an appropriation for the fiscal year 1949 of $2,350,000, and down to the 18th of March, with less than 3½ months to go, there was expended $1,458,000, leaving $860,384, or more than enough, by $130,000, to go on at the same rate they spent in the first 8½ months. There is no sense in appropriating more funds than an agency needs. They do not need any more money. They can go along just as they have been for the rest of the year and have over $100,000 to spare, which can be used for the expert witnesses they said they wanted. When an agency does not need the money I do not believe in appropriating it. For that reason I have offered this amendment to strike out the amount that is requested. I hope the amendment will be adopted and that we can save $250,000 for the Treasury, funds that the Department of Justice does not need in the slightest degree. I hope we can show an appreciation of the financial situation the Treasury is facing.

Mr. RABAUT. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. RABAUT. Mr. Chairman, this amendment deals with an item in the Department of Justice. The Department of Justice is known for its devotion to duty. It has been testified before the committee that the case load has materially increased. All flood-control cases are in this category and all river and harbor projects are in this category. They have no control over their work. They ask for this sum of money for the work. They have to acquire the lands directed and do other things that naturally fall into this category. Besides that, there are $6,000,000,000 in Indian claims. So I think the House should go along with the committee, after we have gone into this matter, and stay with the amount that is set forth in the bill. I ask for a vote, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 30, noes 72.

So the amendment was rejected.

Mr. RICH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RICH. Mr. Chairman, every time you take a vote on cutting down expenses of Government, the vote to cut it down comes from this side of the House, and the negative vote comes from the other side of the House.

The CHAIRMAN. The gentleman is not making a parliamentary inquiry.

The Clerk read as follows:

For an additional amount for "Salaries and expenses, American sections, international commissions," $8,630; and limitations under this head in the Department of State Appropriation Act, 1949, are increased as follows: International Joint Commission, United States and Canada, from "$37,560" to "$44,210"; and International Boundary Commission, United States and Canada and Alaska, from "$58,853" to "$60,833."

Mr. RICH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am interested in this $65,000,000 of loans to the United Nations. I would like to know something about these loans that you are making to the United Nations now. I understood that the $6,000,000 we gave last year and the $6,000,000 which is being asked for this year were gifts. Now you say we have a loan. If you have a loan, what is the security for the loan?

Mr. RABAUT. Is the gentleman asking me?

Mr. RICH. I would like to have somebody on that side of the aisle answer that question, because I would like to know who will pay the loan.

Mr. RABAUT. The gentleman was here, was he not, during the Eightieth Congress, which passed Public Law 903?

Mr. RICH. Yes.

Mr. RABAUT. This money is being appropriated in pursuance of Public Law 903.

Mr. RICH. But you are talking about making a loan. What kind of loan are you making?

Mr. RABAUT. A United Nations loan, as authorized by legislation passed by the Eightieth Congress—Public Law 903.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield for light; I want to know who will repay this so-called loan.

Mr. MANSFIELD. This authorization came out of the Foreign Affairs Committee and was passed in the special session of the last Congress, if I remember rightly. The gentleman from Ohio can corroborate what I am saying. It is a loan extended to the United Nations for the purpose of building the permanent site at New York, which is now under way.

Mr. RICH. That is the property which Morgan gave six or seven millions to buy the land?

Mr. RABAUT. You mean Rockefeller? You have your big boys mixed up.

Mr. RICH. It was one of those rich boys in New York. He gave the money to buy the land, and now you are going to loan this money to build the building.

Mr. MANSFIELD. That is right.

Mr. RICH. Who is going to pay Uncle Sam for that?

Mr. MANSFIELD. The organization of the United Nations will pay it back to the Federal Government over 30 or 40 or 50 years.

Mr. RICH. It might be 200 years. Do you honestly ever expect to get $1 of it back?

Mr. MANSFIELD. Yes, I do.

Mr. RICH. You have got more faith than I have.

Mr. RABAUT. Well, you passed the law last year.

Mr. RICH. Not me. Do not blame that on me. I am telling you right now I voted against all those loans. I am trying to save this country from bankruptcy, and I do not intend to vote for any this year when it comes to ECA. I think the worst thing you can do is to wreck America by trying to save all the world. You fellows over there are voting now for everything. You want all this money. You are going to save the world by the ECA, but when you find out that America goes down to bankruptcy and the people of this country do not have anything left, they can thank this New Deal Democrat administration for it. It will be a sorrowful day when that time comes. Believe you me, I would not be a party to it.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. RICH] has expired.

Mr. PHILLIPS of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think we should at least keep the record clear on this item and not be so vague about it.

This goes back to 2 years ago when the United States representative in the United Nations organization committed us to a loan of $65,000,000, which was an extremely interesting thing for him to do. Under the Constitution nobody has the right to commit the United States to the expenditure of money except the Congress of the United States. Appropriations, under the Constitution, begin in the House of Representatives. Several times people outside of this Congress used the word "commit," or, in fact, by action, commit the United States, as our representative in this instance committed us to $65,000,000.

We protested that in this House. There is quite a bit on the record saying that we thought we should still recognize the existence of the Constitution of the United States. With some effort, as the distinguished gentleman from Montana is about to point out, the Congress did pass Public Law 903, saying that we would loan the money. It is a loan by name only. There is not anyone, not even the gentleman from Montana, who is naive enough to think that we will get that money back. If we did get it back, 76 percent—I think that is the figure—of the money that goes into the United Nations treasury comes from the taxpayers of the United States. We might just as well cross off 76 percent of this $65,000,000 right now and save that bookkeeping expense and the salaries of the bureaucrats who will have to do that bookkeeping in order to pay ourselves back 76 percent of the debt.

What I object to most of all is that here, in a place where the people of the United States do not particularly want it, and which the people of New York apparently do not particularly want, and which representatives of the United Nations themselves have suggested several times should be located in some other place, just because a distinguished and wealthy citizen of New York, who is so unfamiliar to the Republican Party that his name was not known to the Member who preceded me, so that he had to be identified by one of the Democratic members of the committee handling this bill, because he gave a piece of property in New York we are going to give—g-i-v-e, not loan—$65,000,000 to build a building which will be a monument to human weakness, if conditions continue as they are, as the great buildings at Geneva are monuments to futility and human weakness.

A $10,000,000 shell of illusions stands on the hill at Geneva. It could still be used. This new edifice will cost $65,000,000. The other was built mostly by English money. I just want to keep the record straight.

I now yield to the gentleman from Montana.

Mr. MANSFIELD. I, too, want to keep the record clear. As I recall, in the Republican Eightieth Congress the Foreign Affairs Committee was very interested in trying to bring this out during the regular second session. We were unable to do so. I understand that the leadership——

Mr. PHILLIPS of California. When the gentleman says "We" does he identify himself with the Republican Eightieth Congress?

Mr. MANSFIELD. I was a Member of that Congress but in the Democratic minority, as the gentleman remembers. When we came back into the special session, I understand that the Speaker of the House at that time gave the Foreign Affairs Committee the high sign, and the committee then brought the bill out and the Republican Eightieth Congress passed it.

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I gladly yield to the distinguished leader of my party.

Mr. MARTIN of Massachusetts. Inasmuch as the gentleman from Montana has questioned whether the Republican leadership was in favor of this proposal in the regular session—he appears to have questioned that——

Mr. MANSFIELD. Yes.

Mr. MARTIN of Massachusetts. I wish to tell the gentleman he is entirely in error; the leadership favored the proposal in the regular session and in the special session we passed it.

Mr. MANSFIELD. I am delighted to get that correction and corroboration from the gentleman from Massachusetts.

Mr. BREHM. Mr. Chairman, I rise in opposition to the pro forma amendment and ask unanimous consent that I may proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BREHM. Mr. Chairman, in my opinion all sources of irritation, whether real or imaginary, should so far as possible be removed.

Persistent physical irritation will produce soreness and according to some authorities even produce malignancy.

Mental irritation is certainly not conducive to happiness and contentment.

The Taft-Hartley law, which in reality is an amendment to the National Labor Relations Act, is not all bad, but neither is it all good.

A lopsided law regardless of which side it favors or mitigates against can never result in peaceful harmonious labor-management relations with its corresponding increase in production. My only interest in the present discussion of labor legislation is to try and help write a law which will remove some of the present irritation. I am not interested in seeing either side win an apparent advantage over the other.

A few months back the papers carried headlines to the effect that John L. Lewis had won a great victory over the operators. That statement was silly. John L. won a welfare fund for his miners and I am 100 percent in favor of such a retirement fund. However, the operators did not lose the fight. The consuming public as always lost by having the operators pass the cost on to them.

I receive many letters from industrial leaders who insist that the Taft-Hartley

law is not strong enough and that it should be amended and made tougher on labor. Then I receive letters from some member of organized labor who demands that Taft-Hartley be repealed bag and baggage and that not one comma of the original law remain. I am not interested in either of these extreme views. One is just as radical as the other. It appears that an educational program is indicated for both sides. To assume that labor and management are natural enemies is to contradict the very system under which we have become the envy of the world.

Assuming that some changes are desirable and indicated as recommended by the nonpartisan watch-dog committee which Congress set up to study and report on the operations of the Taft-Hartley law, it seems to me that three possibilities present themselves to us.

First, and perhaps the most logical, would be to start reading the present law section by section, with the object in view of repealing, amending, or accepting each section when we had finished reading it. I see no reason why the Labor Committee of this House could not forget politics and so-called mandates and sit down with labor-management representatives and work out a compromise bill which would be satisfactory to both sides. In fact they are not too far apart at this moment and could and would get closer if politicians would stop jockeying for position.

The draw-back to this first possibility would be that the name Taft-Hartley would still remain and therefore one of the chief causes of irritation would remain.

The second, or No. 2, possibility is to substitute the so-called Wood bill for the Lesinski bill. Some parts of this bill are O. K. and it has been improved by three or four amendments which it is stated are acceptable to both sides. However, here again instead of removing one of the alleged causes of irritation we lay ourselves open to the charges of "unholy alliance" of the southern Democrats and the northern Republicans.

Now it may be that this coalition has been able to thwart and hold in check some of the more radical proposals which have been advanced in recent years and which if enacted might not have been for the best interests of the country. If that is true then well and good. However, in my opinion, this coalition is also responsible for reelecting a New Deal President year after year, and also in my opinion is responsible for electing a Democratic House and Senate last November.

The administration stalwarts have been repeating year in and year out that it has been this "unholy alliance" which has kept them from enacting civil rights, expanded social security, public housing, compulsory health insurance, and so forth.

A majority of the public have believed these leaders, with the result that each year the voters have reelected a New Deal President in the hope that this coalition might eventually be broken.

The Democrats have 263 Members in the House as compared to 171 Republicans. The Democrats could enact any legislation which they chose. Are they doing it? Oh, no, they are crossing their fingers and praying that this "unholy alliance" will still continue so that they may continue to elect a President. Let us analyze the fallacy of this so-called coalition or alliance. The Southern States which voted against President Truman are Alabama, Louisiana, Mississippi, and South Carolina. These four States have a total of 30 Representatives in the House. For the sake of argument let us assume that all 171 Republicans and all 30 Dixiecrats voted solidly as a bloc. This would total 201 votes. Now subtract the 30 Dixiecrats from the 263 Democrats and it still leaves 233 Democrats or a majority of 32 over the combined total of 201 Republican and Dixiecrats.

The point I am trying to make is that even if a coalition does exist it is in the minority and that it is time those Democrats who keep insisting that they have a mandate from the voters to enact all of President Truman's program either get busy and put it into operation or admit that they have just been kidding the various minority groups in the hope of getting their votes.

The time has passed for this administration to continue to put the blame for their own shortcomings and irresponsible political promises on some imaginary adversary. I recall President Roosevelt's words to a reporter one day when he told the newsman to "put a dunce cap on his head and go stand in the corner, that he was looking for ghosts under the bed and skeletons in the closet." The existence of this coalition may be more tangible than Roosevelt's ghost, but it would be just as ineffective if the bona fide Democrats would unite to make good on their campaign promises. They have the votes, now let them produce or forever hold their peace.

If, as some of us believe, the Republican Party holds the solution to preserving our American system, then we can only put our principles into action when we control both the White House and the Congress. So long as we continue this alleged alliance we will never get control and I am getting fed up with a coalition which continues the other party in power. It was this alleged coalition which passed Taft-Hartley and resulted in the defeat of dozens of northern Republicans but not in the defeat of one single solitary southern Democrat.

Therefore, in order to further avoid being tagged as a collaborationist in this alliance as well as voting for a measure which in my opinion is more punitive in many respects than the Taft-Hartley Act, I will not vote to substitute the Wood bill over the Lesinski bill.

Let no one misinterpret my meaning regarding this second possibility. Some of the finest gentlemen I have ever known come from the South, and I count many of them my friends. However, this discussion is not meant to be a treatise on friendship, but on practical politics so far as they affect the welfare of the Republican Party and the Nation.

For the past 16 or more years some of us have been insisting that the New Deal philosophy of government, if followed to its ultimate conclusion, would wreck the country. And so while we have been making speeches, as well as being accused of making certain alliances with southern Democrats, the voters have been waiting for the country to be wrecked and while waiting they have continued to elect New Deal Presidents.

Now, either we are right or we are wrong in our assumption that the present administration will wreck our American system, and it seems about time that we found out whether the wolf is coming closer or being kept permanently away from the door. Just so long as this northern-southern coalition continues to drag its feet and hold the New Dealers in check, no one will ever know.

If, as some believe, the New Deal philosophy will wreck the country, then let us have them wreck it while we are still strong enough to survive and make a comeback. If a surgical operation is indicated, then it should be done while the patient is strong enough to withstand the shock. If, on the other hand, it is found that the country is not wrecked when this coalition is dissolved and that the voters continue to re-elect a New Deal President, then it seems to me that we should begin to awaken to the fact that we have the kind of government of which the majority approve and that we should readjust our thinking. I am tired of the Republican Party being taken to the woodshed while our southern friends are taking all the wood. If they are Democrats then let them vote with the Democrats and assume their share of the responsibility for what happens. If they like the Republican Party principles then let them join the party, support it and help us put our full program into operation, and not extend the hand of friendship only when they need help worse than we do. I am sometimes inclined to believe that the real coalition here is between the northern and southern Democrats at the expense of the Republicans. At least it has worked that way in practical application. I never remember seeing our southern gentlemen friends offer help to the Republicans when we were trying to cut expenses or balance the budget by curbing subsidy payments or reducing the Federal pay roll. Oh, no, their patronage must not be disturbed nor payments to their section of the country reduced. Tariff barriers must be reduced in favor of free trade, but of course southern products must be protected even to the extent of passing a law to prevent the shipping of tobacco seed out of America. However, they are very anxious to maintain the coalition when labor legislation is up, for reasons known to all of us.

This then brings me to the third possibility, which is the so-called Lesinski bill. Now, I doubt if there is a single leader of organized labor in the country who is so naive as to believe that this bill will ever become law in its present form. In fact, many of them have told me that they are well aware that it will be amended, and, in fact, that it should be amended. However, they do not want a score of crippling amendments which would result in a lopsided law and neither do I.

If the Wood bill is substituted in place of the Lesinski bill, it will not be because

the Wood bill is so good, but because the Lesinski bill is so poorly drawn. It does not require much imagination to assume that the Lesinski bill was not drawn with the idea in view of working out legislation which would be fair to all concerned, but rather with the idea of enacting a law which would even the score against Taft-Hartley. This approach does not serve to remove irritation. I intend to vote for the Lesinski bill providing it comes in under an open rule so that the full membership may have an opportunity to adopt some clarifying and corrective amendments. In my opinion, unless it does appear under an open rule, it will have very little chance of surviving. In this event we would have the Wood bill, which, in my opinion, would produce increased irritation for everyone.

I believe that labor-management relations will come closer to being improved and the public interest better served by having the Lesinski bill with too few amendments rather than having the Wood bill with too many.

Mr. DOYLE. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I regret very much that every now and then there seems to be many minutes of wasted time and of destructive effort to take a crack at one side or the other in this busy House of Representatives on a partisan level, where the subject under debate is too serious a matter to justify it. I want the RECORD to show, however, that even though my distinguished colleague from California seems to have no faith in the United Nations as the first and best chance for enduring peace, that I from my native State of California have the utmost faith in the United Nations as the first and best hope for world understanding and cooperation. It was so conceived. It has done a good job; I pray God that its sinews shall be strengthened and perpetuated as a strong, virile, vigilant group. Nor am I going to give voice to a fear that the good faith of our fellow members in the United Nations will fail us to the extent of these other nations in the brotherhood of nations will fail to pay their percentage of the cost of the maintenance of the United Nations. They have not yet nor have they given us any just cause for today insinuating lack of good faith on their part. I repeat that we must not anticipate less than good faith on their part. I wish to say to my distinguished colleague from California, for whom I have the utmost personal esteem, as a very distinguished neighbor and friend and citizen that I regret very, very much that his lack of faith in the power of the brotherhood of nations goes to such an extent that on the floor of this House he would give voice to the thought that our colleagues in the United Nations will not keep faith as to their duties and the paying of their share of the cost of operating that necessary international organization called the United Nations.

If there is any chance at all of avoiding a third world war at this time, even making due allowance for the Atlantic Pact which was signed the other day, I still consider that with utmost faith in God and in humanity that even the Atlantic Pact does not take the place of the UN. It is not designed to weaken the strength of the United Nations organization in this world's history. The Atlantic Pact is no substitute for the UN.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield to the gentleman from California.

Mr. PHILLIPS of California. I am sorry the gentleman did not understand me. It was probably my fault. I have great hope for the United Nations, and I am strongly for it. What I said was that if present conditions continue it would be the shell of illusion here as there is one remaining from 1919.

Mr. DOYLE. I thank the gentleman, but I would invite him and all of the Members of this House, of which I have the honor to be a Member, not again to spread fear and distrust in the fact that the United Nations must succeed. There is no other way, Mr. Chairman, whereby civilization shall be saved. I hope the Members of this House will stop raising the thought of fear in the minds of American people that after all the United Nations is just a shell. It is not a shell. It is the reservoir of the first hope of enduring world peace and I pray God every Member of this House will stop throwing fear into the minds of the American public on that subject.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield to the gentleman from New Jersey.

Mr. CANFIELD. I am inclined to agree with the gentleman. I think too often here in this House we seek perfection in matters of this kind.

Mr. DOYLE. I thank the gentleman from New Jersey. This is a pretty serious occasion to me. It should be to every Member of this Congress. No Member should ridicule or make light of the United Nations. I have been here for 3 months and chiefly on the minority side of the aisle. I have heard too much of the spreading of fear in the minds of the American public and the possibility that the United Nations has already failed. It is put in their minds often, too, by Members of this House, to the effect that the United Nations is just a shell. I hope that sort of bunkum and boloney will stop. This is not the time to radiate fear in the thoughts of the American people. Peace is the most important thing in the world. For God's sake, Mr. Chairman, let us not radiate anything but hope and faith in order that no further weakness shall be sent forward into the thinking of the American people so far as the United Nations organization is concerned. I feel rather keenly on this, and some of you know why. I want to urge you, do not play politics with peace. Stop it, or you will have war. Stop playing politics with peace. It is not a partisan matter. It should not be involved on either side on any such low level. Stop stooping to snipe at the United Nations. Stop playing politics with peace. Do not do it.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. CANNON. Mr. Chairman, I ask unanimous consent to return to page 2 of the bill for the purpose of offering an amendment.

Mr. TABER. Mr. Chairman, reserving the right to object, the gentleman from Missouri desires, as I understand, to return to the legislative section of the bill for the purpose of offering an amendment to take care of Mrs. Somers, the widow of our late colleague, Andrew L. Somers, of New York; is that correct?

Mr. CANNON. Yes.

The CHAIRMAN. It there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Page 2, line 2, insert a new paragraph as follows:

"For payment to Ruth E. Somers, widow of Andrew L. Somers, late a Representative from the State of New York, $12,500."

The amendment was agreed to.

The Clerk read as follows:

For an additional amount for "Strategic and critical materials," $40,000,000, to remain available until expended; and in addition to the amount herein appropriated, contracts may be entered into for the purposes of this appropriation in an amount not in excess of $270,000,000.

Mr. RICH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RICH: On page 32, line 16, strike out lines 16 to 21.

Mr. RICH. Mr. Chairman, if you will note, the bill calls for the purchase of strategic materials in the amount of $40,000,000 and for contract authorization $270,000,000. Now, I think that we should purchase strategic materials, but I cannot understand why we should have it in the bill at the present time, for this reason, that when you appropriated $6,000,000,000 and more last year for ECA, you had in that bill $480,000,000 to be used for the purchase of strategic materials. It was contemplated that they were to get those materials from the countries with which we were dealing, in the interest of our economy, for our War Department, and for all other departments of Government. But, what has been done with that money, the $480,000,000, that we gave? They gave that to these nations, and all we got back was $22,000,000 worth of strategic materials. Now think of that. You gave those countries $480,000,000 for strategic materials and only received $22,000,000 worth of strategic materials and the ECA was charged with getting back that amount of strategic materials for our own national economy. Now you come in here with a bill and you ask for $40,000,000 for strategic materials, and you ask for $270,000,000 for contract authorization. I say to you, and I have said to you time, and time, and time again, you have got to get a little sound business into the administration of the affairs of our Government of the United States if this great Nation of ours is ever going to survive. I think it is a travesty on justice. I think it is one of the worst things we can do, to permit this to go on any further. There is no reason why we, who are supposed to be men of ability, who are

elected by our constituents to come here and try to do a good job for the people of the United States, should permit this to go on. I do not like it and I do not want it. I have not permitted anything like that to happen and I will not permit it to happen again if I can prevent it. We are appropriating now $40,000,000 for the purchase of strategic materials, and giving contract authorization for $27,000,000 more. It just does not make sense.

Mr. MILES. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield to the gentleman from New Mexico.

Mr. MILES. Does the gentleman want to go back to the economy of the 1930's? That is the last time I saw the Republicans demonstrate their ability to take care of this Nation and handle the affairs of the Nation.

Mr. RICH. What are you doing to take care of this Nation now? All you are doing is spending it into bankruptcy. If that is the way to handle this Nation I do not want anything to do with it. I was here in 1930. I saw what happened then, and I do not want it to happen again. Whenever a thing of that kind happens once I do not want it to happen again. It did not happen in anything I had anything to do with. I was in banks at that time, two of them, but they did not close. I saw things happen then that I do not want to see happen again. But worse than that is going to happen if we follow the policy of the New Deal Administration. It is not going to happen if I have anything to do with it, and I mean it not in a sense of braggadocio. I do not mean it in any sense of trying to throw the hooks into anybody, but I do say it is time we wake up before it is too late, and it will be too late if you keep on squandering and running up our national deficit.

Mr. HUBER. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Ohio.

Mr. HUBER. Is the gentleman opposed to the Fair Deal?

Mr. RICH. A fair deal? No, I want a fair deal, but I do not want any New Deal and I do not want any raw deal. I am sick and tired of the deals you have been handing out to the American people. We want a new deal here in administering this amendment that I have offered. I ask you if it is not fair, if it is not the sound thing to do, when you gave $480,000,000 a year ago to buy strategic materials and they bought only $22,000,000 worth of them. The rest of your money they gave to foreign countries. Now you want to ask the taxpayers to dig down deeper and give $310,000,000 more. It is ridiculous to spend money and get nothing for it.

Mr. RABAUT. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I am as strong for economy as anyone in this House. Maybe some of you think I am too strong for it. But when it comes to a matter that I believe is desirable from the standpoint of security for America I do not believe we should be too niggardly in our operations. For my own part, with the condition of the world what it is, I want to see us get all the strategic and critical materials we can out of the ECA countries. However, I believe it is impossible without providing these funds to get what we should get, so that if any trouble should come we will be able to handle the military operations and the civilian operations of the United States for less money than it would take if we failed to provide these funds. I really believe it is an economy measure.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. RICH. Do you think when you gave $480,000,000 last year, and only bought $22,000,000 worth of strategic materials that that was a wise thing to do?

Mr. TABER. The funds they now have are nearly exhausted. The contract authorization is nearly exhausted. We should not hamstring ourselves in our approach to this matter, we should do it on the basis of what the country needs.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. DURHAM].

Mr. DURHAM. Mr. Chairman, I rise in opposition to the amendment.

I am a little bit surprised at the gentleman from Pennsylvania offering this amendment. If he understood the operation of Public Law 520, which is the Stock Piling Act, this is not an expenditure. After all, this is a revolving fund. As the gentleman from New York said, the authorization is about exhausted. In regard to the amount of materials that we received this year from the 5 percent provision, which was placed in the ECA Act, the report made to the Armed Services Committees of both the Senate and House under Public Law 520 shows that about $22,000,000 this year was spent for strategic materials. Some of that material, which we received, did not meet the specifications of the Bureau of Standards. As the gentleman from Pennsylvania may know, the difficulty in not receiving more strategic materials back through that provision in the act has not been altogether due to the noncooperation of the countries, but due to the fact that practically all of the machinery in Europe and these other countries had to be renovated and replaced in operation. It has been a tedious job. We go into the report very thoroughly in the Armed Services Committee. Mr. Chairman, I hope the amendment will be voted down.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield.

Mr. CANFIELD. As one who heard every line of testimony on this item, I wish to make this observation: To cut the item 1 cent in this Congress today would be the most dangerous thing we could do and would be absolutely against the interests of true American defense and of free peoples throughout the world.

Mr. DURHAM. This is the heart of the whole defense program for the protection of our country.

Mr. CANFIELD. It certainly is.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Chairman, I am not going to take the time of the House at this late hour, except to say that the subcommittee of which I am chairman was asked to conduct the hearings on this item. I do not know of any hearings of our committee in which a subject has been considered more thoroughly. To my mind, the stock-piling of strategic materials is one of the most important features of our defense program. We all know how in past wars the United States was caught with a scarcity of material which not only crippled our armed forces, but brought great hardship upon the civilian population of this country. If we are to be prepared to meet the next emergency, we must stockpile such items as rubber and other scarce materials. This is not a haphazard appropriation.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Pennsylvania.

Mr. RICH. I agree with you that we ought to have strategic materials, but when you appropriate $480,000,000 for that purpose and you spend only $22,000,000, why should you put more money in until you use up that money, and make purchases with the money already appropriated?

Mr. GARY. I will tell the gentleman exactly why. We have a 5-year stockpiling program. It is estimated that the stock pile will be complete in 5 years. The program calls for the purchase of various scarce materials, and we have to be in a position to contract for such materials when they are available on the market, bearing in mind at all times the needs of our civilian population.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. TABER. We are not going to be able to complete that stock pile in 5 years.

Mr. GARY. I think that is absolutely true, but it is an objective which we have set. The gentleman speaks of money that has been appropriated. The facts are that practically every penny of that money has been contracted for. The materials have not been delivered, it is true, and therefore they have not been paid for, but the contracts have been made, and the Commission is now sitting twiddling its thumbs because of the need of additional funds.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. GARY] has expired.

Mr. RICH. Mr. Chairman, I ask unanimous consent to withdraw the amendment. Let us get a little harmony in the House.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The Clerk will read.

Mr. RABAUT. Mr. Chairman, these are all small items. They are all under Public Law 900. I ask unanimous consent that the bill be considered as read and open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan [Mr. RABAUT]?

There was no objection.

Mr. KEEFE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like the attention of the chairman of the subcommittee, because I have taken this time in order to elicit some information.

If you will turn to page 39 of the printed bill, I note the first item on that page, "Bureau of Employees' Compensation: Salaries and Expenses, $107,000, to be derived by transfer from 'further development of vocational education.'"

What does that language mean?

Mr. RABAUT. That is a balance that will not be necessary this year, and the Bureau of the Budget suggested that it be transferred and used for this purpose.

Mr. KEEFE. It would not be needed for what?

Mr. RABAUT. It would not be needed for the development of vocational education this year.

Mr. KEEFE. That is a gratifying thing, because down in a later stage under the title Freedmen's Hospital, you attempt to take care of $220,000 also to be derived from——

Mr. RABAUT. That is further evidence that they have a balance on hand.

Mr. KEEFE. Where is the evidence of that in the hearings? I have searched the hearings in vain in an effort to find some record, because it seems to me that this is a situation that ought to be gone into rather carefully, if, as a matter of fact, the funds appropriated for vocational education for the fiscal year 1949 are not being used and distributed to the States and the committee has appropriated altogether too much money. This is the first time I believe that any member of the regular subcommittee has ever been apprised of any such situation.

Mr. RABAUT. What committee appropriated the money?

Mr. KEEFE. The regular subcommittee on the Federal Security Agency and the Office of Education.

Mr. RABAUT. Make that clear. This committee recognized the fact under instructions of the Bureau of the Budget and permitted the transfer.

Mr. KEEFE. Is there anything in the hearings that would demonstrate how those funds could be made available for transfer without injuring the vocational education program?

Mr. RABAUT. It is clear to the committee in the message from the Bureau of the Budget that the funds are not to be used this year. They suggest a transfer. Evidently the committee, of which the gentleman was chairman last year, gave them plenty of funds, all of which they will not need.

Mr. KEEFE. I am very happy to have that admission, that the Eightieth Congress did not ruin and cripple vocational education, but gave them more money than they could spend.

Mr. RABAUT. I think the gentleman's committee was very liberal.

Mr. KEEFE. The statements up to this time have always been to the contrary, that we were too niggardly, that we used a meat ax in an effort to destroy every proper estimate. I am glad some facts are coming out, but I have not been able to find verification except as the gentleman states in this instance that he takes the word of the Bureau of the Budget without any examination whatsoever.

Mr. RABAUT. We should, whenever we can, save money by making a transfer and avoid taking it out of the Treasury. I do not think the gentleman should criticize us for that.

Mr. KEEFE. I am not criticizing; I am seeking information. The Congress is entitled to know whether or not in making this transfer it is being made out of surplus funds made available for distribution to the States for the promotion of vocational education, or whether the Bureau of the Budget is arbitrarily dipping into the funds that were appropriated for that purpose and is making the transfer for some other purpose in this bill; and there is not a word of testimony here that will give any information one way or the other on that subject.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I shall not take the full 5 minutes, but I think for the purposes of the RECORD, something further should be said about the strategic materials fund. I understand that the gentleman from Pennsylvania offered his amendment in the first place under the impression that in connection with ECA $480,000,000 had been appropriated for the program of strategic materials and that somehow the money came from the operation of the so-called 5-percent fund. There was no specific appropriation of ECA money in that amount for this purpose but there was a connection, perhaps I can clarify the situation.

When the Appropriations Committee last year, the Subcommittee on Deficiencies, was considering the budget estimates for ECA, some of us felt that it would be appropriate to ask the countries which were to be the recipients of the money to put up something in the nature of a sponsor's contribution to be available for expenditure by the United States.

What has come to be known as the counterpart fund was provided for in the original legislative authorization but that legislation made the money available for expenditure by the recipient government on its own projects. It was action by the Appropriation Committee and subsequently approved which made 5 percent of the counterpart fund available for United States needs, including the acquisition of strategic materials.

I recall the matter quite clearly, because I remember making the argument that when we set up the WPA and PWA programs in this country we required a sponsor to put up a certain percentage of the cost of the project. The big value of that was that it demonstrated that the community, the city, the county, or the State getting a relief project put up a certain percentage of the cost as a guaranty or as an earnest that it was a worth-while project. And I felt that a similar provision in our foreign aid appropriations would have a similarly beneficial effect.

And responding to that argument the Committee on Appropriations of the House reported the ECA appropriation bill calling for a 10-percent contribution by the recipient countries. The House approved the bill in that form. It went to the other body and there the provision was stricken out entirely, but in conference agreement was reached on the 5-percent figure.

In proposing the language in connection with that 5 percent, or originally 10 percent, I recall that the language which the Appropriations Committee reported proposed that that portion of the local currency or counterpart funds of the country receiving the gift from the United States should be available for expenditure by the United States for the procurement of strategic materials or other local currency needs of the United States. This did not necessarily mean that all of the money would be spent for strategic materials, but it meant that as much of that fund would be spent for strategic materials as could be properly obligated in that way.

By the printed hearings on this bill heard by the subcommittee, of which the gentleman from Virginia [Mr. GARY] and the gentleman from New Jersey [Mr. CANFIELD] were members, and given at page 263, we find it is true that some $22,000,000 worth of strategic and critical materials have thus far been purchased out of the funds and that there are also then pending negotiations which would bring the total to the neighborhood of about $54,000,000. It may be even larger today. Negotiations were proceeding with the Dutch, the French, and the Italians.

So that it appears the suggestion of the House Appropriations Committee last year for a sponsor's contribution will provide at least $54,000,000 worth of strategic materials and the balance of the 5-percent fund for other local currency needs of the United States; but it was never contemplated that the use of this counterpart money should be a replacement for the basic strategic materials acquisition under the specific program authorized by law. The 5-percent fund was made available as a means of supplementing it and of suggesting a way to utilize these counterpart funds advantageously if conditions permitted us to do so. When the new ECA bill comes up, I hope we may have a full report on the use that has been made of the counterpart funds and particularly of the 5-percent portion reserved for our own uses.

Since there has been so much discussion on this subject I thought these facts should be stated to keep the record clear.

Mr. DAVIS of Georgia. Mr. Chairman I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Georgia: On page 46, after line 10, insert the following: "For an additional amount

for the fiscal year 1949 to enable the Secretary of Agriculture to carry out the provisions of the National School Lunch Act of 1946—$15,000,000."

Mr. TABER. Mr. Chairman, I rise to make a point of order against the amendment that it is not germane at this point in the bill. Title II of the bill is limited to additional amounts for appropriations for the fiscal year 1949 to meet increased pay costs authorized by the act of July 3, 1948, and comparable increases granted by the administrative action pursuant to law, and so forth. Therefore, this being an item other than that, it is not germane at this point in the bill and not in order.

The CHAIRMAN. Does the gentleman from Georgia [Mr. DAVIS] desire to be heard on the point of order?

Mr. DAVIS of Georgia. I do, Mr. Chairman. I have offered this amendment at the point in this bill which deals with the Department of Agriculture and with the particular branch of the Department of Agriculture which has charge of administering the funds appropriated for the school-lunch program, namely, the exportation and domestic consumption of agricultural commodities in that part of the Department of Agriculture under the Production and Marketing Administration.

The CHAIRMAN. Does the gentleman from New York desire to be heard further?

Mr. TABER. It is beyond the limit of the authorization.

The CHAIRMAN. The Chair is ready to rule. In view of the express intent of title II, increased pay costs, the point of order is sustained.

Mr. DAVIS of Georgia. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DAVIS of Georgia. Would it be in order, Mr. Chairman, to ask at this point by unanimous consent to return to that portion of the bill where this would be in order?

The CHAIRMAN. The Chair will put the request if the gentleman desires to submit it.

Mr. DAVIS of Georgia. I do. I ask unanimous consent to return to that portion of the bill where this amendment would be in order.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. TABER. I object, Mr. Chairman.

Mr. DAVIS of Georgia. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, for the past 3 years the funds appropriated to carry on the school-lunch program have not been sufficient to finance the program throughout the entire year. In 1947 the sum of $75,000,000 was appropriated, and it was used up and exhausted about the last day of March. On the first day of April the House was considering a deficiency appropriation bill and it was necessary at that time to enact an amendment to the deficiency appropriation bill to provide a sufficient amount to finance the school-lunch program for the remainder of the school year. The same situation developed in 1948, and an amendment to a deficiency appropriation bill was adopted to finance the school-lunch program for the remainder of that school year.

My interest in this matter is that I have heard from the State superintendent of schools of my State that the money appropriated for that program for this year has now been exhausted; that the program is on the verge of being dropped, and that unless additional money is provided, the school-lunch program, which is one of the finest programs that has ever been adopted for the youth of this country, is going to have to be dropped. The money is now exhausted and the program cannot continue.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Georgia.

Mr. PACE. The gentleman has referred to what has happened in the past 2 years. Since then more schools and more children have come under the program, and the need is even greater than it was in the other 2 years.

Mr. DAVIS of Georgia. I remember very well what the gentleman from Georgia, who has just made his observation, had to say about being on the committee when this program was first adopted, and called the attention of the Members of this House to this language in the bill that the program was set up and the financing was arranged to provide for the maintenance, the financing, and the expansion of the program. It has expanded to the point now where every State in the Union except one, South Dakota, is participating in this program, and all of the Territories are participating in it. It has expanded; it is still expanding. I have been informed by the head of the school-lunch program that beginning with the next fiscal year the only remaining State, South Dakota, will be in it, and every State and every Territory will be in it. It serves the school children from Maine to California and from Alaska to the Virgin Islands.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from South Carolina.

Mr. RIVERS. Will the gentleman tell the Congress how much is being proposed this year to supplement the Marshall plan to feed everybody in the world?

Mr. DAVIS of Georgia. I appreciate the gentleman's observation. Let me refer to what was said by the gentleman from Missouri, who is now the distinguished chairman of the Committee on Appropriations, when he was sponsoring this self-same amendment in 1947 to the deficiency appropriation bill. He pointed out at that time that America is paying to feed the children of every race, kindred, and tongue, Greek and barbarian, the learned and the unlearned, the washed and unwashed, from Kamchatka to Karahissar. He used a phrase at that time which stuck in my memory, that the shoemaker's children go barefooted, and that if we do not feed the children of America while we are feeding the children in every other country in the world, the American children will go without food.

This situation has reached a critical stage. I know the gentleman from New York objected to my unanimous-consent request. He opposed it then and has always opposed it. The opposition is on the ground that the States ought to finance it. May I say in regard to that that if the Federal tax collectors would stay out of the States, we would have plenty of money to finance this program and every other program we need. We in the State of Georgia will send here to the Federal Treasury in Washington during the coming fiscal year the sum of $590,000,000, almost two-thirds of a billion dollars, which sum of $590,000,000 is more than five times the budget of the State of Georgia.

The sum of $75,000,000 was originally appropriated to finance the program this year. It has developed that this sum was sufficient to finance the school-lunch program only through the month of March and for a small part of the month of April. The funds are now exhausted. I have had several conferences recently with Mr. C. Roy Murphy, who is Chief of the School Lunch Division in the Department of Agriculture, and he has furnished me with the information that $15,000,000 is needed to carry the program on to the end of the school year.

It has been necessary to procure a deficiency appropriation each of the 3 years I have served in Congress.

Each year we have found it necessary to present a request for a deficiency appropriation to enable the school-lunch program to be carried on for a full school year. Each time it has been presented, there have been some who opposed it on the ground that this is a program which should be financed by the States, and not by the Federal Government. The argument has been advanced that the States have plenty of money, and that the Federal Government is broke.

In sponsoring this request for deficiency appropriation, I do not do so with the feeling that the States are asking the Federal Government for anything. The shoe is on the other foot. The vast billions which pour into the Federal Treasury come, every dollar of them, from the States. My own State of Georgia during the coming fiscal year will send the enormous sum of $590,000,000 to the Treasury in Washington. That is almost two-thirds of a billion dollars. To those Members who would oppose this deficiency appropriation to finance the school-lunch program, upon the ground that this is a program which should be financed by the States, let me say that if the States were not milked dry by the Federal tax gatherers, we would be in a position to finance every activity of Government within the States, and I think would do it far better and more completely than it can ever be done by the Federal Government. The thing which prevents us in the State of Georgia from financing various activities is this: The Federal Government in Washington is getting from the State of Georgia now, more than five times as much as we are spending for our own State government. As I said a moment ago, for the next fiscal year we will send $590,000,000 to Washington. Our own State budget will be only $108,000,000,

less than one-fifth the amount sent to Washington.

I believe that if the Members from other States will check their contributions to the Federal Government against their State budgets, they will find that they are doing approximately the same as the State of Georgia, that is, contributing five times as much to the Federal Government as they are spending at home. I therefore do not feel that we should stand with hat in hand and beg for a small fraction of the money back which we are pouring in here in such lavish amounts, to be distributed to every corner of the earth.

The school-lunch program is not a program which benefits one State or section. The program now operates in nearly every congressional district in the United States, and this deficiency item will benefit every one of those congressional districts as well as the schools in the Territories.

During the short time this program has been in effect, school officials have reported from almost every section of the country that children are stronger physically, more alert mentally, attend school more regularly, and generally are better pupils.

We have already shown that we believe in the program by appropriating the original $75,000,000 to finance it. Because of the expansion of the program, and additional demands made upon it, this sum has been used up. It is very upsetting to end the program at this time, when there are almost three more months for the school year to run. If the program stops now, it will be reflected in poor physical condition of children, a resulting loss of interest in studies, and poorer attendance on the part of pupils. All this will throw a greater burden upon the teachers, and generally will react to the disadvantage of the school systems and the educational program. It is not a large item. It is one which the Government can afford.

I regret that unanimous consent was not given to consider my amendment in the committee this afternoon. I hope this item will be added before this bill is finally disposed of.

Mr. TABER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, we may just as well realize that this school-lunch business costs just twice as much if the Federal Government is involved in it and is monkeying around with it as it would cost if the localities would take care of it themselves. I know this because of the way things are done in my territory. I am sure the same situation exists all over. This is a proper obligation of the localities. They should provide the school lunches and they are able to do it if they are so minded. Let them meet their responsibilities. That is the way I feel about the subject. There is no reason why they should not pay for these school lunches themselves.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Georgia.

Mr. PACE. Under the substantive legislation setting up this program there is a schedule through the years of greater State participation and less Federal participation, but it has to be gradual on account of the fact that it began as a Federal program.

Mr. TABER. They can go ahead just as far as they like with their own funds, and they should do it and meet their obligations, not try to dump everything on the Federal Government.

Mr. RABAUT. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. JONES].

Mr. JONES of North Carolina. Mr. Chairman, I know we cannot get this appropriation in this bill now, but we intend to take it up with the Appropriations Committee of the Senate. I take this opportunity to tell what this school lunch has meant to the children of western North Carolina.

I live in Charlotte. It is rather thickly populated and this school-lunch program does not mean quite as much there as it does in the mountain counties, but it means a great deal to every section of the Tenth North Carolina District. In my district are Avery and Mitchell Counties, on the Tennessee line, and the somewhat mountainous county of Burke. The children in those counties receive a great benefit from the school-lunch program. They have long distances to go to school and come home late, and in many instances the only good meal they can get on a schoolday is the lunch that is given them at school. We have a problem in western North Carolina with the mountain children on account of the distance from the homes to the schools, and this school-lunch program has helped a great deal, but I would like to add that this benefit is not confined to any group of children but includes all children attending the public schools throughout the length and breadth of our State. So I would hate to see it discontinued for $15,000,000. I just want to say this word in favor of the school-lunch program in North Carolina. The superintendent of public instruction is very much interested in it. It has been of great assistance in educating the children and of great help in improving their health.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. JONES of North Carolina. I yield.

Mr. MANSFIELD. I am in wholehearted accord with the gentleman, who has always been a good friend of the school-lunch program. I am only sorry that the amendment offered by the gentleman from Georgia was not held germane so that we could act on this legislation at this time.

Mr. Chairman, I am extremely sorry that the House will not have the opportunity to vote on the amendment for $15,000,000 for the school-lunch program for this fiscal year. I have heard from our very capable State superintendent of public instruction, the Honorable Mary M. Condon, explaining the school-lunch program in Montana.

Mr. Chairman, I ask unanimous consent to read into the RECORD Miss Condon's letter to me. It is my hope that the Senate will consider this matter when it holds hearings on this bill, so that the welfare of the Nation's children will not only be considered but attended to.

STATE OF MONTANA,
DEPARTMENT OF PUBLIC INSTRUCTION,
Helena, Mont., April 4, 1949.

Hon. MIKE MANSFIELD,
House of Representatives,
Washington, D. C.

DEAR MIKE: It may seem to you that we are putting all our school problems on the shoulders of our legislators, but I hope you will forgive me in bringing another matter to your attention. I realize that our request in regard to Indian funds is in very capable hands, and would not in any way want to jeopardize the possible success of that venture by asking for more for this other program, but this is the situation:

We have been informed that the United States Department of Agriculture will make no request for a school-lunch deficiency appropriation, but that there appears to be some activity toward that end by some States through their Representatives in Congress. This knowledge has come through inquiries made by Congressmen to the Washington office of the Department of Agriculture. If there is such a movement, we feel that you would appreciate advice as to the current status of Federal school-lunch funds in Montana.

At this writing we have not received our fourth and final apportionment, nor do we know the exact amount, although it should be in the neighborhood of $38,000.

Last November we reduced reimbursement rates from the maximum of 9 cents per meal set by law to 7 cents. We will still be approximately $24,000 short of sufficient Federal funds to assist schools throughout the remainder of the school term. We could, of course, reduce rates still further, but this would only result in the poorer school districts, the ones who need the assistance the most, having to terminate their lunch programs early.

Child participation in the school-lunch program has grown steadily, so that now approximately 25 percent of Montana school children are eating the noonday lunch. This represents over 100-percent increase in participation over a few years ago, and yet reimbursement funds have increased only 20 percent. This added burden has been borne by the school districts. At present, districts cannot assume more financial responsibility because of budget limitation.

I am sure that other legislators from the Western States have this same problem and, perhaps, a coalition from this area will pool their requests for a deficiency appropriation, in which event the information in this letter will be of assistance to you. I will appreciate your checking on this and doing what you can.

Thanks again so much for your help on the Indian situation.

Sincerely yours,

MARY M. CONDON,
State Superintendent of Public Instruction.

Mr. JONES of North Carolina. That is all I have to say, Mr. Chairman. We have been doing our best in North Carolina to educate our children. We have passed the largest appropriation for the next biennium for schools which has ever been appropriated in North Carolina. We are considering in addition issuing

$100,000,000 in school bonds and have been trying to do all that we can to educate our youth. The little help that we get from this school-lunch program is of great benefit to the children of North Carolina, especially the mountain children.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. LIND].

Mr. LIND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LIND: On page 52, line 16, strike out "$277,000" and insert "$287,000."

Mr. LIND. Mr. Chairman, I take the floor at this time to ask that the sum of $10,000 be restored to this bill for the purpose of acquiring approximately 5 acres, which would be an addition to the present national military cemetery at Gettysburg.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. LIND. I yield.

Mr. TABER. Mr. Chairman, this is not an appropriation for the purchasing of anything, or for any such operation as the gentleman has in mind. It is purely an appropriation for the purpose of taking care of Public Law 900—increases in pay of employees—and any addition, such as the gentleman proposes would not accomplish what the gentleman has in mind.

Mr. LIND. Mr. Chairman, I repeat what I have said, that my purpose in taking the floor at this time, is to ask that $10,000 be appropriated for the acquisition of approximately 5 acres of land adjacent to the national cemetery on the battlefield at Gettysburg. This was approved by the budget and hearings were held on it by the Subcommittee on Appropriations, and they saw fit to omit it. That is why I am here at this time, to ask that this amount be restored.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. LIND. I yield.

Mr. PHILLIPS of California. As I heard the amendment read, it would simply add $10,000 to the items contained in the bill which is an item to increase salaries. So, unless the gentleman's amendment is changed, so as to indicate for what purpose it is intended, it will not be used for the purpose that the gentleman has in mind.

I believe the gentleman from Pennsylvania [Mr. WALTER] will agree that the amendment should be changed to indicate what it is for, and in that case I am afraid that the amendment would be subject to a point of order.

Mr. LIND. Mr. Chairman, I ask unanimous consent to yield the balance of my time to the gentleman from Pennsylvania [Mr. WALTER].

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania [Mr. LIND]?

There was no objection.

Mr. WALTER. Mr. Chairman, the amendment just offered adds $10,000 to the appropriation for the Department of the Interior. It is the intention that this $10,000 be used for the acquisition of about 4½ acres of land adjacent to the cemetery at Gettysburg.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I decline to yield at this time.

The committee in its report deleted the item on the grounds that the land was not needed; and, secondly, that the price was excessive.

As to the first reason for the deletion of this $10,000, in the transfer from Europe of the war dead, 600 places available in the cemetery were requested within a matter of days. So that now there is no available place left in this national cemetery.

As to the excessive price, there were three appraisals made by real estate men in the locality. Each appraisal was slightly less than the sum of $10,000, but they were within a few hundred dollars of the amount that the owner of the land has agreed to accept for the land.

It certainly seems to me to be a perfectly reasonable request for the veterans of Pennsylvania to make, and it is the veterans' organizations who are most interested in this, that there will be sufficient land provided so that at least the remains of the war dead that are now in Europe can be buried in this national cemetery.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. CANNON. I realize this is a very appealing amendment, but does the gentleman realize that because of the inhibition on page 33 of the bill, even if this money were appropriated it could not be spent?

Mr. WALTER. I do not think that is correct.

Mr. CANNON. That is correct. It cannot be spent. On page 33 you will find the provision, in lines 15 to 18:

For additional amounts for appropriations for the fiscal year 1949, to meet increased pay costs authorized by the Act of July 3, 1948, Public Law 900, and comparable increases granted by administrative action pursuant to law.

So that even if we should appropriate this money, it could not be spent for this purpose which the gentleman proposes.

Mr. WALTER. It could be spent because this item is for national parks, and according to the report, all of the national park items come within this $477,000 appropriation.

Mr. CANNON. I am certain the gentleman knows I would not mislead him. It could not be spent under that inhibition.

Mr. WALTER. I dislike very much to disagree with the distinguished chairman, but it seems to me that if the money is made available, the Interior Department can find a way to expend it for this very worthy cause. It is perfectly clear that it is our intention that it be used for this purpose and because it is the last pronouncement of the reason for the increase, the Department can legally use the money for the stated purpose.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. CASE of South Dakota. May I call the gentleman's attention to the fact that the Department appropriation for ordinary activities is on page 14. Page 53 comes under the increased pay cost. So that all these items in title II are for increased pay costs.

Mr. WALTER. But there was authorization for this purpose made by a previous Congress. In order to carry out this authorization, this appropriation must be increased by $10,000.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

The question is on the amendment offered by the gentleman from Pennsylvania [Mr. LIND].

The question was taken; and on a division (demanded by Mr. CANNON) there were—ayes 49, noes 48.

Mr. RABAUT. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. RABAUT and Mr. LIND.

The Committee again divided; and there were—ayes 66, noes 60.

So the amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PATMAN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4046) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes, pursuant to House Resolution 182, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. HINSHAW. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. HINSHAW. Mr. Speaker, in its present form I am opposed to the bill.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. HINSHAW moves to recommit the bill to the Committee on Appropriations with instructions to report the bill back forthwith with the following amendment on page 4, line 5, insert:

"WAR CLAIMS COMMISSION

"ADMINISTRATIVE EXPENSES

"For expenses necessary for the War Claims Commission, including personal services in the District of Columbia; travel expenses; printing and binding; services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a); and advances or reimbursements to other Government agencies for use

of their facilities and services in carrying out the functions of the Commission; $100,000, to be derived from the war claims fund created by section 13 (a) of the War Claims Act of 1948 (Public Law 896, approved July 3, 1948).

"PAYMENT OF CLAIMS

"For payment of claims, as authorized by the War Claims Act of 1948, from funds deposited in the Treasury to the credit of the war claims fund created by section 13 (a) of said act, such sums as may be necessary, to be available to the Secretary of the Treasury for payment of claims under sections 4 (a), 4 (b) (2), 5 (e), 6 (b), and 7 of said act to the payees named and in the amounts stated in certifications by the War Claims Commission and the Federal Security Administrator."

Mr. RABAUT. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. HINSHAW) there were—ayes 50, noes 128.

Mr. HINSHAW. Mr. Speaker, I object to the vote on the ground a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and eighty-three Members are present, not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 149, nays 190, not voting 93, as follows:

[Roll No. 70]

YEAS—149

Allen, Calif.	Gavin	McGregor
Andersen, H. Carl	Gillette	McKinnon
Anderson, Calif.	Golden	McMillen, Ill.
Andresen, August H.	Goodwin	Mack, Wash.
Angell	Graham	Mahon
Arends	Gross	Marcantonio
Barrett, Wyo.	Gwinn	Martin, Iowa
Bates, Mass.	Hagen	Martin, Mass.
Beckworth	Hale	Merrow
Bennett, Mich.	Hall, Edwin Arthur	Meyer
Bishop	Hall, Leonard W.	Michener
Blackney	Halleck	Miller, Md.
Boggs, Del.	Harden	Miller, Nebr.
Bolton, Ohio	Harvey	Murray, Wis.
Bramblett	Herter	Nelson
Brehm	Heselton	Nicholson
Brown, Ohio	Hill	Nixon
Burdick	Hinshaw	O'Hara, Minn.
Byrnes, Wis.	Hoeven	O'Konski
Canfield	Hoffman, Mich.	Pace
Case, N. J.	Holmes	Pfeiffer, William L.
Case, S. Dak.	Horan	Phillips, Calif.
Chiperfield	Hull	Phillips, Tenn.
Church	Jackson, Calif.	Plumley
Clevenger	Jenison	Potter
Cole, Kans.	Jenkins	Rankin
Cole, N. Y.	Jennings	Reed, Ill.
Combs	Jensen	Reed, N. Y.
Corbett	Johnson	Rees
Crawford	Jonas	Rich
Cunningham	Judd	Riehlman
Curtis	Kean	Rogers, Mass.
Davis, Wis.	Kearney	Sadlak
D'Ewart	Kearns	Sanborn
Dolliver	Keating	Scrivner
Dondero	Keefe	Scudder
Donohue	Kilburn	Shafer
Ellsworth	Kunkel	Short
Engel, Mich.	LeCompte	Simpson, Ill.
Engle, Calif.	LeFevre	Smith, Kans.
Fenton	Lemke	Smith, Wis.
Fisher	Lodge	Stefan
Ford	McConnell	Stigler
Fulton	McCulloch	Talle
Gamble	McDonough	Tollefson
Velde	Wigglesworth	Van Zandt
Vorys	Williams	Wolcott
Vursell	Wilson, Ind.	Wolverton
Weichel	Winstead	Woodruff
Welch, Calif.	Withrow	

NAYS—190

Abernethy	Garmatz	Norton
Addonizio	Gary	O'Brien, Mich.
Albert	Gathings	O'Hara, Ill.
Allen, La.	Gordon	O'Neill
Andrews	Gorski, Ill.	O'Sullivan
Aspinall	Gorski, N. Y.	Passman
Bates, Ky.	Gossett	Patman
Battle	Grant	Patten
Bennett, Fla.	Gregory	Perkins
Biemiller	Hardy	Philbin
Blatnik	Hare	Pickett
Boggs, La.	Harris	Poage
Bolling	Harrison	Polk
Bolton, Md.	Hays, Ark.	Powell
Bosone	Hays, Ohio	Preston
Boykin	Hébert	Priest
Breen	Hedrick	Rabaut
Brooks	Herlong	Rains
Brown, Ga.	Hobbs	Rhodes
Bryson	Holifield	Ribicoff
Buckley, Ill.	Howell	Richards
Burke	Huber	Rivers
Burleson	Irving	Rodino
Burnside	Jackson, Wash.	Rogers, Fla.
Burton	Jacobs	Sabath
Camp	Jones, Ala.	Sadowski
Cannon	Jones, Mo.	Sasscer
Carnahan	Jones, N. C.	Secrest
Cavalcante	Karst	Sikes
Chatham	Karsten	Sims
Chelf	Kee	Smathers
Chesney	Kelley	Smith, Va.
Christopher	Kennedy	Spence
Coffey	Kerr	Staggers
Colmer	Kilday	Steed
Cooley	King	Sullivan
Cooper	Kruse	Sutton
Crook	Lanham	Taber
Crosser	Larcade	Tackett
Davenport	Lesinski	Tauriello
Davies, N. Y.	Lind	Teague
Davis, Ga.	Linehan	Thomas, Tex.
Dawson	Lucas	Thompson
Deane	McCarthy	Thornberry
DeGraffenried	McCormack	Trimble
Denton	McGrath	Underwood
Dingell	McGuire	Wagner
Dollinger	McMillan, S. C.	Walter
Doughton	McSweeney	Welch, Mo.
Douglas	Mack, Ill.	Wheeler
Doyle	Magee	White, Calif.
Durham	Mansfield	Whitten
Eberharter	Marsalis	Whittington
Elliott	Marshall	Wickersham
Evins	Miles	Wier
Fallon	Miller, Calif.	Willis
Feighan	Mills	Wilson, Okla.
Fernandez	Mitchell	Woodhouse
Flood	Morgan	Worley
Fogarty	Morris	Yates
Forand	Morrison	Young
Frazier	Murdock	Zablocki
Fugate	Murray, Tenn.	
Furcolo	Noland	

NOT VOTING—93

Abbitt	Gilmer	Multer
Allen, Ill.	Gore	Murphy
Auchincloss	Granahan	Norblad
Bailey	Granger	Norrell
Barden	Green	O'Brien, Ill.
Baring	Hand	O'Toole
Barrett, Pa.	Hart	Patterson
Beall	Havenner	Peterson
Bentsen	Heffernan	Pfeifer, Joseph L.
Bland	Heller	Poulson
Bonner	Hoffman, Ill.	Price
Buchanan	Hope	Quinn
Buckley, N. Y.	James	Ramsay
Bulwinkle	Javits	Redden
Byrne, N. Y.	Keogh	Regan
Carlyle	Kirwan	Rooney
Carroll	Klein	St. George
Celler	Lane	Scott, Hardie
Chudoff	Latham	Scott, Hugh D., Jr.
Clemente	Lichtenwalter	Sheppard
Cotton	Lovre	Simpson, Pa.
Coudert	Lyle	Smith, Ohio
Cox	Lynch	Stanley
Dague	Macy	Stockman
Davis, Tenn.	Madden	Taylor
Delaney	Mason	Thomas, N. J.
Eaton	Monroney	Towe
Elston	Morton	Vinson
Fellows	Moulder	Wadsworth
		Walsh
		Werdel
		Whitaker
		White, Idaho
		Wilson, Tex.
		Wood

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Towe for, with Mr. O'Brien of Illinois against.

Mr. Hand for, with Mr. Keogh against.

Mr. Macy for, with Mr. Rooney against.

Mr. Hoffman of Illinois for, with Mr. Baring against.

Mr. Simpson of Pennsylvania for, with Mr. Walsh against.

Mr. Fellows for, with Mr. Kirwan against.

Mr. Coudert for, with Mr. Stanley against.

Mr. Allen of Illinois for, with Mr. Buchanan against.

Mr. Auchincloss for, with Mr. Heller against.

Mr. Eaton for, with Mr. Murphy against.

Mr. James for, with Mr. Heffernan against.

Mrs. St. George for, with Mr. Chudoff against.

Mr. Taylor for, with Mr. Lynch against.

Mr. Hugh D. Scott, Jr., for, with Mr. Klein against.

Mr. Lichtenwalter for, with Mr. Multer against.

Mr. Morton for, with Mr. Celler against.

Mr. Norblad for, with Mr. Joseph L. Pfeifer against.

Mr. Patterson for, with Mr. O'Toole against.

Mr. Stockman for, with Mr. Lane against.

Mr. Dague for, with Mr. Gilmer against.

Mr. Hardie Scott for, with Mr. Wood against.

Mr. Elston for, with Mr. Whitaker against.

Mr. Cotton for, with Mr. Vinson against.

Mr. Beall for, with Mr. Delaney against.

Mr. Wadsworth for, with Mr. Bailey against.

Mr. Werdel for, with Mr. Carroll against.

Mr. Hope for, with Mr. Granger against.

Mr. ASPINALL changed his vote from "yea" to "nay."

Messrs. WELCH of California, D'EWART, REED of Illinois, and MCKINNON changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to recommit was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. KERR. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

COMMITTEE ON APPROPRIATIONS

Mr. CANNON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tomorrow night to file a report on an appropriation bill providing for the Military Establishment.

Mr. TABER. Mr. Speaker, reserving the right to object, I would like to have coupled with that request that I might be permitted to reserve all points of order.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. CANNON]?

Mr. TABER. Mr. Speaker, do I understand that my request is granted reserving all points of order?

The SPEAKER. That will be taken up later.

Mr. MARCANTONIO. Mr. Speaker, reserving the right to object, these appropriations are enormous and should not be speeded through this Congress. I therefore object.

Mr. CANNON. Mr. Speaker, may I say that copies of the hearings on this bill are now available and may be secured by any Member who will make application at the office across the corridor from the Chamber.

LEGISLATIVE PROGRAM

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I would like to ask the majority leader if he can tell us whether we are going to meet tomorrow, and also whether he can give us the program for next week.

Mr. McCORMACK. Of course, there were extensive negotiations today to see if we could bring up the armed services bill tomorrow under general debate. However, that did not materialize. We meet tomorrow. If the Senate passes the ECA bill today, we will bring it up tomorrow. I am anxious to adjourn next Thursday for 10 days, and between now and next Thursday we will take up the ECA bill, the armed services bill, and the independent offices appropriation bill. While there is one other bill on the program, that can go over until after the recess, unless a break occurs so that it can be brought up. As I say, if we could have made arrangements to take up the armed services bill tomorrow, I would have scheduled it for general debate, even if the ECA had passed the Senate today. I realize the difficulties, and every sincere effort was made on both sides to bring it up for general debate.

Mr. MARTIN of Massachusetts. It is quite obvious that the Senate will not pass the ECA bill in time for action tomorrow, and it is also very obvious that we cannot take up the armed services bill. What, then, will be the situation tomorrow?

Mr. McCORMACK. In the event that the Senate does not pass the ECA, then there will be no legislative business. The armed services bill is out. But we will meet tomorrow in the event that the Senate should pass the ECA bill. If the ECA bill does come up, it will be under general debate only. So that the Members will understand, in the event the Senate passes the ECA, it will be called up tomorrow only for general debate purposes, and for no other purposes, and then we will adjourn until Monday.

Mr. MARTIN of Massachusetts. So it will be the ECA bill or none?

Mr. McCORMACK. The taking up of the ECA bill is dependent upon whether the Senate passes it today. If not, we will meet and adjourn; or if any Members desire to make speeches, they will have that opportunity.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Pennsylvania.

Mr. RICH. This ECA bill, amounting to $6,800,000,000, has taken the Senate 2 weeks to consider, with 96 Members.

Mr. McCORMACK. More than 2 weeks.

Mr. RICH. Are you going to thrash that out in 3 days with 345 Members here?

The SPEAKER. The time of the gentleman from Massachusetts has expired.

EXTENSION OF REMARKS

Mr. CURTIS asked and was given permission to revise and extend the remarks he made in Committee of the Whole and include excerpts from the hearings.

Mr. SADLAK asked and was given permission to revise and extend the remarks he made in Committee of the Whole and include newspaper excerpts.

Mr. ANDERSON of California asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. O'SULLIVAN asked and was given permission to extend his remarks in the RECORD and include an editorial and introductory matter.

Mr. MANSFIELD asked and was given permission to revise and extend his remarks in the colloquy with the gentleman from North Carolina [Mr. JONES] concerning the school-lunch program, and include a letter from Hon. Mary M. Condon, State superintendent of public instruction of the State of Montana.

Mr. GRANT of Alabama asked and was given permission to extend his remarks in the RECORD and include an editorial from the Mobile Register.

Mr. GOSSETT asked and was given permission to extend his remarks in the RECORD in two instances and include in each a resolution.

Mr. IRVING and Mr. PLUMLEY asked and were given permission to extend their remarks in the RECORD.

Mr. SCUDDER asked and was given permission to extend his remarks in the RECORD and include a resolution of the California Legislature.

Mr. TALLE asked and was given permission to extend his remarks in the RECORD and include a report on the Farmers Home Administration operations in his State.

SPECIAL ORDER GRANTED

Mr. VURSELL. Mr. Speaker, I ask unanimous consent that the special order granted me for today be vacated and that I be permitted to address the House for 20 minutes on Wednesday next following any special orders heretofore granted.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

AMENDMENT OF DISTRICT OF COLUMBIA EMERGENCY RENT ACT

Mr. HARRIS submitted the following conference report and statement on the bill (H. R. 1757) to amend and extend the provisions of the District of Columbia Emergency Rent Act, approved December 2, 1941, as amended:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1757) to amend and extend the provisions of the District of Columbia Emergency Rent Act, approved December 2, 1941, as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3 and 4.

That the House recede from its disagreement to the amendments of the Senate numbered 5 and 7, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1 and agree to the same with an amendment as follows:

"On page 1, line 7, of the House bill, strike out 'March 31, 1949' and insert in lieu thereof 'April 30, 1949' "; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2 and agree to the same with an amendment as follows:

"Strike out 'April 1, 1949' in the matter proposed to be inserted by said amendment and insert in lieu thereof 'May 1, 1949' "; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6 and agree to the same with an amendment as follows:

"In the fifth line of the matter proposed to be inserted by said amendment strike out the word 'were' and insert in lieu thereof the word 'are' "; and the Senate agree to the same.

OREN HARRIS,
O. E. TEAGUE,
JOSEPH O'HARA,
Managers on the Part of the House.

J. HOWARD MCGRATH,
J. ALLEN FREAR, Jr.,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1757) to amend and extend the provisions of the District of Columbia Emergency Rent Act, approved December 2, 1941, as amended, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: This amendment makes a clerical change and the House recedes with an amendment making a change in date to conform to the 30-day extension recently enacted (Public Law 34, 81st Cong.).

Amendment No. 2: The House bill authorized and directed the Administrator to determine maximum rent ceilings and minimum service standards for all housing accommodations which are additional housing accommodations created by conversion after the effective date of this amendatory act at a cost of less than $1,500, and provided that the Administrator should consider increased cost of construction in determining maximum rent ceilings and minimum service standards for such housing accommodations. The Senate amendment provides that any housing accommodations resulting from any conversion created on or after April 1, 1949, shall continue under maximum rent ceilings and minimum service standards unless the Administrator issues an order decontrolling them and requires him to issue such an order if he finds that the conversion resulted in

additional self-contained family units as defined by regulations issued by him. The House recedes with an amendment changing "April 1, 1949" to "May 1, 1949" to conform to the 30-day extension recently enacted (Public Law 34, 81st Cong.).

Amendment No. 3: Section 5 (b) of the District of Columbia Emergency Rent Act bars actions to recover possession of housing accommodations except under specified conditions. Paragraphs (2) and (3) of such section permit such actions where the landlord seeks in good faith to recover possession of the property for his immediate and personal use and occupancy as a dwelling or where he has in good faith contracted under certain conditions to sell the property. The House bill amended paragraph (2) to prohibit any action under paragraph (2) or (3) to recover possession of housing accommodations in a structure or premises owned or leased by a cooperative unless stock or membership in the cooperative has been acquired by persons who are or were tenants occupying 65 percent of the dwelling units in the structure or premises at the time the cooperative either (1) acquired or leased the structure or premises, or (2) entered into a contract or option to do so, whichever date is earliest, and who as such stockholders or members are entitled to possession of their respective dwelling units. This provision applied whether the cooperative had acquired or leased the structure or premises, or had entered into a contract or option to do so, before or after the effective date of the amendment. This provision did, however, permit a person who had acquired stock or membership in a cooperative before March 1, 1949, and who by reason of such acquisition was entitled to possession of a dwelling unit in a structure or premises acquired or leased by the cooperative, to bring an action under paragraph (2) or (3) to recover possession of such dwelling unit.

The Senate amendment substitutes for this provision of the House bill a provision which prohibits any action under paragraph (2) or (3) to recover possession of housing accommodations in a structure or premises owned or leased by a cooperative unless stock in the cooperative has been purchased by persons who are then stockholder tenants occupying at least 65 percent of the dwelling units in the structure or premises and are entitled by reason of stock ownership to proprietary leases of dwelling units in the structure or premises. The Senate amendment does not apply where a cooperative acquired or leased a structure or premises after the effective date of the amendment pursuant to a contract entered into before such date.

The Senate recedes.

Amendment No. 4: The Senate amendment adds a provision to existing law to require the Administrator, after the effective date of this amendatory act, to make such individual and general adjustments in maximum rent ceilings and minimum service standards as may be necessary to remove hardships or to correct other inequities, or further to carry out the purposes and provisions of the act, provided the landlord certifies that he is maintaining all services furnished as of the date determining the maximum rent and that he will continue to maintain such services so long as the adjustment in such maximum rent which may be granted continues in effect. The amendment further requires the Administrator, in making and recommending such individual and general adjustments, to observe the principle of maintaining maximum rents for controlled housing accommodations, so far as is practicable, at levels which will yield to landlords a fair net operating income. The House bill contained no provision similar to the Senate amendment. The Senate recedes.

Amendment No. 5: This amendment eliminates from existing law provision for criminal penalties for violations. The House recedes.

Amendment No. 6: Existing law removes from controls transient accommodations in hotels, and defines the term "hotel" to mean an establishment operating under a hotel license and having in excess of 50 rooms used predominantly for transient occupancy, that is, for living quarters for nonresidents upon a short-time basis. The Senate amendment redefines the term "hotel" to mean an establishment operating under a hotel license and occupied by an appreciable number of persons provided customary hotel services, such as maid service, furnishing and laundering of linen, telephone and secretarial or desk service, use and upkeep of furniture and fixtures, and bellboy service. The House recedes with a clarifying amendment.

Amendment No. 7: This amendment provides that nothing in this act shall be construed as authorizing or permitting the recontrol of any housing accommodations which have been heretofore decontrolled. The House recedes.

OREN HARRIS,
O. E. TEAGUE,
JOSEPH O'HARA,
Managers on the Part of the House.

Mr. HARRIS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill H. R. 1757.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON WAYS AND MEANS

Mr. COOPER. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight to file a report on the bill H. R. 195.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will there by any chance be a minority report on that bill?

Mr. COOPER. It is a bill introduced by the gentleman from Ohio [Mr. JENKINS], and it is his report.

Mr. MARTIN of Massachusetts. Then he ought to be for the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. ROONEY for the balance of the week, beginning at 4 o'clock p. m. on Friday, to attend the funeral of the late Honorable Andrew L. Somers, of New York.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 34 minutes p. m.) the House adjourned until tomorrow, Saturday, April 9, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

513. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of a proposed bill to amend section 17 of the District of Columbia Alcoholic Beverage Control Act; to the Committee on the District of Columbia.

514. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of a proposed bill to amend the Life Insurance Act of the District of Columbia; to the Committee on the District of Columbia.

515. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of a proposed bill to amend sections 10, 11, and 12 of chapter V of the act of June 19, 1934, as amended, entitled "An act to regulate the business of life insurance in the District of Columbia"; to the Committee on the District of Columbia.

516. A letter from the assistant to the Attorney General, transmitting a draft of a bill to provide for the appointment of an additional judge for the juvenile court of the District of Columbia; to the Committee on the District of Columbia.

517. A letter from the Under Secretary of the Interior, transmitting copies of certain legislation passed by the Municipal Council of St. Thomas and St. John and the Municipal Council of St. Croix, V. I.; to the Committee on Public Lands.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KEOGH: Committee on Interstate and Foreign Commerce. House Resolution 106. Resolution to express the gratitude of the House to amateur radio operators; without amendment (Rept. No. 410). Referred to House Calendar.

Mr. BUCKLEY of Illinois: Committee on Post Office and Civil Service. H. R. 2662. A bill to grant time to employees in the executive branch of the Government to participate, without loss of pay or deduction from annual leave, in funerals for deceased members of the armed forces returned to the United States for burial; without amendment (Rept. No. 411). Referred to the Committee of the Whole House on the State of the Union.

Mr. LEMKE: Committee on Public Lands. H. R. 3974. A bill to promote the rehabilitation of the Standing Rock Sioux Tribe of Indians and better utilization of the resources of the Standing Rock Indian Reservation, and for other purposes; without amendment (Rept. No. 412). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORRISON: Committee on Post Office and Civil Service. H. R. 142. A bill excepting certain persons from the requirement of paying fees for certain census data; without amendment (Rept. No. 413). Referred to the Committee of the Whole House on the State of the Union.

Mr. GORSKI of New York: Committee on Post Office and Civil Service. H. R. 2203. A bill to provide for a decennial census of housing; with amendments (Rept. No. 414). Referred to the Committee of the Whole House on the State of the Union.

Mr. JENKINS: Committee on Ways and Means. H. R. 195. A bill to assist States in collecting sales and use taxes on cigarettes;

with an amendment (Rept. No. 416). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GORSKI of New York:

H. R. 4111. A bill to amend the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the postal service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945; to the Committee on Post Office and Civil Service.

By Mr. HAND:

H. R. 4112. A bill to permit partially disabled World War II veterans to reenlist in the armed forces of the United States, including the Coast Guard, for limited duty; to the Committee on Armed Services.

By Mr. HORAN:

H. R. 4113. A bill to amend section 6 of the River and Harbor Act of July 24, 1946 (Public Law 525, 79th Cong.); to the Committee on Public Works.

By Mr. KLEIN:

H. R. 4114. A bill to provide for the general welfare by enabling the several States to make more adequate provision for the health of school children through the development of school health services for the prevention, diagnosis, and treatment of physical and mental defects and conditions; to the Committee on Interstate and Foreign Commerce.

By Mr. LESINSKI:

H. R. 4115. A bill to provide for the education of children residing on certain nonsupporting federally owned property, and children residing in localities overburdened with increased school enrollments resulting from Federal activities in the area, and for other purposes; to the Committee on Education and Labor.

By Mr. PHILLIPS of California:

H. R. 4116. A bill to reduce and revise the boundaries of the Joshua Tree National Monument in the State of California, and for other purposes; to the Committee on Public Lands.

By Mr. WHITE of California:

H. R. 4117. A bill to remove the present restriction relating to the granting of privileges within Kings Canyon National Park in order that privileges hereafter granted may be consistent with those granted in other areas of the national park system, and for other purposes; to the Committee on Public Lands.

By Mr. GOLDEN:

H. R. 4118. A bill to amend the act approved March 14, 1946, entitled "An act to provide for vacations for Government employees, and for other purposes"; to the Committee on Post Office and Civil Service.

By Mr. MARSHALL:

H. R. 4119. A bill authorizing an appropriation of $1,680,000 for the Mississippi River flood-control project at and in the vicinity of Aitkin, Minn.; to the Committee on Public Works.

By Mr. FARRINGTON:

H. R. 4120. A bill relating to the period within which application may be filed for pay and allowances granted to certain soldiers of the war with Spain and the Philippine Insurrection; to the Committee on the Judiciary.

By Mr. POWELL:

H. R. 4121. A bill to extend the coverage of Panama Canal employees eligible to the benefits of the act of March 2, 1931, chapter 375, as amended, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. KEATING:

H. R. 4122. A bill to provide for reducing by one-half the postal rate on relief packages to European countries not included in the terms of Post Office Department order published in 13 Federal Register 4240 of July 23, 1948; to the Committee on Post Office and Civil Service.

By Mr. KENNEDY:

H. R. 4123. A bill to amend the Railroad Retirement Act of 1937 so as to provide full annuities at half salary or wages, based on the five highest years of earnings, for individuals who shall have completed 30 years of service; to the Committee on Interstate and Foreign Commerce.

H. R. 4124. A bill to make wire tapping unlawful without regard to whether any information so obtained is divulged, to make unlawful the possession of wire-tapping equipment with intent to use such equipment for the unlawful interception of wire communications, to authorize the Federal Government to obtain certain information for the national security and defense, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GOSSETT:

H. R. 4125. A bill to provide for the conveyance of a certain housing project in Wichita Falls, Tex., to Hardin College; to the Committee on Banking and Currency.

By Mr. LEMKE:

H. R. 4126. A bill to amend the Public Health Service Act to increase the Federal payments for the construction of hospitals, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MITCHELL:

H. R. 4127. A bill to provide for the conveyance of certain property in East Port Orchard, Wash., to the State of Washington for the use of the National Guard; to the Committee on Banking and Currency.

By Mr. WEICHEL:

H. R. 4128. A bill to provide for the construction of a post office at Woodville, Ohio; to the Committee on Public Works.

H. R. 4129. A bill to provide for the construction of a post office at Gibsonburg, Ohio; to the Committee on Public Works.

H. R. 4130. A bill to provide for the construction of a post office at North Baltimore, Ohio; to the Committee on Public Works.

H. R. 4131. A bill to provide for the construction of a post office at Rossford, Ohio; to the Committee on Public Works.

H. R. 4132. A bill to provide for the construction of a post office at Vermilion, Ohio; to the Committee on Public Works.

H. R. 4133. A bill to provide for the construction of a post office at Huron, Ohio; to the Committee on Public Works.

H. R. 4134. A bill to provide for the construction of a post office at Milan, Ohio; to the Committee on Public Works.

By Mrs. WOODHOUSE:

H. R. 4135. A bill to provide for the general welfare by enabling the several States to make more adequate provision for the health of school children through the development of school health services for the prevention, diagnosis, and treatment of physical and mental defects and conditions; to the Committee on Interstate and Foreign Commerce.

By Mr. PATMAN:

H. J. Res. 218. Joint resolution to permit retailers to combine in negotiating purchases from suppliers; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Minnesota, memorializing the President and the Congress of the United States to enact legislation securing to all citizens, and particularly to its Negro citizens, the right to serve in the National Guard of the United States without segregation in separate units; to the Committee on Armed Services.

Also, memorial of the Legislature of Puerto Rico, urging the enactment of a Federal aid to education bill granting Puerto Rico parity with the States of the Union; to the Committee on Education and Labor.

Also, memorial of the Legislature of the Territory of Hawaii, requesting that the Secretary of Defense defer any drastic reductions in the force of civilian personnel at Ford Island, Pearl Harbor, and other naval, military, and air installations and facilities in the Territory; to the Committee on Armed Services.

By Mr. SCUDDER: Memorial of the California Legislature to the Congress of the United States, to enact the necessary legislation to make the Corona Naval Hospital in Riverside County, Calif., available to the Veterans' Administration; to the Committee on Veterans' Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN of California (by request):

H. R. 4136. A bill for the relief of Helen M. Booth; to the Committee on the Judiciary.

By Mr. BENNETT of Michigan (by request):

H. R. 4137. A bill for the relief of 15 Finns; to the Committee on the Judiciary.

By Mr. CELLER:

H. R. 4138. A bill for the relief of Herbert L. Hunter; to the Committee on the Judiciary.

By Mr. FARRINGTON:

H. R. 4139. A bill for the relief of Walter L. Robinson, Jr.; to the Committee on the Judiciary.

By Mr. KLEIN:

H. R. 4140. A bill for the relief of the Great American Indemnity Co.; to the Committee on the Judiciary.

By Mr. PHILLIPS of California:

H. R. 4141. A bill for the relief of Edwin F. Shockley; to the Committee on the Judiciary.

By Mr. PLUMLEY:

H. R. 4142. A bill for the relief of Ralph D. Kinney; to the Committee on the Judiciary.

By Mr. VINSON:

H. R. 4143. A bill to authorize the appointment of Abe McGregor Goff as a lieutenant colonel in the Regular Army of the United States; to the Committee on Armed Services.

By Mr. WALTER:

H. R. 4144. A bill for the relief of Pal Radnai, Eve Radnai, Janos Brody, Sophie Brody, Samuel Goldstein, Helene Pick, Leslie L. Pick, Peter George Pick, Eugen Tatar, Helene Tatar, Tibor Tatar, Marianna Tatar, Arpad Waldman, Ferdinand Zipszer, Elizabeth Zipszer, Gabriel Zipszer, Elizabeth Fodor, Stephen Fodor, Elisabeth Klein Kozma, Janos Feher, Klara Vajda Feher, and Agnes Feher; to the Committee on the Judiciary.

By Mr. WILLIAMS:

H. R. 4145. A bill for the relief of Eugene Fly; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred, as follows:

522. By Mr. GRAHAM: Petition of 38 residents of Zelienople, Pa., and vicinity, urging the repeal of the 20-percent excise tax on all toilet goods; to the Committee on Ways and Means.

523. Also, petition of 38 residents of Beaver Falls, Pa., and vicinity, urging the repeal of

the 20-percent excise tax on all toilet goods; to the Committee on Ways and Means.

524. By Mr. HALLECK: Petition of citizens of Brook, Ind., urging repeal of the wartime excise tax on toiletries and cosmetics; to the Committee on Ways and Means.

525. By Mr. KEARNEY: Resolution adopted by the Assembly and the Senate of New York State regarding the designation of the fourth Sunday in September of each year as Interfaith Day; to the Committee on the Judiciary.

526. By Mr. LECOMPTE: Petition of the rural carriers, city carriers, and clerks of the Albia, Iowa, post office, favoring the bills H. R. 2492, 2496, 2579, 850, 1304, 397, and 926; and S. 84; to the Committee on Post Office and Civil Service.

527. Also, petition of A. J. Hollebrands, druggist, and other citizens of New Sharon, Iowa, urging repeal of the 20-percent excise tax on all toilet goods; to the Committee on Ways and Means.

528. By Mr. TOWE: Petition of 50 residents of Bergenfield, N. J., urging the repeal of the 20-percent excise tax on toilet goods; to the Committee on Ways and Means.

529. By Mr. WHITE of California: Petition signed by 38 citizens of Fresno, Calif., submitted by A. Martin Charshaf, protesting the 20-percent excise tax on toilet goods and requesting its repeal as quickly as possible; to the Committee on Ways and Means.

530. Also, petition signed by 38 citizens of Oakdale, Calif., submitted by M. B. Seeber, druggist, protesting the 20-percent excise tax on toilet goods and requesting its repeal as quickly as possible; to the Committee on Ways and Means.

531. By the SPEAKER: Petition of Paul A. Olson and others, Orlando, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

532. Also, petition of George Leaman and others, Cottage Hill, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

533. Also, petition of L. R. Pfeiffer and others, Miami, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

534. Also, petition of R. Z. Lovelace and others, Sulphur Springs, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

535. Also, petition of Mrs. Geneva Hatch and others, Miami, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

536. Also, petition of A. Garcia and others, Tampa, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

HOUSE OF REPRESENTATIVES

SATURDAY, APRIL 9, 1949

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Lift up your heads, O ye gates, and be ye lift up, ye everlasting doors, and the King of glory shall come in. Who is this King of glory? The Lord strong and mighty, the Lord mighty in battle. Lift up your heads, O ye gates; even lift them up, ye everlasting doors, and the King of glory shall come in. Who is this King of glory? The Lord of hosts, He is the King of glory.

In the name of our blessed Master we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1209. An act to amend the Economic Cooperation Act of 1948.

THE LATE HONORABLE JAMES WOLFENDEN

The SPEAKER. The gentleman from Pennsylvania [Mr. GRAHAM] is recognized.

Mr. GRAHAM. Mr. Speaker, yesterday there fell asleep at the hospital in Temple University in the city of Philadelphia a man who had served in the House of Representatives for almost 18 years. I refer to the Honorable James Wolfenden. Mr. Wolfenden entered this Chamber on the 6th day of November 1928. On that day four men stood up and took the oath of office. They were: Hon. John McCormack, Hon. Richard Wigglesworth, Hon. Francis Culkin, and Mr. Wolfenden, who has now joined the Choir Invisible.

When we, the younger Members of the Pennsylvania delegation, came here, Mr. Wolfenden was our guide and mentor. He had served as assistant whip of the House. His had been a busy life. I was surprised, as I examined the RECORD this morning, to find that of the 434 Members who served with him in the House in 1928, only 26 remain as Members of this body. During the time that he served in his capacity representing the then Seventh Congressional District of Pennsylvania, now the Eighth, he served on the Committee on Accounts, the Committee on Banking and Currency, the Committee on Merchant Marine and Fisheries, the Committee on Interstate and Foreign Commerce, the Committee on Naval Affairs, and on the Select Committee on Wildlife Resources. He had succeeded the late Honorable Thomas S. Butler.

During his busy life, Mr. Wolfenden devoted himself entirely to the duties as a Member of the House of Representatives. He had no outside interests. He was honest, he was brave, he was courageous. He was straightforward in all that he did. He made no pretense of being a great man. He had no illusions as to his grandeur. Simply as a man doing a duty that devolved upon him, he sought at all times to serve his State and his country and his Nation.

We in Pennsylvania shall miss him.

About 2½ years ago he was injured very badly and voluntarily declined to become a candidate for reelection. I know the heartfelt sympathy of the members of the Pennsylvania delegation go out to his widow, his daughter, and his son.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. GRAHAM. I yield to the distinguished Speaker.

Mr. RAYBURN. Mr. Speaker, I knew Jim Wolfenden as well as I have known any Member of Congress in the years I have served here. He was a member of the committee upon which I served and of which I was chairman. I never knew a man who had a finer soul than Jim Wolfenden—honest, courageous, able. I was so deeply grieved the last time I saw him, to see his physical condition, because he was a fine, happy man. He has been released from that pain and anguish now and, today, wherever good spirits are meeting I am sure they are receiving Jim as their equal, because he belonged in high company.

Mr. GRAHAM. I thank the distinguished Speaker.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. GRAHAM. I yield to the distinguished gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. Mr. Speaker, the death of former Congressman James Wolfenden brings keen regret to his legion of friends. To know Jim Wolfenden was to love him and to respect him. He was to me a close and devoted friend through all of his long service in Congress.

He was one of those rare individuals to whom friendship was precious and not to be abused. He gave more than he ever asked of a friend. His word was as good as a bond. You never had to question where Jim Wolfenden stood. Once his position was made clear, he stood like Gibraltar.

He was an able and a courageous Congressman. He was a sturdy American and deeply interested in building a strong Navy and an adequate Army.

As a businessman, he was keenly interested in our industrial development. He believed firmly in the free-enterprise system of government and devoted his ability to preserving it.

Illness, which an unfortunate accident accentuated, brought him great suffering in his final years. He bore his misfortunes with courage and cheerfulness.

As leader of the Pennsylvania congressional group, he exercised great influence for many years and he used that influence wisely and well. His was a respected voice in the councils of his party.

All who knew Jim Wolfenden mourn his loss, and to his devoted family go our heartfelt sorrow and sympathy.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. GRAHAM. I yield to the gentleman from Pennsylvania.

Mr. RICH. Mr. Speaker, I was grieved this morning to learn of the death of our former colleague, Jim Wolfenden. I have served with him in the House for many years. As was said by other speakers, Jim Wolfenden never gave his word to you that he would do a certain thing but what he was just as good as his word. He always carried it out. I know that he tried to serve his country and his constituents in a way in which they would have him serve them. He was honest in all of his dealings. I am sure he did

everything that he thought was best for his country. He was a loyal American.

My sympathy now goes out to his family in this sad hour.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. GRAHAM. I yield to the distinguished gentleman from Indiana.

Mr. HALLECK. Mr. Speaker, I am sure that all of us as Members of the House of Representatives appreciate the friendships that we make here. We have our differences of opinion; we come from different sections of the country; we come from different walks of life. But in the matter of friendship there is no dividing aisle. That is one of the reasons why the Congress of the United States is the greatest institution in the world.

In the course of our service we naturally develop certain friendships that are closer than others. For one reason or another, certain of our friendships become more meaningful, from which we derive inspiration and guidance, encouragement in our disappointments and assistance in our problems. Jim Wolfenden was such a friend of mine.

He had been a member of the House for some time when I first came here in 1935. I had the privilege of serving with him, as did our distinguished speaker, on the Committee on Interstate and Foreign Commerce. Jim was a constant help and inspiration to me. He helped me as a true and loyal friend. I can honestly say that whatever position I have achieved in my service here is, in large measure, due to the helpfulness of Jim Wolfenden.

He did not make many speeches on the floor. But in his quiet, effective way he accomplished many things for the benefit of his district, for his State of Pennsylvania and for the country. He got things done, because he knew always exactly what we wanted to have accomplished and how to accomplish it.

My good wife and I have had the rare privilege to visit with him and his wife in his home. In his home, as here in the House, he was the same sort of grand person.

I deeply feel the loss of Jim. I feel it more deeply than I can possibly put into words. As our distinguished Speaker has so well said, wherever good spirits meet they will be welcoming Jim Wolfenden as one of their kind.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. GRAHAM. I yield to the gentleman from Mississippi.

Mr. RANKIN. Mr. Speaker, someone has said that an honest man is the noblest work of God.

Whatever difference of opinion we might have had with Jim Wolfenden, I never knew a Member of Congress who did not regard him as strictly honest, a man whose integrity was above question.

We all join in paying our final tribute to a really great and good man, and in extending our sympathy to his bereaved family.

He has at last embarked upon that final voyage that we feel sure will safely moor him in a peaceful harbor where the wicked cease from troubling and the weary shall find rest.

Mr. GAVIN. Mr. Speaker, will the gentleman yield?

Mr. GRAHAM. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. Mr. Speaker, it is with deep sorrow that we record the passing of our great friend and former colleague, Jim Wolfenden. Jim was one of the first men to welcome me when I came to Washington. He was very kind, deeply interested to be helpful in any way he could; he was genial and pleasant at all times; and when any little word or act or deed of his brought help and comfort to any of us it gave him great satisfaction and happiness. He was a man of sterling character and integrity.

Conscientious in the performance of his duties, his work in the House, and as a member of the great Naval Affairs Committee, won for him a deserved recognition and the hearty commendations of the Members on both sides of the aisle.

He was greatly admired by all who knew him, and he had a host of friends. He was always glad to see one and gracious to everybody. On the many occasions I sought his advice and counsel, I found him to be most sympathetic and helpful.

In a life such as his perhaps the thing most to be admired was the fact that he was a devoted and patriotic American who contributed greatly to the building of his community, State, and Nation.

So today we mourn his loss and extend to his family our heartfelt sympathy, and may God comfort and console them in this hour of trial.

Mr. GRAHAM. Mr. Speaker, I am sure the friends and family of Jim Wolfenden will be heartened and sustained by these assuring words that have come from these, the leaders of this Congress.

Mr. Speaker, I ask unanimous consent that all Members who desire to do so may have the privilege of extending their remarks in the RECORD at this point in reference to our late colleague Mr. Wolfenden.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WOLVERTON. Mr. Speaker, it is with a deep sense of sorrow that I learn of the passing away of our friend and former colleague, James Wolfenden, of Pennsylvania. I extend to his devoted wife and the members of his family my sincere sympathy in the loss they have sustained.

Jim Wolfenden and I entered the Congress of the United States in the Seventieth Congress. From the time he became a Member until the present we have been close and intimate friends, although since he left the Congress our paths have not crossed as frequently as I would have liked.

Because of the close and intimate association that existed between us during his service in the Congress I have been able to know and appreciate to the fullest extent his high character, integrity, honesty, and regard for duty. He was kind and friendly in his conduct with his colleagues. His manner was quiet and modest at all times. He was honored and respected by all who knew him.

He represented his congressional district with outstanding ability. The service he rendered was appreciated by the people of his district. Time and again, until he chose to retire from Congress, his constituents elected and reelected him with majorities that left no doubt of their appreciation of his faithful, able, and conscientious service in their behalf.

The high regard in which Jim Wolfenden was held by all who knew him must be a source of comfort to his family in this hour of sorrow. To those of us who served with him his life has been an inspiration and encouragement to faithfulness in the performance of public duty.

Mr. ARENDS. Mr. Speaker, with my colleagues in the House, I learned with real sorrow of the death of Jim Wolfenden, who for so many years faithfully and capably served the Seventh Congressional District of Pennsylvania.

Jim, as we affectionately called him, was in Congress when I first became a Member, in 1935, and throughout our years of service together we became good and fast friends. He was the type of man anyone was pleased to call a friend. Jim at all times was friendly, courteous, fair, and considerate. He will long be remembered by all of us who were privileged to know him. We mourn his passing and extend our most sincere sympathy to his bereaved family.

Mr. CUNNINGHAM. Mr. Speaker, the first week I was in Congress, in January 1941, I called upon James Wolfenden in his office. I never was received more graciously at any time. He counseled about my future work and gave me advice about committee assignments. His advice has been of great value to me and is today. He was the true friend of new Members. I deeply regret his passing and sincerely sympathize with his family and friends. America has lost a great man.

Mr. HUGH D. SCOTT, JR. Mr. Speaker, the death of our former colleague, Jim Wolfenden, brings sorrow and grief to those of us who knew him so well. I had the highest regard for his outstanding ability as a legislator and public servant and was happy to work and consult with him as a friend and colleague during my service in Congress.

It is very seldom we are privileged to associate with a more patriotic and loyal American. Jim not only took an exceptional interest in behalf of his constituency, but was always willing and ready to be of help to his friends and colleagues. He was a natural leader of men and I am happy to have had the privilege of enjoying his friendship and to have been the beneficiary of his counsel and assistance.

GEN. DOUGLAS MACARTHUR

Mr. KEARNEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEARNEY. Mr. Speaker, on January 26 in the city of New York some 300

men gathered in honor of a great American, a general of the Army, Douglas MacArthur. In absentia, a scroll was presented to that distinguished American testifying to his greatness as an American and as a leader of our military forces. In it it spoke of his greatness as one who chose to remain at his post of duty in Tokyo rather than return to his native land, receiving a hero's welcome and campaign actively for the presidency of the United States. It spoke of his active fight against communism and other subversive activities and for the preservation of the American way of life. To all Americans the name of Douglas MacArthur will ever be an inspiration to all Americans for honor, duty, and love of country.

This scroll was signed first by the President of the United States. I have a photostatic copy of the scroll which has been placed in the Speaker's lobby with the consent of the Speaker and I am asking the Members of the House to join with me in signing the signature sheet to the scroll honoring a great American.

THE FEDERAL TAKE

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include an editorial from the Rockford Morning Star.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ALLEN of Illinois. Mr. Speaker, in the year that ended last June 30, our State, Illinois, paid a total of $3,785,000,000 to the Federal Government in taxes. The two Democratic Senators from Illinois, LUCAS and DOUGLAS, have now compiled figures on what Illinois got back from the Federal Government. The "kick-back" for that same year in which we shipped $3,785,000,000 to Washington ran to $279,000,000.

Of that $279,000,000, the sum of $182,568,000 went to veterans, and $2,630,000 went to the National Guard. What was left, around $94,000,000, was distributed for other purposes, ranging from school lunches to farm aid and unemployment compensation. We did not get much.

Taking the total in Federal taxes paid and benefits kicked back, we put out $13 in Federal taxes for every dollar we got back. Knock out veteran and military expenditures, and we got back $1 for $40.

Yet there are many who believe that the theory of aid to the States and cities from the Federal Government as the big tax collector is the theory we should pursue. These people believe that the way to get schools, housing, health, sanitation, everything else, is to let the Federal Government collect and then ship the money back. The return shipment, it will be seen, is hardly in balance with the outgoing shipment.

To be sure, there is the feeling that we, because we are a wealthy State, should help equalize opportunity for everybody in other States. There is something to be said for that point of view, if the equation is not too damaging to the more prosperous States. We believe that a 13-to-1 ratio of return, or a 40-to-1 ratio, if we leave out veteran-military payments, is not a fair return. It is something like exporting the fertility of our soil. Pretty soon we will be poor folks, too; and who will equalize for us?

EXTENSION OF REMARKS

Mr. LODGE asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and include some extraneous material.

Mr. CUNNINGHAM asked and was given permission to extend his remarks in the RECORD, and include two articles from the Dallas County News, of Adel, Iowa, on the subject of soil conservation.

Mr. GAVIN asked and was given permission to extend his remarks in the RECORD, and include an article.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD and include a magazine article.

Mr. THOMPSON asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article.

LEAVE OF ABSENCE

Mr. McGUIRE (at the request of Mr. SECREST) was given leave of absence on account of official business.

EXTENSION OF REMARKS

Mr. BRYSON asked and was given permission to extend his remarks in the Appendix of the RECORD and include a magazine article.

Mr. SADOWSKI. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and include an article entitled "The Problem of the Older Worker." I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $225, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. SADOWSKI asked and was given permission to extend his remarks in the Appendix of the RECORD in three instances and include excerpts.

Mr. PATMAN asked and was given permission to extend his remarks in the RECORD on two subjects and include certain statements and excerpts.

Mr. BUCHANAN asked and was given permission to extend his remarks in the RECORD and include a newspaper article entitled "Building Awards Up 10 Percent in March."

Mr. PRICE asked and was given permission to extend his remarks in the RECORD, and include an article from the St. Louis Post-Dispatch, entitled "World Health and Power," by Richard L. Carp.

THE LATE JAMES WOLFENDEN

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, it was with profound sorrow that I learned this morning of the death of one of our former colleagues, and my very good friend, James Wolfenden, of Pennsylvania. I had the honor and the pleasure of serving on the great Committee on Interstate and Foreign Commerce with Mr. Wolfenden and enjoying his warm and close friendship. In his passing we have all lost a true friend, Pennsylvania has lost an illustrious son, and the Nation has lost a great American.

UTILIZATION OF THE NATION'S WATER RESOURCES

Mr. WELCH of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WELCH of California. Mr. Speaker, I am filing today a bill, H. R. 4154, to authorize an investigation by the Bureau of Reclamation to the end of providing for the fullest utilization of the Nation's water resources. The bill specifically provides for areas west of the ninety-eighth meridian. For those of us who are perhaps a little hazy on our geography, may I remind you that the ninety-eighth meridian practically bisects the United States—passing from Mexico through Texas, Oklahoma, Kansas, Nebraska, South Dakota, North Dakota, thence on and up through Manitoba, Canada. Nearest cities thereto are: Austin, Tex.; Oklahoma City, Okla.; Wichita, Kans.; Hastings, Nebr.; Aberdeen, S. Dak., and so forth.

PERMISSION TO ADDRESS THE HOUSE

Mr. SHAFER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[Mr. SHAFER addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. GWINN asked and was given permission to extend his remarks in the RECORD on socialism, American variety.

Mr. MERROW asked and was given permission to extend his remarks in the RECORD and include an editorial.

CALL OF THE HOUSE

Mr. KEEFE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. MILLS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 71]

Abbitt	Buckley, N. Y.	Coffey
Aspinall	Bulwinkle	Cotton
Auchincloss	Burton	Coudert
Bailey	Byrne, N. Y.	Crawford
Barrett, Wyo.	Canfield	Crosser
Bennett, Mich.	Carlyle	Dague
Bentsen	Case, N. J.	Dawson
Bland	Celler	Delaney
Boggs, La.	Chesney	Dingell
Bonner	Chiperfield	Dollinger
Brooks	Chudoff	Eberharter
Buckley, Ill.	Clemente	Elston

Fallon	Latham	Riehlman
Fellows	Lichtenwalter	Rodino
Gamble	Linehan	Rooney
Garmatz	Lovre	St. George
Gilmer	Lyle	Sasscer
Gore	Lynch	Scott, Hardie
Gorski, N. Y.	McConnell	Scott,
Grant	McGuire	Hugh D., Jr.
Green	Mack, Ill.	Short
Gross	Macy	Simpson, Ill.
Hale	Marshall	Simpson, Pa.
Hall,	Meyer	Smith, Ohio
Leonard W.	Morgan	Smith, Va.
Hand	Morton	Staggers
Harrison	Multer	Stanley
Hart	Murphy	Stockman
Hays, Ohio	Nelson	Tauriello
Heffernan	Norblad	Thomas, N. J.
Heller	Norton	Towe
Hill	O'Brien, Ill.	Underwood
Hope	O'Toole	Van Zandt
Jacobs	Passman	Wagner
James	Patterson	Walsh
Javits	Peterson	Weichel
Jenison	Pfeifer,	Whitaker
Karst	Joseph L.	White, Idaho
Kearns	Pfeiffer,	Willis
Kennedy	William L.	Wilson, Tex.
Keogh	Philbin	Wolcott
King	Phillips, Tenn.	Wood
Kirwan	Poulson	Yates
Klein	Powell	Zablocki
Kunkel	Quinn	
Lane	Redden	

The SPEAKER. On this roll call, 298 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

NATIONAL MILITARY ESTABLISHMENT APPROPRIATION BILL, 1950

Mr. MAHON, from the Committee on Appropriations, reported the bill (H. R. 4146) making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the National Military Establishment for the fiscal year ending June 30, 1950, and for other purposes (Rept. No. 417), which was read a first and second time and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. ENGEL of Michigan reserved all points of order on the bill.

EXTENSION OF REMARKS

Mr. SHEPPARD asked and was given permission to extend his remarks in the RECORD and include an editorial from a newspaper.

Mr. THOMAS of Texas (at the request of Mr. SHEPPARD) was given permission to extend his remarks in the RECORD and include two newspaper releases.

Mr. FEIGHAN asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. McCARTHY asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article.

Mr. MADDEN asked and was given permission to extend his remarks in the RECORD and include an editorial from the Gary Post-Tribune, of Gary, Ind.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous material.

EXTENSION OF EUROPEAN RECOVERY PROGRAM

Mr. COX. Mr. Speaker, I call up House Resolution 169 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3748) to amend the Economic Cooperation Act of 1948, and all points of order against the bill or any of the provisions contained therein are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. COX. Mr. Speaker, a reading of the resolution discloses that it makes in order consideration of the bill reported by the Committee on Foreign Affairs amending the Economic Cooperation Act of 1948.

I yield 30 minutes to the gentleman from Massachusetts [Mr. HERTER].

At the moment I yield 15 minutes to the chairman of my committee, the gentleman from Illinois [Mr. SABATH], either to be used or allocated by him.

Mr. SABATH. Mr. Speaker, this resolution makes in order one of the most far-reaching and important bills that has ever been sold to the American people by the greatest propaganda, I believe, in the history of the Nation.

In order that there be no misunderstanding, I wish to state from the outset, that I voted in favor of reporting the rule on this extraordinary bill, and shall ask that it be adopted, because it has been my policy during all the long and many years of my service to the country, especially because I am a member of the Committee on Rules and presently its chairman, to urge that the Members of this House be not denied their legislative prerogatives and have a free hand to offer and vote on proposed amendments.

Realizing that this bill will be passed by a large majority in the House, I shall not exert any effort to amend or reduce the authorization. It is with reluctance and heavy heart, but faithful to my conscience, and this is for the RECORD, that I call attention to some facts relative to this legislation, although I realize, as I said before, that they will not in any way affect its passage.

Unfortunately, this legislation has and is changing our foreign policy which has stood since the inception of our Government, and deviates from the admonition of George Washington and many other statesmen, who advocated friendly relations with all nations, but alliances with none. I fully appreciate that conditions have materially changed since those days, but nevertheless, in this progressive modern age, Washington's advice is still worthy of serious thought and consideration.

This bill authorizes the expenditure of the tremendous sum of $5,580,000,000—which means this is in addition to the thousands of millions that have already been donated to the European nations. All this, notwithstanding the fact that our national debt is now approximately $250,000,000,000, which is greater than the combined indebtedness of all the other nations of the world; all this—for the economic rebuilding of Europe; all this, notwithstanding the fact that none of the wealthy nations like Great Britain, which has invested over $22,000,000,000 in securities in our country, and up to this moment has failed to contribute any portion of this vast investment toward relieving the condition.

Within the next few days, we will be called upon to vote an additional $2,000,000,000, not to improve economic conditions or aid the needy, but for rearmament and matériel of war.

As a progressive Democrat, I have even before I came to this House in 1907, stood for only one ism—and that Americanism. I have also been opposed to all militaristic policies and to all aggressive wars, because after every war the representatives of these warring nations have been obliged to invariably sit at the peace table to adjust their differences. Why not do so before going to war? The new killing devices, and modern warfare inventions as witnessed in the last war, being so destructive of life and property and the lives of millions of innocent men, women, and children, all prove that adjusting the differences of nations at a peace table rather than on a battlefield is the panacea.

I shudder at the thought of the destruction that would take place if another war were not averted, especially in view of the atom bomb and the modern chemical warfare means that can totally destroy entire populations instantly. Surely, the vast and overwhelming majority of the American people and the people of the world do not want war.

Because of these views which I have entertained down through the years relative to war, I strongly urged and advocated that our Nation should enter the League of Nations after World War I. Had the Republicans not thwarted that effort for purely political reasons, as has been admitted by men in high office and thousands of other well-informed individuals, the Second World War would have been prevented. Had Great Britain yielded to the appeals of France and not sanctioned Germany's war-minded lust for power and her entering the Ruhr and Saar Basin, Germany could never have rearmed as she did.

I also fear that unfortunately, we are weakening the United Nations. It is charged that the United Nations has not functioned according to its original hopes

and purposes, yet, is not this due to the fact that the United States and Great Britain have given mere lip service to the United Nations instead of real support? Then, too, there are many who fear that Great Britain is desirous that the United Nations should not be in a position to carry out effectively the original intent in bringing about peace to the world and effecting a cure-all for world suffering and strife.

It is conceded by all students of history, that shortly after 1920, the war-minded Germans, not being able to control the German Republic under General Von Hindenburg, started and did rebuild their armaments, finances, and their power, with the murderous, bloodthirsty, beast, Hitler, at the helm. This Nazi barbarian, under the pretense of aiding the German people, brought about the greatest war in the history of the world, causing the slaughtering of millions of innocent and defenseless people by starvation, cremation, and even by burying them alive. Is our memory so short as to forget these atrocities?

Just a few days ago, after many months of trial, a few of these warped-minded Hitler associates finally were convicted of these heinous crimes which we now call the crime of genocide. Most of them, however, have been freed and are now at work presently rebuilding the German war machine and Germany's war potentials. They have not learned that nazism was rejected, for they still are contemptuously and arrogantly advocating Hitler's policies in an attempt to justify their crimes.

We have men in our country of great power and influence who are large industrial leaders and financiers, many of whom have been and are now financially interested in these German cartels and monopolies, such as I. G. Farben and others that have before the war and will again, by the aid they are presently receiving, mulct and defraud the American people out of thousands of millions of dollars annually and will have Europe at its mercy in a short time. Of course, it is generally known in world financial circles, that the financiers and industrial leaders of Great Britain, Belgium, and other countries, are interested as well in these cartels. It is to be regretted that some of our most powerful and influential Wall Street bankers and lawyers have been and are cooperating in an effort to rebuild, yes, and even enlarge Germany's war potential, plants, and factories.

Mr. Speaker, it is unfortunate that Mr. John F. Dulles, who has been the adviser on foreign and economic affairs to ex-President Hoover and the former Republican candidate for President, Mr. Dewey, has been able, I fear, to impose his views and will upon Mr. Forrestal, Mr. Acheson, former Secretary of State Marshall, and many other gentlemen in high office in our State and War Departments. Mr. Dulles is presently our foreign policy adviser in the United Nations. It is to be regretted that his viewpoints and policies have been extremely detrimental to our country's interests.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield for a question.

Mr. COOLEY. May I ask the gentleman what evidence he has to justify his indictment of Mr. John Foster Dulles, as he has indicted him in the statement he has just made?

Mr. SABATH. Some of our puerile minds do not remember that the Republican presidential candidate, Mr. Dewey, was surrounded by big business interests and representatives of monopolies who were primed to take over the financial and economic fabric of the world, including that of the United States, after their candidate's victory.

One of those prominently identified as a partner in this Wall Street set-up and placed in a key position is the soft-spoken and quiet-moving John Foster Dulles, well known as a lawyer for the "interests." During the campaigns in 1940, 1944, 1948, this gentleman acted as Mr. Dewey's adviser on foreign affairs.

Let us look into the background of Mr. Dulles, which prepares him for the role he plays so well. He heads the law firm of Sullivan & Cromwell, prominent in litigation on behalf of firms interested in international trade and finances. Before the war, his law firm did much business in Germany, which fact, together with his writings of that period, tend toward the defense of Germany's trusts and cartels. Acting as a director of the International Company of Canada, which has its connections with interlocking directorates of important capital, he has served on the boards of directors of large corporations. These undeniable tie-ups with the "interests" and probing into international financial matters find him again as legal adviser this time for the Polish plan of financial stabilization in 1927. Still interested in finances, we see him listed as one of the American representatives to the Reparations Commission at the Debt Conference in 1933 at Berlin. It was at this time that he represented a large number of American holders of German bonds.

He walks the tight rope, one moment supposedly representing his government at international conferences, and at the same time not losing his own or his Republican Party's independence in the bipartisan Marshall plan.

His views today correspond with and fit into the British pattern of thought and action and constitute definite encouragement for Nazi rebirth and threat of war.

Without Dulles the unconscionable trusts and cartels are seriously handicapped in their operations.

Time will not permit me to elaborate further; however, further information may be found in Who's Who in 1947; Who's Who in America, 1946–47; National Encyclopedia of American Biography; Current Biography; Life Magazine, October 4, 1948; U. S. News, January 16, 1948, August 20, 1948, January 21, 1949. This I trust, will satisfy the gentleman from North Carolina.

These gentlemen in high places in our State and War Departments representing interests in Germany have been able to penetrate our State and War Departments and use their ingenuity, resourcefullness, and influence for their own selfish interests. They have expended millions of dollars and have infiltrated in to the State and War Departments of our Government using also the medium of the press and radio to instill fear into the American people. I exceedingly regret and fear that they have misled and misinformed the American people and have inflicted themselves upon our great President, who I know is honest, sincere, and always has the best interests of the country at heart. Not realizing their duplicity, the Republican press, radio, and these gentlemen from high offices in our Government approve of the so-called bipartisan cooperation. I fully appreciate the underlying reason for the President's acceptance of Republican cooperation. He accepted their aid in the hope that the same misfortunes would not befall current treaties as befell the League of Nations. He was obliged to turn to the Republicans, and in seeking their cooperation could not refuse to consider or accept their recommendations and some concessions to obtain the necessary confirmation of treaties.

It is maintained that this program has already, during its relatively short life, demonstrated to the world its effectiveness against communism. It is my firm opinion, however, that as soon as the taxpayers money ceases to be poured into many of these countries, the opposition to American policies will again manifest itself overtly.

In this respect, I wish to insert an article into the RECORD published in the New York Times of April 10, 1949, on the subject of United States-Greek policy, which I feel plainly explains my fears:

UNITED STATES-GREEK POLICY SCORED IN REPORT—CONGRESS GROUP'S SURVEY SAYS FAILURE TO REFORM REGIME DISSIPATES VITAL AID

WASHINGTON, April 4.—Scathing criticism of United States aid policies and officials in Greece is contained in an unpublished report in the hands of the Joint Congressional Committee on Foreign Economic Cooperation.

This committee is known popularly as the watchdog committee on the Marshall plan. Its report on Greece was prepared by Louis E. Wyman, the committee's counsel, following an extensive personal survey in that country. Copies of Mr. Wyman's report have been received by all members of the committee.

Senator PAT MCCARRAN, Democrat, of Nevada, chairman of the commitee, stated that no decision had yet been made on publication of the report.

The tenor of Mr. Wyman's numerous and detailed charges is summed up in his fiat statement: "We are not getting our money's worth out of our ECA dollars in Greece. There is grave danger that our efforts to aid Greece may slip into a situation of outright subsidy of an unsound internal administration."

Mr. Wyman denounces the Greek Government as incompetent, reactionary, and obstructive. He declares that it does not represent the people, and has been a constant thorn in the side of United States officials.

AMERICAN OSTENTATION

Also, Mr. Wyman declares there are too many United States officials in Greece, that many of them are inadequate, and that they live and act in a disruptively ostentatious manner.

"It is impossible to avoid the impression of confusion, excess in personnel, and program planning, and lack of central direction in the administration of our Greek program," Mr. Wyman asserts.

"A substantial percentage of the American personnel is paid in excess of $10,000 a year and an additional $7,000 rental and food allowance. There is too much American ostentation in Greece, including, specifically, too many new automobiles being driven by chauffeurs, and too much pomp, circumstance, and privilege for Americans, who move about well-fed, with good clothes and expensive cars, in a country where poverty and tragedy are on all sides."

In contrast to this display, Mr. Wyman reports the direst need and poverty among the great number of the Greek people.

"In this nation of 7,500,000 people," he says, "approximately 1,800 individuals have wealth. The remainder are very poor."

Mr. Wyman states flatly that the Greek Government is not representative of the Greek people and does not have their confidence and support. It is these factors, he holds, that are breeding despair and turmoil in Greece.

According to the Wyman report, a relatively small number of the guerrillas are actual Communists. He estimates the percentage as not more than 15 percent. He also asserts that Communist aid from the adjoining Soviet satellite countries "is not the whole story."

MARSHALL PLAN RED TARGET

"In many places in Greece," Mr. Wyman states, "whole families are honestly split by bitter differences of opinion as to what is best for Greece. It is important to understand that in this impoverished country, American capitalism and unrestricted private enterprise are not alone the answer. Unless the United States is prepared to do the job in Greece on a sound basis, unless it is prepared to insist that the Greek Government eliminate waste, graft, corruption, and hangers-on, failure to achieve economic recovery in Greece will persist in an atmosphere of a military stalemate."

The objective of the Communists in the rebellion, he says, is to break up Greece's economy, "to prove before the world that the wreckage of Greece is due to the inability of the Western Powers to make the Marshall plan a success."

"Social reforms and better administration are fundamental to Greek recovery," Mr. Wyman concludes, "military and economic aid can and should come from outside of Greece, but confidence in the government must be built up inside Greece with our intelligent aid. The only reason the present government remains in power in Greece is United States support.

"The United States should let it be known openly what is wanted and should make it plain that if these policies are not achieved, United States aid will not be permitted to continue."

Mr. Wyman is a Navy veteran from New Hampshire. He comes from a well-to-do family and is a Republican.

Who are these power- and profit-seeking Republican gentlemen of whom I have spoken and who occupy high offices in our Government? They are influenced and dominated by and working with ex-President Hoover, his adviser John F. Dulles, ex-Secretary of Defense Forrestal, war-made General Draper, and others whom I shall subsequently mention. They together with the great Wall Street investment house of Dillon, Read & Co. have financed some of these German cartels. Firms like United States Steel Corp., du Pont, and some of the large United States oil companies have been and are presently financially interested in German monopolies.

It is reported that Secretary of State Dean Acheson had been in daily conferences with ex-President Hoover prior to his appointment.

Is it reasonable to believe that the leopard has changed its spots? Witness the names of 12 Germans who are the managerial trustees of the Ruhr Iron and Steel Works. Dr. Werner Albert, who was associated with the Mannesmann steel cartel, and who has been a member of the board of directors of Kronprinz AG; Dr. Victor Agartz; Herr Abs, who was head of the foreign department of the Deutsche Bank during the war; Dr. Heinrich Diest; Dr. Dinkelbach, who for more than 30 years was financial director of the mightiest steel concern in Germany, Vereinigte Stahlwerke; Karl Barich, who during the war was with small steel concerns and also held a supervisory position with the Rheinische Westfalische Electrizitat AG, a big power company listed for decartelization; Heinrich Meyer, a former trade-union secretary; Dr. Gerhard Schroeder, a former attorney for the Nazi Government; Dr. Guenther Sohl, former director of the Krupp industries; Dr. Guenther Henle, director of the Kloeckner Steel Co.; F. W. Engel, former director of the Hoesch AG, one of the three biggest steel companies in Germany; Herbert Mondon, deputy chairman of the Iron and Steel Association, an employer group, and formerly an engineer in Hermann Goering's Reichswerke plant.

ONE-SIDED TESTIMONY

I cannot quite conceive of the fact that, with the exception of the Secretary of State and the Secretary of the Treasury, only officials of the Economic Cooperation Administration testified before the Committee on Foreign Affairs relative to this legislation. Nowhere can I find that the public has been given a chance to voice their beliefs and views on this most important bill. The two ladies who were heard represented the League of Women Voters of the United States and the Women's Action Committee for Lasting Peace, both of whom testified briefly. As I said before, the only gentlemen who were given an opportunity to testify at the hearings, were all officials of the Economic Cooperation Administration.

STEPS LEADING TO THE GERMAN INDUSTRIAL DOMINATION OF EUROPE

First. In recent months, outstanding experts on international affairs have shown grave concern regarding our policy toward Germany. On November 16, 1948, former Under Secretary of State Sumner Welles wrote:

> Fear that British and American policy is now directed toward the immediate establishment of a strong and autonomous western Germany is casting a deep shadow over Europe.

Mr. Walter Lippmann made statements to the same effect.

Second. The United States policy in Germany was established in 1945 at the famous Potsdam Conference, where we solemnly pledged that—

> German militarism and nazism will be extirpated, and the Allies will take, in agreement together, now and in the future, the other means necessary to assure that Germany will never again threaten her neighbors or the peace of the world.

On numerous occasions President Truman and former Secretary of State Marshall have explicitly called for safeguards against future German aggression.

Third. The undermining of our policy toward Germany has been following a steady pattern for a number of years. As early as the spring of 1942, the geopolitical section of the United States War Department, which consisted of a group of industrialists, interested in the Farben cartels, recommended that a powerful Germany be rebuilt after the conclusion of the war. The beginning of World War II saw some Americans with German tie-ups assuring their German friends that they would resume their pleasant and profitable business associations as soon as hostilities ceased—New York Herald Tribune, July 31, 1945, Carl Levin.

Fourth. When Germany surrendered, American and British representatives of corporations which invested heavily in German war industries, prior to and during the Hitler regime, appeared on the scene either in the Army or as high officials or as advisers, and took charge of implementing our policy toward Germany. Among the Americans were: Col. Sostehenes Behn, Kenneth Stockton, and Mark Sundstrom, all of International Telephone & Telegraph Corp.; Charles H. Powell, of Westinghouse Electrict Co.; Brandon Grove, former head of Socony Vacuum of Rumania; Robert H. McConnell, formerly of General Aniline & Film Co. (I. G. Farben); Peter Hoagland and Graeme Howard, formerly of General Motors in Germany; and Rufus J. Wysor, former president of Republic Steel Corp.

Fifth. The New York Investment House of Dillon, Read & Co. must be singled out because it has played a prominent role during the twenties in building up the German cartels and heavy industries with American money. Three of its leading members played an important part in American life since VE-day, and two are now out of Government service, thanks to President Truman. These men are: Former Secretary of Defense Forrestal, former president of Dillon, Read & Co.; William H. Draper, Jr., former vice president of Dillon, Read & Co., and former Under Secretary of the Army; Paul Nitze, former vice president of Dillon, Read & Co., and now Deputy Director of the International Trade Policy of the United States State Department. Mention must also be made of Phillip Hawkins, who is Draper's son-in-law, who has been playing a prominent role in the military government in Germany for the past 3½ years.

Sixth. Before his appointment as Under Secretary of the Army, General Draper was the director of the Economic Division of the American Military Govern-

ment. While in Germany, he did yeoman work to scuttle our public policy toward Germany which called for demilitarization, decartelization, reparations, and a level of industry for peace. Mr. Draper admitted his attitude toward Germany when he appeared before the Congress—page 811, hearings before the Subcommittee of the Committee on Appropriations, Eightieth Congress—and said:

I personally have been one for 2½ years who has been attacked in the papers probably more than anyone else, for trying to build up Germany, and for trying to reduce the reparations program. I admit that I have had that point of view.

Seventh. On December 2, 1948, President Truman stated that as long as he is President, he would not tolerate the revival of German cartels. In his speech at the graduation of his daughter he stated that he would rather have 1,000 small independent steel companies than one large United States steel cartel.

The Secretary of the War, Kenneth Royall, misinformed the President and the people when, on January 8, 1948, he stated that we have abolished the pernicious cartels. The facts are that on March 1, 1948, 19 members of the decartelization division resigned in protest against an oral order issued by the United States commander in Germany to emasculate the whole decartelization program. Moreover, not only have the German cartels not been eliminated, but the Germans today are already working through international cartels which they helped set up after World War II.

Eighth. The United States Steel Corp. which, before the war was a member of the international steel cartel, has been working to rebuild Germany's industrial power. In July 1948 eight members of the board of directors of the United States Steel Corp. spent 3 weeks in Germany studying the German steel industry. Their recommendations were that Germany should be rebuilt, and that Germany's 28 cartels should be reduced to 12 in order to make Germany's industries still more efficient. In addition, Mr. George Wolf, president of the United States Steel Export Corp., acted as the brains of the Humphrey committee which was sent out in November 1948 to Germany by Paul Hoffman, to make a report on the reparations program. Mr. Wolf recommended that Germany retain all her tremendous industrial capacity to the great detriment of Germany's neighbors and victims. All this, notwithstanding the Potsdam Conference.

Ninth. Recent reports that Mr. Paul Hoffman, Administrator of the ECA, and his assistant, Mr. H. Bruce, visited President Truman for the purpose of obtaining the green light to stop the dismantling of the German plants. It is widely known that powerful American firms with financial interests in Germany are putting this tremendous pressure upon Mr. Hoffman, and that they are the same people who helped rebuild Germany after World War I, and who retain or hope to regain their financial, economic, and military ties with the prewar industrialists and financial leaders of Germany.

THREE HUNDRED ASK SENATE TO REJECT PACT

Of the hundreds of letters and articles by outstanding free-lance writers, none have impressed me as much as the article which I read this morning in the Philadelphia Inquirer. The open letter sent to the President by over 300 of the most outstanding men and women of America, uncontrolled by Wall Street, corporations, war profiteers, and militarists, urged that conferences between President Truman and Stalin be arranged. They called on the Senate to reject the Atlantic Pact. I am enclosing the article as part of my remarks:

[From the Philadelphia Inquirer of April 11, 1949]

THREE HUNDRED ASK SENATE TO REJECT PACT

WASHINGTON, April 10.—More than 300 prominent Americans, including two Nobel peace prize winners, asserted today that the North Atlantic Pact might lead to a "war of extinction" between the East and West.

In an open letter, which said capitalism and communism "must live together," they called on the Senate to reject the pact and asked President Truman to open direct peace negotiations with the Soviet Union.

The letter was sponsored by James C. Baker, bishop of Los Angeles and president of the council of bishops of the Methodist Church; Ted O. Thackrey, former editor and publisher of the New York Post-Home News, and Clarence E. Pickett, Nobel prize winner and secretary of the American Friends Service Committee.

Other signers included Emily Greene Balch, Nobel prize winner and honorary president of the Women's International League for Peace and Freedom; author Thomas Mann, pianist Arthur Schnabel, Prof. Fowler Harper, of the Yale Law School, and Prof. Kermit Eby, of the University of Chicago.

The letter said the Atlantic Pact and the projected United States arms aid would retard western European recovery and "commit us to a fatal two-world policy."

BRITAIN CASHES IN AGAIN

It is indeed unfortunate, Mr. Speaker, that we permitted Great Britain, as I originally feared and stated, to unload upon us all of her fears and responsibilities. She used us for the purpose of retaining her colonies, and, as Mr. Churchill stated so well, he is not interested in liquidating Great Britain or her Empire.

A vast part of this authorization will go to Nazi Germany and Great Britain, notwithstanding the fact that Great Britain now exceeds her prewar production levels by 18 to 20 percent and now has a surplus of $3,000,000. Britain has taken every conceivable advantage of her position relative to various materials that she controls in her colonies, such as rubber, wool, and many others. On March 31, 1949, Britain disclosed that she was making a loan to Russia and her satellites of $36,000,000 and is now negotiating a commercial treaty with Russia. All this with our money. At the same time, she is using her influence to preclude the United States from doing likewise.

In conclusion, Mr. Speaker, let me state that I make these remarks because I feel it is my heartfelt responsibility to bring these extraordinary facts to the public's attention. The people have a right to know exactly by whom and how their money is being utilized.

Mr. HERTER. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, it seems to me there ought not to be any fight on this rule which has come out of the Committee on Rules by unanimous report based on a bill which was passed on unanimously by the Committee on Foreign Affairs. It is true that the Committee on Foreign Affairs has submitted a minority report. That minority report is not based upon what this bill contains, but rather upon what it does not contain. This bill, as the members of the committee know, provides for amendment of only one of the four titles that were originally contained in the European relief program of last year. The principal objection of the minority is that the entire package was not brought before the House at one time, but is apparently being brought in piecemeal. That is particularly true in regard to the China situation which the House has already acted upon.

Mr. Speaker, I think it will be worth while if all Members of the House, who have questions in regard to this bill, read very carefully the committee report. I want to commend the committee for having put out an extremely able and intelligible report. There may be some slight errors in the tables, but I think the committee can easily explain them. But almost every essential question that might be asked from a factual point of view with respect to this bill is contained in that report. Not only do I hope that the Members will read it, but in dealing with a matter of the importance of this bill, I hope that the Members who have amendments to recommend will do as they did last year when this matter was being debated and submit them to the committee itself for examination before they are actually brought up for a vote on the floor of the House.

I happen to be one, Mr. Speaker, who believes that this bill should pass. Last year this Nation embarked upon an experiment of very far-reaching importance. It was clearly an experiment at that time. I think that those who may have followed carefully the progress that has been made in Europe—not alone the progress from the point of view of economic recovery, but the progress from the point of view of political sanity—would have to agree that this experiment has succeeded, even beyond the hopes of those who were advocating it a year ago.

For that reason, Mr. Speaker—even though I would agree with the minority statement that the exact amount that should be appropriated by this bill is a matter for the Committee on Appropriations and not for this authorization—I hope very much that the rule will be adopted and that the bill itself will be passed to carry on this experiment, which so far has proven so successful; and the final success of which is of vital importance to the security of the United States.

Mr. Speaker, I now yield 5 minutes to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Speaker, I am taking the floor at this time in order to

issue a word of warning. I do not expect my warning will receive very much consideration at the hands of the House on this question. The Treasury reports tell us that Uncle Sam is in the red to the tune of $252,000,000,000. But that is not the whole story, because Uncle Sam owes obligations amounting to $25,000,000,000 or $30,000,000,000, which are not included in the $252,000,000,000 debt—obligations incurred by the Commodity Credit Corporation, the Export-Import Bank, the RFC, the International Bank, the International Fund, and several other loaning agencies that Uncle Sam has set up. So Uncle Sam really owes something like $280,000,000,000. I do not know how much $280,000,000,000 are and I am sure you do not know how much they are, because the finite mind cannot grasp such an astronomic sum as that, but I do know that Uncle Sam owes more today than every one of our allies in the last war put together—England, France, Italy, Russia, China, and the forty-odd other countries in the United Nations Organization—more than all of them put together. Yet we have the spectacle today of every nation on earth, practically speaking, standing before Uncle Sam with their hands out, saying, in substance: "Please, Uncle Sam, your credit is still good. Won't you borrow more money, won't you go deeper into debt, won't you levy heavier taxes upon your people and help us out of the mess that we are in?"

And Uncle Sam has done that and is doing that and he proposes to keep on doing it.

Some $50,000,000,000 of lend-lease during the war, $11,000,000,000 of which went to Russia. Some $25,000,000,000 since the war, and part of that has gone to Russia through her satellite nations. Some $17,000,000,000 of obligations under the Marshall plan, a part of which is now before us, and then to rearm Europe. Where is it going to end? How long can Uncle Sam keep this up? If we keep on the road we are traveling, I say there is only one end for it, and that is national bankruptcy, financial chaos, repudiation, and then what? Dictatorship.

I am issuing this word of warning at the beginning of the consideration of this second hand-out under the Marshall plan.

The SPEAKER. The time of the gentleman from Illinois [Mr. MASON] has expired.

Mr. COX. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

(Mr. PATMAN asked and was granted permission to revise and extend his remarks and include certain statements and excerpts.)

Mr. PATMAN. Mr. Speaker, I submit an amendment, intended to be proposed by me to bill H. R. 3748, to amend the Economic Cooperation Act of 1948.

This amendment, in substance, requires the Administrator of ECA to issue such regulations and impose such conditions as will secure to small-business enterprises a fair and substantial share of business where the source is in the United States. It does not apply to procurement from foreign countries; nor does it require ECA to buy any particular commodity. Small business, for the purpose of the amendment, is any business which does not employ more than 500 persons, is not dominant within its particular field of industry, and is independently owned and operated.

The principle involved in this amendment is by no means without legislative precedent.

This is substantially the very same mandate we impose on our own Government purchases by the armed services and certain other agencies. The Armed Services Procurement Act of 1947 requires that a "fair proportion" of purchases "shall be placed with small business concerns." The Selective Service Act of 1948 speaks of a "fair share" of purchases, and defines "small business" almost exactly as my amendment defines it.

Congress also inserted special small-business provisions in the Reconversion Act, the Surplus Property Act, the Contract Settlement Act, and even the Reconstruction Finance Coporation Act, as amended in 1948. "Preserve and strengthen the competitive position of small business" has been the very language used by Congress in justifying this special treatment for small business.

We imposed even stronger provisions on ourselves during World War II. Through the Smaller War Plants Corporation, procurements could in effect be taken away from large concerns and given to small manufacturers. There was even a provision under which Congress recognized that small-business concerns might be paid a higher per-unit price than larger concerns.

If we impose these measures on ourselves, why should we not, through ECA, impose them on foreign purchasers? What will it avail us to bring about European recovery if in so doing we have weakened the very backbone of the American free-enterprise system?

For the past year, our offices have been deluged with the complaints of small-business men because of their inability to participate in the domestic markets provided by the European recovery program. As we return to competitive domestic markets, the demand is even greater that the little fellow be given assistance in finding an outlet for his production. Repeated congressional requests to ECA for effective procedures have been met with resistance, verbal gestures of sympathy, and promises, with the net result that small business remains subject to taxation without participation.

The House Small Business Committee of this Congress began an investigation of this problem over a month ago. After several conferences and an exchange of inquiries and replies, I can report the following:

First. Promises of administrative assistance, made by Administrator Hoffman in his letter to the Senate Small Business Committee of the last Congress, have not been effectively fulfilled.

Second. ECA was asked if they had sufficient statutory authority to issue effective regulations to assure a fair share of participation by small business. They replied on March 29 that, according to their interpretations of the act, they did not have this authority. They stated also that, even if they had the authority, the only two plans they could conceive of would be contrary to the principles of utilizing private channels of trade, too difficult to administer, and inconsistent with the basic American principle of free enterprise. If such interpretation is true, the entire legislative precedent to which I have referred is erroneous.

Third. There is not one single regulation, policy, or directive issued by ECA that would tend to assure small business a fair share of participation.

Fourth. ECA was asked what statutory authority was needed. Their reply was that "a statutory provision guaranteeing small business specific participation in the ECA program would be administratively unmanageable, would tend to discourage the use of private channels of trade, and would inevitably retard the progress of European recovery."

The only thing that ECA now promises to do is to establish a separate unit in ECA, the sole function of which will be to study procedures and to disseminate information. I, for one, do not intend to be appeased by another promise. I am convinced that the only method that will assure assistance for small business is a congressional mandate.

I have no desire to defeat, or even impair, the primary purpose of the European recovery program, but the act itself states that "no assistance to the participating countries herein contemplated shall seriously impair the economic stability of the United States." If we do not insure that small business gets a fair share in our domestic production, then it must necessarily follow that the economic stability to which the Congress referred will be seriously impaired, since small and independent business is the balance wheel of our economy. I am convinced that, if the officials operating under the mandate of this amendment will substitute intelligent effort to effect its purposes for the negative attitude heretofore exhibited, European recovery will not be retarded.

Amendment to section 7 of H. R. 3748:

Page 7, before line 5, insert the following:

"SEC. 7. (a) Section 112 (a) of such act is hereby amended by adding the following new paragraph:

" 'The Administrator shall prescribe such regulations with respect to, and impose such conditions on, procurement in the United States under this title as will secure to 'small business' in the United States, especially the producers, a fair and substantial share of the production and business resulting from any such procurement. For the purpose of this paragraph, 'small business' shall include any small-business enterprise, and only such, if (1) its position in the trade or industry of which it is a part is not dominant, (2) the number of the employees does not exceed 500, except that the Administrator shall, where appropriate, specify a smaller number for any particular trade or industry, or subdivision thereof, and (3) it is independently owned and operated'."

And in line 5 strike out "SEC. 7. (a)" and insert in lieu thereof "(b)," and reletter the remaining subsections accordingly.

In re amendment to section 7 of H. R. 3748:

WORDS AND PHRASES

First. Procurement: "Procurement" is the accepted word used by Congress in previous acts to define contracts and/or purchases of supplies, services, equipment, and commodities.

Second. In the United States: "In the United States" relates to procurement where the source is from within the United States. It covers all procurement whether the contract or purchase order was issued or consummated in a foreign country or otherwise, as long as the origin of the subject matter is the United States.

Third. Producer: The word "producer" is used because it is comprehensive and covers all types of manufacturers, growers, processors, fabricators, and so forth, up to, but not including, jobbers, wholesalers, retailers, exporters, and so forth, or other "middlemen."

Fourth. Especially producers: The majority of sales, under the program, of United States production are by exporters, importers, agents, and other "middlemen" as distinguished from the producer. Although assistance for the small middleman is important, protection for the small producer is primary. In order to preclude an evasion of the primary intent of this amendment by allowing a small-business middleman to sell the products of a large business, to the exclusion of the products of a small business, it was deemed necessary to point out especially the producers.

Fifth. Fair and substantial share: "Fair share" would be the same relative proportion of business, in a given field or industry, that small business enjoys in that particular field or industry in this country. The relative proportion in any given industry can be supplied by the Department of Commerce. "Fair share" and "fair proportion" are the terms used in the Armed Services Procurement Act and the Selective Service Act, applying to armed services procurement. The armed services have claimed an inability to determine what "fair share" is. In order to preclude a similar inability by ECA, the word "substantial" was added, which, according to Webster's, means "large" or "considerable."

LEGISLATIVE PRECEDENTS FOR SPECIAL PROVISIONS IN FAVOR OF SMALL BUSINESS

In June 1942 there was enacted the so-called Small Business Mobilization Act. The War Production Board was given specific small-business mandates by Congress under this act. The Smaller War Plants Corporation was also created by this act, and its functions confined entirely to small-business assistance.

Particular attention was paid, under the terms of the act, to the end of assuring to small business a fair share of Government procurement orders. Small business concerns, under the terms of the act, might be certified as to capacity and credit to the procurement agencies. Other action might be taken as would result in obtaining procurements for small plants. There was even a provision which stated that Congress recognized that it might be necessary to pay higher per unit prices to small-business concerns than to large ones. Finally, the Smaller War Plants Corporation, upon proper certification, could take over an entire procurement prime contract so as to subcontract it exclusively to small-business concerns selected by it.

Although these special provisions favoring small-business concerns originated in wartime, they were given new expression by Congress in its postwar policy. "Preserve and strengthen the competitive position of small business," was a phrase expressly carved into the Surplus Property Act, which gave small business a top priority in the obtaining of surplus property. Moreover, the Smaller War Plants Corporation was given additional authority for the purpose of making loans to small-business concerns for the acquisition of surplus property.

The Reconversion Act and the Contract Settlement Act also had provisions favoring small business; Congress was very intent upon continuing its policy of preserving and strengthening the competitive position of small business. The Reconstruction Finance Corporation Act, as amended in 1948, has a special small-business clause in respect to loans—a carry-over from the lending authority of the Smaller War Plants Corporation existing during the war.

Coming back to procurement, however, we have the Armed Services Procurement Act—Public Law 413, section 2, Eightieth Congress—which declares:

It is the declared policy of Congress that a fair proportion of the total purchases and contracts for supplies and services for the Government shall be placed with small-business concerns.

And we have the Selective Service Act of 1948—Public Law 759, Eightieth Congress, second session—which states in part:

Under such program of national procurement, the President shall recognize the valid claim of American small business to participate in such contracts, in such manufactures, and in such distributions of materials and small business shall be granted a fair share of the orders placed, exclusively for the use of the armed forces, or other Federal agencies now or hereafter designated by this section.

It is true that these small-business provisions as to procurements related to procurements only from Government agencies. But the legislative history and background show that the purpose was to protect small business from the impact of huge procurements, incidental to an emergency period, irrespective of the source of the procurement. There is an inevitable tendency for huge procurements in times of stress and emergency to be taken over in the main by large firms. We did not wish to win World War II and discover at the end that we had lost small business.

Virtually the same situation arises today in connection with the large procurements which flow as a result of the Economic Cooperation Administration program, which has also been devised to meet an emergency situation and problems created in times of world stress. It will be of no avail for us to bring about economic reconstruction in Europe and to save European countries from communism and other forms of government not compatible with democratic ideals, if we should find at the end that, although we have saved Europe, we shall have lost our own American system of small business and free independent enterprise.

The SPEAKER. The time of the gentleman from Texas [Mr. PATMAN] has expired.

Mr. HERTER. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Speaker, I am speaking today for this rule, which will shortly be put to a vote. I wish to bring to the attention of this House that it is not just a question whether we spend the money or increase the debt, but a question as to which course will be the most costly for us.

Which will cost the United States more: To spend this money for rehabilition and recovery, or to have communism come to the shores of the Atlantic and take over all the known civilized world outside of the United States? To be face to face with guns every way we look, to have communism possibly come into South America? Which do you want? Do you want to hold back the pressures of expansion and hold the menace away from the United States by spending a little more now on helping these people who have been our chief allies? This bill is framed to help these nations keep freedom and religion, and keep alive the things common to our civilization throughout other parts of the world. To me, we do not want to stand alone.

I still have the hope for a better world. I am one of those people who think it is not coming to bankruptcy at home or abroad. I am no Jeremiah for the United States. I do not think it is inevitably coming to war with Russia, because I think that time is playing in our favor.

If we show what democracy can do in these countries that have been ravaged by war, then possibly we will not have to pay for world war III. If we in Congress will really implement democracy by passing this rule and giving our friends in Europe, the nations who stand with us, a second year's chance to show what they can do about the economic and political federation of Europe, we shall not be disappointed in our hopes.

I am sorry to see the gentleman from Illinois march down the center aisle with giant strides like an armed warrior or a plumed knight charging forth to wordy war like Mayor Bill Thompson, of Chicago, when he was fighting King George in his mayoralty campaigns. We are not fighting the British by this legislation, we are only taking an affirmative step forward for democracy, for progress, and prosperity for these countries that are our allies in the building of a democratic society of nations for the welfare of our respective peoples and the peoples of the world.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. SABATH. How much time have I remaining, Mr. Speaker?

Mr. COX. Mr. Speaker I yield 15 minutes to the gentleman from Illinois to use as he sees fit.

The SPEAKER. The gentleman from Illinois has consumed 9 minutes; the gentleman has 6 minutes remaining.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Speaker, I recognize and fully appreciate the dangers that one runs when one opposes this legislation. We face the powerful opposition of the press and the radio, the insidious opposition of the gentlemen of the State Department, and, more important than anything else, we face the combined opposition of the ladies and gentlemen of high finance and monopoly capital—the real masters of the Government in America. I believe, however, that this debate, not only on this bill but on all measures related to it and on the Atlantic Pact, will be considered the important debates of this period. The decisions that we make will be far-reaching, and I personally, despite the abuse, want to be judged by the position I take on these issues. I believe that the future of the world depends upon the decisions that we make on these great questions—questions that will determine whether or not civilization as we know it will continue.

Let us look at this situation a moment, and I hope we look at it calmly, soberly, and give it the reflection that it warrants.

Yesterday we were asked to consider a military appropriation bill without a report that called for an appropriation of $15,000,000,000. For a period of 15 months we authorize by this bill the expenditures of $6,000,000,000. In other words, we are authorizing and appropriating right here in a period of 1 week $21,000,000,000 for war, and not for peace, for imperialist war. We will be asked to appropriate perhaps $2,000,000,000 more for armaments under the Atlantic Pact. I am not a statistician. I venture these sums represent half of our total budget. Definitely this is a war budget. This is insanity.

Mr. Speaker, this is not a matter of aiding Europe. This plan has failed as an aid program. It has failed and the statement of failure comes from the European counterpart of the Marshall plan, the Organization for European Economic Cooperation, which organizais composed of the collaborators of such gentlemen of high finance as Harriman, Finletter, Bruce, and the other representatives of the big trusts in ECA. They say that western Europe will have a trade deficit of $3,000,000,000 by 1952.

This is not an aid program. This is part of a military program, it is part of a political program. I do not oppose aid to Europe. I believe in the way that was preached by the late Fiorello LaGuardia, who said that unilateral aid such as you are proposing here not only bypasses the United Nations but is the old way of imperialism. I believe in aid through the United Nations. Aid without consideration of politics, religion, or creed through the United Nations is the best guaranty of rehabilitation and lasting peace.

This is not aid. It is not food. It is not rehabilitation. It is war. It is being sold to the country under the guise of stopping communism. We just heard the gentleman from Pennsylvania [Mr. FULTON] give us the old sing-song, which is always played as an accompaniment to the march of monopoly capital throughout the world, to its infiltration into, and assumption of control of the various industries of the world, taking them over through the Marshall plan under the guise of stopping communism.

We have divided Europe in half. We do not permit the western countries to trade with the eastern countries. We have set up puppet governments here and there, all this, we are told, for the sake of stopping communism.

Mr. Speaker, it seems to me there must be another way out. This is the way to war. I said last year in the well of this House that following the Marshall plan there would be a military alliance. We now have it in the Senate. Following that military alliance will be aggression and following aggression there will be war, a war, Mr. Speaker, that nobody is going to win. The people all over the world, including our fellow countrymen, will be defeated. They do not want war, and once they recognize this plan and the Atlantic Pact for what it is, for war and imperialism, they will repudiate these schemes and those responsible for them.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. HERTER. Mr. Speaker, I yield the gentleman one additional minute.

Mr. MARCANTONIO. Mr. Speaker, there is a way out and I say that the way out is the way that was initiated by President Roosevelt. There is no reason why the representatives of our Nation cannot sit down with the representatives of the Soviet Union and try to work out a fundamental solution to this whole problem. There are no reasons advanced why our President cannot sit down with Mr. Stalin. The only way out you offer, with this and similar legislation, is the atomic bomb. The only way out you propose, when we consider the real motive behind these proposals, is warfare on the Soviet Union and the people of the eastern countries and on China. This is the only solution you really advance. You cannot say that is not your solution for your policy of containment is a policy that leads to war. So your solution is war. I offer the solution of peace and understanding with the Soviet Union. Collaboration with that nation won the most difficult war in the history of the world. Let us use that same collaboration to preserve world peace. I say, let us do our utmost to bring Mr. Stalin and the President of the United States together to make an honest effort to resolve this matter in the interest of peace and of the common people.

Furthermore, I say, let us investigate how this money is going to be spent before we spend it. Let us see how this Marshall plan has worked during the last 15 months.

The Marshall plan is serious business. It is such serious busines that we cannot afford to trifle with facts when we speak about it. For this reason I will state the plain, undecorated truth, and I will give the evidence to support the statement.

The Marshall plan is a failure. It was doomed to failure ahead of time. Its failure can be demonstrated after 1 year of operations of the ECA. If the plan is carried through its full 4-year period, the failure will be overwhelmingly clear—and critically dangerous.

I know that Mr. Paul G. Hoffman, the head of the Economic Cooperation Administration tells the story a different way. Mr. Hoffman, once the master salesman of Studebaker automobiles, is now the master salesman of the Marshall plan. It is his job to convince us, and all the American people, and anyone else in the world who will listen to him, that the Marshall plan is a success. His trouble is that he has a bad commodity to sell.

I know also that many people still believe in the official version of how the Marshall plan has operated. There are two good reasons for this. First, through the press, the Government, and the radio, the facts have been twisted or hidden. Second, many good and decent people want to believe in the Marshall plan because they want to see the great wealth of our country used to help others in need.

The United States stands at a peak of economic power. We produce just about half of the goods in the world. Certainly our wealth should be used to help countries devastated by fascism during the last war. It is a fine thing that Americans should back a program of foreign aid. But they should get the program they think they are supporting.

The Marshall plan was sold to the people as a way of helping others. The plan has been in operation for a year. Now it is time to let the people know what has really happened under the plan.

The facts cannot be hidden. When we debate an issue as important as this, history is watching us. We will do better to face the truth now than to have it thrust on us by events later.

The ECA tells us, on its first anniversary, that industrial production in western Europe is about at prewar levels. The ECA can hire all the statistical talent it needs. It should be able to come up with almost any kind of figures it wants about what is happening in Europe. But I would suggest to Mr. Hoffman and the others who left corporation jobs to take over the ECA that they seem to have overlooked some key facts.

I know that when people in my district are unemployed they do not feel very prosperous. There are many in this Chamber who see unemployment in their districts today. No one would dare to go to those unemployed and say, "You are doing all right. The statistics say so."

There is unemployment in the Marshall plan countries. There is more unemployment in western Europe than there was a year ago. I challenge the ECA experts to try to explain that fact.

Take the case of Belgium. When the Marshall plan started the Belgians had full employment. Last month unemployment in Belgium was estimated at from 9 to 11 percent of the labor force. That would be the same as 6,000,000 or 7,000,000 unemployed here.

The break-down of the Belgian figures tells a story. Unemployment there is mainly in the textile, leather, shoe, diamond, and light metal industries. These were industries which depended on exports. The countries which used to buy the products of these Belgian industries are part of the Marshall plan bloc. They have been forced to cut down on their imports. Result: Belgian workers are on the street.

It may be argued that Belgium is too small a country to make a fair test. In that case take Italy, one of the four major powers of western Europe. By last fall in Italy unemployment had passed the 2,500,000 mark. That would be the same as about 9,000,000 unemployed in our country.

Or perhaps it may be argued that Belgium and Italy were countries which were ravaged by war. In that case let us take a look at the situation in Turkey. Although Turkey did not see fit to join the allies in the fight against the Nazi Axis, and although the Turkish Government retained close ties with the Germans until it was clear which side would win, American dollars are flowing into Turkey. But the effects of the dollars are baffling.

From 1930 through 1946 Turkey had a favorable balance of trade every year. At that point Turkey, as a close neighbor of the Soviet Union, was awarded military aid under the Truman doctrine. And in 1947 Turkey had a trade deficit and is now becoming a debtor nation.

Many funny stories have been told about the market for United States luxury goods like tobacco and Coca-Cola, which is being created through the Marshall plan. For the Turks there is no humor in the situation. Turkey used to depend on heavy exports of tobacco. Its market for tobacco has been cut through the operation of the Marshall plan.

Turkey has also been converted into an armed bastion on the southern flank of the Soviet Union. This may fit into the global strategy of Winston Churchill. He has had an adeventurous interest in the Dardanelles at least since the First World War, when he lost many thousands of British lives trying to capture the Straits. But again, for the people of Turkey, it is no laughing matter. The cost of maintaining an army weighs heavily on a poor nation. About half of the Turkish Government budget goes to maintain the army now.

Will it be said that all of Europe and Asia Minor is so beaten down by war and Nazi occupation that quick recovery is out of the question? There is some truth in this argument, but not enough.

The case of Poland ought to make us think for a minute what we are doing. Poland was as badly wrecked in the war as any country in the world. It also happens to lie on the wrong side of what Mr. Churchill chose to call the iron curtain.

Reliable reporters for respectable agencies have recently brought back revealing stories from Poland. Sidney Gruson, of the New York Times, reported an astonishing amount of reconstruction in Poland. Theodore White, of the Overseas News Agency, went further and said that he found more signs of recovery in Poland than in any country he had seen in western Europe.

The Polish Government statistics bear out the reports. Polish exports and imports have been nearly balanced every year since the end of World War II. Furthermore, the volume of Polish trade has expanded amazingly. It doubled between 1946 and 1947, nearly doubled again as it passed the billion-dollar mark from 1947 to 1948.

The expansion of Polish trade appears to be based on solid economic development. In 1948 per capita industrial output was nearly double the prewar level. All of the arable land in Poland is now under cultivation, where in 1945 the war had left half the good land idle.

Statistics, of course, can be used for any purpose. Unless they are complete they can be misleading. There is no absolutely reliable set of figures covering Europe which we can use to gage what has been bought with the billions of dollars we have already poured into the Marshall plan.

But that is an astonishing fact in itself. We have spent billions already for the ERP. We are asked to spend billions more. And what check-up have we made? Where have been the independent teams of investigators working in Europe, comparing the ECA's bland statements with unemployment figures?

The Marshall plan is unsound in its conception. There are enough things wrong on the face of the plan so that it ought to be scrapped and replaced with the United Nations type of program, which made great strides while it lasted. But at the very least how can we continue to appropriate huge sums drawn from the pockets of the American people on the say-so of the group of high-pressure salesmen who run ECA, without independent investigation?

There is one more argument which the brass hats of the ECA can make. Give us more time, they say. The plan has only operated 1 year. And this is the weakest argument of all. It breaks down, not through statistics, but on the word of the most conservative western European leaders themselves.

In Paris has been set up the Organization for European Economic Cooperation. The OEEC is the Marshall plan counterpart agency in western Europe. Its leaders work hand in glove with Harriman, Finletter, Bruce, and the rest of the financiers sent over by the ECA. The OEEC itself is well stocked with prewar cartelists who found it profitable to work with the Nazis until the war broke out.

Recently the OEEC sent a delegation here to help the ECA present its shotgun case for more billions. And then something got mixed in the script. The three chief OEEC spokesmen held a press conference. They said they had gone over and over their figures and they still had to reach the conclusion that in 1952, at the end of the Marshall plan period, western Europe would have a trade deficit of $3,000,000,000.

This statement, mind you, came from the people who have the most to gain from the successful operation of the Marshall plan. They were telling their own people that in 1952 they would have to pull in their belts still tighter and do without $3,000,000,000 worth of imports which they obviously need. Or, they were telling us that in 1952 we could expect to have to come through with more billions for a program which supposedly would have liquidated itself.

There are two possible interpretations of the OEEC figures. Either the OEEC representatives were telling the truth, and in that case they were telling us that ERP cannot work. Or, the distinguished gentlemen were lying, in an attempt to blackjack more money out of us. In either case the outlook is bad for the Marshall plan.

Mr. Hoffman attempted to brush past the OEEC estimate of a $3,000,000,000 trade deficit in 1952. He said the figures were in a "preliminary" state. Maybe a gimmick could be found. And anyway, the Europeans would just have to work harder and harder.

These are brave words, and brave hopes. But they fade before the facts. The OEEC delegates revealed that the figures were not preliminary. They had been combed over. As a matter of fact, the original deficit estimate was lower. They had to raise it when they found that various countries hoped to sell the same things in the same markets. The more duplication they weed out, the higher the estimated deficit will be.

I doubt very much whether Mr. Hoffman and his colleagues can be entirely serious about wiping out the western European trade deficit for 1952. In essence what it means is that western Europe will have to sell more abroad.

The OEEC people do not seem to be optimistic about the chances of taking in each other's washing. Will they then dump $3,000,000,000 worth of goods in our own domestic markets? And has any ECA expert tried to figure out how many American workers would lose their jobs in that process? Or will they try to cut into South America? If they increase their exports to South America by a billion dollars, they will cut United States exports to our southern neighbors in half—unless something is done to raise the Latin-American standard of living.

Of course, one resource is open to western Europe. Eastern Europe needs machinery of almost all kinds and some raw materials from the west. Trade between east and west in Europe is traditional. Today it is essential.

Last August a report was issued by the Economic Commission for Europe, a branch of the UN. The report was written by a sober group of economists—from western European countries, largely. Here is a key statement from that report:

> If, however, western Europe is to obtain its essential import needs without continued reliance on dollar sources beyond its ability to earn dollars, vigorous efforts to develop and obtain supplies from all of these non-Western Hemisphere sources will be required The minimum amount that would need to come from eastern Europe would seem to be in the order of $3,000,000,000.

Note that figure—$3,000,000,000. Last summer the UN economists were able to make the same estimate that the OEEC delegates were forced to come to. There was just one important difference in the

way the figure was used by the two groups.

The OEEC delegates threw up their hands and said the situation was bad. The UN group said the situation would be bad—to the tune of a $3,000,000,000 deficit—unless the obvious way out was taken. That way out, of course, is to drop the invisible barrier set up by the Marshall planners and promote east-west trade in Europe.

A great mass of material has been ground out by the machinery of the ECA. There are speeches and statements and booklets, all designed to put the Marshall plan across like a new model of an automobile. Once in a while as you plow through this mass of material you will come on a brief statement indicating that trade between the eastern and western halves of Europe might not be a bad idea.

The logic behind east-west trade is so overwhelming that it cannot be denied. So the Marshall planners have done the next best thing. They have buried the idea as well as they can. The truth is that Hoffman, Harriman and the rest are dead set against letting western Europe take up its normal trade with the east.

It may be said that the eastern European countries had their chance to get in on the Marshall plan and turned it down. This is true. And after the first year of ECA operations it looks as if they may very well have known what they were doing. But the eastern countries are still willing to do business with the west. Every businessman in the world knows this. The blockade line across the heart of Europe was drawn by ECA. The victims of the blockade are the Marshall-plan countries.

The end product of the Marshall plan is the $3,000,000,000 trade deficit predicted by the OEEC. A still sharper statement of the same result is contained in the following quotation which I recommend for study to every American who believes the Marshall plan was a program of aid:

"There is no means by which the Marshall countries can, even with the present scale of American aid, prevent a serious fall in their standards of living in 1952."

That statement was not made by an enemy of the Marshall plan. It appeared in the most authoritative, conservative British economic journal, The Economist, earlier this year.

There is just one way in which the Marshall plan makes sense. It is not a program to help foreign nations get on their feet after a murderous war. The results have already proved that. It is a political program, aimed against eastern Europe, designed for international division, and carried along on the war cry, "Stop communism."

The benefits which are supposed to come from the Marshall plan are a cover up. They are an appeal to the generosity of the American people who would not otherwise support the bankers and generals who want to spend billions to make the world safe for the new imperialism.

From the point of view of the big corporations the picture is clear. The Marshall plan cannot bring recovery to Europe. But the same points which make the plan fail as an aid program make it succeed as a program for international monopoly.

ECA is being used by Wall Street corporations to extend their monopoly control all over Europe.

ECA is building markets for monopolies which want to dump goods abroad while maintaining high prices at home.

ECA is rebuilding western Germany under the old cartelists. The steel barons of the Ruhr are a threat to the rest of Europe but they make good drill sergeants for Wall Street.

ECA has held back on shipments of machinery to Europe. Original requests of the Marshall plan countries for machinery were heavily cut. Again, this is bad for recovery, good for monopoly.

ECA is creating and capturing, all in one operation, a European market for the blood-streaked oil of the Middle East. In spite of the fact that the economies of western Europe were based mainly on coal, Middle Eastern oil is still the biggest item in the over-all Marshall plan.

Finally ECA is operating, and in this instance effectively, as a weapon for the cold war. It has partially succeeded in blocking the traditional trade between the western and eastern parts of Europe.

One question remains. The motives of the Wall Street-brass hat clique are clear enough. But why do the western European leaders go along with the Marshall plan? The line-up in the OEEC gives the answer.

The three heads of the OEEC delegation which came here were Robert Marjolin, of France, Sir Edmund Hall-Patch, of Great Britain, and Baron Snoy, of Belgium.

Marjolin was one of the authors of the Monnet plan for France. This was a plan, drafted shortly after the war, which preserved the economic power of the infamous 200 families in France.

Hall-Patch was the leading British financial expert in the Far East before the war in the days of the international rubber cartel and similar monopoly operations.

Snoy is a prewar Belgian banking official. As such he was part of the group of satellite cartelists who danced to the Nazi tune as long as they could.

If we were to vote on ECA appropriations in full possession of the facts, there should first be an investigation of the roster of European industrialists who staff the OEEC working committees. All the evidence points to the fact that the cartelists are in control. Set a bricklayer to work and he will build you a wall. Put a cartelist to work and you will get a cartel. It can already be said that the OEEC is building a supercartel for western Europe on a scale beyond anything the Nazis achieved.

The people of western Europe have known hard times through most of the last 30 years. There is powerful pressure in all the Marshall-plan countries to clean up the monopolies which have ridden the backs of the European people.

The OEEC, backed with ECA dollars if we appropriate them, keeps the old cartels and monopolies alive. Even the supposedly nationalized industries of western Europe are kept safe for coupon clippers. OEEC frankly carries on the old cartel functions of dividing markets, restricting trade, and insuring the scarcity which keeps prices high. That is why the Economist, of London, can say so calmly that the Marshall plan cannot and will not prevent a serious fall in European living standards in 1952.

Governmental trade agreements, openly arrived at by all nations where the people can see them, are the answer. They were part of the Roosevelt program for keeping the peace. That course would be in keeping with the spirit of the United Nations. But OEEC operates in the cartel tradition of secrecy, with the cartelists instead of people's representatives in power.

The Marshall plan exists because the American people want to help others in rebuilding a world at peace. It could not exist for 5 minutes if the American people knew what their dollars are buying.

Whenever the face of monopoly has been revealed in an American election the people have voted against it. ECA is an instrument of monopoly. Its camouflage of good will and foreign aid will wither in the light of facts. When the facts have been brought home to the people the Marshall plan will be junked along with those who impose it today on the people of Europe and on the people of our own United States.

Mr. HERTER. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Speaker and Members of the House, I just listened to the gentleman from New York attack this program as a capitalistic plan for war. On yesterday afternoon, just before the House adjourned, when unanimous consent was requested to file a report on the armed-services bill, the same gentleman from New York objected to that request. So, it has been throughout the past several years when any question involving the national defense of this country, or assistance to people over in Europe to defend themselves, was raised. That policy has not varied a single time since this country first started to prepare itself for World War II and during the prosecution of that war, up until the time that the Soviet Union was attacked by Hitler.

I heard a little story the other day about a prominent woman leader in a certain country that was dominated by the Soviets. It is a very simple story, but powerful in its implications. It was this: She was walking down the street of her native land on a beautiful spring morning, with the sun blazing forth in all its glory, but with an umbrella raised over her head. She was asked "Why the umbrella? It is not raining and it is not threatening to rain." "But," she said, "It is raining in Moscow."

Mr. SABATH. Mr. Speaker, I yield the balance of the time to the gentleman from Ohio [Mr. MCSWEENEY].

Mr. McSWEENEY. Mr. Speaker and ladies and gentlemen of the House, I would like to express my humble thoughts on this very, very important measure, and I want to thank the chairman for giving me this time.

My friends, I have been a history teacher, and I remember when I was teaching about the days of the War Between the States as we have it recorded in history. A man came in from the Midwest, a man with a rustic background, but a man who had a magnanimity of soul that I do not believe has been equaled in history or, at least, in the annals of that period. That man tried to avert the threating War Between the States. He thought that the Government might purchase the slaves in order to lessen the chance of our having a conflict. And, I remember, according to the records of history, he offered a rather large price for the slaves, and I remember, too, when this man came from the Midwest, that the Wall Street bankers said, "This man, with no concept of great business, is going to bankrupt America with this extravagant proposal."

May I say to you that 65 years later I, as a humble teacher in Wooster High School, asked my boys and girls to take out their pencils and we took the number of the then slaves and the price that this man would have paid for them, and divided the cost of these slaves into the cost of the war to both the North and the South. We did not take into consideration those terrible aftermaths of war, the loss of the son to the mother, the loss of the husband to the wife, and all the other attendant things. We merely considered the material cost of that war on the part of the North and the South. The name of that man who was called a dummy from the West, but who is now immortal in the hearts of men who love the better things of life, was Abraham Lincoln. We divided the price that he wanted to pay for those slaves into the cost of the war, and you may be interested to know that that cost was equal to the cost of only 11 days of a 4-year war.

I have had the honor of serving overseas in both world wars. I know you cannot buy people away from communism, but if you can buy back into the hearts of people a feeling that we love them and that we are trying to help them get established again, and if the cost of ECA is taken into consideration purely on a material basis, the cost for the next 15 months would be equal to about 41 days of war. I think it is worth our effort. Please give this proposal your heartfelt consideration.

Mr. COX. Mr. Speaker, I yield myself the remainder of my time.

Mr. Speaker, the question with which we are dealing rises above party partisanship. This is not a political question in the sense that there is any division between Republicans and Democrats here at home.

Mr. Speaker, we have at tremendous cost been endeavoring to advertise to the world that there is nothing any of the other powers have that we want other than their friendship and their cooperation in the common endeavor to work out a right solution of the most terrible problem that has ever confronted mankind.

The President, as has been suggested, is not being imposed upon, the President is not being used by men in high finance and of evil intent to press for the carrying forward of the program known as the Marshall plan which might appropriately have been designated as the Truman plan. I do not know who originated the idea, but I do say, and I pay this compliment to those supporting it, that their vision is clear; I think they are farsighted; I think they are leading the country along the path we must travel if we are to succeed in preserving the freedoms of the people of this world.

The gentleman from New York [Mr. MARCANTONIO] says there is a way out. Yes, there is a way out, and each and every one of us knows just what that way is. We can suffer the aggressions and the terrorism of Russia, we can accept her domination and control, and thereby avoid the necessity of exerting some effort in the undertaking to bring about a union of free democratic peoples in the endeavor to save mankind.

Mr. Speaker, the associated powers to whom we are undertaking to give aid under the provisions of the bill that will soon come before the committee are not approaching us as mendicants, begging for hand-outs. They come at our solicitation and it is fortunate for us, themselves, and the world that they come. I would like it to be understood that they are of as great need to us at this moment as we are to them. This is a joint enterprise. It is one to which all of the associated powers should give to the fullest extent of their ability. If this Marshall plan fails, and if western Europe succumbs to the power and the pressure that is being placed upon the countries of that area by Russia, then the world is gone.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield.

Mr. McCORMACK. Might I also say I subscribe to everything that the gentleman says. There is a direct attack made on all organized religions as well as free governments.

Mr. COX. The gentleman is eminently correct, as he usually is, in his observations, pertinent as they are, on this question. But I want to complete my thought. If this Marshall plan fails, we will not be able to hold Russia back. Strong and powerful as our country is, she cannot successfully contend with the rest of the world organized against her. And so again I say that we need western Europe quite as badly as western Europe needs us, and it ill becomes any one of us to point an accusing finger at any member of this association which must hold if freedom is not to disappear from the face of the earth.

The SPEAKER. The time of the gentleman from Georgia has expired.

CALL OF THE HOUSE

Mr. PRIEST. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 72]

Abbitt	Hall, Leonard W.	Pfeifer, Joseph L.
Aspinall	Hand	Pfeiffer, William L.
Auchincloss	Harrison	Philbin
Bailey	Hart	Phillips, Tenn.
Barrett, Wyo.	Havenner	Powell
Bates, Ky.	Hays, Ohio	Quinn
Beall	Heffernan	Redden
Bennett, Mich.	Heller	Regan
Bentsen	Hill	Rich
Boggs, La.	Holifield	Riehlman
Bonner	Hope	Rodino
Bosone	Jacobs	Rooney
Buckley, N. Y.	James	St. George
Bulwinkle	Javits	Sasscer
Burton	Jenison	Scott, Hardie
Byrne, N. Y.	Karst	Scott, Hugh D., Jr.
Canfield	Kearns	Short
Carlyle	Kennedy	Sikes
Case, N. J.	Keogh	Simpson, Pa.
Celler	Kirwan	Smith, Ohio
Chesney	Klein	Smith, Va.
Chiperfield	Kunkel	Staggers
Chudoff	Lane	Stanley
Clemente	Larcade	Stockman
Coffey	Latham	Tauriello
Cotton	LeCompte	Taylor
Coudert	Lichtenwalter	Thomas, N. J.
Crawford	Linehan	Towe
Dague	Lovre	Underwood
Dawson	Lyle	Van Zandt
Delaney	Lynch	Vinson
Dollinger	McConnell	Wagner
Eberharter	McGuire	Walsh
Elston	Mack, Ill.	Weichel
Fallon	Macy	Werdel
Fellows	Meyer	Whitaker
Gamble	Morgan	White, Idaho
Garmatz	Morton	Willis
Gilmer	Multer	Wilson, Tex.
Gore	Murphy	Wood
Gorski, N. Y.	Norton	Yates
Granger	O'Toole	Zablocki
Grant	Passman	
Green	Patterson	
Gross	Peterson	
Hale		

The SPEAKER. On this roll call, 294 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF EUROPEAN RECOVERY PROGRAM

Mr. COLMER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 226, noes 8.

So the resolution was agreed to.

Mr. KEE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3748) to amend the Economic Cooperation Act of 1948.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House

on the State of the Union for the consideration of the bill H. R. 3748, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. KEE. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, it is my duty as chairman of the Committee on Foreign Affairs, from which this bill came with a unanimous report, to make at least an attempt to explain its provisions. I approach that task with considerable hesitation and with some doubt, hesitation because it is a quite difficult if not an impossible task to explain in the few moments allotted to me, an act that has been in operation for 1 year for 19 foreign countries, a measure that covers such a broad field of effort, a measure that is now going further in the hope of accomplishing a great purpose.

What is the ECA? The question is frequently asked and will be asked on this occasion. There are many answers that could be given to the question. I believe a better name for this bill is that of the program it is designed to carry on; that is to say, the European reconstruction program. It is now designated as the ECA, the Economic Cooperation Administration. Whatever its name, its purpose is to accomplish the reconstruction of Europe, the restoration of the people of 19 nations of Europe, if possible, to a status where they will be self-supporting; where they will increase their production and will not be left to the charity of the rest of the world.

One of the objectives of this measure is to restore these nations to such an extent that they can earn their own dollars instead of looking to another country to furnish them. One night last week I had the pleasure of meeting Sir Frederick Bain, a cochairman of the Anglo-American Productivity Council. In discussing the Economic Cooperation Act, the same question came up: What is the ECA? The distinguished Briton characterized ECA as "a great act of a great people which is destined to achieve a great purpose." Some people may ask—and they have a right to ask in this country—How far is the ECA succeeding at the present time? Let me answer that with emphasis. It is working. If the Members of the House would take the trouble to read the report of the Committee on Foreign Affairs, accompanying this measure to the floor, or if they will take the trouble to read a report made recently by the ECA Administrator, Mr. Hoffman, and widely distributed, they will find that every country of the 19 participating countries has shown and is showing a very marked improvement since this program was inaugurated. It is true that the improvement is different in the various countries. It cannot even be expressed in percentages. For instance, in one country production has been increased largely, and in other countries production has reached the point where it is as large and as healthy as it was prior to the war. In other countries they have gone far toward lowering the customs barriers. In other countries they have gone far toward checking inflation and in restoring and stabilizing their currency. So that the improvement in these countries, under the influence and support of the money supplied by the United States of Amercia, is going forward rapidly to accomplish the great purpose which it is designed to accomplish and to do what our British visitor said, to make it "a great act of a great people, destined to accomplish a great purpose."

Speaking of the broad field covered by the European recovery program, it must be remembered that we have 19 participating countries. Prior to World War I, those countries were all apparently hopelessly divided. There was no chance—there was not even hope—of any united effort on their part.

Now, under American influence and under the ECA program, what has happened to Europe? Something that no one could have possibly anticipated just a few years ago. They have their own organization, the OEEC, which is the Organization for European Economic Cooperation. Each of the 19 countries is represented in that organization. They meet in Paris. From the time this act was passed in 1948 down to the present, every request of each of the 19 participating countries for supplies and commodities under the ECA program has been carefully screened and corrected by the OEEC, their own European union; and nothing except what the OEEC thinks is necessary for the improvement and aid of those countries is permitted to be requested of the ECA. Every request of the countries is again screened after it comes from the OEEC by officials of the ECA. I believe I can safely say that in no instance can it be shown that any participating country has been overloaded or had supplies supplied to it which were not absolutely necessary for the purpose for which they were supplied.

It would be impossible for me to go into detail as to the extent that those countries have been aided. The countries of Europe, especially these western countries of Europe, have had a wonderful history. They have been a great field of conflict for centuries past. Back in years gone by the armies of the Huns under the cruel Attilla overran all of Europe. Then came the hordes of Genghis Khan, who reached as far as Poland with their devastation and destruction. Europe went through the years of the old Napoleonic wars. It went through a series of conflicts, some of which were of 30 years' duration; but one by one the nations of Europe, with great hope and great courage, always came back, and again started the upward climb to prosperity.

Then they went through World War I, a war started by one man with insatiable ambition and greed. After World War I the peoples of these 19 countries went back and found their homes destroyed, their farms laid waste, all of their factories idle. No longer did the smoke fill the skies by day or the fires from the factories light up the skies at night. Their population had been swept away. But those who were left went to work again with zeal to rebuild their country again. But they found it to be an impossible task, and we across the ocean heard the cry from Macedonia and we went to their aid. Why? Because we felt it was in our own interest to help restore to Europe the prosperity it had always had. Then we had another reason. And this was even a stronger one. Out of the north, like a gigantic octopus rising from the sea with its tentacles outstretched, there came a great power, a power that we helped nurture, a power we had helped save from destruction, reaching out with its tentacles and slowly creeping southward. After the sounds of conflict had died away in World War II, this power, this octopus, began to reach for one country after the other and absorb them; those countries disappeared behind not only an iron but a very black curtain which we cannot penetrate. We saw the danger of that power, and we still recognize the danger. Today 15 former free and sovereign nations have been absorbed by the octopus. That power came out of the north and moved southward following the tide of war which had rolled through the land and engulfed in its crimson flood the best and bravest of the manhood, womanhood, childhood, and youth of Europe. That crimson tide had swept over all of what are now the 19 participating nations of Europe and in its wake left misery and devastation. We recognized in this power from the north an even worse catastrophe than that which faced Europe during World War II. Anyone here who does not believe that it is to our national interest to restore Europe in its prosperity, and to restore happiness to its people, that it is not to our national interest to stop the onward march of this power from the north which seeks—God knows what, unless it be the power to control the world; we do know that in the march of the power it is accompanied by the sounds of the chains of human slavery. Those who think it is not to our national interest to stop this blighting march should vote against the passage of this act.

Mr. Chairman, I will not go further in explaining this bill except to say that the bill before us seeks to amend the measure which is now in operation, a measure which was passed in 1948. Our committee proposes some 17 amendments; 6 of them are more or less important; 10 of them are merely clarifying amendments. Among the six, and what I consider the most important, we added an additional word or two in the policy expressed in the bill of 1948; in the pending bill we declare unequivocally that we favor the unification and the federation of the nations of Europe.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

The gentleman from New Jersey [Mr. EATON] is recognized.

Mr. EATON. Mr. Chairman, when last year in the Eightieth Congress this legislation was brought from the Committee on Foreign Affairs, of which I then had the honor to be chairman, I requested our distinguished and very

able friend and colleague the gentleman from Ohio [Mr. VORYS] because of my youth and inexperience to take charge of the bill on the floor. I have again requested him to do it; and, with his usual generosity he has agreed. It, therefore, becomes my happy privilege to say that the gentleman from Ohio will have charge of the time for the minority until this bill passes.

Mr. VORYS, I thank you and am very grateful indeed for your doing something that I am not able to do myself.

Mr. VORYS. Mr. Chairman, I yield myself 16 minutes.

The CHAIRMAN. The gentleman from Ohio is recognized for 16 minutes.

Mr. VORYS. Mr. Chairman, since I am in charge from now on, I wish it understood that you have not heard the last you are going to hear in this debate from the gentleman from New Jersey. We are saving our eloquent and beloved ranking minority member the gentleman from New Jersey, Dr. EATON, for a terrific salvo on Monday.

I want to pay my tribute to our new chairman, the gentleman from West Virginia, Judge KEE, whose magnificent speech we have just heard. It was a great speech on a historic piece of legislation. Also I want to pay tribute to the rest of the majority members who have treated us very well. We had our disagreements, but we were treated courteously at all times. I pay tribute also to our clerk and administrative officer, Boyd Crawford, who has been with us for 10 years and who is so helpful and efficient, and to Bert Marshall, whom we brought on the staff last year in the Eightieth Congress and who has made himself as nearly indispensable as anyone can be.

Mr. Chairman, this is not a relief program; it is not a charity bazar. Charity in an individual is a precious virtue, but Congressmen have no right to be charitable with the taxpayers' money. Just as gratitude is not a reliable element in the foreign policy of any country, we have no right to rely upon charity as a part of our foreign policy.

This plan is generous and magnanimous, but it is in our own interest in war and peace; it is farsighted in looking out for ourselves.

In case of war with the Soviets, we need allies, strong allies. When we strengthen the economies that support the armies that face our possible enemies, we safeguard our own security.

In peace we have always done the most profitable business with the nations that were prosperous, that were also our biggest competitors, Canada, Britain, Germany. In the future we will need recovered, prosperous countries to take some of our industrial and agricultural surpluses, to ship us the strategic materials we need. Communism has made the whole plan more expensive, but more imperative for our own security. Communism has forced us and our neighbors to prepare not only for peace, but for war.

We are living in a revolutionary era, when conflict is inevitable, whether we have actual war or not. This morning's Washington Post carries this item:

> Moscow, April 8.—A newly published volume of Lenin's writings on war and peace was recommended highly today by the Government newspaper Izvestia as having a vital bearing on basic issues in the present-day world. * * *
>
> Lenin's theory of revolution, Izvestia said, gave to the national units of the international proletariat faith in the possibility of overthrowing their own bourgeoisie and achieving a "socialist revolution in individual countries."

This shows once more the Communist theory of revolution. Let us not forget that our theory is revolutionary, also. The most revolutionary document in history is not the Communist manifesto of 1848, but the Declaration of Independence of 1776.

Listen to this:

> We hold these truths to be self-evident: That all men are created equal; that they are endowed by their Creator with certain unalienable rights; that among these are life, liberty, and the pursuit of happiness; that, to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed; that whenever any form of government becomes destructive of these ends, it is the right of the people to alter or to abolish it. * * *
>
> When a long train of abuses and usurpations, pursuing invariably the same object, evinces a design to reduce them under absolute despotism, it is their right, it is their duty, to throw off such government.

To a confirmed Communist, who feels that he belongs to a world-wide totalitarian state, body and soul, these ideas of individual liberty are revolutionary, and subversive.

THE ECONOMIC COOPERATION ACT

During the war and in the 4 years since VE-day our leaders have made many mistakes since they did not understand clearly the nature of this conflict. We poured out a lot of help for Europe through UNRRA, the British loan, and relief bills before we got around to a plan. The framework of that plan was hammered out in the Eightieth Congress and is contained in the ECA law. It is simple—we help those who help themselves and each other and help us. The plan has worked. Western Europe is recovering and uniting economically, politically, spiritually. There have been mistakes and waste and disappointments, but things have been getting better for our side.

We are now asked for an extension of this program for the second out of 4 years. It is significant that the ECA Administration has asked for few changes in the law, none of them fundamental. Apparently we built wisely when we worked out the policy and administration of ECA in the Eightieth Congress, and we did it promptly.

THE FOREIGN ASSISTANCE PACKAGE

A year ago the Committee on Foreign Affairs unanimously brought to the floor of the House the Foreign Assistance Act of 1948, a global undertaking without precedent in our national history in time of peace. In that measure, which has been praised by those charged with its subsequent administration and direction, we combined the several items of foreign assistance which required the immediate and positive action of the Congress. The bill, as then reported, contained four separate and distinct titles. Title I and title III had been received from the administration in an atmosphere of urgent haste, accompanied by a dead-line date.

The four titles of the Foreign Assistance Act of 1948 covered such related subjects as the European recovery program, the International Children's Fund, Greek-Turkish assistance, and aid to China. When it was announced by the committee that all of the programs were to be included in a one-package bill the committee majority was promptly assailed for proposing the package-bill approach. The procedure was condemned by many as one which would confuse the American people and result in delay of necessary action by the Congress. Contrary to these dire predictions, the measure, with its four titles, passed the House on March 31, and became law on April 3, 1948, far ahead of the date even the most optimistic outside the Eightieth Congress had believed action could be completed on these problems.

In January 1948 our committee voted that our hearings should cover United States foreign policy for a postwar recovery program, instead of being confined solely to the economic situation in one area—Europe. We insisted on taking a world-wide view of the situation—economic, political, and military—with the hope of establishing world-wide, long-range policies to replace piecemeal, stopgap measures. Our committee has abandoned the package approach this year. I regret it.

The total bill for international affairs and finance to be presented to the American taxpayers this year will exceed $7,500,000,000 for economic, military, and political measures. I do not believe that all of this could or should be presented to Congress in a single measure. I do believe in putting together related proposals—the package approach. Preparation and presentation of such package bills would result in greater consistency in policy and better understanding of our foreign affairs by both the people and the Congress; would present each major problem to be considered by Congress in the light of our whole foreign policy, our total tax burden; and would avoid the delay and confusion which bringing many foreign-policy bills to the floor one by one necessarily involves. Nevertheless, the administration is once more presenting its program in piecemeal, stopgap fashion. Even the items we presented in the Foreign Assistance Act of 1948 are to be separated.

The bill now being presented is solely for economic aid to Europe. While I believe that economic recovery in Europe is an essential part of our over-all foreign policy, and have assisted in its prompt consideration in our committee, I am convinced that it is only a part of

our over-all policy; that military and political policies are inextricably intertwined; that it would be far wiser to consider our over-all recovery-program problems in Europe and elsewhere together as we did last year, rather than piecemeal. We Republicans raised this issue in committee. When we were overruled, we proceeded to help in perfecting the fraction of the program presented in this bill, which covers only ECA, title I, of last year's act.

CHANGES MADE IN COMMITTEE

Your Committee on Foreign Affairs made many changes in the ECA bill the administration sent down to be introduced. We made an independent, bipartisan audit of ECA in the light of experience and changing conditions. I wish to mention five of these changes.

EUROPEAN UNION

We changed the statement of policy. A year ago we merely encouraged the countries of Europe to carry out their own plan of September 22, 1947. This year we struck out this language and declared—see page 2, line 24, of the bill:

The policy of the people of the United States to encourage the unification and federation of Europe.

It is somewhat significant that this first amendment to the bill had bipartisan sponsorship: the gentlewoman from California [Mrs. DOUGLAS], the gentleman from Minnesota [Mr. JUDD], and myself.

As events unfold and develop it is becoming increasingly clear that without increasing unification in Europe, economic and political, the Marshall plan is "operation rat-hole." This was stated more tactfully but nevertheless forcefully by Mr. Hoffman and Mr. Harriman in our hearings. See page 11 of our committee report.

We cannot force these countries to unite. That is not the American way set out in our Declaration of Independence; you don't force free people to do things. This is the apparent weakness but ultimate strength of our system.

On the other hand, what we mean by unification is getting away from vetoes. The OEEC, the proposed Atlantic Pact, all have the fatal weakness of the United Nations; one country can veto action. What is needed for unification is a voluntary agreement, under certain conditions, on certain questions, to submit to majority vote. This involves a limited sacrifice of sovereignty. The 13 united states of America found out that this is a good thing. The 16 disunited states of Europe must learn that what Lord Lothian called "the anarchy that is Europe" cannot long endure. Furthermore, we are going to find, when we come to implementing the Atlantic Pact, that a mere treaty of alliance is only a temporary arrangement. We must move forward with these nations, and other nations, toward greater unity, or we will move backward toward anarchy again.

THE AMOUNT

Our committee has cut the authorization $200,000,000 below the amount requested by ECA and below the amount as passed by the Senate. Fifty million dollars was cut from the supplementary appropriation for April to June 1949, and the entire $150,000,000 of contract authorization beyond June 30, 1950, was cut out.

I think the amount of appropriations needed for next year will be less than the amounts we have authorized, although as far as we can figure, juggling 12 months, 15 months, and 12 months again, the bill before you is $730,000,000 less for the fiscal year 1950 than the amount made available in 1948 for the first year.

Remember, in this bill, on this matter of amount, we are merely establishing ceilings. When we know more about the prices for this year, when we have the cost of arming Europe before us, we can then make an intelligent review of the appropriations for ECA. I doubt whether we can do this intelligently now. However, I wish to call attention to the following statement taken from our Republican minority views:

Our committee established only over-all limitations on appropriations. A careful and detailed review of the amounts needed in the light of conditions then existing must be made by the Appropriations Committee, which is the appropriate committee for that purpose. The bill and the report make no change in the basic law which provided in section 114 (b) that "Nothing in this title is intended nor shall be construed as an express or implied commitment to provide any specific assistance whether of funds, commodities, or services, to any country or countries." There must be no repetition of last year's attempt to distort limitations into commitments, legislative maximums into appropriation minimums.

GUARANTIES

Now as to guaranties:

I was author of the guaranties provision in last year's act, but it has not worked well. To date only $3,587,614 has been used out of the $300,000,000 we made available, for 5 industrial contracts in Britain and 11 magazine and movie contracts, mostly in Germany. The use of guaranties is blocked in two ways, first, because the same amounts were available for loans and the other countries did not seek to use them, and, second, the guaranty was too limited.

In the bill this year we have provided a broader guaranty. It is not a business-risk guaranty. It merely covers convertibility of earnings of foreign currencies into dollars and covers against losses by expropriation, revolution, and war. It is going to encourage the participation of private enterprise in European recovery. The whole Marshall plan is a gamble. We bet it is going to result in recovery; that foreign currencies will be freely convertible into dollars; that recovery will not be wiped out by war, revolution, or government expropriation. Therefore, by these guaranties we only cover for individuals the special risk involved in the Marshall plan for all of us, the loss we all suffer if the plan fails. Use of the guaranty is going to involve some pioneering on economic frontiers. Every guaranty must be approved by ECA and the country receiving it. At best it will result in a great encouragement to private investment, will get people doing business with other people, the fundamental basis of mutually profitable trade, and will cost our taxpayers nothing. At worst, if we have to make payment on all the guaranties we will be as well off as if we had made grants for such purposes in the first place and we will have foreign currencies in our Treasury which we alone control, instead of having joint control over counterpart funds in some other countries. Our experience with guaranties in the next year will help to develop plans for investment under the President's point 4.

SMALL BUSINESS

There is a small-business amendment already in the bill. I notice the Senate adopted another. My colleague the gentleman from Alabama [Mr. BATTLE] and I proposed an amendment, shown on page 7, line 12, of the bill, to make available to suppliers, small business in the United States, information about purchases to be financed by ECA. We want to encourage individual enterprise in private channels of trade. On the other hand, we do not want European purchasers playing favorites over here, and we do not want them to miss bargains because their needs are not known to many suppliers. Under this amendment, which we are informed is workable, small business will have a chance to be informed of the opportunities in this program.

ITALIAN EMIGRANTS

There is the shipping amendment to provide 10 ships for the export of Italy's most precious and important export, emigrants. That will be described more fully later, but that is one of the most significant amendments put in this bill.

There are many other amendments we have made. There will be many offered which we will consider. The members of your committee do not feel we are the final and divine repositories of all wisdom, but we beg of you to remember that most of the proposals you have heard of have been weighed rather carefully in our committee, and the good ones have been incorporated in the bill.

Mr. HERTER. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. HERTER. I wonder if the gentleman would be willing to tell us about the stock-piling provisions of the bill. I do not recall that they were covered in his statement.

Mr. VORYS. In view of the limitation of time, the stock-piling provisions will be referred to more at length by others of my colleagues. Let me say stock piling has been extremely disappointing to me in the past year, and by putting in additional requirements for the following year we hope finally to start to get something back for our stock piles out of this vast outlay of effort and materials on our part.

Let me say one last word. Of course, I do not like to spend $5,000,000,000 on this; I do not like to spend three-fourths of all of the tax income of our Federal Government on past wars and preparation for future wars. If anybody can tell

me how to avoid it, I will help, but we cannot avoid it by ignoring the threats to our security. I have seen countries devastated by war. I believe in a policy of arranging to have our wars away from home.

What we find is that destiny has thrust our country into the position of world leadership. We did not want it. We want nothing out of it, but now that we must either lead or die, we will lead, to a world of peace on earth, for men of good will.

Mr. KEE. Mr. Chairman, I yield 23 minutes to the gentlewoman from California [Mrs. DOUGLAS].

Mrs. DOUGLAS. Mr. Chairman, may I, too, pay my compliments to the distinguished chairman of our committee. He took over the chairmanship of the Foreign Affairs Committee at a most difficult time. We had before our committee this very important legislation, which is so very far-reaching in its effects. We look to him with pride and respect. He is a man of great attainments. I am happy to be able to pay my respects to him this morning.

I would like to praise the work of the clerk of the committee, Mr. Boyd Crawford, whose abilities are far beyond average. In the weeks following the loss of Mr. Sol Bloom, chairman of the Committee on Foreign Affairs for so many years, Mr. Crawford's contribution has been very, very great. I pay my respects to Mr. Bert Marshall, a staff member, who, as I said the other day, is four in one, because really he has acted as though he were four staff members, instead of just one. The committee is indebted to him for the service he has given.

When we passed the European Recovery Act 1 year ago we knew that we were backing a 4-year program new in the history of nations. We had hopes but no assurance of success.

Would the nations of Europe, individually, exert the self-discipline necessary to help themselves? Would they, collectively, have the restraint and understanding necessary to help one another get back on their feet? The essence of the program was self-help and cooperation.

Could western Europe overcome the barriers of language, custom, and habit and work together toward a common goal?

This was the calculated risk that we took when we helped underwrite the European recovery program.

The European recovery program is succeeding. No amount of debate can obscure this fact.

The nations of western Europe have exerted self-discipline. They have practiced restraint.

Their mutual understanding and cooperation have resulted in a remarkable degree of economic recovery in just 1 year.

The people of the United States started a chain reaction that has resulted in new patterns of thinking and behavior. We put up our money which has been matched in local currencies, dollar for dollar. Similarly the participating countries have made funds in their currencies available to other CA participants.

The first year of ECA operation has been successful beyond even the most optimistic hopes of the strongest supporters of the program.

The result is that new hope and determination are to be found in Europe today. Let us not forget conditions in Europe a year ago. Economically and politically France was in dismal straits. Italy was in immediate danger of Communist domination. Production and trade were stagnating throughout Europe.

The economic situation was more precarious in 1947 than at the end of the war. In the summer of 1947, Europe had the worst harvest in many years. Industrial production had fallen vastly below even minimum requirements. The countries of western Europe had exhausted their foreign exchange resources.

Prices of imported goods and raw materials were soaring in world markets, while the volume of western Europe's exports was sinking. Foreign exchange earnings covered less than 40 percent of needed imports. Intra-European trade had failed to develop. Because of inflation and growing monetary instability, all efforts to increase production had failed.

A year ago western Europe, with its 270,000,000 inhabitants, was drifting toward economic collapse and political chaos. It was clear that the European nations could not recover from the war without aid of an extraordinary character. The United States undertook a program to provide that aid.

The men and women of this country—whether they were in the factory or the field, the office, or the shop—responded with a generosity and a comprehension of the future which was magnificent. We had not been bombed. We had not suffered as other nations had suffered in two terrible wars. These facts made the willingness for further sacrifice on the part of our working men and women all the more remarkable.

I am not going to trouble you with the question whether we entered upon this program for humanitarian reasons or for reasons of self-interest. If our own interests had not been involved, I am sure that the humanitarian reasons alone should have sufficed to embark this Nation on this great experiment in international cooperation. If there had not been humanitarian reasons, I believe the reasons of self-interest alone would have been enough. Happily we were in a situation where our own realistic interests and the hopes of all humanity were at one with each other.

Happily, also, the determining number of the American people had the insight to see that such was the case.

The faith of the American people has been justified.

Production is up all over Europe. Trade is reviving.

Let us look at the figures for 1948. Let us test this by example:

Factory and mine production is 14 percent above the 1947 level.

Steel production, excluding western Germany, is 25 percent above the 1947 level.

A gain in electric power output to 65 percent above prewar and 10 percent above the 1947 level.

A gain of one third in rail traffic from the prewar base—a tremendous achievement in view of the shortage of equipment.

A gross investment in all countries is equivalent to $30,000,000,000 a year—six or seven times the total of ECA aid—a further example of the chain-reaction effect of American aid. This figure alone is sufficient proof that we have helped restore western Europe's confidence in its own future.

Agricultural crops one-fifth larger than in 1947.

A 41-percent gain in bread grains from 1947 to 1948—but production is still below prewar levels.

Let us look at trade figures.

A 25-percent gain in exports in the United Kingdom.

An export gain for Italy of almost 50 percent.

A 30-percent rise in exports for the Benelux countries.

The importance of these gains in exports cannot be overstressed. They represent the restoration of trade that is needed to enable western Europe to pay for its needs from the outside world. In the year before we started this program, it was able to pay for only 40 percent of its imports. It is now able to pay for 50 percent of its needs. We know that it still has far to go to gain a self-sustaining basis. But we know also that it has come a long way in just 1 year. We know that this program is working.

This record is remarkable. These figures warrant our continuation of this program. But we must not be misled into interpreting these figures to mean that European recovery has been achieved.

In western Europe, the population has increased by 20,000,000—cities, fields, and industries have been destroyed, and invisible assets and dollar and gold reserves have been expended. This means that prewar levels of production are utterly inadequate to maintain a safe minimum standard of living. Western European nations must greatly increase their production and their exports over prewar levels if they are to become self-sustaining and even approach the standard of living they had before the war.

Present European recovery figures must not be mistaken for prosperity.

We must keep our minds very clear as to what we mean by recovery when we attempt to assess the rate of recovery in Europe.

The word means first the stage when the most obvious wounds of war are healed.

The second stage comes when the recovering nation goes through the process of freeing itself from the necessity of outside assistance.

Recovery enters its third stage when the nation can stand on its own feet and

improve its position by its own resources and on its own credit.

Finally, it will have recovered to the point where the days of austerity will be behind it and men and women again will know decent living as a reality—not just as a hope.

The European recovery program is a program to see western Europe through the second of the four stages. We must always remember that recovery in the sense of getting well is different from recovery in the sense of having got well. Europe is recovering. If this program succeeds—as I believe it will surely succeed—Europe in 1952 will have ceased to be a patient. It can then pursue the path to complete health through its own strength.

Increased industrial production and expanded exports in Europe do not mean that the need for United States aid is at an end. Still greater progress along these lines and toward other recovery goals must be made if Europe is to become independent of extraordinary outside assistance by 1952.

The accomplishments of the first year make me confident that they can achieve their long-term goals. But progress to date must not be twisted and misinterpreted to mean that the requirements for United States aid have disappeared. Accomplishments to date are rather the strongest arguments for the continuation of the European recovery program. For it is only with United States assistance, needed to obtain vital commodities and services available only for dollars, that the European countries can continue along the road to full recovery.

The case of the United Kingdom is an example.

Because of the singular recovery progress made by Great Britain, its need for aid has been questioned in some quarters. In particular, a speech delivered in February by Mr. Christopher Mayhew, a United Kingdom delegate to the United Nations, led to queries from many quarters as to whether United States assistance to Great Britain was any longer necessary. The gist of the speech as widely reported was that the United Kingdom had virtually completed the process of recovery.

The recovery which Mayhew talked about permits each Briton 16⅔ cents worth of meat a week; 2 ounces of bacon or ham a week.

Mr. Chairman, in case the Members do not know what 2 ounces of bacon amounts to—it is a slice and a half for a week.

Two ounces of ham is a slice as big as a dollar bill and as thin as a silver dollar—for a week.

The ordinary allowance of eggs is two per week, and the British are proud that they can give four eggs a week to prospective mothers.

This kind of recovery is not to be confused with prosperity. What the British are after is financial solvency, and they are going about it in a manner that demands our highest admiration. Even in 1952 or 1953, at the end of ERP, what will be their standard of living?

It is a standard of living, which, to quote the Chancelor of the Exchequer, "would approach the prewar level as a whole." He goes on to say, "Owing to the more equal distribution of the national income, a large part of the population will enjoy a markedly better though less varied standard of food consumption than before the war." What does this mean? This means that there would still be a shortage of meat, eggs, milk, and fats, but that there would be an equitable distribution to all Britons of what food there is. So much for the recovery of which Mr. Mayhew spoke.

The idea that the British no longer need our aid is just dead wrong.

The United Kingdom has made remarkable strides toward long-term recovery in the first year of the ERP program. Production already exceeds prewar by a considerable margin. Britain is now approaching a position in which its total earnings in all currencies will balance, or nearly balance, its total payments in all currencies. The UK is already running a substantial export surplus with other participating countries and with other countries in the sterling area. But the crux is this—and no will to self-denial on the part of the British can solve it: What Britain must have in food and raw materials to insure further recovery can be bought only in dollars; and Britain's sterling balances cannot be converted into dollars. It still does not earn enough dollars to pay for the goods which it can obtain only for dollars and which it requires to continue, or even to maintain, its recovery progress. The only way Britain can secure the dollars required for these indispensable goods is through continued ECA aid.

Britain is closing her dollar gap. In their second year of ERP, Britain will need only three-fourths as much aid from us as in the first year of the program. This cut of one-fourth is as much as the program can stand if the British are to regain a self-sustaining basis in two more years.

What would happen if we cut, say $200,000,000 more?

According to Mr. Hoffman's testimony, we would have to leave intact the minimal needs for keeping body and soul together. Would we then cut raw materials? If we did, we would also cut Britain's manufactures. This would cut her ability to export to dollar areas. The $200,000,000 we cut would result in an estimated $70,000,000 loss in earning power. Britain would not have slipped back in imports by $200,000,000 but by $270,000,000.

Mr. Hoffman has testified that if this $270,000,000 were spread over the British program, the following reductions would be necessary:

First, $110,000,000 in raw materials. This would be broken down into perhaps $60,000,000 in cotton imports, $25,000,000 worth of lumber and wood pulp, and $25,000,000 in nonferrous metals.

Next, $90,000,000 would have to be cut from food imports, requiring elimination of $60,000,000 worth of dairy products and citrus fruits and dried fruits and a $30,000,000 reduction in other foods and tobacco. Also required would be a cut of at least $40,000,000 in capital goods, which would deny Britain the specialized type of equipment obtainable only in the United States, including machine tools and vitally needed mining machinery. The remaining $30,000,000 of the total import cut of $270,000,000 would have to come from shipping costs and other services.

A set-back in Britain would endanger recovery throughout western Europe.

This is a program of cooperation and mutual assistance, not a series of independent schemes evolved by each of the various countries in a vacuum. Britain's recovery ties in with France's, and that of the Netherlands, and on down the line.

In this important respect the European recovery program differs profoundly from the loans made by the United States Government and private American lenders after World War I. These loans were in no way related to a constructive and concrete program of European recovery based on self-help and mutual aid.

One of the most reassuring aspects of the first year of the program has been the clear recognition by the participating countries that their salvation depends upon their progressively closer and closer cooperation. In a continent where intensely nationalistic views have been prevalent for many hundreds of years, the cooperative efforts of the ERP countries along both political and economic lines have been noteworthy. Even further progress toward economic unification and political federation is to be expected in the coming year. The committee has specifically expressed its desires in this regard in the amendment to section 102 of the act contained in the bill. We should not, however, lose sight of the really remarkable advances of the past months. The Brussels Pact, the establishment of the Organization for European Economic Cooperation and the Council for Europe deserve high acclaim. The work of the OEEC has been especially praiseworthy.

The 16 nations participating in the Marshall plan have set up a joint council of economists to represent them. This organization is known as the OEEC. It was established soon after the passage of the Economic Cooperation Act in April 1948. Its job is to plan and coordinate the joint recovery program of the western European countries with United States assistance.

This council acts as a clearing house on all economic programs of the participating countries and seeks to balance one program against the other, so that in the end there is one unified plan working for the mutual benefit of all.

The Council is something new in the history of Europe. Sitting around a table, the participating countries reveal trade secrets, industrial plans, and agricultural programs. It continuously studies and evaluates the programs of the participating countries, one by one and all together.

One of the most significant results of cooperative action in the OEEC has been the development and operation of the agreement for intra-European payments and compensation. This plan was designed to prevent intra-European trade stagnation caused by payment difficul-

ties. It constitutes the first step toward mutual aid among the participating countries and multilateral balancing of payments among themselves.

The dollars which we send enable the countries to buy goods that can be paid for only in dollars. This, however, solves only part of the problem of countries which need assistance to meet not only their dollar payments, but also their payments in sterling, Belgian francs, or other western European currencies.

In the period immediately following the close of the war these problems were met to some degree by the use of gold and hard-currency reserves of debtor countries and the extension of credits on a bilateral basis by some of the creditor nations. Early last year, however, intra-European trade threatened to shrink sharply as a result of the exhaustion of such reserves and credits. The OEEC, in conjunction with the ECA, evolved the intra-European payments plan as a solution.

Under the plan a sizable portion of ECA dollar assistance is made available as conditional aid. This dollar assistance is so named because it cannot be used by a country until that country has extended to other participating nations so-called drawing rights. Just as this country extends dollar assistance, so those ERP countries which have favorable balances in their trade with their fellow participants extend assistance in their respective currencies. The country receiving the conditional aid from ECA cannot use that aid until the equivalent in drawing rights is actually extended to a debtor country.

The conditional-aid dollars allotted to the creditor ERP countries under the intra-European payments plan are not additional dollars over and above those needed to finance essential purchases from dollar sources. They represent a portion of the basic dollar requirements of the recipient countries. What the plan really amounts to is that certain European countries carry on smaller Marshall plans—important contributions to the over-all recovery of western Europe.

During the current fiscal year some $800,000,000 in conditional aid and an equivalent amount in drawing rights were extended through the intra-European payments plan. This gave intra-European trade new life.

The United Kingdom made the biggest contribution in drawing rights. It extended a total of over $300,000,000 to other ERP countries. Britain also extended the equivalent of another $200,000,000 in assistance by unblocking sterling in that amount for purchases by other ERP countries, chiefly France.

The plan has been outstandingly successful. It has been indispensable in reviving trade. Important recovery goods such as coal, steel, and chemical and forest products would otherwise not have been available to certain participating countries. By bringing into the economies of these debtor countries a greater volume of goods and services than would otherwise have been obtained, the plan lessened inflationary pressures and improved their fiscal position.

Some people seem to have the mistaken idea that the citizens of the ERP countries are getting Marshall-plan goods for nothing—that ERP aid is a complete gift. This is simply not true. Goods furnished under the recovery program are sold through normal trade channels to buyers in the participating countries. The buyers pay the full value of the goods in their local currency. The local currency equivalent of the dollar cost of the goods is deposited by the government of the participating country in a special local currency account, in accordance with its bilateral agreement with the United States and the provisions of the Economic Cooperation Act.

Money can only be withdrawn from this counterpart account for financial stabilization, for increasing industrial production, or for other recovery purposes. Our Government must approve every withdrawal. The ECA and the National Advisory Council examine every project in advance of approval. The counterpart funds are made to work for recovery. In many cases counterpart projects are undertaken in conjunction with the adoption of various specific financial reforms by a participating country.

Counterpart projects vary from country to country. The recovery problems faced by the various countries differ and call for different treatment.

In Italy deflationary conditions existed last year. The use of counterpart funds to restore industrial activity and for the formation of new local capital was therefore approved. In Italy counterpart funds are also being spent to rebuild war-destroyed railroads, to reclaim land, and to restore waterways and harbors.

In the United Kingdom, in contrast, extremely strong inflationary pressures were held in check only by controls. Accordingly the withdrawal of counterpart funds in Britain has been approved only for debt reduction. Similarly in Norway, counterpart deposits have been used to reduce the country's public debt. No other single measure in these two countries can contribute as much toward financial stability.

The financial picture in France is especially complicated. There are strong inflationary tendencies. Yet the increase of productive capacity is essential for France's long-term economic stability. Increasing the volume of credits for industrial expansion is initially inflationary. It is therefore necessary to walk a tightrope in the use of France's counterpart funds.

The use of the counterpart funds was coupled with widespread governmental financial reforms. These included the withdrawing of large denomination franc notes to contract the amount of money in circulation, tax increases, improvements in tax collections, and the establishment of credit controls. These were bold, new steps in French financial policy. The results can already be seen in greater political and financial stability, lower prices, restoration of confidence in the franc, and marked success in floating a large internal loan.

As of the start of February, counterpart fund projects, calling for the expenditures equivalent to approximately $1,750,000,000, or almost 60 percent of the total, was for use in the promotion of production. Use of over $500,000,000 was approved for reduction of national debt. The remaining 11 percent of the total approvals were for such purposes as the construction of housing facilities and for special projects, such as the care of refugees.

Five percent of the counterpart deposits in each country are reserved solely for the use of the United States. From this 5 percent of the funds the ECA pays the local currency expenses of its missions abroad, and also makes purchases of and initiates projects for the development of strategic materials.

And so we see that through the intra-European payments plan and the counterpart fund accounts, ECA dollars do double duty.

American aid is helping our western European friends. ECA dollars are also vital to our own United States trade. A thriving United States economy cannot exist isolated from the rest of the world. Our country always has had, and I hope always will have, extensive and competitive trade with Europe and with the rest of the world.

Without the ERP, western Europe would become, as Mr. Hoffman put it, a desert island so far as American business is concerned. With the ERP, the trade between eastern Europe and the United States can be maintained, after 1952, on a sound basis. Both we and they will be the gainers.

The ECA is interrelated with other action that must be taken to secure and develop the peace and well-being of the world. It is an important part of that total effort toward increasing production through the world. Its success will depend in great measure upon other policies and programs.

We must watch our German policy lest in pushing Germany too far and too fast we prejudice our wider interests in Europe.

In the administration of Germany, even if there were no other powerful political reasons, as there are, for preventing the restoration of the German cartel managers of Europe, we should avoid them to assure that the program will be one for developing the maximum production for the people of Europe.

Western Europe cannot carry the insupportable load of oversized armies and be self-supporting by 1952. In implementing the Atlantic Pact, Congress must guard against channeling the resources of recovery into military uses.

Any real security must be built on the foundation of a stronger stable economic system—the people have an incentive to defend such a system—therefore economic recovery must come first to western Europe. Without it all the rearmament in the world will not guarantee security.

ECA is not an undertaking for the timorous. A year ago there were those who were afraid that the program would fail. Now they are afraid it is succeeding too well. When markets shrink they are afraid and when markets expand they are afraid. Living in constant fear

they fear planning most of all. They are satisfied only with speeches about democracy and free enterprise. Action is beyond them.

The European recovery act is a plan—a plan supported by the people of Europe and America—a plan that seeks to avoid economic collapse and political disintegration.

By actively supporting this ECA program, the people of America have given hope to the people of Europe. They have shown them the real potential of democracy.

Mr. MILLER of Nebraska. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred Members are present, a quorum.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentlewoman from Ohio [Mrs. BOLTON].

Mrs. BOLTON of Ohio. Mr. Chairman, I take great pleasure in paying my own personal respects to our new chairman, Judge KEE, who assumed office at a difficult moment. He has shown himself to be a skillful chairman, a man of justice and fair dealing and has won the regard of majority and minority as well. Let me take this opportunity to express to the Democratic members of the powerful Committee on Ways and Means appreciation of the quality of the seven new members appointed by them, some but newly come to the Congress. Only a clear realization of the importance of the Committee on Foreign Affairs on the part of the Democratic members of the Committee on Ways and Means could have resulted in giving such splendid new material to this great committee.

In considering H. R. 3748, which is a bill to amend the Economic Cooperation Act of 1948, it is my earnest hope that we shall not forget the fundamental reason for having an ECA program at all. It was not to subsidize business in America. It was to provide means by which the European countries could, with a little help, pull themselves up by their own bootstraps. This, they are doing.

Those of you who have been over during or since the war, as I have been, those of you who have tasted even a little the terrible conditions in which human beings like ourselves—and let us not forget this—have been forced by circumstances beyond their control to eke out such agonized living as war had forced upon them, have a partial background at best, upon which to evaluate conditions as they are today.

I want to urge you not to forget the conditions you have seen. I want to remind you that the rubble you saw still houses hundreds of thousands of men, women, and children whose hearts and minds have had little opportunity to throw off the effect of the war years and their aftermaths.

Improvement there has been. There is more to eat, there is more work to be had, and there is more physical strength with which to work. In addition there is hope, without which all life is vain. No one who can compare conditions before this help was given with conditions now can fail to recognize the part the ECA program has played in the difficult and painful process of pulling Europe out of the shadows. No one who knows conditions as they are today can fail to recognize the fact that there is still a very great deal to be done. This is not the moment to withdraw. Fortunately the Congress sees this and is undertaking to continue American aid with sanity and judgment.

I have asked for this time to discuss, to bring before you the one great fundamental issue which faces the western world—and actually the world as a whole: The cold war between those whose god is the state with no regard for the individual, save as he is the tool of those who have secured for themselves the power of the state and those who believe that because God is, we are, and that, therefore, the individual is of basic importance and that it is his growth, his evolution that must be our concern.

This Armageddon is not taking place on the sandy plains of the Near East but rages all over the world. It is an all-out war of believers against nonbelievers, not just of the Christian against the non-Christian but of those who deny the very existence of Deity against all those who believe in Him, Christian and Jew, Hindu and Moslem, Sufi, Vedantist, Taoist—even those whose eyes have reached no farther than the totem pole.

Every concept we have of what humanity's goal is, is being bitterly attacked by those who say there is but one goal: To reduce the entire world to a police state which shall be controlled by the Kremlin. That is the battle that we are waging which will never be won with more guns and more war. That is not the way. The only possible way is through such agencies as ECA, through such people as go out, imbued with the spirit of helpfulness, imbued with passionate determination to see the people of the world raise their heads once more with hope, with faith, not only in us but in themselves. That is the crucial thing.

I am reminded at this point of a little story that was written me by one of my very good friends, a padre. He wrote about a little girl who when she was saying her prayers thanked God for mommy and daddy and for brothers and sisters, and then, to her mother's amazement, branched out on her own, and this is what she said: "And, dear God, take care of yourself, because without you we are sunk."

Now, that is where the world is. Without God we are sunk. Deny His existence and man signs his own death warrant. Eventually, the Communists all over the world will be destroyed by their own insistence that there is no such thing as Spirit, that there is nothing above them. Unfortunately, our civilization might be engulfed with them, our entire way of life be ended, and all man be drawn down into the stream of death and destruction. But that does not have to be. It is for us here and now to keep it from being.

I was privileged to be chairman for 2 years of a subcommittee of the Committee on Foreign Affairs having to do with international movements. All Members of the Eightieth Congress have received copies of the subcommittee's report called The Strategy and Tactics of World Communism, which is now House Document No. 619 and so available to all Members of this Eighty-first Congress. It was my privilege and responsibility to have to dig down into the raw material of what they have actually said, what they have actually preached, what they have actually told their people. They have learned to make the most of chaos; to create it and then plant their seeds in it. They have learned to bring disunity into millions of places all over the earth.

Mr. VORYS. Mr. Chairman, will the gentlewoman yield?

Mrs. BOLTON of Ohio. Yes; gladly.

Mr. VORYS. Will the gentlewoman tell us just in a sentence or so how many of those countries behind the iron curtain and on its edge she has personally visited, so that the committee may know that it is not only her studies but her personal observations that are contained in the reports?

Mrs. BOLTON of Ohio. I will be glad to. I think the Congress knows that in 1945 I was a member of a committee that went to eastern Europe, including two weeks in Russia. There, for the first time in my life, I found myself downed by poverty, by the furtiveness so noticeable at every turn, hardly a smile in Moscow; just pressure on all sides with the great square of the NKVD throwing its shadow over all.

We were in Belgrade. We were in Budapest. In Belgrade, in order to see the head of the opposition party we had to go by night along completely dark streets, slipping in, like an Oppenheim spy story, into a dark house. Only after the door, which was of metal, had been closed were the lights turned on. Yes; when one has tasted even a little of the power of the totalitarian state, when one has felt the atmosphere of the police state, there is nothing one would not do to keep it from encroaching into one's own country or into the other free countries in the world.

Let me tell you what Mr. Vishinsky said when we asked for clarification: "Mr. Vishinsky, in our short stay we have been discovering that the communism we have been taught was just a beautiful theory. The idea that everybody shared, and shared alike, that there were no differences just isn't so at all. We do not want to go back to America without being certain that our observations are accurate. Will you explain why it is that we find it all so different?

"Oh, but my dear friends!" said Vishinsky, "you must understand communism constantly changes. Marx gave us the ideology, Lenin interpreted it, Stalin is making of it a Russian phenomenon."

And what a phenomenon it is.

Because there is so much apathy among us, because so few are alert to the true meaning of communism, I am going to take my time to give you a few verbatim quotes to carry with you not just over the week end to the moment when

we vote on this bill, but to remember every day for the rest of your lives.

We wonder why we cannot trust their word. It is part of the tenets of their teachings that morality in the sense that it stems from God is not for them. Listen to what Lenin says in his Training of Soviet Youth:

We say that we do not believe in God. We repudiate all morality.

Listen further, and listen well:

We repudiate all morality that is taken outside of human class concepts. We say that our morality is entirely subordinate to the interests of the class struggle of the proletariat. We had to destroy the old society; we had to overthrow it; we had to keep the unity of the proletariat. That is why we say that for us there is no such thing as morality outside of human society, that any such morality is a fraud. * * * Communist morality is the morality which serves the struggle, which unites the toilers against all exploitation, against all small property, because the small-property owner is a danger to unity. * * * When people talk to us of morality we say "For the Communist, morality consists entirely of compact, united, disciplined, and conscious mass struggle against the exploiters." We do not believe in an eternal morality; we expose all fables about morality. Our morality serves the purpose of helping human society to rise to a higher level and to abolish the exploiters. As we understand the term, it has no other meaning.

Mr. JUDD. Mr. Chairman, will the gentlewoman yield?

Mrs. BOLTON of Ohio. I yield to the gentleman from Minnesota.

Mr. JUDD. Does the gentlewoman agree that if we had been willing to read these documents, read the Communist scriptures, and listen to them and pay attention to them we would not be in the mess we are in today, we would not be in a struggle for survival?

Mrs. BOLTON of Ohio. The gentleman is entirely right. We had had one lesson in Mein Kampf, but it taught us nothing. Read a little of Lenin, read Stalin on Lenin. What is the famous Lenin line which confuses the non-Communist peoples? To move, to go, to advance as far as you can; then, when it does not work, retreat. Yes; open the churches in Russia. That is advisable. But kill the churchmen in Hungary, kill them off, eventually the churches, too, will have to go. When they found the emotional need of the people greater than service to the new state could fill, they opened the churches, their tongues in their cheeks. The more you read their own statements to their people the more certainly you will have to accept the cold fact that the very cornerstone of their way of life is absolute and complete denial of the existence of Deity, and that it is this dictum that they propose to force upon every man, woman, and child on the face of the globe. In effect they say: "We deny Him, and we propose to compel the peoples of the earth to deny Him also."

Mr. Chairman, there is only one goal before the Communist and I am using the term "Communist" very accurately. I mean by a Communist the man who has foresworn God, who has set up the state as his god, and who accepts with fanaticism the demands made upon him by that State. At so many points they are far wiser than we in their management of the minds of men, because they make demands and people like to have demands made upon them. We do not make enough and we lose in consequence.

We should demand service for the God in whom we trust. We should insist that there can be no freedom unless there are restraints and disciplines. Freedom cannot exist under license any more than it can under the NKVD. The goal of the Communists is complete communization of the world, complete control of every human being in it. They do not deviate from that. Everything they do may swing this way and that way but it always moves toward the one end, even though to attain it they may have to resort to the complete annihilation of the major portion of all people who live in the world.

Because of these grim purposes, Mr. Chairman, the ECA was born that the people of Europe and of other countries as well might know that we who believe in God reach out to them in their need, certain that their right as individuals to the freedom for which they have struggled with such fortitude, through so much agony, such anguish, is as vital to man's ultimate victory over the powers of darkness as is our own.

Because of our own need to stand firmly against those who have risen up and with fierce energy and fanatic zeal deny the source of life itself, we cannot contemplate any action save to pursue our course.

ECA has brought hope and its good results begin to show. This is the moment to press on to victory.

Mr. KEE. Mr. Chairman, I yield 8 minutes to the gentleman from Montana [Mr. MANSFIELD].

Mr. MANSFIELD. Mr. Chairman, I would like the Members of this House to ask themselves two questions: First, what would the situation be in western Europe today if we had not inaugurated the Marshall plan; and, second, what will the effect be in Europe and throughout the world if this bill in substantially its present form is not passed? I think you all know the answers. I think you recognize the fact that had the Marshall plan not been put into operation a year ago practically all, if not all, of western Europe would today be under Communist domination, would be subject to pressures from both within and without, and instead of the Communist Parties in the countries of western Europe being in a much weaker position now than they were a year ago, they would be in a much stronger position, and they would have exercised the same kind of control in western Europe as minorities as their counterparts do in the satellite countries behind the iron curtain.

You know also just what this particular measure means to the economy of Europe, to our own country, and to the world in this present measure, because of the fact that we have on the basis of the magnificent success in the first year of this program been able to give hope—been able to give some degree of security to the people of Europe and have launched them on the way to normal prosperity and economic recovery.

Mr. Chairman, this program is, in my opinion, a program for peace. It is the one solid undertaking we have directed since the close of the late war and it is the one program that offers hope of real success, real peace, and real security.

I would like to open with the words of Mr. Hoffman, the ECA Administrator, that "this is the time to hit hard for European recovery." The coming year is a critical year for the success of the European recovery program. This was emphasized to the committee by every witness from the overseas and Washington branches of the ECA organization, as well as by the State Department. During the past year with the help of Marshall aid, outstanding progress has been made toward recovery. The confidence of the people of western Europe in their ability to stand on their own feet again has been restored. The Communists, who have opposed the Marshall-aid program from the start through sabotage, distortion, and falsification, have received set-backs in all the countries of western Europe. The full momentum of the recovery program, which has been so dearly bought, must be carried forward and the United States must back the efforts of the European countries to the full during this coming critical year.

It is for this reason that I urge the Congress to approve the full amount of the authorization provided in the present bill. If the Congress, because of the recovery progress achieved, attempts an unwise economy at this time, the momentum of recovery will be dissipated and recovery itself will be postponed. In the long run, such a course would cost the United States taxpayers more money rather than less.

This year the Congress is confronted with an entirely different situation from that on the basis of which it legislated last year. The amounts authorized in the present bill for the recovery program, during the coming 3 months and the next fiscal year, are firm estimates screened many times, on the basis of almost a full year's experience with the aid program, and with the assistance of the several organizations which Congress in the original ECA act expressly created or contemplated.

The Congress itself provided for the machinery by which these estimates were arrived at. The figures, prepared in the first instance by the individual participating countries, were closely screened by the ECA missions in the several countries working in close touch with the participating governments. The collected country estimates were then submitted to the Organization for European Economic Cooperation in Paris, where the Europeans themselves reviewed the estimates in the light of the total economy of western Europe. The resulting figures were then reviewed in great detail by Mr. Harriman and his staff in Paris. When that review was completed, the program was subjected to the most thorough examination by ECA's staff in

Washington and other departments of the executive branch, in the light of their own views on what was necessary for European recovery and the ability of the United States economy to meet these requirements. The National Advisory Council on International Monetary and Financial Problems, established by the Congress, also studied the requirements and made its recommendations on the figures.

As a result of this screening and rescreening, the European recovery program proposed to the Congress for the next 15 months is, as Mr. Hoffman has said, "a tight fit."

In addition to all these studies, the committee examined in considerable detail the program submitted to it It questioned the Administrator and his principal subordinates, the special representative in Europe and the principal ECA mission chiefs. The committee report refers to the attention given by the committee to such particular questions as the effect of recent price changes, the problem of wheat prices under the prospective international wheat agreement, and the question of prices paid for Middle East oil under the ERP.

The present bill authorizes funds for a 15-month period in order that ECA, like other Government agencies, can be put on a fiscal-year basis, which is also the basis on which the European countries prepare their annual recovery programs. The bill authorizes an amount of $1,100,000,000 for the last 3 months of the current fiscal year, a reduction of $400,000,000 under the amount sought last year for the same period. The bill also authorizes $4,280,000,000 for the fiscal year 1949–50. This is a cut of $410,000,000 in the amount requested by the individual country programs prepared by the individual governments in cooperation with the special ECA missions. It represents a reduction of $1,020,000,000 under the amount requested for the first 12 months of the program a year ago and is a reduction of $730,000,000 under the amount Congress made available for the first 12-month period.

It is the judgment of the committee that the amounts authorized in the bill are firm and reasonable estimates of the requirements for the recovery program during the next 15 months. It believes that any attempt to make an arbitrary substantial cut in the amount will result in shifting the program from recovery to relief. This would defeat the objectives for which Congress undertook the ERP, and in the long run would cost the United States taxpayers more money rather than less. The committee believes, as Mr. Hoffman has stated, that "the way to reduce the cost of this program is not to hamper recovery by arbitrary cuts in this authorization, but instead to do the job as quickly as possible with the minimum amount needed to provide the essential supplies."

I would like to close my remarks on this topic with the words of Secretary of State Acheson before the joint opening session of our committee and the Senate Foreign Relations Committee:

> The outstanding fact which emerges from this first appraisal—
>
> Of the European recovery program by the Congress—
>
> is that the program is succeeding. Every sound precept calls upon us to press that success. The worst of all courses would be to relax our efforts and allow the momentum of achievement to diminish. To do so would be to lose all that has been gained, and to lose, also, the opportunity to bring the program to full accomplishment.

In conclusion, I want to repeat what I said earlier in my speech, and that is: This is not a war program; it is a program for peace and security, and I hope this House will accord full support to this measure on that basis.

Mr. VORYS. Mr. Chairman, I yield 14 minutes to the gentleman from Wisconsin [Mr. SMITH].

Mr. SMITH of Wisconsin. Mr. Chairman, the Eightieth Congress inaugurated the policy of economic aid to Europe. Later it made an appropriation to implement that program. Now it is essentially a part of our foreign policy. I will support a continuance of that policy as amended by this legislation, reserving the right, however, to seek a reduction in the total amount asked for in this bill.

Mr. Chairman, there are some things that the people of this country should understand about the recovery program in Europe. First it is not designed to aid economic recovery in this country; however, it is a perfectly natural view that when there are surplus commodities in this country and European countries can use them, they should be a part of the plan.

Secondly, Mr. Chairman, and very important is the fact that when the Eightieth Congress passed the Economic Cooperation Act of 1948, it carried the proviso, and I quote:

> That no assistance to the participating countries herein contemplated shall seriously impair the economic stability of the United States.

Mr. Chairman, according to Mr. Eccles of the Federal Reserve Board, we are now in a recession. That was his statement a few days ago. I hope it will not become a Truman depression, but there is abundant evidence that a jittery situation exists on the economic front. Prices are declining, unemployment is increasing, all of which indicates that we may be headed for a violent economic shakedown. It is our solemn duty, Mr. Chairman, under the present act to refrain from such action "as might seriously impair the economic stability of the United States."

We must therefore scrutinize the amount authorized in the bill before us. This responsibility should not be shifted to the Appropriations Committee. This is not the time for increased taxation to meet the demands of accelerated spending by government. Leaders in the Senate, on both sides, have said as much. We must decrease spending, and here is a bill where a cut can be made without impairment to the program. We cannot for one moment consider this legislation apart from other phases of our foreign policy. Within the immediate future this House will be called upon to consider a $2,000,000,000 appropriation to implement the North Atlantic treaty. It could well be, Mr. Chairman, that we can meet part of that obligation by reducing the amount requested in this bill. I ask you to give serious consideration to that idea. I think it can be done and I intend to offer an amendment at the proper time. Now is the time to consider the American taxpayer in the light of the present economic situation.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield.

Mr. VORYS. The gentleman will remember we were handed a number of matters, each with an April 1 deadline. We put them together and got them through on time. I join the gentleman in his regret that we have not a broader approach to the whole question this year.

Mr. SMITH of Wisconsin. Then there is a third and final point that I wish to make, Mr. Chairman. It has to do with our over-all foreign policy. From many quarters it has been charged that we have no such policy; that it has been so fluid in the past 4 years, problems are met on a day-to-day basis. What about our policy in Asia? The bill before us is said to contain the sinews of resistance to Russian Communist expansion in western Europe, and that may be true. In China, however, we have nurtured communism by insisting that the Nationalist Government organize a coalition and accept Communists into strategic positions.

What has coalition meant to Poland, Hungary, Czechoslovakia, Rumania, and Bulgaria? Can we expect a different result in China? Of course not. Great credit is due Chiang Kai-shek for refusing to knuckle under to George Marshall and other State Department officials. I charge here and now, Mr. Chairman, that it is the present policy of the State Department to do business with the Communists in China if the opportunity is presented. The move right now is to eliminate the officials of the Republic of China. Are we sincerely trying to stop communism, Mr. Chairman? There are serious doubts in my mind.

Mr. Chairman, it is my humble opinion that the Soviet is using the western European situation as a shield for its real objective in Asia, which is to secure raw materials for industrial purposes and to extend its political influence. It is engaged in a mad race to take over Asia without firing a shot. Then like sitting ducks the Philippines will fall, Japan, the islands of the Pacific, and, yes, Mr. Chairman, perhaps our own Alaska. Do not laugh off this situation. Why do we follow the present course, with all its fatal implications to our own national security?

Mr. JOHNSON. Mr. Chairman, will the gentleman yield for a question?

Mr. SMITH of Wisconsin. I yield.

Mr. JOHNSON. In your opinion, will the passage of this bill giving aid to Europe serve as an impediment, so far as giving the proper aid to China, and other parts of the world, which will come up later?

Mr. SMITH of Wisconsin. I think it will.

Mr. JOHNSON. Will the gentleman explain that a little further, please?

Mr. SMITH of Wisconsin. I do not have time to go into that in detail, but, in my opinion, we are forgetting about our foreign policy in China and carrying all of our eggs in one basket in western Europe. Frankly I do not think there is any disposition to do much about the Asiatic situation, so far as the State Department is concerned.

Let us not forget, Mr. Chairman, that we have directly violated specific pledges made to the Chinese people. At Cairo in December of 1943 Roosevelt, Churchill, and Chiang Kai-shek, in a public document proclaimed, and I quote:

> All the territories Japan has stolen from the Chinese, such as Manchuria, Formosa, and the Pescadores, shall be restored to the Republic of China.

Yet at Tehran, Yalta, Potsdam, and Moscow, and perhaps at other places, our high officials made a secret deal with Stalin and his godless Communists to turn over northern Korea, the Kurile Islands, and Manchuria.

In China proper, Mr. Chairman, we immobilized the armies of the republic by truce after truce until the Russians could arm the farm boys conscripted by the Communist dictators to overthrow our loyal ally. We have dishonored our pledges. We have betrayed our friends not only in Asia but in Europe. After observing the fact of China, of Poland, of Yugoslavia, who dares to trust us? Yet the Stalinist dictatorship has stood by its agents who comprise the fifth column in every country in the world. The open door in China is slowly closing and behind it is the hand of Uncle Sam.

As one man has well said, Mr. Chairman, "Where is the voice of America's conscience? Why is it stilled?" Even if we do not value the respect of the free men of the world, do we no longer value our own self-respect?

All this, Mr. Chairman, has a direct bearing upon our world foreign policy. We cannot ignore the needs of China in this bill and treat it separately. The Wedemeyer report is still locked up in the State Department. Why? Secretary Acheson refuses to answer.

The global aspect of the Chinese problem has become beclouded by demands for internal reform. But we are advised, Mr. Chairman, by State Department officials and by Mr. Hoffman's agents that we must not insist upon reforms in the European countries that now receive our billions. Oh, no, Mr. Chairman, if we did that it would constitute interference in the internal affairs of those countries. In Europe we must not interfere; in China, Chiang Kai-shek is ordered to take Communists into his cabinet, and when he refused, United States troops withdrew from China, authorized loans were suspended, and shipments of arms were embargoed. For 11 long months not a rifle nor a bullet was sent to China.

Internal reform in China may be desirable and necessary but it is of secondary consideration to the civil war going on. The maintenance of China's integrity against the destructive forces which threaten to overwhelm her are much more important.

Some months ago, General MacArthur made a cogent reference to the China situation. He said:

> The problem is part of a global situation which should be considered in its entirety. Fragmentary decisions in disconnected sectors of the world will not bring an integrated solution. It would be utterly fallacious to underrate either China's needs or her importance. For if we embark upon a general policy to bulwark the frontiers of freedom against the assaults of political despotism, one major frontier is no less important than another, and a decisive breach of any will inevitably threaten to engulf all.

General MacArthur has informed the Joint Chiefs of Staff that if China is communized he will need six Army divisions and additional air and naval strength.

Mr. Chairman, it is not only the fact that China hangs in suspense. The fires of Red insurrection blaze high in Indonesia and Burma. Indochina, we are told, is already in the hands of the Communists. The whole Malay Archipelago is threatened, and certainly India and Siam may go down. Here is where the Soviet is driving for an early decision; here great natural resources are available and needed for the Russian industrial potential. Raw material needs are not available in western Europe, hence the drive for Asia. I beg of you to heed the full implications of this situation. It is the most pressing problem in foreign affairs.

Mr. Chairman, if China collapses, it is a whole continent that will be communized, and the way will open for Red Russia's mastery over more than half of the world's population. Stop Russia in Europe? Yes, but not at the risk of the communization of Asia and the islands of the Pacific.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. KEEFE. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. BLAND].

Mr. BLAND. Mr. Chairman, I exceedingly regret to take up your time at this late hour and I shall consume as little time as possible.

When the ECA Act of 1948, known as the Foreign Assistance Act of 1948, was passed, it contained in section 111 (a) the following provision:

> The Administrator shall, in providing for the procurement of commodities under authority of this title, take such steps as may be necessary to assure so far as practicable that at least 50 percent of the gross tonnage of commodities procured within the United States out of the funds made available under this title and transported abroad on ocean vessels, is so transported on United States flag vessels to the extent such vessels are available at market rates.

We thought things were going pretty well; the Members of Congress thought they understood what the language of the amendment in the Foreign Assistance Act of 1948 meant, and the Senate thought they understood it. We were going on with the drive to transport and ship, but in the latter part of the year 1948 Mr. Hoffman, the Administrator, came back home and said they could not do as the law specified, that they did not understand what was meant, and that they wanted legislation in plain language that they could read. Immediately upon the meeting of this session of Congress and the election of our committee, I introduced a bill, H. R. 1340. We had hearings on that bill; we considered it at considerable length, and the bill was reported unanimously. I am not going to take time to read that report to you now, but I am going to put in the RECORD a copy of that bill and a copy of the favorable report on that bill by the Committee on Merchant Marine and Fisheries. In that bill we tried to spell out the intent of Congress in language so clear that a wayfaring man though a fool, or even an ECA Administrator, could read and know what was meant. We got a rule on the bill and we wanted to call it up, but things were in much confusion and the proposed ECA legislation had the right of way. We hoped that we might be recognized, but the rule providing for consideration of H. R. 1340 has not been called up. The bill, H. R. 1340, is still subject to call, but may not be taken up. I am going to incorporate in these remarks the report that was made by the Committee on Merchant Marine and Fisheries on that bill. When it became evident that the ECA bills would have precedence, we were approached by Mr. Bruce, who is connected with ECA, I think, as Assistant to the Administrator. He made the suggestion that we should hold off on H. R. 1340 for awhile, as they were trying to work out the problems dealt with there. I honestly believed they were making an effort and I believe it now. I do not like this approach to the problems dealt with in H. R. 1340, but I thought that the best we could do would be to proceed as Mr. Bruce requested. We were told that it would be agreeable to hold H. R. 1340 in abeyance and call it up if relief was not afforded. An agreement was reached on the amendment desired that was incorporated in the Senate bill, as section 14 of the Senate bill on ECA, S. 1209.

I insert here the bill, H. R. 1340, the report thereon, Report No. 226, and the Magnuson amendment agreed to in the Senate known as section 14 of S. 1209:

H. R. 1340

A bill to provide for United States flag shipping participation in Government-financed cargoes

Be it enacted, etc., That (a) notwithstanding any other provisions of law, except the provisions of the act of April 28, 1904 (33 Stat. 518), whenever the United States Government, or any department, agency, or instrumentality thereof, procures, or makes any loans, grants-in-aid, or provides credits or funds for the procurement of any commodities for transportation by water, at least

50 percent of the gross tonnage of such commodities, computed by countries, and separately for dry bulk carriers, dry cargo liner and tanker services, shall be transported on United States flag vessels at market rates for United States flag vessels, unless the United States Maritime Commission, after investigation, shall certify to the department, agency, or instrumentality of the Government charged with the administration of the laws under which such funds are made available with which the commodities are procured, that United States flag vessels are not available in sufficient numbers or at market rates for United States flag vessels to effectuate the purposes of this section. No recipient of commodities of the character described in this section shall be entitled to reimbursement for expenditures already made unless at least 50 percent of any cargo to be paid for thereby shall have been transported in United States flag vessels as herein provided.

(b) All Federal departments and agencies are hereby authorized and directed to cooperate with the Commission by entering into and carrying out such agreements as may be necessary to effectuate the purposes of this section: *Provided*, That the Commission is authorized and directed to report to the Congress within 90 days after the enactment of this section, and every 4 months thereafter, the action taken hereunder and to give the names of any Federal departments or agencies or any other persons who have failed to cooperate with the Commission as herein directed. The records of the departments, agencies, or instrumentalities charged with the administration of such laws shall be available for public inspection at reasonable hours insofar as such records relate to the transportation of commodities as herein provided.

PROVIDING FOR UNITED STATES FLAG SHIPPING PARTICIPATION IN GOVERNMENT-FINANCED CARGOES

Mr. BLAND, from the Committee on Merchant Marine and Fisheries submitted the following report:

The Committee on Merchant Marine and Fisheries to whom was referred the bill (H. R. 1340), to provide for United States flag shipping participation in Government-financed cargoes having considered the same, report favorably thereon with amendments and recommend that the bill do pass.

The amendments are as follows:

Page 1, line 8, after the word "water", insert the words "which commences on or after the enactment of this act."

Page 1, line 9, after the words "gross tonnage", insert the words "and total transportation charges."

Page 1, lines 9 and 10, after the word "commodities", insert the words "after excluding such cargoes carried on vessels under the jurisdiction of United States military authorities."

Page 2, line 4, after the word "department", insert a comma.

Page 2, line 12, after the word "expenditures", delete the word "already."

PURPOSE OF THE LEGISLATION

The purpose of this bill is to clarify and strengthen the intent of Congress as expressed in section 111 (a) (2) of the Foreign Assistance Act of 1948 (Public Law 472, 80th Cong.) that not less than 50 percent of goods procured within the United States out of funds made available under that act shall be transported on American-flag ships. H. R. 1340 goes further, and specifies that a similar policy shall apply to commodities procured by funds made available under any Government-financed program, except that cargoes carried on vessels under the jurisdiction of United States military authorities shall be excluded from consideration when making the computation.

This bill provides that to the extent that United States-flag vessels are available in sufficient numbers and at market rates for United States-flag vessels, such vessels shall be used to carry at least 50 percent of commodities procured for transportation by water under any Government-financed program providing loans, grants-in-aid, or credits or funds therefor. The determination of the degree of participation by American-flag shipping in Government-financed cargoes shall be made both with reference to the gross tonnage thereof and the gross freights thereon, irrespective of the points of origin or destination of the commodities. The committee feels that no fair evaluation of United States-flag participation can be made unless the freight revenues are taken into account as well as the gross tonnages.

Moreover, it is intended that the computation will be made on a country-by-country basis rather than on an over-all resulting average. Your committee feels that such provision is essential to the interest of the American merchant marine generally, and is the only feasible means of enforcing the intent of Congress with respect to United States-flag participation in Government-financed programs.

In this connection the elimination of the country-by-country provision would be destructive to American shipping in the North Atlantic trades in particular. It happens that the so-called maritime nations, which have protested most strongly against this provision are concentrated in Scandinavia and northern Europe. At the present time strictly commercial cargo is moving in these areas in very small volume because it is being displaced by grants-in-aid cargoes. If no commercial cargo is available over these routes and if our American ships cannot carry at least half of the Economic Cooperation Administration grants-in-aid cargoes, United States-flag shipping lines which traditionally have been operating over these routes would be practically put out of business.

It should be noted that, in keeping with our national maritime policy as set forth in the Merchant Marine Act of 1936, certain American lines are under contract with the United States Government to provide and maintain frequent and regular United States-flag services between the United States and the northern European and Scandinavian areas. These lines are required under their contracts to maintain the regularity of their service, irrespective of cargo offerings. But freight revenues are essential to the maintenance of such services.

In addition, there are other major operators in the American merchant marine, not under Government contract, who have developed more or less regular services to and from these and other areas and whose existence is equally affected by these considerations. Certainly these American companies, so important to our national defense and our economy, should not be displaced in favor of the merchant marines of foreign nations, many of which are not even recipients of our foreign economic-recovery programs, and some of which have grown to major size because of their lax laws and substandard requirements.

On the other hand, the merchant marines of the countries in the northern European and Scandinavian areas do not depend for their existence upon commerce to and from the ports of their particular countries. They are largely carriers of the commerce of other countries. For example, in the Pacific trades there are a great number of Danish, British, Dutch, and Norwegian ships carrying cargoes entirely extraneous to their homeland.

Your committee considered proposals that cargoes which neither originate in or are designated for ports of the United States, its Territories or possessions, should be excluded from the scope of the bill. The committee is of the opinion however that American shipping is entitled to at least 50 percent of all cargoes purchased by funds made available under programs financed by our Government, irrespective of points of origin or destination. Incidentally, with regard to regular United States-flag services traditionally operating between the United States and other countries, there can be no question that the American operators of such services are entitled to participation in a fair share of cargoes originating on and destined to points on or adjacent to their regular trade routes, which they are serving frequently and regularly either by contract with our Government or otherwise. It is believed that participation in these so-called cross trades is important and that such administrative difficulties as there may be will be soluble.

The bill further provides that the computation shall be made separately for dry-bulk carriers, dry-cargo liners, and tanker services, in order that all segments of the American merchant marine may receive equal treatment. In this connection, only 23 percent of ECA petroleum cargoes has been carried by United States-flag tankers. A great portion of the total tanker cargoes has been transported in the cross trades, and by foreign-flag tankers. This bill would remedy this situation and greatly increase the number of United States-flag tankers, so necessary for our national defense, on the high seas.

Your committee recognizes that there are conceivable circumstances under which United States-flag vessels may not, at a particular time, be available in sufficient numbers or at market rates for United States-flag vessels to effectuate the purposes of the bill. To meet such eventualities, provision is made for the United States Maritime Commission, when and if such circumstances arise, to certify to the department, agency, or instrumentality of the Government charged with the administration of the laws under which funds are made available for the procurement of commodities for a particular aid program, that United States vessels are not available in sufficient numbers or that the rates are in excess of market rates for United States-flag vessels.

To aid in the enforcement of the provisions of the bill it is provided that no recipient of commodities of the character described therein shall be entitled to reimbursement for expenditures made unless at least 50 percent of any cargo to be paid for thereby shall have been transported in United States-flag vessels as provided in the bill. In this connection, the bill as reported by your committee relates only to commodities transported by water on and after the date of its enactment. The Comptroller General of the United States suggested an amendment designed to facilitate the settlement of accounts, the objective of which your committee did not disapprove. However, it is believed that such provision is unnecessary in this legislation and that the Comptroller General is vested with sufficient powers and authority to handle the problem administratively.

Subsection (b) of the bill provides that all Federal departments and agencies are authorized and directed to cooperate with the Maritime Commission by entering into and carrying out such agreements as may be necessary to effectuate the purposes of the bill, with the further proviso that the Commission shall report to Congress within 90 days after the enactment of the bill and every 4 months thereafter. Moreover, it is

provided that the records of the several departments, agencies, or instrumentalities involved shall be available for public inspection insofar as such records relate to the transportation of commodities as provided in the bill.

Your committee recognizes that in the transition of the American merchant marine from wartime to peacetime status Government participation in nonmilitary shipping should not be terminated abruptly. However, all steps possible should be taken, with the least delay, to assure the return of the entire American merchant marine to private ownership and private operation. The pursuit of this policy carried great weight in the conclusion of the committee that cargoes carried under the jurisdiction of the United States military authorities should be excluded in the computation of the minimum percentage of United States-flag participation within the purview of the bill.

In the course of the hearings on this bill, several matters of importance were brought to the attention of the committee but were not included therein since the committee did not feel that it was the proper medium for legislative action in those matters. For instance, it appears that American-owned marine-insurance companies are being deprived of a large amount of insurance business, which but for the policy of the Economic Cooperation Administration would be available for the strengthening of this very important element of the American merchant marine. The Congress has several times in the past forcefully stated its position with regard to fostering the growth of the American marine-insurance market. It is the consensus of your committee that the Economic Cooperation Administration and all other administrative agencies of the Government should keep cognizant of the policy heretofore expressed by Congress on this subject. In this connection your committee is advised that the Economic Cooperation Administration is presently endeavoring to review its policies in regard to insurance to cooperate with the marine-insurance industry.

There was likewise discussion of the American freight-forwarding industries which play a very important part in the efficiency of American transportation generally and the American merchant marine in particular. Here again it is the consensus of your committee that the fullest use of the services of American freight forwarders should be made in carrying out Government-financed programs for foreign relief, rehabilitation, and recovery.

It is the unanimous opinion of your committee that H. R. 1340 is highly important legislation and will permit the most effective carrying out of the congressional intent previously expressed with regard to United States-flag participation in Government-financed programs and is essential to the interest of the American merchant marine. Your committee therefore unanimously reports this bill and urges its enactment.

MAGNUSON AMENDMENT TO S. 1209

SEC. 14. The Administrator shall, in providing for the procurement of commodities under authority of this title, take such steps as may be necessary to assure, so far as is practicable, that at least 50 percent of the gross tonnage of commodities procured out of funds made available under this title and transported to or from the United States on ocean vessels, computed separately for dry-bulk carriers, dry-cargo liners, and tanker services, is so transported on United States-flag vessels to the extent such vessels are available at market rates for United States-flag vessels; and, in the administration of this provision, the Administrator shall, insofar as practicable and consistent with the purposes of this title, endeavor to secure a fair and reasonable participation by United States-flag ships in cargoes by geographic area.

It was agreed that if the ECA failed to perform for United States-flag ships, as they had undertaken to do, and did not give us relief, we should call up H. R. 1340 for action in the House. The result is that we are holding the bill in the bag, and we are ready to call it up at any minute that the ECA fails in its promises to us. I have said, as a part of our agreement, that if Senate 1209, with the Magnuson amendment, section 14, is enacted into law, as I hope it will be, that I, as chairman, will immediately appoint a watchdog committee to see what ECA is doing, how it is being performed, and if the ECA is not living up to its promises, that the committee will call up H. R. 1340, and ask for its passage. I think that is about the best thing we can do.

I had intended to offer the Magnuson amendment as an amendment on this floor, but we are considering the House bill here and not the Senate bill. The provision contained in section 9 of the House bill is not exactly the section we would like to have. We would like to have the amendment that was offered by Senator MAGNUSON in the Senate and I hope it will be accepted by the conferees. Senator MAGNUSON said then that they are going to watch it. I agree with his statement and unless it is carried out, we will be before you again asking for action on the rule that has already been granted for the consideration of H. R. 1340, or any other legislation that may be needed to protect United States-flag ships.

We have taken this action because we do not want to do a thing that would interfere with the consideration of the ECA program that you have before you. I believe, Mr. Chairman, that we are launching on one of the most gigantic and benevolent movements ever undertaken in the history of the world.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. KEE. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. BLAND. Mr. Chairman, I firmly believe that we are carrying out a policy that means the peace of the world. I am not going to be troubled by such things as the obstacles that confront us, how much money this program is going to cost, and such complicated questions. I believe firmly that we are walking in the path of the Prince of Peace, that we are following in His steps, and that there is one law that governs or should govern all mankind. It is contained in His teaching, "Feed thine enemy; give him that is thirsty drink."

We are doing this: we are living by His law and we cannot fail. There has not been much peace heretofore in the world, but I think that following this leader, and doing as He has directed us to do, we will eventually have peace.

Mr. WEICHEL. Mr. Chairman, I ask unanimous consent to extend my remarks at this point with reference to the 50–50 basis in ECA on cargoes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

UNITED STATES-FLAG SHIPS

Mr. WEICHEL. Mr. Chairman, when the Foreign Assistance Act of 1948 was debated and enacted into law, it was thought that a certain intent of Congress had been made sufficiently clear—that at least 50 percent of the ECA cargoes be carried in vessels documented under the American flag. Not 80 percent, not 100 percent of the cargoes; merely 50 percent.

Suddenly, on December 8, 1948, the Administrator of the Economic Cooperation Administration announced that section III (a) (2) of the Foreign Assistance Act of 1948 was to be abandoned on January 1, 1949. This meant in effect that foreign-flag vessels with their cheaper freight rates would carry most, if not all, of the cargoes destined for the Marshall-plan countries.

At this point, it is of interest to note that the expressed intent of Congress with respect to the use of American vessels was disregarded.

So great was the resulting criticism and opposition to the proposal of the Administrator that he postponed action on his proposal more than once. Finally, in explaining his position to the Merchant Marine and Fisheries Committee of the House, he stated that if Congress would clearly set forth the conditions under which ECA cargoes are to be transported by American vessels he would of course abide thereby.

It is not customary for Congress to detail in legislation procedures that are more properly determined administratively. However, in the case of the transportation of ECA cargoes by American vessels, it seems necessary that the intent of Congress be set forth in such terms as to preclude any possible misinterpretation.

Consequently, H. R. 1340, which has been reported unanimously by the Merchant Marine and Fisheries Committee of the House, is submitted for consideration and favorable action. The bill is fully explained in House Report No. 220. It not only provides that 50 percent of the cargo tonnage be transported in American vessels, but also that 50 percent of the total transportation charges be paid to the American ocean carriers. This latter provision meets certain cargo criticisms voiced by the shipping industry at the recent hearings held by the Merchant Marine and Fisheries Committee.

H. R. 1340 meets the request of the Economic Cooperation Administration Administrator for a clear directive from Congress. It assures the use of the American merchant marine and the employment of American seamen.

Mr. Chairman, the minority members of the House Merchant Marine and Fisheries Committee unanimously agree with the distinguished chairman of the committee that his bill, H. R. 1340, would protect the American-flag ships and American labor in carrying at least 50 percent

of the Marshall-plan gifts in American ships, that the legislation should be passed meeting the request of the ECA Administrator made before the House Merchant Marine and Fisheries Committee for a direct mandate from Congress, and that the proposed substitute in the pending ECA legislation puts American-flag ships and American labor at the mercy of the ECA Administrator, who has defiantly said that he would not carry out a 50-percent American-flag ship tonnage without a direct mandate from the Congress.

Mr. KEE. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. THOMPSON].

Mr. THOMPSON. Mr. Chairman, I am very much in favor of the legislation now under consideration; also I sympathize with the position taken by the gentleman from Virginia [Mr. BLAND].

Mr. Chairman, since the inception of the original idea of the so-called Marshall plan, I have stood squarely in favor of it. Now, after a year of operation of the plan, which we now know as the Economic Cooperation Administration, I am convinced that it is working and that it is accomplishing its main purpose.

I shall vote for the passage of the bill now under consideration. However, I invite the attention of the House of Representatives to an amendment to section 14 of S. 1209 which was placed on the companion bill in the Senate. It is the one which is undoubtedly designed to insure the handling of 50 percent of the shipments of the commodities purchased under the act in vessels of the American merchant marine. A similar provision was in the act which we passed last year, and yet American merchant vessels did not ship any such quantity. Therefore, your Committee on Merchant Marine and Fisheries introduced legislation which would make mandatory the intent which Congress had so definitely expressed; namely, that 50 percent of our shipments should go on American ships.

In the course of the hearings on this legislation, the very able and distinguished Administrator of ECA, the Honorable Paul Hoffman, told us in so many words that he wanted a directive from this Congress which would tell him exactly what he must do in regard to these shipments. Among other things, these hearings developed the understandable fact that Mr. Hoffman regards the opening words of the act as his directive. These read, in effect, that he is to establish in Europe a "healthy economy independent of extraordinary outside assistance" and to further "the expansion of foreign trade."

Naturally Mr. Hoffman feels that it is his job to build up the economies of the foreign nations. True, a little further down in the act there is a suggestion that what Mr. Hoffman does in his official capacity shall not upset the economy of this Nation. However, in the case of the handling of his commodities on American merchant vessels, there is a very definite conflict of interests, and after listening to him in the hearings, I for one, and I believe a greater number of my colleagues on the committee agree with me, came away with the feeling that Mr. Hoffman was not going to act except with the positive instructions of the Congress. Accordingly, after a great deal of deliberation and very extensive hearings, we unanimously reported out what is known as House bill 1340, by our distinguished chairman, the gentleman from Virginia [Mr. BLAND]. The bill looked airtight to us. It met with the complete accord of the shipping industry and all sides of organized labor. A rule has been granted, and the committee is ready to bring it up before the House for consideration at any time. As a matter of fact, we might have passed it by now except that the Administrator of ECA made what must have been a most potent and convincing plea, and succeeded in persuading, among others, our distinguished chairman, and some, if not all, of the representatives of the industry and organized labor that now he was going to take a more liberal attitude toward the American merchant marine.

The amendment to which I referred and which was adopted by the Senate was, if I am not mistaken, written by Mr. Hoffman and his people. It contains some words that I do not like in any piece of legislation, especially where there is a conflict of interests. The words I do not like are these: "So far as is practicable," and again further down in the amendment, "insofar as practicable and consistent with the purposes of this title endeavor to."

So now again if the Senate bill prevails we place in the hands of Mr. Hoffman the power which he had last year to make his own decision as to whether he should advocate foreign supremacy or American supremacy at least in the matter of shipping; whether his job is basically to build up the merchant marines of the foreign nations along with the rest of their economy, or to protect our own.

As I have said, Mr. Hoffman seems to have convinced at least some of our people that he has had a change of heart. Maybe so. I certainly hope so.

We learn now that our chairman is going to appoint a watchdog committee, so-called, to scrutinize the manner in which Mr. Hoffman's good faith is demonstrated. I assume that immediately upon any indication that the American interests are going to be discriminated against, this committee will immediately recommend the enactment of H. R. 1340 by means of which the wishes of this Congress, as we understand them, will be so clearly stated as to permit no misunderstanding and no deviation except by deliberate violation of the law. I shall be one who expects to watch developments very closely and very hopefully.

Mr. VORYS. Mr. Chairman, I yield 15 minutes to the gentleman from Connecticut [Mr. LODGE].

Mr. LODGE. Mr. Chairman, the Committee on Foreign Affairs comes before the House today with a bill extending the European recovery program until June 30, 1950.

The bill which we bring to the floor is an amendment to title I of the present law, a law which, when it was passed by the Eightieth Congress, proclaimed to the whole world that the people of America are ready to make sacrifices not only to achieve victory but to preserve the peace which that victory achieved. It announced in concrete and exciting terms that we regard the economic health of the nations which chose to participate in this unprecedented undertaking as of vital concern to us and it underscored our growing sense of responsibility in a dangerous and difficult world.

The European recovery program is a strategical measure with relief characteristics. It is an attempt to create in Europe a political climate propitious for the preservation of freedom. It is an act of generosity but it is also in our enlightened self-interest. We can take comfort in the knowledge that our own interests are, in this connection, identical to the interests of all the people who aspire to a peace with freedom.

When this measure came before us more than a year ago, it was after protracted hearings, painstaking research, and on-the-spot studies and investigations by many Members of this body. The bill which comes before us now is also the result of extended hearings and is an attempt to reflect the experience which has been had with this program during the time that it has been in operation.

I myself have had the opportunity to look into the program in England, France, Belgium, Holland, and Italy during a trip which I made in November and December of last year.

This program and the bill before us also symbolize the bipartisan foreign policy at its excellent best. It is impressive evidence of the friendly and fruitful collaboration which exists on the Foreign Affairs Committee under the able and courteous chairmanship of our popular chairman, the gentleman from West Virginia, Judge KEE. It will serve also to remind those self-made enemies of our Republic, to whom Winston Churchill referred, that partisanship plays no part in the somber issue of war and peace.

The European recovery program has on the whole been a resounding success. When we drafted the original act we were fully cognizant of the fact that we could not legislate so as to insure efficient administration. We knew that we must in the end rely on the capabilities of the Administrator and of the staff which he might gather around him. If we had inefficient administration the program could not succeed. If we had capable administration this great adventure might eventually produce a less precarious peace.

In Mr. Paul Hoffman the American people have had the services of a man of exceptional talents, experience and character. He has somehow managed to surround himself with men of stature who have brought to this great enterprise the sort of crusading zeal and imaginative understanding which the American people demonstrated in time of war. The difficulties of administration have been enormous. They have been without precedent. Reaching into his background of successful experience as one

of the outstanding businessmen of America, Mr. Hoffman has welded the Economic Cooperation Administration into a dynamic and efficient team. I trust that the quality of the Economic Cooperation Administration will continue undiminished during the life of this program.

As you know, the European Recovery Program is based upon a balance-of-payments proposition. The needs of the participating nations are estimated in terms of their dollar deficits. You know also that, due to exchange controls, there is a large gap between the legal and the real value of foreign currencies. For instance, the pound sterling has a legal rate of $4.04 and yet it has a real value of perhaps $2.90. This legal rate has naturally had the effect of curtailing exports from the participating nations to the United States since prices have been so high as to be a deterrent factor. It seemed to me, therefore, and this is a belief which I have had for some time, that the Marshall Plan could be described in part as an attempt to bridge the gap between the legal and the real value of foreign currencies. As the gap closed the dollar deficit would be reduced and the dollar needs of these countries would be correspondingly diminished, thereby also serving to diminish the load on the American taxpayers. I looked into this question with great care when I was in Paris. I discussed it with Mr. Harriman's staff for, as you know, the overseas headquarters of ECA are located in Paris. The men with whom I spoke were fully aware of the problem. They agreed that an all-around adjustment of foreign-exchange rates will be required as one of the means of maintaining an equilibrium in international accounts which will set an end to extraordinary United States assistance. Furthermore, some exchange-rate adjustments have in fact been made. Italy was the first example and France is another. But the fact that the external deficits of these countries have not been correspondingly diminished by this action would suggest that the problem is extremely complicated. It is impossible to consider the question of foreign-exchange rates without relating it to internal financial stability. The establishment of a "valid" exchange rate must be properly timed. For if one adjustment of the exchange rate is going to be followed by another move in that rate simply because the internal financial situation is not under control, the adjustment of the exchange rate instead of being a wholesome factor could easily lead to the kind of destructive competitive depreciation which occurred in the 1930's. Furthermore, in a country such as France, which has been through rapid successive depreciations of the exchange rate, such a recurrence would almost certainly be taken as evidence that the currency is going to pot. This would have a profoundly disturbing effect.

It is also important to study the new intra-European payments plan in order to discover how many of the obstacles to trade movements are associated with "wrong" exchange rates. When this condition and internal monetary stability have been achieved, the Economic Cooperation Administration, working with and through the other interested governmental agencies and in particular with the International Monetary Fund, will be in a better position to press vigorously for changes which can be shown to be desirable. There are, of course, special interests in the various countries which would suffer from such adjustments and there is bound to be some outcry against the change. Any changes of this kind are sure to be somewhat painful. Yet surely there must be an effort in that direction. While it would be a dangerous oversimplification of a difficult problem to readjust exchange rates without taking into consideration the deep economic troubles which they symbolize, it should not be forgotten that exchange controls lie at the root of much of Europe's economic troubles.

When the foreign-relief program came before the Foreign Affairs Committee in the Eightieth Congress, we were told that relief items should be made the subject of grants and that only those items which are dollar producing should be the subject for loans. Many of us gained the impression, therefore, that the extent of recovery under the European Recovery Program could be measured by the relationship of loans to grants. Accordingly, it seemed to me that at least as important as the amount of aid demanded in this extension legislation is the percentage which loans bear to the total program. I felt that this relationship could afford us with a reliable index to the degree of economic recovery in Europe. And yet the Economic Cooperation Administration officials tell us that not more than $200,000,000 of the authorization contained in this bill will be used for loans. They feel that the participating nations are loaded up with loans now and that it would simply delay recovery to saddle any further loans upon an economic structure which is in that respect already top-heavy. Furthermore, the provision for $1,000,000,000 for loans and guaranties which was provided in the present act as a public-debt transaction is, as to loans, entirely eliminated in the bill before us. The fact is that there will be far fewer loans made during the ensuing fiscal year than during the first year of the program. Yet we are told that, as in the case of overvalued currencies, we must not take this forecast as a criterion of the extent of economic recovery in Europe. It is argued that the loans are made over a period going beyond the projected period of the Marshall Plan. They are made looking toward a more distant future. It may be that loans were made too liberally during the first year of the program and that, therefore, some curtailment in loans must be made during the second year in order that the dollar position of these countries should be favorable when the termination date arrives. Yet the abandonment of loans as a measure of recovery is, to say the least, a perplexing factor in the economic prognosis for western Europe.

If European recovery cannot be measured by the relaxation of exchange controls or in terms of loans, how then are we to test its progress?

One of the major criteria by which it is still possible to judge the effectiveness of ECA is the degree to which the program has shifted from relief to recovery and reconstruction. Here the evidence is encouraging as an examination of the supporting documents will show.

But it is important to define the difference between relief and recovery.

Relief is generally thought of as disease and unrest items—food and raw materials—while machinery and capital equipment are considered as recovery items. Yet even this is misleading since, for instance, Italy will always be an importer of raw materials and an exporter of finished products. In Italy then a better gauge of the progress of recovery can be found in export rather than in import figures.

The true test in most instances is described by the International Bank in its annual report as follows:

> It is whether the European countries participating in the program during the period while ERP funds are available to help support their consumption standards, will be able to use the opportunity this afforded to expand, modernize, and reorganize their productive mechanisms and to effect the necessary changes in the pattern of their trade.

Of course, since the dollar deficit is the basis for determining the extent of our aid, reductions in the deficit are of great significance.

Let us take the case of Britain. The over-all British deficit in 1947 was approximately $2,500,000,000. This will be reduced for 1948 to a figure between $700,000,000 and $800,000,000 and this over-all deficit is programmed to become a surplus of $400,000,000 in 1952 and 1953. More important still, Great Britain's Western Hemisphere deficit which in 1947 was $2,700,000,000 will be reduced to about $1,500,000,000 in 1948 and, if the program target for 1952 to 1953 is met, it will be reduced in that year to the manageable amount of only £73,000,000 or $291,000,000. If the dollar deficit can be reduced to anything like £73,000,000, small United States commercial investments in the sterling area and gold from that area can reasonably be expected to close the small remaining gap. Obviously the question which must be faced is whether this estimate for 1952 to 1953 is likely to be met. This will depend in large part on the steps which Britain will take to increase her exports and her invisible earnings, to hold down home consumption and Government expenditures, and to maintain a sound fiscal policy. The plan is to increase exports between 1947 and 1952–53 by $794,000,000, to cut down imports by $997,000,000, and to increase net invisibles by $618,000,000. The program for over-all recovery, that is for converting Britain's 1947 deficit with the whole world into a surplus of $400,000,000 in 1952–53, is somewhat different in that this plan calls for an increase rather than a decrease of imports. This is as it should be since it is quite proper that these gaps, whether they are dollar gaps

or sterling gaps, should be closed by the creditor countries stepping up their imports from their debtor countries.

I have given this example in connection with Britain because of the predominant part that Britain plays in European recovery. Similar figures are, of course, available in connection with the other countries. This increasing economic health has been brought about by a program of great austerity and by a tremendous increase in production. Thus the index of production for all British industry in 1948 is 20 percent higher than prewar. The over-all increase in industrial production among the participating nations, exclusive of Germany, is 14 percent higher than prewar and, including Germany, is roughly equal to the prewar figure.

Great Britain and Belgium have been in the special position of receiving conditional grants from the United States under the European Recovery Program. These grants were inaugurated under the intra-European payments plan under which Great Britain has extended $282,000,000 worth of credits to other participating nations and Belgium $207,000,000 worth. Great Britain has extended a total of $491,000,000 in conditional grants including the whole sterling area. Under the system of conditional grants British and Belgian goods are exported, for instance to France, up to a certain figure. Britain and Belgium furnish France with the sterling and Belgian francs to pay for these goods and then reimburse themselves with Marshall-Plan dollars. This pattern of action tends to break down trade barriers which are a deterrent to European recovery and which also are an obstacle to the much sought for goal—economic federation of Europe. Ireland, Iceland, Sweden and Turkey have received no grants but only loans. Portugal and Switzerland received no aid of any kind.

Italy on the other hand has received approximately 88 percent of the $600,000,000 of Marshall-Plan aid in the form of grants. Italy is a country poor in natural resources and with a rapidly expanding population far too great for the Italian economy to support. This problem of overpopulation weighs heavily upon the European Recovery Program in Italy. It can be solved only by a high level of manpower utilization internally and by large-scale emigration over a period of years. The De Gasperi government cannot solve this grievous problem unless other countries are willing to absorb emigrants from Italy. Furthermore, Italy has experienced a substantial loss of foreign markets due to the nature of many of its exports, the low general level of European prosperity, and the austerity programs in other European nations. Mr. Zellerbach, the ECA Chief of Mission in Italy, reports that of particular significance has been the loss of the German market both as a supplier and as a customer. Italy has also suffered from abnormally high costs of production due to obsolete machinery, the inadequacies of the tax and fiscal systems, high interest rates, high amortization requirements on loans and the maintenance of excess workers on the pay rolls. There is also a great scarcity of investment capital due not only to limited resources but to fears regarding the future political and economic conditions in Italy and in Europe. In addition there has been a marked decline in invisible income from shipping, tourism and emigrant remittances. If Italy is to go beyond mere relief and reconstruction of war damage to a genuine recovery program, the strong internal policies being taken by the De Gasperi government must continue to be supplemented by temporary outside assistance in the way of dollar credits.

The Italian people have shown extraordinary industry and, as you all know, on April 18 of last year, 94 percent of the registered voters of Italy went to the polls and gave a resounding and stirring rebuke to the forces of Communist oppression. It is terrible to contemplate what our position might have been if Togliatti and his masters had gained control of the Italian peninsula. Surely aid to Italy has been in the best national interest of the United States.

Furthermore, while the total dollar deficit—including invisibles—has been reduced by only $90,000,000 between 1947 when it was $794,000,000 and 1948–49 when it was $704,000,000, the budgetary deficit has been enormously reduced. Minister of the Treasury Giuseppe Pella announced yesterday that the Italian budgetary deficit will be $290,000,000 in the current fiscal year as compared with $1,300,000,000 last year.

With the time at my disposal I can do no more than attempt to give an outline, citing, as I have, Great Britain and Italy as representing two vastly different economic problems. The bill before you provides for appropriations of $1,100,000,000 to cover the period from April 3 to June 30, 1949. This is $400,000,000 less than the amount sought for the same period a year ago. The authorization of $4,280,000,000 requested for the fiscal year 1950 is $1,020,000,000 less than the amount requested for the first 12 months of the program a year ago and $730,000,000 less than the amount made available for the first 12-month period.

While the figure for fiscal 1950 is less than the amount sought for fiscal 1949 by $1,020,000,000, the appropriations authorized are only $20,000,000 less because of the elimination of the public debt transaction provision. Secretary of the Treasury Snyder has assured me by letter that this elimination could not be held responsible for any increases in Federal taxes.

The bill also provides for some $272,000,000 for a guaranty fund to be set up as a public debt transaction through the Export-Import Bank. This guaranty fund, like the fund in the current act, provides for the convertibility of foreign currencies into dollars in connection with private investments made by Americans in the participating countries. You will hear a great deal more about this provision from the gentleman from Connecticut [Mr. RIBICOFF], who has made a thorough study of this question. Suffice it for me to say that we have improved this part of the act by providing that the amount convertible shall not be limited by the amount of the investment but shall include also earnings and profits in accordance with the provisions of the agreement to be signed by the Administrator. Our guaranty provision also contains guaranty of risk in the event of expropriation or war, thereby attempting to compensate in part at least for the extraordinary differential of risk between investments in the United States and investments in Europe.

The guaranty provision in the present act has been a great disappointment. Only $2,625,000 of the fund has been used for industrial undertakings. The changes which we have made were made in response to our conviction that a major element in the recovery of Europe should be a substantial increase in the flow of American private capital in order that private investments should take the place of Government grants.

Included in the guaranty clause in the present act is a provision for $10,000,000 for convertibility guaranties relative to new enterprises in the field of informational media. I regard this as extremely vital and I am happy to report that, although only $965,000 have actually been allocated, active applications total some $4,500,000, with a prospective rise to $6,000,000 or even $8,000,000 by June 30, 1949.

Your committee in its wisdom has seen fit to increase this amount for the ensuing year to $15,000,000 in order to take care of such contingencies as demands by book-publishing companies and further restrictions in convertibility which might be made by the participating nations.

I have also been deeply disappointed with the operation of the provision in the act with respect to the acquisition of strategic materials. I am informed that under the relevant provisions of the present statute only $40,000,000 worth of strategic materials, including unscheduled future deliveries, have been arranged for. I feel very strongly that it is just and fair that the European Recovery Program should also serve as an instrument to fortify our position in connection with strategic materials of which we are in need and which are of critical importance to our national security. With this idea in view, we have strengthened these provisions, although we have not gone as far as I should have liked.

I am happy to say that the committee also unanimously adopted an amendment providing for the release by the Maritime Commission of 10 United States ships suitable for passenger accommodation in order to assist Italy in the transportation of Italian emigrants. It has been estimated that Italy can count upon the availability of maritime transportation for 162,000 persons in 1949. Since Italian emigration to transoceanic countries in that year will amount to more than 200,000 persons, it is necessary for Italian emigration authorities to find passage for an additional 40,000 persons.

This provision for 10 ships would in no way interfere with present or anticipated ship requirements in connection with the transportation of displaced per-

sons under the IRO program and would, of course, have no adverse effect upon American shipping interests or on American maritime workers since these vessels will be delivered on a bareboat basis for passenger transportation only and title will remain in the United States.

Mr. Chairman, these are the principal amendments to Title I of the act. There are other perfecting amendments which others will discuss.

But there remains the inescapable fact that we here cannot legislate so as to insure efficient administration. As I have said, we must rely upon the resourcefulness and the unremitting attention of those who are charged with this historic adventure.

Then, too, much will depend upon the ability of the Administrator and his emissaries tactfully to induce the governments of the participating nations to undertake those reforms which will further the purposes of European recovery. In many instances, such matters cannot be included in the agreements between the participating nations and the United States. We must not embarrass these governments, most of which are coping with acute political difficulties. Yet we must endeavor to promote those conditions without which the objectives of the European Recovery Program cannot be reached or will at best be dangerously delayed.

Accordingly, I should like to point out a few of the aspects of this great affair which, in my opinion, deserve special attention by the Administrator:

First. There should be a concentrated effort looking toward an eventual decontrol of exchange rates;

Second. There should be a vigorous program for the collection of taxes, particularly in France and Italy;

Third. The tax structures of many of the participating nations should be revised in order to eliminate bureaucratic snarls and misunderstandings and in order to achieve a more equitable distribution of the tax burden;

Fourth. The over-all effort to remove trade barriers and to effect customs unions should be energetically prosecuted;

Fifth. The publicity effort of the ECA information service and of the United States Information Service should be stepped up so as to respond more effectively to the destructive influence of Communist propaganda;

Sixth. Competitive prices for oil should be observed in order (a) to preserve our own oil supply and (b) to buy oil at world-market rates;

Seventh. A determined attempt should be made to secure strategic materials for the United States by synchronizing the pertinent provisions of the act with the authority granted to the Bureau of Federal Supply of the Treasury Department to purchase such materials;

Eighth. Greater attention should be devoted to the guaranty fund in order that the amendment contained in our bill should have every opportunity for fruitful results;

Ninth. In connection with procurement authorizations, attention should be given to the protection of such American enterprises as the wool and watch industries;

Tenth. There should be a strict observance of the amendment contained in Section 112–H regarding the availability to suppliers in the United States of reasonable information as far in advance as possible of purchases proposed to be financed with ERP funds;

Eleventh. Italy's problem of overpopulation should continue to receive attention and an effort should be made to coordinate the Administrator's activities in this connection with the activities of the Economic and Social Council of the United Nations and the International Labor Organization;

Twelfth. There should be a dynamic campaign to combat Communist sabotage of the European Recovery Program since this has placed a great strain on the economies of many of the participating nations with a resulting burden on the American taxpayer.

Mr. Chairman, I have attempted to give a very brief outline of the legislation before us and of the economic philosophy underlying this bold economic gesture. I have made these few recommendations regarding certain aspects of this undertaking which, in my opinion, deserve special consideration. This is a vast subject on which there is a gathering mountain of information and technical material. Your committee has delved deeply into this program, conscious of the fact that we must have a prudent regard for our own national resources and operate in such a way as not to place an undue burden upon the American economy. It would, however, be pointless to deceive ourselves into thinking that this program does not require a substantial sacrifice. It is my conviction and the conviction of many others that as a calculated risk it is well worth taking. Indeed, there does not appear to be a constructive alternative. We must, as we did a year ago, weigh the risks of not going ahead with this program against the risks of continuing with it. For my part, I am clear that we must continue. I think that we can be greatly heartened by the success achieved so far and by the increased political stability which this economic success is bringing about. We can be heartened by the development of the Benelux Agreement, by the customs union between France and Italy, and by the Scandinavian trade agreements. We can be heartened by the intra-European payments plan. We can be heartened by the Italian election of April 18, last, and by the gradual but steady and significant decrease in the number of Communists in the participating countries. We can be heartened by the federating influence which the Marshall Plan has generated. We can be heartened by the generous and intelligent understanding of the American people. We can be grateful to the Marshall Plan for laying the cornerstone of the edifice which will, I trust, some day be known as the United States of Europe. We can be encouraged by the fact that the Marshall Plan has precipitated a chain of events which now calls certain nations of Europe together in the North Atlantic Pact. These several segments of our foreign policy are a welcome indication that America is effectively assuming the role of world leadership which our industrial predominance, our military prowess, and our faith in freedom have thrust upon us. We are entitled to these responsibilities and we shall not shirk them. We can take inspiration from the exhilarating knowledge that our opportunities for service in the cause of peace are equal to these responsibilities.

The fire which was kindled in the hearts of men when our great Republic was founded still burns brightly and will spread as the forces of freedom unite. We have no desire for aggrandizement. We have no territorial ambitions. We have no designs on other nations. We desire only a peace based on freedom, virtue and reason. In maintaining that peace we need friends and our friends need us.

As our policy of appeasement has, under the catalyzing impact of the bipartisan foreign policy, changed to one of dynamic resolve and patient determination, the peoples of the western world have gathered around us. As the American people have responded to these peacetime sacrifices, fear has given way to hope and despair has been replaced by faith in a free future.

The Marshall Plan, the North Atlantic Pact and all the other instruments which under our guiding hand are being contrived in the cause of peace testify to our conviction that peace is a product of strength and that war is a derivative of weakness. These several segments of our foreign policy, operating on a concurrent front, underscore our determination that if we should, God forbid, become involved in another war, we shall be in a position to drive on to victory.

Mr. KEE. Mr. Chairman, I yield 12 minutes to the gentleman from Connecticut [Mr. RIBICOFF].

Mr. RIBICOFF. Mr. Chairman, prefacing my remarks on the guaranty provisions of the bill before the House, I would like to pay due credit to the bipartisan approach to this problem. The guaranty was originally conceived by the distinguished gentleman from Ohio [Mr. VORYS] last year. In the committee we were greatly assisted by the gentleman from New York [Mr. JAVITS] and the gentleman from Pennsylvania, [Mr. FULTON] and my distinguished colleague from Connecticut [Mr. LODGE] and the most capable gentleman from North Carolina [Mr. CHATHAM]. Without the assistance of all those gentlemen, these most important of all amendments to ECA would not have been formulated.

ECA was designed to revive the economic life of western Europe and stop the spread of communism. A strong economy is necessary to continue the independence and freedom of our European friends. We realistically recognize the interrelationship of economics and politics. Western Europe's economic life, having been depleted by the ravages of war, is reviving. It has remained steadfast before the threat of communism. Production has increased; trade has expanded; financial, monetary, and economic stabilization is on its way.

To me, it is not enough to say that we favor the Marshall plan. I do not think it is enough to express lofty sentiments about its operation.

Although ECA is working, Congress must reexamine the entire program annually. Successful though it may be, has it actually tapped all the reconstructive forces that may help recovery? The last session of Congress wrote into the act a guaranty clause. The objective was "the encouragement of private enterprise to contribute through its initiative and capital in the reconstruction and development of Europe." Has the guaranty clause, as it now exists, fulfilled the intent of Congress in the first year of its existence? It has not. Let us look at the record. Although $300,000,000 was made potentially available for guaranty, to date only five industrial guaranties have been issued, totaling $2,625,000. Informational media guaranties have been issued to the extent of $962,814.

Consequently, the great resources of American industry, capital, experience and "know how" have not taken their place side by side with government. The committee is concerned with the small part American enterprise has played in European recovery. We feel that private enterprise can not only play a more active part, but, to a large extent, could eventually eliminate the use of Government funds.

Let us be realistic. Sometimes there must come an end to gifts or loans of public dollars. A strengthened guaranty clause may well be the instrument for tapering off on direct Government aid and substituting for it private capital.

We believe that by the proposed amendments the log jam blocking private American participation in Europe will be broken. I will now try to explain the amendments against the background of the present act and its weaknesses:

First. Section 6b 1 states that projects in connection with which the Administrator may guarantee investments should include "expansion, modernization or development of existing enterprises." This amendment in no way guarantees investments already in existence, but does encourage new capital to be placed into existing enterprises and such additional funds may be guaranteed if they aid all over European recovery.

Second. 6b 4 broadens the scope of the guaranty of convertibility to include not only the dollar value of the original investment made but also actual earnings to the extent provided by the contract of guaranty.

The existing law only permits the conversion of a sum not to exceed the amount of dollars actually invested. If profits are converted into dollars, to that extent the guaranty is reduced. Thus, if an investment were $500,000 and $150,000 were earned over 7 years, the balance of $350,000 only would be subject to the guaranty, even though income taxes were paid on the $150,000, leaving the net investment subject to guaranty less than the original sum. Let us be frank. After all, a person makes an investment to make a profit. If you expect private industry to go into Europe, they must be able to take out their actual earnings in dollars. By not extending convertibility to earnings, you eliminate the normal inducement to investments. In order to make sure that the earnings to be guaranteed are reasonable, the Administrator is given the discretion to place suitable limitations on the earnings which the investor will be allowed to convert into dollars under this guaranty.

Third. 6b 5 (V): The present guaranty is strictly limited to one function: the convertibility into dollars of other currency. We concluded, however, that the key to the practical use of the guaranty provisions was to extend the coverage beyond mere convertibility. Political conditions in Europe are uncertain. While every investor should take the normal risks of doing business, they should not be expected to take the abnormal risks, especially when their private funds, instead of Government funds, are helping European recovery. These political uncertainties are definite deterrents to investment abroad. A logical extension of the guaranty program, therefore, includes a guaranty against loss due to confiscation, revolution, war, or forced abandonment as a result of discriminatory foreign government action.

In the event of any payment by the United States, the currency, credits, or assets on which such payment has been made belong to the United States and our Government becomes subrogated to all rights in connection with such property.

I want to emphasize at this point that the United States does not guarantee that profits will be made. Risk of loss as to ordinary business risks is on the investor.

It should be carefully pointed out that guaranteed investments are not any investments that any American desires to make. Such guaranty is strictly confined to enterprises furthering the purpose of ECA, which is to aid European recovery. In most instances, it would be a type of investment that otherwise would have been provided for by loan or grant. If expropriation, seizure, and so forth would destroy the project, our "give-away funds" would be destroyed. If we had to make good on a private investment of the same project, we would be expending the same equivalent in United States dollars. However, if European recovery is a success, and we are betting by this legislation to the extent of an estimated $17,000,000,000 that it will be, then to the extent of private funds used we have been spared the expenditure of any public funds. This common-sense approach should not be discounted just because it is easier to give money away.

Fourth. Sections 6b, 6, and 6c: The present ceiling of $300,000,000 for guaranties is retained. This fund is set up completely outside the appropriations or grants. The guaranty of these investments would be a contingent liability as far as the United States Treasury is concerned. The present law provided for guaranties to come out of the same funds available for loans. We believe it is of extreme importance to have a segregated fund available only for the financing of guaranties.

It became obvious that since the original guaranty came out of the loan funds, it constituted a potential deduction from the over-all fund. Participating countries were reluctant to approve guaranties for private purposes which would reduce their portion of the loan fund. That is how it worked. Thus, out of the whole contemplated $300,000,000, all but $27,700,000 has been committed for loans.

To eliminate this competition between Government and private investors for the same fund, the new authorization is for $300,000,000, less the $27,700,000 allocated or available, as an entirely distinct fund from loans and grants. The separation of these funds is important because the European countries will now regard this amount as an additional source of aid to their recovery instead of a charge against the loan or grant funds available to them. The revised guaranty provision is intended to supplement, not to substitute for, loans and grants.

The guaranty is an experiment to draw out private resources to aid Europe. It should be emphasized that funds provided under this authorization will be lost only as, if and when, it has to discharge liabilities incurred and only to the extent of payment. The liability is purely contingent and does not require a present appropriation. For such guaranties, the Administrator may charge a premium of 1 percent per annum on the amount of the guaranty.

Fifth. Section 6 (5) (IV): This clause was designed to enable the Administrator to engage in carrying forward long-term projects. This is limited to guaranty of contracts to finance transfers of capital goods and related services in connection with approved projects. Such authority is necessary to enlarge industrial facilities, such as steel, petroleum refining, power, and so forth. Much that will be undertaken during the next fiscal year cannot be completed until subsequent years. United States industry cannot be expected to undertake such long-term projects without the assurance that contract payments will be made in dollars when due.

The main intent of the stronger guaranty provisions is to gradually shift the cost of the Marshall plan from the taxpayers' shoulders. Let us be realistic. Some time there must be an end to gifts or loans of public dollars.

Americans are shouldering a heavy burden. We do so willingly because we believe that the economic reconstruction of Europe is an essential for world peace and security. The guaranty provisions can be the bridge to Europe at the end of the Marshall plan in 1952. American science and industry have tremendous resources in know-how and dollars. We cannot start building that bridge in 1952. The lapse may mean the total loss of our investment. The time to start the transition is now. This guaranty clause may well be the forerunner of tapering off on direct grant aid and substituting private enterprise instead.

In addition, President Truman's fourth point will be brought into sharp focus

by these guaranty provisions. American enterprise in cooperation with industry and knowledge in foreign lands could really bring economic, social, technical, and health benefits to the entire world. Basically, we are establishing a pilot model for the President's fourth point.

We cannot expect private American enterprise to develop economically backward countries on a nonexploiting basis without adequate guaranties. This plan will allow both our neighbors and ourselves to prosper and share. We can help raise living standards throughout the world with basic benefits to the United States both directly and indirectly. Raising world prosperity and purchasing power will in turn expand our own economy. We prosper as our neighbors prosper. It is good business and good statesmanship to raise living standards the world over. This program, instead of being one of imperialism and exploitation, will be one of American good will and helpfulness.

Democratic civilization depends on the solution of Europe's economic plight. Yet we recognize that all would be lost if our own economy tumbled. Not only must we have a strong Europe but a strong America. This guaranty program has within it the answer to the question, what happens when gifts of billions of public dollars stop. We believe the results of this phase of the program will help shape the world after the Marshall plan ends .

Mr. KEE. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. VORYS. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, what has the Marshall plan meant for Italy and the Italian people?

The New York Herald Tribune on November 4, 1948, pointed out that—

> One of the main causes for preoccupation (by American and Italian Marshall-plan officials) is the fact that there are very few signs of recovery, despite the millions of dollars' worth of Marshall-plan goods that have poured into Italy, etc.

In his October report on the operation of the Marshall plan, Mr. Roberto Tremelloni, director of Italy's Marshall-plan activities, said:

> Italy's production is only slightly above what it was a year ago and is actually below the high point which was reached in September 1947. Italy's condition is static. It cannot be called either depression or advancing prosperity. Industrial production is about 80 percent of 1938. It is estimated that Italy must reach a level of 140 percent of 1938 to become independent of American help. It is now clear that Italy's recovery will not be complete within the 4 years of ERP.

When Italy's director of ECA admits that Italy's condition is static and even below September 1947, we can well wonder what is going on in that country and who is benefiting from the goods being sent there.

The record shows that the Italian economy is not recovering under the help of the Marshall plan. I here detail some striking figures of the poverty of the great mass of the Italian people and the manner in which the Italian economy has been stultified and distorted under the direction of the ECA mission to Italy.

Perhaps the story of the Marshall plan is found in the report in the New York Journal of Commerce, which said:

> Italian shops teem with all the goods which people sigh for in Britain and other lands. You see more well-fed people while walking a hundred yards in Rome than you would see in 2 miles in London.

It is probably true that around the expensive hotels and cafes the well-fed and the well-dressed predominate. But behind all of this is hidden the most extensive and corroding poverty as is known probably in few other European countries today.

And this is the true story of the Marshall plan. The few, the black marketeers, the ex-Fascists, the business tycoons, they have grown fat and comfortable under all of this, while the people continue in the direst privation.

The Foreign Minister of Great Britain, Ernest Bevin, recently reviewed the economic and political condition in the major countries receiving Marshall-plan aid. Said Bevin, after a few preliminary remarks, "The battle for Italy has been won." And he then turned his attention to other problems.

"The battle for Italy has been won." Won by whom? And how? And on what basis does Bevin decide that Italy has been won? And have the Italian people shared in this victory? What have they won out of the past 15 months of Marshall-plan aid?

There are many methods used by economists to measure the economic health of a country. But fundamentally they all add up to studying what is happening to the standard of living of the common people. And it is this measure which should be applied to Italy.

And it is by this measure that we conclude that the common people of Italy are losing—losing in the struggle for better lives for themselves and their children.

JOBS AND SALARIES

Where people are without work or employed part-time, despite anything claimed by the politicians and the business leaders, the economic health of such a country is bad. And if this condition continues, it must be solved by direct government intervention. A government incapable or uninterested in meeting the needs of the people is a government that eventually must give way—either to a more vigorous, democratic administration with a plan and a purpose or to a fascist, totalitarian regime which suppresses the people and gives them work preparing for war.

What do we find in Italy by this test?

Italy has a working population of 20,000,000. A report of the United States Department of Commerce released in January 1949 states that the official Italian Government statistics reveal that 2,500,000 people are totally unemployed, and this number continues to grow. It is estimated that another 2,000,000 are underemployed, working but a few days each week.

Italy is a country still largely agricultural. Over one-third of all the workers in this country are employed in farming, fishing, and so forth. There exists a tremendous demand for labor in agriculture; to name one of many projects, there are thousands of acres of land that need irrigation or drainage. Yet despite this, more than 2,000,000 farm workers can find employment only 150 days in the year.

Most of these unemployed and all the part-time employed receive no unemployment relief whatever. There are almost 2,000,000 pensioned workers in Italy. They receive an average of 6,000 lire—approximately $9—monthly. This is not enough to provide the barest subsistence for a family of five for 1 week. Is it any wonder that the rate of suicides among the pensioned is almost as high as among the unemployed?

A recent survey estimated that bare subsistence for a working-class family of five—and many Italian families are larger—required 52,000 lire monthly—less than $95. Since this survey was made in 1947, the cost of living has continued to rise.

And what does an employed worker earn a month? A highly skilled industrial worker in the north averages between 27,000 and 30,000 lire a month. A railroad worker on the job for 68 hours per week earns but 35,000 lire a month.

The picture is one of mass pauperism and privation. And this among the better paid industrial workers.

In the northern city of Turin, a modern industrial city, we find that 99 percent of the workers' homes are without bathrooms, 96 percent without heat, 22 percent without gas, and so on.

In the southern agricultural sections of the country the conditions are even worse—with an average salary of about 8,000 lire a month. The staple diet is bread—and little of that. Tuberculosis is rampant. Ninety out of every thousand babies die during their first year.

This is what living in Italy today means in the day-to-day life of the Italian worker. This is Italy under the Marshall plan.

The worker lucky enough to have a job earns a pittance; prices continue to increase, and the Government, under the guidance of the Marshall plan administrators in that country, continues to remove price and rent controls and to move back to the free-enterprise system that Marshall plan administrator Zellerbach holds out as the solution to all the ills of the Italian people.

MARSHALL PLAN SOLUTION

Mr. James D. Zellerbach, West Coast paper magnate and industrialist, is the administrator of the Marshall plan in Italy.

Under a heading "Breach is feared in Italian cabinet," the New York Times of September 4, 1948, reported Mr. Zellerbach's championing of the free enterprise system. Mr. Zellerbach made perfectly clear that he felt any planning along the lines proposed by the Italian trade unions to meet the needs of the people would be frowned upon by the powerful ECA.

Mr. Zellerbach is aware of the growing unemployment and of the inability of the Italian people to consume the products of their own industries. But instead of planning to meet this problem of unemployment by expanding industrial production, Mr. Zellerbach proposes to aggravate it. The New York Herald Tribune reported some months ago that the Marshall plan authorities in Italy were proposing "large scale dismissals of useless employees; that 3 in every 10 factory employees should be discharged."

When the workers in FIAT, Ansaldo Shipbuilding, Breda Motors, and other major industrial firms resisted the mass lay-offs, described as "necessary to streamline production and reduce costs," the ECA mission to Italy saw to it that the Government did not intercede on the side of the workers.

What have the Italian workers seen, in their own experiences? That since the Marshall plan, unemployment has grown and that those administering the plan in Italy have taken the lead in proposing further lay-offs. That since the Marshall plan the standard of living of the common people has worsened.

The simple fact is that because of the direct intervention by the United States in the economic life of Italy, we are not permitting these people to work out their problems in their own way.

The Italian people are a proud people. And they have suffered for many years, first under Mussolini and fascism, then under stupid adventurous wars that brought them nothing but privation and sorrow. Today they want to live their own lives and meet their problems in their own way. We won't let them.

ITALIAN BIG BUSINESS

In a speech before this House in the Eightieth Congress I dealt at some length with the manner in which American big business has used the Marshall plan to take over entire sectors of the Italian economy. This has continued.

At the same time, the most discredited, fascistic-minded Italian tycoons have been rehabilitated under the aegis of the Marshall plan. It is a pattern our administration has followed in Germany and Japan—so I suppose we should not be surprised to see it repeated in Italy as well.

Two government administrations were created by the Italian Government to administer ECA. The men in these agencies are not employed by the government but by their private employers. And who are these men? They are the representatives of such powerful financial institutions and trusts as Banca Commerciale Italiano, the Credito Italiano, Italian Edison, FIAT, Pirelli, Bombrini-Parodi and others.

The very men who ran the economic life of Italy before fascism, during fascism, and since fascism, are the top directors of the Italian side of the Marshall plan. These are Krupps and the I. G. Farbens of Italy. And today they are using the power of ECA to continue the old economic system under which they rule the roost; ECA help is not being used to put Italy on her feet economically so that the country can function more efficiently and raise the standard of living of the people—it is being used to perpetuate the most outworn feudal control of industry and agriculture.

The corporate state of Mussolini is being revived by the ECA.

Big business thrives under the present economic regime in Italy.

Seventy percent of the states revenues is provided by indirect taxes, mostly on mass consumption goods. Direct taxes on income and real estate provide but 12 percent. Only 2.5 percent of the revenue comes from taxation of large incomes, excess profits, speculation and profiteering. The simple fact is that tax evasion by the rich is the normal state of affairs. Only the poor shoulder the burden.

To the poor Italian worker, there is nothing novel in this situation. This is the way it was before fascism and during fascism, before the war and now after the war. This is the way the Marshall plan seeks to perpetuate in Italy and in other parts of Europe.

ECA AND SURPLUS GOODS

It is no secret that the Marshall plan has been used—and will continue to be used—as a dumping ground for United States surplus production. Cotton has become a major export commodity under the program. And the story of United States cotton and Italy is a story that reveals the whole operation of the ECA and the manner in which it is undermining the Italian economy.

Since the ERP started, Italian imports of cotton have jumped considerably. Cotton imports in 1947 were 26 percent higher than 1934–38. As a result, the Italian spinners and weavers have stopped their purchases of rayon produced in Italy and turned to cotton. The cotton is worked up into high-priced luxury goods for export trade.

Meanwhile the rayon producers are finding their Italian market taken over by the flood of United States cotton. And so the rayon trust—a British and Swedish financial government monopoly—have started dumping rayon in the United States.

The problem has reached the stage where the rayon producers in the United States have appealed to the United States Tariff Commission to raise the tariff and even put a quota on Italian rayon coming into this country.

And so it goes. Everyone seems to benefit from all this except the people of Italy.

ITALY AND EAST-WEST TRADE

Italy stands at the crossroads of east and west. Only in the expansion of trade with the eastern European countries can Italy hope to find ready markets which will expand production at home and raise the standard of living of the Italian people.

But the ECA program frowns upon the expansion of trade with the countries of eastern Europe.

In northern Italy today there are several large tractor factories. All over Europe farmers are begging for tractors. In fact the United States is financing the importation of 25,000 tractors into western Europe this year. Yet in Italy there are 1,000 perfectly good tractors rusting outside Italian factories.

These tractors represent unsold stocks at hand. Workers are available in the factories who could be put to work to produce 5,000 tractors a year. But they are not working because no one is ordering the tractors.

Normally Italy would be shipping tractors to eastern Europe where the demand for tractors is enormous. In return, under the bilateral trade arrangements that are so common in Europe today, Italy would receive the coal and timber she needs so badly. This is the normal outlet for Italy's products.

But the tractors cannot move. The United States Government forbids their export to eastern Europe because they are strategic items.

And what about western European countries that want tractors? France alone is getting $11,000,000 worth of tractors under the ECA program this year. Why not send the 1,000 tractors to France, and expand Italian tractor production for the French market? This would immediately cut down both the Italian and French dollar demands upon the United States.

But so far the French have been unable to obtain these or any other tractors from Italy. The reason is simple. United States tractor exporters, with the support of the ECA mission to France and other western governments, have persuaded these governments not to shift their purchases from the United States to Italy.

Neither the price nor the quality of the Italian tractors is an obstacle to their export to western Europe.

So the tractors stand and rust in northern Italy. And the Italian workers are either laid off or employed part time, while farmers in both western and eastern Europe go begging for tractors.

This is the way of the Marshall plan.

THE UNITED STATES-ITALIAN ECA TREATY

Mr. Chairman, the treaty imposed on Italy under the Marshall plan is most revealing. It tells the story of the ruthless control of Wall Street monopoly capital over the lives of the Italian people.

The provisions of the Economic Cooperation Act—section 115 (b)—require that each recipient country sign a separate pact with the United States before July 3, 1948, in order to qualify for Marshall-plan aid.

An analysis of the terms of these treaties and the reaction to these treaties of leading newspapers and political leaders in the Marshall plan countries has never been presented to this body. Unfortunately, the Congress was not in session when the European governments and their people were told what terms they had to take to obtain Marshall-plan aid. For, I am certain, that had those many Members of the House who have already evinced concern about the operation of the Marshall plan been made aware of the terms and implications of the bilateral treaties negotiated between the recipient countries and the United

States, they would have raised their voices in strong objection.

I would like to present the following facts for the enlightenment of the Members of the House.

It was not until the United States State Department presented each participating country with draft bilateral agreements that the European countries became generally aware of how hard and fully the United States would press its economic advantage. The Paris edition of the New York Herald Tribune wrote on June 4, 1948:

Since the draft agreements have been received in various European capitals, there has been growing uneasiness over the whole trend of American policy. Certainly it is realized by European countries in general and the British in particular that there must be ERP agreements with the United States and that terms in many cases would be strong.

"What is resented and what is causing uneasiness is the tone of the agreement and the insertion of clauses which put a high price even on the invaluable aid which the United States is giving. There is no objection to hard bargaining for fair terms, but there is a considerable resentment against what many here openly regard as an American effort to put something over on European governments as a price for help.

"Why those agreements read like the State Department is out to confirm everything Molotov said about the Marshall plan when he walked out on the Paris Conference last summer," one official remarked sourly.

So general was the opposition to the terms demanded by the United States that all participating countries protested through the Ambassadors of Great Britain, France, Sweden, and Denmark. They presented counterproposals, but obtained no substantial concessions. The London Daily Mail correspondent wrote:

The ambassadors are agreed that the European nations will be completely dominated by the United States if the treaty drafts presented to them are left unaltered.

Although the British succeeded in getting the wording of the most objectionable clause in regard to currency reform modified, the treaties remained substantially as presented. The four ambassadors' judgment must stand.

This can be seen by examining the Italian treaty which the United States State Department published as typical. The agreement does not pretend to be reciprocal even as to the period for which it binds the two parties. The United States reserves the right to terminate the general agreement at any time—article I—but in the same article Italy undertakes to make sustained efforts to accomplish the recovery program, and under article XII (A) concedes that—

The agreement with regard to scarce materials continues for 2 years from notice of termination.

Article XII provides that the agreement remains in force until June 30, 1953—a full year after assistance is terminated. The ECA and the appropriations on which all this is based are for only 1 year, or until June 30, 1949, if the funds are not exhausted prior to that time.

Under article V of the agreement, Italy agrees to work out with the United States arrangements by which the United States can obtain increased quantities of materials needed because of deficiencies or potential deficiencies in United States resources. Thus if Italy or the United States repudiates the rest of the treaty, the Italians would still be bound for 2 years to surrender raw materials. In this respect Italy has less to offer the United States than have Belgium, the Netherlands, France, and Great Britain with their colonies. Evan Just, Director of ECA's Strategic Material Division, explained the methods by which the United States will receive strategic materials. He said:

ECA anticipates that most of these supplies will come from colonies of ERP countries since they are primarily available there.

To show how the procurement plan might operate, Mr. Just mentioned nickel and chrome.

In this instance, France would be approached with a view to obtaining the materials, possibly from New Caledonia. ECA's Strategic Materials Division will have offices in Paris and Washington. It has a threefold mission: to facilitate transfer of materials, mainly natural resources and not exclusively mineral resources; to promote expanded development of such materials, and to maintain an open door for United States capital in this production development.

Other interesting points of the Italian treaty are the provisions—article II—for mobilizing assets in the United States belonging to Italians; the guarantee of convertibility into dollars of new private American investments in projects in Italy approved by the Italian Government—section III (B) (3); the deposits of local currency equivalent in value of assistance granted and which funds can only be disposed of in a manner approved by the United States—article IV; the provision that Italy will furnish to the United States "the full information necessary to the planning and carrying out of the recovery program"—article VI.

Not content with these provisions which will give the United States almost complete control over the economic future of the country, Italy is required to like it. Article VIII requires Italy to give full and favorable publicity for the assistance received. If the Italian Government fails to observe any of these provisions, Mr. Hoffman or the Congress can at any time cut off any further shipments of goods and materials.

In urging the Italian Chamber of Deputies to adopt this treaty, anti-Communist-Socialist Roberto Tremelloni ridiculed the idea that the Marshall plan would cost Italy some of her independence and asserted:

The only freedom we need is the freedom to balance our budget without extraordinary measures and without cutting our standard of living.

But Tremelloni did admit that even these meager standards of freedom and independence might not be met, since homes for 9,000,000 homeless or badly housed were needed plus other projects requiring three times more funds than were available.

Article VII provides that full information must be furnished to the United States. What this means is shown by Mr. Hoffman's announcement of the appointment of Eric L. Kohler as a sort of super house detective, with broad authority to pry into all ECA activities both at home and abroad. His investigators will follow through on ECA shipments, make sure that they are not diverted into Europe's black markets or resold to Russian satellites.

But this is only the beginning. On July 19 Senator STYLES BRIDGES, chairman of the Joint Committee on Foreign Economic Cooperation of the Eightieth Congress, announced that Charles E. Dewey, agent general for the committee, was leaving for Europe to make a personal check on the efficiency and progress of the European recovery program during its initial 3 months. The joint committee was established by the same law as the United States Economic Administration and was charged with making a continuous study of the development and execution of the United States foreign economic assistance programs.

Under the Economic Cooperation Act the State Department itself must negotiate the bilateral treaties, with the ECA acting only in a consulting capacity. This gives the State Department an excuse to require reports through its consuls.

Europeans of Marshall plan countries are wondering which of several United States masters to report to and will end up by reporting to all of them. Evidently both businessmen and Congressmen have forgotten John Foster Dulles' warning, "We have got to avoid seeming to run their affairs."

It is clear from this that under the Marshall plan we are snooping into all phases of European economic life. Those countries which are tied up with the Marshall plan will not be able to protest without violating the full-information provision of the treaty.

As each participating country receives grants of commodities, it is required to withdraw from circulation and deposit in a special fund an amount of its currency equal to the value of the grant. Private purchasers wishing to use dollar credits can do so only by depositing equivalent local currency with their respective governments or central banks. As the grants increase, the amount of currency in the fund increases. The fund can be spent only in ways approved by the United States. This means that as the plan progresses, the ECA will have an increasingly large club to bludgeon into agreement those it assists. By threatening to release the fund, it could undermine the value of any shaky currencies and force the country into a revaluation favorable to the United States. Or the ECA could decide to use it to buy up the raw materials it wants.

The conservative British Economist remarked that the use of these currency funds to buy scarce materials for America should be barred because it would correspondingly reduce the country's capacity to earn dollars:

If, in 10 years' time, America can buy tin with what would virtually be blocked sterling, then, in 12 years' time, Britain will need another Marshall plan. It is precisely the inability of the European nations to earn

enough dollars that makes assistance necessary now. Any project which now or later reduces Europe's capacity to earn dollars will insure the failure of the whole recovery program.

The Economist is partly correct in concluding that it is precisely the inability of European nations to sell their products in the United States that necessitates the ERP grants. But American business did not refrain from using the counterpart funds simply because such use would aggravate the dollar shortage. On October 8 Thomas K. Finletter, of the ECA, announced that a substantial quantity of industrial diamonds had been purchased from Great Britain for the United States stock pile:

Funds for the stock-piling purchase will be drawn from the sterling counterpart money set aside in the British Treasury to match American aid grants to the United Kingdom.

The stock-piling deal is the second concluded thus far between the United States and Britain. The first involved a big purchase of British rubber.

Just as serious as a long-run threat would be the very existence of such large funds of local currencies at the disposal of a foreign government. The United States could swing this financial club whenever a participating country becomes too independent. This is such an effective control over the economy of a country that the United States may never give it up. Article XII (B) of the Italian treaty provides that the "provision relating to the local currency deposits remain in effect until agreement has been reached as to the disposition of such deposits.

It can safely be predicted that the United States will be in no hurry to reach such agreement—particularly if the country is not complying fully with the imperialistic and military plans which the United States is pushing.

The Economist pointed out that—

If these trust funds were taken out of control of the local government, it would be surrendering an important part in the reality of its sovereignty as well as in the appearance.

It added:

Since in the present inflationary state of Europe the spending of the funds would in any case have to be postponed for many years, the placing over them of American trustees, particularly of trustees with a deciding vote, might bring about the almost ludicrous prospect of American delegates deciding in 10 years' time whether France might reasonably electrify Morocco or Britain build the Severn Bridge.

The American businessmen did not wait 10 or 12 years before they began to use the funds and to infringe on the sovereignty of Britain. That process has gone on steadily since the war, and the requirements of United States-controlled sterling funds is only a means of prolonging for an indefinite period of time the power to interfere.

These few comments on the terms of the bilateral treaty between Italy and the United States are far from exhaustive. They are based solely on a few published statements and press accounts available to all of us.

But few Members of the House and Senate are completely aware of all the deals and agreements that have been made under the Marshall plan, or which are under discussion as part of the Atlantic Pact. Yet these agreements and terms are the realities of the relations between our country and the countries of western Europe. Can anyone say honestly that this path—of secret understandings and treaties imposing our will on other sovereign nations—which is a complete break with the word and spirit of the Charter of the United Nations—is the path of peace which all the American people want so fervently to follow? I say it is not. I prefer the way of the United Nations. I continue, in the interest of peace, of the American people, and of the people of the world, to oppose this Marshall plan.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I think it is a rather interesting commentary that the two gentlemen from New York City who are concerned with the European recovery program should follow each other in general debate, the one being rather strongly opposed and the other being just as strongly in favor of the program.

I think it is also an interesting commentary that my colleague the gentleman from New York [Mr. MARCANTONIO] should have known as much as he seems to know about the economy of Italy, in such great detail, with all the figures and with the standards of living for the Italian people. I cannot help but contrast that, much as I might try, with the fact that we know so very little about the standard of life of the people of Poland, Hungary, Rumania, and the Soviet Union. I think perhaps that is the first commentary on this whole issue, that before you know whether you can or cannot do anything about the situation you must know what it is.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. MARCANTONIO. I put in the facts and figures with regard to some of the eastern countries, particularly Poland, in my extension of remarks made in the House recently.

Mr. JAVITS. I thank the gentleman, but the gentleman's figures with respect to Poland deal with the over-all situation there in general terms; those figures do not tell about the condition of life of the Polish workers, or about the per capita income of the individual in Poland or about how he lives, all of which is an open book, as the gentleman himself has just demonstrated with respect to Italy.

Mr. MARCANTONIO. You will find it in my remarks.

Mr. JAVITS. I have already referred to the gentleman's remarks.

Now, the gentleman from New York [Mr. MARCANTONIO] premised his argument on two points, as I understand him. First, that in Italy, as an example, the Marshall plan has not worked well. Second, that the Marshall plan, generally speaking, as he said in connection with the debate on the rule, is a war program.

Briefly, I would like to take those arguments in turn. In the first place, I think an argument with respect to United States imperialism is refuted with respect to Italy by the figures, for it appears that this great imperialist democracy of the United States has, in its relations with Italy, allotted to Italy in grants from July 1948 to March 1949, $345,300,000, whereas this great imperialist democracy has loaned to Italy during the same period $42,000,000, or something in the magnitude of 90 percent in grants to 10 percent in loans.

Then I might say if there is a deficiency in Italian production, and I think there is, we must not forget that the north and other parts of Italy were not so long ago literally torn asunder by politically inspired and Communist-led strikes which absolutely crippled its production—this very industrial production which is now said to be so much impaired. By September 1948, however, this production had again attained the peak of the year 1947; though not yet up to capacity or to prewar standards. Statements have also been made about J. D. Zellerbach, the ECA Administrator in Italy. Members should read the facts in his testimony at pages 171 to 209 of the printed hearings to see what an honest and outstandingly capable job he has done in Italy.

What alternative does the gentleman from New York offer? Who is going to do anything for Italy? These poverty-stricken countries behind the iron curtain, which have now paid us the greatest mark of flattery, the flattery of imitation, for they, too, have a Marshall plan. At least, a very puny imitation of one. Their Marshall plan, as far as we know now, consists largely of an announcement—not goods, but an announcement. The system under which they are found is great for announcements and for promises—for "pie in the sky when you die"—but not for goods, now.

The announcement in Moscow on January 25, 1949, says that there has been organized an Eastern European Council for Economic Mutual Aid; that is all we have; that is all we know about it. We know all about the European recovery program, but we know nothing about the Eastern European Council, and that is typical.

As to the situation in Italy, it certainly is grave; and well it might be, Italy having been torn asunder by the same kind of totalitarian war which tyrannies and totalitarian governments always wage; governments which bolster their peoples' hopes with propaganda and then give them war. The Italian people certainly have a low standard of living, but what will raise their standard of living? Will propaganda raise their standard of living? Or to share among them the proceeds of want, will that raise their standard of living? What will raise the standard of living of the Italian people is the reestablishment of their production.

Certainly I am the first to say that I know there are deficiencies in the de-

nazification programs for the people of Germany and Italy, very grave deficiencies, and I have fought against them before and will continue to do so; but at least we can see these deficiencies, we can argue about these deficiencies, we can endeavor to cure them. Indeed, the United States Government and the governments of France and Britain are about to undertake a great effort to change from military to civilian government in the occupied areas right now. I ask, What is the answer to that? As to other places which we are asked to believe are better places to live, not only do we have no knowledge, but we cannot believe they offer any opportunity for change whatever.

It is said that the Marshall plan is a war program. The Marshall plan, in my view, is the greatest contribution of the United States to foreign policy in all history, because, for the first time, a great industrial Nation has gone out to create industrial competitors, a very strange sight indeed; and why? Because that industrial Nation has come to the realization that only in a prosperous world is prosperity possible, and that prosperity cannot be contained here by the walls of oceans any more than misery and want can be contained there by iron curtains.

Mr. Chairman, I believe there is one thing that penetrates through the iron curtains, and that is the odor of good things; and, indeed, it will, for we already see a great restlessness behind the iron curtain with regard to this Marshall plan. I do not understand why, if it is enslaving the people of Italy, the people of Yugoslavia are so restless for an opportunity to participate in this kind of enslavement and in this kind of economic insecurity. I think it must always be remembered, that the United States in pursuance of this historic contribution to foreign policy, did not exclude the Soviet Union from the European recovery program; on the contrary, the United States invited the Soviet Union and all its satelites into the plan; and in a momentous 5 days, from June 27 to July 2, the Foreign Minister of the Soviet Union actually met with the Prime Ministers of the western European democracies on the theory that the U. S. S. R., too, would participate in the Marshall plan.

It then withdrew, and withdrew under what circumstances? I think it is very interesting to refer to that situation at this time. The Soviet Foreign Minister withdrew, he said, because the United States should not specify the terms upon which money for recovery was to be made available by the United States to the European nations. The Soviets wanted that money to be made available to each of the countries separately without any assurance of self-help or mutual cooperation, and that each should spend it as it pleased. In other words, he wanted the plan to be doomed to failure, he wanted the United States to see its money truly go down a rathole, and the American people to be forever discouraged from trying any such program. When such a scheme was rejected it was indeed a death blow to the hopes and aspirations of the Soviet Union, and why? Because their kind of philosophy does not thrive on prosperity, it does not thrive on recovery; it thrives only upon disaster and upon insecurity, and upon despair.

Only then will men give up everything they hold dear in the way of freedom and espouse tyranny for the sake of a fancied or promised economic security. That is really the problem here. As I see our situation today, we have repelled what was an enormous drive to take over Europe in the interest of absolute government, based upon Europe's complete despair, almost anarchy, after the war. We have stopped that drive and, as a matter of fact, the elections have shown in that very Italy, that the people there have not responded to the idea that they were being imposed upon by the present policies of their government. In response to elections which have been held in Italy and France, principally, the Communist drive has definitely been repulsed. Now, Mr. Chairman, we know one thing. We know it in business, we know it in the Army, we know it in the very spirit of American living. You must follow through on success. The most dangerous thing you can do is to stop, get scared, and run at the very time you are successful. So, this second year of the European Recovery Program is an opportunity to follow through on the successes already achieved.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. VORYS. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. JAVITS. Mr. Chairman, these frantic cries that we hear now are all based on the knowledge that this program is successful today and promises to be even more successful tomorrow.

Reference has been made to a point which I had proposed to take up in general debate; that is, to the position of the countries in the Organization for European Economic Cooperation with respect to their own status in 1952. It has been stated that they anticipated in their plans this year a continuing deficit in 1952—a dollar deficit of $3,000,000,000. But they do not concede any such thing.

In the first place, let us get even that amount in focus. It represents a reduction from a deficit which was $9,900,000,000 when we started out with the European recovery program. Anyone who has surveyed either in figures, or in fact, the unparalleled destruction of all of Europe which followed in the wake of the war will realize that in 4 years that is in itself an enormous victory. Even a $3,000,000,000 deficit is not such a great one when we consider the fact that the whole western European economy affected is over $100,000,000,000. It is not such a very great one so that even if it were accurate, the European nations through the opening of increased trade opportunities in the world cannot overcome it. In fact this $3,000,000,000 figure showed up in a preliminary survey, and the OEEC sent the countries back their programs to refigure in order to bring balance in 1952.

The very same preliminary report which indicated there might be this deficit in 1952 also showed that the European nations could increase their exports to Latin America, for example, by a billion dollars; they could increase their exports to the United States by $600,000,000. The United States today is having a very small proportion of imports compared to its gross national income—over double what it was prewar. So the problem is by no means insoluble, but these gentlemen who argue this point would have us, as one of the weapons in their armament, believe that the problem is insoluble because they want to discourage us.

We are in the way of succeeding, we have had enormous success, and now is the time to follow through on that success with the generosity and dispatch which is so typical of us, by passing this bill for the authorization as it is presented to us just as happened in the other body.

Mr. VORYS. Mr. Chairman, I yield such time as he may desire to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, I believe we made our first mistake when we parted from the caution given to us by George Washington, in his farewell address, and entered World War I; we made our second mistake when we entered World War II, and it is said by many that having once ventured into the business of settling disturbances in Europe and elsewhere that we cannot quit now. I disagree with this view. No matter how many mistakes a person or a nation makes, there is no reason or logic in continuing those mistakes. It is not too late, yet, to take a course back to the place from which we never should have departed.

I was a Member of this Congress when World War II was forming and took the floor more than once to caution this Congress on taking that step. The repeal of the neutrality law and the arming of merchant vessels was said by the proponents to be acts to prevent war—when all evidence pointed to the fact that these two acts of Congress would bring on war.

We were first, at the instance of Mr. Churchill, asked to give them—Great Britain—our moral support and material support. Having done this, Mr. Churchill asked for a "token" army just to show the world that we were with them. We did that on the assurance that Great Britain would do the fighting. Soon, however, the English pulled out of Norway pell-mell for home; the English retreated from France with the disaster at Dunkirk. Things looked bad—and we were asked to help in men, and before we got through with the job we had 11,000,000 men under arms. The venture cost us $450,000,000,000 and the loss of American youth that cannot be measured in dollars. The war ended or at least the shooting stopped. Since that time we have put in 62 billion more dollars loans and financing of Europe and Asia to bring back stability to those countries.

We are still at it and here today we are asked to appropriate more for the second year of the Marshall plan. What about the expenses of the first year—what do we have to show for it? We are now and have been bolstering up a

tottering monarchy in Greece, and there is not peace in Greece; we have poured close to $2,000,000,000 into China behind the leadership of Chiang Kai-shek, and now that country, under Chiang's leadership, has been overrun by the enemy. We appropriated another fifty million for this defunct Chinese Government this week and anyone must know that this money will not bring peace but will continue the struggle until all of China is in the hands of the northern Chinese. There was a halt in this war in an attempt to establish peace, but as soon as we made that appropriation, the northern armies moved ahead on a front of several hundred miles. It does not make any difference how much we pour into China now, the Chiang regime is doomed.

In Indonesia we have turned in guns, ammunition, machines, and money to support the Netherlands against the people of that country struggling for independence. The Netherlands have exploited these islands for a century and a half and have grown rich by taking the natural resources that belong to the people. How can a democracy like ours justify this action against the people of Indonesia?

Our avowed purpose of all this expense is said by the leaders of this Government to be made for the purpose of stopping communism. It is not that the people there are starving—we propose to stop communism. How little do people realize that communism cannot be stopped in this manner.

We will soon be called upon to vote billions for the North Atlantic Pact, which is for the same purpose—stop communism. My observation on communism is that it never develops anywhere unless the people are in distress, are suffering, and are being prevented from living. Communism is similar to the germs of tuberculosis. That you and I do not have tuberculosis is not due to the fact that we are not exposed to germs, for those germs are all around us every day and night. If the body remains strong, these germs can make no headway, but if from some cause the body becomes weakened, those germs have a free hand to develop, and the patient dies.

If this country became too weak and feeble, through the draining of our cash, credit, and natural resources, until the people of the United States are in distress, with millions hungry, unhoused, and unclothed, the germs of communism will have a fertile field here for development. Are we not weakening ourselves when we give away billions and billions to be paid out of the labor and the natural resources of this land for generations yet to come? Are we not hastening the time when that germ of communism will flourish in America?

It will not take so long to do this with an ever-increasing tax burden, with an ever-increasing cost of living, with an ever-increasing number of unemployed people. I think this is tragic. We have the greatest experiment of government that man has enjoyed on this earth; we can keep it for the people; we can leave it in the hands of the people for the protection of the weak, as well as the strong. As a member of a family that has been on these shores since 1634, as a member of a family that has fought in every war this country ever had, as a member of a family of the old pioneers who crossed the Appalachian Mountains into the great prairies of the West, as a member of a family who built homes and cleared fields in a wilderness, no honest person can doubt my sincerity when I say that I am fearful that all these European entanglements and our intermeddling in all parts of the world will in due time bring destruction to a government that has been great and will continue to be great if we do not desert the fundamentals upon which it is built. I am against this appropriation and will vote "no." I dislike to disagree with many good friends in this House, yet this duty seems clear to me and I will discharge that duty as I see it and let the chips fall where they may.

Mr. KEE. Mr. Chairman, I yield 5 minutes to the gentleman from Kentucky [Mr. PERKINS].

Mr. PERKINS. Mr. Chairman, the few remarks that I will make in the time allotted to me will be directed to those who oppose this bill in toto. I wish, though, at the outset to express my unqualified support of the extension of the European recovery program.

The gentleman from New York a few moments ago asked what the Marshall plan has done for Italy. I think that if he would ask himself two questions he would see that the statements that he made are not well founded, and would alone justify our support of this measure, and those questions are, Who in Italy is opposing the Marshall plan? The answer, it is the Communists, and they are the only people in Italy who are opposing the Marshall plan. Second, Why? Because they are getting the rug pulled out from under them. I want to concur in the views expressed by the other gentleman from New York, because I think he effectively answered the previous gentleman's statement.

Mr. Chairman, we all realize the conditions existing in a disrupted Europe 1 year ago, and which had existed since the end of the war. There were hundreds of thousands of people without homes and the roads were clogged with refugees. Through necessity hundreds of cities had been destroyed by our bombers and the industry in western Europe devastated. That is why, when our then great Secretary of State, General Marshall, propounded the idea of help for a Europe willing to help itself, although I was not in Congress, I thought the idea an admirable one and worthy of support. Now, after the program has been tried for 1 year, I wish to state briefly my reasons for supporting this gigantic effort of our people on behalf of the western areas of Europe.

In the final analysis, when we begin to search our hearts for the reasons why we wish to help Europe, we must conclude that the great humanitarian interest which the United States has always shown for people less fortunate than we are stems from the fact that deep in our consciousness we still feel the responsibility of the older brother. Call it sentiment if you will, but this feeling, nevertheless, persists in practically everything which the United States has done since she organized herself as a nation on these western shores, and I trust that this feeling will persist. I do not have to draw your attention to the help given by us to the other peoples during the last 150 years. Our present concern is to help Europe, and I think the call is for us to get on with the job.

In addition to our great humanitarian interest, I would say that another fundamental reason for this foreign aid is our national self-interest. We simply cannot afford to let Europe be taken over by an ideology that is so diverse and opposite to our own ideas of life.

When people have nothing to live for except misery and want, then communism steps in and gives them the idea that they can help themselves at the expense of others. This philosophy we must fight to the utmost. We do not wish to help Europe to help herself at the expense of others. Rather have we assured her that if she initiates efforts herself to attain economic stability that the United States will step in and assist the process. For this very purpose we are extending ourselves in a vast program which is actually a challenge to us to do the best we can in time of peace, just as we did the best we could in time of war. In spite of the fact that we have incurred this moral obligation to help Europe, many people complain that we cannot afford to help Europe. But, Mr. Chairman, I say that we cannot afford not to help Europe.

Let us look at the picture as it exists today and measure the success of the European recovery program. Such success is very evident in various fields. First of all, I would measure the success in terms of prevention. Our European recovery program has—

First. Prevented starvation in France, the Netherlands, Germany, and Italy, and near-starvation in Great Britain.

Second. Prevented the almost complete stoppage of the flow of goods through orderly trade channels among European nations.

Third. Prevented the desperate efforts of Communist unions to block the pipe lines governing the flow of raw materials to industry in Europe.

Fourth. Prevented the collapse of morale in western Europe that would surely have followed another winter of hardship and consumption at or below wartime levels.

Fifth. Prevented or, I should say, alleviated the psychological fear of war from creating a paralysis in the various economies subject to aggressive tactics from the U. S. S. R.

Sixth. Prevented, by widespread fiscal cooperation, the spread of black markets that would have undermined the strength of various European nations.

Seventh. Prevented a further depressing of the standard of living by helping to increase agricultural and industrial production with the supply of raw materials so urgently needed.

Eighth. Prevented a serious retardation in the rebuilding of war-devastated areas.

Ninth. Lastly, it has prevented a closing up in the vision of European statesmen and enlarged their horizons for optimistic planning with the assurance of American aid.

Another point in favor is the success of obtaining cooperation for future planning. Never in the history of Europe have we found 19 countries cooperating and sitting down, as it were, to discuss among themselves just what they could do to help themselves. Yet, in Paris we find the Office of the European Economic Cooperation, composed of 19 areas of western Europe, making specific plans for their own national recovery and then integrating these plans into an overall plan for the recovery of western Europe. Much credit is due the Economic Cooperation Administration, here in Washington and in the overseas offices, for attaining such cooperation, in which separate nations are willing to forget their differences so as to achieve economic well-being.

May I inject a few extra words in another direction? After World War I the United States Government and United States private investors spent approximately $10,000,000,000 in Europe haphazardly and without any plan. These turned out to be almost completely lost in the end. In fact, it seems as if the money thus invested actually helped to prepare for another world war. At the end of this last war the United States Government and private investors began investing their money again in Europe.

However, this time the investment and help thus given is according to plan, a plan previously agreed to by the nations receiving the aid. The aid is given for economic rehabilitation and cannot be misused merely for certain industries which might be converted into war industries. I would say that even if this effort costs us fifteen additional billion dollars in the end, the planning between us and the European nations will result in an economic rehabilitation, a rehabilitation which will prevent western Europe from going Communist. It seems to me that if our vast expenditure enables Europe to recover and to halt communism the money will be well spent.

Another point in favor of the European recovery program is the effect this program has on our own national economy. Our industries are working at full blast, not merely turning out goods for overseas but they are actually being stimulated toward increasing production for ourselves by these additional orders. Our farmers were geared to high production by the needs of the last war and now are keeping up that production. I do not think that this program is going to exhaust us, or, as some claim, exhaust our national resources, to the point where we will have nothing left. I feel, rather, that it is a stimulant, which our economy can stand and which cannot result in anything but good to us.

We have furthermore the picture of an ever-increasing volume of trade in western Europe and between western and eastern Europe. We have the picture of the standard of living being raised in all areas. We have the picture of technical assistance being given to many industries in Europe to produce goods needed in Europe. We have the picture of great areas being rehabilitated, as well as a picture of gradual integration toward an economic and political union. Just when this economic and political union will be achieved I cannot say, but, Mr. Chairman, the evidences are there that a good beginning has been made.

Finally, Mr. Chairman, I wish to stress the fact that this great effort of ours on behalf of Europe is meeting with singular success, since the countries behind the iron curtain are becoming very much interested. Russia and her satellites are contemplating and are even now taking steps toward organizing a similar program for themselves. Imitation is the sincerest form of flattery, Mr. Chairman. Maybe the European recovery program will result in teaching the people behind the iron curtain the democratic principle so very evidently lacking there today, namely, that free peoples produce more for themselves than those not so free.

Thus, Mr. Chairman, I wish to reiterate my approval of the European recovery program, and feel that we should extend the program till we have achieved the success which the program so well merits.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. JACKSON].

Mr. JACKSON of California. Mr. Chairman, in common with the other Members of the House, I took great interest in the colloquy between the two gentlemen from New York. I think, in order to set a proper backdrop to the situation in which we find ourselves today with respect to this legislation, it is necessary to go back to find out why a program of this kind was necessary, why we had a Marshall plan, as it was originally known—a European recovery program, as it later became known, or an ECA, as it is now called. Was it merely because we wanted to play God to the rest of the world or because we wanted to take billions of dollars and pour them into Europe fruitlessly, without any hope of return? I think not, Mr. Chairman. I think we undertook this great program as the most completely altruistic move that any nation has ever undertaken in history.

We had just emerged from the greatest holocaust of war the world had ever known. When our armies and our fleets and our air forces streamed homeward to demobilization, the men and women of our armed forces came back hoping to find the world of peace for which they had fought so courageously. We put our fleets into moth balls, so to speak. We demobilized our great standing armies. Our fleets of the air rotted on beachheads and in steaming jungles. We were prepared to beat our sword into a plowshare.

And then the world became aware, almost on an instant, of a force which was not prepared, quite evidently, to meet our moves with respect to the creation of a better and a finer world. Our great ally, the Soviet Union, which had achieved victory to a large extent because of the products of our mines and our mills and our forests, withdrew behind what came in time to be known as an iron curtain, and instead of demobilization there filtered out to the outside world the word of a standing army of 5 to 6 million men under arms and of 14,000 military aircraft, in a state of immediate and constant readiness. So the world found it had put down one great aggression only to face another, and it faced it reluctantly.

In June of 1947, a world was in despair. The grim realities of a postwar aggression were confronting the peoples of western Europe. The hope of a just and lasting peace and the promise of a better day for all men had in the course of the few short months since the victory of the Allies over the foes of freedom, turned to ashes in the grip of freemen.

It is not necessary to dwell overlong on the condition which culminated in this world-wide despair. It is not necessary to stress the propaganda barrage of hate that flowed for 24 hours of each day across the lives and the lands of men and women whose hearts were filled with fear.

And not only the human equation appeared insoluble. The economies of western Europe, shattered and tottering in the immediate postwar era, seemed demolished almost beyond hope of repair. With industry paralyzed and ordinary commercial transactions banned by internal turmoil and international problems in nonconvertability, it seemed indeed that the augurs for a world Communist state were not to be denied.

Thinking men in all nations realized that such a drifting course of total inaction in the face of widespread suffering on every hand, could but inevitably strengthen the claims of the Communist aggressors that freemen were incapable of working together for the common good, or of finding and clearing the channels of cooperative effort so necessary if the Old World was to overcome the difficulties of different languages, different cultures, yes, if you please, of a dozen varying concepts of government.

But there was still a hope to be taken by men brave enough to tackle a desperate job, and there were men who were not affrighted by the complexities of the task before them. Secretary Marshall laid the first brand to a new beacon of hope, when he outlined, in a Harvard speech in June of 1947, the several things which must be done to meet the threat of total collapse of the economy of a world in turmoil.

The requisites were few, and in every case, demanded a measure of sacrifice on the part of the participating nations. None knew better than the men who met in Paris to draft the initial bill of particulars, how vast was the task confronting them. Our bill in terms of dollars was a tremendous one, but the real job of resistance to the insidious spread of Communist philosophy had to be done by the nations of western Europe.

As you will recall, Mr. Chairman, the Soviet reaction to the announcement of the Paris agreement was a most violent one. The enemies of the program, and there are many of them, embarked upon a course designed to sabotage the ECA program with every weapon of propaganda and subversion known to human

mind. Armed force and industrial uprisings were called upon in many lands to prevent the implementation of a program, the success of which could only add courage and strength to those who were resisting political infiltration, social revolution, and the threat of military force.

How well the job was done needs no elaboration here. The red tide, which lapped at the parliamentary foundations of every nation in western Europe has receded. In every land where free elections still obtain, the Communists and their allies have lost strength in popular representative bodies. Given a standard of hope around which to rally, free labor, industry, capital, religion, and all of the spiritual forces which sustain men in trouble have combined to cast out fear and to work together for the salvation of the freedom of man.

Europe has today turned its back upon the twisting and tortuous path which leads backward to the pyramids, and has chosen instead to work out human and national destinies through a tremendous effort in self-help and mutual cooperation. Men are still the masters of government in western Europe, and the fact that they are is testimony not only to their courage, but to the enlightened self-interest of this Nation in providing the dollars which were and are so necessary to relieve suffering, regulate currencies, and rehabilitate the traditional industrial self-sufficiency of the recipient nations.

There will be those who will say that the cost of such a program as this cannot be borne by our own economy without serious threat, but to those I would only say that 6 months of war—inevitable if the red tide submerges freedom in every land except our own—would cost a frightful sum out of all proportion in human lives to the project which we are here considering. Here is a program no less vital to the national security, the national welfare, and the national interest of the United States than is the maintenance of fleets and armies and air forces. To extinguish the beacon of hope when it has only commenced to flame, is to plunge our world and our times into a terror that can only result in disaster.

I know and respect the value of a dollar. In common with the gentleman from Pennsylvania [Mr. RICH], I am frequently moved to ask, "Where do we get the money?" A year ago I said that I considered this measure to be the best insurance we could take out against another and devastating war. Nothing has transpired in the first year of operation to alter my opinion in any respect.

I do not say, nor would my words be worthy of any consideration if I did say, that this program has been perfect in its every expression. It has suffered from the same faults peculiar to any new legislative expression. Nor would I contend, Mr. Chairman, that the implementation of the program has been without imperfection. But what I do say is that the ECA program has succeeded in the first year of operation far beyond the hopes of those who framed the basic law or administered it in the field.

It is possible that this Committee will wish to work its own will in some degree upon the measure reported by the Committee on Foreign Affairs. Certainly, that is right and proper, and should be done. There are few points which will be discussed, few amendments which will be considered which have not already had a full measure of discussion and consideration, but, again, it is the duty of this body to consider carefully the handiwork of any and all of its lesser agencies.

But I would urge this body not to lend validity to the claims of international communism that in our pursuit of the program that we seek to dump our own unwanted goods abroad or seek to impress a dollar imperialism upon the other nations of the earth. Such claims have to this time fallen of their own weight, for where is the imperialistic design that seeks to strengthen proposed victims? The snake lends no measure of its venom to the bird, nor the lion its strength to the sheep. Nor have we, as a nation, sought unfair advantage of those we have attempted to help.

For my part I am happy to have played a minor part in the drafting of the original legislation which worked so well in practice that few amendments were considered necessary by the committee last year. I regret, together with other members of the minority on the committee, that no action with respect to China has been considered in this bill, but that fact in no way influences my determination to seek prompt action on the legislation we are now considering.

We are winning the fight, Mr. Chairman, and this is no time to resort to defensive measures nor to retreat 1 foot over the ground we have won. We have the initiative today—we and those who stand shoulder to shoulder with us in this crucial hour. Let us press on, not so much counting our dollars as we move forward to the goal of freedom from fear but counting rather the cost which may have to be met if we fail.

The eyes of the world are upon this body, Mr. Chairman. They are eyes in which hope has replaced terror and eyes which once again may look to God and each other with faith in each and in ultimate justice.

Mr. KEE. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. MCGRATH].

Mr. MCGRATH. Mr. Chairman, we were asked a few minutes ago what this ECA had done for Italy. The gentleman from New York [Mr. MARCANTONIO] posed that question, and I think we should answer him today and say that this plan defeated communism in Italy. When we had an election there some months ago, the people of that country, mindful of its glorious history and its contributions to the world, stood up and before their God and before their fellowman they decided to go along the road of democracy. We can thank this plan and this program for that great victory against the godlessness of Russian philosophy.

I cannot in the 3 minutes allotted to me by the distinguished chairman of the committee answer all of the questions that have been raised. But well do I recall that election when in New York, under the leadership of the great Italian-American Generoso Pope, how he organized Italian relief. We raised funds in my county alone amounting to over $18,000 for the people who were suffering there.

Mr. LODGE. Mr. Chairman, will the gentleman yield?

Mr. MCGRATH. Not at this time. And in other parts of the country we did the same thing. Letters poured in with the message, "We are suffering," "We need clothing," "We need food." But after the Marshall plan came into being those letters ceased, and the ones which did come into our country and which still come in today are letters of hope, because the people of Italy have faith—faith in America, and because they follow the leadership of our Government and the guidance of Pope Pius XII in asking them to make a choice between communism and democracy. They have made a great contribution in years gone by in the arts, in the sciences, and in culture. The world will ever be indebted to those glorious sons and daughters of Rome and Naples, and every other part of Italy. But no greater contribution has been made by the people of that land than the result of the election. That was a great contribution to the forces of democracy.

In 3 minutes I cannot answer the details that have been given by my distinguished colleague from New York. At the proper time I hope we can talk on those figures that were cited. The answer is that there would have been a greater degree of success had not the Communists done everything they could by strikes and by attempts to sabotage our every effort, by their campaign to destroy and to bring Italy into the power of the Communist Party.

I now yield to the gentleman from Connecticut.

Mr. LODGE. I wish to say to the gentleman that I agree entirely with his statement. It may very well be that those who oppose the Marshall plan in Italy oppose it because it has succeeded and because it is preventing the Communists from taking over.

Mr. MCGRATH. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. KEE. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri [Mr. CHRISTOPHER].

Mr. CHRISTOPHER. Mr. Chairman, I wish to use these 2 minutes to refer to statements made by the gentleman from Illinois regarding the $11,000,000,000 of lend-lease that was extended to Russia. I do not stand before this House holding any brief for Russia, but I still believe in giving everybody his due, even the Devil.

That $11,000,000,000 bought food, ammunition, guns, and airplanes that enabled Russia to nail down 32 German armored divisions in western Russia so

tight that they could not get away to oppose our landing on the Normandy beachhead. Those $11,000,000,000 of lend-lease that went to Russia are part of the most justifiable expenditure that we made during the war; for if those 32 German armored divisions could have gotten loose and arrived at the proper time on those Normandy beachheads, we either would have failed to land on those Normandy beaches or we would have had 2,000,000 more white crosses there with an American soldier boy under each one of them. Thank God for the $11,000,000,000 that went to Russia in lend-lease. If it was a mistake I have still to find it out.

Now, in what little time I have left I want to refer to the statement of one of the gentlemen from New York regarding the poverty that exists at the present time in Italy and I want every one in this House to get this: Italy has only a small fraction of good agricultural soil left in that country for each one of her inhabitants. Therefore, at some time in the foreseeable future those folks are going to be hungry unless they import food. I want the Members of this House also to remember that when the agricultural bills come to the floor for consideration. Let us take care that we do not get our 3½ acres apiece down to four-tenths of an acre and get to starving like the people of those countries are starving.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. KEE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3748) to amend the Economic Cooperation Act of 1948, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. BLAND asked and was given permission to revise and extend the remarks he made in Committee this afternoon, and to include therein a bill, H. R. 1340, the report thereon, and also the Magnuson amendment to a Senate bill.

Mr. MARTIN of Massachusetts asked and was given permission to extend his remarks in the RECORD and include an article on the repeal of the excise taxes appearing in the Saginaw (Mich.) News.

Mr. McGRATH asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. IRVING asked and was given permission to extend his remarks in the Appendix of the RECORD and include two letters and a telegram.

Mr. DOYLE asked and was given permission to extend his remarks in the Appendix of the RECORD and include appropriate material.

Mr. McKINNON asked and was given permission to extend his remarks in the Appendix of the RECORD and include a few articles.

Mr. BOLTON of Maryland asked and was given permission to extend his remarks in the RECORD.

HOUR OF MEETING ON MONDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock on Monday next. I might observe that there is about three-fourths of an hour remaining for general debate on the ECA bill, after which we will proceed under the 5-minute rule. I make that statement so that all Members may govern themselves accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HAYS of Ohio, for April 9, 1949, on account of official business.

Mr. CHESNEY, for April 9, 1949, on account of official business.

Mr. TAURIELLO, for April 9, 1949, on account of official business.

To Mr. GORSKI of New York, for April 9, 1949, on account of official business.

To Mr. McGUIRE, for April 9, 1949, on account of official business.

To Mr. WAGNER, for April 9, 1949, on account of official business.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 21 minutes p. m.) the House, under its previous order, adjourned until Monday, April 11, 1949, at 11 o'clock a. m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MAHON: Committee on Appropriations. H. R. 4146. A bill making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the National Military Establishment for the fiscal year ending June 30, 1950, and for other purposes; without amendment (Rept. No. 417). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H. R. 2682. A bill to amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes; with amendments (Rept. No. 418). Referred to the Committee of the Whole House on the State of the Union.

Mr. REED of New York: Committee on Ways and Means. H. R. 3932. A bill to exempt artificial limbs from duty if imported for personal use and not for sale; with amendments (Rept. No. 419). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 3825. A bill to amend the Federal Crop Insurance Act; with amendments (Rept. No. 420). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MAHON:

H. R. 4146. A bill making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the National Military Establishment for the fiscal year ending June 30, 1950, and for other purposes; to the Committee on Appropriations.

By Mr. BOLLING:

H. R. 4147. A bill to provide for the general welfare by enabling the several States to make more adequate provisions for the health of school children through the development of school health services for the prevention, diagnosis, and treatment of physical and mental defects and conditions; to the Committee on Interstate and Foreign Commerce.

By Mr. HARRIS:

H. R. 4148. A bill to provide for the appointment of a deputy disbursing officer and assistant disbursing officers for the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. JOHNSON:

H. R. 4149. A bill to prohibit the transportation of certain highly combustible fabrics in interstate commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LARCADE:

H. R. 4150. A bill to amend the Emergency Price Control Act of 1942, as amended, relating to actions for civil liabilities for violation of the Emergency Price Control Act; to the Committee on Banking and Currency.

By Mr. MARSALIS:

H. R. 4151. A bill to grant the consent of the United States to the Arkansas River Compact; to the Committee on Public Lands.

By Mr. MURDOCK:

H. R. 4152. A bill to approve repayment contracts negotiated with the Bitter Root irrigation district, the Shasta View irrigation district, the Okanogan irrigation district, the Willwood irrigation district, the Uncompahgre Valley Water Users' Association, and the Kittitas reclamation district, to authorize their execution, and for other purposes; to the Committee on Public Lands.

By Mr. TALLE:

H. R. 4153. A bill to amend subchapter A of chapter 10 of the Internal Revenue Code, relating to the tax on admissions; to the Committee on Ways and Means.

By Mr. WELCH of California:

H. R. 4154. A bill to authorize investigations by the Bureau of Reclamation to the end of providing for the fullest utilization of the Nation's water resources; to the Committee on Public Lands.

By Mr. GORSKI of Illinois:

H. R. 4155. A bill to provide for the extension of patents whenever the use of the same has been prevented by war or other causes and providing for the extension of patents for persons who serve in the military or naval forces of the United States during a war; to the Committee on the Judiciary.

By Mr. ALLEN of Louisiana:

H. R. 4156. A bill disclaiming and reconveying any interest of the United States to the mineral rights in the lands comprising the Pearson Artillery Range, Louisiana; to the Committee on Armed Services.

By Mr. O'BRIEN of Michigan:

H. R. 4157. A bill to provide for the general welfare by enabling the several States to make more adequate provision for the health of school children through the development of school health services for the prevention,

diagnosis, and treatment of physical and mental defects and conditions; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. KEATING:

H. R. 4158. A bill for the relief of Concetta Caricchio; to the Committee on the Judiciary.

By Mr. MANSFIELD:

H. R. 4159. A bill for the relief of E. E. Drury & Sons, Troy, Mont.; to the Committee on the Judiciary.

H. R. 4160. A bill for the relief of Kalispell Pole Co., Kalispell, Mont.; to the Committee on the Judiciary.

By Mr. PHILLIPS of California:

H. R. 4161. A bill for the relief of Robert Marshall and Mrs. Myrtle I. Marshall; to the Committee on the Judiciary.

H. R. 4162. A bill for the relief of Otis Pippin and Imogene Pippin; to the Committee on the Judiciary.

H. R. 4163. A bill for the relief of Mr. and Mrs. C. S. Walker; to the Committee on the Judiciary.

H. R. 4164. A bill for the relief of Norman Otis Pippin; to the Committee on the Judiciary.

By Mr. SASSCER:

H. R. 4165. A bill for the relief of Katherine H. Clagett; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

537. By Mr. BARING: Senate Joint Resolution 5, State of Nevada, approved by Governor Pittman on March 29, 1949; to the Committee on Banking and Currency.

538. By Mr. IRVING: Memorial of the House of Representatives of the State of Missouri, urging the immediate construction of the Turtle Creek Reservoir for control of the Big Blue River near Manhattan, Kans., as necessary for the stoppage of flood hazards on the Missouri River in the State of Missouri; to the Committee on Public Works.

539. By the SPEAKER: Petition of Mrs. Wallace Johnson and others, Oneonta, N. Y., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

540. Also, petition of T. S. Kinney and others, Orlando, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

541. Also, petition of F. A. Hart and others, Wauchula, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

542. Also, petition of Ella Dewitt and others, New Smyrna Beach, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

543. Also, petition of Virgilio Pino and others, Tampa, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

544. Also, petition of Mrs. Ruth Burns and others, West Palm Beach, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

545. Also, petition of Mrs. Fannie R. Shearer and others, West Palm Beach, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

546. Also, petition of E. H. Thomas and others, Tice, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.